



MADIBENG LOCAL MUNICIPALITY



ANNUAL BUDGET ADJUSTMENT 2022/2023 FINANCIAL YEAR

The Budget Adjustment for Madibeng Local Municipality is published in accordance with the Municipal Finance Management Act, no. 56 of 2003. This second budget adjustment was tabled in compliance with the National Treasury guidelines and was adopted by Council on 28 February 2023. Copies of the Budget Adjustment document will be available at all the Municipal Offices. Alternatively, the budget office can be contacted for assistance on (012) 318 9225/9228

Overview of the adjustment budget

The proposed budget adjustment of Madibeng Local Municipality Totals R 3,072 billion Comprising of R 2,568 billion for Operating expenditure and R 503,5million for Capital expenditure (see table below).

Description	Budget Year 2022/23				Budget Year +1 2023/24	Budget Year +2 2024/25
	Original Budget	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands						
Total Revenue	2 422 623	41 515	41 515	2 464 138	2 584 178	2 759 922
Total Expenditure	2 529 953	38 909	38 909	2 568 862	2 640 434	2 760 034
Surplus/(Deficit)	(107 330)	2 606	2 606	(104 724)	(56 256)	(112)
Capital expenditure	449 264	54 303	54 303	503 567	173 880	136 270
TOTAL BUDGET	2 979 217	93 212	93 212	3 072 430	2 814 314	2 896 304

The Revenue Budget increased from R 2 422 623b to R 2 464 138b which make the total increase of R 41 515m. Increase on Revenue is due to material increase in revenue of Property rates taxes and electricity service charges during the past 6 months due to implementation of financial plan, credit control policy and revenue enhancement strategies. The Expenditure Budget increased from R 2 462 474b to R 2 646 572b which makes the total increase of R 184 097m, thus a deficit of (R 323 954m) The Expenditure Budget increased from R 2 529 953b to R 2 568 862b which makes the total increase of R 38 909m, thus a deficit of (R 104 724m) from (R107 330m) on the original budget. The total capital budget has increased from R 449 264m to R 503 567m due to vehicles, furniture, computers, additional grant from WSIG and approved roll over of MIG.

REVENUE BY SOURCE

Description	Budget Year 2022/23				Budget Year +1 2023/24	Budget Year +2 2024/25
	Original Budget	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands						
Revenue By Source						
Property rates	372 547	31 000	31 000	403 547	388 939	406 441
Service charges - electricity revenue	618 729	20 000	20 000	638 729	645 953	675 021
Service charges - water revenue	195 369	(10 000)	(10 000)	185 369	203 965	213 143
Service charges - sanitation revenue	58 851	(5 000)	(5 000)	53 851	61 441	64 206
Service charges - refuse revenue	65 757	–	–	65 757	68 650	71 739
Rental of facilities and equipment	1 735	–	–	1 735	1 811	1 892
Interest earned - external investments	6 376	5 000	5 000	11 376	6 656	6 956
Interest earned - outstanding debtors	131 166	–	–	131 166	136 938	143 100
Fines, penalties and forfeits	2	–	–	2	2	2
Licences and permits	611	15	15	626	2 542	2 656
Agency services	12 000	–	–	12 000	12 528	13 092

Transfers and subsidies	953 450	-	-	953 450	1 048 458	1 155 094
Other revenue	6 031	500	500	6 531	6 296	6 580
Gains	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)	2 422 623	41 515	41 515	2 464 138	2 584 178	2 759 922

EXPENDITURE BY TYPE

Description	Budget Year 2022/23				Budget Year +1 2023/24	Budget Year +2 2024/25
	Original Budget	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands						
Expenditure By Type						
Employee related costs	690 491	(1)	(1)	690 490	720 872	753 312
Remuneration of councillors	35 362	-	-	35 362	36 918	38 580
Debt impairment	220 000	-	-	220 000	229 680	240 016
Depreciation & asset impairment	350 000	-	-	350 000	365 400	381 843
Finance charges	66 000	1 500	1 500	67 500	68 904	72 005
Bulk purchases - electricity	580 000	(12 000)	(12 000)	568 000	605 520	632 768
Inventory consumed	166 083	-	-	166 083	173 391	180 699
Contracted services	260 466	908	908	261 374	271 089	284 563
Transfers and subsidies	7 000	-	-	7 000	7 308	7 637
Other expenditure	154 551	48 500	48 500	203 052	161 352	168 612
Losses	-	1	1	1	-	-
Total Expenditure	2 529 953	38 909	38 909	2 568 862	2 640 434	2 760 034
Surplus/(Deficit)	(107 330)	2 606	2 606	(104 724)	(56 256)	(112)

CAPITAL

The total capital budget has increased from R 449 264m to R 503 567m due to vehicles, furniture, computers, additional grant from WSIG and approved roll over of MIG.

MIG

A total amount of R413,3m has been allocated for Municipal Infrastructure Grant Projects, which includes rollover of R 73,4m.

INEP

A total amount of R45m has been allocated for The Integrated National Electrification Programme Grant

WSIG

A total amount of R14,7m has been allocated for Water Service Infrastructure Grant

LIBRARY GRANT

A total amount of R 166 000 has been allocated

INTERNAL FUNDS

A total amount of R 29,8m Unavoidable expenditure on computer and furniture. Purchase of new vehicles since the contract for leased vehicles ended. Replacement of meters

Detailed Capital Expenditure

Description	Original Budget	Expenditure To Date	Adjustments	Proposed Budget Adjustment
MIG				
VEHICLES	8 500 000	-	-	8 500 000
HIGH MASS LIGHT ENEGERSING	36 500 000	-	(1 300 000)	35 200 000
KLIPGAT EXTENTION WATER SUPPLY	6 000 000	1 546 058	8 800 000	14 800 000
HEBRON/ KGABALATSANE/ ROCKVIL/ITSOSENG	10 000 000	2 076 987	4 246 672	14 246 672
KLIPGAT SANITATION PROJECT	9 500 000	4 381 388	1 750 000	11 250 000
WARD 1 VIP TOILETS	16 000 000	-	18 149 999	34 149 999
UPGRADING OF MOTHOTLUNG OUTFALL SEWER	32 000 000	2 200 000	(12 650 000)	19 350 000
UPGRADING OF OUKASIE OUTFALL SEWER	25 000 000	-	4 500 000	29 500 000
FURNITURE & EQUIPMENT	-	-	90 000	90 000
CLUSTER 1 INTERNAL ROADS	-	5 000 584	6 000 000	6 000 000
UPGRADE OF INTERNAL ROADS OF CLUSTER 3	8 000 000	1 592 726	0	8 000 000

UPGRADE OF INTERNAL ROADS OF CLUSTER 4	11 000 000	488 194	(3 000 000)	8 000 000
UPGRADE OF INTERNAL ROADS OF CLUSTER 5	12 000 000	6 859 110	(607 829)	11 392 171
UPGRADE OF INTERNAL ROADS OF CLUSTER 6	-	3 523 714	11 075 017	11 075 017
UPGRADE OF INTERNAL ROADS OF CLUSTER 7	-	3 431 146	4 924 983	4 924 983
UPGRADE OF INTERNAL ROADS OF CLUSTER 8	7 550 000	1 014 984	(5 488 842)	2 061 158
BAPONG CONNECTOR ROAD	7 250 000	-	300 000	7 550 000
UPGRADING OF MOTHOTLUNG INTERNAL ROAD	7 550 000	-	(300 000)	7 250 000
UPGRADING OF ITSOSENG INTERNAL ROADS	14 853 934	303 081	(7 303 934)	7 550 000
UPGRADING OF KGABALATSANE INTERNAL ROAD	10 860 000	-	(1 656 780)	9 203 220
LETHABONG INTERNAL TAXI ROUTE	12 330 000	448 012	(5 014 700)	7 315 300
MMAKAU WARD 17 POLONIA INTERNAL ROAD	8 000 000	582 199	4 330 000	12 330 000
REHABILITATION OF TAXI ROUTE- LETLHABILE	8 000 000	-	8 900 000	16 900 000
REHABILITATION OF TAXI ROUTE- MOTHOTLUNG	8 000 000	-	8 900 000	16 900 000
REHABILITATION OF TAXI ROUTE- OUKASIE	1 500 000	-	15 400 000	16 900 000
REHABILITATION OF TAXI ROUTE- DAMONSVILL	3 500 000	-	7 500 000	11 000 000
UPGRADING OF OUKASIE VUKA INTERNAL ROADS	17 398 956	-	(10 608 956)	6 790 000
UPGRADING OF KL TO CHECKERS ROAD MABOLOK	14 113 079	-	(6 977 788)	7 135 291
MMAKAU WARD 18 CLINIC ROAD	-	-	850 000	850 000
MMAKAU WARD 19 RING ROAD	-	-	1 450 000	1 450 000
BLOCK E CEMETERY ROAD	8 000 000	-	-	8 000 000
HEBRON STREAM AND STORMWATER	1 800 000	-	12 700 000	14 500 000
OUKASIE TAXI RANK	1 500 000	1 638 261	3 259 640	4 759 640
MMAKAU LIBRARY	3 000 000	841 487	8 401 347	11 401 347
MADIBENG SMME DEVELOPMENT HUB - BRITS	4 000 000	515 051	5 759 541	9 759 541
KLIPGAT FIRE STATION	15 000 000	-	(3 280 000)	11 720 000
UPGRADING OF BRITS FIRE STATION	11 258 370	-	(5 608 370)	5 650 000
	339 964 339	36 442 982	73 490 000	413 454 339
INEP				
LETHLABILE SUBSTATION	43 500 000	-		43 500 000
LETLHABILE BLOCK H ELECTRIFICATION	2 000 000	-		2 000 000
	45 500 000	-	-	45 500 000
WSIG				
ERADICATION OF WATER & SANITATION BACKLO	40 800 000	13 590 331	(26 079 404)	14 720 596
LIBRARY GRANT				
PLANT & EQUIPMENT	-	28 334	56 000	56 000
FURNITURE & EQUIPMENT	-	56 432	110 000	110 000
	-	84 766	166 000	166 000
INTERNAL FUNDING				
VEHICLES		578 105	664 900	664 900
DAMONSVILLE ELECTRIC SUPPLY LINE UPGRADE	3 000 000	-		3 000 000
MELODIE ELECTRIC SUPPLY LINE UPGRADE	3 500 000	-		3 500 000
UNDERGROUND WATER AUGMENTATION	15 000 000	-		15 000 000
REPLACEMENT OF WATER METERS		463 602	5 450 000	5 450 000
PLANT & EQUIPMENT		326 677	350 551	350 551
FURNITURE & EQUIPMENT		191 482	321 000	321 000
REHABILITATION OF TAXI ROUTE- HARTEBEES	1 500 000	-		1 500 000
	23 000 000	1 559 866	6 786 451	29 786 451
TOTAL BUDGET	449 264 339	51 677 945	54 363 047	503 627 386

The adjustment is aimed at committing R73 490 000 that was approved by National Treasury as a roll-over from 2021/22 MIG budget. Some projects that were not included in the budget had to be included allocated budget. Adjustment have been made upwards on some of the projects that were allocated top up funding from Department of water and sanitation, some were adjusted downwards based on the analysis of the spending pattern.

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