



CITY OF CAPE TOWN
ISIXEKO SASEKAPA
STAD KAAPSTAD

ANNEXURE A

2021/22 ADJUSTMENTS BUDGET

27 January 2022

**[Including additional recommendations
approved at the Council meeting]**

PART 1 - ADJUSTMENTS BUDGET: PARENT MUNICIPALITY – CITY OF CAPE TOWN1

| | |
|--|-----------|
| 1. MAYOR'S REPORT..... | 1 |
| 2. RESOLUTIONS..... | 11 |
| 3. EXECUTIVE SUMMARY | 13 |
| 4. ADJUSTMENTS BUDGET TABLES – CITY OF CAPE TOWN | 14 |
| 5. ADJUSTMENTS TO BUDGET ASSUMPTIONS | 41 |
| 6. ADJUSTMENTS TO BUDGET FUNDING | 41 |
| 7. ADJUSTMENTS RELATED TO ALLOCATIONS AND GRANTS TO THE CITY | 41 |
| 8. ADJUSTMENTS TO TRANSFERS AND GRANTS MADE BY THE CITY..... | 41 |
| 9. ADJUSTMENTS TO COUNCILLOR AND BOARD MEMBER ALLOWANCES AND EMPLOYEE BENEFITS..... | 41 |
| 10. ADJUSTMENTS TO SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN..... | 42 |
| 11. ADJUSTMENTS TO CAPITAL EXPENDITURE | 42 |

PART 2 - ADJUSTMENTS BUDGET: CONSOLIDATED TABLES – PARENT MUNICIPALITY AND ENTITIES 43

PART 3 - ADJUSTMENTS BUDGET: MUNICIPAL ENTITY - CAPE TOWN INTERNATIONAL CONVENTION CENTRE..... 56

PART 4 - ADJUSTMENTS BUDGET: MUNICIPAL ENTITY - CAPE TOWN STADIUM... 64

MUNICIPAL MANAGER'S QUALITY CERTIFICATION 70

LIST OF TABLES

| | |
|--|----|
| Table 1: MBRR Table B1 – Adjustments Budget Summary..... | 24 |
| Table 2: MBRR Table B2 – Adjustments Budget Financial Performance (standard classification) | 26 |
| Table 3: MBRR Table B3 – Adjustments Budget Financial Performance (revenue and expenditure by municipal vote)..... | 28 |
| Table 4: MBRR Table B4 – Adjustments Budget Financial Performance (revenue and expenditure) | 29 |
| Table 5: MBRR Table B5 – Adjustments Budget Capital Expenditure by vote, standard classification and funding source | 30 |
| Table 6: MBRR Table B6 – Adjustments Budget Financial Position | 32 |
| Table 7: MBRR Table B7 – Adjustments Budget Cash Flow Statement..... | 33 |
| Table 8: MBRR Table B8 - Cash Backed Reserves / Accumulated Surplus Reconciliation..... | 34 |
| Table 9: MBRR Table B9 - Asset Management..... | 36 |
| Table 10: MBRR Table B10 - Basic Service Delivery Measurement | 39 |
| Table 11: MBRR Table B1 - Consolidated Adjustments Budget Summary..... | 43 |
| Table 12: MBRR Table B2 - Consolidated Adjustments Budget Financial Performance (standard classification) | 45 |
| Table 13: MBRR Table B3 - Consolidated Adjustments Budget Financial Performance (revenue and expenditure by municipal vote)..... | 46 |
| Table 14: MBRR Table B4 - Consolidated Adjustments Budget Financial Performance (revenue and expenditure)..... | 47 |
| Table 15: MBRR Table B5 - Consolidated Adjustments Capital Expenditure Budget by vote and funding | 48 |
| Table 16: MBRR Table B6 - Consolidated Adjustments Budget Financial Position..... | 49 |
| Table 17: MBRR Table B7 - Consolidated Adjustments Budget Cash Flow..... | 50 |
| Table 18: MBRR Table B8 - Consolidated Cash backed reserves/accumulated surplus reconciliation..... | 50 |
| Table 19: MBRR Table B9 - Consolidated Asset Management | 51 |
| Table 20: MBRR Table B10 - Consolidated Basic service delivery measurement | 54 |
| Table 21: MBRR Table E1 - Adjustments Budget Summary - CTICC..... | 58 |
| Table 22: MBRR Table E2 - Adjustments Budget - Financial Performance (revenue and expenditure) - CTICC | 59 |
| Table 23: MBRR Table E3 Adjustments Capital Expenditure Budget by asset class and funding - CTICC..... | 61 |
| Table 24: MBRR Table E4 Adjustments Budget - Financial Position - CTICC..... | 62 |
| Table 25: MBRR Table E5 Adjustments Budget - Cash Flows - CTICC..... | 63 |
| Table 26: MBRR Table E1 Adjustments Budget Summary - CTS..... | 65 |
| Table 27: MBRR Table E2 Adjustments Budget - Financial Performance (revenue and expenditure) - CTS..... | 66 |
| Table 28: MBRR Table E4 Adjustments Budget - Financial Position - CTS..... | 68 |
| Table 29: MBRR Table E5 Adjustments Budget - Cash Flows - CTS..... | 69 |

LIST OF ANNEXURES

ANNEXURE 1.1: ADJUSTMENTS TO 2021/22 OPERATING BUDGET (JANUARY 2022)

ANNEXURE 1.2: ADJUSTMENTS TO TRANSFERS AND GRANTS MADE BY THE CITY (JANUARY 2022)

ANNEXURE 1.3: 2021/22 WARD ALLOCATIONS OPERATING AMENDMENTS AND ADDITIONS (JANUARY 2022)

ANNEXURE 2.1: 2021/22 TO 2023/24 CAPITAL ADJUSTMENTS BUDGET (JANUARY 2022): SUMMARY PER MAJOR FUND SOURCE

ANNEXURE 2.2: 2021/22 TO 2023/24 CAPITAL ADJUSTMENTS BUDGET (JANUARY 2022): DETAILS OF 2021/22 INCREASES/DECREASES WITH MOTIVATIONS

ANNEXURE 2.3: 2021/22 TO 2023/24 CAPITAL ADJUSTMENTS BUDGET (JANUARY 2022): DETAILS OF 2022/23 INCREASES/DECREASES WITH MOTIVATIONS

ANNEXURE 2.4: 2021/22 TO 2023/24 CAPITAL ADJUSTMENTS BUDGET (JANUARY 2022): DETAILS OF 2023/24 INCREASES/DECREASES WITH MOTIVATIONS

ANNEXURE 3: 2021/22 MTREF AMENDED CHAPTER REQUIRED TO BE INCLUDED IN THE IDP

ANNEXURE 4: INDIVIDUAL PROJECTS WITH A TOTAL PROJECT COST IN EXCESS OF R50 MILLION (TO GIVE EFFECT TO SECTION 19(1)(B) OF THE MFMA AND REGULATION 13(1)(B) OF THE MBRR)

GLOSSARY OF TERMS AND ABBREVIATIONS

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

Allocations – Money received from Provincial and National Treasury.

Budget – The financial plan of a municipality.

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

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

CGD – Capital Grants and Donations mainly comprising of National and Provincial Government allocations as well as public contributions and donations from external parties.

CCT – City of Cape Town

CRR – Capital Replacement Reserve. An internal funding source used for capital projects, which must at all times be cash-backed in line with Section 18 of the MFMA.

CTICC - Cape Town International Convention Centre

CTS – Cape Town Stadium

EFF – External Financing Fund. Internal funding mechanism and funded from borrowing for capital expenditure.

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

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

MBRR – Municipal Budget Reporting Regulations

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

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

NT – National Treasury

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

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

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

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

WCG – Western Cape Government

PART 1 - ADJUSTMENTS BUDGET: PARENT MUNICIPALITY – CITY OF CAPE TOWN

1. Mayor's Report

1.1. Summary of reasons for the adjustments budget

The primary reasons for the recommendation to adopt a January 2022 adjustments budget are:

- The appropriation of approved committed 2020/21 grant funding from National Treasury (NT) and Western Cape Government (WCG);
- The change in funding source from Capital Replacement Reserve (CRR) to Capital Grants & Donations (CGD) on projects approved by NT and WCG as part of the 2020/21 roll-over application, which was funded from the CRR on an interim basis pending outcome of the approval process;
- Review of the capital programme resulting in the reduction of City's borrowing requirement;
- Rephasing of internal funds where implementation of projects will continue in the 2022/23 and 2023/24 financial years;
- Upward/downward adjustment of revenue- and expenditure estimates based on current trends;
- Realignment of sundry budgetary provisions resulting from updated implementation programmes; and
- Organisational structure realignment.

On account of the timing of the adjustments budget, following the municipal elections and prior to the approval of a new IDP, it has not been possible for the adjustments budget to be fully realigned to reflect the electoral manifesto, however, the inclusion of the following immediately implementable initiatives has been facilitated:

- Extending allocations to the City's Clean-up Campaign;
- Additional budget for repairs and maintenance for Human Settlements and in the urban environment;
- Additional Safety and Security budget;
- Further support for Safe Spaces;
- Additional resources to ensure title-deed transfers;
- Repairing irrigation at Strandfontein Sports Complex and fast-tracking of planning for the Strandfontein Pavilion;
- Repairs to the Muizenberg huts; and
- Vaccination programme support.

Further adjustment details are listed below.

a. Multi-year funds shifting in relation to the capital programme

The reasons for multi-year shifting are inter alia:

- Committed 2020/21 conditional grants approved by the NT in terms of section 22(1) of the 2020 Division of Revenue Act (DoRA), (Act No. 20 of 2020), dated 10 November 2021.
- Committed 2020/21 conditional grants approved by WCG in terms of Section 10 (2) of the Western Cape Appropriation Act 2020 (2 of 2020), dated 12 November 2021.
- Amendments on national funding in terms of the Division of Revenue Amendment Bill, gazette number 45390 of 27 October 2021.
- Amendments on provincial funding in terms of Provincial Gazette Extraordinary, number 8531 of 15 December 2021.
- Review of the capital programme with the view to reduce the City's borrowing requirement.
- Administrative transfers/virements of budgetary provisions as approved in terms of Council's System of Delegations of Powers, and Virement Policy.
- Updated implementation programmes of projects funded from external sources i.e. CGD as well as internal sources i.e. CRR and External Financing Fund (EFF). Whilst backed by approved business plans, local conditions often require amendments to implementation procedures, as agreed with donors (CGD-funded projects).
- Review and amendments to project linkages of approved 2021/22 capital projects to ensure correct alignment to programmes/routine programmes as per approved definitions.
- Shifting of funding between the operating- and capital budget.

b. Allocations and grant adjustments

Capital grants and donations

- Infrastructure Skills Development Grant (ISDG) (national funding) increases by R137 439 in line with approved committed 2020/21 conditional allocations.
- Informal Settlements Upgrading Partnership Grant (ISUPG) (national funding) increases by R11.6 million with a corresponding decrease on the operating budget.
- Public Transport Network: Budget Facility for Infrastructure (PTNG-BFI) Grant (national funding) decreases by R1 340 million in line with NT's Division of Revenue Amendment Bill correction, gazette number 45390 dated 27 October 2021, and to bring it in line with the original cash flows agreed between the National Department of

Transport and the City, as explained to Council at its meeting held on 25 November 2021.

- Public Transport Network Grant (PTNG) (national funding) decreases by R24.4 million with a corresponding increase on the operating budget.
- Urban Settlements Development Grant (USDG) (national funding) increases by R38.2 million:
 - R33.9 million approved committed 2020/21 conditional allocations; and
 - R4.3 million increase with a corresponding decrease on the operating budget.
- Energy Efficiency and Demand Side Management (EE&DSM) Grant (national funding) decreases by R285 000 with a corresponding increase on the operating budget.
- Neighbourhood Development Partnership Grant (NDPG) (national funding) decreases by R34.8 million in line with NT's Division of Revenue Amendment Bill, gazette number 45390 dated 27 October 2021.
- Integrated City Development Grant (ICDG) (national funding) increases by R4 million in line with approved committed 2020/21 conditional allocations.
- Committed 2020/21 conditional grants of R19.7 million approved by WCG resulting in the following increases in 2021/22:
 - Library Services: Metro Library Grant (PT Library: Metro) - R415 883; and
 - Law Enforcement Advancement Plan Grant (WCG - LEAP) - R19.3 million.
- Human Settlements Development Grant (HSDG) (provincial funding) decreases by R10.5 million in line with Provincial Gazette Extraordinary, number 8531 of 15 December 2021.
- Law Enforcement Auxiliary Services (PGWC: LEAS) (provincial funding) increases by R2.7 million with a corresponding decrease on the operating budget.
- CHIETA funding (other - unconditional grants) increases by R255 000 for the procurement of IT equipment for the graduate programme.
- National Housing Programs Grant (State: Other) – accumulated interest - (other - unconditional grant) increases by R232 000 for the procurement of IT equipment for the graduate programme.
- Orio funding (other - unconditional grants) decreases by R13.1 million in 2021/22, increases by R3.2 million in 2022/23 and decreases by R22.3 million in 2023/24 on the IRT Phase 2 A project as funding will only be contributed from the 2022/23 financial year to align with the Orio funding agreement.

Operating grants and donations

- WCG grant allocations increases by R30.4 million as per Provincial Gazette Extraordinary 8531 of 15 December 2021
 - HIV & Aids - R750 000: For the development and implementation of an effective response to HIV/AIDS, TB and STIs.
 - Municipal Library Support Grant - R8.5 million: To support municipal investment in public library services.
 - Public Employment Support Grant - R17.6 million: For implementation of targeted, short-term public employment programs for communities identified as being in distress.
 - Public Transport Safety Grant - R2 million
 - Settlement Assistance Grant - R1.5 million
- WCG grant allocations decreases by R189 million as per Provincial Gazette Extraordinary 8531 of 15 December 2021
 - Resource Funding for establishment and Support of a K9 Unit Grant - R2.4 million
 - LEAP Grant - R184.8 million
 - Tourism Safety Law Enforcement Unit Grant - R1.8 million
- Committed 2020/21 conditional grants of R161.9 million approved by WCG resulting in the following increases in 2021/22:
 - Resource funding for establishment and support of a K9 unit - R1.2 million
 - Law Enforcement Advancement Project (LEAP) Grant - R154 million
 - Training of Volunteers for Law Enforcement - R1.5 million
 - PT Library: Metro grant - R400 000
 - Library Periodicals Grant - R3.4 million
 - Municipal Accreditation Capacity Building Grant - R1.4 million
 - Transport and Public Works Grant (Dial-a-Ride) - R19 353
- Primary Health Care Grant (conditional) decreases by R32.1 million with a concomitant increase in the Health Care grant (unconditional).
- Training of Volunteers for Law Enforcement Auxiliary Services decreases by R2.7 million. This is mainly due to the shifting of funds from the operating budget to the capital budget as the project to be implemented is capital in nature.
- Human Settlements Development Grant increases by R59.3 million due to approved committed 2020/21 grant funding from WCG amounting to R75.1 million and a refund to WCG amounting to R15.8 million.
- Public Transport Interchange & Support Grant (unconditional) - accumulated interest - decreases by R19.5 million. The reduction on projects funded from available interest is due to reviewed original plans, current requirements and realistic implementation of the following projects: Dial-a-ride, Rail Feasibility, IRT Phase 2 and Title Deeds.

- Cape Metropolitan Transport Fund decreases by R1.9 million considering the estimated outcomes for the remainder of the financial year of the Public Integrated Transport Network- and Integrated Transport Plan projects.
- Private Sector funding (unconditional grants) increases by R4.9 million as a result of agreements signed with various stakeholders for the appointment of law enforcement- and traffic officers.
- KFW-Technical Assistance Grant decreases by R10 million based on ability to implement and estimated outcomes for the remainder of the financial year.
- Dutch Government-ORIO Grant decreases by R2.5 million due to delays in the filling of vacancies.
- Urban Settlement Development Grant increases by R14 million, due to approved roll-overs amounting to R18.4 million and a reduction of R4.3 million for funds shifted from the operating budget to the capital budget as projects to be implemented are capital in nature.
- Integrated City Development Grant increases by R603 394 due to approved roll-over.
- Regional Land Claims Commissioner funding increases by R4 million as a result of the Memorandum of Agreement with the Land Claims Commissioner in respect of Dido Valley land claims.
- Public Employment Programme (PEP) increases by R161 million as per the Division of Revenue Bill (B19-2021) of 11 November 2021. Funding will be utilised for the creation of public employment opportunities as part of the Presidential Employment Stimulus Programme within various directorates.
- Equitable Share (for COVID-19 related expenditure) increases by R144.6 million as a result of the approved roll-over for expenditure related to COVID-19 pandemic within various directorates.
- Energy Efficiency & Demand Side Management Grant increases by R285 000 with a concomitant decrease on the capital budget as the project to be implemented is operational in nature.
- Neighborhood Development Partnership Grant decreases by R4.8 million as per the Division of Revenue Bill (B19-2021) of 11 November 2021.
- Public Transport Network Grant increases by R39.8 million due to funds shifted from the capital budget to the operating budget as projects to be implemented are operating in nature.

- Informal Settlements Upgrading Partnership Grant decreases by R11.6 million due to funds shifted from the operating budget to the capital budget as projects to be implemented are capital in nature.

c. Revenue estimates adjustments - upward and downward

- A reduction of R73.9 million on Internal Loan Interest, due to revised EFF-funded capital projects as per the proposed capital adjustments budget. The earlier than planned capitalisation of assets-under-construction further contributed to less internal interest being charged.
- A decrease of R18.1 million on various revenue items within the Solid Waste Management department (i.e. refuse charges, disposal coupon fees, collection charges, and availability charges) based on projected under-recovery. A concomitant reduction on expenditure was effected.
- A decrease of R14.7 million on Water & Sanitation revenue based on current and estimated trends.
- A reduction of R34.8 million on Interest-Outstanding Debtors based on current trends and estimated water and sanitation debtors.
- An increase of R18.5 million on Interest Earned - External investments, due to the recent increase in the interest rate and the expectation that there will be a gradual increase in the rate in future.
- A reduction of R10.3 million on Water & Sanitation Internal Service Charges based on current consumption trends.
- An increase of R5.4 million on Dumping Cost Internal Service Charges based on current consumption trends.
- A reduction of R21.9 million on Interest - Outstanding Debtors, due to revised estimates on Outstanding Rates Debtors and Interest on Housing Loans.
- A reduction of R12.0 million on various revenue items within the Economic Growth directorate based on projected under-recovery. A concomitant reduction on expenditure was effected.
- An increase of R2 655.1 million on Gains-Inventory Consumed as result of correction of classification as per NT reporting requirements. A concomitant increase was effected on expenditure. This is strictly budgetary realignment.
- A decrease of R1 772.6 million on Bulk Water Internal Revenue Charges as result of correction of as per NT reporting requirements. A concomitant decrease on Bulk Water Internal expenditure was effected.

- A net increase of R5.0 million on various revenue items (Agency Income - R7.9 million increase; Collection Charges - R1.4 million increase; Cash Recoveries Claims - R4.3 million decrease) on based on current trends.
- An increase of R5.1 million on Recoveries of Operational Expenditure within Community Services & Health directorate based on projected over-recovery.
- An increase of R27.7 million on revenue as a result of reduction on Indigent Assistance and Subsidies within the Human Settlements directorate, due to fewer than planned housing tenants qualifying for assistance. A concomitant increase on expenditure was effected.
- An increase of R12.5 million on various revenue items within Urban Mobility directorate (i.e. development levies, forfeits-unclaimed monies, and filming fees) based on current trends. A concomitant increase on expenditure was effected.
- Budgetary realignment of Indigent Assistance - Refuse (R311.1 million) from the Finance directorate to the Urban Waste Management directorate.

d. Expenditure estimates adjustments - upward and downward

- Additional allocation of R30 million within the Corporate Services directorate for the following:
 - R5 million for committed corporate training i.e. internships/learnerships, apprentices, external bursaries, E-HR training; and
 - R25 million for expenditure relating to corporate legal fees as a result of the City's exposure to legal risks.
- Additional allocation to the Community Services & Health directorate for:
 - Irrigation and other maintenance requirements at Strandfontein Sports Grounds – R2 million;
 - Vaccination programme - R2 million; and
 - Safe spaces - R10 million.
- Additional allocation to the Spatial Planning & Environment directorate for:
 - Planning phase for rebuilding of the Strandfontein pavilion - R2 million; and
 - Muizenberg huts and lifeguard hut - R3 million
- Additional allocation to the Economic Growth directorate for funding Wesgro and Cape Skills Initiative - R19 million.
- Additional allocation to the Human Settlements directorate for title-deed transfers - R2 million.
- Additional allocation to the Urban Waste Management directorate for City clean-up campaign - R5 million.

- Additional allocation within the Safety & Security directorate:
 - R50.2 million to address overtime requirements;
 - R10 million to cover expenditure relating to the initiation and implementation of the Contingency Plan for the passing of Archbishop Desmond Tutu.
 - R4.4 million in support of the Absa Cape Epic and Cape Town Cycle Tour Events to ensure continuation with the best possible assistance from the City. These events could not be hosted in 2020/21 due to the COVID-19 pandemic.
- Additional allocations to address repairs and maintenance backlogs within:
 - Urban Mobility directorate - R40 million; and
 - Human Settlements directorate - R60 million.
- Additional allocation of R21.1 million on Group Life provision Citywide based on newly negotiated rates with service provider.
- Additional allocation of R19 million in support of economic activities and development in Cape Town. Funding amounting to R13 million is for the continuation of the Cape Skills project in terms of the agreed funding commitments with the National Skills Fund and EPWP Office. Funding amounting to R6 million will also go towards programme development to support the investments into the region and position Cape Town in the Swedish market as a technology investment destination (Wesgro).
- Additional allocation of R477.4 million on Salaries, Wages & Allowances to address the final wage award. The financial impact is broken down as follows:
 - R355.4 million within Rates Funded Services; and
 - R122.0 million within Trading Services.

This financial impact will be addressed by implementing cuts on various expenditure items as listed below.

- Sundry Vacancy cuts - R25 million;
 - Other salary-related items' reductions - R86 million;
 - General expenditure - R52 million;
 - Debt impairment (Rates) - R50 million;
 - EPWP/MJCP - R75 million;
 - Once-off allocations by way of slippages; and
 - Tariff funded services – will be absorbed from Contributions to CRR.
- An increase of R33.5 million on depreciation charges based on current capitalisation trends.
 - An increase of R26.0 million on external security services and R8.3 million to address capacity gaps within the Energy directorate due to the increased demand for services to safeguard infrastructure.

- An increase of R60.2 million for additional provision on haulage and hire of vehicles after operational review and assessment of requirements within the Urban Waste Management directorate.
- An increase of R75.8 million on Provision for Capital Replacement Reserve within the Water & Sanitation directorate based on review of future requirements.
- An increase of R248.6 million on Post-Retirement Medical Aid (PRMA) provisions based on the latest Actuarial Valuation for PRMA benefit for qualifying employees, to be funded from slippages on Salaries, Wages & Allowances .
- An increase of R36.5 million on Bulk Purchases - Electricity due to provision for correction of Eskom billing.
- A reduction of R7.6 million on External Loans Interest Provision based on current trends.
- A reduction of R80.3 million in City funding relating to the LEAP project. A revised business plan was recently submitted to the Provincial Government Transferring officer indicating that the total budget required for the LEAP programme for the current financial year amounts to R458.3 million. This necessitated adjustments in City funding for the current financial year.
- A reduction of R15 million on Grants-in-Aid as Non-Profit Organisations and Public Benefit Organisations are no longer eligible for both Grants-in-Aid and Rates Rebates as per the Municipal Property Rates Act.
- A reduction of R30 million on the Contribution to CRR (Information Technology) provision for the CAR project, which was already catered for in the Long Term Financial Plan.
- A reduction of R166.2 million on Working Capital Reserve provision within the Water & Sanitation directorate based on higher than projected revenue collections.
- A reduction of R110.3 million on Employee Related Cost within the Community Services & Health directorate as a result of the review of COVID-19 related requirements and the receipt of the Equitable Share Grant roll-over approval (COVID-19 related).

- A reduction of R156.5 million on Contracted Services (i.e. building contractors, pest control, cleaning costs, refuse removal) and Other Expenditure (Subsidy on Homeowners Redemption) funded from the Housing Fund within the Human Settlements directorate as a result of:
 - Delays in the construction of the Temporary Relocation Area units in Du Noon in response to the COVID-19 pandemic, due to awaited planning approval;
 - Later than anticipated finalisation of the procurement of required tenders for the scope of work relating to the project for provision of building management, education and awareness; and communication at the City's rental units in response to COVID-19 pandemic; and
 - Revised requirement on the subsidy on home redemption due to changes in the anticipated redemptions for the financial year.
- Reduction on Working Capital Reserve provision based on higher than projected revenue collections within the following directorates.
 - Energy directorate - R45.4 million; and
 - Urban Waste Management directorate - R76.8 million.
- A reduction of R52.8 million on Provision for Capital Replacement Reserve within Energy directorate based on review of future requirements.
- Additional amendments relating to administrative transfers of budgetary provisions including the following:
 - Re-alignment of budgetary provisions between directorates due to organisational structure realignment and various operational requirements;
 - Budgetary shifts on various operating projects and repairs and maintenance provisions; and
 - Amendments on sundry expenditure items including operating projects, and ward allocations, which are proposed in accordance with the approved System of Delegations and the Virement Policy. These transfers do not affect the total budget quantum.

Recommendations to Council regarding the budget

Taking into consideration the reasons listed in paragraph 1.1, it is recommended that Council approves an adjustments budget.

2. Resolutions

The resolutions tabled at Council for consideration with approval of the adjustments budget are:

- a. That the City's adjustments budget for the 2021/22 financial year be approved and adopted, as set out in the following tables and annexures:
 - i. Operating revenue and expenditure by standard classification reflected in Table 2 on page 26.
 - ii. Operating revenue and expenditure by municipal vote reflected in Table 3 on page 28.
 - iii. Operating revenue by source and expenditure by type reflected in Table 4 on page 29.
 - iv. Capital appropriations by vote reflected in Table 5 on page 30 and Annexure 2.1 to Annexure 2.4.
 - v. Capital expenditure by standard classification reflected in Table 5 on page 30.
 - vi. Capital funding by source reflected in Table 5 on page 30.
 - vii. Budgeted Cash Flow statement as reflected in Table 7 on page 33.
- b. That Council notes the impact of the 2021/22 adjustments budget (January 2022) on the 2022/23 and 2023/24 financial years.
- c. That the Cape Town International Convention Centre's adjustments budget for the 2021/22 financial year be approved and adopted, as set out in the following table:
 - i. Operating revenue by source and expenditure by type reflected in Table 22 on page 59.
 - ii. Capital expenditure by asset class and funding source reflected in Table 23 on page 61.
- d. That the Cape Town Stadium's budget for the 2021/22 financial year be approved and adopted, as set out in the following table:
 - i. Operating revenue by source and expenditure by type reflected in Table 27 on page 66.
- e. That adjustments to transfers and grants made by the City, as set out in Annexure 1.2, be approved.
- f. That the amended MTREF IDP chapter for 2021/22, as set out in annexure 3, be used to update the current chapter in the approved Integrated Development Plan (IDP).

- g. That Council considers the projected cost covering all financial years until the project is operational as well as future operational costs and revenues on projects/programmes, to give effect to sections 19(2) and 19(3) and approve all projects and programmes so listed in Annexures 2 and 4.
- h. That individual projects with a total project cost in excess of R50 million (to give effect to section 19(1)(b), 19(2) and 19 (3) of the MFMA and regulation 13(1)(b) of the MBRR), which were previously approved as part of a programme, as set out in Annexure 4, be approved.

3. Executive Summary

3.1. General

Matters proposed for incorporation into the adjustments budget are listed below.

3.2. Provision of basic services

The total cost of free basic services increased by R642 million in the 2021/22 financial year (from R1.712 billion in 2020/21 to R2.354 billion in 2021/22) to assist vulnerable residents.

The budget amendments in this adjustments budget will have no detrimental impact on the provision of basic services.

3.3. Adjustment highlights

3.3.1. Adjustments made to the operating budget

Full details of proposed amendments to the 2021/22 operating budget are reflected in Annexure 1.1 to this report.

3.3.2. Adjustments to the capital budget

Details of amendments to the 2021/22 capital budget are outlined in Annexure 2.2 to this report.

Implementation progress achieved on the capital budget, when measured against planned year-to-date expenditure, for the respective funding sources at the end of the mid-year period (December 2021), are:

| Funding Source R thousand | YTD Planned Spend | YTD Actual Spend | Implementation progress |
|--|--------------------------|-------------------------|--------------------------------|
| Capital Replacement Reserve (CRR) | 348 702 | 240 431 | 68.95% |
| Capital Grants & Donations (CGD) | 662 070 | 637 179 | 96.24% |
| External Financing Fund (EFF) | 1 431 732 | 988 226 | 69.02% |
| Revenue | 43 192 | 21 607 | 50.02% |
| All funding sources (Total Budget) | 2 485 696 | 1 887 443 | 75.93% |

When measuring progress against the total current capital budget, the funding sources reflect the following:

| Funding Source R thousand | Budget | YTD Actual | Implementation progress |
|--|------------------|-------------------|--------------------------------|
| Capital Replacement Reserve (CRR) | 981 422 | 240 431 | 24.50% |
| Capital Grants & Donations (CGD) | 3 138 842 | 637 179 | 20.30% |
| External Financing Fund (EFF) | 4 613 204 | 988 226 | 21.42% |
| Revenue | 95 214 | 21 607 | 22.69% |
| All funding sources (Total Budget) | 8 828 682 | 1 887 443 | 21.38% |

Based on the aforementioned implementation rates, fund shifts in relation to the capital programme for 2021/22 are proposed as follows:

| Major Fund Source R thousands | 2021/22 Current Budget | 2021/22 Proposed Budget | Increase/ Decrease |
|----------------------------------|---------------------------|----------------------------|-----------------------|
| CGD | 3 138 842 | 1 792 589 | -1 346 253 |
| CRR | 981 422 | 890 827 | -90 596 |
| EFF | 4 613 204 | 3 315 419 | -1 297 785 |
| REVENUE | 95 214 | 96 281 | 1 067 |
| TOTAL | 8 828 682 | 6 095 115 | -2 733 566 |

The major increases and decreases in the 2021/22 financial year, as reflected above, are explained below.

CGD amendments

- ISDG (national funding) increases by R137 439 in line with approved committed 2020/21 conditional allocations.
- ISUPG (national funding) increases by R11.6 million with a corresponding decrease on the operating budget.
- PTNG-BFI Grant (national funding) decreases by R1 340 million in line with NT's Division of Revenue Amendment Bill, gazette number 45390 dated 27 October 2021.
- PTNG (national funding) decreases by R24.4 million with a corresponding increase on the operating budget.
- USDG (national funding) increases by R38.2 million:
 - R33.9 million approved committed 2020/21 conditional allocations; and
 - R4.3 million increase with a corresponding decrease on the operating budget.
- EE&DSM Grant (national funding) decreases by R285 000 with a corresponding increase on the operating budget.
- NDPG (national funding) decreases by R34.8 million in line with NT's Division of Revenue Amendment Bill, gazette number 45390 dated 27 October 2021.
- ICDG (national funding) increases by R4 million in line with approved committed 2020/21 conditional allocations.
- Committed 2020/21 conditional grants of R19.7 million approved by WCG resulting in the following increases in 2021/22:
 - Library Services: Metro Library Grant (PT Library: Metro) - R415 883; and
 - Law Enforcement Advancement Plan Grant (WCG - LEAP) - R19.3 million.

- HSDG (provincial funding) decreases by R10.5 million in line with Provincial Gazette Extraordinary, number 8531 of 15 December 2021.
- PGWC: LEAS (provincial funding) increases by R2.7 million with a corresponding decrease on the operating budget.
- CHIETA funding (other - unconditional grants) increases by R255 000 for the procurement of IT equipment for the graduate programme.
- National Housing Programs Grant (State: Other) – accumulated interest - (other - unconditional grant) increases by R232 000 for the procurement of IT equipment for the graduate programme.
- Orio funding (other - unconditional grants) decreases by R13.1 million in 2021/22, increases by R3.2 million in 2022/23 and decreases by R22.3 million in 2023/24 on the IRT Phase 2 A project as funding will only be contributed from the 2022/23 financial year to align with the Orio funding agreement.

CRR amendments

- Community Services & Health directorate
A decrease of R6.9 million is proposed as a result of the change in funding source from CRR to CGD, due to the unspent committed roll-over approval received from NT.
- Corporate Services directorate
An increase of R33.8 million in 2021/22, and a decrease of R7 million in 2022/23 and 2023/24 is proposed as a result of the following:
 - Infrastructure Skills Development Programme: A change in funding source from CRR to CGD due to the unspent committed roll-over approval received from NT amounting to R132 130; and
 - FS Replacement Vehicles: Many aged fleet items have reached the end of their economic life and requires critical replacement due to its unreliability, unavailability, failure and safety. The Fleet Management department is required to accelerate the replacement programme due to this pressing need and R7 million is proposed to be brought forward from the 2022/23 and 2023/24 financial years. An additional R20 million will be added from available CRR balances. It is paramount that funding is reprioritised for the replacement of these fleet items within the current financial year.
- Economic growth directorate
An increase of R4.5 million in 2021/22 and R10.7 million in 2022/23 is proposed as a result of the change of funding source from EFF to CRR in order to optimally utilise the reserves instead of external borrowings.

▪ Energy directorate

A decrease of R27.1 million in 2021/22, and an increase of R1.9 million and R7.4 million in 2022/23 and 2023/24 respectively is proposed as a result of changes in the projects and programmes listed below.

- A review of the directorate's capital programme taking into account material- and equipment availability, customer demand, project readiness, operational needs and contractor capacity, resulted in a decrease of R34 million in the 2020/21 financial year on the following projects:

| Project Description | Decrease |
|------------------------------|--------------------|
| Rand | 2021/22 |
| System Equipment Replacement | -8 000 000 |
| Equipment: Replacement | -400 000 |
| Equipment: Additional | -550 000 |
| Security Equipment | -5 000 000 |
| Service Connections: Quote | -2 300 000 |
| Electrification | -1 855 308 |
| Street Lighting | -15 904 704 |
| TOTAL | -34 010 012 |

- Rephasing of the following projects resulting in R7.4 million reduction in 2021/22 and corresponding increase in 2023/24 financial year:
 - Noordhoek LV Depot: Due to the professional services tender and building construction tender not being in place; and
 - Electricity Facilities: Due to a dispute with the contractor and no other suitable tender in place. A new tender process is being initiated for completion of remaining work on site.
- HV Substation project increases by R4 million in 2021/22 and R1 million in 2022/23 due to:
 - An additional R5 million is required in 2021/22 for refurbishment of fire alarms at substations due to age and working condition; and
 - R1 million rephased from 2021/22 to 2022/23 for facilities refurbishment as a result of the ongoing delay in the award of the building tender resulting in some projects not being executed.
- HV Substation programme decreases by R2.4 million in 2021/22 and increases by R850 306 due to the lead-time of 22 weeks for equipment resulting in a portion of the installation budget being rephased to 2022/23.

- Additional allocations were made to the following projects by means of reprioritisation within the directorate:

| Project Description | Increase 2021/22 | Reason |
|-----------------------------------|---------------------|--|
| Rand | | |
| Substation Protection Replacement | 2 000 000 | Additional funding is required to complete planned work for 2021/22, due to the increase in contract prices (average price increase of approximately 25% per item on the new term tender). |
| Metering Replacement | 5 500 000 | Additional funding is required as more than anticipated applications for meter replacements were received after revenue protection investigations were completed. |
| MV Switchgear Refurbishment | 5 100 000 | Budget required for replacement of oil filled switchgear with vacuum switchgear in order to ensure staff- and public safety. |
| TOTAL | 12 600 000 | |

- Finance directorate

An increase of R978 990 in 2021/22 and R75 000 in 2022/23 is proposed due to:

- Additional funding amounting to R150 000 required in 2021/22 to procure ten laptops to replace those currently malfunctioning; and
- The change in funding source from EFF to CRR amounting to R828 990 in 2021/22 and R75 000 in 2022/23, in order to optimally utilise the reserves instead of external borrowings.

- Human Settlements directorate

An increase of R45.5 million is proposed in 2021/22 due to:

- The change in funding source from EFF to CRR amounting to R73.4 million 2021/22, in order to optimally utilise the reserves instead of external borrowings.
- The following newly registered projects for development of social housing resulting in an increase of R6.9 million:
 - Conradie Park Social Housing - R6 million; and
 - Woodstock Hospital Park Housing Project - R916 978.

- Reduction of R34.8 million on the following projects:

| Project/Programme Description Rand | Decrease 2021/22 | Reason |
|---|---------------------|---|
| Plan & Detail Design: Housing Projects | -6 657 280 | 1. Delays in consultant work on the heritage process. 2. Project implementation affected by legal processes underway to deal with the illegal occupation of the property. No work is anticipated to commence in 2021/22. Budget reprioritised to future financial years. 3. Two of the six identified sites were excluded from the rezoning application as it was in the flood zone. 4. Delays in appointment of consultant. |
| Hanover Park Housing Project | -7 160 000 | Delays in land use applications resulting in a reduced budget requirement for 2021/22. |
| Langa Hostels CRU Prj: Special Quarters | -400 000 | The hostels transformation plan is on hold due to uncertainty regarding the approval of funding from National Government. Alternate housing solutions being investigated. |
| Langa Hostels CRU Project: New Flats | -500 000 | |
| Langa Hostels CRU Project: Siyahlala | -100 000 | |
| Hostel Transform Plan: Gugulethu Sect 3 | -750 000 | |
| Hostel Transform Plan: Gugulethu Sect 2 | -750 000 | |
| Hostel Transform Plan: Langa | -750 000 | |
| Hostel Transform Plan: Nyanga | -750 000 | |
| Farm 920 & Bloubos Rd Housing Construct | -1 667 377 | Budget reduced due to the amended work programme as a result of an outstanding land acquisition transaction. |
| Rusthoff Infill Housing Project | -4 807 271 | Budget reduced due to the amended work programme in respect of the upgrading of Sir Lowry's Pass River programme that has a direct impact on the implementation of this project. |
| Atlantis GAP Sites Housing Project | -4 000 000 | Delays in implementation of construction due to the cancellation of tender 023Q/2020/21 as a result of a legal opinion, which resulted in the need to start a new procurement process. |
| Aloe Ridge Housing Project | -5 500 000 | |
| Strandfontein Integrated Housing | -1 035 000 | Delays in finalisation of the framework plan, which has impacted on the land use planning and environmental approval process. |
| TOTAL | -34 826 928 | |

▪ Urban Mobility directorate

A decrease of R126.3 million in 2021/22, and increase of R47.6 million and R52.2 million in 2022/23 and 2023/24 respectively, is proposed mainly due to:

- A change in funding source from CRR to CGD amounting to R26.8 million in 2021/22 as a result of the unspent committed roll-over approval received from NT.
- A change in funding source from EFF to CRR amounting to R2.3 million in 2021/22.
- Reduction of R10.5 million on the Upgrading of New Eisleben Road project in 2021/22, due to the project being incorporated into the IRT Phase 2A project and no longer requires BICL funding.
- Reduction of R2.3 million on the Road Construction: Belhar Main Road: Stellendale to Highbury project as the project has been completed. Savings have been reprioritised to other priority projects in the Congestion Relief programme over the MTREF.
- Increase on the Kommetjie Road Dualling (Phase 3) project amounting to R2 million in 2021/22 and R17.8 million in 2022/23 as additional funds are required to commence with construction in the 2021/22 financial year.
- Rephasing of various projects due to expiry of professional services tender, delay in property acquisition, MFMA Section 33 process that needs to be undertaken and existing term tenders not covering the exact scope of work, and a new project specific tender that needs to be advertised. Budgets were aligned to latest project schedules and timeframes resulting in amendments on the following projects:

| Project Description | Increase/ Decrease 2021/22 | Increase/ Decrease 2022/23 | Increase/ Decrease 2023/24 |
|---|----------------------------------|----------------------------------|----------------------------------|
| Rand | | | |
| Integrated Bus Rapid Transit System | -14 000 000 | - | 14 000 000 |
| Road Upgrade: Amandel Road: Bottelary River Bridge to Church Street | -18 816 763 | 20 500 000 | 14 450 000 |
| Congestion Relief - Erica Drive | - | -31 200 000 | 45 000 000 |
| M3 Corridor: Hospital Bend - Constantia Main Road | - | - | -10 000 000 |
| Road Upgrade: Voortrekker Rd: Salt River Canal - Jakes Grevel Drive | - | - | -30 000 000 |
| Road Dualling: Berkley Road: M5 - Ryger Street | -9 000 000 | 9 000 000 | -50 000 000 |
| Dualling: Main Road 27 to Altena Rd | -14 279 243 | 17 700 000 | -6 080 000 |
| Dualling: Jip De Jager: Kommiss - Van Riebeeckshof | -23 584 631 | 4 400 000 | 40 500 000 |
| Congestion Relief Projects | -11 300 000 | 1 000 000 | 12 300 000 |
| TOTAL | -90 980 637 | 21 400 000 | 30 170 000 |

▪ Urban Waste Management directorate

Reduction of R170 775 in 2021/22 due to funds no longer being required as sufficient funds are available on the EPWP grant allocation to procure IT equipment and furniture.

- **Water & Sanitation directorate**
A decrease of R3 million in 2021/22 is proposed, due to the change in funding source from CRR to CGD as a result of the unspent committed roll-over approval received from NT.
- **Ward Allocation projects** decreases by R11.9 million in 2021/22, and increases by R8.4 and R4 million in 2022/23 and 2023/24 respectively, due to:
 - Rephasing of projects from 2021/22 (R12.4 million) to 2022/213 (R8.4 million) and 2023/24 (R4 million);and
 - An increase of R511 910 on the capital budget in 2021/22 with a corresponding decrease on the operating budget.

EFF amendments

A review of implementation readiness and assessment of the current procurement status of capital projects was undertaken by all directorates, which resulted in the reduction of the City's external borrowings from R2.5 billion to R1.2 billion, due the decrease in EFF-funded projects.

The review also included the change in fund source from EFF to CRR in order to optimally utilise the reserves instead of external borrowings.

The net reduction in EFF across directorates amounted to R1 298 million in 2021/22 and R149.1 million in 2022/23, and an increase of R111 million in 2023/24 as reflected in the table below.

| Directorate | Increase/ Decrease 2021/22 | Increase/ Decrease 2022/23 | Increase/ Decrease 2023/24 |
|--------------------------------|----------------------------------|----------------------------------|----------------------------------|
| Rand | | | |
| Community Services & Health | -8 253 833 | 10 777 833 | - |
| Corporate Services | -55 397 913 | 22 030 699 | 37 895 553 |
| Economic Growth | -10 201 948 | -1 687 500 | 9 100 000 |
| Energy | -83 837 893 | 69 287 893 | 14 550 000 |
| Finance | -10 365 990 | -63 375 000 | 73 000 000 |
| Future Planning & Resilience | -38 189 705 | 36 811 747 | 2 250 000 |
| Human Settlements | -66 777 612 | -3 641 298 | -3 000 000 |
| Office of the City Manager | -310 000 | -6 060 000 | 6 370 000 |
| Safety & Security | -63 337 947 | 21 310 975 | 42 026 972 |
| Spatial Planning & Environment | -65 200 223 | -33 390 680 | 89 130 548 |
| Urban Mobility | -20 712 356 | 12 754 239 | 47 613 410 |
| Urban Waste Management | -365 023 487 | 75 467 524 | 289 555 963 |
| Water & Sanitation | -510 175 933 | -289 364 646 | -497 407 789 |
| Total | -1 297 784 840 | -149 078 214 | 111 084 657 |

Included in the figure in the preceding table are additional allocations made to the following directorates:

- Finance directorate
Computer Equipment - Replacement increases by R163 000 in 2021/22 to procure an additional new high volume colour multi-functional printer and five laptops to complete the replacement programme as advised by the IT department.
- Corporate Services directorate
Furniture - Replacement increase by R700 000 for the replacement of obsolete furniture.
- Economic Growth directorate
National Treasury reduced the 2021/22 NDPG allocation to the City, which subsequently led to a reduction in budget allocated to the Philippi Fresh Produce Market Refurbishment project. EFF funding amounting to R14.3 million, which will be used for building refurbishment and improvements, has been identified in order for the project to proceed as originally planned.
- Urban Mobility directorate
Council approved a total of R44.8 million for the Formula E project (Green Point Precinct Road Upgrades); R9.5 million in 2021/22 and R35.3 million in 2022/23. A portion of the 2021/22 allocation amounting to R4.1 million has been rephased from 2021/22 to 2022/23, which results in a budget allocation of R5.4 million in 2021/22 and R39.4 million in 2022/23.

Revenue amendments

Net increases of R1.1 million in 2021/22 and R7.6 million 2022/23 are proposed across the following directorates:

- Community Services & Health directorate
An increase of R6.9 million in 2021/22 and decrease of R5.1 million in 2022/23 on the following projects:
 - Bardale Multi-purpose centre Mfuleni project: An increase of R5.1 million in 2021/22 with a corresponding decrease in 2022/23 as the project is ready for implementation earlier than anticipated; and
 - Settlement of an insurance claims on the following projects(R1.8 million):
 - IT Equipment: Replacement – R30 840;
 - Ikhwezi Clinic Equipment Replacement – R1.6 million; and
 - Ikhwezi Clinic Rebuilt – R177 978.
- Corporate Services directorate
An increase of R5.7 million in 2021/22 due to settlement of an insurance claim on FS Replacement Vehicles.

- Energy directorate

- An increase of R3.9 million in 2021/22 due to:
 - Settlement of an insurance claim on various projects (R274 191 in 2021/22); and
 - An increase in the contingency provision for insurance claims on ES Contingency Provision - Insurance (R3.6 million in 2021/22).

- Safety & Security directorate

A decrease of R11.8 million in 2021/22 and increase of R12 million 2022/23 on the following projects:

- EPIC Programme: Project rephased to 2022/23 due to a fundamental change in the procurement strategy adopted by the EPIC SteerCom to procure the Neighbourhood Watch technology rather than to build it. Building involves utilising resources on the existing tender 56S/2020/21, whereas procuring involves the development of a separate tender and this has delayed the process. This has resulted in a decrease of R12 million in 2021/22 with a corresponding increase in 2022/23; and
- Various projects (R152 478 in 2021/22), due to settlement of insurance claims.

- Spatial Planning & Environment directorate

A decrease of R2.9 million in 2021/22, due to:

- Negotiations for the purchase of a particular piece of land have failed and therefore the project will no longer continue. Donated funds amounting to R3.3 million will be returned to The World Wide Fund for Nature (WWF); and
- Various projects (R382 148 in 2021/22), due to settlement of insurance claims.

- Water & Waste Services directorate

A decrease of R 703 223 in 2021/22 and increase of R714 385 in 2022/23 on the following projects:

- Wesfleur WWTW: Mobile Pump (16 inch) project rephased to 2022/23, due to unavailability of a suitable tender resulting in a decrease by R714 385 in 2021/22 with corresponding increase in 2022/23; and
- Radios: Replacement increases by R11 162 in 2021/22, due to settlement of an insurance claim.

Steps to be taken to address the low capital expenditure

In order to prevent material reductions/rephasing of the capital budget (e.g. EFF and other funding sources) the City will, in future, introduce the following measures:

- sufficient focus to upfront project planning and preparation on the operating budget;
- improved stage gate review process and project readiness assessments;
- closer monitoring of implementation of the Demand Plan through the SCM process;
- reduction in cancelled tenders;
- increase in project- and contract management capacity;
- change in executive directors' scorecards to measure performance against original budget instead of final adjusted budget with effect from the 2022/23 financial year; and
- additional focus on the 10-year planning horizon with emphasis on the infrastructure strategy to better inform project prioritisation in respect of backlogs (if any) and proactive upgrade and renewal of assets.

Additional project- and contract management human resources will be addressed in the 2022/23 operating budget.

3.3.3. Asset Management

Asset management consists of categories of capital expenditure, which include asset renewal, upgrading, and new assets, and operational repairs and maintenance of infrastructure.

The two main ratio outcomes for asset management shows that the City is adequately securing the ongoing health of the municipal infrastructure as reflected in the table below.

| Description | Budget Year 2021/22 | | | Budget Year +1 2022/23 | Budget Year +2 2023/24 |
|--|---------------------|----------------|-----------------|---------------------------|---------------------------|
| | Original Budget | Prior Adjusted | Adjusted Budget | Adjusted Budget | Adjusted Budget |
| Renewal and upgrading of existing assets as % of total capital expenditure | 49.1% | 49.5% | 57.5% | 48.2% | 53.1% |
| R&M as a % of PPE | 7.1% | 7.0% | 8.0% | 7.0% | 6.4% |

Renewal and upgrade of existing assets as a percentage of total capital expenditure shows an improvement of 8% from the previous adjustments budget of 49.5% to the January 2022 adjustments budget of 57.5%. This outcome is above the National Treasury norm of 40%.

Repairs and maintenance as a percentage of property, plant and equipment (PPE) (including intangible assets, investment properties, and other non-current assets), increases from 7% to 8% when comparing the previous adjustments budget to the January 2022 adjustments budget. This is in line with the national treasury norm of 8%.

4. Adjustments Budget Tables – City of Cape Town

The ten primary budget tables, as required in terms of Part 4 of the Municipal Budget and Reporting Regulations (MBRR), are presented on page 24 to page 39.

These tables reflect the City's 2021/22 adjustments budget and MTREF to be approved by Council. Each table is accompanied by explanatory notes.

Table 1: MBRR Table B1 – Adjustments Budget Summary

| Description | Budget Year 2021/22 | | | | | | | | | | Budget Year +1 2022/23 | Budget Year +2 2023/24 |
|--|---------------------|-------------------|-----------------|-----------------------|---------------------|-----------------------|--------------------|--------------------|--------------------|--------------------|---------------------------|---------------------------|
| | Original Budget | Prior Adjusted | Accum. Funds | Multi-year capital | Unfore. Unavoid. | Nat. or Prov. Govt | Other Adjusts. | Total Adjusts. | Adjusted Budget | Adjusted Budget | Adjusted Budget | Adjusted Budget |
| R thousands | | | | | | | | | | | | |
| Financial Performance | | | | | | | | | | | | |
| Property rates | 10 984 132 | 10 984 132 | – | – | – | – | (317) | (317) | 10 983 815 | 11 532 163 | 12 076 858 | |
| Service charges | 22 396 466 | 22 396 466 | – | – | – | – | (53 423) | (53 423) | 22 343 043 | 24 783 377 | 27 402 143 | |
| Investment revenue | 855 119 | 855 119 | – | – | – | – | 40 804 | 40 804 | 895 923 | 912 415 | 884 108 | |
| Transfers recognised - operational | 5 650 364 | 5 694 463 | – | – | – | 188 633 | 187 147 | 375 780 | 6 070 243 | 5 774 670 | 5 357 558 | |
| Other own revenue | 7 623 518 | 7 623 518 | – | – | – | – | 2 608 362 | 2 608 362 | 10 231 880 | 7 818 635 | 7 909 209 | |
| Total Revenue (excluding capital transfers and contributions) | 47 509 600 | 47 553 699 | – | – | – | 188 633 | 2 782 573 | 2 971 206 | 50 524 904 | 50 821 261 | 53 629 876 | |
| Employee costs | 15 612 510 | 15 613 484 | – | – | – | 75 829 | 160 294 | 236 123 | 15 849 607 | 16 233 454 | 16 703 945 | |
| Remuneration of councillors | 179 826 | 179 826 | – | – | – | – | (0) | (0) | 179 826 | 187 739 | 196 375 | |
| Depreciation & asset impairment | 3 013 855 | 3 013 855 | – | – | – | – | 59 617 | 59 617 | 3 073 473 | 3 065 671 | 3 178 630 | |
| Finance charges | 794 747 | 794 747 | – | – | – | – | (6 043) | (6 043) | 788 704 | 1 283 592 | 1 498 858 | |
| Inventory consumed and bulk purchases | 14 886 250 | 14 888 231 | – | – | – | 24 255 | 1 930 863 | 1 955 118 | 16 843 349 | 16 417 315 | 18 103 687 | |
| Transfers and grants | 464 263 | 499 693 | – | – | – | 35 784 | 25 657 | 61 442 | 561 134 | 404 613 | 362 078 | |
| Other expenditure | 13 323 388 | 13 332 424 | – | – | – | 52 766 | 556 554 | 609 319 | 13 941 743 | 13 295 527 | 13 640 328 | |
| Total Expenditure | 48 274 839 | 48 322 260 | – | – | – | 188 633 | 2 726 942 | 2 915 575 | 51 237 836 | 50 887 910 | 53 683 901 | |
| Surplus/(Deficit) | (765 240) | (768 562) | – | – | – | – | 55 631 | 55 631 | (712 931) | (66 649) | (54 025) | |
| Transfers and subsidies - capital (monetary allocations) (National / Provincial and District) | 3 066 644 | 3 066 644 | – | – | – | (1 374 828) | 41 437 | (1 333 392) | 1 733 253 | 2 861 528 | 2 770 686 | |
| Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all) | 206 182 | 206 182 | – | – | – | – | 4 535 | 4 535 | 210 717 | 240 264 | 253 199 | |
| Surplus/(Deficit) after capital transfers & contributions | 2 507 586 | 2 504 264 | – | – | – | (1 374 828) | 101 602 | (1 273 226) | 1 231 038 | 3 035 143 | 2 969 861 | |
| Share of surplus/ (deficit) of associate | – | – | – | – | – | – | – | – | – | – | – | |
| Surplus/ (Deficit) for the year | 2 507 586 | 2 504 264 | – | – | – | (1 374 828) | 101 602 | (1 273 226) | 1 231 038 | 3 035 143 | 2 969 861 | |
| Capital expenditure & funds sources | | | | | | | | | | | | |
| Capital expenditure | 8 314 767 | 8 828 682 | – | – | – | (1 374 828) | (1 358 738) | (2 733 566) | 6 095 115 | 9 033 880 | 11 621 478 | |
| Transfers recognised - capital | 3 138 842 | 3 138 842 | – | – | – | (1 374 828) | 28 575 | (1 346 253) | 1 792 589 | 2 964 846 | 2 855 179 | |
| Borrowing | 2 500 000 | 2 500 000 | – | – | – | – | (1 300 000) | (1 300 000) | 1 200 000 | 4 500 000 | 7 000 000 | |
| Internally generated funds | 2 675 925 | 3 189 840 | – | – | – | – | (87 313) | (87 313) | 3 102 526 | 1 569 035 | 1 766 299 | |
| Total sources of capital funds | 8 314 767 | 8 828 682 | – | – | – | (1 374 828) | (1 358 738) | (2 733 566) | 6 095 115 | 9 033 880 | 11 621 478 | |
| Financial position | | | | | | | | | | | | |
| Total current assets | 16 853 068 | 19 620 610 | – | – | – | 0 | (3 375 929) | (3 375 929) | 16 244 681 | 17 415 116 | 19 061 157 | |
| Total non current assets | 66 340 381 | 67 298 718 | – | – | – | – | (3 974 400) | (3 974 400) | 63 324 319 | 69 658 653 | 78 101 407 | |
| Total current liabilities | 11 660 078 | 11 692 937 | – | – | – | – | (2 260 052) | (2 260 052) | 9 432 885 | 11 070 972 | 13 696 119 | |
| Total non current liabilities | 15 486 945 | 15 486 945 | – | – | – | – | (1 696 946) | (1 696 946) | 13 789 999 | 16 621 538 | 21 115 326 | |
| Community wealth/Equity | 56 046 426 | 59 739 446 | – | – | – | (1 374 828) | (2 018 502) | (3 393 330) | 56 346 117 | 59 381 259 | 62 351 119 | |
| Cash flows | | | | | | | | | | | | |
| Net cash from (used) operating | 5 769 282 | 5 875 539 | – | – | – | – | (1 401 665) | (1 401 665) | 4 473 874 | 6 547 592 | 6 508 587 | |
| Net cash from (used) investing | (8 523 340) | (9 110 069) | – | – | – | – | 2 737 114 | 2 737 114 | (6 372 955) | (8 345 676) | (10 655 056) | |
| Net cash from (used) financing | 2 145 615 | 2 145 615 | – | – | – | – | (1 229 440) | (1 229 440) | 916 175 | 3 016 444 | 5 226 974 | |
| Cash/cash equivalents at the year end | 5 186 901 | 7 037 185 | – | – | – | – | 106 010 | 106 010 | 7 143 195 | 8 361 555 | 9 442 059 | |
| Cash backing/surplus reconciliation | | | | | | | | | | | | |
| Cash and investments available | 13 061 790 | 16 273 754 | – | – | – | – | (1 255 673) | (1 255 673) | 15 018 081 | 16 236 441 | 17 316 945 | |
| Application of cash and investments | 7 332 083 | 7 822 728 | – | – | – | – | 1 397 865 | 1 397 865 | 9 220 594 | 9 359 433 | 9 502 841 | |
| Balance - surplus (shortfall) | 5 729 707 | 8 451 026 | – | – | – | – | (2 653 539) | (2 653 539) | 5 797 487 | 6 877 008 | 7 814 104 | |
| Asset Management | | | | | | | | | | | | |
| Asset register summary (WDV) | 60 099 326 | 60 613 226 | – | – | – | – | (3 530 595) | (3 530 595) | 57 082 632 | 63 050 841 | 71 493 689 | |
| Depreciation | 3 013 855 | 3 013 855 | – | – | – | – | 59 617 | 59 617 | 3 073 473 | 3 065 671 | 3 178 630 | |
| Renewal and Upgrading of Existing Assets | 4 079 769 | 4 370 379 | – | – | – | (34 717) | (831 391) | (866 108) | 3 504 271 | 4 358 530 | 6 167 118 | |
| Repairs and Maintenance | 4 252 885 | 4 252 875 | – | – | – | – | 315 112 | 315 112 | 4 567 987 | 4 421 396 | 4 607 792 | |
| Free services | | | | | | | | | | | | |
| Cost of Free Basic Services provided | 2 354 034 | 2 354 034 | – | – | – | – | – | – | 2 354 034 | 2 485 049 | 2 626 123 | |
| Revenue cost of free services provided | 1 389 874 | 1 389 874 | – | – | – | – | (1 024) | (1 024) | 1 388 850 | 1 459 241 | 1 562 414 | |
| Households below minimum service level | | | | | | | | | | | | |
| Water: | – | – | – | – | – | – | – | – | – | – | – | |
| Sanitation/sewerage: | – | – | – | – | – | – | – | – | – | – | – | |
| Energy: | 26 130 | 26 130 | – | – | – | – | – | – | 26 130 | 24 630 | 23 130 | |
| Refuse: | – | – | – | – | – | – | – | – | – | – | – | |

Explanatory notes to MBRR Table B1 – Adjustments Budget Summary

1. Table B1 represents a high-level summation of the City's budget, providing a view that includes all major components, i.e. operating, capital, financial position, cash flow and MFMA funding compliance.
2. In essence it provides a synopsis of the amounts to be approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, and the City's commitment to eliminate basic service delivery backlogs.
3. The MFMA, through Section 18, requires that a budget be funded from realistically anticipated revenue to be collected and cash-backed accumulated funds from previous years, not committed for other purposes.

To test whether the City's budget is funded it is required to collectively assess the financial performance, capital budget, financial position and cash flow budgets. The City's key outcomes in this regard are as:

- a. The City's Financial Performance section of the prescribed pro forma Table B1 shows a surplus position for the 2021/22 MTREF.
 - b. The cash flow budget outcome shows that budget is funded from uncommitted, previous years' surpluses.
 - c. The capital budget is funded from the following sources:
 - i. Transfers recognised - capital and public contributions & donations, which are shown on the financial performance budget;
 - ii. Borrowing, which is shown in the cash flow budget as part of the net cash from financing activities; and
 - iii. Internally generated funds financed from previous years' accumulated surpluses, previous years' contributions to CRR and Development Charges already collected. The affordability and sustainability of these funds are confirmed by the positive cash flow outcome over the 2021/22 MTREF.
 - d. The City's cash backing/surplus reconciliation over the 2021/22 MTREF shows a positive outcome, which is an indication that the City's budget is funded and that the City will be able to afford its commitments over the next three years.
4. The City's persistent strive to eradicate infrastructure backlogs is evident in the annual increase of investment in the Cost of Free Basic Services and the Revenue Cost of Free Basic Services provided. Backlogs still exist for Electricity Services but are projected to reduce annually.

Table 2: MBRR Table B2 – Adjustments Budget Financial Performance (standard classification)

| Standard Description | Budget Year 2021/22 | | | | | | | | | Budget Year +1 2022/23 | Budget Year +2 2023/24 |
|--|---------------------|-------------------|-----------------|-----------------------|---------------------|-----------------------|-------------------|--------------------|--------------------|---------------------------|---------------------------|
| | Original Budget | Prior Adjusted | Accum. Funds | Multi-year capital | Unfore. Unavoid. | Nat. or Prov. Govt | Other Adjusts. | Total Adjusts. | Adjusted Budget | Adjusted Budget | Adjusted Budget |
| R thousands | | | | | | | | | | | |
| Revenue - Functional | | | | | | | | | | | |
| Governance and administration | 16 555 169 | 16 556 815 | – | – | – | 12 979 | 177 635 | 190 614 | 16 747 429 | 17 342 262 | 17 907 277 |
| Executive and council | 1 325 | 2 971 | – | – | – | – | 14 366 | 14 366 | 17 336 | 1 339 | 1 355 |
| Finance and administration | 16 553 841 | 16 553 841 | – | – | – | 12 979 | 163 270 | 176 248 | 16 730 089 | 17 340 920 | 17 905 919 |
| Internal audit | 3 | 3 | – | – | – | – | – | – | 3 | 3 | 3 |
| Community and public safety | 3 768 707 | 3 795 041 | – | – | – | 10 410 | 126 607 | 137 018 | 3 932 058 | 4 053 984 | 3 740 650 |
| Community and social services | 110 743 | 110 743 | – | – | – | 8 910 | (11 961) | (3 051) | 107 692 | 113 202 | 101 517 |
| Sport and recreation | 44 660 | 44 660 | – | – | – | – | (2 242) | (2 242) | 42 419 | 62 967 | 75 887 |
| Public safety | 1 662 159 | 1 662 159 | – | – | – | – | (21 810) | (21 810) | 1 640 349 | 1 740 819 | 1 381 585 |
| Housing | 1 426 546 | 1 452 861 | – | – | – | 1 500 | 195 950 | 197 450 | 1 650 311 | 1 599 800 | 1 659 242 |
| Health | 524 600 | 524 618 | – | – | – | – | (33 330) | (33 330) | 491 288 | 537 197 | 522 420 |
| Economic and environmental services | 3 323 940 | 3 340 059 | – | – | – | (1 309 584) | (35 312) | (1 344 896) | 1 995 163 | 2 922 447 | 2 749 950 |
| Planning and development | 530 303 | 539 703 | – | – | – | 28 429 | 2 468 | 30 898 | 570 600 | 528 268 | 539 167 |
| Road transport | 2 742 355 | 2 749 075 | – | – | – | (1 340 000) | (35 566) | (1 375 566) | 1 373 509 | 2 363 717 | 2 177 253 |
| Environmental protection | 51 281 | 51 281 | – | – | – | 1 987 | (2 215) | (228) | 51 053 | 30 462 | 33 530 |
| Trading services | 27 129 505 | 27 129 505 | – | – | – | 100 000 | 2 559 613 | 2 659 613 | 29 789 119 | 29 599 019 | 32 250 304 |
| Energy sources | 16 224 903 | 16 224 903 | – | – | – | – | (20 739) | (20 739) | 16 204 165 | 18 082 048 | 20 152 831 |
| Water management | 6 907 736 | 6 907 736 | – | – | – | – | 2 632 875 | 2 632 875 | 9 540 612 | 7 237 413 | 7 562 363 |
| Waste water management | 2 160 243 | 2 160 243 | – | – | – | – | 11 858 | 11 858 | 2 172 101 | 2 290 854 | 2 390 850 |
| Waste management | 1 836 622 | 1 836 622 | – | – | – | 100 000 | (64 381) | 35 619 | 1 872 241 | 1 988 704 | 2 144 261 |
| Other | 5 105 | 5 105 | – | – | – | – | (0) | (0) | 5 105 | 5 340 | 5 580 |
| Total Revenue - Functional | 50 782 426 | 50 826 524 | – | – | – | (1 186 195) | 2 828 544 | 1 642 349 | 52 468 873 | 53 923 053 | 56 653 762 |
| Expenditure - Functional | | | | | | | | | | | |
| Governance and administration | 9 828 627 | 9 829 815 | – | – | – | 24 684 | (122 751) | (98 067) | 9 731 748 | 10 631 949 | 11 374 553 |
| Executive and council | 664 033 | 665 678 | – | – | – | – | (2 858) | (2 858) | 662 820 | 646 463 | 702 445 |
| Finance and administration | 9 114 249 | 9 113 791 | – | – | – | 24 684 | (122 605) | (97 921) | 9 015 870 | 9 933 016 | 10 617 372 |
| Internal audit | 50 346 | 50 346 | – | – | – | – | 2 712 | 2 712 | 53 058 | 52 471 | 54 736 |
| Community and public safety | 9 036 851 | 9 063 085 | – | – | – | 10 410 | 42 987 | 53 397 | 9 116 482 | 9 196 483 | 9 037 410 |
| Community and social services | 970 743 | 970 639 | – | – | – | 8 910 | 36 037 | 44 947 | 1 015 586 | 992 208 | 1 041 214 |
| Sport and recreation | 1 159 619 | 1 159 706 | – | – | – | – | 73 309 | 73 309 | 1 233 016 | 1 155 323 | 1 189 233 |
| Public safety | 3 972 218 | 3 972 217 | – | – | – | – | (68 452) | (68 452) | 3 903 766 | 4 063 820 | 3 782 863 |
| Housing | 1 534 627 | 1 560 942 | – | – | – | 1 500 | (67 893) | (66 393) | 1 494 548 | 1 540 934 | 1 542 414 |
| Health | 1 399 645 | 1 399 581 | – | – | – | – | 69 986 | 69 986 | 1 469 567 | 1 444 198 | 1 481 685 |
| Economic and environmental services | 5 282 640 | 5 302 639 | – | – | – | 53 539 | 131 506 | 185 045 | 5 487 684 | 5 257 136 | 5 429 177 |
| Planning and development | 1 433 576 | 1 443 925 | – | – | – | 40 452 | 18 671 | 59 123 | 1 503 049 | 1 440 051 | 1 454 095 |
| Road transport | 3 609 570 | 3 615 889 | – | – | – | – | 107 755 | 107 755 | 3 723 644 | 3 609 295 | 3 754 717 |
| Environmental protection | 239 495 | 242 825 | – | – | – | 13 087 | 5 080 | 18 167 | 260 992 | 207 790 | 220 365 |
| Trading services | 23 921 216 | 23 921 215 | – | – | – | 100 000 | 2 657 855 | 2 757 855 | 26 679 070 | 25 594 254 | 27 632 361 |
| Energy sources | 13 555 616 | 13 555 615 | – | – | – | – | 67 040 | 67 040 | 13 622 655 | 15 159 955 | 16 955 724 |
| Water management | 5 286 244 | 5 290 961 | – | – | – | – | 2 519 586 | 2 519 586 | 7 810 547 | 5 330 941 | 5 426 728 |
| Waste water management | 2 569 535 | 2 564 818 | – | – | – | – | 59 934 | 59 934 | 2 624 752 | 2 515 528 | 2 571 316 |
| Waste management | 2 509 821 | 2 509 821 | – | – | – | 100 000 | 11 295 | 111 295 | 2 621 116 | 2 587 830 | 2 678 593 |
| Other | 205 505 | 205 505 | – | – | – | – | 17 347 | 17 347 | 222 852 | 208 089 | 210 400 |
| Total Expenditure - Functional | 48 274 839 | 48 322 260 | – | – | – | 188 633 | 2 726 943 | 2 915 576 | 51 237 836 | 50 887 910 | 53 683 901 |
| Surplus/ (Deficit) for the year | 2 507 586 | 2 504 265 | – | – | – | (1 374 828) | 101 601 | (1 273 227) | 1 231 038 | 3 035 143 | 2 969 861 |

Explanatory notes to MBRR Table B2 – Adjustments Budget Financial Performance (Standard classification)

1. Table B2 is an overview of the budgeted financial performance in relation to revenue and expenditure per standard classification, which divides the municipal services into 5 functional areas and 15 sub functional areas.
2. This table shows that the revenue for Trading services (excluding Waste Management and Waste Water Management) exceeds its expenditure (it excludes Internal Charges). The deficit in Waste Management is absorbed within Rates Revenue while the deficit on Waste Water Management is absorbed within Water Management.
3. Other functions within Rates show deficits when comparing revenue and expenditure, which is financed from Rates Revenue.

Table 3: MBRR Table B3 – Adjustments Budget Financial Performance (revenue and expenditure by municipal vote)

| Vote Description | Budget Year 2021/22 | | | | | | | | | Budget Year +1 2022/23 | Budget Year +2 2023/24 |
|--|---------------------|-------------------|-----------------|-----------------------|---------------------|-----------------------|-------------------|--------------------|--------------------|---------------------------|---------------------------|
| | Original Budget | Prior Adjusted | Accum. Funds | Multi-year capital | Unfore. Unavoid. | Nat. or Prov. Govt | Other Adjusts. | Total Adjusts. | Adjusted Budget | Adjusted Budget | Adjusted Budget |
| R thousands | | | | | | | | | | | |
| Revenue by Vote | | | | | | | | | | | |
| Vote 1 - Community Services & Health | 1 006 695 | 1 006 714 | – | – | – | 21 512 | 100 550 | 122 062 | 1 128 776 | 1 037 880 | 1 012 274 |
| Vote 2 - Corporate Services | 68 146 | 69 792 | – | – | – | – | 14 590 | 14 590 | 84 382 | 70 421 | 72 005 |
| Vote 3 - Economic Growth | 322 342 | 331 741 | – | – | – | 10 064 | (13 726) | (3 662) | 328 079 | 302 056 | 266 138 |
| Vote 4 - Energy | 15 976 619 | 15 976 619 | – | – | – | – | (20 454) | (20 454) | 15 956 166 | 17 815 510 | 19 888 779 |
| Vote 5 - Finance | 17 564 399 | 17 564 399 | – | – | – | – | 330 601 | 330 601 | 17 895 000 | 18 479 510 | 19 070 129 |
| Vote 6 - Future Planning & Resilience | 38 311 | 38 311 | – | – | – | – | 6 051 | 6 051 | 44 361 | 48 384 | 44 191 |
| Vote 7 - Human Settlements | 1 165 767 | 1 192 082 | – | – | – | 1 500 | 195 949 | 197 449 | 1 389 531 | 1 319 586 | 1 374 917 |
| Vote 8 - Office of the City Manager | 788 | 788 | – | – | – | – | – | – | 788 | 824 | 861 |
| Vote 9 - Safety & Security | 1 717 141 | 1 717 141 | – | – | – | 377 | (10 020) | (9 643) | 1 707 498 | 1 798 330 | 1 441 684 |
| Vote 10 - Spatial Planning & Environment | 474 291 | 474 291 | – | – | – | 2 752 | (2 309) | 443 | 474 735 | 479 840 | 538 910 |
| Vote 11 - Urban Mobility | 2 700 909 | 2 707 628 | – | – | – | (1 340 000) | (33 566) | (1 373 566) | 1 334 063 | 2 321 996 | 2 133 204 |
| Vote 12 - Urban Waste Management | 1 699 585 | 1 699 585 | – | – | – | 117 600 | (374 213) | (256 613) | 1 442 972 | 1 840 672 | 1 994 089 |
| Vote 13 - Water & Sanitation | 8 047 433 | 8 047 433 | – | – | – | – | 2 635 089 | 2 635 089 | 10 682 521 | 8 408 043 | 8 816 580 |
| Total Revenue by Vote | 50 782 426 | 50 826 524 | – | – | – | (1 186 195) | 2 828 544 | 1 642 349 | 52 468 873 | 53 923 053 | 56 653 761 |
| Expenditure by Vote | | | | | | | | | | | |
| Vote 1 - Community Services & Health | 4 203 855 | 4 203 870 | – | – | – | 33 217 | 127 196 | 160 413 | 4 364 284 | 4 179 517 | 4 329 340 |
| Vote 2 - Corporate Services | 3 219 552 | 3 220 259 | – | – | – | – | (42 479) | (42 479) | 3 177 780 | 3 513 651 | 3 837 036 |
| Vote 3 - Economic Growth | 761 637 | 771 537 | – | – | – | 20 087 | (641) | 19 445 | 790 982 | 705 955 | 684 280 |
| Vote 4 - Energy | 13 826 537 | 13 826 536 | – | – | – | – | 58 730 | 58 730 | 13 885 266 | 15 433 797 | 17 241 116 |
| Vote 5 - Finance | 3 222 505 | 3 222 505 | – | – | – | – | 106 640 | 106 640 | 3 329 145 | 3 816 366 | 4 118 683 |
| Vote 6 - Future Planning & Resilience | 503 141 | 503 579 | – | – | – | – | 16 005 | 16 005 | 519 585 | 524 065 | 542 963 |
| Vote 7 - Human Settlements | 1 446 865 | 1 473 180 | – | – | – | 1 500 | (6 851) | (5 351) | 1 467 828 | 1 517 620 | 1 518 377 |
| Vote 8 - Office of the City Manager | 336 605 | 336 605 | – | – | – | – | 25 214 | 25 214 | 361 819 | 346 196 | 357 077 |
| Vote 9 - Safety & Security | 4 707 856 | 4 707 856 | – | – | – | 377 | (93 442) | (93 065) | 4 614 791 | 4 742 675 | 4 479 109 |
| Vote 10 - Spatial Planning & Environment | 1 171 915 | 1 175 245 | – | – | – | 15 852 | (12 597) | 3 255 | 1 178 500 | 1 174 047 | 1 224 603 |
| Vote 11 - Urban Mobility | 3 669 117 | 3 675 836 | – | – | – | – | 51 855 | 51 855 | 3 727 691 | 3 666 580 | 3 812 728 |
| Vote 12 - Urban Waste Management | 3 138 571 | 3 138 571 | – | – | – | 117 600 | (41 064) | 76 536 | 3 215 107 | 3 229 159 | 3 345 695 |
| Vote 13 - Water & Sanitation | 8 066 681 | 8 066 681 | – | – | – | – | 2 538 377 | 2 538 377 | 10 605 059 | 8 038 281 | 8 192 894 |
| Total Expenditure by Vote | 48 274 838 | 48 322 260 | – | – | – | 188 633 | 2 726 942 | 2 915 575 | 51 237 836 | 50 887 910 | 53 683 901 |
| Surplus/ (Deficit) for the year | 2 507 588 | 2 504 264 | – | – | – | (1 374 828) | 101 602 | (1 273 226) | 1 231 038 | 3 035 143 | 2 969 860 |

Explanatory notes to MBRR Table B3 – Adjustments Budget Financial Performance (revenue and expenditure by municipal vote)

1. Table B3 shows budgeted financial performance in relation to the revenue and expenditure and the operating surplus or deficit per municipal vote.

Table 4: MBRR Table B4 – Adjustments Budget Financial Performance (revenue and expenditure)

| Description | Budget Year 2021/22 | | | | | | | | | Budget Year +1 2022/23 | Budget Year +2 2023/24 |
|--|---------------------|-------------------|-----------------|-----------------------|---------------------|-----------------------|-------------------|-------------------|--------------------|---------------------------|---------------------------|
| | Original Budget | Prior Adjusted | Accum. Funds | Multi-year capital | Unfore. Unavoid. | Nat. or Prov. Govt | Other Adjusts. | Total Adjusts. | Adjusted Budget | Adjusted Budget | Adjusted Budget |
| R thousands | | | | | | | | | | | |
| Revenue By Source | | | | | | | | | | | |
| Property rates | 10 984 132 | 10 984 132 | – | – | – | – | (317) | (317) | 10 983 815 | 11 532 163 | 12 076 858 |
| Service charges - electricity revenue | 15 734 566 | 15 734 566 | – | – | – | – | – | – | 15 734 566 | 17 571 754 | 19 655 102 |
| Service charges - water revenue | 3 556 345 | 3 556 345 | – | – | – | – | (7 095) | (7 095) | 3 549 249 | 3 848 376 | 4 104 016 |
| Service charges - sanitation revenue | 1 775 113 | 1 775 113 | – | – | – | – | 16 801 | 16 801 | 1 791 914 | 1 916 842 | 2 050 805 |
| Service charges - refuse revenue | 1 330 442 | 1 330 442 | – | – | – | – | (63 129) | (63 129) | 1 267 313 | 1 446 405 | 1 592 219 |
| Rental of facilities and equipment | 350 647 | 350 647 | – | – | – | – | 18 253 | 18 253 | 368 900 | 365 397 | 381 856 |
| Interest earned - external investments | 855 119 | 855 119 | – | – | – | – | 40 804 | 40 804 | 895 923 | 912 415 | 884 108 |
| Interest earned - outstanding debtors | 449 452 | 449 452 | – | – | – | – | (87 679) | (87 679) | 361 774 | 471 822 | 497 547 |
| Dividends received | – | – | – | – | – | – | – | – | – | – | – |
| Fines, penalties and forfeits | 1 247 015 | 1 247 015 | – | – | – | – | 3 361 | 3 361 | 1 250 376 | 1 249 177 | 1 251 390 |
| Licences and permits | 67 110 | 67 110 | – | – | – | – | 2 920 | 2 920 | 70 030 | 70 197 | 73 355 |
| Agency services | 261 614 | 261 614 | – | – | – | – | 7 876 | 7 876 | 269 491 | 282 544 | 305 147 |
| Transfers and subsidies | 5 650 364 | 5 694 463 | – | – | – | 188 633 | 187 147 | 375 780 | 6 070 243 | 5 774 670 | 5 357 558 |
| Other revenue | 3 194 622 | 3 194 622 | – | – | – | – | 5 700 | 5 700 | 3 200 322 | 3 324 052 | 3 342 021 |
| Gains | 2 053 058 | 2 053 058 | – | – | – | – | 2 657 930 | 2 657 930 | 4 710 989 | 2 055 448 | 2 057 893 |
| Total Revenue (excluding capital transfers and contributions) | 47 509 600 | 47 553 699 | – | – | – | 188 633 | 2 782 573 | 2 971 206 | 50 524 904 | 50 821 261 | 53 629 876 |
| Expenditure By Type | | | | | | | | | | | |
| Employee related costs | 15 612 510 | 15 613 484 | – | – | – | 75 829 | 160 294 | 236 123 | 15 849 607 | 16 233 454 | 16 703 945 |
| Remuneration of councillors | 179 826 | 179 826 | – | – | – | – | (0) | (0) | 179 826 | 187 739 | 196 375 |
| Debt impairment | 2 716 859 | 2 716 859 | – | – | – | – | (345 159) | (345 159) | 2 371 700 | 2 785 991 | 2 662 635 |
| Depreciation & asset impairment | 3 013 855 | 3 013 855 | – | – | – | – | 59 617 | 59 617 | 3 073 473 | 3 065 671 | 3 178 630 |
| Finance charges | 794 747 | 794 747 | – | – | – | – | (6 043) | (6 043) | 788 704 | 1 283 592 | 1 498 858 |
| Bulk purchases - electricity | 11 182 400 | 11 182 400 | – | – | – | – | 36 500 | 36 500 | 11 218 900 | 12 669 659 | 14 354 724 |
| Inventory consumed | 3 703 850 | 3 705 831 | – | – | – | 24 255 | 1 894 363 | 1 918 618 | 5 624 449 | 3 747 655 | 3 748 963 |
| Contracted services | 7 960 363 | 7 966 951 | – | – | – | 32 755 | 147 315 | 180 070 | 8 147 022 | 7 586 651 | 7 861 893 |
| Transfers and subsidies | 464 263 | 499 693 | – | – | – | 35 784 | 25 657 | 61 442 | 561 134 | 404 613 | 362 078 |
| Other expenditure | 2 632 043 | 2 634 490 | – | – | – | 20 010 | 120 775 | 140 785 | 2 775 275 | 2 908 664 | 3 101 478 |
| Losses | 14 124 | 14 124 | – | – | – | – | 633 623 | 633 623 | 647 747 | 14 222 | 14 322 |
| Total Expenditure | 48 274 839 | 48 322 260 | – | – | – | 188 633 | 2 726 942 | 2 915 575 | 51 237 836 | 50 887 910 | 53 683 901 |
| Surplus/(Deficit) | (765 240) | (768 562) | – | – | – | – | 55 631 | 55 631 | (712 931) | (66 649) | (54 025) |
| Transfers and subsidies - capital (monetary allocations) (National / Provincial and District) | 3 066 644 | 3 066 644 | – | – | – | (1 374 828) | 41 437 | (1 333 392) | 1 733 253 | 2 861 528 | 2 770 686 |
| Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) | 206 182 | 206 182 | – | – | – | – | 4 535 | 4 535 | 210 717 | 240 264 | 253 199 |
| Transfers and subsidies - capital (in-kind - all) | – | – | – | – | – | – | – | – | – | – | – |
| Surplus/(Deficit) before taxation | 2 507 586 | 2 504 264 | – | – | – | (1 374 828) | 101 602 | (1 273 226) | 1 231 038 | 3 035 143 | 2 969 861 |
| Taxation | – | – | – | – | – | – | – | – | – | – | – |
| Surplus/(Deficit) after taxation | 2 507 586 | 2 504 264 | – | – | – | (1 374 828) | 101 602 | (1 273 226) | 1 231 038 | 3 035 143 | 2 969 861 |
| Attributable to minorities | – | – | – | – | – | – | – | – | – | – | – |
| Surplus/(Deficit) attributable to municipality | 2 507 586 | 2 504 264 | – | – | – | (1 374 828) | 101 602 | (1 273 226) | 1 231 038 | 3 035 143 | 2 969 861 |
| Share of surplus/ (deficit) of associate | – | – | – | – | – | – | – | – | – | – | – |
| Surplus/ (Deficit) for the year | 2 507 586 | 2 504 264 | – | – | – | (1 374 828) | 101 602 | (1 273 226) | 1 231 038 | 3 035 143 | 2 969 861 |

Explanatory notes to MBRR Table B4 – Adjustments Budget Financial Performance (revenue and expenditure)

- Table B4 is a view of the budgeted financial performance in relation to the revenue by source and expenditure by type.
- Total revenue is R50 525 million (excluding appropriations, which are disclosed in the Statement of Financial Position) in 2021/22 and escalates to R53 630 million in 2023/24.
- Total expenditure amounts to R51 238 million in 2021/22 and escalates to R53 684 million in 2023/24.

Table 5: MBRR Table B5 – Adjustments Budget Capital Expenditure by vote, standard classification and funding source

| Description | Budget Year 2021/22 | | | | | | | | | Budget Year +1 2022/23 | Budget Year +2 2023/24 |
|---|---------------------|-------------------|-----------------|-----------------------|---------------------|-----------------------|--------------------|--------------------|--------------------|---------------------------|---------------------------|
| | Original Budget | Prior Adjusted | Accum. Funds | Multi-year capital | Unfore. Unavoid. | Nat. or Prov. Govt | Other Adjusts. | Total Adjusts. | Adjusted Budget | Adjusted Budget | Adjusted Budget |
| R thousands | | | | | | | | | | | |
| Capital expenditure - Vote | | | | | | | | | | | |
| Multi-year expenditure to be adjusted | | | | | | | | | | | |
| Vote 1 - Community Services & Health | 299 732 | 323 511 | – | – | – | (11 705) | (12 835) | (24 540) | 298 971 | 241 118 | 153 803 |
| Vote 2 - Corporate Services | 418 663 | 457 088 | – | – | – | – | (22 008) | (22 008) | 435 081 | 731 894 | 1 023 696 |
| Vote 3 - Economic Growth | 57 073 | 62 092 | – | – | – | (10 023) | (953) | (10 975) | 51 116 | 27 586 | 19 469 |
| Vote 4 - Energy | 952 575 | 991 330 | – | – | – | – | (127 804) | (127 804) | 863 527 | 1 202 940 | 1 475 384 |
| Vote 5 - Finance | 25 515 | 25 929 | – | – | – | – | (9 387) | (9 387) | 16 542 | 27 015 | 89 650 |
| Vote 6 - Future Planning & Resilience | 79 452 | 85 104 | – | – | – | – | (38 481) | (38 481) | 46 623 | 89 177 | 57 565 |
| Vote 7 - Human Settlements | 827 201 | 835 682 | – | – | – | – | 93 143 | 93 143 | 928 826 | 1 005 437 | 1 053 944 |
| Vote 8 - Office of the City Manager | 6 175 | 6 624 | – | – | – | – | (281) | (281) | 6 343 | 11 752 | 24 182 |
| Vote 9 - Safety & Security | 258 298 | 273 398 | – | – | – | – | (74 336) | (74 336) | 199 062 | 227 723 | 260 673 |
| Vote 10 - Spatial Planning & Environment | 154 142 | 191 167 | – | – | – | (13 100) | (66 011) | (79 111) | 112 056 | 204 783 | 383 904 |
| Vote 11 - Urban Mobility | 2 191 855 | 2 279 172 | – | – | – | (1 340 000) | (216 400) | (1 556 400) | 722 772 | 2 140 176 | 1 875 875 |
| Vote 12 - Urban Waste Management | 661 993 | 753 492 | – | – | – | – | (365 194) | (365 194) | 388 298 | 605 848 | 924 955 |
| Vote 13 - Water & Sanitation | 2 382 091 | 2 544 091 | – | – | – | – | (518 192) | (518 192) | 2 025 899 | 2 518 431 | 4 278 378 |
| Total Capital Expenditure - Vote | 8 314 767 | 8 828 682 | – | – | – | (1 374 828) | (1 358 738) | (2 733 566) | 6 095 115 | 9 033 880 | 11 621 478 |
| Capital Expenditure - Functional | | | | | | | | | | | |
| Governance and administration | 893 761 | 996 312 | – | – | – | 379 | (79 110) | (78 731) | 917 581 | 1 147 079 | 1 504 880 |
| Executive and council | 5 052 | 10 830 | – | – | – | – | (2 719) | (2 719) | 8 110 | 9 166 | 3 693 |
| Finance and administration | 888 469 | 985 243 | – | – | – | 379 | (76 420) | (76 041) | 909 202 | 1 137 833 | 1 501 108 |
| Internal audit | 240 | 240 | – | – | – | – | 29 | 29 | 269 | 79 | 79 |
| Community and public safety | 1 211 834 | 1 251 970 | – | – | – | (12 084) | 32 733 | 20 648 | 1 272 618 | 1 333 539 | 1 396 055 |
| Community and social services | 74 151 | 86 086 | – | – | – | (12 084) | 4 031 | (8 053) | 78 033 | 74 742 | 69 505 |
| Sport and recreation | 98 585 | 103 380 | – | – | – | – | (24 116) | (24 116) | 79 264 | 70 387 | 70 284 |
| Public safety | 154 854 | 169 009 | – | – | – | – | (39 370) | (39 370) | 129 639 | 145 724 | 184 272 |
| Housing | 827 201 | 835 682 | – | – | – | – | 93 143 | 93 143 | 928 826 | 1 005 437 | 1 053 944 |
| Health | 57 042 | 57 812 | – | – | – | – | (956) | (956) | 56 856 | 37 250 | 18 050 |
| Economic and environmental services | 2 367 117 | 2 492 400 | – | – | – | (1 363 123) | (271 765) | (1 634 888) | 857 512 | 2 376 175 | 2 284 183 |
| Planning and development | 89 433 | 109 727 | – | – | – | (12 723) | (7 059) | (19 782) | 89 946 | 103 267 | 137 990 |
| Road transport | 2 190 255 | 2 276 888 | – | – | – | (1 340 000) | (217 109) | (1 557 109) | 719 779 | 2 139 760 | 1 875 459 |
| Environmental protection | 87 428 | 105 785 | – | – | – | (10 400) | (47 597) | (57 997) | 47 787 | 133 148 | 270 734 |
| Trading services | 3 831 805 | 4 077 374 | – | – | – | – | (1 040 529) | (1 040 529) | 3 036 845 | 4 175 237 | 6 434 510 |
| Energy sources | 1 012 157 | 1 043 854 | – | – | – | – | (152 169) | (152 169) | 891 685 | 1 256 852 | 1 498 152 |
| Water management | 966 786 | 1 066 660 | – | – | – | – | (64 017) | (64 017) | 1 002 643 | 1 004 897 | 1 582 193 |
| Waste water management | 1 350 020 | 1 412 061 | – | – | – | – | (459 719) | (459 719) | 952 341 | 1 466 091 | 2 581 361 |
| Waste management | 502 843 | 554 799 | – | – | – | – | (364 623) | (364 623) | 190 176 | 447 397 | 772 805 |
| Other | 10 250 | 10 626 | – | – | – | – | (67) | (67) | 10 559 | 1 850 | 1 850 |
| Total Capital Expenditure - Functional | 8 314 767 | 8 828 682 | – | – | – | (1 374 828) | (1 358 738) | (2 733 566) | 6 095 115 | 9 033 880 | 11 621 478 |
| Funded by: | | | | | | | | | | | |
| National Government | 3 050 778 | 3 050 778 | – | – | – | (1 374 828) | 29 543 | (1 345 285) | 1 705 493 | 2 819 321 | 2 671 759 |
| Provincial Government | 15 866 | 15 866 | – | – | – | – | 11 893 | 11 893 | 27 760 | 42 207 | 98 927 |
| District Municipality | – | – | – | – | – | – | – | – | – | – | – |
| Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) | 72 198 | 72 198 | – | – | – | – | (12 861) | (12 861) | 59 336 | 103 318 | 84 493 |
| Transfers recognised - capital | 3 138 842 | 3 138 842 | – | – | – | (1 374 828) | 28 575 | (1 346 253) | 1 792 589 | 2 964 846 | 2 855 179 |
| Borrowing | 2 500 000 | 2 500 000 | – | – | – | – | (1 300 000) | (1 300 000) | 1 200 000 | 4 500 000 | 7 000 000 |
| Internally generated funds | 2 675 925 | 3 189 840 | – | – | – | – | (87 313) | (87 313) | 3 102 526 | 1 569 035 | 1 766 299 |
| Total Capital Funding | 8 314 767 | 8 828 682 | – | – | – | (1 374 828) | (1 358 738) | (2 733 566) | 6 095 115 | 9 033 880 | 11 621 478 |

Explanatory notes to Table B5 – Adjustments Budget Capital Expenditure by vote, standard classification and funding source

1. Table B5 reflects the City's capital programme in relation to capital expenditure by municipal vote (directorate); capital expenditure by standard classification; and funding sources required to fund the Capital budget, including information on capital transfers from National and Provincial Departments.
2. The MFMA provides that a municipality may approve multi-year or single-year capital budget appropriations. The City has revised its multi-year appropriations to R6 095 million for 2021/22, R9 034 million in 2022/23 and R11 621 million in 2023/24.
3. The capital budget is funded from allocations in the form of grants, public contributions, donations, borrowings and internally-generated funds.

Capital transfers from National Government, Provincial Government Western Cape (PGWC), and other transfers and grants and public contributions amount to R1 793 million in 2021/22, R2 965 million and R2 855 million in 2022/23 and 2023/24 respectively.

Borrowings amount to R1 200 million in 2021/22, R4 500 million in 2022/23 and R7 000 million in 2023/24. The reduction in 2021/22 is as a result of the review of implementation readiness and assessment of the current procurement status of capital projects undertaken by all directorates.

Internally generated funds amount to R3 103 million, R1 569 million and R1 766 million for each of the respective financial years over the MTREF.

Table 6: MBRR Table B6 – Adjustments Budget Financial Position

| Description | Budget Year 2021/22 | | | | | | | | | Budget Year +1 2022/23 | Budget Year +2 2023/24 |
|--|---------------------|-------------------|-----------------|-----------------------|---------------------|-----------------------|--------------------|--------------------|--------------------|---------------------------|---------------------------|
| | Original Budget | Prior Adjusted | Accum. Funds | Multi-year capital | Unfore. Unavoid. | Nat. or Prov. Govt | Other Adjusts. | Total Adjusts. | Adjusted Budget | Adjusted Budget | Adjusted Budget |
| R thousands | | | | | | | | | | | |
| ASSETS | | | | | | | | | | | |
| Current assets | | | | | | | | | | | |
| Cash | 134 904 | 134 904 | – | – | – | – | (1) | (1) | 134 903 | 96 396 | 96 397 |
| Call investment deposits | 6 686 030 | 9 453 572 | – | – | – | – | (811 866) | (811 866) | 8 641 706 | 9 532 354 | 10 612 857 |
| Consumer debtors | 7 940 433 | 7 940 433 | – | – | – | – | (1 711 825) | (1 711 825) | 6 228 608 | 6 490 444 | 6 983 322 |
| Other debtors | 1 616 220 | 1 616 220 | – | – | – | – | (866 984) | (866 984) | 749 236 | 789 123 | 839 324 |
| Current portion of long-term receivables | 4 889 | 4 889 | – | – | – | – | (578) | (578) | 4 311 | 94 | 94 |
| Inventory | 470 592 | 470 592 | – | – | – | 0 | 15 325 | 15 325 | 485 917 | 506 705 | 529 162 |
| Total current assets | 16 853 068 | 19 620 610 | – | – | – | 0 | (3 375 929) | (3 375 929) | 16 244 681 | 17 415 116 | 19 061 157 |
| Non current assets | | | | | | | | | | | |
| Long-term receivables | 212 | 212 | – | – | – | – | 3 | 3 | 215 | 121 | 27 |
| Investments | 6 240 856 | 6 685 279 | – | – | – | – | (443 807) | (443 807) | 6 241 472 | 6 607 691 | 6 607 691 |
| Investment property | 577 820 | 577 820 | – | – | – | – | 40 | 40 | 577 861 | 576 147 | 574 433 |
| Investment in Associate | – | – | – | – | – | – | – | – | – | – | – |
| Property, plant and equipment | 58 952 744 | 59 508 963 | – | – | – | – | (3 557 955) | (3 557 955) | 55 951 008 | 61 816 983 | 70 096 112 |
| Biological | – | – | – | – | – | – | – | – | – | – | – |
| Intangible | 524 765 | 483 205 | – | – | – | – | 59 385 | 59 385 | 542 589 | 645 487 | 810 920 |
| Other non-current assets | 43 983 | 43 239 | – | – | – | – | (32 066) | (32 066) | 11 173 | 12 223 | 12 223 |
| Total non current assets | 66 340 381 | 67 298 718 | – | – | – | – | (3 974 400) | (3 974 400) | 63 324 319 | 69 658 653 | 78 101 407 |
| TOTAL ASSETS | 83 193 449 | 86 919 328 | – | – | – | 0 | (7 350 328) | (7 350 328) | 79 569 000 | 87 073 769 | 97 162 564 |
| LIABILITIES | | | | | | | | | | | |
| Current liabilities | | | | | | | | | | | |
| Bank overdraft | – | – | – | – | – | – | – | – | – | – | – |
| Borrowing | 1 565 429 | 1 565 429 | – | – | – | – | (78 645) | (78 645) | 1 486 784 | 1 974 648 | 3 245 763 |
| Consumer deposits | 455 824 | 455 824 | – | – | – | – | 87 669 | 87 669 | 543 494 | 648 099 | 799 901 |
| Trade and other payables | 7 497 681 | 7 530 540 | – | – | – | – | (1 812 888) | (1 812 888) | 5 717 652 | 6 815 084 | 7 939 305 |
| Provisions | 2 141 143 | 2 141 143 | – | – | – | – | (456 188) | (456 188) | 1 684 955 | 1 633 140 | 1 711 151 |
| Total current liabilities | 11 660 078 | 11 692 937 | – | – | – | – | (2 260 052) | (2 260 052) | 9 432 885 | 11 070 972 | 13 696 119 |
| Non current liabilities | | | | | | | | | | | |
| Borrowing | 7 589 127 | 7 589 127 | – | – | – | – | (1 228 726) | (1 228 726) | 6 360 401 | 8 808 107 | 12 820 354 |
| Provisions | 7 897 818 | 7 897 818 | – | – | – | – | (468 220) | (468 220) | 7 429 598 | 7 813 431 | 8 294 972 |
| Total non current liabilities | 15 486 945 | 15 486 945 | – | – | – | – | (1 696 946) | (1 696 946) | 13 789 999 | 16 621 538 | 21 115 326 |
| TOTAL LIABILITIES | 27 147 023 | 27 179 882 | – | – | – | – | (3 956 998) | (3 956 998) | 23 222 884 | 27 692 510 | 34 811 445 |
| NET ASSETS | 56 046 426 | 59 739 446 | – | – | – | 0 | (3 393 330) | (3 393 330) | 56 346 116 | 59 381 259 | 62 351 119 |
| COMMUNITY WEALTH/EQUITY | | | | | | | | | | | |
| Accumulated Surplus/(Deficit) | 51 800 220 | 55 035 454 | – | – | – | (1 374 828) | (2 745 527) | (4 120 355) | 50 915 099 | 53 638 800 | 56 208 705 |
| Reserves | 4 246 206 | 4 703 992 | – | – | – | – | 727 025 | 727 025 | 5 431 017 | 5 742 459 | 6 142 414 |
| TOTAL COMMUNITY WEALTH/EQUITY | 56 046 426 | 59 739 446 | – | – | – | (1 374 828) | (2 018 502) | (3 393 330) | 56 346 117 | 59 381 259 | 62 351 119 |

Explanatory notes to MBRR B6 – Adjustments Budget Financial Position

1. The budgeted Statement of Financial Position of the City has been prepared on a basis consistent with GRAP 1 and international accounting standards and as such makes it comparable with the present Statement of Financial Position and those of previous years, to enable all stakeholders to interpret the impact of the budget as such on the Statement of Financial Position.
2. The assets are in the order of relative liquidity and liabilities according to their priority of being met with cash.
3. Movements on the Budgeted Statement of Financial Performance will impact on the Budgeted Statement of Financial Position. Assumptions made on the collection rate for instance, will affect the budgeted cash position of the City and the budgeted impairment of debtors. As such the assumptions form a critical link in determining the applicability and relevance of the budget, the determination of financial indicators, the assessment of funding compliance and the general viability of the municipality.

Table 7: MBRR Table B7 – Adjustments Budget Cash Flow Statement

| Description | Budget Year 2021/22 | | | | | | | | | Budget Year +1 2022/23 | Budget Year +2 2023/24 |
|--|---------------------|--------------------|-----------------|-----------------------|---------------------|-----------------------|--------------------|--------------------|--------------------|---------------------------|---------------------------|
| | Original Budget | Prior Adjusted | Accum. Funds | Multi-year capital | Unfore. Unavoid. | Nat. or Prov. Govt | Other Adjusts. | Total Adjusts. | Adjusted Budget | Adjusted Budget | Adjusted Budget |
| R thousands | | | | | | | | | | | |
| CASH FLOW FROM OPERATING ACTIVITIES | | | | | | | | | | | |
| Receipts | | | | | | | | | | | |
| Property rates | 10 544 767 | 10 544 767 | – | – | – | – | (304) | (304) | 10 544 463 | 11 070 877 | 11 593 784 |
| Service charges | 21 640 699 | 21 640 699 | – | – | – | – | (29 997) | (29 997) | 21 610 703 | 23 964 870 | 26 518 325 |
| Other revenue | 4 049 121 | 4 049 121 | – | – | – | – | 11 152 | 11 152 | 4 060 272 | 4 215 418 | 4 278 164 |
| Transfers and Subsidies - Operational | 5 650 364 | 5 694 463 | – | – | – | – | 375 780 | 375 780 | 6 070 243 | 5 774 670 | 5 357 558 |
| Transfers and Subsidies - Capital | 3 200 628 | 3 272 826 | – | – | – | – | (1 328 856) | (1 328 856) | 1 943 969 | 3 101 792 | 3 023 885 |
| Interest | 855 119 | 855 119 | – | – | – | – | 40 804 | 40 804 | 895 923 | 912 415 | 884 108 |
| Dividends | – | – | – | – | – | – | – | – | – | – | – |
| Payments | | | | | | | | | | | |
| Suppliers and employees | (38 966 571) | (38 979 418) | – | – | – | – | (408 801) | (408 801) | (39 388 219) | (41 441 793) | (44 034 991) |
| Finance charges | (740 582) | (702 345) | – | – | – | – | – | – | (702 345) | (1 050 657) | (1 112 246) |
| Transfers and Grants | (464 263) | (499 693) | – | – | – | – | (61 442) | (61 442) | (561 134) | – | – |
| NET CASH FROM/(USED) OPERATING ACTIVITIES | 5 769 282 | 5 875 539 | – | – | – | – | (1 401 665) | (1 401 665) | 4 473 874 | 6 547 592 | 6 508 587 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | | | | | | | |
| Receipts | | | | | | | | | | | |
| Proceeds on disposal of PPE | 124 139 | 51 942 | – | – | – | – | 2 800 | 2 800 | 54 741 | 54 331 | 56 776 |
| Decrease (increase) in non-current receivables | (751) | (751) | – | – | – | – | 748 | 748 | (3) | 94 | 94 |
| Decrease (increase) in non-current investments | (331 962) | (332 578) | – | – | – | – | – | – | (332 578) | 633 780 | 909 552 |
| Payments | | | | | | | | | | | |
| Capital assets | (8 314 767) | (8 828 682) | – | – | – | – | 2 733 566 | 2 733 566 | (6 095 115) | (9 033 880) | (11 621 478) |
| NET CASH FROM/(USED) INVESTING ACTIVITIES | (8 523 340) | (9 110 069) | – | – | – | – | 2 737 114 | 2 737 114 | (6 372 955) | (8 345 676) | (10 655 056) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | | | | | | | | |
| Receipts | | | | | | | | | | | |
| Short term loans | – | – | – | – | – | – | – | – | – | – | – |
| Borrowing long term/refinancing | 2 500 000 | 2 500 000 | – | – | – | – | (1 300 000) | (1 300 000) | 1 200 000 | 4 500 000 | 7 000 000 |
| Increase (decrease) in consumer deposits | 17 110 | 17 110 | – | – | – | – | 70 560 | 70 560 | 87 669 | 104 605 | 151 802 |
| Payments | | | | | | | | | | | |
| Repayment of borrowing | (371 495) | (371 495) | – | – | – | – | – | – | (371 495) | (1 588 161) | (1 924 828) |
| NET CASH FROM/(USED) FINANCING ACTIVITIES | 2 145 615 | 2 145 615 | – | – | – | – | (1 229 440) | (1 229 440) | 916 175 | 3 016 444 | 5 226 974 |
| NET INCREASE/ (DECREASE) IN CASH HELD | (608 444) | (1 088 915) | – | – | – | – | 106 010 | 106 010 | (982 906) | 1 218 360 | 1 080 505 |
| Cash/cash equivalents at the year begin: | 5 795 344 | 8 126 100 | – | – | – | – | – | – | 8 126 100 | 7 143 195 | 8 361 555 |
| Cash/cash equivalents at the year end: | 5 186 901 | 7 037 185 | – | – | – | – | 106 010 | 106 010 | 7 143 195 | 8 361 555 | 9 442 059 |

Explanatory notes to MBRR Table B7 – Adjustments Budget Cash Flow Statement

1. The table shows the cash and cash equivalents of the City for the 2021/22 MTREF.
2. The budget has been prepared to ensure sufficient levels of cash and cash equivalents over the medium-term with cash levels anticipated to reach R7 143 million in 2021/22, R8 362 million in 2022/23 and R9 442 million by 2023/24.

Table 8: MBRR Table B8 - Cash Backed Reserves / Accumulated Surplus Reconciliation

| Description | Budget Year 2021/22 | | | | | | | | | Budget Year +1 2022/23 | Budget Year +2 2023/24 |
|---|---------------------|-------------------|-----------------|-----------------------|---------------------|-----------------------|--------------------|--------------------|--------------------|---------------------------|---------------------------|
| | Original Budget | Prior Adjusted | Accum. Funds | Multi-year capital | Unfore. Unavoid. | Nat. or Prov. Govt | Other Adjusts. | Total Adjusts. | Adjusted Budget | Adjusted Budget | Adjusted Budget |
| R thousands | | | | | | | | | | | |
| Cash and investments available | | | | | | | | | | | |
| Cash/cash equivalents at the year end | 5 186 901 | 7 037 185 | – | – | – | – | 106 010 | 106 010 | 7 143 195 | 8 361 555 | 9 442 059 |
| Other current investments > 90 days | 1 634 033 | 2 551 290 | – | – | – | – | (917 876) | (917 876) | 1 633 414 | 1 267 195 | 1 267 195 |
| Non current assets - Investments | 6 240 856 | 6 685 279 | – | – | – | – | (443 807) | (443 807) | 6 241 472 | 6 607 691 | 6 607 691 |
| Cash and investments available: | 13 061 790 | 16 273 754 | – | – | – | – | (1 255 673) | (1 255 673) | 15 018 081 | 16 236 441 | 17 316 945 |
| Applications of cash and investments | | | | | | | | | | | |
| Unspent conditional transfers | 1 563 531 | 1 563 531 | – | – | – | – | (0) | (0) | 1 563 531 | 1 638 697 | 1 724 596 |
| Unspent borrowing | – | – | – | – | – | – | – | – | – | – | – |
| Statutory requirements | – | – | – | – | – | – | – | – | – | – | – |
| Other working capital requirements | (3 144 555) | (3 111 696) | – | – | – | – | 670 841 | 670 841 | (2 440 855) | (1 707 646) | (1 198 234) |
| Other provisions | 1 264 232 | 1 264 232 | – | – | – | – | – | – | 1 264 232 | 917 034 | 974 728 |
| Long term investments committed | 3 402 669 | 3 402 669 | – | – | – | – | – | – | 3 402 669 | 2 768 888 | 1 859 336 |
| Reserves to be backed by cash/investments | 4 246 206 | 4 703 992 | – | – | – | – | 727 025 | 727 025 | 5 431 017 | 5 742 459 | 6 142 414 |
| Total Application of cash and investments: | 7 332 083 | 7 822 728 | – | – | – | – | 1 397 865 | 1 397 865 | 9 220 594 | 9 359 433 | 9 502 841 |
| Surplus(shortfall) | 5 729 707 | 8 451 026 | – | – | – | – | (2 653 539) | (2 653 539) | 5 797 487 | 6 877 008 | 7 814 104 |

Explanatory notes to MBRR Table B8 - Cash Backed Reserves / Accumulated Surplus Reconciliation

1. The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.
2. In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.
3. The outcome of this exercise would either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality's budget must be "funded".
4. From the table it can be seen that for the City remains in a surplus net cash flow position for 2021/22 MTREF.
5. Considering the requirements of section 18 of the MFMA, it can be concluded that the 2021/22 MTREF is fully funded.
6. As part of the budgeting and planning guidelines that informed the compilation of the 2021/22 MTREF, the end objective of the medium-term framework was to ensure the budget is funded / aligned to section 18 of the MFMA.
7. Table B8 reflects a surplus of R5 797 million in 2021/22, R6 877 million in 2022/23 and R7 814 million in 2023/24.

8. The surplus of R5 797 million in 2021/22 is a working capital reserve which is measured as a National Key Performance Indicator on the City's Corporate Scorecard as well as the Section 71 Reports. National Treasury's benchmark prescribed as per Circular 71 is a benchmark of between 1 to 3 times and is called the cash/cost coverage ratio. This working capital reserve is a buffer in the event of any non-payment, an adverse change in the economic environment or in the event that the City is unable to obtain external funding timeously.

The City currently maintains a cash/cost coverage ratio of just below 2 times with an internal risk tolerance level of just over 1.5 times.

Table 9: MBRR Table B9 - Asset Management

| Description | Budget Year 2021/22 | | | | | | | | | Budget Year +1 2022/23 | Budget Year +2 2023/24 |
|--|---------------------|-------------------|-----------------|-----------------------|---------------------|-----------------------|-----------------|-----------------|--------------------|---------------------------|---------------------------|
| | Original Budget | Prior Adjusted | Accum. Funds | Multi-year capital | Unfore. Unavoid. | Nat. or Prov. Govt | Other Adjus. | Total Adjus. | Adjusted Budget | Adjusted Budget | Adjusted Budget |
| R thousands | | | | | | | | | | | |
| CAPITAL EXPENDITURE | | | | | | | | | | | |
| Total New Assets to be adjusted | 4 234 998 | 4 458 303 | – | – | – | (1 340 112) | (527 347) | (1 867 459) | 2 590 844 | 4 675 350 | 5 454 360 |
| Roads Infrastructure | 1 842 348 | 1 858 067 | – | – | – | (1 291 641) | (91 992) | (1 383 633) | 474 434 | 1 386 285 | 1 137 215 |
| Storm water Infrastructure | 147 168 | 150 849 | – | – | – | – | (31 421) | (31 421) | 119 428 | 154 273 | 166 956 |
| Electrical Infrastructure | 317 389 | 329 420 | – | – | – | – | (52 241) | (52 241) | 277 179 | 373 852 | 302 669 |
| Water Supply Infrastructure | 456 177 | 522 526 | – | – | – | – | (8 824) | (8 824) | 513 702 | 421 811 | 1 060 327 |
| Sanitation Infrastructure | 282 760 | 307 780 | – | – | – | – | (58 985) | (58 985) | 248 795 | 607 394 | 781 485 |
| Solid Waste Infrastructure | 376 760 | 419 474 | – | – | – | – | (297 248) | (297 248) | 122 226 | 354 975 | 539 024 |
| Coastal Infrastructure | 2 000 | 2 031 | – | – | – | – | (2 031) | (2 031) | – | 10 675 | – |
| Information and Communication Infrastructure | 58 749 | 58 749 | – | – | – | – | (8 152) | (8 152) | 50 597 | 69 667 | 155 163 |
| Infrastructure | 3 483 352 | 3 648 895 | – | – | – | (1 291 641) | (550 893) | (1 842 534) | 1 806 361 | 3 378 932 | 4 142 839 |
| Community Facilities | 252 504 | 264 574 | – | – | – | (21 000) | (38 477) | (59 477) | 205 097 | 265 345 | 319 244 |
| Sport and Recreation Facilities | 4 000 | 5 000 | – | – | – | – | (5 000) | (5 000) | – | 1 000 | 4 000 |
| Community Assets | 256 504 | 269 574 | – | – | – | (21 000) | (43 477) | (64 477) | 205 097 | 266 345 | 323 244 |
| Operational Buildings | 98 805 | 115 472 | – | – | – | – | (59 349) | (59 349) | 56 123 | 95 229 | 229 964 |
| Housing | 11 566 | 11 566 | – | – | – | – | 14 765 | 14 765 | 26 332 | 57 615 | 65 692 |
| Other Assets | 110 371 | 127 038 | – | – | – | – | (44 583) | (44 583) | 82 455 | 152 844 | 295 657 |
| Licences and Rights | 22 648 | 22 749 | – | – | – | – | (9 500) | (9 500) | 13 249 | 159 704 | 243 892 |
| Intangible Assets | 22 648 | 22 749 | – | – | – | – | (9 500) | (9 500) | 13 249 | 159 704 | 243 892 |
| Computer Equipment | 93 020 | 100 563 | – | – | – | – | (5 682) | (5 682) | 94 881 | 111 122 | 98 891 |
| Furniture and Office Equipment | 26 218 | 28 619 | – | – | – | – | (3 860) | (3 860) | 24 760 | 14 011 | 13 126 |
| Machinery and Equipment | 158 838 | 170 181 | – | – | – | – | (5 786) | (5 786) | 164 395 | 161 062 | 159 392 |
| Transport Assets | 63 046 | 66 353 | – | – | – | – | 21 124 | 21 124 | 87 478 | 336 430 | 111 178 |
| Land | 21 000 | 24 330 | – | – | – | (27 470) | 115 309 | 87 839 | 112 169 | 94 900 | 66 142 |
| Total Renewal of Existing Assets to be adjusted | 1 897 457 | 2 037 456 | – | – | – | (10 023) | (58 640) | (68 663) | 1 968 793 | 1 872 698 | 2 694 302 |
| Roads Infrastructure | 178 832 | 201 725 | – | – | – | – | (58 490) | (58 490) | 143 235 | 121 325 | 235 780 |
| Storm water Infrastructure | 2 910 | 7 248 | – | – | – | – | (1 196) | (1 196) | 6 052 | 9 150 | 37 621 |
| Electrical Infrastructure | 434 796 | 446 005 | – | – | – | – | (13 903) | (13 903) | 432 102 | 512 038 | 807 300 |
| Water Supply Infrastructure | 359 820 | 362 602 | – | – | – | – | (56 918) | (56 918) | 305 684 | 281 100 | 244 267 |
| Sanitation Infrastructure | 276 606 | 286 245 | – | – | – | – | 28 563 | 28 563 | 314 808 | 338 243 | 692 238 |
| Solid Waste Infrastructure | – | – | – | – | – | – | – | – | – | 500 | 9 500 |
| Information and Communication Infrastructure | 6 375 | 6 815 | – | – | – | – | (1 334) | (1 334) | 5 480 | 39 248 | 69 198 |
| Infrastructure | 1 259 339 | 1 310 639 | – | – | – | – | (103 277) | (103 277) | 1 207 362 | 1 301 603 | 2 095 904 |
| Community Facilities | 22 200 | 27 201 | – | – | – | (10 023) | 17 774 | 7 751 | 34 952 | 19 032 | 12 100 |
| Sport and Recreation Facilities | 6 500 | 6 500 | – | – | – | – | (4 908) | (4 908) | 1 592 | – | – |
| Community Assets | 28 700 | 33 701 | – | – | – | (10 023) | 12 866 | 2 843 | 36 544 | 19 032 | 12 100 |
| Heritage Assets | 744 | 905 | – | – | – | – | – | – | 905 | 1 050 | – |
| Operational Buildings | 30 272 | 35 523 | – | – | – | – | (5 158) | (5 158) | 30 365 | 15 793 | 24 080 |
| Housing | 57 129 | 64 659 | – | – | – | – | 2 320 | 2 320 | 66 979 | 66 153 | 66 795 |
| Other Assets | 87 401 | 100 182 | – | – | – | – | (2 838) | (2 838) | 97 344 | 81 946 | 90 875 |
| Licences and Rights | 12 000 | 12 158 | – | – | – | – | (717) | (717) | 11 441 | 18 500 | 11 000 |
| Intangible Assets | 12 000 | 12 158 | – | – | – | – | (717) | (717) | 11 441 | 18 500 | 11 000 |
| Computer Equipment | 61 228 | 68 776 | – | – | – | – | 14 558 | 14 558 | 83 334 | 55 151 | 57 817 |
| Furniture and Office Equipment | 9 282 | 10 259 | – | – | – | – | 1 544 | 1 544 | 11 803 | 7 707 | 6 849 |
| Machinery and Equipment | 95 417 | 100 823 | – | – | – | – | (7 582) | (7 582) | 93 241 | 70 264 | 68 966 |
| Transport Assets | 343 346 | 400 012 | – | – | – | – | 26 805 | 26 805 | 426 817 | 317 444 | 350 791 |

Table continues on next page.

City of Cape Town - 2021/22 Adjustments Budget – 27 January 2022 (Including additional recommendations read in at Council)

| Description | Budget Year 2021/22 | | | | | | | | | Budget Year +1 2022/23 | Budget Year +2 2023/24 |
|--|---------------------|-------------------|-----------------|-----------------------|---------------------|-----------------------|-------------------|-------------------|--------------------|---------------------------|---------------------------|
| | Original Budget | Prior Adjusted | Accum. Funds | Multi-year capital | Unfore. Unavoid. | Nat. or Prov. Govt | Other Adjusts. | Total Adjusts. | Adjusted Budget | Adjusted Budget | Adjusted Budget |
| R thousands | | | | | | | | | | | |
| Total Upgrading of Existing Assets to be adjusted | 2 182 312 | 2 332 923 | – | – | – | (24 694) | (772 751) | (797 444) | 1 535 478 | 2 485 832 | 3 472 816 |
| Roads Infrastructure | 209 528 | 236 112 | – | – | – | – | (48 089) | (48 089) | 188 023 | 365 363 | 403 570 |
| Storm water Infrastructure | 141 586 | 141 736 | – | – | – | – | (79 432) | (79 432) | 62 304 | 223 641 | 190 243 |
| Electrical Infrastructure | 124 430 | 125 011 | – | – | – | – | (56 962) | (56 962) | 68 049 | 239 300 | 252 668 |
| Water Supply Infrastructure | 51 972 | 51 972 | – | – | – | – | 31 028 | 31 028 | 83 000 | 82 310 | 112 164 |
| Sanitation Infrastructure | 898 995 | 949 041 | – | – | – | – | (379 819) | (379 819) | 569 222 | 759 003 | 1 290 367 |
| Solid Waste Infrastructure | 50 949 | 61 027 | – | – | – | – | (42 733) | (42 733) | 18 295 | 47 312 | 72 889 |
| Coastal Infrastructure | 42 421 | 44 527 | – | – | – | – | (30 495) | (30 495) | 14 032 | 53 802 | 159 901 |
| Information and Communication Infrastructure | 66 043 | 66 533 | – | – | – | – | (19 453) | (19 453) | 47 080 | 47 301 | 65 227 |
| Infrastructure | 1 585 924 | 1 675 960 | – | – | – | – | (625 955) | (625 955) | 1 050 005 | 1 818 034 | 2 547 028 |
| Community Facilities | 196 835 | 217 869 | – | – | – | (13 694) | (33 534) | (47 228) | 170 641 | 222 429 | 266 659 |
| Sport and Recreation Facilities | 74 766 | 80 066 | – | – | – | – | (7 272) | (7 272) | 72 794 | 46 686 | 49 789 |
| Community Assets | 271 600 | 297 935 | – | – | – | (13 694) | (40 806) | (54 500) | 243 435 | 269 114 | 316 448 |
| Operational Buildings | 265 561 | 288 538 | – | – | – | (11 000) | (99 335) | (110 335) | 178 204 | 363 029 | 583 437 |
| Housing | 1 203 | 1 573 | – | – | – | – | (178) | (178) | 1 396 | 200 | – |
| Other Assets | 266 764 | 290 112 | – | – | – | (11 000) | (99 512) | (110 512) | 179 599 | 363 229 | 583 437 |
| Licences and Rights | 6 912 | 10 907 | – | – | – | – | (5 526) | (5 526) | 5 381 | 18 954 | 1 100 |
| Intangible Assets | 6 912 | 10 907 | – | – | – | – | (5 526) | (5 526) | 5 381 | 18 954 | 1 100 |
| Computer Equipment | 49 811 | 56 128 | – | – | – | – | (581) | (581) | 55 547 | 13 201 | 18 812 |
| Furniture and Office Equipment | 300 | 822 | – | – | – | – | (375) | (375) | 447 | 300 | 300 |
| Machinery and Equipment | 1 000 | 1 060 | – | – | – | – | 4 | 4 | 1 064 | 3 000 | 5 690 |
| Total Capital Expenditure to be adjusted | 8 314 767 | 8 828 682 | – | – | – | (1 374 828) | (1 358 738) | (2 733 566) | 6 095 115 | 9 033 880 | 11 621 478 |
| Roads Infrastructure | 2 230 708 | 2 295 903 | – | – | – | (1 291 641) | (198 571) | (1 490 212) | 805 691 | 1 872 973 | 1 776 566 |
| Storm water Infrastructure | 291 665 | 299 833 | – | – | – | – | (112 049) | (112 049) | 187 785 | 387 064 | 394 820 |
| Electrical Infrastructure | 876 615 | 900 436 | – | – | – | – | (123 106) | (123 106) | 777 330 | 1 125 190 | 1 362 637 |
| Water Supply Infrastructure | 867 969 | 937 100 | – | – | – | – | (34 713) | (34 713) | 902 386 | 785 222 | 1 416 758 |
| Sanitation Infrastructure | 1 458 361 | 1 543 066 | – | – | – | – | (410 240) | (410 240) | 1 132 826 | 1 704 640 | 2 764 090 |
| Solid Waste Infrastructure | 427 709 | 480 501 | – | – | – | – | (339 980) | (339 980) | 140 520 | 402 787 | 621 412 |
| Coastal Infrastructure | 44 421 | 46 558 | – | – | – | – | (32 526) | (32 526) | 14 032 | 64 477 | 159 901 |
| Information and Communication Infrastructure | 131 168 | 132 097 | – | – | – | – | (28 940) | (28 940) | 103 157 | 156 216 | 289 588 |
| Infrastructure | 6 328 616 | 6 635 494 | – | – | – | (1 291 641) | (1 280 125) | (2 571 766) | 4 063 728 | 6 498 569 | 8 785 771 |
| Community Facilities | 471 539 | 509 644 | – | – | – | (44 717) | (54 237) | (98 953) | 410 690 | 506 806 | 598 003 |
| Sport and Recreation Facilities | 85 266 | 91 566 | – | – | – | – | (17 180) | (17 180) | 74 386 | 47 686 | 53 789 |
| Community Assets | 556 804 | 601 209 | – | – | – | (44 717) | (71 416) | (116 133) | 485 076 | 554 491 | 651 792 |
| Heritage Assets | 744 | 905 | – | – | – | – | – | – | 905 | 1 050 | – |
| Operational Buildings | 394 638 | 439 533 | – | – | – | (11 000) | (163 841) | (174 841) | 264 692 | 474 050 | 837 481 |
| Housing | 69 898 | 77 799 | – | – | – | – | 16 907 | 16 907 | 94 706 | 123 969 | 132 487 |
| Other Assets | 464 537 | 517 332 | – | – | – | (11 000) | (146 934) | (157 934) | 359 399 | 598 019 | 969 969 |
| Licences and Rights | 41 560 | 45 814 | – | – | – | – | (15 743) | (15 743) | 30 071 | 197 158 | 255 992 |
| Intangible Assets | 41 560 | 45 814 | – | – | – | – | (15 743) | (15 743) | 30 071 | 197 158 | 255 992 |
| Computer Equipment | 204 059 | 225 467 | – | – | – | – | 8 296 | 8 296 | 233 763 | 179 474 | 175 521 |
| Furniture and Office Equipment | 35 800 | 39 700 | – | – | – | – | (2 690) | (2 690) | 37 010 | 22 019 | 20 275 |
| Machinery and Equipment | 255 255 | 272 064 | – | – | – | – | (13 364) | (13 364) | 258 700 | 234 326 | 234 047 |
| Transport Assets | 406 393 | 466 365 | – | – | – | – | 47 929 | 47 929 | 514 295 | 653 874 | 461 969 |
| Land | 21 000 | 24 330 | – | – | – | (27 470) | 115 309 | 87 839 | 112 169 | 94 900 | 66 142 |
| TOTAL CAPITAL EXPENDITURE to be adjusted | 8 314 767 | 8 828 682 | – | – | – | (1 374 828) | (1 358 738) | (2 733 566) | 6 095 115 | 9 033 880 | 11 621 478 |

Table continues on next page.

City of Cape Town - 2021/22 Adjustments Budget – 27 January 2022 (Including additional recommendations read in at Council)

| Description | Budget Year 2021/22 | | | | | | | | | | Budget Year +1 2022/23 | Budget Year +2 2023/24 |
|---|---------------------|-------------------|-----------------|-----------------------|---------------------|-----------------------|--------------------|--------------------|--------------------|--------------------|---------------------------|---------------------------|
| | Original Budget | Prior Adjusted | Accum. Funds | Multi-year capital | Unfore. Unavoid. | Nat. or Prov. Govt | Other Adjusts. | Total Adjusts. | Adjusted Budget | Adjusted Budget | Adjusted Budget | Adjusted Budget |
| R thousands | | | | | | | | | | | | |
| ASSET REGISTER SUMMARY - PPE (WDV) | 60 099 326 | 60 613 226 | - | - | - | - | (3 530 595) | (3 530 595) | 57 082 632 | 63 050 841 | 71 493 689 | |
| Roads Infrastructure | 12 084 118 | 12 149 314 | - | - | - | - | (1 218 815) | (1 218 815) | 10 930 499 | 12 307 362 | 13 567 304 | |
| Storm water Infrastructure | 1 326 664 | 1 334 832 | - | - | - | - | (148 741) | (148 741) | 1 186 091 | 1 514 216 | 1 847 128 | |
| Electrical Infrastructure | 8 867 626 | 8 891 447 | - | - | - | - | (287 594) | (287 594) | 8 603 852 | 9 451 420 | 10 530 364 | |
| Water Supply Infrastructure | 6 269 908 | 6 339 024 | - | - | - | - | (401 659) | (401 659) | 5 937 365 | 6 522 257 | 7 721 626 | |
| Sanitation Infrastructure | 5 974 736 | 6 059 441 | - | - | - | - | (897 941) | (897 941) | 5 161 500 | 6 683 884 | 9 261 808 | |
| Solid Waste Infrastructure | 1 202 467 | 1 255 259 | - | - | - | - | (642 849) | (642 849) | 612 410 | 977 165 | 1 542 962 | |
| Coastal Infrastructure | 186 089 | 188 226 | - | - | - | - | (35 965) | (35 965) | 152 261 | 210 430 | 361 658 | |
| Information and Communication Infrastructure | 4 781 956 | 4 782 885 | - | - | - | - | 818 408 | 818 408 | 5 601 293 | 5 669 297 | 5 868 855 | |
| Infrastructure | 40 693 563 | 41 000 427 | - | - | - | - | (2 815 156) | (2 815 156) | 38 185 271 | 43 336 030 | 50 701 705 | |
| Community Assets | 6 816 275 | 6 878 429 | - | - | - | - | (472 488) | (472 488) | 6 405 940 | 6 569 846 | 6 819 382 | |
| Heritage Assets | 10 269 | 10 269 | - | - | - | - | (1) | (1) | 10 268 | 10 268 | 10 268 | |
| Investment properties | 577 820 | 577 820 | - | - | - | - | 1 | 1 | 577 820 | 576 107 | 574 393 | |
| Other Assets | 5 245 928 | 5 274 137 | - | - | - | - | (272 367) | (272 367) | 5 001 769 | 5 280 253 | 5 895 356 | |
| Intangible Assets | 401 091 | 405 344 | - | - | - | - | 87 244 | 87 244 | 492 588 | 584 510 | 745 657 | |
| Computer Equipment | 633 916 | 655 324 | - | - | - | - | (32 871) | (32 871) | 622 454 | 599 273 | 583 006 | |
| Furniture and Office Equipment | 532 357 | 398 018 | - | - | - | - | (81 693) | (81 693) | 316 325 | 229 242 | 134 570 | |
| Machinery and Equipment | 479 284 | 621 334 | - | - | - | - | (16 115) | (16 115) | 605 219 | 708 031 | 813 502 | |
| Transport Assets | 3 592 371 | 3 672 343 | - | - | - | - | (14 576) | (14 576) | 3 657 767 | 3 878 369 | 3 893 994 | |
| Land | 1 116 453 | 1 119 783 | - | - | - | - | 87 428 | 87 428 | 1 207 210 | 1 278 913 | 1 321 857 | |
| TOTAL ASSET REGISTER SUMMARY - PPE (WDV) | 60 099 326 | 60 613 226 | - | - | - | - | (3 530 595) | (3 530 595) | 57 082 632 | 63 050 841 | 71 493 689 | |
| EXPENDITURE OTHER ITEMS | | | | | | | | | | | | |
| Depreciation & asset impairment | 3 013 855 | 3 013 855 | - | - | - | - | 59 617 | 59 617 | 3 073 473 | 3 065 671 | 3 178 630 | |
| Repairs and Maintenance by asset class | 4 252 885 | 4 252 875 | - | - | - | - | 315 112 | 315 112 | 4 567 987 | 4 421 396 | 4 607 792 | |
| Roads Infrastructure | 637 154 | 637 154 | - | - | - | - | 47 582 | 47 582 | 684 736 | 666 464 | 696 456 | |
| Storm water Infrastructure | 140 345 | 140 345 | - | - | - | - | (19 369) | (19 369) | 120 976 | 146 801 | 153 408 | |
| Electrical Infrastructure | 542 654 | 542 654 | - | - | - | - | 3 073 | 3 073 | 545 727 | 567 553 | 593 043 | |
| Water Supply Infrastructure | 411 499 | 411 499 | - | - | - | - | (35 742) | (35 742) | 375 756 | 430 425 | 449 789 | |
| Sanitation Infrastructure | 334 708 | 334 708 | - | - | - | - | 20 377 | 20 377 | 355 086 | 350 104 | 365 854 | |
| Solid Waste Infrastructure | 8 653 | 8 653 | - | - | - | - | (1 643) | (1 643) | 7 010 | 9 051 | 9 458 | |
| Coastal Infrastructure | 3 994 | 3 994 | - | - | - | - | - | - | 3 994 | 3 994 | 3 994 | |
| Infrastructure | 2 079 007 | 2 079 007 | - | - | - | - | 14 278 | 14 278 | 2 093 285 | 2 174 391 | 2 272 002 | |
| Community Facilities | 228 329 | 228 329 | - | - | - | - | 86 937 | 86 937 | 315 266 | 236 351 | 244 524 | |
| Sport and Recreation Facilities | 67 613 | 67 613 | - | - | - | - | 9 093 | 9 093 | 76 706 | 70 715 | 73 890 | |
| Community Assets | 295 941 | 295 941 | - | - | - | - | 96 031 | 96 031 | 391 972 | 307 066 | 318 414 | |
| Heritage Assets | 1 912 | 1 912 | - | - | - | - | 2 570 | 2 570 | 4 481 | 1 941 | 1 971 | |
| Revenue Generating | 10 096 | 10 096 | - | - | - | - | 3 766 | 3 766 | 13 862 | 10 550 | 11 014 | |
| Non-revenue Generating | 11 | 11 | - | - | - | - | (2) | (2) | 9 | 11 | 11 | |
| Investment properties | 10 107 | 10 107 | - | - | - | - | 3 764 | 3 764 | 13 871 | 10 561 | 11 025 | |
| Operational Buildings | 189 833 | 189 833 | - | - | - | - | 98 574 | 98 574 | 288 406 | 194 580 | 200 475 | |
| Housing | 14 990 | 14 990 | - | - | - | - | 3 498 | 3 498 | 18 489 | 14 990 | 14 990 | |
| Other Assets | 204 823 | 204 823 | - | - | - | - | 102 072 | 102 072 | 306 895 | 209 570 | 215 466 | |
| Computer Equipment | 427 869 | 427 869 | - | - | - | - | 24 205 | 24 205 | 452 074 | 432 191 | 449 123 | |
| Furniture and Office Equipment | 361 515 | 361 529 | - | - | - | - | 51 443 | 51 443 | 412 972 | 376 502 | 391 947 | |
| Machinery and Equipment | 410 604 | 410 579 | - | - | - | - | 24 266 | 24 266 | 434 845 | 427 161 | 444 339 | |
| Transport Assets | 461 107 | 461 107 | - | - | - | - | (3 516) | (3 516) | 457 591 | 482 013 | 503 507 | |
| TOTAL EXPENDITURE OTHER ITEMS to be adjusted | 7 266 740 | 7 266 730 | - | - | - | - | 374 729 | 374 729 | 7 641 459 | 7 487 067 | 7 786 422 | |
| Renewal and upgrading of Existing Assets as % of total capex | 49.1% | 49.5% | - | - | - | - | - | - | 57.5% | 48.2% | 53.1% | |
| Renewal and upgrading of Existing Assets as % of deprecn" | 135.4% | 145.0% | - | - | - | - | - | - | 114.0% | 142.2% | 194.0% | |
| R&M as a % of PPE | 7.1% | 7.0% | - | - | - | - | - | - | 8.0% | 7.0% | 6.4% | |
| Renewal and upgrading and R&M as a % of PPE | 13.9% | 14.2% | - | - | - | - | - | - | 14.1% | 13.9% | 15.1% | |

Explanatory notes to Table B9 – Asset Management

- Table B9 provides an overview of municipal capital allocations for new assets and renewal of existing assets, as well as spending on repairs and maintenance by asset class.
- Renewal and upgrade of existing assets as a percentage of total capital expenditure shows an improvement of 8% from the previous adjustments budget to the January 2022 adjustments budget. This is in line with the National Treasury norm of 40%.
- Repairs and maintenance as a percentage of property, plant and equipment (PPE) (including intangible assets, investment properties, and other non-current assets), increases from 7% to 8% when comparing the previous adjustments budget to the January 2022 adjustments budget. This is in line with the national treasury norm of 8%.

Table 10: MBRR Table B10 - Basic Service Delivery Measurement

| Description | Budget Year 2021/22 | | | | | | | | | Budget Year +1 2022/23 | Budget Year +2 2023/24 |
|---|---------------------|------------------|--------------|--------------------|------------------|--------------------|----------------|----------------|------------------|------------------------|------------------------|
| | Original Budget | Prior Adjusted | Accum. Funds | Multi-year capital | Unfore. Unavoid. | Nat. or Prov. Govt | Other Adjusts. | Total Adjusts. | Adjusted Budget | Adjusted Budget | Adjusted Budget |
| Household service targets | | | | | | | | | | | |
| <u>Water:</u> | | | | | | | | | | | |
| Piped water inside dwelling | 1 310 286 | 1 310 286 | - | - | - | - | - | - | 1 310 286 | 1 334 999 | 1 359 469 |
| Piped water inside yard (but not in dwelling) | - | - | - | - | - | - | - | - | - | - | - |
| Using public tap (at least min.service level) | 181 663 | 181 663 | - | - | - | - | - | - | 181 663 | 185 090 | 188 482 |
| Other water supply (at least min.service level) | - | - | - | - | - | - | - | - | - | - | - |
| <i>Minimum Service Level and Above sub-total</i> | 1 491 949 | 1 491 949 | - | - | - | - | - | - | 1 491 949 | 1 520 089 | 1 547 951 |
| Using public tap (< min.service level) | - | - | - | - | - | - | - | - | - | - | - |
| Other water supply (< min.service level) | - | - | - | - | - | - | - | - | - | - | - |
| No water supply | - | - | - | - | - | - | - | - | - | - | - |
| <i>Below Minimum Service Level sub-total</i> | - | - | - | - | - | - | - | - | - | - | - |
| Total number of households | 1 491 949 | 1 491 949 | - | - | - | - | - | - | 1 491 949 | 1 520 089 | 1 547 951 |
| <u>Sanitation/sewerage:</u> | | | | | | | | | | | |
| Flush toilet (connected to sewerage) | 1 384 841 | 1 384 841 | - | - | - | - | - | - | 1 384 841 | 1 409 654 | 1 434 124 |
| Flush toilet (with septic tank) | - | - | - | - | - | - | - | - | - | - | - |
| Chemical toilet | 62 330 | 62 330 | - | - | - | - | - | - | 62 330 | 62 330 | 62 330 |
| Pit toilet (ventilated) | 197 | 197 | - | - | - | - | - | - | 197 | 197 | 197 |
| Other toilet provisions (> min.service level) | 44 581 | 44 581 | - | - | - | - | - | - | 44 581 | 47 908 | 51 300 |
| <i>Minimum Service Level and Above sub-total</i> | 1 491 949 | 1 491 949 | - | - | - | - | - | - | 1 491 949 | 1 520 089 | 1 547 951 |
| Bucket toilet | - | - | - | - | - | - | - | - | - | - | - |
| Other toilet provisions (< min.service level) | - | - | - | - | - | - | - | - | - | - | - |
| No toilet provisions | - | - | - | - | - | - | - | - | - | - | - |
| <i>Below Minimum Service Level sub-total</i> | - | - | - | - | - | - | - | - | - | - | - |
| Total number of households | 1 491 949 | 1 491 949 | - | - | - | - | - | - | 1 491 949 | 1 520 089 | 1 547 951 |
| <u>Energy:</u> | | | | | | | | | | | |
| Electricity (at least min. service level) | 883 767 | 883 767 | - | - | - | - | - | - | 883 767 | 883 767 | 883 767 |
| Electricity - prepaid (> min.service level) | - | - | - | - | - | - | - | - | - | - | - |
| <i>Minimum Service Level and Above sub-total</i> | 883 767 | 883 767 | - | - | - | - | - | - | 883 767 | 883 767 | 883 767 |
| Electricity (< min.service level) | 26 130 | 26 130 | - | - | - | - | - | - | 26 130 | 24 630 | 23 130 |
| Electricity - prepaid (< min. service level) | - | - | - | - | - | - | - | - | - | - | - |
| Other energy sources | - | - | - | - | - | - | - | - | - | - | - |
| <i>Below Minimum Service Level sub-total</i> | 26 130 | 26 130 | - | - | - | - | - | - | 26 130 | 24 630 | 23 130 |
| Total number of households | 909 897 | 909 897 | - | - | - | - | - | - | 909 897 | 908 397 | 906 897 |
| <u>Refuse:</u> | | | | | | | | | | | |
| Removed at least once a week (min.service) | 954 156 | 954 156 | - | - | - | - | - | - | 954 156 | 973 239 | 992 704 |
| Minimum Service Level and Above sub-total | 954 156 | 954 156 | - | - | - | - | - | - | 954 156 | 973 239 | 992 704 |
| Removed less frequently than once a week | - | - | - | - | - | - | - | - | - | - | - |
| Using communal refuse dump | - | - | - | - | - | - | - | - | - | - | - |
| Using own refuse dump | - | - | - | - | - | - | - | - | - | - | - |
| Other rubbish disposal | - | - | - | - | - | - | - | - | - | - | - |
| No rubbish disposal | - | - | - | - | - | - | - | - | - | - | - |
| <i>Below Minimum Service Level sub-total</i> | - | - | - | - | - | - | - | - | - | - | - |
| Total number of households | 954 156 | 954 156 | - | - | - | - | - | - | 954 156 | 973 239 | 992 704 |
| <u>Households receiving Free Basic Service</u> | | | | | | | | | | | |
| Water (6 kilolitres per household per month) | 250 413 | 250 413 | - | - | - | - | - | - | 250 413 | 250 413 | 250 413 |
| Sanitation (free minimum level service) | 250 413 | 250 413 | - | - | - | - | - | - | 250 413 | 250 413 | 250 413 |
| Electricity/other energy (50kwh per household per month) | 184 570 | 184 570 | - | - | - | - | - | - | 184 570 | 186 070 | 187 570 |
| Refuse (removed at least once a week) | 270 056 | 270 056 | - | - | - | - | - | - | 270 056 | 275 457 | 280 966 |
| <u>Cost of Free Basic Services provided (R'000)</u> | | | | | | | | | | | |
| Water (6 kilolitres per indigent household per month) | 441 368 | 441 368 | - | - | - | - | - | - | 441 368 | 463 436 | 486 608 |
| Sanitation (free sanitation service to indigent households) | 295 201 | 295 201 | - | - | - | - | - | - | 295 201 | 309 961 | 325 459 |
| Electricity/other energy (50kwh per indigent household per month) | 119 430 | 119 430 | - | - | - | - | - | - | 119 430 | 137 344 | 157 946 |
| Refuse (removed once a week for indigent households) | 311 132 | 311 132 | - | - | - | - | - | - | 311 132 | 317 354 | 323 701 |
| Cost of Free Basic Services provided - Informal Formal Settlements (R'000) | 1 186 904 | 1 186 904 | - | - | - | - | - | - | 1 186 904 | 1 256 954 | 1 332 408 |
| Total cost of FBS provided | 2 354 034 | 2 354 034 | - | - | - | - | - | - | 2 354 034 | 2 485 049 | 2 626 123 |

Table continues on next page.

City of Cape Town - 2021/22 Adjustments Budget – 27 January 2022 (Including additional recommendations read in at Council)

| Description | Budget Year 2021/22 | | | | | | | | | Budget Year +1 2022/23 | Budget Year +2 2023/24 |
|---|---------------------|------------------|--------------|--------------------|------------------|--------------------|----------------|----------------|------------------|------------------------|------------------------|
| | Original Budget | Prior Adjusted | Accum. Funds | Multi-year capital | Unfore. Unavoid. | Nat. or Prov. Govt | Other Adjusts. | Total Adjusts. | Adjusted Budget | Adjusted Budget | Adjusted Budget |
| Highest level of free service provided | | | | | | | | | | | |
| Property rates (R'000 value threshold) | 285 000 | 285 000 | – | – | – | – | – | – | 285 000 | 285 000 | 285 000 |
| Water (kilolitres per household per month) | 11 | 11 | – | – | – | – | – | – | 11 | 11 | 11 |
| Sanitation (kilolitres per household per month) | 7 | 7 | – | – | – | – | – | – | 7 | 7 | 7 |
| Sanitation (Rand per household per month) | – | 0 | – | – | – | – | – | – | – | – | – |
| Electricity (kw per household per month) | 60 | 60 | – | – | – | – | – | – | 60 | 60 | 60 |
| Refuse (average litres per week) | 240 | 240 | – | – | – | – | – | – | 240 | 240 | 240 |
| Revenue cost of free services provided (R'000) | | | | | | | | | | | |
| Property rates (tariff adjustment) (impermissible values per section 17 of MPRA) | – | – | – | – | – | – | – | – | – | – | – |
| Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of | 1 358 195 | 1 358 195 | – | – | – | – | (1 024) | (1 024) | 1 357 171 | 1 426 105 | 1 527 786 |
| Water (in excess of 6 kilolitres per indigent household per month) | – | – | – | – | – | – | – | – | – | – | – |
| Sanitation (in excess of free sanitation service to indigent households) | – | – | – | – | – | – | – | – | – | – | – |
| Electricity/other energy (in excess of 50 kwh per indigent household per month) | – | – | – | – | – | – | – | – | – | – | – |
| Refuse (in excess of one removal a week for indigent households) | – | – | – | – | – | – | – | – | – | – | – |
| Municipal Housing - rental rebates | 31 679 | 31 679 | – | – | – | – | – | – | 31 679 | 33 137 | 34 628 |
| Housing - top structure subsidies | – | – | – | – | – | – | – | – | – | – | – |
| Other | – | – | – | – | – | – | – | – | – | – | – |
| Total revenue cost of subsidised services provided | 1 389 874 | 1 389 874 | – | – | – | – | (1 024) | (1 024) | 1 388 850 | 1 459 241 | 1 562 414 |

Highest level of free services provided for Water & Sanitation, Electricity and Solid Waste:

- **Water**
10.5 kℓ of water per month per indigent property, free of charge.
- **Sanitation**
7.35 kℓ of sanitation per month per indigent property, free of charge.
- **Electricity**
Each connection supplied by the City to properties with a municipal property value of less than and equal to R400 000 and a prepaid meter receives a monthly 60 kWh free electricity if they normally buy less than 250 kWh per month on average over a 12-month period; or 25 kWh free electricity if they normally buy between 250 and 450 kWh per month on average over a 12-month period.
- **Waste removal**
Consumers whose properties are valued between R1 and R500 000 receive rebates between 0% and 100% on the first 240 ℓ container. Consumers who earn below R7 500 and who are registered on the Indigent Register will qualify for a rebate between 0% and 100% on the first 240 ℓ container. Customers living in Council-owned housing rental and selling schemes earning R4 500 and below will receive 100% rebate.

Explanatory notes to Table B10 – Basic Service Delivery Measurement

1. Table B10 provides an overview of service delivery levels, including backlogs (below minimum service level), for each of the main services.
2. The City is persistently striving to eradicate backlogs. The City's backlog status is as follows:
 - a. Water – Cape Town's population, both formal and informal settlements, receives potable water in accordance with the National minimum standards as required by the Water Services Act 108 (of 1997).
 - b. Sanitation – Cape Town's population, both formal and informal settlements, receives sanitation services in accordance with the National minimum standards. Funding is still provided to further improve the service levels in Informal Settlements in line with the City's strategy.
 - c. Energy – The electrification strategy is to reduce the backlog by 1 500 annually.
 - d. Refuse – There are no backlogs for refuse.

5. *Adjustments to budget assumptions*

- **Salary increases**

The adjustments budget includes the provisions of the Salary and Wage Collective Agreement as determined in September 2021. In accordance with the provisions of this agreement, the salary increase was changed from 0% to 3.5% for 2021/22, including, amongst other, a non-pensionable once off lump sum payment.

The financial consequences of this additional expenditure was funded by applying budget reprioritisation and savings initiatives.

- **Collection rates**

Performance outcomes of the first five months of 2021/22 showed improved collection rates when compared to the budgeted collection rates. This necessitated a review of the budgeted collection rates in line with performance.

Collection rates are therefore revised as follows in the adjustments budget.

| Service | 2021/22 Budget - May 2021 | 2021/22 Budget - January 2022 |
|-------------|---------------------------|-------------------------------|
| Rates | 95.14% | 95.14% |
| Electricity | 98.50% | 99.00% |
| Water | 87.00% | 91.00% |
| Sanitation | 87.00% | 93.00% |
| Refuse | 85.00% | 90.00% |

6. *Adjustments to budget funding*

- **Funding of operating and capital expenditure**

Capital expenditure remains fully funded from both internal- (i.e. EFF, CRR & Revenue) and external sources (National- and Provincial Government, and other public contributions).

- **Financial plans**

The financial plan will be revisited considering the longer term effects of the adjustments.

- **Reconciliation showing that operating- and capital expenditure remain funded in accordance with MFMA section 18**

Refer **Adjustments Budget Summary** on page 24.

7. *Adjustments related to allocations and grants to the City*

Refer to **Allocations and grant adjustments** on page 2.

8. *Adjustments to transfers and grants made by the City*

Adjustments to transfers and grants are proposed in the operating adjustments budget. Annexure 1.2 provides further details on the adjustments made.

9. Adjustments to councillor and board member allowances and employee benefits

The net increase of R236 million is a combined result of addressing the following:

- Financial impact to implement the cost of living increase/final wage award of 3.5% for both senior managers and other municipal staff;
- 6 months provision instead of the annualised financial impact for vacant senior manager positions including provision for new senior manager appointments to be effected within the two newly approved directorates i.e. Future Planning & Resilience, and Urban Waste Management;
- A top-up provision for the Post-Retirement Medical Aid;
- Adjustment on the LEAP Project;
- Additional allocations for grant-funded projects i.e. Public Employment Programme; and
- Adjustments effected to divert once-off savings on employee-related costs to fund once-off expenditure requirements.

10. Adjustments to service delivery and budget implementation plan

Revisions to service delivery targets and performance indicators in the plan may only be made with the approval of Council following approval of an adjustments budget as per Section 54 of the MFMA. These targets will therefore be updated after the adjustment budget has been approved on 27 January 2022.

11. Adjustments to capital expenditure

Full disclosure on adjustments to the capital budget is provided in Annexure 2.2 to 2.4.

PART 2 - ADJUSTMENTS BUDGET: CONSOLIDATED TABLES – PARENT MUNICIPALITY AND ENTITIES

The consolidated tables of the City and its entities, Cape Town International Convention Centre (CTICC) and Cape Town Stadium (CTS), are presented on page 43 to page 54.

Table 11: MBRR Table B1 - Consolidated Adjustments Budget Summary

| Description | Budget Year 2021/22 | | | | | | | | | Budget Year +1 2022/23 | Budget Year +2 2023/24 |
|--|---------------------|-------------------|-----------------|-----------------------|---------------------|-----------------------|--------------------|--------------------|--------------------|---------------------------|---------------------------|
| | Original Budget | Prior Adjusted | Accum. Funds | Multi-year capital | Unfore. Unavoid. | Nat. or Prov. Govt | Other Adjusts. | Total Adjusts. | Adjusted Budget | Adjusted Budget | Adjusted Budget |
| R thousands | | | | | | | | | | | |
| Financial Performance | | | | | | | | | | | |
| Property rates | 10 984 132 | 10 984 132 | – | – | – | – | (317) | (317) | 10 983 815 | 11 532 163 | 12 076 858 |
| Service charges | 22 396 466 | 22 396 466 | – | – | – | – | (53 424) | (53 424) | 22 343 043 | 24 783 377 | 27 402 143 |
| Investment revenue | 855 344 | 855 344 | – | – | – | – | 41 132 | 41 132 | 896 476 | 912 648 | 884 379 |
| Transfers recognised - operational | 5 650 364 | 5 694 463 | – | – | – | 188 633 | 187 147 | 375 780 | 6 070 243 | 5 774 670 | 5 357 558 |
| Other own revenue | 7 625 917 | 7 625 917 | – | – | – | – | 2 626 801 | 2 626 801 | 10 252 718 | 8 046 704 | 8 150 304 |
| Total Revenue (excluding capital transfers and contributions) | 47 512 224 | 47 556 323 | – | – | – | 188 633 | 2 801 339 | 2 989 972 | 50 546 295 | 51 049 562 | 53 871 241 |
| Employee costs | 15 669 546 | 15 670 520 | – | – | – | 75 829 | 159 368 | 235 197 | 15 905 717 | 16 296 294 | 16 771 058 |
| Remuneration of councillors | 179 826 | 179 826 | – | – | – | – | (0) | (0) | 179 826 | 187 739 | 196 375 |
| Depreciation & asset impairment | 3 064 593 | 3 064 593 | – | – | – | – | 54 578 | 54 578 | 3 119 172 | 3 112 631 | 3 225 949 |
| Finance charges | 794 747 | 794 747 | – | – | – | – | (6 043) | (6 043) | 788 704 | 1 283 592 | 1 498 858 |
| Inventory consumed and bulk purchases | 14 890 660 | 14 892 641 | – | – | – | 24 255 | 1 932 518 | 1 956 773 | 16 849 414 | 16 449 671 | 18 138 166 |
| Transfers and grants | 405 903 | 441 333 | – | – | – | 35 784 | 24 849 | 60 633 | 501 965 | 380 327 | 339 495 |
| Other expenditure | 13 441 695 | 13 450 731 | – | – | – | 52 766 | 547 466 | 600 232 | 14 050 963 | 13 440 084 | 13 789 500 |
| Total Expenditure | 48 446 971 | 48 494 391 | – | – | – | 188 633 | 2 712 737 | 2 901 370 | 51 395 761 | 51 150 337 | 53 959 401 |
| Surplus/(Deficit) | (934 747) | (938 069) | – | – | – | – | 88 602 | 88 602 | (849 466) | (100 774) | (88 160) |
| Transfers and subsidies - capital (monetary allocations) (National / Provincial and District) | 3 066 644 | 3 066 644 | – | – | – | (1 374 828) | 41 437 | (1 333 392) | 1 733 253 | 2 861 528 | 2 770 686 |
| Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all) | 206 182 | 206 182 | – | – | – | – | 4 535 | 4 535 | 210 717 | 240 264 | 253 199 |
| Surplus/(Deficit) after capital transfers & contributions | 2 338 078 | 2 334 757 | – | – | – | (1 374 828) | 134 574 | (1 240 254) | 1 094 503 | 3 001 018 | 2 935 726 |
| Share of surplus/ (deficit) of associate | – | – | – | – | – | – | – | – | – | – | – |
| Surplus/ (Deficit) for the year | 2 338 078 | 2 334 757 | – | – | – | (1 374 828) | 134 574 | (1 240 254) | 1 094 503 | 3 001 018 | 2 935 726 |
| Capital expenditure & funds sources | | | | | | | | | | | |
| Capital expenditure | 8 325 939 | 8 842 420 | – | – | – | (1 374 828) | (1 359 510) | (2 734 338) | 6 108 082 | 9 054 352 | 11 647 215 |
| Transfers recognised - capital | 3 138 842 | 3 138 842 | – | – | – | (1 374 828) | 28 575 | (1 346 253) | 1 792 589 | 2 964 846 | 2 855 179 |
| Borrowing | 2 500 000 | 2 500 000 | – | – | – | – | (1 300 000) | (1 300 000) | 1 200 000 | 4 500 000 | 7 000 000 |
| Internally generated funds | 2 687 097 | 3 203 579 | – | – | – | – | (88 085) | (88 085) | 3 115 494 | 1 589 507 | 1 792 036 |
| Total sources of capital funds | 8 325 939 | 8 842 420 | – | – | – | (1 374 828) | (1 359 510) | (2 734 338) | 6 108 082 | 9 054 352 | 11 647 215 |
| Financial position | | | | | | | | | | | |
| Total current assets | 16 886 995 | 19 651 969 | – | – | – | 0 | (3 366 266) | (3 366 266) | 16 285 703 | 17 496 466 | 19 135 722 |
| Total non current assets | 67 068 144 | 68 029 049 | – | – | – | – | (4 015 456) | (4 015 456) | 64 013 593 | 69 596 779 | 78 024 592 |
| Total current liabilities | 11 718 587 | 11 751 446 | – | – | – | – | (2 260 067) | (2 260 067) | 9 491 379 | 11 143 287 | 13 771 991 |
| Total non current liabilities | 15 487 177 | 15 487 177 | – | – | – | – | (1 697 178) | (1 697 178) | 13 789 999 | 16 621 912 | 21 115 785 |
| Community wealth/Equity | 56 749 375 | 60 442 395 | – | – | – | (1 374 828) | (2 049 649) | (3 424 477) | 57 017 918 | 59 328 046 | 62 272 537 |

Table continues on next page.

City of Cape Town - 2021/22 Adjustments Budget – 27 January 2022 (Including additional recommendations read in at Council)

| Description | Budget Year 2021/22 | | | | | | | | | Budget Year +1 2022/23 | Budget Year +2 2023/24 |
|---|---------------------|------------------|--------------|-----------------------|---------------------|-----------------------|--------------------|--------------------|--------------------|---------------------------|---------------------------|
| | Original Budget | Prior Adjusted | Accum. Funds | Multi-year capital | Unfore. Unavoid. | Nat. or Prov. Govt | Other Adjusts. | Total Adjusts. | Adjusted Budget | Adjusted Budget | Adjusted Budget |
| R thousands | | | | | | | | | | | |
| Cash flows | | | | | | | | | | | |
| Net cash from (used) operating | 5 647 568 | 5 753 826 | – | – | – | – | (1 343 165) | (1 343 165) | 4 410 661 | 6 555 753 | 6 526 153 |
| Net cash from (used) investing | (8 411 512) | (9 000 808) | – | – | – | – | 2 710 886 | 2 710 886 | (6 289 922) | (8 325 148) | (10 680 793) |
| Net cash from (used) financing | 2 145 615 | 2 145 615 | – | – | – | – | (1 229 440) | (1 229 440) | 916 175 | 3 016 444 | 5 226 974 |
| Cash/cash equivalents at the year end | 5 071 884 | 6 919 602 | – | – | – | – | 138 281 | 138 281 | 7 057 883 | 8 304 932 | 9 377 265 |
| Cash backing/surplus reconciliation | | | | | | | | | | | |
| Cash and investments available | 13 069 017 | 16 278 414 | – | – | – | – | (1 235 854) | (1 235 854) | 15 042 560 | 15 479 958 | 16 552 291 |
| Application of cash and investments | 7 857 547 | 7 679 307 | – | – | – | – | 1 321 671 | 1 321 671 | 9 000 978 | 9 202 800 | 9 346 093 |
| Balance - surplus (shortfall) | 5 211 470 | 8 599 107 | – | – | – | – | (2 557 525) | (2 557 525) | 6 041 582 | 6 277 158 | 7 206 197 |
| Asset Management | | | | | | | | | | | |
| Asset register summary (WDV) | 60 099 326 | 60 604 621 | – | – | – | – | (3 529 823) | (3 529 823) | 57 074 796 | 63 050 841 | 71 493 689 |
| Depreciation | 3 064 593 | 3 064 593 | – | – | – | – | 54 578 | 54 578 | 3 119 172 | 3 112 631 | 3 225 949 |
| Renewal and Upgrading of Existing Assets | 4 082 891 | 4 373 501 | – | – | – | (34 717) | (831 391) | (866 108) | 3 507 393 | 4 364 982 | 6 175 810 |
| Repairs and Maintenance | 4 291 523 | 4 291 513 | – | – | – | – | 314 186 | 314 186 | 4 605 699 | 4 421 396 | 4 607 792 |
| Free services | | | | | | | | | | | |
| Cost of Free Basic Services provided | 2 354 034 | 2 354 034 | – | – | – | – | – | – | 2 354 034 | 2 485 049 | 2 626 123 |
| Revenue cost of free services provided | 1 389 874 | 1 389 874 | – | – | – | – | – | – | 1 389 874 | 1 459 241 | 1 562 414 |
| Households below minimum service level | | | | | | | | | | | |
| Water: | – | – | – | – | – | – | – | – | – | – | – |
| Sanitation/sewerage: | – | – | – | – | – | – | – | – | – | – | – |
| Energy: | 26 130 | 26 130 | – | – | – | – | – | – | 26 130 | 24 630 | 23 130 |
| Refuse: | – | – | – | – | – | – | – | – | – | – | – |

Table 12: MBRR Table B2 - Consolidated Adjustments Budget Financial Performance (standard classification)

| Standard Description | Budget Year 2021/22 | | | | | | | | | Budget Year +1 2022/23 | Budget Year +2 2023/24 |
|---|---------------------|-------------------|-----------------|-----------------------|---------------------|-----------------------|-------------------|--------------------|--------------------|---------------------------|---------------------------|
| | Original Budget | Prior Adjusted | Accum. Funds | Multi-year capital | Unfore. Unavoid. | Nat. or Prov. Govt | Other Adjusts. | Total Adjusts. | Adjusted Budget | Adjusted Budget | Adjusted Budget |
| R thousands | | | | | | | | | | | |
| Revenue - Functional | | | | | | | | | | | |
| <i>Governance and administration</i> | 16 542 284 | 16 543 930 | – | – | – | 12 979 | 179 060 | 192 039 | 16 735 969 | 17 328 583 | 17 892 655 |
| Executive and council | 1 325 | 2 971 | – | – | – | – | 14 366 | 14 366 | 17 336 | 1 339 | 1 355 |
| Finance and administration | 16 540 956 | 16 540 956 | – | – | – | 12 979 | 164 694 | 177 673 | 16 718 629 | 17 327 241 | 17 891 297 |
| Internal audit | 3 | 3 | – | – | – | – | – | – | 3 | 3 | 3 |
| <i>Community and public safety</i> | 3 780 867 | 3 807 201 | – | – | – | 10 410 | 121 348 | 131 758 | 3 938 959 | 4 116 511 | 3 806 003 |
| Community and social services | 110 743 | 110 743 | – | – | – | 8 910 | (11 961) | (3 051) | 107 692 | 113 202 | 101 517 |
| Sport and recreation | 56 820 | 56 820 | – | – | – | – | (7 501) | (7 501) | 49 319 | 125 493 | 141 240 |
| Public safety | 1 662 159 | 1 662 159 | – | – | – | – | (21 810) | (21 810) | 1 640 349 | 1 740 819 | 1 381 585 |
| Housing | 1 426 546 | 1 452 861 | – | – | – | 1 500 | 195 950 | 197 450 | 1 650 311 | 1 599 800 | 1 659 242 |
| Health | 524 600 | 524 618 | – | – | – | – | (33 330) | (33 330) | 491 288 | 537 197 | 522 420 |
| <i>Economic and environmental services</i> | 3 323 940 | 3 340 059 | – | – | – | (1 309 584) | (35 312) | (1 344 896) | 1 995 163 | 2 922 447 | 2 749 950 |
| Planning and development | 530 303 | 539 703 | – | – | – | 28 429 | 2 468 | 30 898 | 570 600 | 528 268 | 539 167 |
| Road transport | 2 742 355 | 2 749 075 | – | – | – | (1 340 000) | (35 566) | (1 375 566) | 1 373 509 | 2 363 717 | 2 177 253 |
| Environmental protection | 51 281 | 51 281 | – | – | – | 1 987 | (2 215) | (228) | 51 053 | 30 462 | 33 530 |
| <i>Trading services</i> | 27 106 863 | 27 106 863 | – | – | – | 100 000 | 2 557 885 | 2 657 885 | 29 764 748 | 29 574 923 | 32 224 609 |
| Energy sources | 16 204 261 | 16 204 261 | – | – | – | – | (22 568) | (22 568) | 16 181 693 | 18 060 072 | 20 129 425 |
| Water management | 6 905 736 | 6 905 736 | – | – | – | – | 2 632 976 | 2 632 976 | 9 538 713 | 7 235 293 | 7 560 073 |
| Waste water management | 2 160 243 | 2 160 243 | – | – | – | – | 11 858 | 11 858 | 2 172 101 | 2 290 854 | 2 390 850 |
| Waste management | 1 836 622 | 1 836 622 | – | – | – | 100 000 | (64 381) | 35 619 | 1 872 241 | 1 988 704 | 2 144 261 |
| <i>Other</i> | 31 096 | 31 096 | – | – | – | – | 24 330 | 24 330 | 55 426 | 208 891 | 221 909 |
| Total Revenue - Functional | 50 785 050 | 50 829 149 | – | – | – | (1 186 195) | 2 847 311 | 1 661 116 | 52 490 264 | 54 151 355 | 56 895 127 |
| Expenditure - Functional | | | | | | | | | | | |
| <i>Governance and administration</i> | 9 828 627 | 9 829 815 | – | – | – | 24 684 | (122 751) | (98 067) | 9 731 748 | 10 631 949 | 11 374 553 |
| Executive and council | 664 033 | 665 678 | – | – | – | – | (2 858) | (2 858) | 662 820 | 646 463 | 702 445 |
| Finance and administration | 9 114 249 | 9 113 791 | – | – | – | 24 684 | (122 605) | (97 921) | 9 015 870 | 9 933 016 | 10 617 372 |
| Internal audit | 50 346 | 50 346 | – | – | – | – | 2 712 | 2 712 | 53 058 | 52 471 | 54 736 |
| <i>Community and public safety</i> | 9 049 011 | 9 075 245 | – | – | – | 10 410 | 37 727 | 48 137 | 9 123 383 | 9 259 009 | 9 102 763 |
| Community and social services | 970 743 | 970 639 | – | – | – | 8 910 | 36 037 | 44 947 | 1 015 586 | 992 208 | 1 041 214 |
| Sport and recreation | 1 171 779 | 1 171 866 | – | – | – | – | 68 050 | 68 050 | 1 239 916 | 1 217 849 | 1 254 586 |
| Public safety | 3 972 218 | 3 972 217 | – | – | – | – | (68 452) | (68 452) | 3 903 766 | 4 063 820 | 3 782 863 |
| Housing | 1 534 627 | 1 560 942 | – | – | – | 1 500 | (67 893) | (66 393) | 1 494 548 | 1 540 934 | 1 542 414 |
| Health | 1 399 645 | 1 399 581 | – | – | – | – | 69 986 | 69 986 | 1 469 567 | 1 444 198 | 1 481 685 |
| <i>Economic and environmental services</i> | 5 282 640 | 5 302 639 | – | – | – | 53 539 | 131 506 | 185 045 | 5 487 684 | 5 257 136 | 5 429 177 |
| Planning and development | 1 433 576 | 1 443 925 | – | – | – | 40 452 | 18 671 | 59 123 | 1 503 049 | 1 440 051 | 1 454 095 |
| Road transport | 3 609 570 | 3 615 889 | – | – | – | – | 107 755 | 107 755 | 3 723 644 | 3 609 295 | 3 754 717 |
| Environmental protection | 239 495 | 242 825 | – | – | – | 13 087 | 5 080 | 18 167 | 260 992 | 207 790 | 220 365 |
| <i>Trading services</i> | 23 913 294 | 23 913 293 | – | – | – | 100 000 | 2 657 855 | 2 757 855 | 26 671 147 | 25 586 015 | 27 623 792 |
| Energy sources | 13 547 693 | 13 547 693 | – | – | – | – | 67 040 | 67 040 | 13 614 733 | 15 151 716 | 16 947 156 |
| Water management | 5 286 244 | 5 290 961 | – | – | – | – | 2 519 586 | 2 519 586 | 7 810 547 | 5 330 941 | 5 426 728 |
| Waste water management | 2 569 535 | 2 564 818 | – | – | – | – | 59 934 | 59 934 | 2 624 752 | 2 515 528 | 2 571 316 |
| Waste management | 2 509 821 | 2 509 821 | – | – | – | 100 000 | 11 295 | 111 295 | 2 621 116 | 2 587 830 | 2 678 593 |
| <i>Other</i> | 373 399 | 329 620 | – | – | – | – | (24 630) | (24 630) | 304 989 | 416 229 | 429 115 |
| Total Expenditure - Functional | 48 446 971 | 48 450 612 | – | – | – | 188 633 | 2 679 707 | 2 868 340 | 51 318 952 | 51 150 337 | 53 959 401 |
| Surplus/ (Deficit) for the year | 2 338 079 | 2 378 537 | – | – | – | (1 374 828) | 167 604 | (1 207 224) | 1 171 313 | 3 001 018 | 2 935 726 |

Table 13: MBRR Table B3 - Consolidated Adjustments Budget Financial Performance (revenue and expenditure by municipal vote)

| Vote Description | Budget Year 2021/22 | | | | | | | | | Budget Year +1 2022/23 | Budget Year +2 2023/24 |
|---|---------------------|-------------------|-----------------|-----------------------|---------------------|-----------------------|-------------------|--------------------|--------------------|---------------------------|---------------------------|
| | Original Budget | Prior Adjusted | Accum. Funds | Multi-year capital | Unfore. Unavoid. | Nat. or Prov. Govt | Other Adjusts. | Total Adjusts. | Adjusted Budget | Adjusted Budget | Adjusted Budget |
| R thousands | | | | | | | | | | | |
| Revenue by Vote | | | | | | | | | | | |
| Vote 1 - Community Services & Health | 1 006 695 | 1 006 714 | – | – | – | 21 512 | 100 550 | 122 062 | 1 128 776 | 1 037 880 | 1 012 274 |
| Vote 2 - Corporate Services | 68 146 | 69 792 | – | – | – | – | 14 590 | 14 590 | 84 382 | 70 421 | 72 005 |
| Vote 3 - Economic Growth | 322 342 | 331 741 | – | – | – | 10 064 | (13 726) | (3 662) | 328 079 | 302 056 | 266 138 |
| Vote 4 - Energy | 15 955 977 | 15 955 977 | – | – | – | – | (22 283) | (22 283) | 15 933 694 | 17 793 533 | 19 865 374 |
| Vote 5 - Finance | 17 460 587 | 17 460 587 | – | – | – | – | 332 468 | 332 468 | 17 793 055 | 18 407 948 | 18 998 252 |
| Vote 6 - Future Planning & Resilience | 38 311 | 38 311 | – | – | – | – | 6 051 | 6 051 | 44 361 | 48 384 | 44 191 |
| Vote 7 - Human Settlements | 1 165 767 | 1 192 082 | – | – | – | 1 500 | 195 949 | 197 449 | 1 389 531 | 1 319 586 | 1 374 917 |
| Vote 8 - Office of the City Manager | 788 | 788 | – | – | – | – | – | – | 788 | 824 | 861 |
| Vote 9 - Safety & Security | 1 717 141 | 1 717 141 | – | – | – | 377 | (10 020) | (9 643) | 1 707 498 | 1 798 330 | 1 441 684 |
| Vote 10 - Spatial Planning & Environment | 474 291 | 474 291 | – | – | – | 2 752 | (2 309) | 443 | 474 735 | 479 840 | 538 910 |
| Vote 11 - Urban Mobility | 2 700 909 | 2 707 628 | – | – | – | (1 340 000) | (33 566) | (1 373 566) | 1 334 063 | 2 321 996 | 2 133 204 |
| Vote 12 - Urban Waste Management | 1 699 585 | 1 699 585 | – | – | – | 117 600 | (374 213) | (256 613) | 1 442 972 | 1 840 672 | 1 994 089 |
| Vote 13 - Water & Sanitation | 8 045 433 | 8 045 433 | – | – | – | – | 2 635 189 | 2 635 189 | 10 680 622 | 8 405 923 | 8 814 290 |
| Vote 14 - Cape Town International Convention Centre | 25 991 | 25 991 | – | – | – | – | 24 330 | 24 330 | 50 321 | 203 551 | 216 329 |
| Vote 15 - Cape Town Stadium | 103 087 | 103 087 | – | – | – | – | (5 701) | (5 701) | 97 386 | 120 410 | 122 608 |
| Total Revenue by Vote | 50 785 050 | 50 829 149 | – | – | – | (1 186 195) | 2 847 311 | 1 661 116 | 52 490 264 | 54 151 354 | 56 895 127 |
| Expenditure by Vote | | | | | | | | | | | |
| Vote 1 - Community Services & Health | 4 203 855 | 4 203 870 | – | – | – | 33 217 | 127 196 | 160 413 | 4 364 284 | 4 179 517 | 4 329 340 |
| Vote 2 - Corporate Services | 3 219 553 | 3 220 259 | – | – | – | – | (42 479) | (42 479) | 3 177 780 | 3 513 651 | 3 837 036 |
| Vote 3 - Economic Growth | 761 637 | 771 537 | – | – | – | 20 087 | (641) | 19 445 | 790 982 | 705 955 | 684 280 |
| Vote 4 - Energy | 13 818 615 | 13 818 614 | – | – | – | – | 58 730 | 58 730 | 13 877 344 | 15 425 558 | 17 232 547 |
| Vote 5 - Finance | 3 105 983 | 3 105 983 | – | – | – | – | 104 767 | 104 767 | 3 210 750 | 3 730 956 | 4 031 689 |
| Vote 6 - Future Planning & Resilience | 503 141 | 503 579 | – | – | – | – | 16 005 | 16 005 | 519 585 | 524 065 | 542 963 |
| Vote 7 - Human Settlements | 1 446 865 | 1 473 180 | – | – | – | 1 500 | (6 851) | (5 351) | 1 467 828 | 1 517 620 | 1 518 377 |
| Vote 8 - Office of the City Manager | 336 605 | 336 605 | – | – | – | – | 25 214 | 25 214 | 361 819 | 346 196 | 357 077 |
| Vote 9 - Safety & Security | 4 707 856 | 4 707 856 | – | – | – | 377 | (93 442) | (93 065) | 4 614 791 | 4 742 675 | 4 479 109 |
| Vote 10 - Spatial Planning & Environment | 1 171 915 | 1 175 245 | – | – | – | 15 852 | (12 597) | 3 255 | 1 178 500 | 1 174 047 | 1 224 603 |
| Vote 11 - Urban Mobility | 3 669 117 | 3 675 836 | – | – | – | – | 51 855 | 51 855 | 3 727 691 | 3 666 580 | 3 812 728 |
| Vote 12 - Urban Waste Management | 3 138 571 | 3 138 571 | – | – | – | 117 600 | (41 064) | 76 536 | 3 215 107 | 3 229 159 | 3 345 695 |
| Vote 13 - Water & Sanitation | 8 066 681 | 8 066 681 | – | – | – | – | 2 538 378 | 2 538 378 | 10 605 059 | 8 038 281 | 8 192 894 |
| Vote 14 - Cape Town International Convention Centre | 195 498 | 195 498 | – | – | – | – | (85 452) | (85 452) | 110 046 | 237 676 | 250 464 |
| Vote 15 - Cape Town Stadium | 101 077 | 101 077 | – | – | – | – | (3 691) | (3 691) | 97 386 | 118 400 | 120 598 |
| Total Expenditure by Vote | 48 446 970 | 48 494 391 | – | – | – | 188 633 | 2 635 927 | 2 824 560 | 51 318 951 | 51 150 337 | 53 959 401 |
| Surplus/ (Deficit) for the year | 2 338 080 | 2 334 757 | – | – | – | (1 374 828) | 211 384 | (1 163 445) | 1 171 313 | 3 001 017 | 2 935 726 |

Table 14: MBRR Table B4 - Consolidated Adjustments Budget Financial Performance (revenue and expenditure)

| Description | Budget Year 2021/22 | | | | | | | | | Budget Year +1 2022/23 | Budget Year +2 2023/24 |
|--|---------------------|-------------------|-----------------|-----------------------|---------------------|-----------------------|-------------------|--------------------|--------------------|---------------------------|---------------------------|
| | Original Budget | Prior Adjusted | Accum. Funds | Multi-year capital | Unfore. Unavoid. | Nat. or Prov. Govt | Other Adjusts. | Total Adjusts. | Adjusted Budget | Adjusted Budget | Adjusted Budget |
| R thousands | | | | | | | | | | | |
| Revenue By Source | | | | | | | | | | | |
| Property rates | 10 984 132 | 10 984 132 | – | – | – | – | (317) | (317) | 10 983 815 | 11 532 163 | 12 076 858 |
| Service charges - electricity revenue | 15 734 566 | 15 734 566 | – | – | – | – | 0 | 0 | 15 734 566 | 17 571 754 | 19 655 102 |
| Service charges - water revenue | 3 556 345 | 3 556 345 | – | – | – | – | (7 095) | (7 095) | 3 549 249 | 3 848 376 | 4 104 016 |
| Service charges - sanitation revenue | 1 775 113 | 1 775 113 | – | – | – | – | 16 800 | 16 800 | 1 791 914 | 1 916 842 | 2 050 805 |
| Service charges - refuse revenue | 1 330 442 | 1 330 442 | – | – | – | – | (63 129) | (63 129) | 1 267 313 | 1 446 405 | 1 592 219 |
| Rental of facilities and equipment | 386 017 | 386 017 | – | – | – | – | 23 866 | 23 866 | 409 883 | 536 623 | 562 178 |
| Interest earned - external investments | 855 344 | 855 344 | – | – | – | – | 41 132 | 41 132 | 896 476 | 912 648 | 884 379 |
| Interest earned - outstanding debtors | 449 452 | 449 452 | – | – | – | – | (87 679) | (87 679) | 361 774 | 471 822 | 497 547 |
| Dividends received | – | – | – | – | – | – | – | – | – | – | – |
| Fines, penalties and forfeits | 1 247 015 | 1 247 015 | – | – | – | – | 3 361 | 3 361 | 1 250 376 | 1 249 177 | 1 251 390 |
| Licences and permits | 67 110 | 67 110 | – | – | – | – | 2 920 | 2 920 | 70 030 | 70 197 | 73 355 |
| Agency services | 261 614 | 261 614 | – | – | – | – | 7 876 | 7 876 | 269 491 | 282 544 | 305 147 |
| Transfers and subsidies | 5 650 364 | 5 694 463 | – | – | – | 188 633 | 187 147 | 375 780 | 6 070 243 | 5 774 670 | 5 357 558 |
| Other revenue | 3 161 651 | 3 161 651 | – | – | – | – | 18 526 | 18 526 | 3 180 177 | 3 380 894 | 3 402 794 |
| Gains | 2 053 058 | 2 053 058 | – | – | – | – | 2 657 930 | 2 657 930 | 4 710 989 | 2 055 448 | 2 057 893 |
| Total Revenue (excluding capital transfers and contributions) | 47 512 224 | 47 556 323 | – | – | – | 188 633 | 2 801 339 | 2 989 972 | 50 546 295 | 51 049 562 | 53 871 241 |
| Expenditure By Type | | | | | | | | | | | |
| Employee related costs | 15 669 546 | 15 670 520 | – | – | – | 75 829 | 159 368 | 235 197 | 15 905 717 | 16 296 294 | 16 771 058 |
| Remuneration of councillors | 179 826 | 179 826 | – | – | – | – | (0) | (0) | 179 826 | 187 739 | 196 375 |
| Debt impairment | 2 717 219 | 2 717 219 | – | – | – | – | (345 219) | (345 219) | 2 372 000 | 2 786 351 | 2 662 995 |
| Depreciation & asset impairment | 3 064 593 | 3 064 593 | – | – | – | – | 54 578 | 54 578 | 3 119 172 | 3 112 631 | 3 225 949 |
| Finance charges | 794 747 | 794 747 | – | – | – | – | (6 043) | (6 043) | 788 704 | 1 283 592 | 1 498 858 |
| Bulk purchases - electricity | 11 182 400 | 11 182 400 | – | – | – | – | 36 500 | 36 500 | 11 218 900 | 12 669 659 | 14 354 724 |
| Inventory consumed | 3 708 260 | 3 710 241 | – | – | – | 24 255 | 1 896 018 | 1 920 273 | 5 630 514 | 3 780 012 | 3 783 442 |
| Contracted services | 8 043 690 | 8 050 278 | – | – | – | 32 755 | 139 559 | 172 315 | 8 222 593 | 7 693 752 | 7 971 353 |
| Transfers and subsidies | 405 903 | 441 333 | – | – | – | 35 784 | 24 849 | 60 633 | 501 965 | 380 327 | 339 495 |
| Other expenditure | 2 666 663 | 2 669 110 | – | – | – | 20 010 | 119 498 | 139 508 | 2 808 618 | 2 945 759 | 3 140 830 |
| Losses | 14 124 | 14 124 | – | – | – | – | 633 628 | 633 628 | 647 752 | 14 222 | 14 322 |
| Total Expenditure | 48 446 971 | 48 494 391 | – | – | – | 188 633 | 2 712 737 | 2 901 370 | 51 395 761 | 51 150 337 | 53 959 401 |
| Surplus/(Deficit) | (934 747) | (938 069) | – | – | – | – | 88 602 | 88 602 | (849 466) | (100 774) | (68 160) |
| Transfers and subsidies - capital (monetary allocations) (National / Provincial and District) | 3 066 644 | 3 066 644 | – | – | – | (1 374 828) | 41 437 | (1 333 392) | 1 733 253 | 2 861 528 | 2 770 686 |
| Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) | 206 182 | 206 182 | – | – | – | – | 4 535 | 4 535 | 210 717 | 240 264 | 253 199 |
| Transfers and subsidies - capital (in-kind - all) | – | – | – | – | – | – | – | – | – | – | – |
| Surplus/(Deficit) before taxation | 2 338 078 | 2 334 757 | – | – | – | (1 374 828) | 134 574 | (1 240 254) | 1 094 503 | 3 001 018 | 2 935 726 |
| Taxation | (43 779) | (43 779) | – | – | – | – | 6 019 | 6 019 | (37 761) | (8 762) | (8 764) |
| Surplus/(Deficit) after taxation | 2 381 858 | 2 378 536 | – | – | – | (1 374 828) | 128 555 | (1 246 273) | 1 132 264 | 3 009 780 | 2 944 490 |
| Attributable to minorities | (35 958) | (35 958) | – | – | – | – | (3 091) | (3 091) | (39 049) | (7 274) | (7 277) |
| Surplus/(Deficit) attributable to municipality | 2 345 899 | 2 342 578 | – | – | – | (1 374 828) | 125 465 | (1 249 363) | 1 093 215 | 3 002 506 | 2 937 213 |
| Share of surplus/ (deficit) of associate | – | – | – | – | – | – | – | – | – | – | – |
| Surplus/ (Deficit) for the year | 2 345 899 | 2 342 578 | – | – | – | (1 374 828) | 125 465 | (1 249 363) | 1 093 215 | 3 002 506 | 2 937 213 |

Table 15: MBRR Table B5 - Consolidated Adjustments Capital Expenditure Budget by vote and funding

| Description | Budget Year 2021/22 | | | | | | | | | Budget Year +1 2022/23 | Budget Year +2 2023/24 |
|---|---------------------|-------------------|--------------|-----------------------|---------------------|-----------------------|--------------------|--------------------|--------------------|---------------------------|---------------------------|
| | Original Budget | Prior Adjusted | Accum. Funds | Multi-year capital | Unfore. Unavoid. | Nat. or Prov. Govt | Other Adjusts. | Total Adjusts. | Adjusted Budget | Adjusted Budget | Adjusted Budget |
| R thousands | | | | | | | | | | | |
| Capital expenditure - Vote | | | | | | | | | | | |
| Multi-year expenditure to be adjusted | | | | | | | | | | | |
| Vote 1 - Community Services & Health | 299 732 | 323 511 | – | – | – | (11 705) | (12 835) | (24 540) | 298 971 | 241 118 | 153 803 |
| Vote 2 - Corporate Services | 418 663 | 457 088 | – | – | – | – | (22 008) | (22 008) | 435 081 | 731 894 | 1 023 696 |
| Vote 3 - Economic Growth | 57 073 | 62 092 | – | – | – | (10 023) | (953) | (10 975) | 51 116 | 27 586 | 19 469 |
| Vote 4 - Energy | 952 575 | 991 330 | – | – | – | – | (127 804) | (127 804) | 863 527 | 1 202 940 | 1 475 384 |
| Vote 5 - Finance | 25 515 | 25 929 | – | – | – | – | (9 387) | (9 387) | 16 542 | 27 015 | 89 650 |
| Vote 6 - Future Planning & Resilience | 79 452 | 85 104 | – | – | – | – | (38 481) | (38 481) | 46 623 | 89 177 | 57 565 |
| Vote 7 - Human Settlements | 827 201 | 835 682 | – | – | – | – | 93 143 | 93 143 | 928 826 | 1 005 437 | 1 053 944 |
| Vote 8 - Office of the City Manager | 6 175 | 6 624 | – | – | – | – | (281) | (281) | 6 343 | 11 752 | 24 182 |
| Vote 9 - Safety & Security | 258 298 | 273 398 | – | – | – | – | (74 336) | (74 336) | 199 062 | 227 723 | 260 673 |
| Vote 10 - Spatial Planning & Environment | 154 142 | 191 167 | – | – | – | (13 100) | (66 011) | (79 111) | 112 056 | 204 783 | 383 904 |
| Vote 11 - Urban Mobility | 2 191 855 | 2 279 172 | – | – | – | (1 340 000) | (216 400) | (1 556 400) | 722 772 | 2 140 176 | 1 875 875 |
| Vote 12 - Urban Waste Management | 661 993 | 753 492 | – | – | – | – | (365 194) | (365 194) | 388 298 | 605 848 | 924 955 |
| Vote 13 - Water & Sanitation | 2 382 091 | 2 544 091 | – | – | – | – | (518 192) | (518 192) | 2 025 899 | 2 518 431 | 4 278 378 |
| Vote 14 - Cape Town International Convention Centre | 11 172 | 13 739 | – | – | – | – | (771) | (771) | 12 967 | 20 472 | 25 737 |
| Vote 15 - Cape Town Stadium | – | – | – | – | – | – | – | – | – | – | – |
| Total Capital Expenditure - Vote | 8 325 939 | 8 842 420 | – | – | – | (1 374 828) | (1 359 510) | (2 734 338) | 6 108 082 | 9 054 352 | 11 647 215 |
| Capital Expenditure - Functional | | | | | | | | | | | |
| Governance and administration | 893 761 | 996 312 | – | – | – | 379 | (79 110) | (78 731) | 917 581 | 1 147 079 | 1 504 880 |
| Executive and council | 5 052 | 10 830 | – | – | – | – | (2 719) | (2 719) | 8 110 | 9 166 | 3 693 |
| Finance and administration | 888 469 | 985 243 | – | – | – | 379 | (76 420) | (76 041) | 909 202 | 1 137 833 | 1 501 108 |
| Internal audit | 240 | 240 | – | – | – | – | 29 | 29 | 269 | 79 | 79 |
| Community and public safety | 1 211 834 | 1 251 970 | – | – | – | (12 084) | 32 733 | 20 648 | 1 272 618 | 1 333 539 | 1 396 055 |
| Community and social services | 74 151 | 86 086 | – | – | – | (12 084) | 4 031 | (8 053) | 78 033 | 74 742 | 69 505 |
| Sport and recreation | 98 585 | 103 380 | – | – | – | – | (24 116) | (24 116) | 79 264 | 70 387 | 70 284 |
| Public safety | 154 854 | 169 009 | – | – | – | – | (39 370) | (39 370) | 129 639 | 145 724 | 184 272 |
| Housing | 827 201 | 835 682 | – | – | – | – | 93 143 | 93 143 | 928 826 | 1 005 437 | 1 053 944 |
| Health | 57 042 | 57 812 | – | – | – | – | (956) | (956) | 56 856 | 37 250 | 18 050 |
| Economic and environmental services | 2 367 117 | 2 492 400 | – | – | – | (1 363 123) | (271 765) | (1 634 888) | 857 512 | 2 376 175 | 2 284 183 |
| Planning and development | 89 433 | 109 727 | – | – | – | – | (12 723) | (7 059) | 89 946 | 103 267 | 137 990 |
| Road transport | 2 190 255 | 2 276 888 | – | – | – | (1 340 000) | (217 109) | (1 557 109) | 719 779 | 2 139 760 | 1 875 459 |
| Environmental protection | 87 428 | 105 785 | – | – | – | (10 400) | (47 597) | (57 997) | 47 787 | 133 148 | 270 734 |
| Trading services | 3 831 805 | 4 077 374 | – | – | – | – | (1 040 529) | (1 040 529) | 3 036 845 | 4 175 237 | 6 434 510 |
| Energy sources | 1 012 157 | 1 043 854 | – | – | – | – | (152 169) | (152 169) | 891 685 | 1 256 852 | 1 498 152 |
| Water management | 966 786 | 1 066 660 | – | – | – | – | (64 017) | (64 017) | 1 002 643 | 1 004 897 | 1 582 193 |
| Waste water management | 1 350 020 | 1 412 061 | – | – | – | – | (459 719) | (459 719) | 952 341 | 1 466 091 | 2 581 361 |
| Waste management | 502 843 | 554 799 | – | – | – | – | (364 623) | (364 623) | 190 176 | 447 397 | 772 805 |
| Other | 21 422 | 24 365 | – | – | – | – | (839) | (839) | 23 526 | 22 322 | 27 587 |
| Total Capital Expenditure - Functional | 8 325 939 | 8 842 420 | – | – | – | (1 374 828) | (1 359 510) | (2 734 338) | 6 108 082 | 9 054 352 | 11 647 215 |
| Funded by: | | | | | | | | | | | |
| National Government | 3 050 778 | 3 050 778 | – | – | – | (1 374 828) | 29 543 | (1 345 285) | 1 705 493 | 2 819 321 | 2 671 759 |
| Provincial Government | 15 866 | 15 866 | – | – | – | – | 11 893 | 11 893 | 27 760 | 42 207 | 98 927 |
| District Municipality | – | – | – | – | – | – | – | – | – | – | – |
| Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) | 72 198 | 72 198 | – | – | – | – | (12 861) | (12 861) | 59 336 | 103 318 | 84 493 |
| Transfers recognised - capital | 3 138 842 | 3 138 842 | – | – | – | (1 374 828) | 28 575 | (1 346 253) | 1 792 589 | 2 964 846 | 2 855 179 |
| Borrowing | 2 500 000 | 2 500 000 | – | – | – | – | (1 300 000) | (1 300 000) | 1 200 000 | 4 500 000 | 7 000 000 |
| Internally generated funds | 2 687 097 | 3 203 579 | – | – | – | – | (88 085) | (88 085) | 3 115 494 | 1 589 507 | 1 792 036 |
| Total Capital Funding | 8 325 939 | 8 842 420 | – | – | – | (1 374 828) | (1 359 510) | (2 734 338) | 6 108 082 | 9 054 352 | 11 647 215 |

Table 16: MBRR Table B6 - Consolidated Adjustments Budget Financial Position

| Description | Budget Year 2021/22 | | | | | | | | | Budget Year +1 2022/23 | Budget Year +2 2023/24 |
|--|---------------------|-------------------|-----------------|-----------------------|---------------------|-----------------------|--------------------|--------------------|--------------------|---------------------------|---------------------------|
| | Original Budget | Prior Adjusted | Accum. Funds | Multi-year capital | Unfore. Unavoid. | Nat. or Prov. Govt | Other Adjusts. | Total Adjusts. | Adjusted Budget | Adjusted Budget | Adjusted Budget |
| R thousands | | | | | | | | | | | |
| ASSETS | | | | | | | | | | | |
| Current assets | | | | | | | | | | | |
| Cash | 134 904 | 134 904 | – | – | – | – | (1) | (1) | 134 903 | 96 396 | 96 397 |
| Call investment deposits | 6 693 257 | 9 458 231 | – | – | – | – | (792 046) | (792 046) | 8 666 185 | 9 585 522 | 10 657 854 |
| Consumer debtors | 7 940 433 | 7 940 433 | – | – | – | – | (1 679 403) | (1 679 403) | 6 261 031 | 6 490 444 | 6 983 322 |
| Other debtors | 1 637 002 | 1 637 002 | – | – | – | – | (907 600) | (907 600) | 729 402 | 815 181 | 866 768 |
| Current portion of long-term receivables | 9 023 | 9 023 | – | – | – | – | (2 588) | (2 588) | 6 435 | 2 218 | 2 218 |
| Inventory | 472 375 | 472 375 | – | – | – | 0 | 15 372 | 15 372 | 487 747 | 506 705 | 529 162 |
| Total current assets | 16 886 995 | 19 651 969 | – | – | – | 0 | (3 366 266) | (3 366 266) | 16 285 703 | 17 496 466 | 19 135 722 |
| Non current assets | | | | | | | | | | | |
| Long-term receivables | 168 891 | 168 891 | – | – | – | – | 3 | 3 | 168 894 | 166 676 | 164 458 |
| Investments | 6 240 856 | 6 685 279 | – | – | – | – | (443 807) | (443 807) | 6 241 472 | 5 798 040 | 5 798 040 |
| Investment property | 577 820 | 577 820 | – | – | – | – | 40 | 40 | 577 861 | 576 147 | 574 433 |
| Investment in Associate | – | – | – | – | – | – | – | – | – | – | – |
| Property, plant and equipment | 59 205 472 | 59 764 258 | – | – | – | – | (3 476 282) | (3 476 282) | 56 287 976 | 62 083 087 | 70 340 634 |
| Biological | – | – | – | – | – | – | – | – | – | – | – |
| Intangible | 524 765 | 483 205 | – | – | – | – | 29 464 | 29 464 | 512 668 | 645 487 | 810 920 |
| Other non-current assets | 350 339 | 349 595 | – | – | – | – | (124 874) | (124 874) | 224 721 | 327 342 | 336 106 |
| Total non current assets | 67 068 144 | 68 029 049 | – | – | – | – | (4 015 456) | (4 015 456) | 64 013 593 | 69 596 779 | 78 024 592 |
| TOTAL ASSETS | 83 955 139 | 87 681 018 | – | – | – | 0 | (7 381 722) | (7 381 722) | 80 299 296 | 87 093 245 | 97 160 313 |
| LIABILITIES | | | | | | | | | | | |
| Current liabilities | | | | | | | | | | | |
| Bank overdraft | – | – | – | – | – | – | – | – | – | – | – |
| Borrowing | 1 565 429 | 1 565 429 | – | – | – | – | (78 645) | (78 645) | 1 486 784 | 1 974 648 | 3 245 763 |
| Consumer deposits | 481 759 | 481 759 | – | – | – | – | 101 680 | 101 680 | 583 440 | 681 036 | 835 473 |
| Trade and other payables | 7 530 256 | 7 563 115 | – | – | – | – | (1 826 914) | (1 826 914) | 5 736 201 | 6 851 491 | 7 976 426 |
| Provisions | 2 141 143 | 2 141 143 | – | – | – | – | (456 188) | (456 188) | 1 684 955 | 1 636 111 | 1 714 330 |
| Total current liabilities | 11 718 587 | 11 751 446 | – | – | – | – | (2 260 067) | (2 260 067) | 9 491 379 | 11 143 287 | 13 771 991 |
| Non current liabilities | | | | | | | | | | | |
| Borrowing | 7 589 127 | 7 589 127 | – | – | – | – | (1 228 726) | (1 228 726) | 6 360 401 | 8 808 107 | 12 820 354 |
| Provisions | 7 898 050 | 7 898 050 | – | – | – | – | (468 452) | (468 452) | 7 429 598 | 7 813 804 | 8 295 431 |
| Total non current liabilities | 15 487 177 | 15 487 177 | – | – | – | – | (1 697 178) | (1 697 178) | 13 789 999 | 16 621 912 | 21 115 785 |
| TOTAL LIABILITIES | 27 205 764 | 27 238 623 | – | – | – | – | (3 957 245) | (3 957 245) | 23 281 378 | 27 765 199 | 34 887 777 |
| NET ASSETS | 56 749 375 | 60 442 395 | – | – | – | 0 | (3 424 477) | (3 424 477) | 57 017 918 | 59 328 046 | 62 272 537 |
| COMMUNITY WEALTH/EQUITY | | | | | | | | | | | |
| Accumulated Surplus/(Deficit) | 51 066 741 | 54 301 975 | – | – | – | (1 374 828) | (2 707 674) | (4 082 502) | 50 219 473 | 52 108 160 | 54 652 695 |
| Reserves | 5 682 634 | 6 140 420 | – | – | – | – | 658 025 | 658 025 | 6 798 445 | 7 219 887 | 7 619 842 |
| TOTAL COMMUNITY WEALTH/EQUITY | 56 749 375 | 60 442 395 | – | – | – | (1 374 828) | (2 049 649) | (3 424 477) | 57 017 918 | 59 328 046 | 62 272 537 |

Table 17: MBRR Table B7 - Consolidated Adjustments Budget Cash Flow

| Description | Budget Year 2021/22 | | | | | | | | | Budget Year +1 2022/23 | Budget Year +2 2023/24 |
|--|---------------------|--------------------|-----------------|-----------------------|---------------------|-----------------------|--------------------|--------------------|--------------------|---------------------------|---------------------------|
| | Original Budget | Prior Adjusted | Accum. Funds | Multi-year capital | Unfore. Unavoid. | Nat. or Prov. Govt | Other Adjusts. | Total Adjusts. | Adjusted Budget | Adjusted Budget | Adjusted Budget |
| R thousands | | | | | | | | | | | |
| CASH FLOW FROM OPERATING ACTIVITIES | | | | | | | | | | | |
| Receipts | | | | | | | | | | | |
| Property rates | 10 535 297 | 10 535 297 | – | – | – | – | (304) | (304) | 10 534 992 | 11 070 877 | 11 593 784 |
| Service charges | 21 618 057 | 21 618 057 | – | – | – | – | (29 997) | (29 997) | 21 588 060 | 23 964 870 | 26 518 325 |
| Other revenue | 4 083 382 | 4 083 382 | – | – | – | – | 30 655 | 30 655 | 4 114 037 | 4 505 969 | 4 588 329 |
| Transfers and Subsidies - Operational | 5 650 364 | 5 694 463 | – | – | – | – | 376 588 | 376 588 | 6 071 051 | 5 806 064 | 5 382 264 |
| Transfers and Subsidies - Capital | 3 200 628 | 3 272 826 | – | – | – | – | (1 328 856) | (1 328 856) | 1 943 969 | 3 101 792 | 3 023 885 |
| Interest | 855 344 | 855 344 | – | – | – | – | 41 132 | 41 132 | 896 475 | 912 648 | 884 379 |
| Dividends | – | – | – | – | – | – | – | – | – | – | – |
| Payments | | | | | | | | | | | |
| Suppliers and employees | (39 151 142) | (39 163 989) | – | – | – | – | (370 940) | (370 940) | (39 534 930) | (41 755 811) | (44 352 568) |
| Finance charges | (740 582) | (702 345) | – | – | – | – | – | – | (702 345) | (1 050 657) | (1 112 246) |
| Transfers and Grants | (403 779) | (439 209) | – | – | – | – | (61 442) | (61 442) | (500 650) | – | – |
| NET CASH FROM/(USED) OPERATING ACTIVITIES | 5 647 568 | 5 753 826 | – | – | – | – | (1 343 165) | (1 343 165) | 4 410 661 | 6 555 753 | 6 526 153 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | | | | | | | |
| Receipts | | | | | | | | | | | |
| Proceeds on disposal of PPE | 124 139 | 51 942 | – | – | – | – | 2 800 | 2 800 | 54 741 | 54 331 | 56 776 |
| Decrease (increase) in non-current receivables | 122 249 | 122 249 | – | – | – | – | (26 252) | (26 252) | 95 997 | 41 094 | 94 |
| Decrease (increase) in non-current investments | (331 962) | (332 578) | – | – | – | – | – | – | (332 578) | 633 780 | 909 552 |
| Payments | | | | | | | | | | | |
| Capital assets | (8 325 939) | (8 842 420) | – | – | – | – | 2 734 338 | 2 734 338 | (6 108 082) | (9 054 352) | (11 647 215) |
| NET CASH FROM/(USED) INVESTING ACTIVITIES | (8 411 512) | (9 000 808) | – | – | – | – | 2 710 886 | 2 710 886 | (6 289 922) | (8 325 148) | (10 680 793) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | | | | | | | | |
| Receipts | | | | | | | | | | | |
| Short term loans | – | – | – | – | – | – | – | – | – | – | – |
| Borrowing long term/refinancing | 2 500 000 | 2 500 000 | – | – | – | – | (1 300 000) | (1 300 000) | 1 200 000 | 4 500 000 | 7 000 000 |
| Increase (decrease) in consumer deposits | 17 110 | 17 110 | – | – | – | – | 70 560 | 70 560 | 87 669 | 104 605 | 151 802 |
| Payments | | | | | | | | | | | |
| Repayment of borrowing | (371 495) | (371 495) | – | – | – | – | – | – | (371 495) | (1 588 161) | (1 924 828) |
| NET CASH FROM/(USED) FINANCING ACTIVITIES | 2 145 615 | 2 145 615 | – | – | – | – | (1 229 440) | (1 229 440) | 916 175 | 3 016 444 | 5 226 974 |
| NET INCREASE/ (DECREASE) IN CASH HELD | (618 329) | (1 101 367) | – | – | – | – | 138 281 | 138 281 | (963 086) | 1 247 049 | 1 072 334 |
| Cash/cash equivalents at the year begin: | 5 690 213 | 8 020 969 | – | – | – | – | – | – | 8 020 969 | 7 057 883 | 8 304 932 |
| Cash/cash equivalents at the year end: | 5 071 884 | 6 919 602 | – | – | – | – | 138 281 | 138 281 | 7 057 883 | 8 304 932 | 9 377 265 |

Table 18: MBRR Table B8 - Consolidated Cash backed reserves/accumulated surplus reconciliation

| Description | Budget Year 2021/22 | | | | | | | | | Budget Year +1 2022/23 | Budget Year +2 2023/24 |
|---|---------------------|-------------------|-----------------|-----------------------|---------------------|-----------------------|--------------------|--------------------|--------------------|---------------------------|---------------------------|
| | Original Budget | Prior Adjusted | Accum. Funds | Multi-year capital | Unfore. Unavoid. | Nat. or Prov. Govt | Other Adjusts. | Total Adjusts. | Adjusted Budget | Adjusted Budget | Adjusted Budget |
| R thousands | | | | | | | | | | | |
| Cash and investments available | | | | | | | | | | | |
| Cash/cash equivalents at the year end | 5 071 884 | 6 919 602 | – | – | – | – | 138 281 | 138 281 | 7 057 883 | 8 304 932 | 9 377 265 |
| Other current investments > 90 days | 1 756 277 | 2 673 533 | – | – | – | – | (930 328) | (930 328) | 1 743 206 | 1 376 986 | 1 376 986 |
| Non current assets - Investments | 6 240 856 | 6 685 279 | – | – | – | – | (443 807) | (443 807) | 6 241 472 | 5 798 040 | 5 798 040 |
| Cash and investments available: | 13 069 017 | 16 278 414 | – | – | – | – | (1 235 854) | (1 235 854) | 15 042 560 | 15 479 958 | 16 552 291 |
| Applications of cash and investments | | | | | | | | | | | |
| Unspent conditional transfers | 1 563 531 | 1 563 531 | – | – | – | – | (0) | (0) | 1 563 531 | 1 638 697 | 1 724 596 |
| Unspent borrowing | – | – | – | – | – | – | – | – | – | – | – |
| Statutory requirements | – | – | – | – | – | – | – | – | – | – | – |
| Other working capital requirements | (3 288 208) | (3 255 349) | – | – | – | – | 663 646 | 663 646 | (2 591 703) | (1 864 652) | (1 355 441) |
| Other provisions | 1 264 464 | 1 264 464 | – | – | – | – | – | – | 1 264 464 | 917 408 | 975 187 |
| Long term investments committed | 3 402 669 | 3 402 669 | – | – | – | – | – | – | 3 402 669 | 2 768 888 | 1 859 336 |
| Reserves to be backed by cash/investments | 4 915 091 | 4 703 992 | – | – | – | – | 658 025 | 658 025 | 5 362 017 | 5 742 459 | 6 142 414 |
| Total Application of cash and investments: | 7 857 547 | 7 679 307 | – | – | – | – | 1 321 671 | 1 321 671 | 9 000 978 | 9 202 800 | 9 346 093 |
| Surplus(shortfall) | 5 211 470 | 8 599 107 | – | – | – | – | (2 557 525) | (2 557 525) | 6 041 582 | 6 277 158 | 7 206 197 |

Table 19: MBRR Table B9 - Consolidated Asset Management

| Description | Budget Year 2021/22 | | | | | | | | | Budget Year +1 2022/23 | Budget Year +2 2023/24 |
|--|---------------------|-------------------|-----------------|-----------------------|---------------------|-----------------------|-------------------|--------------------|--------------------|---------------------------|---------------------------|
| | Original Budget | Prior Adjusted | Accum. Funds | Multi-year capital | Unfore. Unavoid. | Nat. or Prov. Govt | Other Adjusts. | Total Adjusts. | Adjusted Budget | Adjusted Budget | Adjusted Budget |
| R thousands | | | | | | | | | | | |
| CAPITAL EXPENDITURE | | | | | | | | | | | |
| Total New Assets to be adjusted | 4 243 048 | 4 468 920 | – | – | – | (1 340 112) | (528 119) | (1 868 230) | 2 600 689 | 4 689 370 | 5 471 405 |
| Roads Infrastructure | 1 842 348 | 1 858 067 | – | – | – | (1 291 641) | (91 992) | (1 383 633) | 474 434 | 1 386 285 | 1 137 215 |
| Storm water Infrastructure | 147 168 | 150 849 | – | – | – | – | (31 421) | (31 421) | 119 428 | 154 273 | 166 956 |
| Electrical Infrastructure | 317 389 | 329 420 | – | – | – | – | (52 241) | (52 241) | 277 179 | 373 852 | 302 669 |
| Water Supply Infrastructure | 456 177 | 522 526 | – | – | – | – | (8 824) | (8 824) | 513 702 | 421 811 | 1 060 327 |
| Sanitation Infrastructure | 282 760 | 307 780 | – | – | – | – | (58 985) | (58 985) | 248 795 | 607 394 | 781 485 |
| Solid Waste Infrastructure | 376 760 | 419 474 | – | – | – | – | (297 248) | (297 248) | 122 226 | 354 975 | 539 024 |
| Coastal Infrastructure | 2 000 | 2 031 | – | – | – | – | (2 031) | (2 031) | – | 10 675 | – |
| Information and Communication Infrastructure | 58 749 | 58 749 | – | – | – | – | (8 152) | (8 152) | 50 597 | 69 667 | 155 163 |
| Infrastructure | 3 483 352 | 3 648 895 | – | – | – | (1 291 641) | (550 893) | (1 842 534) | 1 806 361 | 3 378 932 | 4 142 839 |
| Community Facilities | 252 504 | 264 574 | – | – | – | (21 000) | (38 477) | (59 477) | 205 097 | 265 345 | 319 244 |
| Sport and Recreation Facilities | 4 000 | 5 000 | – | – | – | – | (5 000) | (5 000) | – | 1 000 | 4 000 |
| Community Assets | 256 504 | 269 574 | – | – | – | (21 000) | (43 477) | (64 477) | 205 097 | 266 345 | 323 244 |
| Operational Buildings | 105 055 | 121 924 | – | – | – | – | (59 551) | (59 551) | 62 373 | 108 049 | 245 109 |
| Housing | 11 566 | 11 566 | – | – | – | – | 14 765 | 14 765 | 26 332 | 57 615 | 65 692 |
| Other Assets | 116 621 | 133 490 | – | – | – | – | (44 785) | (44 785) | 88 705 | 165 664 | 310 802 |
| Licences and Rights | 22 648 | 22 749 | – | – | – | – | (9 500) | (9 500) | 13 249 | 159 704 | 243 892 |
| Intangible Assets | 22 648 | 22 749 | – | – | – | – | (9 500) | (9 500) | 13 249 | 159 704 | 243 892 |
| Computer Equipment | 94 820 | 104 728 | – | – | – | – | (6 252) | (6 252) | 98 477 | 111 322 | 99 091 |
| Furniture and Office Equipment | 26 218 | 28 619 | – | – | – | – | (3 860) | (3 860) | 24 760 | 14 861 | 14 826 |
| Machinery and Equipment | 158 838 | 170 181 | – | – | – | – | (5 786) | (5 786) | 164 395 | 161 212 | 159 392 |
| Transport Assets | 63 046 | 66 353 | – | – | – | – | 21 124 | 21 124 | 87 478 | 336 430 | 111 178 |
| Land | 21 000 | 24 330 | – | – | – | (27 470) | 115 309 | 87 839 | 112 169 | 94 900 | 66 142 |
| Total Renewal of Existing Assets to be adjusted | 1 900 579 | 2 040 578 | – | – | – | (10 023) | (58 640) | (68 663) | 1 971 915 | 1 879 150 | 2 702 994 |
| Roads Infrastructure | 178 832 | 201 725 | – | – | – | – | (58 490) | (58 490) | 143 235 | 121 325 | 235 780 |
| Storm water Infrastructure | 2 910 | 7 248 | – | – | – | – | (1 196) | (1 196) | 6 052 | 9 150 | 37 621 |
| Electrical Infrastructure | 434 796 | 446 005 | – | – | – | – | (13 903) | (13 903) | 432 102 | 512 038 | 807 300 |
| Water Supply Infrastructure | 359 820 | 362 602 | – | – | – | – | (56 918) | (56 918) | 305 684 | 281 100 | 244 267 |
| Sanitation Infrastructure | 276 606 | 286 245 | – | – | – | – | 28 563 | 28 563 | 314 808 | 338 243 | 692 238 |
| Solid Waste Infrastructure | – | – | – | – | – | – | – | – | – | 500 | 9 500 |
| Information and Communication Infrastructure | 6 375 | 6 815 | – | – | – | – | (1 334) | (1 334) | 5 480 | 39 248 | 69 198 |
| Infrastructure | 1 259 339 | 1 310 639 | – | – | – | – | (103 277) | (103 277) | 1 207 362 | 1 301 603 | 2 095 904 |
| Community Facilities | 22 200 | 27 201 | – | – | – | (10 023) | 17 774 | 7 751 | 34 952 | 19 032 | 12 100 |
| Sport and Recreation Facilities | 6 500 | 6 500 | – | – | – | – | (4 908) | (4 908) | 1 592 | – | – |
| Community Assets | 28 700 | 33 701 | – | – | – | (10 023) | 12 866 | 2 843 | 36 544 | 19 032 | 12 100 |
| Heritage Assets | 744 | 905 | – | – | – | – | – | – | 905 | 1 050 | – |
| Operational Buildings | 30 972 | 36 223 | – | – | – | – | (5 158) | (5 158) | 31 065 | 16 503 | 24 790 |
| Housing | 57 129 | 64 659 | – | – | – | – | 2 320 | 2 320 | 66 979 | 66 153 | 66 795 |
| Other Assets | 88 101 | 100 882 | – | – | – | – | (2 838) | (2 838) | 98 044 | 82 656 | 91 585 |
| Licences and Rights | 12 000 | 12 158 | – | – | – | – | (717) | (717) | 11 441 | 18 500 | 11 000 |
| Intangible Assets | 12 000 | 12 158 | – | – | – | – | (717) | (717) | 11 441 | 18 500 | 11 000 |
| Computer Equipment | 63 028 | 70 576 | – | – | – | – | 14 558 | 14 558 | 85 134 | 59 951 | 60 167 |
| Furniture and Office Equipment | 9 882 | 10 859 | – | – | – | – | 1 544 | 1 544 | 12 403 | 8 457 | 10 554 |
| Machinery and Equipment | 95 439 | 100 845 | – | – | – | – | (7 582) | (7 582) | 93 263 | 70 456 | 70 893 |
| Transport Assets | 343 346 | 400 012 | – | – | – | – | 26 805 | 26 805 | 426 817 | 317 444 | 350 791 |

Table continues on next page.

City of Cape Town - 2021/22 Adjustments Budget – 27 January 2022 (Including additional recommendations read in at Council)

| Description | Budget Year 2021/22 | | | | | | | | | Budget Year +1 2022/23 | Budget Year +2 2023/24 |
|--|---------------------|-------------------|-----------------|-----------------------|---------------------|-----------------------|-------------------|-------------------|--------------------|---------------------------|---------------------------|
| | Original Budget | Prior Adjusted | Accum. Funds | Multi-year capital | Unfore. Unavoid. | Nat. or Prov. Govt | Other Adjusts. | Total Adjusts. | Adjusted Budget | Adjusted Budget | Adjusted Budget |
| R thousands | | | | | | | | | | | |
| Total Upgrading of Existing Assets to be adjusted | 2 182 312 | 2 332 923 | – | – | – | (24 694) | (772 751) | (797 444) | 1 535 478 | 2 485 832 | 3 472 816 |
| Roads Infrastructure | 209 528 | 236 112 | – | – | – | – | (48 089) | (48 089) | 188 023 | 365 363 | 403 570 |
| Storm water Infrastructure | 141 586 | 141 736 | – | – | – | – | (79 432) | (79 432) | 62 304 | 223 641 | 190 243 |
| Electrical Infrastructure | 124 430 | 125 011 | – | – | – | – | (56 962) | (56 962) | 68 049 | 239 300 | 252 668 |
| Water Supply Infrastructure | 51 972 | 51 972 | – | – | – | – | 31 028 | 31 028 | 83 000 | 82 310 | 112 164 |
| Sanitation Infrastructure | 898 995 | 949 041 | – | – | – | – | (379 819) | (379 819) | 569 222 | 759 003 | 1 290 367 |
| Solid Waste Infrastructure | 50 949 | 61 027 | – | – | – | – | (42 733) | (42 733) | 18 295 | 47 312 | 72 889 |
| Coastal Infrastructure | 42 421 | 44 527 | – | – | – | – | (30 495) | (30 495) | 14 032 | 53 802 | 159 901 |
| Information and Communication Infrastructure | 66 043 | 66 533 | – | – | – | – | (19 453) | (19 453) | 47 080 | 47 301 | 65 227 |
| Infrastructure | 1 585 924 | 1 675 960 | – | – | – | – | (625 955) | (625 955) | 1 050 005 | 1 818 034 | 2 547 028 |
| Community Facilities | 196 835 | 217 869 | – | – | – | (13 694) | (33 534) | (47 228) | 170 641 | 222 429 | 266 659 |
| Sport and Recreation Facilities | 74 766 | 80 066 | – | – | – | – | (7 272) | (7 272) | 72 794 | 46 686 | 49 789 |
| Community Assets | 271 600 | 297 935 | – | – | – | (13 694) | (40 806) | (54 500) | 243 435 | 269 114 | 316 448 |
| Operational Buildings | 265 561 | 288 538 | – | – | – | (11 000) | (99 335) | (110 335) | 178 204 | 363 029 | 583 437 |
| Housing | 1 203 | 1 573 | – | – | – | – | (178) | (178) | 1 396 | 200 | – |
| Other Assets | 266 764 | 290 112 | – | – | – | (11 000) | (99 512) | (110 512) | 179 599 | 363 229 | 583 437 |
| Licences and Rights | 6 912 | 10 907 | – | – | – | – | (5 526) | (5 526) | 5 381 | 18 954 | 1 100 |
| Intangible Assets | 6 912 | 10 907 | – | – | – | – | (5 526) | (5 526) | 5 381 | 18 954 | 1 100 |
| Computer Equipment | 49 811 | 56 128 | – | – | – | – | (581) | (581) | 55 547 | 13 201 | 18 812 |
| Furniture and Office Equipment | 300 | 822 | – | – | – | – | (375) | (375) | 447 | 300 | 300 |
| Machinery and Equipment | 1 000 | 1 060 | – | – | – | – | 4 | 4 | 1 064 | 3 000 | 5 690 |
| Total Capital Expenditure to be adjusted | 8 325 939 | 8 842 420 | – | – | – | (1 374 828) | (1 359 510) | (2 734 338) | 6 108 082 | 9 054 352 | 11 647 215 |
| Roads Infrastructure | 2 230 708 | 2 295 903 | – | – | – | (1 291 641) | (198 571) | (1 490 212) | 805 691 | 1 872 973 | 1 776 566 |
| Storm water Infrastructure | 291 665 | 299 833 | – | – | – | – | (112 049) | (112 049) | 187 785 | 387 064 | 394 820 |
| Electrical Infrastructure | 876 615 | 900 436 | – | – | – | – | (123 106) | (123 106) | 777 330 | 1 125 190 | 1 362 637 |
| Water Supply Infrastructure | 867 969 | 937 100 | – | – | – | – | (34 713) | (34 713) | 902 386 | 785 222 | 1 416 758 |
| Sanitation Infrastructure | 1 458 361 | 1 543 066 | – | – | – | – | (410 240) | (410 240) | 1 132 826 | 1 704 640 | 2 764 090 |
| Solid Waste Infrastructure | 427 709 | 480 501 | – | – | – | – | (339 980) | (339 980) | 140 520 | 402 787 | 621 412 |
| Coastal Infrastructure | 44 421 | 46 558 | – | – | – | – | (32 526) | (32 526) | 14 032 | 64 477 | 159 901 |
| Information and Communication Infrastructure | 131 168 | 132 097 | – | – | – | – | (28 940) | (28 940) | 103 157 | 156 216 | 289 588 |
| Infrastructure | 6 328 616 | 6 635 494 | – | – | – | (1 291 641) | (1 280 125) | (2 571 766) | 4 063 728 | 6 498 569 | 8 785 771 |
| Community Facilities | 471 539 | 509 644 | – | – | – | (44 717) | (54 237) | (98 953) | 410 690 | 506 806 | 598 003 |
| Sport and Recreation Facilities | 85 266 | 91 566 | – | – | – | – | (17 180) | (17 180) | 74 386 | 47 686 | 53 789 |
| Community Assets | 556 804 | 601 209 | – | – | – | (44 717) | (71 416) | (116 133) | 485 076 | 554 491 | 651 792 |
| Heritage Assets | 744 | 905 | – | – | – | – | – | – | 905 | 1 050 | – |
| Operational Buildings | 401 588 | 446 685 | – | – | – | (11 000) | (164 043) | (175 043) | 271 642 | 487 580 | 853 336 |
| Housing | 69 898 | 77 799 | – | – | – | – | 16 907 | 16 907 | 94 706 | 123 969 | 132 487 |
| Other Assets | 471 487 | 524 484 | – | – | – | (11 000) | (147 135) | (158 135) | 366 349 | 611 549 | 985 824 |
| Licences and Rights | 41 560 | 45 814 | – | – | – | – | (15 743) | (15 743) | 30 071 | 197 158 | 255 992 |
| Intangible Assets | 41 560 | 45 814 | – | – | – | – | (15 743) | (15 743) | 30 071 | 197 158 | 255 992 |
| Computer Equipment | 207 659 | 231 432 | – | – | – | – | 7 726 | 7 726 | 239 158 | 184 474 | 178 071 |
| Furniture and Office Equipment | 36 400 | 40 300 | – | – | – | – | (2 690) | (2 690) | 37 610 | 23 619 | 25 680 |
| Machinery and Equipment | 255 277 | 272 086 | – | – | – | – | (13 364) | (13 364) | 258 722 | 234 668 | 235 974 |
| Transport Assets | 406 393 | 466 365 | – | – | – | – | 47 929 | 47 929 | 514 295 | 653 874 | 461 969 |
| Land | 21 000 | 24 330 | – | – | – | (27 470) | 115 309 | 87 839 | 112 169 | 94 900 | 66 142 |
| TOTAL CAPITAL EXPENDITURE to be adjusted | 8 325 939 | 8 842 420 | – | – | – | (1 374 828) | (1 359 510) | (2 734 338) | 6 108 082 | 9 054 352 | 11 647 215 |

Table continues on next page.

City of Cape Town - 2021/22 Adjustments Budget – 27 January 2022 (Including additional recommendations read in at Council)

| Description | Budget Year 2021/22 | | | | | | | | | | Budget Year +1 2022/23 | Budget Year +2 2023/24 |
|--|---------------------|-------------------|-----------------|-----------------------|---------------------|-----------------------|-------------------|-------------------|--------------------|--------------------|---------------------------|---------------------------|
| | Original Budget | Prior Adjusted | Accum. Funds | Multi-year capital | Unfore. Unavoid. | Nat. or Prov. Govt | Other Adjusts. | Total Adjusts. | Adjusted Budget | Adjusted Budget | Adjusted Budget | |
| R thousands | | | | | | | | | | | | |
| ASSET REGISTER SUMMARY - PPE (WDV) | 60 099 326 | 60 604 621 | - | - | - | - | (3 529 823) | (3 529 823) | 57 074 798 | 63 050 841 | 71 493 689 | |
| Roads Infrastructure | 12 084 118 | 12 149 314 | - | - | - | - | (1 218 815) | (1 218 815) | 10 930 499 | 12 307 362 | 13 567 304 | |
| Storm water Infrastructure | 1 326 664 | 1 334 832 | - | - | - | - | (148 741) | (148 741) | 1 186 091 | 1 514 216 | 1 847 128 | |
| Electrical Infrastructure | 8 867 626 | 8 891 447 | - | - | - | - | (287 594) | (287 594) | 8 603 852 | 9 451 420 | 10 530 364 | |
| Water Supply Infrastructure | 6 269 908 | 6 339 024 | - | - | - | - | (401 659) | (401 659) | 5 937 365 | 6 522 257 | 7 721 626 | |
| Sanitation Infrastructure | 5 974 736 | 6 059 441 | - | - | - | - | (897 941) | (897 941) | 5 161 500 | 6 683 884 | 9 261 808 | |
| Solid Waste Infrastructure | 1 202 467 | 1 255 259 | - | - | - | - | (642 849) | (642 849) | 612 410 | 977 165 | 1 542 962 | |
| Coastal Infrastructure | 186 089 | 188 226 | - | - | - | - | (35 965) | (35 965) | 152 261 | 210 430 | 361 658 | |
| Information and Communication Infrastructure | 4 781 956 | 4 782 885 | - | - | - | - | 818 408 | 818 408 | 5 601 293 | 5 669 297 | 5 868 855 | |
| Infrastructure | 40 693 563 | 41 000 427 | - | - | - | - | (2 815 156) | (2 815 156) | 38 185 271 | 43 336 030 | 50 701 705 | |
| Community Assets | 6 816 275 | 6 878 630 | - | - | - | - | (472 287) | (472 287) | 6 406 343 | 6 569 846 | 6 819 382 | |
| Heritage Assets | 10 269 | 10 269 | - | - | - | - | (1) | (1) | 10 268 | 10 268 | 10 268 | |
| Investment properties | 577 820 | 577 820 | - | - | - | - | 1 | 1 | 577 820 | 576 107 | 574 393 | |
| Other Assets | 5 245 928 | 5 267 187 | - | - | - | - | (272 367) | (272 367) | 4 994 819 | 5 280 253 | 5 895 356 | |
| Intangible Assets | 401 091 | 405 344 | - | - | - | - | 87 244 | 87 244 | 492 588 | 584 510 | 745 657 | |
| Computer Equipment | 633 916 | 654 089 | - | - | - | - | (32 301) | (32 301) | 621 788 | 599 273 | 583 006 | |
| Furniture and Office Equipment | 532 357 | 397 418 | - | - | - | - | (81 693) | (81 693) | 315 725 | 229 242 | 134 570 | |
| Machinery and Equipment | 479 284 | 621 312 | - | - | - | - | (16 115) | (16 115) | 605 197 | 708 031 | 813 502 | |
| Transport Assets | 3 592 371 | 3 672 343 | - | - | - | - | (14 576) | (14 576) | 3 657 767 | 3 878 369 | 3 893 994 | |
| Land | 1 116 453 | 1 119 783 | - | - | - | - | 87 428 | 87 428 | 1 207 210 | 1 278 913 | 1 321 857 | |
| Zoo's, Marine and Non-biological Animals | 60 099 326 | 60 604 621 | - | - | - | - | (3 529 823) | (3 529 823) | 57 074 798 | 63 050 841 | 71 493 689 | |
| EXPENDITURE OTHER ITEMS | | | | | | | | | | | | |
| Depreciation & asset impairment | 3 064 593 | 3 064 593 | - | - | - | - | 54 578 | 54 578 | 3 119 172 | 3 112 631 | 3 225 949 | |
| Repairs and Maintenance by asset class | 4 291 523 | 4 291 513 | - | - | - | - | 314 186 | 314 186 | 4 605 699 | 4 421 396 | 4 607 792 | |
| Roads Infrastructure | 637 154 | 637 154 | - | - | - | - | 47 582 | 47 582 | 684 736 | 666 464 | 696 456 | |
| Storm water Infrastructure | 140 345 | 140 345 | - | - | - | - | (19 369) | (19 369) | 120 976 | 146 801 | 153 408 | |
| Electrical Infrastructure | 542 654 | 542 654 | - | - | - | - | 3 073 | 3 073 | 545 727 | 567 553 | 593 043 | |
| Water Supply Infrastructure | 411 499 | 411 499 | - | - | - | - | (35 742) | (35 742) | 375 756 | 430 425 | 449 789 | |
| Sanitation Infrastructure | 334 708 | 334 708 | - | - | - | - | 20 377 | 20 377 | 355 086 | 350 104 | 365 854 | |
| Solid Waste Infrastructure | 8 653 | 8 653 | - | - | - | - | (1 643) | (1 643) | 7 010 | 9 051 | 9 458 | |
| Coastal Infrastructure | 3 994 | 3 994 | - | - | - | - | - | - | 3 994 | 3 994 | 3 994 | |
| Infrastructure | 2 079 007 | 2 079 007 | - | - | - | - | 14 278 | 14 278 | 2 093 285 | 2 174 391 | 2 272 002 | |
| Community Facilities | 228 329 | 228 329 | - | - | - | - | 86 937 | 86 937 | 315 266 | 236 351 | 244 524 | |
| Sport and Recreation Facilities | 95 972 | 95 972 | - | - | - | - | 9 093 | 9 093 | 105 066 | 70 715 | 73 890 | |
| Community Assets | 324 301 | 324 301 | - | - | - | - | 96 031 | 96 031 | 420 332 | 307 066 | 318 414 | |
| Heritage Assets | 1 912 | 1 912 | - | - | - | - | 2 570 | 2 570 | 4 481 | 1 941 | 1 971 | |
| Revenue Generating | 20 375 | 20 375 | - | - | - | - | 2 840 | 2 840 | 23 215 | 10 550 | 11 014 | |
| Non-revenue Generating | 11 | 11 | - | - | - | - | (2) | (2) | 9 | 11 | 11 | |
| Investment properties | 20 386 | 20 386 | - | - | - | - | 2 838 | 2 838 | 23 224 | 10 561 | 11 025 | |
| Operational Buildings | 189 833 | 189 833 | - | - | - | - | 98 574 | 98 574 | 288 406 | 194 580 | 200 475 | |
| Housing | 14 990 | 14 990 | - | - | - | - | 3 498 | 3 498 | 18 489 | 14 990 | 14 990 | |
| Other Assets | 204 823 | 204 823 | - | - | - | - | 102 072 | 102 072 | 306 895 | 209 570 | 215 466 | |
| Computer Equipment | 427 869 | 427 869 | - | - | - | - | 24 205 | 24 205 | 452 074 | 432 191 | 449 123 | |
| Furniture and Office Equipment | 361 515 | 361 529 | - | - | - | - | 51 443 | 51 443 | 412 972 | 801 511 | 834 041 | |
| Machinery and Equipment | 410 604 | 410 579 | - | - | - | - | 24 266 | 24 266 | 434 845 | 2 159 | 2 252 | |
| Transport Assets | 461 107 | 461 107 | - | - | - | - | (3 516) | (3 516) | 457 591 | 482 006 | 503 500 | |
| TOTAL EXPENDITURE OTHER ITEMS to be adjusted | 7 356 117 | 7 356 106 | - | - | - | - | 368 765 | 368 765 | 7 724 871 | 7 534 026 | 7 833 741 | |
| Renewal and upgrading of Existing Assets as % of total capex | 49.0% | 49.5% | - | - | - | - | - | - | 57.4% | 48.2% | 53.0% | |
| Renewal and upgrading of Existing Assets as % of deprecn" | 133.2% | 142.7% | - | - | - | - | - | - | 112.4% | 140.2% | 191.4% | |
| R&M as a % of PPE | 7.1% | 7.1% | - | - | - | - | - | - | 8.1% | 7.0% | 6.4% | |
| Renewal and upgrading and R&M as a % of PPE | 13.9% | 14.3% | - | - | - | - | - | - | 14.2% | 13.9% | 15.1% | |

Table 20: MBRR Table B10 - Consolidated Basic service delivery measurement

| Description | Budget Year 2021/22 | | | | | | | | | Budget Year +1 2022/23 | Budget Year +2 2023/24 |
|--|---------------------|-------------------|-----------------|-----------------------|---------------------|-----------------------|-------------------|-------------------|--------------------|---------------------------|---------------------------|
| | Original Budget | Prior Adjusted | Accum. Funds | Multi-year capital | Unfore. Unavoid. | Nat. or Prov. Govt | Other Adjusts. | Total Adjusts. | Adjusted Budget | Adjusted Budget | Adjusted Budget |
| Household service targets | | | | | | | | | | | |
| <u>Water:</u> | | | | | | | | | | | |
| Piped water inside dwelling | 1 310 286 | 1 310 286 | - | - | - | - | - | - | 1 310 286 | 1 334 999 | 1 359 469 |
| Piped water inside yard (but not in dwelling) | - | - | - | - | - | - | - | - | - | - | - |
| Using public tap (at least min.service level) | 181 663 | 181 663 | - | - | - | - | - | - | 181 663 | 185 090 | 188 482 |
| Other water supply (at least min.service level) | - | 0 | - | - | - | - | - | - | - | - | - |
| <i>Minimum Service Level and Above sub-total</i> | 1 491 949 | 1 492 | - | - | - | - | - | - | 1 491 949 | 1 520 089 | 1 547 951 |
| Using public tap (< min.service level) | - | - | - | - | - | - | - | - | - | - | - |
| Other water supply (< min.service level) | - | - | - | - | - | - | - | - | - | - | - |
| No water supply | - | - | - | - | - | - | - | - | - | - | - |
| <i>Below Minimum Service Level sub-total</i> | - | - | - | - | - | - | - | - | - | - | - |
| Total number of households | 1 491 949 | 1 492 | - | - | - | - | - | - | 1 491 949 | 1 520 089 | 1 547 951 |
| <u>Sanitation/sewerage:</u> | | | | | | | | | | | |
| Flush toilet (connected to sewerage) | 1 384 841 | 1 384 841 | - | - | - | - | - | - | 1 384 841 | 1 409 654 | 1 434 124 |
| Flush toilet (with septic tank) | - | - | - | - | - | - | - | - | - | - | - |
| Chemical toilet | 62 330 | 62 330 | - | - | - | - | - | - | 62 330 | 62 330 | 62 330 |
| Pit toilet (ventilated) | 197 | 197 | - | - | - | - | - | - | 197 | 197 | 197 |
| Other toilet provisions (> min.service level) | 44 581 | 44 581 | - | - | - | - | - | - | 44 581 | 47 908 | 51 300 |
| <i>Minimum Service Level and Above sub-total</i> | 1 491 949 | 1 491 949 | - | - | - | - | - | - | 1 491 949 | 1 520 089 | 1 547 951 |
| Bucket toilet | - | 0 | - | - | - | - | - | - | - | - | - |
| Other toilet provisions (< min.service level) | - | 0 | - | - | - | - | - | - | - | - | - |
| No toilet provisions | - | 0 | - | - | - | - | - | - | - | - | - |
| <i>Below Minimum Service Level sub-total</i> | - | - | - | - | - | - | - | - | - | - | - |
| Total number of households | 1 491 949 | 1 491 949 | - | - | - | - | - | - | 1 491 949 | 1 520 089 | 1 547 951 |
| <u>Energy:</u> | | | | | | | | | | | |
| Electricity (at least min. service level) | 883 767 | 883 767 | - | - | - | - | - | - | 883 767 | 883 767 | 883 767 |
| Electricity - prepaid (> min.service level) | - | - | - | - | - | - | - | - | - | - | - |
| <i>Minimum Service Level and Above sub-total</i> | 883 767 | 883 767 | - | - | - | - | - | - | 883 767 | 883 767 | 883 767 |
| Electricity (< min.service level) | 26 130 | 26 130 | - | - | - | - | - | - | 26 130 | 24 630 | 23 130 |
| Electricity - prepaid (< min. service level) | - | 0 | - | - | - | - | - | - | - | - | - |
| Other energy sources | - | 0 | - | - | - | - | - | - | - | - | - |
| <i>Below Minimum Service Level sub-total</i> | 26 130 | 26 130 | - | - | - | - | - | - | 26 130 | 24 630 | 23 130 |
| Total number of households | 909 897 | 909 897 | - | - | - | - | - | - | 909 897 | 908 397 | 906 897 |
| <u>Refuse:</u> | | | | | | | | | | | |
| Removed at least once a week (min.service) | 954 156 | 954 156 | - | - | - | - | - | - | 954 156 | 973 239 | 992 704 |
| <i>Minimum Service Level and Above sub-total</i> | 954 156 | 954 156 | - | - | - | - | - | - | 954 156 | 973 239 | 992 704 |
| Removed less frequently than once a week | - | - | - | - | - | - | - | - | - | - | - |
| Using communal refuse dump | - | - | - | - | - | - | - | - | - | - | - |
| Using own refuse dump | - | - | - | - | - | - | - | - | - | - | - |
| Other rubbish disposal | - | - | - | - | - | - | - | - | - | - | - |
| No rubbish disposal | - | - | - | - | - | - | - | - | - | - | - |
| <i>Below Minimum Service Level sub-total</i> | - | - | - | - | - | - | - | - | - | - | - |
| Total number of households | 954 156 | 954 156 | - | - | - | - | - | - | 954 156 | 973 239 | 992 704 |

Table continues on next page.

City of Cape Town - 2021/22 Adjustments Budget – 27 January 2022 (Including additional recommendations read in at Council)

| Description | Budget Year 2021/22 | | | | | | | | | Budget Year +1 2022/23 | Budget Year +2 2023/24 |
|--|---------------------|-------------------|-----------------|-----------------------|---------------------|-----------------------|-------------------|-------------------|--------------------|---------------------------|---------------------------|
| | Original Budget | Prior Adjusted | Accum. Funds | Multi-year capital | Unfore. Unavoid. | Nat. or Prov. Govt | Other Adjusts. | Total Adjusts. | Adjusted Budget | Adjusted Budget | Adjusted Budget |
| Households receiving Free Basic Service | | | | | | | | | | | |
| Water (6 kilolitres per household per month) | 250 413 | 250 413 | – | – | – | – | – | – | 250 413 | 250 413 | 250 413 |
| Sanitation (free minimum level service) | 250 413 | 250 413 | – | – | – | – | – | – | 250 413 | 250 413 | 250 413 |
| Electricity/other energy (50kwh per household per month) | 184 570 | 184 570 | – | – | – | – | – | – | 184 570 | 186 070 | 187 570 |
| Refuse (removed at least once a week) | 270 056 | 270 056 | – | – | – | – | – | – | 270 056 | 275 457 | 280 966 |
| Cost of Free Basic Services provided (R'000) | | | | | | | | | | | |
| Water (6 kilolitres per indigent household per month) | 441 368 | 441 368 | – | – | – | – | – | – | 441 368 | 463 436 | 486 608 |
| Sanitation (free sanitation service to indigent households) | 295 201 | 295 201 | – | – | – | – | – | – | 295 201 | 309 961 | 325 459 |
| Electricity/other energy (50kwh per indigent household per month) | 119 430 | 119 430 | – | – | – | – | – | – | 119 430 | 137 344 | 157 946 |
| Refuse (removed once a week for indigent households) | 311 132 | 311 132 | – | – | – | – | – | – | 311 132 | 317 354 | 323 701 |
| Cost of Free Basic Services provided - Informal Formal Settlements | 1 186 904 | 1 186 904 | – | – | – | – | – | – | 1 186 904 | 1 256 954 | 1 332 408 |
| Total cost of FBS provided | 2 354 034 | 2 354 034 | – | – | – | – | – | – | 2 354 034 | 2 485 049 | 2 626 123 |
| Highest level of free service provided | | | | | | | | | | | |
| Property rates (R'000 value threshold) | 285 | 285 | – | – | – | – | – | – | 285 | 285 | 285 |
| Water (kilolitres per household per month) | 11 | 11 | – | – | – | – | – | – | 11 | 11 | 11 |
| Sanitation (kilolitres per household per month) | 7 | 7 | – | – | – | – | – | – | 7 | 7 | 7 |
| Sanitation (Rand per household per month) | – | – | – | – | – | – | – | – | – | – | – |
| Electricity (kw per household per month) | 60 | 60 | – | – | – | – | – | – | 60 | 60 | 60 |
| Refuse (average litres per week) | 240 | 240 | – | – | – | – | – | – | 240 | 240 | 240 |
| Revenue cost of free services provided (R'000) | | | | | | | | | | | |
| Property rates (tariff adjustment) (impermissible values per section 17 of MPRA) | – | – | – | – | – | – | – | – | – | – | – |
| Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA | 1 358 195 | 1 358 195 | – | – | – | – | – | – | 1 358 195 | 1 426 105 | 1 527 786 |
| Water (in excess of 6 kilolitres per indigent household per month) | – | – | – | – | – | – | – | – | – | – | – |
| Sanitation (in excess of free sanitation service to indigent households) | – | – | – | – | – | – | – | – | – | – | – |
| Electricity/other energy (in excess of 50 kwh per indigent household per month) | – | – | – | – | – | – | – | – | – | – | – |
| Refuse (in excess of one removal a week for indigent households) | – | – | – | – | – | – | – | – | – | – | – |
| Municipal Housing - rental rebates | 31 679 | 31 679 | – | – | – | – | – | – | 31 679 | 33 137 | 34 628 |
| Housing - top structure subsidies | – | – | – | – | – | – | – | – | – | – | – |
| Other | – | – | – | – | – | – | – | – | – | – | – |
| Total revenue cost of subsidised services provided | 1 389 874 | 1 389 874 | – | – | – | – | – | – | 1 389 874 | 1 459 241 | 1 562 414 |

PART 3 - ADJUSTMENTS BUDGET: MUNICIPAL ENTITY - CAPE TOWN INTERNATIONAL CONVENTION CENTRE

The CTICC has prepared an adjustment budget for the 2021/22 financial year to adjust the revenue and expenditure estimates included in the original budget to take into account the impact of the ever-changing COVID-19 regulations on the operations for the remainder of the financial year, while also adjusting for the reduced costs and savings achieved to date.

The net impact of the adjustments in revenue and expenditure results in a lower EBITDA loss for the year than originally budgeted. The capital expenditure has also been adjusted in line with the changing requirements identified.

The key assumptions made in preparing the adjustment budget include the following:

- Events contracted and on the books from February 2022 to June 2022, assuming that the current limit of 1000 persons for inside events are allowed under the regulations;
- Additional costs related to operating CTICC 1 to be recovered from the Western Cape Government (WCG) as long as the Vaccination Centre of Hope is operational;
- Freeze on non-critical vacancies to remain;
- Staff to reduce leave balances by taking leave during slow periods;
- Remote working to be retained to limit costs, such as electricity, water, cleaning, office costs, staff meals etc.;
- Maintenance to continue on all equipment and infrastructure to sweat existing assets and retain cash flow; and
- No provisions made for salary increments or bonuses.

The adjustment budget includes the actual results reported for the first four months and the eight months forecast.

Revenue is forecast to be higher than the original budget as a result of the COVID-19 restriction levels being relaxed in October 2021, which allowed the hosting of up to 750 people in indoor venues, various short-lead events booked by clients and contracted events being held. The forecast revenue has been assisted through the decision by clients to postpone rather than cancel their events contracted later in the year. Many events continue to be postponed to later in the year or into 2023 due to the uncertainty of future lockdowns being instituted. This means that total own revenue is now forecast at R49.8 million, up by R24.0 million from the initial R25.8 million. Other revenue includes the cost recovered from the WCG for the Vaccination Centre of Hope located in CTICC 1, which amounts to R7.7 million.

The revenue split between venue rental, and food and beverage is forecast to remain significantly impacted by the decrease in the attendee numbers at future events, due in many ways to the expected restrictions, change in clients' requirements and the behaviour of attendees to events.

Total direct costs are forecast to increase by R1.7 million to R8.9 million, due to the increase in food and beverage revenue. Contract labour costs and event-related costs have reduced.

Total indirect costs are forecast to reduce by R5.3 million to R132.2 million. The overall reduction in the direct costs is not apparent due to the additional costs incurred in bringing CTICC 1 back into operation to accommodate the Vaccination Centre of Hope. The component of the direct costs recovered is reported as Other Revenue and amounts to R7.7 million. Meaning that the overall direct costs have been reduced by R10.1 million. All major controllable costs have been adjusted down other than utility costs due to the use of CTICC 1 and travel costs international sales trips to be undertaken to generate revenue. The most significant reasons for the lower controllable costs are:

- a. Freeze of non-critical positions;
- b. Reduction of spend on bursary program;
- c. Reduction in building-related costs i.e. cleaning, security, landscaping, window cleaning and maintenance;
- d. Reduction in office costs and computer expenses as a result of remote working and lower staff numbers; and
- e. Reduction in marketing and related costs.

The Cape Town International Convention Centre's (CTICC) five primary budget tables, as required in terms of Part 4 of the MBRR, are presented on page 58 to page 63.

Table 21: MBRR Table E1 - Adjustments Budget Summary - CTICC

| Description | Budget Year 2021/22 | | | | | | | | Budget Year +1 2022/23 | Budget Year +2 2023/24 |
|--|---------------------|------------------|---------------------|--------------|---------------------|----------------|----------------|--------------------|---------------------------|---------------------------|
| | Original Budget | Prior Adjusted | Downward adjusts | Parent muni. | Unfore. Unavoid. | Other Adjusts. | Total Adjusts. | Adjusted Budget | Adjusted Budget | Adjusted Budget |
| R thousands | | | | | | | | | | |
| <u>Financial Performance</u> | | | | | | | | | | |
| Property rates | – | – | – | – | – | – | – | – | – | – |
| Service charges | – | – | – | – | – | – | – | – | – | – |
| Investment revenue | 225 | 225 | – | – | – | 327 | 327 | 552 | 233 | 271 |
| Transfers recognised - operational | – | – | – | – | – | – | – | – | – | – |
| Other own revenue | 25 766 | 25 766 | – | – | – | 24 003 | 24 003 | 49 769 | 203 318 | 216 059 |
| Total Revenue (excluding capital transfers and contributions) | 25 991 | 25 991 | – | – | – | 24 330 | 24 330 | 50 321 | 203 551 | 216 329 |
| Employee costs | 54 470 | 54 470 | – | – | – | (1 077) | (1 077) | 53 393 | 60 165 | 64 315 |
| Remuneration of Board Members | 697 | 697 | – | – | – | 101 | 101 | 798 | 732 | 776 |
| Depreciation and debt impairment | 50 738 | 51 098 | – | – | – | (5 099) | (5 099) | 45 999 | 47 320 | 47 679 |
| Finance charges | – | – | – | – | – | – | – | – | – | – |
| Materials and bulk purchases | 3 775 | 3 775 | – | – | – | 1 655 | 1 655 | 5 430 | 31 695 | 33 790 |
| Transfers and grants | 2 124 | 2 124 | – | – | – | – | – | 2 124 | 2 124 | 2 124 |
| Other expenditure | 85 819 | 83 335 | – | – | – | (4 223) | (4 223) | 79 111 | 95 641 | 101 779 |
| Total Expenditure | 195 498 | 195 498 | – | – | – | (8 643) | (8 643) | 186 856 | 237 676 | 250 464 |
| Surplus/(Deficit) | (169 507) | (169 507) | – | – | – | 32 973 | 32 973 | (136 535) | (34 125) | (34 134) |
| Transfers and subsidies - capital (monetary allocations) (National / Provincial and District) | – | – | – | – | – | – | – | – | – | – |
| Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all) | – | – | – | – | – | – | – | – | – | – |
| Surplus/(Deficit) after capital transfers & contributions | (169 507) | (169 507) | – | – | – | 32 973 | 32 973 | (136 535) | (34 125) | (34 134) |
| Taxation | (43 779) | (43 779) | – | – | – | 6 019 | 6 019 | (37 761) | (8 762) | (8 764) |
| Surplus/ (Deficit) for the year | (125 728) | (125 728) | – | – | – | 26 954 | 26 954 | (98 774) | (25 363) | (25 370) |
| <u>Capital expenditure & funds sources</u> | | | | | | | | | | |
| Capital expenditure | 11 172 | 13 739 | – | – | – | (771) | (771) | 12 967 | 20 472 | 25 737 |
| Transfers recognised - capital | – | – | – | – | – | – | – | – | – | – |
| Borrowing | – | – | – | – | – | – | – | – | – | – |
| Internally generated funds | 11 172 | 13 739 | – | – | – | (771) | (771) | 12 967 | 20 472 | 25 737 |
| Total sources of capital funds | 11 172 | 13 739 | – | – | – | (771) | (771) | 12 967 | 20 472 | 25 737 |
| <u>Financial position</u> | | | | | | | | | | |
| Total current assets | 28 386 | 25 819 | – | – | – | 15 203 | 15 203 | 41 022 | 77 764 | 70 920 |
| Total non current assets | 727 764 | 730 330 | – | – | – | (41 056) | (41 056) | 689 274 | 747 777 | 732 836 |
| Total current liabilities | 54 979 | 54 979 | – | – | – | 3 515 | 3 515 | 58 494 | 68 728 | 72 228 |
| Total non current liabilities | 231 | 231 | – | – | – | (231) | (231) | – | 374 | 459 |
| Community wealth/Equity | 700 939 | 700 939 | – | – | – | (29 136) | (29 136) | 671 802 | 756 439 | 731 069 |
| <u>Cash flows</u> | | | | | | | | | | |
| Net cash from (used) operating | (121 713) | (121 713) | – | – | – | 58 500 | 58 500 | (63 214) | 8 161 | 17 566 |
| Net cash from (used) investing | 111 828 | 109 261 | – | – | – | (26 229) | (26 229) | 83 033 | 20 528 | (25 737) |
| Net cash from (used) financing | – | – | – | – | – | – | – | – | – | – |
| Cash/cash equivalents at the year end | 7 227 | 4 660 | – | – | – | 36 931 | 36 931 | 24 479 | 53 168 | 44 997 |

Table 22: MBRR Table E2 - Adjustments Budget - Financial Performance (revenue and expenditure) - CTICC

| Description | Budget Year 2021/22 | | | | | | | | Budget Year +1 2022/23 | Budget Year +2 2023/24 |
|---|---------------------|-------------------|---------------------|--------------|---------------------|-------------------|----------------|--------------------|---------------------------|---------------------------|
| | Original Budget | Prior Adjusted | Downward adjusts | Parent muni. | Unfore. Unavoid. | Other Adjusts. | Total Adjusts. | Adjusted Budget | Adjusted Budget | Adjusted Budget |
| R thousands | | | | | | | | | | |
| Revenue By Source | | | | | | | | | | |
| Property rates | – | – | – | – | – | – | – | – | – | – |
| Service charges - electricity revenue | – | – | – | – | – | – | – | – | – | – |
| Service charges - water revenue | – | – | – | – | – | – | – | – | – | – |
| Service charges - sanitation revenue | – | – | – | – | – | – | – | – | – | – |
| Service charges - refuse revenue | – | – | – | – | – | – | – | – | – | – |
| Rental of facilities and equipment | 8 398 | 8 398 | – | – | – | 9 596 | 9 596 | 17 994 | 96 698 | 102 799 |
| Interest earned - external investments | 225 | 225 | – | – | – | 327 | 327 | 552 | 233 | 271 |
| Interest earned - outstanding debtors | – | – | – | – | – | – | – | – | – | – |
| Dividends received | – | – | – | – | – | – | – | – | – | – |
| Fines, penalties and forfeits | – | – | – | – | – | – | – | – | – | – |
| Licences and permits | – | – | – | – | – | – | – | – | – | – |
| Agency services | – | – | – | – | – | – | – | – | – | – |
| Transfers and subsidies | – | – | – | – | – | – | – | – | – | – |
| Other revenue | 17 368 | 17 368 | – | – | – | 14 407 | 14 407 | 31 775 | 106 620 | 113 259 |
| Gains | – | – | – | – | – | – | – | – | – | – |
| Total Revenue (excluding capital transfers and contributions) | 25 991 | 25 991 | – | – | – | 24 330 | 24 330 | 50 321 | 203 551 | 216 329 |
| Expenditure By Type | | | | | | | | | | |
| Employee related costs | 54 470 | 54 470 | – | – | – | (1 077) | (1 077) | 53 393 | 60 165 | 64 315 |
| Remuneration of Directors | 697 | 697 | – | – | – | 101 | 101 | 798 | 732 | 776 |
| Debt impairment | 360 | 360 | – | – | – | (60) | (60) | 300 | 360 | 360 |
| Depreciation & asset impairment | 50 738 | 50 738 | – | – | – | (5 039) | (5 039) | 45 699 | 46 960 | 47 319 |
| Finance charges | – | – | – | – | – | – | – | – | – | – |
| Bulk purchases | – | – | – | – | – | – | – | – | – | – |
| Other materials | 3 775 | 3 775 | – | – | – | 1 655 | 1 655 | 5 430 | 31 695 | 33 790 |
| Contracted services | 33 218 | 33 218 | – | – | – | (3 256) | (3 256) | 29 962 | 42 434 | 44 986 |
| Transfers and subsidies | 2 124 | 2 124 | – | – | – | – | – | 2 124 | 2 124 | 2 124 |
| Other expenditure | 50 117 | 50 117 | – | – | – | (967) | (967) | 49 149 | 53 207 | 56 793 |
| Losses | – | – | – | – | – | – | – | – | – | – |
| Total Expenditure | 195 498 | 195 498 | – | – | – | (8 643) | (8 643) | 186 856 | 237 676 | 250 464 |
| Surplus/(Deficit) | (169 507) | (169 507) | – | – | – | 32 973 | 32 973 | (136 535) | (34 125) | (34 134) |
| Transfers and subsidies - capital (monetary allocations) (National / Provincial and District) | – | – | – | – | – | – | – | – | – | – |
| Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) | – | – | – | – | – | – | – | – | – | – |
| Transfers and subsidies - capital (in-kind - all) | – | – | – | – | – | – | – | – | – | – |
| Surplus/(Deficit) before taxation | (169 507) | (169 507) | – | – | – | 32 973 | 32 973 | (136 535) | (34 125) | (34 134) |
| Taxation | (43 779) | (43 779) | – | – | – | 6 019 | 6 019 | (37 761) | (8 762) | (8 764) |
| Surplus/ (Deficit) for the year | (125 728) | (125 728) | – | – | – | 26 954 | 26 954 | (98 774) | (25 363) | (25 370) |

Explanatory notes to MBRR Table E2 – Financial Performance (revenue and expenditure) - CTICC

Revenue by source

1. Rental of facilities and equipment

Venue rental has been forecast at R17.9 million, which includes the actual results for the first four months of the year and the more bullish forecast for the remaining eight months based on contracted events and events booked at short notice. The predicted fourth wave in December 2021 had an impact on the forecast revenue. As a result it is anticipated that events will be limited to 250 people in attendance and it is anticipated that it will return to 1000 people from February 2022 after the restrictions have been eased.

2. Other revenue

Other revenue, which includes food and beverage income, parking revenue, turnover rental from the Westin Hotel and sub-contractor commission, has been forecast to increase by R14.4 million. This category is projected higher due to the additional events able to take place as a result of the restrictions being eased.

3. Interest earned – external investments

Interest received is forecast to be R0.3 million higher than the original budget, due to an increase in the advanced deposits received from clients for future events that will be invested until the event takes place or the advanced deposits are refunded.

Expenditure by type

1. Employee related costs

Total personnel costs have been forecast to decrease by R1.1 million or 2.0%, which relates to savings from posts frozen due to resignations during the year as well as the removal of the bursary costs that were initially budgeted. The costs recovered from the City of Cape Town for staff seconded to the City is allocated to payroll costs.

2. Contracted services

Total costs relating to contracted services has been forecast to decrease by R3.3 million. This is mainly due to the reduction in costs negotiated with suppliers as well as scaling down of services required from external service providers, which includes security, cleaning and waste removal.

3. Other materials

The costs are forecast to increase by R1.7 million as they relate directly to revenue generating activities, with additional events being budgeted.

4. Other expenditure

The costs are forecast to reduce by R0.97 million, due to reduced water-, office-, IT-related-, and marketing costs etc.

5. Depreciation and asset impairment

Depreciation and amortisation are forecast to be R5.0 million below the original budget, due to the lower capital expenditure for the year as well as the sweating of existing assets beyond their originally estimated useful lives.

An impairment of the cash generating unit is not expected in the financial year.

Table 23: MBRR Table E3 Adjustments Capital Expenditure Budget by asset class and funding - CTICC

| Description | Budget Year 2021/22 | | | | | | | | Budget Year +1 2022/23 | Budget Year +2 2023/24 |
|---|---------------------|-------------------|---------------------|--------------|---------------------|-------------------|----------------|--------------------|---------------------------|---------------------------|
| | Original Budget | Prior Adjusted | Downward adjusts | Parent muni. | Unfore. Unavoid. | Other Adjusts. | Total Adjusts. | Adjusted Budget | Adjusted Budget | Adjusted Budget |
| R thousands | | | | | | | | | | |
| Capital expenditure by Asset Class/Sub-class | | | | | | | | | | |
| Other assets | 6 950 | 7 152 | – | – | – | (202) | (202) | 6 950 | 13 530 | 15 855 |
| Operational Buildings | 6 950 | 7 152 | – | – | – | (202) | (202) | 6 950 | 13 530 | 15 855 |
| Municipal Offices | 6 950 | 7 152 | – | – | – | (202) | (202) | 6 950 | 13 530 | 15 855 |
| Computer Equipment | 3 600 | 5 965 | – | – | – | (570) | (570) | 5 395 | 5 000 | 2 550 |
| Computer Equipment | 3 600 | 5 965 | – | – | – | (570) | (570) | 5 395 | 5 000 | 2 550 |
| Furniture and Office Equipment | 600 | 600 | – | – | – | – | – | 600 | 1 600 | 5 405 |
| Furniture and Office Equipment | 600 | 600 | – | – | – | – | – | 600 | 1 600 | 5 405 |
| Machinery and Equipment | 22 | 22 | – | – | – | – | – | 22 | 342 | 1 927 |
| Machinery and Equipment | 22 | 22 | – | – | – | – | – | 22 | 342 | 1 927 |
| Total Capital Expenditure to be adjusted | 11 172 | 13 739 | – | – | – | (771) | (771) | 12 967 | 20 472 | 25 737 |
| Funded by: | | | | | | | | | | |
| National Government | – | – | – | – | – | – | – | – | – | – |
| Provincial Government | – | – | – | – | – | – | – | – | – | – |
| Parent Municipality | – | – | – | – | – | – | – | – | – | – |
| District Municipality | – | – | – | – | – | – | – | – | – | – |
| Transfers recognised - capital | – | – | – | – | – | – | – | – | – | – |
| Borrowing | – | – | – | – | – | – | – | – | – | – |
| Internally generated funds | 11 172 | 13 739 | – | – | – | (771) | (771) | 12 967 | 20 472 | 25 737 |
| Total Capital Funding | 11 172 | 13 739 | – | – | – | (771) | (771) | 12 967 | 20 472 | 25 737 |

Explanatory notes to MBRR Table E3 – Capital Expenditure Budget by asset class and funding - CTICC

1. Total capital expenditure for the 2021/22 financial year is forecast at R12.9 million, a reduction on R0.8 million, which includes the carry-over of R2.6 million from the previous financial year.
2. Management has reviewed the capital program and re-prioritised projects to ensure that the assets are maintained to the required standards without compromising on customer satisfaction and depleting limited cash resources.

Table 24: MBRR Table E4 Adjustments Budget - Financial Position - CTICC

| Description | Budget Year 2021/22 | | | | | | | | Budget Year +1 2022/23 | Budget Year +2 2023/24 |
|--|---------------------|----------------------|---------------------|--------------|---------------------|-----------------|-----------------|--------------------|---------------------------|---------------------------|
| | Original Budget | Prior Adjusted A1 | Downward adjusts | Parent muni. | Unfore. Unavoid. | Other Adjusts. | Total Adjusts. | Adjusted Budget | Adjusted Budget | Adjusted Budget |
| R thousands | | | | | | | | | | |
| ASSETS | | | | | | | | | | |
| Current assets | | | | | | | | | | |
| Cash | – | – | – | – | – | – | – | – | – | – |
| Call investment deposits | 7 227 | 4 660 | – | – | – | 19 819 | 19 819 | 24 479 | 53 168 | 44 997 |
| Consumer debtors | – | – | – | – | – | – | – | – | – | – |
| Other debtors | 17 252 | 17 252 | – | – | – | (4 663) | (4 663) | 12 589 | 20 332 | 21 606 |
| Current portion of long-term receivables | 2 124 | 2 124 | – | – | – | – | – | 2 124 | 2 124 | 2 124 |
| Inventory | 1 783 | 1 783 | – | – | – | 47 | 47 | 1 830 | 2 140 | 2 193 |
| Total current assets | 28 386 | 25 819 | – | – | – | 15 203 | 15 203 | 41 022 | 77 764 | 70 920 |
| Non current assets | | | | | | | | | | |
| Long-term receivables | 168 679 | 168 679 | – | – | – | – | – | 168 679 | 166 555 | 164 431 |
| Investments | 0 | 0 | – | – | – | – | – | 0 | 0 | 0 |
| Investment property | – | – | – | – | – | – | – | – | – | – |
| Investment in Associate | – | – | – | – | – | – | – | – | – | – |
| Property, plant and equipment | 252 728 | 255 295 | – | – | – | 50 847 | 50 847 | 306 142 | 266 104 | 244 522 |
| Biological | – | – | – | – | – | – | – | – | – | – |
| Intangible | – | – | – | – | – | – | – | – | – | – |
| Other non-current assets | 306 356 | 306 356 | – | – | – | (91 903) | (91 903) | 214 453 | 315 118 | 323 882 |
| Total non current assets | 727 764 | 730 330 | – | – | – | (41 056) | (41 056) | 689 274 | 747 777 | 732 836 |
| TOTAL ASSETS | 756 149 | 756 149 | – | – | – | (25 853) | (25 853) | 730 297 | 825 541 | 803 756 |
| LIABILITIES | | | | | | | | | | |
| Current liabilities | | | | | | | | | | |
| Bank overdraft | – | – | – | – | – | – | – | – | – | – |
| Borrowing | – | – | – | – | – | – | – | – | – | – |
| Consumer deposits | 25 935 | 25 935 | – | – | – | 14 011 | 14 011 | 39 946 | 32 937 | 35 572 |
| Trade and other payables | 29 044 | 29 044 | – | – | – | (10 496) | (10 496) | 18 549 | 32 820 | 33 476 |
| Provisions | – | – | – | – | – | – | – | – | 2 971 | 3 179 |
| Total current liabilities | 54 979 | 54 979 | – | – | – | 3 515 | 3 515 | 58 494 | 68 728 | 72 228 |
| Non current liabilities | | | | | | | | | | |
| Borrowing | – | – | – | – | – | – | – | – | – | – |
| Provisions | 231 | 231 | – | – | – | (231) | (231) | – | 374 | 459 |
| Total non current liabilities | 231 | 231 | – | – | – | (231) | (231) | – | 374 | 459 |
| TOTAL LIABILITIES | 55 210 | 55 210 | – | – | – | 3 284 | 3 284 | 58 494 | 69 102 | 72 687 |
| NET ASSETS | 700 939 | 700 939 | – | – | – | (29 136) | (29 136) | 671 802 | 756 439 | 731 069 |
| COMMUNITY WEALTH/EQUITY | | | | | | | | | | |
| Accumulated Surplus/(Deficit) | (735 489) | (735 489) | – | – | – | 39 864 | 39 864 | (695 625) | (720 988) | (746 359) |
| Reserves | 1 436 428 | 1 436 428 | – | – | – | (69 000) | (69 000) | 1 367 428 | 1 477 428 | 1 477 428 |
| TOTAL COMMUNITY WEALTH/EQUITY | 700 939 | 700 939 | – | – | – | (29 136) | (29 136) | 671 802 | 756 439 | 731 069 |

Table 25: MBRR Table E5 Adjustments Budget - Cash Flows - CTICC

| Description | Budget Year 2021/22 | | | | | | | | Budget Year +1 2022/23 | Budget Year +2 2023/24 |
|--|---------------------|-------------------|---------------------|--------------|---------------------|-----------------|-----------------|--------------------|---------------------------|---------------------------|
| | Original Budget | Prior Adjusted | Downward adjusts | Parent muni. | Unfore. Unavoid. | Other Adjusts. | Total Adjusts. | Adjusted Budget | Adjusted Budget | Adjusted Budget |
| R thousands | | | | | | | | | | |
| CASH FLOW FROM OPERATING ACTIVITIES | | | | | | | | | | |
| Receipts | | | | | | | | | | |
| Property rates | - | - | - | - | - | - | - | - | - | - |
| Service charges | - | - | - | - | - | - | - | - | - | - |
| Other revenue | 25 766 | 25 766 | - | - | - | 24 003 | 24 003 | 49 769 | 203 318 | 216 059 |
| Transfers and Subsidies - Operational | - | - | - | - | - | - | - | - | - | - |
| Transfers and Subsidies - Capital | - | - | - | - | - | - | - | - | - | - |
| Interest | 225 | 225 | - | - | - | 327 | 327 | 552 | 233 | 271 |
| Dividends | - | - | - | - | - | - | - | - | - | - |
| Payments | | | | | | | | | | |
| Suppliers and employees | (147 704) | (147 704) | - | - | - | 34 170 | 34 170 | (113 535) | (195 390) | (198 763) |
| Finance charges | - | - | - | - | - | - | - | - | - | - |
| Dividends paid | - | - | - | - | - | - | - | - | - | - |
| Transfers and Grants | - | - | - | - | - | - | - | - | - | - |
| NET CASH FROM/(USED) OPERATING ACTIVITIES | (121 713) | (121 713) | - | - | - | 58 500 | 58 500 | (63 214) | 8 161 | 17 566 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | | | | | | |
| Receipts | | | | | | | | | | |
| Proceeds on disposal of PPE | - | - | - | - | - | - | - | - | - | - |
| Decrease (increase) in non-current receivables | 123 000 | 123 000 | - | - | - | (27 000) | (27 000) | 96 000 | 41 000 | - |
| Decrease (increase) in non-current investments | - | - | - | - | - | - | - | - | - | - |
| Payments | | | | | | | | | | |
| Capital assets | (11 172) | (13 739) | - | - | - | 771 | 771 | (12 967) | (20 472) | (25 737) |
| NET CASH FROM/(USED) INVESTING ACTIVITIES | 111 828 | 109 261 | - | - | - | (26 229) | (26 229) | 83 033 | 20 528 | (25 737) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | | | | | | | |
| Receipts | | | | | | | | | | |
| Short term loans | - | - | - | - | - | - | - | - | - | - |
| Borrowing long term/refinancing | - | - | - | - | - | - | - | - | - | - |
| Increase (decrease) in consumer deposits | - | - | - | - | - | - | - | - | - | - |
| Payments | | | | | | | | | | |
| Repayment of borrowing | - | - | - | - | - | - | - | - | - | - |
| NET CASH FROM/(USED) FINANCING ACTIVITIES | - | - | - | - | - | - | - | - | - | - |
| NET INCREASE/ (DECREASE) IN CASH HELD | (9 885) | (12 452) | - | - | - | 32 271 | 32 271 | 19 819 | 28 689 | (8 171) |
| Cash/cash equivalents at the year begin: | 17 112 | 17 112 | - | - | - | 4 660 | 4 660 | 4 660 | 24 479 | 53 168 |
| Cash/cash equivalents at the year end: | 7 227 | 4 660 | - | - | - | 36 931 | 36 931 | 24 479 | 53 168 | 44 997 |

PART 4 - ADJUSTMENTS BUDGET: MUNICIPAL ENTITY - CAPE TOWN STADIUM

The current COVID-19 pandemic restrictions continue to have a negative impact on the economy as well as on the business operations of the Cape Town Stadium. Due to the limitation of spectators at events, the entity has had to adjust its budget for the current financial year as it is envisioned that the entity will only be allowed to increase spectators at events from July 2022, given the uncertainty surrounding the current regulations.

In light of the above, the Cape Town Stadium proposes a reduction of R5.7 million to its total budgeted revenue with the operating expenditure being reduced as well, as less expenditure will be incurred if there is a reduction in income being generated, particularly event related income.

It is projected that the entity will generate significant revenue from the commercial overlay as soon as spectators are allowed to return to attend events.

The Cape Town Stadium's (CTS) primary budget tables, as required in terms of Part 4 of the MBRR, are presented on page 65 to page 69.

Table 26: MBRR Table E1 Adjustments Budget Summary - CTS

| Description | Budget Year 2021/22 | | | | | | | | Budget Year +1 2022/23 | Budget Year +2 2023/24 |
|--|---------------------|----------------|------------------|--------------|------------------|----------------|----------------|-----------------|------------------------|------------------------|
| | Original Budget | Prior Adjusted | Downward adjusts | Parent muni. | Unfore. Unavoid. | Other Adjusts. | Total Adjusts. | Adjusted Budget | Adjusted Budget | Adjusted Budget |
| R thousands | | | | | | | | | | |
| <u>Financial Performance</u> | | | | | | | | | | |
| Property rates | – | – | – | – | – | – | – | – | – | – |
| Service charges | – | – | – | – | – | – | – | – | – | – |
| Investment revenue | – | – | – | – | – | 1 | 1 | 1 | – | – |
| Transfers recognised - operational | 60 484 | 60 484 | – | – | – | 809 | 809 | 61 293 | 31 394 | 24 707 |
| Other own revenue | 42 603 | 42 603 | – | – | – | (6 511) | (6 511) | 36 092 | 94 237 | 103 186 |
| Total Revenue (excluding capital transfers and contributions) | 103 087 | 103 087 | – | – | – | (5 701) | (5 701) | 97 386 | 125 631 | 127 892 |
| Employee costs | 1 409 | 1 409 | – | – | – | 49 | 49 | 1 458 | 4 000 | 4 625 |
| Remuneration of Board Members | 460 | 460 | – | – | – | – | – | 460 | 479 | 498 |
| Depreciation and debt impairment | – | – | – | – | – | – | – | – | – | – |
| Finance charges | – | – | – | – | – | – | – | – | – | – |
| Materials and bulk purchases | 636 | 636 | – | – | – | – | – | 636 | 661 | 688 |
| Transfers and grants | 6 734 | 6 734 | – | – | – | – | – | 6 734 | 7 003 | 9 079 |
| Other expenditure | 91 838 | 91 838 | – | – | – | (3 741) | (3 741) | 88 098 | 113 487 | 113 002 |
| Total Expenditure | 101 077 | 101 077 | – | – | – | (3 691) | (3 691) | 97 386 | 125 631 | 127 892 |
| Surplus/(Deficit) | 2 010 | 2 010 | – | – | – | (2 010) | (2 010) | – | 0 | 0 |
| Transfers and subsidies - capital (monetary allocations) (National / Provincial and District) | – | – | – | – | – | – | – | – | – | – |
| Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all) | – | – | – | – | – | – | – | – | – | – |
| Surplus/(Deficit) after capital transfers & contributions | 2 010 | 2 010 | – | – | – | (2 010) | (2 010) | – | 0 | 0 |
| Taxation | – | – | – | – | – | – | – | – | – | – |
| Surplus/ (Deficit) for the year | 2 010 | 2 010 | – | – | – | (2 010) | (2 010) | – | 0 | 0 |
| <u>Financial position</u> | | | | | | | | | | |
| Total current assets | 5 540 | 5 540 | – | – | – | (2 010) | (2 010) | 3 530 | 3 587 | 3 645 |
| Total non current assets | – | – | – | – | – | – | – | – | – | – |
| Total current liabilities | 3 530 | 3 530 | – | – | – | – | – | 3 530 | 3 587 | 3 645 |
| Total non current liabilities | – | – | – | – | – | – | – | – | – | – |
| Community wealth/Equity | 2 010 | 2 010 | – | – | – | (2 010) | (2 010) | – | – | – |
| <u>Cash flows</u> | | | | | | | | | | |
| Net cash from (used) operating | (0) | (0) | – | – | – | 0 | 0 | 0 | (0) | 0 |
| Net cash from (used) investing | – | – | – | – | – | – | – | – | – | – |
| Net cash from (used) financing | – | – | – | – | – | – | – | – | – | – |
| Cash/cash equivalents at the year end | – | (0) | – | – | – | – | – | – | (0) | 0 |

Table 27: MBRR Table E2 Adjustments Budget - Financial Performance (revenue and expenditure) - CTS

| Description | Budget Year 2021/22 | | | | | | | | Budget Year +1 2022/23 | Budget Year +2 2023/24 |
|--|---------------------|----------------|------------------|--------------|------------------|----------------|----------------|-----------------|------------------------|------------------------|
| | Original Budget | Prior Adjusted | Downward adjusts | Parent muni. | Unfore. Unavoid. | Other Adjusts. | Total Adjusts. | Adjusted Budget | Adjusted Budget | Adjusted Budget |
| R thousands | | | | | | | | | | |
| Revenue By Source | | | | | | | | | | |
| Property rates | - | - | - | - | - | - | - | - | - | - |
| Service charges - electricity revenue | - | - | - | - | - | - | - | - | - | - |
| Service charges - water revenue | - | - | - | - | - | - | - | - | - | - |
| Service charges - sanitation revenue | - | - | - | - | - | - | - | - | - | - |
| Service charges - refuse revenue | - | - | - | - | - | - | - | - | - | - |
| Rental of facilities and equipment | 26 972 | 26 972 | - | - | - | (3 983) | (3 983) | 22 988 | 71 769 | 84 861 |
| Interest earned - external investments | - | - | - | - | - | 1 | 1 | 1 | - | - |
| Interest earned - outstanding debtors | - | - | - | - | - | - | - | - | - | - |
| Dividends received | - | - | - | - | - | - | - | - | - | - |
| Fines, penalties and forfeits | - | - | - | - | - | - | - | - | - | - |
| Licences and permits | - | - | - | - | - | - | - | - | - | - |
| Agency services | - | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies | 60 484 | 60 484 | - | - | - | 809 | 809 | 61 293 | 31 394 | 24 707 |
| Other revenue | 15 631 | 15 631 | - | - | - | (2 527) | (2 527) | 13 104 | 22 468 | 18 325 |
| Gains | - | - | - | - | - | - | - | - | - | - |
| Total Revenue (excluding capital transfers and contributions) | 103 087 | 103 087 | - | - | - | (5 701) | (5 701) | 97 386 | 125 631 | 127 892 |
| Expenditure By Type | | | | | | | | | | |
| Employee related costs | 1 409 | 1 409 | - | - | - | 49 | 49 | 1 458 | 4 000 | 4 625 |
| Remuneration of Directors | 460 | 460 | - | - | - | - | - | 460 | 479 | 498 |
| Debt impairment | - | - | - | - | - | - | - | - | - | - |
| Depreciation & asset impairment | - | - | - | - | - | - | - | - | - | - |
| Finance charges | - | - | - | - | - | - | - | - | - | - |
| Bulk purchases | - | - | - | - | - | - | - | - | - | - |
| Other materials | 636 | 636 | - | - | - | - | - | 636 | 661 | 688 |
| Contracted services | 71 808 | 71 808 | - | - | - | (3 741) | (3 741) | 68 067 | 85 312 | 87 944 |
| Transfers and subsidies | 6 734 | 6 734 | - | - | - | - | - | 6 734 | 7 003 | 9 079 |
| Other expenditure | 20 031 | 20 031 | - | - | - | - | - | 20 031 | 28 175 | 25 058 |
| Losses | - | - | - | - | - | - | - | - | - | - |
| Total Expenditure | 101 077 | 101 077 | - | - | - | (3 691) | (3 691) | 97 386 | 125 631 | 127 892 |
| Surplus/(Deficit) | 2 010 | 2 010 | - | - | - | (2 010) | (2 010) | - | 0 | 0 |
| Transfers and subsidies - capital (monetary allocations) (National / Provincial and District) | - | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) | - | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies - capital (in-kind - all) | - | - | - | - | - | - | - | - | - | - |
| Surplus/(Deficit) before taxation | 2 010 | 2 010 | - | - | - | (2 010) | (2 010) | - | 0 | 0 |
| Taxation | - | - | - | - | - | - | - | - | - | - |
| Surplus/ (Deficit) for the year | 2 010 | 2 010 | - | - | - | (2 010) | (2 010) | - | 0 | 0 |

Explanatory notes to MBRR Table E2 – Financial Performance (revenue and expenditure) - CTS

Revenue by Source

1. Rental of facilities and equipment

The reduction of R3.9 million is due to the limitation of spectators as a result of the COVID-19 pandemic restrictions.

2. Transfers and subsidies

The increase of R809 000 is primarily due to the annual salary increase, which was only approved in November 2021.

3. Other Revenue

a. Advertising Fees (naming rights)

Naming rights income increases from R5.9 million to R6.2 million, due to the timing of the approval of the Anchor Tenant Agreement (ATA) surrounding the Western Province Rugby agreement.

b. Rebates from events

Rebates from events income reduces from R400 000 to R120 000 due to the reduction in event-related income.

c. Parking Fees

Parking fees income decreases from R500 000 to zero, as it is anticipated that the parking fees income will not be realized during the current 2021/22 financial year.

d. Services-in-kind received

Services in kind received decreases from R8.7 million to R6.7 million. The reduction is due to the service-in-kind asset, which is only recognised initially as it is not required to be recognized annually.

Expenditure by Type

1. Employee related costs

The increase is primarily due to the annual salary increase adjustment.

2. Contracted services

The reduction to this category is attributable to the reduction in the cleaning budget (R2 million), event budget (R2.5 million) as a result of the negative impact of the COVID-19 pandemic restrictions, and increase in the salary budget of seconded staff (R759 000) due to the annual salary increase adjustment.

Table 28: MBRR Table E4 Adjustments Budget - Financial Position - CTS

| Description | Budget Year 2021/22 | | | | | | | | Budget Year +1 2022/23 | Budget Year +2 2023/24 |
|--|---------------------|-------------------|---------------------|--------------|---------------------|-------------------|-------------------|--------------------|---------------------------|---------------------------|
| | Original Budget | Prior Adjusted | Downward adjusts | Parent muni. | Unfore. Unavoid. | Other Adjusts. | Total Adjusts. | Adjusted Budget | Adjusted Budget | Adjusted Budget |
| R thousands | | | | | | | | | | |
| ASSETS | | | | | | | | | | |
| Current assets | | | | | | | | | | |
| Cash | - | - | - | - | - | - | - | - | - | - |
| Call investment deposits | - | - | - | - | - | - | - | - | - | - |
| Consumer debtors | - | - | - | - | - | - | - | - | - | - |
| Other debtors | 3 530 | 3 530 | - | - | - | - | - | 3 530 | 3 587 | 3 645 |
| Current portion of long-term receivables | 2 010 | 2 010 | - | - | - | (2 010) | (2 010) | - | - | - |
| Inventory | - | - | - | - | - | - | - | - | - | - |
| Total current assets | 5 540 | 5 540 | - | - | - | (2 010) | (2 010) | 3 530 | 3 587 | 3 645 |
| Non current assets | | | | | | | | | | |
| Long-term receivables | - | - | - | - | - | - | - | - | - | - |
| Investments | - | - | - | - | - | - | - | - | - | - |
| Investment property | - | - | - | - | - | - | - | - | - | - |
| Investment in Associate | - | - | - | - | - | - | - | - | - | - |
| Property, plant and equipment | - | - | - | - | - | - | - | - | - | - |
| Biological | - | - | - | - | - | - | - | - | - | - |
| Intangible | - | - | - | - | - | - | - | - | - | - |
| Other non-current assets | - | - | - | - | - | - | - | - | - | - |
| Total non current assets | - | - | - | - | - | - | - | - | - | - |
| TOTAL ASSETS | 5 540 | 5 540 | - | - | - | (2 010) | (2 010) | 3 530 | 3 587 | 3 645 |
| LIABILITIES | | | | | | | | | | |
| Current liabilities | | | | | | | | | | |
| Bank overdraft | - | - | - | - | - | - | - | - | - | - |
| Borrowing | - | - | - | - | - | - | - | - | - | - |
| Consumer deposits | - | - | - | - | - | - | - | - | - | - |
| Trade and other payables | 3 530 | 3 530 | - | - | - | - | - | 3 530 | 3 587 | 3 645 |
| Provisions | - | - | - | - | - | - | - | - | - | - |
| Total current liabilities | 3 530 | 3 530 | - | - | - | - | - | 3 530 | 3 587 | 3 645 |
| Non current liabilities | | | | | | | | | | |
| Borrowing | - | - | - | - | - | - | - | - | - | - |
| Provisions | - | - | - | - | - | - | - | - | - | - |
| Total non current liabilities | - | - | - | - | - | - | - | - | - | - |
| TOTAL LIABILITIES | 3 530 | 3 530 | - | - | - | - | - | 3 530 | 3 587 | 3 645 |
| NET ASSETS | 2 010 | 2 010 | - | - | - | (2 010) | (2 010) | - | - | 0 |
| COMMUNITY WEALTH/EQUITY | | | | | | | | | | |
| Accumulated Surplus/(Deficit) | 2 010 | 2 010 | - | - | - | (2 010) | (2 010) | - | - | - |
| #N/A | - | - | - | - | - | - | - | - | - | - |
| TOTAL COMMUNITY WEALTH/EQUITY | 2 010 | 2 010 | - | - | - | (2 010) | (2 010) | - | - | - |

Table 29: MBRR Table E5 Adjustments Budget - Cash Flows - CTS

| Description | Budget Year 2021/22 | | | | | | | | Budget Year +1 2022/23 | Budget Year +2 2023/24 |
|---|---------------------|-------------------|---------------------|-----------------|---------------------|-------------------|-------------------|--------------------|---------------------------|---------------------------|
| | Original Budget | Prior Adjusted | Downward adjusts | Parent muni. | Unfore. Unavoid. | Other Adjusts. | Total Adjusts. | Adjusted Budget | Adjusted Budget | Adjusted Budget |
| R thousands | | | | | | | | | | |
| CASH FLOW FROM OPERATING ACTIVITIES | | | | | | | | | | |
| Receipts | | | | | | | | | | |
| Property rates | - | - | - | - | - | - | - | - | - | - |
| Service charges | - | - | - | - | - | - | - | - | - | - |
| Other revenue | 33 859 | 33 859 | - | - | - | (4 500) | (4 500) | 29 359 | 87 234 | 94 106 |
| Government - operating | 60 484 | 60 484 | - | - | - | 809 | 809 | 61 293 | 31 394 | 24 707 |
| Government - capital | - | - | - | - | - | - | - | - | - | - |
| Interest | - | - | - | - | - | 0 | 0 | 0 | - | - |
| Dividends | - | - | - | - | - | - | - | - | - | - |
| Payments | | | | | | | | | | |
| Suppliers and employees | (94 343) | (94 343) | - | - | - | 3 691 | 3 691 | (90 652) | (118 627) | (118 813) |
| Finance charges | - | - | - | - | - | - | - | - | - | - |
| Dividends paid | - | - | - | - | - | - | - | - | - | - |
| Transfers and Grants | - | - | - | - | - | - | - | - | - | - |
| NET CASH FROM/(USED) OPERATING ACTIVITIES | (0) | (0) | - | - | - | 0 | 0 | 0 | (0) | 0 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | | | | | | |
| Receipts | | | | | | | | | | |
| Proceeds on disposal of PPE | - | - | - | - | - | - | - | - | - | - |
| Decrease (Increase) in non-current debtors | - | - | - | - | - | - | - | - | - | - |
| Decrease (increase) other non-current receivables | - | - | - | - | - | - | - | - | - | - |
| Decrease (increase) in non-current investments | - | - | - | - | - | - | - | - | - | - |
| Payments | | | | | | | | | | |
| Capital assets | - | - | - | - | - | - | - | - | - | - |
| NET CASH FROM/(USED) INVESTING ACTIVITIES | - | - | - | - | - | - | - | - | - | - |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | | | | | | | |
| Receipts | | | | | | | | | | |
| Short term loans | - | - | - | - | - | - | - | - | - | - |
| Borrowing long term/refinancing | - | - | - | - | - | - | - | - | - | - |
| Increase (decrease) in consumer deposits | - | - | - | - | - | - | - | - | - | - |
| Payments | | | | | | | | | | |
| Repayment of borrowing | - | - | - | - | - | - | - | - | - | - |
| NET CASH FROM/(USED) FINANCING ACTIVITIES | - | - | - | - | - | - | - | - | - | - |
| NET INCREASE/ (DECREASE) IN CASH HELD | (0) | (0) | - | - | - | 0 | 0 | 0 | (0) | 0 |
| Cash/cash equivalents at the year begin: | 0 | - | | | | | | 0 | - | (0) |
| Cash/cash equivalents at the year end: | - | (0) | | | | | | - | (0) | 0 |

MUNICIPAL MANAGER'S QUALITY CERTIFICATION

I, **Lungelo Mbandazayo**, municipal manager of the **City of Cape Town**, hereby certify that the 2021/22 adjustments budget (**January 2022**) and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the adjustments budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Print Name _____

Municipal Manager of City of Cape Town (CPT)

Signature _____

Date _____

ADDITIONAL RECOMMENDATIONS EXTRACTED FROM COUNCIL MINUTES

- (c) the last bullet point at the bottom of page 2 of the 2021/22 Adjustments Budget attached as Annexure A to the report on the agenda relating to capital grants and donations, which reads as follows:

- Public Transport Network: Budget Facility for Infrastructure (PTNG-BFI) Grant (national funding) decreases by R1 340 million in line with NT's Division of Revenue Amendment Bill, gazette number 45390 dated 27 October 2021.

be amended to read as set out below:

- Public Transport Network: Budget Facility for Infrastructure (PTNG-BFI) Grant (national funding) decreases by R1 340 million in line with NT's Division of Revenue Amendment Bill correction, gazette number 45390 dated 27 October 2021, and to bring it in line with the original cash flows agreed between the National Department of Transport and the City, as explained to Council at its meeting held on 25 November 2021.

- (d) the Adjustment Budget be further adjusted by:

Transferring once-off savings from Office of the City Manager amounting to R10.9 million, to redress budget imbalances within Safety and Security Directorate as indicated in the tables below for the 2021/22 financial year:

An amount of R10.9 million be transferred from:

| Cost Centre | Cost Element | Cost Description | Element | Ammount |
|-------------|--------------|------------------------------------|---------|------------|
| 11010001 | 401250 | Wages Mayor's Job Creation Project | | 10 972 142 |

To be allocated as follows:

| Cost Centre | Cost Element | Cost Description | Element | Ammount |
|-------------|--------------|---------------------|---------|------------|
| 18040041 | 401820 | Allowances: Standby | | 10 972 142 |

- (e) the relevant legislated MBRR Schedule B tables be amended after Council approval, but before the submission of the Adjustment Budget to National Treasury.
- (f) Page 91 of the report on Volume 2 of the agenda related to the Adjustment budget to read: "Irrigation and other maintenance requirements at Strandfontein Sports Grounds – R2 million."