

**GROUP FINANCE DEPARTMENT  
(GROUP ACCOUNTING)**

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**ADJUSTMENT CAPITAL BUDGET  
FOR THE 2018/19 FINANCIAL YEAR**

1. STRATEGIC THRUST

Well managed and governed city.

2. OBJECTIVE

To obtain approval for the adjustment of the Medium-Term Capital Budget for the 2018/19 - 2020/21 financial years.

3. SUMMARY

In terms of Section 28 of the Municipal Finance Management Act 56 of 2003 (MFMA), a municipality may revise an approved budget through an adjustments budget. Only the Mayor may table an adjustments budget in the municipal council and may only be tabled within prescribed limitations as to timing or frequency.

In terms of section 28 of the Municipal Finance Management Act, an adjustment budget, amongst others:

- 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 correct any errors in the annual budget; and
- f) May provide for any other expenditure within a prescribed framework.

In terms of the Municipal Budget and Reporting Regulations, only one adjustment budget may be tabled in Council during the financial year, after tabling of the mid-year budget and performance assessment, but not later than 28 February.

**MID TERM ASSESSMENT**

Section 72 of MFMA also stipulate that the Accounting Officer must by 25 January of each year assess the performance of the municipality during the first half of the financial year and as part of the assessment or review recommend whether the adjustment budget is necessary.

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**YTD Capital Results (as at 31 December 2018)**

The total expenditure to date (including commitments) amounts to approximately R2.3 billion (30%) of the approved budget of R7.8 billion. Departments and Municipal Entities have provided projections on capital expenditure up to the end of the financial year. Based on the projections provided by the departments and municipal entities it is anticipated that the full capital budget will be spent at year-end.

The total capital expenditure for the City of Johannesburg is tabulated below.

| Description<br>(R million) | Budget<br>2018/19 | YTD<br>Exp   | Commit-<br>ments | Total<br>Exp | %<br>Spent | Full Year Projection |              |              |              | Total<br>Cost | % of<br>Budget |
|----------------------------|-------------------|--------------|------------------|--------------|------------|----------------------|--------------|--------------|--------------|---------------|----------------|
|                            |                   |              |                  |              |            | Q1                   | Q2           | Q3           | Q4           |               |                |
| Core Administration        | 3,824             | 706          | 41               | 747          | 20%        | 12                   | 694          | 1,389        | 1,580        | 3,676         | 96%            |
| Municipal Entities         | 3,986             | 1,325        | 258              | 1,584        | 40%        | 440                  | 885          | 1,347        | 1,381        | 4,053         | 102%           |
| <b>Total CoJ</b>           | <b>7,810</b>      | <b>2,032</b> | <b>300</b>       | <b>2,331</b> | <b>30%</b> | <b>452</b>           | <b>1,580</b> | <b>2,736</b> | <b>2,961</b> | <b>7,729</b>  | <b>99%</b>     |

**ADJUSTMENT CAPITAL BUDGET**

In June 2018 Council approved a budget of R7.8 billion for 2018/19 and R8.5 billion and R9 billion for the 2019/20 and 2020/21 financial years respectively.

The proposed 2018/19 capital adjustment budget reflects an increase of R254.7 million in the current financial year. Additional budget in excess of R1 billion was requested by the various core departments and municipal entities. Due to budgetary not all of the budget requests could be accommodated within the adjustment budget.

The table below reflects the high level summary of adjustments made to the 2018/19 financial year.

| Capital   | 2018/19<br>R 000 |
|---|------------------|
| Approved Budget                                       | 7 810 236        |
| Adjustments   | 254 662          |
| <b>Adjustment Budget</b>                              | <b>8 064 898</b> |
| Adjustments to loans and cash surplus                 | 253 406          |
| Adjustments to grant funding and public contributions | 1 255            |
| <b>Adjustments</b>                                    | <b>254 662</b>   |

The increase of R253.4 million (loans and cash surplus) in 2018/19 mainly relates to allocations in GICT, GFIS, JRA, JDA and JPC. Details of all adjustments are reflected in **Annexure F**.

The increase of R1.3 million in grant funding and public contributions is mainly as a result of the following:

- Rea Vaya New Bus Rapid Transit Johannesburg F City Wide increases by R34.1 million as a result of the transfer of the Public Transport Network Operating Grant to capital expenditure; and

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- Public contributions within City Power and Johannesburg Social Housing Company have reduced by R12.4 million and R20.5 million respectively in line with mid-year projections.

The adjustment budget also caters for the movements of funds between projects and insurance proceeds received to replace assets. The detail adjustments per project made to capital projects are reflected in **Annexure F** attached to the report.

The main reasons for the adjustments per department and municipal entity are as a result of the following;

**CORE ADMINISTRATION:**

**Economic Development**

The 2018/19 capital budget is reduced by R4.3 million to R5.7 million and the following budget movements were made:

- Develop Region G Eco-Tourism Product New Economic Infrastructure Orange Farm G Regional decreased by R6 million. The project is not committed and there is no projected expenditure for the year;
- Operational Capital (DED) Renewal Operational Capex Johannesburg F City Wide increased by R2.5 million to provide furniture at the Opportunity Centres; and
- Cross Border Support Hub New Small Business Hub Johannesburg F Ward decreased by R800 thousand. The project is not committed and there is no projected expenditure for the year.

**Environment and Infrastructure Services**

The 2018/19 capital budget for Environment and Infrastructure remained at R39.4 million, however there were movements made between projects.

The following budget adjustments were made:

- Braamfonteinspruit East Water Management Unit New Ecological Infrastructure decreased by R2 million as a result of the department not having resources and capabilities to implement the project;
- Rehabilitation of Ivory Park Water Management Unit decreased by R6.5 million due to the project being located within an area that has become a major illegal dumping site, with building rubble being dumped alongside the river and houses being erected on top of the rubble, therefore this is regarded as a major risk and the scale of the problem is such that it is unlikely to be resolved in the short term. The implementation phase of the project has therefore been deferred;
- Waste Treatment Technologies (City Wide) decreased by R1.5 million as a result of savings identified to accommodate for the Purchase of Ambient Air Quality Analysers;
- Purchase of Ambient Air Quality Analysers for the air quality monitoring network increased by R1.5 million due to additional instruments required to complete the revamping of ageing monitoring network infrastructure for all monitoring stations;

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- Catchment Rehabilitation (Jukskei) New Ecological Infrastructure increased by R2 million due to the need for rehabilitation and re-engineering of dams including reconstruction and modification of banks and spillways, in order to improve their ability to assist with water retention and stormwater attenuation, and creation of biodiversity habitat;
- Pampoenspruit Catchment Rehabilitation New Ecological Infrastructure increased by R4 million due to the need for rehabilitation and re-engineering of dams including reconstruction and modification of banks and spillways, in order to improve their ability to assist with water retention and stormwater attenuation, and creation of biodiversity habitat; and
- Jukskie Alexandra Water Management Unit increased by R2.5 million to erect fencing, install park furniture and lighting to secure and protect the asset value of the park, promote safety for park users, and reduce risks of polluting the watercourse.

**Transport Department**

The budget of Transportation decreases by R265.9 million from R1.1 billion to R831.1 million and the following budget movements were made:

- COMPL: Sidewalk Improvements: Dube NMT Links: increased by R25 million. Phase 1 of the project has been completed and the additional budget is required to commence with the phase 2 construction to complete the project;
- PTF: Small Public Transport Facility: Lehae decreased by R1.5 million as the project was stopped by the community and business forums who demanded that the project be given to contractors within the community of Lehae without following SCM processes.
- Complete Streets: (KFW - German Development Bank): Orlando East to UJ Soweto Route decreased by R3 million as projected spending for professional services are less than approved budget;
- Purchase of Rea Vaya buses is reduced by R300 million as the tender process was cancelled due to lack of responsive tenderers meeting City requirements;
- PTF Small Public Transport Facility Design and Construction of Zola Public Transport Facility New Nodal Transport Facilities decreased by R3 million as projected expenditure is less than budget;
- PTF: Small Public Transport Facilities: Orange Farm Ext 7 (Region G) decreased by R3 million in line with projected expenditure;
- COMPL: Sidewalk Improvements: Tsiawelo Metrorail Station Link: Mhlaba / C Hani New Nodal Transport Facilities City Wide decreased by R500 thousand in line with expenditure projections;
- Complete Streets: NMT Facilities: Alexandra / Wynberg / Sandton / Linbro Park New Complete Streets Alexandra Ext.4 E Regional decreased by R4 million as the project is deferred to outer years when increased progress on housing and other services in Alexander are anticipated;
- NR: Nodal Regeneration: Parking Solutions for small nodes Johannesburg City Wide decreased by R500 thousand as the projected spending for professional services is less than the approved budget;
- Managed Lanes: Dedicated Public Transport Lanes: Inner City increased by R4 million in line with the expenditure forecast;
- PTF: Small Public Transport Facilities: Tshepiso decreased by R2 million as projected spending for professional services is less than the approved budget;

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- Large: Public Transport Facility Redevelopment of Karzene, Newtown Ext.1 Region F decreased by R48.6 million as the contractors appointed (Basil Read/Umso JV) have been liquidated and can therefore not complete the project.
- Rea Vaya New Bus Rapid Transit Johannesburg F City Wide increases by R34.1 million as a result of the transfer of the Public Transport Network Operating Grant to capital expenditure;
- Complete streets: NMT facilities linking railway station Merafe and Mzimhlophe new pedestrian walks increased by R36.6 million. No allocation was made in the current year. Phase 1 of the project was completed in the 2017/18 financial year and the project could not continue due to budget shortfalls; and
- Operational capital increased by R500 thousand required for the procurement of operational capital items.

**Community Development**

The 2018/19 capital budget for Community Development decreased by R11.7 million from R102.3 million to R90.6 million as a result of the following:

- Museum Africa renewal increased by R2.5 million due to priority restoration work requirements;
- Joburg Art Gallery increased by R2.5 million due to priority restoration work required on the heritage site;
- Lehae Multi-purpose Centre decreased by R9 million due to Departmental reprioritization needs;
- Tagging of books New Library Braamfontein decreased by R3.6 million due to savings realized;
- Construction of a new Cosmo City swimming pool increased by R3 million due to project re-prioritization;
- New Multi-purpose Centre Matholessville decreased by R7 million due to project delays.

**Health Services**

The 2018/19 capital budget for Health increased by R19.3 million from R84.7 million to R104 million as a result of the following:

External Loans increased by R19.3 million due to the following adjustments:

- Operational Capital increased by R298 thousand due to insurance proceeds for replacement of assets;
- Substance Abuse Treatment Centre decreased by R6 million as a result of the budget transfer to Social Development for the procurement of furniture for all the substance abuse treatment centres and the refurbishment of Poortjie in-patient treatment centre; and
- Mobile Clinics increased by R25 million to procure mobile clinics during the financial year.

The following budget adjustments were made:

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- Ebony Park Renewal Clinic increased by R3 million to provide various crucial fittings, furniture, covered carports and paving for the completion of the facility;
- New Naledi Clinic increased by R1.5 million as the project is ready to advance to the detailed design, tender stage and implementation;
- Electricity Upgrade, Solar Generators and Back-up Electricity for Health Facilities across the City increased by R3 million to address challenges with regards to power supply at clinics facilities;
- Minor Works at various clinics across the City decreased by R3 million as a result of a budget transfer to address challenges with regards to power supply at clinics facilities;
- Bophelong Clinic increased by R1.5 million to expedite the implementation and completion of the facility; and
- Florida New Clinic decreased by R6 million due to JDA as an implementing agent having fired the appointed contractor due to non-performance, hence the budget transfer to Ebony Park Clinic.

**Social Development**

The 2018/19 capital budget for Social Development increased by R6 million from R34.1 million to R40.1 million as a result of the following:

External Loans increased by R6 million as a result of the budget transfer from Health Department for the procurement of furniture for all the substance abuse treatment centres and the refurbishment of Poortjie in-patient treatment centre.

- Operational Capital for Substance Abuse Centres increased by R2 million; and
- Refurbishment of Poortjie Substance Abuse Centre increased by R4 million.

The following budget adjustments were made:

- Louis Botha, Co-Production zone for Social Interventions Renewal Corridors of Freedom Intervention decreased by R1.3 million. The current phase of the project only involves scoping and drawing of plans, thus savings has been identified; and
- Minor Upgrades of all Social Development Facilities increased by R1.3 million as a result of the OHASA compliance of which the Department is required to comply with for all its facilities.

**Group Forensic and Investigation Services**

The capital budget to amount of R20.6 million was allocated due to savings being realized from operational expenditure.

The following budget allocations were made:

- Operational Capital increased by R550 thousands in order to procure equipment, computers and office supplies for the War Room which has been built and to acquire tools of trade for the new employees; and
- Information Management Centre Johannesburg City Wide increased by R20 million in order to furnish the War Room to be fully functional.

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**Office of the Ombudsman**

The 2018/19 capital budget for Ombudsman decreased by R500 thousands.

The following budget movement was made:

- Operational capital decreased by R500 thousands as the project is moving slower than initially planned.

**City Manager**

The capital budget decreased by R15 million from R21.8 million to R6.8 million as result of the following:

- The operational capital budget increased by R275 thousand. The R175 thousand is due to insurance claims received for the replacement of assets and R100 thousand is to procure equipment, computers and office supplies in Group Audit Risk & Compliance section and R180 thousand to acquire tools of trade for CA trainees in Governance & MC Support;
- Operational Capital: Group compliance with laws, rules, codes and standards Renewal Operational Capex JOHANNESBURG F City Wide decreased by R280 thousands due to project being ring fenced to the correct functional department for implementation and to ensure combined assurance;
- Operational Capital: Anti Fraud and Anti Corruption Programme New Computer Software JOHANNESBURG F City Wide decreased by R2.5 million due to project being ring fenced to the correct functional department for implementation and to ensure combined assurance;
- Operational Capital: Combined assurance planning and monitoring system Renewal Computer Software JOHANNESBURG F City Wide decreased by R550 thousands due to project being ring fenced to the correct functional department for implementation and to ensure combined assurance;
- Operational Capital: Insurance Claims Administration software New Computer Software BRAAMPARK F City Wide decreased by R5 million due to project being ring fenced to the correct functional department for implementation and to ensure combined assurance ;
- Operational Capital: Broad Band Base Stations New Plant and Equipment JOHANNESBURG F City Wide decreased by R10 million. The project will be transferred to Group Information and Communication Technology for WIFI Rollout;
- Operational Capital: Furniture and IT infrastructure New Furniture ROSEBANK City Wide decreased R1.3 million for the correction of an error in the annual budget as functions of Joburg Tourism projects were transferred to Economic Development Department; and
- New projects Erven 100 and 174 allocated R3.3 million and Erven 101 and 102 allocated R788 thousand for the acquisition of Jeppestown properties.

**Speaker: Legislative Arm of Council**

The 2018/19 capital budget increased by R2 million.

The following budget movement was made:

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- Tools of Trade (New Councilors 270) increased by R2 million in order to procure computers and office supplies for the new appointees in line with the new structure.

**Group Information Communication Technology**

The capital budget increased by R237 million from R543.2 million to R780.2 million as a result of the following:

- Strategic Sap Upgrade/re-implementation to latest SAP version increased by R80 million as a result of the current SAP licences having expired on the 31<sup>st</sup> December 2018 thus putting at risk maintenance and support;
- WAN & LAN upgrades increased by R40 million. The budget is required to minimise the outages, thereby providing stable environment to conduct and render Council services to communities;
- ICT infrastructure end user computer upgrading increased by R80 million. The City is delivering various projects which requires infrastructure i.e. projects such as SAP business transformation, e-health system and application modernization. In order to accommodate the requirements of these projects the infrastructure must be procured to ensure that there is storage and backup capacity;
- Renewal of Non-SAP software licences increased by R12 million to assist in archiving solution for data used by SAP applications as well Non-SAP applications which are being transformed;
- Upgrades security hardware equipment increased by R15 million. The budget is required to minimise the downtime that may be caused by virus outbreaks and will also result in prevention of information thefts and leaks; and.
- WIFI Rollout increased by R10 million being a budget transfer from the Office of the City Manager for the provision of free internet access in libraries, clinics, recreation centres and revenue centres.

**Group Finance**

The 2018/19 capital budget increased by R5 million.

The following budget movement was made:

- Operational Capital-Look and Feel Project increased by R5 million in order to refurbish call centers and improve the work environment.

**Group Corporate and Shared Services**

The capital budget decreased by R94 million from R391 million to R297 million.

The following project movements took place:

- Procurement of Fleet decreased by R102.5 million as a result of delays in procurement (R102 million) and transfer to operational capital R534 thousand;
- Operational capital increased by R534 thousand being transfer from fleet.

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- Automation of performance management system increased by R5 million. This project forms part of the automated e-services for Human Capital Management which is required to be implemented before the full SAP implementation project; and
- E- Recruitment increased by R3 million. This project is a non-SAP application which is required before the full SAP implementation project. The system will be designed to integrate with the strategic SAP solution.

**Housing**

The 2018/19 capital budget of Housing increased by R24.7 million to R1.2 billion. The following budget movements were made:

- Cosmo City Phase 2 ( Malibongwe Ridge) New Bulk Infrastructure is reduced by R80.5 million. The project has been suspended for over a year due to housing units being invaded and encroachment into developable land;
- Diepsloot Redevelopment Northern Farms New Bulk Infrastructure is increased by R89.7 million required for bulk electricity provision;
- Bramfischerville Ext 7 & 8 New Bulk Infrastructure decreased by R23 million. The project is 80% complete and it is projected that R23 million of the allocated budget will not be spent;
- Kanana Park Ext 2 decreased by R6 million due to the delay in the procurement of an environmental engineer to prepare a scoping report which will inform whether a basic assessment or a full Environmental Impact Assessment is conducted;
- Land Acquisition for Housing New Bulk Infrastructure Johannesburg F City Wide decreased by R10 million. JPC is yet to sign the Deed of Sale for Transnet properties acquired using Inner City funding;
- Inner City Upgrading (Transitional/Emergency and Rental Stock) Renewal Rental Flats Johannesburg F Regional increased by R30 million for transitional housing;
- Operational capital (HS) New Operational Capex Braamfontein Werf F City Wide decreased by R11 million. Savings identified on operational capital reallocated to other projects;
- Tshepisoong Proper - Bulk Stormwater New Bulk Infrastructure decreased by R20 million as the department is still to embark on a procurement process to appoint civil engineering firms to render services;
- Elias Motsoaledi New Bulk Infrastructure Diepkloof Ext.10 D Ward increased by R2.5 million in line with projected spending;
- Klipspruit/Kliptown New Bulk Infrastructure (Housing project around the Walter Sisulu Square) decreased by R32 million as the project is delayed due to a court interdict against CoJ from proceeding with the award of the Klipspruit Ext 7 project - case is pending;
- Lehae Ext 1: Development of Bulk Link and Internal Infrastructure is reduced by R11 million and the projected savings reallocated to accelerate other projects;
- Unaville (Vlakfontein Ext 4) 2402 units New Bulk Infrastructure increased by R10 million to provide for new bulk infrastructure;
- Klipvierooog (1914) New Bulk Infrastructure Lehae G Ward decreased by R15 million as project implementation is delayed and the budget is reallocated to accelerate other projects;
- Kanana Park Ext 1 (788) New Bulk Infrastructure decreased by R20 million as a result of the delay in the procurement of an environmental engineer to prepare a

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scoping report which will inform whether a basic assessment or a full Environmental Impact Assessment is conducted;

- Vlakfontein Proper (1519) New Bulk Infrastructure is reduced by R20 million as the project was completed in the 2009 financial year. The budget is reallocated to other projects;
- Vlakfontein Ext 1 (935) New Bulk Infrastructure decreased by R10 million as the project was completed in the 2009 financial year. The budget is reallocated to other projects;
- Vlakfontein Ext 3 (2045) New Bulk Infrastructure decreased by R7 million due to the delay in appointing an engineer to review detail designs, and to prepare tender documents and the bill of quantities;
- Finetown Proper (1878 stands) New Bulk Infrastructure decreased by R15 million due to the delays in the procurement process to appoint civil engineering firms to render services;
- Ennerdale South (1902 stands) (Formerly Finetown Proper) New Bulk Infrastructure decreased by R15 million as the department is still to embark on a procurement process to appoint civil engineering firms to render services;
- Fleurhof Mixed Development (Bulk and internal infrastructure) New Bulk Infrastructure increased by R69.2 million required to provide for bulk electricity requirements;
- Lakeside Ext 3,4 & 5: Roads and Bulk Stormwater Systems New Bulk Infrastructure decreased by R15 million in line with the projected expenditure;
- Moffat View Ext 6 New Bulk Infrastructure decreased by R3 million in line with projected spending;
- Drieziek Ext 4 increased by R15 million required to commence with Phase 1 construction in conjunction with Drieziek Ext 3 and 5 by JRA;
- South Hills increased by R60 million in line with the spending forecast;
- Devland Ext 1,27,30,31&33 Roads and Related Stormwater New Bulk Infrastructure increased by R800 thousand. Construction was completed in the second quarter of the financial year 2018/19 and R800 thousand is required to pay the outstanding invoices for work done;
- Sol Plaatjie increased by R11 million for the payment of JDA invoices for the rehabilitation of the sink-hole for which budget was not allocated in the 2017/18 financial year; and
- Stock and Flats upgrade increased by R50 million for the upgrade of housing units.

**Development Planning**

The capital budget decreased by R10.5 million from R214.9 million to R204.4 million.

The following projects movements took place:

- JSIP maintenance decreased by R850 thousand due to project savings;
- Operating capital increased by R2 million due to tools of trade and furniture requirements for new staff;
- Noordgesig - Social Precinct Implementation increased by R10 million for the completion of the project in the third quarter of the financial year;
- Detailed Road Master Plan for mining belt west development corridor decreased by R2 million due to favourable rates negotiated with contractor;

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- Brixton Social Cluster increased by R25 million as the project is ongoing and will grind to a halt unless additional funding is secured;
- Watt Street Precinct Wynberg decreased by R15.6 million due to project delays as a result of labour and legal challenges;
- Land Packaging in the corridors decreased by R16 million due to ongoing town planning processes that will only be finalized in August 2019;
- Paterson Park - stormwater and new social facilities, park and road upgrades decreased by R12.6 million due to labour issues and delayed procurement processes;
- Inner City Partnership Fund decreased by R7.5 million due to delays in appointing a contractor; and
- Alexandra Automotive Hub is allocated R7 million in terms of mayoral re-prioritization.

**Public Safety**

The capital budget of Public Safety increased by R48.6 million to R182.1 million and the following adjustments were made:

*Public Safety: Head Office*

The total capital budget increased by R54 million with the transfer of projects to Public Safety to ensure spending is recorded at the correct cost centre. The following budget movements were made:

- Licensing Satellite Offices – Diepsloot increased by R5 million;
- Business Desk at Kine Centre for corporate clients increased by R5 million;
- Upgrading of Weighbridges at JMPD Testing Centres Renewal Plant and Equipment Marlboro E increased by R2.2 million;
- Standby generators, air conditioners and office equipment increased by R4 million;
- Implementation of phase 2 of the IOC increased by R35 million; and
- Partition and refurbishment of Sandton MVRA Renewal Building Alterations Marlboro F Regional increased by R2.8 million

*Public Safety: Emergency Management Services Department*

The total capital budget increased by R6.2 million to R71.6 million. The following budget movements were made:

- Equipment cache for Urban Search and Rescue (jaws of life, and breathers for Gautrain ) and Air lifting equipment New Plant and Equipment Martindale B City Wide increased by R5 million required to complete the project within the current year;
- Fire and Rescue Equipment New Plant and Equipment Martindale C City Wide increased by R5 million for the purchase of equipment;
- Fire and Rescue Medical Equipment Tracking System New Plant and Equipment Martindale B City Wide decreased by R4.8 million and the amount is reallocated to complete the Equipment Cache for Urban Search and Rescue project.
- Central Fire Station R500 thousand for preliminary designs; and
- Lehae Fire Station R500 thousand for preliminary designs.

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*Public Safety: Johannesburg Metropolitan Police Department*

The total 2018/19 capital budget for JMPD is reduced by R11.6 million to R56.5 million. The following budget adjustments were made within the same sources of funding:

- Air-conditioners at various JMPD sites decreased by R5 million as the project is not committed and there is no projected expenditure for the year;
- Additional Vehicle Pound Wemmer – Village Main increased by R20 million to purchase a vehicle pound;
- Breakdown Vehicle (code 60\*2) increased by R6 million for the purchase of breakdown vehicles;
- Licensing Satellite Offices – Diepsloot decreased by R5 million transferred to the Public Safety: Head Office cost centre;
- Business Desk at Kine Centre for corporate clients decreased by R5 million transferred to the Public Safety: Head Office cost centre;
- Horse Boxes decreased by R1.4 million. The project is not committed and there is no projected expenditure for the year;
- Upgrading of Firearm Management System - Village Main increased by R5.5 million to manage the resourcing and or issuing of firearms;
- Ramp for P.W.D Rosettenville decreased by R3 million in line with projected expenditure;
- Archiving Room at Admin Block Rosettenville decreased by R3 million as the project is not committed and there is no projected expenditure;
- Horses Obstacle Equip Newsance Rosettenville decreased by R2 million. The project is not committed and there is no projected expenditure ;
- Lighting masts at pounds New Building Alterations Wemmer F Ward decreased by R2.2 million in line with the spending forecast;
- Improve area lighting at JHB; Midrand; Randburg; Roodepoort and Wemmer Complex. New Plant and Equipment Martindale B City Wide decreased by R5.4 million The project is not committed and there is no projected expenditure;
- Install Strong Rooms at Wemmer; Fennel Road; Von Wieligh New Building Alterations decreased by R2.7 million. The project is not committed and there is no projected expenditure;
- Horse Stables and Paddock for the additional JMPD Horses. New Building Alterations Springfield Ext.4 F decreased by R2.9 million as the project is not committed and therefore no projected expenditure;
- Horse Boxes for JMPD Horses New Plant and Equipment Springfield Ext.4 decreased by R500 thousand. The project is not committed and there is no projected expenditure;
- Upgrading of Weighbridges at JMPD Testing Centres Renewal Plant and Equipment Marlboro E decreased by R2.2 million transferred to the Public Safety: Head Office cost centre; and
- Partition and refurbishment of Sandton MVRA Renewal Building Alterations Marlboro F Regional decreased by R2.8 million transferred to Public Safety: Head Office.

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**MUNICIPAL ENTITIES**

**City Power**

The 2018/19 capital budget for City Power increased by R100.2 million from R1 billion to R1.1 billion as a result of additional allocation for the implementation of Mayoral Priority programmes.

The following budget adjustments were made:

- Upgrading of 88 kV overhead lines Renewal Bulk Infrastructure City Wide decreased by R7.6 million as the project is scheduled for early completion and cost are reprioritised to other projects;
- Telecommunications, Fibre optic installations and upgrades Renewal SCADA in Reuven increased by R2.5 million due to extension of Fibre networks to improve City Power data connectivity and smart grid future functionality;
- Emergency work on the transmission network in Reuven decreased by R8.4 million as the project cannot be completed this financial year and is deferred to 2019/20 financial year;
- Revenue Generation Efficiency Project. Pre-paid system installation of semi-automated pre-paid and automated pre-paid (smart meters) City Wide increased by R10 million to fast track unbilled meter connections;
- Replace batteries in sub stations Renewal Bulk Infrastructure City Wide increased by R1.7 million for replacement of batteries in areas that were affected by supply interruptions due to power outages;
- Install new public lighting city wide decreased by R45 million due to slow start and cost transferred to other projects;
- Install new IED's in substations Renewal Protection City Wide decreased by R1.7 million due to slow start and cost transferred to other projects;
- Emergency work Renewal SCADA City Wide decreased by R6 million as the project cannot be completed in this financial and is deferred to 2019/20 financial year;
- Cleveland Substation, Reconfigure busbar, replace high risk transformer, add additional 45 MVA transformers and feeder board. Renewal Bulk Infrastructure at Heriotdale Ext.10 decreased by R40 million as the project cannot be completed in this financial year and is deferred to 2019/20 financial year;
- Transformer capital program to eliminate high risk transformers Renewal Bulk Infrastructure City Wide increased by R7.3 million due to additional 45MVA transformers and feeder board;
- Replace 20 MVA transformers with 2X40 MVA units Refurbish breakers, CT's VT's Links and convert 33kV to 88kV. Renewal Bulk Infrastructure in Kloofendal increased by R2 million due to additional requirement of 45 MVA transformers and feeder board;
- Operating Capital in Reuven increased by R8.7 million due to additional ICT infrastructure required to improve security and redundancy compromising business performance;
- Normalisation Renewal Medium Voltage Network in Alexandra Ext.42 increased by R1.4 million to upgrade of MV cables from copper to aluminium;
- Emergency Work Renewal Medium Voltage Network in North Riding Ext.30 increased by R5 million in order to increase bulk equipment on substations that require emergencies refurbishment;

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- Replace open LV conductors with ABC Renewal Low Voltage City Wide increased by R8.5 million due to an additional 14 km of cable required for replacement of LV conductors;
- Emergency work Renewal Medium Voltage Network City Wide increased by R10 million to increase bulk equipment on substations that require emergencies refurbishment;
- Replacement of aged and/or faulting MV cables. Renewal Medium Voltage Network in North Riding Ext.30 increased by R7.8 million to upgrade of MV cables from copper to aluminium;
- Sebenza Substation. Build a new 88kV GIS (30circuits) yard. New Bulk Infrastructure decreased by R9.2 million due to identified savings through the project completion and funds transferred to other projects;
- Refurbishment of LV infrastructure Renewal Low Voltage in Reuven increased by R12 million as a result of additional areas due for refurbishment, upgrade and distribution of low voltage networks. Areas included are Pimville, Vlakfontein and Freedom Park;
- Refurbishment of MV infrastructure, switchgear and transformers. Renewal Medium Voltage Network in Reuven decreased by R1 million due to early completion of project;
- Replacement of aged and/or faulting MV cables. Renewal Medium Voltage Network in Reuven increased by R8.5 million to upgrade MV cables from copper to aluminium;
- Prepare Mini subs-stations and load centres for 11 kV conversional Renewal Township Reticulation in Jeppestown decreased by R2.3 million due to early completion of project;
- Convert PPC cement and Haggie Rand from 20.5kV to 11kV increased by R2 million for payment of additional material purchased and delivered;
- Refurbishment of MV infrastructure, switchgear and transformers. Renewal Medium Voltage Network in North Riding Ext.30 decreased by R1 million due to early completion of project;
- Upgrade Nancefield Substation Renewal Bulk Infrastructure in Nancefield Ext.1 decreased by R10 million due to early completion of project;
- Upgrade Eldorado Substation Renewal Bulk Infrastructure decreased by R5.5 million due to early completion of project;
- SCADA Masterstation Upgrade Renewal City Wide increased by R5.6 million due to installation of SCADA in additional substations;
- Roosevelt Park: Replace 2 X 45 MVA transformers and replace 11kV switchgear. New Bulk Infrastructure in Linden decreased by R12 million as the project cannot be completed this financial year and deferred to 2019/20 financial year;
- Eskom payments for New Bulk Infrastructure City Wide decreased by R3 million as the project is scheduled for early completion and cost are re-prioritised to other projects;
- Electrification of various Informal Settlements - City wide increased by R82.9 million to electrify informal areas including Univille and Klipspruit;
- Upgrade MV Network in CBD. Renewal Medium Voltage Network decreased by R3 million as the project is scheduled for early completion and cost are reprioritised to other projects;
- Mobile Substation increased by R15 million to fast track the project for completion in this financial year;

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- Installation of new public lighting: Street lights (City Wide) increased by R25 million to fast track the bulk replacement program of old luminaires with new LED technology; and
- Installation of new public lighting: Group luminaire replacement increased by R40 million to fast track the bulk replacement program of old luminaires with new LED technology

**Johannesburg Water**

The 2018/19 capital budget for Johannesburg Water increased by R28 million from R900.6 million to R928.6 million as a result of additional allocation for the implementation of Mayoral Priority programmes.

The following budget adjustments were made:

- Operational Capital: Provision for Emergency Work increased by R35 million to cater for the aging infrastructure and increased urgent maintenance interventions;
- Midrand: Blue Hills Tower 1.8ML decreased by R4 million due to the delayed process of awarding a panel of consultants, currently being at BEC stage;
- Deep South/ Orange Farm: Doornkop West/Protea Glen district: Upgrade water infrastructure decreased by R3 million as the project is at advanced stage and costs are recalculated to early completion;
- Sandton/Alexandra: Planned replacement watermains increased by R20.5 million to achieve renewed annual targets;
- Roodepoort/Diepsloot: Planned Replacement Watermains increased by R20.5 million to achieve renewed annual targets;
- Johannesburg Central: planned Replacement Watermains increased by R13.6 million to achieve renewed annual targets;
- Basic Water Service New Basic Water and Sewer Services decreased by R3 million as the project is behind schedule;
- Operational Capital: Corporate Requirements of Johannesburg Water decreased by R4.6 million as a result of Randburg Depot project being behind schedule;
- Operational Capital: Planning and engineering studies increased by R11.5 million to cater for the environmental compliance with legislation and integrated portfolio project management;
- Operational Capital: Operations and Maintenance increased by R38.7 million to cater for commitments on pressure management and meter replacements projects;
- Sandton/Alexandra: Linden Water Upgrade decreased by R4.8 million due to project being behind schedule;
- Sandton/Alexandra: Marlboro Water Upgrade decreased by R23 million due to project being behind schedule;
- Roodepoort/Diepsloot: Olivedale Water Upgrade decreased by R1.1 million due to project being behind schedule;
- Orange farm/ Deep South: Lenasia Water Upgrade increased by R5 million to cater for the commitments of Lenasia Pump station currently under construction;
- Johannesburg Central: Perth - Empire BRT and Rail Corridor Interventions decreased by R1 million as a result of the project being on hold;
- Roodepoort/Diepsloot: Robertville Tower 2.25ML decreased by R9 million due to the BSC process being behind schedule;

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- Louis Botha Corridor (JW: Water) Renewal Corridors of Freedom Intervention decreased by R5 million as a result of the project being at 45% preliminary design stage;
- Perth Empire Corridor (JW: Water) Renewal Corridors of Freedom Intervention decreased by R13 million as a result of the project being at 45% preliminary design stage;
- Roodepoort/ Diepsloot: Lanseria Water Upgrade decreased by R6.2 million due to the BSC process being behind schedule;
- Sandton/ Alexandra: Woodmead Reservoir 22ML decreased by R9.5 million due to the BSC process being behind schedule;
- Southdale/ Langlaagte: Aeroton Direct Tower 1.4ML increased by R6.5 million as the project is at construction stage and cost are refined to completion;
- Midrand: Planned replacement: Watermains Renewal decreased by R10 million as the project was completed last financial year and funds are re-allocated to more active projects;
- Roodepoort/Diepsloot: Kensington Water Upgrade decreased by R550 thousand as the project is behind schedule and funds re-allocated to more active projects;
- Soweto: Meadowlands Reservoir 19.8ML decreased by R7 million as the project is behind schedule and funds re-allocated to more active projects;
- Soweto: Meadowlands Tower 2 2.2ML decreased by R1 million as the project is behind schedule and funds re-allocated to more active projects;
- Soweto: Meadowlands Tower 1 1.1ML decreased by R1 million as the project is behind schedule and funds re-allocated to more active projects;
- Midrand: Erand Tower 2 1.5ML increased by R1 million to complete the reservoir project which is critical to unlock developments that are currently on hold;
- Midrand: Halfway house Reservoir 20ML decreased by R7.5 million as the project is currently on hold due to challenges to acquire pipe servitude from Gauteng Department of Transport;
- Provision for consultants decreased by R1.5 million due to panel of consultants being behind schedule;
- Helderkrui Water Upgrade decreased by R1 million as the project is behind schedule and funds re-allocated to more active projects;
- Halfway House Water Upgrade decreased by R14 million as the project is currently on hold due to challenges to acquire pipe servitude from Gauteng Department of Transport;
- Protea Glen Sewer Upgrade decreased by R10 million as the project is behind schedule and funds re-allocated to more active projects;
- Diepsloot Water Upgrade decreased by R28.2 million as the project was completed last financial year. Funds re-allocated to more active projects;
- Parktown Water Upgrade decreased by R11 million as the project is behind schedule and funds re-allocated to more active projects;
- Cosmo City Water Upgrade decreased by R20 million as the project is behind schedule and funds re-allocated to more active projects;
- Linden Water Upgrade decreased by R1.2 million as the project is behind schedule and funds re-allocated to more active projects;
- Linbro Water Upgrade decreased by R12 million as the project is behind schedule and funds re-allocated to more active projects;
- Planned replacement: Sewer mains (UR\_113) increased by R993 thousand to cater for commitments on the sewer pipe replacement projects at Bruma and Yeoville;

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- Planned replacement: Sewer increased by R4.5 million as the sewer panel is at BAC stage. New Orange Farm, Zacharia sewer replacements are planned for implementation;
- OV: Infrastructure Renewal Plan decreased by R13.5 million as the project is at inception stage and funds are re-allocated to more active projects;
- BK: Infrastructure Renewal Plan decreased by R10.7 million as the project is at inception stage and funds are re-allocated to more active projects;
- Soweto: Protea Glen Water Upgrade decreased by R9 million as the project is behind schedule and funds are re-allocated to more active projects;
- Johannesburg Central: Planned City Wide Replacement: Sewer mains Renewal Bulk Waste Water decreased by R15 million as the project is behind schedule and funds are re-allocated to more active sewer pipe replacement projects;
- LA: Module 1 increased by R1.3 million as the project is at detailed design stage;
- Driefontein Works: IRP (DF: Conc Lining) increased by R13.2 million as the project is at an advanced stage and costs are refined to completion;
- Bushkoppies Works: IRP (BK Balancing Tank) increased by R29.5 million due to the project resuming construction and costs are refined to completion;
- Olifantsvlei Works: IRP/OV (Digester Heating and Mixing) decreased by R1.4 million due to operational challenges on the field;
- Northern Works: Belt Presses New #4 decreased by R3 million as the project is at inception stage and funds are re-allocated to more active projects;
- Roodepoort/ Diepsloot: Diepsloot sewer Pipelines and Bridge decreased by R8.5 million due to BSC process being behind schedule;
- Sandton/ Alexandra: Louis Botha Corridor (JW: Sewer) Renewal Corridors of Freedom Intervention increased by R6.1 million as the panel of sewer is currently at BAC stage and budget is required to achieve annual targets;
- Northern Works: Unit 4 liquor treatment decreased by R5.3 million due to the project being behind schedule;
- Northern Works: Desludge and line Dam decreased by R2 million due to the project being behind schedule;
- Orange Farm/ Deep south: Planned Replacement Sewer mains increased by R15 million due to additional work allocated as soon as sewer panel is awarded before end of December 2018;
- Roodepoort/ Diepsloot: Planned Replacement Sewer mains increased by R49.7 million due to additional work allocated as soon as sewer panel is awarded before end of December 2018;
- Sandton/Alexandra: Hurlingham Sewer Upgrade decreased by R700 thousand due to the project being behind schedule;
- Roodepoort/ Diepsloot: Lanseria Outfall Sewer Upgrade increased by R3 million as the project is at preliminary design stage and professional fees are required to complete designs;
- Johannesburg Central: Planned Replacement Sewer mains increased by R50 million due to additional work allocated as soon as sewer panel is awarded before end of December 2018;
- Soweto: Planned Replacement Sewer mains increased by R10 million due to additional work allocated as soon as sewer panel is awarded before end of December 2018;
- Soweto: Dube Sewer Upgrade decreased by R3.8 million due to the project being behind schedule;

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- Soweto: Bramfisherville Sewer Upgrade decreased by R4 million due to the project being behind schedule;
- Olifantsvlei Works: Infrastructure Renewal Plan decreased by R10 million as the project is behind schedule and funds are re-allocated to more active projects;
- Bushkoppies Works: Infrastructure renewal plan decreased by R5 million as the project is at inception stage and professional fees are revised;
- Goudkoppies Works: Infrastructure Renewal Plan increased by R6.4 million due to the project being at construction stage. Costs are refined to completion;
- Northern Works: Infrastructure renewal decreased by R2.5 million as the project is at inception stage and professional fees are revised;
- Driefontein Works: Drying bed extension decreased by R800 thousand as the project is at inception stage and professional fees are revised;
- Midrand: Planned replacement sewer mains decreased by R5 million due to Carlswald sewer project being on hold as a result of landowner refusing acquisition of the pipe servitude;
- Midrand: Ivory Park North Upgrade Sewer increased by R299 thousand as the project is at advanced stage and costs are refined to completion;
- Bushkoppies Works: Upgrade main Blowers and Pipework increased by R1.1 million due to the inception stage being completed and costs are refined to completion;
- Ennerdale Works: Dam cleaning and lining decreased by R5 million due to project being on hold pending the feasibility assessment for alternative WWTW site of the South West basin drainage;
- Soweto: Anthea Nancefield Sewer (Klipspruit River) Phase 1 decreased by R22 million as a result of Anthea Nancefield outfall sewer project advertised but behind schedule;
- Operational Capital: Information Technology increased by R15 million as a result of revised ICT interventions;
- Northern Works: Unit 3 electro mech/cabling bios 1 and 3 Renewal in Diepsloot West increased by R2 million due to the certification required, as the project was completed in 2017/18 financial year; and
- Midrand: Carlswald New Reservoirs increased by R8 million due to funds required for land acquisition process.

**Pikitup**

The 2018/19 capital budget for Pikitup decreased by R10 million from R96.2 million to R86.2 million as a result of the following:

- 21 Bins Underground and 240l new plant and equipment decreased by R1 million due to the tender process for the new Midrand depot taking longer than expected;
- ICT Hardware and Software decreased by R1 million as a result of delays in the implementation of ICT projects; and
- Facilities Renewal, Upgrades including Branding and Signage decreased by R8 million due to the tender process for the new Midrand depot taking longer than expected.

**Johannesburg Roads Agency**

The capital budget of JRA increased by R95.3 million to R1.3 billion and the following budget movements were made:

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- CATCH 212 - Bez Valley Catchment: Recon Sub 6; Rehab Main, Sub 1&4. Renewal Stormwater Catchments increased by R2 million to complete the project within the current financial year;
- CONV - Conversion of Open Drains to Underground/Covered Drains in Ivory Park and surrounding areas. Renewal Stormwater Management Projects increased by R5 million to accelerate completion of the project in the current year;
- MISCL - Pedestrian Bridge in Kaalfontein New Bridges (Pedestrian and Vehicles) increased by R9.1 million to complete the project in the current financial year;
- MISCL - Pedestrian Bridge in Diepsloot (No. 4) New Bridges (Pedestrian and Vehicles) increased by R15 million to accelerate completion of the project in the current financial year;
- MISCL - Pedestrian Bridge in Klipspruit West. New Bridges (Pedestrian and Vehicles) increased by R15 million to accelerate completion of the project in the current year;
- RNP085\_Bulk stormwater development/Transport hub Sandown E Ward decreased by R12 million due to the delay in obtaining environmental authorization and the Water Use License;
- MISCL - Tarring of Gravel Roads: Lawley. New Roads: Construction and Upgrades decreased by R15 million deferred to the following year as the project is currently in the planning phase;
- MOB - Remote Monitoring: Urban Traffic Control (UTC). New Mobility: Intelligent Transportation System & Networks City Wide decreased by R1.5 million. The project is at the planning stage and R3.5 million will be adequate for the planning stage;
- MOB - Alternative Energy: Alternative Power Sources (UPS). New Mobility: Intelligent Transportation System & Networks City Wide (Dipheto) decreased by R10 million as the theft proof UPS solutions are being investigated;
- MOB - Traffic Management Centre. Renewal Mobility: Intelligent Transportation System & Networks City Wide (Dipheto) decreased by R3.5 million as projected spending is less than the approved budget;
- MOB - CCTV Cameras. New Mobility: Intelligent Transportation System & Networks City Wide (Dipheto) decreased by R3 million in line with projected spending;
- RNP040\_Construction of road and bridge on Crownwood road Crown Ext.2 B Regional decreased by R19.5 million. The project is in the planning phase and the budget is deferred to the outer years;
- RESUR - Resurfacing of Roads Renewal Roads: Rehabilitation Johannesburg F City Wide increased by R30 million for road resurfacing;
- BRID 20 - Bridges: Replacement of bridges (Pedestrian and Vehicles) City Wide (Dipheto) decreased by R49 million as the project is in the planning phase. The budget is deferred to the 2019/20 financial year;
- MISCL - Emergency, Critical and Urgent Depot Stormwater Improvements. New Stormwater Management Projects City Wide increased by R15 million to address the flood hot-spots that are not currently funded but require urgent attention.;
- CATCH 215 - Kliptown Stormwater Upgrade (Phase 10): Low Level Bridge. Renewal Stormwater Management Projects Klipspruit West Ext.1 D Ward increased by R33 million to accelerate completion of the project in the current financial year;
- MISCL - Tarring of Gravel Roads: Orange Farm and Surrounding Areas. New Roads: Construction and Upgrades decreased by R5 million as the project is currently in the planning stage;

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- CATCH 210 - Klein Jukskei Catchment: (CBP) Stormwater Control: Willows Development - Windsor New Stormwater Catchments decreased by R3 million in line with projected spending;
- REHAB - Road Rehabilitation and Reconstruction Programme. Renewal Roads: Construction and Upgrades Johannesburg F City Wide (Diphetogo) increased by R30 million for road reconstruction;
- MISCL - Tarring of Gravel Roads: Doornkop/Thulani. New Roads: Construction and Upgrades Doornkop D Ward reduced by R10 million in line with projected expenditure;
- MISCL - Tarring of Gravel Roads: Bram Fischerville. New Roads: Construction and Upgrades increased by R14 million required to complete the project within the current financial year. The project is currently at construction stage;
- RAMS - GIS Improvement : Continious Data and Record of Construction Drawings Capturing and Mapping of Assets like Roads, Stormwater, Bridge, Traffic Signals Assets on JRA GIS City Wide decreased by R12 million. The budget has been reduced in order to fund contracted and critical projects that require additional funding;
- RESUR - Resurfacing of M1 Motorway. Renewal Roads: Rehabilitation Melrose E City Wide increased by R35 million to complete the project within this financial year. The project is currently at construction stage and it is planned for completion in May 2019;
- RESUR - Resurfacing of M2 Motorway. Renewal Roads: Rehabilitation Johannesburg F City Wide increase by R30 million for motorway resurfacing;
- RESUR - Resurfacing of Soweto Highway. Renewal Roads: Rehabilitation Orlando D City Wide increased by R10 million;
- MISCL - Tarring of Gravel Roads: Tshepisong. New Roads: Construction and Upgrades decreased by R5 million in line with projected expenditure;
- MOB - City Deep Freight Hub. Renewal Roads: Construction and Upgrades City Wide decreased by R10 million as the project has been put on hold and will be implemented in the outer years;
- CATCH - Implementation of CBP Stormwater Masterplanning: Soweto. New Stormwater Management Projects Orlando West D Regional decreased by R5 million in line with projected expenditure;
- MISCL - Tarring of Gravel Roads: Kaalfontein. New Roads: Construction and Upgrades increased by R3 million to complete the project within this financial year. The project is currently at construction stage and it is planned for completion in May 2019;
- MISCL - Tarring of Gravel Roads: Mayibuye. New Roads: Construction and Upgrades Commercia A Ward decreased by R5 million in line with projected expenditure;
- MISCL - Tarring of Gravel Roads: Poortjie. New Roads: Construction and Upgrades decreased by R15 million in line with projected spending;
- MISCL - Tarring of Gravel Roads: Slovoville New Roads: Construction and Upgrades decreased by R5 million. Budget is reduced in line with projected spending and re-allocated to contracted and critical projects that require additional budget.;
- Traffic calming measures City Wide increased by R10 million as the current budget allocation is exhausted but there are other community requests for traffic calming measures that require urgent attention; and

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- Implementation of Complete Street - City wide increased by R17.7 million to address the backlog on side-walk upgrades.

**Metrobus**

The capital budget of Metrobus increased by R7 million to R47.3 million. The following budget movements were made:

- IT Equipment, New Computers and Hardware Computer Hardware increased by R2 million for the replacement of outdated ICT infrastructure; and
- Building - Building Alterations/Upgrade increased by R5 million to refurbish facilities to be OHASA compliant in line with the Department of Labour findings.

**Johannesburg City Parks and Zoo**

The 2018/19 capital budget for Parks and Zoo increased by R18.3 million from R36 million to R54.3 million as a result of additional allocation for the implementation of Mayoral Priority programmes.

The following budget adjustments were made:

- Olifantsvlei Cemetery Renewal increased by R15.2 million to accelerate service delivery;
- City Parks House - IT Equipment increased by R5 million to cater for crucial system enhancements;
- New Plant and Equipment decreased by R3.6 million due to early project completion. Budget transferred to Upgrading of Pioneer Park for completion of the project;
- Kliprivier Nature Reserve Upgrade increased by R500 thousand for required system enhancements at the reserve;
- Upgrade of existing parks to Occupational health and safety standards City Wide decreased by R1.2 million and transferred to Head Office and Stretford Park due to early project completion;
- Rabie Ridge Park decreased by R2.2 million due to an initial study currently undertaken on environmental impact and the feasibility of the project. Funds re-allocated to more active projects;
- Zoo - Animal Purchases increased by R1 million to replace lost animal;
- Upgrading of Pioneer Park Renewal increased by R3.6 million due to costs re-evaluated for scheduled completion; and
- New Parks Development in Stretford (Orange Farm) increased by R173 thousand due to costs re-evaluated for scheduled completion.

**Johannesburg Development Agency**

The 2018/19 capital budget for the JDA increased by R40 million from R162.5 million to R202.5 million.

The following budget adjustments were made:

- Banakekelen Hospice New Clinic Alexandra increased by R500 thousand for pre-feasibility plans to get project to detailed design and tender stage;

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- Jabulani Station renewal nodal transportation facilities decreased by R15 million being NDPG project re-prioritization;
- Alexandra implementation of the Alex land agreement decreased by R1.5 million due to unresolved land issues and community resistance;
- Marlboro South Light Business Hub increased by R12 million due to mayoral re-prioritization;
- Turffontein corridor of freedom traffic impact assessment and stormwater masterplan new construction decreased by R7 million due to the completion of the agreed phase of work as identified by JRA studies;
- Westbury Development Renewal Precinct increased by R19 million due to mayoral re-prioritization;
- Inner City Eastern Gateway increased by R11 million due to new contractor being appointed as a result of the termination of the previous contractor for poor performance;
- 4<sup>th</sup> Avenue Renewal Clinic Renewal allocated R8 million due to mayoral re-prioritization; and
- Knowledge Precinct: Auckland Park Pedestrian Crossing is allocated R13 million due to mayoral re-prioritization.

**Johannesburg Property Company**

The 2018/19 capital budget increased by R11 million to R126.9 million. And the following budget movements were made:

- Revamping of the Informal Trading Stalls within the Inner City Renewal Operational Capex Johannesburg F Ward increased by R10 million to accelerate the project; and
- Office Space Optimisation Program New Precinct Redevelopment Johannesburg F City Wide increased by R1 million.

**Metropolitan Trading Company**

The 2018/19 capital budget increased by R500 thousand.

The following budget movement was made:

- Office upgrade, laptops and desktops is allocated R500 thousand in order to provide tools of trade to staff and for the improvement of the work environment.

**Joburg Market**

The 2018/19 capital budget of Joburg Market remains unchanged at R39.7 million and the following budget movements were made:

- Installation of Sprinkler System with Associated Bulk Water Supply decreased by R7.6 million as the ward for this tender is under investigation and the allocation will not be spent;
- Emergency evacuation alarm New Plant and Equipment increased by R150 thousand to buy the emergency evacuation system and equipment;
- Office equipment New/Renewal New Office Equipment increased by R2.6 million to replace old office equipment in the cashiering department;

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- Rehabilitation of Internal Road increased by R9.6 million to complete the project in the current financial year;
- New Pallet Pool decreased by R1 million as there is lack of space in the Joburg Market to expand new pallet pool area. Joburg Market is in a process to appoint JPC and JDA for space optimization;
- Operational Capital: Replacement of the roof at trading halls New Building Alterations decreased by R3 million as the project is deferred to outer years;
- Resurfacing of platforms within the Market decreased by R1.8 million. The project was stopped due to tender award investigation and poor workmanship;
- Renovations and upgrades to the Main Building decreased by R950 thousand reallocated to the public WIFI-Smart Market;
- Operational Capital: Computer Equipment Renewal Computer increased by R2 million for the purchase of computer hardware;
- New Rocker Bins Renewal Plant and Equipment decreased by R500 thousand as the awarding of the tender is under investigation;
- Operational Capital: Upgrade Hall 9 Renewal Building Alterations decreased by R3 million as the project is not committed;
- Weigh Bridge Consignment Station decreased by R3 million as there are no specification requirements and space for this project; and
- Operational Capital: Computer Hardware New/Renewal Renewal Computer Hardware increased by R4.6 million for SPS Server replacement to enable portals.

**Johannesburg Social and Housing Company**

The total capital budget remained the same at R321 million and the following adjustments were made:

- Jabulani Social Housing Project increased by R300 thousand to pay outstanding invoices;
- Lombardy East Social Housing Project decreased by R5 million as the project is not committed and the allocation is transferred to the Dobsonville Social Housing project;
- Selby Staff Hostel Redevelopment decreased by R23.5 million as expenditure for the financial year is projected at R1.5 million. The R23.5 million is allocated to the Dobsonville Social Housing project;
- Lufhereng Social Housing Project decreased by R8.5 million in line with projected expenditure;
- Inner City Buildings Acquisitions decreased by R46 million as the entity currently has a number of buildings purchased in the past two years to develop. No new buildings will be acquired until the entity has refurbished the previously acquired buildings;
- Marlboro Social Housing Project decreased by R5 million as no expenditure is projected for the current financial year;
- Penny Flats Social Housing Project Upgrade decreased by R6 million in line with projected spending;
- Rachers Inner City Building Upgrade is allocated R492 thousand for project planning;
- Pennyville New Canada is allocated R700 thousand for project planning;
- Roodepoort Social Housing Upgrade increased by R23 million to accelerate completion of the project;
- Devland Golden Highway Social Housing Project increased by R5 million to commence with the implementation of phase two of the project;

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- City Deep Social Housing Upgrade increased by R2 million in line with projected expenditure;
- Kliptown Walter Sisulu Square Social Housing Upgrades decreased by R3.8 million as there is no projected expenditure until end of the financial year ;
- Chelsea Inner City Building Upgrade decreased by R6 million in line with expenditure projections;
- 80 Plein Street Inner City Building Conversion decreased by R15 million in line with projected expenditure and the amount is allocated to the Dobsonville Social Housing and Princess Plots projects;
- Turffontein Corridor New Social Housing Project increased by R16 million There was no budget for this project in the current financial year but since it is a running project with contractual obligations R16 million is reallocated from Booyens Place;
- Smit Street Inner City Building Conversion decreased by R16.5 million in line with projected expenditure and is allocated to the Dobsonville Social Housing and Roodepoort Phase 2 projects.;
- 106 Claim Street Inner City Building Conversion decreased by R2.5 million. The projected estimate for end of the financial year spend is R27.5 million and R2.5 million is allocated to the Dobsonville Social Housing project;
- 50 Durban Street Inner City Building Conversion decreased by R5 million in line with projected spending an the amount is allocated to the Dobsonville Social Housing project;
- Abel Road Inner City Building Conversion decreased by R17 million in line with projected spending;
- Orlando Social Housing Upgrade increased by R1 million. There was no budget allocation for this project in the current financial year but the project needs R1 million to pay off unfinished work;
- Booyens Place Inner City Building Conversion decreased by R35 million as the project is not implementation ready;
- 38 Rissik Street (NBS) Inner City Building Conversion is reduced by R1 million as the project is not ready for implementation;
- Malvern Emergency Housing Project decreased by R5 million in line with projected spending to provide for the financial obligation on the Devland Golden Highway Social Housing project;
- Dobsonville Social Housing Project increased by R77.2 million. There was no budget for this project in the current financial year but since it is a running projects with contractual obligations of R77.2 million;
- Nancefield Social Housing Project increased by R19 million. There was no budget for this project in the current financial year but since it is a running project with contractual obligations it is allocated R19 million from the Booyens Place projec;
- Princess Plots Social Housing Project increased by R1.5 million in line with projected expenditure; and
- Randburg Selkirk Social Housing Project increased by R2 million to pay outstanding invoices for work done.
- 133 Albert Street Inner City Building Conversion is allocated R2.5 million for the electricity transformer;
- 16 Wolmarans Inner City Building Conversion is allocated R6.2 million for the electricity transformer;
- 27 Hoek Street New Inner City Building Conversion is allocated R5.1 million – New project;

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- Casamia Inner City Building Upgrade is allocated R5 million to reinstate and upgrade the building;
- Fraser House Inner city Building Conversion is allocated R6.1 million for the electricity transformer;
- Kerk Street Buildings is allocated R7.5 million for electrification;
- Nederburg Social Housing Project is allocated R1.5 million for conversion of building into student accommodation;
- Pikitup Building is allocated R7.5 million to convert into Joshco offices; and
- AA House is allocated R1.3 million for the normal upgrade.

**Joburg City Theatres**

The capital budget of Joburg City Theatres increased by R3 million from R22.3 million to R25.3 million.

The following project movements were made as a result of the re-prioritization of the Theatre's capital requirements in line with business needs:

- Promusica Theatre - building renovations and upgrades decreased by R208 thousand;
- Soweto Theatre - Information technology New Computer Software decreased by R204 thousand;
- Joburg Theatre - Information technology upgrade decreased by R300 thousand;
- Soweto Theatre - upgrading of technical equipment decreased by R180 thousand;
- Promusica Theatre - upgrading of technical equipment (sound and lighting) increased by R792 thousand;
- Promusica Theatre – vehicle purchase decreased by R200 thousand;
- Joburg Theatre - building renovations and upgrades increased by R300 thousand; and
- Catering insourcing increased by R3 million being additional catering equipment requirements due to new contract.

4. POLICY IMPLICATION

None

5. LEGAL AND CONSTITUTIONAL IMPLICATIONS

In terms of Section 28 of the Municipal Finance Management Act 56 of 2003, a municipality may revise an approved budget through an adjustment budget for tabling at Council. Based on the content of the report, the Legal and Compliance Department is satisfied that sufficient, legally sanctioned reasons exist for the tabling of an adjustment budget in terms of Section 28 of the MFMA.

6. FINANCIAL IMPLICATIONS

The 2018/19 capital budget decreases by an amount of R254.7 million from R7 810 236 000 to R8 064 898 000 as reflected in the attached **Annexure E**.

**COJ : COUNCIL**  
**COJ : MAYORAL COMMITTEE**  
**COJ : GOVERNANCE SUB-MAYORAL COMMITTEE**

**2019-01-29**  
**2019-01-23**

**GROUP FINANCE DEPARTMENT**  
**(GROUP ACCOUNTING)**

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It is recommended that the budget requests to adjust the Capital Budget for the 2019/20 and 2020/21 financial years be considered in conjunction with the 2019/20 – 2020/21 medium term budget process.

**7. COMMUNICATION IMPLICATIONS**

In terms of Section 24 of the Municipal Finance Management Act, immediately after the approval of the adjustment budget, the accounting officer must inter alia; submit the adjustment budget to National Treasury and Provincial Treasury. The adjustment budget will be placed on the City's website after the approval.

**8. OTHER DEPARTMENTS CONSULTED**

Legal Department, All Core administration departments and Municipal Entities

**9. KEY PERFORMANCE INDICATOR**

Management of the budget process in compliance with the Municipal Finance Management Act, Chapter 4.

COJ : COUNCIL  
COJ : MAYORAL COMMITTEE  
COJ : GOVERNANCE SUB-MAYORAL COMMITTEE

2019-01-29  
2019-01-23

**GROUP FINANCE DEPARTMENT  
(GROUP ACCOUNTING)**

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**IT IS RECOMMENDED**

1. That the Adjustment Capital Budget for 2018/19 amounting to R8 064 898 000 as set out in Annexure E and F be approved.
2. The budget requests to adjust the Capital Budget for the 2019/20 and 2020/21 financial years be considered in conjunction with the 2019/20 – 2020/21 medium term budget process.

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Tel. 011 358 3290

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CHARITY WURAYAYI  
UNIT HEAD: GROUP ACCOUNTING

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GROUP LEGAL AND  
CONTRACTS

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MANENZHE MANENZHE  
GROUP CHIEF FINANCIAL OFFICER

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COUNCILLOR FUNZELA NGOBENI  
MMC: FINANCE