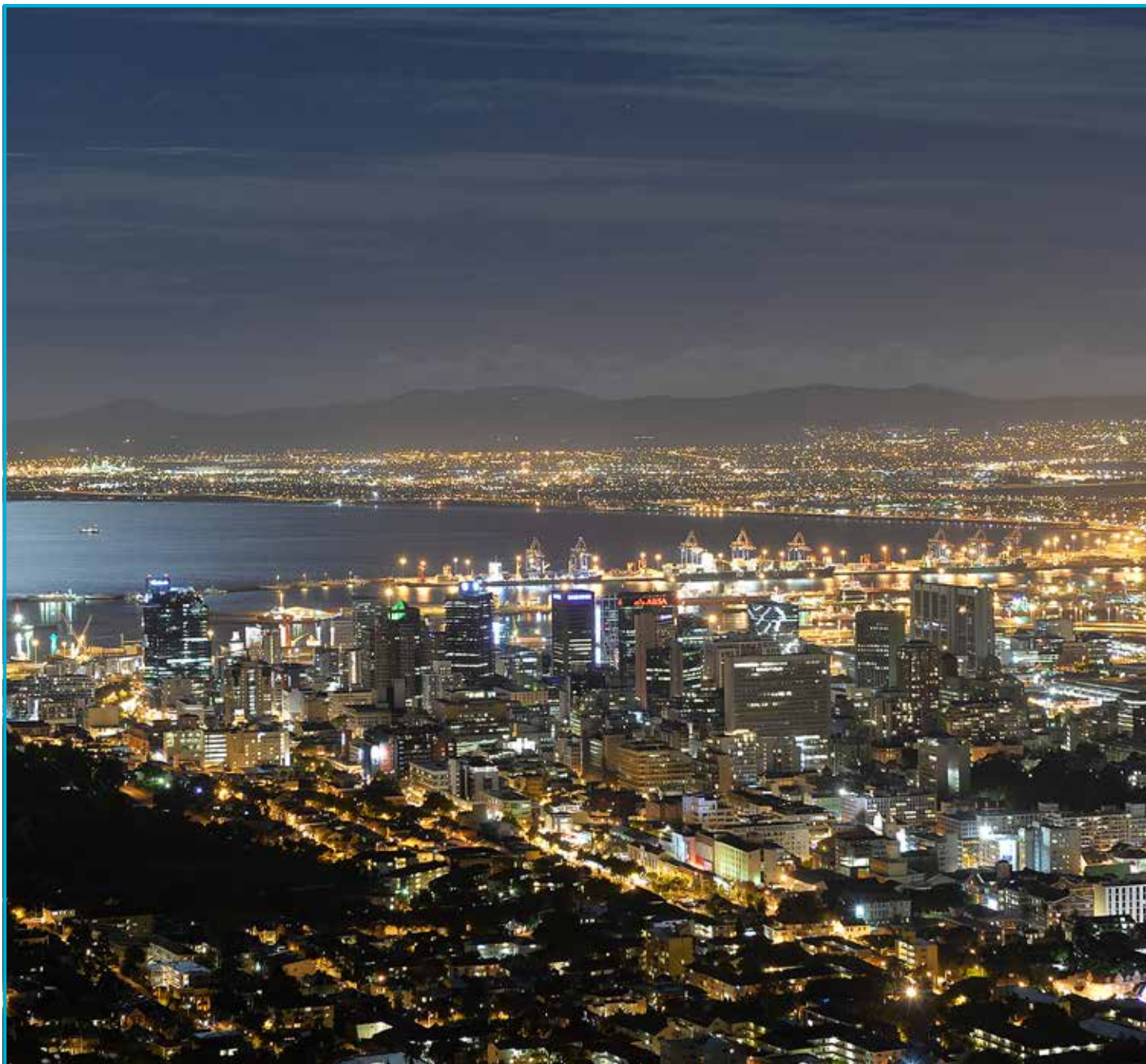


INTEGRATED ANNUAL REPORT 2014/15



CITY OF CAPE TOWN
ISIXEKO SASEKAPA
STAD KAAPSTAD

Making progress possible. Together.

Contents

ABOUT THIS REPORT

2

OVERVIEW OF THE CITY OF CAPE TOWN

10

GOVERNANCE, COMPLIANCE AND RISK MANAGEMENT

20

2014/15 PERFORMANCE REVIEW

32

FINANCIAL PERFORMANCE AND ECONOMIC SUSTAINABILITY

126

ANNUAL FINANCIAL STATEMENTS

132

APPENDICES

248






About this report

Vision and mission of the City of Cape Town	4
Introduction	5
Material issues	5
Highlights of the 2014/15 financial year	6
Message from the Executive Mayor	8
Statement by the City Manager	9

ABOUT THIS ANNUAL REPORT

This 2014/15 annual report of the City of Cape Town offers stakeholders and interested parties a comprehensive overview of the operations, activities as well as the operational and financial performance of the City of Cape Town for the 2014/15 financial year, along with insight into its plans and projects going forward.

The content of this annual report is aligned with the five strategic focus areas (pillars) and their underlying objectives as contained in the City's five-year Integrated Development Plan, and is also informed by a number of other plans and documents produced by the various City directorates and business areas. These include the following:

-  **The five-year Integrated Development Plan (2014/15 review)**
-  **The City's 2014/15 - 2016/17 budget**
-  **The Integrated Human Settlements Five-Year Strategic Plan, July 2012 - June 2017**

Each of these publications offers comprehensive information and data covering the components of the City's five strategic pillars that are relevant to its readers or to the stakeholders of the directorate that produced it.

While this means that each publication can be read independently of the others, to gain a comprehensive understanding of the City's planning, performance and budgeting structures, the suite of books should preferably be considered in its entirety.

Vision & 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

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 and 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.



34

THE SAFE CITY

Pillar 2: Make Cape Town an increasingly safe city.



80

THE CARING CITY

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



86

In striving to achieve this vision, the City's mission is to:

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

THE INCLUSIVE CITY

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



106

THE WELL-RUN CITY

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



114

These five focus areas inform all the City of Cape Town's plans and policies.

Introduction

The City of Cape Town makes every attempt to align all of its reporting with its integrated operational and strategic approach as well as the internationally accepted principles and best practices of integrated reporting.

This 2014/15 annual report continues this commitment, and is the City's fourth attempt at shifting the focus of its annual report towards meeting integrated reporting standards and requirements. This report provides City of Cape Town stakeholders and interested parties with comprehensive information about the City's financial, operational, social and environmental performance for the 12 months under review, and offers a view of the challenges and opportunities that the City faces in its ongoing efforts to deliver opportunities and services to all its citizens.

The City's integrated reporting approach is in line with its commitment to meet the requirements and recommendations of the King III report, which sets out international best practices for the governance of private and public organisations. That said, the City acknowledges that there is still work to be done to achieve full alignment with these and other integrated reporting principles and, while it is confident that it is moving steadily forward in its efforts to achieve such alignment, this is likely to be a gradual journey.

Material issues

In order to continue the journey towards full compliance with all the principles of integrated reporting, the content of this annual report aligns with various material issues as reflected in the City's Integrated Development Plan and other sector plans. As such, these material matters are identified by the City to be addressed as part of the delivery of its service mandate and through the achievement of its long-term vision. Some of the City's key material issues include the following:

- Mitigating carbon emissions and helping to address climate change
- Efficient water supply, use and management
- Efficient energy supply, use and management
- Effective waste management
- Sustainable human settlements efficiencies
- Social sustainability with a focus on poverty alleviation
- Economic sustainability through financial prudence
- Effective and transparent governance and risk management
- Achievement of environmental sustainability and biodiversity objectives
- Sustainable land use and development
- Customer communication and satisfaction measurement
- Sustainable procurement
- Infrastructure maintenance and development
- Transformation, diversity and talent management
- Corporate administration

Highlights

OF THE 2014/15 FINANCIAL YEAR

The City of Cape Town received an **unqualified audit opinion**, as well as a **clean audit status**, from the Auditor-General of South Africa for the 12th and 3rd consecutive years respectively.



R2,8 billion invested in engineering infrastructure



Received high investment rating of **A1.za** from independent rating agency



780 km of fibre-optic cable installed



Record spend of **R3 billion** on repairs and maintenance

The City of Cape Town recognised as **top metro** in prestigious Eco-Logic awards



15,4 million passenger journeys undertaken on MyCiTi public transport



5 096 subsidised electricity connections installed

N2 
**express
route 1**

in Khayelitsha
and route 1 in
Mitchells Plain
completed



3 091
sanitation
service points
(toilets) provided

3 822

serviced-
site housing
opportunities
provided



92,82%
of workplace skills
plan budget spent

948

water service
points (taps)
provided



83%

of emergencies
responded
to within 14
minutes



40 060

Expanded Public Works
Programme job opportunities
created





By constantly reviewing our progress, we ensure that we remain on track to achieve our goals.

Message from

THE EXECUTIVE MAYOR

In 2011, this administration embarked on a journey. We set out our goals, vision and targets. We created a plan based on the mandate that we were given by the people of Cape Town, who informed what the aims of this administration would be.

At the heart of the work that we do is the knowledge that we are serving the people of Cape Town. For that very reason, it is of the utmost importance to reflect on whether we are meeting their needs, which also entails assessing our strengths and our weaknesses.

Therefore, we undergo this annual process, not only to comply with legal requirements, but because we owe it to those who elected us to serve them. By constantly reviewing our progress, we ensure that we remain on track to achieve our goals. It also affords us the opportunity to familiarise ourselves with areas that still require development, empowering us to execute our mandate with increased excellence.

Our Integrated Development Plan states that constant scrutiny is required to ensure responsible management as we strive towards building a well-run city. Transparency and accountability are the cornerstones in the pursuit of that objective, which entails constant evaluation of our organisation's efforts.

We remain committed to our strategic framework for building a city based on five pillars: the opportunity city, the safe city, the caring city, the inclusive city and the well-run city. It is essentially through those five lenses that this report reviews the progress we have made in the last year.

I look forward to seeing the City grow from both the challenges and the opportunities this annual report uncovers.

P. de Lille

ALDERMAN PATRICIA DE LILLE
Executive Mayor: City of Cape Town



Statement

BY THE CITY MANAGER

Through the dedication and commitment of our staff, and the effective and prudent management of our resources, we continue to build on the solid foundations laid in recent years.

The past financial year has again confirmed that Cape Town's economy continues to grow faster than any other South African city's. This pace of growth presents our city with many challenges, particularly in terms of managing the steady inflow of people from other parts of South Africa who see Cape Town as a place of progress and opportunity. As a result, the city's population is projected to reach 4,4 million by 2030, which obviously places significant strain on the City's financial and human resources. However, as you will see from this 2014/15 annual report, these challenges are being tackled with diligence, resourcefulness and hard work.

Through the dedication and commitment of our staff, and the effective and prudent management of our resources, we continue to build on the solid foundations laid in recent years. As a result, the City continues to move steadily forward towards realising the strategic objectives in our Integrated Development Plan, with a broad focus on the supporting pillars of working to be an opportunity city, a safe city, a caring city, an inclusive city and a well-run city.

Challenges also present opportunities. The City is constantly looking for opportunities to better serve the people of Cape Town and help underpin the city's sustainable economic growth.

This report reflects many successes and achievements over the past financial year – from appreciable expansion of Cape Town's transport infrastructure, to housing and servicing thousands of Capetonians, and creating a significant number of employment opportunities.

As an administration, we strive to turn the City's aspiration of making progress possible, together, into a reality. We will play our part, but we can only be as effective as the support we receive from the people and communities of Cape Town. I thank you for your participation and encouragement over the past financial year, and I look forward to many more years of cooperation to build a better and brighter future for our city and all its people, together.

ACHMAT EBRAHIM
City Manager



Overview of the City of Cape Town

About Cape Town	12
Understanding Cape Town's key challenges	12
The Cape Town Spatial Development Framework (CTSDF)	14
Ensuring sustainable economic growth and social development	14
Embracing innovation to serve the people of Cape Town	16



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.

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.

The city has the second-largest population of all cities in the country, and is one of the most-visited tourist destinations on the African continent. What's more, Cape Town's popularity as a preferred residential location 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.

All of these factors create significant infrastructural and administrative challenges. The City of Cape Town's response to these challenges is encapsulated in its vision to create a highly inclusive society by working towards greater economic freedom for all. This, in turn, requires an increase in opportunities through the creation of an economically enabling environment in which investment can be optimised and jobs can be created.

To achieve this vision, the City is committed to building on the five pillars it has identified as the cornerstones of a successful and thriving city. These are:

- the opportunity city;
- the safe city;
- the caring city;
- the inclusive city; and
- the well-run city.

The City's five-year Integrated Development Plan (IDP) is structured according to the same five pillars or strategic focus areas (SFAs) as outlined above, and each of these is cascaded into measurable objectives, programmes and deliverables. For this reason, this 2014/15 annual report is closely aligned with the IDP focus areas, objectives and programmes, and offers an overview of the City's achievements and challenges in terms of meeting these.

Understanding Cape Town's key challenges

Produced every two years, the State of Cape Town report offers detailed information on, and analysis of, the opportunities and challenges facing Cape Town, while also highlighting issues that need to be kept track of and attended to as the City moves forward, into the future.

The 2014 State of Cape Town report is the fifth edition since its first publication in 2006, and covers the five themes of social, economy, natural wealth, urban growth and form, and governance. The report focuses on the changes that have taken place over the 20 years of democracy, starting with the 1994 democratic elections. An extract summary of this report is provided below:

Demographics

In 2014, the population of Cape Town was estimated to be 3 918 830. At the time of Census 2011, the population comprised 3,7 million people, made up of 1,07 million household units. Cape Town's total population grew by almost 30% between 2001 and 2011, and 46% from 1996 to 2011.



Cape Town is one of the most-visited tourist destinations on the African continent.



The City is committed to early childhood development as a foundation to improve academic success.

A substantial proportion of new households in the city live in informal shelter, either in informal settlements or backyard dwellings. There has been a substantial increase in Cape Town households living in backyards over the past 20 years, confirming a dire need for more low-income housing across the city. In 2001, the average Cape Town household comprised 3,72 members. However, Census 2011 depicts a trend towards smaller household sizes of two to three members. In 2011, the average household size had already dropped to 3,50.

The percentage of children in the population (0 to 14 years) decreased from 28,48% in 1996 to 24,80% in 2011, while the elderly population (65 years and older) increased from 5,05% to 5,50%. The percentage of the population that is economically active (15 to 64 years) increased from 66,47% in 1996 to 69,70% in 2011.

Health

HIV/Aids and tuberculosis (TB) remain the key health challenges facing Cape Town residents. While HIV prevalence in Cape Town is stabilising, it is still at a high level. The 2012 antenatal survey showed an HIV prevalence of 20% among women who got tested in Cape Town.

TB incidence often coincides with HIV/Aids prevalence. In 2013, TB incidence in Cape Town was 663 per 100 000 of the population. Overall, there was a gradual increase in the incidence of TB between 1997 and 2013, although at a slower pace from 2010, which is consistent with global and national TB trends. Although data showed that the number of HIV-positive TB cases in Cape Town had increased, this is now dropping again.

Education

According to the Statistics South Africa General Household Survey (GHS) 2011, approximately 50% of the total population in Cape Town aged 20 years and older have had less than 12 years of schooling. Around 7% had received less than Grade 7 education, and are therefore considered functionally illiterate. Census 2011 revealed that a further 1,8% of Cape Town's adult population had never attended an educational institution.

The percentage of Cape Town's adult population who have successfully completed Grade 12 increased from 19,6 % in 1996 to 30,2% in 2011. The percentage of the adult population who have had higher education also increased from 10,9% in 1996 to 16,2% in 2011.

Poverty

As in the rest of South Africa, poor households and residents in Cape Town predominantly struggle with unemployment and lack of income. According to the 2011 GHS, 35,7% of Cape Town households reported a monthly income of up to R3 500 (the poverty line used by the City of Cape Town), which makes them eligible for indigent support from the City. In 2011, indigent households in Cape Town comprised 21% of the total number of households in the city. The number of indigent households in Cape Town increased from 250 000 in 2003 to 288 703 in 2013.

The City remains committed to increase opportunities for sustainable livelihoods by creating an economically enabling environment in which investments can be optimised and jobs created.



The Cape Town Spatial Development Framework and associated district plans offer guidelines on how and where Cape Town should grow in the future.

Crime

Crime constitutes one of the City's key strategic challenges. Cape Town's overall crime levels in 2011/12 were around twice the national average. According to South African Police Service (SAPS) data for 2013/14, Cape Town had the highest overall crime rate of 8 526 per 100 000 people among select South African metros. Drug crimes and murder 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.

The Cape Town Spatial Development Framework (CTSDF)¹

The Cape Town Spatial Development Framework and associated district plans offer guidelines on how and where Cape Town should grow in the future. These spatial plans guide new investment, give effect to the principles and priorities of the City's development strategies, and identify priority areas for strategic intervention.

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. As such, the CTSDf:

- aligns the City's spatial development goals, strategies and policies with those of the national and provincial spheres of government;
- indicates those areas best suited to urban development, the areas that should be protected, and the areas where development may occur if it is sensitively managed;
- indicates the desired phasing of urban development;
- guides changes in land use rights; and
- helps spatially guide, coordinate, prioritise and align public investment infrastructure and social facilities in the City's five-year IDP.

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.

Ensuring sustainable economic growth and social development

Economic Growth Strategy

The City of Cape Town's commitment to promote social and economic development is set out in its Economic Growth Strategy (EGS). The main objective of the EGS is to grow the economy and create jobs, which is the overarching objective of the opportunity city.

The EGS presents the City of Cape Town's 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 marks a departure from the City's previous approaches to the economy in that it adopts a 'whole organisation' approach. It also positions Cape Town within broader global, national and regional economic trends, and outlines how the City aims to respond to the challenges and opportunities these bring and maximise benefits for the people of Cape Town.

The EGS is structured around five strategic areas:

- Building a globally competitive city through institutional and regulatory changes
- Providing the right basic services, transport, and information and communications technology infrastructure
- Utilising work and skills programmes to promote inclusive growth



Spray parks are one of the City's most innovative water-wise recreational spaces offering children a safe play environment.



¹ For more information about the Cape Town Spatial Development Framework, please visit www.capetown.gov.za/en/SDF.



The Cape Town Spatial Development Framework focuses on managing growth and land use to ensure urban growth happens in a sustainable, integrated and equitable manner.

- Leveraging trade and sector development functions to maximise advantage
- Ensuring that growth is environmentally sustainable in the long term

Social Development Strategy

The City of Cape Town's Social Development Strategy (SDS) 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. The SDS sets out what the City is doing and plans to do, and articulates where external stakeholders, such as contracted service providers and organisations receiving City grants, will contribute to creating an opportunity, safe, caring, inclusive and well-run city that allows people to achieve their potential.

It is also closely connected to the EGS, as social development interventions promote people's ability to engage in economic activity, while economic growth is also central to social development.

The SDS is structured around five high-level objectives. These are as follows:

- Maximising income-generating opportunities for people who are excluded or at risk of exclusion
- Building and promoting safe households and communities

- Supporting the most vulnerable through enhancing access to infrastructure and services
- Promoting and fostering social integration
- Mobilising resources for social development

The SDS adopts a transversal approach to social development, viewing the organisation as an integrated whole where each directorate plays its part in facilitating social development. Hence, the way that all the departments provide services, plan, regulate, employ people or directly intervene in communities is designed to ultimately promote the social development of communities.

Meeting Cape Town's urban development challenges

In June 2015, the City of Cape Town ushered in a new chapter of municipal planning in South Africa with Council's approval of the establishment of the Municipal Planning Tribunal. The panel - a first for any local government in South Africa - consists of highly experienced public and private planning professionals, who will work to accelerate the City's response to the many challenges of urban development and spatial transformation in Cape Town. The move follows the City's earlier adoption of the Municipal Planning Bylaw ahead of the implementation of the Spatial Planning and Land Use Management Act, changing Cape Town's planning and development regulatory environment and increasing transparency and public involvement.

Building a better city with open data

The City of Cape Town generates a significant amount of data that may be useful to residents. As the world enters the knowledge economy, this public-sector information is a valuable tool in making progress possible, together. Providing access to the data underscores the City's commitment to being an open, transparent and accountable government. Through its Open Data Policy, the City aims to establish and incrementally populate a single online open-data portal for information and data generated by the organisation, which would be free and accessible to members of the public. Data will be made available free of charge and, as far as possible, in open-data format as per the policy.

Embracing innovation to serve the people of Cape Town

Over the past financial year, the City of Cape Town has advanced its vision from one of 'working for the people of Cape Town' to one that embraces and leverages the power of partnerships. Key to the success of this approach to ensuring the best possible levels of service to all Capetonians is a commitment to entrench innovation and embrace technology in the City's operations. These pages highlight just some of the innovation-led successes achieved by the City of Cape Town, in collaboration with the people it serves, over the past year.



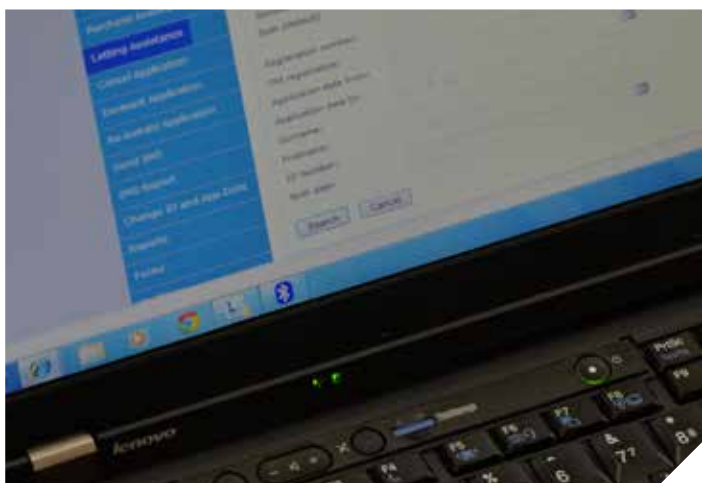
Saving time, and trees, with convenient e-billing

As part of the City's commitment to environmental and economic sustainability, the switch to e-mail invoicing for all residents has been an ongoing exercise. The number of customers requesting that their municipal invoices be e-mailed to them has steadily increased in the year under review.



What is innovation?

Innovation means different things to different people. For the City of Cape Town, the main focus is on transformative innovation. This entails changing the way we think and work, not merely for the sake of change, but in order to make a real difference to the way the administration supports, serves and enables the city and its residents.



Making housing applications easier

The City of Cape Town's online housing database went live during the past financial year, thus allowing residents to register their housing need online in a quick, convenient and safe manner. The City uses the housing database to ensure the fair and systematic allocation of housing opportunities to qualifying persons who have registered on the database. The database is a credible system that is protected, updated and verified to prevent queue-jumping and to ensure that the City's service and housing delivery programmes are not jeopardised by unplanned settlements.

Making Cape Town's roads safer

The challenge of speeding and road safety on Nelson Mandela Boulevard was successfully met through the installation of ASOD ('average speed over distance') cameras. The cameras, which were activated in October, measure the speed of all vehicles travelling between the bottom of Nelson Mandela Boulevard and the N2 and M3. The system consists of three sets of cameras that cover all of the incoming and outgoing lanes. The ASOD system uses specialised cameras that accurately record every vehicle passing through their area. The cameras read the number plate of the vehicle and record the location, date and exact time. A fine is generated for vehicles that travel the distance in a shorter time than that allowed by the speed limit. Since the installation of the ASOD system, more than 6 000 speeding fines have been issued.



Bringing the benefits of broadband to all

The City of Cape Town understands that broadband connectivity is fundamental to creating an enabling environment for economic growth, business development and digital inclusion. As a result, it has set aside R222 million over three years towards the roll-out of broadband infrastructure throughout the metro. To date, lease agreements have been concluded with eight third-party licensed network operators, and negotiations with another 20, including some of the country's larger telecommunication companies, are under way. The concluding of these agreements is part of the City's commitment to bridging the digital divide between underserved communities and those with high levels of digital access.



Smart Cape helps connect Capetonians

Being caring and inclusive, the City of Cape Town understands the importance of digital connectivity as a tool for economic and social upliftment. The City's Smart Cape project has been in place for a number of years and has provided more than 300 000 users with free access to computer and internet facilities at City libraries. A Smart Cape corner has been introduced in each of the more than 100 libraries across the city. In some areas, the facility is available at community centres, which reflects the programme's adaptability to fit particular community needs by making use of existing infrastructure. The project has been so effective that the City was presented with the Access to Learning award by the Bill and Melinda Gates Foundation.





Enhancing the well-being of HIV patients through ARV clubs

Antiretroviral (ARV) clubs are a design innovation that has changed the lives of thousands of patients. Since 2011, City Health, in partnership with the Western Cape Department of Health and the Institute for Healthcare Improvement, has rolled out a number of ARV clubs at treatment facilities across the city. In terms of this concept, stable patients report directly to the clubroom at their appointed facility, where their symptoms are checked and pre-packed medication is handed out.

The ARV clubs have proved successful in reducing the time patients spend waiting for ARV medication, easing the pressure on congested facilities, and enabling staff to focus on sick patients. More than that, it makes it easier for patients to continue treatment, and reduces their risk of defaulting and becoming sick again.



Making mobility happen - digitally

The launch of the new Transport for Cape Town (TCT) digital app has made it significantly easier for residents and visitors to move around the city. Presenting the commuter with all the available scheduled public transport options, and providing those in private vehicles with various routes for reaching their destinations, the app is a good example of the City's commitment to cutting-edge technological solutions. It also creates a platform for the City and residents to communicate with each other about transport-related issues.

Maps of all the scheduled public transport services across the city - from the MyCiTi bus service to Metrorail and the Golden Arrow Bus Service - are available on the app. These maps specify each service provider's routes, stations and stops. The app also enables those using private transport to plan their journeys by offering different route options - indicating the distance to the destination, the estimated travel time, as well as any matters of concern along the route, such as accidents, roadworks, detours and traffic delays.



Keeping beaches safer

The Shark Spotters programme,² funded by both the City of Cape Town and a range of private sponsors, including the Save Our Seas Foundation, corporates and small local businesses, has been a feature of Cape Town's beaches since 2006. This innovative programme represents a labour-intensive approach to promoting the safety of water users at affected beaches by providing an early warning to beachgoers when sharks are spotted in the area. As part of the programme, the City has introduced a highly innovative shark exclusion net at Fish Hoek beach over the past two years. This net provides additional protection for swimmers due to the high presence of sharks at this beach, and works by keeping sharks out of the designated swimming area without negatively affecting or endangering marine life. The net has been well supported by the public, and garnered an Eco-Logic award in the innovation category in 2014.

Electronic development applications

As a key step in modernising its planning and building regulatory processes, the City introduced electronic building plan and land use application submissions in 2014. Aside from cutting down on paper (and reducing its carbon footprint), obviating the need for multiple hard-copy applications to be submitted enables faster internal circulation of applications to line departments, thereby cutting down on overall processing time. It also ensures procedural compliance and good governance. The planned next step is to introduce full web submission of applications as an additional self-service channel to complete this new and innovative system.

² For more information on the programme, visit www.sharkspotters.org.za.





Governance, compliance and risk management

Management and governance structures and frameworks	22
Good governance as a sustainable foundation	27
Public participation	30



MANAGEMENT AND GOVERNANCE STRUCTURES AND FRAMEWORKS

This chapter provides an overview of the framework of the institutional management and governance structures through which the City implements its strategies, using the appropriate resources.

The governance structure

The model below depicts the political governance arrangements of the City of Cape Town.

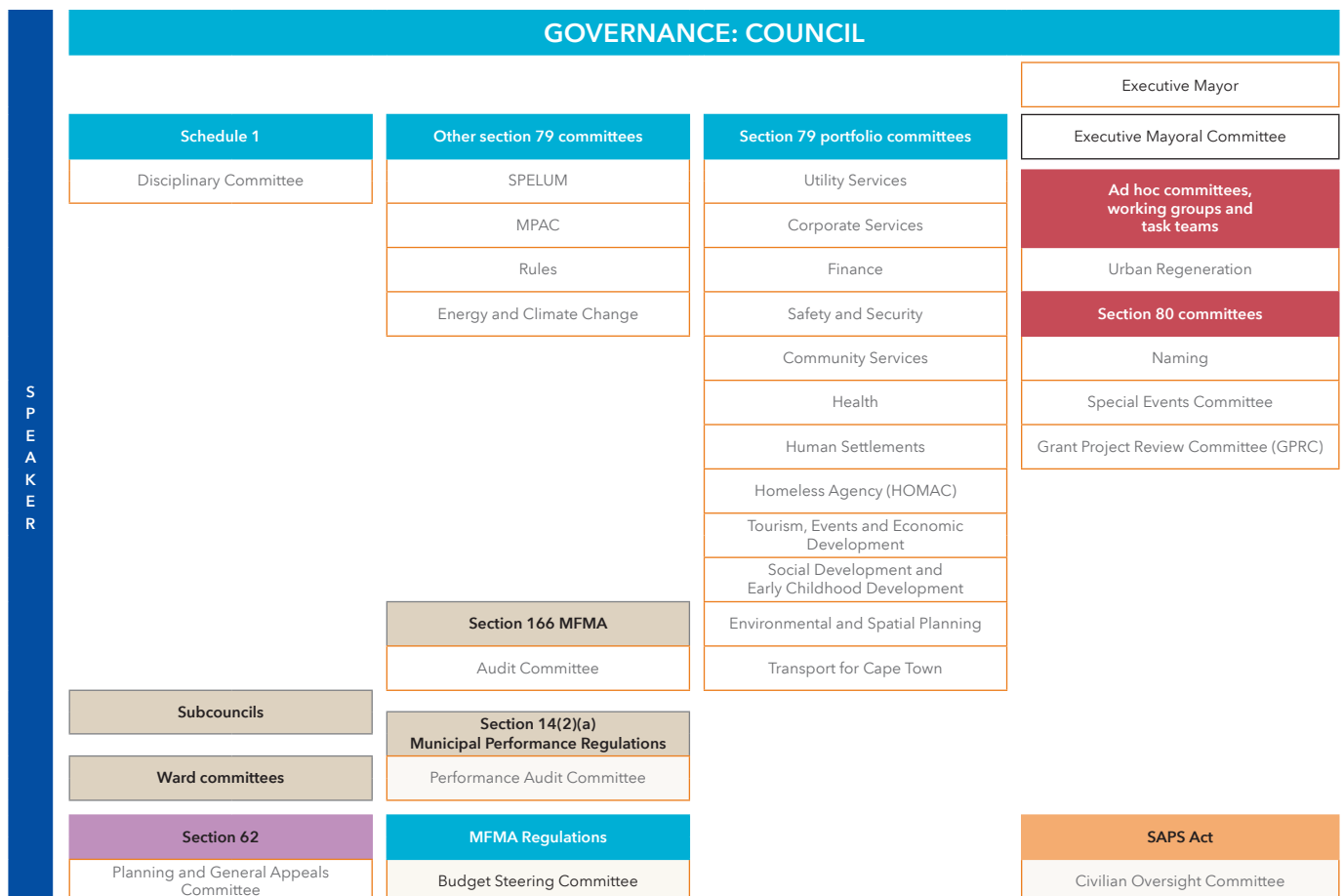


Figure 1: Governance structure of the City of Cape Town

Mayoral Committee

The Mayoral Committee (Mayco) is appointed by the Executive Mayor. Mayco 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 her Mayco members, who are as follows:

- Ald I Neilson – Executive Deputy Mayor, and Finance
- Ald B Walker – Community Services and Special Projects
- Cllr G Bloor – Tourism, Events and Economic Development (known as Tourism, Events and Marketing up until August 2014)
- Cllr S Little – Social Development and Early Childhood Development
- Cllr S Mamkeli – Health (portfolio changed from Human Settlements on 26 January 2015, as announced by the Executive Mayor)
- Cllr E Sonnenberg – Utility Services
- Ald JP Smith – Safety and Security
- Cllr B Herron – Transport for Cape Town
- Cllr X Limberg – Corporate Services
- Cllr B van Minnen – Human Settlements (portfolio changed from Health on 26 January 2015, as announced by the Executive Mayor)
- Cllr J van der Merwe – Energy, Environmental and Spatial Planning (known as Economic, Environmental and Spatial Planning up until August 2014)

Clusters and committees

Section 79 portfolio committees

The terms of reference of all section 79 portfolio committees include the formulation of policy and the monitoring of its implementation within their specific functional areas. Portfolio committees are chaired by councillors, who are appointed by full Council. Council established 12 section 79 portfolio committees, which function within the City's management clusters, namely the economic and social clusters:

Economic cluster

- Transport for Cape Town
- Utility Services
- Economic, Environmental and Spatial Planning
- Tourism, Events and Economic Development
- Finance
- Corporate Services

Social cluster

- Human Settlements
- Health
- Social Development and Early Childhood Development

- Community Services
- Safety and Security
- Homeless Agency

The portfolio committee chairpersons are as follows:

- Cllr R Hoorn – Tourism, Events and Economic Development
- Cllr T Thompson – Transport for Cape Town
- Cllr T Uys – Corporate Services
- Ald M Nieuwoudt – Human Settlements (with effect from 28 January 2015)
- Cllr C Brynard – Safety and Security
- Cllr S August – Utility Services
- Cllr A van der Rheede – Community Services
- Cllr C Clayton – Health
- Cllr S Diamond – Finance
- Cllr D Bryant – Environmental and Spatial Planning
- Cllr R Arendse – Social Development and Early Childhood Development
- Cllr P Maxiti – Homeless Agency

Other section 79 committees

Spatial Planning, Environment and Land Use Management Committee (SPELUM)

Chairperson: Cllr C Kannenberg

The terms of reference of this committee relate to spatial planning, land use management, the environment and related matters.

Municipal Public Accounts Committee (MPAC)

Chairperson: Cllr W Mxolose

This is the mechanism through which Council oversees the expenditure of public money. In terms of its amended terms of reference, which Council approved on 3 December 2014 (C44/12/14), the purpose of MPAC is to perform an oversight function on behalf of Council over the executive functionaries of Council, and it is mandated to investigate unauthorised, irregular, fruitless and wasteful expenditure in terms of section 32(2) and section 102 of the Municipal Finance Management Act 56 of 2003 (MFMA) relating to the City and the City's municipal entities respectively.

MPAC conducts its affairs in a non-party-political manner so as to maximise the effectiveness of its work. The committee ensures that all existing internal alternative dispute resolution processes of the City have been exhausted before proceeding with investigations. City processes allow for the City Manager (or nominee) to investigate a matter and present its outcome. Should the complainant dispute or object to the outcome, the matter may be escalated to Provincial Treasury, National Treasury and, ultimately, a court of law.



Although MPAC has no executive powers, its findings and recommendations are escalated to the appropriate executive authority. MPAC considers the report of the task team at a main MPAC meeting and submits a report containing its recommendations to Council for final decision-making. MPAC reports directly to the Speaker of Council.

Rules Committee

Chairperson: Ald D Smit (Speaker)

The Rules Committee is concerned with the rules of procedure of Council and its committees.

Energy and Climate Change Committee

Chairperson: Cllr M Kempthorne

The Energy and Climate Change Committee is tasked with the integration and delivery of all energy matters in the City.

Section 80 committees

Naming Committee

Chairperson: Cllr B Herron

This committee considers and makes recommendations to the Executive Mayor on matters pertaining to the naming of streets, buildings and the like, for onward recommendation to Council, where required.

Special Events Committee

Chairperson: Cllr G Bloor

This committee considers and makes recommendations to the Executive Mayor on applications to the City to host events, for onward recommendation to Council, where required.

Grant Projects Review Committee

Chairperson: Ald I Neilson

This committee, which was established in 2014, assists the Executive Mayor in ensuring that the various grants the City receives

are administered in accordance with their applicable criteria and conditions, and in aligning grant-funded projects with the IDP.

Municipal Systems Act section 62 committee

Planning and General Appeals Committee

Chairperson: Ald D Smit (Speaker)

This committee considers appeals against decisions taken in terms of delegated or subdelegated authority by political structures, political office-bearers or councillors.

Schedule 1 committee

Disciplinary Committee

Chairperson: Ald A Serritslev (Chief Whip)

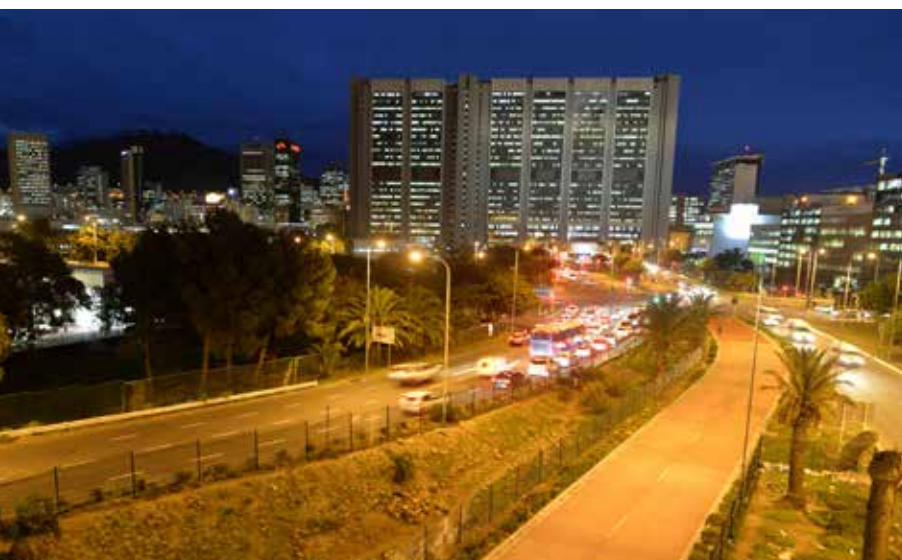
This committee is tasked with investigating any alleged breach of the code of conduct for councillors, and making appropriate recommendations to Council. It also investigates non-attendance of meetings, and imposes fines as determined by the rules of order of Council.

Municipal Finance Management Act section 166 committee

Audit Committee

Every municipality is obligated to establish an independent audit committee in terms of section 166 of the MFMA, as amended. The Audit Committee advises the municipal council, political office-bearers, accounting officer and managerial staff on matters relating to:

- the Auditor-General and other external auditors;
- systems of internal control (including internal financial control) and audit reports;
- internal audit;
- risk management;
- information technology;
- investigations;
- accounting policies;
- adequacy, reliability and accuracy of financial reporting and information;
- performance management;
- municipal entities;
- effective governance;
- compliance with the MFMA, the annual Division of Revenue Act and any other applicable legislation;
- performance evaluation; and
- any other issues referred to it by the municipality.



The committee is further required to review the annual financial statements (and the Auditor-General's audit report) in order to provide Council with an authoritative and credible view of the municipality's financial position, its efficiency and effectiveness, and its overall level of compliance with applicable legislation. Such review also enables the committee to respond to Council on any issues raised by the Auditor-General in the audit report.

The Audit Committee does not have executive responsibility, and acts primarily in an advisory capacity. The Audit Committee does not perform any management functions or assume any management responsibilities. It provides a forum for discussing business risk and control issues in order to develop relevant recommendations for consideration by the City Manager, Mayco and Council for their approval or final decision. An independent annual report by the Audit Committee forms part of this annual report and is contained in the annual financial statements.

The membership, resources, responsibilities and authorities (composition, functions and operations) required by the Audit Committee to perform its role effectively are stipulated in the Audit Committee terms of reference, which are approved by Council. The committee is constituted in terms of the requirements of sound corporate governance practices, and operates within that framework.

Performance Audit Committee

Regulation 14(2)(a) of the Municipal Planning and Performance Management Regulations of 2001 (published under Government Notice R796 of 25 August 2001) requires the municipality to annually appoint and budget for a performance audit committee consisting of at least three members, the majority of whom may not be involved in the municipality as a councillor or employee. Council appointed three members to the Performance Audit Committee on 25 September 2014.

The Performance Audit Committee advises the municipal council, political office-bearers, accounting officer and managerial staff on matters relating to:

- findings of and actions taken by the Auditor-General and other external auditors relating to the audit of predetermined objectives;
- the annual performance information;
- the internal controls over performance information;
- compliance with statutory requirements relevant to the performance management system and performance information;
- internal audit findings and actions taken with regard to the functionality of the performance management system and performance information;
- relevance and measurability of indicators; and

- alignment of the IDP, the budget, service delivery and budget implementation plans (SDBIPs) and performance agreements.

The Performance Audit Committee is further required to submit a report to Council at least twice during a financial year, reflecting on the committee's assessment of the City's performance management system.

The committee does not have executive responsibility, and acts primarily in an advisory capacity. It does not perform any management functions or assume any management responsibilities. It provides a forum for discussing performance management, including reported performance information issues, in order to develop relevant recommendations for consideration by the City Manager, Mayco and Council for their approval or final decision.

The membership, resources, responsibilities and authorities (composition, functions and operations) required by the Performance Audit Committee to perform its role effectively are stipulated in its terms of reference, which are approved by Council.

South African Police Service Act (Act 68 of 1995) committee

Civilian Oversight Committee

In terms of section 64J of the South African Police Service Act of 1995, Council has appointed the Civilian Oversight Committee to ensure civilian oversight of the municipal police service.

City of Cape Town Municipal Planning Bylaw, 2015

Municipal Planning Tribunal

In terms of the Spatial Planning and Land Use Management Act 16 of 2013, which took effect nationally on 1 July 2015, each municipality is required to set up a municipal planning tribunal to decide specific categories of planning applications. This tribunal must consist of experienced public and private-sector planning professionals, whilst councillors may not serve on it. Cape Town was the first tribunal to be established in the country, thus leading the municipal sector nationally, and was set up in terms of section 115 of the Municipal Planning Bylaw, in line with the national legislation.

Speaker

Office of the Speaker

The Office of the Speaker's responsibilities include coordination of all processes flowing from subcouncil delegations, disciplinary investigations in terms of the code of conduct for councillors and municipal employees, rules of meetings of political structures, as well as the Planning and General Appeals Committee. The Speaker also has an oversight function in respect of Council, its committees, subcouncils and ward committees.





Subcouncils

A metropolitan subcouncil has such duties and powers as the metro council may delegate to it in terms of section 32 of the Municipal Structures Act 117 of 1998. It may make recommendations to the metro council on any matter affecting its area of responsibility. A metropolitan subcouncil may advise the metro council on the duties and powers that should be delegated to it. Subcouncils' terms of reference are as follows:

- To make recommendations to Council on any matter affecting their areas of jurisdiction
- To exercise any power, duty or function delegated by Council
- To exercise any power, duty or function conferred upon them in terms of the Subcouncil Bylaw

Subcouncils and chairpersons

Subcouncil 1	CLlr H Brenner
Subcouncil 2	CLlr G Twigg
Subcouncil 3	CLlr T Amira
Subcouncil 4	Ald C Justus
Subcouncil 5	CLlr R Rau
Subcouncil 6	CLlr W Jaftha
Subcouncil 7	CLlr G Fourie
Subcouncil 8	CLlr S Pringle
Subcouncil 9	CLlr J Thuynsma
Subcouncil 10	CLlr P Mngxunyeni
Subcouncil 11	CLlr M Nikelo
Subcouncil 12	CLlr E Andrews
Subcouncil 13	CLlr R Bazier
Subcouncil 14	CLlr N Landingwe
Subcouncil 15	Ald B Watkyns
Subcouncil 16	Ald D Qually
Subcouncil 17	CLlr G March
Subcouncil 18	CLlr M Oliver
Subcouncil 19	Ald F Purchase
Subcouncil 20	CLlr I Iversen
Subcouncil 21	CLlr S Vuba
Subcouncil 22	CLlr J Heuvel
Subcouncil 23	CLlr N Bent
Subcouncil 24	CLlr X Sotashe

Executive Management Team (EMT)

The EMT leads the City's drive to achieve its strategic objectives, as outlined in the IDP each year.

Macro-organisational design: City Manager and executive directors

The City of Cape Town's senior administrative structure is aligned with its elected political structure. The structure is set out below:

Executive Management Team

Achmat Ebrahim	City Manager
Adv Tshidi Mayimele-Hashatse	Executive Director (ED): Corporate Services (vacated position on 9 January 2015)
Richard Bosman	ED: Safety and Security
Dr Zandile Mahlangu-Mathibela	ED: City Health
Kevin Jacoby	Chief Financial Officer
Dr Gisela Kaiser	ED: Utility Services
Lokiwe Mtwazi	ED: Community Services
Melissa Whitehead	Commissioner: Transport for Cape Town
Anton Groenewald	ED: Tourism, Events and Economic Development (portfolio name changed from Tourism, Events and Marketing on 20 August 2014)
Dr Ivan Bromfield	ED (Acting): Human Settlements (with effect from January 2015)
Ernest Sass	ED (Acting): Social Development and Early Childhood Development (with effect from January 2015)
Japie Hugo	ED: Energy, Environmental and Spatial Planning (portfolio name changed from Economic, Environmental and Spatial Planning on 20 August 2014)
Gerhard Ras	ED: Compliance and Auxiliary Services ED (Acting): Corporate Services (with effect from January 2015)

The following diagram represents the City's macro structure:

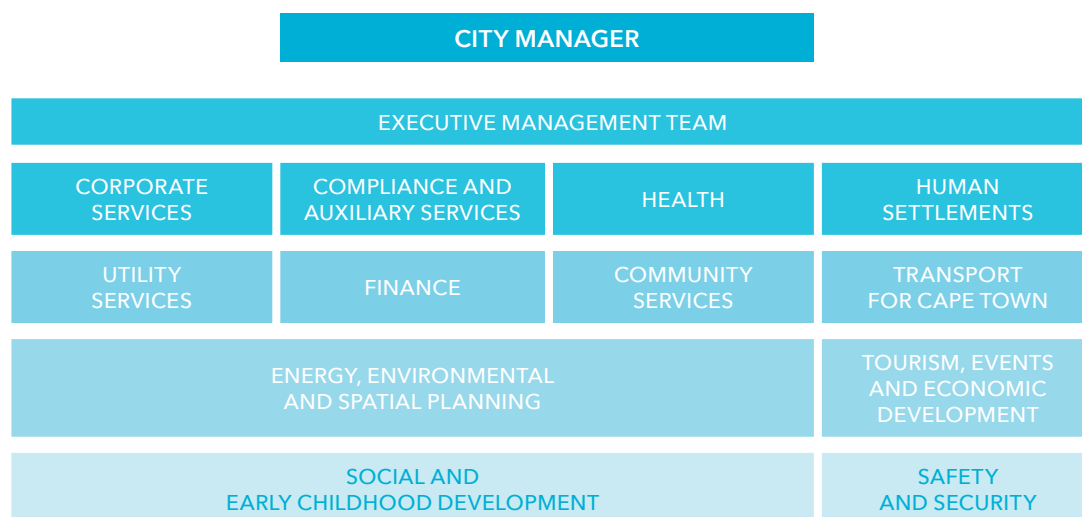


Figure 2: Executive Management Team structure of the City of Cape Town

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, including:

- the formation of the Municipal Public Accounts Committee (MPAC);
- the institution of an anti-corruption hotline;
- the formal adoption of the King Code of Governance Principles for South Africa, 2009 ('King III'); and
- the development of a combined assurance framework.

The King recommendations are considered to be among the best codes of governance worldwide, and King III has broadened the scope of governance into one where the core philosophy revolves around leadership, sustainability and ethical corporate citizenship.

Internal Audit

The Internal Audit charter indicates that this is an independent department reporting administratively to the Executive Director: Compliance and Auxiliary Services, and functionally to the City's independent Audit Committee, as delegated by Council. The Department's function is a requirement of the MFMA and is largely directed by the international standards for the professional practice of internal auditing of the Institute of Internal Auditors (IIA). The Department significantly contributes to governance within the organisation, thus promoting the City's commitment to being a well-run city. 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. Internal Audit communicates audit results to the various levels of management, including executive directors and the City Manager, as well as to other assurance providers and the Audit Committee.

Key outcomes and achievements by Internal Audit during the period under review included:

- **Execution of the annual internal audit plan** – In terms of the MFMA and IIA standards, the Department developed and executed its risk-based operational internal audit plan. Internal Audit reconsiders its audit plan on a quarterly basis to ensure that audit projects undertaken are aligned with the most pertinent risks. Internal Audit completed 100% of its planned audit projects for the financial year. Maximising resource efficiency, three bonus projects were also completed in the financial year.
- **Annual assessment of the City's internal controls** – Internal Audit provided assurance regarding the adequacy and effectiveness of controls in business processes, as well as in specialised areas such as information technology, governance, performance, sustainability, compliance and risk management. The report serves before the Audit Committee, being the functional reporting line of the activity, which subsequently includes an overall statement in its annual report.



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.

- **Quality assurance and improvement programme** - The Department maintained its quality assurance and improvement programme to ensure the quality of audit products and services. The programme is designed to enable an evaluation of the Department's conformance with the IIA's international standards and code of ethics, as well as Internal Audit's approved charter and methodology. The internal annual quality review indicated that the Department generally conformed to the IIA's definition of internal auditing, the IIA's international standards for the professional practice of internal auditing, as well as its code of ethics. The review further indicated that the Department effectively carried out its roles and responsibilities as set out in its charter.
- **External quality assurance review** - An external quality assurance review performed during the 2014/15 financial year, which needs to be completed every five years in line with the requirements of the IIA, confirmed the general conformance of the Department.
- **Contributions to corporate governance** - The Department contributed to strengthening other governance mechanisms within the City by providing technical support to MPAC. This included the preparation of reports to Council, governance documents and reports, presentations for the chairperson to deliver at external forums, as well as talk-sheets for the committee to share with visitors to the City, given that the City has a leading MPAC process. Internal Audit also ensured the provision of quality reports, which the Audit Committee used to exercise its oversight responsibility effectively in terms of its terms of reference.
- **Expansion, promotion and achievement of additional audit engagement reviews** - The Department ensured continuous improvement of its service offering by expanding, promoting and achieving additional audit engagement reviews. These included advisory reviews, control-self assessment reviews, performance audit engagements, continuous auditing technique reviews and an internal financial control review.
- **Flexibility in the internal audit operations plan** - This was achieved through the accommodation of management requests and ad hoc advisory engagement requests.
- **Continuous improvement initiatives** - These related to audit methodology efficiencies and increased automation of audit processes and systems.



The Council of the City of Cape Town in session.

Key initiatives and projects

During the year under review, the Internal Audit team implemented various audit techniques to enhance the value added to the organisation. These included the following:

- **Client account management** – The use of internal audit client account managers is intended to build and maintain relationships between the Internal Audit Department and its clients, with a specific focus on client expectations, support, satisfaction and perceptions. Internal Audit developed terms of reference for its client account managers, which include key roles and responsibilities as well as the type, level and frequency of interaction required to build and maintain client relations. The Internal Audit client account manager process was implemented, with one-on-one sessions held with individual executive directors, as well as sessions with their senior management teams.
- **Performance auditing review** – Training interventions were completed with the assistance of the Auditor-General. The methodology was documented, and the first pilot review was completed. The audit technique focuses on the value proposition of a given business process to the City. The lessons for methodology improvement were documented, and additional projects were defined for the new financial year.
- **Continuous auditing** – The ERP-SAP system is widely used in the City of Cape Town, with many automated controls in place. The Internal Audit Department regards continuous auditing as an ideal audit methodology to continuously monitor the controls within SAP. In addition to control monitoring, data analysis reviews can also be scheduled through the continuous auditing tools. These reviews allow a regular examination of processed data in order to identify data anomalies that may point to manual-based control breakdowns. The continuous auditing approach has been well received by management, and will be rolled out to more business processes in the new financial year.
- **Advisory services** – Management has responded well to the advisory services offered by Internal Audit, which comprise a wide range of activities based on management's needs. These services can be tailored to resolve specific issues that senior management has identified as requiring attention, and may be advisory, educational and/or facilitative in nature. Resource provision has been made in the new financial year to accommodate ad hoc management requests and advisory engagement requests.
- **Early-warning system** – The Department identified a gap in the follow-up review programme, in that the current methodology focuses on the audit tolerance level only (overall audit opinion and individual finding

ratings that exceed a tolerance level). Senior management were prompted and sensitised through a spreadsheet intervention, which, along with the client account management programme, yielded management information for both senior management and the audit team. This system will be automated in the new year, and a revised audit follow-up methodology will be investigated.

Integrated Risk Management

The City of Cape Town operates in an environment of growing uncertainty, but also great opportunity. The Integrated Risk Management (IRM) Department ensures consistent alignment and management of key risks in order to achieve the City's core strategic objectives. It strives to provide reasonable assurance that the key risks and their contributing factors are mapped to current controls, as well as to advise on actions to be taken to mitigate risks in a cost-effective manner.

In the 2014/15 financial year, the IRM Department managed 107 risk registers, including the EMT risk register, via an annual update session per department, as well as monitor and review sessions with each risk owner or department.

The EMT risk register was also submitted to the Risk Committee, the Audit Committee and the Speaker for oversight purposes. Initiatives are continually researched and implemented to further embed risk management in the City's processes. These include improving training, enhancing performance measurements, and monitoring compliance with both the IRM and combined assurance policy and framework. In addition, IRM continues to assist in enhancing service delivery through the optimal utilisation of scarce resources. All targets set for the IRM Department were achieved in the year under review. The IRM Department also assisted municipalities nationwide upon request to further the discipline of risk management in local government.



During the year under review, the Internal Audit team implemented various audit techniques to enhance the value added to the organisation, including client account management, continuous auditing and an early-warning system.



Combined assurance

Under the guidance of the Integrated Risk Management Department, in collaboration with Internal Audit and other stakeholders, a combined assurance policy, framework and implementation plan was established during the 2014/15 financial year. This is aimed at providing a coordinated approach to assurance activities within the City.

Combined assurance assists management to identify duplication of assurance work, any potential assurance shortfall, and improvement plans for those areas identified. Once fully implemented, it will help assurance providers better achieve consensus on the key risks facing the City, and will reduce the probability of failure to identify significant risks. This is achieved by following both a 'top-down' and 'bottom-up' approach.

The City's combined assurance model provides for four levels of assurance providers:

- **Level 1** provides assurance on all areas within management's span of control. Management is ultimately responsible for establishing, maintaining and ensuring proper governance, risk and internal control processes.
- **Level 2** is made up of risk control and compliance assurance providers, reporting primarily to management as well as advisory and oversight bodies, with limited independence relating to the activity on which assurance is required.
- **Level 3** includes assurance providers who have greater independence, reporting primarily to advisory and oversight bodies.
- **Level 4** includes the City's various independent oversight and advisory bodies. These ultimately provide assurance to the inhabitants of the city and country relating to activities and governance issues of the City.

The 'top-down' component of the framework focuses on the strategic objectives, and the risks that directly affect their achievement. It identifies the key controls implemented to mitigate these risks, and the various levels of assurance required on each of these key controls.

The 'bottom-up' approach entails all levels of assurance providers' strategic risk identification, which feeds back into the integrated risk management processes.

Forensics, Ethics and Integrity

The City's Forensics, Ethics and Integrity Department is charged with the following:

Forensics

- Providing a reactive forensic service in respect of issues relating to significant fraud, corruption, maladministration and negligence on the part of any City employee (excluding managers directly accountable to

the City Manager) or any agent, contractor, supplier or service provider to the City of Cape Town

- Driving, developing and/or ensuring the implementation of proactive anti-fraud/corruption policies and prevention measures on a Citywide basis

Ethics

- The roll-out and monitoring of the City's Ethics Action Plan, which is supported by the Executive Mayor and Executive Management Team. The Ethics Action Plan is the basis of a number of programmes/interventions that are being (and will be) rolled out under the ethics function in the short and medium term.
- Overall responsibility for, and provision of, strategic direction on ethics and integrity investigations
- Additional proactive awareness initiatives by reporting statistical information relating to forensics and ethics investigations to internal governance structures, such as the Executive Mayor, Executive Management Team, Audit Committee, Risk Committee (when requested) as well as the Municipal Public Accounts Committee

During the year under review, the Forensics, Ethics and Integrity Department embarked on various ethics communication drives, training interventions, anti-corruption initiatives, hotline awareness and promotion campaigns, all of which are aligned with the City of Cape Town's stance of zero tolerance and its plan for a corruption-free City.

PUBLIC PARTICIPATION

The City of Cape Town does not plan for people; it plans with them. And this collaborative approach to ensuring a better future for all is epitomised in its commitment to constantly engage with all the people of the city.

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 affording them numerous opportunities to have their say.

Public engagement on planning

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 all public meetings.

Annual community satisfaction survey

A primary vehicle used for gathering city community feedback is the annual community satisfaction survey (CSS), which is an invaluable

source of insight that helps the City identify the specific needs and priorities of Cape Town's residents and businesses, and then put in place the necessary plans to work towards meeting those needs.

The eighth annual survey (2014/15) was conducted by a contracted independent service provider, and made use of statistically valid and reliable samples to ensure that participants in the survey represented all residents and businesses across the city. The survey took place towards the end of 2014 and comprised 3 000 face-to-face interviews with residents and 700 telephonic interviews with formal businesses in Cape Town. It also included eight focus groups with residents, property developers and small businesses to probe and investigate issues in more detail.

The results of the survey since 2007/8 reflect increasing levels of satisfaction with the City's service delivery by both residents and business. However, the overall residents' satisfaction rating with the City of Cape Town's services has decreased slightly since last year. This reflects the challenge of maintaining high satisfaction levels in the face of continued growth in demand for services as urbanisation intensifies, with the City's population having grown by 30% over the past ten years. The result also reflects the broader context of a challenging economic environment, which largely falls outside the scope of local government, yet may have influenced residents' perceptions. Despite these factors, the mean rating for residents' overall satisfaction with the City's services was 2,8 (on a five-point rating scale) in 2014/15,

which still represents an improvement on the rating of 2,4 in 2007/8.

Overall, the 2014/15 business satisfaction survey results indicate that the businesses in Cape Town are generally highly satisfied with the services they receive from the City. The mean rating for businesses' overall satisfaction with the City's services was 3,5 (on a five-point rating scale), which also represents an improvement on the 2,9 rating of 2007/8.

The City will again use these survey results to inform and refine the planning and implementation of municipal services across the metro in line with the objectives and programmes of the IDP. The survey results will also be used to ensure constant enhancement of service delivery standards.

Industrial surveys

The Economic Development Department conducted a survey of industrial areas in order to develop a more complete picture of how industrial activities are distributed across the metro. A total of 23 industrial areas were surveyed, and a comprehensive database of economic activities in the industrial areas was developed.

To date, 23 economic profiles have been completed, and value chain analyses are also being finalised with a view to sharing this information with subcouncils and other relevant stakeholders. In addition, an audit of vacant industrial land is under way to inform and promote possible investment opportunities.



The annual community satisfaction survey results indicate that businesses in Cape Town are generally highly satisfied with the services they receive from the City.



2014/15 performance review

STRATEGIC FOCUS AREA 1	
The opportunity city	34
STRATEGIC FOCUS AREA 2	
The safe city	80
STRATEGIC FOCUS AREA 3	
The caring city	86
STRATEGIC FOCUS AREA 4	
The inclusive city	106
STRATEGIC FOCUS AREA 5	
The well-run city	114





A key mission of the City of Cape Town is to create an environment in which investment can grow and jobs can be created. This involves a multi-pronged strategy that includes attracting investment, encouraging enterprise development, raising the city's appeal as a creative and educational centre, maximising the value of its geographic location, and investing significantly in infrastructure, utilities and services.

The 2014/15 review of the IDP has identified six key objectives to position Cape Town as an opportunity city. This section offers an overview of the progress made against each of these objectives and underpinning programmes, as set out below, in the past financial year.



Table 1: IDP objectives and programmes for the opportunity city

Objective	Page in 2014/15 IDP review	Page in this report	Programme
1.1: Create an enabling environment to attract investment that generates economic growth and job creation	28	35	1.1(a): Western Cape Economic Development Partnership (EDP) programme 1.1(b): Events programme 1.1(c): Identification and promotion of catalytic sectors, such as oil and gas 1.1(d): Small-business centre programme (Activa) 1.1(e): Planning and regulation programme 1.1(f): Development of a 'green' economy 1.1(g): City Development Strategy implementation
1.2: Provide and maintain economic and social infrastructure to ensure infrastructure-led growth and development	33	44	1.2(a): Fibre-optic network programme 1.2(b): Maintenance of infrastructure 1.2(c): Investment in infrastructure 1.2(d): Expanded Public Works Programme (EPWP)
1.3: Promote a sustainable environment through the efficient utilisation of resources	42	61	1.3(a): Sustainable utilisation of scarce resources, such as water and energy 1.3(b): Water conservation and water demand management strategy
1.4: Ensure mobility through the implementation of an effective public transport system	45	74	1.4(a): Public transport programme 1.4(b): Rail service improvement and upgrade programme 1.4(c): Bus rapid transit (BRT) programme 1.4(d): Travel demand management programme 1.4(e): Intelligent transport systems programme 1.4(f): Institutional reform programme
1.5: Leverage the City's assets to drive economic growth and sustainable development	49	78	1.5(a): City strategic assets investigation
1.6: Maximise the use of available funding and programmes for training and skills development	28	78	1.6(a): Sectorial education and training authority (SETA) and EPWP funding used to train apprentices and create other external training opportunities. Training of apprentices for vacant posts in the administration and the city.

Key opportunity city achievements in 2014/15

- Spent 85,7% of its capital budget
- Finalised 91,30% (2013/14: 83,64%) of building plans within statutory timeframes
- R3 billion (2013/14: R2,9 billion) invested in repairs and maintenance
- Created 40 060 EPWP job opportunities
- More than 780 km of fibre-optic cable installed by end of 2014/15
- City recognised as top metro in prestigious Eco-Logic awards
- City's Skilpadsvlei restoration project won national wetlands award

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

Maintaining a strong financial position

In the past financial year, the City of Cape Town was again rated highly for its sound fiscal position and prudent financial management by the international credit rating agency Moody's in South Africa. The fact that Moody's kept the existing long-term rating at A1.za with a stable outlook shows that the City is maintaining its strong financial position, that its prudent financial policies are working, and that it can pay its accounts. A strong rating allows for a lower interest rate on loans from banks and other financial institutions, which means that the cost of servicing the debt is lower. This rating follows closely on the City's receipt of its 12th consecutive unqualified audit report and its third consecutive clean audit report.

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. In December 2013, Council approved a three-year funding agreement along with a clear set of deliverables that will see the City and the EDP working together to ensure:

- quality access to decision-makers;
- support for strategic initiatives;
- economic performance information and intelligence; and
- delivery on the Western Cape investment framework.

To give effect to this commitment, the City and the EDP continued working on a number of initiatives

during the 2015 calendar year, 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 by the City and the Western Cape Provincial Government ('Province'). The EDP is also part of the team tasked with developing an economic performance indicator for the Western Cape.

Optimising business through ECAMP business location intelligence

Credible, up-to-date and accessible location intelligence is vital in driving economic competitiveness, technological innovation and urban efficiency. As such, the City has advanced to the forefront of evidence-based planning by developing a purpose-built yet flexible decision-making support tool to guide the spatial targeting of area-based interventions. Through a public user interface, this information is shared with the private sector, helping entrepreneurs and corporates alike identify both area-based risks and opportunities in business precincts across the city. The Cape Chamber of Commerce and Industry has described this initiative, called the Economic Areas Management Programme (ECAMP), as a 'game changer', while the World Bank regard it as 'at the leading edge, globally'.

Not dissimilar to the mapping of portfolio assets, this model systematically tracks both the market performance and the long-term growth potential of each business district. In doing so, it offers an up-to-date, evidence-based diagnostic assessment of each area, giving insight into local business dynamics, opportunities and inefficiencies. On this basis, the model recommends an appropriate area-based strategy and proposes practical local interventions.

At the end of 2014, ECAMP received the national planning award from the South African Planning Institute. The award was issued to the City for ECAMP's outstanding contribution to planning in South Africa.



The Cape Chamber of Commerce and Industry has described the City's Economic Areas Management Programme as a 'game changer'.





The City continued to grow and support successful annual events such as the Old Mutual Two Oceans Marathon.

Programme 1.1(b): Events programme

Cape Town has a reputation as a premier events destination. This reputation and accompanying branding is critical for business perceptions about the city as an investment destination. Events also play a pivotal role in generating visitor expenditure and dispersal across the city, and are catalysts for new ways of working and thinking about providing outstanding visitor experiences in a unique and incredibly beautiful setting. The City's investment in events is guided by its approved Events Policy and a Special Events Committee.

Noteworthy highlights on the City's 2014/15 events calendar included the following:

- **The Cape Town Fringe Festival** - The City signed a three-year agreement with the organisers of the National Arts Festival to organise the Cape Town Fringe Festival. In its inaugural event, it reached 18 000 people - a significant feat for a first-time fringe event.
- **Open Design Festival** - This was the second year of this now popular event, which attracts more than 10 000 people to a decentralised festival taking place in a number of venues, with the City Hall serving as the hub. In its 2014 iteration, the event placed significant focus on the World Design Capital initiative and showcased for the first time many of the key innovative World Design Capital projects around the city.
- **The Annual Festival of Lights** - This event on the Grand Parade again proved popular among the residents of Cape Town.

Other noteworthy international events included the Volvo Ocean Race, the One Direction concert, the International Triathlon Union world series and the World Economic Forum on Africa.

A number of key annual events were relaunched in the 2014/15 financial year, such as the Cape Town Cycle Tour, which underwent a name change, and the Cape Town Marathon, which successfully obtained silver label status from the International Association of Athletics Federations. During the 2014/15 financial year, the City also successfully negotiated a historic agreement with the minstrels, granting them the opportunity to organise the minstrel parades themselves.

The City continued to grow and support successful annual events such as the ABSA Cape Epic, the Old Mutual Two Oceans Marathon, the Cape Town International Jazz Festival, the Lion of Africa Cape Town Open and the Mining Indaba, to name but a few.

As Cape Town was the World Design Capital for 2014, there was a special focus on design-related events, including the Design Indaba, the South African Innovation Summit, the Design House exhibition, the design policy conference and Open Design.

It should be noted that, apart from the Design Indaba, the festivals and events listed above all took place during the winter season, which made them valuable contributors to the City's commitment to promoting Cape Town as a year-round destination.

The draft Events Amendment Bylaw 2015 was presented to Council in May 2015.

Film and event permits

The Events Permit Office received a total of 1 861 event permit applications during the year under review, and a total of 1 472 permits were issued. The Film Permit Office received 11 304 bookings and issued 7 307 film permits during the same period.



Embracing innovation: Arts, Culture and Creative Industries Policy 2014

The City of Cape Town is the first African city with its own culture policy. This innovative policy is a transversal one that recognises and includes as implementing agents all departments working in the field of culture, with the Arts and Culture Department as the facilitator.

The policy has a strong focus on sector engagement, and provides for formal structures to enable external liaison on matters relating to arts, culture and creative industries. It covers all aspects of social, economic, spatial and cultural sustainability.

Promoting economic development through tourism in local communities

Tourism is a key component of the broader economic development of Cape Town. As such, the City recognises that it must do everything it can to ensure that the benefits of tourism are felt by communities around the city.

As part of this process, the City has developed a new Tourism Development Framework (TDF), building on the previous framework of 2005. The previous TDF implementation process involved institutional capacity building, marketing and the development of various support functions.

The new TDF outlines guiding principles, strategic focus areas, key actions and programmes for targeted future tourism development in Cape Town. It further describes how the City plans to work with partners in the public and private sectors as well as communities to implement the framework. The

TDF forms an integral part of the City's IDP and broader processes, such as the Economic Growth Strategy and Social Development Strategy.

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.

The City participated in the National Treasury/World Bank 2015 cost-of-doing-business study conducted among South African metros, which was aimed at benchmarking service provision to small and medium-sized businesses from a cost-of-doing-business perspective. The City scored well on all dimensions, and highest in the country on issuing building permits. The City's economic cluster is now in the process of drawing up and implementing action plans to further improve Cape Town's rating in the 2015/16 financial year.



The Cape Town Cycle Tour is the world's largest timed cycle race, with more than 35 000 cyclists who lined up for the 2015 race.

Thus far, the City has invested approximately R2 million in infrastructure upgrades for informal trading, with 18 informal trading plans in process.

Supporting and enabling investment

As part of its strategy to create an enabling environment for economic growth, the City has taken steps to improve the legislative and micro-economic environment required to encourage investment. To this end, the City is participating in initiatives such as the National Treasury-sponsored programme 'Reducing the Cost of Business', which is aimed at creating a business environment conducive to investment and growth.

Proactively promoting biodiversity

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

At the end of the 2014/15 financial year, the City's land bank stood at over 441 ha. The land bank is being utilised to meet the environmental authorisation condition of mitigating for the loss of 68 ha of natural vegetation in the Atlantis green hub. Another three applications for environmental authorisation are under way in Atlantis, which will also benefit from the biodiversity land bank. These applications concern the potential loss of 27 ha of natural vegetation.

Cutting red tape

As part of its drive to cut red tape and modernise its built-environment regulatory regime (and transition to a more policy-driven land use management system), the City embarked on a process to rationalise its many planning policies (numerous inherited from the previous disestablished municipalities) to simplify the planning decision-making environment. This resulted in the Council repealing over 270 obsolete and outdated City planning policies in July 2012. A second round in April 2015 resulted in the repeal of a further 76 obsolete planning policies, simplifying the decision-making system even further.

Programme 1.1(d): Small-business centre programme (Activa)

Stimulating entrepreneurship

In line with the Economic Growth Strategy, the Cape Town Activa (CTA) initiative – implemented by The Business Place eKapa – was completed, with the last phase being the www.capetownactiva.com portal, which closed on 31 May 2015.

During the past year, CTA was incorporated into the Economic Development Department's Small-

Business Support Service (a one-stop shop). The service promotes entrepreneurship and business-driven job placements by helping residents and businesspeople find the most appropriate support from a network of over 90 business development organisations (including financiers) and programmes in Cape Town. During the 2014/15 financial year, the service resolved or facilitated 535 business cases, including red-tape issues. The Small-Business Support Service maintains an ongoing close relationship with Province's Red Tape to Red Carpet programme, and assists with resolving City-related red-tape issues referred directly by them.

In September 2014, the City concluded a cooperation agreement with the Small Enterprise Development Agency (Seda). One of the ways in which the City supports Seda is through providing space for their satellite office in Khayelitsha, which serves more than 500 small businesses per month.

By partnering with the Supply Chain Management Department, a space has been created on the City's website to link vendors to support organisations that offer supplier development/contract finance programmes.

Proactive stakeholder engagement

In the financial year under review, 12 informal-economy micro-enterprise workshops were held, as well as one informal-economy micro-enterprise summit. These workshops and summit attracted approximately 900 delegates in total.

Six focused engagement sessions were also held with the Western Cape Informal Traders Coalition.

Other key initiatives that formed part of the entrepreneurial investment programme include:

- enabling ease of doing business in Cape Town;
- promoting a 'one-stop shop' approach in order to ensure that information is available to support businesses; and
- reducing the complexity and cost of doing business with the City.

Innovative solutions to boost informal trading

Informal trading represents approximately 12% of Cape Town's economy and employs about 18% of the city's economically active residents.

The City implemented phase 1 of its e-permitting system for informal traders, of whom more than 3 700 were registered. Phase 2 has commenced and will comprise online reservation, e-trading plan process automation, automatic trader soft revoking and geographic information systems (GIS) spatial integration. Phase 2 is due to be completed by the end of October 2015.



A City study determined that the informal economic sector contributes over R6 billion to Cape Town's economy.

Where possible, the City provides trading infrastructure such as hard-surfaced areas, fixed trading stands or roof structures, while ancillary services such as access to water and/or electricity supply are also provided in some instances. However, in many cases, the infrastructure provided by the City can be improved. Thus far, the City has invested approximately R2 million in infrastructure upgrades for informal trading, with 18 informal trading plans in process.

In early 2015, the City's Economic Development Department launched the Citymart challenge, inviting innovative solutions to enhance and strengthen this vital and fast-growing economic sector. For this competition, the City is partnering with Citymart, a global organisation focused on opening government processes as a key to civic innovation by engaging residents and matching community needs with the best available solutions.

Solutions can include infrastructure proposals, such as creating stands that are maintainable, cost-effective or easy to transport, as well as optimising site management and improving customers' experience. Once the submissions have been received, the City's adjudicators will choose viable solutions to help strengthen its approach to informal trading through knowledge-sharing, a pilot project or a demonstration of the impact of the winning solution in the city. This challenge may also eventually see the City partner with other cities on best practice.

Supporting the informal sector

The informal sector's role in, and contribution to, the Cape Town economy is often

undervalued and misunderstood due to a lack of available data. To address this, the Economic Development Department has undertaken a study on the informal economy in order to gain insight and knowledge and, thereby, aid decision-making and evidence-based policy development for the informal sector.

The study was completed at the end of June 2015 and is intended to inform the development of a policy on the informal economy. The study determined that the informal economic sector contributes over R6 billion to Cape Town's economy, infrastructure and programme proposals.

During the year under review, approximately 6 500 small businesses assisted by providing space for Seda satellite offices in Khayelitsha, thereby leveraging a City facility for economic growth. Further work is now being done to leverage four other City facilities to support business incubation.

In the 2014/15 financial year, the Economic Development Department also supported the following business events:

- The entrepreneurship expos by eKasi Entrepreneurs, Seda and Caban Investments during Global Entrepreneurship Week in November 2014, the U-Start event, and the 2015 South African small, medium and micro-sized enterprise (SMME) conference and awards
- Altogether 39 entrepreneurship events and business information/training sessions were supported or hosted, reaching an estimated 7 000 attendees.



The City is committed to fast and efficient development regulation of Cape Town's built environment as an enabler of economic growth.



The main focus of the City's green-economy framework is to move Cape Town forward towards an economy that results in improved human well-being and social equity, while significantly reducing environmental risks and ecological scarcities.

- Nine of the targeted 11 trading plans were completed. The balance will be finalised in the 2015/16 financial year.

Through the Atlantis Dreamworker employment placement pilot project, more than 1 220 residents were engaged and almost 220 placed in permanent and casual employment. The pilot project ended on 30 April 2015 with residents placed at companies such as Edgars, Gestamp, etc. The programme supported a total of nearly 2 700 residents in its two and a quarter years of operation, with over 84 300 days of work created for residents and an estimated R10,9 million earned in wages.

Programme 1.1(e): Planning and regulation programme

The City is committed to 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 opportunity city objective. This involves both modernising its regulatory frameworks, mechanisms and systems, as well as continuous, focused improvement of its operational performance in service delivery. During the period under review, the City achieved several milestones in this regard.

With a track record of an award-winning Cape Town Spatial Development Framework and successful implementation of a single zoning scheme (proven to be 26% more efficient than the host of previous schemes) as key parts of its rationalised, policy-driven land use management system, the City geared up to implement the new, reformed planning regime initiated by the Spatial Planning and Land Use Management Act (SPLUMA).

Recognised nationally as the leading local authority in this sector, the City was the first and only municipality to finalise, adopt and promulgate its Municipal Planning Bylaw during this period to give effect to the requirements and prepare for the implementation of SPLUMA on 1 July 2015. Regarded as a significant achievement, the new bylaw has now replaced the 30-year-old Land Use Planning Ordinance and various other old-era statutes that previously applied in the Cape Town jurisdictional area, thus consolidating the City's municipal planning regulatory function and role within its full control. The City's single zoning scheme was incorporated into the new bylaw³ and is now referred to as the Cape Town Development Management Scheme (DMS), thereby simplifying the system even further.

As part of preparing for the new Municipal Planning Bylaw to take effect on 1 July 2015, the City was also first to appoint its Municipal Planning Tribunal (consisting of technical decision-makers) as required in terms of SPLUMA, thereby ensuring a smooth transition to the new planning regulatory regime, with minimal disruption to the development industry. This tribunal will now start to decide certain categories of applications submitted as from the commencement of the new bylaw, whilst the City's current SPELUM portfolio committee will continue to finalise the last decisions on applications still submitted under the old regime before it is wound up.

The City's integrated development application management system, which replaced its previous, stand-alone application system in



³ For more information on the new bylaw and the Cape Town Development Management Scheme, visit <http://www.capetown.gov.za/en/Planningportal/Pages/Legislation.aspx>.

2014, has now been operational for a year, with building plan application turnaround times showing remarkable improvement. The new system includes automated back-office workflow and associated electronic document management functionality, as well as extensive reporting and monitoring capabilities, integration with other City systems such as the property value chain, GIS and online billing. Following two years of custom development, the first phase of this fully integrated SAP-based system was launched on 1 April 2014 and it is the first electronic application system of its kind in South Africa, allowing for the electronic submission, circulation and processing of building plans and land use applications. The next phase to be implemented during the 2015/16 financial year includes a full web submission capability to allow online submission and tracking of all development applications.

Bolstered by these service and technology platforms and systems, the 2014/15 financial year saw 91,30% (2013/14: 83,64%) of building plan applications submitted to the City finalised within agreed timeframes (against a target of 85%). The number of building plans submitted to Council further increased significantly in recent years from 24 586 in 2011/12 to 29 187 in 2014/15.

Programme 1.1(f): Development of a 'green' economy

The main focus of the City's green-economy framework is to move Cape Town forward towards an economy that results in improved human well-being and social equity, while significantly reducing environmental risks and ecological scarcities - in short, a low-carbon, resource-efficient and socially inclusive economy. This requires a significant transition. In working towards a greener economy, the City needs to play an enabling role and use its own budgets in a way that drives the green economy (through tools such as green procurement and environmental fiscal reform).

The City has implemented or supported a number of projects relating to the green economy, such as the piloting of composting bins, the landfill waste-to-energy Clean Development Mechanism approval, the industrial symbiosis programme, recycling separation, the solar water heater accreditation programme, energy-efficiency retrofits, various water demand management projects, the invasive species management programme and beach-cleaning, among others. These have however not been implemented under a strategic banner of the green economy. Therefore, a process is under way to redefine the City's vision of a green economy, to understand what projects have been implemented to date and what barriers exist to driving the green economy, and to identify priority areas that the City should focus on in order to drive the green economy forward.

Green Jobs Unit

In 2014/15, a Green Jobs Unit was established in the City's Environmental Resource Management Department. The objective of the Unit is to further facilitate job creation in the field of the green economy 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.

Projects undertaken to date include the management of alien invasive plants and animals, restoring and rehabilitating natural systems, river and wetland cleaning, clearing and rehabilitation, reducing soil erosion, rearing biocontrol insects, dune rehabilitation and a range of infrastructure projects. All projects are focused on improving the natural environment through labour-intensive methods. The work of the Unit currently provides for the annual employment of approximately 750 people, who operate on over 300 sites across the city.



The ultimate goal is for Cape Town to have a low-carbon, resource-efficient and socially inclusive economy.

In September 2014, the City of Cape Town was recognised as the leading metro in South Africa for its sustainability best practice through its approach to governance in general and its innovative projects.

The Unit partners with multiple City departments, the National Department of Environmental Affairs (DEA) through its natural resources management programmes (Working for Water, and Working for Wetlands), the South African National Biodiversity Institute (SANBI), Stellenbosch University's Centre for Invasion Biology, Rhodes University, the Cape Town Environmental Education Trust, BirdLife SA and various nature reserve friends groups and community organisations across the city.

Green procurement

The City is actively driving a green procurement programme, which entails using the City's budgets better to achieve value for money across the entire value chain (from demand management, to acquisition management, to logistics planning to disposal management), and is a key aspect of promoting the green economy.

Since the start of the programme in 2009, the City has implemented green procurement in a number of areas, including the following:

- Having included fuel efficiency as requirement in some City fleet tenders
- Retrofitting of traffic lights (100% completed) and streetlights (17% completed) with high-efficiency light bulbs
- Retrofitting of large City administration buildings with energy-efficient technology (26% completed)
- Incorporating green design into a number of low-cost housing developments to promote resource efficiency and quality of life for the occupants

- Replacing outdated City computer monitors with liquid-crystal display (LCD) and light-emitting diode (LED) monitors, leading to an estimated 84% saving of electricity used by computer monitors once the programme is completed. Additionally, the implementation of more efficient computer desktop power schemes has resulted in electricity savings of approximately 900 MWh with a monetary value of around R490 000 per year.
- Implementing electronic forms and Council agendas, along with the switch to mandatory double-sided printing, which has led to significant paper savings

City recognised as top metro in prestigious Eco-Logic awards

In September 2014, the City of Cape Town was recognised as the leading metro in South Africa for its sustainability best practice through its approach to governance in general and its innovative projects that are changing the lives of its residents in a sustainable manner. The Mayor's Portfolio of Urban Sustainability won the prestigious municipalities category of the national Eco-Logic awards. The City, in partnership with the Shark Spotters programme, also came out tops in the eco-innovation category. The Mayor's Portfolio of Urban Sustainability was named a World Design Capital 2014 project, as it demonstrates how the City is trying to change lives through design. These prestigious awards validate the City's commitment to make sustainability best practice part of its DNA.



Retrofitting of large City administration buildings with energy-efficient technology is 26% completed.



Cape Town is the largest coastal metro in South Africa, and its coastline is arguably its greatest socio-economic and environmental asset.

Supporting small-scale electricity generation

As part of its commitment to developing South Africa's green economy, the City has set itself a target of sourcing 10% of its electricity from renewable-energy resources by 2020. Under the small-scale embedded generation tariff set by the City since 2014, residents and businesses that generate their own electricity through alternative renewable-energy resources have the option of feeding a limited amount of surplus generation back into the grid, for which there will be an offset against their electricity accounts.

Consumers who wish to feed the small-scale electricity they generate into the municipal electricity grid are required to have a bidirectional advanced metering infrastructure (AMI) credit meter installed by the City at their own cost, and take their electricity supply at the appropriate small-scale embedded generation tariff.

The growth of the embedded generation industry in Cape Town (suppliers, manufacturers and installers) also has the benefit of creating jobs and retaining for the Cape Town economy money that would otherwise have left the region.

In addition, the small-scale embedded generation initiative enables the City to reduce its carbon footprint over time and further its commitment to building a caring city that uses and enables the generation of clean electricity.

Integrated Coastal Management Policy and Programme

Cape Town is the largest coastal metro in South Africa. Its coastline is arguably its greatest socio-economic and environmental asset, and it provides a critical support base to the residents of the city. However, in the face of

climate change, this extensive coastline is also a source of risk to the city, given the potential for a sea level rise and the subsequent increase in the intensity and frequency of storm events.

To address this, Council formally adopted the Integrated Coastal Management (ICM) Policy – a first for a South African municipality – on 25 September 2014. This was followed by the formal adoption of the Integrated Coastal Management Programme on 29 May 2015. Together, the ICM Policy and ICM Programme provide a clear management framework for the coastline, and define the various roles, responsibilities and management approaches as a means to enhance the socio-economic and environmental value of the City's coastal zone. The intention of the ICM Policy is therefore to:

- enhance the socio-economic and environmental potential of Cape Town's coastline and to sustainably mainstream the benefits of coastal resources in the local economy;
- promote strategic, informed and proactive decision-making in respect of Cape Town's coastline;
- ensure that such decision-making is integrated and supports a collaborative approach to coastal management across all line departments that have an impact on Cape Town's coastline; and
- entrench a range of management protocols.

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.

Its Open Data Policy means the City has made its data available to all, free of charge and in a useable format.

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

Becoming Africa's first digital city

The City of Cape Town generates a significant amount of data that may be useful to residents. In the information age, making public-sector data available for anyone to use as they wish also allows the City to tap into the creativity and innovative thinking of businesses and society, assisting it in building a better city. This is key to making progress possible, together.

In January 2015, after public participation and a number of engagements with international counterparts and Province, the City introduced its Open Data Policy.

The policy means that the City has made its data available to all, free of charge and in a usable format. This will enable innovation, as entrepreneurs will be empowered to use the data to create new applications. As an administration that believes in transparency, making the data available will also empower residents to hold the City accountable.

A total of 25 datasets were initially approved for inclusion on the open-data portal. These include:

- City budget data and the location and boundaries of all district parks, community parks, cemeteries and MyCiTi bus stations and routes;
- information about tenders that have been awarded;
- geographic information systems (GIS) viewers;
- data from ECAMP;
- service-level agreements; and
- statistical reports and underlying data.

The provision of additional datasets will take place incrementally. Over time, hundreds of datasets will be available.

The initiative dovetails with the City's Smart City strategy, which includes projects such as the extensive broadband digital inclusion strategy, various e-services offerings, FreeCall lines and the Smart Cape facilities available at public libraries throughout the city.

City joins global network for knowledge exchange

The City of Cape Town recognises that cities are the development agents of the 21st century, and is committed to being part of a global network of cities that exchange knowledge and ideas as well as promote economic movement and flows between urban centres. In another significant step towards realising this vision, the City of Cape Town entered into a partnership agreement with the City of Houston in Texas, United States.

Houston is a leader in energy efficiency. Therefore, this agreement, which is called the World Energy Cities Partnership, presents the City with an opportunity to explore a new energy mix, potentially between gas and renewables, to create a sustainable supply of energy for generations to come.

The partnership also serves the dual purpose of enabling both great cities to learn from each other, while also presenting unique opportunities to showcase Cape Town to prospective visitors and investors in the United States.

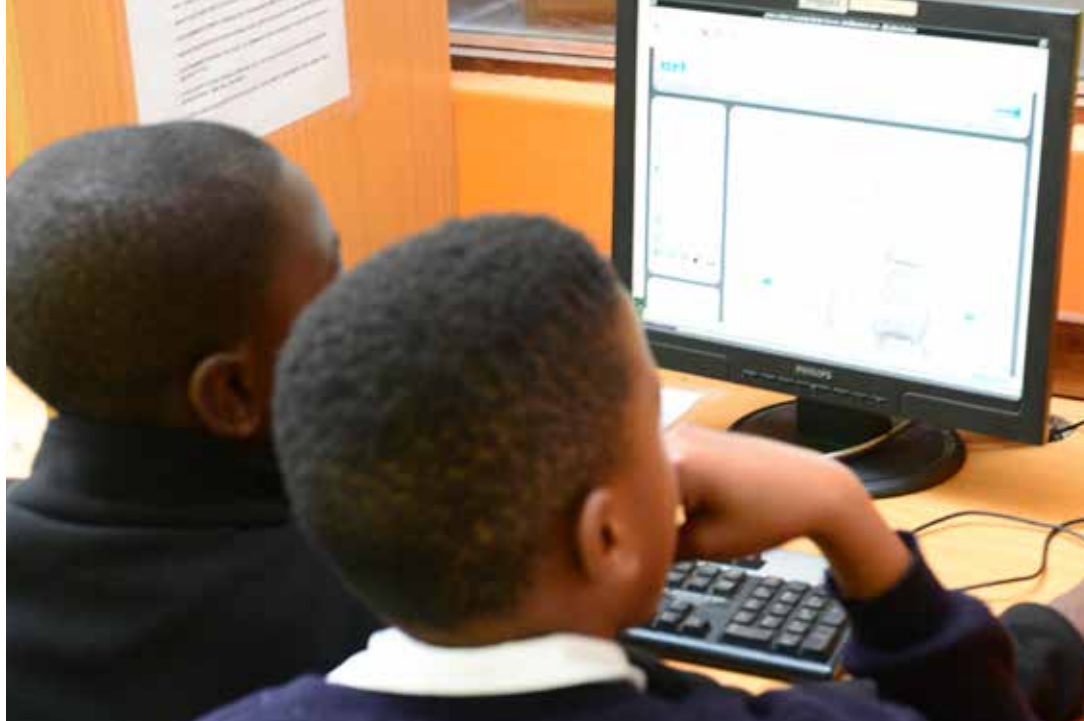
Programme 1.2(a): Fibre-optic network programme

Securing economic growth through technology investment

International experience shows that affordable bandwidth is one of the main factors supporting investment and economic growth in developing countries. Broadband connectivity is fundamental to creating an enabling environment for economic growth, development and inclusion. This is essential in today's environment, as cost-effective and high-speed internet access has become a cornerstone of entrepreneurship and economic development.



The City's broadband telecommunications network was extended, with over 780 km of cable installed by the end of the 2014/15 financial year.



The City is aligned with the vision to provide seamless information infrastructure that will underpin a dynamic and connected information society.

The City is fully aligned with South Africa's vision, as outlined in the National Development Plan, to provide seamless information infrastructure that will underpin a dynamic and connected information society as well as a knowledge economy that is more inclusive, equitable and prosperous.

As part of its commitment to building such an opportunity city, the City of Cape Town has set aside R222 million over the next three years towards the R1,3 billion required for the proposed roll-out of broadband infrastructure throughout the metro. This is in addition to the R51 million allocated and spent in the past financial year.

The City's initial focus in rolling out this network has been to both reduce telecommunication costs and improve high-speed converged services such as data, voice and video to municipal facilities.

City's broadband network roll-out

During the year under review, the City's broadband telecommunications network was extended, with over 780 km of fibre-optic cable installed by the end of the 2014/15 financial year.

The high capacity of the network has allowed high-bandwidth services to be introduced, including the distributed use of highly sophisticated City enterprise resource management systems and video-conferencing capabilities.

In the year under review, the City saved over R60 million in telecommunication costs as a direct result of the broadband programme. These savings are being reinvested to fund the further expansion of the network. The next phase of the project will see the fibre-optic infrastructure extended throughout the

Cape Town metropolitan area, connecting more than 400 public buildings, including clinics, libraries and administrative centres.

The network also enhances the City's working partnership with Province, with 54 provincial buildings now connected to the City's network.

Table 2: The City of Cape Town's broadband roll-out

Numbers	Achievements/milestones
R1,3 billion	The estimated cost of the City's multi-year infrastructure investment programme to establish a broadband network across the city
Delivery to date	
R544 million	Capital spent on broadband infrastructure to date
R236 million	The capital budget allocation for the 2015/16 financial year for broadband infrastructure
613 km	The length of the fibre route
789 km	The length of fibre-optic cable that has been installed in the City's own duct network
43 541 km	The total length of core fibres
Specifications and usage	
10 GBps	Speed of the core network
1 GBps	Speed of the fibre connection to each City and Province building
26 233	The number of computers connected to the corporate network
19	The number of MyCiTi stations connected using City fibre-optics for communications
106	The number of closed-circuit television cameras being migrated to the City network



Repairs and maintenance to roads and utilities infrastructure sets Cape Town apart from other municipalities.

The City's fibre-optic network is now robust and extensive enough to be leveraged by the private sector. Previously, digital access has often been out of reach for a number of communities.

Harnessing spare broadband capacity

Beyond the key internal government objective of the broadband programme, namely to provide fibre-optic infrastructure to areas that are not commercially viable for the private sector, spare capacity rendered by the broadband network is being made available to third-party licensed network operators. This enables businesses to utilise high-speed telecommunications infrastructure for access to converged services and internet connectivity.

In terms of these commercial interests, the City is negotiating with a range of internet service providers with a view to enabling smaller operators to enter the market, thereby generating competition in the internet service provider sector and stimulating economic growth in the Western Cape private sector.

In addition to being highly beneficial to those areas that are currently not well served with broadband connectivity, this infrastructure investment will also bring public Wi-Fi access to City facilities.

Free Wi-Fi makes the digital highway accessible to all

The City of Cape Town is committed to providing digital access to communities. In October 2014, the City engaged with three commercial service providers through a supply chain management process to bridge the digital divide for communities throughout the metro.

Altogether 61 public hotspots were constructed to make internet access available in municipal buildings where members of the public congregate and queue for municipal services. In addition, 69 Wi-Fi access points were constructed in the Khayelitsha and Mitchells Plain areas, which meant that by June 2015, the number of City Wi-Fi access points across the metro stood at 178.

This forms part of the City's broader commitment to building an opportunity city where progress is made possible for all residents and businesses.

Programme 1.2(b): Maintenance of infrastructure

One of the key areas of expenditure that differentiates the City of Cape Town from other South African municipalities is that this metro prioritises repairs and maintenance.

This makes a visible difference in Cape Town, primarily in terms of roads and utilities infrastructure. In this regard, the City spent a record R3 billion on repairs and maintenance in the 2014/15 financial year (2013/14: R2,91 billion).

Water and sanitation infrastructure asset management

Investment continues to be channelled towards addressing and overcoming maintenance needs, such as the replacement of aging pipelines and the upgrade of treatment and pump plants. The City is committed to developing, implementing and maintaining tools and business processes that promote a smooth, seamless and responsive experience for the consumer.



Digital access to communities forms part of the City's broader commitment to building an opportunity city.



Altogether 99,6% of Cape Town's water is derived from six dams.

ABOUT THIS REPORT

OVERVIEW OF THE
CITY OF CAPE TOWN

GOVERNANCE, COMPLIANCE
AND RISK MANAGEMENT

2014/15
PERFORMANCE REVIEW

FINANCIAL PERFORMANCE AND
ECONOMIC SUSTAINABILITY

ANNUAL FINANCIAL
STATEMENTS

APPENDICES



Programme 1.2(c): Investment in infrastructure

The City prioritises the allocation of resources to a strategic infrastructure asset management plan and asset register for all municipal infrastructure, both above and below ground. To this end, a comprehensive public infrastructure plan is being developed, which will set out a consistent, long-term development path by using public infrastructure investment and partnerships as platforms and catalysts to enable economic growth.



Infrastructure investment for sustainable development

Infrastructure investment remains an important emphasis for the City. This includes determining investment and growth trends to ensure that adequate infrastructure is provided in areas of high growth. The City continues to act as catalyst by investing in suitable economic and social infrastructure to support and further stimulate economic development.



The City is developing a life-cycle management system for infrastructure assets. The infrastructure asset management programme (IAMP) is a corporate project that is aligned with the National Department of Cooperative Governance and National Treasury's requirements to establish, implement and use a comprehensive infrastructure plan.

Electricity infrastructure upgrades

The City of Cape Town works to ensure that its electricity infrastructure is as reliable as possible, while also implementing measures to keep up with growth. As such, five capital projects aiming to improve distribution capacity and reliability commenced during the 2014/15 financial year, and should be completed in the 2015/16 financial year.



One of the biggest capital outlays was for the Platteklouf-N1 reinforcement project, which involves the construction of the new Richmond Estate main substation. This upgrade, which is a multi-year project, is projected to cost R137 million and will provide additional reinforcement to the City's network. It will also serve as a catalytic project for the City's Voortrekker Road development zone.



The undergrounding of a portion of the Athlone-Philippi 132 kV overhead line was implemented to enable further housing development to take place in the Joe Slovo housing development in Langa. Through this multi-year project, more land could be made available for the construction of housing units.

Other projects that are set to benefit from significant additional investment are the Cape Town central business district (gas cable replacement), a significant portion of the City's

eastern area, including Bellville (Oakdale project) and Durbanville (Eversdal-Durbanville overhead line upgrade) as well as areas in central Cape Town (Epping Industrial area and Mowbray), where upgrades are under way at existing substations to replace aging infrastructure.

In addition to the projects outlined above, the ongoing replacement of aging 11 kV circuit breakers is progressing well. This replacement of obsolete equipment will improve reliability of supply, but is likely to take several years to complete.

Bulk water infrastructure investment

The growth areas identified by the City require capital investment in infrastructure, while densification, as a future spatial strategy, is provided for in the design of long-term capacity upgrades. 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. The timing of the development of the required bulk water infrastructure depends on the growth in water demand and the effectiveness of the water demand management (WDM) strategy.

Wastewater infrastructure investment

There are 27 wastewater treatment facilities in Cape Town. The recent issuance of new licensing requirements by the Department of Water Affairs and Sanitation (DWS) means that a number of these will require upgrades. 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.

Some of the recent changes to the DWS wastewater quality requirements will be challenging to meet, and the City has approached the Department in this regard. For the 2014/15 financial year, the majority of wastewater projects were aimed at increasing treatment capacity, improving processes and raising levels of effluent quality.

Reticulation infrastructure investment

The City undertook an accelerated programme to improve the replacement of water distribution network mains, with a particular focus on areas with a higher incidence of pipe bursts. In the 2014/15 financial year, 48 622 m of water reticulation mains were replaced (2013/14: 55 418 m). This brings the total mains replaced since 2011/12 to 263 307 m.

Targeted investment for infrastructure development

In its MFMA circulars (number 55 and 66), National Treasury has indicated that at least 40% of the total capital budget should be earmarked for the renewal of existing infrastructure, as opposed to building new infrastructure.

The City's 2014/15 capital expenditure budget is focused extensively on infrastructure development such as utility initiatives and the legacy challenge of full-cost recovery.

Solid waste infrastructure asset management

The rehabilitation of the City's disused, full landfills and dumps continued in 2014/15, as required by the MFMA and operating permit conditions. Rehabilitation of the Swartklip landfill is now complete, and work has commenced on the rehabilitation of the former Kraaifontein landfill.

The City also continued to focus on replacing aging 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 - all within the replacement policy and according to plan.

Tagging of refuse bins set to save City millions

In the year under review, the City undertook a project to fit all 240 l wheelie bins with identification tags to ensure more efficient service provision and revenue accuracy. The tags will allow the City to monitor each bin serviced, and to identify bins that are lost, stolen or illegally serviced without being City property. The City services in excess of 800 000 wheelie bins each week, and this service is provided by means of personnel, trucks and wheelie bins at a cost of almost R1 billion per annum. In rendering the service, virtually every public street in the entire municipal area is traversed each week.

The tagging of bins will allow the service of each individual bin to be monitored. This will provide the means to improve operational efficiencies and effectiveness in managing labour, vehicles and services, as the date, time and location of each bin lifted will be recorded. As such, this innovative project also forms part of the City's commitment to creating a well-run city.

Committed to waste minimisation

Continued waste minimisation interventions are required to meet agreed national and City targets. This requires the development of both financial and non-financial strategic partnerships with business, industry and other sectors of society to commission large-scale waste minimisation initiatives.

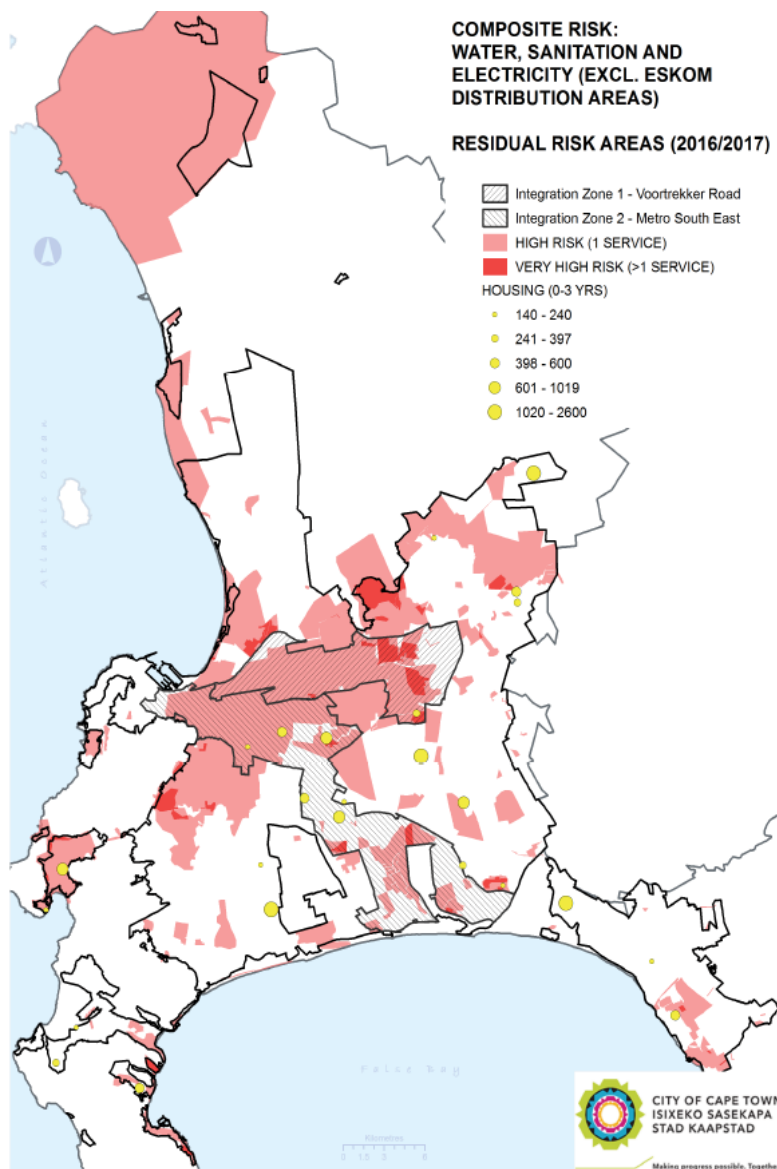


Figure 3: Major infrastructure risks within development areas



There is limited airspace available at the City's three operating landfills.

Diverting waste from landfills increases the lifespan of the City's remaining landfill sites, which are filling up fast.



The City's ultra-modern, award-winning Kraaifontein waste management facility is the first integrated recycling facility in South Africa, which sorts 100 tons of dry recyclables a day.

The City's ultra-modern, award-winning Kraaifontein waste management facility is the first integrated recycling facility in South Africa, which sorts 100 tons of dry recyclables a day. The facility includes a transfer station, where waste is compacted into closed containers for transfer to landfill; a public drop-off site; a materials recovery facility to sort dry waste, and an area for chipping green waste. A pilot waste-to-oil plant, supported by the Japanese Investment Agency, will be installed on the site once the environmental impact assessment has been completed.

Through collaborations with the public and private sector, the aim of the facility is to divert as much waste as possible from landfill sites and to make recycling economically viable. The benefits of these collaborations are evident in the facility's success, and have been underpinned by the creation of a shared sense of responsibility towards our environment and an understanding of the role that everyone can play in shaping a greener future.

The reduction of the waste stream through at-source separation (dry recyclables separated at homes and collected separately from general waste) and the sorting of recyclables into the various value components at the materials recovery facility has resulted in substantial cost savings on transporting waste to landfill sites. Diverting waste from landfills also increases the lifespan of the City's remaining landfill sites,

which are filling up fast.

Addressing the challenge of landfill airspace

There is limited airspace available at the City's three operating landfills. The City has managed to extend the closure of the Bellville landfill until 2018. A basic assessment process has also been initiated to obtain authority to increase the capacity of the Vissershok landfill. The Vissershok height extension is currently at the specialist-study stage of the environmental impact assessment (EIA) process.

The process of identifying a new regional landfill site continues. Following an extensive technical process that commenced in 2000, a subsequent scoping and a supplementary EIA process on two shortlisted sites, a record of decision was issued during 2013 in favour of a site near Kalbaskraal. An appeal has however been received, which needs to be resolved before work commences. Assuming the completion of the appeals process, the regional landfill should be able to receive waste by the end of 2018.

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. This will assist in offsetting the City's carbon footprint and meeting international emissions targets.

The programme of activities, which meets the requirements of the United Nations Framework Convention for Climate Change, will serve as the umbrella instrument for registering landfill gas projects in Cape Town, but other municipalities and private landfill owners in South Africa can also register future projects under the programme of activities should they wish to do so.

The landfill gas extraction tender was advertised, and work will start in the new financial year to give effect to the climate change reduction commitments and to generate carbon revenue. In addition, a tender for the sale of landfill gas at the Bellville South landfill for industrial heating purposes was also awarded. This contract will take effect once the construction of infrastructure has been completed.



The City has invested in new vehicles and equipment to meet the growing management demand of Cape Town's growing population.

The City's Electricity Services Department was awarded International Organisation for Standardisation (ISO) 55 000 accreditation for asset management good practice.

Creating opportunities through consistent service delivery

ELECTRICITY SERVICES

The City of Cape Town is the electricity service authority for the entire Cape metropolitan region. Its service providers are the City of Cape Town's own Electricity Services Department, Eskom and AECL.

CAPE TOWN'S ELECTRICITY INFRASTRUCTURE AT A GLANCE

High-voltage cables (km)	832,5
High-voltage overhead lines (km)	174,5
Medium-voltage cables (km)	7 244,4
Medium-voltage overhead lines (km)	345,1
Low-voltage cables (km)	22 206,9
Low-voltage overhead lines (km)	2 871,2
Major substations	83
Protected substations	985
Unprotected substations	1 647
Mini substations	6 737
Pole-mounted transformers	536
Gas-fired generators	2
Electricity meters	635 648
Employees	2 458
Vehicles	900
Budget	R10 billion+

Access to electricity services is achieved through the demand-driven capital programme funded through developers' contributions for non-subsidised housing. Subsidised housing is funded through the electrification plan via the Urban Settlements Development Grant (USDG).

International certification for Electricity Services asset management

As part of being a well-run city, the City's Electricity Services Department ensures effective asset management and maintenance of its infrastructure by making it a key priority of every year's budget, allocating millions of rands in this regard annually.

In 2015, the City's Electricity Services Department was awarded International Organisation for Standardisation (ISO) 55 000 accreditation for asset management good practice. The Department is the first entity in South Africa to have been awarded this recognition, and the second in Africa.

The ISO 55 000 standard has been widely adopted around the world as a tool for integrating and improving business practices, raising performance, and assuring greater consistency and transparency. This internationally recognised set of standards acts as a valuable guideline for implementing coordinated and optimised planning, asset selection, acquisition/development, utilisation, maintenance, and ultimate disposal or renewal of assets and asset systems. It has resulted in significant cost savings and service improvement.

Key medium-term and long-term strategic objectives

- Financial sustainability
- Continuity of supply to meet customers' needs
- Addressing increased theft and vandalism
- Addressing tariff increases by key suppliers
- Infrastructure development to meet city growth
- Continued refurbishment and replacement of existing assets
- Customer service to remain a top priority

Key projects and initiatives in 2014/15

- 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

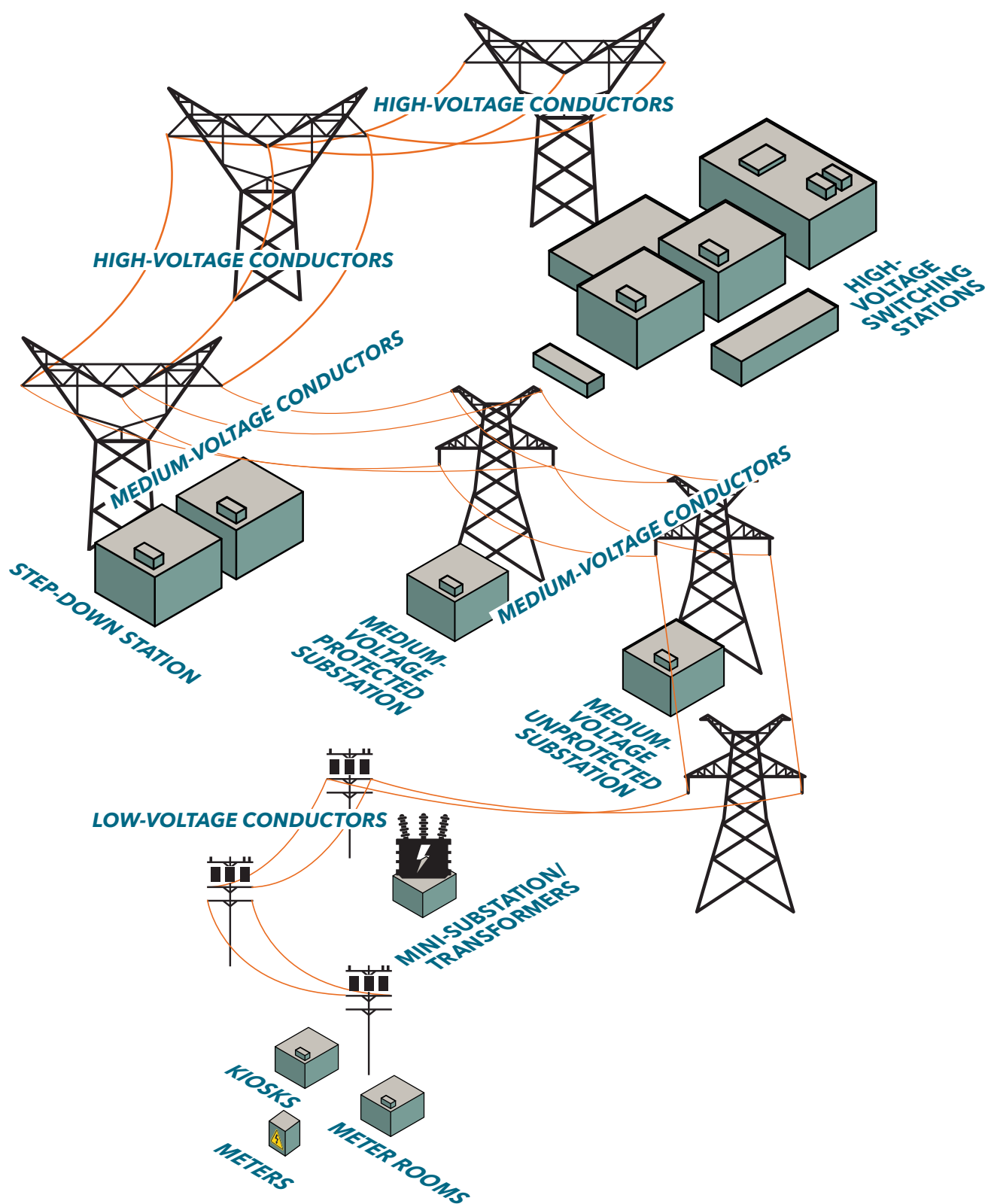


Figure 4: City of Cape Town electricity infrastructure hierarchy

The City's wastewater infrastructure consists of 27 wastewater treatment facilities, a 9 080 km sewerage reticulation network and 377 sewerage pump stations.

WATER AND SANITATION SERVICES

Altogether 99,6% of Cape Town's water supply is derived from six dams, namely Voëlvlei, Theewaterskloof and Berg River (owned and operated by DWS), and Wemmershoek and Steenbras Lower and Upper (owned and operated by the City). The total capacity of these six dams is 898 300 million kilolitres. Some other minor dams owned and operated by the City make up the outstanding 0,4% of the total system capacity.

The City's water and sanitation infrastructure also includes 12 water treatment works and a water supply reticulation network of 10 468 km. The City also has 82 water pump stations and 120 water reservoirs. The wastewater infrastructure consists of 27 wastewater treatment facilities, a 9 080 km sewerage reticulation network and 377 sewerage pump stations.

Highlights in 2014/15

- A total of 48 622 m of water reticulation mains have been replaced, bringing the total replaced since 2011/12 to 263 307 m.
- A total of 25 046 m of sewerage reticulation mains have been replaced, bringing the total replaced since 2011/12 to 112 516 m.
- Water and Sanitation Services received an excellence award from the SA Society of Trenchless Technology. This was in recognition of exceptional and excellent contributions to the active promotion, development and implementation of trenchless technology in Southern Africa for the rehabilitation of the Langa interceptor sewer using glass-reinforced plastic segmental lining technology.
- Various significant financial process improvements were achieved, including movable asset verification of 97,77% and a significant increase in the income collection ratio.
- A significant improvement has been achieved since 2013/14 in the number of water management devices installed (32 111 in 2014/15).
- A new and improved website was created and populated with useful information to assist residents, learners, students, educators and visitors.
- The Department created 5 905 EPWP opportunities against the target of 5 100.
- ISO 9001:2008 certification was awarded to the Department's Reticulation Branch, the Water Demand Management and Strategy Branch, as well as the Finance and Commercial Branch (Administration). The Support Services Branch complied with all the requirements and will receive full certification later in 2015.



During the year under review, a total of 25 046 m of sewerage reticulation mains have been replaced.

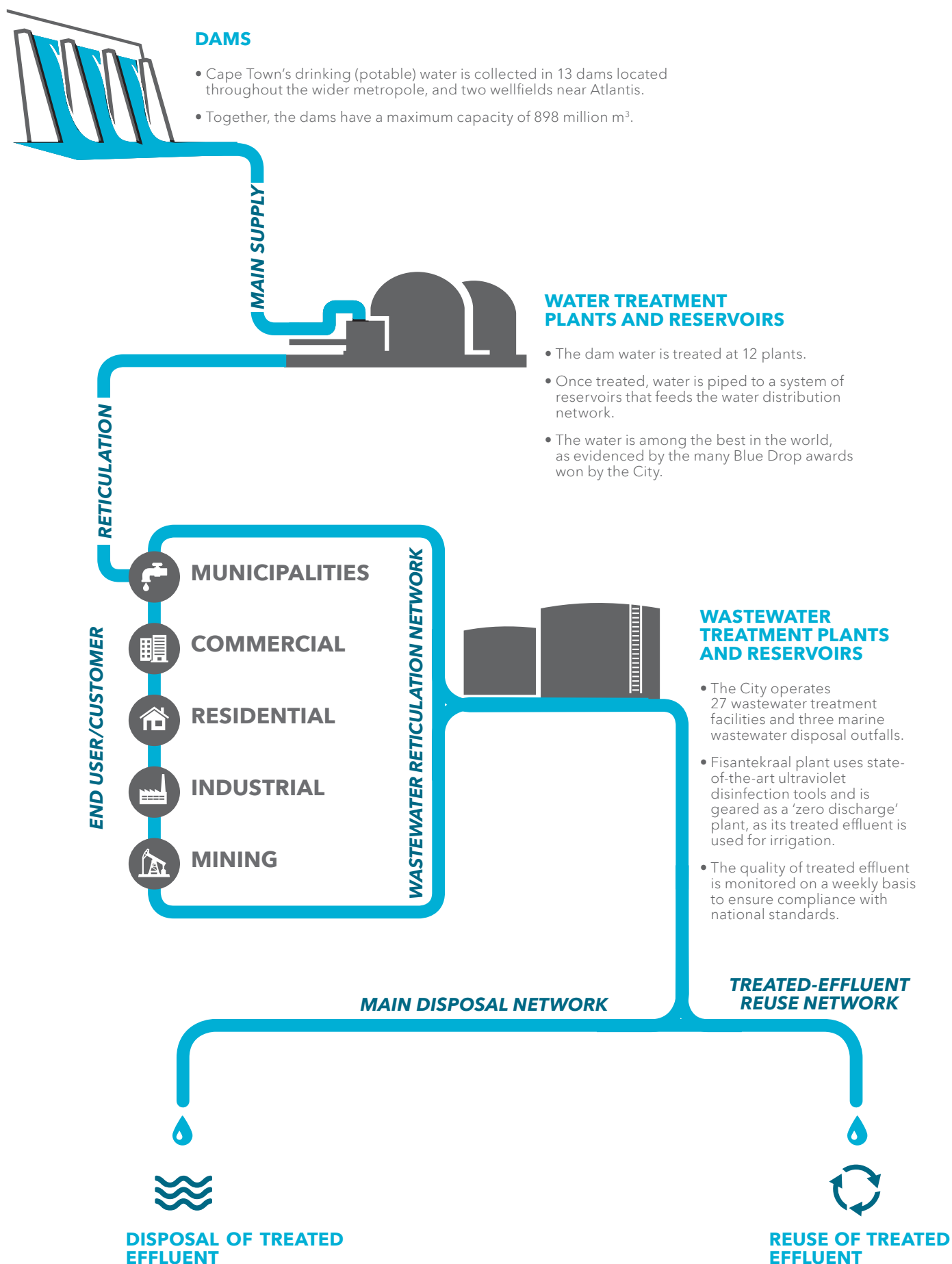


Figure 5: Cape Town's water and wastewater infrastructure

As the City of Cape Town strives to ensure service delivery to its most vulnerable residents, the Water and Sanitation Department plans to spend R503,7 million directly on services to informal settlements in the 2015/16 financial year.

Key projects and initiatives in 2014/15

- Rolling out the use of smoke technology to detect illegal stormwater/sewer cross-connections. Total savings from this roll-out are expected to exceed R35 million.
- The annual water service quality survey was conducted from September to November 2014, forming part of the Department's customer service charter to ensure top-quality service and products.
- The large-scale roll-out of waterless urinals in City-owned facilities to replace approximately 5 000 automatic flushing urinals can save up to 20 million litres of water per year.
- A new closed-circuit television (CCTV) pipe inspection technology – the robotic crawler – was introduced to help monitor the City's water and sanitation infrastructure.
- The De Grendel reservoir was completed. The project, valued at approximately R42 million, will provide 48 hours' potable-water storage capacity to existing and future developments in Burgundy, Welbeloond and Annandale Ridge (also known as the N7 development corridor).
- A new sewer line to increase capacity in the northern area is being constructed as part of a multi-year project from Thornton to Langa pump station via Epping Industria, at a total cost of R150 million.
- An updated integrated master plan for the water and sanitation infrastructure was produced. This included all planned future infrastructure investments.
- An in-house, specialised information, hydraulic engineering and planning team has been established. The team is mandated to keep the models and plans updated, and to use them to ensure good service delivery.
- The Dunoon sewerage pump station and rising main has been completed and successfully commissioned.
- The new water meter-reading handheld system was implemented.
- The Department developed and implemented an e-portal application enabling customers to capture their own meter readings. This forms part of a meter-reading campaign initiated to request customers to SMS their reading or provide it via the e-portal.
- A mobility solution for implementing debt actions was developed.
- The meter replacement programme continued.
- A citywide project was undertaken to replace cast-iron manhole covers with plastic and ductile-iron covers, potentially saving Cape Town ratepayers millions of rands.



The new closed-circuit television pipe inspection technology – the robotic crawler – was introduced to help monitor the City's water and sanitation infrastructure.

Driving sustainable water security

The construction of the new 25 million litre De Grendel reservoir was completed in October 2014.

The reservoir, built at a cost of approximately R42 million, is located just west of Durbanville Hills Winery and provides 48 hours' potable-water storage capacity to existing and future developments in Burgundy, Welbeloond and Annandale Ridge (also known as the N7 development corridor). Between 2006 and 2011, more than 200 000 people moved to the Western Cape, with a significant portion of these residents settling in the greater Cape Town area. Therefore, the City has to plan ahead to ensure water security, and the De Grendel reservoir is an important water security component of these plans.

Further projects of a similar nature include the 35 million litre Spes Bona reservoir outside Durbanville, which will eventually provide water to an estimated 18 000 subsidised housing units and is a requirement for the Garden Cities Greenville development at Fisantekraal, the future Bella Riva development and other, future housing projects along the Darwin development corridor.

Harnessing technology to deliver sustainable services

The City recently completed the upgrade of the historic Langa interceptor sewer. This sewer line runs below a traditional initiation site. In order to accommodate the needs of initiates, the City made use of less disruptive technology to rehabilitate the pipeline.

The R9,1 million upgrade has already made a noticeable difference to operations in the area by reducing maintenance time and costs. The infrastructure serves approximately 65 000 residents and had experienced severe siltation since the mid-1980s, which required regular, intensive mechanical cleaning.

Key medium-term and long-term objectives

- To sustainably provide basic water and sanitation services to all residents in the city
- To implement and maintain ISO 9001 for all water and sanitation services within budgetary constraints
- To improve security of supply to a peak week demand target of 90% of potable-water production capacity
- To reduce non-revenue water to 19% in the next five years
- To increase effluent reused to 5% of potable water used
- To improve revenue collection to 89%

Ensuring water quality

The City consistently excels in the DWS's Blue Drop awards programme. As in June 2015, the City's most recent score was an impressive 98,14%. This was the highest score in the Western Cape and the sixth-highest score in South Africa. The City also received a platinum Blue Drop award for its consistent excellent performance for four years, and remains in the top-performing group of water service authorities in South Africa.

According to DWS's latest Green Drop report (for 2013), the average Green Drop score, which measures the quality of the City's wastewater treatment works (WWTWs), was 89,7%. This represents a steady improvement on the 2011 score of 86,8% and the 2009 score of 82%. Twelve of the WWTWs scored higher than 90%, including Cape Flats, Macassar, Kraaifontein, Scottsdene, Zandvliet, Wildevoëlvlei and Parow, thereby qualifying for Green Drop status.

Investing directly in informal settlements

As a caring city that ensures service delivery to its most vulnerable residents, the Water and Sanitation Department plans to spend R503,7 million directly on services to informal settlements in the 2015/16 financial year.

The money has mainly been earmarked for:

- increasing the toilet and tap provisions;
- maintenance of sanitation and water facilities;
- cleaning and emptying of alternative sanitation;
- the janitorial programme;
- free provision of water to informal settlements; and
- removal of wastewater for full-flush toilets.

Importantly, the R503,7 million is targeted solely at primary costs to informal settlements, and not secondary costs. Thus, it does not include support services charges and enhancements, repairs, or new bulk infrastructure to service informal settlements. Such investments will be in addition to the primary-cost budget of more than R500 million.

The proposed budget is another display of the City's ongoing commitment to its residents in informal settlements, and builds on the significant investment made in this regard in the year under review. In the 2014/15 year, the City budgeted R499 million for water and sanitation investment directly in informal settlements.

Thanks to a substantial increase in the budget for informal-settlement water and sanitation since 2006/7, the City had increased toilet provision from 14 591 to around 48 900 across Cape Town by the end of June 2015. In addition, more than 10 000 taps were provided by June 2015.



A highlight for 2014/15 was the implementation of an equitable refuse collection service for backyarders at housing rental units on City-owned land.

WASTE

National Environmental Management: Waste Act

The objectives of the National Environmental Management: Waste Act 59 of 2008 are to protect health, well-being and the environment by providing reasonable measures for minimising the consumption of natural resources; avoiding and minimising the generation of waste; reducing, reusing, recycling and recovering waste, and treating and safely disposing of waste as a last resort.

National Waste Management Strategy

Specific goals of the National Waste Management Strategy relevant to the City of Cape Town are as follows:

- Goal 1: Promote the minimisation, reuse, recycling and recovery of waste
- Goal 2: Ensure the effective and efficient delivery of waste services
- Goal 3: Grow the waste sector's contribution to the green economy

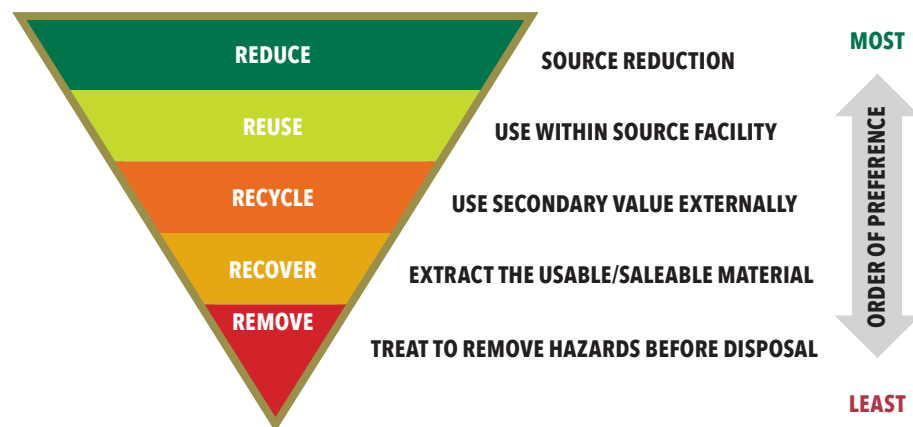
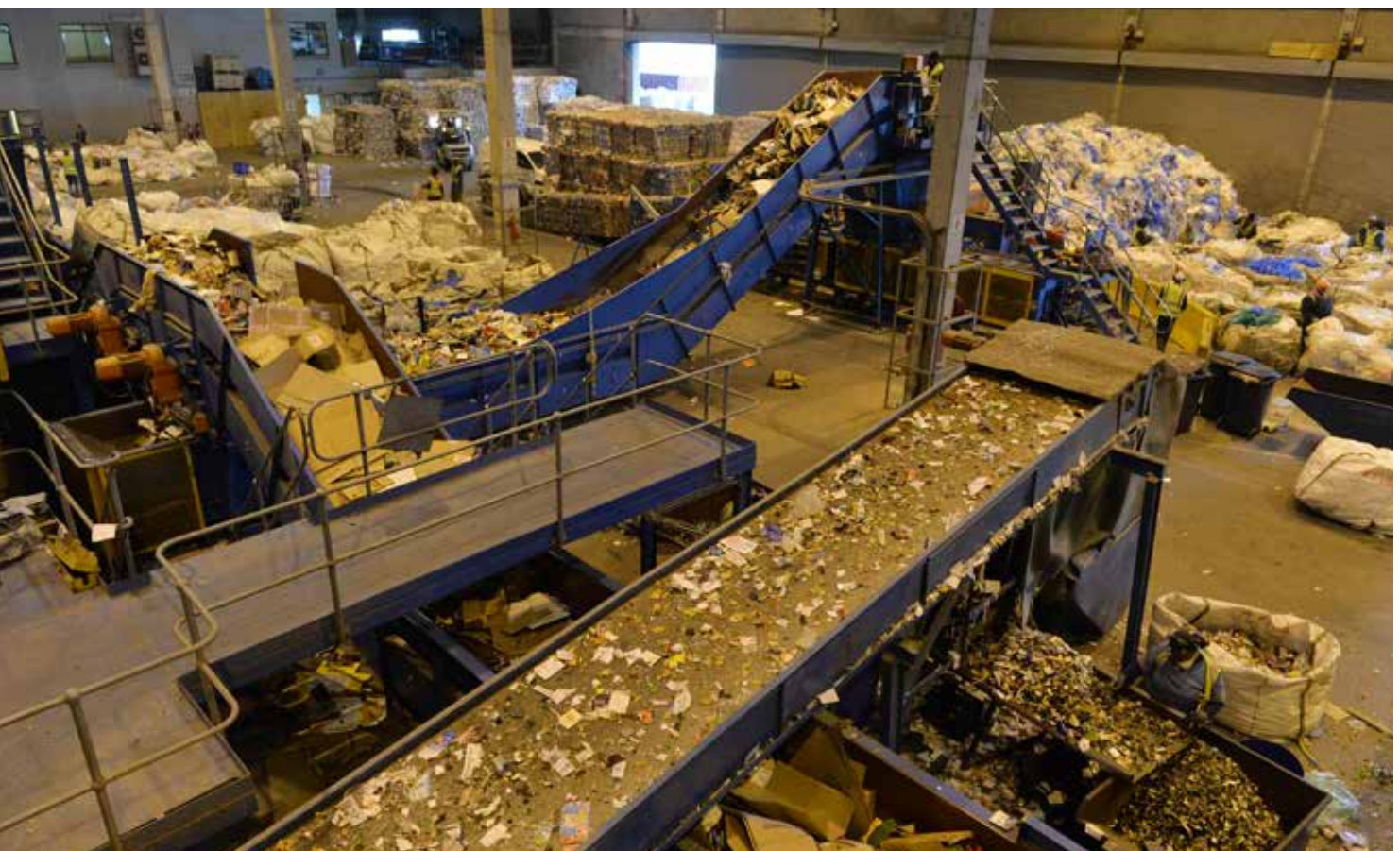


Figure 6: Waste management hierarchy of the City of Cape Town



The Kraaifontein waste management facility handles between 900 and 1 000 tons of solid waste per day.



Illegal dumping costs the City an estimated R350 million annually.

Highlights in 2014/15

- Appointment of transactional advisors and a panel of consultants regarding waste beneficiation and alternative-technology disposal facilities
- Commencement of landfill gas project in order to reduce greenhouse gas emissions to meet climate change objectives. The City is in the process of registering these landfill gas projects with the United Nations Framework Convention for Climate Change.
- Upgrading and replacement of aging fleet
- Continued rehabilitation of old landfill sites
- Implemented an equitable refuse collection service for backyarders at housing rental units on City-owned land
- Commenced with the infrastructure development of a 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
- The establishment of a contract office to ensure attention to detail of conditions of service for new tenders, the timeous, successful completion and adjudication of tenders, and the subsequent management of contracts
- Licensing of several drop-off facilities to comply with national EIA regulations

Key medium-term and long-term objectives

- Establishment of public-private partnerships regarding waste beneficiation and alternative-technology disposal facilities
- Licensing and development of regional landfill site
- Rehabilitation of historical landfill sites and obtaining closure licences for priority historical sites
- Development of new drop-off facilities closer to communities
- Full implementation of Council resolutions on the Municipal Systems Act section 78 investigation
- Improving access to basic waste management services (cleaning, collection and disposal) and minimising (reduce and divert) waste to landfill
- Improving public education and awareness programmes regarding waste management and minimisation (as part of the WasteWise project)
- Instituting the aggressive management, minimisation and reuse of demolition/construction rubble through the establishment of rubble-crushing plants
- Continuing with the realignment of depots and staff, and implementing flexible working hours to achieve improved service efficiencies, in order to provide an equitable and predictable service as well as to improve asset utilisation, access and use by the public
- Establishing an integrated infrastructure asset management programme for fixed and movable assets, plant, equipment, infrastructure and superstructure of the Department to optimise asset use and service delivery, focusing on the waste management fleet as a priority



The City is committed to collecting refuse and ensuring legal disposal at landfill in the most efficient and effective manner.

As a result of the City's commitment, the number of job opportunities created via the EPWP has increased significantly to 40 060 during 2014/15.

Programme 1.2(d): Expanded Public Works Programme (EPWP)

The City has committed itself to the outcomes of the EPWP, and seeks to go beyond these outcomes to give effect to its strategic focus areas of turning Cape Town into an opportunity and caring city. The City has confirmed its commitment to EPWP by:

- adopting job creation targets aiming to create 150 000 EPWP work opportunities over the implementation period;
- signing the EPWP protocol agreement with the National Department of Public Works;
- signing the annual integrated conditional grant agreement with Public Works; and
- developing the relevant policy and institutional frameworks for the implementation of EPWP in the City's line directorates.

A total of 40 060 EPWP job opportunities created during 2014/15

The City prioritises the establishment of an enabling economic environment in which to attract investment to Cape Town and ensure job creation. However, given the socio-economic realities of the country, a significant portion of the population still has difficulties accessing employment opportunities. The EPWP is a means of directly addressing this challenge by providing people with a range of job opportunities in various public-sector programmes and projects.

As a result of the City's commitment, the number of job opportunities created via the EPWP has increased significantly to 40 060 during 2014/15. In addition to creating work opportunities and helping to directly combat poverty, the success of the EPWP has resulted in a direct improvement in the roll-out of services to all citizens of Cape Town.



Cape Town has the country's first all-female roads repair team appointed through the Expanded Public Works Programme.

OPPORTUNITY CITY

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

The City is committed to conserving and managing Cape Town's unique biodiversity, while promoting natural areas as community spaces that perform a vital ecosystem service as well as a recreational and social function. The social benefits of the biodiversity network include job creation and skills development opportunities, benefitting particularly the surrounding communities. To this end, a number of key projects and initiatives have been undertaken or are being planned:

- *The proclamation of existing managed areas under the new National Environmental Management: Protected Areas Act. As of 2014/15, this process is well under way and is expected to be completed before the end of 2016.*
- *Meeting the Integrated Metropolitan Environmental Policy (IMEP) environmental agenda target of conserving 60% of the biodiversity network by 2014, by increasing conservation land through partnerships*

and stewardship programmes, as well as acquisition where financially feasible. This target was met in December 2014.

- *Meeting IMEP Environmental Agenda targets in respect of invasive alien species. Targets in respect of aquatic systems and early detection were met. The population of invasive alien house crows was reduced to less than 500 individuals, which is a significant achievement. The City's invasive species management programme is a significant employment creator, providing over 500 full-time-equivalent job opportunities annually.*
- *Continuing to roll out environmental education and outreach programmes to increase the public's ability to access nature reserves and to promote environmental education and awareness. In the year under review, just under 60 000 learners and adults attended environmental education programmes in the City's nature reserves.*
- *Ensuring continued management of the existing conserved areas so that the benefits to the community are enhanced. In the year under review, protected-area advisory committees were established for all of the City's nature reserves. These committees work to ensure local community involvement and participation in the management of nature reserves.*
- *Creating a viable ecological link between Dassenberg Hills and the coast as part of the Dassenberg Coastal Catchment Partnership.*



Just under 60 000 learners and adults attended environmental education programmes in the City's nature reserves.



False Bay Nature Reserve became the first reserve within the City of Cape Town's boundaries to be proclaimed an internationally recognised wetland.

Conserving biodiversity: Our natural capital

During the 2014/15 financial year, the City continued to implement BioNet (its fine-scale plan for the conservation of biodiversity). Notable initiatives during the period included the following:

- *Development facilitation through land-banking* - The Atlantis industrial incentive scheme includes a land-banking component. This means that key biodiversity properties outside the urban edge are proactively purchased and conserved to mitigate the loss of biodiversity remnants within the urban edge and industrial area of Atlantis, thereby facilitating new investment opportunities in the area. This scheme is supported by Province's Department of Environmental Affairs and Development Planning. This pragmatic approach has great potential, as it facilitates development while ensuring that priority land is added to the conservation estate, thereby securing biodiversity resources along with the vital ecosystem services they deliver.
- *The Dassenberg Coastal Catchment Partnership* - The Dassenberg Coastal Catchment Partnership (DCCP) is an ongoing initiative of the City, CapeNature, the Worldwide Fund for Nature (WWF), the Table Mountain Fund, the Wilderness Foundation, the Cape West Coast Biosphere, SANParks, Province's Department of Environmental Affairs and Development Planning, and the South African National Biodiversity Institute (SANBI). In the year under review, the City continued to be an important partner in developing this initiative, which aims to create a multi-use conservation area that will link CapeNature's Riverlands Nature Reserve with the coast, and protect critical ecological infrastructure.

The City was awarded the honour of "most valuable partner" at the CapeNature stewardship awards in September 2015. This award was given to the City due to the great work done over the last few years to protect the City's nature reserves under the Protected Areas Act, the acquisition of critical biodiversity land as an element of the Atlantis development facilitation scheme, and the efforts made in implementing the Dassenberg coastal catchment landscaping initiative.

A major success in the year under review was the transfer of more than 7 260 ha of state land (4 688 ha of which falls within the City's boundaries) to CapeNature for conservation purposes.

- *Metro Southeast Strandveld Conservation Implementation Plan (CIP)* - The Metro Southeast Strandveld CIP is a collaborative City-led project including external conservation partners such as CapeNature, Province's Department of Environmental Affairs and Development Planning, and SANBI. Owing to the urgent need for housing development land in the metro southeast, and the rapidly shrinking area of endemic and endangered natural vegetation in the area, this project was initiated to identify a key set of areas required to secure biodiversity resources and vital ecosystem services, and to set aside other, less critical BioNet land for development. The Strandveld CIP has been used to identify offsets for City housing projects (such as Busasa and Mfuleni). The operational budget needed to secure the proactive implementation of the CIP is still being sought.

City's Skilpadsvlei restoration project wins national wetlands award

In 2014, the Skilpadsvlei restoration project in Kommetjie won a national award in the category of wetland stewardship at the National Wetland Indaba 2014. This category applies to those who have made a significant contribution to securing the effective and sustainable management of wetland areas, either through the expansion of these areas, or agreements and collaboration with land users and owners to conserve wetland health, eco-services and biodiversity. This came after the City in 2012 initiated and funded a restoration project aimed at rehabilitating the historic wetland system along Benning Drive. This public open space system once represented the only breeding site for the endangered western leopard toad, *Amietophrynus pantherinus*, in the Kommetjie area.

Encouragingly, the receipt of this award for the project was preceded by official confirmation of the third successful emergence of western leopard toadlets for the 2014 breeding season. This is a significant contribution to the conservation of this species, as the restored wetland can once again be considered one of Cape Town's significant toad breeding locations.

False Bay Nature Reserve achieves Ramsar status

On 2 February 2015, World Wetlands Day, False Bay Nature Reserve became the first reserve within the City of Cape Town's boundaries to be proclaimed an internationally recognised wetland.

The Convention on Wetlands, otherwise known as the Ramsar Convention, is an intergovernmental treaty that provides the framework for national action and international cooperation for the conservation and wise utilisation of wetlands and their resources. The City received its Ramsar certificate as part of the celebration of World Wetlands Day led by the National Department of Environmental Affairs. This Ramsar site is the first truly urban site in South Africa, as it is surrounded by urban residential development, including a broad range of socio-economic groupings. It is a living example of the City's efforts to create a balanced approach to sustainable urban development.

The reserve is only the 22nd site in South Africa to achieve Ramsar status.

Encouraging energy efficiency

The City of Cape Town is a major energy user in its own right, managing numerous municipal buildings and operations such as vehicle fleets, large-scale water pumping, streetlighting and traffic lights. It has a key role to play in leading by example. For this reason, the City has made a commitment to improve the efficiency and management of energy consumed for Council operations, thereby improving resource efficiency, reducing its environmental impact and avoiding excessive electricity costs.

City's solar water heater accreditation programme gains momentum

The City's solar water heater accreditation programme is aimed at encouraging the installation of high-pressure residential solar water heaters across Cape Town. The City has set up an innovative accreditation and marketing programme as part of its electricity-savings campaign, through which it helps residents save electricity by endorsing accredited service providers, promoting solar water heater uptake through training, communication and educational campaigns, monitoring the performance of the selected service providers, and undertaking quality control. Since its launch in November 2013, the programme has contributed approximately R98 million to local economic development, has saved more than 13,9 GWh of electricity, and has created about 155 job years of employment.

Public lighting and traffic light retrofits

The City of Cape Town has been in a process of retrofitting its traffic and streetlights over the past few years. This programme is a collaborative effort between a number of City departments, and has been boosted by National Government funding for energy-efficiency and demand-side management assistance.

Since the start of the programme, all 1 500 traffic lights in Cape Town that still contained incandescent and halogen bulbs have been replaced with light-emitting diode (LED) bulbs. This has resulted in energy savings of approximately 37 300 MWh and carbon emissions savings of approximately 36 900 tons to date. Additionally, over 25 200 streetlights have been retrofitted with more efficient, high-pressure sodium lamps, resulting in energy savings of almost 26 000 MWh to date.

Programme for energy-efficiency retrofits in Council buildings

The City has been actively involved in energy efficiency within its own buildings, and is running a successful building energy-efficiency retrofit programme. To date, the City has completed the retrofitting of approximately 26% of its large buildings, and has installed smart electricity meters in more than half of its largest administrative facilities. It also runs a behaviour change programme to capacitate building managers and users to effectively manage electricity consumption within their buildings. The programme has resulted in energy savings of approximately 6 865 MWh and a carbon emission reduction of approximately 6 796 tons. Making administrative buildings more energy-efficient not only reduces costs, but also often improves the quality of the working environment.

A total of R162 million has been invested in these energy-efficiency demand-side management projects within municipal operations to date, which has realised a cumulative saving of approximately R102 million, 70 121 MWh of electricity, and 69 420 tons of carbon emissions.



The restoration of wetlands contributes to the successful re-emergence of western leopard toadlets.

Since 2003, the City has been collecting and analysing its energy data and needs, and has put in place strategies, programmes and projects to address these.

Energy2040: Towards a better energy future for Cape Town

The City of Cape Town is in a key position to steer change by examining Capetonians' energy use and carbon footprint both now and in the future. Since 2003, the City has been collecting and analysing its energy data and needs, and has put in place strategies, programmes and projects to address these. Based on this information, it has embarked on updating the State of Energy report and its Energy Futures model as the basis for developing the Cape Town Energy2040 vision. As part of this process and in response to the national electricity shortage, the City is collaborating with Province on an 'energy game changer' initiative.

Key focus areas for the immediate future are:

- energy efficiency;
- embedded generation;
- diversified large-scale energy supply; and
- minimising the impact of loadshedding.

New website helps make residents 'water-wise'

In April 2015, the City's Water and Sanitation Department launched a new and improved website populated with useful information to help and inform residents, learners, students, educators and visitors.

Through the use of interactive diagrams, video clips, posters and brochures, vital City water information is presented in a highly user-friendly way. The readily accessible and easily interpretable information makes for a significantly improved user experience.

Residents are now able to access a detailed explanation of water tariffs, how they are billed for water usage, and how to apply for a water management device or to be connected to the City's water system.

The website also offers lots of useful information for those interested in water and the way in which the City manages this scarce resource, such as:

- how to report faults;
- how to log account enquiries;
- how to prevent sewer blockages;
- how to apply for a plumber's licence with the City;
- tips on saving water;
- latest dam levels and historic levels dating back to 2011;
- educational material on the Cape Town water and sanitation system;
- details of important projects that the Department is working on;
- ongoing commitments to enhancing services to residents in informal settlements;
- consumer information for residents and businesses;
- bylaws and tariffs policies; and
- employment opportunities.

Apart from providing residents and businesses with relevant consumer information about tariffs and billing, visitors to the website can also access departmental contact details and the consumer service charter, which sets out the Department's service standards pledge to consumers as well as consumers' responsibilities.

Having a strong educational focus, the website is aimed at increasing awareness about water and sanitation issues as well as demystifying the activities of the Department. In essence, this allows residents and consumers to find out more about water and sanitation services beyond the tap or drain.

Boosting power network efficiency and reliability

The City's management of its electricity network received a boost at the beginning of 2015 with the initiation of a project to install a new software system that will not only ensure effective maintenance of infrastructure, but also enhance the customer service experience.

The upgrade includes the implementation of an outage management system that ensures reduced timeframes for repairs, better workflow management and improved outage communication. The system, which is provided by the international software supplier Ventyx, makes it possible for the City to restore power more quickly, safely and efficiently in the event of outages not caused by loadshedding.



A team of Council employees working on the City's water leaks repair programme to reduce water wastage.

Programme 1.3(b): Water conservation and water demand management strategy

Reducing water demand and wastage

A key priority for the City of Cape Town is the funding of water demand management strategies (WDMS) to enable planned programmes to be implemented to reduce the demand for, and wastage of, water across Cape Town. The main programmes and projects in this regard include:

- the water leaks repair programme;
- the pressure management programme;
- the roll-out of water management devices;
- the treated-effluent reuse programme;
- replacement of broken meters and relocation of other water meters;
- continued education and awareness; and
- the promotion of rainwater harvesting.

Some of the City's key water demand management (WDM) efforts in 2014/15 included the following:

- *Major and minor pressure management projects that sustainably reduced system water losses, pipe bursts and internal leaks, while having prolonged the reticulation lifespan.* This saved the City water and money. The annual saving achieved through these and other WDM projects implemented during the 2014/15 financial year is estimated at 10,5 million kℓ of water, which equates to a saving of around R36,63 million for the year.
- *The water education consumer perception assessment project*, which was undertaken by the Water Conservation Section as part of the Mayor's EPWP project to ensure the application of the most efficient education and awareness strategy to achieve maximum water savings.
- *Ongoing replacement of piping in water and sewerage networks*, which in 2014/15 occurred at an average cost of R1,2 million per kilometre of water piping and R2,2 million for sewer piping.

Water reuse

At present, about 70% of all the water used in Cape Town is channelled into the city's sewerage networks as wastewater. This wastewater is then treated and either reused (currently approximately 10% of total wastewater) or discharged into the environment as treated effluent (currently 90% of total wastewater).

Treated effluent is a valuable resource and needs to be integrated with the overall process of reconciling water supply and demand. The City currently discharges an average of approximately 20 151 Mℓ of treated effluent into the environment every month. This represents a significant opportunity for the City to meet growing water requirements through effective water treatment.



In reducing the demand for potable water, 13 of the City's wastewater treatment plants are able to extract and fully treat wastewater, which can then be supplied to various customers, including schools, parks, farms and golf courses, for irrigation purposes. The City has already expanded its treated-effluent capacity to an estimated 4 935 Mℓ/month. This non-potable water is supplied at a reduced cost. The City also utilises this treated water for street-cleaning and watering of the Company's Garden in the city centre. This has resulted in substantial potable-water savings for the City, as well as financial savings for consumers.

A detailed feasibility study is under way, which will deliver a comparative assessment of water reuse against other potential water resource development options.

Conserving the city's water

Despite having experienced population growth of more than 30% since the 2001 Census, the City of Cape Town has, through careful management, ingenuity and consumer education, managed to stabilise the demand on the Western Cape water supply system (WCWSS) during most of the period. Managing this vital resource is a shared responsibility. Through this partnership with residents and the implementation of the water conservation and water demand management strategy in 2007, the annual water demand is now growing at an average of 1,78% instead of the nearly 4% recorded in the period just prior to 2001.

The City measures its overall water losses in terms of pipelines and connection losses, meter inaccuracies and unauthorised water consumption. In the year under review, the City managed to keep its overall water loss down to 15,8%. This is less than all other metros in the country, which maintain a combined average water loss of between 27% and 30%.

Waste minimisation

The City is committed to achieving citywide waste minimisation. Steps in this regard include developing and running waste management facilities, incorporating materials recovery facilities, public drop-off sites, composting, and crushing facilities for builder's rubble. During the 2014/15 financial year, the City has continued its focus on waste streams with the largest impact on airspace, namely greens and organic waste, recyclables and builder's rubble.

REPORT ON THE ACHIEVEMENTS OF TRANSPORT FOR CAPE TOWN (TCT) IN THE 2014/15 FINANCIAL YEAR

Section 6(6)(a) of the Transport for Cape Town Constitution Bylaw stipulates that the commissioner of Transport for Cape Town shall publish a report on the performance of TCT during that financial year, for inclusion as a separate chapter in the Council's annual report. The year 2014/15 is the first complete year that this requirement can be applied to the City of Cape Town's annual report. One of the primary reasons for this is to report on the TCT financials as they relate to the Municipal Land Transport Fund (MLTF), as required in terms of section 27 of the National Land Transport Act of 2009.

The TCT MLTF has not been fully fleshed out as yet, due to the reasons elaborated on below:

- TCT has applied for the assignment of the contracting authority and municipal regulatory entity functions, as is required in the National Land Transport Act. The assignments have not yet been effected, which means that the Public Transport Network Operations Grant also still needs to be assigned to the MLTF.
- Although the Integrated Public Transport Network (IPTN) 2032 has been approved as a network plan, TCT has undertaken to unpack it further into an operations, implementation and business plan. These had not been completed by the end of the 2014/15 financial year.
- The MLTF will only become functional once the blueprint of the TCT intelligent information management system has been completed.
- The operating parameters of the MLTF will be completed in the 2015/16 financial year.

This report on the 2014/15 financial year covers the achievements of TCT in accordance with its Comprehensive Integrated Transport Plan (CITP) 2013-2018, as approved in December 2013, and its IPTN 2032, which was approved in June 2014. The Consolidated Metropolitan Transport Fund, the Public Transport Infrastructure Grant and the Public Transport Network Operations Grant will allow TCT to provide a more extensive report in the 2015/16 financial year, when the MLTF will have been further established.

TCT's mandate is derived from the TCT Constitution Bylaw, which in particular provides that TCT has nine functions. These functions give TCT the power to direct service delivery, set standards and attract investment. The functions are those of:

- planning authority;
- contracting authority;
- municipal regulatory entity;
- performance monitoring and evaluation;
- financial management;
- public transport law enforcement;
- liaison, communication and stakeholder management;
- infrastructure management; and
- network operations management.

The bylaw then sets out the scope of these functions, bringing together and consolidating all the transport functions and levers in a single structure, namely TCT. The functions are assigned at an operational, corporate, national and international level.



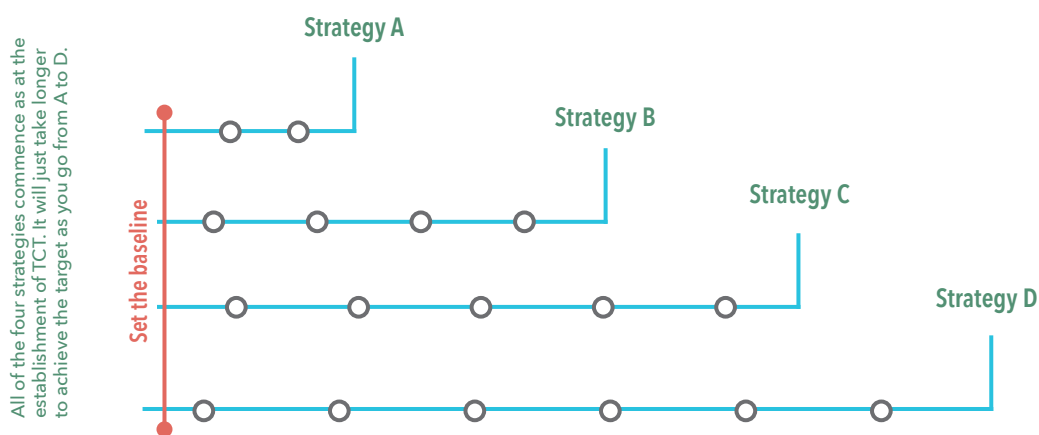


STRATEGIC OVERVIEW

The TCT Long-Term Strategy has now been aligned with the deliverables stated in the SDBIP, and the various action plans are being rolled out so as to ensure that there is a move towards performance-orientated service delivery and an investment focus.

The TCT Long-Term Strategy, along with its timelines, is illustrated below:

TCT Long-Term Strategy



Transport development index

The TCT Long-Term Strategy has a 15-year timeline starting from its inception, June 2013. This 15-year timeline has been broken down in 3, 5, 10 and 15-year intervals

Strategy A: 3-year timeline	Consolidation of the TCT transport authority model with the focus on performance-orientated service delivery
Strategy B: 5-year timeline	Consolidation of the TCT transport authority financial management strategy and investment logic under the MLTF
Strategy C: 10-year timeline	Roll-out of the integrated road and rail methodology with the focus on one brand, one ticket and one integrated timetable
Strategy D: 15-year timeline	Ensure that costs of the user access priority are halved for the benefit of the citizens of and visitors to Cape Town

Figure 7: TCT Long-Term Strategy

The City's stormwater infrastructure network requires large capital inputs to deal with historical inadequacies.

2014/15 TCT ACHIEVEMENTS

1. Infrastructure projects

In line with the City's IDP, the following major road and non-motorised transport (NMT) projects have been started or completed in 2014/15:

Table 3: TCT infrastructure projects

Project	Status
Main Road reconstruction – Muizenberg to Clovelly	Phase 3 commenced
Otto du Plessis, Melkbosstrand rehabilitation	Completed
Mew Way rehabilitation	Completed
Vanguard Drive (Mitchells Plain section) rehabilitation	Completed
M3 rehabilitation	Completed
Tienie Meyer Road resurfacing	Completed
Klipfontein Road & Jan Smuts Road resurfacing	Completed
Epping Avenue and Belhar Drive resurfacing	Completed
Weltevreden Road rehabilitation	Commenced
Camps Bay Drive reconstruction	Commenced
Hout Bay Main Road rehabilitation	Commenced
Mission Grounds, Sir Lowry's Pass Village	Third-phase construction completed
Concrete roads upgrade projects in Gugulethu, Heideveld, Bonteheuwel, Hanover Park and Manenberg	Some phases completed, others commenced
NMT projects	<ul style="list-style-type: none"> Aden Avenue from Jan Smuts to Lawrence Road, Birdwood Road from Aden Avenue, Temba Street/Cornhill from Cornhill Road to Aden Avenue, and parking lot in Lawrence Road Schaap Road from Klip Road to 11th Avenue Hout Bay Main Road from Nelson Mandela Road to OR Tambo Range Road in Blackheath towards the rail station Forest Drive and Bobs Way in Eerste River Albert Road from Station Road in Observatory to Station Road in Woodstock area

2. Major maintenance

From a structural perspective, the following maintenance work has been completed or has commenced:

- Victoria Road Bridge over rail (Plumstead) upgrade – design completed and appointment of contractor in process
- Mnandi pedestrian bridge over Baden Powell Drive – replacement of stolen balustrades completed
- De Smidt steps – rehabilitation completed
- Glencairn retaining wall – phase 2 incomplete. Contractor defaulted.
- Mike Pienaar pedestrian bridge repairs completed
- Old Strand Street steel and Bosmansdam pedestrian bridges – minor repairs completed
- M3 viaducts (Wynberg) and De Waal bridge – designs of concrete handrails and balustrades retrofitting under way

3. Stormwater management

During the 2014/15 financial year, the roll-out of the City's stormwater quality implementation plan continued, and significant progress was made with regard to determining the roles and responsibilities of law enforcement authorities to support pollution management.

The City's efforts to manage pollution are reaping rewards, as evidenced by the reappearance of flamingos and otters in the Salt River catchment areas in recent years.

Challenges continue to be experienced in the provision, operation and maintenance of sanitation infrastructure in informal settlements, with some residents continuing to object to the use of portable toilets. Vandalism of sewerage-related infrastructure also remains a key problem and has a detrimental effect on the stormwater quality of the respective catchments.

Stormwater infrastructure

The City's stormwater infrastructure network requires large capital inputs to deal with historical inadequacies. Upgrades to existing infrastructure and the provision of new infrastructure are planned to help reduce flood risk, particularly in vulnerable communities, as well as to enable new development.

To this end, a number of initiatives were undertaken during the period under review:

- The implementation of formal flood risk reduction and mitigation programmes focusing on vulnerable communities, such as the following:
 - Short-term flood alleviation and mitigation measures using national disaster funding were undertaken in 2014/15 and will continue into 2015/16. The measures implemented include removal of debris and silt from the river watercourse, rehabilitation of embankments, removal of trees, and construction of flood protection berms.
 - General minor stormwater projects were carried out as required.
- Implementation of the City's successful winter readiness programme to reduce the risk of flooding for affected communities continued. TCT's Planning Department created 1 447 job opportunities in 67 suburbs metro-wide by implementing labour-intensive stormwater system cleaning projects under the auspices of the EPWP. This has resulted in a significant improvement in the functionality of stormwater systems across the metro.

- Implementation of infrastructure upgrades and the provision of new infrastructure to enable new development, including the following:
 - Negotiations are under way with affected landowners and developers regarding the upgrade of the Sir Lowry's Pass River.
 - Construction continued on the Table View North bulk stormwater system. The canal from Sunningdale to Berkshire Boulevard was completed in September 2014, and the canal from Grove Crescent to Abington Avenue was completed from Grove Crescent to Whitehall Way.
 - Construction work has started on the final component of the Lotus Canal widening project, namely the widening of the Edith Stephens detention pond. The contract is due for completion in September 2015.
- The final draft of the stormwater master plan for the Sir Lowry's Pass River catchment was received, which includes a river corridor plan and proposed upgrades to the Sir Lowry's Pass River downstream of the N2.
- Tenders have been received for the preparation of a river corridor plan for the Eerste River in the Macassar area.
- Work continued on the development of a problem-solving methodology within Human Settlements and Utility Services for the upgrade and sustainability of infrastructure in informal settlements. It is due for completion in September 2015.



The reconstruction of Camps Bay Drive is one of the major TCT infrastructure projects.

The Integrated Public Transport Network 2032 was approved by Council in June 2014.

4. MyCiTi achievements

- Conclusion of the three-year contract for the N2 express route
- N2 express route 1 in Khayelitsha and route 1 in Mitchells Plain completed
- Completion and operationalisation of the Mitchells Plain station
- Moderation of all the operational services so as to ensure that they are optimised in accordance with actual demand
- Conclusion of the new advanced public transport management system. Contracting and commissioning of the remainder of the project.
- Introduction of the Mover package on the automated fare collection system, as well as the one-trip ticket
- Phase 1A - milestone 1: Inner-city routes
 - All milestones operational
 - Hout Bay staging facility scheduled to be operational from 1 July 2015
 - Imizamo Yethu Station on hold due to community opposition
- Phase 1A - milestone 2: Table View routes
 - All milestones operational
- Phase 1A - milestone 3: Atlantis
 - Milestones 3.1a to 3.2 operational
 - Milestone 3.3 (Atlantis main routes 2 and 3) scheduled to be operational from 4 July 2015
 - Milestone 3.4 (Atlantis feeder services 234/235/237) to be operational from 4 July 2015
- Phase 1A - milestone 4: Dunoon
 - Milestone 4.1 operational
 - Milestone 4.2 (Dunoon service) scheduled to be operational from 18 July 2015
- Phase 1B
 - Milestone 5.1 (Dunoon, Koeberg, Montague Gardens and Century City main routes) scheduled to be operational from 1 August 2015
 - Milestone 5.2 (feeder service 264 - Summer Greens) scheduled to be operational with temporary stops from 1 August 2015
- Phase 2A - Lansdowne - Wetton corridor
 - Projected start of construction (Stock and Strandfontein roads) is July 2015, as work is now proceeding with the finalisation of concept design and procurement of detailed design consultants.
 - Launch of milestone 1: 2020

By the end of June 2015, the City had recorded approximately 29,8 million passenger journeys having been made on the MyCiTi rapid transit system since its inception in May 2010. In the 2014/15 financial year, more than 15 million passenger journeys were undertaken.





The formation of a dedicated Transport Enforcement Unit will enhance the safety, security and reliability of public transport.

INTEGRATED PUBLIC TRANSPORT NETWORK 2032

The Integrated Public Transport Network (IPTN) 2032 was approved by Council in June 2014, as depicted to the right. 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 bus rapid transit (BRT) routes covering the following corridors:

- Lansdowne – Wetton
- Klipfontein Road (distributor)
- Gordon's Bay to Retreat
- Symphony Way
- Westlake/Retreat to Bellville
- Strandfontein Road
- Blue Downs to West Coast
- Metro southeast to West Coast
- Frans Conradie Drive

From a rail perspective, the following interventions have been determined in the IPTN:

- New Blue Downs rail link
- 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

Further to the IPTN 2032, the IPTN operations plan was approved in May 2015. The operations plan unpacks the IPTN further in terms of the suite of infrastructure planned and the quantification and modelling of the optimum number of buses and train sets. The IPTN operations plan is therefore the next level of analysis for the desired integrated public transport objectives to be realised in Cape Town.



Figure 8: Integrated Public Transport Network (IPTN) 2032

In 2014/15, TCT reviewed and improved traffic signal timing at the 110 intersections in Cape Town's central business district (CBD).

INNOVATIVE DELIVERABLES 2014/15

Wallacedene public transport interchange

In August 2014, the Wallacedene public transport interchange (taxi rank) became the first public transport facility in South Africa to be regarded as a 'green' building, from its foundation to the rooftop. Largely self-sufficient in all its energy needs, the taxi rank also saves thousands of litres of water through clever design.

The taxi rank uses a rooftop solar photovoltaic panel system, arrayed at optimum orientation to the sun, for its electricity generation. It is equipped with 24 large batteries for the storage of reserve solar electricity, which is to be used at night or on cloudy days. From the LED lights under the roof, to the electronic gates at the entrance and the hydro-boils in the kitchen, everything is powered by this photovoltaic system.

It is estimated that the capital cost of this solar installation will be recovered within six to ten years in monthly energy cost savings.

Another exciting feature of the design is the use of the rank's considerable roof area for the harvesting of rainwater. This is stored in an underground tank system with a storage capacity of up to 20 000 litres, and is then pumped to the washing bays.

It is anticipated that the Wallacedene public transport facility will achieve a four-star rating from Green Star South Africa, a rating system used by the Green Building Council SA to measure how green buildings are, once the rating process has been concluded.

Intelligent transport systems programme

In the 2014/15 year, the roll-out of the Cape Town freeway management system continued as part of a multi-year contract supported by the City, Province as well as the South African National Roads Agency Limited (SANRAL). Enhancements to the system included the installation of advanced traffic monitoring equipment on all

freeways, as well as weather stations to monitor conditions that might adversely affect road safety.

Work also continued on plans to extend the Goodwood-based Cape Town Transport Management Centre (TMC) in anticipation of the expanded role that the City will play in the management of subsidised bus services and the provision of real-time transport information to the public.

Traffic signal improvement

In 2014/15, TCT reviewed and improved traffic signal timing at the 110 intersections in Cape Town's central business district (CBD). In addition, exclusive pedestrian signal control has been introduced to enhance pedestrian safety. The purpose of this R6,5 million project was to reduce delays and enhance the mobility of all road users in the CBD – from motorists to commuters travelling in the MyCiti buses as well as pedestrians.

Institutional reform programme: TCT

Since the establishment of TCT, ongoing institutional reforms have been taking place so as to achieve the nine objectives set out in the CITP 2013-2018, as well as move towards the achievement of the nine objectives as well as the TCT Long-Term Strategy. To date, the following has been achieved:

- Development, launch and operationalisation of the TCT mobile application ('app'), which enables all commuters across Cape Town to determine the most appropriate, cost-effective and time-efficient public and private transport route. The TCT app also provides users the opportunity to communicate with TCT on service delivery issues, including potholes, faulty traffic lights, problems in the delivery of public transport services, etc. The TCT app has been running since October 2014.
- Establishment and running of the Land Transport Advisory Board (LTAB) and the Intermodal Planning Committee, along with its seven subcommittees. These were established in the 2014/15 financial year in terms of approved terms of reference and within the context of the National Land Transport Act and the TCT Constitution Bylaw.



In the 2014/15 financial year, more than 15 million MyCiti passenger journeys were undertaken.

- A memorandum of agreement between the Passenger Rail Agency of South Africa (PRASA) and TCT was signed on 4 May 2015 by LTAB chairperson Cllr B Herron, PRASA group chief executive Mr L Montana and commissioner of Transport for Cape Town Ms M Whitehead. This symbolised the next groundbreaking step in a working partnership in Cape Town. The aim of the memorandum is to implement and realise three main programmes, each with multiple projects, to achieve real, lasting service delivery solutions. The joint project teams will report on progress and action through the LTAB and Intermodal Planning Committee structures.

TCT**LAND TRANSPORT ADVISORY BOARD**

Chairperson: Councillor Brett Herron

Mayoral Committee Member: Transport for Cape Town

TCT**INTERMODAL PLANNING COMMITTEE**

Chairperson: Melissa Whitehead

Commissioner: TCT

TCT Rail Management Subcommittee	TCT Port and Surrounds Subcommittee	TCT Public Transport Law Enforcement	TCT Functional Area Subcommittee	TCT Regional Minibus Taxi Subcommittee	TCT Land Use Management Subcommittee	TCT Stakeholder Management & Communication
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Figure 9: TCT committee structures

- A booklet on TCT investment profiles and pipelines was compiled, packaged and distributed to the International Union for Public Transport (UITP) and potential investors.
- A TCT/Safety and Security memorandum of understanding was signed, which will result in the establishment of the Transport Enforcement Unit and the filling of the position of TCT Manager: Transport Enforcement.
- The transport development index (TDI) was developed as a mechanism against which TCT can evaluate the effectiveness of its transport service delivery interventions to the various user groups across different income brackets and in different areas of the city. The index identifies four user groups: three people user groups and one goods user group. These are public transport; private cars; NMT, which includes cycling and walking, and freight. The TDI then breaks down the cost elements for those user groups into direct costs (the cost of the travel itself), indirect costs (flexibility, reliability, safety, crime and congestion) and incidental costs (societal costs).
- The TCT website (www.tct.org.za) became operational. The aim of the TCT website, which will complement the new City website, is to report on and monitor service delivery; assess performance, with particular reference to the MyCiTi operators, and provide standards, policies, procedures and investment parameters for internal and external standards.
- TCT was for the first time represented in the international arena at the UITP congress in Milan, Italy, in June 2015. At the congress, the investment profiles were distributed and international investors lobbied. The TDI, which forms the basis of the need for investment, was also presented. In addition, TCT was officially recognised and presented with an award – the first award to be presented to an African country and city by the UITP. The award was for the City's achievement in establishing its transport authority.



A new, sustainable public transport facility with solar panels to provide electricity for offices and kiosks.



OPPORTUNITY CITY OBJECTIVE 1.4 ENSURE MOBILITY THROUGH THE IMPLEMENTATION OF AN EFFECTIVE PUBLIC TRANSPORT SYSTEM

Transit-oriented development to drive Cape Town's future

By the year 2032, the City of Cape Town wants to be the most efficient city in Africa – not only in terms of how it is managed, but also for the millions who will be living and working in the metropole. As such, transit-oriented development (TOD) has been identified as one of the key components to achieve this outcome.

The benefits of TOD, how to implement it, as well as the way in which it has transformed other cities across the world that are also grappling with urbanisation were among the discussions that took place at the TCT TOD summit in October 2014 at Cape Town Stadium in Green Point.

These discussions have informed TCT's IPTN for the next 18 years, which will pursue comprehensive transit-oriented development to ensure that the City brings its residents closer to their workplace and improves their access to, and the efficiency of, public transport across Cape Town.

Ensuring mobility by 2032

In June 2015, Council approved the IPTN operations plan, which sets out the long-term operational details for the MyCiTi and rail routes for the entire city over the next 17 years.

The IPTN operations plan follows the IPTN, which was adopted by Council in June 2014 and is a landmark citywide integrated public transport plan to meet the travel demands of a population that is predicted to increase to approximately 5,6 million by 2032.

The IPTN operations plan provides details on the following:

- Conceptual scheduling of the MyCiTi service, projected to operate for 16,5 hours between 05:30 and 22:00 each day by the year 2032
- Projected headways (amount of time between each bus or train on a specific route)
- Descriptions and maps of the main MyCiTi routes and passenger rail lines
- Estimated number of buses and train sets (fleet) required to meet the passenger demand by 2032
- Number, type, location and size of the MyCiTi stations, depots and staging areas
- Projected passenger demand on each of the bus and rail main routes



The City of Cape Town wants to be the most efficient city in Africa to live and work in. Transit-oriented development has been identified as one of the key components to achieve this outcome.



TCT has been constructing cycle lanes and walkways in an effort to create a universally accessible city that promotes walking and cycling to get around.

The plan also details a proposal for a new Blue Downs rail line, which will link Khayelitsha and Kuils River. Consisting of a 9 km double track from Nolungile to Kuils River stations, it will host three new stations in between, namely Mfuleni, Blue Downs and Wimbledon.

Within the next 17 years, the plan is to expand the five existing MyCiTi main routes by another ten, which will link:

- Retreat to the Strand and Gordon's Bay;
- Durbanville to Mitchells Plain;
- Westlake to Bellville;
- Strandfontein to the Civic Centre;
- Mfuleni to Big Bay;
- Khayelitsha to Century City;
- Century City to Wallacedene;
- Mitchells Plain to the Civic Centre;
- Khayelitsha to Wynberg; and
- Mitchells Plain to Claremont.

The IPTN is developed so that the MyCiTi main routes complement the train services, providing for a seamless transfer between the two transport modes (bus to train, or vice versa). Along some of the MyCiTi main routes, rail stations have been identified where transfers from rail to bus or bus to rail are predicted to happen in the future, which are also elaborated on in the operations plan.

The proposed locations of the MyCiTi stations along the main routes are identified in the operations plan, as well as the type of station to be built, the future transfer opportunities (between bus and train) and the proposed main and feeder connections from any particular station.

Another purpose of the operations plan is to indicate the projected passenger demand on

each of the main routes by 2032. The operations plan will form the basis for the implementation plan, which will determine the roll-out of the facilities and infrastructure, as well as the procurement of the fleet. The operations plan will also be used for engagements with stakeholders in the public transport sector regarding the operational requirements for the City's IPTN 2032.

Programme 1.4(a): Public transport programme

A roadmap for the future

In 2013, Council approved the City's Comprehensive Integrated Transport Plan (CITP) 2013-2018. The CITP is the strategic plan and roadmap for achieving the new transport agenda in Cape Town, which aims to facilitate a major shift from the old multi-operator approach to one that focuses on integrated transport for the benefit of all commuters.

It further outlines the City's commitment to plan, implement and operate transport in a transparent and accountable manner, so as to improve the transport system for the benefit of all communities across the city.

The approved CITP 2013-2018 includes a biannual mini-review. This was completed and approved by Council in June 2014, and serves as an addendum to the approved CITP. The need for the mini-review stems from the following:

- A commitment to address the items identified in the CITP under the mini-review immediate-term priorities
- The need to address the comments made by the Member of the Executive Council when approval was granted for the CITP 2013-2018
- Alignment of the approved CITP with the relevant financial management timelines and the City's Medium-Term Revenue and Expenditure Framework (MTREF)

The mini-review also addressed the following policies, strategies and interventions approved by Council in December 2013, which provide positive, implementation-oriented service delivery mechanisms:

- Approved and gazetted the constitution of the TCT by way of the TCT Constitution Bylaw No 7208 of 2013
- Parking Policy
- Universal Access Policy
- Development Contribution Policy
- Road Safety Strategy
- Memorandum of understanding between Province, TCT and Golden Arrow Bus Services
- The creation of TCT as the country's first transport authority that has been registered as a World Design Capital 2014 legacy project

By the end of June 2015, the City had recorded approximately 29,8 million passenger journeys on the MyCiTi rapid transit system since its inception in May 2010.



Cape Town International Airport. The City is investigating the development of a rail line between the Cape Town CBD, the airport and Bellville.

Working together to improve passenger rail

A historic memorandum of agreement signed between TCT and PRASA is set to significantly improve passenger rail in the city.

The memorandum provides the framework for an implementation-oriented partnership between TCT and PRASA to address service delivery issues through new infrastructure, improved operations and an investment strategy aimed at integrating all modes of public transport in the city.

It will also assist in determining priority projects, programmes and interventions, as well as clear deliverables and accountability for these projects. TCT will take the lead in certain projects, with PRASA being the accounting project leader in others, with the responsibility to make the necessary resources available to ensure that projects are completed within the agreed timeframes.

Investment in new rail infrastructure will focus on areas with a high demand for rail, which the City considers to be the backbone of Cape Town's public transport system. One of the main objectives is therefore to integrate the rail and MyCiTi bus service so that commuters can easily change between the two modes of transport to reach their destinations.

To this end, PRASA and TCT have prioritised the following infrastructure investment projects:

- **Blue Downs commuter rail corridor** - New rail line to be built from Nolungile to Kuils River stations, to be operational by 2020
- **Fisantekraal rail corridor** - To improve the station facilities and increase the rail service along the existing rail line from Fisantekraal to Bellville, and to provide MyCiTi feeder services along this line
- **Bloekombos rail station** - Construction and commissioning of the Bloekombos railway station in Kraaifontein East to assist with the increasing demand for public transport in Bloekombos and Wallacedene, with TCT providing access roads to the station

- **Modernisation** - Replacement of the signaling system as well as station upgrades
- **New rolling stock and refurbishment** - PRASA to work with TCT to determine the deployment of new rolling stock
- **Cape Town International Airport link** - To investigate the development of a rail line between the Cape Town CBD, the airport and Bellville
- **Rail-focused public transport interchanges at Nolungile, Bellville and Cape Town stations** - The rehabilitation of the railway stations and the redesign of the public transport interchanges to integrate rail and the MyCiTi service

PRASA and TCT also share a broad vision of one, integrated ticket, as well as the objective to integrate rail with TCT's public transport automated fare collection system.

Programme 1.4(b): Rail service improvement and upgrade programme

An investigation was conducted into the requirements to construct and implement services on the Blue Downs rail corridor, as approved by Council in September 2012, which PRASA subsequently approved for implementation.

In April 2014, Council also granted approval for TCT to approach the National Department of Transport for funds from the Public Transport Infrastructure Grant to appoint consultants to undertake the concept planning and design work. In addition, authorisation was sought to commence with the concept planning and design of the road-based public transport network that is required to support the Blue Downs rail corridor, subject to funds being obtained from the National Department of Transport.

PRASA has given approval to proceed with the construction of Bloekombos Station in Kraaifontein East. Council endorsed and approved this in June 2014. The City is awaiting PRASA's implementation programme and budget for this project in order for the City to finalise its project budget.

Programme 1.4(c): Bus rapid transit (BRT) programme

The current operational MyCiTi service consists of 28 routes, 36 stations and more than 500 bus stops. More than 400 drivers in more than 190 peak buses transport over 46 600 passengers every weekday.

By the end of June 2015, the City had recorded approximately 29,8 million passenger journeys on the MyCiTi rapid transit system since its inception in May 2010. In the 2014/15 financial year, more than 15 million passenger journeys were undertaken.

Distance-based fares were introduced on 3 August 2013, enabling passengers to pay lower fares for shorter distances travelled. The new fare system also offers the option of cheaper fares outside peak times. Simultaneously, the MyCiTi Mover packages were introduced, offering passengers savings of 20% or more on Standard fares. Sales of these MyCiTi Mover packages commenced on 28 July 2013 and had grown to more than 93,5% of total load value at MyCiTi stations by the end of the financial year under review.

Phase 2 of the City's BRT system is defined as the metro southeast area, and is responsible for most of the total public transport activity in the metropolitan area. Years of planning, research and investigation have identified critical missing transport links in the public transport system serving this area, where BRT could have a significant impact. The adoption of the IPTN by Council has given the necessary direction to proceed with the more detailed planning and design of a phase 2A, which will be a MyCiTi service along the Wetton-Lansdowne corridor.

Programme 1.4(d): Travel demand management programme

Travel demand management strategy review

The City's travel demand management (TDM) strategy was developed in 2006. Through TDM, the City aims to increase overall system efficiency by:

- increasing vehicle occupancy;
- encouraging travel during off-peak periods;
- shifting demand from private to intermodal; and
- developing priority measures for public transport.

TDM measures are primarily aimed at changing the travel behaviour of users of the transport system.

A number of pilot TDM initiatives were introduced as part of the TDM strategy to date. These include the implementation and upgrade of park-and-ride facilities at selected rail stations, promoting higher vehicle

occupancies, and the roll-out of the Travel SMART programme.

The recent focus of the strategy has been on improving the understanding of transport user behaviour. In this regard, two studies were undertaken in 2014, namely the development of a travel behavioural change framework and a transport user analysis study. The City's TDM strategy is currently being reviewed and updated.

Non-motorised transport (NMT) facilities

In 2009, the City of Cape Town embarked on a citywide NMT programme. The aim is to develop a comprehensive NMT network plan to prioritise, plan, design and implement NMT projects for the City of Cape Town. This phase was completed in 2012, with 18 projects implemented.

The programme is now in phase 2, with prioritised projects across the metropolitan area in different construction, tender, design and planning phases. For the 2014/15 financial year, six projects were completed, and ten are still under construction. Phase 3 of the programme is set to commence in the 2015/16 financial year.

Programme 1.4(e): Intelligent transport systems programme

For details of progress made regarding the implementation of the intelligent transport systems programme, please see the TCT report on page 66 of this integrated annual report.

Programme 1.4(f): Institutional reform programme

Since the establishment of TCT, ongoing institutional reforms have been taking place. Details of achievements in terms of institutional reforms in the year under review are contained in the TCT report on page 66 of this integrated annual report.



Work continued on plans to extend the Goodwood-based Cape Town Transport Management Centre.



OPPORTUNITY CITY OBJECTIVE 1.5 LEVERAGE THE CITY'S ASSETS TO DRIVE ECONOMIC GROWTH AND SUSTAINABLE DEVELOPMENT

The City has initiated a programme to unlock the development potential of underutilised municipal land in previously disadvantaged communities in order to promote economic growth and job creation.

The process includes the identification of suitable, underutilised Council properties in poorer communities; conducting of feasibility studies; development of the concept; land use and statutory approvals; the tendering process, as well as contracting with the private sector to lease/own, finance, construct and operate such developments.

Opportunities for the development of retail, commercial, residential, industrial and social facilities will be unlocked through this process, and will be presented to the private sector for implementation. Properties prepared and packaged for the market will be released in accordance with a structured property release programme, and will include areas such as Khayelitsha and Mitchells Plain.

The aims of this programme are to improve the management of immovable property assets and to optimally employ them in order to boost the competitiveness of entrepreneurs and drive physical transformation and urban regeneration. There are 45 assets on the Economic Development Department's asset register, and eight are considered to be market-ready.

The following four assets are earmarked for sector-based incubation: Atlantis Business Facilities, Khayelitsha Training Centre, Nyanga Job Centre and Ravensmead Hives. Six public participation reports for the granting of long-term rights to manage, control and use the facilities are being submitted for consideration by the relevant subcouncils. An inter-directorate team led by TCT has been established to resolve the management of 12 assets located at public transport interchanges.

Going forward, the Economic Development Department's focus with regard to leveraging incubation facilities will be on identifying, packaging and maximising opportunities for commercialisation.

Programme 1.5(a): City strategic assets investigation

The City is working towards the development of an immovable-property asset management framework that will incorporate international best practice, including managing and performance-measuring portfolios of immovable property assets over their full life cycle (planning, acquisition, holding/utilisation and disposal), reporting on performance, and aligning immovable-property objectives with the strategic focus areas of the IDP.

OPPORTUNITY CITY OBJECTIVE 1.6 MAXIMISE THE USE OF AVAILABLE FUNDING AND PROGRAMMES FOR TRAINING AND SKILLS DEVELOPMENT

Programme 1.6(a): Sectoral education and training authority (SETA) and EPWP funding used to train apprentices and create other external training opportunities. Training of apprentices for vacant posts in the administration and the city.

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

During the period under review, the targets set at the start of the 2014/15 financial year were significantly exceeded through expanding City programmes and building partnerships with Province, industry and National Treasury. This programme will continue to be expanded through additional funding from National Treasury and partnerships with other levels of government in future.

The Human Resource Department worked hard to create external opportunities for



The City continues to offer a wide range of training opportunities to unemployed youth.

bursars, which resulted in more marketable individuals and equipped approximately 250 external bursars with unique skill sets.

The City exceeded its overall combined target for external opportunities (bursaries, in-service training, internships, apprentices, learnerships) of 1 020 by providing more than 1 380 opportunities. These included more than 770 in-service training opportunities, learnerships and graduate internships, as well as more than 350 apprenticeships.

City's programmes delivering positive results

Since July 2014, more than 220 students have been appointed to permanent positions. These include more than 70 qualified artisans, who commenced their apprenticeship programme in February 2012 and completed their trade tests in the last financial year.

Two new learnerships were initiated in the year under review. These were for payroll and administration (following a successful foundation level) and traffic.

A major skills programme aimed at training lifeguards was undertaken in the previous financial year and concluded in the 2014/15 year, with 53 graduates. The lifeguard skills programme, which is nationally and internationally recognised, also equips graduates with skills to manage sport and recreation facilities, thus increasing their employability.

A new skills programme for EPWP workers was launched, and saw 103 workers undergoing a short work readiness programme, including how to write CVs, how to prepare for interviews, how to write reports, etc. This is aimed at workers who have completed their EPWP work opportunity with the City, as well as at unemployed youth, assisting them in their applications for future employment.

The majority of the participants in all of these programmes are from previously disadvantaged backgrounds, including a substantial number of female trainees, which is in line with the City's commitment to facilitate redress and make progress possible through working with Cape Town's young talent.

Other external programmes

In addition to the programmes outlined above, a number of programmes are run in conjunction with external partners, with either the City receiving grant funding or the partner funding the programme in full.

The graduate engineering programme, funded from National Treasury's Infrastructure Skills Development Grant, has been very successfully implemented in Utility Services. It employs 11 young engineering graduates in a three-year programme to obtain their professional



The City's Environmental Resource Management Department runs a work-integrated learning programme for Nature Conservation and Environmental Management students.

registration. As a result of the initial success of the programme, the funding to the City has been doubled in order to expand the programme in future years.

Another ten Information Technology graduates have been included in the enterprise resource planning internship programme, which is aimed at increasing the number of skilled SAP practitioners.

In October 2014, 13 apprentices who were placed in the City through an agreement with Province completed their workplace experiential training. Utility Services also absorbed approximately 90 qualified artisans from the mayoral apprenticeship programme.

Opportunities in urban sustainability and environmental management

In the year under review, the City continued to offer its full-time, 12-month urban sustainability internship programme, which is managed by the Environmental Resource Management Department (ERMD). In 2015, 40 new graduates from fields relating to urban sustainability started the programme.

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. The programme is ten years old, and over this period, more than 290 interns have participated, 59 of whom are now employed by the City. This 20% retention rate is a substantial return on investment for the City.

In addition to this programme, the ERMD runs an annual work-integrated learning programme for Nature Conservation and Environmental Management students as part of the requirements for the completion of their diploma courses. A number of international interns, participating through various programmes, are also hosted within ERMD.



For the City of Cape Town, creating a safe city involves far more than merely responding to crime. Safety extends beyond the law enforcement function, but rather includes positive action across the full spectrum of development challenges facing residents of Cape Town. Therefore, a key strategy for the City is to partner with communities in its efforts around social crime prevention, disaster response and management, and ongoing urban regeneration.

In order to position Cape Town as a safe city, five key objectives – each with its own underpinning programmes – were identified in the 2014/15 review of the City's IDP. This section offers an overview of the progress made against each of these objectives and underpinning programmes, as set out below, in the past financial year.



Table 4: IDP objectives and programmes for the safe city

Objective	Page in 2014/15 IDP review	Page in this report	Programme
2.1: Expanding staff and capital resources in policing departments and emergency services to provide improved services to all, especially the most vulnerable communities	55	81	2.1(a): Increase in operational staff complement
2.2: Resource departments in pursuit of optimum operational functionality	56	82	
2.3: Enhance information-driven policing with improved information-gathering capacity and functional specialisation	56	83	2.3(a): Improved efficiency through information and technology-driven policing 2.3(b): Intelligent crime prevention
2.4: Improve efficiency of policing and emergency staff through effective training	57	85	2.4(a): Training and human resources development
2.5: Improve safety and security through partnerships	58	85	2.5(a): Strengthen community capacity to prevent crime and disorder 2.5(b): Strengthen community capacity to respond to emergency situations

Key safe city achievements in 2014/15

- 83% of emergency incidents responded to within 14 minutes from initial call
- R2,5 million invested in training and deploying law enforcement auxiliary officers in various communities
- Additional 48 fishery control officers trained and appointed
- 46 community members recruited, trained and deployed within their communities through the learner law enforcement officer programme
- Ceasefire programme delivered a steady decrease in gang-related murders and attempted murders in Hanover Park

The City of Cape Town's Safety and Security Directorate consists of the following functional departments:

- Disaster Risk Management Centre
- Fire & Rescue Service
- 107 Public Emergency Communications Centre
- Metro Police
- Law Enforcement & Security
- Traffic Services
- Specialised Services

The City is committed to ensuring a safe and secure environment for all its residents by combating crime and disorder, reducing vehicle speed and accidents on roads, improving response times to emergency fire calls, and lowering disaster risks in all communities in Cape Town.



Members of the City's Marine and Environmental Law Enforcement Unit continued their work in marine and coastal law enforcement.

SAFE CITY 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 the South African Police Service.

Protecting Cape Town's marine wealth

During 2014/15, 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 several 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 the City's coastline. The huge reduction in the number of drowning incidents over the festive season is a testament to this good work.

The Unit continues to conduct regular boat patrols along the City's near-inshore marine environment. The Unit has been bolstered with the procurement of a new 5,7 m patrol boat to complement the large 7,5 m patrol boat and a new 4x4 vehicle to assist in coastal law enforcement work. The training of law enforcement officers as fishery control officers is ongoing. To date, an additional 48 officers have been trained and appointed as such.

Training environmental management inspectors

During the 2014/15 financial year, 11 City staff members underwent training to obtain accreditation as environmental management inspectors (EMIs). All 11 candidates passed the requisite exams and are awaiting formal designation as EMIs by the MEC for Local Government Environmental Affairs and Development Planning. EMIs are empowered to enforce the National Environmental Management Act (NEMA) and its subsequent subject-specific acts, which together comprise the country's key environmental legislation.



One of the core pillars of the City of Cape Town is its commitment to building a safe city where all residents feel safe and free to live their lives to the full.

SAFE CITY OBJECTIVE 2.2 RESOURCE DEPARTMENTS IN PURSUIT OF OPTIMUM OPERATIONAL FUNCTIONALITY

The City's Safety and Security Directorate has established 14 specialised policing units to focus on specific priority crimes, particularly through intelligence-driven policing.

Addressing gangsterism

In 2014, a process was put in place to devise a plan to address violent crimes associated with gangsterism, particularly in identified gangsterism hot spot areas. Each of the geographical areas has had a task team assigned to it, comprising:

- Cape Town Metro Police area members, including a first-line supervisor;
- members from the Special Investigations Unit;
- members of the Metro Police Gang Unit;
- a Metro Police area superintendent; and
- reserve teams.



Drug Task Team

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. The 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.



The City's Safety and Security Directorate has established 14 specialised policing units to focus on specific priority crimes, particularly through intelligence-driven policing.

SAFE CITY 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 83% of emergency calls within 14 minutes or less. In 2014/15, the City's Public Emergency Communications Centre dealt with a total of 645 037 calls, 87% of which were answered within 20 seconds.

Programme 2.3(b): Intelligent crime prevention

Security camera network helps minimise crime

In the year under review, the City of Cape Town expanded its closed-circuit television (CCTV) roll-out as part of its commitment to create a safer city for all residents. The City's CCTV network is the largest public area surveillance agency in Africa, and is the only agency in Southern Africa that covers residential areas and informal settlements as well as CBDs.

Currently, the network covers:

- public areas, for which the Metro Police's CCTV Unit is responsible;
- the freeway management system, which is a partnership between the City, SANRAL and Province; and
- Province's surveillance system, which monitors the bus and minibus taxi lane on the N2.

The Metro Police's CCTV Unit already monitors feeds from nearly 400 cameras in a number of areas across the city, including several CBDs in Cape Town, Bellville, Parow, Mitchells Plain, Khayelitsha, Claremont and Manenberg. The Unit also has access to the freeway management system, which means that, collectively, it monitors more than 560 cameras.

The CCTV camera system is also utilised extensively during major events held in the city, as critical decisions are taken by role-players viewing imagery in a joint operations centre, verifying information received from the ground. This system gives the joint operations centre advanced warning on traffic and public transport activities, so that officials can channel necessary resources where needed.



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

In the period under review, the Safety and Security Directorate installed CCTV cameras in the Athlone and Bellville CBDs, and given the success of the technology, the City will continue to increase its digital surveillance going forward.

Committed to community safety

One of the core pillars of the City of Cape Town is its commitment to building a safe city where all residents feel safe and free to live their lives to the full. Living under threat of violence and crime curtails that freedom, and limits residents' access to opportunities.

As part of this commitment, the City's IDP dedicates resources and programmes to ensure residents' safety. One of the ways it does this is through fostering partnerships to build security capacity.

As part of the realisation of that commitment, the City applied a R2,5 million allocation from Province's Community Safety Department to train law enforcement auxiliary officers for deployment in various communities. In April, this commitment was further extended with the purchase and deployment of community safety kiosks, which allow these officers to facilitate the establishment of effective, stable and efficient law enforcement services in the communities they serve.

The safety kiosks for the first-phase roll-out have been deployed as roaming units in the communities of Hanover Park, Manenberg, Grassy Park, Delft, Clarke Estate, Wesbank, Mitchells Plain and Tafelsig.



The Metals Theft Unit

This Unit continued to enjoy significant success in conducting unannounced inspections at both scrapyards and so-called 'bucket shops' (informal scrapyards run illegally from residential premises). During the financial year under review, the Unit conducted 4 762 inspections at scrap metal dealers.

Combating drug and alcohol abuse

During the year under review, the Metro Police continued to clamp down on Cape Town's illegal drug and alcohol trade, and numerous intelligence-led operations led to the disruption of many dealing activities.

During the 2014/15 financial year, the City's Law Enforcement and Security Department's Liquor Control Unit continued its action against illegal liquor trading. The Unit conducted 6 943 inspections for compliance with the relevant liquor and business legislation.

Promoting road use compliance

The City's Traffic Services Department has an Operations Section, which undertakes specialised and general enforcement activities, provides road safety education at schools, and manages traffic at all events affecting Cape Town's roads.

During the 2014/15 financial year, the Traffic Services Department issued 1 975 479 traffic fines. Most of these were for speeding, but fines

were also issued to drivers caught disobeying red robots and stop signs, overtaking illegally, and committing various other infringements.

The City follows a strong partnership-based approach to traffic services. In this regard, it has renewed its contracts with Outsurance, which will be funding a mobile traffic service, and Century City Property Owners' Association, which is the first private body to agree to pay for the services of a dedicated, qualified traffic officer. The City has provided funding for additional operational personnel, who will commence duty in the new financial year.

Delivering security through the mayoral urban regeneration programme

The focus of the mayoral urban regeneration programme (MURP) is on the revitalisation of identified areas within Cape Town that have fallen into a dysfunctional cycle of infrastructural collapse and social neglect.

During 2014/15, the programme worked to uplift various such communities through a particular focus on issues of security, quality of life, upgrading public spaces, and infrastructural upgrades to attract investment. A total of R1,5 million was secured from the Integrated Cities Development Grant for these initiatives in the year under review. Various other sources of funding were also leveraged. The MURP projects are selected based on their potential to achieve the following objectives:

- Activate communities to take ownership of their communal property
- Re-instil pride and a sense of place in communities
- Encourage entrepreneurship and economic development by creating a citywide platform of opportunity
- Create a sense of democratic participation within communities, so that they can feel empowered

A significant component of the MURP projects in 2014/15 was addressing the safety and security challenges in identified areas through various crime interventions. One of the innovative programmes in this regard was the learner law enforcement officer programme, which saw 46 community members recruited, trained and deployed within their communities.

The Ceasefire programme in Hanover Park also proved very successful, with gang-related murders and attempted murders decreasing by 50% from the previous year, thanks mainly to the deployment of community safety workers.

In the year under review, 71% of the MURP budget was invested in these types of initiatives aimed at stabilising communities and areas through effective safety and security measures.





SAFE CITY 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

Between July 2014 and June 2015, the City again facilitated the basic training of a number of learners in its specialist traffic and metro policing courses. More than 2 360 staff members across the Safety and Security Directorate have now received this valuable in-service training since the courses were first implemented in 2011.

SAFE CITY 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 continues to work closely with neighbourhood watch organisations to boost social crime prevention efforts and to build

anti-crime partnerships with communities as part of the administration's commitment to create a safe city. The neighbourhood watch support programme - which started out as the Neighbourhood Watch Task Team in 2008 - drives the establishment of neighbourhood watch organisations across the city, and ensures ongoing support, including the training of members by the City and Province's Community Safety Department.

Programme 2.5(b): Strengthen community capacity to respond to emergency situations

Cooperation helps reduce fire risk

The City has implemented a range of engineering solutions aimed at minimising the risk of extensive fire damage in informal settlements. One key initiative is the re-blocking of informal settlements. This involves the grouping and reformatting of structures in settlements to optimise space, enhance security and improve fire prevention and service delivery access. The City is also engaging with various suppliers of innovative fire prevention solutions, from retardant paints and safer shack designs to less risky lighting units. The viability of providing fire extinguishers to communities is also being tested.





The City of Cape Town is committed to becoming more caring, and to building a metro in which all people feel at home, have access to the services they need, and where those who need help know they will receive it. Building such a caring city requires investment in social and environmental resources, ranging from human settlements – which include informal settlements – to social services, community facilities and others.

In order to position the City of Cape Town as a caring city, eight key objectives – each with its own underpinning programmes – have been identified. This section offers an overview of the progress made against each of these objectives and underpinning programmes, as set out below, in the past financial year.



Table 5: IDP objectives and programmes for the caring city

Objective	Page in 2014/15 IDP review	Page in this report	Programme
3.1: Provide access to social services for those who need it	63	87	3.1(a): Number of targeted development programmes
3.2: Ensure increased access to innovative human settlements for those who need it	67	92	3.2(a): Innovative housing programme 3.2(b): Use property and land to leverage social issues 3.2(c): Partner with Province in education and school sites 3.2(d): Integrated human settlements programme 3.2(e): Densification programme
3.3: Assess the possible sale or transfer of rental stock to identified beneficiaries, using established criteria	70	99	3.3(a): Rental stock upgrade programme 3.3(b): Rental stock disposal programme
3.4: Provide for the needs of informal settlements and backyard residences through improved services	73	99	3.4(a): Anti-poverty programme 3.4(b): Service delivery programme in informal settlements 3.4(c): Backyarder service programme 3.4(d): Energy services programme
3.5: Provide effective environmental health services	73	102	3.5(a): Environmental health-care programme
3.6: Provide effective air quality management and pollution (including noise) control programmes	75	103	3.6(a): Measuring the number of days when air pollution exceeds World Health Organisation guidelines
3.7: Provide effective primary health-care services	75	103	3.7(a): Primary health-care programme 3.7(b): Perception survey score on the provision of primary health-care services
3.8: Provide substance abuse outpatient treatment and rehabilitation services	76	105	3.8(a): Primary health-care programme: Number of substance abuse outpatients provided with alternative constructive behaviour

Key caring city achievements in 2014/15

- More than 3 655 EPWP jobs created by the Social Development and Early Childhood Development Directorate
- 90% of transferred Urban Settlements Development Grant spent
- 55 social development projects implemented using ward allocation funding
- Limited the number of days when air pollution exceeded RSA ambient air quality standards to five (against a target of 25 days)
- Achieved cure rate of 81% set for new smear-positive tuberculosis
- Over 1 820 new clients screened at the substance abuse outpatient treatment centres
- Almost 950 additional water service points (taps) provided
- Over 3 090 additional sanitation service points (toilets) provided
- 99,74% of informal settlements receiving a door-to-door refuse collection service
- More than 5 090 subsidised electricity connections installed
- More than 3 820 serviced-site housing opportunities provided
- More than 3 370 top-structure housing opportunities provided
- Over 1 283 rental units transferred to housing beneficiaries
- City doubled its interventions to assist street people

CARING CITY OBJECTIVE 3.1 PROVIDE ACCESS TO SOCIAL SERVICES FOR THOSE WHO NEED IT

Programme 3.1(a): Number of targeted development programmes

Enhancing the City's social development offering

Cape Town faces numerous social challenges, particularly a lack of social cohesion within families, poverty, unemployment, alcohol and drug abuse, gangsterism, the increasing cost of living and a widespread lack of financial means to access socio-economic services. The extent of these challenges generally outweighs the supply of services, so it is imperative that services rendered conform to acceptable efficiency and value-for-money standards, and deliver measurable outputs by enabling, facilitating and implementing the defined Social Development and Early Childhood Development basket of services.

The South African Constitution mandates local government to "promote social and economic development". Social development is broadly understood as the overall improvement of the



Providing safe recreation is a feature of a caring city.

quality of life of all people, especially the poor and vulnerable.

In accordance with its statutory duty determined in section 4(2)(j) of the Local Government: Municipal Systems Act, the Social Development and Early Childhood Development Directorate partners with other organs of state and private-sector partners (within the constraints of its financial means) to provide social and early childhood development services to those who need them. This is supported by an implementation protocol agreement with Province's Social Development Department, which enables the Directorate to collaborate on a number of its programmes.

The Directorate participates in the Social EMT Management Subcommittee and, within the Safe Communities Working Group, drives the following work streams:

- The integrated youth strategy with its implementation plan
- The social and situational crime prevention strategy with its implementation plan
- The alcohol and other drug harm minimisation strategy with its implementation plan

Social Development and Early Childhood Development also enables, facilitates and implements preventative social and early childhood developmental programmes in eight service delivery areas through the implementation of its basket of services. This is done by using an inclusive community methodology when implementing initiatives in order to create awareness and resilience within vulnerable communities in Cape Town.

The Directorate now also drives National Government's 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.

Cape Town faces numerous social challenges, particularly a lack of social cohesion within families, poverty, unemployment, alcohol and drug abuse, gangsterism, the increasing cost of living and a widespread lack of financial means to access socio-economic services.



Youth development is a targeted development programme in the City's pursuit of building a more caring city.

Performance and progress in the 2014/15 financial year

Addressing substance abuse

The programme is aligned with the approved Prevention and Early Intervention of Alcohol and Other Drug Use Policy, as well as the alcohol and other drug harm minimisation and mitigation strategy. The City will collaborate at local and provincial level to offer initiatives that promote awareness and provide support. These include the following:

- Managing substance abuse projects and campaigns
 - Implementing the Strengthening Families programme
- Ensuring operational optimisation of the Cape Town Alcohol and Drug Action Committee
- Partnering with Province, non-governmental organisations (NGOs) and community-based organisations (CBOs) in matters relating to substance abuse
- Concentrating on awareness programmes concerning the negative impact of substance abuse
- Collaborating with schools to implement substance abuse awareness sessions via MOD (mass participation, opportunity and access, development and growth) centres
- Promoting and supporting the City's 24/7 substance abuse helpline, 0800 HELP 4 U (0800 4357 48), under the leadership of the Performance & Operational Support Department
- Initiating a policy review process in consultation with the Strategic Policy Unit

Progress and achievements in 2014/15

- 80 alcohol and substance abuse prevention workshops implemented
- Ten projects implemented under the Be Smart, Don't Start campaign
- Eight Strengthening Families programmes implemented
- 350 fetal alcohol syndrome brief intervention programmes implemented

Street people

The street people programme is aligned with the approved Street People Policy. The aim is to reduce the number of people sleeping and/or living on the streets, and ensure that street people are given the necessary development assistance to achieve reintegration, accommodation and employment. Initiatives include the following:

- Coordinating the Give Responsibly campaign
- Procurement of services at assessment centres
- Implementing the winter readiness programme
- Dealing with street people matters on a daily basis
- Establishing local networks of care
- Creating employment opportunities through EPWP projects
- Promoting and supporting the City's 24/7 street people helpline, 0800 87 22 01, under the leadership of the Performance and Operational Support Department
- Initiating a policy review process in consultation with the Strategic Policy Unit

Progress and achievements in 2014/15

- 377 people assisted via the Directorate's winter readiness programme
- Eight initiatives implemented to support the Give Responsibly campaign
- Eight local networks of care established
- 12 assessment centres supported

City doubles its interventions to assist street people

The City of Cape Town is committed to easing the plight of street people and addressing this worldwide phenomenon in a caring manner that balances the rights of street people with those of the rest of the population.

This commitment is evident in the measures that the City's Social Development and Early Childhood Development Directorate has implemented in recent years – most notably, the almost 100% increase in the budget for the street people programme, from R4 million in 2013/14 to R7,75 million in the past financial year. In addition, the Directorate has set aside R2,5 million to create job opportunities within the street people programme.

This budget is spent in accordance with the City's Street People Policy, which is a document outlining the administration's response to what is a very complicated and challenging social issue. Money is spent on a number of initiatives, including the winter readiness programme, support for assessment centres, and establishing local networks of care to help reintegrate street people with their communities of origin and run preventative programmes to reduce the number of people migrating onto the streets.



In the year under review, over 3 655 EPWP jobs were created by the Social Development and Early Childhood Development Directorate.

Youth development

The programme is aligned with the approved Youth Development Policy. It includes implementation of the multi-faceted youth development interventions, taking into account the many challenges facing the youth. Initiatives include the following:

- Coordinating a youth campaign
- Delivering life skills and employment skills for the youth
- Career planning and referrals for further training within the City and other institutions offering training aimed at improving youth's employability
- Identifying youth for leadership development programmes
- Collaborating with Province's Social Development Department to render support to youth at risk
- Initiating youth conversations
- Initiating a policy review process in consultation with the Strategic Policy Unit

Progress and achievements in 2014/15

- 920 youths trained in life skills
- 334 youths trained in work and employment readiness skills
- 327 youths from targeted organisations/forums/structures trained in organisational capacity-building





Early childhood development (ECD)

The programme is aligned with 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. Initiatives include the following:

- Coordinating ECD campaigns
- Assisting with ECD centres' registration in collaboration with relevant City departments and Province
- Training ECD practitioners, caregivers and parents
- Establishing new, and supporting existing, ECD forums
- Establishing a one-stop service for all ECD services
- Conducting regular surveys/checks on registered and unregistered crèches in conjunction with Province
- Constructing ECD centres on City-owned land in identified areas of need
 - Exploring alternative building methods for construction of ECD centres
- Maintaining City-owned ECD centres
- Contributing towards ECD curriculum development
- Assisting non-compliant ECD centres, and providing support to ensure ongoing compliance through site inspections
- Initiating a policy review process in consultation with the Strategic Policy Unit

Progress and achievements in 2014/15

- 144 ECD practitioners trained in the national ECD norms and standards required to manage ECD centres and facilities
- 163 ECD centres assisted towards statutory registration
- 21 existing ECD forums supported
- Five inter-departmental/governmental ECD site compliance inspections conducted
- Three ECD centres constructed

Poverty alleviation

The programme is aligned with 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. Initiatives include the following:

- Establishing food gardens in communities and at City-owned ECD centres, including gardening and governance training and the provision of equipment, seedlings, compost and clothing
- Establishing partnerships to broaden the service menu of the programme
- Initiating a policy review process in consultation with the Strategic Policy Unit



Early childhood development centres are critical, because they stimulate children in their formative years when they develop not just physically, but also emotionally, intellectually and socially.



The City is developing communities through a range of activities, including reading programmes, storytelling sessions and school holiday programmes.

Progress and achievements in 2014/15

- Two poverty reduction projects implemented (excluding food gardens)
- 54 new food gardens established

Vulnerable groups

- Nine awareness and support projects implemented for the elderly
- Eight awareness and support projects implemented for people with disabilities
- 13 awareness and support projects implemented for women and girls at risk

EPWP (within the Social Development and Early Childhood Development Directorate)

Work opportunities are created through EPWP in alignment with the Directorate's basket of service programmes.

Progress and achievements in 2014/15

- More than 3 655 EPWP job opportunities created

Developing communities through sport, recreation and library programmes and partnerships

Community development programmes are offered at many of the City's facilities, such as its sports fields, community recreation centres, multipurpose centres, parks and libraries. Developmental activities range from reading programmes, storytelling sessions, school holiday programmes, library orientation sessions, HIV/Aids displays, formal book discussions, and arts and crafts, to initiatives for peer leadership, sport and recreation and capacity-building.

The City is committed to building an inclusive city that provides recreational spaces for residents across all communities and age groups. Cape Town's senior citizens are

enjoying longevity and are looking for ways in which to lead more active lives and engage in lifelong learning. The City's recreational hubs, libraries, parks and sporting facilities provide opportunities for residents to be more mentally and physically active, and are a vital means of promoting healthy lifestyles among all citizens.

The programmes often involve collaboration and partnerships with churches, community organisations, NGOs, the business sector, different tiers of government and other stakeholders.

During the year under review, these partnerships included the following:

- Community garden partnerships had increased from 34 in the previous year to a total of 73 by the end of the year under review. The programme continues to work towards establishing community gardens in each district.
- A total of 33 sport and recreation developmental partnerships have been established against the planned target of 30. These partnerships are to promote the development of sport and recreation within the city.
- Altogether 56 Friends of the Library partnerships have now been established.

Through community involvement, the City transformed community centres into centres for community development (recreation hubs), where activities and development programmes took place throughout the year. To date, 40 community centres have been identified and transformed to recreation hubs. Benchmarks have been developed for equipment and staffing requirements for each hub, and the City is currently resourcing each hub in line with these. An additional 15 facilities are planned to be developed as recreation hubs in the next financial year.



While still in the relatively early stages of implementation, the Integrated Human Settlements Framework is already delivering significant benefits for all Cape Town's human settlements stakeholders – most notably Capetonians in need of suitable housing opportunities.

CARING CITY OBJECTIVE 3.2 ENSURE INCREASED ACCESS TO INNOVATIVE HUMAN SETTLEMENTS FOR THOSE WHO NEED IT

In order to make Cape Town a caring city, the City acknowledges that it has to create sustainable integrated human settlements that enable communities to live instead of just exist. Cape Town, like so many other metropolitan cities in South Africa, faces huge challenges of urbanisation. However, the City remains absolutely committed to facilitating redress through the development of sustainable integrated human settlements, by addressing the needs of communities in informal settlements, and improving the plight of backyard dwellers by providing access to basic services.

Programme 3.2(a): Innovative housing programme

During the 2014/15 financial year, the City of Cape Town spent a total of 90% of its transferred Urban Settlements Development Grant (USDG) (for all directorates) and delivered more than 3 820 serviced-site housing opportunities, over 3 370 top structures and over 1 520 other housing opportunities (including the upgrade of rental stock, land restitution and re-blocking).

Table 6: Breakdown of housing opportunities in 2014/15 financial year

Categories		Sites	Top structures	Other
A	Subsidy	2 265	1 101	
B	Incremental (Upgrading of Informal Settlements Programme)	1 247	368	
C	Upgrading of City rental stock; new community residential unit (CRU) rentals		111	1 042
D	People's Housing Process (PHP)		1 005	
E	Land restitution		496	
F	Social and rent-to-buy		263	
G	Gap	310	28	
H	Re-blocking/backyarder services			483
Total		3 822	3 372	1 525

A human settlements plan for the future

The Integrated Human Settlements Five-Year Plan 2012/13-2016/17 has been reviewed with a view to the 2015/16 financial year. It defines the current housing reality in Cape Town, and focuses on various short-term and medium-term objectives to improve existing living environments, while also creating new ones.

The 2015/16 housing delivery targets set out in the plan are summarised below:

Table 7: Integrated human settlements targets for 2015/16

Project description/category	Sites (USDG)	Top structures (Human Settlements Development Grant)	Other CRU upgrades (Human Settlements Development Grant) and shared services (USDG)
Rental units upgrade, CRU			238
Breaking New Ground, CRU, PHP, institutional, social and gap	2 822	3 788	
Re-blocking and backyarders			1 762
Incremental development areas (IDAs) and emergency housing programme (EHP)	2 235	455	
Gap sales	200		
Estimated totals	5 556	4 760	2 000



The City remains committed to develop sustainable, integrated human settlements with access to transport nodes and economic opportunities.

The 2015/16 plan review also starts to address the City's responsibility to apply innovative thinking to ensure consistent delivery of housing solutions for all the people of Cape Town. These solutions are the bedrock on which the transformation and evolution of Cape Town must be built if the municipality is to deliver on its vision to be an opportunity city, a safe city, a caring city, an inclusive city and a well-run city.

To deliver this strong foundation, the vision and approach of the City's Human Settlements Directorate has been transformed in recent years. Strategies that used to be aimed at merely building houses for Cape Town's people or addressing delivery backlogs have been replaced with a comprehensive Integrated Human Settlements Framework (IHSF). This has been designed to deliver quality, affordable and secure housing opportunities, supported by a comprehensive range of City services and located to maximise people's opportunities to access an income and raise their living standards.

While still in the relatively early stages of implementation, the IHSF is already delivering significant benefits for all Cape Town's human settlements stakeholders - most notably Capetonians in need of suitable housing opportunities.

This transformative framework is now being applied to inform the City's human settlements

approach and strategy with a view to delivering long-term sustainable improvements in housing and services delivery, and a human settlements approach that will be instrumental in transforming the lives of many Capetonians by giving them stable, secure homes from which they can empower themselves and enable their futures.

At the heart of this integrated approach lies a commitment to effective, synergistic partnerships - with other City directorates, Province, National Government, funding organisations and, most importantly, the people of Cape Town themselves.

Programme 3.2(b): Use property and land to leverage social issues

Re-blocking ensures safety of informal settlement residents

The City's re-blocking programme, in collaboration with the Community Organisation Resource Centre and the Informal Settlements Network, involves the reconfiguration of informal settlements to create more living space and firebreaks, and allow for better access by service and emergency vehicles. In order to facilitate the smooth running of the re-blocking process, Council approved a policy to inform the proactive re-blocking of informal settlements in 2013. The policy clarifies the roles of the various stakeholders and roleplayers in the implementation of the re-blocking process.





Land acquisition for the achievement of housing plans

This function encompasses:

- the purchase of land for housing (for immediate use as well as land-banking);
- transfer of land from other organs of state for housing purposes;
- the devolution of all housing land in terms of the Housing Act (section 19); and
- reserving land already owned by the City, but no longer required by the original custodian, user or line department.

During the 2014/15 financial year, the City acquired 775 ha of land, which included some land parcels devolved by Province's Department of Human Settlements. This has been earmarked for future human settlement developments and informal settlement upgrades. Also included is a large parcel of land of about 684 ha near Macassar, which the City purchased from AECL.

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 government sphere or enterprise (i.e. not core to its mandate), is often suited for development. In such cases, the owner is approached with the aim of securing a transfer between the relevant organs of state. At times, this involves some compensation, but typically (as in the case of a piece of Transnet land in Sir Lowry's Pass Village acquired by the City last year), the asset transfer is viewed as a gift.

Currently, several transfers are being pursued, specifically from Province's Education 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

Accelerating the delivery of housing is an important strategy for poverty alleviation and redress. As such, ensuring that land and housing can be accessed by all as an asset for wealth creation and empowerment remains a key objective of the City of Cape Town.

An overview of the City's integrated human settlements achievements across the various housing categories for 2014/15 follows below:

Subsidy housing

The City initiated a number of housing developments as part of its focus on addressing settlement inefficiencies through the development of integrated human settlements that will contribute to a more compact settlement form, and provided a range of housing and socio-economic opportunities.

One of the City's award-winning housing projects is Pelican Park. By 30 June 2015, more than 1 200 Breaking New Ground (BNG) units had already been handed over to beneficiaries of the Pelican Park integrated human settlements development as part of the City's continued efforts to increase the delivery of housing opportunities as a means of enabling redress.

It is expected that over 700 additional subsidised houses will be handed over by December 2016, which will mark the completion of the state-funded portion of the project.

Pelican Park, a World Design Capital 2014 project, is integrated 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).

The development makes provision for two new schools and a regional clinic, which are to be developed respectively by Province's



The City's Pelican Park development was named the best integrated housing project at the annual Southern African Housing Foundation awards ceremony.



Mixed-use developments enable people in different income categories to be accommodated in the same project, which leads to truly integrated communities.

Department of Education and City Health, as well as two properties zoned as places of worship.

A commercial precinct was also opened in November 2014 in an effort to create economic opportunities for the residents.

The development also fronts onto False Bay Nature Reserve, which can be accessed during the day and provides pleasant opportunities for birdwatching and picnicking while overlooking Zeekoevlei.

The total cost of the development is approximately R700 million, which includes state funding and private investment.

Incremental housing

Projects completed or under way include the following:

- Sir Lowry's Pass Village incremental development area (IDA) (sites and top structures), which will provide more than 170 opportunities for flood-affected households. More than 50 top structures have been completed, and the site establishment for the remaining structures is currently under way.
- Wolwerivier IDA (sites and top structures), which will provide 500 opportunities. More than 460 top structures have been completed, which is the final number for the project. Over 290 of these units have been allocated, with the remainder to be allocated as soon as the sewer line servicing the area is complete.
- Busasa (Mfuleni) IDA (sites and top structures), which will house approximately

1 000 households. This project was on track, but was delayed when community members protested against the allocation split. When the protest actions became violent, the Executive Mayor stopped the project.

- Kosovo (Gugulethu), which entails re-blocking for 80 households. The majority of the households were relocated to a re-blocked area and the project was completed.
- Fisantekraal temporary relocation area (TRA) for over 280 families. More than 300 households were relocated to the TRA and the project was completed.
- Masiphumelele TRA for approximately 180 families who need to be relocated. The project was completed.
- The provision of interim services in the Hangberg informal settlement. Toilets and standpipes have been installed where the topography permitted.
- Wash areas in the Nomzamo and Lwandle informal areas in Helderberg. Two wash areas have been completed and are in use.

The Urbanisation Department also provided over 2 600 tenure certificates to people in Monwabisi Park as part of the incremental upgrade.

In addition, the ongoing need for accommodation in Blikkiesdorp is being met as and when vacancies arise. Families are accommodated on an emergency-needs basis in terms of the national policy guidelines. A few new sites with incremental top structures have been developed and families accommodated there.



In 2014, the Social Housing Regulatory Authority recognised the City of Cape Town as the best-performing social housing steering committee and programme nationally.

Upgrades to City rental stock

The City's aging rental stock has undergone – and continues to undergo – major interior and exterior refurbishment as part of the community residential unit (CRU) programme. At the same time, the City is busy developing additional rental units to meet the growing demand.

In line with the City's commitment to provide sustainable integrated human settlements, this programme is not only aimed at improving the rental units themselves, but also at enhancing the living environments of tenants through landscaping initiatives, including hard surfacing, tree planting and the installation of play equipment and benches.

The programme won the Institute of Municipal Engineering of Southern Africa/Consulting Engineers South Africa excellence award in the community upliftment category in 2012. In 2014, it won the award for the community development project of the year at the Southern African Housing Foundation conference, and at the 2015 provincial Govan Mbeki awards, the City's CRU programme won third, second and first prize for the best community residential unit project in the Western Cape.

The first phase of the major maintenance upgrade is set to be completed in 2015. Upgrades to eight of the 11 identified areas have been completed. All units that were upgraded in areas of Scottsville, Kewtown, Scottsdale, Woodlands, Connaught, Uitsig, The Range and Hanover Park have now been reoccupied by tenants. Upgrades are under way in Ottery, Manenberg and Heideveld, but work stoppages as a result of gang activity, violence, intimidation, and contractors defaulting on contracts remain a challenge.

Going forward, the focus will be on specific repair and upgrade needs, such as roof and stair replacements, painting, and the installation of geysers as requested by tenants.

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. Training and guidance on how to build houses are also supplied. Participation in the process is regarded as a contribution to the achievement of their housing opportunities.

One of the most important elements for a PHP consolidation project is that the beneficiary must be the property owner (title deed holder)

or must be in possession of a signed deed of sale from the City. The City monitors a considerable number of PHP projects, and is the leading metropole in this regard.

The majority of housing opportunities in this category are provided in Site C in Khayelitsha.

Land restitution

The City of Cape Town is the only municipality in South Africa with a dedicated restitution office. The specific function of this office is to manage the return of Council-owned land that is subject to a restitution claim. In cases where this is not possible because the land has been fully developed, alternative Council-owned land in the vicinity of the claim is identified and made available.

The City has thus far approved the return (restoration) of 11 parcels of land to 11 groups of claimants. These restitution group claims include Richmond Park, District Six, Claremont, Welcome Estate, Crawford, Protea Village, Tramway Park, Dido Valley, Constantia, Macassar and Emavundleni.

The next step in the restitution process is to develop these restored land parcels. However, this can be a challenging and lengthy process given the varying requirements and desires of stakeholders. The City is therefore working closely with the Land Claims Commission in this regard.

Good progress is being made with development in respect of the Richmond Park and District Six land claims, with development plans for the areas having been submitted for approval. It is hoped that most of these restitution land parcels will have been developed in five years.

Social housing

The City continued to make excellent progress in implementing its social housing programme. To date, the City has completed social housing projects in Steenberg, Brooklyn, Bothasig and Scottsdale.

In 2014, the Social Housing Regulatory Authority recognised the City of Cape Town as the best-performing social housing steering committee and programme nationally. In addition, the Steenberg social housing project was named the best in its category at the 2015 provincial Govan Mbeki awards.

Gap housing

Gap housing caters to those households earning between R3 501 and R15 000 per month, i.e. households who earn too much to receive state-subsidised housing, yet too little to have access to the private market – thereby creating a 'gap'. The demand for this market is large; however, blacklisting is prevalent in this income group and serves as a restricting factor.



The construction of high-density community residential units in Langa.

Gap housing is important, as it allows people in BNG houses to escalate to a higher level by purchasing in this market, thereby starting the process of bringing stability to the BNG market. Gap housing also broadens the rates base of the City. Well-located parcels of municipal land have been made available for gap housing for development, and ownership passes directly to the purchasers.

The Pelican Park integrated housing project is one example where the finance-linked individual subsidy programme was utilised to develop for the 'gap' market. It was named the best project in implementing the subsidy programme at the 2015 provincial Govan Mbeki awards.

The sale of serviced plots to qualifying participants is another variation on the gap housing initiative. In this programme, a fully serviced site is sold to people wanting to build their own home at their own pace. This solution is specifically targeted at those who cannot rely on qualifying for a home loan, but who may have other forms of credit, assistance from their employer, or their own building skills. The land is discounted, in return for which no speculation is allowed. The City recognises it as a programme that should be upscaled in the years to come.

Re-blocking

Re-blocking is a community-based process whereby housing structures are reorganised or clustered in a way that improves access by emergency and other vehicles, creating safe spaces between structures, increasing

service delivery, and fostering a sense of neighbourliness, where children can play safely and residents are able to keep a watchful eye on public spaces.

The City continues to work with the Community Organisation Resource Centre and the Informal Settlements Network within the partnership arrangement signed on 19 April 2012. They assist the City with the reconfiguration of the informal settlement and the removal of the 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. This directly and immediately increased the quality of life of the people living in these areas, as access is allowed for increased services as well as preventing future fires.

The City of Cape Town's re-blocking project in Flamingo Crescent informal settlement in Athlone serves as a prime example of the value that re-blocking delivers to communities in informal settlements. Approximately R2 million was spent on upgrading services and making improvements, including the provision of full basic services to 110 households. As a result, these households now have access to individual sanitation, water and electricity services. Paved pedestrian and vehicular access ways for emergency vehicles have also been constructed.



Improving systems to enhance delivery

The City's housing database has recently undergone a major upgrade to align it with the recommendations from various audits as well as the requirements of the revised allocations policy, which was approved on 25 March 2015.

The number of applicants recorded as awaiting a housing opportunity as at 30 June 2015 was 293 761. The City conducts ongoing awareness campaigns to encourage applicants to update the information on the database. These take the form of advertisements in community newspapers and various open days in specific areas. As a result, approximately 30 000 applicants updated their information between June and December 2014.

A web registration facility has also been available since December 2014, which allows applicants to register on the City's housing database via the internet. Due to this initiative, the number of registrations is growing on a monthly basis.

Programme 3.2(e): Densityfication programme

The City's densification programme includes the identification of public and private land to use for intensified property development. An important component of this is growth management, which includes densification, utilising the urban edge, and optimal and sustainable use of land through densification in transport corridors and economic nodes.

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: the Voortrekker Road corridor and the central city to metro southeast corridor. A draft strategy and investment plan has been developed for the Voortrekker Road corridor in the year under

review, which included the input of an international review panel. A similar strategy and investment plan will be developed for the central city to metro southeast corridor in the 2015/16 financial year.

The City's Densification Policy and a supportive Urban Design Policy are in place and continue to promote densification among all stakeholders as an ongoing process. Work on a citywide medium-term infrastructure investment framework in support of densification is currently under way.

City garners top housing awards

The City of Cape Town's efforts to change lives through its human settlements programmes were recognised by the Southern African Housing Foundation. The City's CRU refurbishment programme received the award for community development project of the year.

The CRU refurbishment programme is ongoing in various areas across the city, and was launched as a result of the City's dissatisfaction with the maintenance conditions of CRUs. Throughout the implementation of the projects, the City has focused on maintaining open communication channels with all affected tenants and the broader community, ensuring that the community is involved every step of the way. More than 6 500 Council rental units of the 7 775 initially identified in 2008 have already been upgraded as part of this programme.

The City's Pelican Park development was also named the best integrated housing project at the annual Southern African Housing Foundation awards ceremony.



As it won more than one award In 2014, the City's CRU refurbishing programme received the award for community development project of the year.

CARING CITY 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

The City continues to upgrade its existing non-saleable rental stock, and will work with the private sector to develop and maintain affordable rental housing units. The building of new rental stock and the upgrade of existing high-density hostels into family units will cater for families who prefer affordable rental housing.

The City has spent approximately R700 million of the approved budget of R1,2 billion on an initial five-year programme to undertake major refurbishment and upgrades of its rental stock. Work has been completed in Scottsville, Scottsdene, Uitsig, Woodlands, Connaught and Kewtown. Work is also continuing or commencing in Manenberg, The Range, Hanover Park, Heideveld and Ottery.

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. Efforts are ongoing and have been intensified to create more awareness. 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.

Progress continues with title deed transfers

By the end of June 2015, over 14 100 historic title deeds had been transferred to previously disadvantaged beneficiaries since 2012. This has been the result of a massive effort by the City's Human Settlements Directorate to clear backlogs pertaining to historic title deeds, some stretching as far back as 30 years.

The City recognises that such transfer of title deeds is one of the greatest methods to bring redress to residents who were prohibited from owning property under the apartheid regime.

Progress has also been made regarding transfers of title deeds to the original beneficiaries or the persons in occupation of the sites in Nyanga and Brown's Farm. Since many of the original beneficiaries no longer occupy these sites, the City has approved a policy that provides for a process of cancelling the existing deeds of sale applicable to beneficiaries who no longer occupy the site-and-service properties, as well as screening the current occupants for possible



Services to backyarders are provided in the form of a precast structure containing a flush toilet, a tap with a washing trough, electricity connections for up to three structures and a refuse bin per backyard.

transfer. A number of sites in Nyanga are still registered to Province, and negotiations for their transfer are under way.

CARING CITY OBJECTIVE 3.4 PROVIDE FOR THE NEEDS OF INFORMAL SETTLEMENTS AND BACKYARD RESIDENCES THROUGH IMPROVED SERVICES

In Cape Town, the greatest impact of urbanisation is evident in the backyards of established communities and informal settlements, where families have settled due to circumstances beyond their control. As part of its commitment to ease this situation, the City has established a cross-departmental Urbanisation Work Group with the primary goal of ensuring an integrated, coordinated and collaborative approach when dealing with the city's many urbanisation challenges.

Programme 3.4(a): Anti-poverty programme

As part of the City's Urbanisation Strategy, issues relating to service delivery to the poor in informal settlements or households living in backyards of the City's rental stock are being addressed.

Some of the major challenges in this regard are:

- the location of some settlements relative to bulk infrastructure;
- increasing capacity, especially electricity supply, where infrastructure does exist; and
- high densities and a lack of access to structures.

Any Upgrading of Informal Settlements Programme (UISP) project also considers the economic and social development opportunities it may present. Where possible, when any intervention is undertaken, consideration is first given to conducting the work via the EPWP, before considering mechanised means.

Cape Town is the only metro in the country with a dedicated programme to provide basic services to backyard residents on Council-owned properties.

Programme 3.4(b): Service delivery programme in informal settlements **Exceeding national water and sanitation standards**

The City complies with national guidelines in terms of providing adequate water and sanitation services to residents of informal settlements.

Despite this, the City has chosen to set its own internal service standards, which are higher than the national norm, and constantly aspires to provide services to these higher standards. Certain localised service delivery challenges continue, for instance where informal settlements are not located on City property, or where new informal settlements develop unexpectedly – often on unsuitable land such as floodplains. However, the City makes every effort to quickly and effectively address these challenges as they arise.

In addition, rapid urbanisation makes water service delivery a constant moving target. Dedicated capital provision is made to address this challenge, as well as to fund service delivery improvements in line with the City's higher internal delivery standards and targets.

In line with these, during the 2014/15 financial year, the City provided over 3 090 new toilets and 950 new taps to customers living in informal settlements. This exceeded the targets of 2 800 and 800 respectively set for this period.



The City is committed to the re-blocking and upgrading of informal settlements.

Improving informal settlements

An informal settlements development matrix has been developed with the aim of enhancing the planning process by listing all informal settlements in the city, and identifying which settlements require alternative land for densification or relocation.

In addition, the City has begun a process of granting incremental security of tenure. This will be initiated through a systematic GIS land management tool, which allows for community registers to be spatially depicted and verified. Further phases would relate to, among others, issuing of 'right to occupy' certificates, which will eventually lead to ownership and/or rental, where permitted.

City leads provision of sanitation in South Africa

The City's achievement of 100% access to adequate sanitation in informal areas, as assessed by the DWS in 2012, remains impressive for South Africa.

Since the 2006/7 financial year, the City has increased the provision of toilets from 14 591 to more than 48 900 by the end of June 2015, which represents an increase of more than 300%.

A number of informal settlements have received full-flush toilets in the financial year under review. These include Khayelitsha, Fisantekraal, Kalkfontein, Phola Park and Gqobasi. Just over 1 600 full-flush toilets were provided to residents of informal settlements in 2014/15. The Water and Sanitation Department also has a team dedicated to the maintenance and repair of broken or vandalised toilets.

Programme 3.4(c): Backyarder service programme

Making service delivery a reality for backyard dwellers

As a caring city, the City of Cape Town is constantly looking for ways to improve the lives of residents. This commitment is underscored by the City's backyarder project, which has already been successfully implemented in Factreton and Hanover Park.

Cape Town is the only metro in the country with a dedicated programme to provide basic services to backyard residents on Council-owned properties. With this programme, the City continues to transform lives by providing vital services to residents while they wait for housing opportunities.

More than 480 families living in backyards in Parkwood are set to benefit from the latest roll-out, which will see the City investing approximately R23,4 million for services such as electricity, water and sanitation.



The City is currently funding over 20 000 Eskom electricity connections in informal settlements and temporary relocation areas.

Of the R23,4 million, more than R1,4 million will go towards sanitation services, including plumbing and toilet structures, while the bulk of the investment is intended for electricity infrastructure.

So far, toilet structures have been installed and plumbing services are currently being completed. The underground electricity infrastructure installation is nearly completed, and electricity connections are scheduled for July and August.

The City is also currently implementing the backyarder project in Bonteheuwel, where around 700 families are set to benefit from the provision of services.

The sanitation budget for this project totals more than R3,1 million, while the electricity infrastructure investment is R22,2 million. Up to 1 000 electricity connections will be installed in Bonteheuwel. Future proposed backyarder projects will be rolled out in Leonsdale, Nootgedacht, Bishop Lavis, Bellville South and Lavender Hill.

Programme 3.4(d): Energy services programme

City funds Eskom electricity connections

As part of the City of Cape Town's redress policy and its continued efforts to make Cape Town a caring and opportunity city for all residents, the City is currently funding over 20 000 Eskom electricity connections in informal settlements and TRAs.

The City-funded Eskom projects include the following:

- Enkanini phase 2
Completed 2 085 connections
- Enkanini phase 3.1
Completed 1 941 connections
- Enkanini phase 3.2
Completed 1 158 connections
- Mfuleni TRA extension
Planned 1 000 connections
- Wallacedene meter relocation
Planned 800 connections
- Khayelitsha Site C meter relocation
Planned 5 000 connections

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.

CARING CITY OBJECTIVE 3.5 PROVIDE EFFECTIVE ENVIRONMENTAL HEALTH SERVICES

Programme 3.5(a): Environmental health-care programme Caring for citizens in informal settlements

The City has a stated objective of ensuring that an environmental health practitioner visits every informal settlement in Cape Town at least once every week. This translates into a total of more than 14 100 such visits. During 2014/15, this target was significantly exceeded.

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. This means that water quality must be closely monitored, with many water samples constantly being analysed according to the stringent South African National Standards (SANS 241) requirements.

The water quality graph below reflects the percentage compliance measured against the standards set in SANS 241. These standards prescribe chemical and microbiological components. The City sets its own internal targets and has since 2009 continued to exceed these.

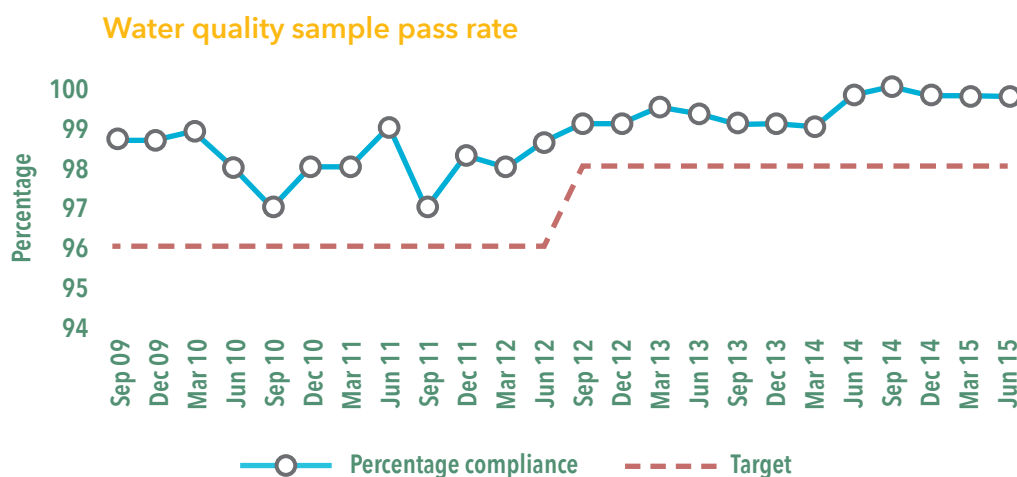


Figure 10: Quality of drinking water in the City of Cape Town

Focus on environmental health

Environmental health is a key responsibility of City Health. The City's nearly 200 environmental health practitioners are tasked with ensuring the health of the environment and, thus, the health and well-being of residents. This complicated task is made even more challenging by the ever-increasing rate of urbanisation and industrialisation in Cape Town, but also the rest of the world.

Environmental health practitioners have a wide range of functions and responsibilities, including monitoring air and water quality, sanitation and housing, noise management, disease surveillance, food safety, vector control, and health surveillance of premises, including regulating smoking in public places as stipulated in the Tobacco Products Control Amendment Act.

In the past financial year, the City's environmental health practitioners conducted inspections at food premises, aimed at mitigating the health and safety risks from exposure to contaminated

or misbranded foods in both the formal and informal sector. Owners of premises found not to be compliant are advised on remedial action, followed by legal action if they fail to act.



Environmental health practitioners have a wide range of functions and responsibilities, including monitoring food safety.



The City continues to provide effective primary health services in communities.

CARING CITY 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 2014/15 financial year, the number of days when air pollution exceeded RSA ambient air quality standards was five. This is better than the stated target of less than 25 days for the period. The number of 'brown haze' episode days recorded depends on various factors, including meteorological conditions, functional status of the monitoring network, state of the economy, and the ongoing efforts to meet the targets of the City's Air Quality Management Plan (AQMP).

The aim of the AQMP is to achieve and maintain clean air in the city over the next 10 to 20 years, and turn Cape Town into the African city with the cleanest air. The plan is designed to reduce the adverse health effects of poor air quality on the citizens of Cape Town, especially during brown haze episodes. The ongoing successes of the diesel vehicle emissions testing programme, which has shown a reduction in failure rates of vehicles tested from 17% in 2000 to below 1% in 2015, also continues to have a positive impact on ambient air quality.

CARING CITY OBJECTIVE 3.7 PROVIDE EFFECTIVE PRIMARY HEALTH-CARE SERVICES

Programme 3.7(a): Primary health- care programme

Supporting the fight against lifestyle diseases

City Health is committed to continually increasing its capacity to assist with the prevention and early diagnosis of diabetes, which continues to be one of the most common chronic lifestyle diseases.

All City Health facilities are equipped to calculate clients' body mass index, do urine sugar screening and blood sugar tests as well as provide basic life support and resuscitation. Additional interventions include health promotion talks; partnerships with NGOs that conduct wellness screening as part of their community outreach programmes; counselling existing diabetes clients on adherence to medication, diet, foot care and eye care, as well as assisting with the provision and dispensing of pre-packed chronic medication.

In line with this commitment to combating lifestyle illnesses, the City has in recent years invested millions of rands in providing infrastructure and environments that promote healthy living, including numerous outdoor gyms in parks across the city and over 20 synthetic pitches.

City clinics upgraded

City Health spent nearly R16 million in the financial year under review on the upgrade of clinics. This includes R1 million to be invested in security upgrades such as improved alarm systems, perimeter alarm beams, fencing, stone guards and burglar bars.

Security breaches and vandalism continue to be a major problem for clinics, not only costing the City money in terms of repairs, but also posing a real threat to service delivery as well as staff and client safety in areas plagued by gang violence.



The City has in recent years invested millions of rands in providing infrastructure and environments that promote healthy living, including numerous outdoor gyms in parks.

One of the biggest stumbling blocks remains that many parents do not consider vaccinations a priority, in spite of the City's best education and awareness efforts.



The City provides a wide range of primary health-care options to all residents through its network of clinics.

For this reason, security upgrades were undertaken at the clinics in Retreat, Parkwood, Westridge, Nolungile, Phumlani, Weltevreden Valley, Wallacedene, Gordon's Bay, Hout Bay, as well as the Directorate's maintenance depot in Vasco.

General upgrades and construction work were also completed at a number of clinics, including:

- landscaping and civil works at Luvuyo and Seawinds clinics;
- the Site B male clinic;
- pharmacy upgrades/extensions at Delft South Clinic;
- new Environmental Health offices in Khayelitsha;
- extensions, upgrades and repairs at St Vincent Clinic; and
- upgrades/extensions to the records room at Lavender Hill Clinic.

Work at the Mzamomhle and Tafelsig clinics will continue into the new financial year, following delays in the awarding of the tenders and local labour issues.

Saving young lives through immunisation

South Africa follows the World Health Organisation's vaccination programme, which includes vaccination against measles, polio, whooping cough, diphtheria, tetanus and tuberculosis. The bulk of the vaccinations are administered in the first year of a child's life.

The progress rate is determined by consulting the national population register for the number of children under the age of one in a particular year, and the number of vaccinations administered by City Health and Province's Department of Health.

In the 2013/14 financial year, the projected population of children under the age of one in the Cape metropole was just over 75 000, according to the national population register. In the first nine months of the year ended March 2014, just over 40 000 (54%) of those children were vaccinated in the public health service. During the same period in the current financial year, the population was lower, at 64 000, although the number of vaccinations increased to 45 092 (70%).

City Health and its partners have instituted a number of measures to increase the number of vaccinations, including fast-tracking children at clinics; immunisation tracking, where they follow up on individual cases to ensure that children return for further vaccinations; periodic mass immunisation campaigns, as well as outreach programmes, where staff go from door to door to screen children for immunisations and refer their parents to the clinic or administer vaccinations on site. Crèches, day care centres and schools are also targeted to drive immunisation efforts for older children.

One of the biggest stumbling blocks remains that many parents do not consider vaccinations a priority, in spite of the City's best education and awareness efforts.

Managing tuberculosis

The total number of tuberculosis (TB) cases has fallen over the last four years from a recorded high of almost 30 000 cases in 2010 to just under 25 000 cases in 2014. The drop coincides with increasing antiretroviral coverage in the HIV-positive population.

The cure rate for new smear-positive TB has been maintained at over 80%. The significance of this achievement is highlighted when viewed against the 67% achieved in 2004. The decentralised management of drug-resistant TB at primary care level has been strengthened.

Continuing the fight against HIV/Aids

The City's efforts to address, prevent and treat HIV are encapsulated in a key strategic programme of City Health, delivered in partnership with Province's Department of Health and NGOs. By the end of June 2015, City Health offered antiretroviral therapy (ART) at 36 of its sites throughout Cape Town.

At least once every quarter, the eight health subdistricts undertake outreach wellness events that incorporate opportunities for HIV testing at shopping malls and other public places to encourage citizens to know their HIV status. HIV testing is also offered free of charge at all City Health facilities (as well as at provincial ones and through NGOs).

As a result, the number of adults over 15 years of age tested for HIV in 2014/15 in Cape Town was over 740 000. The programme for the prevention of mother-to-child transmission of HIV (PMTCT) has seen an incremental drop in the transmission rate over the last number of years to below 1,5%. Without such an intervention, the transmission rate would likely have been in the region of 20%.

Programme 3.7(b): Perception survey score on the provision of primary health-care services

Health services provided by the City are important to residents, and affect how they rate the City's overall performance. 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.

CARING CITY OBJECTIVE 3.8 PROVIDE SUBSTANCE ABUSE OUTPATIENT TREATMENT AND REHABILITATION SERVICES

Programme 3.8(a): Primary health-care programme: Number of substance abuse outpatients provided with alternative constructive behaviour

Combating substance abuse

The abuse of alcohol and other drugs is not only harmful to the users of these substances, but also negatively affects the well-being of families, communities and the broader society.

The City's 2014-2017 strategy for alcohol and other drug (AOD) harm minimisation details the strategic plan to reduce the health, economic and social burden caused by AOD abuse in Cape Town, through the provision of targeted actions and support by City directorates. City Health is primarily responsible for the provision of accessible, affordable and evidence-based treatment services to communities in need.

During the period under review, the outpatient substance abuse treatment sites at Tafelsig, Albou Gardens, Delft South, Town 2 and Parkwood clinics continued to do excellent work among sufferers of substance abuse from surrounding communities. Ruimte Road, Manenberg, was launched as a sixth site in April 2015. The substance abuse treatment sites – where substance abuse is reframed as a health issue and repackaged as a health service – were recognised as a World Design Capital project during the period.

The sites assisted more than 1 800 new clients during the year under review and achieved 81,5% clean drug tests for clients attending the programme.

The annual graduation held on 26 June, which is the International Day Against Drug Abuse and Illicit Trafficking, recognised the efforts of clients and family members in their recovery process by awarding 119 individuals with certificates.

Busting drug recovery myths

The City of Cape Town's ongoing drive to promote its substance abuse treatment programme continues to yield results. In March 2015, the City's Executive Mayor, Patricia de Lille, launched the next phase of the "I have a drug problem" campaign. A few weeks later, in April, the City started its "Someone in Cape Town" campaign hosted exclusively on Facebook and aimed specifically at young people.

"Someone in Cape Town" uses the social media platform to tell the story of a recovering drug addict who has successfully completed the City's 16-week alcohol and drug treatment programme, which is based on the United States Matrix model of treatment and is operated from within the City's six drug treatment sites.

The aim of the two-and-a-half month long campaign, which closed on 12 June 2015, was to increase the number of young people seeking help from the City.

In just seven weeks from the launch of the campaign, the "Someone in Cape Town" page had attracted over 10 100 likes, the various videos posted as part of the narrative had been viewed over 157 000 times on Facebook and YouTube, and 50 individuals had reached out for assistance via the platform's messaging function.

Statistics from the City's substance abuse helpline also reflect the increase in calls for assistance. In the ten weeks prior to the Executive Mayor's launch in March, the helpline was fielding an average of 17 calls a week from people seeking assistance with rehabilitation services and other substance abuse advice. In the ten weeks after the City launched the Executive Mayor's campaign and "Someone in Cape Town", calls to the helpline had increased to an average of 68 per week.





Building a shared community across different cultural, social and economic groups is a key priority for the City of Cape Town. Key to this is ensuring that all residents feel acknowledged, heard and valued, and that the varied cultural backgrounds and practices of all Capetonians are respected and celebrated.

In order to position Cape Town as an inclusive city, two key objectives – each with its own underpinning programmes – have been identified. This section offers an overview of the progress made against each of these objectives and underpinning programmes, as set out below, in the past financial year.



Table 8: IDP objectives and programmes for the inclusive city

Objective	Page in 2014/15 IDP review	Page in this report	Programme
4.1: Ensure responsiveness by creating an environment where citizens can be communicated with, and be responded to	78	107	4.1(a): Managing service delivery through the service management programme (C3 notification responsiveness) 4.1(b): Building strategic partnerships
4.2: Provide facilities that make citizens feel at home	79	108	4.2(a): Community amenities programme (provide and maintain) 4.2(b): Heritage programme

Key inclusive city achievements in 2014/15

- 103,40% adherence to citywide service standards – external notifications
- Sustained Blue Flag status for eight Cape Town beaches
- Opened newly upgraded smart park in Khayelitsha
- Mobile service requests now a reality through new mobi-site
- Installed 27 synthetic pitches to date
- 40 EPWP workers received accredited training in various aspects of horticulture

INCLUSIVE CITY 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

Many Cape Town residents have access to smart mobile devices. Now, these mobile-savvy citizens also have the option of logging their service requests digitally thanks to the launch of the City's new mobi-site.

The mobi-site forms part of the City's ongoing efforts to deliver innovative ways of improving service levels that will save its residents valuable time and money. The mobi-site is a web page designed specifically for mobile devices.

While initial uptake of the mobi-site has been slow, the City is confident that more residents will make use of it going forward. Of the more than 20 000 service requests created via the e-services portal from 1 April 2014 to 31 March 2015, just over 400 were done via the mobi-site. The top three services requested related to streetlights that were not working (30 requests), illegal structures that had been erected (27 requests) and blocked or overflowing sewerage systems (24 requests).

Residents can use the mobi-site to report faults such as potholes, water leaks, electricity failures and illegal dumping. The mobi-site can be accessed at <http://www.capetown.gov.za/mobi>.

Responding to the service needs of all citizens

The City's corporate call centre answered almost 900 000 calls during the 2014/15 financial year. The calls were answered in customers' preferred language (English, Afrikaans or Xhosa), and the majority related to accounts and service enquiries and requests, as well as motor vehicle registration and traffic fines.

The Customer Relations Department continued to install FreeCall lines in municipal buildings, such as housing offices, libraries and community centres in outlying areas. By 30 June 2015, a total of 124 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.

The Customer Relations Department also embarked on another call centre support

learnership for unemployed job seekers, in cooperation with an external service provider. As a result, 21 learners have received call centre knowledge and practical working experience within the municipal working environment.

An independent service provider conducted a customer satisfaction survey among users of the City's call centre in 2015. The call centre achieved a score of 4 out of 5 on the Likert scale. The residents indicated that they experienced consistently excellent customer service from the call centre. The Customer Relations Department also made a concerted effort to improve its response times in order to further improve customer satisfaction levels.

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. Functional partnerships, such as the development of integrated human settlements and the City Health programme, are pursued at sector level, while the City formally engages with Province and other municipalities through the Premier's Coordinating Forum at a political level, as well as by means of the IDP indabas and MTECH committees at an administrative level.



The City continued to install FreeCall lines in municipal buildings, having installed 124 lines by 30 June 2015.

Over the past two financial years alone, R11,6 million has been spent on upgrading and enhancing urban public spaces.



The City's Sport, Recreation and Amenities Department has installed 27 synthetic pitches to date.

INCLUSIVE CITY OBJECTIVE 4.2 PROVIDE FACILITIES THAT MAKE CITIZENS FEEL AT HOME

Programme 4.2(a): Community amenities programme (provide and maintain)

Bringing communities together

The City of Cape Town has invested more than R250 million in 68 public spaces over the years in an effort to create innovative and inclusive community-friendly areas for the residents of Cape Town. Over the past two financial years alone, R11,6 million has been spent on upgrading and enhancing urban public spaces.

Various City departments have worked together to transform these public spaces. These collaborative and integrated efforts to enhance urban and other community spaces have seen successful upgrades to Nantes Park, the Valhalla Park family recreation centre and the Sea Point promenade. The now famous Mill Street skate park in Gardens is another example of where City departments have collaborated to transform an urban public space.

More than R35 million has been earmarked for the public urban space programme in the next two years. This will include the commencement of projects such as the upgrade to the Pavilion precinct in Strand, the Pampoenkraal heritage site in Durbanville and the Langa Station southern forecourt.

Kick-starting sports development

As part of its commitment to giving all Capetonians access to sports and leisure facilities, the City is installing a number of synthetic soccer pitches to replace normal grass-top pitches. These synthetic pitches are more affordable to maintain and can better withstand regular activity. They also encourage extensive usage without interruption for rehabilitation.

The City's Sport, Recreation and Amenities Department has installed 27 synthetic pitches to date. These include ten five-a-side synthetic pitches at the Portlands indoor centre, Langa sports complex, Witsand sports complex, Ocean View sports complex, Grassy Park sport and recreation centre, Elukhanyisweni sport and recreation centre, Lwandle sports field, Bishop Lavis sports grounds, Uitsig sports grounds and Valhalla Park recreation hub. Another 17 full-sized pitches have been installed in Hout Bay, Lwandle, Site C sports complex, Manenberg, Blue Downs, Nomzamo, Imizamo Yethu, Westridge, Nyanga, Scottsdene, Gugulethu, Langa, Valhalla Park recreation hub, Kewtown, Steenberg, Heideveld and Crossroads.

The City recently spent more than R10 million on synthetic soccer pitches in Brown's Farm, Philippi and Kewtown. The decision to build these synthetic soccer pitches was based on calls from the respective communities. The popularity of soccer in these areas, and the lack of available land for additional soccer fields, meant that synthetic soccer pitches offered the best solution. The



Cape Town's beaches are world-class, and eight were awarded Blue Flag status for the 2014/15 summer season.

pitches will go a long way towards alleviating the burden on the existing soccer fields in the area. It is expected that numerous soccer clubs will make use of the facilities.

During the construction phase, EPWP work opportunities were also created.

Another two synthetic pitches worth R10 million are planned for Atlantis and Hanover Park in the coming financial year.

City's beaches are world-class

Eight Cape Town beaches were awarded Blue Flag status for the 2014/15 summer season from 1 December 2014 to 31 March 2015. These were:

- Bikini Beach;
- Mnandi;
- Strandfontein;
- Muizenberg;
- Llandudno (December to January);
- Camps Bay;
- Clifton 4th; and
- Silwerstroomstrand (December to January).

In addition, Melkbosstrand beach was awarded pilot Blue Flag status for the 2014/15 summer season. Pilot Blue Flag beaches are those that will be considered for full Blue Flag status if certain criteria are met within a specified period of time.

The Blue Flag is an international accreditation awarded to beaches that display excellence through meeting 33 criteria covering four categories, including environmental education and information, water quality, environmental management, and safety and services.

The City has successfully participated in the Blue Flag beach programme since its inception in South Africa in 2001.

Three marinas also achieved Blue Flag status. They are Granger Bay, Harbour Island and

False Bay. Blue Flag marinas help ensure better business opportunities for tourism enterprises, while promoting economic development in the boat-building industry, thus creating job opportunities.

Maintenance and upgrade programme

During the year under review, the City continued to maintain and upgrade its community facilities for the benefit of all Capetonians. Specific upgrades to sport and recreation facilities completed over the past three years include the following:

- The addition of spray parks at community facilities in Scottsville, Khayelitsha, Ocean View and Nyanga. The Dunoon spray park is planned for completion in the coming year.
- Upgrades to resorts at Blue Waters, the Monwabisi coastal node and Soetwater
- The construction of sports complexes in Masiphumelele, Wallacedene, Imizamo Yethu and Dunoon at a cost of R13,1 million. Upgrades to Witsand and the new spectator stand at the Lwandle sports complex in Strand. Floodlighting has been installed at the Sea Winds sports complex, and further upgrades are planned for the coming year. The upgrade of J Nontulo sports field and the installation of irrigation systems at Imizamo Yethu, Lentegour and William Herbert sports fields have also been completed.
- The construction of a ticket booth at Nyanga, which is planned to be completed during the 2015/16 financial year
- Major repairs at the Malibu sports field in Blue Downs as well as at Bellville Stadium, amounting to nearly R2,5 million
- The upgrade of the Masibambane and Solomon Mahlangu halls
- Commencing with work on the roof enclosure at the Retreat swimming pool

Upgrades to cemeteries and parks

Cemeteries

- Upgrades were undertaken at Maitland, Rusthof, Atlantis, Gugulethu and Wallacedene, with extensions conducted at Welmoed, Klip Road and Delft.
- Vaalfontein is currently being developed.
- The process of the installation of new cremators at the Maitland crematorium has commenced.

Parks

- Upgrades to district parks took place at Jack Muller and Khayelitsha Wetlands parks, the Company's Garden and the Durbanville rose garden.
- Community park upgrades include Elizabeth Park, NY43 - Gugulethu, the parks in Vrygrond as well as Uitsig, and Westridge Gardens, among others. The upgrade of Mandela Peace Park in Delft has commenced.
- Smaller upgrades were completed in Bellville, Brown's Farm, Kuils River, Kraaifontein, Mfuleni, Samora Machel and Mitchells Plain.
- Various park upgrades and developments, such as the installation of play and gym equipment as well as the establishment of footpaths and landscaping, also took place.
- AstroTurf was installed at YA Park in ward 90.



The historic Company's Garden is a popular public space for a diverse group of residents and visitors.

City opens newly upgraded smart park in Khayelitsha

A local park in Khayelitsha received a facelift worth R9,5 million to become the largest smart park development to date. The Mandela smart park in Khayelitsha opened on 24 March 2015. It contains an exciting mix of play spaces, active recreational facilities, and areas where residents can relax and enjoy time outdoors. For those who enjoy spending their free time being active, sports facilities are on offer in the form of multipurpose courts and kick-about areas. There is a cool space to relax outdoors, and visitors can enjoy the comfortable spaces and picnic sites that have been set amidst the greenery, linked by a network of pathways. This park also includes an amphitheatre for use as an outdoor education area.

The smart park concept is aimed at encouraging social interaction and the integration of communities. The City has taken the idea of 'smart living' outdoors into public open spaces. Its smart park concept uses design-led thinking to transform the way public spaces are developed. To date, two smart parks have been piloted in Blikkiesdorp and Gugulethu, which provide local communities with innovative recreational spaces that cater for all ages and that residents can truly call their own.

City Parks creates EPWP job opportunities

City Parks uses the EPWP to create a sense of ownership by employing local community members to help maintain the public open spaces and parks that serve their neighbourhoods.

Drawing from the local labour pool within the city's poorest communities means that City Parks can develop those areas most in need of investment, while at the same time equipping local community members with key skills.

Despite being project-based, the benefits to be gained from these employment opportunities are long-lasting. The EPWP provides an income to community members, who report using their wages to buy basic necessities such as food, electricity and clothing, as well as to pay school fees and repay outstanding debts.

By engaging in various EPWP projects, community members gain exposure to different types and levels of work, allowing them to make informed decisions on how to further their personal careers.

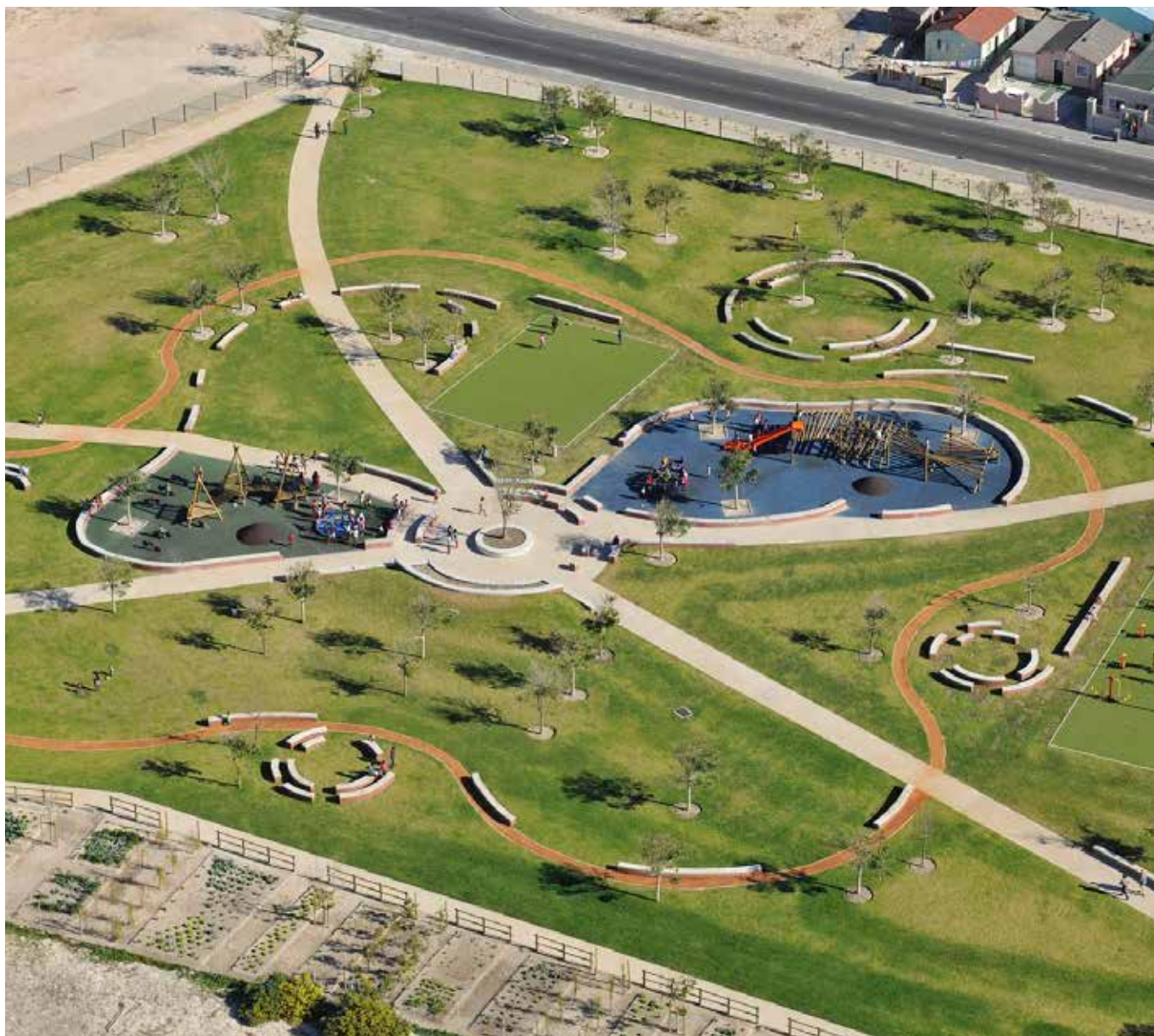
Upskilling EPWP workers with horticulture training

A group of 40 EPWP workers received accredited training in various aspects of horticulture. The training course, which was offered to EPWP workers by the City Parks Department, started with classroom-based modules. These were followed by practical fieldwork sessions to test the trainees' understanding and application of their newly acquired skills.

Upon completion, the group underwent an assessment, which they all passed with flying colours. They are now skilled in the application of fertilisers to ornamental plants and landscapes, as well as the application of health and safety principles in horticulture. Their skills extend to controlling weeds manually in plant propagation and landscaping, as well as pruning and shaping ornamental shrubs.

The EPWP offers a temporary employment opportunity, but also has long-term benefits. The programme offers further opportunities to those who are willing to share the responsibility to improve their skills set, learn more and grow in their careers. The horticulture training course is open to all EPWP workers who have been in the programme for three months or longer. The only requirements are that workers must be dedicated to their jobs, take a keen interest in the tasks given to them, and have a good work attendance record.

The training session was made possible with the help of the National Department of Public Works and AgriSETA training providers, who have accredited the certificates being issued to the staff. Their newly acquired skills have helped to raise the workers' marketability for employment, and provide them with the option to start their own businesses should they choose to become entrepreneurs.



The Mandela smart park in Khayelitsha contains a mix of play spaces, active recreational facilities, and areas where residents can relax.

In the 2014 year alone, City libraries hosted 67 literacy programmes, 1 915 holiday programmes, 381 reading programmes and 5 842 storytelling programmes.

Library facility upgrades and achievements

The City of Cape Town spends R420 million per year on library and information services, providing an essential resource to the residents of the city – especially those in disadvantaged areas and the 1,5 million youth of the city.

Overall, the City services 102 libraries (including the two satellite libraries) as well as three mobile libraries.

Construction of the new Kuyasa regional library complex in Khayelitsha began in September 2013. This R54 million project on Walter Sisulu Road underscores the City's pledge to provide world-class facilities to residents in previously disadvantaged areas. The Ottery satellite library has also been upgraded to a community library. This brings the figures to:

- 76 community libraries that are open 35 hours per week;
- 22 regional libraries that are open 45 hours per week;
- two citywide libraries that are open 63 hours per week;
- two satellite libraries; and
- a mobile service consisting of three buses.

The extension to the Crossroads library has been shelved, as the service will move to another site. The Hangberg library upgrade will be completed in the 2015/16 financial year.

City libraries help communities connect

Saturday 14 March 2015 marked the start of Library Week with the theme "Connect @ your library". This aligns well with the City's belief that library facilities must be more than just places where books are borrowed; they need to be dynamic and versatile community centres that are committed to excellence, and should function as shared spaces where communities come together to exchange ideas and learn.

Testimony to the achievement of this vision is the fact that the City's 100 libraries boast a membership of 679 729 patrons across the age spectrum. By the end of 2014, the collection of items contained in these libraries totalled 4 492 793, which were borrowed 16 712 507 times in total.

The City's libraries provide a critical service to a large number of residents, many of whom do not have access to modern technological devices and continue to rely on a good old-fashioned library as their primary source of information. Compared to other channels, the library is a low-cost and credible asset.

In keeping with international trends, access is provided to electronic resources in the City's libraries. The Encyclopaedia Britannica and World Book Encyclopedia have been available for some time in all libraries, and additional e-resources such as Press Display and Gale Virtual Library are available at a few. Worth noting is that the acquisition of the new Encyclopaedia Britannica Online provides remote access to this venerable information resource, which makes it available 24/7/365.

Access to Encyclopaedia Britannica Online an Africa first

In line with providing the best possible access to information resources, the City's Library and Information Services Department invested approximately R2 million in the expansion of the Encyclopaedia Britannica Online licence, which now includes access to the service for registered library users on all internet-enabled mobile and smartphone devices.



Young Capetonians in one of the City's three library buses.



The City's 102 libraries boast a membership of 679 729 patrons across the age spectrum.

The Britannica service is also designed to enable residents of all ages to find content suited to their preference and their reading and educational level. For younger users, information is provided in concise and simple language, while more extensive and in-depth information is provided for older students. The service also supports those for whom English is an additional language by providing content to suit different levels of reading ability.

Programme 4.2(b): Heritage programme

Highlights for the 2014/15 financial year included the following:

- Adoption of a new Memorialisation Policy for Cape Town to guide decisions to approve new memorials on City land
- Collection and publication of the history of the South Peninsula through stories. This project aims to promote tourism development and the protection of heritage resources through knowledge-sharing and education.
- In partnership with the Cape Town Heritage Trust, the City has started installing blue heritage plaques to identify and interpret key heritage sites.
- The provisional assessment of a number of important public heritage buildings was initiated, with a view to refurbishing

and restoring these assets. These include Prestwich Memorial, the Mamre visitor centre, the historical barn in Homestead Park, and the Simon's Town library.

- Professional teams have been appointed to assist with the design and refurbishment of the Milnerton wooden bridge and the renovation of the Old Granary.
- The spring vault in Homestead Park was refurbished as part of an ongoing programme in the park to maintain its unique heritage resources.
- A new vegetable garden was developed in the Company's Garden as part of an ongoing programme to celebrate the rich history of this green space in the heart of the city.
- A boardwalk was installed in the biodiversity garden located in Westridge Park. Over the next few years, the City will be investing in infrastructure to redevelop this garden as an outdoor classroom similar to the successful biodiversity showcase garden in Green Point Park. These gardens celebrate the rich natural history of the Cape Floristic Kingdom in which the city is located.
- The Langa cultural tourism project was showcased at an international heritage conference in Portugal.
- Mapping and grading of heritage buildings is ongoing, and preparations to proclaim new heritage protection overlay zones are under way in partnership with local communities.

Historical Stadsfontein vault refreshed

Following five months of restoration work, one of Cape Town's two perennial springs, the Stadsfontein vault (or the Main Spring), has been refreshed to ensure that it remains a valued historical site and water source for residents and visitors.

The project to restore the vault, which included addressing matters relating to flooding and the stabilisation of the wall, was undertaken in terms of a Heritage Western Cape permit. The permit required the services of a suitably qualified contractor, a water engineer to resolve flooding, a structural engineer to investigate the stability of the embankment, and a historical archaeologist for monitoring. The first step in the restoration was to remove a nearby tree, which was encroaching on the vault. The entire vault was then exposed by means of hand excavation in order to repair cracks and re-whitewash the structure. A stone retaining wall was discovered at the back of the vault, and it was found that this would be sufficiently stable once the loose soil was removed and replaced with mortar. This was done in a way that differentiates between the back of the vault structure (where plaster finish and whitewash is clearly evident) and the later stone rubble wall.





Only by ensuring that elected leaders and officials serve the interests of the public at all times can a fully democratic and accountable government be established. The City is committed to being accountable for the resources it manages, being answerable and accessible to the people at all times, and maintaining the highest levels of efficiency.

To ensure that Cape Town is a well-run city, three key objectives – each with its own underpinning programmes – have been identified. This section offers an overview of the progress made against each of these objectives and underpinning programmes, as set out below, in the past financial year.



Table 9: IDP objectives and programmes for the well-run city

Objective	Page in 2014/15 IDP review	Page in this report	Programme
5.1: Ensure a transparent government, and work towards eradicating corruption	85	115	5.1(a): Transparent government (oversight) programme
5.2: Establish an efficient and productive administration that prioritises delivery	85	116	5.2(a): Human resources, talent management and skills development programme (integrated talent management approach) 5.2(b): Human resources strategy 5.2(c): Annual community satisfaction survey (CSS) 5.2(d): Information and knowledge management framework – Development Information Resource Centre (DIRC)
5.3: Ensure financial prudence, with clean audits by the Auditor-General	88	123	5.3(a): Financial management programme 5.3(b): Internal management processes programme

Key well-run city achievements in 2014/15

- Scored 2,8 in the annual citywide community satisfaction survey
- 66% of people from employment equity (EE) target groups employed in the three highest levels of management
- 92,82% of workplace skills plan budget spent
- Received high investment rating of A1.za from independent rating agency
- City increased its employment of people with disabilities by over 30%

WELL-RUN CITY 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. This function is a requirement of the MFMA and the King III code, which Council formally adopted. Internal Audit is largely directed by the international standards of the Institute of Internal Auditors (IIA) for the professional practice of internal auditing.

The Department is mandated through its charter (terms of reference) to provide independent, objective assurance and advisory services, geared towards adding value and improving

the City's operations. Internal Audit helps the organisation accomplish its objectives by bringing about a systematic, disciplined approach to evaluating and improving the effectiveness of risk management, control and governance processes.

More details on the role, functions and performance of Internal Audit during the 2014/15 financial year appear on page 27 of this report.

Enabling easy reporting of fraud and corruption

The City has a well-established 24/7 hotline for reporting fraud and corruption. The 24/7 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. All allegations received are reviewed by the Chief: Forensic Services, and logged and scheduled for submission to the City Manager in terms of his delegated authority.



The City prioritises internal development of staff as well as the active provision of career opportunities to women and people with disabilities.

WELL-RUN CITY 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)

Overview of human resources

At the end of June 2015, the City had 25 516 employees. This represents a decrease of 1,29% compared to the previous financial year. The vacancy rate for the City is 9,67%.

While the City's staff complement is highly diverse, it still faces numerous challenges in terms of transforming its equity profile across skills and managerial levels. For this reason, the City prioritises internal development of staff as well as the active provision of career opportunities to women and people with disabilities, with a view to accelerating the transformation of its diversity profile, particularly at senior levels.



Table 10: City of Cape Town workforce profile and targets as at 30 June 2015

OCCUPATIONAL LEVELS	Female					Female total	Male					Male total	Grand total	DISABILITY COMPLIANCE	
		African	Coloured	Indian	White			African	Coloured	Indian	White			TARGET	
Benchmark target/%		16,20%	22,35%	0,46%	8,30%	47,31%		19,09%	23,85%	0,63%	9,12%	52,69%	100,00%	2%	
1 000 top management (T23+)	Actual	2	0	0	2	4	Actual	0	3	0	4	7	11	Actual	2
		18,18%	0,00%	0,00%	18,18%	36,36%		0,00%	27,27%	0,00%	36,36%	63,64%	100,00%		18,18%
	Overall target	2	2	0	1	5	Overall target	2	3	0	1	6	11	Disability target	0
2 000 top management (T23+)	Actual	5	9	0	9	23	Actual	10	23	0	32	65	88	Actual	4
		5,68%	10,23%	0,00%	10,23%	26,14%		11,36%	26,14%	0,00%	36,36%	73,86%	100,00%		4,55%
	Overall target	14	20	0	7	42	Overall target	17	21	1	8	46	88	Disability target	2
3 000 professionally qualified and experienced (T14 – T18)	Actual	92	226	17	228	563	Actual	156	577	27	641	1 401	1 964	Actual	56
		4,68%	11,51%	0,87%	11,61%	28,67%		7,94%	29,38%	1,37%	32,64%	71,33%	100,00%		2,85%
	Overall target	318	439	9	163	929	Overall target	375	468	12	179	1 035	1 964	Disability target	39
4 000 skilled technical and academically qualified (T9 – T13)	Actual	969	1 519	18	488	2 994	Actual	859	2 911	29	822	4 621	7 615	Actual	164
		12,72%	19,95%	0,24%	6,41%	39,32%		11,28%	38,23%	0,38%	10,79%	60,68%	100,00%		2,15%
	Overall target	1 234	1 702	35	632	3 603	Overall target	1 454	1 816	48	694	4 012	7 615	Disability target	152
5 000 semi-skilled and discretionary decision making (T5 – T8)	Actual	1 141	2 171	19	326	3 657	Actual	1 476	3 614	10	282	5 382	9 039	Actual	139
		12,62%	24,02%	0,21%	3,61%	40,46%		16,33%	39,98%	0,11%	3,12%	59,54%	100,00%		1,54%
	Overall target	1 464	2 020	42	750	4 276	Overall target	1 726	2 156	57	824	4 763	9 039	Disability target	181
6 000 unskilled and defined decision making (T1 – T4)	Actual	674	796	3	4	1 477	Actual	2 083	3 394	4	40	5 521	6 998	Actual	89
		9,63%	11,37%	0,04%	0,06%	21,11%		29,77%	48,50%	0,06%	0,57%	78,89%	100,00%		1,27%
	Overall target	1 134	1 564	32	581	3 311	Overall target	1 336	1 669	44	638	3 687	6 998	Disability target	140
Race/gender rep		11,21%	18,36%	0,22%	4,11%	33,90%		17,83%	40,92%	0,27%	7,08%	66,10%	100,00%	514	454
Grand total		2 883	4 721	57	1 057	8 718		4 584	10 522	70	1 821	16 997	25 715	2,00%	1,77%

Table 11: Total number of City employees with disabilities as at 30 June 2015

DISABILITY TARGET: 30 JUNE 2015: 2%				
	Total staff as at 30 June 2015	Target	Actual as at 30 June 2015	Total short/over
City Health	1 655	33	40	-7
Percentage achievement		2,42%		
Community Services	3 410	68	70	-2
Percentage achievement		2,05%		
Compliance and Auxiliary Services	572	11	11	0
Percentage achievement		1,92%		
Corporate Services	1 681	34	49	-15
Percentage achievement		2,91%		
Energy, Environmental and Spatial Planning	826	17	18	-1
Percentage achievement		2,18%		
Finance	1 704	34	54	-20
Percentage achievement		3,17%		
Human Settlements	771	15	25	-10
Percentage achievement		3,24%		
Office of the City Manager	104	2	2	0
Percentage achievement		1,92%		
Safety and Security	3 590	72	45	27
Percentage achievement		1,25%		
Social Development and Early Childhood Development	200	4	5	-1
Percentage achievement		2,50%		
TCT	1 886	38	25	13
Percentage achievement		1,33%		
Tourism, Events and Economic, Development	224	4	1	3
Percentage achievement		0,45%		
Utility Services	9 237	185	109	76
Percentage achievement		1,18%		
City	25 715	514	454	60
Percentage achievement		1,77%		



The City's new information systems and technology training centre for staff and councillors.

The City continues to invest significantly in the development and transfer of skills among its employees. The bulk of the training was aimed at staff at the lower employment levels within the City.



The City's learnership and apprenticeship programme offers training in carpentry, welding, plumbing and other trades.

During the year under review, the City increased its employment of people with disabilities by over 30%. This was achieved through a focused recruitment programme, establishing a database of applicants with disabilities and ensuring that this database is accessed for all positions that can accommodate an applicant with a disability.

Employment equity

The City has completed the second five-year term of its employment equity (EE) plan. The term of the new EE plan is from 1 February 2015 to 30 June 2019. The plan is accompanied by an implementation strategy for the same period to provide guidance on the following:

- Key objectives of the plan
- Desired outcomes and assignments of responsibilities for each year of the plan
- Barriers identified during consultation, and affirmative action measures to facilitate redress
- A dispute resolution mechanism

In support of the plan, the City's EE Department is focused on raising awareness of the following:

Table 12: Employment equity focus areas in the 2014/15 financial year

EE interventions	Number of interventions	Number of staff attending
Sexual harassment info sessions	7	188
Gender sensitisation training	9	223
Women empowerment initiatives	7	709
Diversity management workshops	79	1 131
Disability awareness sessions have commenced to assist all staff in understanding various disorders and to have empathy with persons with disabilities (autism and epilepsy sessions).		
Total	102	2 251

Attracting and developing talent

Managing talent is a challenge for the City, as it competes globally to attract and retain engineers, nurses, planners and a range of other, related skills. While attracting external talent is a very important component of business continuity, retaining and growing existing talent is far more reliable. Therefore, investment in staff development and skills upgrades remains a priority.

The City approved a new Recruitment and Selection Policy to support a more robust talent attraction process with flexible staffing options and inclusion of probation. A total of 3 470 appointments (1 856 external and 1 614 internal) were made in the year under review, ensuring that the City remains in the top 50 employers of choice nationally among undergraduates and young professionals.

The City's overall turnover in employees remains low, with the turnover in scarce-skills categories at 6,81%. The overall growth in employees in the same categories was 1,62% over the financial year, indicating an increase in the City's skilled workforce and a reduction in risk.

Developing people through training and coaching

The City continues to invest in staff development, and achieved a 92% spend on its training programmes.

The City provided more than 35 790 training opportunities (excluding internal bursaries) to almost 14 500 staff members. In addition, more than 3 370 employees underwent training supported via internal bursaries.

Committed to skills development and learning

The City also invests significantly in the development and transfer of skills among its employees. The bulk of the training was aimed at staff at the lower employment levels within the City, for the administration to 'grow its own timber'. The City once again received awards for aspects of its adult education and training programme. Highlights and programmes for the year under review included the following:

Driver training

A new driver training programme was introduced as agreed with the unions and captured in workplace skills plan number 15.

Driver training for people with disabilities

This programme was extended to include 40 people with disabilities who are halfway through the programme to acquire their code 08 driver's licence.

Finance management programme (corporate funded)

A new minimum municipal competency programme for lower staff levels was launched. This three-year programme enhances the development of competent employees within the finance environment. There are currently more than 140 employees on the programme.

Shop steward training

Almost 60 shop stewards from both unions attended shop steward-related training. The purpose of the training was to capacitate shop stewards to perform their daily functions. Another 30 shop stewards were granted bursaries for more specialised training in labour relations.

Recognition of prior learning

Seven of the City's general workers (six fitters and one electrician) underwent a recognition-of-prior-learning programme in partnership with Province. They all completed their trade tests and are now qualified artisans.

Adult education and training

The City continues to expand its adult education and training programme and received R10 000 for materials for Mathematics and Mathematical Sciences and Travel and Tourism education this year.



In the reporting year, the City achieved a 92% spend on its staff training programmes.

The City's single biggest budget item is staff costs, which currently amount to approximately R8,9 billion per annum.

Recognising the commitment of City employees

Altogether 236 employees were awarded certificates of recognition for completing their qualifications (certificates, diplomas and degrees) in the 2014/15 year across various fields of study and programmes.

Enabling employee engagement

The Recognition and Reward Policy was developed and adopted in 2014 to provide positive recognition and feedback to employees who have made exceptional contributions. Many directorates and departments also have well-established recognition and reward programmes in place, which have been enthusiastically adopted by employees and have proven to be highly successful and motivating.

The Annual Mayoral Awards, which are prestigious awards measured against the five strategic focus areas (SFAs) of the IDP, were approved as part of this policy. As part of the inaugural Annual Mayoral Awards, any employee could be nominated by a colleague, team leader, supervisor or line manager. A total of 174 employees were nominated from across the organisation, and five employees were awarded against each SFA. The recipients of these awards were granted five days' leave, which can be converted to cash.

The latest employee engagement survey continued to show high scores on critical indicators, which translates into improved service delivery. Results indicate that:

- 77% of City staff are proud to work for the City of Cape Town;

- 75% do work above and beyond what is required; and
- 85% say they give 100% when they are at work.

Programme 5.2(b): Human resources strategy

The City's single biggest budget item is staff costs, which currently amount to approximately R8,9 billion per annum. This is a very worthwhile investment, since the City's staff members are its most valuable asset. The human resources (HR) strategy is aimed at ensuring that this asset is optimally utilised, motivated and developed.

In the year under review, the ongoing roll-out of smart electronic systems delivered the following outputs in line with the strategy:

- HR has commenced with the pilot project to roll out employee self-service to employees who do not have computers. This is being done through the purchasing of kiosks, which will be located within depots. The aim is to continue to improve HR services to employees, and increase efficiency and accuracy of leave and related transactions. The initiative will complement existing online employee self-service systems.
- The turnaround time to fill vacancies was reduced by 15%, largely as a result of working smarter, using text hire and related mechanisms, and establishing databases for generic positions such as workers, clerks, etc.
- The first phase of employee folder management on SAP was rolled out. This programme will deliver significant savings in future. As employee records are created and stored online, it reduces the need for paper, printing, photocopying and, importantly, storage space, as well as speeds up retrieval of employee personnel records.





The HR Service Desk is another smart electronic system that is increasingly being used by staff.

- Absenteeism remains relatively low at 4,98%.
- Use of the HR Service Desk increased by 20% from 27 042 to 32 634 calls received. First-time resolution of calls is 96%, with the remaining 1 228 calls being referred for more specialised responses.

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 2014/15, 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. The 2014/15 score is an increase on the 2,4 scored in 2007/8, which was the baseline year when the CSS was first completed. A high-level overview of the results of the survey is included in the section on governance, compliance and risk management on page 30 of this report.

Programme 5.2(d): Information and knowledge management framework - Development Information Resource Centre (DIRC)

Information and knowledge framework

DIRC is a corporate resource for departments to contribute and extract information. As such, it constitutes a single source of information and reporting, which allows for the smooth sharing of knowledge across departments, and improves the way the City does business. The City utilises aerial imagery to monitor the growth of informal settlements, as well as to support planning and service delivery.

Occupational health, safety and employee wellness

The core business of the City's Occupational Health and Safety Department is to provide a

service to staff and line management that will ensure their safety, health and wellness while at work. Some of the achievements during 2014/15 included the following:

- A total of 405 awareness and wellness events were hosted, focussing on occupational health and safety (OHS) as well as employee wellness. These events are arranged at various venues in liaison with line managers, and provide an opportunity for employees to have their health assessed as well as to obtain critical health and wellness-related information to support healthy living.
- A total of 283 legally required health and safety committees (HASComs) were established with the purpose of improving employees' health and safety. HASComs are made up of nominated line managers and elected health and safety representatives.
- A central Health and Safety Committee was established to coordinate the functioning of all other HASComs, and to advise the City Manager on the appropriateness of health and safety measures.
- Baseline hazard identification and risk assessments were conducted for all directorates. These provide information on OHS-related risks in the various workplaces. The information collected during this process is now being processed to develop risk profiles for the different directorates, and will be used to develop evidence-based OHS programmes for all workplaces.
- The medical surveillance programmes for occupational health were reviewed and are now risk-based. The hazard identification and risk assessments were used to determine the categories of employees requiring medical surveillance, as well as the nature of the surveillance required for each category.
- A total of 22 HIV counselling and testing campaigns were held. These campaigns aim to raise awareness in respect of HIV and Aids, and encourage staff to get tested and to know their HIV status.

The City's information and communications technology (ICT) systems are acknowledged nationally and internationally for the manner in which they enable the City to deliver services.



The City's information and communications technology enables it to become more efficient and effective.

- The 20th Driver of the Year competition was held. The competition, which is divided into five categories, is aimed at promoting safe driving practices. The winners were announced at a gala event in April 2015.
- A corporate occupational health and safety key operator indicator was developed and implemented. The purpose of the indicator is to measure the level of legal compliance in reporting injuries on duty, and the investigation of incidents within 30 days after they have occurred. The implementation of the indicator already has a positive impact on the levels of commitment to OHS matters across the City.
- The Department is participating in the roll-out of the iComply legal compliance reporting system. Through iComply, the overall levels of OHS legal compliance across the City will be measured in a more structured and sustainable manner.

The City joined the world and the International Labour Organisation in celebrating the World Day of Safety and Health at Work on 28 April 2015. To mark the occasion, the first annual City of Cape Town OHS conference was hosted. A total of 623 participants attended this conference, which showcased internal and external best-practice initiatives in OHS.

Specialised technical services

Specialised Technical Services is an enabling department that provides services, consultancy and advice to all City line directorates to enable them to achieve their service delivery goals.

Facilities Management is responsible for managing corporately owned buildings, including a

portfolio of leased-in buildings across the city. Fleet Management manages the City's corporate vehicles and plant, including the purchase, disposal and deployment of such assets, the implementation and management of various services such as vehicle repairs and maintenance, on-road vehicle refuelling, and vehicle tracking and usage monitoring.

Information systems and technology

The City's information and communications technology (ICT) systems are acknowledged nationally and internationally for the manner in which they enable the City to deliver services. As a strategic department in the City, Information Systems and Technology (IS&T) aims to be a catalyst for the transformation of public services, and will enable the City of Cape Town to become a more efficient and effective local authority.

Web and mobile services

Building on the solid transactional platform that the City's ICT systems provide, the web services have been extended and made accessible via mobile devices. These services can be accessed via the City's official mobi-site, and offer a platform to which additional mobile services will be added to complement web services already available through the e-services portal. Through projects such as these, the City's IS&T Department continued to deliver on its 'smart' city strategy, and helped to:

- improve the efficiency of the administration;
- improve services to citizens and businesses; and
- enable social and economic development.

WELL-RUN CITY OBJECTIVE 5.3

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

Unqualified and clean audit

The City of Cape Town received an unqualified audit opinion as well as a clean audit status from the Auditor-General of South Africa for the 12th and third consecutive years respectively. This confirms the City's substantial adherence to governance laws and regulations, as well as the existence of the required controls to ensure accountability by political and administrative leadership.

Programme 5.3(a): Financial management programme

City's Finance Directorate an international top performer

The City of Cape Town has again shown that it is fulfilling its objective of being a well-run city through increased efficiency and innovation. The City's Valuations Department, which forms part of its Finance Directorate, was named the 2014 Thomson Reuters (Manatron) jurisdiction of the year.

This is the highest award that a jurisdiction, such as a municipality, can receive. The City competed against more than 1 000 other Thomson Reuters government customers across the globe.

The City was entered into the category for excellence in business process transformation in the public-sector champions awards. The adjudication panel comprised independent industry experts and Thomson Reuters executives.

This award demonstrates yet again that the administration is serious about service delivery and finding new ways to increase delivery through innovation and improved efficiencies.

Financial oversight of the CTICC

The City of Cape Town holds shares in the Cape Town International Convention Centre (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. This inter alia requires ongoing monitoring of the finances of the CTICC, which is one of the few convention centres in the world that does not require an annual operating subsidy from any outside supporting organisation. The City's consolidated financial statements also include the financial statements of the CTICC.



The Cape Town International Convention Centre is one of the few convention centres in the world that does not require an annual operating subsidy from any outside operating organisation.

The City of Cape Town received an unqualified audit opinion as well as a clean audit status from the Auditor-General of South Africa for the 12th and third consecutive years respectively.

CTICC expansion moves closer to completion

The CTICC has become one of the world's leading meeting centres. It is a place of gathering for all South Africans as well as for international visitors. The City of Cape Town has provided the majority of the finance and the land required for the expansion of this facility.

Within five years of its opening, the demand for the CTICC's exhibition hall outstripped supply. A 100% occupancy level has become a frequent occurrence, and the City agreed that the CTICC had to expand in order to remain competitive, as many new convention centres are opening across the world.

The economic impact of the planned expansion, which began in July 2014, is significant, as the continued growth of the economy and the provision of new jobs will create a larger economically active population, who will no longer be reliant on social support.

The CTICC is also a ratepayer, and the development of currently undeveloped land will increase the City rates base, thereby increasing service delivery and maintaining the already high levels of service provision.

Programme 5.3(b): Internal management processes programme

The management accountability programme focuses on training current managers (levels 1-4) in identified core corporate administrative business processes. Newly appointed managers undergo induction training to ensure that they understand their accountability prior to assuming their management roles.

More than 870 managers attended management accountability platform training. Two new courses, on governance and records management respectively, were introduced.

The programme, which contributes to improved governance across managerial levels, has generated great interest nationally, with requests for the City to share the programme with the National Department of Cooperative Governance and Traditional Affairs as well as other local authorities.

Responsible management of service providers

The Municipal Systems Act allows a municipality to enter into a service delivery agreement for the provision of a municipal service in its area. Service delivery agreements may be entered into with the following external service providers:

- A municipal entity
- Another municipality



The expansion of the Cape Town International Convention Centre will double the centre's existing capacity by adding 10 000 m² of flexible space.



- An organ of state (including a water services committee established in terms of the Water Services Act 108 of 1997, a licensed service provider registered or recognised in terms of national legislation, and a traditional authority)
- A CBO or other NGO legally competent to enter into such an agreement
- Any other institution, entity or person legally competent to operate a business activity

In all such instances, service delivery agreements are prepared and serve as contracts between the City of Cape Town and the service provider. Section 81 of the Municipal Systems Act defines the responsibilities of the municipality when providing a service through a service delivery agreement with an external mechanism.

In keeping with the requirements of the act, the City of Cape Town remains responsible for:

- regulating the provision of the service in terms of section 41 of the Systems Act;
- monitoring and assessing the implementation of the service delivery agreement, including the performance of the service provider in terms of section 41 of the act;
- performing its functions and exercising its powers in terms of chapter 5 and 6 of the act

if the relevant municipal service falls within the development priorities or objectives of the municipality's IDP; and

- monitoring and auditing a system that is used to pass on to a service provider funds for the subsidisation of services to the poor (section 81(2)(b) of the Systems Act).

The City is in the process of performing a pilot project to automate the monitoring of service providers.

City procurement committed to transformation and empowerment

As an administration that is committed to providing opportunities for all residents, the City of Cape Town issued more than 800 purchase orders, per working day to vendors who complied with broad-based black economic empowerment (BBBEE) legislation. In financial terms, this amounts to black economic empowerment procurement of more than R11,14 billion, or 89,97% of the City's total purchase orders issued for the financial year.

Almost 3 000 BBBEE service providers conducted business with the City over the 2014/15 financial period, equating to 80,27% of the overall number of service providers used.



Financial performance and economic sustainability

Overview of the 2015/16 budget

128



ABOUT THIS REPORT

OVERVIEW OF THE
CITY OF CAPE TOWN

GOVERNANCE, COMPLIANCE
AND RISK MANAGEMENT

2014/15
PERFORMANCE REVIEW

FINANCIAL PERFORMANCE AND
ECONOMIC SUSTAINABILITY

ANNUAL FINANCIAL
STATEMENTS

APPENDICES

At the heart of the work that we do is the knowledge that we are serving the people of Cape Town.

*Ald Patricia de Lille
Executive Mayor*

OVERVIEW OF THE 2015/16 BUDGET: BUDGET AT A GLANCE

Operating budget: R32,090 billion

The operating budget is dedicated to day-to-day operations, which include the provision of services such as health, transport and roads, libraries, parks, early childhood development, policing, traffic management, water, electricity and refuse removal.

Capital budget: R6,044 billion

The Capital budget is dedicated to the provision of new infrastructure projects and the renewal or capital maintenance of existing assets.

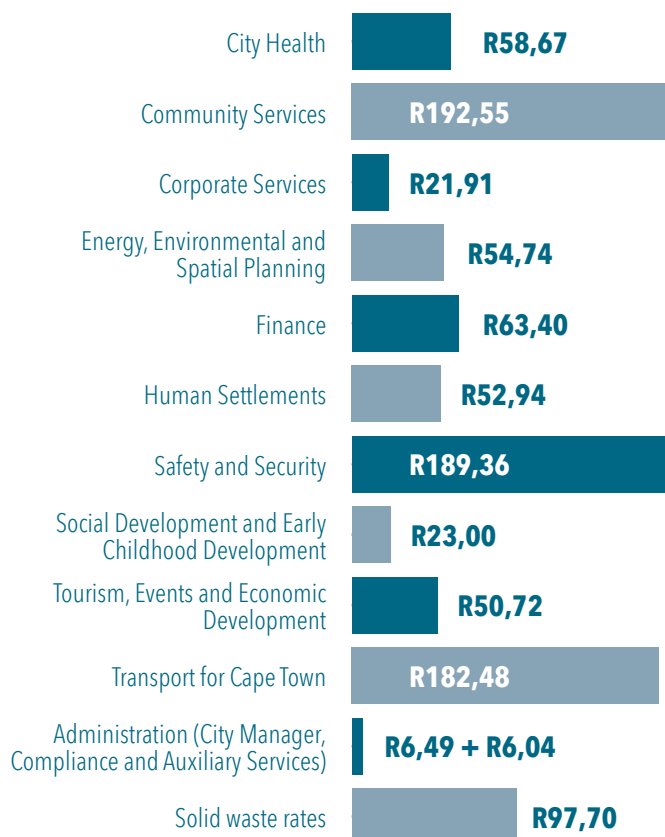
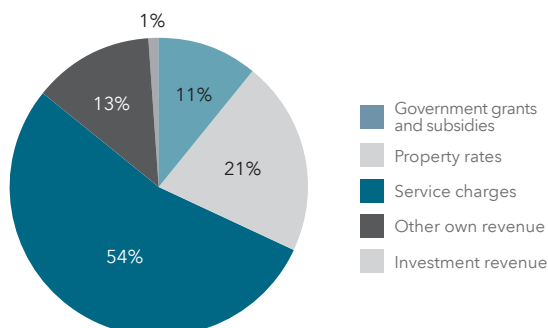


Figure 11: Municipal services per every R1 000 of property rates

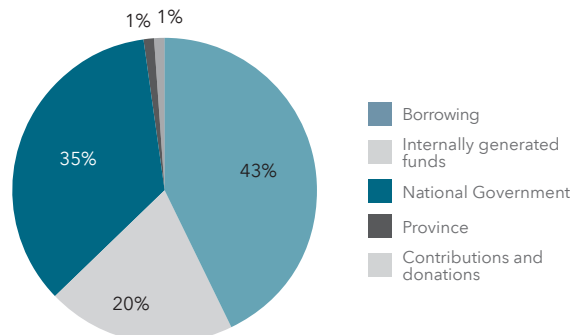
HOW THE CITY'S BUDGET IS FUNDED

How is this funded?

Operating budget



Capital budget



2015/16 budget per strategic focus area

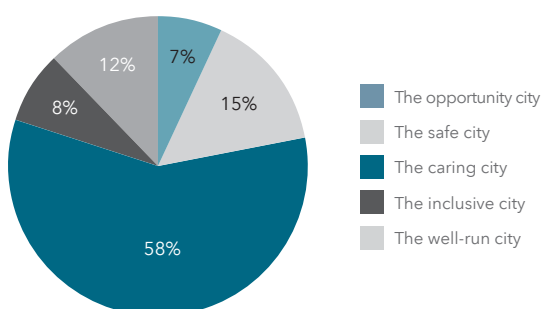


Figure 12: Funding of the City of Cape Town's budget

CONSOLIDATED EXPENDITURE

Utility Services - R18 650 million

- Electricity network infrastructure - growth and refurbishment - R827,8 million
- Electrification (including backyarders) - R70,8 million
- Streetlighting - emphasis on poorer areas - R30,8 million
- Completion of Bellville refuse transfer station - R37 million
- Water and sanitation meter replacement programme - R175 million
- Zandvliet WWTW - extension - R135,9 million
- Mitchells Plain wastewater treatment - R113,5 million
- Contractors to deliver sanitation in informal settlements - R170 million
- Janitorial services - R60 million
- Sewerage pump station and network cleaning - R339 million
- Maintenance of water network infrastructure - R80 million
- Rehabilitation of Vissershok North landfill - R111 million
- Completion of the Faure and Swartklip drop-offs - R19 million
- Start construction for Beaconvale drop-off - R10 million
- Roll-out of the home composting containers to residential properties - initial roll-out to 5 000 properties on application - R3 million
- Solid waste management apprenticeship programme - R6 million

Safety and Security - R2 711 million

- Additional allocation for staff - R33,3 million
 - for Fire and Rescue Service and Metro Police Tactical Response Unit;
 - for the enforcement of Liquor Enforcement Bylaw and for the Displaced Peoples Unit;
 - to improve Traffic Services enforcement and increase visibility on major city roads;
 - for additional traffic staff;
 - for fine collection; and
 - for the appointment of additional call centre operators for the 107 Public Emergency Communications Centre.
- Limited 24-hour service for Law Enforcement and Traffic Services - R5,6 million
- Acquisition of new specialised vehicle (service delivery strikes and cleaning of roads) and new and replacement vehicles - R23,8 million
- Implementation of phase 2 of the Integrated Emergency Contact Centre - R44,5 million
- Installation of CCTV equipment - R6,5 million

Health - R1 012 million

- Tafelsig Clinic: Upgrade and extensions for HIV and TB services - R1,3 million
- Mzamomhle and Masincedane clinics - R2,9 million
- Upgrade of the TB area at Ravensmead Clinic - R1,5 million



Corporate Services - R2 226 million

- Expanding the broadband fibre-optic network - R190,6 million
- Specialised vehicles - replace old fleet - R65 million
- Facilities Management structural rehabilitation - R35 million
- Digital inclusion project - R32 million
- Training programmes - R43 million

Human Settlements - R1 997 million

- Urbanisation: Backyards/informal settlements upgrade - R112,8 million
- District Six restitution project - R75,7 million
- Langa hostels - R66,2 million
- Fisantekraal Garden Cities housing project - R67,88 million
- People's Housing Process projects: City-managed - R119,3 million
- Belhar CBD social housing project - R45,8 million
- Khayelitsha institutional housing project - R18,2 million

Transport - R4 118 million

- Bulk roads and stormwater for housing projects - R42 million
- Reconstruct roads in the metro - R38 million
- IRT - R519 million
- Non-motorised transport network and universal access - R120 million
- Pelican Park: Upgrade of Strandfontein Road - R51 million
- Public transport systems management project - R25 million
- Roads and stormwater rehabilitation - R68 million
- Traffic Management Centre extension - R35 million
- Repairs and maintenance: Roads, stormwater and public transport interchanges - R544 million
- Contracted services: MyCiTi vehicle operating costs - R480 million
- Security: Public transport interchanges and depots - R39 million
- EPWP - R10 million

Community Services - R1 848 million

- New regional library in Kuyasa, Khayelitsha - R15,7 million
- Vaalfontein cemetery development - R7,3 million
- Atlantis synthetic pitch - R6,8 million
- Recreation programmes - R1 million
- Upgrade Nomzamo Park - smart park - R4,8 million
- Upgrade Atlantis smart park - R2,1 million
- Upgrade Seawinds smart park - R1,980 million

- Langa heritage precinct development - R2,8 million
- Baboon management - R11 million and shark spotting - R2,8 million
- Securing nature reserves and public visiting reserves - R4,3 million
- Land acquisition for municipal purposes - R52,9 million
- MURP Violence Prevention through Urban Upgrading: Urban regeneration programme targeting poor areas - R46 million

Other - R5 623 million

- EPWP and Executive Mayor's special job creation projects - R150,6 million
- Construction of early childhood development centres - R10,5 million
- Additional special programme funding received - R13,6 million
- Basement parking and access - R35 million
- Granary project - R29,1 million
- Electronic workflow - immovable property - R8,6 million
- Quality public spaces - citywide - R15,9 million
- Witsands reserve and office development - R3,8 million
- Good Hope Centre refurbishment, which includes the installation of an additional transformer and equipment replacement - R6,5 million
- Completion of works such as the recycling room, additional lifts and LED screens at Cape Town Stadium, ensuring that Cape Town Stadium maintains its status as a global standard facility - R22,5 million
- Film and events permitting system - R2 million
- Key operating decisions relating to the implementation of the Events Policy and support for events - R50,3 million
- Management and oversight of the key special-purpose vehicles in the portfolio, such as Cape Town Partnership, Tygerberg Partnership, Cape Town Tourism and others - R63,4 million
- Completion and management of the repairs and maintenance programme for strategic assets and facilities - R29,4 million
- E-procurement system - R5 million
- Upgrading Imizamo Yethu sporting precinct and Langa Station southern precinct - R4,4 million and R3,5 million

Social package

The social package assists poor households by providing them with the following:

- 6 kl of water per month per household free of charge (as per provision to all Cape Town households)
- 4,2 kl sanitation per month per household free of charge (as per provision to all Cape town households)
- An additional 4,5 kl of water consumption and 3,15 kl of sewerage disposal at no charge to qualifying indigent households
- 60 kWh electricity per month per household free of charge for users who use less than 250 kWh per month
- 25 kWh electricity per month per household free of charge for users who use more than 250 kWh, but less than 450 kWh per month
- Waste removal rebates between 0% and 100% for consumers whose properties are valued at R400 000 or less
- A total of R1,25 billion in rates rebates on various properties, depending on ownership and usage

The total cost of the social package amounts to approximately R2,8 billion for the 2015/16 financial year.



Consolidated annual financial statements

Reporting entity's mandate	134
Approval of the consolidated annual financial statements	134
Report of the Auditor-General	135
Management comments and corrective actions	138
Report of the Audit Committee	139
Report of the Municipal Public Accounts Committee (MPAC)	142
General information	144
Report by the Chief Financial Officer	146
Financial statements and policies	
Statement of financial position	151
Statement of financial performance	152
Statement of changes in net assets	153
Cash flow statement	154
Statement of comparison of budget and actual amounts - economic entity	155
Statement of comparison of budget and actual amounts - Municipality of Cape Town	157
Accounting policies	159
Notes to the consolidated financial statements for the year ended 30 June 2015	172
Appendices	
A: Schedule of external borrowings	230
B: Analysis of property, plant and equipment and other assets	232
C: Disclosure of bank accounts in terms of section 125(2)(a) of the MFMA	234
D: Segmental statement of financial performance	236
E: Disclosure of grants and subsidies in terms of section 123 of the MFMA	238
F: Appropriation statement (reconciliation: budget and in-year performance) in terms of National Treasury MFMA Circular No 67	244
G: Bids awarded to family of employees in the service of the state - 2014	246
Glossary of abbreviations	247



Reporting entity's mandate

The reporting entity (hereinafter 'the Entity') is a high-capacity, category A local authority established in terms of section 151 of the Constitution of the Republic of South Africa (Act 108 of 1996).

The principal activities of the Entity are to:

- provide democratic and accountable government to the local communities;
- ensure sustainable service delivery to communities;
- promote social and economic development;
- promote a safe and healthy environment; and
- encourage the involvement of communities and community organisations in the matters of local government.

The Entity's operations are governed by the Local Government: Municipal Finance Management Act (MFMA) (Act 56 of 2003), Municipal Structures Act (Act 117 of 1998), Municipal Systems Act (Act 32 of 2000) and various other acts and regulations.



Approval of the consolidated annual financial statements

I am responsible for the preparation of these consolidated annual financial statements for the year ended 30 June 2015, as set out on pages 151 to 229 in terms of section 126(1) of the Municipal Finance Management Act, and have accordingly signed the statements on behalf of the City.

I certify that the salaries, allowances and benefits of councillors as disclosed in note 30 to these annual financial statements are within the upper limits of the framework envisaged in section 219 of the Constitution of the Republic of South Africa, read with the Remuneration of Public Office Bearers Act (Act 20 of 1998) and the Minister of Provincial and Local Government's determination in accordance with the Act.

Achmat Ebrahim

City Manager

30 September 2015

Report of the Auditor-General (to the Western Cape Provincial Parliament and the Council of the City of Cape Town)

REPORT ON THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

Introduction

1. I have audited the consolidated and separate financial statements of the City of Cape Town and its entities set out on pages 151 to 229, which comprise the consolidated and separate statement of financial position as at 30 June 2015, the consolidated and separate statement of financial performance, statement of changes in net assets, cash flow statement and the statement of comparison of budget information with actual information for the year then ended, as well as the notes, comprising a summary of significant accounting policies and other explanatory information.

Accounting officer's responsibility for the consolidated and separate financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these consolidated and separate financial statements in accordance with South African Standards of Generally Recognised Accounting Practice (SA standards of GRAP) and the requirements of the Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and the Division of Revenue Act of South Africa, 2014 (Act No. 10 of 2014) (DoRA), and for such internal control as the accounting officer determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

Auditor-general's responsibility

3. My responsibility is to express an opinion on these consolidated and separate financial statements based on my audit. I conducted my audit in accordance with International Standards on Auditing. Those standards require that I comply with ethical requirements, and plan and perform the audit to obtain reasonable assurance about whether the consolidated and separate financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated and separate financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the municipality's preparation and fair presentation of the consolidated and separate financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipality and its entities internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated and separate financial statements.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

6. In my opinion, the consolidated and separate financial statements present fairly, in all material respects, the financial position of the City of Cape Town and its entities as at 30 June 2015 and its financial performance and cash flows for the year then ended, in accordance with SA standards of GRAP and the requirements of the MFMA and DoRA.

Emphasis of matters

7. I draw attention to the matters below. My opinion is not modified in respect of these matters.

Material losses/impairments

8. As disclosed in note 8 to the consolidated financial statements, material losses of R691,8 million (8% of the gross balance of receivables) were incurred as a result of a write-off of irrecoverable receivables.

Report of the Auditor-General (to the Western Cape Provincial Parliament and the Council of the City of Cape Town)^(continued)

9. As disclosed in note 8 to the consolidated financial statements, receivables were significantly impaired. The impairment allowance amounted to R4,3 billion (48% of the gross balance of receivables) of which R2,9 billion (32% of the gross balance of receivables) related to service debtors.
10. As disclosed in note 9 to the consolidated financial statements, other receivables were also significantly impaired. The impairment allowance amounted to R1,3 billion (65% of the gross balance of other receivables).
11. As disclosed in note 42.3 to the consolidated financial statements, energy losses of R314,4 million (11%) were incurred as a result of theft and vandalism.

Material underspending of the budget

12. As disclosed in the consolidated statement of comparison of budget and actual amounts the municipality and its entities have materially underspent the capital budget by R880,6 million (14%).

Additional matters

13. I draw attention to the matters below. My opinion is not modified in respect of these matters.

Unaudited supplementary schedules

14. The supplementary information set out in pages 230 to 246 does not form part of the consolidated and separate financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion thereon.

Unaudited disclosure notes

15. In terms of section 125(2)(e) of the MFMA, the municipality and its municipal entity is required to disclose particulars of non-compliance with the MFMA. This disclosure requirement did not form part of the audit of the consolidated and separate financial statements and, accordingly, I do not express an opinion thereon.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

16. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report findings on the reported performance information against predetermined objectives for selected development objectives and key performance areas presented in the annual performance report, compliance with legislation and internal control. The objective of my tests was to identify reportable findings as described under each subheading, but not to gather evidence to express assurance on these matters. Accordingly, I do not express an opinion or conclusion on these matters.

Predetermined objectives

17. I performed procedures to obtain evidence about the usefulness and reliability of the reported performance information for the following selected development objectives and key performance areas presented in the annual performance report of the municipality and its municipal entity for the year ended 30 June 2015:

Municipality

- Objective 1.2: Provide and maintain economic and social infrastructure to ensure infrastructure-led economic growth and development on pages 256 to 259 of the draft annual report.
- Objective 3.2: Ensure increased access to innovative human settlements for increased access to those who need them on pages 260 to 261 of the draft annual report.

- Objective 3.3: Assess the possible sale or transfer of rental stock to identified beneficiaries, using established criteria on pages 260 to 261 of the annual report.
- Objective 3.4: Provide for the needs of informal settlements and backyard residences through improved services on pages 260 to 261 of the annual report.

Municipal entity (Cape Town International Convention Centre)

- Key performance area 1: events (page 264)
- Key performance area 3: customer centricity and service excellence (page 264)
- Key performance area 5: budget (page 264)
- Key performance area 6: governance (page 264)

18. I evaluated the reported performance information against the overall criteria of usefulness and reliability.

19. I evaluated the usefulness of the reported performance information to determine whether it was presented in accordance with the National Treasury's annual reporting principles and whether the reported performance was consistent with the planned development objectives. I further performed tests to determine whether indicators and targets were well defined, verifiable, specific, measurable, time bound and relevant, as required by the National Treasury's *Framework for managing programme performance information*.

20. I assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

21. I did not identify material findings on the usefulness and reliability of the reported performance information for the selected development objectives and key performance areas as listed in paragraph 17.

Additional matter

22. Although I identified no material findings on the usefulness and reliability of the reported performance information for the selected development objectives and key performance areas, I draw attention to the following matter:

Achievement of planned targets

23. Refer to the annual performance report on pages 256 to 263 and 264, for information on the achievement of planned targets for the year.

Compliance with legislation

24. I performed procedures to obtain evidence that the municipality had complied with applicable legislation regarding financial matters, financial management and other related matters. I did not identify any instances of material non-compliance with specific matters in key legislation, as set out in the general notice issued in terms of the PAA.

Internal control

25. I considered internal control relevant to my audit of the consolidated and separate financial statements, annual performance report and compliance with legislation. I did not identify any significant deficiencies in internal control.

OTHER REPORTS

Investigations

26. As reported in the prior periods, an investigation was conducted by the Office of the Public Protector (OPP) into the purchase of land by the City of Cape Town. This resulted in a recommendation by the OPP that an investigation be instituted by the City of Cape Town's forensic unit into the supply chain management procedures of the Cape Town International Convention Centre Company SOC Ltd (RF) (CTICC) expansion project. The investigation by the forensic unit and the reviews by the board of the CTICC were finalised in October 2014.

27. One hundred and twenty-nine (2013-14: 109) open cases relevant to the City of Cape Town appeared in the forensics, ethics and integrity department register at the end of the financial year under review. The movement in the cases is as follows:

- Two hundred and one new cases relating to alleged fraud, corruption, or other criminal activity, maladministration and negligence were investigated by the forensics, ethics and integrity department during the year under review.
- One hundred and sixty cases were concluded during the year, of which 72 related to the current year and 88 to prior years.

Auditor-General

Cape Town

14 December 2015



Management comments and corrective actions to be instituted on the matters raised in the report of the Auditor-General

Management comments and corrective action to be instituted on the matters raised in the report of the Auditor-General to the Council on the consolidated financial statements of the City of Cape Town for the year ended 30 June 2015 in terms of section 121(4)(E) of the Municipal Finance Management Act, No. 56 of 2003.

The audit report is unqualified and contains no issues for which management comments and corrective actions are required. The items listed in the audit report under 'emphasis of matters' are self-explanatory and for reader interest only.



Report of the Audit Committee

for the year ended 30 June 2015

REPORT OF THE AUDIT COMMITTEE TO THE EXECUTIVE MAYORAL COMMITTEE AND COUNCIL OF THE CITY OF CAPE TOWN

In line with its strategic commitment to be a well-governed City, the City of Cape Town strives for effective oversight and monitoring of its governance regime. Critical to the achievement of this aim, is a competent and independent Audit Committee. Section 166 of the Municipal Finance Management Act (MFMA), Act No. 56 of 2003, as amended, obliges every municipality to establish an independent Audit Committee, which must advise the Municipal Council, political office-bearers, accounting officer and management staff of the municipality and the accounting officer and the management staff of the municipal entity, on matters relating to internal financial controls and internal audits, risk management, accounting policies, adequacy, reliability and accuracy of financial reporting and information, performance management, effective governance, compliance with the MFMA, the Division of Revenue Act (DoRA), Act No. 6 of 2011 and any other applicable legislation and any other issues referred to it by the municipality or municipal entity.

The Committee is governed by a formal terms of reference, which is regularly reviewed and approved by Council (last updated vide item C 34/09/14).

The Committee is pleased to present its report for the financial year ended 30 June 2015.

AUDIT COMMITTEE MEMBERS AND ATTENDANCE

The Committee's terms of reference requires five (5) independent members, who have sufficient qualifications and experience to render the services associated with the Audit Committee function. During the year under review, four Audit Committee meetings were held as well as two special meetings to consider the draft annual financial statements and the internal audit plan. In addition, the performance Audit Committee met three times during the financial year.

There was a meeting with the City Manager and the Internal Audit (IA) Department attend the preliminary meeting of the Audit Committee ordinary meetings. The Auditor-General (AG) has a standing invitation to all Audit Committee meetings and attended six of the eight Audit Committee Meetings. The Chairperson also attends the RiskCo Meetings of the City. Committee members participate in meetings with our commitment as is evidenced from the summary below:

Name of Member	Number of meetings attended
Mr G. Harris (Tenure commenced 1 April 2015)	3
Mr Z. Manjra (Tenure ended 31 March 2015)	5
Ms M. Roos	11
Mrs J. Gunther	10
Dr S. Fisher	8
Ms S. Naidoo (Tenure commenced 26 September 2014)	11

The tenure and qualifications of the members are as follows:

NAME	QUALIFICATIONS	TENURE PERIOD (1)	TENURE PERIOD (2)
Guy Harris	BCom, (Hons) CA(SA)	01/04/2015 to 31/03/2018	
Zaid Manjra	CA(SA), Masters in Business Administration	30/03/2009 to 30/03/2012	01/04/2012 to 31/03/2015
Ms Mariaan Roos	CA(SA), HDip Co Law, Masters of Commerce in Auditing, Certified Sustainability Master Class	01/02/2011 to 31/01/2014	01/02/2014 to 31/01/2017
Ms Judy Gunter	BCompt (Hons), Masters in Cost Accounting, Certified Internal Auditor (CIA)	01/11/2012 to 31/10/2015	
Dr Stewart Fisher	MB, ChB (UCT), MMed (Community Health)	01/11/2012 to 31/10/2015	
Ms Someshni Naidu	Diploma in Business Management, Higher Certificate in Management	26/09/2014 to 31/08/2017	

AUDIT COMMITTEE RESPONSIBILITY

The Committee is pleased to report that it has complied with its responsibilities arising from its terms of reference, including relevant legislative requirements.

The Committee also formalised an annual workplan that assists in carrying out its responsibilities and monitoring progress.

Quarterly reporting, by the Chairperson, on the Audit Committee activities, per meeting, were succinctly presented to the MayCo and Council meetings together with the detailed minutes of each meeting following the approval of the minutes at Committee meetings.

Report of the Audit Committee

for the year ended 30 June 2015 (continued)

REVIEW AND EVALUATION OF THE ANNUAL FINANCIAL STATEMENTS

The Committee had the opportunity to review the annual financial statements before and after the AG review and discussed them with Management. The Committee has the following comments:

- The accounting policies and practices applied are appropriate
- We are satisfied that, based on accounting conventions, the financial statements reflect a well run and solvent City and it was appropriate to prepare the statements on a 'going concern' basis
- Two of the biggest assets of the City are not recorded in the financial statements, but are covered in the risk assessments:
 - a. The City and its stakeholders are the guardians of the brand; "Cape Town". Therefore, the City plays a pivotal role in enhancing the brand value, during a time when Cities are becoming increasingly competitive, globally.
 - b. The value of a largely committed and well trained corps of employees that are led by an experienced management team that is committed to sustainability and transformation
- Management takes the comments by the internal and external auditors seriously and is genuine about proposing corrective action
- It would like to see greater advances in integrated reporting and the move towards integrated thinking - this will be an area of focus for the Committee during the next review period as it engages on the issues presented.

The Committee congratulates the Management of the City, especially those in the areas of financial, performance and legal services on yet again achieving a clean audit. Given that many other prominent Cities in South Africa are struggling to attain such status, it truly gives the City a comparative advantage and a lower cost of borrowings.

The External Audit activities are performed by the Office of the Auditor General (SA) and their sourced-in audit consulting partners. The Committee requested that formal conflict check processes are completed to ensure that sourcing partners are not performing other services for the City that could impair their independence.

The Committee has no hesitation in recommending to Council that the annual financial statements be accepted and included in the annual report of the City to its stakeholders. Stakeholders of the City can be justifiably appreciative of the City being forward looking and well managed.

EFFICIENCY AND EFFECTIVENESS OF INTERNAL CONTROL

The Committee has considered the work performed by IA on a quarterly basis and has reviewed the IA Annual Report on Internal Controls for the year ended 30 June 2015.

An IA opinion of "Some Improvement Needed" was expressed on the Internal Control Environment, based on the results of the various audit engagements completed during the year under review. The recent Committee of Sponsoring Organisations of the Treadway Commission (COSO) Internal Control Framework, including financial control assessments, was used as the reporting framework against which the audit results were applied to form an opinion on each of the COSO components namely, the control environment, risk assessment, control activities, information and communication and monitoring activities.

The assessment outcomes of the aforementioned COSO components were at a state of equilibrium. However, the Committee wishes to draw attention to the following areas flowing from Committee activities during the year and the Internal Audit Annual Report on Internal Controls:

- Lack of documented policies and procedures in certain business processes and the inadequacy of existing policies and procedures, including consistent application;
- Insufficient management reviews and supervisory checks to effectively apply roles and responsibilities;
- Inadequate supporting evidence/information in the design, implementation and application of controls;
- Resource/Capacity constraints; and
- Poor communication/collaboration interventions.

The internal control dashboard of the AG was also reviewed and the two areas for improvement relate to performance information and IT systems.

Resolving Internal Control Findings

Follow-up internal audits indicated that an average per directorate of 79% of audit findings previously reported were addressed in comparison to the target of 70%. The Committee noted the non-implementation of some of the IA recommendations and alternative methodologies are being investigated.

Overall the Committee is satisfied with the quality and timing of management responses which indicate a well run City. This is a reflection of the quality of both management and Internal Audit. We are happy that management is appropriately balancing delivery and enhancement.

Combined Assurance

The responsibility for coordinating combined assurance was reallocated to the Integrated Risk Management (IRM) activity. Combined Assurance Framework improvements and advancement are underway. The Committee regularly reviews developments in this area as part of our agreed workplan.

The Committee appreciates the focus on risk and the Chair of the Audit Committee as well as the Chair of Performance Audit Committee, who is also an Audit Committee member, (or their nominees) regularly attend the Risk Committee meetings. The Audit Committee is pleased that Risk Management has moved beyond a tick the box and laundry list approach to focus more on the mitigation of key residual risks while Internal Audit focuses on ensuring the effectiveness on existing mitigation steps.

INTERNAL AUDIT EFFECTIVENESS

The IA activities are completed by an in-house department operating in terms of an IA Charter. There appears to have been no compromise of the independence or objectivity of the function during the year of review. However, cognisance should be taken of the independence of IA when the City embarks on restructuring and the appointment of a new Chief Audit Executive (CAE). The CAE reports administratively to the Executive Director: Corporate Services and Compliance and functionally to the Audit Committee. The Committee is satisfied that the effectiveness of internal audit has not been negatively impacted by the CAE being in an acting role and we appreciate the professional guidance provided by the CAE to his team. Without detracting from the commitment, capability, professionalism and dedication of the Acting CAE it is important that a permanent appointment is made so as to facilitate longer term effectiveness.

An independent external validation of IA quality assurance self-assessment was completed and it was found that the IA activity "Generally Conforms" to the Institute of Internal Auditors (IIA) International Standards for the Professional Practicing of Internal Auditing. From the exercise, recommendations were received for continuous improvement, which will be assessed and implemented as appropriate.

PERFORMANCE MANAGEMENT

Some members of the Audit Committee serve on the Performance Audit Committee, which reports separately in this Annual Report. There is good alignment between the Audit Committee and the Performance Audit Committee.

RISK MANAGEMENT

City-wide initiatives regarding Risk Management continue to embed risk management processes in the City. The Risk Management Committee (RiskCo) assists in enabling and enhancing the understanding of risk management through the strategic "tone from the top". The Audit Committee Chairperson serves as a member of RiskCo, thereby facilitating the Audit Committee understanding of the City's risk management intervention processes.

GOVERNANCE AND ETHICS

The City has adopted the corporate governance principles of the King Codes of Governance in South Africa. The Committee continues to monitor key City-wide governance interventions required, such as the communication and monitoring of the Ethics Office and compliance reporting. These initiatives are continuously evolving and maturing.

The City is also providing input via the Institute of Directors into the development of King IV.

Ethics is also a key focus of the City and further enhancements of awareness and understanding of Ethics at all levels is planned

MUNICIPAL ENTITY

The Cape Town International Convention Centre (CTICC) is the City's sole Municipal Entity. The Committee plays an oversight and advisory role for the Municipal Entity, with the CTICC Audit Committee meeting minutes and annual reporting being reviewed at the City's Audit Committee meetings.

CONCLUSION

The Committee is pleased with the continuing progress made by the City in improving and progressing with the areas outlined in this report. Management deserve the accolade for another clean audit and their commitment to good governance and clean administration

An Audit Committee report to the Municipal Public Accounts Committee (MPAC) was also submitted to the MPAC for the annual report oversight process.

The Committee fully supports the City in implementing its vision and strategies, giving due consideration to the economic and social challenges facing the City and its residents on the journey for sustainable service delivery in a vibrant, sustainable, globally competitive and caring City.

The Committee wishes to express its appreciation to the management of the City, the Auditor-General of South Africa and IA who assist the Committee in performing its functions effectively.



G Harris

Chairperson of the Audit Committee

Date: 10 December 2015

REPORT OF THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC) TO THE EXECUTIVE MAYORAL COMMITTEE AND COUNCIL OF THE CITY OF CAPE TOWN

FOR THE YEAR ENDED 30 JUNE 2015

MPAC was established as an oversight committee in terms of section 79 of the Municipal Structures Act 117 of 1998, and is authorised in terms of section 32(2) and 102(1) of the Municipal Finance Management Act 56 of 2003 (MFMA) to investigate unauthorised, irregular, fruitless and wasteful expenditure of the City and its municipal entity.

MPAC has adopted formal terms of reference, which are regularly updated and approved by Council to provide appropriate additional authority.

In addition, MPAC is governed by the City delegations, which require that MPAC reports quarterly to Council on its activities.

MPAC hereby presents its second annual report for the financial year ended 30 June 2015.

MEMBERSHIP AND MEETING ATTENDANCE

MPAC consists of the following members (the National Treasury guideline for the establishment of MPACs recommends a maximum of 13 members):

COUNCILLOR	PARTY	SUBCOUNCIL	MEMBERSHIP OF OTHER COMMITTEES	MEETING ATTENDANCE
Cllr W Mxolose (Chairperson)	ANC	15	Economic cluster	10 of 10 = 100%
Cllr E Anstey	DA	16	Environmental & Spatial Planning Portfolio Committee (Deputy Chairperson)	9 of 10 = 90%
Cllr P Chapple	DA	15	Community Service Portfolio Committee (Deputy Chairperson)	8 of 10 = 80%
Cllr V Isaacs	DA	22	Corporate Services Portfolio Committee	10 of 10 = 100%
Cllr D Khathswa	ANC	24	Transport for Cape Town Portfolio Committee	8 of 10 = 80%
Cllr B Majingo #	ANC	24		7 of 7 = 100%
Cllr N Makasi *	ANC	14	Rules Committee	3 of 3 = 100%
Cllr C Mhlanga *	DA	2		2 of 3 = 67%
Cllr S Pienaar	DA	6	Energy & Climate Change Committee Finance Portfolio Committee	10 of 10 = 100%
Cllr C Scheepers	ANC	1		10 of 10 = 100%
Cllr K Southgate #	DA	20	Human Settlements Portfolio Committee	6 of 6 = 100%
Cllr B van Dalen	DA	21	Corporate Services Portfolio Committee	9 of 10 = 90%
* MPAC membership ended during 2014/15.				
# MPAC membership commenced during 2014/15.				

A meeting with the Speaker and Internal Audit Department was held in January 2015. Representatives from the Forensics, Ethics & Integrity, Legal Services and Internal Audit departments, the office of the City Manager as well as the Auditor-General of South Africa attended all MPAC meetings. Four task teams were active during the financial year.

MANDATE, METHOD OF WORK AND REPORTING

MPAC efforts are directed by Council, and the committee is authorised to investigate any matter referred to it. This includes instructing other councillors, management and other employees of Council to be present at meetings, and having access to any information required from any councillor or employee. MPAC ensures that all existing internal alternative dispute resolution processes of the City have been exhausted before proceeding with an investigation.

Follow-up occurs based on a schedule of outstanding matters to determine if action has been taken to implement recommendations. The annual MPAC work programme defines the committee's activities for any given year.

Although MPAC has no executive powers, its findings and recommendations are escalated to the appropriate executive authority. MPAC considers the report of the task team at a main MPAC meeting, and submits a report containing recommendations to Council for final decision-making. The immediate reporting line of MPAC is to the Speaker of Council.

RESPONSIBILITY

MPAC is pleased to report that it has as far as possible complied with its responsibilities arising from its mandate, delegations and terms of reference.

Quarterly reporting on MPAC's activities as per the annual work programme was succinctly presented to Council for three of the four quarters. This report replaces the fourth-quarter report and is a cumulative activity statement for the year ended 30 June 2015.

REVIEW AND EVALUATION OF THE ANNUAL REPORT

MPAC considered the 2013/14 annual reports of the City of Cape Town and its municipal entity respectively, and raised issues of concern with the executive management of the City and its municipal entity at the respective oversight meetings. MPAC recommended that Council, having fully considered the 2013/14 annual reports of the City and its municipal entity, as well as representations thereon, adopt the oversight report and approve the annual report without reservation. This was completed within the legislated timeframes and was approved by Council in January 2015 (municipal entity) and March 2015 (City).

PERFORMANCE ASSESSMENT

An annual evaluation of MPAC's effectiveness is conducted by means of a self-assessment as well as a stakeholder assessment by representatives from Council through the office of the Speaker.

The performance assessment conducted for the 2013/14 financial year resulted in a calculated overall performance rating of "excellent". This assessment is completed in the period September to November to allow for the areas for improvement to be included in the annual work programme, which is reviewed annually for the next calendar year. All improvements emanating from the 2013/14 financial year performance assessment were included in the annual work programme for the 2015 calendar year.

ACTIVITIES AND OUTPUTS FOR THE YEAR

ACTIVITIES	OUTPUTS
Meetings and workshops	<ul style="list-style-type: none"> Ten ordinary meetings were held. Four task teams were active to investigate irregular, fruitless and wasteful expenditure. Two workshops were held to: <ul style="list-style-type: none"> provide refresher training for the oversight process (January 2015); and revisit MPAC governance requirements relating to the: <ul style="list-style-type: none"> review of the approved MPAC terms of reference and delegations; and 2015 MPAC work programme, such as the updated performance assessment.
Reporting	<ul style="list-style-type: none"> One report was approved by Council for investigation by MPAC in terms of section 102 of the MFMA. Oversight process (section 129 of the MFMA) <ul style="list-style-type: none"> The oversight report on the 2013/14 annual report was supported and adopted by Council at meetings held in January 2015 (vide item C 48/01/15) and March 2015 (vide item C 32/03/15). MPAC tracked and followed up on the implementation of corrective actions by departments in terms of its resolutions on the 2012/13 and 2014/15 oversight reports.
Training and capacity-building	<ul style="list-style-type: none"> In August 2014, the MPAC chairperson attended an MPAC workshop. During September 2014, the MPAC chairperson attended the annual MPAC symposium at the provincial legislature, and was also accompanied by Councillors Pienaar and Chapple to the 15th annual conference of the Association for Public Accounts Committees. In October 2014, the MPAC chairperson formed part of a panel discussion at the Institute of Municipal Finance Officers annual conference, and also represented the City at Province's 2014 annual conference for local government assurance providers. During November 2014, the MPAC chairperson participated in a peer learning engagement between the Knysna and Cape Town municipalities. In January 2015 and March 2015, induction programmes were completed for Councillors Majingo and Southgate respectively. During May 2015, the MPAC chairperson attended a workshop of the Association for Public Accounts Committees at the invitation of the Western Cape Provincial Parliament's Standing Committee on Public Accounts.
Performance assessment	<ul style="list-style-type: none"> A performance assessment of MPAC members and activities was performed in November 2014.

CONCLUSION

We believe that the City is committed to good governance standards, and MPAC is a mechanism through which Council exercises oversight over the expenditure of public money. Good governance by the City of Cape Town will contribute to making progress possible – together.

Councillor W Mxolose
MPAC Chairperson

August 2015

General information



Executive Mayor
Alderman De Lille, P

Speaker
Alderman Smit, JD

Chief Whip
Alderman Serritslev, AM



Executive Deputy Mayor
Alderman Neilson, ID

Members of the Mayoral Committee

• Alderman Neilson, ID	Finance
• Alderman Limberg, XT	Corporate Services
• Alderman Smith, JP	Safety and Security Services
• Alderman Walker, B	Community Services and Special Projects
• Councillor Bloor, G	Tourism, Events and Economic Development*
• Councillor Herron, BN	Transport for Cape Town
• Councillor Little, S	Social Development and Early Childhood Development
• Councillor Mamkeli, S	Health
• Councillor Sonnenberg, EJ	Utility Services
• Councillor Van der Merwe, J	Energy, Environmental and Spatial Planning**
• Councillor Van Minnen, B	Human Settlements

Previously known as:

* Tourism, Events and Marketing

** Economic, Environmental and Spatial Planning

Members of the Audit Committee

• Harris, G	Chairperson (appointed 25/03/2015)
• Fisher, S	Member
• Gunther, J	Member
• Roos, M	Member
• Naidu, S	Member
• Manjra, Z	Member (contract ended 31/03/2015)

Auditors

The Auditor-General of South Africa
No 17 Park Lane Building
Park Lane
Century City
7441

Private Bag X1
Chempet
7442

Bankers

ABSA Capital
1st floor
163 Uys Krige Street
Platteklouf
7500

PO Box 4110
Tyger Valley
7536

Registered office

12 Hertzog Boulevard
Cape Town
8001

PO Box 655
Cape Town
8000



City Manager
Ebrahim, A



Chief Financial Officer
Jacoby, K

Council members of the City of Cape Town

Councillor/Alderman

Abrahams, A	Griesel, AJ	Mangali, T	Qoba, ZL
Abrahams, AN	Grose, NE	March, GW	Qually, DL
Abrahams, FL	Gwangxu, X	Marman, PI	Rass, B
Abrahams, MM	Gympies, SC	Martlow, J	Rau, R
Adams, A	Hadebe, B	Matanzima, V	Raymond, FHL
Adams, Y	Hansen, B	Matha, MS	Rossouw, SJ
Akim, WJ	Haskin, GC	Maxheke, JJ	Sakathi, T
Alexander, B	Hassiem, W	Maxiti, P	Scheepers, CJ
Amira, D	Haywood, M	Mbandezi, S	Serritslev, AM
Andrews, EP	Hebe, LA	Mbonde, ME	Sikhakhane, N
Anstey, E	Herron, BN	McBride, LVP	Siljeur, GR
Arendse, MT	Heuvel, JA	McCarthy, J	Simons, RS
Arendse, R	Heynes, PC	Mfusi, VN	Slabbert, JD
Arendse, SWP	Honono, TT	Middleton, JH	Smit, JD
August, SN	Hoorn, RM	Mkutswana, MA	Smith, J
Badela, DE	Hoosain, J	Mngxunyen, PM	Sonnenberg, EJ
Basson, JA	Isaacs, LI	Mofoko, NM	Sono, NP
Bazier, R	Isaacs, VR	Moolman, GA	Sopaqa, MM
Beneke, R	Iversen, I	Morkel, KH	Sotashe, X
Bent, NL	Jacobs, BM	Moses, AC	Southgate, KG
Bew, CB	Jacobs, J	Moshani, NA	Taylor, MJ
Bloor, GM	Jaffer, L	Mphila, D	Thomas, CR
Brady, WE	Jaftha, WD	Mpondwana, M	Thomas, GHJ
Bredenhand, JC	Janse van Rensburg, C	Msindwana, ME	Thompson, TB
Brenner, HI	Jansen, E	Mxolose, WS	Thuynsma, J
Britz, MT	Jefferies, IK	Mzalisi, MN	Timm, G
Brunette, EN	Jordaan, C	Ndamase, T	Toko, MS
Bryant, DW	Jordaan, LD	Ndongeni, AX	Twigg, GG
Brynard, CA	Justus, CR	Ndzulwana, N	Uys, TA
Carstens, H	Kannenbergh, ACK	Neilson, ID	Van Dalen, B
Cavanagh, GV	Kempthorne, ML	Ngqame, YA	Van der Merwe, B
Cerfontein, C	Khatshwa, DM	Ngqose, NS	Van der Merwe, CG
Chapple, PH	Kleinschmidt, MRH	Ngqu, PM	Van der Merwe, JFH
Christians, DJ	Kleinsmith, ME	Nguzo, M	Van der Rheede, A
Claasen, CPV	Komeni, AL	Nieuwoudt, MJ	Van der Ross, PE
Clayton, CC	Kopman, NF	Nikelo, M	Van der Walt, ML
Cottee, DG	Krynauw, J	Nkunzana, FM	Van Minnen, BM
Crous, AC	Landingwe, NJ	Nonkeyizana, S	Van Reenen, B
D'Alton, DJ	Lategan, KH	Notana, E	Van Wyk, CHS
Davids, MM	Leputhing, CN	Nqavashe, ML	Velem, M
De Lille, P	Le Roux, B	Nqulwana, M	Venter, JD
Diamond, SP	Liell-Cock, SP	Ntotoviyane, C	Viljoen, R
Dube, AJ	Limberg, XT	Ntsodo, A	Visser, J
Dudley, DK	Little, SA	Nyakatya, NC	Vokwana, PP
Dyantyi, VD	Mabandla, M	O'Connell, RA	Vuba, ST
East, PA	Maci, L	Oliver, MJ	Walker, B
Ehrenreich, AJ	Mack, CJ	Pakela-Mapasa, XB	Watkins, BRW
Else, D	Madikane, BC	Peter, XG	Weavers, M
Esau, CJ	Majingo, BM	Petersen, MJ	Weber, JD
Fourie, A	Makanda, MN	Philander, S	Williams, A
Fourie, GD	Makasi, N	Pienaar, S	Yalezo, S
Francke, P	Makeleni, K	Pietersen, MP	Yozi, SK
Gabier, A	Makeleni, LC	Pretorius, IJ	Zondani, LG
Gabriel, PJ	Malong, BC	Pringle, SB	
Gabuza, A	Mamba, KC	Pupa, T	
Green, AM	Mamkeli, S	Purchase, F	

In the course of the reporting period, the following councillors ceased to be political office-bearers:

Jansen van Vuuren, M	10/08/2014
Sitonga, M	31/08/2014
Nkohla, L	30/09/2014
Mhlanga, C	06/01/2015
Burger, J	31/01/2015

ABOUT THIS REPORT

OVERVIEW OF THE
CITY OF CAPE TOWN

GOVERNANCE, COMPLIANCE
AND RISK MANAGEMENT

2014/15
PERFORMANCE REVIEW

FINANCIAL PERFORMANCE AND
ECONOMIC SUSTAINABILITY

ANNUAL FINANCIAL
STATEMENTS

APPENDICES

Report by the Chief Financial Officer



FINANCIAL REVIEW

This review sets out highlights of the Entity's financial performance for the past year. Full details appear in the annual financial statements

OVERVIEW OF ENTITY RESULTS

The Entity has sustained its positive performance across most of its business operations in support of its service delivery mandate. The Entity's electricity and water trading services have remained sustainable, despite successful increases to temper demand levels.

The Entity's income base has shown slight growth in economic real terms with a net growth excess over tariff increases, which is indicative of confidence in the Entity from both business and consumer communities.

The Entity's overall actual operating results are scheduled below against the corresponding approved budget figures. The statement of financial performance reflects a summary of income and expenditure, while the segmental operating results per service are shown in appendix D to the consolidated annual financial statements.

	2015 Actual R'000	Budget R'000	2014 Actual R'000	2014 - 2015 Growth %
Revenue				
Property rates	6 013 891	5 964 279	5 542 203	8,51
Service charges	15 374 112	15 361 434	14 063 470	9,32
Government grants and subsidies - operating	3 251 460	3 475 167	2 389 432	36,08
Fuel levy	2 002 938	2 002 938	1 895 992	-
Other	2 829 595	2 432 962	2 340 581	20,89
	29 471 996	29 236 780	26 231 678	12,35
Expenses				
Employee benefits	8 177 924	8 874 899	8 691 018	(5,90)
Impairment costs	1 540 214	1 714 815	1 327 820	16,00
Net depreciation and amortisation expenses - see note 32	995 930	1 081 382	946 068	5,27
Finance costs	781 262	912 405	808 782	(3,40)
Bulk purchases	7 108 843	7 086 261	6 591 232	7,85
Contract services	3 684 196	4 043 884	3 405 865	8,17
Other	4 327 633	4 817 183	4 080 226	6,06
	26 616 002	28 530 829	25 851 011	2,96
Net operating surplus	2 855 994	705 951	380 667	
Grants and subsidies - capital	2 485 162	3 223 629	2 138 816	
Grants-funded assets financed from reserve	(929 605)	(938 322)	(828 615)	
Surplus	4 411 551	2 991 258	1 690 868	
Appropriation and taxation	(2 148 825)	(2 372 516)	(1 265 897)	
Net result	2 262 726	618 742	424 971	

Over the past year, consolidated revenues increased by 12,35% to R29,47 billion, while consolidated operating expenses increased by 2,96% to R26,62 billion.

The Entity reported a net operating surplus of R2,86 billion (2014: R380,67 million) against a budgeted surplus of R705,95 million.

Operating revenue

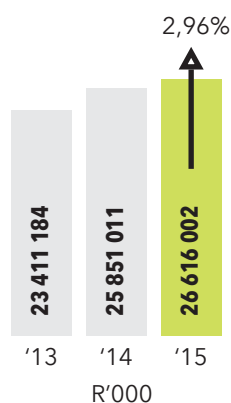
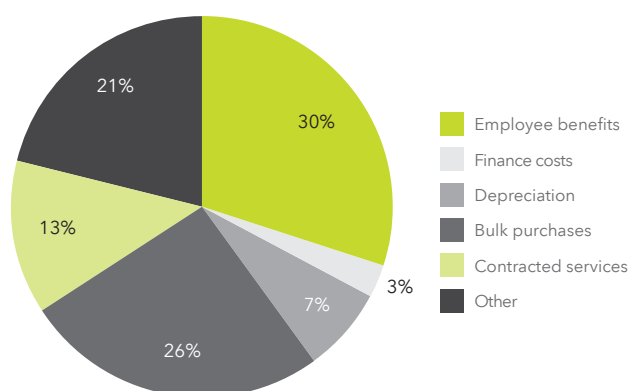
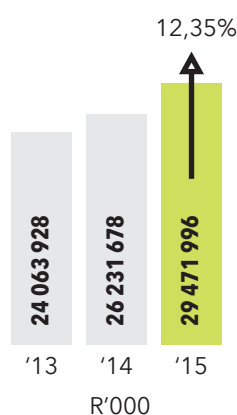
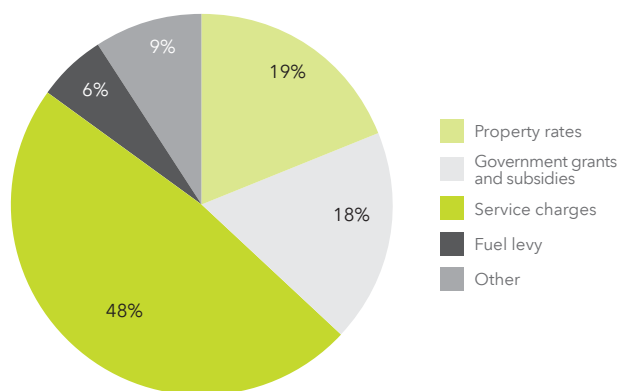
The major revenue streams that supported the Entity's programmes and activities were:

- property rates;
- service charges, which are made up of:
 - electricity sales;
 - water sales;
 - wastewater management (sewerage and sanitation); and
 - waste management (solid waste);
- fuel levy;
- government grants and subsidies; and
- other.

Further details of service charges are contained in note 22 to the consolidated annual financial statements.

Operating expenditure

The following graphs indicate the main categories of expenditure for the year under review. The proactive management control and containment of cost increases remain a key priority for the Entity.



Further details are contained in notes 29 to 36 to the consolidated annual financial statements.

Report by the Chief Financial Officer (continued)

OPERATING RESULTS PER SERVICE

The following is a summary of the operating results of the various services:

	2015			2014
	Actual R'000	Budget R'000	Variance R'000	Actual R'000
Rates and general services				
Revenue	16 497 057	16 270 442	(226 615)	14 353 870
Expenditure	(15 605 442)	(17 874 804)	(2 269 362)	(15 599 024)
Operating surplus/(deficit) for the year	891 615	(1 604 362)	(2 495 977)	(1 245 154)
Grants and subsidies – capital	2 064 945	2 742 966	678 021	1 687 770
Results for the year – see appendix D	2 956 560	1 138 604	(1 817 956)	442 616
Appropriations	(1 985 813)	(1 859 593)	126 220	(1 125 707)
Net results for the year	970 747	(720 989)	(1 691 736)	(683 091)

	2015			2014
	Actual R'000	Budget R'000	Variance R'000	Actual R'000
Utility services				
Revenue	19 428 627	19 304 875	(123 752)	17 746 477
Expenditure	(18 465 633)	(17 955 475)	510 158	(16 983 432)
Operating surplus for the year	962 994	1 349 400	386 406	763 045
Grants and subsidies – capital	420 217	480 663	60 446	451 046
Result for the year – see appendix D	1 383 211	1 830 063	446 852	1 214 091
Appropriations	(127 280)	(512 923)	(385 643)	(98 501)
Net results for the year	1 255 931	1 317 140	61 209	1 115 590

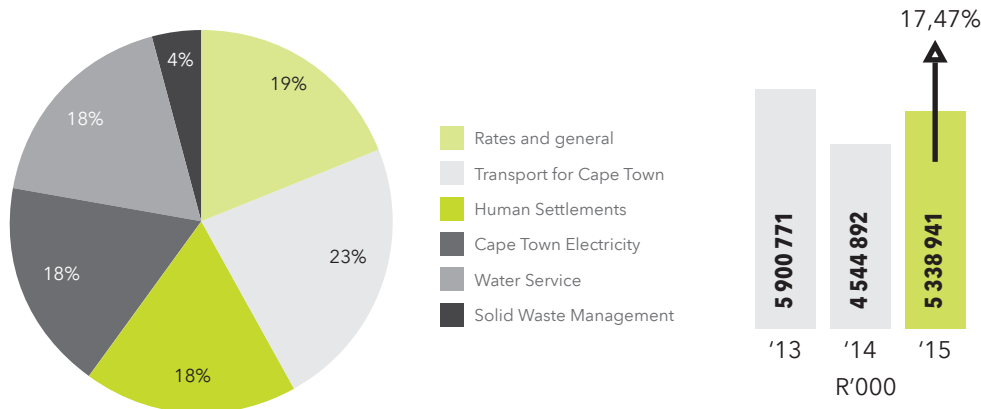
	2015			2014
	Actual R'000	Budget R'000	Variance R'000	Actual R'000
Subsidiaries (municipal entities)				
Revenue	371 609	341 273	(30 336)	312 580
Expenditure	(299 829)	(318 682)	(18 853)	(278 419)
Results for the year – see appendix D	71 780	22 591	(49 189)	34 161
Taxation	(18 576)	–	(18 576)	(8 487)
Transfer for share purchases	(17 156)	–	(17 156)	(33 202)
Net results for the year	36 048	22 591	(13 457)	(7 528)

CAPITAL EXPENDITURE

The Entity's property, plant and equipment expenditure for the financial year under review amounted to R5,34 billion, compared to R4,54 billion for the previous financial year. This represents a 85,84% (2014: 80,30%) capital spend.

Capital commitments as at 30 June 2015 amounted to R3,31 billion (2014: R3,12 billion).

Capital expenditure is reflected by functional area as follows:

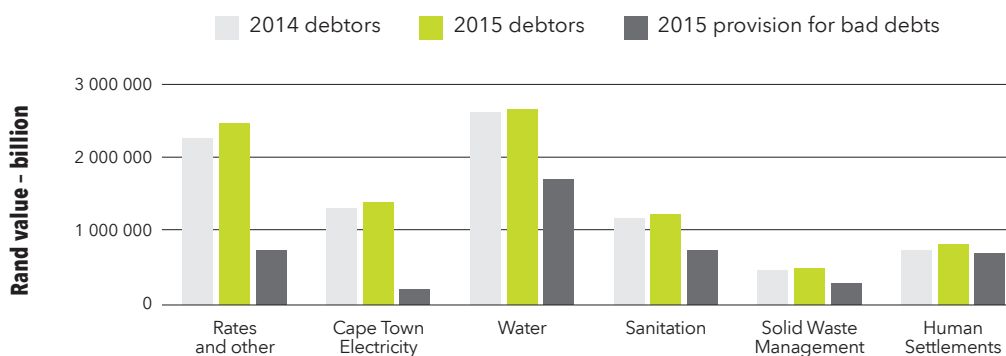


A complete analysis of capital expenditure (budgeted and actual) per functional area is included in the statement of comparison of budget and actual amounts, while appendix B contains details according to asset class. More details regarding external loans used to finance fixed assets are shown in appendix A.

CONSUMER DEBTORS

Outstanding consumer debtors as at 30 June 2015 were R8,95 billion (2014: R8,54 billion). Indigent sector arrear debt of R691,85 million has been written off (2014: R574,83 million). Total provision for impairment increased from R4,23 billion to R4,34 billion, which represents 48,43% of the total outstanding consumer debtors.

The outstanding consumer debtors and the provision for impairment as at 30 June 2015 are represented graphically below.



Report by the Chief Financial Officer (continued)

INVESTMENTS, CASH AND BORROWINGS

Investments as at 30 June 2015 amounted to R5,14 billion (2014: R5,68 billion), of which R1,79 billion (2014: R1,63 billion) was set aside for the repayment of loans. Cash and cash equivalents, which represent cash and deposits with a maturity term of less than three months, increased by R1,14 billion to R3,79 billion.

Interest-bearing debt decreased by R274,40 million for the year ended 30 June 2015. The Entity repaid interest-bearing debt of R311,17 million during the financial year under review.

Additional information regarding investments, cash and cash equivalents and loans is provided in notes 5, 10 and 11 as well as appendix A to the consolidated annual financial statements.

CASH FLOW ANALYSIS

The following table shows information regarding the Entity's consolidated cash flows for the year under review:

	2015 R'million	2014 R'million
Cash from operating activities	6 143	4 566
Cash from investing activities	(4 635)	(6 589)
Cash from financing activities	(368)	(232)

Cash flows from operating activities

The Entity's sources of liquidity are cash flows from operating activities and borrowings. Cash flows from operating activities increased from R4,57 billion to R6,14 billion. The Entity's working capital requirements have steadily increased over the years and are expected to be funded by cash generated from operations.

Cash flows from investing activities

Cash flows from investing activities relate to investments in capital expenditure and short-term investments of longer than three months.

Cash flows from financing activities

The cash flows from financing activities are primarily a function of borrowing activities. In the 2015 financial year, a loan of R0,20 million was raised and R311,17 million repaid.

CREDIT RATING

Moody's Investors Service downgraded the Entity's credit rating during the 2015/16 financial year from Aa3.za/P-1 with a negative outlook to A1.za/P-1 with a stable outlook. The Entity's credit rating downgrade is a direct result of the downgrading of the sovereign rating.

EXPRESSION OF APPRECIATION

I wish to convey my sincere appreciation to the Executive Mayor, the Deputy Executive Mayor, the Mayoral Committee, the chairperson and members of the Finance Portfolio Committee, the Audit Committee, the Municipal Public Accounts Committee, the City Manager and Executive Management Team for their support and cooperation during the year.

A special word of gratitude goes to the accounting staff for their contribution, and to the staff of the Auditor-General for conducting the external audit and for their assistance, support and cooperation during the year.

Finally, a further word of thanks to everybody for the hard work, sacrifices and concerted effort throughout the year to enable the Entity to finalise these consolidated annual financial statements within the prescribed period.



Kevin Jacoby

Chief Financial Officer

Statement of financial position

as at 30 June 2015

	Note	Economic entity		Municipality of Cape Town	
		2015 R'000	Restated ¹ 2014 R'000	2015 R'000	Restated ¹ 2014 R'000
ASSETS					
Non-current assets		38 493 874	34 840 463	38 578 872	34 817 678
Property, plant and equipment	1	33 716 758	30 750 411	33 443 104	30 538 858
Heritage assets	2	9 062	9 111	9 062	9 111
Investment property	3	589 382	190 849	589 382	190 849
Intangible assets	4	708 383	729 507	708 383	729 507
Investments	5	3 394 961	3 056 273	3 753 617	3 245 041
Long-term receivables	6	75 324	104 312	75 324	104 312
Deferred taxation	37	4	-	-	-
Current assets		11 167 435	10 298 049	10 571 363	9 901 582
Inventory	7	282 082	270 351	280 316	269 283
Receivables	8	4 617 194	4 308 354	4 618 497	4 309 649
Receivables from exchange transactions		3 032 457	3 064 236	3 032 457	3 064 236
Receivables from non-exchange transactions		1 584 737	1 244 118	1 586 040	1 245 413
Other receivables	9	709 239	425 014	707 217	414 535
Other receivables from exchange transactions		215 503	126 435	213 481	115 956
Other receivables from non-exchange transactions		493 736	298 579	493 736	298 579
Investments	5	1 746 347	2 621 906	1 746 347	2 621 906
Current portion of long-term receivables	6	19 838	19 650	19 838	19 650
Cash and cash equivalents	10	3 792 735	2 652 774	3 199 148	2 266 559
TOTAL ASSETS		49 661 309	45 138 512	49 150 235	44 719 260
LIABILITIES					
Non-current liabilities		12 053 512	12 466 786	12 040 207	12 450 101
Borrowings	11	6 428 804	6 680 623	6 415 499	6 666 139
Provisions	12	5 624 708	5 783 962	5 624 708	5 783 962
Deferred taxation	37	-	2 201	-	-
Current liabilities		8 729 040	8 218 660	8 656 354	8 155 256
Deposits	13	308 687	398 525	272 258	370 217
Provisions	14	1 130 646	1 081 799	1 127 282	1 078 550
Payables from exchange transactions	15	5 328 443	4 793 980	5 297 880	4 763 375
Unspent conditional grants and receipts	16	1 527 445	1 495 768	1 527 445	1 495 768
Value-added tax	17	85 807	79 021	85 807	79 021
Taxation		1 059	31	-	-
Current portion of borrowings	11	346 953	369 536	345 682	368 325
Total liabilities		20 782 552	20 685 446	20 696 561	20 605 357
NET ASSETS					
Total net assets		28 878 757	24 453 066	28 453 674	24 113 903
Housing development fund	18	396 385	468 419	396 385	468 419
Reserves	19	2 393 879	1 751 497	2 393 879	1 751 497
Accumulated surplus	20	25 789 827	21 998 203	25 663 410	21 893 987
Non-controlling interest	21	298 666	234 947	-	-
TOTAL NET ASSETS AND LIABILITIES		49 661 309	45 138 512	49 150 235	44 719 260

¹ Comparative restated: see note 46 for more details.

Statement of financial performance

for the year ended 30 June 2015

	Note	Economic entity		Municipality of Cape Town	
		2015 R'000	Restated ¹ 2014 R'000	2015 R'000	Restated ¹ 2014 R'000
REVENUE					
Exchange revenue		17 146 943	15 603 423	16 785 807	15 300 845
Service charges	22	15 374 112	14 063 470	15 197 370	13 903 680
Rental of letting stock and facilities	23	369 121	317 890	369 121	317 890
Finance income	24	705 265	594 147	672 838	581 877
Licences and permits		43 110	44 386	43 110	44 386
Agency services		168 519	150 256	168 519	150 256
Other income	25	398 948	368 368	247 040	237 850
Gains on disposal of property, plant and equipment		87 868	64 906	87 809	64 906
Non-exchange revenue		14 810 215	12 767 071	14 949 231	12 890 079
Finance income	24	68 747	71 488	68 747	71 488
City improvement districts (CIDs)	25	–	–	134 172	118 487
Property rates	26	6 013 891	5 542 203	6 018 735	5 546 774
Fuel levy		2 002 938	1 895 992	2 002 938	1 895 992
Fines		988 017	729 140	988 017	729 140
Government grants and subsidies	27	5 674 639	4 442 190	5 674 639	4 442 190
Public contributions	28	61 983	86 058	61 983	86 008
Total revenue		31 957 158	28 370 494	31 735 038	28 190 924
EXPENDITURE					
Employee-related costs	29	8 177 924	8 691 018	8 124 734	8 640 854
Remuneration of councillors	30	128 767	120 153	128 411	119 708
Impairment costs	31	1 540 214	1 327 820	1 540 200	1 328 226
Collection costs		172 518	174 129	172 518	174 129
Depreciation and amortisation expenses	32	1 925 535	1 774 683	1 900 718	1 752 270
Finance costs	33	781 262	808 782	779 929	807 283
Bulk purchases	34	7 108 843	6 591 232	7 108 843	6 591 232
Contracted services		3 684 196	3 405 865	3 576 198	3 312 529
Grants and subsidies paid	35	136 504	115 034	136 487	115 021
General expenses	36	3 886 609	3 668 467	3 924 133	3 691 021
Losses on disposal of property, plant and equipment		3 235	2 443	3 096	1 944
Total expenditure		27 545 607	26 679 626	27 395 267	26 534 217
Surplus from operations		4 411 551	1 690 868	4 339 771	1 656 707
Taxation	37	(18 576)	(8 487)	–	–
Surplus after taxation		4 392 975	1 682 381	4 338 100	1 656 707
Attributable to owners of the controlling entity		4 379 128	1 674 368		
Attributable to non-controlling interest	21	13 847	8 013		
SURPLUS FOR THE YEAR		4 392 975	1 682 381		

¹ Comparative restated: see note 46 for more details.

Statement of changes in net assets

for the year ended 30 June 2015

	Economic entity					Total R'000
	Housing development fund R'000	Capital replacement reserve R'000	Self- insurance reserve R'000	Accumulated surplus R'000	Non- controlling interest R'000	
2014						
Balance as at 30 June 2013	504 356	1 281 721	511 743	20 279 133	144 658	22 721 611
Restated surplus ¹	-	-	-	1 674 368	8 013	1 682 381
Surplus as previously reported	-	-	-	1 677 137	-	-
Correction of error	-	-	-	(2 769)	-	-
Share purchases by non-controlling interest holders	-	-	-	-	49 074	49 074
Transfer (from)/to for share purchases	-	-	-	(33 202)	33 202	-
Transfer (from)/to	(13 848)	419 180	51 761	(457 093)	-	-
Property, plant and equipment purchased	(22 089)	(512 908)	-	534 997	-	-
Balance as at 30 June 2014	468 419	1 187 993	563 504	21 998 203	234 947	24 453 066
2015						
Surplus for the year	-	-	-	4 379 128	13 847	4 392 975
Share purchases by non-controlling interest holders	-	-	-	-	32 716	32 716
Transfer (from)/to for share purchases	-	-	-	(17 156)	17 156	-
Transfer (from)/to	(3 503)	1 122 870	(34 744)	(1 084 623)	-	-
Property, plant and equipment purchased	(68 531)	(445 744)	-	514 275	-	-
Balance as at 30 June 2015	396 385	1 865 119	528 760	25 789 827	298 666	28 878 757

	Municipality of Cape Town					Total R'000
	Housing development fund R'000	Capital replacement reserve R'000	Self- insurance reserve R'000	Accumulated surplus R'000		
2014						
Balance as at 30 June 2013	504 356	1 281 721	511 743	20 159 376		22 457 196
Restated surplus ¹	-	-	-	1 656 707		1 656 707
Surplus as previously reported	-	-	-	1 659 476		-
Correction of error	-	-	-	(2 769)		-
Transfer (from)/to	(13 848)	419 180	51 761	(457 093)		-
Property, plant and equipment purchased	(22 089)	(512 908)	-	534 997		-
Balance as at 30 June 2014	468 419	1 187 993	563 504	21 893 987		24 113 903
2015						
Surplus for the year	-	-	-	4 339 771		4 339 771
Transfer (from)/to	(3 503)	1 122 870	(34 744)	(1 084 623)		-
Property, plant and equipment purchased	(68 531)	(445 744)	-	514 275		-
Balance as at 30 June 2015	396 385	1 865 119	528 760	25 663 410		28 453 674

¹ Comparative restated: see note 46.1 for more details.

Cash flow statement

for the year ended 30 June 2015

		Economic entity		Municipality of Cape Town	
		2015	Restated ¹	2015	Restated ¹
	Note	R'000	2014 R'000	R'000	2014 R'000
CASH FLOW FROM OPERATING ACTIVITIES					
Cash receipts from ratepayers, government and other		29 011 426	26 644 178	28 813 341	26 473 343
Cash paid to suppliers and employees		(22 905 121)	(22 056 756)	(22 780 459)	(21 937 504)
Cash generated from operations	38	6 106 305	4 587 422	6 032 882	4 535 839
Finance income		767 725	741 644	735 298	729 374
Finance costs		(710 788)	(751 138)	(709 455)	(749 639)
Taxation		(19 753)	(11 871)	-	-
NET CASH FROM OPERATING ACTIVITIES		6 143 489	4 566 057	6 058 725	4 515 574
CASH FLOW FROM INVESTING ACTIVITIES					
Additions to property, plant and equipment and other		(5 338 941)	(4 544 893)	(5 251 742)	(4 502 293)
Adjustment to property, plant and equipment cost ²		51 249	-	51 249	-
Proceeds on disposal of assets		91 620	71 479	91 419	71 458
Decrease/(increase) in long-term receivables		28 800	(1 751)	28 800	(1 751)
Decrease/(increase) in investments		531 837	(2 113 558)	361 949	(2 263 558)
NET CASH FROM INVESTING ACTIVITIES		(4 635 435)	(6 588 723)	(4 718 325)	(6 696 144)
CASH FLOW FROM FINANCING ACTIVITIES					
Proceeds from borrowings		201	86	-	-
Repayment of borrowings		(311 172)	(346 397)	(309 852)	(345 067)
Share purchases by minority interest holders		32 716	49 074	-	-
(Decrease)/increase in deposits		(89 838)	65 237	(97 959)	62 000
NET CASH FROM FINANCING ACTIVITIES		(368 093)	(232 000)	(407 811)	(283 067)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		1 139 961	(2 254 666)	932 589	(2 463 637)
Cash and cash equivalents at the beginning of the year	39	2 652 774	4 907 440	2 266 559	4 730 196
Cash and cash equivalents at the end of the year		3 792 735	2 652 774	3 199 148	2 266 559

¹ Comparative restated: See note 46.1 for more details.

² See note 46.3 for more details.

Statement of comparison of budget and actual amounts

for the year ended 30 June 2015 – Economic Entity

	Note	Actual R'000	Approved budget R'000	Final budget R'000	Variance: Final budget and actual amounts R'000	Variance %
STATEMENT OF FINANCIAL POSITION						
	41.2.1					
Total non-current assets		38 493 874	37 639 154	37 230 934	(1 262 940)	(3,39)
Total current assets		11 167 435	10 530 544	10 897 328	(270 107)	(2,48)
Total assets		49 661 309	48 169 698	48 128 262	(1 533 047)	(3,19)
Total non-current liabilities	i	12 053 512	13 001 051	13 881 057	1 827 545	13,17
Total current liabilities	ii	8 729 040	7 321 816	7 179 861	(1 550 850)	(21,58)
Total liabilities		20 782 552	20 322 867	21 060 918	276 695	1,32
Total net assets	iii	28 878 757	27 846 831	27 067 344	(1 809 742)	(6,69)
Total net assets and liabilities		49 661 309	48 169 698	48 128 262	(1 533 047)	(3,19)
STATEMENT OF FINANCIAL PERFORMANCE						
	41.2.2					
Service charges		15 374 112	15 436 107	15 361 434	(12 678)	(0,08)
Rental of letting stock and facilities		369 121	358 711	358 438	(10 683)	(2,98)
Finance income	i	774 012	501 012	493 377	(280 635)	(56,88)
Licences and permits	ii	43 110	40 388	40 988	(2 122)	(5,18)
Agency services	iii	168 519	150 439	153 993	(14 526)	(9,43)
Other income	iv	398 948	349 195	349 273	(49 675)	(14,22)
Gains on disposal of property, plant and equipment	v	87 868	120 500	120 500	32 632	27,08
Property rates		6 013 891	5 942 513	5 964 279	(49 612)	(0,83)
Fuel levy		2 002 938	2 002 938	2 002 938	-	-
Fines	vi	988 017	175 648	916 392	(71 625)	(7,82)
Government grants and subsidies	vii	5 674 639	6 279 282	6 603 826	929 187	14,07
Public contributions	viii	61 983	101 740	94 971	32 988	34,73
Total revenue		31 957 158	31 458 473	32 460 409	503 251	1,55
Employee-related costs	i	8 177 924	9 004 196	8 874 899	696 975	7,85
Remuneration of councillors		128 767	133 619	133 619	4 852	3,63
Impairment costs	ii	1 540 214	950 814	1 714 815	174 601	10,18
Collection costs	iii	172 518	201 630	186 652	14 134	7,57
Depreciation and amortisation expenses		1 925 535	2 182 398	2 019 704	94 169	4,66
Finance costs	iv	781 262	919 247	912 405	131 143	14,37
Bulk purchases		7 108 843	7 050 011	7 086 261	(22 582)	(0,32)
Contracted services	v	3 684 196	4 315 432	4 043 884	359 688	8,89
Grants and subsidies paid	vi	136 504	125 354	145 709	9 205	6,32
General expenses	vii	3 886 609	3 956 039	4 351 203	462 923	10,68
Losses on disposal of property, plant and equipment	viii	3 235	-	-	(3 235)	(100,00)
Total expenditure		27 545 607	28 838 740	29 469 151	1 921 873	6,53
Surplus for the year		4 411 551	2 619 733	2 991 258	(1 418 622)	(47,48)
CASH FLOW STATEMENT						
	41.2.3					
Net cash from (used) operating	i	6 143 489	5 618 991	5 297 911	(845 578)	(15,96)
Net cash from (used) investing	ii	(4 635 435)	(6 478 138)	(7 101 516)	(2 466 081)	34,73
Net cash from (used) financing	iii	(368 093)	1 224 051	1 224 443	1 592 536	130,06
Net increase/(decrease) in cash and cash equivalents		1 139 961	364 904	(579 162)	(1 719 123)	296,83

Statement of comparison of budget and actual amounts

for the year ended 30 June 2015 – Economic entity (continued)

	Note	Actual R'000	Approved budget R'000	Final budget R'000	Variance: Final budget and actual amounts R'000	Variance %
CAPITAL EXPENDITURE	41.2.4					
City Health		20 173	21 966	20 802	629	3,02
City Manager		13 920	6 771	14 638	718	4,91
Compliance and Auxiliary Services		3 723	12 376	3 774	51	1,35
Community Services	i	199 711	203 711	237 145	37 434	15,79
Corporate Services		379 050	359 474	392 444	13 394	3,41
Energy, Environmental and Spatial Planning		56 216	118 119	57 859	1 643	2,84
Finance		90 673	105 509	92 389	1 716	1,86
Safety and Security Services		82 095	70 559	82 247	152	0,18
Social Development and Early Childhood Development		23 251	18 410	24 258	1 007	4,15
Tourism, Events and Economic Development	ii	36 678	39 227	38 681	2 003	5,18
Transport for Cape Town	iii	1 218 720	1 603 984	1 754 131	535 411	30,52
Human Settlements	iv	962 099	860 855	1 071 754	109 655	10,23
Solid Waste Management		228 009	415 875	228 501	492	0,22
Water and Sanitation	v	984 909	1 069 211	1 048 234	63 325	6,04
Cape Town Electricity	vi	952 515	1 305 268	1 061 363	108 848	10,26
Subsidiaries		87 199	82 222	91 365	4 166	4,56
Total¹		5 338 941	6 293 537	6 219 585	880 644	14,16

¹ The actual capital expenditure amount does not include the contributed assets amount of R4,95 million. See appendix B.

Statement of comparison of budget and actual amounts

for the year ended 30 June 2015 – Municipality of Cape Town

	Note	Actual R'000	Approved budget R'000	Final budget R'000	Variance: Final budget and actual amounts R'000	Variance %
STATEMENT OF FINANCIAL POSITION						
	41.2.1					
Total non-current assets		38 578 872	37 639 154	37 230 934	(1 347 938)	(3,62)
Total current assets		10 571 363	10 530 544	10 897 328	325 965	2,99
Total assets		49 150 235	48 169 698	48 128 262	(1 021 973)	(2,12)
Total non-current liabilities	i	12 040 207	13 001 051	13 881 057	1 840 850	13,26
Total current liabilities	ii	8 656 354	7 321 816	7 179 861	(1 478 164)	(20,56)
Total liabilities		20 696 561	20 322 867	21 060 918	362 686	1,73
Total net assets	iii	28 453 674	27 846 831	27 067 344	(1 384 659)	(5,12)
Total net assets and liabilities		49 150 235	48 169 698	48 128 262	(1 021 973)	(2,12)
STATEMENT OF FINANCIAL PERFORMANCE						
	41.2.2					
Service charges		15 197 370	15 262 264	15 184 641	(12 729)	(0,08)
Rental of letting stock and facilities		369 121	358 711	358 438	(10 683)	(2,98)
Finance income	i	741 585	484 024	472 848	(268 737)	(56,83)
Licences and permits	ii	43 110	40 388	40 988	(2 122)	(5,18)
Agency services	iii	168 519	150 439	153 993	(14 526)	(9,43)
Other income	iv	381 212	335 390	335 468	(45 744)	(13,64)
Gains on disposal of property, plant and equipment	v	87 809	120 500	120 500	32 691	27,13
Property rates		6 018 735	5 942 513	5 964 279	(54 456)	(0,91)
Fuel levy		2 002 938	2 002 938	2 002 938	-	-
Fines	vi	988 017	175 648	916 392	(71 625)	(7,82)
Government grants and subsidies	vii	5 674 639	6 279 282	6 603 826	929 187	14,07
Public contributions	viii	61 983	101 740	94 971	32 988	34,73
Total revenue		31 735 038	31 253 837	32 249 282	514 244	1,59
Employee-related costs	i	8 124 734	8 940 483	8 808 138	683 404	7,76
Remuneration of councillors		128 411	133 619	133 619	5 208	3,90
Impairment costs	ii	1 540 200	950 533	1 714 534	174 334	10,17
Collection costs	iii	172 518	201 630	186 652	14 134	7,57
Depreciation and amortisation expenses		1 900 718	2 154 335	1 991 641	90 923	4,57
Finance costs	iv	779 929	919 232	912 390	132 461	14,52
Bulk purchases		7 108 843	7 050 011	7 086 261	(22 582)	(0,32)
Contracted services	v	3 576 198	4 205 198	3 933 510	357 312	9,08
Grants and subsidies paid	vi	136 487	125 354	145 709	9 222	6,33
General expenses	vii	3 924 133	3 974 974	4 368 161	442 357	10,17
Losses on disposal of property, plant and equipment	viii	3 096	-	-	(3 096)	(100,00)
Total expenditure		27 395 267	28 655 369	29 280 615	1 883 677	6,44
Surplus for the year		4 339 771	2 598 468	2 968 667	(1 369 433)	(46,19)
CASH FLOW STATEMENT						
	41.2.3					
Net cash from (used) operating	i	6 058 725	5 618 991	5 297 911	(760 814)	(14,36)
Net cash from (used) investing	ii	(4 718 325)	(6 478 138)	(7 101 516)	(2 383 191)	33,56
Net cash from (used) financing	iii	(407 811)	1 224 051	1 224 443	1 632 254	133,31
Net increase/(decrease) in cash and cash equivalents		932 589	364 904	(579 162)	(1 511 751)	261,02

Statement of comparison of budget and actual amounts

for the year ended 30 June 2015 – Municipality of Cape Town (continued)

	Note	Actual R'000	Approved budget R'000	Final budget R'000	Variance: Final budget and actual amounts R'000	Variance %
CAPITAL EXPENDITURE	41.2.4					
City Health		20 173	21 966	20 802	629	3,02
City Manager		13 920	6 771	14 638	718	4,91
Compliance and Auxiliary Services		3 723	12 376	3 774	51	1,35
Community Services	i	199 711	203 711	237 145	37 434	15,79
Corporate Services		379 050	359 474	392 444	13 394	3,41
Energy, Environmental and Spatial Planning		56 216	118 119	57 859	1 643	2,84
Finance		90 673	105 509	92 389	1 716	1,86
Safety and Security Services		82 095	70 559	82 247	152	0,18
Social Development and Early Childhood Development		23 251	18 410	24 258	1 007	4,15
Tourism, Events and Economic Development	ii	36 678	39 227	38 681	2 003	5,18
Transport for Cape Town	iii	1 218 720	1 603 984	1 754 131	535 411	30,52
Human Settlements	iv	962 099	860 855	1 071 754	109 655	10,23
Solid Waste Management		228 009	415 875	228 501	492	0,22
Water and Sanitation	v	984 909	1 069 211	1 048 234	63 325	6,04
Cape Town Electricity	vi	952 515	1 305 268	1 061 363	108 848	10,26
Total¹		5 251 742	6 211 315	6 128 220	876 478	14,30

¹ The actual capital expenditure amount does not include the contributed assets amount of R4,95 million. See appendix B.

Accounting policies

for the year ended 30 June 2015

GENERAL INFORMATION

The address of the economic entity's registered office and principal place of business is disclosed under 'General information', while the Entity's principal activities are described under 'Reporting entity's mandate' on page 134 of these annual consolidated financial statements.

SIGNIFICANT ACCOUNTING POLICIES

The Entity's principal accounting policies, which are in all material respects consistent with those applied in the previous year, except as stated in note 46, are set out below. The historical cost convention has been used, except where indicated otherwise. Management has used assessments and estimates in preparing the annual financial statements – these are based on the best information available at the time of preparation. The financial statements have been prepared on a going-concern basis.

Basis of presentation

The financial statements have been prepared in accordance with the Generally Recognised Accounting Practices (GRAP) standards issued by the Accounting Standards Board (ASB) and approved by the Minister of Finance as effective.

The ASB has issued a directive that outlines the principles for the application of the GRAP 3 guidelines in determining the GRAP Reporting Framework hierarchy, as set out in the 'Standard of GRAP 3 on Accounting Policies, Changes in Accounting Estimates and Errors'.

In the process of applying the Entity's accounting policies, management has made the following significant accounting judgements, estimates and assumptions, which have the most significant effect on the amounts recognised in the financial statements:

- **Operating lease commitments – Entity as lessor**
Leases where risks and rewards of ownership are not transferred to the lessee are classified as operating leases. Payments received under operating leases are recognised in the statement of financial performance on a straight-line basis over the period of the lease.
- **Pension and other post-employment benefits**
The cost of defined-benefit pension plans and other employment medical benefits is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.
- **Impairment of receivables**
The calculation in respect of the impairment of receivables is based on an assessment of the extent to which debtors have defaulted on payments already due, and an assessment of their ability to make payments. This was performed per service-identifiable categories across all debtor classes.
- **Impairment of property, plant and equipment**
The calculation in respect of the impairment of property, plant and equipment is based on an assessment of the extent to which the recoverable amount of the asset has declined below the carrying amount. This was performed across all classes of property, plant and equipment.
- **Provisions and contingent liabilities**
Management's judgement is required when recognising and measuring provisions, as well as when measuring contingent liabilities, as set out in notes 12 and 48 respectively. Provisions are discounted where the effect of discounting is material, using actuarial valuations.
- **Useful lives of property, plant and equipment**
The useful lives of assets are based on management's estimates. Management considers the impact of technology, service requirements and required return on assets to determine the optimum useful-life expectation, where appropriate. The estimated residual values of assets are also based on management's judgement on whether the assets will be sold or used to the end of their useful lives, and what their condition will be at that time.
- **Budget information**
Variances between budget and actual amounts are regarded as material when a 5% variance exists. All material

Accounting policies

for the year ended 30 June 2015 (continued)

differences are explained in the notes to the annual financial statements.

- **Cash-generating assets**

The City is not a profit-oriented entity, as its primary objective is service delivery. Tariffs and charges are cost-reflective to ensure continued financial sustainability. No profit element is included in the determination of a tariff.

As such, management has determined that the City does not control assets that meet the definition of cash-generating assets and that the GRAP standard for the impairment of non-cash-generating assets will apply to all assets of the City.

Adoption of new and revised standards

In the current year, the Entity has adopted all new and revised standards and interpretations issued by the ASB that are relevant to its operations and are effective. The adoption of these new and revised standards and interpretations has resulted in changes to the accounting policies.

The Entity has not adopted any GRAP standard that is not yet effective, but has based its accounting policies on such standards, except for GRAP 18. Effective dates have been given for some of the standards, while for others, no effective dates have yet been determined. At the date of submission of these financial statements for the year ended 30 June 2015, the following standards had been issued but were not yet effective:

- **Annual periods commencing on or after 1 April 2015:**

- GRAP 105 - Transfers of functions between entities under common control
- GRAP 106 - Transfers of functions between entities not under common control
- GRAP 107 - Mergers

- **No effective dates provided yet:**

- GRAP 18 - Segment reporting
- GRAP 20 - Related-party disclosures (revised)
- GRAP 32 - Service concession arrangements: Grantor
- GRAP 108 - Statutory receivables
- IGRAP 17 - Service concession arrangements where a grantor controls a significant residual interest in an asset

All the above standards, where applicable, will be complied with in the financial statements once the standards take effect. Preliminary investigations indicated that, other than additional disclosure, the impact of the standards on the financial statements will be minimal.

CONSOLIDATION

The Entity's financial statements incorporate the financial statements of the parent entity, i.e. the City of Cape Town, and all its subsidiaries and joint ventures, presented as a single economic entity, and consolidated at the same reporting date as the parent entity.

Subsidiaries

Subsidiaries are entities controlled by the Entity. The existence and effect of potential voting rights that are currently exercisable or convertible without restriction are considered when assessing whether the Entity controls another entity. Subsidiaries are consolidated from the date that effective control is transferred to the Entity, and are no longer consolidated from the date that effective control ceases.

For certain entities, the Entity has entered into contractual arrangements that afford the Entity power to exercise control over the operations of such entities. Because the Entity controls such entities in this manner, they are considered to be subsidiaries and are therefore consolidated in the annual financial statements.

All intergroup transactions, balances and unrealised gains and losses are eliminated as part of the consolidated process. The interests of non-controlling shareholders in the consolidated equity and results of the group are shown separately in the consolidated statement of financial position and statement of financial performance respectively. Losses applicable to the non-controlling interest in a subsidiary are allocated to the non-controlling interest, even if doing so causes the non-controlling interest to have a deficit balance. Investments in subsidiaries are stated at cost less impairment losses in the separate financial statements of the Entity, with intergroup investments eliminated on consolidation.

HOUSING FUNDS

The housing development fund was established in terms of the Housing Act (Act 107 of 1997).

Housing development fund

Sections 15(5) and 16 of the Housing Act, which came into effect on 1 April 1998, required the Entity to maintain a separate housing operating account. This legislated separate operating account is known as the housing development fund and is fully cash-backed.

In terms of section 14(4)(d)(iii)(aa) of the Housing Act, read with, inter alia, section 16(2), it is required that the net proceeds of any letting, sale or alienation of property previously financed from government housing funds, be paid into a separate operating account, and be utilised by the Entity for housing development in accordance with the National Housing Policy.

Unrealised housing proceeds

In order to comply with section 14(4)(d)(i) and (iii) of the Housing Act, in terms of which all net proceeds need to be paid into the housing development fund, it was necessary to create a holding account that represents the unrealised funds due by long-term housing selling developments and sponsored loan debtors. This account is reduced when debtors are billed for their current loan repayments.

RESERVES

The Entity creates and maintains reserves in terms of specific requirements.

Capital replacement reserve (CRR)

In order to finance the acquisition of infrastructure and other property, plant and equipment from internal sources, cash amounts are transferred from the accumulated surplus to the CRR.

The following provisions are set for the creation and utilisation of the CRR:

- The cash funds that back up the CRR are invested until utilised.
- The CRR may only be utilised for purchasing items of property, plant and equipment, and may not be used for their maintenance, unless otherwise directed by Council.
- Whenever an asset is purchased out of the CRR, an amount equal to the cost price of the asset is transferred from the CRR, and the accumulated surplus is credited by a corresponding amount.

Insurance reserve

• Self-insurance reserve

A general insurance reserve has been established and covers claims that may occur, subject to reinsurance where deemed necessary. Premiums are charged to the respective services, taking into account the claims history and replacement value of the insured assets.

Reinsurance premiums paid to external reinsurers are regarded as an expense, and are shown as such in the statement of financial performance. The net surplus/deficit on the insurance operating account is transferred to or from the insurance reserve via the statement of changes in net assets.

A viability valuation report is obtained each year to assess the adequacy of the insurance reserve at year-end.

• Compensation for occupational injuries and diseases (COID) reserve

The Entity has been exempted from making contributions to the Compensation Commissioner for occupational injuries and diseases in terms of section 84 of the COID Act (Act 130 of 1993).

The certificate of exemption issued by the Commissioner and prescribed by the COID Act requires the Entity to deposit cash and/or securities with the Commissioner, the market values of which in aggregate shall not be less than the capitalised value of the Entity's continuing liability as at 31 December of each year.

The continuing liability is that of annual pensions, the capitalised value of which is determined on the basis of an actuarial determination prescribed by the Commissioner. A COID reserve has been established to equate to the value of the continuing liability. The market value of the securities is determined annually by the Commissioner, and the Entity is required to meet any shortfall in the aggregate value of the securities as at 31 December. Monthly pensions are funded by transferring funds from the reserve to the expense account in the statement of financial performance.

Accounting policies

for the year ended 30 June 2015 (continued)

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Where property, plant and equipment are acquired through non-exchange transactions, the cost is deemed to be the item's fair value on the date of acquisition.

Subsequent expenditure relating to property, plant and equipment is capitalised if it is probable that future economic benefits or potential service delivery of the assets are enhanced in excess of the originally assessed standard of performance. If expenditure only restores the originally assessed standard of performance, it is regarded as repairs and maintenance, and is expensed.

The Entity maintains and acquires assets to provide a social service to the community, with no intention of disposing of the assets for any economic gain.

The gain or loss arising from the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying value, and is recognised in the statement of financial performance.

Depreciation rates

Depreciation is calculated at cost, using the straight-line method, over the estimated useful lives of the assets. The residual value, depreciation method and useful life, if not insignificant, are reassessed annually with the effect of any changes in estimate accounted for on a prospective basis. The depreciation rates are based on the following estimated useful lives:

	Years		Years
Infrastructure		Other	
Roads and paving	10 – 50	Buildings	2 – 50
Electricity	15 – 50	Other vehicles	4 – 15
Water	15 – 30	Office equipment	2 – 10
Sewerage	15 – 20	Watercraft	5
Telecommunications	10 – 30	Bins and containers	5
		Landfill sites	30
Housing	30	Specialised vehicles	8 – 20
		Library books	1
Community		Furniture and fittings	2 – 15
Recreational facilities	20 – 30	Central processing units	4
Security	5 – 10	Plant and equipment	2 – 12
		Service concession	10 – 30

Assets under construction are carried at cost. Depreciation of an asset commences when the asset is ready for its use as intended by management. Freehold land is not depreciable, as it has an indefinite useful life. Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where appropriate, the term of the relevant lease, and are recognised in the statement of financial performance.

HERITAGE ASSETS

A heritage asset is defined as an asset that has a cultural, environmental, historical, natural, scientific, technological or artistic significance, and is held and preserved indefinitely for the benefit of present and future generations.

Heritage assets are stated at cost less accumulated impairment losses. Where a heritage asset is acquired through a non-exchange transaction, its cost is deemed to be its fair value as at the date of acquisition.

Transfers to heritage assets are made only when the asset meets the definition of a heritage asset, and transfers from heritage assets are made only when the asset no longer meets the definition of a heritage asset. Transfers to and from heritage assets are done at the carrying amount of the assets transferred, at the date of transfer.

The gain or loss arising from the disposal or retirement of a heritage asset is determined as the difference between the net disposal proceeds, if any, and the carrying value, and is recognised in the statement of financial performance. Heritage assets are not depreciated, since their long economic life and high residual value mean that any depreciation would be immaterial.

INVESTMENT PROPERTIES

Investment properties are immovable land and/or buildings that are held to earn rental income and/or for capital appreciation, and are stated at cost less accumulated depreciation. Investment property excludes owner-occupied property that is used in the production or supply of goods or services or for administrative purposes, or property held to provide a social service.

Investment properties are stated at cost less accumulated depreciation and accumulated impairment losses. Where investment properties are acquired through non-exchange transactions, the cost is deemed to be the item's fair value on the date of acquisition.

Investment property other than vacant land is depreciated on the straight-line basis over the useful lives of the assets, estimated at 20 to 50 years.

An investment property is derecognised upon disposal or when it is permanently withdrawn from use, and when no future economic benefits or service potential are expected from its disposal. Any gain or loss arising from the retirement or disposal is recognised in the statement of financial performance.

Direct income and expenses arising from investment property are disclosed as part of general income and expenses, and are thus not disclosed separately, as they are not material.

INTANGIBLE ASSETS

An intangible asset is defined as an identifiable non-monetary asset without physical substance, held for use in the production or supply of goods or services, for rental to others or for administrative purposes.

Intangible assets are stated at cost less accumulated depreciation and accumulated impairment losses. Where intangible assets are acquired through non-exchange transactions, the cost is deemed to be the item's fair value on the date of acquisition.

The Entity recognises computer development software costs as intangible assets if the costs are clearly associated with an identifiable and unique system controlled by the Entity, and have a probable benefit exceeding one year. Direct costs include software development employee costs and an appropriate portion of relevant overheads.

AMORTISATION RATES

Intangible assets are amortised on the straight-line basis over the useful lives of the assets. The residual value, amortisation method and useful life, if not insignificant, are reassessed annually, with the effect of any changes in estimate accounted for on a prospective basis.

The amortised rates are based on the following estimated useful lives:

	Years
Acquisition of rights	8
Computer software	5 – 10

IMPAIRMENT OF NON-CASH-GENERATING ASSETS

All City of Cape Town assets are classified as non-cash-generating assets.

At the end of each reporting period, carrying amounts of non-cash-generating assets are reviewed to determine whether there is any indication of impairment. If any such indication exists, the recoverable service amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Intangible assets with indefinite useful lives as well as intangible assets not yet available for use are tested for impairment annually at the same time every year, as well as whenever there is an indication that the asset may be impaired.

Accounting policies

for the year ended 30 June 2015 (continued)

The recoverable service amount of a non-cash-generating asset is the higher of fair value less costs to sell, and the value-in-use. The value-in-use is the present value of the remaining service potential of the asset, and is determined using the most appropriate of the depreciated replacement cost, restoration cost or service units approach.

The discount rate used reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable service amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. An impairment loss is recognised immediately in surplus or deficit.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable service amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

IMPAIRMENT OF CASH-GENERATING ASSETS

Cash-generating assets are those assets held by the Cape Town International Convention Centre Company SOC Limited (RF) (CTICC) with the primary objective of generating a commercial return. When an asset is deployed in a manner consistent with that adopted by the profit-orientated CTICC, it generates a commercial return.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

The carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash-generating unit is the smallest identifiable group of assets held with the primary objective of generating a commercial return that generates cash flows from continuing use, which are largely independent of the cash inflows from other assets or groups of assets.

The costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation (amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in the arm's-length transaction between knowledgeable, willing parties, less costs of disposal.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell, and its value-in-use.

Useful life is either:

- a) the period of time over which an asset is expected to be used by the CTICC; or
- b) the number of production or similar units expected to be obtained from the assets by the CTICC.

Criteria developed by the CTICC to distinguish cash-generating assets from non-cash-generating assets are as follows:

Identification

When the carrying amount of a cash-generating asset exceeds its recoverable amount, it is impaired.

The CTICC assesses at each reporting date whether there is any indication that a cash-generating asset may be impaired. If any such indication exists, the CTICC estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the CTICC also performs an annual impairment test on a cash-generating intangible asset with an indefinite useful life or a cash-generating intangible asset not yet available for use, by comparing its carrying amount with its recoverable amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.

Value-in-use

The value-in-use of a cash-generating asset is the present value of the estimated future cash flows expected to be derived from the continuing use of an asset and from its disposal at the end of its useful life.

When estimating the value-in-use of an asset, the CTICC estimates the future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal, and applies the appropriate discount rate to those future cash flows.

Composition of estimates of future cash flows

Estimates of future cash flows include:

- projections of cash inflows from the continuing use of the asset;
- projections of cash outflows that are necessarily incurred to generate the cash inflows from continuing use of the asset (including cash outflows to prepare the asset for use), which can be directly attributed, or allocated on a reasonable and consistent basis, to the asset; and
- net cash flows, if any, to be received (or paid) for the disposal of the asset at the end of its useful life.

Estimates of future cash flow exclude:

- cash inflows or outflows from financing activities; and
- income tax receipts or payments.

The estimate of net cash flows to be received (or paid) for the disposal of an asset at the end of its useful life is the amount that the CTICC expects to obtain from the disposal of the asset in an arm's-length transaction between knowledgeable, willing parties, after deducting the estimated costs of disposal.

Discount rate

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money, represented by the current risk-free rate of interest and the risks specific to the asset for which the future cash flow estimates have not been adjusted.

Recognition and measurement (individual asset)

If the recoverable amount of a cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

Any impairment loss of a re-valued cash-generating asset is treated as a revaluation decrease. When the amount estimated for an impairment loss is greater than the carrying amount of the cash-generating asset to which it relates, the CTICC recognises a liability only to the extent that is a requirement in the standard of GRAP.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate the cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

CASH AND CASH EQUIVALENTS

Cash includes cash on hand, cash held with banks, and call deposits. Cash equivalents are short-term bank deposits with a maturity of three months or less from inception, readily convertible to cash without significant change in value.

For the purposes of the cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of any bank overdrafts.

INVENTORIES

Inventories consist of raw materials, work in progress, consumables and finished goods, and are valued at the lower of cost (determined on the weighted-average basis) and net realisable value, except for plants and compost, which are valued at the tariffs charged. Where they are held for distribution or consumption at no charge or for a nominal amount, inventories are valued at the lower of cost and current replacement value.

Accounting policies

for the year ended 30 June 2015 (continued)

Cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Redundant and slow-moving inventories are identified and written down to their estimated net realisable values, and are recognised as an expense in the period during which the write-down or loss occurs. Consumables are written down according to their age, condition and utility.

VALUE-ADDED TAX

The Entity accounts for value-added tax (VAT) on the payment basis.

GRANTS AND RECEIPTS

Grants, transfers and donations received or receivable are recognised as assets when the resources that have been transferred to the Entity meet the definition and criteria for recognition as assets.

A corresponding liability is recognised to the extent that the grant, transfer or donation recognised as an asset is subject to conditions that require that the Entity either consumes the future economic benefits or service potential of the asset as specified, or that in the event that the conditions are breached, the Entity returns such future economic benefits or service potential to the transferor. The liability is transferred to revenue when the conditions attached to the grants, transfers or donations are met. Grants, transfers or donations that are not subject to any conditions are recognised as revenue when the assets are initially recognised.

Interest earned on the investment of grants, transfers and donations received is treated in accordance with the stipulations set out in the agreement for the receipt of the grant, transfer or donation invested, or where management has decided that interest must be capitalised. Where interest applies, it is included in the opening and closing balances.

PROVISIONS

A provision is recognised when the Entity has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation, and the amount of the obligation can be reliably estimated.

When the effect of discounting is material, provisions are determined by discounting the expected future cash flows that reflect current market assessments of the time value of money. The impact of the periodic unwinding of the discount is recognised in the statement of financial performance as a finance cost.

ENVIRONMENTAL REHABILITATION PROVISIONS

Estimated long-term environmental provisions, comprising rehabilitation and landfill site closure, are based on the Entity's policy, taking into account current technological, environmental and regulatory requirements.

The provision for rehabilitation is recognised as and when the environmental liability arises. In so far as the obligations relate to assets, they are capitalised as part of the cost of those assets. Any unwinding of discount is charged to the statement of financial performance. The discount rate has not been risk-adjusted.

EMPLOYEE BENEFITS

Retirement benefit plans

The Entity provides retirement benefits for its employees and councillors. Retirement benefits consist of defined-contribution plans and defined-benefit plans.

Defined-contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund), and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year during which they become payable.

Defined-benefit plans are post-employment benefit plans other than defined-contribution plans. The defined-benefit funds are actuarially valued triennially based on the projected unit credit method basis. Deficits identified are recovered through lump

sum payments or increased future contributions on a proportional basis from all participating municipalities. The contributions and lump sum payments are charged against income in the year during which they become payable.

Post-retirement pension funds

Pensions paid to employees who had not been members of any of the official pension funds, but who are entitled to a revenue pension, are recognised as an expense when incurred. Such pension payments are funded from a staff provident fund maintained for this purpose. Entitlement to these ex-gratia pension payments is subject to compliance with an acceptable pre-condition for non-membership of any of the pension funds associated with the Entity.

The Entity makes the fund contributions on a monthly basis, which are charged to the operating account when employees have rendered the service entitling them to the contributions. Actuarial valuation of the liability is performed on an annual basis. The projected unit credit method has been used to value the obligations.

The liability in respect of current pensioners is regarded as fully accrued, and is therefore not split between a past (or accrued) and future in-service element. The liability is recognised at the fair value of the obligation, together with adjustments for the actuarial gains and losses, and past service costs.

Actuarial gains or losses are fully accounted for in the statement of financial performance in the year during which they occur.

Medical aid: Continued members

The Entity provides post-retirement benefits by subsidising the medical aid contributions of certain retired staff. According to the rules of the medical aid funds with which the Entity is associated, a member on retirement is entitled to remain a continued member of such medical aid fund, and the Entity will continue to subsidise medical contributions in accordance with the provisions of the employee's employment contract and the Entity's decision on protected rights.

Post-retirement medical contributions paid by the Entity, depending on the employee's contract, could be 60%, 70% or a subsidy indicated on a sliding scale. In each case, the employee is responsible for the balance of post-retirement medical contributions. External appointments after 15 December 2000 do not qualify for a post-retirement medical aid subsidy.

These contributions are charged to the operating account when employees have rendered the service entitling them to the contribution.

The liability in respect of current pensioners is regarded as fully accrued, and is therefore not split between a past (or accrued) and future in-service element. The liability is recognised at the fair value of the obligation, together with adjustments for the actuarial gains and losses, and past service costs.

Actuarial gains or losses are fully accounted for in the statement of financial performance in the year during which they occur. The projected unit credit method has been used to value the obligation.

Short-term and long-term employee benefits

The cost of all short-term employee benefits is recognised in the period during which the employee renders the related service. The Entity recognises the expected cost of performance bonuses only when the Entity has a present legal or constructive obligation to make such payment, and if a reliable estimate can be made.

The Entity provides long-service leave to eligible employees, payable on completion of years of employment. The Entity's liability is based on an actuarial valuation. The projected unit credit method has been used to value the obligation. Actuarial gains and losses on the long-term incentives are fully accounted for in the statement of financial performance.

REVENUE RECOGNITION

Revenue is recognised net of indirect taxes, rebates and trade discounts, and consists primarily of rates, grants from National Government and the Western Cape Provincial Government ('Province'), service charges, rentals, interest received and other services rendered. Revenue is recognised when it is probable that future economic benefits or services potential will flow to the Entity, and when these benefits can be reliably measured. Revenue arising from the application of the approved tariff charges is recognised when the relevant service is rendered, by applying the relevant authorised tariff. This includes the issuing of licences and permits. For the subsidiary CTICC, revenue comprises the invoiced value of goods and service sales net of value-added tax, rebates and all discounts.

Accounting policies

for the year ended 30 June 2015 (continued)

Revenue from exchange transactions

Service charges relating to solid waste, sanitation and sewerage are levied in terms of the approved tariffs.

Service charges relating to electricity and water are based on consumption. Meters are read on a periodic basis, and revenue is recognised providing that the benefits can be measured reliably. Estimates of consumption are made every other month based on consumption history. Such estimated consumption is recognised as income when invoiced, and adjusted every following month that the meter is read. An accrual on the basis of a determined consumption factor is made for consumption not measured as at the end of the financial year.

Services provided on a prepayment basis are recognised at the point of sale. An adjustment for an unutilised portion is made at year-end, based on the average consumption history.

Income in respect of housing rental and instalment sale agreements is accrued monthly.

Interest earned on investments is recognised in the statement of financial performance on a time-proportionate basis, which takes into account the effective yield on the investment. Interest may be transferred from the accumulated surplus to the housing development fund or the insurance reserve.

Interest earned on the following investments is not recognised in the statement of financial performance:

- Interest earned on trust funds is allocated directly to the fund.
- Interest earned on unutilised conditional grants is allocated directly to the creditor 'Unutilised conditional grants' if the grant conditions indicated, or where management had determined to indicate, that interest is payable to the funder.

Dividends are recognised when the Entity's right to receive payment is established.

Income for agency services is recognised on a monthly basis once the income collected on behalf of agents is earned. The income is recognised in terms of the agency agreement.

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- The Entity has transferred to the buyer the significant risks and rewards of ownership of the goods.
- The Entity retains neither continuing managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold.
- The amount of revenue can be reliably measured.
- The costs incurred or to be incurred in respect of the transaction can be reliably measured.
- Prepaid electricity sold is only recognised as income once the related units are consumed.

Revenue from non-exchange transactions

Revenue from rates is recognised when the legal entitlement to this revenue arises and ratepayers have been duly notified. Collection charges are recognised when such amounts are legally enforceable. Interest on unpaid rates is recognised on a time-proportionate basis with reference to the principal amount receivable and effective interest rate applicable.

A composite rating system, charging different rate tariffs, is used. Rebates are granted to certain categories of ratepayers, and are deducted from revenue.

Fines constitute both spot fines and summonses. Revenue from spot fines and summonses is recognised when the fine is issued.

Donations are recognised on a cash receipt basis or, where the donation is in the form of property, plant and equipment, when the risks or rewards of ownership have transferred to the Entity. Donations are measured at fair value.

Income from the recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legislated procedures, including those set out in the MFMA (Act 56 of 2003), and is recognised upon the recovery thereof from the responsible party.

LEASES

The Entity as lessee

Assets subject to finance lease agreements are capitalised at their cash cost equivalent, and the corresponding liabilities are raised. The cost of the assets is depreciated at appropriate rates on the straight-line basis over the estimated useful lives of the assets. Lease payments are allocated between the lease finance cost and the capital repayment, using the effective interest rate method. Lease finance costs are expensed when incurred.

Operating leases are those leases that do not fall within the scope of the above definition. Payments made under operating leases are charged to the statement of financial performance on a straight-line basis over the period of the lease.

Currently, the Entity has no finance lease agreements.

The Entity as lessor

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. The subsidiary CTICC accounts for rental received from such leases as a percentage of turnover, and recognises it as it accrues.

GRANTS-IN-AID

The Entity transfers money to individuals, organisations and other sectors of government from time to time. When making these transfers, the Entity does not:

- receive any goods or services directly in return as would be expected in a purchase or sale transaction;
- expect to be repaid in future; or
- expect a financial return, as would be expected from an investment.

These transfers are recognised in the statement of financial performance as expenses in the period during which the events giving rise to the transfer occurred.

FINANCIAL INSTRUMENTS

Financial instruments are recognised when the Entity becomes a party to the contractual provisions of the instrument, and are initially measured at fair value. In the case of a financial instrument not subsequently measured at fair value through the statement of financial performance, transaction costs that are directly attributable to the acquisition or issue of the instrument are added to, or deducted from, the fair value, as appropriate on initial recognition.

Financial assets

The classification of financial assets depends on their nature and purpose, and is determined at the time of initial recognition.

- **Investments at fair value**
Non-derivative investments held without the positive intent or ability to hold to maturity. Subsequent to initial recognition, all changes to fair value are recognised through the statement of financial performance.
- **Investments at amortised cost**
Non-derivative investments with fixed or determinable payments and fixed maturity dates, which the Entity has the positive intent and ability to hold to maturity. Subsequent to initial recognition, such investments are measured at amortised cost using the effective interest method less any impairment.
- **Investments at cost**
Residual interests that do not have a quoted market price in an active market, and the fair value of which cannot be reliably measured. Subsequent to initial recognition, such investments are measured at cost less any impairment.

Financial assets other than those at fair value are assessed for indicators of impairment at the end of each reporting period. Impairment is considered when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

Financial assets are derecognised when the rights to receive cash flows from the assets have expired or have been transferred and the Entity has transferred substantially all risks and rewards of ownership, or when the enterprise loses control of contractual rights that comprise the assets.

Financial liabilities

After initial recognition, the Entity measures all financial liabilities, including payables, at amortised cost, using the effective interest rate method. Financial liabilities include borrowings, other non-current liabilities (excluding provisions) and payables (excluding provisions). Interest-bearing external loans and bank overdrafts are recorded net of direct issue costs. Finance charges, including premiums payable, are accounted for on an accrual basis.

Accounting policies

for the year ended 30 June 2015 (continued)

Financial liabilities are derecognised when the obligation specified in the contract is discharged or cancelled or when it expires.

PAYABLES

Payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

RECEIVABLES

Receivables are recognised initially at fair value, which approximates amortised cost less provision for impairment. Bad debts are written off in the year during which they are identified as irrecoverable, subject to the approval by the appropriate delegated authority. Amounts receivable within 12 months from the date of reporting are classified as current.

A provision for impairment of receivables is established when there is objective evidence that the Entity will not be able to collect all amounts due according to the original terms of receivables.

The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. Interest is charged on overdue amounts. An estimate is made for doubtful debt based on past default experience of all outstanding amounts at year-end.

UNAUTHORISED EXPENDITURE

Unauthorised expenditure is expenditure that has not been budgeted for; expenditure that is not in terms of the conditions of an allocation received from another sphere of government, municipality or organ of state, or expenditure in the form of a grant that is not permitted in terms of the MFMA (Act 56 of 2003).

Unauthorised expenditure is accounted for in the financial statements and, where recovered, is subsequently accounted for as revenue in the same statement.

IRREGULAR EXPENDITURE

Irregular expenditure is expenditure that is contrary to the MFMA (Act 56 of 2003), Municipal Systems Act (Act 32 of 2000) and Remuneration of Public Office Bearers Act (Act 20 of 1998), or that is in contravention of the municipality's supply chain management policy.

Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for in the financial statements and, where recovered, is subsequently accounted for as revenue.

FRUITLESS AND WASTEFUL EXPENDITURE

Fruitless and wasteful expenditure is expenditure that was made in vain, and would have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure is accounted for in the financial statements and, where recovered, is subsequently accounted for as revenue.

FOREIGN-CURRENCY TRANSACTIONS

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. Trade creditors denominated in foreign currency are reported at the statement of financial position date by applying the exchange rate on that date. Exchange differences arising from the settlement of creditors, or from reporting of creditors at rates different from those at which they were initially recorded during the period, are recognised as income or expenses in the period during which they arise.

BUDGET INFORMATION

The annual budget figures have been prepared in accordance with the GRAP standards on an accrual basis, and are consistent with the accounting policies adopted by Council for the preparation of these financial statements.

The approved budget covers the fiscal period from 1 July 2014 to 30 June 2015. The amounts are scheduled as a separate additional financial statement, called the statement of comparison of budget and actual amounts. Explanatory comments on material differences are provided in the notes to the annual financial statements.

The annual budget figures accounted for in the financial statements are for the Entity and all municipal entities as listed in note 49.1. These figures are those approved by Council both at the beginning and during the year, following a period of consultation with the public as part of the Integrated Development Plan (IDP) process.

OFFSETTING

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amount, and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

BORROWING COSTS

Borrowing costs that are incurred by the Entity are expensed in the statement of financial performance in the period during which they are incurred, regardless of how the borrowings are applied.

SERVICES IN KIND

The Entity does not recognise services in kind as revenue or assets, but separately discloses the nature and type of major classes of services in kind as a note to the financial statements.

COMPARATIVE INFORMATION

Comparative figures are reclassified or restated as necessary to afford a proper and more meaningful comparison of results, as set out in the affected notes to the financial statements.

RELATED PARTIES

The Entity regards a related party as a person or an entity with the ability to control the Entity either individually or jointly, or the ability to exercise significant influence over the Entity, or vice versa.

Management is regarded as a related party, and comprises the councillors, Executive Mayor, Mayoral Committee (Mayco) members, City Manager, Deputy City Manager and executive directors.

Notes to the consolidated financial statements

for the year ended 30 June 2015

1. PROPERTY, PLANT AND EQUIPMENT

	Economic entity						Carrying value R'000
	Opening balance R'000	Transfers/ adjustments R'000	Additions R'000	Disposals R'000	Depreciation R'000	Impairment R'000	
As at 30 June 2015							
Land and buildings	2 130 964	70 176	62 112	(46)	(50 116)	(9 931)	2 203 159
Infrastructure	16 829 950	(170 918)	3 139 878	-	(795 832)	-	19 003 078
Community	6 279 252	56 825	285 534	-	(312 440)	(291)	6 308 880
Other	3 258 718	(461 056)	993 351	(5 690)	(508 328)	(6 194)	3 270 801
Service concession	878 412	150 892	257 956	-	(93 282)	-	1 193 978
Housing rental stock	1 373 115	273 347	162 955	(1 242)	(71 313)	-	1 736 862
TOTAL	30 750 411	(80 734)	4 901 786	(6 978)	(1 831 311)	(16 416)	33 716 758

(See appendix B for more details)

As at 30 June 2014							
Land and buildings	1 844 695	164 821	232 396	(1 366)	(44 334)	(65 248)	2 130 964
Infrastructure	15 066 383	(397 950)	2 842 989	-	(681 472)	-	16 829 950
Community	6 043 963	224 568	296 944	-	(286 223)	-	6 279 252
Other	4 019 897	(1 101 072)	931 969	(3 947)	(588 053)	(76)	3 258 718
Service concession	-	878 098	73 670	-	(73 356)	-	878 412
Housing rental stock	1 017 667	227 456	177 573	(643)	(48 938)	-	1 373 115
TOTAL	27 992 605	(4 079)	4 555 541	(5 956)	(1 722 376)	(65 324)	30 750 411

	Municipality of Cape Town						Carrying value R'000
	Opening balance R'000	Transfers/ adjustments R'000	Additions R'000	Disposals R'000	Depreciation R'000	Impairment R'000	
As at 30 June 2015							
Land and buildings	1 997 599	70 176	46 023	-	(36 020)	(9 931)	2 067 847
Infrastructure	16 829 950	(170 918)	3 139 878	-	(795 832)	-	19 003 078
Community	6 279 252	56 825	285 534	-	(312 440)	(291)	6 308 880
Other	3 180 530	(461 058)	922 241	(5 453)	(497 607)	(6 194)	3 132 459
Service concession	878 412	150 892	257 956	-	(93 282)	-	1 193 978
Housing rental stock	1 373 115	273 347	162 955	(1 242)	(71 313)	-	1 736 862
TOTAL	30 538 858	(80 736)	4 814 587	(6 695)	(1 806 494)	(16 416)	33 443 104

(See appendix B for more details)

As at 30 June 2014							
Land and buildings	1 709 798	164 832	220 500	(891)	(31 392)	(65 248)	1 997 599
Infrastructure	15 066 383	(397 950)	2 842 989	-	(681 472)	-	16 829 950
Community	6 043 963	224 568	296 944	-	(286 223)	-	6 279 252
Other	3 962 959	(1 101 072)	901 215	(3 913)	(578 583)	(76)	3 180 530
Service concession	-	878 098	73 670	-	(73 356)	-	878 412
Housing rental stock	1 017 667	227 456	177 573	(643)	(48 938)	-	1 373 115
TOTAL	27 800 770	(4 068)	4 512 891	(5 447)	(1 699 964)	(65 324)	30 538 858

Provision has been made for the estimated cost of rehabilitating waste sites, included in other assets, as described in note 12.

The Entity is required to measure the residual value of all items of property, plant and equipment. Management has determined that none of its infrastructural assets has any active market value, and the value of the amount at the end of their lives would therefore be nil or insignificant. During the financial year under review, the Entity reviewed the estimated useful lives and residual values of property, plant and equipment, where appropriate (see note 46.3).

1. PROPERTY, PLANT AND EQUIPMENT (continued)

Fully depreciated assets at an original cost of R655,34 million (2014: R669,82 million) are still in use.

The value-in-use of impaired land is based on an estimate of the percentage of that land that will generate future cash flows or value-in-use. The recoverable amount of impaired assets is R7,12 million (2014: R21,20 million). Impairment losses arise mainly from land purchases that are earmarked for low-cost housing, where the cost of land will not be recovered.

Provision has been made for the integrated rapid transit (IRT) taxi association compensation, as described in note 14.

During the 2014 financial year, the City entered into long-term agreements with three operators to run a high-quality bus-based urban transit or IRT system known as MyCiTi. In terms of these agreements, the City has made available to the operators buses (and related depots) purchased by the City for the purposes of rendering the MyCiTi services. The agreements are for an initial period of 12 years, after which a new tender process will be followed. In terms of the agreements, the City has full control over the nature, timing and extent of the services that the operators have to perform, and the fees for the services rendered are determined as per the operator-specific schedules and annexes that form part of the signed agreements.

Impairment consideration for cash-generating assets - CTICC

In line with the Entity's accounting policy for property, plant and equipment and the GRAP standard for the impairment of assets, non-current assets were assessed during the period for possible indicators of impairment.

Management has confirmed the following:

	2015 R'000	2014 R'000
Cash-generating units		
Escalators	2 061	2 354
Elevators	2 234	2 790
Cold rooms	953	1 082
Air-conditioning system	12 022	13 140
Auditorium seating	204	661
Building	100 902	94 551
Kitchen and catering	4 695	4 551
TOTAL	123 071	119 129

- The main purpose of establishing the Convention Centre was to generate spin-off returns for the region.
- Due to the restrictions imposed on the use of the facility and site, no active market exists within which the value of the Convention Centre can be determined through an arm's-length transaction between a willing buyer and a willing seller and, as such, its value-in-use has been used to determine whether the building's carrying value may not be recoverable.
- Since inception, all initial targets for the region (spin-offs) and the operation of the Convention Centre have consistently been exceeded and are forecast to maintain this level of performance for the foreseeable future.
- Despite this, the value-in-use of the Convention Centre can only be attributed to the present value of the future cash flows generated within the centre itself, and excludes any value it generates for other entities or business sectors.
- No value could be attached to the Convention Centre at the end of its useful life due to its disposal being highly unlikely, with no reliable basis for measuring the disposal value.
- A discount rate of 13,7% (2014: 13,9%) was used, which was calculated using the risk-free rate of the RSA Government bond R186 of 8,3%, adjusted by 5,4% for uncertainty regarding the timing and extent of certain of the cash flows.

Based on the calculation of value-in-use, the fair value of R123,9 million was determined. The current carrying value of R123 million was established for the building at date of calculation. This has resulted in a nil reversal of impairment.

Notes to the consolidated financial statements

for the year ended 30 June 2015 (continued)

2. HERITAGE ASSETS

	Economic entity				
	Opening balance R'000	Transfers/ adjustments R'000	Additions R'000	Disposals R'000	Carrying value R'000
As at 30 June 2015					
Assets under construction	-	-	-	-	-
Paintings and museum items	9 111	(38)	-	(11)	9 062
TOTAL	9 111	(38)	-	(11)	9 062

(See appendix B for more details)

As at 30 June 2014

Assets under construction	330	(330)	-	-	-
Paintings and museum items	9 081	-	37	(7)	9 111
TOTAL	9 411	(330)	37	(7)	9 111

	Municipality of Cape Town				
	Opening balance R'000	Transfers/ adjustments R'000	Additions R'000	Disposals R'000	Carrying value R'000
As at 30 June 2015					
Assets under construction	-	-	-	-	-
Paintings and museum items	9 111	(38)	-	(11)	9 062
TOTAL	9 111	(38)	-	(11)	9 062

(See appendix B for more details)

As at 30 June 2014

Assets under construction	330	(330)	-	-	-
Paintings and museum items	9 081	-	37	(7)	9 111
TOTAL	9 411	(330)	37	(7)	9 111

Heritage assets are held at cost, as it is impractical to determine their fair value.

3. INVESTMENT PROPERTY

	Economic entity				
	Opening balance R'000	Transfers/ adjustments R'000	Additions R'000	Depreciation R'000	Carrying value R'000
As at 30 June 2015					
Vacant land	148 574	-	400 175	-	548 749
Land and buildings	42 275	(1)	-	(1 641)	40 633
TOTAL	190 849	(1)	400 175	(1 641)	589 382
(See appendix B for more details)					
As at 30 June 2014					
Vacant land	148 574	-	-	-	148 574
Land and buildings	43 371	545	-	(1 641)	42 275
TOTAL	191 945	545	-	(1 641)	190 849

	Municipality of Cape Town				
	Opening balance R'000	Transfers/ adjustments R'000	Additions R'000	Depreciation R'000	Carrying value R'000
As at 30 June 2015					
Vacant land	148 574	-	400 175	-	548 749
Land and buildings	42 275	(1)	-	(1 641)	40 633
TOTAL	190 849	(1)	400 175	(1 641)	589 382
(See appendix B for more details)					
As at 30 June 2014					
Vacant land	148 574	-	-	-	148 574
Land and buildings	43 371	545	-	(1 641)	42 275
TOTAL	191 945	545	-	(1 641)	190 849

Notes to the consolidated financial statements

for the year ended 30 June 2015 (continued)

4. INTANGIBLE ASSETS

	Economic entity				
	Opening balance R'000	Transfers/ adjustments R'000	Additions R'000	Amortisation R'000	Carrying value R'000
As at 30 June 2015					
Assets under construction	216 720	(85 951)	-	-	130 769
Acquisition of rights	394 370	85 951	-	(58 905)	421 416
Computer software	118 417	29 526	41 933	(33 678)	156 198
TOTAL	729 507	29 526	41 933	(92 583)	708 383

(See appendix B for more details)

As at 30 June 2014					
Assets under construction	631 109	(414 389)	-	-	216 720
Acquisition of rights	-	414 389	-	(20 019)	394 370
Computer software	125 500	811	22 752	(30 646)	118 417
TOTAL	756 609	811	22 752	(50 665)	729 507

	Municipality of Cape Town				
	Opening balance R'000	Transfers/ adjustments R'000	Additions R'000	Amortisation R'000	Carrying value R'000
As at 30 June 2015					
Assets under construction	216 720	(85 951)	-	-	130 769
Acquisition of rights	394 370	85 951	-	(58 905)	421 416
Computer software	118 417	29 526	41 933	(33 678)	156 198
TOTAL	729 507	29 526	41 933	(92 583)	708 383

(See appendix B for more details)

As at 30 June 2014					
Assets under construction	631 109	(414 389)	-	-	216 720
Acquisition of rights	-	414 389	-	(20 019)	394 370
Computer software	125 500	811	22 752	(30 646)	118 417
TOTAL	756 609	811	22 752	(50 665)	729 507

5. INVESTMENTS

	Economic entity			
	Amortised cost R'000	Fair value R'000	Cost R'000	Total R'000
As at 30 June 2015				
RSA Government stock	76 655	-	-	76 655
Sinking-fund deposits – see note 11 and 40	1 788 233	-	-	1 788 233
Other financial instruments	-	110	-	110
Other fixed deposits	2 391 321	-	-	2 391 321
Deposits held with fund managers	-	4 491 371	-	4 491 371
	4 256 209	4 491 481	-	8 747 690
Provision for impairment	(5 319)	-	-	(5 319)
Net investments	4 250 890	4 491 481	-	8 742 371
Current portion transferred to short-term investments	-	(1 746 347)	-	(1 746 347)
Current portion transferred to cash and cash equivalents – see note 10	(2 387 029)	(1 214 034)	-	(3 601 063)
TOTAL	1 863 861	1 531 100	-	3 394 961
Investments detailed as follows:				
Balance at the beginning of the year	2 770 814	5 314 123	-	8 084 937
Capital invested	26 223 737	110	-	26 223 847
Investments matured	(25 031 067)	(1 130 000)	-	(26 161 067)
Recognised in the statement of financial performance	287 406	307 248	-	594 654
Finance income	287 406	317 643	-	605 049
Losses on valuation of investments	-	(3 746)	-	(3 746)
Transaction cost	-	(6 649)	-	(6 649)
Balance at the end of the year	4 250 890	4 491 481	-	8 742 371

	Economic entity			
	Amortised cost R'000	Fair value R'000	Cost R'000	Total R'000
As at 30 June 2014				
RSA Government stock	69 820	-	-	69 820
Sinking-fund deposits – see note 11 and 40	1 631 750	-	-	1 631 750
Other fixed deposits	1 074 572	-	-	1 074 572
Deposits held with fund managers	-	5 314 123	-	5 314 123
	2 776 142	5 314 123	-	8 090 265
Provision for impairment	(5 328)	-	-	(5 328)
Net investments	2 770 814	5 314 123	-	8 084 937
Current portion transferred to short-term investments	(39 556)	(2 582 350)	-	(2 621 906)
Current portion transferred to cash and cash equivalents – see note 10	(1 069 173)	(1 337 585)	-	(2 406 758)
TOTAL	1 662 085	1 394 188	-	3 056 273
Investments detailed as follows:				
Balance at the beginning of the year	3 725 749	4 534 245	-	8 259 994
Capital invested	24 406 980	1 500 000	-	25 906 980
Investments matured	(25 505 263)	(1 050 000)	-	(26 555 263)
Recognised in the statement of financial performance	143 348	329 878	-	473 226
Finance income	143 348	340 595	-	483 943
Losses on valuation of investments	-	(2 865)	-	(2 865)
Transaction cost	-	(7 852)	-	(7 852)
Balance at the end of the year	2 770 814	5 314 123	-	8 084 937

Notes to the consolidated financial statements

for the year ended 30 June 2015 (continued)

5. INVESTMENTS (continued)

	Municipality of Cape Town			
	Amortised cost R'000	Fair value R'000	Cost R'000	Total R'000
As at 30 June 2015				
RSA Government stock	76 655	-	-	76 655
Sinking-fund deposits – see note 11 and 40	1 788 233	-	-	1 788 233
Other fixed deposits	1 846 459	-	-	1 846 459
Deposits held with fund managers	-	4 491 371	-	4 491 371
Shares in CTICC	-	-	603 998	603 998
	3 711 347	4 491 371	603 998	8 806 716
Provision for impairment	(5 319)	-	(245 232)	(250 551)
Net investments	3 706 028	4 491 371	358 766	8 556 165
Current portion transferred to short-term investments	-	(1 746 347)	-	(1 746 347)
Current portion transferred to cash and cash equivalents – see note 10	(1 842 167)	(1 214 034)	-	(3 056 201)
TOTAL	1 863 861	1 530 990	358 766	3 753 617
Investments detailed as follows:				
Balance at the beginning of the year	2 422 681	5 314 123	188 767	7 925 571
Capital invested	25 397 600	-	169 999	25 567 599
Investments matured	(24 401 659)	(1 130 000)	-	(25 531 659)
Recognised in the statement of financial performance	287 406	307 248	-	594 654
Finance income	287 406	317 643	-	605 049
Loss on valuation of investments	-	(3 746)	-	(3 746)
Transaction cost	-	(6 649)	-	(6 649)
Balance at the end of the year	3 706 028	4 491 371	358 766	8 556 165

	Municipality of Cape Town			
	Amortised cost R'000	Fair value R'000	Cost R'000	Total R'000
As at 30 June 2014				
RSA Government stock	69 820	-	-	69 820
Sinking-fund deposits – see note 11 and 40	1 631 750	-	-	1 631 750
Other fixed deposits	726 439	-	-	726 439
Deposits held with fund managers	-	5 314 123	-	5 314 123
Shares in CTICC	-	-	434 000	434 000
	2 428 009	5 314 123	434 000	8 176 132
Provision for impairment	(5 328)	-	(245 232)	(250 560)
Net investments	2 422 681	5 314 123	188 768	7 925 572
Current portion transferred to short-term investments	(39 556)	(2 582 350)	-	(2 621 906)
Current portion transferred to cash and cash equivalents – see note 10	(721 040)	(1 337 585)	-	(2 058 625)
TOTAL	1 662 085	1 394 188	188 768	3 245 041
Investments detailed as follows:				
Balance at the beginning of the year	3 573 973	4 534 245	38 768	8 146 986
Capital invested	23 380 360	1 500 000	150 000	25 030 360
Investments matured	(24 675 000)	(1 050 000)	-	(25 725 000)
Recognised in the statement of financial performance	143 348	329 878	-	473 226
Finance income	143 348	340 595	-	483 943
Loss on valuation of investments	-	(2 865)	-	(2 865)
Transaction cost	-	(7 852)	-	(7 852)
Balance at the end of the year	2 422 681	5 314 123	188 768	7 925 572

5. INVESTMENTS (continued)

Collateral deposits for staff housing loans

Included in other fixed deposits are fixed deposits with a carrying value of R0,04 million (2014: R0,48 million), which were pledged as security deposits for securing staff home loans with financial institutions.

These pledges are repaid as soon as the employees' outstanding home loan balance is below 80% of the approved loan amount. The Entity has not issued fixed deposits as security since 2000; however, interest earned on certain deposits are still being capitalised. The Entity's exposure to risk is minimised by an assurance policy taken out by the employee and ceded to the Entity to cover the guaranteed deposit.

Compensation for occupational injuries and diseases (COID investments)

The RSA Government stock (bonds) was purchased at the request of the Department of Labour in terms of the COID Act (Act 130 of 1993). The Compensation Commissioner is required to hold the physical scrip as security for the City's liabilities under the Act.

6. LONG-TERM RECEIVABLES

	Economic entity		Municipality of Cape Town	
	2015 R'000	2014 R'000	2015 R'000	2014 R'000
Sporting bodies	758	897	758	897
Housing land sales	789	868	789	868
	3 100	2 860	3 100	2 860
Public organisations	5 531	6 075	5 531	6 075
Provision for impairment	(2 431)	(3 215)	(2 431)	(3 215)
	90 515	119 337	90 515	119 337
Housing selling developments	108 375	131 806	108 375	131 806
Provision for impairment	(17 860)	(12 469)	(17 860)	(12 469)
	95 162	123 962	95 162	123 962
Current portion transferred to current receivables	(19 838)	(19 650)	(19 838)	(19 650)
TOTAL	75 324	104 312	75 324	104 312
Reconciliation of impairment provision				
Balance at beginning of the year	15 684	43 385	15 684	43 385
Contributions to/(from) provisions	4 607	(27 701)	4 607	(27 701)
Balance as at 30 June	20 291	15 684	20 291	15 684

Sporting bodies

To facilitate the development of sporting facilities, loans were made to provide the necessary financial assistance. These loans attract interest at a rate of 4% to 19% per annum, and are repayable over a maximum period of 20 – 40 years.

Housing land sale

The long-term loan to the Khayelitsha Community Trust (KCT) (sale of portion 1 to 3, erf 58856) is repayable over 18 years. Annual payments are received, with the final payment due in 2024.

Public organisations

Loans to public organisations are granted in terms of the National Housing Policy. At present, these loans attract interest at 1%, and are repayable over 30 years. With the implementation of new legislation (the MFMA and the Housing Act), no further loans have been awarded, and the final loan repayments are scheduled for 2032. Examples of public organisations that were granted loans are the National War Memorial and the Alta du Toit School.

Housing selling development loans

Housing loans were historically granted to qualifying individuals in terms of the National Housing Policy. These loans currently attract interest at 9,25% (2014: 8,5%) per annum, and are repayable over 20 years. The interest rate is determined by Council policy.

Notes to the consolidated financial statements

for the year ended 30 June 2015 (continued)

7. INVENTORY

	Economic entity		Municipality of Cape Town	
	2015 R'000	2014 R'000	2015 R'000	2014 R'000
Consumable stores	219 820	218 798	218 054	217 730
Spare parts and meters	29 643	21 313	29 643	21 313
Water	20 168	19 649	20 168	19 649
Other goods held for use/resale	12 451	10 591	12 451	10 591
TOTAL	282 082	270 351	280 316	269 283

Inventory to the value of R1,17 million (2014: R3,27 million) was scrapped during the year. Inventories (excluding bulk water) that were recognised as stores issues during the year amounted to R933,40 million (2014: R995,52 million), of which a portion was capitalised.

8. RECEIVABLES

	Economic entity					
	As at 30 June 2015			As at 30 June 2014		
	Gross balance R'000	Provision for impairment R'000	Net balance R'000	Gross balance R'000	Provision for impairment R'000	Net balance R'000
From exchange transactions	6 659 768	(3 627 311)	3 032 457	6 507 650	(3 443 414)	3 064 236
Service debtors	5 708 766	(2 888 362)	2 820 404	5 572 972	(2 854 984)	2 717 988
Housing rental stock	615 069	(550 292)	64 777	543 828	(473 022)	70 806
Housing selling stock	183 524	(144 147)	39 377	175 969	(106 031)	69 938
Other exchange debtors	152 409	(44 510)	107 899	214 881	(9 377)	205 504
From non-exchange transactions	2 294 054	(709 317)	1 584 737	2 031 671	(787 553)	1 244 118
Rates debtors	2 262 188	(703 586)	1 558 602	2 002 711	(781 263)	1 221 448
Other non-exchange debtors	31 866	(5 731)	26 135	28 960	(6 290)	22 670
TOTAL	8 953 822	(4 336 628)	4 617 194	8 539 321	(4 230 967)	4 308 354

As at 30 June 2015, the City's receivables balance included an amount of approximately R130,73 million (2014: R143,02 million) owed by National Government and Province.

	2015 R'000	2014 R'000
Reconciliation of impairment provision		
Balance at the beginning of the year	4 230 967	4 045 082
Contributions to provisions	802 097	766 563
Transfers from provisions	(4 584)	(5 853)
Bad debts written off	(691 852)	(574 825)
Balance as at 30 June	4 336 628	4 230 967

In determining the recoverability of a receivable, the Entity considers any change in the credit quality of the receivable from the date on which the credit was initially granted, up to the reporting date. The concentration of credit risk is limited, as the customer base is large and unrelated. Accordingly, management believes no further credit provisions are required in excess of the present allowance for doubtful debts.

8. RECEIVABLES (continued)

	Economic entity Analysis of receivables' age in days					
	As at 30 June 2015			As at 30 June 2014		
	Gross balance R'000	Allowance for impairment R'000	Net balance R'000	Gross balance R'000	Allowance for impairment R'000	Net balance R'000
FROM EXCHANGE TRANSACTIONS	6 659 768	(3 627 311)	3 032 457	6 507 650	(3 443 414)	3 064 236
Service debtors	5 708 766	(2 888 362)	2 820 404	5 572 972	(2 854 984)	2 717 988
Electricity	1 388 686	(194 865)	1 193 821	1 303 716	(133 746)	1 169 970
Not due	841 519	(9 341)	832 178	866 720	-	866 720
Past due						
0 - 30	141 215	(1 567)	139 648	127 737	-	127 737
31 - 60	50 952	(566)	50 386	32 317	-	32 317
61 - 90	32 421	(360)	32 061	21 948	-	21 948
91 - 365	141 114	(1 566)	139 548	121 248	-	121 248
365+	181 465	(181 465)	-	133 746	(133 746)	-
Water	2 654 722	(1 698 479)	956 243	2 637 398	(1 728 483)	908 915
Not due	322 145	(39 012)	283 133	360 859	(63 944)	296 915
Past due						
0 - 30	147 494	(17 862)	129 632	116 261	(20 601)	95 660
31 - 60	79 630	(9 643)	69 987	70 453	(12 484)	57 969
61 - 90	66 663	(8 073)	58 590	69 382	(12 295)	57 087
91 - 365	472 068	(57 167)	414 901	487 706	(86 422)	401 284
365+	1 566 722	(1 566 722)	-	1 532 737	(1 532 737)	-
Waste management	457 590	(266 015)	191 575	439 662	(251 862)	187 800
Not due	45 577	(1 832)	43 745	51 260	(3 224)	48 036
Past due						
0 - 30	31 526	(1 267)	30 259	28 022	(1 762)	26 260
31 - 60	15 880	(639)	15 241	15 387	(968)	14 419
61 - 90	12 284	(494)	11 790	14 084	(886)	13 198
91 - 365	94 332	(3 792)	90 540	91 652	(5 765)	85 887
365+	257 991	(257 991)	-	239 257	(239 257)	-
Wastewater management	1 207 768	(729 003)	478 765	1 192 196	(740 893)	451 303
Not due	154 217	(13 787)	140 430	175 050	(24 087)	150 963
Past due						
0 - 30	73 407	(6 563)	66 844	57 280	(7 882)	49 398
31 - 60	40 668	(3 636)	37 032	35 830	(4 930)	30 900
61 - 90	31 170	(2 786)	28 384	32 182	(4 428)	27 754
91 - 365	226 307	(20 232)	206 075	222 969	(30 681)	192 288
365+	681 999	(681 999)	-	668 885	(668 885)	-
Housing rental stock	615 069	(550 292)	64 777	543 828	(473 022)	70 806
Not due	40 760	(25 577)	15 183	44 590	(26 558)	18 032
Past due						
0 - 30	20 840	(13 077)	7 763	18 058	(10 755)	7 303
31 - 60	9 685	(6 077)	3 608	9 423	(5 612)	3 811
61 - 90	9 462	(5 937)	3 525	9 372	(5 582)	3 790
91 - 365	93 150	(58 452)	34 698	93 645	(55 775)	37 870
365+	441 172	(441 172)	-	368 740	(368 740)	-

Notes to the consolidated financial statements

for the year ended 30 June 2015 (continued)

8. RECEIVABLES (continued)

	Economic entity					
	Analysis of receivables' age in days - continued					
	As at 30 June 2015			As at 30 June 2014		
	Gross balance R'000	Allowance for impairment R'000	Net balance R'000	Gross balance R'000	Allowance for impairment R'000	Net balance R'000
Housing selling stock	183 524	(144 147)	39 377	175 969	(106 031)	69 938
Not due	13 818	(2 282)	11 536	28 334	(2 657)	25 677
Past due						
0 - 30	7 945	(1 319)	6 626	17 880	(1 637)	16 243
31 - 60	2 283	(376)	1 907	(2)	-	(2)
61 - 90	2 112	(348)	1 764	1 090	(103)	987
91 - 365	21 010	(3 466)	17 544	29 824	(2 791)	27 033
365+	136 356	(136 356)	-	98 843	(98 843)	-
Other exchange debtors	152 409	(44 510)	107 899	214 881	(9 377)	205 504
Not due	77 210	-	77 210	196 113	(1 412)	194 701
Past due						
0 - 30	5 498	-	5 498	6 281	(45)	9 236
31 - 60	3 166	-	3 166	2 920	(21)	2 899
61 - 90	6 932	-	6 932	475	(4)	471
91 - 365	15 093	-	15 093	1 206	(9)	1 197
365+	44 510	(44 510)	-	7 886	(7 886)	-
FROM NON-EXCHANGE TRANSACTIONS	2 294 054	(709 317)	1 584 737	2 031 671	(787 553)	1 244 118
Rates debtors	2 262 188	(703 586)	1 558 602	2 002 711	(781 263)	1 221 448
Not due	1 374 657	(72 925)	1 301 732	839 350	(3 446)	835 904
Past due						
0 - 30	898	(48)	850	43 208	(177)	43 031
31 - 60	37 958	(2 012)	35 946	34 301	(140)	34 161
61 - 90	27 184	(1 440)	25 744	35 301	(145)	35 156
91 - 365	205 206	(10 876)	194 330	274 321	(1 125)	273 196
365+	616 285	(616 285)	-	776 230	(776 230)	-
Other non-exchange debtors	31 866	(5 731)	26 135	28 960	(6 290)	22 670
Not due	16 776	-	16 776	13 836	-	13 836
Past due						
0 - 30	4 672	-	4 672	4 093	-	4 093
31 - 60	1 349	-	1 349	767	-	767
61 - 90	614	-	614	604	-	604
91 - 365	2 724	-	2 724	3 370	-	3 370
365+	5 731	(5 731)	-	6 290	(6 290)	-
TOTAL	8 953 822	(4 336 628)	4 617 194	8 539 321	(4 230 967)	4 308 354

Included in the column 'Not due' are debtors to the value of R800,44 million (2014: R698,80 million) who have made arrangements to repay their outstanding arrear debt over a renegotiated period, as well as amounts billed that were only invoiced after year-end.

8. RECEIVABLES (continued)

	Municipality of Cape Town					
	As at 30 June 2015			As at 30 June 2014		
	Gross balance R'000	Allowance for impairment R'000	Net balance R'000	Gross balance R'000	Allowance for impairment R'000	Net balance R'000
From exchange transactions	6 659 768	(3 627 311)	3 032 457	6 507 650	(3 443 414)	3 064 236
Service debtors	5 708 766	(2 888 362)	2 820 404	5 572 972	(2 854 984)	2 717 988
Housing rental stock	615 069	(550 292)	64 777	543 828	(473 022)	70 806
Housing selling stock	183 524	(144 147)	39 377	175 969	(106 031)	69 938
Other exchange debtors	152 409	(44 510)	107 899	214 881	(9 377)	205 504
From non-exchange transactions	2 295 357	(709 317)	1 586 040	2 032 966	(787 553)	1 245 413
Rates debtors	2 263 491	(703 586)	1 559 905	2 004 006	(781 263)	1 222 743
Other non-exchange debtors	31 866	(5 731)	26 135	28 960	(6 290)	22 670
TOTAL	8 955 125	(4 336 628)	4 618 497	8 540 616	(4 230 967)	4 309 649

	2015 R'000	2014 R'000
Reconciliation of impairment provision		
Balance at the beginning of the year	4 230 967	4 045 082
Contributions to provisions	802 097	766 563
Transfers from provisions	(4 584)	(5 853)
Bad debts written off	(691 852)	(574 825)
Balance as at 30 June	4 336 628	4 230 967

Notes to the consolidated financial statements

for the year ended 30 June 2015 (continued)

8. RECEIVABLES (continued)

Municipality of Cape Town Analysis of receivables' age in days						
	As at 30 June 2015			As at 30 June 2014		
	Gross balance R'000	Allowance for impairment R'000	Net balance R'000	Gross balance R'000	Allowance for impairment R'000	Net balance R'000
FROM EXCHANGE TRANSACTIONS	6 659 768	(3 627 311)	3 032 457	6 507 650	(3 443 414)	3 064 236
Service debtors	5 708 766	(2 888 362)	2 820 404	5 572 972	(2 854 984)	2 717 988
Electricity	1 388 686	(194 865)	1 193 821	1 303 716	(133 746)	1 169 970
Not due	841 519	(9 341)	832 178	866 720	-	866 720
Past due						
1 - 30	141 215	(1 567)	139 648	127 737	-	127 737
31 - 60	50 952	(566)	50 386	32 317	-	32 317
61 - 90	32 421	(360)	32 061	21 948	-	21 948
91 - 365	141 114	(1 566)	139 548	121 248	-	121 248
365+	181 465	(181 465)	-	133 746	(133 746)	-
Water	2 654 722	(1 698 479)	956 243	2 637 398	(1 728 483)	908 915
Not due	322 145	(39 012)	283 133	360 859	(63 944)	296 915
Past due						
1 - 30	147 494	(17 862)	129 632	116 261	(20 601)	95 660
31 - 60	79 630	(9 643)	69 987	70 453	(12 484)	57 969
61 - 90	66 663	(8 073)	58 590	69 382	(12 295)	57 087
91 - 365	472 068	(57 167)	414 901	487 706	(86 422)	401 284
365+	1 566 722	(1 566 722)	-	1 532 737	(1 532 737)	-
Waste management	457 590	(266 015)	191 575	439 662	(251 862)	187 800
Not due	45 577	(1 832)	43 745	51 260	(3 224)	48 036
Past due						
1 - 30	31 526	(1 267)	30 259	28 022	(1 762)	26 260
31 - 60	15 880	(639)	15 241	15 387	(968)	14 419
61 - 90	12 284	(494)	11 790	14 084	(886)	13 198
91 - 365	94 332	(3 792)	90 540	91 652	(5 765)	85 887
365+	257 991	(257 991)	-	239 257	(239 257)	-
Wastewater management	1 207 768	(729 003)	478 765	1 192 196	(740 893)	451 303
Not due	154 217	(13 787)	140 430	175 050	(24 087)	150 963
Past due						
1 - 30	73 407	(6 563)	66 844	57 280	(7 882)	49 398
31 - 60	40 668	(3 636)	37 032	35 830	(4 930)	30 900
61 - 90	31 170	(2 786)	28 384	32 182	(4 428)	27 754
91 - 365	226 307	(20 232)	206 075	222 969	(30 681)	192 288
365+	681 999	(681 999)	-	668 885	(668 885)	-
Housing rental stock	615 069	(550 292)	64 777	543 828	(473 022)	70 806
Not due	40 760	(25 577)	15 183	44 590	(26 558)	18 032
Past due						
1 - 30	20 840	(13 077)	7 763	18 058	(10 755)	7 303
31 - 60	9 685	(6 077)	3 608	9 423	(5 612)	3 811
61 - 90	9 462	(5 937)	3 525	9 372	(5 582)	3 790
91 - 365	93 150	(58 452)	34 698	93 645	(55 775)	37 870
365+	441 172	(441 172)	-	368 740	(368 740)	-

8. RECEIVABLES (continued)

Municipality of Cape Town Analysis of receivables' age in days - continued						
	As at 30 June 2015			As at 30 June 2014		
	Gross balance R'000	Allowance for impairment R'000	Net balance R'000	Gross balance R'000	Allowance for impairment R'000	Net balance R'000
Housing selling stock	183 524	(144 147)	39 377	175 969	(106 031)	69 938
Not due	13 818	(2 282)	11 536	28 334	(2 657)	25 677
Past due						
1 - 30	7 945	(1 319)	6 626	17 880	(1 637)	16 243
31 - 60	2 283	(376)	1 907	(2)	-	(2)
61 - 90	2 112	(348)	1 764	1 090	(103)	987
91 - 365	21 010	(3 466)	17 544	29 824	(2 791)	27 033
365+	136 356	(136 356)	-	98 843	(98 843)	-
Other exchange debtors	152 409	(44 510)	107 899	214 881	(9 377)	205 504
Not due	77 210	-	77 210	196 113	(1 412)	194 701
Past due						
1 - 30	5 498	-	5 498	6 281	(45)	6 236
31 - 60	3 166	-	3 166	2 920	(21)	2 899
61 - 90	6 932	-	6 932	475	(4)	471
91 - 365	15 093	-	15 093	1 206	(9)	1 197
365+	44 510	(44 510)	-	7 886	(7 886)	-
FROM NON-EXCHANGE TRANSACTIONS	2 295 357	(709 317)	1 586 040	2 032 966	(787 553)	1 245 413
Rates debtors	2 263 491	(703 586)	1 559 905	2 004 006	(781 263)	1 222 743
Not due	1 375 960	(72 925)	1 303 035	840 645	(3 446)	837 199
Past due						
1 - 30	898	(48)	850	43 208	(177)	43 031
31 - 60	37 958	(2 012)	35 946	34 301	(140)	34 161
61 - 90	27 184	(1 440)	25 744	35 301	(145)	35 156
91 - 365	205 206	(10 876)	194 330	274 321	(1 125)	273 196
365+	616 285	(616 285)	-	776 230	(776 230)	-
Other non-exchange debtors	31 866	(5 731)	26 135	28 960	(6 290)	22 670
Not due	16 776	-	16 776	13 836	-	13 836
Past due						
1 - 30	4 672	-	4 672	4 093	-	4 093
31 - 60	1 349	-	1 349	767	-	767
61 - 90	614	-	614	604	-	604
91 - 365	2 724	-	2 724	3 370	-	3 370
365+	5 731	(5 731)	-	6 290	(6 290)	-
TOTAL	8 955 125	(4 336 628)	4 618 497	8 540 616	(4 230 967)	4 309 649

Notes to the consolidated financial statements

for the year ended 30 June 2015 (continued)

9. OTHER RECEIVABLES

	Economic entity					
	As at 30 June 2015			As at 30 June 2014		
	Gross balance R'000	Provision for impairment R'000	Net balance R'000	Gross balance R'000	Provision for impairment R'000	Net balance R'000
From exchange transactions	281 477	(65 974)	215 503	183 688	(57 253)	126 435
Payments made in advance	57 286	-	57 286	1 652	-	1 652
Property rentals	80 773	(48 102)	32 671	80 237	(42 679)	37 558
Other exchange debtors	143 418	(17 872)	125 546	101 799	(14 574)	87 225
From non-exchange transactions	1 718 931	(1 225 195)	493 736	1 136 685	(838 106)	298 579
Government subsidies	164 141	-	164 141	112 385	-	112 385
Traffic fines	1 539 573	(1 225 195)	314 378	1 002 781	(838 106)	164 675
Other non-exchange debtors	15 217	-	15 217	21 519	-	21 519
TOTAL	2 000 408	(1 291 169)	709 239	1 320 373	(895 359)	425 014

The 2014 comparative amount of R425,01 million has been restated from R427,78 million (see note 46.1).

	2015 R'000	2014 R'000
Reconciliation of impairment provision		
Balance at beginning of the year	895 359	54 606
Contributions to provision	626 883	8 820
Transfer (from)/to provisions	(218 870)	834 039
Bad debts written off	(12 203)	(2 106)
Balance as at 30 June	1 291 169	895 359

In determining the recoverability of other receivables, the Entity considers any change in the credit quality of other receivables from the date on which the credit was initially granted up to the reporting date.

9. OTHER RECEIVABLES (continued)

	Economic entity Analysis of receivables' age in days					
	As at 30 June 2015			As at 30 June 2014		
	Gross balance R'000	Allowance for impairment R'000	Net balance R'000	Gross balance R'000	Allowance for impairment R'000	Net balance R'000
FROM EXCHANGE TRANSACTIONS	281 477	(65 974)	215 503	183 688	(57 253)	126 435
Payment made in advance	57 286	-	57 286	1 652	-	1 652
Not due	57 286	-	57 286	1 652	-	1 652
Property rentals	80 773	(48 102)	32 671	80 237	(42 679)	37 558
Not due	7 705	(1 047)	6 658	7 142	(141)	7 001
Past due						
0 - 30	16 925	(2 300)	14 625	22 934	(452)	22 482
31 - 60	2 089	(284)	1 805	1 361	(27)	1 334
61 - 90	11 708	(1 591)	10 117	(4 603)	91	(4 512)
91 - 365	(618)	84	(534)	11 479	(226)	11 253
365+	42 964	(42 964)	-	41 924	(41 924)	-
Other exchange debtors	143 418	(17 872)	125 546	101 799	(14 574)	87 225
Not due	116 093	(109)	115 984	69 809	(63)	69 746
Past due						
0 - 30	8 743	(33)	8 710	14 112	(1 936)	12 176
31 - 60	849	(9)	840	1 109	(13)	1 096
61 - 90	365	(10)	355	(1 348)	87	(1 261)
91 - 365	(219)	(124)	(343)	5 673	(205)	5 468
365+	17 587	(17 587)	-	12 444	(12 444)	-
FROM NON-EXCHANGE TRANSACTIONS	1 718 931	(1 225 195)	493 736	1 136 685	(838 106)	298 579
Government subsidies	164 141	-	164 141	112 385	-	112 385
Not due	164 141	-	164 141	112 385	-	112 385
Traffic fines	1 539 573	(1 225 195)	314 378	1 002 781	(838 106)	164 675
Not due	-	-	-	-	-	-
Past due						
0 - 30	70 423	(55 533)	14 890	47 576	(39 180)	8 396
31 - 60	71 752	(56 582)	15 170	56 150	(46 241)	9 909
61 - 90	66 226	(52 225)	14 001	54 589	(44 956)	9 633
91 - 365	593 748	(468 217)	125 531	448 075	(369 003)	79 072
365+	737 424	(592 638)	144 786	396 391	(338 726)	57 665
Other non-exchange debtors	15 217	-	15 217	21 519	-	21 519
Not due	15 217	-	15 217	21 519	-	21 519
TOTAL	2 000 408	(1 291 169)	709 239	1 320 373	(895 359)	425 014

Notes to the consolidated financial statements

for the year ended 30 June 2015 (continued)

9. OTHER RECEIVABLES (continued)

	Municipality of Cape Town					
	As at 30 June 2015			As at 30 June 2014		
	Gross balance R'000	Allowance for impairment R'000	Net balance R'000	Gross balance R'000	Allowance for impairment R'000	Net balance R'000
From exchange transactions	279 441	(65 960)	213 481	171 300	(55 344)	115 956
Payments made in advance	56 126	-	56 126	4	-	4
Property rentals	80 773	(48 102)	32 671	80 237	(42 679)	37 558
Other exchange debtors	142 542	(17 858)	124 684	91 059	(12 665)	78 394
From non-exchange transactions	1 718 931	(1 225 195)	493 736	1 136 685	(838 106)	298 579
Government subsidies	164 141	-	164 141	112 385	-	112 385
Traffic fines	1 539 573	(1 225 195)	314 378	1 002 781	(838 106)	164 675
Other non-exchange debtors	15 217	-	15 217	21 519	-	21 519
TOTAL	1 998 372	(1 291 155)	707 217	1 307 985	(893 450)	414 535

Reconciliation of impairment provision

Balance at the beginning of the year

Contributions to provisions

Transfers (from)/to provisions

Bad debts written off

Balance as at 30 June

2015 R'000	2014 R'000
893 450	52 147
626 863	469 957
(218 706)	373 452
(10 452)	(2 106)
1 291 155	893 450

9. OTHER RECEIVABLES (continued)

Municipality of Cape Town Analysis of receivables' age in days						
	As at 30 June 2015			As at 30 June 2014		
	Gross balance R'000	Allowance for impairment R'000	Net balance R'000	Gross balance R'000	Allowance for impairment R'000	Net balance R'000
FROM EXCHANGE TRANSACTIONS	279 441	(65 960)	213 481	171 300	(55 344)	115 956
Payment made in advance	56 126	-	56 126	4	-	4
Not due	56 126	-	56 126	4	-	4
Property rentals	80 773	(48 102)	32 671	80 237	(42 679)	37 558
Not due	7 705	(1 047)	6 658	7 142	(141)	7 001
Past due						
1 - 30	16 925	(2 300)	14 625	22 934	(452)	22 482
31 - 60	2 089	(284)	1 805	1 361	(27)	1 334
61 - 90	11 708	(1 591)	10 117	(4 603)	91	(4 512)
91 - 365	(618)	84	(534)	11 479	(226)	11 253
365+	42 964	(42 964)	-	41 924	(41 924)	-
Other exchange debtors	142 542	(17 858)	124 684	91 059	(12 665)	78 394
Not due	116 093	(109)	115 984	69 809	(63)	69 746
Past due						
1 - 30	8 650	(33)	8 617	6 208	(27)	6 181
31 - 60	166	(9)	157	127	(13)	114
61 - 90	359	(10)	349	(1 415)	87	(1 328)
91 - 365	(313)	(110)	(423)	3 886	(205)	3 681
365+	17 587	(17 587)	-	12 444	(12 444)	-
FROM NON-EXCHANGE TRANSACTIONS	1 718 931	(1 225 195)	493 736	1 136 685	(838 106)	298 579
Government subsidies	164 141	-	164 141	112 385	-	112 385
Not due	164 141	-	164 141	112 385	-	112 385
Traffic fines	1 539 573	(1 225 195)	314 378	1 002 781	(838 106)	164 675
Not due	-	-	-	-	-	-
Past due						
1 - 30	70 423	(55 533)	14 890	47 576	(39 180)	8 396
31 - 60	71 752	(56 582)	15 170	56 150	(46 241)	9 909
61 - 90	66 226	(52 225)	14 001	54 589	(44 956)	9 633
91 - 365	593 748	(468 217)	125 531	448 075	(369 003)	79 072
365+	737 424	(592 638)	144 786	396 391	(338 726)	57 665
Other non-exchange debtors	15 217	-	15 217	21 519	-	21 519
Not due	15 217	-	15 217	21 519	-	21 519
TOTAL	1 998 372	(1 291 155)	707 217	1 307 985	(893 450)	414 535

Notes to the consolidated financial statements

for the year ended 30 June 2015 (continued)

10. CASH AND CASH EQUIVALENTS (BANK AND CASH)

	Economic entity		Municipality of Cape Town	
	2015 R'000	2014 R'000	2015 R'000	2014 R'000
Bank balance	157 106	212 997	108 447	174 987
Year-end accruals	(71)	(26)	(71)	(26)
Interest accrual	367	465	367	465
Bank charges accrual	(438)	(491)	(438)	(491)
Cash on hand and in transit	34 637	33 045	34 571	32 973
Call and short-term deposits	2 387 029	1 069 173	1 842 167	721 040
Amortised cost – see note 5 and 45	2 578 701	1 315 189	1 985 114	928 974
Call and short-term deposits	1 206 089	1 329 160	1 206 089	1 329 160
Bank accounts – fund managers	7 945	8 425	7 945	8 425
Fair value – see note 5 and 45	1 214 034	1 337 585	1 214 034	1 337 585
TOTAL	3 792 735	2 652 774	3 199 148	2 266 559

Cash and cash equivalents comprise cash held and short-term deposits.

11. BORROWINGS

Marketable bonds	4 275 489	4 275 489	4 275 489	4 275 489
Concessionary loans	1 820 337	1 945 512	1 820 337	1 945 512
Other loans	679 931	829 158	665 355	813 463
Subtotal – see appendix A for more details	6 775 757	7 050 159	6 761 181	7 034 464
Current portion transferred to current liabilities	(346 953)	(369 536)	(345 682)	(368 325)
TOTAL	6 428 804	6 680 623	6 415 499	6 666 139

A total of R1,79 billion (2014: R1,63 billion) has been ring-fenced for the repayment of long-term liabilities – see note 5 and 40 for more details.

11. BORROWINGS (continued)

	Economic entity		Municipality of Cape Town	
	2015 R'000	2014 R'000	2015 R'000	2014 R'000
MARKETABLE BONDS	4 275 489	4 275 489	4 275 489	4 275 489
Marketable bonds	4 275 489	4 275 489	4 275 489	4 275 489
<p>In terms of the Entity's domestic medium-term note (DMTN) programme registered on the Johannesburg Stock Exchange (JSE) Limited, unsecured bonds totalling R4,20 billion are listed on the JSE. Each of the municipal bonds bears interest at fixed rates ranging between 11,16% and 12,57% per annum. Interest is payable semi-annually, while capital will be redeemed by way of a bullet repayment on the final redemption date. The municipal bonds are repayable on 23 June 2023 (CCT01), 12 June 2024 (CCT02) and 15 March 2025 (CCT03). Sinking funds have been established for the guaranteed repayment of the bonds by once-off lump sum payments with various financial institutions, namely Nedbank (CCT01), Rand Merchant Bank (CCT02) and Liberty Group Limited (CCT03).</p>				
CONCESSIONARY LOANS	1 820 337	1 945 512	1 820 337	1 945 512
Agence Française de Développement (AFD)	1 802 341	1 924 290	1 802 341	1 924 290
<p>An unsecured loan bearing interest at an average fixed rate of 5,76% per annum. The sum is repayable semi-annually in equal instalments of capital, with interest payable on the reducing balance. This loan will be fully paid on 31 March 2028. Nominal value as at 30 June 2015 is R2,07 billion (2014: R2,23 billion).</p>				
Nedcor Bank	25	22	25	22
<p>An unsecured loan bearing interest at a fixed rate of 1% per annum, payable annually, and loan capital repayable on 31 August 2019. Nominal value as at 30 June 2015 is R50 000 (2014: R50 000).</p>				
Development Bank of Southern Africa (DBSA)	17 971	21 200	17 971	21 200
<p>An unsecured fixed-term concessionary loan bearing interest at a fixed rate of 5% per annum, repayable semi-annually in equal instalments of capital, with interest payable on the reducing balance. This loan will be fully paid on 30 June 2020. Nominal value as at 30 June 2015 is R50 000 (2014: R50 000).</p>				
OTHER LOANS	679 931	829 158	665 355	813 463
FirstRand Bank	147 725	158 723	147 725	158 723
<p>A structured 15-year loan to the value of R220 million, of which R200 million is repayable semi-annually in equal instalments of capital and fixed-rate interest over 15 years, and the balance of R20 million is payable in one instalment together with fixed interest on 30 June 2017. The loan bears interest at a fixed rate of 12,63% per annum. The bullet repayment of the R20 million capital and interest will be made out of the guaranteed investment portfolio of two 15-year sinking-fund investment policies purchased from Momentum Group.</p> <p>As part of the loan structure, the Entity purchased two 15-year sinking-fund policies from Momentum Group for an upfront premium of R220 million. R20 million of the premium was invested in the guaranteed investment portfolio referred to above. The balance of the premium, i.e. R200 million, was invested in a linked investment (unguaranteed) portfolio. The maturity proceeds of this unguaranteed portfolio were sold in advance to FirstRand Bank for R200 million on the acceptance of the policies. The Entity has ceded and pledged the sinking-fund policies to FirstRand Bank as security for its obligations to FirstRand Bank under the policies and any other debt liability.</p>				

Notes to the consolidated financial statements

for the year ended 30 June 2015 (continued)

11. BORROWINGS (continued)

	Economic entity		Municipality of Cape Town	
	2015 R'000	2014 R'000	2015 R'000	2014 R'000
DBSA Unsecured loans bearing interest at fixed rates ranging between 9,42% and 12,25% per annum, repayable semi-annually in equal instalments of capital, with interest payable on the reducing balance. These loans have various final redemption dates, ranging from 30 June 2015 to 31 December 2022.	348 415	444 308	348 415	444 308
ABSA Bank An unsecured loan bearing interest at a fixed rate of 10,90% per annum, repayable semi-annually in equal instalments of capital, with interest payable on the reducing balance. Final redemption on 30 June 2018.	60 000	80 000	60 000	80 000
FirstRand Bank A structured 15-year loan to the value of R300 million bearing interest at a fixed rate of 12,05% per annum, of which R74,30 million is repayable semi-annually in equal instalments of capital and fixed interest over 15 years, and the balance of R225,70 million is payable in one instalment together with capitalised fixed-rate interest on 30 June 2018. The bullet repayment of the R225,70 million capital and interest will be made out of a 15-year sinking-fund investment policy purchased from Momentum Group. As part of the loan structure, the Entity purchased a 15-year sinking-fund policy from Momentum Group for a premium of R228,40 million, which was invested in an unguaranteed investment portfolio. The premium is payable semi-annually over 15 years through a series of promissory notes issued by the Entity to Momentum, later sold on to FirstRand Bank and Future Growth. In terms of a put-option agreement, the maturity proceeds of this unguaranteed portfolio were sold in advance to FirstRand Bank for a fixed-option price of R894,60 million, payable on 30 June 2018. The Entity has ceded and pledged the sinking-fund policy to FirstRand Bank as security for its obligations to FirstRand Bank under the put-option agreement and any other debt liability.	109 215	130 432	109 215	130 432
DBSA - Claremont Road Bypass Company Interest is charged at the nominal fixed rate of RSA Government bond R186, plus 154 basis points per annum. Repayable in 28 equal six-monthly instalments, commencing on 30 September 2009. Secured by an agreement of cession from Claremont City Improvement District (CID) Company (association incorporated under section 21) (cedent) over their right and title to the levies collected by the City of Cape Town from the Claremont CID ratepayers in terms of the cooperation agreement. The cedent, the Claremont Road Bypass Company and the City of Cape Town concluded a cooperation agreement in terms of which the City of Cape Town undertook to pay to the cedent levies collected from the ratepayers within the Claremont CID.	14 414	15 609	-	-
Voortrekker Road Instalment sale agreement	-	86	-	-
ABSA - Brackenfell Business Improvement District NPC The loan is secured by motor vehicles, bearing interest at a rate of 12,25%, repayable in monthly instalments over 36 months as agreed with ABSA Bank.	162	-	-	-
TOTAL - see appendix A for more details	6 775 757	7 050 159	6 761 181	7 034 464

The rates of interest payable on the abovementioned structured loans are based on certain underlying assumptions relating to the lenders' statutory costs, and the admissibility of deductions by the lenders for income tax purposes in connection with these loans. In the event of amendments to, or interpretations of, the Income Tax Act (Act 58 of 1962) or any other relevant legislation that affect the loan structure costs, the lenders have the right to increase or decrease the future rates of interest payable on the loans over their remaining lives, in order to absorb the increase or decrease in costs.

11. BORROWINGS (continued)

SHORT-TERM DEBT FACILITIES

The City of Cape Town had the following short-term debt facilities with the Entity's main banker:

	2015 R'000	2014 R'000
Performance guarantee and/or letters of credit	15 000	15 000
Business travel card	2 000	2 000
Daylight limit	2 000 000	2 000 000

The short-term debt facilities are reviewed annually and can be explained as follows:

Performance guarantee and/or letters of credit

A bank-issued guarantee is an undertaking that should the Entity fail to fulfil its obligations in terms of a contract or an agreement, the bank will pay specific amounts as stated on the guarantee. The monies are due and payable on written demand from the beneficiary.

A letter of credit is a document issued by the bank, assuring payment to a seller of goods or services, provided that certain documents have been presented to the bank. The documents should prove that the seller has performed the duties specified by an underlying contract, and that the goods/services have been supplied as agreed. In return for these documents, the beneficiary receives payment from the bank that issued the letter.

Business travel card

A card issued by the bank that enables the Entity to obtain goods and services on credit. It entails moneys lent and advanced.

Daylight limit

A daylight limit is a facility that enables the Entity to transact even if there are insufficient funds during that particular day. It entails moneys lent and advanced during that day, provided it is settled by the end of that business day.

12. PROVISIONS (NON-CURRENT)

	Economic entity				Total R'000
	Long- service leave benefits R'000	Environ- mental rehabilitation R'000	Post- retirement health-care benefits R'000	Post- retirement pension benefits R'000	
As at 30 June 2015					
Balance at the beginning of the year	436 627	274 069	5 041 990	31 276	5 783 962
Interest costs	36 188	28 871	492 890	2 877	560 826
Service costs	40 360	21 272	123 343	800	185 775
Benefit payments	(47 352)	-	(171 142)	(1 391)	(219 885)
Actuarial gains	(9 898)	(77 385)	(602 779)	(10 793)	(700 855)
Transferred from current provisions (prior-year)	66 264	28 000	169 684	2 030	265 978
	522 189	274 827	5 053 986	24 799	5 875 801
Transfer to current provision	(58 800)	(2 342)	(187 931)	(2 020)	(251 093)
TOTAL	463 389	272 485	4 866 055	22 779	5 624 708

Notes to the consolidated financial statements

for the year ended 30 June 2015 (continued)

12. PROVISIONS (NON-CURRENT) (continued)

	Municipality of Cape Town				
	Long-service leave benefits R'000	Environmental rehabilitation R'000	Post-retirement health-care benefits R'000	Post-retirement pension benefits R'000	Total R'000
As at 30 June 2015					
Balance at the beginning of the year	436 627	274 069	5 041 990	31 276	5 783 962
Interest costs	36 188	28 871	492 890	2 877	560 826
Service costs	40 360	21 272	123 343	800	185 775
Benefit payments	(47 352)	–	(171 142)	(1 391)	(219 885)
Actuarial gains	(9 898)	(77 385)	(602 779)	(10 793)	(700 855)
Transferred from current provisions (prior-year)	66 264	28 000	169 684	2 030	265 978
	522 189	274 827	5 053 986	24 799	5 875 801
Transfer to current provision	(58 800)	(2 342)	(187 931)	(2 020)	(251 093)
TOTAL	463 389	272 485	4 866 055	22 779	5 624 708

Long-service leave benefits

An actuarial valuation has been performed of the Entity's liability for long-service leave benefits relating to vested leave benefits to which employees may become entitled upon completion of 10 years' service and every five years thereafter. The provision is utilised when eligible employees receive the value of the vested benefits.

Discount rate

The fund benefit liability as at 30 June 2015 has been discounted at the market yields on government bonds consistent with the estimated term of the liability. The nominal and zero curves as at 30 June 2015 supplied by the JSE were used to determine the discount rates and consumer price index (CPI) assumptions at each relevant time period (2014: 8,10%).

	2015 %	2014 %
Key financial assumptions		
Discount rate	Yield curve	8,10
General inflation rate (consumer price index)	Difference between nominal and real yield curve	6,00
Salary increase	Equal to CPI + 1%	8,00

Environmental rehabilitation

Provision is made in terms of the Entity's licensing stipulations on the waste landfill sites, for the estimated cost of rehabilitating waste sites. The provision has been determined on the basis of a recent independent valuation performed by a firm of consulting engineers.

The key cost parameters upon which the valuation is based for the present and previous financial years are briefly as follows:

- An annual inflation rate of 5,85% (2014: 5,90%) and discounted to present values at the average borrowing cost of 10,26% (2014: 10,42%).
- The scheduled dates of total closure and rehabilitation are at present anticipated to be between 2016 and 2023.

Post-retirement medical aid and pension benefits

An actuarial valuation has been performed of the Entity's liability in respect of benefits to its eligible retirees and retrenched employees. The provision is utilised when eligible employees receive the value of the vested benefits – see note 47.4 for more details.

13. DEPOSITS

	Economic entity		Municipality of Cape Town	
	2015 R'000	2014 R'000	2015 R'000	2014 R'000
Electricity and water	263 128	364 235	263 128	364 235
Other deposits	45 559	34 290	9 130	5 982
TOTAL	308 687	398 525	272 258	370 217

Guarantees held in lieu of electricity and water deposits were R33,31 million (2014: R79,08 million). Deposits are released when the owner/occupant of a property terminates the contract with the Entity to supply water and electricity to the property, or when certain contractual services are delivered.

14. PROVISIONS (CURRENT)

	Economic entity				
	Opening balance 2015 R'000	Raised R'000	Utilised/ reversed R'000	Transfers from non- current R'000	Closing balance 2015 R'000
Other provisions	273 003	208 423	(160 765)	-	320 661
Insurance claims	20 856	13 858	(20 856)	-	13 858
Post-retirement benefits	171 714	-	(171 714)	189 951	189 951
Environmental rehabilitation	28 000	-	(28 000)	2 342	2 342
Long-service awards	66 264	-	(66 264)	58 800	58 800
Leave benefits	518 713	22 957	-	-	541 670
Performance bonuses	3 249	3 364	(3 249)	-	3 364
TOTAL	1 081 799	248 602	(450 848)	251 093	1 130 646

	Municipality of Cape Town				
	Opening balance 2015 R'000	Raised R'000	Utilised/ reversed R'000	Transfers from non- current R'000	Closing balance 2015 R'000
Other provisions	273 003	208 423	(160 765)	-	320 661
Insurance claims	20 856	13 858	(20 856)	-	13 858
Post-retirement benefits	171 714	-	(171 714)	189 951	189 951
Environmental rehabilitation	28 000	-	(28 000)	2 342	2 342
Long-service awards	66 264	-	(66 264)	58 800	58 800
Leave benefits	518 713	22 957	-	-	541 670
TOTAL	1 078 550	245 238	(447 599)	251 093	1 127 282

Insurance and COID claims

Provision has been made for outstanding insurance claims as at 30 June 2015, funded out of the insurance reserve. The assessment of claims is based on the assessed quantum of claims received.

Staff leave

Annual leave accrues to employees on a monthly basis, subject to certain conditions. The provision is an estimate of the amount due to staff as at the financial year-end, based on the value of statutory and non-statutory leave.

Other provisions

Included in 'Other provisions' is R112,28 million for backpay in terms of the tuned assessment of skills and knowledge (TASK) project and an amount of R117,63 million for the taxi associations' compensation relating to the implementation of the expanded IRT routes. The balance consists of various other provisions.

Performance bonuses

Performance bonuses accrue to staff on an annual basis based on the achievement of predetermined performance standards. The provision is an estimate of the amount due to staff in the service of the CTICC at the reporting date.

Notes to the consolidated financial statements

for the year ended 30 June 2015 (continued)

15. PAYABLES FROM EXCHANGE TRANSACTIONS

	Economic entity		Municipality of Cape Town	
	2015 R'000	2014 R'000	2015 R'000	2014 R'000
Trade creditors	3 427 115	3 148 906	3 414 989	3 136 700
Payments received in advance	1 145 268	955 238	1 145 268	955 238
Inter-company advances	18 513	27 381	18 513	27 381
Third-party payments	335 221	302 703	335 221	302 703
Other creditors	402 326	359 752	383 889	341 353
TOTAL	5 328 443	4 793 980	5 297 880	4 763 375

Payables are non-interest-bearing and are normally settled on 30-day terms, except for retentions, which are settled in terms of the contract agreement.

Payments received in advance are non-interest-bearing and normally settled on 30-day terms.

Management policies are in place to ensure that all payables are paid within a reasonable timeframe.

16. UNSPENT CONDITIONAL GRANTS AND RECEIPTS

	Economic entity		Municipality of Cape Town	
	2015 R'000	2014 R'000	2015 R'000	2014 R'000
Conditional grants from other spheres of government	1 442 652	1 428 847	1 442 652	1 428 847
National Government	996 069	1 046 140	996 069	1 046 140
Province	446 583	382 707	446 583	382 707
Other conditional receipts	84 793	66 921	84 793	66 921
Public contributions	84 793	66 921	84 793	66 921
TOTAL	1 527 445	1 495 768	1 527 445	1 495 768

These amounts are separately invested in terms of section 12 of the MFMA. See note 27 and 28 for more details on grants from National Government and Province as well as public contributions.

The unspent portion of the conditional grant will be spent over the next two or three years to the conclusion of the projects for which they were intended.

In many instances, the launch of projects is a protracted process due to interest groups' participation. No amounts are due for repayment to the donors, for the reasons set out above.

17. VALUE-ADDED TAX (VAT)

	381 428	365 287	381 428	365 287
VAT payable	248 353	322 429	248 353	322 429
Impairment	133 075	42 858	133 075	42 858
VAT receivable	(295 621)	(286 266)	(295 621)	(286 266)
TOTAL	85 807	79 021	85 807	79 021

The City of Cape Town is registered for VAT on the payment basis. The VAT liability was impaired as a result of impairment against debtors.

18. HOUSING DEVELOPMENT FUND

	Economic entity		Municipality of Cape Town	
	2015 R'000	2014 R'000	2015 R'000	2014 R'000
Realised housing proceeds				
Balance at the beginning of the year	346 222	384 125	346 222	384 125
Income	48 599	42 155	48 599	42 155
Land sales	12 174	3 116	12 174	3 116
Repayments – long-term debtors	32 479	32 407	32 479	32 407
Repayments – public organisations	601	1 192	601	1 192
Service contributions	3 345	3 467	3 345	3 467
Subsidy refunds and other	–	1 973	–	1 973
Interest	15 893	14 952	15 893	14 952
Expenditure	(101 032)	(89 818)	(101 032)	(89 818)
Funding capital projects	(68 531)	(22 089)	(68 531)	(22 089)
Funding operating projects	(32 501)	(67 729)	(32 501)	(67 729)
Non-cash transfer to provision for impairment	(6 911)	(5 192)	(6 911)	(5 192)
Balance at the end of the year	302 771	346 222	302 771	346 222
Unrealised housing proceeds				
Balance at the beginning of the year	122 197	120 231	122 197	120 231
Loans realised	(23 976)	(25 734)	(23 976)	(25 734)
Long-term housing loans	(23 432)	(24 138)	(23 432)	(24 138)
Long-term loans – public organisations	(544)	(1 596)	(544)	(1 596)
Transfer (from)/to impairment provision – long-term selling schemes	(5 391)	26 236	(5 391)	26 236
Transfer to impairment provision – long-term public organisations	784	1 464	784	1 464
Balance at the end of the year	93 614	122 197	93 614	122 197
TOTAL	396 385	468 419	396 385	468 419
Unrealised housing proceeds represent loan repayments not yet due in terms of the debtor's loan agreement.				
19. RESERVES				
Capital replacement reserve	1 865 119	1 187 993	1 865 119	1 187 993
Insurance reserve	528 760	563 504	528 760	563 504
Self-insurance reserve	460 436	493 849	460 436	493 849
COLD reserve	68 324	69 655	68 324	69 655
TOTAL	2 393 879	1 751 497	2 393 879	1 751 497
The capital replacement reserve and the self-insurance reserve are fully funded and invested in ring-fenced financial instruments.				
20. ACCUMULATED SURPLUS				
Accumulated surplus	25 789 827	21 998 203	25 663 410	21 893 987

Receipts from acquired grant-funded assets to the value of R17,90 billion (2014: R16,35 billion) are included and earmarked to fund the depreciation charges over the assets' useful lives.

The 2014 comparative amount of R21,99 billion has been restated from R22,00 billion (see note 46.1).

Notes to the consolidated financial statements

for the year ended 30 June 2015 (continued)

21. NON-CONTROLLING INTEREST

	Economic entity		Municipality of Cape Town	
	2015 R'000	2014 R'000	2015 R'000	2014 R'000
Balance at the beginning of the year	234 947	144 658		
Share purchases by non-controlling interest holders	32 716	49 074		
Transfer for share purchases	17 156	33 202		
Share of net surplus attributable to non-controlling interest	13 847	8 013		
TOTAL	298 666	234 947		

22. SERVICE CHARGES

Sale of electricity	9 966 593	9 313 459	9 977 027	9 323 247
Sale of water	2 523 671	2 184 898	2 524 635	2 185 812
Waste management (solid waste)	890 741	837 381	890 741	837 381
Wastewater management (sewerage and sanitation)	1 321 307	1 188 106	1 321 307	1 188 106
Other	671 800	539 626	483 660	369 134
TOTAL	15 374 112	14 063 470	15 197 370	13 903 680

23. RENTAL OF LETTING STOCK AND FACILITIES

Rental agreements	357 239	318 515	357 239	318 515
Hire/rentals	43 650	32 755	43 650	32 755
	400 889	351 270	400 889	351 270
Income forgone*	(31 768)	(33 380)	(31 768)	(33 380)
TOTAL	369 121	317 890	369 121	317 890

24. FINANCE INCOME

Exchange transactions	705 265	594 147	672 838	581 877
Interest receivable – external investments	646 513	526 691	614 086	514 421
Interest transferred to external funds (conditional grants)	(70 730)	(53 368)	(70 730)	(53 368)
Interest receivable – outstanding service debtors	129 482	120 824	129 482	120 824
Non-exchange transactions				
Interest receivable – outstanding rate debtors	68 747	71 488	68 747	71 488
TOTAL	774 012	665 635	741 585	653 365

25. OTHER INCOME

Exchange transactions	398 948	368 368	247 040	237 850
Insurance recoveries	888	2 103	813	2 017
Bulk infrastructure levies	104 884	60 054	104 884	60 054
Skills development levy	21 228	20 503	21 228	20 503
Recovery of investment written off	8	-	8	-
Other income	145 079	160 804	127 418	147 844
Gains on foreign-exchange transactions	46	-	46	-
Fair-value adjustments	(7 357)	7 432	(7 357)	7 432
City improvement districts	134 172	117 472	-	-
Non-exchange transactions				
City improvement districts	-	-	134 172	118 487
TOTAL	398 948	368 368	381 212	356 337

The Entity received services in kind to an estimated value of R153,07 million (2014: R137,02 million) in the form of volunteers. This amount is not recognised as revenue or as an asset as such in the statement of financial performance.

* Income forgone can be defined as any income that the City of Cape Town is entitled by law to levy, but which has subsequently been forgone by way of remission.

26. PROPERTY RATES

	Economic entity		Municipality of Cape Town	
	2015 R'000	2014 R'000	2015 R'000	2014 R'000
Actual				
Residential, commercial and state	7 108 899	6 548 249	7 113 743	6 552 820
Income forgone*	(1 095 008)	(1 006 046)	(1 095 008)	(1 006 046)
TOTAL PROPERTY RATES	6 013 891	5 542 203	6 018 735	5 546 774
Valuations				
Rateable properties	887 913 413	884 713 852	887 913 413	884 713 852
Non-rateable properties	24 243 373	24 052 160	24 243 373	24 052 160
Total property rates at commencement of financial year	912 156 786	908 766 012	912 156 786	908 766 012
Exempt properties are excluded from the property rates valuation.				
Valuations per category				
Residential	620 887 683	624 049 005	620 887 683	624 049 005
Commercial	258 159 222	244 438 376	258 159 222	244 438 376
Agriculture	14 227 482	20 747 223	14 227 482	20 747 223
State	7 751 245	8 407 241	7 751 245	8 407 241
Municipal	11 131 154	11 124 167	11 131 154	11 124 167
Total property rates at commencement of financial year	912 156 786	908 766 012	912 156 786	908 766 012
The last general valuation came into effect on 1 July 2013, and is based on market-related values. Property valuations adjustments, such as supplementary valuations, objection valuations and Valuation Appeal Board decisions, are processed weekly to take into account changes to individual property values due to alterations and subdivisions. Rates are levied on a daily basis and are payable monthly. Interest is raised monthly on accounts in arrears at prime plus 1% per annum.				
27. GOVERNMENT GRANTS AND SUBSIDIES				
Unconditional grants	1 667 298	1 243 270	1 667 298	1 243 270
Conditional grants	4 007 341	3 198 920	4 007 341	3 198 920
Provincial health subsidies	174 747	137 078	174 747	137 078
Cape Metropolitan Transport Fund (CMTF)	14 405	24 317	14 405	24 317
National projects	2 818 154	2 189 119	2 818 154	2 189 119
Provincial projects – other	999 781	836 024	999 781	836 024
Other	254	12 382	254	12 382
TOTAL	5 674 639	4 442 190	5 674 639	4 442 190
The Entity does not foresee a significant decrease in the level of grant funding.				
Unconditional grants				
These grants are used to subsidise the provision of basic services to indigent communities.				
Analysis of government grants and subsidies				
Operating	3 251 460	2 389 432	3 251 460	2 389 432
Capital	2 423 179	2 052 758	2 423 179	2 052 758
	5 674 639	4 442 190	5 674 639	4 442 190

* Income forgone can be defined as any income that the City of Cape Town is entitled by law to levy, but which has subsequently been forgone by way of remission.

Notes to the consolidated financial statements

for the year ended 30 June 2015 (continued)

27. GOVERNMENT GRANTS AND SUBSIDIES (continued)

	Economic entity		Municipality of Cape Town	
	2015 R'000	2014 R'000	2015 R'000	2014 R'000
Provincial health subsidies				
Balance unspent at the beginning of the year	-	-	-	-
Current-year receipts – included in public health vote	(174 747)	(137 078)	(174 747)	(137 078)
Conditions met – transferred to revenue	174 747	137 078	174 747	137 078
Conditions still to be met – transferred to liabilities	-	-	-	-
The Entity renders health services on behalf of Province, and is refunded partially for expenditure incurred. This grant has been used exclusively to fund clinic services. The conditions of the grant have been met. There were no delays in payment of the subsidies, nor were any amounts withheld.				
Provincial projects and CMTF				
Balance unspent at the beginning of the year	(382 707)	(269 948)	(382 707)	(269 948)
Regrouping adjustment	56 685	48 740	56 685	48 740
Current-year receipts	(1 044 774)	(937 585)	(1 044 774)	(937 585)
Interest earned	(7 107)	(9 328)	(7 107)	(9 328)
Adjustments	80 802	33 056	80 802	33 056
Conditions met – transferred to revenue	1 014 186	860 341	1 014 186	860 341
Amounts still to be claimed	(163 668)	(107 983)	(163 668)	(107 983)
Conditions still to be met – transferred to liabilities – see note 16	(446 583)	(382 707)	(446 583)	(382 707)
National Government projects				
Balance unspent at the beginning of the year	(1 046 140)	(527 091)	(1 046 140)	(527 091)
Regrouping adjustment	-	60	-	60
Current-year receipts	(2 908 248)	(2 672 459)	(2 908 248)	(2 672 459)
Interest earned	(56 811)	(40 879)	(56 811)	(40 879)
Adjustments	196 976	5 110	196 976	5 110
Conditions met – transferred to revenue	2 818 154	2 189 119	2 818 154	2 189 119
Amounts still to be claimed	-	-	-	-
Conditions still to be met – transferred to liabilities – see note 16	(996 069)	(1 046 140)	(996 069)	(1 046 140)
These grants received from National Government are for operating and capital expenditure, such as budget reform, restructuring, urban renewal, and so forth. Other than the amounts unspent, the conditions of the grants have been met – see appendix E.				
28. PUBLIC CONTRIBUTIONS				
Public contributions: Consumer connections	39 330	37 423	39 330	37 423
Contributed assets	4 953	33 437	4 953	33 387
Other	17 700	15 198	17 700	15 198
TOTAL	61 983	86 058	61 983	86 008
Public contributions and other third-party funds				
Balance unspent at the beginning of the year	(66 871)	(61 517)	(66 921)	(61 517)
Regrouping adjustment	4 343	1 639	4 343	1 639
Current-year receipts	(77 280)	(52 670)	(77 280)	(52 670)
Interest earned	(1 497)	(923)	(1 497)	(923)
Adjustments	(4 948)	(35 056)	(4 948)	(35 056)
Conditions met – transferred to revenue	61 983	86 058	61 983	86 008
Amounts still to be claimed	(473)	(4 402)	(473)	(4 402)
Conditions still to be met – transferred to liabilities – see note 16	(84 743)	(66 871)	(84 793)	(66 921)
The Entity receives grants from various private donors for operating and capital projects. Included in these funds are monies held on behalf of third parties. Other than the amounts unspent, the conditions of the grants have been met. No funds have been withheld.				

29. EMPLOYEE-RELATED COSTS

	Economic entity		Municipality of Cape Town	
	2015 R'000	2014 R'000	2015 R'000	2014 R'000
Salaries and wages	5 774 525	5 367 580	5 729 979	5 323 227
Social contributions – Unemployment Insurance Fund (UIF), pensions and medical aid	1 519 644	1 399 353	1 513 972	1 394 292
Travel, car, accommodation, subsistence and other allowances	335 069	338 487	335 069	338 487
Housing benefits and allowances	28 439	26 512	28 439	26 512
Overtime payments	394 176	360 168	393 447	359 418
Performance bonus – net contribution	2 243	-	-	-
Contribution and benefits paid: current provisions	75 624	(304 166)	75 624	(304 166)
Contribution: post-retirement and long-service benefits	72 988	1 524 847	72 988	1 524 847
Current service costs	164 503	134 111	164 503	134 111
Interest costs	531 955	400 393	531 955	400 393
Actuarial (gains)/losses	(623 470)	990 343	(623 470)	990 343
	8 202 708	8 712 781	8 149 518	8 662 617
Expenditure recharged to capital projects	(24 784)	(21 763)	(24 784)	(21 763)
TOTAL	8 177 924	8 691 018	8 124 734	8 640 854

30. REMUNERATION OF COUNCILLORS

Executive Mayor	1 219	1 164	1 219	1 164
Deputy Executive Mayor	891	841	891	841
Speaker	891	841	891	841
Chief Whip	817	770	817	770
Mayoral Committee members	8 762	8 097	8 762	8 097
Subcouncil chairpersons	20 201	18 994	20 201	18 994
Portfolio chairpersons	12 424	11 697	12 424	11 697
Councillors	70 735	66 609	70 735	66 609
Councillors' pension contributions	4 692	4 582	4 692	4 582
Board members (CTICC)	356	445	-	-
	120 988	114 040	120 632	113 595
Reimbursement of travel claims	7 779	6 113	7 779	6 113
TOTAL	128 767	120 153	128 411	119 708

31. IMPAIRMENT COSTS

Allowances for impairment losses	1 523 798	1 295 120	1 523 784	1 295 526
Impairment of property, plant and equipment	16 416	32 700	16 416	32 700
TOTAL	1 540 214	1 327 820	1 540 200	1 328 226

Notes to the consolidated financial statements

for the year ended 30 June 2015 (continued)

32. DEPRECIATION AND AMORTISATION EXPENSES

	Economic entity		Municipality of Cape Town	
	2015 R'000	2014 R'000	2015 R'000	2014 R'000
Depreciation of property, plant and equipment	1 831 311	1 722 377	1 806 494	1 699 964
Depreciation of investment property	1 641	1 641	1 641	1 641
Amortisation of intangible assets	92 583	50 665	92 583	50 665
TOTAL DEPRECIATION AND AMORTISATION EXPENSES – see notes 1, 3, 4 and appendix B	1 925 535	1 774 683	1 900 718	1 752 270
Grant-funded assets financed from reserves	(929 605)	(828 615)	(929 605)	(828 615)
NET TOTAL DEPRECIATION AND AMORTISATION	995 930	946 068	971 113	923 655

33. FINANCE COSTS

Borrowings (amortised cost)	747 357	776 267	746 024	774 768
Losses on valuation of investment	5 034	830	5 034	830
Unwinding of discount	28 871	31 685	28 871	31 685
TOTAL	781 262	808 782	779 929	807 283

34. BULK PURCHASES

Electricity	6 708 777	6 283 114	6 708 777	6 283 114
Water	400 066	308 118	400 066	308 118
TOTAL	7 108 843	6 591 232	7 108 843	6 591 232

35. GRANTS AND SUBSIDIES PAID

Ad hoc	46 595	39 326	46 578	39 313
Community development and upliftment	15 421	1 338	15 421	1 338
Economic development and promotion of tourism	51 072	41 947	51 072	41 947
Education institutions	321	413	321	413
Health forum/health, HIV/Aids and tuberculosis programmes	4 027	2 649	4 027	2 649
Senior citizens – facilities for the aged	95	100	95	100
Social development and arts and culture	1 800	-	1 800	-
Sporting bodies	1 468	285	1 468	285
Cape Town World Design Company	11 500	22 800	11 500	22 800
Khayelitsha Community Trust	4 205	6 176	4 205	6 176
TOTAL	136 504	115 034	136 487	115 021

36. GENERAL EXPENSES

	Economic entity		Municipality of Cape Town	
	2015 R'000	2014 R'000	2015 R'000	2014 R'000
Auditor remuneration	13 444	13 537	11 863	12 126
CID levies	-	-	130 146	114 884
Consultants	113 229	130 184	108 473	123 776
Contributions from provisions	(41 511)	(34 246)	(41 511)	(34 246)
Free basic electricity (FBE) - Eskom service areas	113 946	101 730	113 902	101 680
Fair-value adjustments	-	(4)	-	(4)
Fuel (petrol, diesel and fuel oil)	239 745	269 653	238 824	268 642
Indigent relief	508 501	469 646	508 501	469 646
Inventory: scrapping	1 171	3 268	1 171	3 268
Legal fees	56 603	45 664	55 497	42 866
Loss on foreign exchange transactions	3 077	3 009	3 070	3 002
Materials general and consumables	332 011	332 011	323 907	299 153
Security services	346 710	404 240	340 947	398 863
Telecommunications	86 751	97 749	85 015	96 155
Other expenditure (less than 5%)	2 115 051	1 833 798	2 046 447	1 792 982
	3 888 728	3 670 239	3 926 252	3 692 793
Expenditure recharged to capital projects	(2 119)	(1 772)	(2 119)	(1 772)
TOTAL	3 886 609	3 668 467	3 924 133	3 691 021

The 2014 comparative amount of R3,67 billion has been restated from R3,66 billion (see note 46.1).

37. TAXATION

Deferred taxation

CTICC

Deferred income taxes are calculated on all temporary differences, using a tax rate of 28% (2014: 28%).

At the beginning of the year

2 201 4 640

Temporary differences

(2 205) (2 439)

At the end of the year

(4) 2 201

CIDs

At the beginning of the year

- 57

Reverse temporary differences on prepayments

- (57)

At the end of the year

- -

The balance comprises

Capital allowance (non-deductible temporary differences)

(4) 2 201

Total

(4) 2 201

Statement of financial performance charge

Taxation

Current year: CTICC

18 576 8 252

CIDs

- 235

18 576 8 487

Notes to the consolidated financial statements

for the year ended 30 June 2015 (continued)

38. CASH GENERATED FROM OPERATIONS

	Economic entity		Municipality of Cape Town	
	2015 R'000	2014 R'000	2015 R'000	2014 R'000
Surplus for the year	4 411 551	1 690 868	4 339 771	1 656 707
Adjustment for:	2 221 808	3 375 531	2 229 785	3 363 430
Depreciation	1 925 535	1 774 683	1 900 718	1 752 270
Contributed assets	(4 953)	(33 437)	(4 953)	(33 387)
Impairment	16 416	65 324	16 416	65 324
Gains and losses on disposal of assets	(84 633)	(62 463)	(84 713)	(62 962)
Contribution to provisions	(139 278)	461 639	(139 393)	461 079
Contribution to impairment provision	501 471	1 026 638	503 366	1 027 188
Finance income	(774 012)	(665 635)	(741 585)	(653 365)
Finance costs	781 262	808 782	779 929	807 283
Operating surplus before working capital changes	6 633 359	5 066 399	6 569 556	5 020 137
Increase in inventories	(11 731)	(12 682)	(11 033)	(12 733)
Increase in receivables	(408 214)	(399 315)	(408 222)	(399 310)
Increase in other receivables	(680 035)	(961 608)	(690 387)	(965 342)
Increase in unspent conditional grants and receipts	31 677	637 212	31 677	637 212
Increase in payables	534 463	247 886	534 505	246 345
Increase in net VAT	6 786	9 530	6 786	9 530
Cash generated from operations	6 106 305	4 587 422	6 032 882	4 535 839

The 2014 comparative amount has been restated (see note 46).

39. CASH AND CASH EQUIVALENTS

Balance at the end of the year	3 792 735	2 652 774	3 199 148	2 266 559
Balance at the beginning of the year	2 652 774	4 907 440	2 266 559	4 730 196
Net increase/(decrease) in cash and cash equivalents	1 139 961	(2 254 666)	932 589	(2 463 637)

40. RECONCILIATION OF UTILISATION OF LONG-TERM BORROWINGS

Borrowings raised – see appendix A	201	86	–	–
External Finance Fund (EFF) – earmarked capital expenditure	(7 314 155)	(6 551 825)	(7 314 155)	(6 551 825)
2013/14 and prior years	(5 168 092)	(4 694 936)	(5 168 092)	(4 694 936)
Current year	(2 146 063)	(1 856 889)	(2 146 063)	(1 856 889)
Total EFF (overdrawn)	(7 313 954)	(6 551 739)	(7 314 155)	(6 551 825)
Cash set aside for the repayment of borrowings – see note 5 and 11	1 788 233	1 631 750	1 788 233	1 631 750
Cash overdrawn	(5 525 721)	(4 919 989)	(5 525 922)	(4 920 075)

41. BUDGET INFORMATION

41.1 Explanation of variances between approved and final budget amounts

The reasons for the variances between the approved and final budgets are mainly due to virements. The decrease in the expected capital budget is due to the reprioritisation of capital projects, with corresponding changes to funding sources.

41.2 Explanation of variances greater than 5%: final budget and actual amounts

41.2.1 Statement of financial position

Total liabilities

- i) Non-current liabilities
Borrowings were much lower than budgeted as no new loans were taken up by the City.
- ii) Current liabilities
Liabilities owed to suppliers for the purchase of goods and services were much higher than expected.
- iii) Net assets
The variance in net assets is directly linked to the explanation for the variance in non-current liabilities above.

41.2.2 Statement of financial performance

Revenue

- i) Finance income
The variance is a result of interest earned on higher investment balances due to continuously favourable cash flows during the year.
- ii) Licences and permits
The variance is due to higher-than-expected revenue from the issuing of licences and permits.
- iii) Agency services
The variance is due to higher levels of transactions being processed than expected.
- iv) Other income
The excess recoveries are due to miscellaneous receipts from unanticipated sources.
- v) Gains on disposal of property, plant and equipment
The shortfall is due to the lower-than-planned proceeds.
- vi) Fines
The higher-than-anticipated income is due to more intense law enforcement, which has led to a higher incidence of fines.
- vii) Government grants and subsidies
The variance is due to delays in the implementation of projects, community consultation, tender objections, environmental issues, and cancellation due to poor performance.
- viii) Public contributions
The variance is due to delays in the implementation of projects, community consultation, tender objections, environmental issues, and cancellation due to poor performance.

Expenditure

- i) Employee-related costs
The variance is mainly due to the turnaround time in filling vacancies, the impact of consequential vacancies and delays in the appointment of non-permanent staff.
- ii) Impairment costs
The variance is due to lower-than-anticipated impairment costs resulting from improved collections.
- iii) Collection costs
The variance is due to lower-than-anticipated commission paid to the collecting agency, which is based on actual income received.
- iv) Finance costs
The variance is due to the loans not having been taken up, as they were not necessary.
- v) Contracted services
The variance is due to reduced operating hours of the MyCiTi service and delays in the implementation of projects.
- vi) Grants and subsidies paid
The variance is due to delays in the implementation of projects.
- vii) General expenses
The variance is due to reduced operating hours of the MyCiTi service and delays in the implementation of projects.
- viii) Losses on disposal of property, plant and equipment
The variance is due to lower-than-anticipated sale of assets.

Notes to the consolidated financial statements

for the year ended 30 June 2015 (continued)

41. BUDGET INFORMATION (continued)

41.2 Explanation of variances greater than 5%: final budget and actual amounts (continued)

41.2.3 Cash flow statement

- i) Net cash from (used) operating
The variance is due to under-expenditure as a result of austerity measures and delays in the implementation of projects.
- ii) Net cash from (used) investing
The variance is due to the underspend of the capital budget and movement between short and long-term investments.
- iii) Net cash from (used) financing
The variance is mainly due to the non-utilisation of a long-term loan no longer needed.

41.2.4 Capital expenditure

- i) Community Services
The variance is due to delays in the implementation of projects as a result of local community dynamics, industrial action and poor contractor performance.
- ii) Tourism, Events and Economic Development
The variance is due to delays in the implementation of environmental issues and poor contractor performance.
- iii) Transport for Cape Town
The variances are mainly due to delays in the implementation of projects in an ever-changing business environment, community consultation, environmental issues, poor performance of vendors and protracted procurement processes. In addition, confirmation had also been given by National Treasury of an over-allocation of funds, which could be rolled over to the 2015/16 financial year, and a saving in the bus purchase tender, which had been assigned to contingencies and never realised. The accumulative effect of these factors resulted in the apparent underspend of funds, which have been committed to be carried over to the next financial year.
- iv) Human Settlements
The variance is due to delays in the implementation of projects, poor performance, by and liquidation of contractors, community dynamics and flooding incidents.
- v) Water and Sanitation
The variance is due to delays in the implementation of projects, poor contractor performance, and delays in the supply of equipment.
- vi) Cape Town Electricity
The variance is due to delays in the implementation of projects, poor contractor performance, the finalisation of design and planning, non-responsive tenders and the establishment of beneficiaries.

42. UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE, MATERIAL LOSSES

	Economic entity		Municipality of Cape Town	
	2015 R'000	2014 R'000	2015 R'000	2014 R'000
42.1 Irregular expenditure				
Opening balance	45	-	45	-
Irregular expenditure – supply chain management (SCM) regulations (see incident below)	996	45	996	45
Regularised and ratified	(85)	-	(85)	-
Closing balance	956	45	956	45
Incidents				
• Business conducted with a supplier of whom a director was in the service of the state	40	45	40	45
• Non-compliance with SCM regulations	956	-	956	-
Incidents for the year	996	45	996	45

42. UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE, MATERIAL LOSSES (continued)

		Economic entity		Municipality of Cape Town									
		2015 R'000	2014 R'000	2015 R'000	2014 R'000								
42.2 Unauthorised, fruitless and wasteful expenditure													
Opening balance		294	146	294	-								
Fruitless expenditure – current year		-	294	-	294								
Amount recovered		-	(146)	-	-								
Closing balance		294	294	294	294								
<table><tr><th>Incidents</th><th>Proceedings</th></tr><tr><td>Fine: non-compliance with National Environmental Management Act</td><td>Awaiting condonation by Council</td></tr><tr><td>Fine: non-compliance with National Environmental Management Act</td><td>Awaiting condonation by Council</td></tr><tr><td>ICSID: Payments not in accordance with agreement</td><td>Awaiting condonation by Council</td></tr></table>		Incidents	Proceedings	Fine: non-compliance with National Environmental Management Act	Awaiting condonation by Council	Fine: non-compliance with National Environmental Management Act	Awaiting condonation by Council	ICSID: Payments not in accordance with agreement	Awaiting condonation by Council				
Incidents	Proceedings												
Fine: non-compliance with National Environmental Management Act	Awaiting condonation by Council												
Fine: non-compliance with National Environmental Management Act	Awaiting condonation by Council												
ICSID: Payments not in accordance with agreement	Awaiting condonation by Council												
Incidents for the year		-	50	-	50								
		-	12	-	12								
		-	232	-	232								
		-	294	-	294								
42.3 Material losses													
Water losses		137 373	92 576	137 373	92 576								
<p>In the year under review, the material losses were 14,11%. These are made up of 9,98% reticulation losses and 4,13% abnormal production losses (2014: 10,08% reticulation losses and 0% abnormal production losses). These losses are predominantly due to metering inefficiencies, which constitute an apparent loss. The production losses amounted to R91,11 million (2014: R90,30 million).</p>													
Electricity losses		314 416	265 186	314 416	265 186								
<p>In the year under review, the energy losses were 11,25% (2014: 10,78%, restated from 10,49%). These losses are the result of theft and vandalism. The production losses amounted to R436,70 million (2014: R408,64, restated from R411,42 million).</p> <p>The 2014 comparative percentage and amount of R265,19 million has been restated from R245,99 million due to additional purchases of kWh included to ensure completeness of small accounts.</p>													
COMMITMENTS													
43.1 CAPITAL COMMITMENTS													
Commitments in respect of capital expenditure													
Approved and contracted for:													
Infrastructure		1 863 298	2 203 693	1 863 298	2 203 693								
Community		33 564	92 517	33 564	92 517								
Other		1 418 620	822 865	696 472	781 895								
TOTAL		3 315 482	3 119 075	2 593 334	3 078 105								

Notes to the consolidated financial statements

for the year ended 30 June 2015 (continued)

43. COMMITMENTS (continued)

	Economic entity		Municipality of Cape Town	
	2015 R'000	2014 R'000	2015 R'000	2014 R'000
43.2 OPERATING LEASE COMMITMENTS				
43.2.1 The Entity as lessee				
Future minimum lease payments under non-cancellable operating leases				
Land and buildings	157 532	41 067	155 460	40 221
Payable within one year	50 670	38 360	50 188	38 017
Payable within two to five years	106 862	2 707	105 272	2 204
Vehicles and other equipment	514	831	514	736
Payable within one year	245	270	245	222
Payable within two to five years	269	561	269	514
	158 046	41 898	155 974	40 957
Minimum lease payments recognised as an expense during the period amount to R38,24 million (2014: R49,21 million). Leased premises are contracted for remaining periods of between one and four years, with renewal options available in certain instances.				
The 2014 comparative amount of R41,89 million has been restated from R40,96 million (see note 46.1).				
43.2.2 The Entity as lessor				
Future minimum lease income under non-cancellable operating leases				
Receivable within one year	25 151	19 502	27 071	21 422
Receivable within two to five years	96 190	63 484	96 670	65 884
Receivable after five years	204 434	147 186	204 434	147 186
Buildings	325 775	230 172	328 175	234 492

The Entity lets properties under operating leases. Property rental income earned during the year was R26,09 million (2014: R21,62 million). The tenants maintain the properties at their cost. No investment properties have been disposed of since the date of the statement of financial performance.

The impact of charging the escalations in operating leases on a straight-line basis over the term of the lease has been an increase of R16,51 million in current-year income.

44. ADDITIONAL DISCLOSURES

44.1 MUNICIPAL FINANCE MANAGEMENT ACT

44.1.1 Section 124

Disclosure concerning councillors' municipal accounts in arrears

As at **30 June 2015**, no councillors were more than 90 days in arrears for rates or services.

During the **reporting period**, the following councillors were in arrears for more than 90 days.

Honono, T	Nikelo, M
Madikane, B	Nyakatya, N
Makeleni, K	Purchase, F
Moolman, G	

As at **30 June 2014**, the following councillor was more than 90 days in arrears for rates or services:

As at 30 June 2014	Total R'000	Outstanding ≤90 days R'000	Outstanding >90 days R'000
Madikane, B	208	-	208
Balance outstanding	208	-	208

During the **reporting period**, the following councillors were in arrears for more than 90 days:

Gqada, T	Mamkeli, S
Hassiem, W	Jordaan, C
Lungiswa, J	Van der Merwe, C
Mabandla, M	

44.1.2 Included in the debtors' arrears is an amount of R67 842 (2014: R1,62 million) outstanding for more than 120 days, owed by the representative political parties to the Entity.

44.1.3 Section 125

Other compulsory disclosures

	South African Local Government Association (SALGA) contributions R'000	Audit fees R'000	Pay-as- you-earn (PAYE) and UIF R'000	Pension and medical R'000 aid
As at 30 June 2015				
Opening balance	-	106	87 963	191 627
Subscriptions/fees	10 541	14 874	1 115 982	2 457 128
Amount paid – current year	(10 541)	(14 569)	(1 022 217)	(2 247 368)
Amount paid – previous years	-	(106)	(87 963)	(191 627)
Balance unpaid (included in payables)	-	305	93 765	209 760
As at 30 June 2014				
Opening balance	-	182	84 887	172 627
Subscriptions/fees	10 400	15 029	1 077 710	2 244 211
Amount paid – current year	(10 400)	(14 923)	(989 747)	(2 052 584)
Amount paid – previous years	-	(182)	(84 887)	(172 627)
Balance unpaid (included in payables)	-	106	87 963	191 627

Notes to the consolidated financial statements

for the year ended 30 June 2015 (continued)

44. ADDITIONAL DISCLOSURES (continued)

	Economic entity		Municipality of Cape Town	
	2015 R'000	2014 R'000	2015 R'000	2014 R'000
44.2 SUPPLY CHAIN MANAGEMENT REGULATIONS				
44.2.1 Deviations				
In terms of section 36 of the municipal SCM regulations, any deviation from SCM policy needs to be approved by the Accounting Officer and noted by Council. The expenses incurred as listed below have been approved by the Accounting Officer and noted by Council. Deviations have been approved in principle, subject to controls such as unit cost and the availability of costs and budget.				
Incidents				
Appointment of consultants	52 232	64 228	52 232	64 228
Information technology upgrade	59 850	57 078	59 850	57 078
Upgrade of electricity services	30 263	38 657	30 263	38 657
Extension of contract period/sum	426 058	13 637	426 058	13 637
Upgrade of road infrastructure	45 031	260 216	45 031	260 216
Supply and delivery of plant and equipment	66 313	43 670	66 313	43 670
Other	70 092	95 945	62 972	91 239
Deviations less than R200 000	307 920	300 442	307 920	300 442
Total amount approved by the Accounting Officer and noted by Council	1 057 759	873 873	1 050 639	869 167
All deviations considered by the Accounting Officer are processed in terms of the SCM regulations and the SCM policy. This process entails being assessed by the SCM Bid Adjudication Committee in terms of the stipulated criteria of emergency procurements, availability from only one provider, art-historical objects, circumstances where it is impractical or impossible to follow the official procedure, or correction of minor technical breaches.				
44.2.2 SCM breaches				
Ratification of minor breaches	15 833	14 091	-	-
Total amount regularised and ratified	15 833	14 091	-	-

44. ADDITIONAL DISCLOSURES (continued)

44.2 SUPPLY CHAIN MANAGEMENT REGULATIONS (continued)

44.2.3 Bids awarded to family of employees in the service of the state

In terms of section 45 of the municipal SCM regulation, any award above R2 000 to family of employees in the service of the state must be disclosed in the annual financial statements. The following is a list as recorded in the declaration-of-interest form:

Connected persons	Position held with state	Economic entity	Municipality of Cape Town
		2015 R'000	2015 R'000
Adams, J	Administrative Officer	92	92
Agulhas, M	Artisan	363	363
Arnold, JT	Superintendent	29	29
August, K	Operational Supervisor: Driver	28	28
Barnard, M	Deputy Director: Health Department	3 144	3 144
Basholo, Z	Manager: Water and Demand	442	442
Bowers, ER	Social Worker: Department of Health	6	6
Buitendag, G	Principal Professional Officer	134	134
Cedras, A	Senior Superintendent	1 433	1 433
Christopher, P	Operations Manager: Corporate	578	578
Cilliers, JP	Special Advisor to the Premier	76	76
Danie, S	Project Administrator	387	387
Davids, F	Clerk	119	119
Davids, J	Department of Health	697	697
Davids, M	Operational Supervisor: Driver	172	172
Dolf, N	Clerk	131	131
Du Toit, J	SCM: Assistant Buyer	597	597
Ebrahim, Y	Head: District 5	1 412	1 412
Els, A	South African Police Service	73	73
Fourie, S	HoD: Department of Economic Development and Tourism	49	-
Gordon, C	Clerk	568	568
Gurgess, D	Senior Clerk	1 013	1 013
Hattingh, PM	SCM: Administrative Officer	2 371	2 371
Hector, C	National Health Research Board	2 211	2 211
Henderson, C	Teacher	85	85
Hendricks, F	Administrative Officer	31	31
Ishmail, E	Manager: Valuation Data and Systems	3 030	3 030
Jacobs, E	Senior Clerk	10 808	10 808
Jemane, J	Professional Officer	14	14
Jones, B	Superintendent: Community Services	2	2
Komani, A	Foreman	5	5
Lategan, J	Clerk	337	337
Le Vack, S	Professional Nurse	273	273
Leukes, P	Spokesperson to the Executive Mayor	281	281
Maroof, M	Professional Officer	1 100	1 100
Martin, M	Department of Health	24	24
Mbhalo, N	Clerk	403	403
Melnick, R	Project Administrator	47	47
Merile, SS	Operator: Small Plant	743	743
Meyer, G	Manager: Support	62 073	62 073
Meyer, T	Educator: Western Cape Education Department	4 520	-
Modack, K	Senior Project Administrator	109	109
Monk, EJ	Subcouncil Manager	4 213	4 213
Mshweshwe, MC	Statutory Compliance Specialist	635	635
Mtini, V	Worker	36 100	36 100
Mzwanbile, N	SA Ambassador	12	12
Nel, GA	SITA	55	55

Notes to the consolidated financial statements

for the year ended 30 June 2015 (continued)

44. ADDITIONAL DISCLOSURES (continued)

44.2 SUPPLY CHAIN MANAGEMENT REGULATIONS (continued)

44.2.3 Bids awarded to family of employees in service of the state (continued)

		Economic entity	Municipality of Cape Town
		2015 R'000	2015 R'000
Connected persons	Position held with state		
Niehaus, H	Senior Manager: Department of Health	22	22
Ntlati, B	Clerk	340	340
Paul, B	Department of Cultural Affairs and Sport	76	76
Phosa, P	Parliament	199 388	199 388
Poole, N	Senior Clerk	24	24
Porsche, S	Forensics	31	31
Rall, A	Hospital Manager	327	327
Rhodes, M	Department of Education	486	486
Ritter, T	Senior Clerk	7	7
Salomons, T	Specialist Artisan	2 114	2 114
Scheepers, C	Councillor	12	12
Scholtz, LM	Secretary	473	473
Siebritz, W	Firefighter	38	38
Southgate, K	Councillor	1 097	1 097
Steyn, D	Head: Supplier Management	129	129
Steyn, T	Senior Professional Officer	234	234
Unathi, P	Assistant Professional Officer	61	61
Van der Heever, V	Teacher	1 407	1 407
Van der Vendt, C	Senior Worker	560	560
Visagie, L	Teacher	141	141
Votersen, MF	Head of Finance: Parks	2 969	2 969
Wasserfall, B	Senior Forensics Officer	1 944	1 944
Willemse, S	Administrative Officer	1 396	1 396
Wyngaard, R	SCM: Administrative Officer – Tenders	866	866
AURECON awards	Family members as per schedule below	56 863	56 863
Total		412 030	407 461

See appendix G for the 2014 list.

* Names of family members (AURECON awards)

Ahlschlager, HC	Legal Representative: Special Investigating Unit
Geldenhuys, N	Mechatronic Engineer: Transnet Port Terminals
Goga, Y	Senior Specialist: Nkosi Albert Luthuli Hospital
Govender, T	Fleet Maintenance Administrator: Umgeni Water
Herholdt, E	Manager: Limpopo Department of Economic Development, Environment and Tourism
Heyns, A	Assistant Superintendent: Stellenbosch Municipality
Jacobs, J	Personal Assistant: Eastern Cape Department of Education
Kleynhans, B	Accountant: Hessequa Municipality
Kriegler, BJ	Councillor: Cape Winelands District Municipality and Breede Valley Municipality
Marques, M	Deputy Director: Department of Home Affairs
Nadasen, K	Director: National Department of Public Works
Ntsebeza, D	Buffalo City Metropolitan Municipality
Ntsebeza, M	Intsika Yethu Municipality
Ntsebeza, N	Intsika Yethu Municipality
Pretorius, PS	Sol Plaatje Municipality
Robertson, JM	Roads Engineer: Ekurhuleni Metropolitan Municipality
Vermeulen, PC	Superintendent: City of Cape Town

45. FINANCIAL RISK MANAGEMENT

Exposure to currency, interest rate, liquidity and credit risk arises in the normal course of the Entity's operations. This note presents information about the Entity's exposure to each of the above risks, its policies and processes for measuring and managing risk, and the Entity's management of capital. Further quantitative disclosures are included throughout these financial statements.

The Entity's Risk Management Committee is responsible for overseeing the City's integrated risk management (IRM) policies and activities. The IRM policies were established to ensure a structured approach to the identification and mitigation of risks across the Entity to an acceptable level. The IRM policies and systems are reviewed regularly to ensure that they keep pace with best practices and regulatory requirements. To enable the Audit Committee to comply with their role and responsibilities with regard to risk management, all documentation and reports of Risk Management Committee meetings are supplied to the Audit Committee on a quarterly basis.

The accounting policy for financial instruments was applied to the following items in the statement of financial position:

	Amortised cost R'000	Fair value R'000	Total carrying amount R'000	Fair value R'000
Financial assets				
2015				
Investments	1 863 861	3 277 447	5 141 308	5 138 276
Long-term receivables	95 162	-	95 162	95 162
Receivables	4 617 194	-	4 617 194	4 617 194
Other receivables	651 953	-	651 953	651 953
Cash and cash equivalents	2 578 701	1 214 034	3 792 735	3 792 735
	9 806 871	4 491 481	14 298 352	14 295 320
2014				
Investments	1 701 641	3 976 538	5 678 179	5 725 265
Long-term receivables	123 962	-	123 962	123 962
Receivables	4 308 354	-	4 308 354	4 308 354
Other receivables	423 362	-	423 362	423 362
Cash and cash equivalents	1 315 189	1 337 585	2 652 774	2 652 774
	7 872 508	5 314 123	13 186 631	13 233 717

The 'Other receivables' 2014 comparative amount of R423,36 million has been restated from R426,13 million (see note 46.1).

	Amortised cost R'000	Total carrying amount R'000	Fair value R'000
Financial liabilities			
2015			
Borrowings	6 775 757	6 775 757	7 127 878
Payables	4 183 175	4 183 175	4 183 175
	10 958 932	10 958 932	11 311 053
2014			
Borrowings	7 050 159	7 050 159	7 628 288
Payables	3 838 742	3 838 742	3 838 742
	10 888 901	10 888 901	11 467 030

Notes to the consolidated financial statements

for the year ended 30 June 2015 (continued)

45. FINANCIAL RISK MANAGEMENT (continued)

45.1 Fair values

The table below analyses financial instruments carried at fair value at the end of the reporting period, by level of fair-value hierarchy. The different levels are based on the extent to which quoted prices are used in the calculation of the fair value of the financial instruments, and have been defined as follows:

Level 1: Fair values are based on quoted market prices (unadjusted) in active markets for an identical instrument.

Level 2: Fair values are calculated using valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using quoted market prices in active markets for similar instruments, quoted prices for identical or similar instruments in markets that are considered less than active, or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Level 3: Fair values are based on valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data, and the unobservable inputs have a significant effect on the instrument's valuation. Also, this category includes instruments that are valued based on quoted prices for similar instruments, where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

	Level 1 R'000	Level 2 R'000	Level 3 R'000	Total R'000
Financial assets				
2015				
Investments	2 832 164	445 283	–	3 277 447
Cash and cash equivalents	–	1 214 034	–	1 214 034
	2 832 164	1 659 317	–	4 491 481
2014				
Investments	3 204 138	772 400	–	3 976 538
Cash and cash equivalents	–	1 337 585	–	1 337 585
	3 204 138	2 109 985	–	5 314 123

45.2 Liquidity risk

Liquidity risk is the risk of the Entity not being able to meet its obligations as they fall due. The Entity's approach to managing liquidity risk is to ensure that sufficient liquidity is available to meet its liabilities when due, without incurring unacceptable losses or risking damage to the Entity's reputation.

The Entity ensures that it has sufficient cash on demand to meet expected operating expenses through the use of cash flow forecasts.

An average of 95,64% (2014: 96,35%) of receivable (own billed) income is realised within 30 days after the due date, and payables are settled within 30 days of invoice. National and provincial grant funding is received in terms of the Division of Revenue Act (DoRA).

The following are contractual liabilities of which interest is included in borrowings:

	Up to 1 year R'000	1–5 years R'000	>5 years R'000	Total R'000
2015				
Liabilities				
Borrowings	1 073 380	3 602 900	7 946 124	12 622 404
Capital repayments	346 953	991 487	5 437 317	6 775 757
Interest	726 427	2 611 413	2 508 807	5 846 647
Payables	4 183 175	–	–	4 183 175
Payables	3 427 115	–	–	3 427 115
Sundry creditors	756 060	–	–	756 060
	5 256 555	3 602 900	7 946 124	16 805 579

45. FINANCIAL RISK MANAGEMENT (continued)

45.3 Credit risk

Credit risk is the risk of financial loss to the Entity if customers or counterparties to financial instruments fail to meet their contractual obligations, and arises principally from the Entity's investments, loans, receivables, and cash and cash equivalents.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk as at 30 June was as follows:

	Economic entity		Municipality of Cape Town	
	2015 R'000	2014 R'000	2015 R'000	2014 R'000
Investments	5 141 308	5 678 179	5 141 198	5 678 179
Long-term receivables – see note 6	95 162	123 962	95 162	123 962
Receivables and other receivables – see note 8 and 9	5 269 147	4 731 716	5 269 588	4 724 180
Cash and cash equivalents – see note 10	3 792 735	2 652 774	3 199 148	2 266 559
Total	14 298 352	13 186 631	13 705 096	12 792 880

The 'Receivables and other receivables' 2014 comparative amount of R4,73 billion has been restated from R4,73 billion (see note 46.1).

Investments and cash and cash equivalents

The Entity limits its exposure to credit risk by investing with only reputable financial institutions that have a sound credit rating, and within specific guidelines set in accordance with Council's approved investment policy. Consequently, the Entity does not consider there to be any significant exposure to credit risk.

Long-term receivables

Loans are granted and managed in accordance with policies and regulations as set out in note 6. The associated interest rates and repayments are clearly defined and, where appropriate, the Entity obtains certain suitable forms of security when granting loans. Allowances for impairment are made in certain instances.

Receivables

Receivables are amounts owing by consumers, and are presented net of impairment losses. The Entity has a credit risk policy in place, and the exposure to credit risk is monitored on an ongoing basis. The Entity is compelled in terms of its constitutional mandate to provide all its residents with basic minimum services, without recourse to an assessment of creditworthiness. There were no material changes in the exposure to credit risk and its objectives, policies and processes for managing and measuring the risk during the year under review. The Entity's strategy for managing its risk includes encouraging residents to install water management devices that control water flow to households, as well as prepaid electricity meters. In certain instances, a deposit is required for new service connections, serving as a guarantee.

The Entity's maximum exposure to credit risk is represented by the carrying value of each financial asset in the statement of financial performance. The Entity has no significant concentration of credit risk, with exposure spread over a large number of consumers and not concentrated in any particular sector or geographic area. The Entity establishes an allowance for impairment that represents its estimate of anticipated losses in respect of receivables. The outstanding amounts of the ten largest debtors represent 1,00% (2014: 1,00%) of the total outstanding balance. The average credit period on services rendered is 30 days from date of invoice. Interest is raised at prime plus 1% on any unpaid accounts after the due date. The Entity has provided fully for all receivables outstanding over 365 days. Receivables up to 365 days are provided for based on estimated irrecoverable amounts, determined by reference to past default experience. Additional information relating to the analysis of receivables is given in note 8 and 9.

Consumer debtors with a demonstrable inability to pay are encouraged to apply for potential indigent status as an ongoing customer relationship strategy as well as to enable the City of Cape Town to make adequate provision for such relief.

45.4 Capital management

The primary objective of managing the Entity's capital is to see to it that there is sufficient cash available to support the Entity's funding requirements, including capital expenditure, to ensure that the Entity remains financially sound.

The Entity monitors capital using a gearing ratio, which is net debt, divided by total capital, plus net debt. In a capital-intensive industry, a gearing ratio of 50% or less can be considered reasonable. Included in net debt are interest-bearing loans and borrowings, payables, less investments.

Notes to the consolidated financial statements

for the year ended 30 June 2015 (continued)

45. FINANCIAL RISK MANAGEMENT (continued)

45.5 Price risk

The Entity is exposed to equity-securities price risk because of investments held by the Entity and classified as financial instruments carried at fair value. The Entity is not exposed to commodity price risk. To manage its price risk arising from investments in equity securities, the Entity diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Entity. The exposure to price risk is not material to the Entity and, consequently, is not elaborated on any further.

45.6 Currency risk

The Entity is exposed to foreign-currency risk through the importation of goods and services, either directly or indirectly, through the award of contracts to local importers. The Entity manages any material direct exposure to foreign-currency risk by entering into forward exchange contracts. The Entity manages its indirect exposure by requiring the local importer to take out a forward exchange contract at the time of procurement, in order to predetermine the rand value of the contracted goods or services. The Entity was not a direct party to any outstanding forward exchange contracts at the reporting date. The movement in the currency was not material to the Entity's procurement and, consequently, is not elaborated on any further.

45.7 Market risk

Market risk is the risk of changes in market prices such as foreign-exchange rates and interest rates affecting the Entity's income or the value of its financial instrument holdings. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on the risk.

The effective rates on financial instruments as at 30 June 2015 were as follows:

	Maturity of interest-bearing assets/liabilities				
	Weighted interest rate %	1 year or less R'000	1 - 5 years R'000	>5 years R'000	Total R'000
Financial assets					
Investments	6,29	2 960 492	1 560 607	1 834 243	6 355 342
Cash and cash equivalents	5,84	2 578 701	-	-	2 578 701
Total financial assets		5 539 193	1 560 607	1 834 243	8 934 043
Financial liabilities					
Borrowings	9,84	346 953	991 487	5 437 317	6 775 757
Total financial liabilities		346 953	991 487	5 437 317	6 775 757

Interest rate sensitivity analysis

Financial assets

As at 30 June 2015, if the weighted interest rate at that date had been 100 basis points higher, with all other variables held constant, the fair-value impact on the statement of financial performance would have been R95,14 million, with the opposite effect if the interest rate had been 100 basis points lower.

Financial liabilities

As at 30 June 2015, if the interest rate at that date had been 100 basis points higher or lower, with all the other variables held constant, the fair-value liability would have had no impact, as all borrowings are at a fixed interest rate.

46. PRIOR-YEAR ADJUSTMENTS

46.1 Correction of error

A review of the stock issue data revealed that an error had been made by not allocating VAT correctly when issuing stock between directorates. The correction of error is a non-cash item.

The review of the CIDs' financial statements revealed that the operating lessee disclosure amounts had been understated. The correction of the disclosure amounts had no effect on the statement of financial position and statement of financial performance.

46.2 Reclassification

Reclassification between cash generated from operations and finance costs was made as indicated below.

Finance income was split between exchange and non-exchange items.

Presented below are those items contained in the statement of financial position, statement of financial performance and cash flow statement that have been affected by the prior-year adjustment and reclassification:

		Economic entity			
	Note	As previously reported R'000	Correction of error R'000	Reclassification R'000	Restated R'000
2014					
Statement of financial position					
Other receivables	9	427 783	(2 769)	-	425 014
Accumulated surplus	20	22 000 972	(2 769)	-	21 998 203
Statement of financial performance					
Revenue					
Exchange revenue		15 674 911	-	(71 488)	15 603 423
Finance income	24	665 635	-	(71 488)	594 147
Non-exchange revenue		12 695 583	-	71 488	12 767 071
Finance income	24	-	-	71 488	71 488
Total revenue		28 370 494	-	-	28 370 494
Expenditure					
General expenses	36	3 665 698	2 769	-	3 668 467
Total expenditure		26 676 857	2 769	-	26 679 626
Surplus for the year		1 693 637	(2 769)	-	1 690 868
Cash flow statement					
Cash flow from operating activities					
Cash receipts from ratepayers, government and other		26 686 088	-	(41 910)	26 644 178
Cash generated from operations	38	4 629 332	-	(41 910)	4 587 422
Finance costs		(793 048)	-	41 910	(751 138)
Net cash from operating activities		4 566 057	-	-	4 566 057
Cash generated from operations					
Surplus for the year	38	1 693 637	(2 769)	-	1 690 868
Adjustment for:		3 417 441	-	(41 910)	3 375 531
Fair-value adjustment – concessionary loan		41 910	-	(41 910)	-
Increase in other receivables		(964 377)	2 769	-	(961 608)
Cash generated from operations		4 629 332	-	(41 910)	4 587 422

Notes to the consolidated financial statements

for the year ended 30 June 2015 (continued)

46. PRIOR-YEAR ADJUSTMENTS (continued)

		Municipality of Cape Town			
	Note	As previously reported R'000	Correction of error R'000	Reclassification R'000	Restated R'000
2014					
Statement of financial position					
Other receivables	9	417 304	(2 769)	-	414 535
Accumulated surplus	20	21 896 756	(2 769)	-	21 893 987
Statement of financial performance					
Revenue					
Exchange revenue		15 372 333	-	(71 488)	15 300 845
Finance income	24	653 365	-	(71 488)	581 877
Non-exchange revenue		12 818 591	-	71 488	12 890 079
Finance income	24	-	-	71 488	71 488
Total revenue		28 190 924	-	-	28 190 924
Expenditure					
General expenses	36	3 688 252	2 769	-	3 691 021
Total expenditure		26 531 448	2 769	-	26 534 217
Surplus for the year		1 659 476	(2 769)	-	1 656 707
Cash flow statement					
Cash flow from operating activities					
Cash receipts from ratepayers, government and other		26 515 253	-	(41 910)	26 473 343
Cash generated from operations	38	4 577 749	-	(41 910)	4 535 839
Finance costs		(791 549)	-	41 910	(749 639)
Net cash from operating activities		4 515 574	-	-	4 515 574
Cash generated from operations					
Surplus for the year	38	1 659 476	(2 769)	-	1 656 707
Adjustment for:		3 405 340	-	(41 910)	3 363 430
Fair-value adjustment – concessionary loan		41 910	-	(41 910)	-
Finance costs:					
Cash transactions		791 549	-	(41 910)	749 639
Non-cash transactions		15 734	-	41 910	57 644
Increase in other receivables		(968 111)	2 769	-	(965 342)
Cash generated from operations		4 577 749	-	(41 910)	4 535 839

46. PRIOR-YEAR ADJUSTMENTS (continued)

46.3 Changes in accounting estimates

The annual review of the useful lives of assets resulted in a decrease of R53,54 million (2014: R158,04 million) in the depreciation charge to the statement of financial performance. It is impracticable to estimate the effect of these changes on future periods.

During the 2015 financial year, SARS conducted an audit of the Transport for Cape Town Directorate and found that a portion of VAT previously paid could be claimed back. An adjustment of R51,24 million was passed on the acquisitions cost of the property, plant and equipment (PPE) based on the amount received from SARS.

47. RETIREMENT BENEFIT INFORMATION

The Entity makes provision for post-retirement benefits to eligible councillors and employees who belong to different pension schemes. These funds are governed by the Pension Funds Act (Act 24 of 1956) and include both defined-benefit (DB) and defined-contribution (DC) schemes. Contributions of R874,92 million (2014: R804,83 million) to the DB and DC structures are expensed as incurred during the year under review.

These schemes are subject to a triennial, biennial or annual actuarial valuation, as set out below.

47.1 Defined-benefit schemes

Cape Joint Pension Fund (multi-employer fund)

The DB section is a multi-employer plan, and the contribution rate payable is 27%, i.e. 9% by the members and 18% by their councils. The last actuarial valuation of the fund was performed at 30 June 2013, at which stage the fund was certified by the actuary as being in a sound financial condition. Since the previous valuation date, the valuation indicates a R10 million actuarial deficit, and was 99,7% funded at the financial year-end. The City of Cape Town is included among the local authorities that contribute to the Cape Joint Pension Fund. Included in the rules of the fund is a proviso that the assets provide a minimum return of 5,5% per annum, failing which the local authorities associated with the fund are required to fund the shortfall in direct proportion to the level of contributions made. There have been significant amendments to the pension fund regulations, notably rule 17(5), in terms of which the fund is managing its sustainability risk. The same applies to the DC schemes.

South African Local Authorities (SALA) Pension Fund (multi-employer fund)

The fund is a DB plan and is financially sound. It was 100% funded as at 1 July 2014, and had remained stable since the previous valuation date.

47.2 Defined-contribution schemes

Cape Joint Pension Fund (multi-employer fund)

This scheme was established to accommodate the unique characteristics of contract employees and cost-to-company employees. All existing members were given the option to transfer to the DC plan before 1 July 2003. The last actuarial valuation of the fund was performed at 30 June 2013, at which stage the actuary certified the fund as being in a sound financial condition. Notwithstanding the actuary's recommendation to eliminate a slight shortfall, the nature of assets is suitable for the fund. The valuation disclosed funding of 99,8%.

Cape Retirement Fund for Local Authorities (multi-employer fund)

The contribution rate paid by the members (9%) and their councils (18%) is sufficient to fund the benefits accruing from the fund in future. The actuary certified the fund, a DC plan, as being in a sound financial position as at 30 June 2013.

Municipal Councillors' Pension Fund (multi-employer fund)

The Municipal Councillors Pension Fund operates as a DC scheme. The contribution rate paid by the members (13,75%) and their councils (15%) is divided between the cost of risk benefits deriving from the administration of the fund, and members' retirement benefits.

The last actuarial valuation of the fund was performed at 30 June 2012, at which stage the fund was certified by the actuary as technically being not financially sound, with a funding level of 99,5%. A statutory valuation will be performed based on the audited financial statements as at 30 June 2015, once these become available.

National Fund for Municipal Workers (multi-employer fund)

The retirement and pension funds are both DC schemes. According to the actuary's certification, the assets of the fund are sufficient to cover its liabilities. As at 30 June 2014, the valuation disclosed a funding level fluctuating around 100% due to timing differences, a slight mismatch of assets and liabilities, and processing errors.

South African Municipal Workers Union (SAMWU) National Provident Fund (multi-employer fund)

The SAMWU National Provident Fund is a DC scheme. The last actuarial valuation of the fund was performed at 30 June 2014, at which stage the fund was certified as being in a financially sound position.

Cape Town International Convention Centre Company SOC Limited (RF) Provident Fund

The provident fund operates as a DC scheme. The economic entity has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to the employee service in the current or prior periods.

Notes to the consolidated financial statements

for the year ended 30 June 2015 (continued)

47. RETIREMENT BENEFIT INFORMATION (continued)

47.3 Defined-benefit and defined-contribution scheme

Cape Municipal Pension Fund

The Cape Municipal Pension Fund operates as both a DB and DC scheme. The fund has been awarded an unqualified audit opinion for the audit of finances for the year ended 30 June 2013. The actuarial valuation of the fund was performed at 30 June 2012, which certified it as being in a financially sound position. The next statutory valuation is due by 30 June 2015.

	Total	DB section	DC section
In-service members	9 632	301	9 331
Pensioners	5 096	3 824	1 272
Membership as at 30 June 2013	14 728	4 125	10 603

	2015 R'million	2014 R'million
Past-service position – DB section	3 739	3 739
Past-service position – DC section	6 357	6 357
Total liabilities	10 096	10 096
Assets valued at market value	10 109	10 109
Actuarial surplus	–	–

Key financial assumptions

	2015 %	2014 %
Actual employer contribution – DB section	20,25	20,25
Actual employer contribution – DC section	18,00	18,00
Net discount rate: Pre-retirement	0,50	0,50
Post-retirement	1,50	1,50
Normal retirement age	60 years	60 years

47.4 Post-employment defined benefits

47.4.1 Health-care arrangement assumptions

For past service of in-service and retired employees, the Entity recognises and provides for the actuarially determined present value of post-retirement medical-aid employer contributions on an accrual basis, using the projected unit credit method.

The members of medical aid schemes entitled to a post-employment medical scheme subsidy as at 30 June 2015 constituted 8 976 (2014: 9 822) in-service members and 6 678 (2014: 6 525) pensioners.

It was assumed that the employer's health-care arrangements and subsidy policy would remain as outlined in the accounting policy, and that the level of benefits and contributions would remain unchanged, with the exception of inflationary adjustments. Implicit in this approach is the assumption that current levels of cross-subsidisation from in-service members to retiree members within the medical scheme are sustainable and will continue.

It is further assumed that the subsidy will continue until the last survivor's death, for eligible members and their spouses.

Continuation of membership

It is assumed that 100% of in-service members entitled to a post-retirement subsidy retiring from the City of Cape Town will remain on the employer's health-care arrangements.

Family profile

Family profile was based on actual data and, therefore, no assumptions had to be made.

Plan assets

Currently, no long-term assets are set aside off-balance sheet in respect of the employer's post-employment health-care liability.

Discount rate

The fund benefit liability to the City of Cape Town as at 30 June 2015 has been discounted at a rate determined on the basis of the yield curve (2014: 9,30%) per annum on government bonds.

47. RETIREMENT BENEFIT INFORMATION (continued)

47.4 Post-employment defined benefits (continued)

47.4.2 Retirement pension benefits

For past service of employees and retired employees, the Entity recognises and provides for the actuarially determined present value of post-retirement revenue pensions on an accrual basis, using the projected unit credit method.

The number of employees who were eligible for a post-retirement pension as at 30 June 2015 was 23 (2014: 37) in-service employees and 94 (2014: 103) pensioners.

Plan assets

Currently, no long-term assets are set aside off-balance sheet in respect of the employer's post-employment retirement pension liability.

Discount rate

The fund benefit liability to the Entity as at 30 June 2015 has been discounted at the yield curve (2014: 8,60%) per-annum rate determined on the basis of the market yields on government bonds.

	Post-retirement scheme defined-benefit obligations					
	2015			2014		
	Health-care benefits R'000	Retirement pension benefits R'000	Total R'000	Health-care benefits R'000	Retirement pension benefits R'000	Total R'000
Present value of unfunded liability	5 053 986	24 799	5 078 785	5 211 674	33 306	5 244 980
Net liability in statement of financial position	5 053 986	24 799	5 078 785	5 211 674	33 306	5 244 980
Interest costs	492 890	2 877	495 767	358 004	5 235	363 239
Service costs	123 343	800	124 143	97 345	2 021	99 366
Actuarial (gains)/losses recognised	(602 779)	(10 793)	(613 572)	1 027 156	(29 518)	997 638
Total included in statement of financial performance	13 454	(7 116)	6 338	1 482 505	(22 262)	1 460 243
Balance at the beginning of the year	5 211 674	33 306	5 244 980	3 882 906	56 774	3 939 680
Net expense recognised in statement of financial performance	13 454	(7 116)	6 338	1 482 505	(22 262)	1 460 243
Contributions paid	(171 142)	(1 391)	(172 533)	(153 737)	(1 206)	(154 943)
Net liability in statement of financial position	5 053 986	24 799	5 078 785	5 211 674	33 306	5 244 980

The contributions paid are actual contributions paid by the Entity, and the unrecognised actuarial gains and losses have been adjusted accordingly to take into account the difference between the estimated contribution payments determined by the actuary, and actual contributions paid to members by the Entity.

Notes to the consolidated financial statements

for the year ended 30 June 2015 (continued)

47. RETIREMENT BENEFIT INFORMATION (continued)

47.4 Post-employment defined benefits (continued)

47.4.2 Retirement pension benefits (continued)

	Change in assumption	Liability R'000	Service costs R'000	Interest costs R'000
Post-retirement medical aid				
Assumptions used		5 053 986	93 689	458 651
Health-care inflation	1% decrease	4 411 460	77 157	399 070
	1% increase	5 838 031	114 583	531 390
Post-retirement mortality	20% increase	5 574 745	104 108	506 805
	20% decrease	4 641 959	85 331	420 546

2015		2014	
Health-care benefits %	Retirement pension benefits %	Health-care benefits %	Retirement pension benefits %
Discount rate	Yield curve	9,30	8,60
	Difference between nominal and yield curves	6,00	6,00
General inflation rate	Yield curve		
General salary inflation rate	Difference between real and yield curve		
Health-care cost inflation rate	CPI + 2%	–	8,00
Net effective discount rate	–		
	CPI + 1%	7,50	–
	Yield curve-based	1,67	–
	Curve-dependent		

48. CONTINGENT LIABILITIES

48.1 Contractual disputes

Various contractual claims by contractors/suppliers and staff are currently in dispute, and are subject to mediation. The potential extent of the liability cannot be determined, since it is subject to litigation, but a provisional estimate based on management assessment is R104,16 million (2014: R259,81 million).

48.2 Outstanding insurance claims

The estimated liability for insurance claims amounts to R73,86 million (2014: R98,77 million). The estimated amount was based on quotations, medical reports and letters of demand received. The merits must still be determined and could result in a lesser or greater amount.

49. RELATED-PARTY DISCLOSURES

49.1 Municipal entities and special areas

During the year, in the ordinary course of business, transactions between the City of Cape Town and the following entities have occurred under terms and conditions that are no more favourable than those entered into with third parties in arm's-length transactions.

	Economic entity		Municipality of Cape Town	
	2015 R'000	2014 R'000	2015 R'000	2014 R'000
CTICC				
The CTICC was established for Cape Town to become host to international conferences, with the objective of promoting Cape Town as a tourism city.				
Percentage owned			69,9%	62,79%
Arm's-length transactions for the year				
Receivables			1 303	1 294
Payables			22 747	-
Service charges			19 315	18 111
CIDs				
These entities were established to enable projects at local communities' initiative, to provide services over and above the services provided by the City of Cape Town.				
Percentage owned				
Arm's-length transactions for the year				
Receivables			2	-
Service charges			27	14
Levies			130 146	114 884
Arm's-length transactions have been entered into with members of key management as well as related companies.				
	Management contracts			
Cape Town – Cape Town Partnership	-	1 296		
Epping CID – Just For You Business Support Services CC	1 037	974		
Groote Schuur CID – Groote Schuur Management NPC	487	707		
Woodstock CID – Lloyd's Project Management CC	498	462		
	Rental contracts			
Observatory CID – Zelkar Investments CC	92	93		
Voortrekker Road – Greater Tygerberg Partnership NPC	227	186		

Notes to the consolidated financial statements

for the year ended 30 June 2015 (continued)

49. RELATED-PARTY DISCLOSURES (continued)

49.1 Municipal entities and special areas (continued)

	Economic entity		Municipality of Cape Town	
	2015 R'000	2014 R'000	2015 R'000	2014 R'000
CMTF				
The fund was established to pool funds for road networks and maintenance in the metropolitan area. At year-end, the amount owing by the City of Cape Town to CMTF amounted to R18,51 million (2014: R27,38 million).				
Percentage owned				
Arm's-length transactions for the year				
Funds held on behalf of CMTF	18 513	27 381	18 513	27 381
Grants and transfers – conditions met	14 405	24 317	14 405	24 317
Interest paid	1 328	2 282	1 328	2 282
Revenue collected	4 387	4 958	4 387	4 958

Executive management

No members of the City of Cape Town's management have significant influence over the financial or operating policies of the municipal entities and special rating areas.

No business transactions took place between the City of Cape Town and key management personnel or their close family members.

49. RELATED-PARTY DISCLOSURES (continued)

49.2 Remuneration of management

49.2.1 Mayoral Committee members

	Annual salary R'000	Car allowance R'000	Social contribution R'000	Total R'000
2015				
Executive Mayor				
Alderman De Lille, P	1 179	40	-	1 219
Executive Deputy Mayor/Finance				
Alderman Neilson, ID	891	-	102	993
Safety and Security				
Alderman Smith, JP	812	24	77	913
Corporate Services				
Councillor Limberg, X	913	-	-	913
Energy, Environmental and Spatial Planning*				
Councillor Van der Merwe, J	816	-	96	912
Social Development and Early Childhood Development				
Councillor Little, S	913	-	-	913
Health				
Councillor Van Minnen, B (until 23/01/2015)	512	-	-	512
Councillor Mamkeli, S (from 24/01/2015)	400	-	-	400
Community Services and Special Projects				
Alderman Walker, B	817	-	96	913
Transport for Cape Town				
Councillor Herron, BN	913	-	-	913
Tourism, Events and Economic Development**				
Councillor Bloor, G	913	-	-	913
Utility Services				
Councillor Sonnenberg, EJ	817	-	96	913
Human Settlements				
Councillor Mamkeli, S (until 23/01/2015)	512	-	-	512
Councillor Van Minnen, B (from 24/01/2015)	400	-	-	400
	10 808	64	467	11 339

Previously known as:

* *Economic, Environmental and Spatial Planning*

** *Tourism, Events and Marketing*

Notes to the consolidated financial statements

for the year ended 30 June 2015 (continued)

49. RELATED-PARTY DISCLOSURES (continued)

49.2 Remuneration of management (continued)

49.2.1 Mayoral Committee members (continued)

	Annual salary R'000	Car allowance R'000	Social contribution R'000	Total R'000
2014				
Executive Mayor				
Alderman De Lille, P	1 124	40	-	1 164
Executive Deputy Mayor/Finance				
Alderman Neilson, ID	841	-	98	939
Safety and Security				
Alderman Smith, JP	729	60	73	862
Corporate Services				
Alderman Qually, DL (until 25/05/2014)	711	-	66	777
Councillor Limberg, X (from 26/05/2014)	86	-	-	86
Economic, Environmental and Spatial Planning				
Councillor Bloor, G (until 15/05/2014)	753	-	-	753
Councillor Van der Merwe, J (from 16/05/2014)	97	-	12	109
Social Development and Early Childhood Development				
Councillor Little, S	862	-	-	862
Health				
Councillor James, LV (until 06/05/2014)	732	-	-	732
Councillor Van Minnen, B (from 16/05/2014)	109	-	-	109
Community Services				
Alderman Walker, B	770	-	92	862
Transport for Cape Town				
Councillor Herron, BN	862	-	-	862
Tourism, Events and Marketing				
Councillor Pascoe, GI (until 06/04/2014)	606	-	55	661
Councillor Bloor, G (from 16/05/2014)	109	-	-	109
Utility Services				
Councillor Sonnenberg, EJ	770	-	92	862
Human Settlements				
Councillor Gqada, T (until 06/05/2014)	732	-	-	732
Councillor Mamkeli, S (from 16/05/2014)	109	-	-	109
	10 002	100	488	10 590

49. RELATED-PARTY DISCLOSURES (continued)

49.2 Remuneration of management (continued)

49.2.2 Councillors/Mayoral Committee members

	Annual salary R'000	Car allowance R'000	Social contribution R'000	Total R'000
2015				
Mayoral Committee members	10 808	64	467	11 339
Councillors	104 948	120	4 225	109 293
Subsidiaries: board members	355	-	-	355
	116 111	184	4 692	120 987
2014				
Mayoral Committee members	10 002	100	488	10 590
Councillors	98 891	20	4 094	103 005
Subsidiaries: board members	445	-	-	445
	109 338	120	4 582	114 040

Councillors are remunerated according to the Remuneration of Public Office-Bearers Act (Act 20 of 1998) and are not disclosed individually but in aggregate, and only have collective executive powers for planning, directing and controlling the activities of the City of Cape Town. There are 221 Council members, whose aggregate remuneration amounted to R120,63 million for the period under review. The average remuneration per councillor is R0,546 million per annum. The Mayco members have such individual executive powers as granted by their delegation, and are therefore disclosed as such – refer to note 49.2.1. A full list of councillors is disclosed on page 145 as part of 'General information'.

Notes to the consolidated financial statements

for the year ended 30 June 2015 (continued)

49. RELATED-PARTY DISCLOSURES (continued)

49.2 Remuneration of management (continued)

49.2.3 Executive management

	Analysis of remuneration benefits						Total R'000
	Annual salary R'000	Car allowance R'000	Performance bonus R'000	Social contribution R'000	Relocation allowance R'000	Travel and subsistence R'000	
2015							
City Manager							
Ebrahim, A	2 240	-	-	308	-	10	2 558
Community Services							
Mtwazi, L	1 469	-	-	221	-	84	1 774
Corporate Services							
Mayimele-Hashatse, F (until 09/01/2015)	1 197	-	-	1	-	-	1 198
Ras, DG (acting from 14/01/2015)*	-	-	-	-	-	-	-
Energy, Environmental and Spatial Planning**							
Hugo, J	1 743	-	-	45	-	3	1 791
Finance							
Jacoby, K	1 486	-	-	221	-	82	1 789
Health							
Mahlangu-Mathibela, W	1 503	-	-	191	-	66	1 760
Human Settlements***							
Maqetuka, S	1 314	-	-	172	-	1	1 487
Bromfield, IK (acting from 14/01/2015)	688	-	-	113	-	62	863
Compliance and Auxiliary Services							
Ras, DG	1 760	-	-	2	-	-	1 762
Safety and Security							
Bosman, R	1 483	-	-	206	-	95	1 784
Social Development and Early Childhood Development							
Bromfield, IK (until 14/01/2015)	807	-	-	133	-	72	1 012
Sass, E (acting from 14/01/2015)	593	-	-	79	-	-	672
Tourism, Events and Economic Development ****							
Groenewald, A	1 772	-	-	2	-	9	1 783
Transport for Cape Town							
Whitehead, M	1 779	-	-	2	-	9	1 790
Utility Services							
Kaiser, G	1 636	-	-	32	-	108	1 776
CTICC							
Ellingson, J (appointed 01/09/2014)	1 671	-	-	-	-	-	1 671
	23 141	-	-	1 728	-	601	25 470

* Ras, DG acted without any compensation.

Previously known as:

** Economic, Environmental and Spatial Planning

*** Housing

**** Tourism, Events and Marketing

49. RELATED-PARTY DISCLOSURES (continued)

49.2 Remuneration of management (continued)

49.2.3 Executive management (continued)

	Analysis of remuneration benefits						
	Annual salary R'000	Car allowance R'000	Performance bonus R'000	Social contribution R'000	Relocation allowance R'000	Travel and subsistence R'000	Total R'000
2014							
City Manager							
Ebrahim, A	1 871	-	-	294	-	26	2 191
Deputy City Manager							
Marsden, M	768	-	-	102	-	-	870
Community Services							
Mtwazi, L	1 372	-	-	84	-	206	1 662
Corporate Services							
Mayimele-Hashatse, F (appointed 08/07/2013)	1 568	-	-	2	79	-	1 649
Economic, Environmental and Spatial Planning							
Hugo, J	1 631	-	-	44	-	-	1 675
Finance							
Jacoby, K	1 387	81	-	207	-	2	1 677
Health							
Mahlangu-Mathibela, W	1 426	75	-	150	-	-	1 651
Integrated Human Settlement Services							
Maqetuka, S	1 475	-	-	195	-	-	1 670
Compliance and Auxiliary Services							
Ras, D	1 685	-	-	2	-	-	1 687
Safety and Security							
Bosman, R	1 381	95	-	195	-	-	1 671
Social Development and Early Childhood Development							
Bromfield, IK	1 283	133	-	235	-	-	1 651
Tourism, Events and Marketing							
Groenewald, A	1 668	-	-	2	-	11	1 681
Transport for Cape Town							
Whitehead, M	1 668	-	-	2	-	14	1 684
Utility Services							
Kaiser, G	1 563	72	-	34	-	-	1 669
CTICC							
Toefy, R	1 456	-	205	-	-	-	1 661
	22 202	456	205	1 548	79	259	24 749

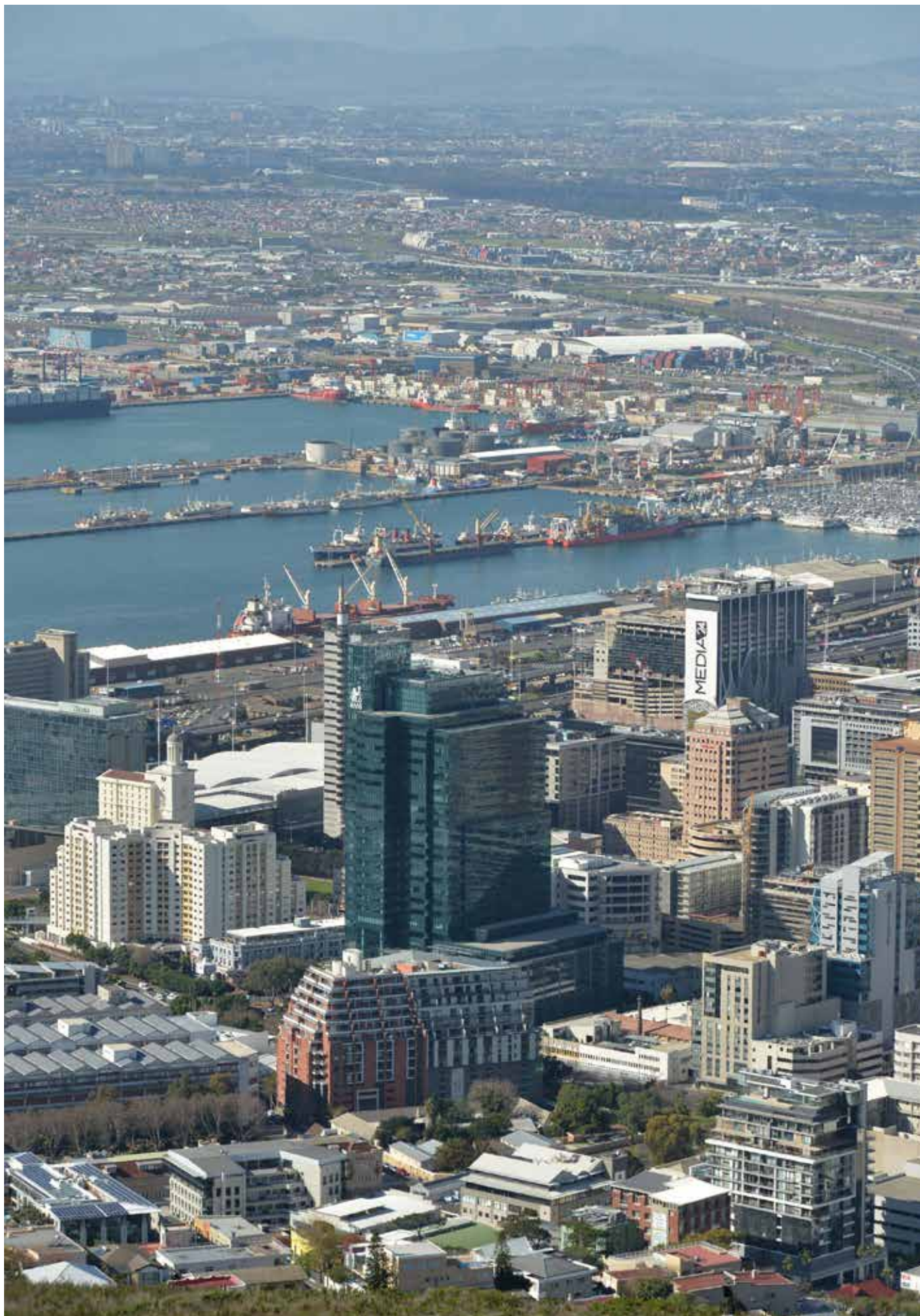
50. EVENTS AFTER REPORTING DATE

At the time of preparing and submitting the annual consolidated financial statements, there were no subsequent events to disclose.

Appendix A: Schedule of external borrowings

as at 30 June 2015

	Contractual interest rate (nacs) %	Loan ID	Redeemable date	Balance as at 30 June 2014 R'000	Received during the year R'000	Net interest accrual during the year R'000	Concessionary loan adjustment R'000	Redeemed/ Written off during year R'000	Balance as at 30 June 2015 R'000
MARKETABLE BONDS									
Municipal Bond CCT01	12,570	830014004	2023	1 002 748	-	-	-	-	1 002 748
Municipal Bond CCT02	11,615	830016003	2024	1 207 236	-	-	-	-	1 207 236
Municipal Bond CCT03	11,160	830017007	2025	2 065 505	-	-	-	-	2 065 505
Total marketable bonds				4 275 489	-	-	-	-	4 275 489
CONCESSIONARY LOANS									
Nedcor Bank	1,000	830000920	2019	22	-	-	3	-	25
DBSA	5,000	830012028	2020	21 200	-	-	771	(4 000)	17 971
Agence Française de Développement (AFD)	5,763	830018500	2028	484 203	-	(676)	9 983	(40 000)	453 510
Agence Française de Développement (AFD)	5,730	830018516	2028	483 293	-	(672)	10 083	(40 000)	452 704
Agence Française de Développement (AFD)	5,755	830018530	2028	484 142	-	(675)	10 020	(40 000)	453 487
Agence Française de Développement (AFD)	5,800	830018523	2028	472 652	-	(662)	9 611	(38 961)	442 640
Total concessionary loans				1 945 512	-	(2 685)	40 471	(162 961)	1 820 337
OTHER LOANS									
DBSA	12,250	83001051	2015	25 977	-	-	-	(25 977)	-
FirstRand Bank	12,631	830003504	2017	158 723	-	-	-	(10 998)	147 725
ABSA Bank	10,900	830007011	2018	80 000	-	-	-	(20 000)	60 000
DBSA	10,590	83001050	2018	135 665	-	-	-	(33 916)	101 749
FirstRand Bank	12,046	830009531	2018	130 432	-	(1 217)	-	(20 000)	109 215
DBSA	9,420	830012035	2020	56 000	-	-	-	(9 334)	46 666
DBSA	9,639	830013000	2022	113 333	-	-	-	(13 333)	100 000
DBSA	10,565	830013507	2022	113 333	-	-	-	(13 333)	100 000
Total other loans				813 463	-	(1 217)	-	(146 891)	665 355
Total Municipality of Cape Town				7 034 464	-	(3 902)	40 471	(309 852)	6 761 181
Controlled entities									
OTHER LOANS									
CID Brackenfell	-	-	2017	-	201	-	-	(39)	162
CID Voortrekker Road	-	-	2019	86	-	-	-	(86)	-
CID Claremont Road Co.: DBSA	-	-	2023	15 609	-	-	-	(1 195)	14 414
Total controlled entities				15 695	201	-	-	(1 320)	14 576
TOTAL EXTERNAL LOANS				7 050 159	201	(3 902)	40 471	(311 172)	6 775 757



APPENDICES

ANNUAL FINANCIAL
STATEMENTS

FINANCIAL PERFORMANCE AND
ECONOMIC SUSTAINABILITY

2014/15
PERFORMANCE REVIEW

GOVERNANCE, COMPLIANCE
AND RISK MANAGEMENT

OVERVIEW OF THE
CITY OF CAPE TOWN

ABOUT THIS REPORT

Appendix B: Analysis of property, plant and equipment and other assets

as at 30 June 2015

	COST					
	Opening balance R'000	Transfers/ adjustments R'000	Additions ¹ R'000	Impairments R'000	Disposals R'000	Closing balance R'000
Land and buildings						
Land	1 052 312	1 149	28 140	(9 931)	-	1 071 670
Buildings and land	2 349 710	68 742	33 972	-	(3 552)	2 448 872
	3 402 022	69 891	62 112	(9 931)	(3 552)	3 520 542
Infrastructure						
Assets under construction	1 436 376	(939 165)	1 900 999	-	-	2 398 210
Telecommunications	39 123	13 006	133 445	-	-	185 574
Drains	852 344	84 462	21 403	-	-	958 209
Roads	8 603 000	225 702	471 417	-	-	9 300 119
Beach improvements	41 179	400	159	-	-	41 738
Sewerage mains and purification	3 101 350	119 911	128 034	-	-	3 349 295
Electricity peak load equipment and mains	7 114 217	203 358	231 498	-	-	7 549 073
Water mains and purification	2 851 314	99 700	233 465	-	-	3 184 479
Reservoirs – water	489 485	19 124	19 458	-	-	528 067
	24 528 388	(173 502)	3 139 878	-	-	27 494 764
Community assets						
Assets under construction	97 413	(57 384)	72 582	-	-	112 611
Parks and gardens	239 487	8 093	28 002	-	-	275 582
Libraries	206 706	1 129	10 217	-	-	218 052
Recreation facilities	5 455 425	36 526	47 121	-	-	5 539 072
Civic buildings	2 356 279	68 540	127 612	-	-	2 552 431
	8 355 310	56 904	285 534	-	-	8 697 748
Other assets						
Assets under construction	370 245	(115 037)	382 602	-	-	637 810
Buildings and land	415 295	(414 389)	-	-	-	906
Landfill sites	802 945	1 502	6 586	-	-	811 033
Furniture, fittings and equipment	852 240	9 225	81 441	-	(10 036)	932 870
Bins and containers	54 611	358	8 774	-	(2)	63 741
Emergency equipment	39 293	498	3 172	-	(570)	42 393
Motor vehicles and watercraft	1 515 419	36 544	180 288	-	(27 160)	1 705 091
Specialised vehicles	1 133 949	(15 053)	123 718	-	(22 406)	1 220 208
Computer equipment	1 696 038	35 547	206 745	-	(21 965)	1 916 365
Animals	586	-	25	-	(59)	552
	6 880 621	(460 805)	993 351	-	(82 198)	7 330 969
Service concession assets						
Buses and depots	1 005 312	153 478	257 956	-	-	1 416 746
	1 005 312	153 478	257 956	-	-	1 416 746
Housing rental stock	2 103 325	273 348	162 955	-	(4 562)	2 535 066
TOTAL PPE (see note 1)	46 274 978	(80 686)	4 901 786	(9 931)	(90 312)	50 995 835
Heritage assets (see note 2)	9 111	(38)	-	-	(11)	9 062
Investment properties (see note 3)	241 514	(1)	400 175	-	-	641 688
Intangible assets (see note 4)	1 105 059	29 467	41 933	-	-	1 176 459
TOTAL OTHER	1 355 684	29 428	442 108	-	(11)	1 827 209
GRAND TOTAL	47 630 662	(51 258)	5 343 894	(9 931)	(90 323)	52 823 044

¹ Includes the contributed assets amount of R4,95 million.

ACCUMULATED DEPRECIATION						
Opening balance R'000	Transfers/ adjustments R'000	Impairments R'000	Additions R'000	Disposals R'000	Closing balance R'000	Carrying value R'000
(325 488)	-	-	-	-	(325 488)	746 182
(945 570)	285	-	(50 116)	3 506	(991 895)	1 456 977
(1 271 058)	285	-	(50 116)	3 506	(1 317 383)	2 203 159
-	-	-	-	-	-	2 398 210
(241)	7	-	(3 158)	-	(3 392)	182 182
(306 631)	-	-	(31 452)	-	(338 083)	620 126
(2 335 671)	2 578	-	(313 756)	-	(2 646 849)	6 653 270
(21 981)	(1)	-	(888)	-	(22 870)	18 868
(1 005 008)	1	-	(161 723)	-	(1 166 730)	2 182 565
(2 394 212)	-	-	(150 657)	-	(2 544 869)	5 004 204
(1 300 368)	(1)	-	(118 414)	-	(1 418 783)	1 765 696
(334 326)	-	-	(15 784)	-	(350 110)	177 957
(7 698 438)	2 584	-	(795 832)	-	(8 491 686)	19 003 078
-	-	-	-	-	-	112 611
(28 908)	-	-	(8 726)	-	(37 634)	237 948
(67 677)	-	-	(3 466)	-	(71 143)	146 909
(1 186 676)	-	-	(215 610)	-	(1 402 286)	4 136 786
(792 797)	(79)	(291)	(84 638)	-	(877 805)	1 674 626
(2 076 058)	(79)	(291)	(312 440)	-	(2 388 868)	6 308 880
(16 091)	-	-	-	-	(16 091)	621 719
(314)	-	-	(296)	-	(610)	296
(445 308)	(218)	-	(42 891)	-	(488 417)	322 616
(473 527)	(90)	-	(95 850)	9 095	(560 372)	372 498
(40 220)	-	-	(4 776)	2	(44 994)	18 747
(35 001)	(1)	-	(1 933)	569	(36 366)	6 027
(1 011 471)	(3 101)	(6 194)	(110 171)	23 824	(1 107 113)	597 978
(477 059)	3 124	-	(67 186)	21 778	(519 343)	700 865
(1 122 692)	35	-	(185 146)	21 224	(1 286 579)	629 786
(220)	-	-	(79)	16	(283)	269
(3 621 903)	(251)	(6 194)	(508 328)	76 508	(4 060 168)	3 270 801
(126 900)	(2 586)	-	(93 282)	-	(222 768)	1 193 978
(126 900)	(2 586)	-	(93 282)	-	(222 768)	1 193 978
(730 210)	(1)	-	(71 313)	3 320	(798 204)	1 736 862
(15 524 567)	(48)	(6 485)	(1 831 311)	83 334	(17 279 077)	33 716 758
-	-	-	-	-	-	9 062
(50 665)	-	-	(1 641)	-	(52 306)	589 382
(375 552)	59	-	(92 583)	-	(468 076)	708 383
(426 217)	59	-	(94 224)	-	(520 382)	1 306 827
(15 950 784)	11	(6 485)	(1 925 535)	83 334	(17 799 459)	35 023 585

Appendix C: Disclosure of bank accounts in terms of section 125(2)(a) of the MFMA

as at 30 June 2015

Account numbers		2015	2014	2015 R'000	2014 R'000	2013 R'000
		2015	2014			
MUNICIPALITY OF CAPE TOWN						
Bank accounts held with ABSA						
Main bank account	40-5658-4470	40-5658-4470		108 447	174 987	146 726
Salary bank account	40-5658-4496	40-5658-4496		-	-	-
Cashier's bank account	40-5658-4527	40-5658-4527		-	-	-
General income bank account (primary)	40-5658-4569	40-5658-4569		-	-	-
Traffic fines bank account	40-7261-8663	40-7261-8663		-	-	-
IRT bank account	40-8089-5180	40-8089-5180		-	-	-
Amortised cost – see note 10				108 447	174 987	146 726
SUBSIDIARIES						
CTICC						
Bank accounts						
Nedbank – current account	1232043850	1232043850		3 118	1 355	131
ABSA Bank – current	4072900553	4072900553		4 384	2 872	996
ABSA Bank – CTICC east – current	4072900228	4072900228		1	80	40
ABSA Bank – exh serv – current	4072900731	4072900731		104	498	92
ABSA Bank Treasury	4073731246	4073731246		62	60	57
ABSA Bank Treasury	4073733701	4073733701		2 034	1 930	1 842
Amortised cost				9 703	6 795	3 158
City improvement districts				38 956	31 215	22 182
Total bank balances – see note 10				157 106	212 997	172 066
MUNICIPALITY OF CAPE TOWN						
Bank accounts managed by fund managers						
City of Cape Town	5500125800	5500125800		380	690	21
City of Cape Town	5500125801	5500125801		2 047	1 394	1 163
City of Cape Town	5500125802	5500125802		399	549	-
City of Cape Town	5500125803	5500125803		390	1 087	4 889
City of Cape Town	5500125804	5500125804		1 466	1 547	-
City of Cape Town	5500125805	5500125805		260	429	-
City of Cape Town	5500125806	5500125806		1 618	1 888	1 184
City of Cape Town	5500125807	5500125807		546	568	3 174
City of Cape Town	5500125808	5500125808		710	168	345
City of Cape Town	5500125809	5500125809		129	105	862
Fair value – see note 10				7 945	8 425	11 638

	Account numbers		2015	2014	2013
	2015	2014	R'000	R'000	R'000
SUBSIDIARIES					
CTICC					
Investment accounts					
Nedbank – call account	03/7881544007/46	03/7881544007/46	-	5 359	2 743
Nedbank – investment account	*03/7881544007/000100	03/7881544007/000095	14 366	13 464	12 749
Nedbank – investment account	03/7881544007/000101	-	10 066	-	-
	*(1766000029)	(1766000029)			
Nedbank – money market fund	(03/7881111917/00006)	(03/7881111917/00002)	41 604	39 117	-
Absa Bank – call deposit	4074708347	4074708347	7 295	4 876	11 181
Absa Bank – fixed deposit	34942428	34942428	-	-	5 397
	000-402-184 (1199539)	000-402-184 (1199539)			
Stanlib – corporate money market fund	551436367	551436367	9 996	7 328	15 798
	000-402-184 (1199539)	000-402-184 (1199539)			
Stanlib – corporate money market fund	552166459	552166459	17 032	24 116	-
Standard Bank – investment account	*(97212) 486008	(97212) 476949	12 473	21 381	20 281
Standard Bank – investment account	(97212) 486007	-	10 262	-	-
Standard Bank – investment account	*(97212) 490390	(97212) 478558	12 744	18 293	17 360
	*(506009 4072900553)	(506009 4072900553)			
Absa Bank – investment new 2	48518474	36999248	21 962	20 644	19 598
	(506009 4072900553)	(506009 4072900553)			
Absa Bank – investment new 1	44699506	36753413	10 308	18 583	17 637
	(506009 4072900553)				
Absa Bank – investment new 1	47954355	-	9 453	-	-
Nedbank – three-month deposit	*03/7881544007/000102	03/7881544007/000094	15 485	14 560	13 807
Investec – corporate money market fund	(462097) 1008645	(462097) 1008645	10 113	17 099	15 011
Investec – corporate money market fund	(462097) 1037793	(462097) 1037793	16 019	23 082	-
ABSA Bank – call deposit	*4083941323	4083941322	35 925	19 564	-
Nedgroup – money market fund	(1800167964) 8319631	(1800167964) 8319631	35 370	15 306	-
Nedgroup – corporate money market fund C2	*(800190652) 8330496	(800190652) 8220496	40 381	18 102	-
Nedgroup – money market fund class C2	(800190652) 8330497	(800190652) 8330497	35 528	24 119	-
	*506009 4072900553	506009 4072900553			
Absa Bank – fixed deposit	- 44893640	- 38052758	32 025	30 093	-
Absa Bank – money market fund	9295637051	9295637051	21 169	13 046	-
	506009 4072900553				
Absa Bank – guarantee	- 43939765	-	125 287	-	-
Amortised cost			544 863	348 132	151 562

* A change in the 2015 account numbers.

Appendix D: Segmental statement of financial performance

for the year ended 30 June 2015

2014				2015				
Actual income R'000	Actual expenditure R'000 Restated ¹	Actual surplus/ (deficit) R'000 Restated ¹	Budgeted surplus/ (deficit) R'000 Restated ¹	BUSINESS UNITS	Actual income R'000	Actual expenditure R'000	Actual surplus/ (deficit) R'000	Budgeted surplus/ (deficit) R'000
16 041 640	15 599 024	442 616	504 141	Rates and general	18 562 002	15 605 442	2 956 560	1 138 604
432 299	936 192	(503 893)	(567 918)	City Health	496 436	1 033 716	(537 280)	(435 835)
128	12 725	(12 597)	(4 041)	City Manager	1 542	59 777	(58 235)	(207 351)
162 449	1 904 820	(1 742 371)	(1 726 434)	Community Services	185 385	2 032 541	(1 847 156)	(1 535 384)
24 609	127 107	(102 498)	(72 688)	Compliance and Auxiliary Services	10 684	42 178	(31 494)	(514 841)
66 736	284 757	(218 021)	(190 398)	Corporate Services	64 195	246 344	(182 149)	(1 637 617)
108 334	647 163	(538 829)	(576 763)	Energy, Environmental and Spatial Planning	144 110	666 759	(522 649)	(411 866)
1 959 700	1 342 031	617 669	509 355	Finance	2 362 250	1 277 734	1 084 516	(40 861)
9 745 393	3 240 969	6 504 424	6 429 922	Rates and general	10 715 195	2 210 338	8 504 857	8 092 659
839 661	2 439 023	(1 599 362)	(1 837 319)	Safety and Security	1 127 085	2 806 674	(1 679 589)	(1 464 569)
128	158 366	(158 238)	(160 547)	Social Development and Early Childhood Development	14 334	206 760	(192 426)	(135 635)
64 931	626 671	(561 740)	(621 089)	Tourism, Events and Economic Development	28 809	687 840	(659 031)	(622 349)
1 415 099	2 590 514	(1 175 415)	(769 299)	Transport for Cape Town	1 696 535	2 840 290	(1 143 755)	(475 625)
1 222 173	1 288 686	(66 513)	91 360	Human Settlements	1 715 442	1 494 491	220 951	527 878
18 197 523	16 983 432	1 214 091	949 221	Utility Services	19 848 844	18 465 633	1 383 211	1 830 063
2 371 628	2 127 022	244 606	88 862	Solid Waste Management	2 559 602	2 234 273	325 329	405 805
2 234 857	2 249 155	(14 298)	12 878	Sanitation	2 435 590	2 449 300	(13 710)	227 625
3 350 919	3 208 213	142 706	142 017	Water	3 872 587	3 624 611	247 976	355 371
10 240 119	9 399 042	841 077	705 464	Cape Town Electricity	10 981 065	10 157 449	823 616	841 262
312 580	278 419	34 161	3 557	Subsidiaries	371 609	299 829	71 780	22 591
187 547	161 739	25 808	2 732	Cape Town International Convention Centre	228 481	167 762	60 719	19 148
125 033	116 680	8 353	825	City improvement districts	143 128	132 067	11 061	3 443
34 551 743	32 860 875	1 690 868	1 456 919	Subtotal	38 782 455	34 370 904	4 411 551	2 991 258
6 181 249	6 181 249	-	-	Interdepartmental charges	6 825 297	6 825 297	-	-
28 370 494	26 679 626	1 690 868	1 456 919	Total before taxation	31 957 158	27 545 607	4 411 551	2 991 258

¹ Comparative restated: see note 46 for more details.



Appendix E: Disclosure of grants and subsidies in terms of section 123 of the MFMA

for the year ended 30 June 2015

National and provincial grant funds 2014/2015									
Description	Source	Balance unspent at beginning of the year ¹ R'000	Current-year receipts R'000	Adjustments R'000	Conditions met – transferred to revenue		Interest earned R'000	Amounts to be claimed R'000	Balance unspent at the end of the year ¹ R'000
					Operating R'000	Capital R'000			
National Government									
2014 African Nations Championship	Sport and Recreation	(8 852)	-	8 876	(26)	-	-	-	(2)
Accreditation: development support	State Housing	(944)	-	-	23	179	-	-	(742)
Budget reform funds	National Treasury	(338)	(1 250)	17	973	598	-	-	-
Department of Environmental Affairs and Tourism	Environmental Affairs	(45)	(220)	-	-	265	-	-	-
DME – INEP	Energy	(17 224)	(5 000)	-	-	22 224	-	-	-
Energy-efficiency electricity demand-side management	National Treasury	(6 589)	-	1	599	5 989	-	-	-
Expanded Public Works incentive grant	National Treasury	(2 806)	(21 204)	-	23 552	400	-	-	(58)
Health and hygiene education: informal settlements	Water	(11)	-	-	-	-	-	-	(11)
Human Settlements Capacity Grant	State Housing	-	(50 371)	-	18 363	428	-	-	(31 580)
Infrastructure skills development	National Treasury	(901)	(2 300)	-	2 763	299	-	-	(139)
Integrated City Development Grant	National Treasury	(9 500)	(57 171)	5 564	3 116	53 517	-	-	(4 474)
LGSETA: environmental internship programme	Environmental Affairs	(17)	-	-	-	-	-	-	(17)
LGSETA: postgraduate internship programme	Environmental Affairs	(522)	-	-	-	-	-	-	(522)
Municipal Disaster Grant	Corporate Governance and Traditional Affairs	(2 172)	-	191	-	1 366	-	-	(615)
Natural resource management	Environmental Affairs	(145)	-	-	145	-	-	-	-
Neighbourhood development programme	National Treasury	(17 884)	(30 784)	19 076	-	9 448	-	-	(20 144)
Public Transport Infrastructure Systems Grant	Transport	-	-	-	-	-	-	-	-
Public Transport Infrastructure Grant	Transport	(291 730)	(1 069 140)	30 584	79 844	842 210	-	-	(408 232)
Public Transport Network Operations Grant	Transport	(135 419)	(307 548)	10 454	367 748	-	-	-	(64 765)
Restructuring Grant – seed funding	National Treasury	(4 831)	-	13	-	1 341	-	-	(3 477)
Special projects	Environmental Affairs	-	(2 982)	-	2 982	-	-	-	-
Terrestrial invasive alien plants	Environmental Affairs	-	(1 199)	-	1 199	-	-	-	-
Tirelo Boshia programme	Public Service and Administration	-	(200)	-	-	-	-	-	(200)
Urban renewal	National Treasury	(12 107)	-	-	6 294	1 695	-	-	(4 118)
Urban Settlements Development Grant	National Treasury	(286 547)	(1 358 879)	72 031	162 977	1 246 923	-	-	(163 495)
Water demand side	Water	(697)	-	-	697	-	-	-	-
Total DoRA allocation		(799 281)	(2 908 248)	146 807	671 249	2 186 882	-	-	(702 591)

¹ The balance unspent at beginning and end of year excludes VAT.

National and provincial grant funds 2014/2015							
Source	Balance unspent at beginning of the year ¹ R'000	Current-year receipts R'000	Adjustments R'000	Conditions met – transferred to revenue		Interest earned R'000	Balance unspent at the end of the year ¹ R'000
				Operating R'000	Capital R'000	Amounts to be claimed R'000	
Description							
2010 FIFA World Cup: Green Point: interest account	(530)	-	35	-	249	-	(246)
LGSETA: postgraduate internship programme: interest account	(35)	-	-	-	-	(33)	(68)
Natural resource management: interest account	(176)	-	-	184	-	(15)	(7)
Neighbourhood development programme: interest account	(8 802)	-	-	-	-	(1 380)	(10 182)
Public Transport Infrastructure Systems Grant: interest account	(218 046)	-	50 134	7 725	(48 135)	(12 753)	(221 075)
Public Transport Infrastructure Grant: interest account	(13 677)	-	-	-	-	(32 104)	(45 781)
Public Transport Network Operations Grant: interest account	(5 516)	-	-	-	-	(10 486)	(16 002)
Smart Living Handbook: interest account	(77)	-	-	-	-	(5)	(82)
Special projects	-	-	-	-	-	(23)	(23)
Terrestrial invasive alien plants: interest account	-	-	-	-	-	(12)	(12)
Total interest earned	(246 859)	-	50 169	7 909	(47 886)	(56 811)	(293 478)
Total National Government transfers and grants	(1 046 140)	(2 908 248)	196 976	679 158	2 138 996	(56 811)	(996 069)
ABET adult education	(4)	-	-	-	-	-	(4)
Accreditation assistance	(35 381)	-	30 019	3 989	-	(1 364)	(2 737)
Athlone Stadium general upgrade	(1 742)	-	1 742	-	-	-	-
Atlantis – Wesfleur ext 13	(323)	-	-	-	-	-	(323)
Atlantis Thusong multipurpose centre	(197)	-	-	-	-	197	-
Bardale high-mast lighting project	(471)	-	-	-	-	-	(471)
Belhar social housing 629 units	-	-	(28 254)	28 254	-	-	-
Bokmakierie/Hazendal infill 3	(476)	-	-	4	-	-	(472)
Broadband	(221)	(10 700)	-	-	6 417	-	(4 504)
Brown's Farm phase 3, 4, 5, 6	(11 537)	-	-	1 097	-	(217)	(10 657)
CBH Wallacedene phase 1, 3, 4, 5, 6	(4 753)	-	-	-	-	(285)	(5 038)
CBO Freedom Park	(71)	-	-	-	-	-	(71)
Chemical toilets in Wallacedene	(28)	-	-	-	-	(2)	(30)
Chris Hani Park housing project	(274)	-	-	-	-	-	(274)
Clinics: HIV/Aids and TB programmes	(13)	-	-	-	-	-	(13)
Community residential units	(114 763)	-	(293 200)	43 232	246 461	-	(170 115)
Delft South high-density housing	(104)	(104)	104	-	-	-	(104)

¹ The balance unspent at beginning and end of year excludes VAT.

Appendix E: Disclosure of grants and subsidies in terms of section 123 of the MFMA

for the year ended 30 June 2015 (continued)

National and provincial grant funds 2014/2015									
Description	Source	Balance unspent at beginning of the year ¹ R'000	Current-year receipts R'000	Adjustments R'000	Conditions met – transferred to revenue		Interest earned R'000	Amounts to be claimed R'000	Balance unspent at the end of the year ¹ R'000
					Operating R'000	Capital R'000			
Delft sportfield development	Human Settlements	(20)	-	-	-	-	-	-	(20)
Delft Symphony Way TRA	Human Settlements	(3 289)	-	-	602	-	-	-	(2 687)
Dial-a-ride	Transport and Public Works	-	-	-	-	-	-	-	-
Disaster fund – fire/flood kits	Human Settlements	-	-	7 555	28 676	-	-	(36 231)	-
Dunoon phase 1, 3: transfers	Human Settlements	(299)	-	-	-	-	-	-	(299)
E-business project	Treasury	(2 004)	-	710	-	-	1 294	-	-
Echo Road housing project	Human Settlements	(4)	(4)	4	-	-	-	-	(4)
Edward Road energy-efficiency project	Human Settlements	(2 758)	-	-	-	-	(165)	-	(2 923)
EHP Nyanga, Dunoon and Atlantis	Human Settlements	(148)	-	(23 456)	19 725	-	-	(5 968)	(9 847)
EHP repair and reconstruct eight houses	Human Settlements	(44)	(44)	44	-	-	-	-	(44)
Enkanini housing project	Human Settlements	(3 305)	-	-	-	-	-	-	(3 305)
Establishment grants	Human Settlements	(2 020)	(124)	(1 020)	1 218	-	(116)	-	(2 062)
Facilitation grants	Human Settlements	(616)	-	(271)	275	-	(38)	-	(650)
False Bay Ecology	Economic Development and Tourism	(876)	-	-	-	850	(20)	-	(46)
Finance Management Support Grant	Treasury	-	(300)	-	300	-	(3)	-	(3)
Fire detection surveillance cameras	Human Settlements	(75)	-	-	-	75	(4)	-	(4)
Gabriel Square restitution	Human Settlements	(37)	(37)	37	-	-	-	-	(37)
Garden Cities/Greenville/Fisantekraal 868	Human Settlements	-	-	(12 348)	-	-	-	-	(12 348)
Global Fund	Health	(2 805)	-	-	-	-	(168)	-	(2 973)
Global Fund antiretroviral	Health	-	(37 578)	3 335	33 883	-	-	-	(360)
Global Fund community-based response project	Health	-	(4 278)	943	4 053	-	-	(718)	-
Government grant community development workers	Human Settlements	(641)	(1 032)	-	741	300	(52)	-	(684)
Green Point phase 21 housing	Human Settlements	(863)	-	-	-	-	-	-	(863)
Greenlands housing project	Human Settlements	(971)	-	-	-	-	-	-	(971)
Gugulethu Seven memorial	Cultural Affairs and Sport	(49)	-	22	-	-	27	-	-
Hangberg housing project	Human Settlements	(52)	-	-	-	-	-	-	(52)
Hangberg: appointment of mediator	Human Settlements	(85)	-	-	-	-	-	-	(85)
Happy Valley – phase 2 top structures	Human Settlements	-	-	(2 710)	-	-	-	-	(2 710)
HCE manuals (housing consumer education)	Human Settlements	(175)	-	-	66	-	(10)	-	(119)
Heideveld housing infill	Human Settlements	-	-	619	-	-	-	(619)	-
HIV/Aids community-based response projects	Health	-	(106 167)	4 456	109 584	-	-	(7 873)	-
Hostels phase 2 housing	Human Settlements	(996)	-	-	-	-	-	-	(996)
Human Settlements Development Grant	Human Settlements	-	(700 823)	724 567	1 924	-	-	(25 668)	-
Imizamo Yethu phase 2 new services	Human Settlements	(931)	-	-	-	-	-	-	(931)

¹ The balance unspent at beginning and end of year excludes VAT.

National and provincial grant funds 2014/2015									
Description	Source	Balance unspent at beginning of the year ¹ R'000	Current-year receipts R'000	Adjust- ments R'000	Conditions met – transferred to revenue		Interest earned R'000	Amounts to be claimed R'000	Balance unspent at the end of the year ¹ R'000
					Operating R'000	Capital R'000			
Informal settlements	Human Settlements	(1 652)	-	66	576	-	-	-	(1 010)
Interactive community access network	Economic Development and Tourism	(2 378)	(500)	-	500	2 296	(122)	-	(204)
Jakkelsvlei canal upgrade	Human Settlements	(10 427)	-	-	-	-	-	-	(10 427)
Kalkfontein phase 2	Human Settlements	(395)	-	-	-	-	-	-	(395)
Kanonkop phase 1 top structures	Human Settlements	-	-	(18 333)	13 442	-	-	-	(4 891)
Kewtown infill development	Human Settlements	(190)	-	-	-	-	-	-	(190)
Khayelitsha development of Remembrance Square	Economic Development and Tourism	(20)	-	-	-	-	20	-	-
Khayelitsha Kuyasa phase 2	Human Settlements	(373)	-	-	-	-	-	-	(373)
Khayelitsha multipurpose centre	Social Development	(922)	-	-	-	-	922	-	-
Khayelitsha Site C subsidised	Human Settlements	(3 860)	-	-	138	-	(228)	-	(3 950)
Khayelitsha stadium Site B	Cultural Affairs and Sport	(106)	-	106	-	-	-	-	-
Khayelitsha vacant land study	Environmental Affairs and Development Planning	(4)	-	-	-	-	4	-	-
Kleinvllei phase 2	Human Settlements	-	-	(2 902)	1 594	-	-	-	(1 308)
Kuyasa T3V1 top structures	Human Settlements	(202)	-	-	-	-	-	-	(202)
Langa sportsfield development	Cultural Affairs and Sport	(105)	-	105	-	-	-	-	-
Law enforcement officers	Community Safety	(463)	(19 384)	-	19 384	-	-	-	(463)
Law enforcement officers	Human Settlements	-	(2 500)	-	2 500	-	(46)	-	(46)
Local government compliance	Local Government	-	(293)	-	467	-	-	(174)	-
Local spatial plan	Environmental Affairs and Development Planning	(1)	-	-	-	-	1	-	-
Macassar wastewater treatment works	Human Settlements	(5 500)	-	-	-	-	-	-	(5 500)
Major upgrade – rental units	Human Settlements	-	-	-	-	2 999	-	(2 999)	-
Mandela Park sports fields: tennis facilities	Cultural Affairs and Sport	(42)	-	42	-	-	-	-	-
Manenberg sports complex upgrade	Cultural Affairs and Sport	(235)	-	235	-	-	-	-	-
Marconi Beam	Human Settlements	(9)	-	-	-	-	-	-	(9)
Masiphumelele TRA	Human Settlements	(943)	-	-	-	-	(56)	-	(999)
Masiphumelele Amakhaya Ngoku	Human Settlements	(14 443)	-	-	-	-	(866)	-	(15 309)
Melkbosch Village	Human Settlements	(90)	-	-	-	-	-	-	(90)

¹ The balance unspent at beginning and end of year excludes VAT.

Appendix E: Disclosure of grants and subsidies in terms of section 123 of the MFMA

for the year ended 30 June 2015 (continued)

National and provincial grant funds 2014/2015									
Description	Source	Balance unspent at beginning of the year ¹ R'000	Current-year receipts R'000	Adjustments R'000	Conditions met – transferred to revenue		Interest earned R'000	Amounts to be claimed R'000	Balance unspent at the end of the year ¹ R'000
					Operating R'000	Capital R'000			
Metropolitan Land Transport Fund	Transport and Public Works	(11 957)	(21 400)	-	17 624	9 890	(1 110)	-	(6 953)
Metropolitan Transport Fund	Transport and Public Works	-	-	(14 406)	12 514	1 892	-	-	-
Mfuleni and Strand 12 houses	Human Settlements	(126)	-	-	-	-	-	-	(126)
Mfuleni EHP TRA	Human Settlements	(218)	-	-	-	-	-	-	(218)
Mfuleni ext 3	Human Settlements	(129)	-	-	-	-	-	-	(129)
Mfuleni ext 4 housing	Human Settlements	(332)	-	-	-	-	-	-	(332)
Mfuleni flood relief project	Human Settlements	(3 005)	-	-	-	-	-	-	(3 005)
Mfuleni MLS top structure	Human Settlements	(213)	-	-	-	-	-	-	(213)
Mitchells Plain infill phase 1	Human Settlements	(4 143)	-	-	-	-	-	-	(4 143)
Mitchells Plain Youth and Family Development Centre	Social Development	(767)	-	-	-	-	767	-	-
Mitchells Plain TAZ	Human Settlements	(276)	-	-	-	-	-	-	(276)
Morgan's Village III/Western Cape	Human Settlements	(1 101)	-	-	-	-	(66)	-	(1 167)
Netreg housing project	Human Settlements	(350)	(350)	350	-	-	-	-	(350)
Nonqubela ph 2/Makhaza	Human Settlements	(164)	-	-	-	-	-	-	(164)
Nutrition supplement programme	Health	-	(4 504)	453	4 065	-	-	(14)	-
Pelican Park 2 083 top structures	Human Settlements	-	-	(65 501)	80 018	-	-	(14 517)	-
Philippi East top structures	Human Settlements	-	-	(129)	-	-	-	-	(129)
Philippi East phase 5	Human Settlements	(638)	-	-	-	-	-	-	(638)
Philippi Park flooding	Human Settlements	(974)	-	-	-	-	-	-	(974)
Phoenix UISP	Human Settlements	(167)	(167)	167	-	-	-	-	(167)
People's Housing Process	Human Settlements	(86 851)	-	(126 825)	121 877	-	(5 265)	(3 063)	(100 127)
Phumlani transfers	Human Settlements	(22)	-	-	-	-	-	-	(22)
Provision of security improvements at rail park-and-ride facilities	Transport and Public Works	(197)	-	-	-	-	(12)	-	(209)
Public Library Fund	Cultural Affairs and Sport	(2 524)	(40 000)	-	28 874	8 027	(910)	-	(6 533)
Redhill informal settlement	Human Settlements	(285)	-	-	-	-	(17)	-	(302)
River clean and green project	Environmental Affairs and Development Planning	(421)	-	-	-	-	421	-	-
Rondevlei housing project	Human Settlements	(123)	-	-	51	-	-	-	(72)
Scottsdene 350 top structures	Human Settlements	(680)	-	-	-	-	-	-	(680)
Scottsdene 550 top structures	Human Settlements	-	-	(5 463)	-	-	-	-	(5 463)
Scottsdene social housing project	Human Settlements	-	-	(53 816)	65 853	-	-	(12 037)	-
Social economic facilities programme	Human Settlements	(2 347)	-	(6 407)	-	4 495	-	-	(4 259)

¹ The balance unspent at beginning and end of year excludes VAT.

National and provincial grant funds 2014/2015									
Description	Source	Balance unspent at beginning of the year ¹ R'000	Current-year receipts R'000	Adjustments R'000	Conditions met – transferred to revenue		Interest earned R'000	Amounts to be claimed R'000	Balance unspent at the end of the year ¹ R'000
					Operating R'000	Capital R'000			
Sercor Park	Human Settlements	(704)	-	-	-	-	-	-	(704)
Silvertown Khayelitsha 2 000 structures	Human Settlements	(1 142)	-	-	-	-	-	-	(1 142)
Sir Lowry's Pass Village TRA	Human Settlements	-	-	(4 701)	-	-	-	-	(4 574)
Site C survey and subdivision	Human Settlements	-	-	135	127	-	-	(135)	-
Somerset West housing project	Human Settlements	(4 164)	-	-	-	-	-	-	(4 164)
Spandau project 384 houses	Human Settlements	(36)	-	-	-	-	-	-	(36)
Table Mountain biosphere	Environmental Affairs and Development Planning	(7)	-	-	-	-	7	-	-
Tafelsig area: Silver City	Human Settlements	(202)	-	-	-	-	-	-	(202)
Tambo Square	Human Settlements	(42)	-	-	-	-	-	-	(42)
TB crisis plan	Health	(8 303)	(25 813)	16 910	17 206	-	-	-	-
Temperance Town	Human Settlements	-	-	(55)	-	-	-	-	(55)
Three Anchor Bay tennis court	Cultural Affairs and Sport	-	(250)	-	-	139	(3)	-	(114)
Upgrade Bishop Lavis sports complex	Cultural Affairs and Sport	-	-	-	-	-	-	-	-
Upgrade Heinz Park hall	Cultural Affairs and Sport	(124)	-	124	-	-	-	-	-
Urban renewal: improvement stn	Environmental Affairs and Development Planning	(25)	-	25	-	-	-	-	-
Vaccines	Health	-	(68 422)	4 395	65 565	-	-	(1 538)	-
Vehicle impound facility Maitland	Transport and Public Works	(286)	-	-	-	343	(5)	(52)	-
Vrygrond	Human Settlements	(33)	-	-	-	-	-	-	(33)
Vrygrond (EHP)	Human Settlements	(224)	-	-	-	-	(13)	-	(237)
Wallacedene phase 3, 4, 5, 6, 7, 8, 9, 10	Human Settlements	(13 261)	-	14	4	-	-	-	(13 243)
Watgate phase A	Cultural Affairs and Sport	(179)	-	-	-	-	179	-	-
Witsand housing project phase I, 2	Human Settlements	(184)	-	-	-	-	-	-	(184)
Total provincial government transfers and grants		(382 707)	(1 044 774)	137 487	730 002	284 184	(7 107)	(163 668)	(446 583)
Analysis of grants and subsidies									
Total national transfers and grants		(1 046 140)	(2 908 248)	196 976	679 158	2 138 996	(56 811)	-	(996 069)
Total provincial transfers and grants		(382 707)	(1 044 774)	137 487	730 002	284 184	(7 107)	(163 668)	(446 583)
		(1 428 847)	(3 953 022)	334 463	1 409 160	2 423 180	(63 918)	(163 668)	(1 442 652)

¹ The balance unspent at beginning and end of year excludes VAT.

Appendix F: Appropriation statement

for the year ended 30 June 2015

	2014/15					
	Original budget ¹ R'000	Budget adjustments (i.t.o. s 28 and s 31 of the MFMA) R'000	Final adjustments budget R'000	Shifting of funds (i.t.o. s 31 of the MFMA) R'000	Virement (i.t.o. Council- approved policy) R'000	Final budget ¹ R'000
Financial performance						
Property rates	5 942 513	21 766	5 964 279	-	-	5 964 279
Service charges	15 436 106	(74 672)	15 361 434	-	-	15 361 434
Investment revenue	292 750	3 541	296 291	-	-	296 291
Transfers recognised – operational	3 498 169	19 960	3 518 129	-	-	3 518 129
Other own revenue	3 406 082	733 526	4 139 608	-	-	4 139 608
Total revenue (excluding capital transfers and contributions)	28 575 620	704 121	29 279 741	-	-	29 279 741
Employee costs	9 004 196	(130 542)	8 873 654	-	1 245	8 874 899
Remuneration of councillors	133 619	-	133 619	-	-	133 619
Debt impairment	950 814	740 801	1 691 615	-	-	1 691 615
Depreciation and asset impairment	2 182 398	(139 494)	2 042 904	-	-	2 042 904
Finance charges	919 247	(6 991)	912 256	-	149	912 405
Materials and bulk purchases	7 437 128	2 368	7 439 496	-	(353 235)	7 086 261
Transfers and grants	125 354	14 455	139 809	-	5 901	145 710
Other expenditure	8 085 984	199 814	8 285 798	-	295 940	8 581 738
Total expenditure	28 838 740	680 411	29 519 151	-	(50 000)	29 469 151
Surplus/(deficit)	(263 120)	23 710	(239 410)	-	50 000	(189 410)
Transfers recognised – capital	2 817 627	311 032	3 128 659	-	(1)	3 128 658
Contributions recognised – capital and contributed assets	65 226	(13 216)	52 010	-	-	52 010
Surplus/(deficit) after capital transfers and contributions	2 619 733	321 526	2 941 259	-	49 999	2 991 258
Share of surplus/(deficit) of associate	-	-	-	-	-	-
Surplus/(deficit) for the year	2 619 733	321 526	2 941 259	-	49 999	2 991 258
Capital expenditure and funds sources						
Capital expenditure						
Transfers recognised – capital	2 809 834	320 112	3 129 946	-	-	3 129 946
Public contributions and donations	73 019	(22 296)	50 723	-	-	50 723
Borrowing	2 350 301	(73 145)	2 277 156	-	-	2 277 156
Internally generated funds	1 060 383	(298 623)	761 760	-	-	761 760
Total sources of capital funds²	6 293 537	(73 952)	6 219 585	-	-	6 219 585
Cash flows						
Net cash from (used) operating	5 618 991	(321 080)	5 297 911	-	-	5 297 911
Net cash from (used) investing	(6 478 138)	(623 378)	(7 101 516)	-	-	(7 101 516)
Net cash from (used) financing	1 224 051	392	1 224 443	-	-	1 224 443
Cash/cash equivalents at the year-end	364 904	(944 066)	(579 162)	-	-	(579 162)

¹ The classification of categories for revenue and expenditure differs from the statement of financial performance and the statement of comparison of budget and actuals, as the classifications required by National Treasury are different from accounting practice.

² The actual capital outcome amount does not include the contributed assets amount of R4,95 million. See appendix B.

245

Appendix G: Bids awarded to family of employees in the service of the state - 2014

		Economic entity	Municipality of Cape Town
		2014 R'000	2014 R'000
Connected persons	Position held with state		
Adams, C	Clerk	25	25
Agulhas, M	Artisan	1 634	1 634
Booisen, C	Operational Supervisor: Driver	356	356
Buitendag, G	Principal Professional Officer	9	9
Chetty, F	Legal Advisor	7	7
Dauids, M	Operational Supervisor: Driver	135	135
Diedericks, R	Technician	260	260
Du Toit, J	SCM Assistant Buyer	604	604
Ebrahim, Y	Head: District 5	953	953
Elloker, A	Senior Professional Officer	320	320
Fourie, S	HOD: Economic Development and Tourism	46	-
Gordon, C	Clerk	506	506
Hattingh, PM	SCM Administrative Officer	1 765	1 765
Henderson, C	Teacher	205	205
Ishmail, E	Manager: Valuation Data and Systems	285	285
Jacobs, E	Senior Clerk	27 958	27 958
Jaffar, R	Administrative Officer	89	89
Le Fleur, C	Administrative Officer	71	71
Meyer, T	Educator: Western Cape Education Department	4 872	-
Mjali, M	Emergency Centre Officer	4	4
Mshweshwe, MC	Statutory Compliance Specialist	292	292
Paulse, O	Co-coordinator: Housing Rental Stock	266	266
Platzky, L	Deputy Director-General: Strategic Programmes, WC Government, Department of the Premier	23	-
Poole, N	Senior Clerk	293	293
Ritter, T	Senior Clerk	102	102
Sammy, MF	Administrative Officer	15	15
Scholtz, LM	Secretary	1 783	1 783
Siyabulela, M	Senior Clerk	199	199
Steyn, D	Head: Supplier Management	332	332
Steyn, T	Senior Professional Officer	3 554	3 554
Webster, L	Senior Clerk	82	82
Willemse, S	Administrative Officer	1 541	1 541
Wyngaard, R	SCM Administrative Officer - Tenders	498	498
Total		49 084	44 143

Glossary of abbreviations

AFD	Agence Française de Développement
ASB	Accounting Standards Board
CID(s)	city improvement district(s)
CMTF	Cape Metropolitan Transport Fund
COID	compensation for occupational injuries and diseases
CPI	consumer price index
CRR	capital replacement reserve
CTICC	Cape Town International Convention Centre (Pty) Ltd
DB	defined-benefit (scheme)
DBSA	Development Bank of Southern Africa
DC	defined-contributions (scheme)
DMTN	domestic medium-term note
DoRA	Division of Revenue Act
EFF	External Finance Fund
FBE	free basic electricity
GRAP	Generally Recognised Accounting Practice
ICSID	International Council of Societies of Industrial Design
IDP	Integrated Development Plan
IGRAP	Interpretation of the Standards of Generally Recognised Accounting Practice
IRM	integrated risk management
IRT	integrated rapid transit
JSE	Johannesburg Stock Exchange
KCT	Khayelitsha Community Trust
Mayco	Mayoral Committee
MFMA	Municipal Finance Management Act
PAYE	pay-as-you-earn
PPE	property, plant and equipment
Province	Western Cape Provincial Government
SALGA	South African Local Government Association
SARS	South African Revenue Service
SCM	supply chain management
TASK	tuned assessment of skills and knowledge
UIF	Unemployment Insurance Fund
VAT	value-added tax



Appendices

Appendix A: Definitions for corporate scorecard performance indicators	250
Appendix B: 2014/15 annual performance management report – City of Cape Town	256
Appendix C: CTICC performance scorecard for the 2014/15 financial year	264
Appendix D: Capital budget summary per subcouncil and ward	266
Appendix E: List of abbreviations, tables and figures	270



APPENDIX A:

DEFINITIONS FOR CORPORATE SCORECARD PERFORMANCE INDICATORS

Indicator	IDP reference	Indicator definition
1.A Percentage of building plans approved within statutory timeframes (30 – 60 days)	1.1(e)	<p>Percentage of applications approved within statutory timeframes (30 – 60 days). The objective is to improve approval times. This improvement is in the trend over the course of the five-year term of the IDP, but is targeted annually as the weighted average percentage achieved for the specific year. The approval of building plans is measured within the statutory timeframes of <500 m² (30 days) and >500 m² (60 days). See section A7 of the National Building Regulations Act 103 of 1977.</p> <p>Date and time-stamped data: A cut-off date of three days of the next month is allowed for the capturing of the previous month's production (i.e. 30th or 31st day of the month). Statistical data will be extracted on the fourth day, with a date and time stamp, and reported accordingly as a weighted average percentage for the two categories of building plans.</p>
1.B Percentage spend of capital budget	1.2(b)	<p>Percentage reflecting year-to-date spend/total budget less any contingent liabilities relating to the capital budget.</p> <p>The total budget is the Council-approved adjusted budget at the time of the measurement.</p> <p>Contingent liabilities are only identified at year-end.</p>
1.C Rand value of capital invested in engineering infrastructure	1.2(b)	<p>Investment in engineering infrastructure relates to growth, refurbishment and replacement of water, sanitation, electricity, solid waste (removal and disposal), roads, stormwater, transport and broadband infrastructure.</p>
1.D Percentage spend on repairs and maintenance	1.2(b)	<p>Percentage reflecting year-to-date spend (including secondary cost)/total repairs and maintenance budget.</p> <p>Note that the in-year reporting during the financial year will be indicated as a trend (year-to-date spend).</p> <p>Maintenance is defined as the actions required for an asset to achieve its expected useful life. Planned maintenance includes asset inspection and measures to prevent known failure modes, and can be time-based or condition-based.</p> <p>Repairs are actions undertaken to restore an asset to its previous condition after failure or damage. Expenses on maintenance and repairs are considered operational expenditure.</p> <p>Primary repairs and maintenance costs refer to repairs and maintenance expenditure incurred for labour and materials paid to outside suppliers.</p> <p>Secondary repairs and maintenance costs refer to repairs and maintenance expenditure incurred for labour provided in-house/internally.</p>
1.E Number of outstanding valid applications for water services, expressed as a percentage of total number of billings for the service	1.2(b)	<p>Reflects the number of outstanding valid applications, expressed as a percentage of total number of active billings (where downpayment has been received) for water services (where valid applications translate into an active account) for domestic customers, as extracted from the City of Cape Town's SAP database.</p> <p>Proxy measure for national key performance indicator (NKPI).</p>
1.F Number of outstanding valid applications for sewerage services, expressed as a percentage of total number of billings for the service	1.2(c)	<p>Reflects the number of outstanding valid applications (where downpayment has been received) for sewerage services (where valid applications translate into an active account), expressed as a percentage of total number of active billings for the service. Billing equates to active contract accounts (sewerage services) for domestic customers, as extracted from the City of Cape Town's SAP database.</p> <p>Proxy measure for NKPI.</p>
1.G Number of outstanding valid applications for electricity services, expressed as a percentage of total number of billings for the service	1.2(c)	<p>This indicator reflects the number of outstanding valid applications (where downpayment has been received) for electricity services (meter and prepaid) (where valid applications translate into an active account), expressed as a percentage of total number of active billings for the service.</p> <p>Proxy measure for NKPI.</p>

Indicator	IDP reference	Indicator definition
1.H Number of outstanding valid applications for refuse collection service, expressed as a percentage of total number of billings for the service	1.2(c)	Reflects the number of outstanding valid applications (C3 notifications) for a new refuse collection service at the end of a reporting period, expressed as a percentage of total number of active billings for formal residential refuse collection services as at the end of the same reporting period. Billing equates to active contract accounts (formal kerbside refuse collection service) for domestic customers, as extracted from the City of Cape Town's SAP database. Proxy measure for NKPI.
1.I Number of EPWP job opportunities created	1.2(d)	Measures the number of job opportunities created through the EPWP. An EPWP job opportunity is paid work created for an individual on an EPWP project for any period of time, within the employment conditions of the Code of Good Practice for Special Public Works Programmes.
1.J Percentage of treated potable water not billed	1.3(b)	The percentage of treated potable water not billed pertains to non-revenue water. This is the volume of potable water that is treated but is either lost or not billed for, expressed as a percentage of total potable water treated. It is calculated on a 12-month rolling basis in order to smooth out short-term fluctuations. The aim is to reduce the percentage of treated potable water not billed over the planned period, and is reflected in the targets.
1.K Number of passenger journeys on the MyCiTi public transport system	1.4(c)	The uptake of the MyCiTi transport system will be determined by the demand. A passenger journey is calculated from the first boarding of a bus at a feeder stop or main station to the last exit from a bus at a feeder stop or main station, and includes any transfers between buses (single journey).
1.L Percentage development of an immovable property asset management framework	1.5(a)	Measures the percentage of the weighted average of the components below: <ul style="list-style-type: none"> • Development of a comprehensive immovable property asset register • Development of an immovable property asset management compliance framework • Development of a centralised custodial role for immovable property asset management (communication) • Identification of all strategic immovable property assets • Development of a medium-term (five-to-ten-year) strategy for the release of immovable property • The strategic acquisition and holding (land-banking) of new immovable property assets
1.M Number of external trainee and bursary opportunities created	1.6(a)	Measures the number of learning opportunities created for unemployed youth as a contribution to the job creation initiative and provision of real world-of-work exposure to graduates. This includes external bursaries awarded, in-service student training opportunities, graduate internships, learnerships and apprenticeships. There are two measures under this indicator: <ul style="list-style-type: none"> • Measure (a) includes external bursars, in-service student trainees, graduate interns and learners (learnership beneficiaries). • Measure (b) includes apprentices.

Indicator	IDP reference	Indicator definition
2.A Community satisfaction survey (score 1 – 5) – safety and security	2.4(a)	<p>Measures community perception in respect of the prevailing levels of general disorder in the city.</p> <p>Antisocial behaviour and disorder are concepts frequently used in the law enforcement environment to describe the prevailing sense of lawlessness in a particular area, and refer to minor crimes, bylaw offences, nuisances and traffic offences that directly affect residents' quality of life. The City's community satisfaction survey measures public perception around a number of these issues, including:</p> <ul style="list-style-type: none"> • visible presence of traffic enforcement; • action taken against illegal land invasions; • action taken against illegal dumping; • acting on complaints relating to noise and other disturbances; and • bylaws being enforced. <p>Total score in respect of the section in the survey that relates to antisocial behaviour and general disorder.</p> <p>Questionnaires completed by residents as part of the City's community satisfaction survey, which inter alia measures public perception around the following:</p> <ul style="list-style-type: none"> • Traffic enforcement • Illegal land invasion • Illegal dumping • Noise and disturbances • General enforcement of the City's bylaws
2.B Reduce number of accidents at five highest-frequency intersections	2.1(a)	<p>Measures the decrease in vehicle accidents in the five identified highest-frequency accident locations.</p> <p>These locations are:</p> <ul style="list-style-type: none"> • M7 x Voortrekker Road • N7 x Bosmansdam Road • Section Street x Koeberg Road • Cannon Road x Voortrekker Road x Koeberg Road (Maitland) • Victoria Road x N2 west (Somerset West)
2.C Percentage response times for fire incidents within 14 minutes from call receipt up to arrival	2.1(a)	Percentage response times for fire incidents within 14 minutes from call receipt up to arrival.
2.D Number of operational specialised units maintained	2.2	Measures the number of specialised units in the three policing departments, i.e. Metro Police, Traffic Services and Law Enforcement, which the Safety and Security Directorate managed to maintain as operationally active and fully capable of delivering on their specialised mandates.
2.E Percentage budget spent on integrated information management system	2.3(a)	Measures the percentage budget spent on the integrated information management system.
2.F Percentage staff successfully completing legislative occupation-specific training interventions	2.4(a)	Measures the percentage of members of the Metro Police, Traffic Services and Law Enforcement departments who have undergone any legislative training intervention that is directly relevant to the performance of their operational duties, i.e. occupation-specific training interventions.
2.G Percentage of neighbourhood watch satisfaction survey	2.5(a)	Measures the percentage satisfaction with the City's assistance to neighbourhood watches.

Indicator	IDP reference	Indicator definition
3.A Number of social development programmes implemented	3.1(a)	<p>Refers to the number of social development programmes implemented. Seven programmes have been identified, and each will consist of a number of projects and interventions. The programmes are listed below:</p> <ul style="list-style-type: none"> • Youth development • ECD training • Social entrepreneurship • Vulnerable groups (senior citizens, gender and disability) • Street people • Substance abuse • Poverty alleviation and reduction
3.B Number of recreation hubs where activities are held on a minimum of five days a week	3.1(a)	<p>A recreation hub is a community facility that focuses on implementing a variety of sport and recreation activities for at least five days a week, for at least three hours per day. Activities will target all sectors of the community, namely children, youth and adults. Activities will be implemented by staff, volunteers, NGOs, clubs and federations.</p>
3.C Number of human settlements opportunities provided per year	3.2(d)	<p>A human settlements opportunity is defined under the following three categories:</p> <ol style="list-style-type: none"> Serviced sites are any property providing a municipal service on an individual basis to a household, including provision to households in multi-storey units, on high-density residential sites, as well as other non-residential sites relating to integrated human settlements development, where the main source of funding is the Urban Settlements Development Grant (USDG) in terms of the Division of Revenue Act (DoRA) for such purpose. Top structures are any built structures providing shelter to a household in a human settlements development by means of any national housing programme, where the main source of funding is the Human Settlements Development Grant (HSDG) in terms of DoRA for such purpose. "Other" is the number of existing rental stock units undergoing major upgrades, and any number of households provided with shared services and other services in the backyarder, re-blocking and informal settlements upgrade programmes. <p>Definition of a human settlements opportunity: A human settlements opportunity is incremental access to* and/or delivery of one of the following housing products:</p> <ol style="list-style-type: none"> Subsidy housing (BNG), which provides a minimum 40 m² house, a fully serviced residential site, and may also include high-density residential sites relating to integrated human settlements development, as well as other non-residential sites relating to integrated human settlements development Incremental housing, which provides a serviced site with or without tenure Rental housing, which is new community residential units, upgrades and re-development of existing rental units and hostels People's Housing Process is beneficiaries who maximise their housing subsidy by building or organising the building of their homes themselves Land restitution includes land provided to valid claimants in terms of Council resolutions or court decisions Social housing is new rental units, delivered by the City's social housing partners Gap housing is a serviced plot, a completed unit for sale, or affordable units for sale Re-blocking of informal settlements is the reconfiguration of the layout of settlements to allow for improved access and levels of services <p>* 'Access to' is as contemplated in section 26(1) of the Constitution of the Republic of South Africa, 1996, i.e. "Everyone has the right to have access to adequate housing."</p> <p>Note: An opportunity is specifically defined above, and is only counted at a point when specific evidence is available for auditing purposes. The delivery targets reflected on the corporate scorecard and the SDBIPs only reflect delivery by the City. In some instances, delivery of a serviced site and a top structure may be on the same property, but is viewed as two opportunities (serviced site and top structure) to align with reporting requirements on expenditure of grant funding as two separate milestones.</p> <p>A separate report (not for auditing purposes) for information to Council will reflect total delivery in the City, which includes delivery by Province (N2, PHP, gap, other projects) as well as social housing and restitution cases facilitated by the City.</p>
3.D Number of deeds of sale agreements signed with identified beneficiaries on transferrable rental units	3.3(a)	<p>Refers to the registration of transferrable rental stock to qualifying tenants. The evidence for this indicator will be signed sales agreements.</p>

Indicator	IDP reference	Indicator definition
3.E Improve basic services		
Number of water services points (taps) provided	3.4(b)	Reflects the number of taps provided in informal settlements and for backyarders in City rental stock (pilot) during the period under review. Certain taps may however have been vandalised or removed after provision. <ul style="list-style-type: none"> Backyarder provision based on one tap per backyard property, which could be serving several households.
Number of sanitation service points (toilets) provided	3.4(b)	Reflects the number of toilets provided in informal settlements and for backyarders in City rental stock (pilot) during the period under review. Certain toilets may however have been vandalised or removed after provision. <ul style="list-style-type: none"> Backyarder provision based on one toilet per backyard property, which could be serving several households.
Percentage of informal settlements receiving door-to-door refuse collection service	3.4(b)	Reflects the percentage of informal settlements receiving a weekly door-to-door refuse removal collection service for the period under review. <p>The collection of domestic refuse in informal settlements is done through contract services, employing local labour.</p> <p>Three-year contracts are awarded to a legitimate main contractor through the procurement tender process.</p>
3.F Number of subsidised electricity connections installed	3.4(b)	Reflects the number of subsidised connections installed per annum in informal settlements, rental stock backyarders (pilot) and low-cost housing.
3.G Percentage compliance with drinking-water quality standards	3.5(a)	Measure of potable-water sample pass rate according to the SANS 241 standard.
3.H Number of days when air pollution exceeds RSA ambient air quality standards	3.6(a)	Any day when any one of the criteria pollutants at any one of up to a maximum of 13 air quality monitoring stations in the city exceeds RSA ambient air quality standards. <p>The number of days where one of the identified air pollution particles is above the levels set by the RSA ambient air quality standards.</p>
3.I New smear-positive TB cure rate	3.7(a)	Measures the number of new smear-positive pulmonary TB patients started on treatment for whom there is bacteriological confirmation that the patient has responded to treatment and can be considered cured. <p>Numerator: Number of new smear-positive pulmonary TB patients started on treatment for whom there is bacteriological confirmation that the patient has responded to treatment and can be considered cured.</p> <p>Denominator: Number of new smear-positive pulmonary TB cases.</p> <p>The percentage indicates the previous financial year's figures. So, for 2014/15, it will be the financial year 2013/14, etc.</p>
3.J Number of new clients screened at the substance abuse outpatient treatment centres	3.8(a)	The number of new clients seeking help for substance abuse, being screened in a first interview at the City's outpatient treatment sites.
4.A Percentage adherence to citywide service standard based on all external notifications	4.1(a)	Measures the percentage adherence to citywide service standards based on all external notifications.
4.B Community satisfaction survey (score 1-5 Likert scale) – community facilities	4.2(a)	A statistically valid, scientifically defensible score from the annual survey of residents' perceptions of the overall performance of the services provided at community facilities, measured by calculating the average of the responses to a number of survey questions relating to community facilities. <p>The measure is given against the non-symmetrical Likert scale, where 1 is poor, 2 is fair, 3 is good, 4 is very good, and 5 is excellent.</p> <p>Annual improvement is calculated by determining the difference between the average customer satisfaction scores of the different financial years.</p>

Indicator	IDP reference	Indicator definition
5.A Number of municipal meetings open to the public	5.1(a)	Measures the number of municipal meetings that was open to the public to maintain transparency in the day-to-day governance of the municipality.
5.B Employee engagement index as measured in a biennial staff empowerment survey	5.2(b)	Employee engagement index (EEI) as measured in the biennial staff engagement survey. The EEI is determined by a formula that is the property of the independent service provider IPSOS. The EEI is converted into a five-point Likert scale measured by the service provider.
5.C Community satisfaction survey (score 1-5) – citywide	5.2(c)	<p>A statistically valid, scientifically defensible score from the annual survey of residents' perceptions of the overall performance of the services provided by the City of Cape Town.</p> <p>The measure is given against the non-symmetrical Likert scale, with 1 being poor, 2 being fair, 3 being good, 4 being very good, and 5 being excellent.</p> <p>Improvement is calculated by measuring the difference between the different financial years.</p>
5.D Percentage of people from employment equity target groups employed at the three highest levels of management in compliance with the City's approved employment equity plan	5.2(b)	Measures the percentage of people from employment equity target groups employed in the three highest levels of management in compliance with the City's approved employment equity plan. Each directorate contributes to the corporate achievement of targets and goals by implementing its own objectives of quantitative and qualitative goal setting.
5.E Percentage budget spent on implementation of workplace skills plan for the City	5.2(b)	<p>A workplace skills plan is a document that outlines the planned education, training and development interventions for the organisation. Its purpose is to formally plan and allocate budget for appropriate training interventions, which will address the needs arising from the local government skills sector plan, the City's strategic requirements as contained in the IDP and the individual departmental staffing strategies, as well as individual employees' personal development plans. The workplace skills plan also takes into account the employment equity plan, ensuring incorporation of relevant developmental equity interventions into the plan.</p> <p>Formula: Measured against training budget.</p>
5.F Opinion of the Auditor-General	5.3(a)	<p>Measures good governance and accounting practices, and will be evaluated and considered by the Auditor-General in determining his opinion. An unqualified audit opinion refers to the position where the auditor, having completed his audit, has no reservations as to the fairness of presentation of financial statements and their conformity with generally recognised accounting practices. This is referred to as a 'clean opinion'.</p> <p>Alternatively, in relation to a qualified audit opinion, the Auditor-General would issue this opinion on the financial statements as a whole, or in part, if these are not prepared in accordance with generally recognised accounting practices, or if one or more areas of the financial statements could not be audited. Future audit opinions will cover the audit of predetermined objectives.</p>
5.G Opinion of independent rating agency	5.3(a)	<p>A report that reflects the creditworthiness of an institution to repay long-term and short-term liabilities. The credit rating is an analysis of the City's key financial data, which is performed by an independent agency to assess the City's ability to meet short-term and long-term financial obligations.</p> <p>Indicator standard/norm/benchmark: The highest rating possible for local government, which is also subject to the country's sovereign rating.</p>
5.H Ratio of cost coverage maintained	5.3(a)	Total cash and investments (short-term), less restricted cash for monthly operating expenditure.
5.I Net debtors to annual income (ratio of outstanding service debtors to revenue actually received for services)	5.3(a)	Net current debtors divided by total operating revenue.
5.J Debt coverage by own billed revenue	5.3(a)	Total debt divided by total annual operating income.

APPENDIX B: 2014/15 ANNUAL PERFORMANCE MANAGEMENT REPORT - CITY OF CAPE TOWN

RATING KEY: ✓ Well above ◆ Target achieved ● On target ▲ Below ✗ Well below							
Indicator	2013/14 (previous financial year)		2014/15 (current financial year)			Status	
	Target	Actual	Target	Actual			
1.A Percentage of building plans approved within statutory timeframes (30-60 days)	82%	83,64%	85%	91,30%	◆		
1.B Percentage spend of capital budget	91%	80,23%	90%	85,7%	▲		
1.C Rand value of capital invested in engineering infrastructure	R1,8 billion	R2,2 billion	R1,8 billion	R2,8 billion	✓		
1.D Percentage spend on repairs and maintenance	100%	101,84%	95%	95,81%	◆		

Reason for variance	Remedial action
Target achieved	Maintain the momentum
<p>Transport for Cape Town</p> <ol style="list-style-type: none"> The delay impacts of the very late completion of the Integrated Public Transport Network (IPTN) in mid-2014 are now being felt, with especially the integrated rapid transit (IRT) phase 2A (Lansdowne-Wetton corridor) falling badly behind the original schedule. IRT bus deliveries are behind schedule at this stage as a result of revised licensing requirements. Protracted procurement processes and due diligence process requirements are delaying some tender awards, and are having a negative impact on project progress and expenditure. Delays are also being experienced due to some consultants and contractors not performing as required, and because contract termination processes have to be instituted. <p>Human Settlements</p> <p>The variance relates to various projects, including the following:</p> <ol style="list-style-type: none"> Langa hostels redevelopment: Behind schedule due to supplier delivery delays (including steel strike). The matter has been resolved and the project is now proceeding with an emphasis on speeding up matters. The urbanisation project is a bulk budget made up of a number of projects at various levels of completion. Some of these have been delayed due to community unrest and gang violence. Sir Lowry's Pass Village: Behind schedule due to delays in the appointment of a contractor. The project is under way. The rental upgrade projects (CRU/Social and Economic Facilities Programme projects): Heideveld, Manenberg, Marble Flats as well as the brick skins project are behind schedule, primarily due to gang violence and community challenges in the area. The brick skins project is nearing completion, and the CRU upgrade projects are scheduled for completion by October 2015. Major rental upgrade: Awaiting final invoices. Fisantekraal Garden Cities phase 2: Delayed due to community unrest. Belhar Pentech: Delayed due to changes required in the sewerage design. Other smaller variances relate to June 2015 invoices that are still being processed, projects that have been completed, and savings (e.g. Khayelitsha CBD) that have been identified during the development of the projects. <p>Utility Services</p> <p>Water and Sanitation</p> <p>Provisional year-to-date variance mainly due to delays experienced against the following projects:</p> <ol style="list-style-type: none"> Meter replacement programme (R20 million): Awaiting outstanding invoices for processing. Replace & upgrade water network, financial year 2015 (R14 million), and replace & upgrade sewerage network (citywide) (R11 million): Projects completed; awaiting outstanding invoices. Northern area sewer Thornton (R9 million): 2014/15 phase of project is complete. Awaiting outstanding invoices for processing. Bulk water augmentation scheme (R11,4 million): <ol style="list-style-type: none"> Component 8 of bulk water augmentation scheme: The tender for the pipe supply closed on 18 August 2014, but was cancelled on 20 October 2014, as no responsive tenders were received. Tender was readvertised and contract implementation is under way. Muldersvlei reservoir & water treatment plant: Landowners' responses received (declining offers); in the process of being reviewed. Professional services contract in progress, but delayed by landowner denying City access to the site until transfer of the land has been concluded. This means that the geotechnical survey of the site could not commence, resulting in the detailed design being delayed. Invoices for final payment in respect of projects completed by 30 June 2015 are still being processed. <p>Electricity Services</p> <p>Provisional year-to-date variance mainly due to delays experienced against the following projects:</p> <ol style="list-style-type: none"> Electrification (formal & informal) (R26,4 million): Underspend due to delays in the implementation of various housing projects. Electrification (backyarders) (R14,1 million): Parkwood and Bonteheuwel behind schedule due to delays in the establishment of beneficiaries. Milnerton: Sub-depot (streetlighting) (R11 million): Professional fees paid. Delay in the implementation of the construction phase of the project caused by the late finalisation of the design and planning phase. Platteklouf - N1 reinforcement (R15,1 million): Building tender was awarded, but builder defaulted. Contract has now been cancelled. Report to be drafted to appoint second-ranked tenderer. Building project will be delayed. Bloemhof - stores upgrade (R6,4 million): Tenders non-responsive; to be readvertised. No construction was possible in 2014/15, resulting in underspend on the project. Oakdale main substation upgrade phase 2 (R5,9 million): Building tender has closed and evaluation is in progress. The 145 kV gas-insulated substation tender was awarded, but an appeal has been lodged against the successful tenderer. Streetlighting (citywide) (R11,6 million): Projects marginally behind schedule on the USDG-funded portion due to poor contractor performance. There is likely to be an underspend, as the Happy Valley project funding for 2014/15 will now only be spent in 2015/16. Hout Bay low-voltage depot (R4,9 million): Professional fees paid. Project delayed until land has been identified and acquired. Invoices for final payment in respect of projects completed by 30 June 2015 are still being processed. 	<p>Transport for Cape Town</p> <ol style="list-style-type: none"> It is not possible to mitigate the effects of the delayed completion of the IPTN. Bus manufacturers have delivered all buses; however, there remains a substantial saving on the bus contracts, as very little of the contingency provisions (10%) have been included in the contracts. Interactions are under way to try to improve procurement turnaround times. Consultants and contractors are continually pressurised to improve on their performance, and penalties are imposed where necessary. Contracts are also being terminated where performance has not improved. <p>Human Settlements</p> <ol style="list-style-type: none"> Langa hostels CRU: Project under way; June 2015 invoices are being processed. Urbanisation: June 2015 invoices are being processed. See below for further details. Sir Lowry's Pass Village: Project under way; June 2015 invoice to be processed. The rental upgrade projects: Additional funds have been allocated for security services; June 2015 invoices are being processed. All work is expected to be completed by October 2015. Major upgrade of rental units: Final invoices to be processed; project completed and savings identified. Fisantekraal Garden Cities: Situation has stabilised, and further meetings are planned with stakeholders. Atlantis Kanonkop: New project manager appointed. Belhar Pentech: The contractor has been requested to escalate his programme to address the issue. <p>Funds have been rolled over as part of the August 2015 adjustments budget process.</p> <p>Utility Services</p> <p>Water and Sanitation</p> <p>Committed unspent funds have been rolled over as part of the August 2015 adjustments budget process.</p> <p>There are ongoing engagements with line directorates and project managers to ensure that tracking and monitoring of projects are within the prescribed timeframes.</p> <p>Funding from the HSDG has subsequently been approved for appointment of contract staff during 2015/16 to assist with the implementation of capital projects.</p> <p>Electricity Services</p> <p>Committed unspent funds to be proposed for roll-over in the August 2015 adjustments budget process. There are ongoing engagements with line directorates and project managers to ensure that tracking and monitoring of projects are within the prescribed timeframes.</p> <p>Funding from the HSDG has subsequently been approved for appointment of contract staff during 2015/16 to assist with the implementation of capital projects.</p>
Well above target	Maintain the momentum
Target achieved	Maintain the momentum

APPENDIX B: 2014/15 ANNUAL PERFORMANCE MANAGEMENT REPORT - CITY OF CAPE TOWN (continued)

RATING KEY: ✓ Well above ◆ Target achieved ● On target ▲ Below ✗ Well below						
Indicator	2013/14 (previous financial year)		2014/15 (current financial year)		Status	
	Target	Actual	Target	Actual		
THE OPPORTUNITY CITY	1.E Number of outstanding valid applications for water services, expressed as a percentage of total number of billings for the service	<1%	1,01%	<0,9%	0,61%	✓
	1.F Number of outstanding valid applications for sewerage services, expressed as a percentage of total number of billings for the service	<1%	0,62%	<0,9%	0,54%	✓
	1.G Number of outstanding valid applications for electricity services, expressed as a percentage of total number of billings for the service	<1%	0,1%	<0,9%	0,13%	✓
	1.H Number of outstanding valid applications for refuse collection service, expressed as a percentage of total billings for the service	<1%	0%	<0,9%	0,01%	✓
	1.I Number of EPWP job opportunities created	37 500	38 305	40 000	40 060	◆
	1.J Percentage of treated potable water not billed	20,2%	21,84%	19,7%	22,31%	✗
	1.K Number of passenger journeys on the MyCiTi public transport system	5,3 million	7,7 million	8 million	15,4 million	✓
	1.L Percentage development of an immovable property asset management framework	48,66%	48,66%	70%	62,89%	▲
	1.M Number of external trainee and bursary opportunities created	950	1 487	1 020	1 385	✓
	1.M(a) Number of external trainee and bursary opportunities (excluding apprentices)	700	1 160	750	1 025	✓
THE SAFE CITY	1.M(b) Number of apprentices	250	327	270	360	✓
	2.A Community satisfaction survey (score 1-5) - safety and security	2,8	3,1	2,8	2,9	◆
	2.B Reduce number of accidents at five highest-frequency intersections	367	178	169	201	✓
	2.C Percentage response times for fire incidents within 14 minutes from call receipt up to arrival	80%	83%	80%	83%	◆
	2.D Number of operational specialised units maintained	14	14	14	14	●
	2.E Percentage budget spent on integrated information management system	15%	20,4%	70%	99,98%	✓
	2.F Percentage staff successfully completing legislative occupation-specific training interventions	70%	73,28%	70%	97,8%	✓
	2.G Percentage of neighbourhood watch satisfaction survey	60%	93,1%	70%	100%	✓

	Reason for variance	Remedial action
	Well above target	Maintain the momentum
	Well above target	Maintain the momentum
	Well above target	Maintain the momentum
	Well above target	Maintain the momentum
	Target achieved	Maintain the momentum
	The percentage water that could not be billed relative to all the water that was treated has increased. Reasons for this is difficult to define precisely, as several of the loss categories have to be estimated and cannot be measured. Such possible reasons include that the volume of water consumed at communal taps in informal settlements has increased, possibly due to a dry summer. Apparent losses due to meter inaccuracies can be one of the causes, as can real losses increasing via leakages in the network. The latter is continuously being investigated, but is not likely, given the extent of the programme already rolled out to replace aging pipelines and the many supply zones improved through pressure reduction systems. The percentage ratio in the indicator is further increased by the fact that the total volume of water treated and to which the unbilled volume is compared, has been decreasing over several years due to consumers generally needing less water than in the past.	The Department is investigating the cause of this increase. Future non-revenue water figures (water not billed) will be closely monitored. Continue with the implementation of a range of departmental initiatives aimed at reducing water losses and water not billed. Responsible person: Peter Flower Due date: Ongoing
	Well above target. Currently, the target for this indicator is established using projections based on limited data. As the MyCiTi service is rolled out and history of data is established, it will result in improved target-setting projections.	Maintain the momentum It is proposed that the target-setting for the new IDP cycle and related scorecards (five-year and one-year scorecards) be defined, and targets be based on more realistic projections.
	The project is on track, with the exception of Council's approval of the policy.	Due to an extended public participation timeframe, it is anticipated that the policy will be approved in the first quarter of 2016. Responsible person: Ruby Gelderbloem Due date: Ongoing
	Well above target	Maintain the momentum
	Well above target	Maintain the momentum
	Well above target	Maintain the momentum
	Target achieved	Maintain the momentum
	The target for this indicator was revised in the mid-year review, because it was not based on the previous-year baseline. This resulted in a more difficult achievement for the reporting period. The first quarter was the most problematic. Thereafter, we started to achieve better results due to increased monitoring. The mid-year review happened after the first quarter, which then required far greater effort to stay within target.	Corrective measures involving increased monitoring and enforcement were put in place, and a significant improvement was achieved in the last three quarters. Accurate monitoring of the intersections can only be achieved by improving real-time monitoring systems such as CCTV cameras. Responsible person: Richard Bosman Due date: Ongoing
	Target achieved	Maintain the momentum
	On target	Maintain the momentum
	Well above target	Maintain the momentum
	Well above target	Maintain the momentum
	Well above target	Maintain the momentum

APPENDIX B: 2014/15 ANNUAL PERFORMANCE MANAGEMENT REPORT - CITY OF CAPE TOWN (continued)

RATING KEY: ✓ Well above ◆ Target achieved ● On target ▲ Below ✗ Well below						
Indicator	2013/14 (previous financial year)		2014/15 (current financial year)			
	Target	Actual	Target	Actual	Status	
3.A Number of social development programmes implemented	7	7	7	7	●	
3.B Number of recreation hubs where activities are held on a minimum of five days a week	40	40	40	40	●	
3.C Number of human settlements opportunities provided per year						
Serviced sites	4 400	5 718	5 142	3 822	✗	
Top structures	4 242	3 647	5 614	3 372	✗	
Other (community residential unit (CRU) upgrades and shared services provision to re-blocked informal settlements and backyards)	4 641	2 048	3 605	1 525	✗	
3.D Number of deeds of sale agreements signed with identified beneficiaries on transferrable rental units	2 500	1 046	1 000	1 283	✓	
3.E Improve basic services						
Number of water services points (taps) provided	1 020	2 028	800	948	✓	
Number of sanitation service points (toilets) provided	3 100	5 916	2 800	3 091	✓	
Percentage of informal settlements receiving a door-to-door refuse collection service	99%	99,73%	99%	99,74%	◆	
3.F Number of subsidised electricity connections installed	1 500	4 391	1 500	5 096	✓	
3.G Percentage compliance with drinking-water quality standards	98%	99,83%	98%	99,76%	◆	
3.H Number of days when air pollution exceeds RSA ambient air quality standards	<25	0	<25	5	✓	
3.I New smear-positive TB cure rate	83% (Q2 2013)	83%	83%	81% (Q2 2014)	▲	
3.J Number of new clients screened at the substance abuse outpatient treatment centres	1 520	1 621	1 572	1 826	✓	

Reason for variance	Remedial action
On target	Maintain the momentum
On target	Maintain the momentum
<p>Busasa IDA project, which would have yielded 1 006 sites, was continuously disrupted by violent community resistance, which led to the Executive Mayor cancelling the project to avoid loss of life and further damage to Council property.</p> <p>Sir Lowry's Pass Village, which would have yielded 177 sites, was delayed, as the contractor could not complete the project. The contract had to be cancelled and a new contractor had to be procured and appointed. Purchasers are failing to qualify for home loans because of bad credit records. Banks are more stringent, and lead time on finance applications has more than doubled. On average, three failed purchases for every successful one are experienced, which has a huge impact on the time it takes to sell one site.</p>	<p>Busasa project – The Human Settlements Mayco member is currently trying to unblock community issues relating to the cancellation of the project.</p> <p>Sir Lowry's Pass Village: A new contractor has been appointed as of 10 June 2015.</p> <p>The Directorate constantly aims to improve its administrative systems to ensure that it does not lose additional time or contribute to delays.</p> <p>Responsible person: Johan Gerber (Urbanisation) Due date: September 2015</p>
<ol style="list-style-type: none"> Financial issues (section 19, funding and budget) hampered the Hazendal, Heideveld, Delft Rosendal & Delft The Hague phase 1 projects. Tender appeals further delayed the first three projects. Delft The Hague tender was awarded in March, but registration of the general plan delayed the approval of building plans and, therefore, the construction of the units. Additional funding is required before the Somerset West (Lourensia Park) and Scottsdene CRU projects can proceed. Construction has therefore been stalled. The Greenville project was delayed by challenges in obtaining approval for a new, innovative housing prototype by National Home Builders Registration Council and due to community protests regarding the semi-detached housing typology. The length of time taken by Province to approve the new subsidy increment and subsidy claims has affected projects, especially the People's Housing Process (PHP). Contractors stopped working and laid off their staff. Cash flow problems are inhibiting their ability to deliver at the scale they did in 2013/14. Construction is proceeding on a number of blocks at the same time. It is difficult for the contractor to complete and handover blocks for occupation, whilst other blocks are still under construction due to health and safety concerns. Staffing challenges due to the fact that assignment funding did not materialise and the City could not replace staff who were on contract and resigned, as the new contract would only have been valid for <6 months. Busasa IDA project, which would have yielded 1 006 top structures, was continuously disrupted due to violent community resistance, which led to the Executive Mayor cancelling the project to avoid loss of life and further damage to Council property. Sir Lowry's Pass Village, which would have yielded 177 top structures, was delayed, as the contractor could not complete the project. The contract had to be cancelled and a new contractor had to be procured and appointed. 	<ol style="list-style-type: none"> The issues have been resolved. All contractors are on site and house construction is under way. The Directorate is engaging with Province, ASLA and Calgrow M3 to expedite the applications for additional funding. The City put pressure on the National Home Builders Registration Council to expedite the approval of the prototype. It has now been approved. As a result of political intervention and a court interdict, the contractor is back on site in Greenville. The Directorate has closely monitored approvals, and frequently requests the MEC and HOD to expedite approvals. Three meetings were held with PHP Forum/contractors with a view to increasing the pace of delivery. Funds were allocated to new projects (3 x July-Nov 2014) and the Directorate has reallocated funds from non-performing to performing projects (Feb and May 2015). The sites, especially the Hangberg site, make it difficult to mitigate this challenge. In future, the City will be more cautious when determining targets. The Directorate secured Human Settlements Development Grant (HSDG) funding, and as a result, the extension of contracts was approved in June 2015. Busasa project: The Human Settlements Mayco member and external agencies, i.e. office of the President of South Africa, are currently in the process of unblocking community issues relating to the cancellation of the project, with the aim of getting the project back on track. Sir Lowry's Pass Village: A new contractor has been appointed with effect from 10 June 2015. <p>Responsible persons: Johan Gerber (Urbanisation) Norah Walker (Development & delivery) Due date: September 2015</p>
<p>Development and delivery</p> <p>Unprecedented gang violence in Manenberg, Ottery and Hanover Park led to lengthy work stoppages, as the areas became 'no-go zones'.</p> <p>Urbanisation</p> <p>Re-blocking not taking off as anticipated. Backyarder project delayed as Water & Sanitation term contracts for toilet structures and plumbing installations expired, without new ones being in place.</p>	<p>Development and delivery</p> <p>Frequent meetings with very senior SAPS staff and the City's Safety and Security Directorate were held, resulting in the security provision on site being increased to a higher level.</p> <p>Urbanisation</p> <p>Five re-blocking projects have been assessed and are ready for implementation in the 2015/16 financial year.</p> <p>Toilets and plumbing installations procured through a quotation system, and the backyarder project is being fast-tracked. The backyarder project is ongoing, as all areas in the metro will be surveyed for suitability and need.</p> <p>Responsible persons: Johan Gerber (Urbanisation) Norah Walker (Development & delivery) Due date: September 2015</p>
Well above target	Maintain the momentum
Well above target Additional requests from communities contributed to the target being exceeded.	Maintain the momentum
Well above target Roll out of flush toilets was satisfactory. The additional request of 277 portable flush toilets in the last quarter contributed to the target being exceeded.	Maintain the momentum
Target achieved	Maintain the momentum
Well above target	Maintain the momentum
Target achieved	Maintain the momentum
Well above target	Maintain the momentum
The actual performance is slightly below the target of 83%. This is mainly due to the different patient populations and clinics' ability to retain patients in care.	<p>The subdistrict managers are monitoring programme performance in order to attain target.</p> <p>Responsible person: Judy Caldwell Due date: September 2015</p>
Well above target	Maintain the momentum

















APPENDIX B: 2014/15 ANNUAL PERFORMANCE MANAGEMENT REPORT - CITY OF CAPE TOWN (continued)

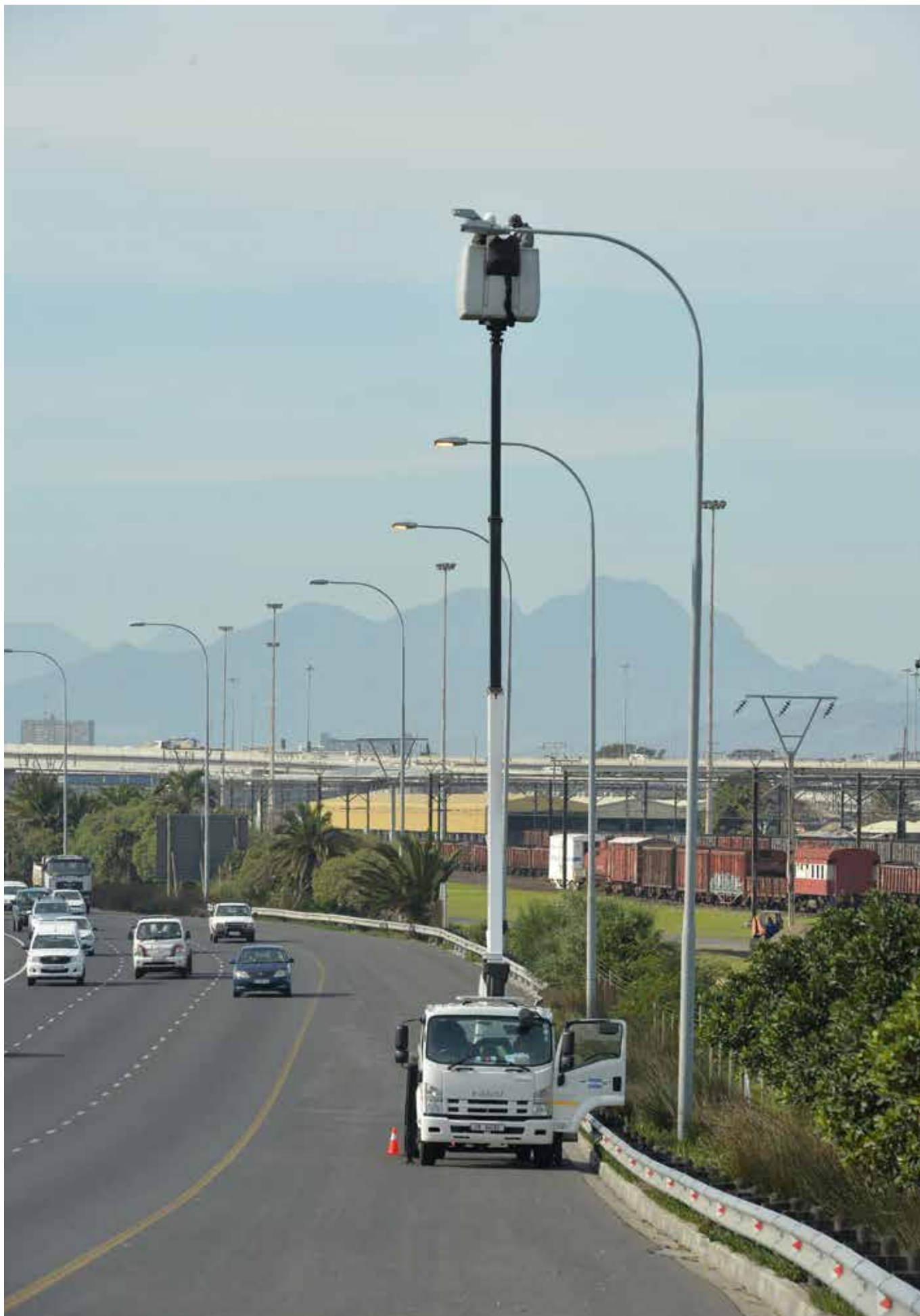
RATING KEY: ✓ Well above ◆ Target achieved ● On target ▲ Below ✗ Well below						
Indicator	2013/14 (previous financial year)		2014/15 (current financial year)			
	Target	Actual	Target	Actual	Status	
THE INCLUSIVE CITY	4.A Percentage adherence to citywide service standards - external notifications	100%	93,77%	100%	103,4%	◆
	4.B Community satisfaction survey - community facilities (1-5 Likert) (AT)	3,1	3,2	3,1	3,1	●
THE WELL-RUN CITY	5.A Number of municipal meetings open to the public	174	193	174	193	✓
	5.B Employee engagement index as measured in a biennial staff empowerment survey (Bi-AT)	39%	34,6%	Bi-AT	—	N/A
	5.C Community satisfaction survey (score 1-5) - citywide	2,8	2,9	2,9	2,8	▲
	5.D Percentage of people from employment equity target groups employed in the three highest levels of management in compliance with the City's approved employment equity (EE) plan	78%	65,55%	80%	66%	✗
	5.E Percentage budget spent on implementation of workplace skills plan (WSP) for the City	95%	96,85%	95%	92,82%	▲
	5.F Opinion of the Auditor-General	Clean audit	Clean audit	Clean audit	Clean audit	●
	5.G Opinion of independent rating agency	High investment rating (subject to sovereign rating)	High investment rating – Aa3	High investment rating (subject to sovereign rating)	High investment rating reaffirmed – A1.za	●
	5.H Ratio of cost coverage maintained	2:1	2,17:1	2:1	1,88:1	▲
	5.I Net debtors to annual income [ratio of outstanding service debtors to revenue actually received for services]	20,5%	19,9%	20,96%	20,44%	✓
	5.J Debt coverage by own billed revenue	2,5:1	4,13:1	2,75:1	4,91:1	◆

	Reason for variance	Remedial action
	Target achieved	Maintain the momentum
	On target	Maintain the momentum
	Well above target	Maintain the momentum
	Biennial target – survey will be conducted in the 2015/16 financial year again.	
	In 2014/2015, residents' rating was slightly lower than the target. This reflects the challenge of maintaining high levels of satisfaction as demand for services grows as a result of increasing levels of urbanisation (the City's population has grown by 30% over the last ten years), as well as the broader context of a challenging economic environment, all of which may have influenced residents' perceptions. Notwithstanding this, the satisfaction rating has increased significantly over the seven-year period since the initial survey, and remains high.	Survey results to be submitted to line directorates/departments to incorporate into their service delivery planning, with a specific focus on addressing the priority areas identified in the survey.
	The positions at levels 1–3 are characterised by scarce-skills categories in terms of senior management and leadership. The City is not the only competitor for these skills, and despite the City's attraction strategy, it is not always able to attract, appoint and retain designated groups at this level.	Continuous monitoring of this indicator. Guiding employment equity (EE) presentations to all line directorates. The City's Corporate Services Directorate is busy revisiting (on a broad Citywide basis) the City's attraction and retention strategies. Succession planning and identification of talent in the designated groups at lower levels, and the positioning of these talents for identified senior positions, is seriously considered and an ongoing priority. The signing of the notice of appointment (NOA) by the employment equity manager is introduced to curb further deviations from targets. Responsible person: Michael Siyolo Due date: Ongoing (end of the employment equity plan)
	Seven of the 13 directorates met their SDBIP target of 95%, whilst six directorates did not meet the target. Various factors resulted in service delivery being given priority over training. These included natural disaster (winter storms); service delivery protests and increased gang activity, resulting in increased demand for higher levels of safety and security staff being deployed; realignment of training to more closely match departmental needs, and internal bursars not taking up their studies this year.	Transport Cape Town (TCT) has realigned their training/workplace skills plan (WSP) to achieve their targets going forward there. Safety & Security will continue to monitor their spend closely and manage their WSP. The Community Organisation Resource Centre, Utilities and Human Settlements will monitor more closely to ensure maximum spend. Corporate employee training and development will increase monitoring and reporting to executive directors to alert them on their underspend early in the year. Quarterly reporting to Corporate Services Portfolio Committee will also continue. Responsible person: Justine Quince Due date: Ongoing
	On target	Maintain the momentum
	On target	Maintain the momentum
	The lower level in the cost coverage ratio has a corresponding significant positive impact on the City's debt coverage ratio (5.J), due to the City having used its own cash reserves as an alternative to taking up loans to fund its capital programme. This also has a positive effect on the outstanding loans account of the City, as there are no further loans with cost consequences such as interest rates and loan repayments.	No remedial action required. The City has not taken out loans since 2013, which has also had a positive impact on the City's debt coverage ratio (5.J). The City will continue to monitor cash flows and will raise loans when appropriate.
	Well above target	Maintain the momentum
	Target achieved	Maintain the momentum

APPENDIX C:

CTICC PERFORMANCE SCORECARD FOR THE 2014/15 FINANCIAL YEAR

RATING KEY:  Well above  Target achieved  On target  Below  Well below						
No	Indicator	Target performance 30 June 2015	Actual performance 30 June 2015	Rating	Reason for variance	Remedial action
1	Operating profit – percentage achievement of budgeted operating profit	100%	319%		Combination of favourable revenue variance and cost savings has resulted in overachievement of operating profit.	
2	Capital projects – percentage of the total number of capital projects for the year completed or committed	80%	100%		Well above target	Maintain the momentum
3	Capital expenditure (CTICC East expansion programme) – percentage achievement of expansion capital budget	Completion of traffic management plan, appointment of principal building contractor, submission of basement and building plans	Achieved		Target achieved	Maintain the momentum
4	Capital expenditure – maintain five stars through effective management of maintenance	5-star grading achieved	5-star grading achieved		On target	Maintain the momentum
5	Events – number of international events hosted compared to budgeted target	32	32		On target	Maintain the momentum
6	Events – number of events hosted compared to budgeted target	500	502		Target achieved	Maintain the momentum
7	External audit report – unqualified (clean) audit report for 2013/14 financial year	Unqualified (clean) Audit Report	Unqualified (clean) Audit Report achieved		Target achieved	Maintain the momentum
8	Human capital development – percentage of annual total salary cost spend on training of permanent and temporary staff	5%	5%		On target	Maintain the momentum
9	Minimum competency level – number of senior managers registered for MFMA competency course	7	10		Well above target	Maintain the momentum
10	Customer centricity and service excellence	75%	80%		Target achieved	Maintain the momentum
11	Supply chain procurement from BEE suppliers measured i.t.o. of BEE Act	50%	85%		Well above target	Maintain the momentum



APPENDIX D: CAPITAL BUDGET SUMMARY PER SUBCOUNCIL AND WARD

Subcouncil and ward	Provisional actual exp 2014/15	Budget 2015/16	Budget 2016/17	Budget 2017/18
Subcouncil 1 Blaauwberg	40 198 352	214 629 011	176 271 926	107 670 000
Ward 4	4 640 729	18 512 007	40 000 000	50 000 000
Ward 23	6 824 414	53 200 000	61 000 000	18 500 000
Ward 29	904 507	10 480 000	31 330 000	38 870 000
Ward 32	8 411 896	101 508 004	22 524 364	300 000
Ward 104	14 090 618	26 233 000	21 417 562	0
Ward 107	480 000	380 000	0	0
Multi-ward projects within subcouncil 1 Blaauwberg	4 846 189	4 316 000	0	0
Subcouncil 2 Bergdal	10 485 042	55 830 000	59 921 447	63 100 000
Ward 6	1 214 225	41 950 000	57 500 000	37 000 000
Ward 7	83 412	9 590 000	1 700 000	0
Ward 8	7 979 486	3 640 000	721 447	16 500 000
Ward 111	1 207 919	650 000	0	9 600 000
Subcouncil 3 De Grendel	8 797 135	96 002 560	9 587 750	750 000
Ward 1	346 360	370 000	250 000	250 000
Ward 3	7 585 716	87 202 290	6 337 750	500 000
Ward 5	420 305	7 830 000	3 000 000	0
Ward 70	444 754	600 000	0	0
Multi-ward projects within subcouncil 3 De Grendel	0	270	0	0
Subcouncil 4	39 891 830	135 925 225	145 895 779	79 650 979
Ward 25	1 834 906	2 050 135	2 500 000	1 000 000
Ward 26	4 047 329	17 298 111	126 702 000	73 487 000
Ward 27	28 106 653	80 643 979	9 563 979	4 563 979
Ward 28	2 575 823	973 000	800 000	600 000
Ward 30	3 327 119	34 960 000	6 329 800	0
Subcouncil 5	24 046 285	65 829 219	84 996 981	74 400 000
Ward 13	4 273 134	3 850 000	0	0
Ward 20	757 268	366 000	4 000 000	2 500 000
Ward 24	287 395	240 000	400 000	200 000
Ward 31	16 871 809	54 311 000	66 000 000	66 500 000
Ward 50	221 775	257 800	800 000	200 000
Ward 106	1 634 903	6 800 000	12 796 981	4 000 000
Multi-ward projects within subcouncil 5	0	4 419	1 000 000	1 000 000
Subcouncil 6	183 612 779	60 894 623	85 000 000	166 496 300
Ward 2	3 770 722	3 540 000	2 500 000	10 700 000
Ward 9	150 536 380	38 480 000	70 000 000	83 096 300
Ward 10	16 649 630	1 965 000	3 500 000	62 700 000
Ward 12	12 234 259	16 218 493	9 000 000	10 000 000
Ward 22	421 789	250 000	0	0
Multi-ward projects within subcouncil 6	0	441 130	0	0
Subcouncil 7 Koeberg	85 904 307	104 685 200	122 167 000	157 191 447
Ward 21	19 424 567	22 074 100	66 150 000	125 160 000
Ward 101	2 839 917	6 872 695	600 000	9 150 000
Ward 102	491 862	487 590	0	0
Ward 103	10 517 681	8 384 000	3 250 000	100 000
Ward 105	52 630 279	66 866 018	51 667 000	22 000 000
Multi-ward projects within subcouncil 7 Koeberg	0	797	500 000	781 447

Subcouncil and ward	Provisional actual exp 2014/15	Budget 2015/16	Budget 2016/17	Budget 2017/18
Helderberg East subcouncil 8	29 880 154	131 250 275	235 801 425	200 766 000
Ward 83	1 227 651	23 440 275	25 374 425	1 000 000
Ward 84	408 157	24 640 000	17 350 000	9 700 000
Ward 85	9 981 720	2 200 000	600 000	1 000 000
Ward 86	1 000 842	11 670 000	27 827 000	10 666 000
Ward 100	12 644 866	55 300 000	158 650 000	172 400 000
Multi-ward projects within Helderberg East subcouncil	4 616 917	14 000 000	6 000 000	6 000 000
Xolani Mbundu subcouncil 9	3 795 635	13 863 949	15 500 000	10 500 000
Ward 18	898 641	0	0	0
Ward 87	701 371	11 000 000	15 000 000	10 000 000
Ward 89	9 257	2 700 000	500 000	500 000
Ward 90	2 095 569	0	0	0
Ward 91	90 797	0	0	0
Multi-ward projects within Xolani Mbundu subcouncil 9	0	163 949	0	0
Chris Hani subcouncil 10	20 366 481	4 960 055	24 000 000	26 819 200
Ward 92	1 495 485	2 000 000	10 000 000	23 819 200
Ward 93	3 636 393	1 580 000	1 500 000	1 500 000
Ward 94	14 836 058	800 000	5 500 000	1 500 000
Ward 99	398 544	580 000	0	0
Multi-ward projects within Chris Hani subcouncil	0	55	7 000 000	0
Subcouncil 11	155 400 213	93 414 192	150 375 901	86 770 000
Ward 42	88 345 025	1 074 000	0	620 000
Ward 44	54 854 429	2 000 000	5 450 000	4 700 000
Ward 45	501 001	1 000 000	1 000 000	500 000
Ward 49	11 499 758	89 340 192	143 925 901	80 150 000
Multi-ward projects within subcouncil 11	200 000	0	0	800 000
Subcouncil 12 Mitchells Plain	6 630 517	42 009 700	12 000 000	58 400 000
Ward 78	1 372 984	303 061	0	0
Ward 79	621 598	29 290 000	5 000 000	20 000 000
Ward 81	25 424	6 880 000	6 500 000	38 000 000
Ward 82	4 610 512	5 536 639	0	0
Multi-ward projects within subcouncil 12	0	0	500 000	400 000
David Mthetho Ntlanganiso subcouncil 13	16 490 685	11 612 396	2 000 000	2 000 000
Ward 33	449 998	7 000 000	0	0
Ward 34	15 515 094	3 370 777	2 000 000	2 000 000
Ward 35	0	150 000	0	0
Ward 36	0	850 000	0	0
Multi-ward projects within David Mthetho Ntlanganiso subcouncil 13	525 593	241 619	0	0
Subcouncil 14 Miranda Ngculu	46 835 515	65 893 197	42 280 000	12 800 000
Ward 37	1 194 748	5 940 000	14 150 000	10 000 000
Ward 38	8 585 145	0	0	0
Ward 39	1 523 871	2 350 000	3 000 000	500 000
Ward 40	15 521 153	175 000	1 130 000	2 300 000
Ward 41	4 374 247	40 000 000	24 000 000	0
Multi-ward projects within subcouncil 14 Miranda Ngculu	15 636 352	17 428 197	0	0

Subcouncil and ward	Provisional actual exp 2014/15	Budget 2015/16	Budget 2016/17	Budget 2017/18
Subcouncil 15	120 070 711	180 872 054	145 335 312	8 100 000
Ward 51	1 467 939	3 192 000	2 000 000	1 000 000
Ward 52	91 818 151	57 316 000	21 000 000	4 000 000
Ward 53	655 903	1 109 540	0	0
Ward 55	23 926 837	30 251 540	40 000 000	100 000
Ward 56	1 334 706	2 539 540	5 000 000	3 000 000
Ward 57	627 575	82 535 353	7 885 312	0
Multi-ward projects within subcouncil 15	239 600	3 928 081	69 450 000	0
Good Hope subcouncil 16	173 331 973	286 550 707	229 777 930	110 531 698
Ward 54	19 976 455	13 975 000	6 000 000	2 000 000
Ward 74	21 997 157	47 465 642	60 290 000	12 181 698
Ward 77	131 303 818	223 885 550	163 487 930	96 350 000
Multi-ward projects within Good Hope subcouncil 16	54 543	1 224 515	0	0
Subcouncil 17	53 229 779	6 985 491	13 900 000	19 100 000
Ward 46	3 239 992	4 520 000	10 000 000	15 000 000
Ward 47	49 186 100	350 000	400 000	3 100 000
Ward 48	299 927	570 000	0	0
Ward 60	576 218	745 491	500 000	500 000
Multi-ward projects within subcouncil 17	(72 457)	800 000	3 000 000	500 000
Subcouncil 18	58 658 957	99 427 106	21 280 000	129 429 600
Ward 63	294 534	1 090 000	800 000	350 000
Ward 65	135 000	318 000	1 100 000	125 500 000
Ward 66	32 917 348	58 700 065	2 000 000	2 929 600
Ward 68	6 826 067	1 401 041	0	0
Ward 80	16 980 971	36 560 000	17 380 000	150 000
Ward 110	1 505 038	1 358 000	0	500 000
South Peninsula subcouncil 19	90 044 069	187 486 787	139 855 345	111 706 200
Ward 43	54 186 194	115 634 951	55 120 000	63 570 000
Ward 61	1 838 685	15 932 025	22 348 889	18 729 000
Ward 64	24 446 686	10 615 000	0	0
Ward 67	8 061 190	20 785 421	37 243 136	18 400 000
Ward 69	1 424 860	24 444 390	25 143 320	11 007 200
Multi-ward projects within South Peninsula subcouncil 19	86 453	75 000	0	0
Subcouncil 20	13 105 818	35 430 997	43 832 032	32 650 000
Ward 58	1 581 678	6 000 000	0	0
Ward 59	1 156 480	580 000	150 000	50 000
Ward 62	1 001 806	2 886 832	15 350 000	25 500 000
Ward 71	1 063 105	1 725 000	6 000 000	7 000 000
Ward 72	7 688 725	23 608 401	22 232 032	0
Ward 73	614 024	630 764	100 000	100 000
Oostenberg subcouncil 21	13 932 053	18 009 717	23 450 000	9 950 000
Ward 11	439 342	955 000	500 000	1 500 000
Ward 14	1 409 637	13 690 000	21 250 000	4 000 000
Ward 17	454 818	1 075 000	0	0
Ward 19	797 958	2 259 717	1 450 000	700 000
Ward 108	10 830 299	30 000	250 000	3 750 000

Subcouncil and ward	Provisional actual exp 2014/15	Budget 2015/16	Budget 2016/17	Budget 2017/18
Helderberg 1 subcouncil 22	10 314 944	203 688 770	243 200 000	374 680 000
Ward 15	589 007	9 168 787	14 200 000	45 300 000
Ward 16	447 928	1 555 000	3 000 000	3 000 000
Ward 109	9 278 009	192 912 823	226 000 000	326 380 000
Multi-ward projects within Helderberg 1 subcouncil 22	0	52 160	0	0
Subcouncil 23	7 363 245	14 400 655	0	0
Ward 75	4 438 206	710 223	0	0
Ward 76	2 348 799	12 580 216	0	0
Ward 88	576 240	1 110 216	0	0
Solomon Mahlangu subcouncil 24	50 227 015	37 045 911	10 000 000	2 000 000
Ward 95	1 795 989	13 600 000	10 000 000	2 000 000
Ward 96	1 217 428	330 000	0	0
Ward 97	41 392 652	21 011 261	0	0
Ward 98	5 820 946	2 104 650	0	0
Multi-ward projects	3 374 332 254	3 234 879 667	3 007 901 007	3 047 819 854
Multi-ward projects	3 374 332 254	3 234 879 667	3 007 901 007	3 047 819 854
Corporate infrastructure projects	563 547 355	642 407 338	469 232 753	486 789 155
Corporate infrastructure projects	563 547 355	642 407 338	469 232 753	486 789 155
Grand total	5 200 493 103	6 043 984 802	5 513 562 588	5 380 070 433

ABOUT THIS REPORT

OVERVIEW OF THE
CITY OF CAPE TOWNGOVERNANCE, COMPLIANCE
AND RISK MANAGEMENT2014/15
PERFORMANCE REVIEWFINANCIAL PERFORMANCE AND
ECONOMIC SUSTAINABILITYANNUAL FINANCIAL
STATEMENTS

APPENDICES

APPENDIX E: LIST OF ABBREVIATIONS, TABLES AND FIGURES

List of abbreviations

AMI	advanced metering infrastructure	GDP	gross domestic product
AOD	alcohol and other drugs	GGP	gross geographic product
AQMP	Air Quality Management Plan	GHS	General Household Survey (conducted by Statistics South Africa)
ART	antiretroviral therapy	GIS	geographic information systems
ARV	antiretroviral(s)	HASCom(s)	health and safety committees
ASOD	average speed over distance	HR	human resources
BBBEE	broad-based black economic empowerment	HSDG	Human Settlements Development Grant
BioNet	biodiversity network	IAMP	infrastructure asset management programme
BNG	Breaking New Ground	ICM	integrated coastal management
BRT	bus rapid transit	ICT	information and communications technology
BWAS	bulk water augmentation scheme	IDA	incremental development area
CBD	central business district	IDP	Integrated Development Plan
CBO	community-based organisation	IHSF	Integrated Human Settlements Framework
CCTV	closed-circuit television	IIA	Institute of Internal Auditors
CIP	conservation implementation plan	IMEP	Integrated Metropolitan Environmental Policy
CITP	Comprehensive Integrated Transport Plan	IPTN	Integrated Public Transport Network (Plan)
CORC	Community Organisation Resource Centre	IRM	Integrated Risk Management (Department)
CRU	community residential unit	ISO	International Organisation for Standardisation
CSS	community satisfaction survey	ISN	Informal Settlements Network
CTA	Cape Town Activa	IS&T	Information Systems and Technology (Department)
CTICC	Cape Town International Convention Centre	LCD	liquid-crystal display
CTSDF	Cape Town Spatial Development Framework	LED	light-emitting diode
DCCP	Dassenberg Coastal Catchment Partnership	LTAB	Land Transport Advisory Board
DEA	Department of Environmental Affairs	Mayco	Mayoral Committee
DIRC	Development Information Resource Centre	MFMA	Municipal Finance Management Act
DMS	Development Management Scheme	MLTF	Municipal Land Transport Fund
DWS	Department of Water and Sanitation	MOD	mass participation, opportunity and access, development and growth
ECAMP	Economic Areas Management Programme	MPAC	Municipal Public Accounts Committee
ECD	early childhood development	MTREF	Medium-Term Revenue and Expenditure Framework
ED	executive director	MURP	mayoral urban regeneration programme
EDP	Economic Development Partnership	NEMA	National Environmental Management Act
EE	employment equity	NGO	non-governmental organisation
EGS	Economic Growth Strategy	NKPI	national key performance indicator
EHP	emergency housing programme	NMT	non-motorised transport
EIA	environmental impact assessment	OHS	occupational health and safety
EMI	environmental management inspector	PHP	People's Housing Process
EMT	Executive Management Team	PMTCT	prevention of mother-to-child transmission (of HIV)
EPWP	Expanded Public Works Programme		
ERMD	Environmental Resource Management Department		

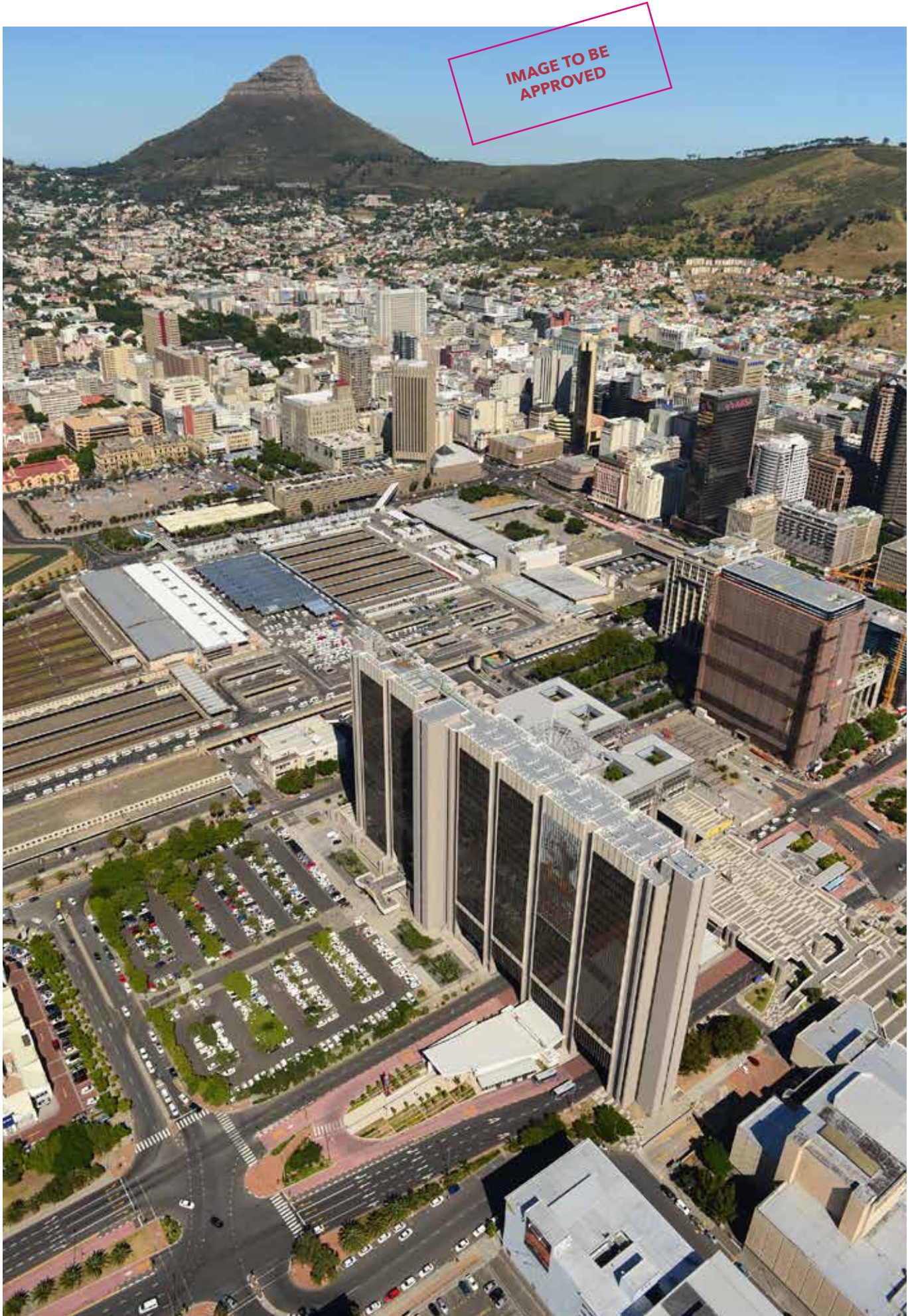
PRASA	Passenger Rail Agency of South Africa
Province	Western Cape Provincial Government
SANBI	South African National Biodiversity Institute
SANRAL	South African National Roads Agency Limited
SANS	South African National Standards
SAPS	South African Police Service
SDBIP	service delivery and budget implementation plan
SDS	Social Development Strategy
Seda	Small Enterprise Development Agency
SETA	sectoral education and training authority
SFA	strategic focus area
SMME	small, medium and micro-sized enterprise
SPELUM	Spatial Planning, Environment and Land Use Management (Committee)
SPLUMA	Spatial Planning and Land Use Management Act
TB	tuberculosis
TCT	Transport for Cape Town
TDF	Tourism Development Framework
TDI	transport development index
TDM	travel demand management
TMC	Transport Management Centre
TOD	transit-oriented development
TRA	temporary relocation area
UISP	Upgrading of Informal Settlements Programme
UITP	International Union for Public Transport
USDG	Urban Settlements Development Grant
WCWSS	Western Cape water supply system
WDM	water demand management
WDMS	water demand management strategy
WWF	Worldwide Fund for Nature
WWTW	wastewater treatment works

List of tables

Table 1: IDP objectives and programmes for the opportunity city	34
Table 2: The City of Cape Town's broadband roll-out	45
Table 3: TCT infrastructure projects.....	68
Table 4: IDP objectives and programmes for the safe city	80
Table 5: IDP objectives and programmes for the caring city	86
Table 6: Breakdown of housing opportunities in 2014/15 financial year	92
Table 7: Integrated human settlements targets for 2015/16.....	92
Table 8: IDP objectives and programmes for the inclusive city	106
Table 9: IDP objectives and programmes for the well-run city	114
Table 10: City of Cape Town workforce profile and targets as at 30 June 2015	116
Table 11: Total number of City employees with disabilities as at 30 June 2015	117
Table 12: Employment equity focus areas in the 2014/15 financial year	118

List of figures

Figure 1: Governance structure of the City of Cape Town	22
Figure 2: Executive Management Team structure of the City of Cape Town	27
Figure 3: Major infrastructure risks within development areas	49
Figure 4: City of Cape Town electricity infrastructure hierarchy	53
Figure 5: Cape Town's water and wastewater infrastructure.....	55
Figure 6: Waste management hierarchy of the City of Cape Town	58
Figure 7: TCT Long-Term Strategy.....	67
Figure 8: Integrated Public Transport Network (IPTN) 2032	71
Figure 9: TCT committee structures	73
Figure 10: Quality of drinking water in the City of Cape Town.....	102
Figure 11: Municipal services per every R1 000 of property rates.....	128
Figure 12: Funding of the City of Cape Town's budget.....	129



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