

1. ITEM NUMBER

2. SUBJECT

ADJUSTMENTS BUDGET: 2016/17 FINANCIAL YEAR H4147, H4229

AANSUIWERINGSBEGROTING: 2016/17-BOEKJAAR

ULUNGELELANISO LOHLAHLO-LWABIWO-MALI: UMNYAKA-MALI KA-2016/17

3. DELEGATED AUTHORITY

In terms of Section 28 of the Municipal Finance Management Act (MFMA), the Mayor may table an adjustments budget in the municipal council.

This report is For decision by

- ☐ Committee name:
- ☐ The Executive Mayor ito Delegated authority
- ☐ The Executive Mayor together with the Mayoral Committee (MAYCO)
- ☒ Council

4. DISCUSSION

This report recommends approval of the appropriation of certain budgetary amendments as listed in the 2016/17 (January 2017) adjustments budget.

- 4.1. Financial implications ☒ None ☐ Opex ☐ Capex
- ☐ Capex: New Projects
 - ☐ Capex: Existing projects requiring additional funding
 - ☐ Capex: Existing projects with no additional funding requirements

4.2. Legal Compliance ☒

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.

4.3. Staff Implications ☐ Yes ☒ No

5. OUTCOMES OF DISCUSSIONS WITH MAYCO MEMBER

The adjustments budget is directed on by the Executive Mayor.

6. 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 2016/17 adjustments budget (January 2017), as contained in annexure A to this report.
- b. The CTICC board of directors approve the amendment made by Council in terms of Section 87(7) of the MFMA regarding the grant allocation made by the Western Cape Provincial Government to defray any mSCOA-related expenditure to the value of R220 000.
- c. A deposit payment of R31.9 million funded from the PTISG interest account, for the procurement of electric busses, be made in the 2016/17 financial year upon submission by the supplier of an acceptable advance payment guarantee to the City in terms of the City's SCM Policy. The full 2016/17 budgetary allocation will be rephased to the 2017/18 financial year.
- d. Council rescinds its previous decision to adopt all stipulations of the National Treasury Circular 82 and dated March 2016. Specifically, it is recommended that Council adopts an amended approach to Circular 82 stipulations relating to the 'Engagement of Consultants'. Specific details of the rationale behind and proposals relating to the City's proposed amended approach, which result primarily from the extent and diversity of its SCM contracts, is contained in Annexure B to this report.
- e. Council approves the commencement of a process, in compliance with Section 46 of the MFMA, to take up funding up to an amount of R2.5 billion, depending on cash flow requirements.

AANBEVELINGS

Nie gedelegeer nie: Vir besluitneming deur die Raad

Daar word aanbeveel dat:

- a. Die Raad ingevolge artikel 28 van die MFMA die aansuiwerings aanvaar wat vir insluiting by die 2016/17-aansuiweringsbegroting (Januarie 2017) voorgestel is, soos vervat in bylae A tot hierdie verslag.
- b. Die direksie van KIKS die wysiging aanvaar wat ingevolge artikel 87(7) van die MFMA deur die Raad gemaak is met betrekking tot die toelaetoekenning wat deur die Wes-Kaapse regering gemaak is om enige mSCOA-verwante uitgawes tot die waarde van R220 000 te betaal.
- c. 'n Depositobetaling van R31.9 miljoen, befonds uit die PTISG-renterekening vir die verkryging van elektriese busse, in die 2016/17-boekjaar gemaak word nadat die verskaffer ingevolge die Stad se beleid oor voorsieningskanaalbestuur 'n aanvaarbare vooruitbetalingswaarborg aan die Stad voorgelê het. Die volle 2016/17-begrotingstoekenning sal na die 2017/18-boekjaar gefaseer word.
- d. Die Raad sy vorige besluit om alle bepalinge van nasionale tesourie se omsendbrief 82 gedateer Maart 2015 te aanvaar, herroep. Daar word veral aanbeveel dat die Raad 'n gewysigde benadering tot omsendbrief 82 se bepalinge met betrekking tot die 'aanstelling van konsultante' aanneem. Meer besonderhede oor die logika agter en voorstelle in verband met die Stad se voorgestelde, gewysigde benadering, wat grotendeels uit die omvang en diversiteit van sy voorsieningskanaalbestuur-kontrakte voortspruit, is in bylae B tot hierdie verslag vervat.
- e. Die Raad goedkeuring verleen dat daar met 'n proses ooreenkomstig artikel 46 van die MFMA begin word vir die opneem van befondsing ten bedrae van tot R2.5 miljard, afhangende van kontantvloei vereistes.

IZINDULULO

Azigunyaziswanga-isigqibo seseBhunga

Kundululwe ukuba:

- a. Ngokwecandelo-28 le-MFMA, iBhunga malamkele izilungiso ezithe zaphakanyiswa ukuze ziqukwe kulungelelwaniso lohlahlo-lwabiwo-mali luka-2016/17 (Janyuwari 2017) oluqhutyoshelwe kwisihlomelo-A kule ngxelo.
- b. Ibhodi yabalawuli beCTIICC mayiphumeze izilungiso ezenziwe liBhunga ngokwecandelo 87(7) leMFMA ngokuphathelene nolwabiwo lwesibonelelo soncedo esenziwe nguRhulumente wePhondo leNtshona Koloni sokuhlawula nayiphi na inkcitho enxulumene nemSCOA ngexabiso elingamaR220 000.
- c. Intlawulo eyi-R31.9 miliyoni ephuma kwi-akhawunti engenzala yePTISG yokuthenga iibhasi ezihamba ngombane, mayenziwe ngonyaka-mali ka-2016/17 emva kokuba kungeniswe ngumboneleli iziqinisekiso ezamkelekileyo zentlawulo kwangethuba kwiSixeko, ngokungqinelana noMgaqo-nkqubo ongoLawulo loBonelelo ngeMpahla ekwiZiko (SCM). Ulwabiwo olupheleleyo

lohlahlo-lwabiwo-mali luka-2016/17 luzakukhutshelwa kunyaka-mali ka-2017/18.

- d. IBhunga malirhoxise isigqibo salo sangaphambili sokwamkela yonke imiqathango yeSetyhula 82 kaNondyebo weSizwe yangoMatshi 2016. Ngokucacileyo, kundululwe ukuba iBhunga malamkele izilungiso kwimiqathango yeSetyhula 82 ephathelene 'nokuBandandakanyeka kwabaCebisi'. Ikcukacha ezicacileyo zoku kunye neziphakamiso eziphathelene nezilungiso eziphakanyiswe siSixeko, ezingunobangela wobungakanani nokwahluka kweekhontrakthi zeSCM, ziqulathwe kwisihlomelo B sale ngxelo.
- e. IBhunga maliphumeze ukuqalisa kwenkqubo, ngokuthi lithobele icandelo 46 leMFMA, ukuze lithathe isixa-mali esifikelela kwi-R2.5 billion, ngokuxhomekeke kwiimfuno zemali.

ANNEXURES

Annexure A – 2016/17 Adjustments Budget: 26 January 2017

Annexure B – Engagements of Consultants: NT Circular 82

FOR FURTHER DETAILS CONTACT

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DIRECTORATE	Finance	FILE REF No	n/a
SIGNATURE : DIRECTOR _____			

EXECUTIVE DIRECTOR: FINANCE

NAME	KEVIN JACOBY	COMMENT:
DATE		
SIGNATURE		

LEGAL COMPLIANCE

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

☐ NON-COMPLIANT

NAME _____

COMMENT: _____

DATE _____

SIGNATURE _____

EXECUTIVE MAYOR

☐ SUPPORTED

☐ NOT SUPPORTED

NAME _____

COMMENT: _____

DATE _____

SIGNATURE _____