

**CITY OF CAPE TOWN**

**2016/17 to 2018/19  
BUDGET**

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**MAY 2016**

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## GLOSSARY OF TERMS AND ABBREVIATIONS

**Adjustments Budgets** – Prescribed in section 28 of the Municipal Finance Management Act, this is the formal means by which a municipality may revise its budget during a financial year.

**Allocations** – Money received from Provincial- and National Treasury.

**Budget** – The financial plan of a municipality.

**Budget related policy** – Policy of a municipality affecting, or affected by, the budget. Examples include tariff policy, rates policy and credit control and debt 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 month end cash and short-term investment balances.

**CGD** – Capital Grants and Donations

**CCT** – City of Cape Town

**City** - City of Cape Town

**CPI** – Headline Consumer Price Index

**CRR** – Capital Replacement Reserve

**DMTN** – Domestic Medium Term Note

**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 the City Manager and the Executive Directors and Chief Audit Executive. It reports 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.

**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.

**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

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

**Portfolio Committee** – In line with Section 79 of the Structures Act, the City's Portfolio Committees process policies and bylaws 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 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 Council Resolutions

**The 2016/17 MTREF budget resolutions recommend that:**

1. The City's annual budget for the financial year 2016/17; and indicative allocations for the two projected outer years 2017/18 and 2018/19 and related policies be approved and adopted, as set out in the following schedules and annexures:
  - 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 and Annexure 27.
  - 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 51 and Table 52.
  - i. Performance Indicators and benchmarks for 2016/17 as set out in Table 34.
  - j. Consolidated budget tables for the City and the municipal entity (CTICC) as reflected in Table 94 to Table 102.
  - k. Property (Tax) Rates as set out in Annexure 2.
  - l. Special Rating Areas (SRA) policy, SRA additional rates as set out in Annexure 3.
  - m. Revised consumptive tariffs, rates and basic charges for electricity services, water services and 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.
  - r. Grants-In-Aid policy as set out in Annexure 9.
  - s. Virement policy as set out in Annexure 10.
  - t. Budget management and oversight policy as set out in Annexure 11.
  - u. Long term financial plan policy as set out in Annexure 12.
  - v. Policy governing adjustment budgets as set out in Annexure 13.
  - w. Unforeseeable and unavoidable expenditure policy as set out in Annexure 14.
  - x. Policy governing planning and approval of capital projects as set out in Annexure 15.
  - y. Proposed amendments to the five year 2012/13 – 2016/17 Integrated Development Plan (IDP) (2016/17 Review) as set out in Annexure 16.
  - z. Overview of budget assumptions applied to the 2016/17 MTREF required to be included in Annexure 16 (IDP) as set out in Annexure 17.
  - aa. Grants, subsidies and contributions to external organisations as set out in Annexure 18.
  - bb. Operating and capital ward allocation projects supported by Subcouncils as set out in Annexure 19.
  - cc. Individual projects with a total project cost in excess of R50 million (to give effect to section 19(1) (b) of the MFMA) as reflected in table 81 and as set out in Annexure 20.



- dd. Municipal Entity – Schedule D (annual budget and supporting documents) as set out in Annexure 21.
  - ee. Municipal Entity – Business Plan as set out in Annexure 22.
  - ff. Iconic and other events to be hosted by the City in the 2016/17 financial year as set out in Annexure 23.
  - gg. Accounts payable policy as set out in Annexure 24
2. National Treasury Circulars 78 and 79 (“Municipal Budget Circulars for the 2016/17 MTREF”) as set out in Annexure 25 to this report be noted.
  3. National Treasury Circular 82 - Cost Containment Measures – as set out in Annexure 26 to this report be adopted.
  4. Unspent conditional grant allocations (national), as at the end of the 2015/16 financial year, and appropriated or voted to 2016/17 and future years, not be committed to expenditure until approval thereof is obtained from the National Treasury, in accordance with the directive of Budget Circular 48 (2009), Circular 51 (2010), Circular 55 (2011), Circular 59 (2012), Circular 67 (2013), Circular 72 (2014), Circular 75 (2015) and Circular 79 (2016).
  5. The Capital Replacement Reserve: Ward Allocations be funded from savings identified in the 2015/16 financial year to fund the ward allocation projects in the amount of R46 224 500 for the 2016/17 financial year.
  6. Budgetary input received during the public participation process during April 2016, reported under cover of a separate report, be noted.
  7. The changes to the tabled 2016/17 - 2018/19 budget (March 2016) and the 2016/17–2018/19 budget (May 2016), as reported in annexure B, be adopted. It should be noted that these changes were also effected to the tables included within Annexure A.
  8. The built environment performance plans (BEPP), reported under cover of a separate report, be noted.
  9. The draft updated scorecard as included in the CTICC’s business plan and comments regarding the cost containment measures adopted by CTICC is tabled at Mayco subject to any possible amendments by the CTICC Board at its meeting of 19 May 2016, for final approval by Council.

## **1.2 Executive Summary**

### **a. General**

The total budget quantum for the 2016/17 year is R41 034 million, of which R34 545 million (84.2%) is allocated to the operating budget and R6 489 million (15.8%) to the capital budget.

## b. Operating Budget

### Expenditure

Total operating expenditure has increased from R32 090 million in 2015/16 (original approved budget) to R34 545 million in 2016/17. This 7.65% rise is primarily the result of increases in several City expenditure components, examples of which are noted in the table below.

**Table 1 Year-on-year growth of expenditure components**

Category R Thousand	Budget 2015/16	Budget 2016/17	Year on year
Employee related costs	9,847,508	10,597,571	7.62%
Remuneration of councillors	139,311	151,063	8.44%
Debt impairment	1,798,371	2,003,203	11.39%
Depreciation & asset impairment	2,089,827	2,318,441	10.94%
Finance charges	971,133	895,848	-7.75%
Bulk purchases	7,967,555	8,515,180	6.87%
Other materials	359,005	338,172	-5.80%
Contracted services	4,818,153	4,396,163	-8.76%
Transfers and grants	120,402	174,833	45.21%
Other expenditure	3,978,981	5,154,983	29.56%
Loss on disposal of PPE	–	–	–
<b>Total Expenditure</b>	<b>32,090,246</b>	<b>34,545,457</b>	<b>7.65%</b>

### Reasons for significant increases/decreases in expenditure:

- **Employee Related Costs:** The 2016/17 cost of living increase as per the SALGA wage agreement was used when calculating the 2016/17 staff budget (6% + 2% notch increment), while the year-on-year growth is 7.62%.
- **Debt Impairment:** This increase from R2 089 million to R2 318 million is largely due to 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. Prior to IGRAP1, the City accounted for revenue from Fines on the basis of estimated collectable revenue. A provision for the amount deemed uncollectable has been included in the budget.
- **Finance Charge:** Decreases from R971 million to R896 million, due to interest rates fluctuations and the loan not taken up in 2015/16.
- **Contracted Services:** The reduced allocation is due to the budgetary realignments from this category to the correct cost elements in line with the mSCOA regulations.
- **Other Materials:** The reduced allocation is due to the budgetary realignment of Repairs & Maintenance from this category to the correct cost elements in line with mSCOA.

**Table 2 Year-on-year growth on Staff Cost**

Category	Budget 2015/16	Budget 2016/17	Year on year
<b>R Thousand</b>			
Vote 1 - CityHealth	658,567	703,393	6.81%
Vote 2 - City Manager	73,358	84,155	14.72%
Vote 3 - Community Services	994,513	1,062,641	6.85%
Vote 4 - Corporate Services & Compliance	1,065,608	1,191,611	11.82%
Vote 5 - Energy, Environmental & Spatial Planning	426,779	463,603	8.63%
Vote 6 - Finance	724,349	780,567	7.76%
Vote 7 - Human Settlements	312,981	317,731	1.52%
Vote 8 - Rates & Other	132,867	147,036	10.66%
Vote 9 - Safety & Security	1,511,087	1,626,410	7.63%
Vote 10 - Social Dev & Early Childhood Development	86,872	93,964	8.16%
Vote 11 - Tourism, Events & Economic Development	119,690	132,649	10.83%
Vote 12 - Transport for Cape Town	640,090	686,284	7.22%
Vote 13 - Utility Services	3,100,746	3,307,528	6.67%
<b>Total staff costs</b>	<b>9,847,508</b>	<b>10,597,571</b>	<b>7.62%</b>

**Staff cost growth**

Staff cost increases from R9 848 million in 2015/16 to R10 598 million in 2016/17. The City's staff budget is reviewed annually for budgetary purposes and provides for an intense scrutiny of HR needs and assessment of all vacancies.

The 2016/17 cost of living increase as per the SALGA wage agreement was used when calculating the 2016/17 staff budget (6% + 2% notch increment), while the year-on-year growth is 7.62%.

**Revenue**

Operating revenue increases from R31 670 million in 2015/16 to R34 200 million in 2016/17, which equates to a growth of 7.99%.

**Table 3 Year-on-year growth on Revenue categories**

Category	Budget 2015/16	Budget 2016/17	Year on year
<b>R Thousand</b>			
<b>Revenue By Source</b>			
Property rates	6,546,155	6,959,000	6.31%
Property rates - penalties & collection charges	-	-	-
Service charges - electricity revenue	11,127,619	11,807,918	6.11%
Service charges - water revenue	2,745,181	3,066,664	11.71%
Service charges - sanitation revenue	1,470,947	1,628,277	10.70%
Service charges - refuse revenue	1,097,246	1,232,929	12.37%
Service charges - other	561,765	617,287	9.88%
Rental of facilities and equipment	345,646	383,550	10.97%
Interest earned - external investments	271,687	595,694	119.26%
Interest earned - outstanding debtors	233,996	284,710	21.67%
Dividends received	-	-	-
Fines	977,210	1,055,743	8.04%
Licences and permits	43,028	27,893	-35.17%
Agency services	153,993	153,993	0.00%
Transfers recognised - operational	3,579,752	3,802,940	6.23%
Other revenue	2,441,185	2,504,046	2.58%
Gains on disposal of PPE	74,669	79,500	6.47%
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>31,670,081</b>	<b>34,200,144</b>	<b>7.99%</b>

This 7.99% growth results from:

- An increase to Other Revenue, due to an increase in the Fuel Levy from R2 060 million (2015/16) to R2 197 million (2016/17).
- Interest earned – external investments, due to the growth in the outsourced investment portfolio earmarked for the bullet repayment of the City's municipal bonds.
- Fines, due to the budgetary treatment of Traffic Fines as prescribed in iGRAP1 Accounting Standard. The City now provides for 100% of revenue for fines in accordance with iGRAP1.
- Projected organic growth and average tariff increases on Property Rates and Services Charges (Water, Electricity and Refuse).
- Gains on disposal of PPE increases from R74.6 million to R79.5 million. This increase is linked to the land disposal programme and routine auctions, which are demand driven by nature.
- Transfers recognised – operational consists mainly of National and Provincial allocations. For the purposes of the budget compilation, National allocations are based on the 2016 Division of Revenue Bill (DORb) and the Provincial Treasury Gazette No 7576 dated March 2016.

### Individual service tariffs / Rates

The proposed tariff increases in the table below are averages; i.e. some clients may pay more and others less than the average.

**Table 4 Average Tariff increases for the 2016/17 MTREF**

Category	Base Budget 2015/16	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Property Rates	10%	6%	6.3%	6.08%
Electricity	10.82%	7.78%†	14.86%	15.40%
Water	11%	9.75%+*	11%	11%
Sanitation	11%	9.75%+*	11%	11%
Refuse	8.33%	7.92%	5.63%	5.38%
Disposal	9.31%	12.08%	10.06%	8.17%

† on average

\* excluding Step 2 for Domestic Full, which has been aligned with the Domestic Cluster.

### Rates

In 2015, the City initiated a process to prepare a new General Valuation (GV) Roll of all properties situated within its geographical boundaries in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA), effective 2 July 2005.

The rates levied per individual property will depend on that property's value compared with the valuation of all the rateable properties in the municipal area.

Rebates and concessions are granted to certain categories of property usage and/or property owner profile.

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

#### *Water and Sanitation*

There is a proposed 9.75% average increase in consumptive water and sanitation tariffs. This excludes the Step 2 Domestic Full tariff, which has been aligned with the Domestic Cluster. The Bulk Water tariff has been increased by 6%.

The tariff increases are necessary to address essential operational requirements, maintenance of existing infrastructure, new infrastructure provision and to ensure the financial sustainability of the service. Such increases are also in accordance with guidelines established in the Medium Term Revenue and Expenditure Framework and serves to preserve the limited water resources, due to the drought. The details are reflected in Annexure 4.

#### *Solid Waste*

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 increase of 7.92% is proposed on the Consumptive Tariffs for Collections and 12.08% on Disposal. An increase of 5.6% is proposed on the Miscellaneous Tariffs for Cleaning. The details are reflected in Annexure 4.

#### *Electricity*

On 25 February 2016, NERSA issued a statement allowing Eskom an average 9.4% increase. On 1 March 2016, NERSA approved an average of 7.86% increase to Local Authorities. This however, does not take into account any impact for system growth (either positive or negative). CPI was projected at 5.9%.

The above items resulted in the Electricity department requiring a revenue increase from Sale of Electricity of 6.6%, which when coupled to the negative system growth expected of -1%, resulted in a tariff increase of an average of 7.78%. The details are reflected in Annexure 4.

### **c. Capital Budget**

The capital budget increases from R6 044 million in 2015/16 (original budget) to R6 489 million in 2016/17 or an overall increase of 7.3%.

**Table 5 Year-on-year increase/(decrease) in capital funding sources**

Major Capital Fund Sources R Thousand	Budget 2015/16	Budget 2016/17	Increase / (Decrease)
External Financing Fund (EFF)	2,579,264	2,928,696	349,432
Capital Grants & Donations (CGD)	2,277,574	2,252,840	(24,734)
Capital Replacement Reserve (CRR)	1,003,958	1,232,385	228,426
Revenue (Internal funding source)	183,188	75,356	(107,832)
<b>Total</b>	<b>6,043,985</b>	<b>6,489,277</b>	<b>445,292</b>

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## External Financing Fund (EFF)

The increase of R349 million relates mainly to the re-phasing of projects from 2015/16 to 2016/17, as well as the incorporation of additional initiatives aligned to the IDP, which are addressed via additional funding allocations. These additional allocations are:

- Community Services directorate receives R5.3 million for Parks Facility Upgrades (R1 million), New Cemetery Development (R2 million), Hardening of Facilities (R2 million) and Hanover Park Town Centre (R340 000).
  - The City Parks department strives to provide communities with dignified public open spaces and continues to conserve, enhance and develop parks for present and future generations. The R1 million for parks facility upgrades will be used for the upgrade of parks in various subcouncils to attract as many users to the City's public open spaces.
  - In order to keep up with demand for burial space the R2 million for new cemetery development will be utilised to develop and improve the Maitland Crematorium. Further development is also planned for other cemeteries to address the shortage of burial space.
  - The Sport and Recreation department will utilise the R340 000 toward the spatial development framework of the Hanover Park Aqua Centre Development, which includes the relocation of the community centre to be incorporated into the swimming pool precinct.
  - Hardening of facilities within the Sport and Recreation department is required across the City at highly targeted facilities to address the installation of alarm systems, CCTV systems, burglar guarding, stone guarding, roller shutter doors, reinforcement of hard surfaces, walls and fences.
- The Metro Police department within the Safety and Security directorate receives R8 million for the migration of the CCTV infrastructure network to the City's own infrastructure network (R7.5 million) and additional firearms (R500 000) due to an increase in staff.
- The Disaster Risk Management department within the Safety and Security directorate receives R28.8 million for hardware and mobile devices required to improve the allocation of emergency resources and to reduce response time to incidents, which are part of the EPIC Integrated Contact Centre project.
- Safety and Security directorate is allocated a further R18.9 million for the upgrading of existing facilities (R2 million), acquisition of specialised vehicles mainly for Traffic and Fire departments (R5 million), acquisition of additional radios as a result of staff growth (R1.3 million), Firearms (R4 million), Pincher style tow truck (R2.62 million), various equipment (R2.48 million) as well as funding for the building of a memorial wall to honour the fallen staff members in service of the City (R1.5million).
- The City Manager's directorate receives R17 million for additional modules of the Project Portfolio Management (PPM) product (R16.3 million) as well as for the replacement of furniture and equipment (R668 000) where the assets have reached or are nearing the end of their useful life.
- Finance directorate receives R5.4 million for its electronic workflow system. This system will aid with the electronic workflow of property management transactions to lease and sell immovable City owned properties, in order to improve service delivery.



- Tourism, Events and Economic Development directorate receives R8 million towards upgrades at strategic assets such as the Athlone Stadium (R3 million) and City Hall (R5 million).
  - The upgrade at the Athlone Stadium is required to provide additional office accommodation for City departments.
  - The City Hall is more than 100 years old and there is extensive work required to retain the heritage aspect as well as the safety aspect of the facility.
- The City Health directorate receives R12.36 million to address critical needs in order to provide an effective service to the Community as listed below.
  - Matthew Goniwe Clinic Upgrade and Extension (R500 000), where the funds will be used for the planning of the upgrade and extensions to the pharmacy, records room and waiting room.
  - Gugulethu Clinic Upgrade and Extension for TB/ARV (R200 000) for the planning of upgrade and extensions to the pharmacy, records room and reception area.
  - National core standard compliance (R3.8 million), where the funds will be used for both infrastructural- and clinical equipment needs in order to meet the National Core Standards.
  - Environmental Health Pesticide stores (R1 million), as there is a legislative requirement to ensure that environmental health pesticides are kept in a secure store. Currently this is not in place and the funds will be used to start the roll-out of establishing pesticide stores in each of the 8 sub-districts.
  - Substance Abuse Clinic roll-out (R1.66 million), as there are limitations to space, which impedes provision of optimal services. The capital funding will be utilised to renovate existing spaces and to provide additional space within Health facilities where the treatment services are being offered as well as for other capital needs, as required at the treatment sites.
  - IT equipment (R2 million) to replace ageing computers and printers at City Health facilities in order to ensure that clinics are able to operate optimally.
  - Connectivity expansion (R3.2 million) where the funding will be used to cover the LAN costs for IT connectivity in order to ensure that clinics are able to operate optimally using the City's network.
- The Human Settlements directorate is allocated R50 million for its Asset Management Plan to ensure that City rental units meet health and safety standards as well as preventative measures to limit possible structural damage.
- Corporate Services & Compliance directorate (CORC) - R62.4 million for:
  - Replace ageing corporate fleet (R5 million)
  - Dark Fibre Broadband infrastructure (R42 million)
  - Facilities Management infrastructure upgrades namely
    - Security hardening at corporate facilities under the control of CORC (R4.6 million),
    - Upgrading of the Ray Alexander room (R926 700),
    - New entrance to the Civic Centre to make it universally accessible (R1.5 million),
    - Upgrade of the Podium Hall (R500 000),
    - Further development to Podium block (6<sup>th</sup> floor) for additional Mayco offices (R700 000),
    - Relocation of City Hall municipal court to the Strand Concourse (R2.7 million),

- New municipal court in Bluedowns (R2 million),
  - Conversion of a Council owned building to accommodate the Wynberg municipal court (R2 million), and
  - Conversion of the Lentegeur Subcouncil offices in order to relocate the Mitchell's Plain municipal court (R500 000).
- 
- The Social Development & Early Childhood Development directorate receives R4.2 million for the acquisition of vehicles (R3 million), furniture and equipment (R1.2 million), which will be utilised in new and existing ECD centres City-wide. The additional vehicles required are for the roll-out of ward-based special projects (e.g. poverty alleviation, youth development, substance abuse and vulnerable groups) to communities in need of social services.
  - Energy, Environmental & Spatial Planning directorate receives R1 million for SAP enhancements to facilitate the integration of heritage and planning decision-making processes, to enhance the Development Applications Management System (DAMS) system.

### **Capital Grants and Donations**

Capital Grants and Donations (CGD), largely consist of National and Provincial allocations. For purposes of the 2016/17 budget compilation, National allocations are based on the 2016 Division of Revenue Bill, while Provincial allocations are based on the Provincial Gazette, which was published recently.

### **Major capital expenditure is planned in the following areas in 2016/17:**

- Utility Services → R3 529 million
- Transport for Cape Town → R1 442 million
- Human Settlements → R500 million

### **Significant projects:**

- Cape Town Electricity
  - System Equipment Replacement → R158 million
  - System Infrastructure → R134.4 million
  - City Depot CBD - New → R118.2 million
  - MV Switchgear Refurbishment → R85.5 million
  - Service Connections → R72.9 million
  - Observatory Main Substation Upgrade → R64.1 million
  - Street Lighting: City Wide → R65.8 million
  - Electrification → R55.5 million
  - Backyarders → R50 million
  - Oakdale Main Substation Upgrade - Ph. 2 → R51.5 million
  - Bloemhof Network Control Centre → R85.5 million
  - Retreat Depot - Replacement for Muizenberg → R46.3 million
  - Atlantis Industrial New Main Substation → R40.9 million
- Solid Waste Management
  - Replacement: Plant & Vehicles → R86.3 million
  - New Landfill Site Infrastructure → R72.3 million
- Water & Sanitation
  - Zandvliet WWTW-Extension → R187.8 million

- Meter Replacement Program → R162.3 million
- Completion of Cape Flats III Bulk Sewer → R112.9 million
- New Contermanskloof Reservoir → R108.8 million
- Bellville Wastewater Treatment Works → R60.5 million
- Replace & Upgrade Sewer Network (Citywide) → R37.9 million
- Replace & Upgrade Water Network (Citywide) → R36.7 million
- City Parks
  - Upgrade Atlantis SmartPark → R8 million
- Library & Information Services
  - Du Noon Library Construction → R8 million
- Corporate Services & Compliance
  - Broadband → R222.9 million
  - FM Structural Rehabilitation → R40 million
  - Digital Inclusion Project → R7 million
- Finance
  - Granary Project → R35.2 million
  - Basement Parking & Access → R24.9 million
- Human Settlements
  - Urbanisation: Backyards/Informal Settlements Upgrade → R134.1 million
  - Asset Management Plan → R50 million
- Safety & Security
  - Project EPIC: Integrated Emergency Contact Centre → R31.8 million
- Transport for Cape Town
  - IRT → R487.2 million
  - NMT Network & Universal Access → R143 million
  - Traffic Congestion Relief Projects → R118.5 million
  - Roads Rehabilitation → R108 million
  - Public Transport Systems Management Project → R82 million
  - Metro Roads: Reconstruction → R65.3 million
  - Transport Management Centre Extension → R65 million
  - Bulk Roads for Housing Projects → R50.2 million

**Table 6 Extract of new projects in the 2016/17 Capital Budget**

Project Description R Thousand	Budget 2016/17
Community Services: Site C Stadium Upgrade	1,070
Community Services: Upgrade of the Manenberg Precinct	5,000
Community Services: Upgrade: Sagaloda Park, Philippi	2,000
Corporate Services & Compliance: Bluedowns: New Court on Council Land	2,000
Corporate Services & Compliance: Strand Concourse Relocate City Hall Court	2,725
Corporate Services & Compliance: Wynberg: Renovate 2 Floor Council Building	2,000
Finance: Automation of Virements	3,000
Human Settlements: Asset Management Plan	50,000
Human Settlements: Langa Hostels CRU Project : New Flats	1,000
Human Settlements: Langa Hostels CRU Old Police Site	1,000
Human Settlements: Blue Berry Hill Housing Project	1,500
Human Settlements: Bonteheuwel Infill Housing project	1,000
Human Settlements: Darwin Road Housing project	3,000
Human Settlements: Elsie's River Infill Housing Project	1,000
Human Settlements: Ilitha Park Infill Internal Services	3,830
Human Settlements: Mahama housing Project	1,000
Human Settlements: Maroela Housing Project	1,500
Human Settlements: Pelican Park Phase 2 Housing Project	1,000
Human Settlements: Sir Lowry's Pass Village Hsg Project	1,500
Human Settlements: Vlakteplaas Housing Project	1,500
Human Settlements: Langa Hostels CRU Old Police Site	1,000
Transport for Cape Town: Kommetjie Road Dualling & Ou Kaapseweg Dualling	49,350
Transport for Cape Town: Platteklouf Road Dualling	7,600
Transport for Cape Town: R300 / Bottelary Road Interchange	1,500
Utility Services - Water & Sanitation: Fast Lab Project	1,000
Utility Services - Water & Sanitation: Laboratory Extension SANS	12,500

For the traffic congestion relief programme the Transport for Cape Town directorate receives R50 million from the EFF and R68.5 million from the CRR for 2016/17. Further allocations from the CRR for this programme amounting to R206.5 million (2017/18) and R200 million (2018/19) are also included.

### **1.3 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;
- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA);

- The municipality's policies to assist the poor and rendering of free basic services; and Sundry tariff policies.

The following table is a summary of the 2016/17 MTREF (classified by main revenue source):

**Table 7 Summary of Revenue classified by main revenue sources**

Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>Revenue By Source</b>									
Property rates	5,076,445	5,546,774	6,018,735	6,546,155	6,578,912	6,578,912	6,959,000	7,419,428	7,964,159
Service charges - electricity revenue	8,852,928	9,323,160	9,976,994	11,127,619	11,127,619	11,127,619	11,807,918	13,541,320	15,626,682
Service charges - water revenue	2,053,577	2,185,812	2,524,635	2,745,181	2,745,181	2,745,181	3,066,664	3,401,214	3,772,397
Service charges - sanitation revenue	1,091,897	1,188,106	1,321,307	1,470,947	1,470,947	1,470,947	1,628,277	1,807,387	2,006,200
Service charges - refuse revenue	869,210	920,173	980,691	1,097,246	1,097,054	1,097,054	1,232,929	1,334,930	1,439,455
Service charges - other	232,192	286,429	393,743	561,765	556,423	556,423	617,287	642,519	677,554
Rental of facilities and equipment	306,605	317,890	369,121	345,646	365,189	365,189	383,550	403,370	424,217
Interest earned - external investments	363,937	461,053	543,356	271,687	580,766	580,766	595,694	624,661	672,891
Interest earned - outstanding debtors	268,249	192,312	198,230	233,996	231,266	231,266	284,710	284,710	284,710
Fines	100,524	729,139	988,017	977,210	996,923	996,923	1,055,743	1,116,025	1,177,406
Licences and permits	41,843	44,386	43,111	43,028	29,444	29,444	27,893	29,427	31,046
Agency services	132,469	150,256	168,519	153,993	153,993	153,993	153,993	153,993	153,993
Transfers recognised - operational	1,985,809	2,399,033	3,264,270	3,579,752	4,106,009	4,106,009	3,802,940	4,004,790	4,270,147
Other revenue	2,449,771	2,252,330	2,384,151	2,441,185	2,348,837	2,348,837	2,504,046	2,685,262	2,897,679
Gains on disposal of PPE	86,747	64,906	87,809	74,669	74,669	74,669	79,500	49,500	49,500
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>23,912,206</b>	<b>26,061,758</b>	<b>29,262,688</b>	<b>31,670,081</b>	<b>32,463,232</b>	<b>32,463,232</b>	<b>34,200,144</b>	<b>37,498,535</b>	<b>41,448,036</b>

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	Current Year 2015/16		2016/17 Medium Term Revenue & Expenditure Framework					
R thousand	Adjusted Budget	%	Budget Year 2016/17	%	Budget Year +1 2017/18	%	Budget Year +2 2018/19	%
<b>Revenue By Source</b>								
Property rates	6,578,912	20.3%	6,959,000	20.3%	7,419,428	19.8%	7,964,159	19.2%
Service charges - electricity revenue	11,127,619	34.3%	11,807,918	34.5%	13,541,320	36.1%	15,626,682	37.7%
Service charges - water revenue	2,745,181	8.5%	3,066,664	9.0%	3,401,214	9.1%	3,772,397	9.1%
Service charges - sanitation revenue	1,470,947	4.5%	1,628,277	4.8%	1,807,387	4.8%	2,006,200	4.8%
Service charges - refuse revenue	1,097,054	3.4%	1,232,929	3.6%	1,334,930	3.6%	1,439,455	3.5%
Service charges - other	556,423	1.7%	617,287	1.8%	642,519	1.7%	677,554	1.6%
Rental of facilities and equipment	365,189	1.1%	383,550	1.1%	403,370	1.1%	424,217	1.0%
Interest earned - external investments	580,766	1.8%	595,694	1.7%	624,661	1.7%	672,891	1.6%
Interest earned - outstanding debtors	231,266	0.7%	284,710	0.8%	284,710	0.8%	284,710	0.7%
Dividends received	-	-	-	-	-	-	-	-
Fines	996,923	3.1%	1,055,743	3.1%	1,116,025	3.0%	1,177,406	2.8%
Licences and permits	29,444	0.1%	27,893	0.1%	29,427	0.1%	31,046	0.1%
Agency services	153,993	0.5%	153,993	0.5%	153,993	0.4%	153,993	0.4%
Transfers recognised - operational	4,106,009	12.6%	3,802,940	11.1%	4,004,790	10.7%	4,270,147	10.3%
Other revenue	2,348,837	7.2%	2,504,046	7.3%	2,685,262	7.2%	2,897,679	7.0%
Gains on disposal of PPE	74,669	0.2%	79,500	0.2%	49,500	0.1%	49,500	0.1%
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>32,463,232</b>	<b>100%</b>	<b>34,200,144</b>	<b>100%</b>	<b>37,498,535</b>	<b>100%</b>	<b>41,448,036</b>	<b>100%</b>
<b>Total Revenue from Rates &amp; Service Charges</b>	<b>23,576,136</b>	<b>72.6%</b>	<b>25,312,075</b>	<b>74.0%</b>	<b>28,146,797</b>	<b>75.1%</b>	<b>31,486,447</b>	<b>76.0%</b>

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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 74.0% of the City's total revenue mix for 2016/17. In 2015/16, revenue from Rates and Services Charges totaled R23 678 million increasing to R25 312 million, R28 147 million and R31 486 million for the respective financial years of the 2016/17 MTREF. The MTREF indicates a percentage increase in revenue generated from Rates and Services Charges from 75.1% in 2017/18 to 76% in 2018/19.

Property rates is the second largest revenue source in 2016/17, totaling R6 959 million (20.3% of revenue).

Transfers recognised – operational (Operating grants and transfers) totals R3 802 million in 2016/17 and increases to R4 270 million by 2018/19. This revenue component reflects an increase over the MTREF period, due to the increased allocations from Provincial- and National Government; the year-on-year growth of this revenue source is lower than previous years' estimations and publications.

Table 9 below provides a breakdown of the operating transfers and grants, which the City will receive over the MTREF.



**Table 9 Operating Transfers and Grant Receipts**

Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>R thousand</b>									
<b>Operating Transfers and Grants</b>									
<b>National Government:</b>	<b>39,306</b>	<b>465,976</b>	<b>387,274</b>	<b>2,345,168</b>	<b>2,690,043</b>	<b>2,690,043</b>	<b>2,566,742</b>	<b>2,832,048</b>	<b>2,992,341</b>
Equitable share	–	–	–	1,811,289	1,811,087	1,811,087	2,012,945	2,283,323	2,512,279
Finance Management grant	1,250	1,250	1,250	1,050	1,050	1,050	1,050	1,050	1,000
Restructuring	–	–	–	1,191	–	–	–	–	–
Urban Settlements Development Grant	–	–	–	229,443	364,187	364,187	229,991	245,654	177,317
Public Transport Network Operations Grant	–	352,521	307,548	–	64,765	64,765	–	–	–
Energy Efficiency and Demand Side Management Grant	–	–	–	480	480	480	600	400	–
Dept of Environ Affairs and Tourism	155	–	4,401	4,304	6,338	6,338	4,432	–	–
Housing Accreditation	–	–	–	200	200	200	–	–	–
Expanded Public Works Programme	29,484	32,080	21,204	23,216	23,216	23,216	31,340	–	–
Integrated City Development Grant	–	10,364	–	5,000	2,915	2,915	6,721	8,044	–
Public Transport Infrastructure & Systems Grant	–	–	–	8,466	31,959	31,959	20,694	9,245	6,110
Infrastructure Skills Development	–	1,000	2,300	7,526	7,026	7,026	9,416	9,300	10,500
LGSETA	–	–	–	–	536	536	–	–	–
Municipal Human Settlements Capacity Grant	–	–	50,371	13,703	44,783	44,783	–	–	–
Public Transport Network Grant	–	–	–	238,000	330,000	330,000	249,554	275,032	285,135
Department of Public Service and Administration	–	–	200	1,300	1,500	1,500	–	–	–
2014 African Nations Championship Host City Operating Grant	–	63,000	–	–	–	–	–	–	–
Public Transport Infrastructure Grant	–	–	–	–	–	–	–	–	–
LGSETA: Post Graduate Internship Programme	522	–	–	–	–	–	–	–	–
Natural Resource Management	7,895	–	–	–	–	–	–	–	–
National Treasury: Neighbourhood Development Partnership Grant	–	–	–	–	–	–	–	–	–
Municipal Disaster Grant	–	5,761	–	–	–	–	–	–	–
<b>Provincial Government:</b>	<b>864,258</b>	<b>937,585</b>	<b>1,034,074</b>	<b>1,199,402</b>	<b>1,367,387</b>	<b>1,367,387</b>	<b>1,204,425</b>	<b>1,170,717</b>	<b>1,275,738</b>
Cultural Affairs and Sport - Provincial Library Services	23,470	24,409	40,000	32,100	34,600	34,600	38,515	40,835	43,275
Human Settlements - Human Settlement Development Grant	641,612	623,269	705,185	696,014	863,185	863,185	688,585	623,596	698,667
Human Settlements - Municipal Accreditation Assistance	10,000	10,000	–	10,000	7,737	7,737	10,000	5,000	–
Human Settlement - Settlement Assistance	1,000	1,000	–	–	1,011	1,011	1,500	1,000	1,000
Health - TB	12,408	14,025	25,813	24,535	24,535	24,535	25,626	27,112	28,684
Health - Global Fund	3,722	36,139	41,856	34,408	33,108	33,108	–	–	–
Health - ARV	22,606	97,542	106,167	136,515	133,515	133,515	169,844	190,919	205,771
Health - Nutrition	4,056	4,400	4,504	4,904	4,904	4,904	5,208	5,512	5,832
Health - Vaccines	67,811	73,439	68,422	76,822	74,325	74,325	77,631	82,134	86,899
Comprehensive Health	67,569	–	–	163,465	165,828	165,828	170,203	180,075	190,519
Transport and Public Works - Provision for persons with special needs	10,000	–	10,000	10,000	10,134	10,134	10,000	10,000	10,000
Municipal Land Transport Fund	–	22,600	–	–	–	–	–	–	–
Transport Safety and Compliance - Rail Safety	–	–	500	4,000	83	83	–	–	–
ABET adult Education	4	–	–	–	–	–	–	–	–
Community Development Workers	–	984	–	789	1,462	1,462	794	794	794
City of Cape Town - Public access centres	–	2,350	–	–	146	146	–	–	–
Planning, Maintenance and Rehabilitation of Transport Systems and Infrastructure	–	–	10,900	5,850	12,293	12,293	3,400	–	–
Community Safety - Law Enforcement Auxiliary Services	–	27,428	19,384	–	47	47	3,000	3,500	3,938
Western Cape Financial Management Support Grant	–	–	300	–	303	303	–	–	–
Library Service: Metro Library Grant	–	–	–	–	170	170	–	–	–
Local Government - Compliance	–	–	293	–	–	–	–	–	–
Economic Development and Tourism	–	–	500	–	–	–	–	–	–
Cultural Affairs and Sport - Three Anchor Bay Tennis Court	–	–	250	–	–	–	–	–	–
Finance Management Capacity Building Grant	–	–	–	–	–	–	120	240	360

Table continues on next page.

## City of Cape Town – 2016/17 Budget

Description R thousand	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>Other grant providers:</b>	<b>6,314</b>	<b>19,763</b>	<b>32,867</b>	<b>34,838</b>	<b>43,490</b>	<b>43,490</b>	<b>31,773</b>	<b>2,025</b>	<b>2,068</b>
Tourism	–	–	–	2,000	500	500	2,000	2,025	2,068
Carnegie	–	10,695	–	879	931	931	–	–	–
CMTF	–	–	–	411	8,394	8,394	200	–	–
CID	2,271	2,542	2,839	2,791	2,908	2,908	3,709	–	–
Century City Property Owners Association	409	378	363	732	749	749	788	–	–
Traffic Free Flow (Pty) Ltd	1,116	1,070	1,338	1,585	1,768	1,768	–	–	–
Mamre Fencing	–	–	–	–	17	17	–	–	–
DBSA - Green Fund	–	–	25,000	25,000	25,000	25,000	25,000	–	–
Stellenbosch University	–	1,925	–	1,026	1,026	1,026	–	–	–
Sustainable Energy Africa	–	–	–	–	424	424	–	–	–
Domain (Pty) Ltd	–	–	–	140	–	–	–	–	–
Chemical Industries Education and Training Authority	–	–	–	–	1,500	1,500	–	–	–
UN Women	–	–	150	–	–	–	–	–	–
V&A Waterfront Holdings (Pty) Ltd	–	–	148	275	275	275	–	–	–
Mamre Trust	12	11	–	–	–	–	–	–	–
Give Responsibly Campaign	8	–	–	–	–	–	–	–	–
Finnish Government	–	426	–	–	–	–	–	–	–
National Lottery	–	1,500	–	–	–	–	–	–	–
Disaster Management Fund	256	98	46	–	–	–	–	–	–
Mayoress Charity Fund	651	76	117	–	–	–	–	–	–
South African National Biodiversity Institute	1,591	1,033	2,865	–	–	–	–	–	–
Afrikaanse Taal en Kultuur Vereniging	–	10	–	–	–	–	–	–	–
Rusgenberg Girls	–	–	–	–	–	–	38	–	–
Westcott Primary	–	–	–	–	–	–	38	–	–
<b>Total Operating Transfers and Grants</b>	<b>909,878</b>	<b>1,423,324</b>	<b>1,454,215</b>	<b>3,579,408</b>	<b>4,100,920</b>	<b>4,100,920</b>	<b>3,802,940</b>	<b>4,004,790</b>	<b>4,270,147</b>

### 1.3.1 Property (Tax) Rates (Refer Annexure 2)

The property rates are to be levied in accordance with existing Council policies, the Local Government Municipal Property Rates Act 2004 (MPRA), the MPRA Amendment Act 2014 (MPRAA), the MPRA Regulations and the Local Government Municipal Finance Management Act 2003.

The Rates Policy was compiled taking into account feedback received from the Finance Portfolio Committee, Councillors, ratepayers and clients since the adoption of the 2015/16 Property Rates Policy in May 2015. In addition, it was informed by the workshops held with the Finance Portfolio Committee and relevant staff during the period October 2015 to March 2016. The Total Municipal Account (TMA) was modelled to assess the impact of all the billed Council charges on households spread over fourteen valuation brackets to assess determine the affordability of the package of tariff increases.

Property rates are based on values indicated in the General Valuation Roll 2015 (GV) with the date of valuation being 1 August 2015. The Roll is being updated for properties affected by land subdivisions, alterations to buildings, demolitions and improvements through Supplemental Valuations.

Accordingly the rates levied per individual property will depend on that property's value compared with the valuation of all the rateable properties in the municipal area.

Rebates and concessions are granted to certain categories of property usage and/or property owner.

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

### **1.3.2 Sale of Water and Sanitation and Impact of Tariff Increases (Refer Annexure 4)**

The proposed Water and Sanitation Tariffs for the 2016/17 financial year are consistent with National Policy, the National Strategic Framework for Water and Sanitation and with Council's Indigent relief measures, Rates and Tariff Policies and Equitable Service Framework.

The progressive nature of the existing domestic stepped tariff structure both for water and sanitation allows for the needs of the indigent. It is also designed to discourage high water consumption levels, which have an impact on the size of both the water and sanitation portions of a consumer's bill. It enables all consumers to adjust their consumption levels to ensure affordability.

As a result of possible shifts in water usage patterns experienced during periods of restrictions and the stepped-up implementation of water demand management initiatives, the three sets of tariffs have been retained to make allowance for these uncertainties in case restrictions have to be imposed for 10%, 20% and 30% reduction levels respectively.

There is a proposed 9.75% increase in consumptive water and sanitation tariffs. The Bulk Water tariff has been increased by 6%. The tariff increases are necessary to address essential operational requirements, maintenance of existing infrastructure, new infrastructure provision and to ensure the financial sustainability of the service. Such increases are also in accordance with guidelines established in the Medium Term Revenue and Expenditure Framework.

The final alignment between the Domestic Full category and the Domestic Cluster category could not be effected during the 2015/16 financial year. This process is however now finalised within the 2016/17 budget submission. The impact is specifically on step 2 of the Domestic Full category, with an increase above 9.75%. This will also impact on the percentage increase per usage level. It must be emphasised, though, that for indigent customers, the step 2 amount will be covered from the Indigent Account.

Apart from minor wording changes to refine the existing policy, notable changes/additions in the tariff policy, tariff structure and tariff schedules for the 2016/17 financial year include:

- Additional increases for Golf Clubs using spring water or treated effluent where infrastructure was not provided by the user.
- Additional increases for Bulk Water Branch's permit and filming fees, which are aligned to more appropriate pricing levels.
- Introduction of a Cancellation Fee where bookings have been made for Film Shoots.
- Alignment of Step 2 between the Domestic Full and Domestic Cluster categories.

Due to the current climatic conditions, the City instituted water restriction as of 1 January 2016, accompanied by the 20% reduction level tariff. The 20% reduction level tariff will also be applicable to the 2016/17 financial year until further decisions regarding the water restrictions are made.

The proposed consumption-based, as well as miscellaneous tariffs, are shown in the attached Tariffs, Fees and Charges Book attached as Annexure 6.

**Table 10 Proposed Water Tariffs**

Category	Current Tariff 2015/16 (10%)	Proposed Tariff 2016/17 (10%)	Current Tariff 2015/16 (20%)	Proposed Tariff 2016/17 (20%)
	Rand per Kl (excl. VAT)	Rand per Kl (excl. VAT)	Rand per Kl (excl. VAT)	Rand per Kl (excl. VAT)
<b>DOMESTIC Full</b>				
Step 1 (0 ≤ 6kl)	0	0	0	0
Step 2 (>6 ≤ 10.5kl)	9.71	13.06	10.22	13.75
Step 3 (>10.5 ≤ 20kl)	13.92	15.28	16.00	17.56
Step 4 (>20 ≤ 35kl)	20.62	22.63	26.09	28.64
Step 5 (>35 ≤ 50kl)	25.47	27.95	39.82	43.71
Step 6 (>50kl)	33.59	36.87	74.64	81.92
<b>DOMESTIC Cluster</b>				
Step 1 (0 < 6kl)	0.00	0.00	0.00	0.00
Step 2 (>6 kl)	n/a	n/a	n/a	n/a
Step 2 (>6 < 20kl)	n/a	n/a	n/a	n/a
Step 2 (>6 < 10.5kl)	11.90	13.06	12.53	13.75
Step 3 (>10.5 < 20kl)	13.92	15.28	16.00	17.56
Step 3 (>20kl)	n/a	n/a	n/a	n/a
Step 4 (>20 < 35kl)	20.62	22.63	26.09	28.64
Step 5 (>35 < 50kl)	25.47	27.95	39.82	43.71
Step 6 (>50kl)	33.59	36.87	74.64	81.92
<b>COMMERCIAL</b>	15.00	16.46	17.44	19.14
<b>INDUSTRIAL</b>	15.00	16.46	17.44	19.14

**Table 11 Proposed Sanitation Tariffs**

Category	Current Tariff 2015/16 (10%)	Proposed Tariff 2016/17 (10%)	Current Tariff 2015/16 (20%)	Proposed Tariff 2016/17 (20%)
	Rand per Kl (excl VAT)	Rand per Kl (excl VAT)	Rand per Kl (excl VAT)	Rand per Kl (excl VAT)
<b>DOMESTIC Full - Standard</b>	Single residential properties - 70% of water consumption to a maximum of 35 kl of sewerage per month (70% of 50 kl water = 35 kl of sewerage)			
Step 1 (0 < 4.2 kl)	0	0	0	0
Step 2 (>4.2 < 7.35 kl)	9.16	11.02	9.64	11.61
Step 3 (>7.35 < 14 kl)	16.25	17.84	18.69	20.52
Step 4 (>14 < 24.5 kl)	17.77	19.50	22.49	24.69
Step 5 (>24.5 < 35 kl)	18.66	20.48	29.16	32.00
<b>DOMESTIC Cluster</b>				
Step 1 (0 < 4.2kl)	0.00	0.00	0.00	0.00
Step 1 (0 < 4.2kl)	n/a	n/a	n/a	n/a
Step 2 (> 4.2kl)	n/a	n/a	n/a	n/a
Step 2 (>4.2 < 7.35 kl)	10.05	11.02	10.58	11.61
Step 3 (>7.35 < 14 kl)	16.25	17.84	18.69	20.52
Step 3 (> 4.2 < 35 kl)	n/a	n/a	n/a	n/a
Step 4 (>14 < 24.5 kl)	17.77	19.50	22.49	24.69
Step 5 (>24.5 < 35 kl)	18.66	20.48	29.16	32.00
<b>COMMERCIAL</b>	11.53	12.65	13.39	14.70
<b>INDUSTRIAL</b>	11.53	12.65	13.39	14.70

The following tables show the impact of the proposed increases in water- and sanitation tariffs for a single dwelling house:

**Table 12 Comparison between current water charges and proposed increases (domestic consumption)**

Monthly Consumption kl	Current amount Payable 2015/16 (10%) R	Proposed amount Payable 2016/17 (10%) R	Difference (Increase)	Percentage change
6	0.00	0.00	0.00	-
10.5	9.71	13.06	3.35	34.50%
20	13.92	15.28	1.36	9.77%
35	20.62	22.63	2.01	9.75%
50	25.47	27.95	2.48	9.74%
80	33.59	36.87	3.28	9.76%

Monthly Consumption kl	Current amount Payable 2015/16 (20%) R	Proposed amount Payable 2016/17 (20%) R	Difference (Increase)	Percentage change
6	0.00	0.00	0.00	-
10.5	10.22	13.75	3.53	34.54%
20	16.00	17.56	1.56	9.75%
35	26.09	28.64	2.55	9.77%
50	39.82	43.71	3.89	9.77%
80	74.64	81.92	7.28	9.75%

**Table 13 Comparison between current sanitation charges and proposed increases (domestic consumption)**

Monthly Consumption kl	Current amount Payable 2015/16 (10%) R	Proposed amount Payable 2016/17 (10%) R	Difference (Increase)	Percentage change
4.2	0.00	0.00	0.00	-
7.35	9.16	11.02	1.86	20.31%
14	16.25	17.84	1.59	9.78%
24.5	17.77	19.50	1.73	9.74%
35	18.66	20.48	1.82	9.75%

Monthly Consumption kl	Current amount Payable 2015/16 (20%) R	Proposed amount Payable 2016/17 (20%) R	Difference (Increase)	Percentage change
4.2	0.00	0.00		-
7.35	9.64	11.61	1.97	20.44%
14	18.69	20.52	1.83	9.79%
24.5	22.49	24.69	2.20	9.78%
35	29.16	32.00	2.84	9.74%

### 1.3.3 Waste removal 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 increase of 7.92% is proposed on the Consumptive Tariffs for Collections and 12.08% on Disposal. An increase of 5.6% is proposed on the Miscellaneous Tariffs for Cleaning.

**Table 14 Comparison between current waste removal fees and increases**

SERVICES RENDERED	UNIT	REMARKS To be read in conjunction with Definitions (refer annexures)	2015/16 R excl. VAT	VAT Yes/No	2016/17 R excl. VAT
<b>Black lid 240L container service (R/blacklid)</b>					
Basic container service: Residential collection based on a once-per week 240 L 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).	103.95	y	112.19
<b>Subsidised : Black lid 240L container service (R/blacklid)</b>					
Property owner with property valued from R1 up to and including R100 000 (100% rebate)	Rebate per month on First Container only	Account to property owner. Basic container service (weekly service is 1x 240L Black lid container per week).	-103.95	y	-112.19
Property value between R100 001 up to and including R150 000 (75% rebate)	Rebate per month on First Container only	Account to property owner. Basic container service (Weekly service is 1x 240L Black lid container per week).	-77.96	y	-84.12
Property value between R150 001 up to and including R350 000 (50% rebate)	Rebate per month on First Container only	Account to property owner. Basic container service (weekly service is 1x 240L Black lid container per week).	-51.98	y	-56.05
Property value between R350 001 up to and including R400 000 (25% rebate)	Rebate per month on First Container only	Account to property owner. Basic container service (weekly service is 1x 240L Black lid container per week).	-25.99	y	-28.07
Additional once-per-week 240 L 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).	103.95	y	112.19
Providing a lockable 240L container service	Per month	Account to property owner. Basic container service (weekly service is 1x 240L Black lid container per week). Subject to availability.	103.95	y	112.19
Subsidised service to Homeless People Shelters as per the Tariff Policy (50% rebate)	Rebate per 240L container per month (limited to a Maximum of 15 containers per shelter)	Account rendered to the registered & Approved NGO organisations and organisations accredited by HOMAC. Enhanced service level (240L black lid containers) serviced once a week.	-51.98	y	-56.05
Indigent relief on a 240L container (100% rebate)	Rebate per month on First Container only	In terms of the of Section 27 of the Credit Control & Debt Collection Policy. Basic container service (weekly service is 1x 240L Black lid container per week).	-103.96	y	-112.19
Additional Recycling Container service: Residential dry recyclable collection based on a once-per week service per participating household.	Per month	Account to property owner participating in the dry recyclable project. Container service.	Free		Free



### 1.3.4 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 of Cape Town Tariff and Rates Policy and in compliance with Section 74 of the Municipal Systems Act as well as the recommendations of the National Energy Regulator of South Africa (NERSA).

In terms of section 75A of the Local Government Municipal Systems Act, 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.

Consumptive Tariff Schedules now include a note indicating that the tariffs are applied in accordance with the terms and conditions as contained in the Electricity Tariff Policy.

On 25 February 2016, NERSA issued a statement allowing Eskom an average 9.4% increase. On 1 March 2016, NERSA approved a 7.86% increase on average to Local Authorities. This however, does not take into account any impact for system growth (either positive or negative). CPI was projected at 5.9%.

The above items resulted in the Electricity department requiring a revenue increase from Sale of Electricity of 6.6%, which when coupled to the negative system growth expected of -1%, resulted in a tariff increase requirement of an average of 7.78%.

Present electricity tariffs were approved by Council on 29 May 2015 and by NERSA (with amendments – not implemented) on 1 July 2015, and were implemented with effect from 1 July 2015.

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

Category	Unit	Steps	VAT yes/no	2015/16 c/kWh excl VAT	2016/17 c/kWh excl VAT
Lifeline INCLUDES the FBE portion	Energy Charge (c/kWh)	0-350kWh	y	91.06	97.09
		350.1+ kWh	y	252.12	268.81
Domestic	Energy Charge (c/kWh)	0-600kWh	y	154.30	164.51
		600.1+ kWh	y	187.63	200.05
Home User	Service Charge	Per Month	y	-	212.92
	Energy Charge (c/kWh)	0-600kWh	y	-	129.02
		600.1+ kWh	y	-	200.05

### 1.3.5 Overall impact of tariff increases on households

The following table shows the overall expected impact of tariff increases on the monthly account for households in the 'middle income range', 'affordable range' and 'indigent household receiving free basic services' range.

**Table 16 MBRR Table SA14 - Household bills**

Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework			
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17 % incr.	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>Rand/cent</b>										
<b>Monthly Account for Household - 'Middle Income Range'</b>										
<b>Rates and services charges:</b>										
Property rates	247.91	250.75	265.80	286.63	286.63	286.63	(2.6%)	279.04	322.06	341.38
Electricity: Basic levy	-	-	-	-	-	-	-	-	-	-
Electricity: Consumption	1,383.56	1,358.00	1,463.92	1,676.32	1,676.32	1,676.32	6.6%	1,787.26	1,948.02	2,099.97
Water: Basic levy	-	-	-	-	-	-	-	-	-	-
Water: Consumption	299.35	312.67	340.18	372.43	372.43	372.43	34.6%	501.35	406.39	442.15
Sanitation	213.96	214.78	233.68	261.31	261.31	261.31	32.4%	345.86	285.49	310.61
Refuse removal	83.96	90.60	95.98	103.95	103.95	103.95	7.9%	112.19	114.20	120.94
Other	-	-	-	-	-	-	-	-	-	-
<b>sub-total</b>	<b>2,228.74</b>	<b>2,226.80</b>	<b>2,399.56</b>	<b>2,700.64</b>	<b>2,700.64</b>	<b>2,700.64</b>	<b>12.0%</b>	<b>3,025.70</b>	<b>3,076.16</b>	<b>3,315.05</b>
VAT on Services	277.32	276.65	298.73	337.96	337.96	337.96	13.8%	384.53	385.57	416.31
<b>Total large household bill:</b>	<b>2,506.06</b>	<b>2,503.45</b>	<b>2,698.29</b>	<b>3,038.60</b>	<b>3,038.60</b>	<b>3,038.60</b>	<b>12.2%</b>	<b>3,410.23</b>	<b>3,461.73</b>	<b>3,731.37</b>
<b>% increase/-decrease</b>		<b>(0.1%)</b>	<b>7.8%</b>	<b>12.6%</b>	<b>-</b>	<b>-</b>		<b>12.2%</b>	<b>1.5%</b>	<b>7.8%</b>
<b>Monthly Account for Household - 'Affordable Range'</b>										
<b>Rates and services charges:</b>										
Property rates	178.49	172.08	159.59	171.98	171.98	171.98	(2.6%)	167.43	193.24	204.83
Electricity: Basic levy	-	-	-	-	-	-	-	-	-	-
Electricity: Consumption	601.50	665.10	673.75	771.50	771.50	771.50	6.6%	822.55	896.55	966.48
Water: Basic levy	-	-	-	-	-	-	-	-	-	-
Water: Consumption	187.69	226.67	247.30	269.33	269.33	269.33	33.0%	358.15	320.58	349.75
Sanitation	138.85	162.91	177.73	199.11	199.11	199.11	30.3%	259.45	237.00	258.57
Refuse removal	83.96	90.60	95.98	103.95	103.95	103.95	7.9%	112.19	116.58	123.46
Other	-	-	-	-	-	-	-	-	-	-
<b>sub-total</b>	<b>1,190.49</b>	<b>1,317.36</b>	<b>1,354.35</b>	<b>1,515.87</b>	<b>1,515.87</b>	<b>1,515.87</b>	<b>13.5%</b>	<b>1,719.77</b>	<b>1,763.95</b>	<b>1,903.09</b>
VAT on Services	141.68	160.34	167.27	188.14	188.14	188.14	15.5%	217.33	219.90	237.76
<b>Total small household bill:</b>	<b>1,332.17</b>	<b>1,477.70</b>	<b>1,521.62</b>	<b>1,704.01</b>	<b>1,704.01</b>	<b>1,704.01</b>	<b>13.7%</b>	<b>1,937.10</b>	<b>1,983.85</b>	<b>2,140.85</b>
<b>% increase/-decrease</b>		<b>10.9%</b>	<b>3.0%</b>	<b>12.0%</b>	<b>-</b>	<b>-</b>		<b>13.7%</b>	<b>2.4%</b>	<b>7.9%</b>
<b>Monthly Account for Household - 'Indigent' Household receiving free basic services</b>										
<b>Rates and services charges:</b>										
Property rates	46.81	54.08	52.12	57.33	57.33	57.33	(2.7%)	55.80	59.15	62.70
Electricity: Basic levy	-	-	-	-	-	-	-	-	-	-
Electricity: Consumption	276.14	272.60	273.30	318.71	318.71	318.71	6.6%	339.82	359.19	379.66
Water: Basic levy	-	-	-	-	-	-	-	-	-	-
Water: Consumption	131.42	142.81	156.66	166.23	166.23	166.23	29.3%	214.95	235.80	258.67
Sanitation	107.40	111.38	122.18	136.92	136.92	136.92	26.4%	173.03	189.81	208.22
Refuse removal	83.96	45.28	47.97	51.97	51.97	51.97	7.9%	56.05	59.36	62.86
Other	-	-	-	-	-	-	-	-	-	-
<b>sub-total</b>	<b>645.73</b>	<b>626.15</b>	<b>652.23</b>	<b>731.16</b>	<b>731.16</b>	<b>731.16</b>	<b>14.8%</b>	<b>839.65</b>	<b>903.31</b>	<b>972.12</b>
VAT on Services	83.85	80.09	84.02	94.34	94.34	94.34	16.3%	109.74	118.18	127.32
<b>Total small household bill:</b>	<b>729.58</b>	<b>706.24</b>	<b>736.25</b>	<b>825.50</b>	<b>825.50</b>	<b>825.50</b>	<b>15.0%</b>	<b>949.39</b>	<b>1,021.49</b>	<b>1,099.44</b>
<b>% increase/-decrease</b>		<b>(3.2%)</b>	<b>4.2%</b>	<b>12.1%</b>	<b>-</b>	<b>-</b>		<b>15.0%</b>	<b>7.6%</b>	<b>7.6%</b>

## 1.4 Operating Expenditure Framework

The City's expenditure for the 2016/17 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, and
- Operational gains and efficiencies directed to fund areas of strategic priority and known commitments.

The following table is a high level summary of the 2016/17 MTREF operating expenditure (classified by main type):

**Table 17 Summary of operating expenditure by main type**

Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>R thousand</b>									
<b>Expenditure By Type</b>									
Employee related costs	7,446,199	8,640,854	8,124,733	9,847,508	9,925,534	9,930,745	10,597,571	11,576,225	12,678,275
Remuneration of councillors	111,673	119,709	128,412	139,311	139,311	139,311	151,063	160,882	171,339
Debt impairment	926,812	1,295,526	1,523,784	1,798,371	1,798,499	1,798,499	2,003,203	2,122,045	2,288,249
Depreciation & asset impairment	1,627,385	1,784,970	1,917,134	2,089,827	2,127,123	2,127,123	2,318,441	2,490,732	2,736,654
Finance charges	728,669	807,283	779,929	971,133	762,538	762,538	895,848	980,683	1,187,667
Bulk purchases	6,391,186	6,591,232	7,108,843	7,967,555	7,959,015	7,959,015	8,515,180	9,695,726	11,163,001
Other materials	284,193	299,153	323,901	359,005	349,312	353,818	338,172	370,225	448,177
Contracted services	2,825,946	3,312,529	3,576,198	4,818,153	4,622,941	4,463,440	4,396,163	4,892,018	5,133,342
Transfers and grants	103,144	115,021	136,487	120,402	167,085	314,744	174,833	158,276	140,515
Other expenditure	3,473,078	3,563,228	3,772,749	3,978,981	4,760,978	4,763,102	5,154,983	5,211,629	5,673,483
Loss on disposal of PPE	1,443	1,944	3,096	–	–	–	–	–	–
<b>Total Expenditure</b>	<b>23,919,727</b>	<b>26,531,448</b>	<b>27,395,265</b>	<b>32,090,246</b>	<b>32,612,336</b>	<b>32,612,336</b>	<b>34,545,457</b>	<b>37,658,442</b>	<b>41,620,703</b>

Staff costs for 2016/17 is R10 598 million, which equates to 30.7% of the total operating expenditure. The 2016/17 cost of living increase is 6% plus 2% notch increment, while the year-on-year growth of this expenditure category is 7.62%. Similar inflation-linked increases are estimated for the outer years of the City's MTREF.

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 2016/17 budget.

The 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 2016/17 this equates to R2 003 million escalating to R2 288 million by 2018/19. While this expenditure is considered to be a non-cash flow item, it informs the total cost associated with rendering the services of the municipality as well as the municipality's realistically anticipated revenues.

Budgeted appropriations for Depreciation and Asset Impairment total R2 318 million for 2016/17 and is linked to the capitalisation rate of assets. The calculation is based on 100% spend (as opposed to 95%) and the increased capital spend over recent years. In addition, multi-year projects, previously capitalised in the final year of its budget provision, are now capitalised when the asset is commissioned.

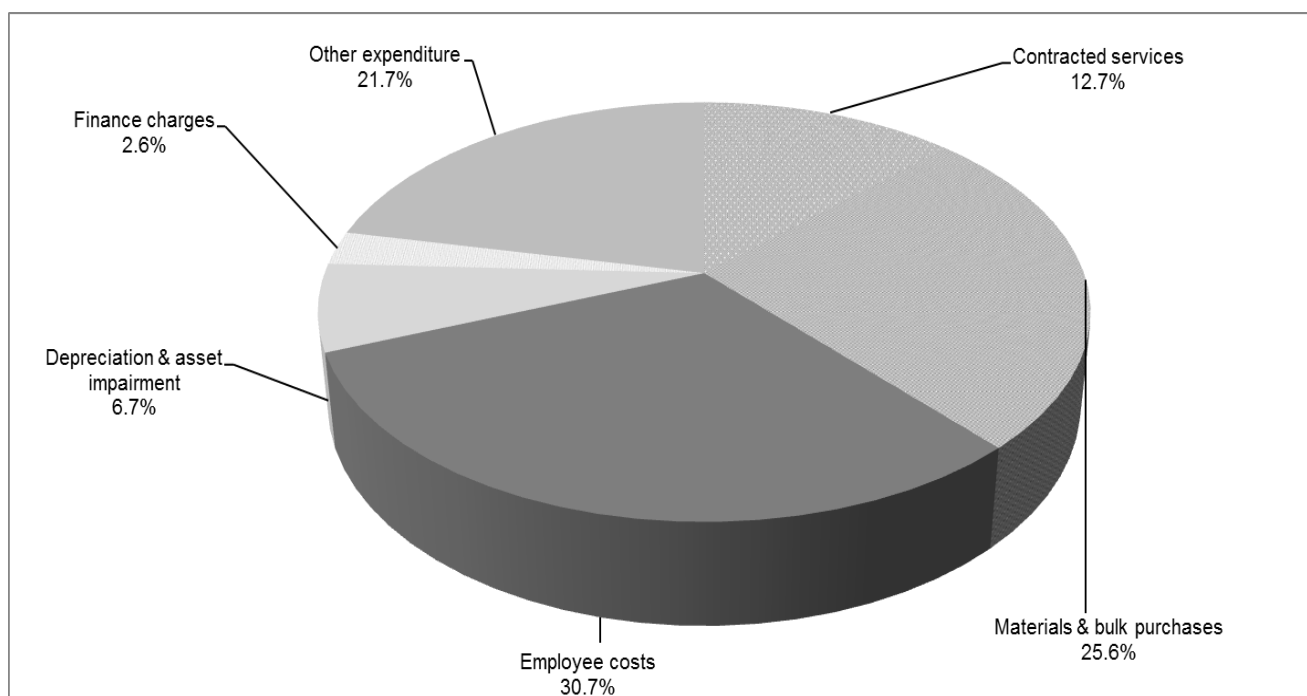
Finance Charges consist primarily of the repayment of interest on long-term borrowing (cost of capital). Finance charges equates to 2.6% (R896 million) of 2016/17 operating expenditure (excluding redemption costs) and increases to R1 187 million by 2018/19.

Budgetary provision for Bulk Purchases is informed by the purchase of electricity and water from suppliers, i.e. Eskom and DWA. 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, diesel, materials for maintenance, cleaning materials and chemicals. Growth is projected for this expenditure component over the MTREF period; R338 million in 2016/17 estimating to increase to R448 million by 2018/19.

Contracted Services expenditure component includes provisions for Repairs & Maintenance. Expenditure levels are projected at R4 396 million in 2016/17 escalating to R5 133 million in 2018/19.

The following graph gives a breakdown of the main expenditure categories for 2016/17.



**Figure 1 Main operational expenditure categories for the 2016/17 financial year**

### 1.4.1 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. In line with the approach of recent financial years, 2016/17 appropriations again provide for above-CPI level increases to this cost component.

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

**Table 18 Operational repairs and maintenance**

Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>R thousand</b>									
<b>Repairs &amp; Maintenance by Expenditure Item</b>									
Employee related costs	1,030,137	1,089,097	1,187,006	1,502,465	1,412,516	1,412,516	1,513,634	1,612,009	1,716,790
Other materials	202,646	216,406	223,864	270,378	243,800	248,110	244,701	272,607	346,015
Contracted Services	1,314,473	1,426,952	1,292,094	1,589,232	1,618,942	1,613,341	1,792,998	1,909,587	2,067,182
Other Expenditure	203,129	172,915	300,194	220,318	247,339	247,636	251,569	267,890	285,299
<b>Total Repairs and Maintenance Expenditure</b>	<b>2,750,384</b>	<b>2,905,370</b>	<b>3,003,158</b>	<b>3,582,394</b>	<b>3,522,598</b>	<b>3,521,603</b>	<b>3,802,902</b>	<b>4,062,093</b>	<b>4,415,285</b>

The total Repairs & Maintenance allocation for 2016/17 is R3 803 million, which represents a growth of 6.2% from 2015/16. The increase on Repairs & Maintenance results from above CPI increases as well as 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 influenced by the TASK outcome/job grading system, where jobs and positions are graded based on the content of approved job descriptions.

This growth trend continues over the MTREF increasing to R4 415 million in 2018/19. The 2016/17 Repairs & Maintenance provision represents 11.% of the total operating expenditure.

### 1.4.2 Free Basic Services: Basic Social Services Package

The City provides free basic services (electricity, refuse removal, water, sanitation and rates) to residential properties via two procedures, i.e. the municipal value of the property or on application by those with limited income whose property values exceed the set valuation levels.

The valuation method is utilised to prevent the creation of a bloated and costly administration to deal with the expected 250 000 to 280 000 applications if all had to apply on a periodic basis. Via the billing system criteria the City provides assistance to those residents assumed to be in need, although some with the ability to pay would also receive that benefit. However, the costs of preventing those few unintended cases being assisted would far outweigh the benefits of not providing free services to them. A further benefit of the valuation based approach is that it provides certainty and reduces the risks of fraud. The benefits vary based on the valuation of the properties at R400 000 or below; the recipients of these benefits vary between 74 000 and 264 000

The second procedure allows any resident who is required to pay for the mentioned services and whose gross monthly household income is R4 000 or below, to register as indigent to receive the same benefits as if their property values were below R100 000. To date 3 200 residents registered as such, showing clearly that the valuation driven measures are reaching the less fortunate residents as envisaged.

A 75% rebate on rates and refuse removal charges are granted to all residents where the gross monthly household income is between R4 001 and R5 000. To date 30 households have registered. Households with gross monthly income between R5 001 and R5 500 receive a 50% rebate on rates and refuse removal charges and 15 applications have been approved. Applications from households with gross monthly incomes between R5 501 and R6 000 receive a 25% rebate on their rates accounts and refuse removal charges and to date 12 have been approved.

Senior citizens and disabled persons' rates rebate is granted to qualifying applicants where the gross monthly household income is below R15 000. For such income up to R4 000 the rates rebate is 100%, reducing gradually to 10% for income between R14 001 and R15 000.

Lifeline tariff customers receiving less than 250kWh per month will receive a free basic supply 60kWh, with those receiving between 250kWh and 450kWh per month receiving a free basic supply of 25kWh per month. In total there are approximately 420 000 residents receiving this benefit in the City and Eskom area of supply.

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

The costs for the indigent support on charges for refuse removal, the R115.93 for water and sanitation and the 60kWh of free electricity are partially financed by National Government through the local government equitable share received in terms of the annual Division of Revenue Act. However, the City allocates R49 million from rates income to balance this expenditure whilst the costs of the free 6 kilolitres of water (and concomitant sanitation) and the R200 000 valuation rebate on rates for those residents within the valuation brackets deemed to be indigent are paid for by those remaining residents.



## 1.5 Capital Expenditure

**Table 19 2016/17 MTREF capital budget per vote**

Vote Description R thousand	Current Year 2015/16		2016/17 Medium Term Revenue & Expenditure Framework					
	Adjusted Budget	%	Budget Year 2016/17	%	Budget Year +1 2017/18	%	Budget Year +2 2018/19	%
Vote 1 - City Health	21,288	0.3%	37,520	0.6%	41,196	0.7%	43,996	0.7%
Vote 2 - City Manager	19,274	0.3%	17,946	0.3%	934	0.0%	934	0.0%
Vote 3 - Community Services	221,715	3.6%	186,340	2.9%	164,699	3.0%	60,282	1.0%
Vote 4 - Corporate Services & Compliance	463,779	7.6%	386,908	6.0%	411,505	7.5%	387,354	6.6%
Vote 5 - Energy, Environmental & Spatial Planning	64,169	1.0%	61,359	0.9%	47,250	0.9%	106,117	1.8%
Vote 6 - Finance	40,186	0.7%	136,866	2.1%	8,681	0.2%	8,681	0.1%
Vote 7 - Human Settlements	430,993	7.0%	499,542	7.7%	440,435	8.0%	462,472	7.9%
Vote 8 - Rates & Other	–	0.0%	–	0.0%	–	0.0%	–	0.0%
Vote 9 - Safety & Security	149,957	2.4%	132,043	2.0%	59,127	1.1%	35,127	0.6%
Vote 10 - Social Dev & Early Childhood Development	15,760	0.3%	17,460	0.3%	10,860	0.2%	10,860	0.2%
Vote 11 - Tourism, Events & Economic Development	41,403	0.7%	42,150	0.6%	33,800	0.6%	34,130	0.6%
Vote 12 - Transport for Cape Town	1,651,077	26.9%	1,442,311	22.2%	1,304,580	23.7%	1,414,990	24.1%
Vote 13 - Utility Services	3,009,494	49.1%	3,528,831	54.4%	2,992,656	54.3%	3,318,561	56.4%
<b>Total Capital Expenditure - Vote</b>	<b>6,129,094</b>	<b>100%</b>	<b>6,489,277</b>	<b>100%</b>	<b>5,515,724</b>	<b>100%</b>	<b>5,883,505</b>	<b>100%</b>

The capital budget increases from R6 129 million in 2015/16 (March 2016 adjustments budget) to R6 489 million in 2016/17. This is an overall increase of 5.8% when measured against the latest 2015/16 budgetary provision.

The above table clearly indicates that expenditure emphasis is still on those votes responsible for infrastructure development e.g. Utility Services and Transport for Cape Town. This allocation in 2016/17 represents just over R4 971 million or 76.6% of the total budgetary allocation for the year. Utility Services receives the largest allocation of R3 529 million in 2016/17, which represents 54.4% of the budget. Utility Services includes the services responsible for the provision of electricity, solid waste management and water & sanitation. The second highest allocation amounting to R1 442 million or 22.2% is made to Transport for Cape Town, which is followed by Human Settlements at R499.5 million (7.7%), Corporate Services & Compliance at R387 million (6.0%) and Community Services at R186.3 million (2.9%).

In the outer years the majority of the allocations are also made to infrastructure development; R4 297 million (78%) in 2017/18 and R4 734 million (80.5%) in 2018/19.

National Treasury, in its MFMA circulars, indicated 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 City's proposed capital budget the renewal of existing assets equates to R3 140 million or 48.4% of the total 2016/17 capital budget, while new assets represents R3 349 million or 51.6%. It is important to note that asset renewal represents the upgrading or replacement of existing City owned assets, while new assets will result in an increase in the asset base of this City.

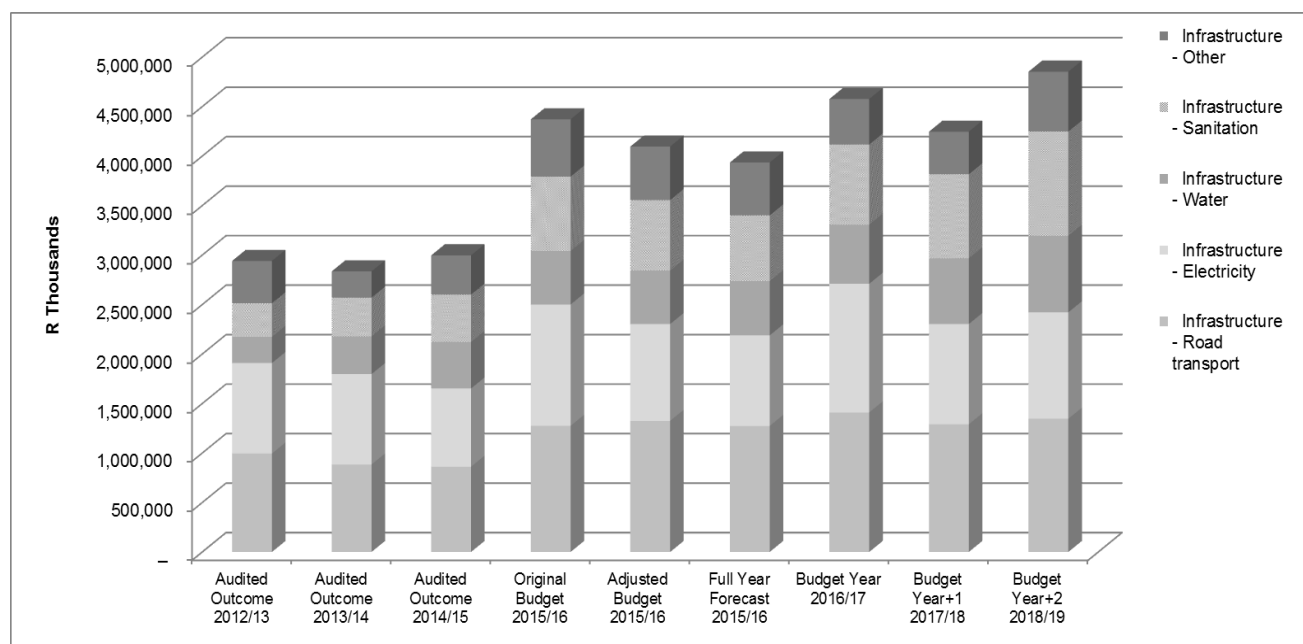
Additional detail regarding asset classes and proposed capital expenditure is contained in Table 30 (MBRR Table A9 - Asset Management) on page 45, while MBRR Tables SA34a and SA34b provides a detailed breakdown of the capital budget with regards to new asset construction and capital asset renewal (refer pages 170 and 171). A detailed breakdown of the capital budget per project over the medium term is available in Annexures 1 and 27.

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

- Oakdale Switching Station Upgrade Phase 3 → R150 million
- Grassy Park HV Network Rearrangement → R100 million
- Steenbras Power Station Rehabilitation/Upgrade → R95 million
- Bellville South Main Substation Upgrade → R74.9 million
- Prepayment Meter Replacement → R72 million
- Oakland City New Main Substation → R65 million
- Bloemhof: Stores Upgrade → R69.3 million
- Ndabeni: Facilities Rearrangement → R60 million
- Security Equipment: Additional → R54 million
- Grassy Park Main Substation Upgrade → R50 million
- Blue Downs Streetlighting Depot → R42 million
- Development of the Regional Landfill Site → R191 million
- Drop-off facilities: New & Upgrade → R86.7 million
- New Transfer Station Infrastructure → R75.3 million
- Upgrade of Solid Waste Facilities → R90.6 million
- New Head Office for Water & Sanitation → R272.8 million
- Bulk Water Augmentation Scheme → R192.1 million
- Borchards Quarry WWTW → R174.5 million
- Northern Regional Sludge Facility → R165.6 million
- Macassar WWTW Extension → R133.7 million
- Athlone WWTW-Capacity Extension → R130 million
- Philippi Collector Sewer → R129.4 million
- New Steenbras Reservoir → R105.2 million
- Potsdam WWTW - Extension → R104.7 million
- Refurbishment of Cape Flats WWTW → R88 million
- Development of Additional Bulk Water Infrastructure → R79.9 million
- Replacement & Upgrade of Sewerage Pump Stations → R67.5 million
- Bulk Water Infrastructure Replace/Refurbish → R66 million
- Water Meters New Connections → R65.5 million
- Pressure Management → R63.4 million
- Treated Effluent: Reuse & Infrastructure Upgrades → R60 million
- Informal Settlements Sanitation Installation → R58 million
- Mitchells Plain WWTW-Improvements → R63.3 million
- Water Supply at Baden Powell Dr to Khayelitsha → R45.5 million
- Upgrade - Manenberg Integrated Project → R15 million
- Upgrade: Elizabeth to Jack Muller Park → R12 million
- Upgrade of Blue Ridge Park, Wallacedene → R8.6 million
- Delft Cemetery Development → R8.3 million
- Develop Metro South-East Cemetery → R6 million
- Upgrade Du Noon South - Smart Park → R5.5 million
- Library Upgrades and Extensions → R33.2 million

- Sport and Recreation Facilities Upgrade → R25.3 million
- Upgrade of the Manenberg Precinct → R10 million
- Equipment for Sports Facilities → R9.5 million
- Irrigation: General Upgrade → R9 million
- NY 116 Gugulethu Synthetic Pitch → R8.1 million
- Sea Winds Synthetic Pitch → R7.7 million
- Ocean View Synthetic Pitch → R7.1 million
- New Pelican Park Clinic → R25.5 million
- New Fisantekraal Clinic → R24.5 million
- Zakhele Clinic - Replacement → R21.4 million
- Project and Portfolio Management → R16.3 million
- Enterprise Monitoring & Management Solution → R45 million
- FM Infrastructure → R41.3 million
- ERP Business Systems → R36 million
- Local Area Priority Initiatives [LAPIs] → R19.4 million
- E-systems enhancements → R16.8 million
- Mfuleni Urban Park → R16.4 million
- Strand Pavillion Precinct Upgrade → R14.1 million
- Land acquisition for municipal purposes → R52.9 million
- E - Procurement system → R16.5 million
- Langa Hostels CRU Project : Siyahlala → R134.2 million
- Langa Hostels CRU Prj : Special Quarters → R131.5 million
- Macassar BNG Housing Project → R116 million
- Imizamo Yethu Housing Project (Phase 3) → R69.7 million
- Langa Hostels CRU Project : New Flats → R52.7 million
- Wallacedene Housing Project → R36 million
- CCTV Installation & Upgrade → R45.5 million
- Traffic Services - Vehicles → R14.6 million
- Fire Station: Masiphumelela → R11 million
- Replacement of Fire Vehicles → R10.8 million
- Somerset West Fire Station → R10 million
- Construction of ECD Centres - Heideveld → R13.7 million
- Construction of ECD Centres - Delft → R13.5 million
- Upgrading of City Hall → R41.5 million
- Upgrade of Athlone Stadium → R19 million
- Upgrade of Good Hope Centre → R10.7 million
- Sir Lowry's Pass River Upgrade → R177.1 million
- Inner City:Public Transport Hub → R75 million
- Coastal Structures: Rehabilitation → R65 million
- Stormwater Rehabilitation/Improvements → R38.5 million
- Retreat Public Transport Interchange → R30 million
- Flood Alleviation - Lourens River → R30 million
- Bellville: Public Transport Hub → R30 million
- Dunoon Taxi Terminus → R25 million

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**

### 1.5.1 Future operational cost of new infrastructure

Table SA35, on page 173, represents the future operational costs resulting from the capital investment program. The table shows that costs estimated over the MTREF are expected to grow from R3 379 million in 2016/17 to R4 688 million in 2018/19. 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.

## 1.6 Annual Budget Tables

The ten primary budget tables, as required in terms of regulation 9 of the Municipal Budget and Reporting Regulations (MBRR), are presented on page 30 to page 47. These tables reflect the City's 2016/17 budget and MTREF to be approved and adopted by Council. Each table is accompanied by explanatory notes.

**Table 20 MBRR Table A1 - Budget Summary**

Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>R thousands</b>									
<b>Financial Performance</b>									
Property rates	5,076,445	5,546,774	6,018,735	6,546,155	6,578,912	6,578,912	6,959,000	7,419,428	7,964,159
Service charges	13,099,805	13,903,679	15,197,370	17,002,759	16,997,225	16,997,225	18,353,075	20,727,369	23,522,288
Investment revenue	363,937	461,053	543,356	271,687	580,766	580,766	595,694	624,661	672,891
Transfers recognised - operational	1,985,809	2,399,033	3,264,270	3,579,752	4,106,009	4,106,009	3,802,940	4,004,790	4,270,147
Other own revenue	3,386,210	3,751,219	4,238,957	4,269,728	4,200,321	4,200,321	4,489,436	4,722,287	5,018,551
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>23,912,206</b>	<b>26,061,758</b>	<b>29,262,688</b>	<b>31,670,081</b>	<b>32,463,232</b>	<b>32,463,232</b>	<b>34,200,144</b>	<b>37,498,535</b>	<b>41,448,036</b>
Employee costs	7,446,199	8,640,854	8,124,733	9,847,508	9,925,534	9,930,745	10,597,571	11,576,225	12,678,275
Remuneration of councillors	111,673	119,709	128,412	139,311	139,311	139,311	151,063	160,882	171,339
Depreciation & asset impairment	1,627,385	1,784,970	1,917,134	2,089,827	2,127,123	2,127,123	2,318,441	2,490,732	2,736,654
Finance charges	728,669	807,283	779,929	971,133	762,538	762,538	895,848	980,683	1,187,667
Materials and bulk purchases	6,675,379	6,890,385	7,432,744	8,326,560	8,308,327	8,312,833	8,853,353	10,065,952	11,611,178
Transfers and grants	103,144	115,021	136,487	120,402	167,085	314,744	174,833	158,276	140,515
Other expenditure	7,227,278	8,175,996	8,875,827	10,595,504	11,182,418	11,025,041	11,554,349	12,225,691	13,095,074
<b>Total Expenditure</b>	<b>23,919,727</b>	<b>26,534,217</b>	<b>27,395,265</b>	<b>32,090,246</b>	<b>32,612,336</b>	<b>32,612,336</b>	<b>34,545,457</b>	<b>37,658,442</b>	<b>41,620,703</b>
<b>Surplus/(Deficit)</b>	<b>(7,521)</b>	<b>(472,459)</b>	<b>1,867,422</b>	<b>(420,164)</b>	<b>(149,104)</b>	<b>(149,104)</b>	<b>(345,312)</b>	<b>(159,907)</b>	<b>(172,668)</b>
Transfers recognised - capital	3,414,645	2,052,758	2,423,179	2,223,813	2,446,794	2,446,794	2,177,040	2,163,032	2,347,076
Contributions recognised - capital & contributed assets	36,603	76,408	49,172	53,761	68,734	68,734	75,800	83,900	86,700
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>3,443,726</b>	<b>1,656,707</b>	<b>4,339,773</b>	<b>1,857,410</b>	<b>2,366,424</b>	<b>2,366,424</b>	<b>1,907,528</b>	<b>2,087,025</b>	<b>2,261,109</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	<b>3,443,726</b>	<b>1,656,707</b>	<b>4,339,773</b>	<b>1,857,410</b>	<b>2,366,424</b>	<b>2,366,424</b>	<b>1,907,528</b>	<b>2,087,025</b>	<b>2,261,109</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>5,868,810</b>	<b>4,502,293</b>	<b>5,251,742</b>	<b>6,043,985</b>	<b>6,129,094</b>	<b>5,578,658</b>	<b>6,489,277</b>	<b>5,515,724</b>	<b>5,883,505</b>
Transfers recognised - capital	3,414,645	2,053,319	2,473,313	2,223,813	2,447,135	2,277,749	2,177,040	2,163,032	2,347,076
Public contributions & donations	35,076	44,022	44,219	53,761	68,392	68,392	75,800	83,900	86,700
Borrowing	1,753,425	1,856,889	2,152,377	2,579,264	2,529,240	2,458,889	2,928,696	2,376,700	2,660,838
Internally generated funds	665,664	548,064	581,833	1,187,146	1,084,326	773,627	1,307,740	892,092	788,891
<b>Total sources of capital funds</b>	<b>5,868,810</b>	<b>4,502,293</b>	<b>5,251,742</b>	<b>6,043,985</b>	<b>6,129,094</b>	<b>5,578,658</b>	<b>6,489,277</b>	<b>5,515,724</b>	<b>5,883,505</b>
<b>Financial position</b>									
Total current assets	12,900,815	9,901,582	10,571,363	9,183,356	8,714,796	8,714,796	9,169,492	9,809,432	10,972,879
Total non current assets	29,033,825	34,817,678	38,578,872	42,929,513	42,456,974	42,456,974	46,389,077	49,353,792	52,447,947
Total current liabilities	7,988,695	8,155,256	8,656,354	8,829,527	8,341,577	8,341,577	8,501,416	8,759,883	9,094,161
Total non current liabilities	11,488,749	12,450,101	12,040,207	14,391,843	12,010,094	12,010,094	14,329,528	15,588,691	17,250,906
Community wealth/Equity	22,457,196	24,113,903	28,453,674	28,891,499	30,820,098	30,820,098	32,727,626	34,814,651	37,075,759
<b>Cash flows</b>									
Net cash from (used) operating	5,502,631	4,515,574	6,058,725	4,184,203	4,406,629	4,406,629	4,149,843	4,507,069	4,969,812
Net cash from (used) investing	(6,352,649)	(6,696,144)	(4,718,325)	(6,046,623)	(6,149,483)	(6,149,483)	(5,846,581)	(5,130,161)	(5,487,133)
Net cash from (used) financing	2,252,382	(283,067)	(407,811)	1,671,793	(258,372)	(258,372)	2,038,733	1,067,024	1,486,985
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>1,402,364</b>	<b>(2,463,637)</b>	<b>932,589</b>	<b>(190,628)</b>	<b>(2,001,226)</b>	<b>(2,001,226)</b>	<b>341,995</b>	<b>443,932</b>	<b>969,663</b>
<b>Cash backing/surplus reconciliation</b>									
Cash and investments available	8,334,415	8,133,506	8,699,112	7,518,401	6,697,886	6,697,886	7,039,881	7,483,813	8,453,476
Application of cash and investments	3,836,270	5,374,841	6,553,572	5,671,375	4,733,201	4,733,201	4,765,296	4,773,758	4,785,398
<b>Balance - surplus (shortfall)</b>	<b>4,498,145</b>	<b>2,758,665</b>	<b>2,145,540</b>	<b>1,847,026</b>	<b>1,964,685</b>	<b>1,964,685</b>	<b>2,274,585</b>	<b>2,710,055</b>	<b>3,668,078</b>
<b>Asset management</b>									
Asset register summary (WDV)	28,758,735	31,468,325	34,749,931	38,924,165	38,445,447	38,445,447	42,291,819	45,041,024	47,893,700
Depreciation & asset impairment	1,627,385	1,784,970	1,917,134	2,089,827	2,127,123	2,127,123	2,318,441	2,490,732	2,736,654
Renewal of Existing Assets	2,152,867	2,136,166	2,455,183	2,910,748	3,080,840	2,906,582	3,140,474	2,676,268	3,011,626
Repairs and Maintenance	2,750,384	2,905,370	3,003,158	3,582,394	3,522,598	3,521,603	3,802,902	4,062,093	4,415,285
<b>Free services</b>									
Cost of Free Basic Services provided	523,827	592,651	602,855	1,376,153	1,370,479	1,370,479	1,452,356	1,584,783	1,722,229
Revenue cost of free services provided	1,061,126	1,094,407	1,190,026	1,548,464	1,574,569	1,574,569	1,613,371	1,727,371	1,846,826
<b>Households below minimum service level</b>									
Water:	12,000	8,000	-	-	-	-	-	-	-
Sanitation/sewerage:	60,800	40,600	377	-	-	-	217	-	-
Energy:	39,094	35,341	29,429	32,341	32,341	32,341	30,841	29,341	27,841
Refuse:	-	-	-	-	-	-	-	-	-

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## 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 therefore to collectively assess the financial performance, capital budget, financial position and cash flow budgets.**
5. **The City's key outcomes in this regard are as follows:**
  - a. **The City's financial performance section of the prescribed, pro forma Table A1 shows deficit positions over the 2016/17 MTREF. National Treasury Circular 42 states that a deficit on the Financial Performance does not mean that the budget is not funded as long as it is funded from uncommitted previous years' surpluses.**
  - b. **The deficit on the Financial Performance is as a result of appropriations, which are included in the financial position and not in the financial performance budget. The appropriations include the depreciation reserves (for capital grants), Housing Development Fund, Insurance Fund and contributions to the Capital Replacement Reserve (CRR).**
  - c. **The cash flow budget outcome shows that this deficit is funded from uncommitted, previous years' surpluses. It is consequently viewed as a sustainable position.**
  - d. **The capital budget is funded from the following sources:**
    - i. **Transfers recognised - capital and public contributions & donations which are shown on the financial performance budget;**
    - ii. **Borrowing, which is shown in the cash flow budget as part of the net cash from financing activities; and**
    - iii. **Internally generated funds 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 2016/17 MTREF.**
6. The City's cash backing/surplus reconciliation over the 2016/17 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 investment in the Cost of Free Basic Services and the Revenue Cost of Free Basic Services provided. 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)**

Standard Classification Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>R thousand</b>									
<b>Revenue - Standard</b>									
<i><b>Governance and administration</b></i>	<b>9,223,776</b>	<b>9,725,371</b>	<b>10,951,099</b>	<b>11,423,542</b>	<b>11,789,900</b>	<b>11,789,900</b>	<b>12,555,409</b>	<b>13,469,725</b>	<b>14,514,066</b>
Executive and council	215,293	222,571	305,097	294,405	314,359	314,359	314,012	333,315	347,156
Budget and treasury office	8,818,341	9,325,485	10,390,999	10,863,581	11,198,200	11,198,200	11,971,769	12,886,490	13,904,815
Corporate services	190,141	177,315	255,003	265,556	277,341	277,341	269,628	249,920	262,095
<i><b>Community and public safety</b></i>	<b>1,617,631</b>	<b>2,371,841</b>	<b>3,157,772</b>	<b>3,102,900</b>	<b>3,510,084</b>	<b>3,510,084</b>	<b>3,315,492</b>	<b>3,338,507</b>	<b>3,338,258</b>
Community and social services	77,079	83,749	111,465	101,689	118,606	118,606	96,804	109,450	85,477
Sport and recreation	128,749	139,688	89,968	111,802	103,387	103,387	123,770	128,178	54,182
Public safety	150,485	803,168	1,093,085	1,071,703	1,122,393	1,122,393	1,194,620	1,208,759	1,245,207
Housing	1,081,270	1,132,956	1,620,155	1,536,028	1,887,509	1,887,509	1,605,746	1,554,889	1,593,234
Health	180,048	212,279	243,098	281,679	278,189	278,189	294,552	337,231	360,158
<i><b>Economic and environmental services</b></i>	<b>2,844,896</b>	<b>1,702,432</b>	<b>1,982,540</b>	<b>2,068,429</b>	<b>2,296,339</b>	<b>2,296,339</b>	<b>1,904,756</b>	<b>1,780,092</b>	<b>1,996,865</b>
Planning and development	238,875	244,648	255,857	295,963	281,080	281,080	305,929	310,821	383,345
Road transport	2,593,813	1,451,044	1,695,014	1,766,123	2,007,102	2,007,102	1,592,599	1,467,377	1,611,522
Environmental protection	12,207	6,740	31,669	6,343	8,157	8,157	6,227	1,894	1,998
<i><b>Trading services</b></i>	<b>13,675,770</b>	<b>14,390,251</b>	<b>15,640,726</b>	<b>17,350,212</b>	<b>17,381,366</b>	<b>17,381,366</b>	<b>18,675,252</b>	<b>21,155,038</b>	<b>24,030,470</b>
Electricity	9,141,319	9,688,895	10,371,563	11,421,475	11,436,829	11,436,829	12,089,547	13,837,196	15,935,844
Water	2,245,107	2,332,377	2,689,397	2,922,748	2,931,902	2,931,902	3,258,167	3,649,430	4,103,293
Waste water management	1,325,054	1,375,489	1,526,954	1,894,642	1,902,652	1,902,652	2,079,484	2,318,173	2,536,375
Waste management	964,291	993,490	1,052,811	1,111,347	1,109,983	1,109,983	1,248,054	1,350,239	1,454,958
<i><b>Other</b></i>	<b>1,381</b>	<b>1,030</b>	<b>2,901</b>	<b>2,572</b>	<b>1,072</b>	<b>1,072</b>	<b>2,076</b>	<b>2,105</b>	<b>2,152</b>
<b>Total Revenue - Standard</b>	<b>27,363,454</b>	<b>28,190,924</b>	<b>31,735,038</b>	<b>33,947,655</b>	<b>34,978,760</b>	<b>34,978,760</b>	<b>36,452,984</b>	<b>39,745,467</b>	<b>43,881,812</b>
<b>Expenditure - Standard</b>									
<i><b>Governance and administration</b></i>	<b>4,734,703</b>	<b>6,104,108</b>	<b>4,716,365</b>	<b>6,043,012</b>	<b>5,859,967</b>	<b>5,859,080</b>	<b>6,362,899</b>	<b>6,830,466</b>	<b>7,378,414</b>
Executive and council	512,505	868,121	779,217	1,047,793	1,002,291	1,001,650	1,117,343	1,102,319	1,190,907
Budget and treasury office	2,055,237	3,365,143	1,998,638	2,713,212	2,528,674	2,528,674	2,821,141	3,070,940	3,339,208
Corporate services	2,166,961	1,870,844	1,938,510	2,282,007	2,329,002	2,328,756	2,424,415	2,657,207	2,848,299
<i><b>Community and public safety</b></i>	<b>4,489,463</b>	<b>5,338,007</b>	<b>5,950,683</b>	<b>7,094,791</b>	<b>7,654,125</b>	<b>7,654,466</b>	<b>7,659,160</b>	<b>8,107,381</b>	<b>8,689,428</b>
Community and social services	488,669	469,116	511,528	566,317	589,926	588,209	651,428	739,313	797,013
Sport and recreation	1,159,982	1,242,113	1,253,877	1,467,195	1,433,803	1,434,826	1,543,845	1,647,869	1,770,733
Public safety	1,341,395	1,852,966	2,196,586	2,503,345	2,591,493	2,592,528	2,726,102	2,893,026	3,118,249
Housing	796,924	1,034,934	1,179,815	1,626,880	2,119,755	2,119,755	1,786,141	1,787,081	1,869,438
Health	702,493	738,879	808,876	931,054	919,148	919,149	951,643	1,040,091	1,133,996
<i><b>Economic and environmental services</b></i>	<b>2,333,118</b>	<b>2,779,445</b>	<b>3,282,903</b>	<b>3,503,807</b>	<b>3,659,766</b>	<b>3,660,339</b>	<b>3,829,922</b>	<b>4,203,771</b>	<b>4,534,322</b>
Planning and development	577,098	620,738	677,746	756,326	798,777	799,046	879,635	1,055,622	1,127,422
Road transport	1,666,700	2,068,358	2,496,835	2,641,172	2,741,462	2,741,565	2,831,720	3,039,634	3,289,768
Environmental protection	89,320	90,348	108,322	106,309	119,528	119,728	118,568	108,516	117,132
<i><b>Trading services</b></i>	<b>12,313,101</b>	<b>12,259,142</b>	<b>13,388,635</b>	<b>15,385,492</b>	<b>15,376,913</b>	<b>15,376,887</b>	<b>16,628,216</b>	<b>18,447,370</b>	<b>20,944,821</b>
Electricity	7,659,201	7,677,729	8,275,131	9,441,323	9,417,289	9,417,289	10,022,681	11,321,257	13,143,452
Water	2,005,078	1,995,569	2,317,963	2,464,347	2,494,663	2,494,536	2,782,122	3,114,653	3,475,374
Waste water management	1,063,080	1,115,782	1,210,872	1,507,947	1,506,381	1,506,481	1,628,232	1,665,673	1,787,897
Waste management	1,585,743	1,470,061	1,584,669	1,971,875	1,958,579	1,958,579	2,195,181	2,345,787	2,538,098
<i><b>Other</b></i>	<b>49,342</b>	<b>53,516</b>	<b>56,679</b>	<b>63,143</b>	<b>61,565</b>	<b>61,565</b>	<b>65,260</b>	<b>69,454</b>	<b>73,718</b>
<b>Total Expenditure - Standard</b>	<b>23,919,727</b>	<b>26,534,217</b>	<b>27,395,265</b>	<b>32,090,246</b>	<b>32,612,336</b>	<b>32,612,336</b>	<b>34,545,457</b>	<b>37,658,442</b>	<b>41,620,703</b>
<b>Surplus/(Deficit) for the year</b>	<b>3,443,726</b>	<b>1,656,707</b>	<b>4,339,773</b>	<b>1,857,410</b>	<b>2,366,424</b>	<b>2,366,424</b>	<b>1,907,528</b>	<b>2,087,025</b>	<b>2,261,109</b>



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**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 15 functional areas.
2. Major contributing items to the increased operating revenue are additional allocations on the Fuel Levy, the projected organic growth and tariff increases on Property Rates Tax and Service Charges (Water, Sanitation, Electricity and Refuse).
3. A surplus of R1 908 million in 2016/17 is reflected in this table, which includes Transfers Recognised - capital (Capital Grants & Donations received), while the expenditure category excludes these transfers.
4. This table highlights that the revenue for Cape Town Electricity, Water & Sanitation and Solid Waste Management, exceed their expenditure, due to the exclusion of internal cost charges/recoveries and other provisions e.g. Contribution from Electricity Services to the Rates Account.
5. Other functions within Rates show a deficit when comparing revenue and expenditure, which is financed from Rates Revenue.

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

Vote Description R thousand	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>Revenue by Vote</b>									
Vote 1 - CityHealth	390,874	432,226	496,314	539,593	538,466	538,466	570,674	634,714	668,452
Vote 2 - CityManager	400	235	1,530	1,348	1,548	1,548	51	53	56
Vote 3 - CommunityServices	182,524	161,377	183,331	167,052	203,918	203,918	201,433	217,434	118,354
Vote 4 - Corporate Services & Compliance	63,759	67,041	72,122	84,568	96,681	96,681	77,336	80,844	85,860
Vote 5 - Energy, Environmental & Spatial Planning	137,023	125,492	143,449	148,659	131,583	131,583	139,984	131,495	194,156
Vote 6 - Finance	1,130,680	895,278	1,170,367	768,694	1,080,302	1,080,302	1,124,601	1,141,239	1,208,062
Vote 7 - Human Settlements	1,081,267	1,132,899	1,620,146	1,536,021	1,887,502	1,887,502	1,605,739	1,554,882	1,593,226
Vote 8 - Rates & Other	7,923,871	8,660,739	9,540,176	10,426,245	10,453,001	10,453,001	11,207,217	12,091,251	13,059,582
Vote 9 - Safety & Security	185,764	836,091	1,120,408	1,080,472	1,125,029	1,125,029	1,196,990	1,213,341	1,254,379
Vote 10 - Social Dev & Early Childhood Development	2,637	2,164	14,334	526	641	641	533	140	148
Vote 11 - Tourism, Events & Economic Development	28,523	67,690	28,344	55,086	26,830	26,830	27,613	29,047	30,576
Vote 12 - Transport for Cape Town	2,556,563	1,414,827	1,695,269	1,760,594	2,026,061	2,026,061	1,602,394	1,474,883	1,617,374
Vote 13 - Utility Services	13,679,568	14,394,865	15,649,248	17,378,799	17,407,198	17,407,198	18,698,420	21,176,144	24,051,584
<b>Total Revenue by Vote</b>	<b>27,363,454</b>	<b>28,190,924</b>	<b>31,735,038</b>	<b>33,947,655</b>	<b>34,978,760</b>	<b>34,978,760</b>	<b>36,452,984</b>	<b>39,745,467</b>	<b>43,881,812</b>
<b>Expenditure by Vote to be appropriated</b>									
Vote 1 - CityHealth	727,932	784,947	854,059	996,804	989,354	989,354	1,050,049	1,135,365	1,232,344
Vote 2 - CityManager	120,286	131,152	172,731	210,825	231,078	231,078	227,281	242,472	258,749
Vote 3 - CommunityServices	1,339,634	1,370,809	1,444,981	1,687,957	1,682,059	1,682,059	1,826,771	1,994,206	2,156,857
Vote 4 - Corporate Services & Compliance	2,280,822	1,944,148	2,022,060	2,376,443	2,410,852	2,410,852	2,563,425	2,745,030	2,945,749
Vote 5 - Energy, Environmental & Spatial Planning	423,721	457,049	504,849	552,947	568,156	568,156	609,264	632,551	680,210
Vote 6 - Finance	1,623,529	1,850,300	1,814,684	2,213,600	2,020,703	2,020,703	2,234,102	2,428,969	2,718,797
Vote 7 - Human Settlements	760,882	998,067	1,147,498	1,586,986	2,080,029	2,080,029	1,748,780	1,746,491	1,825,540
Vote 8 - Rates & Other	744,135	1,861,654	570,802	962,510	971,832	971,832	1,081,794	1,189,136	1,203,567
Vote 9 - Safety & Security	1,381,203	1,901,498	2,251,812	2,607,501	2,665,517	2,665,517	2,830,419	3,000,162	3,235,658
Vote 10 - Social Dev & Early Childhood Development	110,735	115,219	140,775	183,805	183,459	183,459	206,578	310,349	330,747
Vote 11 - Tourism, Events & Economic Development	470,031	573,288	521,977	569,288	574,889	574,889	570,071	607,625	649,199
Vote 12 - Transport for Cape Town	1,565,311	2,198,334	2,459,684	2,718,462	2,819,310	2,819,310	2,932,751	3,133,055	3,385,586
Vote 13 - Utility Services	12,371,505	12,347,754	13,489,354	15,423,118	15,415,098	15,415,098	16,664,171	18,493,029	20,997,700
<b>Total Expenditure by Vote</b>	<b>23,919,727</b>	<b>26,534,217</b>	<b>27,395,265</b>	<b>32,090,246</b>	<b>32,612,336</b>	<b>32,612,336</b>	<b>34,545,457</b>	<b>37,658,442</b>	<b>41,620,703</b>
<b>Surplus/(Deficit) for the year</b>	<b>3,443,726</b>	<b>1,656,707</b>	<b>4,339,773</b>	<b>1,857,410</b>	<b>2,366,424</b>	<b>2,366,424</b>	<b>1,907,528</b>	<b>2,087,025</b>	<b>2,261,109</b>

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

1. Table A3 shows budgeted financial performance in relation to the revenue and expenditure and the operating surplus or 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	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>Cape Town Electricity</b>									
Total Operating Revenue (including capital transfers and contributions)	9,145,207	9,693,842	10,380,957	11,448,928	11,462,285	11,462,285	12,113,461	13,860,311	15,955,860
Total Operating Expenditure	7,738,950	7,787,577	8,393,997	9,581,409	9,559,414	9,559,414	10,172,503	11,481,920	13,315,433
<b>Operating Surplus/(Deficit) for the year</b>	<b>1,406,257</b>	<b>1,906,264</b>	<b>1,986,960</b>	<b>1,867,519</b>	<b>1,902,871</b>	<b>1,902,871</b>	<b>1,940,958</b>	<b>2,378,392</b>	<b>2,640,427</b>
<b>Percentage Surplus</b>	<b>15%</b>	<b>20%</b>	<b>19%</b>	<b>16%</b>	<b>17%</b>	<b>17%</b>	<b>16%</b>	<b>17%</b>	<b>17%</b>
<b>Water &amp; Sanitation</b>									
Total Operating Revenue including capital transfers and contributions)	3,570,064	3,707,533	4,215,477	4,817,366	4,834,530	4,834,530	5,335,905	5,964,533	6,639,640
Total Operating Expenditure	3,033,128	3,076,733	3,494,992	3,846,975	3,873,503	3,873,503	4,269,366	4,636,032	5,112,539
<b>Operating Surplus/(Deficit) for the year</b>	<b>536,936</b>	<b>630,800</b>	<b>720,485</b>	<b>970,391</b>	<b>961,027</b>	<b>961,027</b>	<b>1,066,539</b>	<b>1,328,501</b>	<b>1,527,101</b>
<b>Percentage Surplus</b>	<b>15%</b>	<b>17%</b>	<b>17%</b>	<b>20%</b>	<b>20%</b>	<b>20%</b>	<b>20%</b>	<b>22%</b>	<b>23%</b>
<b>Solid Waste Management</b>									
Total Operating Revenue including capital transfers and contributions)	943,914	966,711	397,121	1,111,169	1,109,805	1,109,805	1,246,824	1,348,941	1,453,589
Total Operating Expenditure	678,801	589,919	682,388	861,947	853,959	853,959	977,785	1,050,699	1,146,276
<b>Operating Surplus/(Deficit) for the year</b>	<b>265,113</b>	<b>376,792</b>	<b>(285,268)</b>	<b>249,223</b>	<b>255,846</b>	<b>255,846</b>	<b>269,039</b>	<b>298,242</b>	<b>307,313</b>
<b>Percentage Surplus</b>	<b>28%</b>	<b>39%</b>	<b>-72%</b>	<b>22%</b>	<b>23%</b>	<b>23%</b>	<b>22%</b>	<b>22%</b>	<b>21%</b>

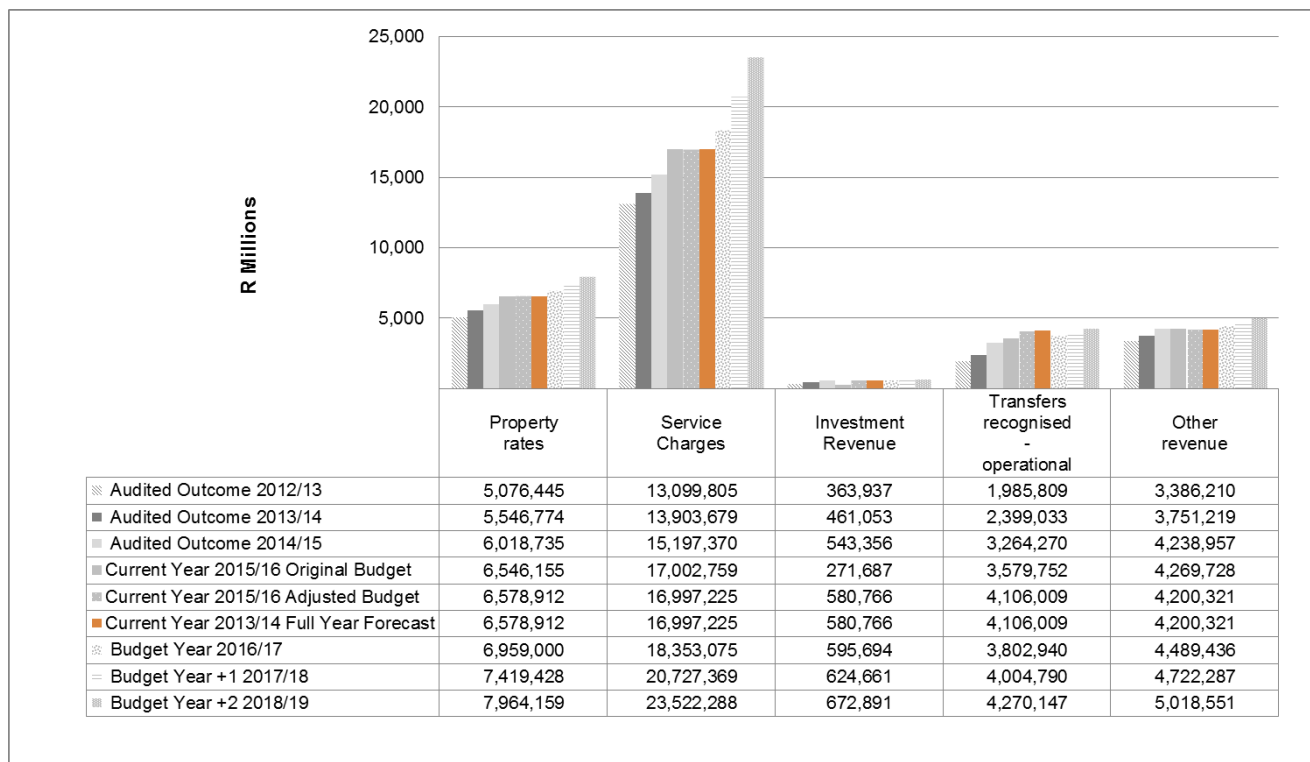
- Electricity revenue and expenditure growth fluctuates over the MTREF. This is influenced by Eskom bulk purchases as well as the impact of City's tariff setting policy.
- The surplus on the Water Account fluctuates between 20% and 23% over the MTREF.
- The surplus within Solid Waste Management fluctuates between 21% and 22% over the MTREF
- The surplus reflected in the various trading services (Cape Town Electricity, Water & Sanitation and Solid Waste Management) is mainly based on primary revenue and expenditure elements. This does not include the contribution to Rates (the Rates Account receive a contribution from electricity service reducing the surplus shown above) and the 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 position.

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

Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>R thousand</b>									
<b>Revenue By Source</b>									
Property rates	5,076,445	5,546,774	6,018,735	6,546,155	6,578,912	6,578,912	6,959,000	7,419,428	7,964,159
Service charges - electricity revenue	8,852,928	9,323,160	9,976,994	11,127,619	11,127,619	11,127,619	11,807,918	13,541,320	15,626,682
Service charges - water revenue	2,053,577	2,185,812	2,524,635	2,745,181	2,745,181	2,745,181	3,066,664	3,401,214	3,772,397
Service charges - sanitation revenue	1,091,897	1,188,106	1,321,307	1,470,947	1,470,947	1,470,947	1,628,277	1,807,387	2,006,200
Service charges - refuse revenue	869,210	920,173	980,691	1,097,246	1,097,054	1,097,054	1,232,929	1,334,930	1,439,455
Service charges - other	232,192	286,429	393,743	561,765	556,423	556,423	617,287	642,519	677,554
Rental of facilities and equipment	306,605	317,890	369,121	345,646	365,189	365,189	383,550	403,370	424,217
Interest earned - external investments	363,937	461,053	543,356	271,687	580,766	580,766	595,694	624,661	672,891
Interest earned - outstanding debtors	268,249	192,312	198,230	233,996	231,266	231,266	284,710	284,710	284,710
Dividends received	–	–	–	–	–	–	–	–	–
Fines	100,524	729,139	988,017	977,210	996,923	996,923	1,055,743	1,116,025	1,177,406
Licences and permits	41,843	44,386	43,111	43,028	29,444	29,444	27,893	29,427	31,046
Agency services	132,469	150,256	168,519	153,993	153,993	153,993	153,993	153,993	153,993
Transfers recognised - operational	1,985,809	2,399,033	3,264,270	3,579,752	4,106,009	4,106,009	3,802,940	4,004,790	4,270,147
Other revenue	2,449,771	2,252,330	2,384,151	2,441,185	2,348,837	2,348,837	2,504,046	2,685,262	2,897,679
Gains on disposal of PPE	86,747	64,906	87,809	74,669	74,669	74,669	79,500	49,500	49,500
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>23,912,206</b>	<b>26,061,758</b>	<b>29,262,688</b>	<b>31,670,081</b>	<b>32,463,232</b>	<b>32,463,232</b>	<b>34,200,144</b>	<b>37,498,535</b>	<b>41,448,036</b>
<b>Expenditure By Type</b>									
Employee related costs	7,446,199	8,640,854	8,124,733	9,847,508	9,925,534	9,930,745	10,597,571	11,576,225	12,678,275
Remuneration of councillors	111,673	119,709	128,412	139,311	139,311	139,311	151,063	160,882	171,339
Debt impairment	926,812	1,295,526	1,523,784	1,798,371	1,798,499	1,798,499	2,003,203	2,122,045	2,288,249
Depreciation & asset impairment	1,627,385	1,784,970	1,917,134	2,089,827	2,127,123	2,127,123	2,318,441	2,490,732	2,736,654
Finance charges	728,669	807,283	779,929	971,133	762,538	762,538	895,848	980,683	1,187,667
Bulk purchases	6,391,186	6,591,232	7,108,843	7,967,555	7,959,015	7,959,015	8,515,180	9,695,726	11,163,001
Other materials	284,193	299,153	323,901	359,005	349,312	353,818	338,172	370,225	448,177
Contracted services	2,825,946	3,312,529	3,576,198	4,818,153	4,622,941	4,463,440	4,396,163	4,892,018	5,133,342
Transfers and grants	103,144	115,021	136,487	120,402	167,085	314,744	174,833	158,276	140,515
Other expenditure	3,473,078	3,565,997	3,772,749	3,978,981	4,760,978	4,763,102	5,154,983	5,211,629	5,673,483
Loss on disposal of PPE	1,443	1,944	3,096	–	–	–	–	–	–
<b>Total Expenditure</b>	<b>23,919,727</b>	<b>26,534,217</b>	<b>27,395,265</b>	<b>32,090,246</b>	<b>32,612,336</b>	<b>32,612,336</b>	<b>34,545,457</b>	<b>37,658,442</b>	<b>41,620,703</b>
<b>Surplus/(Deficit)</b>	<b>(7,521)</b>	<b>(472,459)</b>	<b>1,867,422</b>	<b>(420,164)</b>	<b>(149,104)</b>	<b>(149,104)</b>	<b>(345,312)</b>	<b>(159,907)</b>	<b>(172,668)</b>
Transfers recognised - capital	3,414,645	2,052,758	2,423,179	2,223,813	2,446,794	2,446,794	2,177,040	2,163,032	2,347,076
Contributions recognised - capital	34,076	43,022	44,219	53,761	68,734	68,734	75,800	83,900	86,700
Contributed assets	2,527	33,387	4,953	–	–	–	–	–	–
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>3,443,726</b>	<b>1,656,707</b>	<b>4,339,773</b>	<b>1,857,410</b>	<b>2,366,424</b>	<b>2,366,424</b>	<b>1,907,528</b>	<b>2,087,025</b>	<b>2,261,109</b>
Taxation	–	–	–	–	–	–	–	–	–
<b>Surplus/(Deficit) after taxation</b>	<b>3,443,726</b>	<b>1,656,707</b>	<b>4,339,773</b>	<b>1,857,410</b>	<b>2,366,424</b>	<b>2,366,424</b>	<b>1,907,528</b>	<b>2,087,025</b>	<b>2,261,109</b>
Attributable to minorifies	–	–	–	–	–	–	–	–	–
<b>Surplus/(Deficit) attributable to municipality</b>	<b>3,443,726</b>	<b>1,656,707</b>	<b>4,339,773</b>	<b>1,857,410</b>	<b>2,366,424</b>	<b>2,366,424</b>	<b>1,907,528</b>	<b>2,087,025</b>	<b>2,261,109</b>
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–
<b>Surplus/(Deficit) for the year</b>	<b>3,443,726</b>	<b>1,656,707</b>	<b>4,339,773</b>	<b>1,857,410</b>	<b>2,366,424</b>	<b>2,366,424</b>	<b>1,907,528</b>	<b>2,087,025</b>	<b>2,261,109</b>

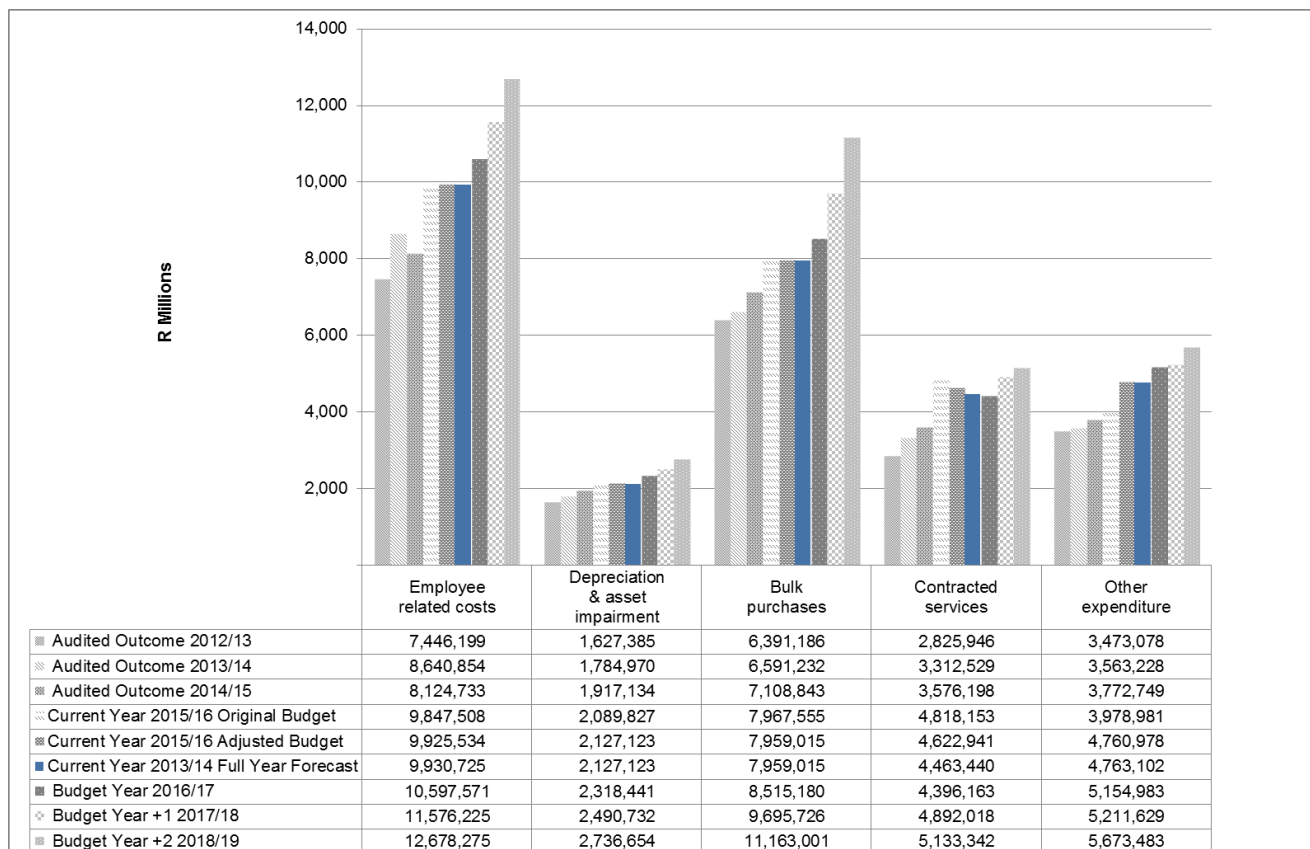
## Explanatory notes to MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure)

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 R34 200 million (excluding appropriations which are disclosed in the financial position statement) in 2016/17 and escalates to R41 448 million by 2018/19. This represents a revenue growth of 7.9%, 9.6% and 10.5% respectively over the 3 years. Major contributing items are the increased operating allocations from National- and Provincial Government, the projected organic growth and tariff increases on Property Rates Tax and Service Charges.
2. Revenue to be generated from Property Rates amounts to R6 959 million in 2016/17 and increases to R7 964 million by 2018/19, which represents 20% of the operating revenue base of the City and therefore remain 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 R18 353 million for the 2016/17 financial year and increasing to R23 522 million in 2018/19. For 2016/17, service charges are 54% of the total revenue base and the average year-on-year growth is approximately 11% over the medium term.
4. Other Revenue includes an increased allocation in respect of the Fuel Levy, which increased from R2 441 million (2015/16) to R2 504 million (2016/17).



**Figure 3 Revenue by source**

5. Bulk purchases have increased significantly over the 2012/13 to 2018/19 period, escalating from R6 391 million to R11 163 million in 2018/19. These increases can be attributed to substantial increases in the cost of bulk electricity from Eskom and Water from the Department of Water Affairs.
6. Employee-related costs is also the main cost driver within the City's operating expenditure i.e. from R7 446 million in 2012/13 to R12 678 million in 2018/19. This is as a result of increases on staff costs as per the SALGA Salary Agreement, plus notch increments. The 2016/17 cost of living increase is 6% plus 2% notch increment.
7. Depreciation & Asset Impairment increases from R1 627 million in 2012/13 to R2 737 million in 2018/19. The calculation, is now based on 100% spend (as opposed to 95%) and the increased capital spend over the last few years. In addition, multi-year projects, which were previously capitalised in the final year of its budget provision, are now capitalised when the asset is commissioned.
8. Contracted Services includes budgetary provision for Repairs & Maintenance.



**Figure 4 Expenditure by type**

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

Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>R thousand</b>									
<b>Capital expenditure - Vote</b>									
<b>Multi-year expenditure to be appropriated</b>									
Vote 1 - City Health	22,778	25,185	20,173	15,673	21,288	17,818	37,520	41,196	43,996
Vote 2 - City Manager	1,976	13,070	13,920	14,954	19,274	19,243	17,946	934	934
Vote 3 - Community Services	178,223	161,422	199,711	160,331	221,715	210,657	186,340	164,699	60,282
Vote 4 - Corporate Services & Compliance	237,874	290,319	382,773	425,013	463,779	462,716	386,908	411,505	387,354
Vote 5 - Energy, Environmental & Spatial Planning	64,114	70,776	56,216	80,064	64,169	64,115	61,359	47,250	106,117
Vote 6 - Finance	21,613	13,384	90,740	141,379	40,186	40,127	136,866	8,681	8,681
Vote 7 - Human Settlements	565,694	564,330	962,031	420,835	430,993	398,411	499,542	440,435	462,472
Vote 8 - Rates & Other	-	-	-	-	-	-	-	-	-
Vote 9 - Safety & Security	55,708	63,809	82,095	105,163	149,957	149,831	132,043	59,127	35,127
Vote 10 - Social Dev & Early Childhood Development	6,791	7,555	23,251	11,971	15,760	15,710	17,460	10,860	10,860
Vote 11 - Tourism, Events & Economic Development	180,632	26,375	36,678	41,098	41,403	41,330	42,150	33,800	34,130
Vote 12 - Transport for Cape Town	2,493,517	1,113,033	1,218,720	1,399,805	1,651,077	1,494,365	1,442,311	1,304,580	1,414,990
Vote 13 - Utility Services	2,039,890	2,153,036	2,165,433	3,227,699	3,009,494	2,664,336	3,528,831	2,992,656	3,318,561
<b>Total Capital Expenditure - Vote</b>	<b>5,868,810</b>	<b>4,502,293</b>	<b>5,251,742</b>	<b>6,043,985</b>	<b>6,129,094</b>	<b>5,578,658</b>	<b>6,489,277</b>	<b>5,515,724</b>	<b>5,883,505</b>
<b>Capital Expenditure - Standard</b>									
<b>Governance and administration</b>	<b>293,748</b>	<b>331,690</b>	<b>520,222</b>	<b>587,509</b>	<b>538,893</b>	<b>537,063</b>	<b>559,966</b>	<b>440,963</b>	<b>416,812</b>
Executive and council	30,805	19,286	31,234	21,193	49,020	47,247	39,349	51,275	51,280
Budget and treasury office	16,991	11,085	16,215	14,495	15,750	15,698	15,997	8,432	8,417
Corporate services	245,952	301,319	472,772	551,820	474,123	474,117	504,620	381,256	357,115
<b>Community and public safety</b>	<b>1,007,537</b>	<b>860,117</b>	<b>1,341,328</b>	<b>799,473</b>	<b>898,393</b>	<b>846,367</b>	<b>936,453</b>	<b>794,936</b>	<b>690,655</b>
Community and social services	31,670	48,114	81,411	69,196	100,512	91,824	69,742	75,542	47,859
Sport and recreation	320,937	134,842	151,529	124,613	155,285	153,378	148,513	118,611	41,877
Public safety	66,785	88,074	126,115	169,157	190,032	184,583	185,098	120,481	95,581
Housing	565,763	564,398	962,099	420,904	431,347	398,765	499,611	440,504	462,541
Health	22,382	24,690	20,173	15,603	21,218	17,818	33,490	39,796	42,796
<b>Economic and environmental services</b>	<b>2,556,854</b>	<b>1,190,510</b>	<b>1,277,386</b>	<b>1,502,183</b>	<b>1,753,235</b>	<b>1,601,782</b>	<b>1,534,557</b>	<b>1,358,209</b>	<b>1,527,616</b>
Planning and development	52,804	59,776	38,812	83,570	60,521	60,327	70,524	33,824	96,050
Road transport	2,497,813	1,116,363	1,227,644	1,408,046	1,675,510	1,524,253	1,448,117	1,313,221	1,423,631
Environmental protection	6,236	14,370	10,930	10,567	17,204	17,203	15,916	11,165	7,935
<b>Trading services</b>	<b>2,009,041</b>	<b>2,118,932</b>	<b>2,111,807</b>	<b>3,154,319</b>	<b>2,938,072</b>	<b>2,592,946</b>	<b>3,458,301</b>	<b>2,921,616</b>	<b>3,248,421</b>
Electricity	1,194,512	1,151,286	898,889	1,343,939	1,122,474	990,748	1,536,812	1,056,938	1,152,499
Water	303,326	458,746	524,051	786,494	853,749	687,324	883,225	736,182	870,648
Waste water management	303,029	372,281	460,858	726,171	691,744	646,058	800,774	819,139	896,685
Waste management	208,174	136,619	228,009	297,715	270,105	268,815	237,491	309,356	328,589
<b>Other</b>	<b>1,629</b>	<b>1,043</b>	<b>999</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Capital Expenditure - Standard</b>	<b>5,868,810</b>	<b>4,502,293</b>	<b>5,251,742</b>	<b>6,043,985</b>	<b>6,129,094</b>	<b>5,578,658</b>	<b>6,489,277</b>	<b>5,515,724</b>	<b>5,883,505</b>
<b>Funded by:</b>									
National Government	3,056,018	1,768,880	2,189,129	2,137,367	2,266,580	2,100,872	2,079,122	2,021,143	2,196,200
Provincial Government	354,954	283,513	282,292	86,446	180,214	176,537	97,918	141,889	150,876
District Municipality	-	-	-	-	-	-	-	-	-
Other transfers and grants	3,673	926	1,892	-	341	341	-	-	-
<b>Transfers recognised - capital</b>	<b>3,414,645</b>	<b>2,053,319</b>	<b>2,473,313</b>	<b>2,223,813</b>	<b>2,447,135</b>	<b>2,277,749</b>	<b>2,177,040</b>	<b>2,163,032</b>	<b>2,347,076</b>
<b>Public contributions &amp; donations</b>	<b>35,076</b>	<b>44,022</b>	<b>44,219</b>	<b>53,761</b>	<b>68,392</b>	<b>68,392</b>	<b>75,800</b>	<b>83,900</b>	<b>86,700</b>
<b>Borrowing</b>	<b>1,753,425</b>	<b>1,856,889</b>	<b>2,152,377</b>	<b>2,579,264</b>	<b>2,529,240</b>	<b>2,458,889</b>	<b>2,928,696</b>	<b>2,376,700</b>	<b>2,660,838</b>
<b>Internally generated funds</b>	<b>665,664</b>	<b>548,064</b>	<b>581,833</b>	<b>1,187,146</b>	<b>1,084,326</b>	<b>773,627</b>	<b>1,307,740</b>	<b>892,092</b>	<b>788,891</b>
<b>Total Capital Funding</b>	<b>5,868,810</b>	<b>4,502,293</b>	<b>5,251,742</b>	<b>6,043,985</b>	<b>6,129,094</b>	<b>5,578,658</b>	<b>6,489,277</b>	<b>5,515,724</b>	<b>5,883,505</b>



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**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; and funding sources required to fund the capital budget, including 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 R6 489 million for 2016/17, decreasing to R5 516 million in 2017/18 and again increasing to R5 884 million in 2018/19.
3. The capital budget is funded by allocations made to the City by National and Provincial government in the form of grants, as well as public contributions and donations, borrowings and internally generated funds. Capital transfers from National Government, the Provincial Government Western Cape and other transfers and grants amount to R2 177 million (33.5%) in 2016/17, decreases slightly to R2 163 million in 2017/18 and again increase to R2 347 million in 2018/19. Public contributions and donations amounts to R75.8 million, R83.9 million and R86.7 million over respective financial years. Borrowings amounts to R2 929 million, R2 377 million and R2 661 million over the MTREF and has been provided for in terms of affordability levels as determined during MTREF modelling. Internally generated funds have been provided for over the MTREF amounting to R1 308 million, R892 million and R789 million for each of the respective financial years.

**Table 26 MBRR Table A6 - Budgeted Financial Position**

Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>R thousand</b>									
<b>ASSETS</b>									
<b>Current assets</b>									
Cash	187,429	207,934	142,947	207,478	119,792	119,792	103,411	103,918	146,904
Call investment deposits	7,973,561	4,680,531	4,802,548	3,399,717	2,638,125	2,638,125	2,907,191	3,131,708	3,813,677
Consumer debtors	4,172,233	4,309,649	4,618,497	4,740,731	4,849,763	4,849,763	4,903,207	5,148,917	5,394,627
Other debtors	290,496	414,535	707,217	504,938	777,939	777,939	894,630	1,028,824	1,183,148
Current portion of long-term receivables	20,546	19,650	19,838	19,470	20,830	20,830	21,871	22,965	24,113
Inventry	256,550	269,283	280,316	311,022	308,348	308,348	339,182	373,101	410,411
<b>Total current assets</b>	<b>12,900,815</b>	<b>9,901,582</b>	<b>10,571,363</b>	<b>9,183,356</b>	<b>8,714,796</b>	<b>8,714,796</b>	<b>9,169,492</b>	<b>9,809,432</b>	<b>10,972,879</b>
<b>Non current assets</b>									
Long-term receivables	101,665	104,312	75,324	94,142	71,558	71,558	67,980	64,581	61,352
Investments	173,425	3,245,041	3,753,617	3,911,206	3,939,969	3,939,969	4,029,279	4,248,187	4,492,895
Investment property	191,945	190,849	589,382	589,382	589,382	589,382	589,382	589,382	589,382
Investment in Associate	–	–	–	–	–	–	–	–	–
Property, plant and equipment	27,800,770	30,538,858	33,443,104	37,617,338	37,138,620	37,138,620	40,984,992	43,734,197	46,586,873
Agricultural	–	–	–	–	–	–	–	–	–
Biological	–	–	–	–	–	–	–	–	–
Intangible	756,609	729,507	708,383	708,383	708,383	708,383	708,383	708,383	708,383
Other non-current assets	9,411	9,111	9,062	9,062	9,062	9,062	9,062	9,062	9,062
<b>Total non current assets</b>	<b>29,033,825</b>	<b>34,817,678</b>	<b>38,578,872</b>	<b>42,929,513</b>	<b>42,456,974</b>	<b>42,456,974</b>	<b>46,389,077</b>	<b>49,353,792</b>	<b>52,447,947</b>
<b>TOTAL ASSETS</b>	<b>41,934,640</b>	<b>44,719,260</b>	<b>49,150,235</b>	<b>52,112,868</b>	<b>51,171,770</b>	<b>51,171,770</b>	<b>55,558,570</b>	<b>59,163,225</b>	<b>63,420,826</b>
<b>LIABILITIES</b>									
<b>Current liabilities</b>									
Bank overdraft	–	–	–	–	–	–	–	–	–
Borrowing	418,166	368,325	345,682	498,690	474,100	474,100	501,208	530,326	649,886
Consumer deposits	308,217	370,217	272,258	447,963	299,484	299,484	329,432	362,375	398,613
Trade and other payables	5,445,077	6,338,164	6,911,132	6,907,829	6,443,053	6,443,053	6,579,021	6,699,004	6,795,712
Provisions	1,817,235	1,078,550	1,127,282	975,045	1,124,940	1,124,940	1,091,755	1,168,178	1,249,950
<b>Total current liabilities</b>	<b>7,988,695</b>	<b>8,155,256</b>	<b>8,656,354</b>	<b>8,829,527</b>	<b>8,341,577</b>	<b>8,341,577</b>	<b>8,501,416</b>	<b>8,759,883</b>	<b>9,094,161</b>
<b>Non current liabilities</b>									
Borrowing	6,936,236	6,666,139	6,415,499	8,032,745	6,032,745	6,032,745	8,058,439	9,079,089	10,456,698
Provisions	4,552,513	5,783,962	5,624,708	6,359,098	5,977,349	5,977,349	6,271,089	6,509,602	6,794,208
<b>Total non current liabilities</b>	<b>11,488,749</b>	<b>12,450,101</b>	<b>12,040,207</b>	<b>14,391,843</b>	<b>12,010,094</b>	<b>12,010,094</b>	<b>14,329,528</b>	<b>15,588,691</b>	<b>17,250,906</b>
<b>TOTAL LIABILITIES</b>	<b>19,477,444</b>	<b>20,605,357</b>	<b>20,696,561</b>	<b>23,221,369</b>	<b>20,351,672</b>	<b>20,351,672</b>	<b>22,830,944</b>	<b>24,348,574</b>	<b>26,345,067</b>
<b>NET ASSETS</b>	<b>22,457,196</b>	<b>24,113,903</b>	<b>28,453,674</b>	<b>28,891,499</b>	<b>30,820,098</b>	<b>30,820,098</b>	<b>32,727,626</b>	<b>34,814,651</b>	<b>37,075,759</b>
<b>COMMUNITY WEALTH/EQUITY</b>									
Accumulated Surplus/(Deficit)	20,159,376	21,893,987	25,663,410	27,044,035	28,525,505	28,525,505	31,257,262	33,568,798	35,917,547
Reserves	2,297,820	2,219,916	2,790,264	1,847,464	2,294,593	2,294,593	1,470,363	1,245,853	1,158,212
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>22,457,196</b>	<b>24,113,903</b>	<b>28,453,674</b>	<b>28,891,499</b>	<b>30,820,098</b>	<b>30,820,098</b>	<b>32,727,626</b>	<b>34,814,651</b>	<b>37,075,759</b>

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## **Explanatory notes to Table A6 - Budgeted Financial Position**

1. The budgeted Statement of Financial Position of the City has been prepared on a basis consistent with GRAP 1 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.
2. 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 182) 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
3. 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	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>R thousand</b>									
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>									
<b>Receipts</b>									
Property rates, penalties & collection charges	5,076,445	5,546,774	6,018,735	6,440,048	6,471,517	6,471,517	6,864,644	7,310,945	7,832,252
Service charges	13,099,805	13,903,680	13,768,730	15,773,011	15,785,856	15,785,856	16,910,000	19,259,891	21,936,793
Other revenue	693,648	2,580,699	3,352,908	3,107,198	3,024,013	3,024,013	3,205,429	3,424,013	3,664,966
Government - operating	1,979,795	2,389,432	3,251,460	3,579,752	4,106,009	4,106,009	3,802,940	4,004,790	4,270,147
Government - capital	3,414,645	2,052,758	2,423,179	2,277,574	2,515,528	2,515,528	2,252,840	2,246,932	2,433,776
Interest	681,878	729,374	735,298	442,109	580,779	580,779	595,694	624,661	672,891
Dividends	-	-	-	-	-	-	-	-	-
<b>Payments</b>									
Suppliers and employees	(18,797,879)	(21,822,483)	(22,645,643)	(26,548,109)	(27,373,994)	(27,373,994)	(28,554,433)	(31,302,647)	(34,601,927)
Finance charges	(645,706)	(749,639)	(709,455)	(887,380)	(703,079)	(703,079)	(812,118)	(928,327)	(1,098,571)
Transfers and Grants	-	(115,021)	(136,487)	-	-	-	(115,154)	(133,190)	(140,515)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>5,502,631</b>	<b>4,515,574</b>	<b>6,058,725</b>	<b>4,184,203</b>	<b>4,406,629</b>	<b>4,406,629</b>	<b>4,149,843</b>	<b>4,507,069</b>	<b>4,969,812</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>									
<b>Receipts</b>									
Proceeds on disposal of PPE	93,472	71,458	91,419	74,669	74,669	74,669	79,500	49,500	49,500
Decrease (Increase) in non-current debtors	-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables	(3,125)	(1,751)	28,800	4,955	3,766	3,766	3,578	3,399	3,229
Decrease (increase) in non-current investments	(574,187)	(2,263,558)	361,949	(170,422)	(186,352)	(186,352)	(89,310)	(218,908)	(244,708)
<b>Payments</b>									
Capital assets	(5,868,809)	(4,502,293)	(5,200,493)	(5,955,826)	(6,041,566)	(6,041,566)	(5,840,349)	(4,964,152)	(5,295,155)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(6,352,649)</b>	<b>(6,696,144)</b>	<b>(4,718,325)</b>	<b>(6,046,623)</b>	<b>(6,149,483)</b>	<b>(6,149,483)</b>	<b>(5,846,581)</b>	<b>(5,130,161)</b>	<b>(5,487,133)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>									
<b>Receipts</b>									
Short term loans	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	2,384,420	-	-	2,000,000	-	-	2,500,000	1,500,000	2,000,000
Increase (decrease) in consumer deposits	33,273	62,000	(97,959)	40,724	27,226	27,226	29,948	32,943	36,238
<b>Payments</b>									
Repayment of borrowing	(165,311)	(345,067)	(309,852)	(368,931)	(285,598)	(285,598)	(491,216)	(465,919)	(549,253)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>2,252,382</b>	<b>(283,067)</b>	<b>(407,811)</b>	<b>1,671,793</b>	<b>(258,372)</b>	<b>(258,372)</b>	<b>2,038,733</b>	<b>1,067,024</b>	<b>1,486,985</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>1,402,364</b>	<b>(2,463,637)</b>	<b>932,589</b>	<b>(190,628)</b>	<b>(2,001,226)</b>	<b>(2,001,226)</b>	<b>341,995</b>	<b>443,932</b>	<b>969,663</b>
Cash/cash equivalents at the year begin:	3,327,832	4,730,196	2,266,559	2,265,410	3,199,148	3,199,148	1,197,922	1,539,917	1,983,849
Cash/cash equivalents at the year end:	4,730,196	2,266,559	3,199,148	2,074,783	1,197,922	1,197,922	1,539,917	1,983,849	2,953,512

**Explanatory notes to Table A7 – Budgeted Cash Flow Statement**

1. The table shows the cash and cash equivalents of the City during the 2016/17 MTREF.
2. For the 2016/17 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 R1 539 million by 2016/17 and increasing to R2 953 million by 2018/19.
3. Interest earned on outstanding debtors relates to arrear debtors accounts and was considered prudent to be excluded from the interest income line item for cash-flow purposes as a result of the uncertainty of its collectability.

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

Description R thousand	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>Cash and investments available</b>									
Cash/cash equivalents at the year end	4,730,196	2,266,559	3,199,148	2,074,783	1,197,922	1,197,922	1,539,917	1,983,849	2,953,512
Other current investments > 90 days	3,430,794	2,621,906	1,746,347	1,532,412	1,559,995	1,559,995	1,470,685	1,251,777	1,007,069
Non current assets - Investments	173,425	3,245,041	3,753,617	3,911,206	3,939,969	3,939,969	4,029,279	4,248,187	4,492,895
<b>Cash and investments available:</b>	<b>8,334,415</b>	<b>8,133,506</b>	<b>8,699,112</b>	<b>7,518,401</b>	<b>6,697,886</b>	<b>6,697,886</b>	<b>7,039,881</b>	<b>7,483,813</b>	<b>8,453,476</b>
<b>Application of cash and investments</b>									
Unspent conditional transfers	858,556	1,495,768	1,527,445	1,640,961	1,640,960	1,640,960	1,600,902	1,727,303	1,868,101
Unspent borrowing	-	-	-	-	-	-	-	-	-
Statutory requirements	-	-	-	-	-	-	-	-	-
Other working capital requirements	506,469	165,613	370,975	302,275	(489,299)	(489,299)	(441,162)	(832,686)	(1,265,554)
Other provisions	-	-	-	-	-	-	-	-	-
Long term investments committed	173,425	3,245,041	1,864,888	2,045,502	2,045,502	2,045,502	2,014,640	2,347,720	2,586,428
Reserves to be backed by cash/investments	2,297,820	468,419	2,790,264	1,682,637	1,536,038	1,536,038	1,590,916	1,531,421	1,596,423
<b>Total Application of cash and investments:</b>	<b>3,836,270</b>	<b>5,374,841</b>	<b>6,553,572</b>	<b>5,671,375</b>	<b>4,733,201</b>	<b>4,733,201</b>	<b>4,765,296</b>	<b>4,773,758</b>	<b>4,785,398</b>
<b>Surplus(shortfall)</b>	<b>4,498,145</b>	<b>2,758,665</b>	<b>2,145,540</b>	<b>1,847,026</b>	<b>1,964,685</b>	<b>1,964,685</b>	<b>2,274,585</b>	<b>2,710,055</b>	<b>3,668,078</b>

**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 for the City remained in a surplus net cash flow position for the period 2016/17 to 2018/19.
5. Considering the requirements of section 18 of the MFMA, it can be concluded that the 2016/17 MTREF is fully funded.
6. As part of the budgeting and planning guidelines that informed the compilation of the 2016/17 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 an inclining/positive term trend; i.e. moving progressively from a surplus of R2 275 million in 2016/17 to a surplus of R3 668 million by 2018/19.

**Table 29 MBRR Table A9 - Asset Management**

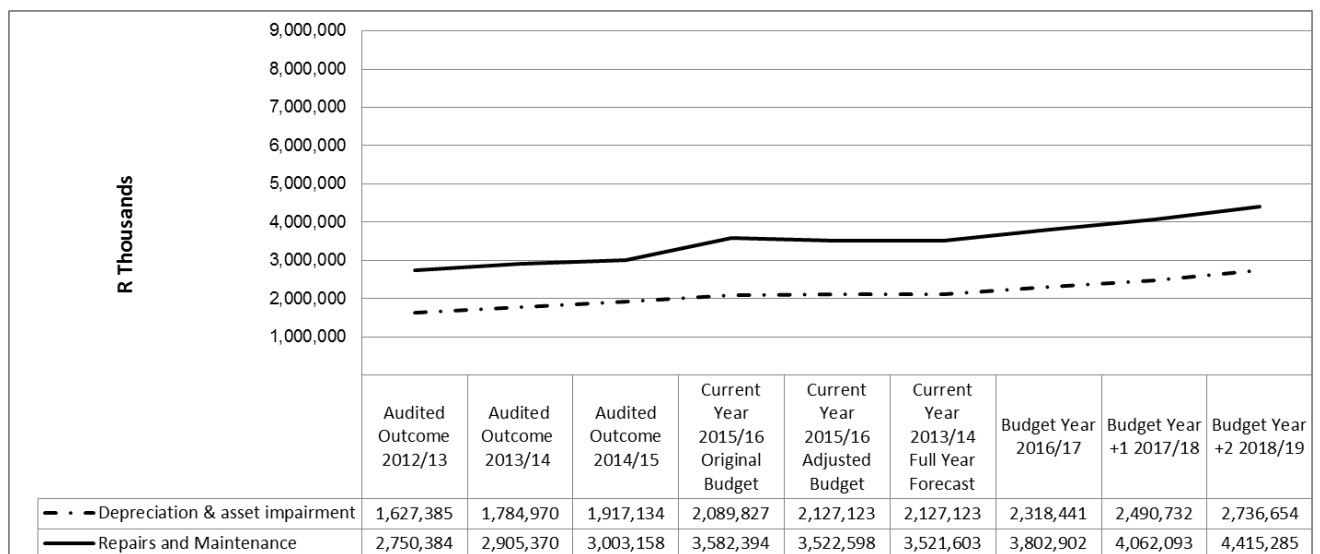
Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>R thousand</b>									
<b>CAPITAL EXPENDITURE</b>									
<b><u>Total New Assets</u></b>	<b>3,715,943</b>	<b>2,366,127</b>	<b>2,796,559</b>	<b>3,133,237</b>	<b>3,048,254</b>	<b>2,672,077</b>	<b>3,348,802</b>	<b>2,839,456</b>	<b>2,871,879</b>
Infrastructure - Road transport	700,386	666,729	561,249	835,679	700,774	686,738	820,980	794,714	802,311
Infrastructure - Electricity	471,759	541,825	402,632	582,928	499,143	473,246	635,891	474,241	510,500
Infrastructure - Water	142,846	156,526	162,697	273,745	215,767	207,940	311,421	298,824	387,403
Infrastructure - Sanitation	88,619	162,452	130,355	239,084	226,428	211,819	261,175	232,845	261,992
Infrastructure - Other	324,144	146,551	322,113	410,918	324,101	317,610	368,876	342,022	428,772
Infrastructure	1,727,753	1,674,083	1,579,045	2,342,353	1,966,214	1,897,353	2,398,343	2,142,645	2,390,977
Community	249,486	58,674	76,007	80,812	119,654	117,554	145,642	226,661	177,838
Heritage assets	1,218	204	–	–	–	–	–	–	–
Other assets	1,737,485	633,166	1,141,507	710,071	961,387	656,170	804,817	470,149	303,064
Intangibles	–	–	–	–	1,000	1,000	–	–	–
<b><u>Total Renewal of Existing Assets</u></b>	<b>2,152,867</b>	<b>2,136,166</b>	<b>2,455,183</b>	<b>2,910,748</b>	<b>3,080,840</b>	<b>2,906,582</b>	<b>3,140,474</b>	<b>2,676,268</b>	<b>3,011,626</b>
Infrastructure - Road transport	294,266	217,144	300,314	438,645	624,157	586,690	589,080	495,315	543,537
Infrastructure - Electricity	442,917	371,397	388,188	643,732	479,229	441,985	664,046	538,972	565,149
Infrastructure - Water	121,610	225,244	306,727	267,000	324,949	339,949	286,167	365,562	386,050
Infrastructure - Sanitation	250,774	227,906	348,155	511,703	485,240	451,936	547,702	615,430	790,950
Infrastructure - Other	103,628	118,979	74,615	167,432	216,290	216,980	91,555	88,650	176,150
Infrastructure	1,213,195	1,160,670	1,417,998	2,028,511	2,129,865	2,037,539	2,178,549	2,103,930	2,461,835
Community	489,415	444,880	499,853	212,296	333,406	314,921	253,740	184,717	104,569
Heritage assets	646	500	514	29,140	6,377	6,377	35,208	2,230	2,230
Other assets	449,611	530,115	536,818	640,800	611,192	547,744	667,727	379,141	436,741
Intangibles	–	–	–	–	–	–	5,250	6,250	6,250
<b><u>Total Capital Expenditure</u></b>									
Infrastructure - Road transport	994,652	883,873	861,563	1,274,324	1,324,932	1,273,428	1,410,059	1,290,029	1,345,847
Infrastructure - Electricity	914,675	913,221	790,819	1,226,659	978,372	915,231	1,299,937	1,013,213	1,075,649
Infrastructure - Water	264,456	381,771	469,424	540,745	540,716	547,888	597,588	664,386	773,453
Infrastructure - Sanitation	339,392	390,358	478,510	750,787	711,668	663,755	808,877	848,275	1,052,942
Infrastructure - Other	427,772	265,529	396,727	578,350	540,391	534,590	460,431	430,672	604,922
Infrastructure	2,940,947	2,834,753	2,997,043	4,370,864	4,096,079	3,934,892	4,576,892	4,246,575	4,852,812
Community	738,902	503,555	575,860	293,109	453,060	432,475	399,382	411,379	282,407
Heritage assets	1,865	705	514	29,140	6,377	6,377	35,208	2,230	2,230
Other assets	2,187,096	1,163,281	1,678,325	1,350,871	1,572,579	1,203,914	1,472,545	849,291	739,805
Intangibles	–	–	–	–	1,000	1,000	5,250	6,250	6,250
<b>TOTAL CAPITAL EXPENDITURE - Asset class</b>	<b>5,868,810</b>	<b>4,502,293</b>	<b>5,251,742</b>	<b>6,043,985</b>	<b>6,129,094</b>	<b>5,578,658</b>	<b>6,489,277</b>	<b>5,515,724</b>	<b>5,883,505</b>
<b>ASSET REGISTER SUMMARY - PPE (WDV)</b>									
Infrastructure - Road transport	5,640,550	7,691,454	8,467,374	9,096,250	9,086,146	9,086,146	9,755,319	10,263,537	10,772,300
Infrastructure - Electricity	4,090,969	4,720,005	5,004,204	6,531,648	5,678,639	5,678,639	6,625,643	7,280,103	7,952,312
Infrastructure - Water	1,572,381	1,706,105	1,943,653	2,575,704	2,243,112	2,243,112	2,571,096	2,935,758	3,336,078
Infrastructure - Sanitation	1,857,803	2,096,342	2,182,565	2,891,083	2,655,370	2,655,370	3,203,547	3,773,735	4,521,860
Infrastructure - Other	2,398,435	1,494,456	2,599,260	1,725,269	2,991,534	2,991,534	3,280,130	3,530,037	3,934,335
Infrastructure	15,560,138	17,708,362	20,197,056	22,819,953	22,654,800	22,654,800	25,435,735	27,783,171	30,516,885
Community	5,955,915	6,279,252	6,308,880	7,388,399	6,131,204	6,131,204	5,847,113	5,527,973	5,036,614
Heritage assets	9,411	9,111	9,062	9,062	9,062	9,062	9,062	9,062	9,062
Investment properties	191,945	190,849	589,382	589,382	589,382	589,382	589,382	589,382	589,382
Other assets	6,284,717	6,551,244	6,937,168	7,408,986	8,352,616	8,352,616	9,702,144	10,423,054	11,033,374
Intangibles	756,609	729,507	708,383	708,383	708,383	708,383	708,383	708,383	708,383
<b>TOTAL ASSET REGISTER SUMMARY - PPE (WDV)</b>	<b>28,758,735</b>	<b>31,468,325</b>	<b>34,749,931</b>	<b>38,924,165</b>	<b>38,445,447</b>	<b>38,445,447</b>	<b>42,291,819</b>	<b>45,041,024</b>	<b>47,893,700</b>

Table continues on next page.

Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>R thousand</b>									
<b>EXPENDITURE OTHER ITEMS</b>									
<b>Depreciation &amp; asset impairment</b>	1,627,385	1,784,970	1,917,134	2,089,827	2,127,123	2,127,123	2,318,441	2,490,732	2,736,654
<b>Repairs and Maintenance by Asset Class</b>	2,750,384	2,905,370	3,003,158	3,582,394	3,522,598	3,521,603	3,802,902	4,062,093	4,415,285
Infrastructure - Road transport	638,627	685,029	727,188	929,663	811,932	811,932	824,573	878,169	940,248
Infrastructure - Electricity	425,807	469,216	477,738	575,139	560,261	560,261	570,091	619,145	705,497
Infrastructure - Water	59,063	63,916	73,760	73,599	108,513	108,513	87,236	82,571	87,936
Infrastructure - Sanitation	455,800	480,904	483,835	613,719	612,537	612,537	532,007	566,586	603,416
Infrastructure - Other	353,913	365,176	393,868	362,805	375,844	375,844	519,718	563,856	600,088
Infrastructure	1,933,209	2,064,242	2,156,388	2,554,924	2,469,086	2,469,086	2,533,624	2,710,328	2,937,185
Community	331,609	347,062	340,091	386,338	397,947	398,674	540,574	575,699	613,122
Heritage assets	955	725	501	1,364	90	90	11	12	12
Other assets	484,611	493,342	506,178	639,769	655,476	653,753	728,694	776,054	864,966
<b>TOTAL EXPENDITURE OTHER ITEMS</b>	<b>4,377,770</b>	<b>4,690,340</b>	<b>4,920,292</b>	<b>5,672,221</b>	<b>5,649,721</b>	<b>5,648,726</b>	<b>6,121,343</b>	<b>6,552,825</b>	<b>7,151,939</b>
<b>Renewal of Existing Assets as % of total capex</b>	36.7%	47.4%	46.7%	48.2%	50.3%	52.1%	48.4%	48.5%	51.2%
<b>Renewal of Existing Assets as % of deprecn"</b>	132.3%	119.7%	128.1%	139.3%	144.8%	136.6%	135.5%	107.4%	110.0%
<b>R&amp;M as a % of PPE</b>	9.9%	9.5%	9.0%	9.5%	9.5%	9.5%	9.3%	9.3%	9.5%
<b>Renewal and R&amp;M as a % of PPE</b>	17.0%	16.0%	16.0%	17.0%	17.0%	17.0%	16.0%	15.0%	16.0%

### Explanatory notes to Table A9 – Asset Management

- 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.
- The budgeted depreciation used is calculated on a cost centre level and not per asset type as the detail of asset types is not known at the time of calculation
- The following graph provides an analysis between depreciation 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 over the MTREF**



**Table 30 MBRR Table A10 - Basic Service Delivery Measurement**

Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>Household service targets</b>									
<b>Water:</b>									
Piped water inside dwelling	943,000	978,000	989,239	978,170	978,170	978,170	988,643	998,693	1,008,298
Piped water inside yard (but not in dwelling)	–	–	–	–	–	–	–	–	–
Using public tap (at least min.service level)	187,000	196,000	153,853	156,755	156,755	156,755	158,433	160,044	161,583
Other water supply (at least min.service level)	–	–	–	–	–	–	–	–	–
<i>Minimum Service Level and Above sub-total</i>	1,130,000	1,174,000	1,143,092	1,134,925	1,134,925	1,134,925	1,147,076	1,158,737	1,169,881
Using public tap (< min.service level)	12	8,000	–	–	–	–	–	–	–
Other water supply (< min.service level)	–	–	–	–	–	–	–	–	–
No water supply	–	–	–	–	–	–	–	–	–
<i>Below Minimum Service Level sub-total</i>	12,000	8,000	–	–	–	–	–	–	–
<b>Total number of households</b>	<b>1,142,000</b>	<b>1,182,000</b>	<b>1,143,092</b>	<b>1,134,925</b>	<b>1,134,925</b>	<b>1,134,925</b>	<b>1,147,076</b>	<b>1,158,737</b>	<b>1,169,881</b>
<b>Sanitation/sewerage:</b>									
Flush toilet (connected to sewerage)	999,000	1,045,000	1,043,129	1,044,323	1,044,323	1,053,765	1,070,076	1,085,737	1,099,881
Flush toilet (with septic tank)	–	–	–	–	–	–	–	–	–
Chemical toilet	23,000	24,000	29,080	29,955	29,955	23,964	23,964	23,964	23,964
Pit toilet (ventilated)	1,560	1,560	–	–	–	–	65	65	65
Other toilet provisions (> min.service level)	58,000	70,840	70,506	60,647	60,647	57,196	52,754	48,971	45,971
<i>Minimum Service Level and Above sub-total</i>	1,081,560	1,141,400	1,142,715	1,134,925	1,134,925	1,134,925	1,146,859	1,158,737	1,169,881
Bucket toilet	800	600	377	–	–	–	217	–	–
Other toilet provisions (< min.service level)	–	–	–	–	–	–	–	–	–
No toilet provisions	60,000	40,000	–	–	–	–	–	–	–
<i>Below Minimum Service Level sub-total</i>	60,800	40,600	377	–	–	–	217	–	–
<b>Total number of households</b>	<b>1,142,360</b>	<b>1,182,000</b>	<b>1,143,092</b>	<b>1,134,925</b>	<b>1,134,925</b>	<b>1,134,925</b>	<b>1,147,076</b>	<b>1,158,737</b>	<b>1,169,881</b>
<b>Energy:</b>									
Electricity (at least min.service level)	822,870	817,259	855,171	821,119	821,119	821,119	854,902	856,402	857,902
Electricity - prepaid (min.service level)	–	–	–	–	–	–	–	–	–
<i>Minimum Service Level and Above sub-total</i>	822,870	817,259	855,171	821,119	821,119	821,119	854,902	856,402	857,902
Electricity (< min.service level)	39,094	35,341	29,429	32,341	32,341	32,341	30,841	29,341	27,841
Electricity - prepaid (< min. service level)	–	–	–	–	–	–	–	–	–
Other energy sources	–	–	–	–	–	–	–	–	–
<i>Below Minimum Service Level sub-total</i>	39,094	35,341	29,429	32,341	32,341	32,341	30,841	29,341	27,841
<b>Total number of households</b>	<b>861,964</b>	<b>852,600</b>	<b>884,600</b>	<b>853,460</b>	<b>853,460</b>	<b>853,460</b>	<b>885,743</b>	<b>885,743</b>	<b>885,743</b>
<b>Refuse:</b>									
Removed at least once a week	963,000	936,893	938,280	965,781	965,781	965,781	975,507	995,017	1,014,917
<i>Minimum Service Level and Above sub-total</i>	963,000	936,893	938,280	965,781	965,781	965,781	975,507	995,017	1,014,917
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>	–	–	–	–	–	–	–	–	–
<b>Total number of households</b>	<b>963,000</b>	<b>936,893</b>	<b>938,280</b>	<b>965,781</b>	<b>965,781</b>	<b>965,781</b>	<b>975,507</b>	<b>995,017</b>	<b>1,014,917</b>
<b>Households receiving Free Basic Service</b>									
Water (6 kilolitres per household per month)	–	–	0	235,610	231,793	231,793	222,098	222,098	222,098
Sanitation (free minimum level service)	–	–	0	235,610	231,793	231,793	222,098	222,098	222,098
Electricity/other energy (50kwh per household per month)	241,446	246,985	229,385	229,217	229,217	230,745	231,645	232,545	233,445
Refuse (removed at least once a week)	344,500	282,126	278,431	295,543	295,543	295,543	302,957	310,534	318,278

Table continues on next page.

City of Cape Town – 2016/17 Budget

Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>Cost of Free Basic Services provided - Formal Settlements (R'000)</b>									
Water (6 kilolitres per indigent household per month)	–	–	–	206,112	202,773	202,773	212,041	235,366	261,256
Sanitation (free sanitation service to indigent households)	–	–	–	144,159	141,824	141,824	143,728	159,538	177,087
Electricity/other energy (50kwh per indigent household per month)	142,618	147,192	149,860	177,255	177,255	177,255	189,657	203,998	219,436
Refuse (removed once a week for indigent households)	221,541	240,842	227,951	234,084	234,084	234,084	235,401	248,348	262,007
<b>Cost of Free Basic Services provided - Informal Formal Settlements</b>	<b>159,668</b>	<b>204,617</b>	<b>225,043</b>	<b>614,543</b>	<b>614,543</b>	<b>614,543</b>	<b>671,529</b>	<b>737,533</b>	<b>802,443</b>
<b>Total cost of FBS provided</b>	<b>523,827</b>	<b>592,651</b>	<b>602,855</b>	<b>1,376,153</b>	<b>1,370,479</b>	<b>1,370,479</b>	<b>1,452,356</b>	<b>1,584,783</b>	<b>1,722,229</b>
Highest level of free service provided per household	–	–	–	–	–	–	–	–	–
Property rates (R value threshold)	–	–	–	–	–	–	–	–	–
Water (kilolitres per household per month)	6	6	6	6	6	6	6	6	6
Sanitation (kilolitres per household per month)	4	4	4	4	4	4	4	4	4
Sanitation (Rand per household per month)	53	59	65	75	75	79	102	107	119
Electricity (kwh per household per month)	50	60	60	60	60	60	60	60	60
Refuse (average litres per week)	240	240	240	240	240	240	240	240	240
<b>Revenue cost of subsidised services provided (R'000)</b>									
Property rates (tariff adjustment) ( impermissible values per section 17	–	–	–	–	–	–	76,186	80,986	85,910
Property rates exemptions, reductions and rebates and impermissible	1,029,245	1,062,630	1,159,647	1,248,122	1,291,122	1,291,122	1,247,403	1,325,989	1,406,609
Water (in excess of 6 kilolitres per indigent household per month)	–	–	–	154,584	152,079	152,079	159,031	176,524	195,942
Sanitation (in excess of free sanitation service to indigent households)	–	–	–	108,120	106,368	106,368	107,796	119,653	132,815
Electricity/other energy (in excess of 50 kwh per indigent household per	–	–	–	–	–	–	–	–	–
Refuse (in excess of one removal a week for indigent households)	–	–	–	–	–	–	–	–	–
Municipal Housing - rental rebates	31,882	31,777	30,379	37,639	25,000	25,000	22,955	24,218	25,550
Housing - top structure subsidies	–	–	–	–	–	–	–	–	–
Other	–	–	–	–	–	–	–	–	–
<b>Total revenue cost of subsidised services provided</b>	<b>1,061,126</b>	<b>1,094,407</b>	<b>1,190,026</b>	<b>1,548,464</b>	<b>1,574,569</b>	<b>1,574,569</b>	<b>1,613,371</b>	<b>1,727,371</b>	<b>1,846,826</b>

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**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). Backlogs reflected in the 2012/13 and 2013/14 financial years were based on the City's standards and not National standards.
  - 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 217 households reflected in the 'below minimum standards' category in the 2016/17 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 planned to remove the remaining bucket systems in 2015/16, however it did not realise due to various challenges which included community resistance. Certain of the bucket toilets could be removed, bringing the amount down from 377 to 217 households. Initiatives to remove the remaining ones are ongoing.
  - c. Electricity services – The electrification strategy is to reduce the backlog by 1 500 annually. The electricity backlog is expected to reduce from 32 341 households in 2015/16 to 30 841 households in 2016/17.
  - d. Refuse services – This service does not have any backlogs.
3. Table A10 also reflects the number of household (informal, formal and backyarders) receiving free basic services, the cost thereof and the revenue cost subsidised revenue. It must be noted that complexities and challenges were experienced in providing these numbers; details of which are provided below per department.
  - **Water & Sanitation:**

The Water & Sanitation department does not distinguish its customers in the manner prescribed in the template i.e. formal and informal settlements.

The informal settlements category comprises of 'Informal settlements' and 'Living in informal backyard rental agreement'. The latter category will only include those households that are 'formalised' and where water meters have been installed.

The methodology applied to complete this table is:

    - The numbers are manually calculated and do not follow an audit trail.
    - The information is not based on transactions from the financial systems.
    - Prices used relates to the cost per kl for water and sanitation respectively.
    - Informal settlements volumes are not currently billed and forms part of 'Non-Revenue Water'.
    - The number for backyarders used only reflects what has been formalised on the system via installing separate meters. Total backyarders is approximately 80 000 in total according to the census figures.

- **Cape Town Electricity**

The Cape Town Electricity department has no distinction between ‘formal’, ‘informal households’ and ‘Living in informal backyard rental agreement’ in the tariff structure.

The methodology applied to complete this table is:

- The way customers are separated is based on consumption levels over a 12 month period, which is then used to place customers on the appropriate tariff either lifeline or domestic.
- The lifeline tariff attracts FBE as well as a hugely subsidised tariff structure.
- Currently there’s no indicator on the financial system or the vending system that shows formal or informal households.
- Meters are also not currently GIS located in order to make this distinction. The assumption used to provide numbers for this table was a 60:40 split. The numbers are manually calculated and do not have an audit trail.

- **Solid Waste Management**

The formal property numbers are linked to the Refuse Tariff and are available on the financial system.

The informal settlement numbers are linked to an annual audit that is done by an independent body that physically counts the households via GPS. However, the following should be noted:

- There’s no separate tariff for the servicing of informal settlements.
- The detail indicating the households is not available on the financial system as the dwellings are not registered in the names of the owners – the financial system only deals with registered owners.
- In order to establish the number of households the department appoints an independent contractor to mark each door leading to a household to be serviced via a GPS system that is kept on a separate database once per year.
- This can only be audited at the time of the count, which is normally in December – after that the department assumes that the increase or decrease will not be significant

It should be noted that the full equitable share allocation to the City is currently utilised towards providing services to the poor. In addition to the free basic services allocation to water, sanitation, electricity and refuse, the City also provides a portion of the equitable share allocation towards other services to the poor e.g. primary health care.

## **Part 2 – Supporting Documentation**

### **2.1 Overview of annual budget process**

#### **2.1.1 Mayoral oversight and responsibility**

Section 24 of the MFMA requires the municipal council to, at least 30 days before the start of the financial year; consider the annual budget for approval. Section 53 requires the Mayor of a municipality to provide general political guidance over the budget process and the priorities that must guide the preparation of the budget. In addition, regulation 4, of the Municipal Budget and Reporting Regulations (MBRR), gazetted on 17 April 2009, states that:

- (1) *The mayor of a municipality must establish a budget steering committee (BSC) 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 BSC that embodies all the requirements as set out in the MFMA. In addition the Budget Strategy Committee (BSM) was also established in 2013. The purpose of the BSM is to provide strategic guidance and ensure that the budget is aligned to the City's strategies.

The 2016 financial year signifies the final year of the current 5-year IDP cycle. Allocation of resources was considered in terms of the IDP review, budget realities and sundry strategic considerations.

The principles applied to the MTREF were informed by sensitivity analysis against various scenario options over the short, medium and long - term. These scenarios are based on revenue and expenditure parameters or assumptions applied to the current financial plan and are utilised to calculate the affordability and sustainability of the City's budget over the medium to long term.

#### **2.1.2 Budget process overview**

Section 21 of the MFMA requires the Mayor to table a time schedule that sets out the process to draft the IDP and prepare the budget, 10 months before the start of the new financial year. The IDP- and budget cycle time schedule was tabled at Council on 19 August 2015.

In compliance to the above requirements, the budget process for the 2016/17 MTREF period proceeded according to the following timeline:

*July - August 2015*

The 2016/17 IDP/Budget timetable was tabled in Council. Strategic sessions of the BSC regarding budget strategy, process and guidance were held. Submission of Draft BEPP submitted to National Treasury.

*September - October 2015*

Budget consultation with Subcouncils. Directorates' budget proposals were work-shopped with Portfolio Committees. Reiterative interactions with BSC and BSM on key parameters including financial and economic assumptions applied to the MTREF forecasting model.

*November – December 2015*

Budget hearing meetings were held with Executive Directors and relevant Mayco members to ensure, amongst other, budget alignment to the City's strategies. Refinement of the MTREF forecasting model to ensure a credible, affordable and sustainable budget over the medium term.

*January – March 2016*

Detailed Operating- and Capital budgets were prepared.

*March 2016*

The draft 2016/17 Operating and Capital budgets and IDP review was tabled at Council on 31 March 2016.

*March - April 2016*

The budget, IDP and tariff proposals were published for comment and consultation as part of the public participation process.

*April - May 2016*

Comments received as a result of the public participation process were submitted to Mayco for consideration. The 2016/17 MTREF budget, IDP review and BEPP is scheduled for consideration and adoption by Council on 25 May 2016.

### **2.1.3 IDP and Service Delivery and Budget Implementation Plan**

The City's Integrated Development Plan (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 Five Year 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.

However, while the IDP represents the strategic intent of the City, it is also compiled with the understanding that a number of challenges will need to be overcome in order to achieve the strategic objectives it sets out. Some of these challenges are known, while others are as yet unknown and may arise at any time due to any number of national and international economic, political or social events.

The 5-Year term of office IDP (2012/13-2016/17) for the City was developed in line with the Term of Office IDP Process Plan (2011/12 -2015/16), approved by Council and the IDP and Budget Time-Schedule of Events for the approval of the 2015/16 IDP and 2015/16 – 2017/18 Budget approved by the Executive Mayor and tabled in Council.

The Time Schedule applicable to the IDP (2012/13-2016/17) review for the City included the following key IDP processes and deliverables:

- Advertisement of time-schedule on website, local newspapers and notice boards.
- A member or committee of a municipal council propose amendments to the IDP.
- The proposals were advertised for public comment.
- Table draft Annual Report to Mayco.
- Table draft IDP and Budget Report to Mayco and Council.
- Publication of 2013/14 oversight report.
- Advertise IDP/Corporate Scorecard/Budget proposed amendments to obtain public comment from communities, provincial government and other relevant stakeholders on the draft IDP.
- Final approval of the IDP/Corporate Scorecard and Budget document by Council resolution, setting taxes and tariffs, approving changes to the IDP and budget related policies, approval of measurable performance objectives for revenue by source and expenditure by vote before the start of the financial year.
- Notification of approved 2012/13-2016/17 reviewed IDP and Budget to public.
- Response to public comment in respect of Budget, tariffs and policies.

#### **2.1.4 Community Consultation**

Council called for public comments on the 2016/17 draft budget, which included proposed amendments to the budget related policies in compliance with the Local Government Municipal Systems Act No 32 of 2000, the Local Government Municipal Finance Management Act No. 56 of 2003 and the Local Government Municipal Property Rates Act 6 of 2004.

The public participation process initially ran from 1 April to 22 April 2016 but was extended to 29 April 2016 as per a media release on 15 April 2016, in an effort to garner more public input for consideration. The latter enhanced the public participation process as it facilitated a planned approach with the people of Cape Town.

The City's annual public participation for budget inputs from the communities exceeds the legislative requirements in that it provides extensive budget related information in various formats and at many venues for ease of access by the communities in their local areas as well as a very comprehensive and detailed advertisement at these venues and in the media at large. The public participation process was very comprehensive in that:

- Workshops were held prior to the PPP to allow for proposed amendments to tariff and policies.
- The communities were invited to participate via the media advertisements, Facebook, Twitter, by completing "have your say" forms for submission at all the venues, eBilling, a note in the monthly municipal accounts as posted and various media articles.
- All the budget information was available on the City's website, at all the libraries, subcouncils and some administration buildings
- The budget information included the full report and detailed advertisements.



- The budget information was made available in PDF format and also in Excel to facilitate interrogation of the various budget schedules for better understanding and comments.
- 8 public meetings were held at suitable venues as these meetings were based on subcouncil districts and transport was arranged for the communities to allow a broader attendance and participation.
- Targeted meetings were held with the Chamber of Commerce, SAPOA, Afrikaanse Handels Instituut, Special Rating Areas Forum, Filming and Events Industry, various Ratepayers Associations and the Social Justice Coalition.
- Meeting and information pamphlets were distributed at various subcouncils.

The advertisements appeared in the Cape Times, Cape Argus, Community newspapers, Kasi Vision, Die Burger, People's Post, Tygerburger, City Vision, Helderberg Gazette, District Mail, Weskus News, Impact 24/7, Northern Bulletin, Cape Flats News and Dizindaba.

The public participation process attracted approximately 4000 comments which were acknowledged with individual letters and will be responded to after the budget has been considered by Council for approval. The comments received were distributed to line departments for suitable responses and for consideration in current and future budgets. A report detailing the comments received and the departmental responses thereto will be submitted to Council under a separate cover.

Given the comments received and the relevant departmental responses from the departments, it appears that the 2016/17 Draft Budget does not require any significant changes. The budget related policies and the Tariffs and Charges Book have been amended accordingly.

## **2.2 Overview of alignment of annual budget with IDP**

The City's priority objectives are set out in its Integrated Development Plan (IDP), which provides the strategic framework that guides the city's planning and budgeting over the course of the five year political term. Five pillars have been identified to focus delivery and translate the electoral mandate into the organisational structures of the City.

The 5 strategic focus areas (SFA's) or pillars are:

1. The Opportunity City
2. The Safe City
3. The Caring City
4. The Inclusive City
5. The Well Run City

These pillars are unpacked into twenty three 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 were allocated firstly through budget prioritisation at a corporate level and pulled through to the directorate and department Business plans.

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

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## The intergovernmental development agenda for Cape Town

The City engages with the Province and National Government in a structured and functional manner. At a political level, formal engagements between the Provincial Cabinet and the City's Mayoral Committee take place quarterly. At a technical and administrative level, sectoral as well as three formal engagements take place between the Province's Heads of Department as well as the Executive Management Team (EMT) of the City.

These are aimed at ensuring maximum benefit for the City through better planning, coordination and accountability among all spheres of government; enhancing the City's strategic objectives of infrastructure investment for economic growth, service delivery excellence and institutional efficiency; and achieving better and more efficient resource utilisation. In short, all the aforementioned engagements are aimed at ensuring that the City extracts value and benefit from its participation in intergovernmental and international cooperative relations.

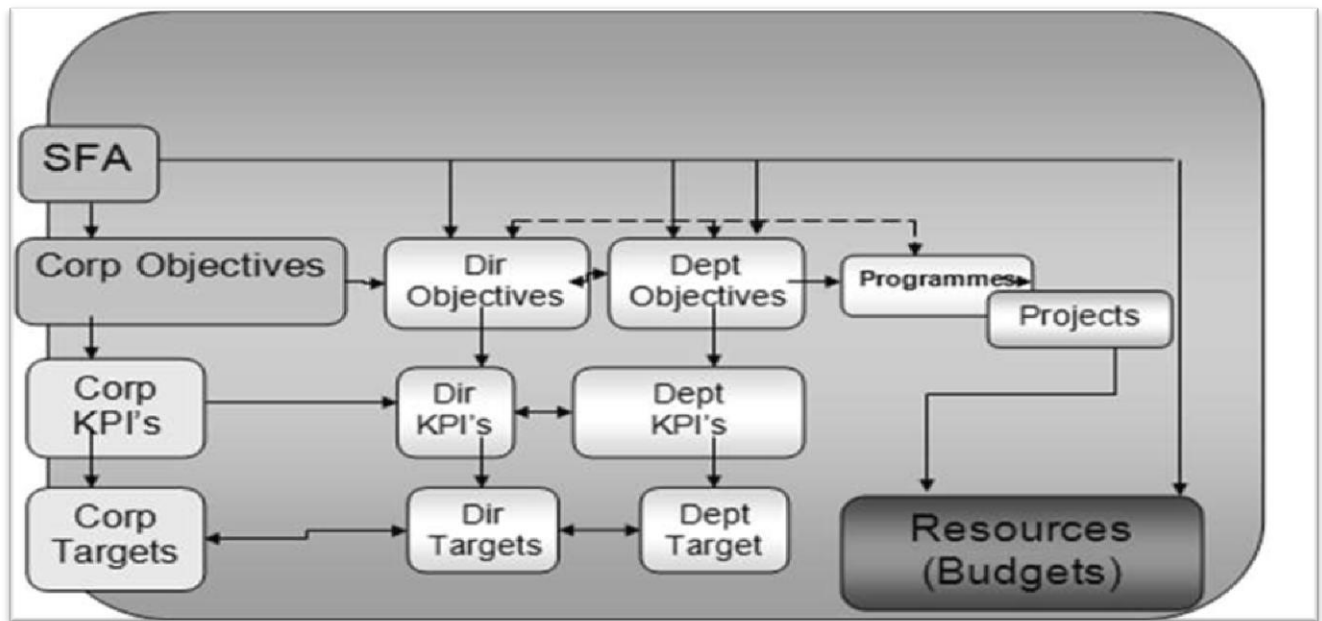
The national and provincial priorities, policies and strategies of importance include amongst others:

- National Development Plan,
- Government Programme of Action,
- Development Facilitation Act of 1995,
- Provincial Growth and Development Strategy (GGDS),
- National and Provincial spatial development perspectives,
- Relevant sector plans such as transportation, legislation and policy,
- National Key Performance Indicators (NKPI),
- Accelerated and Shared Growth Initiative (ASGISA),
- National 2014 Vision,
- National Spatial Development Perspective (NSDP), and
- The National Priority Outcomes.

The vision of the City is threefold:

- To be a prosperous city that creates an enabling environment for shared economic growth and development.
- To achieve effective and equitable service delivery.
- To serve the citizens of Cape Town as a well-governed and effectively run administration.

The budget is allocated against the five strategic focus areas 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 Service Delivery and Budget Implementation Plans (SDBIP) that reflect the detailed projects. Each of these projects is allocated budgetary and other resources. The figure below visually represents the link between the IDP and the Budget and demonstrates how corporate strategy is cascaded through the organisation, and how it influences and shapes the operating and capital budgets of the various directorates and departments within the City.



**Figure 6 IDP and Budget link**

The tables below provide further 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	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand										
The Opportunity City	Attract investment for econ growth/jobs	75,297	81,203	96,645	94,991	94,961	94,961	110,646	110,525	116,604
The Opportunity City	Prov of economic & social infrastructure	13,297,135	13,984,774	15,446,992	16,858,968	16,935,392	16,935,392	18,154,493	20,530,684	23,300,532
The Opportunity City	Sustainable environment through resource	3,826	9,847	8,066	2,849	735	735	1,554	1,405	1,059
The Opportunity City	Mobility via effective public transport	204,462	367,782	460,775	514,673	517,011	517,011	476,432	494,920	519,150
The Opportunity City	City Assets for econ growth & developmnt	108,400	119,673	135,549	147,054	150,645	150,645	164,517	173,566	183,112
The Safe City	Expand resources for safety and security	26	19	1	—	—	—	—	—	—
The Safe City	Resource depts for optimum operations	31,603	49,277	57,044	44,818	53,670	53,670	52,790	17,817	19,125
The Safe City	Enhance intelligence-driven policing	146,562	772,465	1,032,064	1,018,266	1,026,867	1,026,867	1,086,817	1,145,987	1,208,412
The Safe City	Improve emergency staff through training	646	7,808	16,118	1,344	20,307	20,307	22,706	23,888	25,136
The Safe City	Safety and security through partnerships	4,272	3,471	1,398	1,914	1,834	1,834	1,642	1,699	1,760
The Caring City	Human settlements for increased access	474,680	477,750	709,330	1,070,150	1,419,934	1,419,934	1,116,540	1,041,398	1,044,821
The Caring City	Assess rental stock to beneficiaries	213,069	261,874	222,964	240,254	252,893	252,893	258,783	270,950	283,716
The Caring City	Innovative human settlements access	749,928	798,320	849,916	940,410	940,421	940,421	1,128,430	983,601	1,035,724
The Caring City	Effective environmental health services	685	570	1,398	6,855	4,501	4,501	6,488	8,073	5,306
The Caring City	Provide effective air quality mngt & pol	678	465	340	713	713	713	755	797	840
The Caring City	Effective primary health care services	374,825	418,329	485,148	533,159	528,725	528,725	551,277	599,815	631,934
The Caring City	Substance abuse treatment/rehabilitation	—	—	0	—	—	—	—	—	—
The Inclusive City	Response for citizens to be communicated	26	69	67	0	35	35	37	39	41
The Inclusive City	Facilities that make citizens feel home	111,925	136,552	134,868	154,630	130,794	130,794	136,598	139,639	147,517
The Well-Run City	Transparent & corruption free government	2,290	1,240	4,620	5,047	5,069	5,069	3,010	3,132	3,261
The Well-Run City	Efficient & productive administration	41,352	39,429	50,347	82,603	89,517	89,517	45,596	41,089	43,979
The Well-Run City	Ensure unqualified audits by AG	8,070,517	8,530,844	9,549,039	9,951,385	10,289,208	10,289,208	10,881,035	11,909,509	12,876,007
Total Revenue (excluding capital transfers and contributions)		23,912,206	26,061,758	29,262,688	31,670,081	32,463,232	32,463,232	34,200,144	37,498,535	41,448,036

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

Strategic Objective	Goal	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand										
The Opportunity City	Attract investment for econ growth/jobs	283,222	295,891	310,504	356,730	397,656	398,131	426,256	454,780	489,742
The Opportunity City	Prov of economic & social infrastructure	12,742,652	12,672,194	14,000,748	15,748,249	15,808,425	15,808,248	17,035,304	19,060,187	21,648,227
The Opportunity City	Sustainable environment through resource	504,608	530,075	567,615	680,477	686,494	686,494	731,596	785,361	842,589
The Opportunity City	Mobility via effective public transport	662,451	1,269,342	1,261,152	1,485,155	1,528,645	1,528,645	1,597,889	1,692,645	1,799,565
The Opportunity City	City Assets for econ growth & developmnt	112,389	124,353	142,435	156,729	162,690	162,690	173,763	189,151	199,858
The Safe City	Expand resources for safety and security	2,007	2,301	2,211	2,028	2,840	2,840	2,402	2,586	2,775
The Safe City	Resource depts for optimum operations	955,570	992,612	1,101,195	1,336,557	1,371,947	1,371,509	1,418,749	1,491,057	1,627,912
The Safe City	Enhance intelligence-driven policing	334,624	814,189	1,045,475	1,174,658	1,189,409	1,189,867	1,279,500	1,365,358	1,452,134
The Safe City	Improve emergency staff through training	84,165	89,102	104,572	97,922	100,176	100,156	105,568	114,898	124,444
The Safe City	Safety and security through partnerships	55,007	72,403	79,986	80,688	85,135	85,135	87,844	95,280	102,905
The Caring City	Human settlements for increased access	552,386	668,109	778,242	1,250,021	1,695,074	1,695,087	1,363,866	1,349,218	1,398,829
The Caring City	Assess rental stock to beneficiaries	294,281	416,668	491,242	467,691	523,622	519,406	545,096	575,571	611,216
The Caring City	Innovative human settlements access	613,275	705,704	816,162	948,979	920,635	923,956	1,096,011	1,029,972	1,091,221
The Caring City	Effective environmental health services	129,106	130,766	146,430	255,260	255,525	255,525	281,637	297,501	316,807
The Caring City	Provide effective air quality mnngt & pol	8,776	8,097	9,252	11,001	10,848	10,848	12,019	13,077	14,163
The Caring City	Effective primary health care services	644,472	700,385	757,490	890,685	883,743	883,743	934,406	1,009,325	1,095,656
The Caring City	Substance abuse treatment/rehabilitation	-	3,714	6,264	6,966	6,991	6,991	8,325	9,051	9,794
The Inclusive City	Response for citizens to be communicated	44,470	48,083	42,904	57,524	58,474	58,474	60,457	80,974	87,507
The Inclusive City	Facilities that make citizens feel home	1,724,586	1,817,502	1,878,537	2,168,369	2,147,950	2,147,971	2,313,240	2,497,015	2,696,117
The Well-Run City	Transparent & corruption free government	384,636	420,615	465,376	531,613	538,917	538,717	615,347	610,679	661,135
The Well-Run City	Efficient & productive administration	1,879,093	1,525,336	1,534,251	1,807,329	1,845,290	1,846,005	1,904,392	2,068,650	2,219,241
The Well-Run City	Ensure unqualified audits by AG	1,907,950	3,226,775	1,853,222	2,575,614	2,391,850	2,391,897	2,551,787	2,866,108	3,128,867
Total Expenditure		23,919,727	26,534,217	27,395,265	32,090,246	32,612,336	32,612,336	34,545,457	37,658,442	41,620,703

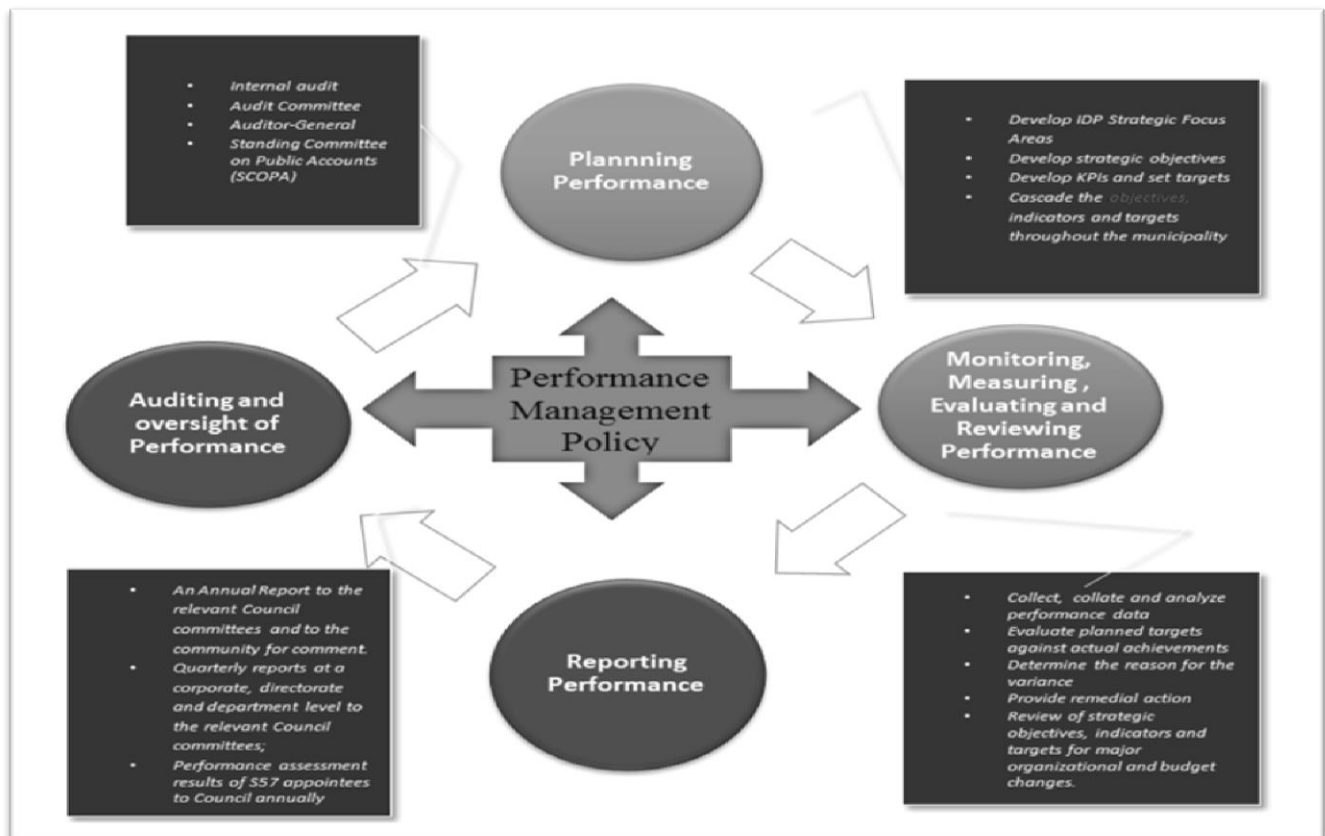
**Table 33 MBRR Table SA6 - Reconciliation between the IDP strategic objectives and budgeted capital expenditure**

Strategic Objective			2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
R thousand	Goal	Goal Code	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
The Opportunity City		A	4,732,828	–	–	–	–	–	–	–	–
The Safe City		B	76,225	–	–	–	–	–	–	–	–
The Caring City		C	693,981	–	–	–	–	–	–	–	–
The Inclusive City		D	233,343	–	–	–	–	–	–	–	–
The Well-Run City		E	132,432	–	–	–	–	–	–	–	–
The Opportunity City	Attract investment for econ growth/jobs	1.1	–	14,989	20,909	8,250	9,600	8,849	12,950	6,250	8,750
	Prov of economic & social infrastructure	1.2	–	2,497,404	2,942,073	3,846,352	3,732,972	3,355,023	4,211,371	3,667,236	4,096,397
	Sustainable environment through resource	1.3	–	71,278	84,313	68,246	83,264	81,263	91,373	75,252	96,912
	Mobility via effective public transport	1.4	–	764,058	462,606	761,772	819,237	725,237	704,469	571,207	612,217
	City Assets for econ growth & developmnt	1.5	–	1,978	75,305	126,654	32,121	32,114	146,535	27,730	27,950
The Safe City	Expand resources for safety and security	2.1	–	–	29	45	13,238	13,236	13,270	7,722	7,722
	Enhance intelligence-driven policing	2.3	–	51,516	48,940	78,768	106,282	100,701	84,451	37,613	24,563
	Improve emergency staff through training	2.4	–	551	498	300	260	260	1,300	–	–
	Safety and security through partnerships	2.5	–	16,267	14,439	33,425	25,553	31,010	37,538	13,891	3,241
The Caring City	Access to social services	3.1	–	6,986	63,357	103,271	56,983	54,583	17,520	10,860	10,860
	Human settlements for increased access	3.2	–	284,491	589,313	287,997	234,737	217,182	234,525	208,281	276,178
	Assess rental stock to beneficiaries	3.3	–	274,954	344,872	96,180	172,286	162,565	80,356	141,807	123,934
	Innovative human settlements access	3.4	–	127,894	127,461	131,510	152,181	152,081	205,260	168,547	196,400
	Effective environmental health services	3.5	–	13,304	10,962	18,900	13,141	11,141	17,900	16,300	5,000
	Provide effective air quality mnngt & pol	3.6	–	3,243	–	–	–	–	–	–	–
	Effective primary health care services	3.7	–	16,554	17,600	15,103	20,595	17,195	34,160	39,796	42,596
	Substance abuse treatment/rehabilitation	3.8	–	–	–	–	–	–	1,660	–	–
The Inclusive City	Response for citizens to be communicated	4.1	–	46,126	39,571	31,714	65,496	37,373	1,545	1,990	4,122
	Facilities that make citizens feel home	4.2	–	185,308	213,847	195,731	241,600	230,343	219,770	220,747	111,325
The Well-Run City	Transparent & corruption free government	5.1	–	–	3,514	3,000	5,700	5,700	–	–	–
	Efficient & productive administration	5.2	–	15,058	19,212	24,726	49,173	48,554	60,950	38,823	27,908
	Ensure unqualified audits by AG	5.3	–	110,335	172,920	212,041	294,676	294,248	312,374	261,671	207,428
Total Capital Expenditure			5,868,810	4,502,293	5,251,742	6,043,985	6,129,094	5,578,658	6,489,277	5,515,724	5,883,505

## 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 as follows:



**Figure 7 Cycle and process of the performance objectives and indicators**

### *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.

The planning cycle delivers a five year and annually reviewed IDP (including a Corporate Scorecard with definitions), an annual Corporate SDBIP, Directorate Executive Summaries (including SDBIPs), Departmental Business Plans and SDBIPs, Performance Indicator Measurement Sheets, S57 Performance Plans and Individual Performance Assessments.

Planning ensures that clear strategic direction is set and prioritised. Planning is informed by feedback on performance. This is the stage where Strategic Focus Areas (SFAs), objectives, performance indicators 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.

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 IDP will be set for the five year term of office of the elected council and reviewed annually. It will include the SFAs, corporate objectives (strategic objectives), corporate indicators and targets. There will be a direct relationship between the SFA, corporate objective, corporate indicator and target. The actual achievements of targets set for the objectives will be reported on quarterly bases where appropriate. They will form the platform for the quarterly and annual reports on performance.

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 a 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. It will take place on a quarterly and an annual basis. The performance evaluation results are determined by regular management meetings to establish:

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

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

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

The measurable performance objectives to be accomplished in 2016/17 were tabled in the Council meeting on 31 March 2016.

The following table sets out the main performance objectives and benchmarks for the 2016/17 MTREF:



**Table 34 MBRR Table SA8 - Performance indicators and benchmarks**

Description of financial indicator	Basis of calculation	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b><u>Borrowing Management</u></b>										
Credit Rating		Aa3.za	Aa3.za	A1.za	A1.za	A1.za	A1.za			
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	3.7%	4.3%	4.0%	4.2%	3.2%	3.2%	4.0%	3.8%	4.2%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	4.1%	4.9%	4.2%	4.8%	3.7%	3.7%	4.6%	4.3%	4.7%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	98.6%	0.0%	0.0%	53.1%	0.0%	0.0%	59.0%	45.9%	58.0%
<b><u>Safety of Capital</u></b>										
Gearing	Long Term Borrowing/ Funds & Reserves	301.9%	300.3%	229.9%	434.8%	262.9%	262.9%	548.1%	728.7%	902.8%
<b><u>Liquidity</u></b>										
Current Ratio	Current assets/current liabilities	1.6	1.2	1.2	1.0	1.0	1.0	1.1	1.1	1.2
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	1.6	1.2	1.2	1.0	1.0	1.0	1.1	1.1	1.2
Liquidity Ratio	Monetary Assets/Current Liabilities	1.0	0.6	0.6	0.4	0.3	0.3	0.4	0.4	0.4
<b><u>Revenue Management</u></b>										
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		100.0%	100.0%	93.4%	94.3%	94.4%	0.0%	93.9%	94.4%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		100.0%	100.0%	93.3%	94.3%	94.4%	94.4%	93.9%	94.4%	94.5%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	19.2%	18.6%	18.5%	16.9%	17.6%	17.6%	17.2%	16.7%	16.1%
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%
<b><u>Creditors Management</u></b>										
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA's 65(e))	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Creditors to Cash and Investments		95.5%	210.2%	165.6%	249.5%	393.3%	393.3%	317.1%	245.6%	163.3%
<b><u>Other Indicators</u></b>										
Electricity Distribution Losses (2)	Total Volume Losses (kW)	968,791,667	1,103,597,359	1,134,334,700	100,797,414	100,797,414	100,797,414	100,797,414	100,797,414	100,797,414
	Total Cost of Losses (Rand '000)	575,075	677,940	755,580	761,559	761,559	761,559	887,978	1,035,383	1,190,690
	% Volume (units purchased and generated less units sold)/units purchased and generated	9.43%	10.78%	11.25%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
Water Distribution Losses	Total Volume Losses (kL)	50,947,739	57,472,851	65,468,324	50,729,336	72,320,460	72,320,460	72,880,584	73,029,336	73,029,336
	Total Cost of Losses (Rand '000)	164,052	196,557	228,484	187,668	289,260	289,260	308,990	303,557	321,770
	% Volume (units purchased and generated less units sold)/units purchased and generated	15.88%	18.26%	19.10%	16.00%	22.26%	22.26%	21.86%	21.35%	21.35%
Employee costs	Employee costs/(Total Revenue - capital revenue)	31.1%	33.2%	27.8%	31.1%	30.6%	30.6%	31.0%	30.9%	30.6%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	31.8%	33.8%	28.3%	31.7%	31.2%	31.2%	31.6%	31.6%	31.2%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	11.5%	11.1%	10.3%	11.3%	10.9%	10.8%	11.1%	10.8%	10.7%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	9.9%	9.9%	9.2%	9.7%	8.9%	8.9%	9.4%	9.3%	9.5%
<b><u>IDP regulation financial viability indicators</u></b>										
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	20.4	22.6	32.1	32.4	32.4	32.4	27.9	27.4	30.4
ii.O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	24.3%	24.0%	24.8%	22.0%	23.6%	23.6%	22.6%	21.7%	20.7%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	2.9	1.2	1.7	0.9	0.5	0.5	0.6	0.8	1.0

### 2.3.1 Performance indicators and benchmarks

#### 2.3.1.1 Borrowing Management

The City's capital expenditure is funded from four sources, namely, government grants, public contributions and donations, borrowing and internally generated funds. The City's borrowing is done in terms of chapter 6 of the MFMA and the City's borrowing policy, which determines, inter alia, that a long term loan will only be entered into if it's deemed to be affordable and sustainable.

It is further dependent on the City's credit rating which is rated by Moody's Investor Services. The City needs a credit rating to demonstrate its ability to meet its financial obligation. 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 11 March 2016, Moody's Investors Service placed the rating of the City under review for possible downgrade. This action was prompted by the potential deterioration of South Africa's credit profile as captured by Moody's recent decision to put South Africa's Baa2 government bond rating on review for downgrade on 8 March 2016.



The following financial performance indicators have formed part of the compilation of the 2016/17 MTREF:

- Capital charges to operating expenditure are the measure of the cost of borrowing in relation to the operating expenditure. This ratio averages 4% over the 2016/17 MTREF which indicates that the City spends an average of approximately 4% 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 59% for 2016/17 and averages 52% over the two outer years of the 2016/17 MTREF. This ratio shows that the City's borrowing is affordable and sustainable over the medium term.

#### *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 calculation preferred should be borrowing less cash and bank balances divided by community wealth/equity, of which the City's outcome over the 2016/17 MTREF averages 17%.

#### *2.3.1.3 Liquidity*

- 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 1.1 over the 2016/17 MTREF.
- 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 1.09 over the 2016/17 MTREF.

#### *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:
  - The categorization of accounts into high value accounts: Business and Residential;
  - The top 1000 debtors,
  - Government accounts,
  - Staff and councillor arrears and
  - Appropriate action against irrecoverable debt.
- Allocating high value accounts to area offices to follow up on debtors within their respective areas
- Limiting/blocking of electricity prepaid meters: Collecting other debts via the prepaid electricity meters.
- Debtors who are experiencing difficulties in paying their accounts are given options to either enter into affordable payment arrangements or to apply to be registered as indigent or apply for rates rebates offered.

- 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 is paid in full.
- Adverse Credit Listing
  - Adverse credit listing – enforce debtors who actively credit users to settle their debts, otherwise they cannot enter into any other credit/loan agreements.
- Handing over of accounts
  - Focus on the high value accounts handed over for legal actions.
  - 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:
  - Water leaks are fixed on all indigent properties, free of charge.
  - Water demand management devices (WDM) and prepaid electricity meters are installed free of charge.
  - Once the water leaks have been repaired and the WDMs and pre-paid electricity meters are installed, a once off write off is done of all the outstanding debt.
  - Council has approved the writing off of all interest charges as well as the 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.

#### *2.3.1.5 Creditors Management*

- In compliance with Section 65 of the Municipal Finance Management Act (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. In isolated instances, where services cannot be rendered on time, existing follow-up procedures and control measures are applied to ascertain reasons, thus facilitating timeous payments. It is built-in within the City's payment process and also ensured 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 2014/15 has shown that Electricity distribution losses are around 11.25%. The City has strategies to arrest the losses including the appointment of additional revenue protection Teams which is having significant success. Historically the losses have remained fairly constant and within benchmarks, so budgeting for a constant loss factor is prudent.
- 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. Water and Sanitation Services are applying the resources required to implement Water Demand Management interventions, including:

  - Reduction of non-revenue water (Water Demand Management Device),
  - Reduction of high pressure, minimum night flow for residential consumers,
  - Leak Detection and repair,
  - Education and awareness programmes,
  - Retrofitting and leak and meter repair programmes, and
  - Pipe replacement, treated effluent re-use, water restrictions and stepped tariffs.

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

The free basic services described in section 1.4.2 Free Basic Services: Basic Social Services Package on page 24 are provided on the basis that as the value of the property increases above R100 000 it is deemed that there should be some funds available to pay a small portion of the costs of the services, gradually increasing till the full costs (less the rebates granted to all residential properties) are billed when the valuation exceeds R400 001. These value driven rebates are allocated automatically by the billing system when the invoices are produced, the administration costs are therefore absolutely minimal.

Residents needing free basic services in addition to that provided via the billing system register with the City on a periodic basis to receive the same benefits as if their property values were below R100 000.

Residential properties valued higher than R400 000 pay the normal municipal rates and tariffs, after allowing the valuation rebate of up to R200 000, 6 kilolitres free water and 4.2 kilolitres free sanitation. Properties valued between R350 001 and R400 000 also receive a 25% rebate on refuse removal charges and an indigent grant of R115.93 per month to provide an additional 4.5 kilolitres of free water (in addition to the 6 kilolitres per month provided free to all residential properties) and 3.15 kilolitres of free sanitation (based on the water consumption. Properties valued between R300 001 and R350 000 also receive a rebate of 50% on refuse removal charges and an indigent grant of R115.93 per month to provide an additional 4.5 kilolitres of free water (in addition to the 6 kilolitres per month provided free to all residential properties) and 3.15 kilolitres of free sanitation (based on the water consumption. Properties valued between R200 001 and R300 000 also receive a rebate of 50% on refuse removal and an indigent grant of R115.93 per month to provide an additional 4.5 kilolitres of free water (in addition to the 6 kilolitres per month provided free to all residential properties) and 3.15 kilolitres of free sanitation (based on the water consumption). Properties valued between R150 001 and R200 000 receive a 50% rebate on refuse removal charges, the R115.93 on water and sanitation charges and a 100% rebate on rates. Properties valued between R100 001 and R150 000 receive a 75% rebate on refuse removal charges, the R115.93 on water and sanitation and a 100% rebate on rates. Properties valued at R100 000 or below receive a 100% rebate on refuse removal, the R115.93 on water and sanitation and a 100% rebate on rates.

The free services provided to the households in informal settlements are not included in this document. Such services include water via standpipes, refuse removal via skips or bags and access to rate funded services such as clinics, libraries, etc.

### **2.3.1 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, eleven water treatment plants, the bulk conveyance system and the whole distribution system) was assessed for the 2009, 2010, 2011, 2012 and 2014 Blue Drop performance ratings by the Department of Water and Sanitation. Subsequent to achieving 100% in the 2009 assessment, the City scored 98.2%, 97.6%, 98.1% and 95.9% respectively in the progressively more stringent follow-up assessments. Since the inception of the Blue Drop programme, the City has been in the top scores for the country.

The Water Service Provider 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 Water Service Provider 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 prioritize the associated intervention.

### *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 put in place. The plan is being implemented but there is a significant financial requirement on maintaining, rehabilitating and replacing the ageing assets to mitigate the critical risks in the Wastewater Risk Abatement Plan, specifically related to new licence conditions. This document is reviewed to further refine prioritisation of the risks and resource allocation. 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.

The City's wastewater treatment plants have improved in performance based on its assessment against the latest Green Drop assessment criteria, where the Department of Water & Sanitation recently released the 2012/13 Green Drop scores. The City received 12 Green Drops and an overall municipal score of 89.7%, up from the 11 Green Drops awarded and an 86.8% score achieved in 2011/12.

The City displays a strong commitment to wastewater treatment and Green Drop, and strives to continuous improvement by the implementation of the Green Drop principles of management throughout the entire workforce. The primary problems experienced are that of ageing infrastructure, rapid population growth, maintenance of the existing assets, a shortage of relevant skills, as well as more stringent licence conditions. These problems are being experienced throughout South Africa and the City is addressing such challenges via recruitment of appropriate staff, training existing staff in an effort to minimise the shortage of trained experienced resources, formulation of comprehensive long term Master Plans, improve business processes, allocating financial resources to create new facilities with most appropriate technologies, and expanding as well as maintaining existing assets.

### *2016/17 Budget and MTREF proposed allocations*

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

The proposed 2016/17 capital budget is shown in the following table.

**Table 35 Wastewater Treatment Facility Capital Budget**

Wastewater Treatment Facility	Project	Budget Year 2014/15	Budget Year 2015/16		Budget Year 2016/17
			Original budget	Adjusted Budget	
R Thousand					
Bellville	20 ML/d increase in treatment capacity	13,268	-	300	60,500
Athlone	Capacity Extension-phase 1	-	-	500	10,000
Cape Flats	Disinfection of Effluent	14,000	22,500	22,500	40,000
Zandvliet	18 ML/d increase in treatment capacity	17,000	135,942	43,004	211,000
Borherds Quarry	Replacement of Centrifuges with Belt Presses	15,000	52,000	52,000	58,000
Gordons Bay	Improvements	-	-	17,000	500
Mitchells Plain	Replacement of Centrifuges with Belt Presses	54,973	113,510	113,510	50,500
Scottsdene	Capacity extension	750	18,500	8,550	13,000
Hout Bay	Refurbishment	10,000	14,700	14,700	-
Potsdam	Extension	3,010	6,000	1,500	13,969
Melkbos	Effluent Disinfection	-	-	1,500	10,000
Infrastructure Replace / Refurbish	Replace & Refurbish WWTW Plants	151,802	28,250	85,842	14,110
Total for New Infrastructure		279,803	391,402	360,907	481,579

The proposed 2016/17 operating budget is shown in the table below.

**Table 36 Wastewater Treatment Facility Operating Budget**

Category	Budget Year 2014/15		Budget Year 2015/16		Budget Year 2016/17
	Original budget	Adjusted Budget	Original budget	Adjusted Budget	
R Thousand					
Remuneration	101,272	91,071	116,165	116,167	124,656
Depreciation	84,979	82,448	89,726	93,436	97,515
Repairs & Maintenance	95,558	93,839	105,286	105,286	202,803
Contracted Services	61,153	61,760	64,227	68,493	72,534
General Expenses	167,797	164,053	165,542	161,524	174,396
Interest Internal Borrowings	64,052	67,784	81,656	80,506	80,742
Appropriation Account	106,507	96,569	207,158	199,609	251,282
Internal Utilities Expenditure	82,653	82,652	94,181	94,181	122,297
Insurance Departmental	5,634	5,634	5,540	5,540	5,924
Activity Based Costs	27,853	27,438	31,218	31,168	-76,222
Support Services	38,973	37,770	41,766	41,767	52,393
Total	836,431	811,018	1,002,465	997,677	1,108,320

## 2.4 Overview of budget 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.

- Mayor's Special Fund (approved September 2011)
- Funding and Reserves Policy (approved May 2010)
- Supply Chain Management Policy (approved July 2013)
- Cash Management and Investment Policy (approved 28 October 2015)
- Asset Management Policy (approved 27 February 2013)
- Fare Policy for Contracted, Road-based Public Transport (approved May 2014)

#### **2.4.2 Policies reviewed and amended**

The following policy was reviewed at Finance Portfolio Committee workshops held during the year but was not amended. This policy is available on the City's website.

- Policy On Accounts Payable (approved May 2014)

The following policies were reviewed and amended at Finance Portfolio Committee workshops held during the year. These policies are attached as annexures to this document.

- Property (Tax) Rates – Annexure 2
- Special Rating Areas (SRA) policy, SRA additional rates - Annexure 3
- Revised Consumptive Tariffs, Rates And Basic Charges For Electricity Services, Water Services And Waste Management Services - Annexure 4
- Rates Policy – Annexure 5
- Tariffs, Fees And Charges Book – Annexure 6
- Tariff Policies – Annexure 7
- Credit Control And Debt Collection Policy – Annexure 8
- Grants-in-Aid Policy – Annexure 9
- Virement Policy - Annexure 10
- Budget Management and Oversight Policy - Annexure 11
- Long Term Financial Plan Policy - Annexure 12
- Policy Governing Adjustment Budgets - Annexure 13
- Unforeseeable and Unavoidable Expenditure Policy - Annexure 14
- Policy Governing Planning and Approval Of Capital Projects - Annexure 15
- Accounts payable policy – Annexure 24

#### **2.4.3 Credit control and debt collection procedures/policies**

This policy has been formulated in terms of the provisions of section 96 (b) of the Local Government: Municipal Systems Act, 32 of 2000. The policy also includes the Indigent Policy as per Annexure 8.

#### **2.4.4 Tariff Policies**

Section 74 of the Systems Act and section 62(1) (f) of the MFMA require the City to adopt and implement a tariff policy. Specific legislation applicable to each service has been taken into consideration when determining this policy. The General Tariff Policy and subsequent Water and Sanitation, Electricity and Waste Management Tariff Policies are attached as Annexure 7.

### ***2.5 Overview of budget assumptions applied to the 2016/17 MTREF***

#### **Introduction**

The Local Government Municipal Systems Act, Chapter 5, Section 26, prescribes the core components of the Integrated Development Plan. 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 Municipal Budget and Reporting Regulations, (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 Integrated Development Plan (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) model that 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 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 municipality 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.

### **2.5.1 Financial Strategic Approach**

The 2016/17 MTREF period represents the final year of the City's 5-year IDP period. The 2016/17 MTREF process commenced with a technical analysis of previous years' performance outcomes, an assessment of the economic outlook and consultation with various role players. The process encompassed the following:

- BSM provided the framework for and strategic direction of the budget;
- LTFP model forecasted taking above direction into account;
- Reiterative LTFP presentations to BSC and the BSM;
- Presentations by directorates at budget hearings on inter alia, processes to execute the City's strategies, business improvement measures and implementation readiness of capital programmes;
- Eskom's application for electricity tariff increases to National Energy Regulator South Africa (NERSA); and
- Presentations by the Utility services with regard to their proposed budgets and tariff increases.

### **2.5.2 Financial Modelling and Key Planning Drivers**

The alignment of the strategy of the City and the budget included alignment to the City's:

- The Integrated Development Plan;
- Economic Growth Strategy (EGS) and the Social Development Strategy (SDS);
- Transversal goals as set out by the Economic and Social Clusters ;
- Built Environmental Performance Plan (BEPP);
- Core economic, financial and technical data obtained at local and national level; and



- Other issues, policies and strategies deemed important stemming from EMT/Mayco strategic sessions.

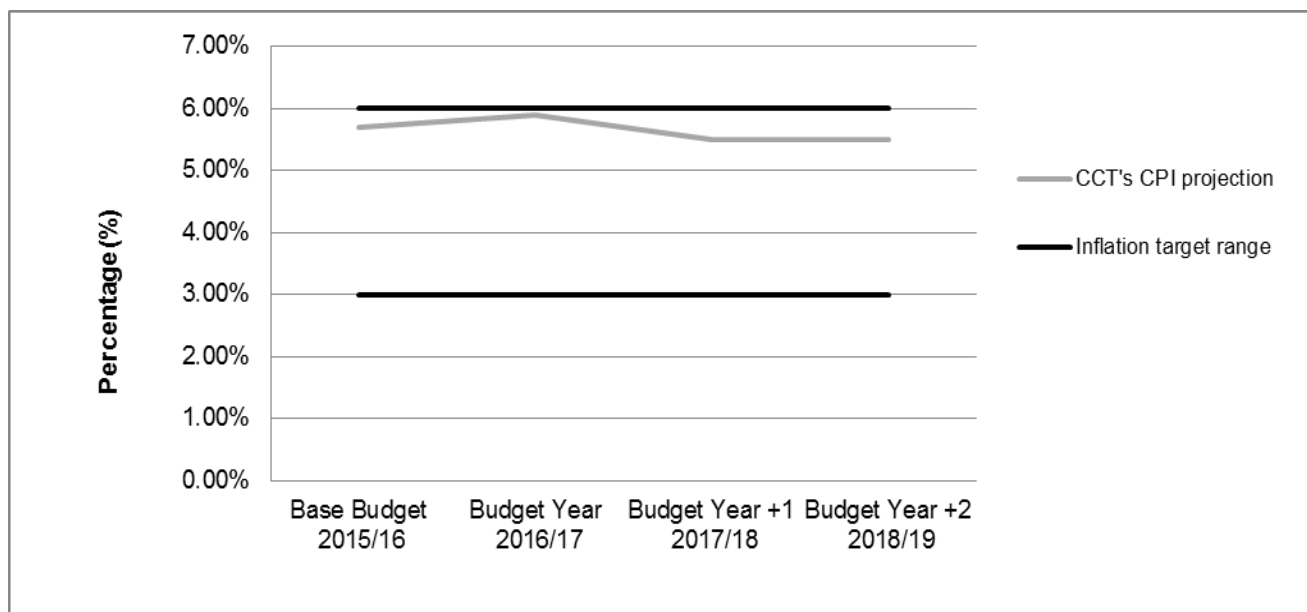
The outcome of the LTFP modelling performed incorporated the above and the assumptions outlined in the ensuing paragraphs below on which the 2016/17 MTREF was compiled.

The principles applied to the MTREF in determining and maintaining an affordability envelope included:

- Higher than inflation Repairs and Maintenance provisions to attain nationally benchmarked levels to ensure and enhance preservation of the City's infrastructure;
- Higher increases to selected cost elements subjected to higher than average inflationary pressure, e.g. staff costs;
- A 100% capital expenditure implementation rate assumed;
- Credible collection rates based on collection achievements to date and incorporating improved success anticipated in selected revenue items;
- National and Provincial allocations as per the 2016 DORb and 2016/17 MTREF Provincial Government allocations to municipalities.

### 2.5.3 General inflation outlook and its impact on municipal activities

CPI projected for the City is 5.9% for 2016/17 and 5.5% for the two outer years of the MTREF period. These levels are within the South African Reserve Bank (SARB) inflation targeting range of between 3% to 6% range and is depicted in the graph below.



**Figure 8 Consumer price index projections adopted in the MTREF**

The City's projected inflation is to remain below 6% as per the graph above, however various budget elements such as salaries, repairs and maintenance, interest and depreciation cost has higher than CPI increases. This creates a fiscal gap which necessitates higher than CPI increases.

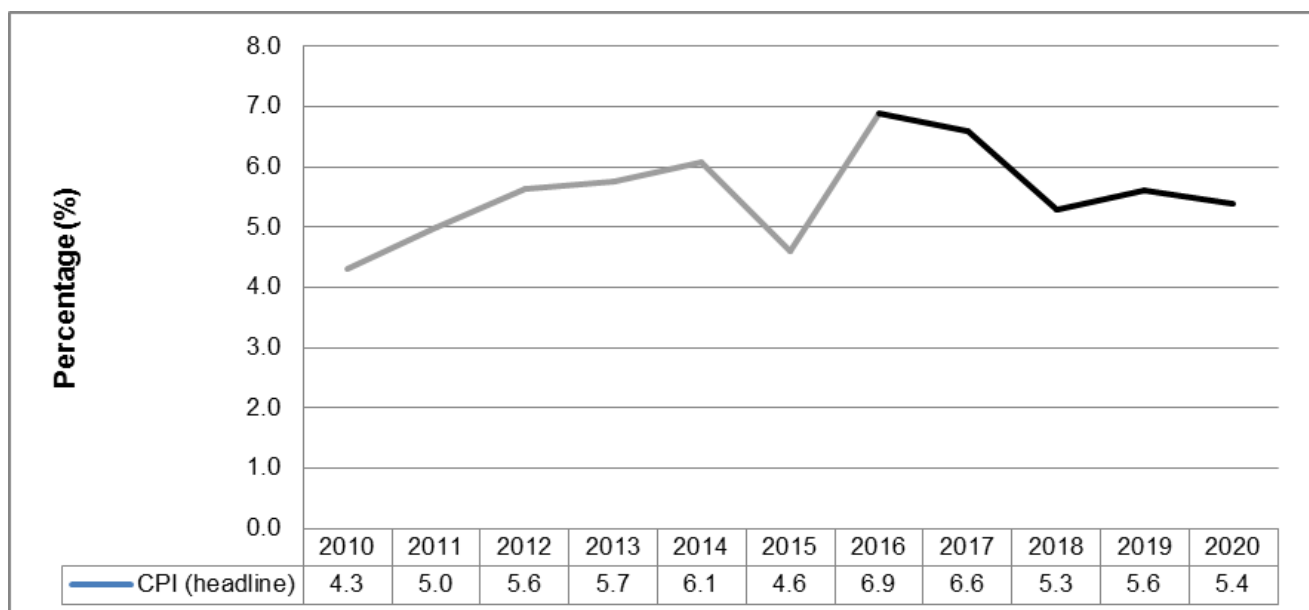
## 2.5.4 Economic outlook / external factors

Growth in emerging markets has slowed down and has led to downward revisions of economic growth forecasts particularly for developing countries. The sluggish growth experienced by South Africa is exacerbated by the lower export commodity prices, drought conditions, constraint in electricity supply and business confidence. According to Bureau of Economic Research (BER) the real growth rate is projected to average 1.6% over the next three years. It is expected that the factors causing the slow growth, e.g. electricity constraint, will improve in the next two years.

The value of the rand against the US dollar has declined continuously over the past 3 years, which is due to various factors including the decline in the global commodity prices, business confidence and the electricity supply crisis. BER projects that over the medium term the rand is expected to stabilise against the US dollar at an average of R16.6/\$.

Oil prices showed a decline over the past year which is mainly driven by the supply of the commodity exceeding its demand. The fall in the oil price partly cushioned the impact of the weaker rand exchange rate. Oil prices are projected to average \$38.6 per barrel over the medium term.

CPI has fluctuated between 4.3% and 6.1% over the past five years but is expected to surpass the SARB inflation target range of between 3% and 6%. CPI forecasts for at least the next 2 years are expected to remain above the 6% upper inflation target as per the latest BER forecast. The graph below depicts the CPI for the past years and projections for the next 5 years as per BER latest projection.



**Figure 9 Consumer price index over recent and future years (projected)**

When preparing the budget the BER forecasted CPI was at 5.1%, 6.2% and 5.6% for the calendar years 2015 to 2017, respectively, thus the City's forecasted CPI in municipal financial years was projected at 5.9% for 2016/17 and 5.5% for the two outer years. The latest BER projection however shows a higher CPI projection for 2016 and 2017. The 2017/18 MTREF will be adjusted considering this higher projected CPI.

The national inflation forecast set out in NT Circular 78 is 6%, 5.8% and 5.8% for the national fiscal years 2016 to 2018. NT Circular 79 provided updated CPI projections of 6.6%, 6.2% and 5.9% for the national fiscal years 2016/17 to 2018/19.

### **National and provincial influences**

In drafting the 2016/17 MTREF special attention was given to National and Provincial influences, which included:

#### **a) Medium Term Budget Policy Statement (MTBPS)**

The MTBPS highlighted that the South African economy has grown slower compared to what was projected at the beginning of 2015. This slow growth is due to various factors, which includes the global growth slowdown, the energy constraint, weak business confidence and low household demand.

To maintain the health of the public finance and support the social and economic transformation the MTBPS set out the following measures:

- Strengthen economic performance, to bring policy coherence and certainty where it is lacking; to give greater impetus to infrastructure investment and to address impediments that hold back enterprise development, employment and innovation;
- Build the energy capacity, water and transport networks and communication systems we need, expanding investments by state-owned companies and the private sector, alongside departmental and municipal initiatives;
- Ensure that public debt remains affordable, the public expenditure ceiling is maintained while protecting flagship social and economic programmes;
- Improve living standards and accelerate social development, working with municipalities to strengthen planning and concentrate investment in urban hubs and economic growth zones;
- Enhance state capacity and the quality and integrity of governance, reinforced financial management and procurement reforms, stepping up public sector training and institutional renewal; and
- Rapid implementation of the National Development Plan, working with the business sector, organised labour and social stakeholders to maintain a stable labour relations environment, improve confidence and promote broad-based development.

With regard to the issues raised above, the City is continuously investing in the Expanded Public Works Programme (EPWP) and has in 2013/14 implemented cost containment measures which included the reduction in the cost of National and International travel, catering and entertainment. These measures are revisited and assessed on an annual basis to ensure that maximum efficiencies are attained.

#### **b) National Treasury MFMA circulars**

The National Treasury MFMA circulars were also considered when preparing the 2016/17 MTREF. The key circulars relating to the 2016/17 MTREF are as follows:

MFMA Circular No 78 - the main focus of this circular are the 2016 Local Government Elections, the demarcation process and the changes to the local government grant allocations. It included and advised on, amongst other, the following:

Local government reforms and changes to the fiscal framework, including allocations, grants, MBRR reporting requirements, reporting indicators and mSCOA;

- Economic challenges will continue to pressurise municipal revenue generation and collection hence a conservative approach is advised for projecting revenue. These circumstances make it essential for municipalities to reprioritise expenditure and implement stringent cost-containment measures;
- Municipalities to keep increases in rates, tariffs and other charges at levels that reflect an appropriate balance between the interest of poor households other customers and ensuring the financial sustainability of the municipality;
- Municipalities to ensure that their tariffs are adequate to, at the minimum, cover the costs of bulk services and also to ensure that all properties are correctly billed for property rates and all services rendered;
- Guidelines for the 2016/17 MTREF Electricity, Water and Sanitation tariffs; and
- Municipalities must consider improving the effectiveness of revenue management processes and procedures and pay special attention to cost containment measures by, amongst other things, controlling unnecessary spending on nice-to-have items and non-essential activities.

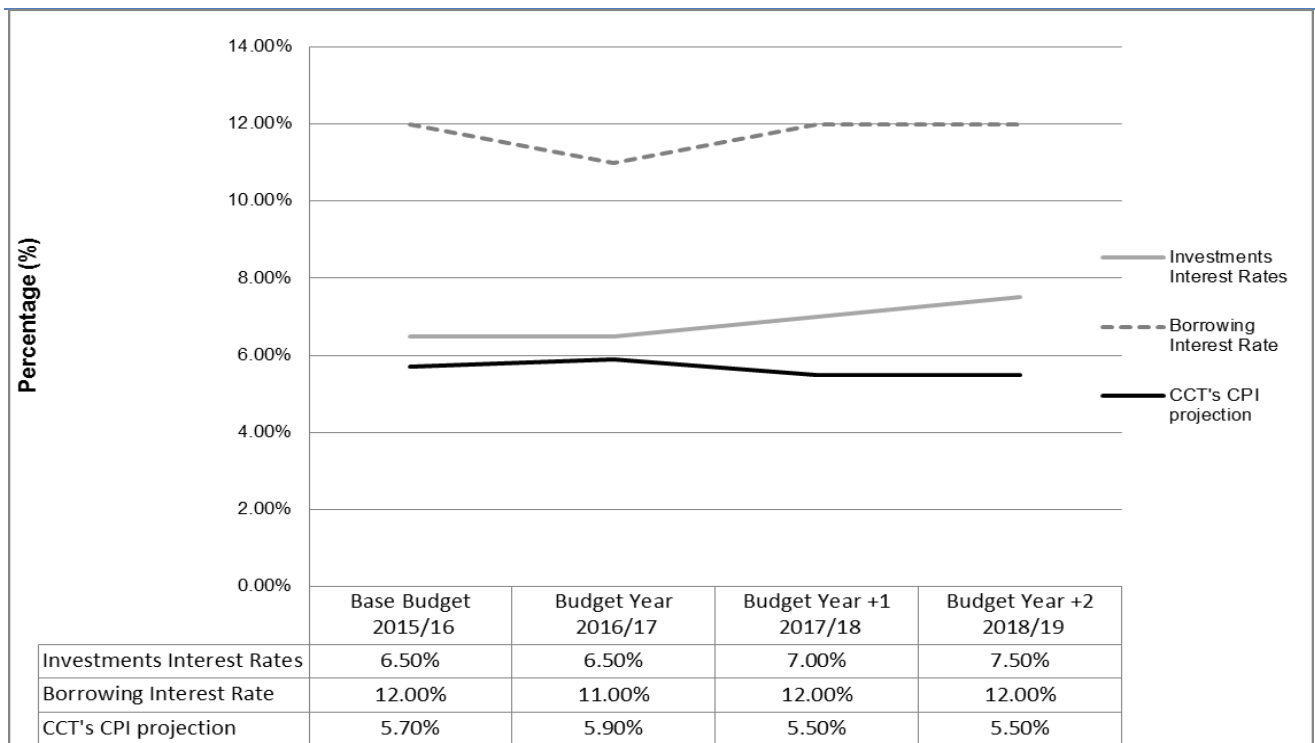
MFMA Circular No 79 – the circular provides a summary and update of the country's economic outlook, inflationary targets, financial management issues, how to give effect to National Treasury's Municipal Budget and Reporting Regulations (MBRR) and the impact of the 2016 Local Government Elections on municipalities. It included, amongst other, the following:

- municipalities to review how they conduct their business to ensure value for money is obtained in all their expenditures, that revenue administration systems are operating effectively, that borrowing programmes are realistic, and that creditors (including bulk service providers) continue to be paid timeously and in full;
- a municipality should re-evaluate the costs and benefits of universal or targeted provision of free basic services subsidies, in order to protect their delivery to poor households in particular;
- municipalities 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 financial sustainability; and
- Regulation on cost containment measures applicable to local government will be issued.

MFMA Circular No. 82 - The purpose of this circular is to guide municipalities and municipal entities on cost containment measures that must be implemented in an effort to address the impact of the country's economic challenges and to promote growth, address unemployment and equality, amongst others.

### **2.5.5 Interest rates for borrowing and investment of funds**

Borrowing interest rates is factored at a rate of 11% for 2016/17 and 12% for the two outer years. An average of 7% is forecasted for investment interest rate over the 2016/17 MTREF.



**Figure 10 Interest rates over the MTREF**

### 2.5.6 Collection rate for revenue services

In accordance with relevant legislation and national directives, the City's projected revenue recovery rates are based on realistic and sustainable trends. In calculating the debt impairment, the following collection rates were applied:

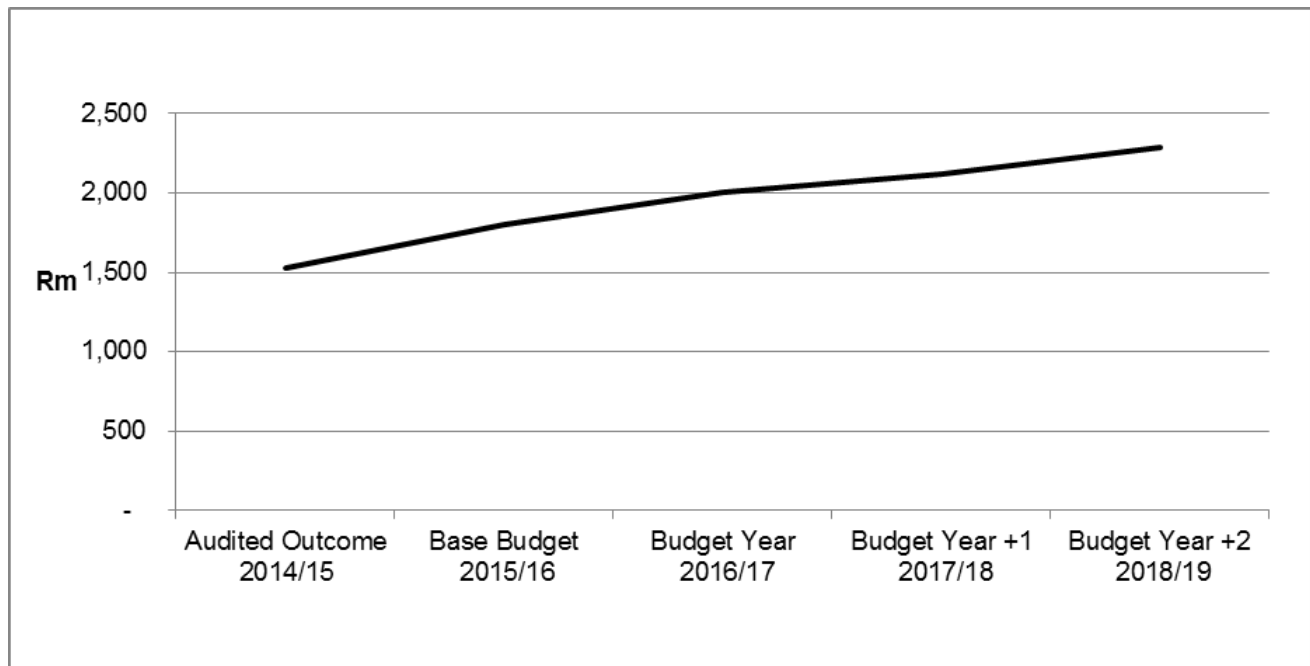
**Table 37 Collection Rates**

Service	Base Budget 2015/16 %	Budget Year 2016/17 %	Budget Year+1 2017/18 %	Budget Year +2 2018/19 %
<b>Rates</b>	96.0%	96.0%	96.0%	96.0%
<b>Electricity</b>	98.0%	98.0%	98.0%	98.0%
<b>Water</b>	88.0%	88.0%	88.0%	88.0%
<b>Sanitation</b>	89.0%	89.0%	89.0%	89.0%
<b>Refuse</b>	95.0%	92.0%	95.0%	95.0%
<b>Housing</b>	54.6%	55.0%	56.5%	58.0%

The collection rates for Rates and Service Charges are expected to remain constant over the 2016/17 MTREF period except for refuse services. The refuse collection rate was reduced due to lower collections in 2015/16; remedial processes were implemented to improve the collection rate in future. Ongoing debt management initiatives are being implemented which is intended to improve the collection rate to targeted levels.

Housing collection rate is also expected to increase over the 2016/17 MTREF, due to initiatives that includes amongst other, expanded housing debt management and the Payers Incentive Scheme.

R2.003 billion was provided for debt impairment in the 2016/17 budget and is based on an average collection rate of 92.6% (excludes Housing). The graph below shows the debt impairment budgeted for the period 2014/15 to 2018/19.



**Figure 11 Provision of bad debts – 2014/15 to 2018/19**

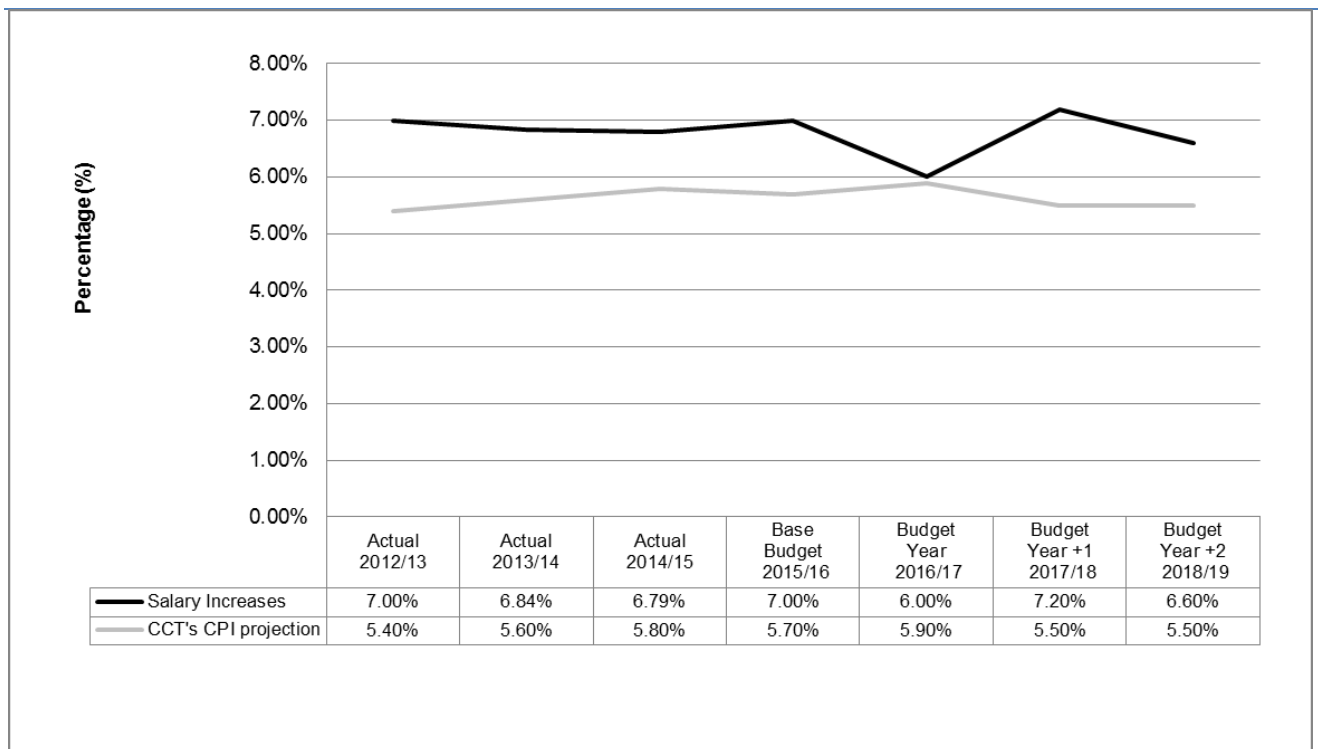
## 2.5.7 Salary increases

### Salaries, Wages & related staff cost expenses

A three-year salary and wage collective agreement was concluded in 2015. The term of the agreement covers the period 2015/16 to 2017/18. In the absence of an agreement for the third year of this MTREF period, the provisions for 2017/18 were also assumed for 2018/19.

In terms of the agreement, the salary and wage increases are to be annually calculated for all three years using the average CPI for the period 1 February of the previous year to 31 January of the forecasted budget year + 1%. This formula was used in determining the staff costs provisions of the MTREF. In addition, provision was made for an incremental allowance of 2% to cater for performance and other notch increases.

The graph in Figure 12 below shows the City's consistent above-CPI salary increases for the last three years and for the projected MTREF period.



**Figure 12 Correlation between the City's CPI and the salary increase over the MTREF**

## 2.5.8 Ensuring maintenance of existing assets

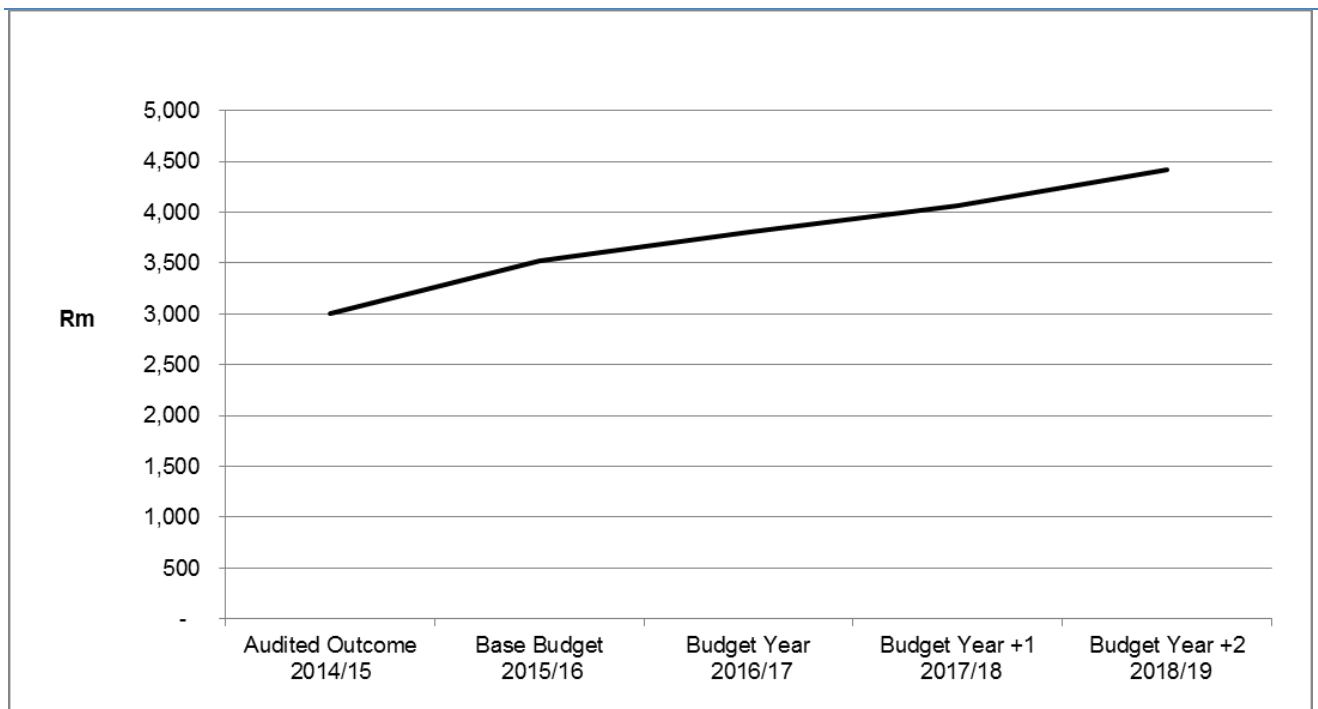
### Repairs & Maintenance

NT Circular 78 reminded municipalities to consider the budget management issues which were discussed in previous circulars. NT circulars 54, 55 and 58 stressed the importance of securing the health of a municipality's asset base by increased spending on repairs and maintenance. NT circular 55 further stated that "allocations to repairs and maintenance, and the renewal of existing infrastructure must be prioritised. Municipalities must provide detailed motivations in their budget documentation if allocations do not meet the benchmarks". NT Circular 55 and 70 set the percentage norm 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 9.4% on this ratio over the 2016/17 MTREF.

To give effect to the above directives, but still ensure that rates and tariffs are affordable, repairs and maintenance was budgeted at 1% above CPI over the 2016/17 MTREF. Repairs and maintenance was budgeted 3% above CPI in previous years.

The graph below shows the increasing expenditure trend on repairs and maintenance from 2014/15 and projected to 2018/19.





**Figure 13 Increasing expenditure trend on repairs and maintenance from 2014/15 and projected to 2018/19**

### 2.5.9 Operating financing of capital

#### Depreciation

Calculation of depreciation on new capital expenditure is based on variables such as asset class and life span 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 which reflects actual values per annum. Assets under Construction (AUC) are calculated based on asset class lifespan and projected capitalisation dates.

#### Borrowing and Credit rating outlook

The City's borrowing is done in terms of chapter 6 of the MFMA and the City's borrowing policy, where a long term loan will only be entered into if it's affordable and sustainable. It is influenced by the capital investment requirement over the 2016/17 MTREF. 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 11 March 2016, Moody's Investors Service placed the rating of the City under review for possible downgrade. This action was prompted by the potential deterioration of South Africa's credit profile as captured by Moody's recent decision to put South Africa's Baa2 government bond rating on review for downgrade on 8 March 2016.

The City is rated at the high end of the range of South African municipalities rated by Moody's. The City's relative position reflects debt levels that are lower than the median of other metropolitan cities. Cape Town compares favourably with the other metros in South Africa in terms of budgetary performance and management, and displays robust cash holdings. The City's rating is as follows:

**Table 38 Credit rating outlook**

Category	Currency	Current Rating 11 March 2016	Previous Rating 12 Feb 2016	Previous Rating 18 Dec 2015	Previous Rating 17 Feb 2015
Outlook	-	Rating under review	Negative	Negative	Stable
NSR Issuer Rating	Rand	A1.za	A1.za	A1.za	A1.za
NSR ST Issuer Rating	Rand	P-1.za	P-1.za	P-1.za	P-1.za
NSR Senior Unsecured	Rand	A1.za	A1.za	A1.za	A1.za

The definitions of the rating categories are:

- 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;
- NSR Issuer Rating – A.za - Issuers or issues rated A.za present above-average creditworthiness relative to other domestic issuers;
- NSR Issuer Rating – Issuers or issues rated Aa.za demonstrate very strong creditworthiness relative to other domestic issuers;
- NSR ST Issuer Rating – P-1.za – Issuers (or supporting institutions) rated Prime-1 has a superior ability to repay short-term debt obligations;
- NSR Senior Unsecured – A.za - Issuers or issues rated A.za present above-average creditworthiness relative to other domestic issuers.

#### **2.5.10 Growth or decline in tax base and services of the municipality**

The current unstable economic climate has restricted material service growth projections. The respective projected growth for the City's services is as follows:

##### *Rates*

Service growth for Rates is projected at 0.25% for 2016/17 and 2017/18 financial years, it is expected to increase to 1% in the 2018/19 financial year. The projected growth is due to economic growth not at sustainable levels to encourage new developments and/or home improvements. This position is expected to improve in the third year of the MTREF.

##### *Water and Sanitation*

Water and Sanitation projected zero growth over the 2016/17 MTREF. There is an expected physical reduction for 2015/16 due to the water restrictions, however, due to the adjusted tariff levels this is revenue neutral within the MTREF projections. This is based on the latest trend flowing from current economic conditions as well as water saving initiatives.

##### *Electricity*

Electricity has projected a 1.5% annual shrinkage on sales revenue over the 2016/17 MTREF, due to the impact of energy saving plans and increasing tariffs which is reducing consumption.

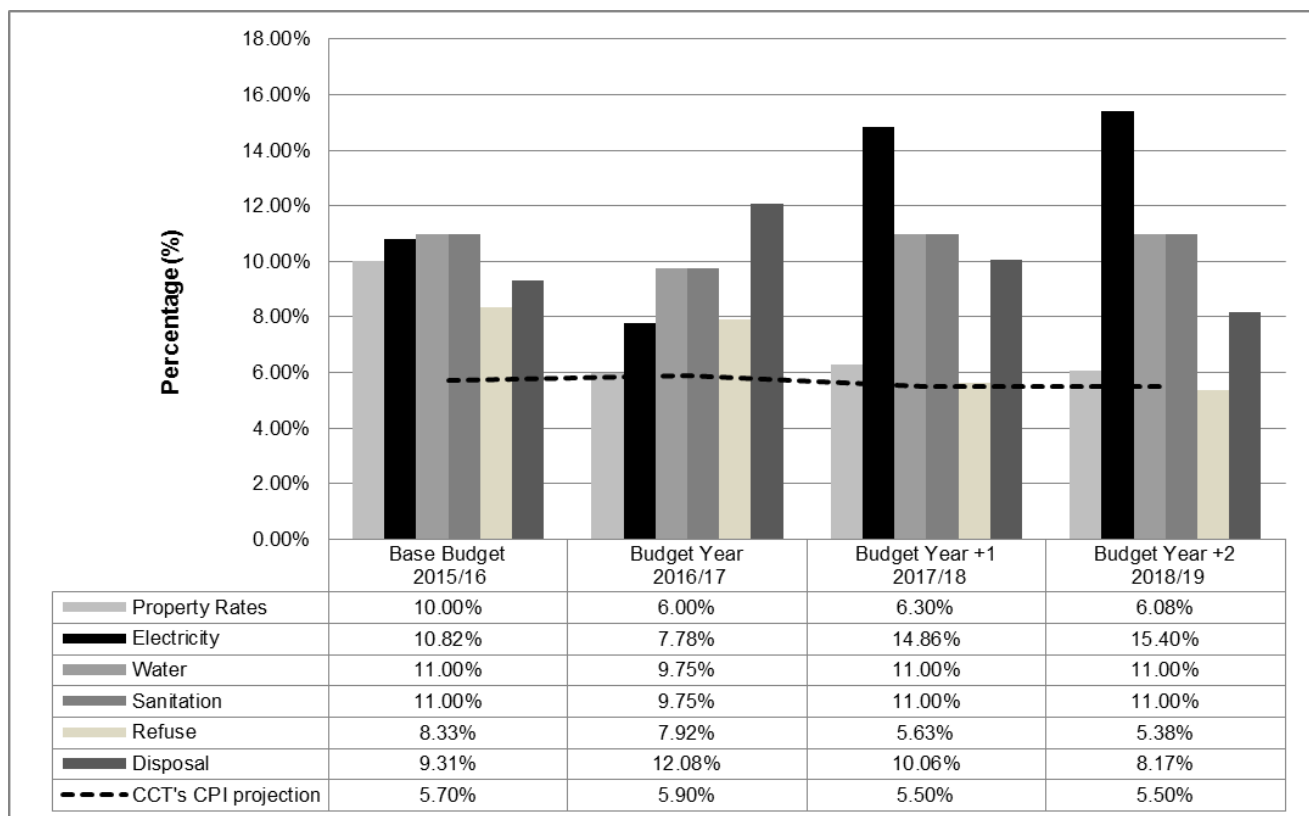
##### *Refuse*

A 2% service growth was applied over the 2016/17 MTREF for Refuse. This is as a result of the growth in the requirement for refuse services.

### 2.5.11 Major tariffs and charges: Rates and Trading Services

The adverse impact of the current economic climate, the demand for new and upgraded infrastructure, savings initiatives and lower demand for services made tariff increases higher than CPI levels inevitable.

NT circular 78 of December 2015 “*National Treasury also continues to encourage municipalities to keep increases in rates, tariffs and other charges at levels that reflect an appropriate balance between the interests of poor households, other customers and ensuring the financial sustainability of the municipality. For this reason municipalities must justify in their budget documentation all increases in excess of the 6.0 per cent upper boundary of the South African Reserve Bank’s inflation target in the budget narratives*”. Nevertheless, it further indicates that tariffs should be cost reflective. In this regard the following represents the revenue increases included over the 2016/17 MTREF.



**Figure 14 Revenue parameters for 2016/17 MTREF period**

- **Property Rates**

An average Rates tariff increase of 6% is proposed for the 2016/17 financial year with an increase of 6.30% and 6.08% proposed, respectively, for the two outer years. The higher than CPI increases will provide for the recurring operating costs, new budget realities and for investments in new infrastructure for Rates funded services. Further contributing factors to the higher than CPI increase includes lower projected Rates service growth, higher than CPI salary and capital cost increases.

- **Electricity**

Eskom submitted a Regulatory Clearing Account (RCA) application for the first year of the third Multi-Year Price Determination (MYPD3) period, i.e. the 2013/14 financial year. The National Energy Regulator South Africa (NERSA) assessed Eskom's application and the outcome was announced on the 01 March 2016. In this regard NERSA approved an electricity tariff increase of 9.4% for 2016/17 with the City applying a 7.78% revenue increase for the 2016/17 financial year.

The nature of business for this service is the purchasing and redistribution of electricity, where bulk purchases averages 63% of the service's total budget. The higher than CPI electricity average tariff increase is therefore mostly attributed to the NERSA approved Eskom increase on bulk purchases, which is 7.8% for the 2016/17 financial year. In addition, electricity sales are reducing due to energy saving plans, load shedding and elasticity as a result of increasing tariffs. Based on this and to ensure affordability the electricity average tariff increase was set at 7.78%, 14.86% and 15.40%, respectively, over the 2016/17 MTREF. This increase will also further cater for the continual operating costs of the service and for the investments in new infrastructure.

- **Water and Sanitation**

According to NT circular 78, "municipalities should consider the full cost of rendering the water and sanitation services when determining tariffs related to these two services. If the tariffs are low and result in the municipality not recovering their full costs, the municipality should develop a pricing strategy to phase-in the necessary tariff increases in a manner that spreads the impact on consumers over a period of time".

Mindful of this, the Water and Sanitation average tariff increase was set at 9.75% for 2016/17 and 11% for the two outer years of the MTREF period. The higher than CPI tariff increase are due to various factors which mainly includes the financial impact of the capital programme (new infrastructure, expansion and rehabilitation of current infrastructure to address capacity constraints and to ensure system efficiency), repairs and maintenance programmes, cost of social package provided and recurring operational cost. Furthermore due to the current climatic conditions, the City instituted water restriction as from 1 January 2016, accompanied by the 20% reduction level tariff. The 20% reduction level tariff will be applicable for the 2016/17 financial year until further decisions regarding the water restrictions are made.

- **Solid Waste**

Circular 78 reminds municipalities that budget management issues dealt with in previous circulars are still applicable. Circular 70 advised that "in many instances waste tariffs do not cover the cost of providing the different components of the service. Where this is the case, municipalities should aim to have appropriately structured, cost-reflective solid waste tariffs in place by 2015".

Solid Waste consists of two tariffs namely Disposal and Refuse. The disposal average tariff increase for 2016/17 is at 12.08% the increase for the two outer years are 10.06% and 8.17% respectively. This increase is required for capital investment and its related operating expenses. The capital investment includes amongst other, the Bellville transfer station to ensure continuity of the service at the end of a landfill site's useful life, new drop off facilities at Faure and Swartklip bringing the service closer to customers, the provision for rehabilitation of landfill sites, the construction of gas management systems allowing for future waste to energy initiatives and new airspace to be constructed to ensure sufficient capacity for the amount of waste generated.

The 7.92% average tariff increase for Refuse in 2016/17 is to maintain and improve the current standard of refuse removal service and to further promote waste minimisation. The service is piloting the roll out of home composters which will supply statistics on compost generated allowing the department to assess the viability of providing this service to all. The outer year's average tariffs are projected to increase by 5.63% and 5.38% annually.

- **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 6.05% (where the unit has a separate water meter) or 8.61% (for those units which include water in the rental charge) for 2016/17. 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 is not directly aligned to the full economic cost of operating the rental units and operates on a City of Cape Town subsidized 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 Housing Debt Management 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 2016/17 housing rental charge is similar to previous annual rental increase percentages which, through targeting affordability by the City's poorer communities, were aligned to the City's general annual increases. The rental rate (per square meter per month) is R9.12 (where the unit has a separate water meter) or a rental charge (including water charge where applicable) of R13.37 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). A surcharge for tenants earning an monthly income above the rental income threshold (R3 500) is charged as follows at a stepped rate: R3 501 – R7 500 (8%); R7 501 – R10 000 (10%). Tenants with a monthly income >R10 000 will pay a surcharge of 25% of any amount above R10 000.

## 2.5.12 Impact of national, provincial and local policies on operating revenue

### Equitable Share

The reviewed Equitable Share formula provide a subsidy for the provision of free basic water, electricity, sanitation and refuse removal services for the poor. It also provides funds for the institutional costs of municipalities and a community services component which provides funding towards the provision of core municipal services not included under basic services. To ensure that the funds for institutional costs and non-trading services are targeted at poorer municipalities, the formula applies a revenue-adjustment factor reflecting municipalities' ability to generate their own revenue. The revised formula used data from the 2011 Census which are to be updated annually to reflect estimates of population growth and projected increases in the cost of services such as water and electricity.

Equitable share provisions included in the budget are based on the 2016 Division of Revenue Bill (DORb). The following equitable share amounts were allocated to the City as per the 2016 DORb:

2016/17 – R2.013bn

2017/18 – R2.283bn

2018/19 – R2.512bn

### Fuel levy

The general fuel levy is legislated by the Taxation Laws Amendment Act (2009) that makes provision that each metro's share be announced through a Government Gazette. The fuel levy sharing amounts for each metro is therefore published annually through a Notice in the Government gazette.

The Fuel levy allocation is based on the latest available fuel sales figures within the jurisdiction of the City as a metro. The following amounts were allocated to the City as per the 2016/17 allocation letter received from NT:

2016/17 – R2.198bn

2017/18 – R2.362bn

2018/19 – R2.557bn

## 2.5.13 Capital expenditure

The total capital budget included for the 3-year MTREF period is as follows:

**Table 39 Capital Budget over MTREF**

Capital funding	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousands			
Capital Grants & Donations	2,252,840	2,246,932	2,433,776
Capital Replacement Reserve	1,232,385	875,912	772,053
External Financing Fund	2,928,696	2,376,700	2,660,838
Revenue	75,356	16,180	16,838
<b>TOTAL</b>	<b>6,489,277</b>	<b>5,515,724</b>	<b>5,883,505</b>

Grants received from National and Provincial Government remains a significant funding source over the 2016/17 MTREF. External Financing Fund (EFF) funding levels over the 3 years averages R2.7 billion.

### 2.5.14 Major parameters

The following table summarises the major parameters applied to the Operating budget:

**Table 40 Summary of parameters applied to Operating Budget**

	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
CPI	5.90%	5.50%	5.50%
COLLECTION RATES			
Rates	96.00%	96.00%	96.00%
Electricity	98.00%	98.00%	98.00%
Water	88.00%	88.00%	88.00%
Sanitation	89.00%	89.00%	89.00%
Refuse	92.00%	95.00%	95.00%
Housing	55.00%	56.50%	58.00%
REVENUE PARAMETERS			
Rates	6.00%	6.30%	6.08%
Electricity	7.78%	14.86%	15.40%
Water	9.75%	11.00%	11.00%
Sanitation	9.75%	11.00%	11.00%
Refuse	7.92%	5.63%	5.38%
Disposal	12.08%	10.06%	8.17%
GROWTH PARAMETERS			
Rates	0.25%	0.25%	1.00%
Electricity	-1.50%	-1.50%	-1.50%
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)	6.00%	7.20%	6.60%
Increment provision	2.00%	2.00%	2.00%
General Expenses	5.90%	5.50%	5.50%
Repairs & Maintenance	6.90%	6.50%	6.50%
Interest Rates			
Interest paid	11.00%	12.00%	12.00%
Interest on investment	6.50%	7.00%	7.50%
Other:			
Capital (EFF component) expenditure	R2.929bn	R2.377bn	R2.661bn
Equitable Share Allocation	R2.013bn	R2.283bn	R2.512bn
Fuel levy	R2.198bn	R2.362bn	R2.557bn



## 2.6 Overview of budget funding

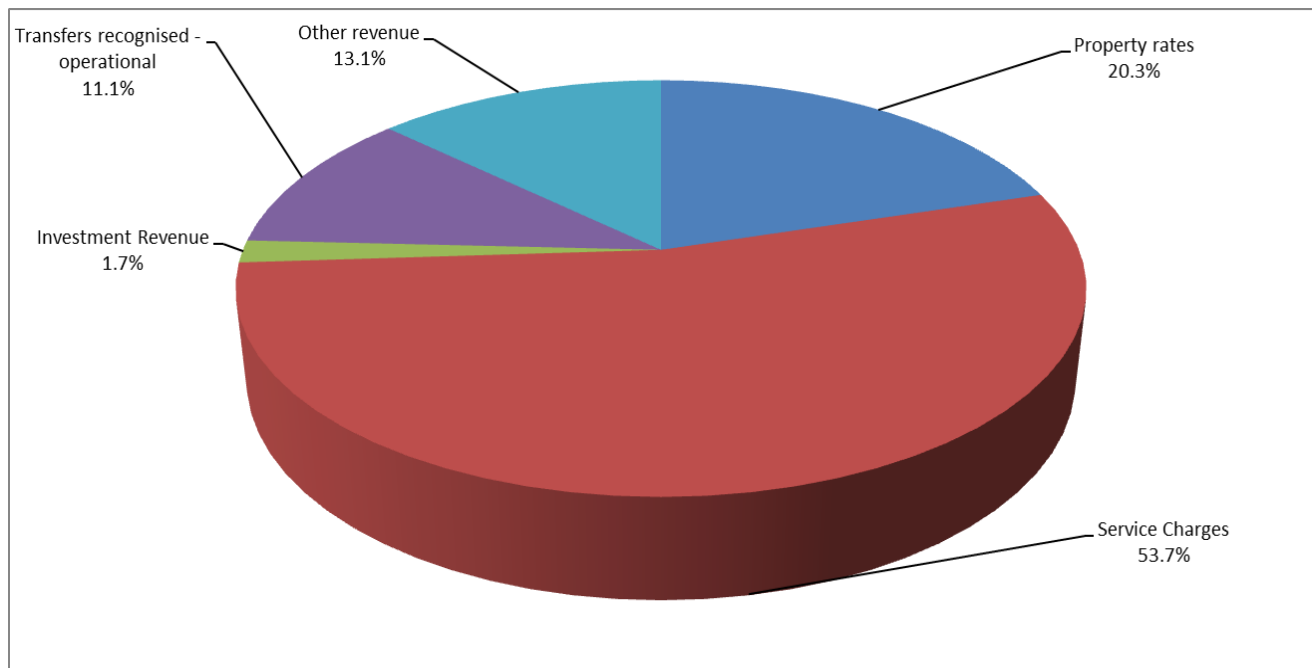
### 2.6.1 Medium-term outlook: operating revenue

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

**Table 41 Breakdown of the operating revenue over the medium-term**

Description R thousand	2016/17 Medium Term Revenue & Expenditure Framework					
	Budget Year 2016/17	%	Budget Year +1 2017/18	%	Budget Year +2 2018/19	%
Property Rates	6,959,000	20.3%	7,419,428	19.8%	7,964,159	19.2%
Service Charges	18,353,075	53.7%	20,727,369	55.3%	23,522,288	56.8%
Investment Revenue	595,694	1.7%	624,661	1.7%	672,891	1.6%
Transfers recognised - Operational	3,802,940	11.1%	4,004,790	10.7%	4,270,147	10.3%
Other own revenue	4,489,436	13.1%	4,722,287	12.6%	5,018,551	12.1%
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>34,200,144</b>	<b>100%</b>	<b>37,498,535</b>	<b>100%</b>	<b>41,448,036</b>	<b>100%</b>

The following graph is a breakdown of the operational revenue per main category for 2016/17.



**Figure 15 Breakdown of operating revenue over the 2016/17 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 tariffs right assists in the compilation of a credible and funded budget. The City derives most of its operational revenue from its service charges (53.7% of total revenue) i.e. provision of services such as water, electricity sanitation and solid waste removal. Property Rates (20.3%), Transfer recognised - operational (11.1%), investment revenue (1.7%) and Other Minor Charges i.e. building plan fees, licences, permits etc. (13.1%) forms part of the 2016/17 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 as 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 2015/16 amounts to R6 546 million and represents 20.7% of the operating revenue base of the City. It increases to R7 052 million, which represents 20.6% of the 2016/17 operating revenue base of the City.

Service Charges relating to electricity, water, sanitation and refuse removal constitute the biggest component of the revenue basket of the City totalling R17 002 million for 2015/16 and increasing to R18 345 million in 2016/17. For 2016/17, Service Charges are 54% of the total revenue base and the average year-on-year growth is approximately 11.4% over the medium term. The growth can be attributed to the increase in the bulk prices of electricity and water.

Transfers recognised – operational increases from R3 579 million in 2015/16 to R3 744 million in 2016/17, mainly due to the increased external allocations received from National- and Provincial Government.

**Table 42 MBRR Table SA15 - Detailed investment information**

Investment type	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>R thousand</b>									
<b>Parent municipality</b>	–	–	–	–	–	–	–	–	–
Securities - National Government	60,900	69,820	76,655	82,000	82,000	82,000	88,000	94,000	100,000
Listed Corporate Bonds	–	–	–	–	–	–	–	–	–
Deposits - Bank	7,185,964	6,224,002	6,691,033	5,260,094	4,527,265	4,527,265	4,796,331	5,020,848	5,702,817
Deposits - Public Investment Commissioners	–	–	–	–	–	–	–	–	–
Deposits - Corporation for Public Deposits	–	–	–	–	–	–	–	–	–
Bankers Acceptance Certificates	–	–	–	–	–	–	–	–	–
Negotiable Certificates of Deposit - Banks	–	–	–	–	–	–	–	–	–
Guaranteed Endowment Policies (sinking)	900,122	1,631,750	1,788,477	1,968,829	1,968,829	1,968,829	2,052,139	2,265,047	2,503,755
Repurchase Agreements - Banks	–	–	–	–	–	–	–	–	–
Municipal Bonds	–	–	–	–	–	–	–	–	–
<b>TOTAL</b>	<b>8,146,986</b>	<b>7,925,572</b>	<b>8,556,165</b>	<b>7,310,923</b>	<b>6,578,094</b>	<b>6,578,094</b>	<b>6,936,470</b>	<b>7,379,895</b>	<b>8,306,572</b>

**Table 43 MBRR Table SA16 - Investment particulars by maturity**

Investments by Maturity Name of institution & investment ID	Period of Investment Months	Type of Investment	Variable or Fixed interest rate	Interest Rate	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Closing Balance
Absa	57	Fixed deposit	Fixed interest	7.20%	N/A	N/A	25 May 2016	60,000	675	60,675
Absa	56	Fixed deposit	Fixed interest	7.20%	N/A	N/A	25 May 2016	40,000	442	40,442
Absa	51	Fixed deposit	Fixed interest	7.20%	N/A	N/A	25 May 2016	50,000	503	50,503
Absa	50	Fixed deposit	Fixed interest	7.20%	N/A	N/A	25 May 2016	25,000	247	25,247
Absa	51	Fixed deposit	Fixed interest	7.20%	N/A	N/A	27 May 2016	25,000	252	25,252
Absa	49	Fixed deposit	Fixed interest	7.20%	N/A	N/A	27 May 2016	10,000	97	10,097
Absa	46	Fixed deposit	Fixed interest	7.20%	N/A	N/A	27 May 2016	30,000	272	30,272
Absa	45	Fixed deposit	Fixed interest	7.15%	N/A	N/A	27 May 2016	10,000	88	10,088
Absa	51	Fixed deposit	Fixed interest	7.25%	N/A	N/A	03 June 2016	20,000	203	20,203
Absa	54	Fixed deposit	Fixed interest	7.25%	N/A	N/A	07 June 2016	10,000	107	10,107
Absa	57	Fixed deposit	Fixed interest	7.25%	N/A	N/A	15 June 2016	10,000	113	10,113
Absa	55	Fixed deposit	Fixed interest	7.25%	N/A	N/A	15 June 2016	30,000	328	30,328
Absa	51	Fixed deposit	Fixed interest	7.22%	N/A	N/A	15 June 2016	30,000	303	30,303
Absa	48	Fixed deposit	Fixed interest	7.22%	N/A	N/A	15 June 2016	25,000	237	25,237
Firststrand	50	Fixed deposit	Fixed interest	7.00%	N/A	N/A	13 May 2016	100,000	959	100,959
Firststrand	57	Fixed deposit	Fixed interest	7.05%	N/A	N/A	25 May 2016	80,000	881	80,881
Firststrand	56	Fixed deposit	Fixed interest	7.05%	N/A	N/A	25 May 2016	40,000	433	40,433
Firststrand	55	Fixed deposit	Fixed interest	7.05%	N/A	N/A	25 May 2016	35,000	372	35,372
Firststrand	51	Fixed deposit	Fixed interest	7.00%	N/A	N/A	25 May 2016	70,000	685	70,685
Firststrand	50	Fixed deposit	Fixed interest	7.00%	N/A	N/A	25 May 2016	30,000	288	30,288
Firststrand	51	Fixed deposit	Fixed interest	7.00%	N/A	N/A	27 May 2016	30,000	293	30,293
Firststrand	49	Fixed deposit	Fixed interest	7.00%	N/A	N/A	27 May 2016	10,000	94	10,094
Firststrand	46	Fixed deposit	Fixed interest	7.00%	N/A	N/A	27 May 2016	30,000	265	30,265
Firststrand	45	Fixed deposit	Fixed interest	7.00%	N/A	N/A	27 May 2016	20,000	173	20,173
Firststrand	48	Fixed deposit	Fixed interest	7.00%	N/A	N/A	31 May 2016	20,000	184	20,184
Firststrand	54	Fixed deposit	Fixed interest	7.00%	N/A	N/A	07 June 2016	15,000	155	15,155
Firststrand	58	Fixed deposit	Fixed interest	7.00%	N/A	N/A	15 June 2016	25,000	278	25,278
Firststrand	57	Fixed deposit	Fixed interest	7.10%	N/A	N/A	15 June 2016	45,000	499	45,499
Firststrand	183	Fixed deposit	Fixed interest	8.20%	N/A	N/A	30 September 2016	10,000	411	10,411
Firststrand	183	Fixed deposit	Fixed interest	8.20%	N/A	N/A	30 September 2016	12,000	493	12,493
Firststrand	183	Fixed deposit	Fixed interest	8.20%	N/A	N/A	30 September 2016	9,000	370	9,370
Firststrand	183	Fixed deposit	Fixed interest	8.20%	N/A	N/A	30 September 2016	12,000	493	12,493
Firststrand	56	Fixed deposit	Fixed interest	7.00%	N/A	N/A	15 June 2016	20,000	215	20,215
Firststrand	55	Fixed deposit	Fixed interest	7.03%	N/A	N/A	15 June 2016	35,000	370	35,370
Firststrand	51	Fixed deposit	Fixed interest	7.03%	N/A	N/A	15 June 2016	35,000	344	35,344
Firststrand	48	Fixed deposit	Fixed interest	7.03%	N/A	N/A	15 June 2016	30,000	277	30,277
Investec Bank	57	Fixed deposit	Fixed interest	7.45%	N/A	N/A	25 May 2016	30,000	349	30,349
Investec Bank	55	Fixed deposit	Fixed interest	7.45%	N/A	N/A	25 May 2016	20,000	225	20,225
Investec Bank	50	Fixed deposit	Fixed interest	7.25%	N/A	N/A	25 May 2016	20,000	199	20,199
Investec Bank	49	Fixed deposit	Fixed interest	7.25%	N/A	N/A	27 May 2016	15,000	146	15,146
Investec Bank	45	Fixed deposit	Fixed interest	7.25%	N/A	N/A	27 May 2016	10,000	89	10,089
Investec Bank	54	Fixed deposit	Fixed interest	7.35%	N/A	N/A	07 June 2016	15,000	163	15,163
Investec Bank	58	Fixed deposit	Fixed interest	7.35%	N/A	N/A	15 June 2016	30,000	350	30,350
Investec Bank	54	Fixed deposit	Fixed interest	7.25%	N/A	N/A	13 June 2016	10,000	107	10,107
Investec Bank	55	Fixed deposit	Fixed interest	7.25%	N/A	N/A	15 June 2016	10,000	109	10,109
Investec Bank	50	Fixed deposit	Fixed interest	7.45%	N/A	N/A	15 June 2016	20,000	204	20,204
Nedbank	50	Fixed deposit	Fixed interest	7.16%	N/A	N/A	13 May 2016	250,000	2,452	252,452
Nedbank	56	Fixed deposit	Fixed interest	7.25%	N/A	N/A	25 May 2016	20,000	222	20,222
Nedbank	55	Fixed deposit	Fixed interest	7.25%	N/A	N/A	25 May 2016	10,000	109	10,109
Nedbank	51	Fixed deposit	Fixed interest	7.25%	N/A	N/A	25 May 2016	30,000	304	30,304
Nedbank	50	Fixed deposit	Fixed interest	7.25%	N/A	N/A	25 May 2016	25,000	248	25,248
Nedbank	51	Fixed deposit	Fixed interest	7.25%	N/A	N/A	27 May 2016	25,000	253	25,253
Nedbank	49	Fixed deposit	Fixed interest	7.15%	N/A	N/A	27 May 2016	10,000	96	10,096
Nedbank	46	Fixed deposit	Fixed interest	7.15%	N/A	N/A	27 May 2016	25,000	225	25,225
Nedbank	45	Fixed deposit	Fixed interest	7.10%	N/A	N/A	27 May 2016	20,000	175	20,175
Nedbank	51	Fixed deposit	Fixed interest	7.20%	N/A	N/A	03 June 2016	20,000	201	20,201
Nedbank	54	Fixed deposit	Fixed interest	7.20%	N/A	N/A	07 June 2016	10,000	107	10,107
Nedbank	55	Fixed deposit	Fixed interest	7.20%	N/A	N/A	15 June 2016	10,000	108	10,108
Nedbank	51	Fixed deposit	Fixed interest	7.25%	N/A	N/A	15 June 2016	45,000	456	45,456
Nedbank	50	Fixed deposit	Fixed interest	7.25%	N/A	N/A	15 June 2016	10,000	99	10,099
Nedbank	48	Fixed deposit	Fixed interest	7.20%	N/A	N/A	15 June 2016	30,000	284	30,284

Table continues on next page.

City of Cape Town – 2016/17 Budget

Investments by Maturity Name of institution & investment ID	Period of Investment Months	Type of Investment	Variable or Fixed interest rate	Interest Rate	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Closing Balance
Standard Bank	50	Fixed deposit	Fixed interest	7.18%	N/A	N/A	13 May 2016	30,000	295	30,295
Standard Bank	50	Fixed deposit	Fixed interest	7.18%	N/A	N/A	13 May 2016	250,000	2,459	252,459
Standard Bank	50	Fixed deposit	Fixed interest	7.18%	N/A	N/A	25 May 2016	20,000	197	20,197
Standard Bank	51	Fixed deposit	Fixed interest	7.19%	N/A	N/A	27 May 2016	30,000	301	30,301
Standard Bank	49	Fixed deposit	Fixed interest	7.18%	N/A	N/A	27 May 2016	10,000	96	10,096
Standard Bank	46	Fixed deposit	Fixed interest	7.17%	N/A	N/A	27 May 2016	30,000	271	30,271
Standard Bank	45	Fixed deposit	Fixed interest	7.17%	N/A	N/A	27 May 2016	20,000	177	20,177
Standard Bank	48	Fixed deposit	Fixed interest	7.18%	N/A	N/A	31 May 2016	20,000	189	20,189
Standard Bank	54	Fixed deposit	Fixed interest	7.20%	N/A	N/A	07 June 2016	20,000	213	20,213
Standard Bank	59	Fixed deposit	Fixed interest	7.21%	N/A	N/A	13 June 2016	20,000	233	20,233
Standard Bank	58	Fixed deposit	Fixed interest	7.21%	N/A	N/A	15 June 2016	70,000	802	70,802
Standard Bank	57	Fixed deposit	Fixed interest	7.19%	N/A	N/A	15 June 2016	30,000	337	30,337
Standard Bank	54	Fixed deposit	Fixed interest	7.18%	N/A	N/A	13 June 2016	10,000	106	10,106
Standard Bank	55	Fixed deposit	Fixed interest	7.20%	N/A	N/A	15 June 2016	25,000	271	25,271
Standard Bank	51	Fixed deposit	Fixed interest	7.22%	N/A	N/A	15 June 2016	30,000	303	30,303
Standard Bank	50	Fixed deposit	Fixed interest	7.15%	N/A	N/A	15 June 2016	10,000	98	10,098
Standard Bank	48	Fixed deposit	Fixed interest	7.15%	N/A	N/A	15 June 2016	25,000	235	25,235
ABSA Bank Call		Notice deposit						294,696	1,659	296,355
Firststrand Bank Call		Notice deposit						35,000	190	35,190
Investec Bank Call		Notice deposit						80,000	447	80,447
Nedbank Call		Notice deposit						125,000	830	125,830
Standard Bank Call		Notice deposit						115,000	624	115,624
ABSA current account		Current account						144,499	412	144,911
Fund managers								1,513,711		1,513,711
<b>Municipality total</b>								<b>4,765,906</b>	<b>30,425</b>	<b>4,796,331</b>

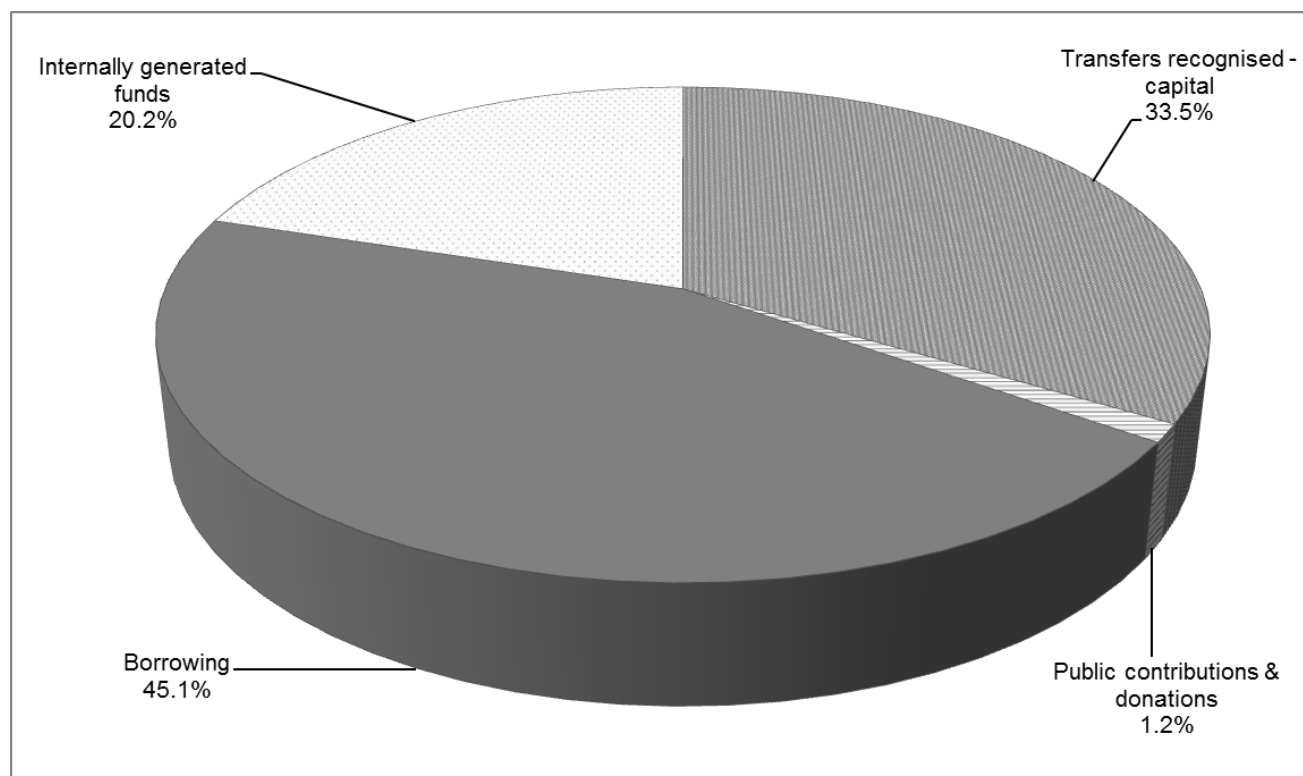
## 2.6.2 Medium-term outlook: capital revenue

The following table is a breakdown of the funding composition of the 2016/17 medium-term capital programme:

**Table 44 Sources of capital revenue over the MTREF**

Vote Description	Current Year 2015/16		2016/17 Medium Term Revenue & Expenditure Framework					
	Adjusted Budget	%	Budget Year 2016/17	%	Budget Year +1 2017/18	%	Budget Year +2 2018/19	%
<b>Funded by:</b>								
National Government	2,266,580		2,079,122		2,021,143		2,196,200	
Provincial Government	180,214		97,918		141,889		150,876	
Other transfers and grants	341		–		–		–	
<b>Transfers recognised - capital</b>	<b>2,447,135</b>	<b>39.9%</b>	<b>2,177,040</b>	<b>33.5%</b>	<b>2,163,032</b>	<b>39.2%</b>	<b>2,347,076</b>	<b>39.9%</b>
<b>Public contributions &amp; donations</b>	<b>68,392</b>	<b>1.1%</b>	<b>75,800</b>	<b>1.2%</b>	<b>83,900</b>	<b>1.5%</b>	<b>86,700</b>	<b>1.5%</b>
<b>Borrowing</b>	<b>2,529,240</b>	<b>41.3%</b>	<b>2,928,696</b>	<b>45.1%</b>	<b>2,376,700</b>	<b>43.1%</b>	<b>2,660,838</b>	<b>45.2%</b>
<b>Internally generated funds</b>	<b>1,084,326</b>	<b>17.7%</b>	<b>1,307,740</b>	<b>20.2%</b>	<b>892,092</b>	<b>16.2%</b>	<b>788,891</b>	<b>13.4%</b>
<b>Total Capital Funding</b>	<b>6,129,094</b>	<b>100.0%</b>	<b>6,489,277</b>	<b>100.0%</b>	<b>5,515,724</b>	<b>100.0%</b>	<b>5,883,505</b>	<b>100.0%</b>

Sources of capital revenue for the 2016/17 financial year are graphically represented below.



**Figure 16 Sources of capital revenue for the 2016/17 financial year**

Grants from national and provincial governments as well as other external sources still remain a significant funding source for the 2016/17 - 2018/19 capital budget. Transfers recognised – capital represents R2 177 million in 2016/17, R2 163 million in 2017/18 and R2 347 million in 2018/19, increases from 33.5% to 39.9% as a percentage of the total capital budget over the MTREF period.

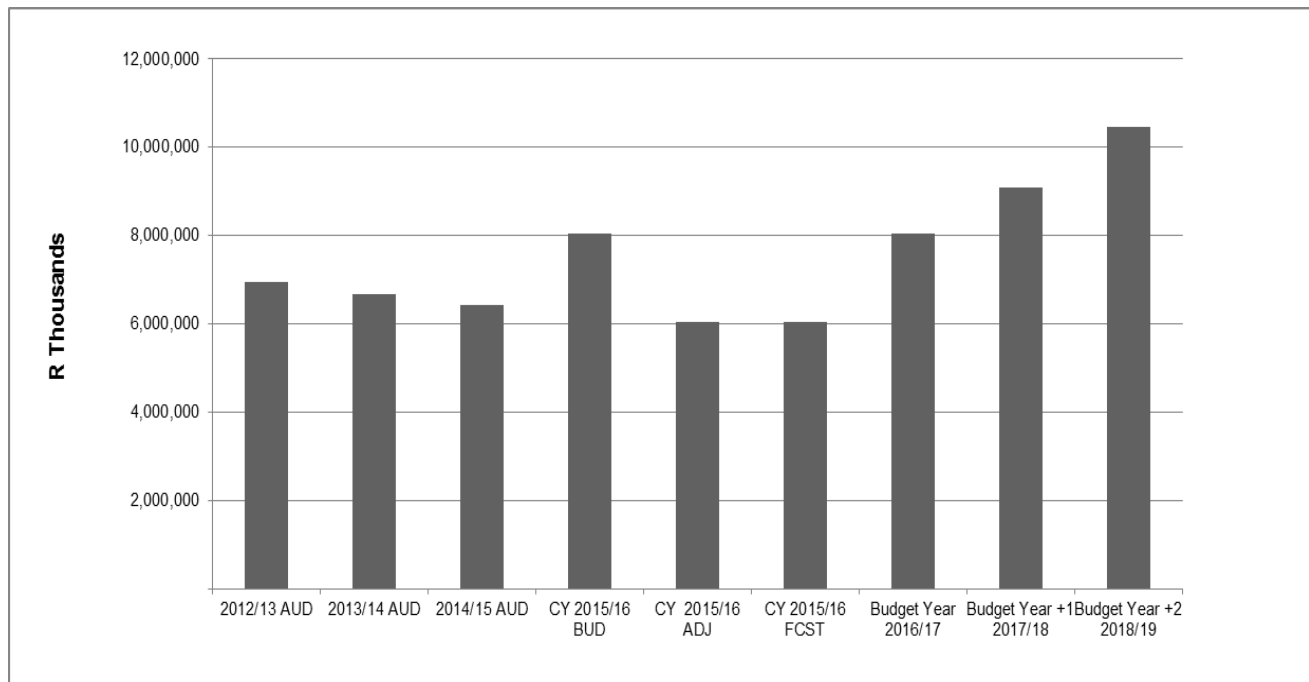
Borrowing continues to be a major source of funding of the 2016/17 - 2018/19 capital budget. The borrowing amount reflected in the table above for the 2016/17 financial year includes certain rollovers where directorates have already indicated that they will not be able to spend the full 2015/16 budgetary allocation by year-end. The additional amount has however been included during the modelling phase of the MTREF.

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

**Table 45 MBRR Table SA17 - Detail of borrowing**

Borrowing - Categorised by type	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>Parent municipality</b>									
Long-Term Loans (annuity/reducing balance)	-	-	-	-	-	-	-	-	-
Long-Term Loans (non-annuity)	2,736,236	2,466,139	2,215,499	1,832,745	1,832,745	1,832,745	3,858,439	4,879,089	6,256,698
Local registered stock	-	-	-	-	-	-	-	-	-
Instalment Credit	-	-	-	-	-	-	-	-	-
Financial Leases	-	-	-	-	-	-	-	-	-
PPP liabilities	-	-	-	-	-	-	-	-	-
Finance Granted By Cap Equipment Supplier	-	-	-	-	-	-	-	-	-
Marketable Bonds	4,200,000	4,200,000	4,200,000	6,200,000	4,200,000	4,200,000	4,200,000	4,200,000	4,200,000
Non-Marketable Bonds	-	-	-	-	-	-	-	-	-
Bankers Acceptances	-	-	-	-	-	-	-	-	-
Financial derivatives	-	-	-	-	-	-	-	-	-
Other Securities	-	-	-	-	-	-	-	-	-
<b>Total Borrowing</b>	<b>6,936,236</b>	<b>6,666,139</b>	<b>6,415,499</b>	<b>8,032,745</b>	<b>6,032,745</b>	<b>6,032,745</b>	<b>8,058,439</b>	<b>9,079,089</b>	<b>10,456,698</b>

The following graph illustrates the growth in outstanding borrowing for the 2011/12 to 2017/18 period.

**Figure 17 Growth in outstanding borrowings (long-term liabilities)**

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
- Bulk Infrastructure Contribution Levies 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 R1 308 million, R892 million and R789 million respectively, over the MTREF.

The percentage of internally generated funds in relation to the total annual budget decreases from 16.2% in 2016/17, 15.9% in 2017/18 and 13.3% in 2018/19.

**Table 46 MBRR Table SA18 - Capital transfers and grants receipts**

Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>R thousand</b>									
<b>Capital Transfers and Grants</b>									
<b>National Government:</b>	2,350,682	2,206,483	2,520,974	2,137,367	2,266,580	2,100,872	2,079,122	2,021,143	2,196,200
Department of Environmental Affairs & Tourism: Marine & Coastal Management	–	245	–	–	–	–	–	–	–
Minerals and Energy: Energy Efficiency and Demand Side Management Grant	–	16,000	–	11,520	11,520	11,520	14,400	9,600	10,000
Minerals and Energy: Integrated National Electrification Programme (Municipal) Grant	–	24,500	5,000	5,000	5,000	5,000	–	5,000	9,000
National Treasury: Expanded Public Works Programme	–	–	–	400	458	458	400	–	–
National Treasury: Infrastructure Skills Development Grant	–	–	–	–	500	500	–	–	–
National Treasury: Integrated City Development Grant	–	–	57,171	45,826	52,256	52,256	38,084	45,585	56,740
National Treasury: Local Government Restructuring Grant	–	–	–	153	100	98	–	–	–
National Treasury: Municipal Human Settlements Capacity Grant	–	–	–	–	500	500	–	–	–
National Treasury: Neighbourhood Development Partnership Grant	30,000	26,000	30,784	60,000	44,310	36,876	12,215	–	–
National Treasury: Other	–	–	–	650	650	650	–	–	–
National Treasury: Urban Settlements Development Grant	971,980	1,193,497	1,358,879	1,158,317	1,191,287	1,121,014	1,193,513	1,260,951	1,405,443
Sport Recreation: 2014 African Nation Championship Host City Operating Grant	1,348,702	–	–	–	–	–	–	–	–
Transport: Public Transport Infrastructure & Systems Grant	–	–	–	–	266	266	120,000	–	–
Transport: Public Transport Infrastructure Grant	–	946,241	1,069,140	–	408,232	408,232	–	–	–
Transport: Public Transport Network Grant	–	–	–	855,501	551,501	463,501	700,509	700,007	715,017
<b>Provincial Government:</b>	1,415	–	10,700	86,446	180,214	176,537	92,418	141,889	150,876
Cultural Affairs and Sport: Development of Sport and Recreation Facilities	–	–	–	–	134	134	–	–	–
Cultural Affairs and Sport: Library Services (Conditional Grant)	–	–	–	5,733	9,765	9,765	11,150	15,591	–
Cultural Affairs and Sport: Library Services: Metro Library Grant	–	–	–	–	4,830	4,830	7,500	10,000	10,000
Economic Development and Tourism: Public Access Centres	–	–	–	–	58	58	–	–	–
Health: Ixuvuyo Clinic Extension	1,415	–	–	–	–	–	–	–	–
Housing: Integrated Housing and Human Settlement Development Grant	–	–	–	55,773	131,672	127,995	58,873	116,003	140,580
Provincial Government: Community Development Workers (CDW) Operational Grant Support	–	–	–	292	292	292	295	295	295
Provincial Government: Fibre Optic Broadband Roll Out	–	–	10,700	7,298	11,803	11,803	–	–	–
Provincial Government: Transport Safety and Compliance - Rail Safety	–	–	–	–	4,000	4,000	–	–	–
Transport and Public Works: Planning, Maintenance and Rehabilitation of Transport System and Infrastructure	–	–	–	17,350	17,660	17,660	14,600	–	–
<b>Other grant providers:</b>	32,462	32,675	44,412	53,761	68,734	68,734	81,300	83,900	86,700
Other: Other	32,462	32,675	44,412	53,761	68,734	68,734	81,300	83,900	86,700
<b>Total Capital Transfers and Grants</b>	<b>2,384,559</b>	<b>2,239,158</b>	<b>2,576,086</b>	<b>2,277,574</b>	<b>2,515,528</b>	<b>2,346,142</b>	<b>2,252,840</b>	<b>2,246,932</b>	<b>2,433,776</b>
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>	<b>3,294,437</b>	<b>3,662,482</b>	<b>4,030,301</b>	<b>5,856,982</b>	<b>6,616,448</b>	<b>6,447,062</b>	<b>6,055,780</b>	<b>6,251,722</b>	<b>6,703,923</b>



## 2.6.3 Cash Flow Management

**Table 47 MBRR Table A7 - Budgeted cash flow statement**

Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>R thousand</b>									
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>									
<b>Receipts</b>									
Property rates, penalties & collection charges	5,076,445	5,546,774	6,018,735	6,440,048	6,471,517	6,471,517	6,864,644	7,310,945	7,832,252
Service charges	13,099,805	13,903,680	13,768,730	15,773,011	15,785,856	15,785,856	16,910,000	19,259,891	21,936,793
Other revenue	693,648	2,580,699	3,352,908	3,107,198	3,024,013	3,024,013	3,205,429	3,424,013	3,664,966
Government - operating	1,979,795	2,389,432	3,251,460	3,579,752	4,106,009	4,106,009	3,802,940	4,004,790	4,270,147
Government - capital	3,414,645	2,052,758	2,423,179	2,277,574	2,515,528	2,515,528	2,252,840	2,246,932	2,433,776
Interest	681,878	729,374	735,298	442,109	580,779	580,779	595,694	624,661	672,891
Dividends	-	-	-	-	-	-	-	-	-
<b>Payments</b>									
Suppliers and employees	(18,797,879)	(21,822,483)	(22,645,643)	(26,548,109)	(27,373,994)	(27,373,994)	(28,554,433)	(31,302,647)	(34,601,927)
Finance charges	(645,706)	(749,639)	(709,455)	(887,380)	(703,079)	(703,079)	(812,118)	(928,327)	(1,098,571)
Transfers and Grants	-	(115,021)	(136,487)	-	-	-	(115,154)	(133,190)	(140,515)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>5,502,631</b>	<b>4,515,574</b>	<b>6,058,725</b>	<b>4,184,203</b>	<b>4,406,629</b>	<b>4,406,629</b>	<b>4,149,843</b>	<b>4,507,069</b>	<b>4,969,812</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>									
<b>Receipts</b>									
Proceeds on disposal of PPE	93,472	71,458	91,419	74,669	74,669	74,669	79,500	49,500	49,500
Decrease (increase) in non-current debtors	-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables	(3,125)	(1,751)	28,800	4,955	3,766	3,766	3,578	3,399	3,229
Decrease (increase) in non-current investments	(574,187)	(2,263,558)	361,949	(170,422)	(186,352)	(186,352)	(89,310)	(218,908)	(244,708)
<b>Payments</b>									
Capital assets	(5,868,809)	(4,502,293)	(5,200,493)	(5,955,826)	(6,041,566)	(6,041,566)	(5,840,349)	(4,964,152)	(5,295,155)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(6,352,649)</b>	<b>(6,696,144)</b>	<b>(4,718,325)</b>	<b>(6,046,623)</b>	<b>(6,149,483)</b>	<b>(6,149,483)</b>	<b>(5,846,581)</b>	<b>(5,130,161)</b>	<b>(5,487,133)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>									
<b>Receipts</b>									
Short term loans	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	2,384,420	-	-	2,000,000	-	-	2,500,000	1,500,000	2,000,000
Increase (decrease) in consumer deposits	33,273	62,000	(97,959)	40,724	27,226	27,226	29,948	32,943	36,238
<b>Payments</b>									
Repayment of borrowing	(165,311)	(345,067)	(309,852)	(368,931)	(285,598)	(285,598)	(491,216)	(465,919)	(549,253)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>2,252,382</b>	<b>(283,067)</b>	<b>(407,811)</b>	<b>1,671,793</b>	<b>(258,372)</b>	<b>(258,372)</b>	<b>2,038,733</b>	<b>1,067,024</b>	<b>1,486,985</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>1,402,364</b>	<b>(2,463,637)</b>	<b>932,589</b>	<b>(190,628)</b>	<b>(2,001,226)</b>	<b>(2,001,226)</b>	<b>341,995</b>	<b>443,932</b>	<b>969,663</b>
Cash/cash equivalents at the year begin:	3,327,832	4,730,196	2,266,559	2,265,410	3,199,148	3,199,148	1,197,922	1,539,917	1,983,849
Cash/cash equivalents at the year end:	4,730,196	2,266,559	3,199,148	2,074,783	1,197,922	1,197,922	1,539,917	1,983,849	2,953,512

The above table shows the cash and cash equivalents of the City with the tabled 2016/17 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 2016/17 MTREF, the budget has been prepared to ensure high levels of cash and cash equivalents over the medium-term with cash levels anticipated to exceed R1 540 million by 2016/17, R1 984 million by 2017/18 and R2 954 million by 2018/19.

## 2.6.4 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 48 MBRR Table A8 - Cash backed reserves / accumulated surplus reconciliation**

Description R thousand	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>Cash and investments available</b>									
Cash/cash equivalents at the year end	4,730,196	2,266,559	3,199,148	2,074,783	1,197,922	1,197,922	1,539,917	1,983,849	2,953,512
Other current investments > 90 days	3,430,794	2,621,906	1,746,347	1,532,412	1,559,995	1,559,995	1,470,685	1,251,777	1,007,069
Non current assets - Investments	173,425	3,245,041	3,753,617	3,911,206	3,939,969	3,939,969	4,029,279	4,248,187	4,492,895
<b>Cash and investments available:</b>	<b>8,334,415</b>	<b>8,133,506</b>	<b>8,699,112</b>	<b>7,518,401</b>	<b>6,697,886</b>	<b>6,697,886</b>	<b>7,039,881</b>	<b>7,483,813</b>	<b>8,453,476</b>
<b>Application of cash and investments</b>									
Unspent conditional transfers	858,556	1,495,768	1,527,445	1,640,961	1,640,960	1,640,960	1,600,902	1,727,303	1,868,101
Unspent borrowing	-	-	-	-	-	-	-	-	-
Statutory requirements	-	-	-	-	-	-	-	-	-
Other working capital requirements	506,469	165,613	370,975	302,275	(489,299)	(489,299)	(441,162)	(832,686)	(1,265,554)
Other provisions	-	-	-	-	-	-	-	-	-
Long term investments committed	173,425	3,245,041	1,864,888	2,045,502	2,045,502	2,045,502	2,014,640	2,347,720	2,586,428
Reserves to be backed by cash/investments	2,297,820	468,419	2,790,264	1,682,637	1,536,038	1,536,038	1,590,916	1,531,421	1,596,423
<b>Total Application of cash and investments:</b>	<b>3,836,270</b>	<b>5,374,841</b>	<b>6,553,572</b>	<b>5,671,375</b>	<b>4,733,201</b>	<b>4,733,201</b>	<b>4,765,296</b>	<b>4,773,758</b>	<b>4,785,398</b>
<b>Surplus(shortfall)</b>	<b>4,498,145</b>	<b>2,758,665</b>	<b>2,145,540</b>	<b>1,847,026</b>	<b>1,964,685</b>	<b>1,964,685</b>	<b>2,274,585</b>	<b>2,710,055</b>	<b>3,668,078</b>

From the above table it can be seen that the cash and investments available total R7 040 million in 2016/17 and progressively increases to R8 453 million by 2018/19, 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 (e.g. IRT).
- Unspent borrowing - There is no unspent borrowing from previous years. Only 42.8% of the 2016/17 capital expenditure budget will be funded from new borrowings.
- Provisions for statutory requirements – There are no statutory requirements.
- 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:

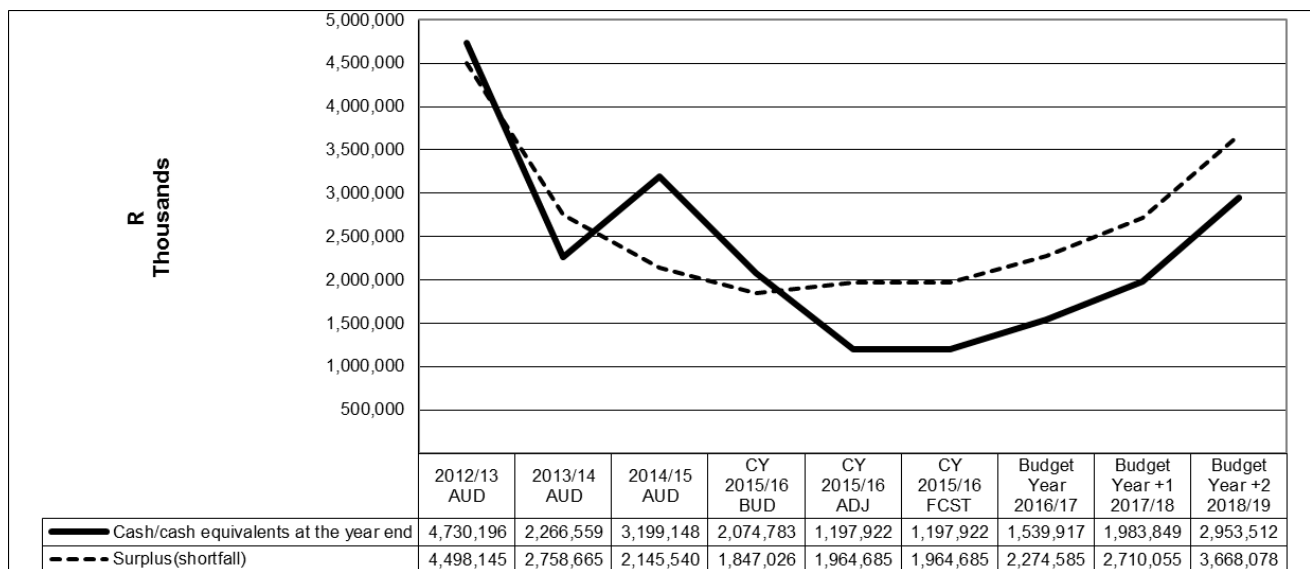


Figure 18 Cash and cash equivalents / cash backed reserves and accumulated funds

## 2.6.5 Funding Compliance Measurement

Table 49 MBRR Table SA10 - Funding Compliance measurement

Description	MFMA section	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Funding measures										
Cash/cash equivalents at the year end - R'000	18(1)b	4,730,196	2,266,559	3,199,148	2,074,783	1,197,922	1,197,922	1,539,917	1,983,849	2,953,512
Cash + investments at the yr end less applications - R'000	18(1)b	4,498,145	2,758,665	2,145,540	1,847,026	1,964,685	1,964,685	2,274,585	2,710,055	3,668,078
Cash year end/monthly employee/supplier payments	18(1)b	2.9	1.2	1.7	0.9	0.5	0.5	0.6	0.8	1.0
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	3,443,726	1,659,476	4,339,773	1,857,410	2,366,424	2,366,424	1,907,528	2,087,025	2,261,109
Service charge rev % change - macro CPI target exclusive	18(1)a,(2)	N.A	1.0%	3.1%	5.0%	(5.9%)	(6.0%)	1.4%	5.2%	5.9%
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	87.9%	95.2%	91.2%	91.3%	91.3%	91.3%	90.8%	91.4%	91.7%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	5.1%	6.7%	7.2%	7.6%	7.6%	7.6%	7.9%	7.5%	7.3%
Capital payments % of capital expenditure	18(1)c,19	100.0%	100.0%	99.0%	98.5%	98.6%	108.3%	90.0%	90.0%	90.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	97.2%	0.0%	0.0%	52.4%	0.0%	0.0%	58.0%	44.7%	56.6%
Grants % of Govt. legislated/gazetted allocations	18(1)a	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	103.5%	100.2%	100.1%
Current consumer debtors % change - incr(decr)	18(1)a	N.A	5.8%	12.7%	(1.5%)	7.3%	0.0%	3.0%	6.5%	6.5%
Long term receivables % change - incr(decr)	18(1)a	N.A	2.6%	(27.8%)	25.0%	(24.0%)	0.0%	(5.0%)	(5.0%)	(5.0%)
R&M % of Property Plant & Equipment	20(1)(vi)	9.9%	9.5%	9.0%	9.5%	9.5%	9.5%	9.3%	9.3%	9.5%
Asset renewal % of capital budget	20(1)(vi)	36.7%	47.4%	46.7%	48.2%	50.3%	52.1%	48.4%	48.5%	51.2%

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 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 49 MBRR Table SA10 - Funding Compliance measurement and discussed below:

#### *2.6.5.1 Cash/cash equivalent position*

The City reflects a positive cash position over the forecasted 2016/17 MTREF, indicating that the medium term budget is sustainable.

#### *2.6.5.2 Cash plus investment less application of funds*

The purpose of this measure is to understand how the 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 2016/17 MTREF which shows that the City is able to afford its commitments over the medium term.

#### *2.6.5.3 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's outcome is low due to an amendment in the manner in which cash/cash equivalent is stated on the budgeted cash flow. The outcome of the ratio is not a true reflection of the City's cash coverage ratio as the Cash & Cash Equivalent now shown does not include all equally liquid current and non-current investments managed by fund managers. The City's view is that 1.5 month's provision is sufficient, given the City's ability to meet its obligation.

#### *2.6.5.4 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. In respect of this ratio, the City shows a surplus over the 2016/17 MTREF, which means that the forecasted tariffs and taxes are sufficient thereby concluding that the community is making an adequate contribution towards the economic benefits being consumed by the City.

#### *2.6.5.5 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. This ratio shows 1.4%, 5.2% and 5.9%, for the years 2016/17, 2017/18 and 2018/19 respectively, higher than the NT CPI targets. These higher than CPI increase are due to the various revenue increases applied to service charges and adjustments to the revenue base of certain services due to in-year performance. The revenue increases applied can be substantiated by motivating the individual services' revenue increase, which are as follows:

- **Rates**  
An average Rates tariff increase of 6% is proposed for the 2016/17 financial year with an increase of 6.30% and 6.08% proposed, respectively, for the two outer years. The higher than CPI increases will provide for the recurring operating costs, new budget realities and for investments in new Infrastructure for Rates funded services. Further contributing factors to the higher than CPI increase includes lower projected Rates service growth, higher than CPI salary and capital cost increases.
- **Electricity**  
The nature of business for this service is the purchasing and redistribution of electricity, where bulk purchases averages 63% of the service's total budget. The higher than CPI electricity average tariff increase is therefore mostly attributed to the NERSA approved Eskom increase on bulk purchases, which is assumed at 7.8% for the 2016/17 financial year. In addition, electricity

sales are reducing due to energy saving plans, load shedding and elasticity as a result of increasing tariffs. Based on this and to ensure affordability the electricity average tariff increase was set at 7.78%, 14.86% and 15.40%, respectively, over the 2016/17 MTREF. This increase will also further cater for the continual operating costs of the service and for the investments in new infrastructure.

- Water and Sanitation

The Water and Sanitation average tariff increase was set at 9.75% for 2016/17 and 11% for the two outer years of the MTREF period. The higher than CPI tariff increase are due to various factors which mainly includes the financial impact of the capital programme (new infrastructure, expansion and rehabilitation of current infrastructure to address capacity constraints and to ensure system efficiency), repairs and maintenance programmes, cost of social package provided and recurring operational cost. Furthermore due to the current climatic conditions, the City instituted water restriction as from 1 January 2016, accompanied by the 20% reduction level tariff. The 20% reduction level tariff will be applicable for the 2016/17 financial year until further decisions regarding the water restrictions are made.

- Refuse Removal

Solid Waste consists of two tariffs namely Disposal and Refuse. The disposal average tariff increase for 2016/17 is at 12.08% the increase for the two outer years are 10.06% and 8.17% respectively. This increase is required for capital investment and its related operating expenses. The capital investment includes amongst other, the Bellville transfer station to ensure continuity of the service at the end of a landfill site's useful life, new drop off facilities at Faure and Swartklip bringing the service closer to customers, the provision for rehabilitation of landfill sites, the construction of gas management systems allowing for future waste to energy initiatives and new airspace to be constructed to ensure sufficient capacity for the amount of waste generated.

The 7.92% average tariff increase for Refuse in 2016/17 is to maintain and improve the current standard of refuse removal service and to further promote waste minimisation. The service is piloting the roll out of home composters which will supply statistics on compost generated allowing the department to assess the viability of providing this service to all. The outer year's average tariffs are projected to increase by 5.63% and 5.38% annually.

- Service Charges Other

Other revenue consists of miscellaneous elements and fixed basic charges, which are based on the service charges discussed above that has higher than CPI increases. The reduction in the 2016/17 financial year is as a result of the downward adjustment of bus fares revenue. The continuous moderation exercise, related tariffs and latest trends have revealed that the reductions were required, which necessitated realignment of both revenue and expenditure provisions without impacting on service delivery.

#### *2.6.5.6 Cash receipts as a percentage of ratepayer and other revenue*

This is a macro measure of the rate at which funds are 'collected'. The purpose of this measure is to analyse an underlying assumed collection rate. The 2016/17 outcome of this ratio shows 91% lower than the City's average collection rate of 92.6% (excluding housing) for this period. The difference in the collection rate outcome is due to the cash receipts budget considering the indigent relief provision, which is an expenditure item on the financial performance. This collection ratio is deemed realistic, due to new initiatives to improve revenue collections.

#### *2.6.5.7 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.

#### *2.6.5.8 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 2016/17 MTREF, due to capital funding sources projected at 90% in the cash flow. This projection is based on previous years' capital expenditure trends.

#### *2.6.5.9 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 outcome of 58% for 2016/17 and is expected to average 50.6% over the outer years of the MTREF. This ratio shows that the City's borrowing is less than its capital expenditure, therefore sustainable and compliant to the MFMA.

#### *2.6.5.10 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 2016 DORb and 2016/17 MTREF Provincial Government allocations.

The outcome of this ratio for the City does not equate to 100%, due to the reasons listed below:

- The budget includes interest accrued and funding available in trust funds, and
- Funding allocated to the City by the National Department of Environmental Affairs and Tourism which is not included in the DORb but where there is a Memorandum of Agreement in place.

#### *2.6.5.11 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.

#### *2.6.5.12 Long term receivables % change*

The purpose of this measure is to ascertain whether budgeted reductions in outstanding debtors are realistic. Long term receivables include 'arrangement debtors' to be paid by the debtor over an extended period of time. The 2014/15 actual outcome for this ratio shows a year on year decrease of 27.8% which is mainly due to bad debt written off for housing. Long term receivable is projected to reduce by an average of 5% annually over the 2016/17 MTREF.

#### *2.6.5.13 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. The outcome of this ratio averages 9.3% over the 2016/17 MTREF and is higher than the National Treasury benchmark of 8%.



#### 2.6.5.14 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. This ratio outcome over the 2016/17 MTREF averages 49.4% and exceeds the national norm of 40% as per Circular 55.

## 2.7 Cost containment measures

MFMA Circular No 82, published by National Treasury in March 2016, provides guidelines to municipalities *‘on cost containment measures that must be implemented in an effort to address the impact of the country’s economic challenges and to promote growth, address unemployment and equality, amongst others.’*

The circular further states that *‘cost containment measures must be implemented to eliminate wasteful expenditure, reprioritise spending and ensure savings on the following focus areas among others; engagement of consultants, travel and subsistence costs, issuing of credit cards, accommodation costs, office furnishing costs, advertising or sponsorship costs, catering and events related costs.’*

In keeping with the guidelines set out in Circular 82, the following cost containment measures have been/will be implemented in the City.

### Consultants

- Rate funded Services

A centralised provision for consultants exists within each executive director’s cost centre. To access this provision, the following process applies:

  - A report confirming that the directorate does not have the requisite skills or resources to perform services required, including the cost thereof must be submitted for approval to the executive director.
  - Once approved a virement must be prepared to transfer the funds to the requester.
  - At financial year-end allocations to the successful department are transferred back to the consultants pool for future requirements. The allocation to the requester is once-off.
  - Applications are considered on a first come, first serve basis.
- Tariff-funded Services
  - Competent staff appointed to minimise the need to appoint consultants.
  - The use of consultants is limited: consultants are at present; only utilised on an essential basis for the implementation of engineering oriented projects, research and feasibility studies for capital projects.

### Travel and Subsistence

- MFMA Circular No 82 was communicated to all relevant parties (City travellers).
- The City’s Travel Management Policy will be amended to be in line with Circular 82.
- A clause will be inserted in all travel reports to ensure compliance with Circular 82 by line departments.
- The City’s travel agent (who is also contracted to government), Duma Travel, will be made aware of Circular 82 and will be asked to assist in monitoring the City’s compliance with the circular.



### **Catering**

- No catering is provided at management or staff meetings.
- Catering requests are pre-authorised by executive directors/directors.
- Catering for meetings with external stakeholders is only considered where the meeting is longer than 4 hours or half a day.
- All catering is done in line with the City's Catering Policy.
- The number of virements to increase the catering budget will be limited in order to eliminate fruitless and wasteful expenditure.
- Meetings are structured in such a way that lunch is not provided.

### **Credit Cards**

- The issuing of a credit card is limited to only the Executive Mayor.
- Expenditure is primarily limited to international travel, which is usually fully or partially sponsored.
- Any expenditure incurred is informed by the guidelines and criteria contained in the Entertainment & Gift Giving Policy for Councillors as well as the Strategic International Relations Policy, which provides appropriate controls to prevent fruitless and wasteful expenditure.
- Spending limits and expenditure exclusions guidelines are provided in the aforementioned policies.
- Detailed cash receipts and vouchers are kept for audit purposes.

### **Conference and Seminars**

- Executive directors/directors screen and approve attendance of seminars/conferences, taking into consideration relevant circulars, policies, guidelines and procedures issued within the City, including the financial implication thereof.
- Multiple attendees are discouraged from attending the same conferences/seminars.

### **Events & Advertising**

- Departments mostly incur advertising costs when advertising vacant posts and Supply Chain Management-related adverts. This is as and when required.
- All event-related cost must be in line with City's Events Policy.

## **2.8 Ward Allocations**

In step with previous financial years, it is proposed to allocate budgetary resources for project, programme 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 total amount available to each ward is R700 000 per year per ward. Additional budgetary provision of R3.5 million is also made in the 2016/17 financial year to accommodate the five new wards which will come into effect after the 2016 Local Government Elections later in this year.

A ward allocation project must form part of the core business activities and assets of the lead department and must be aligned with the Service Delivery Business Implementation Plan (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.

## 2.9 Expenditure on transfers and grant programmes

**Table 50 MBRR Table SA19 - Expenditure on transfers and grant programmes**

Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>R thousand</b>									
<b>EXPENDITURE:</b>									
<b>Operating expenditure of Transfers and Grants</b>									
<b>National Government:</b>	<b>241,703</b>	<b>420,240</b>	<b>671,249</b>	<b>2,345,168</b>	<b>2,690,043</b>	<b>2,690,043</b>	<b>2,566,742</b>	<b>2,832,048</b>	<b>2,992,341</b>
Equitable share	8,439	376	6,294	1,811,289	1,811,087	1,811,087	2,012,945	2,283,323	2,512,279
Finance Management grant	1,075	219	973	1,050	1,050	1,050	1,050	1,050	1,000
Restructuring	1,702	–	–	1,191	–	–	–	–	–
Urban Settlements Development Grant	65,208	57,826	162,977	229,443	364,187	364,187	229,991	245,654	177,317
Public Transport Network Operations Grant	–	217,101	367,748	–	64,765	64,765	–	–	–
Energy Efficiency and Demand Side Management Grant	1,343	1,728	599	480	480	480	600	400	–
Dept. of Environ Affairs and Tourism	230	224	4,326	4,304	6,338	6,338	4,432	–	–
Housing Accreditation	123	57	23	200	200	200	–	–	–
Expanded Public Works Programme	29,433	38,192	23,552	23,216	23,216	23,216	31,340	–	–
Integrated City Development Grant	–	864	3,116	5,000	2,915	2,915	6,721	8,044	–
Public Transport Infrastructure & Systems Grant	128,874	56,119	–	8,466	31,959	31,959	20,694	9,245	6,110
Infrastructure Skills Development	–	–	2,763	7,526	7,026	7,026	9,416	9,300	10,500
LGSETA	–	–	–	–	536	536	–	–	–
Department of Water Affairs & Forestry: Water Affairs & Forestry Grant	–	–	697	–	–	–	–	–	–
Municipal Human Settlements Capacity Grant	–	–	18,363	13,703	44,783	44,783	–	–	–
Public Transport Network Grant	–	–	–	238,000	330,000	330,000	249,554	275,032	285,135
Department of Public Service and Administration	–	–	–	1,300	1,500	1,500	–	–	–
Public Transport Infrastructure Grant	–	–	79,844	–	–	–	–	–	–
2014 African Nations Championship Host City Operating Grant	–	45,060	(26)	–	–	–	–	–	–
Natural Resource Management	5,276	2,474	–	–	–	–	–	–	–
<b>Provincial Government:</b>	<b>501,570</b>	<b>573,197</b>	<b>730,253</b>	<b>1,199,402</b>	<b>1,367,387</b>	<b>1,367,387</b>	<b>1,204,425</b>	<b>1,170,717</b>	<b>1,275,738</b>
Cultural Affairs and Sport - Provincial Library Services	22,470	22,008	28,874	32,100	34,600	34,600	38,515	40,835	43,275
Human Settlements - Human Settlement Development Grant	267,244	299,584	411,253	696,014	863,185	863,185	688,585	623,596	698,667
Human Settlements - Municipal Accreditation Assistance	3,255	3,690	3,989	10,000	7,737	7,737	10,000	5,000	–
Human Settlement - Settlement Assistance	529	712	–	–	1,011	1,011	1,500	1,000	1,000
Health - TB	9,934	11,807	17,206	24,535	24,535	24,535	25,626	27,112	28,684
Health - Global Fund	3,791	35,296	37,936	34,408	33,108	33,108	–	–	–
Health - ARV	24,623	88,613	109,584	136,515	133,515	133,515	169,844	190,919	205,771
Health - Nutrition	4,140	4,385	4,065	4,904	4,904	4,904	5,208	5,512	5,832
Health - Vaccines	65,163	66,724	65,565	76,822	74,325	74,325	77,631	82,134	86,899
Comprehensive Health	70,983	–	–	163,465	165,828	165,828	170,203	180,075	190,519
Transport and Public Works - Provision for persons with special needs	18,702	1,895	10,075	10,000	10,134	10,134	10,000	10,000	10,000
Municipal Land Transport Fund	10,736	10,888	12,514	–	–	–	–	–	–
Transport Safety and Compliance - Rail Safety	–	–	2,197	4,000	83	83	–	–	–
Community Development Workers	–	367	741	789	1,462	1,462	794	794	794
City of Cape Town - Public access centres	–	–	–	–	146	146	–	–	–
Planning, Maintenance and Rehabilitation of Transport Systems and Infrastructure	–	–	5,353	5,850	12,293	12,293	3,400	–	–
Community Safety - Law Enforcement Auxiliary Services	–	27,228	19,384	–	47	47	3,000	3,500	3,938
Western Cape Financial Management Support Grant	–	–	300	–	303	303	–	–	–
Library Service: Metro Library Grant	–	–	–	–	170	170	–	–	–
Local Government - Compliance	–	–	467	–	–	–	–	–	–
Economic Development and Tourism	–	–	500	–	–	–	–	–	–
Cultural Affairs and Sport - Three Anchor Bay Tennis Court	–	–	250	–	–	–	–	–	–
Finance Management Capacity Building Grant	–	–	–	–	–	–	120	240	360

Table continues on next page.

City of Cape Town – 2016/17 Budget

Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>R thousand</b>									
<b>Other grant providers:</b>	<b>6,014</b>	<b>12,864</b>	<b>12,811</b>	<b>34,838</b>	<b>43,490</b>	<b>43,490</b>	<b>31,773</b>	<b>2,025</b>	<b>2,068</b>
Tourism	552	–	1,918	2,000	500	500	2,000	2,025	2,068
Carnegie	524	1,583	1,953	879	931	931	–	–	–
CMTF	–	3,264	–	411	8,394	8,394	200	–	–
CID	2,271	2,764	2,839	2,791	2,908	2,908	3,709	–	–
Century City Property Owners Association	409	438	468	732	749	749	788	–	–
Traffic Free Flow (Pty) Ltd	649	1,417	1,017	1,585	1,768	1,768	–	–	–
Mamre Fencing	–	46	–	–	17	17	–	–	–
DBSA - Green Fund	–	–	–	25,000	25,000	25,000	25,000	–	–
Stellenbosch University	–	51	505	1,026	1,026	1,026	–	–	–
Sustainable Energy Africa	–	–	–	–	424	424	–	–	–
V&A Waterfront Holdings (Pty) Ltd	–	–	134	275	275	275	–	–	–
Domain (Pty) Ltd	–	–	–	140	–	–	–	–	–
Chemical Industries Education and Training Authority	–	–	–	–	1,500	1,500	–	–	–
Agency Francaise de Development (AFD)	–	–	308	–	–	–	–	–	–
UN Women	–	–	125	–	–	–	–	–	–
NGK Ceramic Company	686	686	–	–	–	–	–	–	–
Finnish Government	406	112	–	–	–	–	–	–	–
City for Climate Protection	176	144	–	–	–	–	–	–	–
ICLEI Carbon Taxes	6	111	–	–	–	–	–	–	–
South African National Biodiversity Institute	335	2,244	3,544	–	–	–	–	–	–
Afrikaanse Taal en Kultuur Vereniging	–	5	–	–	–	–	–	–	–
Rusgenberg Girls	–	–	–	–	–	–	38	–	–
Westcott Primary	–	–	–	–	–	–	38	–	–
<b>Total operating expenditure of Transfers and Grants:</b>	<b>749,287</b>	<b>1,006,301</b>	<b>1,414,313</b>	<b>3,579,408</b>	<b>4,100,920</b>	<b>4,100,920</b>	<b>3,802,940</b>	<b>4,004,790</b>	<b>4,270,147</b>
<b>Capital expenditure of Transfers and Grants</b>									
<b>National Government:</b>	<b>3,056,018</b>	<b>1,768,879</b>	<b>2,186,882</b>	<b>2,137,367</b>	<b>2,266,580</b>	<b>2,100,872</b>	<b>2,079,122</b>	<b>2,021,143</b>	<b>2,196,200</b>
Department of Water Affairs & Forestry: Water Affairs & Forestry Grant	(44)	–	–	–	–	–	–	–	–
Minerals and Energy: Energy Efficiency and Demand Side Management Grant	5,287	7,683	5,989	11,520	11,520	11,520	14,400	9,600	10,000
Minerals and Energy: Integrated National Electrification Programme (Municipal) Grant	–	7,276	22,224	5,000	5,000	5,000	–	5,000	9,000
National Government - Other: Previous years' Dora allocations	609	–	–	–	–	–	–	–	–
National Treasury: Expanded Public Works Programme	–	412	400	400	458	458	400	–	–
National Treasury: Financial Management Grant	–	841	598	–	–	–	–	–	–
National Treasury: Infrastructure Skills Development Grant	–	99	299	–	500	500	–	–	–
National Treasury: Integrated City Development Grant	–	–	53,517	45,826	52,256	52,256	38,084	45,585	56,740
National Treasury: Local Government Restructuring Grant	200	–	1,341	153	100	98	–	–	–
National Treasury: Municipal Disaster Grant	–	3,589	1,366	–	–	–	–	–	–
National Treasury: Accreditation Development Support	–	–	179	–	–	–	–	–	–
National Treasury: Municipal Human Settlements Capacity Grant	–	–	428	–	500	500	–	–	–
National Treasury: Neighbourhood Development Partnership Grant	48,361	24,551	9,448	60,000	44,310	36,876	12,215	–	–
National Treasury: Other	9,392	15,387	265	650	650	650	–	–	–
National Treasury: Urban Renewal	–	–	1,695	–	–	–	–	–	–
National Treasury: Urban Settlements Development Grant	911,363	915,400	1,246,923	1,158,317	1,191,287	1,121,014	1,193,513	1,260,951	1,405,443
Sport & Recreation SA: 2010 Fifa World Cup Stadiums Development Grant	2,517	3,891	–	–	–	–	–	–	–
Sport Recreation: 2014 African Nation Championship Host City Operating Grant	–	3,942	–	–	–	–	–	–	–
Transport: Public Transport Infrastructure & Systems Grant	2,078,333	131,296	–	–	266	266	120,000	–	–
Transport: Public Transport Infrastructure Grant	–	654,511	842,210	–	408,232	408,232	–	–	–
Transport: Public Transport Network Grant	–	–	–	855,501	551,501	463,501	700,509	700,007	715,017
Transport: Public Transport Network Operations Grant	–	1	–	–	–	–	–	–	–

Table continues on next page.

City of Cape Town – 2016/17 Budget

Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>R thousand</b>									
<b>Provincial Government:</b>	<b>358,628</b>	<b>283,880</b>	<b>284,184</b>	<b>86,446</b>	<b>180,214</b>	<b>176,537</b>	<b>92,418</b>	<b>141,889</b>	<b>150,876</b>
Cultural Affairs and Sport: Development of Sport and Recreation Facilities	–	–	–	–	134	134	–	–	–
Cultural Affairs and Sport: Library Services (Conditional Grant)	2,654	2,263	8,027	5,733	9,765	9,765	11,150	15,591	–
Cultural Affairs and Sport: Library Services: Metro Library Grant	–	–	–	–	4,830	4,830	7,500	10,000	10,000
Cultural Affairs and Sport: Three Anchor Bay Tennis Court	–	–	139	–	–	–	–	–	–
Economic Development and Tourism: False Bay Ecology	11	243	850	–	–	–	–	–	–
Economic Development and Tourism: Public Access Centres	–	–	2,296	–	58	58	–	–	–
Health: Ixuyyo Clinic Extension	1,375	–	–	–	–	–	–	–	–
Housing: Integrated Housing and Human Settlement Development Grant	321,652	252,825	254,030	55,773	131,672	127,995	58,873	116,003	140,580
Housing: Previous years' Gazetted allocations	–	979	–	–	–	–	–	–	–
Other: Other	488	–	–	–	–	–	–	–	–
Provincial Government: Community Development Workers (CDW) Operational Grant Support	–	–	300	292	292	292	295	295	295
Provincial Government: Fibre Optic Broadband Roll Out	–	4,860	6,417	7,298	11,803	11,803	–	–	–
Provincial Government: Transport Safety and Compliance - Rail Safety	–	–	–	–	4,000	4,000	–	–	–
Provincial Government: Community Safety - Law Enforcement	–	200	–	–	–	–	–	–	–
Provincial Government: Western Cape Education Department	9	–	–	–	–	–	–	–	–
Transport: Municipal Land Transport Fund	–	139	–	–	–	–	–	–	–
Transport and Public Works: Provision for persons with special needs	261	–	–	–	–	–	–	–	–
Transport and Public Works: Implementation of Impound Facilities	60	1,318	343	–	–	–	–	–	–
Transport and Public Works: Cape Metropolitan Transport Fund	31,841	21,053	1,892	–	–	–	–	–	–
Transport and Public Works: Other	277	–	–	–	–	–	–	–	–
Transport and Public Works: Planning, Maintenance and Rehabilitation of Transport System and Infrastructure	–	–	9,890	17,350	17,660	17,660	14,600	–	–
<b>Other grant providers:</b>	<b>35,074</b>	<b>43,022</b>	<b>44,219</b>	<b>53,761</b>	<b>68,734</b>	<b>68,734</b>	<b>81,300</b>	<b>83,900</b>	<b>86,700</b>
Other: Other	35,074	43,022	44,219	53,761	68,734	68,734	81,300	83,900	86,700
<b>Total capital expenditure of Transfers and Grants</b>	<b>3,449,720</b>	<b>2,095,781</b>	<b>2,515,285</b>	<b>2,277,574</b>	<b>2,515,528</b>	<b>2,346,142</b>	<b>2,252,840</b>	<b>2,246,932</b>	<b>2,433,776</b>
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>	<b>4,199,007</b>	<b>3,102,082</b>	<b>3,929,598</b>	<b>5,856,982</b>	<b>6,616,448</b>	<b>6,447,062</b>	<b>6,055,780</b>	<b>6,251,722</b>	<b>6,703,923</b>

## ***2.10 Allocations and grants made by the municipality***

Transfers and Grants are allocations of funds from the City's approved budget to outside organisations or bodies. These allocations are gratuitous or unrequited transfers by the City to grantee organisations and 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 MFMA. Applications in respect of S67 grant and grant-in aid allocations are approved by the City's Grants Committee; event related sponsorships are approved by the Executive Mayor as per the City's System of Delegations.

The Grant Committee approves grant applications in terms of the City's Grant Policy; the members of the committee are officials of the City appointed by the CFO. The committee co-ordinates, administers and controls the screening process in respect of applications recommended by line departments and sub-councils to ensure that all recommended grants comply with the City's Grant Policy, the Constitution and relevant legislation.

A Section 80 Special Events Committee was established in March 2013 to facilitate the selection of events and recommend to the Mayor events which the City wishes to support in terms of the Integrated Development Plan (IDP) and Council's Events Policy. The Committee is chaired by the Mayco member for Tourism, Events & Economic Development and includes the following members: Executive Mayor, Deputy Mayor, Mayco Member: Safety and Security, Mayco Member: Transport, Roads & Stormwater.

The committee meets as and when required. The committee invites Mayco members who are not members of the committee to participate in meetings where events fall within the functional area of such Mayco members.

Full disclosure on allocations and grants made by the City can be found in Annexure 18.

## 2.11 Councillor and Staff benefits

**Table 51 MBRR Table SA22 – Summary of councillor and staff benefits**

Summary of Employee and Councillor remuneration	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>R thousand</b>									
<b>Councillors (Political Office Bearers plus Other)</b>									
Basic Salaries and Wages	98,484	104,001	109,939	118,539	118,539	118,539	82,429	87,787	93,493
Pension and UIF Contributions	4,488	4,583	4,692	5,298	5,298	5,298	54,286	57,814	61,572
Medical Aid Contributions	–	–	–	–	–	–	–	–	–
Motor Vehicle Allowance	–	–	–	–	–	–	–	–	–
Cellphone Allowance	–	–	–	5,327	5,327	5,327	5,184	5,521	5,879
Housing Allowances	–	–	–	–	–	–	–	–	–
Other benefits and allowances	8,701	11,125	13,781	10,147	10,147	10,147	9,154	9,760	10,395
<b>Sub Total - Councillors</b>	<b>111,673</b>	<b>119,709</b>	<b>128,412</b>	<b>139,311</b>	<b>139,311</b>	<b>139,311</b>	<b>151,053</b>	<b>160,882</b>	<b>171,339</b>
<b>% increase</b>		<b>7.2%</b>	<b>7.3%</b>	<b>8.5%</b>			<b>8.4%</b>	<b>6.5%</b>	<b>6.5%</b>
<b>Senior Managers of the Municipality</b>									
Basic Salaries and Wages	18,616	20,746	20,347	22,929	22,929	22,929	22,462	24,080	25,669
Pension and UIF Contributions	1,385	1,322	1,359	1,504	1,504	1,504	1,362	1,460	1,557
Medical Aid Contributions	243	226	215	232	232	232	223	239	255
Overtime	–	–	–	–	–	–	–	–	–
Performance Bonus	–	–	–	–	–	–	–	–	–
Motor Vehicle Allowance	445	456	568	614	614	614	567	608	648
Cellphone Allowance	–	–	122	180	180	180	191	205	219
Housing Allowances	–	–	–	–	–	–	–	–	–
Other benefits and allowances	30	338	74	82	82	82	69	73	78
Payments in lieu of leave	–	–	408	–	–	–	–	–	–
Long service awards	–	–	–	–	–	–	–	–	–
Post-retirement benefit obligations	–	–	–	–	–	–	–	–	–
<b>Sub Total - Senior Managers of Municipality</b>	<b>20,719</b>	<b>23,088</b>	<b>23,093</b>	<b>25,541</b>	<b>25,541</b>	<b>25,541</b>	<b>24,874</b>	<b>26,665</b>	<b>28,426</b>
<b>% increase</b>		<b>11.4%</b>	<b>0.0%</b>	<b>10.6%</b>			<b>(2.6%)</b>	<b>7.2%</b>	<b>6.6%</b>
<b>Other Municipal Staff</b>									
Basic Salaries and Wages	4,845,122	4,889,922	5,722,147	6,780,959	6,801,730	6,800,753	7,242,965	7,924,716	8,720,009
Pension and UIF Contributions	753,001	839,455	910,752	1,221,469	1,207,283	1,207,530	1,353,454	1,477,230	1,604,301
Medical Aid Contributions	439,331	492,621	546,210	601,139	601,145	601,375	657,553	718,052	779,809
Overtime	335,100	359,418	389,657	401,992	450,727	456,044	428,072	467,455	507,656
Performance Bonus	–	–	–	–	–	–	–	–	–
Motor Vehicle Allowance	179,998	186,485	189,840	202,120	202,747	202,819	205,766	222,022	241,128
Cellphone Allowance	13,367	13,704	13,569	14,170	15,004	15,022	16,545	17,935	19,481
Housing Allowances	29,266	26,512	28,439	28,727	53,364	53,364	55,668	60,790	66,018
Other benefits and allowances	172,522	198,172	186,332	208,053	204,683	204,957	228,584	249,616	271,084
Payments in lieu of leave	81,997	134,127	84,746	114,587	114,559	114,517	125,376	136,911	148,685
Long service awards	73,013	17,824	19,968	58,800	58,800	58,800	51,078	55,777	60,574
Post-retirement benefit obligations	502,763	1,459,526	6,191	189,951	189,951	189,951	207,636	219,056	231,104
<b>Sub Total - Other Municipal Staff</b>	<b>7,425,480</b>	<b>8,617,766</b>	<b>8,097,851</b>	<b>9,821,967</b>	<b>9,899,993</b>	<b>9,905,132</b>	<b>10,572,697</b>	<b>11,549,560</b>	<b>12,649,849</b>
<b>% increase</b>		<b>16.1%</b>	<b>(6.0%)</b>	<b>21.3%</b>	<b>0.8%</b>	<b>0.1%</b>	<b>6.7%</b>	<b>9.2%</b>	<b>9.5%</b>
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>	<b>7,594,824</b>	<b>8,802,726</b>	<b>8,293,729</b>	<b>10,041,120</b>	<b>10,121,206</b>	<b>10,126,345</b>	<b>10,822,947</b>	<b>11,831,000</b>	<b>12,949,610</b>
<b>% increase</b>		<b>15.9%</b>	<b>(5.8%)</b>	<b>21.1%</b>	<b>0.8%</b>	<b>0.1%</b>	<b>6.9%</b>	<b>9.3%</b>	<b>9.5%</b>
<b>TOTAL MANAGERS AND STAFF</b>	<b>7,482,943</b>	<b>8,682,572</b>	<b>8,164,961</b>	<b>9,900,936</b>	<b>9,981,022</b>	<b>9,986,161</b>	<b>10,670,840</b>	<b>11,668,731</b>	<b>12,776,794</b>



**Table 52 MBRR Table SA23 - Salaries, allowances and benefits (political office bearers / councillors / senior officials) for the 2016/17 financial year**

Disclosure of Salaries, Allowances & Benefits	No.	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
<b>Rand per annum</b>							
<b><u>Councillors</u></b>							
Speaker	1	639,061	426,041	123,057	–	–	1,188,159
Chief Whip	1	599,119	399,413	61,484	–	–	1,060,016
Executive Mayor	1	791,290	527,527	64,392	–	–	1,383,209
Deputy Executive Mayor	1	639,061	426,041	123,057	–	–	1,188,159
Executive Committee	10	5,991,190	3,994,130	614,840	–	–	10,600,160
Total for all other councillors	217	73,769,158	48,512,769	13,361,359	–	–	135,643,286
<b>Total Councillors</b>	<b>231</b>	<b>82,428,879</b>	<b>54,285,921</b>	<b>14,348,189</b>	<b>–</b>	<b>–</b>	<b>151,062,989</b>
<b><u>Senior Managers of the Municipality</u></b>							
Municipal Manager (MM)	1	2,256,835	350,772	15,946	–	–	2,623,553
Chief Finance Officer	1	1,691,420	240,793	96,946	–	–	2,029,159
Executive Director: City Health	1	1,701,301	216,107	81,983	–	–	1,999,391
Executive Director: Community Services	1	1,688,816	240,397	99,946	–	–	2,029,159
Executive Director: Corporate Services & Compliance	1	2,070,806	1,894	15,946	–	–	2,088,646
Executive Director: Energy, Environment & Spatial Planning	1	1,946,383	66,830	15,946	–	–	2,029,159
Executive Director: Human Settlements	1	1,585,125	265,344	148,922	–	–	1,999,391
Executive Director: Safety & Security	1	1,684,528	233,273	111,358	–	–	2,029,159
Executive Director: Social & Early Childhood Development	1	1,981,551	1,894	15,946	–	–	1,999,391
Executive Director: Tourism, Events & Economic Development	1	1,981,551	1,894	15,946	–	–	1,999,391
Commissioner: Transport for Cape Town	1	2,011,319	1,894	15,946	–	–	2,029,159
Executive Director: Utility Services	1	1,862,506	32,690	123,946	–	–	2,019,142
<b>Total Senior Managers of the Municipality</b>	<b>12</b>	<b>22,462,141</b>	<b>1,653,782</b>	<b>758,777</b>	<b>–</b>	<b>–</b>	<b>24,874,700</b>
<b>TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION</b>	<b>243</b>	<b>104,912,380</b>	<b>55,939,703</b>	<b>15,106,966</b>	<b>–</b>	<b>–</b>	<b>175,959,049</b>

**Table 53 MBRR Table SA24 - Summary of personnel numbers**

Summary of Personnel Numbers				Current Year 2015/16			Budget Year 2016/17		
Number	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
<b>Municipal Council and Boards of Municipal Entities</b>									
Councillors (Political Office Bearers plus Other Councillors)	221	–	221	221	–	221	221	–	221
Board Members of municipal entities	–	–	–	–	–	–	–	–	–
<b>Municipal employees</b>									
Municipal Manager and Senior Managers	13	–	13	13	–	13	12	–	12
Other Managers	816	798	18	881	860	21	912	895	17
Professionals	978	967	11	2,185	2,040	145	1,180	1,069	111
<i>Finance</i>	85	84	1	196	195	1	113	111	2
<i>Spatial/town planning</i>	75	75	–	46	40	6	32	31	1
<i>Information Technology</i>	69	69	–	137	136	1	54	54	–
<i>Roads</i>	42	42	–	33	30	3	17	17	–
<i>Electricity</i>	103	103	–	215	211	4	119	117	2
<i>Water</i>	117	117	–	236	234	2	140	140	–
<i>Sanitation</i>	6	6	–	10	9	1	18	18	–
<i>Refuse</i>	–	–	–	43	42	1	12	12	–
<i>Other</i>	481	471	10	1,269	1,143	126	675	569	106
Technicians	3,143	2,889	254	3,560	3,222	338	3,843	3,589	254
<i>Finance</i>	106	105	1	135	131	4	200	199	1
<i>Spatial/town planning</i>	179	179	–	33	22	11	27	27	–
<i>Information Technology</i>	166	159	7	169	165	4	280	274	6
<i>Roads</i>	52	51	1	15	11	4	15	15	–
<i>Electricity</i>	231	230	1	257	257	–	261	261	–
<i>Water</i>	273	262	11	317	296	21	330	298	32
<i>Sanitation</i>	50	50	–	2	2	–	11	11	–
<i>Refuse</i>	–	–	–	68	68	–	76	76	–
<i>Other</i>	2,086	1,853	233	2,564	2,270	294	2,643	2,428	215
Clerks (Clerical and administrative)	6,175	6,035	140	6,712	6,491	221	6,817	6,609	208
Service and sales workers	3,704	3,041	663	3,742	3,195	547	4,229	3,405	824
Skilled agricultural and fishery workers	–	–	–	–	–	–	–	–	–
Craft and related trades	2,469	2,298	171	2,854	2,664	190	2,726	2,721	5
Plant and Machine Operators	3,260	3,235	25	3,768	3,738	30	3,737	3,730	7
Elementary Occupations	5,907	5,791	116	5,813	5,697	116	5,818	5,791	27
<b>TOTAL PERSONNEL NUMBERS</b>	<b>26,686</b>	<b>25,054</b>	<b>1,632</b>	<b>29,749</b>	<b>27,907</b>	<b>1,842</b>	<b>29,495</b>	<b>27,809</b>	<b>1,686</b>
<b>% increase</b>				11.5%	11.4%	12.9%	(0.9%)	(0.4%)	(8.5%)
<b>Total municipal employees headcount</b>	<b>26,465</b>	<b>25,054</b>	<b>1,411</b>	<b>26,275</b>	<b>25,138</b>	<b>1,137</b>	<b>29,274</b>	<b>27,809</b>	<b>1,465</b>
Finance personnel headcount	<b>1,704</b>	<b>1,698</b>	<b>6</b>	<b>1,648</b>	<b>1,637</b>	<b>11</b>	<b>1,752</b>	<b>1,738</b>	<b>14</b>
Human Resources personnel headcount	<b>320</b>	<b>311</b>	<b>9</b>	<b>326</b>	<b>317</b>	<b>9</b>	<b>337</b>	<b>323</b>	<b>14</b>

## 2.12 Monthly targets for revenue, expenditure and cash flow

**Table 54 MBRR Table SA25 - Budgeted monthly revenue and expenditure**

Description	Budget Year 2016/17												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>Revenue By Source</b>															
Property rates	511,040	590,976	636,611	535,940	597,854	593,281	587,365	580,090	531,455	480,561	667,389	646,438	6,959,000	7,419,428	7,964,159
Service charges - electricity revenue	1,000,727	1,113,021	1,029,691	989,399	939,570	923,202	1,035,521	905,584	920,432	951,369	982,765	1,016,637	11,807,918	13,541,320	15,626,682
Service charges - water revenue	181,513	198,413	209,786	226,836	267,632	271,269	337,174	310,902	303,298	299,213	250,437	210,190	3,066,664	3,401,214	3,772,397
Service charges - sanitation revenue	100,069	115,428	117,041	121,879	135,770	136,854	168,068	166,964	162,276	145,490	142,216	116,223	1,628,277	1,807,387	2,006,200
Service charges - refuse revenue	99,969	100,499	100,733	102,570	99,783	99,783	99,783	99,783	99,783	99,783	99,783	130,679	1,232,929	1,334,930	1,439,455
Service charges - other	52,346	51,421	35,773	38,281	41,863	42,297	42,196	45,137	44,497	46,019	48,016	129,443	617,287	642,519	677,554
Rental of facilities and equipment	29,346	29,785	31,087	36,551	31,045	37,820	32,559	31,710	31,684	31,642	30,554	29,766	383,550	403,370	424,217
Interest earned - external investments	42,879	42,879	42,879	42,879	42,879	42,879	42,879	42,879	42,879	42,879	42,879	124,026	595,694	624,661	672,891
Interest earned - outstanding debtors	21,651	22,514	23,311	21,655	23,394	22,447	24,951	22,824	21,697	20,409	20,202	39,655	284,710	284,710	284,710
Dividends received	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Fines	87,895	88,172	87,895	87,998	87,945	87,897	87,895	87,901	87,901	87,901	87,955	88,388	1,055,743	1,116,025	1,177,406
Licences and permits	2,324	2,324	2,324	2,324	2,324	2,324	2,324	2,324	2,324	2,324	2,324	2,324	27,893	29,427	31,046
Agency services	11,917	12,895	12,871	12,969	12,943	12,914	12,914	12,914	12,914	12,914	12,914	12,914	153,993	153,993	153,993
Transfers recognised - operational	888,998	102,440	139,862	125,566	824,614	128,032	152,573	127,577	632,978	135,405	129,303	415,592	3,802,940	4,004,790	4,270,147
Other revenue	24,452	757,110	25,636	27,778	25,401	758,004	25,411	25,408	757,994	25,384	25,271	26,197	2,504,046	2,685,262	2,897,679
Gains on disposal of PPE	(35,294)	3,948	1,617	2,758	375	375	375	375	375	375	375	103,847	79,500	49,500	49,500
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>3,019,832</b>	<b>3,231,825</b>	<b>2,497,117</b>	<b>2,375,383</b>	<b>3,133,391</b>	<b>3,159,378</b>	<b>2,651,988</b>	<b>2,462,372</b>	<b>3,652,486</b>	<b>2,381,668</b>	<b>2,542,384</b>	<b>3,092,321</b>	<b>34,200,144</b>	<b>37,498,535</b>	<b>41,448,036</b>

Table continues on next page.

## City of Cape Town – 2016/17 Budget

Description	Budget Year 2016/17												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>R thousand</b>															
<b>Expenditure By Type</b>															
Employee related costs	853,770	850,842	850,511	850,173	1,245,308	849,995	849,309	847,840	846,701	849,180	848,309	855,635	10,597,571	11,576,225	12,678,275
Remuneration of councillors	12,589	12,589	12,589	12,589	12,589	12,589	12,589	12,589	12,589	12,589	12,589	12,589	151,063	160,882	171,339
Debt impairment	99,292	99,292	100,759	99,292	100,270	99,292	99,292	99,292	99,292	99,292	99,292	908,544	2,003,203	2,122,045	2,288,249
Depreciation & asset impairment	193,203	193,203	193,203	193,203	193,203	193,203	193,203	193,203	193,203	193,203	193,203	193,203	2,318,441	2,490,732	2,736,654
Finance charges	66,967	66,967	66,968	66,967	66,967	74,475	74,473	74,473	74,474	74,473	74,473	114,174	895,848	980,683	1,187,667
Bulk purchases	71,350	1,075,132	1,019,820	613,577	620,329	597,063	581,300	607,135	560,621	599,669	577,802	1,591,378	8,515,180	9,695,726	11,163,001
Other materials	24,148	25,255	25,248	24,981	25,935	30,332	26,772	28,928	29,231	28,739	28,893	39,710	338,172	370,225	448,177
Contracted services	56,025	248,535	288,375	342,140	366,896	344,934	341,654	361,161	375,293	386,517	412,106	872,527	4,396,163	4,892,018	5,133,342
Transfers and grants	20,899	8,491	34,750	27,017	4,532	6,654	45,721	3,884	7,599	(10,313)	9,921	15,679	174,833	158,276	140,515
Other expenditure	359,604	354,365	370,961	423,711	439,588	398,183	373,756	405,330	389,277	391,213	383,242	865,753	5,154,983	5,211,629	5,673,483
Loss on disposal of PPE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>	<b>1,757,848</b>	<b>2,934,671</b>	<b>2,963,184</b>	<b>2,653,649</b>	<b>3,075,617</b>	<b>2,606,720</b>	<b>2,598,069</b>	<b>2,633,836</b>	<b>2,588,280</b>	<b>2,624,563</b>	<b>2,639,830</b>	<b>5,469,192</b>	<b>34,545,457</b>	<b>37,658,442</b>	<b>41,620,703</b>
<b>Surplus/(Deficit)</b>	<b>1,261,984</b>	<b>297,154</b>	<b>(466,067)</b>	<b>(278,266)</b>	<b>57,774</b>	<b>552,658</b>	<b>53,919</b>	<b>(171,464)</b>	<b>1,064,206</b>	<b>(242,895)</b>	<b>(97,446)</b>	<b>(2,376,871)</b>	<b>(345,312)</b>	<b>(159,907)</b>	<b>(172,668)</b>
Transfers recognised - capital	36,519	89,508	105,508	119,126	114,279	114,180	80,341	154,702	184,566	202,929	237,338	738,044	2,177,040	2,163,032	2,347,076
Contributions recognised - capital	2,820	5,750	7,450	12,025	4,425	2,525	2,550	8,525	4,625	5,100	4,800	15,205	75,800	83,900	86,700
Contributed assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>1,301,323</b>	<b>392,412</b>	<b>(353,109)</b>	<b>(147,115)</b>	<b>176,478</b>	<b>669,363</b>	<b>136,810</b>	<b>(8,237)</b>	<b>1,253,397</b>	<b>(34,865)</b>	<b>144,693</b>	<b>(1,623,622)</b>	<b>1,907,528</b>	<b>2,087,025</b>	<b>2,261,109</b>
Taxation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attributable to minorities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit)</b>	<b>1,301,323</b>	<b>392,412</b>	<b>(353,109)</b>	<b>(147,115)</b>	<b>176,478</b>	<b>669,363</b>	<b>136,810</b>	<b>(8,237)</b>	<b>1,253,397</b>	<b>(34,865)</b>	<b>144,693</b>	<b>(1,623,622)</b>	<b>1,907,528</b>	<b>2,087,025</b>	<b>2,261,109</b>

**Table 55 MBRR Table SA26 - Budgeted monthly revenue and expenditure (municipal vote)**

Description	Budget Year 2016/17												Medium Term Revenue and Expenditure Framework		
R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>Revenue by Vote</b>															
Vote 1 - City Health	53,466	37,408	36,922	37,115	80,636	37,311	36,872	39,661	64,236	44,003	40,261	62,781	570,674	634,714	668,452
Vote 2 - City Manager	0	0	0	0	0	0	0	0	0	0	0	49	51	53	56
Vote 3 - Community Services	7,188	8,738	8,358	11,354	11,061	9,299	10,202	12,700	22,611	29,766	30,063	40,092	201,433	217,434	118,354
Vote 4 - Corporate Services & Compliance	2,366	2,417	2,828	3,022	3,733	4,163	4,369	5,299	5,167	7,981	8,968	27,022	77,336	80,844	85,860
Vote 5 - Energy, Environmental & Spatial Planning	10,404	9,728	9,826	14,552	9,721	10,513	10,614	12,495	12,366	11,955	12,026	15,783	139,984	131,495	194,156
Vote 6 - Finance	42,244	81,788	81,574	89,870	82,185	81,729	81,412	81,307	80,920	80,835	80,625	260,112	1,124,601	1,141,239	1,208,062
Vote 7 - Human Settlements	48,602	62,769	105,041	92,141	100,191	97,165	107,825	106,246	110,921	117,399	119,596	537,843	1,605,739	1,554,882	1,593,226
Vote 8 - Rates & Other	1,308,942	1,331,759	644,813	544,143	1,251,140	1,334,064	595,567	588,293	1,750,498	488,763	675,592	693,641	11,207,217	12,091,251	13,059,582
Vote 9 - Safety & Security	95,553	97,787	98,881	97,860	97,856	98,382	97,373	100,877	99,297	100,913	97,871	114,341	1,196,990	1,213,341	1,254,379
Vote 10 - Social Dev & Early Childhood Development	11	11	411	11	11	11	11	11	11	11	11	11	533	140	148
Vote 11 - Tourism, Events & Economic Development	13,417	14,053	(972)	(525)	(1,105)	4,831	(9)	(894)	(605)	152	200	(930)	27,613	29,047	30,576
Vote 12 - Transport for Cape Town	58,398	101,116	105,515	111,848	109,058	104,349	93,828	123,528	127,928	119,778	134,948	412,101	1,602,394	1,474,883	1,617,374
Vote 13 - Utility Services	1,418,580	1,579,506	1,516,878	1,505,144	1,507,607	1,494,266	1,696,815	1,556,076	1,568,323	1,588,141	1,584,360	1,682,723	18,698,420	21,176,144	24,051,584
<b>Total Revenue by Vote</b>	<b>3,059,171</b>	<b>3,327,083</b>	<b>2,610,075</b>	<b>2,506,534</b>	<b>3,252,095</b>	<b>3,276,083</b>	<b>2,734,879</b>	<b>2,625,599</b>	<b>3,841,676</b>	<b>2,589,698</b>	<b>2,784,523</b>	<b>3,845,570</b>	<b>36,452,984</b>	<b>39,745,467</b>	<b>43,881,812</b>
<b>Expenditure by Vote to be appropriated</b>															
Vote 1 - City Health	76,995	82,758	82,548	84,476	114,331	84,773	83,075	84,008	83,634	88,052	83,244	102,154	1,050,049	1,135,365	1,232,344
Vote 2 - City Manager	(21,194)	18,165	16,504	31,415	23,731	22,253	22,307	19,334	26,505	21,439	20,040	26,782	227,281	242,472	258,749
Vote 3 - Community Services	128,099	139,792	146,436	148,753	201,427	142,130	143,054	145,887	144,818	141,906	141,225	203,244	1,826,771	1,994,206	2,156,857
Vote 4 - Corporate Services & Compliance	183,552	196,589	187,940	194,715	271,692	202,901	195,645	219,163	206,217	222,962	225,744	256,305	2,563,425	2,745,030	2,945,749
Vote 5 - Energy, Environmental & Spatial Planning	24,189	50,479	55,327	57,557	63,057	47,168	48,063	49,747	49,145	48,749	48,699	67,085	609,264	632,551	680,210
Vote 6 - Finance	158,914	164,449	207,508	172,747	220,470	189,945	176,103	177,867	176,847	177,490	179,307	232,454	2,234,102	2,428,969	2,718,797
Vote 7 - Human Settlements	84,065	104,320	141,817	122,376	148,185	124,915	152,175	126,309	126,338	129,582	129,065	359,634	1,748,780	1,746,491	1,825,540
Vote 8 - Rates & Other	155,049	81,740	81,740	81,740	81,740	81,740	81,740	80,721	80,001	83,202	82,927	109,450	1,081,794	1,189,136	1,203,567
Vote 9 - Safety & Security	151,797	157,604	163,760	161,611	225,782	164,011	161,061	164,527	165,518	161,498	161,515	991,734	2,830,419	3,000,162	3,235,658
Vote 10 - Social Dev & Early Childhood Development	8,913	9,413	9,933	10,840	16,028	11,779	11,210	11,814	11,643	10,984	11,400	82,623	206,578	310,349	330,747
Vote 11 - Tourism, Events & Economic Development	49,889	44,078	40,167	57,312	45,182	45,250	55,619	41,364	44,508	27,810	49,239	69,654	570,071	607,625	649,199
Vote 12 - Transport for Cape Town	168,840	190,031	183,071	256,131	242,353	227,276	201,779	230,345	238,085	238,661	254,590	501,588	2,932,751	3,133,055	3,385,586
Vote 13 - Utility Services	588,739	1,695,253	1,646,431	1,273,976	1,421,639	1,262,577	1,266,237	1,282,748	1,235,020	1,272,229	1,252,835	2,466,486	16,664,171	18,493,029	20,997,700
<b>Total Expenditure by Vote</b>	<b>1,757,848</b>	<b>2,934,671</b>	<b>2,963,184</b>	<b>2,653,649</b>	<b>3,075,617</b>	<b>2,606,720</b>	<b>2,598,069</b>	<b>2,633,836</b>	<b>2,588,280</b>	<b>2,624,563</b>	<b>2,639,830</b>	<b>5,469,192</b>	<b>34,545,457</b>	<b>37,658,442</b>	<b>41,620,703</b>
<b>Surplus/(Deficit) before assoc.</b>	<b>1,301,323</b>	<b>392,412</b>	<b>(353,109)</b>	<b>(147,115)</b>	<b>176,478</b>	<b>669,363</b>	<b>136,810</b>	<b>(8,237)</b>	<b>1,253,397</b>	<b>(34,865)</b>	<b>144,693</b>	<b>(1,623,622)</b>	<b>1,907,528</b>	<b>2,087,025</b>	<b>2,261,109</b>
Taxation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attributable to minorities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit)</b>	<b>1,301,323</b>	<b>392,412</b>	<b>(353,109)</b>	<b>(147,115)</b>	<b>176,478</b>	<b>669,363</b>	<b>136,810</b>	<b>(8,237)</b>	<b>1,253,397</b>	<b>(34,865)</b>	<b>144,693</b>	<b>(1,623,622)</b>	<b>1,907,528</b>	<b>2,087,025</b>	<b>2,261,109</b>

**Table 56 MBRR Table SA27 - Budgeted monthly revenue and expenditure (standard classification)**

Description	Budget Year 2016/17												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>R thousand</b>															
<b>Revenue - Standard</b>															
<i><b>Governance and administration</b></i>	<b>1,389,441</b>	<b>1,434,225</b>	<b>732,488</b>	<b>640,257</b>	<b>1,381,939</b>	<b>1,423,279</b>	<b>684,521</b>	<b>677,771</b>	<b>1,864,434</b>	<b>579,452</b>	<b>765,859</b>	<b>981,742</b>	<b>12,555,409</b>	<b>13,469,725</b>	<b>14,514,066</b>
Executive and council	49,706	31,986	16,999	17,194	58,819	17,294	17,144	17,139	41,819	15,844	14,445	15,624	314,012	333,315	347,156
Budget and treasury office	1,364,300	1,387,391	701,486	599,771	1,309,426	1,390,969	652,606	645,331	1,807,511	545,521	733,461	833,998	11,971,769	12,886,490	13,904,815
Corporate services	(24,565)	14,848	14,004	23,292	13,694	15,016	14,772	15,301	15,105	18,088	17,953	132,120	269,628	249,920	262,095
<i><b>Community and public safety</b></i>	<b>169,400</b>	<b>189,358</b>	<b>232,019</b>	<b>221,551</b>	<b>230,821</b>	<b>230,728</b>	<b>236,014</b>	<b>242,379</b>	<b>258,276</b>	<b>280,295</b>	<b>276,005</b>	<b>748,647</b>	<b>3,315,492</b>	<b>3,338,507</b>	<b>3,338,258</b>
Community and social services	5,350	5,671	5,681	8,237	7,794	6,182	6,855	8,133	8,977	10,955	11,543	11,426	96,804	109,450	85,477
Sport and recreation	2,185	3,851	3,673	4,327	4,098	9,916	5,268	5,641	14,998	20,202	19,912	29,698	123,770	128,178	54,182
Public safety	93,365	95,599	96,693	95,671	95,668	96,194	95,185	98,689	100,109	103,725	100,683	123,040	1,194,620	1,208,759	1,245,207
Housing	48,602	62,769	105,041	92,141	100,191	97,165	107,825	106,246	110,921	117,399	119,596	537,850	1,605,746	1,554,889	1,593,234
Health	19,898	21,468	20,931	21,175	23,071	21,271	20,881	23,671	23,271	28,013	24,271	46,633	294,552	337,231	360,158
<i><b>Economic and environmental services</b></i>	<b>81,827</b>	<b>123,870</b>	<b>128,766</b>	<b>139,426</b>	<b>131,804</b>	<b>126,167</b>	<b>117,571</b>	<b>149,448</b>	<b>153,720</b>	<b>146,126</b>	<b>162,599</b>	<b>443,431</b>	<b>1,904,756</b>	<b>1,780,092</b>	<b>1,996,865</b>
Planning and development	24,577	23,897	24,356	28,692	23,831	24,156	23,831	25,708	25,592	25,598	25,702	29,988	305,929	310,821	383,345
Road transport	57,108	99,826	104,225	110,557	107,767	101,337	92,637	122,637	127,037	119,887	136,257	413,323	1,592,599	1,467,377	1,611,522
Environmental protection	143	148	186	176	206	673	1,102	1,103	1,090	641	640	120	6,227	1,894	1,998
<i><b>Trading services</b></i>	<b>1,418,497</b>	<b>1,579,424</b>	<b>1,516,796</b>	<b>1,505,062</b>	<b>1,507,524</b>	<b>1,495,904</b>	<b>1,696,733</b>	<b>1,555,994</b>	<b>1,565,241</b>	<b>1,583,059</b>	<b>1,579,278</b>	<b>1,671,741</b>	<b>18,675,252</b>	<b>21,155,038</b>	<b>24,030,470</b>
Electricity	1,015,962	1,129,529	1,047,399	1,007,431	957,002	938,685	1,054,528	925,567	943,514	975,927	1,009,023	1,084,979	12,089,547	13,837,196	15,935,844
Water	191,446	212,307	224,696	244,580	283,651	283,124	350,479	327,600	317,181	317,395	265,436	240,271	3,258,167	3,649,430	4,103,293
Waste water management	110,118	135,918	142,797	149,309	165,917	173,141	190,772	201,873	203,592	188,783	203,865	213,399	2,079,484	2,318,173	2,536,375
Waste management	100,970	101,670	101,904	103,741	100,954	100,954	100,954	100,954	100,954	100,954	100,954	133,092	1,248,054	1,350,239	1,454,958
<i><b>Other</b></i>	<b>6</b>	<b>206</b>	<b>6</b>	<b>239</b>	<b>6</b>	<b>6</b>	<b>40</b>	<b>6</b>	<b>6</b>	<b>766</b>	<b>783</b>	<b>8</b>	<b>2,076</b>	<b>2,105</b>	<b>2,152</b>
<b>Total Revenue - Standard</b>	<b>3,059,171</b>	<b>3,327,083</b>	<b>2,610,075</b>	<b>2,506,534</b>	<b>3,252,095</b>	<b>3,276,083</b>	<b>2,734,879</b>	<b>2,625,599</b>	<b>3,841,676</b>	<b>2,589,698</b>	<b>2,784,523</b>	<b>3,845,570</b>	<b>36,452,984</b>	<b>39,745,467</b>	<b>43,881,812</b>

Table continues on next page.

City of Cape Town – 2016/17 Budget

Description	Budget Year 2016/17												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>R thousand</b>															
<b>Expenditure - Standard</b>															
<b>Governance and administration</b>	<b>494,269</b>	<b>475,276</b>	<b>510,459</b>	<b>487,225</b>	<b>622,951</b>	<b>513,883</b>	<b>489,517</b>	<b>518,399</b>	<b>501,292</b>	<b>490,556</b>	<b>518,083</b>	<b>740,989</b>	<b>6,362,899</b>	<b>6,830,466</b>	<b>7,378,414</b>
Executive and council	92,488	80,205	83,393	85,412	100,099	88,695	82,745	89,453	85,016	54,098	79,198	196,542	1,117,343	1,102,319	1,190,907
Budget and treasury office	279,590	214,507	219,388	215,794	249,013	225,742	222,331	222,262	221,278	226,249	223,788	301,199	2,821,141	3,070,940	3,339,208
Corporate services	122,190	180,565	207,678	186,019	273,840	199,445	184,441	206,683	194,999	210,209	215,097	243,249	2,424,415	2,657,207	2,848,299
<b>Community and public safety</b>	<b>456,197</b>	<b>504,678</b>	<b>553,858</b>	<b>536,147</b>	<b>704,723</b>	<b>537,055</b>	<b>559,651</b>	<b>536,338</b>	<b>539,916</b>	<b>538,840</b>	<b>533,629</b>	<b>1,658,128</b>	<b>7,659,160</b>	<b>8,107,381</b>	<b>8,689,428</b>
Community and social services	49,327	50,987	52,005	54,346	75,300	52,438	52,263	51,625	51,846	50,248	49,794	61,250	651,428	739,313	797,013
Sport and recreation	104,558	118,560	123,705	125,102	159,807	122,805	122,610	125,380	124,165	121,243	122,249	173,660	1,543,845	1,647,869	1,770,733
Public safety	143,765	150,767	156,554	154,622	212,734	157,059	154,159	153,619	158,556	154,340	153,907	976,020	2,726,102	2,893,026	3,118,249
Housing	86,714	106,998	144,496	125,172	152,057	127,680	155,187	129,348	129,359	132,599	132,077	364,453	1,786,141	1,787,081	1,869,438
Health	71,833	77,366	77,097	76,905	104,825	77,073	75,432	76,366	75,990	80,410	75,602	82,745	951,643	1,040,091	1,133,996
<b>Economic and environmental services</b>	<b>217,176</b>	<b>265,348</b>	<b>256,298</b>	<b>347,114</b>	<b>327,728</b>	<b>291,651</b>	<b>277,485</b>	<b>300,498</b>	<b>316,201</b>	<b>326,073</b>	<b>327,017</b>	<b>577,334</b>	<b>3,829,922</b>	<b>4,203,771</b>	<b>4,534,322</b>
Planning and development	39,162	70,588	70,831	90,371	78,222	67,456	69,346	66,171	75,157	85,559	69,619	97,153	879,635	1,055,622	1,127,422
Road transport	171,002	186,478	177,029	248,480	238,158	216,065	199,205	225,183	231,874	232,233	249,096	456,918	2,831,720	3,039,634	3,289,768
Environmental protection	7,012	8,282	8,438	8,262	11,349	8,130	8,934	9,145	9,170	8,281	8,302	23,263	118,568	108,516	117,132
<b>Trading services</b>	<b>577,799</b>	<b>1,687,740</b>	<b>1,641,222</b>	<b>1,270,367</b>	<b>1,418,385</b>	<b>1,262,559</b>	<b>1,258,657</b>	<b>1,277,027</b>	<b>1,229,294</b>	<b>1,266,767</b>	<b>1,247,634</b>	<b>2,490,766</b>	<b>16,628,216</b>	<b>18,447,370</b>	<b>20,944,821</b>
Electricity	183,948	1,196,677	1,136,496	730,059	776,500	715,460	697,764	727,394	676,742	716,035	694,584	1,771,023	10,022,681	11,321,257	13,143,452
Water	190,648	225,365	228,392	227,981	270,439	229,769	247,381	232,520	234,601	235,174	234,390	225,462	2,782,122	3,114,653	3,475,374
Waste water management	86,900	104,982	117,927	139,719	134,794	135,690	131,691	135,284	135,983	134,059	137,031	234,172	1,628,232	1,665,673	1,787,897
Waste management	116,303	160,716	158,406	172,608	236,652	181,640	181,821	181,829	181,968	181,498	181,629	260,109	2,195,181	2,345,787	2,538,098
<b>Other</b>	<b>12,407</b>	<b>1,628</b>	<b>1,347</b>	<b>12,797</b>	<b>1,830</b>	<b>1,572</b>	<b>12,759</b>	<b>1,574</b>	<b>1,576</b>	<b>2,326</b>	<b>13,467</b>	<b>1,975</b>	<b>65,260</b>	<b>69,454</b>	<b>73,718</b>
<b>Total Expenditure - Standard</b>	<b>1,757,848</b>	<b>2,934,671</b>	<b>2,963,184</b>	<b>2,653,649</b>	<b>3,075,617</b>	<b>2,606,720</b>	<b>2,598,069</b>	<b>2,633,836</b>	<b>2,588,280</b>	<b>2,624,563</b>	<b>2,639,830</b>	<b>5,469,192</b>	<b>34,545,457</b>	<b>37,658,442</b>	<b>41,620,703</b>
<b>Surplus/(Deficit) before assoc.</b>	<b>1,301,323</b>	<b>392,412</b>	<b>(353,109)</b>	<b>(147,115)</b>	<b>176,478</b>	<b>669,363</b>	<b>136,810</b>	<b>(8,237)</b>	<b>1,253,397</b>	<b>(34,865)</b>	<b>144,693</b>	<b>(1,623,622)</b>	<b>1,907,528</b>	<b>2,087,025</b>	<b>2,261,109</b>
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
<b>Surplus/(Deficit)</b>	<b>1,301,323</b>	<b>392,412</b>	<b>(353,109)</b>	<b>(147,115)</b>	<b>176,478</b>	<b>669,363</b>	<b>136,810</b>	<b>(8,237)</b>	<b>1,253,397</b>	<b>(34,865)</b>	<b>144,693</b>	<b>(1,623,622)</b>	<b>1,907,528</b>	<b>2,087,025</b>	<b>2,261,109</b>



**Table 57 MBRR Table SA28 - Budgeted monthly capital expenditure (municipal vote)**

Description R thousand	Budget Year 2016/17												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b><u>Multi-year expenditure to be appropriated</u></b>															
Vote 1 - City Health	–	–	–	–	–	200	1,726	4,800	5,650	7,283	7,420	10,440	37,520	41,196	43,996
Vote 2 - City Manager	13	1,588	1,845	1,534	1,729	1,968	17	1,564	1,718	1,563	1,613	2,794	17,946	934	934
Vote 3 - Community Services	395	2,519	6,340	9,641	9,864	12,370	4,928	13,897	23,424	30,130	30,232	42,600	186,340	164,699	60,282
Vote 4 - Corporate Services & Compliance	4,667	10,063	12,308	20,748	38,717	24,352	22,393	33,671	47,615	53,714	64,428	54,233	386,908	411,505	387,354
Vote 5 - Energy, Environmental & Spatial Planning	937	4,574	3,808	5,236	6,266	4,760	2,947	4,759	5,509	4,260	6,446	11,856	61,359	47,250	106,117
Vote 6 - Finance	2,391	5,186	7,067	8,459	9,690	10,657	57,363	8,968	10,915	9,167	3,584	3,419	136,866	8,681	8,681
Vote 7 - Human Settlements	8,182	3,350	9,325	15,750	12,975	21,616	2,000	28,005	33,485	36,313	38,640	289,900	499,542	440,435	462,472
Vote 8 - Rates & Other	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 9 - Safety & Security	–	1,200	3,438	3,291	10,093	3,209	1,660	16,616	6,561	10,997	17,372	57,607	132,043	59,127	35,127
Vote 10 - Social Dev & Early Childhood Development	1,200	900	2,400	2,000	2,900	3,410	1,600	2,600	300	100	–	50	17,460	10,860	10,860
Vote 11 - Tourism, Events & Economic Development	–	40	3,085	2,770	4,715	2,300	2,615	4,340	7,965	4,450	3,925	5,945	42,150	33,800	34,130
Vote 12 - Transport for Cape Town	27,515	80,735	92,085	101,780	94,846	82,750	74,448	123,080	124,493	127,562	144,573	368,444	1,442,311	1,304,580	1,414,990
Vote 13 - Utility Services	56,090	117,715	180,237	193,434	215,849	158,901	115,601	250,412	329,672	399,434	506,436	1,005,052	3,528,831	2,992,656	3,318,561
<b>Total Capital Expenditure</b>	<b>101,391</b>	<b>227,871</b>	<b>321,938</b>	<b>364,642</b>	<b>407,644</b>	<b>326,494</b>	<b>287,297</b>	<b>492,712</b>	<b>597,307</b>	<b>684,973</b>	<b>824,670</b>	<b>1,852,339</b>	<b>6,489,277</b>	<b>5,515,724</b>	<b>5,883,505</b>

**Table 58 MBRR Table SA29 - Budgeted monthly capital expenditure (standard classification)**

Description R thousand	Budget Year 2016/17												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>Capital Expenditure - Standard</b>															
<i>Governance and administration</i>	8,271	16,380	22,083	32,177	51,845	38,461	81,629	46,364	62,718	64,242	75,565	60,231	559,966	440,963	416,812
Executive and council	1,213	930	2,333	2,623	3,336	3,500	1,738	3,796	4,023	1,161	7,128	7,567	39,349	51,275	51,280
Budget and treasury office	200	308	1,321	1,593	1,846	3,060	580	1,034	1,290	1,300	1,240	2,225	15,997	8,432	8,417
Corporate services	6,858	15,142	18,429	27,961	46,663	31,900	79,311	41,534	57,405	61,781	67,197	50,439	504,620	381,256	357,115
<i>Community and public safety</i>	9,577	8,089	25,048	35,527	41,728	39,435	14,122	70,893	79,534	97,629	99,793	415,079	936,453	794,936	690,655
Community and social services	180	1,050	2,412	4,750	5,659	2,676	3,894	7,141	7,895	10,562	11,718	11,803	69,742	75,542	47,859
Sport and recreation	215	1,509	4,983	7,346	8,604	10,194	3,349	10,796	21,319	23,718	22,014	34,467	148,513	118,611	41,877
Public safety	1,000	2,180	8,328	7,681	14,469	4,699	3,153	20,151	11,185	20,473	20,721	71,059	185,098	120,481	95,581
Housing	8,182	3,350	9,325	15,750	12,995	21,665	2,000	28,005	33,485	36,313	38,640	289,900	499,611	440,504	462,541
Health	–	–	–	–	–	200	1,726	4,800	5,650	6,563	6,700	7,850	33,490	39,796	42,796
<i>Economic and environmental services</i>	28,452	86,697	99,590	108,504	103,247	91,698	77,948	129,109	133,442	133,744	153,035	389,089	1,534,557	1,358,209	1,527,616
Planning and development	937	5,962	7,395	5,804	6,791	8,438	2,590	3,683	6,656	3,899	5,108	13,259	70,524	33,824	96,050
Road transport	27,515	80,735	92,195	102,390	95,456	83,260	74,958	123,576	124,603	127,672	144,633	371,124	1,448,117	1,313,221	1,423,631
Environmental protection	–	–	–	310	1,000	–	400	1,850	2,183	2,173	3,293	4,706	15,916	11,165	7,935
<i>Trading services</i>	55,090	116,705	175,217	188,434	210,824	156,901	113,598	246,346	321,613	389,357	496,277	987,940	3,458,301	2,921,616	3,248,421
Electricity	37,631	53,671	92,649	71,771	82,147	57,598	42,246	94,594	144,806	174,331	218,799	466,569	1,536,812	1,056,938	1,152,499
Water	4,500	19,175	27,105	39,375	41,525	37,596	37,735	84,580	87,425	119,984	127,499	256,726	883,225	736,182	870,648
Waste water management	11,559	35,259	40,563	57,238	60,607	57,107	18,567	47,557	64,707	66,357	118,157	223,096	800,774	819,139	896,685
Waste management	1,400	8,600	14,900	20,050	26,545	4,600	15,050	19,615	24,675	28,685	31,822	41,548	237,491	309,356	328,589
<i>Other</i>	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
<b>Total Capital Expenditure - Standard</b>	<b>101,391</b>	<b>227,871</b>	<b>321,938</b>	<b>364,642</b>	<b>407,644</b>	<b>326,494</b>	<b>287,297</b>	<b>492,712</b>	<b>597,307</b>	<b>684,973</b>	<b>824,670</b>	<b>1,852,339</b>	<b>6,489,277</b>	<b>5,515,724</b>	<b>5,883,505</b>

**Table 59 MBRR Table SA30 - Budgeted monthly cash flow**

MONTHLY CASH FLOWS	Budget Year 2016/17												Medium Term Revenue and Expenditure Framework		
R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>Cash Receipts By Source</b>															
Property rates	603,093	569,245	660,389	651,503	610,262	591,893	517,769	591,496	594,265	505,096	550,440	419,192	6,864,644	7,310,945	7,832,252
Property rates - penalties & collection charges	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Service charges - electricity revenue	950,796	1,036,054	992,358	1,064,076	968,013	952,411	916,393	901,329	981,262	969,706	1,004,213	1,013,360	11,749,971	13,479,841	15,559,347
Service charges - water revenue	169,834	208,338	195,452	201,644	187,443	207,492	206,400	251,325	247,298	231,426	233,580	4,312	2,344,542	2,705,537	3,021,136
Service charges - sanitation revenue	112,199	118,360	110,356	119,732	101,068	123,604	123,097	139,528	140,730	128,926	136,167	100,667	1,454,435	1,622,951	1,804,195
Service charges - refuse revenue	73,962	69,756	63,167	64,330	53,349	64,061	73,630	68,267	62,409	66,909	62,298	77,248	799,386	867,725	936,469
Service charges - other	53,634	45,998	38,285	42,113	34,648	40,292	49,193	46,245	45,214	42,166	49,104	74,772	561,665	583,838	615,645
Rental of facilities and equipment	9,679	9,487	9,560	9,483	8,459	9,678	9,419	9,276	9,895	9,082	9,838	8,341	112,196	115,713	110,840
Interest earned - external investments	42,136	43,382	41,908	39,102	38,190	40,538	41,111	34,519	49,844	49,479	52,569	122,914	595,694	624,661	672,891
Interest earned - outstanding debtors	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Dividends received	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Fines	18,889	16,439	15,917	18,181	17,572	16,347	16,474	18,280	19,337	19,455	18,622	15,552	211,065	223,116	235,388
Licences and permits	20,563	13,917	12,175	15,764	9,969	21,641	10,009	11,128	17,746	14,303	8,855	25,819	181,886	183,420	185,039
Agency services	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfer receipts - operational	920,224	68,300	84,956	89,505	649,088	250,175	154,484	525,847	731,526	47,044	57,051	224,741	3,802,940	4,004,790	4,270,147
Other revenue	88,863	698,750	95,287	43,237	85,981	624,545	54,301	102,137	689,351	59,618	70,560	87,650	2,700,282	2,901,763	3,133,699
<b>Cash Receipts by Source</b>	<b>3,063,872</b>	<b>2,898,025</b>	<b>2,319,810</b>	<b>2,358,671</b>	<b>2,764,042</b>	<b>2,942,677</b>	<b>2,172,281</b>	<b>2,699,376</b>	<b>3,588,878</b>	<b>2,143,210</b>	<b>2,253,297</b>	<b>2,174,567</b>	<b>31,378,707</b>	<b>34,624,300</b>	<b>38,377,049</b>
<b>Other Cash Flows by Source</b>															
Transfer receipts - capital	19,944	83,129	109,946	126,813	114,377	140,996	76,746	168,355	192,451	219,845	267,634	732,603	2,252,840	2,246,932	2,433,776
Contributions recognised - capital & Contributed assets	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Proceeds on disposal of PPE	–	–	–	–	–	–	–	–	–	–	–	79,500	79,500	49,500	49,500
Short term loans	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing	–	–	–	–	–	–	–	–	–	–	–	2,500,000	2,500,000	1,500,000	2,000,000
Increase (decrease) in consumer deposits	–	–	–	–	–	–	–	–	–	–	–	29,948	29,948	32,943	36,238
Decrease (Increase) in non-current debtors	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Decrease (increase) other non-current receivables	–	–	–	–	–	–	–	–	–	–	–	3,578	3,578	3,399	3,229
Decrease (increase) in non-current investments	–	–	–	–	–	–	–	–	–	–	–	(89,310)	(89,310)	(218,908)	(244,708)
<b>Total Cash Receipts by Source</b>	<b>3,083,816</b>	<b>2,981,154</b>	<b>2,429,756</b>	<b>2,485,484</b>	<b>2,878,419</b>	<b>3,083,674</b>	<b>2,249,027</b>	<b>2,867,731</b>	<b>3,781,328</b>	<b>2,363,056</b>	<b>2,520,931</b>	<b>5,430,886</b>	<b>36,155,263</b>	<b>38,238,166</b>	<b>42,655,084</b>

Table continues on next page.

**City of Cape Town – 2016/17 Budget**

MONTHLY CASH FLOWS	Budget Year 2016/17												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>R thousand</b>															
<b>Cash Payments by Type</b>															
Employee related costs	775,221	794,997	833,994	793,933	1,231,319	800,458	836,626	836,690	842,397	823,926	834,339	934,956	10,338,857	11,301,392	12,386,597
Remuneration of councillors	11,679	11,673	11,635	11,628	11,683	11,698	11,894	13,501	12,133	12,098	14,220	17,222	151,063	160,882	171,339
Finance charges	4,954	–	186,734	–	–	204,736	–	–	184,191	–	–	231,504	812,118	928,327	1,098,571
Bulk purchases - Electricity	1,076,536	984,847	578,604	585,356	562,090	546,327	572,162	525,648	564,696	542,829	691,018	865,687	8,095,800	9,223,280	10,646,220
Bulk purchases - Water & Sewer	38,794	27,263	31,661	36,137	23,214	42,710	32,515	31,478	49,175	43,404	40,403	22,627	419,380	472,446	516,781
Other materials	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Contracted services	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfers and grants - other municipalities	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfers and grants - other	8,212	8,209	7,777	7,494	6,373	7,789	7,551	7,646	8,422	9,210	8,661	27,811	115,154	133,190	140,515
Other expenditure	1,426,575	823,795	780,456	852,383	739,583	781,717	757,748	767,331	745,554	824,304	869,142	180,744	9,549,333	10,144,647	10,880,990
<b>Cash Payments by Type</b>	<b>3,341,971</b>	<b>2,650,785</b>	<b>2,430,861</b>	<b>2,286,929</b>	<b>2,574,261</b>	<b>2,395,436</b>	<b>2,218,496</b>	<b>2,182,294</b>	<b>2,406,568</b>	<b>2,255,772</b>	<b>2,457,781</b>	<b>2,280,551</b>	<b>29,481,704</b>	<b>32,364,163</b>	<b>35,841,013</b>
<b>Other Cash Flows/Payments by Type</b>															
Capital assets	570,700	237,571	264,058	285,610	813,100	524,207	185,487	219,091	414,797	467,205	611,726	1,246,796	5,840,349	4,964,152	5,295,155
Repayment of borrowing	55,610	–	95,709	–	–	130,735	–	–	95,030	–	–	114,131	491,216	465,919	549,253
Other Cash Flows/Payments	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
<b>Total Cash Payments by Type</b>	<b>3,968,281</b>	<b>2,888,356</b>	<b>2,790,628</b>	<b>2,572,540</b>	<b>3,387,361</b>	<b>3,050,377</b>	<b>2,403,984</b>	<b>2,401,385</b>	<b>2,916,394</b>	<b>2,722,977</b>	<b>3,069,508</b>	<b>3,641,479</b>	<b>35,813,269</b>	<b>37,794,234</b>	<b>41,685,420</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>(884,466)</b>	<b>92,799</b>	<b>(360,872)</b>	<b>(87,056)</b>	<b>(508,941)</b>	<b>33,297</b>	<b>(154,957)</b>	<b>466,346</b>	<b>864,934</b>	<b>(359,921)</b>	<b>(548,576)</b>	<b>1,789,408</b>	<b>341,995</b>	<b>443,932</b>	<b>969,663</b>
Cash/cash equivalents at the month/year begin:	1,197,922	313,457	406,255	45,384	(41,672)	(550,613)	(517,316)	(672,273)	(205,927)	659,007	299,085	(249,491)	1,197,922	1,539,917	1,983,849
Cash/cash equivalents at the month/year end:	313,457	406,255	45,384	(41,672)	(550,613)	(517,316)	(672,273)	(205,927)	659,007	299,085	(249,491)	1,539,917	1,539,917	1,983,849	2,953,512

## **2.13 Annual budgets – internal departments**

### **2.13.1 City Health (Vote 1)**

The City Health directorate is committed to working with all spheres of government to meet National and Provincial targets so that there is a coordinated and integrated District Health Service to the citizens of Cape Town.

The City Health directorate delivers a comprehensive Primary Health Care service to the people of the City of Cape Town. This includes both Personal Primary Health Care Services (commonly referred to as clinic services) and Municipal Health Services (also referred to as Environmental Health).

Although the National Health Act, No 61 of 2003, allocates the responsibility of provision of personal primary health care services to the Provincial Health Department, the Constitution allows those services to be assigned to Local Government via mutual agreement. The City Health directorate has an excellent partnership with the Provincial Health Department and a long tradition of rendering quality Primary Health Care under a Service Level Agreement.

The core business of the City Health directorate is Municipal (Environmental) Health Services, which is a core function of metropolitan and district municipalities. Municipal Health Services is defined in the National Health Act (No 61 of 2003) as monitoring of water quality; food control; waste management; health surveillance of premises; surveillance of communicable diseases, excluding immunisations; vector control; environmental pollution control; disposal of the dead and chemical safety.

The impact of rapid urbanisation places an increased workload on our Environmental Health Practitioners (EHPs). Our current ratio of EHP to population sits at 1: 32 500 as opposed to the national norm which proposes a 1 EHP: 15 000 population ratio.

Air and noise pollution are also Local Government functions in terms of Schedule 4B and 5B of the Constitution. The key Act governing air quality is the National Environmental Management Act: Air Quality Act 39 of 2004. Air pollution levels are frequently high and the City has adopted an Air Quality Management Plan, which outlines the strategies to be used to deal with and/or mitigate against the effects of air pollution, especially in informal areas.

The City Health directorate delivers, in partnership with Provincial Government, the Personal Primary Health Care component (clinic services). The services include promotive and preventive health care to women, men and children (reproductive health, immunisation and well-baby clinics), treatment of sick children under 13 years; HIV/AIDS/STI, TB Programs and limited adult curative and chronic care.

The City Health directorate is facing an increasing number of clients accessing the Personal Primary Health Care services, due to the increased burden of diseases (BOD). This places an additional burden on the existing staff as the staff component has not increased to the same extent.

Alcohol abuse and methamphetamine (tik) abuse in the Western Cape is a big concern with regard to drug-related crime. As a result, the City has identified this scourge as a very serious problem and plays a role in conjunction with other spheres of government and the community in addressing this. The City manages six substance abuse outpatient rehabilitation (Matrix) sites at the Tafelsig, Tableview, Delft South, Town 2, Parkwood clinics and Manenberg, with more sites in the Northern and Eastern Sub-districts being envisaged in the near future through the collaborative efforts with other role players. In addition, the Atlantis area is being serviced by a NGO, which is funded by the Provincial Department of Social Development, which offers outpatient substance abuse treatment services.

In conclusion, City Health is faced with an increasing need for health services as shown by the burden of diseases, rapid urbanisation, and Customer Satisfaction Survey. However, the operating- and capital resources available and allocated to the directorate have not grown proportionally for both Municipal Health Services and Personal Primary Health Care Services - a greater need of human resources being in those areas with a high BOD, long waiting times at clinics and areas that are densely populated. In addition, National Core Standards requirements, increases in pharmaceutical, laboratory and security services costs, and high electricity costs puts further strain on the already stretched resources.

**Table 60 City Health - operating revenue by source, expenditure by type and total capital expenditure**

Directorate: City Health									
Budgeted Financial Performance (revenue and expenditure)									
Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>Operating Revenue By Source</b>									
Property rates	-	-	-	-	-	-	-	-	-
Property rates - penalties & collection charges	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	-	-	-	-	-	-	-	-	-
Service charges - water revenue	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	-	-	-	-	-	-	-	-	-
Service charges - other	394	348	1,586	4,478	7,067	7,067	7,484	7,895	8,330
Rental of facilities and equipment	29	0	10	-	-	-	-	-	-
Interest earned - external investments	-	-	-	-	-	-	-	-	-
Interest earned - outstanding debtors	75	53	65	-	-	-	-	-	-
Dividends received	-	-	-	-	-	-	-	-	-
Fines	36	29	15	22	22	22	23	25	26
Licences and permits	727	497	344	751	751	751	795	839	885
Agency services	-	-	-	-	-	-	-	-	-
Transfers recognised - operational	373,995	417,486	483,598	530,455	526,021	526,021	548,413	596,794	628,747
Other revenue	609	697	1,180	2,644	55	55	58	62	65
Gains on disposal of PPE	25	31	49	-	-	-	-	-	-
<b>Total Operating Revenue (excluding capital transfers and contributions)</b>	<b>375,889</b>	<b>419,142</b>	<b>486,848</b>	<b>538,350</b>	<b>533,916</b>	<b>533,916</b>	<b>556,774</b>	<b>605,614</b>	<b>638,052</b>
<b>Operating Expenditure By Type</b>									
Employee related costs	465,539	500,631	559,207	658,567	658,647	658,647	703,393	768,105	844,162
Remuneration of councillors	-	-	-	-	-	-	-	-	-
Debt impairment	-	-	-	-	-	-	-	-	-
Depreciation & asset impairment	7,420	8,774	9,451	9,513	10,223	10,223	11,716	12,536	13,414
Finance charges	-	-	-	-	-	-	-	-	-
Bulk purchases	-	-	-	-	-	-	-	-	-
Other materials	3,311	3,006	3,059	4,274	3,527	3,524	3,823	4,022	4,252
Contracted services	23,502	26,967	19,837	48,587	72,195	72,199	70,268	67,134	70,921
Transfers and grants	3,612	3,097	3,994	3,982	4,572	4,572	625	660	696
Other expenditure	224,546	242,439	258,469	271,881	240,189	240,188	260,223	282,908	298,898
Loss on disposal of PPE	3	33	42	-	-	-	-	-	-
<b>Total Operating Expenditure</b>	<b>727,932</b>	<b>784,947</b>	<b>854,059</b>	<b>996,804</b>	<b>989,354</b>	<b>989,354</b>	<b>1,050,049</b>	<b>1,135,365</b>	<b>1,232,344</b>
<b>Operating Surplus/(Deficit)</b>	<b>(352,043)</b>	<b>(365,806)</b>	<b>(367,210)</b>	<b>(458,455)</b>	<b>(455,438)</b>	<b>(455,438)</b>	<b>(493,275)</b>	<b>(529,750)</b>	<b>(594,291)</b>
Transfers recognised - capital	12,868	11,093	9,466	1,243	4,550	4,550	13,900	29,100	30,400
Contributions recognised - capital	-	-	-	-	-	-	-	-	-
Contributed assets	2,118	1,992	-	-	-	-	-	-	-
<b>Operating Surplus/(Deficit) for the year</b>	<b>(337,058)</b>	<b>(352,721)</b>	<b>(357,745)</b>	<b>(457,212)</b>	<b>(450,888)</b>	<b>(450,888)</b>	<b>(479,375)</b>	<b>(500,650)</b>	<b>(563,891)</b>
<b>Capital Expenditure</b>	<b>22,778</b>	<b>25,185</b>	<b>20,173</b>	<b>15,673</b>	<b>21,288</b>	<b>17,818</b>	<b>37,520</b>	<b>41,196</b>	<b>43,996</b>



### **2.13.2 City Manager (Vote 2)**

The City Manager heads the administration of the City and chairs the Executive Management Team (EMT) of the City, whose primary responsibility is advising the City Manager on strategy and policy.

Contained within the Office of the City Manager are two strategic functionaries that advise the City Manager on policy decisions and ensures compliance.

The administrative responsibility for Integrated Strategic Communications, Branding and Marketing, Strategy and Operations (includes the Mayoral Administration) and Trade and Investment reside in the Office of the City Manager.

- **Integrated Strategic Communication, Branding and Marketing**

The department provides a range of specialist communication services to all departments of the City around all facets pertaining to the communication field. One of the main deliverables involves the City's Corporate Brand Strategy and execution thereof, which in turn builds toward 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.

- **Strategy and Operations**

The department is primarily concerned with assisting the Executive Mayor in executing her statutory function and providing a platform for the interface between the political, democratic agenda and the political office-bearers responsible for it and the administration. The department's core customers include the Executive Mayor, members of the Mayoral Committee, committees of Council, the City Manager, EMT as well as residents and various communities within the City. The department is responsible for coordinating the City's Transversal Management System, the Mayoral Dashboard System for performance monitoring and evaluation, co-ordinating strategic alignment of all city-wide policies and strategies, mayoral research, major communications, enhancing the City's capital programme and improving project management governance within the City, coordinating the City's international exchanges, establishing international links and attracting investments as well as responding to service delivery queries and facilitating community requests.

- **Trade and Investment**

The department is concerned with creating and sustaining the enabling environment required to attract investment into the City for the purpose of generating economic growth and job creation.

It conducts sector and economic research, develops strategies for catalytic sectors and works with sector organisations on specific deliverables in value chains, clustering and partnerships. It also advises on incentives for investors and performs "one-stop-shop" investment facilitation services. The department runs the Atlantis Investment Facilitation office, which offers facilitation services in a targeted geographical area.

The department engages with both internal and external clients to ensure that infrastructure such as the port and airport are supportive of increasing trade and investment.

The department works closely with Wesgro, the trade and investment promotion agency of Cape Town and the Western Cape.

### Initiatives in the 2016/17 financial year

- A complete revamping of the City's website, new-look social media interventions.
- 10 major (or 'Flagship') communication campaigns.
- Ongoing rollout of the new brand and a more proactive approach to media liaison.

**Table 61 City Manager - operating revenue by source, expenditure by type and total capital expenditure**

Directorate: City Manager									
Budgeted Financial Performance (revenue and expenditure)									
Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>Operating Revenue By Source</b>									
Property rates	–	–	–	–	–	–	–	–	–
Property rates - penalties & collection charges	–	–	–	–	–	–	–	–	–
Service charges - electricity revenue	–	–	–	–	–	–	–	–	–
Service charges - water revenue	–	–	–	–	–	–	–	–	–
Service charges - sanitation revenue	–	–	–	–	–	–	–	–	–
Service charges - refuse revenue	–	–	–	–	–	–	–	–	–
Service charges - other	98	104	–	46	6	6	49	51	54
Rental of facilities and equipment	0	0	–	–	–	–	–	–	–
Interest earned - external investments	–	–	1,332	–	–	–	–	–	–
Interest earned - outstanding debtors	–	–	0	–	–	–	–	–	–
Dividends received	–	–	–	–	–	–	–	–	–
Fines	–	–	–	–	–	–	–	–	–
Licences and permits	–	–	–	–	–	–	–	–	–
Agency services	–	–	–	–	–	–	–	–	–
Transfers recognised - operational	–	–	–	1,300	1,500	1,500	–	–	–
Other revenue	298	20	84	2	42	42	2	2	2
Gains on disposal of PPE	4	11	5	–	–	–	–	–	–
<b>Total Operating Revenue (excluding capital transfers and contributions)</b>	<b>400</b>	<b>136</b>	<b>1,421</b>	<b>1,348</b>	<b>1,548</b>	<b>1,548</b>	<b>51</b>	<b>53</b>	<b>56</b>
<b>Operating Expenditure By Type</b>									
Employee related costs	43,897	50,762	59,669	73,358	72,396	72,396	84,155	91,373	99,231
Remuneration of councillors	1,108	1,164	1,219	1,326	1,326	1,326	2,571	2,739	2,917
Debt impairment	–	–	–	–	–	–	–	–	–
Depreciation & asset impairment	1,453	1,339	2,377	2,682	4,038	4,038	4,084	4,370	4,675
Finance charges	–	–	–	–	–	–	–	–	–
Bulk purchases	–	–	–	–	–	–	–	–	–
Other materials	45	8	10	153	134	134	282	150	158
Contracted services	26,932	28,071	43,622	74,489	83,718	84,218	69,390	76,372	80,586
Transfers and grants	5,744	5,048	11,341	9,498	11,832	11,832	10,309	11,687	12,330
Other expenditure	41,097	44,752	54,488	49,318	57,634	57,135	56,491	55,783	58,852
Loss on disposal of PPE	10	7	5	–	–	–	–	–	–
<b>Total Operating Expenditure</b>	<b>120,286</b>	<b>131,152</b>	<b>172,731</b>	<b>210,825</b>	<b>231,078</b>	<b>231,078</b>	<b>227,281</b>	<b>242,472</b>	<b>258,749</b>
<b>Operating Surplus/(Deficit)</b>	<b>(119,886)</b>	<b>(131,016)</b>	<b>(171,309)</b>	<b>(209,476)</b>	<b>(229,530)</b>	<b>(229,530)</b>	<b>(227,231)</b>	<b>(242,419)</b>	<b>(258,693)</b>
Transfers recognised - capital	–	99	109	–	–	–	–	–	–
Contributions recognised - capital	–	–	–	–	–	–	–	–	–
Contributed assets	–	–	–	–	–	–	–	–	–
<b>Operating Surplus/(Deficit) for the year</b>	<b>(119,886)</b>	<b>(130,917)</b>	<b>(171,201)</b>	<b>(209,476)</b>	<b>(229,530)</b>	<b>(229,530)</b>	<b>(227,231)</b>	<b>(242,419)</b>	<b>(258,693)</b>
<b>Capital Expenditure</b>	<b>1,976</b>	<b>13,070</b>	<b>13,920</b>	<b>14,954</b>	<b>19,274</b>	<b>19,243</b>	<b>17,946</b>	<b>934</b>	<b>934</b>

### **2.13.3 Community Services (Vote 3)**

The Community Services directorate is responsible for the provision of community facilities on an equitable and sustainable basis across the City to support and promote healthy lifestyles and to facilitate programmes and community development in general and to help strengthen the social fibre of households and communities. Often these programmes involve collaboration and partnerships with churches, community organisations, NGOs, the corporate sector, different tiers of government and other stakeholders.

- **City Parks**

The City Parks department is responsible for greening, conserving and managing Cape Town's zoned public spaces, including 12 district parks, 3526 community parks, 40 cemeteries, 1 crematorium, 1 995 hectares of road verges, nature sensitive areas and recreational areas alongside rivers and water bodies. Other core functions include the protection of biodiversity, the planting of trees and the implementation of water saving initiatives throughout the City.

To ensure that parks are maintained in an equitable manner across the city, a uniform set of maintenance standards for all maintenance functions have been developed and implemented.

The 3 526 community parks are maintained to a standard that ensures that they are in a condition for communities to utilise at all times. The selected standards focus on mowing, which is set to at least 9 cuts per year and to keep these parks clean by doing litter picking on a weekly basis.

On-going challenges include the level of vandalism and anti-social behaviour at public parks, which increases repair costs and has a negative impact on the ability to adhere to set maintenance standards.

To address the escalating city burial demand resulting from population growth and earlier death occurrence due to infectious diseases, City Parks have commenced a process to identify reserve and, in due course, develop new burial areas to cater for future urban development within the City's urban edge (i.e. 10-15 year scenario). Strong competition for scarce metropolitan land and the poor environmental performance of certain cemeteries given the high winter water-table characteristic of the Cape Flats has prompted the City to pursue several other interment options to supplement or complement traditional in-ground burial and to extend the viable lifespan of existing cemeteries.

- **Library and Information Services**

The two City-wide libraries, twenty three regional libraries, seventy seven community libraries, two satellite libraries and a mobile library service consisting of three mobile busses provides the citizens of Cape Town with access to services and resources required for their information, education, culture and recreational needs and has a membership in excess of 750 000. Programmes at the libraries offer a variety of developmental activities ranging from storytelling, school holiday programmes, reading programmes to peer leadership and capacity building programmes.

Three categories of minimum open hour standards are set for libraries:

- City-wide libraries at 63 hours per week
- Regional libraries at 45 hours per week
- Community libraries at 35 hours per week

Properly constituted Friends of the Library Organisations and/or Volunteers assist at fifty nine libraries in the City in order to meet their minimum opening hours through donating funding or in-kind contributions such as assisting with shelving of library materials, etc. and every effort is being made to encourage the establishment of Friends organisations in more libraries.

Being an unfunded mandate the City will continue with efforts in reaching a resolution with Provincial Government on the funding of libraries services to the citizens of Cape Town. Implementation of the new library automated management system make library processes more efficient. With external funding received, one new library was completed in 2015/16, i.e. Regional Library in Kuyasa, Khayelitsha. Construction of a new library in Dunoon will commence in 2016/17.

#### • **Sports, Recreation and Amenities**

The Sports, Recreation and Amenities department provides, manages and maintains a number of community facilities across the City such as:

- 187 community centres (including halls, recreation centres, multi-purpose centres, civic centres, youth- and family centres). These centres are used by a cross section of local communities ranging from NGOs to rate payer associations, youth groups, religious groups and sport and recreation clubs.
- 13 indoor sport centres
- 151 sports facilities
- 5 stadia
- Outdoor sport facilities that contain 524 individual formal sports fields. Over utilisation and extreme weather patterns, especially in winter, create a challenge in the provision of good playing surfaces for both winter and summer sports played on the grass fields.
- 35 public swimming pools
- 22 tidal pools
- 83 beaches
- 13 resorts
- 1 eco adventure centre
- 117 public toilets
- 11 bath houses

A comprehensive set of uniform minimum maintenance standards has been developed in order to effectively deliver services through these facilities. This is a commitment to our communities about what they can expect when they visit or use these facilities and to provide parity to communities.

The City has managed to institutionalise the relationship with varying user sport codes at single facilities through the implementation of an institutional framework that has established Municipal Facility Management Committees (MFMCs) to assist the City with the coordination of usage of these facilities. It has been observed that where MFMCs are fully operational the associated sports fields tend to be used according to their threshold norms and the standards are

maintained on a sustainable basis, which saves the department from extensive and expensive reinstatement maintenance programmes.

In order to sustain and increase service standards, the department provides, promotes and facilitates recreation programmes through recreation hubs at City facilities and mobile units in communities. Such programmes can make a measurable impact on the social economic challenges facing our communities.

**Table 62 Community Services - operating revenue by source, expenditure by type and total capital expenditure**

Directorate: Community Services									
Budgeted Financial Performance (revenue and expenditure)									
Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>Operating Revenue By Source</b>									
Property rates	-	-	-	-	-	-	-	-	-
Property rates - penalties & collection charges	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	49	62	60	36	36	36	41	46	52
Service charges - water revenue	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	-	-	-	5	5	5	6	6	6
Service charges - other	13,871	15,505	16,707	46,675	46,675	46,675	49,818	52,558	55,449
Rental of facilities and equipment	21,736	19,507	23,258	1,700	1,817	1,817	4,626	4,880	5,148
Interest earned - external investments	0	-	2,140	-	-	-	-	-	-
Interest earned - outstanding debtors	25	0	0	-	-	-	-	-	-
Dividends received	-	-	-	-	-	-	-	-	-
Fines	3,068	2,907	2,892	3,114	3,114	3,114	3,298	3,479	3,670
Licences and permits	1,244	1,506	1,555	3,221	3,103	3,103	-	-	-
Agency services	-	-	-	-	-	-	-	-	-
Transfers recognised - operational	28,649	23,597	31,116	32,979	35,701	35,701	38,515	40,835	43,275
Other revenue	392	1,692	1,778	640	640	640	677	715	754
Gains on disposal of PPE	185	445	962	-	-	-	-	-	-
<b>Total Operating Revenue (excluding capital transfers and contributions)</b>	<b>69,218</b>	<b>65,220</b>	<b>80,467</b>	<b>88,369</b>	<b>91,091</b>	<b>91,091</b>	<b>96,980</b>	<b>102,519</b>	<b>108,354</b>
<b>Operating Expenditure By Type</b>									
Employee related costs	731,897	753,163	848,392	994,513	989,753	989,753	1,062,641	1,196,509	1,308,449
Remuneration of councillors	-	-	-	-	-	-	-	-	-
Debt impairment	-	3,218	5,111	-	-	-	-	-	-
Depreciation & asset impairment	87,670	87,916	91,885	108,273	102,638	102,638	120,368	128,794	137,809
Finance charges	-	-	-	-	-	-	-	-	-
Bulk purchases	-	-	-	19	19	19	-	-	-
Other materials	16,768	16,841	13,541	10,602	11,039	10,585	11,807	12,487	13,206
Contracted services	234,304	296,865	176,741	344,579	346,756	346,472	371,790	381,109	405,432
Transfers and grants	-	-	-	-	-	-	-	-	-
Other expenditure	268,877	212,726	309,266	229,972	231,854	232,592	260,165	275,308	291,961
Loss on disposal of PPE	117	79	46	-	-	-	-	-	-
<b>Total Operating Expenditure</b>	<b>1,339,634</b>	<b>1,370,809</b>	<b>1,444,981</b>	<b>1,687,957</b>	<b>1,682,059</b>	<b>1,682,059</b>	<b>1,826,771</b>	<b>1,994,206</b>	<b>2,156,857</b>
<b>Operating Surplus/(Deficit)</b>	<b>(1,270,416)</b>	<b>(1,305,589)</b>	<b>(1,364,514)</b>	<b>(1,599,588)</b>	<b>(1,590,968)</b>	<b>(1,590,968)</b>	<b>(1,729,791)</b>	<b>(1,891,688)</b>	<b>(2,048,503)</b>
Transfers recognised - capital	111,160	94,869	99,310	71,922	104,535	104,535	104,453	114,915	10,000
Contributions recognised - capital	1,752	1,255	3,553	6,761	8,292	8,292	-	-	-
Contributed assets	394	33	-	-	-	-	-	-	-
<b>Operating Surplus/(Deficit) for the year</b>	<b>(1,157,109)</b>	<b>(1,209,432)</b>	<b>(1,261,651)</b>	<b>(1,520,905)</b>	<b>(1,478,141)</b>	<b>(1,478,141)</b>	<b>(1,625,339)</b>	<b>(1,776,773)</b>	<b>(2,038,503)</b>
<b>Capital Expenditure</b>	<b>178,223</b>	<b>161,422</b>	<b>199,711</b>	<b>160,331</b>	<b>221,715</b>	<b>210,657</b>	<b>186,340</b>	<b>164,699</b>	<b>60,282</b>

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### 2.13.4 Corporate Services and Compliance (Vote 4)

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

The core functions and objectives of this directorate are:

- **Executive Support**

The department strives for excellence in its performance and is committed to good corporate governance. It drives the development and maintenance of governance systems, processes and procedures for the City's decision-making structures. The department provides strategic and operational support to the directorate of the Office of the City Manager as well as a number of departments in the Corporate Services and Compliance directorate, and plays an interface role with corporate service areas. It also drives the implementation of the City's Language Policy as well as the promotion of multilingualism. The department's customers include members of Council and its committees, the Executive Mayor and the Mayoral Committee, the Offices of the Executive Mayor, Speaker and Chief Whip, the City Manager and the Executive Management Team, directorate of the Office of the City Manager as well as the Corporate Services and Compliance directorate, the organisation as a whole and members of the public.

- **Councillor Support and Subcouncils**

The department renders strategic, operational and specialist support to the decision-making structures within the City. It establishes, institutes and manages the activities of Subcouncils and Ward Participatory Mechanisms. It directs and provides oversight for the Councillor Support service, including the safety and security of Councillors as provided by the VIP Protection Unit. The department provides strategic direction and input into the City's public participation processes. It undertakes transversal management through the Area Based Service Delivery Model implemented across the four Subcouncil Clusters. It provides HR, finance and administrative support across the department.

- **Forensic, Ethics & Integrity**

To entrench good governance and ethics principles and practices into the organisation in order to intensify the fight against fraud, corruption and serious economic crimes for the benefit of our ratepayers, staff and the broader community.

- **Internal Audit**

To provide independent, objective and reliable assurance and advisory services, which is designed to add value and improve the City's operations. It assists the City to accomplish its objectives by bringing about a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

- **IDP and Organisational Performance Management (IDP.OPM)**

To guide, direct and facilitate the process of developing, implementing, monitoring, reporting and on the City's 5 year Integrated Development Plan (IDP), including the completion of the Impact Analysis report, Service Delivery and Budget Implementation Plans (SDBIP), quarterly reports, Annual Report, and quality assurance of performance indicators.

Executes special projects i.e. facilitating the annual BBBEE verification for the City as well as national- and provincial reporting requirements such as the Municipal Economic Review Outlook (MERO), CSP Project (City Support Programme: a National Treasury initiative to measure indicators of municipalities throughout South Africa), Section 47, MGRO and Regional Development profile.

- **Legal Services**

To provide 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.

- **Ombudsman**

Improve accountability of the City by promoting fair and reasonable public administration by undertaking independent investigation into complaints against the City Administration and resolving these complaints through alternative dispute resolution between both parties, where possible. Awareness campaigns are attended to in order to make the public aware of the services rendered by the office.

- **Integrated Risk Management (IRM)**

Engrain a culture of Risk Management in the City to ensure the optimal use of scarce resources in order to achieve the strategic objectives of the City as per the IDP.

- **Human Resources**

The purpose of Human Resources is to render an efficient and effective service to the staff and management of the City through the multiple roles of strategic business partner, administrative expert, and employee champion and change agent and across all the HR specialised and administrative functions.

- **Information Systems & Technology**

Deploys its Smart City Strategy to maximize the use of Information Technology (IT) within the City and thereby improve services to citizens. As a strategic partner to business it aims to be a catalyst for the transformation of public services and it will enable the City to become a more efficient and affective local authority.

- **Employment Equity**

Provides strategic direction and develops corporate guidelines for the implementation of the City's EE Policy and EE Plan, which forms the basis of the City's transformation agenda. This includes programmes for gender equity, diversity facilitation, disability management and application of affirmative action measures corporate wide.

- **Customer Relations**

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.



- **Specialised Technical Services**

Specialised Technical Services is a technical department within the City of Cape Town which enables service delivery by providing technical solutions and support across directorates in the following areas:

- Facilities Management;
- Fleet and Mechanical Workshops Management;
- Administration and Logistics;
- Business Projects; and
- Management Support

- **Development Information & GIS**

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 information, knowledge and records management related support services to City departments including spatial data management, map production, aerial photography, information analysis, survey and research support and records management services.

- **Occupational Health, Safety and Employee Wellness**

Develops, drives and implements strategies, systems and procedures that promote the safety, health and general wellbeing of employees across the City thus ensuring the safety, health and well-being of staff in order to provide a high quality service and to enable the City to meet its service delivery obligations.

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

- Facilities Management Rehabilitation of the Cape Town Civic Centre, which includes Replacement of Diesel Burners, Fire Suppression System and the upgrading of ablution facilities.
- Specialised Vehicles – Replacement of aged Fleet
- Replacement of Vehicles / Plant and associated equipment
- Construction of a Metro Area Fibre Optic Network
- Enhance Corporate Business Systems
- Renew ICT Infrastructure
- Update of aerial photography for municipal area

*The following additional key programmes and projects will be undertaken:*

- Staff Engagement Survey
- Customer/Community Satisfaction Survey
- Enhancement of the Web-based Knowledge Hub
- Call Centre Programme including 22 Additional Free-call Lines in identified areas
- Records Management Programme including the enabling of Electronic Records Management, as well as a city wide project for the safe-keeping of legal records
- Occupational Health and Safety Management Programme
- Enable Mobile Government
- Enable Corporate Business Services
- e-HR Programme
- Talent Management Programme
- Internal Management Processes Programme (MAP)

- Service Management Programme (C3)
- External Skills Development Programme (including external bursaries, learnerships, in-service training and apprenticeships)
- Audit of council buildings and facilities for accessibility
- Conclude the EEA1 disability survey
- Promote 16 days into 365 days campaign of no violence against women
- Diversity Management Programme

**Table 63 Corporate Services and Compliance - operating revenue by source, expenditure by type and total capital expenditure**

Directorate: Corporate Services & Compliance									
Budgeted Financial Performance (revenue and expenditure)									
Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>Operating Revenue By Source</b>									
Property rates	-	-	-	-	-	-	-	-	-
Property rates - penalties & collection charges	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	-	-	-	-	-	-	-	-	-
Service charges - water revenue	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	-	-	-	-	-	-	-	-	-
Service charges - other	482	464	580	998	43,199	43,199	45,748	48,264	50,919
Rental of facilities and equipment	985	1,444	822	-	182	182	192	203	214
Interest earned - external investments	-	-	-	-	-	-	-	-	-
Interest earned - outstanding debtors	-	-	10	-	10	10	10	10	10
Dividends received	-	-	-	-	-	-	-	-	-
Fines	1	-	1	-	5	5	5	5	5
Licences and permits	-	-	0	-	-	-	-	-	-
Agency services	-	-	-	-	-	-	-	-	-
Transfers recognised - operational	11,776	367	6,789	8,315	15,123	15,123	10,330	10,334	11,654
Other revenue	47,101	50,671	46,836	66,165	23,768	23,768	17,756	18,733	19,763
Gains on disposal of PPE	3,404	8,473	8,930	1,500	1,500	1,500	3,000	3,000	3,000
<b>Total Operating Revenue (excluding capital transfers and contributions)</b>	<b>63,750</b>	<b>61,419</b>	<b>63,968</b>	<b>76,978</b>	<b>83,787</b>	<b>83,787</b>	<b>77,041</b>	<b>80,548</b>	<b>85,565</b>
<b>Operating Expenditure By Type</b>									
Employee related costs	1,188,096	782,903	909,418	1,065,608	1,087,008	1,087,008	1,191,611	1,304,228	1,417,754
Remuneration of councillors	110,546	118,543	127,192	137,985	137,985	137,985	148,492	158,144	168,423
Debt impairment	-	91	(40)	-	-	-	-	-	-
Depreciation & asset impairment	197,415	200,472	167,721	177,102	189,077	189,077	198,145	212,015	226,856
Finance charges	-	-	-	-	-	-	-	-	-
Bulk purchases	-	-	-	-	-	-	-	-	-
Other materials	15,305	13,710	19,446	32,755	32,889	32,292	35,082	37,336	39,734
Contracted services	274,172	289,647	356,687	337,249	355,460	355,007	319,382	384,636	408,211
Transfers and grants	2,875	1,806	2,020	60	1,415	1,415	299	67	71
Other expenditure	492,011	536,429	438,929	625,684	607,018	608,069	670,414	648,604	684,701
Loss on disposal of PPE	402	548	687	-	-	-	-	-	-
<b>Total Operating Expenditure</b>	<b>2,280,822</b>	<b>1,944,148</b>	<b>2,022,060</b>	<b>2,376,443</b>	<b>2,410,852</b>	<b>2,410,852</b>	<b>2,563,425</b>	<b>2,745,030</b>	<b>2,945,749</b>
<b>Operating Surplus/(Deficit)</b>	<b>(2,217,072)</b>	<b>(1,882,729)</b>	<b>(1,958,093)</b>	<b>(2,299,464)</b>	<b>(2,327,066)</b>	<b>(2,327,066)</b>	<b>(2,486,384)</b>	<b>(2,664,482)</b>	<b>(2,860,185)</b>
Transfers recognised - capital	9	5,622	8,154	7,590	12,894	12,894	295	295	295
Contributions recognised - capital	-	-	-	-	-	-	-	-	-
Contributed assets	-	-	-	-	-	-	-	-	-
<b>Operating Surplus/(Deficit) for the year</b>	<b>(2,217,063)</b>	<b>(1,877,107)</b>	<b>(1,949,939)</b>	<b>(2,291,875)</b>	<b>(2,314,171)</b>	<b>(2,314,171)</b>	<b>(2,486,089)</b>	<b>(2,664,186)</b>	<b>(2,859,889)</b>
<b>Capital Expenditure</b>	<b>237,874</b>	<b>290,319</b>	<b>382,773</b>	<b>425,013</b>	<b>463,779</b>	<b>462,716</b>	<b>386,908</b>	<b>411,505</b>	<b>387,354</b>

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### 2.13.5 Energy, Environment & Spatial Planning (Vote 5)

The overall purpose and service mandate of the Energy, Environmental and Spatial Planning directorate is to lead the City's urban spatial and environmental planning functions in pursuit of the developmental mandate of municipalities as set out in Section 152 and 153 of the Constitution, which requires local government, in its planning processes, "to give priority to the basic needs of the community", "to promote the social and economic development of the community" and "participate in national and provincial development programmes".

The core functions and objectives of this directorate are:

- **Spatial Planning & Urban Design**

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

- To play the lead coordinating role in the preparation of the City's annual Built Environment Performance Plan (BEPP).
- To coordinate the preparation of the Growth Management Plan for Cape Town in order to put in place a longer term plan that will leverage the City's assets to drive economic growth and sustainable development. Specifically this will include a Medium Term Infrastructure Investment Framework.
- To prepare a Coastal Spatial and Economic Development Framework for consultation with stakeholders in support of managing the City's coastline and coastal processes and promoting the coast as a public and social asset with appropriate climate change adaptation and resilience responses along the City's coastline.
- To play a catalytic role in pursuing projects that seek to unlock the development potential of well-located City-owned land in close proximity to public transport for mixed use mixed income development by the private sector and the social housing institutions.
- To support the Human Settlements directorate in the preparation of land for housing development by undertaking preliminary pre-feasibility analysis on land parcels as well as conceptual planning where necessary.
- Through the City's Mayoral Urban Regeneration Programme, partnering with neighbourhood stakeholders to stabilise areas and develop community action plans, providing the basis for short, medium and long term investment plans and a platform for effective private and public investment.
- Continuing with the Quality Public Space Programme to deliver high quality public spaces within community facility clusters and economic nodes, as well as at key public transport interchanges that brings dignity to the public environment surrounding these facilities, e.g. Pampoenkraal Heritage Square in Durbanville CBD, upgrading the Strand Pavilion Precinct, upgrading Kruskal Avenue in Bellville Central Business District, as well as constructing the Mfuleni Urban Park.
- Local area planning initiatives will continue in Bishop Lavis and the Gordon's Bay Development Area. The investments facilitated by the Mayor's Urban Regeneration Programme as an outcome of the Community Action Plans into these priority programme areas, including the VPUU Programme's Safe Nodes, will continue to make significant contributions to enhancing the safety and quality of these places. Specifically, investment will be made to the Bonteheuvel Town Centre and the department will coordinate the implementation of the Public Investment Frameworks in place for Manenberg and Hanover Park, and in particular Hanover Park Town Centre.

- **Planning & Building Development Management (PBDM)**

In line with its developmental context, the City has an obligation, in terms of applicable law and through its urban planning and building development management systems, to create a safe and healthy built environment that addresses the needs of its various communities. The PBDM department is responsible for delivering the services relating to regulating urban planning and building development matters.

The departmental focus for 2016/17 will be mainly:

- Ongoing business improvement and streamlining through the Development Application Management System.
- Continuing the regulatory reform in the development arena at all three levels of government. These include the annual review of the Municipal Planning By-law, amendments to the National Building Regulations and preparation for the drafting of a Building By-law.
- Review of Standard Operating Procedures to closer align service delivery needs of the various customer segments.

The department will continue to simplify the City's regulatory regime and accelerate decision-making processes for planning and building approvals, notably by moving more functions online.

- **Environmental Resource Management**

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

- Adoption of the new City of Cape Town Environmental Strategy, including ensuring completion of the necessary approvals and processes.
- Finalise and implement the revised structure for the Green Jobs unit and address key barriers to the growth of green jobs in order to stimulate growth of, career development within and access to green job opportunities.
- Manage the City's biodiversity and ecosystems, and promote the recreational and social opportunities of the natural environment by completing the proclamation of the existing managed areas under the new National Environmental Management: Protected Areas Act.
- Meeting the proposed Local Biodiversity Strategy and Action Plan (LBSAP) target of conserving 65% of the biodiversity network by 2020, by increasing conservation land through partnerships and stewardship programmes, as well as acquisition where financially feasible.
- Continue to promote the Dassenberg Coastal Catchment Partnership (DCCP) and build the Multipurpose Centre at the gateway to the dunes at Witzands Aquifer Nature Reserve.
- Implementation of the City's Coastal Management Programme as per the requirements of the Integrated Coastal Management Act.
- Completion of the Coastal Management By-law.
- Ensure adoption of the Climate change policy for the City of Cape Town.
- Coordinate the implementation and monitoring of the City's Sustainable Energy Action Plan with departments and stakeholders towards achieving the Cape Town Energy2040 vision.
- Ensure the continuation of improving the City's own energy use and carbon footprint by retrofitting City buildings and operations.

In addition to some listed above, other key cross-cutting projects include:-

- 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.
- Ongoing implementation of the graduate intern and international intern programmes.

**Table 64 Energy, Environment & Spatial Planning - operating revenue by source, expenditure by type and total capital expenditure**

Directorate: Energy, Environmental & Spatial Planning									
Budgeted Financial Performance (revenue and expenditure)									
Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>Operating Revenue By Source</b>									
Property rates	-	-	-	-	-	-	-	-	-
Property rates - penalties & collection charges	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	-	0	-	-	-	-	-	-	-
Service charges - water revenue	-	-	(0)	-	-	-	-	-	-
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	(0)	-	-	-	-	-	-	-	-
Service charges - other	79,807	83,834	99,062	100,876	102,894	102,894	119,045	117,171	123,616
Rental of facilities and equipment	40	19	28	31	31	31	33	34	36
Interest earned - external investments	0	-	40	-	-	-	-	-	-
Interest earned - outstanding debtors	613	9	31	18	18	18	18	18	18
Dividends received	-	-	-	-	-	-	-	-	-
Fines	1,123	960	1,189	1,430	1,143	1,143	1,213	3,495	3,687
Licences and permits	2,573	4,422	314	1,732	-	-	-	-	-
Agency services	-	-	-	-	-	-	-	-	-
Transfers recognised - operational	21,186	8,391	32,676	12,526	13,797	13,797	12,907	7,620	-
Other revenue	(95)	341	187	50	50	50	53	56	59
Gains on disposal of PPE	23	23	102	-	-	-	-	-	-
<b>Total Operating Revenue (excluding capital transfers and contributions)</b>	<b>105,270</b>	<b>97,998</b>	<b>133,629</b>	<b>116,662</b>	<b>117,933</b>	<b>117,933</b>	<b>133,269</b>	<b>128,395</b>	<b>127,416</b>
<b>Operating Expenditure By Type</b>									
Employee related costs	319,070	344,331	385,093	426,779	428,840	428,840	463,603	499,243	547,178
Remuneration of councillors	-	-	-	-	-	-	-	-	-
Debt impairment	-	-	-	-	-	-	-	-	-
Depreciation & asset impairment	12,764	14,464	17,092	19,029	20,029	20,029	23,671	25,328	27,101
Finance charges	-	-	-	-	-	-	-	-	-
Bulk purchases	-	-	-	-	-	-	-	-	-
Other materials	1,112	1,046	974	1,191	1,206	1,206	1,249	1,323	1,401
Contracted services	56,129	54,510	59,956	50,122	75,289	75,058	81,935	65,885	61,832
Transfers and grants	-	461	436	176	3,616	3,616	265	279	295
Other expenditure	34,640	42,230	41,269	55,649	39,176	39,407	38,541	40,493	42,404
Loss on disposal of PPE	6	7	29	-	-	-	-	-	-
<b>Total Operating Expenditure</b>	<b>423,721</b>	<b>457,049</b>	<b>504,849</b>	<b>552,947</b>	<b>568,156</b>	<b>568,156</b>	<b>609,264</b>	<b>632,551</b>	<b>680,210</b>
<b>Operating Surplus/(Deficit)</b>	<b>(318,451)</b>	<b>(359,051)</b>	<b>(371,220)</b>	<b>(436,285)</b>	<b>(450,223)</b>	<b>(450,223)</b>	<b>(475,995)</b>	<b>(504,156)</b>	<b>(552,794)</b>
Transfers recognised - capital	31,753	27,494	9,820	31,996	13,650	13,650	6,715	3,100	66,740
Contributions recognised - capital	-	-	-	-	-	-	-	-	-
Contributed assets	-	-	-	-	-	-	-	-	-
<b>Operating Surplus/(Deficit) for the year</b>	<b>(286,698)</b>	<b>(331,557)</b>	<b>(361,400)</b>	<b>(404,288)</b>	<b>(436,573)</b>	<b>(436,573)</b>	<b>(469,280)</b>	<b>(501,056)</b>	<b>(486,054)</b>
<b>Capital Expenditure</b>	<b>64,114</b>	<b>70,776</b>	<b>56,216</b>	<b>80,064</b>	<b>64,169</b>	<b>64,115</b>	<b>61,359</b>	<b>47,250</b>	<b>106,117</b>

### **2.13.6 Finance (Vote 6)**

The Finance directorate provides sound financial services, which are sustained via corporate governance procedures, enabling the City to provide effective, efficient and affordable services to its citizens, in compliance with the MFMA, and other related legislation, policies and procedures.

The top management structure consists of the Chief Finance Officer and ten directors i.e. Budgets, Expenditure, Property Management, Inter-Services Liaison, Revenue, Supply Chain Management, Treasury, Valuations, Shareholders Management Unit and Housing Finance & Leases.

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

- Maintaining accurate and complete financial records to enhance decision-making, thereby sustaining confidence in these records of the City.
- The compilation and implementation of affordable, balanced operating- and capital budgets aligned to the Integrated Development Plan (IDP) of the City.
- Managing the City's banking, investments, borrowings and cash flow in the most effective, economical and efficient manner.
- Managing the immovable assets of the City and ensuring that land is used to the greatest benefit of the City's strategic objectives.
- Billing and collecting monies and funds due to the City.
- Monitoring and controlling all expenditure, in order to embed sound financial discipline and ensuring accountability for the use of public funds.
- Fair property valuations in order to equitably levy rates on all properties for the provision of non-tariff funded services.
- Implementation of sound supply chain management policies and procedures.
- Development and review of financial and finance-related policies.
- Ensuring compliance to relevant legislation, and the implementation and maintenance of good governance.
- Modelling the impact of the Total Municipal Account (TMA) on residents to ensure a fair distribution of the burden.
- Reviewing all the proposed tariffs and compiling the Corporate Tariff, Fees and Charges Book for submission to Council for approval.
- Ensuring that the boards of the 33 Special Rating Areas adhere to good governance and sound financial administration to deliver the services as authorised in their respective budgets and business plans in a sustainable and compliant manner whilst also guiding and advising communities wishing to establish SRAs.
- Developing and empowering assistant professional officers, appointed to the Finance Graduate Development Programme, to strengthen the City's financial staff resources.
- Ensuring that Grants-in-aid are made to organisations subject to complying with relevant legislation, regulatory and approval processes and monitored that expenditure is in accordance with the organisation's business plan.

**Table 65 Finance - operating revenue by source, expenditure by type and total capital expenditure**

Directorate: Finance									
Budgeted Financial Performance (revenue and expenditure)									
Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>Operating Revenue By Source</b>									
Property rates	2	(2)	-	-	-	-	-	-	-
Property rates - penalties & collection charges	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	-	-	-	-	-	-	-	-	-
Service charges - water revenue	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	3	5	-	-	-	-	-	-	-
Service charges - other	10,445	8,310	10,175	26,680	24,920	24,920	26,390	27,842	29,373
Rental of facilities and equipment	81,258	97,112	130,665	113,592	114,578	114,578	121,338	128,012	135,052
Interest earned - external investments	348,801	449,077	529,043	262,285	571,364	571,364	588,693	617,660	665,890
Interest earned - outstanding debtors	1,545	800	979	89	874	874	874	874	874
Dividends received	-	-	-	-	-	-	-	-	-
Fines	0	1	-	-	398	398	422	445	470
Licences and permits	3	2	21	-	-	-	-	-	-
Agency services	117,849	137,654	156,007	143,000	143,000	143,000	143,000	143,000	143,000
Transfers recognised - operational	2,480	219	171,489	4,944	3,253	3,253	4,556	4,710	4,824
Other revenue	526,155	193,507	117,576	152,282	156,145	156,145	170,328	179,697	189,580
Gains on disposal of PPE	42,140	10,074	53,814	65,669	65,669	65,669	69,000	39,000	39,000
<b>Total Operating Revenue (excluding capital transfers and contributions)</b>	<b>1,130,680</b>	<b>896,761</b>	<b>1,169,768</b>	<b>768,541</b>	<b>1,080,202</b>	<b>1,080,202</b>	<b>1,124,601</b>	<b>1,141,239</b>	<b>1,208,062</b>
<b>Operating Expenditure By Type</b>									
Employee related costs	527,461	549,260	603,145	724,349	724,581	728,109	780,567	843,830	916,374
Remuneration of councillors	-	-	-	-	-	-	-	-	-
Debt impairment	7,644	92,253	20,022	10,877	11,005	11,005	10,947	11,395	12,022
Depreciation & asset impairment	12,142	11,404	11,468	15,743	12,761	12,761	14,820	15,857	16,967
Finance charges	697,132	775,598	751,058	943,229	734,341	734,341	856,234	944,122	1,145,104
Bulk purchases	-	-	-	-	-	-	-	-	-
Other materials	616	439	528	1,061	1,089	1,102	1,158	1,226	1,298
Contracted services	25,508	23,514	29,640	51,026	72,655	69,271	65,933	70,499	74,594
Transfers and grants	5,931	6,176	4,373	7,004	7,004	7,004	2,000	7,826	8,256
Other expenditure	347,049	388,835	394,412	460,312	457,266	457,109	502,443	534,215	544,182
Loss on disposal of PPE	47	53	37	-	-	-	-	-	-
<b>Total Operating Expenditure</b>	<b>1,623,529</b>	<b>1,847,531</b>	<b>1,814,684</b>	<b>2,213,600</b>	<b>2,020,703</b>	<b>2,020,703</b>	<b>2,234,102</b>	<b>2,428,969</b>	<b>2,718,797</b>
<b>Operating Surplus/(Deficit)</b>	<b>(492,850)</b>	<b>(950,770)</b>	<b>(644,916)</b>	<b>(1,445,059)</b>	<b>(940,502)</b>	<b>(940,502)</b>	<b>(1,109,500)</b>	<b>(1,287,730)</b>	<b>(1,510,735)</b>
Transfers recognised - capital	-	(482)	598	153	100	100	-	-	-
Contributions recognised - capital	-	(1,000)	-	-	-	-	-	-	-
Contributed assets	-	-	-	-	-	-	-	-	-
<b>Operating Surplus/(Deficit) for the year</b>	<b>(492,850)</b>	<b>(952,252)</b>	<b>(644,317)</b>	<b>(1,444,906)</b>	<b>(940,402)</b>	<b>(940,402)</b>	<b>(1,109,500)</b>	<b>(1,287,730)</b>	<b>(1,510,735)</b>
<b>Capital Expenditure</b>	<b>21,613</b>	<b>13,384</b>	<b>90,740</b>	<b>141,379</b>	<b>40,186</b>	<b>40,127</b>	<b>136,866</b>	<b>8,681</b>	<b>8,681</b>



### **2.13.7 Human Settlements (Vote 7)**

The Human Settlements directorate contributes to and leads the City's development of Integrated Sustainable Human Settlements by improving the overall living and built environment of communities within the City of Cape Town and balancing quantity with quality housing opportunities with specific focus on improving the livelihood of the poor. This is done through the dedicated efforts of delivering a range of housing opportunities and lifestyle enhancements instead of merely building houses. In this way, the directorate is supporting the National Outcome 8 imperatives and contributing tangibly to the upliftment of individuals, families and communities across Cape Town.

The Housing Act (No.107 of 1997), places an obligation on the City, 'as part of its process of integrated development planning, to take all reasonable and necessary steps within the framework of the national and provincial housing policy to ensure that:

- The inhabitants of its area of jurisdiction have access to adequate housing on a progressive basis;
- Conditions not conducive to the health and safety of the inhabitants of its area of jurisdiction are prevented or removed;
- Services in respect of water, sanitation, electricity, roads, storm water drainage and transport are provided in a manner, which is economically efficient.

In addition, the City is required to:

- Set housing delivery goals in respect of its area of jurisdiction;
- Identify and designate land for housing development that is financially and socially viable;
- Promote the resolution of conflicts arising in the housing development process;
- Initiate, plan, coordinate, facilitate, promote and enable appropriate housing development in its area of jurisdiction;
- Provide bulk engineering services, and revenue generating services in so far as such services are not provided by specialist utility suppliers; and
- Plan and manage land use and development for human settlements.

Equally, the Rental Housing Act, 1999 places an obligation on, inter alia, its tenants to make prompt and regular payment for services and accommodation provided. In this regard the actions of the City to recover arrears will be applied as per the City Housing Debt Management and Indigent Grant Policies.

In order to give greater effect to the above obligations, Council in February 2014 approved the Integrated Human Settlements Framework (IHSF) which calls for a transversal implementation and management approach to enable the delivery of significant more housing opportunities per annum.

The IHSF proposes, and will inform, the finalisation of a new and innovative long term Integrated Human Settlements Plan towards 2032 based on the City's broader human settlement delivery mandate and one that can holistically address the key challenges brought about by rapid urbanization. The long term plan will also be influenced and also influence the City's Growth Management Strategy, including the City's Built Environment Performance Plan. The IHSF proposes the following key strategy shifts and processes:

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- **The regularisation and progressive upgrading of all informal settlements**

This should shift from a pipeline of comprehensive upgrade projects to a broad based (all settlements) ongoing improvement of services, public space and tenure provided while households formalise their top structures. Densities must be sufficient to minimise the need to relocate households.

- **Encourage and support the development of second dwellings** through regularising existing backyard dwellings and opening up new designated areas for formal backyard rental units. In addition, the upgrading and formalisation of existing backyard dwellings should be enabled.

- **Encourage and support further household densification** in designated areas by providing incentives and expediting sub-divisions of existing residential properties for the building of additional housing for sale and also the building by households of second dwellings (granny flats) for rental on their properties.

- **Open-up new areas for housing development within and adjacent to the existing developed areas of the City**

The emphasis should be on high densities and starter units that support incremental completion of the house over an indefinite period. The City should prioritise development of super blocks for third party development or site and service for household occupation and incremental building of their houses themselves over an indefinite period.

- **Support higher density affordable apartment unit investment by Social Housing Institutions and Private Developers, only around the transport corridors and priority nodes**

These developers should be actively encouraged by investment incentives, planning and building plan approvals and special concessions around development contributions. Public land should where relevant be made available. The conversion of non-residential properties to affordable residential rental should also be encouraged.

- **A focused programme should be undertaken to improve home-ownership related credit worthiness within Cape Town, particularly in respect of lower income households.**
- **A focused communications programme should be undertaken to adjust the expectations of stakeholder.**
- **Develop a long term more aggressive approach to the management of the City's housing rental properties**

The City, as per the transversal mandate, has developed an implementation roadmap with respect to the Integrated Human Settlements Framework (IHSF).

**Table 66 Human Settlements - operating revenue by source, expenditure by type and total capital expenditure**

Directorate: Human Settlements									
Budgeted Financial Performance (revenue and expenditure)									
Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>Operating Revenue By Source</b>									
Property rates	-	-	-	-	-	-	-	-	-
Property rates - penalties & collection charges	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	-	-	-	-	-	-	-	-	-
Service charges - water revenue	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	-	-	-	-	-	-	-	-	-
Service charges - other	10,096	10,144	9,797	9,120	11,113	11,113	10,993	11,302	11,621
Rental of facilities and equipment	179,216	189,259	195,229	212,032	230,031	230,031	237,699	249,498	261,881
Interest earned - external investments	15,117	11,960	10,564	9,050	9,050	9,050	7,001	7,001	7,001
Interest earned - outstanding debtors	244	127	(0)	-	-	-	-	-	-
Dividends received	-	-	-	-	-	-	-	-	-
Fines	1	0	4	-	-	-	-	-	-
Licences and permits	1	4	1	-	-	-	-	-	-
Agency services	-	-	-	-	-	-	-	-	-
Transfers recognised - operational	329,396	375,051	505,006	924,701	1,268,582	1,268,582	915,707	858,129	861,289
Other revenue	6,881	11,460	9,950	8,052	6,899	6,899	7,655	8,076	8,521
Gains on disposal of PPE	20,528	33,051	13,754	2,000	2,000	2,000	2,000	2,000	2,000
<b>Total Operating Revenue (excluding capital transfers and contributions)</b>	<b>561,481</b>	<b>631,056</b>	<b>744,305</b>	<b>1,164,955</b>	<b>1,527,675</b>	<b>1,527,675</b>	<b>1,181,056</b>	<b>1,136,005</b>	<b>1,152,313</b>
<b>Operating Expenditure By Type</b>									
Employee related costs	215,399	280,771	252,118	312,981	347,747	348,747	317,731	347,010	387,377
Remuneration of councillors	-	-	-	-	-	-	-	-	-
Debt impairment	(6,146)	90,891	154,455	109,837	109,837	109,837	119,861	127,708	131,182
Depreciation & asset impairment	58,851	88,792	93,522	78,835	97,933	97,933	106,740	114,211	122,206
Finance charges	-	-	-	-	-	-	-	-	-
Bulk purchases	-	-	-	-	-	-	-	-	-
Other materials	17,725	30,852	41,547	27,891	45,119	45,119	29,643	30,587	31,593
Contracted services	209,582	241,998	356,846	765,536	1,045,522	900,608	616,493	696,234	668,817
Transfers and grants	-	-	(1)	-	-	148,130	59,679	25,087	-
Other expenditure	265,219	264,152	247,937	291,907	433,872	429,656	498,635	405,654	484,365
Loss on disposal of PPE	253	610	1,075	-	-	-	-	-	-
<b>Total Operating Expenditure</b>	<b>760,882</b>	<b>998,067</b>	<b>1,147,498</b>	<b>1,586,986</b>	<b>2,080,029</b>	<b>2,080,029</b>	<b>1,748,780</b>	<b>1,746,491</b>	<b>1,825,540</b>
<b>Operating Surplus/(Deficit)</b>	<b>(199,401)</b>	<b>(367,011)</b>	<b>(403,193)</b>	<b>(422,031)</b>	<b>(552,354)</b>	<b>(552,354)</b>	<b>(567,724)</b>	<b>(610,485)</b>	<b>(673,227)</b>
Transfers recognised - capital	519,786	501,844	875,841	371,066	359,827	359,827	424,683	418,877	440,914
Contributions recognised - capital	-	-	-	-	-	-	-	-	-
Contributed assets	-	-	-	-	-	-	-	-	-
<b>Operating Surplus/(Deficit) for the year</b>	<b>320,385</b>	<b>134,833</b>	<b>472,648</b>	<b>(50,965)</b>	<b>(192,527)</b>	<b>(192,527)</b>	<b>(143,041)</b>	<b>(191,609)</b>	<b>(232,314)</b>
<b>Capital Expenditure</b>	<b>565,694</b>	<b>564,330</b>	<b>962,031</b>	<b>420,835</b>	<b>430,993</b>	<b>398,411</b>	<b>499,542</b>	<b>440,435</b>	<b>462,472</b>

### **2.13.8 Safety & Security (Vote 9)**

The directorate consist of six functional departments; Law Enforcement Services, Traffic Services, Metropolitan Police Services, Fire and Rescue Services, Disaster Risk Management and 107 Public Emergency Communication Centre. The directorate is committed to ensure a safe and secure environment for all its residents, by combating crime and disorder, reduce vehicle speed and accidents on our roads, improve response time to emergency fire calls and reduce disasters risks in all communities within the City.

#### **Policing departments**

The City's policing departments consist of Metro Police Services, Traffic Services and Law Enforcement Services. The objectives and priorities of these departments are set out in the legislatively required Annual Police Plan and departmental business plans, which feed into the City's IDP.

- **Metro Police**

Metro Police was established in terms of the South African Police Service Act. Its mandate is the enforcement of traffic laws, enforcement of bylaws 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 has been established and is achieving significant operational successes. Other major initiatives include the expansion of the department's Neighbourhood Policing programme to bring policing closer to the people of the City, the establishment of an integrated information management system (Project EPIC) and the installation of shot spotter programme. Major projects include the increase in CCTV installations in major areas within the City, particularly within the MURP areas, phase 1 of the migration of the CCTV cameras from the Telkom network to the City's own network, CCTV installations in various wards across the City and additional firearms and related equipment.

- **Traffic Services**

The department was established in terms of the National Road Traffic Act. It consists of two sections; the Operations Section and the Licensing Section. The Operations section deals with specialised and general activities, the enforcement on roads, while the Licensing Section deals with all learner and driver licence testing, card conversions and renewals. This section manages the traffic court division, public/private partnership agreement on traffic cameras. Major projects include replacement of vehicles, improvements to various traffic and licensing centres and the acquisition of various traffic licensing equipment.

- **Law Enforcement Services**

The core function of the Law Enforcement and Specialised Services department is the enforcement of bylaws and regulations in terms of the Criminal Procedure Act. The departments deals with general bylaw enforcement in residential areas and resorts as well as specialised enforcement through various units dealing with copper theft, informal trading, displaced people, land invasion, liquor control and problem buildings. These departments play a major role on beaches over festive seasons as well as other public events and actively supporting other directorates in land invasion actions. Major projects include purchasing of specialised equipment in the combating of land invasions and strike actions, building improvements to very old buildings, vehicle replacements and the final phase of the in construction of the law enforcement volunteer base and dispatch centre.

## **Emergency Services**

The Emergency Services consists of the 107 Emergency Call Centre, Fire and Rescue Services and Disaster Risk Management.

- **107 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 includes education and public awareness campaigns at schools, old-age homes, frail-care facilities and shopping centres. Major projects include the installation of and upgrade of communication equipment.

- **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. Major projects include the acquisition of specialised fire vehicles to replace its aged fleet, replacement of fire-fighting equipment, replacement of medical and communication equipment, the upgrade of fire stations and the construction of Somerset West and Masiphumelele fire stations.

- **Disaster Risk Management**

The core function of the department is the prevention and mitigation of the effect of disasters. To this end the department aims to identify, prevent and reduce the occurrence of disasters. It 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 construction of volunteer bases throughout the City, the upgrade of various Disaster Management Centres, the third phase of the Integrated Emergency Information Management system (EPIC), replacement of IT and vehicle replacements.

## **Significant capital projects for the 2016/17 MTREF**

Significant capital projects to be undertaken by the directorate over the medium-term include:

- The third phase of the implementation of an Integrated Emergency Contact Centre (EPIC);
- Upgrading and improving the driving and licencing testing centres;
- Completing the final phase of the Atlantis Driving Licensing and Testing centre;
- Installation and upgrading of CCTV camera in various areas within the City, including the MURP areas and wards;
- Replacement and acquisition of additional radios and equipment;
- The installation of shot spotter equipment in various areas within the City;
- The construction of fire stations in Somerset West and Masiphumelele;
- The construction of a Law Enforcement volunteer base and dispatch centre;
- The acquisition and replacement of aged vehicles;
- The migration of CCTV cameras to the City's network; and
- Additional firearms and related equipment.

**Table 67 Safety and Security - operating revenue by source, expenditure by type and total capital expenditure**

Directorate: Safety & Security									
Budgeted Financial Performance (revenue and expenditure)									
Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>Operating Revenue By Source</b>									
Property rates	–	–	–	–	–	–	–	–	–
Property rates - penalties & collection charges	–	–	–	–	–	–	–	–	–
Service charges - electricity revenue	–	–	–	–	–	–	–	–	–
Service charges - water revenue	–	–	–	–	–	–	–	–	–
Service charges - sanitation revenue	–	–	–	–	–	–	–	–	–
Service charges - refuse revenue	–	(0)	(2)	196	4	4	4	4	4
Service charges - other	19,700	18,723	33,134	10,849	29,714	29,714	31,467	33,198	35,024
Rental of facilities and equipment	439	410	418	213	240	240	254	268	282
Interest earned - external investments	6	4	0	352	352	352	–	–	–
Interest earned - outstanding debtors	1,348	1,097	1,044	501	501	501	1,900	1,900	1,900
Dividends received	–	–	–	–	–	–	–	–	–
Fines	96,180	725,184	983,831	972,621	992,217	992,217	1,050,758	1,108,550	1,169,520
Licences and permits	36,045	35,947	35,849	35,271	23,534	23,534	24,923	26,294	27,740
Agency services	14,621	12,602	12,513	10,993	10,993	10,993	10,993	10,993	10,993
Transfers recognised - operational	12,825	37,862	37,594	35,188	44,712	44,712	43,203	7,709	8,466
Other revenue	1,763	1,090	1,939	159	366	366	404	427	450
Gains on disposal of PPE	164	87	144	–	–	–	–	–	–
<b>Total Operating Revenue (excluding capital transfers and contributions)</b>	<b>183,090</b>	<b>833,006</b>	<b>1,106,463</b>	<b>1,066,342</b>	<b>1,102,633</b>	<b>1,102,633</b>	<b>1,163,906</b>	<b>1,189,341</b>	<b>1,254,379</b>
<b>Operating Expenditure By Type</b>									
Employee related costs	1,160,026	1,202,281	1,351,561	1,511,087	1,549,675	1,549,675	1,626,410	1,738,561	1,903,077
Remuneration of councillors	20	3	–	–	–	–	–	–	–
Debt impairment	–	464,654	605,795	740,581	740,581	740,581	808,516	852,985	899,899
Depreciation & asset impairment	36,823	41,457	33,222	43,314	43,020	43,020	54,874	58,715	62,825
Finance charges	–	–	–	–	–	–	–	–	–
Bulk purchases	–	–	–	–	–	–	–	–	–
Other materials	3,049	3,469	5,231	5,465	4,352	4,421	4,541	4,795	5,064
Contracted services	22,355	34,458	46,577	59,878	64,336	64,215	59,530	55,742	59,152
Transfers and grants	–	–	–	–	–	–	–	–	–
Other expenditure	158,916	154,938	208,995	247,175	263,552	263,605	276,549	289,365	305,641
Loss on disposal of PPE	15	237	431	–	–	–	–	–	–
<b>Total Operating Expenditure</b>	<b>1,381,203</b>	<b>1,901,498</b>	<b>2,251,812</b>	<b>2,607,501</b>	<b>2,665,517</b>	<b>2,665,517</b>	<b>2,830,419</b>	<b>3,000,162</b>	<b>3,235,658</b>
<b>Operating Surplus/(Deficit)</b>	<b>(1,198,113)</b>	<b>(1,068,492)</b>	<b>(1,145,349)</b>	<b>(1,541,158)</b>	<b>(1,562,884)</b>	<b>(1,562,884)</b>	<b>(1,666,512)</b>	<b>(1,810,821)</b>	<b>(1,981,279)</b>
Transfers recognised - capital	2,659	1,868	13,910	14,130	22,396	22,396	33,084	24,000	–
Contributions recognised - capital	–	1,000	–	–	–	–	–	–	–
Contributed assets	15	218	35	–	–	–	–	–	–
<b>Operating Surplus/(Deficit) for the year</b>	<b>(1,195,439)</b>	<b>(1,065,406)</b>	<b>(1,131,404)</b>	<b>(1,527,029)</b>	<b>(1,540,488)</b>	<b>(1,540,488)</b>	<b>(1,633,428)</b>	<b>(1,786,821)</b>	<b>(1,981,279)</b>
<b>Capital Expenditure</b>	<b>55,708</b>	<b>63,809</b>	<b>82,095</b>	<b>105,163</b>	<b>149,957</b>	<b>149,831</b>	<b>132,043</b>	<b>59,127</b>	<b>35,127</b>

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### **2.13.9 Social Development and Early Childhood Development directorate (Vote 10)**

Cape Town continually faces the challenge of social ills like the lack of social cohesion within families, poverty, unemployment, alcohol and drug abuse, gangsterism, increasing cost of living and lack of financial means to access socio-economic services. The extent of the social decay outweighs the supply of services, so it is imperative that services rendered conform to acceptable efficiency and value for money standards, produce measurable outputs by enabling, facilitating and implementing the defined Social Development and Early Childhood Development (SDECD) basket of services.

The South African Constitution mandates local government to “promote social and economic development”. Social Development is understood broadly as the overall improvement of as well as the enhancement in quality of life of all people, especially people who are poor and vulnerable.

The SDECD, in accordance with its statutory duty determined in Section 4(2)(j) of the Local Government: Municipal Systems Act, 32 of 2000, contributes with other organs of state and private sector partners (within the constraints of its financial means) to providing social services (defined as developmental services for SDECD at a Local government level) and early childhood development to those who need it supported by an Implementation Protocol Agreement with the Western Cape Government Provincial Department of Social Services, which enables SDECD to collaborate on a number of its programmes with same.

Planning and implementation is aligned to the City’s Integrated Development Plan (IDP), Social Development Strategy and Economic Growth Strategy.

SDECD participates in the Social EMT Management Subcommittee, with the following working groups;

- Sustainable Communities Working Group
- Area Management Working Group
- Integrated Human Settlements Working Group
- Corporate Social Investment Working Group

Within the Safe communities working group SDECD drives the following work streams:

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

Furthermore SDECD is the driver of the National Government Expanded Public Works Programme (EPWP) which aims “to contribute to development by providing work opportunities to poor and unemployed people in the labour intensive delivery of public and community assets and services”.



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## Purpose and service mandate of directorate

The purpose of the SDECD directorate is to provide seven targeted development programmes as follows:

### **Substance Abuse:**

Substance abuse is a priority area, given the high incidence of drug and alcohol abuse in Cape Town. This programme is aligned to the approved “Prevention and Early Intervention of Alcohol and Other Drug Use” Policy, as well as the “Alcohol and Other Drug Harm Minimization and Mitigation” Strategy. The City will continue to collaborate at local and provincial level to offer initiatives that promote awareness of and provide support.

The programme entails the following key projects and interventions:

- The substance abuse programme, which has a focus on Preventative Programmes,
- Co-ordination and maintenance of the Local Drug Action Committee by ensuring services of prevention, intervention, suppression and co-ordination are executed as per the Alcohol and Other Drug Strategy;
- Impact and outcomes-based research will be conducted for the substance abuse programme;
- The City will continue to work with Province in rolling out various programmes to support the users, capacitate victims, and aid the social structure within which the user exists; and
- The City will create FAS/FASD awareness within communities utilising simulators

### **Street People:**

The programme is aligned to the approved “Street People” Policy. The aim is to reduce the number of people living/sleeping/surviving on the streets, and ensure that street people are given the necessary development assistance to achieve reintegration, accommodation and employment.

The programme entails the following key projects and interventions:

- Impact and outcomes-based research for the Street people programme;
- Compilation of a database of Street People by completing an enumeration every 2-3 years;
- Rehabilitation and community reintegration of people living, sleeping and surviving on the streets;
- Focused, proactive activities aimed at youth and adults at risk. Programmes include aftercare services for youth at risk in communities of origin, and assistance for parents of youth at risk;
- Monitoring and assessment of individuals reintegrated with their communities of origin;
- Providing a seamless interaction between reintegration and follow-up services via the City's Reintegration Unit;
- Providing a complete assessment of general physical and mental health, including aptitude tests where possible, to ensure appropriate skills training;
- Providing detoxification programmes, where required;
- A winter readiness programme to keep homeless people occupied through a series of activities and life skills training programmes, with a view to reintegrating them with their communities;

- Implementation of the Give Responsibly campaign to encourage tourists and the general public not to give hand-outs to persons begging on the street, but rather to give responsibly through the various official mechanisms that the City and its partners have put in place;
- Facilitating the access of possible job opportunities;
- Establishment of and support to existing Local Networks of Care (LNOC);
- Creating safe nodes for street people to utilize in the form of overnight accommodation; and
- Collaborate with the South African Police Service and dedicate specific days to dealing with Social Crime in communities

### **Youth Development:**

The programme is aligned to the approved “Youth Development” policy. It includes implementation of the multifaceted Youth Development interventions, taking into account the many challenges facing the youth.

The programme entails the following key projects and interventions:

- Impact and outcomes-based research for the Youth programme;
- Skills development, including personal assessment, development plans and career-pathing, entrepreneurial skills, income opportunity skills and computer skills development;
- Capacity building in the fields of organisational development, leadership skills training, moral regeneration and train-the-trainer initiatives;
- Greater awareness about youth at risk, teenage pregnancy, HIV/Aids, substance abuse, risk of involvement in gangs, and so forth;
- Identifying and building linkages and networks with other internal and external bodies to prevent repetition and have a coordinated way of developing the youth of the City;
- Getting youth involved in public participation processes so that ‘youth voices’ can be adopted and ‘youth lenses’ worn when there are issues that affect the youth;
- Creating platforms of engagement for raising awareness among youth to engage around topical issues that affect them so that they can take ownership and advocate for change where necessary;
- Putting practical Monitoring and Evaluation (M&E) mechanisms in place to ensure that programmes and interventions are relevant and that those doing youth work, including government officials are held accountable;
- Innovative IT development solutions for access by youth across the City; and
- Creating linkages between corporate entities and assessed youth for possible permanent employment

### **Early Childhood Development:**

The programme is aligned to the approved “ECD” Policy, as well as the “ECD Land Use” Policy. The aim is to provide quality ECD services with a variety of developmental components.

In respect of support to the ECD sector, the City will run programmes comprising of:

- Impact and outcomes-based research for the ECD programme;
- Continual research on registered and unregistered ECDs;
- Awareness raising;
- Organisational development;
- Entrepreneurial training and development;
- Increased access to educational support materials;
- The improvement of child safety;

- Improvement of curriculum development;
- Increased awareness on child wellness and nutritional needs;
- The improvement of practice standards including the support to existing community based ECD forums to make them more effective and sustainable;
- Increased access to ECD services in informal settlements; and
- Advocate the minimising of challenges faced by children with special needs

### **Poverty Alleviation and Reduction:**

The programme is aligned to the approved “Food Gardens Policy in Support of Poverty Alleviation and Reduction”. Being a Caring City requires a targeted effort to care for the marginalised and vulnerable in Cape Town. Collaboration with a range of partners is essential to assist in creating sustainable communities and promoting independence over time.

The programme entails the following key projects and interventions:

- Conducting impact and outcomes-based research for the poverty alleviation programme;
- Creating and maintain a database of existing food gardens in identified wards;
- Identifying portions of land suitable community gardening;
- Facilitating food gardening training and capacity building for individuals or groups to start and maintain food gardens;
- Providing food gardening infrastructure, which includes equipment and materials to targeted communities, organizations and groups;
- To investigate the establishment of small scale community based farming co-operatives; and
- Increasing food access and availability

### **Vulnerable Groups:**

The programme is aligned to the approved “Vulnerable Groups” Policy. The focus is on awareness raising initiatives concerning gender based violence, abuse against senior citizens, assistance to persons living with disabilities regarding employment opportunities and care.

The programme entails the following key projects and interventions:

#### **• People living with disabilities**

The City's disability programmes aim to:

- Conduct impact and outcomes-based research for the vulnerable groups programme;
- Raise awareness in communities through drama, to enhance the understanding of disability, on the rights of persons with disabilities and the importance of inclusion;
- Provide livelihood training programmes; and
- Celebrate commemorative days for persons with disabilities.

#### **• Gender Programme**

Programmes provided, in collaboration with numerous partner organisations, include:

- Women's Day events celebrating women rising above adversity;
- Training to create greater awareness on domestic and gender based violence;
- Fatherhood training programmes - training and education for young men and fathers to improve gender relations aimed at prevention and early intervention; and
- Door-to-door awareness programme about gender and domestic based violence during 16 days of Activism

- **Vulnerable Children**

The City has developed a Standard Operating Procedure (SOP) for providing services to and referral of vulnerable children, providing all City officials, who are at the first point of contact with a vulnerable child, with the knowledge, skills and tools necessary to initiate and deliver services which are equitable, appropriate and timeous.

- **Older Persons**

Programmes provided, in collaboration with numerous partner organisations, include:

- Healthy living and active ageing events – Informative events to raise awareness on the importance of living a healthy active life, including the Cape Town Games for Older Persons; and
- Home Based Social Care - providing social care for older persons in their homes, in our most impoverished communities.

- **EPWP (Social Development and Early Childhood Development Directorate)**

- Work opportunities are created through the Expanded Publics Work Programme (EPWP) in alignment with the directorate's six other basket of service programmes, namely;
- Early Childhood Development;
- Street People;
- Substance Abuse;
- Vulnerable Groups;
- Youth Development; and
- Poverty Alleviation and Reduction

**Table 68 Social and Early Childhood Development - operating revenue by source, expenditure by type and total capital expenditure**

Directorate: Social Dev & Early Childhood Development									
Budgeted Financial Performance (revenue and expenditure)									
Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>Operating Revenue By Source</b>									
Property rates	–	–	–	–	–	–	–	–	–
Property rates - penalties & collection charges	–	–	–	–	–	–	–	–	–
Service charges - electricity revenue	–	–	–	–	–	–	–	–	–
Service charges - water revenue	–	–	–	–	–	–	–	–	–
Service charges - sanitation revenue	–	–	–	–	–	–	–	–	–
Service charges - refuse revenue	–	–	–	–	–	–	–	–	–
Service charges - other	5	5	0	78	–	–	–	–	–
Rental of facilities and equipment	115	94	77	48	126	126	133	140	148
Interest earned - external investments	0	0	–	–	–	–	–	–	–
Interest earned - outstanding debtors	–	–	–	–	–	–	–	–	–
Dividends received	–	–	–	–	–	–	–	–	–
Fines	1	1	0	–	–	–	–	–	–
Licences and permits	–	4	8	–	–	–	–	–	–
Agency services	–	–	–	–	–	–	–	–	–
Transfers recognised - operational	1,622	1,626	6,892	–	146	146	–	–	–
Other revenue	1	20	30	–	–	–	–	–	–
Gains on disposal of PPE	2	0	3	–	–	–	–	–	–
<b>Total Operating Revenue (excluding capital transfers and contributions)</b>	<b>1,746</b>	<b>1,751</b>	<b>7,010</b>	<b>126</b>	<b>272</b>	<b>272</b>	<b>133</b>	<b>140</b>	<b>148</b>
<b>Operating Expenditure By Type</b>									
Employee related costs	35,523	42,140	67,537	86,872	85,953	85,953	93,964	101,823	110,580
Remuneration of councillors	–	–	–	–	–	–	–	–	–
Debt impairment	–	–	–	–	–	–	–	–	–
Depreciation & asset impairment	2,045	2,709	3,553	4,953	5,315	5,315	5,810	6,217	6,652
Finance charges	–	–	–	–	–	–	–	–	–
Bulk purchases	–	–	–	–	–	–	–	–	–
Other materials	468	235	193	201	214	804	234	247	261
Contracted services	55,294	45,723	42,697	70,155	67,454	63,485	50,954	166,347	177,423
Transfers and grants	–	–	–	–	2,000	2,000	–	–	–
Other expenditure	17,403	24,402	26,791	21,624	22,523	25,902	55,616	35,715	35,830
Loss on disposal of PPE	1	9	4	–	–	–	–	–	–
<b>Total Operating Expenditure</b>	<b>110,735</b>	<b>115,219</b>	<b>140,775</b>	<b>183,805</b>	<b>183,459</b>	<b>183,459</b>	<b>206,578</b>	<b>310,349</b>	<b>330,747</b>
<b>Operating Surplus/(Deficit)</b>	<b>(108,989)</b>	<b>(113,467)</b>	<b>(133,765)</b>	<b>(183,680)</b>	<b>(183,187)</b>	<b>(183,187)</b>	<b>(206,445)</b>	<b>(310,209)</b>	<b>(330,599)</b>
Transfers recognised - capital	890	412	3,906	400	369	369	400	–	–
Contributions recognised - capital	–	–	–	–	–	–	–	–	–
Contributed assets	–	–	3,418	–	–	–	–	–	–
<b>Operating Surplus/(Deficit) for the year</b>	<b>(108,098)</b>	<b>(113,055)</b>	<b>(126,441)</b>	<b>(183,280)</b>	<b>(182,818)</b>	<b>(182,818)</b>	<b>(206,045)</b>	<b>(310,209)</b>	<b>(330,599)</b>
<b>Capital Expenditure</b>	<b>6,791</b>	<b>7,555</b>	<b>23,251</b>	<b>11,971</b>	<b>15,760</b>	<b>15,710</b>	<b>17,460</b>	<b>10,860</b>	<b>10,860</b>

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### **2.13.10 Tourism, Events and Economic Development (Vote 11)**

The Tourism, Events & Economic Development (TEED) directorate will market and develop its tourism, events, arts and culture, and visitor offering through the use of its strategic assets and internal- and external partnerships to deliver economic growth, development and an open opportunity city inclusive of all its citizens (residents).

- **Directorate Strategic Objective**

The directorate's primary strategic objective is to stimulate economic growth, development, create opportunities, provide an enabling environment and attract both foreign and domestic investment through events, tourism, film, arts and culture actions by:

- Increasing visitor numbers, additional iconic events, innovative and creative arts and culture activities;
- Maximising operational budgets, generating additional revenue streams, maximising cost recovery, where possible;
- Creating and facilitating partnerships and joint ventures;
- Planning, decision-making and coordinated action between role-players (spheres of government, state owned enterprises, promotion and marketing agencies, the private sector and communities); and
- Facilitating and promoting sector transformation.

- **Arts and Culture Strategic Objective**

To market and develop arts and culture in a manner that celebrates the City's rich diversity in order to contribute to economic growth, development and an open opportunity city inclusive of all its citizens (residents).

- **Cape Town Stadium Strategic Objective**

Cape Town Stadium, Green Point Athletics Stadium and the Green Point Urban Park are positioned to be leading multipurpose venues of choice at local, national and international levels for event organisers and visitors while contributing to the City's social and economic development agenda. Service excellence is sought through team work, modern technologies and innovative integrated approaches aimed at ensuring a safe and fun environment for clients, visitors and spectators. The management of events, commercial activations and daily operations are undertaken in a financially and environmentally responsible manner.

- **Economic Development Strategic Objectives**

The Economic Development department's programmes are aimed at positioning Cape Town as a business-friendly destination by championing interventions that leads to an inclusive local economic development. This is done through the provision of professional economic development services that are based on sound analytical research and expert knowledge. It contributes to the City's core business to support the City's economic growth and opportunity.

- **Events Strategic Objective**

To establish Cape Town through improved strategic management, logistical coordination and support as the top events destination locally and regionally, and as one of the premier events destinations globally, with increased numbers of events held annually resulting in benefits to residents, the hospitality industry and the local economy at large.

- **Integrated and Support Strategic Objective**

To provide the directorate with the necessary finance, human resources and general administrative support in a manner that drives compliance without hampering service delivery and the fulfilment of the primary tasks of the directorate.

- **Strategic Assets Strategic Objective**

To ensure the financial sustainability of key City assets and the utilisation of these assets in promoting Cape Town as a premier events destination.

- **Tourism Strategic Objective**

Provide leadership in promoting Cape Town as a quality, experiential tourism destination through responsible tourism development, innovative strategic interventions and programmes in partnership with industry and communities.



**Table 69 Tourism, Events and Economic Development - operating revenue by source, expenditure by type and total capital expenditure**

Directorate: Tourism, Events & Economic Development									
Budgeted Financial Performance (revenue and expenditure)									
Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>Operating Revenue By Source</b>									
Property rates	-	-	-	-	-	-	-	-	-
Property rates - penalties & collection charges	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	-	-	-	-	-	-	-	-	-
Service charges - water revenue	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	-	-	-	-	-	-	-	-	-
Service charges - other	3,354	3,670	6,695	6,472	8,007	8,007	6,739	7,109	7,500
Rental of facilities and equipment	20,692	9,248	16,952	17,554	17,707	17,707	18,770	19,802	20,891
Interest earned - external investments	-	-	20	-	-	-	-	-	-
Interest earned - outstanding debtors	55	25	0	25	0	0	0	0	0
Dividends received	-	-	-	-	-	-	-	-	-
Fines	78	0	-	-	-	-	-	-	-
Licences and permits	16	4	(14)	1	-	-	-	-	-
Agency services	-	-	-	-	-	-	-	-	-
Transfers recognised - operational	552	45,060	1,891	2,000	500	500	2,000	2,025	2,068
Other revenue	40	160	69	28,535	116	116	105	111	117
Gains on disposal of PPE	6	51	5	-	-	-	-	-	-
<b>Total Operating Revenue (excluding capital transfers and contributions)</b>	<b>24,794</b>	<b>58,219</b>	<b>25,618</b>	<b>54,586</b>	<b>26,330</b>	<b>26,330</b>	<b>27,613</b>	<b>29,047</b>	<b>30,576</b>
<b>Operating Expenditure By Type</b>									
Employee related costs	78,562	86,329	97,489	119,690	119,551	120,144	132,649	144,852	157,310
Remuneration of councillors	-	-	-	-	-	-	-	-	-
Debt impairment	-	-	-	-	-	-	-	-	-
Depreciation & asset impairment	195,669	203,808	207,342	206,638	207,904	207,904	209,929	224,623	240,347
Finance charges	-	-	-	-	-	-	-	-	-
Bulk purchases	-	-	-	-	-	-	-	-	-
Other materials	669	521	980	662	706	610	742	784	830
Contracted services	47,918	105,447	47,561	119,864	64,969	64,217	74,133	71,974	76,193
Transfers and grants	84,981	98,432	114,289	99,681	136,117	135,646	101,656	112,671	118,868
Other expenditure	62,227	78,733	54,314	22,753	45,642	46,348	50,963	52,720	55,652
Loss on disposal of PPE	5	18	2	-	-	-	-	-	-
<b>Total Operating Expenditure</b>	<b>470,031</b>	<b>573,288</b>	<b>521,977</b>	<b>569,288</b>	<b>574,889</b>	<b>574,869</b>	<b>570,071</b>	<b>607,625</b>	<b>649,199</b>
<b>Operating Surplus/(Deficit)</b>	<b>(445,237)</b>	<b>(515,069)</b>	<b>(496,359)</b>	<b>(514,701)</b>	<b>(548,559)</b>	<b>(548,539)</b>	<b>(542,458)</b>	<b>(578,578)</b>	<b>(618,623)</b>
Transfers recognised - capital	3,729	9,471	1,225	500	500	500	-	-	-
Contributions recognised - capital	-	-	-	-	-	-	-	-	-
Contributed assets	-	-	1,500	-	-	-	-	-	-
<b>Operating Surplus/(Deficit) for the year</b>	<b>(441,507)</b>	<b>(505,598)</b>	<b>(493,633)</b>	<b>(514,201)</b>	<b>(548,059)</b>	<b>(548,039)</b>	<b>(542,458)</b>	<b>(578,578)</b>	<b>(618,623)</b>
<b>Capital Expenditure</b>	<b>180,632</b>	<b>26,375</b>	<b>36,678</b>	<b>41,098</b>	<b>41,403</b>	<b>41,330</b>	<b>42,150</b>	<b>33,800</b>	<b>34,130</b>

## 2.13.11 Transport for Cape Town (Vote 12)

Transport for Cape Town has the responsibility for the provision and maintenance of a sustainable, integrated and intermodal transportation network as well as what happens on this network. It now operates within the parameters of the gazetted TCT Constitution Bylaw, No. 7208 of 2013. Transport for Cape Town also has responsibility for storm water catchment planning and management, including master planning and catchment control measures, and the provision and ongoing upgrading and maintenance of bulk and local storm water systems including rivers, canals, detention dams and vleis. A recent addition in this regard is the concept and related function of sustainability.

Focus areas of Transport for Cape Town are:

- Strategic transportation planning, contract performance and network management across the City;
- The roll-out, management and enforcement of integrated intermodal transportation across the City under the auspices of TCT, including the MyCiTi bus network, Public Transport Interchanges, Transport Information Centre, Transport Management Centre and other related facilities and services;
- Strategic planned management, provision and maintenance of the City's roads and storm-water networks;
- Upgrading of the network, especially in previously disadvantaged areas, to facilitate the improvement of the quality of life of all communities;
- Access to opportunities through the reduction of overall costs for those using public transport;
- Conservation of natural resources through the management of inland and coastal water quality; and
- Compliance with Occupational Health and Safety legislation in the internal and external Transport for Cape Town environments for both capital- and operating projects.

Transport for Cape Town follows a three-pronged approach to achieving its objectives and in reaching its performance and investment-based targets, namely:

- *Commuter*
  - Working towards an integrated time-tabling and ticketing system across all scheduled services.
  - Centralised communication and queries across all transportation modes.
  - Improved road, storm water, public transport and railway network management in co-operation with other relevant stakeholders.
- *Infrastructure*
  - Working toward pro-active road maintenance across the entire network.
  - Freight management.
  - Overall strategic plan for upgrading of roads in residential areas.
  - Improvement of maintenance depot operational management.
  - Focus on public transport asset management.
- *Governance*
  - Metered and mini-bus taxi management.
  - Guiding the production of a business plan for Passenger Rail and roll-out of a process plan.

- Roll-out, upon assignment, of the Contracting Authority function as well as the Municipal Regulatory Entity function, as determined in the National Land Transport Act (NLTA), 2009.

Key Projects currently being undertaken include:

- Construction and finalisation of IRT Phase 1B feeder service bus stops and associated road/route improvements.
- Planning and design for IRT Phase 2 service to the Metro South East.
- Construction of the upgrading and dualling of Strandfontein Road between Govan Mbeki Road and Spine Road incorporating elements of IRT Phase 2 and significantly improved non-motorised transport facilities.
- Construction of the upgrading and dualling of Stock Road between Govan Mbeki Road and the Cape Flats freeway (R300) incorporating elements of IRT Phase 2 and improved non-motorized transport facilities.
- Planning, design and construction of a number of strategic Public Transport Interchanges as determined by the Integrated Public Transport Network Plan.
- Implementation of the NLTA, with the focus on obtaining the assignment of the Contracting Authority function and the Municipal Regulatory Entity function (MRE) to the City so as to facilitate integrated public transport.
- Upgrading, rehabilitation and maintenance of major roads and storm water facilities.
- Upgrading of the road, pavement and storm water network in previously disadvantaged residential areas to an acceptable and unified standard.
- Roll-out of an extensive network of non-motorised transport routes throughout the City to promote a safe and user friendly environment for pedestrian and cycle usage.
- Reconstruction of Main Road, Muizenberg to Clovelly Phase 3, inclusive of underground service repairs and replacements.
- Commencement of the 5-year major road traffic congestion alleviation programme, which will ultimately include inter alia Saxdowne Road, Bottelary Road dualling, Amandel Road, Bottelary/R300 Interchange, Kommetjie Road dualling, Platteklouf Road dualling etc.
- Commencement and development of a new Pavement, Bridge and Road management system for the City.
- Completion of additions to the Transport Management Centre (TMC) to accommodate more integrated transport functions as well as 107.
- Completion and full activation of the Automated Public Transport Management System (APTMS or 'Control Centre'), in the 2016/17 financial year.

**Table 70 Transport for Cape Town - operating revenue by source, expenditure by type and total capital expenditure**

Directorate: Transport for Cape Town									
Budgeted Financial Performance (revenue and expenditure)									
Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>Operating Revenue By Source</b>									
Property rates	–	–	–	–	–	–	–	–	–
Property rates - penalties & collection charges	–	–	–	–	–	–	–	–	–
Service charges - electricity revenue	–	–	–	–	–	–	–	–	–
Service charges - water revenue	–	–	–	–	–	–	–	–	–
Service charges - sanitation revenue	–	–	–	–	–	–	–	–	–
Service charges - refuse revenue	–	–	–	–	–	–	–	–	–
Service charges - other	43,109	80,116	148,292	297,431	195,479	195,479	230,122	242,778	256,131
Rental of facilities and equipment	46	313	55	–	–	–	–	–	–
Interest earned - external investments	3	7	216	0	0	0	–	–	–
Interest earned - outstanding debtors	2	3	5	2	2	2	2	2	2
Dividends received	–	–	–	–	–	–	–	–	–
Fines	15	12	4	24	24	24	25	26	28
Licences and permits	1,227	2,001	5,033	2,054	2,055	2,055	2,175	2,295	2,421
Agency services	–	–	–	–	–	–	–	–	–
Transfers recognised - operational	158,855	286,463	474,159	263,505	446,176	446,176	277,346	298,492	302,428
Other revenue	13,358	23,354	45,938	15,429	15,215	15,215	20,078	21,182	22,347
Gains on disposal of PPE	250	224	280	–	–	–	–	–	–
<b>Total Operating Revenue (excluding capital transfers and contributions)</b>	<b>216,866</b>	<b>392,493</b>	<b>673,982</b>	<b>578,445</b>	<b>658,952</b>	<b>658,952</b>	<b>529,747</b>	<b>564,776</b>	<b>583,357</b>
<b>Operating Expenditure By Type</b>									
Employee related costs	457,118	682,282	531,995	640,090	639,290	639,290	686,284	744,785	813,737
Remuneration of councillors	–	–	–	–	–	–	–	–	–
Debt impairment	–	–	–	–	–	–	–	–	–
Depreciation & asset impairment	263,918	444,745	561,651	614,777	639,472	639,472	671,556	718,565	771,135
Finance charges	–	–	–	–	–	–	–	–	–
Bulk purchases	–	–	–	–	–	–	–	–	–
Other materials	47,083	44,617	46,606	51,180	31,542	36,542	31,946	34,009	74,675
Contracted services	594,388	837,014	989,653	1,251,391	750,987	745,465	841,028	895,961	931,568
Transfers and grants	–	–	35	–	529	529	–	–	–
Other expenditure	202,784	189,652	329,700	161,024	757,491	758,013	701,938	739,735	794,470
Loss on disposal of PPE	20	25	44	–	–	–	–	–	–
<b>Total Operating Expenditure</b>	<b>1,565,311</b>	<b>2,198,334</b>	<b>2,459,684</b>	<b>2,718,462</b>	<b>2,819,310</b>	<b>2,819,310</b>	<b>2,932,751</b>	<b>3,133,055</b>	<b>3,385,586</b>
<b>Operating Surplus/(Deficit)</b>	<b>(1,348,445)</b>	<b>(1,805,841)</b>	<b>(1,785,702)</b>	<b>(2,140,017)</b>	<b>(2,160,358)</b>	<b>(2,160,358)</b>	<b>(2,403,004)</b>	<b>(2,568,279)</b>	<b>(2,802,229)</b>
Transfers recognised - capital	2,339,666	1,022,334	1,020,937	1,181,148	1,364,268	1,364,268	1,057,646	890,107	1,014,017
Contributions recognised - capital	30	–	350	1,000	2,841	2,841	15,000	20,000	20,000
Contributed assets	–	–	–	–	–	–	–	–	–
<b>Operating Surplus/(Deficit) for the year</b>	<b>991,252</b>	<b>(783,507)</b>	<b>(764,415)</b>	<b>(957,868)</b>	<b>(793,249)</b>	<b>(793,249)</b>	<b>(1,330,358)</b>	<b>(1,658,172)</b>	<b>(1,768,212)</b>
<b>Capital Expenditure</b>	<b>2,493,517</b>	<b>1,113,033</b>	<b>1,218,720</b>	<b>1,399,805</b>	<b>1,651,077</b>	<b>1,494,365</b>	<b>1,442,311</b>	<b>1,304,580</b>	<b>1,414,990</b>

## **2.13.12 Utility Services (Vote 13)**

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, water and sanitation are contained in Schedule 4B. Specific functions pertaining to street lighting, cleansing, refuse removal, refuse dumps and solid waste disposal are contained in schedule 5B.

To meet this responsibility, Utility Services must ensure the provision of effective and reliable water, sanitation, electricity and solid waste management services through effective management of natural resources and service delivery infrastructure.

- **Water & Sanitation**

Formal households and commercial customers have access to water and sanitation services through a metered water connection and (with the exception of a few septic tank facilities) full flush sanitation on site. The City has met national standards for full water and sanitation access in informal settlements.

- **Cape Town Electricity**

The City's Cape Town Electricity department distributes electricity to residential and commercial/industrial customers in the City's electricity supply area. The department is licensed by the National Energy Regulator of South Africa (NERSA) to undertake this function. Under the NERSA licence, the standard of services provided must meet the requirements as set out in the national standards NRS047 and NRS048.

- **Solid Waste Management**

All formal households receive a refuse collection service that is rendered by the City's Solid Waste Management department or by a contractor on its behalf. Informal settlements receive a once a week bagged door-to-door waste collection service per dwelling that is wholly carried out by contractors on behalf of the City. Businesses on the other hand may opt to be serviced either by the City or by a private contractor that is accredited by the City as a waste collector. Due to its unique circumstances, the industrial sector, which in addition generates special and hazardous waste, is serviced exclusively by the private sector in terms of Council policy.

### **2.13.12.1 Water and Sanitation department**

The core business of the Water and Sanitation department is to equitably and efficiently provide access to water and sanitation services to all citizens of the City in a sustainable, safe, reliable, environmentally friendly and financially viable way observing the dictates of sound good governance principles.

The department has made significant progress in providing water and sanitation services to the City residents since the formation of the one metro administration. All formal areas are adequately provided for with water and sanitation services, while services within informal settlement areas are continually being improved.

The principal challenge for the department is to maintain an existing water and sanitation service for the City while also providing services for an ever-increasing number of households in a sustainable way. This has to be achieved in the context of providing basic needs, ensuring economic growth, maintaining an ageing infrastructure, limiting negative environmental impact, managing water resource scarcity and consolidating a transformed metro administrative infrastructure.

To ensure sustainable, fair, equitable, reliable and financially viable provision of water and sanitation services, the department has developed and is implementing strategies that address the priorities reflected in the scorecard, represented by the Service Delivery and Budget Implementation Plan (SDBIP), to ensure effective water services management. The strategies also seek to ensure compliance with the National Water Act, Water Services Act and related regulations, National and City policies.

The department's commitment to infrastructure investment and maintenance is clear through these two programmes as reflected in the SDBIP. Capital expenditure of over R895 million was invested in the growth, refurbishment and replacement of the City's water and sanitation infrastructure in 2014/15. The target for 2015/16 and 2016/17 is some R1 273 million and R1 462 million respectively.

The City has further committed itself to upgrade and replace 300 km of water pipes over the five year period - 2012 to 2017 - as described in its publicly available Integrated Development Plan (IDP). R50 million was budgeted for water pipe replacements in 2015/16 and about 16.35 km was replaced between July 2015 and December 2015. 89.97 km was replaced in 2011/12, 70.28 km in 2012/13, 55.42 km in 2013/14 and 48.62 km in 2014/15. This equates to approximately 280.64 km replaced since the beginning of 2011/12. Quarterly targets for the replacement of water and sewer mains are set and reported on in the SDBIP.

The City provides various sanitation options including full flush toilets. Some of these alternative sanitation options are seen as a top-up service or a 1-on-1 provision and some can service more than one household. The City complies fully in terms of meeting the National Guidelines of adequate sanitation.

The backyarder programme commenced in 2012 as a pilot project to provide services (water, sanitation, electricity and a wheelie bin) to backyarders residing in City-owned rental stock property. The implementing agent was the Water & Sanitation department, but the programme is now being rolled out by the Human Settlements directorate. Water & Sanitation will still have to plan and allow for the free basic and indigent component of the service.

The department conforms to the City's financial budgeting process, which forms part of the IDP and bases its budget formulation on some key strategic plans. The department plans ahead on a 10 year budget estimate, which is based on identifying current and potential future requirements for that period and beyond. The budget schedule contains 3 years of rolling approved budget projected to 5 years, plus another 5 years based on forward planning.

The Asset Management Plans of the various branches guide priorities for replacement, refurbishment and maintenance projects and programmes. Projects are developed, services are procured and projects are implemented with emphasis on best practice project management and engineering.

**Operating budget:** It is difficult to reach optimum levels of staff, maintain acceptable levels of infrastructure maintenance and carry the impact of the capital programme within the financial constraints during difficult economic conditions. Consequently, there is also pressure on annual tariff increases to exceed inflation.

**Capital budget:** The high requirement for necessary infrastructure is driven largely by capacity requirements, due to growth and economic development, the refurbishment of current infrastructure as well as projects relating to system efficiency, which places severe pressure on the City's capital budget. To achieve the required capital budget, it is necessary to maximise the use of grant funding and to make optimal use of the Capital Replacement Reserve (CRR) within the financial constraints.

*(Source: Departmental Business Plan 2016/2017)*



**Table 71 Water & Sanitation - operating revenue by source, expenditure by type and total capital expenditure**

Directorate: Utility Services									
Department: Water & Sanitation									
Budgeted Financial Performance (revenue and expenditure)									
Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>Operating Revenue By Source</b>									
Property rates	–	–	–	–	–	–	–	–	–
Property rates - penalties & collection charges	–	–	–	–	–	–	–	–	–
Service charges - electricity revenue	–	–	–	–	–	–	–	–	–
Service charges - water revenue	2,053,577	2,185,904	2,524,635	2,745,181	2,745,181	2,745,181	3,066,664	3,401,214	3,772,397
Service charges - sanitation revenue	1,091,910	1,188,192	1,321,307	1,470,947	1,470,947	1,470,947	1,628,277	1,807,387	2,006,200
Service charges - refuse revenue	–	–	6	–	–	–	–	–	–
Service charges - other	46,252	43,468	43,119	47,761	55,047	55,047	56,295	59,391	62,657
Rental of facilities and equipment	41	46	77	55	55	55	58	62	65
Interest earned - external investments	6	4	0	–	–	–	–	–	–
Interest earned - outstanding debtors	168,874	96,466	98,000	106,000	106,000	106,000	115,000	115,000	115,000
Dividends received	–	–	–	–	–	–	–	–	–
Fines	3	–	2	–	–	–	–	–	–
Licences and permits	–	–	–	–	–	–	–	–	–
Agency services	–	–	–	–	–	–	–	–	–
Transfers recognised - operational	2,305	–	1,346	25,263	23,898	23,898	33,130	1,900	2,017
Other revenue	16,462	29,342	31,794	18,399	11,113	11,113	9,518	10,041	10,593
Gains on disposal of PPE	9,521	2,736	3,752	3,000	3,000	3,000	3,000	3,000	3,000
<b>Total Operating Revenue (excluding capital transfers and contributions)</b>	<b>3,388,950</b>	<b>3,546,158</b>	<b>4,024,038</b>	<b>4,416,606</b>	<b>4,415,241</b>	<b>4,415,241</b>	<b>4,911,942</b>	<b>5,397,995</b>	<b>5,971,930</b>
<b>Operating Expenditure By Type</b>									
Employee related costs	965,912	941,151	1,069,833	1,319,107	1,313,680	1,313,680	1,416,967	1,575,870	1,728,484
Remuneration of councillors	–	–	–	–	–	–	–	–	–
Debt impairment	368,090	289,930	510,183	467,288	467,288	467,288	528,000	572,550	637,038
Depreciation & asset impairment	312,351	336,010	363,806	408,191	417,433	417,433	459,979	502,178	586,631
Finance charges	–	–	–	–	–	–	–	–	–
Bulk purchases	293,295	308,118	400,066	369,736	369,736	369,736	419,380	472,446	516,781
Other materials	49,999	55,587	52,870	54,408	53,016	53,016	56,367	59,877	63,607
Contracted services	549,133	622,634	558,961	674,537	661,660	661,660	767,073	769,315	814,826
Transfers and grants	–	–	–	–	–	–	–	–	–
Other expenditure	494,217	523,118	538,838	553,708	590,689	590,689	621,599	683,796	765,172
Loss on disposal of PPE	130	185	436	–	–	–	–	–	–
<b>Total Operating Expenditure</b>	<b>3,033,128</b>	<b>3,076,733</b>	<b>3,494,992</b>	<b>3,846,975</b>	<b>3,873,503</b>	<b>3,873,503</b>	<b>4,269,366</b>	<b>4,636,032</b>	<b>5,112,539</b>
<b>Operating Surplus/(Deficit)</b>	<b>355,822</b>	<b>469,425</b>	<b>529,046</b>	<b>569,631</b>	<b>541,739</b>	<b>541,739</b>	<b>642,576</b>	<b>761,963</b>	<b>859,391</b>
Transfers recognised - capital	171,251	151,861	182,885	389,760	408,289	408,289	411,963	554,538	655,710
Contributions recognised - capital	9,863	9,514	8,554	11,000	11,000	11,000	12,000	12,000	12,000
Contributed assets	–	–	–	–	–	–	–	–	–
<b>Operating Surplus/(Deficit) for the year</b>	<b>536,936</b>	<b>630,800</b>	<b>720,485</b>	<b>970,391</b>	<b>961,027</b>	<b>961,027</b>	<b>1,066,539</b>	<b>1,328,501</b>	<b>1,527,101</b>
<b>Capital Expenditure</b>	<b>596,642</b>	<b>823,478</b>	<b>984,909</b>	<b>1,512,625</b>	<b>1,545,493</b>	<b>1,333,383</b>	<b>1,683,999</b>	<b>1,555,321</b>	<b>1,767,334</b>

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## **2.13.12.2 Solid Waste Management department**

The City's Solid Waste Management (SWM) department is the service authority and regulator of waste management activities in Cape Town as per the City's System of Delegations and the municipality's executive powers conferred on it by law. The City as a service authority or regulator is responsible for services in the metropolitan municipal area for:

- The management and minimisation of waste that will be collected, streamed, diverted, processed or treated and recycled.
- The management of waste that will be disposed of at a licensed, regulated landfill site inside the City's boundaries or any other waste management site under its direct control.
- All individuals residing or visiting the City and entities doing business or providing any form of private, public or community service requiring waste management services.
- All service providers operating in the waste management industry.
- The management and regulation of all waste that may include liquid or fluid waste, which are generated in the municipality with special provisions for the handling, processing, treatment and disposal of hazardous waste, as well as waste generated by the health services industry (including veterinary services).
- The regulation of waste crossing the City's boundaries to ensure proper management, recycling and control of all types of waste.

The long-term vision for the City's waste management services is 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.

National support and development is necessary as waste minimisation and recycling activities are not limited to Cape Town and involve processing- and manufacturing sectors on a national scale. It is apparent that this will not be an easy or a quick process. These are key influences on achieving the City's 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.
- To develop multiple integrated initiatives that will reduce waste and the associated impacts substantially as well as contribute to and support economic development.
- To generate other sources of funding for integrated waste management through Public-Private Partnerships (PPP) within the Cape Town municipal area.
- To improve income generated by the City's waste services.
- To optimise utilisation of Council resources and capital.
- To regulate waste and the associated services ensuring sustainability and preventing impact or harm to people and the environment.

The approved SWM Integrated Waste Management (IWM) Plan (5 year plan aligned with the IDP) along with the annual SWM Business Plan gives effect to our long-term vision. Recommendations to achieve large volume waste diversion from landfills, which will enable the City to comply with the provisions of NEMWA to consider waste minimisation in terms of ensuring service provisions, are embedded in the department's IWM Plan.

The basis of funding is determined by the nature and the type of service and related resources, fleet, plant, equipment or infrastructure and whether a fee can be used to recover the cost of the service (as determined by the City's Tariff Schedule). The following funding groups are provided for council's waste management functions in both the SWM IWM and the SWM tariff policies:

#### **Tariffs**

- Collection of refuse and waste in residential areas.
- Waste disposal and treatment, including landfill sites, transfer stations and related waste handling and waste minimisation infrastructure.

#### **Rates**

- Cleansing services.
- Drop-off facilities.
- Waste planning, including waste minimisation.
- Support Services (incl. Human resources, administration, Finance & Commercial, Loss Control, Technical Services and management overheads).

In general the funding provided for SWM specific integrated waste management aspects are:

- **Operating costs:** Defined as those costs expended by the SWM in managing and implementing the day-to-day operations required for SWM services rendered by the City. It also includes the cost of external service providers, consultants and contractors employed by the SWM, the costs of repairs and maintenance of existing infrastructure, plant and equipment.
- **Capital costs:** Includes, but not limited to technical investigations/studies/consultation fees, land acquisition, infrastructure development, vehicles, plant & equipment acquisition, new buildings and facilities (i.e. liners for landfills, transfer stations, drop-off or recycling centres, composting plants etc.).

*(Source: Departmental Business Plan 2016/2017)*

**Table 72 Solid Waste Management - operating revenue by source, expenditure by type and total capital expenditure**

Directorate: Utility Services									
Department: Solid Waste Management									
Budgeted Financial Performance (revenue and expenditure)									
Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>Operating Revenue By Source</b>									
Property rates	–	–	–	–	–	–	–	–	–
Property rates - penalties & collection charges	–	–	–	–	–	–	–	–	–
Service charges - electricity revenue	–	–	–	–	–	–	–	–	–
Service charges - water revenue	–	–	–	–	–	–	–	–	–
Service charges - sanitation revenue	–	–	–	–	–	–	–	–	–
Service charges - refuse revenue	869,207	920,167	980,687	1,097,045	1,097,045	1,097,045	1,232,919	1,334,920	1,439,445
Service charges - other	(459)	(206)	(118)	95	95	95	101	106	112
Rental of facilities and equipment	1,623	6	1,078	–	–	–	–	–	–
Interest earned - external investments	2	0	0	–	–	–	–	–	–
Interest earned - outstanding debtors	18,020	12,338	12,399	12,000	12,000	12,000	12,000	12,000	12,000
Dividends received	–	–	–	–	–	–	–	–	–
Fines	17	37	79	–	–	–	–	–	–
Licences and permits	7	–	–	–	–	–	–	–	–
Agency services	–	–	–	–	–	–	–	–	–
Transfers recognised - operational	11,199	19,154	–	2,047	682	682	1,790	1,900	2,017
Other revenue	6,211	9,612	5,780	160	160	160	1,244	1,313	1,385
Gains on disposal of PPE	8,464	7,404	2,907	–	–	–	–	–	–
<b>Total Operating Revenue (excluding capital transfers and contributions)</b>	<b>914,291</b>	<b>968,515</b>	<b>1,002,811</b>	<b>1,111,347</b>	<b>1,109,983</b>	<b>1,109,983</b>	<b>1,248,054</b>	<b>1,350,239</b>	<b>1,454,958</b>
<b>Operating Expenditure By Type</b>									
Employee related costs	542,713	497,549	581,624	777,084	774,428	774,500	827,891	904,728	987,753
Remuneration of councillors	–	–	–	–	–	–	–	–	–
Debt impairment	46,624	51,219	49,399	47,179	47,179	47,179	86,482	56,603	60,265
Depreciation & asset impairment	115,871	118,519	117,395	138,495	120,928	120,928	148,639	159,044	170,177
Finance charges	31,536	31,685	28,871	27,904	28,197	28,197	39,614	36,561	42,564
Bulk purchases	–	–	–	–	–	–	–	–	–
Other materials	32,368	32,019	46,510	41,776	47,057	47,042	49,996	52,914	56,003
Contracted services	570,333	538,334	571,527	699,774	684,883	684,037	760,597	827,833	879,610
Transfers and grants	–	–	–	–	–	–	–	–	–
Other expenditure	246,211	200,700	189,284	239,663	255,908	256,696	281,962	308,104	341,726
Loss on disposal of PPE	87	37	58	–	–	–	–	–	–
<b>Total Operating Expenditure</b>	<b>1,585,743</b>	<b>1,470,061</b>	<b>1,584,669</b>	<b>1,971,875</b>	<b>1,958,579</b>	<b>1,958,579</b>	<b>2,195,181</b>	<b>2,345,787</b>	<b>2,538,098</b>
<b>Operating Surplus/(Deficit)</b>	<b>(671,452)</b>	<b>(501,547)</b>	<b>(581,857)</b>	<b>(860,527)</b>	<b>(848,597)</b>	<b>(848,597)</b>	<b>(947,126)</b>	<b>(995,548)</b>	<b>(1,083,140)</b>
Transfers recognised - capital	50,000	24,975	50,000	–	–	–	–	–	–
Contributions recognised - capital	–	–	–	–	–	–	–	–	–
Contributed assets	–	–	–	–	–	–	–	–	–
<b>Operating Surplus/(Deficit) for the year</b>	<b>(621,452)</b>	<b>(476,572)</b>	<b>(531,857)</b>	<b>(860,527)</b>	<b>(848,597)</b>	<b>(848,597)</b>	<b>(947,126)</b>	<b>(995,548)</b>	<b>(1,083,140)</b>
<b>Capital Expenditure</b>	<b>208,174</b>	<b>136,619</b>	<b>228,009</b>	<b>297,715</b>	<b>270,105</b>	<b>268,815</b>	<b>237,491</b>	<b>309,356</b>	<b>328,589</b>

### 2.13.12.3 Cape Town Electricity department

The Cape Town Electricity department's core business is to provide reliable electricity supply to customers in the City's electricity services supply area. 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 NRS 048 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.
- To keep abreast of national and provincial developments regarding renewable energy and facilitate the incorporation thereof into City processes.
- To investigate the practicality of entering into long term PPAs with IPPs to provide electricity at the same price the City purchases electricity 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.
- 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 Environmental Resource Management department, aims to:

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

The department completed pilot projects for smart prepayment meters and a Utility Load Management (ULM) to test and assess the appropriateness, uses and availability of technologies for smart meters and improve service delivery. The results will be used to inform a decision on whether to deploy these technologies for use in the business.

**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 of Cape Town official website.

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.

Asset management plans need to be consolidated for implementation of programmes in the interim. This plan will feed into and support the operating- and capital budgets. Expenses for refurbishment will be funded through internal working capital generation and borrowings. Capital projects are evaluated and graded on a risk matrix.

Access to electricity service is achieved through the demand driven capital programme funded through developer contributions for non-subsidised housing. Subsidised housing is funded through the electrification plan, which aligns with the Integrated Human Settlement 2012-2017 Plan of the City. With a change in the DoE policy, Eskom has embarked on the electrification of informal areas, which comply in terms of the City's electrification policy utilising INEP grant funding. The City has also allocated USDG funding sourced internally by Cape Town Electricity. Electrification is an on-going process, which follows on the Human Settlements Programme and will therefore continue over the medium to long-term.

The budget presented is based on a combination of zero as well as parameter based budgetary methods. The planned change is premised on the framework that will allow the finance function to add value to the business it serves. The financial plan is cognitive of the key cost drivers.

Unless otherwise stated, financial modelling will be based on the assumptions listed below:

- Contribution to Rates Account - basis of calculation = 10% of Electricity Sales (excluding FBE).
- System energy growth calculation based on recent and current energy consumptive patterns.
- CPIX as determined by Corporate Finance for the next three years.
- Effective Eskom increase is based on the NERSA approved multi-year pricing determination.
- Collection ratio of 98% for the next three years.

The capital budget is funded from a number of funding sources with the Capital Replacement Reserve (CRR), External Financing Fund (EFF) and Grants & Donations (CGD) being the largest. It is critically important that a benchmark for the investment in refurbishment is established in accordance with international best practice to ensure good quality of supply and excellent customer and delivery service.

External Financing Fund (EFF) envelopes are set by Corporate Finance 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.

The following legislated principles, which are in the long-term interests of the electricity consumer in South Africa, inform the City's annual tariff adjustment process:

- Electricity tariffs should reflect the underlying costs of supply for the majority of consumers. This will ensure that consumers make rational decisions on electricity consumption, and that the correct levels of resources are, over time, dedicated to electricity supply in South Africa. Tariff structure adjustments shall be introduced in a phased manner, in order to give consumers the opportunity to respond and adjust behavior accordingly.

*(Source: Departmental Business Plan 2016/2017)*

**Table 73 Cape Town Electricity - operating revenue by source, expenditure by type and total capital expenditure**

Directorate: Utility Services									
Department: Electricity									
Budgeted Financial Performance (revenue and expenditure)									
Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>R thousand</b>									
<b>Operating Revenue By Source</b>									
Property rates	–	–	–	–	–	–	–	–	–
Property rates - penalties & collection charges	–	–	–	–	–	–	–	–	–
Service charges - electricity revenue	8,852,879	9,323,098	9,976,933	11,127,583	11,127,583	11,127,583	11,807,877	13,541,274	15,626,630
Service charges - water revenue	–	–	–	–	–	–	–	–	–
Service charges - sanitation revenue	–	–	–	–	–	–	–	–	–
Service charges - refuse revenue	–	–	–	–	–	–	–	–	–
Service charges - other	5,036	21,160	24,713	10,207	32,207	32,207	33,036	34,852	36,768
Rental of facilities and equipment	385	424	453	423	423	423	448	472	498
Interest earned - external investments	2	1	0	–	–	–	–	–	–
Interest earned - outstanding debtors	15,437	14,004	19,868	16,500	19,000	19,000	17,474	17,474	17,474
Dividends received	–	–	–	–	–	–	–	–	–
Fines	–	6	–	–	–	–	–	–	–
Licences and permits	–	–	–	–	–	–	–	–	–
Agency services	–	–	–	–	–	–	–	–	–
Transfers recognised - operational	–	1,707	88,623	14,356	4,500	4,500	1,000	1,000	1,000
Other revenue	76,133	66,451	88,484	88,456	74,057	74,057	78,426	82,739	87,290
Gains on disposal of PPE	2,031	2,295	3,104	2,500	2,500	2,500	2,500	2,500	2,500
<b>Total Operating Revenue (excluding capital transfers and contributions)</b>	<b>8,951,904</b>	<b>9,429,146</b>	<b>10,202,179</b>	<b>11,260,024</b>	<b>11,260,269</b>	<b>11,260,269</b>	<b>11,940,761</b>	<b>13,680,311</b>	<b>15,772,160</b>
<b>Operating Expenditure By Type</b>									
Employee related costs	690,079	643,486	779,843	986,508	982,327	982,327	1,040,673	1,138,011	1,269,015
Remuneration of councillors	–	–	–	–	–	–	–	–	–
Debt impairment	190,954	138,747	95,576	160,763	160,763	160,763	167,367	200,516	226,403
Depreciation & asset impairment	322,817	224,408	236,487	262,112	256,182	256,182	287,936	308,092	349,658
Finance charges	–	–	–	–	–	–	–	–	–
Bulk purchases	6,097,891	6,283,114	6,708,777	7,597,800	7,589,260	7,589,260	8,095,800	9,223,280	10,646,220
Other materials	95,675	96,804	92,384	127,330	117,356	117,356	111,234	130,395	156,017
Contracted services	135,466	167,111	275,785	211,446	208,202	208,202	217,146	215,410	324,121
Transfers and grants	–	–	–	–	–	–	–	–	–
Other expenditure	205,730	233,813	204,946	235,451	245,324	245,324	252,346	266,217	343,999
Loss on disposal of PPE	339	96	199	–	–	–	–	–	–
<b>Total Operating Expenditure</b>	<b>7,738,950</b>	<b>7,787,577</b>	<b>8,393,997</b>	<b>9,581,409</b>	<b>9,559,414</b>	<b>9,559,414</b>	<b>10,172,503</b>	<b>11,481,920</b>	<b>13,315,433</b>
<b>Operating Surplus/(Deficit)</b>	<b>1,212,954</b>	<b>1,641,569</b>	<b>1,808,182</b>	<b>1,678,614</b>	<b>1,700,856</b>	<b>1,700,856</b>	<b>1,768,258</b>	<b>2,198,392</b>	<b>2,456,727</b>
Transfers recognised - capital	170,873	201,299	147,016	153,905	155,416	155,416	123,900	128,100	129,000
Contributions recognised - capital	22,431	32,253	31,762	35,000	46,600	46,600	48,800	51,900	54,700
Contributed assets	–	31,144	–	–	–	–	–	–	–
<b>Operating Surplus/(Deficit) for the year</b>	<b>1,406,257</b>	<b>1,906,264</b>	<b>1,986,960</b>	<b>1,867,519</b>	<b>1,902,871</b>	<b>1,902,871</b>	<b>1,940,958</b>	<b>2,378,392</b>	<b>2,640,427</b>
<b>Capital Expenditure</b>	<b>1,235,012</b>	<b>1,192,833</b>	<b>952,415</b>	<b>1,417,218</b>	<b>1,193,755</b>	<b>1,062,029</b>	<b>1,607,202</b>	<b>1,127,838</b>	<b>1,222,499</b>



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## **2.14 Annual budget and service delivery agreement – Cape Town International Convention Centre (CTICC)**

### **2.14.1 Executive Summary**

Despite global and national economic challenges, the CTICC's financial history indicates that the Company has managed to generate an operating profit year on year. As a municipal entity the CTICC is mandated to ensure its financial sustainability, while also contributing to GDP and job creation.

The financial plan for 2016/17 reflects that, with the projected hosting of 500 events, the Company will be generating total revenue of R218million for the year. The 2016/17 financial year budget has taken into account four months of trade of the CTICC East Expansion; however costs have been accounted for from practical completion date being October 2016. The result of this is that the existing operation has to absorb the start-up costs for the new building. The 2016/17 operational plans which are factored into the budgets have taken into account growth in primary and secondary revenue streams, as well as the continuous drive to save on costs. The business needs in respect of capital expenditure for the existing building, which is also funded from CTICC reserves, have been budgeted at R34.8million for the year. The capital expenditure is for new and existing assets, which will contribute to the CTICC remaining a world class facility.

The 2016/17 budget process was prepared following a similar approach used in previous years. The budget takes into account the current market conditions, such as inflation, historical trend analysis, as well as the proposed city budget guidelines. The combined budgeted 2016/17 operating profit before interest depreciation and tax (EBITDA) for the Company is projected at R2.3million for the year. The existing facility will generate a R26.7million operating profit before interest depreciation and tax (EBITDA); however, this will be absorbed by the start-up costs of the R24.4million for the new building.

The 2016/17 budget includes a 41% (R43 million) “blue sky” revenue, as the budget is prepared for the City well in advance of the start date of the 2016/17 financial year, where there are few bookings in the system on which the budget can be based.

Due to the nature of our business and the increase in short term bookings we have always included a portion of “unknown” revenue for the unknown or short term business. As venue rental income is the primary source of revenue the other revenue streams' budgets are prepared with these same assumptions.

Gross Margins is budgeted to be maintained at an average of 77%. Indirect costs for the existing facility has been budgeted to increase at 6.5%, for most of the categories of indirect costs except for maintenance, electricity, water, refuse, personnel costs and building costs, which have been budgeted to increase in line with City's budget guidelines. The budget 2016/17 reflects a R14.3million profit before tax for the existing facility and a net loss before tax of R32.4million for the new building. The combined net loss after tax for the 2016/17 financial year is budgeted at R18million.

## 2.14.2 Service Delivery Agreement between the City and the CTICC

The table below shows the service delivery agreement details.

**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	n/a
Monetary value	No current operating funding from the City.
Ownership and control	<u>Shareholding as at 31/01/2016</u> City of Cape Town - 68.21% Provincial Government of Western Cape - 23.82% SunWest International Pty Ltd - 7.97% This shareholding % may change as the City and Provincial Government take up additional shareholding in tranches during the year. The City has voting rights of 76%
Oversight processes	The Financial Directorate (Treasury Department) in the City monitors performance and compliance.
Mandate	Provide a world class international conference centre.
Funding over medium term	Expansion of the Convention Centre will result in additional funding being required. Council approved a contribution not exceeding R550 million. Provincial Government: Western Cape committed R170 million. The CTICC is to obtain loan funding of R100 million.
Summary of SDA	Sets out the obligations of Convenco and the City in respect of compliance and performance issues.
Link to IDP	SFA 1: Opportunity City SFA 5: Well-run City
Past performance and future objectives	Has exceeded its targets in the past. Convenco is confident that it will maintain its present levels of bookings despite the world economic downturn.

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.

Schedule D reflecting the annual budget and supporting documents for the CTICC is attached as Annexure 21 while the business plan is attached as Annexure 22.

The aggregated annual budget, as required in terms of section 9 of the MBRR, are presented in the five primary budget tables on page 161 to page 165. These tables reflect the CTICC's 2016/17 budget and MTREF to be approved by Council.

**Table 75 CTICC - Table D1 Budget Summary**

Description	2012/13	2013/14	2014/15	Current Year 2015/16			Medium Term Revenue and Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>R thousands</b>									
<b><u>Financial Performance</u></b>									
Property rates	–	–	–	–	–	–	–	–	–
Service charges	–	–	–	–	–	–	–	–	–
Investment revenue	7,664	11,239	30,742	22,568	27,112	27,112	15,084	10,321	10,529
Transfers recognised - operational	–	–	–	–	–	–	–	–	–
Other own revenue	158,899	174,902	195,924	192,990	194,990	194,990	217,851	298,225	346,999
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>166,563</b>	<b>186,141</b>	<b>226,666</b>	<b>215,558</b>	<b>222,101</b>	<b>222,101</b>	<b>232,935</b>	<b>308,546</b>	<b>357,528</b>
Employee costs	36,743	41,719	44,017	53,428	55,488	55,488	73,269	92,506	98,519
Remuneration of Board Members	208	445	356	873	873	873	1,054	1,387	1,477
Depreciation and debt impairment	20,443	20,875	22,968	29,790	29,790	29,790	29,356	53,566	57,446
Finance charges	–	–	–	–	–	–	6,131	5,736	5,297
Materials and bulk purchases	–	–	–	–	–	–	–	–	–
Transfers and grants	–	–	–	–	–	–	–	–	–
Other expenditure	82,452	97,293	98,606	113,113	111,875	111,875	141,165	177,054	194,611
<b>Total Expenditure</b>	<b>139,847</b>	<b>160,331</b>	<b>165,947</b>	<b>197,204</b>	<b>198,026</b>	<b>198,026</b>	<b>250,974</b>	<b>330,248</b>	<b>357,350</b>
<b>Surplus/(Deficit)</b>	<b>26,716</b>	<b>25,809</b>	<b>60,719</b>	<b>18,354</b>	<b>24,076</b>	<b>24,076</b>	<b>(18,039)</b>	<b>(21,702)</b>	<b>178</b>
Transfers recognised - capital	–	–	–	–	–	–	–	–	–
Contributions recognised - capital & contributed assets	–	–	–	–	–	–	–	–	–
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>26,716</b>	<b>25,809</b>	<b>60,719</b>	<b>18,354</b>	<b>24,076</b>	<b>24,076</b>	<b>(18,039)</b>	<b>(21,702)</b>	<b>178</b>
Taxation	8,877	8,252	18,576	5,139	6,741	6,741	–	–	50
<b>Surplus/ (Deficit) for the year</b>	<b>17,839</b>	<b>17,558</b>	<b>42,143</b>	<b>13,215</b>	<b>17,335</b>	<b>17,335</b>	<b>(18,039)</b>	<b>(21,702)</b>	<b>128</b>
<b><u>Capital expenditure &amp; funds sources</u></b>									
<b><u>Capital expenditure</u></b>	<b>29,327</b>	<b>41,259</b>	<b>82,409</b>	<b>495,319</b>	<b>500,544</b>	<b>500,544</b>	<b>272,980</b>	<b>40,476</b>	<b>42,652</b>
Transfers recognised - capital	–	–	–	–	–	–	–	–	–
Public contributions & donations	–	–	–	–	–	–	–	–	–
Borrowing	–	–	–	–	–	–	60,000	–	–
Internally generated funds	29,327	41,259	82,409	495,319	500,544	500,544	212,980	40,476	42,652
<b>Total sources of capital funds</b>	<b>29,327</b>	<b>41,259</b>	<b>82,409</b>	<b>495,319</b>	<b>500,544</b>	<b>500,544</b>	<b>272,980</b>	<b>40,476</b>	<b>42,652</b>
<b><u>Financial position</u></b>									
Total current assets	167,571	365,734	579,936	275,146	155,341	155,341	238,172	252,580	277,478
Total non current assets	185,429	205,314	264,115	836,315	734,874	734,874	978,498	965,408	950,609
Total current liabilities	57,675	61,530	91,881	54,020	82,499	82,499	90,574	117,574	131,919
Total non current liabilities	4,640	2,201	(5)	2,201	–	–	56,415	52,436	48,063
Community wealth/Equity	290,686	507,317	752,174	1,055,241	807,717	807,717	1,069,680	1,047,977	1,048,106
<b><u>Cash flows</u></b>									
Net cash from (used) operating	51,652	42,337	78,796	45,124	57,143	57,143	18,665	56,339	70,489
Net cash from (used) investing	(29,737)	(41,259)	(81,879)	(495,319)	(500,544)	(500,544)	(272,980)	(40,476)	(42,652)
Net cash from (used) financing	–	199,074	202,715	38,209	38,209	38,209	336,417	(3,980)	(4,418)
<b>Cash/cash equivalents at the year end</b>	<b>154,848</b>	<b>354,999</b>	<b>554,632</b>	<b>142,645</b>	<b>149,439</b>	<b>149,439</b>	<b>231,541</b>	<b>243,424</b>	<b>266,843</b>

**Table 76 CTICC - Table D2 Budgeted Financial Performance (revenue and expenditure)**

Description	2012/13	2013/14	2014/15	Current Year 2015/16			Medium Term Revenue and Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>R thousands</b>									
<b>Revenue by Source</b>									
Property rates	–	–	–	–	–	–	–	–	–
Property rates - penalties & collection charges	–	–	–	–	–	–	–	–	–
Service charges - electricity revenue	–	–	–	–	–	–	–	–	–
Service charges - water revenue	–	–	–	–	–	–	–	–	–
Service charges - sanitation revenue	–	–	–	–	–	–	–	–	–
Service charges - refuse revenue	–	–	–	–	–	–	–	–	–
Service charges - other	–	–	–	–	–	–	–	–	–
Rental of facilities and equipment	74,158	83,459	94,607	91,367	92,367	92,367	104,435	145,716	170,338
Interest earned - external investments	7,664	11,239	30,742	22,568	27,112	27,112	15,084	10,321	10,529
Interest earned - outstanding debtors	–	–	–	–	–	–	–	–	–
Dividends received	–	–	–	–	–	–	–	–	–
Fines	–	–	–	–	–	–	–	–	–
Licences and permits	–	–	–	–	–	–	–	–	–
Agency services	–	–	–	–	–	–	–	–	–
Transfers recognised - operational	–	–	–	–	–	–	–	–	–
Other revenue	84,741	91,443	101,318	101,622	102,622	102,622	113,416	152,509	176,661
Gains on disposal of PPE	–	–	–	–	–	–	–	–	–
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>166,563</b>	<b>186,141</b>	<b>226,666</b>	<b>215,558</b>	<b>222,101</b>	<b>222,101</b>	<b>232,935</b>	<b>308,546</b>	<b>357,528</b>
<b>Expenditure By Type</b>									
Employee related costs	36,743	41,719	44,017	53,428	55,488	55,488	73,269	92,506	98,519
Remuneration of Directors	208	445	356	873	873	873	1,054	1,387	1,477
Debt impairment	–	–	–	–	–	–	–	–	–
Collection costs	–	–	–	–	–	–	–	–	–
Depreciation & asset impairment	20,443	20,875	22,968	29,790	29,790	29,790	29,356	53,566	57,446
Finance charges	–	–	–	–	–	–	6,131	5,736	5,297
Bulk purchases	–	–	–	–	–	–	–	–	–
Other materials	–	–	–	–	–	–	–	–	–
Contracted services	–	–	–	–	–	–	–	–	–
Transfers and grants	–	–	–	–	–	–	–	–	–
Other expenditure	82,452	97,293	98,606	113,113	111,875	111,875	141,165	177,054	194,611
Loss on disposal of PPE	–	–	–	–	–	–	–	–	–
<b>Total Expenditure</b>	<b>139,847</b>	<b>160,331</b>	<b>165,947</b>	<b>197,204</b>	<b>198,026</b>	<b>198,026</b>	<b>250,974</b>	<b>330,248</b>	<b>357,350</b>
<b>Surplus/(Deficit)</b>	<b>26,716</b>	<b>25,809</b>	<b>60,719</b>	<b>18,354</b>	<b>24,076</b>	<b>24,076</b>	<b>(18,039)</b>	<b>(21,702)</b>	<b>178</b>
Transfers recognised - capital	–	–	–	–	–	–	–	–	–
Contributions recognised - capital	–	–	–	–	–	–	–	–	–
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>26,716</b>	<b>25,809</b>	<b>60,719</b>	<b>18,354</b>	<b>24,076</b>	<b>24,076</b>	<b>(18,039)</b>	<b>(21,702)</b>	<b>178</b>
Taxation	8,877	8,252	18,576	5,139	6,741	6,741	–	–	50
<b>Surplus/ (Deficit) for the year</b>	<b>17,839</b>	<b>17,558</b>	<b>42,143</b>	<b>13,215</b>	<b>17,335</b>	<b>17,335</b>	<b>(18,039)</b>	<b>(21,702)</b>	<b>128</b>

**Table 77 CTICC - Table D3 Capital Budget by vote and funding**

Vote Description	2012/13	2013/14	2014/15	Current Year 2015/16			Medium Term Revenue and Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>R thousands</b>									
Other Buildings	8,311	6,883	15,844	11,995	16,495	16,495	16,500	13,950	14,857
Computers - hardware/equipment	6,363	10,430	8,486	10,849	10,849	10,849	14,535	13,918	14,823
Other	1,411	868	945	1,050	1,050	1,050	1,041	1,348	1,436
Furniture and other office equipment	1,398	2,114	2,278	3,450	4,175	4,175	2,733	4,260	4,537
Other Buildings	11,844	20,964	54,856	467,975	467,975	467,975	238,171	7,000	7,000
<b>Capital single-year expenditure sub-total</b>	<b>29,327</b>	<b>41,259</b>	<b>82,409</b>	<b>495,319</b>	<b>500,544</b>	<b>500,544</b>	<b>272,980</b>	<b>40,476</b>	<b>42,652</b>
<b>Total Capital Expenditure</b>	<b>29,327</b>	<b>41,259</b>	<b>82,409</b>	<b>495,319</b>	<b>500,544</b>	<b>500,544</b>	<b>272,980</b>	<b>40,476</b>	<b>42,652</b>
<b>Funded by:</b>									
National Government	-	-	-	-	-	-	-	-	-
Provincial Government	-	-	-	-	-	-	-	-	-
Parent Municipality	-	-	-	-	-	-	-	-	-
District Municipality	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	-	-	-	-	-	-	-	-	-
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	60,000	-	-
Internally generated funds	29,327	41,259	82,409	495,319	500,544	500,544	212,980	40,476	42,652
<b>Total Capital Funding</b>	<b>29,327</b>	<b>41,259</b>	<b>82,409</b>	<b>495,319</b>	<b>500,544</b>	<b>500,544</b>	<b>272,980</b>	<b>40,476</b>	<b>42,652</b>

**Table 78 CTICC - Table D4 Budgeted Financial Position**

Description	2012/13	2013/14	2014/15	Current Year 2015/16			Medium Term Revenue and Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>R thousands</b>									
<b>ASSETS</b>									
<b>Current assets</b>									
Cash	3,286	6,867	9,770	–	–	–	–	–	–
Call investment deposits	151,562	348,132	544,862	258,204	149,439	149,439	231,541	243,424	266,843
Consumer debtors	–	–	–	–	–	–	–	–	–
Other debtors	11,603	9,666	23,539	14,748	3,900	3,900	4,357	5,965	6,940
Current portion of long-term receivables	–	–	–	–	–	–	–	–	–
Inventory	1,120	1,068	1,766	2,195	2,002	2,002	2,273	3,191	3,695
<b>Total current assets</b>	<b>167,571</b>	<b>365,734</b>	<b>579,936</b>	<b>275,146</b>	<b>155,341</b>	<b>155,341</b>	<b>238,172</b>	<b>252,580</b>	<b>277,478</b>
<b>Non current assets</b>									
Long-term receivables	–	–	–	–	5	5	5	5	–
Investments	–	–	–	–	0	0	0	0	0
Investment property	–	–	–	–	–	–	–	–	–
Property, plant and equipment	185,429	205,314	264,115	836,315	734,870	734,870	978,493	965,403	950,609
Agricultural assets	–	–	–	–	–	–	–	–	–
Biological assets	–	–	–	–	–	–	–	–	–
Intangible assets	–	–	–	–	–	–	–	–	–
<b>Total non current assets</b>	<b>185,429</b>	<b>205,314</b>	<b>264,115</b>	<b>836,315</b>	<b>734,874</b>	<b>734,874</b>	<b>978,498</b>	<b>965,408</b>	<b>950,609</b>
<b>TOTAL ASSETS</b>	<b>353,000</b>	<b>571,048</b>	<b>844,051</b>	<b>1,111,462</b>	<b>890,216</b>	<b>890,216</b>	<b>1,216,669</b>	<b>1,217,988</b>	<b>1,228,087</b>
<b>LIABILITIES</b>									
<b>Current liabilities</b>									
Bank overdraft	–	–	–	–	–	–	–	–	–
Borrowing	–	–	–	–	–	–	–	–	–
Consumer deposits	25,071	28,308	36,429	11,579	35,098	35,098	39,213	53,681	62,460
Trade and other payables	29,915	29,972	52,088	38,622	43,753	43,753	47,407	59,608	64,814
Provisions	2,689	3,250	3,365	3,818	3,647	3,647	3,954	4,286	4,646
<b>Total current liabilities</b>	<b>57,675</b>	<b>61,530</b>	<b>91,881</b>	<b>54,020</b>	<b>82,499</b>	<b>82,499</b>	<b>90,574</b>	<b>117,574</b>	<b>131,919</b>
<b>Non current liabilities</b>									
Borrowing	–	–	–	–	–	–	56,415	52,436	48,018
Provisions	4,640	2,201	(5)	2,201	–	–	–	–	45
<b>Total non current liabilities</b>	<b>4,640</b>	<b>2,201</b>	<b>(5)</b>	<b>2,201</b>	<b>–</b>	<b>–</b>	<b>56,415</b>	<b>52,436</b>	<b>48,063</b>
<b>TOTAL LIABILITIES</b>	<b>62,315</b>	<b>63,731</b>	<b>91,877</b>	<b>56,221</b>	<b>82,499</b>	<b>82,499</b>	<b>146,989</b>	<b>170,010</b>	<b>179,982</b>
<b>NET ASSETS</b>	<b>290,686</b>	<b>507,317</b>	<b>752,174</b>	<b>1,055,241</b>	<b>807,717</b>	<b>807,717</b>	<b>1,069,680</b>	<b>1,047,977</b>	<b>1,048,106</b>
<b>COMMUNITY WEALTH/EQUITY</b>									
Accumulated Surplus/(Deficit)	(274,954)	(257,396)	(215,253)	(230,396)	(197,919)	(197,919)	(215,958)	(237,660)	(237,532)
Reserves	–	–	–	–	–	–	–	–	–
Share capital	565,640	764,713	967,428	1,285,638	1,005,636	1,005,636	1,285,638	1,285,638	1,285,638
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>290,686</b>	<b>507,317</b>	<b>752,174</b>	<b>1,055,241</b>	<b>807,717</b>	<b>807,717</b>	<b>1,069,680</b>	<b>1,047,977</b>	<b>1,048,106</b>

**Table 79 CTICC – Table D5 Budgeted Cash Flow**

Description	2012/13	2013/14	2014/15	Current Year 2015/16			Medium Term Revenue and Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>R thousands</b>									
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>									
<b>Receipts</b>									
Ratepayers and other	162,319	181,376	191,274	192,053	217,303	217,303	217,414	296,669	346,103
Government - operating	-	-	-	-	-	-	-	-	-
Government - capital	-	-	-	-	-	-	-	-	-
Interest	7,704	11,280	30,837	22,568	27,112	27,112	15,084	10,321	10,529
Dividends	-	-	-	-	-	-	-	-	-
<b>Payments</b>									
Suppliers and employees	(118,331)	(150,278)	(143,220)	(169,497)	(187,272)	(187,272)	(207,703)	(244,915)	(280,846)
Finance charges	(40)	(41)	(95)	-	-	-	(6,131)	(5,736)	(5,297)
Dividends paid	-	-	-	-	-	-	-	-	-
Transfers and Grants	-	-	-	-	-	-	-	-	-
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>51,652</b>	<b>42,337</b>	<b>78,796</b>	<b>45,124</b>	<b>57,143</b>	<b>57,143</b>	<b>18,665</b>	<b>56,339</b>	<b>70,489</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>									
<b>Receipts</b>									
Proceeds on disposal of PPE	-	-	-	-	-	-	-	-	-
Decrease (Increase) in non-current debtors	-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-
<b>Payments</b>									
Capital assets	(29,737)	(41,259)	(81,879)	(495,319)	(500,544)	(500,544)	(272,980)	(40,476)	(42,652)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(29,737)</b>	<b>(41,259)</b>	<b>(81,879)</b>	<b>(495,319)</b>	<b>(500,544)</b>	<b>(500,544)</b>	<b>(272,980)</b>	<b>(40,476)</b>	<b>(42,652)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>									
<b>Receipts</b>									
Short term loans	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	199,074	202,715	38,209	38,209	38,209	340,001	-	-
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-	-	-
<b>Payments</b>									
Repayment of borrowing	-	-	-	-	-	-	(3,585)	(3,980)	(4,418)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>-</b>	<b>199,074</b>	<b>202,715</b>	<b>38,209</b>	<b>38,209</b>	<b>38,209</b>	<b>336,417</b>	<b>(3,980)</b>	<b>(4,418)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>21,915</b>	<b>200,151</b>	<b>199,632</b>	<b>(411,987)</b>	<b>(405,192)</b>	<b>(405,192)</b>	<b>82,102</b>	<b>11,883</b>	<b>23,418</b>
Cash/cash equivalents at the year begin:	132,933	154,848	354,999	554,632	554,632	554,632	149,439	231,541	243,424
Cash/cash equivalents at the year end:	154,848	354,999	554,632	142,645	149,439	149,439	231,541	243,424	266,843



## 2.15 Contracts having future budgetary implications

**Table 80 MBRR Table SA33 - Contracts having future budgetary implications**

	Preceding Years	Current Year 2015/16	2016/17 Medium Term Revenue & Expenditure Framework			Forecast 2019/20	Forecast 2020/21	Forecast 2021/22	Forecast 2022/23	Forecast 2023/24	Forecast 2024/25	Forecast 2025/26	Total Contract Value
R thousand	Total	Original Budget	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
<b><u>Expenditure Obligation By Contract</u></b>													
<i>Transnet (waste from Athlone Transfer Station to Vissershok landfill site from 2013/14 to 2024/25)</i>	–	20,092	21,498	23,003	24,613	26,336	28,179	30,152	32,263	34,521	36,938	–	277,594
<i>Tender No. 311S/2014/15 - Management and Operation of the Transport Information Centre</i>	–	16,298	16,950	17,628	18,333	19,066	–	–	–	–	–	–	88,274
<i>AFS (Automated Fuel Systems)</i>	807,058	294,087	310,262	327,326	345,329	364,322	–	–	–	–	–	–	2,448,383
<i>Cape Town Tourism</i>	76,875	42,000	44,625	–	–	–	–	–	–	–	–	–	163,500
<i>Provision of professional services in respect of the development , maintenanceand remediation of the Vissershok Landfill Site from 2016/17 to 2027/28</i>	–	–	1,500	1,500	2,000	2,500	1,500	2,500	1,500	2,500	1,500	5,000	22,000
<b>Total Operating Expenditure Implication</b>	<b>883,933</b>	<b>372,476</b>	<b>394,834</b>	<b>369,456</b>	<b>390,275</b>	<b>412,224</b>	<b>29,679</b>	<b>32,652</b>	<b>33,763</b>	<b>37,021</b>	<b>38,438</b>	<b>5,000</b>	<b>2,999,751</b>
<b><u>Capital Expenditure Obligation By Contract</u></b>													
<i>Tender No. 41C/2014/15 - Provision of Professional Services in respect of the Design and Construction of Phase 2A Infrastructure : Bus Depots</i>	–	4,500	5,500	12,000	19,000	22,440	–	–	–	–	–	–	63,440
<i>Tender No. 59C/2014/15 : IRT - Provision of Professional Services in respect of the Design and Construction of Phase 2A Infrastructure : Trunk &amp; Feeder</i>	–	12,000	18,500	34,000	56,000	55,667	–	–	–	–	–	–	176,167
<i>Tender No. 24G/2009/10 - Design, Supply, Delivery, Installation, Testing and Commissioning of the IRT Fare System, The Supply and Distribution of Fare Cards and Provision of Maintenance and other related services (AFC)</i>	481,019	160,000	30,000	20,000	20,000	20,000	18,289	–	–	–	–	–	749,308
<i>Tender No. 119C/2014/15 - Provision of Professional Project Management Services : Integrated Rapid Transit</i>	–	4,092	8,176	8,668	9,187	9,739	10,323	5,475	–	–	–	–	55,659
<i>Provision of Professional Services iro the Steenbras Pumped Storage Main Plant Refurbishment - Aurecon</i>	–	–	10,000	8,500	5,500	5,000	1,000	–	–	–	–	–	30,000
<i>Steenbras Pumped Storage Main Plant Refurbishment - Construction Contract</i>	–	–	10,000	55,000	65,000	70,000	–	–	–	–	–	–	200,000
<i>Phillipi Collector Sewer</i>	–	–	1,620	59,570	71,810	40,000	–	–	–	–	–	–	173,000
<i>Provision of Multidisciplinary Professional Services: New Office Building for Water &amp; Sanitation</i>	5,418	17,229	124,871	83,132	44,768	–	–	–	–	–	–	–	275,418
<i>Provision of Professional Services iro the Steenbras Pumped Storage Main Plant Refurbishment</i>	5	400	110	15,000	97,600	62,600	20,000	–	–	–	–	–	195,715
<i>141C 2011/12 Increase of scope of work to include Cape Flats wastewater treatment plant: contract no 141c 2011/12 for the provision of professional services, sludge dewatering and sludge handling facilities at various wastewater treatment plants (WWTPS) and a mobile sludge dewatering unit.</i>	5,046	8,290	5,034	851	–	–	–	–	–	–	–	–	19,221
<b>Total Capital Expenditure Implication</b>	<b>491,488</b>	<b>206,512</b>	<b>213,811</b>	<b>296,720</b>	<b>388,865</b>	<b>285,446</b>	<b>49,612</b>	<b>5,475</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>1,937,928</b>
<b>Total Parent Expenditure Implication</b>	<b>1,375,421</b>	<b>578,988</b>	<b>608,645</b>	<b>666,176</b>	<b>779,140</b>	<b>697,670</b>	<b>79,291</b>	<b>38,127</b>	<b>33,763</b>	<b>37,021</b>	<b>38,438</b>	<b>5,000</b>	<b>4,937,679</b>

**Table 81 Projects having future budgetary implications**

Description	Item	Preceding Years	Current Year 2015/16	2016/17 Medium Term Revenue & Expenditure Framework			Forecast 2019/20	Forecast 2020/21	Total Contract Value
		Total	Adjusted Budget	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19	Estimate	Estimate	Estimate
R thousand									
Capital Expenditure Obligation By Project									
Cape Town Electricity: Atlantis Industrial New Main Substation	C16.84070	5,376	69,256	40,925	–	–	–	–	115,556
Cape Town Electricity: Bellville South Main Substation Upgrade	CPX.0004793	–	–	–	38,096	36,849	–	–	74,945
Cape Town Electricity: Bofors Main Substation Upgrade	C15.84079	41,334	51,990	4,700	–	–	–	–	98,025
Cape Town Electricity: Electricity Facilities: Bloemhof Network Control Centre	CPX.0001558	6,414	37,285	85,453	–	–	–	–	92,917
Cape Town Electricity: Electricity Facilities: Bloemhof: Stores Upgrade	C14.84076	6,305	11,049	62,931	6,396	–	–	–	82,605
Cape Town Electricity: Electricity Facilities: City Depot CBD - New	C13.84076	19,642	34,685	118,227	12,450	–	–	–	171,905
Cape Town Electricity: Electricity Facilities: Ndabeni: Facilities Rearrangement	CPX.0007552	–	–	–	–	60,000	70,000	70,000	200,000
Cape Town Electricity: Electricity Facilities: Retreat Depot - Replace. for Muizenberg	C08.84049	10,432	–	46,303	–	–	–	–	56,735
Cape Town Electricity: Electricity Generation: Steenbras: Refurbishment of Main Plant	C14.84071	–	2,000	10,000	40,000	45,000	45,000	48,000	190,000
Cape Town Electricity: Grassy Park HV Network Rearrangement	CPX.0003622	–	–	–	75,000	25,000	–	–	100,000
Cape Town Electricity: Grassy Park Main Substation Upgrade	CPX.0003579	–	–	–	50,000	–	–	–	50,000
Cape Town Electricity: Oakdale Main Substation Upgrade Ph 2	C15.84081	9,925	32,103	51,544	–	–	–	–	93,572
Cape Town Electricity: Oakdale Switching Station Upgrade Ph 3	CPX.0003624	–	–	–	30,000	120,000	–	–	150,000
Cape Town Electricity: Oakland City New Main Substation	CPX.0004794	–	–	–	–	65,000	55,000	35,000	155,000
Cape Town Electricity: Observatory Main Substation Upgrade	C16.84073	–	–	64,145	–	–	–	–	66,894
Cape Town Electricity: Outage Management System	C12.84078	28,273	12,450	4,500	25,600	4,500	2,000	1,500	78,822
Cape Town Electricity: Platteklouf - N1 Reinforcement	C10.84032	34,192	40,291	10,111	–	–	–	–	84,593
Contract Operations: IRT: Control Centre	CPX/0000271	177,405	100,000	70,000	6,000	10,000	10,000	10,000	401,654
Contract Operations: IRT: Fare Collection	CPX/0000302	494,574	160,000	50,000	25,000	25,000	25,000	25,000	868,421
Disaster Management Centre: Project EPIC: Integrated Contact Centre	CPX/0000337	41,842	44,500	31,819	3,000	3,000	3,000	–	127,161
Informal Markets: Urbanisation: IDA/UISP Sweethomes-Philippi	CPX.0005819	–	–	25,000	35,000	35,000	–	–	95,000
Informal Markets: Urbanisation: UISP: 8ste Laan -Valhalla Park	CPX.0005827	–	–	24,600	18,500	8,000	–	–	51,100
Informal Markets: Urbanisation: UISP: Kalkfontein Informal Settlement	CPX.0005826	–	–	20,763	25,000	27,000	–	–	72,763
Information Systems & Technology: Dark Fibre Broadband Infrastructure	CPX/0000931	415,554	185,070	222,850	222,850	222,850	222,850	222,850	1,728,656
Information Systems & Technology: Digital Inclusion Project	CPX/0003126	58,655	37,794	7,000	–	–	–	–	103,450
Infrastructure: Bellville: Public Transport Hub	C13.00028	1,352	2,000	5,000	5,000	20,000	40,000	40,000	153,352
Infrastructure: Congestion Relief - Erica Drive	CPX.0007892	–	–	650	14,350	30,000	25,000	–	70,000
Infrastructure: Flood Alleviation - Lourens River	C05.01503	18,646	8,004	10,000	10,000	10,000	10,000	–	66,649
Infrastructure: Gugulethu Concrete Roads	CPX.0005708	–	40,000	24,000	–	–	–	–	73,899
Infrastructure: Inner City: Public Transport Hub	C13.00016	3,036	6,000	12,000	30,000	33,000	45,000	30,000	219,036

Table continues on next page.

**City of Cape Town – 2016/17 Budget**

Description	Item	Preceding Years	Current Year 2015/16	2016/17 Medium Term Revenue & Expenditure Framework			Forecast 2019/20	Forecast 2020/21	Total Contract Value
		Total	Original Budget	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19	Estimate	Estimate	Estimate
R thousand									
Infrastructure: Integrated Bus Rapid Transit System	CPX/0000287	286,682	50,000	30,000	15,000	–	–	–	406,896
Infrastructure: IRT: Ph 1B Koeberg-Century City	CPX/0000256	312,994	63,745	50,000	–	–	–	–	453,523
Infrastructure: Kommetjie Road Dualling & Ou Kaapseweg D	CPX.0007894	–	–	49,350	60,000	30,600	–	–	139,950
Infrastructure: Kommetjie Road Dualling (Phase 3)	CPX.0007895	–	–	–	5,000	35,000	45,000	–	85,000
Infrastructure: Lentegeur & Mandalay Station PTI's: Dsg	C06.41752	34,503	9,500	5,000	–	–	–	–	51,081
Infrastructure: Lotus River Canal Upgrade, Gugulethu	CPX.0005702	–	25,400	11,380	–	–	–	–	53,373
Infrastructure: Main Roads: Northern Corridor	C13.10313	39,987	15,800	17,000	8,000	–	–	–	87,923
Infrastructure: Mitchell's Plain Station Transport Interchange	CPX/0000207	71,692	26,000	3,000	–	–	–	–	110,342
Infrastructure: Nolungile (Site C) PTI	C13.00054	803	200	1,000	4,000	10,000	20,000	12,000	69,669
Infrastructure: Platteklouf Road Dualling	CPX.0007896	–	–	7,600	30,000	22,570	–	–	60,171
Infrastructure: R300 / Bottelary Road Interchange	CPX.0007856	–	–	1,500	–	–	–	–	50,000
Infrastructure: Retreat Public Transport Interchange	C11.10537	1,320	2,000	6,000	12,000	12,000	7,000	–	55,144
Infrastructure: Roads Rehab: Bishop Lavis	CPX.0007969	–	–	24,000	50,000	34,000	–	–	108,000
Infrastructure: Sir Lowry's Pass River Upgrade	CPX/0000142	–	5,100	27,100	59,000	91,000	53,500	48,900	286,500
Infrastructure:IRT: Ph 2A Wetton-Lansdowne Corridor	CPX/0000257	2,222	129,732	150,209	332,307	325,417	540,862	599,262	4,789,000
Network Management: Public Transport Systems management project	CPX/0000231	122,549	113,599	82,000	75,000	75,000	40,000	40,000	609,147
Network Management: Transport Management Centre Extension	CPX/0003782	5,634	96,000	65,000	–	–	–	–	197,713
New Market Development: Bardale / Fairdale:Develop4000Units	C06.41540	143,254	2,432	1,500	–	–	–	–	147,186
New Market Development: Beacon Valley Housing Project - Mitchell	CPX.0005672	–	–	5,000	40,000	33,631	–	–	78,631
New Market Development: Delft - The Hague Housing Project	C08.15508	49,134	6,000	5,000	1,000	–	–	–	61,134
New Market Development: Fisantekraal Garden Cities Phase 2	CPX.0003134	–	16,360	14,229	–	–	–	–	91,240
New Market Development: Imizamo Yethu Housing Project (Phase 3)	CPX.0003139	–	350	8,675	10,270	50,745	–	–	70,040
New Market Development: Macassar BNG Housing Project	CPX.0005674	–	–	13,964	51,040	51,040	–	–	116,043
New Market Development: Morkel's Cottage Strand Housing Project	C08.15507	–	6,000	20,367	–	–	–	–	53,645
Property & Rental Transfers: Asset Management Plan	CPX.0007734	–	–	50,000	–	–	–	–	50,000
Property & Rental Transfers: Langa Hostels CRU Project : New Flats	CPX.0006932	–	–	1,000	8,307	43,377	–	–	52,683
Property & Rental Transfers: Langa Hostels CRU Project : Siyahlala	CPX.0006935	–	1,000	11,100	61,557	61,557	–	–	135,214
Property & Rental Transfers: Langa Hostels CRU Project : Special Quarters	CPX.0006900	–	1,000	58,596	62,943	10,000	–	–	132,539
Property Management: Basement Parking & Access	CPX.0004113	69,242	11,832	24,926	–	–	–	–	106,000
Solid Waste Management: Dev of the Regional Landfill Site	CPX.0003137	–	–	–	1,000	90,000	–	–	91,000
Solid Waste Management: Purchase of Land Regional Landfill	CPX.0003136	–	–	–	100,000	–	–	–	100,000

Table continues on next page.

**City of Cape Town – 2016/17 Budget**

Description	Item	Preceding Years	Current Year 2015/16	2016/17 Medium Term Revenue & Expenditure Framework			Forecast 2019/20	Forecast 2020/21	Total Contract Value
		Total	Original Budget	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19	Estimate	Estimate	Estimate
R thousand									
Solid Waste Management: Vissershok North: Design and Develop Airspace	CPX.0007920	–	–	1,500	21,500	32,000	–	–	55,000
Specialised Technical Services: FM Structural Rehabilitation	CPX/0000924	178,294	35,000	40,000	30,000	34,853	11,500	–	329,647
Strategic Assets: Upgrading of City Hall	C13.00213	2,919	1,200	15,000	16,000	10,500	5,000	8,500	59,119
Strategy & Operations: Project and Portfolio Management	C14.00048	22,377	17,429	16,324	–	–	–	–	56,131
Water & Sanitation: Additional Resources Desalination Reclamation	CPX/0000478	–	–	–	–	20,000	20,000	245,000	3,520,000
Water & Sanitation: Athlone WWTW-Capacity Extension-phase 1	CPX/0000479	–	500	10,000	36,000	84,000	75,000	66,000	771,500
Water & Sanitation: Bellville WWTW	CPX/0000512	–	–	60,500	36,000	44,000	–	–	350,000
Water & Sanitation: BlacMac Sewer: Upgrade sewer diversion	C12.86090	2,500	–	5,500	–	–	–	–	100,000
Water & Sanitation: Borchards Quarry WWTW	CPX/0000471	39,480	52,000	50,000	59,500	65,000	–	–	273,980
Water & Sanitation: Bulk Retic Sewers in Milnerton Rehab	CPX/0006478	–	–	–	500	39,000	20,629	26,000	100,000
Water & Sanitation: Bulk Water Augmentation Scheme	CPX/0000524	13,321	47,350	32,769	67,100	92,200	399,154	520,045	2,678,002
Water & Sanitation: Cape Flats WWTW-Refurbish various structures	CPX/0000533	18,934	22,500	40,000	16,000	32,000	–	15,000	300,000
Water & Sanitation: Completion of Cape Flats III Bulk Sewer	CPX/0008116	3,276	94,510	112,926	30,000	4,000	–	–	373,279
Water & Sanitation: Construction of new Head Office	CPX/0000535	4,984	17,229	124,871	83,132	64,768	–	–	294,984
Water & Sanitation: Contermanskloof Reservoir	CPX/0003850	3,335	36,585	108,800	57,600	992	–	–	214,377
Water & Sanitation: Kraaifontein Wastewater Treatment Works	C06.30147	47,866	–	3,000	–	–	–	–	50,866
Water & Sanitation: Macassar WWTW Extension	CPX/0000639	9,257	–	5,000	55,050	73,650	–	–	400,000
Water & Sanitation: Melkbos WWTW-Effluent Disinfection	C14.86043	300	1,500	10,000	–	–	–	–	50,000
Water & Sanitation: Mitchells Plain WWTW	CPX/0000683	87,500	65,010	12,000	–	–	–	–	164,510
Water & Sanitation: Mitchells Plain WWTW Phase 2	CPX/0000684	15,422	48,500	38,500	10,800	2,000	–	110,000	225,222
Water & Sanitation: Northern Regional Sludge Facility	CPX/0000694	1,973	–	10,500	66,270	88,785	30,000	–	900,000
Water & Sanitation: OSEC (Electrolytic Chlorination Infrastructure)	CPX/0003892	23,595	9,600	1,500	2,000	11,350	26,100	11,600	91,129
Water & Sanitation: Philippi Collector Sewer	CPX/0000679	–	–	1,620	56,000	71,810	40,000	–	200,000
Water & Sanitation: Potsdam WWTW - Extension	CPX/0000681	14,453	1,500	8,000	54,650	42,000	–	30,000	800,000
Water & Sanitation: Rehab Outfall Sewers Pentz Sandrift m/qu	CPX/0000717	12,552	30,000	20,000	–	–	–	–	72,552
Water & Sanitation: Somerset West Bus. Park Main sewer	CPX/0000686	1,708	36,500	21,500	–	–	–	–	66,205
Water & Sanitation: Spes Bona Reservoir	CPX/0000690	1,001	14,000	13,000	13,000	–	–	–	50,276
Water & Sanitation: Steenbras Reservoir	CPX/0003894	–	400	110	7,500	97,600	62,600	20,000	367,559
Water & Sanitation: Water Supply at Baden Powell Dr to Khayelitsha	C12.86082	33	–	4,000	30,000	11,500	–	–	70,000
Water & Sanitation: Wesfleur WWTW-Capacity Extension USDG	C14.86044	–	5,000	1,000	1,000	13,350	–	20,000	100,000
Water & Sanitation: Zandvliet WWTW-Extension	CPX/0000628	8,213	43,004	187,757	262,230	241,000	125,500	174,000	1,400,000

## 2.16 Capital expenditure details

**Table 82 MBRR Table SA34a - Capital expenditure on new assets by asset class**

Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>R thousand</b>									
<b>Capital expenditure on new assets by Asset Class/Sub-class</b>									
<b>Infrastructure</b>	<b>1,727,753</b>	<b>1,674,083</b>	<b>1,579,045</b>	<b>2,342,353</b>	<b>1,966,214</b>	<b>1,897,353</b>	<b>2,398,343</b>	<b>2,142,645</b>	<b>2,390,977</b>
Infrastructure - Road transport	700,386	666,729	561,249	835,679	700,774	686,738	820,980	794,714	802,311
Roads, Pavements & Bridges	629,225	615,030	507,100	741,539	626,088	615,755	729,505	713,172	714,916
Storm water	71,161	51,699	54,149	94,140	74,687	70,983	91,474	81,543	87,395
Infrastructure - Electricity	471,759	541,825	402,632	582,928	499,143	473,246	635,891	474,241	510,500
Transmission & Reticulation	430,747	499,960	349,077	519,938	433,154	407,258	569,401	406,441	440,500
Street Lighting	41,011	41,864	53,554	62,990	65,990	65,988	66,490	67,800	70,000
Infrastructure - Water	142,846	156,526	162,697	273,745	215,767	207,940	311,421	298,824	387,403
Dams & Reservoirs	33,144	26,797	40,359	138,600	108,235	105,935	161,379	156,200	232,142
Water purification	–	–	–	–	–	–	10,500	5,500	–
Reticulation	109,702	129,729	122,338	135,145	107,532	102,005	139,542	137,124	155,261
Infrastructure - Sanitation	88,619	162,452	130,355	239,084	226,428	211,819	261,175	232,845	261,992
Reticulation	87,645	162,452	130,055	227,084	224,928	210,319	239,675	166,575	173,207
Sewerage purification	973	–	300	12,000	1,500	1,500	21,500	66,270	88,785
Infrastructure - Other	324,144	146,551	322,113	410,918	324,101	317,610	368,876	342,022	428,772
Waste Management	–	24,975	138,914	79,340	69,308	69,617	81,550	66,200	131,900
Transportation	256,784	35,853	4,598	143,771	44,400	37,600	37,200	46,300	75,400
Other	67,360	85,723	178,600	187,807	210,393	210,393	250,126	229,522	221,472
<b>Community</b>	<b>249,486</b>	<b>58,674</b>	<b>76,007</b>	<b>80,812</b>	<b>119,654</b>	<b>117,554</b>	<b>145,642</b>	<b>226,661</b>	<b>177,838</b>
Parks & gardens	–	2,225	5,235	3,295	4,759	4,759	1,000	200	240
Sportsfields & stadia	174,970	7,185	2,131	4,000	1,610	1,610	–	–	–
Community halls	6,449	2,364	11,354	16,433	17,690	17,690	16,019	40,500	43,000
Libraries	885	12,956	33,562	14,139	18,931	18,931	9,950	15,591	–
Recreational facilities	279	15	–	20	20	20	10	–	–
Fire, safety & emergency	–	–	1,264	3,064	6,064	6,164	12,264	11,264	1,264
Clinics	5,052	8,862	2,272	–	2,172	1,972	17,900	22,100	17,000
Museums & Art Galleries	68	–	–	–	–	–	–	–	–
Cemeteries	414	–	–	100	100	100	5,000	3,000	–
Social rental housing	59,164	18,763	14,364	31,600	56,735	54,735	71,896	134,007	116,334
Other	2,204	6,304	5,825	8,162	11,573	11,573	11,603	–	–
<b>Heritage assets</b>	<b>1,218</b>	<b>204</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Other	1,218	204	–	–	–	–	–	–	–
<b>Other assets</b>	<b>1,737,485</b>	<b>633,166</b>	<b>1,141,507</b>	<b>710,071</b>	<b>961,387</b>	<b>656,170</b>	<b>804,817</b>	<b>470,149</b>	<b>303,064</b>
General vehicles	1,196,840	153,746	349,210	41,993	98,802	66,053	58,485	37,550	47,550
Plant & equipment	250,981	171,309	197,372	455,810	588,538	312,083	373,077	89,196	82,014
Computers - hardware/equipment	36,495	89,208	100,538	123,508	158,916	158,965	116,771	75,530	38,320
Furniture and other office equipment	38,083	33,359	45,312	40,164	61,334	59,840	34,682	34,713	27,432
Civic Land and Buildings	128,615	31,729	8,319	40,113	17,269	17,229	171,174	83,132	64,968
Other Buildings	74,949	95,183	23,746	8,334	24,378	29,849	45,179	49,379	21,229
Other Land	10,864	58,101	416,784	150	12,150	12,150	650	100,650	21,151
Other	658	529	226	–	–	–	4,800	–	400
<b>Intangibles</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>1,000</b>	<b>1,000</b>	<b>–</b>	<b>–</b>	<b>–</b>
Computers - software & programming	–	–	–	–	1,000	1,000	–	–	–
<b>Total Capital Expenditure on new assets</b>	<b>3,715,943</b>	<b>2,366,127</b>	<b>2,796,559</b>	<b>3,133,237</b>	<b>3,048,254</b>	<b>2,672,077</b>	<b>3,348,802</b>	<b>2,839,456</b>	<b>2,871,879</b>
<b>Specialised vehicles</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Refuse	–	–	–	–	–	–	–	–	–

**Table 83 MBRR Table SA34b - Capital expenditure on the renewal of existing assets by asset class**

Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>R thousand</b>									
<b>Capital expenditure on renewal of existing assets by Asset Class/Sub-class</b>									
<b>Infrastructure</b>	<b>1,213,195</b>	<b>1,160,670</b>	<b>1,417,998</b>	<b>2,028,511</b>	<b>2,129,865</b>	<b>2,037,539</b>	<b>2,178,549</b>	<b>2,103,930</b>	<b>2,461,835</b>
Infrastructure - Road transport	294,266	217,144	300,314	438,645	624,157	586,690	589,080	495,315	543,537
Roads, Pavements & Bridges	280,898	175,031	281,545	381,221	542,210	516,496	482,355	425,035	479,687
Storm water	13,368	42,113	18,768	57,424	81,947	70,194	106,724	70,280	63,850
Infrastructure - Electricity	442,917	371,397	388,188	643,732	479,229	441,985	664,046	538,972	565,149
Generation	–	88	–	–	–	–	–	–	–
Transmission & Reticulation	442,845	371,310	388,188	643,732	479,229	441,985	664,046	538,972	565,149
Street Lighting	72	(2)	–	–	–	–	–	–	–
Infrastructure - Water	121,610	225,244	306,727	267,000	324,949	339,949	286,167	365,562	386,050
Dams & Reservoirs	14,994	–	–	15,000	5,100	5,100	31,000	63,000	95,000
Water purification	–	–	5,636	–	–	–	–	–	–
Reticulation	106,616	225,244	301,091	252,000	319,849	334,849	255,167	302,562	291,050
Infrastructure - Sanitation	250,774	227,906	348,155	511,703	485,240	451,936	547,702	615,430	790,950
Reticulation	87,045	70,321	73,261	97,800	120,834	122,326	104,334	73,000	169,750
Sewerage purification	163,729	157,585	274,894	413,903	364,407	329,610	443,367	542,430	621,200
Infrastructure - Other	103,628	118,979	74,615	167,432	216,290	216,980	91,555	88,650	176,150
Waste Management	97,562	41,645	18,755	131,398	94,450	93,940	1,000	2,000	91,000
Transportation	4,967	75,108	53,562	27,800	113,699	113,699	84,160	80,150	84,150
Other	1,099	2,225	2,297	8,234	8,141	9,341	6,395	6,500	1,000
<b>Community</b>	<b>489,415</b>	<b>444,880</b>	<b>499,853</b>	<b>212,296</b>	<b>333,406</b>	<b>314,921</b>	<b>253,740</b>	<b>184,717</b>	<b>104,569</b>
Parks & gardens	51,458	55,725	52,959	56,923	61,206	58,436	92,416	70,446	19,061
Sportsfields & stadia	60,455	34,075	55,160	21,957	44,819	47,289	37,139	45,770	20,731
Swimming pools	354	170	4,049	5,000	3,633	1,217	5,820	–	–
Community halls	27,479	19,161	8,771	1,185	1,673	1,673	1,270	1,000	6,500
Libraries	49	3,158	11,393	4,895	8,946	8,946	8,630	14,240	14,350
Recreational facilities	3,332	6,773	486	60	1,760	1,760	140	–	–
Fire, safety & emergency	5,015	2,800	1,438	400	400	400	1,000	1,000	–
Clinics	14,270	11,197	13,662	8,687	8,518	8,718	12,000	15,400	24,096
Museums & Art Galleries	65	–	168	2,800	2,822	2,822	6,000	2,500	2,500
Cemeteries	9,916	9,692	3,316	20,974	27,462	19,253	18,354	15,000	–
Social rental housing	311,949	297,276	345,863	79,405	166,376	158,616	60,300	9,000	9,000
Other	5,074	4,853	2,590	10,010	5,790	5,790	10,670	10,361	8,331
<b>Heritage assets</b>	<b>646</b>	<b>500</b>	<b>514</b>	<b>29,140</b>	<b>6,377</b>	<b>6,377</b>	<b>35,208</b>	<b>2,230</b>	<b>2,230</b>
Buildings	646	500	514	29,140	6,377	6,377	35,208	2,230	2,230
Other	–	–	–	–	–	–	–	–	–
<b>Other assets</b>	<b>449,611</b>	<b>530,115</b>	<b>536,818</b>	<b>640,800</b>	<b>611,192</b>	<b>547,744</b>	<b>667,727</b>	<b>379,141</b>	<b>436,741</b>
General vehicles	69,779	98,390	66,173	87,666	101,217	107,153	58,824	51,425	47,141
Specialised vehicles	100,208	64,004	62,409	107,900	124,356	126,033	90,267	63,000	63,000
Plant & equipment	15,859	23,739	33,024	23,038	16,157	15,713	23,852	28,759	23,359
Computers - hardware/equipment	69,945	114,973	116,478	77,976	92,700	92,428	69,633	64,747	65,058
Furniture and other office equipment	11,248	15,539	36,071	19,992	36,934	36,508	9,030	10,312	10,107
Markets	748	783	200	150	150	150	290	–	–
Civic Land and Buildings	78,186	63,088	54,317	56,725	48,968	48,968	74,438	74,732	46,653
Other Buildings	103,537	148,856	167,602	213,503	189,884	119,967	287,943	85,666	179,723
Other Land	–	–	–	52,850	–	–	52,850	–	–
Other	100	743	544	1,000	825	825	600	500	1,700
<b>Intangibles</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>5,250</b>	<b>6,250</b>	<b>6,250</b>
Computers - software & programming	–	–	–	–	–	–	5,250	6,250	6,250
<b>Total Capital Expenditure on renewal of existing assets</b>	<b>2,152,867</b>	<b>2,136,166</b>	<b>2,455,183</b>	<b>2,910,748</b>	<b>3,080,840</b>	<b>2,906,582</b>	<b>3,140,474</b>	<b>2,676,268</b>	<b>3,011,626</b>
<b>Specialised vehicles</b>	<b>100,208</b>	<b>64,004</b>	<b>62,409</b>	<b>107,900</b>	<b>124,356</b>	<b>126,033</b>	<b>90,267</b>	<b>63,000</b>	<b>63,000</b>
Refuse	100,208	64,004	62,409	78,000	94,456	96,133	90,267	63,000	63,000
Fire	–	–	–	29,900	29,900	29,900	–	–	–
<b>Renewal of Existing Assets as % of total capex</b>	<b>36.7%</b>	<b>47.4%</b>	<b>46.7%</b>	<b>48.2%</b>	<b>50.3%</b>	<b>52.1%</b>	<b>48.4%</b>	<b>48.5%</b>	<b>51.2%</b>
<b>Renewal of Existing Assets as % of depreciation</b>	<b>132.3%</b>	<b>119.7%</b>	<b>128.1%</b>	<b>139.3%</b>	<b>144.8%</b>	<b>136.6%</b>	<b>135.5%</b>	<b>107.4%</b>	<b>110.0%</b>

**Table 84 MBRR Table SA34c - Repairs and maintenance expenditure by asset class**

Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>R thousand</b>									
<b>Repairs and maintenance expenditure by Asset Class/Sub-class</b>									
<b>Infrastructure</b>	<b>1,933,209</b>	<b>2,064,242</b>	<b>2,156,388</b>	<b>2,554,924</b>	<b>2,469,086</b>	<b>2,469,086</b>	<b>2,533,624</b>	<b>2,710,328</b>	<b>2,937,185</b>
Infrastructure - Road transport	638,627	685,029	727,188	929,663	811,932	811,932	824,573	878,169	940,248
Roads, Pavements & Bridges	632,217	677,284	719,328	751,971	653,181	653,181	654,797	697,358	747,684
Storm water	6,411	7,745	7,860	177,692	158,751	158,751	169,776	180,811	192,564
Infrastructure - Electricity	425,807	469,216	477,738	575,139	560,261	560,261	570,091	619,145	705,497
Generation	329,794	360,697	362,309	442,677	428,439	428,439	426,456	454,175	483,697
Transmission & Reticulation	16,376	15,432	20,929	18,862	18,756	18,756	23,119	36,622	85,109
Street Lighting	79,637	93,088	94,501	113,600	113,065	113,065	120,515	128,348	136,691
Infrastructure - Water	59,063	63,916	73,760	73,599	108,513	108,513	87,236	82,571	87,936
Dams & Reservoirs	59,023	60,517	71,492	73,166	73,226	73,226	62,834	66,663	70,995
Water purification	-	-	-	-	-	-	-	-	-
Reticulation	40	3,399	2,268	433	35,286	35,286	24,402	15,908	16,941
Infrastructure - Sanitation	455,800	480,904	483,835	613,719	612,537	612,537	532,007	566,586	603,416
Reticulation	9,437	9,238	9,214	15,501	15,486	15,486	8,563	9,120	9,712
Sewerage purification	446,363	471,666	474,621	598,218	597,051	597,051	523,444	557,466	593,703
Infrastructure - Other	353,913	365,176	393,868	362,805	375,844	375,844	519,718	563,856	600,088
Waste Management	-	-	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-	-	-
Other	353,913	365,176	393,868	362,805	375,844	375,844	519,718	563,856	600,088
<b>Community</b>	<b>331,609</b>	<b>347,062</b>	<b>340,091</b>	<b>386,338</b>	<b>397,947</b>	<b>398,674</b>	<b>540,574</b>	<b>575,699</b>	<b>613,122</b>
Parks & gardens	135,700	150,067	145,636	195,432	191,875	191,875	316,049	336,592	358,471
Sportsfields & stadia	63,751	57,038	67,997	21,072	30,458	31,185	25,059	26,684	28,417
Swimming pools	11,310	11,105	13,353	221	5,100	5,100	5,196	5,534	5,894
Community halls	22,524	21,773	23,869	1,896	15,236	15,236	21,037	22,402	23,857
Libraries	20,513	22,304	17,844	31,079	31,069	31,069	31,401	33,442	35,616
Recreational facilities	29,600	33,550	26,465	83,427	71,571	71,571	83,820	89,266	95,070
Fire, safety & emergency	20,309	24,643	25,698	35,632	31,826	31,826	30,137	32,092	34,181
Clinics	12,829	10,515	7,934	10,116	10,113	10,113	7,874	8,386	8,931
Museums & Art Galleries	4	-	-	-	-	-	-	-	-
Cemeteries	12,713	13,133	8,691	4,075	7,272	7,272	16,561	17,637	18,783
Social rental housing	-	-	-	-	-	-	-	-	-
Other	2,354	2,933	2,603	3,388	3,426	3,426	3,441	3,665	3,903
<b>Heritage assets</b>	<b>955</b>	<b>725</b>	<b>501</b>	<b>1,364</b>	<b>90</b>	<b>90</b>	<b>11</b>	<b>12</b>	<b>12</b>
Buildings	-	-	-	-	-	-	-	-	-
Other	955	725	501	1,364	90	90	11	12	12
<b>Other assets</b>	<b>484,611</b>	<b>493,342</b>	<b>506,178</b>	<b>639,769</b>	<b>655,476</b>	<b>653,753</b>	<b>728,694</b>	<b>776,054</b>	<b>864,966</b>
General vehicles	256,745	257,787	280,105	281,602	292,403	291,403	318,492	339,192	361,241
Specialised vehicles	-	-	-	-	-	-	-	-	-
Plant & equipment	3,654	3,528	3,185	5,636	3,629	3,629	5,289	5,633	5,999
Computers - hardware/equipment	19,276	32,565	50,783	57,819	70,330	70,330	77,806	82,863	88,251
Furniture and other office equipment	10,741	14,241	18,840	75,241	63,512	63,357	61,681	65,690	108,428
Markets	-	-	-	-	-	-	-	-	-
Civic Land and Buildings	53,460	48,428	58,833	69,796	69,860	69,860	107,109	114,069	121,485
Other Buildings	89,834	79,145	56,235	97,966	97,329	97,329	105,308	112,151	119,440
Other Land	223	1,034	627	297	417	417	527	561	597
Other	50,677	56,614	37,570	51,412	57,995	57,427	52,482	55,894	59,525
<b>Total Repairs and Maintenance Expenditure</b>	<b>2,750,384</b>	<b>2,905,370</b>	<b>3,003,158</b>	<b>3,582,394</b>	<b>3,522,598</b>	<b>3,521,603</b>	<b>3,802,902</b>	<b>4,062,093</b>	<b>4,415,285</b>
<b>R&amp;M as a % of PPE</b>	9.9%	9.5%	9.0%	9.5%	9.5%	9.5%	9.3%	9.3%	9.5%
<b>R&amp;M as % Operating Expenditure</b>	11.5%	11.0%	11.0%	11.2%	10.8%	10.8%	11.0%	10.8%	10.6%



**Table 85 MBRR Table SA34d Depreciation by asset class**

Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>Depreciation by Asset Class/Sub-class</b>									
<b>Infrastructure</b>	<b>808,844</b>	<b>835,156</b>	<b>913,086</b>	<b>974,172</b>	<b>988,372</b>	<b>988,372</b>	<b>1,099,726</b>	<b>1,176,706</b>	<b>1,294,377</b>
Infrastructure - Road transport	190,183	240,075	293,521	305,941	309,941	309,941	329,572	352,642	387,907
Roads, Pavements & Bridges	165,656	212,862	262,069	272,230	275,730	275,730	293,884	314,455	345,901
Storm water	24,527	27,213	31,452	33,711	34,211	34,211	35,689	38,187	42,006
Infrastructure - Electricity	254,851	146,006	164,231	167,193	169,493	169,493	186,167	199,198	219,118
Generation	6,205	6,798	6,946	6,946	7,246	7,246	9,946	10,642	11,706
Transmission & Reticulation	238,376	127,370	143,712	144,650	146,150	146,150	157,627	168,661	185,527
Street Lighting	10,270	11,838	13,573	15,597	16,097	16,097	18,593	19,895	21,884
Infrastructure - Water	111,866	122,528	134,198	153,895	156,695	156,695	175,452	187,734	206,507
Dams & Reservoirs	18,734	19,005	15,784	17,189	17,689	17,689	19,680	21,058	23,163
Water purification	2,080	2,186	2,911	2,911	3,211	3,211	4,409	4,718	5,190
Reticulation	91,052	101,337	115,503	133,795	135,795	135,795	151,363	161,958	178,154
Infrastructure - Sanitation	131,704	143,673	161,722	177,027	179,227	179,227	201,228	215,314	236,845
Reticulation	124,201	135,747	144,258	156,266	158,066	158,066	176,366	188,711	207,582
Sewerage purification	7,503	7,926	17,465	20,761	21,161	21,161	24,862	26,602	29,263
Infrastructure - Other	120,239	182,875	159,413	170,117	173,017	173,017	207,307	221,818	244,000
Waste Management	63,411	87,797	49,706	50,031	50,631	50,631	54,754	58,587	64,445
Transportation	22,747	53,759	49,155	41,496	42,696	42,696	70,324	75,247	82,772
Other	34,081	41,318	60,552	78,590	79,690	79,690	82,229	87,985	96,783
<b>Community</b>	<b>299,471</b>	<b>353,035</b>	<b>397,330</b>	<b>433,837</b>	<b>447,637</b>	<b>447,637</b>	<b>488,607</b>	<b>532,810</b>	<b>586,091</b>
Parks & gardens	7,156	8,840	9,974	10,669	11,069	11,069	10,669	11,416	12,557
Sportsfields & stadia	184,708	193,881	198,052	200,059	203,559	203,559	199,129	213,068	234,375
Swimming pools	3,984	4,044	4,080	4,124	4,424	4,424	3,990	4,270	4,697
Community halls	5,193	5,418	5,825	5,756	6,156	6,156	5,761	6,164	6,780
Libraries	3,365	3,373	3,466	3,713	4,013	4,013	3,713	3,973	4,370
Recreational facilities	9,952	10,586	11,871	11,913	12,513	12,513	11,927	12,762	14,038
Fire, safety & emergency	1,385	1,683	1,683	1,683	1,733	1,733	1,683	1,801	1,981
Security and policing	–	–	–	–	–	–	–	–	–
Buses	29,541	67,683	82,240	109,876	116,876	116,876	145,737	165,938	182,532
Clinics	2,856	3,480	3,544	3,753	4,053	4,053	3,753	4,016	4,418
Museums & Art Galleries	21	61	77	98	98	98	98	105	116
Cemeteries	1,913	2,490	2,525	2,602	2,802	2,802	2,602	2,784	3,063
Social rental housing	47,159	48,938	71,313	76,796	77,496	77,496	96,751	103,524	113,876
Other	2,238	2,558	2,681	2,794	2,844	2,844	2,793	2,989	3,288
<b>Other assets</b>	<b>492,016</b>	<b>546,114</b>	<b>514,135</b>	<b>571,876</b>	<b>581,172</b>	<b>581,172</b>	<b>612,472</b>	<b>655,345</b>	<b>717,729</b>
General vehicles	106,132	107,516	78,523	95,261	97,957	97,957	112,117	119,965	128,810
Specialised vehicles	24,503	31,310	38,292	42,569	43,569	43,569	44,360	47,465	52,212
Plant & equipment	104,714	129,484	130,639	136,447	139,447	139,447	148,270	158,649	174,514
Computers - hardware/equipment	172,650	196,656	180,128	199,624	200,924	200,924	207,349	221,864	244,050
Furniture and other office equipment	52,113	46,744	42,645	50,991	51,491	51,491	53,761	57,524	63,276
Abattoirs	–	–	–	–	–	–	–	–	–
Markets	2,201	2,298	2,323	2,773	2,823	2,823	2,773	2,967	3,264
Civic Land and Buildings	17,647	18,459	21,460	22,284	22,684	22,684	22,284	23,844	26,228
Other Buildings	11,586	13,084	19,501	21,294	21,644	21,644	20,980	22,449	24,694
Other	470	564	623	635	635	635	578	619	681
<b>Intangibles</b>	<b>27,055</b>	<b>50,665</b>	<b>92,583</b>	<b>109,940</b>	<b>109,940</b>	<b>109,940</b>	<b>117,636</b>	<b>125,871</b>	<b>138,458</b>
Computers - software & programming	27,055	30,646	33,678	36,035	36,035	36,035	38,558	41,257	45,383
Other (list sub-class) - Acquisition of rights	–	20,019	58,905	73,905	73,905	73,905	79,078	84,614	93,075
<b>Total Depreciation</b>	<b>1,627,386</b>	<b>1,784,970</b>	<b>1,917,134</b>	<b>2,089,826</b>	<b>2,127,122</b>	<b>2,127,122</b>	<b>2,318,441</b>	<b>2,490,732</b>	<b>2,736,655</b>
<b>Specialised vehicles</b>	<b>24,503</b>	<b>31,310</b>	<b>38,292</b>	<b>42,569</b>	<b>43,569</b>	<b>43,569</b>	<b>44,360</b>	<b>47,465</b>	<b>52,212</b>
Refuse	20,601	27,409	34,237	38,230	39,230	39,230	39,717	42,498	46,747
Fire	3,902	3,901	4,055	4,339	4,339	4,339	4,643	4,968	5,464
Conservancy	–	–	–	–	–	–	–	–	–
Ambulances	–	–	–	–	–	–	–	–	–

**Table 86 MBRR Table SA35 - Future financial implication of the capital budget**

Vote Description R thousand	2016/17 Medium Term Revenue & Expenditure Framework			Forecasts			
	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19	Forecast 2019/20	Forecast 2020/21	Forecast 2021/22	Present value
<b>Capital expenditure</b>							
Vote 1 - City Health	37,520	41,196	43,996	–	–	–	–
Vote 2 - City Manager	17,946	934	934	–	–	–	–
Vote 3 - Community Services	186,340	164,699	60,282	–	–	–	–
Vote 4 - Corporate Services & Compliance	386,908	411,505	387,354	–	–	–	–
Vote 5 - Energy, Environmental & Spatial Planning	61,359	47,250	106,117	–	–	–	–
Vote 6 - Finance	136,866	8,681	8,681	–	–	–	–
Vote 7 - Human Settlements	499,542	440,435	462,472	–	–	–	–
Vote 8 - Rates & Other	–	–	–	–	–	–	–
Vote 9 - Safety & Security	132,043	59,127	35,127	–	–	–	–
Vote 10 - Social Dev & Early Childhood Development	17,460	10,860	10,860	–	–	–	–
Vote 11 - Tourism, Events & Economic Development	42,150	33,800	34,130	–	–	–	–
Vote 12 - Transport for Cape Town	1,442,311	1,304,580	1,414,990	–	–	–	–
Vote 13 - Utility Services	3,528,831	2,992,656	3,318,561	–	–	–	–
<b>Total Capital Expenditure</b>	<b>6,489,277</b>	<b>5,515,724</b>	<b>5,883,505</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Future operational costs by vote</b>							
Vote 1 - City Health	22,019	24,296	30,892	33,154	31,137	33,790	–
Vote 2 - City Manager	8,202	9,151	10,056	10,921	11,863	12,889	–
Vote 3 - Community Services	164,583	193,983	197,823	207,402	215,485	231,354	–
Vote 4 - Corporate Services & Compliance	322,140	346,648	380,826	414,826	454,733	491,005	–
Vote 5 - Energy, Environmental & Spatial Planning	50,685	56,615	62,557	67,811	73,491	79,909	–
Vote 6 - Finance	26,338	29,229	32,014	34,707	37,633	40,813	–
Vote 7 - Human Settlements	120,651	146,214	151,483	172,253	160,016	171,821	–
Vote 8 - Rates & Other	–	–	–	–	–	–	–
Vote 9 - Safety & Security	89,955	132,200	142,795	153,100	114,682	123,993	–
Vote 10 - Social Dev & Early Childhood Development	10,511	11,808	12,934	14,026	14,839	16,095	–
Vote 11 - Tourism, Events & Economic Development	288,686	317,892	345,563	373,706	402,334	428,092	–
Vote 12 - Transport for Cape Town	868,617	934,055	990,131	1,091,296	1,125,348	1,209,998	–
Vote 13 - Utility Services	1,737,125	1,983,784	2,273,241	2,371,628	2,543,841	2,760,215	–
<b>Total future operational costs</b>	<b>3,709,513</b>	<b>4,185,876</b>	<b>4,630,316</b>	<b>4,944,828</b>	<b>5,185,402</b>	<b>5,599,972</b>	<b>–</b>
<b>Net Financial Implications</b>	<b>10,198,790</b>	<b>9,701,600</b>	<b>10,513,821</b>	<b>4,944,828</b>	<b>5,185,402</b>	<b>5,599,972</b>	<b>–</b>

\*This included interest and depreciation.

Table 87 MBRR Table SA37 - Projects delayed from previous financial year/s

Municipal Vote (Directorate)	Project name	Project number	Asset Class	Asset Sub-Class	Previous target year to complete	Current Year 2015/16		2016/17 Medium Term Revenue & Expenditure Framework		
						Original Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>R thousand</b>					<b>Year</b>					
Transport for Cape Town	Infrastructure: Atlantis: Development of Corridor - M12	C07.00500	Infrastructure - Road transport	Roads, Pavements & Bridges	2008/09	3,000	2,000	3,879	–	–
Transport for Cape Town	Infrastructure: Construct of Roads: Dualling Platekloof	C07.01047	Infrastructure - Road transport	Roads, Pavements & Bridges	2008/09	7,430	3,100	7,430	–	–
Transport for Cape Town	Infrastructure: Mitchell's Plain Station T1	C07.01059	Infrastructure Other	Transportation	2008/09	29,000	20,000	3,000	–	–
Transport for Cape Town	Infrastructure: Samora Machel Taxi Rank Philippi	C11.10538	Infrastructure Other	Transportation	2011/12	6,200	100	500	–	–
Transport for Cape Town	Infrastructure: Masiphumelele (Site 5) Taxi Rank	C11.10539	Infrastructure Other	Transportation	2011/12	7,000	300	6,000	6,000	4,500
Transport for Cape Town	Infrastructure: Nyanga Main Taxi Rank	C11.10540	Infrastructure Other	Transportation	2014/15	5,000	–	1,200	5,000	6,000
Transport for Cape Town	Infrastructure: Macassar Public Transport Interchange	C14.00006	Infrastructure Other	Transportation	2014/15	9,200	100	100	100	100
Transport for Cape Town	Infrastructure: Sir Lowry's Pass River Upgrade	C14.10323	Infrastructure - Water	Dams & Reservoirs	2014/15	15,000	5,100	27,100	59,000	91,000
Transport for Cape Town	Infrastructure: Sir Lowry's Pass Village Road Upgrade	C14.10324	Infrastructure - Road transport	Roads, Pavements & Bridges	2014/15	21,000	14,000	6,000	–	–
Utility Services	Water & Sanitation: Scottsdene WWTW	C12.86094	Infrastructure - Sanitation	Sewerage purification	2011/12	18,500	3,782	13,000	–	2,000
Utility Services	Water & Sanitation: Melkbos WWTW-Effluent Disinfection	C14.86043	Infrastructure - Sanitation	Sewerage purification	2014/15	12,000	1,500	10,000	–	–

## **2.17 Legislation compliance status**

Compliance with the MFMA implementation requirements has been substantially adhered to through the following activities:

- **Budget- and Treasury offices**  
Budget- and Treasury offices have been established in accordance with the MFMA.
- **Budgeting**  
The annual budget is prepared in accordance with the requirements prescribed by National Treasury and the MFMA.
- **In Year Reporting**  
Fully compliant with regards to monthly, quarterly and annual 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 one entity viz. the Cape Town International Convention Centre (CTICC).
- **Internship Programme**  
The CFO has introduced an organised professional training and work experience program (Finance Graduate Development Program 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 been merged with the FGDP. The City is funding five of the interns on the FGDP, whilst NT is funding an additional three interns. All the interns that were previously on the NTMFMIP have been appointed within the City.

## 2.18 Other supporting documents

**Table 88 MBRR Table SA1 - Supporting detail to budgeted financial position**

Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand									
<b>REVENUE ITEMS:</b>									
<b><u>Property rates</u></b>									
Total Property Rates	6,105,690	6,609,404	7,178,381	7,794,277	7,870,033	7,870,033	8,206,402	8,745,417	9,370,768
less Revenue Foregone (exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)	1,029,245	1,062,630	1,159,647	1,248,122	1,291,122	1,291,122	1,247,403	1,325,989	1,406,609
<b>Net Property Rates</b>	<b>5,076,445</b>	<b>5,546,774</b>	<b>6,018,735</b>	<b>6,546,155</b>	<b>6,578,912</b>	<b>6,578,912</b>	<b>6,959,000</b>	<b>7,419,428</b>	<b>7,964,159</b>
<b><u>Service charges - electricity revenue</u></b>									
Total Service charges - electricity revenue	8,995,547	9,470,352	10,126,854	11,304,874	11,304,874	11,304,874	11,997,575	13,745,318	15,846,118
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)	142,618	147,192	149,860	177,255	177,255	177,255	189,657	203,998	219,436
<b>Net Service charges - electricity revenue</b>	<b>8,852,928</b>	<b>9,323,160</b>	<b>9,976,994</b>	<b>11,127,619</b>	<b>11,127,619</b>	<b>11,127,619</b>	<b>11,807,918</b>	<b>13,541,320</b>	<b>15,626,682</b>
<b><u>Service charges - water revenue</u></b>									
Total Service charges - water revenue	2,053,577	2,185,812	2,524,635	3,105,876	3,100,033	3,100,033	3,437,736	3,813,104	4,229,595
less Revenue Foregone (in excess of 6 kilolitres per indigent household per month)			–	154,584	152,079	152,079	159,031	176,524	195,942
less Cost of Free Basis Services (6 kilolitres per indigent household per month)	–	–	–	206,112	202,773	202,773	212,041	235,366	261,256
<b>Net Service charges - water revenue</b>	<b>2,053,577</b>	<b>2,185,812</b>	<b>2,524,635</b>	<b>2,745,181</b>	<b>2,745,181</b>	<b>2,745,181</b>	<b>3,066,664</b>	<b>3,401,214</b>	<b>3,772,397</b>
<b><u>Service charges - sanitation revenue</u></b>									
Total Service charges - sanitation revenue	1,091,897	1,188,106	1,321,307	1,723,226	1,719,139	1,719,139	1,879,800	2,086,578	2,316,102
less Revenue Foregone (in excess of free sanitation service to indigent households)			–	108,120	106,368	106,368	107,796	119,653	132,815
less Cost of Free Basis Services (free sanitation service to indigent households)	–	–	–	144,159	141,824	141,824	143,728	159,538	177,087
<b>Net Service charges - sanitation revenue</b>	<b>1,091,897</b>	<b>1,188,106</b>	<b>1,321,307</b>	<b>1,470,947</b>	<b>1,470,947</b>	<b>1,470,947</b>	<b>1,628,277</b>	<b>1,807,387</b>	<b>2,006,200</b>
<b><u>Service charges - refuse revenue</u></b>									
Total refuse removal revenue	996,685	1,078,224	1,118,692	1,216,355	1,216,355	1,216,355	1,316,398	1,412,728	1,513,287
Total landfill revenue	94,066	82,791	89,951	114,975	114,783	114,783	151,932	170,550	188,175
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)	221,541	240,842	227,951	234,084	234,084	234,084	235,401	248,348	262,007
<b>Net Service charges - refuse revenue</b>	<b>869,210</b>	<b>920,173</b>	<b>980,691</b>	<b>1,097,246</b>	<b>1,097,054</b>	<b>1,097,054</b>	<b>1,232,929</b>	<b>1,334,930</b>	<b>1,439,455</b>
<b><u>Other Revenue by source</u></b>									
Fuel Levy	1,706,690	1,895,992	2,002,938	2,060,211	2,060,211	2,060,211	2,197,740	2,362,109	2,556,753
Other Revenue	743,081	356,338	381,213	380,974	288,626	288,626	306,306	323,153	340,926
<b>Total 'Other' Revenue</b>	<b>2,449,771</b>	<b>2,252,330</b>	<b>2,384,151</b>	<b>2,441,185</b>	<b>2,348,837</b>	<b>2,348,837</b>	<b>2,504,046</b>	<b>2,685,262</b>	<b>2,897,679</b>

Table continues on next page.

City of Cape Town – 2016/17 Budget

Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand									
<b>EXPENDITURE ITEMS:</b>									
<b><u>Employee related costs</u></b>									
Basic Salaries and Wages	4,886,349	4,932,431	5,767,278	6,830,619	6,858,437	6,857,460	7,297,399	7,982,526	8,779,408
Pension and UIF Contributions	754,386	840,777	912,111	1,222,973	1,208,787	1,209,034	1,354,816	1,478,690	1,605,858
Medical Aid Contributions	439,574	492,847	546,425	601,371	601,377	601,607	657,776	718,291	780,064
Overtime	335,100	359,418	393,447	401,992	450,727	456,044	428,072	467,455	507,656
Performance Bonus	–	–	–	–	–	–	–	–	–
Motor Vehicle Allowance	180,443	186,941	190,408	202,734	203,361	203,505	206,333	222,630	241,776
Cellphone Allowance	13,367	13,704	13,691	14,349	15,184	15,202	16,735	18,140	19,700
Housing Allowances	29,266	26,512	28,439	28,727	53,364	53,364	55,668	60,790	66,018
Other benefits and allowances	172,552	198,510	186,406	208,135	204,765	205,039	228,653	249,689	271,162
Payments in lieu of leave	81,997	134,127	85,154	114,587	114,559	114,517	125,376	136,911	148,685
Long service awards	73,013	17,824	19,967	58,800	58,800	58,800	51,078	55,777	60,574
Post-retirement benefit obligations	502,763	1,459,526	6,191	189,951	189,951	189,951	207,636	219,056	231,104
<b>sub-total</b>	<b>7,468,810</b>	<b>8,662,618</b>	<b>8,149,518</b>	<b>9,874,239</b>	<b>9,959,311</b>	<b>9,964,523</b>	<b>10,629,543</b>	<b>11,609,955</b>	<b>12,712,006</b>
<u>Less: Employees costs capitalised to PPE</u>	22,611	21,764	24,784	26,731	33,778	33,778	31,972	33,730	33,730
<b>Total Employee related costs</b>	<b>7,446,199</b>	<b>8,640,854</b>	<b>8,124,733</b>	<b>9,847,508</b>	<b>9,925,534</b>	<b>9,930,745</b>	<b>10,597,571</b>	<b>11,576,225</b>	<b>12,678,275</b>
<b><u>Contributions recognised - capital</u></b>									
Capital PCDR	34,076	43,022	44,219	53,761	68,734	68,734	75,800	83,900	86,700
<b>Total Contributions recognised - capital</b>	<b>34,076</b>	<b>43,022</b>	<b>44,219</b>	<b>53,761</b>	<b>68,734</b>	<b>68,734</b>	<b>75,800</b>	<b>83,900</b>	<b>86,700</b>
<b><u>Depreciation &amp; asset impairment</u></b>									
Depreciation of Property, Plant & Equipment	1,620,275	1,752,270	1,900,718	2,089,827	2,121,985	2,121,985	2,318,441	2,490,732	2,736,654
Lease amortisation	–	–	–	–	–	–	–	–	–
Capital asset impairment	7,110	32,700	16,416	–	5,138	5,138	–	–	–
Depreciation resulting from revaluation of PPE	–	–	–	–	–	–	–	–	–
<b>Total Depreciation &amp; asset impairment</b>	<b>1,627,385</b>	<b>1,784,970</b>	<b>1,917,134</b>	<b>2,089,827</b>	<b>2,127,123</b>	<b>2,127,123</b>	<b>2,318,441</b>	<b>2,490,732</b>	<b>2,736,654</b>
<b><u>Bulk purchases</u></b>									
Electricity Bulk Purchases	6,097,891	6,283,114	6,708,777	7,597,819	7,589,279	7,589,279	8,095,800	9,223,280	10,646,220
Water Bulk Purchases	293,295	308,118	400,066	369,736	369,736	369,736	419,380	472,446	516,781
<b>Total bulk purchases</b>	<b>6,391,186</b>	<b>6,591,232</b>	<b>7,108,843</b>	<b>7,967,555</b>	<b>7,959,015</b>	<b>7,959,015</b>	<b>8,515,180</b>	<b>9,695,726</b>	<b>11,163,001</b>
<b><u>Transfers and grants</u></b>									
Cash transfers and grants	103,144	115,021	136,487	120,402	167,085	314,744	174,833	158,276	140,515
Non-cash transfers and grants	–	–	–	–	–	–	–	–	–
<b>Total transfers and grants</b>	<b>103,144</b>	<b>115,021</b>	<b>136,487</b>	<b>120,402</b>	<b>167,085</b>	<b>314,744</b>	<b>174,833</b>	<b>158,276</b>	<b>140,515</b>
<b><u>Contracted services</u></b>									
Contracted Services	–	–	–	–	–	–	–	–	–
Labour Brokers	81,972	87,870	75,749	86,468	91,746	92,247	99,527	98,973	104,398
Contracted Services ex Payroll	39,899	11,865	13,007	3,870	–	–	–	–	–
Executive and council	50,817	56,282	76,275	156,571	146,507	143,638	201,047	149,531	161,589
Budget & Treasury Office	9,126	8,439	15,645	83,221	94,459	91,138	71,201	172,940	126,872
Corporate services	288,355	317,958	384,462	387,599	430,706	429,949	314,945	447,219	474,417
Community and social services	45,171	49,755	45,928	37,614	45,706	43,764	53,119	56,175	59,760
Sport & Recreation	197,887	299,478	158,738	409,649	348,412	347,577	369,358	377,595	401,538
Public safety	30,325	46,527	67,433	73,597	91,290	91,334	82,607	87,816	93,355
Housing	207,594	240,949	356,226	765,442	1,045,151	900,238	614,932	694,588	667,082
Health	12,335	11,328	7,152	35,840	59,826	59,829	58,461	61,587	65,064
Planning and development	68,087	70,572	46,959	58,662	69,648	69,641	91,580	210,252	214,111
Road transport	584,020	828,520	958,017	1,103,375	604,815	599,755	654,074	704,957	730,366
Environmental protection	30,083	24,232	29,131	23,068	33,330	33,330	24,648	6,595	6,997
Electricity	122,941	147,933	249,306	179,836	171,385	171,385	177,904	173,642	279,664
Water	185,665	183,308	135,939	173,732	186,121	186,121	245,383	264,775	280,277
Waste water management	357,861	438,672	430,889	595,231	569,777	569,777	629,982	613,613	647,455
Waste management	512,656	487,857	523,229	639,770	632,684	632,524	704,766	768,930	817,468
Other	1,151	984	2,116	4,606	1,376	1,192	2,628	2,829	2,928
<b>sub-total</b>	<b>2,825,946</b>	<b>3,312,529</b>	<b>3,576,198</b>	<b>4,818,153</b>	<b>4,622,941</b>	<b>4,463,440</b>	<b>4,396,163</b>	<b>4,892,018</b>	<b>5,133,342</b>

Table continues on next page.

City of Cape Town – 2016/17 Budget

Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>R thousand</b>									
<b>Allocations to organs of state:</b>	-	-	-	-	-	-	-	-	-
Electricity	-	-	-	-	-	-	-	-	-
Water	-	-	-	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>Total contracted services</b>	<b>2,825,946</b>	<b>3,312,529</b>	<b>3,576,198</b>	<b>4,818,153</b>	<b>4,622,941</b>	<b>4,463,440</b>	<b>4,396,163</b>	<b>4,892,018</b>	<b>5,133,342</b>
<b>Other Expenditure By Type</b>									
Collection costs	183,024	174,129	172,518	200,040	203,900	199,564	211,694	223,337	235,621
Contributions to 'other' provisions	31,765	(34,246)	(41,511)	(5,591)	945	945	(5,117)	(5,398)	(5,695)
Consultant fees	162,459	123,776	108,473	17,630	-	-	720	767	817
Audit fees	13,660	12,487	13,241	18,687	19,265	19,265	20,547	21,546	22,731
General expenses	1,274,601	1,325,019	1,607,628	1,260,757	1,425,364	1,428,554	1,315,647	1,366,014	1,484,984
List Other Expenditure by Type	-	-	-	-	-	-	-	-	-
Transportation Services: People	-	-	-	-	488,598	488,598	524,828	553,694	584,147
Security Services & Charges	337,312	389,145	302,406	337,594	324,657	328,864	387,178	403,198	425,374
Indigent Relief : Residential Rebate	139,321	165,025	190,367	205,181	212,041	212,041	316,492	265,324	279,916
Fuel (Petrol, Diesel and Fuel Oil)	219,572	267,110	237,745	281,394	272,732	270,606	294,479	310,675	382,994
Printing Stationery & Photographic	229,833	212,636	222,782	239,427	234,084	234,084	235,401	248,348	262,007
Indigent Relief : Refuse	143,432	142,412	123,362	184,968	231,357	231,357	230,000	70,489	140,318
Grants & Donations - Housing PHP Payment	-	-	25	186,745	172,418	172,122	210,857	173,461	183,002
Specialised Information Technology services	103,663	114,884	130,146	141,982	146,126	146,126	159,582	168,359	177,619
MIDS/CIDS	101,075	101,680	112,903	119,046	126,562	126,562	149,197	168,012	189,682
Electricity	114,306	133,680	132,919	144,505	138,479	138,483	148,987	177,181	195,826
Chemicals	-	-	-	16,953	119,588	119,510	133,562	140,908	148,658
Software Licences - Upgrade/Protection	-	-	-	-	-	-	109,049	173,000	173,000
Grants & Donations - Non-Vatable Expense	49,756	52,704	56,075	66,085	86,458	85,989	96,591	101,903	107,508
Cleaning Costs	65,715	73,562	77,275	86,232	90,034	89,589	96,412	100,899	106,449
Hire of LDV, P/Van, Bus, Special Vehicle	94,487	80,503	84,955	69,957	90,446	90,317	92,970	98,083	103,478
Operating Leases	55,857	56,808	61,860	76,815	79,044	80,154	89,092	94,146	97,446
Telecommunication Lines	-	-	-	100,112	83,520	83,520	88,458	93,323	98,456
Training	44,010	50,141	52,300	78,068	62,662	62,599	88,317	95,284	100,525
Uniform & Protective Clothing	51,693	57,826	61,673	75,574	78,375	79,928	82,410	86,943	91,724
Grants & Donations - Vaccines	57,539	66,716	65,604	76,822	74,325	74,325	77,631	82,134	86,899
<b>Total 'Other' Expenditure</b>	<b>3,473,078</b>	<b>3,565,997</b>	<b>3,772,749</b>	<b>3,978,981</b>	<b>4,760,978</b>	<b>4,763,102</b>	<b>5,154,983</b>	<b>5,211,629</b>	<b>5,673,483</b>
<b>Repairs and Maintenance by Expenditure Item</b>									
Employee related costs	1,030,137	1,089,097	1,187,006	1,502,465	1,412,516	1,412,516	1,513,634	1,612,009	1,716,790
Other materials	202,646	216,406	223,864	270,378	243,800	248,110	244,701	272,607	346,015
Contracted Services	1,314,473	1,426,952	1,292,094	1,589,232	1,618,942	1,613,341	1,792,998	1,909,587	2,067,182
Other Expenditure	203,129	172,915	300,194	220,318	247,339	247,636	251,569	267,890	285,299
<b>Total Repairs and Maintenance Expenditure</b>	<b>2,750,384</b>	<b>2,905,370</b>	<b>3,003,158</b>	<b>3,582,394</b>	<b>3,522,598</b>	<b>3,521,603</b>	<b>3,802,902</b>	<b>4,062,093</b>	<b>4,415,285</b>



**Table 89 MBRR Table SA2 - Matrix financial performance budget (revenue source / expenditure type and department)**

Description	Vote 1 - City Health	Vote 2 - City Manager	Vote 3 - Community Services	Vote 4 - Corporate Services & Compliance	Vote 5 - Energy, Environmental & Spatial Planning	Vote 6 - Finance	Vote 7 - Human Settlements	Vote 8 - Rates & Other	Vote 9 - Safety & Security	Vote 10 - Social Dev & Early Childhood Development	Vote 11 - Tourism, Events & Economic Development	Vote 12 - Transport for Cape Town	Vote 13 - Utility Services	Total
<b>R thousand</b>														
<b>Revenue By Source</b>														
Property rates	–	–	–	–	–	–	–	6,959,000	–	–	–	–	–	6,959,000
Property rates - penalties & collection charges	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Service charges - electricity revenue	–	–	41	–	–	–	–	–	–	–	–	11,807,877	–	11,807,918
Service charges - water revenue	–	–	–	–	–	–	–	–	–	–	–	3,066,664	–	3,066,664
Service charges - sanitation revenue	–	–	–	–	–	–	–	–	–	–	–	1,628,277	–	1,628,277
Service charges - refuse revenue	–	–	6	–	–	–	–	–	4	–	–	1,232,919	–	1,232,929
Service charges - other	7,484	49	49,818	45,748	119,045	26,390	10,993	–	31,467	–	6,739	89,432	230,122	617,287
Rental of facilities and equipment	–	–	4,626	192	33	121,338	237,699	–	254	133	18,770	506	–	383,550
Interest earned - external investments	–	–	–	–	–	588,693	7,001	–	–	–	–	–	–	595,694
Interest earned - outstanding debtors	–	–	–	10	18	874	–	137,433	1,900	–	0	144,474	2	284,710
Dividends received	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Fines	23	–	3,298	5	1,213	422	–	–	1,050,758	–	–	–	25	1,055,743
Licences and permits	795	–	–	–	–	–	–	–	24,923	–	–	–	2,175	27,893
Agency services	–	–	–	–	–	143,000	–	–	10,993	–	–	–	–	153,993
Other revenue	58	2	677	17,756	53	170,328	7,655	2,197,740	404	–	105	89,188	20,078	2,504,046
Transfers recognised - operational	548,413	–	38,515	10,330	12,907	4,556	915,707	1,913,044	43,203	–	2,000	36,919	277,346	3,802,940
Gains on disposal of PPE	–	–	–	3,000	–	69,000	2,000	–	–	–	–	5,500	–	79,500
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>556,774</b>	<b>51</b>	<b>96,980</b>	<b>77,041</b>	<b>133,269</b>	<b>1,124,601</b>	<b>1,181,056</b>	<b>11,207,217</b>	<b>1,163,906</b>	<b>133</b>	<b>27,613</b>	<b>18,101,757</b>	<b>529,747</b>	<b>34,200,144</b>

Table continues on next page.

City of Cape Town – 2016/17 Budget

Description	Vote 1 - City Health	Vote 2 - City Manager	Vote 3 - Community Services	Vote 4 - Corporate Services & Compliance	Vote 5 - Energy, Environmental & Spatial Planning	Vote 6 - Finance	Vote 7 - Human Settlements	Vote 8 - Rates & Other	Vote 9 - Safety & Security	Vote 10 - Social Dev & Early Childhood Development	Vote 11 - Tourism, Events & Economic Development	Vote 12 - Transport for Cape Town	Vote 13 - Utility Services	Total
<b>R thousand</b>														
<b>Expenditure By Type</b>														
Employee related costs	703,393	84,155	1,062,641	1,191,611	463,603	780,567	317,731	147,036	1,626,410	93,964	132,649	686,284	3,307,528	10,597,571
Remuneration of councillors	–	2,571	–	148,492	–	–	–	–	–	–	–	–	–	151,063
Debt impairment	–	–	–	–	–	10,947	119,861	282,029	–	808,516	–	–	781,849	2,003,203
Depreciation & asset impairment	11,716	4,084	120,368	198,145	23,671	14,820	106,740	–	5,810	54,874	209,929	671,556	896,729	2,318,441
Finance charges	–	–	–	–	–	856,234	–	–	–	–	–	–	39,614	895,848
Bulk purchases	–	–	–	–	–	–	–	–	–	–	–	–	8,515,180	8,515,180
Other materials	3,823	282	11,807	35,082	1,249	1,158	29,643	–	234	4,541	742	31,946	217,666	338,172
Contracted services	70,268	69,390	371,790	319,382	81,935	65,933	616,493	27,528	50,954	59,530	74,133	841,028	1,747,799	4,396,163
Transfers and grants	625	10,309	–	299	265	2,000	59,679	–	–	–	101,656	–	–	174,833
Other expenditure	260,223	56,491	260,165	670,414	38,541	502,443	498,635	625,201	55,616	276,549	50,963	701,938	1,157,805	5,154,983
Loss on disposal of PPE	–	–	–	–	–	–	–	–	–	–	–	–	–	–
<b>Total Expenditure</b>	<b>1,050,049</b>	<b>227,281</b>	<b>1,826,771</b>	<b>2,563,425</b>	<b>609,264</b>	<b>2,234,102</b>	<b>1,748,780</b>	<b>1,081,794</b>	<b>1,739,024</b>	<b>1,297,973</b>	<b>570,071</b>	<b>2,932,751</b>	<b>16,664,171</b>	<b>34,545,457</b>
<b>Surplus/(Deficit)</b>	<b>(493,275)</b>	<b>(227,231)</b>	<b>(1,729,791)</b>	<b>(2,486,384)</b>	<b>(475,995)</b>	<b>(1,109,500)</b>	<b>(567,724)</b>	<b>10,125,423</b>	<b>(575,118)</b>	<b>(1,297,840)</b>	<b>(542,458)</b>	<b>15,169,006</b>	<b>(16,134,424)</b>	<b>(345,312)</b>
Transfers recognised - capital	13,900	0	104,453	295	6,715	–	424,683	–	33,084	400	–	535,863	1,057,646	2,177,040
Contributions recognised - capital	–	–	–	–	–	–	–	–	–	–	–	60,800	15,000	75,800
Contributed assets	–	–	–	–	–	–	–	–	–	–	–	–	–	–
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>(479,375)</b>	<b>(227,231)</b>	<b>(1,625,339)</b>	<b>(2,486,089)</b>	<b>(469,280)</b>	<b>(1,109,500)</b>	<b>(143,041)</b>	<b>10,125,423</b>	<b>(542,034)</b>	<b>(1,297,440)</b>	<b>(542,458)</b>	<b>15,765,669</b>	<b>(15,061,778)</b>	<b>1,907,528</b>

**Table 90 MBRR Table SA3 - Supporting detail to Statement of Financial Position**

Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>R thousand</b>									
<b>ASSETS</b>									
<u><b>Call investment deposits</b></u>									
Call deposits < 90 days	4,542,767	2,058,625	3,056,201	1,867,305	1,078,130	1,078,130	1,436,506	1,879,931	2,806,608
Other current investments > 90 days	3,430,794	2,621,906	1,746,347	1,532,412	1,559,995	1,559,995	1,470,685	1,251,777	1,007,069
<b>Total Call investment deposits</b>	<b>7,973,561</b>	<b>4,680,531</b>	<b>4,802,548</b>	<b>3,399,717</b>	<b>2,638,125</b>	<b>2,638,125</b>	<b>2,907,191</b>	<b>3,131,708</b>	<b>3,813,677</b>
<u><b>Consumer debtors</b></u>									
Consumer debtors	8,217,315	8,540,616	8,955,125	12,461,403	10,984,890	10,984,890	13,041,537	15,409,292	17,943,250
<u>Less: Provision for debt impairment</u>	(4,045,082)	(4,230,967)	(4,336,628)	(7,720,671)	(6,135,127)	(6,135,127)	(8,138,330)	(10,260,375)	(12,548,624)
<b>Total Consumer debtors</b>	<b>4,172,233</b>	<b>4,309,649</b>	<b>4,618,497</b>	<b>4,740,731</b>	<b>4,849,763</b>	<b>4,849,763</b>	<b>4,903,207</b>	<b>5,148,917</b>	<b>5,394,627</b>
<u><b>Debt impairment provision</b></u>									
Balance at the beginning of the year	4,181,256	4,045,082	4,230,967	5,922,301	4,336,628	4,336,628	6,135,127	8,138,330	10,260,375
Contributions to the provision	868,296	766,563	802,097	1,798,371	1,798,499	1,798,499	2,003,203	2,122,045	2,288,249
Bad debts written off	(1,004,470)	(580,678)	(696,436)	–	–	–	–	–	–
<b>Balance at end of year</b>	<b>4,045,082</b>	<b>4,230,967</b>	<b>4,336,628</b>	<b>7,720,671</b>	<b>6,135,127</b>	<b>6,135,127</b>	<b>8,138,330</b>	<b>10,260,375</b>	<b>12,548,624</b>
<u><b>Property, plant and equipment (PPE)</b></u>									
PPE at cost/valuation (excl. finance leases)	41,167,246	45,556,274	50,197,679	56,645,256	56,020,318	56,020,318	62,185,131	67,425,069	73,014,399
Leases recognised as PPE	–	–	–	–	–	–	–	–	–
<u>Less: Accumulated depreciation</u>	13,366,476	15,017,416	16,754,575	19,027,918	18,881,698	18,881,698	21,200,140	23,690,872	26,427,526
<b>Total Property, plant and equipment (PPE)</b>	<b>27,800,770</b>	<b>30,538,858</b>	<b>33,443,104</b>	<b>37,617,338</b>	<b>37,138,620</b>	<b>37,138,620</b>	<b>40,984,992</b>	<b>43,734,197</b>	<b>46,586,873</b>
<b>LIABILITIES</b>									
<u><b>Current liabilities - Borrowing</b></u>									
Short term loans (other than bank overdraft)	–	–	–	–	–	–	–	–	–
Current portion of long-term liabilities	418,166	368,325	345,682	498,690	474,100	474,100	501,208	530,326	649,886
<b>Total Current liabilities - Borrowing</b>	<b>418,166</b>	<b>368,325</b>	<b>345,682</b>	<b>498,690</b>	<b>474,100</b>	<b>474,100</b>	<b>501,208</b>	<b>530,326</b>	<b>649,886</b>
<u><b>Trade and other payables</b></u>									
Trade and other creditors	4,517,030	4,763,375	5,297,880	5,175,599	4,711,996	4,711,996	4,883,517	4,872,368	4,823,312
Unspent conditional transfers	858,556	1,495,768	1,527,445	1,640,961	1,640,960	1,640,960	1,600,902	1,727,303	1,868,101
VAT	69,491	79,021	85,807	91,269	90,097	90,097	94,602	99,332	104,299
<b>Total Trade and other payables</b>	<b>5,445,077</b>	<b>6,338,164</b>	<b>6,911,132</b>	<b>6,907,829</b>	<b>6,443,053</b>	<b>6,443,053</b>	<b>6,579,021</b>	<b>6,699,004</b>	<b>6,795,712</b>
<u><b>Non current liabilities - Borrowing</b></u>									
Borrowing	6,936,236	6,666,139	6,415,499	8,032,745	6,032,745	6,032,745	8,058,439	9,079,089	10,456,698
Finance leases (including PPP asset element)	–	–	–	–	–	–	–	–	–
<b>Total Non current liabilities - Borrowing</b>	<b>6,936,236</b>	<b>6,666,139</b>	<b>6,415,499</b>	<b>8,032,745</b>	<b>6,032,745</b>	<b>6,032,745</b>	<b>8,058,439</b>	<b>9,079,089</b>	<b>10,456,698</b>
<u><b>Provisions - non-current</b></u>									
Retirement benefits	3,782,902	5,073,266	4,888,834	5,434,955	5,078,785	5,078,785	5,286,422	5,505,478	5,736,582
<i>List other major provision items</i>	–	–	–	–	–	–	–	–	–
Refuse landfill site rehabilitation	332,991	274,069	272,485	364,363	376,375	376,375	411,400	375,081	368,008
Other	436,620	436,627	463,389	559,780	522,189	522,189	573,267	629,044	689,618
<b>Total Provisions - non-current</b>	<b>4,552,513</b>	<b>5,783,962</b>	<b>5,624,708</b>	<b>6,359,098</b>	<b>5,977,349</b>	<b>5,977,349</b>	<b>6,271,089</b>	<b>6,509,602</b>	<b>6,794,208</b>

Table continues on next page.

City of Cape Town – 2016/17 Budget

Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>R thousand</b>									
<b>CHANGES IN NET ASSETS</b>									
<b><u>Accumulated Surplus/(Deficit)</u></b>									
Accumulated Surplus/(Deficit) - opening balance	16,721,752	20,159,376	21,893,987	24,732,002	25,663,410	25,663,410	28,525,505	31,257,262	33,568,798
GRAP adjustments	-	-	-	-	-	-	-	-	-
Restated balance	16,721,752	20,159,376	21,893,987	24,732,002	25,663,410	25,663,410	28,525,505	31,257,262	33,568,798
Surplus/(Deficit)	3,443,726	1,656,707	4,339,773	1,857,410	2,366,424	2,366,424	1,907,528	2,087,025	2,261,109
Appropriations to Reserves	(639,146)	(457,093)	(1,084,623)	465,579	506,891	506,891	831,118	231,031	120,719
Transfers from Reserves	633,044	534,997	514,275	(10,956)	(11,220)	(11,220)	(6,889)	(6,521)	(33,078)
Depreciation offsets	-	-	-	-	-	-	-	-	-
Other adjustments	-	-	-	-	-	-	-	-	-
<b>Accumulated Surplus/(Deficit)</b>	<b>20,159,376</b>	<b>21,893,987</b>	<b>25,663,412</b>	<b>27,044,035</b>	<b>28,525,505</b>	<b>28,525,505</b>	<b>31,257,262</b>	<b>33,568,798</b>	<b>35,917,547</b>
<b><u>Reserves</u></b>									
Housing Development Fund	504,356	468,419	396,385	489,067	272,031	272,031	156,947	69,506	(51,213)
Capital replacement	1,281,721	1,187,993	1,865,119	769,755	1,482,582	1,482,582	766,548	622,958	649,881
Self-insurance	511,743	563,504	528,760	588,642	539,980	539,980	546,869	553,389	559,544
Other reserves	-	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-	-
<b>Total Reserves</b>	<b>2,297,820</b>	<b>2,219,916</b>	<b>2,790,264</b>	<b>1,847,464</b>	<b>2,294,593</b>	<b>2,294,593</b>	<b>1,470,363</b>	<b>1,245,853</b>	<b>1,158,212</b>
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>22,457,196</b>	<b>24,113,903</b>	<b>28,453,676</b>	<b>28,891,499</b>	<b>30,820,098</b>	<b>30,820,098</b>	<b>32,727,626</b>	<b>34,814,651</b>	<b>37,075,759</b>

**Table 91 MBRR Table SA9 - Social, economic and demographic statistics and assumptions**

Description of economic indicator	Basis of calculation	2001 Census	2007 Survey	2011 Census	2012/13	2013/14	2014/15	Current Year 2015/16	2016/17 Medium Term Revenue & Expenditure Framework		
					Outcome	Outcome	Outcome	Original Budget	Outcome	Outcome	Outcome
<b>Demographics</b>											
Population	StatsSA Census & Mid-year estimates, Projections	2,893,249	3,497,097	3,740,025	3,836,464	3,896,726	3,957,798	3,972,237	4,014,765	-	-
Females aged 5 - 14	StatsSA Census & Mid-year estimates, Projections	260,241	287,307	275,909	331,127	333,887	336,866	322,161	332,403	-	-
Males aged 5 - 14	StatsSA Census & Mid-year estimates, Projections	257,985	284,101	282,124	338,071	340,226	343,157	332,518	343,700	-	-
Females aged 15 - 34	StatsSA Census & Mid-year estimates, Projections	571,867	653,762	706,732	653,698	657,055	660,244	686,064	676,382	-	-
Males aged 15 - 34	StatsSA Census & Mid-year estimates, Projections	539,939	631,811	707,488	643,997	653,043	661,928	681,071	669,749	-	-
Unemployment	StatsSA Census & QLFS	29.20%	24.50%	23.90%	25.72%	24.17%	24.24%	NA	NA	-	-
<b>Monthly household income (no. of households)</b>											
No income	StatsSA Census	101,953	52,446	146,517	NA	NA	NA	NA	NA	-	-
R1 - R1 600	StatsSA Census	200,414	144,873	185,068	NA	NA	NA	NA	NA	-	-
R1 601 - R3 200	StatsSA Census	130,846	122,611	170,824	NA	NA	NA	NA	NA	-	-
R3 201 - R6 400	StatsSA Census	133,588	121,268	154,427	NA	NA	NA	NA	NA	-	-
R6 401 - R12 800	StatsSA Census	109,609	103,587	139,348	NA	NA	NA	NA	NA	-	-
R12 801 - R25 600	StatsSA Census	67,529	87,974	126,625	NA	NA	NA	NA	NA	-	-
R25 601 - R51 200	StatsSA Census	23,091	52,892	92,860	NA	NA	NA	NA	NA	-	-
R52 201 - R102 400	StatsSA Census	5,470	18,249	38,018	NA	NA	NA	NA	NA	-	-
R102 401 - R204 800	StatsSA Census	3,028	5,355	9,749	NA	NA	NA	NA	NA	-	-
> R204 800	StatsSA Census	1,861	3,429	5,066	NA	NA	NA	NA	NA	-	-
Unspecified		-	189,593	73	NA	NA	NA	NA	NA	-	-
<b>Poverty profiles (no. of households)</b>											
< R2 060 per household per month		NA	NA	NA	NA	NA	NA	NA	NA	-	-
Indigent households		-	-	-	288,703	288,724	231,793	NA	NA	-	-
<b>Household/demographics (000)</b>											
Number of people in municipal area	StatsSA Census & Mid-year estimates, Projections	2,893	3,497	3,740	3,836	3,897	3,958	3,972	4,015	-	-
Number of poor people in municipal area	StatsSA Census, estimates	1,125	1,240	1,758	NA	NA	NA	NA	NA	-	-
Number of households in municipal area	StatsSA Census, estimates	777	902	1,069	1,096	1,113	1,131	1,135	1,147	-	-
Number of poor households in municipal area	StatsSA Census	302	320	502	NA	NA	NA	NA	NA	-	-
Definition of poor household (R per month)		Household Income < R1608	Household income < R3201	Household income < R3201	-	-	-	-	-	-	-
<b>Housing statistics</b>											
Formal	StatsSA Census, estimates	619,691	758,159	846,026	867,844	881,476	895,291	898,557	908,178	-	-
Informal	StatsSA Census, estimates	157,699	144,116	222,549	228,288	231,874	235,508	236,368	238,898	-	-
<b>Total number of households</b>		<b>777,390</b>	<b>902,275</b>	<b>1,068,575</b>	<b>1,096,132</b>	<b>1,113,350</b>	<b>1,130,799</b>	<b>1,134,925</b>	<b>1,147,076</b>	-	-
Dwellings provided by municipality		-	-	-	4,300	3,647	5,164	4,760	3,000	-	-
Dwellings provided by province/s		-	-	-	-	-	-	-	-	-	-
Dwellings provided by private sector		-	-	-	9,501	9,669	8,659	-	-	-	-
<b>Total new housing dwellings</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>13,801</b>	<b>13,316</b>	<b>13,823</b>	<b>4,760</b>	<b>3,000</b>	-	-
<b>Economic</b>											
Inflation/inflation outlook (CPIX)		-	-	-	5.4%	-	5.80%	5.7%	5.9%	5.5%	5.5%
Interest rate - borrowing		-	-	-	10.0%	9.8%	11.0%	12.0%	11.0%	12.0%	12.0%
Interest rate - investment		-	-	-	6.0%	5.3%	5.5%	6.5%	6.5%	7.0%	7.5%
Remuneration increases		-	-	-	7.0%	6.8%	6.80%	7.0%	6.0%	7.2%	6.6%
Consumption growth (electricity)		-	-	-	-1.3%	-0.4%	-1.44%	-1.0%	-1.0%	-1.0%	-1.0%
Consumption growth (water)		-	-	-	1.0%	-	1.00%	0.0%	0.0%	0.0%	0.0%
<b>Collection rates</b>											
Property tax/service charges		-	-	-	95.2%	96.3%	96.7%	96.4%	96.0%	96.0%	96.0%
Rental of facilities & equipment		-	-	-	87.5%	85.0%	85.0%	115.0%	95.0%	95.0%	95.0%
Interest - external investments		-	-	-	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Interest - debtors		-	-	-	96.2%	96.4%	96.8%	96.6%	96.2%	96.2%	96.2%
Revenue from agency services		-	-	-	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

**Table 92 MBRR Table SA32 - List of external mechanisms**

External mechanism	Yrs/ Mths	Period of agreement	Service provided	Expiry date of service delivery agreement or contract	Monetary value of agreement
Name of organisation		Number			R thousand
<b>Directorate: Energy, Environmental &amp; Spatial Planning</b>					
1. Shine the Way 440 CC for areas E, F and G	Mths	36	Enforcement of illegal posters and signs into the Outdoor Advertising and Signage By-Law	12 November 2018	Rates based
2. DT Andriaanse t/a DTA Services for areas B, C and D					
3. NACP Building Projects CC for areas A and H					
Quenico Africa (Pty) Ltd	Mths	34	Provision of a service provider for visitor and staff safety management within the nature reserves and open spaces by providing rangers in the operation area of the City	30 June 2018	Rates based
Human Wildlife Solutions CC	Mths	31	Provision of a service provider to carry out baboon management on the Cape Peninsula	30 June 2017	Rates based
1. NCC Environmental Services (Pty) Ltd	Mths	36	Controlling of invasive plants species	New tender still to be finalised	Rates based
2. Phumelela					
3. JS Alien Destroyers					
4. Akhanani Alien Clearing					
Shark Spotters	Mths	36	Shark spotting programme	30 June 2018	2,944
<b>Directorate: Safety &amp; Security</b>					
Cape of Good Hope SPCA	Yrs	3	The provision of animal pound facilities, animal care and animal control related services on behalf of the Law Enforcement Department	30 June 2017	1,500
Public Discipline & Integration of Technology	Yrs	3	Maintenance of CCTV systems and equipment	30 June 2017	6,412
AFJ Bernhard t/a Bernhard Agencies	Yrs	3	Supply and delivery of fire arms for the City	30 June 2018	326
Spotless by Sam & Tracol Solutions CC	Yrs	3	Supply and delivery of animal feed and bedding	30 June 2018	144
Caddic Security Systems & Integration (Pty) Ltd & EOH Security & Building Technologies (Pty) Ltd	Yrs	3	Supply, installation and commissioning of urban CCTV cameras and equipment	30 June 2017	4,000
Various	Yrs	3	Supply and delivery of uniforms and equipment for Traffic Services	30 June 2017	3,200
Computer Specialists (Pty) Ltd	Yrs	1	Installation and maintenance of electronic ticketing and queueing system for the Parow Driving Licence Testing Centre (DLTC)	31 October 2016	300
<b>Directorate: Office of the City Manager</b>					
King James/Yellow Wood	Mths	30	Brand development, comms. strategies, social media.	30 June 2016	24,000
Panel of freelancer photographers	Mths	36	Ad hoc photographic services	30 June 2016	1,200
Panel of freelancer graphic designers	Mths	36	Ad hoc graphic design services	30 June 2017	4,000
Ultra Afrikom	Mths	36	Media support/capacitation	08 September 2016	3,000

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**City of Cape Town – 2016/17 Budget**

External mechanism Name of organisation	Yrs/ Mths	Period of agreement	Service provided	Expiry date of service delivery agreement or contract	Monetary value of agreement
		Number			R thousand
J Lloyd	Mths	36	Specialist media space buying	30 June 2016	500
Panel of small audio-visual companies	Mths	36	Provision of sound, recording and audio systems at meetings/ functions - new tender	Services procured as and when required	various rates
Panel of freelance creative writers/small agencies	Mths	36	Provision of creative writing services for publications, leaflets, web	31 October 2016	3,000
Creative Store	Mths	36	Development of newsletters	01 June 2018	2,500
Ince	Mths	36	Development of 8 flagship publications	30 June 2018	3,000
Tandym Print	Mths	6	Printing of newsletters	31 October 2017	600
Ornico	Mths	36	Independent monitoring of media coverage received by the City	01 March 2018	2,000
Civair	Mths	36	Provision of helicopter for aerial photography	30 June 2018	1,000
Panel of freelance web writers and designers	Mths	36	Provision of web design and web writing services	30 June 2017	9,000
Panel of freelance videographers and associated services	Mths	36	Provision of professional video writing, filming and post production editing - new tender currently being developed	New tender	3,000
Copy Editors and Proof Readers	Mths	36	Editing and proofreading of written material	Approx February 2017	2,000
Creative Courier	Mths	36	Distribution of Newsletter	01 February 2019	1,200
<b>Directorate: Community Services</b>					
MSA Builders	Mths	1	Building and plumbing repairs	Emergency work; no tender in place	various rates
1. Grammoney Sports Turf	Mths	36	Fertilizers	30 June 2017	750
2. Brainwave Projects					
3. Powerrec					
1. Henchem	Mths	36	Vegetation control	30 June 2018	185
2. Swartland Chemicals					
1. Henchem	Mths	36	Weeds, insects, fungi	Various Rates	various rates
2. Swartland Chemicals					
1. Rhode bros	Mths	36	Outdoor gym equipment	30 June 2017	67
2. Green Outdoor					
1. Swartland Chemicals	Mths	36	Vegetation control	30 June 2018 (Not awarded yet)	various rates
2. Henchem					
Eden Security	Mths	36	Provide security services to Ndabeni	30 June 2017	various rates
Henchem	Mths	36	Weeds, insects and fungi control of vegetation	30 October 2016	308
1. JH Louw t/a Swartland Chemicals	Mths	30	Vegetation control on hard surfaces	30 June 2018	6,000
2. Stodart Trees t/a Stodart Treefellers CC					
3. Henning & Henning t/a Henchem					
4. JH Louw t/a Swartland Chemicals					
JJ Jaason trading Projects	Mths	9	Vegetation control	Emergency work; no tender in place	various rates
JJ Cornelius	Mths	9	Repairs to irrigation	Emergency work; no tender in place	various rates

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City of Cape Town – 2016/17 Budget

External mechanism Name of organisation	Yrs/ Mths	Period of agreement	Service provided	Expiry date of service delivery agreement or contract	Monetary value of agreement
		Number			R thousand
KSA Security	Mths	36	Security Services	30 June 2017	various rates
Lilian4Zonke (Pty) Ltd	Mths	31	Cleaning services at Langa cemetery	30 June 2017	various rates
Rhoda Brothers	Mths	36	New play equipment installation services	30 June 2017	various rates
Security Wise	Mths	36	Provide security services to Beaconvale depot	30 June 2017	various rates
Spagi Signs	Mths	24	Park signage	30 June 2017	1,000
Various companies	Mths	2	Building repairs	Emergency work; no tender in place	various rates
Various Companies	Mths	12	Cleaning services	30 June 2017 (not awarded yet)	various rates
Various Companies	Mths	36	Grave digging	30 June 2019 (not awarded yet)	various rates
Various companies	Mths	36	Horticultural maintenance	30 June 2018 (not awarded yet)	various rates
Various companies	Mths	36	Mowing	30 June 2018 (not awarded yet)	various rates
Various companies	Mths	36	Palisade Security Fencing	30 June 2018 (not awarded yet)	various rates
Various companies	Mths	24	Park equipment	30 June 2017 (not awarded yet)	various rates
Various companies	Mths	9	Repairs to irrigation	Emergency work; no tender in place	various rates
Various companies	Mths	36	Rubber matting	30 June 2018 (not awarded yet)	various rates
Various companies	Mths	36	Signage	30 June 2018 (not awarded yet)	various rates
Various companies	Mths	36	Tree maintenance	30 June 2018 (not awarded yet)	various rates
Various companies	Mths	9	Vegetation control	Emergency work; no tender in place	various rates
VT medwaste	Mths	36	Supply, delivery and installation of sanitary bins	30 June 2018	various rates
Wely Constructions	Mths	36	Grave digging	30 June 2017	22,000
Yhawen Constructions	Mths	36	Grave digging	30 June 2017	22,000
<b>Directorate: Finance</b>					
Cocopan (Pty) Ltd	Mths	12	Horticultural services at the Manenberg Contact Centre - shared between Revenue and Housing department	30 June 2016	198
Lilian 4 Zonke (Pty) Ltd	Mths	12	Cleaning services: Manenberg Contact Centre - shared between Revenue and Housing department	30 June 2016	138
Hydro Cape Turf Services cc	Mths	12	Hybrid irrigation systems at Mannenberg Contact Centre - shared between Revenue and Housing department	30 June 2016	190
Anil M Jessa Cc T/A Dhanesh Electrical	Mths	12	Serviceing of HVAC at Manenberg Contact Centre - shared between Revenue and Housing department	30 June 2016	63

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**City of Cape Town – 2016/17 Budget**

External mechanism	Yrs/ Mths	Period of agreement	Service provided	Expiry date of service delivery agreement or contract	Monetary value of agreement
Name of organisation		Number			R thousand
<b>Directorate: Social Dev &amp; Early Childhood Development</b>					
AECOM	Mths	17	Professional services for the construction of the Delft ECD	30 June 2017	934
AECOM	Mths	17	Professional services for the construction of the Nantes ECD	31 July 2016	1,052
Blizzard Trading	Mths	7	Construction of Nantes ECD	31 July 2016	7,722
C2C	Mths	19	Professional services	30 June 2017	Rates based
N1 Waterproofers and Decorators	Mths	9	Construction of Delft ECD	31 January 2017	12,090
<b>Directorate: Utility Services</b>					
Itron Metering Solutions SA (Pty) Ltd.	Mths	36	Appointment of third party service providers: Electricity prepayment vending solution for the City	30 June 2016	various rates
GiGiCell (Pty) Ltd	Mths	36	Appointment of third party service providers: Electricity prepayment vending solution for the City	30 June 2016	various rates
EasyPay (Pty) Ltd	Mths	36	Appointment of third party service providers: Electricity prepayment vending solution for the City	30 June 2016	various rates
Syntell (Pty) Ltd	Mths	36	Appointment of third party service providers: Electricity prepayment vending solution for the City	30 June 2016	various rates
Zimele ERP IT Services t/a Zimele Technologies	Mths	21	Maintenance of metering data unification system [Tender 400S 2014/15]	30 June 2017	900
1. Onlab Specialist Electro Technology CC 2. Consolidated Power Projects (Pty) Ltd	Mths	28	Supply , delivery and/or installation of statistical metering [Tender 50G 2014/15]	30 June 2017	250
Current Affairs Electrical CC	Mths	24	Supply of labour for the location and repair of pilot cable faults [Tender 223S 2014/15]	20 August 2017	1,800
Elex Umbane (Pty) Ltd t/a Elex Khanyisa	Mths	30	Replacement of single phase meters [Tender 375S 2014/15]	30 June 2018	35,000
Mhonko's Waste Removal (Pty) Ltd	Mths	36	Provision of a wet refuse collection service for various suburbs in Impuma area (Wallacedene, Scottsdene, Bloekombos and Kraaifontein) and surrounding areas	30 November 2018	26,500
Mhonko's Waste Removal (Pty) Ltd	Mths	36	Provision of a wet refuse collection service for various suburbs in Impuma area (Delft & Mfuleni) and surrounding areas	30 November 2018	50,400
Masiqhame Trading 729 CC	Mths	36	Community based refuse collection and area cleaning in Informal Settlements - Area 8	30 June 2018	41,000
Odour Control Solutions CC t/a OCS	Mths	36	Provision of odour neutralisation service at various solid waste facilities	30 June 2018	7,000
Waste Plan (Pty) Ltd	Mths	36	The provision of services for the operating of the materials recovery facility at the Kraaifontein waste management facility and for the collection of dry refuse and co-mingled recyclables from the targeted North-Eastern Metropolitan areas	30 June 2018	12,000
Atlantic Charters & Tours CC t/a Atlantic Shuttle Services	Mths	36	Hire of minibusses for staff transport to and from Athlone Transfer station	30 June 2018	2,000
New Recruitment Transport CC t/a New Era Transport	Mths	36	Hire of minibusses for staff transport to and from Swartklip Transfer station	30 June 2018	1,300
1. Erasmus Taxi CC - routes 1, 5 and 6 2. Atlantic Charters & Tours CC t/a Atlantic Shuttle Services - routes 2, 3 and 4	Mths	36	Hire of minibusses for staff transport to and from Viessershok landfill site	30 June 2018	6,000

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City of Cape Town – 2016/17 Budget

External mechanism Name of organisation	Yrs/ Mths	Period of agreement	Service provided	Expiry date of service delivery agreement or contract	Monetary value of agreement
		Number			R thousand
1. Eyona Transport CC - routes 1 and 2	Mths	36	Hire of minibusses for staff transport to and from Coastalpark landfill site	30 June 2018	1,200
2. New Recruitment Transport CC t/a New Era Transport - route 3 Wastecircle (Pty) Ltd	Mths	36	Provision of skips for the removal of animal waste, general waste and disposal thereof at Vissershok CCT owned site	30 June 2018	800
World Wize Waste Solution CC t/a Save All Initiatives	Mths	36	Collection, loading, transport and disposal of animal carcasses	30 June 2018	2,000
Wasteman Holdings (Pty) Ltd	Mths	36	Provision of services for operating the household hazardous waste drop-off at Athlone refuse transfer station	31 October 2017	4,000
Shamrock recruiting CC	Mths	36	Community based refuse collection and area cleaning in informal settlements - Area 6	30 June 2017	24,000
LLK Consultants CC	Mths	36	Community of refuse collection and area cleansing in informal settlement - Area 5	30 June 2017	35,940
Mawose Manufacturers CC	Mths	36	Community of refuse collection and area cleansing in informal settlement - Area 4	30 June 2017	36,100
Inyameko Trading 675 CC t/a Uhlaza Group	Mths	36	Community of refuse collection and area cleansing in informal settlement - Area 3	30 June 2017	13,035
Nokwindla- Yidlani Trading and Projects CC	Mths	36	Community of refuse collection and area cleansing in informal settlement - Area 2	30 June 2017	22,295
Masiqhame Trading 729 CC	Mths	36	Removal and disposal of refuse from storage areas in informal settlements	30 June 2017	78,000
Masisebenze Water Systems (Pty) Ltd	Mths	36	Supply, delivery, installation, moving and repair of used marine shipping containers	30 June 2017	3,000
Water & Sanitation Services (Pty) Ltd (WSSA)	Yrs	15 years	Provision of operation, maintenance and management services at the Fisantekraal Wastewater Treatment Works [Tender 442S201011 ]	30 July 2028	13,472
Water & Sanitation Services (Pty) Ltd (WSSA)	Yrs	15 years	Provision of operation, maintenance and management services at the Zandvliet Wastewater Treatment Works [Tender 441S201011 ]	31 January 2027	4,728
Fikelela Labour Services CC	Months	29	Meter Reading	30 June 2017	17,951
Ikapa Reticulation & Flow CC	Months	29	Meter Reading	30 June 2017	13,951
Ikapa Reticulation & Flow CC	Months	24	Disconnection and reconnection of water supply	30 June 2016	6,000
1. Shamrock Plumbing CC 2. Solar Distributors Africa (Pty) Ltd 3. Sakhikhaya Supplies CC 4. KEV Accurate Measuring CC 5. Quetzal Trading 116 CC 6. LJA Construction CC 7. Nozomi 179 CC t/a JB Construction & Civils 8. Ikapa Reticulation & Flow	Mnths	36	Repair of plumbing and installation of water management devices at domestic properties occupied by indigent households	30 June 2016	108,000
1. Solar Distributors Africa (Pty) Ltd 2. Sakhikhaya Supplies CC 3. Quetzal Trading 116 CC 4. KEV Accurate Measuring CC	Mnths	24	Replacement of water meters with nominal bore between 50 – 150 mm and Installation of new connections	26 January 2017	40,000
1. Solar Distributors Africa (Pty) Ltd 2. Sakhikhaya Supplies CC 3. Quetzal Trading 116 CC 4. KEV Accurate Measuring CC	Mnths	24	Replacement of water meters with nominal bore between 15 – 40 mm and Installation of new connections	26 January 2017	38,000
South Peninsula -Lazar Civil Engineering CC	Mths	25	Maintenance of sewer pipelines	30 June 2016	10,000
Quetzal Trading 116 C C (Main Contractor)	Mths	24	Cleaning of informal settlement sanitation infrastructure within the boundaries of the City	30 June 2016	7,000
Imvusa Trading 700 CC t/a Mshengu Services (Main Contractor)	Mths	22	Rental, delivering, placement, servicing and maintenance of portable non-flushing chemical toilet units for informal settlements and public transport interchanges citywide	30 June 2016	205,000

Table continues on next page.

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External mechanism	Yrs/ Mths	Period of agreement	Service provided	Expiry date of service delivery agreement or contract	Monetary value of agreement
Name of organisation		Number			R thousand
South Peninsula -Lazar Civil Engineering	Mths	25	Maintenance of sewer pipelines	30 June 2016	various rates
Tygerberg - Immex	Mths	25	Maintenance of sewer pipelines	30 June 2016	various rates
Khayelitsha - Lazar Civil engineering	Mths	25	Maintenance of sewer pipelines	30 June 2016	various rates
Helderberg - Bishop Lavis Cleaning Services	Mths	25	Maintenance of sewer pipelines	30 June 2016	various rates
Mitchell's Plain - Quetzal Trading	Mths	25	Maintenance of sewer pipelines	30 June 2016	various rates
Blaauwberg - Ramatini Service Agents	Mths	25	Maintenance of sewer pipelines	30 June 2016	various rates
Oostenberg - Peninsula Pipeline Services	Mths	25	Maintenance of sewer pipelines	30 June 2016	various rates
Central - Bishop Lavis Cleaning Services	Mths	25	Maintenance of sewer pipelines	30 June 2016	various rates
Athlone - Quetzal Trading	Mths	25	Maintenance of sewer pipelines	30 June 2016	various rates
Jetvac South Africa (Pty) Ltd	Mths	31	Maintenance of sewer pump station wetwells	01 October 2016	various rates
Jetvac South Africa (Pty) Ltd	Mths	24	Maintenance of Bridgetown sandtrap	31 December 2016	various rates
Peninsula Pipeline Services	Mths	25	Maintenance of sewer sandtraps	30 June 2016	various rates
Sightlines Pipe Survey Services	Mths	25	Maintenance of sewer sandtraps	30 June 2016	various rates
EnviroServ Waste Management Ltd	Mnths	30	Removal, transportation and disposal of wastewater sludge from various wastewater treatment works	30 June 2016	82,256
1. Thuthukani SNF Chemical (Pty) Ltd	Mnths	29	Supply, and delivery of polyelectrolyte for conditioning of wastewater sludge	30 June 2017	8,997
2. Clariant Southern Africa (Pty) Ltd	Mnths	36	Supply, delivery, commissioning, installation and maintenance of odour control system and delivery of odour control agent at various wastewater treatment works	31 December 2018	3,330
Bio Cure CC					
Wasteman Holdings (Pty) Ltd	Mths	33	Removal and disposal of water treatment residue from the Faure water treatment plant	30 June 2017	various rates
Pinnacle Instruments CC	Mths	29	Calibration service of Inline pH, turbidity and conductivity analysers at water treatment plants (bulk water branch)	30 June 2017	750
Maxal Projects SA (PTY) Ltd	Mths	32	Servicing and repairs of chlorine dosing equipment on various bulk water treatment plants and reservoirs	30 June 2016	400
Metrofile (Pty) Ltd & Giscoe & Esri South Africa	Mths	34	Geographic Information Systems (GIS) of water and sewer infrastructure and scanning of as-built drawings	30 June 2016	4,000
<b>Directorate: TEED</b>					
Phillipi Economic Development Initiative	Mths	25	Economic Development Facilitation	30 June 2018	2
Cape Town Partnership	Mths	5	Economic Development Facilitation	30 June 2016	5
Greater Tygerberg Partnership	Mths	25	Economic Development Facilitation	30 June 2018	7
Hout Bay Partnership	Mths	25	Economic Development Facilitation	30 June 2018	1
Central City Improvement District (CCID)	Mths	25	Economic Development Facilitation	30 June 2018	1
South African Renewable Energy Incubator (SAREBI)	Mths	12	Business Incubation Programme	30 June 2018	1
Cape Town Tourism	Yrs	3	Provide City with Tourism Marketing, Information Services and in-destination services.	30 June 2017	yr1 = 39 375 yr2 = 42 000 yr3 = 44 625

**Table 93 Schedule of Service Delivery Standards**

Standard	Description	Service Level
<b>Solid Waste Removal</b>		
	Premise based removal (Residential Frequency)	Once per week
	Premise based removal (Business Frequency)	Once, Three & Five times per week
	Bulk Removal (Frequency)	N/A
	Removal Bags provided(Yes/No)	Yes - Informal Settlements
	Garden refuse removal Included (Yes/No)	No; alternative removal per arrangement/request at separate tariff.
	Street Cleaning Frequency in CBD	Daily
	Street Cleaning Frequency in areas excluding CBD	Adhoc service
	How soon are public areas cleaned after events (24hours/48hours/longer)	Within 24hours
	Clearing of illegal dumping (24hours/48hours/longer)	Longer; dependant on the amount to be removed and subject to resource availability.
	Recycling or environmentally friendly practices(Yes/No)	Yes
	Licensed landfill site(Yes/No)	Yes
<b>Water Service</b>		
	Water Quality rating (Blue/Green/Brown/N0 drop)	Blue and Green drop / No drop audit performed.
	Is free water available to all? (All/only to the indigent consumers)	All
	Frequency of meter reading? (per month, per year)	Per Month
		Longer period
	Are estimated consumption calculated on actual consumption over (two month's/three month's/longer period)	
	On average for how long does the municipality use estimates before reverting back to actual readings? (months)	Latest standard procedure is not to exceed 12 months
	Duration (hours) before availability of water is restored in cases of service interruption (complete the sub questions)	
	One service connection affected (number of hours)	Within 24 hours
	Up to 5 service connection affected (number of hours)	Within 24 hours
	Up to 20 service connection affected (number of hours)	Within 24 hours
	Feeder pipe larger than 800mm (number of hours)	Within 24 hours
	What is the average minimum water flow in your municipality?	Annual Average Daily Flow = 939MI / day (Bulk System)
	Do you practice any environmental or scarce resource protection activities as part of your operations? (Yes/No)	Yes
	How long does it take to replace faulty water meters? (days)	Within a week
	Do you have a cathodic protection system in place that is operational at this stage? (Yes/No)	Only partial
<b>Electricity Service</b>		
	What is your electricity availability percentage on average per month?	99.97%
	Do your municipality have a ripple control in place that is operational? (Yes/No)	yes
	How much do you estimate is the cost saving in utilizing the ripple control system?	Not used
	What is the frequency of meters being read? (per month, per year)	per month
	Are estimated consumption calculated at consumption over (two month's/three month's/longer period)	previous year
	On average for how long does the municipality use estimates before reverting back to actual readings? (months)	Always attempt to use actual
	Duration before availability of electricity is restored in cases of breakages (immediately/one day/two days/longer)	Immediately
	Are accounts normally calculated on actual readings? (Yes/no)	Yes
	Do you practice any environmental or scarce resource protection activities as part of your operations? (Yes/No)	Not used
	How long does it take to replace faulty meters? (days)	1
	Do you have a plan to prevent illegal connections and prevention of electricity theft? (Yes/No)	Yes
	How effective is the action plan in curbing line losses? (Good/Bad)	Average
	How soon does the municipality provide a quotation to a customer upon a written request? (days)	Dependent on circumstances
	How long does the municipality takes to provide electricity service where existing infrastructure can be used? (working days)	3 months
	How long does the municipality takes to provide electricity service for low voltage users where network extension is not required? (working days)	3 months
	How long does the municipality takes to provide electricity service for high voltage users where network extension is not required? (working days)	3 months

Table continues on next page.

## City of Cape Town – 2016/17 Budget

Standard	Description	Service Level
<b>Sewerage Service</b>	Are your purification system effective enough to put water back in to the system after purification? To what extend do you subsidize your indigent consumers?  <b>How long does it take to restore sewerage breakages on average</b> Severe overflow? (hours) Sewer blocked pipes: Large pipes? (Hours) Sewer blocked pipes: Small pipes? (Hours) Spillage clean-up? (hours) Replacement of manhole covers? (Hours)	System = nature = yes / System = water system = only for irrigation purposes (treated effluent 0-4.2kl free / Additional 3.15kl subsidised for indigent customers.  Within 24 hours Within 24 hours Within 24 hours Within 24 hours Within 24 hours
<b>Road Infrastructure Services</b>	Time taken to make safe Potholes on minor roads after the Department has been informed of the report thereof. Time taken to repair a single pothole on a major road after the Department have been informed of the report thereof? Final repair (weather permitting and materials availability) Time taken to make safe Potholes on major roads after the Department has been informed of the report thereof. Time taken to repair a single pothole on a minor road after the Department has been informed of the report thereof? Final repair (weather permitting and materials availability) Time taken to repair a road following an open trench service crossing? (Services provider is responsible for keeping safe the trench crossing.) Final repair can be within 2 to 6 weeks dependent on depot staff availability or outsourcing via an annual contractor. Time taken to repair walkways after the Department has been informed of the report thereof? (Make safe ). Final repair of walkways (dependent on extent of the work required) - Work will be programmed. From 1 week to 3 months.	Within 12 hours Within 72 hours Within 24 hours Within 72 hours 6 weeks Within 72 hours 3 months
<b>Property valuations</b>	How long does it take on average from completion to the first account being issued? (one month/three months or longer) Do you have any special rating properties? (Yes/No)	1 to 2 months depending on the daily billing cycle for the specific property. Yes
<b>Financial Management</b>	Is there any change in the situation of unauthorised and wasteful expenditure over time? (Decrease/Increase)  Are the financial statement outsources? (Yes/No) Are there Council adopted business process instructing the flow and management of documentation feeding to Trial Balance? How long does it take for an Tax/Invoice to be paid from the date it has been received?  Is there advance planning from SCM unit linking all departmental plans quarterly and annually including for the next two to three years procurement plans?	Fluctuates from year to year.  No Yes; standard SAP business processes. It takes approximately 17 days on average to pay an invoice from date of receipt, taking into account all verification and approval processes performed by all line departments involved. The City has a fully functional corporate demand planning system in operation which is updated by SCM on a daily basis. The data contained in the demand plan is provided by line departments based on their planning schedules provided to SCM.
<b>Administration (Corporate Call Centre)</b>	Reaction time on enquiries and requests? Time to respond to a verbal customer enquiry or request? (working days) Time to respond to a written customer enquiry or request? (working days)  Time to resolve a customer enquiry or request? (working days) What percentage of calls are not answered? (5%,10% or more)  How long does it take to respond to voice mails? (hours) Does the municipality have control over logged enquiries? (Yes/No)  Is there a reduction in the number of complaints or not? (Yes/No)  How long does in take to open an account to a new customer? (1 day/ 2 days/ a week or longer)  How many times does SCM Unit, CFO's Unit and Technical unit sit to review and resolve SCM process delays other than normal monthly management meetings?	This varies from day to day and also depends on the medium used. Immediately during the call; depending the nature of the request. Acknowledged immediately via auto response and responded to as soon as possible. This varies from queue to queue. Our aim is to acknowledge immediately and respond within 7 days. 80% are resolved immediately at first point of contact. 20% resolved by back office according to their service standards. It differs from queue to queue and the time of day, week, month, year and extenuating circumstances. We do not use voice mail. Yes; the City uses the SAP system, which gives us an overview of all customer complaints and service requests reported via the Call Centre. There is an increase in the number of service requests i.e requests for bins. We have noticed a decrease in the number of customer complaints, which is directly linked to the reduction in the number of long outstanding service requests from customers.  There is a difference in the time to open a new account for a new property, which is dependent on the registration process from the conveyancer to the deeds office. This takes up to 3 months. As and when required.

Table continues on next page.

Description	Service Level
<b>Standard</b>	
<b>Community safety and licensing services</b>	
How long does it take to register a vehicle? (minutes)	Between 15 to 25 minutes increased in time because of FICA requirements to verify addresses (excl. queueing time )
How long does it take to renew a vehicle license? (minutes)	10 to 20 minutes increased in time because of FICA requirements to verify addresses and no licence renewals being sent out Nationally (excl. queueing time)
How long does it take to issue a duplicate registration certificate vehicle? (minutes)	15 to 20 minutes increased in time because of FICA requirements to verify addresses (excl. queueing time)
How long does it take to de-register a vehicle? (minutes)	10 to 15 minutes increased in time because of FICA requirements to verify addresses(excl. queueing time)
How long does it take to renew a drivers license? (minutes)	40 minutes
What is the average reaction time of the fire service to an incident? (minutes)	Between 8 to 20 minutes
What is the average reaction time of the ambulance service to an incident in the urban area? (minutes)	N/A - Provincial Competency
What is the average reaction time of the ambulance service to an incident in the rural area? (minutes)	N/A - Provincial Competency
<b>Economic development</b>	
Did your municipality participate in the Sub-National Doing Business Survey, and have the results been analysed to design interventions to promote the ease of doing business in your municipality? (Yes/No)	Yes
Does the municipality have a consolidated spatial view of its key business districts and the interventions required to unlock or promote economic growth in these areas, and is this information taken into account in the City's infrastructure planning – including the Built Environment Performance Plan? (Yes/No)	Yes
How many job opportunities have been created through the municipality's EPWP and/or Community Work Programme in the last financial year?	40055 (2014/15)
How many projects does the municipality drive to support small business growth and entrepreneurship?	72
Does the municipality have an active partnership with academic institutions in the region in order to grow the local skills base? (Yes/No)	Yes
Does the municipality have an internship and/or apprenticeship programme to support skills development? (Yes/No)	Yes
Does the municipality have active programmes to promote its business sectors and attract investments? (Yes/No)	Yes
Does the municipality have any incentive plans in place to create a conducive environment for economic development? (Yes/No)	Yes
<b>Other Service delivery and communication</b>	
Is a information package handed to the new customer? (Yes/No)	No
Does the municipality have training or information sessions to inform the community? (Yes/No)	Yes
Are customers treated in a professional and humanly manner? (Yes/No)	Yes

## 2.19 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 194 to page 202. The tables provide a consolidated view of the main tables (including financial position and cash flow) of the City and CTICC.

**Table 94 - MBRR Table A1 Consolidated Budget Summary**

Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>R thousands</b>									
<b>Financial Performance</b>									
Property rates	5,074,606	5,542,203	6,013,891	6,546,155	6,578,912	6,578,912	6,959,000	7,419,428	7,964,159
Service charges	13,242,119	14,063,471	15,374,112	17,002,759	16,997,225	16,997,225	18,353,075	20,727,369	23,522,288
Investment revenue	372,429	473,323	575,783	294,255	607,878	607,878	610,778	634,982	683,420
Transfers recognised - operational	1,985,809	2,399,033	3,264,270	3,579,752	4,106,009	4,106,009	3,802,940	4,004,790	4,270,147
Other own revenue	3,394,978	3,763,249	4,256,753	4,462,718	4,395,311	4,395,311	4,707,287	5,020,512	5,365,550
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>24,069,941</b>	<b>26,241,278</b>	<b>29,484,808</b>	<b>31,885,639</b>	<b>32,685,334</b>	<b>32,685,334</b>	<b>34,433,079</b>	<b>37,807,081</b>	<b>41,805,564</b>
Employee costs	7,490,464	8,691,018	8,177,925	9,900,936	9,981,022	9,986,233	10,670,840	11,668,731	12,776,794
Remuneration of councillors	111,881	120,154	128,767	140,184	140,184	140,184	152,117	162,269	172,816
Depreciation & asset impairment	1,649,064	1,807,382	1,941,951	2,119,616	2,156,913	2,156,913	2,347,797	2,544,298	2,794,100
Finance charges	730,283	808,782	781,262	971,133	762,538	762,538	895,848	980,683	1,187,667
Materials and bulk purchases	6,694,378	6,913,674	7,455,970	8,326,560	8,308,327	8,312,833	8,853,353	10,065,952	11,611,178
Transfers and grants	103,357	115,033	136,504	120,402	167,085	314,744	174,833	158,276	140,515
Other expenditure	7,267,033	8,223,582	8,923,227	10,708,617	11,294,293	11,136,915	11,701,644	12,408,481	13,294,982
<b>Total Expenditure</b>	<b>24,046,461</b>	<b>26,679,626</b>	<b>27,545,606</b>	<b>32,287,449</b>	<b>32,810,362</b>	<b>32,810,362</b>	<b>34,796,431</b>	<b>37,988,691</b>	<b>41,978,053</b>
<b>Surplus/(Deficit)</b>	<b>23,480</b>	<b>(438,347)</b>	<b>1,939,203</b>	<b>(401,811)</b>	<b>(125,028)</b>	<b>(125,028)</b>	<b>(363,351)</b>	<b>(181,610)</b>	<b>(172,490)</b>
Transfers recognised - capital	3,414,645	2,052,758	2,423,179	2,223,813	2,446,794	2,446,794	2,177,040	2,163,032	2,347,076
Contributions recognised - capital & contributed assets	36,915	76,458	49,172	53,761	68,734	68,734	75,800	83,900	86,700
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>3,475,040</b>	<b>1,690,869</b>	<b>4,411,553</b>	<b>1,875,763</b>	<b>2,390,500</b>	<b>2,390,500</b>	<b>1,889,489</b>	<b>2,065,322</b>	<b>2,261,287</b>
Share of surplus/ (deficit) of associate	—	—	—	—	—	—	—	—	—
<b>Surplus/(Deficit) for the year</b>	<b>3,475,040</b>	<b>1,690,869</b>	<b>4,411,553</b>	<b>1,875,763</b>	<b>2,390,500</b>	<b>2,390,500</b>	<b>1,889,489</b>	<b>2,065,322</b>	<b>2,261,287</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>5,898,137</b>	<b>4,543,552</b>	<b>5,334,151</b>	<b>6,539,304</b>	<b>6,629,638</b>	<b>6,079,202</b>	<b>6,762,256</b>	<b>5,556,200</b>	<b>5,926,157</b>
Transfers recognised - capital	3,414,645	2,053,319	2,473,313	2,223,813	2,447,135	2,277,749	2,177,040	2,163,032	2,347,076
Public contributions & donations	35,076	44,022	44,219	53,761	68,392	68,392	75,800	83,900	86,700
Borrowing	1,753,425	1,856,889	2,152,377	2,579,264	2,529,240	2,458,889	2,988,696	2,376,700	2,660,838
Internally generated funds	694,991	589,322	664,242	1,682,466	1,584,871	1,274,171	1,520,720	932,569	831,543
<b>Total sources of capital funds</b>	<b>5,898,137</b>	<b>4,543,552</b>	<b>5,334,151</b>	<b>6,539,304</b>	<b>6,629,638</b>	<b>6,079,202</b>	<b>6,762,256</b>	<b>5,556,200</b>	<b>5,926,157</b>
<b>Financial position</b>									
Total current assets	13,091,542	10,298,049	11,167,435	9,458,502	8,870,137	8,870,137	9,407,664	10,062,012	11,250,357
Total non current assets	29,186,892	34,840,463	38,493,874	43,112,271	42,734,040	42,734,040	46,703,476	49,655,101	52,734,457
Total current liabilities	8,047,768	8,218,660	8,729,040	8,883,546	8,424,076	8,424,076	8,591,990	8,877,457	9,226,080
Total non current liabilities	11,509,055	12,466,786	12,053,512	14,394,044	12,010,094	12,010,094	14,385,943	15,641,127	17,298,968
Community wealth/Equity	22,721,611	24,453,066	28,878,757	29,293,183	31,170,007	31,170,007	33,133,206	35,198,529	37,459,766
<b>Cash flows</b>									
Net cash from (used) operating	5,550,211	4,566,057	6,143,489	4,229,326	4,463,773	4,463,773	4,168,507	4,563,408	5,040,300
Net cash from (used) investing	(6,383,672)	(6,588,723)	(4,635,435)	(6,541,942)	(5,648,939)	(5,648,939)	(6,119,561)	(5,170,637)	(5,529,786)
Net cash from (used) financing	2,259,368	(232,000)	(368,093)	1,710,001	(220,163)	(220,163)	2,375,150	1,063,044	1,482,567
<b>Cash/cash equivalents at the year end</b>	<b>4,907,440</b>	<b>2,652,774</b>	<b>3,792,735</b>	<b>2,217,427</b>	<b>2,348,450</b>	<b>2,348,450</b>	<b>1,771,458</b>	<b>2,227,273</b>	<b>3,220,355</b>
<b>Cash backing/surplus reconciliation</b>									
Cash and investments available	8,472,891	8,330,953	8,934,043	7,123,047	6,389,517	6,389,517	6,607,323	7,063,138	8,056,219
Application of cash and investments	3,852,915	5,394,329	6,579,587	5,693,485	4,765,346	4,765,346	4,804,890	4,823,361	4,838,815
<b>Balance - surplus (shortfall)</b>	<b>4,619,976</b>	<b>2,936,624</b>	<b>2,354,456</b>	<b>1,429,563</b>	<b>1,624,171</b>	<b>1,624,171</b>	<b>1,802,433</b>	<b>2,239,776</b>	<b>3,217,404</b>
<b>Asset management</b>									
Asset register summary (WDV)	28,944,164	31,673,639	35,014,046	39,760,481	39,180,317	39,180,317	43,270,311	46,006,428	48,844,309
Depreciation & asset impairment	1,649,064	1,807,382	1,941,951	2,119,616	2,156,913	2,156,913	2,347,797	2,544,298	2,794,100
Renewal of Existing Assets	2,167,911	2,148,450	2,465,322	2,926,237	3,097,054	2,922,796	3,156,827	2,691,526	3,027,875
Repairs and Maintenance	2,750,603	2,905,661	3,003,414	3,582,394	3,522,598	3,521,603	3,802,902	4,062,093	4,415,285
<b>Free services</b>									
Cost of Free Basic Services provided	523,827	592,651	602,855	1,376,153	1,370,479	1,370,479	1,452,356	1,584,783	1,722,229
Revenue cost of free services provided	1,061,126	1,094,407	1,190,026	1,548,464	1,574,569	1,574,569	1,613,371	1,727,371	1,846,826
<b>Households below minimum service level</b>									
Water:	12,000	8,000	—	—	—	—	—	—	—
Sanitation/sewerage:	60,800	40,600	377	—	—	—	217	—	—
Energy:	39,094	35,341	29,429	32,341	32,341	32,341	30,841	29,341	27,841
Refuse:	—	—	—	—	—	—	—	—	—

Note: The consolidated tables include elimination of inter-company entries. It will therefore not always be aligned to a direct consolidation of tables between the City's Schedule A and the Entity's Schedule D.



**Table 95 - MBRR Table A2 Consolidated Budgeted Financial Performance (revenue and expenditure by standard classification)**

Standard Classification Description R thousand	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>Revenue - Standard</b>									
<i><b>Governance and administration</b></i>	<b>9,097,866</b>	<b>9,592,362</b>	<b>10,801,611</b>	<b>11,423,542</b>	<b>11,789,900</b>	<b>11,789,900</b>	<b>12,555,409</b>	<b>13,469,725</b>	<b>14,514,066</b>
Executive and council	215,293	222,571	305,097	294,405	314,359	314,359	314,012	333,315	347,156
Budget and treasury office	8,692,431	9,192,477	10,241,510	10,863,581	11,198,200	11,198,200	11,971,769	12,886,490	13,904,815
Corporate services	190,141	177,315	255,003	265,556	277,341	277,341	269,628	249,920	262,095
<i><b>Community and public safety</b></i>	<b>1,617,574</b>	<b>2,371,841</b>	<b>3,157,772</b>	<b>3,102,900</b>	<b>3,510,084</b>	<b>3,510,084</b>	<b>3,315,492</b>	<b>3,338,507</b>	<b>3,338,258</b>
Community and social services	77,079	83,749	111,465	101,689	118,606	118,606	96,804	109,450	85,477
Sport and recreation	128,749	139,688	89,968	111,802	103,387	103,387	123,770	128,178	54,182
Public safety	150,429	803,168	1,093,085	1,071,703	1,122,393	1,122,393	1,194,620	1,208,759	1,245,207
Housing	1,081,270	1,132,956	1,620,155	1,536,028	1,887,509	1,887,509	1,605,746	1,554,889	1,593,234
Health	180,048	212,279	243,098	281,679	278,189	278,189	294,552	337,231	360,158
<i><b>Economic and environmental services</b></i>	<b>2,954,112</b>	<b>1,827,464</b>	<b>2,125,668</b>	<b>2,068,429</b>	<b>2,296,339</b>	<b>2,296,339</b>	<b>1,904,756</b>	<b>1,780,092</b>	<b>1,996,865</b>
Planning and development	348,092	369,680	398,985	295,963	281,080	281,080	305,929	310,821	383,345
Road transport	2,593,813	1,451,044	1,695,014	1,766,123	2,007,102	2,007,102	1,592,599	1,467,377	1,611,522
Environmental protection	12,207	6,740	31,669	6,343	8,157	8,157	6,227	1,894	1,998
<i><b>Trading services</b></i>	<b>13,675,770</b>	<b>14,390,251</b>	<b>15,640,726</b>	<b>17,350,212</b>	<b>17,381,366</b>	<b>17,381,366</b>	<b>18,675,252</b>	<b>21,155,038</b>	<b>24,030,470</b>
Electricity	9,141,319	9,688,895	10,371,563	11,421,475	11,436,829	11,436,829	12,089,547	13,837,196	15,935,844
Water	2,245,107	2,332,377	2,689,397	2,922,748	2,931,902	2,931,902	3,258,167	3,649,430	4,103,293
Waste water management	1,325,054	1,375,489	1,526,954	1,894,642	1,902,652	1,902,652	2,079,484	2,318,173	2,536,375
Waste management	964,291	993,490	1,052,811	1,111,347	1,109,983	1,109,983	1,248,054	1,350,239	1,454,958
<i><b>Other</b></i>	<b>176,178</b>	<b>188,576</b>	<b>231,383</b>	<b>218,129</b>	<b>223,173</b>	<b>223,173</b>	<b>235,011</b>	<b>310,651</b>	<b>359,680</b>
<b>Total Revenue - Standard</b>	<b>27,521,501</b>	<b>28,370,495</b>	<b>31,957,159</b>	<b>34,163,213</b>	<b>35,200,862</b>	<b>35,200,862</b>	<b>36,685,919</b>	<b>40,054,013</b>	<b>44,239,340</b>
<b>Expenditure - Standard</b>									
<i><b>Governance and administration</b></i>	<b>4,607,603</b>	<b>5,971,099</b>	<b>4,566,877</b>	<b>6,037,873</b>	<b>5,853,225</b>	<b>5,852,339</b>	<b>6,362,899</b>	<b>6,830,466</b>	<b>7,378,364</b>
Executive and council	512,505	868,121	779,217	1,047,793	1,002,291	1,001,650	1,117,343	1,102,319	1,190,907
Budget and treasury office	1,928,136	3,232,134	1,849,149	2,708,073	2,521,933	2,521,933	2,821,141	3,070,940	3,339,158
Corporate services	2,166,961	1,870,844	1,938,510	2,282,007	2,329,002	2,328,756	2,424,415	2,657,207	2,848,299
<i><b>Community and public safety</b></i>	<b>4,489,463</b>	<b>5,338,007</b>	<b>5,950,683</b>	<b>7,094,791</b>	<b>7,654,125</b>	<b>7,654,466</b>	<b>7,659,160</b>	<b>8,107,381</b>	<b>8,689,428</b>
Community and social services	488,669	469,116	511,528	566,317	589,926	588,209	651,428	739,313	797,013
Sport and recreation	1,159,982	1,242,113	1,253,877	1,467,195	1,433,803	1,434,826	1,543,845	1,647,869	1,770,733
Public safety	1,341,395	1,852,966	2,196,586	2,503,345	2,591,493	2,592,528	2,726,102	2,893,026	3,118,249
Housing	796,924	1,034,934	1,179,815	1,626,880	2,119,755	2,119,755	1,786,141	1,787,081	1,869,438
Health	702,493	738,879	808,876	931,054	919,148	919,149	951,643	1,040,091	1,133,996
<i><b>Economic and environmental services</b></i>	<b>2,437,767</b>	<b>2,896,146</b>	<b>3,414,970</b>	<b>3,503,807</b>	<b>3,659,766</b>	<b>3,660,339</b>	<b>3,829,922</b>	<b>4,203,771</b>	<b>4,534,322</b>
Planning and development	681,747	737,439	809,812	756,326	798,777	799,046	879,635	1,055,622	1,127,422
Road transport	1,666,700	2,068,358	2,496,835	2,641,172	2,741,462	2,741,565	2,831,720	3,039,634	3,289,768
Environmental protection	89,320	90,348	108,322	106,309	119,528	119,728	118,568	108,516	117,132
<i><b>Trading services</b></i>	<b>12,313,101</b>	<b>12,259,142</b>	<b>13,388,635</b>	<b>15,385,492</b>	<b>15,376,913</b>	<b>15,376,887</b>	<b>16,628,216</b>	<b>18,447,370</b>	<b>20,944,821</b>
Electricity	7,659,201	7,677,729	8,275,131	9,441,323	9,417,289	9,417,289	10,022,681	11,321,257	13,143,452
Water	2,005,078	1,995,569	2,317,963	2,464,347	2,494,663	2,494,536	2,782,122	3,114,653	3,475,374
Waste water management	1,063,080	1,115,782	1,210,872	1,507,947	1,506,381	1,506,481	1,628,232	1,665,673	1,787,897
Waste management	1,585,743	1,470,061	1,584,669	1,971,875	1,958,579	1,958,579	2,195,181	2,345,787	2,538,098
<i><b>Other</b></i>	<b>198,527</b>	<b>215,232</b>	<b>224,442</b>	<b>265,486</b>	<b>266,332</b>	<b>266,332</b>	<b>316,234</b>	<b>399,703</b>	<b>431,118</b>
<b>Total Expenditure - Standard</b>	<b>24,046,461</b>	<b>26,679,626</b>	<b>27,545,606</b>	<b>32,287,449</b>	<b>32,810,362</b>	<b>32,810,362</b>	<b>34,796,431</b>	<b>37,988,691</b>	<b>41,978,053</b>
<b>Surplus/(Deficit) for the year</b>	<b>3,475,040</b>	<b>1,690,869</b>	<b>4,411,553</b>	<b>1,875,763</b>	<b>2,390,500</b>	<b>2,390,500</b>	<b>1,889,489</b>	<b>2,065,322</b>	<b>2,261,287</b>

**Table 96 - MBBR Table A3 Consolidated Budgeted Financial Performance (revenue and expenditure by municipal vote)**

Vote Description  R thousand	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>Revenue by Vote</b>									
Vote 1 - City Health	390,874	432,226	496,314	539,593	538,466	538,466	570,674	634,714	668,452
Vote 2 - City Manager	400	235	1,530	1,348	1,548	1,548	51	53	56
Vote 3 - Community Services	182,524	161,377	183,331	167,052	203,918	203,918	201,433	217,434	118,354
Vote 4 - Corporate Services & Compliance	63,759	67,041	72,122	84,568	96,681	96,681	77,336	80,844	85,860
Vote 5 - Energy, Environmental & Spatial Planning	137,023	125,492	143,449	148,659	131,583	131,583	139,984	131,495	194,156
Vote 6 - Finance	1,113,986	887,302	1,164,006	768,694	1,080,302	1,080,302	1,124,601	1,141,239	1,208,062
Vote 7 - Human Settlements	1,081,267	1,132,899	1,620,146	1,536,021	1,887,502	1,887,502	1,605,739	1,554,882	1,593,226
Vote 8 - Rates & Other	7,923,871	8,660,739	9,540,176	10,426,245	10,453,001	10,453,001	11,207,217	12,091,251	13,059,582
Vote 9 - Safety & Security	185,764	836,091	1,120,408	1,080,472	1,125,029	1,125,029	1,196,990	1,213,341	1,254,379
Vote 10 - Social Dev & Early Childhood Development	2,637	2,164	14,334	526	641	641	533	140	148
Vote 11 - Tourism, Events & Economic Development	35,890	67,690	28,344	55,086	26,830	26,830	27,613	29,047	30,576
Vote 12 - Transport for Cape Town	2,556,563	1,414,827	1,695,269	1,760,594	2,026,061	2,026,061	1,602,394	1,474,883	1,617,374
Vote 13 - Utility Services	13,679,568	14,394,865	15,649,248	17,378,799	17,407,198	17,407,198	18,698,420	21,176,144	24,051,584
Vote 14 - Municipal Entities COCT	167,374	187,547	228,481	215,558	222,101	222,101	232,935	308,546	357,528
<b>Total Revenue by Vote</b>	<b>27,521,501</b>	<b>28,370,495</b>	<b>31,957,159</b>	<b>34,163,213</b>	<b>35,200,862</b>	<b>35,200,862</b>	<b>36,685,919</b>	<b>40,054,013</b>	<b>44,239,340</b>
<b>Expenditure by Vote to be appropriated</b>									
Vote 1 - City Health	727,932	784,947	854,059	996,804	989,354	989,354	1,050,049	1,135,365	1,232,344
Vote 2 - City Manager	120,286	131,152	172,731	210,825	231,078	231,078	227,281	242,472	258,749
Vote 3 - Community Services	1,339,634	1,370,808	1,444,981	1,687,957	1,682,059	1,682,059	1,826,771	1,994,206	2,156,857
Vote 4 - Corporate Services & Compliance	2,280,822	1,944,148	2,022,060	2,376,443	2,410,852	2,410,852	2,563,425	2,745,030	2,945,749
Vote 5 - Energy, Environmental & Spatial Planning	423,721	457,049	504,849	552,947	568,156	568,156	609,264	632,551	680,210
Vote 6 - Finance	1,603,897	1,833,992	1,797,262	2,213,600	2,020,703	2,020,703	2,234,102	2,428,969	2,718,797
Vote 7 - Human Settlements	760,882	998,067	1,147,498	1,586,986	2,080,029	2,080,029	1,748,780	1,746,491	1,825,540
Vote 8 - Rates & Other	744,135	1,861,654	570,802	962,510	971,832	971,832	1,081,794	1,189,136	1,203,567
Vote 9 - Safety & Security	1,381,203	1,901,498	2,251,812	2,607,501	2,665,517	2,665,517	2,830,419	3,000,162	3,235,658
Vote 10 - Social Dev & Early Childhood Development	110,735	115,219	140,775	183,805	183,459	183,459	206,578	310,349	330,747
Vote 11 - Tourism, Events & Economic Development	475,713	573,288	521,977	569,288	574,889	574,889	570,071	607,625	649,199
Vote 12 - Transport for Cape Town	1,565,311	2,198,334	2,459,684	2,718,462	2,819,310	2,819,310	2,932,751	3,133,055	3,385,586
Vote 13 - Utility Services	12,371,505	12,347,754	13,489,354	15,423,118	15,415,098	15,415,098	16,664,171	18,493,029	20,997,700
Vote 14 - Municipal Entities COCT	140,683	161,716	167,762	197,204	198,026	198,026	250,974	330,249	357,350
<b>Total Expenditure by Vote</b>	<b>24,046,461</b>	<b>26,679,626</b>	<b>27,545,606</b>	<b>32,287,449</b>	<b>32,810,362</b>	<b>32,810,362</b>	<b>34,796,431</b>	<b>37,988,691</b>	<b>41,978,053</b>
<b>Surplus/(Deficit) for the year</b>	<b>3,475,040</b>	<b>1,690,869</b>	<b>4,411,553</b>	<b>1,875,763</b>	<b>2,390,500</b>	<b>2,390,500</b>	<b>1,889,489</b>	<b>2,065,322</b>	<b>2,261,287</b>

**Table 97 – MBRR Table A4 Consolidated Budgeted Financial Performance (revenue and expenditure)**

Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>R thousand</b>									
<b>Revenue By Source</b>									
Property rates	5,074,606	5,542,203	6,013,891	6,546,155	6,578,912	6,578,912	6,959,000	7,419,428	7,964,159
Property rates - penalties & collection charges									
Service charges - electricity revenue	8,843,758	9,313,373	9,966,560	11,127,619	11,127,619	11,127,619	11,807,918	13,541,320	15,626,682
Service charges - water revenue	2,052,721	2,184,898	2,523,671	2,745,181	2,745,181	2,745,181	3,066,664	3,401,214	3,772,397
Service charges - sanitation revenue	1,091,897	1,188,106	1,321,307	1,470,947	1,470,947	1,470,947	1,628,277	1,807,387	2,006,200
Service charges - refuse revenue	869,210	920,173	980,691	1,097,246	1,097,054	1,097,054	1,232,929	1,334,930	1,439,455
Service charges - other	384,532	456,921	581,882	561,765	556,423	556,423	617,287	642,519	677,554
Rental of facilities and equipment	306,605	317,890	369,121	437,014	457,557	457,557	487,985	549,086	594,555
Interest earned - external investments	372,429	473,323	575,783	294,255	607,878	607,878	610,778	634,982	683,420
Interest earned - outstanding debtors	268,249	192,312	198,230	233,996	231,266	231,266	284,710	284,710	284,710
Dividends received	–	–	–	–	–	–	–	–	–
Fines	100,524	729,139	988,017	977,210	996,923	996,923	1,055,743	1,116,025	1,177,406
Licences and permits	41,843	44,386	43,111	43,028	29,444	29,444	27,893	29,427	31,046
Agency services	132,469	150,256	168,519	153,993	153,993	153,993	153,993	153,993	153,993
Transfers recognised - operational	1,985,809	2,399,033	3,264,270	3,579,752	4,106,009	4,106,009	3,802,940	4,004,790	4,270,147
Other revenue	2,458,540	2,264,360	2,401,888	2,542,807	2,451,460	2,451,460	2,617,462	2,837,771	3,074,340
Gains on disposal of PPE	86,747	64,906	87,868	74,669	74,669	74,669	79,500	49,500	49,500
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>24,069,941</b>	<b>26,241,278</b>	<b>29,484,808</b>	<b>31,885,639</b>	<b>32,685,334</b>	<b>32,685,334</b>	<b>34,433,079</b>	<b>37,807,081</b>	<b>41,805,564</b>
<b>Expenditure By Type</b>									
Employee related costs	7,490,464	8,691,018	8,177,925	9,900,936	9,981,022	9,986,233	10,670,840	11,668,731	12,776,794
Remuneration of councillors	111,881	120,154	128,767	140,184	140,184	140,184	152,117	162,269	172,816
Debt impairment	926,947	1,295,120	1,523,798	1,798,371	1,798,499	1,798,499	2,003,203	2,122,045	2,288,249
Depreciation & asset impairment	1,649,064	1,807,382	1,941,951	2,119,616	2,156,913	2,156,913	2,347,797	2,544,298	2,794,100
Finance charges	730,283	808,782	781,262	971,133	762,538	762,538	895,848	980,683	1,187,667
Bulk purchases	6,391,186	6,591,232	7,108,843	7,967,555	7,959,015	7,959,015	8,515,180	9,695,726	11,163,001
Other materials	303,192	322,443	347,127	359,005	349,312	353,818	338,172	370,225	448,177
Contracted services	2,911,395	3,405,865	3,684,195	4,818,153	4,622,941	4,462,968	4,396,163	4,892,018	5,133,342
Transfers and grants	103,357	115,033	136,504	120,402	167,085	314,744	174,833	158,276	140,515
Other expenditure	3,427,097	3,520,154	3,711,999	4,092,093	4,872,853	4,875,448	5,302,278	5,394,419	5,873,391
Loss on disposal of PPE	1,594	2,443	3,235	–	–	–	–	–	–
<b>Total Expenditure</b>	<b>24,046,461</b>	<b>26,679,626</b>	<b>27,545,606</b>	<b>32,287,449</b>	<b>32,810,362</b>	<b>32,810,362</b>	<b>34,796,431</b>	<b>37,988,691</b>	<b>41,978,053</b>
<b>Surplus/(Deficit)</b>	<b>23,480</b>	<b>(438,347)</b>	<b>1,939,203</b>	<b>(401,811)</b>	<b>(125,028)</b>	<b>(125,028)</b>	<b>(363,351)</b>	<b>(181,610)</b>	<b>(172,490)</b>
Transfers recognised - capital	3,414,645	2,052,758	2,423,179	2,223,813	2,446,794	2,446,794	2,177,040	2,163,032	2,347,076
Contributions recognised - capital	34,076	43,022	44,219	53,761	68,734	68,734	75,800	83,900	86,700
Contributed assets	2,839	33,437	4,953	–	–	–	–	–	–
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>3,475,040</b>	<b>1,690,869</b>	<b>4,411,553</b>	<b>1,875,763</b>	<b>2,390,500</b>	<b>2,390,500</b>	<b>1,889,489</b>	<b>2,065,322</b>	<b>2,261,287</b>
Taxation									
<b>Surplus/(Deficit) after taxation</b>	<b>3,475,040</b>	<b>1,690,869</b>	<b>4,411,553</b>	<b>1,875,763</b>	<b>2,390,500</b>	<b>2,390,500</b>	<b>1,889,489</b>	<b>2,065,322</b>	<b>2,261,287</b>
Attributable to minorities	(8,888)	(8,013)	(13,847)	(9,238)	(5,216)	(5,216)	5,280	6,352	(38)
<b>Surplus/(Deficit) attributable to municipality</b>	<b>3,466,152</b>	<b>1,682,856</b>	<b>4,397,706</b>	<b>1,866,525</b>	<b>2,385,284</b>	<b>2,385,284</b>	<b>1,894,769</b>	<b>2,071,675</b>	<b>2,261,249</b>
Share of surplus/ (deficit) of associate									
<b>Surplus/(Deficit) for the year</b>	<b>3,466,152</b>	<b>1,682,856</b>	<b>4,397,706</b>	<b>1,866,525</b>	<b>2,385,284</b>	<b>2,385,284</b>	<b>1,894,769</b>	<b>2,071,675</b>	<b>2,261,249</b>

**Table 98 – MBRR Table A5 Consolidated Budgeted Capital Expenditure by vote, standard classification and funding**

Vote Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>R thousand</b>									
<b>Capital expenditure - Vote</b>									
<b>Multi-year expenditure to be appropriated</b>									
Vote 1 - City Health	22,778	25,185	20,173	15,673	21,288	17,818	37,520	41,196	43,996
Vote 2 - City Manager	1,976	13,070	13,920	14,954	19,274	19,243	17,946	934	934
Vote 3 - Community Services	178,223	161,422	199,711	160,331	221,715	210,657	186,340	164,699	60,282
Vote 4 - Corporate Services & Compliance	237,874	290,319	382,773	425,013	463,779	462,716	386,908	411,505	387,354
Vote 5 - Energy, Environmental & Spatial Planning	64,114	70,776	56,216	80,064	64,169	64,115	61,359	47,250	106,117
Vote 6 - Finance	21,613	13,384	90,740	141,379	40,186	40,127	136,866	8,681	8,681
Vote 7 - Human Settlements	565,694	564,330	962,031	420,835	430,993	398,411	499,542	440,435	462,472
Vote 8 - Rates & Other	-	-	-	-	-	-	-	-	-
Vote 9 - Safety & Security	55,708	63,809	82,095	105,163	149,957	149,831	132,043	59,127	35,127
Vote 10 - Social Dev & Early Childhood Development	6,791	7,555	23,251	11,971	15,760	15,710	17,460	10,860	10,860
Vote 11 - Tourism, Events & Economic Development	180,632	26,375	36,678	41,098	41,403	41,330	42,150	33,800	34,130
Vote 12 - Transport for Cape Town	2,493,517	1,113,033	1,218,720	1,399,805	1,651,077	1,494,365	1,442,311	1,304,580	1,414,990
Vote 13 - Utility Services	2,039,890	2,153,036	2,165,433	3,227,699	3,009,494	2,664,336	3,528,831	2,992,656	3,318,561
Vote 14 - Municipal Entities COCT	29,327	41,259	82,409	495,319	500,544	500,544	272,980	40,476	42,652
<b>Total Capital Expenditure - Vote</b>	<b>5,898,137</b>	<b>4,543,552</b>	<b>5,334,151</b>	<b>6,539,304</b>	<b>6,629,638</b>	<b>6,079,202</b>	<b>6,762,256</b>	<b>5,556,200</b>	<b>5,926,157</b>
<b>Capital Expenditure - Standard</b>									
<b>Governance and administration</b>	<b>293,748</b>	<b>331,690</b>	<b>520,222</b>	<b>587,509</b>	<b>538,893</b>	<b>537,063</b>	<b>559,966</b>	<b>440,963</b>	<b>416,812</b>
Executive and council	30,805	19,286	31,234	21,193	49,020	47,247	39,349	51,275	51,280
Budget and treasury office	16,991	11,085	16,215	14,495	15,750	15,698	15,997	8,432	8,417
Corporate services	245,952	301,319	472,772	551,820	474,123	474,117	504,620	381,256	357,115
<b>Community and public safety</b>	<b>1,007,537</b>	<b>860,117</b>	<b>1,341,328</b>	<b>799,473</b>	<b>898,393</b>	<b>846,367</b>	<b>936,453</b>	<b>794,936</b>	<b>690,655</b>
Community and social services	31,670	48,114	81,411	69,196	100,512	91,824	69,742	75,542	47,859
Sport and recreation	320,937	134,842	151,529	124,613	155,285	153,378	148,513	118,611	41,877
Public safety	66,785	88,074	126,115	169,157	190,032	184,583	185,098	120,481	95,581
Housing	565,763	564,398	962,099	420,904	431,347	398,765	499,611	440,504	462,541
Health	22,382	24,690	20,173	15,603	21,218	17,818	33,490	39,796	42,796
<b>Economic and environmental services</b>	<b>2,556,854</b>	<b>1,190,510</b>	<b>1,277,386</b>	<b>1,502,183</b>	<b>1,753,235</b>	<b>1,601,782</b>	<b>1,534,557</b>	<b>1,358,209</b>	<b>1,527,616</b>
Planning and development	52,804	59,776	38,812	83,570	60,521	60,327	70,524	33,824	96,050
Road transport	2,497,813	1,116,363	1,227,644	1,408,046	1,675,510	1,524,253	1,448,117	1,313,221	1,423,631
Environmental protection	6,236	14,370	10,930	10,567	17,204	17,203	15,916	11,165	7,935
<b>Trading services</b>	<b>2,009,041</b>	<b>2,118,932</b>	<b>2,111,807</b>	<b>3,154,319</b>	<b>2,938,072</b>	<b>2,592,946</b>	<b>3,458,301</b>	<b>2,921,616</b>	<b>3,248,421</b>
Electricity	1,194,512	1,151,286	898,889	1,343,939	1,122,474	990,748	1,536,812	1,056,938	1,152,499
Water	303,326	458,746	524,051	786,494	853,749	687,324	883,225	736,182	870,648
Waste water management	303,029	372,281	460,858	726,171	691,744	646,058	800,774	819,139	896,685
Waste management	208,174	136,619	228,009	297,715	270,105	268,815	237,491	309,356	328,589
<b>Other</b>	<b>30,957</b>	<b>42,302</b>	<b>83,408</b>	<b>495,819</b>	<b>501,044</b>	<b>501,044</b>	<b>272,980</b>	<b>40,476</b>	<b>42,652</b>
<b>Total Capital Expenditure - Standard</b>	<b>5,898,137</b>	<b>4,543,552</b>	<b>5,334,151</b>	<b>6,539,304</b>	<b>6,629,638</b>	<b>6,079,202</b>	<b>6,762,256</b>	<b>5,556,200</b>	<b>5,926,157</b>
<b>Funded by:</b>									
National Government	3,056,018	1,768,880	2,189,129	2,137,367	2,266,580	2,100,872	2,079,122	2,021,143	2,196,200
Provincial Government	354,954	283,513	282,292	86,446	180,214	176,537	97,918	141,889	150,876
District Municipality	-	-	-	-	-	-	-	-	-
Other transfers and grants	3,673	926	1,892	-	341	341	-	-	-
<b>Transfers recognised - capital</b>	<b>3,414,645</b>	<b>2,053,319</b>	<b>2,473,313</b>	<b>2,223,813</b>	<b>2,447,135</b>	<b>2,277,749</b>	<b>2,177,040</b>	<b>2,163,032</b>	<b>2,347,076</b>
<b>Public contributions &amp; donations</b>	<b>35,076</b>	<b>44,022</b>	<b>44,219</b>	<b>53,761</b>	<b>68,392</b>	<b>68,392</b>	<b>75,800</b>	<b>83,900</b>	<b>86,700</b>
<b>Borrowing</b>	<b>1,753,425</b>	<b>1,856,889</b>	<b>2,152,377</b>	<b>2,579,264</b>	<b>2,529,240</b>	<b>2,458,889</b>	<b>2,988,696</b>	<b>2,376,700</b>	<b>2,660,838</b>
<b>Internally generated funds</b>	<b>694,991</b>	<b>589,322</b>	<b>664,242</b>	<b>1,682,466</b>	<b>1,584,871</b>	<b>1,274,171</b>	<b>1,520,720</b>	<b>932,569</b>	<b>831,543</b>
<b>Total Capital Funding</b>	<b>5,898,137</b>	<b>4,543,552</b>	<b>5,334,151</b>	<b>6,539,304</b>	<b>6,629,638</b>	<b>6,079,202</b>	<b>6,762,256</b>	<b>5,556,200</b>	<b>5,926,157</b>

**Table 99 – MBRR Table A6 Consolidated Budgeted Financial Position**

Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>R thousand</b>									
<b>ASSETS</b>									
<b>Current assets</b>									
Cash	4,907,440	2,652,774	3,792,735	207,478	119,792	119,792	103,411	103,918	146,904
Call investment deposits	3,430,794	2,621,906	1,746,347	3,657,921	2,787,564	2,787,564	3,138,732	3,375,132	4,080,520
Consumer debtors	4,170,933	4,308,354	4,617,194	4,740,731	4,849,763	4,849,763	4,903,207	5,148,917	5,394,627
Other debtors	304,159	425,014	709,239	519,686	781,838	781,838	898,987	1,034,788	1,190,087
Current portion of long-term receivables	20,546	19,650	19,838	19,470	20,830	20,830	21,871	22,965	24,113
Inventory	257,670	270,351	282,082	313,217	310,350	310,350	341,456	376,291	414,106
<b>Total current assets</b>	<b>13,091,542</b>	<b>10,298,049</b>	<b>11,167,435</b>	<b>9,458,502</b>	<b>8,870,137</b>	<b>8,870,137</b>	<b>9,407,664</b>	<b>10,062,012</b>	<b>11,250,357</b>
<b>Non current assets</b>									
Long-term receivables	101,665	104,312	75,324	94,142	71,562	71,562	67,985	64,586	61,352
Investments	134,657	3,056,273	3,394,961	3,257,649	3,482,161	3,482,161	3,365,180	3,584,088	3,828,796
Investment property	191,945	190,849	589,382	589,382	589,382	589,382	589,382	589,382	589,382
Investment in Associate	–	–	–	–	–	–	–	–	–
Property, plant and equipment	27,992,605	30,750,411	33,716,758	38,453,653	37,873,490	37,873,490	41,963,484	44,699,601	47,537,482
Agricultural	–	–	–	–	–	–	–	–	–
Biological	–	–	–	–	–	–	–	–	–
Intangible	756,609	729,507	708,383	708,383	708,383	708,383	708,383	708,383	708,383
Other non-current assets	9,411	9,111	9,066	9,062	9,062	9,062	9,062	9,062	9,062
<b>Total non current assets</b>	<b>29,186,892</b>	<b>34,840,463</b>	<b>38,493,874</b>	<b>43,112,271</b>	<b>42,734,040</b>	<b>42,734,040</b>	<b>46,703,476</b>	<b>49,655,101</b>	<b>52,734,457</b>
<b>TOTAL ASSETS</b>	<b>42,278,434</b>	<b>45,138,512</b>	<b>49,661,309</b>	<b>52,570,773</b>	<b>51,604,177</b>	<b>51,604,177</b>	<b>56,111,139</b>	<b>59,717,113</b>	<b>63,984,814</b>
<b>LIABILITIES</b>									
<b>Current liabilities</b>									
Bank overdraft	–	–	–	–	–	–	–	–	–
Borrowing	419,496	369,536	346,953	498,690	474,100	474,100	501,208	530,326	649,886
Consumer deposits	333,288	398,525	308,687	459,542	334,582	334,582	368,645	416,056	461,073
Trade and other payables	5,475,060	6,368,800	6,942,754	6,946,451	6,486,806	6,486,806	6,626,429	6,758,612	6,860,526
Provisions	1,819,924	1,081,799	1,130,646	978,863	1,128,588	1,128,588	1,095,708	1,172,463	1,254,596
<b>Total current liabilities</b>	<b>8,047,768</b>	<b>8,218,660</b>	<b>8,729,040</b>	<b>8,883,546</b>	<b>8,424,076</b>	<b>8,424,076</b>	<b>8,591,990</b>	<b>8,877,457</b>	<b>9,226,080</b>
<b>Non current liabilities</b>									
Borrowing	6,951,845	6,680,623	6,428,804	8,032,745	6,032,745	6,032,745	8,114,854	9,131,525	10,504,716
Provisions	4,557,210	5,786,163	5,624,708	6,361,299	5,977,349	5,977,349	6,271,089	6,509,602	6,794,253
<b>Total non current liabilities</b>	<b>11,509,055</b>	<b>12,466,786</b>	<b>12,053,512</b>	<b>14,394,044</b>	<b>12,010,094</b>	<b>12,010,094</b>	<b>14,385,943</b>	<b>15,641,127</b>	<b>17,298,968</b>
<b>TOTAL LIABILITIES</b>	<b>19,556,823</b>	<b>20,685,446</b>	<b>20,782,552</b>	<b>23,277,590</b>	<b>20,434,170</b>	<b>20,434,170</b>	<b>22,977,933</b>	<b>24,518,584</b>	<b>26,525,048</b>
<b>NET ASSETS</b>	<b>22,721,611</b>	<b>24,453,066</b>	<b>28,878,757</b>	<b>29,293,183</b>	<b>31,170,007</b>	<b>31,170,007</b>	<b>33,133,206</b>	<b>35,198,529</b>	<b>37,459,766</b>
<b>COMMUNITY WEALTH/EQUITY</b>									
Accumulated Surplus/(Deficit)	20,279,133	21,998,203	25,789,827	27,128,197	28,632,372	28,632,372	31,349,748	33,645,933	35,994,773
Reserves	2,297,820	2,219,916	2,790,264	1,847,464	2,294,593	2,294,593	1,470,363	1,245,853	1,158,212
	144,658	234,947	298,666	317,522	243,042	243,042	313,095	306,743	306,781
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>22,721,611</b>	<b>24,453,066</b>	<b>28,878,757</b>	<b>29,293,183</b>	<b>31,170,007</b>	<b>31,170,007</b>	<b>33,133,206</b>	<b>35,198,529</b>	<b>37,459,766</b>

**Table 100 – MBRR Table A7 Consolidated Budgeted Cash Flows**

Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>R thousand</b>									
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>									
<b>Receipts</b>									
Property rates, penalties & collection charges	5,074,606	5,542,203	6,013,891	6,440,048	6,688,820	6,688,820	6,864,644	7,310,945	7,832,252
Service charges	13,242,118	14,063,470	15,374,112	15,773,011	15,785,856	15,785,856	16,910,000	19,259,891	21,936,793
Other revenue	696,004	2,596,315	1,948,784	3,299,251	3,024,013	3,024,013	3,422,844	3,720,682	4,011,068
Government - operating	1,979,795	2,389,432	3,251,460	3,579,752	4,106,009	4,106,009	3,802,940	4,004,790	4,270,147
Government - capital	3,414,645	2,052,758	2,423,179	2,277,574	2,515,528	2,515,528	2,252,840	2,246,932	2,433,776
Interest	690,369	741,644	767,725	464,676	607,890	607,890	610,778	634,982	683,420
Dividends	-	-	-	-	-	-	-	-	-
<b>Payments</b>									
Suppliers and employees	(18,900,006)	(22,068,627)	(22,924,874)	(26,717,606)	(27,561,265)	(27,561,265)	(28,762,136)	(31,547,562)	(34,882,773)
Finance charges	(647,320)	(751,138)	(710,788)	(887,380)	(703,079)	(703,079)	(818,248)	(934,063)	(1,103,868)
Transfers and Grants	-	-	-	-	-	-	(115,154)	(133,190)	(140,515)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>5,550,211</b>	<b>4,566,057</b>	<b>6,143,489</b>	<b>4,229,326</b>	<b>4,463,773</b>	<b>4,463,773</b>	<b>4,168,507</b>	<b>4,563,408</b>	<b>5,040,300</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>									
<b>Receipts</b>									
Proceeds on disposal of PPE	93,835	71,479	91,620	74,669	74,669	74,669	79,500	49,500	49,500
Decrease (Increase) in non-current debtors	-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables	(3,125)	(1,751)	28,800	4,955	3,766	3,766	3,578	3,399	3,229
Decrease (increase) in non-current investments	(574,187)	(2,113,558)	531,837	(170,422)	(186,352)	(186,352)	(89,310)	(218,908)	(244,708)
<b>Payments</b>									
Capital assets	(5,900,195)	(4,544,893)	(5,287,692)	(6,451,145)	(5,541,022)	(5,541,022)	(6,113,329)	(5,004,628)	(5,337,807)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(6,383,672)</b>	<b>(6,588,723)</b>	<b>(4,635,435)</b>	<b>(6,541,942)</b>	<b>(5,648,939)</b>	<b>(5,648,939)</b>	<b>(6,119,561)</b>	<b>(5,170,637)</b>	<b>(5,529,786)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>									
<b>Receipts</b>									
Short term loans	-	49,074	32,716	-	-	-	-	-	-
Borrowing long term/refinancing	2,384,420	-	-	2,038,209	38,209	38,209	2,840,001	1,500,000	2,000,000
Increase (decrease) in consumer deposits	41,847	65,237	(89,838)	40,724	27,226	27,226	29,948	32,943	36,238
<b>Payments</b>									
Repayment of borrowing	(166,899)	(346,311)	(310,971)	(368,931)	(285,598)	(285,598)	(494,800)	(469,899)	(553,671)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>2,259,368</b>	<b>(232,000)</b>	<b>(368,093)</b>	<b>1,710,001</b>	<b>(220,163)</b>	<b>(220,163)</b>	<b>2,375,150</b>	<b>1,063,044</b>	<b>1,482,567</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>1,425,907</b>	<b>(2,254,666)</b>	<b>1,139,961</b>	<b>(602,614)</b>	<b>(1,405,330)</b>	<b>(1,405,330)</b>	<b>424,097</b>	<b>455,815</b>	<b>993,081</b>
Cash/cash equivalents at the year begin:	3,481,533	4,907,440	2,652,774	2,820,042	3,753,780	3,753,780	1,347,362	1,771,458	2,227,273
Cash/cash equivalents at the year end:	4,907,440	2,652,774	3,792,735	2,217,427	2,348,450	2,348,450	1,771,458	2,227,273	3,220,355

**Table 101 – MBRR Table A8 Consolidated Cash backed reserves/accumulated surplus reconciliation**

Description R thousand	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b><u>Cash and investments available</u></b>									
Cash/cash equivalents at the year end	4,907,440	2,652,774	3,792,735	2,217,427	2,348,450	2,348,450	1,771,458	2,227,273	3,220,355
Other current investments > 90 days	3,430,794	2,621,906	1,746,347	1,647,971	558,907	558,907	1,470,685	1,251,777	1,007,069
Non current assets - Investments	134,657	3,056,273	3,394,961	3,257,649	3,482,161	3,482,161	3,365,180	3,584,088	3,828,796
<b>Cash and investments available:</b>	<b>8,472,891</b>	<b>8,330,953</b>	<b>8,934,043</b>	<b>7,123,047</b>	<b>6,389,517</b>	<b>6,389,517</b>	<b>6,607,323</b>	<b>7,063,138</b>	<b>8,056,219</b>
<b><u>Application of cash and investments</u></b>									
Unspent conditional transfers	858,556	1,495,768	1,527,445	1,640,961	1,640,960	1,640,960	1,600,902	1,727,303	1,868,101
Unspent borrowing	–	–	–	–	–	–	–	–	–
Statutory requirements	–	–	–	–	–	–	–	–	–
Other working capital requirements	523,114	185,101	396,990	324,385	(457,154)	(457,154)	(401,569)	(783,082)	(1,212,136)
Other provisions	–	–	–	–	–	–	–	–	–
Long term investments committed	173,425	3,245,041	1,864,888	2,045,502	2,045,502	2,045,502	2,014,640	2,347,720	2,586,428
Reserves to be backed by cash/investments	2,297,820	468,419	2,790,264	1,682,637	1,536,038	1,536,038	1,590,916	1,531,421	1,596,423
<b>Total Application of cash and investments:</b>	<b>3,852,915</b>	<b>5,394,329</b>	<b>6,579,587</b>	<b>5,693,485</b>	<b>4,765,346</b>	<b>4,765,346</b>	<b>4,804,890</b>	<b>4,823,361</b>	<b>4,838,815</b>
<b>Surplus(shortfall)</b>	<b>4,619,976</b>	<b>2,936,624</b>	<b>2,354,456</b>	<b>1,429,563</b>	<b>1,624,171</b>	<b>1,624,171</b>	<b>1,802,433</b>	<b>2,239,776</b>	<b>3,217,404</b>

**Table 102 - MBRR Table A9 Consolidated Asset Management**

Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>R thousand</b>									
<b>CAPITAL EXPENDITURE</b>									
<b>Total New Assets</b>	<b>3,730,226</b>	<b>2,395,102</b>	<b>2,868,829</b>	<b>3,613,067</b>	<b>3,532,584</b>	<b>3,156,407</b>	<b>3,605,429</b>	<b>2,864,675</b>	<b>2,898,282</b>
Infrastructure - Road transport	700,386	666,729	561,249	835,679	700,774	686,738	820,980	794,714	802,311
Infrastructure - Electricity	471,759	541,825	402,632	582,928	499,143	473,246	635,891	474,241	510,500
Infrastructure - Water	142,846	156,526	162,697	273,745	215,767	207,940	311,421	298,824	387,403
Infrastructure - Sanitation	88,619	162,452	130,355	239,084	226,428	211,819	261,175	232,845	261,992
Infrastructure - Other	324,144	146,551	322,113	410,918	324,101	317,610	368,876	342,022	428,772
Infrastructure	1,727,753	1,674,083	1,579,045	2,342,353	1,966,214	1,897,353	2,398,343	2,142,645	2,390,977
Community	249,486	58,674	76,007	80,812	119,654	117,554	145,642	226,661	177,838
Heritage assets	1,218	204	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Other assets	1,751,769	662,141	1,213,777	1,189,902	1,445,717	1,140,500	1,061,444	495,368	329,467
Agricultural Assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Intangibles	-	-	-	-	1,000	1,000	-	-	-
<b>Total Renewal of Existing Assets</b>	<b>2,167,911</b>	<b>2,148,450</b>	<b>2,465,322</b>	<b>2,926,237</b>	<b>3,097,054</b>	<b>2,922,796</b>	<b>3,156,827</b>	<b>2,691,526</b>	<b>3,027,875</b>
Infrastructure - Road transport	294,266	217,144	300,314	438,645	624,157	586,690	589,080	495,315	543,537
Infrastructure - Electricity	442,917	371,397	388,188	643,732	479,229	441,985	664,046	538,972	565,149
Infrastructure - Water	121,610	225,244	306,727	267,000	324,949	339,949	286,167	365,562	386,050
Infrastructure - Sanitation	250,774	227,906	348,155	511,703	485,240	451,936	547,702	615,430	790,950
Infrastructure - Other	103,628	118,979	74,615	167,432	216,290	216,980	91,555	88,650	176,150
Infrastructure	1,213,195	1,160,670	1,417,998	2,028,511	2,129,865	2,037,539	2,178,549	2,103,930	2,461,835
Community	489,415	444,880	499,853	212,296	333,406	314,921	253,740	184,717	104,569
Heritage assets	646	500	514	29,140	6,377	6,377	35,208	2,230	2,230
Investment properties	-	-	-	-	-	-	-	-	-
Other assets	464,654	542,399	546,957	656,289	627,406	563,958	684,080	394,399	452,991
Agricultural Assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Intangibles	-	-	-	-	-	-	5,250	6,250	6,250
<b>Total Capital Expenditure</b>									
Infrastructure - Road transport	994,652	883,873	861,563	1,274,324	1,324,932	1,273,428	1,410,059	1,290,029	1,345,847
Infrastructure - Electricity	914,675	913,221	790,819	1,226,659	978,372	915,231	1,299,937	1,013,213	1,075,649
Infrastructure - Water	264,456	381,771	469,424	540,745	540,716	547,888	597,588	664,386	773,453
Infrastructure - Sanitation	339,392	390,358	478,510	750,787	711,668	663,755	808,877	848,275	1,052,942
Infrastructure - Other	427,772	265,529	396,727	578,350	540,391	534,590	460,431	430,672	604,922
Infrastructure	2,940,947	2,834,753	2,997,043	4,370,864	4,096,079	3,934,892	4,576,892	4,246,575	4,852,812
Community	738,902	503,555	575,860	293,109	453,060	432,475	399,382	411,379	282,407
Heritage assets	1,865	705	514	29,140	6,377	6,377	35,208	2,230	2,230
Investment properties	-	-	-	-	-	-	-	-	-
Other assets	2,216,423	1,204,540	1,760,734	1,846,191	2,073,123	1,704,458	1,745,524	889,767	782,458
Agricultural Assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Intangibles	-	-	-	-	1,000	1,000	5,250	6,250	6,250
<b>TOTAL CAPITAL EXPENDITURE - Asset class</b>	<b>5,898,137</b>	<b>4,543,552</b>	<b>5,334,151</b>	<b>6,539,304</b>	<b>6,629,638</b>	<b>6,079,202</b>	<b>6,762,256</b>	<b>5,556,200</b>	<b>5,926,157</b>

Table continues on next page.



City of Cape Town – 2016/17 Budget

Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>R thousand</b>									
<b>ASSET REGISTER SUMMARY - PPE (WDV)</b>									
Infrastructure - Road transport	5,640,550	7,691,454	8,467,374	9,096,250	9,086,146	9,086,146	9,755,319	10,263,537	10,772,300
Infrastructure - Electricity	4,090,969	4,720,005	5,004,204	6,531,648	5,678,639	5,678,639	6,625,643	7,280,103	7,952,312
Infrastructure - Water	1,572,381	1,706,105	1,943,653	2,575,704	2,243,112	2,243,112	2,571,096	2,935,758	3,336,078
Infrastructure - Sanitation	1,857,803	2,096,342	2,182,565	2,891,083	2,655,370	2,655,370	3,203,547	3,773,735	4,521,860
Infrastructure - Other	2,398,435	1,494,456	2,599,260	1,725,269	2,991,534	2,991,534	3,280,130	3,530,037	3,934,335
Infrastructure	15,560,138	17,708,362	20,197,056	22,819,953	22,654,800	22,654,800	25,435,735	27,783,171	30,516,885
Community	5,955,915	6,279,252	6,308,880	7,388,399	6,131,204	6,131,204	5,847,113	5,527,973	5,036,614
Heritage assets	9,411	9,111	9,062	9,062	9,062	9,062	9,062	9,062	9,062
Investment properties	191,945	190,849	589,382	589,382	589,382	589,382	589,382	589,382	589,382
Other assets	6,470,146	6,756,558	7,201,283	8,245,301	9,087,486	9,087,486	10,680,637	11,388,457	11,983,984
Agricultural Assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Intangibles	756,609	729,507	708,383	708,383	708,383	708,383	708,383	708,383	708,383
<b>TOTAL ASSET REGISTER SUMMARY - PPE (WDV)</b>	<b>28,944,164</b>	<b>31,673,639</b>	<b>35,014,046</b>	<b>39,760,481</b>	<b>39,180,317</b>	<b>39,180,317</b>	<b>43,270,311</b>	<b>46,006,428</b>	<b>48,844,309</b>
<b>EXPENDITURE OTHER ITEMS</b>									
<u>Depreciation &amp; asset impairment</u>	1,649,064	1,807,382	1,941,951	2,119,616	2,156,913	2,156,913	2,347,797	2,544,298	2,794,100
<u>Repairs and Maintenance by Asset Class</u>	2,750,603	2,905,661	3,003,414	3,582,394	3,522,598	3,521,603	3,802,902	4,062,093	4,415,285
Infrastructure - Road transport	638,627	685,029	727,188	929,663	811,932	811,932	824,573	878,169	940,248
Infrastructure - Electricity	425,807	469,216	477,738	575,139	560,261	560,261	570,091	619,145	705,497
Infrastructure - Water	59,063	63,916	73,760	73,599	108,513	108,513	87,236	82,571	87,936
Infrastructure - Sanitation	455,800	480,904	483,835	613,719	612,537	612,537	532,007	566,586	603,416
Infrastructure - Other	353,913	365,176	393,868	362,805	375,844	375,844	519,718	563,856	600,088
Infrastructure	1,933,209	2,064,242	2,156,388	2,554,924	2,469,086	2,469,086	2,533,624	2,710,328	2,937,185
Community	331,827	347,352	340,347	386,338	397,947	398,674	540,574	575,699	613,122
Heritage assets	955	725	501	1,364	90	90	11	12	12
Investment properties	-	-	-	-	-	-	-	-	-
Other assets	484,611	493,342	506,178	639,769	655,476	653,753	728,694	776,054	864,966
<b>TOTAL EXPENDITURE OTHER ITEMS</b>	<b>4,399,667</b>	<b>4,713,043</b>	<b>4,945,365</b>	<b>5,702,011</b>	<b>5,679,511</b>	<b>5,678,516</b>	<b>6,150,699</b>	<b>6,606,391</b>	<b>7,209,385</b>
<b>Renewal of Existing Assets as % of total capex</b>	36.8%	47.3%	46.2%	44.7%	46.7%	48.1%	46.7%	48.4%	51.1%
<b>Renewal of Existing Assets as % of deprecn"</b>	131.5%	118.9%	127.0%	138.1%	143.6%	135.5%	134.5%	105.8%	108.4%
<b>R&amp;M as a % of PPE</b>	9.8%	9.4%	8.9%	9.3%	9.3%	9.3%	9.1%	9.1%	9.3%
<b>Renewal and R&amp;M as a % of PPE</b>	17.0%	16.0%	16.0%	16.0%	17.0%	16.0%	16.0%	15.0%	15.0%

## ***2.20 Municipal manager's quality certificate***

I ....., municipal manager of **City of Cape Town**, hereby certify that the annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act, and that the annual budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Signature \_\_\_\_\_

Date \_\_\_\_\_