

**C.15.8 APPROVAL OF ADDITIONAL FUNDING RECEIVED FOR THE 2022/2023 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)**

---

**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 authorise additional funding received for the 2022/2023 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 Cape Winelands District Municipality received additional funding from the Western Cape Government via the Western Cape Provincial Treasury in terms of Provincial Gazette Extraordinary 8699 of Wednesday, 21 December 2022 attached as Annexure “D”.

The application of the grants is explained below:

**A. Western Cape Municipal Interventions Grant**

The purpose of this grant is to provide financial assistance to municipalities to improve infrastructure, systems, structures, corporate governance, service delivery and compliance with executive obligations.

Council Meeting  
26 January 2023

The outcome of this grant is to:

- (a) Improve the capacity of municipalities to deliver services;
- (b) Strengthen infrastructure, processes, systems and structures;
- (c) Improve corporate governance in municipalities;
- (d) Maximising efficiency gains in service delivery;
- (e) Achieve cost effective service delivery outcomes as envisaged by specific strategic objectives which are outlined in the Municipal Integrated Development Plans;
- (f) Enable the municipalities to comply with their legislative requirements;
- (g) Ensure compliance with executive obligations; and
- (h) Intervene and/or provide support to municipalities including financial assistance to projects and plans as envisaged in terms of sections 139, 154 or 155 of the Constitution and the Western Cape Monitoring and Support of Municipalities Act, 2014 (Act No. 4 of 2014).

An amount of R100 000 was gazetted for this purpose.

**B. Joint District and Metro Approach Grant**

The purpose of this grant is to provide financial assistance to district municipalities to implement catalytic projects to improve infrastructure, systems, structures and service delivery.

The outcome of this grant is:

- (a) Joint District & Metro Approach (JDMA), supported by governance instruments, is advanced for developmental local government and sustainable service delivery premised on a common denominator of good governance;
- (b) Strengthen infrastructure processes, systems, structures and service delivery;
- (c) Improving the living conditions (lives) of citizens;
- (d) To ensure district developmental initiatives, planning and strategic priorities, service delivery and capacity building;
- (e) To improve co-planning, co-budgeting, co-implementation enhances service delivery in communities; and
- (f) Maximising efficiency gains in service delivery.

An amount of R1 000 000 was gazetted for this purpose.

**COMMENTS**

\*\*\*

Due to the allocation of additional funding to the Municipality, certain 2022/2023 Operating Budget items had to be adjusted to the amounts as reflected below. See Annexures "A" (Revised Budget Document) and "E" (Revised Schedule B, supporting documents):

**Expenditure**

- (i) Business and Advisory:

Western Cape Municipal Interventions Grant from R0 to R100 000

- (ii) Joint District and Metro Approach:

Transfers and Subsidies from R0 to R1 000 000

**Revenue:**

- (i) Western Cape Municipal Interventions Grant increased from R0 to R100 000

- (ii) Joint District and Metro Approach Grant R0 to R1 000 000

\*\*\*

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

**IMPLICATIONS**

**PERSONNEL**

None.

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

**LEGAL**

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

*Comment prepared by: Ms. S.S. Sanders*

**FINANCIAL**

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

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

Council Meeting  
26 January 2023

**RECOMMENDATION BY MUNICIPAL MANAGER:**

That Council consider to approve the additional revenue and expenditure for the 2022/2023 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.

**COUNCIL MEETING: 26 JANUARY 2023: ITEM C.15.8**

**RESOLVED: (34 Councillors)**

That the additional revenue and expenditure for the 2022/2023 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.