



20/04/18
 MUNICIPAL MANAGER
 King Sabata Dalindyebo
 Municipality
[Signature]

TO : COUNCIL

FROM : EXECUTIVE MAYOR

DATE : 20 APRIL 2018

SUBJECT : SECOND ADJUSTMENT BUDGET 2017/2018 MTREF

1. PURPOSE OF THE REPORT

The purpose of the report is to recommend to the Council the approval of 2017/2018 Second Adjustment Budget.

2. LEGAL STATUTORY REQUIREMENTS

- Municipal Finance Management Act No. 56 of 2003

3. BACKGROUND

It is a requirement that when a municipality receives additional funding that was not previously budgeted for, budget be adjusted and submitted to council for approval.

KSD Municipality has received two additional funding:-

- One from COGTA amounting to R11 229 500 for electrification of Phola Park and Ngcwanguba location. This amount was never included in the budget for the previous year because there was an assumption that all transactions will be performed at the level of the Province.
- The second additional funding is for MIG amounting R 18 500 000 received in March after the adjustment was tabled as an incentive for good performance.

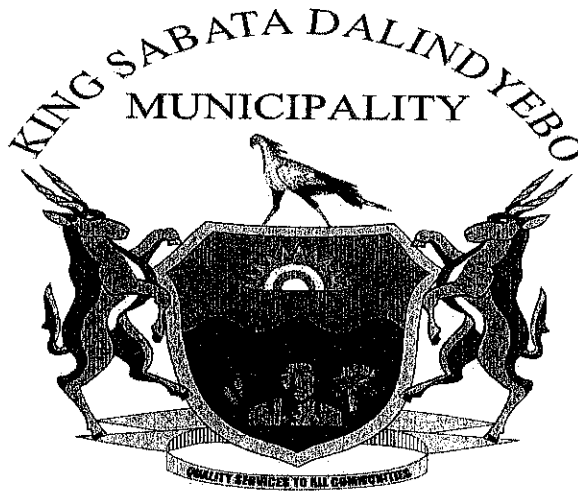
RECOMMENDATIONS

It is recommended that the Council approves the second adjustment budget.

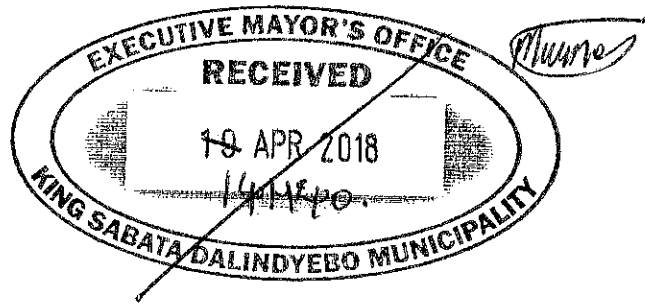
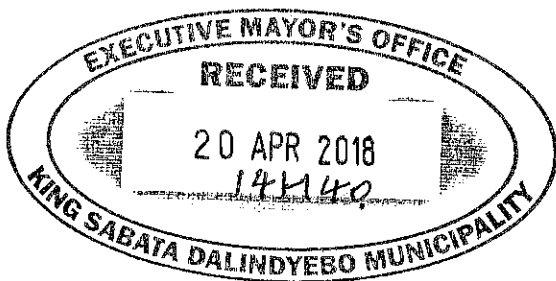
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CLLR D. ZOZO

EXECUTIVE MAYOR- KSD LM



SECOND DRAFT ADJUSTMENT BUDGET 2017/2018 MTREF



1. INTRODUCTION

Section 28 of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003) stipulates as follows:-

- (1) A municipality may revise an approved annual budget through an adjustments budget.
- (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, 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 council;
 - (f) may correct any errors in the annual budget; and
 - (g) may provide for any other expenditure within a prescribed framework.

2. PURPOSE OF THIS REPORT

The purpose of this report is to recommend to the council the approval of 2017/2018 second adjustment and the related changes in the Integrated Development Plan.

3. BACKGROUND AND DISCUSSION OF THE SECOND DRAFT BUDGET

Post submission and approval the municipality the following documents:-

- Letter from COGTA EC informing the municipality that they have made funds available for the completion of the electrification of Phola Park and Ngcwanguba Electricity projects. In the previous year the MEC for COGTA had indicated that they will fund the project. The amounts and timing was never indicated nor was there any written communication to that effect. The amount allocated to the municipality is for Phola Park and Ngcwanguba is R7

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BUDGET 2017/18**

700 000 and R3 529 500 respectively. The total amount allocated by COGTA for these projects is R11 229 500. Communication is attached as annexure A.

- Letter from COGTA in relation to MIG dated 26 March 2018 indicated that the municipality will be allocated additional R18 500 000 for the Rotary Stadium Project and Elliot Street Surfacing. Letter is attached as Annexure B.
- It is also recommended that a sum of R3 250 010.08 from ICT contributions to capital outlay that did not kick off due to disagreements with the appointed service provider be allocated for the post and telecommunications and rental of printing machine budget. The amount allocated to close the gap is R3100 000. The balance of R150 010 to close gap on salaries expenditure in the corporate services. This expenditure cannot be avoided as this can render the municipality dysfunctional.

It is against these background that it is recommended that the council approves the second adjustment budget.

TABLE 1. HIGH LEVEL SUMMARY AND OF THE PROPOSED ADJUSTMENT

Description	Budget Year 2017/18				Budget Year +1 2018/19
	Original Budget	Total Adjusts.	1st Adjusted Budget	2nd Adjusted Budget	Adjusted Budget
R thousands	R" 000	R" 000	R" 000	R" 000	R" 000
Revenue	1,198,159	(1,869)	1,196,290	1,196,290	1,273,535
Total Expenditure	1,189,495	(2,125)	1,187,370	1,190,620	1,271,845
Surplus/(Deficit)	8,665	256	8,921	5,671	1,273,535
Own Funded Capital Income	8,665	205	8,870	5,620	4,913
Grant Funded Capital Expenditure	227,052	19,589	246,640	276,370	285,697
Total Capital Expenditure	235,716	19,794	255,510	281,990	290,610

The overall impact of the adjustment can be illustrated as follows:

- Increase in general expenditure R3.1 million
- Increase in salaries of R0.15 million
- A decrease in contributions to capital outlay of R3.2 million
- An increase in Capital budget of R29.8 million.

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BUDGET 2017/18**

Table 2 : REVISED REVENUE ADJUSTMENT

King Sabata Dalindyebo Local Municipality						
DESCRIPTION	BUDGET YEAR				Budget Year Budget Year +1 2018/19 +2 2019/20	
	BUDGET R'000	Adjustments	1st ADJUSTED R'000	2nd ADJUSTED	201819 R'000	201920 R'000
Property Rates	242,248	(10,000)	232,248	232,248	275,056	290,459
Refuse Removal Charges	38,830	4,000	42,830	42,830	46,043	48,621
Ref. Removal Trolley Bin/Skip	4,218	-	4,218	4,218	5,459	5,764
Electricity Sales Prepaid	197,033	-	197,033	197,033	218,737	231,424
Electricity Billed	191,731	-	191,731	191,731	212,701	225,037
Fire Brigade Fees	4,303	1,300	5,603	5,603	4,549	4,803
Other Service Charges	3,117	-	3,117	3,117	3,295	3,479
Rent of Facilities and Equipment	19,319	-	19,319	19,319	20,420	21,564
Interest Earned - External Investment	3,526	-	3,526	3,526	3,727	3,936
Interest Earned - Outstanding	37,807	-	37,807	37,807	39,962	42,200
Fines	2,691	-	2,691	2,691	2,849	3,014
Licenses and Permits	17,168	-	17,168	17,168	18,147	19,163
Grants & Subsidies Received - Operating	293,208	2,831	296,039	296,039	310,504	325,920
Grants & Subsidies Received - Capital	134,978	-	134,978	134,978	103,649	128,450
Other Revenue	6,561	-	6,561	6,561	6,935	7,323
Gains on Disposal Of Property,	1,422	-	1,422	1,422	1,503	1,587
	1,198,159	(1,869)	1,196,290	1,196,290	1,273,535	1,362,746

No changes or adjustments made in the operating revenue.

Table 3 REVISED EXPENDITURE ADJUSTMENT

King Sabata Dalindyebo Local Municipality					
DESCRIPTION	BUDGET YEAR				Budget Year +1 2018/19
	BUDGET R'000	Adjustments	1st ADJUSTED R'000	2nd ADJUSTED	201819 R'000
Employee Related Costs	422,759	(7,210)	415,550	415,700	451,082
Remuneration Of Councillors	26,732	-	26,732	26,732	28,523
Bulk Purchases - Electr Energy	285,635	-	285,635	285,635	285,386
General Expenses - Contracted	7,982	(82)	7,900	7,900	8,453
Indigent Subsidy	24,000	-	24,000	24,000	25,416
General Expenses - Other	137,466	6,464	143,930	147,030	131,862
General Expenses: Grants & Sub	19,357	51	19,409	19,409	13,800
Repairs & Maintenance - Munici	43,326	(1,349)	41,976	41,976	45,885
Depreciation - Property, Plant & Equipmen	165,723	-	165,723	165,723	218,340
Interest On External Borrowing	28,461	-	28,461	28,461	30,141
Contributions From Operating T	8,665	205	8,870	5,620	5,147
Contributions To / From Provis	28,053	-	28,053	28,053	29,708
	1,198,159	(1,920)	1,196,239	1,196,239	1,273,742
Surplus		(51)	(51)		207

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TABLE 4: REVISED CAPITAL EXPENDITURE ADJUSTMENTS

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Grants and subsidies Capital

An adjustment of R29.8 million up on capital expenditure as well as a reduction of R3.2 million on contribution to capital outlay.

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4. MAIN SUPPORTING TABLES

4.1 TABLE 5: B1 BUDGET SUMMARY

EC157 King Sabata Dalindyebo - Table B1 Adjustments Budget Summary - 30 APRIL 2018

Description	Budget Year 2017/18									Budget Year +1 2018/19	Budget Year +2 2019/20
	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavold.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands	A	1	2	3	4	5	6	7	8		
	AI	B	C	D	E	F	G	H			
Financial Performance											
Property rates	242,248	-	-	-	-	-	(10,000)	(10,000)	232,248	275,096	290,459
Service charges	438,232	-	-	-	-	-	(441)	(441)	438,791	486,089	514,173
Investment revenue	3,526	-	-	-	-	-	-	-	3,526	3,727	3,936
Transfers recognised - operational	293,208	-	-	-	-	-	2,831	2,831	296,039	310,504	325,920
Other own revenue	84,986	-	-	-	-	-	5,741	5,741	90,709	94,510	99,808
Total Revenue (excluding capital transfers and contributions)	1,083,182	-	-	-	-	-	(1,866)	(1,866)	1,061,313	1,169,887	1,234,296
Employee costs	422,759	-	-	-	-	-	(5,748)	(5,748)	417,012	452,054	461,912
Remuneration of councillors	26,732	-	-	-	-	-	(235)	(235)	26,497	28,391	30,265
Depreciation & asset Impairment	165,723	-	-	-	-	-	-	-	165,723	218,340	202,035
Finance charges	28,461	-	-	-	-	-	-	-	28,461	30,141	31,889
Materials and bulk purchases	285,635	-	-	-	-	-	6,207	6,207	291,841	307,609	359,359
Transfers and grants	24,000	-	-	-	-	-	(23,882)	(23,882)	118	104	110
Other expenditure	236,164	-	-	-	-	-	24,784	24,784	260,967	231,958	251,950
Total Expenditure	1,189,495	-	-	-	-	-	1,125	1,125	1,190,620	1,266,595	1,357,520
Surplus/(Deficit)	(126,313)	-	-	-	-	-	(2,894)	(2,894)	(129,307)	(96,709)	(123,224)
Transfers recognised - capital	134,978	-	-	-	-	-	246,640	246,640	391,618	389,112	434,254
Contributions recognised - capital & contributed assets	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	8,665	-	-	-	-	-	243,646	243,646	252,311	290,403	311,030
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	8,665	-	-	-	-	-	243,646	243,646	252,311	290,403	311,030
Capital expenditure & funds sources											
Capital expenditure	235,716	-	-	-	-	-	16,543	16,543	252,260	280,844	311,492
Transfers recognised - capital	227,052	-	-	-	-	-	49,318	49,318	276,370	285,697	306,051
Public contributions & donations	-	-	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-	-	-
Internally generated funds	8,665	-	-	-	-	-	(3,045)	(3,045)	5,620	5,147	5,441
Total sources of capital funds	235,716	-	-	-	-	-	46,273	46,273	261,990	290,844	311,492
Financial position											
Total current assets	190,389	-	-	-	-	-	-	-	190,389	402,148	614,386
Total non current assets	2,462,568	-	-	-	-	-	-	-	2,462,568	2,391,283	2,327,669
Total current liabilities	196,495	-	-	-	-	-	-	-	196,495	259,377	349,913
Total non current liabilities	116,642	-	-	-	-	-	-	-	116,642	204,153	257,015
Community wealth/equity	2,339,820	-	-	-	-	-	-	-	2,339,820	2,329,901	2,335,128
Cash flows											
Net cash from (used) operating	347,877	-	-	-	-	-	15,545	15,545	363,422	440,348	459,753
Net cash from (used) investing	(235,716)	-	-	-	-	-	(19,794)	(19,794)	(255,510)	290,844	311,492
Net cash from (used) financing	15,000	-	-	-	-	-	-	-	15,000	15,000	15,000
Cash/cash equivalents at the year end	139,662	-	-	-	-	-	(4,249)	(4,249)	155,413	685,654	1,090,818
Cash backlog/surplus reconciliation											
Cash and investments available	139,662	-	-	-	-	-	-	-	139,662	304,373	467,848
Application of cash and investments	118,765	-	-	-	-	-	8	8	118,773	114,418	126,144
Balance - surplus (shortfall)	20,897	-	-	-	-	-	(8)	(8)	20,889	189,954	339,704
Asset Management											
Asset register summary (WDV)	2,462,568	-	-	-	-	-	-	-	2,462,568	2,391,283	2,327,669
Depreciation & asset Impairment	165,723	-	-	-	-	-	-	-	165,723	218,340	202,035
Renewal of Existing Assets	141,431	-	-	-	-	-	2,151	2,151	143,682	103,090	126,194
Repairs and Maintenance	43,328	-	-	-	-	-	(1,352)	(1,352)	41,977	45,865	46,579
Free services											
Cost of Free Basic Services provided	15,890	-	-	-	-	-	-	-	15,890	15,890	15,890
Revenue cost of free services provided	15,198	-	-	-	-	-	-	-	15,198	16,414	17,727
Households below minimum service level											
Water:	-	-	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:	15	-	-	-	-	-	-	-	15	15	15
Energy:	81	-	-	-	-	-	-	-	81	81	81
Refuse:	76	-	-	-	-	-	-	-	76	76	76

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4.2 TABLE 6: B2 FINANCIAL PERFORMANCE BY STANDARD CLASSIFICATION

EC157 King Sabata Dalindyebo - Table B2 Adjustments Budget Financial Performance (functional classification) - 30 APRIL 2018

Standard Description	Ref	Budget Year 2017/18									Budget Year	Budget Year
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands	1, 4	A	5 A1	6 B	7 C	8 D	9 E	10 F	11 G	12 H	+1 2018/19	+2 2019/20
Revenue - Functional												
<i>Governance and administration</i>		586,122	-	-	-	-	-	(6,057)	(6,057)	581,065	646,170	680,373
Executive and council		254	-	-	-	-	-	-	-	254	268	283
Finance and administration		585,868	-	-	-	-	-	(6,057)	(6,057)	580,811	645,902	680,089
Internal audit		-	-	-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		38,108	-	-	-	-	-	65	65	38,173	8,846	8,976
Community and social services		2,482	-	-	-	-	-	3	3	2,485	2,629	2,776
Sport and recreation		140	-	-	-	-	-	(64)	(64)	76	80	84
Public safety		3,929	-	-	-	-	-	1,778	1,778	5,707	4,658	4,919
Housing		31,557	-	-	-	-	-	(1,652)	(1,652)	29,905	1,480	1,197
Health		-	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		121,199	-	-	-	-	-	(828)	(828)	120,370	114,373	120,997
Planning and development		6,503	-	-	-	-	-	2,148	2,148	8,650	6,212	6,570
Road transport		114,696	-	-	-	-	-	(2,976)	(2,976)	111,720	108,162	114,427
Environmental protection		-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>		452,456	-	-	-	-	-	3,998	3,998	456,454	503,904	552,145
Energy sources		407,979	-	-	-	-	-	(2)	(2)	407,977	450,892	496,165
Water management		-	-	-	-	-	-	-	-	-	-	-
Waste water management		44,477	-	-	-	-	-	(44,477)	(44,477)	-	-	-
Waste management		-	-	-	-	-	-	48,477	48,477	48,477	53,012	55,980
Other		275	-	-	-	-	-	(47)	(47)	229	242	255
Total Revenue - Functional	2	1,198,159	-	-	-	-	-	(1,869)	(1,869)	1,196,290	1,273,535	1,362,746
Expenditure - Functional												
<i>Governance and administration</i>		404,987	-	-	-	-	-	27,226	27,226	432,182	480,564	510,931
Executive and council		89,743	-	-	-	-	-	(12,867)	(12,867)	76,876	81,115	86,349
Finance and administration		310,707	-	-	-	-	-	40,093	40,093	350,800	394,750	419,576
Internal audit		4,506	-	-	-	-	-	-	-	4,506	4,699	5,006
<i>Community and public safety</i>		57,734	-	-	-	-	-	(6,305)	(6,305)	51,429	52,912	56,377
Community and social services		15,423	-	-	-	-	-	1,172	1,172	16,595	16,450	17,529
Sport and recreation		21,480	-	-	-	-	-	(8,548)	(8,548)	12,933	13,924	14,834
Public safety		17,057	-	-	-	-	-	295	295	17,352	18,512	19,723
Housing		3,773	-	-	-	-	-	776	776	4,549	4,025	4,290
Health		-	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		327,923	-	-	-	-	-	(19,941)	(19,941)	307,982	346,724	345,892
Planning and development		48,103	-	-	-	-	-	(15,433)	(15,433)	32,670	25,488	26,914
Road transport		274,585	-	-	-	-	-	(4,600)	(4,600)	269,985	315,552	312,920
Environmental protection		5,235	-	-	-	-	-	93	93	5,328	5,884	6,058
<i>Trading services</i>		398,081	-	-	-	-	-	134	134	399,015	386,388	444,311
Energy sources		333,500	-	-	-	-	-	(8,946)	(8,946)	324,554	317,045	369,534
Water management		-	-	-	-	-	-	-	-	-	-	-
Waste water management		4,162	-	-	-	-	-	9,383	9,383	13,545	4,440	4,731
Waste management		61,218	-	-	-	-	-	(303)	(303)	60,915	68,903	70,046
Other		-	-	-	-	-	-	11	11	11	8	9
Total Expenditure - Functional	3	1,189,495	-	-	-	-	-	1,125	1,125	1,190,620	1,288,595	1,357,520
Surplus/ (Deficit) for the year		8,665	-	-	-	-	-	(2,994)	(2,994)	5,671	4,940	5,227

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4.3. TABLE 7 : B3 FINANCIAL PERFORMANCE BY MUNICIPAL VOTE

EC157 King Sabata Dalindyebo - Table B3 Adjustments Budget Financial Performance (revenue and expenditure by municipal vote) - 30 APRIL 2018

Vote Description <i>[insert departmental structure etc]</i>	Ref	Budget Year 2017/18										Budget Year +1 2018/19	Budget Year +2 2019/20
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands		3	4	5	6	7	8	9	10				
Revenue by Vote	1												
Vote 1 - EXECUTIVE & COUNCIL		1,436	-	-	-	-	-	-	1,436	-	1,517	1,602	
Vote 2 - FINANCE & ASSET MANAGEMENT		573,329	-	-	-	-	(9,949)	(9,949)	563,380	632,377	666,246		
Vote 3 - CORPORATE SERVICES		784	-	-	-	-	-	-	784	517	546		
Vote 4 - PLANNING, SOCIAL AND ECONOMIC DEVELOPMENT		9,989	-	-	-	-	2,780	2,780	12,769	2,402	2,537		
Vote 5 - HUMAN SETTLEMENT		31,557	-	-	-	-	-	-	31,557	3,226	3,041		
Vote 6 - COMMUNITY SERVICES		54,345	-	-	-	-	4,000	4,000	58,345	59,092	62,065		
Vote 7 - PUBLIC SAFETY		23,134	-	-	-	-	1,300	1,300	24,434	24,458	25,833		
Vote 8 - INFRASTRUCTURE		503,586	-	-	-	-	-	-	503,586	549,946	600,876		
Total Revenue by Vote	2	1,198,159	-	-	-	-	(1,869)	(1,869)	1,196,290	1,273,535	1,362,746		
Expenditure by Vote	1												
Vote 1 - EXECUTIVE & COUNCIL		98,944	-	-	-	-	(9)	(9)	98,936	103,287	109,731		
Vote 2 - FINANCE & ASSET MANAGEMENT		234,724	-	-	-	-	(2,382)	(2,382)	232,342	249,463	270,107		
Vote 3 - CORPORATE SERVICES		43,467	-	-	-	-	3,567	3,567	47,034	42,766	45,484		
Vote 4 - PLANNING, SOCIAL AND ECONOMIC DEVELOPMENT		25,365	-	-	-	-	5,277	5,277	30,642	26,942	28,703		
Vote 5 - HUMAN SETTLEMENT		35,449	-	-	-	-	(1,898)	(1,898)	33,551	31,408	33,465		
Vote 6 - COMMUNITY SERVICES		86,601	-	-	-	-	(790)	(790)	85,811	89,532	93,766		
Vote 7 - PUBLIC SAFETY		114,135	-	-	-	-	126	126	114,262	121,760	129,772		
Vote 8 - INFRASTRUCTURE		550,809	-	-	-	-	(2,767)	(2,767)	548,041	603,438	646,491		
Total Expenditure by Vote	2	1,189,495	-	-	-	-	1,125	1,125	1,190,620	1,268,595	1,357,520		
Surplus/ (Deficit) for the year	2	8,665	-	-	-	-	(2,994)	(2,994)	5,671	4,940	5,227		

**KING SABATA DALINDYEBO MUNICIPALITY SECOND ADJUSTMENT
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4.4 TABLE 8 B4 FINANCIAL PERFORMANCE (REVENUE BY SOURCE & EXPENDITURE BY TYPE)

EC157 King Sabata Dalindyebo - Table B4 Adjustments Budget Financial Performance (revenue and expenditure) - 30 APRIL 2018

Description	Ref	Budget Year 2017/18									Budget Year	Budget Year
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		3	4	5	6	7	8	9	10	+1 2018/19	+2 2019/20	
R thousands	1	A	A1	B	C	D	E	F	G	H		
Revenue By Source												
Property rates	2	242,248	-	-	-	-	-	(10,000)	(10,000)	232,248	275,066	290,459
Service charges - electricity revenue	2	388,764	-	-	-	-	-	2,980	2,980	391,743	434,588	459,787
Service charges - water revenue	2	-	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	2	-	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	2	43,048	-	-	-	-	-	4,000	4,000	47,048	51,502	54,386
Service charges - other		7,420	-	-	-	-	-	(7,420)	(7,420)	-	-	-
Rental of facilities and equipment		19,319	-	-	-	-	-	2	2	19,321	20,423	21,566
Interest earned - external investments		3,526	-	-	-	-	-	-	-	3,526	3,727	3,936
Interest earned - outstanding debtors		37,807	-	-	-	-	-	-	-	37,807	39,962	42,200
Dividends received		-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		2,691	-	-	-	-	-	542	542	3,233	3,422	3,620
Licences and permits		17,168	-	-	-	-	-	(15,084)	(15,084)	2,084	2,203	2,326
Agency services		-	-	-	-	-	-	14,218	14,218	14,218	16,023	16,920
Transfers and subsidies		293,208	-	-	-	-	-	2,831	2,831	296,039	310,504	325,920
Other revenue	2	6,561	-	-	-	-	-	6,062	6,062	12,623	10,974	11,589
Gains on disposal of PPE		1,422	-	-	-	-	-	-	-	1,422	1,503	1,587
Total Revenue (excluding capital transfers and contributions)		1,063,182	-	-	-	-	-	(1,869)	(1,869)	1,061,313	1,169,887	1,234,296
Expenditure By Type												
Employee related costs		422,759	-	-	-	-	-	(5,748)	(5,748)	417,012	452,054	481,912
Remuneration of councillors		28,732	-	-	-	-	-	(235)	(235)	28,497	28,391	30,265
Debt impairment		28,053	-	-	-	-	-	-	-	28,053	29,708	31,431
Depreciation & asset impairment		165,723	-	-	-	-	-	-	-	165,723	218,340	202,035
Finance charges		28,461	-	-	-	-	-	-	-	28,461	30,141	31,889
Bulk purchases		285,635	-	-	-	-	-	-	-	285,635	285,386	335,892
Other materials		-	-	-	-	-	-	6,207	6,207	6,207	22,223	23,467
Contracted services		7,982	-	-	-	-	-	46,359	46,359	54,341	43,494	45,516
Transfers and subsidies		24,000	-	-	-	-	-	(23,882)	(23,882)	118	104	110
Other expenditure		200,149	-	-	-	-	-	(21,575)	(21,575)	178,573	158,758	175,003
Loss on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-
Total Expenditure		1,189,495	-	-	-	-	-	1,125	1,125	1,190,620	1,266,595	1,357,520
Surplus/(Deficit)		(126,313)	-	-	-	-	-	(2,994)	(2,994)	(129,307)	(98,709)	(123,224)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		134,978	-	-	-	-	-	246,640	246,640	381,618	389,112	434,254
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) before taxation		8,665	-	-	-	-	-	243,646	243,646	252,311	290,403	311,030
Taxation		-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		8,665	-	-	-	-	-	243,646	243,646	252,311	290,403	311,030
Attributable to municipalities		-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		8,665	-	-	-	-	-	243,646	243,646	252,311	290,403	311,030
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		8,665	-	-	-	-	-	243,646	243,646	252,311	290,403	311,030

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4.5 TABLE 9 B5 CAPITAL EXPENDITURE BY VOTE

EC157 King Sabata Dalindyebo - Table B5 Adjustments Capital Expenditure Budget by vote and funding - 30 APRIL 2018

Description	Ref	Budget Year 2017/18									Budget Year	Budget Year
		Original	Prior	Accum.	Multi-year	Unfore.	Nat. or Prov.	Other	Total	Adjusted	Adjusted	Adjusted
		Budget	Adjusted	Funds	capital	Unavoid.	Govt	Adjusts.	Adjusts.	Budget	Budget	Budget
R thousands	A	5 A1	6 B	7 C	8 D	9 E	10 F	11 G	12 H			
Capital Expenditure - Functional												
<i>Governance and administration</i>		7,293	-	-	-	-	-	(2,906)	(2,906)	4,387	3,488	3,690
Executive and council								389	389	389		
Finance and administration		7,293						(3,295)	(3,295)	3,998	3,488	3,690
Internal audit								-	-	-		
<i>Community and public safety</i>		78,582	-	-	-	-	-	17,231	17,231	95,813	183,299	178,558
Community and social services		110						(110)	(110)	-		
Sport and recreation		250						(70)	(70)	180	243	257
Public safety		319						(82)	(82)	237	338	358
Housing		77,902						17,494	17,494	95,396	182,718	177,943
Health								-	-	-		
<i>Economic and environmental services</i>		91,416	-	-	-	-	-	20,601	20,601	112,017	88,414	93,568
Planning and development		7,719						(7,665)	(7,665)	54	57	61
Road transport		83,697						28,266	28,266	111,963	88,356	93,507
Environmental protection								-	-	-		
<i>Trading services</i>		58,425	-	-	-	-	-	11,347	11,347	69,773	15,644	35,676
Energy sources		58,225						11,130	11,130	69,365	15,225	35,238
Water management								-	-	-		
Waste water management		180						(180)	(180)	-		
Waste management		20						398	398	418	419	438
<i>Other</i>								-	-	-		
Total Capital Expenditure - Functional	3	235,716	-	-	-	-	-	46,273	46,273	281,990	290,844	311,492
Funded by:												
National Government		98,418						20,651	20,651	119,069	103,294	128,441
Provincial Government		128,634						28,667	28,667	157,301	182,403	177,610
District Municipality								-	-	-		
Other transfers and grants								-	-	-		
Transfers recognised - capital	4	227,052	-	-	-	-	-	49,318	49,318	276,370	285,697	306,051
Public contributions & donations								-	-	-		
Borrowing								-	-	-		
Internally generated funds		8,665						(3,045)	(3,045)	5,620	5,147	5,441
Total Capital Funding		235,716	-	-	-	-	-	46,273	46,273	281,990	290,844	311,492

**KING SABATA DALINDYEBO MUNICIPALITY SECOND ADJUSTMENT
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4.6 TABLE 10: B6 FINANCIAL POSITION

EC157 King Sabata Dalindyebo - Table B6 Adjustments Budget Financial Position - 30 APRIL 2018

Description	Ref	Budget Year 2017/18									Budget Year +1 2018/19	Budget Year +2 2019/20
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Net. or Prov. Govt	Other Adjus.	Total Adjus.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands		A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H		
ASSETS												
Current assets												
Cash		24,154							-	24,154	36,230	54,346
Call investment deposits	1	115,509	-	-	-	-	-	-	-	115,509	268,142	413,502
Consumer debtors	1	30,867	-	-	-	-	-	-	-	30,867	32,897	34,695
Other debtors		11,438							-	11,438	55,614	95,733
Current portion of long-term receivables									-	-		
Inventory		8,422							-	8,422	9,284	16,110
Total current assets		190,389	-	-	-	-	-	-	-	190,389	402,148	614,386
Non current assets												
Long-term receivables									-	-		
Investments									-	-		
Investment property		205,205							-	205,205	245,804	288,020
Investment in Associate									-	-		
Property, plant and equipment	1	2,251,480	-	-	-	-	-	-	-	2,251,480	2,139,714	2,031,382
Agricultural									-	-		
Biological									-	-		
Intangible		1,186							-	1,186	1,067	3,570
Other non-current assets		4,697							-	4,697	4,697	4,697
Total non current assets		2,462,568	-	-	-	-	-	-	-	2,462,568	2,381,283	2,327,669
TOTAL ASSETS		2,652,957	-	-	-	-	-	-	-	2,652,957	2,783,431	2,942,055
LIABILITIES												
Current liabilities												
Bank overdraft									-	-		
Borrowing		24,072	-	-	-	-	-	-	-	24,072	36,522	54,361
Consumer deposits		15,719							-	15,719	26,375	45,808
Trade and other payables		156,704	-	-	-	-	-	-	-	156,704	195,880	249,743
Provisions									-	-		
Total current liabilities		196,495	-	-	-	-	-	-	-	196,495	258,377	349,913
Non current liabilities												
Borrowing	1	80,096	-	-	-	-	-	-	-	80,096	147,583	176,621
Provisions	1	36,546	-	-	-	-	-	-	-	36,546	56,570	80,394
Total non current liabilities		116,642	-	-	-	-	-	-	-	116,642	204,153	257,015
TOTAL LIABILITIES		313,137	-	-	-	-	-	-	-	313,137	463,530	606,928
NET ASSETS	2	2,339,820	-	-	-	-	-	-	-	2,339,820	2,329,901	2,335,128
COMMUNITY WEALTH/EQUITY												
Accumulated Surplus(Deficit)		1,937,927	-	-	-	-	-	-	-	1,937,927	1,942,867	1,948,094
Reserves		401,893	-	-	-	-	-	-	-	401,893	387,034	387,034
Minorities' interests									-	-		
TOTAL COMMUNITY WEALTH/EQUITY		2,339,820	-	-	-	-	-	-	-	2,339,820	2,329,901	2,335,128

**KING SABATA DALINDYEBO MUNICIPALITY SECOND ADJUSTMENT
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4.7 TABLE 11: B7 CASH FLOW STATEMENT

EC157 King Sabata Dalindyebo - Table B7 Adjustments Budget Cash Flows - 30 APRIL 2018

Description	Ref	Budget Year 2017/18									Budget Year	Budget Year
		Original	Prior	Accum.	Multi-year	Unfore.	Nat. or Prov.	Other	Total	Adjusted	Adjusted	Adjusted
		Budget	Adjusted	Funds	capital	Unavoid.	Govt.	Adjusts.	Adjusts.	Budget	Budget	Budget
R thousands	A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H			
CASH FLOW FROM OPERATING ACTIVITIES												
Receipts												
Property rates		241,657					(10,000)	(10,000)	231,657	274,916	290,860	
Service charges		453,892					5,300	5,300	459,192	492,298	520,851	
Other revenue		45,617					-	-	45,617	48,309	51,110	
Government - operating	1	293,208					2,831	2,831	296,039	310,504	325,920	
Government - capital	1	235,716					19,589	19,589	255,305	290,637	311,279	
Interest		41,222					-	-	41,222	43,655	46,186	
Dividends							-	-	-	-	-	
Payments												
Suppliers and employees		(910,975)					21,707	21,707	(889,268)	(964,412)	(1,020,240)	
Finance charges		(28,461)					-	-	(28,461)	(30,141)	(31,869)	
Transfers and Grants	1	(24,000)					(23,882)	(23,882)	(47,882)	(25,416)	(34,324)	
NET CASH FROM/(USED) OPERATING ACTIVITIES		347,877	-	-	-	-	15,545	15,545	363,422	440,348	459,733	
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		(235,716)					(19,794)	(19,794)	(255,510)	290,844	311,492	
NET CASH FROM/(USED) INVESTING ACTIVITIES		(235,716)	-	-	-	-	(19,794)	(19,794)	(255,510)	290,844	311,492	
CASH FLOWS FROM FINANCING ACTIVITIES												
Receipts												
Short term loans									-	-	-	
Borrowing long term/financing		15,000							15,000	15,000	15,000	
Increase (decrease) in consumer deposits									-	-	-	
Payments												
Repayment of borrowing									-	-	-	
NET CASH FROM/(USED) FINANCING ACTIVITIES		15,000	-	-	-	-	-	-	15,000	15,000	15,000	
NET INCREASE/(DECREASE) IN CASH HELD												
Cash/cash equivalents at the year begin:	2	127,161	-	-	-	-	(4,249)	(4,249)	122,911	746,192	786,245	
Cash/cash equivalents at the year end:	2	12,502	-	-	-	-	-	-	12,502	139,662	304,373	
	2	139,662	-	-	-	-	(4,249)	(4,249)	135,413	885,854	1,090,618	

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4.8 TABLE 12: B8 CASH BACKED RESERVES

EC157 King Sabata Dalindyebo - Table B8 Cash backed reserves/accumulated surplus reconciliation - 30 APRIL 2018

Description	Ref	Budget Year 2017/18								Budget Year	Budget Year	
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavold.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	
		A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H	+1 2018/19	+2 2019/20
R thousands												
Cash and Investments available												
Cash/cash equivalents at the year end	1	139,662	-	-	-	-	-	(4,249)	(4,249)	135,413	885,854	1,090,618
Other current investments > 90 days		-	-	-	-	-	-	4,249	4,249	4,249	(581,481)	(622,770)
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		139,662	-	-	-	-	-	-	-	139,662	304,373	467,848
Applications of cash and Investments												
Unspent conditional transfers		-	-	-	-	-	-	-	-	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-	-
Statutory requirements		-	-	-	-	-	-	-	-	-	-	-
Other working capital requirements	2	115,719	-	-	-	-	-	8	8	115,727	111,373	126,098
Other provisions		-	-	-	-	-	-	-	-	-	-	-
Long term investments committed		-	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments		3,046	-	-	-	-	-	-	-	3,046	3,046	3,046
Total Application of cash and investments:		118,765	-	-	-	-	-	8	8	118,773	114,418	126,144
Surplus(shortfall)		20,897	-	-	-	-	-	(8)	(8)	20,889	189,954	339,704

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4.9 TABLE 13: B9 ASSET MANAGEMENT

Description	Ref	Budget Year 2017/18				Budget Year +1 2018/19	Budget Year +2 2019/20
		Original Budget A	Other Adjusts. 12 F	Total Adjusts. 13 G	Adjusted Budget 14 H	Adjusted Budget	Adjusted Budget
R thousands							
CAPITAL EXPENDITURE							
Total New Assets to be adjusted	1	94,286	30,793	30,793	125,079	187,784	183,298
<i>Roads Infrastructure</i>		-	6,059	6,059	6,059	-	-
<i>Storm water Infrastructure</i>		-	-	-	-	-	-
<i>Electrical Infrastructure</i>		-	2,215	2,215	2,215	-	-
<i>Information and Communication Infrastructure</i>		-	2,781	2,781	2,781	-	-
Infrastructure		-	11,055	11,055	11,055	-	-
Community Facilities		7,719	6,632	6,632	14,351	-	-
Sport and Recreation Facilities		-	-	-	-	-	-
Community Assets		7,719	6,632	6,632	14,351	-	-
Operational Buildings		492	(256)	(256)	236	521	551
Housing		77,902	17,437	17,437	95,340	182,718	177,943
Other Assets	6	78,394	17,181	17,181	95,575	183,239	178,494
Computer Equipment		7,042	(4,224)	(4,224)	2,819	3,348	3,177
Furniture and Office Equipment		-	88	88	88	-	-
Machinery and Equipment		600	(284)	(284)	316	636	1,033
Transport Assets		531	344	344	875	562	594
Total Renewal of Existing Assets to be adjusted	2	141,431	(18,064)	(18,064)	123,367	103,060	128,194
<i>Roads Infrastructure</i>		83,418	(19,402)	(19,402)	64,015	88,060	93,194
<i>Storm water Infrastructure</i>		-	-	-	-	-	-
<i>Electrical Infrastructure</i>		58,013	-	-	58,013	15,000	35,000
<i>Information and Communication Infrastructure</i>		-	1,338	1,338	1,338	-	-
Infrastructure		141,431	(18,064)	(18,064)	123,367	103,060	128,194
Total Upgrading of Existing Assets to be adjusted	2a	-	7,065	7,065	7,065	-	-
Community Facilities		-	3,084	3,084	3,084	-	-
Sport and Recreation Facilities		-	3,981	3,981	3,981	-	-
Community Assets		-	7,065	7,065	7,065	-	-
<i>Roads Infrastructure</i>		83,418	(13,343)	(13,343)	70,074	88,060	93,194
<i>Storm water Infrastructure</i>		-	-	-	-	-	-
<i>Electrical Infrastructure</i>		58,013	2,215	2,215	60,228	15,000	35,000
<i>Information and Communication Infrastructure</i>		-	4,119	4,119	4,119	-	-
Infrastructure		141,431	(7,009)	(7,009)	134,421	103,060	128,194
Community Facilities		7,719	9,716	9,716	17,435	-	-
Sport and Recreation Facilities		-	3,981	3,981	3,981	-	-
Community Assets		7,719	13,697	13,697	21,416	-	-
Operational Buildings		492	(256)	(256)	236	521	551
Housing		77,902	17,437	17,437	95,340	182,718	177,943

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Description	Ref	Budget Year 2017/18				Budget Year +1	Budget Year +2
		Original Budget	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
			12	13	14		
Other Assets		78,394	17,181	17,181	95,575	183,239	178,494
Computer Equipment		7,042	(4,224)	(4,224)	2,819	3,348	3,177
Furniture and Office Equipment		-	88	88	88	-	-
Machinery and Equipment		600	(284)	(284)	316	636	1,033
Transport Assets		531	344	344	875	562	594
TOTAL CAPITAL EXPENDITURE to be adjusted	4	235,716	19,794	19,794	255,510	290,844	311,492
ASSET REGISTER SUMMARY - PPE (WDV)	5						
<i>Roads Infrastructure</i>		758,981	(443,821)	(443,821)	315,160	530,555	330,777
<i>Storm water Infrastructure</i>		296,186	-	-	296,186	296,186	308,339
<i>Electrical Infrastructure</i>		191,264	208,317	208,317	399,582	191,264	207,150
Infrastructure		1,246,432	(235,504)	(235,504)	1,010,928	1,018,006	846,266
Community Facilities			9,437	9,437	9,437		
Sport and Recreation Facilities		363,470	6,709	6,709	370,180	455,885	468,167
Community Assets		363,470	16,146	16,146	379,617	455,885	468,167
Heritage Assets		4,697	-	-	4,697	4,697	4,697
Revenue Generating		205,205	-	-	205,205	245,804	288,020
Non-revenue Generating			-	-	-		
Investment properties		205,205	-	-	205,205	245,804	288,020
Operational Buildings		387,753	(16,923)	(16,923)	370,831	416,696	463,124
Housing		189,936	(94,597)	(94,597)	95,340	189,936	189,936
Other Assets		577,690	(111,519)	(111,519)	466,170	606,632	653,061
Licences and Rights		1,186	-	-	1,186	1,067	3,570
Intangible Assets		1,186	-	-	1,186	1,067	3,570
Computer Equipment			6,938	6,938	6,938		
Furniture and Office Equipment			88	88	88		
Machinery and Equipment			400,341	400,341	400,341		
Transport Assets		20,830	344	344	21,174	20,830	20,830
Libraries		43,058	(43,058)	(43,058)	-	38,361	43,058
Zoo's, Marine and Non-biological Animals			-	-	-		
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	2,462,568	33,776	33,776	2,496,344	2,391,283	2,327,669
EXPENDITURE OTHER ITEMS							
Depreciation & asset impairment		165,723	-	-	165,723	218,340	202,035
Repairs and Maintenance by asset class	3	43,328	(1,352)	(1,352)	41,977	45,885	48,573
<i>Roads Infrastructure</i>		25,148	(4,767)	(4,767)	20,380	26,631	28,176
<i>Storm water Infrastructure</i>		-	-	-	-	-	-
<i>Electrical Infrastructure</i>		11,746	(200)	(200)	11,545	12,439	13,177
<i>Water Supply Infrastructure</i>		153	(153)	(153)	-	162	171
<i>Sanitation Infrastructure</i>		95	(95)	(95)	-	-	-
Infrastructure		37,141	(5,215)	(5,215)	31,926	39,232	41,524

**KING SABATA DALINDYEBO MUNICIPALITY SECOND ADJUSTMENT
BUDGET 2017/18**

153

Description	Ref	Budget Year 2017/18			Budget Year +1 2018/19	Budget Year +2 2019/20	
		Original Budget	Other Adjusts. 12	Total Adjusts. 13	Adjusted Budget 14	Adjusted Budget	Adjusted Budget
Community Facilities	-		50	50	50	101	106
Sport and Recreation Facilities	-		229	229	229	-	10
Community Assets	-		279	279	279	101	117
Operational Buildings	2,222	(679)	(679)	1,543	2,353	2,490	
Housing	-	-	-	-	-	-	-
Other Assets	2,222	(679)	(679)	1,543	2,353	2,490	
Computer Equipment	21	(13)	(13)	8	22	24	
Furniture and Office Equipment	50	(9)	(9)	41	53	56	
Machinery and Equipment	-	3,404	3,404	3,404	-	-	
Transport Assets	3,894	882	882	4,776	4,123	4,363	
TOTAL EXPENDITURE OTHER ITEMS to be adjusted		209,051	(1,352)	(1,352)	207,699	264,224	250,607
<i>Renewal and upgrading of Existing Assets as % of total capex</i>	60.0%			51.0%	35.4%	41.2%	
<i>Renewal and upgrading of Existing Assets as % of deprecn"</i>	85.3%			78.7%	47.2%	63.5%	
<i>R&M as a % of PPE</i>	1.8%			1.7%	1.9%	2.1%	
<i>Renewal and upgrading and R&M as a % of PPE</i>	7.5%			6.9%	6.2%	7.6%	

KING SABATA DALINDYEBO MUNICIPALITY SECOND ADJUSTMENT BUDGET 2017/18

4.10 TABLE 14 : B10 BASIC SERVICE DELIVERY MEASUREMENT

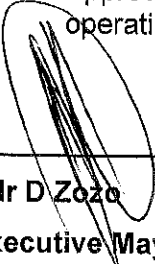
EC157 King Sabata Dalindyebo - Table B10 Basic service delivery measurement - 30 APRIL 2018

Description	Ref	Budget Year 2017/18										Budget Year +1	Budget Year +2	
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	
Household service targets	1													
Water:														
Piped water inside dwelling		42626											43	
Piped water inside yard (but not in dwelling)		24405											24	
Using public tap (at least min.service level)														
Other water supply (at least min.service level)														
<i>Minimum Service Level and Above sub-total</i>	3	67	-	-	-	-	-	-	-	-	-	-	67	-
Using public tap (< min.service level)														
Other water supply (< min.service level)														
No water supply														
<i>Below Minimum Service Level sub-total</i>	5													
Total number of households														
Sanitation/sewerage:														
Flush toilet (connected to sewerage)		37356											37,356	37356
Flush toilet (with septic tank)		0												0
Chemical toilet		0												0
Pit toilet (ventilated)		53138											53,138	53138
Other toilet provisions (> min.service level)														
<i>Minimum Service Level and Above sub-total</i>		90,494	-	-	-	-	-	-	-	-	-	-	90,494	90,494
Bucket toilet		496											496	496
Other toilet provisions (< min.service level)		0												0
No toilet provisions		14416											14,416	14416
<i>Below Minimum Service Level sub-total</i>		14,912	-	-	-	-	-	-	-	-	-	-	14,912	14,912
Total number of households	5	105,406	-	-	-	-	-	-	-	-	-	-	105,406	105,406
Energy:														

**KING SABATA DALINDYEBO MUNICIPALITY SECOND ADJUSTMENT
BUDGET 2017/18****5. RECOMMENDATIONS**

It is recommended that the council:

1. Approves the adjustments of the operating budget as indicated above as indicated in table one.
2. Approves the capital budget as indicated above in table one
3. Approves the adjustment of the SDBIP in line with the changes in both the capital and operating budget




Cllr D Zozo
Executive Mayor

**KING SABATA DALINDYEBO MUNICIPALITY SECOND ADJUSTMENT
BUDGET 2017/18****6. Municipal manager's quality certificate**

I Luvuyo Maka....., municipal manager of King Sabata Dalindyebo, hereby certify that the annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the adjustment budget 2017/18 and supporting documents are consistent with the Integrated Development Plan of the municipality.

Print Name: Mr Luvuyo Maka

Acting Municipal Manager of King Sabata Dalindyebo (EC 157)

Signature _____ 

Date _____

18/04/18



cooperative governance

Department:
Cooperative Governance
REPUBLIC OF SOUTH AFRICA

Private Bag X804, Pretoria, 0001 Tel: (012) 334 0600, Fax: (012) 334 0603
cnr Hamilton and Proes Street, Arcadia, Pretoria

Reference No.: 15/1/1

King Sabata Dalindyebo Local Municipality
P O Box 45
UMTATA
5100
Fax No.: 047-532 5198

Dear Municipal Manager

MUNICIPAL INFRASTRUCTURE GRANT (MIG): REALLOCATION AND AMENDMENT OF THE PAYMENT SCHEDULE IN TERMS OF SECTIONS 20 AND 23(4) OF THE DIVISION OF REVENUE ACT (ACT NO. 1 OF 2017)

National Treasury, in collaboration with the Department of Cooperative Governance has allocated an additional MIG allocation of R18,500 million to **King Sabata Dalindyebo Local Municipality**. The additional funding is subjected to MIG conditions as published in the MIG Policy Framework and the 2017 Division of Revenue Act. The detailed conditions and project(s) to be implemented with the additional allocation are expected to be supportive of:

- (a) Ngangelizwe/Rotary Sport Stadium (inclusive of grand stands), and
- (b) Elliot Street surfacing

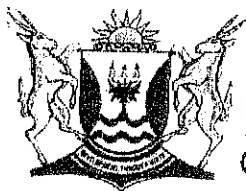
In light of this, the King Sabata Dalindyebo Local Municipality is expected to submit a project(s) milestone, as per the excell attachment on the **3rd of April 2018** and detailed progress report (with consolidated site visits report attached) to **19 June 2018** to the DCOG and provincial MIG office; Derickg@cogta.gov.za and vuyo.madini@eccogta.gov.za. Enquiries regarding the content of this email can be directed to Mr Derick Gabone, Tel: 012 334 5655 or email: derickg@cogta.gov.za

With kind regards,

(pp) Ms V. Mabitsi

Senior Manager: MIG Administration Date:

26 March 2018



Province of the
EASTERN CAPE

COOPERATIVE GOVERNANCE
& TRADITIONAL AFFAIRS

Office of the Head of Department

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The Municipal Manager
King Sabatha Dalindyebo Local Municipality
P O Box 44
MTHATHA
5099

Dear Mr M Zenzile

RE: 2017/18 MUNICIPAL ELECTRIFICATION INTERVENTION ALLOCATION: KING SABATHA DALINDYEBO LOCAL MUNICIPALITY REF. T2017/18/01

1. The Eastern Cape Department of Cooperative Governance and Traditional Affairs has provisionally allocated in the 2017/18 an amount of **R 11,229,500 (Eleven Million, Two Hundred and Twenty Nine Thousand, Five Hundred Rands only)** to King Sabatha Dalindyebo Local Municipality, for the municipality to intervene in the electrification of hotspot areas, as were pronounced by the Premier of the Province together with COGTA MEC.
2. Based on the due diligence exercise that was conducted by the department together with your municipal officials in January 2017, the following households was confirmed and agreed to be electrified with the allocations as captured in the table below:

Municipality	Project Name	Village Name	Targeted House Holds	Rate per Unit	2017/18 Allocation
King Sabatha Dalindyebo	Polar Park	Polar Park	600	R 19,500.00	R 7,700,000.00
	Ngcwanguba	Jojweni	181	R 19,500.00	R 3,529,500.00
TOTAL			781	14,378.36	R 11,229,500.00

3. Please note that, this is an interventionist provincial funded programme, whose primary objective is to intervene in the hotspot areas by bringing forward projects planned for later years either by the municipality or ESKOM, but now serving as a complementary funding to the municipal INEP grant and NEP (ESKOM) electrification grant.



Ikamva eliqambileyo!

KING SABATHA DALINDYEBO ELECTRIFICATION INTERVENTION PROJECTS

4. Once all the following Gazette conditions are met, the Department having conducted site verification and data validation, will transfer invoiced payment amounts into the municipal bank account, available starting from 01st April 2017.
5. **Listed are Gazette Conditions:**
 - Submission of a letter acknowledging receipt of this correspondence and acceptance of the 2017/18 R 11,229,500.00 allocation,
 - Submission of signed Project Business plan by the municipality,
 - Signed Declaration of Assurance,
 - Signed Acceptance of Conditions.
 - Signed 2017/18 IDP and 3 Year Capital Plan reflective of these projects,
 - Signed monthly progress report on financials and non-financials
 - Submission of invoice for work done.
 - Submission of Site Verification Report on value created
6. Acknowledging the tedious pre-engineering process involved with electrification projects, the municipality is encouraged to meanwhile use municipal own funds to kick start the pre-engineering processes to ensure that by June 2017 all pre-engineering processes are completed and in July 2017 actual construction work on the ground starts.
7. Since Eskom is an Implementing Agent (IA) for the Ngcwanguba project, the department through the established Provincial Rapid Response Task Team (PRRTT), shall monitor and support the smooth transfer of the IA responsibility to the municipality. It should be noted that it is the prerogative of the municipality to choose the IA of their choice i.e. Eskom, a PSP (Professional Service Provider), etc.
8. Thanking you in advance for your cooperation. For any clarity please don't hesitate to contact Mr. T. Majavu at 082 495 3095 or at tshitsho.majavu@eccogta.gov.za and Mr. V. Madini at 082 418 1090 or at vuyo.madini@eccogta.gov.za

Yours in Accelerated Service Delivery


Mr M Baza
Head of Department (Acting)
Department of Cooperative Governance and Traditional Affairs

Date: 29/2/2017