



RB6.1.2/28-02-2022

**AMENDMENTS TO INCOME, OPERATIONAL AND
CAPITAL EXPENDITURE PROJECTIONS –
ADJUSTMENTS BUDGET 2021/2022
FEBRUARY 2022**

Mayor's speech:

In terms of Chapter 4, section 28 (2) (a), (b) and (d) of the Municipal Financial Management Act (Act 56 of 2003), it is my privilege to table the Revised Budget for 2021/22.

From the onset I must state that this was a difficult adjustments budget. This is so because of the current economic uncertainty, job losses, and cost of living that has escalated due to the Covid pandemic. With this adjustment budget I will not elaborate much on the economic climate. This will be done when I table the draft budget in March. The new leadership of the Cederberg Municipality has inherited a budget and is finding it challenging to find a balance between service delivery imperatives and community demands in a very constraint economic environment. At the same time in this adjustments budget we are trying to achieve a funded budget for a Municipality that has serious cash flow challenges.

Honorable Speaker and Councilors, as you are aware the budget was unfunded when it was tabled in May 2021. Consequently, the Cederberg Municipality was required by National and Provincial Treasury to develop a Budget Implementation Plan, the objective which was to ensure that the municipality incrementally gets to a position of a funded budget and ensure the financial viability for our Municipality. In preparing this adjustments budget with administration, I had to do a lot of reading to try and find solutions to our challenges. I will only highlight one reading for Councilors, which I have already requested administration send to all Councilors. The document is *Back to Basics* developed by COGTA, which is the most fundamental document to remind every one of us of our mandate and responsibilities. Without repeating what is contained in the document, I want to remind you all that we will be judged and evaluated on the following building blocks as contained in the document:

1. Good governance – this speaks to the effective function of the municipality in terms of holding council meetings, oversight committee meetings, progress made to address previous findings, compliance with legislation, our resolve to fight corruption and most importantly provision of basic services to our communities.
2. Public participation – this speaks to the existence and functioning of ward committees, as well as the spending of the grant funding for this function. We are all aware that the current pandemic has affected our public meetings and in essence our effectiveness in public participation programs.
3. Financial Management – this speaks to, amongst other things, whether our budgets are cash-backed and funded. The percentage of revenue collected, and the effective and efficient functioning of debt collection and credit control and Supply chain management units.
4. Provision of basic services – this speaks to the fundamental reason for the existence of local government, which is the provision of basic infrastructure services and maintenance thereof.

5. Institutional Capacity – this speaks to building of strong administrative systems and processes. It includes ensuring that critical administrative positions are filled with competent and committed personnel, whose performance must be closely monitored. The basic requirement to be monitored in this area is that senior management positions are filled, the municipal organizational structure is approved, realistic and aligned to a basic service delivery model that is affordable.

At this point in time I would leave it to all of us as Councilors to do a self-introspection and for the public and other oversight departments to judge whether we have been able to fulfill our mandate in terms of the above.

Honorable Speaker, coming back to the adjustments budget, we had to balance community demands and a harsh economic climate with affordability. Although we have an unfunded budget, we will be failing our communities if we don't create a conducive environment for job creation and local economic development. It is therefore against this background that the following projects have been introduced to try and deal with the current challenge of unemployment and job losses:

1. An amount of R1.6 m for EPWP project to create temporary employment;
2. An amount of R1.7m has been set aside to address the ageing infrastructure on water and sewerage;
3. An amount of R2.1 m from grant funding to address our billing challenges on data cleansing and revenue enhancement project.

If it was not for the constrained financial position, we could have done more. However we had to balance financial sustainability with the demands under a difficult economic environment. Our income from traffic has seriously underperformed leaving a big hole in the expected revenue. We had to reduce our traffic revenue by R6.8million. Although our expenditure is increasing, most of the expenditure relates to grant funding. It must further be noted that most expenditure are *once-off* for the current financial year and will not increase and/or remain in the next financial year. Honorable Speaker, ~~it is only through difficult times and suffering that we can find strength to grow. We have accepted the reality of the pandemic, as difficult as it may be, and need to find solutions for the reality we are facing. We need to focus on the stabilization of the institution and therefore I call on the administration to critically evaluate the organizational structure and the the related employee costs as we make preparations to table the draft budget in March 2022. Further to this, we need to evaluate all contracts that have been awarded and are to be awarded to ensure that we get value for money. Because the municipality cannot just employ everyone, we need to focus on ensuring labour-intensive projects with all/or most of our contracts. This is the only way that we can ensure temporary job creation opportunities especially for our unemployed youth.~~

Honorable Speaker, I hereby present the February adjustment budget for 2021/22 for Council's consideration and approval.

RESOLVED

1. Council approves the Adjustments Budget for 2021/22 financial year, amendments to income,

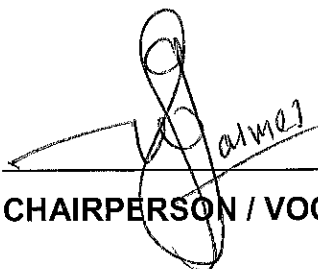
operational and capital expenditure projections as set out in the following:

- Municipal Budget tables B1 – B10
- Municipal Budget Supporting Documentation SB1 – SB19

2. Council notes that the Service Delivery Budget Implementation Plan has been amended to be in line with these adjustments and is submitted as a separate item in this meeting.

Proposed: Cllr. W Van Neel

Seconded: Cllr. A Scheepers



CHAIRPERSON / VOORSITTER

28/02/2022

DATE / DATUM