EXTRACT COUNCIL MINUTES: 27 FEBRUARY 2025

UNANIMOUSLY RESOLVED **Item A37/27/02/2025**

1. that the Adjustments Budget of Swellendam Municipality be adjusted in terms of section 28(2) for the 2024/2025 financial year as set out in the schedules contained in Annexure A.8 circulated with the agenda, be considered and approved as contained in the following prescribed budget tables;

   1.1 Table 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: Adjustments Budget Capital Expenditure;
   1.6 Table B6 – B10: Adjustments Budget Financial Position, Cash Flow, Asset Management and service delivery targets;

2. that the SDBIP and performance agreements as per Annexure A.9 be approved by the Council, in terms of section 54(1)(c) of the Municipal Finance Management Act 2003.

3. that the Adjustments Budget be made public and be placed on the municipal website.

Item number A37. 27.02.2025

FEBRUARY 2025 - ADJUSTMENTS BUDGET 2024/2025

Report of the Director: Financial Services: Miss E Wassermann

Department Financial Services

Section Financial Services

File number 5/1/1

Annexures

Annexure A.8 – February 2025 - Adjustment budget schedules for 2024/2025.

PURPOSE OF REPORT

The purpose of the report is to present to Council the February Adjustments Budget for the 2024/2025 financial year following the midyear assessment as of 30 January 2025.

FACTS AND BACKGROUND

Council resolved per item A13 on 30 January 2025:

"RESOLVED:

1. that the Midyear Budget and Performance Assessment Report for 2024/25 be noted; and

2. *that it be noted that an Amended Budget and a report on Revised Expenditure and Revenue will be tabled at the Council meeting scheduled for February 2025 together with the revised Service Delivery and Budget Implementation Plan (SDBIP).*

DISCUSSIONS

Capital Budget

The capital budget decreased from R77,9 million to R67,7 million. The main capital adjustments proposed are:

Project	Funding Source	Amended Budget (Oct 2024)	Adjustments	Proposed Amended Budget Feb 2025	Motivation
Railton 32 Erven - Sewerage Services	PAHD	3 400 000	-3 400 000	-	Provincial Adjusted Gazette – Project not approved
Railton Informal Settlements - Water Services	ISUP	2 900 000	-2 900 000	-	Provincial Adjusted Gazette – Project not approved
Railton 32 Erven - Water Services	PAHD	3 400 000	-3 400 000	-	Provincial Adjusted Gazette – Project not approved
Railton Informal Settlements - Sewerage Services	ISUP	2 900 000	-2 900 000	-	Provincial Adjusted Gazette – Project not approved
Railton Informal Settlements – Roads	ISUP	2 838 000	-2 838 000	-	Provincial Adjusted Gazette – Project not approved
Railton 32 Erven - Roads	PAHD	3 275 000	-3 275 000	-	Provincial Adjusted Gazette – Project not approved
Swellendam Railton 950 erven - Elec Infrastructure	PAHD	0	7 304 348	7 304 348	Provincial Adjusted Gazette – Project not approved
Baymerine	CRR REV	35 000	-13 300	21 700	Saving to be allocated ride on tractor
White paper shredder Industrial	CRR REV	75 000	-21 923	53 077	Savings to be re-allocated
People Counter Sensor	MRF	17 000	1 000	18 000	Short fall of funds
Air-conditioning Libraries	MRF	30 000	-30 000	-	Insufficient Funds to proceed
Paving at Desmond Tutu Library (Back entrance)	MRF	26 500	3 500	30 000	Shortfall of funds
Gate Motor back entrance	MRF	15 000	5 000	20 000	Shortfall of funds
Furniture and Office Equipment	MRF	45 439	20 500	65 939	Additional funds required for libraries
Diesel Trailor 500l x1	CRR REV	50 000	-50 000	-	Re-prioritazion, funds to be transferred to water pump.
Ride on tractor	CRR REV	90 000	13 300	103 300	Shortfall of funds (Vat)
Trailer Cherry picker	CRR	350 000	300 000	650 000	Shortfall of funds, critical project for parks maintenance etc.

Project	Funding Source	Amended Budget (Oct 2024)	Adjustments	Proposed Amended Budget Feb 2025	Motivation
Water pump (BJS Sports field)	CRR REV	25 000	50 000	75 000	Insufficient funds
Multi-Tier Storage Shelving	CRR	300 000	150 000	450 000	Additional racks to carry more materials at the stores to implement strategic procurement.
Computer Equipment - All departments	CRR REV	275 000	250 000	475 000	Urgent need for additional computers, Finance interns etc.
Rammer Compactor	CRR REV	45 000	-23 085	21 915	Saving, project completed. Transfer to machinery and equipment.
Machinery and Equipment - Roads and Stormwater	CRR REV	20 000	23 085	43 085	Additional funds required to purchase road cutter.
Replace Airconditioners at various buildings	CRR REV	120 208	80 000	200 208	To replace an air-con from insurance and air-cons for old library
Upgrade Barrydale sewer pump station	BOR	400 000	264 000	664 000	Additional funds required for Barrydale sewer pump station
Railton sanitation upgrade, street front sewers	BOR	264 000	-264 000	-	Project completed, saving
Light Delivery Vehicle	CRR	300 000	280 000	580 000	Add delivery vehicle for Corporate Functions
WTW Telemetry upgrade	CRR REV	60 000	10 000	70 000	Shortfall of funds
Electricity network erf 8241 - Industrial Erven	CRR LD	500 000	100 000	600 000	Additional funds to install services at industrial area.
Total		**21 866 147**	**-10 253 575**	**11 612 572**	

The capital budget is fully funded considering all the adjustments. The proposed funding sources for the capital adjustment budget are indicated in the table below:

FUNDING SOURCE	Abbreviation	Amended Budget (Oct 2024)	Adjustments	Proposed Amended Budget
Borrowing	BOR	R10 285 917	R0	R10 285 917
Capital Replacement Reserve	CRR	R18 324 019	R830 000	R19 154 019
Capital from Revenue	CRR REV	R2 362 208	R325 077	R2 687 285
Department Environmental Affairs and Development Planning	DEADP	R240 000	R0	R240 000
Energy Efficiency Demand Side Management Grant	EEDSM	R2 114 087	R0	R2 114 087
Human Settlement Development	HSDG	R736 813	R0	R736 813
Integrated National Electricity Programme	INEP	R4 326 087	R0	R4 326 087
Informal Settlement Programme	ISUP	R8 638 000	R8 638 000	R0
Municipal Infrastructure Grant	MIG	R8 782 453	R0	R8 782 453
Municipal Library Replacement Fund	MRF	R133 939	R0	R133 939
Municipal Water Resilience Grant	MWRG	R2 473 361	R0	R2 473 361
Overberg District Municipality	ODM	R40 000	R0	R40 000
Provincial Acceleration Housing Delivery	PAHD	R10 075 000	-R2 770 652	R7 304 348
Regional socio-economic project programme	RSEP	R753 525	R0	R753 525
Water Services Infrastructure Grant	WSIG	R8 695 652	R0	R8 695 652
Total		**R77 981 061**	**-R10 253 575**	**R67 727 486**

The Capital Budget by function are as follows:

WC034 Swellendam - Table B5 Adjustments Capital Expenditure Budget by vote and funding - 27/02/2025												
Description	Ref	Budget Year 2024/25									Budget Year +1 2025/26	Budget Year +2 2026/27
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
			5	6	7	8	9	10	11	12		
R thousands		A	A1	B	C	D	E	F	G	H		
Capital expenditure - Vote												
Multi-year expenditure to be adjusted	2											
Vote 3 - INFRASTRUCTURE & PLANNING SERVICES		5 321	10 082	–	–	–	–	–	–	10 082	9 577	13 084
Vote 4 - COMMUNITY SERVICES		3 643	3 643	–	–	–	–	–	–	3 643	95	40
Capital multi-year expenditure sub-total	3	**8 964**	**13 725**	**–**	**–**	**–**	**–**	**–**	**–**	**13 725**	**9 672**	**13 124**
Single-year expenditure to be adjusted	2											
Vote 1 - MUNICIPAL MANAGER		50	50	–	–	–	–	–	–	50	60	50
Vote 2 - FINANCIAL SERVICES		1 165	1 165	–	–	–	–	407	407	1 572	630	460
Vote 3 - INFRASTRUCTURE & PLANNING SERVICES		27 034	38 877	–	–	–	–	7 774	7 774	46 651	8 689	4 855
Vote 4 - COMMUNITY SERVICES		23 790	24 164	–	–	–	–	(18 435)	(18 435)	5 729	7 580	2 630
Capital single-year expenditure sub-total		**52 039**	**64 256**	**–**	**–**	**–**	**–**	**(10 254)**	**(10 254)**	**54 003**	**16 959**	**7 995**
Total Capital Expenditure - Vote		**61 004**	**77 981**	**–**	**–**	**–**	**–**	**(10 254)**	**(10 254)**	**67 727**	**26 631**	**21 119**
Capital Expenditure - Functional												
Governance and administration		**1 555**	**1 635**	**–**	**–**	**–**	**–**	**487**	**487**	**2 122**	**835**	**655**
Executive and council		165	165	–	–	–	–	–	–	165	30	20
Finance and administration		1 390	1 470	–	–	–	–	487	487	1 957	805	635
Community and public safety		**5 261**	**5 395**	**–**	**–**	**–**	**–**	**300**	**300**	**5 695**	**1 795**	**475**
Community and social services		105	239	–	–	–	–	(13)	(13)	226	125	70
Sport and recreation		4 861	4 861	–	–	–	–	313	313	5 174	1 075	195
Public safety		295	295	–	–	–	–	–	–	295	545	160
Housing		–	–	–	–	–	–	–	–	–	50	50
Economic and environmental services		**16 986**	**23 769**	**–**	**–**	**–**	**–**	**(6 113)**	**(6 113)**	**17 656**	**6 727**	**7 638**
Planning and development		609	889	–	–	–	–	–	–	889	–	–
Road transport		16 377	22 881	–	–	–	–	(6 113)	(6 113)	16 768	6 727	7 638
Trading services		**37 202**	**47 182**	**–**	**–**	**–**	**–**	**(4 928)**	**(4 928)**	**42 254**	**17 274**	**12 352**
Energy sources		7 655	7 160	–	–	–	–	7 404	7 404	14 565	6 414	2 676
Water management		17 257	22 857	–	–	–	–	(6 010)	(6 010)	16 847	2 810	750
Waste water management		8 830	13 465	–	–	–	–	(6 300)	(6 300)	7 165	7 830	8 731
Waste management		3 460	3 700	–	–	–	–	(22)	(22)	3 678	220	195
Total Capital Expenditure - Functional	3	**61 004**	**77 981**	**–**	**–**	**–**	**–**	**(10 254)**	**(10 254)**	**67 727**	**26 631**	**21 119**
Funded by:												
National Government		24 435	23 918	–	–	–	–	–	–	23 918	15 506	14 512
Provincial Government		20 191	23 051	–	–	–	–	(11 409)	(11 409)	11 642	5 660	2 000
District Municipality		40	40	–	–	–	–	–	–	40	–	–
Transfers recognised - capital	4	**44 666**	**47 009**	**–**	**–**	**–**	**–**	**(11 409)**	**(11 409)**	**35 600**	**21 166**	**16 512**
Borrowing		7 800	10 286	–	–	–	–	–	–	10 286	–	–
Internally generated funds		8 538	20 686	–	–	–	–	1 155	1 155	21 841	5 465	4 608
Total Capital Funding		**61 004**	**77 981**	**–**	**–**	**–**	**–**	**(10 254)**	**(10 254)**	**67 727**	**26 631**	**21 119**

Operating Budget

Overall, operating revenue increased from R 530,9 million to R 581,3 million and operating expenses increased from R 553,2 million to R 590,6 million. Capital transfers and subsidies decrease from R47,0 million to R35,6 million.

The following is the key amendments to the Operational Budget:

a) Must adjust the revenue and expenditure estimates downwards if there is material under-collection of revenue during the current year – The material under collection on revenue are:
   - Property Rates – R122 236 – Interim Valuations;
   - Agency Services – R206 096 – Agency Services due to alternative payment methods;

b) May appropriate additional revenues that have become availible over and above those anticipated in the annual budget, but only to revise or accelerate spensing programmes already budgeted for:
   - Refuse Removal – (R431 324) – New developments and houses;
   - Energy Sources – (R12 451 849) – Reduction in loadshedding;
   - Waste Water Management – (R4 711 539) – Industrial Effluent;
   - Interest Earned Current and Non-Current assets – (R6 400 000) – More cash held in bank account and unspent grants;
   - Fines and Penalities – (R8 005 060) – More traffic fines paid than budgeted due to AARTO;
   - Licencing and Permits – (R236 153) – Motor vehicle licences;
   - Rental from Fixed Assets – (R176 977) – Projections based on current rental agreements;

c) May correct errors in the annual budget:
   - Sale of Goods and Services – (R126 661 602) – Per the accounting standards must the top structures be recognised as construction contracts and not transfers and subsidies;
   - Transfers and subsidies – R109 235 896 – Transfer to construction contracts and amendments to grants;

d) May authorise the utilisation of projected savings in one vote towards spending under another vote:
   - Employee Related Cost – R10 846 476 – Vacant posts and employee benefits projections of R2 072 889. An additional amount of R400 000 was also provided for EPWP workers from own funds.
   - Bulk Purchases – R12 282 730 – Higher Eskom account due to lessor load shedding;
   - Debt Impairment – R7 144 265 – Increase revenue result in higher provision for debt impairment based on 97% payment persentage;
   - Inventory Consumend – R1 932 776
   - Interest – R1 306 518 – An additional amount of R719 000 for long services provision;
   - Contracted Services – R23 948 000 - The solar gysers grant funding of R16 041 000 moved to the operation budget as construction contracts and an additional amount of R2 700 000 for the traffic fine management service provider;
   - Operational Cost – R3 366 000- Increase in audit fees and provision for preparation fee to the amount of R1 700 000, and Salga payment of R1 350 000;
   - Capital Grants – (R11 408 652) – based on revised allocations gazette received;

e) Other minor amedments included in the above are:
   - An additional amount of R380 000 for pothole repairs;
   - An additional amount of R1 249 000 for vehicle maintenance;

- An additional amount of R400 000 for purification materials at the water treatment works;
- An additional amount of R200 000 for pipe breaks;
- An additional amount of R100 000 for stormwater management;
- An additional amount of R500 000 for PMU studies and preperation plans;
- An additional amount of R300 000 for black and clear bags;
- An additional amount of R300 000 for plant, machinery and equipment at waste water treatment workks;
- An additional amount of R100 000 for purification materials at waste water treatment works;
- An additional amount of R300 000 for the TID meter replacement programme;
- An amount of R100 000 to rebuild a IT server room and move equipment back to Swellendam;
- An additional amount of R300 000 for security services;
- An additional amount of R500 000 for legal costs;
- An additional amount of R100 000 for emergency housing kids;
- An additional amount of R200 000 for cost of supply studies;
- An additional amount of R600 000 for the move of medium voltage lines;
- An additional amount of R1 500 000 for demolition cost of the municpal buildings;
- An addtional amount of R1 370 000 for Salga Membership fees;

Considering the above the propsed revenue and expenditure framework can be sumarised below:

WC034 Swellendam - Table B4 Adjustments Budget Financial Performance (revenue and expenditure) - 27/02/2025

Description	Ref	Budget Year 2024/25									Budget Year +1 2025/26	Budget Year +2 2026/27
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
			3	4	5	6	7	8	9	10		
R thousands	1	A	A1	B	C	D	E	F	G	H		
Revenue												
Exchange Revenue												
Service charges - Electricity	2	127 465	127 465	–	–	–	–	12 452	12 452	139 916	141 695	157 728
Service charges - Water	2	26 567	26 567	–	–	–	–	(38)	(38)	26 529	28 737	30 313
Service charges - Waste Water Management	2	21 963	21 963	–	–	–	–	4 712	4 712	26 675	23 427	25 302
Service charges - Waste Management	2	16 275	16 275	–	–	–	–	431	431	16 706	17 807	19 231
Sale of Goods and Rendering of Services		3 082	3 082	–	–	–	–	126 662	126 662	129 744	3 224	3 372
Agency services		2 955	2 955	–	–	–	–	(206)	(206)	2 749	3 091	3 233
Interest		–	–	–	–	–	–	–	–	–	–	–
Interest earned from Receivables		1 802	1 802	–	–	–	–	104	104	1 906	1 910	2 025
Interest earned from Current and Non Current Assets		10 000	10 000	–	–	–	–	6 400	6 400	16 400	8 500	7 500
Dividends		2	2	–	–	–	–	–	–	2	2	2
Rent on Land		–	–	–	–	–	–	–	–	–	–	–
Rental from Fixed Assets		616	616	–	–	–	–	177	177	793	644	674
Licence and permits		1 173	1 173	–	–	–	–	236	236	1 409	1 227	1 283
Operational Revenue		1 445	1 445	–	–	–	–	94	94	1 539	1 448	1 452
Non-Exchange Revenue												
Property rates		61 767	61 767	–	–	–	–	(122)	(122)	61 645	67 335	73 404
Surcharges and Taxes		1 443	1 443	–	–	–	–	–	–	1 443	1 635	1 924
Fines, penalties and forfeits		49 067	49 067	–	–	–	–	8 005	8 005	57 072	51 227	53 483
Licences or permits		–	–	–	–	–	–	–	–	–	–	–
Transfer and subsidies - Operational		161 071	193 974	–	–	–	–	(109 235)	(109 235)	84 739	109 531	77 352
Interest		410	410	–	–	–	–	(44)	(44)	366	435	461
Fuel Levy		–	–	–	–	–	–	–	–	–	–	–
Operational Revenue		3 754	3 754	–	–	–	–	(24)	(24)	3 730	3 933	4 116
Gains on disposal of Assets		–	–	–	–	–	–	700	700	700	–	–
Other Gains		7 224	7 224	–	–	–	–	–	–	7 224	7 729	8 271
Discontinued Operations		–	–	–	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)		**498 080**	**530 983**	**–**	**–**	**–**	**–**	**50 304**	**50 304**	**581 287**	**473 538**	**471 125**

WC034 Swellendam - Table B4 Adjustments Budget Financial Performance (revenue and expenditure) - 27/02/2025												
Description	Ref	Budget Year 2024/25									Budget Year +1 2025/26	Budget Year +2 2026/27
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
			3	4	5	6	7	8	9	10		
R thousands	1	A	A1	B	C	D	E	F	G	H		
Expenditure By Type												
Employee related costs		149 663	149 812	–	–	–	–	(10 846)	(10 846)	138 966	157 969	167 422
Remuneration of councillors		6 326	6 326	–	–	–	–	(168)	(168)	6 158	6 580	6 843
Bulk purchases - electricity		111 668	111 668	–	–	–	–	12 283	12 283	123 951	124 334	140 057
Inventory consumed		11 712	10 764	–	–	–	–	2 372	2 372	13 136	11 987	12 399
Debt impairment		16 021	16 021	–	–	–	–	7 144	7 144	23 165	16 967	17 826
Depreciation and amortisation		21 089	21 089	–	–	–	–	–	–	21 089	21 722	22 373
Interest		8 156	8 156	–	–	–	–	1 307	1 307	9 462	8 482	7 748
Contracted services		139 643	157 025	–	–	–	–	23 948	23 948	180 973	89 815	57 142
Transfers and subsidies		1 300	1 330	–	–	–	–	300	300	1 630	1 302	1 304
Irrecoverable debts written off		27 262	27 262	–	–	–	–	(2 350)	(2 350)	24 912	28 446	29 666
Operational costs		29 777	43 791	–	–	–	–	3 366	3 366	47 156	30 098	31 074
Losses on disposal of Assets		–	–	–	–	–	–	–	–	–	–	–
Other Losses		–	–	–	–	–	–	–	–	–	–	–
Total Expenditure		**522 617**	**553 242**	**–**	**–**	**–**	**–**	**37 355**	**37 355**	**590 597**	**497 700**	**493 854**
Surplus/(Deficit)		**(24 536)**	**(22 259)**	**–**	**–**	**–**	**–**	**12 949**	**12 949**	**(9 310)**	**(24 163)**	**(22 729)**
Transfers and subsidies - capital (monetary allocations)		44 666	47 009	–	–	–	–	(11 409)	(11 409)	35 600	23 506	16 512
Transfers and subsidies - capital (in-kind)		–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions		**20 130**	**24 750**	**–**	**–**	**–**	**–**	**1 540**	**1 540**	**26 290**	**(657)**	**(6 217)**
Income Tax		–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after income tax		20 130	24 750	–	–	–	–	1 540	1 540	26 290	(657)	(6 217)
Share of Surplus/Deficit attributable to Joint Venture		–	–	–	–	–	–	–	–	–	–	–
Share of Surplus/Deficit attributable to Minorities		–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality		20 130	24 750	–	–	–	–	1 540	1 540	26 290	(657)	(6 217)
Share of Surplus/Deficit attributable to Associate		–	–	–	–	–	–	–	–	–	–	–
Intercompany/Parent subsidiary transactions		–	–	–	–	–	–	–	–	–	–	–
Surplus/ (Deficit) for the year		**20 130**	**24 750**	**–**	**–**	**–**	**–**	**1 540**	**1 540**	**26 290**	**(657)**	**(6 217)**

The February 2025 Adjustment Budget document is attached as **Annexure A.8.**

SDBIP

During January 2025 the implementation of the budget and financial performance of the municipality was assessed for the first half of the year taking into consideration the monthly budget statements.

Section 1 of the MFMA defines the SDBIP as a detailed plan approved by the Mayor of a municipality in terms of section 53 (1)(c)(ii) which must include projections for each month of:

- Revenue to be collected by source;
- Operational and capital expenditure by vote;
- Any other matters that may be prescribed.

The adjusted SDBIP and performance agreements in line with the adjustment budget are contained in the following tables:

- Supporting Table SB12 – Adjustment Budget on monthly revenue and expenditure by municipal vote;
- Supporting Table SB13 – Adjustment Budget on monthly revenue and expenditure by vote;
- Supporting TableSB14 – Adjustment Budget on monthly revenue and expenditure by revenue source and expenditure type;
- Supporting Table SB15 – Adjustment Budget on monthly cash flow;

- Supporting Table SB16- Adjustment Budget on monthly capital expenditure by municipal vote;
- Supporting Table SB17 – Adjustment Budget on monthly capital expenditure by vote;

The performance agreements of the section 57 employees and SDBIP will be circulated under **Annexure A.9.**

LEGAL IMPLICATIONS

MFMA Section 28 and National Treasury MFMA Circulars No. 28 and 54 provide directives and guidelines for submitting municipal adjustment budgets to the Council for adoption. The report of the Director Financial Services will represent the documentation in compliance thereof. In terms of Section 54 (1) (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 report of the Director of Financial Services.

PERSONNEL IMPLICATIONS

None

COMMUNICATION IMPLICATIONS

None

COMMENTS FROM DEPARTMENTS

Director: Corporate Services

None

Director: Community Services

None

Director: Financial Services

The cost of materials on average has increased with +- 20% over the last twelve months. Difficulties are experienced with the implementation of the capital budget where more and more tender awards are challenged resulting in a delay of prices and in certain cases readvertisement.

The municipality’s payment rate has remained stable at 97% with an impairment provision of 3% for non-payment.

Decisions had to be made to reduce expenditure, on the one hand, to allow for increases on other more urgent maintenance demands.

From an adjustments budget framework perspective, it can be expected that the next medium-term budget will be difficult to balance and to keep tariff increases at acceptable levels.

Director: Infrastructure Services

None

Municipal Manager

None

RECOMMENDED

1. that the Adjustments Budget of Swellendam Municipality be adjusted in terms of section 28(2) for the 2024/2025 financial year as set out in the schedules contained in Annexure A.8 circulated with the agenda, be considered and approved as contained in the following prescribed budget tables;

   1.1 Table 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: Adjustments Budget Capital Expenditure;
   1.6 Table B6 – B10: Adjustments Budget Financial Position, Cash Flow, Asset Management and service delivery targets;

2. that the SDBIP and performance agreements as per Annexure A.9 be approved by the Council, in terms of section 54(1)(c) of the Municipal Finance Management Act 2003.

3. that the Adjustments Budget be made public and be placed on the municipal website.