

DANNHAUSER MUNICIPALITY ADJUSTMENT BUDGET 2011/2012

DANNHAUSER LOCAL MUNICIPALITY KZN254



ADJUSTMENT BUDGET 2011/2012

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PART 1

2. MAYOR'S REPORT

Honorable Speaker, Cllr ZS Ngubeni
Deputy Mayor of Dannhauser Municipality Cllr VM Ndaba
Members of the Executive Committee of Dannhauser
Councillors present
Officials and all protocol observed

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

3. BUDGET RESOLUTIONS

On 26 January 2012 the Council of Dannhauser Local Municipality met in the Council Chambers of Dannhuser Municipality to consider the adjustment budget of the municipality for the financial year 2011/12. The Council approved and adopted the following resolutions:

1. The Council of Dannhauser Local Municipality, acting in terms of section 24 of the Municipal Finance Management Act, (Act 56 of 2003) approves and adopts the adjustment budget for 2011/12 financial year.

4. EXECUTIVE SUMMARY

4.1. OVERVIEW OF THE MUNICIPALITY

The Dannhauser municipality is located in the Amajuba District Municipality (ADM) in the north- western corner of the KwaZulu-Natal. The 2007 Community Survey (STATSSA) indicated that the population of the municipality was estimated to be 91 366 people which is down on the 2001 census which indicated that the municipality had 102 779 people. The urban and commercial core of the municipality is focussed on the erstwhile TLC of Dannhauser. Large concentrations of people and poverty are located north of the erstwhile TLC of Dannhauser in the tribal areas of the Buffalo Flats in the following four Traditional Houses:

- Ingwe Traditional Council;
- Emalangeni Traditional Council;
- Ubuhlebomzinyathi Traditional Council; and
- Gule Traditional Council

The Dannhauser municipality is largely rural, which like many rural communities of South Africa, is characterised by high rate of HIV/AIDS, and other diseases, poverty, unemployment, lack of business development opportunities and attraction and poor levels of economic development. The priority areas of the local community are to improve local economic development through LED programmes, skills development, spatial planning and land use management.

Dannhauser Municipality is one of the Local Municipality that falls under Amajuba District situated in KwaZulu Natal Province. The district as a whole is facing decline in GGP in all sectors. The economy of the district has experienced a change from a dominant manufacturing base to services base. There has been some growth in the trade, construction and community services sectors. Although the district as a whole has a number of challenges due to the declining economy a lot of initiatives are underway to revive the economy.

Institutional Arrangements

The Municipality has seven Departments namely;

- Office of the Mayor
- Office of the Municipal Manager
- Financial Services
- Corporate Services
- Technical Services
- Community Services
- Development and Planning Services

4.2 COUNCILLORS, EXECUTIVE COMMITTEE AND OFFICIALS

EXECUTIVE COMMITTEE

DESIGNATION	SURNAME & INITIALS	PORTFOLIO COUNCILOR
Mayor	Mrs.JP Phakathi	Council
Deputy Mayor	Mr. VM Ndaba	Council
Speaker	Mr. ZS Ngubeni	Council
Executive Committee Member	Mr. MA Sibeko	Council
Executive Committee Member	Ms. TV MAbanga	Council
Executive Committee Member	Mr. BW Nkosi	Municipal Manager
Executive Committee Member	Mr. DL Walker	Technical Services
Executive Committee Member	Mr. JH Roeloffse	Community Services
Executive Committee Member	Mrs. S Narothum	Corporate Services
Executive Committee Member	Mrs. NP Ntuli	Accountant Income
Executive Committee Member	Ms NP Dlamini	Accountant Income

COUNCIL

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DESIGNATION	SURNAME & INITIALS
Speaker	ZS Ngubeni
Councillor	TV Mabanga
Councillor	MA Sibeko
Councillor	NM Majola
Councillor	MP Sithole
Councillor	NS Hlongwane
Councillor	HV Mdakane
Councillor	LL Nxumalo
Councillor	MA Ngidi
Councillor	AH Buthelezi
Councillor	NJ Mhlungu
Councillor	ES Kunene
Councillor	AN Radebe
Councillor	SN Ndlovu
Councillor	PP Nene
Councillor	NGJ Manyathi
Councillor	MA Buthelezi

SENIOR OFFICIALS

DESIGNATION	SURNAME & INITIALS
Municipal Manager	WB Nkosi
Manager Corporate	S Narothumb
Manager Technical	DL Walker
Chief Financial Officer	BB Mdletshe
Manager Community	JH Reoloffse
Manager Planning & Development	P Ndlovu

4.3. ADJUSTMENT BUDGET 2011/12

INTRODUCTION

The purpose of the 2011/12 adjustment budget is to comply with the Municipal Finance Management Act (No.56 of 2003) and is a financial plan to enable the municipality to achieve its vision and mission through the IDP which informs the Dannhauser Municipality's five-year programme and community/stakeholder inputs.

4.3.1 OPERATING BUDGET

4.3.1.1 Revenue

Original budgeted revenue for 2011/12 was R85 024 027, and the 2011/12 adjusted budgeted revenue is R89 920 557. The variance of R4 896 530 is as a result of an increase in accumulated surpluses from R R1 130 657 to R6 027 187. There is a 5.76% increase in revenue from the original budget to the adjusted budget.

4.3.1.2 Expenditure

Original budgeted expenditure for 2011/12 was R85 024 027. And the adjusted budgeted expenditure is R89 920 557. The increase of R4 896 530 in the adjusted budget for expenditure is as a result of increases in the following items:

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- **Salaries wages and allowances**, which increased by R2 243 574 from the original budget. The original budget was R17 243 786, and the adjusted budget is R19 487 360. This has resulted in a 2.64% increase for expenditure from the original budget.
- **General expenditure**, which has increased by R2 838 575 from the original budget. The original budget was R21 584 547, and the adjusted budget is R24 433 122. This has resulted in a 3.34% increase for expenditure from the original budget.
- **Repairs and maintenance**, which has decreased by R264 895 from the original budget. The original budget was R6 165 545, and the adjusted budget is R5 900 650. This has resulted in a 0.3% decrease for expenditure from the original budget.
- **Contributions to capital outlay**, which has increased by R79 275 from the original budget. The original budget was R40 020 250, and the adjusted budget is R40 099 425. This has resulted in a 0.09% increase for expenditure from the original budget.

5. SUMMARY OF CAPITAL BUDGET

Description	Amount Original budget - R	Amount Adjusted Budget - R	Difference - R
Council			
Motor vehicle – Mayor's car	300 000	300 000	0
Equipment & Furniture	50 000	50 000	0
Total	350 000	350 000	0
Corporate Services			
Council chambers aircons	100 000	100 000	0
Council chambers floors	50 987	50 987	0
Laptops for councillors	220 000	220 000	0
Equipment & Furniture	100 000	100 000	0
Total	470 987	470 987	0
Finance			
FMG	1250 000	1250 000	0
Equipment & Furniture	50 000	50 000	0
Total	1 300 000	1 300 000	0
Technical Services			
Land & Buildings upgrade	600 000	800 000	200 000
Carports	70 000	70 000	0
Air conditioner	45 000	45 000	0
Roads	0	3 000 000	3 000 000
Municipal Electricity back up system	49 786	49 786	0
Portable generator	80 000	80 000	0
Mast light/Street light	300 000	300 000	0
Ward 9 hall enhancement	1 000 000	1 100 000	100 000
Tipper truck	1 500 000	1 250 000	(250 000)
Water tanker	1 000 000	1 000 000	0
Roller equipment - Roads	600 000	600 000	0
Welding equipment	20 000	20 000	0
High pressure cleaner	20 000	20 000	0
Office Equipment & furniture	100 000	100 000	0
Removal of an electricity pole ramphosa	260 000	260 000	0
Total	5 644 786	8 694 786	3 050 000
MIG : Technical Services			
Rural roads	7 359 873	7 359 873	0
Bus route	1 048 516	1 048 516	0

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Community hall	2 427 723	2 427 723	0
Sports centre	4 464 887	4 464 887	0
Total	15 337 000	15 337 000	0
Community services			
Mast Light (KwaMdakane)	300 000	300 000	0
Air conditioner	35 000	35 000	0
Animal Pound	325 000	325 000	0
Chipper (Gardening machine)	85 000	85 000	0
Maltie bailer (Gardening machine)	35 000	35 000	0
LDV (4*4)	415 000	415 000	0
Fire Fighting Truck	1 250 000	1 100 000	(150 000)
Vacuum cleaner	24 000	24 000	0
Cemetery extension & Fencing (Rural)	200 000	200 000	0
Cemetery extension & Fencing (Precasts) Urban	300 000	200 000	(100 000)
Rural housing infrastructure	237 000	237 000	0
Total	3 206 000	2 956 000	(250 000)
Protection Services			
Extension of existing training office	50 000	50 000	0
Testing grounds	150 000	250 000	100 000
Equipment and furniture	50 000	50 000	0
Total	250 000	350 000	100 000
Development Planning			
MSIG	790 000	790 000	0
LED Farm project	0	2 300 000	2 300 000
Equipment & furniture	50 000	50 000	0
Total	840 000	3 140 000	2 300 000
Municipal Manager			
Equipment & Furniture	50 000	50 000	0
Total	50 000	50 000	0
Indirect Projects			
Rural housing infrastructure	4 000 000	4 000 000	0
Integrated Electrification Programme	8 000 000	8 000 000	0
Total	12 000 000	12 000 000	0

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