



CITY OF CAPE TOWN
ISIXEKO SASEKAPA
STAD KAAPSTAD

ANNEXURE A

2019/20 - 2021/22 BUDGET

29 MAY 2019

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GLOSSARY OF TERMS AND ABBREVIATIONS

Adjustments Budgets – The formal means by which a municipality may revise its budget during a financial year.

Allocations – Money received from Provincial- and National Treasury.

BEPP - Built Environment Performance Plan

Budget – The financial plan of a municipality.

Budget-related policy – Policy of a municipality affecting, or affected by, the budget i.e. tariff policy, rates policy and credit control and debt collection policy.

Budget Steering Committee (BSC) – Committee established to provide technical assistance to the Mayor in discharging the responsibilities set out in section 53 of the MFMA.

Capital Expenditure – Spending on municipal assets such as land, buildings and vehicles. Any capital expenditure must be reflected as an asset on a municipality's balance sheet.

Cash Flow Statement – A statement showing when actual cash will be received and spent by the municipality, and the cash and short-term investment balances.

CGD – Capital Grants and Donations

CCT/City – City of Cape Town

CPI – Headline Consumer Price Index

CRR – Capital Replacement Reserve

CTICC – Cape Town International Convention Centre

CTS – Cape Town Stadium

DoRA – Division of Revenue Act. Annual legislation, which shows the allocations from national to local government.

DoRb – Division of Revenue Bill. Annual legislation tabled in parliament, but not enacted, which shows the allocations from national to local government.

Executive Management Team (EMT) - A team comprising of the City Manager and the Executive Directors reporting to the City Manager.

Equitable Share – A general grant paid to municipalities. It is predominantly targeted at assisting municipalities with the costs of free basic services.

GDFI - Gross Domestic Fixed Investment

GFS – Government Finance Statistics. An internationally recognised classification system that facilitates comparisons between municipalities.

IDP – Integrated Development Plan. The main strategic planning document of a municipality.

KPI – Key Performance Indicators. Measure of service outputs and/or outcomes.

LG MTEC – Local Government Medium-Term Expenditure Committee

MayCo – Mayoral Committee

MBRR – Municipal Budget Reporting Regulations

MFMA - Municipal Finance Management Act (No 53 of 2003). The principal piece of legislation relating to municipal financial management.

mSCOA – municipal Standard Chart of Accounts

MTREF – Medium Term Revenue and Expenditure Framework, as prescribed by the MFMA. It sets out indicative revenue and projected expenditure for the budget year, plus two outer financial years.

MYPD – Multi Year Price Determination

NT – National Treasury

ODTP – Organisational Development and Transformation Plan

Operating Expenditure – The day-to-day expenses of a municipality such as general expenses, salaries & wages and repairs & maintenance.

Portfolio Committee – In line with S.79 of the Structures Act, the City's Portfolio Committees process policies and by-laws relating to the functional areas within their terms of reference, and are responsible for implementation monitoring of these, as well as oversight of the functional areas. Portfolio Committees are also responsible for assessing and monitoring services delivery, ensuring that annual budgets are spent wisely, and that there is no wastage or corruption.

Rates – Local Government tax based on assessed valuation of a property.

TMA – Total Municipal Account

SDBIP – Service Delivery Budget Implementation Plan. A detailed plan comprising of quarterly performance targets and monthly budget estimates.

SFA – Strategic Focus Areas. The main priorities of a municipality as set out in the IDP. Budgeted spending must contribute towards achievement of these Strategic Focus Areas.

Subcouncils - The metropolitan area governed by the City is divided into subcouncils, each of which is made up of a number of wards. Each ward is made up of a number of suburbs and is represented by a councillor.

Vote – One of the main segments into which a budget is divided, usually at directorate level.

Part 1 - Annual Budget

1.1 Mayor's Report

The annual budget of the City provides the detail of the funded commitments of the City to deliver on our IDP through programmes, projects and other initiatives, to ultimately improve the lives of all in the City.

Keeping in mind the fiscal pressures facing government and residents the City's budget reflects the need to continue delivering effective services as well as to improve efficiencies so as to not put undue financial pressure on our residents. The budget attempts to deliver on our responsibilities to Cape Town's poorest residents, ensuring funding is available for the delivery of the services that our residents deserve and respecting our ratepayers whose contributions we cannot do without.

Housing delivery remains a top priority of this administration as reflected in this year's budget - where R2 337 million is allocated to the newly established Human Settlements directorate. In order to decisively overcome the legacies of apartheid, the development of truly integrated human settlements is prioritised. The bulk of the housing opportunities being developed are on well-located land close to public transport, jobs, government services and public amenities. This demonstrates how we are realising the objectives in the MSDF in terms of densification and prioritising project located in the Urban Core. The rollout of title deeds, which has empowered communities across the City, will continue to be supported and accelerated.

While 2018 was a difficult year for the City, service delivery was prioritised. The City and its residents truly embodied the vision of the City of "making progress together", by averting the impending water crisis. The City has become a global leader in water conservation and we must continue to be water-wise. The importance of providing resilient basic services such as water has been highlighted, which has led to the creation of the City's Water Strategy and subsequent programmes. Our budget reflects the need to continue investing in infrastructure to make us more water resilient as we transition to a water sensitive city. Here in particular, we have paid specific attention to ensuring that the financial commitments we make are balanced with the affordability of the service and to mitigating the access requirements for indigents through the provision of free basic water.

To more effectively deliver services in the City, the revised Organisational Development and Transformation Plan (ODTP) was adopted alongside the establishment of the new Mayoral Committee. The new organisational structure is already bearing fruit as it has allowed for more effective and efficient service delivery to the people of Cape Town and allowed for a renewed focus on the meeting of basic needs.

The establishment of the new Urban Management directorate has the potential to truly raise the bar on transforming communities across the City. The Directorate aims to introduce integrated urban management and coordination of planning, community engagement and investment specifically targeting former neglected and dysfunctional areas through the funding of programmes such as the Mayoral Urban Regeneration Programme (MURP), Expanded Public Works Programme (EPWP) and Area Economic Development and Management.

The budget further reflects an optimal allocation of grant funding to ensure that we get full value for these funds.

It is one thing to deliver new infrastructure, but it is important that we also ensure the optimal maintenance of existing infrastructure and that we do our bit to protect it from vandalism. We will be working with communities to engage them in helping to play their part in protecting this infrastructure so that our limited resources are not unnecessarily diverted and to ensure that all communities have access to high quality functional infrastructure.

Crime and grime goes hand in hand and creates an unsafe environment for communities across the City and undermines economic investment opportunities. The City has yet again strengthened its crime-fighting capabilities by allocating funds towards improving security services such as providing additional CCTV cameras, additional vehicles and additional personnel. The City has also expanded security operations to include support for the newly established Rail Enforcement Unit to protect rail infrastructure and commuters as well as appointing Tourism Safety Ambassadors to make Cape Town safer to visit. The administration is also waging war against grime by launching a city-wide Clean-up Campaign, because without grime it is more difficult for crime to flourish.

This budget is focused on and committed to directing resources where they are needed most and where they will have the biggest impact in order that we can continue to make progress possible together.

This budget put to Council for adoption represents and provides for significant amendments to the tabled budget (March 2019) resulting from the public participation process and ancillary input received during April 2019.

1.2 Council Resolutions

The 2019/20 MTREF budget resolutions recommend that:

1. The City's annual budget for the financial year 2019/20; and indicative allocations for the two projected outer years 2020/21 and 2021/22, and related policies as set out in the following schedules and annexures, be adopted.
 - a. Operating expenditure by standard classification reflected in Table 21.
 - b. Operating expenditure by vote reflected in Table 22.
 - c. Operating revenue by source reflected in Table 24.
 - d. Multi-year capital appropriations by vote reflected in Annexure 1.
 - e. Capital expenditure by standard classification reflected in Table 25.
 - f. Capital funding by source reflected in Table 25.
 - g. Budgeted Cash Flow statement as reflected in Table 27.
 - h. Salaries and Benefits of Political Office Bearers, Councillors and Senior Officials as reflected in Table 52 and Table 53.
 - i. Performance Indicators and benchmarks for 2019/20 as set out in Table 35.
 - j. Consolidated budget tables for the City and municipal entities (CTICC and CTS) as reflected in Table 99 to Table 107.
 - k. Property (Tax) Rates as set out in Annexure 2.
 - l. City Improvement Districts (CIDs) - Additional Rates as set out in Annexure 3.
 - m. Revised Consumptive Tariffs, Rates and Basic Charges for Electricity Generation and Distribution, Water and Sanitation and Solid Waste Management Services as set out in Annexure 4.
 - n. Rates policy as set out in Annexure 5.
 - o. Tariffs, fees and charges book as set out in Annexure 6.
 - p. Tariff policies as set out in Annexure 7.
 - q. Credit control and debt collection policy as set out in Annexure 8 (with effect from 01 June 2019).
 - r. Grants-In-Aid policy as set out in Annexure 9.
 - s. Policy On Accounts Payable as set out in Annexure 10.
 - t. Funding and Reserves Policy as set out in Annexure 11.
 - u. Virement Policy as set out in Annexure 12.
 - v. Budget Management and Oversight Policy as set out in Annexure 13.
 - w. Long Term Financial Plan Policy as set out in Annexure 14.
 - x. Policy Governing Adjustments Budgets as set out in Annexure 15.
 - y. Unforeseen and Unavoidable Expenditure Policy as set out in Annexure 16.
 - z. Policy Governing Planning and Approval of Capital Projects as set out in Annexure 17.
 - aa. Proposed amendments to the 2017-2022 approved Integrated Development Plan for 2019/20 as set out in Annexure 18.
 - bb. Overview of budget assumptions applied to the 2019/20 MTREF required to be included in Annexure 18 as set out in Annexure 19.
 - cc. Transfers and grants to external organisations as set out in Annexure 20.
 - dd. Individual projects with a total project cost in excess of R50 million (to give effect to Section 19(1)(b) of the MFMA and Regulation 13(1) (b) of the MBRR) as reflected in Table 86 and as set out in Annexure 21.

- ee. Projected cost covering all financial years until capital projects are operational as well as future operational costs and revenues on projects/programmes, to give effect to sections 19(2) and 19(3) of all projects and programmes as listed in Annexure 21 and Annexure 1.
 - ff. Operating- and capital ward allocation projects supported by Subcouncils as set out in Annexure 22.
 - gg. Cape Town International Convention Centre (municipal entity) - Schedule D (annual budget and supporting tables) as set out in Annexure 23.
 - hh. Cape Town International Convention Centre (municipal entity) – Business Plan as set out in Annexure 24.
 - ii. Cape Town International Convention Centre (municipal entity) – Tariff Policy & Tariffs as set out in Annexure 25.
 - jj. Cape Town Stadium (municipal entity) – Schedule D (annual budget and supporting tables) as set out in Annexure 26.
 - kk. Cape Town Stadium (municipal entity) – Business Plan as set out in Annexure 27.
 - ll. Cape Town Stadium (municipal entity) – Tariff Policy & Tariffs as set out in Annexure 28.
 - mm. Iconic and other events to be hosted by the City in 2019/20 as set out in Annexure 29.
 - nn. Detailed capital budget (MBRR Table SA36) as set out in Annexure 30.
 - oo. Detailed operational projects (MBRR Table SA38) as set out in Annexure 31.
 - pp. External mechanisms (MBRR Table SA32) as set out in Annexure 32.
 - qq. Schedule of Service Delivery Standards as set out in Annexure 33.
2. National Treasury Circular 93 and 94 (Municipal budget circulars for the 2019/20 MTREF) as set out in Annexure 34 to this report be noted.
 3. Provincial Treasury Circular 7/2019 (Municipal Budget Circular for the 2019/20 MTREF and Associated SIME: 2019 LG MTEC processes) as set out in Annexure 37 to this report be noted.
 4. That Council notes the intent of the administration to follow MFMA Section 33 processes as prescribed and reflected in the Demand (Procurement) Plan as set out in Annexure 35 to the report.
 5. That Council notes that an amount of up to R3 million will be made available in support of the Council approved Mayor's Special Fund objective, as contemplated in Section 12 of the MFMA, and that this allocation be funded from within the Rates account.
 6. An amount R282 010 836 (excluding VAT) from accumulated surpluses be set aside at the end of the current financial year, to establish a 'Capital Replacement Reserve: Cape Town Stadium', which will be used to fund the proposed implementation of works at the Stadium in the 2019/20 and 2020/21 financial years.
 7. The Capital Replacement Reserve(CRR): Ward Allocations be funded from savings identified in the 2018/19 financial year to fund the ward allocation projects in the amount of R68 885 000 for the 2019/20 financial year.
 8. The high level summary of changes between the tabled and the proposed budget as reported in Annexure B, be adopted. It should be noted that these changes have already been incorporated into Annexure A of this report.

1.3 Executive Summary

a. Total Budget

The total budget quantum for the 2019/20 year is R50 168 million, of which R41 780 million (83.3%) is allocated to the operating budget and R8 388 million (16.7%) to the capital budget.

b. Operating Budget

Expenditure

The total operating expenditure amounts to R41 780 million for the 2019/20 financial year.

Table 1 Expenditure components of the 2019/20 budget

Category R Thousand	Budget 2018/19 (Original)	Budget 2019/20	Year-on-year
Employee related costs	12 920 115	13 817 805	6.95%
Remuneration of councillors	169 640	179 818	6.00%
Debt impairment	2 988 951	2 341 628	-21.66%
Depreciation & asset impairment	2 814 336	3 015 086	7.13%
Finance charges	1 089 285	790 756	-27.41%
Bulk purchases	9 487 132	10 092 601	6.38%
Other materials	1 255 285	1 611 763	28.40%
Contracted services	6 004 687	7 156 498	19.18%
Transfers and subsidies	333 807	446 206	33.67%
Other expenditure	2 200 213	2 326 698	5.75%
Loss on disposal of PPE	488	756	54.98%
Total Expenditure	39 263 938	41 779 617	6.41%

Major components for 2019/20 include:

- Employee related costs total R13 818 million, which equates to 33.1% of the total budget. The 2019/20 cost of living increase as per the SALGBC wage agreement (CPI +1.5%) was used when calculating the 2019/20 staff budget (5% + 1.5%). Additional allocations amounting to R240 million were made to certain directorates to address further requirements not provided via the tabled budget and to ensure improved service delivery. Details in this regard are:
 - Safety & Security: R70 million for the appointment of additional staff at various fire stations, Law Enforcement, Traffic and Metro Police and support in order to increase visibility and increase deployment in all areas in the City.
 - Spatial Planning & Environment: R40 million for the establishment of a new Spatial Data and Information Management branch and the City's Catalytic Land Development Programme, which is a corporate priority and a National Treasury requirement (via the BEPP).
 - Urban Management: R72 million to address capacity gaps as indicated below:
 - To meet the City's EPWP target for the 2019/20 financial year and beyond;
 - To provide oversight on EPWP projects in accordance with a recent National EPWP audit report;
 - For the deployment of EPWP safety workers to accompany large groups of school children along identified routes; and
 - EPWP workers required for community based recycling drop-off facilities

- Community Services & Health - Health department - Environmental compliance: R50 million for pharmacists and medical staff to improve service delivery in poor areas and to address R&M within City-owned facilities.
- Office of the City Manager: R8 million to address capacity gaps to ensure improved service delivery.
- Bulk purchases (Water and Electricity) at R10 093 million, where budgetary provision for bulk purchases consist of purchase of electricity and water from suppliers i.e. Eskom and the Department of Water Affairs & Sanitation; these allocations are influenced by consumer behaviour.
- Debt impairment of R2 342 million, which is influenced by the budgetary treatment of fines as prescribed in the iGRAP1 Accounting Standard, which states that fines should be budgeted for at 100% of fines issued. A provision for the amount deemed uncollectable has been included in the budget. In addition, this provision is based on collection rates achieved to date and projected over the MTREF period, as well as the City's arrears and debt recovery policies. The significant reduction includes R586 million (from the 2018/19 provision), which is due to the change in the base used to calculate debt impairment on water and sanitation billing and traffic fines accruals categories.
- Finance charges consist primarily of the repayment of interest on long-term borrowing (cost of capital). It equates to 1.9% (R791 million) of the 2019/20 operating expenditure. The reduction from R919 million to R791 million, when compared to the tabled budget in March 2019, is due to revised borrowing (from R2.5 billion to R1.1 billion in 2019/20 and R6 billion to R3 billion annually in the outer years), due to the City's favourable cash position and the timing of the loan take up in 2019/20. The R1.1 billion loan, with a payback period of 15 years, is envisaged for November 2019 with interest payments commencing in May 2020.
- Contracted services of R7 156 million, which includes provisions for repairs and maintenance and budgetary realignments from this category in line with mSCOA regulations. This allocation increased from R6 524 million to R7 156 million to address further requirements not provided via the tabled budget and requests from the public participation process. The additional allocations were made to the following directorates:
 - Urban Management: R133 million for various MURP projects;
 - Energy and Climate Change: R100 million for various MURP projects;
 - Community Services & Health: R90 million for repairs and maintenance at City-owned facilities; and
 - Transport: R60 million for road-related repairs and maintenance.
- Other expenditure, with an allocation of R2 327 million, includes provision for, inter alia:
 - Electricity costs – R238 million
 - Special Rating Areas – R229 million
 - Software Licenses – R147 million
 - Commission – Revenue Sharing – R134 million
 - Specialised Information technology – R112 million
 - Uniform & Protective clothing – R117 million
 - Collection costs – R210 million

Staff cost growth

The City's current staff establishment is evaluated in terms of updated and reviewed business plans to achieve corporate strategy. Increases are mainly due to the implementation of the inflation-linked nationally negotiated salary and wage increase (6.5%) and service enhancements that were allocated to various directorates during the SMF process.

The 2019/20 cost of living increase (5% + 1.5%) as per the SALGA wage agreement was used when calculating the 2019/20 staff budget. A differentiated percentage on budget provisions for vacancies was applied on funded vacancies for 2019/20.

Additional allocations amounting to R240 million (from R13.6 billion to R13.8 billion) to address further requirements not provided via the tabled budget and to ensure improved service delivery.

Table 2 Staff cost per vote (directorate)

Vote (Directorate) R Thousand	Budget 2018/19 (Original)	Budget 2019/20	Year-on-year
Vote 1 - Community Services & Health	2 242 964	2 351 926	4.86%
Vote 2 - Corporate Services	1 026 991	1 050 373	2.28%
Vote 3 - Economic Opportunities & Asset Managemnt	482 303	500 427	3.76%
Vote 4 - Energy & Climate Change	1 203 294	1 362 574	13.24%
Vote 5 - Finance	963 237	1 031 387	7.08%
Vote 6 - Human Settlements	371 712	379 666	2.14%
Vote 7 - Office of the City Manager	157 415	174 411	10.80%
Vote 8 - Safety & Security	1 935 743	2 150 222	11.08%
Vote 9 - Spatial Planning & Environment	456 960	531 801	16.38%
Vote 10 - Transport	768 083	816 129	6.26%
Vote 11 - Urban Management	312 750	426 895	36.50%
Vote 12 - Water & Waste	2 998 663	3 041 996	1.45%
Total staff costs	12 920 115	13 817 806	6.95%

Revenue

Operating revenue amounts to R40 922 million in the 2019/20 financial year, which represents 4.0% year-on-year growth from 2018/19.

Table 3 Revenue categories of the 2019/20 budget

Category R Thousand	Budget 2018/19 (Original)	Budget 2019/20	Year-on-year
Revenue By Source			
Property rates	9 361 952	9 916 685	5.93%
Service charges - electricity revenue	12 591 403	13 623 146	8.19%
Service charges - water revenue	3 574 755	3 212 017	-10.15%
Service charges - sanitation revenue	1 811 048	1 568 599	-13.39%
Service charges - refuse revenue	1 202 059	1 286 433	7.02%
Rental of facilities and equipment	381 262	311 781	-18.22%
Interest earned - external investments	936 513	912 495	-2.56%
Interest earned - outstanding debtors	340 970	380 814	11.69%
Fines, penalties and forfeits	1 280 160	1 185 453	-7.40%
Licences and permits	46 050	82 218	78.54%
Agency services	201 723	217 672	7.91%
Transfers and subsidies	6 803 608	7 376 568	8.42%
Other revenue	774 444	804 335	3.86%
Gains on disposal of PPE	43 870	43 732	-0.31%
Total Revenue (excluding capital transfers and contributions)	39 349 817	40 921 950	4.00%

Major revenue components for 2019/20 include:

- Property rates (R9 917 million)
The allocation is mainly influenced by the General Valuation (GV) 2018 outcome. The Rates growth is attributed to a revenue quantum increase of 5% for 2019/20. In addition, the implementation of the real-time Rates billing, in terms of the amended Municipal Property Rates Act (MPRA), improved the Rates revenue considerably by the immediate transfer of valuation adjustment into the billing cycle.
- Service charges – electricity revenue (R13 623 million)
In order to meet the budgeted operating expenditure for the City's Electricity Generation & Distribution department an average tariff increase of 8.88% for City's consumers was applied. This is in line with the NERSA approved Eskom tariff published on 7 March 2019.
- Service Charges – water revenue (R3 212 million) and sanitation revenue (R1 569 million)
The 2019/20 revenue projections are based on the projected volumetric consumption at various restriction levels. The principle of revenue neutral applies i.e. the City intends to generate the same level of revenue at the volumes projected to be sold at each restriction level.
- Transfers and subsidies (R7 377 million; National- and Provincial allocations)
For purposes of budget compilation, National allocations are based on the 2019 DoRA (Government Gazette No. 42439) dated 2 May 2019 and Provincial allocations are based on the Provincial Gazette 8058, dated 5 March 2019.

Individual service tariffs / Rates

The proposed tariff increases in the table below are averages; i.e. certain ratepayers and service users may pay more and others less than the average as a result of the impact of rebates, usage/consumption, property value and type of consumer.

Table 4 Average Tariff increases for the 2019/20 MTREF

Category	Base Year 2018/19	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Electricity	8.14%	8.88%	11.25%	10.77%
Water	19.90%	9.00%	15.00%	19.80%
Sanitation	19.90%	9.00%	15.00%	19.80%
Refuse	5.70%	5.00%	6.00%	6.00%
Disposal	14.83%	5.00%	11.50%	13.50%

Rates

There was a decrease of 22% in the rate-in-the-land from 0.007154 to 0.00555 for 2019/20.

Further details on Property Rates are reflected in the attached Tariffs, fees and charges book (Annexure 6).

Water & Sanitation

An average 9% increase on the consumptive tariff for water and sanitation is proposed for the 2019/20 financial year with no increase to the fixed basic charge.

There is a proposed average 4.14% increase on miscellaneous tariffs.

There are five levels of tariffs recommended for the 2019/20 financial year in line with the City's New Water Strategy. Further details on these levels can be found in Annexure 4.

The proposed consumption-based, as well as miscellaneous tariffs, are shown in the attached Tariffs, fees and charges book (Annexure 6).

Solid Waste

An average increase of 5% has been applied on the Consumptive Tariffs for Collections and Disposal.

An average increase of 4.14% has been applied on the Miscellaneous Tariffs for Cleaning.

The details of changes to solid waste tariffs are reflected in Annexure 4.

Proposed tariffs are reflected in the attached Tariffs, fees and charges book (Annexure 6).

Electricity

The Electricity average revenue increase projected over the 2019/20 MTREF is 8.88%, 11.25% and 10.77%, respectively.

Details of changes to the electricity tariff are reflected in Annexure 4.

Proposed tariffs are reflected in the attached Tariffs, fees and charges book (Annexure 6).

c. Capital Budget

All projects proposed for inclusion on the capital budget for 2019/20 were assessed against an implementable delivery plan to comply with, inter alia, implementation readiness, tender readiness (must be on the City's Demand Plan), strategic alignment and capacity to implement.

The total capital budget amounts to R8 388 million in the 2019/20 financial year and will be funded as reflected in the table below.

Table 5 Capital funding sources for 2019/20

Major Capital Funding Sources	Budget 2019/20
R Thousand	
Capital Grants & Donations (CGD)	2 265 085
Capital Replacement Reserve (CRR)	1 061 231
External Financing Fund (EFF)	5 007 495
Revenue (Internal funding source)	54 621
TOTAL	8 388 432

The proposed capital budget includes changes post the tabled budget in March 2019. Further details of these changes are provided in Annexure B to the budget report.

Capital Grants and Donations (CGD)

CGD represent 27% of the 2019/20 capital funding and consist largely of National- and Provincial allocations. For purposes of the 2019/20 budget compilation, National allocations are based on the 2019 DoRA (Government Gazette No. 42439) dated 2 May 2019, while Provincial allocations are based on the Provincial Gazette Extraordinary number 8058 dated 5 March 2019.

Capital Replacement Reserves (CRR)

Funding from the CRR represents 12.7% of the 2019/20 capital funding. The City will continue to make funding available via the CRR in support of priorities in 2019/20, such as:

- Traffic congestion relief programme amounting to R153 million;
- Ward allocations amounting to R68.9 million;
- Upgrading of New Eisleben Road (R12.5 million), R44 Road Upgrade: North & South Bound Lanes (R22 million), Road Upgrade of Langverwaght Road: Amandel to Zevenwacht (R12 million) and various electricity connection infrastructure (R48 million), which are being funded from Development Charges;
- Electricity Generation & Distribution equipment, Electricity Generation & Distribution facilities, vehicles, street lighting, electrification, etc. amounting to R457 million; and
- Solid Waste Management vehicles replacements amounting to R140 million.

External Financing Fund (EFF)

The most significant source of funding of the capital budget is the EFF, which amounts to R5 007 million and represents 59.7% of the total 2019/20 capital funding requirement. It is anticipated that R1 091 million will be funded from external loans, while the balance of R3 916 million will be funded from ring-fenced internal resources at an equivalent rate of 6.5% interest for the 2019/20 financial year.

Certain **additional allocations**, strategically aligned to the IDP and flowing from the Strategic Management Framework (SMF) process, were incorporated into the 2019/20 capital budget. In addition, further allocations were made post the tabled capital budget in March 2019 in response to feedback received during the public participation process in April 2019.

These **specific additional allocations** are mainly:

- **Community Services & Health directorate** – R76 million (2019/20), R60.5 million (2020/21), R89 million (2021/22)
 - Upgrade of the Maitland Crematorium (R5 million in 2019/20, R15 million in 2020/21, R30 million in 2021/22) - to make provision for increased demand for services and to replace the outdated cremator;
 - Hardening & security of facilities (R3 million) - to curb the increase in cost as a result of vandalism at City facilities;
 - Upgrade of facilities (R2 million) - to make certain facilities compliant with the Safety at Sports and Recreational Events Act (SASREA);
 - Upgrade of Social Services facilities (R2.8 million) - to extend the useful life of aging infrastructure;
 - Acquisition of mowing equipment (R1.2 million);
 - Various City health clinics requirements i.e.:
 - Expansion of diabetic services at various clinics such as Delft South, Nyanga, Vuyani clinics (R10 million in 2019/20 and R17.5 million in 2020/21);
 - Upgrade to the matrix site for substance abuse at the Eerste River Clinic (R2 million)
 - Purchase of medical equipment to comply with Ideal Clinic/National core standard (R12 million in 2019/20, R8 million in 2020/21, R16 million in 2021/22); and
 - Upgrade of security at various clinics (R3 million) to improve the security for patients and staff especially in areas prone to gang violence.
 - Upgrading of Community Services & Health facilities - asbestos roof replacements (R18 million), planning of precincts and integration of facilities (R2 million) and resurfacing of tracks at three facilities (R15 million).
- **Economic Opportunities & Asset Management directorate** - R240 million (2019/20), R355 million (2020/21), R284.8 million (2021/22)
 - Facilities Management Infrastructure (R50 million in 2019/20, R75 million in 2020/21, R97 million in 2021/22) for, inter alia, infrastructure upgrades, security hardening and the refurbishment of mechanical lifts, escalators and lifting equipment;
 - Fleet Facilities (R20 million in 2019/20, R10 million in 2020/21, R15 million in 2021/22) for upgrading and refurbishment of the existing Fleet Services workshops and supporting facilities;
 - Replacement of aged corporate fleet and plant (R150 million in 2019/20, 2020/21 and 2021/22) to reduce the average age and improve reliability and availability of the corporate fleet;
 - Electronic Workflow – immovable property (R8 million in 2019/20) for the development of a case management system for all property management transaction types;
 - Upgrade of strategic City assets such as:
 - Athlone Stadium (R8 million in 2019/20, R16 million in 2020/21, R22.4 million in 2021/22);
 - City Hall (R3 million in 2019/20); and
 - Grand Parade (R1 million in 2019/20; R4 million in 2020/21).
 - R100 million for corporate accommodation portfolio growth in 2020/21.

- **Finance directorate** - R14 million (2019/20) and R16.5 million (2020/21)
 - Security measures at cash- and motor vehicle registration offices (R2.5 million), for replacement/upgrade of CCTV cameras and systems.
 - System enhancement projects (R5 million in 2019/20, R2 million in 2020/21) required within the revenue component of SAP financial system to address improvement strategies.
 - Upgrade of cash- and motor vehicle registration offices (R3 million in 2019/20, R6.7 million in 2020/21) in order to address health and safety matters at various customer interaction centres and walk-in centres.
 - Replacement of 903 obsolete computers in the Revenue department over the next two financial years as the support for Windows7 will end in January 2020 (R3.5 million 2019/20, R2.8 million in 2020/21).

- **Human Settlements directorate** - R5.6 million (2019/20), R133.2 million (2020/21), R6 million (2021/22)
 - Procurement of IT equipment and furniture (R5.6 million in 2019/20, R6 million in 2020/21, R6 million in 2021/22) for the replacement of old/obsolete items and to provide equipment and furniture for additional staff being appointed.
 - Continuation of the Asset Management Programme (R127 million in 2020/21) to address refurbishment backlogs of the City's rental stock where health and safety matters have been prioritised.

- **Safety & Security directorate** – R440.5 million (2019/20), R93 million (2020/21), R78.9 million (2021/22)
 - CCTV Systems (R9 million in 2019/20) at various traffic facilities.
 - Building improvements (R10 million in 2020/21) for various buildings requiring upgrades.
 - Additional vehicles (R10 million in 2020/21, R10 million in 2021/22) for new and current staff, mainly within the traffic and law enforcement section, who were not issued with vehicles.
 - Further funding was made available, subsequent to the tabling of the draft budget in March 2019, to provide more resources to assist with safety and security throughout the City for:
 - Planning for various projects within the directorate i.e. Fire & Rescue, Law Enforcement, Metro Police, Traffic and Disaster Risk Management (R11 million in 2019/20);
 - Additional vehicles for new and current staff, mainly within the Traffic and Law Enforcement section, who were not issued with vehicles (R71 million in 2019/20);
 - IT- and related equipment required for additional staff appointed in Metro Police, Traffic and Law Enforcement, Fire Disaster Risk Management and 107 PECC (Public Emergency Communication Centres) (R5 million in 2019/20);
 - Radios and related equipment required for additional staff appointed in Metro Police, Traffic and Law Enforcement (R5 million in 2019/20);
 - Firearms and related equipment (R6 million in 2019/20);
 - Furniture and Equipment (R5 million in 2019/20);
 - Radios and related equipment for Metropolitan Police Services (R1 million in 2019/20);
 - CCTV Equipment (R5 million in 2019/20);
 - CCTV LPR Cameras (R20 million in 2019/20);
 - CCTV Network Provisioning - City network (R15 million in 2019/20);
 - Additional vehicles for Metropolitan Police Services (R6 million in 2019/20);
 - Building Upgrades of the Metropolitan Police Services (R11 million and R8 million for 2019/20 and 2020/21, respectively);

- Metro Police Training College construction (R3 million in 2019/20, R64 million in 2020/21, R64 million in 2021/22) as the current facility no longer adequately serves the department's needs due to the increase in training interventions and types of training required;
 - Building improvements at Law Enforcement, Traffic & Coordination facilities (R3 million in 2019/20);
 - Property Improvement to Traffic Services facilities - City Wide (R4 million in 2019/20);
 - Specialised vehicles to assist with land invasions, displaced persons, specialised plant(vessel) for beach patrols and rescue operations, and animal control units (R29 million in 2019/20);
 - Fire Vehicles: Replacement (R206 million in 2019/20);
 - Upgrading of Security at Fire Stations (R5 million in 2019/20);
 - Digital Backend upgrade of IT-related equipment (analogue to digital) at the Disaster Operations centre (R2 million in 2019/20);
 - IT-related Equipment: Additional for Disaster Management (R500 000 in 2019/20);
 - Disaster Management facilities: Upgrade (R2.8 million in 2019/20);
 - Fire Relief Volunteer Equipment (R6.2 million in 2019/20);
 - Generator and UPS for the Public Emergency Communications Centre (R1.5 million in 2019/20); and
 - Events Support Online Application System (R2 million and R1 million for 2019/20 and 2020/21, respectively).
- **Spatial Planning & Environment directorate** – R48.35 million (2019/20) and R33.3 million (2020/21)
 - Rehabilitation of various coastal structures (R6.13 million in 2019/20, R29.86 million in 2020/21) to ensure public safety and reduce liability to the City, reduce social ills, improve social- and economic impact of the City's coast line, prevent loss of resilience and promote the City's coastline as a world class destination.
 - Land acquisition (R6 million in 2019/20) to consolidate the Atlantis Conservation Land Bank, which will facilitate holistic management of the area, unlock recreational opportunities and potentially use acquired land for development facilitation (biodiversity offsetting).
 - Fencing (R5 million in 2019/20) around a newly established nature reserve within the Metro South East in order to ensure biodiversity protection for future generations.
 - Additional radios and vehicles (R4.9 million in 2019/20) to utilise when patrolling conservation/reserve areas.
 - Upgrade to ArcGIS 10.7 on the Spatial Information Management system (SIMS) in order to be compatible and obtain the support from ESRI (R4.5 million in 2019/20, R3.5 million in 2020/21).
 - Additional radios to assist law enforcement officers with environmental compliance (R120 000 in 2019/20).
 - Replacement of computer equipment and software as existing computers cannot load the software required for drawings and maps, due to the memory size and the operating systems not being able to support the software. In addition, a plotter is required to print large maps in daily operations (R6 million in 2019/20);
 - Office Accommodation (R2 million in 2019/20) required in the context of the reviewed macro-/micro structure stemming from the creation of this new directorate in December 2018.

- Furniture and Office Equipment (R600 000 in 2019/20) for the replacement of obsolete furniture and equipment.
- Basement Parking & Access to conclude the final stages of the basement parking project (R13 million in 2019/20).
- **Transport directorate** – R6 million (2019/20) and R6 million (2020/21)
 - Upgrade of depots to cater for female staff members and to meet occupational health and safety requirements.
- **Urban Management directorate** – R60.8 million (R2019/20), R44.6 million (2020/21) and R54.3 million (2021/22)
 - Business Support Infrastructure Development Programme (R10 million in 2020/21 and 2021/22) for essential upgrades to address health and safety concerns at informal trading areas, markets and other facilities.
 - Upgrade of Security (R1.5 million in 2021/22, R6.3 million in 2021/22) to ensure the safety of officials and the public at various City facilities.
 - Replacement of IT equipment for the Councillor Support function as some of the IT equipment have reached its useful life (R500 000 per financial year over the 3-year MTREF).
 - IT Equipment: Additional (R2.5 million in 2019/20).
 - IT Equipment, which consists of audio visual equipment that is required for use at public participation functions across the City (R300 000 in 2019/20).
 - Establish Community Based Recycling Drop offs (R7.5 million in each of the next 3 financial years) - 32 existing illegal dumping sites to be developed into community based recycling drop-off facilities consisting of skip bins, rudimentary infrastructure (slab/asphalt/service connections) and fencing to recycle and separate waste.
 - Infrastructure and safety measures (R50 million in 2019/20, R25 million in 2020/21 and R30 million in 2021/22) to assist with safety, stabilisation, facility and infrastructure upgrades, security fencing and infrastructure, CCTV cameras, lighting, hard surfacing, etc.
- R35.9 million City-wide for the replacement of affected IT equipment, which must be replaced due to the non-support of Windows 7, based on an assessment conducted by the IS&T department. Allocations are made to the following directorates:
 - Office of the City Manager – R 59 783
 - Corporate Services - R10.7 million
 - Urban Management – R1.7 million
 - Economic Opportunities & Asset Management – R1.2 million
 - Community Services & Health – R7.4 million
 - Transport – R2.3 million
 - Finance – R1.2 million
 - Spatial Planning & Environment – R2.7 million
 - Water & Waste – R3.0 million
 - Safety & Security – R5.6 million

Major capital expenditure is planned in 2019/20 for the following directorates:

- Water & Waste - R3 597 million
- Transport - R1 326 million
- Human Settlements - R869 million
- Energy & Climate Change - R834 million

Most significant projects/programmes for 2019/20

- **Community Services & Health**
 - Community Services & Health: Facilities Upgrade → R35 million
 - Hardening & Securing of Facilities → R15 million
 - Ideal Clinics Programme → R28 million
 - National Core Standards Compliance Programme → R13.1 million
 - Sport and Recreation Facilities Upgrade → R34.1 million
 - Upgrade Clinics for Diabetic Service → R10 million
- **Economic Opportunities & Asset Management**
 - Facilities Management Infrastructure → R97.4 million
 - Fleet Services: Replacement Plant → R65 million
 - Fleet Services: Replacement Vehicles → R133.3 million
- **Energy & Climate Change**
 - Electricity Facilities → R43.6 million
 - Electrification → R60.5 million
 - Medium Voltage Switchgear Refurbishment → R50 million
 - Medium Voltage System Infrastructure → R90 million
 - Service Connections → R89.5 million
 - Street Lighting → R39.1 million
 - System Equipment Replacement → R182 million
 - Transmission System Development → R52.4 million
- **Human Settlements**
 - Asset Management Programme → R99.9 million
 - Plan & Detail Design: Housing Projects → R63.1 million
 - Roads: Bulk: Housing Projects → R104 million
 - Urbanisation: Backyards/Informal Settlements Upgrade → R148.8 million
- **Safety & Security**
 - CCTV Installations → R58.4 million
 - Specialised vehicles: Additional → R29 million
 - Vehicles: Additional → R96.9 million
 - Vehicles: Replacement → R216.1 million
- **Spatial Planning & Environment**
 - Upgrade of Reserves Infrastructure → R10.2 million
- **Transport**
 - Congestion Relief Projects → R165.8 million
 - IRT Phase 2 A → R381 million
 - Metro Roads: Reconstruction → R86.5 million
 - Non-Motorised Transport Programme → R160.9 million
 - Public Transport Interchange Programme → R114.9 million
 - Roads: Rehabilitation → R91 million
- **Urban Management**
 - Infrastructure and Safety Measures → R50 million
- **Water & Waste**
 - Bulk Water Infrastructure Replacement → R60 million
 - Cape Flats Rehabilitation → R100 million
 - Development of Landfill Infrastructure → R146.8 million
 - Development of Transfer Stations → R78.6 million
 - New Drop-off Facilities → R40 million
 - New Water Plan → R734.3 million

- Replace & Upgrade Sewer Network → R86.7 million
- Replace & Upgrade Water Network → R79.9 million
- Solid Waste Management Plant & Vehicles Replacement → R140 million
- Upgrading of drop-off facilities → R97.2 million
- Upgrading of Solid Waste facilities → R107.8 million
- Water Meter Replacement Programme → R270 million

Table 6 Extract of new projects in the 2019/20 capital budget

Project Description	Budget 2019/20
R Thousand	
Planning & Development & PMO Department: Nyanga Integrated Facility	7 000
Recreation & Parks Department: Ekhwezi Centre - Upgrade	1 000
Recreation & Parks Department: Hout Bay Recreation Facility Upgrade	2 000
Recreation & Parks Department: Park Construction - Ilitha Park	1 500
Recreation & Parks Department: Site C Stadium - Upgrade	1 200
Cape Town Stadium Department: Suites Cape Town Stadium	74 743
Housing Development Department: Greenville Housing Project Phase 2.1	10 000
Housing Development Department: Greenville Housing Project Phase 2.2 (UISP)	2 000
Housing Development Department: Penhill Housing Project	5 000
Housing Development Department: Itemba Labs Housing Project	5 000
Housing Development Department: New Woodlands Housing Project	5 000
Metropolitan Police Services Department: Multi Ward CCTV Rollout Delft Area	1 083
Metropolitan Police Services Department: CCTV Network Provisioning - City network	15 000
Metropolitan Police Services Department: Property Improvement	11 000
Metropolitan Police Services Department: Training College	3 000
Development Management Department: Upgrade to ArcGIS 10.7	4 500
Roads Infrastructure & Management Department: Upgrading of New Eisleben Road	12 500

Cape Town Stadium Suites

A feasibility study on the sustainability of Cape Town Stadium was requested by the City. In this regard, a number of strategies to ensure the sustainability of Cape Town Stadium was agreed to by Council. One of these (most primary) was to attract an Anchor Tenant to Cape Town Stadium.

In all of the efforts to attract an Anchor Tenant, the matter of suite availability and access was consistently raised.

As in all stadia Anchor Tenant environment, it was found that access to suites adds significantly to the Anchor Tenant's as well as the Stadium's sustainability models.

The City is at a mature level of discussions with an identified Anchor Tenant which, if successful, will require additional suites. A budget for constructing suites has been included in this report, as a contingency to enable the conclusion of an Anchor Tenant Agreement. Spending of this budget provision is conditional to the signing of a formal Anchor Tenant Agreement.

In all discussions with an Anchor Tenant, the matter of cost sharing for the construction of the suites is being discussed with the intent of including same in an Anchor Tenant Agreement.

However, the full cost of construction must be in Council's budget as whatever the cost sharing model agreed to, the asset remains that of the City.

1.4 Operating Revenue Framework

The City's revenue quantum is determined by setting a package of tariffs, which are not only considered affordable to its ratepayers and the users of its services, but deemed to be at fair and realistic levels when viewed in context of its programmes to assist those who do not have the means to pay.

The City's revenue strategy is built around the following key components:

- National Treasury's guidelines and macro-economic policy;
- Projected City growth and continued economic development;
- Realistic revenue management, which provides for the achieving of the collection rate targets;
- Electricity tariff increases as approved by the National Electricity Regulator of South Africa (NERSA);
- Setting of trading services' user charges at levels which are reflective of these services' cost recovering nature; and
- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA).

The following table is a summary of the 2019/20 MTREF (classified by main revenue source):

Table 7 Summary of Revenue classified by main revenue sources

Description R thousand	2019/20 Medium Term Revenue & Expenditure Framework		
	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Revenue By Source			
Property rates	9 916 685	10 517 014	11 045 428
Service charges - electricity revenue	13 623 146	15 187 931	16 826 227
Service charges - water revenue	3 212 017	3 838 969	4 593 963
Service charges - sanitation revenue	1 568 599	2 014 201	2 409 460
Service charges - refuse revenue	1 286 433	1 378 065	1 481 432
Rental of facilities and equipment	311 781	327 597	343 990
Interest earned - external investments	912 495	930 613	1 022 317
Interest earned - outstanding debtors	380 814	425 792	489 054
Fines, penalties and forfeits	1 185 453	1 211 026	1 205 439
Licences and permits	82 218	86 371	90 732
Agency services	217 672	245 412	254 598
Transfers and subsidies	7 376 568	7 707 345	8 136 559
Other revenue	804 335	858 245	894 621
Gains on disposal of PPE	43 732	43 732	43 732
Total Revenue (excluding capital transfers and contributions)	40 921 950	44 772 315	48 837 552

The following table shows the main revenue sources as a percentage of the total revenue budget.

Table 8 Revenue by source as a percentage of total budget

Description	2019/20 Medium Term Revenue & Expenditure Framework					
	Budget Year 2019/20	%	Budget Year +1 2020/21	%	Budget Year +2 2021/22	%
R thousand						
Revenue By Source						
Property rates	9 916 685	24.2%	10 517 014	23.5%	11 045 428	22.6%
Service charges - electricity revenue	13 623 146	33.3%	15 187 931	33.9%	16 826 227	34.5%
Service charges - water revenue	3 212 017	7.8%	3 838 969	8.6%	4 593 963	9.4%
Service charges - sanitation revenue	1 568 599	3.8%	2 014 201	4.5%	2 409 460	4.9%
Service charges - refuse revenue	1 286 433	3.1%	1 378 065	3.1%	1 481 432	3.0%
Rental of facilities and equipment	311 781	0.8%	327 597	0.7%	343 990	0.7%
Interest earned - external investments	912 495	2.2%	930 613	2.1%	1 022 317	2.1%
Interest earned - outstanding debtors	380 814	0.9%	425 792	1.0%	489 054	1.0%
Fines, penalties and forfeits	1 185 453	2.9%	1 211 026	2.7%	1 205 439	2.5%
Licences and permits	82 218	0.2%	86 371	0.2%	90 732	0.2%
Agency services	217 672	0.5%	245 412	0.5%	254 598	0.5%
Transfers and subsidies	7 376 568	18.0%	7 707 345	17.2%	8 136 559	16.7%
Other revenue	804 335	2.0%	858 245	1.9%	894 621	1.8%
Gains on disposal of PPE	43 732	0.1%	43 732	0.1%	43 732	0.1%
Total Revenue (excluding capital transfers and contributions)	40 921 950	100.0%	44 772 315	100.0%	48 837 552	100.0%
Total Revenue from Rates & Service Charges	29 606 881	72.3%	32 936 180	73.6%	36 356 510	74.4%

In line with the formats prescribed by the Municipal Budget and Reporting Regulations (MBRR), capital transfers and contributions are excluded from the operating statement, as inclusion of these revenue sources would distort the calculation of the operating surplus/deficit.

Rates and Service Charges revenue makes up 72.3% of the City's total revenue mix for 2019/20. Service charges relating to Electricity, Water, Sanitation and Refuse Removal constitute the biggest component of the revenue basket totaling R19 691 million (48.1%). Property rates is the second largest revenue source totaling R9 917 million (24.2%).

Transfers and subsidies total R7 376 million in 2019/20 (18.0% of revenue) and increases to R8 136 million by 2021/22. This revenue component reflects an increase over the MTREF as a result of increased allocations from Provincial- and National Government, albeit at a relatively low average year-on-year rate of 5% only. The ensuing table reflects transfer and grant allocations to the City excluding the Fuel Levy allocation of R2 571 million.

Table 9 Operating Transfers and Grant Receipts (MBRR Table SA18)

Description	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand									
<u>Operating Transfers and Grants: RECEIPTS</u>									
National Government:	3 920 625	6 691 421	7 132 135	5 822 618	6 030 549	6 030 549	6 273 080	6 432 585	6 858 531
Local Government Equitable Share	1 809 797	2 012 945	2 292 908	2 574 650	2 574 650	2 574 650	2 815 558	3 081 195	3 377 636
Finance Management grant	1 050	1 050	1 050	1 000	1 000	1 000	1 000	1 000	1 000
Urban Settlements Development Grant	–	1 423 504	1 318 986	204 792	224 495	224 495	186 298	182 842	171 798
Energy Efficiency and Demand Side Management Grant	3 945	15 000	10 000	600	700	700	600	950	–
Dept. of Environ Affairs and Tourism	–	5 158	6 193	–	20 652	20 652	10 598	–	–
Expanded Public Works Programme	23 616	31 740	14 183	23 266	23 266	23 266	32 877	–	–
Integrated City Development Grant	–	44 805	61 263	7 622	9 478	9 478	6 854	8 388	8 388
Public Transport Infrastructure & Systems Grant	–	–	–	48 812	58 623	58 623	37 183	50 660	53 271
Infrastructure Skills Development	7 526	9 416	10 393	12 605	13 005	13 005	13 605	15 435	17 000
Public Transport Network Grant	–	950 063	999 524	391 135	546 544	546 544	554 849	381 388	354 460
Municipal Human Settlements Capacity Grant	13 703	–	–	–	–	–	–	–	–
Department of Public Service and Administration	777	–	–	–	–	–	–	–	–
Department of Environmental Affairs and Tourism	–	–	–	–	–	–	–	–	–
Informal Settlements Upgrading Partnership Grant	–	–	–	–	–	–	39 572	42 411	64 479
Neighbourhood Development Partnership Grant	–	–	–	–	–	–	3 600	3 600	6 000
Provincial Government:	1 251 253	1 235 596	1 021 550	967 719	1 291 191	1 291 191	1 088 633	1 274 760	1 278 028
Cultural Affairs and Sport - Provincial Library Services	37 833	49 665	53 299	47 347	50 547	50 547	47 062	49 046	61 867
Cultural Affairs and Sport - Library Services: Transfer funding to enable City of Cape Town to procure periodicals and newspapers	–	–	4 500	4 770	4 954	4 954	5 150	5 281	5 530
Human Settlements - Human Settlement Development Grant	730 119	596 558	405 754	333 550	601 254	601 254	392 430	540 035	496 500
Human Settlements - Municipal Accreditation Assistance	5 000	10 000	5 000	5 000	3 915	3 915	–	–	–
Human Settlement - Settlement Assistance	–	1 500	1 500	1 500	1 500	1 500	1 500	1 500	1 500
Health - TB	24 653	27 147	26 793	53 063	29 095	29 095	65 227	83 728	102 567
Health - ARV	159 183	206 350	207 677	224 414	234 191	234 191	257 047	273 756	291 550
Health - Nutrition	4 528	4 143	5 429	5 928	5 928	5 928	6 248	6 596	6 952
Health - Vaccines	61 967	96 758	90 264	86 899	101 499	101 499	91 661	91 661	91 661
Comprehensive Health	167 547	188 649	160 593	173 489	182 857	182 857	173 489	173 489	173 489
Transport and Public Works - Provision for persons with special needs	10 000	10 000	10 000	10 000	13 690	13 690	10 000	10 000	10 000
Community Safety - Law Enforcement Auxiliary Services	21 669	25 618	30 734	3 938	6 123	6 123	4 159	4 388	4 629
Planning, Maintenance and Rehabilitation of Transport Systems and Infrastructure	23 200	18 000	–	–	–	–	–	–	–
Appointment, Training, Equipping and Operationalisation of School Resource Officers	–	–	–	345	390	390	–	–	–
Community Development Workers	1 080	1 089	1 036	886	948	948	–	–	–
Finance Management Capacity Building Grant	–	120	240	360	613	613	380	–	–
Provincial Government: Financial Management Support Grant	300	–	230	230	230	230	230	–	–
Provincial Contribution towards addressing Natural Disasters	–	–	2 500	–	2 500	2 500	–	–	–
Transport Safety and Compliance - Rail Safety	4 000	–	16 000	16 000	16 000	16 000	17 000	18 000	19 000
Aerial support fire suppression	–	–	–	–	5 000	5 000	–	–	–
Establishment and Support K9 unit	–	–	–	–	3 000	3 000	2 300	2 530	2 783
Accreditation - Support - NHP	–	–	–	–	200	200	–	–	–
Human Settlements - Title deeds restoration	–	–	–	–	26 757	26 757	–	–	–
Department of Public Service and Administration	174	–	–	–	–	–	–	–	–
Municipal accreditation and capacity building grant	–	–	–	–	–	–	14 750	14 750	10 000

Table continues on next page

Description R thousand	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Other grant providers:	39 727	9 453	17 473	13 271	47 463	47 463	14 855	–	–
Tourism	167	–	–	2 000	2 000	2 000	1 291	–	–
CMTF	–	–	–	–	13 500	13 500	2 000	–	–
CID	2 908	4 410	4 844	4 107	4 107	4 107	5 141	–	–
Century City Property Owners Association	813	782	621	–	–	–	–	–	–
Chieta Learnership Programme	887	839	108	–	–	–	–	–	–
Dutch Government Orio Project	649	–	4 195	–	–	–	–	–	–
Mayoress Charity Fund	135	328	161	–	–	–	–	–	–
Traffic Free Flow (PTY) Ltd	1 262	987	–	539	539	539	580	–	–
Westcott Primary	–	38	47	43	43	43	43	–	–
Airports Company South Africa SOC Ltd	–	667	333	1 333	1 333	1 333	–	–	–
Rockefeller Philanthropy Advisor's Inc	–	–	1 420	1 448	1 448	1 448	–	–	–
Carnegie	3 809	–	–	–	–	–	–	–	–
V&A Waterfront Holdings (Pty) Ltd	275	332	880	853	853	853	891	–	–
The South African Breweries	–	–	4 040	–	2 801	2 801	–	–	–
Agence Francaise De Development (AFD)	330	–	–	–	–	–	–	–	–
Bayside	–	176	615	–	594	594	556	–	–
Big Bay	–	–	209	396	396	396	274	–	–
Long Street law Enforcement	–	–	–	1 583	1 583	1 583	1 583	–	–
DBSA Green Fund	25 000	–	–	–	–	–	–	–	–
South African National Biodiversity Institute	1 542	–	–	–	–	–	–	–	–
University of Connecticut	451	–	–	–	–	–	–	–	–
National Lottery	1 500	–	–	–	–	–	–	–	–
Sustainable Energy Africa	–	–	–	967	697	697	–	–	–
Disaster Management Fund	–	6	–	–	–	–	–	–	–
Prasa	–	–	–	–	16 000	16 000	–	–	–
Marine Circle Rent-A-Cop	–	–	–	–	206	206	569	–	–
GRAND CHINA	–	–	–	–	200	200	396	–	–
Bergvliet High Part-time Trfc Attendant	–	–	–	–	29	29	–	–	–
CCID - Traffic Wardnes	–	–	–	–	864	864	902	–	–
Green Point Law Enforcement	–	–	–	–	198	198	586	–	–
Part Time Trfc Attend: Rustenberg Girls	–	38	–	–	43	43	43	–	–
PopART -Stellenbosch University	–	850	–	–	28	28	–	–	–
Total Operating Transfers and Grants	5 211 605	7 936 470	8 171 158	6 803 608	7 369 202	7 369 202	7 376 568	7 707 345	8 136 559

1.4.1 Property (Tax) Rates (refer Annexure 2)

Property rates are levied in accordance with Council policies, the Local Government Municipal Property Rates Act 2004 (MPRA), the MPRA Regulations, and the MFMA.

In terms of the amendments to the Property Rates Act, the City is required to:

- Institute new rating categories;
- Align its rebates, reductions and exemptions to the amended legislation;
- Implement the amendments of the MPRA and the new categories simultaneously with a new General Valuation which comes into effect on 1 July 2019.

Property rates are based on values indicated in the General Valuation Roll 2018 (GV) with the date of valuation being 2 July 2018.

The rate-in-the-rand for Property Rates for the 2019/20 financial year are set out in Annexure 2.

The definitions and listing of categories are reflected in the Rates Policy attached as Annexure 5.

The proposed rates tariffs are shown in the Tariffs, fees and charges book attached as Annexure 6.

1.4.2 Sale of Water and Sanitation and Impact of Tariff Increases (refer Annexure 4)

The drought had a permanent impact on the overall consumption levels as well as consumption in the high usage steps used for cross-subsidisation. The cost of operating and maintaining the water and sanitation network, with due cognisance of initiatives to make water supply more resilient has, however, continued to increase. To stabilise the tariff structure, changes were recommended during the 2018/19 budget cycle, including revision of the six-step progressive stepped tariff structure to a four-step tariff structure, the introduction of a fixed basic charge for water, and uniform tariffs for the non-domestic categories. These changes were necessary to ensure that the cost of delivering the service was recovered to protect the sustainability of the service.

The City has previously allowed for possible shifts in water usage patterns experienced during periods of restrictions. To this end, level 1 to level 7 reduction tariffs for the restriction measures were approved for the 2018/19 financial year.

In line with the City's New Water Strategy, five new levels of tariffs are recommended for 2019/20. Alignment of the new tariff levels with the seven levels for water and sanitation currently being applied are reflected in Annexure 4.

The proposed consumption-based, as well as miscellaneous tariffs, are shown in the Tariffs, fees and charges book attached as Annexure 6.

The ensuing tables show the proposed tariffs for water and sanitation over the 2019/20 MTREF.

Table 10 Proposed water tariffs – Non-indigent

Category	Proposed Tariff 2019/20 No Restriction	Proposed Tariff 2019/20 Level 1	Proposed Tariff 2019/20 Level 2	Proposed Tariff 2019/20 Level 3	Proposed Tariff 2019/20 Emergency
	Rand per KI (excl. VAT)				
DOMESTIC Full					
Fixed basic Charge (Assume meter size = 15mm)	56.00	56.00	56.00	56.00	56.00
Step 1 (0 < 6kl)	14.45	14.91	15.40	18.48	23.10
Step 2 (>6 < 10.5kl)	19.86	21.21	24.55	29.74	37.53
Step 3 (>10.5 < 35kl)	26.99	30.12	37.11	45.11	57.11
Step 4 (>35kl)	49.80	66.12	92.31	186.19	327.00
DOMESTIC Cluster					
Fixed basic Charge (Assume meter size = 40mm)	400.00	400.00	400.00	400.00	400.00
Step 1 (0 < 6kl)	14.45	14.91	15.40	18.48	23.10
Step 2 (>6 < 10.5kl)	19.86	21.21	24.55	29.74	37.53
Step 3 (>10.5 < 35kl)	26.99	30.12	37.11	45.11	57.11
Step 4 (>35kl)	49.80	66.12	92.31	186.19	327.00
COMMERCIAL (assumed meter size = 50mm)	625.00	625.00	625.00	625.00	625.00
COMMERCIAL	25.88	27.32	31.41	35.19	40.88
INDUSTRIAL (assumed meter size = 100mm)	2 500.00	2 500.00	2 500.00	2 500.00	2 500.00
INDUSTRIAL	25.88	27.32	31.41	35.19	40.88

Table 11 Proposed sanitation tariffs - Non Indigent

Category	Proposed Tariff 2019/20 No Restriction	Proposed Tariff 2019/20 Level 1	Proposed Tariff 2019/20 Level 2	Proposed Tariff 2019/20 Level 3	Proposed Tariff 2019/20 Emergency
	Rand per KI (excl. VAT)				
DOMESTIC Full - Standard					
Step 1 (0 < 4,2 kl)	12.70	13.10	13.54	15.50	18.45
Step 2 (>4.2 < 7.35 kl)	17.45	18.64	21.57	26.13	32.97
Step 3 (>7.35 < 24.5kl)	24.51	27.89	34.80	40.57	49.21
Step 4 (>24.5 < 35kl)	38.55	50.19	72.83	90.83	117.82
DOMESTIC Cluster					
Step 1 (0 < 4.2kl)	12.70	13.10	13.54	15.50	18.45
Step 2 (>4.2 < 7.35 kl)	17.45	18.64	21.57	26.13	32.97
Step 3 (>7.35 < 24.5kl)	24.51	27.89	34.80	40.57	49.21
Step 4 (>24.5 < 35kl)	38.55	50.19	72.83	90.83	117.82
COMMERCIAL	23.25	24.54	26.43	29.07	33.02
INDUSTRIAL	23.25	24.54	26.43	29.07	33.02

The following two tables show the proposed water- and sanitation tariffs for a single dwelling house.

Table 12 Proposed water tariff (domestic consumption) –non-indigent

Monthly Consumption kl	Proposed amount payable 2019/20 (No Restriction) R (excl VAT)	Proposed amount payable 2019/20 (Level 1) R (excl VAT)	Proposed amount payable 2019/20 (Level 2) R (excl VAT)	Proposed amount payable 2019/20 (Level 3) R (excl VAT)	Proposed amount payable 2019/20 (Emergency) R (excl VAT)
Fixed basic charge *	56.00	56.00	56.00	56.00	56.00
6	143.14	145.98	149.15	167.81	195.79
10.5	233.54	242.70	261.43	303.85	367.49
20	489.95	528.84	613.98	732.39	910.03
35	905.73	997.90	1 197.09	1 476.68	1 896.08
50	1 652.73	1 989.70	2 581.74	4 269.53	6 801.08
80	3 146.73	3 973.30	5 351.04	9 855.23	16 611.08

* Assume meter size=15mm

Table 13 Proposed sanitation tariff (domestic consumption) – non-indigent

Monthly Consumption kl	Proposed amount payable 2019/20 (No Restriction) R (excl VAT)	Proposed amount payable 2019/20 (Level 1) R (excl VAT)	Proposed amount payable 2019/20 (Level 2) R (excl VAT)	Proposed amount payable 2019/20 (Level 3) R (excl VAT)	Proposed amount payable 2019/20 (Emergency) R (excl VAT)
4.2	53.61	55.34	57.33	65.71	78.33
7.35	109.29	114.99	126.61	149.47	183.82
14	272.28	300.45	358.03	419.27	511.06
24.5	534.35	600.78	736.19	862.12	1 050.79
35	920.64	1 103.72	1 465.99	1 772.28	2 231.42

1.4.3 Solid Waste Management and impact of Tariff Increases (refer Annexure 4)

The Solid Waste Tariffs are levied to recover costs of services provided directly to customers and include refuse collection fees, disposal fees, compost sales, weighbridge fees and other ad hoc services.

An average increase of 5% has been applied on the Consumptive Tariffs for Collections and Disposal. An average increase of 4.14% has been applied on the Miscellaneous Tariffs for Cleaning.

The proposed tariffs are shown in the Tariffs, fees and charges book attached as Annexure 6.

Table 14 Comparison between current waste removal fees and increases

SERVICES RENDERED	UNIT	REMARKS To be read in conjunction with Definitions (refer annexures)	VAT Yes/No	Current 2018/19 R excl. VAT	Proposed 2019/20 R excl. VAT	Increase R excl. VAT	Percentage change
Black lid 240L container service (R/blacklid) - Residential properties							
Basic container service: Residential collection based on a once-per week 240L service per household/service point in suburbs containerised.	Per month	Account to property owner. Basic container service (weekly service is 1x 240L Black lid container per week).	y	126.26	132.61	6.35	5%
Additional once-per-week 240L service (Black lid 240L)	Per additional 240 L container per month	Enhanced service level. (Additional service of 240L Black lid container(s) serviced on the same day as the normal weekly service. Per fixed agreement - not variable).	y	126.26	132.61	6.35	5%
Three times per week for cluster	per month	Account to property owner. Basic container service (weekly service is 3x 240L Black lid container per week).	y	378.70	397.65	18.95	5%
Black lid 240L container service (R/blacklid) - Non-Residential properties							
240L container (1 per week)	Per month	Account to property owner. container service delivered to non-residential areas (Weekly service is 1x 240L Black lid container per week.).	y	150.78	158.35	7.57	5%
240L container (3 per week)	Per month	Account to property owner. container service thrice per week.	y	452.26	474.87	22.61	5%
240L container (5 per week)	Per month	Account to property owner. container service five times per week.	y	753.91	791.65	37.74	5%
Refuse Availability - Vacant land							
Availability charge on vacant land	Per month	All vacant erven subjected to Availability Charge	y	74.78	78.52	3.74	5%
Disposal Services							
General Waste	Per metric ton or part thereof	Applicable to all disposal sites, transfer stations and compost plants		483.57	507.74	24.17	5%
Special/Hazardous waste	Per metric ton or part thereof	As determined by the site weighbridge. Applicable for disposal at Vissershok landfill only. Subject to prior permitting.		640.87	672.96	32.09	5%
Builders Rubble	Per metric ton or part thereof	Applicable to all Landfill Sites		20.00	21.04	1.04	5%

1.4.4 Sale of Electricity and Impact of Tariff Increases (refer Annexure 4)

The proposed revisions to the tariffs have been formulated in accordance with the City's Tariff- and Rates policy and comply with Section 74 of the Local Government Municipal Systems Act (MSA) as well as the recommendations of the National Energy Regulator of South Africa (NERSA).

In terms of section 75A of the MSA, any fees, charges or tariffs which a municipality may wish to levy and recover in respect of any function or service of the municipality, must be approved by a resolution passed by the municipal council with a supporting vote of a majority of its members.

The Electricity Regulation Act requires that proposed revisions to the electricity consumption based tariffs be submitted to the Regulator for approval prior to implementation. Provisional approval will therefore be requested with the express proviso that any alterations required by Council will be submitted to the Regulator as soon as possible.

The Consumptive Tariff Schedule includes a note indicating that the tariffs are applied in accordance with the terms and conditions as contained in the Electricity Tariff Policy.

On 7 March 2019, NERSA issued a statement allowing Eskom an average 9.41% increase, which, when coupled to the Regulatory Clearing Account (RCA) increase of 4.41% already approved in October 2018, amounts to a total increase to direct Eskom customers of 13.87%. This then equates to a bulk purchases increase of 15.63% increase to Municipalities. NERSA have issued a Consultation Paper on Guideline Increases for regulated tariffs on 29 March 2019. Here the formula allows for a municipal guideline increase of 13.07%. It should be noted that this excludes items such as the Contribution to Rates.

The items mentioned above as well as amendments to the Support Services Recharges and other internal City-determined costs result in the Electricity Generation & Distribution department requiring a revenue increase from Sale of Electricity of 8.5% in order to meet the budgeted operating expenditure and, when coupled to the expected negative sales growth of -1.5%, results in a tariff increase requirement of an average of 8.88%.

These increases are in line with the guidelines established in the Medium Term Revenue and Expenditure Framework.

Present electricity tariffs were approved by Council on 30 May 2018 and by NERSA on 29 June 2018, and were implemented with effect from 1 July 2018.

The proposed tariffs are shown in the Tariffs, fees and charges book (Annexure 6).

Table 15 Comparison between current and proposed electricity charges (domestic consumption)

Category	Unit	Steps	VAT yes/no	Current 2018/19 c/kWh (excl VAT)	Proposed 2019/20 c/kWh (excl VAT)	Difference (Increase)	Percentage change
Lifeline INCLUDING the FBE portion	Energy Charge (c/kWh)	0-350kWh	y	110.30	120.09	9.79	8.88%
		350.1+ kWh	y	222.39	242.14	19.75	8.88%
Domestic	Energy Charge (c/kWh)	0-600kWh	y	182.89	199.13	16.24	8.88%
		600.1+ kWh	y	222.39	242.14	19.75	8.88%
Home User	Service Charge	Per Month	y	130.44	142.02	11.58	8.88%
	Energy Charge (c/kWh)	0-600kWh	y	161.15	175.46	14.31	8.88%
		600.1+ kWh	y	222.39	242.14	19.75	8.88%

1.4.5 Overall impact of tariff increases on households

The following table shows the overall expected impact of tariff increases on households with a 'middle income range', an 'affordable range' and an 'indigent household receiving free basic services'.

Table 16 - Impact of tariff increases on households (MBRR Table SA14)

Description	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework			
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20 % incr.	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Rand/cent										
Monthly Account for Household - 'Middle Income Range'										
Rates and services charges:										
Property rates	286.63	266.54	279.88	298.08	298.08	298.08	(22.4%)	231.25	247.44	267.23
Electricity: Basic levy	–	–	–	–	–	–	–	–	–	–
Electricity: Consumption	1 676.32	1 787.26	1 837.32	1 986.90	1 986.90	1 986.90	8.9%	2 163.34	2 314.77	2 499.96
Water: Basic levy	–	–	–	–	–	–	–	–	–	–
Water: Consumption	372.43	608.33	4 278.50	11 315.59	11 315.59	11 315.59	(89.7%)	1 170.05	1 251.95	1 352.11
Sanitation	261.30	415.60	1 524.25	1 598.01	1 598.01	1 598.01	(59.3%)	650.53	696.07	751.75
Refuse removal	103.95	112.19	119.47	126.32	126.32	126.32	5.0%	132.61	141.89	153.24
Other	–	–	–	–	–	–	–	–	–	–
sub-total	2 700.63	3 189.92	8 039.42	15 324.90	15 324.90	15 324.90	(71.6%)	4 347.78	4 652.12	5 024.29
VAT on Services	337.96	409.27	1 125.52	2 254.02	2 254.02	2 254.02	–	617.48	660.70	713.56
Total large household bill:	3 038.59	3 599.19	9 164.94	17 578.92	17 578.92	17 578.92	(71.8%)	4 965.26	5 312.82	5 737.85
% increase/-decrease		18.4%	154.6%	91.8%	–			(71.8%)	7.0%	8.0%
Monthly Account for Household - 'Affordable Range'										
Rates and services charges:										
Property rates	171.98	159.93	167.93	178.85	178.85	178.85	(22.4%)	138.75	148.46	160.34
Electricity: Basic levy	–	–	–	–	–	–	–	–	–	–
Electricity: Consumption	771.50	822.55	845.60	914.45	914.45	914.45	8.9%	995.65	1 065.35	1 150.57
Water: Basic levy	–	–	–	–	–	–	–	–	–	–
Water: Consumption	269.33	426.61	2 778.50	6 315.59	6 315.59	6 315.59	(86.7%)	839.45	898.21	970.07
Sanitation	199.11	261.08	1 156.75	1 219.76	1 219.76	1 219.76	(61.1%)	474.87	508.11	548.76
Refuse removal	103.95	112.19	119.47	126.32	126.32	126.32	(21.3%)	99.39	106.35	114.86
Other	–	–	–	–	–	–	–	–	–	–
sub-total	1 515.87	1 782.36	5 068.25	8 754.97	8 754.97	8 754.97	(70.9%)	2 548.11	2 726.48	2 944.60
VAT on Services	188.14	227.14	709.56	1 286.42	1 286.42	1 286.42	–	361.40	386.70	417.64
Total small household bill:	1 704.01	2 009.50	5 777.81	10 041.39	10 041.39	10 041.39	(71.0%)	2 909.51	3 113.18	3 362.24
% increase/-decrease		17.9%	187.5%	73.8%	–			(71.0%)	7.0%	8.0%
Monthly Account for Household - 'Indigent' Household receiving free basic services										
Rates and services charges:										
Property rates	57.33	53.31	55.98	59.62	59.62	59.62	(22.4%)	46.25	49.49	53.45
Electricity: Basic levy	–	–	–	–	–	–	–	–	–	–
Electricity: Consumption	273.18	291.27	306.00	386.05	386.05	386.05	8.9%	420.32	449.74	485.72
Water: Basic levy	–	–	–	–	–	–	–	–	–	–
Water: Consumption	166.23	246.96	1 014.50	1 154.59	1 154.59	1 154.59	(75.0%)	289.15	309.39	334.14
Sanitation	136.92	198.88	613.29	718.66	718.66	718.66	(74.2%)	185.47	198.45	214.33
Refuse removal	51.97	56.14	59.74	63.16	63.16	63.16	5.1%	66.35	70.99	76.67
sub-total	685.63	846.56	2 049.51	2 382.08	2 382.08	2 382.08	(57.7%)	1 007.54	1 078.06	1 164.31
VAT on Services	87.96	111.06	286.93	348.37	348.37	348.37	–	144.19	154.29	166.63
Total small household bill:	773.59	957.62	2 336.44	2 730.45	2 730.45	2 730.45	(57.8%)	1 151.73	1 232.35	1 330.94
% increase/-decrease		23.8%	144.0%	16.9%	–			(57.8%)	7.0%	8.0%

1.5 Operating Expenditure Framework

The City's expenditure for the 2019/20 budget and MTREF is informed by the following:

- Modelling of feasible and sustainable budgets over the medium term,
- Cognisance of international, national and local economic- and fiscal conditions,
- Expenditure limits set by realistic and realisable revenue levels,
- The City's asset renewal strategy and its medium- to long term asset repairs and maintenance goals,
- Relevant (budget and other) legislative imperatives,
- Operational gains and efficiencies directed to fund areas of strategic priority and known commitments; and
- key challenges highlighted on page 82.

A differentiated budgeting approach for the 2018/19 MTREF was adopted and continued with in the 2019/20 MTREF. The principles of cost containment, elimination of wasteful expenditure, and reprioritisation of spending were considered in the compilation of the budget.

The following table is a high level summary of the 2019/20 MTREF operating expenditure (classified by main type):

Table 17 Summary of operating expenditure by main type

Description R thousand	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Expenditure By Type									
Employee related costs	9 355 543	9 660 020	10 865 323	12 920 115	12 524 112	12 485 871	13 817 805	14 894 366	16 064 208
Remuneration of councillors	134 637	138 374	154 923	169 640	169 640	169 640	179 818	190 697	202 234
Debt impairment	1 780 673	1 581 367	1 360 558	2 988 951	2 401 378	2 401 378	2 341 628	2 343 143	2 529 692
Depreciation & asset impairment	2 117 336	2 308 949	2 578 561	2 814 336	2 850 051	2 850 051	3 015 086	3 259 139	3 493 178
Finance charges	759 094	751 438	781 948	1 089 285	907 136	797 254	790 756	921 279	1 304 856
Bulk purchases	8 059 427	8 413 200	8 122 430	9 487 132	8 987 316	8 987 316	10 092 601	11 473 833	12 575 400
Other materials	710 430	1 194 703	1 219 448	1 255 285	1 333 237	1 390 630	1 611 763	1 592 986	1 633 236
Contracted services	4 709 009	5 227 988	5 432 869	6 004 687	6 617 716	6 597 274	7 156 498	6 838 036	7 164 620
Transfers and subsidies	379 692	349 609	418 599	333 807	489 002	484 449	446 206	544 944	491 532
Other expenditure	2 078 298	1 878 184	1 953 755	2 200 213	2 044 051	2 159 769	2 326 698	2 488 676	2 694 163
Loss on disposal of PPE	9 100	15 640	12 861	488	175 112	175 117	756	794	834
Total Expenditure	30 093 239	31 519 472	32 901 274	39 263 938	38 498 750	38 498 749	41 779 617	44 547 894	48 153 952

- Employee related costs amounts to R13 818 million in 2019/20, which equates to 33.1% of the total operating expenditure. The 2019/20 cost of living increase as per the SALGBC wage agreement (CPI +1.5%) was used when calculating the 2019/20 staff budget (5% + 1.5%). Subsequent to the tabling of the budget in March 2019, additional allocations amounting to R240 million were made to various directorates.
- The cost associated with the remuneration of councillors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The most recent proclamation in this regard was taken into account when compiling the City's 2019/20 budget.

- Provision for debt impairment is based on collection rates achieved to date and projected over the MTREF period, as well as the City's arrears and debt recovery policies. For 2019/20, this equates to R2 342 million escalating to R2 530 million by 2021/22. This informs the City's realistically anticipated revenues.
- Budgeted appropriations for Depreciation & Asset Impairment totals R3 015 million for 2019/20 and is linked to the capitalisation rate of assets. The calculation of depreciation on new capital expenditure is based on variables such as asset class and lifespan depending on the nature of the asset. Depreciation of existing assets is calculated based on simulated SAP (financial system) data that reflect actual values per annum. Assets Under Construction (AUC) are calculated based on asset class lifespan and the projected capitalisation dates.
- Finance Charges consist primarily of the repayment of interest on long-term borrowing (cost of capital). It equates to 1.9% (R791 million) of the 2019/20 operating expenditure (excluding redemption costs), increasing to R1 305 million by 2021/22. The increase over the 2019/20 MTREF is informed by existing- and new loans that will be taken up to fund the City's capital programme and the projected service charges for interest-bearing loan over this period.
- Bulk Purchases is influenced by the purchase of electricity and water from suppliers (Eskom and the National Department of Water & Sanitation), which is informed by consumer behaviour. In this regard, annual price increases have been factored into the budget appropriations, which in turn impacts on the tariff requirements for these tariff-based services.
- Other Materials provision caters for sundry items such as the purchase of fuel, materials for maintenance, cleaning materials and chemicals. Growth for this expenditure component over the MTREF period is projected at R1 612 million in 2019/20 increasing to R1 633 million by 2021/22.
- The Contracted Services expenditure component includes provisions for repairs and maintenance and additional allocations for service delivery enhancements. Expenditure levels are projected at R7 156 million in 2019/20 escalating to R7 165 million in 2021/22. This allocation increased from R6 524 million post tabling of the budget.

The figure below gives a breakdown of the main expenditure categories for 2019/20.

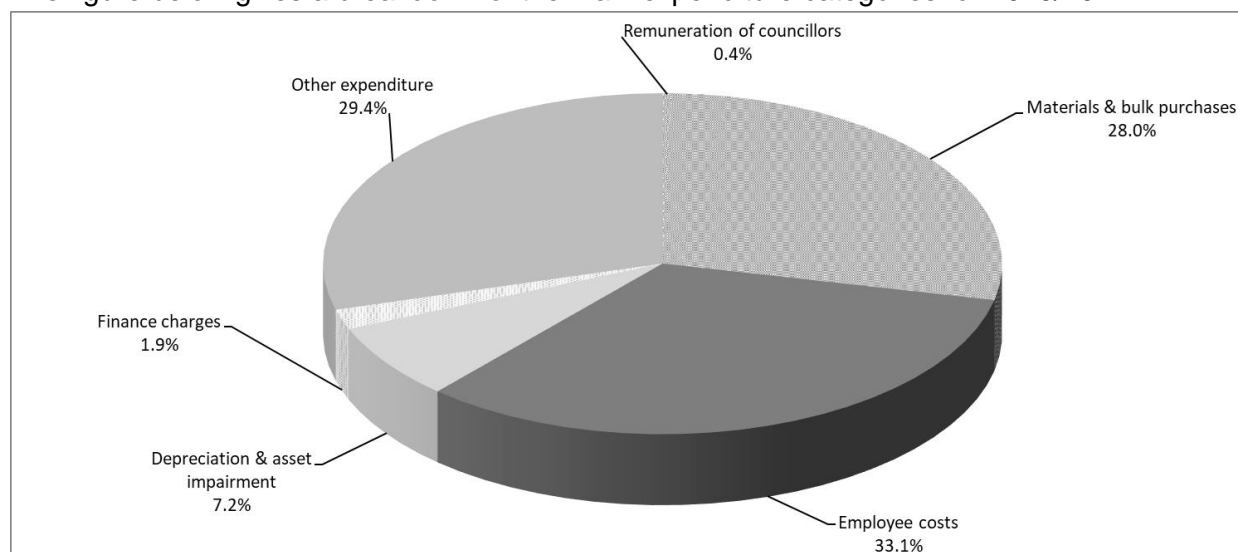


Figure 1 Main operational expenditure categories for the 2019/20 financial year

1.5.1 Priority given to Repairs & Maintenance

The City has acknowledged its obligation to optimally preserve its extended asset base and recognises current inherent backlogs in this regard. Repairs and maintenance growth is based on previous year's actual expenditure, service delivery needs and efficiencies identified.

Above inflationary increases were applied to the following directorates:

- Economic Opportunities & Asset Management;
- Water & Waste; and
- Transport.

Inflation growth is applied to the Urban Management, Energy & Climate Change, Community Services & Health and Safety & Security directorates.

No growth was applied to Support Services i.e. Finance, Corporate Services and Office of the City Manager.

In terms of the MBRR and mSCOA reporting requirements, operational repairs and maintenance is not considered a direct expenditure driver, but an outcome of other expenditure, such as remuneration, purchases of materials and contracted services. Considering these cost drivers, the following table is a consolidation of all the expenditure associated with repairs and maintenance.

Table 18 Operational repairs and maintenance

Description	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand									
Repairs & Maintenance by Expenditure Item									
Employee related costs	1 262 852	1 271 125	1 229 788	1 300 132	1 102 592	1 102 592	1 135 210	1 235 279	1 306 722
Other materials	45 260	276 260	329 644	325 242	344 795	344 795	376 267	405 658	419 596
Contracted Services	1 660 202	2 010 873	2 075 310	2 173 011	2 335 054	2 335 054	2 471 803	2 594 914	2 716 079
Other Expenditure	370 681	203 039	175 323	176 078	173 717	173 717	146 396	162 897	171 959
Total Repairs and Maintenance Expenditure	3 338 995	3 761 297	3 810 065	3 974 465	3 956 159	3 956 159	4 129 677	4 398 747	4 614 356

The total repairs and maintenance allocation for 2019/20 is R4 130 million. The nominal allocations reflect the differentiated approach to repairs and maintenance of different line functions, as outlined in paragraph 1.5.1 above. In addition, these allocations provide for the full cost absorption method applied to calculate labour unit price, and the increases in activity prices based on the total cost of employment (TCOE) of direct labour workers.

This provision reflects a growth trend over the MTREF increasing to R4 614 million in 2021/22. The 2019/20 repairs and maintenance provision represents 9.9% of the total operating expenditure.

1.5.2 Free Basic Services: Basic Social Services Package

The City provides free basic services (electricity, refuse removal, water, sanitation and rates) to residential properties via three methods, namely:

- a) Blanket approach: based on the municipal value of the property; or
- b) Targeted approach: on application by those with limited income whose property values exceed set valuation levels; or
- c) Based on consumer behaviour i.e. usage.

a) Blanket Approach: Municipal value of the property

The utilisation of the blanket approach prevents the need to deal with the almost 250 000 applications that would qualify if all had to apply on a periodic basis. The challenge with this approach is that it applies to households irrespective of their ability to pay. However, the cost of providing the service using this method outweighs the benefit of not providing the free services. The benefit of the blanket approach is that it provides certainty and reduces the risks of fraud.

Varying percentage rebates for refuse removal based on property values for properties between R1 and R500 000 are applied as follows:

Property Value	Rebate %
R350 001 – R500 000	25%
R150 001 – R350 000	50%
R100 001 – R150 000	75%
R100 000 and below	100%

b) Targeted Approach: Household income based

This method allows any resident who is required to pay for municipal services and whose gross monthly household income is R4 500 or below (previously R4 000 or below) to register as indigent in order to receive the same benefits as if their property values were below R100 000. The number of indigent registered was 4 914 at the end of April 2019. This number varies on a monthly basis as registration is valid for 12 months where after re-application is required.

In addition, further Property Rates rebates are granted to residents based on their gross monthly household income as reflected below:

Income bracket	Rebate %
R4 501 – R5 000	75%
R5 001 – R5 500	50%
R5 501 – R6 000	25%

The number of beneficiaries in the above categories was 59 as at end April 2019.

Senior citizen and disabled persons' rates rebates are granted to qualifying applicants where the gross monthly household income is below R17 500. To give effect to comments received during the public participation process in April 2019, this limit was lifted from the R15 000 applicable in the 2018/19 financial year. For household income up to R4 500, the rates rebate is 100%, reducing gradually to 10% for income between R16 501 and R17 500 (previously R15 000).

c) Electricity – Based on consumer behaviour

Electricity lifeline tariff customers consuming less than 250kWh per month will receive a free basic supply of 60kWh, while those consuming between 250kWh and 450kWh per month will receive a free basic supply of 25kWh per month.

Assistance to the households mentioned based on modelling the impact of the tariffs and policies on all residential properties and are regulated by Council's budget-related policies, which are reviewed annually. All free basic services are provided for in the City's balanced operating budget.

The costs for the indigent support on charges for refuse removal, water and sanitation, property rates and free electricity are partially financed by National Government through the local government Equitable Share received in terms of the annual DoRA. The City, however, supplements this expenditure from property rates and tariffs revenue.

Further detail relating to the number of households receiving free basic services, the cost of free basic services, highest level of free basic services as well as the revenue cost associated with the free basic services is contained in Table 30 on page 58.

1.6 Capital Expenditure

Table 19 Capital budget per vote over the 2019/20 MTREF

Vote Description R thousand	Current Year 2018/19		2019/20 Medium Term Revenue & Expenditure Framework					
	Adjusted Budget	%	Budget Year 2019/20	%	Budget Year +1 2020/21	%	Budget Year +2 2021/22	%
Vote 1 - Community Services & Health	313 947	4.7%	354 281	4.2%	351 351	3.1%	375 057	3.2%
Vote 2 - Corporate Services	269 714	4.1%	149 863	1.8%	196 189	1.7%	101 429	0.9%
Vote 3 - Economic Opportunities & Asset Managemnt	283 893	4.3%	389 498	4.6%	427 272	3.7%	354 814	3.0%
Vote 4 - Energy & Climate Change	863 239	13.0%	834 094	9.9%	1 008 117	8.8%	1 520 724	12.8%
Vote 5 - Finance	26 851	0.4%	116 957	1.4%	275 579	2.4%	51 351	0.4%
Vote 6 - Human Settlements	705 286	10.6%	869 063	10.4%	987 927	8.6%	882 546	7.4%
Vote 7 - Office of the City Manager	2 696	0.0%	973	0.0%	839	0.0%	910	0.0%
Vote 8 - Safety & Security	212 649	3.2%	535 237	6.4%	170 748	1.5%	135 332	1.1%
Vote 9 - Spatial Planning & Environment	76 345	1.2%	92 847	1.1%	81 465	0.7%	58 557	0.5%
Vote 10 - Transport	1 155 047	17.4%	1 326 126	15.8%	1 925 427	16.7%	2 386 725	20.1%
Vote 11 - Urban Management	23 477	0.4%	122 981	1.5%	110 520	1.0%	145 030	1.2%
Vote 12 - Water & Waste	2 702 989	40.7%	3 596 511	42.9%	5 980 277	51.9%	5 845 483	49.3%
Total Capital Expenditure - Vote	6 636 132	100%	8 388 432	100%	11 515 711	100%	11 857 958	100%

The capital budget increases from R6 636 million in 2018/19 (January 2019 adjustments budget) to R8 388 million in 2019/20. This is an overall increase of 26.4% when measured against the latest 2018/19 budgetary provision.

The above table clearly indicates that expenditure emphasis is still on those votes (directorates) responsible for infrastructure development e.g. Water & Waste, Transport, Human Settlements and Energy & Climate Change. The 2019/20 allocation to these votes represents just over R6 625 million or 78.99% of the total budgetary allocation for the year. Water & Waste receives the largest allocation of R3 597 million in 2019/20, which represents 42.9% of the budget. The second highest allocation amounting to R1 326 million or 15.8% is made to Transport followed by Human Settlements at R869 million (10.4%), Energy & Climate Change at R834 million (9.9%), and Safety & Security at R535 million (6.4%).

The majority of allocations are also made to infrastructure development in the outer years i.e. (R9 902 million (85.98%) in 2020/21 and R10 635 million (89.69%) in 2021/22.

National Treasury, in its MFMA circulars, stipulates that a minimum of 40% of a municipality's capital budget should be for renewal of existing assets as opposed to new infrastructure. In the 2019/20 capital budget, the renewal of existing assets equates to R2 292 million (27.3%), upgrading of existing assets represents R2 229 million (26.6%) and new assets represents R3 867 million (46.1%). It is important to note that existing assets can be renewed or upgraded, while new assets will result in an increase in the asset base of the City.

Additional details regarding asset classes and proposed capital expenditure is contained in Table 29 on page 54. MBRR Table A9, Table SA34a, Table SA34b and Table SA34e provides the detailed breakdown of the capital budget with regards to new asset construction, capital asset renewal and upgrading.

A detailed breakdown of the capital budget per project/programme over the medium term is available in Annexure 30.

Details of all capital programmes included in Annexure 1 (Multiyear capital appropriations by vote) are reflected in Annexure 36.

Major projects/programmes to be implemented over the **medium term**:

- Bellville Integrated Recreation Facility → R34.8 million
- Early Childhood Development Centres in Informal Settlements → R44 million
- Integrated Recreation & Parks Facilities → R42.4 million
- IT Modernisation → R51.5 million
- Khaya Integrated Recreation Facility → R12 million
- Library Books, Materials, Periodicals & Subscriptions → R30.6 million
- Library Upgrades and Extensions → R34.7 million
- Mfuleni Integrated Recreation Facility → R10.8 million
- New Fisantekraal Clinic → R10 million
- New Health Clinics → R54 million
- New Manenberg Regional Library → R17.7 million
- New Nyanga Regional Library → R17.1 million
- New Zakhele Clinic → R30 million
- Regional Recreation Hubs → R38 million
- Upgrade Maitland Crematorium → R50 million
- Upgrade of Athlone Stadium → R70.8 million
- Upgrade of City Hall → R16.2 million
- Upgrade of Good Hope Centre → R13.1 million
- Upgrade of Grand Parade → R11 million
- Electricity Substations: Fencing → R64.4 million
- Mitchells Plain - Steenbras 132 kV OHL → R24.3 million
- Noordhoek LV Depot → R36.5 million
- Paardevlei Switching Station → R79.4 million
- Resource efficiency → R85.4 million
- Retreat Depot - Replacement for Muizenberg → R52.1 million
- E-Tendering System → R83 million

- Security at Cash Offices → R12.6 million
- Suites Cape Town Stadium → R282 million
- ACSA Symphony Way Housing Project → R59.5 million
- Backyards/Informal Settlements Upgrade: Monwabisi Park - Khayelitsha → R108.4 million
- Backyards/Informal Settlements Upgrade: Monwood - Philippi → R61.4 million
- Beacon Valley Housing Project - Mitchells Plain → R90 million
- Belhar CBD Housing Development → R57.8 million
- Conradie Housing Development → R199.7 million
- Forest Village Housing Project → R60.5 million
- Harare Infill Housing Project → R40 million
- Imizamo Yethu Housing Project (Phase 3) → R187 million
- Imizamo Yethu Informal Settlements Emergency Project → R68.6 million
- Informal Settlement Upgrade - Driftsands → R56.1 million
- Informal Settlement Upgrade - Enkanini → R100 million
- Macassar BNG Housing Project → R72 million
- Maroela Housing Project - North → R55.3 million
- Integrated Contact Centre → R86.4 million
- Metro Police Services Property Improvement → R19 million
- Metro Police Services Training College → R131 million
- Coastal Structures: Rehabilitation → R36 million
- Kruskal Avenue Upgrade → R15 million
- Local Area Priority Initiatives → R54.4 million
- Coastal Structures: Rehabilitation → R125.9 million
- Congestion Relief - Erica Drive → R89.9 million
- Durbanville Non-Motorised Transport Project → R43.1 million
- IRT: Fare Collection → R62 million
- Public Transport System Projects → R103 million
- Rehabilitation of Jakes Gerwel Drive - N2 & N1 → R54 million
- Retreat Public Transport Interchange → R62.3 million
- Road Construction: Belhar Main Road: Stellenbosch Arterial to Highbury Road → R46.5 million
- Road Upgrade: Amandel Road, between Bottelary River and Church Street → R48 million
- Road Upgrade: N7 M12 Sandown Road → R46 million
- Roads Rehabilitation: Bishop Lavis → R35 million
- Somerset West Public Transport Interchange → R51.4 million
- Traffic Calming → R18 million
- Community Based Recycling Drop off Centres → R22.5 million
- Athlone Refuse Transfer Station: Development of a Mechanical Biological Treatment Facility → R161.3 million
- Athlone Refuse Transfer Station: New Materials Recovery Facility → R147.2 million
- Athlone Waste Water Treatment Works - Capacity Extension Phase 1 → R596.7 million
- Atlantis Aquifer → R351 million
- Bellville Waste Water Treatment Works Extension → R183.3 million
- Bulk Reticulation Sewers in Milnerton Rehabilitation → R102 million
- Bulk Water Augmentation Scheme → R734.3 million
- Cape Flats Aquifer → R750 million
- Cape Flats Aquifer Recharge → R650.5 million
- Cape Flats Waste Water Treatment Works - Refurbishment → R703.7 million

- Coastal Park Landfill: Provision of additional waste disposal capacity → R100 million
- Coastal Park Transfer Station: Develop Modern Materials Recovery Facility → R240 million
- Contermanskloof Reservoir → R128.2 million
- Development of Additional Water & Sanitation Infrastructure → R180 million
- EAM Depot Realignment: 5 Nodal System → R138 million
- Flood Alleviation - Lourens River → R62.6 million
- Helderberg: Design and develop public drop off facility at Vaalfontein site → R64.1 million
- Infrastructure Replacement - Waste Water Treatment Works → R300 million
- Macassar Waste Water Treatment Works Extension → R150 million
- Mitchells Plain Waste Water Treatment Works Improvements - Phase 2 → R69.1 million
- New Prince George Drop-off → R65.5 million
- Northern Regional Sludge Facility → R89.8 million
- Philippi Collector Sewer → R197.2 million
- Potsdam Waste Water Treatment Works - Extension → R516 million
- Retreat Low Lift Pump station → R60 million
- Sir Lowry's Pass River Upgrade → R266 million
- Table Mountain Group Aquifer → R685 million
- Vissershok North Landfill: Provision of additional waste disposal capacity → R51 million
- Vissershok South Landfill: Installation of landfill gas extraction and flaring infrastructure → R63 million
- Vissershok South Landfill: Provision of additional waste disposal capacity → R113 million
- Water Meters New Connections → R84 million
- Water Supply at Baden Powell Drive to Khayelitsha → R149.4 million
- Wesfleur Waste Water Treatment Works - Capacity Extension → R195 million
- Woodstock Depot Upgrade → R39.9 million
- Zandvliet Plant Re-use → R1.115 billion
- Zandvliet Waste Water Treatment Works - Extension → R1.274 billion

The graph below provides an indication on how the capital budget will be spent on infrastructure-related projects over the medium-term.

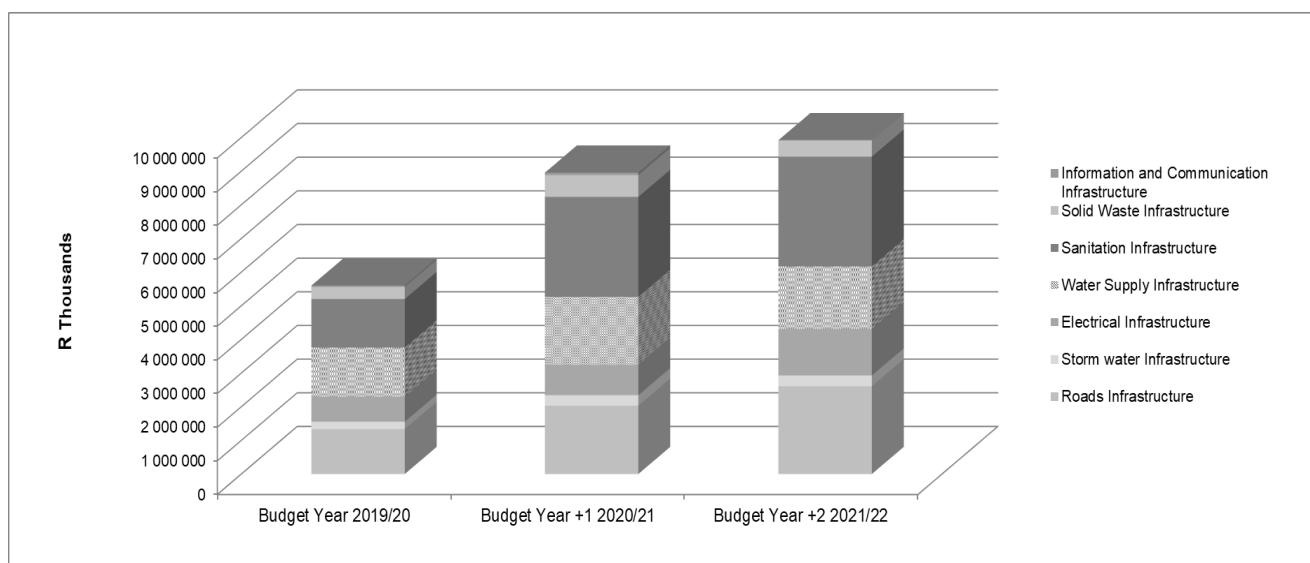


Figure 2 Capital Infrastructure Programme

1.6.1 Total Project Cost and projected cost covering all financial years until the project is operational

Section 19(1)(b) of the MFMA requires that before a municipality may spend funds on a capital project, the project, including the total cost, has been approved by Council.

Furthermore, Section 19(3) of the MFMA states that the municipal council may in terms of subsection 19(1)(b) approve capital projects below the value of R50 million (amount as prescribed in MBRR regulation 13(2)(c)), either individually or as part of a consolidated capital programme.

The total project cost of projects was reviewed by implementing directorates and amended, where required, while the estimated total project cost on any new project / programme proposed for inclusion in the budget, are included in Annexures 1 (full budget detail) and Annexure 21 (capital projects greater than R50 million).

Moreover, Section 19(2)(a) states that “before approving a capital project in terms of subsection (1)(b), the council of a municipality must consider the projected cost covering all financial years until the project is operational.” This information is also provided in Annexure 21, and submitted for approval to Council, for those projects being approved individually with a total project cost in excess of R50 million. Outer years’ estimates are reviewed annually during the budget process and amended/updated in line with latest project implementation plans.

1.6.2 Future operational cost of new infrastructure

MFMA Section 19 requires a municipal Council to consider future operational costs and revenues on capital budget projects, including the municipal tax and tariff implications, before approving projects individually or as part of a consolidated programme.

To give effect to this requirement, the future operational cost and revenue of projects/programmes are reflected in Annexures 1 and/or 21 to the budget report.

The estimated future operating impact indicated in these annexures, represents the sum of the operating expenditure of the 3-year MTREF. This includes estimated operating expenditure in respect of salaries, contracted services (including repairs and maintenance), other general expenditure, depreciation and interest cost to be incurred in the running of the asset once operational as well as future operating revenue. The operating impacts excluding depreciation and interest charges were provided by the respective directorates while depreciation and interest charges were calculated by the Finance directorate.

Directorates have confirmed that the future operating financial impacts will be absorbed in their operating budgets over the MTREF through efficiency gains and the prioritisation of existing operational resources, which were considered during the calculation of the revenue increases for the 2019/20 MTREF.

Operating impacts are reviewed annually and amended, where necessary, during the budget process, while taking into consideration the impacts on Rates and Tariffs to ensure future sustainability of the City overall.

The project level detail for those projects with a total project cost in excess of R50 million reflected in Annexure 21 is available at www.capetown.gov.za/budget.

Table SA35, on page 222, represents the future operational costs resulting from the capital investment program at directorate level. The table shows that the costs estimated over the MTREF are expected to grow from R632 million in 2019/20 to R4 107 million in 2021/22. Future revenue directly related to projects, once they are operational, amounts to R16 million in 2019/20 and increases to R18 million in 2021/22. No additional budgetary provision was made for these costs as it is expected to be absorbed through efficiency gains and the prioritisation of existing operational resources.

1.7 Annual Budget Tables

The ten main budget tables, as required in terms of regulation 9 of the MBRR, are presented on page 37 to page 58. These tables reflect the City's 2019/20 budget and MTREF to be considered for approval by Council. Each table is accompanied by explanatory notes.

Table 20 MBRR Table A1 - Budget Summary

Description	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousands									
Financial Performance									
Property rates	6 895 692	8 274 386	8 669 308	9 361 952	9 362 895	9 362 895	9 916 685	10 517 014	11 045 428
Service charges	15 794 030	16 560 353	17 019 653	19 179 265	19 476 569	19 476 569	19 690 195	22 419 166	25 311 082
Investment revenue	634 994	761 852	877 984	936 513	940 288	940 288	912 495	930 613	1 022 317
Transfers recognised - operational	5 679 468	5 864 445	6 450 645	6 803 608	7 369 202	7 369 202	7 376 568	7 707 345	8 136 559
Other own revenue	2 695 702	3 067 995	3 769 321	3 068 480	3 033 368	3 033 368	3 026 006	3 198 176	3 322 166
Total Revenue (excluding capital transfers and contributions)	31 699 886	34 529 031	36 786 911	39 349 817	40 182 322	40 182 322	40 921 950	44 772 315	48 837 552
Employee costs	9 355 543	9 660 020	10 865 323	12 920 115	12 524 112	12 485 871	13 817 805	14 894 366	16 064 208
Remuneration of councillors	134 637	138 374	154 923	169 640	169 640	169 640	179 818	190 697	202 234
Depreciation & asset impairment	2 117 336	2 308 949	2 578 561	2 814 336	2 850 051	2 850 051	3 015 086	3 259 139	3 493 178
Finance charges	759 094	751 438	781 948	1 089 285	907 136	797 254	790 756	921 279	1 304 856
Materials and bulk purchases	8 769 857	9 607 904	9 341 878	10 742 417	10 320 553	10 377 946	11 704 364	13 066 819	14 208 635
Transfers and grants	379 692	349 609	418 599	333 807	489 002	484 449	446 206	544 944	491 532
Other expenditure	8 577 080	8 703 179	8 760 042	11 194 339	11 238 256	11 333 538	11 825 581	11 670 649	12 389 309
Total Expenditure	30 093 239	31 519 472	32 901 274	39 263 938	38 498 750	38 498 749	41 779 617	44 547 894	48 153 952
Surplus/(Deficit)	1 606 647	3 009 559	3 885 637	85 879	1 683 572	1 683 573	(857 667)	224 421	683 600
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	2 131 537	2 005 297	1 732 882	2 067 896	2 543 596	2 536 296	2 211 385	3 043 827	3 608 514
Contributions recognised - capital & contributed assets	61 589	88 397	78 248	76 200	47 226	54 526	53 700	56 700	57 000
Surplus/(Deficit) after capital transfers & contributions	3 799 773	5 103 253	5 696 767	2 229 975	4 274 394	4 274 395	1 407 418	3 324 948	4 349 114
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	3 799 773	5 103 253	5 696 767	2 229 975	4 274 394	4 274 395	1 407 418	3 324 948	4 349 114
Capital expenditure & funds sources									
Capital expenditure	5 489 834	5 904 621	5 603 619	8 407 556	6 636 132	5 657 754	8 388 432	11 515 711	11 857 958
Transfers recognised - capital	2 248 913	2 127 388	1 805 414	2 144 096	2 590 822	2 241 761	2 265 085	3 100 527	3 665 514
Borrowing	2 441 423	2 739 196	2 533 155	4 000 000	500 000	445 569	1 091 580	3 000 000	3 000 000
Internally generated funds	799 498	1 038 037	1 265 050	2 263 460	3 545 310	2 970 424	5 031 767	5 415 184	5 192 444
Total sources of capital funds	5 489 834	5 904 621	5 603 619	8 407 556	6 636 132	5 657 754	8 388 432	11 515 711	11 857 958

Table continues on next page

Description	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousands									
<u>Financial position</u>									
Total current assets	11 237 071	11 554 882	14 968 444	15 622 361	20 472 425	20 472 425	18 469 328	17 854 688	17 902 870
Total non current assets	41 951 213	46 389 328	49 601 006	56 541 886	52 845 678	52 845 678	58 066 233	66 044 328	74 113 577
Total current liabilities	8 859 316	8 766 304	8 876 008	12 459 589	11 669 266	11 669 266	12 857 487	13 952 868	14 980 315
Total non current liabilities	12 153 259	11 898 945	12 717 712	16 872 693	14 289 354	14 289 354	14 911 172	17 854 299	20 595 168
Community wealth/Equity	32 175 709	37 278 961	42 975 730	42 831 965	47 359 484	47 359 484	48 766 902	52 091 850	56 440 964
<u>Cash flows</u>									
Net cash from (used) operating	6 321 213	6 601 206	7 349 603	4 809 613	7 783 578	7 783 578	4 563 204	6 812 570	8 002 557
Net cash from (used) investing	(5 954 670)	(6 102 676)	(6 037 208)	(7 683 492)	(6 089 669)	(6 089 669)	(7 718 788)	(10 561 016)	(10 902 900)
Net cash from (used) financing	(233 222)	(380 806)	724 030	3 556 102	212 247	212 247	748 685	2 674 686	2 379 304
Cash/cash equivalents at the year end	3 332 469	3 450 193	5 486 619	5 810 803	7 392 775	7 392 775	4 985 877	3 912 117	3 391 078
<u>Cash backing/surplus reconciliation</u>									
Cash and investments available	9 453 834	9 981 970	12 579 967	12 342 580	13 924 553	13 924 553	11 517 654	10 443 894	9 922 855
Application of cash and investments	6 320 990	6 777 919	5 725 037	8 952 229	5 539 445	5 539 445	7 524 100	8 112 009	7 819 302
Balance - surplus (shortfall)	3 132 844	3 204 051	6 854 930	3 390 351	8 385 108	8 385 108	3 993 554	2 331 885	2 103 553
<u>Asset management</u>									
Asset register summary (WDV)	37 933 330	41 470 692	44 463 379	51 601 445	47 917 654	47 917 654	52 871 578	60 552 364	68 324 246
Depreciation	2 117 336	2 308 949	2 578 561	2 814 337	2 850 052	2 850 051	3 015 086	3 259 139	3 493 178
Renewal and Upgrading of Existing Assets	2 669 591	2 936 843	2 738 360	3 689 473	3 180 970	2 854 087	4 520 983	5 177 834	5 279 475
Repairs and Maintenance	3 338 995	3 761 297	3 810 065	3 974 465	3 956 369	3 956 369	4 129 677	4 398 747	4 614 356
<u>Free services</u>									
Cost of Free Basic Services provided	1 178 216	1 156 117	1 402 749	1 551 282	1 539 353	1 539 353	1 674 816	1 887 725	2 186 431
Revenue cost of free services provided	1 121 043	1 451 619	1 754 196	1 886 058	1 886 058	1 886 058	1 263 535	1 333 676	1 407 711
<u>Households below minimum service level</u>									
Water:	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:	-	217	217	149	149	149	149	149	149
Energy:	26 464	35 341	30 841	29 341	29 341	29 341	27 841	26 341	24 841
Refuse:	-	-	-	-	-	-	-	-	-

Explanatory notes to MBRR Table A1 – Budget Summary

1. Table A1 represents a high-level summation of the City's budget, providing a view that includes all major components, i.e. operating, capital, financial position, cash flow and MFMA funding compliance.
2. In essence it provides a synopsis of the amounts to be approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance and the City's commitment to eliminate basic service delivery backlogs.
3. The importance of ensuring that a municipal budget is fully funded is stressed in the financial management reforms. The MFMA through Section 18 requires that a budget only be funded by realistically anticipated revenue to be collected and cash-backed accumulated funds from previous years, not committed for other purposes.
4. To test whether the City's budget is funded, it is required to collectively assess the financial performance, capital budget, financial position and cash flow budget.
5. The City's key outcomes in this regard are as follows:
 - a. The financial performance shows a deficit in 2019/20 and surplus positions over the remainder of the MTREF. The narrative to Table A4 on page 44 provides further detail on how the deficit will be funded.
 - b. The cash flow budget outcome shows that the budget is funded.
 - c. The capital budget is funded from the following sources:
 - i. Transfers recognised capital and public contributions & donations;
 - ii. Borrowing; and
 - iii. Internally generated funds which are financed from previous years' accumulated surpluses, previous years' contributions to CRR and bulk infrastructure levies already collected. The affordability and sustainability of these funds are confirmed by the positive cash flow outcome over the 2019/20 MTREF.
6. The City's cash backing/surplus reconciliation over the 2019/20 MTREF shows a positive outcome, which is an indication that the City will be able to afford its commitments over the next three years.
7. The City's persistent strive to eradicate infrastructure backlogs is evident in the annual increase of infrastructure investment. Backlogs still exist for Electricity Services but are projected to reduce.

Table 21 MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

Functional Classification Description	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand									
Revenue - Functional									
<i>Governance and administration</i>	11 837 382	13 530 917	14 271 943	14 763 272	14 805 339	14 805 339	15 376 936	16 332 322	17 299 713
Executive and council	2 082	1 400	849	3 240	3 219	3 219	299	314	330
Finance and administration	11 835 277	13 529 514	14 271 074	14 760 024	14 802 117	14 802 117	15 376 634	16 332 005	17 299 347
Internal audit	22	2	20	8	3	3	3	3	36
<i>Community and public safety</i>	1 640 160	1 780 840	1 709 404	1 861 831	2 229 465	2 229 465	3 278 566	3 533 048	3 667 227
Community and social services	107 248	105 403	117 303	130 825	154 557	154 557	125 649	135 834	197 122
Sport and recreation	81 245	106 473	83 533	91 320	96 417	96 417	63 591	57 770	63 612
Public safety	21 416	24 889	36 980	11 726	46 731	46 731	1 238 308	1 241 637	1 241 676
Housing	1 163 757	1 227 273	1 091 120	1 211 961	1 531 667	1 531 667	1 374 066	1 599 353	1 624 910
Health	266 493	316 802	380 469	415 999	400 093	400 093	476 952	498 453	539 907
<i>Economic and environmental services</i>	3 224 167	3 237 399	3 247 954	3 188 342	3 261 732	3 261 732	2 297 417	2 899 203	3 396 937
Planning and development	286 798	324 404	351 649	369 522	377 987	377 987	450 811	430 141	471 601
Road transport	2 929 763	2 896 258	2 887 880	2 805 489	2 848 122	2 848 122	1 831 775	2 464 615	2 920 664
Environmental protection	7 606	16 736	8 425	13 331	35 622	35 622	14 831	4 447	4 671
<i>Trading services</i>	17 187 965	18 070 611	19 366 263	21 673 945	22 470 085	22 470 084	22 228 113	25 103 320	28 133 991
Energy sources	11 528 353	12 083 270	12 386 476	13 086 625	13 507 735	13 507 735	14 080 480	15 655 263	17 353 324
Water management	2 725 769	2 913 555	3 640 245	4 650 411	5 167 294	5 167 293	4 468 355	5 272 942	6 023 124
Waste water management	1 823 013	1 857 210	1 864 535	2 311 354	2 215 719	2 215 719	1 956 104	2 337 092	2 791 631
Waste management	1 110 831	1 216 576	1 475 007	1 625 554	1 579 336	1 579 336	1 723 174	1 838 022	1 965 912
<i>Other</i>	3 339	2 958	2 477	6 524	6 524	6 524	6 002	4 949	5 199
Total Revenue - Functional	33 893 012	36 622 725	38 598 041	41 493 913	42 773 145	42 773 144	43 187 035	47 872 841	52 503 066
Expenditure - Functional									
<i>Governance and administration</i>	5 766 361	5 781 224	6 748 504	8 518 213	8 248 635	8 246 872	8 994 792	9 543 299	10 522 214
Executive and council	355 222	359 584	398 459	450 141	457 298	457 751	535 009	537 004	573 837
Finance and administration	5 376 690	5 384 400	6 307 736	8 016 956	7 745 366	7 744 002	8 413 698	8 957 438	9 895 508
Internal audit	34 448	37 240	42 309	51 116	45 970	45 118	46 085	48 857	52 869
<i>Community and public safety</i>	4 455 167	4 745 544	4 731 115	5 101 875	5 327 557	5 325 303	7 785 248	8 347 907	8 786 270
Community and social services	768 698	854 030	855 828	894 025	897 004	898 013	971 924	1 039 901	1 113 166
Sport and recreation	1 098 191	1 089 010	1 117 555	1 174 156	1 122 846	1 118 682	1 114 871	1 163 998	1 230 766
Public safety	505 370	509 422	548 353	615 325	595 001	595 001	2 910 539	3 029 216	3 185 736
Housing	1 209 507	1 284 415	1 128 142	1 239 650	1 541 742	1 543 890	1 480 067	1 702 684	1 738 557
Health	873 402	1 008 668	1 081 237	1 178 718	1 170 964	1 169 717	1 307 848	1 412 109	1 518 046
<i>Economic and environmental services</i>	5 069 988	5 575 486	6 001 155	6 551 219	6 810 129	6 811 923	5 277 186	5 018 327	5 272 746
Planning and development	751 236	783 904	920 045	1 060 444	1 087 521	1 092 310	1 511 371	1 237 045	1 320 947
Road transport	4 204 081	4 674 501	4 951 472	5 353 664	5 565 322	5 565 268	3 607 973	3 631 418	3 791 457
Environmental protection	114 670	117 081	129 637	137 111	157 285	154 345	157 842	149 864	160 342
<i>Trading services</i>	14 672 694	15 281 223	15 331 389	18 995 590	18 005 101	18 005 231	19 596 544	21 502 444	23 429 357
Energy sources	9 190 011	9 596 987	9 555 633	10 321 587	10 494 045	10 494 515	11 596 405	12 749 243	14 037 839
Water management	2 438 638	2 460 627	2 568 752	4 823 188	3 825 030	3 825 076	3 747 227	4 261 463	4 502 626
Waste water management	1 587 135	1 621 019	1 505 962	1 935 220	1 756 753	1 756 367	2 049 818	2 270 377	2 485 738
Waste management	1 456 910	1 602 590	1 701 042	1 915 595	1 929 273	1 929 273	2 203 094	2 221 361	2 403 153
<i>Other</i>	129 029	135 995	89 111	97 042	107 328	109 420	125 847	135 916	143 365
Total Expenditure - Functional	30 093 239	31 519 472	32 901 274	39 263 938	38 498 750	38 498 749	41 779 617	44 547 894	48 153 952
Surplus/(Deficit) for the year	3 799 773	5 103 253	5 696 767	2 229 975	4 274 394	4 274 395	1 407 418	3 324 948	4 349 114

Explanatory notes to MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

1. Table A2 is an overview of the budgeted financial performance in relation to revenue and expenditure per standard classification, which divides the municipal services into 16 classifications.
2. Major contributing items to the increased operating revenue are additional grant allocations from National- and Provincial Government, the projected growth and tariff increases on Property Rates Tax and Service Charges (Water, Sanitation, Electricity and Refuse).
3. The surplus of R1 407 million reflected in the 2019/20 financial year includes Transfers recognised - capital (Capital Grants and Donations received), while the expenditure category excludes these transfers.
4. This table highlights the surplus/deficits for Energy services, Waste water management and Waste management. This is due to the exclusion of internal cost charges/recoveries and other provisions e.g. Contribution from the Energy directorate to the Rates Account on this table.

Table 22 MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description R thousand	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Revenue by Vote									
Vote 1 - Community Services & Health	695 818	790 165	845 742	917 952	938 743	938 743	974 189	1 069 806	1 163 854
Vote 2 - Corporate Services	56 400	64 612	88 093	79 950	72 677	72 677	71 523	64 758	68 813
Vote 3 - Economic Opportunities & Asset Management	230 204	154 014	347 908	176 251	176 251	176 251	181 445	187 620	195 500
Vote 4 - Energy & Climate Change	11 527 694	12 083 675	12 148 435	12 884 959	13 306 070	13 306 070	13 874 705	15 439 096	17 126 241
Vote 5 - Finance	11 270 943	13 043 157	14 244 329	15 357 286	15 431 477	15 431 477	16 196 525	17 158 014	18 206 913
Vote 6 - Human Settlements	1 157 113	1 218 375	965 319	1 086 933	1 406 039	1 406 039	1 249 070	1 468 044	1 486 970
Vote 7 - Office of the City Manager	128	260	117	11	6	6	6	6	40
Vote 8 - Safety & Security	1 236 743	1 402 529	1 531 936	1 358 901	1 375 177	1 375 177	1 291 229	1 297 230	1 300 075
Vote 9 - Spatial Planning & Environment	148 305	163 723	148 821	170 519	184 008	184 008	166 410	152 828	162 158
Vote 10 - Transport	1 745 297	1 532 039	1 421 485	1 515 791	1 550 511	1 550 511	1 801 886	2 426 308	2 877 817
Vote 11 - Urban Management	159 032	177 650	211 787	222 216	234 213	234 213	301 769	284 507	314 261
Vote 12 - Water & Waste	5 665 335	5 992 527	6 644 068	7 723 144	8 097 973	8 097 973	7 078 278	8 324 623	9 600 425
Total Revenue by Vote	33 893 012	36 622 725	38 598 041	41 493 913	42 773 145	42 773 144	43 187 035	47 872 841	52 503 066
Expenditure by Vote to be appropriated									
Vote 1 - Community Services & Health	2 676 849	2 936 967	3 143 835	3 575 331	3 588 556	3 588 556	3 925 379	4 108 988	4 407 761
Vote 2 - Corporate Services	1 367 819	1 453 011	1 571 084	1 786 093	1 704 376	1 704 365	1 808 667	1 913 763	2 057 774
Vote 3 - Economic Opportunities & Asset Management	799 445	884 194	1 033 939	1 186 498	1 235 294	1 235 305	1 368 210	1 425 104	1 526 629
Vote 4 - Energy & Climate Change	9 471 398	9 883 643	9 810 072	10 673 982	10 794 201	10 794 201	12 060 720	13 251 284	14 576 654
Vote 5 - Finance	2 381 200	2 142 088	2 544 214	3 156 818	3 073 825	3 073 453	3 004 417	3 227 264	3 759 822
Vote 6 - Human Settlements	1 176 839	1 250 229	1 092 017	1 255 478	1 552 813	1 552 863	1 468 810	1 690 950	1 726 302
Vote 7 - Office of the City Manager	118 972	124 127	142 779	192 656	191 312	191 684	237 561	219 189	236 864
Vote 8 - Safety & Security	2 683 476	2 857 196	2 943 783	3 328 929	3 308 492	3 308 492	3 598 555	3 768 118	3 971 962
Vote 9 - Spatial Planning & Environment	500 252	509 893	540 893	558 353	594 227	624 598	711 474	711 677	766 626
Vote 10 - Transport	2 594 841	2 898 669	3 122 943	3 362 185	3 486 358	3 455 987	3 679 302	3 700 711	3 862 248
Vote 11 - Urban Management	550 049	588 169	700 687	815 277	794 175	794 175	1 142 379	908 765	969 186
Vote 12 - Water & Waste	5 772 098	5 991 287	6 255 027	9 372 338	8 175 121	8 175 070	8 774 142	9 622 080	10 292 123
Total Expenditure by Vote	30 093 239	31 519 472	32 901 274	39 263 938	38 498 750	38 498 749	41 779 617	44 547 894	48 153 952
Surplus/(Deficit) for the year	3 799 773	5 103 253	5 696 767	2 229 975	4 274 394	4 274 395	1 407 418	3 324 948	4 349 114

Explanatory notes to MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

- Table A3 shows budgeted financial performance in relation to the revenue and expenditure per municipal vote and the operating surplus/deficit per municipal vote.

The table below is an analysis of the surplus or deficit for trading services.

Table 23 Surplus / (Deficit) calculations for the trading services

Description R thousand	2019/20 Medium Term Revenue & Expenditure Framework		
	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Energy Generation and Distribution			
Total Operating Revenue (including capital transfers and contributions)	13 866 466	15 427 196	17 116 241
Total Operating Expenditure	12 015 108	13 201 541	14 523 023
Operating Surplus/(Deficit) for the year	1 851 358	2 225 655	2 593 218
Percentage Surplus	13.4%	14.4%	15.2%
Water & Sanitation			
Total Operating Revenue including capital transfers and contributions)	5 479 863	6 617 736	7 772 346
Total Operating Expenditure	6 007 371	6 799 927	7 247 342
Operating Surplus/(Deficit) for the year	(527 507)	(182 191)	525 004
Percentage Surplus	-9.6%	-2.8%	6.8%
Solid Waste Management			
Total Operating Revenue including capital transfers and contributions)	1 597 062	1 705 563	1 826 785
Total Operating Expenditure	1 049 153	1 139 687	1 250 510
Operating Surplus/(Deficit) for the year	547 909	565 876	576 275
Percentage Surplus	34.3%	33.2%	31.5%

- Electricity revenue and expenditure growth fluctuates over the MTREF period. This is influenced by Eskom bulk purchases as well as the impact of City's tariff setting policy.
- The surplus/deficit reflected in the trading services (Energy Generation and Distribution, Water & Sanitation and Solid Waste Management) is based on primary revenue and expenditure items only. This does not include contributions from the Energy & Climate Change directorate to Rates, and the Rates Contribution to the Water & Sanitation Services department for the City's New Water Plan or internal cost charges/recoveries. These "secondary elements" are, however, included in the tariff calculations for the various trading services. Taking the secondary budget into account, none of the Trading Services have deficit/surplus positions.

Table 24 MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure)

Description R thousand	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Revenue By Source									
Property rates	6 895 692	8 274 386	8 669 308	9 361 952	9 362 895	9 362 895	9 916 685	10 517 014	11 045 428
Service charges - electricity revenue	11 220 811	11 763 313	11 810 596	12 591 403	13 027 472	13 027 472	13 623 146	15 187 931	16 826 227
Service charges - water revenue	2 319 691	2 394 281	2 633 611	3 574 755	3 511 828	3 511 828	3 212 017	3 838 969	4 593 963
Service charges - sanitation revenue	1 384 150	1 426 013	1 518 274	1 811 048	1 781 428	1 781 428	1 568 599	2 014 201	2 409 460
Service charges - refuse revenue	869 378	976 746	1 057 172	1 202 059	1 155 841	1 155 841	1 286 433	1 378 065	1 481 432
Rental of facilities and equipment	310 462	305 833	455 331	381 262	381 872	381 872	311 781	327 597	343 990
Interest earned - external investments	634 994	761 852	877 984	936 513	940 288	940 288	912 495	930 613	1 022 317
Interest earned - outstanding debtors	229 242	284 435	302 792	340 970	322 691	322 691	380 814	425 792	489 054
Dividends received	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits	1 128 267	1 260 639	1 666 379	1 280 160	1 230 730	1 230 730	1 185 453	1 211 026	1 205 439
Licences and permits	45 699	54 159	52 141	46 050	53 841	53 841	82 218	86 371	90 732
Agency services	183 275	188 238	213 550	201 723	201 723	201 723	217 672	245 412	254 598
Transfers and subsidies	5 679 468	5 864 445	6 450 645	6 803 608	7 369 202	7 369 202	7 376 568	7 707 345	8 136 559
Other revenue	672 255	787 906	998 651	774 444	798 641	798 641	804 335	858 245	894 621
Gains on disposal of PPE	126 501	186 784	80 477	43 870	43 870	43 870	43 732	43 732	43 732
Total Revenue (excluding capital transfers and contributions)	31 699 886	34 529 031	36 786 911	39 349 817	40 182 322	40 182 322	40 921 950	44 772 315	48 837 552
Expenditure By Type									
Employee related costs	9 355 543	9 660 020	10 865 323	12 920 115	12 524 112	12 485 871	13 817 805	14 894 366	16 064 208
Remuneration of councillors	134 637	138 374	154 923	169 640	169 640	169 640	179 818	190 697	202 234
Debt impairment	1 780 673	1 581 367	1 360 558	2 988 951	2 401 378	2 401 378	2 341 628	2 343 143	2 529 692
Depreciation & asset impairment	2 117 336	2 308 949	2 578 561	2 814 336	2 850 051	2 850 051	3 015 086	3 259 139	3 493 178
Finance charges	759 094	751 438	781 948	1 089 285	907 136	797 254	790 756	921 279	1 304 856
Bulk purchases	8 059 427	8 413 200	8 122 430	9 487 132	8 987 316	8 987 316	10 092 601	11 473 833	12 575 400
Other materials	710 430	1 194 703	1 219 448	1 255 285	1 333 237	1 390 630	1 611 763	1 592 986	1 633 236
Contracted services	4 709 009	5 227 988	5 432 869	6 004 687	6 617 716	6 597 274	7 156 498	6 838 036	7 164 620
Transfers and subsidies	379 692	349 609	418 599	333 807	489 002	484 449	446 206	544 944	491 532
Other expenditure	2 078 298	1 878 184	1 953 755	2 200 213	2 044 051	2 159 769	2 326 698	2 488 676	2 694 163
Loss on disposal of PPE	9 100	15 640	12 861	488	175 112	175 117	756	794	834
Total Expenditure	30 093 239	31 519 472	32 901 274	39 263 938	38 498 750	38 498 749	41 779 617	44 547 894	48 153 952
Surplus/(Deficit)	1 606 647	3 009 559	3 885 637	85 879	1 683 572	1 683 573	(857 667)	224 421	683 600
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	2 131 537	2 005 297	1 732 882	2 067 896	2 543 596	2 536 296	2 211 385	3 043 827	3 608 514
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	61 488	71 882	72 532	76 200	47 226	54 526	53 700	56 700	57 000
Transfers and subsidies - capital (in-kind - all)	100	16 516	5 716	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	3 799 773	5 103 253	5 696 767	2 229 975	4 274 394	4 274 395	1 407 418	3 324 948	4 349 114
Taxation	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after taxation	3 799 773	5 103 253	5 696 767	2 229 975	4 274 394	4 274 395	1 407 418	3 324 948	4 349 114
Attributable to minorities	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality	3 799 773	5 103 253	5 696 767	2 229 975	4 274 394	4 274 395	1 407 418	3 324 948	4 349 114
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	3 799 773	5 103 253	5 696 767	2 229 975	4 274 394	4 274 395	1 407 418	3 324 948	4 349 114

*The water service charges for 2015/16 to 2017/18 were restated as a result of the reversal of water billings to indigent households as highlighted by the Auditor General during the audit of the 2017/18 financial year.

Explanatory notes to MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure)

1. Table A4 is a view of the budgeted financial performance in relation to the revenue by source and expenditure by type. Total revenue is R40 922 million (excluding appropriations, which are disclosed in the financial position statement) in 2019/20 and escalates to R48 838 million by 2021/22. Major contributing items are the increased grant operating allocations from National- and Provincial Government, the projected growth and tariff increases on Property Rates Tax and Service Charges.
2. Revenue to be generated from Property Rates amounts to R9 917million in 2019/20 and increases to R11 045 million by 2021/22, which represents 24.2% of the operating revenue base of the City and therefore remains a significant funding source for the City.
3. Service charges relating to Electricity, Water, Sanitation and Refuse Removal constitute the biggest component of the revenue basket of the City, totalling R19 691 million in 2019/20 and increasing to R25 311 million in 2021/22. For 2019/20, service charges are 48.1% of the total revenue base.
4. Transfers & Subsidies increases from R7 377 million in 2019/20 to R8 136 million in 2021/22. This includes external allocations received from National- and Provincial Government and private sector funding but excludes capital transfers and contributions.

The table below provides a graphically view of the main sources of revenue over the MTREF.

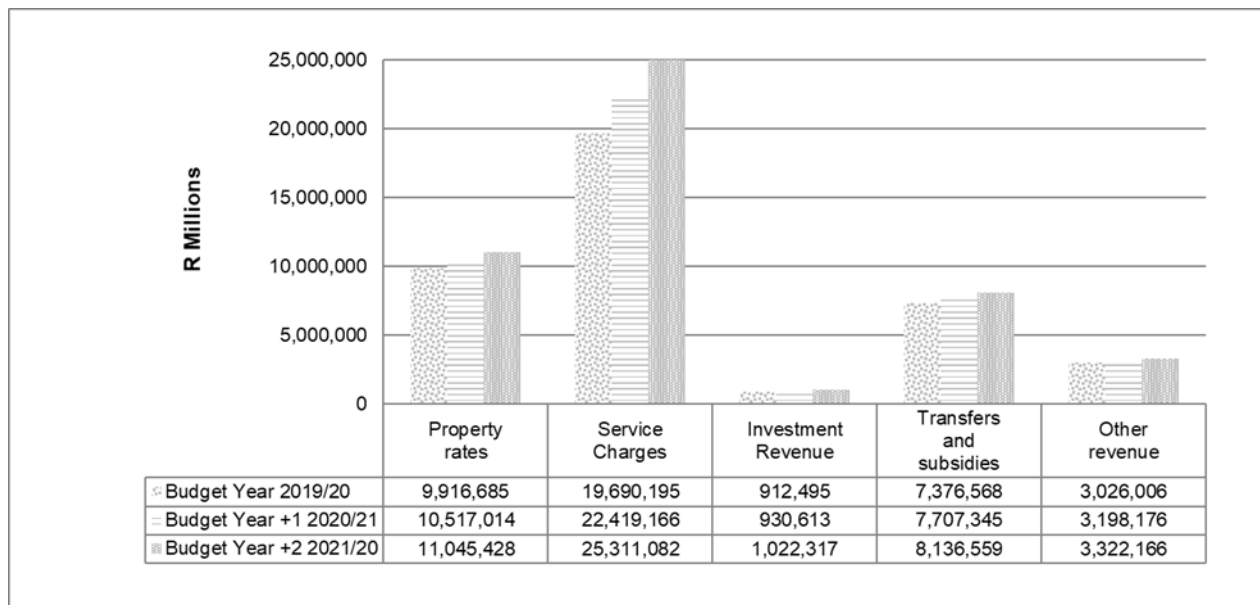


Figure 3 Revenue by source

5. Bulk purchases have increased significantly over the MTREF, escalating from R10 093 million to R12 575 million in 2021/22. This increase can be attributed to substantial increases in the cost of bulk electricity from Eskom and bulk water from the National Department of Water Affairs.
6. Employee-related costs are the main cost driver within the City's operating expenditure budget increasing from R13 818 million in 2019/20 to R16 064 million in 2021/22.

7. Depreciation & Asset Impairment totals R3 015 million for the 2019/20 financial year and is linked to the capitalisation rate of assets. The calculation of depreciation on new capital expenditure is based on variables such as asset class and lifespan depending on the nature of the asset. Depreciation of existing assets is calculated based on simulated financial system data (SAP), which reflects actual values per annum. Assets Under Construction (AUC) are calculated based on asset class lifespan and the projected capitalisation dates.
8. Contracted Services increases from R7 156 million in 2019/20 to R7 165 million in 2021/22 and includes budgetary provision for repairs and maintenance. This allocation increased from R6 524 million post tabling of the budget in March 2019 to address requests stemming from the public participation process in April 2019.
9. A deficit of R858 million is reflected in 2019/20 (excluding capital grants & contributions). This deficit will be funded from prior years' cash backed surpluses.

Current interim results for the year under review are projecting more favourable net cash inflows than previously anticipated, mainly due to improved revenue collection and expenditure management. Based on these projections, scope exists for further allocations to the 2019/20 operating budget as follows:

- R800 million for once-off allocations; and
- R240 million for permanent allocations.

The above allocations were used to address and meet those budget proposals with best service delivery impact and emanating from the post-tabling budget participation process.

The table below provides a graphically view of the main expenditure types over the MTREF.

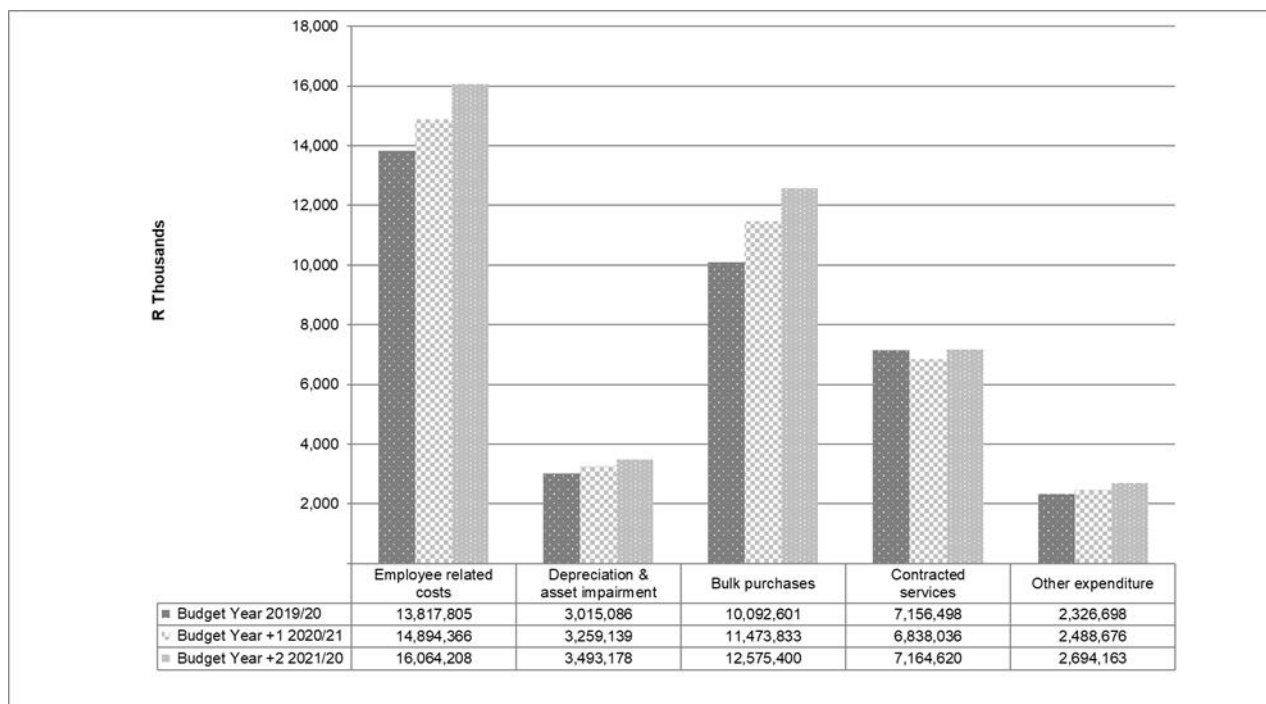


Figure 4 Expenditure by type

Table 25 MBRR Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

Vote Description R thousand	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Capital expenditure - Vote									
Multi-year expenditure to be appropriated									
Vote 1 - Community Services & Health	229 298	243 540	260 247	314 508	313 947	287 052	354 281	351 351	375 057
Vote 2 - Corporate Services	326 119	263 835	370 959	354 688	269 714	248 506	149 863	196 189	101 429
Vote 3 - Economic Opportunities & Asset Managemnt	153 827	272 732	295 284	224 601	283 893	283 792	389 498	427 272	354 814
Vote 4 - Energy & Climate Change	1 090 855	1 248 887	1 024 550	1 113 506	863 239	798 179	834 094	1 008 117	1 520 724
Vote 5 - Finance	38 202	23 989	14 009	20 549	26 851	21 823	116 957	275 579	51 351
Vote 6 - Human Settlements	336 606	476 807	464 837	794 428	705 286	696 526	869 063	987 927	882 546
Vote 7 - Office of the City Manager	919	1 402	2 288	813	2 696	2 658	973	839	910
Vote 8 - Safety & Security	152 051	116 584	158 094	196 078	212 649	198 874	535 237	170 748	135 332
Vote 9 - Spatial Planning & Environment	62 772	56 092	42 434	50 225	76 345	50 952	92 847	81 465	58 557
Vote 10 - Transport	1 424 447	1 441 770	1 001 020	1 291 374	1 155 047	1 033 103	1 326 126	1 925 427	2 386 725
Vote 11 - Urban Management	22 359	12 541	17 308	13 620	23 477	22 417	122 981	110 520	145 030
Vote 12 - Water & Waste	1 652 379	1 746 441	1 952 589	4 033 167	2 702 989	2 013 872	3 596 511	5 980 277	5 845 483
Total Capital Expenditure - Vote	5 489 834	5 904 621	5 603 619	8 407 556	6 636 132	5 657 754	8 388 432	11 515 711	11 857 958
Capital Expenditure - Functional									
Governance and administration	750 398	1 073 095	1 207 303	986 585	997 042	953 140	1 120 012	1 220 084	880 329
Executive and council	19 672	9 164	4 328	4 380	3 511	3 298	24 280	3 830	2 802
Finance and administration	730 593	1 063 799	1 202 224	982 074	993 256	949 567	1 095 600	1 216 193	877 417
Internal audit	133	131	751	131	276	276	131	60	110
Community and public safety	680 528	821 576	811 812	1 117 586	1 057 471	1 027 608	1 547 286	1 518 058	1 285 635
Community and social services	160 898	127 329	131 174	97 129	97 982	86 582	105 089	70 408	116 914
Sport and recreation	113 637	127 927	94 055	84 261	98 921	98 409	141 792	260 468	80 200
Public safety	52 265	66 517	76 656	69 927	91 554	86 749	349 905	120 259	111 475
Housing	336 606	476 807	464 837	794 428	705 286	696 526	869 063	987 927	882 546
Health	17 122	22 996	45 090	71 841	63 727	59 343	81 436	78 996	94 500
Economic and environmental services	1 536 694	1 530 380	1 060 763	1 354 779	1 267 090	1 119 082	1 534 310	2 065 871	2 536 333
Planning and development	66 962	70 697	33 694	39 904	68 158	42 980	151 588	111 173	135 845
Road transport	1 452 698	1 447 732	1 008 733	1 296 581	1 168 895	1 046 284	1 345 610	1 920 688	2 385 986
Environmental protection	17 034	11 951	18 337	18 294	30 037	29 817	37 112	34 010	14 502
Trading services	2 521 327	2 474 957	2 516 840	4 939 787	3 299 595	2 542 989	4 176 629	6 702 004	7 149 967
Energy sources	1 050 923	1 131 636	930 773	1 071 737	845 932	776 931	805 190	996 117	1 518 224
Water management	641 907	608 426	893 393	2 366 730	1 651 850	1 049 133	1 517 922	2 751 931	2 836 717
Waste water management	680 773	659 092	583 306	1 135 113	639 359	598 111	1 381 056	2 152 890	2 228 450
Waste management	147 724	75 803	109 367	366 207	162 455	118 813	472 461	801 065	566 576
Other	886	4 613	6 901	8 818	14 935	14 935	10 195	9 695	5 695
Total Capital Expenditure - Functional	5 489 834	5 904 621	5 603 619	8 407 556	6 636 132	5 657 754	8 388 432	11 515 711	11 857 958
Funded by:									
National Government	2 030 362	2 009 376	1 699 597	2 015 146	2 510 069	2 165 976	2 189 348	2 961 322	3 547 884
Provincial Government	156 729	46 130	33 285	52 750	26 227	23 711	22 038	82 505	60 630
Other transfers and grants	61 821	71 882	72 532	76 200	54 526	52 074	53 700	56 700	57 000
Transfers recognised - capital	2 248 913	2 127 388	1 805 414	2 144 096	2 590 822	2 241 761	2 265 085	3 100 527	3 665 514
Borrowing	2 441 423	2 739 196	2 533 155	4 000 000	500 000	445 569	1 091 580	3 000 000	3 000 000
Internally generated funds	799 498	1 038 037	1 265 050	2 263 460	3 545 310	2 970 424	5 031 767	5 415 184	5 192 444
Total Capital Funding	5 489 834	5 904 621	5 603 619	8 407 556	6 636 132	5 657 754	8 388 432	11 515 711	11 857 958

Explanatory notes to Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

1. Table A5 reflects the City's capital programme in relation to capital expenditure by municipal vote (directorate); capital expenditure by standard classification; funding sources required to fund the capital budget and information on capital transfers from National- and Provincial departments.
2. The MFMA provides that a municipality may approve multi-year or single-year capital budget appropriations. The City has allocated multi-year appropriations amounting to R8 388 million for 2019/20, increasing to R11 515 million and R11 858 million in 2020/21 and 2021/22 respectively.
3. The capital budget is funded by allocations made to the City in the form of grants by National- and Provincial government, public contributions and donations, borrowings and internally generated funds.
4. Capital transfers from National Government and the Western Cape Government amount to R2 211 million (26.36%) in 2019/20, increasing to R3 044 million in 2020/21 and R3 609 million in 2021/22.
5. Public contributions and donations amount to R53.7 million, R56.7 million and R57 million respectively over the MTREF.
6. Borrowings amount to R1 092 million, R3 000 million and R3 000 million annually over the MTREF and has been provided for in terms of affordability levels as determined during the MTREF modelling.
7. Internally generated funds amounting to R5 032 million, R5 415 million and R5 192 million have been provided for annually over the MTREF.

Table 26 MBRR Table A6 - Budgeted Financial Position

Description	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand									
ASSETS									
Current assets									
Cash	93 002	500 739	249 821	103 918	103 918	103 918	146 904	128 752	136 396
Call investment deposits	5 394 644	4 608 866	7 218 373	7 335 199	8 917 172	8 917 172	6 199 428	4 845 344	4 018 186
Consumer debtors	4 616 753	5 029 085	5 633 327	6 349 964	9 329 389	9 329 389	9 710 204	10 135 996	10 625 050
Other debtors	858 306	1 077 455	1 380 906	1 424 934	1 588 042	1 588 042	1 826 248	2 100 185	2 415 213
Current portion of long-term receivables	17 093	14 201	14 290	15 657	15 005	15 005	15 755	16 543	17 370
Inventory	257 273	324 536	471 727	392 689	518 899	518 899	570 789	627 868	690 655
Total current assets	11 237 071	11 554 882	14 968 444	15 622 361	20 472 425	20 472 425	18 469 328	17 854 688	17 902 870
Non current assets									
Long-term receivables	51 695	40 973	25 854	36 978	24 561	24 561	23 333	22 167	21 058
Investments	3 966 188	4 877 663	5 111 773	4 903 463	4 903 463	4 903 463	5 171 322	5 469 798	5 768 273
Investment property	588 191	586 427	584 713	582 999	582 999	582 999	581 285	579 572	577 858
Investment in Associate	–	–	–	–	–	–	–	–	–
Property, plant and equipment	36 706 928	40 196 490	43 153 765	50 601 468	46 756 977	46 756 977	51 856 546	59 691 679	67 603 130
Biological	–	–	–	–	–	–	–	–	–
Intangible	629 162	678 871	716 009	408 074	568 787	568 787	424 856	272 222	134 367
Other non-current assets	9 049	8 904	8 892	8 904	8 891	8 891	8 891	8 891	8 891
Total non current assets	41 951 213	46 389 328	49 601 006	56 541 886	52 845 678	52 845 678	58 066 233	66 044 328	74 113 577
TOTAL ASSETS	53 188 284	57 944 210	64 569 450	72 164 247	73 318 104	73 318 104	76 535 561	83 899 017	92 016 447
LIABILITIES									
Current liabilities									
Bank overdraft	–	5 298	–	–	–	–	–	–	–
Borrowing	469 936	334 185	376 805	619 342	419 342	419 342	489 858	692 994	893 902
Consumer deposits	324 633	351 710	381 660	425 569	419 826	419 826	461 809	507 990	558 789
Trade and other payables	6 995 470	7 110 819	7 102 387	10 346 153	9 775 173	9 775 173	10 762 203	11 504 623	12 243 320
Provisions	1 069 277	964 292	1 015 156	1 068 525	1 054 924	1 054 924	1 143 617	1 247 261	1 284 305
Total current liabilities	8 859 316	8 766 304	8 876 008	12 459 589	11 669 266	11 669 266	12 857 487	13 952 868	14 980 315
Non current liabilities									
Borrowing	6 036 906	5 789 616	6 492 536	9 772 937	7 189 598	7 189 598	7 838 577	10 302 047	12 381 349
Provisions	6 116 353	6 109 329	6 225 176	7 099 756	7 099 756	7 099 756	7 072 595	7 552 252	8 213 819
Total non current liabilities	12 153 259	11 898 945	12 717 712	16 872 693	14 289 354	14 289 354	14 911 172	17 854 299	20 595 168
TOTAL LIABILITIES	21 012 575	20 665 249	21 593 720	29 332 282	25 958 620	25 958 620	27 768 659	31 807 167	35 575 483
NET ASSETS	32 175 709	37 278 961	42 975 730	42 831 965	47 359 484	47 359 484	48 766 902	52 091 850	56 440 964
COMMUNITY WEALTH/EQUITY									
Accumulated Surplus/(Deficit)	29 171 274	33 505 776	39 510 649	39 405 832	41 575 958	41 575 958	43 002 095	46 363 903	50 160 963
Reserves	3 004 435	3 773 185	3 465 082	3 426 132	5 783 525	5 783 525	5 764 808	5 727 947	6 280 001
TOTAL COMMUNITY WEALTH/EQUITY	32 175 709	37 278 961	42 975 730	42 831 965	47 359 484	47 359 484	48 766 902	52 091 850	56 440 964

Explanatory notes to Table A6 - Budgeted Financial Position

- a. The budgeted Statement of Financial Position of the City has been prepared on a basis consistent with GRAP1 and international accounting standards and as such makes it comparable with the present Statement of Financial Position and those of previous years. This will enable all stakeholders to interpret the impact of the budget as such on the Statement of Financial Position.
- b. The assets are in the order of relative liquidity and liabilities according to their priority of being met with cash and an extensive table of notes (MBRR Table SA3 on page 230) are provided with details of the major components of items, such as:
 - Call Investment Deposits
 - Consumer Debtors
 - Property, Plant and Equipment
 - Trade and Other Payables
 - Non-Current Provisions
 - Changes in Net Assets
 - Reserves
- c. Movements on the Budgeted Statement of Financial Performance will impact on the Budgeted Statement of Financial Position. Assumptions made on the collection rate for instance, will affect the budgeted cash position of the City and the budgeted impairment of debtors. As such the assumptions form a critical link in determining the applicability and relevance of the budget, the determination of financial indicators, the assessment of funding compliance and the general viability of the municipality.

Table 27 MBRR Table A7 - Budgeted Cash Flow Statement

Description	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand									
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Property rates	6 745 047	8 105 126	8 470 387	8 968 987	9 039 504	9 039 504	9 714 194	10 327 307	10 830 171
Service charges	17 363 596	18 619 105	18 160 336	17 623 043	18 709 014	18 709 014	18 787 179	21 538 550	24 311 790
Other revenue	1 361 513	617 854	2 472 152	4 202 011	4 237 201	4 237 201	1 746 152	1 881 622	1 963 292
Government - operating	3 589 931	3 633 883	4 011 324	4 245 472	4 811 066	4 811 066	7 376 568	7 707 345	8 136 559
Government - capital	2 131 537	2 014 869	1 733 466	2 067 896	2 528 996	2 528 996	2 211 385	3 043 827	3 608 514
Interest	841 417	999 822	1 150 625	936 513	940 288	940 288	912 495	930 613	1 022 317
Payments									
Suppliers and employees	(24 876 319)	(26 611 461)	(27 959 017)	(31 919 625)	(31 311 162)	(31 311 162)	(35 467 695)	(37 885 366)	(40 678 240)
Finance charges	(687 263)	(666 163)	(689 670)	(980 877)	(686 428)	(686 428)	(717 075)	(731 329)	(1 191 845)
Transfers and Grants	(148 246)	(111 829)	–	(333 807)	(484 901)	(484 901)	–	–	–
NET CASH FROM/(USED) OPERATING ACTIVITIES	6 321 213	6 601 206	7 349 603	4 809 613	7 783 578	7 783 578	4 563 204	6 812 570	8 002 557
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE	130 189	198 742	98 239	120 070	98 396	98 396	97 432	100 432	100 732
Decrease (Increase) in non-current debtors	–	–	–	–	–	–	–	–	–
Decrease (increase) other non-current receivables	26 374	13 614	15 030	1 946	1 293	1 293	1 228	1 167	1 108
Decrease (increase) in non-current investments	(621 401)	(410 412)	(561 572)	(238 708)	(238 708)	(238 708)	(267 859)	(298 475)	(332 578)
Payments									
Capital assets	(5 489 832)	(5 904 620)	(5 588 905)	(7 566 800)	(5 950 649)	(5 950 649)	(7 549 589)	(10 364 140)	(10 672 162)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(5 954 670)	(6 102 676)	(6 037 208)	(7 683 492)	(6 089 669)	(6 089 669)	(7 718 788)	(10 561 016)	(10 902 900)
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans	–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing	–	–	1 000 000	4 000 000	500 000	500 000	1 091 580	3 000 000	3 000 000
Increase (decrease) in consumer deposits	52 375	27 077	29 950	38 688	38 166	38 166	41 983	46 181	50 799
Payments									
Repayment of borrowing	(285 597)	(407 883)	(305 920)	(482 586)	(325 919)	(325 919)	(384 878)	(371 495)	(671 495)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(233 222)	(380 806)	724 030	3 556 102	212 247	212 247	748 685	2 674 686	2 379 304
NET INCREASE/ (DECREASE) IN CASH HELD	133 321	117 724	2 036 425	682 224	1 906 157	1 906 157	(2 406 899)	(1 073 760)	(521 038)
Cash/cash equivalents at the year begin:	3 199 148	3 332 469	3 450 194	5 128 579	5 486 619	5 486 619	7 392 776	4 985 877	3 912 117
Cash/cash equivalents at the year end:	3 332 469	3 450 193	5 486 619	5 810 803	7 392 775	7 392 775	4 985 877	3 912 117	3 391 078

Explanatory notes to Table A7 – Budgeted Cash Flow Statement

1. The table shows the cash and cash equivalents of the City during the 2019/20 MTREF.
2. For the 2019/20 MTREF the budget has been prepared to ensure adequate levels of working capital representing cash and cash equivalents over the medium-term, with cash levels anticipated to exceed R4 986 million by 2019/20 and decreasing to R3 391 million by 2021/22.
3. The following assumptions were used in the preparation of the cash flow budget.
 - a) Collection Rates:

▪ Property rates	98%
▪ Electricity	99%
▪ Water	89%
▪ Sanitation	84%
▪ Solid waste	95%
▪ Rental income	67%
▪ Fines	20%
 - b) Landfill Service revenue is excluded from 'Solid Waste' revenue and is included under the 'Other revenue' category.
4. The assumptions for expenditure is 100% spend with the exception of capital, which is calculated at 90% spend.
5. The borrowings were reduced based on current spending trends and cash flows and will be reviewed over the MTREF should additional funding be required.

Table 28 MBRR Table A8 - Cash Backed Reserves / Accumulated Surplus Reconciliation

Description R thousand	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Cash and investments available									
Cash/cash equivalents at the year end	3 332 469	3 450 193	5 486 619	5 810 803	7 392 775	7 392 775	4 985 877	3 912 117	3 391 078
Other current investments > 90 days	2 155 177	1 654 114	1 981 576	1 628 314	1 628 315	1 628 315	1 360 455	1 061 979	763 504
Non current assets - Investments	3 966 188	4 877 663	5 111 773	4 903 463	4 903 463	4 903 463	5 171 322	5 469 798	5 768 273
Cash and investments available:	9 453 834	9 981 970	12 579 967	12 342 580	13 924 553	13 924 553	11 517 654	10 443 894	9 922 855
Application of cash and investments									
Unspent conditional transfers	1 199 955	1 054 374	1 067 745	1 460 147	1 373 433	1 373 433	1 425 028	1 479 064	1 530 857
Unspent borrowing	-	-	-	-	-	-	-	-	-
Statutory requirements	-	-	-	-	-	-	-	-	-
Other working capital requirements	147 771	(101 509)	(1 072 543)	1 162 194	(2 733 772)	(2 733 772)	(1 538 617)	(1 590 871)	(1 676 862)
Other provisions	-	-	-	400 000	400 000	400 000	400 000	400 000	400 000
Long term investments committed	1 968 829	2 051 869	2 264 754	2 503 755	2 503 755	2 503 755	2 771 615	3 070 090	3 402 669
Reserves to be backed by cash/investments	3 004 435	3 773 185	3 465 081	3 426 132	3 996 029	3 996 029	4 466 074	4 753 726	4 162 638
Total Application of cash and investments:	6 320 990	6 777 919	5 725 037	8 952 229	5 539 445	5 539 445	7 524 100	8 112 009	7 819 302
Surplus(shortfall)	3 132 844	3 204 051	6 854 930	3 390 351	8 385 108	8 385 108	3 993 554	2 331 885	2 103 553

Explanatory notes to Table A8 – Cash Backed Reserves/Accumulated Surplus Reconciliation

1. The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.
2. In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.
3. The outcome of this exercise would either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality's budget must be "funded".
4. From the table it can be seen that the City remains in a surplus net cash flow position for the period 2019/20 to 2021/22.
5. Considering the requirements of section 18 of the MFMA, it can be concluded that the 2019/20 MTREF is fully funded.
6. As part of the budgeting and planning guidelines that informed the compilation of the 2019/20 MTREF, the end objective of the medium-term framework was to ensure the budget is funded/aligned to section 18 of the MFMA.
7. Table A8 reflects a surplus of R3 993 million in 2019/20 decreasing to R2 103 million by 2021/22.

Table 29 MBRR Table A9 - Asset Management

Description	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand									
CAPITAL EXPENDITURE									
<u>Total New Assets</u>	2 820 243	2 967 778	2 865 259	4 718 083	3 455 162	2 803 667	3 867 449	6 337 876	6 578 483
<i>Roads Infrastructure</i>	665 367	875 527	601 711	643 094	637 960	618 549	929 567	1 686 270	2 238 793
<i>Storm water Infrastructure</i>	2 803	3 778	104 566	94 818	88 024	105 998	117 312	157 639	170 387
<i>Electrical Infrastructure</i>	509 555	555 112	427 495	415 032	367 425	346 041	368 700	456 802	521 351
<i>Water Supply Infrastructure</i>	143 479	208 170	433 231	1 291 185	1 052 626	594 283	971 327	1 390 934	1 174 382
<i>Sanitation Infrastructure</i>	205 274	154 686	110 446	749 890	254 536	203 538	218 499	1 053 539	1 272 549
<i>Solid Waste Infrastructure</i>	68 991	25 239	65 287	168 000	30 992	13 629	251 120	530 300	400 500
<i>Information and Communication Infrastructure</i>	182 718	131 324	157 577	240 406	76 072	69 822	30 000	65 311	1 000
Infrastructure	1 778 186	1 953 836	1 900 313	3 602 426	2 507 635	1 951 859	2 886 525	5 340 795	5 778 962
Community Facilities	209 143	140 786	217 809	302 827	309 482	305 919	242 440	189 102	240 424
Sport and Recreation Facilities	1 626	10	1 149	180	658	558	720	–	–
Community Assets	210 769	140 796	218 957	303 007	310 140	306 477	243 160	189 102	240 424
Heritage Assets	–	–	–	–	–	–	30	–	–
Revenue Generating	–	81	–	–	–	–	–	–	–
Investment properties	–	81	–	–	–	–	–	–	–
Operational Buildings	100 642	216 600	205 531	165 951	93 123	94 110	159 033	302 500	262 113
Housing	44 823	3 255	8 113	54 240	36 735	21 760	50 920	46 500	16 750
Other Assets	145 465	219 855	213 644	220 191	129 858	115 870	209 953	349 000	278 863
Licences and Rights	495	500	3 690	14 765	11 511	11 296	44 752	51 165	42 565
Intangible Assets	495	500	3 690	14 765	11 511	11 296	44 752	51 165	42 565
Computer Equipment	122 051	139 311	214 178	103 487	134 853	116 391	93 386	109 651	44 637
Furniture and Office Equipment	306 688	133 468	104 912	122 755	114 477	107 009	118 167	118 317	92 732
Machinery and Equipment	97 819	152 814	139 739	34 547	45 734	46 792	48 127	38 996	35 050
Transport Assets	105 449	62 793	68 313	108 906	135 505	142 792	197 348	20 850	45 251
Land	53 319	164 323	1 511	208 000	65 450	5 180	26 000	120 000	20 000
<u>Total Renewal of Existing Assets</u>	2 669 591	2 936 843	1 516 941	1 878 864	1 821 663	1 604 559	2 291 609	2 597 627	2 950 459
<i>Roads Infrastructure</i>	435 911	547 101	129 464	220 181	161 163	128 864	214 477	199 079	147 788
<i>Storm water Infrastructure</i>	44 902	52 203	34 565	30 275	44 886	35 434	59 700	46 300	35 000
<i>Electrical Infrastructure</i>	429 547	514 747	322 032	425 796	344 364	310 693	346 825	441 990	738 540
<i>Water Supply Infrastructure</i>	401 675	371 611	415 558	433 000	391 561	301 984	409 900	543 500	646 000
<i>Sanitation Infrastructure</i>	467 650	470 623	96 530	339 750	193 082	160 900	376 433	751 235	858 800
<i>Solid Waste Infrastructure</i>	87 176	28 122	–	–	–	–	–	10 000	15 000
<i>Information and Communication Infrastructure</i>	–	2 636	4 988	1 560	1 612	1 612	1 500	2 650	–
Infrastructure	1 866 859	1 987 043	1 003 136	1 450 562	1 136 668	939 487	1 408 835	1 994 754	2 441 128
Community Facilities	93 572	146 871	11 704	5 522	4 046	4 046	19 283	15 100	7 000
Sport and Recreation Facilities	37 166	57 234	439	–	–	–	–	–	–
Community Assets	130 739	204 105	12 142	5 522	4 046	4 046	19 283	15 100	7 000
Heritage Assets	6 547	38 955	430	1 800	5 822	3 421	600	1 200	1 200
Operational Buildings	157 526	247 906	24 525	16 017	26 272	26 159	26 689	49 215	18 590
Housing	124 428	73 469	20 163	76 583	53 242	53 242	44 561	77 184	–
Other Assets	281 954	321 375	44 688	92 601	79 514	79 401	71 250	126 399	18 590
Licences and Rights	–	3 931	2 282	7 000	10 227	10 227	7 000	7 000	7 000
Intangible Assets	–	3 931	2 282	7 000	10 227	10 227	7 000	7 000	7 000
Computer Equipment	98 753	76 526	79 122	63 740	128 069	116 057	121 359	63 082	62 286
Furniture and Office Equipment	47 862	21 962	16 088	16 839	19 028	15 767	28 889	16 562	13 456
Machinery and Equipment	17 207	10 935	56 922	29 100	66 883	66 191	11 454	58 050	57 350
Transport Assets	219 670	272 011	302 131	211 700	371 407	369 961	622 937	315 479	342 449

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Description	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand									
<u>Total Upgrading of Existing Assets</u>	–	–	1 221 419	1 810 608	1 359 307	1 249 528	2 229 374	2 580 208	2 329 015
Roads Infrastructure	–	–	164 679	303 053	220 637	197 115	192 672	143 421	221 572
Storm water Infrastructure	–	–	8 219	9 200	8 200	8 200	41 000	110 000	115 000
Electrical Infrastructure	–	–	108 642	62 338	40 003	39 673	29 582	3 100	130 000
Water Supply Infrastructure	–	–	72 433	116 975	149 838	130 658	75 350	85 700	30 000
Sanitation Infrastructure	–	–	349 145	674 202	326 023	337 223	848 773	1 164 705	1 129 700
Solid Waste Infrastructure	–	–	13 115	87 456	26 773	17 504	111 425	110 180	73 500
Information and Communication Infrastructure	–	–	–	–	–	–	5 000	2 351	–
Infrastructure	–	–	716 234	1 253 224	771 474	730 373	1 303 801	1 619 457	1 699 772
Community Facilities	–	–	124 632	198 803	172 368	160 109	213 725	190 172	175 620
Sport and Recreation Facilities	–	–	46 666	39 427	85 499	74 499	147 154	314 999	112 131
Community Assets	–	–	171 298	238 230	257 867	234 608	360 879	505 171	287 751
Heritage Assets	–	–	7 580	–	1 315	1 315	–	–	–
Operational Buildings	–	–	207 604	244 858	245 709	206 616	423 417	330 280	291 761
Housing	–	–	80 226	24 822	33 769	33 768	75 878	65 000	15 000
Other Assets	–	–	287 830	269 681	279 478	240 384	499 295	395 280	306 761
Licences and Rights	–	–	7 205	21 402	25 109	23 259	26 950	17 250	5 000
Intangible Assets	–	–	7 205	21 402	25 109	23 259	26 950	17 250	5 000
Computer Equipment	–	–	13 072	–	233	233	15 540	14 500	6 250
Furniture and Office Equipment	–	–	16 584	17 076	12 424	8 344	17 247	21 550	22 481
Machinery and Equipment	–	–	1 616	10 995	11 406	11 011	5 662	7 000	1 000
<u>Total Capital Expenditure</u>	5 489 834	5 904 621	5 603 619	8 407 556	6 636 132	5 657 754	8 388 432	11 515 711	11 857 958
Roads Infrastructure	1 101 277	1 422 628	895 854	1 166 328	1 019 760	944 527	1 336 715	2 028 770	2 608 153
Storm water Infrastructure	47 705	55 981	147 349	134 293	141 109	149 632	218 012	313 939	320 387
Electrical Infrastructure	939 102	1 069 858	858 169	903 166	751 792	696 407	745 107	901 892	1 389 891
Water Supply Infrastructure	545 153	579 781	921 223	1 841 160	1 594 025	1 026 926	1 456 577	2 020 134	1 850 382
Sanitation Infrastructure	672 924	625 309	556 121	1 763 843	773 641	701 661	1 443 705	2 969 479	3 261 049
Solid Waste Infrastructure	156 167	53 361	78 403	255 456	57 765	31 133	362 545	650 480	489 000
Information and Communication Infrastructure	182 718	133 959	162 566	241 966	77 684	71 434	36 500	70 311	1 000
Infrastructure	3 645 045	3 940 879	3 619 683	6 306 212	4 415 777	3 621 720	5 599 162	8 955 006	9 919 862
Community Facilities	302 715	287 658	354 144	507 152	485 897	470 073	475 448	394 375	423 044
Sport and Recreation Facilities	38 793	57 244	48 253	39 607	86 157	75 057	147 874	314 999	112 131
Community Assets	341 508	344 901	402 398	546 759	572 053	545 131	623 322	709 373	535 175
Heritage Assets	6 547	38 955	8 010	1 800	7 137	4 736	630	1 200	1 200
Revenue Generating	–	81	–	–	–	–	–	–	–
Investment properties	–	81	–	–	–	–	–	–	–
Operational Buildings	258 169	464 506	437 661	426 827	365 104	326 885	609 139	681 995	572 464
Housing	169 251	76 724	108 502	155 646	123 746	108 770	171 359	188 684	31 750
Other Assets	427 420	541 230	546 163	582 472	488 850	435 655	780 498	870 679	604 214
Licences and Rights	495	4 431	13 177	43 167	46 847	44 783	78 702	75 415	54 565
Intangible Assets	495	4 431	13 177	43 167	46 847	44 783	78 702	75 415	54 565
Computer Equipment	220 804	215 837	306 373	167 228	263 155	232 681	230 286	187 233	113 173
Furniture and Office Equipment	354 551	155 430	137 584	156 669	145 928	131 120	164 303	156 429	128 669
Machinery and Equipment	115 027	163 750	198 277	74 642	124 023	123 995	65 243	104 046	93 400
Transport Assets	325 119	334 804	370 443	320 606	506 912	512 752	820 286	336 329	387 700
Land	53 319	164 323	1 511	208 000	65 450	5 180	26 000	120 000	20 000
TOTAL CAPITAL EXPENDITURE - Asset class	5 489 834	5 904 621	5 603 619	8 407 556	6 636 132	5 657 754	8 388 432	11 515 711	11 857 958

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Description	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand									
ASSET REGISTER SUMMARY - PPE (WDV)	37 933 330	41 470 692	44 463 379	51 601 445	47 917 654	47 917 654	52 871 578	60 552 364	68 324 246
<i>Roads Infrastructure</i>	5 801 545	7 848 021	9 038 537	9 415 671	9 657 068	9 657 068	10 520 662	12 000 205	13 992 681
<i>Storm water Infrastructure</i>	673 066	734 352	765 168	944 325	853 590	853 590	1 014 851	1 263 604	1 516 264
<i>Electrical Infrastructure</i>	5 943 048	6 760 029	7 076 484	8 328 033	7 566 719	7 566 719	8 041 029	8 648 188	9 702 216
<i>Water Supply Infrastructure</i>	2 286 374	2 640 397	2 948 124	5 942 405	4 236 397	4 236 397	5 355 893	6 939 888	8 317 885
<i>Sanitation Infrastructure</i>	2 629 979	2 876 204	3 259 714	4 624 837	3 698 991	3 698 991	4 806 251	7 318 294	10 060 388
<i>Solid Waste Infrastructure</i>	724 955	744 567	466 031	974 112	480 652	480 652	788 863	1 374 050	1 795 204
<i>Coastal Infrastructure</i>	–	–	117 984	–	113 510	113 510	108 950	104 386	99 508
<i>Information and Communication Infrastructure</i>	3 054 072	3 815 860	3 810 497	4 133 382	3 845 756	3 845 756	3 838 397	3 859 758	3 807 294
Infrastructure	21 113 038	25 419 430	27 482 539	34 362 764	30 452 683	30 452 683	34 474 895	41 508 372	49 291 440
Community Assets	6 486 848	7 947 245	6 271 699	8 280 531	6 442 551	6 442 551	6 671 115	6 975 487	7 084 272
Heritage Assets	9 049	8 904	8 891	8 904	8 891	8 891	8 891	8 891	8 891
Investment properties	588 191	586 427	584 713	582 999	582 999	582 999	581 286	579 572	577 858
Other Assets	5 081 608	2 819 667	5 213 603	3 476 143	5 423 513	5 423 513	5 906 277	6 467 903	6 769 998
Intangible Assets	629 162	678 871	716 040	450 982	591 049	591 049	521 885	440 896	354 878
Computer Equipment	589 188	572 894	586 327	603 172	604 105	604 105	594 661	555 317	442 886
Furniture and Office Equipment	373 843	366 760	351 339	441 147	390 874	390 874	431 571	468 879	475 153
Machinery and Equipment	248 211	635 507	507 179	846 578	545 222	545 222	487 638	462 549	424 249
Transport Assets	2 040 316	1 439 906	1 718 576	1 420 343	1 857 827	1 857 827	2 219 973	2 069 863	1 937 410
Land	773 875	995 081	1 022 473	1 127 881	1 017 940	1 017 940	973 386	1 014 635	957 210
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	37 933 330	41 470 692	44 463 379	51 601 445	47 917 654	47 917 654	52 871 578	60 552 364	68 324 246
EXPENDITURE OTHER ITEMS	5 456 330	6 070 246	6 388 626	6 788 801	6 806 421	6 806 420	7 144 763	7 657 887	8 107 534
Depreciation	2 117 336	2 308 949	2 578 561	2 814 337	2 850 052	2 850 051	3 015 086	3 259 139	3 493 178
<u>Repairs and Maintenance by Asset Class</u>	3 338 995	3 761 297	3 810 065	3 974 465	3 956 369	3 956 369	4 129 677	4 398 747	4 614 356
<i>Roads Infrastructure</i>	592 642	609 310	588 798	671 164	659 649	659 649	688 377	730 816	776 063
<i>Electrical Infrastructure</i>	512 940	504 116	484 296	536 787	534 516	534 516	541 437	608 723	646 927
<i>Water Supply Infrastructure</i>	455 983	482 019	487 625	548 620	485 599	485 599	440 218	477 832	507 425
<i>Sanitation Infrastructure</i>	424 040	447 780	437 208	401 043	379 581	379 581	374 750	414 486	429 485
<i>Solid Waste Infrastructure</i>	2 774	2 497	2 553	4 104	1 861	1 861	2 250	2 387	2 531
<i>Rail Infrastructure</i>	–	–	–	–	–	–	–	–	–
<i>Coastal Infrastructure</i>	–	–	–	–	–	–	–	–	–
<i>Information and Communication Infrastructure</i>	–	–	–	–	–	–	–	–	–
Infrastructure	1 988 379	2 045 722	2 000 480	2 161 718	2 061 207	2 061 207	2 047 033	2 234 243	2 362 431
Community Facilities	85 482	115 109	117 431	100 533	109 565	109 565	122 404	129 823	137 727
Sport and Recreation Facilities	301 035	381 822	379 229	244 273	267 420	267 420	382 327	380 116	393 915
Community Assets	386 517	496 931	496 660	344 806	376 984	376 984	504 731	509 940	531 642
Heritage Assets	461	1 647	730	1 928	1 921	1 921	1 916	2 031	2 154
Revenue Generating	66	259	229	16	41	41	43	45	48
Non-revenue Generating	26 500	18 742	20 497	20 694	3 814	3 814	8 001	8 482	8 995
Investment properties	26 566	19 001	20 726	20 710	3 855	3 855	8 043	8 527	9 043
Operational Buildings	89 710	140 548	143 284	177 353	277 195	277 195	338 649	308 414	327 258
Other Assets	89 710	140 548	143 284	177 353	277 195	277 195	338 649	308 414	327 258
Biological or Cultivated Assets	–	–	–	–	–	–	–	–	–
Servitudes	–	–	–	–	–	–	–	–	–
Licences and Rights	–	–	–	–	–	–	–	–	–
Intangible Assets	–	–	–	–	–	–	–	–	–
Computer Equipment	144 340	179 935	246 521	269 538	267 952	267 952	246 058	263 211	279 352
Furniture and Office Equipment	354 833	424 463	430 696	551 331	544 654	544 654	542 256	607 519	609 041
Transport Assets	348 190	453 049	470 969	447 079	422 602	422 602	440 991	464 863	493 436
Land	–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals	–	–	–	–	–	–	–	–	–
TOTAL EXPENDITURE OTHER ITEMS	5 456 330	6 070 246	6 388 626	6 788 801	6 806 421	6 806 420	7 144 763	7 657 887	8 107 534
Renewal and upgrading of Existing Assets as % of total capex	48.6%	49.7%	48.9%	43.9%	47.9%	50.4%	53.9%	45.0%	44.5%
Renewal and upgrading of Existing Assets as % of deprecn	126.1%	127.2%	106.2%	131.1%	111.6%	100.1%	149.9%	158.9%	151.1%
R&M as a % of PPE	9.1%	9.4%	8.8%	7.9%	8.5%	8.5%	8.0%	7.4%	6.8%
Renewal and upgrading and R&M as a % of PPE	16.0%	16.0%	15.0%	15.0%	15.0%	14.0%	16.0%	16.0%	14.0%

Explanatory notes to Table A9 – Asset Management

1. Table A9 provides an overview of municipal capital allocations to building new assets and renewal of existing assets, as well as spending on repairs and maintenance by asset class.
2. The section on 'Upgrading of Existing Assets' in table A9 was introduced via Version 6.1 of the MBRR Schedule A - refer NT Budget Circular 85 (dated 9 December 2016). Records older than 2016/17 cannot be split into this category as the indicator does not exist on older records.
3. The following chart provides an analysis between depreciation (including capital asset impairment) and operational repairs and maintenance over the MTREF. It highlights the City's strategy to address the maintenance backlog. To ensure compliance the City will embark on an asset creation project which will be finalised over a couple of years.

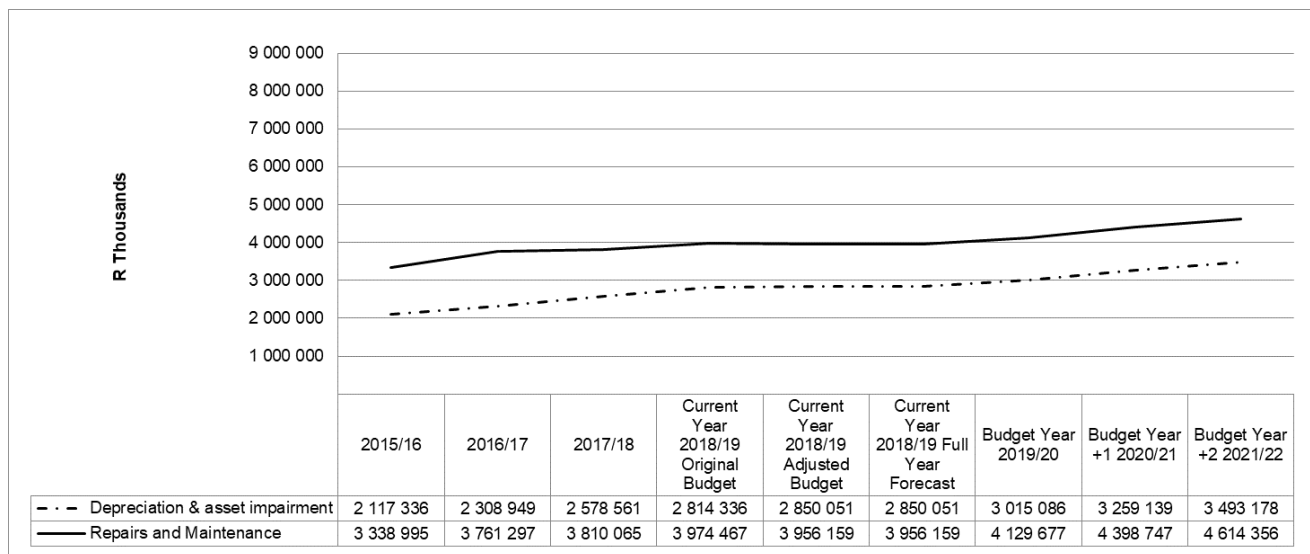


Figure 5 Depreciation in relation to repairs and maintenance for previous years and over the MTREF

Table 30 MBRR Table A10 - Basic Service Delivery Measurement

Description	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Household service targets									
<u>Water:</u>									
Piped water inside dwelling	978 170	988 643	1 132 666	1 190 854	1 190 854	1 190 854	1 214 760	1 239 353	1 263 946
Piped water inside yard (but not in dwelling)	–	–	–	–	–	–	–	–	–
Using public tap (at least min.service level)	156 755	158 433	157 038	165 105	165 105	165 105	166 919	169 929	172 729
Other water supply (at least min.service level)	–	–	–	–	–	–	–	–	–
<i>Minimum Service Level and Above sub-total</i>	1 134 925	1 147 076	1 289 704	1 355 959	1 355 959	1 355 959	1 381 679	1 409 282	1 436 675
Using public tap (< min.service level)	–	–	–	–	–	–	–	–	–
Other water supply (< min.service level)	–	–	–	–	–	–	–	–	–
No water supply	–	–	–	–	–	–	–	–	–
<i>Below Minimum Service Level sub-total</i>	–	–	–	–	–	–	–	–	–
Total number of households	1 134 925	1 147 076	1 289 704	1 355 959	1 355 959	1 355 959	1 381 679	1 409 282	1 436 675
<u>Sanitation/sewerage:</u>									
Flush toilet (connected to sewerage)	1 053 765	1 070 076	1 211 917	1 275 391	1 275 391	1 275 391	1 285 080	1 310 073	1 338 275
Flush toilet (with septic tank)	–	–	–	–	–	–	–	–	–
Chemical toilet	23 964	23 964	30 575	26 392	26 392	26 392	35 120	35 120	35 120
Pit toilet (ventilated)	–	65	197	197	197	197	197	197	197
Other toilet provisions (> min.service level)	57 196	52 754	47 015	53 830	53 830	53 830	62 633	65 575	65 375
<i>Minimum Service Level and Above sub-total</i>	1 134 925	1 146 859	1 289 704	1 355 810	1 355 810	1 355 810	1 383 030	1 410 965	1 438 967
Bucket toilet	–	217	217	149	149	149	149	149	149
Other toilet provisions (< min.service level)	–	–	–	–	–	–	–	–	–
No toilet provisions	–	–	–	–	–	–	–	–	–
<i>Below Minimum Service Level sub-total</i>	–	217	217	149	149	149	149	149	149
Total number of households	1 134 925	1 147 076	1 289 921	1 355 959	1 355 959	1 355 959	1 383 179	1 411 114	1 439 116
<u>Energy:</u>									
Electricity (at least min.service level)	853 402	853 402	817 313	818 813	818 813	818 813	820 313	821 813	823 313
Electricity - prepaid (min.service level)	–	–	–	–	–	–	–	–	–
<i>Minimum Service Level and Above sub-total</i>	853 402	853 402	817 313	818 813	818 813	818 813	820 313	821 813	823 313
Electricity (< min.service level)	26 464	35 341	30 841	29 341	29 341	29 341	27 841	26 341	24 841
Electricity - prepaid (< min. service level)	–	–	–	–	–	–	–	–	–
Other energy sources	–	–	–	–	–	–	–	–	–
<i>Below Minimum Service Level sub-total</i>	26 464	35 341	30 841	29 341	29 341	29 341	27 841	26 341	24 841
Total number of households	879 866	888 743	848 154	848 154	848 154	848 154	848 154	848 154	848 154
<u>Refuse:</u>									
Removed at least once a week	965 781	975 507	931 820	939 739	944 616	944 616	958 534	977 704	997 258
<i>Minimum Service Level and Above sub-total</i>	965 781	975 507	931 820	939 739	944 616	944 616	958 534	977 704	997 258
Removed less frequently than once a week	–	–	–	–	–	–	–	–	–
Using communal refuse dump	–	–	–	–	–	–	–	–	–
Using own refuse dump	–	–	–	–	–	–	–	–	–
Other rubbish disposal	–	–	–	–	–	–	–	–	–
No rubbish disposal	–	–	–	–	–	–	–	–	–
<i>Below Minimum Service Level sub-total</i>	–	–	–	–	–	–	–	–	–
Total number of households	965 781	975 507	931 820	939 739	944 616	944 616	958 534	977 704	997 258
<u>Households receiving Free Basic Service</u>									
Water (6 kilolitres per household per month)	231 793	222 098	231 793	267 325	267 325	267 325	270 025	270 025	270 025
Sanitation (free minimum level service)	231 793	222 098	255 733	267 325	267 325	267 325	270 025	270 025	270 025
Electricity/other energy (50kwh per household per month)	229 217	236 941	195 564	195 564	195 564	195 564	197 064	198 564	200 064
Refuse (removed at least once a week)	295 543	302 957	317 665	324 018	304 437	304 437	310 526	316 736	323 070

Table continues on next page

Description	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Cost of Free Basic Services provided - Formal Settlements (R'000)									
Water (6 kilolitres per indigent household per month)	202 773	212 041	314 306	368 203	368 203	368 203	449 106	520 297	627 898
Sanitation (free sanitation service to indigent households)	141 824	143 728	178 254	233 221	233 221	233 221	232 446	269 293	324 985
Electricity/other energy (50kwh per indigent household per month)	177 255	160 638	160 638	125 999	125 999	125 999	104 999	113 399	122 471
Refuse (removed once a week for indigent households)	234 084	235 401	276 709	291 928	280 000	280 000	287 133	301 633	316 866
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)	422 280	404 310	472 842	531 931	531 931	531 931	601 132	683 103	794 211
Total cost of FBS provided	1 178 216	1 156 117	1 402 749	1 551 282	1 539 353	1 539 353	1 674 816	1 887 725	2 186 431
Highest level of free service provided per household									
Property rates (R value threshold)	–	–	–	–	–	–	–	–	–
Water (kilolitres per household per month)	6	6	6	11	11	11	11	11	11
Sanitation (kilolitres per household per month)	4	4	4	7	7	7	7	7	7
Sanitation (Rand per household per month)	79	102	151	–	–	–	–	–	–
Electricity (kwh per household per month)	60	60	60	60	60	60	60	60	60
Refuse (average litres per week)	240	240	240	240	240	240	240	240	240
Revenue cost of subsidised services provided (R'000)									
Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)	–	–	–	–	–	–	–	–	–
Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA	1 098 941	1 159 618	1 357 933	1 403 930	1 403 930	1 403 930	1 231 247	1 299 612	1 371 772
Water (in excess of 6 kilolitres per indigent household per month)	–	159 031	235 730	276 152	276 152	276 152	–	–	–
Sanitation (in excess of free sanitation service to indigent households)	–	107 796	133 691	174 916	174 916	174 916	–	–	–
Electricity/other energy (in excess of 50 kwh per indigent household per month)	–	–	–	–	–	–	–	–	–
Refuse (in excess of one removal a week for indigent households)	–	–	–	–	–	–	–	–	–
Municipal Housing - rental rebates	22 102	25 175	26 843	31 060	31 060	31 060	32 289	34 065	35 938
Housing - top structure subsidies	–	–	–	–	–	–	–	–	–
Other	–	–	–	–	–	–	–	–	–
Total revenue cost of subsidised services provided	1 121 043	1 451 619	1 754 196	1 886 058	1 886 058	1 886 058	1 263 535	1 333 676	1 407 711

Explanatory notes to Table A10 – Basic Service Delivery Measurement

1. Table A10 provides an overview of service delivery levels, including backlogs (below minimum service level), for each of the main services.
2. The City is persistently striving to eradicate backlogs. The City's backlog status are as follows:
 - a) Water services: Cape Town's population, both formal and informal settlements, receives potable water in accordance with the National minimum standards as required by the Water Services Act 108 (of 1997).
 - b) Sanitation services: Cape Town's population, both formal and informal settlements, receives sanitation services in accordance with the National minimum standards. Funding is still provided to further improve the service levels in Informal Settlements in line with the City's strategy. The bucket toilet value of 149 households reflected in the 'below minimum standards' category in the 2019/20 financial year is not seen as a backlog as these households using the bucket system do so despite being offered and encouraged to use alternative sanitation services which are available and accessible. It was intended to remove the remaining bucket systems in 2015/16, however it did not materialise, due to various challenges, which included community resistance. Some of the 251 bucket toilets could be removed, bringing the total down from 377 in 2015 to the current 149. Initiatives to remove the remaining ones are ongoing, including a settlement upgrade as part of a new housing development project.
 - c) Electricity services: The electrification strategy is to reduce the backlog by 1 500 annually over the 2019/20 MTREF.
 - d) Refuse services: This service does not have any backlogs.
3. The increase in the number of households receiving free basic services increases the cost of providing these services. The associated cost of providing free basic services is projected to escalate from R1 675 million in 2019/20 to R2 186 million in 2021/22.
4. The following assumptions are applied when determining the number of households per service:
 - a) Water & Sanitation
The number of households is based on the StatsSA 2017 Mid-Year Estimates.
 - b) Energy
The City supplies only part of the metro and provides electricity connections irrespective of the number of households.
 - c) Refuse
The number of households is based on a formal property count of the actual number of households that requests this service.

Part 2 – Supporting Documentation

2.1 Overview of annual budget process

2.1.1 Mayoral oversight and responsibility

Section 53 of the MFMA requires the Mayor of a municipality to provide general political guidance over the budget process and the priorities that guide the preparation of the budget. In addition, Regulation 4 of the MBRR states that:

- 1) *The mayor of a municipality must establish a budget steering committee to provide technical assistance to the mayor in discharging the responsibilities set out in section 53 of the Act.*
- 2) *The steering committee must consist of at least the following persons:*
 - a) *the councillor responsible for financial matters;*
 - b) *the municipal manager;*
 - c) *the chief financial officer;*
 - d) *the senior managers responsible for at least the three largest votes in the municipality;*
 - e) *the manager responsible for budgeting;*
 - f) *the manager responsible for planning; and*
 - g) *any technical experts on infrastructure.*

The City has an established Budget Steering Committee (BSC) that embodies all the requirements as set out in the MFMA and MBRR. In addition, the City established a Budget Strategy Committee (BSM) in 2013 whose purpose is to provide strategic guidance and ensure that the budget is aligned to the City's strategies.

2.1.2 Budget process overview

Section 21 of the MFMA requires the Mayor to table a time schedule, which sets out the process to draft the IDP and prepare the budget, ten months before the start of the new financial year. The IDP- and budget cycle time schedule was adopted by Council on 30 May 2018.

The City's Strategic Management Framework's (SMF) process, which aims to integrate the strategic planning activities and deliverables across directorates to bring together a holistic shared strategy to enable integrated decision making, in its Strategic Review identified key challenges facing the administration and, within the scope of the organisational strategies and service delivery imperative over the MTREF period, established the strategic priorities. These strategic priorities formed the thrust in the compilation of the 2019/20 MTREF.

The timeline below sets out the processes followed in the preparation of the 2019/20 MTREF.

May 2018

- The 2019/20 IDP and Budget timetable was tabled at Council.

July to August 2018

- First presentation to Budget Steering Committee (BSC) in July covered the current LTFP view, macro-economic outlook guiding economic assumptions to be applied to the LTFP and the budget timelines.
- The Executive Management Team (EMT) as part of the Strategic Management Framework's (SMF) Strategic Review held a 2-day workshop where a number of key challenges facing the administration were identified and, within the scope of the organisational strategies and service delivery imperative over the MTREF period, the strategic priorities were established.
- This was endorsed by the Mayor and the Mayoral Committee (MayCo) mid-August 2018.
- Budget consultation with Subcouncils – a report was submitted to the August cycle of subcouncil meetings. Requirements stemming from subcouncils were submitted to line departments for consideration.

September 2018

- Presentations to the BSC and Budget Strategy Committee (BSM) included an updated LTFP modelled scenario; technical assessment of the outcome of the 2017/18 financial year and its influence on the 2019/20 MTREF and presentations by the Trading Services of Water & Sanitation; Energy and Solid Waste on their proposed financial plans and tariff proposals.
- The City Manager issued an organisational strategic brief document to the Executive Directors in preparation of the SMF Programme Review.
- The Executive Mayor issued a Budget Brief to all Mayoral Committee members and the Executive Directors which provided political direction to formulation of functional budget considerations.
- Programme Review with the SMF core team and all Executive Directors to assess adherence of their programme planning to City Manager and Executive Mayor's briefs.

October to November 2018

- Presentation to BSC and BSM with updated LTFP scenarios including considerations of the outcome of the Programme Review.

December 2018 to February 2019

- Iterative interactions with BSC and BSM. Refinements of the LTFP model to ensure a credible, affordable and sustainable budget over the medium term and presentation of parameters and assumptions for endorsements.
- Brickwall assessment (implementation readiness assessment) review informing Item Review and consideration of its impact on Operating- and Capital budget.
- Prepare detailed Operating- and Capital budgets.

March – April 2019

- The draft 2019/20 Operating- and Capital budgets and IDP review schedule was tabled at Council on 28 March 2019.
- The budget, IDP and tariff proposals was published for comment and consultation as part of the public participation process. The 2019 LG MTEC engagement took place on 23 April 2019.

April - May 2019

- The 2019 Municipal Benchmark Engagement with National Treasury took place on 10 May 2019.
- Comments received as a result of the public participation process will be submitted to MayCo for consideration.
- The 2019/20 MTREF budget, IDP review and BEPP is scheduled for consideration and adoption by Council on 29 May 2019.

2.1.3 Integrated Development Plan (IDP) and Service Delivery and Budget Implementation Plan (SDBIP)

The City's IDP is its principal strategic planning instrument, which guides and informs its on-going planning, management and development actions. The IDP represents the City administration's commitment to exercise its executive authority. This 5-Year (2017/18 – 2021/22) Term of Office Plan, is in line with National- and Provincial government legislation and is effectively the local government's blueprint by which it strives to realise its vision for Cape Town in the short-, medium- and long term.

The 5-Year (2017/18 – 2021/22) Term of Office IDP was developed in line with the Term of Office IDP Process Plan and the annual IDP and Budget Time schedule, which was approved by Council in May 2018.

IDP Review

Section 34(a) of the abovementioned legislation requires a municipal council to review its IDP:

- i) annually, in accordance with an assessment of its performance measurements;*
- ii) and to the extent that changing circumstances so demand.*

IDP Amendment

Section 34(b) of the legislation states that a municipal council may amend its IDP in accordance with the prescribed process.

The prescribed process for amending an IDP is contained in Section 3 of the Municipal Planning and Performance Management Regulations, 2001. The main steps in the process are:

- i) Only a member or committee of a municipal council may introduce a proposal for amending the IDP;
- ii) Any proposal for amending the IDP must be accompanied by a memorandum setting out the reasons for the proposal;
- iii) The proposed amendment must be published for public comment for a minimum period of 21 days; and
- iv) An amendment to the IDP is adopted by a decision taken by a municipal council in accordance with the rules and orders of council.

2.2 Overview of alignment of annual budget with Integrated Development Plan (IDP)

The City's priority objectives are set out in its IDP, which provides the strategic framework that guides the City's planning and budgeting over the course of the 5-year political term.

To this extent, the IDP consists of two main parts, being (a) a strategic plan, which contains the longer term strategic vision, priorities and narrative as well as (b) an implementation plan, which focuses only on key strategic programmes, projects and initiatives that will support the achievement of the priorities through the 5-year term of office.

The City's 5 Strategic Focus Areas (SFA) or pillars are unpacked into 11 priorities (transformed into 11 objectives), which are broken down into programmes and projects that are underpinned by the budget.

This realistic and sound budget supports the credibility of the process. Resources are allocated firstly through budget prioritisation at a corporate level and pulled through to the directorate/department business plans.

The Corporate Scorecard is the strategic tool used by the City and the community to monitor progress against delivery.

The vision of the City

The vision of the City is to be an opportunity city that creates an enabling environment for economic growth and job creation, and to provide assistance to those who need it most; to deliver quality services to all residents; and to serve the citizens of Cape Town as a well-governed and corruption free administration.

In pursuit of this vision, the City's mission is as follows:

- To contribute actively to the development of the environment, and its human- and social capital;
- To offer high-quality services to all who live in, do business in or visit Cape Town; and
- To be known for as an efficient, effective and caring government.

The budget is allocated against the five SFA at a corporate level. This visionary framework is rolled out into objectives, key performance indicators (KPI) and targets for implementation. These are then broken down into the SDBIP that reflects the detailed projects. Each of these projects is allocated budgetary and other resources.

The figure below visually represents the link between the IDP and budget, and demonstrates how corporate strategy is cascaded through the organisation, and how it influences and shapes the operating- and capital budget of the City's directorates/departments.

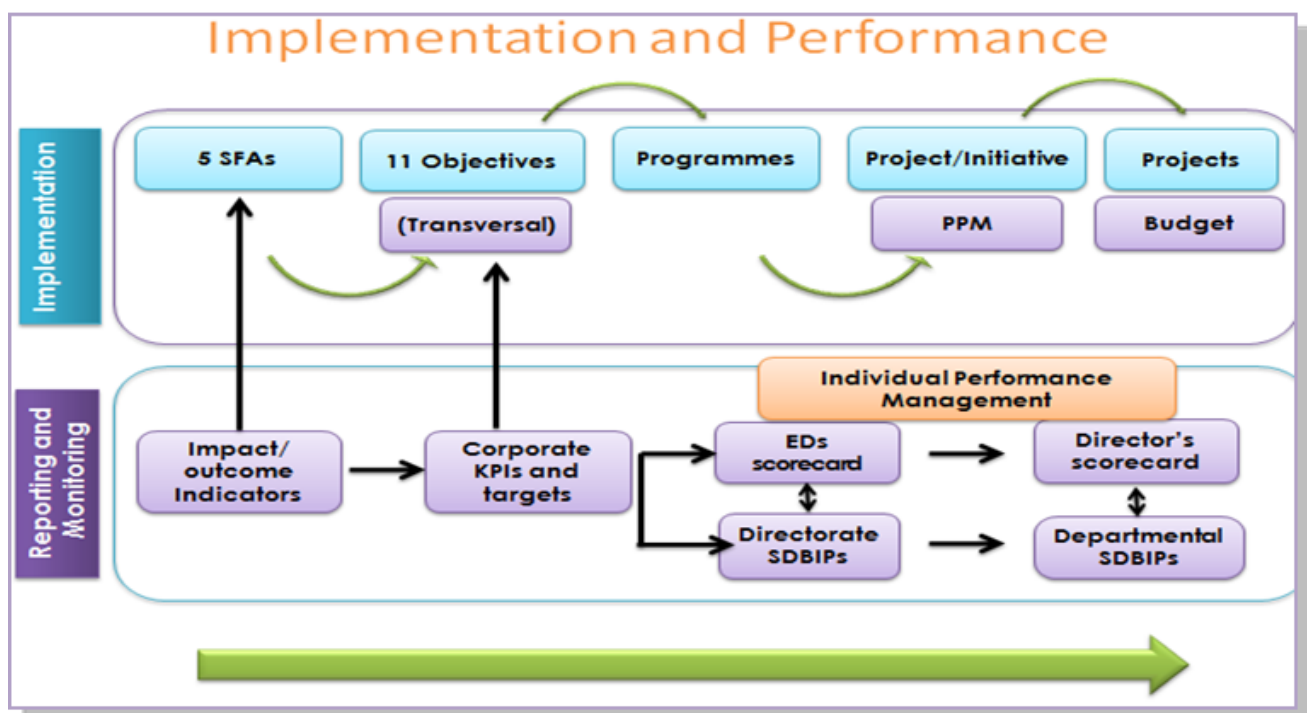


Figure 6 IDP and Budget link

The Corporate SDBIP Book combines and sets out the various components in the format required by National Treasury.

The tables below provide details on the reconciliation between the IDP strategic objectives, the operating revenue and expenditure and the capital expenditure budget.

Table 31 MBRR Table SA4 - Reconciliation between the IDP strategic objective and budgeted revenue

Strategic Objective	Goal	Goal Code	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year	Budget Year +1	Budget Year +2
R thousand											
The Opportunity City	Attract investment for econ growth/jobs	1.1	103 191	124 616	—	—	—	—	—	—	—
	Prov of economic & social infrastructure	1.2	17 618 563	18 420 842	—	—	—	—	—	—	—
	Sustainable environment through resource	1.3	269 334	247 125	—	—	—	—	—	—	—
	Mobility via effective public transport	1.4	1 061 324	937 518	—	—	—	—	—	—	—
	City Assets for econ growth & developmnt	1.5	151 412	180 762	—	—	—	—	—	—	—
The Safe City	Expand resources for safety and security	2.1	1	0	—	—	—	—	—	—	—
	Resource depts for optimum operations	2.2	75 553	89 760	—	—	—	—	—	—	—
	Enhance intelligence-driven policing	2.3	1 139 456	1 291 241	—	—	—	—	—	—	—
	Improve emergency staff through training	2.4	16 602	20 848	—	—	—	—	—	—	—
	Safety and security through partnerships	2.5	1 316	206	—	—	—	—	—	—	—
The Caring City	Human settlements for increased access	3.2	955 287	1 068 620	—	—	—	—	—	—	—
	Assess rental stock to beneficiaries	3.3	287 288	195 029	—	—	—	—	—	—	—
	Innovative human settlements access	3.4	545 962	669 525	—	—	—	—	—	—	—
	Effective environmental health services	3.5	6 005	9 899	—	—	—	—	—	—	—
	Provide effective air quality management & pollution	3.6	225	362	—	—	—	—	—	—	—
	Effective primary health care services	3.7	521 117	581 820	—	—	—	—	—	—	—
	Substance abuse treatment/rehabilitation	3.8	1	0	—	—	—	—	—	—	—
	Response for citizens to be communicated	4.1	132	250	—	—	—	—	—	—	—
	Facilities that make citizens feel home	4.2	204 225	236 337	—	—	—	—	—	—	—
	Transparent & corruption free government	5.1	2 981	1 593	—	—	—	—	—	—	—
The Well-Run City	Efficient & productive administration	5.2	155 775	77 632	—	—	—	—	—	—	—
	Ensure unqualified audits by AG	5.3	10 777 263	12 468 739	—	—	—	—	—	—	—
The Opportunity City	Position CT as globally competitive City	1.1	—	—	621 598	927 262	841 723	841 723	608 134	728 333	618 582
	Leveraging Technology for Progress	1.2	—	—	23 713	24 177	17 677	17 677	18 407	19 336	20 311
	Economic Inclusion	1.3	—	—	525	1 000	1 000	1 000	32 877	—	—
	Resource Efficiency and Security	1.4	—	—	144 259	25 147	540 798	540 798	27 182	30 591	29 634
The Safe City	Safe Communities	2.1	—	—	1 539 071	1 380 687	1 369 258	1 369 258	1 331 507	1 338 047	1 352 600
The Caring City	Excellence in Basic Service delivery	3.1	—	—	19 450 601	21 253 429	21 963 444	21 963 444	22 074 573	25 083 714	28 222 628
	Mainstreaming basic service delivery to informal settlements and backyard dwellers	3.2	—	—	83 996	50 727	79 975	79 975	102 005	82 796	66 621
The Inclusive City	Dense and Transit Orientated Growth and Development	4.1	—	—	7 112	23 135	14 245	14 245	10 909	550	4 050
	An Efficient Integrated Transport System	4.2	—	—	1 234 756	1 317 987	1 367 808	1 367 808	1 599 650	2 225 272	2 706 946
	Building Integrated Communities	4.3	—	—	12 839 724	13 512 007	13 505 468	13 505 468	14 143 075	15 033 847	15 944 451
The Well-Run City	Operational sustainability	5.1	—	—	2 652 687	2 978 355	3 071 748	3 071 748	3 238 717	3 330 356	3 537 243
Total Revenue (excluding capital transfers and contributions)			33 893 012	36 622 725	38 598 042	41 493 914	42 773 145	42 773 145	43 187 036	47 872 841	52 503 067

Table 32 MBRR Table SA5 - Reconciliation between the IDP and strategic objectives and budgeted operating expenditure

Strategic Objective	Goal	Goal Code	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand											
The Opportunity City	Attract investment for econ growth/jobs	1.1	377 433	390 474	–	–	–	–	–	–	–
	Prov of economic & social infrastructure	1.2	15 467 918	16 121 414	–	–	–	–	–	–	–
	Sustainable environment through resource	1.3	647 862	715 536	–	–	–	–	–	–	–
	Mobility via effective public transport	1.4	1 403 557	1 586 386	–	–	–	–	–	–	–
	City Assets for econ growth & developmnt	1.5	162 107	180 785	–	–	–	–	–	–	–
The Safe City	Expand resources for safety and security	2.1	2 037	1 964	–	–	–	–	–	–	–
	Resource depts for optimum operations	2.2	1 209 854	1 287 008	–	–	–	–	–	–	–
	Enhance intelligence-driven policing	2.3	1 232 911	1 333 677	–	–	–	–	–	–	–
	Improve emergency staff through training	2.4	115 024	119 197	–	–	–	–	–	–	–
	Safety and security through partnerships	2.5	97 816	82 512	–	–	–	–	–	–	–
The Caring City	Human settlements for increased access	3.2	824 899	930 041	–	–	–	–	–	–	–
	Assess rental stock to beneficiaries	3.3	473 611	452 330	–	–	–	–	–	–	–
	Innovative human settlements access	3.4	470 596	501 227	–	–	–	–	–	–	–
	Effective environmental health services	3.5	322 863	336 022	–	–	–	–	–	–	–
	Provide effective air quality management & pollution	3.6	10 014	10 662	–	–	–	–	–	–	–
	Effective primary health care services	3.7	817 472	952 301	–	–	–	–	–	–	–
	Substance abuse treatment/rehabilitation	3.8	6 833	6 750	–	–	–	–	–	–	–
	Response for citizens to be communicated	4.1	51 417	58 386	–	–	–	–	–	–	–
The Inclusive City	Facilities that make citizens feel home	4.2	2 020 422	2 160 343	–	–	–	–	–	–	–
	The Well-Run City	Transparent & corruption free government	5.1	490 754	536 796	–	–	–	–	–	–
Efficient & productive administration		5.2	1 610 798	1 763 270	–	–	–	–	–	–	–
Ensure unqualified audits by AG		5.3	2 277 042	1 992 390	–	–	–	–	–	–	–
An Opportunity City	Position CT as globally competitive City	1.1	–	–	4 918 834	5 665 514	5 533 112	5 532 337	5 866 969	6 259 539	6 677 944
	Leveraging Technology for Progress	1.2	–	–	616 507	573 715	589 414	589 414	616 301	643 118	697 834
	Economic Inclusion	1.3	–	–	42 404	77 419	68 285	68 285	131 417	85 097	91 572
	Resource Efficiency and Security	1.4	–	–	285 460	1 011 094	629 657	629 657	651 366	915 179	878 524
The Safe City	Safe Communities	2.1	–	–	3 038 820	3 413 527	3 371 969	3 371 968	3 899 703	3 864 847	4 080 524
The Caring City	Excellence in Basic Service delivery	3.1	–	–	15 641 240	18 668 018	18 418 158	18 418 116	20 250 378	21 905 127	23 854 449
	Mainstreaming basic service delivery to informal settlements and backyard dwellers	3.2	–	–	542 369	619 203	670 026	670 026	660 047	698 935	739 742
An Inclusive City	Dense and Transit Orientated Growth and Development	4.1	–	–	69 095	46 974	49 637	49 637	51 090	40 803	42 685
	An Efficient Integrated Transport System	4.2	–	–	1 683 195	1 789 064	1 915 533	1 915 533	1 983 044	1 933 283	1 995 972
	Building Integrated Communities	4.3	–	–	1 625 496	1 980 260	2 154 791	2 154 790	2 241 322	2 423 170	2 590 524
The Well-Run City	Operational sustainability	5.1	–	–	4 437 854	5 419 157	5 098 174	5 098 986	5 427 982	5 778 794	6 504 185
Total Expenditure			30 093 239	31 519 472	32 901 274	39 263 946	38 498 756	38 498 749	41 779 619	44 547 893	48 153 954

Table 33 MBRR Table SA6 - Reconciliation between the IDP strategic objectives and budgeted capital expenditure

Strategic Objective	Goal	Goal Code	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand											
The Opportunity City	Attract investment for econ growth/jobs	1.1	7 929	7 079	–	–	–	–	–	–	–
	Prov of economic & social infrastructure	1.2	3 315 688	3 642 069	–	–	–	–	–	–	–
	Sustainable environment through resource	1.3	78 246	200 021	–	–	–	–	–	–	–
	Mobility via effective public transport	1.4	719 500	571 990	–	–	–	–	–	–	–
	City Assets for econ growth & developmnt	1.5	32 309	97 282	–	–	–	–	–	–	–
The Safe City	Expand resources for safety and security	2.1	13 332	11 270	–	–	–	–	–	–	–
	Enhance intelligence-driven policing	2.3	100 466	74 687	–	–	–	–	–	–	–
	Improve emergency staff through training	2.4	260	–	–	–	–	–	–	–	–
	Safety and security through partnerships	2.5	30 359	29 189	–	–	–	–	–	–	–
The Caring City	Access to social services	3.1	47 786	25 607	–	–	–	–	–	–	–
	Human settlements for increased access	3.2	340 780	352 643	–	–	–	–	–	–	–
	Assess rental stock to beneficiaries	3.3	–	–	–	–	–	–	–	–	–
	Innovative human settlements access	3.4	128 220	163 178	–	–	–	–	–	–	–
	Effective environmental health services	3.5	11 011	5 395	–	–	–	–	–	–	–
	Provide effective air quality mngrt & pol	3.6	–	–	–	–	–	–	–	–	–
	Effective primary health care services	3.7	16 598	24 439	–	–	–	–	–	–	–
	Substance abuse treatment/rehabilitation	3.8	–	924	–	–	–	–	–	–	–
The Inclusive City	Response for citizens to be communicated	4.1	57 004	2 842	–	–	–	–	–	–	–
	Facilities that make citizens feel home	4.2	212 677	213 589	–	–	–	–	–	–	–
	Building Integrated Communities - Other	4.3	–	–	–	–	–	–	–	–	–
The Well-Run City	Transparent & corruption free government	5.1	5 686	–	–	–	–	–	–	–	–
	Efficient & productive administration	5.2	46 891	71 325	–	–	–	–	–	–	–
	Ensure unqualified audits by AG	5.3	325 093	411 092	–	–	–	–	–	–	–
The Opportunity City	Position CT as globally competitive City	1.1	–	–	1 861 734	2 723 584	2 014 191	1 505 103	1 647 240	2 077 441	1 786 446
	Leveraging Technology for Progress	1.2	–	–	283 118	198 046	90 663	84 438	6 000	55 268	2 000
	Economic Inclusion	1.3	–	–	–	18 730	14 021	12 272	24 029	57 923	78 370
	Resource Efficiency and Security	1.4	–	–	313 430	1 013 675	606 106	383 114	505 916	1 400 700	1 440 462
The Safe City	Safe Communities	2.1	–	–	172 415	228 598	266 249	252 059	572 898	218 175	167 154
The Caring City	Excellence in Basic Service Delivery	3.1	–	–	1 161 879	1 451 151	1 420 604	1 322 307	2 676 122	3 371 418	3 750 631
	Mstr basic service to inf settl bkyard	3.2	–	–	247 851	513 473	367 954	335 824	566 826	822 316	821 739
The Inclusive City	Dense_Transit Orientated Growth and Dev	4.1	–	–	937	120 158	75 907	49 632	149 726	312 827	369 862
	An Efficient Integrated Transport System	4.2	–	–	524 498	628 232	627 284	589 131	709 804	966 189	1 271 401
	Building Integrated Communities	4.3	–	–	51 418	799 947	561 990	562 347	669 918	1 178 199	1 193 441
The Well-run City	Operational sustainability	5.1	–	–	986 339	711 962	591 163	561 528	859 953	1 055 255	976 453
Total Capital Expenditure			5 489 834	5 904 621	5 603 619	8 407 556	6 636 132	5 657 754	8 388 432	11 515 711	11 857 958

2.3 Measurable performance objectives and indicators

The Corporate Scorecard is the strategic tool used by the community and the City to monitor progress against delivery.

The City's cycle and process of performance management system can be graphically illustrated below:



Figure 7 Planning, budgeting and reporting cycle

Planning Performance

The City must involve the community in deciding what priorities and needs it want to achieve. Community involvement will be in line with relevant legislation and approved policy.

Planning ensures that clear strategic direction is set and prioritised. The IDP is developed and is set for the 5-year term of office of the elected council and reviewed annually. This is the stage where Strategic Focus Areas (SFA), objectives, performance indicators, definitions and targets are determined. Indicators measure the extent to which objectives are being achieved, indicating performance in relation to outcomes, outputs, activities and inputs. Targets set the level of performance to be achieved within a defined period of time.

The planning cycle delivers a 5-year and annually reviewed IDP (including a Five-year Corporate Scorecard with definitions, targets), annual One-year corporate (quarterly targets), directorate and departmental SDBIP, performance indicator measurement sheets, Section 57 performance plans and individual performance assessments.

Indicators must be measurable, relevant, objective and precise. They must include outcomes, output and input indicators. National general indicators must be included. Proxy indicators will be used until auditable and cost effective systems and processes are in place to measure the national general indicators.

The components will be interlinked to ensure implementation. All the corporate objectives and indicators will cascade into a directorate and/or a departmental SDBIP and/or the City Manager's and/or Section 57 appointees' scorecards.

Monitoring, Measuring, Evaluating and Reviewing performance

Monitoring and measuring are the processes and procedures to collect, collate and analyse organisational performance data on an on-going basis to determine whether planned performance targets have been met, exceeded or not met. This takes place on a quarterly and annual basis.

The performance evaluation results are determined by regular management meetings to establish, inter alia:

- Year-to- date performance progress and reasons for variances for both under- or over performance;
- Remedial action (effective methods of correction or enhancement), if any, which need to be taken to achieve the agreed performance targets; and
- A date for implementation and responsible official.

A review of indicators and targets can take place to the extent in which changing circumstances so demand and in accordance with a prescribed process. These are limited to major organisational changes and when the annual budget is adjusted.

Reporting

The actual achievements of targets set for the objectives will be reported on a quarterly basis, where appropriate. They will form the platform for the quarterly- and annual reports on performance. Reporting performance includes an Annual Report to the relevant Council committees and to the community for comment and quarterly reports at corporate, directorate and department level to the relevant Council committees.

Auditing and Oversight

Internal Audit and the Audit Committee (including the Performance Management Committee) reviews the Organisational Performance Management (OPM) system for functionality, performance information and compliance. The Auditor General and the Municipal Public Accounts Committee (MPAC) reviews the Annual Report.

The final measurable performance indicators to be accomplished in 2019/20 will be approved by the Executive Mayor as part of the Corporate SDBIP in June 2019.

Table 34 MBRR Table SA7 - Measureable performance objectives

Description	Unit of measurement	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
SFA 1: OPPORTUNITY CITY										
1.1. Positioning Cape Town as a forward - looking, globally competitive City										
1.A Percentage of building plans approved within 30-60 days	Percentage	94.10%	97.3%	97.5%	92%	92%	92%	94%	95%	96%
1.B Percentage of rates clearance certificate issued within 10 working days [C]	Percentage	New	New	93.8%	96%	92%	96%	92%	93%	93%
1.C Number of outstanding valid applications for commercial electricity services expressed as a percentage of commercial customers	Number	New	New	0.6%	0.2%	0.6%	0.2%	0.2%	0.2%	0.2%
1.2. Leveraging technology for progress										
1.D Approved business and management review of the Broadband Infrastructure Programme (BIP)	Text	New	New	New	New	10	New	Approved Broad Band business and management review	Awaiting the outcome of the Broad Band Business and Management review	Awaiting the outcome of the Broad Band Business and Management review
1.3 Economic inclusion										
1.E Number of Mayoral Job Creation Programme (MJCP) opportunities created [C] - NKPI	Number	New	45 370	35 145	35 500	35 500	35 500	35 500	35 500	35 500
1.F Percentage budget spent on implementation of Workplace Skills Plan (WSP) (NKPI)	Percentage	104.9%	92.3%	95.4%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%
1.4. Resource efficiency and security										
1.G Percentage compliance with drinking water quality standards	Percentage	99.67%	99.65%	99.11%	98%	98%	98%	98%	98%	98%
1.H Small scale embedded generation (SSEG) capacity legally installed and grid-tied measured in mega-volt ampere (MVA)	Mega-volt ampere	New	New	5.24	3.5	3.5	3.5	4.0	4.5	5.0
SFA 2: SAFE CITY										
2.1. Safe communities										
2.A Number of areas in which additional CCTV cameras have been installed	Number	New	New	11	5	5	5	5	5	5
2.B Community satisfaction survey (Score 1 - 5) - safety and security	Ratio	2.9	2.9	2.8	2.9	2.9	2.9	3.0	3.0	3.1

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Description	Unit of measurement	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
SFA 3: CARING CITY										
3.1. Excellence in basic service delivery										
3.A Community satisfaction survey (Score 1 - 5) - City-wide	Ratio	2.8	2.8	2.8	2.9	2.9	2.9	3.0	3.0	3.1
3.B Number of outstanding valid applications for water services expressed as a percentage of total number of billings for the service (NKPI)	Number	0.29%	0.33%	0.44%	<0.7%	<0.7%	<0.7%	<0.7%	<0.7%	<0.7%
3.C Number of outstanding valid applications for sewerage services expressed as a percentage of total number of billings for the service (NKPI)	Number	0.24%	0.37%	0.49%	<0.7%	<0.7%	<0.7%	<0.7%	<0.7%	<0.7%
3.D Number of outstanding valid applications for electricity services expressed as a percentage of total number of billings for the service (NKPI)	Number	0.12%	0.08%	0.11%	0.5%	0.5%	0.5%	< 0.4%	< 0.3%	< 0.2%
3.E Number of outstanding valid applications for refuse collection services expressed as a percentage of total number of billings for the service (NKPI)	Number	0.01%	0.01%	0.01%	0.5%	0.5%	0.5%	< 0.4%	< 0.3%	< 0.2%
3.F Percentage adherence to City-wide service requests	Percentage	81.75%	81.75%	83.06%	90.0%	90.0%	90.0%	90%	90%	90%
3.G Number of human settlement opportunities (Top structures)	Number	New	4 839	3 749	3 521	3 521	3 521	4 151	4 225	4 159
3.H Number of human settlement opportunities (Formal sites serviced)	Number	New	1 189	4 346	2 502	2 502	2 502	1 767	3 088	4 123
3.2. Mainstreaming basic service delivery to informal settlements and backyard dwellers										
3.I Number of water service points (taps) provided to informal settlements (NKPI)	Number	919	676	912	700	700	700	700	700	700
3.J Number of sanitation service points (toilets) provided to informal settlements (NKPI)	Number	3058	2 085	4 275	2 600	2 600	2 600	2 500	980	2 500
3.K Percentage of informal settlements receiving a door-to-door refuse collection service (NKPI)	Percentage	99.74%	99.74%	99.74%	99.00%	99.00%	99.00%	99.00%	99.00%	99.00%
3.L Number of service points (toilet and tap with hand basin) provided to backyarders	Number	New	New	408	780	780	780	880	980	1 100
3.M Number of electricity subsidised connections installed (NKPI)	Number	2 909	1746	1 774	1 500	1 500	1 500	1 500	1 500	1 500
3.N Number of sites serviced in the informal settlements	Number	New	New	1 052	1 480	1 480	1 480	1 600	2 000	2 400
3.O Number of community services facilities within informal settlements	Number	New	New	N/A	-	-	-	1	2	3

Table continues on next page

Description	Unit of measurement	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
SFA 4: INCLUSIVE CITY										
4.1. Dense and transit oriented growth and development										
4.A Number of passenger journeys per kilometre operated (MyCiTi)	Number	New	New	1.11	1.07	1.0	1.07	1.07	1.07	1.07
4.B Catalytic Land Development Programme (CLDP)	Text	New	New	New	New	New	New	CLDP setting out prioritised projects and subprojects and their implementation actions	-	Planning and enablement of CLDP projects for implementation
4.2. An efficient, integrated transport system										
4.C Total number of passenger journeys on MyCiTi	Number	18.5 million	19.9 million	18 million	18.6 million	16.8 million	18.6 million	18.6 million	19.1 million	19.1 million
4.3. Building integrated communities										
4.D Percentage of people from employment equity target groups employed in the three highest levels of management in compliance with the City's approved employment equity plan (EE) (NKPI)	Percentage	66.3%	69.9%	71.1%	73.0%	73.0%	73.0%	74.0%	75.0%	75.0%
4.E Number of strengthening families programmes implemented	Number	New	New	20	18	18	18	18	18	18
SFA 5: WELL-RUN CITY										
5.1. Operational sustainability										
5.A Opinion of independent rating agency	Text	High investment rating Aaa.za	High investment rating (Aaa.za)	High investment rating	High investment rating	High investment rating	High investment rating	High investment rating	High investment rating	High investment rating
5.B Opinion of the Auditor-General	Text	Clean Audit	Unqualified audit opinion with other findings	Unqualified audit opinion	Clean Audit	Clean Audit	Clean Audit	Clean Audit	Clean Audit	Clean Audit
5.C Percentage spend of capital budget (NKPI)	Percentage	89.57%	92.85%	73%	90%	90%	90%	90%	90%	90%
5.D Percentage spend on repairs and maintenance	Percentage	94.0%	99.5%	99.54%	95%	95%	95%	95%	95%	95%
5.E Cash/cost coverage ratio (excluding unspent conditional grants) (NKPI)	Ratio	2.021:1	2.28:1	3.02:1	2:1	2:1	2:1	2:1	2:1	2:1
5.F Net Debtors to annual income (NKPI)	Percentage	20.39%	21.15%	21.11%	21.5%	21.5%	21.5%	21.5%	21.5%	21.5%
5.G Debt (total borrowings) to total operating revenue (NKPI)	Percentage	5.83:1	New	24.3%	30%	25%	30%	28%	30%	33%

The following table sets out the City's main performance indicators and benchmarks for the 2019/20 MTREF.

Table 35 MBRR Table SA8 - Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
<u>Borrowing Management</u>										
Credit Rating		A1.za	Aaa.za	Aaa.za						
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	3.5%	3.7%	3.3%	4.0%	3.2%	2.9%	2.8%	2.9%	4.1%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	4.0%	4.0%	3.6%	4.8%	3.8%	3.4%	3.5%	3.5%	4.9%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	0.0%	0.0%	26.3%	63.9%	12.4%	14.6%	17.8%	35.6%	36.6%
<u>Safety of Capital</u>										
Gearing	Long Term Borrowing/ Funds & Reserves	200.9%	153.4%	187.4%	285.2%	124.3%	124.3%	136.0%	179.9%	197.2%
<u>Liquidity</u>										
Current Ratio	Current assets/current liabilities	1.3	1.3	1.7	1.3	1.8	1.8	1.4	1.3	1.2
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	1.3	1.3	1.7	1.3	1.8	1.8	1.4	1.3	1.2
Liquidity Ratio	Monetary Assets/Current Liabilities	0.6	0.6	0.8	0.6	0.8	0.8	0.5	0.4	0.3
<u>Revenue Management</u>										
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing	0.0%	106.4%	107.7%	103.7%	93.2%	96.2%	0.0%	96.3%	96.8%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		106.3%	107.6%	103.7%	93.2%	96.2%	96.2%	96.3%	96.8%	96.7%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	17.5%	17.8%	19.2%	19.9%	27.3%	27.3%	28.3%	27.4%	26.8%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<u>Creditors Management</u>										
Creditors System Efficiency	% of Creditors Paid Within Terms (within`MFMA' s 65(e))	96.4%	96.5%	97.3%	97.0%	97.0%	97.0%	97.0%	97.0%	97.0%
Creditors to Cash and Investments		110.6%	121.7%	78.7%	151.2%	111.8%	111.8%	134.6%	184.2%	227.1%
<u>Other Indicators</u>										
Electricity Distribution Losses	Total Volume Losses (kW)	1 157 007 605	1 075 357 226	1,028,785,537	1 028 785 537	-	-	994 990 251	994 990 251	994 990 251
	Total Cost of Losses (Rand '000)	871 875	877 599	843,923	909 549	—	—	1 017 163	1 118 879	1 230 767
	% Volume (units purchased and generated less units sold)/units purchased and generated	11.4%	10.9%	10,72%	10.7%	0.0%	0.0%	10.7%	10.7%	10.7%
Water Distribution Losses	Total Volume Losses (kℓ)	61 960 222	63 571 089	51 131 888	41 900 000	-	-	48 694 449	48 694 449	48 694 449
	Total Cost of Losses (Rand '000)	247 841	317 697	299 803	466 766	—	—	395 671	419 411	444 575
	% Volume (units purchased and generated less units sold)/units purchased and generated	18.8%	22.1%	24.4%	22.9%	0.0%	0.0%	19.2%	19.2%	19.2%
Employee costs	Employee costs/(Total Revenue - capital revenue)	29.5%	28.0%	29.5%	32.8%	31.2%	31.1%	33.8%	33.3%	32.9%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	30.0%	28.5%	30.0%	33.3%	31.6%	31.5%	34.3%	33.8%	33.4%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	10.5%	10.9%	10.4%	10.1%	9.8%	9.8%	10.1%	9.8%	9.4%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	9.1%	8.9%	9.1%	9.9%	9.4%	9.1%	9.3%	9.3%	9.8%
<u>IDP regulation financial viability indicators</u>										
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	18.5	19.7	21.4	25.7	25.7	25.7	25.8	21.9	24.0
ii.O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	23.9%	24.3%	26.9%	26.9%	37.4%	37.4%	38.6%	36.8%	35.6%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	1.5	1.5	2.3	2.1	2.7	2.7	1.7	1.2	1.0

2.3.1 Performance indicators and benchmarks

2.3.1.1 Borrowing Management

The City needs a credit rating to demonstrate its ability to meet its short- and long-term financial obligations. Potential lenders also use it to assess the City's credit risk, which in turn affects the pricing of any subsequent loans taken. Factors used to evaluate the creditworthiness of municipalities include the economy, debt, finances, politics, management and institutional framework.

On 19 March 2019, Moody's Investors Service provided an update to the City's credit opinion. The City's global and national scale ratings were confirmed with the outlook changed to stable from negative.

The City's national scale rating is currently Aaa.za/P-1.za, which reflects the City's credit profile of strong financial performance characterised by consistent annual operating surplus, prudent financial management, low debt, a diverse economic profile and strong liquidity. The City's credit profile is constrained by Cape Town's capital spending pressure as a result of water shortage because of drought, infrastructure backlogs and population growth.

The following financial performance indicators have formed part of the compilation of the 2019/20 MTREF:

- Capital charges to operating expenditure are the measure of the cost of borrowing in relation to the operating expenditure. This ratio averages 3.3% over the 2019/20 MTREF which indicates that the City spends an average of 3.3% of its operating expenditure budget annually on finance charges, which is considered feasible and sustainable.
- Borrowing funding as a ratio of own capital expenditure reflects the degree to which own capital expenditure (excluding government grants and public contributions) has been funded by way of borrowing. The ratio shows 17.8% for 2019/20 and averages 36.1% over the two outer years of the MTREF. This ratio outcome is as a result of the City's borrowing strategy and the funding requirements.

2.3.1.2 Safety of Capital

The gearing ratio is a measure of the total long term borrowings over funds and reserves. The City does not agree with the methodology applied to calculate this ratio. The preferred calculation is borrowing less cash and bank balances divided by community wealth/equity, of which the City's outcome over the 2019/20 MTREF averages 10%. The low gearing ratio shows that the City has a small proportion of debt versus equity.

2.3.1.3 Liquidity

• Current Ratio

The current ratio is used to assess the City's ability to pay back its Short-term Liabilities (Debt and Payables) with Short-term Assets (Cash, Inventory, Receivables). According to National Treasury circular 71 the higher the current ratio, the more capable the Municipality will be to pay its current or short-term obligations and provide for risk cover to enable it to continue operations at desired levels. It is preferable that the ratio is at least above one. This ratio for the City averages 1.3 over the MTREF period.

- Liquidity ratio

The liquidity ratio is a measure of the ability of the City to utilise cash and cash equivalents to extinguish or retire its current liabilities immediately. Anything below 1 indicates a shortage in cash to meet creditor obligations. In this instance the City also does not agree with the methodology applied to calculate the ratio. The preferred calculation is current assets less inventory, divided by current liabilities. This ratio for the City averages 1.26 over the MTREF period.

2.3.1.4 Revenue Management

- Debt Management actions, including legal actions, are carried out against debtors who can pay, but choose not to, with a special focus on:
 - Categorisation of accounts into high value accounts: business and residential;
 - Top 1000 debtors;
 - Government accounts;
 - Staff and councillor arrears; and
 - Decisive and appropriate actions are taken against irrecoverable debts.
- Adverse Credit Listing
 - Adverse credit listing – enforce debtors who are active credit users to settle their debts, otherwise they cannot enter into any other credit/loan agreements.
- Limiting/blocking of electricity pre-paid electricity meters (PPEMs)
 - Collecting other debt via the PPEMs; and
 - Implement the % increase of the PPEM deductions in terms of the City's approved Credit Control and Debt Collection Policy.
- Handing over of accounts, which could lead to a sale in execution (SIE) of the property, to recover municipal debts.
 - Focus on the high value accounts handed over for legal actions; and
 - Progress of accounts handed over to the appointed panel of attorneys is performance managed and monitored.
- In addition to the above, the City's strategy for the Indigent debtors are:
 - Capping the billing of all identified indigent properties at 10.5 kl of water and 7.35 kl of sanitation per month whilst the Water & Sanitation Services department continues with the following:
 - Repairing water leaks on all indigent properties free of charge;
 - Water demand management devices (WDM) and prepaid electricity meters are installed free of charge; and
 - Once the water leaks have been repaired and the WDM and pre-paid electricity meters are installed a once off write-off is done of all the outstanding debt.
 - Council approved the write-off of all interest charges as well as suspension of interest charges on indigent properties until the water leaks have been repaired, the WDMs and the pre-paid electricity meters have been installed and applicable outstanding debts have been written off.

- Debtors who are experiencing difficulties in paying their accounts are given options to either enter into affordable payment arrangements, apply to be registered as indigent or apply for rates rebates. The City provides the option of an affordable payment plan for debtors to settle their arrears, where compliance with the agreed payment plan leads to the suspension of all debt management actions and interest being raised, until the arrears are paid in full.

2.3.1.5 Creditors Management

In compliance with Section 65 of the MFMA, the City has continuously managed to ensure that all its creditors are settled within 30 days of invoice or statement in all cases where goods and services are rendered timeously and in good condition. Under exceptional circumstances where services cannot be rendered on time, existing follow-up procedures and control measures are applied to ascertain reasons, thus facilitating timeous payments. These are built-in within the City's payment processes. The City also ensures that suppliers are familiar with all the agreed payment terms and conditions. This remarkable service excellence is attributable to strong business relations that exist between the City and its suppliers.

2.3.1.6 Other Indicators

- Electricity distribution losses
Performance in the 2017/18 financial year has shown that electricity distribution losses was 10.72%. The City's strategy to continue to address this included the appointment of additional revenue protection teams, which compared to the 2016/17 financial year where performance was 10.89%, have shown considerable success.
- Water distribution losses
High priority is being given to a comprehensive water loss reduction strategy with detailed action plans to address and reduce each of the physical or real losses and apparent losses. The Water & Sanitation Services department is applying the resources required to implement Water Demand Management interventions. These include:
 - Enhancing water loss monitoring via adequate bulk and zonal metering;
 - Education and awareness programmes;
 - Leak detection and repair at low income households, schools and council properties;
 - Pressure Management Systems to minimise leakage in the system and reduce night flows/increasing the area covered by the management system to include previously unmanaged section;
 - Pipe replacement programme (priority areas as well as alignment with the pressure management system);
 - Meter Replacement programme to improve accuracy of meters.

2.3.2 Free Basic Services: basic social services package for indigent households

The social package for indigent households is based on the blanket approach and the targeted approach. The blanket approach refers to rebates provided to indigent households based on property value of R0 to R400 000 (R500 000 for refuse removal only).

The rebates reflected in the table below are provided to the indigent-based property value:

Table 36 Basic social package rebates

Property Value	Refuse Removal Charges	Water	Sanitation	Property Rates
R400 001 – R500 000	25%	-	-	-
R350 001 – R400 000	25%	10.5kl free water	7.35kl free sanitation	-
R300 001 – R350 000	50%	10.5kl free water	7.35kl free sanitation	-
R150 001 – R300 000	50%	10.5kl free water	7.35kl free sanitation	100%
R100 001 – R150 000	75%	10.5kl free water	7.35kl free sanitation	100%
R100 000 and below	100%	10.5kl free water	7.35kl free sanitation	100%

With the targeted approach any resident who is required to pay for the municipal services and whose gross monthly household income is R4 500 or below registers as indigent to receive the same benefits as if their property values were below R100 000. This R4 500 has been increased from the 2018/19 financial year level of R4 000.

Households with property values of up to R300 000 are entitled to a 100% property rates rebate (this was increased from the 2018/19 financial year's level of R200 000).

The number of indigents registered was 4 914 at the end of April 2019. This number varies monthly as registration is valid for 12 months where after re-application is required. The City ran an indigent campaign from April 2018, which resulted in an increase in applications.

In addition, property rates rebates are granted to residents based on their gross monthly household income as follows:

Income bracket	Rebate %
R4 501 – R5 000	75%
R5 001 – R5 500	50%
R5 501 – R6 000	25%

The number of beneficiaries in the above categories was 59 as at end April 2019.

2.3.3 Providing potable water and managing waste water

In managing the provision of drinking water and the treatment of wastewater, the City performs the dual role of Water Service Authority and Water Service Provider. It also provides bulk drinking water to adjacent local authorities namely Drakenstein Municipality and Stellenbosch Municipality.

Blue Drop Status

The entire water supply system (including the City-owned catchments, dams, twelve water treatment plants, the bulk conveyance system and the whole distribution system) was assessed in all five Blue Drop audits since inception of this programme by the Department of Water & Sanitation (DWS) in 2009. Subsequent to achieving 100% in the first assessment, the City scored 98.2%, 97.6%, 98.1% and 95.9% respectively in the progressively more stringent follow-up audits. Since the beginning of the Blue Drop programme, the City has been in the top scores for the country.

As a water service provider, the City constantly strives to improve its performance with respect to water quality management. Water safety planning and risk mitigation methodologies are integrated into its management processes. Although no major corrective interventions are currently required in terms of the water safety plan, the City will constantly evaluate the need for additional risk mitigation barriers. Although provision is made in the normal budget allocations to maintain the high standards already achieved, should additional safety barriers be identified, then budgetary allocations will prioritise the associated intervention.

Major water projects included in the future capital programme are:

- Bulk Water Augmentation Scheme- It is required to augment, refurbish and maintain the City's bulk water supply system, to ensure a safe, reliable and sustainable supply of water to Cape Town and its surrounding region. The Bulk Water Augmentation Scheme includes new major reservoirs as well as a new water treatment plant and distribution bulk mains.
- Water supply Baden Powell to Khayelitsha- New bulk supply main (1000mmØ) off the existing Faure 2400mmØ pipeline to supplement the water supply to the Khayelitsha area. This will increase the supply to the area, which will accommodate the formalisation of various areas within Khayelitsha.
- In light of the current climatic condition in the greater Cape Town Region, drastic water saving measures have also been implemented. The following projects form part of the New Water Plan to ensure the security of water:
 - Drilling of boreholes into the Atlantis, Cape Flats and Table Mountain Group (TMG) Aquifers;
 - Implementation of water re-use for drinking use at Zandvliet, Macassar and Potsdam Treatment Plants; and
 - Small-scale desalination plants are already being installed during this financial year with the intent of larger plants in the future.

Green Drop Status

The City has a risk-based approach in place whereby the strategic risks to the wastewater business have been identified, rated and mitigation measures have been put in place. The plan is being implemented but there is a significant financial requirement for maintaining, rehabilitating and replacing the ageing assets to mitigate the critical risks in the Wastewater Risk Abatement Plan (WWRAP). This plan specifically relates to new license conditions imposed by the national Department of Water & Sanitation. This document is reviewed to further refine prioritisation of the risks and resource allocations.

The City has clear objectives based on a sound baseline and knowledge of their processes and technologies. The application of risk management and abatement is an integral part of the wastewater business.

Since the City received 12 Green Drops and an overall score of 89.7% for its 27 wastewater treatment systems during the 2012/13 assessment up from the 11 Green Drops awarded and the 86.8% score achieved in 2011/12, no further national Green Drop assessment have taken place. Nevertheless, in 2017, the Wastewater branch received the first SALGA award as well as one from the Regional office of the Department of Water & Sanitation(DWS)/Water Institute of SA (WISA) for water use compliance. In 2018, the Branch again received an award from the DWS.

The City continues to display a strong commitment to improving wastewater treatment and Green Drop scores and strives for on-going improvement with implementation of the principles of best practice management throughout the entire workforce.

The primary problems experienced are that of ageing infrastructure, which needs to be rehabilitated or replaced, rapid population growth, maintenance of the existing assets, a shortage of relevant skills, as well as more stringent licence conditions.

Additional challenges include significant financial investment requirements for:

- New infrastructure to cater for the rapidly developing city; and
- Improving the existing wastewater effluent quality.

These problems are experienced throughout South Africa and the City is addressing such challenges via recruitment of appropriate staff and training existing staff in an effort to minimise the shortage of experienced employees. The City's Water & Sanitation Services department has formulated comprehensive long term master plans (for wastewater, bulk water and the sewer and water reticulation services) and improved business processes. This allows for efficient allocation of financial resources to create new facilities with appropriate technologies and expanding as well as maintaining existing assets.

Some of the major wastewater projects are:

- Zandvliet Ext (WWTW) - increase in treatment capacity;
- Cape Flats: Disinfection of Effluent;
- Bellville Ext (WWTW) – improvement in treatment processes;
- Wesfleur WWTW: Capacity Extension;
- Athlone: Capacity Extension-phase 1; and
- Borchards Quarry (WWTW) – improvement in treatment processes.

The capital budget is allocated for increased treatment capacity, process improvements and improved effluent quality.

The proposed 2019/20 operating- and capital budget is shown on the ensuing table.

Table 37 Wastewater Treatment Facility Budget

Wastewater Treatment Facility Capital Budget					
Wastewater Treatment Facility	Budget Year 2017/18		Budget Year 2018/19		Budget Year 2019/20
	Original budget	Adjusted Budget	Original Budget	Adjusted Budget	
R Thousand					
Bellville - 20 Ml/d increase in treatment capacity	71 650	73 578	113 700	98 700	96 000
Athlone: Capacity Extension-phase 1	6 000	6 000	10 000	16 000	69 000
Cape Flats: Disinfection of Effluent	36 000	18 800	75 000	61 000	117 450
Zandvliet: 18 ML/d increase in treatment capacity	199 080	91 000	366 500	85 000	425 500
Borchards Quarry: Replacement of Centrifuges with Belt Presses	95 500	95 500	59 086	44 000	43 000
Mitchells Plain: Replacement of Centrifuges with Belt Presses	10 800	10 800	2 000	12 100	7 500
Scottsdene: Capacity extension	12 100	14 969	20 017	22 099	-
Hout Bay: Refurbishment		4 387			
Potsdam: Extension	4 000	4 000	35 100	7 000	36 000
Melkbos: Effluent Disinfection	6 000	1 200	12 000	12 000	10 000
Westfleur WWTW: Capacity Extension	20 000	10 000	35 000	10 000	90 000
Macassar WWTW: Capacity Extension	15 050	10 000	25 000	9 000	10 000
Wildevoevllei WWTW-Upgrade dewatering					2 000
Northern Regional Sludge Facility: Centralized sludge handling facility	-	-	21 285	15 425	15 000
Infrastructure Replace / Refurbish: Replace & Refurbish WWTW Plants	6 200	11 007	30 000	40 000	55 000
TOTAL	482 380	351 240	804 688	432 324	976 450
Wastewater Treatment Facility Operating Budget					
Category	Budget Year 2017/18		Budget Year 2018/19		Budget Year 2019/20
	Original budget	Adjusted Budget	Original Budget	Adjusted Budget	
R Thousand					
Remuneration	140 708	119 499	136 543	132 430	156 158
Depreciation	117 821	124 083	133 219	136 496	137 512
Repairs & Maintenance	127 515	127 454	131 181	130 835	124 676
Contracted Services	162 297	164 083	172 747	174 626	205 885
General Expenses	101 730	90 491	102 302	98 164	116 096
Interest Internal Borrowings	79 939	74 347	78 039	76 445	69 285
Appropriation Account	327 576	201 916	351 583	286 735	158 429
Internal Utilities Expenditure	98 010	110 453	109 705	112 752	118 458
Insurance Departmental	5 412	5 412	5 671	5 671	6 222
Activity Based Costs	28 735	27 822	29 625	29 412	33 229
Support Services	70 414	61 344	66 037	65 314	69 371
TOTAL	1 260 157	1 106 903	1 316 652	1 248 880	1 195 320

2.4 Overview of budget related-policies

The City's budgeting process is guided and governed by relevant legislation, frameworks, strategies and related policies.

2.4.1 Approved policies

The following budget-related policies have been approved by Council and are available on the City's website.

- Asset Management Policy (Approved February 2013)
- Borrowing Policy (Approved March 2013)
- Ward Allocation Policy (Approved January 2014)
- Supply Chain Management Policy (Approved March 2017; currently in the process of being amended.)
- Municipal Entities Policy (Approved April 2017)
- Special Rating Areas Policy (Approved May 2017; currently in the process of being revised to City Improvement Districts Policy.)
- Cash Management and Investment Policy (Approved July 2018)

2.4.2 Policies reviewed and amended

The policies listed below were reviewed at the budget-related policy workshops held during the year and is annexed to the document.

- Rates Policy – Annexure 5
- Tariff Policies – Annexure 7
- Credit Control and Debt Collection Policy – Annexure 8
- Grants-in-Aid Policy – Annexure 9
- Policy on Accounts Payable – Annexure 10
- Funding and Reserves Policy – Annexure 11
- Virement Policy – Annexure 12
- Budget Management and Oversight Policy – Annexure 13
- Long Term Financial Plan Policy – Annexure 14
- Policy Governing Adjustments Budgets – Annexure 15
- Unforeseen and Unavoidable Expenditure Policy – Annexure 16
- Policy Governing Planning and Approval of Capital Projects – Annexure 17

The annexures listed below provides details of changes made to the Rates Policy (Annexure 5) and the Tariff Policy (Annexure 7) respectively.

- Property (Tax) Rates – Annexure 2
- Revised Consumptive Tariffs, Rates and Basic Charges for Electricity Generation and Distribution, Water and Sanitation and Solid Waste Management Services - Annexure 4

2.5 Overview of budget assumptions applied to the 2019/20 MTREF

Introduction

The Local Government Municipal Systems Act, Chapter 5, Section 26, prescribes the core components of the Integrated Development Plan (IDP). Section 26 (h) requires the inclusion of a financial plan, which should include a budget projection for at least the next three years. This financial plan aims to determine the financial affordability and -sustainability levels of the City over the medium term.

The MBRR (Part 2; Budget-related policies of municipalities) requires the accounting officer to ensure that budget-related policies are prepared and submitted to Council. One of these policies relates to the long-term financial plan, which aims to ensure that all long-term financial planning is based on a structured and consistent methodology, thereby ensuring long-term financial affordability and sustainability.

A municipality's financial plan integrates the financial relationships of various revenue and expenditure streams to give effect to the IDP. It provides guidance for the development of current budgets and assesses financial impacts on outer years' budgets by incorporating capital expenditure outcomes, operating expenditure trends, optimal asset management plans and the consequential impact on rates, tariffs and other service charges. The City has developed a financial model, namely the Long Term Financial Plan (LTFP), which aims to determine the appropriate mix of financial parameters and assumptions within which the City should operate to facilitate budgets, which are affordable and sustainable for at least 10 years into the future. In addition, it identifies the consequential financial impact of planned capital projects on the City's operating budget.

The LTFP model is reviewed annually to determine the most affordable level at which the City can operate optimally taking the fiscal overview, economic climate, National- and Provincial influences, IDP and other legislative imperatives, internal governance and community consultation into account in its deliberations.

The key budget assumptions of the 2019/20 MTREF include a discussion of the sources of information used to develop assumptions for revenue and expenditure that drive the 3-year MTREF of the City under the following headings:

- Financial Strategic Approach;
- Financial Modelling and Key Planning Drivers;
- Economic outlook / external factors;
- National and Provincial influences;
- Expenditure analysis – a three-year preview;
- Revenue analysis – a three-year preview; and
- Local Government Equitable Share and Fuel Levy.

2.5.1 Financial Strategic Approach

The 2019/20 MTREF was prepared in the backend of the water crisis, which still has an impact on the organisation's operations. The financial challenges requiring attention in commencing with the LTFP included:

- Keeping revenue parameters and tariffs at affordable levels to consumers;
- Protection of the City's revenue base;
- Impact of the amended Water Program;
- Shrinkage in the consumer base, due to alternative energy sources and water saving initiatives by consumers;
- Impact of the new salary agreement; and
- Shrinkage in government grants and fuel levy, all the while ensuring alignment with the IDP and affordable revenue parameters.

The budget theme for the 2019/20 MTREF was therefore a restrained MTREF.

The key challenges facing the administration and service delivery imperatives resulting in identification of strategic priorities was the thrust of the City Manager's Strategic Brief to the organisation in preparation of the 2019/20 MTREF. In addition, the Executive Mayor's Budget Brief stressed that the budget over the MTREF must:

- Be a manifestation of the latest City strategies;
- Be implementable; and
- Remain sustainable per the City's or local government mandate.

Subsequent to the tabling of the budget, the latest interim results for the year under review projects more favourable net cash inflows than previously anticipated, mainly due to improved revenue collection and expenditure management. Based on these projections, scope exists for further allocations to the 2019/20 operating budget of R800 million for once-off allocations and R240 million for permanent allocations.

In addition, the borrowing requirement over the MTREF period was reduced from R2.5 billion in 2019/20 to R1.1 billion and from R6 billion in the outer years to R3 billion annually respectively.

2.5.2 Financial Modelling and Key Planning Drivers

The principles applied to the MTREF in determining and maintaining a sustainable financial plan included:

- Staff and vacancies:
 - budgeting at 95% of employee costs
 - a differentiated % budget approach on vacancies;
- Lower loan take-up based on proposed capital plan and current cash position;
- Increased equitable share allocation to the Water & Sanitation Services department (R200 million) to keep its revenue increases lower;
- No increases on overtime provision except for labour intensive directorates where higher than inflation increases are applied;
- Repairs and maintenance growth based on previous year's actual expenditure, service delivery needs and efficiencies identified;

- A 100% capital expenditure implementation rate;
- Credible collection rates based on collection achievements to date and incorporating improved success anticipated in selected revenue items; and
- National- and Provincial allocations as per the 2019 DoRA and 2019 Provincial Government Preliminary Allocation Circular.

2.5.3 Economic outlook / external factors

The preparation of the LTFP and the drafting of the MTREF commenced with a macro environmental scan of the economy as one of its determinants. The factors taken into consideration included the CPI, interest rates, exchange rates, service growth and GDP, which is briefly discussed below.

The economy recovered from a technical recession in the first half of 2018 but growth still remained subdued and ended the fourth quarter at 1.4%. According to National Treasury, growth is expected to reach 1.5% in 2019 and improving to 2.1% in 2021 due to, inter alia, business and consumer confidence improvements. Emerging risks to the growth outlook still exists, which includes the electricity supply shortages, national elections and volatility in the international markets.

Major influences to the oil price are the Brent Crude oil price and the Rand/Dollar exchange rate. In recent months Brent Crude oil price increased to levels of R64.00/\$ per barrel. The main reasons for the increase were as a result of the contraction in oil supply by global suppliers and US sanctions on various countries. The cost of Brent Crude oil is expected to average R67.2/US\$ over the next 3 years. The BER further forecasts the Rand to end 2019 at an average of R14.22/\$ and 2021 at R14.44/\$.

Inflation averaged 4.7% for 2018, which was mainly due to international developments, such as declined international oil prices and favourable exchange rates during that period. Inflation outlook fluctuated over the last few months due to various influences. The City's CPI forecast was based on BER projection during the budget planning phase. In addition, due to the actual CPI for 2017/18 being lower than the budgeted amount, the City reduced the projected CPI for 2019/20. The City's CPI forecast, in municipal financial years, is therefore 4.14% for 2019/20 and 5.05% for the two outer years.

National and Provincial influences

a) National Treasury MFMA Circular No. 93, issued in December 2018

The purpose of this annual budget circular is to guide municipalities with the compilation of the 2019/20 MTREF, in particular to ensure that funded budgets are adopted by municipal councils.

The objectives of the circular are to, amongst other, demonstrate how municipalities should undertake annual budget preparation in accordance with the budget and financial reform agenda and associated "game changers". Key themes from this circular include the following:

- Economic and fiscal choices confronting government over the next several years;
- Macro-economic forecasts to be considered when preparing the 2019/20 MTREF municipal budgets;
- Changes to local government allocations;
- The equitable share and the allocation of the general fuel levy to local government constitute unconditional funding, municipalities were reminded that this funding allocation is formula driven and designed to fund the provision of free basic services to disadvantaged communities;

- Conditional grant funding must be utilised for the intended purpose within the stipulated timeframes, as specified in the annual DoRA. Funds not spent must be returned to the fiscus and requests for roll-overs will only be considered where unforeseen and unavoidable circumstances led to underspending of conditional grants;
- Reforms to local government fiscal framework;
- Version 6.3 of the mSCOA chart is effective from 2019/20 and must be used to compile the 2019/20 MTREF;
- Municipalities must comply with Section 18 of the MFMA and ensure that they fund their 2019/20 MTREF budgets from realistically anticipated revenues to be collected;
- The importance of comparing the valuation roll data to that of the billing system to ensure that revenue anticipated from property rates are realistic;
- The need for municipalities to examine the cost structure of providing electricity services and to apply to NERSA for electricity tariff increases that reflect the total cost of providing the service so that they work towards achieving fully cost-reflective tariffs that will help them achieve financial sustainability;
- Water service to improve demand management, infrastructure maintenance, loss management, meter reading and tariff setting;
- Municipalities to consider the following when compiling their 2019/20 MTREF budgets:
 - improving the effectiveness of revenue management processes and procedures;
 - paying special attention to cost containment measures by, amongst other things, controlling unnecessary spending on nice-to-have items and non-essential activities as highlighted in MFMA Circular No. 82;
 - ensuring value for money through the procurement process;
 - the affordability of providing free basic services to all households; and
 - curbing consumption of water and electricity by indigents to ensure that they do not exceed their allocation.

b) National Treasury MFMA Circular No. 94, issued in March 2019

This is a follow-up to MFMA Circular No. 93 with the key focus being grant allocations per the 2019 Budget Review and the 2019 DoRB;

In addition to the previous circular the following main guidelines were provided:

- Reviewed macro-economic forecasts were provided;
- Allocations included in the budget must correspond to the allocations listed in the DoRB;
- Changes to allocations;
- Borrowing proceeds to be used to fund current and future capital expenditure, i.e. long-term debt may not be incurred to replenish internally generated funds, which were spent in prior financial years; and;
- Impact of VAT on tariffs.

2.5.4 Expenditure analysis – a three-year preview

The preparation of the 2019/20 operating expenditure budget built on the approach adopted in the 2018/19 budget. Interventions introduced in 2018/19 to reduce expenditure, such as budget reprioritisation, budget cuts, differentiated budgeting and budgeting for salaries at 95% were all continued within the 2019/20 MTREF. Additional interventions introduced this year include budgeting for certain internal cost at 95% (based on past performance) and partially budgeting for vacancies. This allowed for funding to be redirected to areas giving effect to the City's strategies, further investment in the sustainable provision of water and keeping Rates and Tariff increases at lower levels.

a) General inflation outlook and its impact on municipal activities

The City continued with the differentiated approach adopted in previous years in the compilation of this year's budget. Inflation was therefore not the only or primary driver.

In assessing previous years' CPI outcomes against City projections, it was identified that the actual CPI for 2017/18 compared to the City's projection was lower. To correct this overstatement in the previous year the proposed 2019/20 CPI was reduced by 1%. CPI applied over the 2019/20 MTREF is therefore 4.14% for 2019/20 and 5.05% for the two outer years.

The City's proposed CPI projections for the 2019/20 MTREF are within the South African Reserve Bank's (SARB) inflation target range of between 3% and 6%. In terms of MFMA Circular No. 94, NT's CPI projection is 5.2% for 2019/20 and 5.4% for the two outer years. The City's CPI projection over the MTREF is therefore lower than the proposed NT CPI projections.

b) Contracted Services, Overtime and Operational Cost

This year's budget theme is a restrained MTREF and echoes the interventions implemented last year. Cost containment and efficiencies were the key drivers to this year's budgeting approach. It consisted of a combination of zero based and a differentiated budgeting approach, which was implemented based on the nature of expenditure and the previous year's expenditure performance.

This approach included reducing/increasing the base and applying differentiated parameters based on performance and needs, to elements that forms part of contracted services, overtime and other operational cost expenditure types. Budget reprioritisation was also affected to ensure the budget is kept relevant to the City's strategies.

Cost containment measures as per MFMA Circular No. 82 also continued to be implemented to ensure that value for money is achieved and the resources of the municipality are used effectively, efficiently and economically.

c) Interest rates for investment of funds

The City's investments are done in terms of the Cash Management and Investment Policy, which aims to secure sound and sustainable management of the City's surplus cash and investments. An average investment interest rate of 7% is forecast over the 2019/20 MTREF.

d) Collection rate for Property Rates and Service charges

Table 38 Collection Rates

Services	Base Budget 2018/19	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Rates	96.0%	96.0%	96.0%	95.0%
Electricity	98.0%	98.0%	98.0%	98.0%
Water	70.7%	81.3%	82.0%	82.0%
Sanitation	86.0%	95.0%	95.0%	95.0%
Refuse	93.0%	93.0%	93.0%	93.0%

While the Rates collection rate is expected to average 96% over the MTREF, it is expected to be potentially impacted on by the higher service charges increases over the MTREF.

The Electricity collection rate remains at 98% over the MTREF. This is mainly attributed to the continuous role out of prepayment meters and revenue protection initiatives.

The water and sanitation collection rates shows an increase, which is predominantly as a result of a change in the manner in which indigent debtors are transacted. The change in the revenue recognition transacting method provides Water & Sanitation with a higher collection rate. The projected collection rate for Water is 81.3% for 2019/20 and 82% over the two outer years.

The Sanitation projected collection rate is 95% over the 2019/20 MTREF. The water and sanitation collection rates is based on the previous years' outcome, current year performance and the change in transacting for indigents. A lag with regard to the consumers' reaction to previous high increases is expected and is projected to still influence behaviour in 2019/20. The collection rate is expected to improve in future years.

The projected Refuse collection rate remains constant at 93% for the 2019/20 MTREF. This is due to ongoing debt management initiatives implemented.

e) Salary increases

In 2018, a new three-year Salary & Wage collective agreement was entered into. The term of this agreement covers the municipal financial years 2018/19 to 2020/21. In the absence of an agreement for the last year of the MTREF the principle applied for 2019/20 was assumed for 2021/22.

In terms of the agreement, the salary and wage increases per municipal financial year are to be calculated as follows:

- 2019/20: CPI percentage for 2019 as projected by January 2019 MPC plus 1.5%; and
- 2020/21: CPI percentage for 2020 as projected by January 2020 MPC plus 1.25%.

Furthermore, the agreement states that if in any of these years the average CPI percentage is less than 5%, the average CPI will be deemed to be 5%, and in the event that the average CPI is above 10% the average CPI will be deemed to be 10%.

The CPI projected by the January 2019 MPC Statement was 4.8% for 2019. Based on this, the salary provision for the 2019/20 financial year was 5% plus 1.5%. A further provision of 2% was made for incremental allowances to cater for performance- and other notch increases.

The salary increases included in the budget are graphically shown below.

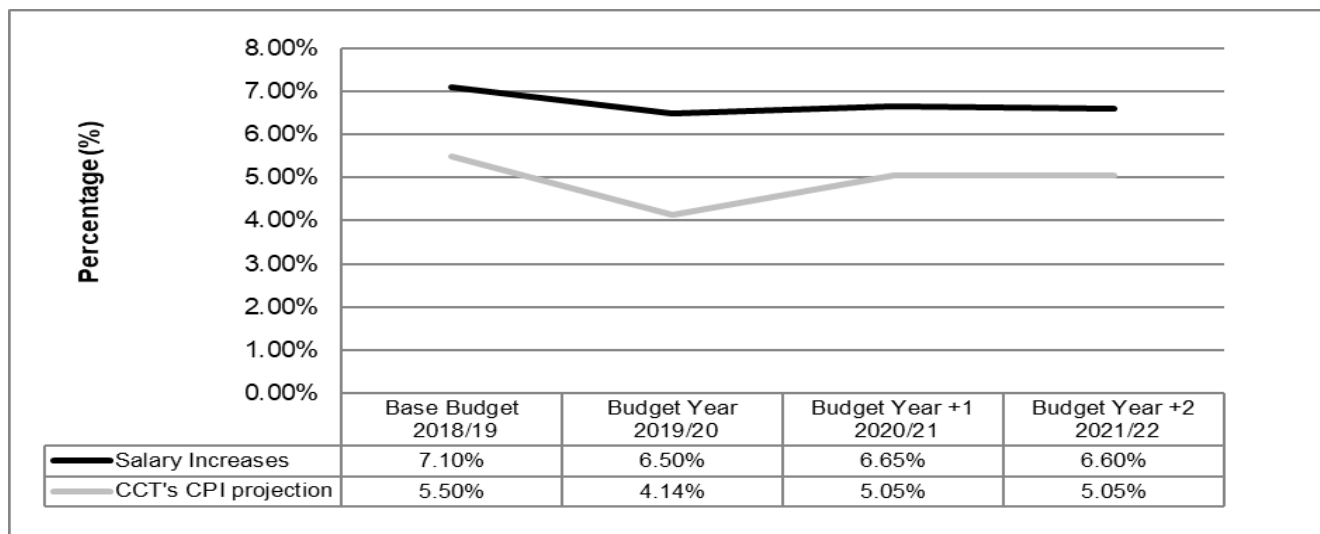


Figure 8 Correlation between the City's CPI and the salary increase over the MTREF

In addition to the above increases, the City continued with the method of budgeting for salaries at 95% as introduced in 2018/19, due to previous years' outcomes showing a recurring under performance. The salary budget was further discounted by only partially budgeting for vacancies. This approach was adopted as the turnaround time of vacancies has attributed mostly to the underperformance on the salaries budget.

f) Ensuring maintenance of existing assets

The differentiated approach introduced in previous years was again applied to expenditure accounts relating to Repairs and Maintenance for the 2019/20 MTREF. The approach considered previous year's performance, service delivery needs, efficiencies and the nature of the function that individual services provide. The following varying parameters were applied:

- CPI increase to services, which although their main function is not providing repairs and maintenance, the nature of their business and facilities requires a proper maintenance provision;
- CPI + 1% increase for services where the nature of their business is primarily to provide repairs and maintenance and where health of assets must be secured; and
- No increase for support services.

NT Circular No. 55 and NT Circular No. 70 set the ratio of operational repairs and maintenance to asset value (write down value of the municipality's property, plant and equipment (PPE)) at 8%. The City averages 7.4% over the 2019/20 MTREF. The lower ratio outcome is as a result of the reprioritisation of the budget and the accelerated capital investment in new water supply initiatives. This new capital investment will not require immediate repairs and maintenance.

g) Operational financing for capital

Depreciation

Calculation of depreciation on new capital expenditure is based on variables such as asset class and lifespan, depending on the nature of the asset. An annual capital expenditure implementation rate of 100% was assumed. Depreciation of existing assets is calculated based on simulated SAP data that reflect actual values per annum. Assets under construction (AUC) are calculated based on asset class lifespan and projected capitalisation dates.

Credit rating outlook and borrowing

The City needs a credit rating to demonstrate its ability to meet its short- and long-term financial obligations. Potential lenders also use it to assess the City's credit risk, which in turn affects the pricing of any subsequent loans taken. Factors used to evaluate the creditworthiness of municipalities include the economy, debt, finances, politics, management and institutional framework.

On 19 March 2019, Moody's Investors Service provided an update to the City's credit opinion. The City's global and national scale ratings were confirmed with the outlook changed to stable from negative.

The City's national scale rating is currently *Aaa.za/P-1.za*, which reflects the City's credit profile of strong financial performance characterised by consistent annual operating surplus, prudent financial management, low debt, a diverse economic profile and strong liquidity. The City's credit profile is constrained by Cape Town's capital spending pressure as a result of water shortage because of drought, infrastructure backlogs and population growth. The City's known ratings over the last period were as follows:

Table 39 Credit rating outlook

Category	Currency	Current Rating 19 March 2019 Update following change in outlook	Previous 29 March 2018 Following action on sovereign rating	Previous Rating 15 February 2018
Outlook	-	Stable	Negative	Global rating under review
NSR Issuer Rating	Rand	Aaa.za	Aaa.za	Aaa.za
NSR ST Issuer Rating	Rand	P-1.za	P-1.za	P-1.za
NSR Senior Unsecured	Rand	Aaa.za	Aaa.za	Aaa.za

- Stable Outlook – reflects that a credit rating assigned to an issuer is unlikely to change;
- Negative Outlook - reflects that a credit rating assigned to an issuer which may be lowered;
- Rating under Review - a review indicates that a rating is under consideration for a change in the near term;
- NSR Issuer Rating – Aaa.za - Issuers or issues rated Aaa.za demonstrate the strongest creditworthiness relative to other domestic issuers;
- NSR ST Issuer Rating – P-1.za – Issuers (or supporting institutions) rated Prime-1 have the strongest ability to repay short-term senior unsecured debt obligations relative to other domestic issuers; and
- NSR Senior Unsecured – Aaa.za - Issuers or issues rated Aaa.za demonstrate the strongest creditworthiness relative to other domestic issuers.

The City's borrowing is done in terms of Chapter 6 of the MFMA as well as the City's Borrowing Policy, in terms of which a long-term loan will only be entered into if it's affordable and sustainable. The City's loan requirements are determined by the capital investment requirement (excl. Transfers Recognised: Capital) and the projected cash position. The City primarily borrows against future revenue generating assets.

It is projected that the City will have a favourable cash position thus reducing the borrowing requirement as opposed to the capital requirement.

The below table reflects the borrowing amount and interest rate over the MTREF.

R Thousand	2019/20	2020/21	2021/22
Borrowing	1 091 580	3 000 000	3 000 000
Borrowing Interest Rate (%)	8.1%	11.0%	11.0%

2.5.5 Revenue analysis – a three-year preview

a) Growth

Property Rates

A Rates growth of 1% is projected for 2019/20, due to the results of the 2018 General Valuations (GV) to be implemented in 2019/20. The outer years is expected to grow by 0.5% annually. This position will be reviewed depending on the GV objection process.

Electricity

Shrinkage in sales revenue for Electricity of 1.5% is projected for 2019/20 and 2.5% for the two outer years. This shrinkage is due to continued energy saving and efficiency plans introduced by consumers resulting in reduced consumption and declining revenue sales.

Water and Sanitation

Zero (base) growth is projected for Water and Sanitation over the 2019/20 MTREF, due to consumer behaviour uncertainty. This position will be reviewed in future years when more information/data is available and consumption levels have stabilised. It is viewed to be prudent for the new base to be established before making future projections.

Refuse

The average revenue growth over the last 3 years shows that a 2% growth for Refuse is sustainable over the 2019/20 MTREF. The growth is driven by the growth in the requirement for this service.

b) Major tariffs and charges: Rates and Trading services

MFMA Circular No. 93 states that “National Treasury encourages municipalities to maintain tariff increases at levels that reflect an appropriate balance between the affordability to poorer households and other customers while ensuring the financial sustainability of the municipality. The Consumer Price Index (CPI) inflation is forecasted to be within the upper limit of the 3% to 6% target band; therefore, municipalities are required to justify all increases in excess of the projected inflation target for 2019/20 in their budget narratives, and pay careful attention to the differential incidence of tariff increases across all consumer groups. In addition, municipalities should include details of their revenue growth assumptions for the different service charges in the budget narrative.”

Considering the above and to ensure future financial sustainability, the following revenue increases are applied for 2019/20 MTREF.

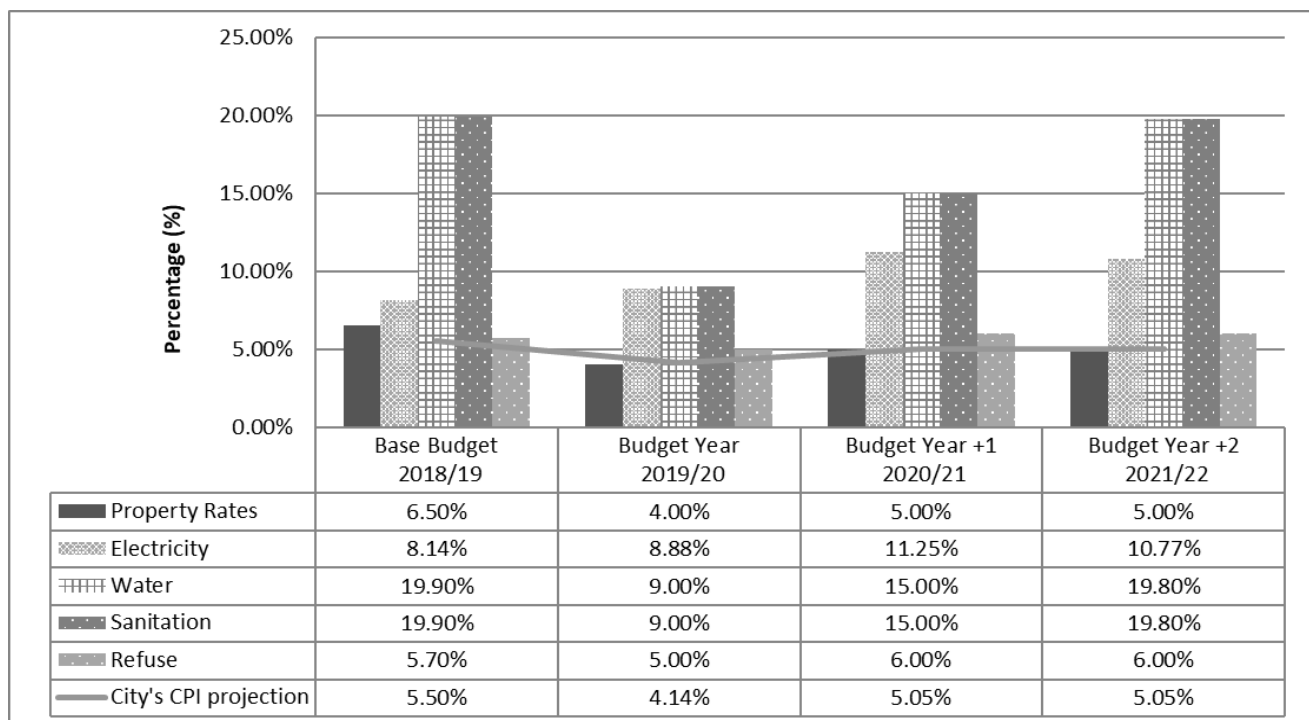


Figure 9 Revenue parameters for the MTREF period

Property Rates

The revenue parameter for Property Rates over the 2019/20 MTREF is at levels below the upper limit of the inflation target range. The low increase was as a result of various corporate initiatives proposed to reduce cost and reprioritise budgets.

Electricity

According to MFMA Circular No. 93, municipalities are urged to examine the cost structure of providing electricity services and to apply to NERSA for electricity tariff increases that reflect the total cost of providing the service so that they work towards achieving fully cost-reflective tariffs that will help them achieve financial sustainability.

On 7 March 2019, NERSA provided a decision on Eskom's Regulatory Clearing Account application for year 5 (2017/18) of the third multi-year price determination and Eskom's fourth Multi-Year Price Determination (MYPD) for the period of 2019/20 to 2021/22. The approved allowable revenue by NERSA resulted in an average annual percentage price increase of 9.41%, 8.10% and 5.22%, respectively for the period 2019/20 to 2022/23, to Eskom.

The above translates in an estimated Eskom increase to municipalities of 15.63% for 2019/20 and 10% for the two outer years. This increase influences the bulk purchases cost and therefore the Electricity revenue increase requirement. The business of the electricity service is the purchasing and redistribution of electricity; thus bulk purchases is a major influencing factor in determining the revenue increase. Bulk purchases averages 65.5% of the department's total expenditure budget.

Due to the implementation of corporate cost savings measures the revenue increase for electricity was kept at levels lower than the projected Eskom increases for 2019/20. The electricity average revenue increase projected over the 2019/20 MTREF is 8.88%, 11.25% and 10.77%, respectively.

The higher than CPI increase is as a result of the bulk purchases cost, declining electricity sales, business enhancement initiatives, investment in new infrastructure and other higher than CPI cost.

Water and Sanitation

MFMA Circular 93 states that “Municipalities must ensure that the tariffs charged are able to cover for the cost of bulk purchases, ongoing operations as well as provision for future infrastructure.”

In this regard the average revenue increases for water and sanitation is projected at 9% for 2019/20, and 15% and 19.8 % for the two outer years of the 2019/20 MTREF respectively. No increase to the fixed basic charge is proposed for the 2019/20 financial year.

The higher than CPI increase proposed for water and sanitation is due to various factors, which include the following:

- Expenditure requirements for the New Programme to ensure sustainable and resilient provision of water. Initiatives include the further investment in underground extraction from aquifers and cost of temporary desalination plants;
- Water demand management initiatives to limit the abuse of water;
- The continued investment in asset replacement programmes to ensure proper asset management and in the repairs and maintenance programme;
- Ensuring and maintaining required standard compliance; and
- Supplying water and sanitation at appropriate compliance, capacity, skills, service delivery and responsiveness levels.

Refuse

Solid Waste consists of three services of which two are tariff-funded and one funded by Property Rates. The tariff-funded services consist of Refuse and Disposal.

Refuse is the revenue received for the removal of waste from residential and non-residential properties. The refuse average increase is 5.00% for 2019/20 and 6.00% for the two outer years. The average increase will allow, inter alia, the service to comply with the National Environment Management Waste Act (NEMWA) waste minimisation requirements by increasing the removal of recycling at the source and upgrading the solid waste drop off facilities and depots.

Disposal is the revenue received for the disposal of waste from residential and non-residential properties. The disposal average increase for 2019/20 is 5.00%, the increases for the two outer years are 11.50% and 13.50% respectively. This increase is required for the continued operational requirement of the service and for the capital investment on new, replacement and renewed assets. The capital investment includes the introduction of mini recovery facilities, development of landfill infrastructure, development and upgrading of transfer stations and plant replacement.

Housing rental (Council rental properties)

The monthly rental charge for the City's housing rental properties is based on a rate per square meter applied to the size of the unit being rented coupled with a set of premiums/deductions based on the location, maintenance level, facilities et al of the specific property for which the rent is charged.

Through addressing the economic challenges faced by many poorer communities residing in, particularly, the City's rental stock, the average total monthly rental charge percentage increase associated with the City's rental properties has been retained at an affordable level and is based on an annual increase of 4.73% (where the unit has a separate water meter) or 8.36% (for those units which include water in the rental charge) for 2019/20.

The annual rental charge percentage increase, acknowledging the ongoing multi-year implications of inflation on the costs associated with the management of rental properties including, inter alia, maintenance of the properties, administrative costs etc., is not directly aligned to the full economic cost of operating the rental units and operates on a City subsidised basis for the financial differential between the economic cost recovery based rental (CPI linked) and the actual amount charged.

Tenants who were in occupation of the City's rental properties in 2007 receive a subsidy of 20% of the rental charge being the final portion of the phase out program, which was not fully implemented by the City to facilitate affordability of long standing tenants. This key initiative, reflected within the City's Credit Control and Debt Collection Policy, supports affordable rentals to many poor communities and supports the City's initiatives in terms of its housing debt collection drives whilst supporting the City's housing debtor book that it does not unduly increase due to, potentially, unreachable charges.

The proposed 2019/20 housing rental charge is in line with previous annual rental increases and is again aimed at ensuring affordability for the City's poorer communities. The rental rate (per square meter per month) is R10.86 (where the unit has a separate water meter) or a rental charge (including water charge where applicable) of R18.28 per square meter per month.

The City's housing premiums and deductions charge structure addressing the variations in the City's diverse rental properties remains as follows:

Discounts on account

- Outside toilet (R20 per month)
- External Water (R30 per month)
- No ceiling (R15 per month)

Premiums on account

- Saleable unit (R4,50 per month)
- Well maintained (R5 per month)
- Local environment (R3,50 per month)
- Well located (R5 per month)
- Hot water cylinder (R4 per month).

c) Capital funding

The capital budget was prepared considering very strict assessment criteria to ensure mainly the ability to implement the capital budget. In this regard the "Brick Wall" approach was adopted where screening and reviewing of projects took place for procurement and implementation readiness, technical and financial feasibility and strategic alignment. This process culminated in the proposal of the following capital budget over the 2019/20 MTREF.

Table 40 Capital Budget over MTREF

Capital funding	Budget Year	Budget Year +1	Budget Year +2
R thousands	2019/20	2020/21	2021/22
Transfers recognised - capital	2 265 085	3 100 527	3 665 514
Borrowing	1 091 580	3 000 000	3 000 000
Internally generated funds	5 031 767	5 415 184	5 192 444
TOTAL	8 388 432	11 515 711	11 857 958

2.5.6 2019 Division of Revenue Act (DoRA) and Fuel Levy

Equitable Share

In terms of section 227 of the Constitution, local government is entitled to an equitable share of nationally raised revenue to enable it to provide basic services and perform its allocated functions. The local government equitable share is an unconditional transfer, which supplements the revenue that municipalities can raise themselves (including revenue raised through property rates and service charges).

2019/20 – R2 816 million

2020/21 – R3 081 million

2021/22 – R3 378 million

Sharing of the Fuel Levy

The general Fuel Levy is legislated by the Taxation Laws Amendment Act (Act 17 of 2009), which provides that each metropolitan's share should be announced in the government gazette.

The Fuel Levy allocation for 2019/20 was based on the 2017 fuel volume sales. Allocations for year 2 and 3 of the 2019/20 MTREF period is indicative, the actual allocations will be based on fuel sales. The following amounts were allocated to the City, as per the 2019/20 allocation letter, and was included in the City's 3-year budget:

2019/20 – R2 571 million

2020/21 – R2 665 million

2021/22 – R2 805 million

2.5.7 Major parameters

The following table summarises the major parameters applied to the 2019/20 MTREF Budget:

Table 41 Summary of parameters applied to Operating Budget

	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
CPI	4.14%	5.05%	5.05%
COLLECTION RATES			
Rates	96.00%	96.00%	95.00%
Electricity	98.00%	98.00%	98.00%
Water	81.30%	82.00%	82.00%
Sanitation	95.00%	95.00%	95.00%
Refuse	93.00%	93.00%	93.00%
REVENUE PARAMETERS			
Rates	4.00%	5.00%	5.00%
Electricity	8.88%	11.25%	10.77%
Water	9.00%	15.00%	19.80%
Sanitation	9.00%	15.00%	19.80%
Refuse	5.00%	6.00%	6.00%
Disposal	5.00%	11.50%	13.50%
GROWTH PARAMETERS			
Rates	1.00%	0.50%	0.50%
Electricity	-1.50%	-2.50%	-2.50%
Water	0.00%	0.00%	0.00%
Sanitation	0.00%	0.00%	0.00%
Refuse	2.00%	2.00%	2.00%
EXPENDITURE PARAMETERS			
Salary increase			
Salary increase (SALGBC Agreement)	6.50%	6.65%	6.60%
Increment provision	2.00%	2.00%	2.00%
Operational cost	Differentiated	Differentiated	Differentiated
Repairs & Maintenance	Differentiated	Differentiated	Differentiated
Interest Rates			
Interest paid	8.11%	11.00%	11.00%
Interest on investment	7.00%	7.00%	7.00%
OTHER			
Capital Borrowing expenditure	R1.092bn	R3.000bn	R3.000bn
Equitable Share Allocation	R2.816bn	R3.081bn	R3.378bn
Fuel levy	R2.571bn	R2.665bn	R2.805bn

2.6 Overview of budget funding

2.6.1 Medium-term outlook: operating revenue

The following table is a breakdown of the operating revenue over the medium-term:

Table 42 Breakdown of the operating revenue over the medium-term

Description R thousand	2019/20 Medium Term Revenue & Expenditure Framework					
	Budget Year 2019/20	%	Budget Year +1 2020/21	%	Budget Year +2 2021/22	%
Property Rates	9 916 685	24.2%	10 517 014	23.5%	11 045 428	22.6%
Service Charges	19 690 195	48.1%	22 419 166	50.1%	25 311 082	51.8%
Investment Revenue	912 495	2.2%	930 613	2.1%	1 022 317	2.1%
Transfers & Subsidies	7 376 568	18.0%	7 707 345	17.2%	8 136 559	16.7%
Other own revenue	3 026 006	7.4%	3 198 176	7.1%	3 322 166	6.8%
Total Revenue (excluding capital transfers and contributions)	40 921 950	100%	44 772 315	100%	48 837 552	100%

The following graph is a breakdown of the operational revenue per main category for 2019/20.

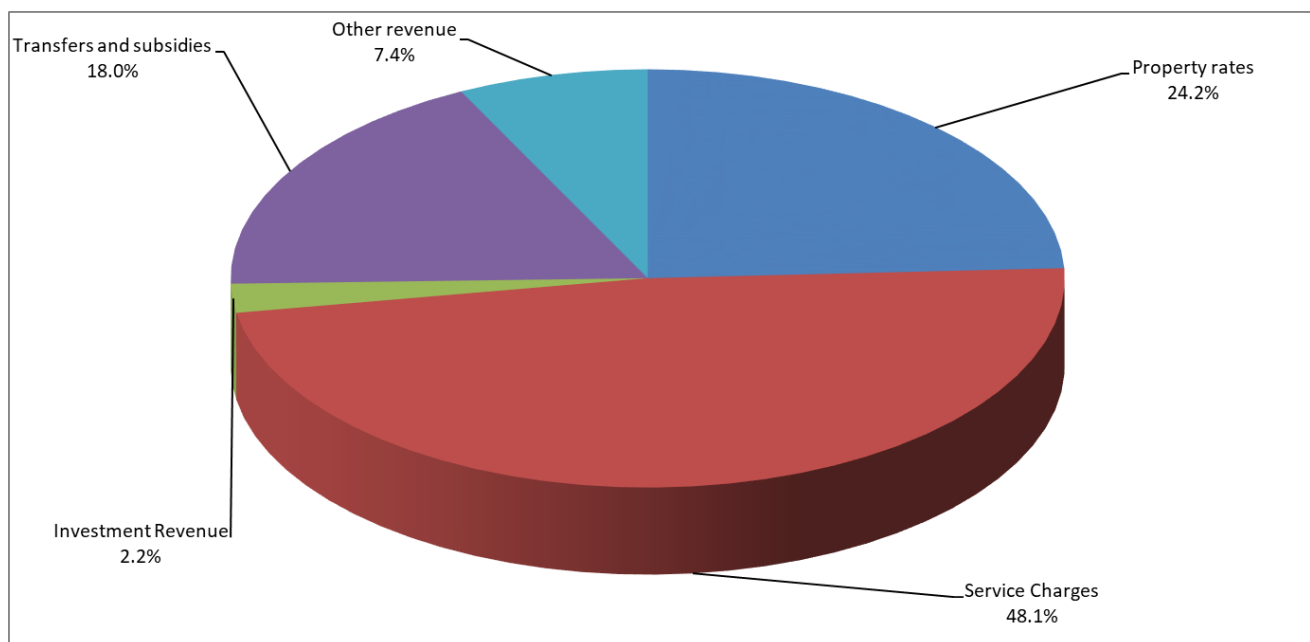


Figure 10 Breakdown of operating revenue over the 2019/20 MTREF

Tariff setting plays a major role in ensuring desired levels of revenue. To ensure an effective, efficient and well-run City, higher tariff increases are inevitable. Getting tariff levels right assists in the compilation of a credible and funded budget.

The City derives most of its operational revenue from its service charges (48.1% of total revenue) i.e. provision of services such as water, electricity, sanitation and solid waste removal. Property Rates (24.2%), Transfers & Subsidies (18.0%), Investment revenue (2.2%) and Other own revenue (minor charges i.e. building plan fees, licences, permits etc.) (7.4%) forms part of the 2019/20 revenue base.

The revenue strategy is a function of a number of key aspects such as:

- National Treasury Guidelines;
- General Economic Climate (Nationally and Local);
- City's Strategic Guidelines and Priorities;
- General Tariff Policy;
- Credit Control and Debt Collection Policy;
- Property Rates Policy;
- Total Municipal Account Modelling Process;
- Achievement of full recovery of cost for specific user charges; and a
- Credible collection ratio.

The principles mentioned above guide and inform the annual increase of tariffs and rates charged to the consumers and ratepayers.

Revenue to be generated from Property Rates in 2019/20 amount to R9 916 million and represents 24.2% of the operating revenue base of the City. It increases to R11 045 million in 2021/22.

Service Charges relating to electricity, water, sanitation and refuse removal constitute the biggest component of the revenue basket of the City totalling R19 690 million in 2019/20. For 2019/20, Service Charges are 48.1% of the total revenue base.

Transfers and Subsidies increases from R7 377 million in 2019/20 to R8 137 million in 2021/22. This includes external allocations received from National- and Provincial Government, private sector funding and the Fuel Levy.

Investment revenue on the City's investments is budgeted at R912 million, R931 million and R1 022 million over the 2019/20 MTREF. Table 43 provides the City's detailed investment information, while Table 44 provides the City's investment particulars by maturity.

It should be noted that the investments included in these tables are compliant with the provisions of S17(1)(f) of the MFMA as well as the City's approved Cash Management and Investment policy.

Table 43 MBRR Table SA15 - Detailed investment information

Investment type	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand									
Parent municipality									
Securities - National Government	76 655	84 240	82 838	84 240	84 240	84 240	84 240	84 240	84 240
Listed Corporate Bonds	—	—	—	—	—	—	—	—	—
Deposits - Bank	7 495 700	7 350 420	9 982 261	9 650 666	11 232 639	11 232 639	8 497 262	7 069 997	6 208 737
Deposits - Public Investment Commissioners	—	—	—	—	—	—	—	—	—
Deposits - Corporation for Public Deposits	—	—	—	—	—	—	—	—	—
Bankers Acceptance Certificates	—	—	—	—	—	—	—	—	—
Negotiable Certificates of Deposit - Banks	—	—	—	—	—	—	—	—	—
Guaranteed Endowment Policies (sinking)	1 788 477	2 051 869	2 265 047	2 503 755	2 503 755	2 503 755	2 771 615	3 070 090	3 402 669
Repurchase Agreements - Banks	—	—	—	—	—	—	—	—	—
Municipal Bonds	—	—	—	—	—	—	—	—	—
TOTAL	9 360 832	9 486 529	12 330 146	12 238 662	13 820 635	13 820 635	11 353 117	10 224 327	9 695 646

Table 44 MBRR Table SA16 - Investment particulars by maturity

Investments by Maturity	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Closing Balance
Name of institution & investment ID	Days										
ABSA Bank	104	Fixed	No	Fixed	7.40%	N/A	N/A	15-May-19	85 000	1 792	86 792
ABSA Bank	88	Fixed	No	Fixed	7.30%	N/A	N/A	7-May-19	10 000	176	10 176
ABSA Bank	88	Fixed	No	Fixed	7.30%	N/A	N/A	7-May-19	25 000	440	25 440
ABSA Bank	88	Fixed	No	Fixed	7.30%	N/A	N/A	10-May-19	30 000	528	30 528
ABSA Bank	92	Fixed	No	Fixed	7.30%	N/A	N/A	15-May-19	25 000	460	25 460
ABSA Bank	91	Fixed	No	Fixed	7.30%	N/A	N/A	15-May-19	15 000	273	15 273
ABSA Bank	90	Fixed	No	Fixed	7.30%	N/A	N/A	15-May-19	20 000	360	20 360
ABSA Bank	89	Fixed	No	Fixed	7.30%	N/A	N/A	15-May-19	10 000	178	10 178
ABSA Bank	89	Fixed	No	Fixed	7.30%	N/A	N/A	15-May-19	15 000	267	15 267
ABSA Bank	98	Fixed	No	Fixed	7.35%	N/A	N/A	27-May-19	45 000	888	45 888
ABSA Bank	87	Fixed	No	Fixed	7.25%	N/A	N/A	17-May-19	25 000	432	25 432
ABSA Bank	84	Fixed	No	Fixed	7.25%	N/A	N/A	15-May-19	20 000	334	20 334
ABSA Bank	88	Fixed	No	Fixed	7.25%	N/A	N/A	27-May-19	20 000	350	20 350
ABSA Bank	88	Fixed	No	Fixed	7.25%	N/A	N/A	27-May-19	10 000	175	10 175
ABSA Bank	88	Fixed	No	Fixed	7.25%	N/A	N/A	27-May-19	25 000	437	25 437
ABSA Bank	84	Fixed	No	Fixed	7.25%	N/A	N/A	24-May-19	55 000	918	55 918
ABSA Bank	84	Fixed	No	Fixed	7.25%	N/A	N/A	24-May-19	35 000	584	35 584
ABSA Bank	95	Fixed	No	Fixed	7.30%	N/A	N/A	7-Jun-19	50 000	950	50 950
ABSA Bank	101	Fixed	No	Fixed	7.35%	N/A	N/A	14-Jun-19	215 000	4 373	219 373
ABSA Bank	101	Fixed	No	Fixed	7.35%	N/A	N/A	21-Jun-19	10 000	203	10 203
ABSA Bank	86	Fixed	No	Fixed	7.30%	N/A	N/A	7-Jun-19	20 000	344	20 344
ABSA Bank	101	Fixed	No	Fixed	7.40%	N/A	N/A	27-Jun-19	35 000	717	35 717
ABSA Bank	100	Fixed	No	Fixed	7.40%	N/A	N/A	27-Jun-19	70 000	1 419	71 419
ABSA Bank	101	Fixed	No	Fixed	7.40%	N/A	N/A	28-Jun-19	120 000	2 457	122 457
ABSA Bank	88	Fixed	No	Fixed	7.28%	N/A	N/A	21-Jun-19	15 000	263	15 263
ABSA Bank	101	Fixed	No	Fixed	7.35%	N/A	N/A	5-Jul-19	30 000	610	30 610
ABSA Bank	100	Fixed	No	Fixed	7.35%	N/A	N/A	5-Jul-19	10 000	201	10 201
ABSA Bank	99	Fixed	No	Fixed	7.37%	N/A	N/A	5-Jul-19	10 000	200	10 200
ABSA Bank	108	Fixed	No	Fixed	7.40%	N/A	N/A	15-Jul-19	145 000	3 175	148 175
ABSA Bank	108	Fixed	No	Fixed	7.40%	N/A	N/A	15-Jul-19	35 000	766	35 766
ABSA Bank	108	Fixed	No	Fixed	7.40%	N/A	N/A	15-Jul-19	20 000	438	20 438
ABSA Bank	108	Fixed	No	Fixed	7.40%	N/A	N/A	15-Jul-19	35 000	766	35 766
ABSA Bank	108	Fixed	No	Fixed	7.40%	N/A	N/A	15-Jul-19	25 000	547	25 547
ABSA Bank	102	Fixed	No	Fixed	7.40%	N/A	N/A	12-Jul-19	50 000	1 034	51 034
ABSA Bank	108	Fixed	No	Fixed	7.45%	N/A	N/A	19-Jul-19	30 000	661	30 661
ABSA Bank	113	Fixed	No	Fixed	7.43%	N/A	N/A	26-Jul-19	30 000	690	30 690
ABSA Bank	107	Fixed	No	Fixed	7.40%	N/A	N/A	26-Jul-19	15 000	325	15 325
ABSA Bank	102	Fixed	No	Fixed	7.36%	N/A	N/A	26-Jul-19	20 000	411	20 411
ABSA Bank	102	Fixed	No	Fixed	7.36%	N/A	N/A	26-Jul-19	30 000	617	30 617
ABSA Bank	102	Fixed	No	Fixed	7.36%	N/A	N/A	26-Jul-19	30 000	617	30 617
ABSA Bank	98	Fixed	No	Fixed	7.35%	N/A	N/A	31-Jul-19	20 000	395	20 395
Firststrand	104	Fixed	No	Fixed	7.27%	N/A	N/A	15-May-19	50 000	1 036	51 036
Firststrand	85	Fixed	No	Fixed	7.27%	N/A	N/A	3-May-19	40 000	677	40 677
Firststrand	88	Fixed	No	Fixed	7.27%	N/A	N/A	7-May-19	15 000	263	15 263
Firststrand	88	Fixed	No	Fixed	7.27%	N/A	N/A	7-May-19	25 000	438	25 438
Firststrand	92	Fixed	No	Fixed	7.27%	N/A	N/A	15-May-19	30 000	550	30 550
Firststrand	92	Fixed	No	Fixed	7.27%	N/A	N/A	15-May-19	25 000	458	25 458
Firststrand	91	Fixed	No	Fixed	7.27%	N/A	N/A	15-May-19	15 000	272	15 272
Firststrand	90	Fixed	No	Fixed	7.27%	N/A	N/A	15-May-19	25 000	448	25 448
Firststrand	87	Fixed	No	Fixed	7.27%	N/A	N/A	17-May-19	20 000	347	20 347
Firststrand	84	Fixed	No	Fixed	7.23%	N/A	N/A	15-May-19	20 000	333	20 333
Firststrand	87	Fixed	No	Fixed	7.25%	N/A	N/A	24-May-19	20 000	346	20 346
Firststrand	89	Fixed	No	Fixed	7.27%	N/A	N/A	27-May-19	10 000	177	10 177
Firststrand	88	Fixed	No	Fixed	7.27%	N/A	N/A	27-May-19	25 000	438	25 438
Firststrand	88	Fixed	No	Fixed	7.27%	N/A	N/A	27-May-19	10 000	175	10 175
Firststrand	88	Fixed	No	Fixed	7.27%	N/A	N/A	27-May-19	25 000	438	25 438
Firststrand	84	Fixed	No	Fixed	7.23%	N/A	N/A	24-May-19	55 000	915	55 915
Firststrand	84	Fixed	No	Fixed	7.23%	N/A	N/A	24-May-19	55 000	915	55 915
Firststrand	95	Fixed	No	Fixed	7.27%	N/A	N/A	7-Jun-19	50 000	946	50 946
Firststrand	101	Fixed	No	Fixed	7.35%	N/A	N/A	14-Jun-19	230 000	4 678	234 678
Firststrand	81	Fixed	No	Fixed	7.22%	N/A	N/A	31-May-19	50 000	801	50 801
Firststrand	101	Fixed	No	Fixed	7.34%	N/A	N/A	21-Jun-19	30 000	609	30 609
Firststrand	86	Fixed	No	Fixed	7.27%	N/A	N/A	7-Jun-19	25 000	428	25 428
Firststrand	101	Fixed	No	Fixed	7.37%	N/A	N/A	27-Jun-19	50 000	1 020	51 020
Firststrand	100	Fixed	No	Fixed	7.37%	N/A	N/A	27-Jun-19	70 000	1 413	71 413
Firststrand	101	Fixed	No	Fixed	7.37%	N/A	N/A	28-Jun-19	115 000	2 345	117 345
Firststrand	88	Fixed	No	Fixed	7.27%	N/A	N/A	21-Jun-19	40 000	701	40 701
Firststrand	101	Fixed	No	Fixed	7.37%	N/A	N/A	5-Jul-19	30 000	612	30 612
Firststrand	99	Fixed	No	Fixed	7.37%	N/A	N/A	5-Jul-19	20 000	400	20 400

Table continues on next page

Investments by Maturity Name of institution & investment ID	Period of Investment Days	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Closing Balance
Firststrand	108	Fixed	No	Fixed	7.37%	N/A	N/A	15-Jul-19	150 000	3 271	153 271
Firststrand	108	Fixed	No	Fixed	7.37%	N/A	N/A	15-Jul-19	35 000	763	35 763
Firststrand	108	Fixed	No	Fixed	7.37%	N/A	N/A	15-Jul-19	25 000	545	25 545
Firststrand	102	Fixed	No	Fixed	7.29%	N/A	N/A	12-Jul-19	50 000	1 019	51 019
Firststrand	108	Fixed	No	Fixed	7.35%	N/A	N/A	19-Jul-19	35 000	761	35 761
Firststrand	113	Fixed	No	Fixed	7.37%	N/A	N/A	26-Jul-19	35 000	799	35 799
Firststrand	108	Fixed	No	Fixed	7.37%	N/A	N/A	26-Jul-19	110 000	2 399	112 399
Firststrand	107	Fixed	No	Fixed	7.37%	N/A	N/A	26-Jul-19	40 000	864	40 864
Firststrand	106	Fixed	No	Fixed	7.37%	N/A	N/A	26-Jul-19	60 000	1 284	61 284
Firststrand	102	Fixed	No	Fixed	7.37%	N/A	N/A	26-Jul-19	35 000	721	35 721
Firststrand	98	Fixed	No	Fixed	7.28%	N/A	N/A	31-Jul-19	30 000	586	30 586
Investec Bank	104	Fixed	No	Fixed	7.50%	N/A	N/A	15-May-19	35 000	748	35 748
Investec Bank	88	Fixed	No	Fixed	7.35%	N/A	N/A	7-May-19	10 000	177	10 177
Investec Bank	88	Fixed	No	Fixed	7.35%	N/A	N/A	10-May-19	20 000	354	20 354
Investec Bank	92	Fixed	No	Fixed	7.35%	N/A	N/A	15-May-19	10 000	185	10 185
Investec Bank	91	Fixed	No	Fixed	7.35%	N/A	N/A	15-May-19	10 000	183	10 183
Investec Bank	90	Fixed	No	Fixed	7.35%	N/A	N/A	15-May-19	10 000	181	10 181
Investec Bank	89	Fixed	No	Fixed	7.35%	N/A	N/A	15-May-19	35 000	627	35 627
Investec Bank	98	Fixed	No	Fixed	7.40%	N/A	N/A	27-May-19	20 000	397	20 397
Investec Bank	87	Fixed	No	Fixed	7.35%	N/A	N/A	17-May-19	10 000	175	10 175
Investec Bank	84	Fixed	No	Fixed	7.35%	N/A	N/A	15-May-19	10 000	169	10 169
Investec Bank	89	Fixed	No	Fixed	7.35%	N/A	N/A	27-May-19	20 000	358	20 358
Investec Bank	88	Fixed	No	Fixed	7.35%	N/A	N/A	27-May-19	10 000	177	10 177
Investec Bank	84	Fixed	No	Fixed	7.30%	N/A	N/A	24-May-19	25 000	420	25 420
Investec Bank	23	Fixed	No	Fixed	7.30%	N/A	N/A	24-Mar-19	25 000	115	25 115
Investec Bank	95	Fixed	No	Fixed	7.35%	N/A	N/A	7-Jun-19	20 000	383	20 383
Investec Bank	101	Fixed	No	Fixed	7.40%	N/A	N/A	14-Jun-19	100 000	2 048	102 048
Investec Bank	101	Fixed	No	Fixed	7.45%	N/A	N/A	21-Jun-19	10 000	206	10 206
Investec Bank	86	Fixed	No	Fixed	7.35%	N/A	N/A	7-Jun-19	10 000	173	10 173
Investec Bank	101	Fixed	No	Fixed	7.45%	N/A	N/A	28-Jun-19	10 000	206	10 206
Investec Bank	88	Fixed	No	Fixed	7.35%	N/A	N/A	21-Jun-19	10 000	177	10 177
Investec Bank	101	Fixed	No	Fixed	7.45%	N/A	N/A	5-Jul-19	10 000	206	10 206
Investec Bank	99	Fixed	No	Fixed	7.45%	N/A	N/A	5-Jul-19	10 000	202	10 202
Investec Bank	108	Fixed	No	Fixed	7.45%	N/A	N/A	15-Jul-19	65 000	1 433	66 433
Investec Bank	108	Fixed	No	Fixed	7.45%	N/A	N/A	15-Jul-19	10 000	220	10 220
Investec Bank	108	Fixed	No	Fixed	7.45%	N/A	N/A	15-Jul-19	20 000	441	20 441
Investec Bank	112	Fixed	No	Fixed	7.45%	N/A	N/A	19-Jul-19	15 000	343	15 343
Investec Bank	102	Fixed	No	Fixed	7.40%	N/A	N/A	12-Jul-19	30 000	620	30 620
Investec Bank	108	Fixed	No	Fixed	7.40%	N/A	N/A	19-Jul-19	10 000	219	10 219
Investec Bank	113	Fixed	No	Fixed	7.50%	N/A	N/A	26-Jul-19	15 000	348	15 348
Investec Bank	102	Fixed	No	Fixed	7.45%	N/A	N/A	26-Jul-19	65 000	1 353	66 353
Investec Bank	102	Fixed	No	Fixed	7.45%	N/A	N/A	26-Jul-19	15 000	312	15 312
Investec Bank	98	Fixed	No	Fixed	7.35%	N/A	N/A	31-Jul-19	15 000	296	15 296
Nedbank	104	Fixed	No	Fixed	7.45%	N/A	N/A	15-May-19	85 000	1 804	86 804
Nedbank	88	Fixed	No	Fixed	7.35%	N/A	N/A	7-May-19	10 000	177	10 177
Nedbank	88	Fixed	No	Fixed	7.35%	N/A	N/A	7-May-19	25 000	443	25 443
Nedbank	88	Fixed	No	Fixed	7.35%	N/A	N/A	10-May-19	30 000	532	30 532
Nedbank	92	Fixed	No	Fixed	7.35%	N/A	N/A	15-May-19	25 000	463	25 463
Nedbank	91	Fixed	No	Fixed	7.35%	N/A	N/A	15-May-19	15 000	275	15 275
Nedbank	90	Fixed	No	Fixed	7.35%	N/A	N/A	15-May-19	25 000	453	25 453
Nedbank	89	Fixed	No	Fixed	7.35%	N/A	N/A	15-May-19	30 000	538	30 538
Nedbank	98	Fixed	No	Fixed	7.40%	N/A	N/A	27-May-19	55 000	1 093	56 093
Nedbank	87	Fixed	No	Fixed	7.35%	N/A	N/A	17-May-19	25 000	438	25 438
Nedbank	84	Fixed	No	Fixed	7.35%	N/A	N/A	15-May-19	20 000	338	20 338
Nedbank	87	Fixed	No	Fixed	7.35%	N/A	N/A	24-May-19	75 000	1 314	76 314
Nedbank	89	Fixed	No	Fixed	7.35%	N/A	N/A	27-May-19	15 000	269	15 269
Nedbank	88	Fixed	No	Fixed	7.35%	N/A	N/A	27-May-19	20 000	354	20 354
Nedbank	88	Fixed	No	Fixed	7.35%	N/A	N/A	27-May-19	25 000	443	25 443
Nedbank	84	Fixed	No	Fixed	7.35%	N/A	N/A	24-May-19	55 000	930	55 930
Nedbank	84	Fixed	No	Fixed	7.35%	N/A	N/A	24-May-19	30 000	507	30 507

Table continues on next page

Investments by Maturity	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Closing Balance
Name of institution & investment ID	Days										
Nedbank	84	Fixed	No	Fixed	7.35%	N/A	N/A	24-May-19	50 000	846	50 846
Nedbank	95	Fixed	No	Fixed	7.35%	N/A	N/A	7-Jun-19	45 000	861	45 861
Nedbank	101	Fixed	No	Fixed	7.40%	N/A	N/A	14-Jun-19	220 000	4 505	224 505
Nedbank	81	Fixed	No	Fixed	7.30%	N/A	N/A	31-May-19	60 000	972	60 972
Nedbank	101	Fixed	No	Fixed	7.40%	N/A	N/A	21-Jun-19	30 000	614	30 614
Nedbank	86	Fixed	No	Fixed	7.30%	N/A	N/A	7-Jun-19	20 000	344	20 344
Nedbank	101	Fixed	No	Fixed	7.40%	N/A	N/A	27-Jun-19	50 000	1 024	51 024
Nedbank	100	Fixed	No	Fixed	7.40%	N/A	N/A	27-Jun-19	70 000	1 419	71 419
Nedbank	101	Fixed	No	Fixed	7.40%	N/A	N/A	28-Jun-19	120 000	2 457	122 457
Nedbank	91	Fixed	No	Fixed	7.35%	N/A	N/A	21-Jun-19	25 000	458	25 458
Nedbank	91	Fixed	No	Fixed	7.35%	N/A	N/A	21-Jun-19	35 000	641	35 641
Nedbank	88	Fixed	No	Fixed	7.30%	N/A	N/A	21-Jun-19	35 000	616	35 616
Nedbank	101	Fixed	No	Fixed	7.45%	N/A	N/A	5-Jul-19	30 000	618	30 618
Nedbank	99	Fixed	No	Fixed	7.45%	N/A	N/A	5-Jul-19	20 000	404	20 404
Nedbank	108	Fixed	No	Fixed	7.50%	N/A	N/A	15-Jul-19	140 000	3 107	143 107
Nedbank	108	Fixed	No	Fixed	7.50%	N/A	N/A	15-Jul-19	35 000	777	35 777
Nedbank	108	Fixed	No	Fixed	7.50%	N/A	N/A	15-Jul-19	25 000	555	25 555
Nedbank	102	Fixed	No	Fixed	7.45%	N/A	N/A	12-Jul-19	50 000	1 041	51 041
Nedbank	108	Fixed	No	Fixed	7.50%	N/A	N/A	19-Jul-19	30 000	666	30 666
Nedbank	113	Fixed	No	Fixed	7.50%	N/A	N/A	26-Jul-19	35 000	813	35 813
Nedbank	108	Fixed	No	Fixed	7.50%	N/A	N/A	26-Jul-19	60 000	1 332	61 332
Nedbank	107	Fixed	No	Fixed	7.50%	N/A	N/A	26-Jul-19	20 000	440	20 440
Nedbank	102	Fixed	No	Fixed	7.45%	N/A	N/A	26-Jul-19	25 000	520	25 520
Nedbank	380	Fixed	No	Fixed	8.35%	N/A	N/A	30-Apr-20	62 100	5 398	67 498
Nedbank	98	Fixed	No	Fixed	7.45%	N/A	N/A	31-Jul-19	30 000	600	30 600
Nedbank	366	Fixed	No	Fixed	8.35%	N/A	N/A	30-Apr-20	165	14	179
Standard Bank	104	Fixed	No	Fixed	7.35%	N/A	N/A	15-May-19	45 000	942	45 942
Standard Bank	85	Fixed	No	Fixed	7.24%	N/A	N/A	3-May-19	40 000	674	40 674
Standard Bank	88	Fixed	No	Fixed	7.25%	N/A	N/A	7-May-19	25 000	437	25 437
Standard Bank	88	Fixed	No	Fixed	7.25%	N/A	N/A	7-May-19	30 000	524	30 524
Standard Bank	88	Fixed	No	Fixed	7.25%	N/A	N/A	10-May-19	30 000	524	30 524
Standard Bank	92	Fixed	No	Fixed	7.25%	N/A	N/A	15-May-19	25 000	457	25 457
Standard Bank	91	Fixed	No	Fixed	7.25%	N/A	N/A	15-May-19	25 000	452	25 452
Standard Bank	90	Fixed	No	Fixed	7.25%	N/A	N/A	15-May-19	20 000	358	20 358
Standard Bank	98	Fixed	No	Fixed	7.34%	N/A	N/A	27-May-19	80 000	1 577	81 577
Standard Bank	87	Fixed	No	Fixed	7.25%	N/A	N/A	17-May-19	25 000	432	25 432
Standard Bank	84	Fixed	No	Fixed	7.26%	N/A	N/A	15-May-19	20 000	334	20 334
Standard Bank	87	Fixed	No	Fixed	7.27%	N/A	N/A	24-May-19	25 000	433	25 433
Standard Bank	89	Fixed	No	Fixed	7.27%	N/A	N/A	27-May-19	10 000	177	10 177
Standard Bank	88	Fixed	No	Fixed	7.27%	N/A	N/A	27-May-19	20 000	351	20 351
Standard Bank	88	Fixed	No	Fixed	7.27%	N/A	N/A	27-May-19	10 000	175	10 175
Standard Bank	88	Fixed	No	Fixed	7.27%	N/A	N/A	27-May-19	25 000	438	25 438
Standard Bank	84	Fixed	No	Fixed	7.28%	N/A	N/A	24-May-19	55 000	921	55 921
Standard Bank	84	Fixed	No	Fixed	7.28%	N/A	N/A	24-May-19	35 000	586	35 586
Standard Bank	95	Fixed	No	Fixed	7.34%	N/A	N/A	7-Jun-19	55 000	1 051	56 051
Standard Bank	101	Fixed	No	Fixed	7.39%	N/A	N/A	14-Jun-19	235 000	4 806	239 806
Standard Bank	81	Fixed	No	Fixed	7.28%	N/A	N/A	31-May-19	15 000	242	15 242
Standard Bank	101	Fixed	No	Fixed	7.40%	N/A	N/A	21-Jun-19	20 000	410	20 410
Standard Bank	86	Fixed	No	Fixed	7.29%	N/A	N/A	7-Jun-19	25 000	429	25 429
Standard Bank	101	Fixed	No	Fixed	7.40%	N/A	N/A	27-Jun-19	60 000	1 229	61 229
Standard Bank	100	Fixed	No	Fixed	7.40%	N/A	N/A	27-Jun-19	70 000	1 419	71 419
Standard Bank	101	Fixed	No	Fixed	7.40%	N/A	N/A	28-Jun-19	120 000	2 457	122 457
Standard Bank	91	Fixed	No	Fixed	7.35%	N/A	N/A	21-Jun-19	45 000	825	45 825
Standard Bank	91	Fixed	No	Fixed	7.35%	N/A	N/A	21-Jun-19	55 000	1 008	56 008
Standard Bank	88	Fixed	No	Fixed	7.29%	N/A	N/A	21-Jun-19	60 000	1 055	61 055
Standard Bank	101	Fixed	No	Fixed	7.40%	N/A	N/A	5-Jul-19	30 000	614	30 614
Standard Bank	100	Fixed	No	Fixed	7.40%	N/A	N/A	5-Jul-19	10 000	203	10 203
Standard Bank	99	Fixed	No	Fixed	7.38%	N/A	N/A	5-Jul-19	20 000	400	20 400
Standard Bank	108	Fixed	No	Fixed	7.45%	N/A	N/A	15-Jul-19	155 000	3 417	158 417
Standard Bank	108	Fixed	No	Fixed	7.45%	N/A	N/A	15-Jul-19	40 000	882	40 882
Standard Bank	108	Fixed	No	Fixed	7.45%	N/A	N/A	15-Jul-19	25 000	551	25 551
Standard Bank	102	Fixed	No	Fixed	7.38%	N/A	N/A	12-Jul-19	50 000	1 031	51 031
Standard Bank	108	Fixed	No	Fixed	7.42%	N/A	N/A	19-Jul-19	40 000	878	40 878
Standard Bank	113	Fixed	No	Fixed	7.45%	N/A	N/A	26-Jul-19	30 000	692	30 692
Standard Bank	108	Fixed	No	Fixed	7.45%	N/A	N/A	26-Jul-19	10 000	220	10 220
Standard Bank	107	Fixed	No	Fixed	7.45%	N/A	N/A	26-Jul-19	20 000	437	20 437
Standard Bank	102	Fixed	No	Fixed	7.39%	N/A	N/A	26-Jul-19	25 000	516	25 516
Standard Bank	98	Fixed	No	Fixed	7.29%	N/A	N/A	31-Jul-19	30 000	587	30 587
ABSA Bank Call		Call	No		6.75%				165 124	60 982	226 106
Firststrand Bank Call		Call	No		6.50%				286 642	15 297	301 939
Investec Bank Call		Call	No		6.55%				60 404	44 989	105 393
Standard Bank Call		Call	No		6.50%				140 817	4 886	145 703
Nedbank current account		Current account	No		6.55%				77 346	21 764	99 110
Fund Managers									2 470 439	312 981	2 783 421
Cash in transit									8 872	3 857	12 729
TOTAL INVESTMENTS AND INTEREST									10 896 908	620 745	11 517 653

2.6.2 Medium-term outlook: capital revenue

The table below provides a breakdown of the funding composition of the City's 2019/20 medium-term capital programme.

Table 45 Sources of capital revenue over the MTREF

Vote Description R thousand	Current Year 2018/19		2019/20 Medium Term Revenue & Expenditure Framework					
	Adjusted Budget	%	Budget Year 2019/20	%	Budget Year +1 2020/21	%	Budget Year +2 2021/22	%
Funded by:								
National Government	2 510 069		2 189 348		2 961 322		3 547 884	
Provincial Government	26 227		22 038		82 505		60 630	
Other transfers and grants	54 526		53 700		56 700		57 000	
Transfers recognised - capital	2 590 822	39.0%	2 265 085	27.0%	3 100 527	26.9%	3 665 514	30.9%
Borrowing	500 000	7.5%	1 091 580	13.0%	3 000 000	26.1%	3 000 000	25.3%
Internally generated funds	3 545 310	53.4%	5 031 767	60.0%	5 415 184	47.0%	5 192 444	43.8%
Total Capital Funding	6 636 132	100.0%	8 388 432	100.0%	11 515 711	100.0%	11 857 958	100.0%

Sources of capital revenue for the 2019/20 financial year are graphically represented below.

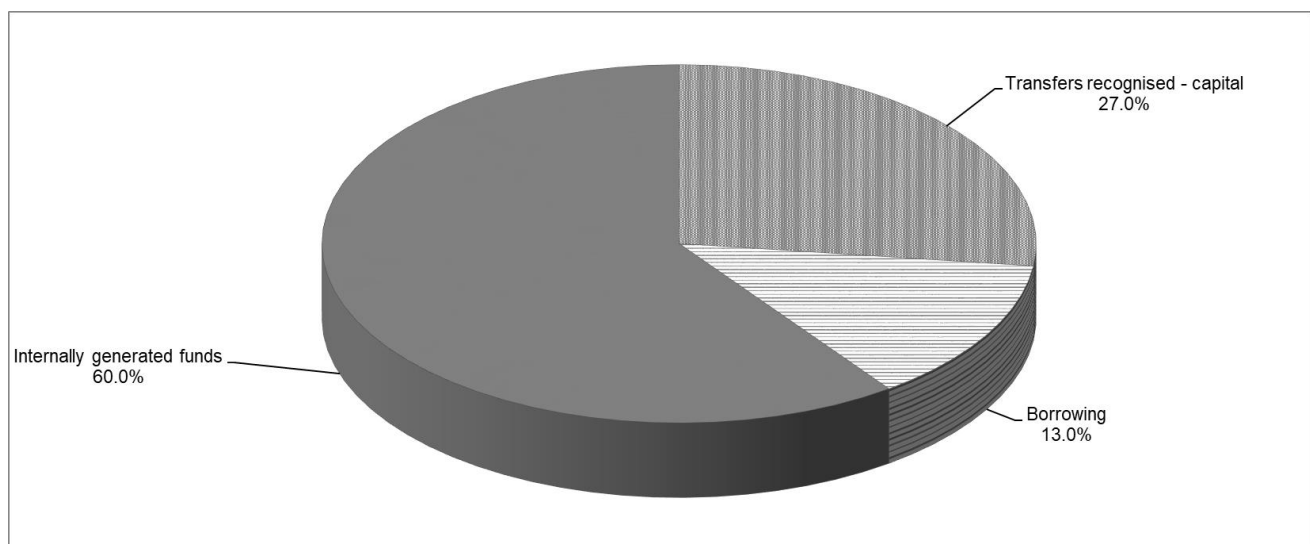


Figure 11 Sources of capital revenue for the 2019/20 financial year

Grants from national- and provincial government as well as other external sources still remain a significant funding source for the 2019/20 - 2021/22 capital budget.

- **Transfers recognised – capital**

Transfers recognised – capital amounts to R2 265 million in 2019/20, R3 101 million in 2020/21 and R3 666 million in 2021/22, increasing slightly from 27% to 30.9% as a percentage of the total capital budget over the MTREF.

Capital transfers and grants from national- and provincial government and other grant providers for the 2019/20 MTREF are reflected in the table below.

Table 46 MBRR Table SA18 - Capital transfers and grants receipts

Description R thousand	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Capital Transfers and Grants	2 381 397	25 180	150 423	2 015 146	2 510 069	2 165 976	2 189 348	2 961 322	3 547 884
National Government:									
Co-operative Governance: Emergency Disaster Relief Grant	–	–	20 812	–	–	–	–	–	–
Minerals and Energy: Energy Efficiency and Demand Side Management Grant	12 000	–	–	9 400	9 300	9 300	10 465	14 050	10 000
Minerals and Energy: Integrated National Electrification Programme (Municipal) Grant	5 000	–	5 000	10 000	12 234	12 234	–	–	–
National Government - Other: Previous years' Dora allocations	–	–	–	–	200	200	50	50	50
National Treasury: Environmental Affairs: Terrestrial	–	–	–	–	644	644	–	–	–
National Treasury: Environmental Affairs: Special Projects	–	–	–	–	574	574	–	–	–
National Treasury: Environmental Affairs: Wetland	–	–	–	–	508	–	–	–	–
National Treasury: Expanded Public Works Programme	–	–	–	1 000	1 000	1 000	–	–	–
National Treasury: Informal Settlements Upgrading Partnership Grant: Municipalities	–	–	–	–	–	–	276 803	271 226	396 090
National Treasury: Infrastructure Skills Development Grant	–	–	–	1 000	600	600	–	–	–
National Treasury: Integrated City Development Grant	50 826	–	–	56 740	55 618	54 555	48 533	51 704	56 009
National Treasury: Local Government Restructuring Grant	–	–	–	600	1 170	1 170	250	100	40
National Treasury: Municipal Disaster Grant	–	–	122 502	–	37 134	37 134	–	–	–
National Treasury: Municipal Disaster Recovery Grant	–	–	–	–	553 050	331 000	–	–	–
National Treasury: Neighbourhood Development Partnership Grant	44 310	25 180	2 109	–	7 300	7 300	26 400	26 400	44 000
National Treasury: Public Transport Network: Budget Facility for Infrastructure Grant	–	–	–	–	33 000	33 000	354 000	1 045 000	1 433 000
National Treasury: Urban Settlements Development Grant	1 387 760	–	–	1 279 998	1 260 295	1 184 449	1 070 051	1 093 226	1 059 128
Transport: Public Transport Infrastructure & Systems Grant	881 501	–	–	2 021	1 200	1 200	–	–	–
Transport: Public Transport Network Grant	–	–	–	654 387	536 241	491 616	402 796	459 567	549 567
Provincial Government:	12 298	7 500	10 000	52 750	26 227	23 711	22 038	82 505	60 630
Provincial Government: Community Safety: Training and Equipment for Volunteers: Law Enforcement Service (LEAS)	–	–	–	–	770	770	–	–	–
Cultural Affairs and Sport: Library Services (Conditional Grant)	–	–	–	1 600	3 640	3 640	–	–	–
Cultural Affairs and Sport: Library Services: Metro Library Grant	5 000	7 500	10 000	10 000	11 704	11 184	10 000	10 550	11 130
Provincial Government: Fibre Optic Broadband Roll Out	7 298	–	–	–	–	–	–	–	–
Housing: Integrated Housing and Human Settlement Development Grant	–	–	–	41 000	10 050	8 053	11 788	71 705	49 500
Provincial Government: Municipal Accreditation and Capacity Building Grant	–	–	–	–	–	–	250	250	–
Provincial Government: Community Development Workers (CDW) Operational Grant Support	–	–	–	150	63	63	–	–	–
Other grant providers:	47 088	87 813	99 262	76 200	54 526	52 074	53 700	56 700	57 000
Other: Other	47 088	87 813	99 262	76 200	54 526	52 074	53 700	56 700	57 000
Total Capital Transfers and Grants	2 440 783	120 493	259 685	2 144 096	2 590 822	2 241 761	2 265 085	3 100 527	3 665 514

• Borrowing

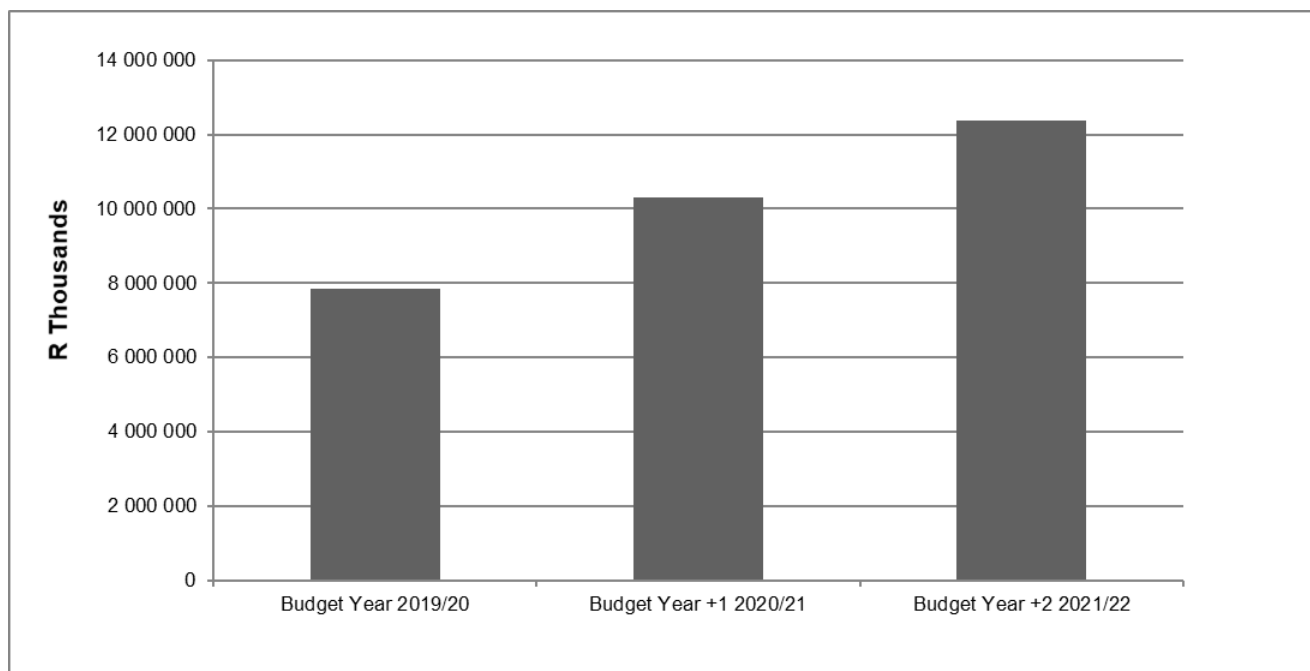
Borrowing is the smallest sources of funding of the 2019/20 – 2021/22 capital budget. The borrowing amount for the 2019/20 financial year is reflected in Table 45. Borrowings were reduced post the tabled budget based on current spending trends and cash flow positions and will be reviewed over the MTREF, should additional funding be required. The affected projects will now be funded from internally generated funds instead of borrowings.

An analysis of the City's borrowing liability is contained in the ensuing table.

Table 47 MBRR Table SA17 - Detail of borrowing

Borrowing - Categorised by type R thousand	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Parent municipality									
Annuity and Bullet Loans	-	-	-	-	-	-	-	-	-
Long-Term Loans (non-annuity)	1 836 906	1 589 616	1 403 697	4 838 456	1 711 868	1 711 868	2 958 113	5 526 154	7 711 547
Local registered stock	-	-	-	-	-	-	-	-	-
Instalment Credit	-	-	-	-	-	-	-	-	-
Financial Leases	-	-	-	-	-	-	-	-	-
PPP liabilities	-	-	-	-	-	-	-	-	-
Finance Granted By Cap Equipment Supplier	-	-	-	-	-	-	-	-	-
Marketable Bonds	4 200 000	4 200 000	5 088 841	4 934 481	4 984 480	4 984 480	4 880 464	4 775 893	4 669 802
Non-Marketable Bonds	-	-	-	-	-	-	-	-	-
Bankers Acceptances	-	-	-	-	-	-	-	-	-
Financial derivatives	-	-	-	-	-	-	-	-	-
Other Securities	-	-	-	-	-	-	-	-	-
Total Borrowing	6 036 906	5 789 616	6 492 538	9 772 937	6 696 348	6 696 348	7 838 577	10 302 047	12 381 349

The following graph illustrates the growth in outstanding borrowing for the 2019/20 to 2021/22 period.

**Figure 12 Growth in outstanding borrowings (long-term liabilities)**

- Internally generated funds**

Internally generated funds are funded in accordance with Section 18 of the MFMA, which requires that the annual budget must be funded from amongst others cash-backed accumulated funds from previous years' surpluses not committed for other purposes.

The internally-funded component of the capital budget is mainly funded from:

- previous years' accumulated surpluses;
- contributions made to a Capital Replacement Reserve (CRR) in the previous year's operating budget; and
- Development charges which were already collected.

The levels of contributions made to the CRR on the previous year's operating budget are considered within the MTREF process to determine affordability and sustainability. Internally generated funds amount to R5 032 million, R5 415 million and R5 192 million respectively, over the MTREF.

The percentage of internally generated funds in relation to the total annual budget decreases from 60% in 2019/20 to 47.0% in 2020/21 and 43.8% in 2021/22.

Cash Flow Management

Table 48 MBRR Table A7 - Budgeted cash flow statement

Description	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand									
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Property rates	6 745 047	8 105 126	8 470 387	8 968 987	9 039 504	9 039 504	9 714 194	10 327 307	10 830 171
Service charges	17 363 596	18 619 105	18 160 336	17 623 043	18 709 014	18 709 014	18 787 179	21 538 550	24 311 790
Other revenue	1 361 513	617 854	2 472 152	4 202 011	4 237 201	4 237 201	1 746 152	1 881 622	1 963 292
Government - operating	3 589 931	3 633 883	4 011 324	4 245 472	4 811 066	4 811 066	7 376 568	7 707 345	8 136 559
Government - capital	2 131 537	2 014 869	1 733 466	2 067 896	2 528 996	2 528 996	2 211 385	3 043 827	3 608 514
Interest	841 417	999 822	1 150 625	936 513	940 288	940 288	912 495	930 613	1 022 317
Payments									
Suppliers and employees	(24 876 319)	(26 611 461)	(27 959 017)	(31 919 625)	(31 311 162)	(31 311 162)	(35 467 695)	(37 885 366)	(40 678 240)
Finance charges	(687 263)	(666 163)	(689 670)	(980 877)	(686 428)	(686 428)	(717 075)	(731 329)	(1 191 845)
Transfers and Grants	(148 246)	(111 829)	–	(333 807)	(484 901)	(484 901)	–	–	–
NET CASH FROM/(USED) OPERATING ACTIVITIES	6 321 213	6 601 206	7 349 603	4 809 613	7 783 578	7 783 578	4 563 204	6 812 570	8 002 557
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE	130 189	198 742	98 239	120 070	98 396	98 396	97 432	100 432	100 732
Decrease (Increase) in non-current debtors	–	–	–	–	–	–	–	–	–
Decrease (increase) other non-current receivables	26 374	13 614	15 030	1 946	1 293	1 293	1 228	1 167	1 108
Decrease (increase) in non-current investments	(621 401)	(410 412)	(561 572)	(238 708)	(238 708)	(238 708)	(267 859)	(298 475)	(332 578)
Payments									
Capital assets	(5 489 832)	(5 904 620)	(5 588 905)	(7 566 800)	(5 950 649)	(5 950 649)	(7 549 589)	(10 364 140)	(10 672 162)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(5 954 670)	(6 102 676)	(6 037 208)	(7 683 492)	(6 089 669)	(6 089 669)	(7 718 788)	(10 561 016)	(10 902 900)
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans	–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing	–	–	1 000 000	4 000 000	500 000	500 000	1 091 580	3 000 000	3 000 000
Increase (decrease) in consumer deposits	52 375	27 077	29 950	38 688	38 166	38 166	41 983	46 181	50 799
Payments									
Repayment of borrowing	(285 597)	(407 883)	(305 920)	(482 586)	(325 919)	(325 919)	(384 878)	(371 495)	(671 495)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(233 222)	(380 806)	724 030	3 556 102	212 247	212 247	748 685	2 674 686	2 379 304
NET INCREASE/ (DECREASE) IN CASH HELD	133 321	117 724	2 036 425	682 224	1 906 157	1 906 157	(2 406 899)	(1 073 760)	(521 038)
Cash/cash equivalents at the year begin:	3 199 148	3 332 469	3 450 194	5 128 579	5 486 619	5 486 619	7 392 776	4 985 877	3 912 117
Cash/cash equivalents at the year end:	3 332 469	3 450 193	5 486 619	5 810 803	7 392 775	7 392 775	4 985 877	3 912 117	3 391 078

The above table shows the cash and cash equivalents of the City with the tabled 2019/20 MTREF. The City continues to embark on an extensive debt collection process to boost cash levels. These initiatives and interventions have translated into a positive cash position for the City.

For the 2019/20 MTREF, the budget has been prepared to ensure sufficient levels of cash and cash equivalents over the medium-term with cash levels anticipated to exceed R4 986 million by 2019/20, R3 912 million by 2020/21 and R3 391 million by 2021/22.

2.6.3 Cash Backed Reserves/Accumulated Surplus Reconciliation

The following table meets the requirements of MFMA Circular 42, which deals with the funding of a municipal budget in accordance with sections 18 and 19 of the MFMA. The table seeks to answer three key questions regarding the use and availability of cash:

- What are the predicted cash and investments that are available at the end of the budget year?
- How are those funds used?
- What is the net funds available or funding shortfall?

A surplus would indicate the cash-backed accumulated surplus that was/is available. A shortfall (applications > cash and investments) is indicative of non-compliance with section 18 of the MFMA requirement that the municipality's budget must be 'funded'. Non-compliance with section 18 is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded (budgeted spending is greater than funds available or to be collected). It is also important to analyse trends to understand the consequences, e.g. the budget year might indicate a small surplus situation, which in itself is an appropriate outcome, but if in prior years there were much larger surpluses then this negative trend may be a concern that requires closer examination.

Table 49 MBRR Table A8 - Cash backed reserves / accumulated surplus reconciliation

Description	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand									
Cash and investments available									
Cash/cash equivalents at the year end	3 332 469	3 450 193	5 486 619	5 810 803	7 392 775	7 392 775	4 985 877	3 912 117	3 391 078
Other current investments > 90 days	2 155 177	1 654 114	1 981 576	1 628 314	1 628 315	1 628 315	1 360 455	1 061 979	763 504
Non current assets - Investments	3 966 188	4 877 663	5 111 773	4 903 463	4 903 463	4 903 463	5 171 322	5 469 798	5 768 273
Cash and investments available:	9 453 834	9 981 970	12 579 967	12 342 580	13 924 553	13 924 553	11 517 654	10 443 894	9 922 855
Application of cash and investments									
Unspent conditional transfers	1 199 955	1 054 374	1 067 745	1 460 147	1 373 433	1 373 433	1 425 028	1 479 064	1 530 857
Unspent borrowing	-	-	-	-	-	-	-	-	-
Statutory requirements	-	-	-	-	-	-	-	-	-
Other working capital requirements	147 771	(101 509)	(1 072 543)	1 162 194	(2 733 772)	(2 733 772)	(1 538 617)	(1 590 871)	(1 676 862)
Other provisions	-	-	-	400 000	400 000	400 000	400 000	400 000	400 000
Long term investments committed	1 968 829	2 051 869	2 264 754	2 503 755	2 503 755	2 503 755	2 771 615	3 070 090	3 402 669
Reserves to be backed by cash/investments	3 004 435	3 773 185	3 465 081	3 426 132	3 996 029	3 996 029	4 466 074	4 753 726	4 162 638
Total Application of cash and investments:	6 320 990	6 777 919	5 725 037	8 952 229	5 539 445	5 539 445	7 524 100	8 112 009	7 819 302
Surplus(shortfall)	3 132 844	3 204 051	6 854 930	3 390 351	8 385 108	8 385 108	3 993 554	2 331 885	2 103 553

From the above table it can be seen that the cash and investments available total R3 993 million in 2019/20 decreasing to R2 103 million in 2021/22, including the projected cash and cash equivalents as determined in the cash flow forecast.

The following is a breakdown of the application of this funding:

- Unspent conditional transfers (grants): These include amounts rolled over relating mainly to existing multi-year projects.
- Unspent borrowing: There are no unspent borrowing from previous years. Only 13% of the 2019/20 capital expenditure will be funded from new borrowings.
- Provisions for statutory requirements: The City does not make provision for statutory requirements in this section of the budget as the City is mostly in a refund position.

- Other working capital and other provisions: The main purpose of other working capital / other provisions is to ensure that sufficient funds are available to meet obligations as they fall due. A provision equivalent to one and a half times the monthly operational expenditure has been provided for.
- Long term investments committed: Long term investments consist of the sinking funds for the repayment of current and future borrowings. This amount is “held to maturity” and is not available for spending.
- Reserves to be backed by cash / investments: Although the cash-backing of reserve funds is discretionary in nature and need not be fully cash backed, the City’s reserve funds are fully cash-backed

The following graph supplies an analysis of the trends relating to cash and cash equivalents and the cash backed reserves/accumulated funds reconciliation over a seven-year perspective:

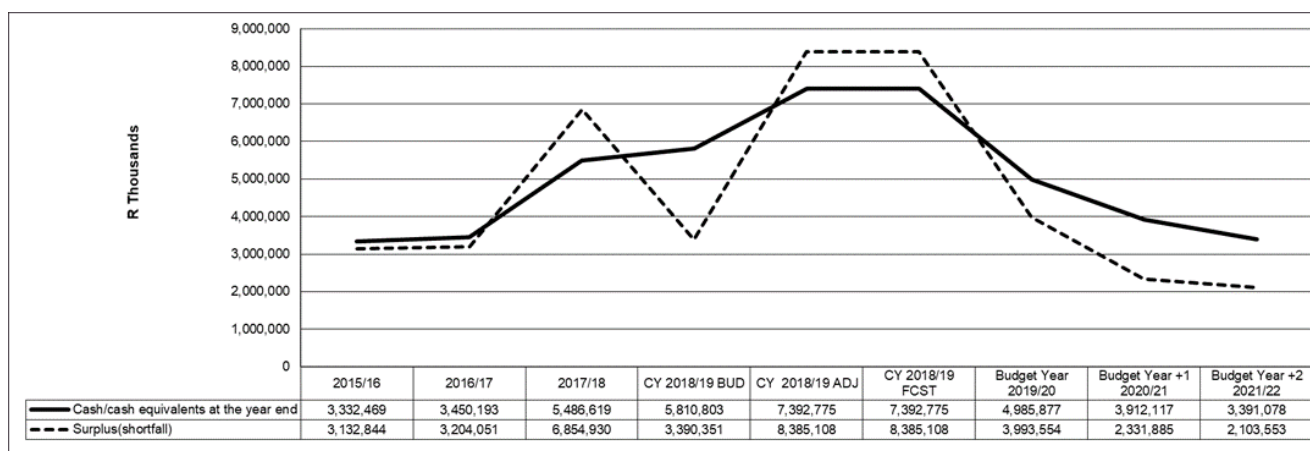


Figure 13 Cash and cash equivalents / cash backed reserves and accumulated funds

2.6.4 Funding Compliance Measurement

Section 18(1) of the MFMA states that an annual budget may only be funded from:

- Realistically anticipated revenues to be collected;
- Cash backed accumulated funds from previous years’ surpluses not committed for other purposes; and
- Borrowed funds, but only for the capital budget referred to in section 17 and 19 of the MFMA.

To give effect to the above MFMA requirements, municipalities are required to assess their proposed budget against fourteen different measures developed by NT. The measures evaluate various financial health aspects of a municipality’s budget and are made up of information sourced from the budget document. The City’s funding compliance outcome in respect of these measures are presented in Table 50 MBRR Table SA10 - Funding Compliance measurement and discussed below.

Table 50 MBRR Table SA10 - Funding Compliance measurement

Description	MFMA section	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Funding measures										
Cash/cash equivalents at the year end - R'000	18(1)b	3 332 469	3 450 193	5 486 619	5 810 803	7 392 775	7 392 775	4 985 877	3 912 117	3 391 078
Cash + investments at the yr end less applications - R'000	18(1)b	3 132 844	3 204 051	6 854 930	3 390 351	8 385 108	8 385 108	3 993 554	2 331 885	2 103 553
Cash year end/monthly employee/supplier payments	18(1)b	1.5	1.5	2.3	2.1	2.7	2.7	1.7	1.2	1.0
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	3 799 773	5 103 253	5 696 767	2 229 975	4 274 394	4 274 395	1 407 418	3 324 948	4 349 114
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	N.A.	3.5%	(2.6%)	5.1%	(5.0%)	(6.0%)	(3.3%)	5.2%	4.4%
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	100.8%	98.7%	99.1%	97.6%	100.5%	100.5%	92.8%	93.5%	93.6%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7.8%	6.4%	5.3%	10.5%	8.3%	8.3%	7.9%	7.1%	7.0%
Capital payments % of capital expenditure	18(1)c;19	100.0%	100.0%	99.7%	90.0%	89.7%	105.2%	90.0%	90.0%	90.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	0.0%	0.0%	26.3%	63.9%	12.4%	14.6%	17.8%	35.6%	36.6%
Grants % of Govt. legislated/gazetted allocations	18(1)a							137.9%	133.8%	132.2%
Current consumer debtors % change - incr(decr)	18(1)a	N.A.	11.4%	14.8%	10.8%	40.3%	0.0%	5.7%	6.1%	6.6%
Long term receivables % change - incr(decr)	18(1)a	N.A.	(20.7%)	(36.9%)	43.0%	(33.6%)	0.0%	(5.0%)	(5.0%)	(5.0%)
R&M % of Property Plant & Equipment	20(1)(vi)	9.1%	9.4%	8.8%	7.9%	8.5%	8.5%	8.0%	7.4%	6.8%
Asset renewal % of capital budget	20(1)(vi)	48.6%	49.7%	27.1%	22.3%	27.5%	28.4%	27.3%	22.6%	24.9%

2.6.4.1 Cash/cash equivalent position

A positive cash position is shown over the forecasted 2019/20 MTREF, indicating that the medium term budget is affordable and sustainable. The cash position is as a result of a favourable opening cash balance.

2.6.4.2 Cash plus investment less application of funds

This measure shows how a municipality applies its available cash and investments. Total of cash plus investment less applications is more than the commitments for each corresponding year of the 2019/20 MTREF which shows that the City is able to afford its commitments over the medium term.

2.6.4.3 Monthly average payments covered by cash or cash equivalents

This measure outlines the level of financial risk, should the municipality be under stress, i.e. it indicates the number of times average monthly payments are covered. This ratio outcome averages 1.3% over the MTREF. The City's cash and cash equivalent position is assessed annually to ensure financial sustainability.

2.6.4.4 Surplus/deficit excluding depreciation offsets

The purpose of this measure is to highlight whether revenue levels are sufficient to conclude that the community is making a significant contribution towards the municipal resources consumed each year. The outcome shows a surplus over the MTREF, which means that the community is making an adequate contribution towards the economic benefits being consumed by the City.

2.6.4.5 Property rates/service charge revenue as a percentage increase less macro inflation target

This measure tests whether the municipality is contributing appropriately to the achievement of the national inflation targets.

The ratio outcome shows an overall reduction of 3.3% for 2019/20. This reduction is mainly due to revenue base adjustments made in the 2018/19 adjustment budget (January 2019) considering financial performance and water consumption levels. The increases below discuss the average revenue parameters applied for services over the MTREF.

- Rates

The revenue parameter for Property Rates over the 2019/20 MTREF is at levels below the upper limit of the inflation target range. The low increase was as a result of various corporate initiatives proposed to reduce cost and reprioritise budgets.

- **Electricity**
Due to the implementation of corporate cost savings measures the revenue increase for Electricity was kept at levels lower than the projected Eskom increases for the MTREF. The Electricity average revenue increase projected over the 2019/20 MTREF is 8.88%, 11.25% and 10.77%, respectively.
The higher than CPI increase is as a result of the bulk purchases cost, declining Electricity sales, business enhancement initiatives, investment in new infrastructure and other higher than CPI cost.
- **Water and Sanitation**
The average revenue increases for Water and Sanitation is projected at 9% for 2019/20, 15% and 19.8 % for the two outer years of the MTREF respectively. No increase to fixed basic charge is proposed for the 2019/20 financial year.
Higher than CPI increase are proposed for Water and Sanitation and are due to various factors which include the following:
 - Expenditure requirements for the New Water Programme to ensure sustainable and resilient provision of water. Initiatives include the further investment in underground extraction from aquifers and cost of temporary desalination plants;
 - Water demand management initiatives to limit the abuse of water;
 - The continued investment in asset replacement programmes to ensure proper asset management and in the repairs and maintenance programme;
 - Ensuring and maintaining required standard compliance; and
 - Supplying water and sanitation at appropriate compliance, capacity, skills, service delivery and responsiveness levels.
- **Refuse Removal**
Solid Waste consists of 3 services of which two are tariff-funded and one funded by Property Rates. The tariff-funded services consist of Disposal and Refuse.
Refuse is the revenue received for the removal of waste from residential and non-residential properties. The Refuse average increase is 5.00% for 2019/20 and 6.00% annually for the two outer years. The average increase will allow, amongst other, the service to comply with the National Environment Management Waste Act (NEMWA) waste minimisation requirements by increasing the removal of recycling at the source and upgrading the solid waste drop off facilities and depots.
Disposal is the revenue received for the disposal of waste from residential and non-residential properties. The disposal average increase for 2019/20 is 5.00% whereas the increases for the two outer years are 11.50% and 13.50% respectively. This increase is required for the continued operational requirement of the service and for the capital investment on new, replacement and renewed assets. The capital investment includes the introduction of mini recovery facilities, development of landfill infrastructure, development and upgrading of transfer stations and plant replacement.

2.6.4.6 Cash receipts as a percentage of ratepayer and other revenue

This is a macro measure of the rate at which funds are 'collected'. The expected purpose of this measure is to analyse an underlying assumed collection rate. The ratio outcome for 2019/20 is 92.8% improving to 93.6% in 2021/22. This collection ratio is deemed realistic, due to new initiatives to improve revenue collections.

2.6.4.7 Debt impairment expense as a percentage of billable revenue

To measure whether the provision for debt impairment is being adequately funded and is based on the underlying assumption that the provision for debt impairment has to be increased to offset under-collection. This ratio is consistent with the forecasted average debt collection rate.

2.6.4.8 Capital payments percentage of capital expenditure

The purpose of this measure is to understand whether the timing of payments is being taken into consideration when forecasting the cash position. A lower than 100% ratio is shown over the forecasted MTREF, due to capital funding sources projected at 90% in the cash flow. This projection is based on previous years' capital expenditure trends.

2.6.4.9 Borrowing as a percentage of capital expenditure (excluding transfers, grants and contributions)

The purpose of this measure is to determine the proportion of a municipality's 'own-funded' capital expenditure budget that is being funded from borrowed funds. The City's long term borrowing is done in terms of chapter 6 of the MFMA, where a long term loan will only be entered into if it's affordable and sustainable. The ratio shows an average outcome of 30% over the MTREF, showing that the City is borrowing less than capital expenditure, therefore sustainable and compliant to the MFMA. The lower ratio outcome is due to the reduction in borrowings as a result of reviewing the City's cash position.

2.6.4.10 Transfers/grants revenue as a percentage of Government transfers/grants available

The purpose of this measure is to ensure that all available transfers from all spheres of government have been included in the budget. The City's budget was compiled using the 2019 DORA and 2019/20 MTREF gazetted Provincial Government allocations.

This ratio outcome is overstated due to the Fuel levy being included in grants and subsidies on MBRR Table A4 but not on the grant information on MBRR Table SA10 used for the ratio. The ratio outcome excluding the fuel levy will equate to 101% for 2019/20.

This ratio outcome is due to the following:

- Interest of previous years' grants included; and
- Funding received from the Department of Environmental Affairs and Tourism not included in the DORA

2.6.4.11 Consumer debtors change (current and non-current)

The purpose of this measure is to ascertain whether budgeted reductions in outstanding debtors are realistic. The increase in this ratio is driven by the increase in consumer debtors, other debtors and long term receivables.

2.6.4.12 Long term receivables % change

Long term receivables include 'arrangement debtors' to be paid by the debtor over an extended period of time. Long term receivable is projected to reduce by an average of 5% annually over the MTREF.

2.6.4.13 Repairs and maintenance expenditure level

This ratio is to indicate whether sufficient provision is made, in respect of repairs and maintenance for property, plant and equipment. This ratio outcome averages 7.4% over the MTREF which is lower than the National Treasury benchmark of 8%. The lower ratio outcome is as a result of the reprioritisation of the budget and the high investment in new assets to provide for additional water supply. New infrastructure would not require immediate repairs and maintenance.

2.6.4.14 Asset renewal % of capital budget

This measure focuses on the credibility of the levels of asset renewal plans. The objective is to summarise and understand the proportion of budgets being provided for new assets, as well as asset sustainability.

Renewal of existing assets is split between renewal of existing assets and upgrading of existing assets. This ratio therefore only takes into consideration the renewal of existing assets portion over the total capital budget and shows an outcome averaging 24.9% over the MTREF. Considering both renewal and upgrading of existing assets as a percentage of total capital budget will yield an average outcome of 48% over the MTREF. The lower ratio outcome is as a result of the high investment in new assets to provide for, amongst other, new water supply initiatives

2.7 Ward Allocations

It is proposed that the City allocates budgetary resources for projects, programmes or other initiatives' application at subcouncil level. While these resources will be spent by line departments, subcouncils identify and recommend ward allocation adoption (following sundry internal line departmental input and liaison) by MayCo and Council.

The City has 116 demarcated wards, which form part of 24 subcouncils. These subcouncils serve the residents by engaging with them on municipal issues.

The total allocation to each ward was previously R850 000. For the 2019/20 budget, this amount will be increased to R1 million per ward, which may be spent on either capital- or operating projects/programmes.

A ward allocation project must form part of the core business activities and assets of the lead department and must be aligned with the SDBIP of the directorate. Ward allocation projects must, as far as possible, be completed within the financial year in which they are approved. However, unspent capital funds may be rolled over to the next financial year, where compelling reasons exist for such roll-over.

2.8 Expenditure on transfers and grant programmes

Table 51 MBRR Table SA19 - Expenditure on transfers and grant programmes

Description R thousand	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Operating expenditure of Transfers and Grants									
National Government:	4 463 387	4 564 239	5 212 873	5 822 618	6 030 549	6 030 549	6 273 080	6 432 585	6 858 531
Local Government Equitable Share	1 809 797	2 012 945	2 292 908	2 574 650	2 574 650	2 574 650	2 815 558	3 081 195	3 377 636
Finance Management grant	1 050	1 050	1 050	1 000	1 000	1 000	1 000	1 000	1 000
Urban Settlements Development Grant	171 610	41 560	49 009	204 792	224 495	224 495	186 298	182 842	171 798
Energy Efficiency and Demand Side Management Grant	424	568	186	600	700	700	600	950	–
Dept. of Environ Affairs and Tourism	4 613	5 868	6 236	–	20 652	20 652	10 598	–	–
Expanded Public Works Programme	23 216	31 340	13 783	23 266	23 266	23 266	32 877	–	–
Integrated City Development Grant	2 915	6 290	(4 933)	7 622	9 478	9 478	6 854	8 388	8 388
Public Transport Infrastructure & Systems Grant	20 998	32 413	30 666	48 812	58 623	58 623	37 183	50 660	53 271
Infrastructure Skills Development	6 932	7 365	9 614	12 605	13 005	13 005	13 605	15 435	17 000
Public Transport Network Grant	283 209	232 093	396 719	391 135	546 544	546 544	554 849	381 388	354 460
Public Transport Infrastructure Grant	(83)	–	–	–	–	–	–	–	–
Public Transport Network Operations Grant	58 569	(5 183)	–	–	–	–	–	–	–
Municipal Human Settlements Capacity Grant	18 743	–	–	–	–	–	–	–	–
Neighbourhood Development Partnership Grant	–	–	–	–	–	–	3 600	3 600	6 000
Department of Environmental Affairs and Tourism	–	–	–	–	–	–	–	–	–
Informal Settlements Upgrading Partnership Grant	–	–	–	–	–	–	39 572	42 411	64 479
Department of Public Service and Administration	1 183	190	–	–	–	–	–	–	–
Provincial Government:	940 269	990 337	1 010 860	967 719	1 291 191	1 291 191	1 088 633	1 274 760	1 278 028
Cultural Affairs and Sport - Provincial Library Services	32 142	37 626	37 344	47 347	50 547	50 547	47 062	49 046	61 867
Cultural Affairs and Sport - Library Services: Transfer funding to enable City of Cape Town to procure periodicals and newspapers	–	–	4 498	4 770	4 954	4 954	5 150	5 281	5 530
Cultural Affairs and Sport - Library Services: Metro Grant	147	–	–	–	–	–	–	–	–
Human Settlements - Human Settlement Development Grant	428 773	424 143	413 409	333 550	601 254	601 254	392 430	540 035	496 500
Human Settlements - Municipal Accreditation Assistance	6 584	6 111	6 089	5 000	3 915	3 915	–	–	–
Human Settlement - Settlement Assistance	–	697	766	1 500	1 500	1 500	1 500	1 500	1 500
Health - TB	24 535	25 626	27 604	53 063	29 095	29 095	65 227	83 728	102 567
Health - ARV	162 829	179 967	217 701	224 414	234 191	234 191	257 047	273 756	291 550
Health - Nutrition	4 169	4 733	5 200	5 928	5 928	5 928	6 248	6 596	6 952
Health - Vaccines	71 152	80 874	96 299	86 899	101 499	101 499	91 661	91 661	91 661
Comprehensive Health	167 547	188 649	160 593	173 489	182 857	182 857	173 489	173 489	173 489
Transport and Public Works - Provision for persons with special needs	10 112	10 089	10 312	10 000	13 690	13 690	10 000	10 000	10 000
Economic Development and Tourism: Public Access Centres	43	–	–	–	–	–	–	–	–
Cultural Affairs and Sport - Three Anch or Bay Tennis Court	1 196	–	–	–	–	–	–	–	–
Planning, Maintenance and Rehabilitation of Transport Systems and Infrastructure	7 527	5 674	2 158	–	–	–	–	–	–
Community Safety - Law Enforcement Auxiliary Services	21 715	25 620	28 255	3 938	6 123	6 123	4 159	4 388	4 629
Appointment, Training , Equipping and Operationalisation of School Resource Officers	–	–	–	345	390	390	–	–	–
Community Development Workers	1 446	469	402	886	948	948	–	–	–
Finance Management Capacity Building Grant	–	–	–	360	613	613	380	–	–
Provincial Government: Financial Management Support Grant	303	4	230	230	230	230	230	–	–
Provincial Contribution towards addressing Natural Disasters	–	–	–	–	2 500	2 500	–	–	–
Transport Safety and Compliance - Rail Safety	48	56	–	16 000	16 000	16 000	17 000	18 000	19 000
Aerial support fire suppression	–	–	–	–	5 000	5 000	–	–	–
Establishment and Support K9 unit	–	–	–	–	3 000	3 000	2 300	2 530	2 783
Accreditation - Support - NHP	–	–	–	–	200	200	–	–	–
Human Settlements - Title deeds restoration	–	–	–	–	26 757	26 757	–	–	–
Municipal accreditation and capacity building grant	–	–	–	–	–	–	14 750	14 750	10 000

Table continues on next page

Description	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand									
Other grant providers:	29 326	34 628	21 686	13 271	47 463	47 463	14 855	–	–
Tourism	222	–	2 000	2 000	2 000	2 000	1 291	–	–
CMTF	–	1 811	4 414	–	13 500	13 500	2 000	–	–
CID	2 908	4 224	5 242	4 107	4 107	4 107	5 141	–	–
Century City Property Owners Association	553	782	837	–	–	–	–	–	–
LGSETA Post Graduate Learnership Programme	–	(3)	–	–	–	–	–	–	–
Traffic Free Flow (PTY) Ltd	1 123	644	–	539	539	539	580	–	–
Westcott Primary	–	38	41	43	43	43	43	–	–
Airports Company South Africa SOC Ltd	–	1 333	1 333	1 333	1 333	1 333	–	–	–
Rockefeller Philanthropy Advisor's Inc	–	–	1 033	1 448	1 448	1 448	–	–	–
V&A Waterfront Holdings (Pty) Ltd	268	291	772	853	853	853	891	–	–
The South African Breweries	–	244	1 093	–	2 801	2 801	–	–	–
Bayside	–	–	486	–	594	594	556	–	–
Big Bay	–	–	308	396	396	396	–	–	–
Long Street law Enforcement	–	–	–	1 583	1 583	1 583	1 583	–	–
University of Connecticut	–	–	14	–	–	–	–	–	–
DBSA Green Fund	22 550	24 110	3 339	–	–	–	–	–	–
Sustainable Energy Africa	–	187	–	967	697	697	274	–	–
Mamre Fencing	17	–	–	–	–	–	–	–	–
Carnegie	846	–	–	–	–	–	–	–	–
Prasa	–	–	–	–	16 000	16 000	–	–	–
Marine Circle Rent-A-Cop	–	–	–	–	206	206	569	–	–
GRAND CHINA	–	–	–	–	200	200	396	–	–
Bergvliet High Part-time Trfc Attendant	–	–	–	–	29	29	–	–	–
CCID - Traffic Wardnes	–	–	–	–	864	864	902	–	–
Green Point Law Enforcement	–	–	–	–	198	198	586	–	–
Part Time Trfc Attend: Rustenberg Girls	–	38	41	–	43	43	43	–	–
PopART -Stellenbosch University	839	929	733	–	28	28	–	–	–
Total operating expenditure of Transfers and Grants:	5 432 982	5 589 203	6 245 419	6 803 608	7 369 202	7 369 202	7 376 568	7 707 345	8 136 559
Capital expenditure of Transfers and Grants									
National Government:	1 974 475	1 959 167	1 699 597	2 015 146	2 510 069	2 165 976	2 189 348	2 961 322	3 547 884
Co-operative Governance: Emergency Disaster Relief Grant	–	–	20 813	–	–	–	–	–	–
Minerals and Energy: Energy Efficiency and Demand Side Management Grant	11 217	14 400	7 435	9 400	9 300	9 300	10 465	14 050	10 000
Minerals and Energy: Integrated National Electrification Programme (Municipal) Grant	4 997	–	2 739	10 000	12 234	12 234	–	–	–
National Government - Other: Previous years' Dora allocations	–	–	–	–	200	200	50	50	50
National Treasury: Environmental Affairs: Terrestrial	–	–	–	–	644	644	–	–	–
National Treasury: Environmental Affairs: Special Projects	–	–	–	–	574	574	–	–	–
National Treasury: Environmental Affairs: Wetland	–	–	–	–	508	–	–	–	–
National Treasury: Expanded Public Works Programme	454	400	400	1 000	1 000	1 000	–	–	–
National Treasury: Informal Settlements Upgrading Partnership Grant: Municipalities	–	–	–	–	–	–	276 803	271 226	396 090
National Treasury: Infrastructure Skills Development Grant	497	989	986	1 000	600	600	–	–	–
National Treasury: Integrated City Development Grant	51 365	35 756	50 045	56 740	55 618	54 555	48 533	51 704	56 009
National Treasury: Local Government Restructuring Grant	100	–	128	600	1 170	1 170	250	100	40
National Treasury: Municipal Human Settlements Capacity Grant	465	–	–	–	–	–	–	–	–
National Treasury: Municipal Disaster Grant	–	–	74 383	–	37 134	37 134	–	–	–
National Treasury: Municipal Disaster Recovery Grant	–	–	–	–	553 050	331 000	–	–	–
National Treasury: Neighbourhood Development Partnership Grant	38 179	23 802	2 071	–	7 300	7 300	26 400	26 400	44 000
National Treasury: Public Transport Network: Budget Facility for	–	–	–	–	33 000	33 000	354 000	1 045 000	1 433 000
National Treasury: Urban Renewal	644	2 194	–	–	–	–	–	–	–
National Treasury: Urban Settlements Development Grant	1 080 570	1 252 464	1 029 238	1 279 998	1 260 295	1 184 449	1 070 051	1 093 226	1 059 128
Transport: Public Transport Infrastructure & Systems Grant	(55 622)	22 681	–	2 021	1 200	1 200	–	–	–
Transport: Public Transport Infrastructure Grant	407 069	(33 331)	(831)	–	–	–	–	–	–
Transport: Public Transport Network Grant	434 540	639 812	512 190	654 387	536 241	491 616	402 796	459 567	549 567

Table continues on next page

Description R thousand	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Provincial Government:	157 062	46 130	33 287	52 750	26 227	23 711	22 038	82 505	60 630
Provincial Government: Community Safety: Training and Equipment for Volunteers: Law Enforcement Service (LEAS)	–	–	–	–	770	770	–	–	–
Cultural Affairs and Sport: Library Services (Conditional Grant)	9 140	14 078	15 208	1 600	3 640	3 640	–	–	–
Cultural Affairs and Sport: Library Services: Metro Library	3 938	8 512	9 958	10 000	11 704	11 184	10 000	10 550	11 130
Cultural Affairs and Sport: Three Anchor Bay Tennis Court	126	–	–	–	–	–	–	–	–
Cultural Affairs and Sport: Delt Sportsfield Development	–	20	–	–	–	–	–	–	–
Economic Development and Tourism: Public Access Centres	50	127	–	–	–	–	–	–	–
Provincial Government: Fibre Optic Broadband Roll Out	10 181	–	–	–	–	–	–	–	–
Housing: Integrated Housing and Human Settlement Development Grant	115 556	2 268	8 030	41 000	10 050	8 053	11 788	71 705	49 500
Provincial Government: Community Development Workers (CDW) Operational Grant Support	291	150	91	150	63	63	–	–	–
Provincial government: Transport Safety and Compliance - Rail Safety	406	256	–	–	–	–	–	–	–
Transport and Public Works: Cape Metropolitan Transport Fund	333	–	–	–	–	–	–	–	–
Transport and Public Works: Planning, Maintenance and Rehabilitation of Transport System and Infrastructure	17 041	15 219	–	–	–	–	–	–	–
Provincial Government: Municipal Accreditation and Capacity Building Grant	–	–	–	–	–	–	250	250	–
Macassar Treatment Works	–	5 500	–	–	–	–	–	–	–
Other grant providers:	61 488	71 882	72 541	76 200	54 526	52 074	53 700	56 700	57 000
Other: Other	61 488	71 882	72 541	76 200	54 526	52 074	53 700	56 700	57 000
Total capital expenditure of Transfers and Grants	2 193 025	2 077 179	1 805 424	2 144 096	2 590 822	2 241 761	2 265 085	3 100 527	3 665 514
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	7 626 007	7 666 382	8 050 843	8 947 703	9 960 024	9 610 963	9 641 654	10 807 872	11 802 072

2.9 Allocations and grants made by the municipality

Transfers and Grants are allocations made to outside organisations or bodies from the City's approved budget. These allocations are gratuitous or unrequited transfers by the City to the grantee organisations and are not payments made in compliance with any commercial or other business transaction. All transfers and grants are disbursed in terms of section 67 of the Municipal Finance Management Act. Application in respect of section 67 grant and grant-in aid allocations are approved by the City's Grants Committee and event-related sponsorships by the Executive Mayor as per the City's System of Delegations.

The Grant Committee approves grants applications in terms of the City's Grant Policy and the members of the committee are officials of the City appointed by the CFO. The Committee will co-ordinate, administer, and control the Screening Process in respect of applications recommended by line departments & sub-councils to ensure that all recommended grants comply with City's Grant Policy, the Constitution and relevant legislation.

An ad hoc committee facilitates the selection of events and recommends to the Executive Mayor the events, which the City may support in terms of the Integrated Development Plan (IDP) and Council's Events Policy. The members of the committee consist of specific councillors as identified by the Executive Mayor. The Committee meets as and when required.

Full disclosure on transfers and grants to external organisations by the City can be found in Annexure 20.

2.10 Councillor and Staff benefits

Table 52 MBRR Table SA22 – Summary of councillor and staff benefits

Summary of Employee and Councillor remuneration	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand									
Councillors (Political Office Bearers plus Other)									
Basic Salaries and Wages	117 484	122 846	139 878	147 923	137 980	137 980	146 004	155 107	164 491
Pension and UIF Contributions	5 051	4 115	–	–	5 413	5 413	5 992	6 085	6 453
Medical Aid Contributions	–	–	–	–	–	–	–	–	–
Motor Vehicle Allowance	–	–	–	–	7 252	7 252	601	638	676
Cellphone Allowance	7 459	4 903	6 977	10 038	8 486	8 486	8 996	9 540	10 117
Housing Allowances	–	–	–	–	–	–	–	–	–
Other benefits and allowances	4 643	6 510	8 068	11 679	10 508	10 508	18 225	19 327	20 497
Sub Total - Councillors	134 637	138 374	154 923	169 640	169 639	169 639	179 818	190 697	202 234
% increase		2.8%	12.0%	9.5%	(0.0%)	–	6.0%	6.1%	6.0%
Senior Managers of the Municipality									
Basic Salaries and Wages	20 347	30 689	23 508	28 128	28 704	28 704	27 879	30 277	32 880
Pension and UIF Contributions	1 359	1 499	1 780	2 172	1 848	1 848	4 379	4 756	5 165
Medical Aid Contributions	215	160	118	164	164	164	136	147	160
Overtime	–	–	–	–	–	–	–	–	–
Performance Bonus	–	–	–	–	–	–	–	–	–
Motor Vehicle Allowance	568	382	412	442	442	442	439	476	517
Cellphone Allowance	122	115	120	194	177	177	292	317	344
Housing Allowances	–	–	–	–	–	–	–	–	–
Other benefits and allowances	74	103	172	82	82	82	61	65	71
Payments in lieu of leave	408	1 617	438	–	–	–	–	–	–
Long service awards	–	–	–	–	–	–	–	–	–
Post-retirement benefit obligations	–	–	–	–	–	–	–	–	–
Sub Total - Senior Managers of Municipality	23 093	34 565	26 548	31 182	31 417	31 417	33 186	36 038	39 137
% increase		49.7%	(23.2%)	17.5%	0.8%	–	5.6%	8.6%	8.6%
Other Municipal Staff									
Basic Salaries and Wages	6 141 121	5 961 231	7 472 534	8 946 536	8 486 183	8 449 244	9 671 214	10 457 297	11 307 664
Pension and UIF Contributions	990 173	1 068 818	1 157 975	1 666 537	1 350 127	1 349 396	1 713 911	1 856 385	2 016 026
Medical Aid Contributions	598 170	660 098	702 198	752 518	752 539	752 539	823 574	894 813	971 767
Overtime	463 125	546 810	602 119	517 090	591 815	591 630	606 267	607 472	607 472
Performance Bonus	–	–	–	–	–	–	–	–	–
Motor Vehicle Allowance	192 294	191 177	194 044	220 701	221 852	221 624	225 780	243 118	264 026
Cellphone Allowance	14 175	16 599	17 853	23 853	24 045	23 980	24 352	26 155	28 405
Housing Allowances	53 086	56 862	59 361	64 402	64 561	64 403	65 440	71 100	77 215
Other benefits and allowances	202 164	221 898	242 503	236 358	238 526	238 692	238 893	259 450	281 652
Payments in lieu of leave	77 380	675 494	144 677	134 139	139 522	139 287	97 768	106 002	115 110
Long service awards	45 786	23 642	179	79 206	75 932	76 066	86 529	95 073	103 249
Post-retirement benefit obligations	588 288	229 302	274 623	247 593	547 593	547 593	261 187	274 376	288 232
Sub Total - Other Municipal Staff	9 365 762	9 651 931	10 868 066	12 888 933	12 492 695	12 454 454	13 814 914	14 891 243	16 060 817
% increase		3.1%	12.6%	18.6%	(3.1%)	(0.3%)	10.9%	7.8%	7.9%
TOTAL SALARY, ALLOWANCES & BENEFITS	9 523 492	9 824 870	11 049 537	13 089 755	12 693 751	12 655 510	14 027 918	15 117 978	16 302 188
% increase		3.2%	12.5%	18.5%	-3.0%	(0.3%)	10.8%	7.8%	7.8%
TOTAL MANAGERS AND STAFF	9 388 855	9 686 496	10 894 614	12 920 115	12 524 112	12 485 871	13 848 100	14 927 281	16 099 954

Table 53 MBRR Table SA23 - Salaries, allowances and benefits (political office bearers/councillors/senior officials) for the 2019/20 financial year

Disclosure of Salaries, Allowances & Benefits	No.	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum							
<u>Councillors</u>							
Speaker	1	926 716	127 123	145 326			1 199 165
Chief Whip	1	1 088 856	–	43 248			1 132 104
Executive Mayor	1	1 431 265	–	43 248			1 474 513
Deputy Executive Mayor	1	1 028 794	127 123	43 248			1 199 165
Executive Committee	10	10 309 552	505 488	506 003			11 321 043
Total for all other councillors	217	131 218 909	5 232 511	27 040 673			163 492 093
Total Councillors	231	146 004 093	5 992 245	27 821 746			179 818 084
<u>Senior Managers of the Municipality</u>							
Municipal Manager (MM)	1	3 161 315	383 005	28 375	–		3 572 695
Chief Finance Officer	1	2 726 660	279 644	109 841	–		3 116 145
Executive Director: Community Services and Health	1	2 695 804	396 491	23 958	–		3 116 253
Executive Director: Corporate Services	1	2 757 797	334 498	23 958	–		3 116 145
Executive Director: Economic Opportunities and Asset Management	1	1 855 342	242 169	160 044	–		2 257 555
Executive Director: Energy and Climate Control	1	2 231 578	2 019	23 958	–		2 257 555
Executive Director: Human Settlements	1	1 269 362	840 130	23 958	–		2 133 450
Executive Director: Safety and Security	1	2 652 251	337 857	126 145	–		3 116 253
Executive Director: Spatial Planning and Environment	1	1 269 362	840 130	23 958	–		2 133 450
Executive Director: Transport	1	3 090 276	2 019	23 958	–		3 116 253
Executive Director: Urban Management	1	1 269 362	840 130	23 958	–		2 133 450
Executive Director: Water and Waste	1	2 899 857	77 927	138 469	–		3 116 253
Total Senior Managers of the Municipality	12	27 878 966	4 576 019	730 580	–		33 185 457
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION	243	173 883 059	10 568 264	28 552 326	–		213 003 541

Table 54 MBRR Table SA24 - Summary of personnel numbers

Summary of Personnel Numbers Number	2017/18			Current Year 2018/19			Budget Year 2019/20		
	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
Municipal Council and Boards of Municipal Entities									
Councillors (Political Office Bearers plus Other Councillors)	231	–	231	231	–	231	231	–	231
Board Members of municipal entities	–	–	–	–	–	–	–	–	–
Municipal employees									
Municipal Manager and Senior Managers	11	–	11	12	–	12	12	–	12
Other Managers	914	910	4	1 004	989	15	1 008	1 003	5
Professionals	1 441	1 397	44	1 310	1 267	43	1 455	1 367	88
<i>Finance</i>	77	77	–	99	98	1	98	98	–
<i>Spatial/town planning</i>	68	68	–	63	63	–	60	60	–
<i>Information Technology</i>	79	72	7	75	75	–	86	85	1
<i>Roads</i>	44	42	2	34	32	2	42	38	4
<i>Electricity</i>	124	124	–	122	121	1	128	126	2
<i>Water</i>	201	182	19	148	146	2	218	182	36
<i>Sanitation</i>	–	–	–	–	–	–	–	–	–
<i>Refuse</i>	14	14	–	18	18	–	16	16	–
<i>Other</i>	834	818	16	751	714	37	807	762	45
Technicians	4 019	3 888	131	4 388	4 253	135	4 306	4 175	131
<i>Finance</i>	123	123	–	158	157	1	160	159	1
<i>Spatial/town planning</i>	185	185	–	193	193	–	186	186	–
<i>Information Technology</i>	298	280	18	425	395	30	437	412	25
<i>Roads</i>	60	57	3	65	59	6	60	57	3
<i>Electricity</i>	313	312	1	362	358	4	333	330	3
<i>Water</i>	352	322	30	442	400	42	422	391	31
<i>Sanitation</i>	–	–	–	–	–	–	–	–	–
<i>Refuse</i>	80	80	–	94	94	–	96	96	–
<i>Other</i>	2 608	2 529	79	2 649	2 597	52	2 612	2 544	68
Clerks (Clerical and administrative)	7 060	7 023	37	7 272	7 107	165	7 278	7 115	163
Service and sales workers	4 026	3 613	413	4 436	3 949	487	4 210	3 844	366
Skilled agricultural and fishery workers	–	–	–	–	–	–	–	–	–
Craft and related trades	2 756	2 756	–	2 745	2 745	–	2 768	2 768	–
Plant and Machine Operators	3 751	3 744	7	3 840	3 833	7	3 848	3 839	9
Elementary Occupations	5 759	5 754	5	5 827	5 819	8	5 851	5 846	5
TOTAL PERSONNEL NUMBERS	29 968	29 085	883	31 065	29 962	1 103	30 967	29 957	1 010
% increase	–	–	–	3.7%	3.0%	24.9%	(0.3%)	(0.0%)	(8.4%)
Total municipal employees headcount	26 855	26 435	420	26 465	25 720	745	27 123	26 478	645
Finance personnel headcount	1 578	1 576	2	1 570	1 569	1	1 690	1 687	3
Human Resources personnel headcount	376	374	2	343	333	10	373	360	13

2.11 Monthly targets for revenue, expenditure and cash flow

Table 55 MBRR Table SA25 - Budgeted monthly revenue and expenditure

Description R thousand	Budget Year 2019/20												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Revenue By Source															
Property rates	826 390	826 390	826 390	826 390	826 390	826 390	826 390	826 390	826 390	826 390	826 390	826 395	9 916 685	10 517 014	11 045 428
Service charges - electricity revenue	1 189 162	1 237 532	1 159 602	1 216 138	1 112 136	1 065 904	1 095 732	1 014 500	1 106 793	1 058 240	1 220 139	1 147 268	13 623 146	15 187 931	16 826 227
Service charges - water revenue	246 214	246 204	246 269	273 444	274 957	297 664	310 740	297 467	274 824	252 000	246 019	246 215	3 212 017	3 838 969	4 593 963
Service charges - sanitation revenue	117 942	117 932	124 624	134 237	140 674	151 797	153 165	142 832	129 415	119 984	117 901	118 097	1 568 599	2 014 201	2 409 460
Service charges - refuse revenue	107 203	107 203	107 203	107 203	107 203	107 203	107 203	107 203	107 203	107 203	107 203	107 203	1 286 433	1 378 065	1 481 432
Rental of facilities and equipment	26 277	24 953	27 047	27 022	27 006	27 003	24 979	24 979	24 979	24 979	24 979	27 579	311 781	327 597	343 990
Interest earned - external investments	76 041	76 041	76 041	76 041	76 041	76 041	76 041	76 041	76 041	76 041	76 041	76 041	912 495	930 613	1 022 317
Interest earned - outstanding debtors	30 595	31 231	30 871	33 213	32 348	32 565	33 912	32 565	32 348	30 389	30 389	30 389	380 814	425 792	489 054
Dividends received	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits	98 677	98 671	98 671	98 675	98 776	98 779	98 883	98 782	98 883	98 883	98 883	98 888	1 185 453	1 211 026	1 205 439
Licences and permits	6 879	6 553	6 754	9 265	7 633	5 449	5 399	6 857	6 857	6 857	6 857	6 857	82 218	86 371	90 732
Agency services	18 139	18 139	18 139	18 139	18 139	18 139	18 139	18 139	18 139	18 139	18 139	18 139	217 672	245 412	254 598
Transfers and subsidies	324 822	1 172 653	316 879	317 919	319 077	1 174 699	317 600	336 896	1 225 227	373 433	371 771	1 125 592	7 376 568	7 707 345	8 136 559
Other revenue	65 145	67 200	66 561	67 565	66 982	66 936	66 019	66 309	67 289	66 900	66 003	71 427	804 335	858 245	894 621
Gains on disposal of PPE	3 436	3 436	3 436	3 436	3 436	3 436	3 436	3 436	3 436	3 436	3 436	5 936	43 732	43 732	43 732
Total Revenue (excluding capital transfers and contributions)	3 136 921	4 034 140	3 108 487	3 208 687	3 110 798	3 952 006	3 137 640	3 052 397	3 997 823	3 062 875	3 214 150	3 906 026	40 921 950	44 772 315	48 837 552

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Description R thousand	Budget Year 2019/20												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Expenditure By Type															
Employee related costs	1 054 149	1 097 087	1 100 433	1 102 156	1 504 283	1 111 553	1 101 817	1 121 506	1 120 402	1 119 968	1 121 476	1 262 975	13 817 805	14 894 366	16 064 208
Remuneration of councillors	14 985	14 985	14 985	14 985	14 985	14 985	14 985	14 985	14 985	14 985	14 985	14 985	179 818	190 697	202 234
Debt impairment	189 075	189 075	189 075	196 711	197 132	203 621	207 235	203 621	197 132	190 801	189 075	189 075	2 341 628	2 343 143	2 529 692
Depreciation & asset impairment	245 486	245 486	245 486	245 486	245 486	245 486	245 486	245 486	245 486	245 486	245 486	314 739	3 015 086	3 259 139	3 493 178
Finance charges	65 635	65 638	65 633	65 632	65 636	67 658	65 638	65 687	65 638	65 638	65 638	66 683	790 756	921 279	1 304 856
Bulk purchases	91 969	1 206 453	1 222 120	729 314	753 617	714 099	679 678	727 355	671 536	717 385	691 632	1 887 445	10 092 601	11 473 833	12 575 400
Other materials	95 220	124 972	125 172	138 658	135 382	103 619	98 554	105 603	105 882	110 894	175 091	292 718	1 611 763	1 592 986	1 633 236
Contracted services	256 026	371 962	422 678	591 928	505 343	488 730	524 846	590 970	621 315	645 050	676 560	1 461 088	7 156 498	6 838 036	7 164 620
Transfers and subsidies	9 274	13 193	15 884	15 876	16 646	27 574	31 209	19 582	14 339	13 576	12 759	256 294	446 206	544 944	491 532
Other expenditure	129 146	214 526	165 673	206 768	188 091	167 864	182 181	181 224	175 256	170 786	187 330	357 853	2 326 698	2 488 676	2 694 163
Loss on disposal of PPE	9	68	37	115	115	132	103	23	23	23	23	82	756	794	834
Total Expenditure	2 150 973	3 543 446	3 567 174	3 307 631	3 626 716	3 145 321	3 151 733	3 276 042	3 231 994	3 294 593	3 380 056	6 103 937	41 779 617	44 547 894	48 153 952
Surplus/(Deficit)	985 948	490 694	(458 687)	(98 944)	(515 919)	806 685	(14 093)	(223 645)	765 830	(231 718)	(165 906)	(2 197 911)	(857 667)	224 421	683 600
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	14 933	60 929	134 043	117 941	111 252	116 216	84 099	136 073	181 537	193 978	315 754	744 630	2 211 385	3 043 827	3 608 514
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	3 342	3 992	3 792	4 742	4 442	2 842	2 842	3 442	3 792	5 442	6 442	8 592	53 700	56 700	57 000
Transfers and subsidies - capital (in-kind - all)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	1 004 222	555 615	(320 853)	23 738	(400 225)	925 743	72 848	(84 131)	951 159	(32 298)	156 290	(1 444 690)	1 407 418	3 324 948	4 349 114
Taxation	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Attributable to minorities	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit)	1 004 222	555 615	(320 853)	23 738	(400 225)	925 743	72 848	(84 131)	951 159	(32 298)	156 290	(1 444 690)	1 407 418	3 324 948	4 349 114

Table 56 MBRR Table SA26 - Budgeted monthly revenue and expenditure (municipal vote)

Description	Budget Year 2019/20												Medium Term Revenue and Expenditure Framework		
R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Revenue by Vote															
Vote 1 - Community Services & Health	64 172	64 212	66 691	68 255	76 117	73 288	72 628	82 510	84 573	95 519	85 480	140 743	974 189	1 069 806	1 163 854
Vote 2 - Corporate Services	5 266	6 446	6 551	6 239	6 273	6 771	5 480	5 480	6 001	5 506	5 509	6 002	71 523	64 758	68 813
Vote 3 - Economic Opportunities & Asset Managemnt	15 309	14 434	16 378	16 303	16 138	16 034	14 010	14 110	14 101	14 010	14 010	16 609	181 445	187 620	195 500
Vote 4 - Energy & Climate Change	1 202 188	1 251 845	1 174 355	1 231 932	1 127 569	1 078 973	1 108 564	1 027 933	1 120 575	1 073 673	1 236 571	1 240 529	13 874 705	15 439 096	17 126 241
Vote 5 - Finance	1 115 353	1 973 090	1 116 381	1 116 336	1 116 386	1 973 115	1 116 321	1 116 286	1 973 090	1 116 321	1 116 261	1 347 583	16 196 525	17 158 014	18 206 913
Vote 6 - Human Settlements	18 081	38 834	91 755	66 620	52 226	52 524	38 242	81 947	122 318	121 529	105 638	459 354	1 249 070	1 468 044	1 486 970
Vote 7 - Office of the City Manager	(12)	11	(2)	1	1	1	1	1	1	1	1	1	6	6	40
Vote 8 - Safety & Security	106 955	106 955	106 955	106 955	107 238	106 955	106 955	106 955	108 105	108 115	106 965	112 121	1 291 229	1 297 230	1 300 075
Vote 9 - Spatial Planning & Environment	11 848	13 766	13 766	13 685	13 666	13 666	13 408	13 306	12 147	12 147	12 147	22 855	166 410	152 828	162 158
Vote 10 - Transport	68 914	80 043	87 232	99 937	97 594	96 173	89 803	106 909	128 575	139 375	158 429	648 903	1 801 886	2 426 308	2 877 817
Vote 11 - Urban Management	20 425	20 306	20 314	20 366	20 370	20 091	20 103	20 103	20 103	20 103	20 103	79 380	301 769	284 507	314 261
Vote 12 - Water & Waste	526 696	529 119	545 946	584 740	592 915	633 471	639 064	616 371	593 563	555 995	675 230	585 167	7 078 278	8 324 623	9 600 425
Total Revenue by Vote	3 155 195	4 099 061	3 246 321	3 331 369	3 226 492	4 071 064	3 224 580	3 191 911	4 183 152	3 262 296	3 536 346	4 659 248	43 187 035	47 872 841	52 503 066
Expenditure by Vote															
Vote 1 - Community Services & Health	257 732	281 891	287 946	299 383	347 885	298 213	316 675	329 101	327 009	327 647	330 212	521 684	3 925 379	4 108 988	4 407 761
Vote 2 - Corporate Services	115 910	134 302	137 623	151 463	168 600	129 348	152 986	152 098	146 795	152 253	159 647	207 644	1 808 667	1 913 763	2 057 774
Vote 3 - Economic Opportunities & Asset Managemnt	78 250	80 664	89 262	104 793	101 662	87 276	85 659	100 914	100 866	109 243	108 911	320 710	1 368 210	1 425 104	1 526 629
Vote 4 - Energy & Climate Change	228 264	1 369 021	1 380 437	888 583	961 748	872 988	833 912	884 487	829 828	876 372	855 191	2 079 889	12 060 720	13 251 284	14 576 654
Vote 5 - Finance	221 763	283 644	240 555	252 551	292 070	244 880	237 861	238 734	239 678	237 924	234 750	280 008	3 004 417	3 227 264	3 759 822
Vote 6 - Human Settlements	69 999	74 767	71 545	71 993	79 485	78 529	107 249	95 672	118 145	114 731	116 507	470 189	1 468 810	1 690 950	1 726 302
Vote 7 - Office of the City Manager	21 503	15 936	16 736	15 660	35 252	16 372	15 769	19 494	19 196	18 912	19 155	23 575	237 561	219 189	236 864
Vote 8 - Safety & Security	258 650	290 821	291 513	297 062	362 262	278 865	270 829	283 175	274 515	259 438	331 754	399 671	3 598 555	3 768 118	3 971 962
Vote 9 - Spatial Planning & Environment	54 370	55 879	54 392	55 118	74 369	57 264	58 588	55 373	55 917	55 366	62 919	71 918	711 474	711 677	766 626
Vote 10 - Transport	172 630	186 704	216 911	353 032	302 579	264 181	258 013	289 164	305 273	321 491	337 771	671 554	3 679 302	3 700 711	3 862 248
Vote 11 - Urban Management	84 734	85 476	83 878	90 983	104 475	93 149	89 583	92 438	92 659	93 628	89 819	141 557	1 142 379	908 765	969 186
Vote 12 - Water & Waste	587 168	684 342	696 376	727 008	796 331	724 255	724 609	735 392	722 114	727 589	733 420	915 540	8 774 142	9 622 080	10 292 123
Total Expenditure by Vote	2 150 973	3 543 446	3 567 174	3 307 631	3 626 717	3 145 321	3 151 733	3 276 042	3 231 994	3 294 593	3 380 056	6 103 939	41 779 617	44 547 894	48 153 952
Surplus/(Deficit) before assoc.	1 004 222	555 615	(320 853)	23 738	(400 225)	925 743	72 848	(84 131)	951 158	(32 298)	156 290	(1 444 692)	1 407 418	3 324 948	4 349 114
Taxation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attributable to minorities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)	1 004 222	555 615	(320 853)	23 738	(400 225)	925 743	72 848	(84 131)	951 158	(32 298)	156 290	(1 444 692)	1 407 418	3 324 948	4 349 114

Table 57 MBRR Table SA27 - Budgeted monthly revenue and expenditure (functional classification)

Description	Budget Year 2019/20												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Revenue - Functional															
Governance and administration	1 038 940	1 894 608	1 040 015	1 043 186	1 042 695	1 897 002	1 036 681	1 040 166	1 896 751	1 039 427	1 040 487	1 366 978	15 376 936	16 332 322	17 299 713
Executive and council	25	25	25	25	25	25	25	25	25	25	25	25	299	314	330
Finance and administration	1 038 926	1 894 572	1 039 992	1 043 160	1 042 669	1 896 977	1 036 656	1 040 141	1 896 725	1 039 402	1 040 462	1 366 953	15 376 634	16 332 005	17 299 347
Internal audit	(12)	11	(3)	1	1	1	1	1	1	1	1	1	3	3	36
Community and public safety	171 615	176 866	201 341	191 329	182 927	182 132	178 061	198 913	234 264	254 959	218 360	1 087 798	3 278 566	3 533 048	3 667 227
Community and social services	5 980	6 030	6 507	6 080	8 035	6 720	6 262	10 589	13 083	8 318	8 679	39 367	125 649	135 834	197 122
Sport and recreation	3 913	3 866	3 876	3 876	3 876	3 881	3 881	3 881	3 881	3 881	3 881	20 898	63 591	57 770	63 612
Public safety	101 856	101 856	101 856	101 856	102 138	101 856	101 856	101 856	103 006	103 006	101 856	115 313	1 238 308	1 241 637	1 241 676
Housing	29 164	34 412	58 399	48 814	38 174	38 972	34 609	49 984	80 391	99 160	67 841	794 145	1 374 066	1 599 353	1 624 910
Health	30 703	30 703	30 703	30 703	30 703	30 703	31 453	32 603	33 903	40 594	36 103	118 075	476 952	498 453	539 907
Economic and environmental services	92 665	118 880	126 204	139 077	136 848	134 832	127 930	145 434	166 241	170 141	175 374	763 791	2 297 417	2 899 203	3 396 937
Planning and development	32 522	33 847	33 781	33 757	33 865	33 358	33 122	33 020	31 861	31 861	31 861	87 954	450 811	430 141	471 601
Road transport	60 009	84 734	92 122	105 028	102 684	101 164	94 394	112 000	133 965	137 865	143 098	664 710	1 831 775	2 464 615	2 920 664
Environmental protection	134	299	301	292	299	310	414	414	414	414	414	11 127	14 831	4 447	4 671
Trading services	1 859 149	1 917 010	1 849 238	1 950 312	1 840 386	1 842 581	1 883 030	1 784 959	1 885 814	1 768 464	2 049 039	1 598 131	22 228 113	25 103 320	28 133 991
Energy sources	1 219 536	1 270 942	1 194 452	1 252 780	1 147 816	1 096 871	1 126 462	1 048 581	1 169 843	1 095 021	1 256 219	1 201 957	14 080 480	15 655 263	17 353 324
Water management	352 793	358 619	359 432	388 490	386 996	409 734	423 637	408 842	388 466	363 740	364 795	262 811	4 468 355	5 272 942	6 023 124
Waste water management	143 222	143 486	151 573	165 262	161 793	192 195	189 151	183 756	183 725	165 923	284 245	(8 227)	1 956 104	2 337 092	2 791 631
Waste management	143 598	143 963	143 780	143 780	143 780	143 780	143 780	143 780	143 780	143 780	143 780	141 590	1 723 174	1 838 022	1 965 912
Other	393	843	693	643	493	393	393	493	484	393	393	393	6 002	4 949	5 199
Total Revenue - Functional	3 162 762	4 108 207	3 217 490	3 324 547	3 203 348	4 056 940	3 226 096	3 169 965	4 183 554	3 233 383	3 483 653	4 817 091	43 187 035	47 872 841	52 503 066

Table continues on next page

Description R thousand	Budget Year 2019/20												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Expenditure - Functional															
Governance and administration	583 869	690 872	649 352	691 814	815 411	665 311	667 242	707 343	702 166	707 737	711 463	1 402 213	8 994 792	9 543 299	10 522 214
Executive and council	35 850	36 718	36 891	37 708	60 156	37 614	36 959	38 280	38 011	38 881	38 789	99 151	535 009	537 004	573 837
Finance and administration	544 495	650 588	608 848	650 515	750 171	623 728	626 751	665 474	660 487	665 326	668 994	1 298 323	8 413 698	8 957 438	9 895 508
Internal audit	3 524	3 566	3 613	3 592	5 083	3 969	3 531	3 589	3 668	3 531	3 680	4 740	46 085	48 857	52 869
Community and public safety	514 874	567 466	575 426	586 974	686 539	555 580	585 844	587 446	607 089	602 075	668 129	1 247 807	7 785 248	8 347 907	8 786 270
Community and social services	68 593	72 963	75 619	77 869	87 466	74 802	76 927	80 157	83 079	79 271	86 758	108 419	971 924	1 039 901	1 113 166
Sport and recreation	72 352	79 308	87 895	91 909	107 163	87 247	87 687	92 849	89 880	89 508	90 965	138 107	1 114 871	1 163 998	1 230 766
Public safety	207 220	234 500	233 891	238 680	290 239	208 547	219 630	219 819	217 261	214 089	275 173	351 490	2 910 539	3 029 216	3 185 736
Housing	73 060	79 110	76 603	77 031	85 530	83 311	98 792	90 894	113 377	109 916	111 761	480 682	1 480 067	1 702 684	1 738 557
Health	93 649	101 585	101 417	101 484	116 141	101 673	102 808	103 727	103 492	109 291	103 472	169 109	1 307 848	1 412 109	1 518 046
Economic and environmental services	243 346	271 848	301 471	444 898	418 773	352 965	346 872	375 380	391 314	405 321	417 098	1 307 901	5 277 186	5 018 327	5 272 746
Planning and development	78 014	78 572	78 188	86 141	105 151	84 053	84 595	83 116	82 226	86 379	84 753	580 183	1 511 371	1 237 045	1 320 947
Road transport	156 070	183 083	212 595	347 147	298 340	258 005	250 918	280 738	297 296	307 208	320 651	695 923	3 607 973	3 631 418	3 791 457
Environmental protection	9 262	10 192	10 688	11 611	15 282	10 907	11 359	11 526	11 792	11 734	11 694	31 795	157 842	149 864	160 342
Trading services	710 254	1 928 895	1 956 990	1 492 518	1 621 017	1 477 143	1 439 250	1 501 221	1 432 240	1 488 947	1 478 284	3 069 784	19 596 544	21 502 444	23 429 357
Energy sources	188 751	1 322 393	1 333 476	840 954	906 027	826 722	787 728	838 813	784 274	829 677	809 968	2 127 623	11 596 405	12 749 243	14 037 839
Water management	280 079	301 835	306 799	317 161	357 884	321 679	321 497	320 872	311 042	309 884	314 608	283 887	3 747 227	4 261 463	4 502 626
Waste water management	103 130	145 649	165 038	163 136	175 246	163 725	166 092	176 456	171 750	183 673	185 394	250 531	2 049 818	2 270 377	2 485 738
Waste management	138 294	159 018	151 677	171 267	181 861	165 017	163 933	165 081	165 174	165 714	168 314	407 743	2 203 094	2 221 361	2 403 153
Other	6 214	7 673	10 595	8 339	9 179	21 772	19 545	12 041	7 852	6 390	7 191	9 055	125 847	135 916	143 365
Total Expenditure - Functional	2 058 556	3 466 754	3 493 834	3 224 543	3 550 919	3 072 771	3 058 753	3 183 430	3 140 661	3 210 471	3 282 164	7 036 760	41 779 617	44 547 894	48 153 952
Surplus/(Deficit) before assoc.	1 104 206	641 453	(276 344)	100 003	(347 571)	984 169	167 343	(13 465)	1 042 892	22 912	201 489	(2 219 669)	1 407 418	3 324 948	4 349 114
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit)	1 104 206	641 453	(276 344)	100 003	(347 571)	984 169	167 343	(13 465)	1 042 892	22 912	201 489	(2 219 669)	1 407 418	3 324 948	4 349 114

Table 58 MBRR Table SA28 - Budgeted monthly capital expenditure (municipal vote)

Description R thousand	Budget Year 2019/20												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Multi-year expenditure to be appropriated															
Vote 1 - Community Services & Health	4 369	8 074	13 696	12 540	24 740	29 510	20 693	35 557	39 694	57 603	62 748	45 058	354 281	351 351	375 057
Vote 2 - Corporate Services	13 769	4 411	8 752	5 288	27 463	6 187	3 113	10 076	18 391	10 868	7 738	33 810	149 863	196 189	101 429
Vote 3 - Economic Opportunities & Asset Managemnt	7 228	–	4 525	6 475	7 401	1 549	13 525	12 431	30 461	92 731	79 593	133 580	389 498	427 272	354 814
Vote 4 - Energy & Climate Change	33 859	51 447	74 204	65 398	75 737	33 479	31 622	62 874	72 367	87 417	84 672	161 019	834 094	1 008 117	1 520 724
Vote 5 - Finance	–	5 478	5 861	5 436	3 851	2 426	1 190	11 150	8 685	11 567	23 430	37 882	116 957	275 579	51 351
Vote 6 - Human Settlements	453	22 844	75 575	55 584	41 940	42 949	26 071	70 718	92 542	98 353	91 885	250 149	869 063	987 927	882 546
Vote 7 - Office of the City Manager	–	30	74	140	276	66	13	88	86	54	20	125	973	839	910
Vote 8 - Safety & Security	–	943	8 653	4 642	14 776	17 867	8 507	17 599	5 756	17 141	46 341	393 013	535 237	170 748	135 332
Vote 9 - Spatial Planning & Environment	–	3 594	3 515	4 312	18 235	4 820	3 305	6 458	7 042	9 330	13 395	18 841	92 847	81 465	58 557
Vote 10 - Transport	8 400	50 400	76 589	77 369	77 399	82 850	54 790	66 900	101 070	110 575	122 676	497 108	1 326 126	1 925 427	2 386 725
Vote 11 - Urban Management	–	–	–	510	120	–	500	300	1 000	36 926	35 456	48 169	122 981	110 520	145 030
Vote 12 - Water & Waste	59 781	78 235	85 495	171 343	135 162	144 814	110 703	214 389	380 335	476 704	853 478	886 072	3 596 511	5 980 277	5 845 483
Total Capital Expenditure	127 858	225 455	356 938	409 037	427 100	366 517	274 033	508 539	757 430	1 009 269	1 421 432	2 504 826	8 388 432	11 515 711	11 857 958

Table 59 MBRR Table SA29 - Budgeted monthly capital expenditure (functional classification)

Description	Budget Year 2019/20												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Capital Expenditure - Functional															
Governance and administration	24 956	14 741	32 500	31 882	60 833	41 855	32 213	78 985	107 636	172 965	177 436	344 010	1 120 012	1 220 084	880 329
Executive and council	162	30	64	510	327	20	513	162	525	1 564	1 420	18 983	24 280	3 830	2 802
Finance and administration	24 794	14 711	32 436	31 332	60 456	41 835	31 700	78 803	107 090	171 401	176 016	325 027	1 095 600	1 216 193	877 417
Internal audit	–	–	–	40	50	–	–	20	21	–	–	–	131	60	110
Community and public safety	822	30 054	86 562	64 045	67 375	75 120	39 278	109 286	126 503	159 826	171 563	616 852	1 547 286	1 518 058	1 285 635
Community and social services	228	649	2 145	2 264	7 344	7 403	4 308	12 864	10 289	16 728	25 554	15 315	105 089	70 408	116 914
Sport and recreation	–	5 628	1 595	3 171	6 825	8 160	5 435	12 735	14 315	14 209	35 173	34 544	141 792	260 468	80 200
Public safety	–	109	3 834	2 170	10 499	13 906	1 164	3 639	1 505	10 144	5 751	297 183	349 905	120 259	111 475
Housing	453	22 844	75 575	55 584	41 940	42 949	26 071	70 718	92 542	98 353	91 885	250 149	869 063	987 927	882 546
Health	142	825	3 413	855	768	2 703	2 300	9 330	7 851	20 390	13 200	19 660	81 436	78 996	94 500
Economic and environmental services	8 440	54 408	80 591	82 263	99 008	89 255	61 923	75 037	109 006	152 908	170 589	550 882	1 534 310	2 065 871	2 536 333
Planning and development	40	3 624	3 469	3 734	17 334	3 194	3 305	3 884	3 999	35 883	36 748	36 374	151 588	111 173	135 845
Road transport	8 400	50 784	77 002	77 861	80 203	84 286	57 597	67 930	101 900	111 620	124 221	503 807	1 345 610	1 920 688	2 385 986
Environmental protection	–	–	121	668	1 471	1 776	1 020	3 222	3 107	5 405	9 620	10 701	37 112	34 010	14 502
Trading services	93 640	125 802	156 834	230 338	199 409	159 771	140 169	244 737	413 836	523 120	898 393	990 582	4 176 629	6 702 004	7 149 967
Energy sources	33 859	47 617	72 203	60 701	66 403	29 832	30 122	61 874	71 867	86 022	84 172	160 519	805 190	996 117	1 518 224
Water management	24 185	32 900	32 750	123 365	68 560	60 931	42 310	82 681	129 050	158 755	357 653	404 782	1 517 922	2 751 931	2 836 717
Waste water management	12 451	15 475	30 276	25 176	36 726	38 318	41 800	54 450	163 750	225 200	389 483	347 951	1 381 056	2 152 890	2 228 450
Waste management	23 145	29 811	21 605	21 095	27 719	30 689	25 937	45 732	49 169	53 143	67 085	77 330	472 461	801 065	566 576
Other	–	450	450	510	475	515	450	495	450	450	3 450	2 500	10 195	9 695	5 695
Total Capital Expenditure - Functional	127 858	225 455	356 938	409 037	427 100	366 517	274 033	508 539	757 430	1 009 269	1 421 432	2 504 826	8 388 432	11 515 711	11 857 958

Table 60 MBRR Table SA30 - Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2019/20												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Cash Receipts By Source															
Property rates	767 798	802 876	818 185	834 485	847 693	784 635	786 082	799 231	854 505	701 342	851 772	865 590	9 714 194	10 327 307	10 830 171
Service charges - electricity revenue	1 175 378	1 300 285	1 175 098	1 237 739	1 127 299	1 086 094	1 096 143	1 016 363	1 109 875	852 268	1 245 216	1 150 765	13 572 524	15 140 505	16 772 413
Service charges - water revenue	211 932	213 977	209 933	213 741	218 813	170 753	171 665	310 112	291 245	293 214	313 103	239 171	2 857 659	3 506 983	4 217 263
Service charges - sanitation revenue	101 366	113 031	109 467	109 526	119 849	89 813	90 635	133 485	153 938	138 508	153 757	2 111	1 315 486	1 777 068	2 140 389
Service charges - refuse revenue	81 251	87 131	82 282	88 017	88 897	83 769	83 602	81 262	88 585	79 287	89 923	107 504	1 041 510	1 113 994	1 181 726
Rental of facilities and equipment	11 993	22 980	15 350	15 265	19 621	14 502	15 305	17 640	16 716	14 942	16 767	29 455	210 536	232 744	236 361
Interest earned - external investments	69 713	73 622	67 083	76 999	71 844	69 627	77 714	69 718	76 640	77 683	81 666	100 186	912 495	930 613	1 022 317
Interest earned - outstanding debtors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	20 393	23 425	19 016	20 524	20 781	19 481	18 018	16 775	20 070	17 408	20 290	20 909	237 091	242 205	241 088
Licences and permits	4 403	4 554	6 540	10 521	3 827	5 273	10 907	8 072	1 771	6 744	6 155	13 451	82 219	86 371	90 732
Agency services	11 658	12 057	17 315	27 855	10 132	13 960	28 876	21 370	4 688	17 854	16 296	35 611	217 672	245 412	254 598
Transfer receipts - operational	893 031	1 393 328	36 498	93 453	328 837	1 885 850	480 609	-	1 880 567	354 388	2 011	27 996	7 376 568	7 707 345	8 136 559
Other revenue	-	241 880	79 688	51 428	83 674	31 849	223 108	119 337	65 930	33 870	16 506	51 365	998 635	1 074 890	1 140 512
Cash Receipts by Source	3 348 917	4 289 146	2 636 456	2 779 553	2 941 268	4 255 606	3 082 664	2 593 364	4 564 530	2 587 508	2 813 462	2 644 114	38 536 589	42 385 438	46 264 128
Other Cash Flows by Source															
Transfer receipts - capital	480 670	43 715	159 605	331 047	32 714	-	70 014	48 445	691 626	10 962	-	342 587	2 211 385	3 043 827	3 608 514
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)	-	-	-	-	-	-	-	-	-	-	-	53 700	53 700	56 700	57 000
Proceeds on disposal of PPE	-	-	-	-	-	-	-	-	-	-	-	43 732	43 732	43 732	43 732
Short term loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-	-	-	1 091 580	1 091 580	3 000 000	3 000 000
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-	-	-	-	-	41 983	41 983	46 181	50 799
Decrease (Increase) in non-current debtors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables	-	-	-	-	-	-	-	-	-	-	-	1 228	1 228	1 167	1 108
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-	-	-	(267 859)	(267 859)	(298 475)	(332 578)
Total Cash Receipts by Source	3 829 586	4 332 861	2 796 061	3 110 600	2 973 982	4 255 606	3 152 678	2 641 810	5 256 155	2 598 470	2 813 462	3 951 065	41 712 338	48 278 569	52 692 703

Table continues on next page

MONTHLY CASH FLOWS	Budget Year 2019/20												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Cash Payments by Type															
Employee related costs	1 066 429	1 091 730	1 091 148	1 070 771	1 654 832	1 111 371	1 087 234	1 114 675	957 708	1 131 768	1 126 431	1 227 180	13 731 276	14 799 293	15 960 959
Remuneration of councillors	13 723	13 795	13 774	13 763	13 774	13 849	13 906	23 128	15 036	15 002	15 032	15 036	179 818	190 697	202 234
Finance charges	43 223	–	153 153	–	6 273	137 895	40 680	–	150 418	–	48 595	136 839	717 075	731 329	1 191 845
Bulk purchases - Electricity	692 641	1 160 059	1 160 059	1 176 077	680 778	705 827	665 611	630 552	670 219	631 557	661 557	640 563	9 475 500	10 564 235	11 704 116
Bulk purchases - Water & Sewer	56 509	58 931	61 835	59 787	60 214	59 318	58 083	37 480	37 808	52 259	45 767	29 109	617 101	909 598	871 284
Other materials	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Contracted services	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfers and grants - other municipalities	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfers and grants - other	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other expenditure	1 274 442	587 384	886 633	900 798	786 344	1 199 230	621 285	706 584	972 975	767 376	552 103	2 208 845	11 464 000	11 421 543	11 939 647
Cash Payments by Type	3 146 967	2 911 899	3 366 602	3 221 197	3 202 215	3 227 491	2 486 799	2 512 418	2 804 164	2 597 961	2 449 486	4 257 572	36 184 770	38 616 695	41 870 085
Other Cash Flows/Payments by Type															
Capital assets	1 681 804	515 619	580 978	238 732	551 758	466 566	83 348	377 104	610 539	744 134	1 193 550	505 456	7 549 589	10 364 140	10 672 162
Repayment of borrowing	50 000	–	79 481	–	42 933	20 000	50 000	–	79 481	–	42 933	20 050	384 878	371 495	671 495
Other Cash Flows/Payments	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Cash Payments by Type	4 878 770	3 427 518	4 027 061	3 459 929	3 796 906	3 714 057	2 620 147	2 889 523	3 494 183	3 342 095	3 685 970	4 783 079	44 119 237	49 352 329	53 213 742
NET INCREASE/(DECREASE) IN CASH HELD	(1 049 184)	905 344	(1 230 999)	(349 329)	(822 924)	541 550	532 531	(247 713)	1 761 972	(743 625)	(872 508)	(832 013)	(2 406 899)	(1 073 760)	(521 038)
Cash/cash equivalents at the month/year begin:	7 392 776	6 343 591	7 248 935	6 017 936	5 668 607	4 845 683	5 387 233	5 919 764	5 672 051	7 434 023	6 690 397	5 817 890	7 392 776	4 985 877	3 912 117
Cash/cash equivalents at the month/year end:	6 343 591	7 248 935	6 017 936	5 668 607	4 845 683	5 387 233	5 919 764	5 672 051	7 434 023	6 690 397	5 817 890	4 985 877	4 985 877	3 912 117	3 391 078

2.12 Annual budgets – internal departments

2.12.1 Community Services & Health (Vote 1)

The Community Services & Health directorate provides community facilities, spaces and services, as well as developmental programmes in support of building communities and individuals' capabilities towards improved social well-being of the citizens of Cape Town.

The directorate is the coordinator of the Social Development Strategy (SDS), and as such ensures coordination of same across all directorates. Furthermore, within the Transversal Safe Communities Working Group, the directorate drives the following Transversal Work Streams:

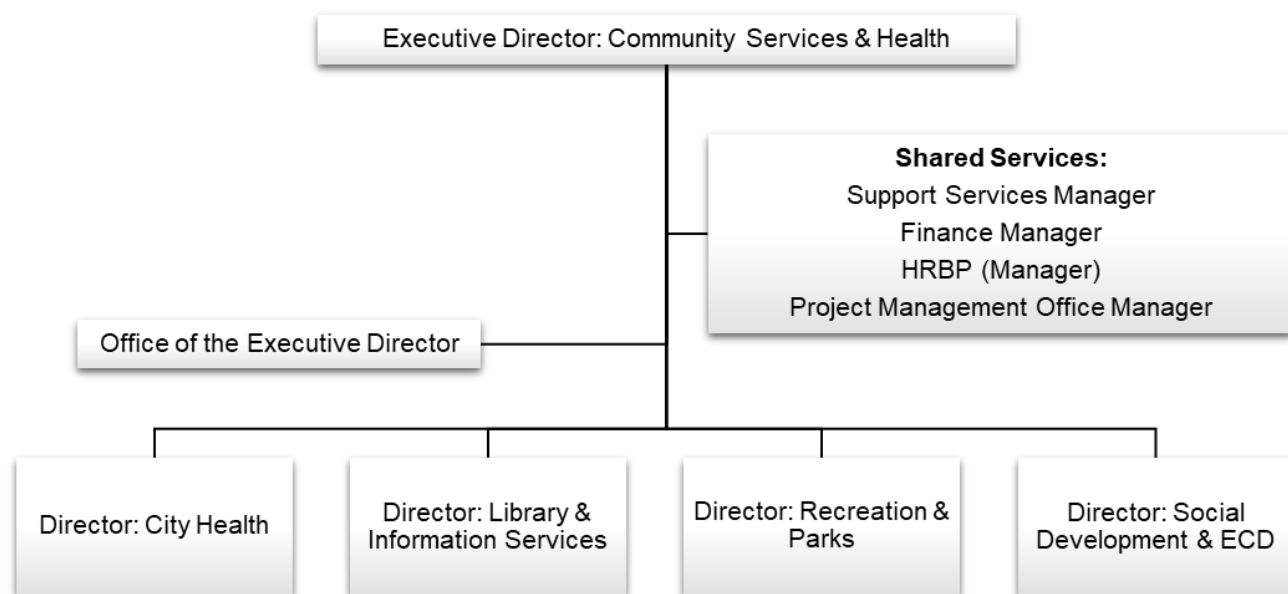
- Integrated Youth Development Strategy with its implementation Plan;
- Social & Situational Crime Prevention Strategy with its implementation Plan; and
- Alcohol & Other Drug Harm Minimisation Strategy with its implementation Plan.

Through the directorate's departments, the broad social challenges and needs are addressed by providing and maintaining a holistic and integrated range of mandated community facilities, services and developmental programmes and functions, including, but not limited to, those mentioned below.

- Delivering a Comprehensive Primary Health Care Service including Personal Primary Health Care (child health, maternal and women health, non-communicable diseases, and adult curative care in some larger facilities), Matrix and Men's Clinics sites as well as Municipal Health Care (also referred to as Environmental Health Services);
- Providing access to the services and resources required for informational, educational, cultural and recreational needs through a free public library service that includes spaces and programmes for social development;
- Providing attractive, safe, accessible and sustainable community facilities and spaces where the citizens of Cape Town can engage in active and passive recreation.
- Providing cemeteries and crematoria, which are an integral part of a dignified and efficient interment service;
- Horticultural Services at City of Cape Town facilities;
- Community Engagements and Social Preparation;
- Providing a number of targeted community services programmes focusing on substance abuse, homelessness, youth development, early childhood development, poverty alleviation and vulnerable groups;
- Developing, implementing and maintaining community orientated arts, culture and heritage programmes, services, infrastructure and partnerships; and
- Providing new community service facilities that are planned and developed in a joint, integrated, clustered and multifunctional manner in areas that maximise community use, ownership and pride. Protective measures will also be put in place to ensure that these facilities are safe and secure.

The directorate is a continuation of the Social Services directorate, which was formed on 1 January 2017, with the exception of the EPWP department, that has moved to the Urban Management directorate from 1 January 2019.

Management Structure



Performance objectives and indicators

Strategic Focus Area	Objectives	IDP Programme
SFA 1: The Opportunity City	1.2. Leveraging Technology for progress	1.2.a. Digital City
SFA 2: The Safe City	2.1. Safe Communities	2.1.b Holistic crime prevention
SFA 3: The Caring City	3.1. Excellence in basic service delivery	3.1.b. Social Services facility provision
	3.2. Mainstreaming basic service delivery to informal settlements & backyard dwellers	3.2.b. Human Settlements programme
SFA 4: The Inclusive City	4.3. Building Integrated communities	4.3.d. Substance abuse
		4.3.f. Primary healthcare
		4.3.g. Social Inclusion Programme

Changes to service levels and standards over the MTREF

There are no material changes in revenue trends for the directorate over the MTREF period.

Past year's performance - 2017/18

The directorate achieved the following financial indicators in the 2017/18 financial year:

- Capital spend: 93.5% (target 90%)
- Operating spend 97.8% (target 95%)
- Repairs and maintenance spend 91.9% (target 95%)
- Training budget spend 111% (target 95%)

Both Corporate Scorecard indicators for which the directorate was responsible (i.e. number of community services facilities within informal settlements, and number of strengthening families' programmes implemented) were exceeded at the end of the previous financial year.

Risks to achieving revenue projections, any expected major shifts in revenue patterns and any planned alternative sources of revenue

Management, with the assistance of Integrated Risk Management (IRM), have applied their minds, and due care is taken to ensure that risks, which could impact on the directorate not achieving its objectives, are identified, addressed and managed in accordance with the City's approved IRM Policy and Framework.

Risk Registers are utilised as a management tool in order to manage identified risks of the directorate. The risks identified and rated equal to or above the Council approved risk acceptance level will be reported to the Executive Management Team (EMT). The Executive Director informs/ discusses the directorate's risks with the relevant Mayoral Committee member on a six monthly basis.

Major features of expenditure incl. highlighting discretionary and non-discretionary expenditure

The directorate's major category of expenditure will be repairs and maintenance in respect of the City's Housing rental units.

Capital Plan: Directorate capital programme

The core function of the directorate is to provide community facilities e.g. Libraries, Early Childhood Development Centres, Clinics and Recreational facilities etc. Significant capital projects to be undertaken over the MTREF period include, but are not limited to:

- IT Modernisation: Sports Field & Swimming Pool SAP Booking System; Library Halls/Meeting Room SAP Booking System; X-Ray System; Integrated Facility Booking Mobile Field Services App;
- New Pelican Park and Fisantekraal Clinics;
- Manenberg Integrated Project – Clustering of community facilities;
- Sport and Recreation Facilities Upgrade: Will be prioritised as per the Water Resilience Plan as well as major upgrade requirements identified;
- Du Noon Library construction;
- Zakhele Clinic –replacement;
- Development of the Maitland Crematorium;
- Upgrading health care facilities in order to meeting National Health Core standards (meeting IDEAL clinic status is the first step in the process); and
- Precinct development through the clustering and optimisation of facilities.

Table 61 Community Services & Health (Vote 1) - operating revenue by source, expenditure by type and total capital expenditure

Directorate: Community Services & Health									
Budgeted Financial Performance (revenue and expenditure)									
Description	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand									
Operating Revenue By Source									
Property rates									
Service charges - electricity revenue	78	75	32	41	41	41	41	45	51
Service charges - water revenue	–	–	–	–	–	–	–	–	–
Service charges - sanitation revenue	–	–	–	–	–	–	–	–	–
Service charges - refuse revenue	0	7	–	6	–	–	–	–	–
Service charges - other	–	–	–	46 470	–	–	–	–	–
Rental of facilities and equipment	11 626	10 711	14 215	22 069	22 069	22 069	22 778	24 143	25 362
Interest earned - external investments	–	–	–	–	–	–	–	–	–
Interest earned - outstanding debtors	53	109	62	–	–	–	–	–	–
Dividends received	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits	3 118	3 459	2 762	3 703	4 303	4 303	3 168	4 708	4 946
Licences and permits	814	1 196	1 029	887	789	789	821	863	906
Agency services	7	–	–	–	–	–	–	–	–
Transfers and subsidies	553 063	618 828	667 519	718 264	731 454	731 454	772 908	814 895	871 587
Other revenue	33 847	35 022	33 758	7 430	53 404	53 404	40 973	43 548	45 747
Gains on disposal of PPE	493	403	3 837	–	–	–	–	–	–
Total Operating Revenue (excluding capital transfers and contributions)	603 099	669 809	723 213	798 869	812 059	812 059	840 689	888 202	948 599
Operating Expenditure By Type									
Employee related costs	1 576 443	1 707 576	1 916 964	2 242 964	2 125 628	2 125 628	2 351 926	2 552 731	2 770 482
Remuneration of councillors	–	–	–	–	–	–	–	–	–
Debt impairment	2 896	(163)	(4 664)	–	–	–	–	–	–
Depreciation & asset impairment	127 120	88 499	146 175	146 209	151 793	151 793	157 813	172 391	178 555
Finance charges	4 782	5 744	6 712	1 075	9 566	9 566	3 130	3 288	3 454
Bulk purchases	2	–	–	–	–	–	–	–	–
Other materials	249 211	339 011	352 202	384 664	410 446	410 446	472 689	505 279	517 420
Contracted services	625 119	715 752	635 543	671 455	759 021	759 021	809 238	735 863	790 915
Transfers and subsidies	8 342	2 275	7 079	15 568	19 143	19 143	15 806	12 318	12 940
Other expenditure	82 437	77 872	82 055	113 380	112 946	112 946	114 762	127 102	133 977
Loss on disposal of PPE	498	400	1 770	15	15	15	15	16	17
Total Operating Expenditure	2 676 849	2 936 967	3 143 835	3 575 331	3 588 556	3 588 556	3 925 379	4 108 988	4 407 760
Surplus/(Deficit)									
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	84 431	113 359	117 692	119 082	126 684	126 684	133 500	181 604	215 256
Transfers and subsidies - capital (monetary allocations) (Nat/ Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educ Institutions)	8 288	291	1 403	–	–	–	–	–	–
Transfers & subsidies capital in-kind	–	6 706	3 433	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	(1 981 031)	(2 146 802)	(2 298 093)	(2 657 379)	(2 649 813)	(2 649 813)	(2 951 190)	(3 039 182)	(3 243 906)
Taxation	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after taxation	(1 981 031)	(2 146 802)	(2 298 093)	(2 657 379)	(2 649 813)	(2 649 813)	(2 951 190)	(3 039 182)	(3 243 906)
Attributable to minorities	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality	(1 981 031)	(2 146 802)	(2 298 093)	(2 657 379)	(2 649 813)	(2 649 813)	(2 951 190)	(3 039 182)	(3 243 906)
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	(1 981 031)	(2 146 802)	(2 298 093)	(2 657 379)	(2 649 813)	(2 649 813)	(2 951 190)	(3 039 182)	(3 243 906)
Capital Expenditure	229 298	243 540	260 247	314 508	313 947	287 052	354 281	351 351	375 057

2.12.2 Corporate Services (Vote 2)

The Corporate Services directorate is a transversal directorate by nature. Its core purpose is to provide multi-disciplinary services and professional partnerships to the City's directorates, supporting and enabling service delivery for the City through value adding programmes, systems, processes, policies and knowledge management. The Corporate Services directorate is made up of the following departments:

- **Customer Relations**

The department provides an effective and efficient customer relations service to the City's customers to address their requirements in terms of access to municipal service delivery, thereby creating a positive image of the City.

- **Executive and Council Support**

The department provides an interface between the executive and decision-making structures and the organisation through effective and efficient facilitation of the decision-making process. To this end, the department drives, develops, manages and maintains sound governance systems, processes and procedures as key components of the professional support given to Council and its committees, the Executive Mayor, the Mayoral Committee, the City Manager and the City's Executive Management Team, and the organisation as a whole. It also drives the implementation of the City's Language Policy as well as the promotion of multilingualism.

- **Legal Services**

The department provides an effective and efficient legal support service to Council in order to enable it to comply with its constitutional mandate and within the relevant legislative framework, so as to manage and limit the legal risks of the City.

- **Human Resources**

The purpose of the Human Resources department is to render a professional, efficient and effective service to the City. The overarching aim is to ensure the City is recognised as a responsible, efficient and customer-centric employer and the HR benchmark within local government in South Africa by being a strategic business partner to business.

- **Information Systems & Technology (IS&T)**

The IS&T department deploys its Digital City Strategy to maximize the use of Information and Communication Technologies (ICT) within the City and thereby improve services to officials, citizens, visitors and other stakeholders. As a strategic partner to Council and its various business lines it aims to be a catalyst for the transformation of public services and to continue enable the City to become a more efficient and effective local government authority. As a technology leader, the IS&T department positions itself as a dependable and trusted change agent serving to the forefront of technological progress and innovation in order to render the City more sustainable for all its stakeholders.

- **Information and Knowledge Management**

The department is responsible, at a corporate level, for ensuring that relevant institutional information, knowledge and records are managed, retained and shared across the organisation in order to support planning, service delivery and more efficient management. The department also provides specialised support services to City departments including land surveying, geographic data management, map production, 3D modelling, and information and records management services.

- **Communications**

The department provides a range of specialist communication services to all City departments around the various facets of communication. One of the main deliverables involves managing the City's Corporate Brand and media strategies, which in turn builds towards positive perceptions and reputation for the City.

Services provided include: media, communication strategy and campaign development, publications, electronic communications, photography, videography and audio-visual services.

The dimensions of the department's activities are defined by the Corporate Brand Strategy, Brand Architecture and the Media and Communication Strategies of the City.

- **Organisational Effectiveness and Innovation**

The department is a Centre of Excellence established to provide the organisation with strategies, tools and resources through its focus in driving strategic change through the People Strategy; operational excellence and innovation in order to improve service delivery and drive customer centricity through a culture of collaboration and transversal management. Ultimately the department must drive the City's Government Modernisation initiatives to prepare the City for future challenges and opportunities. The department also provides strategic direction and develops corporate guidelines for the implementation of the City's Employment Equity Policy and EE Plan, which forms the basis of the City's transformation agenda.

- **Organisational Performance Management**

To manage and monitor the City's performance and benchmark the City's organisational performance management against international best practice in order to improve service delivery quality, accountability and create a mind-set of continuous improvement through performance systems and processes. Through the Project Portfolio Management System, the implementation of the City's projects is supported and managed and service delivery enhanced.

- **Organisational Policy and Planning**

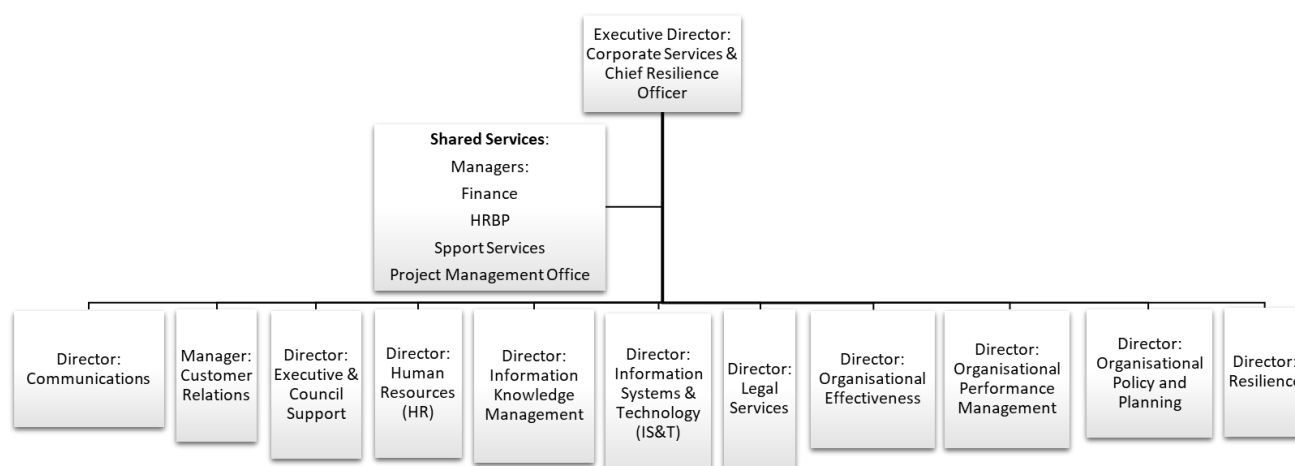
The department has the role of leading, managing and supporting the organisation's policy and planning processes including the City's corporate policy process, the development and review of the IDP, the development and review of by-laws; the provision of legal comments on draft national and provincial legislation, and research and evidence gathering and analysis to support decision-making. The department also provides support for transversal management systems and processes in the City, including for the executive leadership.

- **Resilience**

The Resilience department is the key custodian of one of the five guiding principles of the IDP 2017-2022: "Resilience". Urban resilience is the capacity of individuals, communities, institutions, businesses and systems in a city to survive, overcome, adapt and grow, no matter what chronic stresses and acute shocks they experience. Building resilience forms part of Goal 11 of the UN SDGs, namely making cities inclusive, safe, resilient and sustainable.

Resilience as a guiding principle should be institutionalised across the organisation and be incorporated into the City's strategic, planning and decision-making mechanisms. This is the overarching aim of the Resilience Department, to lead this institutionalisation of resilience.

Management Structure



Performance objectives and indicators

Strategic Focus Area	Objectives	IDP Programme
SFA 1: The Opportunity City	1.2 Leveraging Technology for Progress	Enhancement of the Open Data Portal
		Construction of a Metro Area Fibre Optic Network
		Renew ICT Infrastructure
	1.3 Economic Inclusion	External Skills Development programme (including external bursaries, learnerships, in-service training and apprenticeships)
SFA 2: The Safe City	2.1 Safe Communities	Enhance Corporate Business Systems (EPIC 2)
SFA 5: The Well-Run City	5.1 Operational Sustainability	Data Management
		e-HR Programme
		Occupational Health and Safety Management programme
		Roll-out of revised HR model IS&T operating models
		Talent Management Programme
		Update of aerial photography for municipal area

Changes to service levels and standards over the MTREF

All the departments within Corporate Services, with the exception of Customer Relations, are internally focused.

The Human Resources and IS&T departments are currently reviewing and redesigning their operational models in order to better serve their customer needs and to ultimately contribute to effective service delivery to the City's customers.

The Customer Relations department uses call-taking and service request statistics to manage the level of services provided to the City's customers. In the absence of proper benchmarking, the percentage of dropped calls are managed downwards, which serves as a measure of improving the level of services year-on-year.

Past year's performance - 2017/18

The directorate achieved the following financial indicators against the said targets, which illustrates that the directorate manages its finances closely in order to achieve its targets as reflected in the SDBIP.

- Capital spend: 97.3% (target: 90%)
- Operating spend 96.8% (target: 95%)
- Repairs and maintenance spend 129.9% (target: 95%)
- Training budget spend 98.6% (target: 95%)

Risks to achieving revenue projections, any expected major shifts in revenue patterns and any planned alternative sources of revenue

The major sources of revenue generated by the Corporate Services directorate are:

- Grant Funding as per Division of Revenue Act
- Service Charges from the rental of spare capacity in the City's Broadband Project
- LGSeta – claims for prior year training costs incurred

Only the service charges generated from hiring out spare capacity in the City's Broadband project is demand driven and dependent on market forces. Even though the expansion of the Broadband project has resulted in no new infrastructure being implemented, the existing external users to the system remain unchanged and therefore no significant reduction in revenue is anticipated.

Historically, the other two major sources of revenue increase year-on-year. The City has no influence in determining the City's allocations in terms of these two funding sources.

Major features of expenditure incl. highlighting discretionary and non-discretionary expenditure

The directorate's major expenditure categories include:

- Salaries and Wages;
- Telecommunications Costs;
- Software Licensing;
- Professional Services;
- Corporate Training Programmes;
- Advertising Contracts; and
- Maintenance of the Broadband and Information Communications Technology (ICT) infrastructure.

Directorate capital programme

The directorate is not capital intensive. The majority of the capital budget over the next MTREF mainly relates to Broadband Infrastructure project and the upgrade of Information Communications Technology (ICT) infrastructure.

Table 62 Corporate Services (Vote 2) - operating revenue by source, expenditure by type and total capital expenditure

Directorate: Corporate Services									
Budgeted Financial Performance (revenue and expenditure)									
Description	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand									
Operating Revenue By Source									
Property rates	–	–	–	–	–	–	–	–	–
Service charges - electricity revenue	–	–	–	–	–	–	–	–	–
Service charges - water revenue	–	–	–	–	–	–	–	–	–
Service charges - sanitation revenue	–	–	–	–	–	–	–	–	–
Service charges - refuse revenue	–	–	–	–	–	–	–	–	–
Service charges - other	–	–	–	35 844	–	–	–	–	–
Rental of facilities and equipment	123	37	25	–	–	–	–	–	–
Interest earned - external investments	–	–	–	–	–	–	–	–	–
Interest earned - outstanding debtors	9	14	9	26	26	26	26	26	26
Dividends received	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits	2	0	–	–	–	–	–	–	–
Licences and permits	–	–	–	–	–	–	–	–	–
Agency services	–	–	–	–	–	–	–	–	–
Transfers and subsidies	12 714	7 552	24 756	25 707	26 109	26 109	24 569	15 435	17 000
Other revenue	32 306	55 459	60 948	17 373	45 062	45 062	46 927	49 297	51 787
Gains on disposal of PPE	270	275	953	–	–	–	–	–	–
Total Operating Revenue (excluding capital transfers and contributions)	45 425	63 337	86 691	78 950	71 197	71 197	71 523	64 758	68 813
Expenditure By Type									
Employee related costs	656 636	717 976	762 479	1 026 991	927 441	927 441	1 050 373	1 143 494	1 241 193
Remuneration of councillors	–	–	–	–	–	–	–	–	–
Debt impairment	(67)	31	2	–	–	–	–	–	–
Depreciation & asset impairment	140 508	162 834	174 145	181 756	206 798	206 798	202 303	200 095	220 021
Finance charges	6 930	7 602	9 281	–	11 197	11 197	–	–	–
Bulk purchases	–	–	–	–	–	–	–	–	–
Other materials	5 616	8 025	23 407	24 067	12 982	12 982	13 687	13 652	13 614
Contracted services	146 131	172 136	170 966	152 727	182 205	182 205	172 732	179 742	187 132
Transfers and subsidies	–	–	–	–	–	–	–	–	–
Other expenditure	411 898	384 214	429 849	400 488	363 689	363 689	369 507	376 710	395 742
Loss on disposal of PPE	167	194	953	63	63	63	66	69	73
Total Operating Expenditure	1 367 819	1 453 011	1 571 084	1 786 093	1 704 376	1 704 376	1 808 667	1 913 763	2 057 775
Surplus/(Deficit)	(1 322 394)	(1 389 674)	(1 484 392)	(1 707 142)	(1 633 179)	(1 633 179)	(1 737 144)	(1 849 004)	(1 988 962)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	10 975	989	986	1 000	600	600	–	–	–
Transfers and subsidies - capital (monetary allocations) (Nat/ Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educ Institutions)	–	287	416	–	880	880	–	–	–
Transfers & subsidies capital in-kind	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	(1 311 419)	(1 388 399)	(1 482 991)	(1 706 142)	(1 631 699)	(1 631 699)	(1 737 144)	(1 849 004)	(1 988 962)
Taxation	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after taxation	(1 311 419)	(1 388 399)	(1 482 991)	(1 706 142)	(1 631 699)	(1 631 699)	(1 737 144)	(1 849 004)	(1 988 962)
Attributable to minorities	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality	(1 311 419)	(1 388 399)	(1 482 991)	(1 706 142)	(1 631 699)	(1 631 699)	(1 737 144)	(1 849 004)	(1 988 962)
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	(1 311 419)	(1 388 399)	(1 482 991)	(1 706 142)	(1 631 699)	(1 631 699)	(1 737 144)	(1 849 004)	(1 988 962)
Capital Expenditure	326 119	263 835	370 959	354 688	269 714	248 506	149 863	196 189	101 429

2.12.3 Economic Opportunities & Asset Management (Vote 3)

The Economic Opportunities & Asset Management directorate was established to respond to stagnant economic growth and rising unemployment nationally. The City needs to ensure it's doing everything within its power to enable the private sector to grow and create economic opportunities for residents. This includes the leveraging of appropriate City assets, in coordination with other public asset owners in the City.

The directorate also engages in the complete asset lifecycle management including the phases of planning, acquisition, holding and disposal. Due to the fact that the City has a substantial portfolio of assets, the efficient and effective distribution and management of these assets are critical to the sustained service delivery objectives of the City and the community it serves.

The core functions and objectives of this directorate are:

- **Enterprise and Investment**

The purpose of this department is to enhance the enabling environment for the attraction of new investments and the creation of new enterprises within the local economy, in pursuit of inclusive economic growth and job creation.

- **Property Management**

The purpose of this department is to ensure a sustained and cost effective real estate, property development and immovable property asset management functionality. Property Management as the custodian of immovable property is accountable for oversight of the deployment, use and performance of all immovable property assets as well as the creation and retirement of immovable assets.

- **Strategic Assets**

The purpose of the Strategic Assets department is to ensure the financial sustainability of key City assets and the utilisation of these assets in promoting Cape Town as a premier events destination.

- **Facilities Management**

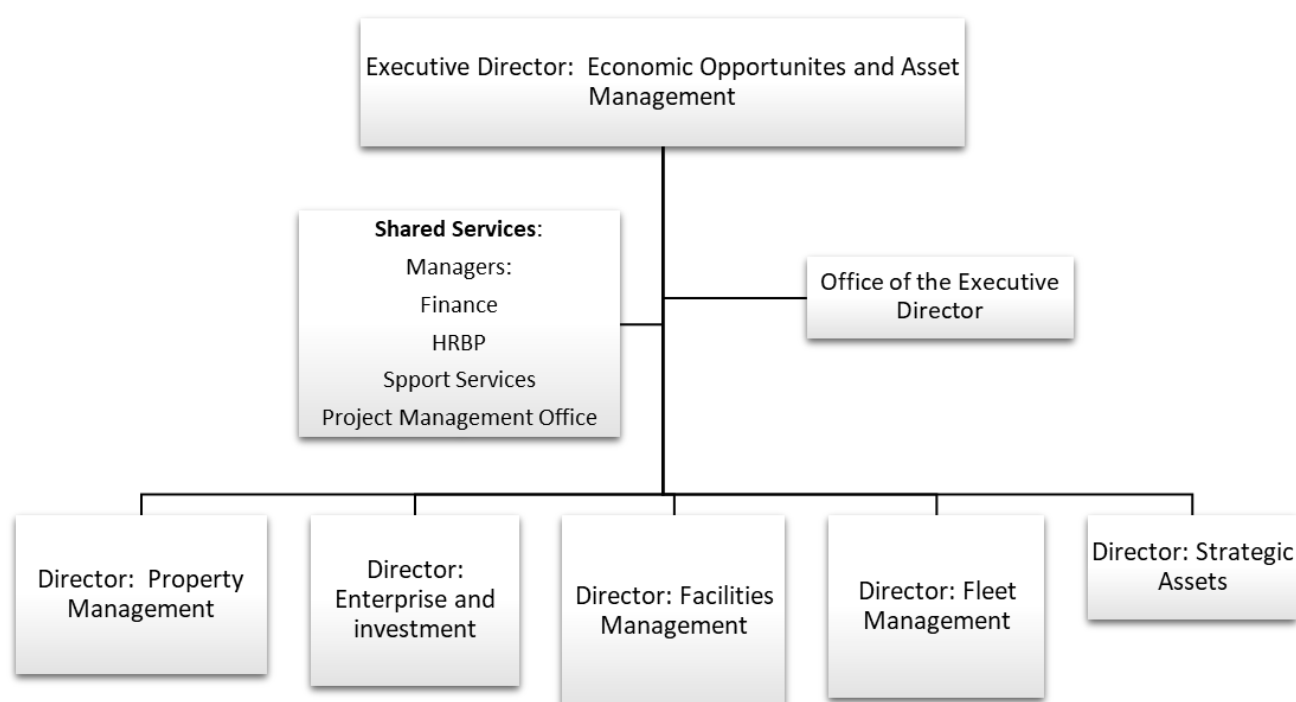
This department provides transversal facilities management and maintenance services to the directorate and to devolved asset users and will develop a facilities management and maintenance support strategy, facilitate period tenders, assist with tender specifications and quality control.

- **Fleet Management**

The main function of the department is to provide a comprehensive fleet management service to fulfil the City's vehicles, plant and workshop requirements. Approximately 4 000 fleet (vehicles and plant equipment) and devolved fleet (self-owned vehicles and plant) are managed by this section i.e.

- Ensure availability of Fleet;
- Procurement and disposal of Fleet;
- Repairs and maintenance of Fleet;
- On road fueling of the Fleet;
- Introduce fuel saving projects;
- Private hire management of Fleet;
- Legislative compliance; and
- Fleet utilisation.

Management Structure



Performance objectives and indicators

Strategic Focus Area	Objectives	IDP Programme
SFA 1: The Opportunity City	1.1 Positioning Cape Town as a forward-looking, globally competitive city	1.1a Ease of doing business 1.1 b Cape Town business brand programme 1.1 e Economic development and growth programme 1.1 f Partnership development programme 1.1g Leveraging the City's assets
	1.2 Leveraging technology for progress	1.2a Digital City programme
	1.3 Economic inclusion	1.3 a Skills investment programme 1.3 b EPWP
	1.4 Resource efficiency and security	1.4a Energy-efficiency and supply programme
SFA 2: The Safe City	2.1 Safe Communities	2.1a Safety technology programme
SFA 3: The Caring City	3.1 Excellence in basic service delivery	3.1a Excellence in service delivery
SFA 4: The Inclusive City	4.1 Dense and transit-oriented growth and development	4.1a Spatial integration and transformation programme
	4.2 An efficient, integrated transport system	4.2b Travel Demand management programme
	4.3 Building integrated communities	4.3 b Citizen value programme
SFA 5: The Well-Run City	5.1 Operational sustainability	5.1a Efficient, responsible and sustainable City services programme
		5.1f Service delivery improvement programme

Changes to service levels and standards over the MTREF

There are no material changes in revenue trends over the MTREF period for the directorate.

Past year's performance - 2017/18

Key highlights include, inter alia, the following:

- **Business support project:** The City facilitated enterprise and supplier development for 588 SMEs in partnership with Smart Procurement Western Cape, the Small Enterprise Development Agency (SEDA), the South African Renewable Energy Business Incubator (SAREBI) and the provincial Department of Economic Development and Tourism. Through the SMME One-Stop-Shop service and monitoring system, which incorporates the red tape notification system, the City efficiently responded to 1 129 enquiries from SMMEs and entrepreneurs in the 2017/18 financial year. The red tape notification system was implemented to resolve blockages and delays in administration processes in order to make it easier for organisations to do business.
- **Economic sector development project:** Partnerships with Special-Purpose Vehicles (SPV) resulted in the assistance of over 1 500 SMMEs (target: 708) and 702 BEE firms (target: 354).
- **Cape Town named Africa's first UNESCO City of Design:** Cape Town became the first city in Africa to be named a UNESCO City of Design, joining a total of 180 cities worldwide that are part of UNESCO's global Creative Cities Network. The honour recognises a city's design status and commitment to promoting and developing the cultural and creative industries.
- **Events project:** The City actively promoted and supported a broad spectrum of these events, including: the inaugural Cape Town Golf Festival; Sanlam Cape Town Marathon; SA Innovation Summit; Cape Town International Film Market & Festival; AricArena; the FIA World RallyCross Championship; the Africa Women Innovation and Entrepreneurship Forum (AWIEF); Manufacturing Indaba; HSBC Rugby Sevens Series; Volvo Ocean Race; the Cape Town International Jazz Festival; Cape Town International Animation Festival; Design Indaba; World Media Economics and Management Conference; World Travel Market (WTM Africa); and the Enterprise & Supplier Development Expo.
- **Business incentive project:** The 2013 Investment Incentive Policy was reviewed, updated and approved by Council. It continues to offer both financial and non-financial incentives for new and existing job-creating investments in targeted areas across Cape Town. Particular areas targeted for incentives include low-growth industrial areas that require economic stimulus, as well as areas in the urban core where there are synergies with other public-sector investments. Implementation of the updated policy began in the 2019/20 financial year.
- **Local tourism project:** During Tourism Month in September 2017, Responsible Tourism (RT) sessions were conducted at various schools in the city to foster an understanding of the three pillars of responsible tourism, namely economic inclusion, environmental integrity and social upliftment.
- **Unlocking the night-time economy research project:** Efforts to grow the night-time economy have been gaining traction in some of the world's most prominent cities, and the City plans to undertake a study to determine the potential direct and indirect economic outputs and job creation opportunities of a similar approach in Cape Town.
- **Trade and development project:** The recent resumption of the stalled renewable energy independent power producers programme (REIPP) and the announcement of the opening of a fifth bid window for the REIPP in November 2018 has added impetus to investment prospects for the Special Economic Zone (SEZ) in Atlantis. The Atlantis Investment Facilitation Office, working closely with the Investment Team at Wesgro, continues to refine and promote these opportunities.

- **Upgrading of key City strategic assets**

- City Hall: Refurbishment of the entire auditorium, including new flooring and finishes, new seating and new stage and backstage.
- Good Hope Centre: Phase 2 of the upgrading of the auditorium dome lights completed.
- Grand Parade: Upgrading of the peripheral lighting of the Grand Parade to Musco lighting.
- Athlone Stadium: Upgrading of the peripheral lighting at the West Stand. Installation of a water management system and Phase 1 of the evacuation and sound system.
- The Granary: Refurbishment of the Old Granary Building has been completed.

- **SPV skills development and apprenticeship investment and graduate internship project:** The City supported and funded a SPV to facilitate skills training within identified sectors to address unemployment and critical skills shortages. For the 2017/18 reporting period, these SPVs and Wesgro facilitated R4.1 billion in investment, which created nearly 5 000 job opportunities and assisted in the training of more than 2 490 people. These training interventions were facilitated within the ICT, BPO, renewable energy, craft and design, clothing and textiles and fashion design industries. Within the ICT space specifically, the City's investment facilitated 122 learnerships.

- **Workforce Development Project:** The City embarked on an outcomes-based workforce development project to enable corporate and SME recruitment and selection processes while improving residents' access to employment opportunities. The aim of the three-year programme is to reduce the number of discouraged work seekers by identifying, preparing and placing them in education and training programmes, and ultimately securing permanent work opportunities for the programme participants. This will be achieved through employer partnerships, which will ensure that the training is directly linked to corporate and SME talent needs.

From implementation in December 2017 to 30 June 2018, the project achieved the following:

- 295 work placements in entry-level opportunities;
- 7 161 recruited and assessed unemployed residents;
- 1 502 unemployed residents trained in work readiness training;
- 23 job centres opened. The Atlantis office and project officially launched on 24 April 2018;
- Contracts with 12 employers concluded; and
- Placement is expected to continue accelerating over the next five months to meet the target of 1 350 for the first year.

- **Expanded Public Works Programmes (EPWP) mainstreaming project:** The number of EPWP mainstreaming opportunities created by the directorate was 2 144 against a target set of 1 400.

Risks to achieving revenue projections, any expected major shifts in revenue patterns and any planned alternative sources of revenue

The directorate does not foresee any risks in achieving revenue projections or expect any major shifts in revenue patterns. No planned alternative sources of revenue are anticipated in the short-term. The biggest revenue sources currently are from the Profit on the Sale of Assets in the Property Management department (land sales) and Fleet Management department (vehicle auctions). Another major source of revenue is the rental generated from properties leased out by the Property Management department.

Major features of expenditure incl. highlighting discretionary and non-discretionary expenditure

The directorate's major expenditure categories include:

- Salaries and wages; and
- Repairs and Maintenance.

Directorate capital programme

Significant capital projects to be undertaken over the medium term include, amongst others:

- Facilities management infrastructure;
- Security hardening of various facilities;
- Replacement of vehicles / plant and associated equipment;
- Development of a fleet management information system;
- Upgrading of fleet facilities;
- Upgrading of strategic assets such Good Hope Centre, Athlone Stadium, City Hall and Grand Parade; and
- Electronic workflow system for immovable property.

Table 63 Economic Opportunities & Asset Management (Vote 3) - operating revenue by source, expenditure by type and total capital expenditure

Directorate: Economic Opportunities & Asset Management									
Budgeted Financial Performance (revenue and expenditure)									
Description	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Operating Revenue By Source									
Property rates	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	-	-	-	-	-	-	-	-	-
Service charges - water revenue	-	524	189	532	532	532	532	612	733
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	2	-	-	-	-	-	-	-	-
Service charges - other	-	-	-	2 128	-	-	-	-	-
Rental of facilities and equipment	110 655	102 368	258 685	138 017	138 627	138 627	144 458	151 754	159 417
Interest earned - external investments	-	121	163	-	-	-	-	-	-
Interest earned - outstanding debtors	378	245	8	130	24	24	24	24	24
Dividends received	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	34	454	5 393	-	-	-	-	-	-
Licences and permits	92	1	201	-	-	-	-	-	-
Agency services	-	-	-	-	-	-	-	-	-
Transfers and subsidies	222	-	2 000	2 000	2 000	2 000	1 291	-	-
Other revenue	4 077	14 245	15 559	211	1 835	1 835	1 906	1 997	2 093
Gains on disposal of PPE	114 245	25 529	65 710	33 233	33 233	33 233	33 233	33 233	33 233
Total Operating Revenue (excluding capital transfers and contributions)	229 704	143 487	347 908	176 251	176 251	176 251	181 445	187 620	195 500
Expenditure By Type									
Employee related costs	319 878	354 391	392 040	482 303	440 475	440 475	500 427	535 748	581 464
Remuneration of councillors	-	-	-	-	-	-	-	-	-
Debt impairment	(9 934)	1 198	27 949	-	-	-	8 455	7 401	7 775
Depreciation & asset impairment	62 698	46 973	88 777	107 662	123 824	123 824	152 027	176 664	198 009
Finance charges	26 697	29 453	25 577	-	55 773	55 773	-	-	-
Bulk purchases	-	-	-	-	-	-	-	-	-
Other materials	3 713	21 277	15 542	23 963	14 122	14 122	(357)	(1 787)	(3 324)
Contracted services	308 933	294 591	358 871	380 233	451 474	451 474	482 071	492 706	517 312
Transfers and subsidies	51 337	54 816	79 550	82 055	98 835	98 835	113 708	89 310	93 820
Other expenditure	35 724	80 567	44 819	110 254	50 763	50 763	111 849	125 030	131 538
Loss on disposal of PPE	399	929	814	29	29	29	31	32	34
Total Operating Expenditure	799 445	884 194	1 033 939	1 186 498	1 235 294	1 235 294	1 368 210	1 425 104	1 526 628
Surplus/(Deficit)	(569 741)	(740 707)	(686 031)	(1 010 248)	(1 059 044)	(1 059 044)	(1 186 765)	(1 237 484)	(1 331 128)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	500	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educ Institutions)	-	10 526	-	-	-	-	-	-	-
Transfers & subsidies capital in-kind	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(569 241)	(730 180)	(686 031)	(1 010 248)	(1 059 044)	(1 059 044)	(1 186 765)	(1 237 484)	(1 331 128)
Taxation	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation	(569 241)	(730 180)	(686 031)	(1 010 248)	(1 059 044)	(1 059 044)	(1 186 765)	(1 237 484)	(1 331 128)
Attributable to minorities	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality	(569 241)	(730 180)	(686 031)	(1 010 248)	(1 059 044)	(1 059 044)	(1 186 765)	(1 237 484)	(1 331 128)
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	(569 241)	(730 180)	(686 031)	(1 010 248)	(1 059 044)	(1 059 044)	(1 186 765)	(1 237 484)	(1 331 128)
Capital Expenditure	153 827	272 732	295 284	224 601	283 893	283 792	389 498	427 272	354 814

2.12.4 Energy & Climate Change (Vote 4)

The Constitution stipulates that the City has a responsibility to ensure that the citizens of Cape Town have access to basic services. Municipal powers and functions are dealt with in Section 156 (Schedules 4B and 5B) of the Constitution. Specific functions pertaining to electricity reticulation, are contained in Schedule 4B. Specific functions pertaining to street lighting are contained in schedule 5B.

To meet this responsibility, the Energy & Climate Change directorate must ensure the provision of effective and reliable electricity services through effective management of natural resources and service delivery infrastructure.

The directorate is made up of two departments:

- **Sustainable Energy Markets department**

The department is newly established and has been in operation for two years. Branches within the department include Energy Data Management & Integration Platforms, Renewable Energy & Energy efficiency and facilitation, Low Income Energy Services & Climate Change, Generation Development and Municipal Efficiency and Green Energy.

The departmental focus is mainly on, but not limited to, the following:

- Ensuring adoption of the Climate Change Policy for the City;
- Coordinating the implementation and monitoring of the City's Sustainable Energy Action Plan with departments and stakeholders towards achieving the Cape Town Energy 2040 vision;
- Ensuring the continuation of improving the City's own energy use and carbon footprint by retrofitting City buildings and operations; and
- Key cross-cutting projects including:
 - Developing partnerships for the City's path to sustainable growth: Initiating and building on beneficial partnerships locally, nationally and internationally to enhance and drive the City's path to a sustainable, low-carbon and inclusive future;
 - Green Procurement Programme and projects;
 - Friends and Neighbours Programme;
 - Smart Living and Working Programme;
 - The Mayor's Portfolio of Urban Sustainability; and
 - Ongoing implementation of the graduate intern and international intern programmes.

- **Electricity Generation & Distribution department**

The department has been in existence since 1895 in different forms but providing the same essential service. Branches include Supply, Infrastructure Management, Engineering, Enterprise Asset Management, Retail Management and Technical Support Services.

The department's core business is to provide reliable electricity supply to customers in the City's electricity services supply area and is licensed by NERSA to undertake this function. In order to ensure that the quality of electricity supply meets the required regulatory standards, the department monitors its performance in terms of NERSA guidelines as set out in the NRS048 documents.

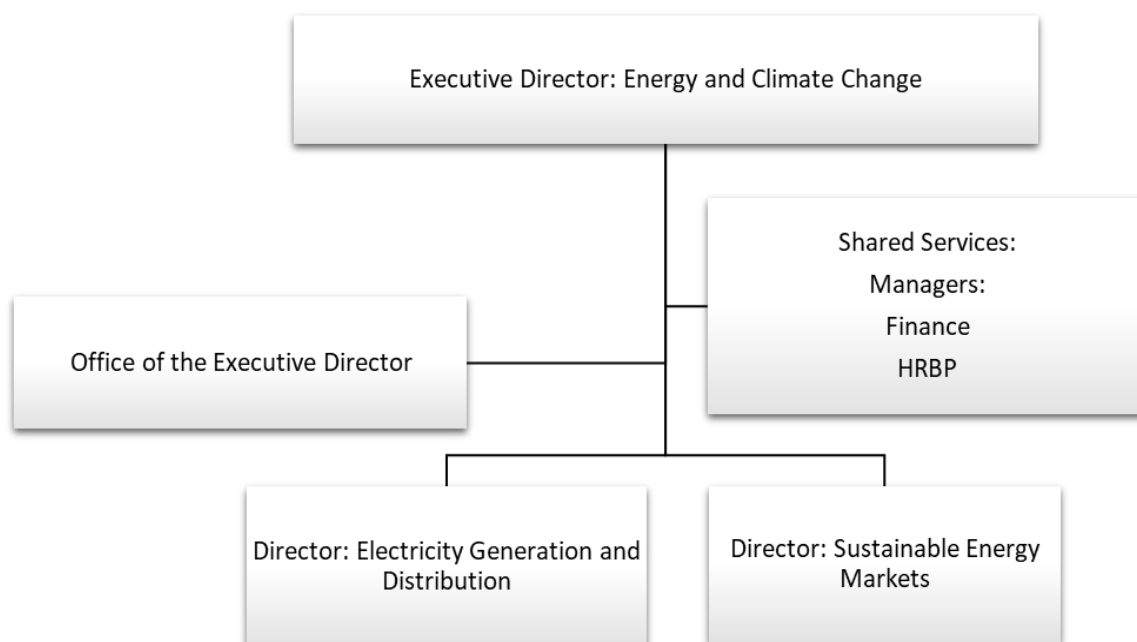
In accordance with the City's draft Energy and Climate Change Strategy, the department aims to promote the use of renewable energy as follows:

- Promote and facilitate the implementation of other renewable generation systems where practical;
- Keep abreast of national- and provincial developments regarding renewable energy and facilitate the incorporation thereof into City processes;
- Investigate the practicality of entering into long term power purchase agreements (PPAs) with independent power producers (IPPs) to provide electricity at the same price at which the City purchases it from Eskom;
- Manage the City's Small Scale Embedded Generation program, which provides for a limited amount of excess generation of small scale renewable energy generators to be fed back onto the municipal grid and to receive an associated credit; and
- Promote the finalisation of national technical specifications for the connection of small scale renewable generation to utility electrical grids.

The department, in partnership with the Sustainable Energy Markets department, aims to:

- Establish and implement an Energy Efficiency (EE) programme;
- Promote Eskom's Energy Saving Program to the City's electricity customers; and
- Establish and maintain an on-line EE and demand side management (DSM) resource.

Management Structure



Performance objectives and indicators

Strategic Focus Area	Objectives	IDP Programme
SFA 1: The Opportunity City	1.2 - Leveraging technology and progress	Embedded generation
		Sustainable mix of energy
	1.3- Economic inclusion	Skills development (apprentices and learners)
	1.4 Resource efficiency and security	Climate change programme
SFA 2: The Safe City	2.1 – Holistic Crime Prevention Programme	Public lighting
SFA 5: The Well Run City	5.1 - Financial and operational sustainability	Energy revenue model

Changes to service levels and standards over the MTREF

Load Shedding: The department is ready to respond to a national declared emergency and activate load shedding in accordance with the national requirements and the published load shedding schedules. Load shedding in the event of a system emergency is required in order to prevent the power system from sliding into an unstable state, which can lead to a national blackout with serious consequences.

The City's load shedding practices and schedules have been aligned with the national standard NRS048 part 9. Load-shedding schedules are posted on the City's official website.

Past year's performance - 2017/18

Operating expenditure amounted to an achievement of 95,9%; the under expenditure was mainly due to declining bulk purchases of some R224 million and a reduction in capital charges of R108 million while achieving a 96% spend on repairs and maintenance.

Capital expenditure of 87% was achieved, which is a reasonable achievement considering the legislative environment within which to spend. The directorate operates within an environment where declining sales is the norm and has to plan and budget accordingly.

Risks to achieving revenue projections, any expected major shifts in revenue patterns and any planned alternative sources of revenue

The current infrastructure within the geographical area of Cape Town needs to be refurbished and maintained to ensure that the condition of the current networks and infrastructure is improved to meet the business and social challenges in electrification in South Africa. This supports the City's IDP by enabling an Opportunity City, by providing a Safe City that is a Caring City through excellence in basic services.

The directorate considers itself well-run as is evidenced in the revenue collection and low levels of electrification backlog. The energy industry is changing and the sales environment is declining, yet the directorate has to prepare its business to meet the future energy needs of the City's residents. The introduction of the Home User tariff has assisted in the structural change required to limit the impact of declining sales. The directorate's revenue protection teams are working tirelessly on maintaining the current collection rates and minimising the City's losses. The continued roll-out of split prepaid metering will also assist in limiting losses.

Major features of expenditure incl. highlighting discretionary and non-discretionary expenditure

Bulk purchases of electricity from Eskom represents a substantial part of our budget - around 65%; the City has previously paid these charges to Eskom within the due dates.

The directorate also collects the non-regulatory portion of its tariffs, which represents 10% of sales for redistribution within the Rates account.

The directorate's revenue protection efforts continue to assist in limiting these increases.

Directorate capital programme

The capital budget is funded from a number of funding sources with the CRR, EFF and CGD being the largest. It is critically important to match the benchmark for the investment in refurbishment in accordance with international best practice to ensure good quality of supply and excellent customer and delivery service.

EFF envelopes are set by the Finance department and increases in capital charges related to this funding source have an impact on tariffs. With effect from 2014/15, non-generating revenue projects in respect of infrastructure and refurbishment have been moved from EFF (loans) to CRR (revenue) funding. This practice over an extended period will have the effect of reducing tariff increase requirements.

Table 64 Energy & Climate Change (Vote 4) - operating revenue by source, expenditure by type and total capital expenditure

Directorate: Energy & Climate Change									
Budgeted Financial Performance (revenue and expenditure)									
Description R thousand	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Operating Revenue By Source									
Property rates	–	–	–	–	–	–	–	–	–
Service charges - electricity revenue	11 202 784	11 763 615	11 810 552	12 583 725	13 027 431	13 027 431	13 623 106	15 187 886	16 826 176
Service charges - water revenue	–	–	–	–	–	–	–	–	–
Service charges - sanitation revenue	–	–	–	–	–	–	–	–	–
Service charges - refuse revenue	–	–	–	–	–	–	–	–	–
Service charges - other	–	–	–	19 038	–	–	–	–	–
Rental of facilities and equipment	517	794	1 042	975	975	975	1 015	1 066	1 120
Interest earned - external investments	–	–	–	–	–	–	–	–	–
Interest earned - outstanding debtors	21 678	21 736	24 402	25 800	27 655	27 655	27 655	30 877	34 335
Dividends received	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits	1 745	–	17 606	–	–	–	–	–	–
Licences and permits	–	–	–	–	–	–	–	–	–
Agency services	–	–	–	–	–	–	–	–	–
Transfers and subsidies	3 438	4 596	7 394	4 567	4 975	4 975	874	950	–
Other revenue	96 150	129 078	143 752	87 446	98 805	98 805	103 315	108 530	114 009
Gains on disposal of PPE	2 090	2 979	3 166	2 500	2 500	2 500	2 500	2 500	2 500
Total Operating Revenue (excluding capital transfers and contributions)	11 328 403	11 922 798	12 007 914	12 724 050	13 162 341	13 162 341	13 758 464	15 331 809	16 978 141
Expenditure By Type									
Employee related costs	932 549	958 398	1 058 234	1 203 294	1 195 511	1 195 511	1 362 574	1 473 751	1 592 294
Remuneration of councillors	–	–	–	–	–	–	–	–	–
Debt impairment	132 560	84 156	51 184	128 522	128 522	128 522	132 851	148 116	164 098
Depreciation & asset impairment	253 589	276 116	312 853	353 185	357 553	357 553	371 608	390 559	408 220
Finance charges	226	220	156	–	293	293	–	–	–
Bulk purchases	7 656 071	8 069 461	7 870 527	8 341 400	8 341 400	8 341 400	9 475 500	10 564 235	11 704 116
Other materials	15 637	92 384	92 614	134 931	109 952	109 952	201 993	165 453	172 920
Contracted services	247 273	246 296	267 922	315 872	307 839	307 839	345 818	329 037	345 932
Transfers and subsidies	–	–	–	–	–	–	–	–	–
Other expenditure	232 861	148 830	153 259	196 586	178 313	178 313	169 925	179 659	188 578
Loss on disposal of PPE	633	7 782	3 322	194	174 818	174 818	450	473	497
Total Operating Expenditure	9 471 398	9 883 643	9 810 072	10 673 982	10 794 201	10 794 201	12 060 720	13 251 284	14 576 654
Surplus/(Deficit)	1 857 004	2 039 155	2 197 842	2 050 068	2 368 140	2 368 140	1 697 745	2 080 525	2 401 487
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	155 071	115 465	88 776	116 709	104 529	104 529	74 541	62 588	106 100
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educ Institutions)	44 220	45 412	51 745	44 200	39 200	39 200	41 700	44 700	42 000
Transfers & subsidies capital in-kind	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	2 056 295	2 200 033	2 338 363	2 210 977	2 511 869	2 511 869	1 813 986	2 187 812	2 549 587
Taxation	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after taxation	2 056 295	2 200 033	2 338 363	2 210 977	2 511 869	2 511 869	1 813 986	2 187 812	2 549 587
Attributable to minorities	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality	2 056 295	2 200 033	2 338 363	2 210 977	2 511 869	2 511 869	1 813 986	2 187 812	2 549 587
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	2 056 295	2 200 033	2 338 363	2 210 977	2 511 869	2 511 869	1 813 986	2 187 812	2 549 587
Capital Expenditure	1 090 855	1 248 887	1 024 550	1 113 506	863 239	798 179	834 094	1 008 117	1 520 724

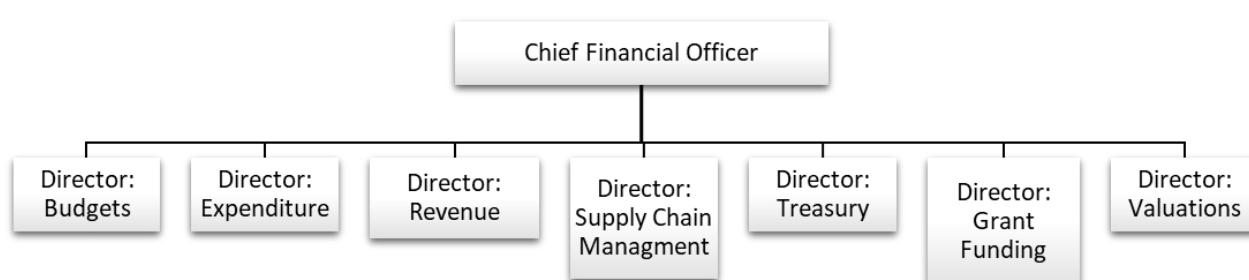
2.12.5 Finance (Vote 5)

The directorate's core function is to provide and maintain meaningful, accurate and coherent financial records to facilitate the management and control of expenditure activities against the objectives set by the City's budget and all forms of financial and statutory accountability finally embraced in the Audited Financial Statements.

The various departments in the Finance directorate are responsible for, inter alia,

- Budgeting which gives financial effect to the strategic focus in the form of short, medium & long term financial planning which is credible, viable and sustainable;
- Maintaining accurate and complete financial records to enhance decision-making, thereby sustaining confidence in these records of the City;
- Managing the City's banking, investments, borrowings, and cash flow in the most effective, economical and efficient manner;
- Billing and collecting monies and funds due to the City;
- Managing the City's expenditure in an economical, effective and efficient manner;
- Market related property valuations and the maintenance of compliant rates rebates in order to equitably levy rates on all rateable properties for the provision of the unconditional revenue stream to finance non-tariff funded services;
- Payment of creditors in compliance with MFMA provisions;
- The development and implementation of a comprehensive, compliant and synergistic conditional grant fund management structure for the City of Cape Town;
- Implementation of sound Supply Chain Management policies and procedures;
- Development and reviewing of financial and finance-related policies;
- Ensuring compliance to relevant legislation, and the implementation and maintenance of good governance practices;
- Modelling the impact of the Total Municipal Account on residents to ensure a fair distribution of the rates and tariff burdens.

Management Structure



Strategic Alignment to the IDP

Strategic Focus Area	Objectives	IDP Programme
SFA 1: The Opportunity City	1.1: Positioning Cape Town as a forward looking Globally Competitive City	1.B Percentage of rates clearance certificates issued within 10 working day
SFA 4: The Inclusive City	Objective 4.3: Building integrated communities	4.3.h Cross subsidisation Programme 4.3.h.1 Rebates and Indigent Project
SFA 5: The Well-Run City	Programme 4.3.h Cross-Subsidisation Programme	5.A Opinion of independent rating agency 5.B Opinion of the Auditor-General 5.C Percentage spend of capital budget (NKPI) 5.D Percentage spend on Repairs and Maintenance 5.E Cash/Cost coverage ratio (excluding unspent conditional grants) (NKPI) 5.F Net Debtors to Annual Income (NKPI) 5.G Debt (total borrowings)/Total Operating Revenue (NKPI)

Changes to service levels and standards over the MTREF

There are no material changes in trends over the MTREF period for the directorate.

Past year's performance – 2017/18

The Finance directorate's performance for the past year has been extremely positive, demonstrated by the ongoing high credit ratings received, as well as a collection ratio of 95%, bringing credibility and financial sustainability to the City.

Management continues to take due care to ensure that risks, which could impact on the directorate not achieving its objectives are identified, addressed and managed on a day-to-day basis in accordance with the City's approved IRM Policy and IRM Framework.

The following have been accomplished by the directorate:

- Progress on successful mSCOA pilot implementation and integration with budget actions;
- Development of an automated virement process via integrated ERP tool;
- Development and implementation of a comprehensive, compliant and synergistic conditional grant fund management structure for the City;
- 95% collection/payment ratio despite the current economic climate;
- 95% Rates Clearance Certificates (RCCs) issued within 10 working days;
- Reduction of tender turnaround time in respect of Supply Chain Management processes;
- Introduction of Supplier Self Service;
- Improvement of the ability to track tenders through the tender tracking systems;
- Implementation of new due diligence processes (basic / intermediate / comprehensive);
- Establishment of a procurement excellence and governance unit;
- Implementation of a Stage Gate review process (brick wall);
- Introduction of a data Governance Framework;
- Introduction of real-time valuation for sub-divisions, Consolidation and change of use/zoning of property; and
- Online Valuation objection process for property owners.

Risks to achieving revenue projections, any expected major shifts in revenue patterns and any planned alternative sources of revenue

There are no material changes in revenue trends over the MTREF period for the Finance directorate.

Major features of expenditure incl. highlighting discretionary and non-discretionary expenditure

The Directorate's major expenditure categories include:

- Salaries and Wages;
- Contracted Services – mostly linked to MURP projects;
- Depreciation; and
- Finance Charges

Capital Programme

The key projects contained within the 2019/20 capital budget of the Finance directorate support both financial control and enhanced service delivery and include a number of strategically aligned projects to support the ease with which ratepayers can engage and do business with the City.

The directorate's capital programme for 2019/20 is made up of the following main projects:

- Aerial Photography;
- Furniture & IT Equipment;
- E Tendering;
- Security at Cash Offices;
- System Enhancements; and
- Upgrades to cash offices

Table 65 Finance (Vote 5) - operating revenue by source, expenditure by type and total capital expenditure

Directorate: Finance									
Budgeted Financial Performance (revenue and expenditure)									
Description	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Operating Revenue By Source									
Property rates	6 745 047	8 105 126	8 470 387	8 866 261	9 146 266	9 146 266	9 679 843	10 268 211	10 784 061
Service charges - electricity revenue	–	–	–	–	–	–	–	–	–
Service charges - water revenue	(220 039)	(324 696)	(298 806)	–	–	–	–	–	–
Service charges - sanitation revenue	(8)	–	–	–	–	–	–	–	–
Service charges - refuse revenue	(219 690)	(214 249)	(255 968)	–	(280 000)	(280 000)	(287 133)	(301 633)	(316 866)
Service charges - other	–	–	–	28 355	–	–	–	–	–
Rental of facilities and equipment	11 252	12 442	6 631	2	2	2	2	2	2
Interest earned - external investments	634 910	761 471	877 692	946 334	940 088	940 088	912 296	930 613	1 022 317
Interest earned - outstanding debtors	69 621	81 292	81 670	103 752	103 752	103 752	108 892	114 828	121 091
Dividends received	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits	1 664	738	156 734	469	469	469	488	513	538
Licences and permits	(0)	134	(1)	–	–	–	–	–	–
Agency services	171 430	175 296	199 068	189 464	189 464	189 464	204 906	231 605	239 666
Transfers and subsidies	4 030 809	4 398 142	4 817 578	2 631 761	5 262 039	5 262 039	5 504 854	5 838 332	6 277 455
Other revenue	45 702	47 424	189 110	2 590 288	68 027	68 027	71 828	75 144	78 557
Gains on disposal of PPE	143	38	106	–	–	–	–	–	–
Total Operating Revenue (excluding capital transfers and contributions)	11 270 843	13 043 157	14 244 201	15 356 686	15 430 107	15 430 107	16 195 975	17 157 614	18 206 823
Expenditure By Type									
Employee related costs	996 267	697 586	888 483	963 237	1 157 347	1 157 347	1 031 387	1 109 988	1 197 509
Remuneration of councillors	–	–	–	–	–	–	–	–	–
Debt impairment	48 666	105 223	173 556	370 028	370 028	370 028	396 779	418 721	441 876
Depreciation & asset impairment	200 301	202 027	205 817	208 139	207 190	207 190	203 920	201 003	217 860
Finance charges	731 397	693 232	742 682	1 046 917	757 811	757 811	751 248	847 168	1 220 634
Bulk purchases	–	–	–	–	–	–	–	–	–
Other materials	18 281	20 626	19 751	14 409	16 495	16 495	19 726	19 776	19 812
Contracted services	80 723	87 445	73 731	77 404	87 035	87 035	72 963	74 624	77 099
Transfers and subsidies	6 760	1 179	24 167	70 160	71 660	71 660	113 746	119 480	125 524
Other expenditure	298 737	334 654	415 883	406 523	406 258	406 258	414 648	436 504	459 506
Loss on disposal of PPE	68	115	145	–	–	–	–	–	–
Total Operating Expenditure	2 381 200	2 142 088	2 544 215	3 156 818	3 073 825	3 073 825	3 004 417	3 227 264	3 759 822
Surplus/(Deficit)	8 889 644	10 901 070	11 699 986	12 199 868	12 356 282	12 356 282	13 191 558	13 930 350	14 447 000
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	100	–	128	600	1 370	1 370	550	400	90
Transfers and subsidies - capital (monetary allocations) (Nat/ Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educ Institutions)	–	–	–	–	–	–	–	–	–
Transfers & subsidies capital in-kind	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	8 889 743	10 901 070	11 700 114	12 200 468	12 357 652	12 357 652	13 192 108	13 930 750	14 447 090
Taxation	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after taxation	8 889 743	10 901 070	11 700 114	12 200 468	12 357 652	12 357 652	13 192 108	13 930 750	14 447 090
Attributable to minorities	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality	8 889 743	10 901 070	11 700 114	12 200 468	12 357 652	12 357 652	13 192 108	13 930 750	14 447 090
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	8 889 743	10 901 070	11 700 114	12 200 468	12 357 652	12 357 652	13 192 108	13 930 750	14 447 090
Capital Expenditure	38 202	23 989	14 009	20 549	26 851	21 823	116 957	275 579	51 351

2.12.6 Human Settlements (Vote 6)

The Human Settlements directorate leads the City's efforts at facilitating the development of integrated and sustainable human settlements, a work focus area closely aligned with the IDP's Strategic Focus Area 3 (The Caring City) and Strategic Focus Area 4 (The Inclusive City).

The key objectives of the Human Settlements directorate are therefore:

- To facilitate and develop sustainable integrated human settlements;
- To integrate the delivery of housing opportunities with the objectives and deliverables of the rest of the City, thereby ensuring that these contribute to the creation of a compact city and optimal use of facilities;
- To improve informal settlements and backyard precincts incrementally and create a better-quality living environment, rather than merely providing shelter;
- To manage and maintain the City's rental housing assets strategically; and
- To promote and ensure meaningful partnerships with private sector and community-based stakeholders towards the development of affordable housing.

The above mentioned objectives are realised through projects and programmes implemented in the various line departments:

- **Housing Development (previously known as Human Settlements Implementation)**

The core functions of this department is to facilitate and develop sustainable integrated human settlements in alignment with the National Housing Code, the City's Spatial Development Framework and the City's Transit Oriented Development Framework. This is done by managing the initiation, planning and implementation of integrated human settlement projects and facilitating the development of social facilities and amenities. Furthermore, this department is responsible to facilitate the development of social and gap housing in identified restructuring zones within the City to ensure the provision of affordable rental and full title ownership housing in well-located areas within the City. Lastly, this department is also responsible for the upliftment of local communities through the management of People's Housing Programme (PHP) projects.

- **Public Housing (previously known as Homeownership, Tenancy Management & Staff Housing)**

The Homeownership, Tenancy Management and Staff Housing department is responsible to direct, manage and control the operations with regard to the transfer of the City's public housing assets, as well as for tenancy transfer and management. The department is also responsible for the development and implementation of maintenance plans by assessing conditions, maintenance costing, and roll-out. The department also manages and administers properties envisaged to be retained as operational staff housing.

- **Informal Settlements (previously known as Informal Settlements and Backyarders)**

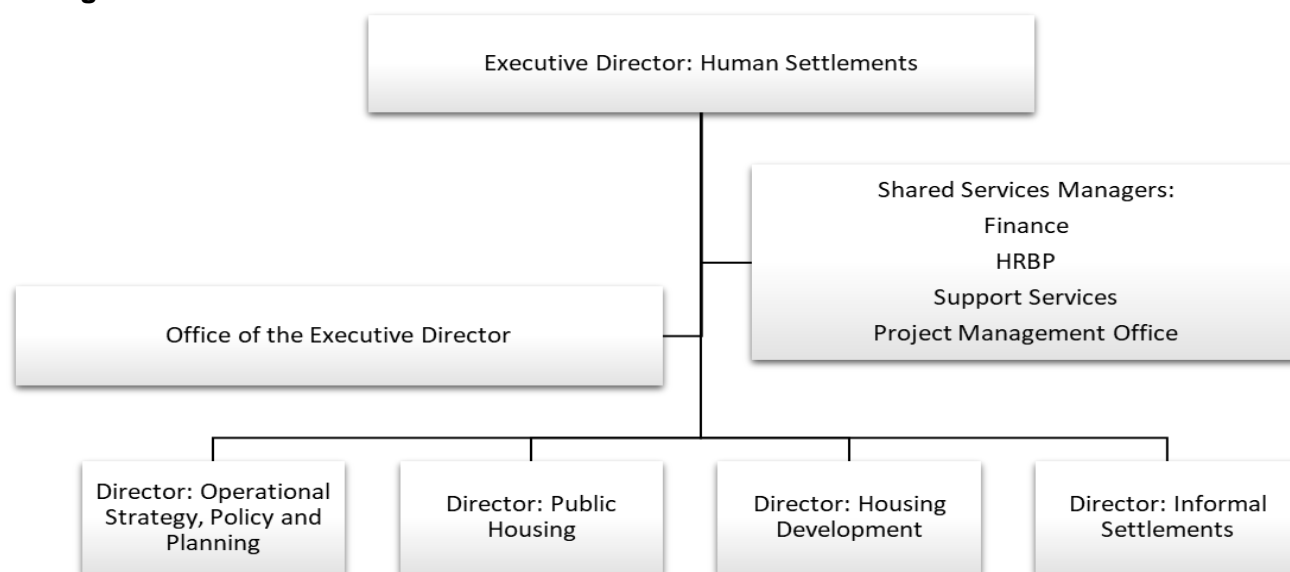
The primary function of this department is the upgrading of informal settlement through a variety of interventions. These interventions are in-situ upgrading of informal settlements via the National Upgrading of Informal Settlements Programme, re-blocking and enhanced re-blocking as well as super-blocking. The latter interventions can result in individual serviced sites or the provision of shared basic services.

This department furthermore provides basic municipal services to households residing in the backyards of City's owned rental housing. In addition, this department is responsible to provide emergency housing, fire and flood kits when the need arises.

- **Operational Strategy, Policy and Planning (additional department in new structure)**

This department will form part of the new proposed Human Settlements structure with the core objective to provide strategic support in the implementation of human settlement programmes. This will be achieved through the development of human settlements operational strategies and policies that inform human settlements plans and programmes. Furthermore, this department is responsible for strategic identification and acquisition of land for human settlements purposes as well as focus on beneficiary and tenure administration.

Management Structure



Performance objectives and indicators

Strategic Focus Area	Objectives/Programmes	Directorate projects / initiatives / linkages
SFA 3: The Caring City	3.2. Mainstreaming basic service delivery to informal settlements and backyard dwellers	Basic Service Delivery Programme – Encouraging and supporting backyard dwellings projects.
		Human Settlements Programme - Informal Settlements Services Project.
		Deeds of sale agreements signed with identified beneficiaries per annum.
		Service points (toilet and tap hand basins) to be provided to backyarders.
		Registration of title deeds for historical projects and reducing the registration backlog.
	3.1 Excellence in basic service delivery	Human Settlement opportunities to be provided (Served Sites and Top Structures) - Is at a minimum of a 40 square metres house delivered to an approved beneficiary , earning between R0- R3500 per month with the subsidy amount as provided by the National Human Settlements Department or a fully serviced residential site and may also include high density residential and non-residential sites related to integrated housing developments . Reported BNG delivery figures are based on practical completion of units and sites are based on practical completion certificates as issued by the engineering consultant

Changes to service levels and standards over the MTREF

There are no material changes in trends for the directorate over the MTREF period.

Past year's performance - 2017/18

The directorate achieved the following financial indicators in the 2017/18 financial year:

- Capital spend: 93% (target 90%)
- Operating spend 73% (target 90%)
- Repairs and maintenance spend 100% (target 95%)
- Training budget spend 74% (target 95%)

The following achievements have been accomplished by the directorate:

- Number of sites serviced in the informal settlements (incremental housing and re-blocking: 1 052 (target: 2000);
- Number of service points (toilet and tap with hand basin) provided to backyarders: 408 (target: 1 000);
- Number of water services points (taps): 912 (target: 600);
- Number of sanitation service points (toilets) 4 275 (target: 2 800);
- Number of deeds of sale agreements signed with identified beneficiaries per annum provided to informal settlements: 600 (target: 1 000); and
- Percentage of allocated housing opportunity budget spent: 65.98% (target: 90%).

Risks to achieving revenue projections, any expected major shifts in revenue patterns and any planned alternative sources of revenue

Rental income is under pressure as a result in the growth of outstanding rental debt. Appropriate debt management measures to be put in place to address this situation.

Major features of expenditure incl. highlighting discretionary and non-discretionary expenditure

The directorate's major category of expenditure will be repairs and maintenance on various projects in respect of the City's rental units.

Directorate capital programme

The directorate's capital programme for 2019/20 is made up of the following main projects:

- Imizamo Yethu Housing Project (CRU Top Structures);
- Beacon Valley Housing Project;
- Macassar BNG Housing Project;
- ACSA Symphony Way Housing Project;
- Annandale Housing Project;
- Informal Settlement Upgrade – Enkanini;
- Internal Services: Monwabisi Park;
- Imizamo Yethu Informal Settlements Emergency Project;
- Major Upgrading of Housing Rental Stock; and
- Installation of Rental Stock Sub-Meters as part of the Water Resilience Programme.

Table 66 Human Settlements (Vote 6) - operating revenue by source, expenditure by type and total capital expenditure

Directorate: Human Settlements									
Budgeted Financial Performance (revenue and expenditure)									
Description	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Operating Revenue By Source									
Property rates	–	–	–	–	–	–	–	–	–
Service charges - electricity revenue	–	–	–	–	–	–	–	–	–
Service charges - water revenue	–	–	–	–	–	–	–	–	–
Service charges - sanitation revenue	–	–	–	–	–	–	–	–	–
Service charges - refuse revenue	–	–	–	–	–	–	–	–	–
Service charges - other	–	–	–	8 728	–	–	–	–	–
Rental of facilities and equipment	175 421	178 341	173 404	219 698	219 698	219 698	143 005	150 083	157 511
Interest earned - external investments	79	72	95	10 113	200	200	200	–	–
Interest earned - outstanding debtors	7 819	6 781	5 045	97	2	2	2	2	2
Dividends received	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits	25	54	14	–	–	–	–	–	–
Licences and permits	(0)	60	134	–	–	–	–	–	–
Agency services	–	–	–	–	–	–	–	–	–
Transfers and subsidies	634 599	472 333	428 140	364 004	647 130	647 130	414 854	561 554	517 679
Other revenue	41 892	16 908	16 231	9 508	28 244	28 244	18 942	19 731	14 102
Gains on disposal of PPE	3 819	154 147	3 204	5 138	5 138	5 138	5 000	5 000	5 000
Total Operating Revenue (excluding capital transfers and contributions)	863 655	828 697	626 267	617 285	900 411	900 411	582 003	736 371	694 294
Expenditure By Type									
Employee related costs	272 154	278 787	309 198	371 712	320 208	320 208	379 666	412 190	447 324
Remuneration of councillors	–	–	–	–	–	–	–	–	–
Debt impairment	134 250	103 645	103 861	152 024	152 024	152 024	121 119	160 180	166 416
Depreciation & asset impairment	99 883	202 317	116 846	192 077	189 377	189 377	217 568	256 304	278 311
Finance charges	2 357	9 072	4 885	74	2 593	2 593	77	81	86
Bulk purchases	–	–	–	–	–	–	–	–	–
Other materials	10 888	60 837	27 483	22 854	43 492	43 492	54 277	39 512	43 000
Contracted services	391 713	364 018	250 988	387 433	531 331	531 331	527 867	520 539	555 546
Transfers and subsidies	164 917	210 753	244 016	103 963	238 404	238 404	120 000	237 660	168 720
Other expenditure	97 869	16 262	31 429	25 340	75 384	75 384	48 235	64 484	66 901
Loss on disposal of PPE	2 807	4 539	3 312	–	–	–	–	–	–
Total Operating Expenditure	1 176 839	1 250 229	1 092 017	1 255 478	1 552 813	1 552 813	1 468 810	1 690 950	1 726 302
Surplus/(Deficit)	(313 185)	(421 532)	(465 750)	(638 194)	(652 402)	(652 402)	(886 807)	(954 580)	(1 032 008)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	293 458	389 678	339 052	483 649	505 628	505 628	667 066	731 673	792 676
Transfers and subsidies - capital (monetary allocations) (Nat/ Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educ Institutions)	–	–	–	–	–	–	–	–	–
Transfers & subsidies capital in-kind	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	(19 727)	(31 854)	(126 698)	(154 545)	(146 774)	(146 774)	(219 741)	(222 906)	(239 332)
Taxation	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after taxation	(19 727)	(31 854)	(126 698)	(154 545)	(146 774)	(146 774)	(219 741)	(222 906)	(239 332)
Attributable to minorities	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality	(19 727)	(31 854)	(126 698)	(154 545)	(146 774)	(146 774)	(219 741)	(222 906)	(239 332)
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	(19 727)	(31 854)	(126 698)	(154 545)	(146 774)	(146 774)	(219 741)	(222 906)	(239 332)
Capital Expenditure	336 606	476 807	464 837	794 428	705 286	696 526	869 063	987 927	882 546

2.12.7 Office of the City Manager (Vote 7)

The City Manager heads the administration of the City and chairs the City's Executive Management Team (EMT), whose primary responsibility is advising the City Manager on service delivery matters, strategy and policy. The EMT also supports the City Manager by driving the implementation of strategic programmes within the 5-year IDP.

The vision of the Office of the City Manager is to be a trusted centre that advises, provides direction and engages with internal- and external partners. This is to assist the City to become known for its effective and equitable service delivery and to distinguish itself as a well-governed and efficiently run administration contributing to the achievement of the goals and objectives of the IDP.

The Office of the City Manager comprises the following departments:

- **Office of The Executive Mayor**

The main role of the Office of the Executive Mayor is to support the Executive Mayor to identify the needs of the municipality, and recommend ways to realise those needs by means of the City's IDP and budget. The Office of the Executive Mayor also support the Executive Mayor to monitor the administration, review the performance of the municipality and oversee service delivery.

The department ensures the efficient and effective management of the executive political office of the Executive Mayor by providing strategic services. The Office includes Governance, Administrative, Media & Protocol, Stakeholder's Engagement, Legal Advice and Mayoral Fund who are all rendering a service to support the Executive Mayor and his office. The Office of the Executive Mayor also has a daily working relationship with the VIP Unit, International Relations, Events & Protocol and Mayor's Correspondence Office departments who are all engaged to support the Executive Office.

The Office of the Executive Mayor also performs political/ administrative interface with Mayoral Committee Members, Council and the City Manager.

- **Probity**

This department's function is to advise the City Manager with all governance-related matters in the City. The City intends to enhance Combined Assurance, Ethics and Consequence Management within Probity Governance to support the integrity of information used for decision making, improve governance and promote ethical leadership and culture within the City.

The mission of this department is to enhance and protect organisational value by providing risk-based and objective assurance, advice, and insight.

The Probity department comprises of the following sections:

- Internal Audit (IA);
- Risk, Ethics and Governance (REG);
- Office of the City Ombudsman (OCO); and
- Forensics Services (FS).

For the synergistic, effective, and efficient functioning of the Probity department, key processes and reporting mechanisms should be integrated and standardised across the branches, including but not limited to, terminology, performance metrics, quality assurance, data analytics, as well as the use and adoption of leading practices. This will enhance the quality and timeliness of services provided to the City. Existing processes should be expanded across the Probity department to leverage on specialised skills, knowledge, experience and systems.

- Legal Compliance Unit**

The primary function of this unit is to mitigate risk against Council and its structures, the Executive Mayor, City Manager and Executive Directors. This function is executed by way of rendering effective and efficient legal services by providing legal advice (formally and including in meetings such as Council and MayCo) and guidance, drafting or procuring opinions and agreements and providing legal assistance.

Furthermore, the unit is responsible for ensuring the legal compliance of all reports submitted to Council and its structures, the Executive Mayor and the City Manager.

In addition, the unit deals with the management and finalisation of Section 62 appeals and the management and finalisation of resolutions of disputes, objections and complaints in accordance with Regulation 49 and 50 of the Supply Chain Management (SCM) Regulations. The unit provides legal support to the office of the City Manager generally and in his/her capacity as the Appeal Authority and to the Independent and Impartial Person as per SCM Regulation 49 and 50.

Performance objectives and indicators

Strategic Focus Area	Objectives/Programmes	Directorate projects / initiatives / linkages
SFA 5: The Well-Run City	5.1 (c) Compliant Service Delivery Programme	<p>Provide independent and objective risk-based internal audit assurance and advisory services</p> <p>Deliver an effective integrated risk management and ethics function aligned to the organisational governance requirements</p> <p>Development and institutionalisation of ethics by driving the process of protecting, nurturing, and enhancing the ethical culture of the City</p> <p>Respond to ethics and integrity transgressions of the organisational Code of Conduct</p> <p>Fight against fraud, and serious economic crimes and entrench ethical principles in the organisation</p> <p>Re-active and pro-active forensic investigations</p> <p>Provision of an off-site independent hotline service provider. The provision of the hotline is available in the three official Western Cape languages and is available on a daily basis</p> <p>In an impartial /neutral manner, to investigate and facilitate the resolution of complaints about maladministration, injustice and poor service lodged by residents of Cape Town</p> <p>Standardisation of reporting to the Delegated Authorities</p> <p>a. Formalisation of reporting to the Audit and Performance Audit Committee by all the Probity branches</p> <p>b. Quarterly Integrated Governance Report</p> <p>c. Integrated Annual Report on Governance, Risk Management and Internal Controls of the City</p> <p>Ensure a collaborative approach to all assurance activities and optimal assurance to senior management, the Audit and Performance Audit Committee, and to Council</p> <p>a. Roll-out and embedding of Business Continuity Management and Combined Assurance within the City</p> <p>Quality Assurance Programs for all the Probity functions to ensure that the quality of, and improvements to, processes, systems, products, and services are in line with the applicable functional, legislative, ethical and professional requirements</p> <p>a. Early Warning Systems and Client Account Management</p> <p>b. Communication strategy and plan to build and maintain stakeholder relations</p> <p>c. Staff performance, training, and development strategy and plans to ensure the appointment, development, and retention of the right skills.</p>

Changes to service levels and standards over the MTREF

There are no material changes in trends over the MTREF period for the directorate.

Past year's performance - 2017/18

Probity department

The detailed performance and progress made by the Probity department are reported in the Integrated Governance Report - 2018.

It is in the spirit of corporate governance that the City (driven by Probity, Internal Audit and Ethics) proactively contributed to the drafting of the King IV Report and provided input into the municipal supplement thereof. Probity and the independent assurance providers were the key drivers behind the City's adoption of King IV on 5 December 2017, further demonstrating to internal and external stakeholders the commitment to good governance, as a well-run and effective administration. Probity and the independent assurance providers, will continue empowering the organisation with regards to good governance in the City through seminars, training and awareness sessions to enable line management to embed the principles of King IV in the daily operations.

Probity and the independent assurance providers also make recommendations to line management on leading good governance practices on an-going basis throughout the year. These recommendations stem from engagements conducted by Probity and the independent assurance providers, and emphasises the remedial actions required to improve corporate governance, risk management and internal controls at the City, as well as reduces risk to fraud, corruption or other criminal activity) and maladministration.

Outcomes of Assurance Engagements

Engagements performed by the independent assurance are based on the priorities and risk profile of the City. Their performance in this regard is monitored via the SDBIP, which includes key performance indicators (KPI) in line with the requirements of the Municipal Systems Act. One of the KPIs is the "Percentage of approved audit engagements/ investigations/ risk registers completed". Each independent assurance provider exceeded the targets, by completing more engagements than planned for.

Independent Assurance Provider	Target	Actual
Integrated Risk Management (IRM)	210	323
Internal Audit	80	92
Ethics	20	22
Forensic Services	150	161
Office of the Ombudsman	500	520

The outcomes of these engagements are reported to the appropriate stakeholders to enable them to take the necessary action to address the key issues identified. The outcomes of engagements completed for 2017/2018 are summarised in the Integrated Governance Report - 2018.

Risks to achieving revenue projections, any expected major shifts in revenue patterns and any planned alternative sources of revenue

Not applicable to the directorate.

Major features of expenditure incl. highlighting discretionary and non-discretionary expenditure

The directorate's main expenditure categories include:

- Employee Related Cost;
- Contracted Services; and
- Other expenditure.

Directorate capital programme

The directorate's capital budget relates to additional and replacements of office furniture and IT equipment.

Table 67 Office of the City Manager (Vote 7) - operating revenue by source, expenditure by type and total capital expenditure

Directorate: Office of the City Manager									
Budgeted Financial Performance (revenue and expenditure)									
Description	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Operating Revenue By Source									
Property rates	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	-	-	-	-	-	-	-	-	-
Service charges - water revenue	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	-	-	-	-	-	-	-	-	-
Service charges - other	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	-	-	-	-	-	-	-	-	-
Interest earned - external investments	-	-	-	-	-	-	-	-	-
Interest earned - outstanding debtors	-	-	-	-	-	-	-	-	-
Dividends received	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	12	-	-	-	-	-	-
Licences and permits	-	-	-	-	-	-	-	-	-
Agency services	-	-	-	-	-	-	-	-	-
Transfers and subsidies	50	-	-	-	-	-	-	-	-
Other revenue	76	258	100	11	6	6	6	6	40
Gains on disposal of PPE	3	2	5	-	-	-	-	-	-
Total Operating Revenue (excluding capital transfers and contributions)	128	260	117	11	6	6	6	6	40
Expenditure By Type									
Employee related costs	87 867	90 501	110 741	157 415	147 974	147 974	174 411	179 984	196 342
Remuneration of councillors	1 284	1 281	1 339	1 454	1 391	1 391	1 475	1 564	1 658
Debt impairment	-	-	-	-	-	-	-	-	-
Depreciation & asset impairment	1 573	1 203	1 249	1 436	1 626	1 626	1 637	1 387	1 120
Finance charges	66	105	125	-	126	126	-	-	-
Bulk purchases	-	-	-	-	-	-	-	-	-
Other materials	1 786	1 901	1 252	1 366	1 235	1 235	1 258	1 259	1 260
Contracted services	4 218	5 926	3 636	6 201	14 094	14 094	31 815	7 791	7 977
Transfers and subsidies	2 076	2 314	4 779	2 230	2 230	2 230	3 323	2 440	2 563
Other expenditure	20 089	20 884	19 635	22 554	22 635	22 635	23 642	24 765	25 944
Loss on disposal of PPE	13	13	24	-	-	-	-	-	-
Total Operating Expenditure	118 972	124 127	142 779	192 656	191 312	191 312	237 561	219 189	236 865
Surplus/(Deficit)	(118 844)	(123 868)	(142 662)	(192 646)	(191 306)	(191 306)	(237 555)	(219 183)	(236 825)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educ Institutions)	-	-	-	-	-	-	-	-	-
Transfers & subsidies capital in-kind	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(118 844)	(123 868)	(142 662)	(192 646)	(191 306)	(191 306)	(237 555)	(219 183)	(236 825)
Taxation	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation	(118 844)	(123 868)	(142 662)	(192 646)	(191 306)	(191 306)	(237 555)	(219 183)	(236 825)
Attributable to minorities	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality	(118 844)	(123 868)	(142 662)	(192 646)	(191 306)	(191 306)	(237 555)	(219 183)	(236 825)
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	(118 844)	(123 868)	(142 662)	(192 646)	(191 306)	(191 306)	(237 555)	(219 183)	(236 825)
Capital Expenditure	919	1 402	2 288	813	2 696	2 658	973	839	910

2.12.8 Safety & Security (Vote 8)

The Safety & Security directorate is committed to ensuring a safe and secure environment for all its residents, by combating crime and disorder, reducing vehicle speed and accidents on our roads, improving response time to emergency fire calls, reducing disaster risks in all communities within the City and supporting community events in order to create opportunities for communities and build social cohesion.

The directorate consist of six functional departments as listed below.

- **Metropolitan Police Services**

The Metro Police Services department was established in terms of the South African Police Service Act. Its mandate is the enforcement of traffic laws, enforcement of by-laws and crime prevention. Its current operations include clamping down on drug- and alcohol-related offences and addressing gang-related violence. To this end, the Gang and Drug Task Force was established, resulting in significant operational successes. Other major initiatives include the expansion of the department's Neighbourhood Safety Teams in order to bring policing closer to the people of the City as well as Youth Cadet Camps. Major projects include the increase in CCTV installations areas within the City based on the City's CCTV master plan, CCTV installations in various wards across the City, replacement of vehicles, the procurement of additional firearms and related equipment.

- **Law Enforcement, Traffic and Coordination**

This department consists of Law Enforcement Services, Traffic Services and Special Investigation Unit and VIP unit.

- **Law Enforcement Services**

The department is responsible for the enforcement of by-laws and regulations in terms of the Criminal Procedures Act. This includes general by-law enforcement in residential areas and resorts as well as specialised enforcement through various units. These units are responsible in dealing with copper theft, informal trading, displaced people, land invasion, liquor control, problem buildings and security at Council rental housing stock. This includes the number of inspections at scrap metal dealers and inspection of liquor premises for compliance. The department plays a major role in beach management over festive seasons as well as other public events and actively supports other directorates in land invasion actions. Major projects include purchasing of specialised equipment for the combating of land invasions, strike actions and reducing anti- social behaviour and illegal activities within the City's rental housing areas, building improvements to very old buildings and replacement of vehicles.

- **Traffic Services**

The department was established in terms of the National Road Traffic Act. It consists of two sections; the Operations and the Licensing Sections. The Operations Section deals with specialised and general activities and the enforcement on roads. This includes the number of speed checks conducted and the number of drivers screened for driving under the influence. The Licensing Section deals with all learner- and driver licence testing, card conversions and renewals, as well as managing the traffic court division and the public/private partnership agreement on traffic cameras.

Major projects include replacement of vehicles, purchasing of specialised vehicles to assist during protest actions and strikes, improvements to various traffic and licensing centres and the acquisition of various traffic licensing equipment and radios.

- **Special Investigation Unit**

The function of this unit is to provide investigation support to the directorate and the City in areas such as, fraud and corruption, misconduct by City employees, malicious damage to Council property, hijacking and theft of council vehicles, protest actions, land invasions, service delivery strikes, gang-related violence and anti-social behaviour within communities.

- **VIP Unit**

The function of this unit is to ensure effective support and protection to all political office bearers including the Executive Mayor, Executive Deputy Mayor, Chief Whip, Speaker and all councillors.

- **107 Public Communication Emergency Call Centre**

The City has a single emergency number (107) to a call-taking and dispatching centre, which directs all calls to appropriate institutions and agencies. The centre is manned by well-trained quality-controlled operators. Key focus programmes include education and public awareness campaigns at schools, old-age homes, frail-care facilities and shopping centres. Major projects include the installation and upgrade of communication equipment and systems.

- **Fire and Rescue Services**

The Fire and Rescue Services was established in terms of the Fire Brigade Services Act. The department has 30 fire stations operating on a 24-hour basis. Its core functions include responding to fires and emergencies as well as medical emergencies. The major programmes include educational programmes, raising awareness around fires, life safety on building, structures and events. These include the number of Fire Safety Inspections conducted and the number of fire related deaths. Major projects include the replacement of fire vehicles, the replacement of fire-fighting, medical, communication and hazmat equipment.

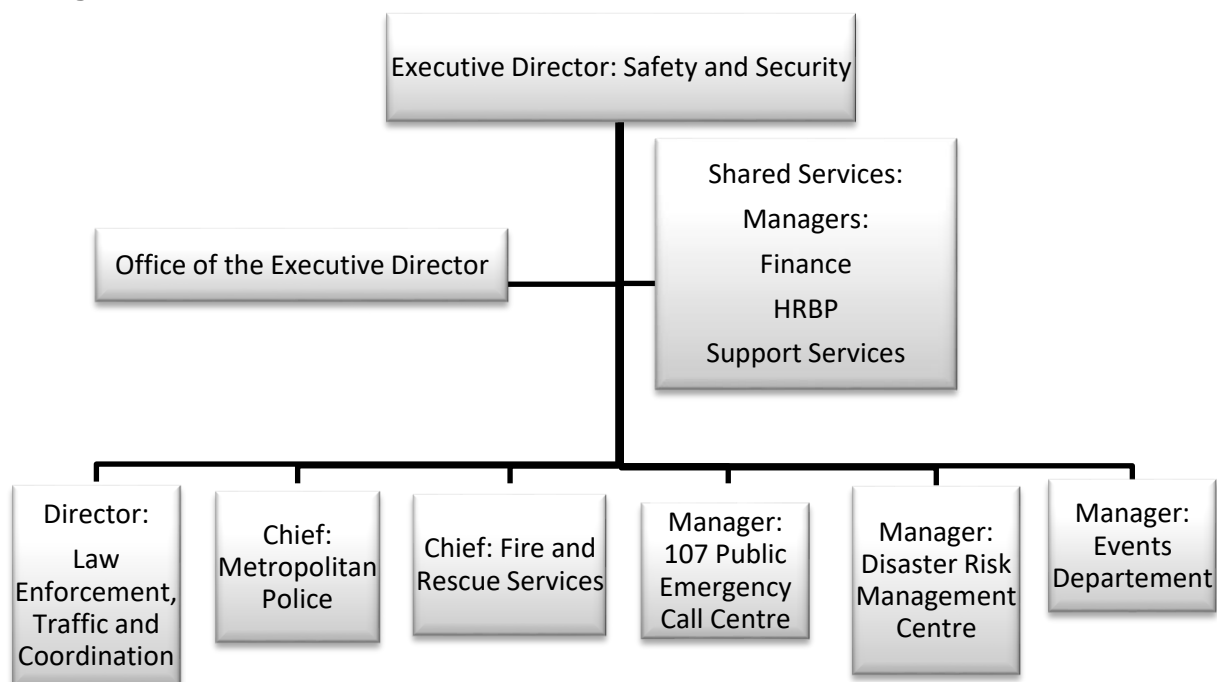
- **Disaster Risk Management Centre**

The core function of this department is to prevent and mitigate the effect of disasters. To this end, the department aims to identify, prevent and reduce the occurrence of disasters. The department has a well-established volunteer corps, who plays a key role in event safety, co-ordination of corporate safety initiatives, festive season planning, winter preparedness planning, unrest, and service delivery protest. Key projects include the upgrading of various Disaster Management centres, replacement of IT equipment and procurement of vehicle for volunteers.

- **Events Department**

The function of this department includes the support of community events in order to create economic opportunities and to build social cohesion. The department seeks to establish Cape Town through improved strategic management, logistical co-ordination and support as the top events destination locally and regionally, and a premier events destination globally. Major projects include the e-Permitting system, which will allow applications to be made online as well as the Online Event Calendar project.

Management Structure



Performance objectives and indicators

Strategic Focus Area	Objectives	IDP Programme
SFA 1: The Opportunity City	1.1 - Positioning Cape Town as forward looking globally competitive City	1. Cape Town Business Brand Programme Events supported as recommended by Special Events Committee.
SFA 2: The Safe City	2.1 Safe Communities – Safety through technology	1. Improved Safety through technology programmes i.e. a) Installing CCTV Cameras in new areas; b) Performing weekly analysis gunshot identification by means of location technology; and c) Meeting safety and security requirements by the availability of Remote Piloted Aircraft System (RPAS).
	2.1 Safe Communities – Neighbourhood Safety programme.	2. Improve neighbourhood safety through: a) Established Neighbourhood Safety Teams; b) Fire Safety Inspections Screens drivers for driving under the influence; c) Provincial JOINTS meeting with SAPS and other stakeholders; d) Gangs and Drug interventions; e) Inspection of scrap metal dealers; f) Response times for fire and other emergency incidents; and g) Inspection of liquor premises for compliance to the City's By-Law and Provincial Legislation.
	2.1 Safe Communities – Policing Services programme	3. Policing services programmes to ensure safety and security a) Provincial JOINTS meeting with SAPS and other stakeholders; b) Gangs and Drug interventions; c) Number of Scrap Metal Dealers inspected; d) Response times for fire and other emergency incidents; e) Inspect liquor premises for compliance to the City's By-Law and Provincial Legislation; f) Calls answered within 10 seconds; and g) Conduct speed checks.

Changes to service levels and standards over the MTREF

There are no material changes in revenue trends over the MTREF period for the Safety and Security directorate.

Risks to achieving revenue projections, any expected major shifts in revenue patterns and any planned alternative sources of revenue

The key risk of not achieving the directorate's revenue projections is the restriction of not be able to appoint additional staff dedicated for traffic fine collection. Although various interventions have been implemented, there is a general culture of non-payment of traffic fines. In the current year the City is projecting a reduction of R44.6 million in traffic fine revenue. Not only is this attributed to non-payment, but also to the reduction of fines by the courts.

No alternate source of revenue has been identified.

Major features of expenditure incl. highlighting discretionary and non-discretionary expenditure

The directorate's major expenditure categories include:

- Salaries and Wages;
- Telecommunications Costs;
- Software Licensing;
- Professional Services;
- Fuel;
- Security Services;
- Commission- Revenue; and
- Sponsorships.

Past year's performance - 2017/18

A detailed performance and progress made by the directorate are reported in the Annual Report 2017/2018.

The directorate continues to implement various safety and security programmes through technology to ensure all communities are safe and protected. During the previous financial year, CCTV cameras were installed in 11 additional areas. Weekly review sessions were held to analyse gunshot location technology while the City's requirements were met by 20% of availability of Remote Piloted Aircraft system.

The City's CCTV network is now the largest public-area surveillance agency in Africa, and the only in Southern Africa that covers residential areas, informal settlements as well as city centres. The City continues to expand this network with directorate-funding as well as allocations from the budgets of ward councillors and development grant funding. CCTV network expansion takes place according to a pre-approved master plan. Expansion efforts mainly focused on Kewtown, Gatesville, Goodwood, Parow and Kraaifontein. Various smaller installations were also undertaken with ward funding in Bokmakierie, Durbanville and Kraaifontein, and upgrades were made to cameras in Bishop Lavis. The City's CCTV footprint now stands at 624 cameras.

Gunshot detection technology continues to support the fight against gun violence and gangsterism. The ShotSpotter technology provides real-time gunshot detection, also specifying the exact location where the shot was fired. This is then conveyed to law enforcement agencies and emergency services for an immediate response. The technology also reveals details such as the number of shooters and the number of shots fired, which can be used as evidence when prosecuting offenders. In 2017/18, the system detected some 2 713 incidents, with a total of 7 865 shots fired. Unfortunately, this represents a significant increase in gunfire, particularly in Hanover Park and Manenberg.

In the past year, the City's Public Emergency Communication Centre (PECC) moved into its new, state-of-the-art premises in Goodwood. The PECC is home to 68 highly trained emergency communicators working in shifts. From January to March 2018, the PECC fielded 137 369 calls. Most callers seek medical assistance, with requests for assistance for law enforcement matters in second place. Call-takers are also able to re-route calls to external agencies, such as the Metro Emergency Medical Services and SAPS. The cutting-edge Goodwood facility features the latest technology, courtesy of the EPIC system.

A further neighbourhood team was established; while over 104 080 drivers were screened for driving under the influence. A total of 5 028 manual speed checks were conducted and 6 000 fire inspections were conducted in the last financial year.

Significant capital projects for the 2019/20 MTREF

- Finalisation and Implementation of phase 2 of the Integrated Emergency Contact Centre (EPIC);
- Upgrading and improving the driving and licencing testing centres;
- Installation and upgrading of CCTV cameras in various areas within the City, including the Mayor's Urban Regeneration Programme (MURP) areas and wards;
- Implementation of Phase 2 of the e-Permitting and Online Event Calendar systems;
- Replacement and acquisition of additional vehicles;
- Replacement and acquisition of additional radios and equipment; and
- Acquisition of firearms and related equipment.

Table 68 Safety & Security (Vote 8) - operating revenue by source, expenditure by type and total capital expenditure

Directorate: Safety & Security									
Budgeted Financial Performance (revenue and expenditure)									
Description	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Operating Revenue By Source									
Property rates	–	–	–	–	–	–	–	–	–
Service charges - electricity revenue	–	–	–	–	–	–	–	–	–
Service charges - water revenue	–	–	–	–	–	–	–	–	–
Service charges - sanitation revenue	–	–	–	–	–	–	–	–	–
Service charges - refuse revenue	4	187	5	–	–	–	–	–	–
Service charges - other	–	–	–	41 384	–	–	–	–	–
Rental of facilities and equipment	376	583	720	283	283	283	295	309	325
Interest earned - external investments	–	–	–	–	–	–	–	–	–
Interest earned - outstanding debtors	1 255	1 716	2 387	1 192	1 192	1 192	1 192	1 192	1 192
Dividends received	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits	1 098 967	1 251 561	1 372 551	1 247 474	1 223 476	1 223 476	1 177 212	1 200 989	1 194 896
Licences and permits	37 161	38 287	34 444	27 792	40 060	40 060	50 719	53 280	55 971
Agency services	11 838	12 942	14 482	12 259	12 259	12 259	12 766	13 807	14 932
Transfers and subsidies	40 867	46 373	50 704	27 678	42 948	42 948	33 475	12 432	12 465
Other revenue	23 827	22 820	28 902	838	12 952	12 952	14 489	15 220	15 989
Gains on disposal of PPE	54	124	140	–	–	–	–	–	–
Total Operating Revenue (excluding capital transfers and contributions)	1 214 349	1 374 593	1 504 336	1 358 901	1 333 171	1 333 171	1 290 147	1 297 230	1 295 770
Expenditure By Type									
Employee related costs	1 483 704	1 606 935	1 797 733	1 935 743	1 854 653	1 854 653	2 150 221	2 302 740	2 481 205
Remuneration of councillors	–	–	–	–	–	–	–	–	–
Debt impairment	764 300	828 823	728 739	936 732	936 732	936 732	852 805	858 092	863 413
Depreciation & asset impairment	42 450	52 691	69 757	89 178	83 841	83 841	118 047	149 356	150 325
Finance charges	7 831	9 440	8 316	–	6 008	6 008	–	–	–
Bulk purchases	–	–	–	–	–	–	–	–	–
Other materials	72 692	77 131	79 349	56 316	91 158	91 158	93 520	90 334	91 199
Contracted services	85 696	91 178	84 914	103 987	123 538	123 538	135 960	124 160	130 325
Transfers and subsidies	54 423	33 902	32 759	42 015	41 093	41 093	52 467	55 117	57 900
Other expenditure	172 046	156 711	141 930	164 899	171 410	171 410	195 473	188 254	197 528
Loss on disposal of PPE	333	384	286	59	59	59	61	64	68
Total Operating Expenditure	2 683 476	2 857 196	2 943 783	3 328 929	3 308 492	3 308 492	3 598 555	3 768 118	3 971 962
Surplus/(Deficit)	(1 469 127)	(1 482 603)	(1 439 448)	(1 970 027)	(1 975 321)	(1 975 321)	(2 308 408)	(2 470 888)	(2 676 192)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	22 394	27 630	25 657	–	42 005	42 005	1 083	–	4 305
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educ Institutions)	–	–	146	–	–	–	–	–	–
Transfers & subsidies capital in-kind	–	306	1 797	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	(1 446 733)	(1 454 667)	(1 411 847)	(1 970 027)	(1 933 315)	(1 933 315)	(2 307 326)	(2 470 888)	(2 671 887)
Taxation	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after taxation	(1 446 733)	(1 454 667)	(1 411 847)	(1 970 027)	(1 933 315)	(1 933 315)	(2 307 326)	(2 470 888)	(2 671 887)
Attributable to minorities	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality	(1 446 733)	(1 454 667)	(1 411 847)	(1 970 027)	(1 933 315)	(1 933 315)	(2 307 326)	(2 470 888)	(2 671 887)
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	(1 446 733)	(1 454 667)	(1 411 847)	(1 970 027)	(1 933 315)	(1 933 315)	(2 307 326)	(2 470 888)	(2 671 887)
Capital Expenditure	152 051	116 584	158 094	196 078	212 649	198 874	535 237	170 748	135 332

2.12.9 Spatial Planning & Environment (Vote 9)

The purpose of the newly established Spatial Planning & Environment directorate is to ensure that the City meets the spatial planning objectives set out in the IDP, Metropolitan Spatial Development Framework (MSDF), the Transport Orientated Development (TOD) Strategic Framework, and to comply with the built environment planning and approvals requirements.

The directorate operates within various institutional frameworks and the core functions of the directorate are regulated by and controlled (but not limited) by the statutes and legislation.

The directorate consist of four main departments and herewith a brief overview of their purposes and objectives:

- **Urban Integration**

The department provides strategic, coordinated and objective guidance and oversight to the growth, planning and development activities of the public and private sector, by:

- Providing for the orderly growth, development and redevelopment of Cape Town in accordance with the long-term objectives, principles and standards in the best interest and welfare of its residents;
- Coordinating and integrating plans for orderly growth, development and redevelopment;
- Improving the social and economic climate and well-being of the City;
- Encouraging appropriate land use and the efficient use of fiscal resources to achieve City vision;
- Encouraging the maximum utilisation of the existing infrastructure and plan for new infrastructure, including housing;
- Promoting the conservation and effective use of land and resources to meet development objectives;
- Promoting and assisting in achieving improved transportation and movement of people;
- Collecting, analysing and distributing relevant data and information; and
- Encouraging effective coordination and communication between all City departments, other spheres of government, agencies and parastatals whose activities either influence or are influenced by the effective planning and development of the City.

- **Development Management**

The mandate of the department is embedded in statute. Operationally, the department:

- Manages approximately 900 000 registered properties in the City;
- Processes approximately 40 000 applications per annum; 13 000 land use applications and 25 000 building plans (plus appeals and admin penalties);
- Approves between R2 billion - R2.5 billion building plans per month resulting in approximately R20 million revenue to the City;
- Approximately 50 cases are appealed on an ongoing basis via the Mayor's Appeal Committee;
- Responds to approximately 20 media queries per week;
- The litigation basket varies and there is about 50-60 cases at any given time;
- Conducts approximately 12 000 building inspections per month; and
- Leads the business of scale to an E- future based on SAP technology platform such as DAMS, which allows for real time processing of applications and available globally.

- **Environmental Management**

The department is mandated to ensure the protection of Cape Town's natural, historical and environmental assets, and that services are delivered in an environmentally sustainable manner, by:

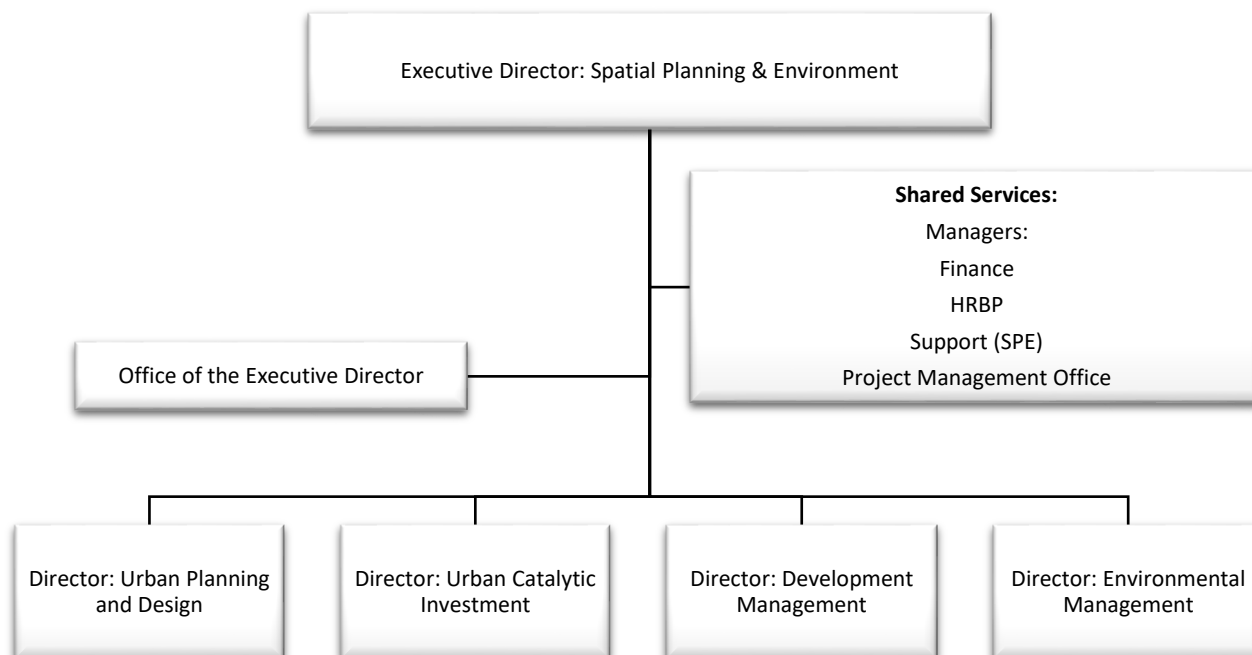
- Ensuring that the City has clear, up to date, and well-articulated environmental strategy and policy, which informs the IDP and which is integrated into City decision-making;
- Seeking solutions to complex urban environmental problems, unlocking social and economic opportunities in the environmental sector, and aiming to address inequalities;
- Proactively conserving, integrating, and managing the City's terrestrial and aquatic biodiversity and ecosystems and related services;
- Providing high quality publically accessible natural spaces protected areas, ecosystem services, and open spaces, as well as co-ordinating and implementing invasive species control;
- Proactively protecting and managing the City's coastline, coastal ecosystems, coastal landscapes, and coastal and oceanographic systems and dynamics, and monitoring the City's impact on its associated marine environment;
- Proactively conserving, integrating, and managing the city's cultural heritage assets and resources, and retaining the City's unique identity and cultural landscapes;
- Ensuring that the City is proactively responding to climate change through climate change adaptation and climate change mitigation planning and implementation, and conducting and participating in research to support this climate change response;
- Ensuring an environmentally compliant organisation and citizenry;
- Identifying and addressing environmental risks and promoting a proactive approach to environmental risk reduction;
- Promoting more resource efficient City operations, residential, and business sectors; and
- Providing up to date, accurate, and relevant (environmental) data, information, and knowledge to inform City decision-making and empower citizens.

- **Urban Catalytic Investment**

New department responsible for:

- Driving inclusive growth, jobs and development for spatial transformation, densification in mixed-use TOD precincts;
- Planning and enablement – of TOD pipeline;
- Originate and manage strategic Public Partnerships;
- Bellville CBD (Innovation District) and Phillipi (Urban Agriculture) priority program;
- Re-conceptualise Foreshore Precinct;
- Package Paardevlei, preserve and enhancing site value;
- Re-conceptualise Athlone Power Station with Energy Directorate; and
- Develop spatial incentives (Urban Development Zone, Land Value Capture, Heritage Exemption Overlay Zone).

Management Structure



Performance objectives and indicators

Strategic Focus Area	Objectives/Programmes	Directorate projects / initiatives / linkages
SFA 1: The Opportunity City	1.4 Resource Efficiency and Security	Securing the protection of a targeted 65% of the Biodiversity Network Educational, events and visitor programmes aimed at conservation Coastal management and structure rehabilitation projects
	1.3- Economic inclusion	EPWP, Kadar Asmal Alien Clearing project Mainstreaming the Expanded Public Works Programme (EPWP) is core to the City's goal of building sustainable communities. To this end, the City will continue to explore and invest in a training framework that uses innovative labour-intensive methodologies tailored to create EPWP job opportunities as part of City projects. Training will be linked to high-growth sectors to enable economic inclusion. Partnership-based interventions will also be used to create meaningful training opportunities for EPWP participants in order to enter formal employment.
SFA 3: The Caring City	3.1 – Excellence in basic services - The focus is to improve the overall customer experience while engaging with the City.	All departments in a variety of projects at various levels at different levels working towards an improved customer experience.
	4.3.c - Public Participation programme	Public engagement projects All departments in a variety of projects at various levels
SFA 4: The Inclusive City	4.1 - Dense and Transit-Oriented Growth and Development	Foreshore freeway project; Bellville CBD development project, Paardevlei, Philippi East and Athlone Power Station
SFA 5: The Well-Run City	Human resource development	All departments involved
	5.1.f Service Delivery improvement programme	All departments involved
	Annual Community Satisfaction Survey	All departments participates
	Financial and operational sustainability	All departments involved

Changes to service levels and standards over the MTREF

The current service standard relates to the municipality having a consolidated spatial view of its key business districts and the interventions required to unlock or promote economic growth in these areas. It also ensures that this information has been taken into account in the City's infrastructure planning, including that the Built Environment Performance Plan (BEPP) is still relevant.

Service levels entail that the City routinely monitors its commercial and industrial districts via the Economic Areas Management Programme (ECAMP) platform. ECAMP is a city designed, diagnostic tool used to evaluate and compare the relative performance and potential of these nodes of activity. It also is indicative of the different management techniques and infrastructure requirements of each node.

An overview of the ECAMP findings is included in the approved BEPP and the draft MSDF submitted to Council for approval (May 2019).

Past year's performance - 2017/18

The following capital projects were completed/worked on in the 2017/18 financial year:

- Witzands Reserve Development;
- Mfuleni Urban Park;
- Local Area Priority Initiatives for the Du Noon Info Hub Library;
- Strand Pavilion Precinct Upgrade; and
- Detail design for phase 1 of the Kruskal Avenue Upgrade.

The major operating projects that benefitted from spend on the operating expenditure budget were:

- Kadar Asmal – Alien clearing projects linked to EPWP;
- Baboon Management;
- Shark Spotting; and
- Tygerberg Partnership.

The directorate achieved an overall collection rate of 92.0% on its revenue budget. The two main categories, which contributed to this collection rate are:

- Building Levies (collection rate of 107%); and
- Building Fines, also known as administrative penalties for non-adherence to building regulations (collection rate of 179%).

Risks to achieving revenue projections, any expected major shifts in revenue patterns and any planned alternative sources of revenue

Building development-related revenue that constitutes the bulk of the budget is largely dependent on demand within the building construction industry. The budget has been based on revenue collection trends and has shown increased collection rates over the past three years. Additional future revenue above inflation is still expected.

The directorate will develop a business model for outdoor signage and advertising as a possible future stream of revenue within the next year or two.

Major features of expenditure incl. highlighting discretionary and non-discretionary expenditure

- Provision of a service provider to carry out Baboon Management in the Cape Peninsula;
- Provision of a service provider for visitor and staff safety management within the nature reserves and open spaces by providing rangers in the operational area of the City;
- Control of terrestrial and aquatic invasive plants and removal and disposal of biomass and litter from sites;
- Control and/or extirpation of invasive animal species in the City.
- Kadar Asmal – Alien clearing projects linked to EPWP;
- Shark Spotting;
- Tygerberg Partnership; and
- Administering the Municipal Planning Tribunal.

Directorate capital programme

Significant capital projects to be undertaken over the medium term include, amongst others:

- Kruskal Avenue Upgrade: The Kruskal Avenue Spine is situated within the Bellville CBD business hub and provides a major pedestrian route from Bellville Station to the Tygervally Centre District. This spine has been identified as an area suffering from degeneration, crime and grime. The upgrading of this Kruskal Avenue Spine presents the opportunity to act as a catalyst in the regeneration of the surrounding area.
- Helderberg Nature Reserve Development: The construction of a larger facility in order to engage a wider community, achieve agreed upon targets and to increase environmental awareness.
- Reserve Upgrade: Fencing: Construction of a new boundary fence around a newly established nature reserve within the Metro South East. Ensure Biodiversity protection for future generations.
- Land Acquisition – Atlantis: Consolidation of the Atlantis Conservation Land Bank - Facilitate holistic management of the area, unlock recreational opportunities and potentially use acquired land for development facilitation (offsetting).
- Bonteheuwel/Bishop Lavis LAPI: Upgrading of town centre public spaces in Bonteheuwel/ Bishop Lavis. The Bishop Lavis and Bonteheuwel Urban Node upgrades were undertaken to regularise existing land use patterns and thereby facilitate the productive repurposing of publically owned land for the broader public and local community interest. To benefit the community by creating safe, clean places to gather and economic activity to take place.
- Asanda Village Wetland Rehabilitation: Reshaping, redesign and upgrade of public open space is needed as development in the catchment area is flooding the downstream community of Asanda Village.
- Coastal Structures: Rehabilitation: Rehabilitation and upgrade of dilapidated coastal infrastructure / facilities in order to ensure public safety/reduce liability to the City, reduce social ills, improve social and economic impact of the City's coast line, and to prevent loss of resilience and promote the City's coastline as a world class destination.

Table 69 Spatial Planning & Environment (Vote 9) - operating revenue by source, expenditure by type and total capital expenditure

Directorate: Spatial Planning & Environment									
Budgeted Financial Performance (revenue and expenditure)									
Description	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand									
Operating Revenue By Source									
Property rates	–	–	–	–	–	–	–	–	–
Service charges - electricity revenue	–	–	–	–	–	–	–	–	–
Service charges - water revenue	–	–	–	–	–	–	–	–	–
Service charges - sanitation revenue	–	–	–	–	–	–	–	–	–
Service charges - refuse revenue	–	–	–	–	–	–	–	–	–
Service charges - other	–	–	–	134 167	–	–	–	–	–
Rental of facilities and equipment	81	94	51	83	83	83	86	90	95
Interest earned - external investments	5	188	–	–	–	–	–	–	–
Interest earned - outstanding debtors	100	260	300	20	20	20	20	20	20
Dividends received	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits	1 295	3 636	4 105	2 289	2 289	2 289	4 384	4 605	4 838
Licences and permits	5	10	10	–	687	687	715	751	789
Agency services	–	–	–	–	–	–	–	–	–
Transfers and subsidies	10 067	14 233	13 476	20 140	39 797	39 797	12 747	1 770	–
Other revenue	107 557	123 306	129 963	59	133 540	133 540	138 069	145 041	152 366
Gains on disposal of PPE	61	(7)	37	–	–	–	–	–	–
Total Operating Revenue (excluding capital transfers and contributions)	119 172	141 720	147 941	156 759	176 415	176 415	156 020	152 278	158 108
Expenditure By Type									
	–	–	–	–	–	–	–	–	–
Employee related costs	385 306	399 926	420 063	456 960	429 409	429 409	531 801	575 363	624 776
Remuneration of councillors	–	–	–	–	–	–	–	–	–
Debt impairment	–	–	–	–	–	–	–	–	–
Depreciation & asset impairment	21 070	12 012	25 957	26 022	26 651	26 651	30 530	33 739	34 998
Finance charges	103	126	142	–	154	154	–	–	–
Bulk purchases	–	–	–	–	–	–	–	–	–
Other materials	6 719	9 132	8 805	5 536	6 848	6 848	19 241	7 517	7 624
Contracted services	64 558	67 887	67 728	54 432	106 213	106 213	91 472	63 472	66 095
Transfers and subsidies	366	265	8 286	8 742	8 742	8 742	8 362	8 785	9 228
Other expenditure	22 085	20 496	9 770	6 662	16 210	16 210	30 067	22 802	23 904
Loss on disposal of PPE	45	48	142	–	–	–	–	–	–
Total Operating Expenditure	500 252	509 893	540 893	558 353	594 227	594 227	711 474	711 677	766 626
Surplus/(Deficit)									
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	29 033	12 500	880	13 761	7 593	7 593	10 390	550	4 050
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)	–	–	–	–	–	–	–	–	–
Transfers & subsidies capital in-kind	100	9 503	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	(351 947)	(346 170)	(392 072)	(387 834)	(410 219)	(410 219)	(545 064)	(558 849)	(604 469)
Taxation	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after taxation	(351 947)	(346 170)	(392 072)	(387 834)	(410 219)	(410 219)	(545 064)	(558 849)	(604 469)
Attributable to minorities	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality	(351 947)	(346 170)	(392 072)	(387 834)	(410 219)	(410 219)	(545 064)	(558 849)	(604 469)
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	(351 947)	(346 170)	(392 072)	(387 834)	(410 219)	(410 219)	(545 064)	(558 849)	(604 469)
Capital Expenditure	62 772	56 092	42 434	50 225	76 345	50 952	92 847	81 465	58 557

2.12.10 Transport (Vote 10)

The National Land Transport Act, 2009 (NLTA) gave metropolitan municipalities the power to integrate public transport services that are subject to contracts as well as appropriate uncontracted services into the larger public transport system in terms of an integrated transport plan.

The Integrated Public Transport Plan (IPTN) determines the role that appropriate transport modes play to provide users of the system with optimal solutions that will enable them to travel from origin to destination in a seamless and cost-effective manner. It also provides strategic direction.

Transport and its related infrastructure is the key component for the economic development or decline of any city. Deteriorating road conditions require maintenance mechanisms to prolong the life and efficiencies of the transport system. Budget shortfalls and the lack of prioritisation means that the management and maintenance of the road network is on a deterioration curve.

The Transport directorate was established to rollout an integrated and performance-driven road-based and rail public transport network and an integrated ticket system and a synchronised timetable that runs to at least 95% of its schedule.

The directorate is responsible for ensuring that the medium to long term plan and related policies, sector plans and strategies are rolled out inclusive of planning, operations, management and maintenance across the full spectrum of the integrated transport lifecycle and infrastructure.

The directorate also provides for parking, network, freeway management, destination boards, traffic calming, enforcement intelligence needed by the Transport Enforcement Branch under the Safety & Security directorate.

The directorate is furthermore responsible for the Operating License Strategy, implementation and management of mini bus and metered taxis including the registration of all taxi associations operating in the City. Industry transition as it relates to the implementation of the IRT and any industry negotiations are pivotal functions.

The City's Transport directorate is made up of the following departments:

- **Network Management Department**

This department is primarily responsible for the management of the City's road network and the inter modality of various public transport modes, including rail. Further, it is responsible for improving safety for all road users as well as the implementation of transport technology solutions, the management of on-street parking and public transport enforcement. This Department is also responsible for network and related modal integration.

- **Infrastructure Implementation Department**

This department is responsible for leading and guiding construction and capital investment related to public transport, non-motorised transport (NMT), roads, and toward implementing the strategic direction as expressed in the Comprehensive Integrated Transport Plan (CITP) for the period 2017 to 2022.

- **Transport Planning Department**

This department essentially focuses on the planning functions and the key core components in the integrated transport management process, namely the medium to long term plan (CITP) and related policies, sector plans and strategies. Transport planning also includes long term strategic planning, business planning, transport network planning and public transport management. The Transport Planning department is also responsible for the planning, design, costing and programming of all road and public transport infrastructure in the City.

- **Public Transport Regulations Department**

This department is necessary as the City is to be assigned the Municipal Regulatory Entity function, as determined in the NLTA. It is essential that all related functions in terms of regulation are consolidated in one department so that there can be synergy and the efficient management of regulation. This includes industry management and transition, transport enforcement, transport surveys, data management and transport regulations management.

- **Roads Infrastructure and Management Department**

This department is responsible for the overall management and maintenance of all road and stormwater assets. This department manages the districts and depots and is responsible for the roads asset management, informal network management, roads infrastructure and systems. It manages the districts and depots under four area managers as well as registration and management of all plant for the rollout of the management and maintenance of the infrastructure.

- **Public Transport Operations Department**

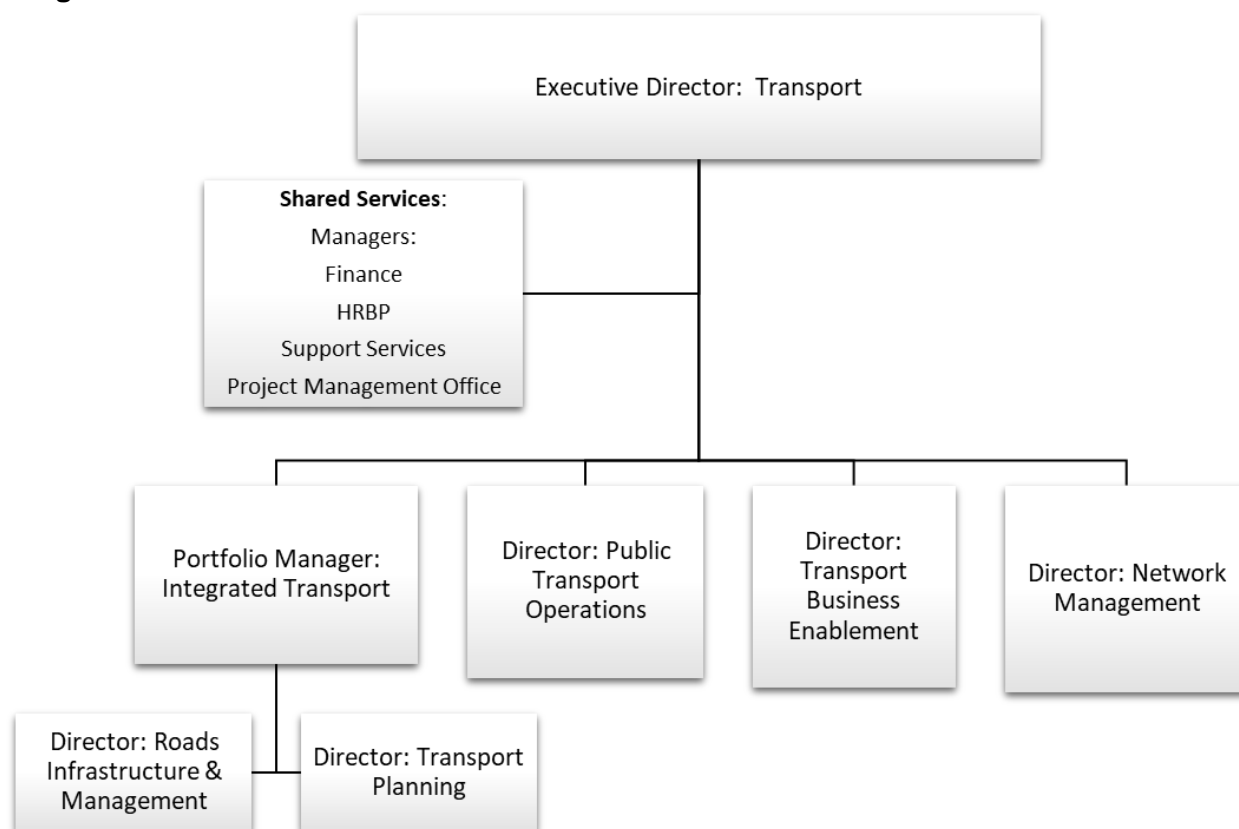
This department focuses combines the existing functions related to the operational management of the IRT contracts as well as all road-based contracts such as dial-a-ride and station management, in order to make up the composite whole of scheduled road-based public transport services. Ultimately this will also include rail operations should this management function be assigned to the City. Essentially, all vehicle operator contracts, will be managed in a unified manner, ensuring seamless public transport at a premium standard. The specific functions include Operations, Contract Management, Public Transport Fleet Management, Automated Fare Collects (AFC), Automated Public Transport Managements System(APTMS) Management and Facilities Management.

- **Business Enablement Department**

This department plays a key transversal role in equipping and enabling the Transport Directorate to achieve its objective of being a highly effective directorate that is well governed, fact based, well governed, performance-driven and absolutely customer-centric. While each of the 'branches' or functions within the Business Enablement Department has specific responsibilities in this regard, these work in a highly collaborative manner. In addition, this department is also responsible for ensuring that the end user and community needs are addressed based on internal and external profiling to inform intelligent service delivery within the overall context and direction of the City.

This department also provides support and a secretariat function that deals with the international transport related bodies including the African Organizing (Transport) Authority Committee.

Management Structure



Performance objectives and indicators

Strategic Focus Area	Objectives/Programmes	Directorate projects / initiatives / linkages
SFA 1: The Opportunity City	1.3 Economic Inclusion	Number of Expanded Public Works Programme (EPWP) work opportunities created Percentage budget spent on implementation of WSP
	2.1 Safe Communities	53 PTI's have manned security, located in the 4 area based model Consolidate the parameters of public transport enforcement required in the City, delivery roles and responsibilities, financial sources and establish the mechanisms for such enforcement
SFA 2: The Safe City	2.2 Safe Communities	42 My-Citi stations have manned security.
	1.4 Resource efficiency and security	Develop TDA Carbon Footprint - 1.4.b Climate change programme
SFA 4: The Inclusive City	4.1 Dense and transit- oriented growth and development	4.A Number of passenger journeys per kilometre operated [AT] - 4.1.a Spatial integration and transformation programme
	4.2: An efficient, integrated transport system	Comprehensive Integrated Transport Plan 2018 -2023 Programme - 4.2.a Integrated Public Transport Network 2032 programme
		Bus Shelter Programme - 4.2.a Integrated Public Transport Network 2032 programme
		Detailed Planning and Design Phase 2a - 4.2.b Integrated Public Transport Network 2032 programme
		Develop a Universal Design Access Plan (UDAP) - Integrated Public Transport Network 2032 Programme
		Finalisation of IPTN 2032 plans update - 4.2.a Integrated Public Transport Network 2032 programme
		Develop & Implement through business plans 3 pilot TOC's / RTC's - 4.2.b Travel demand management programme
		Develop a SAP platform for the administration of operating licenses - 4.2.b Travel demand management programme
		4D. Total number of passenger journeys on MyCITI - 4.2.a Integrated Public Transport Network 2032 programme
		Roads Rehabilitation - USDG
		Rand value of Roads Rehabilitation - USDG
		Rand value of Storm water Rehabilitation - USDG
		% Completion of Stormwater Rehabilitation - USDG
		Evaluate and award the parking management tender and the conclusion of the procurement of contractors to manage the parking system - 4.2.a Integrated Public Transport Network 2032 programme
		Deliver on the Traffic Signals Upgrade Project - 4.2.d Intelligent transport systems programme
		Development of the Rail Implementation Plan for the Assignment of Rail Functions to the City of Cape Town
		Kilometres of stormwater drainage installed - National treasury
SFA 4: The Inclusive City	4.3 Building integrated communities	Kilometres of roads gravelled - National Treasury
		Kilometres of surfaced roads resealed - National Treasury
		Informal settlements upgrade - USDG
		Rand value of Informal settlements upgrade - USDG
		Number of public transport interchanges (incl IRT bus stations, taxi ranks) constructed or upgraded - 4.3.a Built environment integration programme/ National treasury
		Number of Non-Motorised Transport km constructed - 4.3.a Built environment integration programme
		Percentage adherence to EE target in all appointments (internal & external)
		Percentage adherence to equal or more than 2% of complement for persons with disabilities (PWD)
SFA 5: The Well-Run City	5.1 Operational sustainability	Progress against milestones towards the implementation of Portfolio Project Management - 5.1.a Efficient, responsible and sustainable City services programme
		Percentage of absenteeism
		Percentage spend of capital budget
		Percentage spend on repairs and maintenance
		Percentage OHS investigations completed
		Percentage vacancy rate
		Percentage of operating budget spent
		Percentage of assets verified

Changes to service levels and standards over the MTREF

There are no material changes in revenue trends over the MTREF period for the directorate.

Past year's performance – 2017/18

- Integrated Public Transport Network (IPTN) Business Plan and Long-Term MyCiTi plans were adopted in 2017.
- Business Plan for the Assignment of Urban Rail was approved by Council in October 2017.
- Congestion Management Programme: Five new roads have been added to Cape Town's road network since the Council endorsed the Congestion Management Programme in December 2015. Another six important road links are being constructed, and 16 are in the planning phase to address traffic congestion in the city.
- Advanced Public Transport Management Systems (APTMS) for MyCiTi: The MyCiTi control centre is fully operational as well as 80% of the vehicle fleet. Implementation and installation of technology is ongoing.
- Making the Cape Town CBD-Table View cycle lane safer;
- Sir Lowry's Pass Road upgrade: Works in Sir Lowry's Pass Village (improvements from the N2 through the village to the T-junction, as well as along a stretch of Old Sir Lowry's Pass Road) started in September 2017 and will continue in three phases over two years;
- Extension to the Transport Management Centre (TMC) completed;
- Imizamo Yethu roads infrastructure upgrade;
- Upgrading streets in Gugulethu;
- Platteklouf Road upgrade came in under budget;
- Upgrading the Kalk Bay harbour parking area;
- MyCiTi service enhancements; and
- A dedicated rail enforcement unit.

Risk to achieve revenue projections, any expected major shifts in revenue patterns and any planned alternative sources of revenue

There is a risk of the fare income being lower than projected if competing modes increase their market share (e.g. if minibus-taxi services expand or lower their fares), if the quality of the service decline, due to the impact of protected or unprotected strikes or due to fare losses as a result of interruption in electricity supply or difficulties in the fare system. It normally takes up to two months after a strike to get back to the planned monthly fare income.

It is projected that implementation of a new parking management tender will result in increased parking revenue. This increase revenue does not require an increase in parking fees (other than inflation-related increases), but rather in the different model of managing parking management, and such income is dependent on a monitoring tender being awarded to ensure that the parking management company pays over the required income to the City. The implementation of this tender has been delayed by an appeal against the original award, and the tender may be further delayed by further litigation regarding this matter. Increase in parking revenue will in due course be eroded by parkers relocating onto private parking sites unless a parking levy is in due course applied to manage such impact.

Major features of operating expenditure

- Provision for the contracted road based MyCiTi transport
- Roads, Stormwater and Public Transport Interchanges maintenance
- Public Transport Planning, Roads Infrastructure Conditional Assessment

Major Capital Programmes

- Congestion Relief
- Public Transport Interchanges
- Non Motorised transport
- Roads Rehabilitation
- Metro Roads: Reconstruction
- Coastal Structures

Table 70 Transport (Vote 10) - operating revenue by source, expenditure by type and total capital expenditure

Directorate: Transport									
Budgeted Financial Performance (revenue and expenditure)									
Description R thousand	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Operating Revenue By Source									
Property rates	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	-	-	0	-	-	-	-	-	-
Service charges - water revenue	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	-	-	-	-	-	-	-	-	-
Service charges - other	-	-	-	262 054	-	-	-	-	-
Rental of facilities and equipment	348	371	372	-	-	-	-	-	-
Interest earned - external investments	-	-	34	-	-	-	-	-	-
Interest earned - outstanding debtors	51	13	94	2	2	2	2	2	2
Dividends received	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	5 791	590	2 899	28	28	28	29	31	32
Licences and permits	7 460	14 150	16 103	11 348	12 305	12 305	29 963	31 476	33 066
Agency services	-	-	-	-	-	-	-	-	-
Transfers and subsidies	367 696	268 707	424 257	445 977	593 276	593 276	572 789	456 356	435 270
Other revenue	230 250	272 109	288 002	22 261	283 358	283 358	303 547	318 876	334 979
Gains on disposal of PPE	117	176	353	-	-	-	-	-	-
Total Operating Revenue (excluding capital transfers and contributions)	611 712	556 116	732 114	741 670	888 969	888 969	906 331	806 741	803 350
Expenditure By Type									
Employee related costs	574 202	610 627	658 420	768 083	740 449	740 449	816 129	886 903	962 710
Remuneration of councillors	-	-	-	-	-	-	-	-	-
Debt impairment	-	-	33 519	-	-	-	-	-	-
Depreciation & asset impairment	626 696	662 577	725 100	682 970	696 089	696 089	720 371	722 029	745 141
Finance charges	2 160	21 752	2 012	-	6 416	6 416	-	-	-
Bulk purchases	-	-	-	-	-	-	-	-	-
Other materials	9 925	43 397	55 869	60 693	77 975	77 975	80 847	84 429	88 219
Contracted services	1 204 205	1 449 781	1 539 245	1 749 629	1 880 745	1 880 745	1 949 583	1 904 485	1 955 972
Transfers and subsidies	67 058	27 587	11 154	624	624	624	215	226	237
Other expenditure	110 490	82 849	96 575	100 186	84 060	84 060	112 157	102 640	109 968
Loss on disposal of PPE	106	99	1 051	-	-	-	-	-	-
Total Operating Expenditure	2 594 841	2 898 669	3 122 943	3 362 185	3 486 358	3 486 358	3 679 302	3 700 711	3 862 248
Surplus/(Deficit)	(1 983 129)	(2 342 553)	(2 390 829)	(2 620 515)	(2 597 389)	(2 597 389)	(2 772 971)	(2 893 970)	(3 058 898)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	1 132 947	969 307	689 698	754 121	660 606	660 606	895 556	1 619 567	2 074 467
Transfers and subsidies - capital (monetary allocations) (Nat/ Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educ Institutions)	638	6 616	(812)	20 000	936	936	-	-	-
Transfers & subsidies capital in-kind	-	-	485	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(849 544)	(1 366 630)	(1 701 458)	(1 846 394)	(1 935 847)	(1 935 847)	(1 877 416)	(1 274 403)	(984 431)
Taxation	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation	(849 544)	(1 366 630)	(1 701 458)	(1 846 394)	(1 935 847)	(1 935 847)	(1 877 416)	(1 274 403)	(984 431)
Attributable to minorities	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality	(849 544)	(1 366 630)	(1 701 458)	(1 846 394)	(1 935 847)	(1 935 847)	(1 877 416)	(1 274 403)	(984 431)
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	(849 544)	(1 366 630)	(1 701 458)	(1 846 394)	(1 935 847)	(1 935 847)	(1 877 416)	(1 274 403)	(984 431)
Capital Expenditure	1 424 447	1 441 770	1 001 020	1 291 374	1 155 047	1 033 103	1 326 126	1 925 427	2 386 725

2.12.11 Urban Management (Vote 11)

The Urban Management directorate was established on 13 December 2018 as a result of the macro restructuring process of the City.

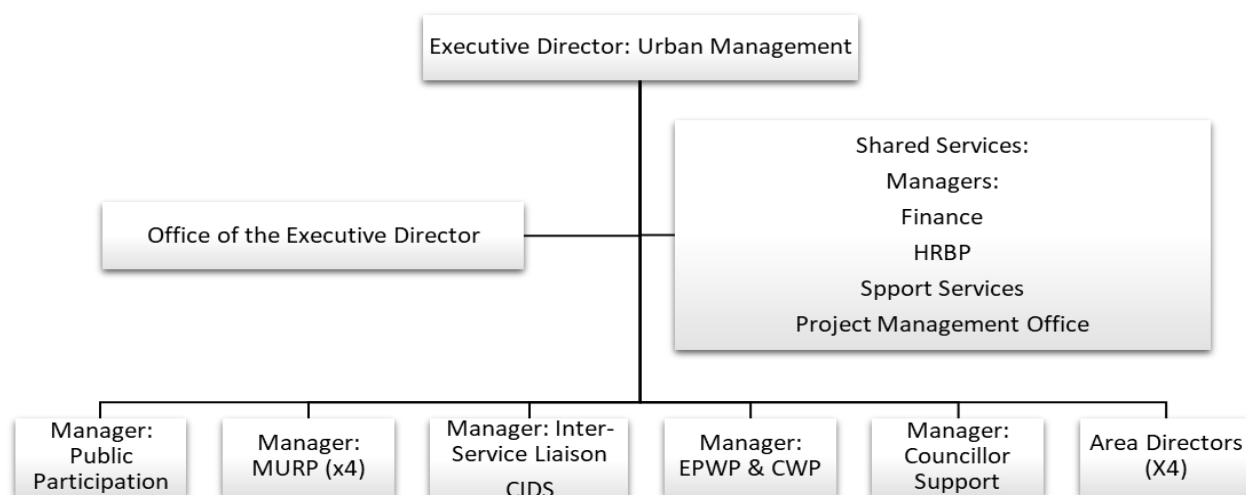
The directorate seeks to increase the capacity of the City and communities to manage the urban environment in a way that creates a healthy, safe and prosperous environment for all by:

- Improving service delivery at a local level through an integrated customer-centric service delivery model;
- Improving area coordination and management of service delivery across the City, by creating Urban Management Service Teams; and
- Ensuring transversal collaboration in all departments and across portfolios.

Local Government is mandated to meet the urban management needs of human settlements – with certain activities being crucial to the wellbeing of residents, their protection from harm and the fostering of economic and social opportunities. To this end the directorate resolves to:

- Champion a local government culture that prioritises customer needs and advocates for integrated and responsive urban management services that positively impacts communities;
- Provide a closer link with communities via a one-stop-shop model – to be a City that listens to community needs and raises awareness of City services;
- Bring the needs of local residents into the centre of local government planning and delivery processes;
- Ensure that all public resources are used to their fullest extent in delivering services to those most in need of them;
- Create economic and social opportunities which are accessible to the most vulnerable persons within a community;
- Proactively employ integrated, collaborative and innovative solutions to effectively and efficiently address customer and community issues; and
- Work to combat service blockages and backlogs and provide parity of services for all residents.

Management Structure



Performance objectives and indicators

Strategic Focus Area	Objectives	IDP Programme
SFA 1: The Opportunity City	1.1 Positioning Cape Town as a forward looking globally competitive city	To leverage tourism successes and grow investment offerings etc; Informal trading
	1.3- Economic inclusion	Implementing area -based service delivery model EPWP, Informal trading Mainstreaming the Expanded Public Works Programme (EPWP) is core to the City's goal of building sustainable communities. To this end, the City will continue to explore and invest in a training framework that uses innovative labour-intensive methodologies tailored to create EPWP job opportunities as part of City projects. Training will be linked to high-growth sectors to enable economic inclusion. Partnership-based interventions will also be used to create meaningful training opportunities for EPWP participants in order to enter formal employment.
SFA 2: The Safe City	2.1 – Holistic Crime Prevention Programme	Safety and security through partnerships which includes the MURP community upgrades and action plans. Reducing violence through Ceasefire programme e.g. Hanover Park , Manenberg and Bishop Lavis.
SFA 3: The Caring City	3.1 – Excellence in basic services - The focus is to improve the overall customer experience while engaging with the City.	All departments in a variety of projects at various levels at different levels working towards an improved customer experience.
	4.3.c - Public Participation programme	Public engagement projects All departments in a variety of projects at various levels
SFA 5: The Well-Run City	Human resource development	All departments involved
	5.1.f Service Delivery improvement programme	All departments involved
	Annual Community Satisfaction Survey	All departments participates
	Financial and operational sustainability	All departments involved

Past year's performance - 2017/18

- The City's Public Participation Unit received the award for 'Best Contribution to the Standardization and/or Public Awareness of Geographical Names' for the work it did in effectively and efficiently coordinating and facilitating renaming processes in Cape Town.
- Job creation outreach programme via EPWP.
- Customer Centricity initiatives via roadshows, town hall meetings, corner meetings, pamphlets, social media, etc.
- Successful implementation of Ward Allocation projects across 24 Sub-councils.
- Central Improvement Districts (CIDS), which are community initiated, driven and funded.
 - Number of CIDS established = 41
 - Number of CIDS in progress = 3 (of which 2 will be established 1 July 2019)
 - Number of CIDS in pipeline = 40 (of which 16 are at an advanced stage)
 - Cape Town has more CIDs than anywhere else in the country and this mechanism contributes millions annually in top-up funding towards managing the public environment.
- Mayoral Urban Regeneration Projects (MURP)
 - Played a central role in preparing a United Nations (UN) Women Scoping Study Report directed at improving safety for women and girls. The Scoping Report proposes City-led and community-led interventions aimed at improving safety for vulnerable groups;
 - Implemented projects and in the process of implementing Community Actions, Safety Plans and Public Investment frameworks for Atlantis - Wesfleur, Ocean View, Valhalla Park, Bishop Lavis, Mitchell's Plain, Athlone, Macassar and Gugulethu;
 - Reviewing the spatial focus of MURP and re-evaluating the resourcing and budgets required for continued implementation;
 - MURP facilitated Mitchell's Plain Town Centre including the Promenade;

- MURP facilitated Lentegour including Watergate Development;
- MURP facilitated the Implementation of the VPUU Programme in Harare and Kuyasa;
- MURP facilitated Manenberg and Hanover Park: Community Action Plans and Public Investment Frameworks:
 - Resulting in significant Capital and Operational implementation;
 - MURP had facilitated and unlocked the Provincial Government Capital Investment Programme in the broader Manenberg area; and
 - Incorporation of the Schools Rationalisation Programme and development of the New Regional Hospital.
- MURP facilitated Bonteheuwel CBD: Community Action Plan and Public Investment Framework
- The City collaborated with technology stations to offer training courses for traders who operate in the textiles-, light manufacturing- and food industries in an effort to improve the quality of the products they offer, thereby affording them better opportunities to access higher value markets;
- The Mayor's Market, which provided 320 opportunities for entrepreneurs;
- The City handed over approximately 18 000 title deeds citywide to legal beneficiaries;
- Ward Allocations achieved 92% project completion for 2017/18;
- Culture and Heritage promotion: Culture and Heritage tourism action plan implemented i.e. tourism routes and experiences developed; and niche plans developed;
- Approved informal trading plans that created approximately 3 700 trading opportunities; and
- 96.90% Capital budget spend for 2017/18.

Risks to achieving revenue projections, any expected major shifts in revenue patterns and any planned alternative sources of revenue

There are no material changes in revenue trends over the MTREF period for the Urban Management directorate.

Major features of expenditure incl. highlighting discretionary and non-discretionary expenditure

The directorate's major expenditure categories include:

- Salaries and Wages;
- CIDs – Payments made to City Improvement Districts which is directly linked to the amounts collected from them; and
- Contracted Services – mostly linked to MURP projects.

Directorate capital programme

The directorate is not capital intensive. The majority of the capital budget over the next MTREF mainly relates to mayoral urban regeneration projects linked to the Neighbourhood development partnership grant and Area Economic development infrastructure projects.

Table 71 Urban Management (Vote 11) - operating revenue by source, expenditure by type and total capital expenditure

Directorate: Urban Management									
Budgeted Financial Performance (revenue and expenditure)									
Description	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Operating Revenue By Source									
Property rates	150 645	169 260	198 921	–	216 629	216 629	236 842	248 802	261 367
Service charges - electricity revenue	–	–	–	–	–	–	–	–	–
Service charges - water revenue	–	–	–	–	–	–	–	–	–
Service charges - sanitation revenue	0	–	–	–	–	–	–	–	–
Service charges - refuse revenue	–	–	–	–	–	–	–	–	–
Service charges - other	–	–	–	2 309	–	–	–	–	–
Rental of facilities and equipment	–	–	–	–	–	–	–	–	–
Interest earned - external investments	–	–	–	–	–	–	–	–	–
Interest earned - outstanding debtors	756	927	795	0	0	0	0	0	0
Dividends received	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits	621	–	5 025	–	–	–	–	–	–
Licences and permits	(48)	(31)	–	–	–	–	–	–	–
Agency services	–	–	–	–	–	–	–	–	–
Transfers and subsidies	2 727	469	402	886	1 698	1 698	34 377	1 600	800
Other revenue	3 803	4 266	4 009	217 870	7 523	7 523	4 150	7 705	8 094
Gains on disposal of PPE	16	15	73	–	–	–	–	–	–
Total Operating Revenue (excluding capital transfers and contributions)	158 520	174 906	209 225	221 066	225 850	225 850	275 369	258 107	270 261
Expenditure By Type									
Employee related costs	161 982	186 581	244 625	312 750	288 077	288 077	426 895	338 967	367 634
Remuneration of councillors	133 353	137 093	153 584	168 185	168 249	168 249	178 344	189 133	200 576
Debt impairment	4 519	5 078	5 968	6 471	6 499	6 499	7 105	7 464	7 841
Depreciation & asset impairment	7 676	(1 663)	12 358	13 518	13 911	13 911	12 423	14 889	17 609
Finance charges	2 730	2 437	2 326	–	4 746	4 746	–	–	–
Bulk purchases	–	–	–	–	–	–	–	–	–
Other materials	6 441	7 698	9 463	7 112	9 735	9 735	6 536	6 547	6 565
Contracted services	40 026	47 547	51 126	59 294	59 920	59 920	230 021	72 281	75 216
Transfers and subsidies	24 414	16 518	6 811	8 450	8 170	8 170	8 058	8 556	8 988
Other expenditure	168 861	186 659	214 225	239 488	234 859	234 859	272 989	270 917	284 746
Loss on disposal of PPE	46	222	201	9	9	9	9	10	10
Total Operating Expenditure	550 049	588 169	700 687	815 277	794 175	794 175	1 142 379	908 765	969 186
Surplus/(Deficit)	(391 529)	(413 263)	(491 461)	(594 211)	(568 325)	(568 325)	(867 010)	(650 658)	(698 925)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	513	2 744	2 562	1 150	8 363	8 363	26 400	26 400	44 000
Transfers and subsidies - capital (monetary allocations) (Nat/ Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educ Institutions)	–	–	–	–	–	–	–	–	–
Transfers & subsidies capital in-kind	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	(391 017)	(410 519)	(488 899)	(593 061)	(559 962)	(559 962)	(840 610)	(624 258)	(654 925)
Taxation	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after taxation	(391 017)	(410 519)	(488 899)	(593 061)	(559 962)	(559 962)	(840 610)	(624 258)	(654 925)
Attributable to minorities	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality	(391 017)	(410 519)	(488 899)	(593 061)	(559 962)	(559 962)	(840 610)	(624 258)	(654 925)
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	(391 017)	(410 519)	(488 899)	(593 061)	(559 962)	(559 962)	(840 610)	(624 258)	(654 925)
Capital Expenditure	22 359	12 541	17 308	13 620	23 477	22 417	122 981	110 520	145 030

2.12.12 Water & Waste (Vote 12)

The functional areas within the Water & Waste directorate are:

- Water and Sanitation Services; and
- Solid Waste Management.

2.12.12.1 Solid Waste Management

The City's Solid Waste Management department is the service authority and regulator of waste management activities in Cape Town, per the system of delegations and the municipality's executive powers conferred on it in law. The City is responsible for services in the metropolitan municipal area (as a service authority or regulator).

The City's waste management services aims to integrate waste management services in such a way that they are able to not only provide basic services, but to augment economic activity and minimise the effects of waste on human and environmental health. Much national support and development is necessary, as waste minimisation and recycling activities are not limited to Cape Town and involve the processing and manufacturing sectors on a national scale. It will require a country-wide approach in terms of planning, infrastructure, facilities, incentives and disincentives to drive out economies of scale that will make this sustainable and economically viable. These are key influences on achieving the long term waste management vision and objectives set by the Department.

The long-term vision for the Cape Town Waste Management sector is to:

- Improve access to basic services for residents to as close to 100% as possible within the constraints of available funds and unplanned growth;
- Develop multiple integrated initiatives that will reduce waste and the associated impacts substantially as well as contribute to and support economic development;
- Generate other sources of funding for integrated waste management through Public-Private Partnerships within the Cape Town municipal area;
- Improve the income generated by the Council's waste services;
- Optimise the utilisation of the Council's resources and capital; and
- Regulate waste and the associated services that will ensure sustainability and prevent impact or harm to people and the environment.

Performance objectives and indicators

Strategic Focus Area	Objectives	IDP Programme
SFA 1: The Opportunity City	1.1 Positioning Cape Town as forward looking globally competitive city (Priority 7)	<p>2. Promote general Integrated Waste Management practices:</p> <p>a. Implement an integrated builder's rubble waste minimisation program, including builder's rubble beneficiation at Coastal Park LS, Vissershok LS and Bellville South landfill site;</p> <p>b. Continue with public education and awareness programs regarding waste management and waste minimization;</p> <p>c. Cyclic review of Council's Integrated Waste Management (IWM) Policy, IWM By-laws and the IWM Plan;</p> <p>d. Continue and accelerate implementation of the IWM By-law; and</p> <p>e. Align Waste Information System with both the SAWIS & Waste Classification and Management Regulations.</p> <p>3. Identify and promote catalytic sectors:</p> <p>a. Complete the roll out of landfill gas extraction and flaring at Coastal Park and Bellville South Landfill Sites;</p> <p>b. Commence with designs for the Vissershok Landfill Site gas extraction project;</p> <p>c. Finalise Transactional Advisor Project flowing from MSA S78.3 Recommendations (2011), investigating Waste-to-energy (or energy-from-waste) synergies in respect of organic solid waste and sewerage sludge, and to, were deemed feasible, initiate projects as soon as possible, in support of Council's Energy Policy and targets;</p> <p>d. Subject to the TA finding, initiate and register all Council-approved waste minimisation and certain Energy-from-Waste PPP initiatives with the National Treasury;</p> <p>e. Subject to the TA finding, initiate a process to generate alternative (non-Council) funding through Public Private Partnerships (PPPs) for the implementation of such alternate service delivery mechanisms initiatives;</p> <p>f. Support and further stimulate the recycling economy; and</p> <p>g. Subject to the TA findings and Council resolutions, reprioritise and amend the SWM medium to long-term capital works program, its proposed capital or operating budgets to include provisions and changes for alternative service delivery mechanisms.</p> <p>5. Provide and maintain waste minimisation infrastructure:</p> <p>a. Upgrade the Material Recovery Facility (MRF) at the Athlone RTS into a Clean MRF;</p> <p>b. Establish a small-scale Integrated Waste Management facility in the Helderberg area;</p> <p>c. Develop a MRF at the Coastal Park Landfill site;</p> <p>d. Develop and implement additional drop-offs at Disposal facilities, including Swartklip RTS, Faure LS and Helderberg drop-off at Vaalfontein site (part of the integrated facility above); and</p> <p>e. Develop Drop offs, satellite drop-offs and mini-MRF's.</p>
	1.4 Resource efficiency and security (priority 8)	<p>4. Provide and maintain infrastructure:</p> <p>a. Establish Continue with roll-out and further development of an integrated infrastructure asset management program for SWM fixed and movable assets, plant, equipment, infrastructure and superstructure to optimise asset use and service delivery, focusing on waste management fleet as a priority;</p> <p>b. Continue with the project to increase height and maximise airspace utilisation at Vissershok South Landfill site;</p> <p>c. Finalise the legal / environmental process to amend the waste licence at Vissershok North Landfill site;</p> <p>d. Finalise the regional landfill appeal, commence with a project to seek another site for a second future landfill;</p> <p>e. Subject to finalisation of the regional landfill appeal, commence with the construction and commissioning of the regional landfill site; and</p> <p>f. Rehabilitate and manage closed landfill sites (ongoing permit and MFMA requirements).</p>
SFA 3: The Caring City	3.1 Excellence in basic service delivery (priority 1)	<p>1. Improve access to basic waste management services (cleaning, collection and disposal), minimise (reduce and divert) waste to landfill:</p> <p>a. Continually improve access to basic waste management services (cleaning, collection and disposal);</p> <p>b. Continually improve access to residential waste minimisation services;</p> <p>c. Implement recycling at landfill and refuse transfer stations (RTS) and drop-offs where feasible; and</p> <p>d. Monitor the effectiveness of the household hazardous waste (HHHW) drop-off and plan for the roll out at Bellville South RTS.</p>
	3.2 Mainstreaming basic service delivery to informal settlements and backyard dwellers (priority 2)	

Changes to service levels and standards over the MTREF

There are no material changes in revenue trends for the directorate over the MTREF period.

Past year's performance - 2017/18

The department continued to implement the recommendations of the section 78(3) study, which includes waste minimisation, waste to energy projects and the provision of infrastructure for waste minimisation. The department has also channelled more resources towards waste minimisation infrastructure and programmes. The City effectively introduced recycling at larger drop-off sites and are investigating the usage of drop-off facilities as mini material recovery facilities (MRF).

A total of 20% in waste minimisation was achieved, which is a substantial growth and on track to achieving the City's Integrated Waste Management Policy (IWMP) objectives. Home composting bins have been issued to more than 10 000 beneficiaries and the programme will continue for the next 5 years with an estimated 5 000 additional beneficiaries per year.

The provision of basic waste management services was maintained at 100%. However, there is a looming challenge on providing services for backyarders which at this stage is done on an ad hoc basis. Informal settlements now receive a twice weekly door-to-door bagged waste collection service integrated with area cleaning provided by City's private contractors. Refuse services to all informal settlements have been increased to seven days a week instead of five days (Monday to Friday). Certain categories of settlements in the previous contract received a five-day service.

The department also ensured compliance with waste management statutes by reviewing its by-law and IWMP. The department continues to upgrade its facilities to ensure that all waste is effectively managed and accounted for. These upgrades include changes to increase recovery of recyclables and upgrading of weighbridges to improve measurement, efficiency and to improve service to the public.

Risks to achieving revenue projections, any expected major shifts in revenue patterns and any planned alternative sources of revenue

Disposal revenue will be under pressure going forward with the introduction of waste minimisation initiatives that will reduce the waste being taken to landfill sites. Alternative sustainable revenue streams are being investigated.

Major features of expenditure including highlighting discretionary and non-discretionary expenditure

The Department's major expenditure categories include:

- Salaries and Wages
- Contracted Services – mostly linked to:
 - Refuse removal services;
 - Area cleaning and door-to-door refuse removal services to informal settlements;
 - Cleaning of the previously disadvantaged sandy areas.
- Depreciation
- General Expenses – mostly linked to:
 - Fuel;
 - Rehabilitation of landfill sites;
 - Security services costs at various sites;
 - Purchasing of bags.
- Repairs and maintenance on building and fleet.
- Activity based costing linked to fleet and equipment rental

Directorate capital programme

The department's capital programme for 2019/20 is made up of the following main projects:

- Vehicle and plant replacement programme;
- Upgrading of various depots;
- Upgrading of various drop-off sites to include components of waste minimisation;
- Construction of new material recovery facilities;
- Development of new landfill airspace; and
- The construction of landfill gas to flaring infrastructure for possible future electrification.

Table 72 Solid Waste Management (Vote 12) - operating revenue by source, expenditure by type and total capital expenditure

Directorate: Water & Waste									
Department: Solid Waste Management									
Budgeted Financial Performance (revenue and expenditure)									
Description	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Operating Revenue By Source									
Property rates	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	-	-	-	-	-	-	-	-	-
Service charges - water revenue	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	1 089 812	1 190 778	1 313 131	1 482 111	1 435 841	1 435 841	1 573 566	1 679 698	1 798 298
Service charges - other	-	-	-	225	-	-	-	-	-
Rental of facilities and equipment	1	13	0	-	-	-	-	-	-
Interest earned - external investments	-	-	-	-	-	-	-	-	-
Interest earned - outstanding debtors	15 407	19 082	19 219	18 000	18 000	18 000	18 000	20 070	22 378
Dividends received	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	3 353	3 219	1 896	-	-	-	-	-	-
Licences and permits	-	-	-	-	-	-	-	-	-
Agency services	-	-	-	-	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Other revenue	3 611	5 876	8 324	2 272	2 549	2 549	3 573	3 752	3 941
Gains on disposal of PPE	2 994	2 342	1 454	2 000	2 000	2 000	2 000	2 000	2 000
Total Operating Revenue (excluding capital transfers and contributions)	1 115 177	1 221 309	1 344 024	1 504 608	1 458 390	1 458 390	1 597 138	1 705 520	1 826 617
Expenditure By Type									
Employee related costs	691 963	757 137	839 437	1 021 343	950 881	950 881	1 113 222	1 199 647	1 295 344
Remuneration of councillors	-	-	-	-	-	-	-	-	-
Debt impairment	68 537	74 458	66 621	73 992	73 992	73 992	95 237	102 953	111 295
Depreciation & asset impairment	116 034	127 528	141 436	141 251	154 261	154 261	153 325	159 515	180 227
Finance charges	28 758	40 884	42 374	41 219	42 188	42 188	36 300	70 742	80 682
Bulk purchases	-	-	-	-	-	-	-	-	-
Other materials	78 277	177 697	211 873	160 629	182 637	182 637	200 406	183 987	187 764
Contracted services	713 915	735 515	817 566	850 927	901 971	901 971	1 018 934	947 597	1 022 940
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Other expenditure	84 710	60 508	46 503	112 226	74 425	74 425	116 606	122 396	128 486
Loss on disposal of PPE	2 966	85	239	110	110	110	115	121	127
Total Operating Expenditure	1 785 160	1 973 812	2 166 049	2 401 695	2 380 467	2 380 467	2 734 146	2 786 958	3 006 864
Surplus/(Deficit)	(669 983)	(752 503)	(822 025)	(897 087)	(922 077)	(922 077)	(1 137 008)	(1 081 438)	(1 180 247)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educ Institutions)	-	-	-	-	-	-	-	-	-
Transfers & subsidies capital in-kind	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(669 983)	(752 503)	(822 025)	(897 087)	(922 077)	(922 077)	(1 137 008)	(1 081 438)	(1 180 247)
Taxation	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation	(669 983)	(752 503)	(822 025)	(897 087)	(922 077)	(922 077)	(1 137 008)	(1 081 438)	(1 180 247)
Attributable to minorities	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality	(669 983)	(752 503)	(822 025)	(897 087)	(922 077)	(922 077)	(1 137 008)	(1 081 438)	(1 180 247)
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	(669 983)	(752 503)	(822 025)	(897 087)	(922 077)	(922 077)	(1 137 008)	(1 081 438)	(1 180 247)
Capital Expenditure	252 491	172 499	209 282	458 334	329 237	285 049	628 576	954 215	719 726

2.12.12.2 Water & Sanitation Services

In managing the provision of drinking water and the treatment of wastewater, the City performs the dual role of Water Service Authority and Water Service Provider. It also provides bulk drinking water to adjacent local authorities, namely Drakenstein Municipality and Stellenbosch Municipality.

As a water service provider, the City constantly strives to improve its performance with respect to water quality management. Water safety planning and risk mitigation methodologies are integrated into the management processes. Although no major corrective interventions are currently required in terms of the water safety plan, the City will constantly evaluate the need for additional risk mitigation barriers. Although provision is made in the normal budget allocations to maintain the high standards already achieved, should additional safety barriers be identified, then budgetary allocations will be prioritised for the associated intervention.

The Water & Sanitation Services department consists of the following branches performing the functions specified:

- **Bulk Water Branch**

Manages water catchment areas, storage dams, dam safety, water treatment and the conveyance of water in bulk water supply lines to reticulation networks.

- **Reticulation Branch**

Distributes drinking water to consumers and conveys wastewater to treatment works through a network of pipelines, pump stations and reservoirs. They also convey treated effluent (recycled) water to large users and to collection points for construction and industrial contractors.

- **Wastewater Treatment Branch**

Wastewater treatment works have the important job of treating used water (effluent) and making it safe before discharging it into the environment.

- **Water Demand Management and Strategy Branch**

The Water Demand Management and Strategy branch provides a planning service and is responsible for policy development (e.g. the Water Services Development Plan and the Water Conservation and Demand Management Strategy) and the development and enforcement of by-laws (e.g. the Water and Treated Effluent by-laws). The branch also co-ordinates water demand management programmes, quality management and awareness programmes (e.g. water conservation and sewer blockage education), information management and business reporting.

- **Engineering and Asset Management Branch**

Ensures the electrical and mechanical maintenance of the water and sanitation equipment and facilities. They also provide risk management, fleet management and health and safety services for the Water and Sanitation department.

- **Scientific Services Branch**

Ensures that our water quality is in compliance with strict water quality checks as prescribed by the Department of Water and Sanitation (DWS). They conduct vigorous testing of drinking water including chemical and microbiological analysis in accordance with SANS 241:2015. In addition, they test treated wastewater from wastewater treatment works, water from rivers and vleis, and also perform air pollution testing.

- **Finance and Commercial Branch**

Provides administrative functions related to budgeting, accounting and financial administration, management of movable assets and contract administration. It also takes responsibility for revenue management as well as meter management.

- **Catchment, Stormwater and River Management Branch**

Takes responsible for strategic planning for the City's Stormwater system, which includes the management of river systems and their drainage catchments in order to manage flood risk, improve water quality and optimize the harvesting of Stormwater as a valuable water resource.

- **Support Services Branch**

Provides an administrative role to the Water and Sanitation Department including information management, record management, facilities management, the coordination of the Expanded Public Works Programme employees and provide communication and stakeholder management.

- **Human Resources Business Partner Branch**

Provides an administrative role to the department, which includes training and human resources support.

Performance Objectives and Indicators

Strategic Focus Area	Objectives	IDP Programme
SFA 1: The Opportunity City	1.1 Positioning Cape Town as a forward-looking, globally competitive city	1.1a Ease of Business Programme
		1.1c Infrastructure Investment Programme
	1.4 Resource efficiency and security	1.4k Energy-efficiency and supply programme
		1.4m City Resilience Programme
SFA 3: The Caring City	3.1 Excellence in basic service delivery	3.1a Excellence in service delivery
SFA 5: The Well-Run City	5.1 Operational sustainability	5.1a Efficient, responsible and sustainable City services programme
		5.1f Service delivery improvement programme

The IDP identifies the need to address the challenges related to maintaining water and sewer infrastructure, address the growth in the City and to take care of the indigent households.

In this regard, the proposed 2019/20 capital budget attempts to address the following key areas, namely:

- New Water Strategy / Plan to make the security of supply more resilient;
- Rehabilitate ageing / damaged infrastructure;
- Expand the water- and sewer reticulation system in line with growth requirements; and
- Extension of the capacity of major wastewater treatment plants, i.e. Zandvliet, Potsdam, Macassar, Athlone and Bellville. Wastewater treatment plants requires large expenditure over an extended period.

An estimated 93.6% is intended for spending on the IDP focus area of an “Opportunity City”. This include upgrading, refurbishment of waste water plants, New Water Strategy / Plan projects, water demand management initiatives, water- and sewer reticulation networks and the upgrading of the stormwater system in areas like Sir Lowry’s Pass and Lourens River.

Changes to service levels and standards over the MTREF

Although the achieving of targets is showing positive trends, the department experienced significant challenges during the drought period, which placed additional demands on the department’s implementing capacity. Perhaps the most important “target” achieved during this period was the co-operation between the City and the public to drastically reduce water usage which was achieved via various mechanisms including education and awareness. The focus on water security is also reflected in the New Water Strategy MTREF.

Past year’s performance - 2017/18

The department experienced a very challenging year in 2017/18. Cape Town suffered an unprecedented drought that put the department under tremendous strain, but this challenge was overcome by hard work and dedication, together with the positive response from the City’s customers, which made Cape Town the number one water-saving City in the world.

Risks to achieving revenue projections, any expected major shifts in revenue patterns and any planned alternative sources of revenue

Consumption levels impact on the ability to generate the revenue necessary to recover the cost for delivering the service. Along with the success of drastically reducing the water usage during the drought, came the high level of uncertainty with regards to the projected consumption patterns and permanent impact of water saving changes made by the customer. The City will closely be monitoring the new consumption patterns and will need to determine whether the current projections need to be refined. This will be done with due cognisance of the rainfall that is received during the winter raining season.

In addition, the Auditor General of South Africa has made recommendations during the 2017/18 annual audit regarding the interpretations and billing of indigent. Although the net impact on the City will remain largely the same, there will be changes in the amounts reflected as revenue billed as well as the debtors working capital reserve.

Major features of expenditure including highlighting discretionary and non-discretionary expenditure

The proposed budget makes allowance for cost associated with the water augmentation plan to ensure security of water supply, water demand management initiatives, ensuring the management of assets at appropriate levels, sustain and enhance the maintenance programmes as well as supplying water and sanitation at appropriate compliance, capacity, skills, service delivery and responsiveness levels.

Directorate capital programme

Some of the major capital projects for the relevant branches are reflected below.

- Bulk Water - New Water Plan: Atlantis Aquifer; Cape Flats Aquifer & Recharge; Table Mountain Group Aquifer; Zandvliet Waste Water Plant re-use as well the initial processes for permanent desalination;
- Bulk Water: Completion of the Contermanskloof 100ML reservoir;
- Reticulation: Cape Flats Sewer Rehabilitation; Water Supply at Baden Powell Drive to Khayelitsha; Retreat Low Lift Pump station; Replace Water Network (City Wide) as well as Replace Sewer Network (Citywide);
- WWTW: Wesfleur WWTW - Capacity Extension; Zandvliet WWTW - Prim Treatment & Sludge; Borchards Quarry WWTW; Bellville WWTW Extension and Cape Flats WWTW-Refurbishment;
- Water Demand Management: Treated Effluent and Pressure Management Programme;
- Engineering & Asset Management: Vehicles and Plant requirements; and
- Finance and Commercial: Meter Replacement Programme.

Table 73 Water & Sanitation Services (Vote 12) - operating revenue by source, expenditure by type and total capital expenditure

Directorate: Water & Waste									
Department: Water & Sanitation Services									
Budgeted Financial Performance (revenue and expenditure)									
Description	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Operating Revenue By Source									
Property rates	–	–	–	–	–	–	–	–	–
Service charges - electricity revenue	17 948	(376)	13	–	–	–	–	–	–
Service charges - water revenue	2 539 730	2 718 453	2 932 228	3 566 725	3 511 296	3 511 296	3 211 485	3 838 357	4 593 230
Service charges - sanitation revenue	1 384 157	1 426 013	1 518 274	1 796 268	1 781 428	1 781 428	1 568 599	2 014 201	2 409 460
Service charges - refuse revenue	(750)	24	3	–	–	–	–	–	–
Service charges - other	–	–	–	79 234	–	–	–	–	–
Rental of facilities and equipment	63	80	185	137	137	137	142	149	157
Interest earned - external investments	–	–	–	–	–	–	–	–	–
Interest earned - outstanding debtors	112 114	152 259	173 926	172 017	172 017	172 017	225 000	258 750	309 983
Dividends received	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits	11 653	(3 072)	97 382	195	165	165	172	181	190
Licences and permits	216	351	221	–	–	–	–	–	–
Agency services	–	–	–	–	–	–	–	–	–
Transfers and subsidies	23 216	32 300	14 333	3 289	16 578	16 578	2 553	2 655	2 841
Other revenue	49 156	61 127	74 869	11 650	63 337	63 337	56 612	69 397	72 917
Gains on disposal of PPE	2 196	762	1 438	1 000	1 000	1 000	1 000	1 000	1 000
Total Operating Revenue (excluding capital transfers and contributions)	4 139 699	4 387 921	4 812 872	5 630 514	5 545 957	5 545 957	5 065 563	6 184 690	7 389 777
Expenditure By Type									
Employee related costs	1 232 332	1 301 343	1 477 421	1 953 862	1 917 101	1 917 101	1 901 065	2 152 754	2 273 236
Remuneration of councillors	–	–	–	–	–	–	–	–	–
Debt impairment	634 946	378 918	173 821	1 321 182	733 581	733 581	727 277	640 216	766 979
Depreciation & asset impairment	417 562	475 654	557 939	670 799	636 983	636 983	673 239	780 913	862 513
Finance charges	17 817	19 125	14 617	–	9 799	9 799	–	–	–
Bulk purchases	403 354	343 740	251 903	1 145 732	645 916	645 916	617 101	909 598	871 284
Other materials	197 825	308 941	292 307	358 498	343 759	343 759	447 685	476 768	486 901
Contracted services	795 176	948 840	1 110 456	1 192 068	1 222 359	1 222 359	1 284 908	1 382 534	1 428 859
Transfers and subsidies	–	–	–	–	500	500	10 521	11 052	11 610
Other expenditure	267 184	219 610	190 153	300 200	252 263	252 263	345 574	446 091	545 960
Loss on disposal of PPE	1 019	829	601	0	0	0	0	0	0
Total Operating Expenditure	3 967 217	3 996 999	4 069 218	6 942 342	5 762 262	5 762 262	6 007 371	6 799 927	7 247 342
Surplus/(Deficit)	172 482	390 922	743 654	(1 311 828)	(216 306)	(216 306)	(941 808)	(615 237)	142 435
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	402 115	373 625	467 451	574 824	1 078 918	1 078 918	402 300	421 045	367 570
Transfers and subsidies - capital (monetary allocations) (Nat/ Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educ Institutions)	8 342	8 750	19 635	12 000	13 510	13 510	12 000	12 000	15 000
Transfers & subsidies capital in-kind	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	582 940	773 297	1 230 740	(725 004)	876 123	876 123	(527 508)	(182 191)	525 005
Taxation	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after taxation	582 940	773 297	1 230 740	(725 004)	876 123	876 123	(527 508)	(182 191)	525 005
Attributable to minorities	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality	582 940	773 297	1 230 740	(725 004)	876 123	876 123	(527 508)	(182 191)	525 005
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	582 940	773 297	1 230 740	(725 004)	876 123	876 123	(527 508)	(182 191)	525 005
Capital Expenditure	1 399 778	1 573 852	1 743 207	3 574 693	2 373 327	1 728 427	2 967 728	5 025 921	5 125 617

2.13 Annual budget and service delivery agreement – Cape Town International Convention Centre (CTICC)

2.13.1 Executive Summary

The CTICC was established in 2003 with the very clear purpose of contributing to economic growth and job creation in the City and Province through the hosting of international and national conferences, meetings, exhibitions and events. Since then the Centre has not only met, but exceeded those expectations on every level.

In this highly competitive market, the CTICC has sought to differentiate its offering from those of its industry peers through a focus on high standards, service excellence and leadership in triple-bottom-line sustainability. There is a strong commitment to innovation, service excellence, and importantly financial sustainability. This, along with an active pursuit of events that support the 'knowledge economy', have bolstered the CTICC's importance as a significant contributor to the local- and national economy.

There is no doubt that economic growth is increasingly dependent on intellectual capital and it is believed that the CTICC has a significant role to play in providing a platform for knowledge exchange and rigorous debate, not only in South Africa but also the broader global economy.

To this end, many of the 525 events hosted by the CTICC in the 2017/18 financial year, especially the international conferences, supported the advancement of industries that have been identified by the City and the Western Cape Government as key catalytic sectors for trade, investment and growth. By attracting global associations and experts to the City for these events, the CTICC makes a vital contribution towards growing essential expertise, knowledge and skills.

Annexure 24 represents the CTICC's Business Plan for the 2019/20 financial year, based on the CTICC's stated purpose, which is to create jobs by attracting events in key economic sectors and exceeding our clients' expectations.

As a state-owned entity, this business plan is aligned with the City's Integrated Development Plan (IDP), as well as the Western Cape Government's Economic Growth Strategy, and is guided by their key principles.

For context, the 2019/20 plan includes an organisational overview of the CTICC and the core reasons for its formation. The CTICC operates in a challenging global context and the market analysis section of this plan provides insight into the broader market environment.

Financial management

The CTICC has, over the past number of years, managed to generate positive growth in revenue and operating profit before interest, taxation, depreciation and amortisation (EBITDA), despite various challenges facing the region and industry. The budget for the 2019/20 financial year has been compiled by management and approved by the Board, taking into account known factors, risks and forecast micro- and macro-economic indicators.

Total revenue excluding interest is forecasted at R278.7-million, an increase of 6% on the prior year. The growth is forecasted despite the pressure from clients for lower rentals, year-on-year reduction in delegate numbers, competition from hotels and other venues for smaller events and the impact of the drought and load-shedding. EBITDA for the period (2019/20 FY) is forecast at R10.1 million, an increase of 27.4% on the prior year. The growth in EBITDA will be achieved with the emphasis on cost reduction and containment, improved efficiency and productivity and excellent customer service.

The CTICC has always been in the enviable position of generating its own financial resources, which funds its growth through re-investing for the future, the only exception being the major expansion of CTICC 2. This trend is forecasted to continue for the foreseeable future and is reflected in the 3-year budget.

The CTICC's overall impact is not judged solely on its own financial results but the overall benefit to the citizens of Cape Town, the Western Cape and South Africa, as best reflected in the GDP contribution, as mentioned previously.

Each business unit has an implementation framework and a detailed action plan for the next year, which supports overall business objectives. These unit strategies support the core business strategy and explain how key performance indicators will be achieved and how each unit will contribute to the sustainability of the organisation.

Given the Centre's economic mandate, the CTICC is focused on expanding its international footprint. Sales, client relations and marketing strategies are in place to, firstly, keep the CTICC top of mind with key role-players and decision makers and, secondly, position the CTICC as a venue that has the staff and skills, track-record and vision to deliver and exceed clients' expectations. The CTICC have several client engagements planned, nationally and particularly internationally, to support this strategy. The CTICC is committed to meeting and exceeding its event numbers, particularly for international events, and achieving all KPIs set.

2.13.2 Service Delivery Agreement between the City and the CTICC

Table 74 CTICC – Service Delivery Agreement

Period of agreement	No period stipulated but subject to annual reviews in terms of Section 93A of the Systems Act.
Service provided	International conference centre
Expiry date of SDA	Not applicable
Monetary value	No current operating funding from the City.
Ownership and control	Shareholding as at 30/04/2019 City of Cape Town - 71.4% Provincial Government of Western Cape - 23.2% SunWest International Pty Ltd - 5.4%
Oversight processes	The Finance directorate (Treasury Department) of the City monitors performance and compliance.
Mandate	To manage and sustain a World Class International Convention Centre
Funding over medium term	The CTICC does not intend taking up loan funding to fund their capital programme at this time.
Summary of SDA	Sets out the obligations of the CTICC and the City in respect of compliance and performance issues.
Link to IDP	SFA 1: Opportunity City SFA 2: Safe City SFA 3: Caring City SFA 4: Inclusive City SFA 5: Well-run City
Past performance and future objectives	The CTICC has performed exceptionally well and exceeded its targets in the past. As the expanded centre will support the CTICC's vision and growth outlook, as well as the City's objective of establishing Cape Town as Africa's top business events destination.

Besides the normal operating expenditure, maintenance and depreciation are major operating expenditure items on the CTICC's budget. Being in the international service and hospitality business requires that the facilities are always up to international standards. The assets of the conference centre represent a major investment, which attracts substantial depreciation. There is also a policy for regular replacement of fixed assets to maintain the high standards, which results in high capital expenditure every year.

The aggregated annual budget, as required in terms of section 9 of the MBRR, are presented in the five primary budget tables on page 194 to page 197. These tables reflect the CTICC's 2019/20 budget and MTREF to be supported by Council.

Schedule D reflecting the annual budget and supporting documents for the CTICC is attached as Annexure 23, while the business plan is attached as Annexure 24. The entity's proposed tariff policy and tariffs are attached as annexure 25.

Table 75 CTICC - Table D1 Budget Summary

Description	2015/16	2016/17	2017/18	Current Year 2018/19			Medium Term Revenue and Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousands									
<u>Financial Performance</u>									
Property rates	–	–	–	–	–	–	–	–	–
Service charges	–	–	–	–	–	–	–	–	–
Investment revenue	35 272	28 825	17 829	4 515	12 262	12 262	6 900	7 314	7 753
Transfers and subsidies	–	–	–	–	–	–	–	–	–
Other own revenue	208 733	215 648	246 324	286 614	263 127	263 127	278 700	296 151	314 707
Total Revenue (excluding capital transfers and contributions)	244 005	244 473	264 153	291 129	275 388	275 388	285 600	303 465	322 460
Employee costs	47 506	57 457	56 451	92 542	83 506	83 506	89 652	95 801	101 549
Remuneration of Board Members	453	578	459	756	884	884	581	616	653
Depreciation & asset impairment	24 832	24 424	502 419	42 651	42 651	42 651	50 164	43 787	41 186
Finance charges	42	3	–	–	–	–	–	–	–
Materials and bulk purchases	–	–	33 615	41 317	36 733	36 733	40 524	43 045	45 725
Transfers and subsidies	–	–	–	57	57	57	–	–	–
Other expenditure	103 911	104 551	98 554	144 517	133 964	133 964	137 798	146 438	155 632
Total Expenditure	176 745	187 013	691 499	321 840	297 796	297 796	318 719	329 688	344 746
Surplus/(Deficit)	67 260	57 460	(427 346)	(30 711)	(22 408)	(22 408)	(33 118)	(26 223)	(22 286)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	–	–	–	–	–	–	–	–	–
Contributions recognised - capital & contributed assets	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	67 260	57 460	(427 346)	(30 711)	(22 408)	(22 408)	(33 118)	(26 223)	(22 286)
Taxation	20 007	13 983	(117 590)	–	–	–	–	–	–
Surplus/ (Deficit) for the year	47 253	43 476	(309 756)	(30 711)	(22 408)	(22 408)	(33 118)	(26 223)	(22 286)
<u>Capital expenditure & funds sources</u>									
<u>Capital expenditure</u>	380 306	367 936	115 960	49 193	49 193	49 193	42 479	52 206	52 527
Transfers recognised - capital	–	–	–	–	–	–	–	–	–
Public contributions & donations	–	–	–	–	–	–	–	–	–
Borrowing	–	–	–	–	–	–	–	–	–
Internally generated funds	380 306	367 936	115 960	49 193	49 193	49 193	42 479	52 206	52 527
Total sources of capital funds	380 306	367 936	115 960	49 193	49 193	49 193	42 479	52 206	52 527
<u>Financial position</u>									
Total current assets	437 926	268 623	245 145	132 686	249 363	249 363	181 214	153 677	127 640
Total non current assets	622 079	965 327	704 703	438 450	595 900	595 900	712 645	721 064	732 404
Total current liabilities	143 578	81 046	106 700	118 543	100 264	100 264	106 255	113 359	120 948
Total non current liabilities	–	–	–	–	–	–	–	–	–
Community wealth/Equity	916 427	1 152 904	843 148	452 593	744 999	744 999	787 605	761 382	739 096
<u>Cash flows</u>									
Net cash from (used) operating	127 270	44 827	88 732	29 498	54 655	54 655	(23 312)	22 494	25 334
Net cash from (used) investing	(380 307)	(405 437)	(115 960)	(49 193)	(49 193)	(49 193)	(42 479)	(52 206)	(52 527)
Net cash from (used) financing	117 000	193 000	–	–	–	–	–	–	–
Cash/cash equivalents at the year end	418 595	250 985	223 757	107 000	229 219	229 219	163 428	133 716	106 523

Table 76 CTICC - Table D2 Budgeted Financial Performance (revenue and expenditure)

Description R thousands	2015/16	2016/17	2017/18	Current Year 2018/19			Medium Term Revenue and Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Revenue by Source									
Property rates	–	–	–	–	–	–	–	–	–
Service charges - electricity revenue	–	–	–	–	–	–	–	–	–
Service charges - water revenue	–	–	–	–	–	–	–	–	–
Service charges - sanitation revenue	–	–	–	–	–	–	–	–	–
Service charges - refuse revenue	–	–	–	–	–	–	–	–	–
Rental of facilities and equipment	99 937	104 571	115 084	138 802	123 844	123 844	131 820	140 101	148 907
Interest earned - external investments	35 272	28 825	17 829	4 515	12 262	12 262	6 900	7 314	7 753
Interest earned - outstanding debtors	–	–	–	–	–	–	–	–	–
Dividends received	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits	–	–	–	–	–	–	–	–	–
Licences and permits	–	–	–	–	–	–	–	–	–
Agency services	–	–	–	–	–	–	–	–	–
Transfers and subsidies	–	–	–	–	–	–	–	–	–
Other revenue	108 796	111 077	131 240	147 812	139 283	139 283	146 880	156 050	165 800
Gains on disposal of PPE	–	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)	244 005	244 473	264 153	291 129	275 388	275 388	285 600	303 465	322 460
Expenditure By Type									
Employee related costs	47 506	57 457	56 451	92 542	83 506	83 506	89 652	95 801	101 549
Remuneration of councillors	453	578	459	756	884	884	581	616	653
Debt impairment	–	–	1 057	300	300	300	300	300	300
Depreciation & asset impairment	24 832	24 424	502 419	42 651	42 651	42 651	50 164	43 787	41 186
Finance charges	42	3	–	–	–	–	–	–	–
Bulk purchases	–	–	–	–	–	–	–	–	–
Other materials	–	–	33 615	41 317	36 733	36 733	40 524	43 045	45 725
Contracted services	–	–	52 915	62 884	57 039	57 039	66 227	70 212	74 449
Transfers and subsidies	–	–	–	57	57	57	–	–	–
Other expenditure	103 911	104 551	44 583	81 334	76 624	76 624	71 272	75 927	80 884
Loss on disposal of PPE	–	–	–	–	–	–	–	–	–
Total Expenditure	176 745	187 013	691 499	321 840	297 796	297 796	318 719	329 688	344 746
Surplus/(Deficit)	67 260	57 460	(427 346)	(30 711)	(22 408)	(22 408)	(33 118)	(26 223)	(22 286)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	–	–	–	–	–	–	–	–	–
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) after capital transfers & contributions	67 260	57 460	(427 346)	(30 711)	(22 408)	(22 408)	(33 118)	(26 223)	(22 286)
Taxation	20 007	13 983	(117 590)	–	–	–	–	–	–
Surplus/ (Deficit) for the year	47 253	43 476	(309 756)	(30 711)	(22 408)	(22 408)	(33 118)	(26 223)	(22 286)

Table 77 CTICC - Table D3 Capital Budget by vote and funding

Vote Description	2015/16	2016/17	2017/18	Current Year 2018/19			Medium Term Revenue and Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousands									
Capital expenditure by Asset Class/Sub-class									
Other assets	367 264	351 231	100 974	27 247	27 247	27 247	22 450	27 400	27 700
Operational Buildings	367 264	351 231	100 974	27 247	27 247	27 247	22 450	27 400	27 700
Municipal Offices	367 264	351 231	100 974	27 247	27 247	27 247	22 450	27 400	27 700
Computer Equipment	9 413	12 853	8 621	15 218	15 218	15 218	17 051	18 021	19 429
Computer Equipment	9 413	12 853	8 621	15 218	15 218	15 218	17 051	18 021	19 429
Furniture and Office Equipment	2 609	3 165	3 183	5 380	5 380	5 380	1 630	4 118	3 233
Furniture and Office Equipment	2 609	3 165	3 183	5 380	5 380	5 380	1 630	4 118	3 233
Machinery and Equipment	1 020	687	3 183	1 348	1 348	1 348	1 348	2 667	2 165
Machinery and Equipment	1 020	687	3 183	1 348	1 348	1 348	1 348	2 667	2 165
Total capital expenditure on assets	380 306	367 936	115 960	49 193	49 193	49 193	42 479	52 206	52 527
Funded by:									
National Government	–	–	–	–	–	–	–	–	–
Provincial Government	–	–	–	–	–	–	–	–	–
Parent Municipality	–	–	–	–	–	–	–	–	–
District Municipality	–	–	–	–	–	–	–	–	–
Transfers recognised - capital	–	–	–	–	–	–	–	–	–
Borrowing	–	–	–	–	–	–	–	–	–
Internally generated funds	380 306	367 936	115 960	49 193	49 193	49 193	42 479	52 206	52 527
Total Capital Funding	380 306	367 936	115 960	49 193	49 193	49 193	42 479	52 206	52 527

Table 78 CTICC - Table D4 Budgeted Financial Position

Description	2015/16	2016/17	2017/18	Current Year 2018/19			Medium Term Revenue and Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousands									
ASSETS									
Current assets									
Cash	9 771	14 301	6 282	–	–	–	–	–	–
Call investment deposits	408 824	236 684	217 475	107 000	229 219	229 219	163 428	133 716	106 523
Consumer debtors	–	–	–	–	–	–	–	–	–
Other debtors	18 071	16 440	19 796	24 027	18 485	18 485	16 032	18 137	19 219
Current portion of long-term receivables	–	–	–	–	–	–	–	–	–
Inventory	1 260	1 198	1 591	1 659	1 659	1 659	1 755	1 825	1 898
Total current assets	437 926	268 623	245 145	132 686	249 363	249 363	181 214	153 677	127 640
Non current assets									
Long-term receivables	–	–	–	–	–	–	–	–	–
Investments	–	0	0	0	0	0	0	0	0
Investment property	–	–	–	–	–	–	–	–	–
Investment in Associate	–	–	–	–	–	–	–	–	–
Property, plant and equipment	619 426	961 750	575 139	438 450	595 900	595 900	583 081	591 499	602 840
Biological	–	–	–	–	–	–	–	–	–
Intangible	–	–	–	–	–	–	–	–	–
Other non-current assets	2 654	3 577	129 564	–	–	–	129 564	129 564	129 564
Total non current assets	622 079	965 327	704 703	438 450	595 900	595 900	712 645	721 064	732 404
TOTAL ASSETS	1 060 005	1 233 950	949 848	571 136	845 262	845 262	893 859	874 741	860 044
LIABILITIES									
Current liabilities									
Bank overdraft	–	–	–	–	–	–	–	–	–
Borrowing	–	–	–	–	–	–	–	–	–
Consumer deposits	46 620	19 687	28 163	26 166	22 912	22 912	32 849	35 477	38 315
Trade and other payables	93 419	56 399	73 814	86 549	71 524	71 524	68 596	72 712	77 074
Provisions	3 538	4 960	4 723	5 828	5 828	5 828	4 810	5 170	5 558
Total current liabilities	143 578	81 046	106 700	118 543	100 264	100 264	106 255	113 359	120 948
Non current liabilities									
Borrowing	–	–	–	–	–	–	–	–	–
Provisions	–	–	–	–	–	–	–	–	–
Total non current liabilities	–	–	–	–	–	–	–	–	–
TOTAL LIABILITIES	143 578	81 046	106 700	118 543	100 264	100 264	106 255	113 359	120 948
NET ASSETS	916 427	1 152 904	843 148	452 593	744 999	744 999	787 605	761 382	739 096
COMMUNITY WEALTH/EQUITY									
Accumulated Surplus/(Deficit)	(168 001)	(124 524)	(434 280)	(824 834)	(532 429)	(532 429)	(489 823)	(516 046)	(538 332)
Reserves	1 084 428	1 277 428	1 277 428	1 277 428	1 277 428	1 277 428	1 277 428	1 277 428	1 277 428
TOTAL COMMUNITY WEALTH/EQUITY	916 427	1 152 904	843 148	452 593	744 999	744 999	787 605	761 382	739 096

Table 79 CTICC – Table D5 Budgeted Cash Flow

Description	2015/16	2016/17	2017/18	Current Year 2018/19			Medium Term Revenue and Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousands									
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Property rates	–	–	–	–	–	–	–	–	–
Service charges	–	–	–	–	–	–	–	–	–
Other revenue	225 326	194 518	248 151	284 135	269 444	269 444	277 139	296 674	316 463
Government - operating	–	–	–	–	–	–	–	–	–
Government - capital	–	–	–	–	–	–	–	–	–
Interest	35 272	28 825	17 829	4 515	12 262	12 262	6 900	7 314	7 753
Dividends	–	–	–	–	–	–	–	–	–
Payments									
Suppliers and employees	(133 285)	(178 513)	(177 249)	(259 151)	(227 050)	(227 050)	(307 351)	(281 495)	(298 882)
Finance charges	(42)	(3)	–	–	–	–	–	–	–
Dividends paid	–	–	–	–	–	–	–	–	–
Transfers and Grants	–	–	–	–	–	–	–	–	–
NET CASH FROM/(USED) OPERATING ACTIVITIES	127 270	44 827	88 732	29 498	54 655	54 655	(23 312)	22 494	25 334
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	(380 307)	(405 437)	(115 960)	(49 193)	(49 193)	(49 193)	(42 479)	(52 206)	(52 527)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(380 307)	(405 437)	(115 960)	(49 193)	(49 193)	(49 193)	(42 479)	(52 206)	(52 527)
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans	–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing	117 000	193 000	–	–	–	–	–	–	–
Increase (decrease) in consumer deposits	–	–	–	–	–	–	–	–	–
Payments									
Repayment of borrowing	–	–	–	–	–	–	–	–	–
NET CASH FROM/(USED) FINANCING ACTIVITIES	117 000	193 000	–	–	–	–	–	–	–
NET INCREASE/ (DECREASE) IN CASH HELD	(136 037)	(167 610)	(27 228)	(19 694)	5 462	5 462	(65 791)	(29 712)	(27 193)
Cash/cash equivalents at the year begin:	554 632	418 595	250 985	126 694	223 757	223 757	229 219	163 428	133 716
Cash/cash equivalents at the year end:	418 595	250 985	223 757	107 000	229 219	229 219	163 428	133 716	106 523

2.14 Annual budget and service delivery agreement – Cape Town Stadium (CTS)

2.14.1 Executive Summary

Following the establishment of the municipal entity in February 2018, a new and exciting phase in terms of business development and commercialisation is underway.

CTS is in pursuit of reaching an income target of R22.9 million for the 2019/20 financial year. The CTS will be implementing a Commercialisation Model and will activate income streams as indicated in the Purpose & Service Mandate below. Further to the endeavours to optimise income, targets have been set for the number of bowl events, non-bowl events and film shoots (Targets set as per SDBIP).

The Board and management of CTS, pursuant to the establishment of the more flexible commercial environment offered by CTS, remains engaged with the overhaul of its previously legislatively restrictive commercialisation model pursuant to the full commercialisation of the CTS. The Commercialisation Implementation model is being refined to ensure the optimisation of the income potential and taking current human resource and economic realities into consideration. It is done against the backdrop of the current status quo of:

- securing of a premium anchor tenant for the CTS;
- required City Municipal Asset Transfer Regulations (MATR) processes in respect of the planned exploitation of the commercial office, retail, parking and property development opportunities; and
- sourcing of a naming rights sponsor for the CTS.

CTS is currently endeavouring to deliver on its mandate as per the signed Service Delivery Agreement (SDA) and income target set as per the SDBIP through the phased activation of all identified income streams. The objective is to maximise income at the CTS and thereby minimise the grant allocation from the City, which results in reducing the financial burden on the City's ratepayers.

The 2019/20 budget is drafted under the mandate given in terms of the SDA between the City and the CTS. The CTS's budget is balanced through the provision of an annual grant allocation from the City. The expenditure component of this budget is only subject to prior year actual level plus inflationary increases. The income determination is based on carry over events from the prior year and anticipated demand for the current year.

The 2019/20 Business Plan, which is aligned with the City's Integrated Development Plan (IDP) and Economic Growth Strategy (EGS), and constitutes its vision toward achieving local and international recognition as a preferred major venue for the hosting of significant, financially sustainable, international, national and local sports, recreational, cultural and community events.

2.14.2 Purpose & Service Mandate

- **Key Aspects of Required Service Delivery**

Municipal legislation (Municipal Systems Act, 2000 read with Municipal Finance Management Act, 2003) required the CTS municipal entity to enter into a monitored SDA with the City in respect of the governance, management and operation of the CTS.

- **SDA entered into between the City and CTS**

The salient features of the SDA entered into between the City and the CTS are captured in Table 80.

- **CTS's services and functions to the SDA**

The CTS has been mandated in terms of the SDA between the City and the Stadium to, inter alia, provide the following services and functions:

- **General Facility Operations**

Asset management and maintenance: ICT services and infrastructure support (tickets, advertising, audio-visual, etc.); safety and security; capital and refurbishment; and investment projects.

- **Events and Entertainment Services Management**

Bowl and non-bowl event scheduling; planning and execution; development and hosting of signature events; managing of events industry and service provider requirement; events leveraging and bidding processes etc.

- **Commercialization, Marketing and Hospitality Management**

Advertising; merchandising; supplier and pouring rights; ticketing; hospitality; sponsorships; tourism; marketing of bowl and non-bowl facilities; property development and management; commercial legal services.

- **Finance, Legal and Administration Management**

Establishment and management of structures, systems and processes with regards to finance, revenue and expenditure, legal, governance and administration and such additional services as the City may require from time to time.

2.14.3 Service Delivery Agreement between the City and the CTS

Table 80 CTS – Service Delivery Agreement

Period of agreement	The City may, at its sole discretion, extend the Service Provider's (ME's) appointment for a further period of 49 years. Then say effectively 50 years from commencement date.
Funding	The City will provide the grant/allocation to cover CTS operational expenditure in terms of an approved budget and provide support services for the first three years. The ME will be responsible for all maintenance which will be based on the City's maintenance standards. The City will be liable for all capital expenditure, including additional hospitality suites.
Staffing	The City will second staff members to the ME with the concurrence of the staff members concerned. Staff currently employed at CTS will remain as City employees, will be paid by the City and will receive their standard benefits including bonuses and leave pay. The ME may appoint additional staff.
Services to be provided	<ul style="list-style-type: none"> • General facility maintenance & event support operations • Events and entertainment services management • Commercialisation, marketing and hospitality management • Finance, legal and administration management
Ownership and control	The City is the 100% shareholder of the ME.
Oversight processes	The Finance directorate - Treasury department - of the City monitors the Service Delivery Agreement (SDA) and related performance and compliance of the ME.
City's obligations	The City must provide dedicated and prioritised support with regards to accounting, financial management and budgeting per the MFMA, including utilisation of the SAP (Systems, Applications and Products) System as used by the City and Supply Chain Management support, legal company secretary, brand management and communication. In addition, the City must provide dedicated and prioritised services in regard to human resource management support, as well as internal audit and risk management support including oversight over the Service Provider's audit committee.

The aggregated annual budget, as required in terms of section 9 of the MBRR, are presented in the five primary budget tables on page 202 to page 205. These tables reflect the CTS's 2019/20 budget and MTREF to be supported by Council.

Schedule D reflecting the CTS's annual budget and supporting documents is attached as Annexure 26 while the business plan is attached as Annexure 27. The CTS's proposed tariff policy and tariff structure is attached as Annexure 28.

Table 81 CTS - Table D1 Budget Summary

Description	2015/16	2016/17	2017/18	Current Year 2018/19			Medium Term Revenue and Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousands									
<u>Financial Performance</u>									
Property rates	–	–	–	–	–	–	–	–	–
Service charges	–	–	–	–	–	–	–	–	–
Investment revenue	–	–	–	–	–	–	–	–	–
Transfers recognised - operational	–	–	17 815	70 160	72 660	72 660	71 346	69 971	65 496
Other own revenue	–	–	6 332	18 731	18 731	18 731	22 921	24 524	31 794
Total Revenue (excluding capital transfers and contributions)	–	–	24 148	88 891	91 391	91 391	94 267	94 495	97 290
Employee costs	–	–	–	–	–	–	–	–	–
Remuneration of councillors	–	–	205	660	660	660	739	776	823
Depreciation & asset impairment	–	–	–	–	–	–	–	–	–
Finance charges	–	–	–	–	–	–	–	–	–
Materials and bulk purchases	–	–	–	–	–	–	1 354	1 428	1 514
Transfers and grants	–	–	–	–	–	–	–	–	–
Other expenditure	–	–	28 720	88 231	90 731	90 731	92 174	92 291	94 953
Total Expenditure	–	–	28 924	88 891	91 391	91 391	94 267	94 495	97 290
Surplus/(Deficit)	–	–	(4 777)	(0)	0	–	–	–	–
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	–	–	–	–	–	–	–	–	–
Contributions recognised - capital & contributed assets	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	–	–	(4 777)	(0)	0	–	–	–	–
Taxation	–	–	–	–	–	–	–	–	–
Surplus/ (Deficit) for the year	–	–	(4 777)	(0)	0	–	–	–	–
<u>Financial position</u>									
Total current assets	–	–	–	5 846	5 846	5 846	9 616	12 451	14 397
Total non current assets	–	–	–	–	–	–	–	–	–
Total current liabilities	–	–	4 777	5 846	5 846	5 846	9 616	12 451	14 397
Total non current liabilities	–	–	–	–	–	–	–	–	–
Community wealth/Equity	–	–	(4 777)	–	–	–	–	–	–
<u>Cash flows</u>									
Net cash from (used) operating	–	–	(0)	5 846	5 846	5 846	3 771	2 835	1 946
Net cash from (used) investing	–	–	–	–	–	–	–	–	–
Net cash from (used) financing	–	–	–	–	–	–	–	–	–
Cash/cash equivalents at the year end	–	–	(0)	5 846	5 846	5 846	9 616	12 451	14 397

Table 82 CTS - Table D2 Budgeted Financial Performance (revenue and expenditure)

Description R thousands	2015/16	2016/17	2017/18	Current Year 2018/19			Medium Term Revenue and Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Revenue by Source									
Property rates	–	–	–	–	–	–	–	–	–
Service charges - electricity revenue	–	–	–	–	–	–	–	–	–
Service charges - water revenue	–	–	–	–	–	–	–	–	–
Service charges - sanitation revenue	–	–	–	–	–	–	–	–	–
Service charges - refuse revenue	–	–	–	–	–	–	–	–	–
Rental of facilities and equipment	–	–	6 307	14 131	14 131	14 131	16 071	16 958	23 440
Interest earned - external investments	–	–	–	–	–	–	–	–	–
Interest earned - outstanding debtors	–	–	–	–	–	–	–	–	–
Dividends received	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits	–	–	–	–	–	–	–	–	–
Licences and permits	–	–	–	–	–	–	–	–	–
Agency services	–	–	–	–	–	–	–	–	–
Transfers and subsidies	–	–	17 815	70 160	72 660	72 660	71 346	69 971	65 496
Other revenue	–	–	25	4 600	4 600	4 600	6 850	7 566	8 354
Gains on disposal of PPE	–	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)	–	–	24 148	88 891	91 391	91 391	94 267	94 495	97 290
Expenditure By Type									
Employee related costs	–	–	–	–	–	–	–	–	–
Remuneration of councillors	–	–	205	660	660	660	739	776	823
Debt impairment	–	–	–	–	–	–	–	–	–
Depreciation & asset impairment	–	–	–	–	–	–	–	–	–
Finance charges	–	–	–	–	–	–	–	–	–
Bulk purchases	–	–	–	–	–	–	–	–	–
Other materials	–	–	–	–	–	–	1 354	1 428	1 514
Contracted services	–	–	19 633	51 540	54 040	54 040	73 100	74 150	75 798
Transfers and subsidies	–	–	–	–	–	–	–	–	–
Other expenditure	–	–	9 087	36 691	36 690	36 690	19 074	18 141	19 156
Loss on disposal of PPE	–	–	–	–	–	–	–	–	–
Total Expenditure	–	–	28 924	88 891	91 391	91 391	94 267	94 495	97 290
Surplus/(Deficit)	–	–	(4 777)	(0)	0	–	–	–	–
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	–	–	–	–	–	–	–	–	–
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) after capital transfers & contributions	–	–	(4 777)	(0)	0	–	–	–	–
Taxation	–	–	–	–	–	–	–	–	–
Surplus/ (Deficit) for the year	–	–	(4 777)	(0)	0	–	–	–	–

Table 83 CTS - Table D4 Budgeted Financial Position

Description	2015/16	2016/17	2017/18	Current Year 2018/19			Medium Term Revenue and Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousands									
ASSETS									
Current assets									
Cash	–	–	–	5 846	5 846	5 846	9 616	12 451	14 397
Call investment deposits	–	–	–	–	–	–	–	–	–
Consumer debtors	–	–	–	–	–	–	–	–	–
Other debtors	–	–	–	–	–	–	–	–	–
Current portion of long-term receivables	–	–	–	–	–	–	–	–	–
Inventory	–	–	–	–	–	–	–	–	–
Total current assets	–	–	–	5 846	5 846	5 846	9 616	12 451	14 397
Non current assets									
Long-term receivables	–	–	–	–	–	–	–	–	–
Investments	–	–	–	–	–	–	–	–	–
Investment property	–	–	–	–	–	–	–	–	–
Investment in Associate	–	–	–	–	–	–	–	–	–
Property, plant and equipment	–	–	–	–	–	–	–	–	–
Biological	–	–	–	–	–	–	–	–	–
Intangible	–	–	–	–	–	–	–	–	–
Other non-current assets	–	–	–	–	–	–	–	–	–
Total non current assets	–	–	–	–	–	–	–	–	–
TOTAL ASSETS	–	–	–	5 846	5 846	5 846	9 616	12 451	14 397
LIABILITIES									
Current liabilities									
Bank overdraft	–	–	0	–	–	–	–	–	–
Borrowing	–	–	–	–	–	–	–	–	–
Consumer deposits	–	–	–	–	–	–	–	–	–
Trade and other payables	–	–	4 777	5 846	5 846	5 846	9 616	12 451	14 397
Provisions	–	–	–	–	–	–	–	–	–
Total current liabilities	–	–	4 777	5 846	5 846	5 846	9 616	12 451	14 397
Non current liabilities									
Borrowing	–	–	–	–	–	–	–	–	–
Provisions	–	–	–	–	–	–	–	–	–
Total non current liabilities	–	–	–	–	–	–	–	–	–
TOTAL LIABILITIES	–	–	4 777	5 846	5 846	5 846	9 616	12 451	14 397
NET ASSETS	–	–	(4 777)	–	–	–	–	–	–
COMMUNITY WEALTH/EQUITY									
Accumulated Surplus/(Deficit)	–	–	(4 777)	–	–	–	–	–	–
Reserves	–	–	–	–	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	–	–	(4 777)	–	–	–	–	–	–

Table 84 CTS – Table D5 Budgeted Cash Flow

Description	2015/16	2016/17	2017/18	Current Year 2018/19			Medium Term Revenue and Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousands									
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Property rates	–	–	–	–	–	–	–	–	–
Service charges	–	–	–	–	–	–	–	–	–
Other revenue	–	–	6 749	18 731	18 731	18 731	22 921	24 524	31 794
Government - operating	–	–	17 399	70 160	72 660	72 660	71 346	69 971	65 496
Government - capital	–	–	–	–	–	–	–	–	–
Interest	–	–	–	–	–	–	–	–	–
Dividends	–	–	–	–	–	–	–	–	–
Payments									
Suppliers and employees	–	–	(24 148)	(83 045)	(85 545)	(85 545)	(90 496)	(91 660)	(95 344)
Finance charges	–	–	–	–	–	–	–	–	–
Dividends paid	–	–	–	–	–	–	–	–	–
Transfers and Grants	–	–	–	–	–	–	–	–	–
NET CASH FROM/(USED) OPERATING ACTIVITIES	–	–	(0)	5 846	5 846	5 846	3 771	2 835	1 946
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	–	–	–	–	–	–	–	–	–
NET CASH FROM/(USED) INVESTING ACTIVITIES	–	–	–	–	–	–	–	–	–
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans	–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing	–	–	–	–	–	–	–	–	–
Increase (decrease) in consumer deposits	–	–	–	–	–	–	–	–	–
Payments									
Repayment of borrowing	–	–	–	–	–	–	–	–	–
NET CASH FROM/(USED) FINANCING ACTIVITIES	–	–	–	–	–	–	–	–	–
NET INCREASE/ (DECREASE) IN CASH HELD	–	–	(0)	5 846	5 846	5 846	3 771	2 835	1 946
Cash/cash equivalents at the year begin:	–	–	–	–	(0)	(0)	5 846	9 616	12 451
Cash/cash equivalents at the year end:	–	–	(0)	5 846	5 846	5 846	9 616	12 451	14 397

2.15 Contracts having future budgetary implications

Table 85 MBRR Table SA33 - Contracts having future budgetary implications

Description	Preceding Years	Current Year 2018/19	2019/20 Medium Term Revenue & Expenditure Framework			Forecast 2022/23	Forecast 2023/24	Forecast 2024/25	Forecast 2025/26	Forecast 2026/27	Forecast 2027/28	Forecast 2028/29	Total Contract Value
	Total	Original Budget	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
R thousand													
Revenue Obligation By Contract													
Provision of a third party payment service to the City	121 681	66 836	61 614	49 811	74 448	81 000	86 000	91 000	96 000	101 000	116 000	121 000	1 066 388
Bulk printing and postal processing	73 579	44 763	47 225	49 587	51 000	53 000	55 000	57 000	59 000	61 000	63 000	65 000	679 155
Nedbank Limited: main bank tender and other services	7 547	32 515	22 515	23 640	24 822	19 800	–	–	–	–	–	–	130 839
Transnet (waste from Athlone Transfer Station to Vissershok Landfill)	–	20 240	21 656	23 172	24 794	26 529	28 386	30 373	–	–	–	–	175 150
Total Operating Revenue Implication	202 807	144 114	131 354	123 037	150 270	153 800	141 000	148 000	155 000	162 000	179 000	186 000	1 876 382
Expenditure Obligation By Contract													
Management and operation of the Transport Information Centre	33 275	20 775	23 424	25 731	27 017	28 368	29 786	31 276	32 839	34 481	36 205	38 016	361 193
Provision of station management and related services for phase 1 of MyCiTi	530 000	133 510	141 521	169 825	180 014	190 815	202 264	214 400	227 264	240 900	255 354	270 675	2 756 544
Provision of professional services : Business planning, transport and urban development authority	–	23 000	18 000	18 900	19 845	20 837	21 879	22 973	24 122	25 328	26 594	27 924	249 402
Vehicle operator agreement - Transpeninsula	515 168	133 052	176 793	191 655	207 403	224 838	243 906	253 687	92 126	–	–	–	2 038 628
Vehicle operator agreement - Table Bay area rapid transit	455 503	129 907	161 411	175 368	190 581	207 160	225 232	238 668	86 735	–	–	–	1 870 565
Vehicle operator agreement - Kidrogen	699 060	210 412	263 087	285 273	309 072	335 481	364 116	380 654	138 529	–	–	–	2 985 684
The financing, provision, implementation, maintenance and operation of a managed parking system for various selected areas within the metropolitan area of the City	–	–	82 324	85 427	88 916	92 497	96 090	99 833	103 679	107 421	57 159	–	813 346
Total Operating Expenditure Implication	2 233 006	650 656	866 558	952 179	1 022 848	1 099 996	1 183 274	1 241 491	705 294	408 130	375 313	336 615	11 075 361

Table continues on next page

Description	Preceding Years	Current Year 2018/19	2019/20 Medium Term Revenue & Expenditure Framework			Forecast 2022/23	Forecast 2023/24	Forecast 2024/25	Forecast 2025/26	Forecast 2026/27	Forecast 2027/28	Forecast 2028/29	Total Contract Value
	Total	Original Budget	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
R thousand													
Capital Expenditure Obligation By Contract													
<i>Provision of civil, traffic, geotechnical and electrical engineering services to plan, design and monitor integrated human settlement development within the City</i>	723	2 693	17 000	17 000	16 684	6 000	–	–	–	–	–	–	60 100
<i>Provision of professional project management services to plan, design and monitor integrated human settlement developments with the City</i>	869	2 534	8 000	8 000	7 596	3 000	–	–	–	–	–	–	30 000
<i>Appointment of a panel of multi-disciplinary professional consulting teams to undertake the planning, design and construction monitoring of subsidised housing developments</i>	–	5 000	15 000	15 000	10 000	5 000	–	–	–	–	–	–	50 000
<i>Provision of professional services in respect of the Steenbras pumped storage main plant refurbishment - Aurecon</i>	9 770	43 000	–	50 000	350 000	350 000	4 000	–	–	–	–	–	806 770
<i>Construction of the new inlet works, pump stations, primary settling tanks and sludge dewatering building at Zandvliet Wastewater Treatment Works: Civil Works</i>	–	26 859	104 497	120 284	49 224	–	–	–	–	–	–	–	300 863
<i>Design -build of mechanical and electrical works for the construction of primary treatment and sludge handling facilities at Zandvliet Wastewater Treatment Works</i>	–	49 866	132 180	143 482	57 602	–	–	–	–	–	–	–	383 130
<i>Provision of professional engineering services: Investigation, preliminary design, detailed design and contract supervision for the capacity upgrade at Potsdam WWTP</i>	20 115	7 000	36 000	180 000	300 000	–	–	–	–	–	–	–	543 115
<i>IRT: Provision of professional services in respect of the design & construction of phase 2A infrastructure: Bus depots</i>	19 290	8 000	7 000	8 000	8 000	8 000	6 000	3 000	–	–	–	–	67 290
<i>Provision of professional project management services: Integrated rapid transit</i>	16 275	8 000	4 500	6 000	10 000	17 225	–	–	–	–	–	–	62 000
<i>IRT: Provision of professional services in respect of the design & construction of phase 2A infrastructure: Stations</i>	6 086	7 000	9 000	8 000	5 000	5 000	4 000	4 000	3 000	–	–	–	51 086
<i>IRT: Provision of professional services in respect of the design & construction of phase 2A infrastructure: Trunk & Feeder(East & West)</i>	41 164	27 000	39 000	124 197	235 967	805 242	–	–	–	–	–	–	1 272 570
Total Capital Expenditure Implication	114 292	186 953	372 177	679 963	1 050 072	1 199 466	14 000	7 000	3 000	–	–	–	3 626 924
Total Expenditure Implication	2 347 299	837 608	1 238 735	1 632 142	2 072 921	2 299 463	1 197 274	1 248 491	708 294	408 130	375 313	336 615	14 702 285

Table 86 – Projects having future budgetary implications

Description	Project number	Preceding Years	Current Year 2018/19	2019/20 Medium Term Revenue & Expenditure Framework			Forecast 2022/23	Forecast 2023/24	Forecast 2024/25	Future Years	Total Project Value
		Total	Adjusted Budget	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22	Estimate	Estimate	Estimate	Estimate	Estimate
R thousand											
Capital Expenditure Obligation By Project											
Cape Town Stadium: Suites Cape Town Stadium	CPX.0010858	—	—	74 743	207 268	—	—	—	—	—	282 011
Electricity Generation and Distribution: Ground Mounted Photovoltaic (PV)	CPX.0014782	—	—	—	—	100 000	—	—	—	—	100 000
Electricity Generation and Distribution: Koeberg Road Switching Station Phase 3	CPX.0009014	14 500	19 331	17 214	—	—	—	—	—	—	51 045
Electricity Generation and Distribution: Morgen Gronde Switching Station	CPX.0012407	—	2 500	1 600	100 400	38 541	—	—	—	—	143 041
Electricity Generation and Distribution: Oakdale Switching Station Upgrade Phase 3	CPX.0003624	—	16 000	2 652	—	—	57 348	120 000	—	—	196 000
Electricity Generation and Distribution: Outage Management System	C12.84078	46 552	—	6 500	1 500	1 500	1 500	1 500	—	—	59 052
Electricity Generation and Distribution: Paardevlei Switching Station	CPX.0014550	—	1 500	100	21 135	58 208	37 389	—	—	—	118 332
Electricity Generation and Distribution: Retreat Depot - Replace. for Muizenberg	C08.84049	10 432	4 020	1 000	1 000	50 058	—	—	—	—	66 510
Electricity Generation and Distribution: Steenbras: Refurbishment of Main Plant	C14.84071	9 770	650	—	50 000	350 000	350 000	4 000	—	—	764 419
Facilities Management: Corporate Accommodation Portfolio Growth	CPX.0016074	—	—	—	100 000	—	—	—	—	—	100 000
Facilities Management: FM Structural Rehabilitation	CPX/0000924	256 110	13 182	12 705	2 257	—	5 461	—	—	—	289 716
Housing Development: ACSA Symphony Way Housing Project	CPX.0010592	—	3 800	9 500	25 000	25 000	—	—	—	—	63 300
Housing Development: Bardale / Fairdale: Development 4000 Units	C06.41540	144 265	318	40	—	—	—	—	—	—	144 623
Housing Development: Beacon Valley Housing Project - Mitchell	CPX.0005672	—	1 200	20 500	34 500	35 000	—	—	—	—	91 200
Housing Development: Belhar CBD Housing Development	CPX.0009027	46 357	20 000	57 841	—	—	—	—	—	—	124 198
Housing Development: Conradie Housing Development	CPX/0014824	—	5 000	23 972	94 261	81 514	38 614	33 048	—	—	276 409
Housing Development: Fisantekraal/Greenville Phase 2: Bulk Roads	CPX.0013244	—	22 000	15 000	13 000	13 649	—	—	—	—	63 649
Housing Development: Forest Village Housing Project	CPX.0009026	119 816	100 000	60 500	—	—	90 000	—	—	—	370 316
Housing Development: Harare Infill Housing Project	CPX.0005315	3 150	5 000	10 000	16 000	14 000	4 050	—	—	—	52 200
Housing Development: Imizamo Yethu Housing Project (Phase 3)	CPX.0003139	3 272	412	9 569	60 005	42 826	78 167	—	—	—	194 250
Housing Development: Imizamo Yethu Phase 3, Site 2: Bulk Earth Works	CPX.0013243	—	13 000	21 022	20 000	25 000	—	—	—	—	79 022
Housing Development: Langa Hostels Community Rental Units Project: New Flats	CPX.0010625	388	3 800	2 000	6 500	2 250	2 000	61 436	—	—	78 374
Housing Development: Langa Hostels Community Rental Units Project: Siyahhlala	CPX.0010626	—	50	400	1 900	2 400	130 464	—	—	—	135 214
Housing Development: Langa Hostels Community Rental Units Project: Special Quarters	CPX.0010624	388	4 200	2 000	7 700	5 700	217 149	—	—	—	237 137
Housing Development: Macassar Breaking New Ground Housing Project	CPX.0005674	447	1 300	12 000	30 000	30 000	45 950	—	—	—	119 696
Housing Development: Maroela Housing Project - North	CPX.0011088	—	—	3 730	22 535	29 000	—	—	—	—	55 265
Housing Development: Pelican Park Phase 2 Housing Project	CPX.0008074	939	2 695	1 486	4 813	7 090	40 000	55 645	—	—	112 668
Informal Settlements: Imizamo Yethu Informal Settlement Emergency Project	CPX.0010896	5 000	10 000	30 000	23 579	15 000	—	—	—	—	83 579
Informal Settlements: Informal Settlement Upgrade - Driftsands	CPX.0010360	—	1 100	12 800	10 000	33 300	36 000	28 522	—	—	121 722
Informal Settlements: Informal Settlement Upgrade - Enkanini	CPX.0005816	3 343	2 280	6 077	30 371	63 600	64 400	60 000	62 000	183 381	475 453

Table continues on next page

Description	Project number	Preceding Years	Current Year 2018/19	2019/20 Medium Term Revenue & Expenditure Framework			Forecast 2022/23	Forecast 2023/24	Forecast 2024/25	Future Years	Total Project Value
		Total	Adjusted Budget	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22	Estimate	Estimate	Estimate	Estimate	Estimate
R thousand											
Capital Expenditure Obligation By Project											
Informal Settlements: Internal Services: Monwabisi Park	CPX.0005817	–	2 000	5 350	40 000	63 000	58 000	53 000	77 000	168 150	466 500
Informal Settlements: Professional Services: Monwood, Philippi	CPX.0005818	–	2 267	2 000	22 485	36 914	35 336	–	–	–	99 002
Information Systems and Technology: Dark Fibre Broadband Infrastructure	CPX/0000931	1 008 656	110 583	–	71 025	–	–	–	–	–	1 190 263
Infrastructure Implementation: Road Upgrade: Langverwacht Road: Amandle to Zevenwacht	CPX.0007861	11 285	19 400	23 000	–	–	–	–	–	–	53 685
Infrastructure Implementation: Congestion Relief - Erica Drive	CPX.0007892	3 204	3 100	1 000	20 000	68 909	62 100	–	–	–	158 313
Infrastructure Implementation: Durbanville Non-Motorised Transport (NMT)	CPX.0009269	–	8 000	24 100	19 000	–	–	–	–	–	51 100
Infrastructure Implementation: Gugulethu Concrete Roads	CPX.0005708	33 045	–	–	1 000	20 000	20 000	–	–	–	74 045
Infrastructure Implementation: Infrastructure Implementation: Integrated Rapid Transit Phase 2 A	CPX/0000257	559 603	243 000	204 683	497 543	1 684 867	1 036 203	112 577	9 000	7 000	4 354 476
Infrastructure Implementation: Integrated Bus Rapid Transit System	CPX/0000287	384 507	27 000	6 000	5 000	5 000	5 000	–	–	–	432 507
Infrastructure Implementation: Kommetjie Road Dualling (Phase 3)	CPX.0007895	–	–	–	–	2 000	80 850	32 000	–	–	114 850
Infrastructure Implementation: M3 Corridor: Hospital Bend-Constantia Main Road	CPX.0008663	6 010	1 000	–	2 300	13 000	36 000	84 800	–	–	143 110
Infrastructure Implementation: R44 Road Upgrade: North and South Bound Lanes	CPX.0015906	–	24 625	28 375	–	–	–	–	–	–	53 000
Infrastructure Implementation: Retreat Public Transport Interchange	C11.10537	3 347	3 043	20 000	42 300	–	18 625	–	–	–	87 314
Infrastructure Implementation: Road Construction: Belhar Main Road: Stellendale to Highbury	CPX.0007893	–	6 212	35 551	10 994	–	–	–	–	–	52 757
Infrastructure Implementation: Road Dualling: Berkley Road: M5 to Ryger Street	CPX.0010483	1 407	5 527	–	2 000	2 000	20 000	25 000	–	–	55 934
Infrastructure Implementation: Road Dualling: Kommetjie Road Ou Kaapse Weg	CPX.0007894	74 079	60 333	24 900	–	–	16 038	–	–	–	175 350
Infrastructure Implementation: Road Upgrade: Amandle Road: Bottellary River bridgde to Church street	CPX.0007857	1 500	1 100	300	8 713	39 000	19 787	–	–	–	70 400
Infrastructure Implementation: Road Upgrade: N7/12 Sandown Road	CPX.0012946	–	20 009	46 000	–	–	–	–	–	–	66 009
Infrastructure Implementation: Road Upgrade: Voortrekker Road: Salt River Canal to Jakes Gerwel Drive	CPX.0010465	778	6 194	–	2 000	1 000	16 000	29 000	–	–	54 971
Infrastructure Implementation: Somerset West Public Transport Interchange	C11.10552	8 553	1 300	18 000	33 400	–	40 828	–	–	–	102 081
Infrastructure Implementation: Strand Sea Wall Phase 2 Upgrade	CPX.0012990	–	–	–	49 978	30 000	40 000	–	–	–	119 978
Management: Safety and Security: Intergrated Contact Centre	CPX.0011057	–	23 183	33 794	39 633	13 000	–	–	–	–	109 611
Metropolitan Police Services: Property Improvement Training College	CPX.0016148	–	–	3 000	64 000	64 000	–	–	–	–	131 000
Network Management: Public Transport System Projects	CPX.0013284	–	55 000	75 000	28 000	–	–	–	–	–	158 000
Network Management: Public Transport Systems Management Project	C14.01601	403 078	30 000	12 000	12 000	–	233 097	–	–	–	690 175
Public Transport Operations: Integrated Rapid Transit (IRT): Control Centre	CPX.0008858	80 305	20 200	10 000	10 000	10 000	10 000	261 148	–	–	401 654
Public Transport Operations: Integrated Rapid Transit (IRT): Fare Collection	CPX.0008849	29 769	6 000	12 000	25 000	25 000	25 000	617 564	–	–	740 333
Recreation and Parks: Upgrade Atlantis Cemetery	C09.94014	11 813	4 246	3 000	–	–	–	–	30 940	–	50 000
Recreation and Parks: Upgrade Maitland Crematorium	CPX.0003490	1 191	1 700	5 000	15 000	30 000	7 109	–	–	–	60 000
Roads Infrastructure and Management: Rehabilitation of Jakes Gerwel - N2 and N1	CPX.0015203	–	–	50 000	4 000	–	–	–	–	–	54 000

Table continues on next page

Description	Project number	Preceding Years	Current Year 2018/19	2019/20 Medium Term Revenue & Expenditure Framework			Forecast 2022/23	Forecast 2023/24	Forecast 2024/25	Future Years	Total Project Value
		Total	Adjusted Budget	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22	Estimate	Estimate	Estimate	Estimate	Estimate
R thousand											
Capital Expenditure Obligation By Project											
Roads Infrastructure and Management: Road Rehabilitation: Bishop Lavis	CPX.0013213	–	8 000	15 000	20 000	–	56 367	–	–	–	99 367
Roads Infrastructure and Management: Road Rehabilitation: Manenberg	CPX.0013222	–	–	–	–	20 000	30 000	–	–	–	50 000
Solid Waste Management: Material Recovery Facility: Mechanical Biological Treatment (MBT) (Phase 2)	CPX.0011068	–	250	1 250	10 000	150 000	200 000	200 000	–	–	561 500
Solid Waste Management: Athlone Refuse Transfer Station (ARTS): Material Recovery Facility / Mechanical Biological Treatment (MBT)	CPX.0007847	365	1 400	7 200	70 000	70 000	140 000	–	–	–	288 965
Solid Waste Management: Coastal Park: Design and develop	CPX.0007924	2 585	1 200	55 000	40 000	5 000	–	–	–	–	103 785
Solid Waste Management: Coastal Park: Design and develop (Material Recovery Facility)	CPX.0007910	3 670	20 296	60 000	180 000	–	–	–	–	–	263 966
Solid Waste Management: CPTS: Transfer Station New	CPX.0010025	–	–	–	2 500	15 000	150 000	55 000	–	–	222 500
Solid Waste Management: Development of the Regional Landfill Site	CPX.0003137	–	–	–	1 500	15 000	90 000	100 000	–	–	206 500
Solid Waste Management: Helderberg: Design and Develop (drop-off)	CPX.0007908	5 066	905	100	22 000	42 000	–	–	–	–	70 071
Solid Waste Management: HTS: Material Recovery Facility New	CPX.0010023	–	–	–	–	3 500	41 500	61 500	–	–	106 500
Solid Waste Management: New Prince George Drop-off	CPX.0008859	5 565	510	35 500	30 000	–	–	–	–	–	71 575
Solid Waste Management: Purchase of Land Regional Landfill	CPX.0003136	–	–	–	100 000	–	–	–	–	–	100 000
Solid Waste Management: Solid Waste Management: Coastal Park: Landfill Gas Infrastructure - Beneficiation	CPX.0011067	1 789	750	12 550	44 300	10 000	–	–	–	–	69 389
Solid Waste Management: Vissershok North: Design and develop Airspace	CPX.0007920	157	500	5 000	26 000	20 000	–	20 000	–	–	71 657
Solid Waste Management: Vissershok South: Develop Triangle	CPX.0007915	–	1 000	6 500	76 500	30 000	30 000	25 000	–	–	169 000
Solid Waste Management: Vissershok South: Landfill Gas Infrastructure to Flaring	CPX.0007916	1 424	1 000	54 000	4 000	5 000	5 000	19 000	–	–	89 424
Solid Waste Management: Woodstock Depot Upgrade	CPX.0011066	150	–	8 000	3 000	28 867	22 000	11 193	–	–	73 210
Strategic Assets: Upgrade of Athlone Stadium	C14.00035	27 305	8 800	12 400	26 000	32 400	–	–	–	–	106 905
Strategic Assets: Upgrade of City Hall	C13.00213	50 119	4 773	8 000	4 100	4 100	–	–	–	–	71 092
Supply Chain Management: E-Tendering System	CPX.0009401	–	770	10 000	40 000	33 000	–	–	–	–	83 770
Support Services: Community Services and Health: Information Technology Modernisation	CPX.0013591	8 883	18 500	10 000	41 500	–	–	–	–	–	78 883
Water and Sanitation: Athlone Wastewater Treatment Works (WWTW) - Capacity Extension-phase 1	CPX/0000479	18 990	16 000	69 000	182 700	345 000	100 000	100 000	–	–	831 690
Water and Sanitation: Atlantis Aquifer	CPX.0011032	6 497	230 000	160 000	160 000	31 000	–	–	–	–	587 497
Water and Sanitation: Bellville Wastewater Treatment Works (WWTW)	CPX/0000512	429 364	98 700	98 450	84 805	–	5 000	–	5 000	15 000	736 319
Water and Sanitation: Borchards Quarry Wastewater Treatment Works (WWTW)	CPX/0000471	300 027	44 000	43 000	27 000	–	–	–	–	–	414 027
Water and Sanitation: Bulk Reticulation Sewers in Milnerton Rehabilitation	CPX/0006478	–	–	1 000	2 000	99 000	148 000	50 000	50 000	150 000	500 000
Water and Sanitation: Bulk Water Augmentation Scheme	CPX/0000524	101 220	1 200	6 200	312 200	415 900	428 000	666 100	352 900	125 500	2 409 220
Water and Sanitation: Cape Flats Aquifer	CPX.0010520	124 706	378 050	250 000	250 000	250 000	93 050	–	–	–	1 345 806
Water and Sanitation: Cape Flats Aquifer Recharge	CPX.0013724	–	70 000	43 500	408 000	199 000	15 000	36 000	–	–	771 500
Water and Sanitation: Cape Flats Rehabilitation	CPX/0000532	7 778	16 000	100 000	65 000	75 000	6 000	6 000	6 000	20 000	301 778

Table continues on next page

Description	Project number	Preceding Years	Current Year 2018/19	2019/20 Medium Term Revenue & Expenditure Framework			Forecast 2022/23	Forecast 2023/24	Forecast 2024/25	Future Years	Total Project Value
		Total	Adjusted Budget	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22	Estimate	Estimate	Estimate	Estimate	Estimate
R thousand											
Capital Expenditure Obligation By Project											
Water and Sanitation: Cape Flats Wastewater Treatment Works (WWTW) - Refurbish various structures	CPX/0000533	93 525	61 000	115 000	378 900	209 800	48 000	22 301	5 000	15 000	948 526
Water and Sanitation: Contermanskloof Reservoir	CPX/0003850	98 427	25 000	64 500	61 500	2 200	–	–	–	–	251 627
Water and Sanitation: Desalination	CPX.0010519	6 597	13 000	10 000	10 000	10 000	10 000	6 000	–	–	65 597
Water and Sanitation: Flood Alleviation - Lourens River	CPX.0013019	20 202	11 840	26 300	21 300	15 000	56 400	–	–	–	151 042
Water and Sanitation: Helderberg/Faure Bulk Water Scheme	CPX/0009468	–	–	500	500	1 000	7 000	50 000	15 000	10 500	84 500
Water and Sanitation: Macassar Wastewater Treatment Works (WWTW) Extension	CPX/0000639	6 236	9 000	10 000	40 000	100 000	250 000	250 000	–	–	665 236
Water and Sanitation: Mitchells Plain Wastewater Treatment Works (WWTW) Phase 2	CPX/0000684	102 178	12 100	7 500	43 000	18 600	90 000	90 000	40 000	157 000	560 378
Water and Sanitation: Northern Regional Sludge Facility	CPX/0000694	1 973	–	15 000	20 000	54 800	220 000	300 000	–	–	611 773
Water and Sanitation: OSEC (Electrolytic Chlorination Infrastructure)	CPX/0003892	32 623	–	1 000	5 000	20 000	5 000	11 000	150	–	74 773
Water and Sanitation: Philippi Collector Sewer	CPX/0000679	676	5 146	172	115 943	81 117	–	–	–	–	203 054
Water and Sanitation: Potsdam Wastewater Treatment Works (WWTW) - Extension	CPX/0000681	20 115	7 000	36 000	180 000	300 000	450 000	300 000	–	–	1 293 115
Water and Sanitation: Sir Lowry's Pass River Upgrade	CPX.0012948	2 953	8 000	41 000	110 000	115 000	84 000	–	–	–	360 953
Water and Sanitation: Steenbras Reservoir	CPX/0003894	123	500	500	4 600	10 000	101 200	100 000	121 400	20 000	358 323
Water and Sanitation: Table Mountain Group Aquifer	CPX.0010518	42 945	219 950	250 000	265 000	170 000	250 000	250 000	–	–	1 447 895
Water and Sanitation: Water and Sanitation: Retreat Low Lift Pump station	CPX.0008876	–	7 494	60 000	–	–	–	–	–	–	67 494
Water and Sanitation: Water Supply at Baden Powell Drive to Khayelitsha	C12.86082	982	12 000	56 000	93 438	–	–	–	–	–	162 421
Water and Sanitation: Wesfleur Wastewater Treatment Works (WWTW) - Capacity Extension	C14.86044	8 634	10 000	90 000	91 400	13 600	–	–	–	–	213 634
Water and Sanitation: Zandvliet Plant Re-use (50ML)	CPX.0014007	–	22 000	20 800	344 000	750 000	506 000	213 000	1 000	–	1 856 800
Water and Sanitation: Zandvliet Wastewater Treatment Works (WWTW) - Extension	CPX/0000628	196 859	85 739	425 500	500 800	347 500	200 000	100 000	–	–	1 856 398

2.16 Details of expenditure by asset class

Table 87 MBRR Table SA34a - Capital expenditure on new assets by asset class

Description	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand									
Capital expenditure on new assets by Asset Class/Sub-class									
Infrastructure	1 778 186	1 953 836	1 900 313	3 602 426	2 507 635	1 951 859	2 886 525	5 340 795	5 778 962
Roads Infrastructure	665 367	875 527	601 711	643 094	637 960	618 549	929 567	1 686 270	2 238 793
Roads	665 367	875 527	601 711	643 094	637 960	618 549	929 567	1 686 270	2 238 793
Storm water Infrastructure	2 803	3 778	104 566	94 818	88 024	105 998	117 312	157 639	170 387
Drainage Collection	2 803	3 778	104 566	94 818	88 024	105 998	117 312	157 639	170 387
Electrical Infrastructure	509 555	555 112	427 495	415 032	367 425	346 041	368 700	456 802	521 351
Power Plants	–	412	–	–	–	–	–	–	–
HV Substations	417 000	471 341	340 451	362 532	297 696	282 951	314 395	344 102	406 549
MV Networks	23 677	19 257	43 044	–	–	–	6 200	74 700	72 100
LV Networks	68 877	64 102	44 000	52 500	69 729	63 089	48 105	38 000	42 702
Water Supply Infrastructure	143 479	208 170	433 231	1 291 185	1 052 626	594 283	971 327	1 390 934	1 174 382
Reservoirs	75 016	81 564	280 855	1 139 450	863 768	427 825	733 800	1 082 900	951 100
Water Treatment Works	–	–	–	1 000	3 184	437	10 000	–	–
Bulk Mains	25 162	99 300	74 417	52 630	68 460	64 099	73 000	90 000	75 150
Distribution	43 300	27 306	77 959	98 105	117 214	101 922	154 527	218 034	148 132
Sanitation Infrastructure	205 274	154 686	110 446	749 890	254 536	203 538	218 499	1 053 539	1 272 549
Reticulation	193 874	151 686	109 247	156 605	104 961	102 538	129 199	258 539	257 749
Waste Water Treatment Works	1 400	3 000	1 199	593 285	144 575	100 000	89 300	795 000	1 014 800
Outfall Sewers	10 000	–	–	–	5 000	1 000	–	–	–
Solid Waste Infrastructure	68 991	25 239	65 287	168 000	30 992	13 629	251 120	530 300	400 500
Landfill Sites	68 991	25 239	65 287	168 000	30 992	13 629	251 120	530 300	400 500
Information and Communication Infrastructure	182 718	131 324	157 577	240 406	76 072	69 822	30 000	65 311	1 000
Data Centres	182 718	131 324	157 577	240 406	76 072	69 822	30 000	65 311	1 000
Community Assets	210 769	140 796	218 957	303 007	310 140	306 477	243 160	189 102	240 424
Community Facilities	209 143	140 786	217 809	302 827	309 482	305 919	242 440	189 102	240 424
Halls	40	–	–	–	–	–	25	–	–
Centres	4 923	–	–	2 030	–	–	17 505	33 000	33 000
Clinics/Care Centres	13 217	25 620	34 182	49 435	42 757	35 215	21 296	42 170	66 039
Fire/Ambulance Stations	2 000	3 905	12 657	19 436	19 842	19 842	–	–	–
Testing Stations	3 000	–	1 345	–	–	–	–	–	–
Museums	–	–	99	2 500	3 151	3 151	–	–	–
Libraries	17 534	11 634	19 746	9 505	9 380	9 380	7 375	2 875	13 375
Cemeteries/Crematoria	4 502	9 961	9 362	20 500	9 134	7 813	3 500	–	5 000
Public Open Space	8 091	4 102	832	220	420	420	11 100	12 100	12 000
Nature Reserves	11 412	8 984	15 044	3 701	1 283	1 283	10 634	2 107	6 560
Markets	–	–	–	–	–	–	710	–	–
Taxi Ranks/Bus Terminals	144 424	76 580	124 542	195 500	223 515	228 815	170 296	96 850	104 450
Sport and Recreation Facilities	1 626	10	1 149	180	658	558	720	–	–
Indoor Facilities	19	–	–	–	–	–	–	–	–
Outdoor Facilities	1 607	10	1 149	180	658	558	720	–	–
Heritage assets	–	–	–	–	–	–	30	–	–
Works of Art	–	–	–	–	–	–	30	–	–
Investment properties	–	81	–	–	–	–	–	–	–
Revenue Generating	–	81	–	–	–	–	–	–	–
Improved Property	–	81	–	–	–	–	–	–	–

Table continues on next page

Description	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand									
<u>Other assets</u>	145 465	219 855	213 644	220 191	129 858	115 870	209 953	349 000	278 863
Operational Buildings	100 642	216 600	205 531	165 951	93 123	94 110	159 033	302 500	262 113
Municipal Offices	44 470	172 110	155 586	26 001	33 624	34 829	115 455	215 500	166 055
Laboratories	–	–	–	–	8 583	8 222	–	–	–
Training Centres	–	–	730	–	–	–	–	–	–
Depots	56 173	44 490	49 216	139 950	50 916	51 059	43 578	87 000	96 058
Capital Spares	–	–	–	–	–	–	–	–	–
Housing	44 823	3 255	8 113	54 240	36 735	21 760	50 920	46 500	16 750
Social Housing	44 823	3 255	8 113	54 240	36 735	21 760	50 920	46 500	16 750
<u>Intangible Assets</u>	495	500	3 690	14 765	11 511	11 296	44 752	51 165	42 565
Licences and Rights	495	500	3 690	14 765	11 511	11 296	44 752	51 165	42 565
Computer Software and Applications	495	500	3 690	14 765	11 511	11 296	44 752	51 165	42 565
<u>Computer Equipment</u>	122 051	139 311	214 178	103 487	134 853	116 391	93 386	109 651	44 637
Computer Equipment	122 051	139 311	214 178	103 487	134 853	116 391	93 386	109 651	44 637
<u>Furniture and Office Equipment</u>	306 688	133 468	104 912	122 755	114 477	107 009	118 167	118 317	92 732
Furniture and Office Equipment	306 688	133 468	104 912	122 755	114 477	107 009	118 167	118 317	92 732
<u>Machinery and Equipment</u>	97 819	152 814	139 739	34 547	45 734	46 792	48 127	38 996	35 050
Machinery and Equipment	97 819	152 814	139 739	34 547	45 734	46 792	48 127	38 996	35 050
<u>Transport Assets</u>	105 449	62 793	68 313	108 906	135 505	142 792	197 348	20 850	45 251
Transport Assets	105 449	62 793	68 313	108 906	135 505	142 792	197 348	20 850	45 251
<u>Land</u>	53 319	164 323	1 511	208 000	65 450	5 180	26 000	120 000	20 000
Land	53 319	164 323	1 511	208 000	65 450	5 180	26 000	120 000	20 000
Total Capital Expenditure on new assets	2 820 243	2 967 778	2 865 259	4 718 083	3 455 162	2 803 667	3 867 449	6 337 876	6 578 483

Table 88 MBRR Table SA34b - Capital expenditure on the renewal of existing assets by asset class

Description	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand									
Capital expenditure on renewal of existing assets by Asset Class/Sub-class									
Infrastructure	1 866 859	1 987 043	1 003 136	1 450 562	1 136 668	939 487	1 408 835	1 994 754	2 441 128
<i>Roads Infrastructure</i>	435 911	547 101	129 464	220 181	161 163	128 864	214 477	199 079	147 788
Roads	435 911	547 101	129 464	220 181	161 163	128 864	214 477	199 079	147 788
<i>Storm water Infrastructure</i>	44 902	52 203	34 565	30 275	44 886	35 434	59 700	46 300	35 000
Drainage Collection	44 902	52 203	34 565	30 275	44 886	35 434	59 700	46 300	35 000
<i>Electrical Infrastructure</i>	429 547	514 747	322 032	425 796	344 364	310 693	346 825	441 990	738 540
HV Substations	200 127	255 730	71 655	138 996	102 864	77 303	74 825	132 990	421 540
MV Substations	74 457	63 740	81 192	74 000	20 100	18 775	50 000	54 000	58 000
MV Networks	135 619	169 591	137 565	174 800	178 100	171 315	182 000	211 000	215 000
LV Networks	19 343	25 685	31 619	38 000	43 300	43 300	40 000	44 000	44 000
<i>Water Supply Infrastructure</i>	401 675	371 611	415 558	433 000	391 561	301 984	409 900	543 500	646 000
Reservoirs	134	16 491	26 847	10 000	–	–	–	–	15 000
Bulk Mains	57 416	46 989	25 337	50 000	50 000	48 000	60 000	80 000	120 000
Distribution	344 124	308 131	363 374	373 000	341 561	253 984	349 900	463 500	511 000
<i>Sanitation Infrastructure</i>	467 650	470 623	96 530	339 750	193 082	160 900	376 433	751 235	858 800
Pump Station	20 591	32 243	89	24 000	17 106	9 373	18 733	28 000	60 000
Reticulation	97 658	82 877	4 848	163 000	64 067	49 288	87 700	194 335	354 000
Waste Water Treatment Works	349 080	336 038	81 593	105 000	95 909	86 239	170 000	463 900	369 800
Outfall Sewers	321	19 466	10 000	47 750	16 000	16 000	100 000	65 000	75 000
<i>Solid Waste Infrastructure</i>	87 176	28 122	–	–	–	–	–	10 000	15 000
Landfill Sites	87 176	28 122	–	–	–	–	–	10 000	15 000
<i>Information and Communication Infrastructure</i>	–	2 636	4 988	1 560	1 612	1 612	1 500	2 650	–
Data Centres	–	2 636	4 988	1 560	1 612	1 612	1 500	2 650	–
Community Assets	130 739	204 105	12 142	5 522	4 046	4 046	19 283	15 100	7 000
<i>Community Facilities</i>	93 572	146 871	11 704	5 522	4 046	4 046	19 283	15 100	7 000
Halls	746	811	–	–	–	–	9 883	–	–
Centres	595	1 247	3 452	–	–	–	–	–	–
Clinics/Care Centres	7 850	7 217	499	1 172	1 172	1 172	8 000	15 100	7 000
Fire/Ambulance Stations	400	4 442	–	–	–	–	–	–	–
Testing Stations	–	1 647	–	–	–	–	–	–	–
Museums	2 822	3 182	–	–	–	–	–	–	–
Theatres	695	133	–	–	–	–	–	–	–
Libraries	8 166	5 661	2 352	3 050	2 050	2 050	–	–	–
Cemeteries/Crematoria	11 100	7 749	–	–	–	–	–	–	–
Public Open Space	55 586	88 074	5 401	1 300	824	824	1 400	–	–
Nature Reserves	1 414	389	–	–	–	–	–	–	–
Public Ablution Facilities	1 239	22 990	–	–	–	–	–	–	–
Markets	143	307	–	–	–	–	–	–	–
Taxi Ranks/Bus Terminals	2 816	3 021	–	–	–	–	–	–	–
<i>Sport and Recreation Facilities</i>	37 166	57 234	439	–	–	–	–	–	–
Indoor Facilities	59	–	–	–	–	–	–	–	–
Outdoor Facilities	37 107	57 234	439	–	–	–	–	–	–
Heritage assets	6 547	38 955	430	1 800	5 822	3 421	600	1 200	1 200
Monuments	6 547	38 955	430	1 800	5 822	3 421	600	1 200	1 200

Table continues on next page

Description R thousand	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Capital expenditure on renewal of existing assets by Asset Class/Sub-class									
Other assets	281 954	321 375	44 688	92 601	79 514	79 401	71 250	126 399	18 590
Operational Buildings	157 526	247 906	24 525	16 017	26 272	26 159	26 689	49 215	18 590
Municipal Offices	147 087	206 298	19 850	13 667	18 319	18 216	24 339	45 865	14 240
Laboratories	–	–	–	300	300	290	300	300	300
Training Centres	260	4 064	–	–	–	–	–	–	–
Depots	10 180	37 544	4 676	2 050	7 653	7 653	2 050	3 050	4 050
Housing	124 428	73 469	20 163	76 583	53 242	53 242	44 561	77 184	–
Social Housing	124 428	73 469	20 163	76 583	53 242	53 242	44 561	77 184	–
Intangible Assets	–	3 931	2 282	7 000	10 227	10 227	7 000	7 000	7 000
Licences and Rights	–	3 931	2 282	7 000	10 227	10 227	7 000	7 000	7 000
Computer Software and Applications	–	3 931	2 282	7 000	10 227	10 227	7 000	7 000	7 000
Computer Equipment	98 753	76 526	79 122	63 740	128 069	116 057	121 359	63 082	62 286
Computer Equipment	98 753	76 526	79 122	63 740	128 069	116 057	121 359	63 082	62 286
Furniture and Office Equipment	47 862	21 962	16 088	16 839	19 028	15 767	28 889	16 562	13 456
Furniture and Office Equipment	47 862	21 962	16 088	16 839	19 028	15 767	28 889	16 562	13 456
Machinery and Equipment	17 207	10 935	56 922	29 100	66 883	66 191	11 454	58 050	57 350
Machinery and Equipment	17 207	10 935	56 922	29 100	66 883	66 191	11 454	58 050	57 350
Transport Assets	219 670	272 011	302 131	211 700	371 407	369 961	622 937	315 479	342 449
Transport Assets	219 670	272 011	302 131	211 700	371 407	369 961	622 937	315 479	342 449
Total Capital Expenditure on renewal of existing assets	2 669 591	2 936 843	1 516 941	1 878 864	1 821 663	1 604 559	2 291 609	2 597 627	2 950 459
Renewal of Existing Assets as % of total capex	0.0%	49.7%	27.1%	22.3%	27.5%	28.4%	27.3%	22.6%	24.9%
Renewal of Existing Assets as % of deprecn"	126.1%	127.2%	58.8%	66.8%	63.9%	56.3%	76.0%	79.7%	84.5%

Table 89 MBRR Table SA34c - Repairs and maintenance expenditure by asset class

Description	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand									
Repairs and maintenance expenditure by Asset Class/Sub-class									
Infrastructure	1 988 379	2 045 722	2 000 480	2 161 718	2 061 207	2 061 207	2 047 033	2 234 243	2 362 431
Roads Infrastructure	592 642	609 310	588 798	671 164	659 649	659 649	688 377	730 816	776 063
Roads	592 642	609 310	588 798	671 164	659 649	659 649	688 377	730 816	776 063
Electrical Infrastructure	512 940	504 116	484 296	536 787	534 516	534 516	541 437	608 723	646 927
Power Plants	17 460	21 805	17 371	22 646	22 646	22 646	17 215	18 977	20 189
HV Substations	37 971	32 077	31 369	31 262	31 259	31 259	31 272	36 317	38 590
MV Substations	353 055	364 116	363 016	393 574	391 309	391 309	353 066	385 838	410 099
LV Networks	104 453	86 118	72 540	89 305	89 302	89 302	139 884	167 592	178 050
Water Supply Infrastructure	455 983	482 019	487 625	548 620	485 599	485 599	440 218	477 832	507 425
Reservoirs	36 365	35 896	42 334	50 545	42 018	42 018	41 845	45 101	47 905
Pump Stations	26 140	31 692	35 191	71 014	69 675	69 675	53 419	56 107	59 553
Water Treatment Works	40 514	36 683	55 782	55 046	52 738	52 738	43 287	49 436	52 541
Bulk Mains	49 382	41 830	12 673	19 943	11 463	11 463	8 242	8 757	9 292
Distribution	303 581	335 918	341 644	352 072	309 705	309 705	293 425	318 431	338 134
Sanitation Infrastructure	424 040	447 780	437 208	401 043	379 581	379 581	374 750	414 486	429 485
Reticulation	319 399	326 001	309 711	270 041	248 924	248 924	250 258	282 383	289 289
Waste Water Treatment Works	94 675	114 517	121 183	119 560	119 236	119 236	113 257	120 187	127 558
Outfall Sewers	9 965	7 262	6 314	11 443	11 421	11 421	11 235	11 916	12 639
Solid Waste Infrastructure	2 774	2 497	2 553	4 104	1 861	1 861	2 250	2 387	2 531
Landfill Sites	2 774	2 497	2 553	4 104	1 861	1 861	2 250	2 387	2 531
Community Assets	386 517	496 931	496 660	344 806	376 984	376 984	504 731	509 940	531 642
Community Facilities	85 482	115 109	117 431	100 533	109 565	109 565	122 404	129 823	137 727
Halls	29 766	48 752	46 195	37 591	45 505	45 505	45 452	48 209	51 126
Centres	7 539	7 603	8 356	6 647	9 638	9 638	6 514	6 909	7 327
Clinics/Care Centres	9 511	13 326	16 468	6 494	6 181	6 181	6 258	6 652	7 056
Fire/Ambulance Stations	2 872	2 244	2 031	2 712	4 677	4 677	5 562	4 837	5 130
Testing Stations	–	–	–	–	–	–	–	–	–
Libraries	14 301	16 349	15 861	24 857	19 415	19 415	34 665	36 898	39 214
Cemeteries/Crematoria	9 310	13 433	12 813	10 589	10 586	10 586	10 129	11 656	12 323
Public Open Space	–	–	–	–	–	–	–	–	–
Nature Reserves	3 923	4 936	5 346	4 722	4 643	4 643	4 689	4 976	5 279
Public Ablution Facilities	7 469	7 701	10 129	6 657	6 655	6 655	6 856	7 271	7 711
Markets	792	765	234	264	2 264	2 264	2 278	2 415	2 562
Sport and Recreation Facilities	301 035	381 822	379 229	244 273	267 420	267 420	382 327	380 116	393 915
Indoor Facilities	49	1 331	781	5	25	25	25	27	29
Outdoor Facilities	300 986	380 490	378 448	244 268	267 394	267 394	382 301	380 089	393 886
Heritage assets	461	1 647	730	1 928	1 921	1 921	1 916	2 031	2 154
Works of Art	461	1 647	730	1 928	1 921	1 921	1 916	2 031	2 154
Investment properties	26 566	19 001	20 726	20 710	3 855	3 855	8 043	8 527	9 043
Revenue Generating	66	259	229	16	41	41	43	45	48
Improved Property	66	259	229	16	41	41	43	45	48
Non-revenue Generating	26 500	18 742	20 497	20 694	3 814	3 814	8 001	8 482	8 995
Unimproved Property	26 500	18 742	20 497	20 694	3 814	3 814	8 001	8 482	8 995

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Description	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand									
Other assets	89 710	140 548	143 284	177 353	277 195	277 195	338 649	308 414	327 258
Operational Buildings	89 710	140 548	143 284	177 353	277 195	277 195	338 649	308 414	327 258
Municipal Offices	87 508	138 744	141 313	172 345	272 138	272 138	333 831	303 293	321 814
Laboratories	2 031	1 340	1 628	1 930	1 928	1 928	2 136	2 266	2 405
Training Centres	166	424	331	273	324	324	521	553	589
Depots	5	40	12	2 805	2 805	2 805	2 162	2 301	2 450
Computer Equipment	144 340	179 935	246 521	269 538	267 952	267 952	246 058	263 211	279 352
Computer Equipment	144 340	179 935	246 521	269 538	267 952	267 952	246 058	263 211	279 352
Furniture and Office Equipment	354 833	424 463	430 696	551 331	544 654	544 654	542 256	607 519	609 041
Furniture and Office Equipment	354 833	424 463	430 696	551 331	544 654	544 654	542 256	607 519	609 041
Transport Assets	348 190	453 049	470 969	447 079	422 602	422 602	440 991	464 863	493 436
Transport Assets	348 190	453 049	470 969	447 079	422 602	422 602	440 991	464 863	493 436
Total Repairs and Maintenance Expenditure	3 338 995	3 761 297	3 810 065	3 974 465	3 956 369	3 956 369	4 129 677	4 398 747	4 614 356
R&M as a % of PPE	9.1%	9.4%	8.8%	7.9%	8.5%	8.5%	0.0%	8.5%	7.7%
R&M as % Operating Expenditure	11.1%	11.9%	11.6%	10.1%	10.3%	10.3%	0.0%	10.5%	10.4%

Table 90 MBRR Table SA34d Depreciation by asset class

Description	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand									
Depreciation by Asset Class/Sub-class									
Infrastructure	899 066	985 980	1 141 038	1 258 401	1 215 201	1 215 201	1 296 991	1 473 779	1 640 802
Roads Infrastructure	289 523	325 838	328 532	378 967	378 252	378 252	406 286	447 789	485 269
Roads	289 523	325 838	328 532	273 157	274 875	274 875	294 830	326 929	349 089
Road Structures	–	–	–	68 852	66 702	66 702	72 658	80 520	95 225
Road Furniture	–	–	–	36 959	36 676	36 676	38 798	40 340	40 955
Storm water Infrastructure	34 550	39 337	43 542	53 592	44 564	44 564	45 851	49 488	51 708
Drainage Collection	34 550	39 337	43 542	53 592	44 564	44 564	45 851	49 488	51 708
Electrical Infrastructure	175 039	199 049	222 834	227 689	220 682	220 682	233 540	249 639	266 369
Power Plants	6 946	6 958	6 959	6 955	6 955	6 955	6 955	6 955	6 954
HV Substations	15 652	19 229	19 357	–	–	(0)	–	–	–
HV Switching Station	–	–	19 357	–	–	–	–	–	–
HV Transmission Conductors	–	–	–	12 277	14 594	14 594	14 594	14 594	14 594
MV Substations	32 073	36 139	43 557	24 855	5 011	5 011	13 983	23 432	30 148
MV Switching Stations	–	–	–	44 658	52 041	52 041	52 620	53 731	54 931
MV Networks	77 624	88 211	96 594	102 593	103 065	103 065	104 873	109 054	115 403
LV Networks	42 744	48 512	56 368	36 351	39 017	39 017	40 516	41 874	44 339
Water Supply Infrastructure	156 288	180 907	212 271	263 049	230 277	230 278	264 253	335 133	379 866
Reservoirs	17 712	17 099	21 219	39 651	21 951	21 951	22 414	58 462	57 044
Pump Stations	2 911	4 629	4 850	4 776	5 456	5 456	5 415	5 282	5 244
Water Treatment Works	23 047	25 869	26 573	26 143	26 178	26 178	26 172	28 164	28 155
Bulk Mains	10 025	10 206	10 256	20 747	11 461	11 461	17 915	24 564	33 064
Distribution	102 592	123 104	149 373	171 732	165 231	165 231	192 337	218 661	256 358
Sanitation Infrastructure	182 290	213 648	243 107	257 283	258 948	258 948	264 260	308 962	355 902
Pump Station	3 618	3 618	5 766	7 239	7 327	7 327	8 144	14 260	15 794
Reticulation	112 942	133 399	145 333	153 806	154 235	154 235	155 668	163 403	171 398
Waste Water Treatment Works	62 922	73 979	83 326	87 779	85 245	85 245	87 640	117 027	154 500
Outfall Sewers	2 809	2 652	8 682	8 460	12 142	12 142	12 807	14 273	14 210
Solid Waste Infrastructure	50 032	2 925	57 111	41 724	39 475	39 475	36 207	32 769	43 396
Landfill Sites	50 032	57 944	57 111	41 724	39 475	39 475	36 207	32 769	43 396
Coastal Infrastructure	–	–	–	1 254	4 474	4 474	4 560	4 564	4 878
Information and Communication Infrastructure	11 344	24 277	33 640	34 843	38 528	38 528	42 035	45 435	53 414
Data Centres	11 344	24 277	33 640	–	–	–	–	–	–
Core Layers	–	–	–	5 985	6 586	6 586	6 610	6 610	7 331
Distribution Layers	–	–	–	28 858	31 942	31 942	35 424	38 824	46 082
Community Assets	299 983	306 561	323 434	355 642	356 415	356 415	364 191	370 672	400 771
Community Facilities	83 704	89 761	105 145	142 759	143 633	143 633	155 005	166 536	188 312
Halls	1 872	2 164	2 701	2 678	2 718	2 718	2 756	2 958	2 958
Centres	3 465	3 519	3 760	43 214	45 755	45 755	47 842	50 419	55 431
Clinics/Care Centres	4 591	5 140	5 718	5 987	5 933	5 933	8 247	9 757	11 197
Fire/Ambulance Stations	1 684	1 688	1 695	2 086	1 755	1 755	2 462	2 462	2 462
Testing Stations	926	1 033	1 071	1 141	1 089	1 089	1 122	1 122	1 165
Museums	100	137	192	226	193	193	363	363	363
Theatres	47	47	47	48	112	112	112	112	112
Libraries	3 732	5 094	5 244	5 616	5 271	5 271	6 142	6 282	6 282
Cemeteries/Crematoria	2 674	2 902	3 186	3 585	3 310	3 310	3 880	4 621	4 621
Public Open Space	10 708	11 632	16 257	14 755	14 597	14 597	17 178	18 789	20 529
Nature Reserves	360	372	378	1 090	378	378	817	1 416	1 486
Public Ablution Facilities	1 737	1 853	1 894	2 359	1 941	1 941	1 941	1 941	1 941
Markets	2 706	1 556	1 499	1 501	1 508	1 508	1 509	1 523	1 523
Airports	4	4	4	4	4	4	4	4	4
Taxi Ranks/Bus Terminals	49 097	52 619	61 498	58 467	59 068	59 068	60 630	64 766	78 237
Sport and Recreation Facilities	216 279	216 801	218 289	212 884	212 782	212 782	209 186	204 135	212 460
Indoor Facilities	8 633	8 872	9 096	6 272	6 266	6 266	6 267	6 267	6 267
Outdoor Facilities	207 646	207 929	209 194	206 612	206 517	206 517	202 919	197 869	206 193

Table continues on next page

Description	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand									
<u>Investment properties</u>	145	1 714	1 714	1 714	1 714	1 714	1 714	1 714	1 714
Revenue Generating	145	1 714	0	1 714	1 714	1 714	1 714	1 714	1 714
Improved Property	145	1 714	0	1 714	1 714	1 714	1 714	1 714	1 714
Non-revenue Generating	–	–	1 714	–	–	–	–	–	–
Improved Property	–	–	1 714	–	–	–	–	–	–
<u>Other assets</u>	203 810	221 337	255 376	234 431	252 373	252 373	258 709	265 519	271 908
Operational Buildings	118 631	131 885	158 157	134 766	153 440	153 440	155 594	157 842	159 140
Municipal Offices	100 426	112 501	136 180	6 712	3 577	3 577	9 231	11 630	15 079
Workshops	–	–	–	22 382	27 841	27 841	31 024	34 832	39 060
Yards	212	212	212	–	–	0	–	–	–
Laboratories	116	120	124	–	–	0	–	–	–
Training Centres	289	289	289	298	296	296	303	303	303
Manufacturing Plant	–	–	–	6 966	6 970	6 970	6 970	6 970	6 970
Depots	17 588	18 763	21 351	98 409	114 757	114 757	108 066	104 107	97 729
Housing	85 179	89 453	97 219	99 665	98 933	98 933	103 115	107 677	112 768
Social Housing	85 179	89 453	97 219	99 665	98 933	98 933	103 115	107 677	112 768
<u>Intangible Assets</u>	69 931	118 206	154 677	121 872	147 222	147 222	143 931	152 634	137 855
Licences and Rights	69 931	118 206	154 677	121 872	147 222	147 222	143 931	152 634	137 855
Computer Software and Applications	4 387	48 397	84 496	51 692	77 042	77 042	73 751	82 453	87 693
Unspecified	65 544	69 808	70 180	70 180	70 180	70 180	70 180	70 180	50 162
<u>Computer Equipment</u>	239 968	229 206	232 043	223 487	239 824	239 824	228 215	217 216	219 946
Computer Equipment	239 968	229 206	232 043	223 487	239 824	239 824	228 215	217 216	219 946
<u>Furniture and Office Equipment</u>	105 994	111 125	117 884	112 300	110 680	110 679	115 391	111 300	115 961
Furniture and Office Equipment	105 994	111 125	117 884	112 300	110 680	110 679	115 391	111 300	115 961
<u>Machinery and Equipment</u>	77 865	44 155	57 585	105 152	118 526	118 526	119 369	123 737	126 833
Machinery and Equipment	77 865	44 155	57 585	105 152	118 526	118 526	119 369	123 737	126 833
<u>Transport Assets</u>	220 574	290 663	294 810	334 575	341 385	341 385	417 125	469 622	500 767
Transport Assets	220 574	290 663	294 810	334 575	341 385	341 385	417 125	469 622	500 767
<u>Land</u>	–	–	–	66 500	66 500	66 500	69 253	72 751	76 425
Land	–	–	–	66 500	66 500	66 500	69 253	72 751	76 425
<u>Zoo's, Marine and Non-biological Animals</u>	–	–	–	263	211	211	197	197	197
Zoo's, Marine and Non-biological Animals	–	–	–	263	211	211	197	197	197
Total Depreciation	2 117 336	2 308 949	2 578 561	2 814 337	2 850 052	2 850 051	3 015 086	3 259 139	3 493 178

Table 91 MBRR Table SA34e Capital expenditure on the upgrading of existing assets by asset class

Description R thousand	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Capital expenditure on upgrading of existing assets by Asset Class/Sub-class							
Infrastructure	716 234	1 253 224	771 474	730 373	1 303 801	1 619 457	1 699 772
Roads Infrastructure	164 679	303 053	220 637	197 115	192 672	143 421	221 572
<i>Roads</i>	164 679	303 053	220 637	197 115	192 672	143 421	221 572
Storm water Infrastructure	8 219	9 200	8 200	8 200	41 000	110 000	115 000
<i>Drainage Collection</i>	8 219	9 200	8 200	8 200	41 000	110 000	115 000
Electrical Infrastructure	108 642	62 338	40 003	39 673	29 582	3 100	130 000
<i>HV Substations</i>	108 642	62 338	40 003	39 673	29 582	3 100	130 000
Water Supply Infrastructure	72 433	116 975	149 838	130 658	75 350	85 700	30 000
<i>Reservoirs</i>	5 028	16 575	13 581	7 375	10 350	5 000	5 000
<i>Distribution</i>	67 405	100 400	136 257	123 283	65 000	80 700	25 000
Sanitation Infrastructure	349 145	674 202	326 023	337 223	848 773	1 164 705	1 129 700
<i>Pump Station</i>	16 013	–	6 894	6 894	60 000	–	–
<i>Reticulation</i>	68 463	7 800	9 400	8 400	7 323	10 000	–
<i>Waste Water Treatment Works</i>	264 669	666 402	309 729	321 929	781 450	1 154 705	1 129 700
Solid Waste Infrastructure	13 115	87 456	26 773	17 504	111 425	110 180	73 500
<i>Landfill Sites</i>	13 115	87 456	26 773	17 504	111 425	110 180	73 500
Information and Communication Infrastructure	–	–	–	–	5 000	2 351	–
<i>Data Centres</i>	–	–	–	–	5 000	2 351	–
Community Assets	171 298	238 230	257 867	234 608	360 879	505 171	287 751
Community Facilities	124 632	198 803	172 368	160 109	213 725	190 172	175 620
<i>Halls</i>	2 958	1 680	1 928	1 928	8 430	–	–
<i>Centres</i>	4 351	8 550	13 508	13 026	12 800	11 000	8 330
<i>Clinics/Care Centres</i>	9 261	34 654	41 600	37 216	61 400	31 000	44 500
<i>Fire/Ambulance Stations</i>	–	7 970	13 163	13 163	–	–	–
<i>Testing Stations</i>	2 141	–	–	–	–	2 141	–
<i>Museums</i>	2 221	2 500	2 300	302	–	–	–
<i>Theatres</i>	67	–	–	–	–	–	–
<i>Libraries</i>	4 032	8 675	9 081	9 061	10 125	7 179	31 279
<i>Cemeteries/Crematoria</i>	7 498	10 700	9 253	9 391	18 750	17 000	38 500
<i>Public Open Space</i>	66 242	54 725	43 314	43 391	41 740	50 753	35 800
<i>Nature Reserves</i>	215	11 490	13 120	13 115	6 680	–	6 062
<i>Public Ablution Facilities</i>	23 010	2 500	1 923	1 923	8 000	4 100	4 100
<i>Markets</i>	86	–	–	–	–	–	–
<i>Taxi Ranks/Bus Terminals</i>	2 549	55 360	23 178	17 591	45 800	67 000	7 050
Sport and Recreation Facilities	46 666	39 427	85 499	74 499	147 154	314 999	112 131
<i>Indoor Facilities</i>	–	960	2 291	991	14 290	33 600	18 000
<i>Outdoor Facilities</i>	46 666	38 467	83 208	73 508	132 864	281 399	94 131
Heritage assets	7 580	–	1 315	1 315	–	–	–
Monuments	7 580	–	1 315	1 315	–	–	–

Table continues on next page

Description	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand							
Other assets	287 830	269 681	279 478	240 384	499 295	395 280	306 761
Operational Buildings	207 604	244 858	245 709	206 616	423 417	330 280	291 761
Municipal Offices	160 508	109 748	116 581	94 043	265 406	249 046	200 136
Yards	–	100	81	100	200	2 000	–
Training Centres	43	–	–	–	–	100	500
Depots	47 053	135 010	129 048	112 473	157 811	79 134	91 125
Housing	80 226	24 822	33 769	33 768	75 878	65 000	15 000
Social Housing	80 226	24 822	33 769	33 768	75 878	65 000	15 000
Intangible Assets	7 205	21 402	25 109	23 259	26 950	17 250	5 000
Licences and Rights	7 205	21 402	25 109	23 259	26 950	17 250	5 000
Computer Software and Applications	7 205	21 402	25 109	23 259	26 950	17 250	5 000
Computer Equipment	13 072	–	233	233	15 540	14 500	6 250
Computer Equipment	13 072	–	233	233	15 540	14 500	6 250
Furniture and Office Equipment	16 584	17 076	12 424	8 344	17 247	21 550	22 481
Furniture and Office Equipment	16 584	17 076	12 424	8 344	17 247	21 550	22 481
Machinery and Equipment	1 616	10 995	11 406	11 011	5 662	7 000	1 000
Machinery and Equipment	1 616	10 995	11 406	11 011	5 662	7 000	1 000
Land	–	–	–	–	–	–	–
Land	–	–	–	–	–	–	–
Total Capital Expenditure on upgrading of existing assets	1 221 419	1 810 608	1 359 307	1 249 528	2 229 374	2 580 208	2 329 015
Upgrading of Existing Assets as % of total capex	21.8%	21.5%	20.5%	22.1%	26.6%	22.4%	19.6%
Upgrading of Existing Assets as % of deprecn"	47.4%	64.3%	47.7%	43.8%	73.9%	79.2%	66.7%

* The above table was introduced via Version 6.1 of the MBRR Schedule A as per NT Budget Circular No. 85 (dd 9 December 2016). Records older than 2016/17 cannot be split into this category as the indicator does not exist on older records.

2.17 Details of capital expenditure

Table 92 MBRR Table SA35 - Future financial implication of the capital budget

Vote Description	2019/20 Medium Term Revenue & Expenditure Framework			Forecasts			
	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22	Forecast 2022/23	Forecast 2023/24	Forecast 2024/25	Present value
R thousand							
Capital expenditure							
Vote 1 - Community Services & Health	354 281	351 351	375 057	255 441	80 000	–	–
Vote 2 - Corporate Services	149 863	196 189	101 429	73 188	75 688	–	–
Vote 3 - Economic Opportunities & Asset Management	389 498	427 272	354 814	125 712	116 450	–	–
Vote 4 - Energy & Climate Change	834 094	1 008 117	1 520 724	1 309 759	1 398 929	–	–
Vote 5 - Finance	116 957	275 579	51 351	19 001	6 861	–	–
Vote 6 - Human Settlements	869 063	987 927	882 546	635 921	231 920	–	–
Vote 7 - Office of the City Manager	973	839	910	1 575	372	–	–
Vote 8 - Safety & Security	535 237	170 748	135 332	36 177	25 801	–	–
Vote 9 - Spatial Planning & Environment	92 847	81 465	58 557	18 752	18 752	–	–
Vote 10 - Transport	1 326 126	1 925 427	2 386 725	1 799 584	286 057	–	–
Vote 11 - Urban Management	122 981	110 520	145 030	1 910	1 210	–	–
Vote 12 - Water & Waste	3 596 511	5 980 277	5 845 483	5 565 001	5 048 951	–	–
Total Capital Expenditure	8 388 432	11 515 711	11 857 958	9 842 020	7 290 991	–	–
Future operational costs by vote							
Vote 1 - Community Services & Health	19 544	44 834	235 882	221 742	235 095	244 226	–
Vote 2 - Corporate Services	248 202	214 973	358 321	277 483	186 416	199 465	–
Vote 3 - Economic Opportunities & Asset Management	12 628	14 911	266 026	283 165	300 516	317 972	–
Vote 4 - Energy & Climate Change	34 120	30 873	230 086	229 187	244 211	283 365	–
Vote 5 - Finance	780	823	63 136	67 543	72 257	77 301	–
Vote 6 - Human Settlements	32 200	27 001	149 706	164 580	174 847	184 377	–
Vote 7 - Office of the City Manager	–	–	997	1 067	1 142	1 222	–
Vote 8 - Safety & Security	18 233	16 764	332 736	351 652	363 639	389 094	–
Vote 9 - Spatial Planning & Environment	286	5 868	47 358	53 036	57 295	61 025	–
Vote 10 - Transport	64 792	61 471	179 960	190 567	203 907	218 180	–
Vote 11 - Urban Management	8	10 374	48 930	62 378	55 983	49 669	–
Vote 12 - Water & Waste	201 540	508 301	2 193 684	2 418 943	2 781 638	3 113 294	–
Total future operational costs	632 332	936 193	4 106 823	4 321 342	4 676 945	5 139 189	–
Future revenue by source							
Property rates	–	–	–	–	–	–	–
Service charges - electricity revenue	–	–	–	–	–	–	–
Service charges - water revenue	–	–	–	–	–	–	–
Service charges - sanitation revenue	–	–	–	–	–	–	–
Service charges - refuse revenue	–	–	–	–	–	–	–
Rental of facilities and equipment	–	–	–	–	–	–	–
Total future revenue	16 000	16 000	18 000	–	–	–	–
Net Financial Implications	9 004 764	12 435 904	15 946 781	14 163 362	11 967 937	5 139 189	–

Table 93 MBRR Table SA37 - Projects delayed from previous financial year/s

R thousand Function	Project name	Project number	Type	MTSF Service Outcome	IUDF	Own Strategic Objectives	Asset Class	Asset Sub-Class	Ward Location	GPS Longitude	GPS Latitude	Previous target year to complete	Current Year 2018/19		2019/20 Medium Term Revenue & Expenditure Framework		
													Original Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Economic Opportunities & Asset Managemnt	Facilities Management: CHQ Ablution Facilities Upgrade	CPX.0007950	Renewal	09	04	1.1	Operational Buildings	Municipal Offices	Corp Inf	18.5250189	-34.141156	2018/19	6 648	–	6 648	–	–
Economic Opportunities & Asset Managemnt	Property Management: Immoveable Property Asset Management Sys	C13.17312	New	08	04	5.1	Computer Equipment	Computer Equipment	Corp Inf	18.5250189	-34.141156	2018/19	600	–	600	–	–
Energy & Climate Change	Electricity Generation & Distribution: Hout Bay LV Depot	C13.84075	New	09	04	5.1	Operational Buildings	Depots	74	18.3443717	-34.053978	2018/19	28 169	13 800	18 310	–	–
Energy & Climate Change	Electricity Generation & Distribution: Blue Downs Streetlighting Depot	C14.84072	New	09	04	5.1	Operational Buildings	Depots	17	18.7024922	-34.008706	2018/19	28 105	7 259	18 268	–	–
Energy & Climate Change	Electricity Generation & Distribution: Woodstock Sw/S - Switchgear Refurb	CPX.0002142	Renewal	09	04	5.1	Electrical Infrastructure	HV Substations	115	18.4338073	-33.928355	2018/19	1 000	300	11 700	–	–
Energy & Climate Change	Electricity Generation & Distribution: Noordhoek LV Depot	CPX.0004006	New	09	04	5.1	Electrical Infrastructure	HV Substations	64	18.4101318	-34.125418	2018/19	32 793	–	1 000	1 000	34 500
Energy & Climate Change	Electricity Generation & Distribution: Mitchells Plain - Steenbras 132 kV OHL	CPX.0004798	New	06	03	5.1	Electrical Infrastructure	HV Substations	Subcouncil 24	18.7831687	-34.055978	2018/19	46 000	19 836	24 259	–	–
Energy & Climate Change	Electricity Generation & Distribution: Electrification - Imizamo Yethu	CPX.0011000	New	06	01	3.2	Electrical Infrastructure	HV Substations	74	18.3646041	-34.028405	2018/19	16 200	–	6 000	10 200	1 000
Human Settlements	Human Settlement Implementation: Bardale / Fairdale:Develop4000Units	C06.41540	New	08	01	3.1	Various	Various	Area East	18.5949097	-33.890792	2018/19	836	318	40	–	–
Human Settlements	Human Settlement Implementation: Morningstar Durbanville Housing Project	C12.15510	New	08	01	3.1	Various	Various	112	18.6516055	-33.831592	2018/19	400	232	10	–	–
Human Settlements	Human Settlement Implementation: Masiphumelele Housing Project Phase 4	CPX.0003205	New	08	01	3.1	Various	Various	69	18.3786058	-34.107094	2018/19	1 581	594	299	–	–
Human Settlements	Human Settlement Implementation: Darwin Road Housing project	CPX.0008065	New	08	01	3.1	Various	Various	105	18.6719818	-33.733079	2018/19	2 938	490	2 400	1 500	2 000
Human Settlements	Human Settlement Implementation: Sheffield Road Housing Project 200 units	CPX.0013774	New	08	01	3.1	Various	Various	35	18.61278	-34.005222	2018/19	10 000	500	6 900	6 900	–
Transport	Asset Management & Maintenance: Rd Rehab:Bishop Lavis	CPX.0013213	Renewal	06	03	1.1	Roads Infrastructure	Roads	Area Central	18.5826985	-33.948552	2018/19	16 459	–	15 000	20 000	–
Transport	Asset Management & Maintenance: Rd Rehab:Hanover Park: Area 2	CPX.0013216	Renewal	06	03	1.1	Roads Infrastructure	Roads	47	18.5258382	-33.992156	2018/19	10 000	2 923	7 000	–	–
Transport	Asset Management & Maintenance: Rd Rehab:Kalksteentfontein	CPX.0013220	Renewal	06	03	1.1	Roads Infrastructure	Roads	Area Central	18.5640878	-33.94969	2018/19	13 000	–	10 000	5 000	–
Transport	Built Environment Management: Public Transport FoltMakhaza:M Bus Taxi	C13.00053	New	06	02	4.2	Community Facilities	Taxi Ranks/Bus Terminals	96	18.7136132	-34.046702	2018/19	12 500	–	–	–	–
Transport	Built Environment Management: Intersection Upgr:DeWaalRd&MainRd	CPX.0010321	Renewal	06	03	1.1	Roads Infrastructure	Roads	73	18.4650836	-34.034594	2018/19	2 000	–	5 000	3 800	–
Urban Management	Project Management Office: UM: Electronic project planning system - PMO	CPX.0012180	Upgrade	09	04	5.1	Furniture and Office Equipment	Furniture and Office Equipment	Corp Inf	18.5250189	-34.141156	2018/19	1 700	–	1 800	–	–
Water & Waste	Solid Waste Management: Viessershok South:Refurbishment of Heritage Site	CPX.0007919	Upgrade	06	03	1.1	Solid Waste Infrastructure	Landfill Sites	104	18.5469308	-33.774731	2018/19	5 280	2 257	845	–	–
Water & Waste	Solid Waste Management: Bellville:LFG Infrastructure to Flaring	CPX.0007926	New	06	03	1.1	Solid Waste Infrastructure	Landfill Sites	Subcouncil 6	18.6585645	-33.935624	2018/19	2 500	2 010	5 000	–	–
Water & Waste	Solid Waste Management: Schaapkraal Depot Upgrade	CPX.0008984	Upgrade	06	01	3.1	Operational Buildings	Depots	43	18.5338673	-34.036491	2018/19	4 800	2 826	4 019	500	2 000
Water & Waste	Solid Waste Management: Coastal Park: LFG Infr. - Beneficiation	CPX.0011067	New	06	01	3.1	Solid Waste Infrastructure	Landfill Sites	64	18.5024805	-34.091139	2018/19	31 200	600	12 550	44 300	10 000
Water & Waste	Water & Sanitation Management: Dinglebij sewer Installation	CPX.0009389	Renewal	06	03	1.1	Sanitation Infrastructure	Reticulation	8	18.6748848	-33.919766	2018/19	1 600	–	1 600	–	–
Water & Waste	Water & Sanitation Management: Table Mountain Group Aquifer	CPX.0010518	New	06	03	1.4	Water Supply Infrastructure	Reservoirs	City-Wide	18.5250189	-34.141156	2018/19	350 000	165 000	250 000	265 000	170 000
Water & Waste	Water & Sanitation Management: Atlantis Aquifer	CPX.0011032	New	06	03	1.4	Water Supply Infrastructure	Reservoirs	Subcouncil 1	18.4709423	-33.576317	2018/19	270 000	80 000	160 000	160 000	31 000

2.18 Legislation compliance status

Compliance with the MFMA implementation requirements has been substantially adhered to through the following activities:

- **Budget and Treasury Office**
A budget office and Treasury office was established in accordance with the MFMA.
- **Budgeting**
The annual budget is prepared in accordance with the requirements prescribed by National Treasury, MFMA, MBRR and mSCOA regulations.
- **In Year Reporting**
Fully compliant with regards to monthly and quarterly MBRR reporting to National Treasury.
- **Annual Report**
The annual report is prepared in accordance with the MFMA and National Treasury requirements.
- **Municipal Entities**
The City currently has only two entities i.e. the Cape Town International Convention Centre (CTICC) and the Cape Town Stadium (CTS).
- **Internship Programme**
The CFO has introduced an organised professional training and work experience programme (Finance Graduate Development Programme or FGDP) intended to standardise the current diverse training options by providing training and exposure to qualifying officials and/or suitably qualified external applicants and/or suitably qualified bursars (Bachelor of Commerce or equivalent degree), who meet the criteria and who are aspiring to become local government accountants subject to a recruitment and selection process.

The National Treasury Municipal Finance Management Internship Programme (NTMFMIP) has merged with the FGDP.

The City is funding five interns, whilst NT is funding an additional three interns.

Most interns that were previously on the NTMFMIP have been appointed within the City on completion of the program whilst others got employment opportunities elsewhere.

2.19 Other supporting documents

Table 94 MBRR Table SA1 - Supporting detail to budgeted financial performance

Description	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand									
REVENUE ITEMS:									
Property rates									
Total Property Rates	7 994 633	9 434 004	10 027 241	10 765 882	10 766 825	10 766 825	11 147 932	11 816 625	12 417 200
less Revenue Foregone (exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)	1 098 941	1 159 618	1 357 933	1 403 930	1 403 930	1 403 930	1 231 247	1 299 612	1 371 772
Net Property Rates	6 895 692	8 274 386	8 669 308	9 361 952	9 362 895	9 362 895	9 916 685	10 517 014	11 045 428
Service charges - electricity revenue									
Total Service charges - electricity revenue	11 398 066	11 923 951	11 971 234	12 717 402	13 153 471	13 153 471	13 728 146	15 301 330	16 948 698
less Revenue Foregone (in excess of 50 kwh per indigent household per month)									
less Cost of Free Basis Services (50 kwh per indigent household per month)	177 255	160 638	160 638	125 999	125 999	125 999	104 999	113 399	122 471
Net Service charges - electricity revenue	11 220 811	11 763 313	11 810 596	12 591 403	13 027 472	13 027 472	13 623 146	15 187 931	16 826 227
Service charges - water revenue									
Total Service charges - water revenue	2 522 464	2 606 322	2 947 917	4 219 110	4 156 183	4 156 183	3 661 123	4 359 266	5 221 861
less Revenue Foregone (in excess of 6 kilolitres per indigent household per month)									
less Cost of Free Basis Services (6 kilolitres per indigent household per month)	202 773	212 041	314 306	368 203	368 203	368 203	449 106	520 297	627 898
Net Service charges - water revenue	2 319 691	2 394 281	2 633 611	3 850 907	3 787 980	3 787 980	3 212 017	3 838 969	4 593 963
Service charges - sanitation revenue									
Total Service charges - sanitation revenue	1 525 974	1 569 741	1 696 528	2 219 184	2 189 564	2 189 564	1 801 045	2 283 494	2 734 445
less Revenue Foregone (in excess of free sanitation service to indigent households)				174 916	174 916	174 916			
less Cost of Free Basis Services (free sanitation service to indigent households)	141 824	143 728	178 254	233 221	233 221	233 221	232 446	269 293	324 985
Net Service charges - sanitation revenue	1 384 150	1 426 013	1 518 274	1 811 048	1 781 428	1 781 428	1 568 599	2 014 201	2 409 460
Service charges - refuse revenue									
Total refuse removal revenue	1 103 462	1 212 147	1 333 881	1 493 987	1 435 841	1 435 841	1 573 566	1 679 698	1 798 297
Total landfill revenue									
less Revenue Foregone (in excess of one removal a week to indigent households)									
less Cost of Free Basis Services (removed once a week to indigent households)	234 084	235 401	276 709	291 928	280 000	280 000	287 133	301 633	316 866
Net Service charges - refuse revenue	869 378	976 746	1 057 172	1 202 059	1 155 841	1 155 841	1 286 433	1 378 065	1 481 432
Other Revenue by source									
Other Service charges				573					
Other Revenue	257 894	225 758	364 190	201 382	214 729	214 729	210 204	224 185	228 540
Busfares - Transit Products	170 503	208 171	206 109	230 988	230 988	230 988	240 551	252 699	265 460
Building Levies/ Scrutiny Fees	78 920	96 838	102 002	100 361	100 361	100 361	104 516	109 794	115 338
Development Contribution / Levy & BICL	91 730	146 523	188 127	106 265	111 265	111 265	113 916	119 669	125 712
Service Charges - Infrastructure and Facilities	44 760	39 493	41 335	47 167	39 017	39 017	40 953	43 021	45 193
Collection Charges Recovered	12 541	32 300	39 141	31 000	35 000	35 000	35 793	37 600	39 499
Recoveries of Operational Expenditure	2 477	3 802	25 015	25 656	36 229	36 229	26 065	37 307	39 191
Skills Development Levy	7 555	23 155	17 623	16 802	16 802	16 802	17 498	18 381	19 309
Salvaged Items	14 069	18 884	15 108	14 250	14 250	14 250	14 840	15 590	16 377
Total Other Revenue	680 449	794 924	998 651	774 444	798 641	798 641	804 335	858 245	894 621

Table continues on next page

Description	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand									
EXPENDITURE ITEMS:									
<u>Employee related costs</u>									
Basic Salaries and Wages	6 161 468	5 991 920	7 496 042	9 014 679	8 530 164	8 477 948	9 699 093	10 487 574	11 340 544
Pension and UIF Contributions	991 532	1 070 317	1 159 755	1 668 709	1 338 385	1 351 244	1 718 290	1 861 141	2 021 191
Medical Aid Contributions	598 385	660 258	702 316	752 682	752 703	752 703	823 710	894 960	971 927
Overtime	463 125	546 810	602 119	517 090	591 291	591 630	606 267	607 472	607 472
Performance Bonus	–	–	–	–	–	–	–	–	–
Motor Vehicle Allowance	192 862	191 559	194 456	221 143	221 937	222 066	226 219	243 594	264 543
Cellphone Allowance	14 297	16 714	17 973	24 047	24 121	24 157	24 644	26 472	28 749
Housing Allowances	53 086	56 862	59 361	64 402	64 403	64 403	65 440	71 100	77 215
Other benefits and allowances	202 238	222 001	242 675	236 440	238 722	238 774	238 954	259 515	281 723
Payments in lieu of leave	77 788	677 111	145 115	134 139	138 727	139 287	97 768	106 002	115 110
Long service awards	45 786	23 642	179	79 206	76 067	76 066	86 529	95 073	103 249
Post-retirement benefit obligations	588 288	229 302	274 623	247 593	547 593	547 593	261 187	274 376	288 232
sub-total	9 388 855	9 686 496	10 894 614	12 960 130	12 524 112	12 485 871	13 848 100	14 927 281	16 099 954
Less: Employees costs capitalised to PPE	33 312	26 476	29 291	40 015			30 295	32 915	35 746
Total Employee related costs	9 355 543	9 660 020	10 865 323	12 920 115	12 524 112	12 485 871	13 817 805	14 894 366	16 064 208
<u>Contributions recognised - capital</u>									
Capital PCDR	61 488	71 882	72 532	76 200	54 526	54 526	53 700	56 700	57 000
Total Contributions recognised - capital	61 488	71 882	72 532	76 200	54 526	54 526	53 700	56 700	57 000
<u>Depreciation & asset impairment</u>									
Depreciation of Property, Plant & Equipment	2 117 336	2 308 949	2 578 561	2 747 836	2 783 551	2 783 551	2 945 833	3 186 389	3 416 754
Lease amortisation	–	–	–	–	–	–	–	–	–
Capital asset impairment	–	–	–	66 500	66 500	66 500	69 253	72 750	76 424
Depreciation resulting from revaluation of PPE	–	–	–	–	–	–	–	–	–
Total Depreciation & asset impairment	2 117 336	2 308 949	2 578 561	2 814 336	2 850 051	2 850 051	3 015 086	3 259 139	3 493 178
<u>Bulk purchases</u>									
Electricity Bulk Purchases	7 656 073	8 069 461	7 870 527	8 341 400	7 841 584	8 341 400	9 475 500	10 564 235	11 704 116
Water Bulk Purchases	403 354	343 740	251 903	1 145 732	1 145 732	645 916	617 101	909 598	871 284
Total bulk purchases	8 059 427	8 413 200	8 122 430	9 487 132	8 987 316	8 987 316	10 092 601	11 473 833	12 575 400
<u>Transfers and grants</u>									
Cash transfers and grants	379 692	349 609	418 599	333 807	489 002	484 449	446 206	544 944	491 532
Non-cash transfers and grants	–	–	–	–	–	–	–	–	–
Total transfers and grants	379 692	349 609	418 599	333 807	489 002	484 449	446 206	544 944	491 532
<u>Contracted services</u>									
Executive and council	18 771	17 247	18 121	28 826	33 508	29 976	54 821	50 016	52 885
Finance and administration	700 115	786 052	853 797	1 131 103	1 260 374	1 249 466	1 273 056	1 248 518	1 290 492
Internal audit	655	554	783	879	1 254	1 254	1 915	960	1 006
Community and social services	184 827	203 379	178 519	158 263	175 561	173 486	181 718	191 977	202 347
Sport and recreation	367 065	372 325	341 337	244 486	241 625	245 749	243 683	255 153	269 374
Public safety	18 539	21 994	16 355	22 628	30 598	29 998	25 879	27 311	28 742
Housing	391 736	366 251	261 539	355 052	479 386	478 054	494 607	485 599	518 800
Health	69 219	91 554	98 938	89 841	103 183	104 820	111 908	105 504	126 956
Planning and development	67 156	85 999	85 728	87 888	127 562	126 002	295 674	94 415	95 981
Road transport	1 121 774	1 364 846	1 465 539	1 608 243	1 812 116	1 803 662	1 903 185	1 849 415	1 901 121
Environmental protection	40 230	36 827	37 839	24 457	57 928	58 585	40 782	30 894	32 488
Energy sources	217 014	216 985	237 386	277 920	270 434	271 627	310 679	289 515	304 768
Water management	235 191	276 651	465 758	435 839	448 028	447 576	443 749	453 656	476 291
Waste water management	648 511	760 980	695 996	814 847	794 421	794 407	878 692	936 396	976 844
Waste management	612 712	610 568	659 944	710 232	761 594	761 594	872 235	793 004	859 990
Other	15 495	15 777	15 290	14 183	20 143	21 017	23 915	25 704	26 534
sub-total	4 709 009	5 227 988	5 432 869	6 004 687	6 617 716	6 597 274	7 156 498	6 838 036	7 164 620
<u>Allocations to organs of state:</u>									
Electricity	–	–	–	–	–	–	–	–	–
Water	–	–	–	–	–	–	–	–	–
Sanitation	–	–	–	–	–	–	–	–	–
Other	–	–	–	–	–	–	–	–	–
Total contracted services	4 709 009	5 227 988	5 432 869	6 004 687	6 617 716	6 597 274	7 156 498	6 838 036	7 164 620

Table continues on next page.

Description	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand									
Other Expenditure By Type									
Collection costs	167 068	179 296	186 679	205 450	201 136	201 736	210 067	220 675	231 819
Contributions to 'other' provisions	(33 491)	(45 703)	(42 644)	10 070	(10 214)	(8 776)	25 322	26 601	27 945
Audit fees	13 554	13 183	16 708	18 709	18 559	18 559	19 328	20 304	21 329
General expenses	541 024	239 113	257 328	299 633	224 790	336 088	165 400	252 943	263 889
Electricity	124 035	133 515	119 996	186 731	158 648	158 581	238 137	277 955	300 191
MIDS/CIDS	146 126	164 182	192 953	209 220	210 130	210 130	229 737	241 338	253 526
Software Licences - Upgrade/Protection	106 040	90 094	128 433	168 575	128 374	128 555	146 717	145 650	153 005
Commission - Revenue Sharing	54 174	113 727	117 376	128 748	128 748	128 748	134 078	140 849	147 962
Specialised Information Technology services	171 152	205 547	203 975	76 265	103 828	105 278	112 905	118 134	124 100
Uniform & Protective Clothing	76 978	81 541	75 948	97 569	111 393	109 929	116 960	115 498	121 330
Training	64 173	74 020	73 659	97 434	91 028	89 677	119 839	101 280	106 394
Levy: Skills Development	73 680	79 809	88 722	81 214	81 752	81 762	88 337	92 798	97 485
Indigent Relief: Electricity - Eskom Rebate	62 520	70 556	71 185	75 795	75 795	75 975	79 910	83 945	88 185
Commission - Pre-paid electricity	66 963	64 490	65 317	72 156	67 842	68 442	71 254	74 853	78 633
Hire of LDV, P/Van, Bus, Special Vehicle	91 884	65 242	70 179	53 560	55 887	54 546	58 032	60 995	64 075
Premiums : Unicity Insurance Program	32 985	33 245	39 044	51 820	51 820	51 820	49 702	53 206	56 957
Postage & Courier	35 199	37 578	35 418	37 178	40 380	39 998	37 560	39 459	41 454
Advertising - Corporate and Municipal Account	66 093	31 319	33 171	33 938	39 578	39 365	38 123	59 823	136 118
Telecommunication Lines	69 235	53 260	39 696	50 254	42 104	42 104	36 647	38 498	40 442
Rehabilitation of Closed Landfill Sites	6 501	26 509	25 426	31 893	1 438	1 438	30 000	31 515	33 107
Furniture Fittings Tools & Equipment	27	0	0	8 222	8 282	8 282	29 133	30 604	32 150
Hire of Motor Cars - VAT Non Claim (Dcab)	42 453	48 144	31 365	32 355	26 584	26 436	28 737	30 188	31 712
Motor Claims	18 557	17 169	19 027	16 003	22 353	22 353	23 725	24 923	26 182
Motor vehicle License and registration	16 364	17 905	19 465	19 370	22 777	22 719	24 470	24 918	26 176
Hire Charges	18 044	25 878	18 486	22 140	22 974	22 955	22 029	22 410	22 410
Bank Charges & Services	5 231	7 747	11 592	31 032	30 892	30 892	22 127	23 232	24 413
Management Fee Paid	354	1 650	–	1 443	1 443	1 443	21 777	22 877	24 032
R&M Vehicle Tracking	0	0	0	20 093	19 747	19 747	20 725	21 979	23 309
Medical Expenses	10 856	14 550	13 800	15 013	19 013	19 013	20 181	21 200	22 270
Membership Fees: Professional	12 519	14 292	14 626	16 945	18 194	17 767	18 902	19 856	20 859
Computer Network Extensions	14 925	12 598	16 677	14 763	15 622	21 303	16 303	17 126	17 991
Rehabilitation Costs transferred to Provision	(2 675)	(2 507)	(2 356)	1 546	1 546	1 546	54 850	16 570	17 407
Telecommunication Services	5 748	10 237	12 503	15 075	11 610	11 360	15 684	16 476	17 308
Total 'Other' Expenditure	2 078 298	1 878 184	1 953 755	2 200 213	2 044 051	2 159 769	2 326 698	2 488 676	2 694 163
Repairs and Maintenance by Expenditure Item									
Employee related costs	1 262 852	1 271 125	1 229 788	1 300 132	1 102 592	1 102 592	1 135 210	1 235 279	1 306 722
Other materials	45 260	276 260	329 644	325 242	344 795	344 795	376 267	405 658	419 596
Contracted Services	1 660 202	2 010 873	2 075 310	2 173 011	2 335 054	2 335 054	2 471 803	2 594 914	2 716 079
Other Expenditure	370 681	203 039	175 323	176 078	173 717	173 717	146 396	162 897	171 959
Total Repairs and Maintenance Expenditure	3 338 995	3 761 297	3 810 065	3 974 465	3 956 159	3 956 159	4 129 677	4 398 747	4 614 356

Table 95 MBRR Table SA2 - Matrix financial performance budget (revenue source / expenditure type and department)

Description R thousand	Vote 1 - Community Services & Health	Vote 2 - Corporate Services	Vote 3 - Economic Opportunities & Asset	Vote 4 - Energy & Climate Change	Vote 5 - Finance	Vote 6 - Human Settlements	Vote 7 - Office of the City Manager	Vote 8 - Safety & Security	Vote 9 - Spatial Planning & Environment	Vote 10 - Transport	Vote 11 - Urban Management	Vote 12 - Water & Waste	Total
Revenue By Source													
Property rates	–	–	–	–	9 679 843	–	–	–	–	–	236 842	–	9 916 685
Service charges - electricity revenue	41	–	–	13 623 107	–	–	–	–	–	–	–	–	13 623 148
Service charges - water revenue	–	–	532	–	–	–	–	–	–	–	–	3 211 485	3 212 017
Service charges - sanitation revenue	–	–	–	–	–	–	–	–	–	–	–	1 568 599	1 568 599
Service charges - refuse revenue	–	–	–	–	(287 133)	–	–	–	–	–	–	1 573 566	1 286 433
Rental of facilities and equipment	22 778	–	144 458	1 015	2	143 005	–	295	86	–	–	142	311 781
Interest earned - external investments	–	–	–	–	912 296	200	–	–	–	–	–	–	912 495
Interest earned - outstanding debtors	–	26	24	27 655	108 892	2	–	1 192	20	2	0	243 000	380 814
Dividends received	–	–	–	–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits	3 168	–	–	–	488	–	–	1 177 212	4 384	29	–	172	1 185 453
Licences and permits	821	–	–	–	–	–	–	50 719	715	29 963	–	–	82 218
Agency services	–	–	–	–	204 906	–	–	12 766	–	–	–	–	217 672
Transfers and subsidies	772 908	24 569	1 291	874	5 504 855	414 854	–	33 475	12 747	572 789	34 377	3 830	7 376 568
Other revenue	40 972	46 927	1 906	103 315	71 828	18 942	6	14 489	138 069	303 547	4 150	60 184	804 335
Gains on disposal of PPE	–	–	33 233	2 500	–	5 000	–	–	–	–	–	3 000	43 732
Total Revenue (excluding capital transfers and contributions)	840 689	71 523	181 445	13 758 466	16 195 976	582 003	6	1 290 147	156 020	906 331	275 369	6 663 977	40 921 952

Table continues on next page

Description	Vote 1 - Community Services & Health	Vote 2 - Corporate Services	Vote 3 - Economic Opportunities & Asset Managemnt	Vote 4 - Energy & Climate Change	Vote 5 - Finance	Vote 6 - Human Settlements	Vote 7 - Office of the City Manager	Vote 8 - Safety & Security	Vote 9 - Spatial Planning & Environment	Vote 10 - Transport	Vote 11 - Urban Management	Vote 12 - Water & Waste	Total
R thousand													
Expenditure By Type													
Employee related costs	2 351 926	1 050 373	500 427	1 362 574	1 031 387	379 666	174 411	2 150 222	531 801	816 129	426 895	3 041 996	13 817 806
Remuneration of councillors	–	–	–	–	–	–	1 475	–	–	–	178 344	–	179 818
Debt impairment	–	–	8 455	132 851	396 779	121 119	–	852 805	–	–	7 105	822 514	2 341 628
Depreciation & asset impairment	157 813	202 303	152 027	371 608	203 920	217 568	1 637	118 047	30 531	720 371	12 423	826 838	3 015 087
Finance charges	3 130	–	–	–	751 248	77	–	–	–	–	–	36 300	790 756
Bulk purchases	–	–	–	9 475 500	–	–	–	–	–	–	–	617 101	10 092 601
Other materials	472 688	13 687	(358)	201 993	19 726	54 277	1 258	93 520	19 241	80 847	6 536	648 347	1 611 763
Contracted services	809 239	172 732	482 071	345 818	72 963	527 868	31 815	135 960	91 472	1 949 582	230 021	2 306 958	7 156 499
Transfers and subsidies	15 806	–	113 708	–	113 746	120 000	3 323	52 467	8 362	215	8 058	10 521	446 206
Other expenditure	114 762	369 507	111 849	169 925	414 648	48 235	23 642	195 473	30 067	112 157	272 989	463 445	2 326 698
Loss on disposal of PPE	15	66	31	450	–	–	–	61	–	–	9	123	756
Total Expenditure	3 925 379	1 808 667	1 368 210	12 060 720	3 004 417	1 468 810	237 561	3 598 556	711 474	3 679 302	1 142 379	8 774 143	41 779 619
Surplus/(Deficit)	(3 084 690)	(1 737 144)	(1 186 765)	1 697 746	13 191 559	(886 807)	(237 555)	(2 308 409)	(555 454)	(2 772 971)	(867 010)	(2 110 166)	(857 667)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	133 500	–	–	74 541	550	667 066	–	1 083	10 390	895 556	26 400	402 300	2 211 385
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)	–	–	–	41 700	–	–	–	–	–	–	–	12 000	53 700
Transfers and subsidies - capital (in-kind - all)	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	(2 951 190)	(1 737 144)	(1 186 765)	1 813 987	13 192 109	(219 741)	(237 555)	(2 307 326)	(545 064)	(1 877 416)	(840 610)	(1 695 866)	1 407 418

Table 96 MBRR Table SA3 - Supporting detail to Statement of Financial Position

Description	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand									
ASSETS									
<u>Call investment deposits</u>									
Call deposits	3 239 467	2 954 752	5 236 797	5 706 885	7 288 858	7 288 858	4 838 973	3 783 365	3 254 682
Other current investments	2 155 177	1 654 114	1 981 576	1 628 314	1 628 314	1 628 314	1 360 455	1 061 979	763 504
Total Call investment deposits	5 394 644	4 608 866	7 218 373	7 335 199	8 917 172	8 917 172	6 199 428	4 845 344	4 018 186
<u>Consumer debtors</u>									
Consumer debtors	8 172 909	8 990 564	10 088 499	16 992 101	16 185 940	16 185 940	18 908 382	21 677 318	24 696 064
Less: Provision for debt impairment	(3 556 156)	(3 961 479)	(4 455 172)	(10 642 137)	(6 856 550)	(6 856 550)	(9 198 179)	(11 541 322)	(14 071 014)
Total Consumer debtors	4 616 753	5 029 085	5 633 327	6 349 964	9 329 389	9 329 389	9 710 204	10 135 996	10 625 050
<u>Debt impairment provision</u>									
Balance at the beginning of the year	4 336 628	3 556 156	3 961 479	7 653 186	4 455 172	4 455 172	6 856 550	9 198 179	11 541 322
Contributions to the provision	279 711	1 177 475	700 802	2 988 951	2 401 378	2 401 378	2 341 628	2 343 144	2 529 692
Bad debts written off	(1 060 183)	(772 152)	(207 109)	–	–	–	–	–	–
Balance at end of year	3 556 156	3 961 479	4 455 172	10 642 137	6 856 550	6 856 550	9 198 179	11 541 322	14 071 014
<u>Property, plant and equipment (PPE)</u>									
PPE at cost/valuation (excl. finance leases)	55 359 770	60 848 926	66 805 504	76 314 152	72 169 874	72 169 874	80 138 885	91 078 810	102 343 870
Leases recognised as PPE	–	–	–	–	–	–	–	–	–
Less: Accumulated depreciation	18 652 842	20 652 436	23 651 739	25 712 684	25 412 898	25 412 898	28 282 339	31 387 131	34 740 740
Total Property, plant and equipment (PPE)	36 706 928	40 196 490	43 153 765	50 601 468	46 756 977	46 756 977	51 856 546	59 691 679	67 603 130
LIABILITIES									
<u>Current liabilities - Borrowing</u>									
Short term loans (other than bank overdraft)	–	–	–	–	–	–	–	–	–
Current portion of long-term liabilities	469 936	334 185	376 805	619 342	419 342	419 342	489 858	692 994	893 902
Total Current liabilities - Borrowing	469 936	334 185	376 805	619 342	419 342	419 342	489 858	692 994	893 902
<u>Trade and other payables</u>									
Trade Payables	3 685 512	4 200 191	4 316 746	8 783 070	8 262 110	8 262 110	6 709 111	7 206 280	7 702 101
Other creditors	2 035 232	1 762 888	1 584 914	–	–	–	2 481 452	2 665 337	2 848 722
Unspent conditional transfers	1 199 955	1 054 374	1 067 745	1 460 147	1 373 433	1 373 433	1 425 028	1 479 064	1 530 857
VAT	74 771	93 366	132 981	102 936	139 630	139 630	146 612	153 942	161 640
Total Trade and other payables	6 995 470	7 110 819	7 102 387	10 346 153	9 775 173	9 775 173	10 762 203	11 504 623	12 243 320
<u>Non current liabilities - Borrowing</u>									
Borrowing	6 036 906	5 789 616	6 492 536	9 772 937	7 189 598	7 189 598	7 838 577	10 302 047	12 381 349
Finance leases (including PPP asset element)	–	–	–	–	–	–	–	–	–
Total Non current liabilities - Borrowing	6 036 906	5 789 616	6 492 536	9 772 937	7 189 598	7 189 598	7 838 577	10 302 047	12 381 349
<u>Provisions - non-current</u>									
Retirement benefits	5 269 481	5 264 545	5 294 803	6 066 228	6 066 228	6 066 228	6 095 411	6 534 800	7 005 745
Refuse landfill site rehabilitation	336 787	328 562	319 035	367 353	367 353	367 353	316 412	320 447	472 878
Other	510 085	516 222	611 339	666 175	666 175	666 175	660 772	697 005	735 195
Total Provisions - non-current	6 116 353	6 109 329	6 225 176	7 099 756	7 099 756	7 099 756	7 072 595	7 552 252	8 213 819

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Description	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand									
CHANGES IN NET ASSETS									
Accumulated Surplus/(Deficit)									
Accumulated Surplus/(Deficit) - opening balance	25 771 287	29 171 274	33 505 777	37 278 269	39 620 010	39 620 010	41 575 958	43 002 095	46 363 903
GRAP adjustments	(185 615)	–	–	–	–	–	–	–	–
Restated balance	25 585 672	29 171 274	33 505 777	37 278 269	39 620 010	39 620 010	41 575 958	43 002 095	46 363 903
Surplus/(Deficit)	3 799 773	5 103 253	5 696 767	2 229 975	4 274 394	4 274 395	1 407 418	3 324 948	4 349 114
Appropriations to Reserves	(918 375)	(1 612 627)	(836 898)	(131 914)	(2 348 174)	(2 348 174)	(14 002)	(17 468)	(577 111)
Transfers from Reserves	704 204	843 877	1 145 003	29 503	29 728	29 728	32 720	54 329	25 056
Depreciation offsets	–	–	–	–	–	–	–	–	–
Other adjustments	–	–	–	–	–	–	–	–	–
Accumulated Surplus/(Deficit)	29 171 274	33 505 778	39 510 649	39 405 832	41 575 959	41 575 960	43 002 095	46 363 903	50 160 963
Reserves	–	–	–	–	–	–	–	–	–
Housing Development Fund	340 096	331 568	359 290	324 542	329 561	329 561	322 467	314 498	289 442
Capital replacement	2 119 182	2 880 321	2 527 463	2 529 893	4 873 221	4 873 221	4 847 596	4 801 235	5 357 376
Self-insurance	545 157	561 296	578 328	571 697	580 744	580 744	594 745	612 214	633 183
Other reserves	–	–	–	–	–	–	–	–	–
Revaluation	–	–	–	–	–	–	–	–	–
Total Reserves	3 004 435	3 773 185	3 465 082	3 426 132	5 783 525	5 783 525	5 764 808	5 727 947	6 280 001
TOTAL COMMUNITY WEALTH/EQUITY	32 175 709	37 278 963	42 975 731	42 831 964	47 359 484	47 359 485	48 766 902	52 091 850	56 440 964

Table 97 MBRR Table SA9 - Social, economic and demographic statistics and assumptions

Description of economic indicator	Basis of calculation	2001 Census	2007 Survey	2011 Census	2015/16	2016/17	2017/18	Current Year 2018/19	2019/20 Medium Term Revenue & Expenditure Framework		
					Outcome	Outcome	Outcome	Original Budget	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Demographics											
Population	StatsSA Census, Community Survey & Mid-year estimates	2 893 249	3 497 097	3 740 025	4 126 270	4 223 565	4 322 031	4 420 472	4 519 959		
Females aged 5 - 14	StatsSA Census, Community Survey & Mid-year estimates	260 241	287 307	275 909	332 046	345 050	356 607	366 525	374 657		
Males aged 5 - 14	StatsSA Census, Community Survey & Mid-year estimates	257 985	284 101	282 124	335 394	347 909	359 635	369 973	378 869		
Females aged 15 - 34	StatsSA Census, Community Survey & Mid-year estimates	571 867	653 762	706 732	732 915	737 441	742 569	748 495	755 081		
Males aged 15 - 34	StatsSA Census, Community Survey & Mid-year estimates	539 939	631 811	707 488	730 311	736 742	742 842	749 315	756 275		
Unemployment	StatsSA Census, Community Survey & QLFS	29.20%	24.50%	23.90%	21.60%	23.17%	22.15%	21.15%	n/a		
Monthly household income (no. of households)											
No income	StatsSA Census	101 953	52 446	146 517	n/a	n/a	n/a	n/a	n/a		
R1 - R1 600	StatsSA Census	200 414	144 873	185 068	n/a	n/a	n/a	n/a	n/a		
R1 601 - R3 200	StatsSA Census	130 846	122 611	170 824	n/a	n/a	n/a	n/a	n/a		
R3 201 - R6 400	StatsSA Census	133 588	121 268	154 427	n/a	n/a	n/a	n/a	n/a		
R6 401 - R12 800	StatsSA Census	109 609	103 587	139 348	n/a	n/a	n/a	n/a	n/a		
R12 801 - R25 600	StatsSA Census	67 529	87 974	126 625	n/a	n/a	n/a	n/a	n/a		
R25 601 - R51 200	StatsSA Census	23 091	52 892	92 860	n/a	n/a	n/a	n/a	n/a		
R52 201 - R102 400	StatsSA Census	5 470	18 249	38 018	n/a	n/a	n/a	n/a	n/a		
R102 401 - R204 800	StatsSA Census	3 028	5 355	9 749	n/a	n/a	n/a	n/a	n/a		
> R204 800	StatsSA Census	1 861	3 429	5 066	n/a	n/a	n/a	n/a	n/a		
Unspecified		–	189 593	73	n/a	n/a	n/a	n/a	n/a		
Poverty profiles (no. of households)											
< R2 060 per household per month					n/a	n/a	n/a	n/a	n/a		
Indigent Households					232 569	213 424	225 217	217 977	NA		
Household/demographics											
Number of people in municipal area	StatsSA Census, Community Survey & Mid-year estimates	2 893 249	3 497 097	3 740 025	4 126 270	4 223 565	4 322 031	4 420 472	4 519 959		
Number of poor people in municipal area	StatsSA Census, estimates	1 124 687	1 240 002	1 758 442	n/a	n/a	n/a	n/a	n/a		
Number of households in municipal area	StatsSA Census, estimates	777 390	902 275	1 068 575	1 265 727	1 319 864	1 350 635	1 381 398	1 412 488		
Number of poor households in municipal area	StatsSA Census, Indigent households for 2015/16 to 2018/19	302 193	319 930	502 409	232 569	213 424	225 217	217 977	n/a		
Definition of poor household (R per month)		Household Income < R1608	Household income < R3201	Household income < R3201	Indigent households	Indigent households	Indigent households	Indigent households			
Housing statistics											
Formal	StatsSA Census & Community Survey, estimates	619 691	758 159	846 026	1 025 380	1 075 301	1 100 370	1 125 433	1 150 762		
Informal	StatsSA Census & Community Survey, estimates	157 699	144 116	222 549	240 347	244 563	250 265	255 965	261 726		
Total number of households											
Dwellings provided by municipality		777 390	902 275	1 068 575	1 265 727	1 319 864	1 350 635	1 381 398	1 412 488	-	-
Dwellings provided by province/s					3 319	4 839	3 712				
Dwellings provided by private sector					6 239	6 182	5 220				
					9 583	12 319	10 320				
Total new housing dwellings		-	-	-	19 141	23 340	19 252	-	-	-	-
Economic											
Inflation/inflation outlook (CPIX)					5.6%	6.1%	5.70%	5.5%	4.1%	5.1%	5.1%
Interest rate - borrowing					12.0%	11.0%	12.0%	11.0%	11.0%	11.0%	11.0%
Interest rate - investment					6.5%	6.5%	7.0%	7.0%	7.0%	7.0%	7.0%
Remuneration increases					7.0%	6.0%	7.36%	7.1%	6.5%	6.7%	6.6%
Consumption growth (electricity)					-1.4%	-1.0%	-1.00%	-2.7%	-1.5%	-2.5%	-2.5%
Consumption growth (water)					1.0%	-12.8%	-26.80%	0.0%	12.9%	12.5%	12.5%
Collection rates											
Property tax/service charges					96.7%	96.4%	96.0%	96.0%	95.9%	95.8%	95.2%
Rental of facilities & equipment					73.6%	67.6%	68.4%	63.7%	67.5%	67.5%	67.5%
Interest - external investments					100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Interest - debtors					96.8%	96.6%	96.1%	93.3%	94.4%	94.4%	94.4%
Revenue from agency services					100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

*NA = not available

Table 98 MBRR Table SA9 - Detail on the provision of municipal services for Table A10 (Basic service delivery measurement)

Total municipal services	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
	Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Household service targets (000)									
Water:									
Piped water inside dwelling	978 170	988 643	1 132 666	1 190 854	1 190 854	1 190 854	1 214 760	1 239 353	1 263 946
Piped water inside yard (but not in dwelling)	—	—	—	—	—	—	—	—	—
Using public tap (at least min.service level)	156 755	158 433	157 038	165 105	165 105	165 105	166 919	169 929	172 729
Other water supply (at least min.service level)	—	—	—	—	—	—	—	—	—
<i>Minimum Service Level and Above sub-total</i>	1 134 925	1 147 076	1 289 704	1 355 959	1 355 959	1 355 959	1 381 679	1 409 282	1 436 675
Using public tap (< min.service level)	—	—	—	—	—	—	—	—	—
Other water supply (< min.service level)	—	—	—	—	—	—	—	—	—
No water supply	—	—	—	—	—	—	—	—	—
<i>Below Minimum Service Level sub-total</i>	—	—	—	—	—	—	—	—	—
Total number of households	1 134 925	1 147 076	1 289 704	1 355 959	1 355 959	1 355 959	1 381 679	1 409 282	1 436 675
Sanitation/sewerage:									
Flush toilet (connected to sewerage)	1 053 765	1 070 076	1 211 917	1 275 391	1 275 391	1 275 391	1 285 080	1 310 073	1 338 275
Flush toilet (with septic tank)	—	—	—	—	—	—	—	—	—
Chemical toilet	23 964	23 964	30 575	26 392	26 392	26 392	35 120	35 120	35 120
Pit toilet (ventilated)	—	65	197	197	197	197	197	197	197
Other toilet provisions (> min.service level)	57 196	52 754	47 015	53 830	53 830	53 830	62 633	65 575	65 375
<i>Minimum Service Level and Above sub-total</i>	1 134 925	1 146 859	1 289 704	1 355 810	1 355 810	1 355 810	1 383 030	1 410 965	1 438 967
Bucket toilet	—	217	217	149	149	149	149	149	149
Other toilet provisions (< min.service level)	—	—	—	—	—	—	—	—	—
No toilet provisions	—	—	—	—	—	—	—	—	—
<i>Below Minimum Service Level sub-total</i>	—	217	217	149	149	149	149	149	149
Total number of households	1 134 925	1 147 076	1 289 921	1 355 959	1 355 959	1 355 959	1 383 179	1 411 114	1 439 116
Energy:									
Electricity (at least min.service level)	853 402	853 402	817 313	818 813	818 813	818 813	820 313	821 813	823 313
Electricity - prepaid (min.service level)	—	—	—	—	—	—	—	—	—
<i>Minimum Service Level and Above sub-total</i>	853 402	853 402	817 313	818 813	818 813	818 813	820 313	821 813	823 313
Electricity (< min.service level)	26 464	35 341	30 841	29 341	29 341	29 341	27 841	26 341	24 841
Electricity - prepaid (< min. service level)	—	—	—	—	—	—	—	—	—
Other energy sources	—	—	—	—	—	—	—	—	—
<i>Below Minimum Service Level sub-total</i>	26 464	35 341	30 841	29 341	29 341	29 341	27 841	26 341	24 841
Total number of households	879 866	888 743	848 154	848 154	848 154	848 154	848 154	848 154	848 154
Refuse:									
Removed at least once a week	965 781	975 507	931 820	939 739	944 616	944 616	958 534	977 704	997 258
<i>Minimum Service Level and Above sub-total</i>	965 781	975 507	931 820	939 739	944 616	944 616	958 534	977 704	997 258
Removed less frequently than once a week	—	—	—	—	—	—	—	—	—
Using communal refuse dump	—	—	—	—	—	—	—	—	—
Using own refuse dump	—	—	—	—	—	—	—	—	—
Other rubbish disposal	—	—	—	—	—	—	—	—	—
No rubbish disposal	—	—	—	—	—	—	—	—	—
<i>Below Minimum Service Level sub-total</i>	—	—	—	—	—	—	—	—	—
Total number of households	965 781	975 507	931 820	939 739	944 616	944 616	958 534	977 704	997 258

Table continues on next page

Municipal in-house services	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
	Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Household service targets (000)									
<u>Water:</u>									
Piped water inside dwelling	978 170	988 643	1 132 666	1 190 854	1 190 854	1 190 854	1 214 760	1 239 353	1 263 946
Piped water inside yard (but not in dwelling)									
Using public tap (at least min.service level)	156 755	158 433	157 038	165 105	165 105	165 105	166 919	169 929	172 729
Other water supply (at least min.service level)									
<i>Minimum Service Level and Above sub-total</i>	1 134 925	1 147 076	1 289 704	1 355 959	1 355 959	1 355 959	1 381 679	1 409 282	1 436 675
Using public tap (< min.service level)									
Other water supply (< min.service level)									
No water supply									
<i>Below Minimum Service Level sub-total</i>	–	–	–	–	–	–	–	–	–
Total number of households	1 134 925	1 147 076	1 289 704	1 355 959	1 355 959	1 355 959	1 381 679	1 409 282	1 436 675
<u>Sanitation/sewerage:</u>									
Flush toilet (connected to sewerage)	1 053 765	1 070 076	1 211 917	1 275 391	1 275 391	1 275 391	1 285 080	1 310 073	1 338 275
Flush toilet (with septic tank)									
Chemical toilet	23 964	23 964	30 575	26 392	26 392	26 392	35 120	35 120	35 120
Pit toilet (ventilated)		65	197	197	197	197	197	197	197
Other toilet provisions (> min.service level)	57 196	52 754	47 015	53 830	53 830	53 830	62 633	65 575	65 375
<i>Minimum Service Level and Above sub-total</i>	1 134 925	1 146 859	1 289 704	1 355 810	1 355 810	1 355 810	1 383 030	1 410 965	1 438 967
Bucket toilet		217	217	149	149	149	149	149	149
Other toilet provisions (< min.service level)									
No toilet provisions									
<i>Below Minimum Service Level sub-total</i>	–	217	217	149	149	149	149	149	149
Total number of households	1 134 925	1 147 076	1 289 921	1 355 959	1 355 959	1 355 959	1 383 179	1 411 114	1 439 116
<u>Energy:</u>									
Electricity (at least min.service level)	574 527	574 527	570 721	572 221	572 221	572 221	573 721	575 221	576 721
Electricity - prepaid (min.service level)									
<i>Minimum Service Level and Above sub-total</i>	574 527	574 527	570 721	572 221	572 221	572 221	573 721	575 221	576 721
Electricity (< min.service level)	26 464	35 341	30 841	29 341	29 341	29 341	27 841	26 341	24 841
Electricity - prepaid (< min. service level)									
Other energy sources									
<i>Below Minimum Service Level sub-total</i>	26 464	35 341	30 841	29 341	29 341	29 341	27 841	26 341	24 841
Total number of households	600 991	609 868	601 562	601 562	601 562	601 562	601 562	601 562	601 562
<u>Refuse:</u>									
Removed at least once a week	965 781	975 507	931 820	939 739	944 616	944 616	958 534	977 704	997 258
<i>Minimum Service Level and Above sub-total</i>	965 781	975 507	931 820	939 739	944 616	944 616	958 534	977 704	997 258
Removed less frequently than once a week									
Using communal refuse dump									
Using own refuse dump									
Other rubbish disposal									
No rubbish disposal									
<i>Below Minimum Service Level sub-total</i>	–	–	–	–	–	–	–	–	–
Total number of households	965 781	975 507	931 820	939 739	944 616	944 616	958 534	977 704	997 258
Services provided by 'external mechanisms'	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
	Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
<u>Energy:</u>									
Electricity (at least min.service level)	278 875	278 875	246 592	246 592	246 592	246 592	246 592	246 592	246 592
Electricity - prepaid (min.service level)									
<i>Minimum Service Level and Above sub-total</i>	278 875	278 875	246 592	246 592	246 592	246 592	246 592	246 592	246 592
Electricity (< min.service level)									
Electricity - prepaid (< min. service level)									
Other energy sources									
<i>Below Minimum Service Level sub-total</i>	–	–	–	–	–	–	–	–	–
Total number of households	278 875	278 875	246 592	246 592	246 592	246 592	246 592	246 592	246 592

Table continues on next page

Detail of Free Basic Services (FBS) provided	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
	Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Electricity									
Formal settlements - (50 kwh per indigent household per month Rands)	177 255 000	160 637 805	160 637 805	125 998 862	125 998 862	125 998 862	104 999 050	113 398 974	122 470 892
<i>Number of HH receiving this type of FBS</i>	229 217	236 941	195 564	195 564	195 564	195 564	197 064	198 564	200 064
Informal settlements (Rands)	118 170 000	70 556 141	78 073 659	75 795 000	75 795 000	75 795 000	79 910 004	86 302 804	93 207 029
<i>Number of HH receiving this type of FBS</i>	152 811	132 280	132 280	122 502	122 502	122 502	122 502	122 502	122 502
Informal settlements targeted for upgrading (Rands)	–	–	–	–	–	–	–	–	–
<i>Number of HH receiving this type of FBS</i>	–	–	–	–	–	–	–	–	–
Living in informal backyard rental agreement (Rands)	–	970 453	1 019 531	1 137 370	1 137 370	1 137 370	1 238 368	1 337 438	1 444 433
<i>Number of HH receiving this type of FBS</i>	–	1 535	1 535	1 620	1 620	1 620	1 620	1 620	1 620
Other (Rands)	–	–	–	–	–	–	–	–	–
<i>Number of HH receiving this type of FBS</i>	–	–	–	–	–	–	–	–	–
Total cost of FBS - Electricity for informal settlements	118 170 000	71 526 594	79 093 190	76 932 370	76 932 370	76 932 370	81 148 372	87 640 242	94 651 462
Water									
Formal settlements - (6 kilolitre per indigent household per month Rands)	202 772 516	212 041 403	314 306 086	368 202 762	368 202 762	368 202 762	449 105 580	520 296 777	627 898 320
<i>Number of HH receiving this type of FBS</i>	231 793	222 098	231 793	267 325	267 325	267 325	270 025	270 025	270 025
Informal settlements (Rands)	137 129 274	148 169 680	189 563 442	225 618 455	225 618 455	225 618 455	277 619 681	325 019 800	395 789 614
<i>Number of HH receiving this type of FBS</i>	156 755	155 197	154 237	163 805	163 805	163 805	166 919	169 929	172 729
Informal settlements targeted for upgrading (Rands)	–	3 089 474	3 441 312	1 790 568	1 790 568	1 790 568	2 494 800	3 634 092	4 353 642
<i>Number of HH receiving this type of FBS</i>	–	3 236	2 800	1 300	1 300	1 300	1 500	1 900	2 100
Living in informal backyard rental agreement (Rands)	510 883	1 909 440	3 389 692	4 074 231	4 074 231	4 074 231	6 458 206	9 435 250	11 303 430
<i>Number of HH receiving this type of FBS</i>	584	2 000	2 758	2 958	2 958	2 958	3 883	4 933	4 933
Other (Rands)	–	–	–	–	–	–	–	–	–
<i>Number of HH receiving this type of FBS</i>	–	–	–	–	–	–	–	–	–
Total cost of FBS - Water for informal settlements	137 640 157	153 168 594	196 394 446	231 483 254	231 483 254	231 483 254	286 572 687	338 089 142	411 446 686
Sanitation									
Formal settlements - (free sanitation service to indigent households)	141 823 938	143 727 611	178 254 084	233 220 746	233 220 746	233 220 746	232 446 161	269 292 999	324 984 949
<i>Number of HH receiving this type of FBS</i>	231 793	222 098	255 733	267 325	267 325	267 325	270 025	270 025	270 025
Informal settlements (Rands)	46 253 254	50 604 094	55 230 725	72 617 956	72 617 956	72 617 956	74 235 569	88 340 775	109 390 153
<i>Number of HH receiving this type of FBS</i>	75 595	78 197	79 237	83 237	83 237	83 237	86 237	89 237	92 237
Informal settlements targeted for upgrading (Rands)	–	2 094 132	1 951 690	1 134 151	1 134 151	1 134 151	1 291 248	1 880 918	2 490 533
<i>Number of HH receiving this type of FBS</i>	–	3 236	2 800	1 300	1 300	1 300	1 500	1 900	2 100
Living in informal backyard rental agreement (Rands)	357 324	1 294 272	1 922 414	2 580 630	2 580 630	2 580 630	3 342 611	4 883 457	5 850 381
<i>Number of HH receiving this type of FBS</i>	584	2 000	2 758	2 958	2 958	2 958	3 883	4 933	4 933
Other (Rands)	–	–	–	–	–	–	–	–	–
<i>Number of HH receiving this type of FBS</i>	–	–	–	–	–	–	–	–	–
Total cost of FBS - Sanitation for informal settlements	46 610 578	53 992 498	59 104 829	76 332 737	76 332 737	76 332 737	78 869 428	95 105 150	117 731 067
Refuse Removal									
Formal settlements - (removed once a week to indigent households)	234 084 280	235 400 936	276 709 328	291 928 341	280 000 000	280 000 000	287 132 840	301 633 048	316 865 517
<i>Number of HH receiving this type of FBS</i>	295 543	302 957	317 665	324 018	304 437	304 437	310 526	316 736	323 070
Informal settlements (Rands)	119 859 720	125 621 944	138 249 287	147 182 564	147 182 564	147 182 564	154 541 692	162 268 777	170 382 216
<i>Number of HH receiving this type of FBS</i>	150 339	151 842	153 360	160 000	160 000	160 000	163 200	166 464	169 793
Informal settlements targeted for upgrading (Rands)	–	–	–	–	–	–	–	–	–
<i>Number of HH receiving this type of FBS</i>	–	–	–	–	–	–	–	–	–
Living in informal backyard rental agreement (Rands)	–	–	–	–	–	–	–	–	–
<i>Number of HH receiving this type of FBS</i>	–	–	–	–	–	–	–	–	–
Other (Rands)	–	–	–	–	–	–	–	–	–
<i>Number of HH receiving this type of FBS</i>	–	–	–	–	–	–	–	–	–
Total cost of FBS - Refuse Removal for informal settlements	119 859 720	125 621 944	138 249 287	147 182 564	147 182 564	147 182 564	154 541 692	162 268 777	170 382 216

2.20 Consolidated budget tables

The consolidated tables, as required in terms of section 9 of the MBRR, are presented in the nine primary budget tables on page 236 to page 245.

The tables provide a consolidated view of the main tables (including financial position and cash flow) of the City, CTICC and CTS.

The consolidated tables include the City's and entities' MTREF with an elimination of inter-company entries. It will therefore not align to a direct consolidation of tables between the City's MBRR Schedule A and the entities' MBRR Schedule D.

Table 99 - MBRR Table A1 Consolidated Budget Summary

Description	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousands									
Financial Performance									
Property rates	6 890 432	8 269 582	8 667 169	9 361 952	9 362 895	9 362 895	9 916 685	10 517 014	11 045 428
Service charges	15 781 776	16 547 809	17 003 100	19 179 265	19 476 569	19 476 569	19 690 195	22 419 166	25 311 082
Investment revenue	672 516	793 959	900 370	941 028	952 549	952 549	919 395	937 927	1 030 070
Transfers recognised - operational	5 679 468	5 864 445	6 450 645	6 803 608	7 369 203	7 369 203	7 376 568	7 707 345	8 136 559
Other own revenue	2 915 360	3 295 339	4 034 769	3 373 825	3 315 225	3 315 225	3 305 614	3 495 727	3 638 577
Total Revenue (excluding capital transfers and contributions)	31 939 552	34 771 135	37 056 053	39 659 677	40 476 441	40 476 441	41 208 458	45 077 179	49 161 715
Employee costs	9 413 692	9 729 607	10 947 439	13 014 074	12 607 599	12 570 921	13 908 778	14 991 559	16 167 233
Remuneration of councillors	135 095	138 951	154 923	169 640	169 768	169 640	179 818	190 697	202 234
Depreciation & asset impairment	2 148 102	2 336 294	3 088 275	2 856 987	2 892 702	2 892 702	3 065 250	3 302 926	3 534 364
Finance charges	760 317	752 528	782 925	1 089 285	906 679	797 254	790 756	921 279	1 304 856
Materials and bulk purchases	8 796 867	9 633 346	9 376 977	10 783 733	10 345 141	10 400 041	11 746 242	13 111 293	14 255 875
Transfers and grants	379 692	349 609	396 433	263 704	419 298	411 847	374 860	475 247	418 316
Other expenditure	8 617 999	8 745 049	8 760 390	11 427 087	11 474 088	11 572 871	12 033 540	11 885 979	12 617 524
Total Expenditure	30 251 763	31 685 384	33 507 363	39 604 510	38 815 275	38 815 275	42 099 245	44 878 981	48 500 402
Surplus/(Deficit)	1 687 789	3 085 751	3 548 691	55 168	1 661 166	1 661 166	(890 787)	198 198	661 314
Transfers and subsidies - capital (monetary allocations) (National /	2 131 537	2 005 297	1 732 882	2 067 896	2 536 296	2 536 296	2 211 385	3 043 827	3 608 514
Contributions recognised - capital & contributed assets	61 589	88 397	78 248	76 200	54 526	54 526	53 700	56 700	57 000
Surplus/(Deficit) after capital transfers & contributions	3 880 915	5 179 445	5 359 820	2 199 264	4 251 988	4 251 988	1 374 299	3 298 725	4 326 827
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	3 880 915	5 179 445	5 359 820	2 199 264	4 251 988	4 251 988	1 374 299	3 298 725	4 326 827
Capital expenditure & funds sources									
Capital expenditure	5 870 140	6 272 557	5 719 579	8 456 748	6 685 325	5 706 946	8 430 911	11 567 916	11 910 485
Transfers recognised - capital	2 248 913	2 127 388	1 805 414	2 144 096	2 590 822	2 241 761	2 265 085	3 100 527	3 665 514
Borrowing	2 441 423	2 739 196	2 533 155	4 000 000	500 000	445 569	1 091 580	3 000 000	3 000 000
Internally generated funds	1 179 805	1 405 973	1 381 010	2 312 652	3 594 503	3 019 616	5 074 246	5 467 389	5 244 971
Total sources of capital funds	5 870 140	6 272 557	5 719 579	8 456 748	6 685 325	5 706 946	8 430 911	11 567 916	11 910 485

Table continues on next page

Description	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousands									
<u>Financial position</u>									
Total current assets	11 726 611	11 891 860	15 308 778	15 760 893	20 610 877	20 610 877	18 660 159	18 020 817	18 044 907
Total non current assets	42 158 236	46 775 348	49 799 552	56 313 484	52 774 727	52 774 727	58 112 027	66 098 541	74 179 130
Total current liabilities	9 005 551	8 848 579	8 994 077	12 583 978	11 775 376	11 775 376	12 973 358	14 078 678	15 115 660
Total non current liabilities	12 165 084	11 909 149	12 726 404	16 872 693	14 289 354	14 289 354	14 911 172	17 854 299	20 595 168
Community wealth/Equity	32 714 212	37 909 480	43 387 849	42 617 706	47 320 874	47 320 874	48 887 656	52 186 381	56 513 209
<u>Cash flows</u>									
Net cash from (used) operating	6 458 242	6 658 019	7 528 519	4 844 958	7 844 079	7 844 079	4 472 317	6 767 927	7 964 340
Net cash from (used) investing	(6 272 662)	(6 309 132)	(6 226 551)	(7 732 684)	(6 138 861)	(6 138 861)	(7 761 267)	(10 613 221)	(10 955 427)
Net cash from (used) financing	(174 391)	(379 235)	731 280	3 556 102	212 247	212 247	748 685	2 674 686	2 379 304
Cash/cash equivalents at the year end	3 803 924	3 773 576	5 806 824	5 923 649	7 530 778	7 530 778	5 087 575	3 916 967	3 305 185
<u>Cash backing/surplus reconciliation</u>									
Cash and investments available	9 499 587	9 716 651	12 379 343	11 788 575	13 376 010	13 376 010	11 023 847	9 923 210	9 376 924
Application of cash and investments	6 401 229	6 819 579	5 767 842	9 122 893	5 736 187	5 736 187	7 573 154	8 165 717	7 875 741
Balance - surplus (shortfall)	3 098 358	2 897 072	6 611 501	2 665 681	7 639 823	7 639 823	3 450 693	1 757 493	1 501 183
<u>Asset management</u>									
Asset register summary (WDV)	38 552 755	42 432 442	45 046 312	52 039 895	48 356 103	48 356 103	53 454 658	61 143 863	68 927 086
Depreciation	2 148 102	2 336 295	3 088 274	2 856 988	2 892 702	2 892 702	3 065 250	3 302 926	3 534 363
Renewal and Upgrading of Existing Assets	2 690 532	2 948 394	2 743 604	3 712 266	3 203 763	2 876 881	4 548 226	5 201 043	5 306 503
Repairs and Maintenance	3 339 414	3 761 915	3 810 065	4 012 578	3 995 383	3 995 383	4 170 377	4 440 447	4 658 558
<u>Free services</u>									
Cost of Free Basic Services provided	1 178 216	1 156 117	1 402 749	1 551 282	1 539 353	1 539 353	1 674 816	1 887 725	2 186 431
Revenue cost of free services provided	1 121 043	1 451 619	1 754 196	1 886 058	1 886 058	1 886 058	1 263 535	1 333 676	1 407 711
<u>Households below minimum service level</u>									
Water:	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:	-	217	217	149	149	149	149	149	149
Energy:	26 464	35 341	30 841	29 341	29 341	29 341	27 841	26 341	24 841
Refuse:	-	-	-	-	-	-	-	-	-

Table 100 - MBRR Table A2 Consolidated Budgeted Financial Performance (revenue and expenditure by standard classification)

Functional Classification Description	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand									
Revenue - Functional									
Governance and administration	11 816 477	13 522 776	14 266 108	14 763 272	14 805 339	14 805 339	15 354 923	16 309 197	17 275 420
Executive and council	2 082	1 400	849	3 240	3 219	3 219	299	314	330
Finance and administration	11 814 372	13 521 374	14 265 240	14 760 024	14 802 117	14 802 117	15 354 622	16 308 880	17 275 054
Internal audit	22	2	20	8	3	3	3	3	36
Community and public safety	1 640 160	1 780 840	1 710 269	1 880 561	2 248 196	2 248 196	3 301 487	3 557 572	3 693 222
Community and social services	107 248	105 403	117 303	130 825	154 557	154 557	125 650	135 834	197 122
Sport and recreation	81 245	106 473	84 397	110 050	115 148	115 148	86 512	82 294	89 608
Public safety	21 416	24 889	36 980	11 726	46 731	46 731	1 238 308	1 241 637	1 241 676
Housing	1 163 757	1 227 273	1 091 120	1 211 961	1 531 667	1 531 667	1 374 066	1 599 353	1 624 910
Health	266 493	316 802	380 469	415 999	400 093	400 093	476 952	498 453	539 907
Economic and environmental services	3 240 384	3 255 712	3 274 442	3 188 342	3 261 732	3 261 732	2 297 417	2 899 203	3 396 937
Planning and development	303 015	342 718	378 137	369 522	377 987	377 987	450 811	430 141	471 601
Road transport	2 929 763	2 896 258	2 887 880	2 805 489	2 848 122	2 848 122	1 831 775	2 464 615	2 920 664
Environmental protection	7 606	16 736	8 425	13 331	35 622	35 622	14 831	4 447	4 671
Trading services	17 187 965	18 058 069	19 349 711	21 673 945	22 470 084	22 470 084	22 228 113	25 103 319	28 133 991
Energy sources	11 528 353	12 071 981	12 371 363	13 086 625	13 507 735	13 507 735	14 080 480	15 655 263	17 353 324
Water management	2 725 769	2 912 303	3 638 979	4 650 411	5 167 293	5 167 293	4 468 354	5 272 941	6 023 125
Waste water management	1 823 013	1 857 210	1 864 484	2 311 354	2 215 719	2 215 719	1 956 104	2 337 092	2 791 631
Waste management	1 110 831	1 216 576	1 474 884	1 625 554	1 579 336	1 579 336	1 723 174	1 838 022	1 965 912
Other	247 693	247 431	266 654	297 653	281 912	281 912	291 603	308 415	327 659
Total Revenue - Functional	34 132 678	36 864 829	38 867 183	41 803 773	43 067 263	43 067 263	43 473 543	48 177 706	52 827 229
Expenditure - Functional									
Governance and administration	5 620 235	5 617 041	6 487 634	8 518 224	8 246 872	8 246 872	8 923 446	9 473 603	10 448 998
Executive and council	355 222	359 584	398 459	450 141	457 751	457 751	535 009	537 004	573 837
Finance and administration	5 230 564	5 220 217	6 046 866	8 016 966	7 744 002	7 744 002	8 342 352	8 887 741	9 822 292
Internal audit	34 448	37 240	42 309	51 116	45 118	45 118	46 085	48 857	52 869
Community and public safety	6 223 099	6 681 873	6 687 379	7 303 435	7 544 287	7 544 287	7 857 502	8 419 003	8 861 189
Community and social services	768 698	854 030	855 828	894 025	898 013	898 013	971 924	1 039 901	1 113 166
Sport and recreation	1 098 191	1 089 010	1 118 060	1 192 887	1 137 413	1 137 413	1 187 125	1 235 093	1 305 685
Public safety	2 273 303	2 445 750	2 504 112	2 798 155	2 795 255	2 795 255	2 910 539	3 029 216	3 185 736
Housing	1 209 507	1 284 415	1 128 142	1 239 650	1 543 890	1 543 890	1 480 067	1 702 684	1 738 557
Health	873 401	1 008 668	1 081 237	1 178 718	1 169 717	1 169 717	1 307 848	1 412 109	1 518 046
Economic and environmental services	3 448 190	3 803 115	4 237 409	4 368 379	4 611 669	4 611 669	5 277 186	5 018 327	5 272 746
Planning and development	897 371	947 861	1 112 058	1 060 433	1 092 310	1 092 310	1 511 371	1 237 045	1 320 947
Road transport	2 436 149	2 738 173	2 995 713	3 170 834	3 365 014	3 365 014	3 607 973	3 631 418	3 791 457
Environmental protection	114 670	117 081	129 637	137 111	154 345	154 345	157 842	149 864	160 342
Trading services	14 672 694	15 281 223	15 331 389	18 995 590	18 005 231	18 005 231	19 596 547	21 502 445	23 429 358
Energy sources	9 190 011	9 596 987	9 555 633	10 321 587	10 494 515	10 494 515	11 596 405	12 749 243	14 037 839
Water management	2 438 638	2 460 627	2 568 752	4 823 188	3 825 076	3 825 076	3 747 229	4 261 463	4 502 627
Waste water management	1 587 135	1 621 019	1 505 962	1 935 220	1 756 367	1 756 367	2 049 818	2 270 377	2 485 738
Waste management	1 456 910	1 602 590	1 701 042	1 915 595	1 929 273	1 929 273	2 203 094	2 221 361	2 403 153
Other	287 545	302 133	763 552	418 883	407 216	407 216	444 564	465 603	488 111
Total Expenditure - Functional	30 251 763	31 685 384	33 507 363	39 604 510	38 815 275	38 815 275	42 099 245	44 878 981	48 500 402
Surplus/(Deficit) for the year	3 880 915	5 179 445	5 359 820	2 199 264	4 251 988	4 251 988	1 374 299	3 298 725	4 326 827

Table 101 - MBBR Table A3 Consolidated Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description R thousand	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Revenue by Vote									
Vote 1 - Community Services & Health	695 818	790 165	845 742	917 952	938 743	938 743	974 189	1 069 806	1 163 854
Vote 2 - Corporate Services	56 400	64 612	88 093	79 950	72 677	72 677	71 523	64 758	68 813
Vote 3 - Economic Opportunities & Asset Managemnt	230 204	154 014	347 908	176 251	176 251	176 251	181 445	187 620	195 500
Vote 4 - Energy & Climate Change	11 527 694	12 083 675	12 148 435	12 884 959	13 306 070	13 306 070	13 874 705	15 439 096	17 126 241
Vote 5 - Finance	11 270 943	13 043 157	14 244 329	15 357 286	15 431 477	15 431 477	16 174 512	17 134 890	18 182 621
Vote 6 - Human Settlements	1 157 113	1 218 375	965 319	1 086 933	1 406 039	1 406 039	1 249 070	1 468 044	1 486 970
Vote 7 - Office of the City Manager	128	260	117	11	6	6	6	6	40
Vote 8 - Safety & Security	1 236 743	1 402 529	1 531 936	1 358 901	1 375 177	1 375 177	1 291 229	1 297 230	1 300 075
Vote 9 - Spatial Planning & Environment	148 305	163 723	148 821	170 519	184 008	184 008	166 410	152 828	162 158
Vote 10 - Transport	1 745 297	1 532 039	1 421 485	1 515 791	1 550 511	1 550 511	1 801 886	2 426 308	2 877 817
Vote 11 - Urban Management	159 032	177 650	211 787	222 216	234 213	234 213	301 769	284 507	314 261
Vote 12 - Water & Waste	5 665 335	5 992 526	6 644 068	7 723 144	8 097 974	8 097 974	7 078 278	8 324 623	9 600 425
Vote 13 - Cape Town International Convention Centre	239 665	242 104	262 334	291 129	275 388	275 388	285 600	303 465	322 460
Vote 14 - Cape Town Stadium	–	–	6 809	18 731	18 731	18 731	22 921	24 524	25 995
Total Revenue by Vote	34 132 678	36 864 829	38 867 183	41 803 773	43 067 263	43 067 263	43 473 543	48 177 706	52 827 229
Expenditure by Vote									
Vote 1 - Community Services & Health	2 676 849	2 936 967	3 143 835	3 575 331	3 588 556	3 588 556	3 925 379	4 108 988	4 407 761
Vote 2 - Corporate Services	1 367 819	1 453 011	1 571 084	1 786 093	1 704 376	1 704 376	1 808 667	1 913 763	2 057 774
Vote 3 - Economic Opportunities & Asset Managemnt	799 445	884 194	1 033 939	1 186 498	1 235 294	1 235 294	1 368 210	1 425 104	1 526 629
Vote 4 - Energy & Climate Change	9 471 398	9 883 643	9 810 072	10 673 982	10 794 201	10 794 201	12 060 720	13 251 284	14 576 654
Vote 5 - Finance	2 381 200	2 142 088	2 544 214	3 156 818	3 073 825	3 073 825	2 933 071	3 157 568	3 686 606
Vote 6 - Human Settlements	1 176 839	1 250 229	1 092 017	1 255 478	1 552 813	1 552 813	1 468 810	1 690 950	1 726 302
Vote 7 - Office of the City Manager	118 972	124 127	142 779	192 656	191 312	191 312	237 561	219 189	236 864
Vote 8 - Safety & Security	2 683 476	2 857 196	2 943 783	3 328 929	3 308 492	3 308 492	3 598 555	3 768 118	3 971 962
Vote 9 - Spatial Planning & Environment	500 252	509 893	540 893	558 353	594 227	594 227	711 474	711 677	766 626
Vote 10 - Transport	2 594 841	2 898 669	3 122 943	3 362 185	3 486 358	3 486 358	3 679 302	3 700 711	3 862 248
Vote 11 - Urban Management	550 049	588 169	700 687	815 277	794 175	794 175	1 142 379	908 765	969 186
Vote 12 - Water & Waste	5 772 098	5 991 287	6 255 027	9 372 338	8 175 119	8 175 120	8 774 143	9 622 080	10 292 124
Vote 13 - Cape Town International Convention Centre	158 524	165 913	605 584	321 840	297 796	297 796	318 719	329 688	344 746
Vote 14 - Cape Town Stadium	–	–	505	18 731	18 731	18 731	72 254	71 096	74 919
Total Expenditure by Vote	30 251 763	31 685 384	33 507 363	39 604 510	38 815 275	38 815 275	42 099 245	44 878 981	48 500 402
Surplus/(Deficit) for the year	3 880 915	5 179 445	5 359 820	2 199 264	4 251 988	4 251 988	1 374 299	3 298 725	4 326 827

*The reason for the change on Vote 14 from the tabled MTREF is due to the re-alignment of the intercompany transactions between the City and the entity. This amendment did not have an impact on the consolidated bottom line of the expenditure or revenue totals.

Table 102 – MBRR Table A4 Consolidated Budgeted Financial Performance (revenue and expenditure)

Description	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand									
Revenue By Source									
Property rates	6 890 432	8 269 582	8 667 169	9 361 952	9 362 895	9 362 895	9 916 685	10 517 014	11 045 428
Service charges - electricity revenue	11 209 645	11 752 021	11 795 483	12 591 403	13 027 472	13 027 472	13 623 146	15 187 931	16 826 227
Service charges - water revenue	2 318 603	2 393 029	2 632 345	3 574 755	3 511 828	3 511 828	3 212 017	3 838 969	4 593 963
Service charges - sanitation revenue	1 384 150	1 426 013	1 518 222	1 811 048	1 781 428	1 781 428	1 568 599	2 014 201	2 409 460
Service charges - refuse revenue	869 378	976 746	1 057 049	1 202 059	1 155 841	1 155 841	1 286 433	1 378 065	1 481 432
Rental of facilities and equipment	310 462	305 833	576 722	534 195	519 846	519 846	459 882	484 954	511 188
Interest earned - external investments	672 516	793 959	900 370	941 028	952 549	952 549	919 395	937 927	1 030 070
Interest earned - outstanding debtors	221 049	277 417	302 792	340 970	322 691	322 691	380 814	425 792	489 054
Dividends received	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits	1 128 267	1 260 639	1 666 379	1 280 160	1 230 730	1 230 730	1 185 453	1 211 026	1 205 439
Licences and permits	45 699	54 159	52 141	46 050	53 841	53 841	82 218	86 371	90 732
Agency services	183 275	188 238	213 550	201 723	201 723	201 723	217 672	245 412	254 598
Transfers and subsidies	5 679 468	5 864 445	6 450 645	6 803 608	7 369 203	7 369 203	7 376 568	7 707 345	8 136 559
Other revenue	900 062	1 022 118	1 142 619	926 856	942 524	942 524	935 842	998 439	1 043 832
Gains on disposal of PPE	126 546	186 934	80 567	43 870	43 870	43 870	43 732	43 732	43 732
Total Revenue (excluding capital transfers and contributions)	31 939 552	34 771 135	37 056 053	39 659 677	40 476 441	40 476 441	41 208 458	45 077 179	49 161 715
Expenditure By Type									
Employee related costs	9 413 692	9 729 607	10 947 439	13 014 074	12 607 599	12 570 921	13 908 778	14 991 559	16 167 233
Remuneration of councillors	135 095	138 951	154 923	169 640	169 768	169 640	179 818	190 697	202 234
Debt impairment	1 781 091	1 581 554	1 361 636	2 989 251	2 401 678	2 401 678	2 341 928	2 343 443	2 529 992
Depreciation & asset impairment	2 148 102	2 336 294	3 088 275	2 856 987	2 892 702	2 892 702	3 065 250	3 302 926	3 534 364
Finance charges	760 317	752 528	782 925	1 089 285	906 679	797 254	790 756	921 279	1 304 856
Bulk purchases	8 059 427	8 413 200	8 122 430	9 487 132	8 987 316	8 987 316	10 092 601	11 473 833	12 575 400
Other materials	737 441	1 220 146	1 254 547	1 296 601	1 357 825	1 412 725	1 653 641	1 637 459	1 680 475
Contracted services	4 856 630	5 387 499	5 648 197	6 119 111	6 739 351	6 739 306	7 273 811	6 958 998	7 292 496
Transfers and subsidies	379 692	349 609	396 433	263 704	419 298	411 847	374 860	475 247	418 316
Other expenditure	1 970 992	1 759 169	1 737 487	2 318 237	2 157 947	2 256 770	2 417 044	2 582 744	2 794 202
Loss on disposal of PPE	9 285	16 827	13 070	488	175 112	175 117	756	794	834
Total Expenditure	30 251 763	31 685 384	33 507 363	39 604 510	38 815 275	38 815 275	42 099 245	44 878 981	48 500 402
Surplus/(Deficit)	1 687 789	3 085 751	3 548 691	55 168	1 661 166	1 661 166	(890 787)	198 198	661 314
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	2 131 537	2 005 297	1 732 882	2 067 896	2 536 296	2 536 296	2 211 385	3 043 827	3 608 514
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	61 488	71 882	72 532	76 200	54 526	54 526	53 700	56 700	57 000
Transfers and subsidies - capital (in-kind - all)	100	16 516	5 716	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & taxation	3 880 915	5 179 445	5 359 820	2 199 264	4 251 988	4 251 988	1 374 299	3 298 725	4 326 827
Taxation	19 926	14 178	(118 548)	–	–	–	–	–	–
Surplus/(Deficit) after taxation	3 860 989	5 165 267	5 478 368	2 199 264	4 251 988	4 251 988	1 374 299	3 298 725	4 326 827
Attributable to minorities	–	(12 500)	89 825	(8 783)	(6 409)	(6 409)	(9 472)	(7 500)	(6 374)
Surplus/(Deficit) attributable to municipality	3 860 989	5 152 767	5 568 193	2 190 480	4 245 580	4 245 579	1 364 827	3 291 226	4 320 453
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	3 860 989	5 152 767	5 568 193	2 190 480	4 245 580	4 245 579	1 364 827	3 291 226	4 320 453

Table 103 – MBRR Table A5 Consolidated Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description R thousand	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Capital expenditure - Vote									
Multi-year expenditure to be appropriated									
Vote 1 - Community Services & Health	229 298	243 540	260 247	314 508	313 947	287 052	354 281	351 351	375 057
Vote 2 - Corporate Services	326 119	263 835	370 959	354 688	269 714	248 506	149 863	196 189	101 429
Vote 3 - Economic Opportunities & Asset Managemnt	153 827	272 732	295 284	224 601	283 893	283 792	389 498	427 272	354 814
Vote 4 - Energy & Climate Change	1 090 855	1 248 887	1 024 550	1 113 506	863 239	798 179	834 094	1 008 117	1 520 724
Vote 5 - Finance	38 202	23 989	14 009	20 549	26 851	21 823	116 957	275 579	51 351
Vote 6 - Human Settlements	336 606	476 807	464 837	794 428	705 286	696 526	869 063	987 927	882 546
Vote 7 - Office of the City Manager	919	1 402	2 288	813	2 696	2 658	973	839	910
Vote 8 - Safety & Security	152 051	116 584	158 094	196 078	212 649	198 874	535 237	170 748	135 332
Vote 9 - Spatial Planning & Environment	62 772	56 092	42 434	50 225	76 345	50 952	92 847	81 465	58 557
Vote 10 - Transport	1 424 447	1 441 770	1 001 020	1 291 374	1 155 047	1 033 103	1 326 126	1 925 427	2 386 725
Vote 11 - Urban Management	22 359	12 541	17 308	13 620	23 477	22 417	122 981	110 520	145 030
Vote 12 - Water & Waste	1 652 379	1 746 441	1 952 589	4 033 167	2 702 989	2 013 872	3 596 511	5 980 277	5 845 483
Vote 13 - Cape Town International Convention Centre	380 306	367 936	115 960	49 193	49 193	49 193	42 479	52 206	52 527
Vote 14 - Cape Town Stadium	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Vote	5 870 140	6 272 557	5 719 579	8 456 748	6 685 325	5 706 946	8 430 911	11 567 916	11 910 485
Capital Expenditure - Functional									
Governance and administration	750 398	1 073 095	1 207 303	986 585	997 042	953 140	1 120 012	1 220 084	880 329
Executive and council	19 672	9 164	4 328	4 380	3 511	3 298	24 280	3 830	2 802
Finance and administration	730 593	1 063 799	1 202 224	982 074	993 256	949 567	1 095 600	1 216 193	877 417
Internal audit	133	131	751	131	276	276	131	60	110
Community and public safety	680 528	821 576	811 812	1 117 586	1 057 471	1 027 608	1 547 286	1 518 058	1 285 635
Community and social services	160 898	127 329	131 174	97 129	97 982	86 582	105 089	70 408	116 914
Sport and recreation	113 637	127 927	94 055	84 261	98 921	98 409	141 792	260 468	80 200
Public safety	52 265	66 517	76 656	69 927	91 554	86 749	349 905	120 259	111 475
Housing	336 606	476 807	464 837	794 428	705 286	696 526	869 063	987 927	882 546
Health	17 122	22 996	45 090	71 841	63 727	59 343	81 436	78 996	94 500
Economic and environmental services	1 536 694	1 530 380	1 060 763	1 354 779	1 267 090	1 119 082	1 534 310	2 065 871	2 536 333
Planning and development	66 962	70 697	33 694	39 904	68 158	42 980	151 588	111 173	135 845
Road transport	1 452 698	1 447 732	1 008 733	1 296 581	1 168 895	1 046 284	1 345 610	1 920 688	2 385 986
Environmental protection	17 034	11 951	18 337	18 294	30 037	29 817	37 112	34 010	14 502
Trading services	2 521 327	2 474 957	2 516 840	4 939 787	3 299 595	2 542 989	4 176 629	6 702 004	7 149 967
Energy sources	1 050 923	1 131 636	930 773	1 071 737	845 932	776 931	805 190	996 117	1 518 224
Water management	641 907	608 426	893 393	2 366 730	1 651 850	1 049 133	1 517 922	2 751 931	2 836 717
Waste water management	680 773	659 092	583 306	1 135 113	639 359	598 111	1 381 056	2 152 890	2 228 450
Waste management	147 724	75 803	109 367	366 207	162 455	118 813	472 461	801 065	566 576
Other	381 192	372 549	122 861	58 011	64 127	64 127	52 674	61 901	58 222
Total Capital Expenditure - Functional	5 870 140	6 272 557	5 719 579	8 456 748	6 685 325	5 706 946	8 430 911	11 567 916	11 910 485
Funded by:									
National Government	2 030 362	2 009 376	1 699 597	2 015 146	2 510 069	2 165 976	2 189 348	2 961 322	3 547 884
Provincial Government	156 729	46 130	33 285	52 750	26 227	23 711	22 038	82 505	60 630
Other transfers and grants	61 821	71 882	72 532	76 200	54 526	52 074	53 700	56 700	57 000
Transfers recognised - capital	2 248 913	2 127 388	1 805 414	2 144 096	2 590 822	2 241 761	2 265 085	3 100 527	3 665 514
Borrowing	2 441 423	2 739 196	2 533 155	4 000 000	500 000	445 569	1 091 580	3 000 000	3 000 000
Internally generated funds	1 179 805	1 405 973	1 381 010	2 312 652	3 594 503	3 019 616	5 074 246	5 467 389	5 244 971
Total Capital Funding	5 870 140	6 272 557	5 719 579	8 456 748	6 685 325	5 706 946	8 430 911	11 567 916	11 910 485

Table 104 – MBRR Table A6 Consolidated Budgeted Financial Position

Description	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand									
ASSETS									
Current assets									
Cash	155 633	586 235	351 349	109 764	109 764	109 764	156 520	141 203	150 793
Call investment deposits	5 803 468	4 846 753	7 437 051	7 442 199	9 029 634	9 029 634	6 362 856	4 979 060	4 124 709
Consumer debtors	4 615 374	5 025 960	5 630 019	6 349 964	9 329 389	9 329 389	9 710 204	10 135 996	10 625 050
Other debtors	876 510	1 092 977	1 402 751	1 448 962	1 606 527	1 606 527	1 842 280	2 118 322	2 434 432
Current portion of long-term receivables	17 093	14 201	14 290	15 657	15 005	15 005	15 755	16 543	17 370
Inventory	258 533	325 734	473 318	394 347	520 558	520 558	572 544	629 693	692 553
Total current assets	11 726 611	11 891 860	15 308 778	15 760 893	20 610 877	20 610 877	18 660 159	18 020 817	18 044 907
Non current assets									
Long-term receivables	51 695	40 973	25 854	36 978	24 561	24 561	23 333	22 167	21 058
Investments	3 540 486	4 288 961	4 590 943	4 236 612	4 236 612	4 236 612	4 504 471	4 802 947	5 101 422
Investment property	588 191	586 427	584 713	582 999	582 999	582 999	581 285	579 572	577 858
Investment in Associate	–	–	–	–	–	–	–	–	–
Property, plant and equipment	37 336 999	41 167 635	43 736 668	51 039 918	47 352 877	47 352 877	52 439 627	60 283 179	68 205 970
Biological	–	–	–	–	–	–	–	–	–
Intangible	629 162	678 871	716 040	408 074	568 787	568 787	424 856	272 222	134 367
Other non-current assets	11 703	12 481	145 334	8 904	8 891	8 891	138 455	138 455	138 455
Total non current assets	42 158 236	46 775 348	49 799 552	56 313 484	52 774 727	52 774 727	58 112 027	66 098 541	74 179 130
TOTAL ASSETS	53 884 847	58 667 208	65 108 330	72 074 377	73 385 604	73 385 604	76 772 186	84 119 358	92 224 037
LIABILITIES									
Current liabilities									
Bank overdraft	–	5 298	–	–	–	–	–	–	–
Borrowing	471 327	335 701	378 608	619 342	419 342	419 342	489 858	692 994	893 902
Consumer deposits	371 253	371 397	409 823	451 735	442 738	442 738	494 658	543 467	597 104
Trade and other payables	7 090 156	7 166 931	7 185 768	10 438 548	9 852 543	9 852 543	10 840 416	11 589 786	12 334 791
Provisions	1 072 815	969 252	1 019 878	1 074 353	1 060 752	1 060 752	1 148 426	1 252 431	1 289 863
Total current liabilities	9 005 551	8 848 579	8 994 077	12 583 978	11 775 376	11 775 376	12 973 358	14 078 678	15 115 660
Non current liabilities									
Borrowing	6 048 731	5 799 820	6 501 227	9 772 937	7 189 598	7 189 598	7 838 577	10 302 047	12 381 349
Provisions	6 116 353	6 109 329	6 225 177	7 099 756	7 099 756	7 099 756	7 072 595	7 552 252	8 213 819
Total non current liabilities	12 165 084	11 909 149	12 726 404	16 872 693	14 289 354	14 289 354	14 911 172	17 854 299	20 595 168
TOTAL LIABILITIES	21 170 635	20 757 728	21 720 481	29 456 671	26 064 729	26 064 729	27 884 530	31 932 977	35 710 828
NET ASSETS	32 714 212	37 909 480	43 387 849	42 617 706	47 320 874	47 320 874	48 887 656	52 186 381	56 513 209
COMMUNITY WEALTH/EQUITY									
Accumulated Surplus/(Deficit)	29 709 777	34 136 295	39 922 769	39 191 574	41 537 349	41 537 349	41 845 420	45 181 006	48 955 780
Reserves	3 004 435	3 773 185	3 465 080	3 426 132	5 783 525	5 783 525	7 042 235	7 005 375	7 557 429
TOTAL COMMUNITY WEALTH/EQUITY	32 714 212	37 909 480	43 387 849	42 617 706	47 320 874	47 320 874	48 887 656	52 186 381	56 513 209

Table 105 – MBRR Table A7 Consolidated Budgeted Cash Flows

Description	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand									
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Property rates	6 739 787	8 100 322	8 468 248	8 968 987	9 039 504	9 039 504	9 714 194	10 327 307	10 830 171
Service charges	17 552 069	18 132 826	18 164 117	17 623 043	18 709 014	18 709 014	18 787 179	21 538 550	24 311 790
Other revenue	1 363 874	1 326 027	2 774 872	4 504 877	4 525 375	4 525 375	2 046 212	2 202 821	2 311 548
Government - operating	3 589 931	3 633 883	4 011 324	4 315 632	4 883 727	4 883 727	7 376 568	7 707 345	8 136 559
Government - capital	2 131 537	2 014 869	1 733 466	2 067 896	2 528 996	2 528 996	2 211 385	3 043 827	3 608 514
Interest	878 939	1 031 929	1 173 010	941 028	952 549	952 549	919 395	937 927	1 030 070
Payments									
Suppliers and employees	(24 961 163)	(26 802 756)	(27 964 016)	(32 261 821)	(31 623 758)	(31 623 758)	(35 865 543)	(38 258 521)	(41 072 467)
Finance charges	(688 486)	(667 252)	(690 647)	(980 877)	(686 428)	(686 428)	(717 075)	(731 329)	(1 191 845)
Transfers and Grants	(148 246)	(111 829)	(141 855)	(333 807)	(484 901)	(484 901)	–	–	–
NET CASH FROM/(USED) OPERATING ACTIVITIES	6 458 242	6 658 019	7 528 519	4 844 958	7 844 079	7 844 079	4 472 317	6 767 927	7 964 340
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE	130 308	198 967	98 669	120 070	98 396	98 396	97 432	100 432	100 732
Decrease (Increase) in non-current debtors	–	–	–	–	–	–	–	–	–
Decrease (increase) other non-current receivables	26 374	13 614	15 030	1 946	1 293	1 293	1 228	1 167	1 108
Decrease (increase) in non-current investments	(554 355)	(247 412)	(629 444)	(238 708)	(238 708)	(238 708)	(267 859)	(298 475)	(332 578)
Payments									
Capital assets	(5 874 989)	(6 274 301)	(5 710 806)	(7 615 993)	(5 999 841)	(5 999 841)	(7 592 068)	(10 416 345)	(10 724 689)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(6 272 662)	(6 309 132)	(6 226 551)	(7 732 684)	(6 138 861)	(6 138 861)	(7 761 267)	(10 613 221)	(10 955 427)
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans	–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing	50 000	30 000	1 000 473	4 000 000	500 000	500 000	1 091 580	3 000 000	3 000 000
Increase (decrease) in consumer deposits	62 566	144	38 426	38 688	38 166	38 166	41 983	46 181	50 799
Payments									
Repayment of borrowing	(286 957)	(409 379)	(307 619)	(482 586)	(325 919)	(325 919)	(384 878)	(371 495)	(671 495)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(174 391)	(379 235)	731 280	3 556 102	212 247	212 247	748 685	2 674 686	2 379 304
NET INCREASE/ (DECREASE) IN CASH HELD	11 189	(30 348)	2 033 248	668 375	1 917 464	1 917 464	(2 540 265)	(1 170 608)	(611 782)
Cash/cash equivalents at the year begin:	3 792 735	3 803 924	3 773 576	5 255 273	5 613 313	5 613 313	7 627 840	5 087 575	3 916 967
Cash/cash equivalents at the year end:	3 803 924	3 773 576	5 806 824	5 923 649	7 530 778	7 530 778	5 087 575	3 916 967	3 305 185

Table 106 – MBRR Table A8 Consolidated Cash backed reserves/accumulated surplus reconciliation

Description R thousand	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
<u>Cash and investments available</u>									
Cash/cash equivalents at the year end	3 803 924	3 773 576	5 806 824	5 923 649	7 530 778	7 530 778	5 087 575	3 916 967	3 305 185
Other current investments > 90 days	2 155 177	1 654 114	1 981 576	1 628 314	1 608 621	1 608 621	1 431 802	1 203 297	970 317
Non current assets - Investments	3 540 486	4 288 961	4 590 943	4 236 612	4 236 612	4 236 612	4 504 471	4 802 947	5 101 422
Cash and investments available:	9 499 587	9 716 651	12 379 343	11 788 575	13 376 010	13 376 010	11 023 847	9 923 210	9 376 924
<u>Application of cash and investments</u>									
Unspent conditional transfers	1 199 955	1 054 374	1 067 745	–	–	–	1 425 028	1 479 064	1 530 857
Unspent borrowing	–	–	–	–	–	–	–	–	–
Statutory requirements	–	–	–	–	–	–	–	–	–
Other working capital requirements	228 010	(59 849)	(1 029 737)	2 793 006	(1 163 597)	(1 163 597)	(1 489 562)	(1 537 163)	(1 620 423)
Other provisions	–	–	–	400 000	400 000	400 000	400 000	400 000	400 000
Long term investments committed	1 968 829	2 051 869	2 264 754	2 503 755	2 503 755	2 503 755	2 771 615	3 070 090	3 402 669
Reserves to be backed by cash/investments	3 004 435	3 773 185	3 465 080	3 426 132	3 996 029	3 996 029	4 466 074	4 753 726	4 162 638
Total Application of cash and investments:	6 401 229	6 819 579	5 767 842	9 122 893	5 736 187	5 736 187	7 573 154	8 165 717	7 875 741
Surplus(shortfall)	3 098 358	2 897 072	6 611 501	2 665 681	7 639 823	7 639 823	3 450 693	1 757 493	1 501 183

Table 107 - MBRR Table A9 Consolidated Asset Management

Description	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand									
CAPITAL EXPENDITURE									
Total New Assets	3 179 608	3 324 163	2 975 976	4 744 482	3 481 561	2 830 066	3 882 685	6 366 873	6 603 981
Roads Infrastructure	665 367	875 527	601 711	643 094	637 960	618 549	929 567	1 686 270	2 238 793
Storm water Infrastructure	2 803	3 778	104 566	94 818	88 024	105 998	117 312	157 639	170 387
Electrical Infrastructure	509 555	555 112	427 495	415 032	367 425	346 041	368 700	456 802	521 351
Water Supply Infrastructure	143 479	208 170	433 231	1 291 185	1 052 626	594 283	971 327	1 390 934	1 174 382
Sanitation Infrastructure	205 274	154 686	110 446	749 890	254 536	203 538	218 499	1 053 539	1 272 549
Solid Waste Infrastructure	68 991	25 239	65 287	168 000	30 992	13 629	251 120	530 300	400 500
Information and Communication Infrastructure	182 718	131 324	157 577	240 406	76 072	69 822	30 000	65 311	1 000
Infrastructure	1 778 186	1 953 836	1 900 313	3 602 426	2 507 635	1 951 859	2 886 525	5 340 795	5 778 962
Community Facilities	209 143	140 786	217 809	302 827	309 482	305 919	242 440	189 102	240 424
Sport and Recreation Facilities	1 626	10	1 149	180	658	558	720	–	–
Community Assets	210 769	140 796	218 957	303 007	310 140	306 477	243 160	189 102	240 424
Heritage Assets	–	–	–	–	–	–	30	–	–
Revenue Generating	–	81	–	–	–	–	–	–	–
Investment properties	–	81	–	–	–	–	–	–	–
Operational Buildings	450 125	561 170	304 269	185 218	112 390	113 377	168 733	323 150	281 563
Housing	44 823	3 255	8 113	54 240	36 735	21 760	50 920	46 500	16 750
Other Assets	494 948	564 425	312 382	239 458	149 125	135 137	219 653	369 650	298 313
Licences and Rights	495	500	3 690	14 765	11 511	11 296	44 752	51 165	42 565
Intangible Assets	495	500	3 690	14 765	11 511	11 296	44 752	51 165	42 565
Computer Equipment	129 741	147 452	220 792	107 122	138 488	120 026	97 986	116 461	49 660
Furniture and Office Equipment	308 385	136 455	108 095	125 210	116 932	109 464	118 622	118 935	93 269
Machinery and Equipment	98 316	153 502	141 922	35 589	46 776	47 834	48 608	39 915	35 538
Transport Assets	105 449	62 793	68 313	108 906	135 505	142 792	197 348	20 850	45 251
Land	53 319	164 323	1 511	208 000	65 450	5 180	26 000	120 000	20 000
Total Renewal of Existing Assets	2 690 532	2 948 394	1 522 184	1 901 658	1 844 456	1 627 352	2 318 852	2 620 835	2 977 488
Roads Infrastructure	435 911	547 101	129 464	220 181	161 163	128 864	214 477	199 079	147 788
Storm water Infrastructure	44 902	52 203	34 565	30 275	44 886	35 434	59 700	46 300	35 000
Electrical Infrastructure	429 547	514 747	322 032	425 796	344 364	310 693	346 825	441 990	738 540
Water Supply Infrastructure	401 675	371 611	415 558	433 000	391 561	301 984	409 900	543 500	646 000
Sanitation Infrastructure	467 650	470 623	96 530	339 750	193 082	160 900	376 433	751 235	858 800
Solid Waste Infrastructure	87 176	28 122	–	–	–	–	–	10 000	15 000
Information and Communication Infrastructure	–	2 636	4 988	1 560	1 612	1 612	1 500	2 650	–
Infrastructure	1 866 859	1 987 043	1 003 136	1 450 562	1 136 668	939 487	1 408 835	1 994 754	2 441 128
Community Facilities	93 572	146 871	11 704	5 522	4 046	4 046	19 283	15 100	7 000
Sport and Recreation Facilities	37 166	57 234	439	–	–	–	–	–	–
Community Assets	130 739	204 105	12 142	5 522	4 046	4 046	19 283	15 100	7 000
Heritage Assets	6 547	38 955	430	1 800	5 822	3 421	600	1 200	1 200
Operational Buildings	175 308	254 567	26 761	23 997	34 252	34 139	39 439	55 965	26 840
Housing	124 428	73 469	20 163	76 583	53 242	53 242	44 561	77 184	–
Other Assets	299 736	328 036	46 924	100 581	87 494	87 381	84 000	133 149	26 840
Licences and Rights	–	3 931	2 282	7 000	10 227	10 227	7 000	7 000	7 000
Intangible Assets	–	3 931	2 282	7 000	10 227	10 227	7 000	7 000	7 000
Computer Equipment	100 476	81 239	81 130	75 323	139 652	127 639	133 810	74 293	76 692
Furniture and Office Equipment	48 775	22 140	16 088	19 764	21 953	18 692	30 064	20 062	16 152
Machinery and Equipment	17 731	10 935	57 922	29 406	67 189	66 497	12 321	59 798	59 027
Transport Assets	219 670	272 011	302 131	211 700	371 407	369 961	622 937	315 479	342 449

Table continues on next page

Description	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand									
CAPITAL EXPENDITURE									
Total Upgrading of Existing Assets	–	–	1 221 419	1 810 608	1 359 307	1 249 528	2 229 374	2 580 208	2 329 015
<i>Roads Infrastructure</i>	–	–	164 679	303 053	220 637	197 115	192 672	143 421	221 572
<i>Storm water Infrastructure</i>	–	–	8 219	9 200	8 200	8 200	41 000	110 000	115 000
<i>Electrical Infrastructure</i>	–	–	108 642	62 338	40 003	39 673	29 582	3 100	130 000
<i>Water Supply Infrastructure</i>	–	–	72 433	116 975	149 838	130 658	75 350	85 700	30 000
<i>Sanitation Infrastructure</i>	–	–	349 145	674 202	326 023	337 223	848 773	1 164 705	1 129 700
<i>Solid Waste Infrastructure</i>	–	–	13 115	87 456	26 773	17 504	111 425	110 180	73 500
<i>Information and Communication Infrastructure</i>	–	–	–	–	–	–	5 000	2 351	–
Infrastructure	–	–	716 234	1 253 224	771 474	730 373	1 303 801	1 619 457	1 699 772
<i>Community Facilities</i>	–	–	124 632	198 803	172 368	160 109	213 725	190 172	175 620
<i>Sport and Recreation Facilities</i>	–	–	46 666	39 427	85 499	74 499	147 154	314 999	112 131
Community Assets	–	–	171 298	238 230	257 867	234 608	360 879	505 171	287 751
Heritage Assets	–	–	7 580	–	1 315	1 315	–	–	–
<i>Operational Buildings</i>	–	–	207 604	244 858	245 709	206 616	423 417	330 280	291 761
<i>Housing</i>	–	–	80 226	24 822	33 769	33 768	75 878	65 000	15 000
Other Assets	–	–	287 830	269 681	279 478	240 384	499 295	395 280	306 761
<i>Licences and Rights</i>	–	–	7 205	21 402	25 109	23 259	26 950	17 250	5 000
Intangible Assets	–	–	7 205	21 402	25 109	23 259	26 950	17 250	5 000
Computer Equipment	–	–	13 072	–	233	233	15 540	14 500	6 250
Furniture and Office Equipment	–	–	16 584	17 076	12 424	8 344	17 247	21 550	22 481
Machinery and Equipment	–	–	1 616	10 995	11 406	11 011	5 662	7 000	1 000
Total Capital Expenditure	5 870 140	6 272 557	5 719 579	8 456 748	6 685 325	5 706 946	8 430 911	11 567 916	11 910 485
<i>Roads Infrastructure</i>	1 101 277	1 422 628	895 854	1 166 328	1 019 760	944 527	1 336 715	2 028 770	2 608 153
<i>Storm water Infrastructure</i>	47 705	55 981	147 349	134 293	141 109	149 632	218 012	313 939	320 387
<i>Electrical Infrastructure</i>	939 102	1 069 858	858 169	903 166	751 792	696 407	745 107	901 892	1 389 891
<i>Water Supply Infrastructure</i>	545 153	579 781	921 223	1 841 160	1 594 025	1 026 926	1 456 577	2 020 134	1 850 382
<i>Sanitation Infrastructure</i>	672 924	625 309	556 121	1 763 843	773 641	701 661	1 443 705	2 969 479	3 261 049
<i>Solid Waste Infrastructure</i>	156 167	53 361	78 403	255 456	57 765	31 133	362 545	650 480	489 000
<i>Information and Communication Infrastructure</i>	182 718	133 959	162 566	241 966	77 684	71 434	36 500	70 311	1 000
Infrastructure	3 645 045	3 940 879	3 619 683	6 306 212	4 415 777	3 621 720	5 599 162	8 955 006	9 919 862
<i>Community Facilities</i>	302 715	287 658	354 144	507 152	485 897	470 073	475 448	394 375	423 044
<i>Sport and Recreation Facilities</i>	38 793	57 244	48 253	39 607	86 157	75 057	147 874	314 999	112 131
Community Assets	341 508	344 901	402 398	546 759	572 053	545 131	623 322	709 373	535 175
Heritage Assets	6 547	38 955	8 010	1 800	7 137	4 736	630	1 200	1 200
Revenue Generating	–	81	–	–	–	–	–	–	–
Investment properties	–	81	–	–	–	–	–	–	–
<i>Operational Buildings</i>	625 433	815 737	538 634	454 073	392 351	354 132	631 589	709 395	600 164
<i>Housing</i>	169 251	76 724	108 502	155 646	123 746	108 770	171 359	188 684	31 750
Other Assets	794 683	892 461	647 136	609 719	516 097	462 902	802 948	898 079	631 914
<i>Licences and Rights</i>	495	4 431	13 177	43 167	46 847	44 783	78 702	75 415	54 565
Intangible Assets	495	4 431	13 177	43 167	46 847	44 783	78 702	75 415	54 565
Computer Equipment	230 218	228 690	314 995	182 445	278 373	247 899	247 337	205 255	132 602
Furniture and Office Equipment	357 160	158 595	140 766	162 049	151 308	136 500	165 933	160 547	131 902
Machinery and Equipment	116 047	164 437	201 460	75 990	125 371	125 343	66 591	106 713	95 565
Transport Assets	325 119	334 804	370 443	320 606	506 912	512 752	820 286	336 329	387 700
Land	53 319	164 323	1 511	208 000	65 450	5 180	26 000	120 000	20 000
TOTAL CAPITAL EXPENDITURE - Asset class	5 870 140	6 272 557	5 719 579	8 456 748	6 685 325	5 706 946	8 430 911	11 567 916	11 910 485

Table continues on next page

Description	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand									
ASSET REGISTER SUMMARY - PPE (WDV)	38 552 755	42 432 442	45 046 312	52 039 895	48 356 103	48 356 103	53 454 658	61 143 863	68 927 086
<i>Roads Infrastructure</i>	5 801 545	7 848 021	9 038 537	9 415 671	9 657 068	9 657 068	10 520 662	12 000 205	13 992 681
<i>Storm water Infrastructure</i>	673 066	734 352	765 168	944 325	853 590	853 590	1 014 851	1 263 604	1 516 264
<i>Electrical Infrastructure</i>	5 943 048	6 760 029	7 076 484	8 328 033	7 566 719	7 566 719	8 041 029	8 648 188	9 702 216
<i>Water Supply Infrastructure</i>	2 286 374	2 640 397	2 948 124	5 942 405	4 236 397	4 236 397	5 355 893	6 939 888	8 317 885
<i>Sanitation Infrastructure</i>	2 629 979	2 876 204	3 259 714	4 624 837	3 698 991	3 698 991	4 806 251	7 318 294	10 060 388
<i>Solid Waste Infrastructure</i>	724 955	744 567	466 031	974 112	480 652	480 652	788 863	1 374 050	1 795 204
<i>Coastal Infrastructure</i>	–	–	117 984	–	113 510	113 510	108 950	104 386	99 508
<i>Information and Communication Infrastructure</i>	3 054 072	3 815 860	3 810 497	4 133 382	3 845 756	3 845 756	3 838 397	3 859 758	3 807 294
Infrastructure	21 113 038	25 419 430	27 482 539	34 362 764	30 452 683	30 452 683	34 474 895	41 508 372	49 291 440
Community Assets	6 486 848	7 947 245	6 271 699	8 280 531	6 442 551	6 442 551	6 671 115	6 975 487	7 084 272
Heritage Assets	9 049	8 904	8 891	8 904	8 891	8 891	8 891	8 891	8 891
Investment properties	588 191	586 427	584 713	582 999	582 999	582 999	581 286	579 572	577 858
Other Assets	5 677 288	3 750 245	5 734 421	3 892 647	5 840 017	5 840 017	6 489 357	7 059 402	7 372 838
Intangible Assets	629 162	678 871	716 040	450 982	591 049	591 049	521 885	440 896	354 878
Computer Equipment	600 944	591 849	606 202	618 390	619 322	619 322	594 661	555 317	442 886
Furniture and Office Equipment	377 007	371 021	385 795	446 527	396 254	396 254	431 571	468 879	475 153
Machinery and Equipment	256 778	643 105	507 179	847 927	546 570	546 570	487 638	462 549	424 249
Transport Assets	2 040 575	1 440 265	1 726 360	1 420 343	1 857 827	1 857 827	2 219 973	2 069 863	1 937 410
Land	773 875	995 081	1 022 473	1 127 881	1 017 940	1 017 940	973 386	1 014 635	957 210
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	38 552 755	42 432 442	45 046 312	52 039 895	48 356 103	48 356 103	53 454 658	61 143 863	68 927 086

Table continues on next page

Description	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand									
EXPENDITURE OTHER ITEMS	5 487 516	6 098 210	6 898 339	6 869 565	6 888 085	6 888 085	7 235 627	7 743 373	8 192 921
<u>Depreciation</u>	2 148 102	2 336 295	3 088 274	2 856 988	2 892 702	2 892 702	3 065 250	3 302 926	3 534 363
<u>Repairs and Maintenance by Asset Class</u>	3 339 414	3 761 915	3 810 065	4 012 578	3 995 383	3 995 383	4 170 377	4 440 447	4 658 558
Roads Infrastructure	592 642	609 310	588 798	671 164	659 649	659 649	688 377	730 816	776 063
Electrical Infrastructure	512 940	504 116	484 296	536 787	534 516	534 516	541 437	608 723	646 927
Water Supply Infrastructure	455 983	482 019	487 625	548 620	485 599	485 599	440 218	477 832	507 425
Sanitation Infrastructure	424 040	447 780	437 208	401 043	379 581	379 581	374 750	414 486	429 485
Solid Waste Infrastructure	2 774	2 497	2 553	4 104	1 861	1 861	2 250	2 387	2 531
Infrastructure	1 988 379	2 045 722	2 000 480	2 161 718	2 061 207	2 061 207	2 047 033	2 234 243	2 362 431
Community Facilities	85 482	115 109	117 431	100 533	109 565	109 565	122 404	129 823	137 727
Sport and Recreation Facilities	301 035	381 822	379 229	264 926	288 974	288 974	406 025	403 793	419 012
Community Assets	386 517	496 931	496 660	365 459	398 538	398 538	528 429	533 617	556 739
Heritage Assets	461	1 647	730	1 928	1 921	1 921	1 916	2 031	2 154
Revenue Generating	66	259	229	16	41	41	43	45	48
Non-revenue Generating	26 500	18 742	20 497	20 694	3 814	3 814	8 001	8 482	8 995
Investment properties	26 566	19 001	20 726	20 710	3 855	3 855	8 043	8 527	9 043
Operational Buildings	89 710	140 548	143 284	177 353	277 195	277 195	338 649	308 414	327 258
Other Assets	89 710	140 548	143 284	177 353	277 195	277 195	338 649	308 414	327 258
Computer Equipment	144 340	179 935	246 521	269 538	267 952	267 952	246 058	263 211	279 352
Furniture and Office Equipment	355 252	425 081	430 696	568 791	562 114	562 114	559 259	625 542	628 145
Transport Assets	348 190	453 049	470 969	447 079	422 602	422 602	440 991	464 863	493 436
TOTAL EXPENDITURE OTHER ITEMS	5 487 516	6 098 210	6 898 339	6 869 565	6 888 085	6 888 085	7 235 627	7 743 373	8 192 921
<i>Renewal and upgrading of Existing Assets as % of total capex</i>	<i>45.8%</i>	<i>47.0%</i>	<i>48.0%</i>	<i>43.9%</i>	<i>47.9%</i>	<i>50.4%</i>	<i>53.9%</i>	<i>45.0%</i>	<i>44.6%</i>
<i>Renewal and upgrading of Existing Assets as % of deprecn</i>	<i>125.3%</i>	<i>126.2%</i>	<i>88.8%</i>	<i>129.9%</i>	<i>110.8%</i>	<i>99.5%</i>	<i>148.4%</i>	<i>157.5%</i>	<i>150.1%</i>
<i>R&M as a % of PPE</i>	<i>8.9%</i>	<i>9.1%</i>	<i>8.7%</i>	<i>7.9%</i>	<i>8.4%</i>	<i>8.4%</i>	<i>8.0%</i>	<i>7.4%</i>	<i>6.8%</i>
<i>Renewal and upgrading and R&M as a % of PPE</i>	<i>16.0%</i>	<i>16.0%</i>	<i>15.0%</i>	<i>15.0%</i>	<i>15.0%</i>	<i>14.0%</i>	<i>16.0%</i>	<i>16.0%</i>	<i>14.0%</i>

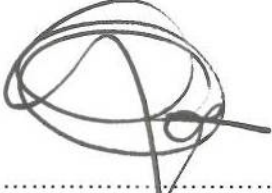
*The section 'Upgrading of Existing Assets' in table A9 was introduced via Version 6.1 of the MBRR Schedule A - refer NT Budget Circular 85 (dated 9 December 2016). Records older than 2016/17 cannot be split into this category as the indicator does not exist on older records.

2.21 Municipal manager's quality certificate

I, **LUNGELO MBANDAZAYO**, municipal manager of **CITY OF CAPE TOWN (CPT)**, 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 annual budget and supporting documents are consistent with the Integrated Development Plan (IDP) of the municipality.

Print Name ERNEST F. SASS

Acting Municipal Manager of City of Cape Town

Signature 

Date 21/05/19