Munisipaliteit • U-Masipala • Municipality
OVERSTRAND

SUPPLEMENTARY ITEM TO A G E N D A

SPECIAL COUNCIL MEETING

29 JULY 2026

4.15
REPORT ON THE PROPOSED ADJUSTMENTS BUDGET (ROLL-OVERS) FOR 2026/2027

PLEASE ADD THE ATTACHED PAGES 78 - 81 TO YOUR AGENDA FOR ABOVE-MENTIONED MEETING.

Secretariat
24 July 2026

4.15
REPORT ON THE PROPOSED ADJUSTMENTS BUDGET (ROLL-OVERS) FOR 2026/2027

BA King **Divisional Manager: Financial Accounting**
22 July 2026 **(028) 313 8154**

1. **Executive Summary**

   Report prepared in terms of section 28(2)(e) of the Local Government: Municipal Finance Management Act, 2003 (MFMA) for the rollover of capital projects in progress at the end of the 2025/2026 financial year.

2. **Service Delivery and Budget Implementation Plan - IGNITE**

   Directorate: Financial Services
   Financial Accounting

3. **Compliance with Strategic Priorities**

   Provision of democratic, accountable and ethical governance
   Provision and maintenance of municipal services

4. **Delegated Authority**

   None

5. **Legal Requirements**

   Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) (MFMA);

6. **Background/Discussion**

   This report has been prepared in terms of the framework relating to the tabling of an adjustments budget in respect of rollover capital projects from the 2025/2026 to the 2026/2027 financial year to continue and complete projects that were in progress as at 30 June 2026.

   The requests received were assessed in terms of the status of the projects regarding work-in-progress and that the funds were available and not committed for other purposes.

- **Operational Budget Amendments**

  None

- **Capital Budget Amendments**

  The capital expenditure budget for 2026/2027 is set to increase by an amount of R25 964 956 in respect of roll-over projects.

  Details of the adjustments budget proposals are listed in Annexure A.

  The proposed revised Capital budget for 2026/2027 is included as **Schedule 3**.

- **Financial Position and Cash Flow**

  The budgeted financial position and cash flows have been adjusted in alignment with the adjustments budget proposals.

Revised Service Delivery and Budget Implementation Plan (SDBIP)

In terms of section 54(c) of the MFMA, the Mayor of a municipality must consider and if necessary, make any revisions to the SDBIP, provided that revisions to the service delivery targets and performance indicators in the plan may only be made with approval of the council following approval of an adjustments budget. The proposed adjustments budget for 2026/27 will serve before Council on 29 July 2026. The SDBIP is revised due to the proposed adjustments budget for 2026/2027. Changes to the financial figures are stated in the Adjustments Budget report. Changes to the service delivery indicators are included in the supporting documentation form SB3 of the B Schedule, in Annexure B, and the details of changes are listed in Annexure C.

7. Financial Implications

Operating Budget

None

Capital Budget

The total capital budget increases by R25 964 956.

8. Staff Implications

None

9. Comments from other Departments, Divisions and Administrations

Applications for roll-overs were submitted by various directorates.

10. Schedules & Annexures

Schedule 1:	Budgeted financial performance (revenue and expenditure by municipal vote)
Schedule 2:	Budgeted financial performance (revenue by source & expenditure by type)
Schedule 3:	Budgeted multi-year capital appropriations by standard classification (vote) and associated funding by source
Schedule 4:	Budgeted financial position
Schedule 5:	Budgeted cash flow
Schedule 6:	Cash backed reserves and surplus reconciliation
Schedule 7:	Asset management
Schedule 8:	Basic service delivery measurement
Schedule 9:	Budgeted financial performance (revenue & expenditure by standard classification)
Schedule 10:	Budgeted capital appropriations by municipal vote
Annexure A:	Adjustments Budget Proposals
Annexure B:	B Schedule (Municipal adjustments budget tables)
Annexure C:	Top Layer SDBIP Amendments

(A link to the Schedules and Annexures will be distributed as part of the electronic agenda.)

RECOMMENDATION TO THE COUNCIL:

1. that, in terms of section 28(2)(e) of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003), the Adjustments Budget (Roll-overs) for 2026/2027 **be approved** as set out in the following schedules:

Schedule 1:	Budgeted financial performance (revenue & expenditure by municipal vote)
Schedule 2:	Budgeted financial performance (revenue by source & expenditure by type)
Schedule 3:	Budgeted multi-year capital appropriations by standard classification (vote) and associated funding by source
Schedule 4:	Budgeted financial position
Schedule 5:	Budgeted cash flow
Schedule 6:	Cash backed reserves and acc. surplus reconciliation
Schedule 7:	Asset management
Schedule 8:	Basic service delivery measurement;

2. that the following schedules **be noted**:

Schedule 9:	Budgeted financial performance (revenue & expenditure by standard classification)
Schedule 10:	Budgeted capital appropriations by municipal vote

3. that the changes (adjusted financial figures and service delivery indicators) to the Service Delivery and Budget Implementation Plan (SDBIP) for 2026/2027 be approved; and

4. that the revised SDBIP for 2026/2027 **be made public**.

RESPONSIBLE OFFICIAL : **BA KING**
RG LOUW

TARGET DATE FOR IMPLEMENTATION : **1 AUGUST 2026**