



CITY OF CAPE TOWN
ISIXEKO SASEKAPA
STAD KAAPSTAD

EXECUTIVE SUMMARY ANNUAL REPORT **2015/16**



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VISION AND MISSION OF THE CITY OF CAPE TOWN

THE **VISION** OF
THE CITY OF
CAPE TOWN IS
THREEFOLD:

To be an opportunity city that creates an enabling environment for economic growth and job creation, and to provide help to those who need it most

To deliver quality services to all residents

To serve the citizens of Cape Town as a well-governed and corruption-free administration



IN STRIVING TO ACHIEVE
THIS VISION, THE CITY'S
MISSION IS:

to contribute actively to the
development of its environmental,
human and social capital;

to offer high-quality services to all
who live in, do business in or visit
Cape Town as tourists; and

to be known for its efficient,
effective and caring government.

SPEARHEADING THIS
RESOLVE IS **A FOCUS
ON INFRASTRUCTURE
INVESTMENT AND
MAINTENANCE** TO
PROVIDE A SUSTAINABLE
DRIVE FOR ECONOMIC
GROWTH AND
DEVELOPMENT, GREATER
ECONOMIC FREEDOM,
AND INCREASED
OPPORTUNITIES FOR
INVESTMENT AND JOB
CREATION.



TO ACHIEVE ITS VISION, THE CITY OF CAPE TOWN IS BUILDING ON THE
STRATEGIC FOCUS AREAS IT HAS IDENTIFIED AS THE CORNERSTONES
OF A SUCCESSFUL AND THRIVING CITY, WHICH FORM THE
FOUNDATION OF ITS FIVE-YEAR INTEGRATED DEVELOPMENT PLAN.

THESE ARE AS FOLLOWS:

**THE
OPPORTUNITY
CITY**

Pillar 1: Ensure that
Cape Town continues
to grow as an
opportunity city.

**THE
SAFE
CITY**

Pillar 2: Make
Cape Town
an increasingly
safe city.

**THE
CARING
CITY**

Pillar 3: Make
Cape Town even
more of a
caring city.

**THE
INCLUSIVE
CITY**

Pillar 4: Ensure that
Cape Town is an
inclusive city.

**THE
WELL-RUN
CITY**

Pillar 5: Make
sure Cape Town
continues to be a
well-run city.

THESE **FIVE FOCUS AREAS** INFORM ALL THE CITY OF CAPE TOWN'S
PLANS AND POLICIES.



ABOUT THIS ANNUAL REPORT

The City's five-year Integrated Development Plan (IDP) is structured according to the same five pillars or strategic focus areas (SFAs) as outlined on the previous page, and each of these is cascaded into measurable objectives, programmes and deliverables.

For this reason, the 2015/16 annual report and this executive summary are closely aligned with the IDP focus areas, objectives and programmes, and offer an overview of the City's achievements and challenges in terms of meeting these.

For easy access to information, this executive summary includes cross-references to all detailed information contained in the full version of the report.





MESSAGE FROM THE EXECUTIVE MAYOR

**ACCOUNTABILITY IS
FUNDAMENTAL TO
BUILDING A WELL-RUN
CITY. IT REQUIRES OF US
TO BE TRANSPARENT AND
ENCOURAGE CONSTRUCTIVE
CRITICISM OF THE WORK
THAT WE DO.**

When we drew up our City of Cape Town's 2012-2017 Integrated Development Plan in 2011, we embarked on a mission to implement 294 initiatives following extensive public participation. With just under a year left until the deadline for completion in June 2017, we have already implemented 97% of those initiatives.

I am proud of each and every City of Cape Town staff member who has worked to make this incredible achievement possible. The progress and achievements outlined in this year's annual report represent the fruits of their hard work, determination and perseverance. The content of this year's annual report also attests to the commitment with which this administration serves the residents of Cape Town. This is echoed in the almost 90 international accolades that the City has received over the past five years, and going forward, we will continue to consolidate our well-established reputation as a leader in service delivery in South Africa.

Accountability is fundamental to building a well-run city. It requires of us to be transparent and encourage constructive criticism of the work that we do. The development of our annual report offers us an opportunity to reflect and to turn challenges and even failures into lessons for the future so that we can keep on improving our delivery to all Capetonians.

I hope that all stakeholders in Cape Town will find the information in the 2015/16 annual report and this executive summary very valuable and will use it to engage with us on our developmental areas to ensure that we make even more progress possible, together.

P. de Lille

ALDERMAN PATRICIA DE LILLE
Executive Mayor: City of Cape Town



STATEMENT BY THE CITY MANAGER

WE BELIEVE THAT A SOLID FOUNDATION HAS BEEN LAID, WHICH SHOULD SERVE AS A SPRINGBOARD TO CATAPULT CAPE TOWN TO AN EVEN BETTER AND BRIGHTER FUTURE.

The 2015/16 integrated annual report is about much more than just the City of Cape Town's progress during the past financial year. It is in fact a celebration of a decade of working together to achieve significant progress for the benefit of all stakeholders in Cape Town – most notably, its residents.

Over the past ten years, the City of Cape Town has paid particular attention to improving and enhancing the city's basic infrastructure, investing in and driving new projects, attending to legislative compliance and policy processes, and improving systems and procedures aimed at enhancing service delivery. This annual report again demonstrates this commitment.

In addition to investing capital funds to the tune of R40 billion in infrastructure over the past decade, the City has also increased its expenditure on repairs and maintenance to the point where it is now spending around R3,6 billion per annum on this critical component of safeguarding and maintaining its assets.

We believe that a solid foundation has been laid, which should serve as a springboard to catapult Cape Town into an even better and brighter future. Nevertheless, while much has been achieved, much work still needs to be done. This will see us further developing and implementing various strategies, including the roll-out of our enhanced customer-centric approach as a cornerstone of our quest to continue taking service delivery to the next level.

A stylized, handwritten signature in black ink, belonging to Achmat Ebrahim.

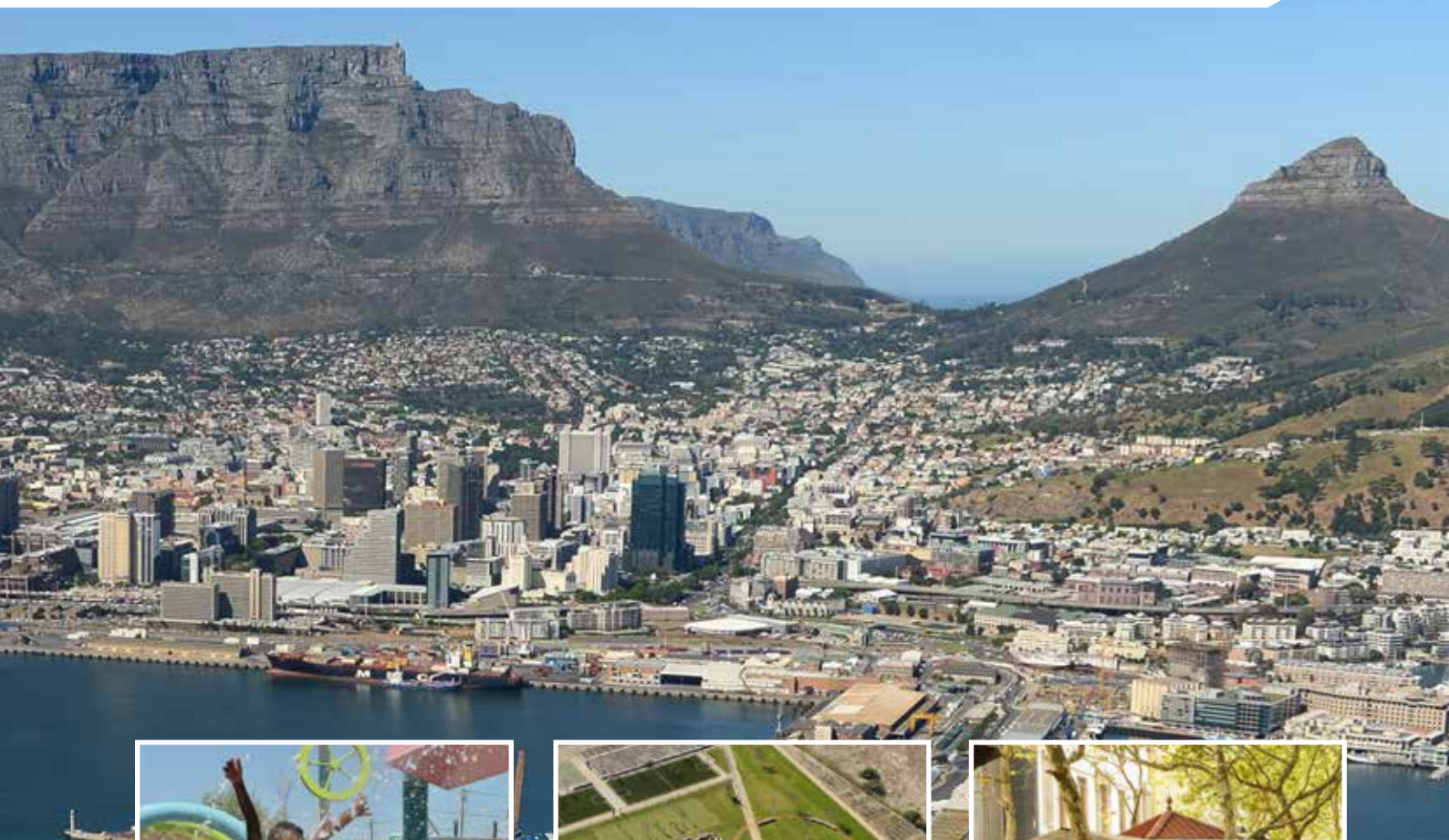
ACHMAT EBRAHIM
City Manager

OVERVIEW OF THE CITY OF CAPE TOWN



With the magnificent backdrop of Table Mountain, Table Bay is one of the most beautiful harbours in the world.

10 OVERVIEW OF THE CITY OF CAPE TOWN



Spray parks are innovative water-wise facilities.



Smart parks are multifunctional and designed with community input.



The informal sector is a crucial part of Cape Town's economy.

OVERVIEW OF THE CITY OF CAPE TOWN

CAPE TOWN HAS THE SECOND-LARGEST POPULATION OF ALL CITIES IN THE COUNTRY

AND IS ONE OF THE
MOST-VISITED TOURIST
DESTINATIONS ON THE
AFRICAN CONTINENT.



Tourism is based on the city's exceptional, internationally renowned natural systems, including Table Mountain, local nature reserves, species-rich fynbos, extensive coastline, cultural heritage and the winelands. Cape Town is also the gateway to the West Coast and its spectacular spring flowers.



What's more, Cape Town's popularity as a preferred residential location and center of economic opportunities has meant steady growth in the city's population - a trend that is expected to continue for the foreseeable future, with the city's total population anticipated to reach approximately 4,4 million by 2030.

ABOUT CAPE TOWN

Cape Town is a significant economic, political and business hub for South Africa and a key driver of South African and African growth and development.



WHILE ALL OF THESE FACTORS CONTRIBUTE TO CAPE TOWN'S RELEVANCE AS A GLOBAL ECONOMIC HUB, THEY ALSO CREATE SIGNIFICANT INFRASTRUCTURAL AND ADMINISTRATIVE CHALLENGES.



DEMOGRAPHICS

At the time of Census 2011, the Cape Town population comprised 3,7 million people. Cape Town's total population grew by almost 30% between 2001 and 2011, and by 46% from 1996 to 2011. In 2016, the population of Cape Town was 4 004 793.

 Read more in the full 2015/16 annual report on page 16


HEALTH

HIV prevalence in Cape Town is stabilising, though still at a high level. The 2013 antenatal survey showed an HIV prevalence of 19,7% among women who got tested in the city.

 Read more in the full 2015/16 annual report on page 17

EDUCATION

According to the Statistics South Africa General Household Survey (GHS) 2015, approximately 46,1% of the total adult population in Cape Town had less than 12 years of schooling with 30,3% completing Grade 12 as the highest level of schooling.

 Read more in the full 2015/16 annual report on page 17

POVERTY

As in the rest of South Africa, poor households and residents in Cape Town predominantly struggle with unemployment and lack of income.

 Read more in the full 2015/16 annual report on page 17

CRIME

Cape Town's overall crime levels are around twice the national average. Drug crimes and theft/burglary-related crimes are among the most frequently occurring serious crimes in the city, and Cape Town has a higher incidence of these crimes than other major metros.

 Read more in the full 2015/16 annual report on page 17

THE CITY OF CAPE TOWN IS THE FIRST LOCAL GOVERNMENT IN SOUTH AFRICA TO HAVE INTRODUCED A MUNICIPAL PLANNING TRIBUNAL.

It comprises highly experienced public and private planning professionals who are working to accelerate the City's response to the many challenges of urban development and spatial transformation in Cape Town.

THE CAPE TOWN SPATIAL DEVELOPMENT FRAMEWORK (CTSDF)

The Cape Town Spatial Development Framework sets guidelines on how and where Cape Town should grow in the future. The CTSDF focuses on a number of key areas of the city's development, particularly managing growth and land use changes in the city, and ensuring that urban growth happens in a sustainable, integrated and equitable manner. The CTSDF is fundamental to the City's achievement of its sustainability objectives and is underpinned by a clearly defined set of strategies and substrategies.

 Read more in the full 2015/16 annual report on page 18

ECONOMIC GROWTH STRATEGY (EGS)

The City of Cape Town's Economic Growth Strategy represents its response to some of the most fundamental challenges facing Cape Town in the years ahead. As such, some of its key outcomes focus on addressing unemployment and poverty by means of a targeted approach to encouraging economic growth and investment. The EGS adopts a 'whole organisation' approach and positions Cape Town within broader global, national and regional economic trends.

 Read more in the full 2015/16 annual report on page 19

SOCIAL DEVELOPMENT STRATEGY (SDS)

The Social Development Strategy outlines the administration's role in promoting and maximising social development. At the core of this strategy is a focus on addressing poverty, inequality and social ills, while providing for people's participation in their own development.

 Read more in the full 2015/16 annual report on page 19

GOVERNANCE, COMPLIANCE AND RISK MANAGEMENT



The bronze sculptures on Nobel Square in Cape Town's V&A Waterfront are dedicated to South Africa's four Nobel Peace Prize laureates: Albert Luthuli, Desmond Tutu, FW de Klerk and Nelson Mandela.

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Fire and Rescue staff at work.



A law enforcement officer on duty at a transport interchange.



The Council of the City of Cape Town in session.

GOVERNANCE, COMPLIANCE AND RISK MANAGEMENT

THIS SECTION PROVIDES A HIGH-LEVEL OVERVIEW OF THE CITY'S GOVERNANCE AND COMPLIANCE STRUCTURES. FOR MORE DETAIL, PLEASE SEE PAGES 24 - 37 OF THE FULL 2015/16 CITY OF CAPE TOWN ANNUAL REPORT.

GOOD GOVERNANCE AS A SUSTAINABLE FOUNDATION

Truly effective governance goes beyond legislative compliance. It embraces local and international best practice, and strives to strengthen the professional standards and ethics within the organisation. The City is one of the first municipal entities to have taken several important measures to ensure such governance.





THE GOVERNANCE STRUCTURE

The political governance arrangement of the City of Cape Town can be depicted as follows:

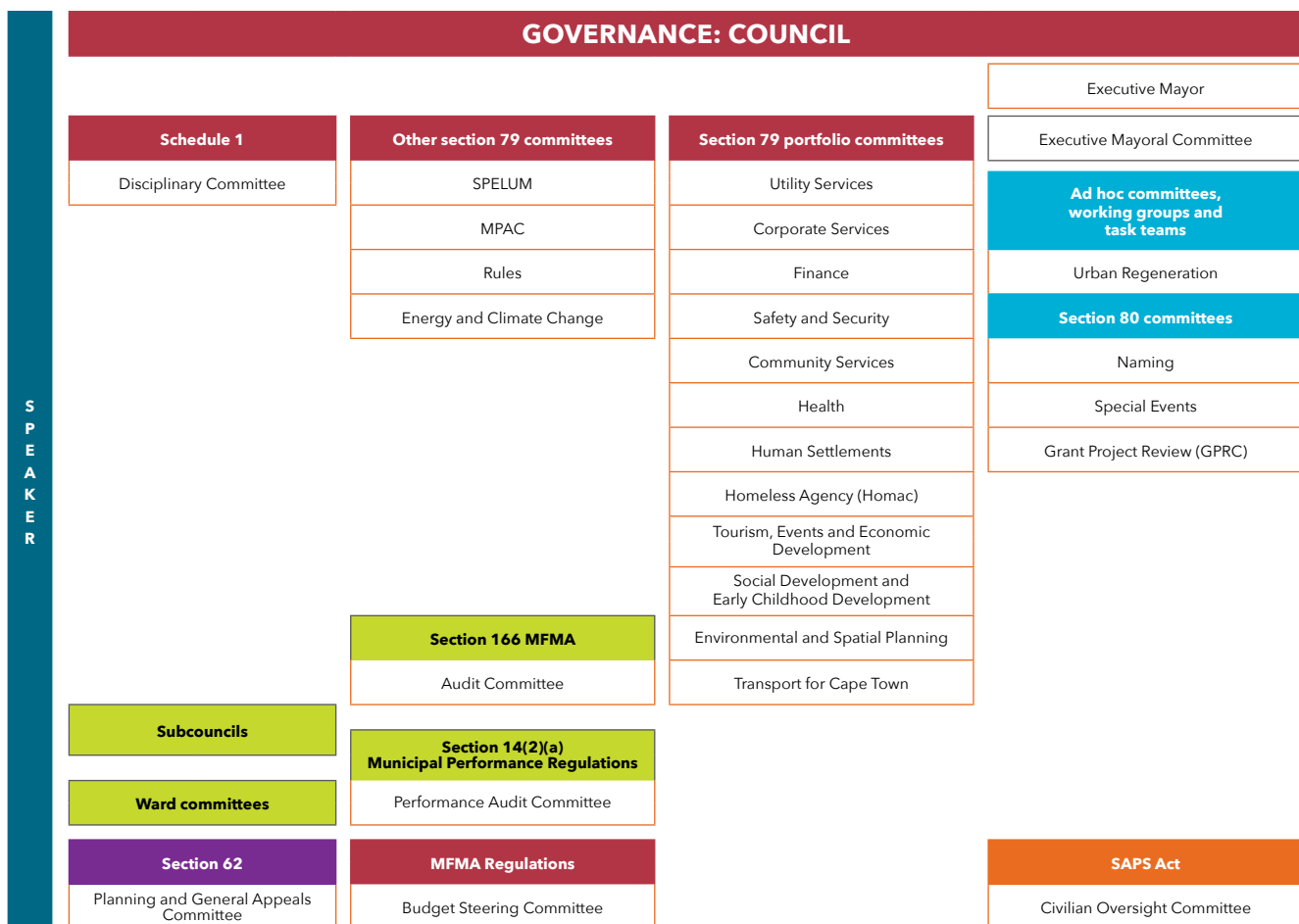


Figure 2: Governance structure of the City of Cape Town

MAYORAL COMMITTEE

THE EXECUTIVE MAYOR APPOINTS THE MAYORAL COMMITTEE (MAYCO), WHICH EXERCISES THE POWERS, FUNCTIONS AND DUTIES DELEGATED TO IT BY THE EXECUTIVE MAYOR AND DESIGNATED TO IT BY COUNCIL. THESE POWERS, FUNCTIONS AND DUTIES ARE PERFORMED AND EXERCISED BY THE EXECUTIVE MAYOR, ALDERMAN PATRICIA DE LILLE, TOGETHER WITH THE MAYCO MEMBERS.

EXECUTIVE MANAGEMENT TEAM (EMT)

The EMT constitutes the City of Cape Town's senior administrative structure, which leads the City's drive to achieve its strategic objectives, as outlined in the IDP each year. It is aligned with the City's elected political structure.

GOOD GOVERNANCE AND COMPLIANCE

Internal Audit


Internal Audit is an independent department reporting administratively to the Executive Director: Corporate Services and Compliance, and functionally to the City's independent Audit Committee, as delegated by Council.

Through its charter, Internal Audit is mandated to provide independent, objective assurance and advisory services, geared towards adding value and improving the City's operations. It helps the organisation accomplish its objectives through a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

 Read more in the full 2015/16 annual report on page 34

Integrated Risk Management

The Integrated Risk Management (IRM) Department has instituted a robust IRM process, which is founded on best practices for the managing of risks and opportunities, and assists with service delivery through the optimal use of scarce resources. Risk management is both decentralised and centralised to ensure consistent alignment and management of key risks so as to achieve the City's core strategic objectives. In the 2015/16 financial year, the IRM Department managed 103 risk registers, including the EMT risk register, via an annual update session per department, as well as two (three for EMT) monitor and review sessions for each risk register.

 Read more in the full 2015/16 annual report on page 35

Forensics, Ethics and Integrity

Forensics provides a reactive forensic service in respect of issues relating to significant fraud, corruption, maladministration and negligence on the part of any City employee or any agent, contractor, supplier or service provider to the City of Cape Town. It also drives, develops and/or ensures the implementation of proactive antifraud/corruption policies and prevention measures.

Ethics is responsible for the roll-out and monitoring of the City's Ethics Action Plan, and takes overall responsibility for, and provision of, strategic direction on ethics and integrity investigations.

 Read more in the full 2015/16 annual report on page 36

PUBLIC PARTICIPATION

THE CITY OF CAPE TOWN'S COLLABORATIVE PLANNING APPROACH IS EPITOMISED BY ITS COMMITMENT TO CONSTANTLY ENGAGE WITH ALL CAPETONIANS. THE CITY FACILITATES THIS FEEDBACK AND INPUT BY PROVIDING THE PEOPLE OF CAPE TOWN WITH COMPREHENSIVE INFORMATION ON ITS PLANS AND PROPOSED ACTIONS, AND THEN GIVING THEM NUMEROUS OPPORTUNITIES TO HAVE THEIR SAY.

Public engagement

The public participation processes comprise mayoral meetings, subcouncil meetings, meetings with strategic partners, as well as meetings with City internal staff. Members of the public are also engaged in public places such as shopping malls, clinics, libraries, schools and cash offices, and are invited to attend public meetings.

Annual Community Satisfaction Survey

A primary vehicle used for gathering feedback is the annual Community Satisfaction Survey (CSS). The results of the ninth annual survey (2015/16) reflect a consistently increasing level of satisfaction with the City's service delivery efforts by residents and business, both over the past five years and since the first survey in 2007/8.

In 2015/16, residents' average rating of the City's overall performance was 2,8 (on a five-point rating scale). Businesses' mean rating of the City's overall performance was 3,5 (on a five-point rating scale).

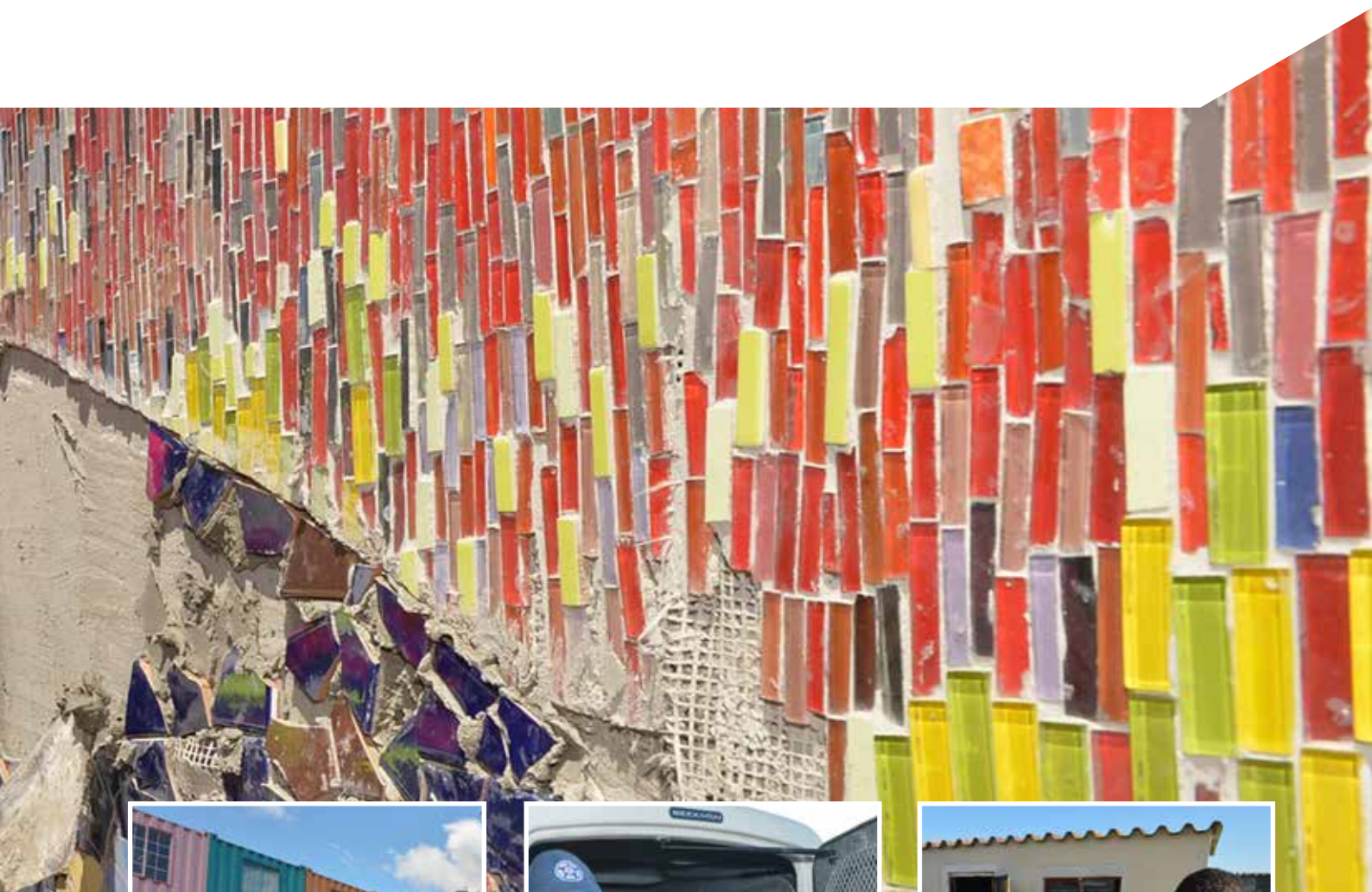
 Read more about the City's commitment to public participation and engagement on page 37 of the 2015/16 annual report.

2015/16 PERFORMANCE REVIEW



Local residents were employed to create the mosaic mural at the R30 million Sea Views housing development at Hangberg, Hout Bay.

- 20 STRATEGIC FOCUS AREA 1: **THE OPPORTUNITY CITY**
- 32 STRATEGIC FOCUS AREA 2: **THE SAFE CITY**
- 36 STRATEGIC FOCUS AREA 3: **THE CARING CITY**
- 42 STRATEGIC FOCUS AREA 4: **THE INCLUSIVE CITY**
- 44 STRATEGIC FOCUS AREA 5: **THE WELL-RUN CITY**



The informal economy plays an important role in providing access to income and employment.



Traffic officers on duty.



Staff at work at a ceiling retrofit project.

THE OPPORTUNITY CITY

A KEY MISSION OF THE CITY OF CAPE TOWN IS TO CREATE AN ENVIRONMENT IN WHICH INVESTMENT CAN GROW AND JOBS CAN BE CREATED.

MAIN OPPORTUNITY CITY ACHIEVEMENTS IN 2015/16

- Spent 89,57% of the capital budget
- Finalised 94,1% (2014/15: 91,3%) of building plans within statutory timeframes
- R3,3 billion (2014/15: R3 billion) invested in repairs and maintenance
- Created 44 942 EPWP job opportunities in 2015/16 and 160 000 EPWP jobs in the current IDP five-year cycle
- Almost 790 km of fibre-optic cable installed across the metro

OBJECTIVE 1.1 CREATE AN ENABLING ENVIRONMENT TO ATTRACT INVESTMENT THAT GENERATES ECONOMIC GROWTH AND JOB CREATION

Maintaining a strong financial position

Over the past four years, the City has invested R22 billion in infrastructure, R11 billion of which came from national and provincial grants, R2,4 billion from external loans, while the remaining R9 billion was funded from the City's own cash flow. In addition, spending on repairs and maintenance currently averages around R3,3 billion per year. The key reason for this ongoing investment is to adequately provide for the needs of those who call Cape Town home, while at the same time making the city highly appealing to investors.

 Read more in the full 2015/16 annual report on page 42

PROGRAMME 1.1(a): WESTERN CAPE ECONOMIC DEVELOPMENT PARTNERSHIP (EDP) PROGRAMME

The City of Cape Town is a key partner in the Economic Development Partnership (EDP), the purpose of which is to lead, coordinate and drive the economic growth, development and inclusion agenda for Cape Town and the Western Cape.

The City and the EDP continued working on a number of initiatives during 2015, including:

- the development of a gas energy partnership; and
- the further development of various partnerships required to deliver the developmental outcomes arising from the roll-out of broadband.

The EDP is also part of the team tasked with developing an economic performance indicator for the Western Cape.


PROGRAMME 1.1(b): EVENTS PROGRAMME

Tourism is a key economic driver of economic development and the creation of opportunities for communities to be economically active. Ultimately, however, to fully reap the benefits of tourism, any initiative or programme needs to be sustainable. Responsible tourism is therefore the bedrock of Cape Town's tourism development and destination performance.

In terms of events, the 80 events supported by the City in the 2014/15 financial year increased to 106 during the 2015/16 financial year.

The City's Tourism Development Framework (TDF) identified seasonality and destination access as key strategic objectives for Cape Town. In this regard, a strategy to address seasonality, championed by the

Executive Mayor, saw workshops held with key stakeholders to ensure that Cape Town becomes an all-year destination.

 Read more in the full 2015/16 annual report on page 43

PROGRAMME 1.1(c): IDENTIFICATION AND PROMOTION OF CATALYTIC SECTORS, SUCH AS OIL AND GAS

In order to stimulate the growth and development of the local economy, the City has identified development in the following catalytic sectors as critical:

- Marine, oil and gas, ship repair and boat-building
- Agro-processing and the location of head offices in the finance and retail sectors
- Health and medical technology
- The green economy, including energy from the sun, wind and waste
- Tourism and events

The City is working to strengthen the competitiveness and attractiveness of these priority sectors through programmes that promote inclusive growth, investment and trade.

 Read more in the full 2015/16 annual report on page 45



Proactively promoting biodiversity

The City is engaged in a process of proactive biodiversity land-banking with partners in the Dassenberg Coastal Catchment Partnership. This is aimed at facilitating development within the Atlantis urban edge, and specifically in the Atlantis industrial area, by providing biodiversity offsets. Several properties containing critical biodiversity have been acquired as offsets for biodiversity loss as a result of industrial development in the area.

Read more in the full 2015/16 annual report on page 46

PROGRAMME 1.1(d): SMALL-BUSINESS CENTRE PROGRAMME (ACTIVA)

Optimising informal trading infrastructure

Informal trading in Cape Town accounts for 18 to 20% of the city's economy. The informal trading and markets programme aims to increase the potential returns and economic contribution of the sector through a variety of interventions. Various designed trading infrastructure solutions are being investigated through area economic partnerships (AEPs) and other actors.

Read more in the full 2015/16 annual report on page 47

Helping to develop small-, medium- and microenterprises through research

An industrial survey was conducted to collect base data on all the businesses in the 23 industrial areas in Cape Town, which data have been transformed into information products. This analysis, which illustrates existing economic

activity clustering, vacant buildings and vacant land within the boundaries of the industrial areas, was shared with a range of stakeholders and made available for download on the City's open-data portal.

PROGRAMME 1.1(e): PLANNING AND REGULATION PROGRAMME

Municipal Planning By-law an enabler of economic growth

The City is committed to the fast and efficient development regulation of Cape Town's built environment as an enabler of economic growth and development in the quest to achieve the objective of the opportunity city.

The City was the first and only municipality to complete its Municipal Planning By-law and be fully prepared for the implementation of SPLUMA by the start of this reporting period. The new by-law replaced the Land Use Planning Ordinance and various other, older statutes. The City's single zoning scheme was incorporated into the new by-law and is now referred to as the Development Management Scheme (DMS), thereby simplifying the system even further. More than 9 000 land use applications were processed during the by-law's first year of operation.

Optimising land use application and building plan approval

The City's electronic development application management system for the submission, circulation and processing of building plan and land use applications has been operating for more than two years. As from April 2016, customers have been able to submit electronic building and land use

applications online via the e-services internet portal, thereby reducing waiting times and removing the need for queuing at a district planning office.

In the 2015/16 financial year, the City finalised 94,1% of building plans within the agreed timeframes against a target of 87%. The total value of building work approved increased from R21 billion to R22,6 billion year-on-year.

Read more in the full 2015/16 annual report on page 48

PROGRAMME 1.1(f): DEVELOPMENT OF A 'GREEN' ECONOMY

Green Jobs Unit

The objective of the Green Jobs Unit is to further facilitate job creation in the field of the green economy. It does this by contributing to a healthy and sustainable natural environment for the benefit of all in Cape Town, while creating job opportunities, developing skills and providing small-business opportunities in the ecosystem services sector. The work of the unit currently provides for the annual employment of approximately 622 people.

Read more in the full 2015/16 annual report on page 49



Green procurement

The City is actively driving a green procurement programme. In 2015/16, the City implemented further measures to improve its procurement of greener goods and services. This included the drafting of a sustainable procurement action plan, and the initiation of a process to investigate the scope for greening the City's cleaning chemicals stock items.

Read more in the full 2015/16 annual report on page 49

Integrated Coastal Management Policy and Programme

Based on the City's Integrated Coastal Management Policy, an Integrated Coastal Management Programme was adopted in 2015. The City is now in the process of completing two key projects focusing on coastal risk attributed to climate change. These are the implementation of an environmental overlay zone focusing on the coast, as well as conducting a multi-disciplinary study in respect of property at risk from coastal processes.

 Read more in the full 2015/16 annual report on page 50

PROGRAMME 1.1(g): CITY DEVELOPMENT STRATEGY IMPLEMENTATION

Transversal working groups have been established in the social and economic clusters. These are taking the long-term strategy and planning work forward, as mandated by the City Development Strategy.

 Read more in the full 2015/16 annual report on page 50

OBJECTIVE 1.2 PROVIDE AND MAINTAIN ECONOMIC AND SOCIAL INFRASTRUCTURE TO ENSURE INFRASTRUCTURE-LED GROWTH AND DEVELOPMENT

Medium-term Infrastructure Investment Framework

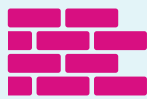
In 2015/16, significant progress has been made with the preparation of a medium-term infrastructure investment framework. This will form the basis of a growth management plan and capital investment framework for the City of Cape Town, which will constitute a key component of the limited five-year review of the Cape Town Spatial Development Framework. This, in turn, informs the framework for the City to continue leveraging its infrastructure to enable economic growth and development, and to progressively plan for and accommodate urbanisation. It also supports the City's economic growth infrastructure strategies.

PROGRAMME 1.2(a): FIBRE-OPTIC NETWORK PROGRAMME

Broadband network roll-out

The financial year ended June 2016 was the second full year of the metro-wide roll-out of the City's metro area network. By the end of the 2015/16 financial year, the City had installed almost 790 km of fibre-optic cable and more than 50 000 km of optic fibre across the metro. A total of 301 City-owned buildings are connected in this way, including libraries, clinics, event venues, cash offices and depots.

 Read more in the full 2015/16 annual report on page 52



PROGRAMME 1.2(B): MAINTENANCE OF INFRASTRUCTURE

Prioritising repairs and maintenance

The City gives priority to investing in repairs and maintenance, which makes a visible difference to the city and its people, primarily in terms of roads and utilities infrastructure. The City has spent around R12 billion on repairs and maintenance since the 2012/13 financial year.

Read more in the full 2015/16 annual report on page 54

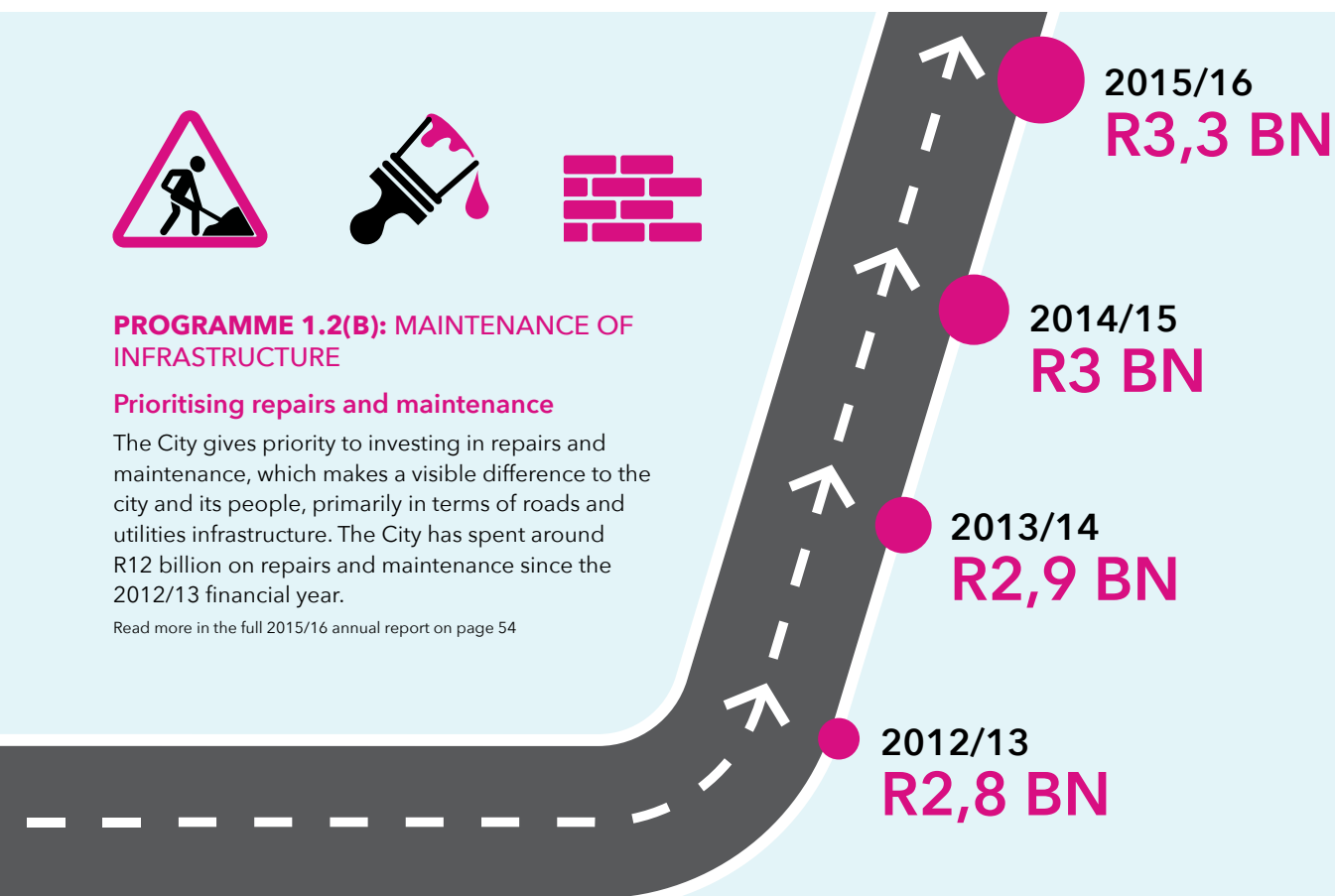


Figure 5: Growth of investment in repairs and maintenance by the City

The expansion of the City's broadband network has enabled the provision of free public Wi-Fi services in addition to the free internet access already available at all 102 City libraries. The 215 access points and 65 SmartCape Wi-Fi zones are now used by more than 25 000 people every day, and more than 700 000 people have used the services since they were introduced.

 Read more in the full 2015/16 annual report on page 53



Figure 4: City of Cape Town fibre-optic network

PROGRAMME 1.2(c): INVESTMENT IN INFRASTRUCTURE

Infrastructure investment for sustainable development

The City continues to act as catalyst by investing in suitable economic and social infrastructure to support and further stimulate economic development. Since 2012/13, the City has invested approximately R22 billion in infrastructure, of which R12 billion has been for new infrastructure and R10 billion has gone towards the refurbishment of existing infrastructure.

 Read more in the full 2015/16 annual report on page 54

Electricity infrastructure upgrades

Five capital projects aimed at improving distribution capacity and reliability commenced during the 2014/15 financial year and were completed in the 2015/16 financial year.

Bulk water infrastructure investment

The City will be implementing its bulk water augmentation scheme (BWAS) in phases, of which the first phase, the Muldersvlei reservoir, is currently being designed. When fully implemented, the scheme will increase the potable water treatment, bulk storage and bulk conveyance capacity of the City's water supply system, thereby increasing the overall system capacity and boosting supply to development areas.

 Read more in the full 2015/16 annual report on page 55

Wastewater infrastructure investment

There are 26 wastewater treatment facilities in Cape Town. A number of the works, including Borchers Quarry, Potsdam and Bellville, are operating above their hydraulic and load design capacity. Processes have been initiated to address these challenges, with upgrades and capacity extension planned or under way for various facilities. For the 2015/16

financial year, the majority of wastewater projects were aimed at increasing treatment capacity, improving processes and raising levels of effluent quality.

Reuse of effluent relieves pressure on dams

The City reuses more than 6% of the effluent that passes through its treatment works for irrigation and industrial purposes. Currently, 13 of the City's wastewater treatment works are equipped to produce treated effluent suitable for reuse, and a 230 km treated-effluent pipe network conveys this water to more than 160 customers in the city, including schools, sports clubs, golf courses, farms, factories and commercial developments with large water features.

 Read more in the full 2015/16 annual report on page 55

Reticulation infrastructure investment

In the 2015/16 financial year, 32 814 m of water reticulation mains were replaced (2014/15: 48 622 m). This brings the total mains replaced since 2011/12 to 296 121 m.

Solid waste infrastructure asset management

The rehabilitation of the City's disused, full landfills and dumps continued in 2015/16, as required by the MFMA and operating permit conditions. The City also continued to focus on replacing ageing waste collection vehicles with the aim of ensuring long-term service delivery improvements. Approximately R62,4 million (or 27,3% of capital expenditure) was spent on vehicle replacement for the year under review.

 Read more in the full 2015/16 annual report on page 55

Converting landfill gases into energy

The City successfully registered a programme of activities for a series of landfill gas-to-energy conversion projects with the United Nations Framework Convention for Climate Change (UNFCCC). The programme of activities will serve as the umbrella instrument for registering the City's landfill gas projects and will offer other municipalities and private landfill owners in South Africa the opportunity also to register future projects.



CREATING OPPORTUNITIES THROUGH CONSISTENT SERVICE DELIVERY

ELECTRICITY SERVICES

THE CITY OF CAPE TOWN IS THE ELECTRICITY SERVICE
AUTHORITY FOR THE ENTIRE CAPE METROPOLITAN REGION.

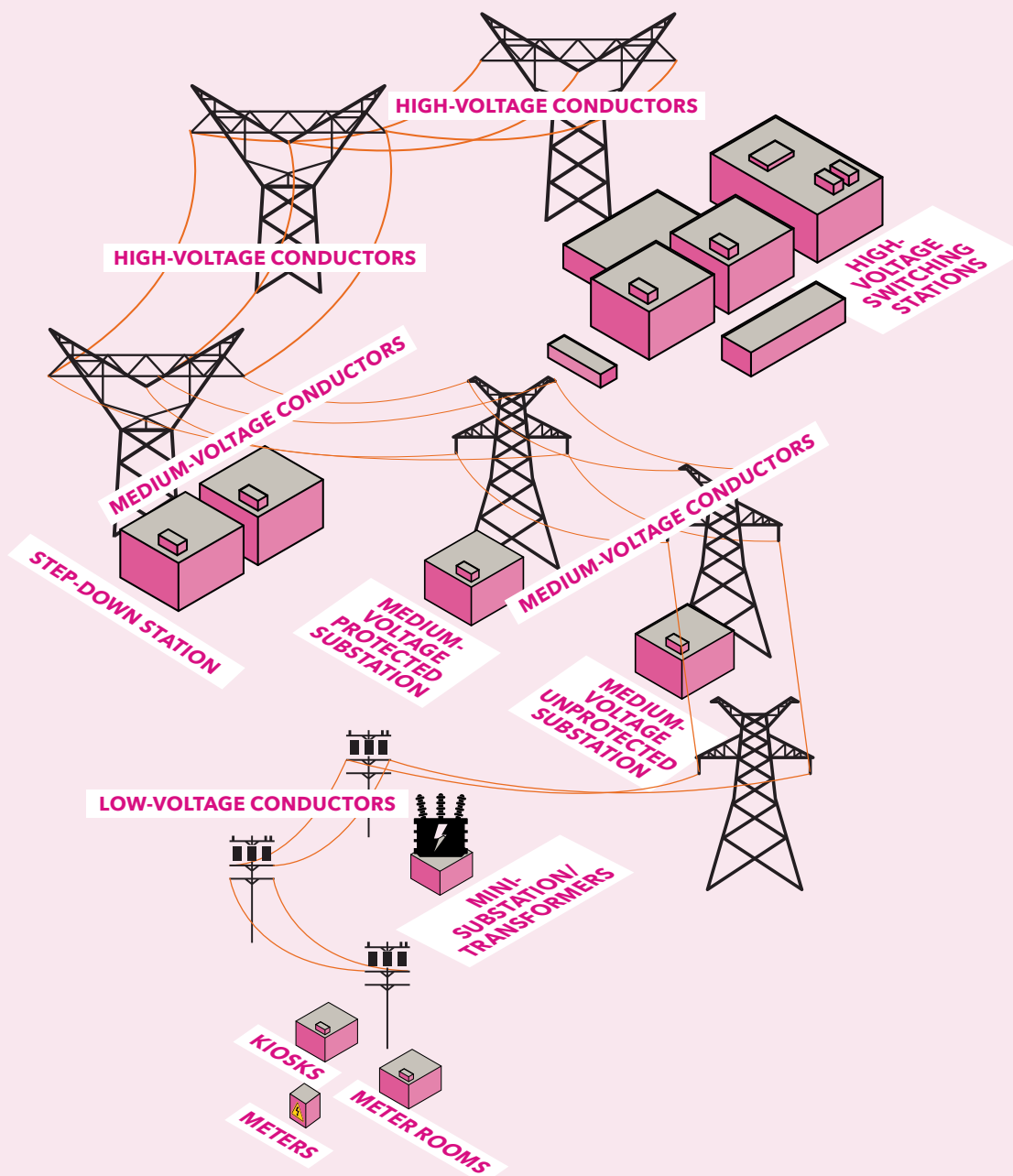
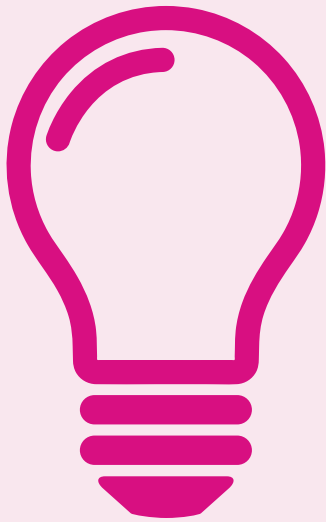


Figure 6: The City of Cape Town's electricity infrastructure



KEY PROJECTS AND INITIATIVES IN 2015/16

- Ongoing electrification
- High-voltage switchgear replacement
- Medium-voltage circuit breaker replacement
- Stikland main substation
- Platteklouf-N1 reinforcement
- Koeberg Road switching station phase 2
- Gugulethu main substation upgrade
- Athlone-Philippi overhead line undergrounding
- Durbanville phase 2
- Broad Road phase 3
- Bofors upgrade
- Eversdal-Durbanville 66 kV overhead line upgrade
- Oakdale upgrade phase 2
- City 33 kV gas cable replacement


 Read more in the full 2015/16 annual report on page 59



WATER AND SANITATION SERVICES

A TOTAL OF 99,6% OF CAPE TOWN'S WATER SUPPLY IS DERIVED FROM SIX DAMS WITH A TOTAL CAPACITY OF 898 300 MILLION KILOLITRES.

THE CITY'S WATER AND SANITATION INFRASTRUCTURE ALSO INCLUDES 12 WATER TREATMENT WORKS AND A WATER SUPPLY RETICULATION NETWORK OF 10 618 KM. THE CITY ALSO HAS 86 WATER PUMP STATIONS AND 129 WATER RESERVOIRS. THE WASTEWATER INFRASTRUCTURE CONSISTS OF 26 WASTEWATER TREATMENT FACILITIES, A 9 216 KM SEWERAGE RETICULATION NETWORK AND 385 SEWERAGE PUMP STATIONS.

 Read more in the full 2015/16 annual report on page 60

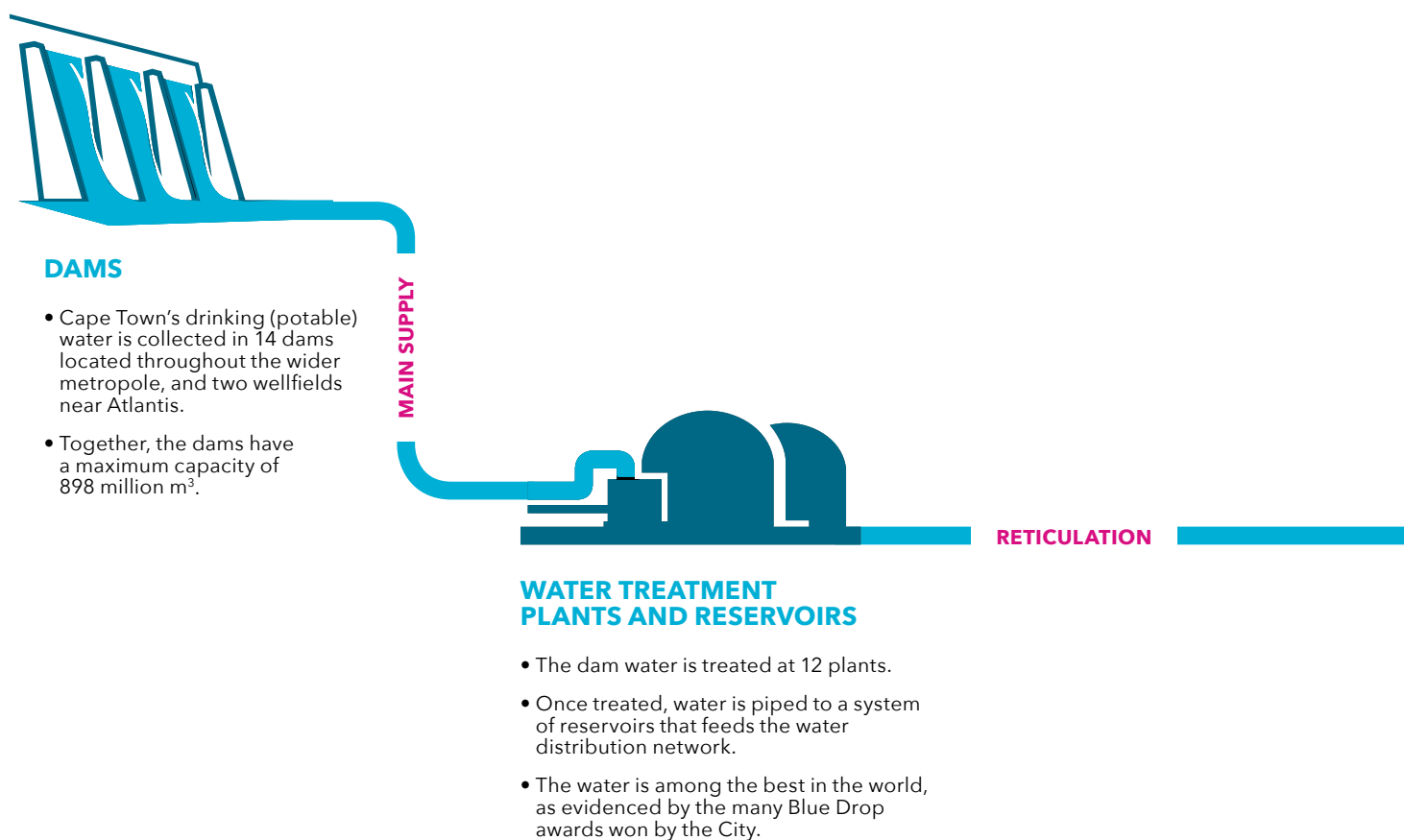



Figure 7: Cape Town's water and wastewater infrastructure

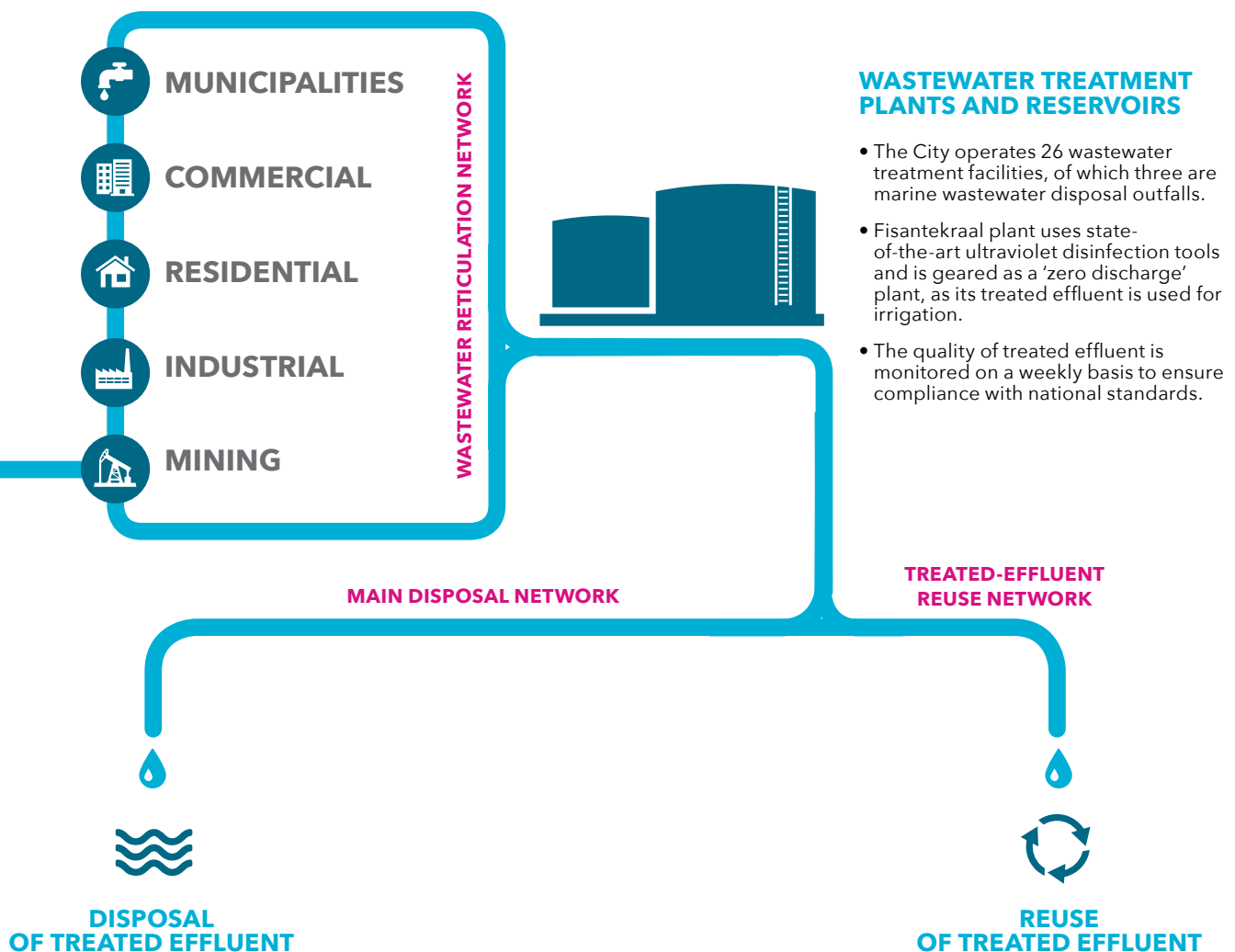
HIGHLIGHTS IN 2015/16

- The Water Conservation and Water Demand Management programme was named the international winner in the category for adaptation implementation in the 2015 C40 Cities Awards in Paris.
- Created 6 034 EPWP opportunities against a target of 5 100.
- Achieved 95% in the DWS's 2014 No Drop first-order assessment released during 2015/16.
- Continued using treated effluent as a means to save water. 6,58% of treated effluent recycled and reused.
- 32 814 m of water reticulation mains have been replaced.
- 25 975 m of sewerage reticulation mains have been replaced.
- Scored 95,86% in the latest DWS Blue Drop certifications released in 2015/16.

No Drop report recognises City's water management

The City of Cape Town received a No Drop score of 95% in DWS's 2014 first-order assessment. This report assesses current usage patterns and the City's water planning, expertise and monitoring programmes in terms of whether they support the sustainable use of water. According to the DWS report, the No Drop score of 95% indicates that the City has an excellent knowledge of its status and has the required processes, systems and plans in place to manage water losses and non-revenue water.

 Read more in the full 2015/16 annual report on pages 61 and 62





WASTE MANAGEMENT

THE CITY OF CAPE TOWN'S SOLID WASTE DEPARTMENT PROVIDES ACCESS TO BASIC REFUSE COLLECTION SERVICES TO 100% OF FORMAL PROPERTIES AND 99,74% OF INFORMAL SETTLEMENTS. ONE SETTLEMENT IS INACCESSIBLE DUE TO ITS LOCATION.

PROGRAMME 1.2(d): EXPANDED PUBLIC WORKS PROGRAMME (EPWP)

EPWP DELIVERS SUSTAINABLE ECONOMIC TRANSFORMATION THE CITY CREATED A TOTAL OF 44 942 EPWP JOB OPPORTUNITIES IN 2015/16. THIS BRINGS THE TOTAL NUMBER OF EPWP JOBS CREATED BY THE CITY OVER THE PAST FIVE-YEAR IDP CYCLE TO 160 000.

HIGHLIGHTS IN 2015/16

- Appointment of transactional advisors and a panel of consultants regarding waste beneficiation and alternative-technology disposal facilities
- Commencement of landfill gas project
- Upgrading and replacement of ageing fleet
- Continued rehabilitation of old landfill sites
- Implemented an equitable refuse collection service for backyarders at housing rental units on City-owned land
- Completed the infrastructure development of the refuse transfer station and drop-off facility at the Bellville South landfill
- Expanded garden greens management at drop-off facilities, including chipping and composting
- Expanded recycling activities at drop-off sites
- Established a contract office to ensure attention to detail of conditions of service for new tenders

OBJECTIVE 1.3

PROMOTE A SUSTAINABLE ENVIRONMENT THROUGH THE EFFICIENT UTILISATION OF RESOURCES

PROGRAMME 1.3(a): SUSTAINABLE UTILISATION OF SCARCE RESOURCES, SUCH AS WATER AND ENERGY

Conserving biodiversity: Our natural capital

During the 2015/16 financial year, the City continued to implement BioNet, its fine-scale plan for the conservation of biodiversity.

City to establish South Africa's first water fund

The City of Cape Town and the international conservation organisation The Nature Conservancy have formally agreed to establish a water fund for Cape Town. The main aim of the fund will be to safeguard water supplies and biodiversity, while supporting local livelihoods. The launch of the fund is planned for the end of 2017, and the initial focus will be on the Atlantis aquifer protection zone.

Renewable energy

The City's approved energy and carbon emissions targets aim to reduce carbon emissions by 37% (off business-as-usual levels) by 2040, with 21% from energy efficiency alone. The City's new Energy2040 goals include pursuing diversified large-scale energy supply with solar photovoltaic installations, wind, storage and possibly natural gas, and supporting increased installation of solar water heaters and solar photovoltaic systems on commercial and residential rooftops. The Energy2040 goals include installing 120 MW of rooftop photovoltaic systems and 100 MW of large-scale renewables by 2020.

Solar water heater programme saves energy and money

By 2015, over 46 000 solar water heaters had been installed in the Cape Town metropolitan area. These have contributed over R830 million to the economy, creating over 1 300 job years. These systems are reducing electricity consumption by more than 128 000 MWh per year and cutting carbon emissions by an annual 132 000 tonnes or more.

Maximising energy efficiency in municipal operations

The City has been implementing energy-efficiency retrofit programmes within Council operations since 2009. All traffic lights in the city have been retrofitted with light-emitting diode (LED) lights, and more than 17% of the City's streetlights have also been retrofitted. A total of 32 large administrative City buildings have been retrofitted with energy-efficient technology, including 480 smart meters. From 2009 to June 2015, the City saved approximately R135 million through these retrofits.

PROGRAMME 1.3(b): WATER CONSERVATION AND WATER DEMAND MANAGEMENT STRATEGY

REDUCING WATER DEMAND AND WASTAGE

A key priority for the City is the funding of water demand management strategies to enable planned programmes to be implemented to reduce the demand for, and wastage of, water across Cape Town. During the past financial year, these programmes continued, and achieved combined estimated cumulative water savings of 30,23 million kℓ. This equates to a monetary saving of around R120,90 million for the year.



OBJECTIVE 1.4

ENSURE MOBILITY THROUGH THE IMPLEMENTATION OF AN EFFECTIVE PUBLIC TRANSPORT SYSTEM

AS REQUIRED BY SECTION 6(6)(A) OF THE TRANSPORT FOR CAPE TOWN CONSTITUTION BY-LAW, THE 2016 CITY OF CAPE TOWN ANNUAL REPORT INCLUDES A REPORT ON THE ACHIEVEMENTS OF TRANSPORT FOR CAPE TOWN (TCT) IN THE 2015/16 FINANCIAL YEAR. THIS REPORT CAN BE FOUND ON PAGES 75 TO 87 OF THE ANNUAL REPORT.

PROGRAMME 1.4(a): PUBLIC TRANSPORT PROGRAMME

TCT's mandate is derived from the TCT Constitution By-law No 7208 of 2013, which in particular provides that TCT has nine functions. These functions give TCT the power to direct service delivery, set standards and attract investment.

As TCT is the City's dedicated transport authority, the work it does also aligns with the objectives of the City's IDP, specifically objective 1.4.

TCT transport development index (TDI)

The TDI, which is the first of its kind internationally, is the baseline for understanding the state of transport in Cape Town, as determined by the people (public transport, private car, non-motorised transport) and goods (freight) user groups. The TDI is the mechanism against which TCT can evaluate the effectiveness of its transport service delivery interventions as they relate to the various user groups across different income brackets and in different areas of the city.

STRATEGY TO MANAGE FREIGHT TRANSPORT ON CAPE TOWN'S ROADS

THE CITY IS RESPONSIBLE FOR THE PROVISION OF A SAFE, EFFICIENT AND RELIABLE ROAD NETWORK.

IT MUST HOWEVER ALSO TAKE INTO CONSIDERATION THE SIGNIFICANT IMPACT THAT ROAD-BASED FREIGHT HAS ON THE ROADS AND URBAN ENVIRONMENT. AMONG THESE IMPACTS ARE CARBON EMISSIONS, CONGESTION AND ROAD ACCIDENTS.

A draft Freight Management Strategy was developed and made available for public comment. The strategy seeks to ensure that freight transport within Cape Town is safe and efficient, serves the needs of the economy without compromising the access and mobility of other road users, and that freight operators comply with regulations.

INVESTING TO ALLEVIATE TRAFFIC CONGESTION

IN 2013, THE TOMTOM GLOBAL TRAFFIC INDEX REVEALED THAT CAPE TOWN WAS THE MOST CONGESTED CITY IN SOUTH AFRICA, RANKED 55TH GLOBALLY. THE SURVEY ALSO REVEALED THAT MOTORISTS WERE SPENDING AN EXTRA 71% OF THEIR TIME IN TRAFFIC.

Recognising that this is untenable, TCT proposed an investment of R750 million over a period of five years, specifically intended for road infrastructure projects to address the issue of traffic congestion and begin to alleviate the major pressure points.

INTEGRATED PUBLIC TRANSPORT NETWORK 2032

The IPTN 2032 was approved by Council in June 2014. This 20-year network plan, which has been based on a financial model with sustainability parameters, elaborates on the proposed higher-order network that is to be rolled out so as to achieve integrated, interoperable and intermodal public transport for the benefit of all in Cape Town.

The IPTN has identified nine new BRT routes. From a rail perspective, the following interventions have been identified as priorities in the IPTN:

- Construction and commissioning of the Blue Downs rail corridor
- Doubling of the existing Strand line
- Extension of Chris Hani rail link to Somerset West, subject to planned development in Somerset West
- Special attention to be given to Fisantekraal

TRANSIT-ORIENTED DEVELOPMENT STRATEGY TO ADDRESS SPATIAL PLANNING AND TRANSPORT INEFFICIENCIES

The City's Mayco adopted a new and far-reaching policy document on integrated spatial and transport planning.

The policy document is called the TOD Strategic Framework. It prescribes how new developments across Cape Town should occur to deal with apartheid spatial inequality, the high cost of public transport as well as future urbanisation, while also stimulating economic growth. The focus is on densification, intensification and transit-led development, with an initial emphasis on rail and BRT stations.

Transit-oriented development projects

At the end of the 2015/16 financial year, five priority TOD projects were identified and confirmed by the Executive Mayor, as the City will serve as the investment catalyst. These five projects, as listed below, will now be unpacked, costed and reoriented towards a TOD approach:

- Foreshore freeway precinct
- Bellville
- Philippi East MyCiTi interchange
- Paardevlei
- Athlone power station

MyCiTi achieves significant growth and expansion

TCT's integrated rapid transit (IRT) project called MyCiTi is planned to transform Cape Town's current road-based public transport system through, *inter alia*, the provision of BRT services in dedicated right-of-way lanes, feeder bus services, automated fare systems, provision of universal accessibility, operating service contracts, institutional reform and the transformation of the existing public transport industry.

Progress on the overall performance of the MyCiTi project includes the completion of phase 1A, 1B and the N2 Express service areas, as well as the initiation of phase 2A.

PROGRESS IN RELATION TO NON-MOTORISED TRANSPORT

In 2009, the City embarked on a citywide NMT programme. The aim was to develop a comprehensive NMT network plan to prioritise, plan, design and implement NMT projects for the City. In Phase 2, projects were prioritised for preliminary design, detailed design, tender documentation and contract management, and were implemented across the metropolitan area in different construction, tender, design and planning phases. In the 2015/16 financial year, three projects were completed and 12 were still being constructed.

OBJECTIVE 1.5

LEVERAGE THE CITY'S ASSETS TO DRIVE ECONOMIC GROWTH AND SUSTAINABLE DEVELOPMENT

PROGRAMME 1.5(a): CITY STRATEGIC ASSETS INVESTIGATION

THE CITY HAS MADE SUBSTANTIAL PROGRESS WITH THE DEVELOPMENT AND IMPLEMENTATION OF THE IMMOVABLE PROPERTY ASSET MANAGEMENT FRAMEWORK, WHICH HAS BEEN DESIGNED TO ALIGN THE CITY'S MANAGEMENT OF IMMOVABLE PROPERTY ASSETS WITH INTERNATIONAL BEST PRACTICE.

OBJECTIVE 1.6

MAXIMISE THE USE OF AVAILABLE FUNDING AND PROGRAMMES FOR TRAINING AND SKILLS DEVELOPMENT

PROGRAMME 1.6(a): SECTORAL AND EDUCATION AUTHORITY (SETA) AND EPWP FUNDING USED TO TRAIN APPRENTICES AND CREATE OTHER EXTERNAL TRAINING OPPORTUNITIES.

The City continues to offer a widerange of training opportunities to unemployed youth. These include apprenticeships and learnerships in various disciplines, in-service training to students, postgraduate internships and external bursaries.

Opportunities in urban sustainability and environmental management

The City offers a full-time, 12-month urban sustainability internship programme, which is managed by the Environmental Resource Management Department (ERMD). The internship provides an opportunity for new graduates to develop capacity and skills in key operational areas of the City's Energy, Environmental and Spatial Planning Directorate. In 2016, 42 new graduates started the programme. In the 11 years that the programme has been operating, 333 interns have participated, 73 of whom are now employed by the City.



THE SAFE CITY

THE CITY OF CAPE TOWN IS COMMITTED TO CREATING A SAFE ENVIRONMENT IN WHICH RESIDENTS CAN LIVE AND CONDUCT BUSINESS. THE IMPLEMENTATION OF THE VARIOUS SAFE CITY OBJECTIVES IS UNDERTAKEN MAINLY BY THE CITY'S SAFETY AND SECURITY DIRECTORATE

MAIN SAFE CITY ACHIEVEMENTS IN 2015/16

- 81,64% of emergency incidents responded to within 14 minutes from initial call
- Total of 18 City staff members trained as environmental management inspectors
- The City's CCTV network is the largest public area surveillance agency in Africa
- R14 million invested in automatic number plate recognition (ANPR) technology

OBJECTIVE 2.1

EXPANDING STAFF AND CAPITAL RESOURCES IN POLICING DEPARTMENTS AND EMERGENCY SERVICES TO PROVIDE IMPROVED SERVICES TO ALL, ESPECIALLY THE MOST VULNERABLE COMMUNITIES

PROGRAMME 2.1(a) INCREASE IN OPERATIONAL STAFF COMPLEMENT ENSURING SAFETY AT PUBLIC TRANSPORT INTERCHANGES

The Public Transport Interchange Unit comprises 33 law enforcement officers stationed at various major public transport interchanges. The unit's activities supplement the security provided by various private security companies, the City's Metro Police and SAPS.

Protecting Cape Town's marine wealth

During 2015/16, members of the City's Marine and Environmental Law Enforcement Unit continued their work in marine and coastal law enforcement. Regular joint operations with the unit's strategic partners have resulted in successful arrests for poaching as well as the confiscation of illegally harvested marine resources. The unit also played a vital role in general beach safety over the summer festive season and responded to several near-drowning incidents along Cape Town's coastline.

Training environmental management inspectors

During the 2015/16 financial year, 18 City staff members underwent training to obtain accreditation as environmental management inspectors (EMIs). Currently, the City has 12 staff members who are designated as EMIs and perform functions together with the EMIs stationed in Province's Department of Environmental Affairs and Development Planning.

OBJECTIVE 2.2

RESOURCE DEPARTMENTS IN PURSUIT OF OPTIMUM OPERATIONAL FUNCTIONALITY

Addressing gangsterism

The City continues to work to address and prevent violent crimes associated with gangsterism, particularly in identified gangsterism hotspot areas.

The City's Drug Task Team is mandated to raise effectiveness in combating drug-trafficking crimes in designated areas, such as Long Street in Cape Town. Its mandate was subsequently extended to those areas in Cape Town that have been identified as centres of narcotic distribution, transportation, smuggling and other drug-related activities.

OBJECTIVE 2.3

ENHANCE INFORMATION-DRIVEN POLICING WITH IMPROVED INFORMATION-GATHERING CAPACITY AND FUNCTIONAL SPECIALISATION

PROGRAMME 2.3(a): IMPROVED EFFICIENCY THROUGH INFORMATION AND TECHNOLOGY-DRIVEN POLICING

Committed to quicker responses and better communication

The City's emergency response target is set at no more than 14 minutes from call receipt to arrival on the scene in at least 75% of emergencies. In the year under review, the City's emergency response services exceeded this target by responding to 81,64% of emergency calls within 14 minutes or less.



During the summer season from November 2015 to April 2016, the City's Fire and Rescue Service responded to almost 10 000 incidents.

Harnessing technology to manage disasters

The City has taken its disaster preparedness to the next level by upgrading its terrestrial trunked radio (TETRA) digital radio communications network with the latest Motorola Solutions technology, representing an investment of R23 million.



PROGRAMME 2.3(b): INTELLIGENT CRIME PREVENTION

City expands its CCTV network

The City is continually expanding its CCTV network through funding from the Safety and Security Directorate's budget, but also through funds allocated from the budgets of ward councillors. In one of the latest ward allocation projects, funds were allocated for two additional cameras in Gugulethu, bringing the total number of CCTV cameras in the area to 11. A number of additional cameras went live during the course of the 2015/16 financial year, including in Hanover Park, Manenberg, Athlone, Bellville, Langa as well as around Tygerberg Hospital.

City invests in automatic number plate recognition

The City invested R14 million in automatic number plate recognition (ANPR) technology, which has been installed in five of its Traffic Services vehicles. The technology is also used at roadblocks.

Roadblock Unit

The City has established an integrated Roadblock Unit, which is responsible for executing roadblocks on a permanent basis across the city, with a specific focus on drunken driving, stolen vehicles and illegal street racing.

Metals Theft Unit

During the financial year under review, the unit conducted 1 513 inspections at scrap metal dealers.

Combating drug and alcohol abuse

During the 2015/16 financial year, the City's Law Enforcement and Security Department's Liquor Control Unit continued its action against illegal liquor trading. The unit conducted 3 634 inspections for compliance with the relevant liquor and business legislation.

Promoting road use compliance

During the 2015/16 financial year, Traffic Services issued 2 452 514 traffic fines.

Mayoral urban regeneration programme

In the 2015/16 financial year, the mayoral urban regeneration programme (MURP) continued to focus on the revitalisation of identified areas within Cape Town that have fallen into a dysfunctional cycle of infrastructural collapse and social neglect.

In 2015/16, the following achievements were recorded:

- Adoption of the community action plans and public investment frameworks for Manenberg and Hanover Park
- Continuation of the Ceasefire programme in Hanover Park
- Completion of a baseline survey to inform the roll-out of the Ceasefire programme in Manenberg
- Continuation of the partnership with the Safety Lab to replicate the Nyanga Yethu project in Hanover Park and Manenberg

- Initiation of the preparation of public investment frameworks for Bishop Lavis and Bonteheuwel
- The creation of 222 EPWP opportunities
- The deployment of problem-building officers

OBJECTIVE 2.4

IMPROVE EFFICIENCY OF POLICING AND EMERGENCY STAFF THROUGH EFFECTIVE TRAINING

PROGRAMME 2.4(a): TRAINING AND HUMAN RESOURCES DEVELOPMENT

Training for sustainable excellence

In the past five years, the City has facilitated the training of a number of learners through its specialist traffic and metro policing courses.

Ensuring effectiveness under stress

Stress exposure training, offered by the United States Drug Enforcement Administration, is one of the measures the City uses to counter the ever-increasing volatility and danger that City enforcement officers face in the execution of their duties. The Drug Enforcement Administration of the United States Department of Justice presented a specialised course in stress exposure training, 'Officer safety and survival', to selected members of the City's Metro Police, Traffic and Law Enforcement departments.

OBJECTIVE 2.5

IMPROVE SAFETY AND SECURITY THROUGH PARTNERSHIPS

PROGRAMME 2.5(a): STRENGTHEN COMMUNITY CAPACITY TO PREVENT CRIME AND DISORDER

Neighbourhood watch support programme

The City works closely with neighbourhood watch organisations to boost social crime prevention efforts by building anti-crime partnerships with communities

PROGRAMME 2.5(b): STRENGTHEN COMMUNITY CAPACITY TO RESPOND TO EMERGENCY SITUATIONS

Cooperation helps reduce fire risk

The City has a range of engineering solutions in place to minimise the risk of extensive fire damage in informal settlements. One key initiative is the re-blocking of informal settlements. The City also engages with various suppliers of fire prevention solutions, from retardant paints and safer shack designs to less risky lighting units.



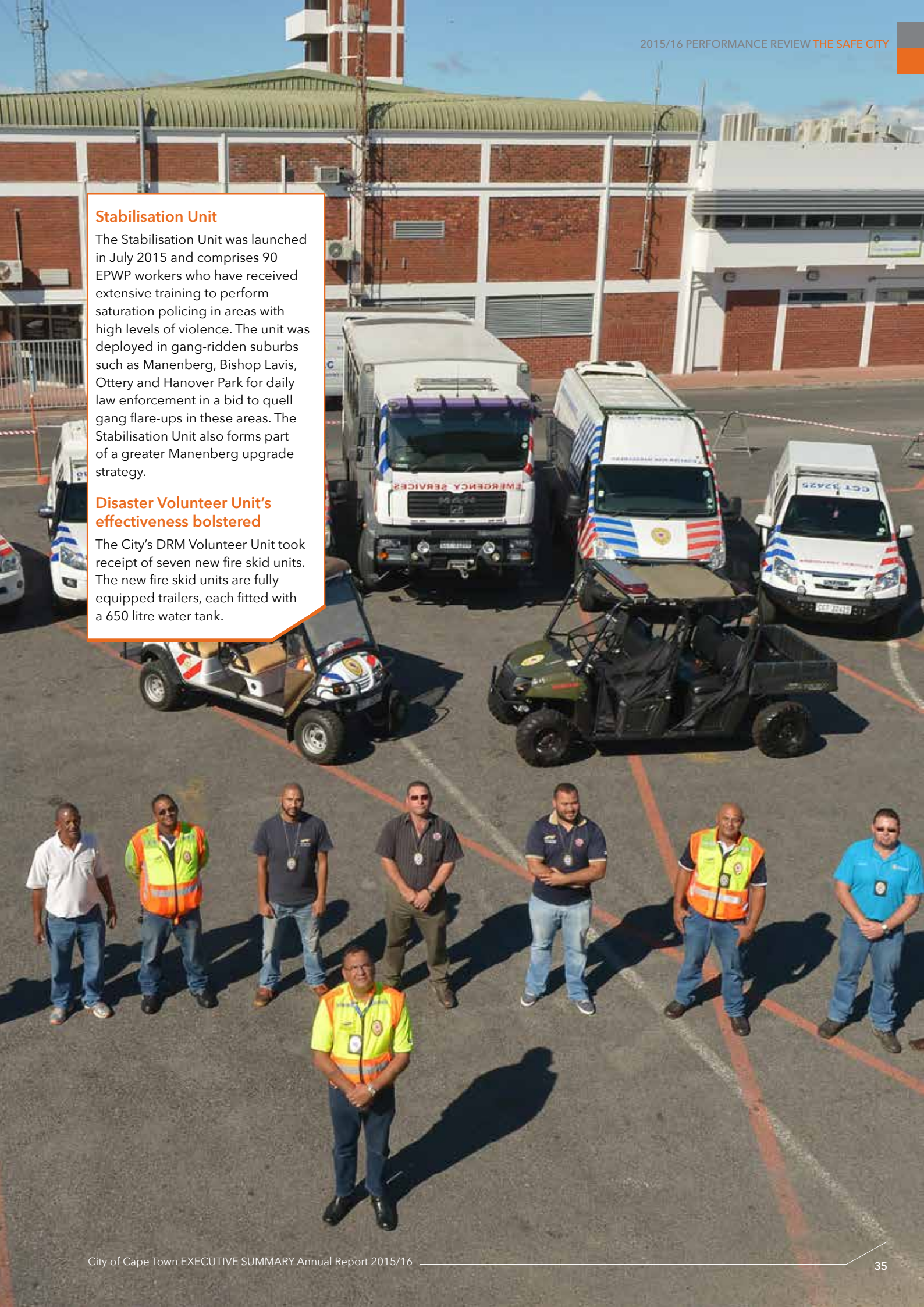
The City's CCTV network is the largest public area surveillance agency in Africa.

Stabilisation Unit

The Stabilisation Unit was launched in July 2015 and comprises 90 EPWP workers who have received extensive training to perform saturation policing in areas with high levels of violence. The unit was deployed in gang-ridden suburbs such as Manenberg, Bishop Lavis, Ottery and Hanover Park for daily law enforcement in a bid to quell gang flare-ups in these areas. The Stabilisation Unit also forms part of a greater Manenberg upgrade strategy.

Disaster Volunteer Unit's effectiveness bolstered

The City's DRM Volunteer Unit took receipt of seven new fire skid units. The new fire skid units are fully equipped trailers, each fitted with a 650 litre water tank.



THE CARING CITY

THE CITY IS COMMITTED TO BUILDING A METRO IN WHICH A SUSTAINABLE ENVIRONMENT IS CREATED, EVERYONE FEELS AT HOME, PEOPLE HAVE ACCESS TO SERVICES, AND THOSE WHO NEED HELP RECEIVE IT.

Key caring city achievements in 2015/16:

- More than 5 100 storytelling sessions held at all libraries throughout the year
- 55 active 'Friends of the Library' partnerships
- Encyclopaedia Britannica and World Book Online made available at all libraries
- Partnerships for 81 community gardens established
- 1 770 permitted events held at the City's parks
- 55 recreation hubs established across the City, hosting programmes that attract more than 12 000 people per week
- Limited the number of days when air pollution exceeded RSA ambient air quality standards to eight (against a target of <40 days)
- Achieved a rate of 90,2% of HIV-positive TB patients on antiretroviral therapy (ART) (against a target of 87%)
- 1 741 new clients screened at the substance abuse outpatient treatment centres
- 919 additional water service points (taps) provided
- 3 058 additional sanitation service points (toilets) provided
- 99,74% of informal settlements receiving a door-to-door refuse collection service
- 2 909 subsidised electricity connections installed
- 2 261 serviced-site housing opportunities provided
- 3 293 top-structure housing opportunities provided
- 1 066 rental units transferred to housing beneficiaries

OBJECTIVE 3.1

PROVIDE ACCESS TO SOCIAL SERVICES FOR THOSE WHO NEED IT

PROGRAMME 3.1(a): NUMBER OF TARGETED DEVELOPMENT PROGRAMMES

Library information services

The City continues to provide communities with access to reading material, information and technology resources through its library facilities. Numerous programmes have become staple events on the community calendar, supporting the key role that libraries play in communities, as well as providing recreation and development.

City parks

The City continues to facilitate the development of the community gardening programme. Having initially started with four projects, the programme has grown over the past four years to 81 community gardens across Cape Town. The City also hosts park activity programmes, using local community facilities for recreation and social development. This year, more than 1 770 permitted events took place at the City's parks.

Sport, recreation and amenities

The City works closely with its communities to transform community centres into centres for development (recreation hubs). To date, 55 hubs have been established across Cape Town.

Enhancing the City's social development offering

In line with this statutory duty, the City's Social and Early Childhood Development Directorate works with other organs of state and private-sector partners to provide social services





The City continues to invest in public spaces, upgrading, enhancing and adding to them in an effort to create innovative and inclusive community-driven facilities.

and early childhood development (ECD) to those who need it.

During the 2015/16 financial year, the City again delivered a number of achievements across its various social development programmes and focus areas, including the following:

- Early childhood development (ECD)
- Street people
- Substance abuse
- Vulnerable groups
- Youth development
- Poverty alleviation and reduction

Investing in job skills to empower people with disabilities

Through its social development programmes, the City invested nearly R2 million in people with disabilities in the 2015/16 financial year, including piloting a livelihood skills project. The aim of the project is to empower people with disabilities to become entrepreneurs. Apart from the livelihood skills project, the directorate has through the City's EPWP increased the number of temporary employment opportunities for people with disabilities from 48 in the previous financial year to 98 this year.

OBJECTIVE 3.2

ENSURE INCREASED ACCESS TO INNOVATIVE HUMAN SETTLEMENTS FOR THOSE WHO NEED IT

PROGRAMME 3.2(a): INNOVATIVE HOUSING PROGRAMME

During the 2015/16 financial year, the City spent a total of 90,4% of its transferred Urban Settlements Development Grant (USDG) funding for all directorates, and delivered 2 261 serviced-site housing opportunities, 3 293 top structures and over 1 337 other housing opportunities (including the upgrade of rental stock, land restitution, services to backyard dwellers of City rental stock, and re-blocking).

The Integrated Human Settlements Five-Year Plan for the period 2012/13-2016/17 was reviewed with a view to the 2016/17 financial year.

PROGRAMME 3.2(b): USE PROPERTY AND LAND TO LEVERAGE SOCIAL ISSUES

Significant progress has been made in packaging the Athlone power station, the Salt River market and the Kapteinsklip Station/Mnandi precinct

development projects. These projects will play a catalytic role in unlocking the development potential of well-located City-owned land in close proximity to public transport for mixed-use, mixed-income development by both the private sector and social housing institutions.

Land acquisition for the achievement of housing plans

During the 2015/16 financial year, the City completed the purchase of a large piece of land from AECL in Macassar. The property is about 684 ha in size and is earmarked for integrated human settlement development.

PROGRAMME 3.2(c): PARTNER WITH PROVINCE IN EDUCATION AND SCHOOL SITES

Land owned by another sphere of government or by a state enterprise, and which is surplus to the needs of that entity, is often suited for development. Currently, several transfers are being pursued, specifically from Province's Education and Transport and Public Works departments. As many as nine such sites have already been released in the last three years, primarily in areas with pressing housing problems, such as Elsies River, Belhar and Khayelitsha.

PROGRAMME 3.2(d): INTEGRATED HUMAN SETTLEMENTS PROGRAMME

Subsidy housing

One of the City's award-winning housing projects is Pelican Park. This World Design Capital 2014 project is a mixed-use development that provides housing opportunities across the full spectrum of affordability, with totally subsidised homes (Breaking New Ground) being built alongside affordable homes (gap housing) as well as higher-value homes (bonded).

People's Housing Process (PHP)

This category of housing opportunity applies to beneficiaries who maximise their housing subsidy by building, or organising the building of their own homes through a process that includes the establishment of a community support organisation. The process allows beneficiaries to establish a housing support organisation that will provide them with organisational, technical and administrative assistance. The majority of housing opportunities in this category are provided in Site C in Khayelitsha.

Land restitution

The City has thus far approved the restoration of 11 parcels of land to 11 groups of claimants and many individual family erven, and is currently assisting these claimants to develop their restored land parcels.

Social housing

The City of Cape Town continues to make excellent progress in implementing its social housing programme.

Gap housing

Gap housing is important, as it allows people in Breaking New Ground (BNG) houses to escalate to a higher level by purchasing in this market, thereby starting the process of bringing stability to the BNG market.

Re-blocking

The City continues to work with various non-governmental organisations to reconfigure informal settlements and remove old structures as agreed with residents. To date, Sheffield Road, Mtshini Wam, Kukutown and Flamingo Crescent settlements have been re-blocked to completion.

Post-fire re-blocking was undertaken at Block 8 (Philippi) and Kosovo, while a partial re-blocking was achieved at Masiphumelele. The City's re-blocking project in Flamingo Crescent saw approximately R2 million spent on upgrading services and making improvements, including the provision of full basic services, to 1 024 households.

Improving systems to enhance delivery

The City's housing database has undergone a major upgrade to align it with the recommendations from various audits as well as the requirements of the revised Allocations Policy: Housing Opportunities (2015). The number of applicants recorded as 'awaiting a housing opportunity' as at 30 June 2016 was 302 402.

Ensuring title

By the end of June 2016, over 148 100 historic title deeds had been registered. Ownership has been transferred to previously disadvantaged beneficiaries since 2012. Progress has also been made with the transfer of ownership to the original beneficiaries or the persons in occupation of the sites in Nyanga and Brown's Farm.

PROGRAMME 3.2(e): DENSIFICATION PROGRAMME

The densification programme includes the identification of public and private land to use for intensified property development. The City has identified two priority integration zones or transit corridors in which to promote transit-oriented development or densification in support of its public transport system. In 2015/16, strategy and investment plans for both corridors were finalised.



OBJECTIVE 3.3

ASSESS THE POSSIBLE SALE OR TRANSFER OF RENTAL STOCK TO IDENTIFIED BENEFICIARIES, USING ESTABLISHED CRITERIA

PROGRAMME 3.3(a): RENTAL STOCK UPGRADE PROGRAMME

Upgrades to City rental stock

A major maintenance upgrade initiative was completed in December 2015, having had a positive impact on residents in Scottsville, Kewtown, Scottsdale, Woodlands, Connaught, Uitsig, The Range, Hanover Park, Ottery, Manenberg and Heideveld.

PROGRAMME 3.3(b): RENTAL STOCK DISPOSAL PROGRAMME

The City operates this programme as part of its efforts to afford current tenants of City-owned rental properties (classified as saleable) the opportunity to purchase their rental units and become owners. The reviewed allocation policy now also allows for rightsizing of saleable units to willing buyers where present tenants do not wish to take transfer of the unit they are occupying.

OBJECTIVE 3.4

PROVIDE FOR THE NEEDS OF INFORMAL SETTLEMENTS AND BACKYARD RESIDENCES THROUGH IMPROVED SERVICES

PROGRAMME 3.4(a): ANTI-POVERTY PROGRAMME

As part of the City's Urbanisation Strategy, issues around service delivery to the poor in informal settlements or households living in backyards of the City's rental stock are being addressed. Where possible, when any intervention is undertaken, consideration is first given to conducting the work via the EPWP, before considering mechanised means.



PROGRAMME 3.4(b): SERVICE DELIVERY PROGRAMME IN INFORMAL SETTLEMENTS

Dedicated capital provision is made to fund service delivery improvements in line with the City's higher internal delivery standards. During the 2015/16 financial year, the City provided 3 058 new toilets and 919 new taps to customers living in informal settlements. This exceeded the targets of 2 800 and 600 respectively set for this period.

Since the 2006/7 financial year, the City has increased the provision of toilets from 14 591 to more than 52 400 by the end of June 2016, which represents an increase of more than 250%. A total of 1 500 full-flush toilets were provided to residents of informal settlements in 2015/16. The Water and Sanitation Department also has a team dedicated to the maintenance and repair of broken or vandalised toilets.

PROGRAMME 3.4(c): BACKYARD SERVICE PROGRAMME

Making service delivery a reality for backyard dwellers

Cape Town is the only metro in the country with a dedicated programme to provide basic services to backyard residents on Council-owned properties. To date, 420 of the 560 families living in backyards in Parkwood have benefited from the roll-out. The City is also currently implementing the backyarder project in Bonteheuwel, where around 700 families are set to benefit from the provision of services.

PROGRAMME 3.4(d): ENERGY SERVICES PROGRAMME

As part of the City's redress policy and its continued efforts to make Cape Town a caring and opportunity city for all residents, the City is currently funding approximately R10 million of Eskom's electrification-related interventions (new connections, meter relocations and environmental studies) in informal settlements and TRAs.

OBJECTIVE 3.5

PROVIDE EFFECTIVE ENVIRONMENTAL HEALTH SERVICES

PROGRAMME 3.5(a): ENVIRONMENTAL HEALTHCARE PROGRAMME

Ensuring water quality

To ensure that all Cape Town residents have the safest possible tap water to drink, the City fully supports and complies with strict water quality checks as prescribed by the DWS. The City sets its own internal targets and continues to exceed these high standards.

Focus on environmental health

The City's nearly 200 environmental health practitioners (EHPs) are tasked with ensuring the health of the environment and, thus, the health and wellbeing of residents. In the 2015/16 financial year, EHPs visited 2 595 registered preschools to monitor compliance with health legislation.

During the same period, they conducted 21 599 visits to more than 300 informal settlements and presented 1 063 health and hygiene projects across Cape Town with the help of EPWP workers.

OBJECTIVE 3.6

PROVIDE EFFECTIVE AIR QUALITY MANAGEMENT AND POLLUTION (INCLUDING NOISE) CONTROL PROGRAMMES

PROGRAMME 3.6(a): MEASURING THE NUMBER OF DAYS WHEN AIR POLLUTION EXCEEDS WORLD HEALTH ORGANISATION GUIDELINES

Improving air quality

During the 2015/6 financial year, the number of days when air pollution exceeded RSA ambient air quality standards was eight. This is better than the stated target of fewer than 40 days for the period.

The diesel vehicle emissions testing programme has shown a reduction in failure rates of vehicles tested from 17% in 2000 financial year to below 1% in 2015/16. A total of 7 904 diesel vehicles were tested in the year under review.

OBJECTIVE 3.7

PROVIDE EFFECTIVE PRIMARY HEALTHCARE SERVICES

PROGRAMME 3.7(a): PRIMARY HEALTHCARE PROGRAMME

Caring for Cape Town's youngest citizens

During 2015/16, more than 843 000 young patients under the age of five as well as more than 1,93 million aged five and older were seen at the City's primary healthcare clinics that offer Well Baby services.

City Health expands antiretroviral and TB infrastructure

The City's Health Directorate invested R7,9 million in upgrade projects at various clinics across Cape Town in the 2015/16 financial year.

Continuing the fight against HIV/Aids

By the end of June 2016, City Health had been offering ART at 39 of its sites throughout Cape Town. During 2015/16, 12 280 new cases were started on ART at City clinics, with a total of 53 323 people remaining in ART care. A very aggressive HIV testing campaign saw the number of tests done at clinics as well as community outreaches in Cape Town increase to over 810 000 in 2015/16.

Managing tuberculosis

The total number of tuberculosis (TB) cases has fallen over the past five years from a recorded high of almost 30 000 cases in 2010 financial year to just over 24 000 cases in 2015/16.

PROGRAMME 3.7(b): PERCEPTION SURVEY SCORE ON THE PROVISION OF PRIMARY HEALTHCARE SERVICES

The overall health score and the scores for all the health services attributes measured in the annual Community Services Survey have improved significantly since 2009/10.

OBJECTIVE 3.8

PROVIDE SUBSTANCE ABUSE OUTPATIENT TREATMENT AND REHABILITATION SERVICES

PROGRAMME 3.8(a): PRIMARY HEALTHCARE PROGRAMME: NUMBER OF SUBSTANCE ABUSE OUTPATIENTS PROVIDED WITH ALTERNATIVE CONSTRUCTIVE BEHAVIOUR

The City's 2014-2017 strategy for alcohol and other drugs (AODs) details the strategic plan to reduce the health, economic and social burden caused by AOD abuse in Cape Town. During the period under review, the matrix sites at Tafelsig, Albrow Gardens, Delft South, Town 2 Parkwood and Manenberg assisted more than 1 700 new clients during the year under review, having done almost 5 000 tests, and achieved 81% clean drug tests for clients attending the programme.



Safe and water-wise spray parks are one of the City's most innovative recreational spaces.

THE INCLUSIVE CITY

BUILDING A SHARED COMMUNITY ACROSS DIFFERENT CULTURAL, SOCIAL AND ECONOMIC GROUPS IS ALSO A PRIORITY FOR THE CITY OF CAPE TOWN

Main inclusive city achievements in 2015/16:

- 102,19% adherence to citywide service standards external notifications
- 101 libraries maintained and the new Kuyasa Library officially opened in March 2016
- Installed two additional cremators at Maitland Crematorium
- Opened a sixth spray park in Dunoon
- Sustained Blue Flag status for seven Cape Town beaches, with a further three awarded pilot Blue Flag status

OBJECTIVE 4.1

ENSURE RESPONSIVENESS BY CREATING AN ENVIRONMENT WHERE CITIZENS CAN BE COMMUNICATED WITH, AND BE RESPONDED TO

PROGRAMME 4.1(a): MANAGING SERVICE DELIVERY THROUGH THE SERVICE MANAGEMENT PROGRAMME (C3 NOTIFICATION RESPONSIVENESS)

Mobile service requests now a reality

Cape Town residents now have the option of logging their service requests digitally thanks to the launch of the City's new mobile service request application on the mobi-site.

While initial uptake of the application has been slow, the City is confident that more residents will make use of it going forward. Of the more than 35 500 service requests created via the e-services portal from 1 July 2015 to 30 June 2016, just over 1 350 were done via the application on the mobi-site.

Responding to the service needs of all citizens

The City's corporate call centre answered 1 021 618 calls during the 2015/16 financial year.

More FreeCall lines installed in identified areas

By 30 June 2016, a total of 154 FreeCall lines had been installed with the aim of improving access to service delivery through the City's call centre. Residents can use the FreeCall lines to report faults, register complaints and make enquiries at no personal cost.

PROGRAMME 4.1(b): BUILDING STRATEGIC PARTNERSHIPS

The City is committed to working closely with the provincial and national spheres of government to put the needs of Cape Town's citizens first. To achieve this, it engages with Province in various formal and informal forums.

Council has also adopted a policy on contributions. Apart from stating the City's intent to partner with business and civil society to further the administration's goals, the policy and associated working group help facilitate the process through supportive guidelines and actively creating appropriate opportunities.

OBJECTIVE 4.2

PROVIDE FACILITIES THAT MAKE CITIZENS FEEL AT HOME

PROGRAMME 4.2(a): COMMUNITY AMENITIES PROGRAMME (PROVIDE AND MAINTAIN)

Quality public space programme delivers community spaces and facilities

The quality public space programme run by the Spatial Planning and Urban Design Department aims to provide high-quality public spaces within community facility clusters and economic nodes, as well as at key public transport interchanges.

Enhanced library services bring benefits to communities

In the year under review, Crossroads Library was relocated to the new Philippi village hub. The new space is bigger and more modern, with additional study space, SmartCape and Wi-Fi facilities, as well as training rooms.

The Hangberg civic complex was upgraded extensively to ensure that the library building is now accessible for all people, including seniors and people with disabilities.

Planning for the development of the new Dunoon library has been concluded and construction will now commence. The upgrade to Eikendal Library is also expected to be concluded in the next financial year.



Green Point Urban Park encompasses recreational facilities and a biodiversity showcase garden.

Maintaining high standards for the City's parks

During the 2015/16 financial year, the City maintained 3 415 community parks and 12 district parks to the standards set in the City Parks maintenance standard documents.

Cemetery provision and maintenance

The City maintains 40 cemeteries. Upgrades and new developments have been undertaken over the past four years at the following cemeteries, with further phased development planned in the coming years:

Sport, recreation and amenities provision and maintenance

During the year under review, the City continued to maintain and upgrade its community facilities for the benefit of all Capetonians. The City opened its sixth spray park, which had been

constructed at a cost of R2 million. The spray park, located in Dunoon, offers a safe, inclusive and water-wise recreational space for young and old to enjoy.

City flies the Blue Flag high once again

Seven Cape Town beaches were awarded full Blue Flag status for the 2015/16 summer season from 1 December 2015 to 31 March 2016. Fish Hoek, Seaforth, Muizenberg and Melkbosstrand beaches were also awarded pilot Blue Flag status for the 2015/16 summer season, which means that they will be considered for full Blue Flag status if certain criteria are met within a specified period of time.

Shark Spotters programme nets gold innovation award

The City-funded Shark Spotters programme was awarded the gold

innovation award in the category for beach tourism at the African Responsible Tourism Awards 2016.

PROGRAMME 4.2(b): COMMUNITY AMENITIES PROGRAMME (PROVIDE AND MAINTAIN)

Mapping and grading of heritage buildings and resources are ongoing, and preparations to implement new heritage protection overlay zone areas are under way in partnership with local communities. The City continues to install blue heritage plaques to identify and interpret key heritage sites in partnership with the Cape Town Heritage Trust and other heritage bodies.

THE WELL-RUN CITY

THROUGH GOOD GOVERNANCE, CITIZENS ARE PROVIDED WITH AN ENABLING ENVIRONMENT THAT ALLOWS THEM TO OPTIMALLY USE THEIR TALENTS TO IMPROVE THEIR SOCIAL AND ECONOMIC CONDITIONS. SINCE THE CITY IS FUNDED BY PUBLIC MONEY, IT IS EXPECTED TO EXERCISE THE HIGHEST LEVELS OF CORPORATE GOVERNANCE.

Main inclusive city achievements in 2015/16:

- Scored 2,8 in the annual citywide Community Satisfaction Survey
- 66,34% of people from employment equity (EE) target groups employed in the three highest levels of management
- 104,85% of workplace skills plan budget spent
- Received high investment rating of A1.za from independent rating agency

OBJECTIVE 5.1

ENSURE A TRANSPARENT GOVERNMENT, AND WORK TOWARDS ERADICATING CORRUPTION

PROGRAMME 5.1(a): TRANSPARENT GOVERNMENT (OVERSIGHT) PROGRAMME

Independence of the Audit Committee

Internal Audit is an independent department of the City of Cape Town, and is a significant contributor to governance within the City.

Enabling easy reporting of fraud and corruption

The City has a 24/7 hotline for reporting fraud and corruption. The hotline is managed by an independent, external service provider. Other reporting mechanisms for alleged fraud and corruption include letters, faxes, walk-in facilities, telephone calls, e-mails and other electronic communication media, such as Webmail, Facebook and Twitter.

Statutory Compliance Unit

In the year under review, the City received 1 793 requests for access to information. Of these, 583 were granted (411 in full and 172 partially), while 1 210 requests were denied.

OBJECTIVE 5.2

ESTABLISH AN EFFICIENT AND PRODUCTIVE ADMINISTRATION THAT PRIORITISES DELIVERY

PROGRAMME 5.2(a): HUMAN RESOURCES, TALENT MANAGEMENT AND SKILLS DEVELOPMENT PROGRAMME (INTEGRATED TALENT MANAGEMENT APPROACH)

At the end of June 2016, the City had 26 349 employees (2014/15: 25 516). This represents an increase of 3,26% compared to the previous financial year. The vacancy rate for the City is 8,61%.

Employment equity

The City's five-year employment equity (EE) plan runs from 1 February 2015 to 30 June 2019. The plan is accompanied by an implementation strategy for the same period.

A focus on persons with disabilities

In the year under review, the City achieved its target of 2% employment of persons with disabilities. Employment of persons with disabilities at the City currently stands at 2,38% (636), which represents approximately 40% improvement on the previous financial year.

Attracting and developing talent

A total of 3 795 appointments (2 001 external and 1 794 internal) were made in the year under review.

The City's overall turnover in employees remains low, with the turnover in scarce-skills categories at 6,49%. The overall growth in employees in the same categories was 2,28% over the financial year.

Developing people through training and coaching

The City continues to invest in staff development, and achieved a 104,66% spend on its training programmes. More than 40 270 training opportunities (excluding internal bursaries) were offered to almost 15 568 staff members. In addition, more than 2 228 employees underwent training supported via internal bursaries.

In January 2016, the City awarded 80 external bursaries to selected students in more than 40 fields of study. The City's total budget for bursaries for the 2015/16 financial year was R4,5 million, with the value of each bursary varying between R15 000 and R40 000. Over the past 13 years, the City has provided assistance to over 659 students in need.

PROGRAMME 5.2(b): HUMAN RESOURCES STRATEGY

The City's single biggest budget item is staff costs, which currently amount to approximately R10,7 billion per annum. The City's staff members are its most valuable asset and the human resources (HR) strategy is aimed at ensuring that this asset is optimally utilised, motivated and developed.

PROGRAMME 5.2(c): ANNUAL COMMUNITY SATISFACTION SURVEY (CSS)

Listening to the community

The annual CSS measures residents' satisfaction with the City's delivery of a range of services. The research has shown improvement in residents' perceptions since the initial survey of 2007/8. In 2015/16, the City scored 2,8 on a five-point scale in its annual citywide CSS. This rating represents residents' average satisfaction with the City's overall service delivery.

PROGRAMME 5.2(d): INFORMATION AND KNOWLEDGE MANAGEMENT FRAMEWORK - DEVELOPMENT INFORMATION RESOURCE CENTRE (DIRC)

DIRC allows staff users to both extract and contribute data, information and knowledge. Some of the elements contained in DIRC include a spatial information portal, a section on statistics and indicators for Cape Town, a research hub, a reports repository and a data directory.

Occupational health, safety and employee wellness

During the 2015/16 financial year, emphasis was placed on raising awareness with regard to the different types of services provided by the department. In this regard, 364 awareness sessions and 33 HIV counselling and testing events were held.

A total of 2 780 employees made use of the employee wellness services during the period under review.

OBJECTIVE 5.3

ENSURE FINANCIAL PRUDENCE, WITH CLEAN AUDITS BY THE AUDITOR-GENERAL

Unqualified and clean audit

The City has put various controls in place to ensure that service delivery and good governance practices are accelerated across the organisation. This has resulted in Cape Town achieving 13 unqualified audits, as well as its fourth clean audit for the 2015/16 financial year.

Cape Town beats all other metros in financial management

Ratings Afrika analysed the 2014/15 financial statements of the 100 biggest municipalities, measuring each municipality's operating performance, liabilities management, budget practices and liquidity position to compile the Municipal Financial Stability Index, rating municipalities out of 100. Cape Town scored 75, which was the highest of all metros.

Moody's gives City highest credit quality rating

In May 2016, ratings agency Moody's afforded the City a long-term and short-term global scale rating of Baa2 and Prime -2 respectively, and a long-term and short-term national scale rating of Aaa.za and Prime -1.za respectively.

PROGRAMME 5.3(a): FINANCIAL MANAGEMENT PROGRAMME

City's Finance Directorate an international top performer

The City of Cape Town completed its 2015 General Valuation in January 2016. This was the second General Valuation done totally independently from external advisors. A total of 845 000 properties were valued, of which almost 720 000 are residential properties with a total market value of almost R765 billion.

Financial oversight of the CTICC

As the majority shareholder, the City is the parent municipality of the CTICC, which makes this state-owned company (as per the Companies Act) a municipal entity. In compliance with the legislative responsibilities imposed on the City as the parent entity, oversight is exercised over CTICC governance.

PROGRAMME 5.3(b): INTERNAL MANAGEMENT PROCESSES PROGRAMME

Performance monitoring of service delivery contracts was enhanced during the 2015/16 financial year.

The City issued approximately 219 464 purchase orders to vendors who complied with broad-based black economic empowerment (BBBEE) legislation. In financial terms, this amounts to black economic empowerment procurement of approximately R13,96 billion, or 92,17% of the City's total purchase orders issued for the financial year.



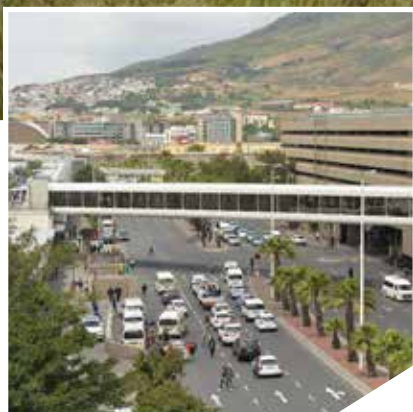
OVERVIEW

OF FINANCIAL PERFORMANCE AND ECONOMIC STABILITY



The 55 000-seater Cape Town Stadium is frequently hosting local and international sporting, music and other events. It has played a big part in transforming the Green Point precinct into a vibrant and highly functional area.

48 OVERVIEW OF THE 2015/16 FINANCIAL PERFORMANCE



Cape Town is an open economy with good infrastructure aiming to embrace trade and investment.



Cape Town is the main driver of economic growth in the region.



Creating pedestrian-friendly spaces and reliable public transport make cities more liveable.

OVERVIEW OF THE 2015/16 FINANCIAL PERFORMANCE

THIS CHAPTER PRESENTS THE HIGHLIGHTS OF THE ENTITY'S FINANCIAL PERFORMANCE FOR THE PAST YEAR. FULL DETAILS APPEAR IN THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS.

OPERATING RESULTS FOR REVENUE AND EXPENDITURE

Over the past year,
revenues increased by
10,21%
to **R35,22 billion.**

This escalation is mainly
attributable to annual
tariff increases.

Operating expenditure
increased by
12,16%
to **R30,85 billion.**

The entity endeavours to keep
the cost of its operations
as low as possible.

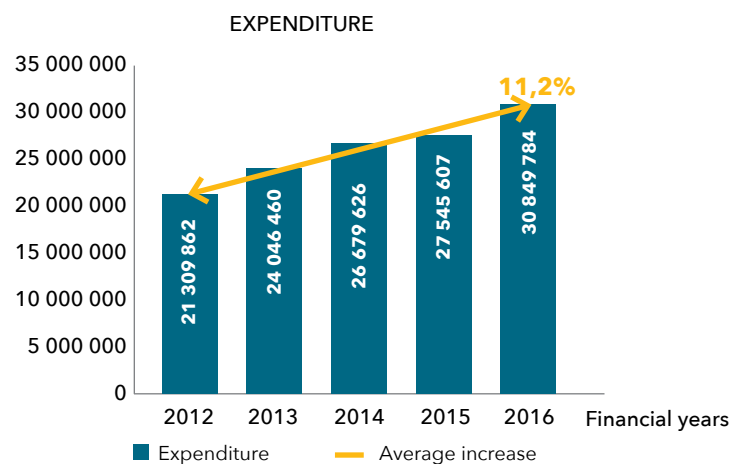
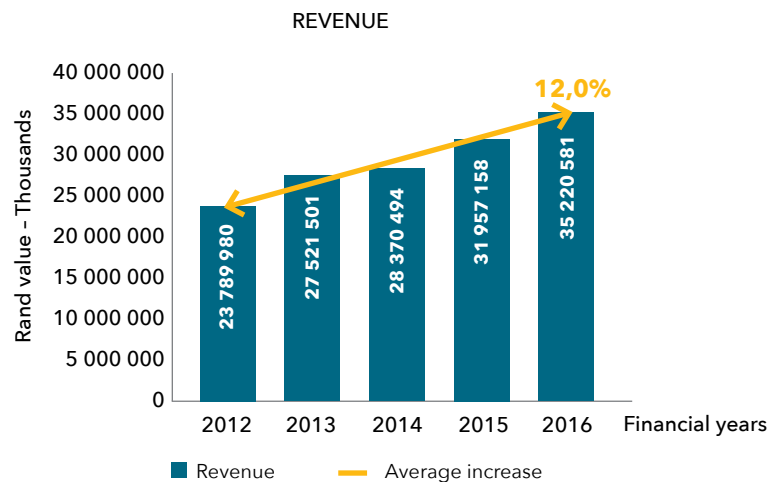


Figure 15: Entity's financial performance over the past five years

OPERATING REVENUE FOR 2015/16

Further details of service charges are contained in note 24 to the consolidated annual financial statements.

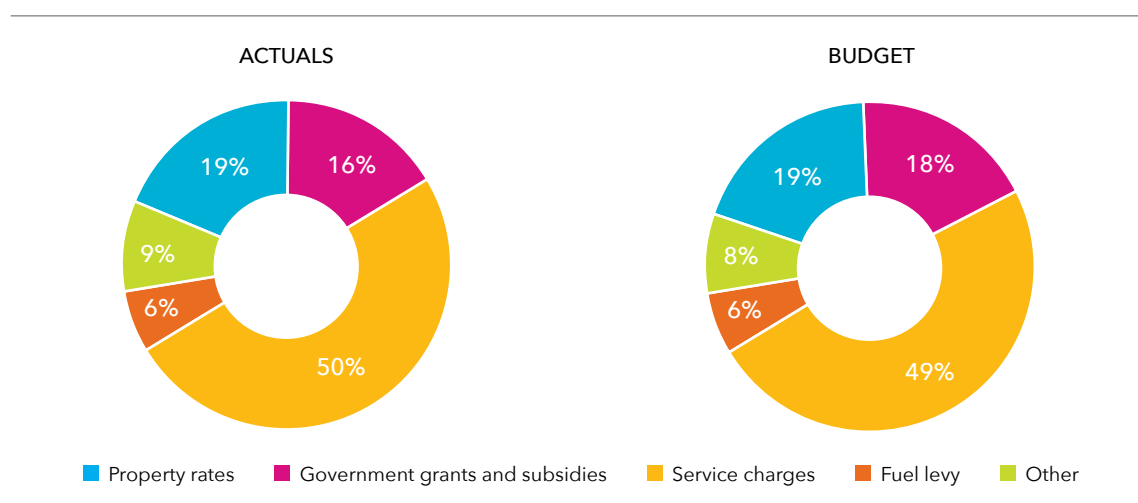


Figure 16: Entity's operating revenue vs. budget for 2015/16

OPERATING EXPENDITURE FOR 2015/16

The proactive control and containment of cost increases remain a key priority for the entity. Further details are contained in notes 31 to 38 to the consolidated annual financial statements.

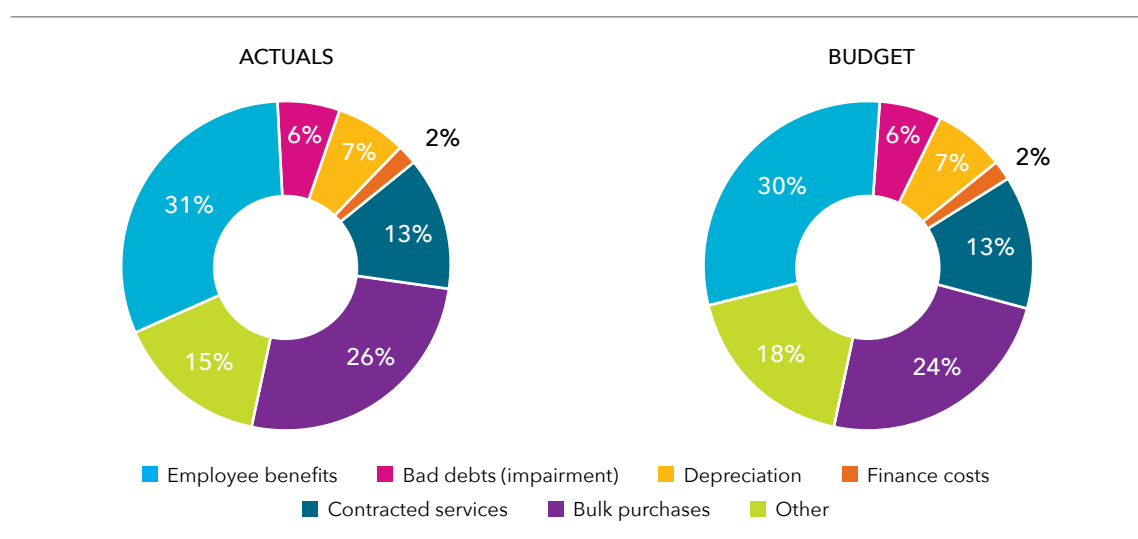


Figure 17: Entity's operating expenditure vs. budget for 2015/16

NET SURPLUS RESULT

THE ENTITY REPORTED A R4,37 BILLION NET SURPLUS FROM OPERATIONS (2014/15: R4,42 BILLION) AGAINST A BUDGETED SURPLUS OF R2,39 BILLION.

This surplus includes grants revenue that has already been utilised to fund capital expenditure. A portion of the surplus is also committed to fund future expenditure, such as the replacement of capital assets. The surplus after appropriations is the best indicator of the entity's underlying financial performance and sustainability.

Table 18: Surplus after appropriations

	Actuals R'000	Budget R'000
Total revenue	35 220 581	35 204 819
Total expenditure	30 849 784	32 814 660
Surplus from operations	4 370 797	2 390 159
Capital grants and donations	(2 193 123)	(2 515 528)
Taxation	(19 926)	-
Net result from operations - see Annexure D	2 157 748	(125 369)
Transfers to/from reserves and non-controlling interest	(210 294)	(495 671)
Surplus attributable to non-controlling interest	(13 918)	-
Surplus/(deficit) after appropriations	1 933 536	(621 040)

CAPITAL EXPENDITURE

The entity's property, plant and equipment expenditure for the financial year under review amounted to R5,87 billion, compared to R5,34 billion for the previous financial year.

This represents a 90,13% (2014/15: 85,84%) capital spend.

CAPITAL EXPENDITURE BY FUNCTION AREA

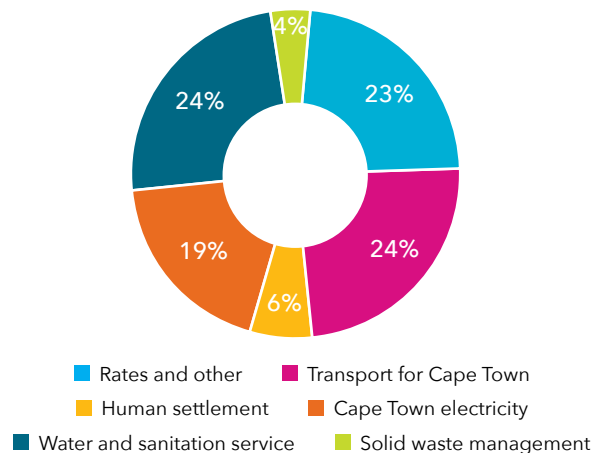


Figure 18: Entity's capital expenditure by functional area

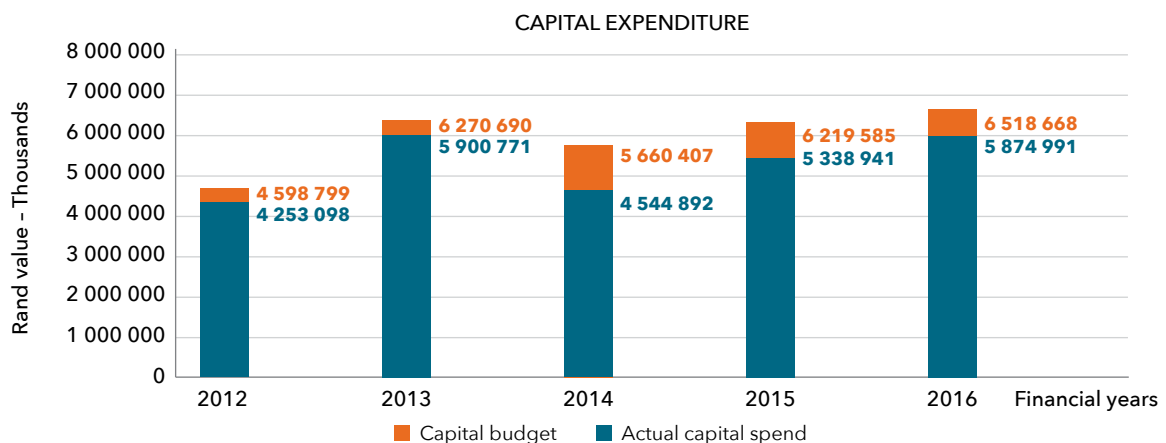


Figure 19: Entity's capital expenditure vs. budget over the past five years

CONSUMER DEBTORS

Outstanding consumer debtors as at 30 June 2016 were R9,81 billion (2014/15: R8,95 billion). Indigent sector arrear debt of R690,71 million has been written off (2014/15: R691,85 million). Total provision for impairment increased from R4,34 billion to R4,70 billion, which represents 47,95% of the total outstanding consumer debtors.

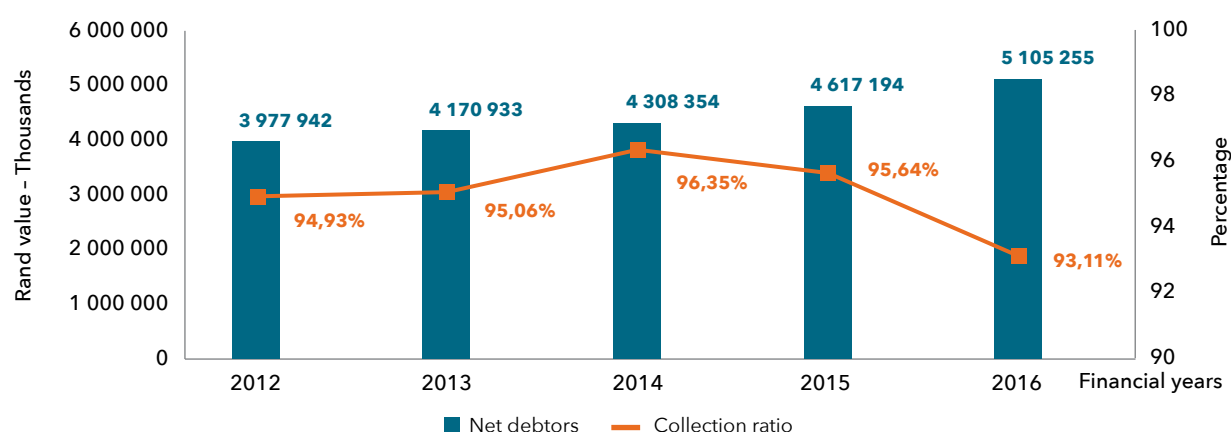


Figure 20: Entity's outstanding net consumer debtors and collection ratios for the past five years

INVESTMENTS, CASH AND BORROWINGS

The entity maintains a healthy cash and investment position given the current economic conditions. Information regarding investments and cash and cash equivalents is provided in notes 7 and 12 to the consolidated annual financial statements.

BORROWINGS

Based on the norms as reflected below, the entity is able to service its current debt repayments and has sufficient cash flow to service long-term obligations. The entity is in a position to take up further borrowing for capital expenditure/programmes given the positive debt to revenue ratio.

Table 19: The entity's positive debt to revenue ratio

FINANCIAL RATIOS	TARGET	2015/16	TARGET	2014/15
Capital cost	6% - 8%	3,36%	6% - 8%	3,97%
Debt coverage by own billed revenue	2:1	5,83:1	2,75:1	4,91:1
Cost coverage	2:1	2,02:1	2:1	1,88:1

CREDIT RATING

During the 2015/16 financial year, Moody's Investors Services assigned a long-term and short-term global scale rating of Baa2 and Prime -2 respectively and a long-term and short-term national scale rating of Aaa.za and Prime -1.za respectively to the City of Cape Town, following a change in their rating methodology. The City of Cape Town has the highest possible level of credit quality within the national context.

NOTES

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