

EXTRACT COUNCIL MINUTES: 29 AUGUST 2019

RESOLVED

Item A100/29/08/2019

1. that Council approves and adopts the following resolutions:
 - (a) The Council of Swellendam Municipality, acting in terms of section 28(2) of the Municipal Finance Management Act, (Act 56 of 2003) approves and adopts:

The annual adjustments budget of Swellendam Municipality for the Financial year 2019/2020, as set-out in the schedules contained in Section 4, circulated with the agenda and approved as contained in the following prescribed budget tables;

 - (i) Table B1: Adjustments budget summary
 - (ii.) Table B2: Adjustments Budget Financial Performance (expenditure by standard classification)
 - (iii.) Table B3: Adjustments Budget Financial Performance (expenditure by municipal vote)
 - (iv.) Table B4: Adjustments Budget Financial Performance (revenue by source)
 - (v.) Table B5 to B10:
2. that the adjustments permitted in terms of section 28(2) of the Municipal Finance Management Act and reflected in the tables referred to in resolution 1 above, be approved.

Item number A100. 29.08.2019

ADJUSTMENTS BUDGET: MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK 2019/2020 (ROLL- OVER BUDGET)

Report from the Director Financial Services: Mr H Schlebusch

Department	Financial Services
Section	Budget
File number	5/1/1/20

PURPOSE OF THE REPORT

The purpose of the report is to submit the 2019/2020 Adjustments Budget (roll-over) for approval.

FACTS AND BACKGROUND

If any grants received from National Government or Provincial Government are unspent on 30 June of a financial year the Council must apply for the rollover of that grant and reasons for the underspending must be provided.

The Adjustment Budget (roll-over) is circulated as a separate addendum.

DISCUSSION

The following grants received are unspent as at 30 June 2019:

Capital Projects:

Integrated National Electrification Programme	R55 632-00	A R2 million grant was received for the upgrade of the Substation and to increase the feed to Railton. This amount is unspent and with the 2019-2020 grant the project can be completed.
Municipal Services delivery and capacity Building Grant	R459 545-00	The grant is for the purchases of bulk water meters to reconcile water zones and to reduce water losses. The original grant of R750 000 was received after the Provincial adjustment budget and R290 455 was spend during the 2018/2019 budget.
Human Settlement Development Grant	R 4,446,000-00	Transnet Property, Western Region has accepted our offer of R4 446 000.00 for the purchase of Swellendam Transnet land. The proposed disposal of the above-mentioned land is subject to Transnet Board and Ministerial approvals. The above-mentioned approval is awaiting.

Operating Projects:

Human Settlement Development Grant	R 1 317 915-00	The unspent funds consist of the following projects: Transfer costs: The backlog in the transfer of subsidy houses constructed since 1994 is on top of the agenda of the Department Human Settlements. There were delays in the transfers related to housing projects, but it can be confirmed that the transfer process is now well underway. Transferring attorneys have been appointed and some of the transfers have already been submitted and prepared documents submitted to the Deeds Office for registration. R840 000 for the 39 sites in Buffelsjagsrivier. R32 781 for the CBD of Railton.
Thusong Service Centre Grant.	R81 427-00	The original grant of R110 000 was received after the Provincial adjustment budget and R28 573 was spend during the 2018/2019 budget.
Western Cape Financial Management Support Grant	R28 867-50	This is an ongoing process implementing mSCOA. There are still outstanding processes regarding SAMRAS. The grant received amounts to R330 000.
Local Government Graduate Internship Grant	R 72,000-00	The grant is for the appointment of one HR intern for a period of 12 months. The grant was received late in die 2018-2019 financial year and could not been have spent in time. It will be spent during the 2019-2020 financial year.
Capacity Building Grant	R 240 000-00	We only had one qualifying student in the previous financial year and he did not complete his course. Therefore there was a balanced left on the grant. We now already have commitments for three first year students for the 2019 calendar year and depending on their performance we will spend another R90, 000 by the end of 2019 and they may proceed to their second year in 2020, committing us with another R180, 000. Also we will endeavour to commit two new first year students in 2020 committing us with another R120 000.
Municipal Replacement Fund	R 126 626-00	This is part of the library grant which was not spent. The cause of the underspending is vacant posts which is advertise but not yet filled.

The Finance Department is in the process of applying for the roll-over of the unspent grants which due date is 31 August 2019.

LEGAL IMPLICATIONS

In terms of section 16 of the MFMA (act 56 of 2003),

“Municipal adjustments budgets

28. (1) A municipal may revise an approved annual budget through an adjustment budget.

(2) An adjustments budget-

(e) 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 at the time to include projected roll overs when the annual budget for the current year was approved by Council.”

Also in terms of the Municipal Budget and reporting Regulations: section 23(5):

“23(5) An adjustments budget referred to in section 28(2)(e) of the Act may only be tabled after the end of the financial year to which the roll-overs relate, and must be approved by the municipal council by the 25 August of the financial year following the financial year to which the roll-overs relate.

FINANCIAL IMPLICATIONS

None

PERSONNEL IMPLICATIONS

None

COMMUNICATION IMPLICATIONS

None

COMMENTS FROM DEPARTMENTS

Director: Corporate Services

None

Director: Community Services

None

Director: Financial Services

None

Director: Infrastructure Services

None

Municipal Manager

None

RECOMMENDED

1. that Council approves and adopts the following resolutions:

(b) The Council of Swellendam Municipality, acting in terms of section 28(2) of the Municipal Finance Management Act, (Act 56 of 2003) approves and adopts:

The annual adjustments budget of Swellendam Municipality for the Financial year 2019/2020, as set-out in the schedules contained in Section 4, circulated with the agenda and approved as contained in the following prescribed budget tables;

(i) Table B1: Adjustments budget summary

(ii.) Table B2: Adjustments Budget Financial Performance (expenditure by standard classification)

(iii.) Table B3: Adjustments Budget Financial Performance (expenditure by municipal vote)

(iv.) Table B4: Adjustments Budget Financial Performance (revenue by source)

(v.) Table B5 to B10:

2. that the adjustments permitted in terms of section 28(2) of the Municipal Finance Management Act and reflected in the tables referred to in resolution 1 above, be approved.