



## EXTRACT FROM THE COUNCIL MINUTES HELD ON 08 DECEMBER 2025

Item A18. 08.12.2025

### ADJUSTMENT BUDGET FOR 2025/26 - 2027/2028 – 08 DECEMBER 2025

S Stanley: Chief Financial Officer

(Ref.: 6/1/1/R)

#### PURPOSE

The purpose of the report is to table to Council the Adjustment Budget process for the 2025/26 MTREF as per MFMA section 28 legislation for consideration.

#### BACKGROUND

In terms of the MFMA an adjustment budget must be approved by every municipality whenever it is required to address adjusted revenue expectations, expenditure adjustments and capital project modifications. The Adjustment Budget has been compiled and is submitted to Council for consideration.

When a prior financial period concludes and a new budget year commence for a municipality, it is frequent that roll-over grant funding already committed needs to be approved by National and Provincial Treasury. The funding approval is only received a few months further in the new financial year, hence these amounts successfully agreed upon needs to be added in an adjustment budget. Furthermore, priority projects (capital or operational) impacting sustainable service delivery are also highlighted in this adjustment budget as a matter of importance.

**The Medium-Term Revenue and Expenditure Framework (MTREF) report inclusive of the budget schedules, which are compiled in terms of the Municipal Budgeting and Reporting Regulations (MBRR), will be distributed prior to the Council meeting of 08 December 2025.**

#### LEGAL FRAMEWORK

Section 28 of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) and section 23 of the Municipal Budgeting and Reporting Regulations (MBRR) stipulates as follows:

##### **Municipal adjustments budgets (MFMA)**

*“28. (1) A municipality may revise an approved annual budget through an adjustments budget.*

*(2) An adjustments budget —*

- a) must adjust the revenue and expenditure estimates downwards if there is material under collection of revenue during the budget year;*
- b) may appropriate additional revenues that have become available, over and above those anticipated in the annual budget, but only to revise or accelerate spending programmes already budgeted for;*

- c) may, within a prescribed framework, authorise unforeseeable and unavoidable expenditure recommended by the mayor of the municipality;
- d) may authorise the utilisation of projected savings in one vote towards spending under another vote;
- e) may authorise the spending of funds that were unspent at the end of the financial year preceding the budget year, where the under-spending could not reasonably have been foreseen at the time when the annual budget for the budget year was approved by the council;
- f) may correct any errors in the annual budget; and
- g) may provide for any other expenditure within a prescribed framework.”

In addition to section 28 of the MFMA, section 23 of the Municipal Budgeting and Reporting Regulations states as follows:

*“23. Timeframes for tabling of adjustments budgets*

- (a) *An adjustments budget referred to in section 28(2)(b), (d) and (f) of the Act may be tabled in the municipal council at any time during the mid-year budget and performance assessment has been tabled in the council, but not later than 28 February of the current year.*
- (b) *Only one adjustments budget referred to in sub-regulation (1) may be tabled in the municipal council during a financial year, except when the additional revenues contemplated in section 28(2)(b) of the Act are allocations to a municipality in a national or provincial adjustments budget, in which case sub-regulation (3) applies.*
- (c) *If a national or provincial adjustments budget allocates or transfers additional revenues to a municipality, the mayor of the municipality must, at the next available council meeting, but within 60 days of the approval of the relevant national or provincial adjustments budget, table an adjustments budget referred to in section 28(2)(b) of the Act in the municipal council to appropriate these additional revenues.*
- (d) *An adjustments budget referred to in section 28(2)(c) of the Act must be tabled in the municipal council at the first available opportunity after the unforeseeable and unavoidable expenditure contemplated in that section was incurred within the period set in section 29(3) of the Act.*
- (e) *An adjustments budget referred to in section 28(2)(e) of the Act may only be tabled after the end of the financial year to which the roll-overs relate and must be approved by the municipal council by 25 August of the financial year following the financial year to which the roll-overs relate.*
- (f) *An adjustments budget contemplated in section 28(2)(G) of the Act may only authorize unauthorized expenditure as anticipated by section 32(2)(a)(i) of the Act, and must be –*
- (g) *dealt with as part of the adjustments budget contemplated in sub-regulation (1); and*
- (h) *A special adjustments budget tabled in the municipal council when the mayor tables the annual report in terms of section 127(2) of the Act, which may only deal with unauthorized expenditure from the previous financial year which the council is being requested to authorize in terms of section 32(2)(a) (i) of the Act.”*

## **COMMENTS**

An adjustments budget referred to in section 28(2) of the MFMA will be tabled for consideration to the municipal council.

Amendments include:

## **CAPITAL BUDGET**

The municipality tabled as part of the Approved budget a multi-year project THE KARWYDERSKRAAL REGIONAL LANDFILL SITE – New Cell development Cell 5A

Project budgeting was as follows:

- 2025/26                    R 9,200,000
- 2026/27                    R20,000,000
- 2027/28                    R20,000,000

The adjustment budget amendment relates to the acceleration of the Karwyderskraal landfill development project. This project required to be fast-tracked, hence the funding for the project needs to re-aligned with the implementation of the project and the cashflow projections of the development of the Cell 5 A, the composting expansion site and the road upgrade.

A municipal supply chain management tender process was followed and concluded and the revision of the project is now required based on the updated information that was not available at the finalisation of the budget.

The project is prioritised to enhance service delivery and to ensure effective, efficient, and economical management of the landfill rendering services to three of the local municipalities in the region.

Please find the amended Capital project list attached in the budget document, as the table indicate the original budget, the amendments, and the new proposed adjustment budget for the 3-year period.

## **OPERATIONAL BUDGET**

The Operational budget also require adjustments with roll-over grant funding being approved by Treasury. The only other amendments are due to budget re-alignment matters requiring legal expertise, where the funding will be transferred from consulting services (saving in finance) towards legal cost incurred by the municipality.

The municipality remains vigilant with spending, however ensuring all expenses will be covered for the financial period. A mid-year adjustment budget will be used to make the critical adjustment necessary to the budget again towards the needs identified by Council to ensure more aligned budgeting, hence striving towards a breakeven budget.

The schedules are included in the budget document in terms of the Municipal Budgeting and Reporting Regulations (MBRR) – see Schedule B attached. adjustment budget for the period.

**RESOLVED** : (Proposed by Ald. J Niewoudt and seconded by Ald. H Coetzee)

- 1) That the December Adjustment Budget 2025/26 – 2027/28 with amendments to the budget, was approved by Council.
- 2) That the changes (if any) to the SDBIP, be considered and approved by Council.

**CERTIFIED A TRUE EXTRACT FROM THE MINUTES OF THE COUNCIL MEETING HELD  
ON 08 DECEMBER 2025.**

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke at the end, positioned above a horizontal line.

**R BOSMAN  
MUNICIPAL MANAGER**