

Unforeseen and unavoidable expenditure

(Directorate: Social Services)

1 EXECUTIVE SUMMARY

1.1 Purpose of report

To provide the Executive Mayor with unforeseen and unavoidable expenditure report in line with section 29 of the MFMA, which states the following:

- "1) The mayor of a municipality in emergency or other exceptional circumstances authorise unforeseeable and unavoidable expenditure for which no provision was made in an approved budget.*
- 2) Any such expenditure –*
- a) Must be in accordance with any framework that may be prescribed;*
 - b) May not exceed prescribed percentage of the approved annual budget;*
 - c) Must be reported by the mayor to the municipal council at its next meeting; and*
 - d) Must be appropriated in an adjustment budget was incurred, the expenditure is unauthorised, and section 32 applies.*
- 3) If such adjustments budget is not passed within 60 days after the expenditure".*

The purpose of the report is indicating the unforeseen expenditure related to Social Services for Rental of equipment needed in the Waste unit to provide services to the community and to ensure that the municipality complies with the Waste Act.

1.2 Background

Solid Waste Services

The current budget allocation is not sufficient to address the operational challenges effectively within the required timeframe. The current municipal own fleet i.e. Front-end loaders, Compactor trucks and tipper trucks are out of operation due to mechanical breakdowns. The municipality provided the budget sufficient for the finance lease on the strength that Sasol will assist with repairing remaining fleet of the municipality, however the report came back indicating that the repairs to the above-mentioned fleet would not be economical and beneficial to the municipality as the fleet is no longer in a good condition. The status affects the operations and backlog at the landfill site and accumulation of waste blocking the access road to the landfill site.

The division request an approval of additional **R5 000 000** that will be sufficient to deliver sustainable services to the community until end of financial year. The requested amount is within the threshold of R15 million in terms of Regulation 72(c) of the Municipal Budget and Reporting Regulations (MBRR).

1.3 Basis of report

Unforeseen and unavoidable expenditure for Solid Waste Services
(rental of equipment)

2 BUSINESS PLAN

n/a

3 COMPLIANCE WITH STRATEGIC OBJECTIVE

KPA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

4 DELEGATED AUTHORITY

n/a

5 POLICY/LEGAL REQUIREMENTS

Section 29 of the Municipal Financial Management Act, 2003 (Act 59 of 2003)

6 LEGAL IMPLICATIONS

Section 29 of the Municipal Financial Management Act, 2003 (Act 59 of 2003)

7 FINANCIAL IMPLICATIONS

R5 000 000 will be added in Waste Services – Rental of equipment.

Prepared by:



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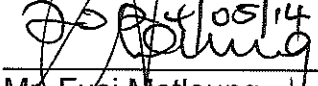
Supported by:


Mrs Fikile Mareka

12/04/2021

Chief Financial Officer

Recommended by:


Mr. Fusi Motlounq

Municipal Manager

Approved by:



M. Malindi

Executive Mayor