



# **UMDONI MUNICIPALITY**

The **J.E.W.E.L** of the South Coast

## **MID-YEAR BUDGET & PERFORMANCE ASSESSMENT REPORT**

**2024/2025 FINANCIAL YEAR**

**JANUARY 2025**



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## 1. Background

As required in terms of Section 72 of the Municipal Finance Management Act, No.56 of 2003, the accounting officer of a municipality must by the 25<sup>th</sup> January of each year:

- a) Assess the performance of the municipality during the first half of the financial year, taking into account-
  - i. The monthly statements presented to Council, in terms of Section 71 of the Act and for the first half of the financial year;
  - ii. The municipality's service delivery performance during the first half of the financial year and the service delivery targets and performance indicators set in the Service Delivery and Budget Implementation Plan; and
  - iii. The past year's annual report, and progress on resolving problems identified in the annual report.
- b) Submit a report on such assessment to the Mayor of the municipality, the National Treasury, and the relevant Provincial Treasury.

The aforementioned review is conducted to further include recommendations after ascertaining whether an adjustment budget is necessary, and recommend revised projections for revenue and expenditure to the extent that this may be necessary.

2.1.1 Council resolves that the Mid-Year Budget and Performance Assessment Report for the 2024/2025 financial year be adopted.



- 2.1.2 Council further notes that the Mid- Term Capital and Operating budget reports of the municipality for the financial year 2024/2025 be adopted as set out in the following C schedule (Month 06)
- a) Monthly Budget Statement Summary – Annexure Table C1;
  - b) Monthly Budget Statement: Financial Performance – Annexure Table C2;
  - c) Monthly Budget Statement: Financial Performance (Revenue and Expenditure by Municipal Vote) – Annexure Table C3;
  - d) Monthly Budget Statement: Financial Performance (Revenue and Expenditure) – Annexure Table C4;
  - e) Monthly Budget Statement: Capital Expenditure (Municipal Vote; Functional Classification and Funding) – Annexure Table C5
  - f) Monthly Budget Statement: Financial Position – Annexure Table C6
  - g) Monthly Budget Statement: Cash Flow – Annexure Table C7
- 2.1.3 Council grants authority for the Mid-Year Budget and Performance Assessment Report of 2024/2025 to be submitted to National Treasury and Provincial Treasury, in accordance with Section 72 of the MFMA.
- 2.1.4 Council grants authority to management to adjust 2024/2025 IDP & SDBIP.
- 2.1.5 Council grants authority to management to adjust 2024/2025 budget.

## **2. MID-YEAR BUDGET & PERFORMANCE ASSESSMENT REPORT OF THE 2024/2025 BUDGET**





## 2.1 VISION, MISSION AND OBJECTIVES OF THE UMDONI MUNICIPALITY

### VISION

#### MISSION STATEMENT

“BY 2030 UMDONI WILL BE THE **JEWEL** OF THE SOUTH COAST”

#### PRINCIPLES OF UMDONI MUNICIPALITY

*“WORKING TOGETHER IN CONTRIBUTING TO **J**OB CREATION, **E**CONOMIC VIABILITY THROUGH SUSTAINED **L**OCAL ECONOMIC DEVELOPMENT TO ENSURE THE **W**ELLBEING OF OUR COMMUNITY IN **E**CO FRIENDLY ENVIRONMENT.”*

- **J**OB CREATION
- **E**CONOMIC VIABILITY
- **W**ELLBEING OF THE COMMUNITY
- **E**NVIRONMENTALLY FRIENDLY ENVIRONMENT
- **L**OCAL ECONOMIC DEVELOPMENT



## 2.2 MAYORS REPORT

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The Mid-Year Budget and Performance Assessment Report has been prepared during severe difficult times as the public sector faces difficult choices. The central problem is low economic growth. “The National Treasury forecasts real GDP growth of 0.3 per cent in 2024 third quarter, compared with 0.6 per cent projected in the 2023 Budget Review. Growth is projected to average 1.4 per cent from 2024 to 2026. Relative to the 2024 Budget, the weaker projection for 2024 mainly reflects lower household consumption expenditure due to higher inflation and interest rates, and lower net exports. Power cuts are expected to continue till this year (2025). Faster, determined implementation of energy and logistics reforms remains critical to boosting economic growth”. Extracted from the *MFMA Circular 125*.

The residents of Umdoni Municipality had been affected by the harsh economic realities facing South Africa as evidenced by the low revenue collections experienced by the municipality and the increasing debtors book. Despite those low revenue collections, service delivery challenges faced by our community do not remain unnoticed by the Council and its Management. The roads rehabilitation programme is in progress both in rural and urban wards as planned. In addition to that, capital projects funded by the Municipal Infrastructure Grant (MIG) are moving on an accelerated pace as most of the projects are on construction phase and the spending is on track. MIG projects covers access roads, sports fields and community halls in various wards. The Electrification Project (covering ward 11) had commenced and is on progress.

The mid-year budget and performance assessment of Umdoni municipality has been performed and the details are contained in the report. The municipality has performed (50%) above the average on the capital budget, which is very vital in a service delivery institution.

During the budget preparation phase, the capital major allocations were made as follows;

- 89% allocated towards Roads and Storm Water Infrastructure
- 1% allocated towards Planning & Development
- 9% allocated towards Corporate Services
- 0% allocated towards Financial Services



## **UMDONI MUNICIPALITY**

### **MID-YEAR BUDGET & PERFORMANCE ASSESSMENT REPORT FOR THE 2024/2025 BUDGET YEAR**

The overall spending on operating budget is sitting at 42%. The spending had been reduced due to the implementation of cost containment measures and also some projects are still undergoing the SCM processes. The spending is still low because the municipality was not operational in July and August because of the community strike that occurred at the beginning of the financial year.

The report prepared by the Finance Department has done a symbolic job in giving a clearer indication of the municipality's financial performance for the last six months.



## 2.3 EXECUTIVE SUMMARY

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In terms of the financial performance, as illustrated in the table below, the overall performance looks good as the municipality has generated more revenue and spent less on the operating expenditure. Total revenue excluding capital grants is R238.8 million and the operating expenditure is sitting at R191,6 million, thus leaving a surplus from operations of R63 million. The overall surplus after taking into account the capital grant amounts to R40.6 million.

There is a positive variance on the revenue side (18%) which emanates from property rates, operational grants and interest from investments. The causes for these variances are annual billing, fixed deposits that have matured and impact of the straight line projection. There is also a negative variance of -15% on the expenditure side which is caused by the under-spending and the projected savings to be realized where cost containment measures were implemented.

In terms of Capital Spending, Umdoni Municipality is above the average and sitting at R26,4 million, which is 12% of the total budget.





# UMDONI MUNICIPALITY

## MID-YEAR BUDGET & PERFORMANCE ASSESSMENT REPORT FOR THE 2024/2025 BUDGET YEAR

### ANNEXURE 1

KZN212 Umdoni - Table C1 Monthly Budget Statement Summary - Mid-Year Assessment									
Description	2023/24 Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance %	Full Year Forecast
<b>R thousands</b>									
<b>Financial Performance</b>									
Property rates	120 535	130 005	130 005	8 418	68 185	65 003	3 182	5%	130 005
Service charges	11 151	13 833	13 833	874	7 341	6 916	425	6%	13 833
Investment revenue	14 608	12 500	12 500	1 705	5 762	6 250	(488)	-8%	12 500
Transfers and subsidies - Operational	195 692	203 785	203 785	61 481	142 453	101 892	40 561	40%	203 785
Other own revenue	34 217	43 049	43 049	3 341	15 082	21 524	(6 442)	-30%	43 049
<b>Total Revenue (excluding capital transfers and</b>	<b>376 202</b>	<b>403 171</b>	<b>403 171</b>	<b>75 819</b>	<b>238 823</b>	<b>201 586</b>	<b>37 238</b>	<b>18%</b>	<b>403 171</b>
Employee costs	150 815	180 736	180 736	12 879	78 736	90 368	(11 632)	-13%	180 736
Remuneration of Councillors	16 335	17 631	17 631	1 974	8 526	8 816	(290)	-3%	17 631
Depreciation and amortisation	46 593	40 873	40 873	3 502	21 010	20 437	574	3%	40 873
Interest	3 075	2	2	—	—	1	(1)	-100%	2
Inventory consumed and bulk purchases	6 723	12 076	12 076	1 229	1 755	6 038	(4 283)	-71%	12 076
Transfers and subsidies	2 937	3 505	3 505	90	610	1 753	(1 143)	-65%	3 505
Other expenditure	185 162	197 891	197 891	12 706	81 049	98 945	(17 896)	-18%	197 891
<b>Total Expenditure</b>	<b>411 641</b>	<b>452 715</b>	<b>452 715</b>	<b>32 379</b>	<b>191 687</b>	<b>226 358</b>	<b>(34 671)</b>	<b>-15%</b>	<b>452 715</b>
<b>Surplus/(Deficit)</b>	<b>(35 438)</b>	<b>(49 544)</b>	<b>(49 544)</b>	<b>43 440</b>	<b>47 137</b>	<b>(24 772)</b>	<b>71 909</b>	<b>-290%</b>	<b>(49 544)</b>
Transfers and subsidies - capital (monetary allocations)	38 879	40 603	40 603	—	15 925	20 301	(4 376)	-22%	40 603
Transfers and subsidies - capital (in-kind)	3 670	—	—	—	—	—	—	—	—
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>7 111</b>	<b>(8 941)</b>	<b>(8 941)</b>	<b>43 440</b>	<b>63 062</b>	<b>(4 471)</b>	<b>67 533</b>	<b>-1511%</b>	<b>(8 941)</b>
Share of surplus/ (deficit) of associate	—	—	—	—	—	—	—	—	—
Intercompany/Parent subsidiary transactions	—	—	—	—	—	—	—	—	—
<b>Surplus/ (Deficit) for the year</b>	<b>7 111</b>	<b>(8 941)</b>	<b>(8 941)</b>	<b>43 440</b>	<b>63 062</b>	<b>(4 471)</b>	<b>67 533</b>	<b>-1511%</b>	<b>(8 941)</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>51 003</b>	<b>50 041</b>	<b>50 041</b>	<b>219</b>	<b>26 446</b>	<b>25 020</b>	<b>1 425</b>	<b>6%</b>	<b>50 041</b>
Capital transfers recognised	34 190	35 307	35 307	—	14 658	17 653	(2 995)	-17%	35 307
Borrowing	—	—	—	—	—	—	—	—	—
Internally generated funds	16 813	14 734	14 734	219	11 788	7 367	4 421	60%	14 734
<b>Total sources of capital funds</b>	<b>51 003</b>	<b>50 041</b>	<b>50 041</b>	<b>219</b>	<b>26 446</b>	<b>25 020</b>	<b>1 425</b>	<b>6%</b>	<b>50 041</b>
<b>Financial position</b>									
Total current assets	249 095	290 619	290 619	—	303 576	—	—	—	290 619
Total non current assets	661 310	676 939	676 939	—	666 746	—	—	—	676 939
Total current liabilities	67 259	170 961	170 961	—	67 855	—	—	—	170 961
Total non current liabilities	31 842	64 590	64 590	—	55 494	—	—	—	64 590
<b>Community wealth/Equity</b>	<b>787 652</b>	<b>732 008</b>	<b>732 008</b>	—	<b>846 972</b>	—	—	—	<b>732 008</b>
<b>Cash flows</b>									
Net cash from (used) operating	35 728	51 281	51 281	27 770	64 976	25 641	(39 336)	-153%	51 281
Net cash from (used) investing	(50 471)	(54 067)	(54 067)	(1 399)	(21 295)	(27 034)	(5 738)	21%	(54 067)
Net cash from (used) financing	(44)	50	50	6	61	25	(36)	-143%	50
<b>Cash/cash equivalents at the month/year end</b>	<b>146 398</b>	<b>128 658</b>	<b>128 658</b>	<b>—</b>	<b>190 140</b>	<b>130 026</b>	<b>(60 114)</b>	<b>-46%</b>	<b>143 662</b>
<b>Debtors &amp; creditors analysis</b>	<b>0-30 Days</b>	<b>31-60 Days</b>	<b>61-90 Days</b>	<b>91-120 Days</b>	<b>121-150 Dys</b>	<b>151-180 Dys</b>	<b>181 Dys-1 Yr</b>	<b>Over 1Yr</b>	<b>Total</b>
<b>Debtors Age Analysis</b>									
Total By Income Source	2 258	5 265	4 327	3 667	3 329	196 146	—	—	214 991
<b>Creditors Age Analysis</b>									
Total Creditors	1 108	—	—	—	—	—	—	—	1 108



# UMDONI MUNICIPALITY

## MID-YEAR BUDGET & PERFORMANCE ASSESSMENT REPORT FOR THE 2024/2025 BUDGET YEAR

### ANNEXURE 2

KZN212 Umdoni - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - Mid-Year Assessment										
Description	Ref	2023/24	Budget Year 2024/25							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance %	Full Year Forecast
<b>Revenue - Functional</b>										
<i>Governance and administration</i>		336 686	346 619	346 619	73 256	213 760	173 310	40 450	23%	346 619
Executive and council		173 625	182 963	182 963	60 928	137 163	91 481	45 682	50%	182 963
Finance and administration		163 061	163 656	163 656	12 329	76 597	81 828	(5 232)	-6%	163 656
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		12 149	11 766	11 766	176	346	5 883	(5 537)	-94%	11 766
Community and social services		8 756	11 295	11 295	15	109	5 647	(5 539)	-98%	11 295
Sport and recreation		2 558	419	419	158	219	210	9	4%	419
Public safety		-	29	29	-	-	14	(14)	-100%	29
Housing		836	24	24	3	19	12	7	59%	24
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		56 838	71 355	71 355	1 328	32 318	35 678	(3 360)	-9%	71 355
Planning and development		5 071	2 623	2 623	576	907	1 312	(404)	-31%	2 623
Road transport		51 767	68 732	68 732	753	31 411	34 366	(2 956)	-9%	68 732
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		13 078	14 033	14 033	1 058	8 325	7 016	1 308	19%	14 033
Energy sources		-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		13 078	14 033	14 033	1 058	8 325	7 016	1 308	19%	14 033
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
<b>Total Revenue - Functional</b>	2	418 752	443 774	443 774	75 819	254 749	221 887	32 862	15%	443 774
<b>Expenditure - Functional</b>										
<i>Governance and administration</i>		189 980	203 107	203 107	15 162	77 958	101 553	(23 596)	-23%	203 107
Executive and council		42 055	46 753	46 753	4 691	22 587	23 377	(790)	-3%	46 753
Finance and administration		146 787	154 671	154 671	10 388	54 807	77 335	(22 528)	-29%	154 671
Internal audit		1 138	1 683	1 683	83	564	841	(277)	-33%	1 683
<i>Community and public safety</i>		59 217	75 973	75 973	5 596	29 417	37 986	(8 569)	-23%	75 973
Community and social services		23 716	32 201	32 201	2 173	12 497	16 101	(3 603)	-22%	32 201
Sport and recreation		25 751	31 983	31 983	2 590	12 010	15 992	(3 982)	-25%	31 983
Public safety		6 623	7 262	7 262	627	3 526	3 631	(105)	-3%	7 262
Housing		3 127	4 526	4 526	205	1 384	2 263	(879)	-39%	4 526
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		126 179	129 729	129 729	8 661	67 685	64 864	2 821	4%	129 729
Planning and development		17 771	21 546	21 546	1 321	6 587	10 773	(4 186)	-39%	21 546
Road transport		108 408	108 183	108 183	7 340	61 098	54 091	7 007	13%	108 183
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		36 264	43 907	43 907	2 960	16 627	21 954	(5 327)	-24%	43 907
Energy sources		4 019	4 794	4 794	708	1 757	2 397	(640)	-27%	4 794
Water management		-	-	-	-	-	-	-	-	-
Waste water management		550	-	-	105	424	-	424	-	-
Waste management		31 695	39 114	39 114	2 147	14 445	19 557	(5 112)	-26%	39 114
<i>Other</i>		-	-	-	-	-	-	-	-	-
<b>Total Expenditure - Functional</b>	3	411 641	452 715	452 715	32 379	191 687	226 358	(34 671)	-15%	452 715
<b>Surplus/ (Deficit) for the year</b>		7 111	(8 941)	(8 941)	43 440	63 062	(4 471)	67 533	-1511%	(8 941)



# UMDONI MUNICIPALITY

## MID-YEAR BUDGET & PERFORMANCE ASSESSMENT REPORT FOR THE 2024/2025 BUDGET YEAR

### ANNEXURE 3

KZN212 Umdoni - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - Mid-Year										
Vote Description	Ref	2023/24	Budget Year 2024/25							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance %	Full Year Forecast
R thousands										
Revenue by Vote	1									
Vote 1 - COUNCIL GENERAL		173 625	182 228	182 228	60 928	137 163	91 114	46 049	50,5%	182 228
Vote 2 - FINANCIAL SERVICES		151 633	156 220	156 220	11 641	72 506	78 110	(5 604)	-7,2%	156 220
Vote 3 - TECHNICAL SERVICES		57 758	71 342	71 342	1 061	37 191	35 671	1 520	4,3%	71 342
Vote 4 - CORPORATE SERVICES		11 428	7 437	7 437	688	4 090	3 718	372	10,0%	7 437
Vote 5 - COMMUNITY SERVICES		19 237	23 924	23 924	926	2 891	11 962	(9 071)	-75,8%	23 924
Vote 6 - STRATEGIC PLANNING AND DEVELOPMENT		5 071	2 623	2 623	576	907	1 312	(404)	-30,8%	2 623
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	418 752	443 774	443 774	75 819	254 749	221 887	32 862	14,8%	443 774
Expenditure by Vote	1									
Vote 1 - COUNCIL GENERAL		44 388	50 586	50 586	4 774	23 742	25 293	(1 550)	-6,1%	50 586
Vote 2 - FINANCIAL SERVICES		60 321	50 296	50 296	3 255	13 574	25 148	(11 575)	-46,0%	50 296
Vote 3 - TECHNICAL SERVICES		132 055	134 352	134 352	9 290	70 889	67 176	3 713	5,5%	134 352
Vote 4 - CORPORATE SERVICES		62 696	77 910	77 910	4 931	29 915	38 955	(9 040)	-23,2%	77 910
Vote 5 - COMMUNITY SERVICES		93 975	119 529	119 529	8 834	47 258	59 764	(12 507)	-20,9%	119 529
Vote 6 - STRATEGIC PLANNING AND DEVELOPMENT		18 207	20 043	20 043	1 296	6 309	10 021	(3 713)	-37,0%	20 043
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	411 641	452 715	452 715	32 379	191 687	226 358	(34 671)	-15,3%	452 715
Surplus/ (Deficit) for the year	2	7 111	(8 941)	(8 941)	43 440	63 062	(4 471)	67 533	-1510,6%	(8 941)





# UMDONI MUNICIPALITY

## MID-YEAR BUDGET & PERFORMANCE ASSESSMENT REPORT FOR THE 2024/2025 BUDGET YEAR

### ANNEXURE 4

KZN212 Umdoni - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - Mid-Year Assessment										
Description	Ref	2023/24	Budget Year 2024/25							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance %	Full Year Forecast
<b>R thousands</b>										
<b>Revenue</b>										
<b>Exchange Revenue</b>		41 952	50 034	50 034	4 332	29 625	25 017	4 608	18%	50 034
Service charges - Electricity		—	—	—	—	1	—	1	—	—
Service charges - Water		—	—	—	—	—	—	—	—	—
Service charges - Waste Water Management		—	—	—	—	—	—	—	—	—
Service charges - Waste management		11 151	13 833	13 833	874	7 340	6 916	424	6%	13 833
Sale of Goods and Rendering of Services		3 572	13 098	13 098	387	10 568	6 549	4 019	61%	13 098
Agency services		2 589	2 487	2 487	467	786	1 244	(458)	-37%	2 487
Interest		—	—	—	—	—	—	—	—	—
Interest earned from Receivables		1 877	229	229	184	985	115	870	760%	229
Interest earned from Current and Non Current Assets		14 608	12 500	12 500	1 705	5 762	6 250	(488)	-8%	12 500
Dividends		—	—	—	—	—	—	—	—	—
Rent on Land		—	—	—	—	—	—	—	—	—
Rental from Fixed Assets		7 620	7 504	7 504	690	3 941	3 752	189	5%	7 504
Licence and permits		2	2	2	—	7	1	6	805%	2
Operational Revenue		533	382	382	24	236	191	45	23%	382
<b>Non-Exchange Revenue</b>		334 250	353 137	353 137	71 487	209 198	176 568	32 630	18%	353 137
Property rates		120 535	130 005	130 005	8 418	68 185	65 003	3 182	5%	130 005
Surcharges and Taxes		—	—	—	—	—	—	—	—	—
Fines, penalties and forfeits		1 198	1 663	1 663	0	1	832	(831)	-100%	1 663
Licence and permits		2 951	6 473	6 473	289	1 371	3 237	(1 866)	-58%	6 473
Transfer and subsidies - Operational		195 692	203 785	203 785	61 481	142 453	101 892	40 561	40%	203 785
Interest		12 152	11 210	11 210	1 300	(2 811)	5 605	(8 416)	-150%	11 210
Fuel Levy		—	—	—	—	—	—	—	—	—
Operational Revenue		—	—	—	—	—	—	—	—	—
Gains on disposal of Assets		—	—	—	—	—	—	—	—	—
Other Gains		1 722	—	—	—	—	—	—	—	—
Discontinued Operations		—	—	—	—	—	—	—	—	—
<b>Total Revenue (excluding capital transfers and</b>		<b>376 202</b>	<b>403 171</b>	<b>403 171</b>	<b>75 819</b>	<b>238 823</b>	<b>201 586</b>	<b>37 238</b>	<b>18%</b>	<b>403 171</b>
<b>Expenditure By Type</b>										
Employee related costs		150 815	180 736	180 736	12 879	78 736	90 368	(11 632)	-13%	180 736
Remuneration of councillors		16 335	17 631	17 631	1 974	8 526	8 816	(290)	-3%	17 631
Bulk purchases - electricity		—	—	—	—	—	—	—	—	—
Inventory consumed		6 723	12 076	12 076	1 229	1 755	6 038	(4 283)	-71%	12 076
Debt impairment		24 747	7 000	7 000	—	—	3 500	(3 500)	-100%	7 000
Depreciation and amortisation		46 593	40 873	40 873	3 502	21 010	20 437	574	3%	40 873
Interest		3 075	2	2	—	—	1	(1)	-100%	2
Contracted services		104 540	124 356	124 356	8 853	55 105	62 178	(7 073)	-11%	124 356
Transfers and subsidies		2 937	3 505	3 505	90	610	1 753	(1 143)	-65%	3 505
Irrecoverable debts written off		—	—	—	—	—	—	—	—	—
Operational costs		53 973	66 535	66 535	3 853	25 945	33 267	(7 323)	-22%	66 535
Losses on Disposal of Assets		1 901	—	—	—	—	—	—	—	—
Other Losses		—	—	—	—	—	—	—	—	—
<b>Total Expenditure</b>		<b>411 641</b>	<b>452 715</b>	<b>452 715</b>	<b>32 379</b>	<b>191 687</b>	<b>226 358</b>	<b>(34 671)</b>	<b>-15%</b>	<b>452 715</b>
<b>Surplus/(Deficit)</b>		<b>(35 438)</b>	<b>(49 544)</b>	<b>(49 544)</b>	<b>43 440</b>	<b>47 137</b>	<b>(24 772)</b>	<b>71 909</b>	<b>(0)</b>	<b>(49 544)</b>
Transfers and subsidies - capital (monetary allocations)		38 879	40 603	40 603	—	15 925	20 301	(4 376)	(0)	40 603
Transfers and subsidies - capital (in-kind)		3 670	—	—	—	—	—	—	—	—
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>7 111</b>	<b>(8 941)</b>	<b>(8 941)</b>	<b>43 440</b>	<b>63 062</b>	<b>(4 471)</b>			<b>(8 941)</b>
Income Tax		—	—	—	—	—	—	—	—	—
<b>Surplus/(Deficit) after income tax</b>		<b>7 111</b>	<b>(8 941)</b>	<b>(8 941)</b>	<b>43 440</b>	<b>63 062</b>	<b>(4 471)</b>			<b>(8 941)</b>
Share of Surplus/Deficit attributable to Joint Venture		—	—	—	—	—	—	—	—	—
Share of Surplus/Deficit attributable to Minorities		—	—	—	—	—	—	—	—	—
<b>Surplus/(Deficit) attributable to municipality</b>		<b>7 111</b>	<b>(8 941)</b>	<b>(8 941)</b>	<b>43 440</b>	<b>63 062</b>	<b>(4 471)</b>			<b>(8 941)</b>
Share of Surplus/Deficit attributable to Associate		—	—	—	—	—	—	—	—	—
Intercompany/Parent subsidiary transactions		—	—	—	—	—	—	—	—	—
<b>Surplus/ (Deficit) for the year</b>		<b>7 111</b>	<b>(8 941)</b>	<b>(8 941)</b>	<b>43 440</b>	<b>63 062</b>	<b>(4 471)</b>			<b>(8 941)</b>





# UMDONI MUNICIPALITY

## MID-YEAR BUDGET & PERFORMANCE ASSESSMENT REPORT FOR THE 2024/2025 BUDGET YEAR

### ANNEXURE 5

KZN212 Umdoni - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - Mid-Year Assessment										
Vote Description	Ref	2023/24 Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	Budget Year 2024/25 YearTD Actual	YearTD Budget	YTD Variance	YTD Variance %	Full Year Forecast
<b>R thousands</b>	<b>1</b>									
<b>Multi-Year expenditure appropriation</b>	<b>2</b>									
Vote 1 - COUNCIL GENERAL		—	—	—	—	—	—	—		—
Vote 2 - FINANCIAL SERVICES		—	—	—	—	—	—	—		—
Vote 3 - TECHNICAL SERVICES		—	87	87	—	—	43	(43)	-100%	87
Vote 4 - CORPORATE SERVICES		—	—	—	—	—	—	—		—
Vote 5 - COMMUNITY SERVICES		—	—	—	—	—	—	—		—
Vote 6 - STRATEGIC PLANNING AND DEVELOPMENT		—	—	—	—	—	—	—		—
Vote 7 - [NAME OF VOTE 7]		—	—	—	—	—	—	—		—
Vote 8 - [NAME OF VOTE 8]		—	—	—	—	—	—	—		—
Vote 9 - [NAME OF VOTE 9]		—	—	—	—	—	—	—		—
Vote 10 - [NAME OF VOTE 10]		—	—	—	—	—	—	—		—
Vote 11 - [NAME OF VOTE 11]		—	—	—	—	—	—	—		—
Vote 12 - [NAME OF VOTE 12]		—	—	—	—	—	—	—		—
Vote 13 - [NAME OF VOTE 13]		—	—	—	—	—	—	—		—
Vote 14 - [NAME OF VOTE 14]		—	—	—	—	—	—	—		—
Vote 15 - [NAME OF VOTE 15]		—	—	—	—	—	—	—		—
<b>Total Capital Multi-year expenditure</b>	<b>4,7</b>	—	87	87	—	—	43	(43)	-100%	87
<b>Single Year expenditure appropriation</b>	<b>2</b>									
Vote 1 - COUNCIL GENERAL		192	—	—	—	—	—	—		—
Vote 2 - FINANCIAL SERVICES		63	174	174	—	145	87	58	67%	174
Vote 3 - TECHNICAL SERVICES		42 332	44 410	44 410	—	22 066	22 205	(149)	-1%	44 410
Vote 4 - CORPORATE SERVICES		6 518	4 666	4 666	219	4 245	2 333	1 912	82%	4 666
Vote 5 - COMMUNITY SERVICES		239	—	—	—	—	—	—		—
Vote 6 - STRATEGIC PLANNING AND DEVELOPMENT		1 659	704	704	—	—	352	(352)	-100%	704
Vote 7 - [NAME OF VOTE 7]		—	—	—	—	—	—	—		—
Vote 8 - [NAME OF VOTE 8]		—	—	—	—	—	—	—		—
Vote 9 - [NAME OF VOTE 9]		—	—	—	—	—	—	—		—
Vote 10 - [NAME OF VOTE 10]		—	—	—	—	—	—	—		—
Vote 11 - [NAME OF VOTE 11]		—	—	—	—	—	—	—		—
Vote 12 - [NAME OF VOTE 12]		—	—	—	—	—	—	—		—
Vote 13 - [NAME OF VOTE 13]		—	—	—	—	—	—	—		—
Vote 14 - [NAME OF VOTE 14]		—	—	—	—	—	—	—		—
Vote 15 - [NAME OF VOTE 15]		—	—	—	—	—	—	—		—
<b>Total Capital single-year expenditure</b>	<b>4</b>	51 003	49 954	49 954	219	26 446	24 977	1 469	6%	49 954
<b>Total Capital Expenditure</b>	<b>3</b>	51 003	50 041	50 041	219	26 446	25 020	1 425	6%	50 041
<b>Capital Expenditure - Functional Classification</b>										
<b>Governance and administration</b>		7 792	4 840	4 840	219	4 390	2 420	1 971	81%	4 840
Executive and council		192	—	—	—	—	—	—		—
Finance and administration		7 600	4 840	4 840	219	4 390	2 420	1 971	81%	4 840
Internal audit		—	—	—	—	—	—	—		—
<b>Community and public safety</b>		21 345	20 291	20 291	—	22 056	10 146	11 910	117%	20 291
Community and social services		13 302	17 682	17 682	—	8 841	8 841	(8 841)	-100%	17 682
Sport and recreation		8 042	2 609	2 609	—	22 056	1 304	20 751	1591%	2 609
Public safety		—	—	—	—	—	—	—		—
Housing		—	—	—	—	—	—	—		—
Health		—	—	—	—	—	—	—		—
<b>Economic and environmental services</b>		21 171	22 302	22 302	—	—	11 151	(11 151)	-100%	22 302
Planning and development		1 659	704	704	—	—	352	(352)	-100%	704
Road transport		19 512	21 597	21 597	—	—	10 799	(10 799)	-100%	21 597
Environmental protection		—	—	—	—	—	—	—		—
<b>Trading services</b>		696	2 609	2 609	—	—	1 304	(1 304)	-100%	2 609
Energy sources		—	2 609	2 609	—	—	1 304	(1 304)	-100%	2 609
Water management		—	—	—	—	—	—	—		—
Waste water management		—	—	—	—	—	—	—		—
Waste management		696	—	—	—	—	—	—		—
<b>Other</b>		—	—	—	—	—	—	—		—
<b>Total Capital Expenditure - Functional Classification</b>	<b>3</b>	51 003	50 041	50 041	219	26 446	25 020	1 425	6%	50 041
<b>Funded by:</b>										
National Government		32 531	34 654	34 654	—	14 658	17 327	(2 669)	-15%	34 654
Provincial Government		1 659	652	652	—	—	326	(326)	-100%	652
District Municipality		—	—	—	—	—	—	—		—
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)		—	—	—	—	—	—	—		—
<b>Transfers recognised - capital</b>		34 190	35 307	35 307	—	14 658	17 653	(2 995)	-17%	35 307
<b>Borrowing</b>	<b>6</b>	16 813	14 734	14 734	219	11 788	7 367	4 421	60%	14 734
<b>Internally generated funds</b>		—	—	—	—	—	—	—		—
<b>Total Capital Funding</b>	<b>7</b>	51 003	50 041	50 041	219	26 446	25 020	1 425	6%	50 041



# UMDONI MUNICIPALITY

## MID-YEAR BUDGET & PERFORMANCE ASSESSMENT REPORT FOR THE 2024/2025 BUDGET YEAR

### ANNEXURE 6

KZN212 Umdoni - Table C6 Monthly Budget Statement - Financial Position - Mid-Year Assessment						
R thousands	Description	Ref	2023/24	Budget Year 2024/25		
			Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast
					YearTD Actual	
<b>ASSETS</b>						
<b>Current assets</b>						
	Cash and cash equivalents	1	146 398	128 604	128 604	128 604
	Trade and other receivables from exchange transactions		16 313	22 743	22 743	22 743
	Receivables from non-exchange transactions		69 199	108 684	108 684	108 684
	Current portion of non-current receivables		—	—	—	—
	Inventory		—	—	—	—
	VAT		17 003	30 143	30 143	30 143
	Other current assets		182	446	446	446
	<b>Total current assets</b>		<b>249 095</b>	<b>290 619</b>	<b>290 619</b>	<b>290 619</b>
<b>Non current assets</b>						
	Investments		—	—	—	—
	Investment property		7 511	4 752	4 752	4 752
	Property, plant and equipment		653 467	671 912	671 912	671 912
	Biological assets		—	—	—	—
	Living and non-living resources		—	—	—	—
	Heritage assets		261	261	261	261
	Intangible assets		71	14	14	14
	Trade and other receivables from exchange transactions		—	—	—	—
	Non-current receivables from non-exchange transactions		—	—	—	—
	Other non-current assets		—	—	—	—
	<b>Total non current assets</b>		<b>661 310</b>	<b>676 939</b>	<b>676 939</b>	<b>676 939</b>
	<b>TOTAL ASSETS</b>		<b>910 405</b>	<b>967 558</b>	<b>967 558</b>	<b>967 558</b>
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
	Bank overdraft		—	—	—	—
	Financial liabilities		301	40	40	40
	Consumer deposits		2 526	2 547	2 547	2 547
	Trade and other payables from exchange transactions		53 049	157 329	157 329	157 329
	Trade and other payables from non-exchange transactions		6 935	4	4	4
	Provision		4 289	3 171	3 171	3 171
	VAT		158	7 870	7 870	7 870
	Other current liabilities		—	—	—	—
	<b>Total current liabilities</b>		<b>67 259</b>	<b>170 961</b>	<b>170 961</b>	<b>170 961</b>
<b>Non current liabilities</b>						
	Financial liabilities		175	110	110	110
	Provision		31 667	36 189	36 189	36 189
	Long term portion of trade payables		—	—	—	—
	Other non-current liabilities		—	28 290	28 290	28 290
	<b>Total non current liabilities</b>		<b>31 842</b>	<b>64 590</b>	<b>64 590</b>	<b>64 590</b>
	<b>TOTAL LIABILITIES</b>		<b>99 101</b>	<b>235 550</b>	<b>235 550</b>	<b>235 550</b>
	<b>NET ASSETS</b>	2	<b>811 304</b>	<b>732 008</b>	<b>732 008</b>	<b>732 008</b>
<b>COMMUNITY WEALTH/EQUITY</b>						
	Accumulated Surplus/(Deficit)		784 288	728 865	728 865	728 865
	Reserves and funds		3 363	3 143	3 143	3 143
	Other		—	—	—	—
	<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	2	<b>787 652</b>	<b>732 008</b>	<b>732 008</b>	<b>732 008</b>



# UMDONI MUNICIPALITY

## MID-YEAR BUDGET & PERFORMANCE ASSESSMENT REPORT FOR THE 2024/2025 BUDGET YEAR

### ANNEXURE 7

KZN212 Umdoni - Table C7 Monthly Budget Statement - Cash Flow - Mid-Year Assessment										
Description	Ref	2023/24	Budget Year 2024/25							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance %	Full Year Forecast
<b>R thousands</b>										
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	1									
<b>Receipts</b>										
Property rates		107 431	119 240	119 240	7 452	52 958	59 620	(6 663)	-11%	119 240
Service charges		11 151	11 758	11 758	615	5 025	5 879	(854)	-15%	11 758
Other revenue		11 310	58 233	58 233	11 741	20 533	29 116	(8 583)	-29%	58 233
Transfers and Subsidies - Operational		194 693	198 806	198 806	61 486	154 781	99 403	55 378	56%	198 806
Transfers and Subsidies - Capital		38 171	40 603	40 603	–	16 789	20 301	(3 512)	-17%	40 603
Interest		14 608	12 695	12 695	1 000	5 574	6 347	(774)	-12%	12 695
Dividends		–	–	–	–	–	–	–		–
<b>Payments</b>										
Suppliers and employees		(338 692)	(386 545)	(386 545)	(54 438)	(190 255)	(193 273)	(3 018)	2%	(386 545)
Interest		(6)	(2)	(2)	–	–	(1)	(1)	100%	(2)
Transfers and Subsidies		(2 937)	(3 505)	(3 505)	(86)	(428)	(1 753)	(1 325)	76%	(3 505)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>35 728</b>	<b>51 281</b>	<b>51 281</b>	<b>27 770</b>	<b>64 976</b>	<b>25 641</b>	<b>(39 336)</b>	<b>-153%</b>	<b>51 281</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>										
<b>Receipts</b>										
Proceeds on disposal of PPE		532	–	–	–	–	–	–		–
Decrease (increase) in non-current receivables		–	–	–	–	–	–	–		–
Decrease (increase) in non-current investments		–	–	–	–	–	–	–		–
<b>Payments</b>										
Capital assets		(51 003)	(54 067)	(54 067)	(1 399)	(21 295)	(27 034)	(5 738)	21%	(54 067)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(50 471)</b>	<b>(54 067)</b>	<b>(54 067)</b>	<b>(1 399)</b>	<b>(21 295)</b>	<b>(27 034)</b>	<b>(5 738)</b>	<b>21%</b>	<b>(54 067)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>										
<b>Receipts</b>										
Short term loans		(44)	–	–	–	–	–	–		–
Borrowing long term/refinancing		–	–	–	–	–	–	–		–
Increase (decrease) in consumer deposits		–	50	50	6	61	25	36	143%	50
<b>Payments</b>										
Repayment of borrowing		–	–	–	–	–	–	–		–
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>(44)</b>	<b>50</b>	<b>50</b>	<b>6</b>	<b>61</b>	<b>25</b>	<b>(36)</b>	<b>-143%</b>	<b>50</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>(14 787)</b>	<b>(2 736)</b>	<b>(2 736)</b>	<b>26 376</b>	<b>43 742</b>	<b>(1 368)</b>			<b>(2 736)</b>
Cash/cash equivalents at beginning:		161 185	131 394	131 394		146 398	131 394			146 398
Cash/cash equivalents at month/year end:		146 398	128 658	128 658		190 140	130 026			143 662

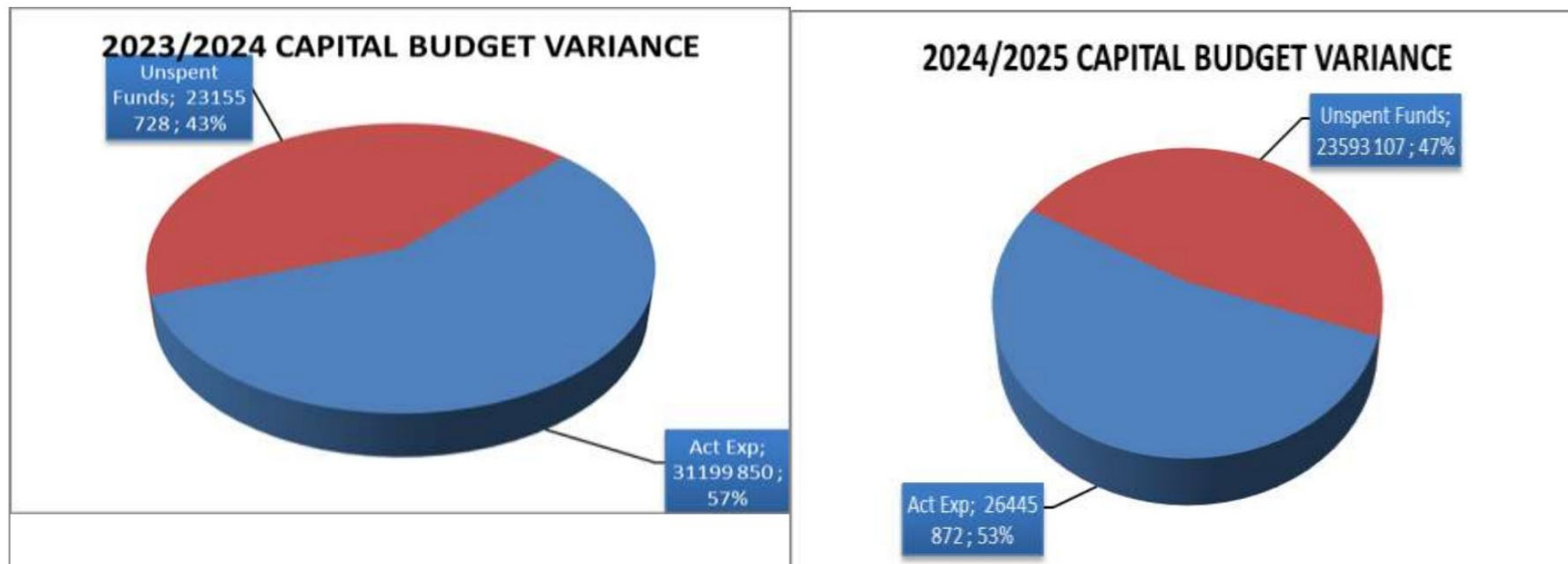




## 2.4 2024/2025 CAPITAL BUDGET ASSESSMENT

The approved capital budget for the 2024/2025 financial year is R 56 402 550 (including vat); and R 50 040 980 (excluding vat). Actual expenditure as at 31 December 2024 is R26 445 872 excluding vat which represents 50% of the approved budget.

A comparison of the spending percentage against the same stage in the prior year can be illustrated as below:



As depicted above, the percentage of actual expenditure has decreased from 57% to 53% in the current year as at December 2024. This expenditure rate does not take into account the commitments. When taking into account the commitments (orders) which are disclosed in the table below, the percentage spent is the same.

### 2.4.1 Current Year Trend Analysis





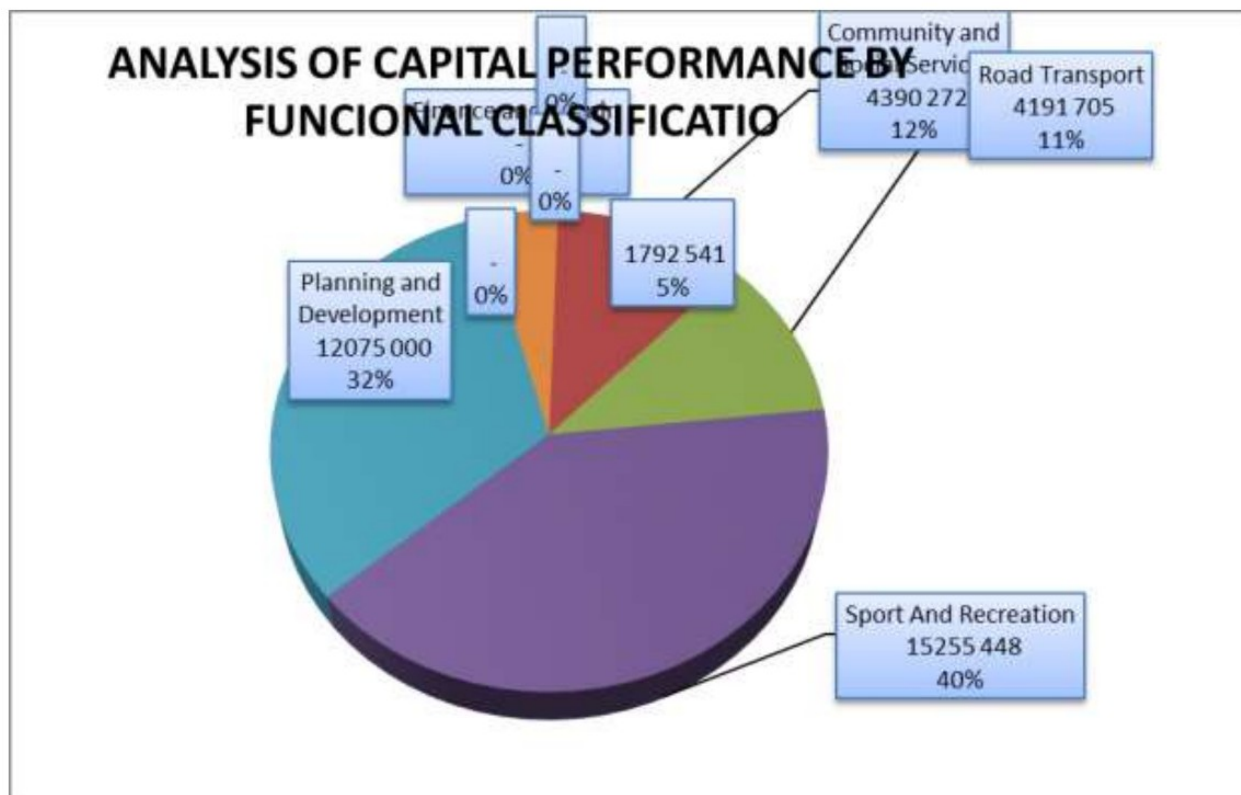
## UMDONI MUNICIPALITY

### MID-YEAR BUDGET & PERFORMANCE ASSESSMENT REPORT FOR THE 2024/2025 BUDGET YEAR

	APPROVED	CAPITAL BUDGET				
	2024/2025 Budget (R)	YTD Budget (R)	YTD Actual (R)	Commitment (R)	YTD Actual with Commitments (R)	%
Treasury	173 913	86 957	145 000	0	145 000	0%
Community Serv	0	0	0	0	0	0%
Technical Service	44 497 123	22 248 562	26 445 872	0	22 055 600	44%
Corporate Service	4 665 596	2 332 798	0	0	4 245 272	8%
Planning & Devel	704 348	0	0	0	0	0
Council	0	0	0	0	0	0
	<b>50 040 980</b>	<b>24 668 316</b>	<b>26 590 872</b>	<b>0</b>	<b>26 445 872</b>	<b>53%</b>

#### 2.4.2 Capital Budget Performance based on Functional Classification

The graph below depicts the approved budget in comparison with the mid year actual spending pattern according to the functional classification (as stipulated by National Treasury)



Finance and Admin - R4.3 million actual spent in comparison to a budget of R4.8 million. The significant portion of the unspent budget is allocated to the ICT Infrastructure items. The Department of Corporate Services allocated for the procurement of fleet.

Community and Social Services - R4.1 million has been incurred to date in comparison to a budget of R17.6 million. The budget under this category is mostly for community halls funded through MIG. The level of spending is above the average as most of the projects are on construction phase and almost complete.



Road transport – A budget of R21,5 million was approved for expenditure on this function. Spending under this function amounts to R15,2 million (58%). This includes MIG projects budgeted under this function.

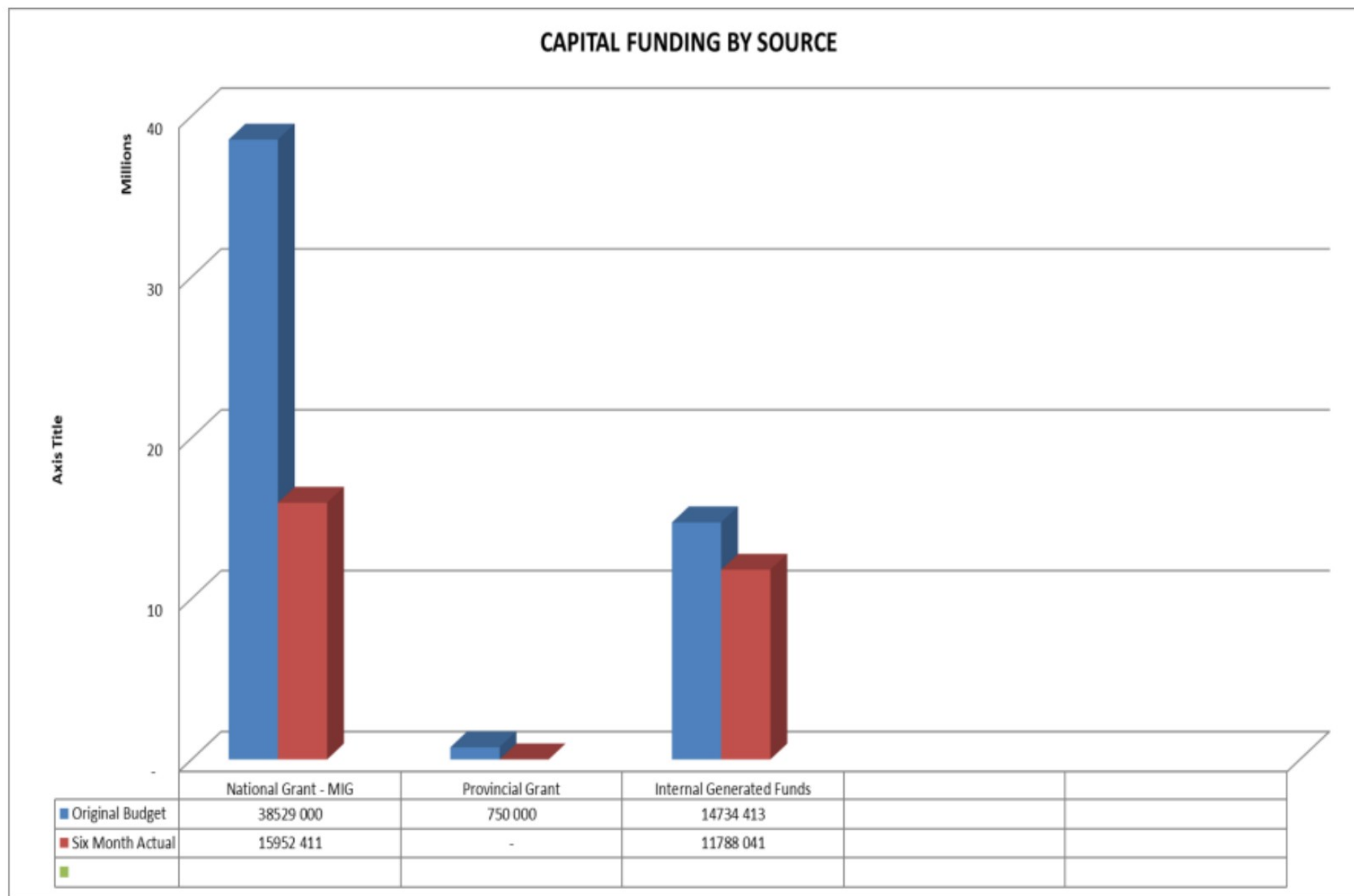
Sport and Recreation – R2,6 million has been spent against a total budget of R6,2 million. The funding allocated under this function is for sportsfields. The funding is also from MIG. The spending is also above the norm and work done so far on the various sites is pleasing.

Planning & Development - No spending has been incurred to date in comparison to a budget of R704 348,00. Funding under this function had been allocated for the Renewal of Umzinto Informal Trading Infrastructure(Bus Rank). The Bus Rank Project is in progress, almost complete. This project is funded by the grant from KZN EDTEA.

Total capital expenditure rate is 50% for the half year ended 31 December 2024. Spending is expected to heighten significantly in the next coming two quarters.

#### **2.4.3 Analysis of Capital Budget Funding**

The graph below depicts the funding mix of the municipality and the level of spending against the funding.







As indicated in the graph above, the major source of funding for the capital budget is grants. The level of spending as a whole is moderate. The overall utilisation of the capital funding is sitting at 50%. The funding utilisation is as follows; MIG Capital funding is sitting at 64%, Provincial Grant Capital Funding is sitting at 1% and the internal funding sitting at 24% as shown in the graph above. This correlate with the overall capital spending which is within the norm of 50%.

## **2.5 2024/2025 OPERATIONAL BUDGET ASSESSMENT**

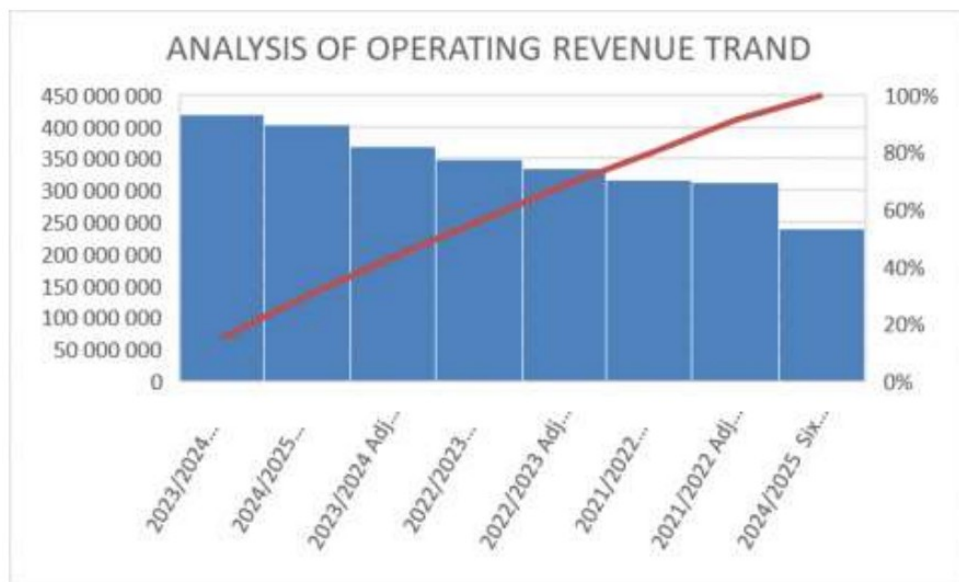
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### **2.5.1 OPERATING REVENUE**

The total approved operating revenue budget for the 2024/2025 financial year is R 403,1 million. The actual income accrued as at the 31 December 2024 is R 238.8 million which represents (59%) of the total operating revenue budget. At the same stage last year, revenue recognized amounted to R234 million (64%). There is a 4% decrease when comparing with prior year.

#### **2.5.1.1. Year on Year Trend Analysis**

Graphical representation of actual performance compared to the approved budget as well as prior years audited actual follows:



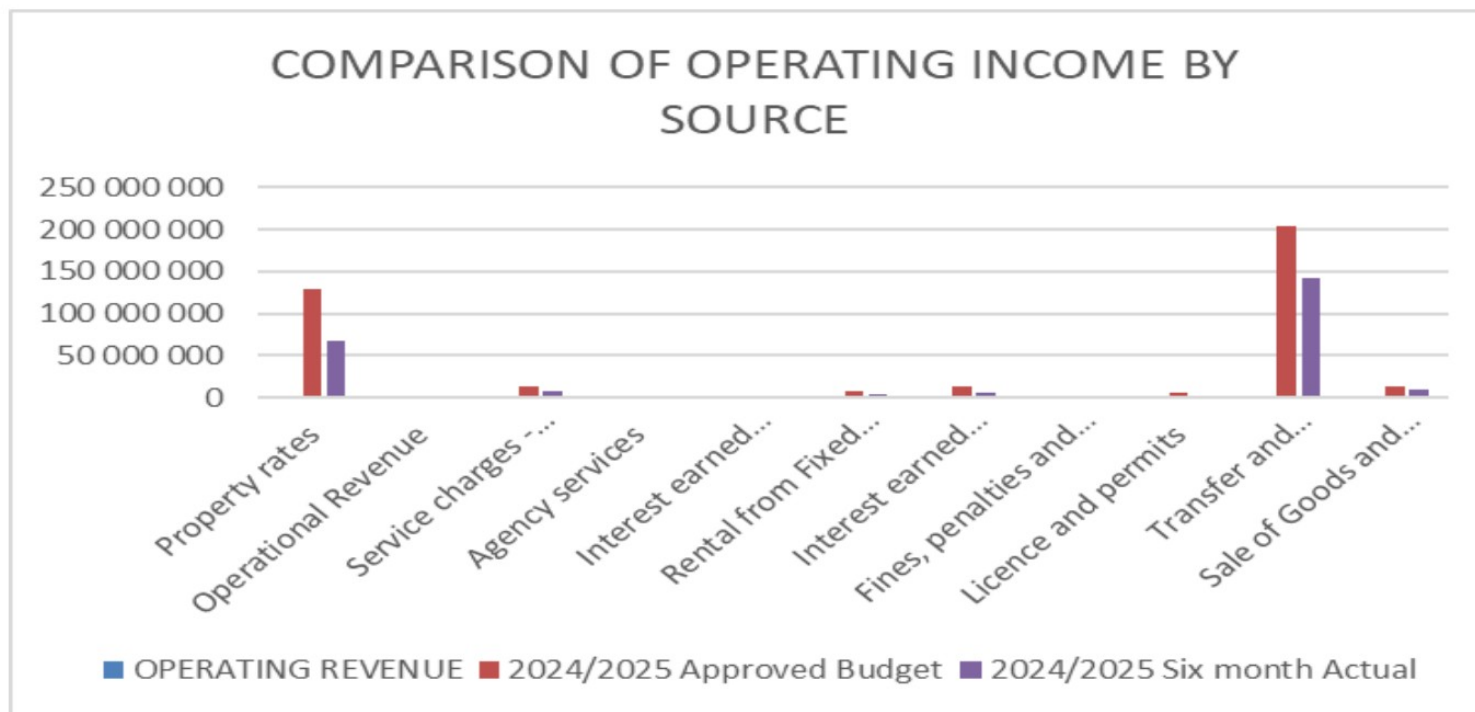
An analysis of the above-mentioned graph indicates a steady trend in the budgeted income up until 2023/2024 financial year as the actual revenue increased and from there 2024/25 financial year approved budget increased. All of this is depicted by the graph. In overall, there has been a steady but moderate increase in the operating revenue over the trend period.

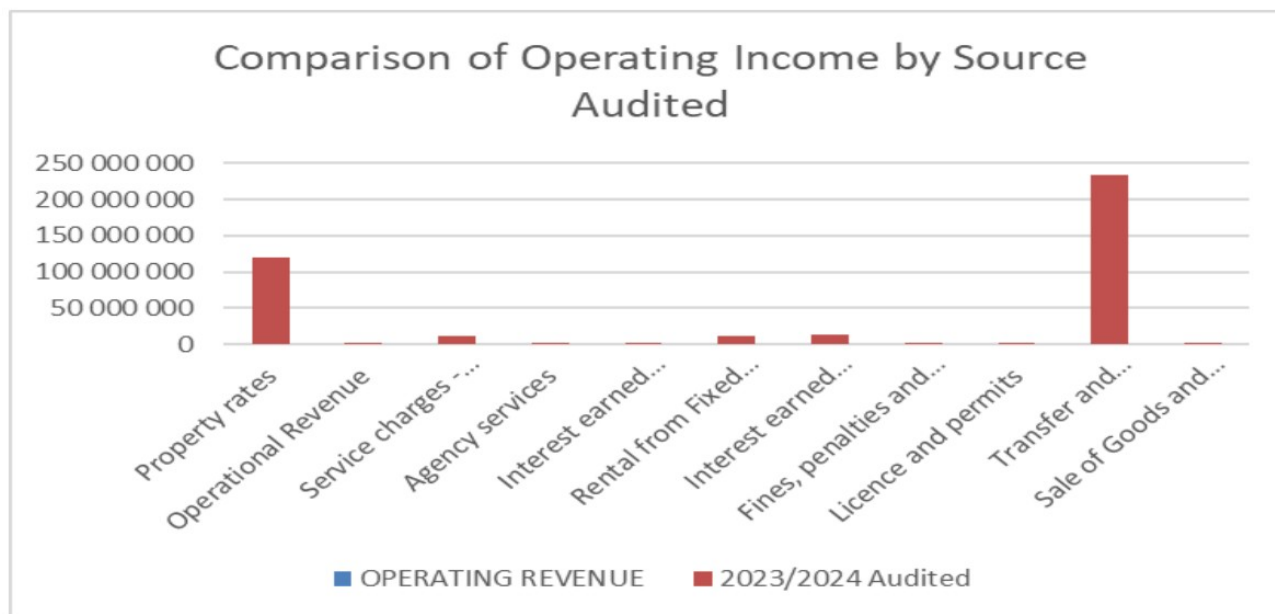
As at 31 December 2024 a total revenue of R238.8 million had been raised. At the same stage last year, a total of R234 million was raised. The six months' actual is above the average norm of 50%, which is good. The weak economic growth impacted negatively on the revenue generation, but still maintained positive performance. There's a slight decrease of 4% as indicated above when comparing to previous year.



### 1.5.1.2. Analysis of Performance by Source of Income

The graph below reflects the actual performance of income by source in comparison with the budget over the current financial year:





**Property Rates Income** The total income raised as at 31 December 2024 is R68,1 million which represents 52% of the total budget of R130 million and 105% against a year to date budget of R65 million. This income has been raised on the system but may not necessarily be collected. This amount is the net of the rebates in terms of relief applied to debtors as approved by Council. The amount budgeted and raised has also increased when compared to previous year due to tariff increase. It should also be noted that some ratepayers opted for the annual billing hence the high income generated. In addition to that, there are new properties as a results the new development (Umdoni Point Development and Renishaw Hills Development). Adjustment is necessary.

**Service Charges** Total income raised as at 31 December 2024 is R 7,3 million which represents 53% of the total budget of R13,8 million and 106% against a year to date budget of R6,9 million. This includes income from dumping at the landfill, which is received on a cash basis. The performance on this particular revenue source is satisfactory. Also, some customers opted for annual billing. Furthermore, the billing of the new properties as a result of the new developments in the area has also resulted in an increased income generated. Adjustment is necessary.

**Rental from fixed assets** consists mainly of the rental of the Scottsburg Caravan Park, beach rental income, housing income and hall hire and various leases. Actual income generated to date is R 3,9 million which represents 53% against a total budget of R 7,5 million; and 105% against the total year to date budget





of R3,7 million. The rental recognized is the billing and not necessarily paid by tenants. The actuals are above the average which is good. Adjustment is necessary.

Interest earned from Current and Non-Current Assets R5,7 million (46%) has been recognized to date, against the total budget of R12,5 million; and 92% against year to date budget of R6,2 million. The performance on this revenue source is below the average of 50%. Adjustment is necessary.

Fines and penalty income actual income raised as at 31 December 2024 is R537 which represents 0% of the total budget of R1,6 million and 0% against a year to date budget of R831 691. The performance on this item is below average. Also, it should be noted that income recognized under this source is not necessarily received but fines issued to transgressors. The reason for low performance is because of the technical glitches on the system as a result the data hasn't been loaded into the financial system. The technical issue is being attended to by the service provider. The recognition is done in compliance with IGRAP Standard. Adjustment may not be necessary.

Interest earned from Receivables & non-exchange interest actual income raised as at 31 December 2024 is R-2,8 million which represents -25% of the total budget of R 11,2 million and -50% against a year to date budget of R5,6 million. Interest is expected to increase more in the next two quarters as the interest on annual rate payers is now being levied. Adjustment is necessary.

License and permit income recognized as at 31 December 2024 is R1,3 million which represents 21% of the total budget of R6,4 million and 42% against a year to date budget of R3,2 million. This is one of the major revenue streams. The actual revenue recognized is below the norm of 50%, therefore it's not satisfactory.

Grants and subsidy income received and recognized for the first six months of this year is R 142,4 million (70%) in comparison with a budget of R 101,8 million. Equitable Share income is generally received in tranches throughout the year, and therefore a portion of equitable share is still outstanding. The performance on the grants is satisfactory as all the grants are within the spending patterns as per the plans. The only grant which hasn't started spending is the Municipal Employment Initiative Grant, of which the SMME's to be supported had to be selected after following the due processes and the grant was transferred late by the KZN EDTEA. The grant register is depicted in page 43 for further details.

Agency Services actual income raised as at 31 December 2024 is R785 660,74 which represents 32% of the total budget of R2,4 million and 63% against a year to date budget of R1,2 million. The performance is below the norm. The Department of Transport changed the modus operandi of the service. All the





monies collected are paid over to the department and then, the department refunds back the municipality the commission due. The revenue office is maintaining the reconciliation of the amounts due and the necessary follow ups are done. No adjustment necessary.

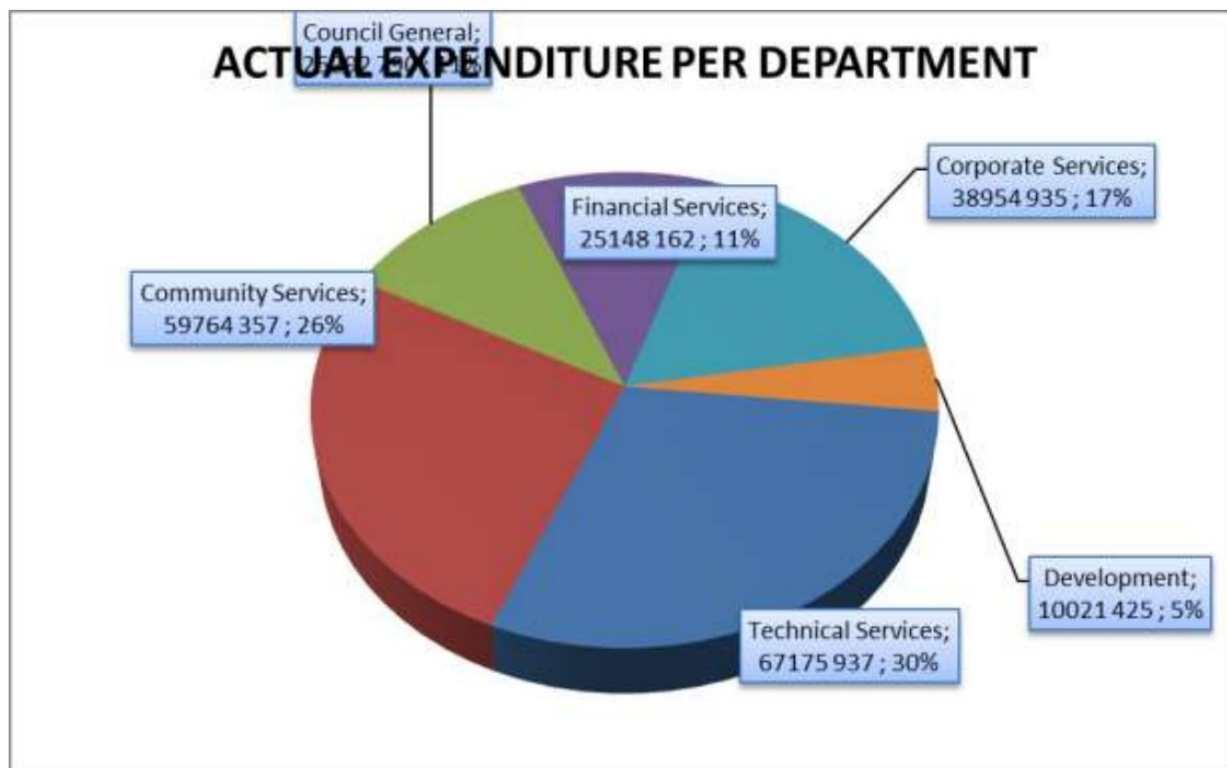
Operational Revenue has been budgeted at R382 373,00 with (62%) being raised as at the 31 December 2024 and 123% against a year to date budget of R. 191 186,50 The performance under this category is above the 50%. Adjustment is necessary.

Sale of Goods has been budgeted at R10,5 million (81%) being raised as at the 31 December 2024 and 169% against a year to date budget of R6,5 million. This category has performed more than the average norm due to activities that were less than anticipated as impacted by the weakening economic growth and thus low disposable income. Adjustment is necessary.

The above analysis of the mid-year performance of revenue has resulted in the need for an adjustments budget.

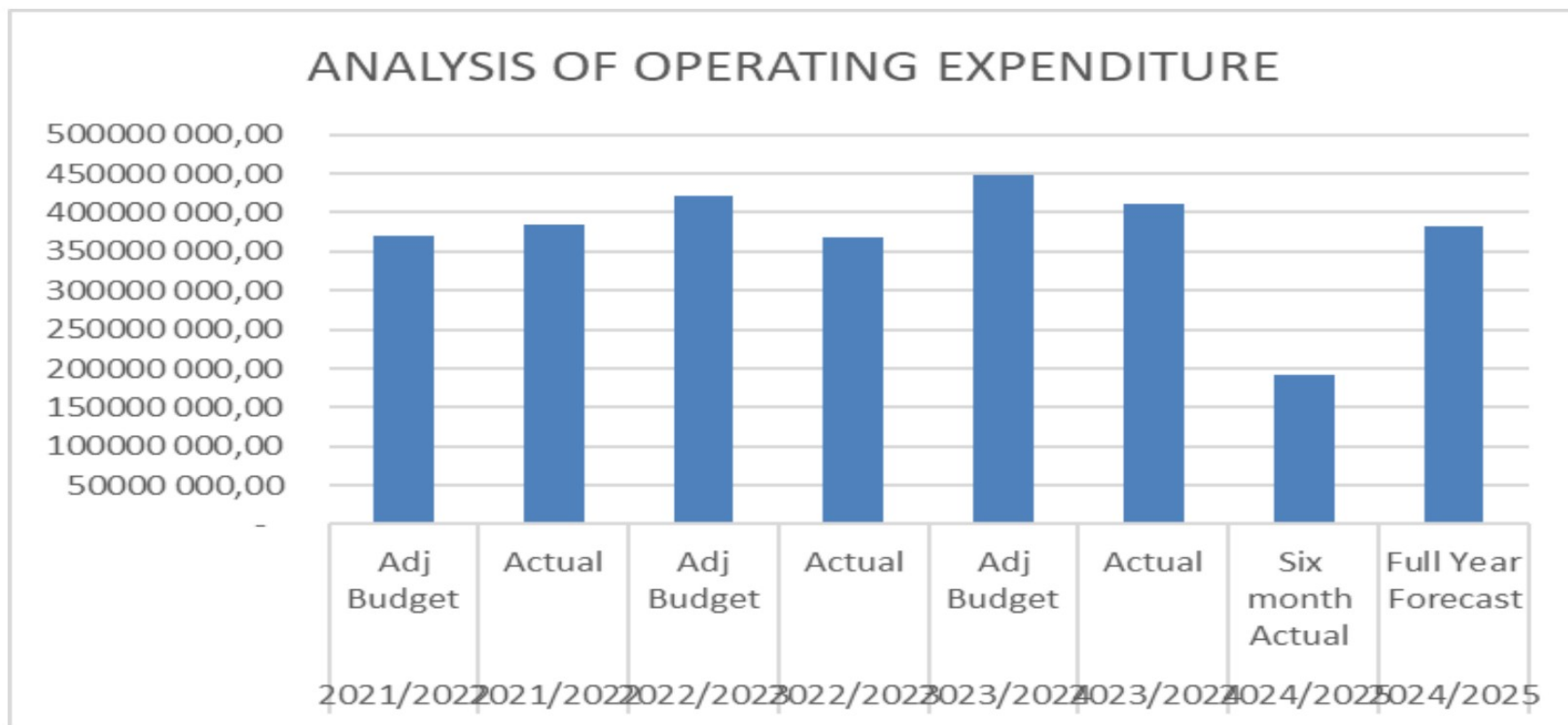
### **2.5.2 OPERATING EXPENDITURE**

Total Operating Expenditure has been budgeted at R226.3 million for the 2024/2025 financial year. The actual expenditure incurred as at the 31 December 2024 is R 191,6 million which represents 42% of the total expenditure budget.



#### 2.5.2.1. Year on Year Trend Analysis

A graphical representation of actual performance compared to the approved budget as well as prior years audited actual follows:

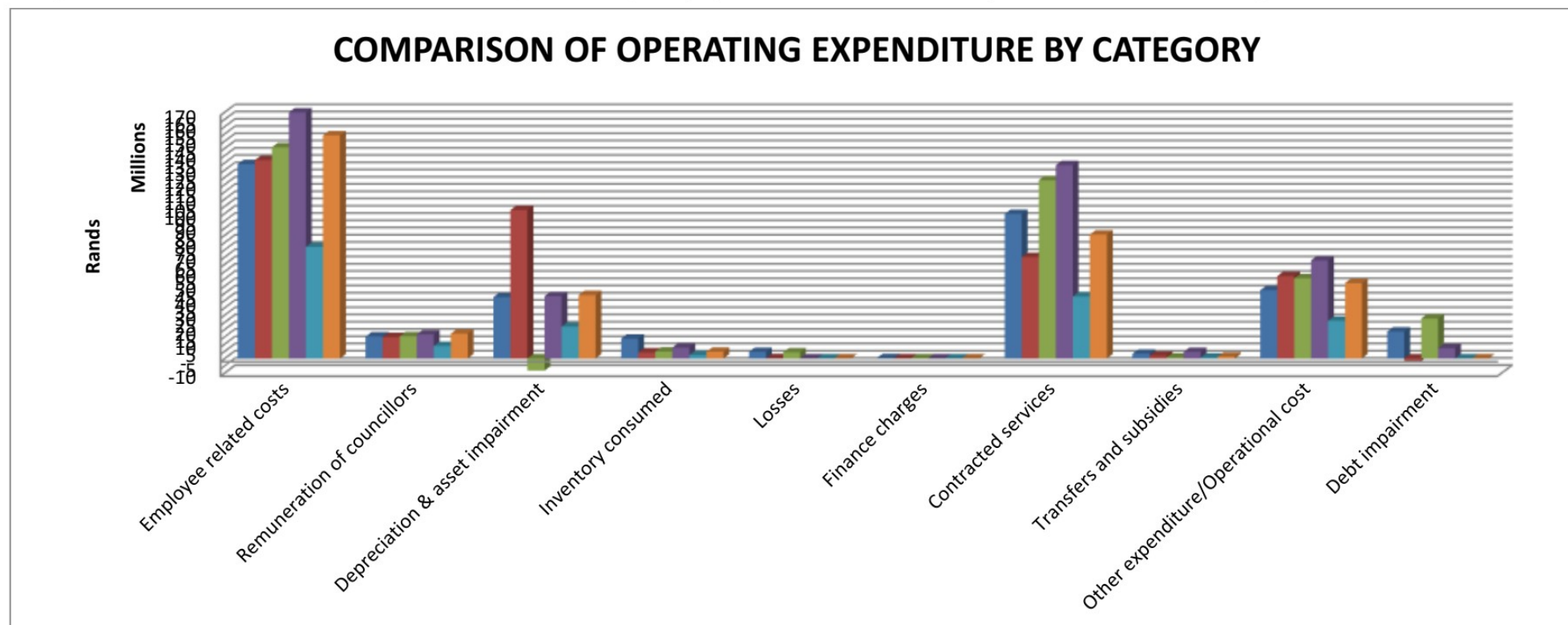


The above trend indicates that expenditure incurred has been escalating year on year except for 2023/24 financial year. As at 31 December 2024, a total amount of R 178.8 million was incurred, which represents 40% of the approved budget. In overall, the expenditure incurred is less than the expected norm of 50% by the end of December. It should be noted that reasonable care should be exercised when evaluating the level of spending on the expenditure side. The underspending emanates from different forms, i.e. projected savings due to the implementation of cost containment and the normal savings to be realized. Some projects are still under-going SCM Processes and are expected to spend in the third and fourth quarter.



### 2.5.2.2. Analysis of Performance by Category of Expenditure

The graph below reflects the actual performance of expenditure by category in comparison with the budget for the previous financial years:



Employee related costs is budgeted at R180,7 million, with R 78,7 million (44%) being actual expenditure as at the 31 December 2024. It is estimated that R157,4 million will be incurred on employee related costs by the end of this financial year, which is the straight-line full year forecast. The expenditure incurred is lower than the norm of 50%. There are vacant posts that are not filled pending the job evaluation process which is currently underway, hence the underspending. Adjustment is not necessary.





Council remuneration expenditure as at mid-year amounted to R8,5 million (48%) in comparison to a budget of R 17,6 million. There's a retrospective back-pay paid as per the Government Gazette issued which will be allocated into the correct financial year during the preparation of Interim Financials. Adjustment is not necessary.

Depreciation has been estimated at R 40,8 million for this financial year, with R21 million (51%) being incurred to date. The level of spending seems to be on par. One project will be completed in this financial year and some are already completed. It is anticipated that the depreciation will be more than the original budget. Adjustment is not necessary.

Contracted services expenditure has been incurred to the value of R55,1 million (44%) as at mid-year, in comparison with a budget of R62,1 million. Spending is also kept to a minimum as the municipality is vigorously implementing the cost containment policy. One of the major projects under this category is the rehabilitation of roads which is in progress and some projects within the programme are under-going SCM Processes before appointment. In addition, some projects are still going through the SCM processes. Adjustment is necessary.

Grants and Subsidies paid by the municipality is budgeted at R3,5 million, where R 609 618,37 (17%) has been spent as at 31 December 2024. The budget for LED Support has been budgeted under this category, no spending has occurred as yet. The municipality had been under-going the selection processes of the beneficiaries to benefit from the funding provided by EDTEA through the grant hence the delay in spending.

Operational costs had been budgeted at R66,5 million, with R25,9 million (39%) being incurred as at 31 December 2024. The budget is more of administrative nature. This category has performed less than the average due to once off transactions and interval based transactions like the insurance fees, Fees paid to the DOT for processing of drivers licenses, Workmen's compensation, Software licenses and Indigent relief expenditure of electricity as Eskom hasn't sent the invoices. The landfill site provision will be recognized at year end after the mandatory survey has been performed. Adjustment is necessary.



Inventory consumed has been budgeted at R12 million; and R1,7 million (15%) has been spent. The spending on this category is low because of the cleaning material and the bathroom essentials which are bought quarterly or as when needed. The materials for the maintenance of roads are also budgeted under this category which is also bought as and when needed. Adjustment maybe necessary.

Debt Impairment has been budgeted at R 7 million. No provision has been effected as yet. The collection levels are being monitored monthly with a view to assess the overall performance. The decision to impair will be made after year end taking into account the collections for June. Adjustment maybe necessary.

The above analysis of the mid-year performance of expenditure has resulted in the need for an adjustments budget.

Umdoni Municipality  
2024-25 Mid year Budget  
Department: Council  
OPEX SUMMARY

	MTREF 2024/25						
	2024-25 FINAL BUDGET	VIREMENTS	2024-25 AMENDED BUDGET	YTD ACTUAL INCL SHADOW	YTD ACTUAL EXCL SHADOW	BALANCE	FULL YEAR FOFECAST
<b>REVENUE</b>							
Revenue from non exchange transactios							
Grants & Subsidies- Capital							
Grants & Subsidies- Operational	-R 182 950 000,00	R -	-R 182 950 000,00	-R 137 153 000,00	-R 137 153 000,00	-R 45 797 000,00	-R 182 950 000,00
Interest earned - Outstanding Debtors							
Licence and Permits	-R 12 631,44	R -	-R 12 631,44	-R 10 000,00	-R 10 000,00	-R 2 631,44	-R 12 631,44
Revenue from non exchange transactios							
Service Charges: Refuse	R 735 000,00	R -	R 735 000,00	R -	R -	R 735 000,00	R 735 000,00
Sales of Goods and Rendering of Services							
Rental of Fixes Assets							
<b>Total Revenue</b>	-R 182 227 631,44	R -	-R 182 227 631,44	-R 137 163 000,00	-R 137 163 000,00	-R 45 064 631,44	-R 182 227 631,44
<b>OPERATING EXPENDITURE</b>							
Employee Related Costs	R 14 759 086,10	R -	R 14 759 086,10	R 6 491 979,14	R 6 491 979,14	R 8 267 106,96	R 12 983 958,28
<b>Total Employee Related Costs</b>	R 14 759 086,10	R -	R 14 759 086,10	R 6 491 979,14	R 6 491 979,14	R 8 267 106,96	R 12 983 958,28
Remuneration of Councillors	R 17 631 428,70	R -	R 17 631 428,70	R 8 525 919,13	R 8 525 919,13	R 9 105 509,57	R 17 051 838,26
<b>Total Remuneration Of Councillors</b>	R 17 631 428,70	R -	R 17 631 428,70	R 8 525 919,13	R 8 525 919,13	R 9 105 509,57	R 17 051 838,26
Contracted Services	R 8 670 448,40	R 222 800,00	R 8 893 248,40	R 5 727 362,39	R 5 303 835,66	R 3 165 886,01	R 11 454 724,78
<b>Total Contracted Services</b>	R 8 670 448,40	R 222 800,00	R 8 893 248,40	R 5 727 362,39	R 5 303 835,66	R 3 165 886,01	R 11 454 724,78
Depreciation	R 100 652,11	R -	R 100 652,11	R -	R -	R 100 652,11	R -
<b>Total Depreciation</b>	R 100 652,11	R -	R 100 652,11	R -	R -	R 100 652,11	R -
Contrated Services R&M	R -	R -	R -	R -	R -	R -	R -
<b>Total Contrated Services R&amp;M</b>	R -	R -	R -	R -	R -	R -	R -
Grants and subsidies paid	R 1 177 380,85	R 454 200,00	R 1 631 580,85	R 891 850,92	R 490 639,92	R 739 729,93	R 1 783 701,84
<b>Total Grant and Subsidies Paid</b>	R 1 177 380,85	R 454 200,00	R 1 631 580,85	R 891 850,92	R 490 639,92	R 739 729,93	R 1 783 701,84
Other Material	R 40 000,00	R -	R 40 000,00	R -	R -	R 40 000,00	R -
<b>Total Other Material</b>	R 40 000,00	R -	R 40 000,00	R -	R -	R 40 000,00	R -
Other Expenditure	R 8 206 586,28	-R 677 000,00	R 7 529 586,28	R 3 141 515,26	R 2 929 945,26	R 4 388 071,02	R 6 283 030,52
<b>Total Other Expenditure</b>	R 8 206 586,28	-R 677 000,00	R 7 529 586,28	R 3 141 515,26	R 2 929 945,26	R 4 388 071,02	R 6 283 030,52
<b>Total Operating Expenditure</b>	R 50 585 582,43	R -	R 50 585 582,43	R 24 778 626,84	R 23 742 319,11	R 25 806 955,59	R 49 557 253,68
<b>Surplus</b>	-R 131 642 049,01	R -	-R 131 642 049,01	-R 112 384 373,16	-R 113 420 680,89	-R 19 257 675,85	-R 132 670 377,76



# Umdoni

2024-25 Mid year Budget

Department: Finance

## OPEXSUMMARY

	MTREF 2024/25													
	2024-25 FINAL BUDGET		VIREMENTS		2024-25 AMENDED BUDGET		YTD ACTUAL INCL SHADOW		YTD ACTUAL EXCL SHADOW		BALANCE		FULL YEAR FORECAST	
REVENUE														
Renueue from non exchange transactios														
Property Rates	-R130 005 378,05	R	-	R	130 005 378,05	-R 68 184 779,32	-R 68 184 779,32	-R	61 820 598,73	-R	130 005 378,05			
Grants & Subsidies- Capital	R	-	R	-	R	-	R	-	R	-	R	-		
Grants & Subsidies- Operational	-R 1 900 000,00	R	-	-R	1 900 000,00	-R 756 426,83	-R 756 426,83	-R	1 143 573,17	-R	1 900 000,00			
Interest earned - Outstanding Debtors	-R 11 192 943,00	R	-	-R	11 192 943,00	R 2 823 190,75	R 2 823 190,75	-R	14 016 133,75	-R	11 192 943,00			
Licence and Permits	R	-	R	-	R	-	R	-	R	-	R	-		
Renueue from exchange transactios														
Service Charges: Refuse	R	-	R	-	R	-	R	-	R	-	R	-		
Rental of Facilities	-R 123,83	R	-	-R	123,83	-R 13 100,00	-R 13 100,00	R	12 976,17	-R	123,83			
Sales of Goods and Rendering of Services	-R 411 039,36	R	-	-R	411 039,36	-R 516 729,59	-R 516 729,59	R	105 690,23	-R	411 039,36			
Interest earned - External Investments	-R 12 500 000,00	R	-	-R	12 500 000,00	-R 5 761 708,27	-R 5 761 708,27	-R	6 738 291,73	-R	12 500 000,00			
Operational Revenue	-R 210 421,74	R	-	-R	210 421,74	-R 96 801,35	-R 96 801,35	-R	113 620,39	-R	210 421,74			
Total Revenue	- 156 219 905,99		-	-	156 219 905,99	- 72 506 354,61	- 72 506 354,61	-	83 713 551,38	-	156 219 905,99			
OPERATING EXPENDITURE														
Employee Related Costs	R 20 815 090,35	R	-	R	20 815 090,35	R 6 293 915,97	R 6 293 915,97	R	14 521 174,38	R	12 587 831,94			
Total Employee Related Costs	R 20 815 090,35	R	-	R	20 815 090,35	R 6 293 915,97	R 6 293 915,97	R	14 521 174,38	R	12 587 831,94			
Contracted Services	R 8 957 221,60	R	-	R	8 957 221,60	R 6 067 633,72	R 4 129 455,47	R	2 889 587,88	R	12 135 267,44			
Total Contracted Services	R 8 957 221,60	R	-	R	8 957 221,60	R 6 067 633,72	R 4 129 455,47	R	2 889 587,88	R	12 135 267,44			
Depreciation	R 1 110 675,41	R	-	R	1 110 675,41	R	-	R	1 110 675,41	R	-			
Total Depreciation	R 1 110 675,41	R	-	R	1 110 675,41	R	-	R	1 110 675,41	R	-			
Accumulated Surplus	R	-	R	-	R	-	R	-	R	-	R	-		
Total Accumulated Surplus	R	-	R	-	R	-	R	-	R	-	R	-		
Finance Cost	R	-	R	-	R	-	R	-	R	-	R	-		
Total Finance Cost	R	-	R	-	R	-	R	-	R	-	R	-		
Other Material	R	-	R	-	R	-	R	-	R	-	R	-		
Total Other Material	R	-	R	-	R	-	R	-	R	-	R	-		
Debt Impairment	R 7 000 000,00	R	-	R	7 000 000,00	R	-	R	7 000 000,00	R	-			
Total Debt Impairment	R 7 000 000,00	R	-	R	7 000 000,00	R	-	R	7 000 000,00	R	-			
Other Expenditure	R 12 413 339,33	R	-	R	12 413 339,33	R 3 880 574,89	R 3 150 169,39	R	8 532 764,44	R	7 761 149,78			
Total Other Expenditure	R 12 413 339,33	R	-	R	12 413 339,33	R 3 880 574,89	R 3 150 169,39	R	8 532 764,44	R	7 761 149,78			
Total Operating Expenditure	R 50 296 326,69	R	-	R	50 296 326,69	R 16 242 124,58	R 13 573 540,83	R	34 054 202,11	R	32 484 249,16			
Surplus	-R105 923 579,31	R	-	-R	105 923 579,31	-R 56 264 230,03	-R 58 932 813,78	-R	49 659 349,28	-R	123 735 656,83			



**2024/2025 BUDGET YEAR**[illegible]



# UMDONI MUNICIPALITY

## MID-YEAR BUDGET & PERFORMANCE ASSESSMENT REPORT FOR THE

### 2024/2025 BUDGET YEAR

Umdoni 2024-25 Mid year Budget Department: Planning and Development SUMMARY											
	MTREF 2024/25										
	2024-25 FINAL BUDGET	VIREMENTS	2024-25 AMENDED BUDGET	YTD ACTUAL INCL SHADOW	YTD ACTUAL EXCL SHADOW	BALANCE	Full year forecast				
REVENUE											
Renene from non exchange transactios											
Grants and subsidies - Capital	-R 750 000,00	R -	-R 750 000,00	R -	R -	-R 750 000,00	-R 750 000,00	-R 750 000,00	-R 750 000,00	-R 750 000,00	-R 750 000,00
Grants and subsidies - Operational	-R 1 249 000,00	R -	-R 1 249 000,00	-R 621 926,00	-R 621 926,00	-R 627 074,00	-R 1 249 000,00	-R 1 249 000,00	-R 1 249 000,00	-R 1 249 000,00	-R 1 249 000,00
Interest earned outstanding Debtors	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -
Licences and permits	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -
Fines and Penalties	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -
Renene from exchange transactios											
Service Charges:Refuse	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -
Rental from Fixed Assets	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -
Sales of Goods and Rendering of Services	-R 624 128,26	R -	-R 624 128,26	-R 285 289,98	-R 285 289,98	-R 338 838,28	-R 600 752,02	-R 600 752,02	-R 600 752,02	-R 600 752,02	-R 600 752,02
Operational Revenue	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -
Total Revenue	-R 2 623 128,26	R -	-R 2 623 128,26	-R 907 215,98	-R 907 215,98	-R 1 715 912,28	-R 2 599 752,02	-R 2 599 752,02	-R 2 599 752,02	-R 2 599 752,02	-R 2 599 752,02
OPERATING EXPENDITURE											
Employee Related Costs	R 14 564 195,99	R -	R 14 564 195,99	R 5 608 600,11	R 5 608 600,11	R 8 955 595,88	R 11 217 200,22	R 11 217 200,22	R 11 217 200,22	R 11 217 200,22	R 11 217 200,22
Total Employee Related Costs	R 14 564 195,99	R -	R 14 564 195,99	R 5 608 600,11	R 5 608 600,11	R 8 955 595,88	R 11 217 200,22	R 11 217 200,22	R 11 217 200,22	R 11 217 200,22	R 11 217 200,22
Contracted Services-R & M	R 400 000,00	R -	R 400 000,00	R -	R -	R 400 000,00	R -	R -	R -	R -	R -
Total Contracted Services-R & M	R 400 000,00	R -	R 400 000,00	R -	R -	R 400 000,00	R -	R -	R -	R -	R -
Contracted Services	R 4 702 722,84	R -	R 4 702 722,84	R 895 560,30	R 670 509,75	R 3 807 162,54	R 1 791 120,60	R 1 791 120,60	R 1 791 120,60	R 1 791 120,60	R 1 791 120,60
Total Contracted Services	R 4 702 722,84	R -	R 4 702 722,84	R 895 560,30	R 670 509,75	R 3 807 162,54	R 1 791 120,60	R 1 791 120,60	R 1 791 120,60	R 1 791 120,60	R 1 791 120,60
Other Expenditure	R 658 365,68	R -	R 658 365,68	R 307 789,16	R 307 789,16	R 350 576,52	R 615 578,32	R 615 578,32	R 615 578,32	R 615 578,32	R 615 578,32
Total Other Expenditure	R 658 365,68	R -	R 658 365,68	R 307 789,16	R 307 789,16	R 350 576,52	R 615 578,32	R 615 578,32	R 615 578,32	R 615 578,32	R 615 578,32
Grants and subsidies Paid	R 1 200 000,00	R -	R 1 200 000,00	R -	R -	R 1 200 000,00	R -	R -	R -	R -	R -
Total Grant and Subsidies	R 1 200 000,00	R -	R 1 200 000,00	R -	R -	R 1 200 000,00	R -	R -	R -	R -	R -
Depreciation											
	R 20 592,39	R -	R 20 592,39	R -	R -	R 20 592,39	R -	R -	R -	R -	R -
Total Depreciation	R 20 592,39	R -	R 20 592,39	R -	R -	R 20 592,39	R -	R -	R -	R -	R -
Finance Cost	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -
Total Finance Cost	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -
Other Materials	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -
Total Other Material	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -
Total Operating Expenditure	R 21 545 876,90	R -	R 21 545 876,90	R 6 811 949,57	R 6 586 899,02	R 14 733 927,33	R 13 623 899,14	R 13 623 899,14	R 13 623 899,14	R 13 623 899,14	R 13 623 899,14
Surplus	R 18 922 748,64	R -	R 18 922 748,64	R 5 904 733,59	R 5 679 683,04	R 13 018 015,05	R 11 024 147,12	R 11 024 147,12	R 11 024 147,12	R 11 024 147,12	R 11 024 147,12



# UMDONI MUNICIPALITY

## MID-YEAR BUDGET & PERFORMANCE ASSESSMENT REPORT FOR THE

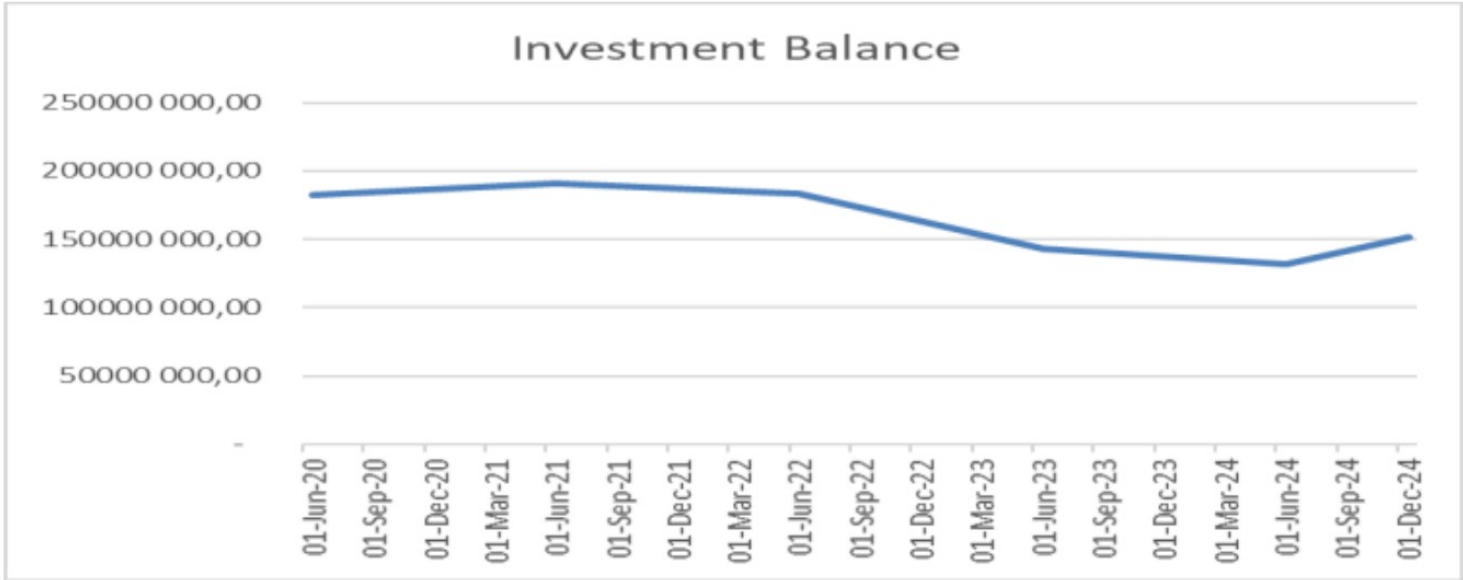
### 2024/2025 BUDGET YEAR

Umdoni Municipality 2024-25 Mid year Budget Department: Technical Services OPEX SUMMARY									
Surplus before CAPEX									
Surplus after CAPEX									
		MTREF 2024/25							
	2024-25 FINAL BUDGET	VIREMENTS	2024-25 AMENDED BUDGET	YTD ACTUAL INCL SHADOW	YTD ACTUAL EXCL SHADOW	BALANCE	FULL YEAR FORECAST		
REVENUE									
Revenue from non exchange transactios									
Grants & Subsidies- Capital	-R 39 852 550,00	R -	-R 39 852 550,00	-R 15 925 411,36	-R15 925 411,36	-R 23 927 138,64	-R	39 852 550,00	
Grants & Subsidies- Operational	-R 16 698 195,65	R -	-R 16 698 195,65	-R 12 921 775,71	-R12 921 775,71	-R 3 776 419,94	-R	16 698 195,65	
Revenue from exchange transactios									
Service Charges: Refuse	-R 14 567 588,01	R -	-R 14 567 588,01	-R 7 340 277,62	-R 7 340 277,62	-R 7 227 310,39	-R	14 567 588,01	
Service Charges: Prepaid electricity	R -	R -	R -	968,70	968,70	R 968,70	R	-	
Rental of Facilities	-R 23 730,27	R -	-R 23 730,27	-R 17 886,30	-R 17 886,30	-R 5 843,97	-R	23 730,27	
Sales of Goods and Rendering of Services	R -	R -	R -	-	R -	R -	R	-	
Interest earned - Outstanding Debtors	-R 200 396,76	R -	-R 200 396,76	-R 984 672,51	-R 984 672,51	R 784 275,75	-R	200 396,76	
Total Revenue	-R 71 342 460,69	R -	-R 71 342 460,69	-R 37 190 992,20	-R37 190 992,20	-R 34 151 468,49	-R	71 342 460,69	
OPERATING EXPENDITURE									
Employee Related Costs	R 41 129 680,24	R -	R 41 129 680,24	R 19 783 071,81	R19 783 071,81	R 21 346 608,43	R	39 566 143,62	
Total Employee Related Costs	R 41 129 680,24	R -	R 41 129 680,24	R 19 783 071,81	R19 783 071,81	R 21 346 608,43	R	39 566 143,62	
Contracted Services	R 58 291 141,01	R 350 000,00	R 58 641 141,01	R 34 355 192,27	R33 031 395,15	R 24 285 948,74	R	68 710 384,54	
Total Contracted Services	R 58 291 141,01	R 350 000,00	R 58 641 141,01	R 34 355 192,27	R33 031 395,15	R 24 285 948,74	R	68 710 384,54	
Depreciation	R 22 790 630,34	R -	R 22 790 630,34	R 15 786 199,59	R15 786 199,59	R 7 004 430,75	R	31 572 399,18	
Total Depreciation	R 22 790 630,34	R -	R 22 790 630,34	R 15 786 199,59	R15 786 199,59	R 7 004 430,75	R	31 572 399,18	
Finance Cost	R -	R -	R -	R -	R -	R -	R	-	
Total Finance Cost	R -	R -	R -	R -	R -	R -	R	-	
Other Material	R 8 791 651,05	-R 350 000,00	R 8 441 651,05	R 1 589 802,21	R 843 787,50	R 6 851 848,84	R	3 179 604,42	
Total Other Material	R 8 791 651,05	-R 350 000,00	R 8 441 651,05	R 1 589 802,21	R 843 787,50	R 6 851 848,84	R	3 179 604,42	
Other Expenditure	R 507 836,52	R -	R 507 836,52	R 172 610,46	R 170 670,46	R 335 226,06	R	345 220,92	
Total Other Expenditure	R 507 836,52	R -	R 507 836,52	R 172 610,46	R 170 670,46	R 335 226,06	R	345 220,92	
Total Operating Expenditure	R131 510 939,15	R -	R 131 510 939,15	R 71 686 876,34	R69 615 124,51	R 59 824 062,81	R	143 373 752,68	
Surplus	R 60 168 478,46	R -	R 60 168 478,46	R 34 495 884,14	R32 424 132,31	R 25 672 594,32	R	72 031 291,99	



**2.6 2024/2025 INVESTMENTS PORTFOLIO ANALYSIS**

As at 31 December 2024, the total balance of investments accounts is R 151,4 million. A comparison of this balance to the prior years, follows:



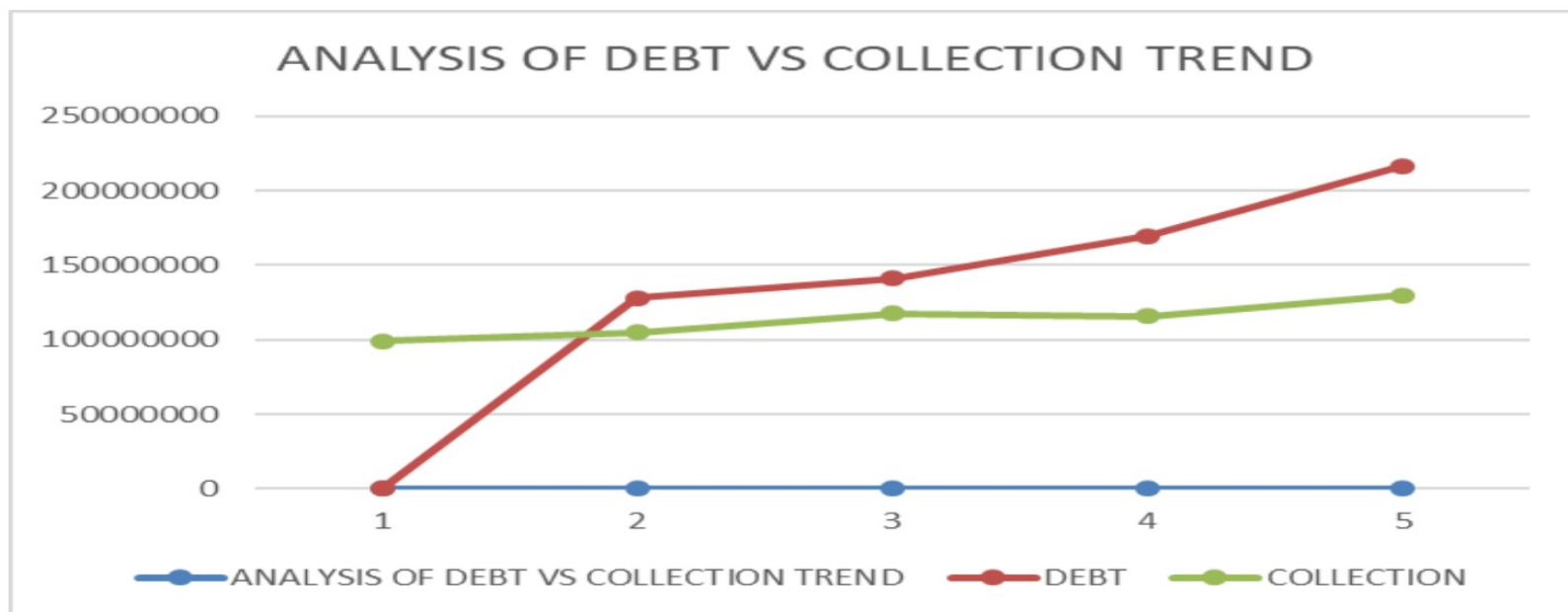
The investment balances were sitting at R188.6 million in 2023 , then decreased in 2024 December when the pandemic started due to low revenue collections that were experienced. Throughout the duration of the pandemic, the performance of the balances has been steady.

**2.7 2023/2024 DEBTORS OVERVIEW**





In 2019 the collections were more than the debt, then collection levels decreased in 2020 during covid-19 and have been sloping downwards since then. The debtors book is notable increasing as customers can't afford to make their payments when they fall due. The impact of low revenue collections is not impacting that much on the operations (no short term liquidity problems) other than the reduced budget, of which in the long run service delivery will be negatively affected. In summary, the cash flow is not affected by the reduced collection levels because the budgeted cash flows were reduced from the onset looking at the trend. That resulted to reduced budgets, of which if the collections continue to decrease from what they used to be, in the long run service delivery will be impacted.



A comparison of monthly debt payments shows a remarkable high increase in September 2019/2020 and a momentous decrease in 2020/2021 financial year. Collections further decreased in 2021/2022 on annual / arrear debt (September) payments and slightly increased in 2022/2023. In addition to that, the collections in October 2023 had increased as compared to the previous year. The positive change is greatly appreciated.



UMDONI MUNICIPALITY

MID-YEAR BUDGET & PERFORMANCE ASSESSMENT REPORT FOR THE 2024/2025 BUDGET YEAR

DEBTORS AGE ANALYSIS DECEMBER 2024								
DECEMBER 2024								
ACCOUNT TYPE	CURRENT	30 DAYS	60 DAYS	90 DAYS	120 DAYS	OVER 120	TOTAL	DEBT %
REFUSE REMOVAL	825 905,22	453 802,08	378 517,26	313 986,92	293 741,70	11 617 576,45	13 883 529,63	6,46%
PENALTIES	0,00	7 973,00	13 363,46	16 555,42	18 220,34	5 355 719,58	5 411 831,80	2,52%
RATES(Total of all categories)	7 037 227,19	3 865 768,80	2 796 077,47	2 435 467,00	2 268 110,81	109 333 778,78	127 736 430,05	59,41%
PENALTIES	0,00	39 267,74	55 820,10	72 387,81	89 476,40	33 767 937,21	34 024 889,26	15,83%
SEWER	0,00	0,00	0,00	0,00	0,00	6 051,17	6 051,17	0,00%
PENALTIES	0,00	0,00	0,00	0,00	0,00	5 805,94	5 805,94	0,00%
HOUSING	2 981,05	2 981,05	2 981,05	2 981,05	2 981,05	773 736,74	788 641,99	0,37%
PENALTIES	0,00	0,00	0,00	0,00	0,00	164 217,94	164 217,94	0,08%
TRAFFIC FINES	0,00	0,00	0,00	0,00	0,00	12 429 738,47	12 429 738,47	5,78%
PENALTIES							0,00	0,00%
SUNDRY ACCOUNTS	1 309 569,40	887 024,83	1 066 654,41	807 388,72	636 629,53	20 902 310,52	25 609 577,41	11,91%
PENALTIES	0,00	8 001,94	13 414,30	18 526,44	19 747,94	1 788 928,64	1 848 619,26	0,86%
<b>Sub-total</b>	<b>9 175 683</b>	<b>5 264 819</b>	<b>4 326 828</b>	<b>3 667 293</b>	<b>3 328 908</b>	<b>196 145 801</b>	<b>221 909 333</b>	<b>100,00%</b>
ADVANCED PAYMENTS	-6 917 963,57						-6 917 963,57	-3,22%
<b>Total</b>	<b>2 257 719</b>	<b>5 264 819</b>	<b>4 326 828</b>	<b>3 667 293</b>	<b>3 328 908</b>	<b>196 145 801</b>	<b>214 991 369</b>	
<b>% OF DEBT</b>	<b>1,1%</b>	<b>2,4%</b>	<b>2,0%</b>	<b>1,7%</b>	<b>1,5%</b>	<b>91,2%</b>	<b>100,00%</b>	



The municipality is being owed a total amount of R214.9 million, of which the biggest portion is owed by households sitting at R148.3 million. The second biggest is government departments that are sitting at R44.5 million. Business debtors owing just over R15.7 million.

## 2.8 2024/2025 CREDITORS OVERVIEW

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Umdoni Municipality strives to pay all creditors within 30 days of receipt of invoice. This has been largely successful except in exceptional circumstances such as when the quality of goods supplied is in doubt or there's a query. Once all queries are resolved, payments to creditors are made in the next payment cycle.

CREDITORS AGE ANALYSIS							
< 30 Days	< 60 Days	< 90 Days	< 120 Days	< 150 Days	< 180 Days	< 365 Days	> 365 Days
R 1 108 322,10	0	0	0	0	0	0	0



## 2.9 FINANCIAL VIABILITY

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The Ratio indicates the municipality's ability to meet at least its monthly fixed operating commitments from cash and short-term investment without collecting any additional revenue, during that month.

### Methodology applied

The Ratio is adjusted for Unspent Conditional Grants as the cash is not available for normal municipal day-to-day operational expenditure but rather reserved for Grant related expenditure. The funds are excluded from the available cash because the obligation already exist.

### The ratio calculation:

	5 Month
Cash and cash equivalents	38 684 130
Unspent Conditional Grants	20 295 502
Overdraft	-
Short Term Investments	151 456 130
Total Annual Operational Expenditure	404 841 949

- It can be concluded that *ceteris paribus* (all things constant) the Municipality will be able to meet its short-term obligations, for the period of 05 months. This is within the norm of 1-3 months. The cash coverage has been fluctuating throughout the financial year due to payment of accruals of the previous year, providing cash where the grants transfers are made late by the donors. However, it has always been within the three months' norm.
- One of the issues which are posing the risk to the cash coverage are the low revenue collections due as impacted by the low economic growth and the impact of the rates withholding by the action group.





## 2.10 MATERIAL VARIANCES TO THE SDBIP

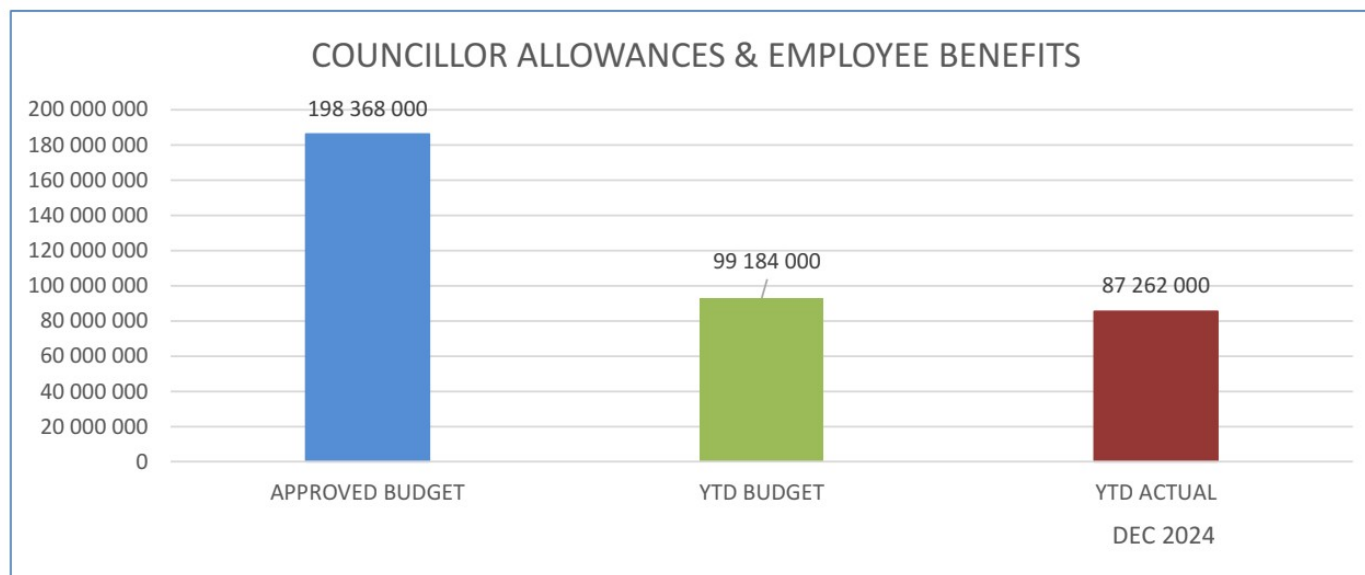
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Please refer to the SDBIP performance report presented as Annexure.

## 2.11 COUNCILLOR ALLOWANCES AND EMPLOYEE BENEFITS

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As at the 31 December 2024, the total employee benefits and councilors allowances expenditure amounted to R87,2 million (44%) of the total allocated budget of R198,3 million.





## UMDONI MUNICIPALITY

### MID-YEAR BUDGET & PERFORMANCE ASSESSMENT REPORT FOR THE 2024/2025 BUDGET YEAR

#### 2.12 GRANTS OVERVIEW

UMDONI MUNICIPALITY 2024/2025 FINANCIAL YEAR									
SUMMARY OF UNSPENT GRANTS									
DETAILS	2024/25								
	OPENNING BALANCE '01 AUGUST 2024	UN-APPROVED 'ROLL OVER	ALLOCATION	RECEIVED	BALANCE TO BE RECEIVED	GRANT REALISED/ SPENT	LIABILITY AS AT 31 DECEMBER 2024	PERCENTAGE SPENT	SPENT BASED ON THE ALLOCATION RECEIVED EXCLUDING OPENING BALANCE
<b>CONDITIONAL GRANT</b>	<b>6 935 351,00</b>	<b>-</b>	<b>67 891 000,00</b>	<b>43 423 286,87</b>	<b>36 770 713,13</b>	<b>38 379 788,69</b>	<b>20 295 501,95</b>		
MIG	-	-	38 529 000,00	15 595 286,87	22 933 713,13	15 952 411,36	-	102,29%	102,29%
EPWP	-	-	1 249 000,00	875 000,00	374 000,00	621 926,00	253 074,00	71,08%	71,08%
LIBRARIES GRANT	-	-	10 976 000,00	-	10 976 000,00	6 030 961,74	-	0,00%	0,00%
FMG	-	-	1 900 000,00	1 900 000,00	-	946 647,34	953 352,66	49,82%	49,82%
EDTEA GRANT (UMZINTO BUS RANK)	2 091 939,00	-	750 000,00	-	-	-	2 091 939,00	0,00%	0,00%
SMALL REHABILITATION GRANT	3 893,00	-	-	-	-	-	3 893,00	0,00%	0,00%
TITLE DEEDS RESTORATION GRANT	587 558,00	-	-	-	-	-	587 558,00	0,00%	0,00%
INEP	-	-	11 487 000,00	9 000 000	2 487 000,00	10 928 566,54	-	0,00%	0,00%
MUNICIPAL EMPLOYMENT INITIATIVE	31 147,00	-	-	-	-	-	31 147,00	0,00%	0,00%
BEACH INFRASTRUCTURE GRANT	321 415,00	-	-	-	-	-	321 415,00	0,00%	0,00%
MUNICIPAL DISASTER RELIEF GRANT	3 899 399,00	-	-	14 853 000	-	3 899 275,71	14 853 123,29	20,79%	0,00%
ENERGY EFFICIENCY AND DEMAND-SIDE MANAGEMENT	-	-	3 000 000,00	1 200 000	-	-	1 200 000,00	0,00%	0,00%
<b>UNCONDITIONAL GRANT</b>	<b>-</b>	<b>-</b>	<b>182 950 000,00</b>	<b>76 229 000,00</b>	<b>106 721 000,00</b>	<b>-</b>	<b>-</b>		
Equitable share	-	-	182 950 000,00	76 229 000,00	106 721 000,00	-	-	-	-
<b>TOTAL UNSPENT GRANTS</b>	<b>6 935 351</b>	<b>-</b>	<b>250 841 000</b>	<b>119 652 287</b>	<b>143 491 713</b>	<b>38 379 789</b>	<b>20 295 502</b>		

The level of spending on grants is in overall satisfactory as most grants are above the 50% as at the end December 2024 in terms of spending. There are few grants like, the Finance Management Grant(FMG), Municipal Umzinto Bus Rank Grant which are below 50%.

The project funded by the Umzinto Bus Rank Grant is on construction stages and the rollover of the opening balance has been approved. It'll be effected in the adjustment budget.

Title Deed Restoration Grant is not spending because the rollover application had to be approved before inclusion in the budget submitted. It'll be provided for in the adjustment budget as the approval has been granted.

Library Grant: The allocation has not yet been received from the Department. The Department had estimated that the grant will be received by beginning of January 2024.



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3 ***MUNICIPAL MANAGER'S QUALITY CERTIFICATION***

I, Mr. N.G. Kumalo Acting Municipal Manager of UMDONI MUNICIPALITY, hereby certify that the Mid-Year Budget & Performance Assessment Report and its supporting documentation have been prepared in accordance with the Municipal Finance Management Act, No.56 of 2003 and, to the extent as indicated in the document and the regulations made under this Act.

PRINT NAME: \_\_\_\_\_

MUNICIPAL MANAGER OF: \_\_\_\_\_

SIGNATURE: \_\_\_\_\_

DATE: \_\_\_\_\_

**2024-2025**



# **UMDONI MUNICIPALITY DRAFT MID-YEAR PERFORMANCE REPORT**





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## SECTION A: EXECUTIVE SUMMARY

### 1 LEGISLATIVE REQUIREMENTS

Outlined in Section 40 of the Municipal Systems Act 32 of 2000 (MSA), Municipalities must establish mechanisms to monitor and review its Performance Management System (PMS) so as to measure, monitor, review, evaluate and improve performance at organisational-, departmental- and employee levels. Section 34 of the MSA furthermore points out that the Integrated Development Plan (IDP) has to be reviewed on an annual basis and that during the IDP review process the Key Performance Areas, Key Performance Indicators and Performance Targets be reviewed and this review will form the basis for the review of the Organisational Performance Management and Performance Contracts of Senior Managers.

The Municipal Planning and Performance Management Regulations (2001) stipulates that a "municipality's performance management system entails a framework that describes and represents how the municipality's cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organised and managed, including determining the roles of the different role-players" (Chapter 3, Section 7, Municipal Planning and Performance Management Regulations, 2001).

Section 46 of the Municipal Systems Act (Act 32 of 2000), inter alia stipulates the following:

46. (1) A municipality must prepare for each financial year an annual report consisting of -
- (a) a performance report reflecting; (i) the municipality's, and any service provider's, performance during that financial year, also in comparison with targets of and with performance in the previous financial year; (ii) the development and service delivery priorities and the performance targets set by the municipality for the following financial year; (iii) measures that were or are to be taken to improve performance;"

### 2 ORGANIZATIONAL PERFORMANCE MANAGEMENT SYSTEM

Municipal Systems Act (MSA) of 2000, Section 38(a) mandates municipalities to establish performance management systems, and the Planning and Performance Management Regulations of 2001, describes the municipality's Performance Management System (PMS) as consisting of a framework that articulates and represents how the municipality's cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organised and managed as well as to determine the roles of different stakeholders.

The performance management system is a tool that measures the implementation of an organisation's strategy. It also provides a mechanism to measure whether targets meet the strategic objectives that are set by municipalities and employees. In Umdoni municipality the PMS implementation and management process is carried out at phases namely:

- **Phase 1: Planning**

Umdoni Municipality embarked on the first phase of an organisational performance management system and the key output of this process was the development of the Integrated Development Plan (IDP) that was adopted by Council in May 2023.

- **Phase 2: Implementation**

The actual implementation of the IDP over a single financial year is given effect through the Service Delivery Budget Implementation Plan (SDBIP), performance contracts of the Municipal Manager and other S57 Managers. 2024/2025 SDBIP was approved by the Mayor in June 2024. However due to the ongoing challenges experienced during the April – September period related to instability and protests, the municipality has been unable to meet the established timeframes of concluding Performance Agreements for Senior management by 30 July 2024.





- **Phase 3: Monitoring**

Monitoring continuously tracks performance against what was planned by collecting and analysing data on the indicators established for monitoring and evaluation purposes. It provides continuous information on whether progress is being made toward achieving results (outputs, outcomes, and goals) through record keeping and regular reporting systems.

Umdoni municipality achieved this process through compilation of Managers Quarterly Performance Reports at Departmental Level, compilation of Consolidated Quarterly, Half Yearly and Annual Performance Report at Municipal Level and submission of these reports to Manco, Internal Audit for assessment, Council & Portfolio Committees to enable political leadership to play their oversight role on performance management

- **Phase 4: Evaluation**

Evaluation is a periodic, in-depth analysis of programme performance. It relies on data generated through monitoring activities such as Quarterly performance reviews and Performance Evaluations. Umdoni Municipality council appointed a Performance Evaluation Committee through and the Council resolved on appointing the following members to the Performance Evaluation Committee:

- The Chairperson of the Audit Committee
- A Municipal Manager from another Municipality
- The Municipal Manager (Umdoni Municipality)
- And a member of the Executive Committee
- Mayor (Assessment of Municipal Manager)
- Ward Committee Member (Assessment of Municipal Manager)

### 3 ORGANIZATIONAL QUARTERLY PERFORMANCE INFORMATION

Performance Monitoring underpins the Municipality's Integrated Development Plan in terms of reviewing progress regularly in achieving the priorities and delivering value for money services. Early investigation into variances enables remedial action taken where appropriate.

Quarterly performance reports assist the organization in providing a regular update on the progress of various projects and programmes within each user Department. They demonstrate transparency and accountability to stakeholders, including residents. The data collected in these reports assists in making informed decisions about resource allocation, project adjustments and strategic planning for the year ahead. Regular reporting helps identify and issues of bottlenecks early on, allowing for corrective action to be taken promptly. This report will aim to highlight areas of concern that Management should act on and make improvements so that corrective action can be effected by the end of the financial year.

### 4 ANALYSIS OF MID-YEAR PERFORMANCE

As of 31 December 2024, **73%** planned performance targets for the quarter have been met. This demonstrates an increase in performance compared to **60,9%** of performance targets achieved in the 1<sup>st</sup> quarter. This implies that the municipality has made significant progress but did not fully achieve all its milestones set for the 1<sup>st</sup> and 2<sup>nd</sup> Quarter of the financial year.

There are specific areas and challenges that need more attention to improve overall performance especially under the Municipal Transformation & Institutional Development KPA which mainly is represented by the Corporate Services department. The municipality needs to re-evaluate how resources are being allocated specifically the human & financial resource within the Corporate Services department. There is currently a staff vacuum in HR with key positions such as the Human Resources Manager, Human Resources Officer, Labour Relations Officer and Skills Development Officer and including the ICT Section with Manager and Officer positions vacant. This has largely impacted on performance rate that



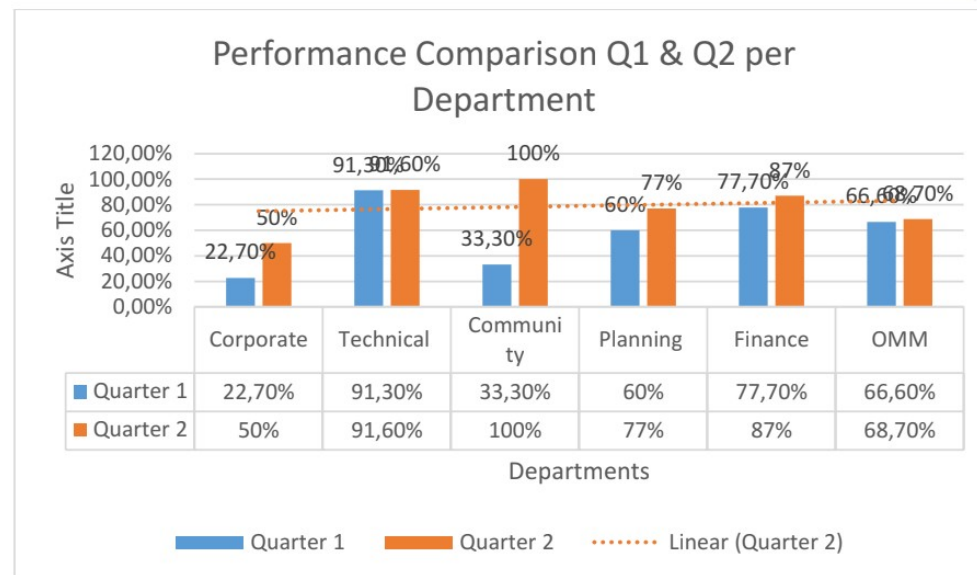
is evident within that department. However, it is important to note that corrective action has been taken to address the high vacancy rate within this Department by advertising these key positions and anticipating the posts to be filled by the 30<sup>th</sup> of January 2025.

A 74,4% overall organizational performance rate for the mid-year period indicates that while there are successes, there's also room for growth and improvement to reach a higher percentage of target achievement by the end of the financial year.

Table 1 below illustrates the percentage of performance for the 2<sup>nd</sup> Quarter of the 2024/2025 per user Department.

	No. of Q1 Targets	Targets Met	Targets Not Achieved	Total Overall Achievement
Corporate Services	20	10	10	50%
Technical Services	24	22	2	91.6%
Community Services	1	1	0	100%
Planning & Development	9	7	1	77%
Office of MM	16	11	5	68.7%
Finance & Treasury	8	7	1	87.7%
<b>Total</b>	<b>78</b>	<b>58</b>	<b>20</b>	<b>74,4%</b>

At Graph 1.1 it is evident that there has been an increase in performance in the 2<sup>nd</sup> Quarter with an overall performance achievement of 74,4% for compared to 60,9% achieved planned performance milestones in the 1<sup>st</sup> Quarter.



The figure also indicates the overall performance in percentages for each Department for Q1 planned milestones in comparison to achievement of planned Q2 milestones. It can be noted that a large vacancy rate especially within the Corporate Services Department specifically Human Resources and ICT has had a huge impact on departmental performance. With many vacant positions the workload increases for the remaining employees which can lead to burn out and decreased productivity. Key programmes such as the development and review of policies have not been conducted and may not be completed by the end of the financial year due to insufficient staff within Human Resources and ICT to carry out necessary tasks.

There are knowledge gaps within the Human Resources section as the section is currently operating with only clerk level staff and interns. The lack of experienced staff in such as strategic unit that drives human resource allocation in order to achieve Council development priorities can result in the loss of institutional knowledge, which in turn can hinder efficient operations and the delivery of services to communities.





Without the permanent filling strategic leadership roles promptly in Corporate Services, Community Services and Finance & Treasury will might lead to the lack of strategic direction that will cause inefficiencies and ineffective planning. Important decisions might be delayed or poorly co-ordinated in the absence of a clear leader thus affecting overall performance whereby strategic goals and performance milestones are not met timeously, as evident currently during the mid-year review.

## 5 PERFORMANCE ANALYSIS PER DEPARTMENT

### 5.1 Corporate Services Department

The strategic objectives under this Key Performance Area are:

- To improve HR Policy Framework that is in line with the IDP and legislation and to ensure alignment of Organizational skills with the Organogram.
- To ensure an effective and Efficient Performance Management Culture within the municipality that enhances accountability. Time management and achievement of Service Delivery Targets
- To establish an efficient and effective ICT environment and infrastructure systems that will optimise business efficiency and productivity in line with IDP service delivery strategies
- To ensure effective and efficient administrative processes that enable delivery of services to our communities
- To ensure effective and efficient management of Municipal Fleet that is in line with service delivery objectives of the municipality
- To ensure effective and Efficient administrative processes that enable service delivery to our communities

Table 4.1 below illustrates the performance of the Corporate Services Department under the Municipal Transformation and Institutional Development KPA.

**Table 4.1: Performance of Corporate Services Department: Municipal Transformation KPA**

DEPARTMENT	TOTAL Q1 TARGETS	TARGETS MET	TARGETS NOT MET	TOTAL TARGETS MET %
Corporate Services	20	10	10	50%



**Figure 5.1: Corporate Mid-Year Performance**

Figure 5.1 above illustrates the Mid-Year overall performance for Corporate Services. It is encouraging to note a slight improvement in overall achievement of targeted milestone for Quarter 2 to 50% compared an overall achievement of planned performance targets of 22,2% in Q1. This improvement in performance can be largely attributed to the appointment of Acting General Manager Corporate Services. High vacancy rates within the Human



Resources section, ICT and the vacant position of Director Corporate Services not only the department in question but the entire organisation can affect operation efficiency through reduced productivity that may be caused by workload increases for remaining employees which can lead to burnout and decreased productivity, key programmes and targets are facing delays and may not be completed on time due to insufficient staff to carry out necessary tasks. This is already prevalent in the Human Resources & ICT.

During the 2023/2024 IDP assessment by the MEC, Umdoni was recommended to develop key policies that are required by legislation such as the Human Resources Strategy, the Employment Equity Plan, the Staff Retention Policy, the Succession Plan as well as the implementation of the Staff Regulations, the review of the ICT Policy & Framework and none of these milestones have been met as envisaged in the 1<sup>st</sup> & 2<sup>nd</sup> Quarter. It is important to note that the review of policies also finds expression in our Municipal Turn-Around Plan

There are Staff Regulations that required implementation with effect from July 2021, implementation of these regulations still pose a challenge for the municipality. Management needs to develop a staff regulations compliance register that will assist the municipality in monitoring the implementation of the Staff Regulations.

Whilst an ICT Assessment was conducted and implementation of some of its recommendations were met, ICT still poses a challenge within the institution. The Municipal Website was redesigned however there is no designated official that uploads legislated information and documents on the municipal website as a result the municipality is found non-compliant on a number of matters when it comes to our Municipal Website and uploading of legislated documentation that needs to be on the municipal website such as performance agreements, the municipal SDBIP, the Annual Report and contracts registers, to name a few. A website compliance checklist needs to be developed and monitored to ensure compliance with our Municipal Website.

Some mitigating strategies that management can employ to address these gaps and challenges so that overall performance can be improved are but not limited to are to commence Recruitment and Selection processes for vacant positions which has already commenced by the advertising the positions of GM: Corporate, Community and Financial Services, ICT Manager, ICT Officer, Human Resources Manager, HR Officer, Skills

Development Officer. Council has already appointed interim General Manager Corporate Services to provide direction and stability until a permanent leader is employed.

Performance Management is not a tool for only managing performance but it is a tool that can also be utilized to capacitate employees. The municipality also needs to invest in training programmes to enhance the skills and capabilities of existing staff. We have reached Mid-Year, however there is still no expenditure on Skills Development.

The table below is an indication of targets not achieved under the Municipal Transformation and Institutional Development KPA which is largely represented by Corporate Services.

ANNUAL TARGET	Q2 TARGET	REASONS FOR VARIANCE	PLAN OF CORRECTIVE MEASURES
Review and Adopt ICT Policy & Framework by 30 December 2024	Adoption of ICT Policy & Framework	ICT Manager passed away in November 2024  GM: Corporate Services post is vacant	ICT Policy & Framework in Draft stages  Presented at Strategic Planning Session in February  Adoption of ICT Policy & Framework 31 March 2025
Conduct 2 Medical Check-Ups by 30 June 2025	1 Medical Check-Up	Due to system challenges during the Q2 period a medical practitioner to conduct Medical Check-Ups could not be appointed timeously	Corporate Services has developed specifications to appoint a panel of Medical Practitioners for a period of 3 years to conduct all medical related issues for the Municipality  The system challenges have been attended to and the process is underway to conduct medical check-ups for employees over the age of 50 and above. This programme will be concluded by 28 February 2025
Conduct 4 Employee Wellness Programmes on Psychosocial, Financial Management &	1 Employee Wellness Programme	Due to tense relations between Employer and Employee, Management has put on hold all staff related programmes that require a gathering.	Local Labour Forum has been re-constituted to address employer and employee tensions and is sitting as and when required  During the adjustment period this KPI will be adjusted to decrease





ANNUAL TARGET	Q2 TARGET	REASONS FOR VARIANCE	PLAN OF CORRECTIVE MEASURES
Substance Abuse by 30 June 2025			the number of wellness programmes to be conducted to 2 for the FY. There is 2 programmes that are anticipated to be conducted by 30 June 2025 which are wellness programmes orientated
Review and Adopt Occupational Health & Safety Policy by 30 December 2024	Adoption of Occupational Health & Safety Policy	GM: Corporate Position is vacant however there is a Draft Policy in place and awaiting workshoping with Labour & Council prior submission for Adoption	Acting GM: Corporate Services was appointed in November 2024  GM: Corporate Services post has been advertised  All Policies that are in Draft format will be workshoped with Councillors and labour during the Strategic Planning Session that is scheduled for 2-7 February 2025.  All Policies under review will be adopted in March 2025
Develop and Adopt Employment Equity Plan by 30 December 2024	Adoption of Employment Equity Plan	GM: Corporate Services Position is vacant HR Manager Position is vacant HR Officer Position is vacant  There is an employee vacuum in Corporate services with majority of positions within Human Resources are vacant with just Clerk Positions filled	GM: Corporate Services, HR Manager & Officer positions have been advertised,  Acting GM: Corporate Services was appointed in November 2024  All Policies that are in Draft format will be workshoped with Councillors and labour during the Strategic Planning Session that is scheduled for 2-7 February 2025.  All Policies under review will be adopted in March 2025
Convene 4 Employment Equity Committee	1 Employment Equity Committee meeting	Members of the Employment Equity Committee were appointed in December 2024	Employment Equity Committee is scheduled for 31 January 2025

ANNUAL TARGET	Q2 TARGET	REASONS FOR VARIANCE	PLAN OF CORRECTIVE MEASURES
Meetings by 30 June 2025			
Develop and Adopt Staff Retention Policy by 30 December 2024	Adoption of Staff Retention Policy	GM: Corporate Services Position is vacant HR Manager Position is vacant HR Officer Position is vacant  There is an employee vacuum in Corporate services with majority of positions within Human Resources are vacant with just Clerk Positions filled	GM: Corporate Services, HR Manager & Officer positions have been advertised,  Acting GM: Corporate Services was appointed in November 2024  All Policies that are in Draft format will be workshoped with Councillors and labour during the Strategic Planning Session that is scheduled for 2-7 February 2025.  All Policies under review will be adopted in March 2025
Develop and Adopt Staff Succession Plan by 30 December 2024	Adoption of Staff Succession Plan	GM: Corporate Services Position is vacant HR Manager Position is vacant HR Officer Position is vacant  There is an employee vacuum in Corporate services with majority of positions within Human Resources are vacant with just Clerk Positions filled	GM: Corporate Services, HR Manager & Officer positions have been advertised,  Acting GM: Corporate Services was appointed in November 2024  All Policies that are in Draft format will be workshoped with Councillors and labour during the Strategic Planning Session that is scheduled for 2-7 February 2025.  All Policies under review will be adopted in March 2025
Spend 100% of WSP allocation by 30 June 2025	25%	GM: Corporate Services Position is vacant HR Manager Position is vacant Skills Development Officer Position is vacant  There is an employee vacuum	GM: Corporate Services, HR Manager & Skills Development Officer positions have been advertised,  Acting GM: Corporate Services was appointed in November 2024



ANNUAL TARGET	Q2 TARGET	REASONS FOR VARIANCE	PLAN OF CORRECTIVE MEASURES
		in Corporate services with majority of positions within Human Resources are vacant with just Clerk Positions filled	The municipality is currently conducting a Skills Audit that will be finalised by 31 January 2025 which will inform the training programme for the FY.
Develop Staff Regulations Compliance Register and update quarterly to monitor implementation of Staff Regulations by 30 September 2024	Update Compliance Register & Submit Report to Portfolio Committee	GM: Corporate Services Position is vacant HR Manager Position is vacant HR Officer Position is vacant  There is an employee vacuum in Corporate services with majority of positions within Human Resources are vacant with just Clerk Positions filled	GM: Corporate Services, HR Manager & Officer positions have been advertised,  Acting GM: Corporate Services was appointed in November 2024  A Staff Regulations compliance register will be developed and discussed at the scheduled Strategic Planning Session to ensure compliance with the Staff Regulations

#### 5.1.1 Areas of concern for Corporate Services

- Filling of critical vacant positions
- Review and Adoption of Policies & HR Plans (HR Strategy, Succession Plan & Employment Equity Plan)
- WSP Expenditure
- Skills Audit
- Implementation of Staff Regulations
- Website Compliance
- Implementation of Employee Wellness programmes
- Revival of Employment Equity Committee
- Employee verifications
- Records Management
- Council Meetings rules order
- ICT Business Continuity & Disaster Recovery Plan





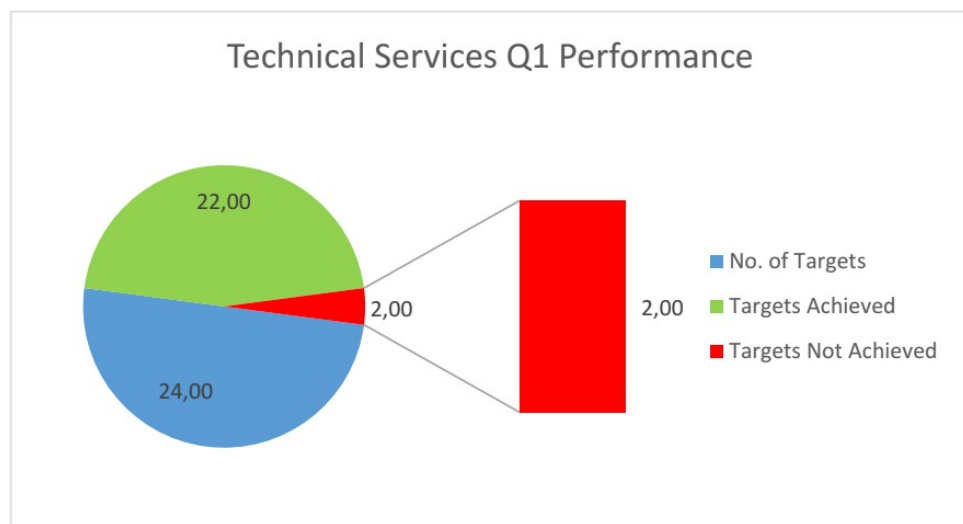
## 5.2 Technical Services Department

The key strategic objectives of the municipality that are aligned to the implementation of our core functions is to ensure the provision, upgrading, and maintenance of infrastructure and services that enhances economic development. To ensure that Umdoni communities have access to energy sources by 2022 and beyond as well as ensuring that the Housing Backlog is eliminated.

Table 5.2 below indicates the performance of the Technical Services Department for Q2

**Table 5.2 Overall Q2 Performance: Technical Services**

DEPARTMENT	TOTAL Q1 TARGETS	TOTAL TARGETS MET	TARGETS NOT MET	OVERALL PERFORMANCE
Technical Services	24	22	2	91.6%



Majority of the Technical services milestones planned for completion in Q2 were roll over disaster projects from the previous financial year anticipated for completion in the second quarter, but were however completed in the 1<sup>st</sup> quarter of the financial year.

There has been a noted delay in the finalization of Mgangeni Community Hall that was targeted for 95% progress by the end of the quarter, however 90% was the reported achievement due to delays caused by work stoppages that have been resolved by the intervention of TROIKA and COGTA.

Work stoppages by local businesses in the Dumisa area were also experienced in the refurbishment of the Dumisa Skills Centre and Community Hall project which have been reported as resolved through intervention by law enforcement.

The table below is an indication of milestones that were set for the Quarter and were not met/achieved under Basic Service Delivery that is largely represented by Technical Services.

ANNUAL TARGET	Q2 TARGET	REASONS FOR VARIANCE	PLAN OF CORRECTIVE MEASURES
Refurbish 100% of Dumisa Community Hall and Skills Centre by 30 June 2025	20% Construction	Social issues with Local Business within the Dumisa area caused stoppages and delays with the commencement of the project	The contractor contacted law enforcement authorities to intervene and the project has commenced and currently on progress.  The project is currently on track and will be completed by the anticipated timeframe of 30 June 2025
Construct and Complete 100% of Mgangeni Community Hall by 31 March 2025	95% Construction	Work stoppages at Mgangeni Community Hall due to social issues with Tribal Authority	The municipality requested the assistance of TROIKA and COGTA to engage the Tribal Authority in Mgangeni. The project is currently underway and anticipated for completion by 28 February 2025



### 5.2.1 Areas of Concern for Technical Services

- Compliance KPI for refuse removal not included on the SDBIP and raised as finding in the Q1 Internal Audit Report
- Appointment of contractors for Construction of Oswanini Community Hall and Upgrading of Mafithini Road from gravel to Asphalt
- Develop Integrated Waste Management Plan
- Development of 3-Year Urban Roads Rehabilitation Programme
- 3 Year Rural Roads Upgrading programme
- Comprehensive Stormwater Management Plan
- Develop Local Transportation Plan
- Develop Service Delivery Improvement Plan (with top 3 core services identified for improvement)
- Eradication of Informal Settlements (Informal Settlements Upgrading Plan)
- Review and Adoption of Housing Sector Plan
- Develop Streetlight Maintenance Programme
- Needs analysis of required plant & Equipment

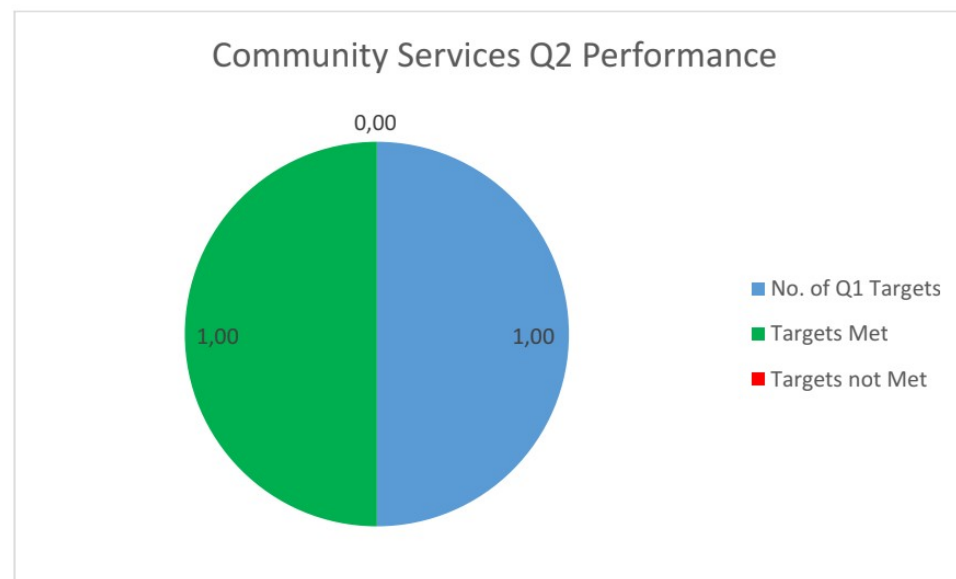
### 5.3 Community Services Department

The key strategic objectives of the municipality that are aligned to the implementation of our core functions is to ensure the provision, upgrading, and maintenance of infrastructure and services that enhances economic development.

Table 5.3 below indicates the performance of Community Services Department for the 2<sup>nd</sup> quarter of the financial year.

**Table 5.3: Community Services Overall Performance for Q2**

DEPARTMENT	Q2 No. of Targets	Targets Met	Targets not Met	Overall Performance
Community Services	1	1	0	100%





Even though Community Services has achieved an overall performance for planned milestones of 100%, it should be noted that Community Services only had one planned milestone for the quarter. They have however managed to implement and achieve milestones that were not achieved in the 1<sup>st</sup> quarter such as the submission of the Verge Maintenance Plan and the Community Facilities Maintenance Plan to the October portfolio committee.

Community services only have 4 targets in the SDBIP for the year in question which do not cover all their functions and responsibilities. During the adjustment period there are indicators that need to be introduced to the departments SDBIP such as conducting disaster risk assessments for all wards which is mandatory every year, the review of the Disaster Management Framework & Plan which is required to be adopted in line with the IDP every financial year, assessment of business to ensure compliance as well as Traffic and Policing performance indicators so that all sections within the Department find expression into the SDBIP.

### 5.3.1 Areas of concern for Community Services

- Review of Disaster Management Plan
- Disaster Risk Assessments
- Relocation of Test Centre
- Capacitation of Disaster Centre

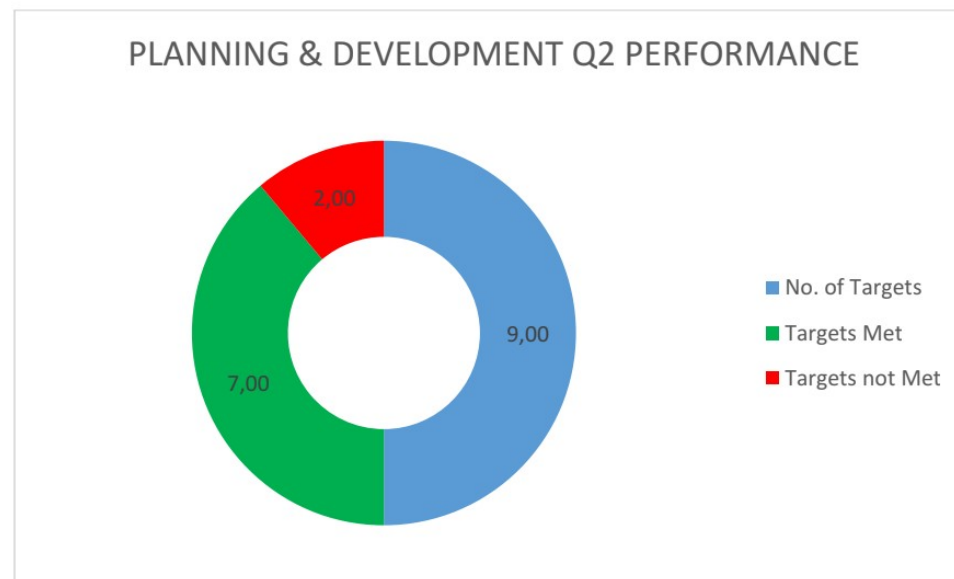
## 5.4 Planning & Development Department

Strategic objectives of this KPA are to promote economic development in order to reduce poverty, inequality and unemployment whilst uplifting and providing support to SMMEs and Co-Operatives. This department is also responsible for ensuring an integrated approach towards planning for urban and rural communities.

Table 4.3 below indicates overall quarter two performance for the Planning & Development Department.

**Table 5.4: Performance of Planning & Development Department**

DEPARTMENT	TOTAL KPI'S	TARGETS MET	TARGETS NOT MET	TOTAL TARGETS MET %
PLANNING & DEVELOPMENT	9	7	2	<b>77%</b>







During the mid-year performance period planning and development managed to increase their performance from 66% to 77% with targets not achieved being the erection of signage at the Umzinto Bus Rank and Traditional Healers market, the project is currently under construction and signage will be erected upon the completion of the project. The planned business exhibition and seminar could not be conducted due to insufficient funds to implement the programme. During the adjustment period the department needs to consider resource allocation or lobby for additional funding to implement the programme.

During the adjustment period the department also needs to consider the inclusion of the approval of building plans within a specified timeframe as a key performance indicator into the SDBIP.

The table below depicts targets that were not achieved under the Local Economic Development KPA which is represented by the Planning & Development Department.

#### 5.4.1 Areas of Concern for Planning & Development

- Adoption and promulgation of Township Economies By-Laws
- Review of Tourism Plan
- Review of LED Strategy
- Adoption of Informal Economy policy
- EPWP Action Plan
- Review MoA with South Coast Tourism and Investment Enterprise
- Review of Spatial Development Framework to ensure compliance with SPLUMA
- Development of Spatial Development Plan (SDP)
- Develop Capital Investment Framework

ANNUAL TARGET	Q2 TARGET	REASONS FOR VARIANCE	PLAN OF CORRECTIVE MEASURES
Erect locational and directional signage for Umzinto Bus Rank & Traditional Healers Market by 30 December 2024	Erect Signage Umzinto Bus Rank & traditional Healers Market	The implementation of Umzinto Bus Rank project was delayed hence the signage erection was also delayed.	Construction of Umzinto Bus Rank has commenced and signage will be erected upon completion of the project by 30 March 2025
Hold 1 business exhibition and Seminar by 30 December 2024	1 Business Exhibition & Seminar	Insufficient funding to implement this programme	Department will lobby for funding to implement this programme during the adjustment period and hold Business Exhibition by 30 March 2025





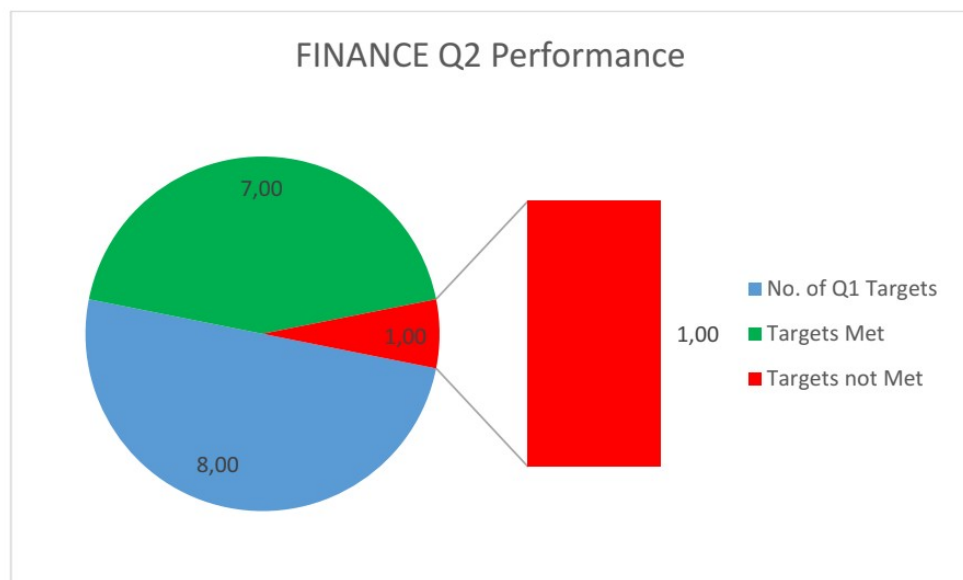
## 5.5 Finance & Treasury Department

The key strategic objectives of the municipality that are aligned to the implementation of our core functions under the Finance and Treasury Department is to ensure that the municipality is financially sustainable and practices sound financial principles.

Table 5.5 below indicates the performance of the Finance and Treasury Department for the 1<sup>st</sup> quarter of the financial year.

Table 5.5: Finance & treasury Overall Performance for Q2

DEPARTMENT	Q1 No. of Targets	Targets Met	Targets not Met	Overall Performance
Finance & Treasury	8	7	1	87.7%



Planned quarter milestones that were not met under finance and treasury office are the finalization of tenders within a period of 120 days. Some of the tenders advertised that were anticipated to exceed 120 days in the 1<sup>st</sup> quarter were extended and evaluation and adjudication committees considered those tenders and some were recommended for advertisement. An assessment of tenders advertised during the 2<sup>nd</sup> quarter needs to be conducted to ascertain whether there will be tenders that will exceed the 120 days' period so that the sitting of Bid-Committees can be fasttracked and those tenders awarded within the specified timeframe.

The table below articulates quarterly milestones that were not met under the Financial Viability & Management KPA which is represented by the Finance & Treasury Department.

ANNUAL TARGET	Q2 TARGET	REASONS FOR VARIANCE	PLAN OF CORRECTIVE MEASURES
Finalise tender awards within 120 days of advertisement by 30 June 2025	120 Days	Due to the Instability experienced in the 1st Quarter caused by staff / community protests negated our ability to perform our duties and tenders exceeded the period of 120 Days	The municipality has extended tenders that has exceeded 120 Days and Bid-Committees will sit on a weekly basis to FastTrack and close open tenders

### 5.5.1 Areas for Concern for Finance & Treasury

- Facilitating and Co-ordinating the development of the Revenue Enhancement Strategy
- Review and adoption of the SCM Policy to comply with relevant amended legislations
- Capacitation of Bid-Committees
- Establishment of contracts management committee
- Formation of MBAT to deal with all objections in compliance with Legislation.
- Review of Indigent Support Register



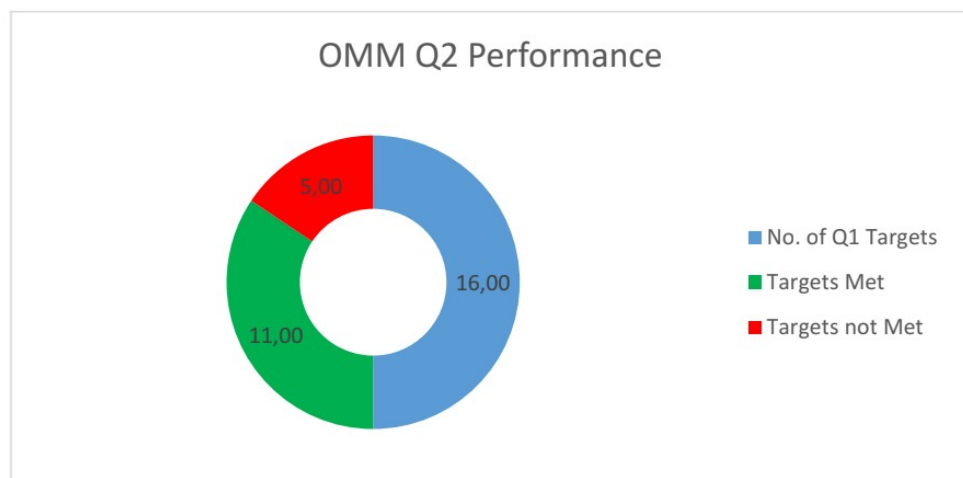
## 5.6 Office of the Municipal Manager

The key strategic objectives of the municipality that are aligned to the implementation of our core functions under the Office of the Municipal Manager is to ensure effective and efficient internal and external communication. To promote human rights and social upliftment of vulnerable groups. To ensure the effective oversight of Performance Audit Committee and Audit Committee.

Table 5.6 below indicates the performance of the Office of the Municipal Manager for the 2<sup>nd</sup> quarter of the financial year.

**Table 5.6: Office of the Municipal Manager Overall Performance for Q1**

DEPARTMENT	Q1 No. of Targets	Targets Met	Targets not Met	Overall Performance
Office of the Municipal Manager	16	11	5	68.6%



There is a slight increase in overall performance for the office of the Municipal Manager, however there are areas of non-achievement that need to be given attention, these areas include the vetting of policies under review, site inspection of leased council properties, the implementation of young women in business and Empower HER campaigns under Youth Development. The planned training for Umdoni Youth in Robotics and Coding could not be implemented as anticipated due to the increase in costing for the training and Moses Kotane not having budgeted sufficient funding for the implementation of the programme. Management will have to look at resource allocation during budget adjustment for the implementation of this programme or consider re-introducing the programme in the next financial year.

Mayoral radio slots were not conducted as scheduled for the two consecutive quarters however that is anticipated to be rectified during the draft IDP/Budget period where public participation processes of the Draft Budget & IDP for 2025/2026 FY will unfold.



The table below depicts planned milestones for the quarter that were not met under the Good Governance KPA which is largely represented by the Office of the Municipal Manager.

ANNUAL TARGET	Q2 TARGET	REASONS FOR VARIANCE	PLAN OF CORRECTIVE MEASURES
Train 57 Umdoni Youth in Agriculture by 30 March 2025	Appoint Service Provider to facilitate Agriculture training programme  Advertise calling for applications	Advert calling for service providers to provide farming training to Youth was publicized 18 October and closed on 30 October 2024, however no suitable bidders were identified	The appointment of service provider for training of youth in Agriculture will be re-advertised.  Youth Department is also in consultation with the Department of Agriculture to assist with the implementation of this programme.  Training is anticipated to commence in April 2025
Train 57 Umdoni Youth in Robotics and Coding by 30 March 2025	Advertise calling for applications	Costing for the provision of training to Youth in Robotics and Coding escalated and the Moses Kotane institute advised that they do not have sufficient funding to assist in funding this programme	Due to budgetary constraints and escalated costs for the implementation of this programme, this programme will be removed from the SDBIP during the adjustment period and will be sufficiently planned for implementation in the 2025/2025 Financial year.
Conduct 8 Mayoral radio Slots by 30 June 2025	2 Mayoral Radio Slots	Unavailability of the Mayor to attend Mayoral Radio Slots on the scheduled dates	Develop Mayoral radio slot schedule in consultation with the Mayor's office to conduct 3 Mayoral Radio Slots for each month of the 3rd Quarter by 30 March 2025
Conduct 4 Inspections of Council Owned Leased properties by 30 June 2025	1 Inspection of municipal Leased Properties	Legal & Estates Section does not have the expertise and capacity to conduct maintenance inspections in leased Council Owned properties that are	The matter has been escalated to Community Services Building Maintenance section and Planning & development Building control section for intervention.  This KPI will be amended during the adjustment period so that it is

ANNUAL TARGET	Q2 TARGET	REASONS FOR VARIANCE	PLAN OF CORRECTIVE MEASURES
			placed under the responsible section for implementation
Reviewed and Adopted Policy on Management & Disposal of Immovable Property by 30 December 2024	Adoption of Management & Disposal of Immovable property policy	Policy needs to be workshopped with Councillors prior adoption	All Policies that are in Draft format will be workshopped with Councillors and labour during the Strategic Planning Session that is scheduled for 2-7 February 2025.  All Policies under review will be adopted in March 2025
Vet 12 Municipal policies by 30 June 2025	Vet 6 Policies	No Policies were submitted to the Legal Section for vetting during the 2nd Quarter	Draft Policies will be submitted to Council for workshopping during the Strategic Planning session that is scheduled for the month of February and Legal & Estates will vet the Draft Policies prior submission to Council for Adoption in March 2025

#### 5.6.1 Areas of concern for Office of the Municipal Manager

- Review of existing Municipal By-Laws and set up timelines for promulgation (other relevant Departments)
- Develop and update Policy Register
- Perform Quarterly performance reviews for Sec 56
- Participation in DDM
- Revive and Operationalize Social Cluster
- Review Communications Strategy & Plan
- Establishment of Customer Care centre in former Vulamehlo Offices
- Prepare & Launch Operation Clean Audit
- Constitute Clean Audit task team
- Capacitation of Internal Audit Section



- Assess condition of leased properties and ensure protection of asset.





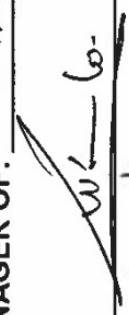
UMDONI MUNICIPALITY  
MID-YEAR BUDGET & PERFORMANCE ASSESSMENT REPORT FOR THE 2024/2025 BUDGET YEAR

3 MUNICIPAL MANAGER'S QUALITY CERTIFICATION

I, Mr. N.G. Kumalo Acting Municipal Manager of UMDONI MUNICIPALITY, hereby certify that the Mid-Year Budget & Performance Assessment Report and its supporting documentation have been prepared in accordance with the Municipal Finance Management Act, No.56 of 2003 and, to the extent as indicated in the document and the regulations made under this Act.

PRINT NAME: Nhlotanipho Geoffrey Kumalo

MUNICIPAL MANAGER OF: Umdoni Municipality

SIGNATURE: 

DATE: 23 | 01 | 2025