



Notice is hereby given in terms of Section 29 of the Local Government: Municipal Structures Act, Act 117 of 1998, that a **SPECIAL COUNCIL MEETING** of the 2021/2026 term of the Garden Route District Municipality will be held at the CA Robertson Council Chambers on **MONDAY, 21 NOVEMBER 2022** at **10:00** to consider the items as set out in the agenda.

*Kennis geskied hiermee ingevolge Artikel 29 van die Wet op Plaaslike Regering: Munisipale Strukture, 1998, Wet 117 van 1998, dat 'n **SPESIALE RAADSVERGADERING** van die 2021/2026 termyn van die Garden Route Distriksmunisipaliteit gehou sal word in die CA Robertson Raadsaa op **MAANDAG, 21 NOVEMBER 2022** om **10:00** ten einde oorweging aan die items soos in die agenda uiteengesit, te skenk.*

Kukhutshwe isaziso ngokwemiqathango yoMhlathi 29 woRhulumente Basekhaya: Umthetho Wezolawulo loMasipala, 1998, uMthetho 117 wango 1998, sokuba **INTLANGANISO EKHETHEKILEYO** yexesha lika 2021/2026 loMasipala Wesithili se Garden Route izakubanjelwa kwiGumbi leBhunga CA Robertson, **NGOMVULO, 21 KWEYENKANGA 2022** ngentsimbi ye **10:00** ukuqwalasela imiba ebekwe kwi agenda.

ALD GR WOLMARANS
SPEAKER
SPEAKER
SOMLOMO

MG STRATU
 Municipal Manager
Munisipale Bestuurder
 Mphathi Masipala

Date: 16 NOVEMBER 2022

AGENDA

1. OPENING AND WELCOMING / OPENING EN VERWELKOMING / UVULO NOLWAMKELO

C.1	INAUGURATION OF NEW COUNCILLOR: GARDEN ROUTE DISTRICT COUNCIL: CLLR HD RUITERS/ INHULDIGING VAN NUWE RAADSLID: RDL HD RUITERS / UKUFUNGISWA KOOCEBA ABATSHA: IBHUNGA LESITHILI SE GARDEN ROUTE: UCEBA HD RUITERS <i>Refer Report dated 16 November 2022 from the Office of the Municipal Manager (MG Stratu)</i>	29 - 32
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2. EVACUATION PROCEDURES / ONTRUIMINGSPROSEDURES / IKNQUBO YOKUFUDUSWA

3. SILENT PRAYER (MEDITATION) / STILLE GEBED (MEDITASIE) / UMTHANDAZO OTHULEYO

4. ATTENDANCE OF MEMBERS / BYWONING VAN LEDE / AMALUNGU AKHOYO

4.1 COUNCILLORS PRESENT / RAADSLEDE TEENWOORDIG / OCEBA ABAKHOYO

4.2 COUNCILLORS WITH LEAVE / RAADSLEDE MET VERLOF / OCEBA ABAKWIKHEFU

4.3 COUNCILLORS WITHOUT LEAVE / RAADSLEDE SONDER VERLOF / OCEBA ABANGEKHO KWIKHEFU

5. NOTING OF THE PROVISIONS OF SCHEDULE 7 (CODE OF CONDUCT FOR COUNCILLORS) OF THE LOCAL GOVERNMENT MUNICIPAL STRUCTURES AMENDMENT ACT, 2021 / KENNISNAME VAN DIE VOORSKRIFTE VAN SKEDULE 7 (GEDRAGSKODE VIR RAADSLEDE) VAN DIE PLAASLIKE REGERING MUNISIPALE AANGEPASTE STRUKTURE WET, 2021 / UQWALASELO LWEMITHETHO-NEMIMISELO YOLUHLU 7 (INDLELA YOKUZIPHATHA KOOCEBA) LOMTHETHO WORHULUMENTE BASEKHAYA WESIMO SOMASIPALA OLUNGISIWEYO WANGO 2021

6. DISCLOSURE OF INTERESTS BY COUNCILLORS AND OFFICIALS / VERKLARING VAN BELANGE DEUR RAADSLEDE EN AMPTENARE / UKUCHAZWA KOMDLA NGOCEBA KUNYE NAMAGOSA

7	COMMUNICATIONS BY THE SPEAKER / MEDEDELINGS DEUR DIE SPEAKER / UNXIBELELWANO LUKASOMLOMO
8	COMMUNICATIONS BY THE EXECUTIVE MAYOR / MEDEDELINGS DEUR DIE UITVOERENDE BURGEMEESTER / UNXIBELELWANO LUKA SODOLOPHU

9.	COMMUNICATIONS BY THE MUNICIPAL MANAGER / MEDEDELINGS DEUR DIE MUNISIPALE BESTUURDER / UNXIBELELWANO LOMPHATHI MASIPALA	
10.	APPROVAL OF MINUTES OF COUNCIL MEETINGS / GOEDKEURING VAN NOTULES VAN RAADSVERGADERINGS / UKUPHUNYEZWA KWEMIZUZU YENTLANGANISO YEBHUNGA	
10.1	None / Geen / Asikho	
11.	MINUTES OF MAYORAL COMMITTEE MEETING AND SECTION 79 COMMITTEES (FOR NOTIFICATION) / NOTULES VAN BURGEMEESTERSKOMITEEVERGADERINGS EN ARTIKEL 79 A (VIR KENNISNAME) / IMIZUZU YEKOMITI KASODOLOPHU NEZINYE IKOMITI ZOMHLATHI 79 (ITHATHELWE INGQALELO)	
11.1	None / Geen / Asikho	
12.	STANDING ITEMS / STAANDE ITEMS / IMIBA EMISIWEYO	
12.1	None / Geen / Asikho	
SECTION A		
REPORTS FROM THE SPEAKER		
A.1	None / Geen / Asikho	
SECTION B		
REPORTS FROM THE EXECUTIVE MAYOR / VERSLAE VANAF DIE UITVOERENDE BURGEMEESTER / IMIBA EVELA KUSODOLOPHU		
B.1	SECOND ADJUSTMENT BUDGET 2022/2023 MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK (MTREF) / TWEEDE AANSUIWERINGSBEGROTING 2022/2023 MEDIUM TERMYN EN INKOMSTE EN UITGAWE RAAMWERK (MTIUR) / ULWABIWO-MALI LWESIBINI OLU-LUNGISIWEYO LUKA 2022/2023 LWENGENISO YEXESHA ELIFUTSHANE KUNYE NENDLELA YENCITHO(MTREF) <i>Refer Report dated 14 November 2022 from the Executive Mayor (Ald M Booysen)</i>	6 - 28
SECTION C		
REPORTS FROM THE OFFICE OF THE MUNICIPAL MANAGER / ITEMS VANAF DIE KANTOOR VAN DIE MUNISIPALE BESTUURDER / IMIBA EVELA KWI OFISI YOMPHATHI MASIPALA		
C.1	INAUGURATION OF NEW COUNCILLOR: GARDEN ROUTE DISTRICT COUNCIL: CLLR HD RUITERS/ INHULDIGING VAN NUWE RAADSLEDE: RDL HD RUITERS / UKUFUNGISWA KOCEBA WE: IBHUNGA LESITHILI SE GARDEN ROUTE: UCEBA HD RUITERS <i>Refer Report dated 16 November 2022 from the Office of the Municipal Manager (MG Stratu)</i>	29 - 32
SECTION D		
REPORTS FROM THE FINANCIAL SERVICES DEPARTMENT / ITEMS VANAF DIE FINANSIËLE DIENSTE DEPARTEMENT / IMIBA YESEBE LENKONZO ZEMALI		
D.1	None / Geen / Asikho	

SECTION E		
REPORTS FROM THE CORPORATE SERVICES DEPARTMENT / ITEMS VANAF DIE KORPORATIEWE DIENSTE DEPARTEMENT / IMIBA YESEBE LENKONZO ZOLAWULO		
E.1	None / Geen / Asikho	
SECTION F		
REPORTS FROM THE COMMUNITY SERVICES DEPARTMENT / ITEMS VANAF DIE GEMEENSKAPSDIENSTE DEPARTEMENT / IMIBA YESEBE LENKONZO ZOLUNTU		
F.1	None / Geen / Asikho	
SECTION G		
REPORTS FROM THE ROADS AND TRANSPORT PLANNING SERVICES DEPARTMENT / ITEMS VANAF DIE PAAIE EN VERVOER BEPLANNINGSDIENSTE DEPARTEMENT / IMIBA YESEBE LENKONZO ZENDLELA KUNYE NEZICWANGCISO KWEZOTHUTHO		
G.1	None / Geen / Asikho	
SECTION H		
REPORTS FROM THE PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT / ITEMS VANAF DIE BEPLANNING EN EKONOMIESE DIENSTE DEPARTEMENT / IMIBA YESEBE LEZICWANGCISO KUNYE NOPHUHLISO LOQOQOSHO		
H.1	None / Geen / Asikho	
SECTION I		
NOTICE OF URGENT MOTIONS / KENNISGEWING VAN DRIGENDE MOSIES / ISAZISO SEZIPHAKAMISO		
I.1	None / Geen / Asikho	
SECTION J		
NOTICES OF MOTIONS / KENNISGEWING VAN MOSIES / ISAZISO SEZIPHAKAMISO		
J.1	None / Geen / Asikho	
SECTION K		
IN CLOSED SESSION / IN GESLOTE SESSIE / KWI-SASHONI YASEKHUSINI		
K.1	None / Geen / Asikho	
	CLOSURE / SLUITING / UQUKUNJELO	

Ald M Booyen
Ald GR Wolmarans
Ald G van Niekerk
Ald P Terblanche
Ald S De Vries
Ald CN Lichaba
Cllr / Rdl / Ceba NV Gungubele
Cllr / Rdl / Ceba J Hoogbaard
Cllr / Rdl / Ceba JG Meiring
Cllr / Rdl / Ceba CA Swart
Cllr / Rdl / Ceba K Malooi
Cllr / Rdl / Ceba C Scheepers
Cllr / Rdl / Ceba B van Noordwyk
Cllr / Rdl / Ceba CP Taute
Cllr / Rdl / Ceba D Acker
Ald JC Lambaatjeen
Cllr / Rdl / Ceba LSS van Rooyen
Cllr / Rdl / Ceba RJ Hector
Cllr / Rdl / Ceba SM Toto
Ald V Gericke
Ald IC Kritzinger
Cllr / Rdl / Ceba DL Cronje
Cllr / Rdl / Ceba HRT Stroebel
Cllr / Rdl / Ceba TC Matika
Cllr / Rdl / Ceba NT Seti
Ald NS Ndayi
Cllr / Rdl / NA Tswenga
Ald RH Ruiters
Cllr / Rdl / Ceba M Kannemeyer
Cllr / Rdl / Ceba MA Mkonto
Cllr / Rdl / Ceba JJ Cornelius
Cllr / Rdl / Ceba JP Buys (as of 27
July 2022)
Cllr / Rdl / Ceba JJ Bavuma (as of
27 July 2022)
Cllr / Rdl / Ceba D Saptoe (as of 25
October 2022)
Cllr / Rdl / Ceba R April (as of 25
October 2022)
1 X VACANT

1. SECOND ADJUSTMENT BUDGET 2022/2023 MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK (MTREF) / TWEEDE AANSUIWERINGSBEGROTING 2022/2023 MEDIUM TERMYN EN INKOMSTE EN UITGAWE RAAMWERK (MTIUR) / ULWABIWO-MALI LWESIBINI OLU-LUNGISIWEYO LUKA 2022/2023 LWENGENISO YEXESHA ELIFUTSHANE KUNYE NENDLELA YENCITHO(MTREF)

(6/18/7)

14 November 2022

REPORT FROM THE EXECUTIVE MAYOR (M BOOYSEN)

PURPOSE OF THE REPORT

The report is tabled to council in terms of section 28(2) (Municipal Adjustments Budgets) as required in terms of the Municipal Finance Management Act 56 of 2003.

DELEGATED AUTHORITY

Council

EXECUTIVE SUMMARY

The Budget and Reporting Regulations Section 23 Subsection (3) states-

If a national or provincial adjustments budget allocates or transfers 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.

Additional revenues/allocations received from National and/or Provincial government must be tabled before council at the first Council meeting following the allocation of the additional funds – such allocations (totalling R19m) is included here.

These adjustments have to be brought into the 2022/23 budget by means of an Adjustment Budget tabled to Council for approval.

RECOMMENDATIONS

That Council take the following resolutions:

(1) That the second adjustments budget of Garden Route District Municipality for the financial year 2022/2023 as set out in the schedules contained in Section 4 be **approved:**

- i. Table B1 Adjustments Budget Summary;
- ii. Table B2 Adjustments Budget Financial Performance (by standard classification);
- iii. Table B3 Adjustments Budget Financial Performance (by municipal vote);
- iv. Table B4 Adjustment Budget Financial Performance (revenue by source); and
- v. Table B5 Adjustment Budget Capital Expenditure (by municipal vote and funding source).

(2) Council approves the Adjustment Operating Expenditure Budget of R511,643,133.

(3) Council approves the Adjustment Operating Revenue Budget of R505,851,075.

(4) Council approves the Adjustment Capital Budget of R127,797,414.

(5) That a revised Service Delivery and Budget Implementation Plan (SDBIP) for the 2022/23 financial year be compiled and tabled to the Executive Mayor for approval.

AANBEVELINGS

Dat die Raad die volgende resolusies aanvaar:

- (1) *Dat die tweede aangepaste Begroting van Garden Route Distriksmunisipaliteit vir die finansiële jaar 2022/2023 soos vervat in die skedules van Seksie 4 goedgekeur word:*
- i. Tabel B1 Aangepaste Begrotings Opsomming;*
 - ii. Tabel B2 Aangepaste Begroting Finansiële Prestasie (volgens standaard klassifikasie);*
 - iii. Tabel B3 Aangepaste Begroting Finansiële Prestasie (volgens pos);*
 - iv. Tabel B4 Aangepaste Begroting Finansiële Prestasie (volgens finansieringsbron);
en*
 - v. Tabel B5 Aangepaste Kapitale Begroting (volgens pos en finansieringsbron)*
- (2) *Die Raad die Aangepaste Uitgawe Begroting van R511,643,133 goedkeur.*
- (3) *Die Raad die Aangepaste Inkomste Begroting van R505,851,075 goedkeur.*
- (4) *Die Raad die Aangepaste Kapitaal Begroting van R127,797,414 goedkeur.*
- (5) *Dat die hersiende Dienslewering- en Begrotings Implementerings Plan vir 2022/2023 opgestel en aan die Uitvoerende Burgermeester voorgelê word vir goedkeuring.*

IZINDULULO

Sesokuba iBhunga lithathe ezi zigqibo zilandelayo:

- (1) Sesokuba ulwabiwo-mali lwesibini olulungisiweyo loMasipala Wesithili se Garden Route kunyakamali ka 2022/2023 njengoko kuchaziwe kuluhlu oluqulwathwe kuMhlathi 4 luphunyezwe:
- i. Table B1 Ushwankathelo loLwabiwo-Mali Olu-Lungisiweyo*
 - ii. Table B2 Ulwabiwo-Mali Olulungisiweyo Umsebenzi Wezemali (ngokwendlela ezifanelekileyo);*

- iii. Table B3 Ulwabiwo-Mali Olulungisiweyo Umsebenzi Wezemali (ngokwevoti yomasipala);
 - iv. Table B4 Ulwabiwo-Mali Olulungisiweyo Umsebenzi Wezemali (ingeniso ngokovimba); kunye
 - v. Table B5 Ulwabiwo-Mali Olulungisiweyo Incitho Yenkunzi (ngokwevoti yomasipala kunye nenxaso yovimba)
- (2) IBhunga liphumeze Ulwabiwo-Mali Olu-Lungisiweyo Lencitho Eqhubayo ye R511,643,133
 - (3) IBhunga liphumeze uLwabiwo-Mali Oluqhubayo Lwengeniso noluyi R505,851,075
 - (4) IBhunga liphumeze Ulwabiwo-Mali Olu-yinkunzi Olu-Lungisiweyo lwe R127,797,414
 - (5) Sesokuba ulungisowe Lonikezelo Nkonzo kunye Nesicwangciso Sokumiselwa koLwabiwo-Mali(SDBIP) kunyakamali ka 2022/2023 luqulunqwe kwaye luthiwe theca kuSodolophu obekekileyo ukuze luphunyezwe.

6. DISCUSSION / BACKGROUND

6.1 BACKGROUND

Section 28 of the Municipal Finance Management Act 2003 (No.56) (MFMA) determines that a Municipality may revise an approved annual budget through an adjustment budget.

Subsection (2) also determines that an adjustment budget:

- a) Must adjust the revenue and expenditure estimates downwards if there is material under-collection of revenue during the current year;
- b) 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;

- c) May, within a prescribed framework, authorize unforeseeable and unavoidable expenditure recommended by the mayor;
- d) May authorize the utilization of projected savings in one vote towards spending under another vote;
- e) 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 the Council;
- f) May correct any errors in the annual budget; and
- g) May provide for any other expenditure within a prescribed framework.

Subsection (4) determines that only the mayor may table an adjustment budget in the municipal Council, but an adjustment budget in terms of subsection (2) (b) to (g) may only be tabled within any prescribed limitations as to timing or frequency.

Subsection (5) states that when an adjustment budget is tabled, it must be accompanied by an explanation of how the adjustment budget affects the annual budget and a motivation of any material changes to the annual budget.

Subsection (6) states very clearly that property rates and tariffs may not be increased during a financial year except when required in terms of a financial recovery plan.

Cognizance must also be taken of **Section 15** of the MFMA which refers to the appropriation of funds for expenditure.

Subsection **(a)** determines very clearly that expenditure may only be incurred in terms of an approved budget; and

(b) Within the limits of the amounts appropriated for the different votes in an approved budget.

Also take note of **Section 23 (5)** of the Budget and Reporting Regulations which refers to the Timeframes for tabling of adjustment budgets.

Subsection (3) states-

If a national or provincial adjustments budget allocates or transfers 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.

Also take note of **Section 23 (3)** of the Budget and Reporting Regulations which refers to the timeframes of tabling of adjustment budgets.

6.2 DISCUSSION

Additional funding to the amount of R19.1m was allocated to Garden Route District Municipality by the Department of Transport and Public works (for the Roads function performed on behalf of Province) and therefore a second adjustment budget is tabled at Council for approval in terms of Subsection (3) of the Budget and Reporting Regulations.

These adjustments have to be brought into the 2022/2023 budget by means of an Adjustment Budget tabled to Council for approval.

Detail and further explanation is provided in the report below.

6.3 FINANCIAL IMPLICATION

Financial implications as per the Report attached.

6.4 RELEVANT LEGISLATION

Municipal Finance Management Act, No 56 of 2003

Municipal Budget and Reporting Regulations, 17 April 2009

ANNEXURES

- 2ND Adjustment Budget Report 2022/2023 MTREF



GARDEN ROUTE DISTRICT MUNICIPALITY

FINANCIAL YEAR 2022 - 2023

ADJUSTMENT BUDGET REPORT

2022/2023 MTREF

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Glossary

Adjustments budget – Prescribed in section 28 of the MFMA. The formal means by which a municipality may revise its annual budget during the year.

Allocations – Money received from Provincial or National Government or other municipalities.

Budget – The financial plan of the Municipality.

Budget related policy – Policy of a municipality affecting or affected by the budget, examples include tariff policy, rates policy and credit control and debt collection policy.

Capital expenditure - Spending on assets such as land, buildings and machinery. Any capital expenditure must be reflected as an asset on the Municipality's balance sheet.

Cash flow statement – A statement showing when actual cash will be received and spent by the Municipality. Cash payments do not always coincide with budgeted expenditure timings. For example, when an invoice is received by the Municipality it is shown as expenditure in the month it is received, even though it may not be paid in the same period.

DORA – Division of Revenue Act. Annual legislation that shows the total allocations made by national to provincial and local government.

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

Fruitless and wasteful expenditure – Expenditure that was made in vain and would have been avoided had reasonable care been exercised.

GFS – Government Finance Statistics. An internationally recognised classification system that facilitates like for like comparison between municipalities.

GRAP – Generally Recognised Accounting Practice. The new standard for municipal accounting.

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

MBRR – Local Government: Municipal Finance Management Act (56/2003): Municipal budget and reporting regulations April 2009

MFMA – The Municipal Finance Management Act – No. 56 of 2003. The principle piece of legislation relating to municipal financial management.

MTREF – Medium Term Revenue and Expenditure Framework. A medium term financial plan, usually 3 years, based on a fixed first year and indicative further two years budget allocations. Also includes details of the previous and current years' financial position.

Operating expenditure – Spending on the day to day expenses of the Municipality such as salaries and wages.

Rates – Local Government tax based on the assessed value of a property. To determine the rates payable, the assessed rateable value is multiplied by the rate in the rand.

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

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

Unauthorised expenditure – Generally, spending without, or in excess of, an approved budget.

Virement – A transfer of budget.

Virement policy - The policy that sets out the rules for budget transfers. Virements are normally allowed within a vote. Transfers between votes must be agreed by Council through an Adjustments Budget.

Vote – One of the main segments into which a budget. In Garden Route District this means the different GFS classification the budget is divided.

Legislative Framework

This report has been prepared in terms of the following enabling legislation.

The Municipal Finance Management Act – No. 56 of 2003

Section 28 Municipal Adjustment Budgets

Local Government: Municipal Finance Management Act (56/2003): Municipal budget and reporting regulations

Schedule B format of adjustment budgets

PART 1 – IN-YEAR REPORT

SECTION 1 – MAYORAL SPEECH

Honourable Speaker, leaders of the Opposition, honourable members of the Garden Route District Council on both sides of the house, The Municipal Manager and his Executive Management Team, the Members of the Media, interest groups and the citizens of the Garden Route District Municipality. I would like to express a hearty warm welcome to you all. We are here today to approve the second adjustment budget for the 2022/2023 financial year.

Section 23(3) of the Budget and Reporting Regulations which refers to the timeframes of tabling of adjustment budgets states-

- If a national or provincial adjustments budget allocates or transfers 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.

GRDM received additional allocation with regards to the Roads Department to the amount of R19,100,000 from the Department of Public Works. The administration fee will increase with R940,115 for the additional allocation, and this amount will be allocated to the Calitzdorp Hot Spring Thatch Roof Project in order to fund the completion of the project relating to urgent reparations to thatched roofs and other assets at the resort.

The details of the above inclusions into the budget are as follows:

Summary

BUDGET - Second Adjustment Budget (21 November 2022)				
DESCRIPTION	Approved Budget 2022/2023	Prior Adjusted Budget	2nd Budget Adjustments	Total 2nd Adjustment Budget
OPERATING EXPENDITURE				
Revenue	480,350,118	485,810,960	20,040,115	505,851,075
Expenditure	487,297,291	492,543,133	19,100,000	511,643,133
Surplus / (Deficit)	- 6,947,173	- 6,732,173	940,115	- 5,792,058
CAPITAL EXPENDITURE				
Capital Expenditure	126,642,299	126,857,299	940,115	127,797,414
TOTAL NET MOVEMENT IN CAPEX AND OPEX			-	

Note that the 2022/23 adjustments budget totals to a net deficit, but it is not an unfunded budget. The deficit on the budget remains the same as the Roll-Over adjustment budget, the net effect on the bottom-line for the adjustments are R0. GRDM has accumulated surpluses which will fund the shortfall in the short term, with numerous projects in various stages of implementation to ensure GRDM can maintain its healthy financial position in the current extremely challenging economic conditions, as well as over the long term.

Operational Budget:

Income: The operational revenue budget has increased by approximately R20 million, the largest items contributing to the increase is as follows:

- The Roads budget increased with a total of R19.1m with the additional allocation on the roads expenditure up to 30 June 2023. This is offset by an increase in Roads revenue with the same amount.
- Income for Agency Services increase with R940,115 (6% of additional Roads allocation as per signed MOA) and the expenditure were allocated to the planning and economic development department in order to fund the completion of the project relating to urgent reparations to thatched roofs and other assets at the resort.

Expenditure: The operational expenditure budget has increased by R19.1 million on the Roads Department budget – to be allocated to applicable lines as projects in the Department requires.

- Income for Agency Services increase with R940,115 and the expenditure were allocated to the planning and economic development department for urgent reparations to thatched roofs and other assets at the resort.

SUMMARY OF TOTAL ADDITIONAL FUNDING:

GARDEN ROUTE DISTRICT MUNICIPALITY: ADDITIONAL FUNDING – 2022/2023 FINANCIAL YEAR

Project R'000	Original Budget R'000	Adjusted Budget R'000	Provisional Revised Budget R'000
Routine Maintenance	89,480,000	7,732,000	97,212,000
Resealing	23,480,000	1,127,000	24,607,000
Regravelling	24,570,000	2,324,000	26,894,000
Upgrade: Slangriver	1,000,000	13,354,000	14,354,000
Upgrade: Slangriver Causeway	6,000,000		6,000,000
Upgrade Fancourt	24,000,000	(5,437,000)	18,563,000
Total	168,530,000	19,100,000	187,630,000

The detailed report provides a reconciliation between the additional funding included in the Adjustment Budget as well as the expenditure increased as per the MOA.

Capital Budget:

The capital budget increases with R940,115 in respect of the Calitzdorp Hot Springs Thatch Roof project.

I would therefore like to recommend that council approve the following resolutions:

- (1) That the adjustment budget of Garden Route District Municipality for the financial year **2022/2023** as set out in the schedules contained in Section 4 be approved:
 - (i) Table B1 Adjustments Budget Summary;
 - (ii) Table B2 Adjustments Budget Financial Performance (by standard classification);

- (iii) Table B3 Adjustments Budget Financial Performance (by municipal vote);
 - (iv) Table B4 Adjustments Budget Financial Performance (revenue by source); and
 - (v) Table B5 Adjustments Budget Capital Expenditure (by municipal vote and funding source)
- (2) That the adjusted operating expenditure budget of Garden Route District Municipality for the financial year **2022/2023 of R511,643,133** be approved.
- (3) That the adjusted operating revenue budget of Garden Route District Municipality for the financial year **2022/2023 of R505,851,075** be approved.
- (4) That the adjusted capital of Garden Route District Municipality for the financial year **2022/2023 of R127,797,414**
- (5) That a revised Service Delivery and Budget Implementation Plan (SDBIP) for the **2022/2023** financial year be compiled and tabled to the Executive Mayor for approval .

SECTION 2 – RESOLUTIONS

Municipal Financial Management Act, 56 of 2003 - SECTION 28 Municipal adjustment budgets.

These are the resolutions being presented to Council in terms of Municipal Finance Management Act, 56 of 2003 on the adjustment budget and related information.

RECOMMENDATION:

- (1) That the adjustment budget of Garden Route District Municipality for the financial year **2022/2023** as set out in the schedules contained in Section 4 be approved:
- (i) Table B1 Adjustments Budget Summary;
 - (ii) Table B2 Adjustments Budget Financial Performance (by standard classification);

- (iii) Table B3 Adjustments Budget Financial Performance (by municipal vote);
 - (iv) Table B4 Adjustments Budget Financial Performance (revenue by source); and
 - (v) Table B5 Adjustments Budget Capital Expenditure (by municipal vote and funding source)
- (2) That the adjusted operating expenditure budget of Garden Route District Municipality for the financial year **2022/2023 of R511,643,133** be approved.
- (3) That the adjusted operating revenue budget of Garden Route District Municipality for the financial year **2022/2023 of R505,851,075** be approved.
- (4) That the adjusted capital budget of Garden Route District Municipality for the financial year **2022/2023 of R127,797,414** be approved.
- (5) That a revised Service Delivery and Budget Implementation Plan (SDBIP) for the **2022/2023** financial year be compiled and tabled to the Executive Mayor for approval.

SECTION 3 - EXECUTIVE SUMMARY

3.1 Introduction

This budget report is tabled in terms of the Municipal Finance Management Act, 56 of 2003 and the Municipal Budget and Reporting regulations, dated 17 April 2009.

Municipal Finance Management Act, 56 of 2003

Section 28(1) *A municipality may revise an approved annual budget through an adjustment budget.*

Section 28(2)(b) *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;*

Section 28(2)(d) *may authorise the utilisation of projected savings in one vote towards spending under another vote;*

Section 28(2)(f) *may correct any errors in the annual budget*

Section 28(3) *An adjustment budget must be in a prescribed format.*

Municipal Budget and Reporting Regulations, 17 April 2009, Regulation 23 Timeframes for tabling of adjustments budgets:

Sub regulation (1) states –

An adjustment 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.

Schedule B Adjustment budget and supporting documentation of municipalities

(1) *An adjustment budget and support documentation of a municipality that is – Contemplated in sub regulation 23(1) must have all the headings in the sequence shown in the table of contents below, contain the information described in this Schedules and be appropriately page numbered, taking into account any guidelines issued by the Minister in terms of section 168(1) of the Act.*

The Adjustment budget is tabled to Council for approval, this adjustment budget includes the additional funding received from Department of Public Works.

3.2 Adjustment Budget

Operational Budget

Comparison between the **Original, Rollover, and Second Adjustment Budget** for the financial year 2022/23 MTREF:

BUDGET - Second Adjustment Budget (21 November 2022)					
DESCRIPTION	Approved Budget 2022/2023	Roll - Over Budget 2022/2023	Second Adjustment Budget 2022/2023	Approved Budget 2023/24	Approved Budget 2024/25
OPERATING EXPENDITURE					
Operational Income	480,350,118	480,350,118	485,810,960	499,722,115	530,845,281
Unspent Grants		5,460,842			
Additional Funding (DTPW)			20,040,115		
Revised Operational Income	480,350,118	485,810,960	505,851,075	499,722,115	530,845,281
Operational Expenditure	487,297,291	487,297,291	492,543,133	506,670,494	534,654,277
National Grants		-			
Provincial Grants		5,245,842			
Additional funding (DTPW)			19,100,000		
Revised Operational Expenditure	487,297,291	492,543,133	511,643,133	506,670,494	534,654,277
Surplus / (Deficit)	- 6,947,173	- 6,732,173	- 5,792,058	- 6,948,379	- 3,808,996
CAPITAL EXPENDITURE					
Capital Expenditure	126,642,299	126,642,299	126,857,299	158,401,316	10,550,000
Provincial Grants		215,000	-		
Additional Funding (DTPW)			940,115		
Revised Capital Budget	126,642,299	126,857,299	127,797,414	158,401,316	10,550,000
Less funded from NT Grants	4,000,000	4,000,000	4,000,000	4,000,000	5,000,000
Less funded from PT Grants	-	215,000	215,000		
Less funded from Borrowings	107,232,299	107,232,299	107,232,299	153,851,316	2,850,000
Less funded from CRR	8,210,000	8,210,000	9,150,115	550,000	-
Less funded from Donated PPE	7,200,000	7,200,000	7,200,000		
Surplus / (Deficit) after Capital	126,642,299	126,857,299	127,797,414	158,401,316	7,850,000

OPERATING SURPLUS/(DEFICIT)

A deficit of R5 792 058 is proposed for the Second Adjustments Budget. Note that the 2022/23 adjustments budget totals to a net deficit, but it is not an unfunded budget. GRDM has accumulated surpluses which will fund the shortfall in the short term, with numerous projects in various stages of implementation to ensure GRDM can maintain its healthy financial position in the current extremely challenging economic conditions, as well as over the long term. These additional allocations contained in the second adjustment budget have a zero effect on the bottom line as the revenue equals the expenditure

Capital Budget

The capital budget increases with R940,115 in respect of the Calitzdorp Hot Springs Thatch Roof project.

3.3 Provision of basic services

The municipality as a category C municipality do not deliver basic services in respect of the following:

- Provision of Water services
- Provision of sanitation services
- Provision of refuse
- Provision of housing

3.4 SDBIP and MTREF financial sustainability

The municipality tabled a balanced/funded budget during the May council approval budget process. The SDBIP was compiled on the basis of this approved budget.

The additional funding projects tabled in this report for inclusion in the budget is funded from Provincial allocation or a result of a negotiation process end being concluded by means of a Memorandum of Understanding (MOU) or Service Level Agreement (SLA).

The adjustment will have no negative effect on the sustainability of the original budget as approved by council.

3.5 High level summary of adjustments

The following table illustrates the Original Budget approved by council for the **2022/2023** MTREF period during the May council budget approval process and the subsequent movement of the proposed August rollover budget.

BUDGET - Second Adjustment Budget (21 November 2022)				
DESCRIPTION	Approved Budget 2022/2023	Prior Adjusted Budget	2nd Budget Adjustments	Total 2nd Adjustment Budget
OPERATING EXPENDITURE				
Revenue	480,350,118	485,810,960	20,040,115	505,851,075
Expenditure	487,297,291	492,543,133	19,100,000	511,643,133
Surplus / (Deficit)	- 6,947,173	- 6,732,173	940,115	- 5,792,058
CAPITAL EXPENDITURE				
Capital Expenditure	126,642,299	126,857,299	940,115	127,797,414
TOTAL NET MOVEMENT IN CAPEX AND OPEX			-	

Revised High-level summary of budget approval required:

BUDGET - Second Adjustment Budget (21 November 2022)					
DESCRIPTION	Approved Budget 2022/2023	Roll - Over Budget 2022/2023	Second Adjustment Budget 2022/2023	Approved Budget 2023/24	Approved Budget 2024/25
OPERATING EXPENDITURE					
Operational Income	480,350,118	480,350,118	485,810,960	499,722,115	530,845,281
Unspent Grants		5,460,842			
Additional Funding (DTPW)			20,040,115		
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Operational Expenditure	487,297,291	487,297,291	492,543,133	506,670,494	534,654,277
National Grants		-			
Provincial Grants		5,245,842			
Additional funding (DTPW)			19,100,000		
Revised Operational Expenditure	487,297,291	492,543,133	511,643,133	506,670,494	534,654,277
Surplus / (Deficit)	- 6,947,173	- 6,732,173	- 5,792,058	- 6,948,379	- 3,808,996
CAPITAL EXPENDITURE					
Capital Expenditure	126,642,299	126,642,299	126,857,299	158,401,316	10,550,000
Provincial Grants		215,000	-		
Additional Funding (DTPW)			940,115		
Revised Capital Budget	126,642,299	126,857,299	127,797,414	158,401,316	10,550,000
Less funded from NT Grants	4,000,000	4,000,000	4,000,000	4,000,000	5,000,000
Less funded from PT Grants	-	215,000	215,000		
Less funded from Borrowings	107,232,299	107,232,299	107,232,299	153,851,316	2,850,000
Less funded from CRR	8,210,000	8,210,000	9,150,115	550,000	-
Less funded from Donated PPE	7,200,000	7,200,000	7,200,000		
Surplus / (Deficit) after Capital	126,642,299	126,857,299	127,797,414	158,401,316	7,850,000

PART 2 SUPPORTING DOCUMENTATION

Section 5 - Adjustments to budget assumptions

The budget assumption as tabled with the Original budget 2022/2023 is still applicable.

The following additional assumption is applicable for the tabling of this Adjustment budget as follows:

- **Unspent MOU / SLA** – Agreements to continue with the projects is in order and the respective departments will ensure compliance to the original signed MOU /SLA is adhered to and deviations from the above will be reported to the responsible authorities.

Section 6 – Adjustments to budget funding

The adjustment to budget funding will be on the expenditure side where additional budgeting will be added to the existing budget to ensure the implementation of these additional funding.

Section 7 – Adjustments to expenditure on allocations and grant programmes

No adjustments to expenditure on allocations and grant programmes are permissible during this budget process. All adjustments required will be done during the January mid- year budget process.

Section 8 – Adjustments to Grants made by the Municipality

The municipality do not intent making any allocation to external parties from its own revenues resources.

Section 9 – Adjustments to Councillor and Allowances and Employee Benefits

No adjustments to councillor allowance and employee benefits are permissible during this budget process. All adjustments required will be done during the January mid-year budget process.

Section 10 – Adjustments to Service Delivery and Budget Implementation Plan

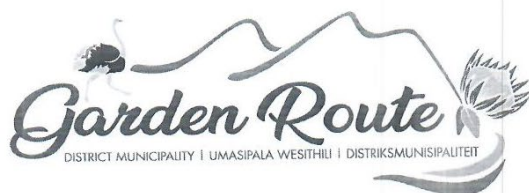
As part of council's resolution Service Delivery and Budget Implementation Plan will be revised and presented to the Mayor to incorporate these projects.

This will be concluded as per the legislative requirements.

Section 11 – Adjustment to Capital expenditure**Provincial grant roll-over allocations:**

R940,115 of the additional allocation (being 6% agency fee on the additional allocation for Roads of R19.1m) is allocated to capital expenditure

Section 12 – Municipal Manager’s quality certificate



54 York Street,
George
Western Cape
6529

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6530

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E-mail: info@gardenroute.gov.za
www.gardenroute.gov.za

OFFICE OF THE MUNICIPAL MANAGER

Enquiries:	L. Hoek
Reference:	6/18/7/2022-2023
Date:	14 November 2022

QUALITY CERTIFICATE

I **Monde Stratu**, municipal manager of **Garden Route District Municipality**, hereby certify that the **Second Adjustment Budget 2022/2023 MTREF** and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act.

Print Name MONDE STRATU

Accounting Officer of **GARDEN ROUTE DISTRICT MUNICIPALITY (DC4)**.

Signature 

Date 14/11/2022

BACK TO AGENDA

**1. INAUGURATION OF ICOSA COUNCILLOR: GARDEN ROUTE DISTRICT COUNCIL:
CLLR HD RUITERS / INHULDIGING VAN ICOSA RAADSLID: RDL HD RUITERS/
UKUFUNGISWA KOCEBA WE ICOSA: IBHUNGA LESITHILI SE GARDEN ROUTE:
UCEBA HD RUITERS**

16 NOVEMBER 2022

REFER REPORT FROM THE MUNICIPAL MANAGER (MG STRATU)

2 PURPOSE

To inform Council of the replacement of Councilor A Steenkamp who ceased to hold office as councilors in the Garden Route District Council.

3. DELEGATED AUTHORITY

Council

4. EXECUTIVE SUMMARY

A vacancy occurred on the Garden Route District Council as a result of the replacement of the DA party representative on Garden District Council, Cllr. A Steenkamp

5. RECOMMENDATIONS

5.1.1 That cognizance be taken of the notice from the IEC, dated 14 November 2022.

5.1.2. That Cllr. Hyrin David Ruiters be inaugurated as a Councillor of Garden Route District Council with effect from 14 November 2022.

5.1.4. That Cllr. Hyrin David Ruiters be requested to take the Oath of Office, as required in terms of the Rules of Order.

AANBEVELINGS

5.1.1 *Dat kennis geneem word van die kennisgewing van die OVK, gedateer 14 November 2022*

5.1.2 *Dat Rdl. Hryin David Ruiters met ingang van 14 November 2022 as Raadslid van die Gardenroute Distriksmunisipaliteit ingehuldig word.*

5.1.3 *Dat Rdl. Hryin David Ruiters, versoek word om 'n eed van die kantoor te neem, soos vereis ingevolge die Reëls van Orde.*

IZINDULULO

5.1.1 Sesokuba kuthathelwe ingqalelo isaziso se IEC, sangomhla wama 14 KweyeNkanga 2022.

5.1.2 Sesokuba uCeba. Hryin David Ruiters, afungiswe njengo Ceba weBhunga loMasipala Wesithili se Garden Route ukususela ngomhla we14 KweyeNkanga 2022.

5.1.3 Sesokuba uCeba. Hryin David Rutiers, acengwe ukuba athathe Isifungo se Ofisi njengoko kufunwa yiYimithetho Yogcino Cwangco.

6. DISCUSSION / CONTENTS

6.1 Background

A vacancy occurred on the Garden Route District Council as a result of the recall of the DA party representative on Garden District Council, Cllr. A. Steenkamp.

Item 11(1)(a) of Schedule 2 of the Municipal Structures Act, 1998 Act 117 of 1998, the Electoral Commission determines as follows;

"11 Filling of vacancies

(1)(a) If a councillor elected from a party list ceases to hold office, the chief electoral officer, must subject to item 13, declare in writing the person whose name is on top of the applicable party list to be elected in the vacancy."

Item 13 of the said Act reads as follows;

"13 Filling of vacancies and changing the order

- (1) A party may supplement, change or increase its list at any time, provided that if a councillor elected according to a party list, ceases to hold office, the party concerned may supplement, change or increase its list by not later than 21 days after the councillor has ceased to hold office. The vacancy must be filled as soon as the party in question has supplemented, changed or increased its list, but not later than 14 days expiry of the 21-day period."

The Provincial Independent Electronic Commission was informed of the vacancy as prescribed by item 11 of Schedule 2 of the Municipal Structures Act, Act 117 of 1998.

The IEC has advised Council that Cllr. HD Ruiters (ID No 730228 5115 088) being the councillor for the ICOSA party, has been declared elected to the Garden Route District Council with effect from 14 November 2022. A Copy of the notice from the IEC is attached as **Annexure A**.

6.3 Financial Implications

As per the notice on the determination for upper limits for Councillors.

6.4 Relevant legislation

Schedule 2 of the Local Government Municipal Structures Act, 1998 (Act 117 of 1998).

Rules of Order for procedure and maintenance of order at meetings.

6.5 Staff Implications

None

6.6 Previous / Relevant Council Resolutions:

There are no previous or relevant Council resolutions related to this matter.

6.7 Risk Implications

There are no foreseen risks associated with the proposed decision for Council to not implement the Directions.



SOUTH AFRICA

14 November 2022

The Municipal Manager
 Garden Route District Municipality
 P O Box 12
 George
 6530

Re: Replacement of the Independent Civic Organisation of South Africa (ICOSA) PR Councillor to District Council: WC041 – Kannaland Local Municipality to DC4 – Garden Route District Council

Please be advised that **Hyrin David Ruiters, ID No. 730228 5115 088**, being the councillor for the **Independent Civic Organisation of South Africa (ICOSA) in Kannaland Local Municipality**, has been declared elected to **Garden Route District Municipality**, as prescribed in item 23 of Schedule 2 of the Municipal Structures Act, 1998 (Act. No. 117 of 1998).

Councillor **Ruiters** replaces **Alettha Wilhemina Steenkamp, ID No. 670824 0012 080**, who ceased to hold office of Councillor in the municipality.

Sincerely

G Abrahams
General Manager: Electoral Matters

Electoral Commission

Ensuring Free and Fair Elections

Commissioners: Mr M. Moepya (Chairperson) | Ms JY Love (Vice-Chairperson) | Mr VG Mashinini | Dr NP Masuku | Judge D Pillay
 National Office: Election House, Riverside Office Park, 1303 Heuwel Avenue, Centurion, 0157 | P/Bag X112, Centurion, 0046
info@elections.org.za | www.elections.org.za
 Tel (+27) 12 622 5700