

- C.15.3 APPROVAL OF A DECREASE FUNDING RECEIVED FOR THE 2020/2021 FINANCIAL YEAR IN TERMS OF SECTION 28(2)(b) OF THE LOCAL GOVERNMENT: MUNICIPAL FINANCE MANAGEMENT ACT, 2003 (ACT NO. 56 OF 2003) (MFMA) AND REGULATION 23(3) OF THE MUNICIPAL BUDGET AND REPORTING REGULATIONS, 2008 (5/1/1/6 & 3/2/5/15)**
- R.15.3 GOEDKEURING VAN 'N VERMINDERING IN BEFONDSING WAT ONTVANG IS VIR DIE 2020/2021 FINANSIËLE JAAR INGEVOLGE ARTIKEL 28(2)(b) VAN DIE WET OP PLAASLIKE REGERING: MUNISIPALE FINANSIËLE BESTUUR, 2003 (WET NO. 56 VAN 2003) EN REGULASIE 23(3) VAN DIE MUNISIPALE BEGROTINGS- EN VERSLAGDOENINGSREGULASIES, 2008 (5/1/1/6 & 3/2/5/15)**
- C.15.3 ULWAMKELO LWENKXASO-MALI ENCIPHISIWEYO EFUNYENWEYO KULUNGISELELWA UNYAKA-MALI WAMA-2020/2021 NGOKUHAMBELANA NECANDELO LAMA-28(2)(b) LOMTHETHO KAMASIPALA: UMTHETHO WOLAWULO LWEMALI KAMASIPALA, 2003 (UMTHETHO ONGUNOMBOLO 56 WAMA-2003) (MFMA) KUNYE NOMMISELO 23(3) WEMIMISELO YOHLAHLA LWABIWO-MALI NOKUNIKWA KWENGXELO KUMASIPALA, 2008 (5/1/1/6 & 3/2/5/15)**
- 

### **PURPOSE OF SUBMISSION**

That Council consider to approve an adjustments budget as contemplated in section 28(2)(b) of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA) and regulation 23(3) of the Municipal Budget and Reporting Regulations, 2008 to authorize a decrease in funding received for the 2020/2021 MTREF.

### **DOEL VAN VOORLEGGING**

Dat die Raad oorweging daaraan skenk om 'n aansuiweringsbegroting, soos beoog in artikel 28(2)(b) van die Wet op Plaaslike Regering: Munisipale Finansiële Bestuur, 2003 (Wet No. 56 van 2003) (MFMA) en regulasie 23(3) van die Munisipale Begrotings- en Verslagdoeningsregulasies, 2008 goed te keur om die vermindering in befondsing te magtig wat vir die 2020/2021 MTIUR ontvang is.

### **INJONGO YONGENISO**

Okokuba iBhunga licamngce ngokwamkela uhlahlo lwabiwo-mali olungelelwanisiweyo njengoko luqulunqiwe kwicandelo 28(2)(b) loMthetho kaMasipala: uMthetho woLawulo lweMali kaMasipala, 2003 (UMthetho onguNombolo 56 wama-2003) (MFMA) nommiselo 23(3) weMimiselo yohlahlo Lwabiwo – mali nokuNikwa kweNgxelo kuMasipala, 2008 wokugunyaziswa kwenkxaso-mali enciphisiweyo eyamkelweyo yowama-2020/2021 MTREF.

## **BACKGROUND**

An adjustments budget, contemplated in section 28(2)(b) of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA), 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 within a prescribed framework.

In addition, regulation 23(3) of the Municipal Budget and Reporting Regulations, 2008 (published in Government Gazette No. 32141 on 17 April 2009), determined the timeframes for the tabling of the said special adjustments budget as follows:

*“If a national or provincial adjustments budget allocates or transfer 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.”*

The Provincial Treasury allocated an amount of R401 000 to the Cape Winelands District Municipality to address Financial Capacity Building challenges and was reflected as such on our 2020/2021 Medium Term Revenue and Expenditure Framework. During the 2020/2021 Western Cape Second Adjustment Budget the amount of R401 000 was decreased with R101 000 to R300 000, refer to the allocation letter attached as Annexure “E”.

## **COMMENTS**

\*\*\*

Due to the decrease of the municipality’s funding, certain 2020/2021 Operating Budget items had to be adjusted to the amounts as reflected below. See Annexure “A” (Revised Budget Document) and Annexure “D” (Revised B Schedules with supporting tables).

### **Expenditure**

- (i) Transfers and Subsidies  
Bursaries Non-Employees from R401 000 to R300 000.

### **Revenue:**

- (i) Non-Ex Rev: Transfers Subsidy  
WC Financial Management Cap Build Grant from R401 000 to R300 000

\*\*\* Annexure "B" reflects a summary of the Operating Budget before the requested adjustments and Annexure "C" reflects a summary of the Operating Budget should the requested adjustments be approved.

## **IMPLICATIONS**

### **PERSONNEL**

None.

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

### **LEGAL**

The legal implications have been addressed under "BACKGROUND" and "COMMENT" above.

*Comment prepared by: Ms. W.M. Neethling*

### **FINANCIAL**

The financial implications have been addressed under "BACKGROUND" and "COMMENT" above.

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

### **RECOMMENDATION BY MUNICIPAL MANAGER:**

That Council consider to approve the decrease revenue and expenditure for the 2020/2021 financial year as reflected in Annexures "A", "B", "C", "D", and "E" in terms of section 28(2)(b) of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA) and regulation 23(3) of the Municipal Budget and Reporting Regulations, 2008.

### **AANBEVELING DEUR MUNISIPALE BESTUURDER:**

Dat die Raad oorweging daaraan skenk om die vermindering van inkomste en uitgawes vir die 2020/2021 finansiële jaar goed te keur, soos aangedui in Bylaes "A", "B", "C", "D", en "E" ingevolge artikel 28(2)(b) van die Wet op Plaaslike Regering: Munisipale Finansiële Bestuur, 2003 (Wet No. 56 van 2003) (MFMA) en regulasie 23(3) van die Munisipale Begrotings- en Verslagdoenings-regulasies, 2008.

**INGCEBISO EYENZIWA NGUMLAWULI KAMASIPALA:**

Okokuba iBhunga licamngce into yokokuba lamkele ingeniso enciphisiweyo nenkcitho-mali yeminyaka yowama-2020/2021 njengoko ibonisiwe kwiZihlomelo "A", "B", "C", "D", kunye no- "E" ngokuhambelana necandelo lama-28(2)(b) loMthetho kaMasipala: uMthetho woLawulo lweMali kaMasipala, 2003 (UMthetho onguNombolo 56 wama-2003) (MFMA) kunye nommiselo 23(3) weMimiselo yoHlahlo Lwabiwo – mali nokuNikwa kweNgxelo kuMasipala, 2008.

**COUNCIL MEETING: 3 DECEMBER 2020 : ITEM C.15.3**

**RESOLVED:**

That the decrease revenue and expenditure for the 2020/2021 financial year as reflected in Annexures "A", "B", "C", "D", and "E" in terms of section 28(2)(b) of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA) and regulation 23(3) of the Municipal Budget and Reporting Regulations, 2008, be approved.