EXTRACT COUNCIL MINUTES: 02 DECEMBER 2021

UNANIMOUSLY RESOLVED **Item A173/02/12/2021**

1. that the Adjustments Budget of Swellendam Municipality for the financial year 2021/2022, as set out in the schedules circulated with the agenda, be considered and approved as contained in the following prescribed budget tables;
   1.1 Tables B1: Adjustments budget summary
   1.2 Table B2: Adjustments Budget Financial Performance (expenditure by standard classification)
   1.3 Table B3: Adjustments Budget Financial Performance (expenditure by municipal vote)
   1.4 Table B4: Adjustments Budget Financial Performance (revenue by source)
   1.5 Table B5 to B10: as well as the supporting tables SB1 to SB19

2. that Council, in terms of section 54(1)(c), approves the revised SDBIP for 2021/ 2022 and adjustments performance agreements of the section 57 employees.

3. that the Adjustments Budget be submitted to National and Provincial Treasury.

Item number A173. 02.12.2021

ADJUSTMENT BUDGET – 2021/2022 AND REVISED SDBIP

Report of the Director: Financial Services: Ms. E Wassermann

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

PURPOSE OF REPORT

The purpose of the report is to consider a special adjustments budget for 2021/2022 for approval of unforeseen and unavoidable expenditure which was identified and the re-allocation of funds in the 2021/2022 approved capital budget to fund essential projects identified by the end-user department as well as the allocation of funds in terms of a transfer payment agreement between the Western Cape Government: Department of Economic Development and Tourism and Swellendam Municipality.

The purpose of this report is furthermore to present the revised SDBIP and adjustment performance agreements of the section 57 employees to the Council for approval.

FACTS AND BACKGROUND

Due to the increased load shedding and the effect it has on the water quality and reservoir levels, urgent consideration in the interim is needed to secure the electricity supply to the various waterworks. It was due to this reason that it was decided to obtain generators.

The infrastructure department approached the finance department to amend an approved capital project for funds to be re-allocated from Ringfeed: Buffeljagsrivier Water to Alterations to WTW Buffeljagsrivier. The reason for the request is that upon further investigation it was established that the WTW at Buffeljagsrivier upgrade is more critical than the provision of a ringfeed water line.

It was furthermore decided to obtain vehicles that is urgently needed by the municipality for the Waste Removal Section.

Funds were allocated in terms of a transfer payment agreement between the Western Cape Government: Department of Economic Development and Tourism and Swellendam Municipality in the amount of R2 227 923. Approval was granted by Provincial Treasury to proceed with the project in terms of the transfer agreement, whilst awaiting the adjustment gazette to be issued.

The final unspent unconditional Equitable Share grant for the 2020/2021 financial year in respect of an additional allocation for the Covid 19 pandemic was finally determined with the compilation of the 2020/2021 financial statements resulted that R278 497 more funds were applied for than included in the August 2021 roll over budget. This correction is also incorporated in the adjustments budget.

Furthermore, virements that were processed since the August 2021 roll-over budget, were included in the December 2021 adjustments budget.

The adjustments budget will be circulated as a separate addendum. The performance agreements of the section 57 employees will be circulated as a separate addendum as well as the SDBIP.

DISCUSSION

The Executive Mayor did approve the unforeseen and unavoidable expenditure to the amount of R1 500 000.00 for the following projects per Mayco Item A164/24/11/2021:

1) Upgraded WTW Buffeljagsrivier - R300 000

2) Purchase of Diesel Generators - R600 000

3) Purchase of Refuse Compactor and Tipper – R600 000

LEGAL IMPLICATIONS

MFMA Sections 28 and 29 provide directives and guidelines for submitting municipal adjustment budgets to Council for adoption. In terms of Section 54 (1) (b & c), the Mayor must consider and, if necessary, make any revisions to the SDBIP, provided that revisions to the service delivery targets and performance indicators in the plan may only be made with the approval of the Council following the approval of the adjustments budget.

FINANCIAL IMPLICATIONS

As per the tables circulated to Council:

1) Upgraded WTW Buffeljagsrivier - R300 000

2) Purchase of Diesel Generators - R600 000

3) Purchase of Refuse Compactor and Tipper – R700 000

4) Barrydale: Smitsville Container Park – R 2 227 992 (Revenue and Expense)

5) Equitable Share – R278 497 (Revenue and Expense)

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

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2. that Council, in terms of section 54(1)(c), approves the revised SDBIP for 2021/ 2022 and adjustments performance agreements of the section 57 employees.

3. that the Adjustments Budget be submitted to National and Provincial Treasury.