# SCHEDULE A

## AN ANNUAL BUDGET AND SUPPORTING DOCUMENTATION OF UMZUMBE LOCAL MUNICIPALITY

**DRAFT ANNUAL BUDGET OF**

# UMZUMBE LOCAL MUNICIPALITY

## 2025/26 TO 2027/28
## MEDIUM TERM REVENUE AND EXPENDITURE FORECASTS

**Copies of this document can be viewed:**

- **In the foyer of municipal buildings**

**and**

- **At www.umzumbe.gov.za**

# Table of Contents



# List of Tables

## List of Figures

# Abbreviations and Acronyms

| | |
|---|---|
| AMR | Automated Meter Reading |
| ASGISA | Accelerated and Shared Growth Initiative |
| BPC | Budget Planning Committee |
| CBD | Central Business District |
| CFO | Chief Financial Officer |
| CM | Municipality Manager |
| CPI | Consumer Price Index |
| CRRF | Capital Replacement Reserve Fund |
| DBSA | Development Bank of South Africa |
| DoRA | Division of Revenue Act |
| DWA | Department of Water Affairs |
| EE | Employment Equity |
| EEDSM | Energy Efficiency Demand Side Management |
| EM | Executive Mayor |
| FBS | Free basic services |
| GAMAP | Generally Accepted Municipal Accounting Practice |
| GDP | Gross domestic product |
| GDS | Gauteng Growth and Development Strategy |
| GFS | Government Financial Statistics |
| GRAP | General Recognised Accounting Practice |
| HR | Human Resources |
| HSRC | Human Science Research Council |
| IDP | Integrated Development Strategy |
| IT | Information Technology |
| kℓ | kilolitre |
| km | kilometre |
| KPA | Key Performance Area |
| KPI | Key Performance Indicator |
| kWh | kilowatt |
| ℓ | litre |
| LED | Local Economic Development |
| MEC | Member of the Executive Committee |
| MFMA | Municipal Financial Management Act Programme |
| MIG | Municipal Infrastructure Grant |
| MMC | Member of Mayoral Committee |
| MPRA | Municipal Properties Rates Act |
| MSA | Municipal Systems Act |
| MTEF | Medium-term Expenditure Framework |
| MTREF | Medium-term Revenue and Expenditure Framework |
| NERSA | National Electri Municipality Regulator South Africa |
| NGO | Non-Governmental organisations |
| NKPIs | National Key Performance Indicators |
| OHS | Occupational Health and Safety |
| OP | Operational Plan |
| PBO | Public Benefit Organisations |
| PHC | Provincial Health Care |
| PMS | Performance Management System |
| PPE | Property Plant and Equipment |
| PPP | Public Private Partnership |
| PTIS | Public Transport Infrastructure System |
| RG | Restructuring Grant |
| RSC | Regional Services Council |
| SALGA | South African Local Government Association |
| SAPS | South African Police Service |
| SDBIP | Service Delivery Budget Implementation Plan |
| SMME | Small Micro and Medium Enterprises |

# Part 1 – Annual Budget

## 1.1 Mayor's Report – quote from circular 126

In the past three years after COVID 19, the world economy has gone through its deepest recession in over 70 years. South Afrivan economy(GDP) has only grown by 1% average in the last 15 years Signals are that the recovery is still fragile and many commentators caution that current positive economic trends may be short-lived and that the world economy may yet experience a second recessionary wave. Umzumbe Municipality was in no way immune to the harsh economic realities associated with the recession. Among the impacts are the serious cash flow challenges currently being experienced by the municipality due to among other things declining collection rates; historic expenditure patterns and a general lack of "doing business smarter".

Management within local government has a significant role to play in strengthening the link between the citizen and government's overall priorities and spending plans. The goal should be to enhance service delivery aimed at improving the quality of life for all people within Umzumbe Local Municipality. **Budgeting is primarily about the choices that the municipality has to make between competing priorities and fiscal realities. The challenge is to do more with the available resources. We need to remain focused on the effective delivery of the core municipal services through the application of efficient and effective service delivery mechanisms.**

The application of sound financial management principles for the compilation of the Municipality's financial plan is essential and critical to ensure that the Municipality remains financially viable and that sustainable municipal services are provided economically and equitably to all communities.

## 1.2 Council Resolutions

On 28 May 2025 the Council of Umzumbe Local Municipality met in the Council Chambers of Umzumbe Local Municipality to consider the annual budget of the municipality for the financial year 2025/26. The Council approved and adopted the following resolutions:

1. The Council of Umzumbe Local Municipality, acting in terms of section 24 of the Municipal Finance Management Act, (Act 56 of 2003) approves and adopts:

   1.1. The annual budget of the municipality for the financial year 2025/26 and the multi-year and single-year capital appropriations as set out in the following tables:

   1.1.1. Budgeted Financial Performance (revenue and expenditure by standard classification) as contained in Table 18 on page 24;

   1.1.2. Budgeted Financial Performance (revenue and expenditure by municipal vote) as contained in Table 19 on page 26;

   1.1.3. Budgeted Financial Performance (revenue by source and expenditure by type) as contained in Table 21 on page 28; and

   1.1.4. Multi-year and single-year capital appropriations by municipal vote and standard classification and associated funding by source as contained in Table 22 on page 30.

1.2. The financial position, cash flow budget, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets are approved as set out in the following tables:
   1.2.1. Budgeted Financial Position as contained in Table 23 ;
   1.2.2. Budgeted Cash Flows as contained in Table 24;
   1.2.3. Cash backed reserves and accumulated surplus reconciliation as contained in Table 25;
   1.2.4. Asset management as contained in Table 26; and
   1.2.5. Basic service delivery measurement as contained in Table 27.

2. The Council of Umzumbe Local Municipality, acting in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approves and adopts with effect from 1 July 2025:
   2.1. the tariffs for property rates – as set out in Annexure A,

3. The Council of Umzumbe Local Municipality, acting in terms of 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approves and adopts with effect from 1 July 2025 the tariffs for other services, as set out in Annexures G1 to G21 respectively.

4. To give proper effect to the municipality's annual budget, the Council of Umzumbe Local Municipality approves:
   4.1. That cash backing is implemented through the utilisation of a portion of the revenue generated from property rates to ensure that all capital reserves and provisions and unspent conditional grants are cash backed as required in terms of the municipality's funding and reserves policy as prescribed by section 8 of the Municipal Budget and Reporting Regulations.
   4.2. That council adopts the use of 10% of 2025/26 MIG allocation on repairs and maintenance for Municipal Assets.
   4.3. That Council to note the current implications of the National Budget that has been tabled but not yet adopted by Parliament and withdrawal of the Provincial Budget by the Finance MEC.
   4.4. That council approves the budget which includes indicative national and provincial grants in the Division of Revenue Bill as tabled by the finance minister.
   4.5. That it be noted that there will be NO transacting on the grant funded operating and capital budget until the indicative figures have been adopted by Parliament and Gazetted.

## 1.3 Executive Summary

The application of sound financial management principles for the compilation of the municipality's financial plan is essential and critical to ensure that the municipality 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 noncore and 'nice to have' items. This has resulted in savings to the municipality.

The Municipality has embarked on implementing a range of revenue collection strategies to optimize the collection of debt owed by consumers. Furthermore, the Municipality has undertaken various customer care initiatives to ensure the municipality truly involves all citizens in the process of ensuring a people lead government.

National Treasury's MFMA Circular No. 130 were used to guide the compilation of the 2025/26 MTREF.

The main challenges experienced during the compilation of the 2025/26 MTREF can be summarised as follows:

- The ongoing difficulties in the national and local economy;
- Aging and poorly maintained roads and Municipal Infrastructure.
- The need to reprioritise projects and expenditure within the existing resource envelope given the cash flow realities and declining cash position of the municipality;
- Wage increases for municipal staff that continue to exceed consumer inflation, as well as the need to fill critical vacancies;
- Affordability of capital projects – original allocations had to be reduced and the operational expenditure associated with prior year's capital investments needed to be factored into the budget as part of the 2025/26 MTREF process; and
- Availability of affordable capital.

The following budget principles and guidelines directly informed the compilation of the 2025/26 MTREF:

- The 2024/25 Adjustments Budget priorities and targets, as well as the base line allocations contained in that Adjustments Budget were adopted as the upper limits for the new baselines for the 2025/26 annual budget;
- Intermediate service level standards were used to inform the measurable objectives, targets and backlog eradication goals;
- Tariff and property rate increases should be affordable and should generally not exceed inflation as measured by the CPI, except where there are price increases in the inputs of services that are beyond the control of the municipality. In addition, tariffs need to remain or move towards being cost reflective, and should consider the need to address infrastructure backlogs;
- There will be no budget allocated to national and provincial funded projects unless the necessary grants to the municipality are reflected in the national and provincial budget and have been gazetted as required by the annual Division of Revenue Act;

In view of the aforementioned, the following table is a consolidated overview of the proposed 2025/26 Medium-term Revenue and Expenditure Framework:

**Table 1 Consolidated Overview of the 2025/26 MTREF**

Total operating revenue has decreased by 12 per cent for the 2025/26 financial year when compared to the 2024/25 Adjustments Budget. For the two outer years, operational revenue will remain stagnant.

Total operating expenditure for the 2025/26 financial year has been appropriated at R206.4 million and translates into a budgeted surplus of R500K. When compared to the 2024/25 Adjustments Budget, operational expenditure has decreased by 33 per cent in the 2024/25 budget.

The capital budget of R63.4 million for 2025/26 is 29.5 per cent less when compared to the 2024/25 Adjustment Budget. The reduction is due decrease in our capital allocations and depletion of our reserves.

## 1.4 Operating Revenue Framework

For Umzumbe Local 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 management is fundamental to the financial sustainability of every municipality. The reality is that we are faced with development backlogs and poverty. The expenditure required to address these challenges will inevitably always exceed available funding; hence difficult choices have to be made in relation to tariff increases and balancing expenditures against realistically anticipated revenues.

The municipality's revenue strategy is built around the following key components:

- National Treasury's guidelines and macroeconomic policy;
- Growth in the Municipality and continued economic development;
- Efficient revenue management, which aims to ensure a 95 per cent annual collection rate for property rates and other key service charges;
- Achievement of full cost recovery of specific user charges especially in relation to trading services;
- Determining the tariff escalation rate by establishing/calculating the revenue requirement of each service;
- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA);
- Increase ability to extend new services and recover costs;
- The municipality's Indigent Policy and rendering of free basic services; and
- Tariff policies of the Municipality.

The following table is a summary of the 2025/26 MTREF (classified by main revenue source):

**Table 2 Summary of revenue classified by main revenue source**

KZN213 Umzumbe - Table A4 Budgeted Financial Performance (revenue and expenditure)

| Description | Ref | 2021/22 | 2022/23 | 2023/24 | Current Year 2024/25 | | | | 2025/26 Medium Term Revenue & Expenditure Framework | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| R thousand | 1 | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2025/26 | Budget Year +1 2026/27 | Budget Year +2 2027/28 |
| **Revenue** | | | | | | | | | | | |
| **Exchange Revenue** | | | | | | | | | | | |
| Service charges - Electricity | 2 | - | - | - | - | - | - | - | - | - | - |
| Service charges - Water | 2 | - | - | - | - | - | - | - | - | - | - |
| Service charges - Waste Water Management | 2 | - | - | - | - | - | - | - | - | - | - |
| Service charges - Waste Management | 2 | - | - | - | - | - | - | - | - | - | - |
| Sale of Goods and Rendering of Services | | 106 | 110 | 117 | 230 | 231 | 231 | 12 | 14 624 | 9 222 | 9 639 |
| Agency services | | - | - | - | - | - | - | - | - | - | - |
| Interest | | - | - | - | - | - | - | - | - | - | - |
| Interest earned from Receivables | | - | - | - | - | - | - | - | - | - | - |
| Interest earned from Current and Non Current Assets | | 7 264 | 10 325 | 9 197 | 10 000 | 6 000 | 6 000 | 3 724 | 6 000 | 6 270 | 6 546 |
| Dividends | | - | - | - | - | - | - | - | - | - | - |
| Rent on Land | | - | - | - | - | - | - | - | - | - | - |
| Rental from Fixed Assets | | 109 | 92 | 100 | 435 | 435 | 435 | 98 | 109 | 114 | 119 |
| Licence and permits | | - | - | - | - | - | - | - | - | - | - |
| Special rating levies | | - | - | - | - | - | - | - | - | - | - |
| Operational Revenue | | 783 | 605 | 5 376 | 600 | 600 | 600 | 772 | 545 | 637 | 665 |
| **Non-Exchange Revenue** | | | | | | | | | | | |
| Property rates | 2 | 7 812 | 8 244 | 8 270 | 12 451 | 12 451 | 12 451 | 12 623 | 12 451 | 12 451 | 12 451 |
| Surcharges and Taxes | | - | - | - | - | - | - | - | - | - | - |
| Fines, penalties and forfeits | | - | - | - | - | - | - | - | - | - | - |
| Licences or permits | | 12 | 9 | 12 | 1 979 | 1 978 | 1 978 | 34 | 349 | 365 | 381 |
| Transfer and subsidies - Operational | | 146 628 | 158 412 | 167 235 | 181 483 | 184 586 | 184 586 | 174 296 | 177 024 | 173 705 | 181 546 |
| Interest | | - | - | - | - | - | - | - | - | - | - |
| Fuel Levy | | - | - | - | - | - | - | - | - | - | - |
| Operational Revenue | | - | - | - | - | - | - | - | - | - | - |
| Gains on disposal of Assets | | (1 836) | (300) | (904) | 391 | 391 | 391 | - | - | - | - |
| Other Gains | | 26 | 467 | 87 | - | - | - | - | - | - | - |
| Discontinued Operations | | 702 | 2 | 12 | - | - | - | - | - | - | - |
| **Total Revenue (excluding capital transfers and contrib** | | **161 605** | **177 966** | **189 501** | **207 569** | **206 672** | **206 672** | **191 557** | **211 102** | **202 764** | **211 347** |
| **Expenditure** | | | | | | | | | | | |
| Employee related costs | 2 | 65 823 | 71 584 | 78 495 | 89 165 | 89 165 | 89 165 | 70 107 | 99 964 | 104 562 | 109 287 |
| Remuneration of councillors | | 17 196 | 23 629 | 22 335 | 17 598 | 17 598 | 17 598 | 20 841 | 22 884 | 23 937 | 25 014 |
| Bulk purchases - electricity | 2 | - | - | - | - | - | - | - | - | - | - |
| Inventory consumed | 8 | 1 289 | 2 801 | 4 040 | 2 989 | 2 484 | 2 484 | 2 938 | 1 434 | 1 500 | 1 632 |
| Debt impairment | 3 | - | 2 635 | 1 290 | 2 500 | 2 500 | 2 500 | - | 2 174 | 2 272 | 2 372 |
| Depreciation and amortisation | | 32 592 | 23 555 | 26 064 | 30 810 | 27 981 | 27 981 | - | 26 791 | 27 997 | 29 229 |
| Interest | | 1 | 0 | 19 | - | 26 | 26 | 30 | - | - | - |
| Contracted services | | 28 431 | 81 067 | 72 914 | 32 180 | 34 094 | 34 094 | 49 314 | 43 386 | 45 349 | 47 331 |
| Transfers and subsidies | | 6 198 | 7 392 | 5 751 | 4 662 | 4 471 | 4 471 | 3 753 | 2 218 | 2 320 | 2 424 |
| Irrecoverable debts written off | | 545 | - | - | - | - | - | - | - | - | - |
| Operational costs | | 27 560 | 40 248 | 36 146 | 26 499 | 27 881 | 27 881 | 27 822 | 21 402 | 22 306 | 22 945 |
| Losses on disposal of Assets | | - | - | - | - | - | - | - | - | - | - |
| Other Losses | | - | - | - | - | - | - | - | - | - | - |
| **Total Expenditure** | | **179 635** | **252 911** | **247 055** | **206 402** | **206 200** | **206 200** | **174 806** | **220 253** | **230 242** | **240 233** |
| **Surplus/(Deficit)** | | **(18 030)** | **(74 945)** | **(57 554)** | **1 167** | **472** | **472** | **16 752** | **(9 151)** | **(27 478)** | **(28 886)** |
| Transfers and subsidies - capital (monetary | 6 | 35 861 | 47 552 | 43 357 | 37 565 | 63 565 | 63 565 | 50 905 | 39 281 | 42 711 | 44 575 |
| Transfers and subsidies - capital (in-kind) | 6 | – | – | – | – | – | – | – | – | – | – |
| **Surplus/(Deficit) after capital transfers & contributions** | | **17 831** | **(27 393)** | **(14 197)** | **38 731** | **64 037** | **64 037** | **67 657** | **30 130** | **15 233** | **15 689** |
| Income Tax | | – | – | – | – | – | – | – | – | – | – |
| **Surplus/(Deficit) after income tax** | | **17 831** | **(27 393)** | **(14 197)** | **38 731** | **64 037** | **64 037** | **67 657** | **30 130** | **15 233** | **15 689** |
| Share of Surplus/Deficit attributable to Joint Venture | | – | – | – | – | – | – | – | – | – | – |
| Share of Surplus/Deficit attributable to Minorities | | – | – | – | – | – | – | – | – | – | – |
| **Surplus/(Deficit) attributable to municipality** | | **17 831** | **(27 393)** | **(14 197)** | **38 731** | **64 037** | **64 037** | **67 657** | **30 130** | **15 233** | **15 689** |
| Share of Surplus/Deficit attributable to Associate | 7 | – | – | – | – | – | – | – | – | – | – |
| Intercompany/Parent subsidiary transactions | | – | – | – | – | – | – | – | – | – | – |
| **Surplus/(Deficit) for the year** | 1 | **17 831** | **(27 393)** | **(14 197)** | **38 731** | **64 037** | **64 037** | **67 657** | **30 130** | **15 233** | **15 689** |

In line with the formats prescribed by the Municipal Budget and Reporting Regulations, capital transfers and contributions are excluded from the operating statement, as inclusion of these revenue sources would distort the calculation of the operating surplus/deficit.

## Table 3 Operating Transfers and Grant Receipts

**KZN213 Umzumbe - Supporting Table SA18 Transfers and grant receipts**

| Description | Ref | 2021/22 | 2022/23 | 2023/24 | Current Year 2024/25 | | | 2025/26 Medium Term Revenue & Expenditure Framework | | |
|---|---|---|---|---|---|---|---|---|---|---|
| R thousand | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2025/26 | Budget Year +1 2026/27 | Budget Year +2 2027/28 |
| **RECEIPTS:** | 1, 2 | | | | | | | | | |
| **Operating Transfers and Grants** | | | | | | | | | | |
| **National Government:** | | **175 644** | **205 809** | **240 687** | **176 289** | **176 289** | **176 289** | **174 945** | **172 342** | **180 119** |
| EPWP Incentive | – | 3 191 | 4 846 | 6 277 | 1 400 | 1 400 | 1 400 | 1 428 | – | – |
| Finance Management | – | 3 750 | 5 600 | 7 450 | 1 800 | 1 800 | 1 800 | 1 900 | 2 100 | 2 200 |
| Integrated National Electrification Programme | – | 25 539 | 40 500 | 64 006 | – | – | – | – | – | – |
| Local Government Equitable Share | – | 143 164 | 154 863 | 162 954 | 171 112 | 171 112 | 171 112 | 169 550 | 167 994 | 175 573 |
| Municipal Infrastructure Grant | – | – | – | – | 1 977 | 1 977 | 1 977 | 2 067 | 2 248 | 2 346 |
| Other transfers/grants [insert description] | | | | | | | | | | |
| **Provincial Government:** | | **9 722** | **9 783** | **30 518** | **2 000** | **–** | **–** | **2 079** | **1 363** | **1 427** |
| KwaZulu-Natal_Capacity Building and Other_Speci | – | – | – | 1 000 | 2 000 | – | – | 700 | | |
| KwaZulu-Natal_Infrastructure_Specify (Add grant de | – | 9 722 | 9 783 | 29 518 | – | – | – | 1 379 | 1 363 | 1 427 |
| Other transfers/grants [insert description] | | | | | | | | | | |
| **District Municipality:** | | – | – | – | – | – | – | – | – | – |
| *[insert description]* | | | | | | | | | | |
| **Other grant providers:** | | – | – | – | – | – | – | – | – | – |
| *[insert description]* | | | | | | | | | | |
| **Total Operating Transfers and Grants** | 5 | **185 366** | **215 592** | **271 205** | **178 289** | **176 289** | **176 289** | **177 024** | **173 705** | **181 546** |

Tariff-setting is a pivotal and strategic part of the compilation of any budget. When rates, tariffs and other charges were revised, local economic conditions, input costs and the affordability of services were taken into account to ensure the financial sustainability of the Municipality.

National Treasury continues to encourage municipalities to keep increases in rates, tariffs and other charges as low as possible. Municipalities must justify in their budget documentation all increases in excess of the 6 per cent upper boundary of the South African Reserve Bank's inflation target. Excessive increases are likely to be counterproductive, resulting in higher levels of non-payment.

It must also be appreciated that the consumer price index, as measured by CPI, is not a good measure of the cost increases of goods and services relevant to municipalities. The basket of goods and services utilised for the calculation of the CPI consist of items such as food, petrol and medical services, whereas the cost drivers of a municipality are informed by items such as the cost of remuneration, petrol, diesel, chemicals, cement etc. The current challenge facing the Municipality is managing the gap between cost drivers and tariffs levied, as any shortfall must be made up by either operational efficiency gains or service level reductions. Within this framework the Municipality has undertaken the tariff setting process relating to service charges as follows.

### 1.4.1 Property Rates

Property rates cover the cost of the provision of general services. Determining the effective property rate tariff is therefore an integral part of the municipality's budgeting process.

National Treasury's MFMA Circular No. 51 deals, inter alia with the implementation of the Municipal Property Rates Act, with the regulations issued by the Department of Co-operative Governance. These regulations came into effect on 1 July 2009 and prescribe the rate ratio for the non-residential categories, public service infrastructure and agricultural properties relative to residential properties to be 0,25:1. The implementation of these regulations was done in the previous budget process and the Property Rates Policy of the Municipality has been amended accordingly.

The following stipulations in the Property Rates Policy are highlighted:

- The first R15 000 of the market value of a property used for residential purposes is excluded from the rate-able value (Section 17(h) of the MPRA).
- 100 per cent rebate will be granted to registered indigents in terms of the Indigent Policy;
- For pensioners, physically and mentally disabled persons, a maximum/total rebate of 50 per cent (calculated on a sliding scale) will be granted to owners of rate-able property if the total gross income of the applicant and/or his/her spouse, if any, does not to exceed the amount equal to twice the annual state pension as approved by the National Government for a financial year. In this regard the following stipulations are relevant:
  - The rate-able property concerned must be occupied only by the applicant and his/her spouse, if any, and by dependants without income;
  - The applicant must submit proof of his/her age and identity and, in the case of a physically or mentally handicapped person, proof of certification by a Medical Officer of Health, also proof of the annual income from a social pension;
  - The applicant's account must be paid in full, or if not, an arrangement to pay the debt should be in place; and
  - The property must be categorized as residential.

- The Municipality may award a 100 per cent grant-in-aid on the assessment rates of rate-able properties of certain classes such as registered welfare organizations, institutions or organizations performing charitable work, sports grounds used for purposes of amateur sport.

The categories of rate-able properties for purposes of levying rates and the proposed rates for the 2025/26 financial:

**Table 4 Comparison of proposed rates to levied for the 2025/26 financial year**

| 3 | RATES | 2025/26 | 2024/25 |
|---|---|---|---|
| 3.1 | Place of worship | 0.0025 | 0.0025 |
| 3.2 | Agricultural-small holding | 0.0025 | 0.0025 |
| 3.3 | Agricultural | 0.0025 | 0.0025 |
| 3.4 | Business/Commercial/Industrial/Mining | 0.01 | 0.01 |

| | | | |
|---|---|---|---|
| 3.5 | Public service property /State owned / Vacant land | 0.01 | 0.01 |
| 3.6 | Communal land/Communal property association | 0.0025 | 0.0025 |
| 3.7 | Public service infrastructure | 0.0025 | 0.0025 |
| 3.8 | Residential | 0.01 | 0.01 |
| 3.9 | Public benefit organisation | 0.0025 | 0.0025 |
| | | | |

### 1.4.2 Overall impact of tariff on households

Note that in all instances the overall impact of the implementation of the new valuation roll on household's bills has been minimised by maintaining our rate randages as advised by COGTA.

## 1.5 Operating Expenditure Framework

The Municipality's expenditure framework for the 2025/26 budget and MTREF is informed by the following:

- The asset renewal strategy and the repairs and maintenance plan;
- Balanced budget (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;
- Operational gains and efficiencies will be directed to funding the capital budget and other local government core services; and
- Strict adherence to the principle of *no project plan no budget*. If there is no business plan no funding allocation can be made.

The following table is a high level summary of the 2025/26 budget and MTREF (classified per main type of operating expenditure):

**Table 5 Summary of operating expenditure by standard classification item**

| Description | Ref | 2021/22 | 2022/23 | 2023/24 | Current Year 2024/25 | | | | 2025/26 Medium Term Revenue & Expenditure Framework | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2025/26 | Budget Year +1 2026/27 | Budget Year +2 2027/28 |
| **Expenditure** | | | | | | | | | | | |
| Employee related costs | 2 | 65 823 | 71 584 | 78 495 | 89 165 | 89 165 | 89 165 | 70 107 | 99 964 | 104 562 | 109 287 |
| Remuneration of councillors | | 17 196 | 23 629 | 22 335 | 17 598 | 17 598 | 17 598 | 20 841 | 22 884 | 23 937 | 25 014 |
| Bulk purchases - electricity | 2 | - | - | - | - | - | - | - | - | - | - |
| Inventory consumed | 8 | 1 289 | 2 801 | 4 040 | 2 989 | 2 484 | 2 484 | 2 938 | 1 434 | 1 500 | 1 632 |
| Debt impairment | 3 | - | 2 635 | 1 290 | 2 500 | 2 500 | 2 500 | - | 2 174 | 2 272 | 2 372 |
| Depreciation and amortisation | | 32 592 | 23 555 | 26 064 | 30 810 | 27 981 | 27 981 | - | 26 791 | 27 997 | 29 229 |
| Interest | | 1 | 0 | 19 | - | 26 | 26 | 30 | - | - | - |
| Contracted services | | 28 431 | 81 067 | 72 914 | 32 180 | 34 094 | 34 094 | 49 314 | 43 386 | 45 349 | 47 331 |
| Transfers and subsidies | | 6 198 | 7 392 | 5 751 | 4 662 | 4 471 | 4 471 | 3 753 | 2 218 | 2 320 | 2 424 |
| Irrecoverable debts written off | | 545 | - | - | - | - | - | - | - | - | - |
| Operational costs | | 27 560 | 40 248 | 36 146 | 26 499 | 27 881 | 27 881 | 27 822 | 21 402 | 22 306 | 22 945 |
| Losses on disposal of Assets | | - | - | - | - | - | - | - | - | - | - |
| Other Losses | | - | - | - | - | - | - | - | - | - | - |
| **Total Expenditure** | | **179 635** | **252 911** | **247 055** | **206 402** | **206 200** | **206 200** | **174 806** | **220 253** | **230 242** | **240 233** |

The budgeted allocation for employee related costs for the 2025/26 financial year totals R112.5 million, which equals 49.86 per cent of the total operating expenditure. Based on the three year collective SALGBC agreement, salary increases have been factored into this. As part of the Municipality's cost reprioritization and cash management strategy vacancies have been significantly rationalized.

The cost associated with the remuneration of councillors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The most recent proclamation in this regard has been taken into account in compiling the Municipality's budget.

The provision of debt impairment was determined based on an annual collection rate of 95 per cent and the Debt Write-off Policy of the Municipality. .

Provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy. Depreciation is widely considered a proxy for the measurement of the rate asset consumption. Budget appropriations in this regard total R30.8 million for the 2025/26 financial and equates to 13.65 per cent of the total operating expenditure.

Contracted services has been identified as a cost saving area for the Municipality. As part of the compilation of the 2025/26 MTREF this group of expenditure was critically evaluated and operational efficiencies were enforced, security contract is a case in point.

Other expenditure comprises of various line items relating to the daily operations of the municipality. This group of expenditure has also been identified as an area in which cost savings and efficiencies can be achieved.

The following table gives a breakdown of the main expenditure categories for the 2025/26 financial year.

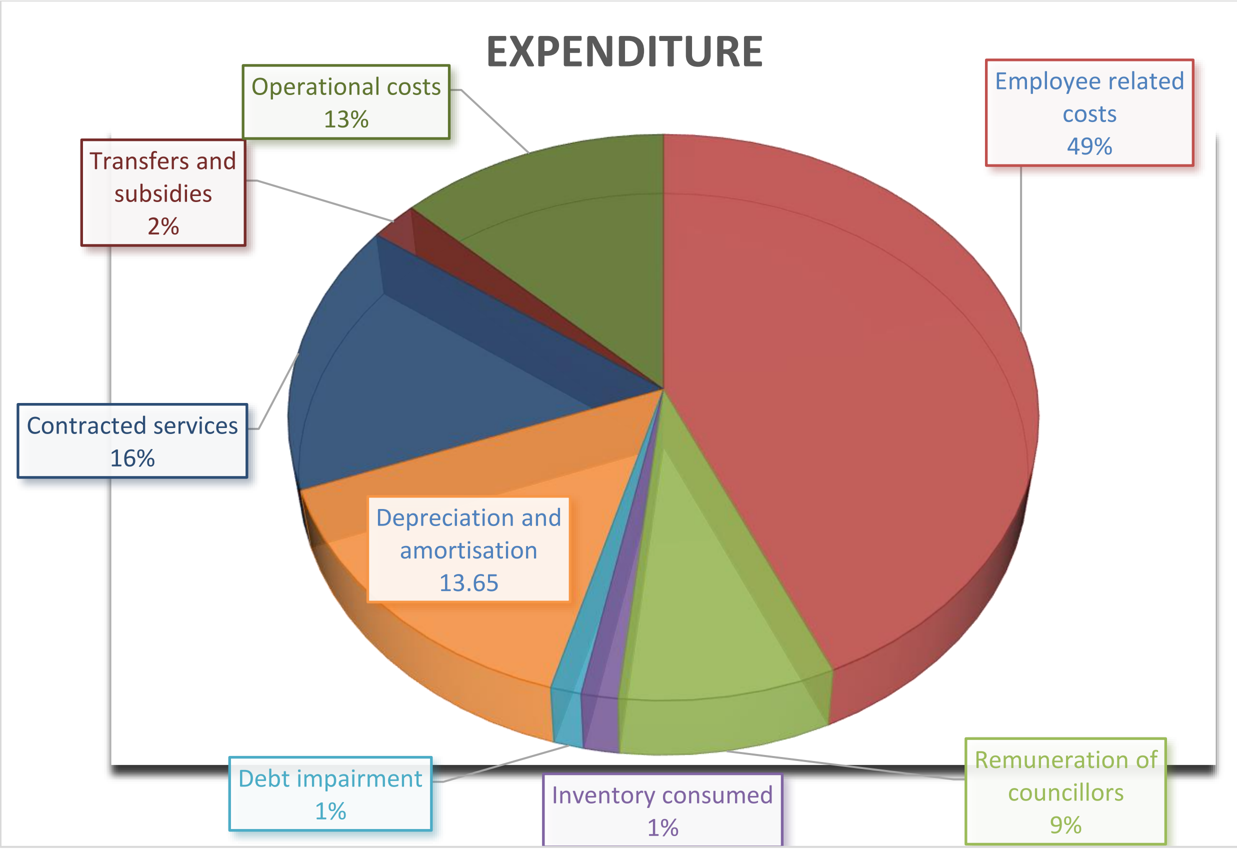


**Figure 1 Main operational expenditure categories for the 2025/26 financial year**

### 1.5.1 Priority given to repairs and maintenance

Aligned to the priority being given to preserving and maintaining the Municipality's current infrastructure, the 2025/26 budget and MTREF provide for extensive growth in the area of asset maintenance, as informed by the asset renewal strategy and repairs and maintenance plan of the Municipality. In terms of the Municipal Budget and Reporting Regulations, operational repairs and maintenance is not considered a direct expenditure driver but an outcome of certain other expenditures, such as remuneration, purchases of materials and contracted services. Considering these cost drivers, the following table is a consolidation of all the expenditures associated with repairs and maintenance:

**Table 6 Operational repairs and maintenance**

| Description | Ref | 2021/22 | 2022/23 | 2023/24 | Current Year 2024/25 | | | | 2025/26 Medium Term Revenue & Expenditure Framework | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2025/26 | Budget Year +1 2026/27 | Budget Year +2 2027/28 |

| | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Repairs and Maintenance by Expenditure Item** | 8 | | | | | | | | | | |
| Employee related costs | | – | – | – | – | – | – | – | – | – | – |
| Inventory Consumed (Project Maintenance) | | 7 645 | 35 440 | 10 195 | 6 000 | 7 018 | 7 018 | – | 6 039 | 6 317 | 6 597 |
| Contracted Services | | – | – | – | – | – | – | – | – | – | – |
| Other Expenditure | | – | – | – | – | – | – | – | – | – | – |
| **Total Repairs and Maintenance Expenditure** | 9 | 7 645 | 35 440 | 10 195 | 6 000 | 7 018 | 7 018 | – | 6 039 | 6 317 | 6 597 |

During the compilation of the 2025/26 MTREF operational repairs and maintenance was identified as a strategic imperative owing to the aging of the Municipality's infrastructure and historic deferred maintenance.

The table below provides a breakdown of the repairs and maintenance in relation to asset class:

## Table 7 Repairs and maintenance per asset class

**KZN213 Umzumbe - Supporting Table SA34c Repairs and maintenance expenditure by asset class**

| Description | Ref | 2021/22 | 2022/23 | 2023/24 | Current Year 2024/25 | | | 2025/26 Medium Term Revenue & Expenditure Framework | | |
|---|---|---|---|---|---|---|---|---|---|---|
| R thousand | 1 | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2025/26 | Budget Year +1 2026/27 | Budget Year +2 2027/28 |
| Repairs and maintenance expenditure by Asset Class/Sub-class | | | | | | | | | | |
| **Infrastructure** | | **4 345** | **29 285** | **6 211** | **1 304** | **2 366** | **2 366** | **2 609** | **2 729** | **2 849** |
| Roads Infrastructure | | 4 345 | 29 285 | 6 211 | 1 304 | 2 366 | 2 366 | 2 609 | 2 729 | 2 849 |
| *Roads* | | 4 345 | 29 285 | 6 211 | 1 304 | 2 366 | 2 366 | 2 609 | 2 729 | 2 849 |
| **Community Assets** | | **756** | **469** | **722** | **261** | **174** | **174** | **519** | **543** | **567** |
| Community Facilities | | 756 | 469 | 722 | 261 | 174 | 174 | 519 | 543 | 567 |
| *Halls* | | 756 | 469 | 722 | 261 | 174 | 174 | 519 | 543 | 567 |
| **Other assets** | | **395** | **1 726** | **513** | **783** | **1 348** | **1 348** | **1 129** | **1 181** | **1 234** |
| Operational Buildings | | 395 | 1 726 | 513 | 783 | 1 348 | 1 348 | 1 129 | 1 181 | 1 234 |
| *Municipal Offices* | | 395 | 1 690 | 488 | 783 | 1 348 | 1 348 | 870 | 910 | 950 |
| *Capital Spares* | | – | 35 | 25 | – | – | – | 260 | 272 | 284 |
| **Computer Equipment** | | 4 | 3 | 1 | 43 | 43 | 43 | 43 | 45 | 48 |
| Computer Equipment | | 4 | 3 | 1 | 43 | 43 | 43 | 43 | 45 | 48 |
| **Furniture and Office Equipment** | | – | – | – | – | – | – | – | – | – |
| Furniture and Office Equipment | | – | – | – | – | – | – | – | – | – |
| **Machinery and Equipment** | | 1 607 | 2 942 | 1 825 | 2 522 | 2 000 | 2 000 | 1 086 | 1 136 | 1 187 |
| Machinery and Equipment | | 1 607 | 2 942 | 1 825 | 2 522 | 2 000 | 2 000 | 1 086 | 1 136 | 1 187 |
| **Transport Assets** | | 538 | 1 016 | 922 | 1 087 | 1 087 | 1 087 | 652 | 682 | 713 |
| Transport Assets | | 538 | 1 016 | 922 | 1 087 | 1 087 | 1 087 | 652 | 682 | 713 |

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| **Total Repairs and Maintenance Expenditure** | 1 | **7 645** | **35 440** | **10 195** | **6 000** | **7 018** | **7 018** | **6 039** | **6 317** | **6 597** |
| | | | | | | | | | | |
| *R&M as a % of PPE & Investment Property* | | *1.4%* | *0.0%* | *0.0%* | *0.0%* | *0.0%* | *0.0%* | *0.0%* | *0.0%* | *0.0%* |
| *R&M as % Operating Expenditure* | | *4.3%* | *14.0%* | *4.1%* | *2.9%* | *3.4%* | *3.4%* | *3.5%* | *2.9%* | *2.9%* |

### 1.5.2 Free Basic Services: Basic Social Services Package

The social package assists households that are poor or face other circumstances that limit their ability to pay for services. To receive these free services the households are required to register in terms of the Municipality's Indigent Policy.

The cost of the social package of the registered indigent households is largely financed by national government through the local government equitable share received in terms of the annual Division of Revenue Act.

## 1.6 Capital expenditure

The following table provides a breakdown of budgeted capital expenditure by vote:

**KZN213 Umzumbe - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding**

| Vote Description | Ref | 2021/22 | 2022/23 | 2023/24 | Current Year 2024/25 | | | | 2025/26 Medium Term Revenue & Expenditure Framework | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| R thousand | 1 | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2025/26 | Budget Year +1 2026/27 | Budget Year +2 2027/28 |

| | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Single-year expenditure** ***to be appropriated*** | 2 | | | | | | | | | | |
| Vote 1 - Executive and Council | | 389 | 1 403 | 510 | 104 | 104 | 104 | 7 209 | 104 | 109 | 113 |
| Vote 2 - Finance and Administration | | 68 157 | (13 614) | 64 827 | 21 085 | 17 421 | 17 421 | 546 645 | 4 852 | 5 212 | 5 445 |
| Vote 3 - Planning and Development | | – | – | 11 516 | 19 217 | 22 803 | 22 803 | 18 717 | 25 409 | 30 097 | 31 462 |
| Vote 4 - Road Transport | | 4 499 | 29 294 | (9 377) | 18 752 | 39 861 | 39 861 | 107 212 | 20 154 | 24 243 | 25 310 |
| Vote 5 - Internal Audit | | – | – | – | – | – | – | – | – | – | – |
| Vote 6 - Sport and Recreation | | 10 622 | (10 564) | – | – | – | – | 57 | – | – | – |
| Vote 7 - Community and Social Services | | (18 780) | (24 665) | (19 204) | 1 739 | 1 378 | 1 378 | 65 | 826 | 864 | 902 |
| Vote 8 - Community and Social Services2 | | – | – | – | – | – | – | – | – | – | – |
| Vote 9 - Housing | | – | – | – | – | – | – | – | – | – | – |
| Vote 10 - Other | | – | – | – | 870 | 609 | 609 | – | – | – | – |
| Vote 11 - Public Safety | | – | – | – | 1 217 | 913 | 913 | – | 870 | 910 | 950 |
| Vote 12 - [NAME OF VOTE 12] | | – | – | – | 174 | 187 | 187 | – | 174 | 182 | 190 |
| Vote 13 - Energy Sources | | – | – | – | – | – | – | – | – | – | – |
| Vote 14 - Environmental Protection | | – | – | – | – | – | – | – | – | – | – |
| Vote 15 - [NAME OF VOTE 15] | | – | – | – | – | – | – | – | – | – | – |
| **Capital single-year expenditure sub-total** | | **64 888** | **(18 147)** | **48 272** | **63 159** | **83 277** | **83 277** | **679 905** | **52 389** | **61 617** | **64 372** |
| **Total Capital Expenditure - Vote** | | **64 888** | **(18 147)** | **48 272** | **63 159** | **83 277** | **83 277** | **679 905** | **52 389** | **61 617** | **64 372** |
| **Capital Expenditure - Functional** | | | | | | | | | | | |
| ***Governance and administration*** | | **68 546** | **(12 211)** | **65 337** | **21 189** | **17 526** | **17 526** | **21 456** | **4 956** | **5 321** | **5 559** |
| Executive and council | | 389 | 1 403 | 510 | 104 | 104 | 104 | 7 | 104 | 109 | 113 |
| Finance and administration | | 68 157 | (13 614) | 64 827 | 21 085 | 17 421 | 17 421 | 21 450 | 4 852 | 5 212 | 5 445 |
| Internal audit | | – | – | – | – | – | – | – | – | – | – |
| ***Community and public safety*** | | **(8 158)** | **(35 229)** | **(19 204)** | **2 957** | **2 291** | **2 291** | **635** | **1 696** | **1 774** | **1 852** |
| Community and social services | | (18 780) | (24 665) | (19 204) | 1 739 | 1 378 | 1 378 | 635 | 826 | 864 | 902 |
| Sport and recreation | | 10 622 | (10 564) | – | – | – | – | – | – | – | – |
| Public safety | | – | – | – | 1 217 | 913 | 913 | – | 870 | 910 | 950 |
| Housing | | – | – | – | – | – | – | – | – | – | – |
| Health | | – | – | – | – | – | – | – | – | – | – |
| ***Economic and environmental services*** | | **4 499** | **29 294** | **2 139** | **37 969** | **62 664** | **62 664** | **60 652** | **45 563** | **54 341** | **56 772** |
| Planning and development | | – | – | 11 516 | 19 217 | 22 803 | 22 803 | 27 475 | 25 409 | 30 097 | 31 462 |
| Road transport | | 4 499 | 29 294 | (9 377) | 18 752 | 39 861 | 39 861 | 33 177 | 20 154 | 24 243 | 25 310 |
| Environmental protection | | – | – | – | – | – | – | – | – | – | – |
| ***Trading services*** | | **–** | **–** | **–** | **174** | **187** | **187** | **94** | **174** | **182** | **190** |
| Energy sources | | – | – | – | – | – | – | – | – | – | – |
| Water management | | – | – | – | – | – | – | – | – | – | – |
| Waste water management | | – | – | – | – | – | – | – | – | – | – |
| Waste management | | – | – | – | 174 | 187 | 187 | 94 | 174 | 182 | 190 |
| ***Other*** | | **–** | **–** | **–** | **870** | **609** | **609** | **700** | **–** | **–** | **–** |
| **Total Capital Expenditure - Functional** | 3 | **64 888** | **(18 147)** | **48 272** | **63 159** | **83 277** | **83 277** | **83 537** | **52 389** | **61 617** | **64 372** |
| **Funded by:** | | | | | | | | | | | |
| National Government | | 5 310 | (5 549) | (3 382) | 32 665 | 53 274 | 53 274 | 50 811 | 34 345 | 41 314 | 43 132 |
| Provincial Government | | – | – | – | – | – | – | – | – | – | – |
| District Municipality | | (707) | – | – | – | – | – | – | – | – | – |
| Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions) | | – | – | – | – | – | – | – | – | – | – |
| **Transfers recognised - capital** | 4 | **4 602** | **(5 549)** | **(3 382)** | **32 665** | **53 274** | **53 274** | **50 811** | **34 345** | **41 314** | **43 132** |
| **Borrowing** | 6 | – | – | – | – | – | – | – | – | – | – |
| **Internally generated funds** | | 60 285 | (12 598) | 51 654 | 30 494 | 30 003 | 30 003 | 32 726 | 18 043 | 20 303 | 21 240 |
| **Total Capital Funding** | 7 | **64 888** | **(18 147)** | **48 272** | **63 159** | **83 277** | **83 277** | **83 537** | **52 389** | **61 617** | **64 372** |

## 1.7 Annual Budget Tables

The following eighteen pages present the ten main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2025/26 budget and MTREF as approved by the Council. Each table is accompanied by *explanatory notes* on the facing page.

## Table 8 MBRR Table A1 - Budget Summary

KZN213 Umzumbe - Table A1 Budget Summary

| Description | 2020/21 | 2021/22 | 2022/23 | Current Year 2023/24 | | | | 2024/25 Medium Term Revenue & Expenditure Framework | | |
|---|---|---|---|---|---|---|---|---|---|---|
| R thousands | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2024/25 | Budget Year +1 2025/26 | Budget Year +2 2026/27 |
| **Financial Performance** | | | | | | | | | | |
| Property rates | 7 813 | 7 812 | 8 244 | 8 270 | 8 270 | 8 270 | 8 273 | 12 451 | 12 451 | 12 451 |
| Service charges | – | – | – | – | – | – | – | – | – | – |
| Investment revenue | 7 280 | 7 264 | 10 325 | 11 583 | 9 583 | 9 583 | 6 267 | 10 000 | 10 490 | 10 983 |
| Transfer and subsidies - Operational | 166 502 | 146 628 | 158 412 | 197 603 | 214 484 | 214 484 | 152 943 | 179 886 | 183 407 | 175 743 |
| Other own revenue | (21) | (801) | 983 | 2 226 | 1 943 | 1 943 | 226 | 3 635 | 3 794 | 3 954 |
| **Total Revenue (excluding capital transfers and contributions)** | 181 574 | 160 903 | 177 964 | 219 682 | 234 281 | 234 281 | 167 709 | 205 972 | 210 142 | 203 130 |
| Employee costs | 65 343 | 66 078 | 71 895 | 95 148 | 95 148 | 95 148 | 59 378 | 89 254 | 93 360 | 97 561 |
| Remuneration of councillors | 17 309 | 17 196 | 23 629 | 18 584 | 18 584 | 18 584 | 16 313 | 17 598 | 18 407 | 19 236 |
| Depreciation and amortisation | 20 952 | 32 592 | 23 555 | 31 130 | 31 130 | 31 130 | 13 781 | 30 810 | 30 812 | 30 809 |
| Interest | 12 | 1 | 0 | 30 | 30 | 30 | – | – | – | – |
| Inventory consumed and bulk purchases | 1 414 | 1 289 | 2 801 | 6 774 | 5 009 | 5 009 | 1 509 | 2 989 | 1 751 | 1 829 |
| Transfers and subsidies | 6 869 | 6 492 | 7 392 | 8 109 | 7 119 | 7 119 | 4 710 | 4 662 | 4 876 | 5 096 |
| Other expenditure | 45 082 | 56 536 | 123 947 | 123 493 | 150 466 | 150 466 | 105 516 | 61 179 | 65 584 | 66 437 |
| **Total Expenditure** | 156 981 | 180 184 | 253 219 | 283 266 | 307 485 | 307 485 | 201 207 | 206 492 | 214 790 | 220 967 |
| **Surplus/(Deficit)** | 24 593 | (19 281) | (75 255) | (63 584) | (73 204) | (73 204) | (33 497) | (520) | (4 648) | (17 836) |
| Transfers and subsidies - capital (monetary allocations) | 58 781 | 35 861 | 47 552 | 61 469 | 58 417 | 58 417 | 16 503 | 37 565 | 39 281 | 42 475 |
| Transfers and subsidies - capital (in-kind) | – | – | – | – | – | – | – | – | – | – |
| **Surplus/(Deficit) after capital transfers & contributions** | 83 374 | 16 580 | (27 703) | (2 115) | (14 787) | (14 787) | (16 994) | 37 045 | 34 633 | 24 639 |
| Share of Surplus/Deficit attributable to Associate | – | – | – | – | – | – | – | – | – | – |
| **Surplus/(Deficit) for the year** | 83 374 | 16 580 | (27 703) | (2 115) | (14 787) | (14 787) | (16 994) | 37 045 | 34 633 | 24 639 |
| **Capital expenditure & funds sources** | | | | | | | | | | |
| **Capital expenditure** | 71 987 | 64 888 | (18 147) | 94 051 | 89 887 | 89 887 | 673 352 | 63 420 | 53 599 | 55 735 |
| Transfers recognised - capital | 33 252 | 4 602 | (5 549) | 53 450 | 50 649 | 50 649 | 115 499 | 32 665 | 34 157 | 36 935 |
| Borrowing | – | – | – | – | – | – | – | – | – | – |
| Internally generated funds | 38 736 | 60 285 | (12 598) | 40 601 | 39 238 | 39 238 | 557 853 | 30 755 | 19 442 | 18 800 |
| **Total sources of capital funds** | 71 987 | 64 888 | (18 147) | 94 051 | 89 887 | 89 887 | 673 352 | 63 420 | 53 599 | 55 735 |
| **Financial position** | | | | | | | | | | |
| Total current assets | 264 065 | 213 435 | 121 051 | 59 367 | 64 309 | 64 309 | 99 957 | 64 557 | 34 027 | 49 423 |
| Total non current assets | 464 897 | 536 643 | 600 024 | 607 171 | 658 781 | 658 781 | 627 962 | 687 130 | 661 651 | 703 330 |
| Total current liabilities | 54 669 | 40 576 | 35 118 | 50 082 | 48 924 | 48 924 | 58 957 | 42 405 | 15 060 | 40 072 |
| Total non current liabilities | 1 983 | 2 345 | 2 214 | 2 043 | 1 991 | 1 991 | 2 214 | 1 991 | 1 836 | 1 836 |
| Community wealth/Equity | 672 142 | 706 161 | 683 741 | 612 673 | 672 175 | 672 175 | 666 748 | 707 292 | 678 782 | 710 846 |
| **Cash flows** | | | | | | | | | | |
| Net cash from (used) operating | 733 487 | 874 036 | 1 032 182 | (70 809) | (79 313) | (79 313) | (1 028 556) | 82 722 | 58 740 | 76 858 |
| Net cash from (used) investing | – | – | – | 105 520 | 100 732 | 100 732 | – | (75 050) | (88 050) | (63 704) |
| Net cash from (used) financing | – | – | – | – | – | – | – | – | (14) | 2 |
| **Cash/cash equivalents at the year end** | 733 487 | 874 036 | 1 032 182 | 34 711 | 21 419 | 21 419 | (1 028 556) | 34 825 | 5 501 | 18 657 |
| **Cash backing/surplus reconciliation** | | | | | | | | | | |
| Cash and investments available | 237 727 | 193 501 | 99 691 | 2 472 | 3 547 | 3 547 | 71 612 | 34 825 | 5 501 | 18 657 |
| Application of cash and investments | 48 770 | 34 828 | 29 671 | 38 585 | 33 377 | 33 377 | 53 470 | 9 540 | (19 084) | 3 499 |
| **Balance - surplus (shortfall)** | 188 957 | 158 673 | 70 020 | (36 113) | (29 830) | (29 830) | 18 141 | 25 285 | 24 586 | 15 158 |
| **Asset management** | | | | | | | | | | |
| Asset register summary (WDV) | 464 897 | 536 643 | 600 024 | 607 171 | 658 781 | 658 781 | 687 130 | 687 130 | 661 651 | 703 330 |
| Depreciation | 20 952 | 32 592 | 23 555 | 31 130 | 31 130 | 31 130 | 30 810 | 30 810 | 30 812 | 30 809 |
| Renewal and Upgrading of Existing Assets | 123 220 | 116 122 | 86 014 | 41 152 | 37 070 | 37 070 | 20 230 | 13 683 | 11 635 | 21 435 |
| Repairs and Maintenance | 10 667 | 7 645 | 35 440 | 10 376 | 10 049 | 10 049 | 6 000 | 6 000 | 6 651 | 6 954 |
| **Free services** | | | | | | | | | | |
| Cost of Free Basic Services provided | – | – | – | – | – | – | – | – | – | – |
| Revenue cost of free services provided | (753) | (765) | (766) | (756) | (756) | (756) | (756) | (1 455) | (1 455) | (1 455) |
| **Households below minimum service level** | | | | | | | | | | |
| Water: | – | – | – | – | – | – | – | – | – | – |
| Sanitation/sewerage: | – | – | – | – | – | – | – | – | – | – |
| Energy: | – | – | – | – | – | – | – | – | – | – |
| Refuse: | – | – | – | – | – | – | – | – | – | – |

**Explanatory notes to MBRR Table A1 - Budget Summary**

1. Table A1 is a budget summary and provides a concise overview of the Municipality's budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
2. The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.
3. Financial management reforms emphasises the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:
    a. The operating surplus/deficit (after Total Expenditure) is positive over the MTREF
    b. Capital expenditure is balanced by capital funding sources, of which
        i. Transfers recognised is reflected on the Financial Performance Budget;
        ii. Borrowing is incorporated in the net cash from financing on the Cash Flow Budget
        iii. Internally generated funds is financed from a combination of the current operating surplus and accumulated cash-backed surpluses from previous years. The amount is incorporated in the Net cash from investing on the Cash Flow Budget. The fact that the municipality's cash flow remains positive, and is improving indicates that the necessary cash resources are available to fund the Capital Budget.
4. The Cash backing/surplus reconciliation shows that in previous financial years the municipality was not paying much attention to managing this aspect of its finances, and consequently many of its obligations are not cash-backed. This places the municipality in a very vulnerable financial position, as the recent slow-down in revenue collections highlighted. Consequently Council has taken a deliberate decision to ensure adequate cash-backing for all material obligations in accordance with the adopted Funding and Reserves Policy. This cannot be achieved in one financial year. But over the MTREF there is progressive improvement in the level of cash-backing of obligations. It is anticipated that the goal of having all obligations cash-back will be achieved by 2026/27, when a small surplus is reflected.
5. Even though the Council is placing great emphasis on securing the financial sustainability of the municipality, this is not being done at the expense of services to the poor. The section of Free Services shows that the amount spent on Free Basic Services and the revenue cost of free services provided by the municipality continues to increase.

Table 9 MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

**KZN213 Umzumbe - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)**

| Functional Classification Description | Ref | 2021/22 | 2022/23 | 2023/24 | Current Year 2024/25 | | | 2025/26 Medium Term Revenue & Expenditure Framework | | |
|---|---|---|---|---|---|---|---|---|---|---|
| R thousand | 1 | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2025/26 | Budget Year +1 2026/27 | Budget Year +2 2027/28 |
| Revenue - Functional | | | | | | | | | | |
| ***Governance and administration*** | | **159 952** | **175 785** | **181 816** | **166 504** | **163 507** | **163 507** | **160 103** | **158 252** | **164 824** |
| Executive and council | | – | – | – | 14 115 | 14 115 | 14 115 | 13 943 | 13 815 | 14 438 |
| Finance and administration | | 159 952 | 175 785 | 181 816 | 152 390 | 149 393 | 149 393 | 146 160 | 144 437 | 150 386 |
| Internal audit | | – | – | – | – | – | – | – | – | – |
| ***Community and public safety*** | | **–** | **–** | **–** | **9 788** | **9 788** | **9 788** | **6 814** | **6 766** | **7 074** |
| Community and social services | | – | – | – | 7 832 | 7 832 | 7 832 | 6 488 | 6 425 | 6 717 |
| Sport and recreation | | – | – | – | – | – | – | – | – | – |
| Public safety | | – | – | – | 1 956 | 1 956 | 1 956 | 326 | 341 | 356 |
| Housing | | – | – | – | – | – | – | – | – | – |
| Health | | – | – | – | – | – | – | – | – | – |
| ***Economic and environmental services*** | | **37 489** | **49 265** | **50 955** | **68 841** | **94 841** | **94 841** | **68 990** | **71 456** | **74 618** |
| Planning and development | | 1 628 | 1 713 | 7 598 | 7 911 | 7 911 | 7 911 | 6 557 | 5 806 | 6 068 |
| Road transport | | 35 861 | 47 552 | 43 357 | 60 930 | 86 930 | 86 930 | 62 433 | 65 651 | 68 550 |
| Environmental protection | | – | – | – | – | – | – | – | – | – |
| ***Trading services*** | | **–** | **–** | **–** | **–** | **2 100** | **2 100** | **14 475** | **9 000** | **9 407** |
| Energy sources | | – | – | – | – | 2 100 | 2 100 | 14 475 | 9 000 | 9 407 |
| Water management | | – | – | – | – | – | – | – | – | – |
| Waste water management | | – | – | – | – | – | – | – | – | – |
| Waste management | | – | – | – | – | – | – | – | – | – |
| ***Other*** | 4 | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** |
| **Total Revenue - Functional** | 2 | **197 441** | **225 050** | **232 771** | **245 134** | **270 237** | **270 237** | **250 382** | **245 475** | **255 922** |
| Expenditure - Functional | | | | | | | | | | |
| ***Governance and administration*** | | **110 796** | **145 078** | **148 642** | **138 348** | **135 472** | **135 472** | **143 955** | **150 457** | **156 817** |
| Executive and council | | 36 631 | 51 943 | 50 364 | 40 739 | 39 677 | 39 677 | 43 572 | 45 489 | 47 480 |
| Finance and administration | | 72 782 | 91 967 | 96 736 | 94 827 | 93 347 | 93 347 | 97 501 | 101 952 | 106 188 |
| Internal audit | | 1 383 | 1 167 | 1 542 | 2 782 | 2 448 | 2 448 | 2 882 | 3 015 | 3 149 |
| ***Community and public safety*** | | **34 576** | **26 198** | **33 068** | **30 772** | **30 658** | **30 658** | **26 255** | **27 463** | **28 756** |
| Community and social services | | 25 293 | 13 812 | 16 451 | 10 760 | 10 746 | 10 746 | 7 663 | 8 015 | 8 435 |
| Sport and recreation | | 487 | 786 | 313 | 174 | 261 | 261 | 173 | 181 | 189 |
| Public safety | | 7 781 | 10 619 | 15 330 | 18 839 | 18 660 | 18 660 | 17 234 | 18 026 | 18 836 |
| Housing | | 1 015 | 981 | 974 | 999 | 991 | 991 | 1 185 | 1 240 | 1 296 |
| Health | | – | – | – | – | – | – | – | – | – |
| ***Economic and environmental services*** | | **29 005** | **69 438** | **58 971** | **30 371** | **29 298** | **29 298** | **33 168** | **34 694** | **36 253** |
| Planning and development | | 12 670 | 27 512 | 40 677 | 16 598 | 14 954 | 14 954 | 12 739 | 13 325 | 13 928 |
| Road transport | | 16 037 | 41 926 | 17 509 | 12 026 | 12 673 | 12 673 | 12 375 | 12 944 | 13 523 |
| Environmental protection | | 298 | – | 785 | 1 748 | 1 670 | 1 670 | 8 054 | 8 424 | 8 801 |
| ***Trading services*** | | **5 513** | **12 510** | **6 572** | **7 000** | **10 900** | **10 900** | **16 875** | **17 629** | **18 407** |
| Energy sources | | 3 317 | 9 426 | 3 405 | 3 773 | 7 306 | 7 306 | 14 326 | 14 962 | 15 621 |
| Water management | | – | – | – | – | – | – | – | – | – |
| Waste water management | | – | – | – | – | – | – | – | – | – |
| Waste management | | 2 197 | 3 084 | 3 167 | 3 226 | 3 593 | 3 593 | 2 549 | 2 666 | 2 786 |
| ***Other*** | 4 | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** |
| **Total Expenditure - Functional** | 3 | **179 890** | **253 222** | **247 253** | **206 492** | **206 327** | **206 327** | **220 253** | **230 242** | **240 233** |
| **Surplus/(Deficit) for the year** | | **17 550** | **(28 172)** | **(14 482)** | **38 642** | **63 910** | **63 910** | **30 130** | **15 233** | **15 689** |

## Explanatory notes to MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

1. Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into 15 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms if each of these functional areas which enables the National Treasury to compile ‘whole of government’ reports.
2. Note the Total Revenue on this table includes capital revenues (Transfers recognised – capital) and so does not balance to the operating revenue shown on Table A4.
3. Other functions that show a deficit between revenue and expenditure are being financed from rates revenues and other revenue sources reflected under the Corporate Services.

## Table 10 MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

**KZN213 Umzumbe - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)**

| Vote Description | Ref | 2021/22 | 2022/23 | 2023/24 | Current Year 2024/25 | | | 2025/26 Medium Term Revenue & Expenditure Framework | | |
|---|---|---|---|---|---|---|---|---|---|---|
| R thousand | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2025/26 | Budget Year +1 2026/27 | Budget Year +2 2027/28 |
| **Revenue by Vote** | 1 | | | | | | | | | |
| Vote 1 - Executive and Council | | – | – | – | 14 115 | 14 115 | 14 115 | 13 943 | 13 815 | 14 438 |
| Vote 2 - Finance and Administration | | 159 952 | 175 785 | 181 816 | 152 390 | 149 393 | 149 393 | 146 160 | 144 437 | 150 386 |
| Vote 3 - Planning and Development | | 1 628 | 1 713 | 7 598 | 7 911 | 7 911 | 7 911 | 6 557 | 5 806 | 6 068 |
| Vote 4 - Road Transport | | 35 861 | 47 552 | 43 357 | 60 930 | 86 930 | 86 930 | 62 433 | 65 651 | 68 550 |
| Vote 5 - Internal Audit | | – | – | – | – | – | – | – | – | – |
| Vote 6 - Sport and Recreation | | – | – | – | – | – | – | – | – | – |
| Vote 7 - Community and Social Services | | – | – | – | 7 832 | 7 832 | 7 832 | 6 488 | 6 425 | 6 717 |
| Vote 8 - Community and Social Services2 | | – | – | – | – | – | – | – | – | – |
| Vote 9 - Housing | | – | – | – | – | – | – | – | – | – |
| Vote 10 - Other | | – | – | – | – | – | – | – | – | – |
| Vote 11 - Public Safety | | – | – | – | 1 956 | 1 956 | 1 956 | 326 | 341 | 356 |
| Vote 12 - [NAME OF VOTE 12] | | – | – | – | – | – | – | – | – | – |
| Vote 13 - Energy Sources | | – | – | – | – | 2 100 | 2 100 | 14 475 | 9 000 | 9 407 |
| Vote 14 - Environmental Protection | | – | – | – | – | – | – | – | – | – |
| Vote 15 - [NAME OF VOTE 15] | | – | – | – | – | – | – | – | – | – |
| **Total Revenue by Vote** | 2 | **197 441** | **225 050** | **232 771** | **245 134** | **270 237** | **270 237** | **250 382** | **245 475** | **255 922** |
| **Expenditure by Vote *to be appropriated*** | 1 | | | | | | | | | |
| Vote 1 - Executive and Council | | 36 631 | 51 943 | 50 364 | 40 739 | 39 677 | 39 677 | 43 572 | 45 489 | 47 480 |
| Vote 2 - Finance and Administration | | 72 782 | 91 967 | 96 736 | 94 827 | 93 347 | 93 347 | 97 501 | 101 952 | 106 188 |
| Vote 3 - Planning and Development | | 12 670 | 27 512 | 40 677 | 16 598 | 14 954 | 14 954 | 12 739 | 13 325 | 13 928 |
| Vote 4 - Road Transport | | 16 037 | 41 926 | 17 509 | 12 026 | 12 673 | 12 673 | 12 375 | 12 944 | 13 523 |
| Vote 5 - Internal Audit | | 1 383 | 1 167 | 1 542 | 2 782 | 2 448 | 2 448 | 2 882 | 3 015 | 3 149 |
| Vote 6 - Sport and Recreation | | 487 | 786 | 313 | 174 | 261 | 261 | 173 | 181 | 189 |
| Vote 7 - Community and Social Services | | 19 319 | 4 944 | 7 035 | 4 313 | 3 096 | 3 096 | 3 783 | 3 957 | 4 132 |
| Vote 8 - Community and Social Services2 | | 5 974 | 8 868 | 9 416 | 6 447 | 7 649 | 7 649 | 3 880 | 4 058 | 4 302 |
| Vote 9 - Housing | | 1 015 | 981 | 974 | 999 | 991 | 991 | 1 185 | 1 240 | 1 296 |
| Vote 10 - Other | | – | – | – | – | – | – | – | – | – |
| Vote 11 - Public Safety | | 7 781 | 10 619 | 15 330 | 18 839 | 18 660 | 18 660 | 17 234 | 18 026 | 18 836 |
| Vote 12 - [NAME OF VOTE 12] | | 2 197 | 3 084 | 3 167 | 3 226 | 3 593 | 3 593 | 2 549 | 2 666 | 2 786 |
| Vote 13 - Energy Sources | | 3 317 | 9 426 | 3 405 | 3 773 | 7 306 | 7 306 | 14 326 | 14 962 | 15 621 |
| Vote 14 - Environmental Protection | | 298 | – | 785 | 1 748 | 1 670 | 1 670 | 8 054 | 8 424 | 8 801 |
| Vote 15 - [NAME OF VOTE 15] | | – | – | – | – | – | – | – | – | – |
| **Total Expenditure by Vote** | 2 | **179 890** | **253 222** | **247 253** | **206 492** | **206 327** | **206 327** | **220 253** | **230 242** | **240 233** |
| **Surplus/(Deficit) for the year** | 2 | **17 550** | **(28 172)** | **(14 482)** | **38 642** | **63 910** | **63 910** | **30 130** | **15 233** | **15 689** |

## Explanatory notes to MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

1. Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organisational structure of the **Municipality**. This means it is possible to present the operating surplus or deficit of a vote.

# Table 11 MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure)

KZN213 Umzumbe - Table A4 Budgeted Financial Performance (revenue and expenditure)

| Description | Ref | 2021/22 | 2022/23 | 2023/24 | Current Year 2024/25 | | | | 2025/26 Medium Term Revenue & Expenditure Framework | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| R thousand | 1 | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2025/26 | Budget Year +1 2026/27 | Budget Year +2 2027/28 |
| **Revenue** | | | | | | | | | | | |
| **Exchange Revenue** | | | | | | | | | | | |
| Service charges - Electricity | 2 | - | - | - | - | - | - | - | - | - | - |
| Service charges - Water | 2 | - | - | - | - | - | - | - | - | - | - |
| Service charges - Waste Water Management | 2 | - | - | - | - | - | - | - | - | - | - |
| Service charges - Waste Management | 2 | - | - | - | - | - | - | - | - | - | - |
| Sale of Goods and Rendering of Services | | 106 | 110 | 117 | 230 | 231 | 231 | 12 | 14 624 | 9 222 | 9 639 |
| Agency services | | - | - | - | - | - | - | - | - | - | - |
| Interest | | - | - | - | - | - | - | - | - | - | - |
| Interest earned from Receivables | | - | - | - | - | - | - | - | - | - | - |
| Interest earned from Current and Non Current Assets | | 7 264 | 10 325 | 9 197 | 10 000 | 6 000 | 6 000 | 3 724 | 6 000 | 6 270 | 6 546 |
| Dividends | | - | - | - | - | - | - | - | - | - | - |
| Rent on Land | | - | - | - | - | - | - | - | - | - | - |
| Rental from Fixed Assets | | 109 | 92 | 100 | 435 | 435 | 435 | 98 | 109 | 114 | 119 |
| Licence and permits | | - | - | - | - | - | - | - | - | - | - |
| Special rating levies | | - | - | - | - | - | - | - | - | - | - |
| Operational Revenue | | 783 | 605 | 5 376 | 600 | 600 | 600 | 772 | 545 | 637 | 665 |
| **Non-Exchange Revenue** | | | | | | | | | | | |
| Property rates | 2 | 7 812 | 8 244 | 8 270 | 12 451 | 12 451 | 12 451 | 12 623 | 12 451 | 12 451 | 12 451 |
| Surcharges and Taxes | | - | - | - | - | - | - | - | - | - | - |
| Fines, penalties and forfeits | | - | - | - | - | - | - | - | - | - | - |
| Licences or permits | | 12 | 9 | 12 | 1 979 | 1 978 | 1 978 | 34 | 349 | 365 | 381 |
| Transfer and subsidies - Operational | | 146 628 | 158 412 | 167 235 | 181 483 | 184 586 | 184 586 | 174 296 | 177 024 | 173 705 | 181 546 |
| Interest | | - | - | - | - | - | - | - | - | - | - |
| Fuel Levy | | - | - | - | - | - | - | - | - | - | - |
| Operational Revenue | | - | - | - | - | - | - | - | - | - | - |
| Gains on disposal of Assets | | (1 836) | (300) | (904) | 391 | 391 | 391 | - | - | - | - |
| Other Gains | | 26 | 467 | 87 | - | - | - | - | - | - | - |
| Discontinued Operations | | 702 | 2 | 12 | - | - | - | - | - | - | - |
| **Total Revenue (excluding capital transfers and contrib** | | **161 605** | **177 966** | **189 501** | **207 569** | **206 672** | **206 672** | **191 557** | **211 102** | **202 764** | **211 347** |
| **Expenditure** | | | | | | | | | | | |
| Employee related costs | 2 | 65 823 | 71 584 | 78 495 | 89 165 | 89 165 | 89 165 | 70 107 | 99 964 | 104 562 | 109 287 |
| Remuneration of councillors | | 17 196 | 23 629 | 22 335 | 17 598 | 17 598 | 17 598 | 20 841 | 22 884 | 23 937 | 25 014 |
| Bulk purchases - electricity | 2 | - | - | - | - | - | - | - | - | - | - |
| Inventory consumed | 8 | 1 289 | 2 801 | 4 040 | 2 989 | 2 484 | 2 484 | 2 938 | 1 434 | 1 500 | 1 632 |
| Debt impairment | 3 | - | 2 635 | 1 290 | 2 500 | 2 500 | 2 500 | - | 2 174 | 2 272 | 2 372 |
| Depreciation and amortisation | | 32 592 | 23 555 | 26 064 | 30 810 | 27 981 | 27 981 | - | 26 791 | 27 997 | 29 229 |
| Interest | | 1 | 0 | 19 | - | 26 | 26 | 30 | - | - | - |
| Contracted services | | 28 431 | 81 067 | 72 914 | 32 180 | 34 094 | 34 094 | 49 314 | 43 386 | 45 349 | 47 331 |
| Transfers and subsidies | | 6 198 | 7 392 | 5 751 | 4 662 | 4 471 | 4 471 | 3 753 | 2 218 | 2 320 | 2 424 |
| Irrecoverable debts written off | | 545 | - | - | - | - | - | - | - | - | - |
| Operational costs | | 27 560 | 40 248 | 36 146 | 26 499 | 27 881 | 27 881 | 27 822 | 21 402 | 22 306 | 22 945 |
| Losses on disposal of Assets | | - | - | - | - | - | - | - | - | - | - |
| Other Losses | | - | - | - | - | - | - | - | - | - | - |
| **Total Expenditure** | | **179 635** | **252 911** | **247 055** | **206 402** | **206 200** | **206 200** | **174 806** | **220 253** | **230 242** | **240 233** |
| **Surplus/(Deficit)** | | **(18 030)** | **(74 945)** | **(57 554)** | **1 167** | **472** | **472** | **16 752** | **(9 151)** | **(27 478)** | **(28 886)** |
| Transfers and subsidies - capital (monetary | 6 | 35 861 | 47 552 | 43 357 | 37 565 | 63 565 | 63 565 | 50 905 | 39 281 | 42 711 | 44 575 |
| Transfers and subsidies - capital (in-kind) | 6 | – | – | – | – | – | – | – | – | – | – |
| **Surplus/(Deficit) after capital transfers & contributions** | | **17 831** | **(27 393)** | **(14 197)** | **38 731** | **64 037** | **64 037** | **67 657** | **30 130** | **15 233** | **15 689** |
| Income Tax | | – | – | – | – | – | – | – | – | – | – |
| **Surplus/(Deficit) after income tax** | | **17 831** | **(27 393)** | **(14 197)** | **38 731** | **64 037** | **64 037** | **67 657** | **30 130** | **15 233** | **15 689** |
| Share of Surplus/Deficit attributable to Joint Venture | | – | – | – | – | – | – | – | – | – | – |
| Share of Surplus/Deficit attributable to Minorities | | – | – | – | – | – | – | – | – | – | – |
| **Surplus/(Deficit) attributable to municipality** | | **17 831** | **(27 393)** | **(14 197)** | **38 731** | **64 037** | **64 037** | **67 657** | **30 130** | **15 233** | **15 689** |
| Share of Surplus/Deficit attributable to Associate | 7 | – | – | – | – | – | – | – | – | – | – |
| Intercompany/Parent subsidiary transactions | | – | – | – | – | – | – | – | – | – | – |
| **Surplus/(Deficit) for the year** | 1 | **17 831** | **(27 393)** | **(14 197)** | **38 731** | **64 037** | **64 037** | **67 657** | **30 130** | **15 233** | **15 689** |

# Table 12 MBRR Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

**KZN213 Umzumbe - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding**

| Vote Description | Ref | 2021/22 | 2022/23 | 2023/24 | Current Year 2024/25 | | | | 2025/26 Medium Term Revenue & Expenditure Framework | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| R thousand | 1 | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2025/26 | Budget Year +1 2026/27 | Budget Year +2 2027/28 |
| **Capital expenditure - Vote** | | | | | | | | | | | |
| **Multi-year expenditure *to be appropriated*** | 2 | | | | | | | | | | |
| Vote 1 - Executive and Council | | – | – | – | – | – | – | – | – | – | – |
| Vote 2 - Finance and Administration | | – | – | – | – | – | – | – | – | – | – |
| Vote 3 - Planning and Development | | – | – | – | – | – | – | – | – | – | – |
| Vote 4 - Road Transport | | – | – | – | – | – | – | – | – | – | – |
| Vote 5 - Internal Audit | | – | – | – | – | – | – | – | – | – | – |
| Vote 6 - Sport and Recreation | | – | – | – | – | – | – | – | – | – | – |
| Vote 7 - Community and Social Services | | – | – | – | – | – | – | – | – | – | – |
| Vote 8 - Community and Social Services2 | | – | – | – | – | – | – | – | – | – | – |
| Vote 9 - Housing | | – | – | – | – | – | – | – | – | – | – |
| Vote 10 - Other | | – | – | – | – | – | – | – | – | – | – |
| Vote 11 - Public Safety | | – | – | – | – | – | – | – | – | – | – |
| Vote 12 - [NAME OF VOTE 12] | | – | – | – | – | – | – | – | – | – | – |
| Vote 13 - Energy Sources | | – | – | – | – | – | – | – | – | – | – |
| Vote 14 - Environmental Protection | | – | – | – | – | – | – | – | – | – | – |
| Vote 15 - [NAME OF VOTE 15] | | – | – | – | – | – | – | – | – | – | – |
| **Capital multi-year expenditure sub-total** | 7 | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** |
| **Single-year expenditure *to be appropriated*** | 2 | | | | | | | | | | |
| Vote 1 - Executive and Council | | 389 | 1 403 | 510 | 104 | 104 | 104 | 7 209 | 104 | 109 | 113 |
| Vote 2 - Finance and Administration | | 68 157 | (13 614) | 64 827 | 21 085 | 17 421 | 17 421 | 546 645 | 4 852 | 5 212 | 5 445 |
| Vote 3 - Planning and Development | | – | – | 11 516 | 19 217 | 22 803 | 22 803 | 18 717 | 25 409 | 30 097 | 31 462 |
| Vote 4 - Road Transport | | 4 499 | 29 294 | (9 377) | 18 752 | 39 861 | 39 861 | 107 212 | 20 154 | 24 243 | 25 310 |
| Vote 5 - Internal Audit | | – | – | – | – | – | – | – | – | – | – |
| Vote 6 - Sport and Recreation | | 10 622 | (10 564) | – | – | – | – | 57 | – | – | – |
| Vote 7 - Community and Social Services | | (18 780) | (24 665) | (19 204) | 1 739 | 1 378 | 1 378 | 65 | 826 | 864 | 902 |
| Vote 8 - Community and Social Services2 | | – | – | – | – | – | – | – | – | – | – |
| Vote 9 - Housing | | – | – | – | – | – | – | – | – | – | – |
| Vote 10 - Other | | – | – | – | 870 | 609 | 609 | – | – | – | – |
| Vote 11 - Public Safety | | – | – | – | 1 217 | 913 | 913 | – | 870 | 910 | 950 |
| Vote 12 - [NAME OF VOTE 12] | | – | – | – | 174 | 187 | 187 | – | 174 | 182 | 190 |
| Vote 13 - Energy Sources | | – | – | – | – | – | – | – | – | – | – |
| Vote 14 - Environmental Protection | | – | – | – | – | – | – | – | – | – | – |
| Vote 15 - [NAME OF VOTE 15] | | – | – | – | – | – | – | – | – | – | – |
| **Capital single-year expenditure sub-total** | | **64 888** | **(18 147)** | **48 272** | **63 159** | **83 277** | **83 277** | **679 905** | **52 389** | **61 617** | **64 372** |
| **Total Capital Expenditure - Vote** | | **64 888** | **(18 147)** | **48 272** | **63 159** | **83 277** | **83 277** | **679 905** | **52 389** | **61 617** | **64 372** |
| **Capital Expenditure - Functional** | | | | | | | | | | | |
| ***Governance and administration*** | | **68 546** | **(12 211)** | **65 337** | **21 189** | **17 526** | **17 526** | **21 456** | **4 956** | **5 321** | **5 559** |
| Executive and council | | 389 | 1 403 | 510 | 104 | 104 | 104 | 7 | 104 | 109 | 113 |
| Finance and administration | | 68 157 | (13 614) | 64 827 | 21 085 | 17 421 | 17 421 | 21 450 | 4 852 | 5 212 | 5 445 |
| Internal audit | | – | – | – | – | – | – | – | – | – | – |
| ***Community and public safety*** | | **(8 158)** | **(35 229)** | **(19 204)** | **2 957** | **2 291** | **2 291** | **635** | **1 696** | **1 774** | **1 852** |
| Community and social services | | (18 780) | (24 665) | (19 204) | 1 739 | 1 378 | 1 378 | 635 | 826 | 864 | 902 |
| Sport and recreation | | 10 622 | (10 564) | – | – | – | – | – | – | – | – |
| Public safety | | – | – | – | 1 217 | 913 | 913 | – | 870 | 910 | 950 |
| Housing | | – | – | – | – | – | – | – | – | – | – |
| Health | | – | – | – | – | – | – | – | – | – | – |
| ***Economic and environmental services*** | | **4 499** | **29 294** | **2 139** | **37 969** | **62 664** | **62 664** | **60 652** | **45 563** | **54 341** | **56 772** |
| Planning and development | | – | – | 11 516 | 19 217 | 22 803 | 22 803 | 27 475 | 25 409 | 30 097 | 31 462 |
| Road transport | | 4 499 | 29 294 | (9 377) | 18 752 | 39 861 | 39 861 | 33 177 | 20 154 | 24 243 | 25 310 |
| Environmental protection | | – | – | – | – | – | – | – | – | – | – |
| ***Trading services*** | | **–** | **–** | **–** | **174** | **187** | **187** | **94** | **174** | **182** | **190** |
| Energy sources | | – | – | – | – | – | – | – | – | – | – |
| Water management | | – | – | – | – | – | – | – | – | – | – |
| Waste water management | | – | – | – | – | – | – | – | – | – | – |
| Waste management | | – | – | – | 174 | 187 | 187 | 94 | 174 | 182 | 190 |
| ***Other*** | | **–** | **–** | **–** | **870** | **609** | **609** | **700** | **–** | **–** | **–** |
| **Total Capital Expenditure - Functional** | 3 | **64 888** | **(18 147)** | **48 272** | **63 159** | **83 277** | **83 277** | **83 537** | **52 389** | **61 617** | **64 372** |
| **Funded by:** | | | | | | | | | | | |
| National Government | | 5 310 | (5 549) | (3 382) | 32 665 | 53 274 | 53 274 | 50 811 | 34 345 | 41 314 | 43 132 |
| Provincial Government | | – | – | – | – | – | – | – | – | – | – |
| District Municipality | | (707) | – | – | – | – | – | – | – | – | – |
| Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions) | | – | – | – | – | – | – | – | – | – | – |
| **Transfers recognised - capital** | 4 | **4 602** | **(5 549)** | **(3 382)** | **32 665** | **53 274** | **53 274** | **50 811** | **34 345** | **41 314** | **43 132** |
| **Borrowing** | 6 | – | – | – | – | – | – | – | – | – | – |
| **Internally generated funds** | | 60 285 | (12 598) | 51 654 | 30 494 | 30 003 | 30 003 | 32 726 | 18 043 | 20 303 | 21 240 |
| **Total Capital Funding** | 7 | **64 888** | **(18 147)** | **48 272** | **63 159** | **83 277** | **83 277** | **83 537** | **52 389** | **61 617** | **64 372** |

# Table 13 MBRR Table A6 - Budgeted Financial Position

KZN213 Umzumbe - Table A6 Budgeted Financial Position

| Description | Ref | 2021/22 | 2022/23 | 2023/24 | Current Year 2024/25 | | | | 2025/26 Medium Term Revenue & Expenditure Framework | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| R thousand | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2025/26 | Budget Year +1 2026/27 | Budget Year +2 2027/28 |
| **ASSETS** | | | | | | | | | | | |
| **Current assets** | | | | | | | | | | | |
| Cash and cash equivalents | | 193 501 | 99 691 | 46 288 | 36 422 | 17 457 | 17 457 | 31 832 | (9 686) | (35 933) | (37 435) |
| Trade and other receivables from exchange transactions | 1 | 2 639 | 1 891 | 1 264 | – | – | – | (4 723) | 105 | – | – |
| Receivables from non-exchange transactions | 1 | 18 794 | 20 128 | 22 252 | 26 003 | 26 003 | 26 003 | 34 833 | 4 656 | 2 708 | 2 609 |
| Current portion of non-current receivables | | – | – | – | – | – | – | – | – | – | – |
| Inventory | 2 | – | – | (1) | – | (2 484) | (2 484) | 2 041 | 30 852 | 13 517 | 621 |
| VAT | | (1 500) | (659) | 2 448 | 1 350 | 21 835 | 21 835 | 2 422 | 18 856 | 18 107 | 18 856 |
| Other current assets | | – | – | – | 2 379 | 2 379 | 2 379 | 202 | – | – | – |
| **Total current assets** | | **213 435** | **121 051** | **72 251** | **66 154** | **65 190** | **65 190** | **66 608** | **44 783** | **(1 601)** | **(15 351)** |
| **Non current assets** | | | | | | | | | | | |
| Investments | | – | – | - | – | – | – | – | – | – | – |
| Investment property | | – | – | - | – | – | – | – | – | – | – |
| Property, plant and equipment | 3 | 536 404 | 599 865 | 644 836 | 686 598 | 709 023 | 709 023 | 728 373 | 78 716 | 33 493 | 35 011 |
| Biological assets | | – | – | – | – | – | – | – | – | – | – |
| Living and non-living resources | | – | – | – | – | – | – | – | – | – | – |
| Heritage assets | | – | – | – | – | – | – | – | – | – | – |
| Intangible assets | | 239 | 159 | 138 | 272 | 793 | 793 | 138 | 132 | 126 | 132 |
| Trade and other receivables from exchange transactions | | – | – | – | – | – | – | – | – | – | – |
| Non-current receivables from non-exchange transactions | | – | – | – | – | – | – | – | – | – | – |
| Other non-current assets | | – | – | – | – | – | – | – | – | – | – |
| **Total non current assets** | | **536 643** | **600 024** | **644 973** | **686 869** | **709 816** | **709 816** | **728 510** | **78 849** | **33 620** | **35 143** |
| **TOTAL ASSETS** | | **750 078** | **721 074** | **717 224** | **753 023** | **775 006** | **775 006** | **795 118** | **123 632** | **32 019** | **19 793** |
| **LIABILITIES** | | | | | | | | | | | |
| **Current liabilities** | | | | | | | | | | | |
| Bank overdraft | | – | – | – | – | – | – | – | – | – | – |
| Financial liabilities | | 77 | 89 | 99 | – | – | – | 99 | 8 | – | – |
| Consumer deposits | | 46 | 58 | 72 | 58 | 58 | 58 | 86 | 6 | – | – |
| Trade and other payables from exchange transactions | 4 | 32 758 | 27 626 | 29 002 | 31 931 | 29 098 | 29 098 | 19 954 | 2 420 | 218 | 231 |
| Trade and other payables from non-exchange transactions | 5 | 2 070 | 2 048 | 8 168 | 2 435 | 1 722 | 1 722 | 27 190 | 681 | – | – |
| Provision | | 7 635 | 7 271 | 7 893 | 7 494 | 7 494 | 7 494 | 7 893 | 658 | – | – |
| VAT | | (2 009) | (1 972) | (1 930) | 487 | 487 | 487 | (1 902) | 2 183 | 1 551 | 1 621 |
| Other current liabilities | | – | – | – | – | – | – | – | – | – | – |
| **Total current liabilities** | | **40 576** | **35 121** | **43 305** | **42 405** | **38 858** | **38 858** | **53 320** | **5 956** | **1 769** | **1 851** |
| **Non current liabilities** | | | | | | | | | | | |
| Financial liabilities | 6 | – | – | – | – | – | – | – | – | – | – |
| Provision | 7 | 2 345 | 2 214 | 2 480 | 1 991 | 1 991 | 1 991 | 2 480 | 207 | – | – |
| Long term portion of trade payables | | – | – | – | – | – | – | – | – | – | – |
| Other non-current liabilities | | – | – | – | – | – | – | – | – | – | – |
| **Total non current liabilities** | | **2 345** | **2 214** | **2 480** | **1 991** | **1 991** | **1 991** | **2 480** | **207** | **–** | **–** |
| **TOTAL LIABILITIES** | | **42 921** | **37 335** | **45 785** | **44 396** | **40 849** | **40 849** | **55 800** | **6 162** | **1 769** | **1 851** |
| **NET ASSETS** | | **707 157** | **683 739** | **671 439** | **708 628** | **734 157** | **734 157** | **739 318** | **117 470** | **30 250** | **17 942** |
| **COMMUNITY WEALTH/EQUITY** | | | | | | | | | | | |
| Accumulated surplus/(deficit) | 8 | 678 196 | 654 834 | 642 421 | 708 978 | 734 284 | 734 284 | 710 168 | 115 035 | 30 250 | 17 942 |
| Reserves and funds | 9 | 29 216 | 29 216 | 29 216 | – | – | – | 29 216 | 2 435 | – | – |
| Other | | | | | | | | | | | |
| **TOTAL COMMUNITY WEALTH/EQUITY** | 10 | **707 413** | **684 051** | **671 637** | **708 978** | **734 284** | **734 284** | **739 384** | **117 470** | **30 250** | **17 942** |

# Table 14 MBRR Table A7 - Budgeted Cash Flow Statement

**KZN213 Umzumbe - Table A7 Budgeted Cash Flows**

| Description | Ref | 2021/22 | 2022/23 | 2023/24 | Current Year 2024/25 | | | | 2025/26 Medium Term Revenue & Expenditure Framework | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| R thousand | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2025/26 | Budget Year +1 2026/27 | Budget Year +2 2027/28 |
| **CASH FLOW FROM OPERATING ACTIVITIES** | | | | | | | | | | | |
| **Receipts** | | | | | | | | | | | |
| Property rates | | – | – | – | 7 470 | 7 470 | 7 470 | – | 7 470 | 7 470 | 7 470 |
| Service charges | | – | – | – | – | – | – | – | – | – | – |
| Other revenue | | – | – | – | 3 731 | 3 731 | 3 731 | – | 17 971 | 11 889 | 12 425 |
| Transfers and Subsidies - Operational | 1 | 193 260 | 99 207 | 45 402 | 189 315 | 184 586 | 184 586 | 27 731 | 177 024 | 173 705 | 181 546 |
| Transfers and Subsidies - Capital | 1 | – | – | – | 42 465 | 63 565 | 63 565 | – | 39 281 | 42 711 | 44 575 |
| Interest | | – | – | – | – | – | – | – | 6 000 | 6 270 | 6 546 |
| Dividends | | – | – | – | – | – | – | – | – | – | – |
| **Payments** | | | | | | | | | | | |
| Suppliers and employees | | 680 398 | (931 945) | (1 169 709) | (241 875) | (272 665) | (272 665) | (188 217) | (195 919) | (204 800) | (213 549) |
| Interest | | – | – | – | – | (26) | (26) | – | – | – | – |
| Transfers and Subsidies | 1 | – | – | – | (2 227) | (2 749) | (2 749) | – | (2 218) | (2 320) | (2 424) |
| **NET CASH FROM/(USED) OPERATING ACTIVITIES** | | **873 658** | **(832 738)** | **(1 124 307)** | **(1 122)** | **(16 088)** | **(16 088)** | **(160 486)** | **49 610** | **34 926** | **36 590** |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | | | | | | | | | | |
| **Receipts** | | | | | | | | | | | |
| Proceeds on disposal of PPE | | – | – | – | 391 | 391 | 391 | – | – | – | – |
| Decrease (increase) in non-current receivables | | – | – | – | – | – | – | – | – | – | – |
| Decrease (increase) in non-current investments | | – | – | – | – | – | – | – | – | – | – |
| **Payments** | | | | | | | | | | | |
| Capital assets | | – | – | – | (75 441) | (95 768) | (95 768) | – | (60 247) | (70 859) | (74 025) |
| **NET CASH FROM/(USED) INVESTING ACTIVITIES** | | **–** | **–** | **–** | **(75 050)** | **(95 377)** | **(95 377)** | **–** | **(60 247)** | **(70 859)** | **(74 025)** |
| **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** | | **873 658** | **(832 738)** | **(1 124 307)** | **(76 172)** | **(111 465)** | **(111 465)** | **(160 486)** | **(10 637)** | **(35 933)** | **(37 435)** |
| Cash/cash equivalents at the year begin: | 2 | – | – | – | 27 153 | 27 153 | 27 153 | 11 407 | **951** | **(9 686)** | **(45 619)** |
| Cash/cash equivalents at the year end: | 2 | **873 658** | **(832 738)** | **(1 124 307)** | **(49 019)** | **(84 312)** | **(84 312)** | **(149 079)** | **(9 686)** | **(45 619)** | **(83 055)** |

# Table 15 MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

**KZN213 Umzumbe - Table A8 Cash backed reserves/accumulated surplus reconciliation**

| Description | Ref | 2021/22 | 2022/23 | 2023/24 | Current Year 2024/25 | | | | 2025/26 Medium Term Revenue & Expenditure Framework | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| R thousand | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2025/26 | Budget Year +1 2026/27 | Budget Year +2 2027/28 |
| **Cash and investments available** | | | | | | | | | | | |
| Cash/cash equivalents at the year end | 1 | 873 658 | (832 738) | (1 124 307) | (49 019) | (84 312) | (84 312) | (149 079) | (9 686) | (45 619) | (83 055) |
| Other current investments > 90 days | | (680 157) | 932 429 | 1 170 595 | 85 441 | 101 768 | 101 768 | 180 911 | – | 9 686 | 45 619 |
| Non current Investments | 1 | – | – | – | – | – | – | – | – | – | – |
| **Cash and investments available:** | | **193 501** | **99 691** | **46 288** | **36 422** | **17 457** | **17 457** | **31 832** | **(9 686)** | **(35 933)** | **(37 435)** |
| **Application of cash and investments** | | | | | | | | | | | |
| Unspent conditional transfers | | 2 070 | 2 048 | 8 168 | – | – | – | 27 190 | 681 | – | – |
| Unspent borrowing | | | | | | | | | | | |
| Statutory requirements | 2 | (522) | (1 312) | (4 378) | (10 799) | (31 284) | (31 284) | (4 324) | (24 807) | (25 064) | (26 128) |
| Other working capital requirements | 3 | 32 758 | 27 626 | 29 002 | 28 674 | 25 840 | 25 840 | 19 954 | (1 911) | (2 094) | (2 012) |
| Other provisions | | 7 635 | 7 271 | 7 893 | 7 494 | 7 494 | 7 494 | 7 893 | 658 | – | – |
| Long term investments committed | 4 | – | – | – | – | – | – | – | – | – | – |
| Reserves to be backed by cash/investments | 5 | (29 216) | (29 216) | (29 216) | – | – | – | (29 216) | (2 435) | – | – |
| **Total Application of cash and investments:** | | **12 724** | **6 418** | **11 469** | **25 370** | **2 050** | **2 050** | **21 496** | **(27 814)** | **(27 158)** | **(28 140)** |
| **Surplus(shortfall) - Excluding Non-Current Creditors Trf to I** | | **180 777** | **93 273** | **34 818** | **11 052** | **15 406** | **15 406** | **10 336** | **18 128** | **(8 775)** | **(9 295)** |
| **Creditors transferred to Debt Relief - Non-Current portion** | | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** |
| **Surplus(shortfall) - Including Non-Current Creditors Trf to D** | | **180 777** | **93 273** | **34 818** | **11 052** | **15 406** | **15 406** | **10 336** | **18 128** | **(8 775)** | **(9 295)** |

## Table 16 MBRR Table A9 - Asset Management

KZN213 Umzumbe - Table A9 Asset Management

| Description | Ref | 2020/21 | 2021/22 | 2022/23 | Current Year 2023/24 | | | 2024/25 Medium Term Revenue & Expenditure Framework | | |
|---|---|---|---|---|---|---|---|---|---|---|
| R thousand | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2024/25 | Budget Year +1 2025/26 | Budget Year +2 2026/27 |
| CAPITAL EXPENDITURE | | | | | | | | | | |
| Total New Assets | 1 | 461 672 | 533 658 | 545 619 | 52 899 | 52 817 | 52 817 | 43 189 | 41 964 | 34 300 |
| *Roads Infrastructure* | | 349 768 | 415 502 | 447 685 | 5 734 | 5 734 | 5 734 | – | – | – |
| *Storm water Infrastructure* | | – | – | – | – | – | – | – | – | – |
| *Electrical Infrastructure* | | – | – | – | – | 4 087 | 4 087 | 1 739 | – | – |
| *Water Supply Infrastructure* | | – | – | – | – | – | – | – | – | – |
| *Sanitation Infrastructure* | | – | – | – | – | – | – | – | – | – |
| *Solid Waste Infrastructure* | | – | – | – | 2 609 | – | – | – | – | 1 208 |
| *Rail Infrastructure* | | – | – | – | – | – | – | – | – | – |
| *Coastal Infrastructure* | | – | – | – | 1 217 | – | – | – | – | – |
| *Information and Communication Infrastructure* | | – | – | – | – | – | – | – | – | – |
| **Infrastructure** | | *349 768* | *415 502* | *447 685* | *9 560* | *9 821* | *9 821* | *1 739* | – | *1 208* |
| Community Facilities | | 6 043 | 5 197 | 19 204 | 6 904 | 2 217 | 2 217 | – | 870 | 8 674 |
| Sport and Recreation Facilities | | 38 737 | 38 737 | 65 | 16 528 | 15 467 | 15 467 | 17 478 | 26 826 | 9 217 |
| **Community Assets** | | *44 779* | *43 934* | *19 269* | *23 432* | *17 684* | *17 684* | *17 478* | *27 696* | *17 892* |
| **Heritage Assets** | | – | – | – | – | – | – | – | – | – |
| Revenue Generating | | – | – | – | – | – | – | – | – | – |
| Non-revenue Generating | | – | – | – | – | – | – | – | – | – |
| **Investment properties** | | – | – | – | – | – | – | – | – | – |
| Operational Buildings | | 20 450 | 29 500 | 31 397 | 9 217 | 20 167 | 20 167 | 14 216 | 13 522 | 14 939 |
| Housing | | – | – | – | – | – | – | – | – | – |
| **Other Assets** | | *20 450* | *29 500* | *31 397* | *9 217* | *20 167* | *20 167* | *14 216* | *13 522* | *14 939* |
| **Biological or Cultivated Assets** | | – | – | – | – | – | – | – | – | – |
| Servitudes | | – | – | – | – | – | – | – | – | – |
| Licences and Rights | | 1 765 | 1 754 | 1 754 | 652 | 652 | 652 | 261 | – | – |
| **Intangible Assets** | | *1 765* | *1 754* | *1 754* | *652* | *652* | *652* | *261* | – | – |
| **Computer Equipment** | | – | – | – | 522 | 522 | 522 | 522 | – | – |
| **Furniture and Office Equipment** | | 4 906 | 5 295 | 6 699 | 957 | 1 152 | 1 152 | 626 | 174 | – |
| **Machinery and Equipment** | | 20 370 | 20 076 | 21 820 | 3 777 | 2 820 | 2 820 | 2 217 | 572 | 261 |
| **Transport Assets** | | 19 633 | 17 596 | 16 995 | 1 739 | – | – | 4 391 | – | – |
| **Land** | | – | – | – | 3 043 | – | – | 1 739 | – | – |
| **Zoo's, Marine and Non-biological Animals** | | – | – | – | – | – | – | – | – | – |
| Mature | | – | - | - | - | - | - | - | - | - |
| Immature | | – | - | - | - | - | - | - | - | - |
| **Living Resources** | | - | - | - | - | - | - | - | - | - |
| Total Renewal of Existing Assets | 2 | 19 968 | 1 468 | 3 832 | 25 711 | 25 733 | 25 733 | 9 596 | 7 548 | 15 217 |
| *Roads Infrastructure* | | 707 | 147 | 1 995 | 24 104 | 23 235 | 23 235 | 8 987 | 7 548 | 10 870 |
| *Storm water Infrastructure* | | – | – | – | – | – | – | – | – | – |
| *Electrical Infrastructure* | | – | – | – | – | – | – | – | – | – |
| *Water Supply Infrastructure* | | – | – | – | – | – | – | – | – | – |
| *Sanitation Infrastructure* | | – | – | – | – | – | – | – | – | – |
| *Solid Waste Infrastructure* | | 223 | 217 | 374 | – | – | – | – | – | – |
| *Rail Infrastructure* | | – | – | – | – | – | – | – | – | – |
| *Coastal Infrastructure* | | – | – | – | – | – | – | – | – | – |
| *Information and Communication Infrastructure* | | – | – | – | – | – | – | – | – | – |
| **Infrastructure** | | *931* | *365* | *2 369* | *24 104* | *23 235* | *23 235* | *8 987* | *7 548* | *10 870* |
| Community Facilities | | 17 934 | – | – | 1 130 | 1 280 | 1 280 | 609 | – | 4 348 |
| Sport and Recreation Facilities | | – | – | – | – | – | – | – | – | – |
| **Community Assets** | | *17 934* | – | – | *1 130* | *1 280* | *1 280* | *609* | – | *4 348* |
| **Heritage Assets** | | – | – | – | – | – | – | – | – | – |
| Revenue Generating | | – | – | – | – | – | – | – | – | – |
| Non-revenue Generating | | – | – | – | – | – | – | – | – | – |
| **Investment properties** | | – | – | – | – | – | – | – | – | – |
| Operational Buildings | | 1 103 | 1 103 | 1 463 | 476 | 1 217 | 1 217 | – | – | – |
| Housing | | – | – | – | – | – | – | – | – | – |
| **Other Assets** | | *1 103* | *1 103* | *1 463* | *476* | *1 217* | *1 217* | – | – | – |
| **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** | | - | - | - | - | - | - | - | - | - |

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| **Total Upgrading of Existing Assets** | 6 | 103 252 | 114 654 | 82 182 | 15 441 | 11 337 | 11 337 | 10 635 | 4 087 | 6 217 |
| *Roads Infrastructure* | | 101 230 | 104 032 | 82 125 | 12 484 | 10 363 | 10 363 | 9 765 | 3 478 | 5 652 |
| *Storm water Infrastructure* | | – | – | – | – | – | – | – | – | – |
| *Electrical Infrastructure* | | – | – | – | – | – | – | – | – | – |
| *Water Supply Infrastructure* | | – | – | – | – | – | – | – | – | – |
| *Sanitation Infrastructure* | | – | – | – | – | – | – | – | – | – |
| *Solid Waste Infrastructure* | | – | – | – | – | – | – | – | – | – |
| *Rail Infrastructure* | | – | – | – | – | – | – | – | – | – |
| *Coastal Infrastructure* | | – | – | – | – | – | – | – | – | – |
| *Information and Communication Infrastructure* | | – | – | – | – | – | – | – | – | – |
| **Infrastructure** | | ***101 230*** | ***104 032*** | ***82 125*** | ***12 484*** | ***10 363*** | ***10 363*** | ***9 765*** | ***3 478*** | ***5 652*** |
| Community Facilities | | – | – | – | 1 304 | 391 | 391 | 870 | – | 130 |
| Sport and Recreation Facilities | | – | 10 622 | 57 | 783 | 583 | 583 | – | 609 | 435 |
| **Community Assets** | | ***–*** | ***10 622*** | ***57*** | ***2 087*** | ***974*** | ***974*** | ***870*** | ***609*** | ***565*** |
| **Heritage Assets** | | – | – | – | – | – | – | – | – | – |
| Revenue Generating | | – | – | – | – | – | – | – | – | – |
| Non-revenue Generating | | – | – | – | – | – | – | – | – | – |
| **Investment properties** | | – | – | – | – | – | – | – | – | – |
| Operational Buildings | | 2 022 | – | – | 870 | – | – | – | – | – |
| Housing | | – | – | – | – | – | – | – | – | – |
| **Other Assets** | | ***2 022*** | – | – | ***870*** | – | – | – | – | – |
| **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** | | - | - | - | - | - | - | - | - | - |
| **Total Capital Expenditure** | 4 | 584 892 | 649 780 | 631 633 | 94 051 | 89 887 | 89 887 | 63 420 | 53 599 | 55 735 |
| *Roads Infrastructure* | | 451 706 | 519 681 | 531 805 | 42 322 | 39 332 | 39 332 | 18 752 | 11 027 | 16 522 |
| *Storm water Infrastructure* | | – | – | – | – | – | – | – | – | – |
| *Electrical Infrastructure* | | – | – | – | – | 4 087 | 4 087 | 1 739 | – | – |
| *Water Supply Infrastructure* | | – | – | – | – | – | – | – | – | – |
| *Sanitation Infrastructure* | | – | – | – | – | – | – | – | – | – |
| *Solid Waste Infrastructure* | | 223 | 217 | 374 | 2 609 | – | – | – | – | 1 208 |
| *Rail Infrastructure* | | – | – | – | – | – | – | – | – | – |
| *Coastal Infrastructure* | | – | – | – | 1 217 | – | – | – | – | – |
| *Information and Communication Infrastructure* | | – | – | – | – | – | – | – | – | – |
| **Infrastructure** | | ***451 929*** | ***519 899*** | ***532 179*** | ***46 148*** | ***43 419*** | ***43 419*** | ***20 491*** | ***11 027*** | ***17 730*** |
| Community Facilities | | 23 976 | 5 197 | 19 204 | 9 338 | 3 889 | 3 889 | 1 478 | 870 | 13 153 |
| Sport and Recreation Facilities | | 38 737 | 49 359 | 122 | 17 311 | 16 049 | 16 049 | 17 478 | 27 435 | 9 652 |
| **Community Assets** | | ***62 713*** | ***54 556*** | ***19 327*** | ***26 649*** | ***19 938*** | ***19 938*** | ***18 957*** | ***28 304*** | ***22 805*** |
| **Heritage Assets** | | – | – | – | – | – | – | – | – | – |
| Revenue Generating | | – | – | – | – | – | – | – | – | – |
| Non-revenue Generating | | – | – | – | – | – | – | – | – | – |
| **Investment properties** | | – | – | – | – | – | – | – | – | – |
| Operational Buildings | | 23 574 | 30 603 | 32 859 | 10 563 | 21 385 | 21 385 | 14 216 | 13 522 | 14 939 |
| Housing | | – | – | – | – | – | – | – | – | – |
| **Other Assets** | | ***23 574*** | ***30 603*** | ***32 859*** | ***10 563*** | ***21 385*** | ***21 385*** | ***14 216*** | ***13 522*** | ***14 939*** |
| **Biological or Cultivated Assets** | | – | – | – | – | – | – | – | – | – |
| Servitudes | | – | – | – | – | – | – | – | – | – |
| Licences and Rights | | 1 765 | 1 754 | 1 754 | 652 | 652 | 652 | 261 | – | – |
| **Intangible Assets** | | ***1 765*** | ***1 754*** | ***1 754*** | ***652*** | ***652*** | ***652*** | ***261*** | – | – |
| **Computer Equipment** | | – | – | – | 522 | 522 | 522 | 522 | – | – |
| **Furniture and Office Equipment** | | 4 906 | 5 295 | 6 699 | 957 | 1 152 | 1 152 | 626 | 174 | – |
| **Machinery and Equipment** | | 20 370 | 20 076 | 21 820 | 3 777 | 2 820 | 2 820 | 2 217 | 572 | 261 |
| **Transport Assets** | | 19 633 | 17 596 | 16 995 | 1 739 | – | – | 4 391 | – | – |
| **Land** | | – | – | – | 3 043 | – | – | 1 739 | – | – |
| **Zoo's, Marine and Non-biological Animals** | | – | – | – | – | – | – | – | – | – |
| Mature | | – | - | - | - | - | - | - | - | - |
| Immature | | – | - | - | - | - | - | - | - | - |
| **Living Resources** | | - | - | - | - | - | - | - | - | - |
| **TOTAL CAPITAL EXPENDITURE - Asset class** | | **584 892** | **649 780** | **631 633** | **94 051** | **89 887** | **89 887** | **63 420** | **53 599** | **55 735** |

**KZN213 Umzumbe - Table A9 Asset Management**

| Description | Ref | 2021/22 | 2022/23 | 2023/24 | Current Year 2024/25 | | | 2025/26 Medium Term Revenue & Expenditure Framework | | |
|---|---|---|---|---|---|---|---|---|---|---|
| R thousand | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2025/26 | Budget Year +1 2026/27 | Budget Year +2 2027/28 |
| **CAPITAL EXPENDITURE** | | | | | | | | | | |
| **Total New Assets** | 1 | **533 658** | **545 619** | **587 182** | **42 929** | **62 994** | **62 994** | **33 887** | **39 443** | **41 223** |
| *Roads Infrastructure* | | 415 502 | 447 685 | 476 491 | – | 20 609 | 20 609 | 3 565 | 4 069 | 4 267 |
| *Storm water Infrastructure* | | – | – | – | – | – | – | – | – | – |
| *Electrical Infrastructure* | | – | – | – | 1 739 | 1 739 | 1 739 | 1 304 | 1 363 | 1 441 |
| *Water Supply Infrastructure* | | – | – | – | – | – | – | – | – | – |
| *Sanitation Infrastructure* | | – | – | – | – | – | – | – | – | – |
| *Solid Waste Infrastructure* | | – | – | – | – | – | – | – | – | – |
| *Rail Infrastructure* | | – | – | – | – | – | – | – | – | – |
| *Coastal Infrastructure* | | – | – | – | – | – | – | – | – | – |
| *Information and Communication Infrastructure* | | – | – | – | – | – | – | – | – | – |
| **Infrastructure** | | ***415 502*** | ***447 685*** | ***476 491*** | ***1 739*** | ***22 348*** | ***22 348*** | ***4 870*** | ***5 432*** | ***5 708*** |
| Community Facilities | | 5 197 | 19 204 | – | – | – | – | – | – | – |
| Sport and Recreation Facilities | | 38 737 | 65 | 11 581 | 17 478 | 19 021 | 19 021 | 22 496 | 27 053 | 28 244 |
| **Community Assets** | | ***43 934*** | ***19 269*** | ***11 581*** | ***17 478*** | ***19 021*** | ***19 021*** | ***22 496*** | ***27 053*** | ***28 244*** |
| **Heritage Assets** | | – | – | – | – | – | – | – | – | – |
| Revenue Generating | | – | – | – | – | – | – | – | – | – |
| Non-revenue Generating | | – | – | – | – | – | – | – | – | – |
| **Investment properties** | | – | – | – | – | – | – | – | – | – |
| Operational Buildings | | 29 500 | 31 397 | 52 945 | 14 216 | 13 781 | 13 781 | 870 | 1 046 | 1 092 |
| Housing | | – | – | – | – | – | – | – | – | – |
| **Other Assets** | | ***29 500*** | ***31 397*** | ***52 945*** | ***14 216*** | ***13 781*** | ***13 781*** | ***870*** | ***1 046*** | ***1 092*** |
| **Biological or Cultivated Assets** | | – | – | – | – | – | – | – | – | – |
| Servitudes | | – | – | – | – | – | – | – | – | – |
| Licences and Rights | | 1 754 | 1 754 | 1 530 | – | 522 | 522 | 216 | 226 | 237 |
| **Intangible Assets** | | ***1 754*** | ***1 754*** | ***1 530*** | – | ***522*** | ***522*** | ***216*** | ***226*** | ***237*** |
| **Computer Equipment** | | – | – | – | **522** | **522** | **522** | **519** | **543** | **568** |
| **Furniture and Office Equipment** | | **5 295** | **6 699** | **7 209** | **626** | **875** | **875** | **408** | **427** | **446** |
| **Machinery and Equipment** | | **20 076** | **21 820** | **21 119** | **2 217** | **4 186** | **4 186** | **4 508** | **4 715** | **4 929** |
| **Transport Assets** | | **17 596** | **16 995** | **16 307** | **4 391** | – | – | – | – | – |
| **Land** | | – | – | – | **1 739** | **1 739** | **1 739** | – | – | – |
| **Zoo's, Marine and Non-biological Animals** | | – | – | – | – | – | – | – | – | – |
| Mature | | – | - | - | - | - | - | - | - | - |
| Immature | | – | - | - | - | - | - | - | - | - |
| **Living Resources** | | - | - | - | - | - | - | - | - | - |
| **Total Renewal of Existing Assets** | 2 | **1 468** | **3 832** | **21 382** | **9 596** | **12 870** | **12 870** | **12 763** | **15 339** | **16 013** |
| *Roads Infrastructure* | | 147 | 1 995 | 19 520 | 8 987 | 11 840 | 11 840 | 12 676 | 15 248 | 15 918 |
| *Storm water Infrastructure* | | – | – | – | – | – | – | – | – | – |
| *Electrical Infrastructure* | | – | – | – | – | – | – | – | – | – |
| *Water Supply Infrastructure* | | – | – | – | – | – | – | – | – | – |
| *Sanitation Infrastructure* | | – | – | – | – | – | – | – | – | – |
| *Solid Waste Infrastructure* | | 217 | 374 | 399 | – | – | – | – | – | – |
| *Rail Infrastructure* | | – | – | – | – | – | – | – | – | – |
| *Coastal Infrastructure* | | – | – | – | – | – | – | – | – | – |
| *Information and Communication Infrastructure* | | – | – | – | – | – | – | – | – | – |
| **Infrastructure** | | ***365*** | ***2 369*** | ***19 919*** | ***8 987*** | ***11 840*** | ***11 840*** | ***12 676*** | ***15 248*** | ***15 918*** |
| Community Facilities | | – | – | – | 609 | 1 030 | 1 030 | 87 | 91 | 95 |
| Sport and Recreation Facilities | | – | – | – | – | – | – | – | – | – |
| **Community Assets** | | – | – | – | ***609*** | ***1 030*** | ***1 030*** | ***87*** | ***91*** | ***95*** |
| **Heritage Assets** | | – | – | – | – | – | – | – | – | – |
| Revenue Generating | | – | – | – | – | – | – | – | – | – |
| Non-revenue Generating | | – | – | – | – | – | – | – | – | – |
| **Investment properties** | | – | – | – | – | – | – | – | – | – |
| Operational Buildings | | 1 103 | 1 463 | 1 463 | – | – | – | – | – | – |
| Housing | | – | – | – | – | – | – | – | – | – |
| **Other Assets** | | ***1 103*** | ***1 463*** | ***1 463*** | – | – | – | – | – | – |
| **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** | | - | - | - | - | - | - | - | - | - |
| **Total Upgrading of Existing Assets** | 6 | **114 654** | **82 182** | **71 342** | **10 635** | **7 413** | **7 413** | **5 739** | **6 835** | **7 136** |
| *Roads Infrastructure* | | 104 032 | 82 125 | 71 284 | 9 765 | 7 413 | 7 413 | 5 304 | 6 381 | 6 661 |
| *Storm water Infrastructure* | | – | – | – | – | – | – | – | – | – |
| *Electrical Infrastructure* | | – | – | – | – | – | – | – | – | – |
| *Water Supply Infrastructure* | | – | – | – | – | – | – | – | – | – |
| *Sanitation Infrastructure* | | – | – | – | – | – | – | – | – | – |
| *Solid Waste Infrastructure* | | – | – | – | – | – | – | – | – | – |
| *Rail Infrastructure* | | – | – | – | – | – | – | – | – | – |
| *Coastal Infrastructure* | | – | – | – | – | – | – | – | – | – |
| *Information and Communication Infrastructure* | | – | – | – | – | – | – | – | – | – |
| **Infrastructure** | | ***104 032*** | ***82 125*** | ***71 284*** | ***9 765*** | ***7 413*** | ***7 413*** | ***5 304*** | ***6 381*** | ***6 661*** |
| Community Facilities | | – | – | – | 870 | – | – | 435 | 455 | 475 |
| Sport and Recreation Facilities | | 10 622 | 57 | 57 | – | – | – | – | – | – |
| **Community Assets** | | ***10 622*** | ***57*** | ***57*** | ***870*** | – | – | ***435*** | ***455*** | ***475*** |
| **Heritage Assets** | | – | – | – | – | – | – | – | – | – |
| Revenue Generating | | – | – | – | – | – | – | – | – | – |
| Non-revenue Generating | | – | – | – | – | – | – | – | – | – |
| **Investment properties** | | – | – | – | – | – | – | – | – | – |
| Operational Buildings | | – | – | – | – | – | – | – | – | – |
| Housing | | – | – | – | – | – | – | – | – | – |
| **Other Assets** | | – | – | – | – | – | – | – | – | – |
| **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 | | – | - | - | - | - | - | - | - | - |

**Explanatory notes to Table A9 - Asset Management**

1. 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.
2. National Treasury has recommended that municipalities should allocate at least 40 per cent of their capital budget to the renewal of existing assets, and allocations to repairs and maintenance should be 8 per cent of PPE. The Municipality is unable to meet both these recommendations. In the main this is because Umzumbe Local Municipality does not have cash generating assets that would require that level of maintenance to keep them in the condition necessary for it keep generating cash for the municipality. However, our asset maintenance plan is going to be implemented, and we have taken resolutions on using 10% of our 2025/26 MIG allocation for maintenance of assets(roads), which clearly indicate our commitment on asset maintenance.
3. The following graph provides an analysis between depreciation and operational repairs and maintenance over the MTREF. It highlights the Municipality's strategy to address the maintenance backlog.

**Table 17 MBRR Table A10 - Basic Service Delivery Measurement**

**KZN213 Umzumbe - Table A10 Basic service delivery measurement**

| Description | Ref | 2021/22 | 2022/23 | 2023/24 | Current Year 2024/25 | | | 2025/26 Medium Term Revenue & Expenditure Framework | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Outcome | Outcome | Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2025/26 | Budget Year +1 2026/27 | Budget Year +2 2027/28 |
| **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) | 4 | – | – | – | – | – | – | – | – | – |
| *Minimum Service Level and Above sub-total* | | – | – | – | – | – | – | – | – | – |
| Using public tap (< min.service level) | 3 | – | – | – | – | – | – | – | – | – |
| Other water supply (< min.service level) | 4 | – | – | – | – | – | – | – | – | – |
| No water supply | | – | – | – | – | – | – | – | – | – |
| *Below Minimum Service Level sub-total* | | – | – | – | – | – | – | – | – | – |
| **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) | | – | – | – | – | – | – | – | – | – |
| *Minimum Service Level and Above sub-total* | | – | – | – | – | – | – | – | – | – |
| Bucket toilet | | – | – | – | – | – | – | – | – | – |
| Other toilet provisions (< min.service level) | | – | – | – | – | – | – | – | – | – |
| No toilet provisions | | – | – | – | – | – | – | – | – | – |
| *Below Minimum Service Level sub-total* | | – | – | – | – | – | – | – | – | – |
| **Total number of households** | 5 | – | – | – | – | – | – | – | – | – |
| ***Energy:*** | | | | | | | | | | |
| Electricity (at least min.service level) | | – | – | – | – | – | – | – | – | – |
| Electricity - prepaid (min.service level) | | – | – | – | – | – | – | – | – | – |
| *Minimum Service Level and Above sub-total* | | – | – | – | – | – | – | – | – | – |
| Electricity (< min.service level) | | – | – | – | – | – | – | – | – | – |
| Electricity - prepaid (< min. service level) | | – | – | – | – | – | – | – | – | – |
| Other energy sources | | – | – | – | – | – | – | – | – | – |
| *Below Minimum Service Level sub-total* | | – | – | – | – | – | – | – | – | – |
| **Total number of households** | 5 | – | – | – | – | – | – | – | – | – |
| ***Refuse:*** | | | | | | | | | | |
| Removed at least once a week | | – | – | – | – | – | – | – | – | – |
| *Minimum Service Level and Above sub-total* | | – | – | – | – | – | – | – | – | – |
| Removed less frequently than once a week | | – | – | – | – | – | – | – | – | – |
| Using communal refuse dump | | – | – | – | – | – | – | – | – | – |
| Using own refuse dump | | – | – | – | – | – | – | – | – | – |
| Other rubbish disposal | | – | – | – | – | – | – | – | – | – |
| No rubbish disposal | | – | – | – | – | – | – | – | – | – |
| *Below Minimum Service Level sub-total* | | – | – | – | – | – | – | – | – | – |
| **Total number of households** | 5 | – | – | – | – | – | – | – | – | – |
| **Households receiving Free Basic Service** | 7 | | | | | | | | | |
| 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 - Formal Settlements (R'000)** | | | | | | | | | | |
| 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** | 8 | – | – | – | – | – | – | – | – | – |
| **Highest level of free service provided per household** | | | | | | | | | | |
| Property rates (R value threshold) | | – | – | – | – | – | – | – | – | – |
| Water (kilolitres per household per month) | | – | – | – | – | – | – | – | – | – |
| Sanitation (kilolitres per household per month) | | – | – | – | – | – | – | – | – | – |
| Sanitation (Rand per household per month) | | – | – | – | – | – | – | – | – | – |
| Electricity (kwh per household per month) | | – | – | – | – | – | – | – | – | – |
| Refuse (average litres per week) | | – | – | – | – | – | – | – | – | – |
| **Revenue cost of subsidised services provided (R'000)** | 9 | | | | | | | | | |
| Property rates **(tariff adjustment)** ( **impermissable values per section 17 of MPRA**) | | – | – | – | – | – | – | – | – | – |
| Property rates exemptions, reductions and rebates **and impermissable values in excess of section 17 of MPRA)** | | (765) | (766) | (766) | (1 455) | (1 455) | (1 455) | (1 455) | (1 455) | (1 455) |
| 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 | 6 | – | – | – | – | – | – | – | – | – |
| Other | | – | – | – | – | – | – | – | – | – |
| **Total revenue cost of subsidised services provided** | | (765) | (766) | (766) | (1 455) | (1 455) | (1 455) | (1 455) | (1 455) | (1 455) |

# Part 2 – Supporting Documentation

## 2.1 Overview of the annual budget process

Section 53 of the MFMA requires the Mayor of the municipality to provide general political guidance in the budget process and the setting of priorities that must guide the preparation of the budget. In addition Chapter 2 of the Municipal Budget and Reporting Regulations states that the Mayor of the municipality must establish a Budget Steering Committee to provide technical assistance to the Mayor in discharging the responsibilities set out in section 53 of the Act.

The Budget Steering Committee consists of the Municipal Manager and senior officials of the municipality meeting under the chairpersonship of the for Finance Portfolio Chair(the Mayor).

The primary aims of the Budget Steering Committee is to ensure:

- that the process followed to compile the budget complies with legislation and good budget practices;
- that there is proper alignment between the policy and service delivery priorities set out in the Municipality's IDP and the budget, taking into account the need to protect the financial sustainability of municipality;
- that the municipality's revenue and tariff setting strategies ensure that the cash resources needed to deliver services are available; and
- that the various spending priorities of the different municipal departments are properly evaluated and prioritised in the allocation of resources.

### 2.1.1 Budget Process Overview

In terms of section 21 of the MFMA the Mayor is required to table in Council ten months before the start of the new financial year (i.e. in August 2010) a time schedule that sets out the process to revise the IDP and prepare the budget.

The Mayor tabled in Council the required the IDP and budget time schedule on 25 August 2010. Key dates applicable to the process were:

- **August 2024** – Joint strategic planning session of the Mayoral Committee and Executive Management. Aim: to review past performance trends of the capital and operating budgets, the economic realities and to set the prioritisation criteria for the compilation of the 2025/26 MTREF;
- **November 2024** – Detail departmental budget proposals (capital and operating) submitted to the Budget and Treasury Office for consolidation and assessment against the financial planning guidelines;
- **3 to 7 January 2025** - Review of the financial strategy and key economic and financial planning assumptions by the Budget Steering Committee. This included financial forecasting and scenario considerations;
- **January 2025** - Council considers the 2024/25 Mid-year Review and Adjustments Budget;
- **February 2025** - Recommendations of EXCO are communicated to the Budget Steering Committee, and on to the respective departments. The draft 2025/26 MTREF is revised accordingly;
- **28 March 2025** - Tabling in Council of the draft 2025/26 IDP and 2025/26 MTREF for public consultation;

- **April 2025** – Public consultation;
- **20 to 24 May 2025**– finalisation of the 2025/26 IDP and 2025/26 MTREF, taking into consideration comments received from the public, comments from National Treasury, and updated information from the most recent Division of Revenue Bill and financial framework; and
- **May 2025 -** Tabling of the 2025/26 MTREF before Council for consideration and approval.

### 2.1.2 IDP and Service Delivery and Budget Implementation Plan

The Municipality's IDP is its principal strategic planning instrument, which directly guides and informs its planning, budget, management and development actions. This framework is rolled out into objectives, key performance indicators and targets for implementation which directly inform the Service Delivery and Budget Implementation Plan. The Process Plan applicable to the fourth revision cycle included the following key IDP processes and deliverables:

- Registration of community needs;
- Compilation of departmental business plans including key performance indicators and targets;
- Financial planning and budgeting process;
- Public participation process;
- Compilation of the SDBIP, and
- The review of the performance management and monitoring processes.

The IDP has been taken into a business and financial planning process leading up to the 2025/26 MTREF, based on the approved 2024/25 MTREF, Mid-year Review and adjustments budget. The business planning process has subsequently been refined in the light of current economic circumstances and the resulting revenue projections.

With the compilation of the 2025/26 MTREF, each department/function had to review the business planning process, including the setting of priorities and targets after reviewing the mid-year and third quarter performance against the 2024/25 Departmental Service Delivery and Budget Implementation Plan. Business planning links back to priority needs and master planning, and essentially informed the detail operating budget appropriations and three-year capital programme.

### 2.1.3 Financial Modelling and Key Planning Drivers

As part of the compilation of the 2025/26 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 2025/26 MTREF:

- Municipality growth
- Policy priorities and strategic objectives
- Asset maintenance
- Economic climate and trends
- Performance trends
- The approved 2024/25 adjustments 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

In addition to the above, the strategic guidance given in National Treasury's MFMA Circular 126 has been taken into consideration in the planning and prioritisation process.

### 2.1.4 Community Consultation

Community consultations will be short circuited inline with cost containments measures that has been agreed to.

## 2.2 Overview of alignment of annual budget with IDP

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 Municipality 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 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. The following table highlights the IDP's five strategic objectives for the 2025/26 MTREF and further planning refinements that have directly informed the compilation of the budget:

**Table 18 IDP Strategic Objectives**

In order to ensure integrated and focused service delivery between all spheres of government it was important for the Municipality to align its budget priorities with that of national and provincial government. All spheres of government place a high priority on infrastructure development, economic development and job creation, efficient service delivery, poverty alleviation and building sound institutional arrangements.

1. Economic growth and development that leads to sustainable job creation by:
    - Ensuring the is a clear structural plan for the Municipality;
    - Ensuring planning processes function in accordance with set timeframes;
    - Facilitating the use of labour intensive approaches in the delivery of services and the building of infrastructure.

3.1 Fight poverty and build clean, healthy, safe and sustainable communities:
  - Effective implementation of the Indigent Policy;
  - Extending waste removal services and ensuring effective municipality cleansing;
  - Working with strategic partners such as SAPS to address crime;
  - Ensuring save working environments by effective enforcement of building and health regulations;
  - Promote viable, sustainable communities through proper zoning; and
  - Promote environmental sustainability by protecting wetlands and key open spaces.

3.2 Integrated Social Services for empowered and sustainable communities
  - Work with provincial departments to ensure the development of community infrastructure such as schools and clinics is properly co-ordinated with the informal settlements upgrade programme

4. Foster participatory democracy and Batho Pele principles through a caring, accessible and accountable service by:
    - Optimising effective community participation in the ward committee system; and
    - Implementing Batho Pele in the revenue management strategy.

5.1 Promote sound governance through:
  - Publishing the outcomes of all tender processes on the municipal website

5.2 Ensure financial sustainability through:
  - Reviewing the use of contracted services
  - Continuing to implement the infrastructure renewal strategy and the repairs and maintenance plan

5.3 Optimal institutional transformation to ensure Municipality to achieve set objectives
  - Review of the organizational structure to optimize the use of personnel;

In line with the MSA, the IDP constitutes a single, inclusive strategic plan for the Municipality. The five-year programme responds to the development challenges and opportunities faced by the Municipality by identifying the key performance areas to achieve the five the strategic objectives mentioned above.

In addition to the five-year IDP, the Municipality undertakes an extensive planning and developmental strategy which primarily focuses on a longer-term horizon; 15 to 20 years. This process is aimed at influencing the development path by proposing a substantial programme of public-led investment to restructure current patterns of settlement, activity and access to resources in the Municipality so as to promote greater equity and enhanced opportunity. The strategy specifically targets future developmental opportunities in traditional dormitory settlements. It provides direction to the Municipality's IDP, associated sectoral plans and strategies, and the allocation of resources of the Municipality and other service delivery partners.

This development strategy introduces important policy shifts which have further been translated into seven strategic focus areas/objectives as outlined below:

- Developing dormant areas;
- Enforcing hard development lines – so as to direct private investment;
- Maintaining existing urban areas;
- Strengthening key economic clusters;
- Building social cohesion;
- Strong developmental initiatives in relation to the municipal institution as a whole; and
- Sound financial fundamentals.

Lessons learned with previous IDP revision and planning cycles as well as changing environments were taken into consideration in the compilation of the fourth revised IDP, including:

- Strengthening the analysis and strategic planning processes of the Municipality;
- Initiating zonal planning processes that involve the communities in the analysis and planning processes. More emphasis was placed on area based interventions, within the overall holistic framework;
- Ensuring better coordination through a programmatic approach and attempting to focus the budgeting process through planning interventions; and
- Strengthening performance management and monitoring systems in ensuring the objectives and deliverables are achieved.

The 2025/26 MTREF has therefore been directly informed by the IDP revision process and the following tables provide a reconciliation between the IDP strategic objectives and operating revenue, operating expenditure and capital expenditure.

## Table 19 MBRR Table SA4 - Reconciliation between the IDP strategic objectives and budgeted revenue

**KZN213 Umzumbe - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)**

| Strategic Objective | Goal | Goal Code | Ref | 2021/22 | 2022/23 | 2023/24 | Current Year 2024/25 | | | 2025/26 Medium Term Revenue & Expenditure Framework | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| R thousand | | | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2025/26 | Budget Year +1 2026/27 | Budget Year +2 2027/28 |
| DRAFT BUDGET | A comprehensive, responsive and sustainable social protection system | 13 | – | (379) | (380) | (380) | (245) | – | – | (245) | (245) | (245) |
| DRAFT BUDGET | An efficient, effective and development-oriented public service | 12 | – | – | – | – | (49) | – | – | (49) | (49) | (49) |
| DRAFT BUDGET | Responsive, accountable, effective and efficient local government | 9 | – | 198 922 | 225 689 | 234 003 | 242 797 | – | – | 234 938 | 235 521 | 245 497 |
| Efficient and integrated infrastructure and basic services | An efficient, effective and development-oriented public service | 12 | – | – | – | – | – | – | – | 31 708 | 20 726 | 21 668 |
| Spatial Equity and Environmental Sustainability | A comprehensive, responsive and sustainable social protection system | 13 | – | (386) | (386) | (386) | (1 161) | – | – | (1 161) | (1 161) | (1 161) |
| Spatial Equity and Environmental Sustainability | Responsive, accountable, effective and efficient local government | 9 | – | (716) | 128 | (466) | 3 792 | – | – | 1 046 | 1 046 | 1 046 |
| **Total Revenue (excluding capital transfers and contributions)** | | | 1 | **197 441** | **225 050** | **232 771** | **245 134** | **–** | **–** | **266 236** | **255 838** | **266 756** |

*References*

*1. Total revenue must reconcile to*

2. Balance of allocations not directly linked to an IDP strategic objective

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| *check op revenue balance* | 35 835 | 47 085 | 43 270 | 37 565 | (206 672) | (206 672) | 55 135 | 53 074 | 55 409 |

**Table 20 MBRR Table SA5 - Reconciliation between the IDP strategic objectives and budgeted operating expenditure**

**KZN213 Umzumbe - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)**

| Strategic Objective | Goal | Goal Code | Ref | 2020/21 | 2021/22 | 2022/23 | Current Year 2023/24 | | | 2024/25 Medium Term Revenue & Expenditure Framework | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| R thousand | | | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2024/25 | Budget Year +1 2025/26 | Budget Year +2 2026/27 |
| | An efficient, effective and development-oriented public service | 12 | – | – | – | – | 6 957 | 6 957 | 6 957 | 414 | – | – |
| Improved Organisational cohesion and Effectiveness | A comprehensive, responsive and sustainable social protection system | 13 | – | 600 | – | – | – | – | – | – | – | – |
| Improved Organisational cohesion and Effectiveness | An efficient, effective and development-oriented public service | 12 | – | – | – | 1 304 | – | – | – | – | – | – |
| Clean Governance, Comprehensive Public Participation and Accountability | A comprehensive, responsive and sustainable social protection system | 13 | – | 1 862 | 2 816 | 4 792 | 8 403 | 8 464 | 8 464 | 4 676 | 4 345 | 4 541 |
| Clean Governance, Comprehensive Public Participation and Accountability | A long and healthy life for all South Africans | 2 | – | 122 | 174 | 261 | 358 | 301 | 301 | 178 | 186 | 195 |
| Clean Governance, Comprehensive Public Participation and Accountability | An efficient, effective and development-oriented public service | 12 | – | 201 | 797 | 1 829 | 1 677 | 1 716 | 1 716 | 1 397 | 1 013 | 1 059 |
| Clean Governance, Comprehensive Public Participation and Accountability | Responsive, accountable, effective and efficient local government | 9 | – | 2 423 | 3 462 | 4 184 | 5 021 | 4 036 | 4 036 | 2 016 | 1 830 | 1 835 |
| Clean Governance, Comprehensive Public Participation and Accountability | Sustainable human settlements and improved quality of household life | 8 | – | 2 473 | 3 393 | 4 487 | 4 973 | 5 651 | 5 651 | 2 950 | 2 984 | 2 574 |
| DRAFT BUDGET | A comprehensive, responsive and sustainable social protection system | 13 | – | 5 317 | 6 209 | 6 244 | 7 709 | 7 953 | 7 953 | 4 377 | 3 668 | 3 833 |
| DRAFT BUDGET | A long and healthy life for all South Africans | 2 | – | 535 | 487 | 786 | 283 | 543 | 543 | 174 | 182 | 190 |
| DRAFT BUDGET | A skilled and capable workforce to support an inclusive growth path | 5 | – | 2 067 | 2 026 | 4 142 | 3 110 | 3 244 | 3 244 | 1 554 | 2 257 | 2 008 |
| DRAFT BUDGET | An efficient, effective and development-oriented public service | 12 | – | 3 891 | 3 728 | 11 971 | 6 917 | 8 579 | 8 579 | 5 006 | 5 189 | 5 423 |
| DRAFT BUDGET | Create a better South Africa and contribute to a better Africa and a better world | 11 | – | – | – | – | 304 | – | – | – | – | – |
| DRAFT BUDGET | Protect and enhance our environmental assets and natural resources | 10 | – | 864 | 594 | – | – | – | – | – | – | – |
| DRAFT BUDGET | Responsive, accountable, effective and efficient local government | 9 | – | 646 | 1 325 | 8 909 | 4 213 | 3 547 | 3 547 | 4 100 | 4 060 | 4 242 |
| DRAFT BUDGET | Sustainable human settlements and improved quality of household life | 8 | – | 117 259 | 120 105 | 146 567 | 172 153 | 169 625 | 169 625 | 157 432 | 163 380 | 169 481 |
| DRAFT BUDGET | Vibrant, equitable, sustainable rural communities contributing towards food security for all | 7 | – | – | – | – | 261 | – | – | – | – | – |
| Efficient and integrated infrastructure and basic services | An efficient, competitive and responsive economic infrastructure network | 6 | – | 6 963 | 4 345 | 29 285 | 4 348 | 4 348 | 4 348 | 1 304 | 1 739 | 1 821 |
| Efficient and integrated infrastructure and basic services | An efficient, effective and development-oriented public service | 12 | – | – | 3 317 | 5 017 | 20 873 | 39 008 | 39 008 | 3 315 | 8 272 | 7 826 |
| Efficient and integrated infrastructure and basic services | Protect and enhance our environmental assets and natural resources | 10 | – | – | – | – | 43 | 43 | 43 | – | – | – |
| Efficient and integrated infrastructure and basic services | Responsive, accountable, effective and efficient local government | 9 | – | – | 3 032 | 7 432 | 6 147 | 8 147 | 8 147 | 870 | – | – |
| Efficient and integrated infrastructure and basic services | Sustainable human settlements and improved quality of household life | 8 | – | – | – | – | 696 | 348 | 348 | 522 | 182 | 190 |
| Improved overall financial management and systems | Sustainable human settlements and improved quality of household life | 8 | – | 150 | 239 | 480 | 1 569 | 1 434 | 1 434 | 1 043 | 1 091 | 1 141 |
| Spatial Equity and Environmental Sustainability | A comprehensive, responsive and sustainable social protection system | 13 | – | – | – | – | 850 | 974 | 974 | 400 | 816 | 437 |
| Spatial Equity and Environmental Sustainability | An efficient, competitive and responsive economic infrastructure network | 6 | – | – | – | – | 1 739 | – | – | – | – | – |
| Spatial Equity and Environmental Sustainability | An efficient, effective and development-oriented public service | 12 | – | 610 | 272 | – | 672 | 1 542 | 1 542 | – | – | – |
| Spatial Equity and Environmental Sustainability | Protect and enhance our environmental assets and natural resources | 10 | – | – | – | – | 1 261 | 1 261 | 1 261 | 200 | 209 | 219 |
| Spatial Equity and Environmental Sustainability | Responsive, accountable, effective and efficient local government | 9 | – | 13 | 13 | 715 | 787 | 461 | 461 | 26 | 27 | 29 |
| Spatial Equity and Environmental Sustainability | Sustainable human settlements and improved quality of household life | 8 | – | 7 499 | 19 840 | 7 431 | 7 101 | 11 964 | 11 964 | 8 583 | 8 948 | 9 315 |
| Vibrant and Inclusive Rural Economy | A comprehensive, responsive and sustainable social protection system | 13 | – | 1 285 | 742 | 1 102 | 2 249 | 6 592 | 6 592 | 1 974 | 246 | 257 |
| Vibrant and Inclusive Rural Economy | An efficient, effective and development-oriented public service | 12 | – | 1 537 | 2 160 | 5 549 | 6 017 | 4 575 | 4 575 | 3 025 | 3 164 | 3 306 |
| Vibrant and Inclusive Rural Economy | Responsive, accountable, effective and efficient local government | 9 | – | – | – | – | 2 087 | 4 304 | 4 304 | – | – | – |
| Vibrant and Inclusive Rural Economy | Vibrant, equitable, sustainable rural communities contributing towards food security for all | 7 | – | 496 | 814 | 731 | 2 752 | 1 870 | 1 870 | 957 | 1 001 | 1 046 |
| **Allocations to other priorities** | | | | | | | | | | | | |
| **Total Expenditure** | | | 1 | **156 813** | **179 890** | **253 219** | **281 527** | **307 485** | **307 485** | **206 492** | **214 790** | **220 967** |

**Table 21 MBRR Table SA7 - Reconciliation between the IDP strategic objectives and budgeted capital expenditure**

**KZN213 Umzumbe - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)**

| Strategic Objective | Goal | Goal Code | Ref | 2021/22 | 2022/23 | 2023/24 | Current Year 2024/25 | | | 2025/26 Medium Term Revenue & Expenditure Framework | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| R thousand | | | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2025/26 | Budget Year +1 2026/27 | Budget Year +2 2027/28 |
| | An efficient, effective and development-oriented public service | 12 | _ | – | – | 5 363 | 414 | – | – | – | – | – |
| Improved Organisational cohesion and Effectiveness | An efficient, effective and development-oriented public service | 12 | _ | – | 1 304 | – | – | – | – | – | – | – |
| Clean Governance, Comprehensive Public Participation and Accountability | A comprehensive, responsive and sustainable social protection system | 13 | _ | 2 816 | 4 792 | 6 892 | 4 676 | – | – | 3 467 | 3 627 | 3 787 |
| Clean Governance, Comprehensive Public Participation and Accountability | A long and healthy life for all South Africans | 2 | _ | 174 | 261 | 243 | 178 | – | – | 117 | 122 | 128 |
| Clean Governance, Comprehensive Public Participation and Accountability | A skilled and capable workforce to support an inclusive growth path | 5 | _ | – | – | – | – | – | – | 130 | 136 | 142 |
| Clean Governance, Comprehensive Public Participation and Accountability | An efficient, effective and development-oriented public service | 12 | _ | 797 | 1 829 | 1 616 | 1 397 | – | – | 665 | 686 | 659 |
| Clean Governance, Comprehensive Public Participation and Accountability | Responsive, accountable, effective and efficient local government | 9 | _ | 3 462 | 4 184 | 3 791 | 2 016 | – | – | 1 896 | 1 983 | 2 136 |
| Clean Governance, Comprehensive Public Participation and Accountability | Sustainable human settlements and improved quality of household life | 8 | _ | 3 393 | 4 487 | 3 628 | 2 950 | – | – | 1 463 | 1 531 | 1 598 |
| DRAFT BUDGET | A comprehensive, responsive and sustainable social protection system | 13 | _ | 6 209 | 6 127 | 6 003 | 4 377 | – | – | 2 119 | 2 217 | 2 315 |
| DRAFT BUDGET | A long and healthy life for all South Africans | 2 | _ | 487 | 786 | 313 | 174 | – | – | 173 | 181 | 189 |
| DRAFT BUDGET | A skilled and capable workforce to support an inclusive growth path | 5 | _ | 2 026 | 4 142 | 2 160 | 1 554 | – | – | 900 | 941 | 983 |
| DRAFT BUDGET | An efficient, effective and development-oriented public service | 12 | _ | 3 728 | 11 971 | 5 799 | 5 006 | – | – | 11 905 | 12 429 | 12 979 |
| DRAFT BUDGET | Protect and enhance our environmental assets and natural resources | 10 | _ | 594 | – | – | – | – | – | – | – | – |
| DRAFT BUDGET | Responsive, accountable, effective and efficient local government | 9 | _ | 1 325 | 8 909 | 5 037 | 4 100 | – | – | 5 452 | 5 701 | 5 955 |
| DRAFT BUDGET | Sustainable human settlements and improved quality of household life | 8 | _ | 120 105 | 146 686 | 153 588 | 157 432 | – | – | 161 118 | 168 495 | 175 731 |
| DRAFT BUDGET | Vibrant, equitable, sustainable rural communities contributing towards food security for all | 7 | _ | – | – | 142 | – | – | – | – | – | – |
| Efficient and integrated infrastructure and basic services | An efficient, competitive and responsive economic infrastructure network | 6 | _ | 4 345 | 29 285 | 6 211 | 1 304 | – | – | 2 609 | 2 729 | 2 849 |
| Efficient and integrated infrastructure and basic services | An efficient, effective and development-oriented public service | 12 | _ | 3 317 | 5 017 | (1 944) | 3 315 | – | – | 8 826 | 9 232 | 9 648 |
| Efficient and integrated infrastructure and basic services | Responsive, accountable, effective and efficient local government | 9 | _ | 3 032 | 7 432 | 8 795 | 870 | – | – | – | – | – |
| Efficient and integrated infrastructure and basic services | Sustainable human settlements and improved quality of household life | 8 | _ | – | – | 319 | 522 | – | – | 2 757 | 2 884 | 3 011 |
| Improved overall financial management and systems | Sustainable human settlements and improved quality of household life | 8 | _ | 239 | 480 | 1 362 | 1 043 | – | – | 1 043 | 1 090 | 1 138 |
| Spatial Equity and Environmental Sustainability | A comprehensive, responsive and sustainable social protection system | 13 | _ | – | – | 738 | 400 | – | – | 26 | 27 | 28 |
| Spatial Equity and Environmental Sustainability | An efficient, effective and development-oriented public service | 12 | _ | 272 | – | 1 913 | – | – | – | – | – | – |
| Spatial Equity and Environmental Sustainability | Protect and enhance our environmental assets and natural resources | 10 | _ | – | – | 785 | 200 | – | – | 1 970 | 2 060 | 2 151 |
| Spatial Equity and Environmental Sustainability | Responsive, accountable, effective and efficient local government | 9 | _ | 13 | 715 | 443 | 26 | – | – | 182 | 190 | 199 |
| Spatial Equity and Environmental Sustainability | Sustainable human settlements and improved quality of household life | 8 | _ | 19 840 | 7 431 | 14 900 | 8 583 | – | – | 6 867 | 7 182 | 7 505 |
| Vibrant and Inclusive Rural Economy | A comprehensive, responsive and sustainable social protection system | 13 | _ | 742 | 1 102 | 6 300 | 1 974 | – | – | 1 100 | 1 150 | 1 202 |
| Vibrant and Inclusive Rural Economy | An efficient, effective and development-oriented public service | 12 | _ | 2 160 | 5 549 | 3 923 | 3 025 | – | – | 2 776 | 2 903 | 3 034 |
| Vibrant and Inclusive Rural Economy | Responsive, accountable, effective and efficient local government | 9 | _ | – | – | 7 130 | – | – | – | 346 | 362 | 379 |
| Vibrant and Inclusive Rural Economy | Sustainable human settlements and improved quality of household life | 8 | _ | – | – | – | – | – | – | 1 948 | 1 965 | 2 053 |
| Vibrant and Inclusive Rural Economy | Vibrant, equitable, sustainable rural communities contributing towards food security for all | 7 | _ | 814 | 731 | 1 803 | 957 | – | – | 398 | 417 | 435 |

## 2.3 Measurable performance objectives and indicators

Performance Management is a system intended to manage and monitor service delivery progress against the identified strategic objectives and priorities. In accordance with legislative requirements and good business practices as informed by the National Framework for Managing Programme Performance Information, the Municipality has developed and implemented a performance management system of which system is constantly refined as the integrated planning process unfolds. The Municipality targets, monitors, assesses and reviews organisational performance which in turn is directly linked to individual employee's performance.

At any given time within government, information from multiple years is being considered; plans and budgets for next year; implementation for the current year; and reporting on last year's performance. Although performance information is reported publicly during the last stage, the performance information process begins when policies are being developed, and continues through each of the planning, budgeting, implementation and reporting stages. The planning, budgeting and reporting cycle can be graphically illustrated as follows:

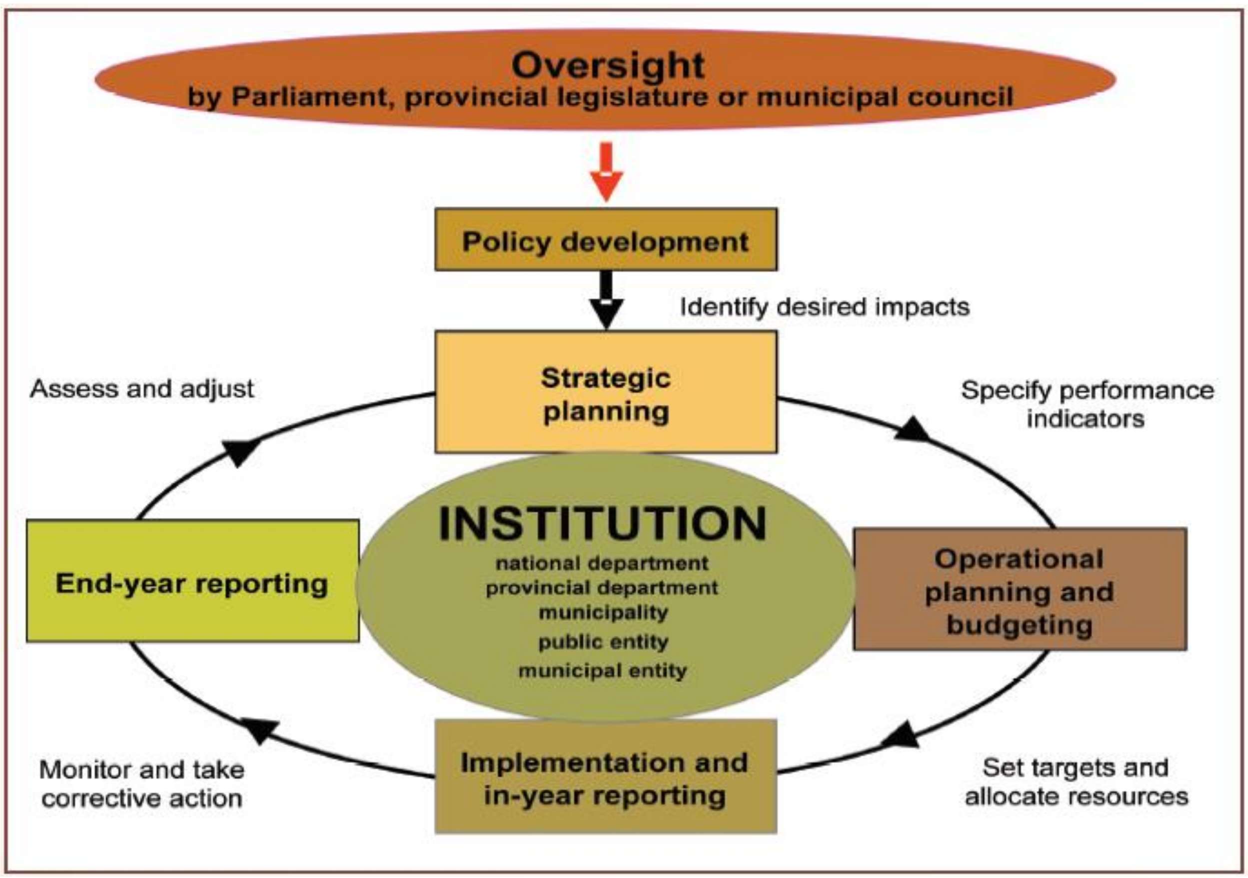


**Figure 2 Planning, budgeting and reporting cycle**

The performance of the Municipality relates directly to the extent to which it has achieved success in realising its goals and objectives, complied with legislative requirements and meeting stakeholder expectations. The Municipality therefore has adopted one integrated performance management system which encompasses:

- Planning (setting goals, objectives, targets and benchmarks);
- Monitoring (regular monitoring and checking on the progress against plan);
- Measurement (indicators of success);
- Review (identifying areas requiring change and improvement);
- Reporting (what information, to whom, from whom, how often and for what purpose); and
- Improvement (making changes where necessary).

The performance information concepts used by the Municipality in its integrated performance management system are aligned to the ***Framework of Managing Programme Performance Information*** issued by the National Treasury:

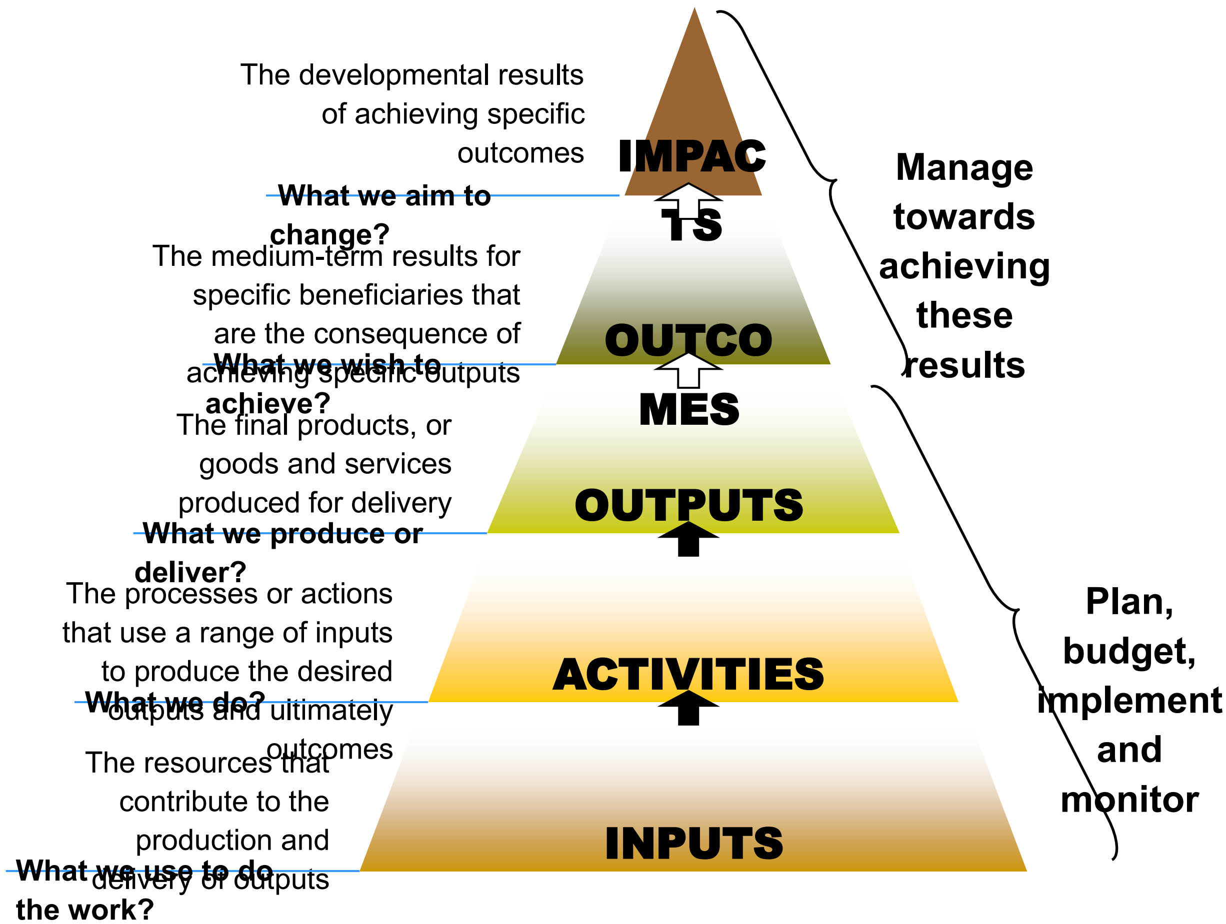


**Figure 3 Definition of performance information concepts**

The following table sets out the municipalities main performance objectives and benchmarks for the 2025/26 MTREF.

## Table 22 MBRR Table SA8 - Performance indicators and benchmarks

**KZN213 Umzumbe - Supporting Table SA8 Performance indicators and benchmarks**

| Description of financial indicator | Basis of calculation | 2021/22 | 2022/23 | 2023/24 | Current Year 2024/25 | | | | 2025/26 Medium Term Revenue & Expenditure Framework | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2025/26 | Budget Year +1 2026/27 | Budget Year +2 2027/28 |
| **Borrowing Management** | | | | | | | | | | | |
| Credit Rating | | | | | | | | | | | |
| Capital Charges to Operating Expenditure | Interest & Principal Paid /Operating Expenditure | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Capital Charges to Own Revenue | Finance charges & Repayment of borrowing /Own Revenue | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Borrowed funding of 'own' capital expenditure | Borrowing/Capital expenditure excl. transfers and grants and contributions | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| **Safety of Capital** | | | | | | | | | | | |
| Gearing | Long Term Borrowing/ Funds & Reserves | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| **Liquidity** | | | | | | | | | | | |
| Current Ratio | Current assets/current liabilities | 5.3 | 3.4 | 1.7 | 1.6 | 1.7 | 1.7 | 1.2 | 7.5 | (0.9) | (8.3) |
| Current Ratio adjusted for aged debtors | Current assets less debtors > 90 days/current liabilities | 5.3 | 3.4 | 1.7 | 1.6 | 1.7 | 1.7 | 1.2 | 7.5 | (0.9) | (8.3) |
| Liquidity Ratio | Monetary Assets/Current Liabilities | 4.8 | 2.9 | 1.1 | 0.9 | 0.4 | 0.4 | 0.5 | (1.6) | (20.3) | (20.2) |
| **Revenue Management** | | | | | | | | | | | |
| Annual Debtors Collection Rate (Payment Level %) | Last 12 Mths Receipts/Last 12 Mths Billing | | 0.0% | 0.0% | 0.0% | 3241.9% | 3229.7% | 3229.7% | 0.0% | 51.1% | 81.0% |
| Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue) | | 0.0% | 0.0% | 0.0% | 3241.9% | 3229.7% | 3229.7% | 0.0% | 51.1% | 81.0% | 77.5% |
| Outstanding Debtors to Revenue | Total Outstanding Debtors to Annual Revenue | 10.7% | 10.9% | 13.0% | 13.2% | 21.9% | 21.9% | 20.5% | 25.8% | 16.9% | 10.4% |
| Longstanding Debtors Recovered | Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old | | | | | | | | | | |
| **Creditors Management** | | | | | | | | | | | |
| Creditors System Efficiency | % of Creditors Paid Within Terms (within`MFMA' s 65(e)) | | | | | | | | | | |
| Creditors to Cash and Investments | | 3.7% | -3.3% | -2.6% | -65.1% | -34.5% | -34.5% | -13.4% | -25.0% | -0.5% | -0.3% |
| **Other Indicators** | | | | | | | | | | | |
| Electricity Distribution Losses (2) | Total Volume Losses (kW) technical | | | | | | | | | | |
| | Total Volume Losses (kW) non technical | | | | | | | | | | |
| | Total Cost of Losses (Rand '000) | | | | | | | | | | |
| | % Volume (units purchased and generated less units sold)/units purchased and generated | | | | | | | | | | |
| Water Volumes :System input | Bulk Purchase | | | | | | | | | | |
| | Water treatment works | | | | | | | | | | |
| | Natural sources | | | | | | | | | | |
| Water Distribution Losses (2) | Total Volume Losses (kℓ) | | | | | | | | | | |
| | Total Cost of Losses (Rand '000) | | | | | | | | | | |
| | % Volume (units purchased and generated less units sold)/units purchased and generated | | | | | | | | | | |
| Employee costs | Employee costs/(Total Revenue - capital revenue) | 40.7% | 40.2% | 41.4% | 43.0% | 43.1% | 43.1% | 36.6% | 47.4% | 51.6% | 51.7% |
| Remuneration | Total remuneration/(Total Revenue - capital revenue) | 40.7% | 40.2% | 53.2% | 51.4% | 51.7% | 51.7% | | 58.2% | 63.4% | 63.5% |
| Repairs & Maintenance | R&M/(Total Revenue excluding capital revenue) | 4.7% | 19.9% | 5.4% | 2.9% | 3.4% | 3.4% | | 2.9% | 3.1% | 3.1% |
| Finance charges & Depreciation | FC&D/(Total Revenue - capital revenue) | 20.2% | 13.2% | 13.8% | 14.8% | 13.6% | 13.6% | 0.0% | 12.7% | 13.8% | 13.8% |
| **IDP regulation financial viability indicators** | | | | | | | | | | | |
| i. Debt coverage | (Total Operating Revenue - Operating Grants)/Debt service payments due within financial year) | – | – | – | – | – | – | 31.9 | 33.7 | 31.0 | 32.3 |
| ii.O/S Service Debtors to Revenue | Total outstanding service debtors/annual revenue received for services | 16303.7% | 17758.8% | 21159.7% | 11870.1% | 19608.1% | 19608.1% | 334756.2% | 371.7% | 372.3% | 229.1% |
| iii. Cost coverage | (Available cash + Investments)/monthly fixed operational expenditure | 81.2 | (49.1) | (68.5) | (3.7) | (6.3) | (6.3) | (11.4) | (0.6) | (2.9) | (5.1) |

*References*

*1. Consumer debtors > 12 months old are excluded from current assets*

*2. Only include if services provided by the municipality*

| Calculation data | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Debtors > 90 days | | | | | | | | | | |
| Monthly fixed operational expenditure | 10 766 | 16 960 | 16 407 | 13 158 | 13 333 | 13 333 | 13 029 | 14 980 | 15 663 | 16 355 |
| Fixed operational expenditure % assumption | 40.0% | 40.0% | 40.0% | 40.0% | 40.0% | 40.0% | 40.0% | 40.0% | 40.0% | 40.0% |
| Own capex | 60 285 | (12 598) | 51 654 | 30 494 | 30 003 | 30 003 | 629 095 | 18 043 | 20 303 | 21 240 |
| Borrowing | – | – | – | – | – | – | – | – | – | – |

### *2.3.1.1 Liquidity*

- *Current ratio* is a measure of the current assets divided by the current liabilities and as a benchmark the Municipality has set a limit of 1, hence at no point in time should this ratio be less than 1.

- *The liquidity ratio* is a measure of the ability of the municipality to utilize cash and cash equivalents to extinguish or retire its current liabilities immediately. Ideally the municipality should have the equivalent cash and cash equivalents on hand to meet at least the current liabilities, which should translate into a liquidity ratio of 1. Anything below 1 indicates a shortage in cash to meet creditor obligations.

*2.3.1.2 Revenue Management*

- As part of the financial sustainability strategy, an aggressive revenue management framework has been implemented to increase cash inflow, not only from current billings but also from debtors that are in arrears in excess of 90 days. The intention of the strategy is to streamline the revenue value chain by ensuring accurate billing, customer service, credit control and debt collection.

*2.3.1.3 Creditors Management*

- The Municipality has managed to ensure that creditors are settled within the legislated 30 days of invoice.

## 2.4 Overview of budget related-policies

The Municipality's budgeting process is guided and governed by relevant legislation, frameworks, strategies and related policies.

### 2.4.1 Review of credit control and debt collection procedures/policies

The Collection Policy as approved by Council in 2023 is currently under review. While the adopted policy is credible, sustainable, manageable and informed by affordability and value for money there has been a need to review certain components to achieve a higher collection rate.

### 2.4.2 Asset Management Policy

A proxy for asset consumption can be considered the level of depreciation each asset incurs on an annual basis. Preserving the investment in existing infrastructure needs to be considered a significant strategy in ensuring the future sustainability of infrastructure and the Municipality's revenue base. Within the framework, the need for asset renewal was considered a priority and hence the capital programme was determined based on renewal of current assets versus new asset construction.

Further, continued improvements in technology generally allows many assets to be renewed at a lesser 'real' cost than the original construction cost. Therefore, it is considered prudent to allow for a slightly lesser continual level of annual renewal than the average annual depreciation. The Asset Management, Infrastructure and Funding Policy is therefore considered a strategic guide in ensuring a sustainable approach to asset renewal, repairs and maintenance and is utilised as a guide to the selection and prioritisation of individual capital projects. In addition the policy prescribes the accounting and administrative policies and procedures relating to property, plant and equipment (fixed assets).

### 2.4.3 Supply Chain Management Policy

The Supply Chain Management Policy was adopted by Council in May 2017. An amended policy will be considered by Council in due course of which the amendments will be extensively consulted on, we are looking to have the reviewed policy adopted by council by 1 July 2025.

### 2.4.4 Budget and Virement Policy

The Budget and Virement Policy aims to empower senior managers with an efficient financial and budgetary amendment and control system to ensure optimum service delivery within the legislative framework of the MFMA and the Municipality's system of delegations.

### 2.4.5 Cash Management and Investment Policy

The aim of the policy is to ensure that the Municipality's surplus cash and investments are adequately managed, especially the funds set aside for the cash backing of certain reserves. The policy details the minimum cash and cash equivalents required at any point in time and introduces time frames to achieve certain benchmarks.

### 2.4.6 Tariff Policies

The Municipality's tariff policies provide a broad framework within which the Council can determine fair, transparent and affordable charges that also promote sustainable service delivery. The policies have been approved on various dates and a consolidated tariff policy is envisaged to be compiled for ease of administration and implementation of the next two years.

All the above policies are available on the Municipality's website, as well as the following budget related policies:

- Property Rates Policy;
- Funding and Reserves Policy;
- Budget Policy; and
- Indigent Policy.

## 2.5 Overview of budget assumptions

### 2.5.1 General inflation outlook and its impact on the municipal activities

There are five key factors that have been taken into consideration in the compilation of the 2025/26 MTREF:

- National Government macro economic targets;
- The general inflationary outlook and the impact on Municipality's residents and businesses;
- The impact of municipal cost drivers;
- The increase in the cost of remuneration. Employee related costs comprise 49.3 per cent of total operating expenditure in the 2025/26 MTREF and therefore this increase above inflation places a disproportionate upward pressure on the expenditure budget.

### 2.5.2 Collection rate for revenue services

The base assumption is that tariff and rating increases will increase at a rate slightly higher that CPI over the long term. It is also assumed that current economic conditions, and relatively controlled inflationary conditions, will continue for the forecasted term.

The rate of revenue collection is currently expressed as a percentage (95 per cent) of annual billings. Cash flow is assumed to be 95 per cent of billings, plus an increased collection of arrear debt from the revised collection and credit control policy. The performance of arrear collections will however only be considered a source of additional cash in-flow once the performance has been carefully monitored.

### 2.5.3 Growth or decline in tax base of the municipality

Debtors revenue is assumed to increase at a rate that is influenced by the consumer debtors collection rate, tariff/rate pricing, real growth rate of the Municipality, household formation growth rate and the poor household change rate.

Household formation is the key factor in measuring municipal revenue and expenditure growth, as servicing 'households' is a greater municipal service factor than servicing individuals. Household formation rates are assumed to convert to household dwellings. In addition the change in the number of poor households influences the net revenue benefit derived from household formation growth, as it assumes that the same costs incurred for servicing the household exist, but that no consumer revenue is derived as the 'poor household' limits consumption to the level of free basic services.

### 2.5.4 Impact of national, provincial and local policies

Integration of service delivery between national, provincial and local government is critical to ensure focussed service delivery and in this regard various measures were implemented to align IDPs, provincial and national strategies around priority spatial interventions. In this regard, the following national priorities form the basis of all integration initiatives:

- Creating jobs;
- Enhancing education and skill development;
- Improving Health services;
- Rural development and agriculture; and
- Fighting crime and corruption.

To achieve these priorities integration mechanisms are in place to ensure integrated planning and execution of various development programs. The focus will be to strengthen the link between policy priorities and expenditure thereby ensuring the achievement of the national, provincial and local objectives.

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## Table 23 MBRR SA15 – Detail Investment Information

KZN213 Umzumbe - Supporting Table SA15 Investment particulars by type

| Investment type | Ref | 2021/22 | 2022/23 | 2023/24 | Current Year 2024/25 | | | 2025/26 Medium Term Revenue & Expenditure Framework | | |
|---|---|---|---|---|---|---|---|---|---|---|
| R thousand | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2025/26 | Budget Year +1 2026/27 | Budget Year +2 2027/28 |
| Parent municipality | | | | | | | | | | |
| Securities - National Government | | – | – | – | – | – | – | – | – | – |
| Listed Corporate Bonds | | – | – | – | – | – | – | – | – | – |
| Deposits - Bank | | 10 459 | 10 754 | 11 148 | 11 139 | 11 139 | 11 139 | 5 765 | 5 765 | 5 765 |
| Deposits - Public Investment Commissioners | | – | – | – | – | – | – | – | – | – |
| Deposits - Corporation for Public Deposits | | – | – | – | – | – | – | – | – | – |
| Bankers Acceptance Certificates | | – | – | – | – | – | – | – | – | – |
| Negotiable Certificates of Deposit - Banks | | – | – | – | – | – | – | – | – | – |
| Guaranteed Endowment Policies (sinking) | | – | – | – | – | – | – | – | – | – |
| Repurchase Agreements - Banks | | – | – | – | – | – | – | – | – | – |
| Municipal Bonds | | – | – | – | – | – | – | – | – | – |
| **Municipality sub-total** | 1 | **10 459** | **10 754** | **11 148** | **11 139** | **11 139** | **11 139** | **5 765** | **5 765** | **5 765** |
| Entities | | | | | | | | | | |
| Securities - National Government | | – | – | – | – | – | – | – | – | – |
| Listed Corporate Bonds | | – | – | – | – | – | – | – | – | – |
| Deposits - Bank | | – | – | – | – | – | – | – | – | – |
| Deposits - Public Investment Commissioners | | – | – | – | – | – | – | – | – | – |
| Deposits - Corporation for Public Deposits | | – | – | – | – | – | – | – | – | – |
| Bankers Acceptance Certificates | | – | – | – | – | – | – | – | – | – |
| Negotiable Certificates of Deposit - Banks | | – | – | – | – | – | – | – | – | – |
| Guaranteed Endowment Policies (sinking) | | – | – | – | – | – | – | – | – | – |
| Repurchase Agreements - Banks | | – | – | – | – | – | – | – | – | – |
| **Entities sub-total** | | – | – | – | – | – | – | – | – | – |
| **Consolidated total:** | | **10 459** | **10 754** | **11 148** | **11 139** | **11 139** | **11 139** | **5 765** | **5 765** | **5 765** |

*References*

*1. Total investments must reconcile to Budgeted Financial Position ('current' call investment deposits plus 'non-current' investments)*

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| *check investment balance* | -528 584 177.00 | -591 001 857.00 | -634 952 226 | -675 458 455 | -697 883 493 | -697 883 493 | -73 056 938 | -27 728 742 | -29 246 555 |

## Table 24 MBRR SA16 – Investment particulars by maturity

KZN213 Umzumbe - Supporting Table SA16 Investment particulars by maturity

| Investments by Maturity | Ref | Period of Investment | Type of Investment | Capital Guarantee (Yes/ No) | Variable or Fixed interest rate | Interest Rate [3] | Commission Paid (Rands) | Commission Recipient | Expiry date of investment | Opening balance | Interest to be realised | Partial / Premature Withdrawal (4) | Investment Top Up | Closing Balance |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Name of institution & investment ID | 1 | Yrs/Months | | | | | | | | | | | | |
| Parent municipality | | | | | | | | | | | | | | |
| FNB Money Market | | Months | Call Deposit | 5430404.35 | Variable | | 0 | 0 | | 5 430 | 30 | – | – | 5 460 |
| | | | | | | | | | | | | | | – |
| | | | | | | | | | | | | | | – |
| | | | | | | | | | | | | | | – |
| | | | | | | | | | | | | | | – |
| | | | | | | | | | | | | | | – |
| | | | | | | | | | | | | | | – |
| Municipality sub-total | | | | | | | | | | 5 430 | | – | – | 5 460 |
| Entities | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | – |
| | | | | | | | | | | | | | | – |
| | | | | | | | | | | | | | | – |
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| | | | | | | | | | | | | | | – |
| | | | | | | | | | | | | | | – |
| | | | | | | | | | | | | | | – |
| Entities sub-total | | | | | | | | | | – | | – | – | – |
| TOTAL INVESTMENTS AND INTEREST | 1 | | | | | | | | | 5 430 | | – | – | 5 460 |

### 2.5.5 Medium-term outlook: capital revenue

The following table is a breakdown of the funding composition of the 2025/26 medium-term capital programme:

## Table 25 Sources of capital revenue over the MTREF

**KZN213 Umzumbe - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding**

| Vote Description | Ref | 2021/22 | 2022/23 | 2023/24 | Current Year 2024/25 | | | | 2025/26 Medium Term Revenue & Expenditure Framework | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| R thousand | 1 | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2025/26 | Budget Year +1 2026/27 | Budget Year +2 2027/28 |
| **Funded by:** | | | | | | | | | | | |
| National Government | | 5 310 | (5 549) | (3 382) | 32 665 | 53 274 | 53 274 | 50 811 | 34 345 | 41 314 | 43 132 |
| Provincial Government | | – | – | – | – | – | – | – | – | – | – |
| District Municipality | | (707) | – | – | – | – | – | – | – | – | – |
| Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions) | | – | – | – | – | – | – | – | – | – | – |
| **Transfers recognised - capital** | 4 | **4 602** | **(5 549)** | **(3 382)** | **32 665** | **53 274** | **53 274** | **50 811** | **34 345** | **41 314** | **43 132** |
| **Borrowing** | 6 | – | – | – | – | – | – | – | – | – | – |
| **Internally generated funds** | | 60 285 | (12 598) | 51 654 | 30 494 | 30 003 | 30 003 | 32 726 | 18 043 | 20 303 | 21 240 |
| **Total Capital Funding** | 7 | **64 888** | **(18 147)** | **48 272** | **63 159** | **83 277** | **83 277** | **83 537** | **52 389** | **61 617** | **64 372** |

The above table is graphically represented as follows for the 2025/26 financial year.

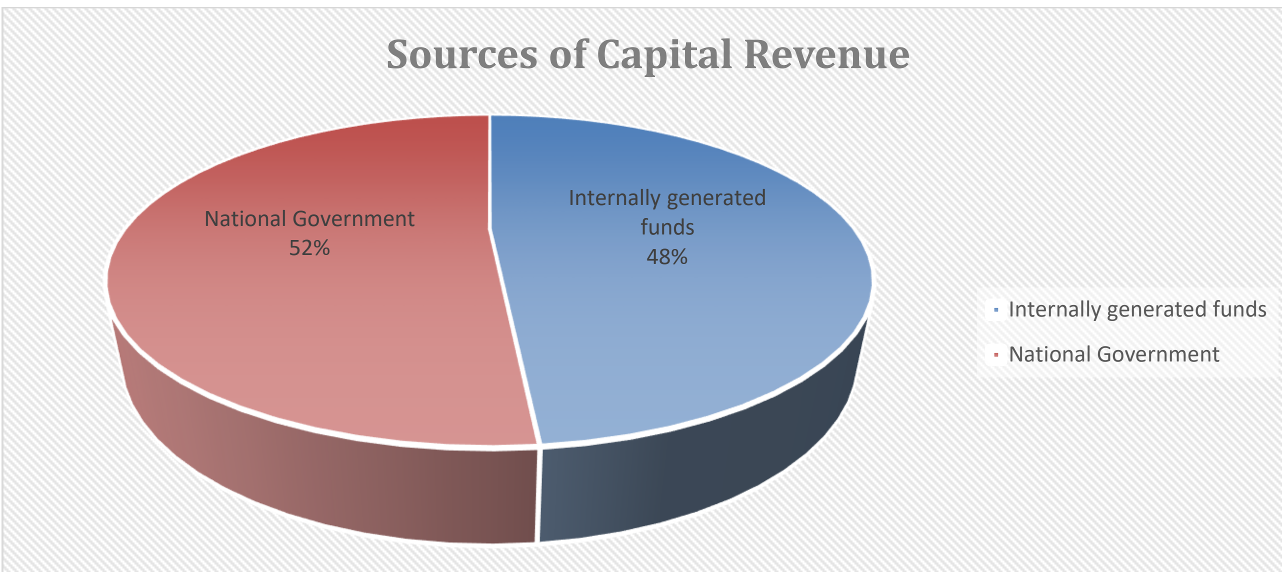


**Figure 4 Sources of capital revenue for the 2025/26 financial year**

Capital grants and receipts equates to 52 per cent of the total funding.

## Table 26 MBRR Table SA 18 - Capital transfers and grant receipts

KZN213 Umzumbe - Supporting Table SA18 Transfers and grant receipts

| Description | Ref | 2021/22 | 2022/23 | 2023/24 | Current Year 2024/25 | | | 2025/26 Medium Term Revenue & Expenditure Framework | | |
|---|---|---|---|---|---|---|---|---|---|---|
| R thousand | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2025/26 | Budget Year +1 2026/27 | Budget Year +2 2027/28 |
| RECEIPTS: | 1, 2 | | | | | | | | | |
| Operating Transfers and Grants | | | | | | | | | | |
| National Government: | | 175 644 | 205 809 | 240 687 | 176 289 | 176 289 | 176 289 | 174 945 | 172 342 | 180 119 |
| EPWP Incentive | – | 3 191 | 4 846 | 6 277 | 1 400 | 1 400 | 1 400 | 1 428 | – | – |
| Finance Management | – | 3 750 | 5 600 | 7 450 | 1 800 | 1 800 | 1 800 | 1 900 | 2 100 | 2 200 |
| Integrated National Electrification Programme | – | 25 539 | 40 500 | 64 006 | – | – | – | – | – | – |
| Local Government Equitable Share | – | 143 164 | 154 863 | 162 954 | 171 112 | 171 112 | 171 112 | 169 550 | 167 994 | 175 573 |
| Municipal Infrastructure Grant | – | – | – | – | 1 977 | 1 977 | 1 977 | 2 067 | 2 248 | 2 346 |
| Other transfers/grants [insert description] | | | | | | | | | | |
| Provincial Government: | | 9 722 | 9 783 | 30 518 | 2 000 | – | – | 2 079 | 1 363 | 1 427 |
| KwaZulu-Natal_Capacity Building and Other_Specif | – | – | – | 1 000 | 2 000 | – | – | 700 | | |
| KwaZulu-Natal_Infrastructure_Specify (Add grant de | – | 9 722 | 9 783 | 29 518 | – | – | – | 1 379 | 1 363 | 1 427 |
| Other transfers/grants [insert description] | | | | | | | | | | |
| District Municipality: | | – | – | – | – | – | – | – | – | – |
| *[insert description]* | | | | | | | | | | |
| Other grant providers: | | – | – | – | – | – | – | – | – | – |
| *[insert description]* | | | | | | | | | | |
| Total Operating Transfers and Grants | 5 | 185 366 | 215 592 | 271 205 | 178 289 | 176 289 | 176 289 | 177 024 | 173 705 | 181 546 |
| Capital Transfers and Grants | | | | | | | | | | |
| National Government: | | 80 933 | 128 485 | 174 191 | 37 565 | – | – | 39 281 | 42 711 | 44 575 |
| Municipal Infrastructure Grant (MIG) | – | 80 933 | 119 485 | 149 419 | 37 565 | – | – | 39 281 | 42 711 | 44 575 |
| Municipal Disaster Recovery Grant | – | – | 9 000 | 24 772 | – | – | – | – | – | – |
| Other capital transfers/grants [insert desc] | | | | | | | | | | |
| Provincial Government: | | – | – | – | – | – | – | – | – | – |
| | – | | | | | | | | | |
| | – | | | | | | | | | |
| District Municipality: | | – | – | – | – | – | – | – | – | – |
| *[insert description]* | | | | | | | | | | |
| Other grant providers: | | – | – | – | – | – | – | – | – | – |
| *[insert description]* | | | | | | | | | | |
| Total Capital Transfers and Grants | 5 | 80 933 | 128 485 | 174 191 | 37 565 | – | – | 39 281 | 42 711 | 44 575 |
| TOTAL RECEIPTS OF TRANSFERS & GRANTS | | 266 299 | 344 076 | 445 396 | 215 854 | 176 289 | 176 289 | 216 305 | 216 416 | 226 121 |

### 2.5.6 Cash Flow Management

Cash flow management and forecasting is a critical step in determining if the budget is funded over the medium-term. The table below is consistent with international standards of good financial management practice and also improves understandability for councillors and management. Some specific features include:

- Clear separation of receipts and payments within each cash flow category;
- Clear separation of capital and operating receipts from government, which also enables cash from ‘Ratepayers and other’ to be provide for as cash inflow based on actual performance. In other words the *actual collection rate* of billed revenue.

## Table 27 MBRR Table A7 - Budget cash flow statement

KZN213 Umzumbe - Table A7 Budgeted Cash Flows

| Description | Ref | 2021/22 | 2022/23 | 2023/24 | Current Year 2024/25 | | | | 2025/26 Medium Term Revenue & Expenditure Framework | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| R thousand | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2025/26 | Budget Year +1 2026/27 | Budget Year +2 2027/28 |
| **CASH FLOW FROM OPERATING ACTIVITIES** | | | | | | | | | | | |
| **Receipts** | | | | | | | | | | | |
| Property rates | | – | – | – | 7 470 | 7 470 | 7 470 | – | 7 470 | 7 470 | 7 470 |
| Service charges | | – | – | – | – | – | – | – | – | – | – |
| Other revenue | | – | – | – | 3 731 | 3 731 | 3 731 | – | 17 971 | 11 889 | 12 425 |
| Transfers and Subsidies - Operational | 1 | 193 260 | 99 207 | 45 402 | 189 315 | 184 586 | 184 586 | 27 731 | 177 024 | 173 705 | 181 546 |
| Transfers and Subsidies - Capital | 1 | – | – | – | 42 465 | 63 565 | 63 565 | – | 39 281 | 42 711 | 44 575 |
| Interest | | – | – | – | – | – | – | – | 6 000 | 6 270 | 6 546 |
| Dividends | | – | – | – | – | – | – | – | – | – | – |
| **Payments** | | | | | | | | | | | |
| Suppliers and employees | | 680 398 | (931 945) | (1 169 709) | (241 875) | (272 665) | (272 665) | (188 217) | (195 919) | (204 800) | (213 549) |
| Interest | | – | – | – | – | (26) | (26) | – | – | – | – |
| Transfers and Subsidies | 1 | – | – | – | (2 227) | (2 749) | (2 749) | – | (2 218) | (2 320) | (2 424) |
| **NET CASH FROM/(USED) OPERATING ACTIVITIES** | | **873 658** | **(832 738)** | **(1 124 307)** | **(1 122)** | **(16 088)** | **(16 088)** | **(160 486)** | **49 610** | **34 926** | **36 590** |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | | | | | | | | | | |
| **Receipts** | | | | | | | | | | | |
| Proceeds on disposal of PPE | | – | – | – | 391 | 391 | 391 | – | – | – | – |
| Decrease (increase) in non-current receivables | | – | – | – | – | – | – | – | – | – | – |
| Decrease (increase) in non-current investments | | – | – | – | – | – | – | – | – | – | – |
| **Payments** | | | | | | | | | | | |
| Capital assets | | – | – | – | (75 441) | (95 768) | (95 768) | – | (60 247) | (70 859) | (74 025) |
| **NET CASH FROM/(USED) INVESTING ACTIVITIES** | | **–** | **–** | **–** | **(75 050)** | **(95 377)** | **(95 377)** | **–** | **(60 247)** | **(70 859)** | **(74 025)** |
| **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** | | **873 658** | **(832 738)** | **(1 124 307)** | **(76 172)** | **(111 465)** | **(111 465)** | **(160 486)** | **(10 637)** | **(35 933)** | **(37 435)** |
| Cash/cash equivalents at the year begin: | 2 | – | – | – | 27 153 | 27 153 | 27 153 | 11 407 | **951** | **(9 686)** | **(45 619)** |
| Cash/cash equivalents at the year end: | 2 | **873 658** | **(832 738)** | **(1 124 307)** | **(49 019)** | **(84 312)** | **(84 312)** | **(149 079)** | **(9 686)** | **(45 619)** | **(83 055)** |

### 2.5.7 Cash Backed Reserves/Accumulated Surplus Reconciliation

This following table meets the requirements of MFMA Circular 126 which deals with the funding of a municipal budget in accordance with sections 18 and 19 of the MFMA. The table seeks to answer three key questions regarding the use and availability of cash:

- What are the predicted cash and investments that are available at the end of the budget year?
- How are those funds used?
- What is the net funds available or funding shortfall?

A surplus would indicate the cash-backed accumulated surplus that was/is available. A shortfall (applications > cash and investments) is indicative of non-compliance with section 18 of the MFMA requirement that the municipality's budget must be 'funded'. Non-compliance with section 18 is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded (budgeted spending is greater than funds available or to be collected). It is also important to analyse trends to understand the consequences, e.g. the budget year might indicate a small surplus situation, which in itself is an appropriate outcome, but if in prior years there were much larger surpluses then this negative trend may be a concern that requires closer examination.

## Table 28 MBRR Table A8 - Cash backed reserves/accumulated surplus reconciliation.

**KZN213 Umzumbe - Table A8 Cash backed reserves/accumulated surplus reconciliation**

| Description | Ref | 2021/22 | 2022/23 | 2023/24 | Current Year 2024/25 | | | | 2025/26 Medium Term Revenue & Expenditure Framework | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| R thousand | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2025/26 | Budget Year +1 2026/27 | Budget Year +2 2027/28 |
| **Cash and investments available** | | | | | | | | | | | |
| Cash/cash equivalents at the year end | 1 | 873 658 | (832 738) | (1 124 307) | (49 019) | (84 312) | (84 312) | (149 079) | (9 686) | (45 619) | (83 055) |
| Other current investments > 90 days | | (680 157) | 932 429 | 1 170 595 | 85 441 | 101 768 | 101 768 | 180 911 | – | 9 686 | 45 619 |
| Non current Investments | 1 | – | – | – | – | – | – | – | – | – | – |
| **Cash and investments available:** | | **193 501** | **99 691** | **46 288** | **36 422** | **17 457** | **17 457** | **31 832** | **(9 686)** | **(35 933)** | **(37 435)** |
| **Application of cash and investments** | | | | | | | | | | | |
| Unspent conditional transfers | | 2 070 | 2 048 | 8 168 | – | – | – | 27 190 | 681 | – | – |
| Unspent borrowing | | | | | | | | | | | |
| Statutory requirements | 2 | (522) | (1 312) | (4 378) | (10 799) | (31 284) | (31 284) | (4 324) | (24 807) | (25 064) | (26 128) |
| Other working capital requirements | 3 | 32 758 | 27 626 | 29 002 | 28 674 | 25 840 | 25 840 | 19 954 | (1 911) | (2 094) | (2 012) |
| Other provisions | | 7 635 | 7 271 | 7 893 | 7 494 | 7 494 | 7 494 | 7 893 | 658 | – | – |
| Long term investments committed | 4 | – | – | – | – | – | – | – | – | – | – |
| Reserves to be backed by cash/investments | 5 | (29 216) | (29 216) | (29 216) | – | – | – | (29 216) | (2 435) | – | – |
| **Total Application of cash and investments:** | | **12 724** | **6 418** | **11 469** | **25 370** | **2 050** | **2 050** | **21 496** | **(27 814)** | **(27 158)** | **(28 140)** |
| **Surplus(shortfall) - Excluding Non-Current Creditors Trf to I** | | **180 777** | **93 273** | **34 818** | **11 052** | **15 406** | **15 406** | **10 336** | **18 128** | **(8 775)** | **(9 295)** |
| **Creditors transferred to Debt Relief - Non-Current portion** | | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** |
| **Surplus(shortfall) - Including Non-Current Creditors Trf to D** | | **180 777** | **93 273** | **34 818** | **11 052** | **15 406** | **15 406** | **10 336** | **18 128** | **(8 775)** | **(9 295)** |

## Table 29 MBRR SA10 – Funding compliance measurement

**KZN213 Umzumbe Supporting Table SA10 Funding measurement**

| Description | MFMA section | Ref | 2021/22 | 2022/23 | 2023/24 | Current Year 2024/25 | | | | 2025/26 Medium Term Revenue & Expenditure Framework | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2025/26 | Budget Year +1 2026/27 | Budget Year +2 2027/28 |
| **Funding measures** | | | | | | | | | | | | |
| Cash/cash equivalents at the year end - R'000 | 18(1)b | 1 | 873 658 | (832 738) | (1 124 307) | (49 019) | (84 312) | (84 312) | (149 079) | (9 686) | (45 619) | (83 055) |
| Cash + investments at the yr end less applications - R'000 | 18(1)b | 2 | 180 777 | 93 273 | 34 818 | 11 052 | 15 406 | 15 406 | 10 336 | 18 128 | (8 775) | (9 295) |
| Cash year end/monthly employee/supplier payments | 18(1)b | 3 | 81.2 | (49.1) | (68.5) | (3.7) | (6.3) | (6.3) | (11.4) | (0.6) | (2.9) | (5.1) |
| Surplus/(Deficit) excluding depreciation offsets: R'000 | 18(1) | 4 | 17 831 | (27 393) | (14 197) | 38 731 | 64 037 | 64 037 | 67 657 | 30 130 | 15 233 | 15 689 |
| Service charge rev % change - macro CPIX target exclusive | 18(1)a,(2) | 5 | N.A. | (0.5%) | (5.7%) | 44.6% | (6.0%) | (6.0%) | (4.6%) | (6.0%) | (6.0%) | (6.0%) |
| Cash receipts % of Ratepayer & Other revenue | 18(1)a,(2) | 6 | 0.0% | 0.0% | 0.0% | 12.5% | 12.5% | 12.5% | 0.0% | 91.0% | 85.4% | 86.0% |
| Debt impairment expense as a % of total billable revenue | 18(1)a,(2) | 7 | | 32.0% | 15.6% | 20.1% | 20.1% | 20.1% | 0.0% | 17.5% | 18.2% | 19.0% |
| Capital payments % of capital expenditure | 18(1)c;19 | 8 | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Borrowing receipts % of capital expenditure (excl. transfers) | 18(1)c | 9 | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Grants % of Govt. legislated/gazetted allocations | 18(1)a | 10 | | | | | | | | 121.7% | 121.4% | 121.4% |
| Current consumer debtors % change - incr(decr) | 18(1)a | 11 | N.A. | 2.7% | 6.8% | 10.6% | 0.0% | 0.0% | 15.8% | (84.2%) | (43.1%) | (3.7%) |
| Long term receivables % change - incr(decr) | 18(1)a | 12 | N.A. | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| R&M % of Property Plant & Equipment | 20(1)(vi) | 13 | 1.4% | 5.9% | 1.6% | 1.4% | 1.5% | 1.5% | 9.3% | 18.9% | 18.8% | 0.0% |
| Asset renewal % of capital budget | 20(1)(vi) | 14 | 2.3% | (21.1%) | 44.3% | 15.2% | 15.5% | 15.5% | 0.0% | 24.4% | 24.9% | 24.9% |

# 2.6 Expenditure on grants and reconciliations of unspent funds

## Table 30 MBRR SA19 - Expenditure on transfers and grant programmes

**KZN213 Umzumbe - Supporting Table SA19 Expenditure on transfers and grant programme**

| Description | Ref | 2021/22 | 2022/23 | 2023/24 | Current Year 2024/25 | | | 2025/26 Medium Term Revenue & Expenditure Framework | | |
|---|---|---|---|---|---|---|---|---|---|---|
| R thousand | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2025/26 | Budget Year +1 2026/27 | Budget Year +2 2027/28 |
| **EXPENDITURE:** | 1 | | | | | | | | | |
| **Operating expenditure of Transfers and Grants** | | | | | | | | | | |
| **National Government:** | | **(6 897)** | **(10 446)** | **(13 727)** | **5 177** | **–** | **–** | **5 395** | **4 348** | **4 546** |
| Expanded Public Works Programme Integrated Gr | – | (3 147) | (4 846) | (6 277) | 1 400 | – | – | 1 428 | – | – |
| Local Government Financial Management Grant | – | (3 750) | (5 600) | (7 450) | 1 800 | – | – | 1 900 | 2 100 | 2 200 |
| Municipal Infrastructure Grant | – | – | – | – | 1 977 | – | – | 2 067 | 2 248 | 2 346 |
| Other transfers/grants [insert description] | | | | | | | | | | |
| **Provincial Government:** | | **(8 949)** | **(8 949)** | **(28 477)** | **2 000** | **–** | **–** | **2 079** | **1 363** | **1 427** |
| KwaZulu-Natal | – | (8 949) | (8 949) | (28 477) | 2 000 | – | – | 1 379 | 1 363 | 1 427 |
| KwaZulu-Natal_Infrastructure_Specify (Add grant description)_Receipts | | | | | | | | 700 | | |
| Other transfers/grants [insert description] | | | | | | | | | | |
| **District Municipality:** | | **375** | **375** | **375** | **–** | **–** | **–** | **–** | **–** | **–** |
| *KwaZulu-Natal-DC 21 - Ugu-Capacity Building and C* | – | 375 | 375 | 375 | – | – | – | – | – | – |
| **Other grant providers:** | | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** |
| *Other Transfers Public Corporations* | – | | | | | | | | | |
| **Total operating expenditure of Transfers and Grants:** | | **(15 472)** | **(19 021)** | **(41 829)** | **7 177** | **–** | **–** | **7 474** | **5 711** | **5 973** |
| **Capital expenditure of Transfers and Grants** | | | | | | | | | | |
| **National Government:** | | **(106 313)** | **(168 865)** | **(233 165)** | **37 565** | **–** | **–** | **39 281** | **42 711** | **44 575** |
| Integrated National Electrification Programme Gran | – | (25 500) | (40 500) | (61 443) | – | – | – | – | – | – |
| KwaZulu-Natal-DC 21 - Ugu-Infrastructure | – | 119 | 119 | 119 | – | – | – | – | – | – |
| Municipal Disaster Recovery Grant | – | – | (9 000) | (24 712) | – | – | – | – | – | – |
| Municipal Infrastructure Grant | – | (80 933) | (119 485) | (147 129) | 37 565 | – | – | 39 281 | 42 711 | 44 575 |
| Other capital transfers/grants [insert desc] | | | | | | | | | | |
| **Provincial Government:** | | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** |
| KwaZulu-Natal | – | | | | | | | | | |
| **District Municipality:** | | **119** | **119** | **119** | **–** | **–** | **–** | **–** | **–** | **–** |
| *KwaZulu-Natal-DC 21 - Ugu-Infrastructure* | – | 119 | 119 | 119 | – | – | – | – | – | – |
| **Other grant providers:** | | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** |
| *[insert description]* | | | | | | | | | | |
| **Total capital expenditure of Transfers and Grants** | | **(106 194)** | **(168 746)** | **(233 046)** | **37 565** | **–** | **–** | **39 281** | **42 711** | **44 575** |
| **TOTAL EXPENDITURE OF TRANSFERS AND GRANTS** | | **(121 666)** | **(187 767)** | **(274 875)** | **44 742** | **–** | **–** | **46 755** | **48 422** | **50 548** |

# Table 31 MBRR SA 20 - Reconciliation between of transfers, grant receipts and unspent funds

**KZN213 Umzumbe - Supporting Table SA20 Reconciliation of transfers, grant receipts and unspent funds**

| Description | Ref | 2021/22 | 2022/23 | 2023/24 | Current Year 2024/25 | | | 2025/26 Medium Term Revenue & Expenditure Framework | | |
|---|---|---|---|---|---|---|---|---|---|---|
| R thousand | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2025/26 | Budget Year +1 2026/27 | Budget Year +2 2027/28 |
| Operating transfers and grants: | 1,3 | | | | | | | | | |
| National Government: | | | | | | | | | | |
| Balance unspent at beginning of the year | | | | | | | | | | |
| Current year receipts | | 32 480 | – | – | – | – | – | – | – | – |
| Repayment of grants | | | | | | | | | | |
| **Conditions met - transferred to revenue** | | 25 583 | (10 446) | (13 727) | 5 177 | – | – | 5 395 | 4 348 | 4 546 |
| Conditions still to be met - transferred to liabilities | | 6 897 | 10 446 | 13 727 | (5 177) | – | – | (5 395) | (4 348) | (4 546) |
| Provincial Government: | | | | | | | | | | |
| Balance unspent at beginning of the year | | | | | | | | | | |
| Current year receipts | | 9 722 | 9 783 | 30 518 | 2 000 | – | – | 2 079 | 1 363 | 1 427 |
| **Conditions met - transferred to revenue** | | 773 | 834 | 2 041 | 4 000 | – | – | 4 158 | 2 726 | 2 854 |
| Conditions still to be met - transferred to liabilities | | 8 949 | 8 949 | 28 477 | (2 000) | – | – | (2 079) | (1 363) | (1 427) |
| District Municipality: | | | | | | | | | | |
| Balance unspent at beginning of the year | | | | | | | | | | |
| Current year receipts | | – | – | – | – | – | – | – | – | – |
| **Conditions met - transferred to revenue** | | 375 | 375 | 375 | – | – | – | – | – | – |
| Conditions still to be met - transferred to liabilities | | (375) | (375) | (375) | – | – | – | – | – | – |
| Other grant providers: | | | | | | | | | | |
| Balance unspent at beginning of the year | | | | | | | | | | |
| Current year receipts | | – | – | – | – | – | – | – | – | – |
| **Conditions met - transferred to revenue** | | – | – | – | – | – | – | – | – | – |
| Conditions still to be met - transferred to liabilities | | – | – | – | – | – | – | – | – | – |
| **Total operating transfers and grants revenue** | | 26 731 | (9 238) | (11 311) | 9 177 | – | – | 9 553 | 7 074 | 7 400 |
| **Total operating transfers and grants - CTBM** | 2 | 15 472 | 19 021 | 41 829 | (7 177) | – | – | (7 474) | (5 711) | (5 973) |
| Capital transfers and grants: | 1,3 | | | | | | | | | |
| National Government: | | | | | | | | | | |
| Balance unspent at beginning of the year | | | | | | | | | | |
| Current year receipts | | 80 933 | 128 485 | 174 191 | 37 565 | – | – | 39 281 | 42 711 | 44 575 |
| **Conditions met - transferred to revenue** | | (25 381) | (40 381) | (58 975) | 75 130 | – | – | 78 561 | 85 422 | 89 150 |
| Conditions still to be met - transferred to liabilities | | 106 313 | 168 865 | 233 165 | (37 565) | – | – | (39 281) | (42 711) | (44 575) |
| Provincial Government: | | | | | | | | | | |
| Balance unspent at beginning of the year | | | | | | | | | | |
| Current year receipts | | – | – | – | – | – | – | – | – | – |
| **Conditions met - transferred to revenue** | | – | – | – | – | – | – | – | – | – |
| Conditions still to be met - transferred to liabilities | | – | – | – | – | – | – | – | – | – |
| District Municipality: | | | | | | | | | | |
| Balance unspent at beginning of the year | | | | | | | | | | |
| Current year receipts | | – | – | – | – | – | – | – | – | – |
| **Conditions met - transferred to revenue** | | – | – | – | – | – | – | – | – | – |
| Conditions still to be met - transferred to liabilities | | – | – | – | – | – | – | – | – | – |
| Other grant providers: | | | | | | | | | | |
| Balance unspent at beginning of the year | | | | | | | | | | |
| Current year receipts | | 80 933 | 128 485 | 174 191 | 37 565 | – | – | 39 281 | 42 711 | 44 575 |
| **Conditions met - transferred to revenue** | | 80 933 | 128 485 | 174 191 | 37 565 | – | – | 39 281 | 42 711 | 44 575 |
| Conditions still to be met - transferred to liabilities | | – | – | – | – | – | – | – | – | – |
| **Total capital transfers and grants revenue** | | 55 552 | 88 104 | 115 216 | 112 695 | – | – | 117 842 | 128 133 | 133 725 |
| **Total capital transfers and grants - CTBM** | 2 | 106 313 | 168 865 | 233 165 | (37 565) | – | – | (39 281) | (42 711) | (44 575) |
| **TOTAL TRANSFERS AND GRANTS REVENUE** | | 82 282 | 78 866 | 103 905 | 121 872 | – | – | 127 395 | 135 207 | 141 125 |
| **TOTAL TRANSFERS AND GRANTS - CTBM** | | 121 785 | 187 886 | 274 994 | (44 742) | – | – | (46 755) | (48 422) | (50 548) |

## 2.7 Councillor and employee benefits

### Table 32 MBRR SA22 - Summary of councillor and staff benefits

**KZN213 Umzumbe - Supporting Table SA22 Summary councillor and staff benefits**

| Summary of Employee and Councillor remuneration | Ref | 2021/22 | 2022/23 | 2023/24 | Current Year 2024/25 | | | 2025/26 Medium Term Revenue & Expenditure Framework | | |
|---|---|---|---|---|---|---|---|---|---|---|
| R thousand | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2025/26 | Budget Year +1 2026/27 | Budget Year +2 2027/28 |
| | 1 | A | B | C | D | E | F | G | H | I |
| **Councillors (Political Office Bearers plus Other)** | | | | | | | | | | |
| Basic Salaries and Wages | | – | – | 10 631 | 12 005 | 12 005 | 12 005 | 11 456 | 11 983 | 12 523 |
| Pension and UIF Contributions | | – | – | – | – | – | – | – | – | – |
| Medical Aid Contributions | | – | – | – | – | – | – | – | – | – |
| Motor Vehicle Allowance | | – | – | 3 544 | 4 002 | 4 002 | 4 002 | 3 443 | 3 601 | 3 763 |
| Cellphone Allowance | | – | – | 1 614 | 1 591 | 1 591 | 1 591 | 1 685 | 1 762 | 1 842 |
| Housing Allowances | | – | – | – | – | – | – | – | – | – |
| Other benefits and allowances | | – | – | 6 546 | – | – | – | 6 300 | 6 590 | 6 886 |
| **Sub Total - Councillors** | | **–** | **–** | **22 335** | **17 598** | **17 598** | **17 598** | **22 884** | **23 937** | **25 014** |
| **% increase** | 4 | | **–** | **–** | **(21.2%)** | **–** | **–** | **30.0%** | **4.6%** | **4.5%** |
| **Senior Managers of the Municipality** | 2 | | | | | | | | | |
| Basic Salaries and Wages | | 2 626 | 2 133 | 1 921 | 3 498 | 3 498 | 3 498 | 4 105 | 4 294 | 4 487 |
| Pension and UIF Contributions | | – | – | – | – | – | – | – | – | – |
| Medical Aid Contributions | | – | – | – | – | – | – | – | – | – |
| Overtime | | – | – | – | – | – | – | – | – | – |
| Performance Bonus | | 209 | – | – | 653 | 653 | 653 | 898 | 939 | 982 |
| Motor Vehicle Allowance | 3 | 892 | 700 | 631 | 1 166 | 1 166 | 1 166 | 457 | 478 | 500 |
| Cellphone Allowance | 3 | – | – | – | – | – | – | 102 | 107 | 111 |
| Housing Allowances | 3 | – | – | – | – | – | – | – | – | – |
| Other benefits and allowances | 3 | 188 | 236 | 107 | – | – | – | 1 368 | 1 431 | 1 496 |
| Payments in lieu of leave | | – | – | – | – | – | – | – | – | – |
| Long service awards | | – | – | – | – | – | – | – | – | – |
| Post-retirement benefit obligations | 6 | – | – | – | – | – | – | – | – | – |
| Entertainment | | – | – | – | – | – | – | – | – | – |
| Scarcity | | – | – | – | – | – | – | – | – | – |
| Acting and post related allowance | | – | – | 36 | 70 | 70 | 70 | – | – | – |
| In kind benefits | | – | – | – | – | – | – | – | – | – |
| **Sub Total - Senior Managers of Municipality** | | **3 915** | **3 069** | **2 695** | **5 387** | **5 387** | **5 387** | **6 931** | **7 249** | **7 576** |
| **% increase** | 4 | | **(21.6%)** | **(12.2%)** | **99.9%** | **–** | **–** | **28.7%** | **4.6%** | **4.5%** |
| **Other Municipal Staff** | | | | | | | | | | |
| Basic Salaries and Wages | | 38 798 | 40 303 | 44 357 | 53 105 | 53 105 | 53 105 | 53 916 | 56 396 | 58 940 |
| Pension and UIF Contributions | | 5 876 | 6 270 | 6 540 | 8 453 | 8 453 | 8 453 | 9 114 | 9 534 | 9 964 |
| Medical Aid Contributions | | 1 935 | 2 044 | 2 080 | 5 736 | 5 736 | 5 736 | 6 274 | 6 563 | 6 858 |
| Overtime | | 2 604 | 3 115 | 6 108 | 653 | 653 | 653 | 4 800 | 5 021 | 5 252 |
| Performance Bonus | | 3 104 | 3 024 | 3 363 | 4 090 | 4 090 | 4 090 | 4 074 | 4 262 | 4 454 |
| Motor Vehicle Allowance | 3 | 4 674 | 7 197 | 6 567 | 8 770 | 8 770 | 8 770 | 7 677 | 8 030 | 8 392 |
| Cellphone Allowance | 3 | – | – | – | – | – | – | – | – | – |
| Housing Allowances | 3 | 358 | 516 | 434 | 750 | 750 | 750 | 938 | 981 | 1 025 |
| Other benefits and allowances | 3 | 2 832 | 4 235 | 4 443 | 1 423 | 1 423 | 1 423 | 5 816 | 6 084 | 6 363 |
| Payments in lieu of leave | | 902 | 808 | 1 231 | – | – | – | – | – | – |
| Long service awards | | 58 | 45 | 105 | 198 | 198 | 198 | 208 | 218 | 228 |
| Post-retirement benefit obligations | 6 | 223 | 291 | 287 | – | – | – | – | – | – |
| Entertainment | | – | – | – | – | – | – | – | – | – |
| Scarcity | | – | – | – | – | – | – | – | – | – |
| Acting and post related allowance | | 544 | 666 | 285 | 600 | 600 | 600 | 215 | 225 | 235 |
| In kind benefits | | – | – | – | – | – | – | – | – | – |
| **Sub Total - Other Municipal Staff** | | **61 908** | **68 515** | **75 800** | **83 777** | **83 777** | **83 777** | **93 033** | **97 312** | **101 711** |
| **% increase** | 4 | | **10.7%** | **10.6%** | **10.5%** | **–** | **–** | **11.0%** | **4.6%** | **4.5%** |
| **Total Parent Municipality** | | **65 823** | **71 584** | **100 830** | **106 762** | **106 762** | **106 762** | **122 847** | **128 498** | **134 300** |
| | | | **8.8%** | **40.9%** | **5.9%** | **–** | **–** | **15.1%** | **4.6%** | **4.5%** |
| **Board Members of Entities** | | | | | | | | | | |
| Basic Salaries and Wages | | – | – | – | – | – | – | – | – | – |
| Pension and UIF Contributions | | – | – | – | – | – | – | – | – | – |
| Medical Aid Contributions | | – | – | – | – | – | – | – | – | – |
| Overtime | | – | – | – | – | – | – | – | – | – |
| Performance Bonus | | – | – | – | – | – | – | – | – | – |
| Motor Vehicle Allowance | 3 | – | – | – | – | – | – | – | – | – |
| Cellphone Allowance | 3 | – | – | – | – | – | – | – | – | – |
| Housing Allowances | 3 | – | – | – | – | – | – | – | – | – |
| Other benefits and allowances | 3 | – | – | – | – | – | – | – | – | – |
| Board Fees | | – | – | – | – | – | – | – | – | – |
| Payments in lieu of leave | | – | – | – | – | – | – | – | – | – |
| Long service awards | | – | – | – | – | – | – | – | – | – |
| Post-retirement benefit obligations | 6 | – | – | – | – | – | – | – | – | – |
| Entertainment | | – | – | – | – | – | – | – | – | – |
| Scarcity | | – | – | – | – | – | – | – | – | – |
| Acting and post related allowance | | – | – | – | – | – | – | – | – | – |
| In kind benefits | | – | – | – | – | – | – | – | – | – |
| **Sub Total - Board Members of Entities** | | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** |
| **% increase** | 4 | | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** |
| **Senior Managers of Entities** | | | | | | | | | | |
| Basic Salaries and Wages | | – | – | – | – | – | – | – | – | – |
| Pension and UIF Contributions | | – | – | – | – | – | – | – | – | – |
| Medical Aid Contributions | | – | – | – | – | – | – | – | – | – |
| Overtime | | – | – | – | – | – | – | – | – | – |
| Performance Bonus | | – | – | – | – | – | – | – | – | – |
| Motor Vehicle Allowance | 3 | – | – | – | – | – | – | – | – | – |
| Cellphone Allowance | 3 | – | – | – | – | – | – | – | – | – |
| Housing Allowances | 3 | – | – | – | – | – | – | – | – | – |
| Other benefits and allowances | 3 | – | – | – | – | – | – | – | – | – |
| Payments in lieu of leave | | – | – | – | – | – | – | – | – | – |
| Long service awards | | – | – | – | – | – | – | – | – | – |
| Post-retirement benefit obligations | 6 | – | – | – | – | – | – | – | – | – |
| Entertainment | | – | – | – | – | – | – | – | – | – |
| Scarcity | | | | | | | | | | |

## 2.8 Municipal manager's quality certificate

I …………………………………, municipal manager of Umzumbe Local Municipality, hereby certify that the 2025/26 annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the annual budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Print Name _____Shaka Cele__________________________________________

Municipal manager of Umzumbe Local Municipality (KZN 213)

Signature ______________________________________________

Date ______________________________