

**C.15 MATTERS FOR CONSIDERATION**

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- C.15.1 REVISION OF BUDGET ESTIMATES: MUNICIPAL ADJUSTMENTS BUDGET FOR THE 2020/2021 FINANCIAL YEAR (5/1/1/9)**
- R.15.1 HERSIENING VAN BEGROTINGSBERAMINGS: MUNISIPALE AANSUIWERINGS-BEGROTING VIR DIE 2020/2021 FINANSIËLE JAAR (5/1/1/9)**
- C.15.1 UKUHLAZIYWA KOQIKELELO LOHLAHLO LWABIWO-MALI: UHLAHLO LWABIWO-MALI OLULUNGELELANISIWEYO LUKAMASIPALA LONYAKA-MALIWAMA-2020/2021 (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 Verslagdoeningsregulasies, 2008, goed te keur.

**INJONGO YONGENISO**

Yeyokokuba iBhunga lamkele uHlahlo Lwabiwo-mali oluHlenga-hlengisiweyo oluqulunqwe ngokwemigathango yecandelo 28(2)(b), (d) kunye no-(f) loMthetho kaMasipala: uMthetho woLawulo lweMali, 2003 (uMthetho onguNombolo 56 wama-2003) (MFMA) kunye nomthetho 23 (1) weMithetho kaMasipala yoHlahlo Lwabiwo-mali nokuNikwa kweNgxelo, 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);
- (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), determines 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 JANUARY 2021**

### **Additional Income**

No additional allocations were made to the Cape Winelands District Municipality by the Western Cape Provincial Government in November 2019. Council approved an Adjustments Budget at a Council Meeting held on 3 December 2019 for the 2020/2021 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 to provide for the decrease in the following Grant funding:

WC Financial Management Cap Build Grant from R401 000 to R300 000

### **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) 2019 (Act No. 4 of 2019), to roll-over the following unspent funds:

(i) Safety Plan Implementation – Whole of Society Approach (WoSA)	R 329 151
(ii) Integrated Transport Planning	R 875 250
(iii) Local Government Internship Grant	R 160 000
(iv) Fire Services Capacity Building Grant	R 1 046 000
(v) Community Development Workers Grant	R 102 887

No Roll-over Adjustments budget was submitted during August 2019 due to the fact that the approval was pending.

### **Adjustments budget summary**

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Annexure “A”	Schedule B Adjustments Budget 2020/2021
Annexure “B”	2020/2021 Adjustments Budget: Summary per vote
Annexure “C”	2020/2021 Adjustments Budget: Capital
Annexure “D”	2020/2021 Adjustments Budget: Projects
Annexure “E”	Mid-year Budget and Performance Assessment Report for the period 1 July 2020 to 31 December 2020 as stipulated in section 54(1)(f) of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA)
Annexure “F”	Approval of Roll-over Applications
Annexure “G”	B Schedules (to be included with final submission)
Annexure “H”	2020/2021 Adjusted SDBIP

Annexure “I” Adjustments to the proposed allocations and grants by the District Municipality in terms of section 67 of the MFMA, as set out in Annexure “I”.

## **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;
- (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 term 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 prescribe;

Section 28(6) stipulates that municipal tax and tariffs may not be increased during a financial year, whilst section 28(7) determines that sections 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 section 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 2020 to 31 December 2020, 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) 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 2020 to 31 December 2020 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 2020/2021 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 2020 tot 31 Desember 2020, 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 2020 tot 31 Desember 2020, 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 2020/2021 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 2020 ukuya kumhla wama-31 kuDisemba 2020, njengoko luqulunqwe ngokuhambelana necandelo lama-72 loMthetho kaMasipala: uMthetho woLawulo lweMali kaMasipala, wama-2003 (uMthetho onguNombolo 56 wama-2003) (MFMA) kuSodolophu wesiGqeba (iSihlomelo "E");
- (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 2020 ukuya kumhla wama-31 kuDisemba 2020, 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-2020/2021 olunikezelwe ngokuthunyelwa ngekhompyutha njengeZihlomelo "A", "B", "C", "D", "F", "G" kunye no- "H".

**MAYORAL COMMITTEE: 19 JANUARY 2021: ITEM MC.8.2.2**

**RESOLVED:** That –

- (a) Cognisance be taken of the following –
- (i) The Accounting Officer submitted the Mid-year Budget and Performance Assessment Report for the period 1 July 2020 to 31 December 2020, 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 2020 to 31 December 2020 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 2020/2021 Adjustments Budget as amended, attached as Annexures “A”, “B”, “C”, “D”, “F”, “G” and “H”.

**BURGEMEESTERSKOMITEE: 19 JANUARIE 2021: ITEM BK.8.2.2**

**BESLUIT:** Dat –

- (a) Kennis geneem word van die volgende –
  - (i) Die Rekenpligtige Beampte het die Halfjaarlikse Begroting- en Prestasie-evalueringsverslag vir die tydperk 1 Julie 2020 tot 31 Desember 2020, soos voorberei ingevolge artikel 72 van die Wet op Plaaslike Regering: Munisipale Finansiële Bestuur, 2003 (Wet No. 56 van 2003) (MFMA) aan die Uitvoerende Burgemeester voorgelê (Bylae “E”);
- (b) Dit by die Raad aanbeveel word om –
  - (i) Kennis te neem van die Halfjaarlikse Begroting- en Prestasie-evalueringsverslag vir die tydperk 1 Julie 2020 tot 31 Desember 2020, 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 2020/2021 Aansuiweringsbegroting soos gewysig, aangeheg as Bylae “A”, “B”, “C”, “D”, “F”, “G” en “H”, goed te keur.

**IKOMITI KASODOLOPHU: UMHLA WE-19 KUJANYUWARI 2021: UMBA MC.8.2.2**

**KUGQITYWE:** Okokuba -

- (a) Inggalelo ithatyathelwe oku kulandelayo –
  - (i) IGosa eliNika iNgxelo lingenise iNgxelo yoHlahlo Lwabiwo-mali lwaPhakathi eNyakeni kunye neNgxelo yoVavanyo lweNdlela yokuSebenza elulungiselelwe isithuba esisuka kumhla woku-1 kuJulayi 2020 ukuya kumhla wama-31 kuDisemba 2020, njengoko luqulunqwe ngokuhambelana necandelo lama-72 loMthetho kaMasipala: uMthetho woLawulo lweMali kaMasipala, wama-2003 (uMthetho onguNombolo 56 wama-2003) (MFMA) kuSodolophu wesiGqeba (iSihlomelo “E”);

- (b) Kundululwe kwiBhunga okokuba –
- (i) Lithabathele ingqalelo Lithabathele ingqalelo uHlahlo Lwabiwo-mali lwaPhakathi eNyakeni kunye neNgxelo yoVavanyo lweNdlela yokuSebenza elulungiselelwe isithuba esisuka kumhla woku-1 kuJulayi 2020 ukuya kumhla wama-31 kuDisemba 2020, njengoko luqulunqwe kwicandelo lama-54(1)(f) loMthetho kaMasipala: uMthetho woLawulo lweMali kaMasipala, wama-2003 (uMthetho onguNombolo 56 wama-2003) (MFMA) (iSihlomelo “E”);
  - (ii) Lamkele uHlahlo Lwabiwo-mali oluHlenga-hlengisiweyo lowama-2020/2021 oluncanyatheliswe njengeZihlomelo “A”, “B”, “C”, “D”, “F”, “G” kunye no- “H”.

**RECOMMENDATION BY MAYORAL COMMITTEE:**

That Council consider to –

- (a) Take cognisance of the Mid-year Budget and Performance Assessment Report for the period 1 July 2020 to 31 December 2020 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) Approve the 2020/2021 Adjustments Budget attached as Annexures “A”, “B”, “C”, “D”, “F”, “G”, “H” and “I”.

**AANBEVELING DEUR BURGEMEESTERSKOMITEE:**

Dat die Raad oorweging daaraan skenk om –

- (a) Kennis te neem van die Halfjaarlikse Begroting- en Prestasie-evalueringsverslag vir die tydperk 1 Julie 2020 tot 31 Desember 2020, 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 2020/2021 Aansuiweringsbegroting, aangeheg as Bylae “A”, “B”, “C”, “D”, “F”, “G”, “H” en “I”, goed te keur.

**INGCEBISO EYENZIWA YIKOMITI KASODOLOPHU:** Yeyokokuba –

IBhunga licamngce -

- (a) Ngokuthabathela ingqalelo uHlahlo Lwabiwo-mali lwaPhakathi eNyakeni kunye neNgxelo yoVavanyo lweNdlela yokuSebenza elungiselelwe isithuba esisuka kumhla woku-1 kuJulayi 2020 ukuya kumhla wama-31 kuDisemba 2020, njengoko luqulunqwe ngokuhambelana necandelo lama-72 loMthetho kaMasipala: uMthetho woLawulo lweMali kaMasipala, wama-2003 (uMthetho onguNombolo 56 wama-2003) (MFMA) kuSodolophu wesiGqeba (iSihlomelo “E”);
- (b) Lamkele uHlahlo Lwabiwo-mali oluHlenga-hlengisiweyo lowama-2020/2021 oluncanyatheliswe njengeZihlomelo “A”, “B”, “C”, “D”, “F”, “G”, “H” kunye no- “I”.

**COUNCIL MEETING: 28 JANUARY 2021: ITEM C.15.1**

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The Executive Mayor presented her Budget Speech on the 2020/2021 Adjustments Budget for the Cape Winelands District Municipality to Council, a copy of which is attached as Annexure “B” to the minutes.

Councillor J.D.F. van Zyl from the Democratic Alliance (DA) seconded by Councillor A. Florence from the Democratic Alliance (DA), proposed that the 2020/2021 Adjustments Budget for the Cape Winelands District Municipality be approved.

The matter was put to the vote and thirty-two (32) Councillors voted in favour of the proposal by Councillor J.D.F. van Zyl from the Democratic Alliance (DA) and one (1) Councillor voted against the proposal.

Councillor M.T. Klaas from the Economic Freedom Fighters (EFF) abstained from voting.

**RESOLVED** with a majority of thirty-two (32) votes to one (1) vote that –

- (a) Cognisance be taken of the Mid-year Budget and Performance Assessment Report for the period 1 July 2020 to 31 December 2020 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 2020/2021 Adjustments Budget attached as Annexures “A”, “B”, “C”, “D”, “F”, “G”, “H” and “I”, be approved.