

MID-YEAR ADJUSTMENTS BUDGET – FEBRUARY 2023**File No. /s:** 3/2/2/22**Responsible Official:** A Crotz**Directorate:** Financial Services**Portfolio:** Financial Services**1. Purpose**

This serves to submit an adjustments budget for the 2022/23 financial year:

- Adjust revenue and expenditure projections after the half yearly performance (section 72 report);
- Adjust the capital program to provide for amendments to current projects, new projects to be implemented and to remove / postpone projects that will not be implemented in the 2021/22 financial year.
- Include approved unspent conditional grants of 2020/21 financial year from National and / or Provincial Government.

2. Background:

In terms of the MFMA (Section 28) the approved budget may be revised through an adjustments budget.

A. Section 28(2) further provides that; An Adjustments budget -

- Must adjust the revenue and expenditure estimates downwards if there is a material under-collection of revenue during the year;
- May appropriate additional revenues that have become available over and above those anticipated in the annual budget, but only to revise or accelerate spending programmed already budgeted for;
- May, within the prescribed framework, authorize unforeseen and unavoidable expenditure recommended by the Mayor;
- May authorize the utilization of projected savings in one vote towards spending under another vote;
- May authorize the spending of funds that were unspent at the end of the past financial year where the under-spending could not reasonably have

been foreseen at the time to include projected roll-overs when the annual budget for the current year was approved by council;

- May correct any errors in the annual budget, and
- May provide for any other expenditure within a prescribed framework.

Municipal Budget and Reporting Regulations further provides that;

B. Timeframes for tabling of adjustments budgets

- An adjustments budget referred to in section 28(2)(b), (d) and (f) of the Act may be tabled in the Municipal Council at any time after the mid-year budget and performance assessment has been tabled in the council, but not later than 28 February of the current year;
- Only one adjustments budget referred to in sub regulations (1) may be tabled in the municipal council during a financial year, except when the additional revenues contemplated in section 28(2)(b) of the Act are allocations to a Municipality in a National or Provincial adjustments budget, in which case sub regulation (3) applies. If a National or provincial adjustments budgets allocates or transfer additional revenue 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.

3. Financial Implications:

Financial implications are contained in the detail in this report.

4. Applicable Legislation / Council Policy:

- The MFMA Section 28, 30 and 16(3)
- Municipal Budget and Reporting Regulations
- Council Budget related Policies

ADJUSTMENTS BUDGET - SCHEDULE B REPORT 24 FEBRUARY 2023



BREED VALLEY
MUNICIPALITY • MUNISIPALITEIT • UMASIPALA

Adjustments Budget of the Municipality

Prepared in terms of Section 28 of the Local Government:
Municipal Finance Management Act (56/2003) and
Municipal Budget and Reporting Regulations

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SECTION A – Part 1

1. Glossary

Adjustments Budgets – Prescribed in section 28 of the Municipal Finance Management Act. It is the formal means by which a municipality may revise its budget during a financial year.

Allocations – Money received from Provincial and National Treasury.

Budget – The financial plan of a municipality.

Budget related policy – Policy of a municipality affecting or affected by the budget.

Capital Expenditure – Spending on municipal assets such as land, buildings and vehicles. Any capital expenditure must be reflected as an asset on a municipality's balance sheet.

Cash Flow Statement – A statement showing when actual cash will be received and spent by the Municipality, and the month end balances of cash and short-term investments.

DORA – Division of Revenue Act. The annual piece of legislation that indicate the allocations from National Government to Local Government.

Equitable Share – A general grant paid to municipalities. It is predominantly targeted to assist with free basic services.

GDFI - Gross Domestic Fixed Investment

GFS – Government Finance Statistics. An internationally recognized classification system that facilitates comparisons between municipalities.

IDP – Integrated Development Plan. The main strategic planning document of a Municipality.

KPI – Key Performance Indicators. Measures of service output and/or outcome.

LM – Breede Valley Municipality.

MFMA - Municipal Finance Management Act (No 53 of 2003). The principle piece of legislation relating to municipal financial management.

MTREF – Medium Term Revenue and Expenditure Framework as prescribed by the MFMA sets out indicative revenue and projected expenditure for the budget year plus two outer financial years to determine the affordability level.

Operating Expenditure – Spending on the day to day expenses of a municipality such as general expenses, salaries & wages and repairs & maintenance.

Rates – Local Government tax based on assessed valuation of a property.

TMA – Total Municipal Account

SDBIP – Service Delivery Budget Implementation Plan. A detailed plan comprising quarterly performance targets and monthly budget estimates.

Strategic Objectives – The main priorities of a municipality as set out in the IDP Budgeted spending must contribute towards achievement of these strategic objectives.

Vote – One of the main segments into which a budget is divided, usually at department level.

Abbreviations and Acronyms

AMR	Automated Meter Reading
ASGISA	Accelerated and Shared Growth Initiative
BPC	Budget Planning Committee
CBD	Central Business District
CFO	Chief Financial Officer
CPI	Consumer Price Index
CRRF	Capital Replacement Reserve Fund
DBSA	Development Bank of South Africa
DoRA	Division of Revenue Act
DWA	Department of Water Affairs
EE	Employment Equity
EEDSM	Energy Efficiency Demand Side Management
EM	Executive Mayor
FBS	Free basic services
GAMAP	Generally Accepted Municipal Accounting Practice
GDP	Gross domestic product
GDS	Gauteng Growth and Development Strategy
GFS	Government Financial Statistics
GRAP	General Recognised Accounting Practice
HR	Human Resources
HSRC	Human Science Research Council
IDP	Integrated Development Strategy
IT	Information Technology
kℓ	kilolitre
km	kilometre
KPA	Key Performance Area
KPI	Key Performance Indicator
kWh	kilowatt-hour
ℓ	litre
LED	Local Economic Development
MEC	Member of the Executive Committee
MFMA	Municipal Financial Management Act

MIG	Municipal Infrastructure Grant
MM	Municipal Manager
MMC	Member of Mayoral Committee
MPRA	Municipal Properties Rates Act
MSA	Municipal Systems Act
MTEF	Medium-term Expenditure Framework
MTREF	Medium-term Revenue and Expenditure Framework
NERSA	National Electricity Regulator South Africa
NGO	Non-Governmental organisations
NKPIs	National Key Performance Indicators
OHS	Occupational Health and Safety
OP	Operational Plan
PBO	Public Benefit Organisations
PHC	Provincial Health Care
PMS	Performance Management System
PPE	Property Plant and Equipment
PPP	Public Private Partnership
PTIS	Public Transport Infrastructure System
RG	Restructuring Grant
RSC	Regional Services Council
SALGA	South African Local Government Association
SAPS	South African Police Service
SDBIP	Service Delivery Budget Implementation Plan
SMME	Small Micro and Medium Enterprises

2. Mayors Report

The Breede Valley Municipality remains committed to the cause of bringing respectable services to all households. We as a municipality acknowledge the fact that households are faced with numerous difficulties, ranging from social to economic challenges.

We view our role in addressing all challenges faced by communities as integral to ultimately improve quality of life and will therefor continue to play part in creating a conducive environment for job creation and social upliftment. It should be noted heart that not all plans made will be completed within the timeframes, but we as a municipality remain committed in ensuring that all projects commenced are completed.

This adjustments budget serves the purpose of reflecting on the past six months of the 2022/23 financial year, and to address the areas within the budget that is not performing as planned and to cater for new projects. In addition, this adjustments budget will also approve unspent conditional grant funds of previous financial year that have since been approved by the National and Provincial government.

We as a municipality will continuously strive to successfully implement all projects, especially the projects funded from external sources such as grants. These projects add great value given the challenging economic environment faced by municipalities to ultimately deliver better services within the Breede Valley Municipality.

Breede Valley municipality has made significant progress in fighting service delivery backlogs, but also acknowledges that there is still a lot to be done. We will continue with the good work and improve wherever improvement is needed to ensure that this municipality improve on the quality of life for the people within Breede Valley municipal area.

3. Resolutions

That council approves the following:

- (a) To approve the adjustments budget as tabled in terms of section 28 of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003).
- (b) The recommendations regarding resolutions are contained at the end of this report and have been prepared and presented according to the budget regulations.

4. Executive Summary

The Mid-year Adjustments Budget serves to address any budget amendments that require the approval of council. These amendments are imperative to service delivery to allow for unforeseen challenges to be attended to enable accelerated implementation plans.

The current economic climate of the Breede Valley Municipal area forced the municipality to relook at resource allocation to promote the optimal utilization of available resources in a prudent and financially viable manner. This is necessary to ensure continued service delivery in a financial sustainable manner.

The Mid-year Adjustments Budget includes provincial rollovers from the 2021/22 financial year amounting to the following per grant:

Approved Roll-overs (Operating)

- Western Cape Financial Management Capacity Building Grant, R240 000.00
- Community Library Service Grant, R141 674.00
- Community Development Workers (CDW) Operational Support Grant, R94 000.00
- Disaster Management Grant, R96 632.00

Additional / Amendment Funding (Operating and Capital)

- Municipal Accreditation and Capacity Building Grant, R513 000.00
- Informal Settlements Upgrading Partnership Grant, R1 250 000.00
- CWDM Operational Projects; R895 049.00

- Emergency Municipal Load-Shedding Relief Grant, R950 000.00

5. Adjustments Budget Tables – refer to Annexure A

B1 Consolidated Adjustments Budget Summary

The table is a budget summary and provides a concise overview of Breede Valley Municipality's budget from all the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).

The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.

B2 Consolidated Adjustments Budget Financial Performance by Standard Classification

Table B2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The GFS standard classification divides the municipal services into 15 functional areas.

Total Revenue on this table includes capital revenues (Transfers recognized – capital) and so does not balance to the operating revenue shown on Table B4.

B3 Consolidated Adjustments Budget Financial Performance By Municipal Vote

Table B3 above is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the vote structure of Breede Valley Municipality. This means it is possible to present the operating surplus or deficit of a vote.

B4 Consolidated Adjustments Budget Financial Performance (Revenue and Expenditure)

Table B4 above is a view of the budgeted financial performance in relation to the revenue by source and expenditure by type.

In line with the formats prescribed by the Municipal Budget and Reporting Regulations, capital transfers and contributions are excluded from the Total Revenue, as inclusion of these revenue sources would distort the calculation of the operating surplus/deficit.

B5 Consolidated Adjustments Budget Capital Expenditure Vote and Funding

Table B5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote (multi-year and single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.

B6 Consolidated Adjustments Budget Financial Position

Table B6 is consistent with international standards of good financial management practice and assist stakeholders in understanding the impact of the budget on the statement of financial position (balance sheet).

This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as “accounting” Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.

B7 Consolidated Adjustments Budget Cash Flows

The budgeted cash flow statement is the first measurement in determining if the budget is funded. It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.

B8 Consolidated Cash Backed Reserves/Accumulated Surplus Reconciliation

The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget. In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.

B9 Consolidated Asset Management

Table B9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class.

B10 Consolidated Basic Service Delivery Measurement

Table B10 provides an overview of service delivery levels, including backlogs (below minimum service level), for each of the main services

SECTION A – Part 2

• Adjustments to Budget Inputs and assumptions

The 2022/23 Adjustments Budget was compiled in line with Chapter 4 Municipal Finance Management Act and Chapter 2 Part 4 of the Municipal Budget and Reporting Regulations.

The 2022/23 Adjustments Budget remain consistent with the Long-Term Financial Plan to ensure continued synergy between long term planning and implementation planning.

Revenue and Expenditure (operational and capital) projections to be revised in line with current and anticipated performance for the current year.

Addition of approved rollover grant allocations from the 2021/22 financial year.

Adjustments to general expenditure to curb and eliminate non-priority spending.

1. Operational Revenue

Operational revenue and amendments made with the Adjustments Budget is informed by the performance trends over the past six months.

WC025 Breede Valley - Table B4 Adjustments Budget Financial Performance (revenue and expenditure) -

Description	Ref	Budget Year 2022/23								Budget Year	
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget
R thousands	1	A	A1	B	C	D	E	F	G	H	I
Revenue By Source											
Property rates	2	175 223	175 223	-	-	-	-	-	-	175 223	185 765
Service charges - electricity revenue	2	536 542	536 542	-	-	-	-	-	-	536 542	568 735
Service charges - water revenue	2	98 700	98 700	-	-	-	-	5 191	5 191	103 891	108 818
Service charges - sanitation revenue	2	79 917	79 917	-	-	-	-	5 578	5 578	85 495	88 110
Service charges - refuse revenue	2	46 407	46 407	-	-	-	-	-	-	46 407	51 164
Service charges - other		-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		6 489	6 489	-	-	-	-	-	-	6 489	7 157
Interest earned - external investments		10 686	10 686	-	-	-	-	2 137	2 137	12 823	11 782
Interest earned - outstanding debtors		9 970	9 970	-	-	-	-	3 659	3 659	13 629	10 663
Dividends received		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		230 513	230 513	-	-	-	-	-	-	230 513	254 141
Licences and permits		4 056	4 056	-	-	-	-	(2 006)	(2 006)	2 050	4 472
Agency services		9 436	9 436	-	-	-	-	-	-	9 436	10 403
Transfers and subsidies		171 058	172 858	-	-	-	2 642	-	2 642	175 500	183 822
Other revenue	2	10 078	10 078	-	-	-	-	(1 567)	(1 567)	8 511	11 119
Gains		1 399	1 399	-	-	-	-	-	-	1 399	1 572
Total Revenue (excluding capital transfers and contributions)		1 390 473	1 392 273	-	-	-	2 642	12 992	15 634	1 407 907	1 462 183

Property Rates: Revenue from Property Rates is anticipated to be in line with the Original Budget allocation. Therefore, no amendments have been affected during the

Adjustments Budget process. The YTD overperformance is due to annual billings performed in the first month of the 2022/23 financial year.

Service Charges – Electricity: Electricity revenue is anticipated to be in line with the Original Budget allocation. Therefore, no amendments have been affected during the Adjustments Budget process. The YTD underperformance is anticipated to be addressed when the revenue of June 2023 is incorporated once the billing run for the first month in the new financial year is performed and revenue relating to June 2023 is recorded. The billing reflected in the monthly reporting does not include all services consumed in the reported month.

Service Charges – Water and Sanitation – Water revenue and sanitation revenue is adjusted upwards with R5.19 million and R5.58 million, respectively, in line with current and anticipated performance. Similarly, to electricity revenue, water revenue will also be positively affected by year-end journals recognizing revenue billed in the first billing cycle of the new financial year (2023/24).

Interest Earned – External Investments – Investment revenue is adjusted upwards with R2.14 million in line with current and anticipated performance. This adjustment is based on the municipality's current investment portfolio and anticipated cash flow for the remainder of the financial year.

Interest Earned – Outstanding Debtors – Interest on outstanding debtors is adjusted upwards with R3.66 million in line with current and anticipated performance. This adjustment is based on the municipality's debtors book, anticipated billings and collection for the remainder of the financial year.

Licenses and Permits - Revenue from this source was adjusted downwards with R2.01 million. This downward adjustment was made to bring the budget allocation in line with the YTD performance and anticipated revenue as at the end of the 2022/23 financial year.

Transfers subsidies: Increased with the rollover grant allocations from the 2021/22 financial year and other grant additions / amendments as per the list mentioned in the Executive Summary (4.). The amendment in respect of grant amounted to R2.64 million.

Other revenue - Revenue from this source was adjusted downwards with R1.57 million. This downward adjustment was made to bring the budget allocation in line with the YTD performance and anticipated revenue as at the end of the 2022/23 financial year.

2. Operational Expenditure

Operational revenue and amendments made with the Adjustments Budget is informed by the performance trends over the past six months.

WC025 Breede Valley - Table B4 Adjustments Budget Financial Performance (revenue and expenditure) -

Description	Ref	Budget Year 2022/23									Budget Year +1 2023/24	Budget Year +2 2024/25
		Original Budget A	Prior Adjusted 3 A1	Accum. Funds 4 B	Multi-year capital 5 C	Unfore. Unavoid. 6 D	Nat. or Prov. Govt 7 E	Other Adjusts. 8 F	Total Adjusts. 9 G	Adjusted Budget 10 H	Adjusted Budget	Adjusted Budget
R thousands	1											
Expenditure By Type												
Employee related costs		350 795	342 210	-	-	-	-	29 176	29 176	371 386	365 485	382 454
Remuneration of councillors		19 549	19 549	-	-	-	-	124	124	19 673	20 333	21 250
Debt impairment		198 257	198 257	-	-	-	-	-	-	198 257	209 752	222 026
Depreciation & asset impairment		100 988	100 988	-	-	-	-	-	-	100 988	106 265	112 035
Finance charges		38 001	38 001	-	-	-	-	-	-	38 001	44 980	51 267
Bulk purchases - electricity		422 897	422 897	-	-	-	-	-	-	422 897	460 535	506 588
Inventory Consumed		39 422	37 578	-	-	-	15	2 509	2 524	40 102	40 811	42 395
Contracted services		104 978	105 628	-	-	-	2 374	4 255	6 630	112 257	100 271	101 603
Transfers and subsidies		6 872	10 078	-	-	-	253	-	253	10 331	4 258	4 483
Other expenditure		70 227	77 964	-	-	-	-	3 136	3 136	81 100	73 929	77 933
Losses		3 766	3 766	-	-	-	-	-	-	3 766	3 991	4 229
Total Expenditure		1 355 751	1 356 914	-	-	-	2 642	39 200	41 843	1 398 757	1 430 608	1 526 262

Employee Related Cost – Similar to previous financial years, a significant number of positions on the approved organogram were unfunded in the 2022/23 financial year. However, given the demand for service delivery, these positions were to a significant extent being re-financed in a very conservative manner to carefully balance service delivery and financial sustainability. Also, other unforeseen circumstances has resulted in higher than anticipated expenditure that were also addressed during the Mid-year Adjustments Budget process.

Debt Impairment – This budgeted amount relates mainly to traffic fines, and to a lesser extent to service debtor accounts. Current and improved credit control and debt collection mechanisms and strategies are in place to minimize the risk over unauthorized expenditure on the 2022/23 contribution towards the provision for debt impairment.

Inventory Consumed – This expenditure item was adjusted upwards by R2.52 million. This increase mainly relates to adjustments for fuel costs and to a lesser extent materials and supplies.

Contracted Services – Additions made on contracted services amounted to R6.63 million for the purposes of external contractors where current commitments are currently in place.

Other Expenditure – Additions to the value of R3.14 million was made in respect of Other Expenditure. The main contributor to this increase was software licenses.

Capital Expenditure

Amendments to the capital budget:

- Reprioritization of Municipal Infrastructure Grant in line with the revised Detailed Project Implementation Plan (DPIP). Please refer to the table below. Finance Source 8,0 and Finance Code CNMIG).
- Other projects adjusted and / or moved to finance other projects and / or in line with the anticipated implementation plans for the current financial year.

WC025 Breede Valley - Table B5 Adjustments Capital Expenditure Budget by vote and funding -

Description		Ref	Budget Year 2022/23									Budget Year +1 2023/24	Budget Year +2 2024/25
			Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	
R thousands			A	5 A1	6 B	7 C	8 D	9 E	10 F	11 G	12 H		
Capital Expenditure - Functional													
Governance and administration			32 645	39 426	-	-	-	-	(14 432)	(14 432)	24 994	13 709	7 632
Executive and council			10	45	-	-	-	-	200	200	245	10	10
Finance and administration			32 635	39 381	-	-	-	-	(14 632)	(14 632)	24 749	13 699	7 622
Internal audit			-	-	-	-	-	-	-	-	-	-	-
Community and public safety			9 291	9 693	-	-	-	75	16 238	16 313	26 005	6 000	6 500
Community and social services			4 832	4 934	-	-	-	75	909	984	5 918	-	-
Sport and recreation			3 820	4 120	-	-	-	-	(3 070)	(3 070)	1 050	6 000	6 500
Public safety			639	639	-	-	-	-	1 049	1 049	1 688	-	-
Housing			-	-	-	-	-	-	17 350	17 350	17 350	-	-
Health			-	-	-	-	-	-	-	-	-	-	-
Economic and environmental services			56 246	56 767	-	-	-	-	7 198	7 198	63 965	65 964	43 546
Planning and development			1 820	1 820	-	-	-	-	(200)	(200)	1 620	-	-
Road transport			54 426	54 947	-	-	-	-	7 398	7 398	62 345	65 964	43 546
Environmental protection			-	-	-	-	-	-	-	-	-	-	-
Trading services			220 368	222 018	-	-	-	950	61 004	61 954	283 972	136 288	138 345
Energy sources			66 230	67 167	-	-	-	-	8 061	8 061	75 228	56 090	50 706
Water management			94 688	95 181	-	-	-	-	(27 689)	(27 689)	67 492	25 570	26 719
Waste water management			58 250	58 398	-	-	-	950	80 632	81 582	139 980	53 628	59 920
Waste management			1 200	1 272	-	-	-	-	-	-	1 272	1 000	1 000
Other			-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional		3	318 550	327 903	-	-	-	1 025	70 008	71 033	398 936	221 961	196 023
Funded by:													
National Government			69 094	69 094	-	-	-	-	-	-	69 094	99 614	82 052
Provincial Government			1 044	1 044	-	-	-	1 025	17 350	18 375	19 419	-	-
District Municipality			-	-	-	-	-	-	549	549	549	-	-
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)			-	-	-	-	-	-	19	19	19	-	-
Transfers recognised - capital		4	70 138	70 138	-	-	-	1 025	17 918	18 942	89 080	99 614	82 052
Public contributions & donations			-	-	-	-	-	-	-	-	-	-	-
Borrowing			146 238	146 238	-	-	-	-	34 090	34 090	180 328	34 669	32 000
Internally generated funds			102 174	111 527	-	-	-	-	18 000	18 000	129 528	87 678	81 971
Total Capital Funding			318 550	327 903	-	-	-	1 025	70 008	71 033	398 936	221 961	196 023

Detailed Capital Budget

The table below outlines all amendments from the Original Budget to the Total Funded Budget (Adjustments Budget).

Description	Source Finance	Finance Code	Final Budget	Roll overs from 2021/22	Veriments	Other Adjustments/ Additional funding	Adjustments Feb 2023	Total Funded budget 2022/23
<u>Engineering Services and Public Services</u>								
<u>Not Allocated to Wards</u>								
<u>Stettynskloof Water Supply (Worcester/Rawsonville)</u>								
Upgrading of Stettynskloof Supply Pipe Line - Phase 3 (MIG 164422)	8,0	CN MIG	3 421 924		-3 421 924			
Increase dam Level (Stetteynskloof Dam)	1,1	EFF	2 000 000				-2 000 000	
<u>Rawsonville WwTW</u>								
Rawsonville WwTW: Extension of WwTW (0,24 MI/day)	1,1	EFF	27 000 000					27 000 000
Rawsonville WwTW: Extension of WwTW (0,24 MI/day)	8,0	CN MIG						
<u>Klipvlakte/ Transhex Residential Development (13 000 erven)</u>								
Transhex:Electrical Reticulation	8,2	CNI NE	15 000 000					15 000 000
<u>Reservoirs</u>								
Reservoirs: Pre-loads	8,0	CN MIG	18 481 271		-13 919 400			4 561 871
Reservoirs: Pre-loads	1,1	EFF	55 000 000					55 000 000
<u>Upgrading of Sewer Network</u>								
Upgrading of Sewer Network: External Loan	1,1	EFF	15 000 000					15 000 000
<u>Upgrading of Gravel Roads</u>								
Breede Valley: Roads	3,0	CRR	1 000 000				-996 734	3 266
<u>Resealing of Roads</u>								
Resealing of Municipal Roads - Rawsonville	3,2	CRR	500 000		-500 000			

<u>Resealing of Municipal Roads - Worcester</u>								
Resealing of Municipal Roads - Worcester: MIG	8,0	CN MIG	13 353 593		-13 353 593			
Resealing of Municipal Roads - Worcester: CRR	3,0	CRR	1 000 000		-209 354		500 000	1 290 646
<u>Building of Roads</u>								
Building of Roads:Municipal Roads (Ward 1, 2, 3, 4, 16, 17 and 18)	3,0	CRR	3 000 000		-2 360 283		-572 049	67 668
<u>Traffic Circles</u>								
Traffic Circles: (High and Louis Lange)	3,0	CRR	6 000 000				13 071 849	19 071 849
<u>Networks</u>								
Pipe cracking (all wards)	3,0	CRR	3 000 000					3 000 000
<u>Electricity (8112)</u>								
Refurbishment of electrical system	3,0	CRR	3 500 000		400 000			3 900 000
Refurbishment of substations	3,0	CRR		218 000	11 750 000		-11 400 612	567 388
Refurbishment of substations	1,1	EFF					9 468 000	9 468 000
Refurbishment of substations	12,0	CRR					7 000 000	7 000 000
Robertson Road Substation	1,1	EFF	5 000 000					5 000 000
Alternative Electricity Supply Zwelethemba	1,1	EFF	10 000 000		1 800 000			11 800 000
Roux Park capacity/equipment upgrade	1,1	EFF	5 000 000		-1 800 000			3 200 000
Zwelethemba removal of mid-blocks	3,0	CRR	2 000 000		-1 910 000			90 000
Office and Storage Space Upgrade	3,0	CRR	500 000		-100 000		85 000	485 000
66KV Ripple Control	1,1	EFF	6 900 000				-6 900 000	
Upgrading of High Mast Lights	8,7	EED SM G	1 400 000					1 400 000
Upgrading of Street Lights	8,7	EED SM G	2 600 000					2 600 000
<u>Refurbishment of electrical system (NERSA)</u>								
Altona new Electrical Substation	1,1	EFF	10 000 000					10 000 000
Electricity - Machinery and Equipment	3,0	CRR	600 000					600 000
<u>Civil Engineering</u>								
Civil Engineering: Survey Equipment	3,0	CRR	50 000					50 000
Civil Engineering: Office Furniture	3,0	CRR	100 000		85 000		50 000	235 000
<u>Project Management</u>								
Worc Town Hall - Airconditioner	3,0	CRR				1 635 431	3 420 000	5 055 431

Supply and Installation of Load Shedding Solution and Solar PV	3,0	CRR						
<u>SOLID WASTE MANAGEMENT</u>								
<u>WORCESTER</u>								
Wheeliebins	3,0	CRR	1 000 000					1 000 000
Solid Waste - Radios	3,0	CRR	150 000		72 000			222 000
Solid Waste - Furniture and Office Equipment	3,0	CRR	50 000					50 000
Solid Waste Depot (Fairbairn Str) - air conditioning	3,0	CRR						
Upgrade of Doors and security gates (Fairbairns Stores)	3,0	CRR						
<u>ROADS AND STORMWATER</u>								
Roads - Machinery and Equipment	3,0	CRR	500 000		-72 000		-191 700	236 300
<u>Waste Water Treatment Works</u>								
Pump station upgrading and refurbishment	1,1	EFF	2 000 000					2 000 000
<u>Parks and Cemeteries</u>								
Parks - Machinery and Equipment	3,0	CRR	500 000				80 000	580 000
Fencing of Cemeteries - Aan De Doorns	3,0	CRR	1 000 000				-800 000	200 000
<u>Water and Sewerage</u>								
Water - Machinery and Equipment	3,0	CRR	500 000					500 000
Upgrading of Offices (Fairbairn Street)	3,0	CRR	1 500 000				110 000	1 610 000
Upgrading of Rawsonville sewer line	1,1						19 000 000	19 000 000
Upgrading of various sewer pumpstations	1,1						12 000 000	12 000 000
Upgrading of various sewer pumpstations	7,1						950 000	950 000
Construction of Kwinana Street Bypass sewer	1,1						9 500 000	9 500 000
<u>Ward Priorities</u>								
Speed Humps	3,0	CRR	300 000		923 200			1 223 200
Fencing of Substations	3,0	CRR	200 000		310 000			510 000
High Mast lights	3,0	CRR		496 378				496 378
<u>Ward 1</u>								
Touws River: Waste Water Treatment Works (WwTW) Augmentation : MIG	8,0	CN MIG	500 000					500 000
Touws River: Bok River Solar System	8,0	CN MIG	500 000		-500 000			

Augmentation of Water treatment works (MIG Counter funding)	8,8	WSI G	2 557 000		-200 000			2 357 000
Speed Humps x 2 - Ward 1	3,0	CRR	50 000					50 000
Upgrading of Roads - Ward 1	8,0	CN MIG					3 000 000	3 000 000
Ward 2								
New Retention Ponds - De Doorns: South of N1 (MIG Number 202347)	8,0	CN MIG	956 814		-956 814			
De Doorns Water Purification Works : Augmentation of DAF Unit (MIG funding)	8,0	CN MIG	7 773 398		-4 773 398		-3 000 000	
De Doorns WWTW Reactor	8,8	WSI G	2 550 000		200 000			2 750 000
Ward 4								
Reseal of Municipal Roads - Ward 4	3,0	CRR	1 000 000					1 000 000
Upgrading of Open space - Kleigat	3,0	CRR	100 000					100 000
Speed Hump - Voortrekker Str	3,0	CRR	50 000					50 000
Ward 5								
Reseal of Municipal Roads (Nederburg, Meerhoff, Wyland and Boschheuvel)	3,0	CRR	1 500 000					1 500 000
Ward 6								
Reseal of Municipal Roads (Quellerie Rd, Haarlem and others)	3,0	CRR	3 000 000					3 000 000
Speed Hump - Kuhn Str, Heyns Str and Jordan Str	3,0	CRR	75 000					75 000
Fencing of Substation (corner of Van der Merwe- and Lyons Street)	3,0	CRR	50 000					50 000
Erosion Protection of Hex River (Zweletemba)								
Erosion Protection of Hex River : Phase 2 (300m @ R13,333.33/m)	3,0	CRR		50 000			22 241 250	22 291 250
Erosion Protection of Hex River : Phase 2 (300m @ R13,333.33/m)	8,0	CRR			24 341 701			24 341 701
Ward 7								
Drop off zone (Worcester-East School)	3,0	CRR	100 000					100 000
Reseal of Municipal Roads (De La Bat and others)	3,0	CRR	3 000 000		1 358 487			4 358 487
Fencing of Cemeteries - De Wet Str.	3,0	CRR	100 000					100 000
Ward 8								
Upgrading of Gravel Roads	3,0	CRR	3 000 000				-3 000 000	
Upgrading of Gravel Roads	8,0	CN MIG			12 583 428			12 583 428

Ward 10								
Reseal of Roads - Ward 10	3,0	CRR	1 000 000		1 352 083			2 352 083
Playparks - Ward 10	3,0	CRR	60 000					60 000
Ward 11								
Reseal of Roads - Ward 11	3,0	CRR	1 000 000					1 000 000
Pedestrian walkway between Yssel and Sampson Street	3,0						75 000	75 000
Ward 12								
Upgrading of Routes (Visually Impaired)	3,0	CRR	1 000 000				-1 000 000	
Reseal of Municipal Roads - Ward 12	3,0	CRR	5 000 000					5 000 000
Ward 13								
Drop-off zone - Ward 13	3,0	CRR	100 000					100 000
Reseal of Municipal Roads - Ward 13	3,0	CRR	1 000 000		740 910			1 740 910
Building / Upgrading of Road (Florian Park to Johnson Park)	3,0	CRR	250 000				-250 000	
Ward 14								
Building of Roads - Ward 14	3,0	CRR	200 000				-200 000	
-								
Ward 15								
Drop off zone (Worcester Primary School)	3,0	CRR	100 000					100 000
Reseal of Municipal Roads - Ward 15	3,0	CRR	3 000 000					3 000 000
Playparks x 2 - Ward 15	3,0	CRR	100 000					100 000
Ward 17								
High Mast Light -Ward 17	3,0	CRR	500 000		150 000			650 000
Ward 19								
Playpark - Ward 19	3,0	CRR	60 000					60 000
-	-							
Ward 20	-							
Fencing of Rawsonville Graveyard	3,0	CRR	20 000				55 000	75 000
Ward 21	-							
Upgrading of gravel roads	3,0	CRR	3 000 000		-1 390 043		-1 609 957	
Speed Humps - Ward 21	3,0	CRR	100 000					100 000
Land Infill Developments								
Johnsons Park - Water	3,0	CRR		283 099			-184 001	99 098
Johnsons Park - Stormwater	3,0	CRR		98 167			-56 173	41 994

Johnsons Park - Electricity	3,0	CRR		222 992			348 301	571 293
Johnsons Park - Roads	3,0	CRR		677 489			-108 127	569 362
Avian Park Industrial - Water	1,1	EFF	146 043					146 043
Avian Park Industrial - Sewer	1,1	EFF	438 005				-438 005	
Avian Park Industrial - Stormwater	1,1	EFF	94 928					94 928
Avian Park Industrial - Electricity	1,1	EFF	990 000				-990 000	
Avian Park Industrial - Sewer Pumpstation	1,1	EFF	5 000 000				-5 000 000	
Somerset Park - Water	1,1	EFF	146 043					146 043
Somerset Park - Sewer	1,1	EFF	438 005					438 005
Somerset Park - Stormwater	1,1	EFF	94 928					94 928
Somerset Park - Electricity	1,1	EFF	990 000				-550 169	439 831
<u>SERVICE CONNECTIONS</u> <u>(Depending on Public Contr)</u>								
Sewer Connections	3,3	CRR	1 120 000					1 120 000
Electricity Connections	3,3	CRR	1 000 000		400 000			1 400 000
Water Connections	3,3	CRR	2 719 200			210 240		2 929 440
<u>Municipal Manager</u>								
<u>Admin -0603</u>								
MM: Furniture and Equipment	3,0	CRR	5 000				200 000	205 000
<u>RISK MANAGEMENT</u>								
Risk Management - Furniture and Office Equipment	3,0	CRR	30 000					30 000
<u>Community Services</u>								
<u>ADMIN - 0903</u>								
Community Services: Furniture & Equipment	4,0	CRR	5 000		9 080			14 080
<u>COMMUNITY DEVELOPMENT</u>								
Youth Café - Furniture and Office Equipment	3,0	CRR	200 000					200 000
<u>SPORT: Esselen Park</u>								
SPORT: Esselen Park: Replacement of fence perimeter	3,0	CRR	3 000 000	300 000			-3 150 000	150 000
<u>WATERLOO LIBRARY - 4506</u>								
Waterloo Library - Airconditioners	3,0	CRR	48 000		-9 080			38 920

Waterloo Library - Upgrade ramp	6,1	CPL IB	100 000		-19 000		74 879	155 879
Waterloo Library - Upgrade ramp	3,0	CRR				110 000		110 000
Waterloo Library - ICT Equipment	6,1	CPL IB	144 000		19 000			163 000
<u>TRAFFIC</u>								
<u>Buildings</u>								
Traffic - Machinery and Equipment	3,0	CRR	358 000		-80 000			278 000
Traffic - Furniture and Office Equipment	3,0	CRR	89 600		80 000			169 600
Traffic - Generator	3,0	CRR	400 000				-400 000	
Traffic - Upgrading of Cash Office	3,0	CRR	250 000					250 000
Traffic - Queuing System	3,0	CRR	150 000				-150 000	
<u>FIRE DEPARTMENT: ADMIN - 4203</u>								
Fire Services - Radios	3,0	CRR	55 000					55 000
Fire Services - Furniture and Office Equipment	3,0	CRR	150 000					150 000
Fire Services - De Doorns Communication Equipment	3,0	CRR	350 000					350 000
Fire Services - Airconditioners	3,0	CRR	50 000					50 000
Fire Services - Machinery and Equipment	3,0	CRR	34 000				500 000	534 000
<u>FINANCIAL SERVICES</u>								
<u>Admin</u>								
FS Admin - Furniture and Equipment	4,0	CRR	25 000		-15 000			10 000
<u>Financial Planning</u>								
FS FP - Safeguarding of Assets	12,0	IF	400 000					400 000
FS FP - Insurance claims	12,0	IF	400 000				700 000	1 100 000
Financial Planning - Upgrading of Buildings	3,0	CRR	200 000		15 000	38 000		253 000
<u>Donated Assets</u>								
Donated Assets - Buildings							17 350 000	17 350 000
Donated Assets - Vehicles							318 900	318 900
Donated Assets - Machinery and Equipment							230 000	230 000
Donated Assets - Computer Equipment								18 700
<u>Revenue</u>								
Revenue - Upgrading of Municipal Building	3,0	CRR	200 000					200 000

Credit Control - Upgrading of Municipal Building -	3,0	CRR	100 000					100 000
Revenue - Airconditioners	3,0	CRR	200 000					200 000
Revenue - Machinery and Equipment	3,0	CRR	400 000					400 000
Revenue - Furniture and Office Equipment	3,0	CRR	50 000		-44 700	200 000		205 300
Supply Chain Management								
SCM - Installation of records room shelving	3,0						200 000	200 000
Fleet Management - 8860								
Municipal Vehicles - LDV's	3,0	CRR	1 000 000					1 000 000
Municipal Vehicles - Sedans	3,0	CRR	1 000 000					1 000 000
Municipal Vehicles - Specialized	3,0	CRR	1 000 000					1 000 000
Municipal Vehicles - Specialized	99,0	Not funded						
Fleet - Major parts and components	3,0	CRR		300 000				300 000
COUNCIL & MAYCO								
MAYORAL OFFICE - 0306								
Mayco - Furniture and Equipment	3,0	CRR	5 000			35 000		40 000
STRATEGIC SUPPORT SERVICES								
STRATEGIC SUPPORT - ADMIN - 2103								
SSS - Furniture and Equipment	4,0	CRR	5 000		70 000	82 300		157 300
Local Economic Development								
LED - Furniture and Office Equipment	4,0	CRR	20 000					20 000
Zwelethemba Economic Facility	3,0	CRR	1 000 000		-300 000		100 000	800 000
Zwelethemba Economic Facility	6,4	CPR SE	800 000					800 000
Other Buildings								
Supply and Installation of Load Shedding Solution and Solar PV	3,0	CRR	13 420 000	428 476	-10 700 000	300 000	-2 665 976	782 500
Upgrading of municipal building	3,0	CRR		70 593	-70 000			593
WORCESTER TOWN HALL								
Worc Town Hall - Airconditioner	3,0	CRR	3 420 000				-3 420 000	
INFORMATION TECHNOLOGY - 2114								
ICT - Computer Equipment	3,0	CRR	12 000 000	4 485 443	44 700		-2 200 000	14 330 143
ICT - Fibre Links	3,0	CRR	1 500 000				-203 500	1 296 500

Call Center & Telephone (PBX) System	3,0	CRR	150 000	1 085 435			-100 000	1 135 435
Biometric system	3,0	CRR	150 000				-50 613	99 387
ICT - Airconditioner (DR Site)	3,0	CRR	50 000					50 000

2. Adjustments to Budget Funding

Budget funding in terms of operating and capital expenditure is set out on tables B4 and B5.

3. Adjustments to Expenditure on Allocations and Grant

Detailed particulars of budgeted allocations and grants can be found on SB8.

4. Adjustment to Allocations or Grants made by the Municipality

None.

5. Adjustment to Councilor Allowances and Employees

The changes to councilor allowances and employee related cost is provided on table B4.

6. Adjustment to Service Delivery and Budget

The monthly targets for revenue, expenditure and cash flows are provided in B10 - Section B Supporting Tables.

7. Adjustment to Capital Spending Detail

Information/detail regarding capital projects by vote is provided in Section B – Capital Budget, read with B5, B5B, SB16, SB17, SB18a, SB18b, SB18e and SB19.

8. Other Supporting Documents

- National treasury electronic revised budget report, SB1-SB19 as **Annexure A**
- Signed quality certificate as **Annexure B**
- Provincial Gazette Extraordinary, 8712, Friday, 3 February 2023
- Provincial Gazette Extraordinary, 8719, Monday, 13 February 2023

Comment of Directorates / Departments concerned:

Municipal Manager:	Recommendation Supported
Director: Strategic Support Services:	Recommendation Supported
Director: Financial Services:	Recommendation Supported
Director: Engineering Services:	Recommendation Supported
Director: Community Services:	Recommendation Supported
Acting Director: Public Services:	Recommendation Supported

RECOMMENDATION:

That in respect of Adjustments budget for the Financial Year 2022/23 discussed by council at the Council meeting held on 24 February 2023

1. Council resolves that the budget of Breede Valley Municipality for the financial year 2022/23 be adjusted and approved with amendments as set out in the following Municipal Budget tables B1- B10 and Municipal Budget supporting documentation SB1 - SB19.
2. Council resolves that the Detailed Project Implementation Plan (DPIP) relating to the Municipal Infrastructure Grant (MIG) be revised as per approved budget.