



DR NKOSAZANA DLAMINI- ZUMA LOCAL MUNICIPALITY PRESENTS 2024/25 ADJUSTMENT BUDGET

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1. PURPOSE OF THE REPORT

The purpose of the report is to present the revised approved annual budget through an adjustment budget as there have been changes on anticipated revenue and expenditure in terms of MFMA.

~~2. BASIS AND BACKGROUND ON THE PREPARATION OF ADJUSTMENT BUDGET~~

(a). The Mid-Year Budget and Performance Assessment report (section 72 report) was prepared for Dr Nkosazana Dlamini Zuma municipality and presented to Council on the 22 January 2025 and after that process of the Mid-Year Budget and Performance Assessment report a decision for Adjustment budget preparation was taken.

The 2024/2025 Adjustments budget is prepared in accordance with Municipal budget and regulations, promulgated in government gazette No. 32141 dated 17 April 2009, MFMA, Act No. 56 of 2003 and guidelines and assumptions outlined on Treasury Circular for Mid-Year Assessment and Adjustment Budget of 2024/25, taking into consideration the following aspects;

- National budget assumptions, guidelines and projections;
- Alignment with national and provincial priorities;
- Headline inflation and gross domestic products forecasts; and
- Revenue assumptions with regard to grants allocation in terms of DORA.
- Municipal budget underlying assumptions, guidelines and projections;
- Anticipated own revenue from rates and services charge, sundry charges and other revenues and affordability of ratepayers and consumers of services;
- The ability of municipality to collect revenue (payment level);
- Operating expenditure cost drivers and growth thereof;
- Capital budget funding model;
- Protecting the poor by ensuring access to basic services

According to the Mid-Year Budget and Performance assessment report presented to Council it was recommended to Council that the 2024/2025 annual budget be amended to revise projections for revenue and expenditure amongst the different votes because the actual expenditure and actual revenue for the past six months were not the same as anticipated. The heavy rains have affected many of our infrastructure projects, especially our road networks. Shifting of funds from non-essential activities to infrastructure maintenance has been considered as well.

PART 1 – ADJUSTMENT BUDGET

1.1 MAYOR'S REPORT

2024/2025 Adjustment budget presentation by her Worship the Mayor Councillor PS. Msomi at Dr Nkosazana Dlamini-Zuma Local Municipality in February 2023.

Honourable Speaker, I am pleased to officially present an overview of 2024/2025 Adjustment Budget in terms of MFMA where we report on how the municipality anticipates ensuring that Service delivery priorities, as identified in the Integrated Development Plan (IDP) are funded and implemented. The MFMA states that “a municipality may revise an approved annual budget through an adjustments budget”

(a) Must adjust the revenue and expenditure estimates downwards if there is material under-collection of revenue during the current year;

(b) may appropriate additional revenues that have become available over and above those anticipated in the annual budget, but only to revise or accelerate spending programmes already budgeted for;

(C) may, within a prescribed framework, authorise unforeseeable and unavoidable expenditure recommended by the mayor of the municipality;

(d) May authorise the utilisation of projected savings in one vote towards spending under another vote;

(e) May authorise the spending of funds that were unspent at the end of the past financial year where the under-spending could not reasonably have been foreseen at

the time to include projected roll-overs when the annual budget for the current year was approved by the council;

(f) May correct any errors made in the annual budget; and

(g) May provide for any other expenditure within a prescribed framework.

The adjustment budget has been prepared considering the provision of the MFMA as stated above and in other sections of the MFMA as well as treasury regulations and circulars.

Our main Objective as the municipality is to ensure that the communities of the Dr Nkosazana Dlamini-Zuma Local Municipality get access to basic services and thus we are confident that this adjustment budget has been compiled to ensure that this happens.

Our adjustment budget for the 2024/2025 financial year, being the third adjustment budget in our term of office, demonstrates Council desire to further the development of infrastructure to provide basic services to all our people despite the negative effects of the Covid-19 pandemic. This adjustment budget strives to demonstrate the compassion the Municipality has for its citizens.

Honorable Speaker, this year's adjustment budget underlines the mid-year revenue and expenditure framework of the municipality in the context of a fragile macroeconomic environment and outlook.

The 2024/25 adjusted medium term expenditure framework, consisting of total revenue of R294, 8million, consolidated budget 2024/25 financial year adjustment budget will positively impact on the ability of this municipality to respond to the basic needs of the community and by providing critical infrastructure to our community.

As a progressive municipality, we also aim to give hope to our youth through skills based training, provide economic opportunities and an enabling environment for businesses to flourish. Despite the fact that this adjustment budget is crafted under tough economic times it is envisaged to steer the municipality through the tough economic environment we operate in and is also underpinned by cost containment measures which will allow a cost conscious spending.

I would also like to thank all the stakeholders who supported the municipality in the past years and current year, your dedication has led to an unqualified audit opinion in the past years as well as in 2023/2024 as included in the Annual Report.

Considering the above explanation, I hereby recommend that the council may approve the 2024/2025 Adjustment Budget.

I thank you.

Honourable Mayor
Councillor PS. Msomi

1.2 RESOLUTIONS

It is recommended that the council:

Notes and adopt the Adjustment Budget for 2024/2025 financial year and supporting documentation.

1.3 EXECUTIVE SUMMARY

The 2024/2025 Adjustments Budget for Dr Nkosazana Dlamini Zuma Municipality has been prepared in terms of the guidelines contained in Section 28(2) of the MFMA and furthermore ensures that the municipality continues to deliver on its core mandate and identified priorities, achieves its strategic goals and entails prioritising all available resources towards addressing the basic needs of its citizens.

The aim for the compilation of the 2024/2025 Adjustments Budget is to align the expenditure to the anticipated revenue and ensure that the budget is adequately funded. Heads of Departments were requested to identify areas where possible savings were identified in order to address those where additional funding was required.

In compiling the Adjustment Budget for the 2024/2025 financial year, the under mentioned principles gave guidance to the compilation of the adjustment budget;

- The budget must be funded as required by Section 18 of the MFMA, which states that, an annual budget may only be funded from –
 - a) realistically anticipated revenues to be collected;
 - b) cash-backed surpluses from previous years not committed for other purposes; and
 - c) borrowed funds, but only for the capital budget referred to in section 17(2).
- Revenue projections in the budget must be realistic, taking into account –
 - a) projected revenue for the year taking into account collection levels to date; and
 - b) Actual revenue collected in the previous financial years.

The application of sound financial management principles to ensure that the Municipality gets the Clean Audit is essential and critical and to ensure that the Municipality's remains financially viable and that municipal services are provided sustainably, economically and equitably to all communities.

The Municipality's business and service delivery priorities were reviewed as part of this year's planning and budget process. Where appropriate, funds were transferred from low- to high-priority programmes to maintain sound financial stewardship. A critical review was also undertaken of expenditures on non-core and 'nice to have' items. This has resulted in savings to the municipality.

The Provincial Treasury's Circular for Adjustment budget and Mid-Year Budget Assessment of 2024/25 was also used to guide the compilation of 2024/25 Adjustment Budget, comments on the 2024/2025 Mid-Year Budget and Performance Assessment report and the following were also taken into consideration;

- a) Revenue Reports on all revenue streams of Dr Nkosazana Dlamini-Zuma Local Municipality / allocation and grant receipts and expenditure for the past six months,
 - i) The Budget Versus Actual Expenditure report on all budgeted votes / budget statement
 - ii) Service delivery implementation plan as it sets the service targets and performance indicators for Dr NDZ Municipality
 - iii) Section 71 reports as submitted to National and Provincial Treasury which are used by the National Treasury and other stake holders for budget monitoring purposes
 - iv) Approved roll overs grant

The Operating Revenue is estimated at R294,8 million and that is R3,2 million increase when compared to original budget. Following the call by national government to control government spending by implementing the cost containment measures, the expenditure budget has been kept to the bare necessities. The Operating expenditure together with contracted services is proposed at R293,1 million which reflects an increase of R 2,9 million to the original budget due to unavoidable municipal running costs such wet fuel following high increase of loadshedding stages currently being implemented, security services provision and repairs and maintenance after the heavy rains that destroyed many on our road infrastructure.

Capital expenditure is set to decrease by 4% from R 90,5 million of the original budget to R86,6 million.

Summarily the budget can be reconciled as reflected in the below table.

EXPENDITURE TYPE	APPROVED BUDGET	TOTAL AMENDMENTS	ADJUSTMENT BUDGET	% CHANGE
Operating Expenditure	290 133 305,00	2 992 757,09	293 126 062,09	1%
Capital Expenditure	90 550 823,00	- 3 917 691,13	86 633 131,87	-4%
Total Budget	380 684 128,00	- 924 934,04	379 759 193,96	

Overview of budget Policies and budget funding

Budget Related Policies

There are no changes to the budget policies proposed in the adjustments Budget.

Budget Funding

The adjustments budget is cash – funded which is an indicator of a “credible” budget. Funding levels are acceptable (inclusive of the Reserve balances), which is remarkable in these economic times, and is sufficient to cover all requirements of the funding and reserves policy.

1.1 ADJUSTMENTS BUDGET TABLES

TABLE B 1 ADJUSTMENT BUDGET SUMMARY

Table B1 below is a summary of Adjustment budget tables extracted from B Schedule. For more information on Adjustment Budget Tables, B Schedule version 6.8 extracted from financial system is attached on the report.

KZN436 Dr Nkosazana Dlamini Zuma - Table B1 Adjustments Budget Summary - 28/02/2025

Description	Budget Year 2024/25									Budget Year +1 2025/26	Budget Year +2 2026/27
	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
	A	1 A1	2 B	3 C	4 D	5 E	6 F	7 G	8 H		
R thousands											
Financial Performance											
Property rates	44 116	44 116	–	–	–	–	474	474	44 589	46 145	48 268
Service charges	4 615	4 615	–	–	–	–	59	59	4 674	4 827	5 049
Investment revenue	16 027	16 027	–	–	–	–	–	–	16 027	16 764	17 535
Transfers recognised - operational	179 345	179 345	–	–	–	–	–	–	179 345	176 312	170 543
Other own revenue	15 821	15 821	–	–	–	–	1 660	1 660	17 481	11 542	12 073
Total Revenue (excluding capital transfers and	259 923	259 923	–	–	–	–	2 193	2 193	262 116	255 590	253 468
Employee costs	102 736	102 736	–	–	–	–	(1 917)	(1 917)	100 819	107 128	112 056
Remuneration of councillors	13 057	13 057	–	–	–	–	1 441	1 441	14 499	13 658	14 286
Depreciation & asset impairment	41 231	41 231	–	–	–	–	8 295	8 295	49 526	37 330	26 267
Interest	1 097	1 097	–	–	–	–	(40)	(40)	1 057	1 148	1 200
Inventory consumed and bulk purchases	7 479	7 479	–	–	–	–	(1 144)	(1 144)	6 335	7 823	8 182
Transfers and subsidies	1 700	1 700	–	–	–	–	157	157	1 857	1 778	1 860
Other expenditure	122 833	122 833	–	–	–	–	(3 801)	(3 801)	119 032	115 364	120 018
Total Expenditure	290 133	290 133	–	–	–	–	2 993	2 993	293 126	284 229	283 870
Surplus/(Deficit)	(30 210)	(30 210)	–	–	–	–	(800)	(800)	(31 010)	(28 638)	(30 402)
Transfers and subsidies - capital (monetary allocations	31 718	31 718	–	–	–	–	1 000	1 000	32 718	32 694	35 256
Transfers and subsidies - capital (in-kind - all)	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	1 508	1 508	–	–	–	–	200	200	1 708	4 056	4 854
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–	–	–
Surplus/ (Deficit) for the year	1 508	1 508	–	–	–	–	200	200	1 708	4 056	4 854
Capital expenditure & funds sources											
Capital expenditure	90 551	90 551	–	–	–	–	(3 918)	(3 918)	86 633	67 619	60 004
Transfers recognised - capital	31 318	31 318	–	–	–	–	1 400	1 400	32 718	32 694	35 256
Borrowing	–	–	–	–	–	–	–	–	–	–	–
Internally generated funds	59 233	59 233	–	–	–	–	(5 318)	(5 318)	53 915	34 925	24 748
Total sources of capital funds	90 551	90 551	–	–	–	–	(3 918)	(3 918)	86 633	67 619	60 004
Financial position											
Total current assets	117 460	117 460	–	–	–	–	41 903	41 903	159 364	94 283	56 813
Total non current assets	623 771	623 771	–	–	–	–	(16 826)	(16 826)	606 945	654 060	687 797
Total current liabilities	91 414	91 414	–	–	–	–	(47 373)	(47 373)	44 042	94 470	85 882
Total non current liabilities	27 427	27 427	–	–	–	–	3 996	3 996	31 423	27 427	27 427
Community wealth/Equity	629 309	629 309	–	–	–	–	69 612	69 612	698 921	633 365	638 219
Cash flows											
Net cash from (used) operating	49 297	49 297	–	–	–	–	113	113	49 411	43 310	33 292
Net cash from (used) investing	(104 138)	(104 138)	–	–	–	–	1 169	1 169	(102 969)	(77 766)	(82 560)
Net cash from (used) financing	–	–	–	–	–	–	–	–	–	–	–
Cash/cash equivalents at the year end	42 327	42 327	–	–	–	–	43 550	43 550	85 877	7 870	(41 398)
Cash backing/surplus reconciliation											
Cash and investments available	42 327	42 327	–	–	–	–	43 550	43 550	85 877	7 870	(41 398)
Application of cash and investments	4 707	4 707	–	–	–	–	(44 632)	(44 632)	(39 924)	(7 464)	(31 352)
Balance - surplus (shortfall)	37 619	37 619	–	–	–	–	88 182	88 182	125 802	15 334	(10 047)
Asset Management											
Asset register summary (WDV)	623 771	623 771	–	–	–	–	(25 121)	(25 121)	598 650	654 060	687 797
Depreciation	41 231	41 231	–	–	–	–	8 295	8 295	49 526	37 330	26 267
Renewal and Upgrading of Existing Assets	17 444	17 444	–	–	–	–	(1 742)	(1 742)	15 702	10 857	3 075
Repairs and Maintenance	17 287	17 287	–	–	–	–	(3 269)	(3 269)	14 018	18 082	18 914
Free services											
Cost of Free Basic Services provided	–	–	–	–	–	–	–	–	–	–	–
Revenue cost of free services provided	22 593	22 593	–	–	–	–	804	804	23 397	23 632	24 719
Households below minimum service level											
Water:	–	–	–	–	–	–	–	–	–	–	–
Sanitation/sewerage:	–	–	–	–	–	–	–	–	–	–	–
Energy:	–	–	–	–	–	–	–	–	–	–	–
Refuse:	–	–	–	–	–	–	–	–	–	–	–

Table B2 Adjustment Budget Financial Performance (Functional Classification)

This table below provides information on the adjustment of revenue and expenditure by functional classification.

KZN436 Dr Nkosazana Dlamini Zuma - Table B2 Adjustments Budget Financial Performance (functional classification) - 28/02/2025

Standard Description	Ref	Budget Year 2024/25									Budget Year +1 2025/26	Budget Year +2 2026/27
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands	1, 4	A	5 A1	6 B	7 C	8 D	9 E	10 F	11 G	12 H		
Revenue - Functional												
<i>Governance and administration</i>		241 744	241 744	-	-	-	-	2 134	2 134	243 878	243 590	241 068
Executive and council		-	-	-	-	-	-	-	-	-	-	-
Finance and administration		241 744	241 744	-	-	-	-	2 134	2 134	243 878	243 590	241 068
Internal audit		-	-	-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		6 624	6 624	-	-	-	-	-	-	6 624	6 836	6 999
Community and social services		4 882	4 882	-	-	-	-	-	-	4 882	5 015	5 093
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-
Public safety		1 741	1 741	-	-	-	-	-	-	1 741	1 821	1 905
Housing		-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		33 472	33 472	-	-	-	-	-	-	33 472	33 031	35 609
Planning and development		322	322	-	-	-	-	-	-	322	337	353
Road transport		33 150	33 150	-	-	-	-	-	-	33 150	32 694	35 256
Environmental protection		-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>		9 801	9 801	-	-	-	-	1 059	1 059	10 860	4 827	5 049
Energy sources		4 786	4 786	-	-	-	-	-	-	4 786	-	-
Water management		-	-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-	-
Waste management		5 015	5 015	-	-	-	-	1 059	1 059	6 074	4 827	5 049
<i>Other</i>		-	-	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	291 641	291 641	-	-	-	-	3 193	3 193	294 834	288 284	288 724
Expenditure - Functional												
<i>Governance and administration</i>		171 081	171 106	-	-	-	-	(1 958)	(1 958)	169 148	166 989	161 237
Executive and council		30 258	30 258	-	-	-	-	1 362	1 362	31 620	31 650	33 106
Finance and administration		135 945	135 970	-	-	-	-	(2 101)	(2 101)	133 869	130 236	122 974
Internal audit		4 878	4 878	-	-	-	-	(1 219)	(1 219)	3 659	5 102	5 157
<i>Community and public safety</i>		42 160	42 675	-	-	-	-	4 895	4 895	47 570	44 099	46 128
Community and social services		21 022	20 997	-	-	-	-	587	587	21 584	21 989	23 000
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-
Public safety		20 099	20 099	-	-	-	-	(736)	(736)	19 363	21 024	21 991
Housing		1 039	1 579	-	-	-	-	5 044	5 044	6 623	1 087	1 137
Health		-	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		56 260	56 050	-	-	-	-	(1 993)	(1 993)	54 058	56 566	59 168
Planning and development		24 550	24 550	-	-	-	-	(4 058)	(4 058)	20 492	25 366	26 532
Road transport		31 710	31 500	-	-	-	-	2 065	2 065	33 565	31 200	32 635
Environmental protection		-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>		15 728	15 398	-	-	-	-	1 978	1 978	17 376	11 445	11 972
Energy sources		4 786	4 786	-	-	-	-	2 361	2 361	7 148	-	-
Water management		-	-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-	-
Waste management		10 942	10 612	-	-	-	-	(383)	(383)	10 229	11 445	11 972
<i>Other</i>		4 904	4 904	-	-	-	-	70	70	4 974	5 129	5 365
Total Expenditure - Functional	3	290 133	290 133	-	-	-	-	2 993	2 993	293 126	284 229	283 870
Surplus/ (Deficit) for the year		1 508	1 508	-	-	-	-	200	200	1 708	4 056	4 854

Table B3 presents the same information on the revenue and expenditure as the table above, the difference being that it's by Municipal vote.

KZN436 Dr Nkosazana Dlamini Zuma - Table B3 Adjustments Budget Financial Performance (revenue and expenditure by municipal vote) - 28/02/2025

Vote Description <i>[Insert departmental structure etc]</i>	Ref	Budget Year 2024/25								Budget Year +1 2025/26	Budget Year +2 2026/27
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget
R thousands		A	3	4	5	6	7	8	9	10	
Revenue by Vote	1										
Vote 1 - EXECUTIVE AND COUNCIL		-	-	-	-	-	-	-	-	-	-
Vote 2 - BUDGET AND TREASURY		241 685	241 685	-	-	-	-	2 134	2 134	243 819	241 003
Vote 3 - CORPORATE SERVICES		59	59	-	-	-	-	-	-	59	64
Vote 4 - COMMUNITY SERVICES		11 239	11 239	-	-	-	-	59	59	11 298	12 048
Vote 5 - PUBLIC WORKS AND BASIC SERVICES		38 336	38 336	-	-	-	-	1 000	1 000	39 336	35 256
Vote 6 - PLANNING AND DEVELOPMNT		322	322	-	-	-	-	-	-	322	353
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	291 641	291 641	-	-	-	-	3 193	3 193	294 834	288 724
Expenditure by Vote	1										
Vote 1 - EXECUTIVE AND COUNCIL		35 136	35 136	-	-	-	-	143	143	35 279	38 263
Vote 2 - BUDGET AND TREASURY		84 095	84 120	-	-	-	-	1 961	1 961	86 081	71 517
Vote 3 - CORPORATE SERVICES		51 851	51 851	-	-	-	-	(4 062)	(4 062)	47 788	51 458
Vote 4 - COMMUNITY SERVICES		41 121	41 096	-	-	-	-	(149)	(149)	40 947	44 991
Vote 5 - PUBLIC WORKS AND BASIC SERVICES		58 685	58 685	-	-	-	-	5 488	5 488	64 174	56 913
Vote 6 - PLANNING AND DEVELOPMNT		19 245	19 245	-	-	-	-	(388)	(388)	18 857	20 728
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	290 133	290 133	-	-	-	-	2 993	2 993	293 126	283 870
Surplus/ (Deficit) for the year	2	1 508	1 508	-	-	-	-	200	200	1 708	4 854

The table above show the difference between revenue and expenditure by municipal vote when comparing the original budget and adjustment budget by municipal vote. The total revenue by vote increased from R 291,1million to R 294,8million and total expenditure by vote increased from R 290,1million to R293,1 million when compared to the original budget.

TABLE B4 ADJUSTMENT BUDGET FINANCIAL PERFORMANCE

This table below provides information on the adjustment revenue by source and adjustment operational expenditures by type.

KZN436 Dr Nkosazana Dlamini Zuma - Table B4 Adjustments Budget Financial Performance (revenue and expenditure) - 28/02/2025

Description	Ref	Budget Year 2024/25									Budget Year +1 2025/26	Budget Year +2 2026/27
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands	1	A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H		
Revenue												
Exchange Revenue												
Service charges - Electricity	2	-	-	-	-	-	-	-	-	-	-	-
Service charges - Water	2	-	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management	2	-	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Management	2	4 615	4 615	-	-	-	-	59	59	4 674	4 827	5 049
Sale of Goods and Rendering of Services		5 419	5 419	-	-	-	-	-	-	5 419	662	693
Agency services		722	722	-	-	-	-	-	-	722	755	790
Interest		-	-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables		-	-	-	-	-	-	-	-	-	-	-
Interest earned from Current and Non Current Assets		16 027	16 027	-	-	-	-	-	-	16 027	16 764	17 535
Dividends		-	-	-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		1 583	1 583	-	-	-	-	-	-	1 583	1 656	1 732
Licence and permits		428	428	-	-	-	-	-	-	428	448	469
Operational Revenue		793	793	-	-	-	-	-	-	793	830	868
Non-Exchange Revenue												
Property rates		44 116	44 116	-	-	-	-	474	474	44 589	46 145	48 268
Surcharges and Taxes		-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		919	919	-	-	-	-	1 660	1 660	2 579	962	1 006
Licences or permits		19	19	-	-	-	-	-	-	19	20	21
Transfer and subsidies - Operational		179 345	179 345	-	-	-	-	-	-	179 345	176 312	170 543
Interest		5 937	5 937	-	-	-	-	-	-	5 937	6 210	6 496
Fuel Levy		-	-	-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		-	-	-	-	-	-	-	-	-	-	-
Other Gains		-	-	-	-	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		259 923	259 923	-	-	-	-	2 193	2 193	262 116	255 590	253 468
Expenditure By Type												
Employee related costs		102 736	102 736	-	-	-	-	(1 917)	(1 917)	100 819	107 128	112 056
Remuneration of councillors		13 057	13 057	-	-	-	-	1 441	1 441	14 499	13 658	14 286
Bulk purchases - electricity		-	-	-	-	-	-	-	-	-	-	-
Inventory consumed		7 479	7 479	-	-	-	-	(1 144)	(1 144)	6 335	7 823	8 182
Debt impairment		4 746	4 746	-	-	-	-	(3 200)	(3 200)	1 546	3 703	3 873
Depreciation and amortisation		41 231	41 231	-	-	-	-	8 295	8 295	49 526	37 330	26 267
Interest		1 097	1 097	-	-	-	-	(40)	(40)	1 057	1 148	1 200
Contracted services		68 110	67 780	-	-	-	-	(1 850)	(1 850)	66 930	61 302	63 469
Transfers and subsidies		1 700	1 700	-	-	-	-	157	157	1 857	1 778	1 860
Irrecoverable debts written off		3 900	3 900	-	-	-	-	(2 200)	(2 200)	1 700	4 079	4 267
Operational costs		46 077	46 407	-	-	-	-	3 450	3 450	49 857	46 281	48 410
Losses on disposal of Assets		-	-	-	-	-	-	-	-	-	-	-
Other Losses		-	-	-	-	-	-	-	-	-	-	-
Total Expenditure		290 133	290 133	-	-	-	-	2 993	2 993	293 126	284 229	283 870
Surplus/(Deficit)		(30 210)	(30 210)	-	-	-	-	(800)	(800)	(31 010)	(28 638)	(30 402)
Transfers and subsidies - capital (monetary allocations)		31 718	31 718	-	-	-	-	1 000	1 000	32 718	32 694	35 256
Transfers and subsidies - capital (in-kind)		-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		1 508	1 508	-	-	-	-	200	200	1 708	4 056	4 854
Income Tax		-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax		1 508	1 508	-	-	-	-	200	200	1 708	4 056	4 854
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		1 508	1 508	-	-	-	-	200	200	1 708	4 056	4 854
Share of Surplus/Deficit attributable to Associate		-	-	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		1 508	1 508	-	-	-	-	200	200	1 708	4 056	4 854

Operating Revenue

The revenue by source has increase from R259, 9 million to R262, 1 million in the adjustment budget and that is R2, 2 million increases when compared to the original budget. The contributing factors to this increase in revenue sources such as Property rates and from Pound fees.

Property Rates

The property rates increase from R44, 1 million to R44,6 which is an increase of 1 percent.

Service Charges

Service charged from R4,6 million to R4,7 million.

Rental from fixed Asset

There were no adjustments on the rental from fixed assets budget it is still seating at R1, 5million.

Licences and Permits

There were no adjustments on Licenses and permit, budget is still seating at R 428 349,00.

Agency Services

There were no adjustments on the agency services budget it is still seating at R 721 681,00.

Other Revenue

There were no adjustments on the other revenue services budget except the increase of pound fees to R1,9 million

Interest Earned on External Investment

There were no adjustments on Interest Earned on External Investments budget.

Operating Expenditure

The overall operating expenditure has increase from R 290, 1million to R293, 1 million in the adjustment budget and that is 1% increase when compared to the original budget, when checking per line items that increase. This increase was caused by an adjustment of funds that were directed towards Contracted Services and provisions.

Employee Related Costs

Employee related costs has Decreased from R 102,7 to R 100,8 million when compared to original budget because the recruitment process of vacant positions would take place after the adjustment budget is approved.

Councillors Remuneration

Councillors Remuneration costs has increased from R 13 million to R 14,4 million when compared to original budget because of anticipated increase on 2024/25 councillors remuneration as the last Gazette issued was 2023/24.

Inventory Consumed

A downward adjustment has been made to Inventory consumed as they decreased from R7, 5million to R6, 3million when comparing to the original budget.

Contracted Services

Contracted services have decrease from R68, 1million to R65, 9million and that is R1,8 million decrease when compared to the original budget. The decrease is as a result in the reduction on items such as security services and other contracted services, the projects were budgeted for in the original budget but slightly over estimated.

Transfers and Subsidies

Transfers and subsidies increased from R 1,7 million to R 1,8 million when compared to original budget, due to more indigents purchasing electricity.

Other Expenditure

Other expenditure comprises of various line items relating to the daily operations of the municipality, an upward adjustment of an amount of R3 million was made due to the increase in operations that were unavoidable. Operating expenditure increased from R 46, 1million to R 49, 5million when compared to the original budget.

Depreciation and Asset Impairment

Depreciation and Asset Impairment has an upward adjustment that has been made, the budget as a result of a delay in completion of projects that were supposed to be completed in the last financial year, the completion date has been revised to current year.

Finance charges

There were no major changes on finance charges.

TABLE B5 ADJUSTMENT CAPITAL EXPENDITURE BUDGET BY VOTE AND FUNDING

Table B5 below reports on the adjusted capital expenditures by departments (municipal vote) and also by standard classification. The bottom part of the schedule looks at the funding sources of the capital projects.

Capital Expenditure has decreased from R 90,5million to R86, 6million or by 4% when compared to the original budget this decrease was caused by an adjustment of funds for Internal Funding and other capital expenditure projects were postponed to next financial year.

KZN436 Dr Nkosazana Dlamini Zuma - Table B5 Adjustments Capital Expenditure Budget by vote and funding - 28/02/2025

Description	Ref	Budget Year 2024/25									Budget Year +1 2025/26	Budget Year +2 2026/27
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		A	5 A1	6 B	7 C	8 D	9 E	10 F	11 G	12 H		
R thousands												
Capital expenditure - Vote												
Multi-year expenditure to be adjusted	2											
Vote 1 - EXECUTIVE AND COUNCIL		-	-	-	-	-	-	-	-	-	-	-
Vote 2 - BUDGET AND TREASURY		-	-	-	-	-	-	-	-	-	-	-
Vote 3 - CORPORATE SERVICES		120	120	-	-	-	-	-	-	120	126	131
Vote 4 - COMMUNITY SERVICES		5 660	5 660	-	-	-	-	(900)	(900)	4 760	2 144	2 243
Vote 5 - PUBLIC WORKS AND BASIC SERVICES		49 903	49 903	-	-	-	-	1 621	1 621	51 524	39 524	36 492
Vote 6 - PLANNING AND DEVELOPMENT		-	-	-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	3	55 673	55 673	-	-	-	-	721	721	56 394	41 794	38 867
Single-year expenditure to be adjusted	2											
Vote 1 - EXECUTIVE AND COUNCIL		185	185	-	-	-	-	100	100	285	194	202
Vote 2 - BUDGET AND TREASURY		2 591	2 591	-	-	-	-	(60)	(60)	2 531	409	428
Vote 3 - CORPORATE SERVICES		3 168	3 168	-	-	-	-	(100)	(100)	3 068	3 314	3 466
Vote 4 - COMMUNITY SERVICES		9 470	9 470	-	-	-	-	(595)	(595)	8 875	7 719	8 075
Vote 5 - PUBLIC WORKS AND BASIC SERVICES		17 984	17 984	-	-	-	-	(3 526)	(3 526)	14 457	13 572	8 321
Vote 6 - PLANNING AND DEVELOPMENT		1 480	1 480	-	-	-	-	(458)	(458)	1 022	617	646
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		34 878	34 878	-	-	-	-	(4 639)	(4 639)	30 239	25 825	21 137
Total Capital Expenditure - Vote		90 551	90 551	-	-	-	-	(3 918)	(3 918)	86 633	67 619	60 004
Capital Expenditure - Functional												
Governance and administration		6 064	6 064	-	-	-	-	(60)	(60)	6 004	4 042	4 228
Executive and council		185	185	-	-	-	-	100	100	285	194	202
Finance and administration		5 879	5 879	-	-	-	-	(160)	(160)	5 719	3 848	4 025
Internal audit		-	-	-	-	-	-	-	-	-	-	-
Community and public safety		15 120	15 120	-	-	-	-	(1 495)	(1 495)	13 625	9 864	10 318
Community and social services		7 625	7 625	-	-	-	-	(438)	(438)	7 187	3 896	4 076
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-
Public safety		7 495	7 495	-	-	-	-	(1 057)	(1 057)	6 438	5 967	6 242
Housing		-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-
Economic and environmental services		68 167	68 167	-	-	-	-	(3 779)	(3 779)	64 388	52 877	45 131
Planning and development		51 767	51 767	-	-	-	-	(5 445)	(5 445)	46 321	44 718	42 833
Road transport		16 400	16 400	-	-	-	-	1 666	1 666	18 066	8 159	2 298
Environmental protection		-	-	-	-	-	-	-	-	-	-	-
Trading services		1 200	1 200	-	-	-	-	1 316	1 316	2 516	837	328
Energy sources		-	-	-	-	-	-	1 000	1 000	1 000	-	-
Water management		-	-	-	-	-	-	-	-	-	-	-
Waste water management		500	500	-	-	-	-	120	120	620	523	-
Waste management		700	700	-	-	-	-	196	196	896	314	328
Other		-	-	-	-	-	-	100	100	100	-	-
Total Capital Expenditure - Functional	3	90 551	90 551	-	-	-	-	(3 918)	(3 918)	86 633	67 619	60 004
Funded by:												
National Government		31 318	31 318	-	-	-	-	(0)	(0)	31 318	32 694	35 256
Provincial Government		-	-	-	-	-	-	1 400	1 400	1 400	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		-	-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	31 318	31 318	-	-	-	-	1 400	1 400	32 718	32 694	35 256
Borrowing		-	-	-	-	-	-	-	-	-	-	-
Internally generated funds		59 233	59 233	-	-	-	-	(5 318)	(5 318)	53 915	34 925	24 748
Total Capital Funding		90 551	90 551	-	-	-	-	(3 918)	(3 918)	86 633	67 619	60 004

Table B6 - Budgeted Financial Position

The table below gives an over view of the financial position of the Municipality in the adjustment budget

KZN436 Dr Nkosazana Dlamini Zuma - Table B6 Adjustments Budget Financial Position - 28/02/2025

Description	Ref	Budget Year 2024/25									Budget Year +1 2025/26	Budget Year +2 2026/27
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands		A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H		
ASSETS												
Current assets												
Cash and cash equivalents		42 327	42 327	-	-	-	-	43 550	43 550	85 877	7 870	(41 398)
Trade and other receivables from exchange transac	1	4 728	4 728	-	-	-	-	(445)	(445)	4 283	6 004	7 339
Receivables from non-exchange transactions	1	62 858	62 858	-	-	-	-	4 367	4 367	67 225	72 861	83 325
Current portion of non-current receivables		-	-	-	-	-	-	-	-	-	-	-
Inventory		-	-	-	-	-	-	586	586	586	-	-
VAT		6 909	6 909	-	-	-	-	(5 214)	(5 214)	1 696	6 909	6 909
Other current assets		638	638	-	-	-	-	(941)	(941)	(303)	638	638
Total current assets		117 460	117 460	-	-	-	-	41 903	41 903	159 364	94 283	56 813
Non current assets												
Investments		-	-	-	-	-	-	-	-	-	-	-
Investment property		19 732	19 732	-	-	-	-	10 570	10 570	30 302	19 732	19 732
Property, plant and equipment		601 647	601 647	-	-	-	-	(25 983)	(25 983)	575 663	631 010	663 778
Biological assets		-	-	-	-	-	-	-	-	-	-	-
Living and non-living resources	1	-	-	-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-	-	-
Intangible assets		2 393	2 393	-	-	-	-	(1 412)	(1 412)	980	3 318	4 287
Trade and other receivables from exchange transac		-	-	-	-	-	-	-	-	-	-	-
Non-current receivables from non-exchange transac		-	-	-	-	-	-	-	-	-	-	-
Other non-current assets		-	-	-	-	-	-	-	-	-	-	-
Total non current assets		623 771	623 771	-	-	-	-	(16 826)	(16 826)	606 945	654 060	687 797
TOTAL ASSETS		741 231	741 231	-	-	-	-	25 077	25 077	766 309	748 343	744 610
LIABILITIES												
Current liabilities												
Bank overdraft		-	-	-	-	-	-	-	-	-	-	-
Financial liabilities		233	233	-	-	-	-	31	31	264	233	233
Consumer deposits		(9)	(9)	-	-	-	-	0	0	(8)	(9)	(9)
Trade and other payables from exchange transactions		67 904	67 904	-	-	-	-	(31 248)	(31 248)	36 656	68 704	57 758
Trade and other payables from non-exchange transac		5 824	5 824	-	-	-	-	(6 667)	(6 667)	(843)	5 824	5 824
Provisions		13 113	13 113	-	-	-	-	(2 493)	(2 493)	10 620	15 227	17 438
VAT		4 349	4 349	-	-	-	-	(6 996)	(6 996)	(2 647)	4 490	4 638
Other current liabilities		-	-	-	-	-	-	-	-	-	-	-
Total current liabilities		91 414	91 414	-	-	-	-	(47 373)	(47 373)	44 042	94 470	85 882
Non current liabilities												
Financial Liabilities	1	385	385	-	-	-	-	(264)	(264)	120	385	385
Provisions	1	20 124	20 124	-	-	-	-	3 103	3 103	23 226	20 124	20 124
Long term portion of trade payables		-	-	-	-	-	-	-	-	-	-	-
Other non-current liabilities		6 918	6 918	-	-	-	-	1 158	1 158	8 076	6 918	6 918
Total non current liabilities		27 427	27 427	-	-	-	-	3 996	3 996	31 423	27 427	27 427
TOTAL LIABILITIES		118 841	118 841	-	-	-	-	(43 376)	(43 376)	75 464	121 896	113 309
NET ASSETS	2	622 391	622 391	-	-	-	-	68 454	68 454	690 845	626 447	631 301
COMMUNITY WEALTH/EQUITY												
Accumulated Surplus/(Deficit)		622 478	622 478	-	-	-	-	69 612	69 612	692 090	626 534	631 388
Funds and Reserves		6 831	6 831	-	-	-	-	-	-	6 831	6 831	6 831
Other		-	-	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY		629 309	629 309	-	-	-	-	69 612	69 612	698 921	633 365	638 219

Table B7- Budgeted Cash Flow Statement

The budgeted cash flow statement is the first measurement in determining if the budget is funded. It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.

KZN436 Dr Nkosazana Dlamini Zuma - Table B7 Adjustments Budget Cash Flows - 28/02/2025

Description	Ref	Budget Year 2024/25									Budget Year	Budget Year
											+1 2025/26	+2 2026/27
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands		A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H		
CASH FLOW FROM OPERATING ACTIVITIES												
Receipts												
Property rates		33 969	33 969	-	-	-	-	-	-	33 969	35 532	37 166
Service charges		4 085	4 085	-	-	-	-	-	-	4 085	4 275	4 471
Other revenue		34 857	34 857	-	-	-	-	(225)	(225)	34 632	30 617	32 087
Transfers and Subsidies - Operational	1	184 131	184 131	-	-	-	-	-	-	184 131	176 312	170 543
Transfers and Subsidies - Capital	1	31 718	31 718	-	-	-	-	-	-	31 718	32 694	35 256
Interest		16 027	16 027	-	-	-	-	-	-	16 027	16 764	17 535
Dividends		-	-	-	-	-	-	-	-	-	-	-
Payments												
Suppliers and employees		(253 692)	(253 692)	-	-	-	-	298	298	(253 393)	(251 004)	(261 799)
Finance charges		(1 097)	(1 097)	-	-	-	-	40	40	(1 057)	(1 148)	(1 200)
Transfers and Grants	1	(700)	(700)	-	-	-	-	-	-	(700)	(732)	(766)
NET CASH FROM/(USED) OPERATING ACTIVITIES		49 297	49 297	-	-	-	-	113	113	49 411	43 310	33 292
CASH FLOWS FROM INVESTING ACTIVITIES												
Receipts												
Proceeds on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-
Decrease (Increase) in non-current debtors		-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-	-	-
Payments												
Capital assets		(104 138)	(104 138)	-	-	-	-	1 169	1 169	(102 969)	(77 766)	(82 560)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(104 138)	(104 138)	-	-	-	-	1 169	1 169	(102 969)	(77 766)	(82 560)
CASH FLOWS FROM FINANCING ACTIVITIES												
Receipts												
Short term loans		-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-	-	-	-	-
Payments												
Repayment of borrowing		-	-	-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	-	-	-	-	-	-	-	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD												
Cash/cash equivalents at the year begin:	2	97 167	97 167	-	-	-	-	42 268	42 268	139 435	42 327	7 870
Cash/cash equivalents at the year end:	2	42 327	42 327	-	-	-	-	43 550	43 550	85 877	7 870	(41 398)

Table B8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

KZN436 Dr Nkosazana Dlamini Zuma - Table B8 Cash backed reserves/accumulated surplus reconciliation - 28/02/2025

Description	Ref	Budget Year 2024/25									Budget Year +1 2025/26	Budget Year +2 2026/27
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands		A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H		
Cash and investments available												
Cash/cash equivalents at the year end	1	42 327	42 327	-	-	-	-	43 550	43 550	85 877	7 870	(41 398)
Other current investments > 90 days		-	-	-	-	-	-	-	-	-	-	-
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		42 327	42 327	-	-	-	-	43 550	43 550	85 877	7 870	(41 398)
Applications of cash and investments												
Unspent conditional transfers		5 824	5 824	-	-	-	-	(6 824)	(6 824)	(1 000)	5 824	5 824
Unspent borrowing		-	-	-	-	-	-	-	-	-	-	-
Statutory requirements		(2 561)	(2 561)	-	-	-	-	(2 233)	(2 233)	(4 794)	(2 420)	(2 272)
Other working capital requirements	2	(18 500)	(18 500)	-	-	-	-	(32 605)	(32 605)	(51 105)	(32 926)	(59 173)
Other provisions		13 113	13 113	-	-	-	-	(2 969)	(2 969)	10 144	15 227	17 438
Long term investments committed		-	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments		6 831	6 831	-	-	-	-	-	-	6 831	6 831	6 831
Total Application of cash and investments:		4 707	4 707	-	-	-	-	(44 632)	(44 632)	(39 924)	(7 464)	(31 352)
Surplus(shortfall)		37 619	37 619	-	-	-	-	88 182	88 182	125 802	15 334	(10 047)
References												
1. Must reconcile with the Adjustments Budget Cash Flow and Adjustments Budget Financial Position												
2. Council approval for policy required - include sufficient working capital (e.g. allowing for a % of current debtors > 90 days as uncollectable)												
3. Only complete if a previous adjusted budget has been approved in the same financial year. Reflect most recent adjusted budget.												
4. Additional cash-backed accumulated funds/unspent funds (MFMA section 18(1)(b) and section 28(2)(e)) identified after the Original Budget approved and after annual financial statements audited (note: only where underspending could not reasonably have												
5. Increases of funds approved under MFMA section 31												
6. Adjustments approved in accordance with MFMA section 29												
7. Adjustments to transfers from National or Provincial Government												
8. Adjusts. = 'Other' Adjustments proposed to be approved; including revenue under-collection (MFMA section 28(2)(a)); additional revenue appropriation on existing programmes (section 28(2)(b)); projected savings (section 28(2)(d)); error correction (section												
9. G = B + C + D + E + F												
10. Adjusted Budget H = (A or A1/2 etc) + G												
Other working capital requirements												
Debtors		86 404	86 404							87 761	101 631	116 931
Creditors due		67 904	67 904							36 656	68 704	57 758
Total Other working capital requirements		18 500	18 500							51 105	32 926	59 173
Debtors collection assumptions:												
Balance outstanding - debtors		67 586	67 586							71 508	78 865	90 664
Estimate of debtors collection rate		127,84%	127,84%							122,73%	128,87%	128,97%
Long term investments committed												
Balance (Insert description; eg sinking fund)												
Bankers Acceptance Certificate		-	-							-	-	-
Deposit Taking Institutions		-	-							-	-	-
Bank Repurchase Agreements		-	-							-	-	-
Derivative Financial Assets		-	-							-	-	-
Guaranteed Endowment Policies (Sinking)		-	-							-	-	-
Listed/Unlisted Bonds and Stocks		-	-							-	-	-
Municipal Bonds		-	-							-	-	-
National Government Securities		-	-							-	-	-
Negotiable Certificate of Deposits: Banks		-	-							-	-	-
Unamortised Debt Expense		-	-							-	-	-
Unamortised Preference Share Expense		-	-							-	-	-
Interest Rate Swaps		-	-							-	-	-
Total Long term investments committed		-	-							-	-	-
Reserves to be backed by cash/investments												
Housing Development Fund		5 493	5 493							5 493	5 493	5 493
Capital replacement		1 338	1 338							1 338	1 338	1 338
Self-insurance		-	-							-	-	-
Compensation for Occupational Injuries and Diseases		-	-							-	-	-
Employee Benefit		-	-							-	-	-
Non-current Provisions		-	-							-	-	-
Valuation		-	-							-	-	-
Investment in associate account		-	-							-	-	-
Capitalisation		-	-							-	-	-
Total Reserves to be backed by cash/investments		6 831	6 831							6 831	6 831	6 831
A4: 8:13 + 20:21 + 23:26 + 30		57 032	57 032							59 224	54 649	57 163
A7: 8:10		72 911	72 911							72 686	70 424	73 724
A6: 8 + 32		42 327	42 327							85 877	7 870	(41 398)

Table B9 - Asset Management

Table A9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class.

KZN436 Dr Nkosazana Dlamini Zuma - Table B9 Asset Management - 28/02/2025

Description	Ref	Budget Year 2024/25									Budget Year	Budget Year
		Original	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	+1 2025/26	+2 2026/27
		A	7	8	9	10	11	12	13	14	Adjusted Budget	Adjusted Budget
R thousands			A1	B	C	D	E	F	G	H		
CAPITAL EXPENDITURE												
Total New Assets to be adjusted	1	73 107	73 107	-	-	-	-	(2 176)	(2 176)	70 931	56 761	56 929
Roads Infrastructure		14 729	14 729	-	-	-	-	(2 547)	(2 547)	12 181	3 870	875
Storm water Infrastructure		500	500	-	-	-	-	(500)	(500)	-	-	-
Electrical Infrastructure		2 700	2 700	-	-	-	-	(139)	(139)	2 561	2 824	2 954
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Infrastructure		17 929	17 929	-	-	-	-	(3 187)	(3 187)	14 742	6 694	3 829
Community Facilities		22 573	23 553	-	-	-	-	1 815	1 815	25 368	418	438
Sport and Recreation Facilities		7 516	6 536	-	-	-	-	(1 649)	(1 649)	4 887	32 694	35 256
Community Assets		30 089	30 089	-	-	-	-	166	166	30 256	33 112	35 694
Heritage Assets		-	-	-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-	-	-
Operational Buildings		6 215	6 215	-	-	-	-	(1 084)	(1 084)	5 131	4 681	4 568
Housing		-	-	-	-	-	-	-	-	-	-	-
Other Assets	6	6 215	6 215	-	-	-	-	(1 084)	(1 084)	5 131	4 681	4 568
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-	-	-
Licences and Rights		1 228	1 228	-	-	-	-	-	-	1 228	1 284	1 343
Intangible Assets		1 228	1 228	-	-	-	-	-	-	1 228	1 284	1 343
Computer Equipment		1 246	1 246	-	-	-	-	92	92	1 338	1 304	1 364
Furniture and Office Equipment		2 320	2 320	-	-	-	-	773	773	3 093	2 427	2 538
Machinery and Equipment		4 315	4 315	-	-	-	-	156	156	4 471	2 631	2 752
Transport Assets		9 765	9 765	-	-	-	-	908	908	10 673	4 629	4 841
Land		-	-	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-	-	-
Total Renewal of Existing Assets to be adjusted	2	6 700	6 700	-	-	-	-	(3 000)	(3 000)	3 700	7 008	2 331
Roads Infrastructure		6 700	6 700	-	-	-	-	(3 000)	(3 000)	3 700	7 008	2 331
Storm water Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Infrastructure		6 700	6 700	-	-	-	-	(3 000)	(3 000)	3 700	7 008	2 331
Community Facilities		-	-	-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-	-	-
Community Assets		-	-	-	-	-	-	-	-	-	-	-
Heritage Assets		-	-	-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-
Other Assets	6	-	-	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-	-	-

Table B9 Cont....

Total Upgrading of Existing Assets to be adjusted	2a	10 744	10 744	-	-	-	-	1 258	1 258	12 002	3 849	744
Roads Infrastructure		10 094	10 094	-	-	-	-	1 358	1 358	11 452	3 169	33
Storm water Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Infrastructure		10 094	10 094	-	-	-	-	1 358	1 358	11 452	3 169	33
Community Facilities		-	-	-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-	-	-
Community Assets		-	-	-	-	-	-	-	-	-	-	-
Heritage Assets		-	-	-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-
Other Assets	6	-	-	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		650	650	-	-	-	-	(100)	(100)	550	680	711
Machinery and Equipment		-	-	-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure to be adjusted	4	31 522	31 522	-	-	-	-	(4 189)	(4 189)	27 333	14 048	3 239
Roads Infrastructure		500	500	-	-	-	-	(500)	(500)	-	-	-
Storm water Infrastructure		2 700	2 700	-	-	-	-	(139)	(139)	2 561	2 824	2 954
Electrical Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Infrastructure		34 722	34 722	-	-	-	-	(4 828)	(4 828)	29 894	16 872	6 193
Community Facilities		22 573	23 553	-	-	-	-	1 815	1 815	25 368	418	438
Sport and Recreation Facilities		7 516	6 536	-	-	-	-	(1 649)	(1 649)	4 887	32 694	35 256
Community Assets		30 089	30 089	-	-	-	-	166	166	30 256	33 112	35 694
Heritage Assets		-	-	-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-	-	-
Operational Buildings		6 215	6 215	-	-	-	-	(1 084)	(1 084)	5 131	4 681	4 568
Housing		-	-	-	-	-	-	-	-	-	-	-
Other Assets		6 215	6 215	-	-	-	-	(1 084)	(1 084)	5 131	4 681	4 568
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-	-	-
Licences and Rights		1 228	1 228	-	-	-	-	-	-	1 228	1 284	1 343
Intangible Assets		1 228	1 228	-	-	-	-	-	-	1 228	1 284	1 343
Computer Equipment		1 246	1 246	-	-	-	-	92	92	1 338	1 304	1 364
Furniture and Office Equipment		2 970	2 970	-	-	-	-	673	673	3 643	3 107	3 250
Machinery and Equipment		4 315	4 315	-	-	-	-	156	156	4 471	2 631	2 752
Transport Assets		9 765	9 765	-	-	-	-	908	908	10 673	4 629	4 841
Land		-	-	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE to be adjusted	4	90 551	90 551	-	-	-	-	(3 918)	(3 918)	86 633	67 619	60 004

Table B9 Cont....

ASSET REGISTER SUMMARY - PPE (WDV)	5											
Roads Infrastructure		167 399	167 399	-	-	-	-	2 430	2 430	169 829	165 534	165 455
Storm water Infrastructure		1 500	1 500	-	-	-	-	(880)	(880)	620	2 023	2 023
Electrical Infrastructure		6 400	6 400	-	-	-	-	(3 839)	(3 839)	2 561	9 224	12 178
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		382	382	-	-	-	-	-	-	382	382	382
Rail Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Infrastructure		175 681	175 681	-	-	-	-	(2 288)	(2 288)	173 392	177 163	180 038
Community Assets		258 817	258 817	-	-	-	-	(44)	(44)	258 773	281 417	306 115
Heritage Assets		-	-	-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-	-	-
Investment properties		19 732	19 732	-	-	-	-	10 570	10 570	30 302	19 732	19 732
Operational Buildings		-	-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-
Other Assets		97 683	97 683	-	-	-	-	(18 693)	(18 693)	79 190	100 262	102 423
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-	-	-
Intangible Assets		2 393	2 393	-	-	-	-	(2 172)	(2 172)	221	3 318	4 287
Computer Equipment		4 053	4 053	-	-	-	-	(831)	(831)	3 222	5 143	6 283
Furniture and Office Equipment		7 769	7 769	-	-	-	-	(1 531)	(1 531)	6 239	9 230	10 757
Machinery and Equipment		13 403	13 403	-	-	-	-	(1 769)	(1 769)	11 634	13 931	14 482
Transport Assets		44 040	44 040	-	-	-	-	(8 363)	(8 363)	35 678	43 864	43 679
Land		-	-	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-	-	-
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	623 771	623 771	-	-	-	-	(25 121)	(25 121)	598 650	654 060	687 797
EXPENDITURE OTHER ITEMS												
Depreciation & asset impairment		41 231	41 231	-	-	-	-	8 295	8 295	49 526	37 330	26 267
Repairs and Maintenance by asset class	3	17 287	17 287	-	-	-	-	(3 269)	(3 269)	14 018	18 082	18 914
Roads Infrastructure		7 500	7 500	-	-	-	-	-	-	7 500	7 845	8 206
Storm water Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Infrastructure		7 500	7 500	-	-	-	-	-	-	7 500	7 845	8 206
Community Facilities		4 200	4 200	-	-	-	-	(2 565)	(2 565)	1 636	4 393	4 595
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-	-	-
Community Assets		4 200	4 200	-	-	-	-	(2 565)	(2 565)	1 636	4 393	4 595
Heritage Assets		-	-	-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-	-	-
Operational Buildings		2 000	2 000	-	-	-	-	(600)	(600)	1 400	2 092	2 188
Housing		-	-	-	-	-	-	-	-	-	-	-
Other Assets		2 000	2 000	-	-	-	-	(600)	(600)	1 400	2 092	2 188
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-	-	-
Computer Equipment		66	66	-	-	-	-	-	-	66	69	72
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-	-	-
Machinery and Equipment		750	750	-	-	-	-	(245)	(245)	506	785	821
Transport Assets		2 771	2 771	-	-	-	-	140	140	2 911	2 898	3 031
Land		-	-	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURE OTHER ITEMS to be adjusted	6	58 518	58 518	-	-	-	-	5 026	5 026	63 544	55 412	45 181
Renewal and upgrading of Existing Assets as % of total capex		19,3%	19,3%							18,1%	16,1%	5,1%
Renewal and upgrading of Existing Assets as % of deprecn"		42,3%	42,3%							31,7%	29,1%	11,7%
R&M as a % of PPE		2,8%	2,8%							2,3%	2,8%	2,7%
Renewal and upgrading and R&M as a % of PPE		5,6%	5,6%							5,0%	4,4%	3,2%

Table B10 - Basic Service Delivery Measurement

KZN436 Dr Nkosazana Dlamini Zuma - Table B10 Basic service delivery measurement - 28/02/2025

Description	Ref	Budget Year 2024/25									Budget Year +1 2025/26	Budget Year +2 2026/27
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		A	7 A1	8 B	9 C	10 D	11 E	12 F	13 G	14 H		
Household service targets	1											
Water:												
Piped water inside dwelling		-	-	-	-	-	-	-	-	-	-	-
Piped water inside yard (but not in dwelling)		-	-	-	-	-	-	-	-	-	-	-
Using public tap (at least min.service level)	2	-	-	-	-	-	-	-	-	-	-	-
Other water supply (at least min.service level)		-	-	-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-	-	-
Using public tap (< min.service level)	3	-	-	-	-	-	-	-	-	-	-	-
Other water supply (< min.service level)	3.4	-	-	-	-	-	-	-	-	-	-	-
No water supply		-	-	-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:												
Flush toilet (connected to sewerage)		-	-	-	-	-	-	-	-	-	-	-
Flush toilet (with septic tank)		-	-	-	-	-	-	-	-	-	-	-
Chemical toilet		-	-	-	-	-	-	-	-	-	-	-
Pit toilet (ventilated)		-	-	-	-	-	-	-	-	-	-	-
Other toilet provisions (> min.service level)		-	-	-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-	-	-
Bucket toilet		-	-	-	-	-	-	-	-	-	-	-
Other toilet provisions (< min.service level)		-	-	-	-	-	-	-	-	-	-	-
No toilet provisions		-	-	-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	-	-	-	-	-
Energy:												
Electricity (at least min. service level)		-	-	-	-	-	-	-	-	-	-	-
Electricity - prepaid (> min.service level)		-	-	-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-	-	-
Electricity (< min.service level)		-	-	-	-	-	-	-	-	-	-	-
Electricity - prepaid (< min. service level)		-	-	-	-	-	-	-	-	-	-	-
Other energy sources		-	-	-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	-	-	-	-	-
Refuse:												
Removed at least once a week (min.service)		-	-	-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-	-	-
Removed less frequently than once a week		-	-	-	-	-	-	-	-	-	-	-
Using communal refuse dump		-	-	-	-	-	-	-	-	-	-	-
Using own refuse dump		-	-	-	-	-	-	-	-	-	-	-
Other rubbish disposal		-	-	-	-	-	-	-	-	-	-	-
No rubbish disposal		-	-	-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	-	-	-	-	-
Households receiving Free Basic Service	15											
Water (6 kilolitres per household per month)		-	-	-	-	-	-	-	-	-	-	-
Sanitation (free minimum level service)		-	-	-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per household per month)		-	-	-	-	-	-	-	-	-	-	-
Refuse (removed at least once a week)		-	-	-	-	-	-	-	-	-	-	-
Informal Settlements		-	-	-	-	-	-	-	-	-	-	-
Cost of Free Basic Services provided (R'000)	16											
Water (6 kilolitres per indigent household per month)		-	-	-	-	-	-	-	-	-	-	-
Sanitation (free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per indigent household per month)		-	-	-	-	-	-	-	-	-	-	-
Refuse (removed once a week for indigent households)		-	-	-	-	-	-	-	-	-	-	-
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)		-	-	-	-	-	-	-	-	-	-	-
Total cost of FBS provided		-	-	-	-	-	-	-	-	-	-	-
Highest level of free service provided												
Property rates (R'000 value threshold)		-	-	-	-	-	-	-	-	-	-	-
Water (kilolitres per household per month)		-	-	-	-	-	-	-	-	-	-	-
Sanitation (kilolitres per household per month)		-	-	-	-	-	-	-	-	-	-	-
Sanitation (Rand per household per month)		-	-	-	-	-	-	-	-	-	-	-
Electricity (kw per household per month)		-	-	-	-	-	-	-	-	-	-	-
Refuse (average litres per week)		-	-	-	-	-	-	-	-	-	-	-
Revenue cost of free services provided (R'000)	17											
Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)		-	-	-	-	-	-	-	-	-	-	-
Property rates exemptions, reductions and rebates and impermissible		22 593	22 593	-	-	-	-	804	804	23 397	23 632	24 719
Water (in excess of 6 kilolitres per indigent household per month)		-	-	-	-	-	-	-	-	-	-	-
Sanitation (in excess of free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-	-	-
Electricity/other energy (in excess of 50 kwh per indigent household per month)		-	-	-	-	-	-	-	-	-	-	-
Refuse (in excess of one removal a week for indigent households)		-	-	-	-	-	-	-	-	-	-	-
Municipal Housing - rental rebates		-	-	-	-	-	-	-	-	-	-	-
Housing - top structure subsidies		-	-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-	-
Total revenue cost of subsidised services provided	6	22 593	22 593	-	-	-	-	804	804	23 397	23 632	24 719

PART 2 – SUPPORTING DOCUMENTATION

2.1 ADJUSTMENTS TO BUDGET ASSUMPTIONS

Adjustment Budget on Financial Performance (Revenue and Expenditure)

Table below provides a brief summary of the budget adjustment of the municipality in the revenue, operating and capital expenditure. The revenue of the municipality has increase from R255, 1million to R257, 3million in the adjustment budget and that is 1% increase when compared to the original budget. The contributing factor to this is the increase in items such as Property Rates and Pound Fees.

Operational expenditure has increase from R290, 1million to R293, 1million in the adjustment budget and that is 1% increase when compared to the original budget. The overall operating surplus is R 1, 7 million.

The table below shows the budget statement performance of the Municipality

SUMMARY STATEMENT FOR ADJUSTMENT					
	2024/2025 Original Budget	Adjustments	2024/2025 Adjustment Budget	2025/2026 Budget Year	2026/2027 Budget Year
Total Operating Revenue	- 255 136 991,22	- 3 169 798,79	- 257 329 747,01	- 268 909 585,62	- 275 632 325,27
Total Capital Revenue	- 31 718 000,00	- 1 000 000,00	- 32 718 000,00	- 34 190 310,00	- 35 045 067,75
Total Operating Expenditure	290 133 305,00	2 992 757,09	293 126 062,09	306 316 734,88	313 974 653,26
Surplus/ (Deficit Before Capital E	3 278 313,78	- 1 177 041,70	3 078 315,08	3 216 839,26	3 297 260,24
Capital Expenditure	90 550 823,00	- 1 012 692,00	86 633 131,87	90 531 622,80	92 794 913,37
Other Grant					
Electrification	- 4 786 086,96	-	- 4 786 086,96	- 5 001 460,87	- 5 126 497,39

2.2 ADJUSTMENTS TO BUDGET FUNDING

For Dr Nkosazana Dlamini Zuma Municipality to continue improving the quality of services provided to its citizens it needs to generate the required revenue. In these tough economic times, strong revenue and expenditure management is fundamental to the financial sustainability of every municipality. The reality is that we are faced with developed backlogs poverty and high rate of unemployment.

The expenditure to be incurred to address these challenges will inevitably always exceed available funding, hence difficult choices must be made in relation to tariff increase and balancing expenditure against realistically anticipated revenue.

The operational and capital budget is typically funded by grants as the municipality is grant dependent and less of the revenue generated by the Municipality. The municipality has a total revenue budget of R 291 million. That revenue will be used to fund the operational expenditure of R293 million, Capital expenditure of R86, 6million. The municipality has also used its own reserves to fund the expenditure difference.

Table B8 below provides a reconciliation of the cash reserves or accumulated surplus in the adjustment budget.

KZN436 Dr Nkosazana Dlamini Zuma - Table B8 Cash backed reserves/accumulated surplus reconciliation - 28/02/2025

Description	Ref	Budget Year 2024/25									Budget Year	Budget Year
		Original	Prior Adjusted	Accum. Funds	Multi-year	Unfore.	Nat. or Prov.	Other Adjusts.	Total Adjusts.	Adjusted	Adjusted	Adjusted
		Budget	3	4	capital	Unavoid.	Govt	8	9	Budget	Budget	Budget
R thousands		A	A1	B	C	D	E	F	G	H		
Cash and investments available												
Cash/cash equivalents at the year end	1	42 327	42 327	-	-	-	-	43 550	43 550	85 877	7 870	(41 398)
Other current investments > 90 days		-	-	-	-	-	-	-	-	-	-	-
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		42 327	42 327	-	-	-	-	43 550	43 550	85 877	7 870	(41 398)
Applications of cash and investments												
Unspent conditional transfers		5 824	5 824	-	-	-	-	(6 824)	(6 824)	(1 000)	5 824	5 824
Unspent borrowing		-	-	-	-	-	-	-	-	-	-	-
Statutory requirements		(2 561)	(2 561)	-	-	-	-	(2 233)	(2 233)	(4 794)	(2 420)	(2 272)
Other working capital requirements	2	(18 500)	(18 500)	-	-	-	-	(32 605)	(32 605)	(51 105)	(32 926)	(59 173)
Other provisions		13 113	13 113	-	-	-	-	(2 969)	(2 969)	10 144	15 227	17 438
Long term investments committed		-	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments		6 831	6 831	-	-	-	-	-	-	6 831	6 831	6 831
Total Application of cash and investments:		4 707	4 707	-	-	-	-	(44 632)	(44 632)	(39 924)	(7 464)	(31 352)
Surplus(shortfall)		37 619	37 619	-	-	-	-	88 182	88 182	125 802	15 334	(10 047)

Table SB7 below provides details of the Government Grants and Subsidies Receipts differentiated between National & Provincial Governments.

Government Grants and Subsidies Receipts has increased to R216, 8 million. The municipality has received one additional provincial grants from EDTEA amounting to R1 million.

2.3 ADJUSTMENT TO EXPENDITURE ON ALLOCATIONS AND GRANTS PROGRAMMES

The following table indicates the municipality's adjustment for expenditure on transfers and programmes.

KZN436 Dr Nkosazana Dlamini Zuma - Supporting Table SB7 Adjustments Budget - transfers and grant receipts - 28/02/2025

Description	Ref	Budget Year 2024/25							Budget Year +1 2025/26	Budget Year +2 2026/27
		Original Budget A	Prior Adjusted 7 A1	Multi-year capital 8 B	Nat. or Prov. Govt 9 C	Other Adjusts. 10 D	Total Adjusts. 11 E	Adjusted Budget 12 F	Adjusted Budget	Adjusted Budget
R thousands										
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		179 258	179 258	-	-	-	-	179 258	171 307	165 460
Operational Revenue: General Revenue: Equitable Share		170 740	170 740	-	-	-	-	170 740	169 307	163 360
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]		1 832	1 832	-	-	-	-	1 832	-	-
Local Government Financial Management Grant [Schedule 5B]		1 900	1 900	-	-	-	-	1 900	2 000	2 100
Integrated National Electrification Programme Grant		4 786	4 786	-	-	-	-	4 786	-	-
Provincial Government:		4 873	4 873	-	-	-	-	4 873	5 005	5 083
Capacity Building		-	-	-	-	-	-	-	-	-
Capacity Building and Other		4 873	4 873	-	-	-	-	4 873	5 005	5 083
Total Operating Transfers and Grants	6	184 131	184 131	-	-	-	-	184 131	176 312	170 543
Capital Transfers and Grants										
National Government:		31 718	31 718	-	-	-	1 000	32 718	32 694	35 256
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]		-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant [Schedule 5B]		31 718	31 718	-	-	-	-	31 718	32 694	35 256
Provincial Government:		-	-	-	-	-	1 000	1 000	-	-
Other		-	-	-	-	-	1 000	1 000	-	-
Total Capital Transfers and Grants	6	31 718	31 718	-	-	-	1 000	32 718	32 694	35 256
TOTAL RECEIPTS OF TRANSFERS & GRANTS		215 849	215 849	-	-	-	1 000	216 849	209 006	205 799

The expenditure on transfers and grant has increased from R215, 8 to R216,8 million when compared to the original budget. The municipality has received one additional provincial grant from EDTEA to fund Sollar Street lights project.

ADJUSTMENTS TO ALLOCATIONS AND GRANTS MADE BY THE MUNICIPALITY

The municipality does not have any grants transfers or allocations made to another municipality or institutions. The amount of R1,9 million appearing on Table B4 as Transfers and subsidies is for Free Basic Electricity paid to Eskom for indigents.

2.4 ADJUSTMENT TO COUNCILLOR ALLOWANCES AND EMPLOYEE BENEFITS

The remuneration for councillors has been adjusted upward wards as per the anticipated Gazette on the determination of upper limits on remuneration of municipal councillors to be issued by the minister of Cooperative Governance and Traditional Affairs.

Employee related costs has not been adjusted downward because the recruitment process for certain vacant positions would take place during the year.

2.5 ADJUSTMENTS TO SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN

The SDBIP is aligned with both the revised budget and the Integrated Development Plan (IDP) for 2024/25 financial year. This section provides details regarding the proposed adjustment on the main 2024/25 SDBIP scorecard per department where requested. The municipality

This section provides details regarding the proposed adjustment on the main 2024/25 SDBIP scorecard per department where requested. The section also

There has been a number of indicators on which the targets have been reduced mainly due to slow project implementation and which are affected by the adjustment to the Budget. These relate to the services departments. Annexure "A" attached to the report contains all the details and reasons for the proposed adjustment.

The following table shows the summary of the Adjustment

NAME OF THE DEPARTMENT	NO. OF INDICATORS IN THE ORIGINAL 2024/2025 SDBIP	NO. OF INDICATORS IN THE 2024/2025 ADJUSTED SDBIP
PWBS	24	20
CSS	21	11
OMM	15	11
CORP	17	6
BTO	19	7
DTPS	14	06
TOTAL NO OF INDICATORS	110	61

Table B5 below indicates the summary of the municipality's adjustments budget on capital expenditure. The municipalities capital expenditure has been adjusted downwards by an overall of R 3,9 million in the adjustment budget when compare to the original budget that was approved in May last year, that is from R90,5 million to R86,6 million. The municipality funded most of capital expenditure by accumulated surplus from 2023/24 financial year and other savings that the municipality has made. Grant allocation for 2024/25 financial year was not sufficient for the municipality to render services to its communities.

KZN436 Dr Nkosazana Dlamini Zuma - Table B5 Adjustments Capital Expenditure Budget by vote and funding - 28/02/2025

Description	Ref	Budget Year 2024/25									Budget Year +1 2025/26	Budget Year +2 2026/27
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands		A	5 A1	6 B	7 C	8 D	9 E	10 F	11 G	12 H		
Capital expenditure - Vote												
Multi-year expenditure to be adjusted	2											
Vote 1 - EXECUTIVE AND COUNCIL		-	-	-	-	-	-	-	-	-	-	-
Vote 2 - BUDGET AND TREASURY		-	-	-	-	-	-	-	-	-	-	-
Vote 3 - CORPORATE SERVICES		120	120	-	-	-	-	-	-	120	126	131
Vote 4 - COMMUNITY SERVICES		5 650	5 650	-	-	-	-	(900)	(900)	4 750	2 144	2 243
Vote 5 - PUBLIC WORKS AND BASIC SERVICES		49 903	49 903	-	-	-	-	1 621	1 621	51 524	39 524	36 492
Vote 6 - PLANNING AND DEVELOPMENT		-	-	-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	3	55 673	55 673	-	-	-	-	721	721	56 394	41 794	38 867
Single-year expenditure to be adjusted	2											
Vote 1 - EXECUTIVE AND COUNCIL		185	185	-	-	-	-	100	100	285	194	202
Vote 2 - BUDGET AND TREASURY		2 591	2 591	-	-	-	-	(60)	(60)	2 531	409	428
Vote 3 - CORPORATE SERVICES		3 168	3 168	-	-	-	-	(100)	(100)	3 068	3 314	3 466
Vote 4 - COMMUNITY SERVICES		9 470	9 470	-	-	-	-	(595)	(595)	8 875	7 719	8 075
Vote 5 - PUBLIC WORKS AND BASIC SERVICES		17 984	17 984	-	-	-	-	(3 526)	(3 526)	14 457	13 572	8 321
Vote 6 - PLANNING AND DEVELOPMENT		1 480	1 480	-	-	-	-	(458)	(458)	1 022	617	646
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		34 878	34 878	-	-	-	-	(4 639)	(4 639)	30 239	25 825	21 137
Total Capital Expenditure - Vote		90 551	90 551	-	-	-	-	(3 918)	(3 918)	86 633	67 619	60 004
Capital Expenditure - Functional												
Governance and administration		6 064	6 064	-	-	-	-	(60)	(60)	6 004	4 042	4 228
Executive and council		185	185	-	-	-	-	100	100	285	194	202
Finance and administration		5 879	5 879	-	-	-	-	(160)	(160)	5 719	3 848	4 025
Internal audit		-	-	-	-	-	-	-	-	-	-	-
Community and public safety		15 120	15 120	-	-	-	-	(1 495)	(1 495)	13 625	9 864	10 318
Community and social services		7 625	7 625	-	-	-	-	(438)	(438)	7 187	3 896	4 076
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-
Public safety		7 495	7 495	-	-	-	-	(1 057)	(1 057)	6 438	5 967	6 242
Housing		-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-
Economic and environmental services		68 167	68 167	-	-	-	-	(3 779)	(3 779)	64 388	52 877	45 131
Planning and development		51 767	51 767	-	-	-	-	(5 445)	(5 445)	46 321	44 718	42 833
Road transport		16 400	16 400	-	-	-	-	1 666	1 666	18 066	8 159	2 298
Environmental protection		-	-	-	-	-	-	-	-	-	-	-
Trading services		1 200	1 200	-	-	-	-	1 316	1 316	2 516	837	328
Energy sources		-	-	-	-	-	-	1 000	1 000	1 000	-	-
Water management		-	-	-	-	-	-	-	-	-	-	-
Waste water management		500	500	-	-	-	-	120	120	620	523	-
Waste management		700	700	-	-	-	-	196	196	896	314	328
Other		-	-	-	-	-	-	100	100	100	-	-
Total Capital Expenditure - Functional	3	90 551	90 551	-	-	-	-	(3 918)	(3 918)	86 633	67 619	60 004
Funded by:												
National Government		31 318	31 318	-	-	-	-	(0)	(0)	31 318	32 694	35 256
Provincial Government		-	-	-	-	-	-	1 400	1 400	1 400	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		-	-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	31 318	31 318	-	-	-	-	1 400	1 400	32 718	32 694	35 256
Borrowing		-	-	-	-	-	-	-	-	-	-	-
Internally generated funds		59 233	59 233	-	-	-	-	(5 318)	(5 318)	53 915	34 925	24 748
Total Capital Funding		90 551	90 551	-	-	-	-	(3 918)	(3 918)	86 633	67 619	60 004

Integrated National Electrification Programme (INEP) R 4,8 million

Dr Nkosazana Dlamini Zuma Municipality records INEP as Contracted Services as per Service Level Agreement between the Municipality and Eskom,

OTHER SUPPORTING DOCUMENTS**2.5.1 Operating revenue**

The major contributing to the revenue of Dr NDZ Municipality are grants; the municipality has a low collection on rates, refuse, traffic fines, and other revenue. This is an indication that the municipality is highly dependent on grants, the contributing factor on this dependence is that most of Dr NDZ Municipal communities are in rural areas as a result the municipality is not generating any revenue from them.

The Municipality has embarked on implementing a range of revenue collection strategies to optimize the collection of debt owed to the municipality. Furthermore, the Municipality has undertaken various customer care initiatives to ensure that the municipality truly involves all citizens in the process of ensuring a people lead government. Amongst other things that the municipality has done is that of strengthening the municipality's debt collection unit. The collection unit is following on customer with the collection process mostly on customers where they have been no payment to account for a number of months, which we have seen responses with customer settling their account in full and other coming forward to make arrangements. The municipality is doing everything in its powers to collect the outstanding debts from customers and to decreasing the aging debt. The municipality has appointed attorneys to assist in debt collection and is also planning to recover cash in terms of a debt collection strategy from consumers to ensure sufficient cash is available to meet daily requirements.

2.5.2 Operating Expenditure

The Municipality's expenditure framework for the 2024/25 adjustment budget and MTREF is informed by the following:

- Balanced budget constraint (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit;
- Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;
- The capital programme is aligned to the asset renewal strategy and backlog eradication plan and
- Operational gains and efficiencies will be directed to funding the capital budget and other core services.

2.5.3 Financial Modelling and Key Planning Drivers

As part of the compilation of the 2024/25

MTREF, extensive financial modelling was undertaken to ensure affordability and long-term financial sustainability. The following key factors and planning strategies have informed the compilation of the 2024/25 MTREF:

- Municipal growth
- Policy priorities and strategic objectives
- Asset maintenance
- Economic climate and trends (i.e. inflation, Eskom increases, household debt, migration patterns)
- Performance trends
- The approved 2024/25 budget and performance against the SDBIP
- Cash Flow Management Strategy
- Debtor Payment Levels
- Loan and Investment Possibilities
- The need for tariff increases versus the ability of the community to pay for services;
- Improved and Sustainable Service Delivery

2.5.4 Overview of Alignment of Adjustment Budget with IDP and SDBIP

The Constitution mandates local government with the responsibility to exercise local developmental and cooperative governance. The eradication of imbalances in South African society can only be realized through a credible integrated developmental planning process.

Municipalities in South Africa need to utilise integrated development planning as a method to plan future development in their areas and so find the best solutions to achieve sound long-term development goals. A municipal IDP provides a five-year strategic programme of action aimed at setting short, medium and long term strategic and budget priorities to create a development platform, which correlates with the term of office of the political incumbents. The plan aligns the resources and the capacity of a municipality to its overall development aims and guides the municipal budget. An IDP is therefore a key instrument which municipalities use to provide vision, leadership and direction to all those that have a role to play in the development of a municipal area. The IDP enables municipalities to make the best use of scarce resources and speed up service delivery.

Integrated developmental planning in the South African context is amongst others, an approach to planning aimed at involving the municipality and the community to jointly find the best solutions towards sustainable development. Furthermore, integrated development planning provides a strategic environment for managing and guiding all planning, development and decision making in the municipality.

It is important that the IDP developed by municipalities correlate with National and Provincial intent. It must aim to co-ordinate the work of local and other spheres of government in a coherent plan to improve the quality of life for all the people living in that area. Applied to the Municipality, issues of national and provincial importance should be reflected in the IDP of the municipality. A clear understanding of such intent is therefore imperative to ensure that the Municipality strategically complies with the key national and provincial priorities.

The aim of this revision cycle was to develop and coordinate a coherent plan to improve the quality of life for all the people living in the area, also reflecting issues of national and provincial importance. One of the key objectives is therefore to ensure that there exists alignment between national and provincial priorities, policies and strategies and the Municipality's response to these requirements.

The national and provincial priorities, policies and strategies of importance include amongst others:

- Green Paper on National Strategic Planning of 2009;
- Government Programme of Action;
- Development Facilitation Act of 1995;
- Provincial Growth and Development Strategy (GGDS);
- National and Provincial spatial development perspectives;
- Relevant sector plans such as transportation, legislation and policy;
- National Key Performance Indicators (NKPIs);
- Accelerated and Shared Growth Initiative (ASGISA);
- National 2014 Vision;
- National Spatial Development Perspective (NSDP) and
- The National Priority Outcomes.

The Constitution requires local government to relate its management, budgeting and planning functions to its objectives. This gives a clear indication of the intended purposes of municipal integrated development planning. Legislation stipulates clearly that a municipality must not only give effect to its IDP but must also conduct its affairs in a manner which is consistent with its IDP.