

ITEM: ADJUSTMENT BUDGET 2019/2020: FINANCIAL YEAR

Purpose

To submit an adjustment budget in terms of the provisions of Section 28 read with Section 72 of the MFMA for consideration.

Background

Council considered the Section 72 Mid-year Budget and Performance Assessment report at its meeting held on 23 January 2020 and resolved that an adjustment budget be drafted for the 2019/2020 financial year, in line with the performance achieved and needs identified for an adjustment in accordance with the mid-year performance report.

In terms of Section 28 (2) of the MFMA a municipality may revise an approved Annual budget through an adjustment budget.

Section 28(2) further reads as follows:

- (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, 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;*
- (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—

- (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; and
- (d) any other supporting documentation that may be prescribed.

(6) Municipal tax and tariffs may not be increased during a financial year except when required in terms of a financial recovery plan.

(7) Sections 22(b), 23(3) and 24(3) apply in respect of an adjustments budget, and in such application a reference in those sections to an annual budget must be read as a reference to an adjustments budget.

The midyear report as per section 72 of the MFMA was submitted to the Executive Mayor and to Council on the 25 January 2019. It was resolved that the budget of 2018/2019 must be adjusted.

Discussion

The revenue and expenditure performance as at mid-year was assessed and it was identified that the revenue budget needs to be adjusted due to additional revenue received from the department of Human Settlement for Khutsong Extension 5 & 6 top structures project. The impact of the proposed adjustment will have a minimum impact with an increase of 0.52%.

A minor adjustment of 0.30% of the expenditure budget is proposed due to several expenditure votes that needed to be adjusted based on the performance as at mid-year.

The following reasons further informed the budget adjustment to be approved.

- Unforeseen expenditure of R3 million due to vandalism of electricity network.
- Re-alignment on the revised capital projects.

The following table is a summary of the proposed revised revenue budget by source.

ADJUSTMENT BUDGET 2019/2020									
Description	Budget Year 2019/20						Budget Year +1	Budget Year +2	
	Original Budget	Special Adjustment Budget	Proposed Adjustment Budget	Increase/Decrease	% Increase/Decrease	Actuals 31 December 2019	Projection	Adjusted Budget	Adjusted Budget
R thousands	A	A1	B	C	D	E	F		
Revenue By Source									
Property rates	(536 696)	(515 992)	(515 992)	-	0.00%	(271 402)	(515 992)	(568 897)	(603 031)
Service charges - electricity revenue	(267 584)	(267 584)	(269 967)	(2 383)	0.89%	(142 019)	(269 834)	(283 639)	(300 657)
Service charges - water revenue	(362 742)	(326 482)	(326 696)	(214)	0.07%	(163 879)	(326 829)	(384 506)	(407 577)
Service charges - sanitation revenue	(55 903)	(60 640)	(59 996)	644	-1.06%	(30 867)	(59 997)	(59 257)	(62 812)
Service charges - refuse revenue	(62 231)	(70 795)	(65 941)	4 854	-6.86%	(35 101)	(65 941)	(65 965)	(69 923)
Sub-Total	(1 285 154)	(1 241 493)	(1 238 592)	2 901	0.23%	(643 269)	(1 238 593)	(1 362 264)	(1 444 000)
Rental of facilities and equipment	(2 495)	(2 495)	(2 397)	98	-3.93%	(1 203)	(2 398)	(2 645)	(2 804)
Interest earned - external investments	(8 871)	(8 871)	(8 871)	-	0.00%	(4 564)	(8 871)	(9 403)	(9 967)
Interest earned - outstanding debtors	(113 559)	(135 823)	(140 174)	(4 351)	3.20%	(70 643)	(140 174)	(120 373)	(127 595)
Fines, penalties and forfeits	(7 435)	(7 435)	(7 463)	(28)	0.38%	(2 702)	(7 464)	(7 882)	(8 354)
Licences and permits	(17 382)	(17 382)	(13 901)	3 481	20.03%	(5 846)	(17 382)	(18 425)	(19 531)
Transfers and subsidies	(233 422)	(233 422)	(244 112)	(10 690)	4.58%	(153 802)	(233 422)	(107 144)	(119 156)
Other revenue	(6 429)	(6 429)	(6 344)	85	-1.32%	(1 802)	(6 344)	(6 815)	(7 224)
Sub-Total	(389 594)	(411 857)	(423 262)	(11 405)	2.77%	(240 562)	(416 054)	(272 686)	(294 631)
Total Revenue (excluding capital transfers and contributions)	(1 674 748)	(1 653 350)	(1 661 854)	(8 504)	0.52%	(883 831)	(1 654 647)	(1 634 950)	(1 738 631)

The following are explanations of revenue per source.

Property Rates

No adjustment is required on this revenue source.

Service Charges: Electricity

A minor adjustment is proposed on the revenue budget for electricity service charges. The total billing for the first six months of the financial year 2019/2020 was R142 019m as compared to a budget of R133 792 for the same period, which represent a positive variance of 7.69%. In considering the adjustment, the trend of electricity losses were analysed. The average losses for the six months were 46.33% as at December 2019 as indicated in the table below.

	ELECTRICITY LOSSES JULY 2019 TO DEC 2019			
	UNITS SOLD	UNITS PURCHASED	% SOLD	% LOSS
Jul-19	12,218,291	27,866,727	43.85	56.15
Aug-19	12,648,753	23,316,599	54.25	45.75
Sep-19	10,927,330	19,294,933	56.63	43.37
Oct-19	10,965,649	19,500,646	56.23	43.77
Nov-19	9,367,509	16,546,657	56.61	43.39
Dec-19	10,872,771	18,305,052	59.40	40.60
AVERAGE	67,000,304	124,830,613	53.67	46.33

The table below indicates the electricity losses for the same period in the previous financial year.

ELECTRICITY LOSSESS JULY 2018 TO JUNE 19

100

	UNITS SOLD	UNITS PURCHASED	% SOLD	% LOSS
Jul-18	13 246 076	27 796 406	47.65	52.35
Aug-18	16 018 847	24 131 244	66.38	33.62
Sep-18	11 463 438	20 844 400	55.00	45.00
Oct-18	12 401 290	19 834 675	62.52	37.48
Nov-18	11 937 764.00	19 358 147.21	61.67	38.33
Dec-18	11 211 382.00	18 305 052	61.25	38.75
	76 278 797.33	130 269 923	58.55	41.45

The electricity losses can largely be attributed to the increasing trend of tampering with electricity meters and electricity theft. All efforts of the municipality to rectify the situation have been met with revolt, intimidation and violence by communities. Load shedding had a positive impact but the internal municipal load shedding program was met with resistance from communities and municipal staff which was intimidated by communities. The Eskom load shedding schedules further impacted negatively on the municipal schedules. The program was further disrupted by severe vandalism and theft of electrical infrastructure which led to a number of electricity outages for extensive periods.

There has however been a slight decrease of electricity losses in Quarter 2 and in January 2020 which can be attributed to load shedding and the impact of seasonal tariffs. The trend is expected to continue. The municipality is also exploring other options by benchmarking with other best practices in the industry, to address the increasing challenge of bypassing of prepaid electricity meters.

Service Charges: Water

A minor adjustment is proposed on the revenue budget for water service charges. The total billing for the six months was R163.879m compared to a budget of R163, 241m which represents a positive variance of 0.07%.

The average losses for the six months were 28.02% as at December 2019. Compared to 40.64% for the financial year 2018/2019 as indicated in the table below.

WATER LOSSES 2019/20

	UNITS	UNITS	%	% INCLUDED	% EXCLUDED
	SOLD	PURCHASED	SOLD	Unmetered Areas	Unmetered Areas
				Informal Settlement 6KL	Informal Settlement 6KL
Jul-19	779 667.00	1 235 245.00	63.12	36.88	50.00
Aug-19	874 527.00	1 330 728.00	65.72	34.28	46.46
Sep-19	833 530.00	1 104 610.00	75.46	24.54	39.21
Oct-19	810 825.00	1 174 073.00	69.06	30.94	44.74
Nov-19	884 197.00	1 090 537.00	81.08	18.92	33.78
Dec-19	873 740.00	1 089 396.00	80.20	19.80	34.67
	5 056 486.00	7 024 589.00	71.98	28.02	45.47

In comparing the losses over the 2 financial years, it should be noted that in the 2018/19 financial year the provision of 6KL free basic services to informal areas was unaccounted for. Despite account for water provision to informal settlements was a decreasing trend of water losses in Quarter 2 of the 2019/20 financial year.

WATER LOSSES 2018/19

	UNITS	UNITS	%	%
	SOLD	PURCHASED	SOLD	LOSS
Jul-18	758 659.00	1 113 009.00	68.16	31.84
Aug-18	750 910.00	1 325 685.00	56.64	43.36
Sep-18	827 565.00	1 215 164.00	68.10	31.90
Oct-18	693 420.00	1 258 321.00	55.11	44.89
Nov-18	704 282.00	1 248 602.00	56.41	43.59
Dec-18	707 204.00	1 321 840.00	53.50	46.50
	4 442 040.00	7 482 621.00	59.36	40.64

The decrease in water losses for Quarter 2 can be attributed to a positive impact of the implementation of the water loss strategy and the trend is expected to continue based on the implementation of the MIG project to address bulk water infrastructure maintenance.

Service Charges: Sanitation Charges

A minor adjustment is proposed on the revenue budget for sanitation service charges. The total billing for the six months was R30 867m compared to a budget of R30 320m which represents a positive variance of 1.06%.

Service Charges: Refuse removal

A minor adjustment is proposed on the revenue budget for refuse removal service charges.

The total billing for the six months was R35 101m compared to a budget of R35 398m which represents a negative variance of 0.84%.

Rental of Facilities and Equipment

A minor adjustment is proposed on the revenue budget for renting of facilities service charges. The total billing for the six months was R1 203m compared to a budget of R1 247m which represents a negative variance of 3.93%. This can be attributed to the reduction of rental of municipal facilities by the public.

Interest Earned: External Investments

No adjustment is required on this revenue source.

Interest Earned: Outstanding Debtors

A minor adjustment is proposed on the revenue budget for Interest earned on Outstanding Debtors. The total billing for the six months was R70 643m compared to a budget of R70 087m. The low collection rate and the increase of outstanding debtors has resulted in an increase of 3.20% on the total budgeted amount.

Fines

An adjustment is proposed on the revenue budget for fines. The total of fines due for the six months was R2 702m compared to a budget of R3 717m which represents a negative variance of 27.81%. The main reason for the negative variance is that the web based collections through the service provider was not taken into account for the past three months. The adjustment is required to correct the situation. Integration of the system must be enhanced in the future.

Licenses and Permits

An adjustment is proposed on the revenue budget for licenses and permits. The total billing for the six months was R5 846m compared to a budget of R8 691m which represents a negative variance of 32.74%

The municipality has reached an agreement with the Gauteng Department of Transport to set off the amount due to the department from the collections, based on the 80/20% current contract. This was not taken into account in the original budget and needs to be corrected. A further reason for the reduction in revenue is the fact that the public increasingly makes use of the Post Office as an alternative.

It is suggested that the budget be adjusted to R 13 901m.

Transfers recognized - operational (Government Grants and Subsidies)

National Treasury finalized the roll-over applications of the unspent conditional grants for 2018/2019 financial year which needs to be incorporated in the Adjustment budget.

Expenditure

The table below reflects the performance on the expenditure budget as at midyear 2019/2020. The total expenditure was 0.30% lower than the projected budget; but certain minor corrections on expenditure votes are required as discussed below.

ADJUSTMENT BUDGET 2019/2020									
Description	Budget Year 2019/20						Budget Year +1	Budget Year +2	
	Original Budget	Special Adjustment Budget	Proposed Adjustment Budget	Increase/Decrease	% Increase/Decrease	Actuals 31 December 2019	Projection	Adjusted Budget	Adjusted Budget
R thousands	A	A1	B	C	D	E	F		
Expenditure By Type									
Employee related costs	369 651 354	362 651 354	362 651 354	0	0.00%	160 156 247	362 651 354	391 830 435	415 340 261
Remuneration of councillors	27 730 671	27 730 671	27 730 671	0	0.00%	11 426 390	27 730 671	29 394 510	31 158 180
Debt impairment	323 207 412	447 588 420	437 588 420	(10 000)	-2.23%	224 079 210	437 588 420	342 599 857	363 155 848
Depreciation & asset impairment	106 226 000	28 361 000	28 361 000	-	0.00%	53 113 000	28 361 000	28 361 000	28 361 000
Finance charges	33 343 397	50 913 083	52 900 083	1 987	3.90%	26 396 256	52 900 000	34 600 001	35 932 001
Bulk purchases	557 254 496	567 247 367	563 982 367	(3 265)	-0.58%	281 991 204	563 982 407	607 407 400	662 074 066
Other materials	1 251 632	1 251 632	1 187 632	(64)	-5.11%	216 183	1 187 544	1 276 664	1 302 196
Contracted services	85 856 351	85 856 351	97 784 351	11 928	13.89%	16 929 522	98 464 180	90 065 913	95 406 333
Transfers and subsidies	2 510 200	2 510 200	2 550 200	40	1.59%	75 225	2 550 450	2 510 404	2 510 612
Other expenditure	128 868 322	78 293 322	72 768 322	(5 525)	-7.06%	22 335 567	72 783 201	130 927 995	115 234 027
Total Expenditure	1 635 899 835	1 652 403 400	1 647 504 400	-4 899 000	0.30%	796 718 804	1 648 199 227	1 658 974 179	1 750 474 524

Salaries

The total expenditure for salaries was R160.156m for the six months under review which is 11.68% less than projected. During the original budget council made provision of R14 000m for critical positions to be filled. Due to the financial situation of council and the fact that National Treasury advised council to submit a Special Adjustment Budget in November 2019, council was obligated to reduce the budget to R 7 000m.

During December the unions submitted a demand for leave encashment based on the Council policy. The Special Adjustment Budget, as approved, by council did not make provision for leave encashment in accordance with the collective agreement. After a negotiated settlement a virement was approved to fund the leave encashment from the provision for vacancies to the value of R 3 713m. Council also resolved that the provision for leave encashment should be included in the Adjustment Budget. The proposed adjustment budget for employee related cost amounts to R 362 651 354 this includes provision for leave as well as the filling of critical vacancies.

Councilors Remuneration

The expenditure on Councilors remuneration was R11 426m for the six months under review which is 17.59% less than was projected. No increase have been implemented on councilor remuneration and provision has been made for cost of living increase should the upper limits be increased by government.

No adjustment budget is required.

Bulk Purchases: Electricity

An adjustment is proposed on the expenditure budget for electricity bulk purchases. The expenditure on electricity purchases for the period under review is R162 940m which is 2.25% more than the budgeted amount. The electricity purchases represented in units is 4.12% more for the six months under review and the electricity sales has reduced with 12.60% units.

The average loss for the six months is 43.66% as at December 2019 compared to 41.95% for the 2018/2019 financial year. The main reason is the tampering of prepaid electricity meters.

Bulk Purchases: Water

An adjustment is proposed on the expenditure budget for water bulk purchases. The expenditure on water purchases for the period under review is R119 051m which is a negative variance of 4.19%.

Contracted Services

The expenditure on contracted services for the six months under review was R16 930m. This represents a negative variance of 39% below on the budget. The main reasons for the variance is unpaid creditors due to the municipality's cash flow constraints and the fact that commitments were not captured on the financial system. No adjustment budget is required in this regard.

The contracted services budget will have to be increased by 13.89% to include unforeseen expenditure pertaining to vandalized electricity infrastructure.

Finance Charges

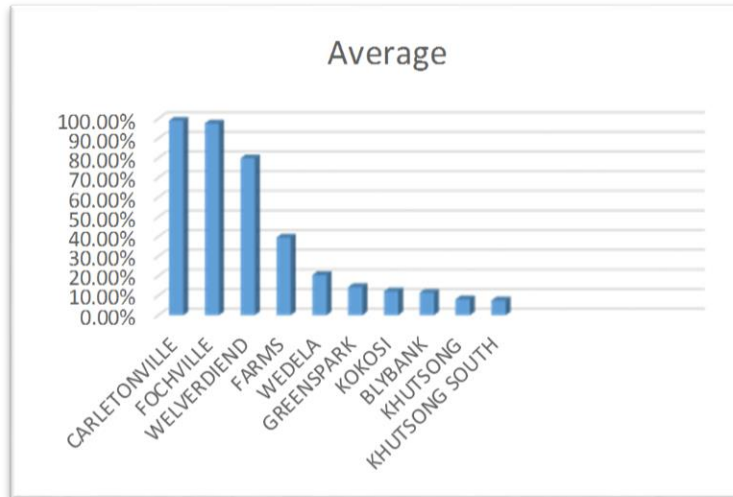
An adjustment is proposed on the expenditure budget for finance charges. The main reasons is the increase in interest on creditors in arrear of which Eskom and Rand Water are the main contributors. The expenditure for the six months under review was R26 396m compared to a budget of R22 808m for the same period. It is suggested that the budget be increased by 3.90%.

Transfer to Reserves (Provision for Bad Debt)

The budgeted payment levels for the 2019/2020 financial year is 68.00% and the average payment levels for the first six months of the financial year was 61.35%. The table below reflects the average figures for the period under review.

Six months ended 31 December 2019

District group	Average
CARLETONVILLE	98.99%
FOCHVILLE	97.60%
WELVERDIEND	79.91%
FARMS	39.49%
WEDELA	20.38%
GREENSPARK	14.30%
KOKOSI	12.16%
BLYBANK	11.44%
KHUTSONG	8.09%
KHUTSONG SOUTH	7.53%



The disturbing culture of non-payment for municipal services prevailing in the municipal township areas is a significant cause for greater concern. This culture is spread to newly developed townships and this placed the financial wellbeing, viability and sustainability of the municipality at a huge risk. Implementation of credit control in all areas has been undertaken and some community members prevented the successful implementation.

Pre-paid electricity meters has been installed in most of the areas where payment levels are below the average of 64.99%. The majority of these meters are by-passed and therefore arrear recovery of 60/40 cannot be collected and as a result, an amount in excess of R60 Million has been lost.

A panel debt collectors were appointed to progressively implement debt collection in all areas. The scope of their services includes the attachment of property to ensure that the municipality recoup all possible recoverable debt.

It is proposed that the provision for bad debt not be increased at this stage and be reconsidered during the 2020/2021 budget process.

Other Expenditure

The provision for other expenditure decreased by 7.06% mainly due to a technical correction from other expenditure to contracted services.

Other Materials

An adjustment of 5.11% is proposed on the expenditure budget for other materials. The actuals for the six months under review R216 183 compared to a budget of R625 816.

1) Capital Expenditure

Re-Aligned capital budget for the financial year 2019/2020

Description	Ref	Budget Year 2019/20									Budget Year	Budget Year
		Original	Prior	Accum.	Multi-year	Unfore.	Nat. or	Other	Total	Adjusted	Adjusted	Adjusted
		Budget	Adjusted	Funds	capital	Unavoid.	Prov. Govt	Adjus.	Adjus.	Budget	Budget	Budget
R thousands	A	5 A1	6 B	7 C	8 D	9 E	10 F	11 G	12 H	+1 2020/21	+2 2021/22	
Capital Expenditure - Functional												
<i>Governance and administration</i>		1 460	-	-	-	-	-	-	-	1 460	1 460	1 460
Executive and council												
Finance and administration		1 460								1 460	1 460	1 460
Internal audit												
<i>Community and public safety</i>		4 999	-	-	-	-	(3 674)	(3 674)	1 325	7 000	8 239	
Community and social services		4 999					(3 674)	(3 674)	1 325	7 000	8 239	
Sport and recreation												
Public safety												
Housing												
Health												
<i>Economic and environmental services</i>		30 790	-	-	-	-	14 365	14 365	45 155	29 240	34 999	
Planning and development							750	750	750			
Road transport		30 790					13 615	13 615	44 405	29 240	34 999	
Environmental protection												
<i>Trading services</i>		126 041	-	-	-	-	92 063	92 063	218 104	126 904	131 322	
Energy sources		15 600					1 024	1 024	16 624	20 711	27 214	
Water management		62 944					138 536	138 536	201 480	53 000	40 000	
Waste water management		47 497					(47 497)	(47 497)	0	53 193	64 108	
Waste management												
<i>Other</i>												
Total Capital Expenditure - Functional	3	163 290	-	-	-	-	102 754	102 754	266 044	164 604	176 020	
Funded by:												
National Government		113 561					53 702	53 702	167 263	116 200	125 034	
Provincial Government		48 269					34 914	34 914	83 183	46 944	49 526	
District Municipality												
Other transfers and grants												
Transfers recognised - capital	4	161 830	-	-	-	-	88 616	88 616	250 446	163 144	174 560	
Borrowing												
Internally generated funds		1 460					14 138	14 138	15 598	1 460	1 460	
Total Capital Funding		163 290	-	-	-	-	102 754	102 754	266 044	164 604	176 020	

The capital budget has been adjusted in accordance with grant funding received and the realignment on project expenditure.

A breakdown of capital projects is attached hereto as **Annexure A**.

2) Cash Flow

Choose name from list - Table C7 Monthly Budget Statement - Cash Flow - M06 December

Description	Ref	Budget Year 2019/20								
		2018/19 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		154,967	482,493	350,875	33,655	134,118	175,437	(41,319)	-24%	350,875
Service charges		595,070	523,921	493,341	47,869	285,974	246,670	39,304	16%	493,341
Other revenue		4,734	33,742	33,742	7,390	14,558	16,871	(2,313)	-14%	33,742
Government - operating		207,412	233,422	233,422	74,152	208,687	116,711	91,976	79%	233,422
Government - capital		210,855	161,830	161,830	-	80,391	80,915	(524)	-1%	161,830
Interest		9,558	88,264	101,230	653	4,564	50,615	(46,051)	-91%	101,230
Dividends								-		
Payments										
Suppliers and employees		(919,539)	(1,148,527)	(1,089,150)	(133,978)	(567,753)	(544,575)	23,177	-4%	(1,089,150)
Finance charges		(35,581)	(33,343)	(50,913)	(5,027)	(26,398)	(25,457)	941	-4%	(50,913)
Transfers and Grants				-				-		
NET CASH FROM/(USED) OPERATING ACTIVITIES		227,476	341,802	234,376	24,713	134,141	117,188	(16,953)	-14%	234,376
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE			-	-	-	-	-	-		-
Decrease (Increase) in non-current debtors								-		
Decrease (increase) other non-current receivables								-		
Decrease (increase) in non-current investments			-	-	-	-	-	-		-
Payments										
Capital assets		(195,258)	(163,290)	(163,290)	(10,732)	(116,524)	(81,645)	34,879	-43%	(163,290)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(195,258)	(163,290)	(163,290)	(10,732)	(116,524)	(81,645)	34,879	-43%	(163,290)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans								-		
Borrowing long term/refinancing								-		
Increase (decrease) in consumer deposits								-		
Payments										
Repayment of borrowing		(6,508)	(6,337)	(43,708)	(1,066)	(3,222)	(21,854)	(18,632)	85%	(43,708)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(6,508)	(6,337)	(43,708)	(1,066)	(3,222)	(21,854)	(18,632)	85%	(43,708)
NET INCREASE/ (DECREASE) IN CASH HELD		25,711	172,175	27,377	12,915	14,395	13,689			27,377
Cash/cash equivalents at beginning:		89,561	115,272	115,272		115,272	115,272			115,272
Cash/cash equivalents at month/year end:		115,272	287,446	142,649	12,915	129,667	128,960			142,649

The proposed budget reflects a positive cash flow within the projected cash flow and is within the 2019/2020 budget. The Municipality has a positive cash flow balance of R129 667m comparing to the projected cash flow of R128, 960 as at mid-year.

Communications implications

The provision of Sections 22 (b), 23 (3) and 24 (3) of the MFMA of apply in respect of a budget pertaining to the submission of the adjustment budget.

Constitutional and legal implications

The adjustment budget is prepared in terms of section 28 and 29 of the MFMA

Other Departments / Bodies Consulted

All municipal departments and Gauteng Provincial Treasury.

Recommendations

- 1) That the Revenue budget of R1, 661 854 223m and Expenditure budget of R 1 647 504 400m for the 2019/2020 - Financial Year be considered as an adjustments budget and submitted for consideration.
- 2) That it be noted that the adjustment budget will not result in the amendment of tariff changes and that the tariffs as adopted by Council for the 2019/2020 financial year remain unchanged.
- 3) That the capital budget be adjusted to R 266 044 250m.

CAPITAL BUDGET PROJECT LIST 2019/2020 - ANNEXURE A

Project No.	Project Description	Budget 2019/2020	Addition / Deduction (-)	Proposed Adjusted 2019/20 Budget
MIG PROJECTS				
P620	P M U Operational Expenses	3 313 750	0	3 313 750
P722(4)	Khutsong Roads and Stormwater (Phase 3)	3 260 000	0	3 260 000
P722(5)	Khutsong Roads and Stormwater (Phase 4)	1 600 000	0	1 600 000
P654	Kokosi Ext 6 Construction of Roads	2 000 000	0	2 000 000
P723(3)	Kokosi Roads and Stormwater (Phase 3)	842 500	0	842 500
P723(4)	Kokosi Roads and Stormwater (Phase 4)	12 175 000	-4 000 000	8 175 000
P723(5)	Kokosi Roads and Stormwater (Phase 5)	0	1 000 000	1 000 000
P724(3)	Wedela Ext 3 Roads and Stormwater (Phase 3)	6 000 000		6 000 000
P724(4)	Wedela Ext 3 Roads and Stormwater (Phase 4)	5 800 000		5 800 000
P724(5)	Wedela Ext 3 Roads and Stormwater (Phase 5)	0	1 000 000	1 000 000
P518(2)	Informal Trading Area (Phase 2 - Oberholzer)	750 000	0	750 000
P731(2)	Sludge Drying Beds - Kokosi & Khutsong WWTW	18 272 072	-3 813 410	14 458 662
P732	Khutsong North Water & Sewer Reticulation (Stage 1)	9 561 678	0	9 561 678
P743	Rehabilitation of Merafong Bulk Water Supply	2 700 000	4 200 000	6 900 000
P704(3)	Street Light Merafong Phase 2 (Phase 4)	0	1 023 917	1 023 917

P(New)	Upgrading of Access Road to Carletonville Landfill Site	0	589 493	589 493
INTEGRATED NATIONAL ELECTRIFICATION PROGRAM (INEP) GRANT				
P719	Fochville Bulk	6 951 192	0	6 951 192
P726(4)	Kokosi Ext 99 Electrification	1 668 600	0	1 668 600
P736	Kokosi Ext 6 Electrification	6 980 208	0	6 980 208
WATER SERVICESINFRASTRUCTURE GRANT				
P729	Replacement of Khutsong Reservoir	54 683 291	0	54 683 291
P742	Refurbishment of Wedela WWTW	15 000 000	0	15 000 000
COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS GRANT				
P735	Adata Pipeline	11 137 359	0	11 137 359
DISASTER RELIEF GRANT PROJECTS (CoGTA GRANTED)				
P730(11)	Carletonville Reservoir(007)	7 881 014	0	7 881 014
HUMAN SETTLEMENTS DEVELOPMENT GRANT (MINING TOWNS ALLOCATION)				
P570	Upgr of Existing Bulk Water Line and Pumpstation (Kokosi Ext 6)	0	4 034 155	4 034 155
P738	Greenspark Outfall Sewer	10 784 542	4 144 858	14 929 400
P739	Khutsong South Ext 5/6 Electrification	9 601 084	352 750	9 953 834
P740	Linkage of old Outfall Sewer Line and Manholes Kokosi Ext 7	2 648 291	0	2 648 291
P741	Fochville Reservoir	33 823 770	-7 497 608	26 326 162
Pnew	Khutsong Bulk Pipeline	25 000 000	-1 034 155	23 965 845