

2017/2018 ADJUSTMENT OPERATING AND CAPITAL BUDGET REPORT

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(Author: LN/km)

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PURPOSE

- To advise Council about the adjustment budget process for 2017/2018 MTREF (Medium Term Revenue and Expenditure Framework).
- To submit the 2017/2018 Adjustment Capital and Operating budget for Council approval.
- To advise council about items affecting adjustment budget and service delivery.
- To provide adjustment budget information to council for more discussion to achieve approved budget on time.

LEGAL / STATUTORY REQUIREMENTS

- Municipal Finance Management Act 56 of 2003, Chapter 4.
- Municipal System Act 32 of 2000.
- National Treasury Regulations and Guidelines.
- Municipal Budget and Reporting Regulations (reg21, 22, 23, 24, 25, 26 and 27).

BACKGROUND

Matatiele municipality will continue to strive for improvements on the performance for the speeding up of sustainable service delivery. For the first half of the 2017/2018 Budget implementation, small improvements as compared to last year at this time is noted and there is still more needs to be done so that by year end the acceptable performance is achieved. Last year at this time, 27% achieved on capital budget spending and that has increased this year to 29%.

As instructed by the Local Government: Municipal Finance Management Act No.56 of 2009, Chapter 8 on roles of municipal officials, section 72, the Accounting Officer must assess the half yearly performance of the municipality and this is required to be done by 25th January every year to be submitted to the Mayor, National and Provincial Treasuries.

On the week of the 10th January 2018, the Accounting Officer has done the performance assessment to be submitted as required which during this processes the following was considered and assisted as tools to determine the actual performance,

- Approved Budget for 2017/2018,
- Service Delivery Budget and Implementation Plan as aligned with the approved budget,
- Actuals on approved budget and SDBIP,
- Cash and Cash Equivalents,
- Debtors Analysis on Revenue Billed and Revenue Collected,
- General expenditure analysis on programs planned and implemented.

During the assessment, it has become evident that, the necessary budget adjustments will have to be done, hence the Accounting Officer has prepared such adjustment proposals for council approval before the end of the month of February 2018 as required by the Municipal Finance Management Act on Municipal Budget and Reporting Regulations published under Gen 393 in GG 32141 of 17 April 2009 in compliance with requirements of section 23 on timeframes for tabling of adjustment budgets. On the completion of the assessment, measures to be implemented in order to improve the performance before the end of financial year have been developed and detailed in the report.

1. 2017/2018 ORIGINAL APPROVED BUDGET PROCESS

The preparation process of the Capital and Operating Budget 2017/2018 had commenced as expected by submitting the Budget and IDP Review plan to Council for approval in August 2017. Management submitted their budget proposals timeously and advised for consolidation in one Council Budget. The consolidated budget was discussed by Management and adjustments were subsequently made. The submissions were based on the Medium Term Revenue and Expenditure Framework for 2017/18 and these were mainly for the operating estimates as well as Capital estimates. The IDP and Budget review process was conducted in most wards as coordinated by the office of the Mayor, Ward Councillors, IDP office, Budget and Treasury and the Municipal Managers offices. This exercise was carried out in order to establish the Capital Budget priorities as per IDP as well as to review the IDP for consideration of the Budget preparation process.

2. ALIGNING THE BUDGET WITH THE COMMUNITY NEEDS

The municipality is committed to redressing and addressing the needs of the people and values inputs from our communities. During the budget outreach program September 2016, there were projects which were identified and omitted on the final approved budget and these have been identified by management during the mid-term performance assessment processes and have necessitated that there must be adjustments to be done on the capital budget approved to cater for them as follows,

3. CAPITAL PROJECTS TO BE INCLUDED ON ADJUSTMENTS

	MUNICIPAL MANAGER'S OFFICE					
	Funding Source					
Project Description	Approved Budget 2017/18	Adjustments Budget 2017/18	Capital Replacement Reserves	MIG	INEP	Other
Furniture & Equipment	-	50 000	50 000	-	-	-
Total Municipal Manager	-	50 000	50 000	-	-	-

Remarks

- The adjustment that has been proposed and done in the office of the Municipal Manager relates to the office furniture within the office.

		Risk ,Monitoring & Evaluation				
		Funding Source				
Project Description	Approved Budget 2017/18	Adjustments Budget 2017/18	Capital Replacement Reserves	MIG	INEP	Other
Furniture & Equipment	-	50 000	50 000	-	-	-
Total Risk ,Monitoring & Evaluation	-	50 000	50 000	-	-	-

Remarks

- The adjustment that has been proposed and done in the office of Risk, Monitoring and Evaluation relates to the office furniture within the office.

		Communications & SPU				
		Funding Source				
Project Description	Approved Budget 2017/18	Adjustments Budget 2017/18	Capital Replacement Reserves	MIG	INEP	Other
Laptops	39 996	39 996	39 996	-	-	-
Audio Visual Screens	200 004	100 004	100 004	-	-	-
Electronic billboards	380 004	480 004	480 004	-	-	-
Total Communications & SPU	620 004	620 004	620 004	-	-	-

Remarks

- The adjustment that has been proposed and done in the office of Communication and SPU relates Audio Visual Screen and Electronic Billboards.

		Internal Audit				
		Funding Source				
Project Description	Approved Budget 2017/18	Adjustments Budget 2017/18	Capital Replacement Reserves	MIG	INEP	Other
Furniture Equipment	100 000	100 000	100 000	-	-	-
			-	-	-	-
Total Internal Audit	100 000	100 000	100 000	-	-	-

Remarks

- The approved budget for Internal Audit unit remains unchanged.

		Legal Services				
		Funding Source				
Project Description	Approved Budget 2017/18	Adjustments Budget 2017/18	Capital Replacement Reserves	MIG	INEP	Other
Furniture Equipment	140 004	140 000	140 000	-	-	-
			-	-	-	-
Total Legal Services	140 004	140 000	140 000	-	-	-

Remarks

- The approved budget for legal Services Unit remains unchanged.

		Budget Planning & Investments				
				Funding Source		
Project Description	Approved Budget 2017/18	Adjustments Budget 2017/18	Capital Replacement Reserves	MIG	INEP	Other
Furniture Equipment	-	50 000	50 000	-	-	-
			-	-	-	-
Total Budget Planning	-	50 000	50 000	-	-	-

Remarks

- The adjustment that has been done under Budget Planning and Investment relates to the office furniture within the office.

		Revenue & Expenditure				
				Funding Source		
Project Description	Approved Budget 2017/18	Adjustments Budget 2017/18	Capital Replacement Reserves	MIG	INEP	Other
Smart Metering	1 000 000	1 000 000	1 000 000	-	-	-
			-	-	-	-
Total Revenue & Expenditure	1 000 000	1 000 000	1 000 000	-	-	-

Remarks

- The approved budget for Revenue and Expenditure unit remains unchanged.

	Financial Reporting & Assets					
			Funding Source			
Project Description	Approved Budget 2017/18	Adjustments Budget 2017/18	Capital Replacement Reserves	MIG	INEP	Other
Office Furniture & Equipment	51 000	71 000	71 000	-	-	-
Laptops	75 000	55 000	55 000	-	-	-
Total Financial Reporting & Assets	126 000	126 000	126 000	-	-	-

Remarks

- The adjustment that has been under Financial Reporting and Assets Management relates to the office furniture within the office.

	Supply Chain Management					
			Funding Source			
Project Description	Approved Budget 2017/18	Adjustments Budget 2017/18	Capital Replacement Reserves	MIG	INEP	Other
Bulk Filling Cabinets	300 000	300 000	300 000	-	-	-
Total Supply Chain Management	300 000	300 000	300 000	-	-	-

Remarks

- The approved budget for Supply Chain Management and Fleet remains the same.

	Finance Governance					
	Funding Source					
Project Description	Approved Budget 2017/18	Adjustments Budget 2017/18	Capital Replacement Reserves	MIG	INEP	Other
Furniture & Equipment	143 676	143 676	143 676	-	-	-
Total Finance Governance	143 676	143 676	143 676	-	-	-

Remarks

- The approved budget for Finance Governance remains the same.

	Council Support					
	Funding Source					
Project Description	Approved Budget 2017/18	Adjustments Budget 2017/18	Capital Replacement Reserves	MIG	INEP	Other
Furniture & Equipment	-	10 000	10 000	-	-	-
Total Council Support	-	10 000	10 000	-	-	-

Remarks

- The adjustments that has been made under Council Support relates to furniture and equipment.

	Information Technology			Funding Source		
Project Description	Approved Budget 2017/18	Adjustments Budget 2017/18	Capital Replacement Reserves	MIG	INEP	Other
Electronic Document System	200 004	200 004	200 004	-	-	-
Cameras	99 996	314 996	314 996	-	-	-
APS Instalation Network Tower	180 000	180 000	180 000	-	-	-
Unified Network	-	375 000	375 000	-	-	-
Electronic tools trade	-	25 000	25 000	-	-	-
It Equipment	-	25 000	25 000	-	-	-
Total IT	480 000	1 120 000	1 120 000	-	-	-

Remarks

- The approved budget for Information Technology has increased due to additional items that have been provided for i.e. Establishment of Network for the new electrical offices, fresh produce, and surveillance cameras.

	Human Resources					
			Funding Source			
Project Description	Approved Budget 2017/18	Adjustments Budget 2017/18	Capital Replacement Reserves	MIG	INEP	Other
Furniture & Equipment	69 996	69 996	69 996	-	-	-
Total Human Resources	69 996	69 996	69 996	-	-	-

Remarks

- The approved budget for Human Resource Management remains the same.

	Administrative Support					
			Funding Source			
Project Description	Approved Budget 2017/18	Adjustments Budget 2017/18	Capital Replacement Reserves	MIG	INEP	Other
Furniture & Equipment	20 004	20 004	20 004	-	-	-
Total Admin Support	20 004	20 004	20 004	-	-	-

Remarks

- The approved budget for Admin Support remains the same.

	Corporate Governance					
			Funding Source			
Project Description	Approved Budget 2017/18	Adjustments Budget 2017/18	Capital Replacement Reserves	MIG	INEP	Other
Furniture & Equipment	50 004	50 004	50 004	-	-	-
Total Corporate Governance	50 004	50 004	50 004	-	-	-

Remarks

- The approved budget for Corporate Services Governance remains the same.

		Public Amenities				
			Funding Source			
Project Description	Approved Budget 2017/18	Adjustments Budget 2017/18	Capital Replacement Reserves	MIG	INEP	Library & Museum Grant
Library Vehicle	-	500 000	-	-	-	500 000
Furniture & Equipment	-	60 000	-	-	-	60 000
Aircon	-	100 000	-	-	-	100 000
Total Public Amenities	-	660 000	-	-	-	660 000

Remarks

- The Increase is due to additional items that have been included on the budget i.e. Library vehicle and Furniture & Equipment.

Solid Waste & Environment						
Project Description	Approved Budget 2017/18	Adjustments Budget 2017/18	Funding Source			
			Capital Replacement Reserves	MIG	INEP	Other
Skip Loader		2 000 000	2 000 000	-	-	-
Furniture & Equipment	30 000	30 000	30 000	-	-	-
			-	-	-	-
Total Solid Waste & Environment	30 000	2 030 000	2 030 000	-	-	-

Remarks

- The budget for Environment increased due to additional items that have been included on the budget i.e. Skip Loader Truck.

Public Safety						
Project Description	Approved Budget 2017/18	Adjustments Budget 2017/18	Funding Source			
			Capital Replacement Reserves	MIG	INEP	Other
Traffic Management system software	200 004	250 004	250 004	-	-	-
Printers x3	120 000	120 000	120 000	-	-	-
Canopy	39 996	39 996	39 996	-	-	-
Laptops x3	105 000	105 000	105 000	-	-	-
Motorcycle Testing Equipment	-	50 000	50 000	-	-	-
Total Public Safety	465 000	565 000	565 000	-	-	-

Remarks

- The budget for Public Safety has increased due to additional items that have been included on the budget i.e. Motor cycle testing equipment.

	Town Planning					
			Funding Source			
Project Description	Approved Budget 2017/18	Adjustments Budget 2017/18	Capital Replacement Reserves	MIG	INEP	Other
PLANNING :GIS EQUIPMENT	99 996	99 996	99 996	-	-	-
			-	-	-	-
Total Planning	99 996	99 996	99 996	-	-	-

Remarks

- The capital budget for Development Planning remains the same.

	Intergrated Development Planning					
			Funding Source			
Project Description	Approved Budget 2017/18	Adjustments Budget 2017/18	Capital Replacement Reserves	MIG	INEP	Other
Furnuture Equipment	20 004	20 004	20 004	-	-	-
			-	-	-	-
Total IDP	20 004	20 004	20 004	-	-	-

Remarks

- The capital budget for Integrated Development Planning remains the same.

	Human Settlements					
			Funding Source			
Project Description	Approved Budget 2017/18	Adjustments Budget 2017/18	Capital Replacement Reserves	MIG	INEP	Other
Silo Facility		2 520 000	-	2 520 000.00		
Council Chambers	30 000 000	18 923 346	18 923 346	-	-	-
Aircon	-	200 000	200 000	-	-	-
Furniture & Equipment	-	50 000	-	-	-	-
Total Human Settlements	30 000 000	21 693 346	19 123 346	-	-	-

Remarks

- The capital budget for Human Settlements has been decreased to accommodate other projects in other departments .

		Electricity				
			Funding Source			
Project Description	Approved Budget 2017/18	Adjustments Budget 2017/18	Capital Replacement Reserves	MIG	INEP	Electrification Support
Nuresh	6 238 116	8 799 823	-	-	8 799 823	-
Mahangu Kwambobo Magayizindlela Newhouse	7 500 000	5 423 304	-	-	5 423 304	-
Edrayini electrification	7 178 556	5 843 116	-	-	5 843 116	-
Maphokoma Zikhali Electrification	12 113 052	8 308 345	-	-	8 308 345	-
Thotaneng Chera Mahareng Electrification	15 500 004	15 500 004	-	-	15 500 004	-
Goxa Electrification	3 660 804	3 660 804	-	-	3 660 804	-
Kwa Matias Electrification	3 429 300	3 429 300	-	-	3 429 300	-
Nyaniso Bubesi B Nkalweni E Electrification	9 801 496	9 801 496	-	-	9 801 496	-
Mzongwana Substation	6 840 560	6 840 560	-	-	6 840 560	-
Designs	1 500 000	3 643 000	-	-	3 643 000	-
Kwa Madlanga Electrification	9 380 004	9 380 004	-	-	-	9 380 004
Nkali	6 238 116	6 573 556	-	-	6 573 556	-
Tranformers	-	110 000	110 000	-	-	-
Chibini	-	2 076 696	-	-	2 076 696	-
pamlaville	-	100 000	-	-	100 000	-
nyaniso nkalweni	-	6 000 000	6 000 000	-	-	-
						-
Total Electricity	89 380 008	95 490 008	6 110 000	-	80 000 004	9 380 004

Remarks

- The capital budget for Electricity Unit has been increased to accommodate other projects in within the unit. i.e. Nyaniso Nkalweni, Chibini and Pamlaville

Project Description	Project Management ,Operations & Maintainance					
	Approved Budget 2017/18	Adjustments Budget 2017/18	Funding Source			Electrification Support
			Capital Replacement Reserves	MIG	INEP	
FEVA TO KHOLWENI ACCESS ROAD	-	889 086	889 086.00	-	-	-
KHAUE ACCESS ROAD	949 464	949 464	-	949 464	-	-
MANNGOPENG AR CONSTRUCTION	2 000 004	2 000 004	-	2 000 004	-	-
LAGRANGE PADESTRIAN BRIDGE	1 515 948	1 515 948	-	1 515 948	-	-
TLAKANELO CULVERT BRIDGE	257 892	257 892	-	257 892	-	-
FREYSTATA BRIDGE	369 996	369 996	-	369 996	-	-
GOODHOPE BRIDGR	369 996	369 996	-	369 996	-	-
GUDLINTABA	3 178 860	3 178 860	-	3 178 860	-	-
MOUNTAIN VIEW INTERNAL STREETS	9 999 996	9 999 996	-	9 999 996	-	-
MSUKENI ACCESS ROAD	200 004	200 004	-	200 004	-	-
EPHIPHANY ACCESS ROAD	200 004	200 004	-	200 004	-	-
NOMGAVU ACCESS ROAD	200 004	200 004	-	200 004	-	-
BUTSULA VIA TAUNG ACCESS ROAD	1 450 596	1 450 596	-	1 450 596	-	-
VIKINDUKU ACCESS ROAD	1 417 416	1 417 416	-	1 417 416	-	-
MALUTI INTER STREETS PH3	999 996	999 996	-	999 996	-	-
MATATIELE INTERNAL ROAD PHASE 2	260 004	260 004	-	260 004	-	-
SPORT CENTRE	5 662 452	5 451 452	-	5 451 452	-	-
SIJOKA ACCESS ROAD	3 632 256	3 632 256	-	3 632 256	-	-
MEHLOLOANENG AR	817 944	817 944	-	817 944	-	-
KAMORATHABA TSEPISONG ACCESS ROAD	344 532	344 532	-	344 532	-	-
MANASE	220 044	220 044	-	220 044	-	-
ZAZINGENI MAZIZINI AR	5 723 844	5 723 844	-	5 723 844	-	-
SELOANE	458 076	458 076	-	458 076	-	-
SANDFOINTEIN ACCESS ROAD	440 292	440 292	-	440 292	-	-
NGCWENGANE BOMVINI CONSTRUCTION	2 000 004	2 000 004	-	2 000 004	-	-
AFSONDERING ACCESS ROAD	-	708 086	708 086.21	-	-	-
NCHOLU ACCESS ROAD CRR	-	700 735	700 735.00	-	-	-
EPIPHANY SPORTS FIELD	-	211 000	-	211 000.00	-	-
THABA BUSIU	-	949 905	949 905.00	-	-	-
MAPFONTEIN	-	465 234	465 234.00	-	-	-
SPOLA TO AFSONDERING ACCESS ROAD	-	742 368	742 368.00	-	-	-
MABHELENI ACC ROAD	1 593 996	1 543 996	-	1 543 996	-	-
NKAU SPORTS CENTRE	-	49 000	49 000.00	-	-	-
SIGOGA ACCESS ROAD	-	1 244 218	1 244 218.00	-	-	-
HARRY GWALA ACCESS ROAD	-	775 349	775 349.00	-	-	-
PRINTER	30 000	30 000	30 000	-	-	-
FRESH PRODUCE MARKET PHSE 2	800 004	800 004.00	-	800 004	-	-
LAPTOP	30 000	30 000.00	-	30 000	-	-
DESKS	20 004	20 004.00	-	20 004	-	-
SILO FACILITY	2 520 000	-	-	-	-	-
	47 663 628	51 617 609	6 553 981	45 063 628	-	-

Remarks

- The capital budget for PMU and O&M Unit has been increased to accommodate other projects in within the unit. i.e. Sigoga Access Road, Afsondering Access road, Feva to Nkalweni Access road , Ncholu Access Road , Thaba Busiu , Spola to Afsondering Access road and Harry Gwala Access road .

4. SUMMARY ON CAPITAL ADJUSTMENT BUDGET 2017/18 AND CAPITAL FUNDING

Municipal Vote	Approved Budget 2017/18	Adjustments Budget 2017/18	Funding Source				Library & Museum Support
			Capital Replacement Reserves	MIG	INEP	Electrification Support	
Executive & Council	860 000	960 000	960 000	-	-	-	-
Finance & Administration	1 639 668	1 689 668	1 689 668	-	-	-	-
Corporate Services	550 000	1 190 000	1 190 000	-	-	-	-
Economic Development & Planning	120 000	120 000	120 000	-	-	-	-
Community Services	495 000	3 255 000	2 595 000	-	-	-	660 000
Infrastructure	167 043 636	169 010 980	32 047 352	47 583 628	80 000 000	9 380 000	-
	170 708 304	176 225 648	38 602 020	47 583 628	80 000 000	9 380 000	660 000

Remarks

- The adjustment capital budget for 2017/2018 is R176, 225, 648 million (Original 2017/2018: R170, 708, 304 million and the Council funded portion through Capital Replacement Reserve (CRR) has been increased to R38, 602, 020 (Original 2017/2018: R33, 564, 680). Funding from INEP has been maintained at R80, 000, 000 , MIG funding has also been maintained at R44, 852, 624, Funding from the Electrification support (COGTA) remains the same and additional funding from Library upgrade and Museum amounts to R660, 000 .

5. OPERATING EXPENDITURE ADJUSTMENT BUDGET 2017/18

<u>Expenditure By Type</u>	Original Budget 2017/2018	Adjusted Budget 2017/1018	Variance	variance %	Budget Year +1 2018/19	Budget Year +2 2019/20
Employee related costs	105 526 044	99 646 045	-5 879 999	-6%	112 912 867	120 816 768
Remuneration of councillors	17 503 728	17 503 728	-	0%	18 728 989	20 040 018
Debt impairment	5 000 000	5 000 000	-	0%	5 350 000	5 724 500
Depreciation & asset impairment	14 222 084	14 222 084	-	0%	15 217 630	16 282 864
Bulk purchases	43 010 000	43 010 000	-	0%	46 020 700	49 242 149
Other materials	7 971 006	6 761 096	-1 209 910	-15%	7 234 373	7 740 779
Contracted services	75 628 416	83 898 804	8 270 388	11%	80 922 405	86 586 973
Transfers and subsidies	820 000	263 000	-557 000	-68%	281 410	301 109
Other expenditure	51 394 396	52 397 307	1 002 911	2%	54 992 004	58 841 444
Total Expenditure	321 075 674	322 702 064	1 626 390	1%	341 660 377	365 576 604

Remarks

- The adjustment operating expenditure budget for 2017/2018 is R322, 702, 064 (Original 2017/2018: R321, 075, 674) as per table above. This has been increased by R1, 626, 390 which is mainly from unspent grants included in the adjustments budget.

6. OPERATING REVENUE ADJUSTMENT BUDGET 2017/18

EC441 Matatiele - Table B4 Adjustments Budget Financial Performance (revenue and expenditure) -						
<u>Revenue By Source</u>	Original Budget 2017/2018	Adjusted Budget 2017/1018	Variance	variance %	Budget Year +1 2018/19	Budget Year +2 2019/20
Property rates	52,204,073	52,204,073	-	0%	55,858,358	59,768,443
Service charges - electricity revenue	47,417,044	47,970,408	553,364	1%	50,736,237	54,287,774
Service charges - refuse revenue	8,482,341	8,482,341	-	0%	9,076,105	9,711,432
Rental of facilities and equipment	773,876	975,432	201,556	26%	1,043,712	1,116,772
Interest earned - external investments	5,600,310	5,600,310	-	0%	5,992,332	6,411,795
Interest earned - outstanding debtors	6,927,628	6,753,060	-174,568	-3%	7,225,774	7,731,578
Fines, penalties and forfeits	1,500,302	1,577,916	77,614	5%	1,688,370	1,806,556
Licences and permits	2,800,000	2,810,592	10,592	0%	3,007,333	3,217,847
Transfers and subsidies Operating	193,512,400	194,799,709	1,287,309	1%	209,141,889	223,781,821
Transfers and subsidies Capital	170,708,280	176,225,601	5,517,321	3%	187,855,193	201,005,057
Other revenue	1,888,514	1,529,680	-358,834	-19%	2,020,710	2,162,160
Total Revenue	491,814,768	498,929,122	7,114,354	1%	533,646,013	571,001,234

Remarks

- The operating revenue adjustment budget for 2017/2018 is R498, 929,122 (Original 2017/2018: R491, 814, 768) as per table above. This has been increased by R7, 114, 354 due to unspent operating grants from prior years.

7. TRANSFERS AND SUBSIDIES 2017/18

Description	Original Budget 2017/2018	Adjusted Budget 2017/1018	VARIENCE	VARIENCE %	Budget Year +1 2018/19	Budget Year +2 2019/20
Equitable Share	185 808 000	185 808 000	-	0%	205 404 000	215 237 000
Municipal Infrastruture Grant	50 088 000	50 088 000	-	0%	52 883 000	55 832 000
INEP	80 000 000	80 000 000	-	0%	9 000 000	90 000 000
Finance Management Grant	1 700 000	1 700 000	-	0%	1 700 000	1 700 000
EPWP	2 780 000	2 780 000	-	0%	-	-
Municipal Electrification Intervention	9 380 000	9 380 000	-	0%	-	-
Library and Archives	400 000	1 531 821	1 131 821	283%	-	-
Human Settlement	-	231 237	231 237	100%	-	-
IDP Support Grant	100 000	68 149	-31 851	-32%	-	-
GIS Support Grant	100 000	100 000	-	0%	-	-
LED Support Grant	-	506 536	506 536	100%	-	-
Spatial Development	-	107 663	107 663	100%	-	-
Fire Break Support : DEDEAT	-	121 907	121 907	100%	-	-
Transfers & Subsidies	330 356 000	332 423 313	2 067 313	1%	268 987 000	362 769 000

Remarks

No Adjustments were made on the Conditional Grants as per Dora allocations, the increase on grants is as a result of unspent grants from the previous years .

8. ADJUSTED TOTAL BUDGET 2017/18

<u>Description</u>	Original Budget 2017/2018	Adjusted Budget 2017/2018	Variance	variance %	Budget Year +1 2018/19	Budget Year +2 2019/20
Total Operating Budget	321 075 674	322 702 064	1 626 390	1%	341 660 377	365 576 604
Total Capital Budget	170 708 304	176 225 648	5 517 344	3%	170 562 676	217 232 252
TOTAL BUDGET	491 783 978	498 927 712	7 143 734	1%	512 223 053	582 808 856

Remarks

- The operating budget has been increased by R1, 626, 390 from approved budget of R321, 075, 679 to adjustment budget of R322, 702, 674 and this has been due unspent grants included in the adjustments and movement of savings to the capital budget.
- The capital budget has been adjusted by R5, 517, 344 from approved budget of R170, 708, 280 to adjustment budget of R174, 295, 518 and this was due to the additional funding for Library Upgrade unspent from the 2016/2017 financial year and additional budget shifted from saving from the operating budget.

ANNEXURES

“A” –B SCHEDULE 2017/18

RECOMMENDATIONS

Council resolved, noted and authorised the following:

1. That, the operating expenditure adjustment of R322, 702, 064 from approved budget of R321, 075, 679 is approved.
2. That, the revenue adjustment budget of R498, 929,122 from approved budget of R491, 814, 768 is approved.
3. That, the capital adjustment budget of R176, 225, 648 from approved budget of R170, 708, 280 is approved.
4. Council authorises the unforeseen and unavoidable expenditures incurred and provided for on the adjustments budget
5. Council notes the virements that were done by midterm on the 2017/2018 approved budget.
6. Council notes that, tariffs of charges as approved on original 2017/2018 budget remains unchanged.
7. Council notes the submission of the adjustment budget by the Municipal Manager within five (5) working days after the council approval to National and Provincial Treasuries.
8. Council notes the publication of the approved adjustment budget within five (5) working days after the council has approved the adjustment budget.