


**RATLOU**

**LOCAL**

**MUNICIPALITY**

**NOTICE IS HEREBY GIVEN IN TERMS OF SECTION 18 (2) AND 29 (1) OF THE LOCAL GOVERNMENT: MUNICIPAL STRUCTURES ACT, 1998, THAT THE SPECIAL COUNCIL MEETING OF RATLOU LOCAL MUNICIPALITY WILL BE HELD ON FRIDAY, 26 FEBRUARY 2016, AT THE KRAAIPAN SKILLS CENTRE, AT 2PM.**



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**CLLR M. R. MONGALA**

**THE SPEAKER**

**22 /FEBRUARY/ 2016**

**DATE**

# **RATLOU LOCAL MUNICIPALITY**

## **SPECIAL COUNCIL MEETING OF RATLOU LOCAL MUNICIPALITY SCHEDULED FOR FRIDAY, 26 FEBRUARY 2016 AT THE KRAAIPAN SKILLS CENTRE, AT 14PM.**

### **AGENDA**

- 1. OPENING AND WELCOME**
- 2. CONSTITUTION**
- 3. DECLARATION OF PECUNIARY INTERESTS**
- 4. ADJUSTMENT BUDGET FOR THE 2015-2016 FINANCIAL YEAR AND BUDGET-RELATED POLICIES FOR RATLOU LOCAL MUNICIPALITY**
- 5. REVISED 2015-16 SERVICE DELIVERY BUDGET IMPLEMENTATION PLAN (SDBIP) FOR RATLOU LOCAL MUNICIPALITY**
- 6. DEVELOPMENT OF VILLAGE DEVELOPMENT PLANS FOR DINGATENG AND DIOLWANE COMMUNITIES OF RATLOU LOCAL MUNICIPALITY**
- 7. ANNOUNCEMENTS**
- 8. CLOSURE**

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26/02/2016

# RATLOU LOCAL MUNICIPALITY

## 4. ADJUSTMENT BUDGET FOR THE 2015-2016 FINANCIAL YEAR AND BUDGET-RELATED POLICIES FOR RATLOU LOCAL MUNICIPALITY

### Purpose

To seek approval of the budget adjustment as a consequence of the mid - year budget and performance review exercise that was approved by Council on 29 January 2016.

### Background

The Municipal Finance Management Act, Section 72 requires of the Accounting Officer to assess the performance during the first half of the financial year taking into consideration, among others, section 71 reports ; service delivery budget implementation plan (SDBIP) targets and performance indicators; past year annual report and submit the report to the mayor; national treasury and the provincial treasury.

The Accounting officer must, as part of the review:

- (a) *Make recommendations as to whether adjustment budget is needed; and*
- (b) *Recommend revised projections for revenue and expenditure to the extent that this may be necessary.*

Section 28 (2) of the MFMA states that an adjustment budgets:

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



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**ADJUSTMENT BUDGET BREAKDOWN FOR VARIOUS DEPARTMENTS IS SHOWN IN THE TABLE BELOW:**


DEPARTMENT	ANNUAL BUDGET	ADJUSTMENT BUDGET	FUNDING SOURCE
Office of the Mayor	9 407 157	10 604 933	Shifting of funds & Other revenue
Office of the Speaker	10 178 600	11 456 737	Shifting of funds & Other revenue
Office of the Accounting Officer	10 251 296	10 969 932	Shifting of funds & Other revenue
Budget and Treasury	25 842 048	27 213 647	Shifting of funds & Other revenue
Planning and Development /Economic	45 228 098	93 644 946	Roll over and Shifting of funds.
Planning and Development / Town Planning	6 752 523	9 899 626	Shifting of funds, roll over & Other revenue
Community Services / Libraries	5 230 483	6 146 905	Shifting of funds & Other revenue
Corporate Services	18 237 332	27 374 869	Shifting of funds and Other revenue
Community Services / Traffic & General	7 555 823	7 811 251	Shifting of funds & Other revenue
<b>TOTAL</b>	<b>R138 683 360</b>	<b>R205 122 847</b>	

**Adjustment to budget assumptions:**

Annual Budget is adjusted upwards by a total of **R 66 439 487** from an approved annual budget of **R 138 683 360** to an Adjustment Budget of **R 205 122 847** due to the following sources of funding-

- VAT Returns - R 7 482 682
- Surplus - R 3 316 250
- EPWP(Roll over) - R 163 869
- Other revenue - R 15 211 285
- DBSA- MIG Front Loading - R 36 300 000
- LG SETA Discretionary Grant -R 2 465 400
- NMMDM Water Grant -R 1 000 000
- National Lottery - R 500 000

The municipality's capital budget has increased with an amount of **R 47 394 396** to accommodate projects that have rolled over from prior year which will be funded by grant expected from **National Lottery, own revenue** and the current year projects that will be funded by the Development Bank of Southern Africa (**DBSA**).

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**Adjustment to budget funding:**

The impact of adjustment budget on

- (i) Funding of Operating and Capital Expenditure will increase
- (ii) The financial sustainability of the municipality will be positive

**Resolved:**

- a) That Council approved the Adjustment Budget for the 2015/16 financial year as tabled above.
- b) That the copy of the Adjustment Budget be sent to National and Provincial Treasury and other legislated bodies.

A handwritten signature in black ink, appearing to be 'Gala'.

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**26 FEBRUARY 2016**

**RESOLUTION 09/2016**

# RATLOU LOCAL MUNICIPALITY

## 5. REVISED 2015/2016 SERVICE DELIVERY BUDGET IMPLEMENTATION PLAN (SDBIP) FOR RATLOU LOCAL MUNICIPALITY

### PURPOSE

To present the Revised 2015/2016 Service Delivery and Budget Implementation Plan (SDBIP) for Ratlou Local Municipality

### BACKGROUND


In terms Section 53 (1) (c)(ii) of the Local Government: Municipal Finance Management Act No. 56 of 2003 (MFMA), the SDBIP is defined as a detailed plan approved by the Mayor of a municipality for implementing the municipality's delivery of municipal services and its annual budget, and which must indicate the following:

- a) *Projections for each month of –*
  - i). *Revenue to be collected, by source; and*
  - ii). *Operational and capital expenditure, by vote*
- b) *Service delivery targets and performance indicators for each quarter, and*
- c) *Other matters prescribed*

There have been achievements in many areas and under-achievement in some areas, as contained on the mid-year performance report, that require the revision of some KPIs and Targets due to budgetary constraints as a result of unpaid rates and taxes by both provincial and national public works departments as well as the Department of Rural Development and Land Reform.

In terms of Section 54 (1)(c) of the Local Government: Municipal Finance Management Act No. 56 of 2003 (MFMA), **the Mayor may consider and, if necessary, make any revision to the Service Delivery & Budget Implementation Plan (SDBIP), provided that the revisions to the service delivery targets and performance indicators in the plan may only be made with the approval of Council following the approval of Adjustment Budget.**

Both the Revised Top Layer and Technical SDBIPs will incorporate the Audit Action Plan (*adopted by Council on the 29 January 2016 as per Resolution 07/2016*) in line with the provincial Executive Committee's resolution of the 21 July 2014. The Top Layer SDBIP forms the basis of the Accounting Officer's Performance Agreement whilst the Technical SDBIPs forms the basis of Performance Agreements for Section 54A Managers.

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**RESOLVED:**

- a) That Council adopted the Revised 2015/2016 Service Delivery & Budget Implementation Plan for Ratlou Local Municipality  
(See attached Annexure)
- b) That the 2015/2016 Performance Agreements for Section 54A and 56 Managers be amended to incorporate Audit Action Plan that addresses the queries raised by the Auditor-General
- c) That the Mayor concludes the amended 2015/2016 performance agreement with the Section 56 Manager (i.e. Accounting Officer).
- d) That the Accounting Officer concludes the amended 2015/2016 performance agreements with the Section 54A Managers (i.e. CFO and Senior Manager/s)
- e) That the copy of the amended/ revised SDBIP be made public

A handwritten signature in black ink, appearing to be 'P.ala'.

26/02/2016

**26 FEBRUARY 2016**

**RESOLUTION 10/2016**

# RATLOU LOCAL MUNICIPALITY

## 6. DEVELOPMENT OF VILLAGE DEVELOPMENT PLANS FOR DINGATENG AND DIOLWANE COMMUNITIES OF RATLOU LOCAL MUNICIPALITY

### PURPOSE

To present the Village Plans for the identified villages in Ratlou Local Municipality to Council

### BACKGROUND

The Fifth Administration's Medium Term Strategic Framework (MTEF) 2014-2019 has its focus on implementation of National Development Plan – Vision 2030

NW Provincial Government has on its MTEF adopted the 5 Pillars in its quest to implement the NDP:

- Agriculture, Culture and Tourism & Its Tributaries (Mining, Retail & Energy)
- **VTSD (Villages, Townships and Small Dorpies)** – to address challenges manifested by Poverty, Inequality and Unemployment (PIU)
- RHR (Reconciliation, Healing and Renewal)
- Saam Trek, Saam Werk – towards same vision
- Setsokotsane – taking government to its people

The workshop on Village Plans was held in Rustenburg on the 11 – 12 February 2016 and the following resolutions were taken:

- That each Municipal Local Council should adopt two villages for implementation of VTSD
- That Community Meetings be held at the identified Villages
- That the most deprived villages i.e. Dingateng (Ward 1) and Diolwane (Ward 7) villages be pilot for implementation of the Village Plans

The identified Villages will form part of the Premier's State of the Province (SOPA) address on the 26<sup>th</sup> February 2016.


The remaining 25 village plans will also be finalised before 30 June 2016.

### RESOLVED:

- a) That Council adopted Dingateng and Diolwane Village Plans (*Attached Annexure*) for submission to the Provincial Government at the Office of the Premier.

26 FEBRUARY 2016

RESOLUTION 11/2016

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