

CONSOLIDATED REPORT ON ALL THE ADJUSTMENTS TO THE 2014/2015 BUDGET

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Council: January 2015

PURPOSE

- a) To summarise the already approved adjustments to the 2014/15 budget into one document for noting
- b) To present to Council an item previously approved by the Mayor for ratification by Council
- c) To present additional adjustments to Council for approval following the mid year assessment

a) PREVIOUSLY APPROVED ITEMS:
(REPLICATION OF ITEM ALREADY APPROVED BY COUNCIL)

1. REPORT ON THE NATIONAL TREASURY APPROVAL OF THE ADM DBSA MIG FUNDING PLEDGING / FRONTLOADING OF THE 2014/15 AND 2015/16 FINANCIAL YEARS FOR THE AMATHOLE DISTRICT MUNICIPALITY

PURPOSE

- a) To note the Council adoption of the National Treasury approval of the ADM's DBSA MIG Funding Pledging / Frontloading of **R631 835 837.00** of the 2014/15 and 2015/16 financial years for the Amathole District Municipality (ADM).
- b) To note Council's approval for an adjustment to increase the 2014/15 capital budget of **R631 835 837.00** as a consequence of the approval by National Treasury for the DBSA MIG frontloading.
- c) To note Council's approval for an adjustment to increase the 2014/15 operating budget of **R47 100 000.00** in respect of interest.
- d) To note Council's approval for an adjustment to increase the 2014/15 operating budget of **R3 000 000.00** in respect of salaries.

AUTHORITY

- Constitution of the Republic of South Africa, Chapter 7, section 152 (b), (c), (d) & (e) and 153 (a)
- Water Service's Act (108 of 1997)
- The Local Government Municipal Systems Act 32 of 2000
- The Municipal Finance Management Act 56 of 2003
- Municipal Budget and Reporting Regulations 2009 (MBRR)
- Integrated development Plan of ADM

LEGAL/STATUTORY REQUIREMENTS

The Division of Revenue Act 5 of 2006 requests the grant receiving municipalities to submit quarterly reports on spending against programmes.

The Municipal Finance Management Act Section 28(1) stipulates that a municipality may revise an approved annual budget through an adjustment.

(2) An adjustments budget:

- b) may appropriate additional revenues that have become available over and above those anticipated in the annual budget, but only to revise or accelerate spending programmes already budgeted for:
- 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 at the time to include projected roll-overs when the annual budget for the current year was approved by the council;

(4) Only the mayor may table an adjustments budget in the municipal council, but an adjustments budget in terms of subsection (2)(b) to (g) may only be tabled within any prescribed limitations as to timing or frequency.

(5) When an adjustments budget is tabled, it must be accompanied by-

- (a) an explanation how the adjustments budget affects the annual budget:
- (b) a motivation of any material changes to the annual budget:
- (c) an explanation of the impact of any increased spending on the annual budget and the annual budgets for the next two financial years

REASONING/BACKGROUND

The ADM is working towards meeting the national water service delivery targets of “adequate potable and effective supply of safe water to all by 2014 and adequate and sustainable sanitation to all by 2014. The ADM as the Water Services Authority (WSA) in its area of jurisdiction is facing enormous water and sanitation backlogs. Given the historical of underdevelopment in the rural areas, ADM has made stride in pushing the frontiers of poverty backwards. ADM is however aware that the greater part of restoring the dignity of its people and providing them with sustainable and efficient municipal services remains a fundamental task in the new dispensation.

ADM in its 2013/14 Strategic Session resolved to allow the Municipal Manager to investigate alternative potential funding sources. In December 2013, the ADM approached the Municipal Infrastructure Support Agency (MISA) with a view of requesting assistance to facilitate potential funding sources and/ or resources necessarily capable to make an indelible dent on these noble projects for ADM's struggling poor masses. In January 2014, ADM met with the Development Bank of Southern Africa (DBSA) to discuss the potential MIG Pledging/frontloading. *Subsequent to the Council approval in May 2014, ADM has since been invited by the National Treasury to present the pledging/frontloading business case.*

PROGRESS TO DATE

During February 2014, officials of the two institutions i.e. ADM and DBSA worked tirelessly on packaging both water and sanitation projects for the ADM MIG Pledging Proposal and the projects were as follows;

Name of Projects and Disciplines	No of Units	Total Project Amount
Mnquma Region 1B Wards 7,8,9,10,12,20,21,22 Project (Sanitation)	16 745	R 158 622 003.85
Amahlathi Region 1A and 1B Wards 1,2,3,16 Project (Sanitation)	4 227	R 40 041 587.73
Great Kei Wards 1,2,3,4,6 Project (Sanitation)	5 256	R 49 789 114.06
Mnquma Region 2B Project (Sanitation)	3 697	R 35 020 934.50
Mbhashe Region 2A Project (Sanitation)	5 901	R 55 898 981.47
Mnquma Region 2 Sanitation	6 624	R 62 747 814.00
*Nkonkobe region 2A sanitation VIP	10 407	R 98 583 429.60
*Ngqushwa region 2 sanitation VIP	13 843	R 131 131 970.40
TOTAL	66 700	R 631 835 837.00

The above was approved by the DBSA Board Credit Investment Committee on the 18th March 2014 and it also considered the scale and implementation timelines (9 to 12 months) of the proposed VIP sanitation projects, DBSA also approved an additional R3 million that will support the augmentation of the implantation capacity in the Project Management Unit. The DBSA loan agreement will constitute the following key terms in anticipating the Council approval to pledge the MIG allocations;

- A Council resolution will be required to authorize the pledging of the 2014/15 and 2015/16 financial years
- The DBSA will require a ceded bank account separated from the primary bank account for the repayment of the loan. This will be operationalized through a cession agreement.
- ADM should incorporate consultations on the proposed pledging during the IDP sessions and consult all the relevant stakeholders, advertise the intention to incur the long-term debt (2 year facility) and fulfill the provisions of section 46 (3) of the MFMA and section 21 (a) of the Municipal Systems Act 32 of 2000
- Appropriate the proposed borrowing in the capital budget for the 2014/15 financial year
- Provide a draw-down schedule which should be within the availability period. This will be to a maximum of 12 months from the date of signature of the loan agreement if ADM is to realize the benefit of pledging/frontloading

The next stage of the pledging/frontloading process is to submit a motivation to National Treasury following Circular 51 guidelines for a final approval consideration and DBSA is assisting ADM in this regard. The ADM (represented by Municipal Manager, Chief Financial Officer, Director Engineering Services, Strategic Manager and Director Corporate Services) had since met the National Treasury and Cooperative Governance and Traditional Affairs (CoGTA) department on the 10th July 2014 in Pretoria where ADM tabled a motivation for the pledging/frontloading (**see the attached presentation as Annexure A**). The approval of the National Treasury has since been granted and it excluded the following projects i.e. Elliotdale Wastewater and Shixini Water Supply based on the notion that there are still lengthy processes to be undertaken such as environmental impact assessments (EIAs) and license applications (abstraction and discharge).

As a consequence of the approval of DBSA MIG front loading, the capital budget for 2014/15 is to increase with the funding being sourced from external loans in the form of a loan from DBSA. National Treasury has granted approval that the MIG funds back the loan.

Additional expenditure/costs will be incurred as a result of the accelerated spending on projects. These include additional projects as detailed in the table above, interest on the loan from DBSA and salaries for the implementation of the accelerated programmes.

The interest to be paid on the loan will be financed from ADM funds.

In addition the operating budget for salaries in 2014/15 is to increase with the funding being sourced from the DBSA conditional grant for the Temporary Capacitation of the Implementation Unit.

This approval of adjustments to the 2014/15 budget in line with legislation is a means of preventing unauthorised expenditure and audit findings which may adversely impact the audit outcome.

FINANCIAL IMPLICATIONS

The total budget approved by National Treasury for the ADM DBSA MIG Funding Pledging/frontloading is **R631 835 837.00** (**see attached letters as Annexure B**) and further approved a DBSA conditional grant amounting to **R3 000 000.00** for temporary Capacitation of the Implementation Unit (PMU in the case of ADM)

The 2014/15 budget adjustments have the following effect:

Recommendation	Increased Expenditure	Increased Income	Funding Source
Increase the capital budget	R631 835 837.00	R631 835 837.00	External loan from DBSA (external source)
Increase the operating budget – interest paid (PMU)	R47 100 000.00	R47 100 000.00	ADM funds (internal source)
Increase operating expenditure – salaries (PMU)	R3 000 000.00	R3 000 000.00	Conditional grant from DBSA for Temporary Capacitation of the Implementation Unit (external source)

STAFF IMPLICATIONS

The current PMU structure needed to be beefed up (7 x Senior Technicians and 14 Engineering Students) in order to cope with the additional funding from pledging/frontloading. Then ADM should also request both DBSA and MISA to provide Project Management support.

OTHER PARTIES CONSULTED

National Treasury
Development Bank of Southern Africa
Municipal Infrastructural Support Agency
CoGTA

CONCLUSIONS

The pledging/frontloading will assist ADM in accelerating the water and sanitation backlogs if it's considered the loan agreement upfront. Lastly, the savings on cost escalation as a result of bulk procurement and early receipt of VAT portion will provide an income stream from which ADM could pay the DBSA interest costs without placing pressure on the balance sheet of ADM.

RECOMMENDATION

- a) That the National Treasury approval of the ADM's DBSA MIG Funding Pledging/Frontloading of **R631 835 837.00** of the 2014/15 and 2015/16 financial years for the Amathole District Municipality (ADM) be noted
- b) Adjustment to increase the 2014/15 capital budget of **R631 835 837.00** as a consequence of the approval by National Treasury for the DBSA MIG frontloading be noted
- c) Adjustment to increase the 2014/15 operating budget of **R47 100 000.00** in respect of interest on the DBSA loan be noted
- d) Adjustment to increase the 2014/15 operating budget of **R3 000 000.00** in respect of salaries be noted

b) ITEM PREVIOUSLY APPROVED BY THE MAYOR FOR RATIFICATION BY COUNCIL

1. REPORT ON THE ADJUSTMENTS TO THE 2014/2015 BUDGET

PURPOSE

- a) Seek Council's ratification of the Executive Mayor's approval for adjustments to the 2014/15 budget, amounting to R30 618 608, to add the following projects, funded from prior year income, of R18 000 000, resulting from unspent funds in the 2013/14 budget, and from the unspent internally funded projects funds of R12 618 608

Project Name	Amount	Account Number
MUNICIPAL MANAGER		
Chiselhurst Relocation	R10 000 000	88 20 8 55 017 00
Total Municipal Manager	R 10 000 000	
BUDGET AND TREASURY OFFICE		
Service Coverage	R178 277	88 35 8 25 134 00
Asset Management System	R2 400 000	88 35 8 25 143 00
Total Budget & Treasury Office	R 2 578 277	
ENGINEERING		
Chemicals Butterworth WTW	R420 000	45 14 1 75 029 00
Chemicals Xhora WTW	R200 000	45 44 1 75 029 00
Electricity Xhora WTW	R400 000	45 44 1 75 055 00
Construction of Transfer Station in Mnquma and Mbhashe	R1 400 000	88 35 8 45 012 00
Emergency Sanitation Erection of VIP	R600 000	88 35 8 45 013 00
Provision of Multi Nodal Public Transfer Facilities in Willowvale	R2 000 000	88 30 8 35 018 00
The Development & Implementation of the Refurbishment Plan Dutywa Dam	R2 000 000	88 30 8 45 014 00
Chintsa East Dam Spillways Protection	R332 935	88 30 8 45 015 00
Construction of reservoirs in Bedford and Adelaide	R4 410 926	88 30 8 35 112 00
Cathcart Retrofitting	R644 557	88 30 8 35 053 00
Butterworth Retrofitting	R 255 001	88 30 8 35 053 00
Special Programs Water & Sanitation	R494 045	88 30 8 45 129 00
Goshen - Erection of VIP Structures	R255 000	88 30 8 45 001 00
RHIG - R8 500 000 project	R869 711	Various 35 accounts
RHIG - R9 000 000 project	R1 116 798	Various 35 accounts

Project Name	Amount	Account Number
Construction of Toleni WTW Accommodation	R142 000	88 30 8 45 134 00
Toleni Water Scheme: Buildings	R153 848	45 56 403 001 00
Mayor's Projects: Emergency Sanitation Roll out	R75 000	88 30 8 35 053 00
Installation of Bulk Water Meters in Great Kei & Amahlathi	R1 132	88 30 8 35 053 00
Installation of Bulk Water Meters in Nkonkobe and Ngqushwa	R24 355	88 30 8 35 053 00
Installation of Bulk Water Meters in Mbhashe	R 14 588	88 30 8 35 053 00
Supply and Delivery: Bulk Water Meters	R210 000	88 30 8 35 053 00
Total Engineering	R16 019 896	
COMMUNITY SERVICES		
Mbhashe LM Disaster Centre	R2 000 000	88 30 8 40 075 00
Hamburg Fire Station	R180 000	88 30 8 35 037 00
Willowvale Fire Station	R754 000	88 30 8 35 038 00
Total Community Services	R 2 934 000	
Grand Total Applied For:	R 31 532 173	

- b) To seek Council's ratification of the Executive Mayor's approval for adjustments to the 2014/15 capital budget for emergency rehabilitation required, amounting to R29 186 368, to add the following projects, funded from prior year income, of R29 186 368, resulting from unspent funds in the 2013/14 budget as well as an additional allocation of R50 161 to Butterworth Water

NAME OF PLANT – EMERGENCY MAINTENANCE/REFURBISHMENT	AMOUNT	ACCOUNT NUMBER
Bedford Waste Water Treatment Works	R2 760 492	45 75 503 050 00
Keiskammahoek Waste Water Treatment Works	R3 416 554	45 66 503 050 00
Alice Water	R3 010 081	45 28 503 050 00
Butterworth Water (increased by R50 161)	R12 318 351	45 14 503 050 00
Kei Road Water	R2 457 878	45 23 503 050 00
Qwaninga Water	R1 405 908	45 09 503 050 00
Peddie Waste Water Treatment Works	R1 175 801	45 76 503 050 00
Middeldrift Waste Water Treatment Works	R1 217 515	45 72 503 050 00
Management of O&M Water & Sanitation	R1 473 949	45 01 503 050 00
SUB TOTAL:	R29 186 368	
Butterworth Water Additional	R50 161	45 14 503 050 00
GRAND TOTAL:	R29 236 529	

- c) The approval of the rollover of R51 030 247 unspent external funds per department be ratified, as detailed per project in “Annexure A”, summary per department below:

Strategic Management	R226 633
Corporate Services	R347 343
Engineering	R6 311 472
LHSED	R44 144 799
TOTAL:	R51 030 247

- d) The approval of the transfer of R1 400 000 worth of projects out of LESS Mandela Legacy Interventions (88 30 8 05 012 00) for Mandela Day Projects, with R200 000 being allocated to Corporate Services (88 25 8 20 134 00) and R1 200 000 being allocated to the Municipal Managers Department (88 25 8 55 129 00) be ratified
- e) The approval of the transfer of R1 000 000 worth of projects out of Community Services to Engineering Department for the Construction of a Fire Station in Mquma (88 30 8 35 088 00) be ratified
- f) The approval of the allocation of R1 000 000 for Provision of Rainwater Tanks and Guttering funded from refund from Amatola Water in 2013/14 be ratified
- g) The transfer of the budget from the post of the Organizational Development & Job Evaluation Manager in Corporate Services Department to post of Special Programmes Unit Manager in LESS for 7 months amounting to R445 706 be approved
- h) The movement of funds from Budget & Treasury Office to Municipal Manager- of R350 000 in total, R50 000, per local municipality to cover part of the operating costs of the satellite offices be approved

AUTHORITY

- The Municipal Finance Management Act, 56 of 2003 (MFMA), section 28 1-5 and section 30
- Municipal Budget and Reporting Regulations 2009 (MBRR), part 4

LEGAL/STATUTORY REQUIREMENTS

28. (1) A municipality may revise an approved annual budget through an adjustment

(2) An adjustments budget:

- a) must adjust the 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 over and above those anticipated in the annual budget, but only to revise or accelerate spending programmes already budgeted for:

- c) may, within a prescribed framework, authorize unforeseeable and unavoidable expenditure recommended by the mayor of the municipality:
- d) may authorize the utilization of projected savings in one vote towards spending under another vote;
- e) may authorize 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 at the time to include projected roll-overs when the annual budget for the current year was approved by the council;
- f) may correct any errors in the annual budget: and
- g) may provide for any other expenditure within a prescribed framework.

(3) An adjustments budget must be in a prescribed form.

(4) Only the mayor may table an adjustments budget in the municipal council, but an adjustments budget in terms of subsection (2)(b) to (g) may only be tabled within any prescribed limitations as to timing or frequency.

(5) When an adjustments budget is tabled, it must be accompanied by-

- (b) an explanation how the adjustments budget affects the annual budget:
- (b) a motivation of any material changes to the annual budget:
- (c) an explanation of the impact of any increased spending on the annual budget and the annual budgets for the next two financial years: and
- (d) any other supporting documentation that may be prescribed.

Section 30 of the Municipal Finance Management Act defines unspent funds as:

“the appropriation of funds in an annual or adjustments budget lapses to the extent that those funds are unspent at the end of the financial year to which the budget relates, except in the case of an appropriation for expenditure made for a period longer than that financial year”, MFMA – section 30.”

Part 4 section 23 of the MBRR deals with the timeframes for tabling of adjustments budgets:

23. (1) An adjustments budget referred to in section 28(2)(b), (d) and (f) of the Act may be tabled in the municipal council at any time after the mid-year budget and performance assessment has been tabled in the council, but not later than 28 February of the current year. This adjustment budget will therefore be re-tabled in February 2015, together with any other adjustments required.

BACKGROUND/REASONING

This approval of adjustments to the 2014/15 budget in line with legislation is a means of preventing unauthorised expenditure and audit findings which may adversely impact the audit outcome and to meet certain contractual commitments which ADM entered into in the 2013/14 financial year. The need for an early adjustments budget arose due to commitments to contractors appointed in the prior year, who did not complete all their projects before June 2014. The commitment to the contractor exists, and an adjustment budget is now necessary to ensure funding is allocated to honour all the contractual commitments. Refer application from Engineering Annexure B.

Internally Funded Projects and unspent funds from 2013/14

- During the 2013/2014 financial year, ADM approved internally funded programs in the form of projects. Funds were allocated to each project according to the Integrated Development Plan (IDP) and the Service Delivery and Budget Implementation Plan (SDBIP). At the end of the financial year, all unspent funds were withdrawn from the projects and allocated to a savings pool, amounting to R12 618 608. Departments were then given the opportunity to re-apply for funding from this pool in the new financial year. However, the Chiselhurst Relocation Project, which will commence in November 2014, requires the bulk of the projects unspent funds, as it is estimated that the move will cost R10 000 000. The service coverage project in BTO requested an allocation of R178 277 and Special Programmes for Water and Sanitation, required R494 045 of this funding. An additional pool of R18 million has been identified from operational budget underspending in the 2013/14 financial year and the utilization of this has been partially prioritized to meet existing contractual agreements of R2 612 356.69, and additional crucial project funding of R11 893 494, as detailed in a motivation received from Engineering, attached as Annexure B.
- Community Services made an application of R2 934 000 for work at two fire stations as well as refurbishment of the Mphashe Disaster Centre, refer Annexure C. However, due to limited funding their overall allocation will be limited to R2 020 435.
- BTO has requested an amount of R2 400 000 to continue with the implementation of the Asset Management system, which is a requirement for the municipality to be able to properly track and account for its assets. This is a continuation of the project which started in 2013/14 financial year, refer Annexure F.

Adjustments to the capital budget for emergency rehabilitation work

- Amatola Water Board (AW) entered into a contract with ADM to operate and maintain all ADM water and waste treatment plants, except Stutterheim and Mphashe North. AW withdrew the majority of its support in November 2013, before the expiration of the contract in June 2014. ADM discovered that lots of the facilities were in need of major refurbishment. An assessment of high risk treatment facilities was conducted and refurbishment plans to address the issues were drawn up and

savings from the unspent 2013/14 budget were earmarked to fund this refurbishment to be undertaken in 2014/15, hence the request for an adjustment budget was made to the Executive Mayor.

Roll over of unspent portions of externally funded projects (Refer Annexure A for detailed project list)

- At the end of the financial year, an amount of R51 030 247 was unspent, refer Annexure A. It is now being sought to add these unspent funds to the 2014/15 budget, in order to continue implementation of the projects. ADM has applied for the roll-over of two DORA gazetted funds, namely, MSIG of R149 534 (Annexure D) and RHIG (Annexure E) of R95 274. The first response to applications for rollover is normally received in November. The bulk of the unspent funds being in LHSED, which are multiyear allocations, and do not require roll over approval from the funders.

ANNEXURES

1. **Annexure A:** Unspent External Funds at end of June 2014
2. **Annexure B:** Application from Engineering for additional funds for 2014/15
3. **Annexure C:** Application from Community Services for additional funds for 2014/15
4. **Annexure D:** Roll over application for MSIG
5. **Annexure E:** Roll over application for RHIG
6. **Annexure F:** Application from Budget & Treasury for additional funds for 2014/15
7. **Annexure G:** Allocation of operational funds from the 2013/14 financial year to address emergency rehabilitation required which will only be completed during 2014/15Y
8. **Annexure H:** Motivation for budget move from OD & JE Manager Task Grade 15/16 Position to SPU Manager TG 15/16 position

STAFF IMPLICATIONS

Funding of the position of SPU Manager under LESS for a 7 month period

FINANCIAL IMPLICATIONS

- Additional internally funded projects to the value of R30 618 608 financed from the 13/14 financial year's unspent operational and project funds
- Additional externally funded projects to the value of R51 030 247 from unspent funds in prior year
- An additional R1 000 000 for Provision of Rainwater Tanks and Guttering funded from refund from Amatola Water in 2013/14 be approved
- Total increase in the 2014/15 budget of R111 885 384

RECOMMENDATIONS

- a) That Council ratifies the Executive Mayor's approval of the adjustments to the 2014/15 budget, by adding the below mentioned projects, totalling R30 618 608, funded from prior year income, of R18 000 000, resulting from unspent funds in the 2013/14 budget, and from the unspent internally funded projects funds of R12 618 608.

Project Name	Amount	Account Number
MUNICIPAL MANAGER		
Chiselhurst Relocation	R10 000 000	88 20 8 55 017 00
Total Municipal Manager	R 10 000 000	
BUDGET AND TREASURY OFFICE		
Service Coverage	R178 277	88 35 8 25 134 00
Asset Management System	R2 400 000	88 35 8 25 143 00
Total Budget & Treasury	R 2 578 277	
ENGINEERING		
Chemicals Butterworth WTW	R420 000	45 14 1 75 029 00
Chemicals Xhora WTW	R200 000	45 44 1 75 029 00
Electricity Xhora WTW	R400 000	45 44 1 75 055 00
Construction of Transfer Station in Mnquma and Mbhashe	R1 400 000	88 35 8 45 012 00
Emergency Sanitation Erection of VIP	R600 000	88 35 8 45 013 00
Provision of Multi Nodal Public Transfer Facilities in Willowvale	R2 000 000	88 30 8 35 018 00
The Development & Implementation of the Refurbishment Plan Dutywa Dam	R2 000 000	88 30 8 45 014 00
Chintsa East Dam Spillways Protection	R332 935	88 30 8 45 015 00
Construction of reservoirs in Bedford and Adelaide	R4 410 926	88 30 8 35 112 00
Cathcart Retrofitting	R644 557	88 30 8 35 053 00
Butterworth Retrofitting	R 255 001	88 30 8 35 053 00
Special Programs Water & Sanitation	R494 045	88 30 8 45 129 00
Goshen - Erection of VIP Structures	R255 000	88 30 8 45 001 00
RHIG - R8 500 000 project	R869 711	Various 35 accounts
RHIG - R9 000 000 project	R1 116 798	Various 35 accounts
Construction of Toleni WTW Accommodation	R142 000	88 30 8 45 134 00
Toleni Water Scheme: Buildings	R153 848	45 56 403 001 00
Mayor's Projects: Emergency Sanitation Roll out	R75 000	88 30 8 35 053 00
Installation of Bulk Water Meters in Great Kei & Amahlathi	R1 132	88 30 8 35 053 00

Project Name	Amount	Account Number
Installation of Bulk Water Meters in Nkonkobe and Ngqushwa	R24 355	88 30 8 35 053 00
Installation of Bulk Water Meters in Mbhashe	R 14 588	88 30 8 35 053 00
Supply and Delivery: Bulk Water Meters	R210 000	88 30 8 35 053 00
Total Engineering	R16 019 896	
COMMUNITY SERVICES		
Mbhashe LM Disaster Centre	R2 000 000	88 30 8 40 075 00
Hamburg Fire Station	R20 435	88 30 8 35 037 00
Willowvale Fire Station	0	88 30 8 35 038 00
Total Community Services	R2 020 435	
Grand Total Approved:	R30 618 608	

- b) That Council ratifies the Executive Mayor's approval for adjustments to the 2014/15 capital budget for emergency rehabilitation required, amounting to R29 186 368, to add the following projects, funded from prior year income, of R29 186 368, resulting from unspent funds in the 2013/14 budget as well as an additional allocation of R50 161 to Butterworth Water

NAME OF PLANT – EMERGENCY MAINTENANCE/REFURBISHMENT	AMOUNT	ACCOUNT NUMBER
Bedford Waste Water Treatment Works	R2 760 492	45 75 503 050 00
Keiskammahoek Waste Water Treatment Works	R3 416 554	45 66 503 050 00
Alice Water	R3 010 081	45 28 503 050 00
Butterworth Water (increased by R50 161)	R12 318 351	45 14 503 050 00
Kei Road Water	R2 457 878	45 23 503 050 00
Qwaninga Water	R1 405 908	45 09 503 050 00
Peddie Waste Water Treatment Works	R1 175 801	45 76 503 050 00
Middeldrift Waste Water Treatment Works	R1 217 515	45 72 503 050 00
Management of O&M Water & Sanitation	R1 473 949	45 01 503 050 00
SUB TOTAL:	R29 186 368	
Butterworth Water Additional	R50 161	45 14 503 050 00
GRAND TOTAL:	R29 236 529	

- c) That the approval of the rollover of R51 030 247 unspent external funds per department, as detailed per project in “Annexure A”, summaries per department below be ratified

Strategic Management	R226 633
Corporate Services	R347 343
Engineering	R6 311 472
LHSED	R44 144 799
TOTAL:	R51 030 247

- d) That the approval of the transfer of R1 400 000 worth of projects out of LESS Mandela Legacy Interventions (88 30 8 05 012 00) for Mandela Day Projects, with R200 000 being allocated to Corporate Services (88 25 8 20 134 00) and R1 200 000 being allocated to the Municipal Managers Department (88 25 8 55 129 00) be ratified
- e) That the approval of the transfer of R1 000 000 worth of projects out of Community Services to Engineering Department for the Construction of a Fire Station in Mnquma (88 30 8 35 088 00) be ratified
- f) That the approval of the allocation of R1 000 000 for Provision of Rainwater Tanks and Guttering funded from refund from Amatola Water in 2013/14 be ratified
- g) That the transfer of the budget from the post of the Organizational Development & Job Evaluation Manager in Corporate Services Department to post of Special Programmes Unit Manager in LESS for 7 months amounting to R445 706 be approved
- h) That the movement of funds from Budget & Treasury Office to Municipal Management of R350 000 be approved
- i) That the approval of the overall increase of R111 885 384 of the 2014/15 budget be ratified

c) **ADDITIONAL ADJUSTMENT ITEMS FOR COUNCIL APPROVAL FOLLOWING THE MID YEAR ASSESSMENT:**

PURPOSE

a) To present savings declarations on internally funded projects of R1 193 848

NAME OF PROJECT	AMOUNT DECLARED	DEPARTMENT
Data Management Tool	300 000	BTO
Establishment of Resource Hub	150 000	MM
Knowledge Management Peer Seminars/ Classes	16 310	MM
Development and printing of policy formulation catalogue/ leaflet	12 000	MM
Policy Development Awareness Programme	18 238	MM
Bell Settlement Planning / Cefane	116 300	LHSED
Cintsa East Settlement Planning	300 000	LHSED
Housing Accreditation	20 000	LHSED
Housing Finance Risk Programme	50 000	LHSED
Mt Pleasant Tenure Security	100 000	LHSED
Shared Services - Spatial Planning Land Use Management Act Implementation	50 000	LHSED
Visitor Information Centre's Administrators	21 000	LHSED
Settlement Inventory	40 000	LHSED
TOTAL:	R1 193 848	

b) To request allocation to additional projects of R3 676 590

NAME OF PROJECT	AMOUNT REQUESTED	DEPARTMENT
Data Backup Application (CIBECS)	R676 590	Strategic Management
Financial Management System	R3 000 000	Strategic Management
TOTAL:	R3 676 590	

- c) To request additional funding of R180 857.69 for ASPIRE in respect of Emthonjeni Arts employees' salary for August 2014 only
- d) To request additional funding for the operational Budget of Emthonjeni Artist Retreat of R1 586 973 (from 01 December 2014 to June 2015). This is to be outsourced to ASPIRE
- e) To request additional funding of R 359 376.53 for settlement of outstanding amounts due to SALGA relating to change in the rand rate for membership levies in 2011/12
- f) To request a re-allocation of surpluses and an ultimate top up of R36 371 207 to cover the projected shortfall in salary and salary related costs for the next 6 months
- g) To re-allocate the savings of R1 357 886 identified in the expense budgets to fund additional requests
- h) To request a reduction in the capital budget of R14 042 816 to fund additional requests
- i) To request an increase in the provision for bad debts in an amount of R71 873 868
- j) To request an increase in the insurance premium of R1 100 210
- k) To increase rental for premises and parking by R12 000 000

SUMMARY OF INITIAL CASH FLOW ITEMS	AMOUNTS
Capital Savings	R14 042 816
Operating Budget Savings	R 1 357 886
Project Savings	R 1 193 848
Project Requirements (Excludes The Additional R3 Mil For Financial Management System)	(R 676 590)
Salary Top Us	(R36 371 207)
TOTAL:	R20 453 247

AUTHORITY

- The Municipal Finance Management Act 56 of 2003
- Municipal Budget and Reporting Regulations 2009 (MBRR)

LEGAL/STATUTORY REQUIREMENTS

The Municipal Finance Management Act Section 28(1) stipulates that a municipality may revise an approved annual budget through an adjustment.

(2) An adjustments budget:

- f) may appropriate additional revenues that have become available over and above those anticipated in the annual budget, but only to revise or accelerate spending programmes already budgeted for:
- g) may, within a prescribed framework, authorise unforeseeable and unavoidable expenditure recommended by the mayor of the municipality:

- h) may authorize the utilization of projected savings in one vote towards spending under another vote;
 - i) 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 at the time to include projected roll-overs when the annual budget for the current year was approved by the council;
- (4) Only the mayor may table an adjustments budget in the municipal council, but an adjustments budget in terms of subsection (2)(b) to (g) may only be tabled within any prescribed limitations as to timing or frequency.
- (5) When an adjustments budget is tabled, it must be accompanied by-
- (c) an explanation how the adjustments budget affects the annual budget:
 - (b) a motivation of any material changes to the annual budget:
 - (c) an explanation of the impact of any increased spending on the annual budget and the annual budgets for the next two financial years

REASONING / BACKGROUND

Internally Funded Projects

After the first 6 months of project implementation, the Project Steering Committee (PSC) requested all departments to assess the level of spending and implementation of projects and to declare savings as well as to make applications for any top ups required. This has resulted in the declaration of R1 193 848 and top up requests of R3 676 590 as detailed above.

Aspire Additional Requests

The funding of R180 857.69 is to pay salaries of staff who worked for Emthonjeni Artist Retreat for August 2014 without payment. The additional amount of R1 586 973 is to cover the operating costs of the resort from December 2014 to June 2015. A final decision needs to be made on future of the Emthonjeni Lodge.

SALGA

In the 2011/12 financial year, the annual membership fees were paid to SALGA. However, after the payments was made, SALGA increased the rate in the rand, resulting in an additional amount of R 359 376.53 being due. ADM applied for exemption from this, however after numerous discussions and ADM being included in the list of municipalities not in good standing, an agreement was reached to settle this long outstanding amount.

Forecast Shortage In Salary And Salary Related Costs

To request a re-allocation of surpluses and an ultimate top up of R36 371 207 to cover the projected shortfall in salary and salary related costs for the next 6 months as detailed in the below tables. Bearing in mind that the only source of funding available is the R236 million remaining in investments, as no additional significant revenue streams have been identified.

Councillors increases have not yet been finalized. Once the increases have been gazetted they will be paid out. An estimated R741 649 is requested to cover these increases.

The total cost to ADM to fill all posts approved as part of the re-engineering process, is R136 million. The above position reflects a current salary deficit of R36 million. As there are no additional revenue sources, the filling of posts needs to be prioritized in terms of the identified posts which contribute to the R36 million deficit. Further to this, the Municipality may need to take a decision to postpone the filling of vacant posts until such time as additional revenue is secured.

SUMMARY OF SALARY SURPLUSES / (SHORTFALLS) PER DEPARTMENT	AMOUNT
Legislative & Executive Support Services	(R 130 838)
Strategic Management	(R 1 994 012)
Corporate Services	R240 203
Budget & Treasury	(R 3 408 725)
Engineering	(R4 864 528)
Community Services	R0
Water & Sanitation	(R22 447 287)
Land Human Settlements & Economic Development	R 349 769
Municipal Management	(R4 115 789)
TOTAL:	(R36 371 207)

Description	Budget/OpenBal	Curr Mth Exp	YTD Movement	Balance	Forecast Jan to June 2015	Available /((Shortfall)
LESS						
SALARIES	12 681 131	1 189 128	6 911 010	5 770 121	7 134 766	-1 364 645
COUNCILLOR SALARY INCREASES						-741 649
CONTRIBUTIONS : PENSION FUND	1 844 374	185 369	1 088 749	755 625	1 112 215	-356 590
SALARIES : DIRECTORS	1 091 988	100 251	754 453	337 535	601 504	-263 969
SALARIES : OVERTIME	-	19 256	68 164	-68 164	115 534	-183 698
ESSENTIAL CAR USER SCHEME SUBSIDY	434 908	53 599	293 946	140 962	321 594	-180 633
ALLOWANCES : TRAVEL	1 541 795	146 140	795 219	746 576	876 840	-130 264
ALLOWANCES : STANDBY	-	7 713	46 988	-46 988	46 988	-93 976
CONTRIBUTIONS : GROUP LIFE	16 375	8 625	35 495	-19 120	51 749	-70 869
ALLOWANCES : CELLPHONE DIRECTORS	-	2 993	17 958	-17 958	17 958	-35 916
MAYOR & SPEAKER SALARY	580 786	45 022	342 812	237 974	270 133	-32 159
SKILLS DEVELOPMENT LEVY	179 649	17 335	83 906	95 743	104 007	-8 264
CONTRIBUTIONS : PROVIDENT FUND	59 130	5 511	33 068	26 062	33 068	-7 006
CONTRIBUTIONS : BARGAINING COUNCIL	4 038	373	2 142	1 896	2 237	-342
UNEMPLOYMENT INSURANCE FUND STAFF	93 130	7 859	46 136	46 994	47 154	-160
CONTRIBUTIONS : BARGAINING COUNCIL DIREC	76	7	41	35	41	-5
ALLOWANCES : HOUSING DIRECTORS	5 736	-	-	5 736	-	5 736
MAYOR & SPEAKER : SKILLS DEVELOPMENT LEV	23 427	1 298	6 492	16 936	7 790	9 146
ALLOWANCES : TRAVEL DIRECTORS	283 800	22 000	132 000	151 800	132 000	19 800
ALLOWANCES : CELLPHONE	615 384	50 355	289 648	325 736	289 648	36 088
COUNCILLOR : SKILLS DEVELOPMENT LEVY	138 903	8 390	42 277	96 626	50 341	46 285
MAYOR & SPEAKER ALLOWANCES : CELLPHONE	97 614	4 078	20 390	77 224	24 468	52 756
MAYOR & SPEAKER : ALLOWANCES TRAVEL	136 850	7 549	37 743	99 107	45 292	53 815
CONTRIBUTIONS : MEDICAL AID	1 123 969	84 205	492 842	631 127	505 231	125 896
COUNCILLOR : SITTING ALLOWANCE	370 964	2 571	115 695	255 269	115 695	139 574
ALLOWANCES : HOUSING	288 692	10 416	59 887	228 805	62 497	166 308
COUNCILLOR ALLOWANCES : CELLPHONE	961 114	61 894	369 054	592 060	371 361	220 699
MAYOR & SPEAKER ALLOWANCES : HOUSING	1 214 027	71 087	355 437	858 591	426 524	432 067
COUNCILLOR : SALARIES	6 900 979	525 753	3 244 616	3 656 363	3 154 516	501 846
COUNCILLOR ALLOWANCES : HOUSING	2 153 010	127 175	763 050	1 389 960	763 050	626 910
COUNCILLOR ALLOWANCES : TRAVEL	3 006 610	175 251	1 052 722	1 953 888	1 051 505	902 382
TOTAL:						-130 838

Description	Curr Mth Exp	YTD Movement	Balance	Forecast Jan to June 2015	Available /((Shortfall)
STRAT					
SALARIES	1 677 666	9 936 298	8 588 991	10 065 996	-1 477 005
ESSENTIAL CAR USER SCHEME SUBSIDY	94 959	565 377	-101 673	569 754	-671 427
ALLOWANCES : TRAVEL	303 677	1 759 273	1 409 768	1 822 062	-412 294
ALLOWANCES : HOUSING DIRECTORS	34 475	225 587	50 413	206 849	-156 436
CONTRIBUTIONS : GROUP LIFE	9 702	41 917	-14 039	58 213	-72 252
CONTRIBUTIONS : PENSION FUND	269 249	1 581 474	1 557 977	1 615 494	-57 518
SKILLS DEVELOPMENT LEVY	24 013	119 402	122 606	144 078	-21 472
CONTRIBUTIONS : PROVIDENT FUND	8 584	51 504	46 254	51 504	-5 251
CONTRIBUTIONS : BARGAINING COUNCIL	407	2 427	2 243	2 441	-198
UNEMPLOYMENT INSURANCE FUND STAFF	8 913	53 054	103 649	53 480	50 170
ALLOWANCES : HOUSING	16 509	97 967	232 709	99 055	133 655
ALLOWANCES : CELLPHONE	66 648	398 011	549 811	398 011	151 800
SALARIES : DIRECTORS	56 872	341 229	505 841	341 229	164 612
CONTRIBUTIONS : MEDICAL AID	94 363	572 270	945 780	566 176	379 604
TOTAL:					-1 994 012

Description	Budget/OpenBal	Curr Mth Exp	YTD Movement	Balance	Forecast Jan to June 2015	Available /((Shortfall))
CORPORATE SERVICES						0
CONTRIBUTIONS : PENSION FUND	4 093 896	333 871	2 249 520	1 844 376	2 003 225	-158 849
SALARIES	26 261 616	2 076 303	13 936 994	12 324 622	12 457 820	-133 199
ALLOWANCES : TRAVEL DIRECTORS	309 600	35 475	229 928	79 672	212 849	-133 176
SALARIES : OVERTIME	92 000	21 347	66 542	25 458	128 084	-102 626
ALLOWANCES : CELLPHONE	838 030	63 180	456 580	381 450	456 580	-75 130
CONTRIBUTIONS : GROUP LIFE	154 974	16 378	86 420	68 554	98 269	-29 715
SKILLS DEVELOPMENT LEVY	321 117	28 061	180 460	140 657	168 366	-27 709
UNEMPLOYMENT INSURANCE FUND STAFF	188 118	16 319	100 880	87 238	97 913	-10 675
CONTRIBUTIONS : PENSION FUND DIRECTORS	150 058	13 324	80 438	69 620	79 945	-10 325
CONTRIBUTIONS : PROVIDENT FUND	103 929	9 035	54 273	49 656	54 209	-4 553
CONTRIBUTIONS : BARGAINING COUNCIL	9 955	888	5 607	4 348	5 329	-981
CONTRIBUTIONS : BARGAINING COUNCIL DIREC	76	7	41	35	41	-5
ALLOWANCES : CELLPHONE DIRECTORS	44 000	3 604	21 624	22 376	21 624	752
ALLOWANCES : HOUSING DIRECTORS	5 736	-	-	5 736	-	5 736
ESSENTIAL CAR USER SCHEME SUBSIDY	340 857	22 941	155 919	184 938	155 919	29 019
SALARIES : DIRECTORS	1 055 419	74 023	446 875	608 544	444 140	164 403
CONTRIBUTIONS : MEDICAL AID	2 153 065	151 259	966 866	1 186 199	907 553	278 647
SALARY FOR GM AND ADMIN ASST						-549 210
ALLOWANCES : HOUSING	606 784	24 257	141 016	465 768	145 543	320 225
ALLOWANCES : TRAVEL	3 682 839	218 533	1 694 067	1 988 772	1 311 198	677 574
TOTAL:						240 203

Description	Budget/OpenBal	Curr Mth Exp	YTD Movement	Balance	Forecast Jan to June 2015	Available /((Shortfall))
BTO						
SALARIES	52 955 177	4 692 878	27 549 952	25 405 225	28 157 268	-2 752 043
SCM POST AND ACCOUNTING & REPORTING POST						-359 534
ALLOWANCES : TRAVEL	2 866 866	351 187	1 964 953	901 913	2 107 122	-1 205 209
CONTRIBUTIONS : PENSION FUND	8 231 066	746 155	4 341 462	3 889 604	4 476 928	-587 325
ALLOWANCES : HOUSING DIRECTORS	5 736	18 475	128 796	-123 060	110 849	-233 908
CONTRIBUTIONS : GROUP LIFE	93 471	26 478	117 912	-24 441	158 866	-183 307
ALLOWANCES : CELLPHONE	746 006	78 980	453 237	292 769	453 237	-160 467
SALARIES : OVERTIME	411 200	68 964	125 292	285 908	413 785	-127 876
ALLOWANCES : CELLPHONE DIRECTORS	-	3 604	21 624	-21 624	21 624	-43 248
SKILLS DEVELOPMENT LEVY	629 097	62 845	292 127	336 970	377 069	-40 099
CONTRIBUTIONS : GROUP LIFE DIRECTORS	-	927	5 562	-5 562	5 562	-11 124
CONTRIBUTIONS : BARGAINING COUNCIL DIREC	76	7	41	35	41	-5
CONTRIBUTIONS : MEDICAL AID DIRECTORS	43 488	3 618	21 648	21 840	21 708	132
CONTRIBUTIONS : BARGAINING COUNCIL	20 841	1 715	10 333	10 508	10 292	216
CONTRIBUTIONS : PROVIDENT FUND	346 760	28 753	165 767	180 993	172 518	8 474
CONTRIBUTIONS : PENSION FUND DIRECTORS	158 543	12 183	73 443	85 100	73 099	12 000
UNEMPLOYMENT INSURANCE FUND STAFF	436 957	35 009	209 790	227 167	210 054	17 113
ALLOWANCES : TRAVEL DIRECTORS	270 900	21 000	126 000	144 900	126 000	18 900
SALARIES : DIRECTORS	1 064 856	67 685	408 018	656 838	406 108	250 730
ESSENTIAL CAR USER SCHEME SUBSIDY	944 881	46 952	269 924	674 957	281 712	393 245
CONTRIBUTIONS : MEDICAL AID	4 517 981	319 410	1 875 049	2 642 932	1 916 460	726 472
ALLOWANCES : HOUSING	1 474 342	51 256	298 665	1 175 677	307 539	868 139
TOTAL:						-3 408 725

Description	Budget/OpenBal	Curr Mth Exp	YTD Movement	Balance	Forecast Jan to June 2015	Available / (Shortfall)
ENGINEERING						
SALARIES	10 230 385	1 012 260	6 211 359	4 019 026	6 073 560	-2 054 534
SALARY FOR WSA SNR MNDR AND L LEVEL 16 SKURA						-575 417
ESSENTIAL CAR USER SCHEME SUBSIDY	948 408	143 849	855 918	92 490	863 095	-770 605
SALARIES : OVERTIME	-	61 141	202 008	-202 008	366 848	-568 856
CONTRIBUTIONS : PENSION FUND	1 716 891	175 607	1 081 201	635 691	1 053 642	-417 951
ALLOWANCES : STANDBY	-	30 057	180 917	-180 917	180 917	-361 834
ALLOWANCES : HOUSING DIRECTORS	5 736	27 475	181 307	-175 571	164 849	-340 419
CONTRIBUTIONS : MEDICAL AID	817 752	75 563	456 838	360 914	453 380	-92 467
ALLOWANCES : TRAVEL	1 295 574	116 186	667 853	627 721	697 116	-69 395
CONTRIBUTIONS : GROUP LIFE	8 557	5 061	25 530	-16 973	30 369	-47 342
ALLOWANCES : CELLPHONE DIRECTORS	-	3 604	21 624	-21 624	21 624	-43 248
ALLOWANCES : SHIFT	-	3 021	16 277	-16 277	16 277	-32 555
SKILLS DEVELOPMENT LEVY	146 789	16 200	81 185	65 604	97 198	-31 594
ALLOWANCES : DIRT	-	2 418	10 406	-10 406	10 406	-20 813
UNEMPLOYMENT INSURANCE FUND STAFF	65 947	7 057	42 879	23 068	42 340	-19 271
CONTRIBUTIONS : BARGAINING COUNCIL	2 963	332	2 034	929	1 993	-1 064
CONTRIBUTIONS : BARGAINING COUNCIL DIREC	76	7	41	35	41	-5
CONTRIBUTIONS : PROVIDENT FUND	58 511	4 844	29 063	29 448	29 063	385
CONTRIBUTIONS : MEDICAL AID DIRECTORS	32 350	2 418	14 508	17 842	14 508	3 334
CONTRIBUTIONS : PENSION FUND DIRECTORS	150 622	11 676	70 057	80 565	70 057	10 509
ALLOWANCES : TRAVEL DIRECTORS	232 200	18 000	108 000	124 200	108 000	16 200
ALLOWANCES : HOUSING	198 808	10 847	62 476	136 332	65 084	71 248
ALLOWANCES : CELLPHONE	684 921	46 200	276 669	408 252	276 669	131 583
SALARIES : DIRECTORS	1 127 993	64 867	389 204	738 789	389 204	349 585
TOTAL:						-4 864 528

Description	Budget/OpenBal	Curr Mth Exp	YTD Movement	Balance	Forecast Jan to June 2015	Available / (Shortfall)
COMMUNITY SERVICES						0
SALARIES	31 553 932	2 757 577	16 269 972	15 283 960	16 545 461	-1 261 501
ALLOWANCES : CELLPHONE	999 659	99 609	590 557	409 102	590 557	-181 455
ALLOWANCES : TRAVEL	1 452 308	132 053	753 712	698 596	792 318	-93 722
CONTRIBUTIONS : GROUP LIFE	241 122	31 222	127 590	113 532	187 334	-73 803
ALLOWANCES : DIRT	561 492	51 193	316 462	245 030	316 462	-71 432
EXPERENTIAL TRAINEES	43 200	10 132	18 774	24 426	60 789	-36 364
ALLOWANCES : CELLPHONE DIRECTORS	-	3 400	17 000	-17 000	17 000	-34 000
CONTRIBUTIONS : PENSION FUND	5 443 988	457 407	2 714 046	2 729 942	2 744 441	-14 499
CONTRIBUTIONS : PENSION FUND DIRECTORS	153 484	16 716	66 862	86 622	100 293	-13 671
SKILLS DEVELOPMENT LEVY	416 628	38 875	190 750	225 878	233 250	-7 372
ALLOWANCES : STANDBY	118 278	11 245	61 429	56 849	61 429	-4 580
CONTRIBUTIONS : BARGAINING COUNCIL	11 175	983	5 804	5 371	5 899	-527
CONTRIBUTIONS : BARGAINING COUNCIL DIREC	76	7	34	42	41	1
UNEMPLOYMENT INSURANCE FUND DIRECTORS	1 785	149	744	1 041	892	149
CONTRIBUTIONS : PROVIDENT FUND	119 062	9 875	59 251	59 811	59 251	559
ALLOWANCES : SHIFT	841 962	69 788	420 070	421 892	420 070	1 821
UNEMPLOYMENT INSURANCE FUND STAFF	258 374	21 528	126 928	131 446	129 168	2 278
ALLOWANCES : HOUSING DIRECTORS	5 736	-	-	5 736	-	5 736
SALARIES : DIRECTORS	1 028 639	85 721	497 108	531 531	514 324	17 206
SALARIES FOR NEW FIRE STATIONS						-579 993
CONTRIBUTIONS : MEDICAL AID DIRECTORS	17 546	-	-	17 546	-	17 546
ALLOWANCES : TRAVEL DIRECTORS	270 900	22 000	110 000	160 900	132 000	28 900
CONTRIBUTIONS : MEDICAL AID	3 736 527	270 856	1 602 441	2 134 086	1 625 137	508 949
ALLOWANCES : HOUSING	831 720	20 327	111 732	719 988	121 960	598 027
SALARIES : OVERTIME	1 197 605	131 805	398 286	799 319	790 829	240 000
ESSENTIAL CAR USER SCHEME SUBSIDY	2 899 589	179 532	870 655	2 028 934	1 077 190	951 744
TOTAL:						-0

Description	Budget/OpenBal	Curr Mth Exp	YTD Movement	Balance	Forecast Jan to June 2015	Available /{(Shortfall)}
MUNICIPAL MANAGEMENT						0
SALARIES	9 222 698	1 093 922	4 929 194	4 293 504	6 563 530	-2 270 026
TASK GRADE 7 FOR 6 MONTHS AND 2 TSK GRADE 10 FOR 5 MONTHS AND TASK GRADE 15 FOR 3 MONTHS						-511 121
ALLOWANCES : TRAVEL	1 526 611	268 746	1 056 059	470 552	1 612 475	-1 141 922
CONTRIBUTIONS : PENSION FUND	1 644 725	188 126	861 322	783 404	1 128 755	-345 352
CONTRIBUTIONS : GROUP LIFE	3 879	8 780	20 507	-16 628	52 681	-69 309
ALLOWANCES : CELLPHONE DIRECTORS	-	3 807	22 842	-22 842	22 842	-45 684
SKILLS DEVELOPMENT LEVY	136 488	17 821	66 681	69 807	106 924	-37 117
ALLOWANCES : CELLPHONE	334 290	47 439	184 971	149 319	184 971	-35 652
UNEMPLOYMENT INSURANCE FUND STAFF	49 462	5 051	24 248	25 214	30 309	-5 095
CONTRIBUTIONS : BARGAINING COUNCIL	2 160	231	1 105	1 055	1 383	-328
CONTRIBUTIONS : BARGAINING COUNCIL DIREC	76	7	41	35	41	-5
ALLOWANCES : HOUSING DIRECTORS	5 736	-	-	5 736	-	5 736
CONTRIBUTIONS : MEDICAL AID	603 592	55 111	258 661	344 931	330 667	14 264
ALLOWANCES : TRAVEL DIRECTORS	206 400	16 000	96 000	110 400	96 000	14 400
SALARIES : DIRECTORS	1 651 532	133 353	818 127	833 405	800 119	33 286
ALLOWANCES : HOUSING	156 764	7 830	48 546	108 218	46 980	61 238
ESSENTIAL CAR USER SCHEME SUBSIDY	500 310	23 319	141 705	358 605	141 705	216 899
TOTAL:						-4 115 789
TOTAL SHORTAGE:						-36 371 207

EXPENSE BUDGET PROJECTED SAVINGS

The projected surplus declared in the overall expenditure budget amounts to R1 357 886, detailed per line below:

SUMMARY OF OPERATING BUDGET SURPLUSES/(SHORTFALLS) PER DEPARTMENT	AMOUNT
Legislative & Executive Support Services	(R647 431)
Strategic Management	R1 842 269
Corporate Services	(R3 888 130)
Budget & Treasury	(R304 246)
Engineering	(R45 577)
Community Services	(R1 215 704)
Water & Sanitation	R7 885 620
Land Human Settlements & Economic Development	(R2 114 676)
Municipal Management	(R154 239)
TOTAL:	R 1 357 886

Description	Curr Mth Exp	YTD Movement	Balance	Forecast Jan to June 2015	Available /(Shortfall)	Savings to be identified
LESS						
ESSENTIAL CAR USERS REIMBURSIVE COSTS	26 994	202 052	-152 052	202 052	-354 105	
MORAL GENERATION MOVEMENT	7 286	386 718	2 192	386 718	-300 000	
WOMANS CAUCUS	-	134 984	6 016	134 984	-200 000	
CHARITIES	12 900	345 074	149 926	345 074	-195 148	
OVERSIGHT	26 960	332 168	27 832	332 168	-180 000	
TRANSPORT : FUEL COSTS	-	166 445	183 385	249 667	-66 282	
FOOD & BEVERAGES	38 496	95 674	38 512	95 674	-57 162	
REFRESHMENTS : COUNCIL GENERAL	13 700	91 436	84 564	91 436	-30 000	
SKILLS DEVELOPMENT LEVY	124	23 244	-23 244	23 244	-23 244	
INSURANCE PREMIUM COSTS	479	2 907	1 265	2 907	-1 641	
SKILLS DEVELOPMENT LEVY DIRECTORS	-	993	-993	993	-993	
MACHINERY AND EQUIPMENT	-	-	1 700	-	-	1 700
PHOTOGRAPHS						2 700
POSTAGE	-	-	4 500	-	-	4 500
VEHICLE MAINTENANCE	-	2 020	5 980	2 020	-	5 980
IDP CONSULTANTS	-	3 850	7 310	3 850	-	7 310
OFFICE FURNITURE AND EQUIPMENT	-	-	11 050	-	-	11 050
CONSUMABLES	-	-	21 600	-	-	21 600
INVENTORY : ASSETS < R5000	-	1 820	21 980	1 820	-	21 980
LICENSES	-	600	52 000	600	-	30 000
HIRING OF CALGARY	4 552	14 632	71 368	14 632	-	35 684
CONFERENCE ATTENDANCE FEE	-	17 263	219 637	17 263	-	131 782
ELECTRICITY	78 697	118 276	532 724	141 931	-	137 687
VEHICLE MAINTENANCE	-	-	166 500	-	-	166 500
RENTALS : EQUIPMENT	-	12 009	262 671	12 009	-	182 671
TOTAL LESS:					-1 408 576	761 144
NETT LESS:					-647 431	

Description	Curr Mth Exp	YTD Movement	Balance	Forecast Jan to June 2015	Available /(Shortfall)	Savings to be identified
STRAT						
MARKETING	263 441	929 485	36 252	929 485	-893 233	
MICROSOFT ENTERPRISE AGREEMENT	-	1 672 259	1 327 741	1 672 259	-500 000	
3G USAGE	70 138	624 141		936 212	-480 000	
RENTALS : OFFICE ACCOMODATION	223 855	223 855	-223 855	223 855	-223 855	
ESSENTIAL CAR USERS REIMBURSIVE COSTS	10 029	127 505	-31 505	127 505	-159 011	
S&T FLY HOTEL CAR HIRE	89 685	572 505	424 172	572 505	-148 333	
OFF SITE STORAGE	43 445	43 445	6 555	43 445	-36 889	
PRINTING STATIONERY	1 043	290 005	255 851	290 005	-34 154	
AMORTISATION	-	13 518	-13 518	13 518	-27 037	
FOOD & BEVERAGES	7 656	52 801	30 022	52 801	-22 779	
PERFORMANCE MANAGEMENT SYSTEM	-	35 000	28 000	35 000	-7 000	
INSURANCE PREMIUM COSTS	830	5 039	2 194	5 039	-2 846	
SKILLS DEVELOPMENT LEVY DIRECTORS	-	968	-968	968	-968	
CLEANING MATERIALS	-	-	425	-	-	425
MEMBERSHIP FEES	2 436	4 610	50 640	4 610	-	20 000
CASEWARE LICENSE	-	78 890	21 110	78 890	-	21 110
VEHICLE MAINTENANCE	-	439	22 854	439	-	22 854
DIMS	-	426 036	23 964	426 036	-	23 964
TRANSPORT : FUEL COSTS	-	20 993	126 653	31 490	-	26 653
INVENTORY : ASSETS < R5000	566	10 225	56 197	10 225	-	30 000
PHOTOGRAPHS	-	-	43 133	-	-	40 000
COMPUTER EQUIPMENT	-	-	122 025	-	-	42 000
UNIFIED EMAIL MANAGEMENT	-	551 268	48 732	551 268	-	48 732
UPS	-	-	297 052	-	-	50 000
BLACKBERRY ENT SYST	-	-	250 000	-	-	50 000
SUBSCRIPTION FEES	-	33 883	112 992	33 883	-	62 992
BACKUP TOOLS	183 787	199 858	291 514	199 858		90 000
LAN	-	-	350 000	-	-	100 000
DOCUMENTUM	-	-	550 000	-	-	100 000
EDITING TOOLS	-	-	350 000	-	-	100 000
TELEMETRY	-	-	250 000	-	-	150 000
NETWORK & CABLING	-	108 144	715 719	108 144		200 000
CIVIL DESIGNER	-	-	300 000	-	-	240 000
STRATEGIC SESSIONS	-	-	256 118	-	-	256 118
GIS SHARED SERVICES	-	-	630 000	-	-	350 000
EDAMS	-	-	440 000	-	-	440 000
RENTALS : VPN LINES	117 080	586 475	2 913 525	720 000	-	1 913 525
TOTAL STRAT:					-2 536 104	4 378 373
NET STRAT					1 842 269	

Description	Curr Mth Exp	YTD Movement	Balance	Forecast Jan to June 2015	Available /(Shortfall)	Savings to be identified
CORPORATE SERVICES						
SECURITY SERVICES	1 626 259	9 914 153	8 135 464	11 896 984	-2 200 000	
RENTALS : OFFICE ACCOMODATION	659 127	659 127	-659 127	659 127	-659 127	
PRINTING STATIONERY	86 479	513 510	35 619	513 510	-477 891	
ASSESSMENT RATES	9 188	449 776	108 724	449 776	-341 052	
ELECTRICITY	118 821	373 280	226 320	373 280	-146 960	
ESSENTIAL CAR USERS REIMBURSIVE COSTS	15 507	72 653	-32 653	72 653	-105 306	
POSTAGE	1 477	781 687	694 313	781 687	-87 375	
FOOD & BEVERAGES	6 938	76 559	3 564	76 559	-72 995	
TRANSPORT : FUEL COSTS	-	179 117	222 883	268 675	-45 792	
SEWERAGE FEE COSTS FOR ADM OWNED BUILDIN	-	47 354	2 806	47 354	-44 548	
3G USAGE	12 077	43 592	9 408	43 592	-34 184	
RENTALS : VEHICLES	-	10 624	-10 624	10 624	-21 247	
INSURANCE PREMIUM COSTS	3 968	24 082	10 484	24 082	-13 598	
TELEPHONE SYSTEM RENTAL	136 684	651 719	948 281	959 000	-10 719	
FIRE SERVICES	-	5 388	3 612	5 388	-1 777	
HIRING OF CALGARY	-	7 934	17 066	7 934	-	10 000
CONFERENCE ATTENDANCE FEE	-	309 537	48 463	309 537	-	48 463
VEHICLE TRACKING	-	452 750	997 250	792 377	-	90 978
REFRESHMENTS	39 572	414 492	289 508	414 492	-	100 000
RENTALS : VEHICLES	-	-	225 000	-	-	125 000
TOTAL CORPORATE SERVICES:					-4 262 571	374 441
NET CORPORATE SERVICES					-3 888 130	

Description	Curr Mth Exp	YTD Movement	Balance	Forecast Jan to June 2015	Available /(Shortfall)	Savings to be identified
BTO						
CONSULTANCY FEES	78 948	858 726	723 074	858 726	-800 000	
AMORTISATION	-	113 333	-113 333	113 333	-226 667	
TRANSPORT : FUEL COSTS	-	221 226	246 674	331 839	-85 165	
PROTECTIVE CLOTHING & UNIFORMS	-	440 511	10 018	440 511	-60 000	
EXPERENTIAL TRAINING	-	27 019	-27 019	27 019	-54 037	
SKILLS DEVELOPMENT LEVY	-	50 132	-50 132	50 132	-50 132	
DEEDS SEARCH	26 530	83 340	36 660	83 340	-46 680	
INSURANCE PREMIUM COSTS	698	4 236	1 843	4 236	-2 392	
BUILDINGS : 40 CAMBRIDGE & CALGARY	-	2 057	0	2 057	-2 056	
SKILLS DEVELOPMENT LEVY DIRECTORS	-	950	-950	950	-950	
INVENTORY : ASSETS < R5000	2 834	21 690	21 030	21 690	-660	
SUBSCRIPTION FEES	-	4 346	10 754	4 346	-	5 000
OFFICE FURNITURE AND EQUIPMENT	-	-	14 450	-	-	14 450
TRANSUNION TRACING	6 271	34 518	235 482	34 518	-	100 000
HIRING OF CALGARY	-	812	198 688	812	-	100 000
STAFF RECRUITMENT/RELOCATION	-	5 600	137 400	5 600	-	100 000
TELEPHONE EXPENSES	36 182	162 356	531 544	162 356	-	150 000
CONSUMER WATER RESTRICTIONS	-	-	226 653	-	-	226 653
VEHICLE MAINTENANCE	-	110	328 390	110	-	328 390
TOTAL BTO:					-1 328 739	1 024 493
NET BTO					-304 246	

Description	Curr Mth Exp	YTD Movement	Balance	Forecast Jan to June 2015	Available /(Shortfall)	Savings to be identified
ENGINEERING						
INSURANCE PREMIUM COSTS	89 181	541 238	235 624	541 238	-305 614	
ESSENTIAL CAR USERS REIMBURSIVE COSTS	113 275	891 997	611 003	891 997	-280 995	
S&T FLY HOTEL CAR HIRE	78 028	234 697	48 511	234 697	-186 186	
RENTALS : OFFICE ACCOMODATION	174 109	174 109	-174 109	174 109	-174 109	
PRINTING STATIONERY	12	122 873	89 717	122 873	-33 156	
SKILLS DEVELOPMENT LEVY	-	13 229	-13 229	13 229	-13 229	
SKILLS DEVELOPMENT LEVY DIRECTORS	-	964	-964	964	-964	
AMORTISATION	-	58	-58	58	-117	
FOOD & BEVERAGES	6 738	26 689	47 426	26 689	-	20 737
BUILDINGS	-	-	21 000	-	-	21 000
OFFICE FURNITURE AND EQUIPMENT	-	-	21 250	-	-	21 250
MACHINERY AND EQUIPMENT	-	-	25 500	-	-	25 500
ADVERTISING	-	5 994	91 066	5 994	-	41 066
BUILDINGS : CLEANING	-	13 040	4 460	13 040	-	44 600
HIRING COSTS (VENUES SOUND & VISUAL EQU)	-	-	103 700	-	-	52 000
PROTECTIVE CLOTHING & UNIFORMS	-	-	70 884	-	-	70 884
VEHICLE MAINTENANCE	-	-	71 757	-	-	71 757
TRANSPORT : FUEL COSTS	-	185 247	476 953	277 870	-	100 000
TRAINING : GENERAL	-	-	282 000	-	-	180 000
SOLID WASTE SITE EASTERN REGION COSTS	-210	1 231 938	2 568 062	1 231 938	-	300 000
TOTAL ENGINEERING:					-994 371	948 794
NET ENGINEERING					-45 577	

Description	Curr Mth Exp	YTD Movement	Balance	Forecast Jan to June 2015	Available /(Shortfall)	Savings to be identified
COMMUNITY SERVICES						
TRANSPORT : FUEL COSTS	-	1 137 406	463 094	1 706 109	-1 243 015	
ESSENTIAL CAR USERS REIMBURSIVE COSTS	86 770	682 272	-160 322	682 272	-660 332	
RENTALS : OFFICE ACCOMODATION	286 036	286 036	-286 036	286 036	-286 036	
FOOD & BEVERAGES	195 586	1 056 941	87 740	1 056 941	-150 000	
ELECTRICITY	49 740	194 765	66 875	194 765	-127 889	
EXPERENTIAL TRAINING	-	34 179	-34 179	34 179	-68 358	
STAFF RECRUITMENT/RELOCATION	55 150	87 108	41 968	87 108	-45 140	
SKILLS DEVELOPMENT LEVY	-	34 618	-32 725	34 618	-32 725	
INSURANCE PREMIUM COSTS	4 567	27 716	12 066	27 716	-15 649	
DISPOSAL OF THE DEAD	-	58 889	51 111	58 889	-7 778	
ADVISORY FORUM - DISASTER MANAGEMENT	-	4 400	-	4 400	-4 400	
ANNUAL EVENT	26 078	26 078	23 922	26 078	-2 156	
LICENSES	-	19 672	54 128	19 672	-	400
SUBSCRIPTION FEES	-	5 720	2 180	5 720	-	900
POSTAGE	-	-	1 700	-	-	1 000
CONFERENCE ATTENDANCE FEE	-	130 998	39 152	130 998	-	1 600
PRINTING STATIONERY	35 236	117 294	189 618	117 294	-	1 674
EQUIPMENT	-	-	2 550	-	-	2 550
FUEL OILS & LUBRICANTS	-	-	4 500	-	-	3 000
CONSUMABLES	-	5 085	9 715	5 085	-	3 250
SAMPLES : FOOD	3 650	8 586	7 254	8 586	-	3 600
TOOLS AND EQUIPMENT	-	-	4 250	-	-	4 250
CLEANING MATERIALS	-	-	8 500	-	-	4 250
CHEMICALS	-	-	5 000	-	-	5 000
PROTECTIVE CLOTHING & UNIFORMS	52 009	229 948	1 253 255	229 948	-	7 353
BY LAW DEVELOPMENT & CONSULTATION	-	-	9 000	-	-	9 000
SAMPLES : MILK	14 788	41 216	61 384	41 216	-	9 000
MACHINERY AND EQUIPMENT	-	733	46 017	733	-	10 000
PROGRAMME : FOOD CONTROL	29 900	85 795	67 205	85 795	-	18 000
TELEPHONE EXPENSES	20 267	86 954	221 062	86 954	-	18 000
PEST CONTROL	-	-	40 500	-	-	20 500
RENTALS : EQUIPMENT	3 674	27 431	131 154	27 431	-	33 000
COMMUNICABLE DISEASE CONTROL	-	21 140	59 860	21 140	-	36 000
AIR QUALITY MNGT & POLLUTION CONTROL	10 965	10 965	61 035	10 965	-	40 000
HIRING COSTS (VENUES SOUND & VISUAL EQU)	11 985	38 419	57 106	38 419	-	45 000
WATER BORNE DISEASE CONTROL	-	52 570	55 430	52 570	-	45 000
CAPACITY BUILD & AWARENESS	-	164 277	65 373	164 277	-	54 650
RENTALS : OFFICE SPACE	128 840	559 345	746 008	559 345	-	55 000
CONSULTANCY FEES	-	-	505 983	-	-	145 000
EMPLOYEE STUDY ASSISTANCE	-	60 806	325 898	60 806	-	212 000
VEHICLE MAINTENANCE	-	13 286	553 714	13 286	-	272 368
EMERGENCY PROVISIONS (DM)	-	813 570	1 166 430	813 570	-	366 430
TOTAL COMMUNITY SERVICES					-2 643 479	1 427 775
NET COMMUNITY SERVICES					-1 215 704	

WATER AND SANITATION						
TRANSPORT : FUEL COSTS	-	7 438 633	-504 133	11 157 950	-11 662 084	
INDIGENT SUPPORT	1 587 027	8 740 835	3 354 048	8 740 835	-5 386 787	
INSURANCE PREMIUM COSTS	740 458	4 493 811	1 956 345	4 493 811	-2 537 467	
EMERGENCY TANKED WATER	1 849 287	8 705 899	6 866 101	8 705 899	-1 839 799	
SKILLS DEVELOPMENT LEVY	-	135 862	-135 862	135 862	-135 862	
WATER RESEARCH LEVY	39 892	341 179	272 221	341 179	-68 957	
HIRING OF CALGARY	-	-	49 800	-	-	34 000
WATER BORNE DISEASE CONTROL	-	-	36 000	-	-	36 000
INVENTORY : ASSETS < R5000	5 222	27 579	213 937	27 579	-	100 000
STORES AND MATERIALS	-	-	112 500	-	-	112 500
CONFERENCE ATTENDANCE FEE	-	59 193	381 407	59 193	-	150 000
PROPERTY SAFETY ISSUES	-	-	162 000	-	-	162 000
PLANT HIRE	54 074	198 102	546 898	198 102	-	200 000
ADVERTISING	-	-	376 000	-	-	300 000
HIRING COSTS (VENUES SOUND & VISUAL EQU)	114 996	444 718	940 847	444 718	-	300 000
TELEPHONE EXPENSES	37 730	166 385	573 415	166 385	-	300 000
SAMPLES : WATER	-	-	608 780	-	-	408 780
S&T FLY HOTEL CAR HIRE	225 796	1 223 188	1 724 394	1 223 188	-	500 000
TOOLS & EQUIPMENT	17 285	94 019	827 921	94 019	-	500 000
TRAINING : GENERAL	32 340	265 768	1 498 824	265 768	-	500 000
COMMUNITY BASED ORGANISATION	228 090	1 192 120	2 612 880	1 430 544	-	800 000
PLANT & EQUIPMENT HIRING	322 676	1 413 768	2 576 232	1 413 768	-	1 000 000
VEHICLE MAINTENANCE	-	21 472	1 244 328	21 472	-	1 244 328
RENTALS : VEHICLES	-	-	1 289 000	-	-	1 289 000
CHEMICALS	468 712	2 262 418	9 162 907	2 262 418	-	3 000 000
VEHICLE MAINTENANCE	4 386	79 042	3 425 454	79 042	-	3 425 454
BULK PURCHASES: WATER	5 780 117	22 912 090	47 005 411	34 368 135	-	10 000 000
MEDICAL EXAMINATIONS	-	-	1 005 000	-	-	800 000
ESSENTIAL CAR USERS REIMBURSIVE COSTS	327 812	1 578 744	5 933 256	1 578 744	-	4 354 513
TOTAL WATER & SANITATION					-21 630 955	29 516 575
NET WATER & SANITATION					7 885 620	

Description	Curr Mth Exp	YTD Movem	Balance	Forecast Jan to June 2015	Available /(Shortfall)	Savings to be identified
LHSED						
S&T FLY HOTEL CAR HIRE	174 207	599 344	-17 503	599 344	-616 847	
ESSENTIAL CAR USERS REIMBURSIVE COSTS	85 021	495 126	-115 126	495 126	-610 251	
RENTALS : OFFICE ACCOMODATION	559 636	559 636	-559 636	559 636	-559 636	
EXPERENTIAL TRAINING	15 946	179 584	-179 584	179 584	-179 584	
SALARY TOP UP 17 TO 18					-108 549	
PRINTING STATIONERY	4 060	124 375	54 428	124 375	-69 947	
STAFF RECRUITMENT/RELOCATION	8 300	64 262	3 658	64 262	-60 605	
3G USAGE	9 519	58 297	22 513	58 297	-35 784	
FOOD & BEVERAGES	22 781	35 660	10 509	35 660	-25 151	
TRANSPORT : FUEL COSTS	-	77 822	100 597	116 733	-16 137	
INSURANCE PREMIUM COSTS	1 158	7 025	3 058	7 025	-3 967	
PROTECTIVE CLOTHING & UNIFORMS	-	2 496	1 504	2 496	-992	
SKILLS DEVELOPMENT LEVY DIRECTORS	-	904	-904	904	-904	
SKILLS DEVELOPMENT LEVY						163
CONFERENCE ATTENDANCE FEE	-	58 215	3 015	58 215	-	3 015
OFFICE FURNITURE AND EQUIPMENT	-	-	8 500	-	-	8 500
VEHICLE MAINTENANCE	-	-	162 000	-	-	162 000
TOTAL LHSED					-2 288 354	173 678
NET LHSED					-2 114 676	

Description	Curr Mth Exp	YTD Movem	Balance	Forecast Jan to June 2015	Available /(Shortfall)	Savings to be identified
MUNICIPAL MANAGER						
TEAM BUILDING				-	-500 000	
S&T FLY HOTEL CAR HIRE	88 364	560 538	445 445	560 538	-300 000	
TRAINING CIA FOR INTERNAL AUDIT					-300 000	
INTEREST & PENALTY VAT	-	154 254	-154 254	154 254	-154 254	
RENTALS : OFFICE ACCOMODATION	87 055	87 055	-87 055	87 055	-87 055	
FOOD & BEVERAGES	13 988	106 024	58 455	106 024	-47 568	
LEGAL EXPENSES DEBT COLLECTION	-	12 123	37 877	12 123	-12 000	
SKILLS DEVELOPMENT LEVY	-	10 681	-10 681	10 681	-10 681	
GIFTS & INCENTIVES	-	-	42 000	-	-10 000	
INSURANCE PREMIUM COSTS	89	541	235	541	-306	
CLEANING MATERIALS	-	180	320	180	-	320
HOTLINE EXPENSES	3 500	14 000	28 420	21 000		420
POSTAGE	-	-	2 463	-	-	1 963
CONSUMABLES	-	-	4 800	-	-	4 800
TELEPHONE EXPENSES	-	7 867	16 433	7 867	-	6 000
OFFICE FURNITURE AND EQUIPMENT	-	-	8 500	-	-	8 500
INVENTORY : ASSETS < R5000	-	900	19 100	900	-	14 000
MEMBERSHIP FEES	-	24 056	40 194	24 056	-	16 137
HIRING OF CALGARY	1 625	7 641	39 359	7 641	-	19 000
PROTECTIVE CLOTHING & UNIFORMS	53 147	53 147	95 584	53 147	-	40 000
TRAVEL COSTS : AUDIT COMMITTEE	-	-	59 400	-	-	50 000
VEHICLE MAINTENANCE	-	3 000	51 000	3 000	-	51 000
STAFF RECRUITMENT/RELOCATION	212	575	120 625	575	-	60 000
HIRING COSTS (VENUES SOUND & VISUAL EQU)	-	120 226	213 435	120 226	-	93 209
BOOKS & PUBLICATIONS	-	-	121 500	-	-	94 500
INTERNATIONAL PROGRAMMES	-	-	708 000	-	-	108 000
ESSENTIAL CAR USERS REIMBURSIVE COSTS	320	7 077	142 923	7 077	-	112 923
CONSULTANCY FEES	-	-	1 065 148	478 295	-	586 853
TOTAL MUNICIPAL MANAGEMENT:					-1 421 864	1 267 624
NET MUNICIPAL MANAGEMENT					-154 239	
OVERALL TOTAL:					1 357 886	

SAVINGS IN THE CAPITAL BUDGET

Departments analyzed their capital budgets and have identified R14 042 816 as savings to contribute to the overall requirements. Details per department as per below:

Description	Savings Declared
LESS CAPITAL	
COMPUTERS	36 620
TOTAL LESS CAPITAL	36 620
STRAT CAPITAL	
COMPUTERS	755 968
OFFICE FURNITURE	108 467
TOTAL STRAT CAPITAL	864 435
CORPORATE SERVICES CAPITAL	
BUILDINGS	5 000 000
EQUIPMENT	1 754 920
OFFICE FURNITURE	163 572
TOTAL CORPORATE SERVICES CAPITAL	6 918 492
BTO CAPITAL	
OFFICE FURNITURE	367 360
TOTAL BTO CAPITAL	367 360
ENGINEERING CAPITAL	
OFFICE FURNITURE	140 303
TOTAL ENGINEERING CAPITAL	140 303
COMMUNITY SERVICES CAPITAL	
OFFICE FURNITURE	125 607
EQUIPMENT	21 829
TOTAL COMMUNITY SERVICES CAPITAL	147 436
WATER & SANITATION CAPITAL	
COMPUTERS	487 707
EQUIPMENT	1 917 789
OFFICE FURNITURE	852 946
TOOLS/EQUIPMENT	2 214 368
TOTAL WATER & SANITATION CAPITAL	5 472 810
MUNICIPAL MANAGER CAPITAL	
OFFICE FURNITURE	95 360
TOTAL MUNICIPAL MANAGER CAPITAL	95 360
TOTAL CAPITAL SAVINGS:	14 042 816

INCREASE IN THE PROVISION FOR BAD DEBTS

During the 2014/15 financial year, the debt book has grown to R577 million. Past trends and norms have indicated that the municipality provides for 80% of their outstanding debt. The outstanding

debt was projected to the end of June 2015, and a provision based on 80% was calculated. When comparing what was required to top up the existing provision, the available budget is insufficient. Should the municipality not increase this provision, it could lead to an audit finding and possible audit qualification, therefore a top up of R72 million is required. Since a provision is not a direct cash outflow, however, a balanced budget is still required, the top up will thus be financed against the available investments.

INCREASE IN INSURANCE PREMIUM

An additional amount of R1.1 million is required to insure council's assets up until the end of the financial year. The additional premium has resulted from the insurance contract being renewed on a month to month basis during the transition period of relocating. This type of cover is more costly than annual cover, due to the high risk classification of short term periods of cover. As this is a direct outflow of cash, it will need to be funded from the investments.

RENTALS FOR OFFICE SPACE AND PARKING

An estimated additional amount of R7 million rand to cover the occupational rental cost of premises vacated and needing to be restored to initial condition is required. This is applicable to Caxton House, Octoproc and BOE Buildings.

FINANCIAL IMPLICATIONS

Recommendation	Increased /(Decreased) Expenditure	Increased/(Decreased) Income	Funding Source
Decrease in internally funded projects	(R1 193 848)	(R1 193 848)	Savings Internally Funded Projects
Increase in internally funded projects	R3 676 590	R3 676 590	Reserves – Savings declared on projects
Allocation to Salaries for Emthonjeni	R180 858	R180 858	Reserves
Allocation to operating costs for Emthonjeni	R1 586 973	R1 586 976	Reserves
Allocation for SALGA levies	R359 377	R359 377	Reserves
Additional salary costs for next 6 months	R36 371 207	R36 371 207	Reserves and savings on projects, operating budget and capital
Projected savings in operating budget	(R1 357 886)	(R1 357 886)	Savings internal funds
Reduction in Capital Budget	(R14 042 816)	(R14 042 816)	Savings Internal funds
Increase in the Provision for Bad Debts	R71 873 868	R71 873 868	Reserves
Increase in the Insurance Premium	R1 100 210	R1 100 210	Reserves
Increase in Rental	R12 000 000	R12 000 000	Reserves
TOTAL:	R110 554 533	R110 554 533	

STAFF IMPLICATIONS

An overall decision regarding the vacant posts needs to be reached.

OTHER PARTIES CONSULTED

Heads of Departments
Project Steering Committee
Budget Steering Committee

RECOMMENDATION

- a) That the savings declarations on internally funded projects of R1 193 848 be approved
- b) That the allocation to additional projects of R3 676 590 be approved
- c) That the additional funding of R180 857.69 for ASPIRE in respect of Emthonjeni Arts employees' salary for August 2014 only be approved
- d) That the additional funding for the operational Budget of Emthonjeni Artist Retreat of R1 586 973 (from 01 December 2014 to June 2015). This is be outsourced to ASPIRE be approved
- e) That the additional funding of R 359 376.53 for settlement of outstanding amounts due to SALGA relating to change in the rand rate for membership levies in 2011/12 be approved
- f) That the re-allocation of surpluses and an ultimate top up of R36 371 207 to cover the projected shortfall in salary and salary related costs for the next 6 months be approved
- g) That the savings of R1 357 886 identified in the expense budgets to fund additional requests be approved
- h) That the reduction in the capital budget of R14 042 816 to fund additional requests be approved
- i) That the increase in the provision for bad debts in an amount of R71 873 868 be approved
- j) That the request to increase the insurance premium of R1 100 210 be approved
- k) That the increase in rental for premises and parking of R12 000 000 be approved
- l) Council makes a decision to prioritize and or postpone the filling of all new and vacant posts as per the approved organogram

"Annexure A"

ADM'S EXTERNALLY FUNDED PROJECTS AS AT 30 JUNE 2014 FOR THE 2013/14 FINANCIAL YEAR

Project Name	Expenditure Account Number	Opening Balance	Budget Allocation 2013/2014	Total Budget	Total Expenditure as at 30/06/2014	Balance Available as at 30/06/2014
STRATEGIC MANAGEMENT (15)						
COMPUTERISED SYSTEMS FOR LM'S	98-06-8-06-023-69	3 993	-	3 993	3 993	-
WORKPLACE SKILLS PLANS FOR LM'S	98-06-8-06-024-69	26 133	-	26 133	-	26 133
MSIG: REVIEW MSIG LM SUPPORT NKONKOBE	98-06-8-06-044-69	51 722	-	51 722	11 680	40 042
MSIG: HR STRATEGY DEVELOPMENT	98-06-8-06-046-69	24 937	-	24 937	24 937	-
MSIG: REVIEW OF HR POLICIES	98-06-8-06-047-69	12 440	-	12 440	5 457	6 988
MSIG: FEASIBILITY STUDY DEV NEW GERMAN	98-06-8-06-048-69	-	100 000	100 000	100 000	0
MSIG: PROMULGATION OF BY-LAWS	98-06-8-06-049-69	-	300 000	300 000	246 840	53 160
MSIG: HR PLANS 2 LM'S	98-06-8-06-050-69	-	300 000	300 000	282 720	17 280
MSIG: INSTALLATION OF A CIVIL DESIGN	98-06-8-06-051-69	-	90 000	90 000	90 000	-
MSIG: FEASIBILITY STUDY KOLOGHA SETTLEMENT	98-06-8-06-052-69	-	100 000	100 000	94 070	5 930
IDP-LOCAL MUNICIPALITIES	98-06-8-06-228-69	1 827	-	1 827	-	1 827
VUNA AWARDS	98-06-8-06-336-69	-	150 000	150 000	83 081	66 919
PUBLIC AWARENESS	98-06-8-06-358-69	8 352	-	8 352	-	8 352
TOTAL STRATEGIC MANAGEMENT UNIT		129 405	1 040 000	1 169 405	942 772	226 633
CORPORATE SERVICES (20)						
SETA: IMPLEMENTATION	98-06-8-06-309-69	955 603	416 458	1 372 061	1 353 201	18 860
LG SETA INTERNS	98-06-8-06-360-69	488 818	454 693	943 512	615 029	328 483
TOTAL CORPORATE SERVICES		1 444 421	871 151	2 315 573	1 968 230	347 343
BUDGET & TREASURY (25)						
BUDGET REFORM	98-06-8-06-307-69	389 076	1 250 000	1 639 076	1 639 076	0
MINIMUM COMPETENCY: RPL	98-06-8-06-327-69	76 985	-	76 986	76 985	0
TOTAL BTO		466 062	1 250 000	1 716 062	1 716 062	0
ENGINEERING DEPARTMENT (35 & 45)						
FREE BASIC SERVICES STRATEGY DEVELOPMENT	98-06-8-06-338-69	330 000	-	330 000	-	330 000
ACIP ALLOCTN MITIGATION MEASURES WATER	98-07-8-07-049-69	-	500 000	500 000	500 000	-0
EASTERN REGIONAL SOLID WASTE (EK)	98-07-8-07-101-69	21 457	-	21 457	21 457	-
DWA ONCE OF ACCOMMODATION	98-07-8-07-111-69	204 583	-	204 583	150 000	54 583
DWA REFURBISHMENT	98-07-8-07-112-69	590 574	6 000 000	6 590 574	6 590 574	0
WMIS GRANT	98-07-8-07-114-69	17 307	-	17 307	-	17 307
WATER SERVICES CAPACITY BUSINESS PLAN 1011	98-07-8-07-115-69	399 789	-	399 789	-	399 789
ROOF TOP RAIN WATER HARVESTING	98-07-8-07-118-69	665 587	-	665 587	232 704	432 883
DESIGN GUIDELINES & STD DRAWINGS	98-07-8-07-119-69	94 572	-	94 572	-	94 572
BUSINESS PLANS FOR WSP'S	98-07-8-07-121-69	3 900	-	3 900	-	3 900
				333 524		
HOUSEHOLD LEAK REPAIR	98-07-8-07-124-69	333 524	-	-	378 454	5 030
NGQUSI RAIN WATER HARVESTING	98-07-8-07-125-69	221 763	-	221 763	-	221 763
ROAD ASSET MANAGEMENT SYSTEM	98-07-8-07-126-69	-	2 347 000	2 347 000	2 346 756	244

Annexure H
B2

Project Name	Expenditure Account Number	Opening Balance	Budget Allocation 2013/2014	Total Budget	Total Expenditure as at 30/06/2014	Balance Available as at 30/06/2014
ADELAIDE WATER RE-USE PHASE 1	98-07-8-07-127-69	783 264	-	783 264	549 838	233 426
WSA ROUTINE MONITORING PROGRAM	98-07-8-07-129-69	48 959	-	48 959	42 844	6 115
ADELAIDE OLD OXIDATION PONDS	98-07-8-07-130-69	69 587	-	69 587	69 587	-
SHIXINI WATER SUPPLY	98-07-8-07-132-69	500 000	-	500 000	477 613	22 387
COMMUNAL WATER STATIONS(DST/ CSIR)	98-07-8-07-166-69	355 645	-	355 645	-	355 645
IDUTYWA EXTENTION 8 (VIP TOILETS,RDS&W)	98-07-8-07-178-69	171 579	780 249	951 978	723 542	228 385
ECDOT PROJECTS						
ECDOT INTEREST & CONTRIBUTIONS	98-07-8-07-252-69	-354 343	-	-354 343	-	-354 343
KEISAMMAHOEK-PROV HAWKER STALLS	98-07-8-07-276-69	580 437	-	580 437	-	580 437
BUTTERWORTH INTERCHANGE	98-07-8-07-281-69	2 684 484	-	2 684 484	2 253 568	430 916
ECDOT FUND VAT REFUND	98-07-8-07-290-69	177 025	-	-177 025	-	177 025
BUCKET ERADICATION	98-09-8-09-002-69	4 380	-	4 380	4 380	-
REGIONAL BULK INFRASTRUCTURE SCHEMES						
XORA EAST WATER SUPPLY IMPLEMENTATION	98-11-8-11-251-69	-	8 181 652	8 181 652	8 181 652	0
MNCWASA WATER SUPPLY IMPLEMENTATION	98-11-8-11-252-69	-	19 498 573	19 498 573	17 368 174	2 130 399
IREKA WATER SUPPLY - FEASIBILITY	98-11-8-11-259-69	-	1 706 284	1 706 284	1 687 721	18 562
DWA BULK WATER SUPPLY SCHEMES						
IDUTYWA WATER SUPPLY - FEASIBILITY	98-11-8-11-258-69	375 448	-	376 448	-	376 448
GREAT KFI RIVER BASIN WS SCHEME	98-11-8-11-260-69	492 750	-	492 750	-	492 750
DWA SUPPORT (DROUGHT ISSUES):						
GROUND WATER INVESTIGATION(BEDFORD ADELAIDE	98-11-8-11-281-69	4 540	-	4 540	-	4 540
40 RAIN TANKS FOR ADELAIDE	98-11-8-11-283-69	116 897	-	116 897	-	116 897
MIG						
MIG	98-12-8-12-000-69	12 166 286	399 847 000	412 013 286	412 013 286	-0.00
FLOOR RELIEF PROJECTS:						
FLOOD RELIEF CONSOLIDATED BALANCES						
FLOOD RELIEF CONSOLIDATED BALANCES	98-12-8-12-051-69	87 684	-	510 075	319 487	190 588
DR08401 NQAMAKWE ROADS	98-12-8-12-052-69	228 777	-	-	-	-
DR08380 MNQUMA ROADS	98-12-8-12-053-69	118 334	-	-	-	-
DR08384 MNQUMA ROADS	98-12-8-12-054-69	289 147	-	-	-	-
DR08346 MBHASHE ROADS	98-12-8-12-055-69	432 204	-	-	-	-
DR08044 MBHASHE ROADS	98-12-8-12-056-69	711 182	-	-	-	-
DR01639 BALFOUR ROAD	98-12-8-12-057-69	159 184	-	-	-	-
DR02480 NXUBA ROADS	98-12-8-12-058-69	282 163	-	-	-	-
FLOOD RELIEF VAT REFUND	98-12-8-12-059-69	-1 798 000	-	-	-	-
RHIG PROJECT FUNDS CAPITAL						
RHIG PROJECT FUNDS CAPITAL	98-17-8-17-000-69	-	8 500 000	8 500 000	8 404 726	95 274
MWIG PROJECT FUNDS CAPITAL:						
GIBRALTAR ROCK & SURROUNDS RAIN WATER TANKS HARVESTING						
GIBRALTAR ROCK & SURROUNDS RAIN WATER TANKS HARVESTING	98-16-8-16-001-69	-	-	-	-	-
UPPER RABHULA RAIN WATER TANKS HARVESTING	98-16-8-16-002-69	-	-	-	185 176	-185 176
SIKOBENI & SURROUNDINGS RAIN WATER TANKS HARVESTING	98-16-8-16-003-69	-	-	-	2 113 456	-2 113 456
NQABARHA NORTH & SOUTH RAIN WATER TANKS HARVESTING	98-16-8-16-004-69	-	-	-	2 162 938	-2 162 938
ELLIOTDALE & SURROUNDINGS RAIN WATER TANKS HARVESTING	98-16-8-16-005-69	-	-	-	447 476	447 476
IBIKA - CENTANE RAIN WATER TANKS HARVESTING	98-16-8-16-006-69	-	-	-	1 805 225	-1 805 225
NGQAMAKWE RAIN WATER TANKS HARVESTING	98-16-8-16-007-69	-	-	-	3 127 499	-3 127 499

Project Name	Expenditure Account Number	Opening Balance	Budget Allocation 2013/2014	Total Budget	Total Expenditure as at 30/06/2014	Balance Available as at 30/06/2014
CWEBE WATER SOURCE AUGMENTATION	98-16-8-16-008-69	-	12 300 000	12 300 000	2 458 230	9 841 770
TOTAL ENGINEERING SERVICES		21 217 115	459 660 758	480 877 873	474 566 402	6 311 472
COMMUNITY SERVICES (40)						
CAPACITATE AND RESOURCH CNTRF	98-06-8-06-415-69	18 558	-	18 558	18 558	-
TOTAL COMMUNITY SERVICES		18 558	-	18 558	18 558	-
LAND HUMAN SETTLEMENT & ECONOMIC DEV (50)						
TECHNICAL ASST TO DEVELOP DISTRICT PROBLE	98-06-8-06-348-69	105 963	-	105 963	87 625	18 338
MK VETERANS	98-06-8-06-808-69	-	-	356 727	356 727	-
DEVELOPMENT CRAFT CENTRE	98-06-8-06-811-69	1 150 437	-	793 705	793 704	1
CAPACITY BUILDING FOR LM's	98-06-8-06-812-69	12 625	-	12 625	7 497	5 128
BAWA FALLS LED	98-06-8-06-812-69	591 267	-	691 267	443 048	248 218
SILWINDLALA WOMEN'S PROJECT	98-06-8-06-927-59	6 025	-	6 025	-	6 025
BALFOUR SAW MILLS	98-06-8-06-931-59	288 996	-	288 996	280 977	8 019
HIGHLANDS RESORTS	98-05-8-06-932-69	75 836	-	75 836	-	75 836
PEDDIE BRICK MAKING	98-05-8-06-933-69	41 715	-	41 715	22 200	19 515
ELLIOTDALE BRICK MAKING	98-05-8-06-935-69	232 803	-	232 803	-	232 803
INKUTHALO HYDROPONICS	98-05-8-06-936-60	156 754	-	156 754	77 507	79 247
CO-OPERATIVES SPECIALIST	98-06-8-06-939-69	153 000	-	153 000	18 000	105 000
TOURISM SURVEY	98-05-8-06-940-69	98 095	-	98 095	85 965	12 130
PLOUGHING CONTRACTORS-WARD 10	98-06-8-06-943-69	8 000	-	8 000	6 845	1 155
EC INFORMATION INITIATIVE SUPPORT	98-06-8-06-945-69	39 135	-	39 135	33 380	5 755
PLOUGHING CONTRACTOR-NGXAKAXA	98-05-8-06-946-69	10 150	-	10 150	8 508	1 642
NXUBA DAM CHARLTS DEVELOPMENT	98-06-8-06-947-69	17 895	-	17 895	11 631	6 264
TOURISM MARKETNG STRATEGY	98-06-8-06-948-69	3 475	-	3 475	3 475	-
PLOUGHING CONTRACTOR - WARD 15	98-06-8-06-949-69	25 240	-	25 240	23 727	1 513
LED CAPACITY BUILDING - NGQUSHWA	98-06-8-06-950-69	350 000	-	350 000	-	350 000
VICTORIA POST	98-07-8-07-002-69	195 000	-	195 000	31 500	163 500
TEKO SPRINGS-NDLOVINI	98-07-8-07-005-69	68 161	-	68 161	-	68 161
NEEDS CAMP	98-07-8-07-006-69	33 714	-	33 714	-	33 714
HOGSBACK	98-07-8-07-009-69	130 884	-	130 884	-	130 884
HAGA HAGA	98-07-8-07-010-69	213 473	-	213 473	60 043	153 431
WILLOWVALE	98-07-8-07-011-69	171 954	-	171 954	-	171 954
ELLIOTDALF	98-07-8-07-012-69	9 274	-	9 274	-	9 274
INDUVANA	98-07-8-07-015-69	34 766	-	34 766	-	34 766
MSOBOMVU	98-07-8-07-020-69	57 530	-	57 530	-	57 530
HERTZOG	98-07-8-07-022-69	84 070	-	84 070	-	84 070
GREAT KEI PLANNING FUNDS	98-07-8-07-023-69	4 029	-	4 029	-	4 029
MNQUMA PLANNING FUNDS	98-07-8-07-024-69	110 000	-	110 000	-	110 000
NGQUSHWA PLANNING FUNDS	98-07-8-07-025-69	46 667	-	46 667	-	46 667
NKONKOCBE PLANNING FUNDS	98-07-8-07-026-69	53 063	-	53 063	-	53 063
MNQUMA SURVEY	98-07-8-07-028-69	25 000	-	25 000	-	25 000
NGQUSHWA SURVEY	98-07-8-07-035-69	177 510	-	177 510	-	177 510
NKONKOCBE SURVEY	98-07-8-07-036-69	116 200	-	116 200	-	116 200
LEWIS SURVEY	98-07-8-07-037-69	141 125	-	141 125	-	141 125

Annexure A

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Project Name	Expenditure Account Number	Opening Balance	Budget Allocation 2013/2014	Total Budget	Total Expenditure as at 30/06/2014	Balance Available as at 30/06/2014
PRUDOE ENGINEERING DESIGN	98-07-8-07-045-69	1 348	-	1 348	-	1 348
DONGWE ENGINEERING DESIGN	98-07-8-07-046-69	9 499	-	9 499	-	9 499
KUBUSIE ESTABLISHMENT GRANT	98-07-8-07-076-69	11 921	-	11 921	9 135	2 786
NDLOVINI ESTABLISHMENT GRANT	98-07-8-07-077-69	10 291	-	10 291	-	10 291
DUCATS ESTABLISHMENT GRANT	98-07-8-07-078-69	70 542	-	70 542	-	70 542
MACLEANTOWN ESTABLISHMENT GRANT	98-07-8-07-079-69	16 849	-	16 849	-	16 849
PRUDOE ESTABLISHMENT GRANT	98-07-8-07-080-69	51 233	-	51 233	-	51 233
DONGWE ESTABLISHMENT GRANT	98-07-8-07-081-69	76 675	-	76 675	-	76 675
TEKOSPRINGS ESTABLISHMENT GRANT	98-07-8-07-082-69	35 082	-	35 082	-	35 082
NEEDSCAMP ESTABLISHMENT GRANT	98-07-8-07-083-69	66 222	-	66 222	-	66 222
TEKOSPRINGS TOP STRUCTURE	98-07-8-07-084-69	106 438	-	106 438	-	106 438
PRUDOE TOP STRUCTURE	98-07-8-07-085-69	467 895	-	467 895	20 542	447 353
DONGWE TOP STRUCTURE	98-07-8-07-086-69	1 347 309	-	1 347 309	-	1 347 309
NEEDSCAMP TOP STRUCTURE	98-07-8-07-087-69	3 838	-	3 838	-	3 838
DUCATS TOP STRUCTURE SUBSIDY	98-07-8-07-088-69	23 234	-	23 234	-	23 234
KUBUSI TOP STRUCTURE	98-07-8-07-089-69	3 816	-	3 816	-	3 816
LILLYVALE KAYSERSBEACH ESTABLISHMENT GRANT	98-07-8-07-092-69	2 643	-	2 643	-	2 643
REFUND-LHSED-KAYSERSBEACH HOUSING PROJECT	98-07-8-07-093-69	529 380	-	529 380	510 499	18 881
LILLYVALE ENGINEERING DESIGNS	98-07-8-07-095-69	5 940	-	5 940	-	5 940
FINGOLAND REGIONAL AUTHORITY	98-07-8-07-102-69	101 278	-	101 278	-	101 278
CHANTA DEVELOPMENT	98-07-8-07-152-69	2 413 456	-	2 413 456	-	2 413 456
DWESA - CWEBE RESTITUTIONAL	98-07-8-07-153-69	5 329 653	-	5 329 653	-	5 329 653
PLANNING GRANT DLA	98-07-8-07-158-69	1 829 090	-	1 829 090	48 689	1 780 401
RESTITUTION AWARD (DLA)	98-07-8-07-159-69	36 741 307	-	36 741 307	9 564 594	27 176 713
BENEFICIARY ADMINISTRATION (BREAKING NEW GROUND)	98-07-8-07-173-69	16 065	-	16 065	12 850	3 215
ENVIRONMENTAL IMPACT ASSESSMENT	98-07-8-07-175-69	894 135	-	894 135	67 380	826 755
GEO HYDROLOGY	98-07-8-07-176-69	1 394 200	-	1 394 200	-	1 394 200
SURVEY INTEREST & CONTRIBUTION	98-07-8-07-452-69	61 680	-	61 680	-	61 680
EXPANDED PUBLIC WORKS PROGRAMME:						
EPWP	98-07-8-07-601-69	3 533 834	3 125 000	6 658 834	6 669 334	-10 499
EPWP SALARIES	98-07-8-07-602-69	4 960 423	-	4 960 423	1 943 274	17 149
EPWP ADMIN COSTS	98-07-8-07-603-69	-	-	-	-	-
EPWP PRINTING & STATIONERY	98-07-8-07-604-69	-	-	-	6 650	-6 650
REHABILITATION OF CHANTA ACCESS ROAD	98-07-8-07-607-69	-26 985	-	-26 985	26 985	-
TOTAL LHSED		65 228 118	3 125 000	68 353 118	24 208 320	44 144 799
TOTAL: EXTERNALLY FUNDED PROJECTS		88 503 680	465 946 909	554 450 589	503 420 343	51 030 246

"Annexure B!"



AMATHOLE
DISTRICT MUNICIPALITY

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East London * South Africa * 5200
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Web Address: www.amathole.gov.za

Memorandum

TO:	Director: Budget and Treasury Mr. N SOGA	FROM:	Director: Engineering Services Mr M SHEZI
CC:	Chairperson of the Budget Steering Committee: Cllr L JACOBS MM :Mr C MAGWANGQANA		
SUBJECT	APPLICATIONS FOR FUNDS TO BE UTILISED WITHIN THE 2014/2015 FINANCIAL YEAR		
REF:	DATE: 2014-09-30		

Purpose

The purpose of this memorandum is to request for funds on completed projects of the last financial year 2013/2014, in order to pay off claims received by the department.

Background

The Engineering department implements a number of projects, most of which are multi-year in nature. All of these projects were completed at the very end of 2013/2014 and in the beginning of 2014/2015 financial year. The department is currently sitting with claims that need to be processed urgently as service providers are currently awaiting payment for work done. The availability of these funds will enable the department to process payments sooner in order to fast track expenditure on projects.

The department thereby request for an amount of **R 2 612 356.69** to be granted in order to pay off the outstanding claims including the request of **R 11 893 494.00** for the multiyear projects.

The **Total amount** required by the department amounts to **R 14 505 850.69**

Please find the table indicating the outstanding claims below:

PROJECT APPOINTMENT	SERVICE PROVIDERS (RFQs)	CLAIM OUTSTANDING	VOTES USED OR VOTE NAMES	STATUS	COMMENTS FROM PAST PROJECTS
R 130,000.00	BHUNGANE	Funds available in 14/15	2014 MANDELA DAY	WORK IS ALL DONE AND COMPLETED	VERY 100% COMMITTED WITH ALL NEEDED RESOURCES
R 130,000.00	MAXHOSANDILE	Funds available in 14/15	2014 MANDELA DAY	WORK IS ALL DONE AND COMPLETED	VERY 100% COMMITTED WITH ALL NEEDED RESOURCES
R 672,414.00	IMVUSA TADING 491 cc	R 30,000.00	MAYORS PROJECTS EMERGENCY SANITATION ROLL OUT	COMPLETED	VERY 100% COMMITTED WITH ALL NEEDED RESOURCE
R 672,414.00	PLATINUM AFRICA	R 30,000.00	MAYORS PROJECTS EMERGENCY SANITATION ROLL OUT	COMPLETED	VERY 100% COMMITTED
R 336,207.00	B.B MOLEFE TRADING	R 15,000.00	MAYORS PROJECTS EMERGENCY SANITATION ROLL OUT	COMPLETED	VERY 100% COMMITTED WITH ALL NEEDED RESOURCES
R 2,000,000.00	MCE-THANDO TRADING	R 105,000.00	88 30 8 45 00 149	COMPLETED	VERY 100% COMMITTED
R 2,000,000.00	ISAZO PROJECTS	R 30,000.00	88 30 8 45 00 149	COMPLETED	VERY 100% COMMITTED
R 4,000,000.00	SINETHEMBA BUILDING CONSTRUCTION	R 60,000.00	88 30 8 45 00 149	COMPLETED	VERY 100% COMMITTED
R 1,000,000.00	MCE-THANDO TRADING	R 30,000.00	88 30 8 45 00 149	COMPLETED	VERY 100% COMMITTED
R 2,000,000.00	IMVUSA TADING 491 cc	R 30,000.00	88 30 8 45 00 149	COMPLETED	VERY 100% COMMITTED
Sub Total		R 330 000.00			

PROJECT APPOINTMENT	SERVICE PROVIDERS (RFQs)	CLAIM OUTSTANDING	VOTES USED OR VOTE NAMES	STATUS	COMMENTS FROM PAST PROJECTS
R 8,500,000.00	MAXHOSANDILE	R 261,633.14	RHIG- 35 VOTE	COMPLETED	VERY 100% COMMITTED
	SPLITT BAR	R 153,201.80	RHIG- 35 VOTE	COMPLETED	VERY 100% COMMITTED
	VUYANIKHAYA	R 168,524.40	RHIG- 35 VOTE	COMPLETED	VERY 100% COMMITTED
	BHUNGANE	R 143,557.32	RHIG- 35 VOTE	COMPLETED	VERY 100% COMMITTED
	SOUTHERN AMBISSION	R 142,794.29	RHIG- 35 VOTE	COMPLETED	VERY 100% COMMITTED
R 9,000,000.00	NTSHANGASE	R 62,881.06	RHIG- 35 VOTE	COMPLETED	VERY 100% COMMITTED
	EXTRA DIMENSION	R 245,000.00	RHIG- 35 VOTE	COMPLETED	VERY 100% COMMITTED
	SINETHEMBA BUILDING AND CONTRACTION	R 519,616.90	RHIG- 35 VOTE	COMPLETED	VERY 100% COMMITTED
	MABHIJA BUILDING AND CH.	R 289,300.22	RHIG- 35 VOTE	COMPLETED	VERY 100% COMMITTED
R 1 387 051.68	MLONYENI CONSTRUCTION cc	R 142 000.00	88 30 8 45 134 64	COMPLETED	VERY 100% COMMITTED
R 153 847.56	PLM QUANTITY SURVEYORS AND VALUERS	R 153 847.56	45 56 403 001 00	COMPLETED	VERY 100% COMMITTED
Sub Total		R 2 282 356.69			

The projects as mentioned above are completed and the service providers are awaiting payment.

Annexure B
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Due to insufficient funds the department has then prioritized projects to be in-line with the available funds. Please find the prioritized projects as listed below:

PROJECT NAMES	Balance dated 01/08/2014	Prioritized
Chintsa East Dam Spillways Protection	427 941	
Construction of Transfer Station in Mngquma and Mhashe	1 627 538	1400 000
Chintsa East Dam Spillways Protection		332 935
Construction of reservoirs in Bedford and Adelaide		4 410 926
Cathcart Retrofitting		644 557
Butterworth Retrofitting		255 001
Installation of bulk water meters in Great Kei and Amahlathi	6 000 000	1 132
Installation of bulk water meters in Nkonkobe and Ngqushwa		24 355
Installation of bulk water meters in Mhashe		14 588
Supply and Delivery : Bulk water meters		210 000
Elliotdate Public Transport Facility	46 916	
Emergency Sanitation Erection of VIP	838 354	600 000
Emergency Sanitation Erection of VIPS (Part of VIP R15 mil allocation)	1 959 215	
Goshen - Erection of VIP Structures	43 009	
Hogback Dam Repair	51 000	
Implementation of Butterworth Pipe Replacement	1 500 692	
Land for New Offices	73 257	
Provision of multi nodal Public	2 692 021	2 000 000

"Annexure B"
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Transfer Facilities in Willowvale		
Refurbishment of Adelaide Canal	1 208 330	
The Development and Implementation of the Refurbishment Plan- Dutywa Dam	2 625 465	2 000 000
TOTAL	21 779 571	11 893 494

The projects as mentioned above are currently under construction and the service providers are on site and payments for some are due.

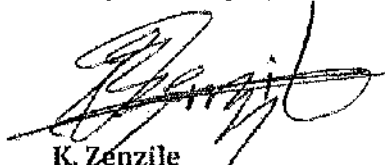
Financial Implications

An amount of R 2 612 356.69 plus R11 893 494.00 is required to complete outstanding project activities giving us a Total of 14 505 850.69

"Annexure B"
Pg 6

Recommendation

a) That the amount of R 14 505 850.69 required to pay off outstanding claims and complete the projects be granted.



K. Zenzile
Senior Manager: Engineering Services
KZ

Comments by Director: Engineering Services

SUPPORTED / NOT SUPPORTED



M Shezi

Date

8/10/2014

Comments by Director: Budget and Treasury

RECOMMENDED / NOT RECOMMENDED

N Soga

Date

Comments by MM

APPROVED / NOT APPROVED

C. Magwangqana

Date



AMATHOLE
DISTRICT MUNICIPALITY

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Memorandum

To: Municipal Manager	From: Director: Community Services
Cc:	
Subject: REQUEST FOR FUNDING TO RENOVATE THE EMERGENCY SERVICES CENTRE IN MBHASHE LOCAL MUNICIPALITY.	
Ref:	Date: 26 AUGUST 2014

PURPOSE

To request funding for renovating the Emergency Services Centre in Mbashe Local Municipality.

BACKGROUND

In a Mayoral Committee Meeting held on the 30 July 2014, emphasis was made on the fast tracking of renovating the Emergency Services Centre in Mbashe Local Municipality. Currently there are no funds to renovate the Emergency Services Centre in Mbashe Local Municipality. The estimated cost for renovating the Emergency Services Centre is R2 million.

It is hereby requested that an amount of R2 million from the project pool be approved for renovating the Emergency Services Centre.

FINANCIAL IMPLICATIONS

An amount of R2 million from the project pool be allocated to the Community services for renovating the Emergency Services Centre in Mbashe Local Municipality.

RECOMMENDATION

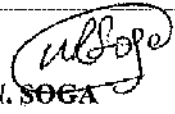
That the request for funding to renovate the Emergency Services Centre in Mbashe Local Municipality is approved.

Request for funding to renovate the Emergency Services Centre in Mbashe Local Municipality.


Y.H. NIKI
DIRECTOR: COMMUNITY SERVICES

SUPPORTED / NOT SUPPORTED

COMMENTS: The application should still go through
to the Projects Steering Committee.

 18/9/2014
N. SOGA
CHIEF FINANCIAL OFFICER

APPROVED / NOT APPROVED

COMMENTS: approve to the
committee


C MAGWANGQANA
MUNICIPAL MANAGER

"Annexure C"
Pg 3



40 Cambridge Street * East London * 5201
P.O Box 320
East London * South Africa * 5200
Tel: 043 701 4000 * Fax: 043 7014132
Web Address: www.amathole.gov.za

Memorandum

To: MUNICIPAL MANAGER	FROM: DIRECTOR: COMMUNITY SERVICES
CC:	
Subject: REQUEST FOR FUNDING FOR HAMBURG AND WILLOWVALE FIRE STATIONS FROM THE POOL OF INTERNALLY FUNDED PROJECTS	
Ref: 17/3/R	Date: 26 August 2014

PURPOSE

To request for funding for Hamburg and Willowvale Fire Stations from the pool of internally funded projects.

REASONING / BACKGROUND

The two Fire Stations Hamburg and Willowvale that were under construction during the 2013/2014 financial year reached completion in June 2014. Funds allocated for the two projects were as follows:

- Hamburg Fire Station - **R2 286 162.00**
- Willowvale Fire Station - **R3 864 497.47**

Consultants and contractors were appointed to build the two Fire Stations.

Expenditure and savings

The budget for the two Fire Stations was as follows:

Approval to utilise project savings on identified needs for the Fire Stations

Project Name	Account Number	Allocated Budget	Expenditure	Savings
Hamburg Fire Station	383084011500	R2 286 162.00	R 1485475.69	R 634 807.48
Willowvale Fire Station	383584000700	R3 864 497.47	R3 016 499.80	R 847 997.67
			TOTAL	R 1 482 805.15

MOTIVATION

Although the basic construction of the fire stations has been completed, the department wishes to apply for funding from the motivate for the unspent portions to be re-allocated to the fire stations, as the following essential needs have been identified:

Scope of Work	Estimated amount
Paving of part of the Hamburg Fire Station which was not in the original scope of work for the contractor.	R 180 000.00
Tower and tank for the Willowvale Fire Station to improve water pressure for the geyser. This was not in the original scope of work for the Contractor.	R 150 000.00
Subsoil drainage to divert water seepage that fills a conservancy tank. The seepage was detected after the completion of conservancy tank construction at Willowvale Fire Station.	R 100 000.00
Eaves closer	R 14 000.00
Construction of access road to the Willowvale Fire Station. A decision was taken at a project site meeting to replace the access road with the paving at the Fire Station. At the time savings were not foreseen to be a reality and the paving was not prioritised due to clay type soil in the premises.	R 490 000.00
TOTAL	R 934 000.00

FINANCIAL IMPLICATIONS

An amount of R906 000.00 is required to complete works at the two Fire Stations.

RECOMMENDATIONS

That the amount an amount of R906 000.00 be approved from the pool for the completion of works at the two fire stations as stated above



Y. MNIKI
DIRECTOR: COMMUNITY SERVICES

25.08.14.

DATE

Approval to utilise project savings on identified needs for the Fire Stations

SUPPORTED / NOT SUPPORTED

Comments:

The application should still go through to the
Projects Steering Committee.

N. SOGA
CHIEF FINANCIAL OFFICER

18/9/2014
DATE

APPROVED / NOT APPROVED

Comments:

~~NO APPROVAL~~

C. MAGWANGQANA
MUNICIPAL MANAGER

DATE

TRACKING OF MAYORAL COMMITTEE RESOLUTIONS

30 JULY 2014

DATE OF MEETING	DEPARTMENT	ITEM NO.	HEADING	RESOLUTION	COMMENTS FROM THE MC	ACTIONS TAKEN BY RELEVANT HOD/DEPT
30 July 2014			Chairpersons Communication		<p>- A two-day session between the Mayoral Committee and Executive Management should be urgently scheduled in a two weeks' time in order to assess the progress of the institution, identify challenges and milestones achieved. She further mentioned that the session would also assist in dealing with whatever challenges identified against the milestones achieved while planning towards the next institutional strategic session.</p>	

					<p>- In the next Mayoral Committee meeting, the relevant department should give progress report on the plan to eradicate bucket system in all the affected areas. The areas to be prioritized amongst others were mentioned as being Nxuba, Cathcart and Fort Beaufort.</p> <p>- Multi-purpose centre in Stutterheim and Disaster management centre in Mbashe LM need to be fast-tracked in order to ensure that they were functioning.</p>
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Amathole District Municipality

All correspondence to be addressed to:
Municipal Manager

40 Cambridge Street * East London * 5201

P.O Box 320 * East London * South Africa * 5200

Telephone: 043 701 4000 * Facsimile: 043 701 4132

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The Director General
Department of Cooperative Government and Traditional Affairs
Private Bag X804
PRETORIA
0001

Fax 012 334 4888

Attention Mr. Kenneth Mookeng

Dear Sir

REQUEST TO UTILISE SAVINGS OF THE MSIG PROJECT FUNDS FROM 2011/12, 2012/13 AND 2013/14 FINANCIAL YEARS

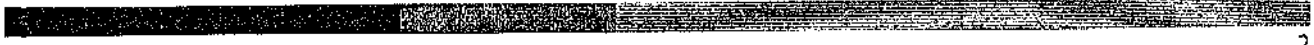
Reference is made to the above subject

Amathole District Municipality (ADM) has over the years been receiving funding from National treasury through the Municipal Systems Improvement Grant (MSIG). The funds have been utilized to implement capacity building initiatives at local municipalities within ADM.

It has been established that there are small balances that have not been fully utilized from a number of projects. The small balances are as follows;

PROJECT DESCRIPTION	VOTE NO	FINANCIAL YEAR	REMAINING BALANCE
Promulgation of by-laws for Mbashe LM	980680604900	2013-2014	R53 160.00
Development of HR Plans for Mbashe, Mngquma and Ngqushwa LMs	980680605000	2013-2014	R17, 280.05
Feasibility Study Kologha Settlement	980680605200	2013-2014	R 5 930.05
Review of Human Resources Policies	980680604700	2012-2013	R6, 988.40
Review of Nkonkobe Spatial Development Framework	980680604400	2012-2013	R40, 042.14
Development of WSPs for Nxuba, Great Kei, Ngqushwa and Amahlathi LMs	980680602400	2011-2012	R26, 133.45
TOTAL			R149, 534.09

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It is therefore proposed that the savings be consolidated and be utilized for the Promulgation of By-laws of two Local municipalities. The Identified project did not receive funding in the 2014-2015 financial year. Further, full utilization of these small balances will ensure that the financial record are cleaned and will ensure that there are no audit queries.

It is anticipated that the total balance of R149 534.09 will be fully utilized by March 2015 during the 2014/15 financial year.

Should you require any additional information in this regard, please do not hesitate to contact Ms. V. N. Fusa on 043 711 9300/083 391 6935 fax 043 726 2738.

Yours faithfully

C. MAGWANGQANA
MUNICIPAL MANAGER

MUNICIPAL SYSTEMS IMPROVEMENT GRANT EXPENDITURE PROGRESS REPORT FOR THE PERIOD ENDED JUNE 2014

[FileNo. 06/14/15]

[Author: Strategic Manager/RRL/yb]

[Institutional PSC]

[GGP]

PURPOSE

To report on progress to date on the implementation of the support initiatives to Local Municipalities within the Amathole District Municipality. Municipal Systems Improvement Grant (MSIG)

Authority

- Section 154 of the Constitution of the Republic of South Africa(Act 108 of 1996);
- Sections 83 -3(c) of the Municipal Structures Act 117/1998;
- Section 88 (1) of the Municipal Structures Act 117/1998;
- Inter-Governmental Relations Act 13 of 2005.

Legal / statutory requirements

Section 154 of the Constitution of the Republic of South Africa(Act 108 of 1996)states that the national government and provincial governments, by legislative and other measures, must support and strengthen the capacity of municipalities to manage their own affairs to exercise their powers and perform their functions.

Sections 83 (3)(c) of the Municipal Structures Act 117 of 1998 requires District Municipalities through an integrated and sustainable approach to build the capacity of local municipalities in its area to enable them to perform their functions and exercise their powers, where such capacity is lacking;

Section 88 (1) of the Municipal Structures Act 117 of 1998, states that a district municipality and the local municipalities within the area of the district municipality must co-operate with one another by assisting and supporting each other. Among other priorities the District Municipality is obliged, along with the National and Provincial Governments, to build the capacity of all of the local municipalities in its area, to perform their functions and exercise their powers, where such

capacity is lacking. In fulfilling this responsibility, the Amathole District Municipality provides support through its directorates and the Municipal Support Unit (MSU).

Intergovernmental relations Act 13 of 2005, stating that the district is to play a co-ordination and facilitation role within the district utilizing wide functional forum meetings and other relevant structures.

BACKGROUND

The Amathole District Municipality (ADM) has a legislative mandate to achieve integrated, sustainable, social and economic development within its area of jurisdiction, which includes the seven local municipalities of Amahlathi, Great Kei, Mbhashe, Mquma, Ngqushwa, Nkonkobe and Nxuba. This obligation is executed by adopting an integrated approach to planning and development for the entire district.

The Municipal Systems Improvement Grant (MSIG) is a conditional grant directed to selected Local and District municipalities. The purpose of the grant is to support municipalities in implementing new systems as provided in the Municipal Systems Act, Municipal Structures Act and other related local government policy and legislation so that they can carry mandated functions effectively. The focus of MSIG varies year in year out considering the strategic priorities of government with regards to the implementation of the Local Government Strategic Agenda. The focus of MSIG for 2013/14 will be on the following:

- Strengthening administrative systems for effective implementation of ward participation systems.
- Implementation of information systems that support effective service delivery; and
- Effective implementation of municipal specific turnaround strategies.

The approach is that the allocated amount to each receiving municipality is ring fenced to address the above priorities. As this is a conditional grant, in terms of the Division of Revenue Act, the municipality is required to submit monthly expenditure reports to the CoGTA by the 10th working day of each and every month. The Amathole District Municipality therefore with no exception has been a beneficiary of this grant and has over the years assisted Local Municipalities within its area of jurisdiction with the development of systems, capacity building programs and strategic planning. The following are the programs implemented by ADM:

FUNDED PROGRAMS FOR THE 2013/2014 FINANCIAL YEAR

MSIG PROGRAMS	PROJECTS	PROJECT OBJECTIVE	PROGRESS TO DATE
Development and implementation of municipal turn around strategies;	Feasibility study and the Environmental Impact Assessment for the Kologha Settlement, Amahlathi LM.	To ensure proper planning and submission of the Housing.	Project Complete and a balance of R5 930.05 must be declared.
Strengthening administrative systems for effective implementation of ward participation systems;	Feasibility study and the Environmental Impact Assessment for the New German Settlement Ngqushwa LM.	To ensure proper planning and submission of the Housing.	Project Complete.
Implementation of effective information systems enabling regular reporting on drinking and waste water quality;	Development of human resource plans for Mbashe, Mngquma and Ngqushwa Local Municipality	To ensure the optimum use of Human Resources policies and plans.	Project complete and the balance of R17 280.00 must be declared
Development and implementation of by-laws, policies and/or systems that support local government legislation.	Purchase of civil designer and training for engineering staff at local municipalities	To improve service delivery at local municipalities, by utilizing the software, internal skill and resources for small design projects.	Project complete.
Development and implementation of by-laws, policies and/or systems that support local government legislation.	Promulgation of by-laws for Mbashe Local Municipality;	To implement and enforce Municipal by laws;	Project complete and all the invoices were paid in full. The Project Manager will apply for the roll-over of the balance of R53 160.00 to assist in another LM.

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STAFF IMPLICATIONS

There are no staff implications

FINANCIAL IMPLICATIONS

R816 274.00 which is equivalent to 91.72% has been spent against the total budget of R890 000.

ANNEXURE

ANNEXURE A: MSIG Expenditure Report

RECOMMENDATION

That the progress report on the Municipal Systems Improvement Grant be noted.



Amathole District Municipality

All correspondence to be addressed to:

Municipal Manager

40 Cambridge Street * East London * 5201

P.O Box 320 * East London * South Africa * 5200

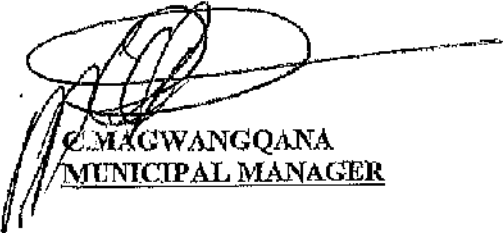
Telephone: 043 701 4000 * Facsimile: 043 701 4132

Email: info@amathole.gov.za * Web Address: www.amathole.gov.za

Date:	Person dealing with matter:	Reference:
26 AUGUST 2014	Mr M.A.Barks	Personal File

TO WHOM IT MAY CONCERN

This serves to confirm that Mr N.Soga, Employee No: 1014136 ,I.D.No. 6010135173089, is employed on a five year employment contract by Amathole District Municipality as a Chief Financial Officer in the Budget and Treasury Department from 1 June 2013 until 31 May 2018.



C. MAGWANGQANA
MUNICIPAL MANAGER

Amathole District Municipality

All correspondence to be addressed to:

Municipal Manager

40 Cambridge Street * East London * 5201

P.O Box 320 * East London * South Africa * 5200

Telephone: 043 701 4000 * Facsimile: 043 742 0387

Email: info@amathole.gov.za * Web Address: www.amathole.gov.za

<i>Date:</i>	<i>Person Dealing with Matter:</i>	<i>Reference:</i>
25 August 2014	N P Badi	12/2/1/6

The Director General
National Treasury
Intergovernmental Relations Division
LGBA; Local Government Conditional Grant Monitoring
Private Bag X 115
PRETORIA
0001

Dear Sir / Madam

**RE: APPROVAL TO RETAIN UNSPENT RURAL HOUSING INFRASTRUCTURE GRANT(RHIG)
ALLOCATION FOR 2013/14 AS ROLL-OVER IN 2014/15 FINANCIAL YEAR.**

In line with provisions of Division of Revenue Bill 2014 contained under section 21(5)(b) and MFMA circular no 67, Amathole District Municipality (ADM) hereby apply for permission to retain the unspent Rural Housing Infrastructure Grant(RHIG) funds during the 2013/14 financial year allocation and utilize during 2014/15 financial year.

After the Department of Human Settlement corrected the wrongly gazetted amounts from Local Municipalities to ADM with the figures for both 2013/14 and 2014/15 financial year, ADM started with the procurement processes of the contractor for the implementation of the Project. A transfer of 50% of the allocation was then transferred beginning March and the following week another 50% was transferred to the ADM. Due to the gazetted amount on the Division of Revenue, the ADM was well aware of the total allocation for both years and it made economic sense to appoint contractors based on the allocation for the entire two years allocation. The aim was to ensure continuity from one financial year to another without any delays as well as to avoid costs that would have been caused due to two site establishment for each financial year.

The RHIG allocation for 2013/14 was R8 500 000 and R8 404 725 was spent with only R95 274.09 not spent. The balance could not be spent due to the amount of the invoice received which exceeded the
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already transferred budget for 2013/14 as the SPs were already appointed for the two financial years, also this balance include the retention budget that will only be paid after the project is complete.

We hope this request will receive your favorable consideration, as the ADM we are committed in finishing the outstanding budget together with the 2014/15 allocation within the first 5 months of this financial year pending to the period of transfer of 2014/15' allocation.

Yours Faithfully



N.C. MAGWANGQANA
MUNICIPAL MANAGER

"Annexure F"



40 Cambridge Street * East London * 5201
 P.O Box 320
 East London * South Africa * 5200
 Tel: 043 701 4000 * Fax: 043 7014132
 Web Address: www.amathole.gov.za

Memorandum

To:	Municipal Manager	From:	General Manager: SCM and Asset Management
Cc:			
Subject:	MOTIVATION FOR THE REQUEST OF ADDITIONAL FUNDING FOR THE ASSET MANAGEMENT PROJECT		
Ref:	8/2/R	Date:	15 September 2014

PURPOSE

To request additional funding in the amount of R3 321 376,00 to finance the the ADM's Asset Management Project.

STATUTORY / LEGAL REQUIREMENTS

Municipal Finance Management Act No. 56 of 2003

BACKGROUND

The Municipality in its SDBIP identified the Asset Management Project under KPI 75. The KPI in essence stipulated that an Asset Management System be procured. When the processes of procurement was being undertaken in the 1st quarter, the Municipality wanted to determine whether the upgrade to Venus Solar would accommodate the Asset Management System. Numerous discussions and debates took place which delayed the procurement of the Asset Management System. The funding for the project was eventually taken through the Budget Steering Committee Processes. In the 3rd quarter it was eventually decided to procure a new Asset Management System. The procurement process was undertaken and Messrs A2A Kopana Incorporated was appointed under Contract No. 8/2/254/2013-2014 for once off purchase of an Asset Management System and Annual Software Licences and Maintenance Support for a period of 3 years as well as for the provision of scanners. The total contract amounts to R4 484 076,00.

To date a total amount of R1 162 700,00 (R656 640 and R506 160) has been paid to the Service Provider. An amount of R3 321 376,00 is required to finance the remainder of the project.

This memorandum therefore serves to request additional funding of R3 321 376,00 to cover all costs related to this project. R800 000 is available in the operational budget of the Asset Management Unit. An amount of R2 521 376,00 is required to complete the project.

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Due to the unavailability of an Asset Management System in the prior years, the Auditor-General has raised numerous findings and exceptions regarding the management of assets of the Municipality.

RECOMMENDATION

That the request for additional funding in the amount of R2 521 376,00 to finance the Asset Management Project, **be approved.**



C BHANA
GENERAL MANAGER ; SCM & ASSETS



MATHOLE
DISTRICT MUNICIPALITY

40 Cambridge Street * East London * 5201
P.O Box 320
East London * South Africa * 5200
Tel: 043 701 4000 * Fax: 043 7014132
Web Address: www.amathole.gov.za

Memorandum

TO:	EXECUTIVE MAYOR MUNICIPAL MANAGER	FROM	DIRECTOR: ENGINEERING SERVICES
Cc:			
Subject:	Allocation of operational funds from the 2013/14 financial year to address emergency rehabilitation required which will only be completed during 2014/15 FY		
Date:	22 May 2014	Ref:	

1. PURPOSE

- a) To notify the Executive Mayor of Emergency rehabilitation work required at Amathole District Municipality (ADM) Water and Waste Water Treatment Facilities.
- b) To request that the Executive Mayor provisionally approve the adjustment of 2014/2015 budget in order to allow unspent operational budget from the 2013/14 financial year (which had been allocated to Amatola Water for repairs and maintenance), to be utilized for emergency rehabilitation of ADM Treatment Facilities.

2. BACKGROUND

In June 2008 the Amathole District Municipality (ADM) entered into a contract with the Amatola Water Board (AW), whereby AW would operate and maintain all ADM water and waste treatment plants except for Stutterheim and Mbashe North.

The contract was to expire on 30 June 2014, however AW took a decision to withdraw the majority of its support as of the 1 November 2013. This left the ADM responsible for the full operations and maintenance of most of its schemes.

Upon taking over the operations and maintenance of the water and waste water treatment facilities, it was found that a number of these facilities were in need of substantial refurbishment in order to ensure that the ADM could continue its mandate of providing a safe and reliable water supply to its communities as well as

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Pg 2

ensuring that effluent discharged from ADM Waste Water Treatment Works does not contaminate the environment or create a health risk to downstream users.

In December 2013 a suitably qualified professional service provider was commissioned to undertake a thorough assessment of high risk treatment facilities. On completion of this assessment in February 2014 the Engineering Department obtained permission in March 2014 to utilise emergency procurement procedures to approach suitably skilled contractors to undertake the repairs. In most cases service providers who had had prior involvement in a particular facility were approached to price the required rehabilitation. Site inspections were then convened in April 2014 with the identified suppliers / contractors in order to ensure a thorough understanding of the scope of work to be undertaken. The contractors were required to provide a detailed costing of work related to the agreed scope of services, as well as a construction programme and cash flow estimate. The approach during these site inspections was to identify all potential items in need of replacement, refurbishment and/or maintenance.

Following the above process, Approval has been granted for their appointment and work is due to begin at the beginning of June 2014, pending finalization of budget availability.

The total cost of rehabilitation will be in the order of R35 million, while the consequence of not undertaking the necessary refurbishment could be failure of the treatment facilities resulting in either poor water quality or no water being delivered to communities, as was experienced in Fort Beaufort in January this year.

3. MOTIVATION

The Engineering Department was unable to secure the necessary funds for this refurbishment during the 2014/2015 budgeting process, however, owing to the early withdrawal of Amatola Water from the Operations Contract, the ADM has realized significant savings on the 2013/14 budget which could be used to fund the necessary emergency repairs.

Under normal circumstances these savings (on the operational budget) cannot be "rolled over" into the next financial year, but are allocated to the ADM's reserve funds.

In this instance, however, owing to the urgency of the required refurbishment in order to prevent catastrophic failure of key water and sanitation facilities, the Engineering Department would like to request that the Mayor apply clause 29 of the Municipal Finance Management Act no. 56 (MFMA), which states the following:

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Pg 3

29. (1) The mayor of a municipality may 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 a prescribed percentage of the approved annual budget;
- (c) must be reported by the mayor to the municipal council at its next meeting; 45 and
- (d) must be appropriated in an adjustments budget.

In other words the Engineering Department requests that unspent savings from the budget allocation to Amatola Water for the 2013/14 financial year be re-allocated to the necessary refurbishment projects instead of to the reserves. This will need to be reflected in the 2014/15 adjustments budget as per clause 28 of the MFMA.

4. FINANCIAL IMPLICATION

The financial implication is provided in the following table below. Note that the amount for Stutterheim WTW's and other treatment works already assessed but for which the costing has not yet been finalized are expected to add an additional R6 million in total. These costs will be defrayed against the Amatola Water budget (Vote NO: 45 01 165 01 000) and the ADM's Repairs and Maintenance account numbers. However, cash flow prediction indicate that R 5 million will be spent in the current financial year (13/14 FY).

Nr	Name of Plant	Estimated Budget		Cost per Priced Bill of Quantity	
		excl VAT	incl VAT	excl VAT	incl VAT
1	BEDFORD WWTW	R 1,041,000	R 1,186,740	R 2,421,484	R 2,760,492
2	KEISKAMMAHOEK WWTW	R 910,000	R 1,037,400	R 2,996,978	R 3,416,554
5	ALICE WPP	R 857,200	R 977,208	R 2,640,422	R 3,010,081
6	BUTTERWORTH WPP	R 7,844,000	R 8,942,160	R 10,761,571	R 12,268,190
7	KEI ROAD WPP	R 1,695,000	R 1,932,300	R 2,156,033	R 2,457,878
8	QWANINGA WPP	R 552,500	R 629,850	R 1,233,253	R 1,405,908
9	STUTTERHEIM WPP	R 1,810,190	R 2,063,617	*to be finalised	
3	PEDDIE WWTW	R 625,000	R 712,500	R 1,031,404	R 1,175,801
4	MIDDLEDRIIFT WWTW	R 625,000	R 712,500	R 1,067,996	R 1,217,515
10	CONSULTANT	R 1,281,384	R 1,460,778	R 1,292,938	R 1,473,949
	TOTAL	R 17,241,274	R 19,655,053	R 25,602,077	R 29,186,368

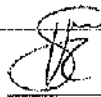
Accordingly, the 2014/15 total operating expenditure budget will increase by the balance of the total cost of the refurbishment and/or maintenance (R 30 million) and the total 2014/15 revenue will consequentially increase by the

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Pg 4

same amount (R 30 million). The revenue source will be the ADM reserves from the 2013/14 budget that has not been spent.

5. RECOMMENDATION

- a) That the Executive Mayor notes the required Emergency rehabilitation required at Amathole District Municipality (ADM) Water and Waste Water Treatment Facilities.
- b) That the Executive Mayor provisionally approves the adjustment of 2014/2015 budget in order to allow unspent operational budget from the 2013/14 financial year (which had be allocated to Amatola Water for repairs and maintenance), to be utilized for emergency rehabilitation of ADM Treatment Facilities.

 23/05/2014

VM SHEZI
DIRECTOR: ENGINEERING SERVICE

SUPPORTED / NOT SUPPORTED

COMMENTS BY DIRECTOR: BUDGET & TREASURY


N SOGA
DIRECTOR: BUDGET & TREASURY

23/5/2014
DATE


SUPPORTED / NOT SUPPORTED


C. MADWANGQANA
MUNICIPAL MANAGER

23/5/2014
DATE

G
P. J.

APPROVED / NOT APPROVED



Cllr. N KONZA
EXECUTIVE MAYOR

27/05/14 DATE

Annexure H,

40 Cambridge Street * East London * 5201
 P.O Box 320
 East London * South Africa * 5200
 Tel: 043 701 4000 * Fax: 043 742 0337
 Web Address: www.amathole.gov.za *



AMATHOLE
 DISTRICT MUNICIPALITY

TO: MUNICIPAL MANAGER	FROM: DIRECTOR: CORPORATE SERVICES
SUBJECT: MOTIVATION FOR BUDGET MOVE FROM OD & JE MANAGER TASK GRADE 15/16 POSITION TO SPU MANAGER TG 15/16 POSITION	
PERSON DEALING THE MATTER: ACTING MANAGER: RECRUITMENT & SELECTION	
REF: Personal File	DATE: 12 NOVEMBER 2014

PURPOSE

To seek approval for moving budget from the post of Organisational Development & Job Evaluation Manager (OD & JE Manager) in the Corporate Services Department to the post of Special Programmes Unit Manager in the Legislative & Executive Support Services (LESS) Department with effect from 1 December 2014.

STATUTORY/LEGISLATIVE REQUIREMENT

- ADM Municipal Systems Act No. 32 of 2000
- MFMA No. 56 of 2003

BACKGROUND/REASONING

The Legislative & Executive Support Services Department has a vacancy of Manager: Special Programmes at TASK grade 15/16 in the current establishment plan. The position is critical such that it needs a warm body to drive and manage SPU's projects, but the impediment is the non-availability of funds. It is on the afore-mentioned reason that Corporate Services Department decided to step-in for assistance after having been consulted by the management of LESS Department. The funds which were allocated to fund the Organisational Development and Job Evaluation Manager are pledged-in as a savior to fund the position of SPU Manager. The OD & JE Manager post will be allocated funds in the subsequent financial year.

STAFF IMPLICATIONS

None.



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FINANCIAL IMPLICATIONS

The total budget is R593 916.00 all-inclusive annual package.

RECOMMENDATION

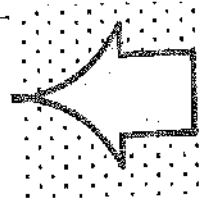
That the budget from Corporate Services Department's salaries' vote to LESS Department's salaries' vote be moved with effect from 1 December 2014.



L. TALENI [MR.]
DIRECTOR: CORPORATE SERVICES

SUPPORTED/NOT SUPPORTED

*To be added to the adjustments
budget.*



N. SOGA [MR.]
CHIEF FINANCIAL OFFICER



13/11/2014

APPROVED/NOT APPROVED

C. MAGWANGQANA [MR.]
MUNICIPAL MANAGER



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