COUNCIL OF THE CITY OF CAPE TOWN 28 JANUARY 2016

ITEM NUMBER: C 04/01/16

RECOMMENDATION FROM THE EXECUTIVE MAYOR: 19 JANUARY 2016

MC 29/01/16 ADJUSTMENTS BUDGET: 2015/16 FINANCIAL YEAR

It was proposed that the following amendments, for inclusion in the 2015/16 adjustments budget, be recommended to Council for approval:

(i) WBS element C13.10101-F4 IRT: Phase 2A Wetton-Lansdowne Corridor funded ex Public Transport Network Grant (PTNG) be reduced on the capital budget by R92 million in the 2015/16 financial year;

A concomitant increase be allocated on various expenditure items in the operating budget within Transport for Cape Town directorate, as set out in the table below funded ex PTNG:

Cost Centre	Cost Element	Cost Element Description	Amount
11120010	412050	Electricity	1,052,309.81
11120010	412550	Insurance: Non GIF	4,651,450.47
19070007	411550	Cleaning Costs	14,315,122.41
19070007	412050	Electricity	202,228.52
19070007	412350	Hire Charges	362,848.50
19070007	413300	Pest Control	422,800.02
19070007	413800	Security Services & Charges	33,902,504.26
11120005	452070	Advisory Service	4,000,000.00
19070011	455130	Call Centre	587,593.23
19070023	453050	Building Contractors	32,503,142.78
Total			**92 000 000.00**

The MBRR budget tables be amended to incorporate the above as part of the adjustment prior to submission to National Treasury;

(ii) funds in the amount of R3 250 00 (14% VAT where applicable) in the 2015/16 financial year be disbursed from the Spatial Planning and Urban Design Department (SPUD) (Mayoral Urban Regeneration Programme) budget to the Cape Town Partnership (Safety Lab) for the purpose of implementing Social Crime Prevention programme activities. Annexure 1.2 (Transfers and Grants table to be amended accordingly).

The above proposals were duly supported.

Cllr Herron pointed out that indications are that PTNOG grant funding for the current financial year would be reduced by R212 000 000. It was noted that the reduction of grant funding would necessitate a further amendment to the adjustments budget and that this would be dealt with on receipt of written confirmation from National Treasury in this regard.

It is **RECOMMENDED** that:

(a) in terms of Section 28 of the MFMA, Council adopts the amendments proposed for incorporation into the 2015/16 adjustments budget (January 2016), attached as Annexure A to the report on the agenda, subject to the following amendments, that:

(i) WBS element C13.10101-F4 IRT: Phase 2A Wetton-Lansdowne Corridor funded ex Public Transport Network Grant (PTNG) be reduced on the capital budget by R92 million in the 2015/16 financial year;

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(b) an advance payment be made in the 2015/16 financial year for the procurement of electric buses as provided for on the 2016/17 Capital budget and be funded from the PTISG interest account, upon submission by the supplier of an acceptable advance payment guarantee to the City in terms of the SCM Policy.

(c) an amount of up to R2 million be made available in support of the Council approved Mayor's Special Fund objective, as contemplated in Section 12 of the MFMA

(d) authority be granted to establish a Capital Replacement Reserve (CRR: IRT Bus Insurance) into which all proceeds from IRT bus insurance claim settlements will be paid.

CITY OF CAPE TOWN
ISIXEKO SASEKAPA
STAD KAAPSTAD

004

Making progress possible. Together.

REPORT TO THE EXECUTIVE MAYOR DATE 2016 -01- 19

1. ITEM NUMBER : MC 29/01/16

2. SUBJECT

ADJUSTMENTS BUDGET: 2015/16 FINANCIAL YEAR
G3422: G3311: E7117: E7111: LSU E1985

AANSUIWERINGSBEGROTING: 2015/16-BOEKJAAR

ULUNGELELANISO LOHLAHLO-LWABIWO-MALI: UMNYAKA-MALI KA-2015/16

3. STRATEGIC INTENT

☒ - Opportunity City

Objective 1.2: Provide and maintain economic and social infrastructure to ensure infrastructure-led growth and development.

☒ - Well-run City

Objective 5.3: Ensure financial prudence, with clean audits by the Auditor-General.

4. PURPOSE

This report recommends adoption of an adjustments budget as provided for in Section 28 of the Municipal Finance Management Act (MFMA).

5. FOR NOTING BY / FOR DECISION BY

☒ This report is for consideration/decision by:
- Council

6. EXECUTIVE SUMMARY

This report recommends approval of the appropriation of certain budgetary amendments, as listed in the 2015/16 (January 2016) Adjustments Budget.

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7. RECOMMENDATIONS

Not delegated: for decision by Council

It is recommended that:

a. *In terms of section 28 of the MFMA, Council adopts the amendments proposed for incorporation into the 2015/16 adjustments budget (January 2016), attached as annexure A to this report.*
b. *That an advance payment be made in the 2015/16 financial year for the procurement of electric buses as provided for on the 2016/17 Capital budget and be funded from the PTISG interest account, upon submission by the supplier of an acceptable advance payment guarantee to the City in terms of the SCM policy.*
c. *An amount of up to R2 million be made available in support of the Council approved Mayor's special fund objective, as contemplated in S12 of the MFMA.*
d. *Authority be granted to establish a Capital Replacement Reserve (CRR: IRT Bus Insurance) into which all proceeds from IRT bus insurance claim settlements will be paid.*

AANBEVELING

Nie gedelegeer nie: vir besluitneming deur die Raad

Daar word aanbeveel dat:

a. *Die Raad ingevolge artikel 28 van die MFMA die wysigings voorgestel vir insluiting by die 2015/16-aansuiweringsbegroting (Januarie 2016), aangeheg as bylae A by hierdie verslag, goedkeur.*
b. *Dat 'n vooruitbetaling in die 2015/16 finansiële jaar gemaak word vir die aanskaffing van elektriese busse waarvoor in die 2016/17 kapitaalbegroting voorsiening gemaak is en uit die renterekening van die openbarevervoerinfrastruktuur-en-stelselstoelaag befonds word, na voorlegging deur die verskaffer van 'n aanvaarbare vooruitbetalingswaarborg aan die Stad ingevolge die beleid oor voorsieningskanaalbestuur.*

c. *'n Bedrag van R2 miljoen beskikbaar gestel word ter ondersteuning van die Raadsgoedgekeurde oogmerk van die burgemeester se spesiale fonds, soos beoog in artikel 12 van die Wet op Munisipale Finansiële Bestuur.*
d. *Dat magtiging verleen word om 'n kapitaalvervangingsreserwe te skep (IRT Busversekering) waarin die opbrengs van die uitbetaling van IRT busversekeringseise betaal sal word.*

ISINDULULO

<u>Azigunyaziswanga: Isigqibo seseBhunga</u>

Kundululwe ukuba:

a. *Kundululwe ukuba ngokwecandelo-28 le-MFMA, iBhunga malamkele izilungiso eziphakanyiswe ukuba ziqukwe kulungelelaniso lohlahlo-lwabiwo-mali luka-2015/16 (Janyuwari 2016), njengoko kuqhotyoshelwe kwisihlomelo-A kule ngxelo.*
b. *Ukuba makunikezelwe intlawulo kwangethuba kumnyaka-mali ka-2015/16 ukuze kuthengwe iibhasi ezihamba ngombane njengoko kubonelelwe kuhlahlo-lwabiwo-mali olungezimali ezinkulu kowama-2016/17 kwakhona ixhaswe kwi-akhawunti engenzala ye-PTISG, emva kokuba kungeniswe ngumbonelelo iziqinisekiso esamkelekileyo sentlawulo kwangethuba kwiSixeko, ngokungqinelana noMgaqo-nkqubo ongoLawulo loBonelelo ngeMpahla ekwiZiko (SCM).*
c. *c. Isixa-mali esifikelele kwi-R2 sesigidi masifumaneke, apho sixhasa injongo zengxow-mali eyodwa kaSodolophu ephunyeziweyo, njengoko kudandalkazisiwe kwicandelo-12 le-MFMA.*
d. *Makunikezwe igunya lokumisela iNtsalela yoTshintsho lweNkunzi (CRR: i-inshorenisi yeebhasi ze-IRT) apho kuzakuhlawulwa onke amabango e-inshorenisi yeebhasi ze-IRT.*

8. DISCUSSION/CONTENTS

8.1. <u>Constitutional and Policy Implications</u>

MFMA Section 28 and National Treasury MFMA Circulars No. 28 and 54 provide directives and guidelines for submitting municipal adjustment budgets to Council for adoption. Annexure A to this report represents the documentation in compliance thereto.

8.2. <u>Sustainability Implications</u>

Does the activity in this report have any sustainability implications for the City?	No ☒	Yes ☐

8.3. **Legal Implications**

Not applicable.

8.4. **Staff Implications**

Does your report impact on staff resources, budget, grading, remuneration, allowances, designation, job description, location or your organisational structure?

No ☒

Yes ☐

ANNEXURES

Annexure A – 2015/16 Adjustments Budget: 28 January 2016

FOR FURTHER DETAILS CONTACT:

NAME	Johan Steyl
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E-MAIL ADDRESS	johan.steyl@capetown.gov.za
DIRECTORATE	Finance
SIGNATURE : DIRECTOR	

EXECUTIVE DIRECTOR (Acting)

Comment:

NAME ~~KEVIN JACOBY~~ George van Schalkwyk

DATE 12·01·2016

☑ REPORT COMPLIANT WITH THE PROVISIONS OF COUNCIL'S DELEGATIONS, POLICIES, BY-LAWS AND ALL LEGISLATION RELATING TO THE MATTER UNDER CONSIDERATION.

☐ NON-COMPLIANT

LEGAL COMPLIANCE

NAME Sarah van Zyl

TEL 021 400 5446

DATE 12.01.2016

Comment:
Certified as legally compliant:
Based on the contents of the report.

EXECUTIVE DIRECTOR: COMPLIANCE AND AUXILIARY SERVICES *(ED: CAS)*

DATE 13/1/16

☑ SUPPORTED FOR ONWARD SUBMISSION TO MAYOR ☐ / MAYCO ☑ / COUNCIL ☑

☐ NOT SUPPORTED

☐ REFERRED BACK

COMMENT:

ACTING **MAYORAL COMMITTEE MEMBER**

NAME JFH V/D MERWE

DATE 14/01/2016

COMMENT:

Pde Lille

EXECUTIVE MAYOR

☑ SUPPORTED FOR ONWARD SUBMISSION TO MAYCO ☑ / COUNCIL ☐:

☐ PC RECOMMENDATION

☐ RECOMMENDATION AS CONTAINED IN ORIGINAL REPORT

☐ ALTERNATIVE RECOMMENDATION TO BE REFLECTED BELOW

☐ APPROVED I.T.O. DELEGATED AUTHORITY

☐ NOTED

☐ REFUSED

☐ REFERRED BACK

COMMENT:

DATE 14.01.2016