

ITEM TITLE

**SC13/2020 DIRECTORATE FINANCE: CONSIDERATION AND APPROVAL
OF THE FINAL BUDGET 2020/2021 AND INDICATIVE FOR THE
PROJECTED TWO OUTER YEARS 2021/2022 AND 2022/2023**

[English version of the report is the original]

FILE NUMBER

5/1/1-2020/2021; 5/1/1-2021/2022; 5/1/1-2022/2023

PURPOSE OF REPORT

This report serves to submit to Council for consideration the MTREF for 2020/2021, proposed tariffs, and amendments to budget related policies, the IDP, Service Delivery and Budget Implementation Plan as well as the Service Standards.

BACKGROUND

In accordance with section 24 of the Municipal Finance Management Act, No 56 of 2003 the Municipal Council must at least 30 days before the start of the budget year consider approval of the annual budget.

DISCUSSION

As contained in the detail report.

LEGAL RESPONSIBILITIES

Section 24 of the Municipal Finance Management Act, 56 of 2003 and the Municipal Budget and Reporting Regulations.

FINANCIAL IMPLICATIONS

As contained in the detail report.

CLIENT CARE IMPLICATIONS

None

RISK MANAGEMENT IMPLICATIONS

None

RECOMMENDATION BY ITEM AUTHOR TO COUNCIL:

It is recommended:

1. That Council take note and adopt the tabling of the budget in terms of section 24 of the MFMA.
2. That the following resolution be adopted by Council:
 - 2.1 That Council resolves that the Annual Operating Budget of the municipality for the financial year 2020/2021 and indicative for the two projected Outer Years 2021/2022 and 2022/2023 be approved as set out on Tables A1, A2, A3 and A4. (Pages 7 - 12).
 - 2.2 That Council resolves that the Annual Capital Budget of the municipality for the financial year 2020/2021 and indicative for the two projected Outer Years 2021/2022 and 2022/2023 be approved as set out on Tables A1, A5 and SA36. (Pages 7, 14, and 95).
 - 2.3 That Council resolves that the Monthly Cash Flow Forecasts with appropriate amendments be approved as the Cash Flow Budget of the Council for the 2020/2021 financial year as set out on Tables A1 and A7. (Pages 7 and 18).
3. That Council resolves to adopt the “Spatial Development Framework” as part of the Integrated Development Plan, as regulated by the Municipal Systems Act (Act 32 of 2000), as directed in terms of Section 22 of the Bill on the Land Use Planning Act.
4. That Council resolves that the Tariff Charges are approved for the Financial Year 2020/2021. (Annexure A).
5. That the Final Monthly Indigent Subsidy in respect of 6kl Water, 70Kwh Electricity, Refuse, Sewer and Informal Settlement Plot Rental (where applicable) are approved and that the applicable free basic services subsidies be calculated on the approved tariffs for the applicable services and measurable units.
6. That it be noted that “Unfunded Functions” and “Underfunded Functions” are fully budgeted for at present service levels and in respect of Housing.
7. That note is taken that Internal Division of Costs (Departmental Charges) are calculated based on expected budgeted time spent, measurable units/quantities, cost, and that tariffs are determined accordingly.

8. That Council resolves to adopt the following Amendments to the Policies as per Annexure B:

- 1) **Tariff Policy**
- 2) **Credit Control & Debt Collection Policy**
- 3) **Indigent Policy**
- 4) **Rates Policy**
- 5) **Short Term Insurance Policy**
- 6) **Cost Containment Policy**
- 7.) **Virement Policy**