



D. MATTERS NOT CONSIDERED BY COMMITTEES OF COUNCIL

1. Approval of the Adjustments Budget and Adjusted Service Delivery and Budget Implementation Plan (SDBIP) for 2025/26 for the year ending 30 June 2026

Executive Mayor (Ald. M Bartlett)

29 January 2026

Purpose

The purpose of this report is to obtain approval of the adjustments to the approved 2025/26 Medium Term Revenue and Expenditure Framework (MTREF) for the year ending 30 June 2026 and to obtain approval for the adjustments to the SDBIP for 2025/26 financial year.

For noting / for decision by

For decision by:

- Council (to approve)
- The item/report has NOT been considered by a portfolio committee.
- This item is for decision by Council.

Background

The 2025/26 MTREF was approved by Council on the 30 May 2025 in accordance with MFMA Section 24 (1). In terms of Section 28(1) of the MFMA, a municipality may revise an approved annual budget through an adjustments budget, and section 28 (4) stipulates that only the mayor may table an adjustments budget in the municipal council.

After careful consideration of the actual year to date performance and adjustments from grantors of the approved original capital and operational budgets, it became necessary that the municipality's budgets be adjusted to reflect the actual performance as well as the projected performance for the rest of the financial year.

In terms of section 23 (1) of the Municipal Budget and Reporting Regulations Government Gazette No.32141 17 April 2009, the following is required; ***"An adjustments budget may be tabled in council at any time after the mid-year budget and performance assessment has been tabled in council, but not later than 28 February of the current financial year"***.

In terms of section 54 (1)(c) of the MFMA, "the mayor must consider and, if necessary, make any revisions to the SDBIP, provided that revisions to the service delivery targets and performance indicators in the plan may only be made with the approval of the council following approval of an adjustments budget".

Annexures

Adjustments Budget 2025/26 MTREF including Schedule B tables and charts

Adjusted SDBIP for 2025/26

NT Observations and recommendations emanating from the 2025/26 Mid-year budget and performance engagement

Debt Relief Compliance Certificates issued by National Treasury for December 2025, which is accompanied by the monthly debt relief non-compliance reports.

ANNEXURE
Separate report

Motivation

None



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Personnel Implications

None

Financial Implications

There are no further financial implications other than as indicated in the annexure.

Legal Authority and Implications

Section 28 and 54 of the MFMA and the Municipal Budget and Reporting Regulations 2009

Consultation

The Municipal Manager, all Executive Directors and Senior Managers, and the Mayoral Committee.

Contact Person

Ald M. Bartlett – Executive Mayor
BS Matlala – Municipal Manager
L. Rapodile – Chief Financial Officer
O. Gopane - IDP Manager

RECOMMENDATION:

1. That the operational and capital adjustment budget as tabled in Schedule B tables and charts be approved as listed below:
 - 1.1 Table B1 – Adjustment Budget Summary
 - 1.2 Table B2 – Adjustment Budget Financial Performance (functional classification)
 - 1.3 Table B3 – Adjustment Budget Financial Performance (revenue and expenditure by municipal vote)
 - 1.4 Table B4 – Adjustment Budget Financial Performance (revenue and expenditure)
 - 1.5 Table B5 – Adjustment Capital Expenditure Budget by vote and funding
 - 1.6 Table B6 – Adjustments Financial Position
 - 1.7 Table B7 – Adjustment Budget Cash Flows
 - 1.8 Table B8 – Cash back reserves and accumulated surplus reconciliation
 - 1.9 Table B9 - Asset Management
 - 1.10 Table B10 – Basic Service Delivery Measurement

Table SB1 – SB19 – Supporting tables
2. That council notes the adjustments in conditional grants appropriated for 2025/26 financial year and the implications of the adjustments in the implementation of projects as planned for the year.
3. That council notes that all CRR funded projects should be cash-backed before awards are made to service providers and funds used.

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4. That due to mSCOA Reporting requirements, the schedules may change from what is presented here, with the bottom-line totals remaining the same, that Council gives the Municipal Manager and the CFO permission to effect, all necessary corrections as a result of reporting requirements.
5. That the adjusted budget be approved and submitted to the relevant stakeholders accordingly
6. That council committees as set up gives attention in the implementation and reporting on this adjustments budget
7. That the adjusted Service Delivery and Budget Implementation Plan (SDBIP) be approved
8. That the Municipal Manager accelerates the collection of arrears from all customer groups as a matter of urgency and apply the Credit Control Policy in full as approved by council and strongly recommended by National Treasury during the 2025/26 Mid-year engagement.
9. That the municipality continues implementing cost containment measures, to improve on the liquidity position of the municipality.
10. That Council notes the observations and recommendations from National Treasury emanating from the 2025/26 Mid-year budget and performance engagement per attached annexure.
11. That Council notes the Debt Relief Compliance Certificates issued by National Treasury for December 2025, which is accompanied by the monthly debt relief non-compliance report.

C11/02/26 RESOLVED:

1 – 11 As recommended.

*Seconded by Cllr S Engelbrecht with NO objections.
