

- C.15.5 REVISION OF BUDGET ESTIMATES: MUNICIPAL ADJUSTMENTS BUDGET FOR THE 2018/2019 FINANCIAL YEAR (5/1/1/9)**
- R.15.5 HERSIENING VAN BEGROTINGSBERAMINGS: MUNISIPALE AANSUIWERINGSBEGROTING VIR DIE 2018/2019 FINANSIËLE JAAR (5/1/1/9)**
- C.15.5 UKUHLAZIYWA KOQIKELELO LOHLAHLO LWABIWO-MALI: UHLAHLO LWABIWO-MALI OLULUNGELELANISIWEYO LUKAMASIPALA LONYAKA-MALIWAMA-2018/2019 (5/1/1/9)**
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PURPOSE OF SUBMISSION

That Council consider to approve an Adjustments Budget contemplated in terms of section 28(2)(b), (d) and (f) of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA) and regulation 23(1) of the Municipal Budget and Reporting Regulations, 2008.

DOEL VAN VOORLEGGING

Dat die Raad oorweging daaraan skenk om 'n Aansuiweringsbegroting, soos beoog ingevolge artikel 28(2)(b), (d) en (f) van die Wet op Plaaslike Regering: Munisipale Finansiële Bestuur, 2003 (Wet No. 56 van 2003) (MFMA) en regulasie 23(1) van die Munisipale Begrotings- en Verslag-doeningsregulasies, 2008, goed te keur.

INJONGO YONGENISO

Yeyokokuba iBhunga licamngce ngokwamkela uHlengahlengiso kuHlahlo Lwabiwo- Mali oluchazwe ngokwemigaqo yecandelo 28(2)(b), (d) kunye (f) loMthetho kaMasipala: uMthetho kaMasipala woLawulo lweMali uMthetho, wama-2003 (uMthetho onguNombolo 56 wama-2003) (MFMA) noMmiselo 23 (1) kwiMithetho kaMasipala woHlahlo Lwabiwo-mali neMimiselo yokunikwa kweNgxelo, wama-2008.

BACKGROUND

In terms of section 28 of the MFMA a council may at times have to consider a revision of its original budget as a result of material and significant changes in the collection of revenue, spending patterns, or projections thereof for the remainder of the financial year.

Section 28(4) of the MFMA stipulates that only the mayor may table an adjustments budget in the municipal council, but an adjustments budget in terms of section 28(2)(b) to (g) may only be tabled within any prescribed limitations as to timing or frequency.

Section 28 of the MFMA provides as follows in respect of an adjustments budget:

- (a) council may only appropriate additional revenue that has become available, but only to revise or accelerate spending programmes already budgeted for (multiple years);

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- (b) a municipality may authorise the utilisation of projected savings in any vote for spending on another vote;
- (c) may authorise the spending of funds that were unspent at the end of the past financial year where the underspending could not reasonably have been foreseen at the time to include projected roll-overs when the annual budget for the current year was approved by the council;
- (d) May correct any errors in the annual budget;
- (e) May provide for any other expenditure within a prescribed framework.

Section 28(5) determines that when an adjustments budget is tabled, it must be accompanied by -

- (i) An explanation of how the adjustments affect the approved annual budget;
- (ii) Appropriate motivations for material changes; and
- (iii) An explanation of the impact of any increased spending on current and future annual budgets.

Furthermore, regulation 23 of the Municipal Budget and Reporting Regulations, 2008 (published in Government Gazette No. 32141 on 17 April 2009), determined the timeframes for tabling of adjustments budgets as follows:

- (1) An adjustments budget referred to in section 28(2)(b), (d) and (f) of the MFMA may be tabled in the municipal council at any time after the mid-year budget and performance assessment has been tabled in the council, but not later than 28 February of the current year.
- (2) 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 MFMA are allocations to a municipality in a national or provincial adjustments budget, in which case sub-regulation (3) applies.

In terms of section 30 of the MFMA, the appropriation of funds in an annual or adjustments budget lapses to the degree in which those funds are unspent at the end of the financial year to which the budget relates, except, in terms of section 16(3), in the case of an appropriation for expenditure made for a period longer than that financial year. Section 16(3) stipulates that Council may approve money for capital expenditure for a period of not more than three financial years, provided that a separate appropriation is made for each of those financial years.

PROPOSED REVISED BUDGET FEBRUARY 2019

Additional Income

The following additional allocations were made to the Cape Winelands District Municipality (CWDM) by the Western Cape Provincial Government in November 2018. Council approved an Adjustments Budget at a Council Meeting held on 6 December 2018 for the 2018/2019 financial year as prescribed in terms of section 28(2)(b) of the MFMA and regulation 23(3) of the Municipal Budget and Reporting regulations, 2008:

- (i) Safety Plan Implementation: Whole of Society Approach R1 000 000
- (ii) Local Government Graduate Internship Grant R72 000
- (iii) Municipal Service Delivery and Capacity Building Grant R400 000
- (iv) Western Cape Government: Transport and Public Works R10 845 000
- (v) The Community Development Workers (CDW) Operational Support Grant amounting to R74 000 was reallocated

Rollover Approvals

The Western Cape Provincial Minister of Finance has granted approval in terms of section 10(2) of the Western Cape Appropriation Act (WCAA) 2017 (Act No. 1 of 2017), to roll-over the following unspent funds:

- (i) Western Cape Financial Management Support Grant
(Asset Management) R695 040
- (ii) Integrated Transport Planning R707 612

No Rollover Adjustments budget was submitted during August 2018 due to the fact that the approval was pending.

Adjustments budget summary

Included in the agenda under separate cover are copies of the following:

- Annexure "A" Schedule B Adjustments Budget 2017/2018
- Annexure "B" 2017/2018 Adjustments Budget: Summary per vote
- Annexure "C" 2017/2018 Adjustments Budget: Capital
- Annexure "D" 2017/2018 Adjustments Budget: Projects
- Annexure "E" Mid-year Budget and Performance Assessment Report for the period 1 July 2018 to 31 December 2018 as stipulated in section 54(1)(f) of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA)

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- Annexure “F” Approval of Rollover Applications
- Annexure “G” B Schedules (to be included with final submission)
- Annexure “H” 2018/2019 Adjusted SDBIP
(Will be submitted to Mayoral Committee)

COMMENT

Virements:

Various other adjustments, the utilisation of savings in one vote towards spending under another vote, in terms of the Virement Policy of the Cape Winelands District Municipality, were affected.

Capital:

Capital expenditure is disclosed in detail in Annexure “C”.

IMPLICATIONS

PERSONNEL

None.

Comment prepared by: Ms. G.C.N. Gilbert

FINANCIAL

Financial implications were addressed adequately in the contents of the item and concomitant Annexures.

Comment prepared by: Ms. F.A. du Raan-Groenewald

LEGAL

Section 28(1) of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA) stipulates that a municipality may revise an approved annual budget through an adjustments budget.

In terms of section 28(2) of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA) an adjustments budget-

- (a) must adjust the revenue and expenditure estimates downwards if there is material under-collection of revenue during the current 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;

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- (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 past financial year where the under-spending could not reasonably be foreseen at the time to include projected roll-overs when the annual budget for the current year was approved by the council;
- (f) may correct any errors in the annual budget;
- (g) may provide for any other expenditure within a prescribed framework;

Section 28(3) of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA) stipulates that an adjustments budget must be in the prescribed form.

In terms of section 28(4) determines only the mayor may table an adjustments budget in the municipal council, but an adjustments budget in terms of subsection (2)(b) to (g) may only be tabled within any prescribed limitations as to timing or frequency.

In accordance with section 28(4), when an adjustments budget is tabled, it must be accompanied by –

- (a) an explanation how the adjustments budget affects the annual budget;
- (b) a motivation of any material changes to the annual budget;
- (c) an explanation of the impact of any increased spending on the annual budget and the annual budgets for the next two financial years;
- (d) any other supporting documentation that may be prescribed;

Section 28(6) stipulates that municipal tax and tariffs may not be increased during a financial year, whilst section 28(7) determines that section 22(b), 23(3) and 24(3) of the MFMA apply in respect of an adjustments budget, and in such application a reference in those sections to an annual budget must be read as a reference to an adjustments budget.

Comment prepared by: Ms. W.M. Neethling

RECOMMENDATION BY MUNICIPAL MANAGER: That -

- (a) The Executive Mayor and Mayoral Committee take cognisance of the following -
 - (i) That the Accounting Officer submitted the Mid-year Budget and Performance Assessment Report for the period 1 July 2018 to 31 December 2018, as prepared in accordance with section 72 of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA) to the Executive Mayor (Annexure “E”);

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- (b) The Executive Mayor together with the Mayoral Committee consider to recommend to Council to -
 - (i) Take cognisance of the Mid-year Budget and Performance Assessment Report for the period 1 July 2018 to 31 December 2018 as stipulated in section 54(1)(f) of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA) (Annexure “E”);
 - (ii) Approve the 2018/2019 Adjustments Budget attached as Annexures “A”, “B”, “C”, “D”, “F”, “G” and “H”.

AANBEVELING DEUR MUNISIPALE BESTUURDER: Dat -

- (a) Die Uitvoerende Burgemeester en Burgemeesterskomitee kennis neem van die volgende –
 - (i) Dat die Rekenpligtige Beampte die Halfjaarlikse Begroting- en Prestasie-evalueringsverslag vir die tydperk 1 Julie 2018 tot 31 Desember 2018, soos opgestel ingevolge van artikel 72 van die Wet op Plaaslike Regering: Munisipale Finansiële Bestuur, 2003 (Wet No. 56 van 2003) (MFMA), aan die Uitvoerende Burgemeester voorgelê het (Bylae “E”);
- (b) Die Uitvoerende Burgemeester saam met die Burgemeesterskomitee oorweging daaraan skenk om by die Raad aan te beveel om –
 - (i) Kennis te neem van die Halfjaarlikse Begroting- en Prestasie-evalueringsverslag vir die tydperk 1 Julie 2018 tot 31 Desember 2018, soos bepaal in artikel 54(1)(f) van die Wet op Plaaslike Regering: Munisipale Finansiële Bestuur, 2003 (Wet No. 56 van 2003) (MFMA) (Bylae “E”);
 - (ii) Die 2018/2019 Aansuiweringsbegroting aangeheg as Bylaes “A”, “B”, “C”, “D”, “F”, “G” en “H”, goed te keur.

NGCEBISO EYENZIWA NGUMLAWULI KAMASIPALA: Yokokuba -

- (a) USodolophu wesiGqeba kunye neKomiti kaSodolophu bathabathele ingqalelo oko kulandelayo -
 - (i) Okokuba iGosa eliNika iNgxelo ulungenisile uHlahlo Lwabiwo-mali lwaPhakathi eNyakeni kunye neNgxelo yoVavanyo lweNdlela yokuSebenza elulungiselelwe isithuba esisuka kumhla woku-1 kuJulayi 2018 ukuya kumhla wama-31 kuDisemba 2018, njengoko luqulunqwe ngokuhambelana necandelo lama-72 loMthetho kaMasipala: uMthetho woLawulo lweMali kaMasipala, wama-2003 (uMthetho onguNombolo 56 wama-2003) (MFMA) kuSodolophu wesiGqeba (iSihlomelo “E”);

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- (b) USodolophu wesiGqeba kunye neKomiti kaSodolophu bacamngce ngokundulula kwiBhunga okokuba –
- (i) Lithabathele ingqalelo uHlahlo Lwabiwo-mali lwaPhakathi eNyakeni kunye neNgxelo yoVavanyo lweNdlela yokuSebenza elulungiselelwe isithuba esisuka kumhla woku-1 kuJulayi 2018 ukuya kumhla wama-31 kuDisemba 2018, njengoko luqulunqwe ngokuhambelana necandelo lama-72 loMthetho kaMasipala: uMthetho woLawulo lweMali kaMasipala, wama-2003 (uMthetho onguNombolo 56 wama-2003) (MFMA) kuSodolophu wesiGqeba (iSihlomelo “E”);
- (ii) Lamkele uHlahlo Lwabiwo-mali oluLungelelanisiweyo lowama-2018/2019 olunikezelwe ngokuthunyelwa ngekhompyutha njengeZihlomelo “A”, “B”, “C”, “D”, “F”, “G” kunye no- “H”.

MAYORAL COMMITTEE: 12 FEBRUARY 2019: ITEM MC.8.2.3

RESOLVED: That -

- (a) Cognisance be taken that the Accounting Officer submitted the Mid-year Budget and Performance Assessment Report for the period 1 July 2018 to 31 December 2018, as prepared in accordance with section 72 of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA) to the Executive Mayor (Annexure “E”);
- (b) It be recommended to Council to -
- (i) Take cognisance of the Mid-year Budget and Performance Assessment Report for the period 1 July 2018 to 31 December 2018 as stipulated in section 54(1)(f) of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA) (Annexure “E”);
- (ii) Approve the 2018/2019 Adjustments Budget attached as Annexures “A”, “B”, “C”, “D”, “F”, “G” and “H”.

BURGEMEESTERSKOMITEE: 12 FEBRUARIE 2019: ITEM BK.8.2.3

BESLUIT: Dat –

- (a) Kennis geneem word dat die Rekenpligtige Beampte die Halfjaar Begroting- en Prestasie-assesseringsverslag vir die tydperk 1 Julie 2018 tot 31 Desember 2018, soos opgestel ingevolge artikel 72 van die Wet op Plaaslike Regering: Munisipale Finansiële Bestuur, 2003 (Wet No. 56 van 2003) (MFMA), aan die Uitvoerende Burgemeester voorgelê het (Bylae “E”);

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- (b) Dit by die Raad aanbeveel word om –
- (i) Kennis te neem van die Halfjaar Begroting- en Prestasie-assesseringsverslag vir die tydperk 1 Julie 2018 tot 31 Desember 2018, soos bepaal in artikel 54(1)(f) van die Wet op Plaaslike Regering: Munisipale Finansiële Bestuur, 2003 (Wet No. 56 van 2003) (MFMA) (Bylae “E”);
 - (ii) Die 2018/2019 Aansuiweringsbegroting, aangeheg as Bylae “A”, “B”, “C”, “D”, “F”, “G” en “H”, goed te keur.

**IKOMITI KASODOLOPHU: UMHLA WE-12 KUFEBRUWARI 2019:
UMBA MC.8.2.3**

KUGQITYWE: Okokuba -

- (a) Ingqalelo kufuneka ithatyathelwe into yokokuba iGosa eliNika iNgxelo lingenise iNgxelo yaPhakathi eNyakeni yoHlahlo Lwabiwo-mali kunye noVavanyo lokuSebenza elungiselelwe isithuba esiqala ngomhlawoku-1 kuJulayi 2018 ukuyakumhla wama-31 kuDisemba 2018, njengoko ilungiswe ngokuhambelana necandelo 72 loMthetho kaMasipala: uMthetho kaMasipala woLawulo lweMali, wama-2003 (uMthetho onguNombolo 56 wama-2003) (MFMA) kuSodolophu wesiGqeba (iSihlomelo “E”);
- (b) Kundululwe kwiBhunga okokuba -
- (i) Lithabathele ingqalelo iNgxelo yaPhakathi eNyakeni yoHlahlo Lwabiwo-mali kunye noVavanyo lokuSebenza elungiselelwe isithuba esiqala ngomhlawoku-1 kuJulayi 2018 ukuyakumhla wama-31 kuDisemba 2018, njengoko ilungiswe ngokuhambelana necandelo 72 loMthetho kaMasipala: uMthetho kaMasipala woLawulo lweMali, wama-2003 (uMthetho onguNombolo 56 wama-2003) (MFMA) (iSihlomelo “E”);
 - (ii) Livume uHlahlo Lwabiwo – mali oluHlenga-hlengisiweyo lowama-2018/2019 oluncanyatheliswe njengeZihlomelo “A”, “B”, “C”, “D”, “F”, “G” kunye no-H”.

RECOMMENDATION BY MAYORAL COMMITTEE: That -

- (a) Cognisance be taken of the Mid-year Budget and Performance Assessment Report for the period 1 July 2018 to 31 December 2018 as stipulated in section 54(1)(f) of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA) (Annexure “E”);
- (b) The 2018/2019 Adjustments Budget attached as Annexures “A”, “B”, “C”, “D”, “F”, “G” and “H” to the agenda item be approved.

AANBEVELING DEUR BURGEMEESTERSKOMITEE: Dat –

- (a) Kennis geneem word van die Halfjaar Begroting- en Prestasie-assesseringsverslag vir die tydperk 1 Julie 2018 tot 31 Desember 2018, soos bepaal in artikel 54(1)(f) van die Wet op Plaaslike Regering: Munisipale Finansiële Bestuur, 2003 (Wet No. 56 van 2003) (MFMA) (Bylae “E”);
- (b) Die 2018/2019 Aansuiweringsbegroting, aangeheg as Bylae “A”, “B”, “C”, “D”, “F”, “G” en “H” by die agenda-item, goedgekeur word.

INGCEBISO EYENZIWA YIKOMITI KASODOLOPHU: Yeyokokuba -

- (a) Ingqalelo kufuneka ithatyathelwe iNgxelo yaPhakathi eNyakeni yoHlahlo Lwabiwo-mali kunye noVavanyo lokuSebenza elungiselelwe isithuba esiqala ngomhlawoku-1 kuJulayi 2018 ukuyakumhla wama-31 kuDisemba 2018 njengoko kuchaziwe kwicandelo 54(1)(f) loMthetho kaMasipala: uMthetho kaMasipala woLawulo lweMali, wama-2003 (uMthetho onguNombolo 56 wama-2003) (MFMA) (iSihlomelo “E”);
- (b) UHlahlo Lwabiwo – mali oluHlenga-hlengisiweyo lowama-2018/2019 oluncanyatheliswe njengeZihlomelo “A”, “B”, “C”, “D”, “F”, “G” kunye no-“H” kumba we-ajenda kufuneka luvunywe.

COUNCIL MEETING: 28 FEBRUARY 2019: ITEM C.15.5

RESOLVED: (Unanimously 34 Councillors) That -

- (a) Cognisance be taken of the Mid-year Budget and Performance Assessment Report for the period 1 July 2018 to 31 December 2018 as stipulated in section 54(1)(f) of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA) (Annexure “E”);
- (b) The 2018/2019 Adjustments Budget attached as Annexures “A”, “B”, “C”, “D”, “F”, “G” and “H” to the agenda item be approved.