



CITY OF CAPE TOWN
ISIXEKO SASEKAPA
STAD KAAPSTAD

ANNEXURE A

2022/23 - 2024/25 BUDGET

31 MAY 2022

**INCLUDING ADDITIONAL
RECOMMENDATION READ IN AT
COUNCIL**

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GLOSSARY OF TERMS AND ABBREVIATIONS

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

Allocations – Money received from Provincial- and National Treasury.

Budget – The financial plan of a municipality.

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

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

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

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

CGD – Capital Grants and Donations

CCT/City – City of Cape Town

CPI – Headline Consumer Price Index

CRR – Capital Replacement Reserve

CTICC – Cape Town International Convention Centre

CTS – Cape Town Stadium

DMTN – Domestic Medium Term Note

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

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

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

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

GDFI - Gross Domestic Fixed Investment

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

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

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

MayCO – Mayoral Committee

MBRR – Municipal Budget Reporting Regulations

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

MPC – Monetary Policy Committee

mSCOA – municipal Standard Chart of Accounts

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

MYPD – Multi Year Price Determination

NT – National Treasury

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

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

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

TMA – Total Municipal Account

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

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

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

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

Part 1 - Annual Budget

1.1 Mayor's Report

The best way to tell what a government cares about is by looking at its budget.

We care deeply about growing the local economy faster so that we can lift more people out of poverty.

This budget demonstrates practical manifestation of this government's commitment to:

1. End loadshedding in Cape Town over time by investing in new and renewable sources of energy.
2. Making Cape Town the easiest place to do business in Africa.
3. Making Cape Town safer by deploying hundreds more law enforcement officers, with 150 new officers budgeted for in this budget alone.
4. Investing in better public transport, through a multi-billion rand expansion of the MyCiTi network to Khayelitsha and plan for the coming devolution of passenger rail to the metro.
5. Do the basics better so that every person can live in dignity.
6. Release more land for more affordable housing development in Cape Town.
7. Clean up Cape Town's public spaces, streets and waterways.

In each of these priorities, we've made progress in the first six months of this term.

This budget lays the foundation for Cape Town becoming a city of hope for all; a prosperous, inclusive and safer city where people can look to the future with a sense of optimism again.

We also know that cities must constantly be investing in more, better and newer infrastructure to keep up with the pressures of growth, and to improve basic services and dignity for those who still don't have it.

This budget makes substantial commitments to capital investment in infrastructure required for excellent service delivery.

Water and Sanitation's capital budget allocation of R2,3 billion will enable major infrastructure maintenance and upgrades. This allocation includes: R453 million for the City's future-focused New Water Plan, R168 million for the replacement and upgrading of our sewer network, and R141 million for the rehabilitation of infrastructure on the Cape Flats.

R1.1 billion is budgeted for capital investment for the Energy directorate, which includes R267 million for transmission system development, R139 million for system equipment replacement, R69.5 million for street lighting, R38 million for medium-Voltage switchgear refurbishment and R46 million for new medium-Voltage system infrastructure. As a commitment to addressing energy poverty, R25 million is allocated for the new electrification of dwellings.

Being instrumental in ensuring the health, dignity and comfort of our communities, Urban Waste Management's capital budget amounts to R647 million, which includes allocations for key projects and programmes.

People cannot lift themselves out of poverty if they cannot get to work and school. People cannot live healthy lives if they cannot attend clinics and hospitals. People cannot thrive if they are not free to move around on accessible and affordable public transport. Accordingly, R1,4 billion is allocated for capital expenditure by the Urban Mobility directorate. This includes R667 million for the South-East-Corridor expansion of the MyCiTi bus system, which will link Mitchell's Plain and Khayelitsha with Claremont and Wynberg.

The safety of our residents and infrastructure is essential for reliable and good quality service delivery. When people, businesses and infrastructure are unsafe, economic growth is thwarted, and it is impossible to address poverty. More fundamentally, it is impossible to lead a dignified life when one is constantly in fear of harm from criminals.

To make Capetonians, their homes and their businesses safer, and to protect the City's infrastructure, we are committing R4,1 billion to Safety Programmes. We are also investing in new infrastructure and systems to enhance our response to crime. Allocations to these capital projects and programmes include R52 million for the 24-hour operationalisation of traffic services and law enforcement, R47 million for CCTV/LPR cameras, R15 million for dashboard cameras, and R38 million for our technology-based emergency policing and incident command (EPIC) programme.

In order to support the most vulnerable Capetonians, we will continue to deliver on the need for housing and the free provision of basic services. R876 million has been allocated to the development of formal housing opportunities. Our package of free basic services to indigent residents will include 15kℓ of water per month per household and 60 kWh of electricity if the household buys less than the basic amount of 250kWh in a month. Furthermore, discounted rates and waste services provision will help to ensure residents without means are supported.

The City recognizes that socially responsible spending on infrastructure and services, especially those which involve the subsidisation of residents who are less well off, requires the imposition of a financial burden on wealthier residents. We thank our ratepayers for their continued support of our goal to make Cape Town a flourishing and prosperous City, and recommit ourselves to being clean, honest, and accountable custodians of their rates contributions.

The commitments in this budget are being met by making realistic, inflation-linked asks on rates and tariff increases, which will provide the funding for maintaining and expanding service delivery, while ensuring affordability of services to all.

The City unashamedly wants to do big, brave and excellent things in Cape Town, because South Africa desperately needs one demonstration that we can still move forward towards the society described in our Constitution.

Ours is a vision of prosperity, dignity and flourishing. In line with this vision, our promise is one of hope for Capetonians, that their lives can and will get better in a city that enables each resident to flourish. Our budget is the means by which we will turn this promise into meaningful action.

This budget and 2022/23 MTREF is hereby tabled for adoption and implementation.

1.2 Council Resolutions

The 2022/23 MTREF budget resolutions recommend:

1. That the City's annual budget for the financial year 2022/23; and projected allocations for the two outer years 2023/24 and 2024/25, and related policies as set out in the following tables and annexures, be adopted.
 - a. Operating revenue and expenditure by standard classification reflected in Table 22.
 - b. Operating revenue and expenditure by vote reflected in Table 23.
 - c. Operating revenue by source and expenditure by type reflected in Table 25.
 - d. Multi-year capital appropriations by vote reflected in Annexure 1.
 - e. Capital expenditure by standard classification reflected in Table 26.
 - f. Capital funding by source reflected in Table 26.
 - g. Budgeted cash flow statement as reflected in Table 28.
 - h. Salaries and benefits of political office bearers, councillors and senior officials as reflected in Table 52 and Table 53.
 - i. Performance indicators and benchmarks for 2022/23 as set out in Table 36.
 - j. Consolidated budget tables for the City and municipal entities (CTICC and CTS) as reflected in Table 99 to Table 108.
 - k. Property (Tax) rates as set out in Annexure 2.
 - l. City Improvement Districts (CIDs) - Additional Rates as set out in Annexure 3.
 - m. Revised consumptive tariffs, rates and basic charges for electricity generation and distribution, water and sanitation and solid waste management services as set out in Annexure 4.
 - n. Rates policy as set out in Annexure 5.
 - o. Tariffs, fees and charges book as set out in Annexure 6.
 - p. Tariff policies as set out in Annexure 7.
 - q. Credit control and debt collection policy as set out in Annexure 8 (with effect from 01 June 2022).
 - r. Grants-in-aid policy as set out in Annexure 9.
 - s. Policy on accounts payable as set out in Annexure 10.
 - t. Funding and reserves policy as set out in Annexure 11.
 - u. Virement policy as set out in Annexure 12.
 - v. Budget management and oversight policy as set out in Annexure 13.
 - w. Long term financial plan policy as set out in Annexure 14.
 - x. Policy governing adjustments budgets as set out in Annexure 15.
 - y. Unforeseen and unavoidable expenditure policy as set out in Annexure 16.

- z. Policy governing planning and approval of capital projects as set out in Annexure 17.
 - aa. Cost containment policy as set out in Annexure 18.
 - bb. Municipal entities policy as set out in Annexure 19.
 - cc. Integrated Development Plan Financial Plan as set out in Annexure 20.
 - dd. Transfers and grants to external organisations as set out in Annexure 21.
 - ee. Individual projects with a total project cost in excess of R50 million (to give effect to Section 19(1)(b) of the MFMA and Regulation 13(1)(b) of the MBRR) as reflected in Table 86 and as set out in Annexure 22.
 - ff. Projected cost covering all financial years until capital projects are operational as well as future operational costs and revenue on projects/programmes, to give effect to sections 19(2) and 19(3) of all projects and programmes as listed in Annexure 22 and Annexure 1.
 - gg. Detailed capital budget (MBRR Table SA36) as set out in Annexure 23.
 - hh. Details to capital programmes (2022/23 to 2024/25), as set out in Annexure 24.
 - ii. Detailed operational projects (MBRR Table SA38) as set out in Annexure 25.
 - jj. Operating- and capital ward allocation projects supported by Subcouncils as set out in Annexure 26.
 - kk. External mechanisms (MBRR Table SA32) as set out in Annexure 27.
 - ll. Schedule of service delivery standards as set out in Annexure 28.
 - mm. Iconic and other events to be hosted by the City in 2022/23 as set out in Annexure 29.
 - nn. Cape Town International Convention Centre (CTICC) (Municipal Entity) - Schedule D (annual budget and supporting tables) as set out in Annexure 30.
 - oo. Cape Town International Convention Centre (CTICC) (Municipal Entity) - Business plan as set out in Annexure 31.
 - pp. Cape Town International Convention Centre (CTICC) (Municipal Entity) - Tariffs as set out in Annexure 32.
 - qq. Cape Town Stadium (CTS) (Municipal Entity) - Schedule D (annual budget and supporting tables) as set out in Annexure 33.
 - rr. Cape Town Stadium (CTS) (Municipal Entity) - Business plan as set out in Annexure 34.
 - ss. Cape Town Stadium (CTS) (Municipal Entity) - Tariff policy and tariffs as set out in Annexure 35.
2. That Council notes the intent of the administration to follow MFMA Section 33 processes on items marked with an 'X' as reflected in the Demand (Procurement) Plan as set out in Annexure 36 to the report.
3. That Council notes National Treasury MFMA Circulars 112 and 115 (Municipal Budget Circulars for 2022/23) as set out in Annexure 37 to the report.

4. That Council notes Provincial Treasury Municipal Circular 1/2022 as set out in Annexure 38 to the report.
5. That Council approves an amount of up to R22 million, to be funded from within the Rates account, will be allocated in support of the Council approved Mayor's Special Fund as contemplated in Section 12 of the MFMA.
6. That Council approves the *Capital Replacement Reserve(CRR): Ward Allocations* for the 2022/23 financial year amounting to R66 780 078 funded from savings identified in the 2021/22 financial year.
7. That Council approves R74 565 996 for 2022/23, R105 000 000 for 2023/24, and R518 850 012 for 2024/25 funded from accumulated surpluses and loan funding, if needed, to provisionally (bridge) fund contractually committed IRT Phase 2A projects generally funded from the NT PTNG:BFI grant, until such time that National Government amends gazetted allocations. The City will review its funding approach on an annual basis as part of the budget process.
8. That the high level summary of changes between the tabled and the proposed budget as reported in Annexure B, be adopted. It should be noted that these changes have already been incorporated into Annexure A of this report.
9. That Council approves the commencement of a process, in compliance with Section 46 of the Municipal Finance Management Act (MFMA), to take up funding to an amount of R2 billion depending on the City's cash flow requirements. Should the cash flow position be sufficient to fund the capital programme either partially or fully, the funding will be adjusted accordingly.

1.3 Executive Summary

a. Past performance

The key focus of the City is to look after the people of Cape Town, especially the vulnerable, ensuring that the City is welcoming to all people, and making residents feel at home. In order to achieve these key focus areas, the mainstreaming of basic service delivery to informal settlements and backyard dwellers remains a key transformational priority for the City.

Some of the key achievements and highlights of the City's basic service delivery excellence and mainstreaming in the 2020/21 financial year are listed below.

- The City continues to supply informal settlements with electricity, and to provide the infrastructure needed to enable the electrification of qualifying sites. The City has set itself a target of installing 1 500 subsidised electrical connections per year until 2022, and has consistently met and exceeded this target throughout the IDP period. In 2020/21, 1 721 new electricity connections were installed, bringing total installations to 23 628 since 2012/13.
- Residents of Cape Town generate an average of 4 400 tons of waste every day, or approximately 1,6 million tons every year. The City's Urban Waste Management directorate is mandated to manage this waste and provides a basic refuse collection service to all formal properties in Cape Town and to 99.79% of known informal settlements.
- The City's human settlements programme is focused on the promotion of transit-oriented development as a means of addressing and reversing apartheid legacy planning. Creating affordable housing on well-located land close to public transport and job opportunities is a cornerstone of the City's efforts to bring redress and greater parity of services and opportunities to all residents in Cape Town. The City's Human Settlements directorate spent 97% of its Urban Settlement Development Grant capital budget in the 2020/21 financial year, despite the impact of COVID-19 and the lockdown. The City created 4 950 (target 4 850) housing opportunities (service sites and top structures) in the 2020/21 financial year, bringing the total to 63 552 since 2012/13.
- Since 2014, the Informal Settlements department has installed 3 402 water and sanitation points in the homes of backyard dwellers on City rental property. This water and sanitation provision project will continue with the roll-out of a further 2 000 of such services to backyard dwellers. The City Installed 799 (target 700) taps and 3 428 (target 2 500) toilets in informal settlements in the 2020/21 financial year, bringing the total to 8 999 and 33 856 respectively since 2012/13.

b. Total Budget

The total budget quantum for the 2022/23 financial year is R61 304 million, of which R53 797 million (87.8%) is allocated to the operating budget and R7 507 million (12.2%) to the capital budget.

c. Operating Budget**Expenditure**

Total operating expenditure for the 2022/23 financial year amounts to R53 797 million and is split into the following expenditure component:

Table 1 - Expenditure components of the 2022/23 budget

Category R Thousand	Budget 2021/22 (Original)	Budget 2022/23	Year-on-year
Employee related costs	15 612 505	17 322 936	10.96%
Remuneration of councillors	179 826	176 133	-2.05%
Debt impairment	2 716 859	2 316 909	-14.72%
Depreciation & asset impairment	3 013 855	3 208 222	6.45%
Finance charges	794 747	862 999	8.59%
Bulk purchases - electricity	11 182 400	12 350 900	10.45%
Inventory consumed	3 703 847	5 214 790	40.79%
Contracted services	7 960 362	8 572 922	7.70%
Transfers and subsidies	464 263	391 480	-15.68%
Other expenditure	2 632 042	2 927 064	11.21%
Losses	14 124	452 697	3105.12%
Total Expenditure	48 274 831	53 797 051	11.44%

Major components for 2022/23 include:

- **Employee related costs – R17 323 million**

Employee related costs amounts to R17 323 million in 2022/23, which equates to 32.2% of the total operating expenditure. The year-on-year increase of 10.96% is as a result of the wage award of 3.5% applied in the January 2022 adjustments budget, the 2022/23 SALGBC guideline for the budget year of 4.9%, and additional allocations for service enhancements.

- **Remuneration of councillors – R176 million**

The cost associated with the remuneration of councillors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). No increase was implemented in the 2021/22 financial year. A 4.9% increase was provided for in the 2022/23 budget and was calculated on current scales.

- **Bulk Purchases - Electricity – R12 351 million**

This provision is for the purchase of electricity from Eskom and is influenced by consumer behaviour. In this regard, annual price increases have been factored into the budget appropriations, which in turn impacts on the tariff requirements for these tariff-based services.

- **Debt Impairment – R2 317 million**

This allocation is influenced by current projected collection rates and the budgetary treatment of fines as prescribed in the iGRAP1 Accounting Standard, which states that fines should be budgeted for at 100% of fines issued. Prior to iGRAP1 implementation, the City accounted for revenue from fines on the basis of estimated collectable revenue. A provision for the amount deemed uncollectable has been included in the budget, which is based on collection rates achieved to date and projected over the MTREF period, as well as the City's arrears and debt recovery policies. Reduced debt impairment provisions is due to anticipated movement of debtors and write offs that occur during the financial year.

- **Finance charges- R863 million**

This category consists primarily of the repayment of interest on long-term borrowing (cost of capital) of the 2022/23 operating expenditure (excluding redemption costs). The increase over the 2022/23 MTREF is informed by existing and new loans, which will be taken up to fund the City's capital programme, and the projected interest loan service charges over this period.

- **Contracted services – R8 573 million**

This category includes repairs and maintenance provisions, service enhancements allocated during the SMF process, and mayoral priority programmes.

- **Other expenditure - R2 927 million - includes provisions for, inter alia:**

- IDS/CIDS (Special Rating Areas) - R307 million
- Software Licences - Upgrade/Protection - R265 million
- Specialised Information Technology Services - R208 million
- Electricity Costs - R187 million
- Indigent Relief: Electricity (Eskom) - R149 million
- Uniform & Protective Clothing - R132 million
- Levy: Skills Development - R123 million
- Bulk Water: Levy (Berg Water Project) - R100 million
- Operating Leases – R102 million

- **Losses – R453 million**

The increase in losses is primarily as a result of a change methodology in line with mSCOA requirements, which required Bulk Water purchases to be reflected in the City's accounting system as an Inventory item. The change in approach impacted on the "inventory consumed" (water used), "losses" (real and apparent water losses) and "gains" on the revenue side. The net effect of the expenditure increases and the revenue increases will correlate to the previous value of "Bulk Purchases".

Staff cost growth

Employee related costs amounts to R17 323 million in 2022/23, which equates to 32.2% of the total operating expenditure. The 2022/23 cost of living increase, as per the SALGBC wage agreement, is CPI % for 2022 as projected by the January Monetary Policy Committee (MPC) 2022, and amounts to 4.9%, which was used when calculating the 2022/23 staff budget.

The year-on-year increase of 10.96% as reflected in the ensuing table is attributable to the proposed additional posts for service enhancements to drive the priorities and programmes of the new Integrated Development Plan (IDP), 24-hour operationalisation for Traffic & Law Enforcement, allocations to address capacity gaps relating to the Core Application Review (CAR) and the Broadband Implementation Project (BIP), Centralisation of Fleet Tenders & Contract Management and a 2% notch increment for T-grades 13 and lower.

It is important to note that, all City vacancies were reviewed and reprioritised to reduce the wage bill.

Table 2 - Staff cost per vote (directorate)

Vote (Directorate)	Budget 2021/22 (Original)	Budget 2022/23	Year-on-year
R Thousand			
Vote 1 - Community Services & Health	2 439 202	2 605 336	6.81%
Vote 2 - Corporate Services	1 480 398	1 685 260	13.84%
Vote 3 - Economic Growth	299 752	311 056	3.77%
Vote 4 - Energy	1 407 667	1 528 845	8.61%
Vote 5 - Finance	1 109 542	1 170 602	5.50%
Vote 6 - Future Planning & Resilience	294 283	344 288	16.99%
Vote 7 - Human Settlements	443 735	477 038	7.51%
Vote 8 - Office of the City Manager	254 265	279 147	9.79%
Vote 9 - Safety & Security	2 992 442	3 369 346	12.60%
Vote 10 - Spatial Planning & Environment	615 734	656 433	6.61%
Vote 11 - Urban Mobility	843 169	907 395	7.62%
Vote 12 - Urban Waste Management	1 228 247	1 373 137	11.80%
Vote 13 - Water & Sanitation	2 204 068	2 615 054	18.65%
Total staff costs	15 612 505	17 322 936	10.96%

The following allocations were included in the staff budget:

- R92 million for the 24-hour operationalisation for Metro Police, Law Enforcement, and Traffic departments; and R3.2 million for EPIC capacity (Safety & Security);
- R35 million for contract management (various directorates);
- R18 million for Centralisation of Fleet Tenders and Contract Management to address backlogs, improve turnaround times, quality- and vendor management, and to maximise in-house capacity within the workshops;
- R2.1 million for stormwater supplementary staff (Water & Sanitation); and
- Allocations relating CAR and Broadband projects (Corporate Services).

Revenue

Operating revenue for the 2022/23 financial year amounts to R53 286 million.

Table 3 - Revenue categories of the 2022/23 budget

Category R Thousand	Budget 2021/22 (Original)	Budget 2022/23	Year on year
Revenue By Source			
Property rates	10 984 132	11 519 486	4.87%
Service charges - electricity revenue	15 734 566	17 241 469	9.58%
Service charges - water revenue	3 556 345	3 928 012	10.45%
Service charges - sanitation revenue	1 775 113	2 014 506	13.49%
Service charges - refuse revenue	1 330 442	1 381 241	3.82%
Rental of facilities and equipment	350 647	389 180	10.99%
Interest earned - external investments	855 119	1 118 566	30.81%
Interest earned - outstanding debtors	449 452	367 515	-18.23%
Dividends received	-	-	-
Fines, penalties and forfeits	1 247 015	1 262 193	1.22%
Licences and permits	67 110	73 251	9.15%
Agency services	261 614	271 616	3.82%
Transfers and subsidies	5 650 364	6 260 172	10.79%
Other revenue	3 328 606	3 466 403	4.14%
Gains	2 053 058	3 992 365	94.46%
Total Revenue (excluding capital transfers and contributions)	47 643 584	53 285 975	11.84%

Major components for 2022/23 include:

- **Property rates (R11 519 million)**

The increase on Property Rates revenue income was kept at 4.87%. This increase translates into a 5.2% increase in the rate-in-the-Rand for residential properties, the provision of minimum level service delivery and increased support to those negatively affected by the pandemic. No organic growth is projected for Property Rates for 2022/23 as a result of numerous factors including the limited ability of the construction industry to respond to development needs after a further 12% contraction in 2021 and a 20% contraction in the 2020 financial year. No growth is projected for 2023/24 while a 0.25% growth is projected for 2024/25.

- **Service charges – electricity revenue (R17 241 million)**

NERSA approved an average percentage price increase of 9.61% to Eskom for the 2022/23 financial year. This increase translates to a 8.61% increase for municipalities, which in turn translates into a 9.5% average increase for City supplied consumers.

- **Service Charges – Water Revenue (R3 928 million) and Sanitation Revenue (R2 015 million)**

The 2022/23 revenue projections are based on Level Water Wise (no restriction) tariffs as from 1 July 2022. A growth of 4% is projected for water and 3% for sanitation for the 2022/23 financial year.

- **Transfers and Subsidies (R6 260 million - National and Provincial allocations)**

For purpose of budget compilation, national allocations are based on the 2022 DoRB (B6-2022), and Government Gazette No. 45903 of 11 February 2022. Provincial allocations are based on Provincial Gazette 8566 dated 14 March 2022.

Individual service tariffs/Rates

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

Table 4 - Average Tariff increases for the 2022/23 MTREF

Category	Base Year 2021/22	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Electricity	13.48%	9.50%	15.56%	13.37%
Water	5.00%	6.50%	5.00%	8.80%
Sanitation	5.00%	6.50%	5.00%	8.80%
Refuse	3.50%	5.00%	5.00%	5.00%
Disposal	4.41%	5.00%	5.00%	10.45%

Rates

There is an increase of 5.21% in the rate-in-the-rand from 0.006030 to 0.006344 for 2022/23.

The rate-in-the-rand for all categories of Property Rates for the 2022/23 financial year is reflected in the Tariffs, Fees and Charges Book (Annexure 6).

Definitions and listing of categories are reflected in the Rates Policy (Annexure 5).

Electricity

The electricity average revenue increases are 9.50%, 15.56% and 13.37%, respectively over the 2022/23 MTREF.

Details of changes to the Electricity tariffs are reflected in Annexure 4.

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

Water & Sanitation

The average increase applied is 6.5% for 2022/23, 5.0% for 2023/24 and 8.8% for 2024/25.

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

Solid Waste

An average increase of 5% has been applied on the consumptive tariffs for collections and disposal.

The details of changes to Solid Waste tariffs are reflected in Annexure 4.

Proposed tariffs are reflected in the attached Tariffs, Fees and Charges Book (Annexure 6).

d. Capital Budget

The total capital budget amounts to R7 507 million in the 2022/23 financial year and will be funded as reflected in the ensuing table.

Table 5 - Capital funding sources for 2022/23

Major Capital Funding Sources	Budget 2022/23
R Thousand	
Capital Grants & Donations (CGD)	2 271 867
Capital Replacement Reserve (CRR)	1 364 428
External Financing Fund (EFF)	3 790 654
Revenue (Internal funding source)	80 369
Total	7 507 319

All projects proposed for inclusion in the 2022/23 capital budget were assessed against implementable delivery plans to comply with, inter alia, implementation readiness, tender readiness (must be on the City's Demand Plan), strategic alignment and capacity to implement.

Certain projects were included to assist the Executive Mayor to address specific identified priorities and these projects will have increased visibility on the implementation progress, once approved, during monthly engagements with directorates.

Major capital expenditure is planned in 2022/23 for the following directorates:

- Energy - R1 052 million
- Human Settlements - R884 million
- Urban Mobility - R1 379 million
- Urban Waste Management - R647 million
- Water & Sanitation - R2 344 million

Table 6 - Selection of new sundry projects in the 2022/23 capital budget

Directorate R Thousand	Description	Budget 2022/23
Community Services & Health	Chapman's Peak Park - Upgrade	1 000
	Delft Central Sport field - Fencing	1 000
	Heideveld Old ECD Building - Upgrade	3 800
	Philippi East Community Centre - Security Hardening	1 000
	Strandfontein Clubhouse Development	2 000
	Vygieskraal Sportsgrounds - Floodlight replacement	2 500
	Economic Growth	Informal Trading Permitting System Enhancement
Human Settlements	Hanover Park - High Security Fencing	3 500
	Informal Settlement Upgrades: Enhanced Basic Services	40 000
	Informal Settlement Upgrades: Managed Settlements	40 000
	Informal Settlement Upgrades: Super Blocking Project	40 000
	Lavender Hill - High Security Fencing	3 500
	Manenberg CRU Electrical Upgrades	3 000
	Ocean View CRU Electrical Upgrades	3 000
	Public Housing Master data SAP application upgrade	6 916
	Social Housing Protea Village	1 000
Safety & Security	Events Mobile Application	6 000
Spatial Planning & Environment	Coastal Infrastructure Upgrades - Ward 64	1 000
	Hanover Park Ablutions Upgrade	2 600
	Kuyasa Multi-Purpose Centre alterations & additions	3 000
	Kuyasa Multi-Purpose Centre parking area fencing	1 000
	Nyanga Junction Interchange Upgrade	1 000
	Weed Harvester Flatbed Truck for Rietvlei	2 000
	Weed Harvester for Rietvlei	13 000
	Khayelitsha Motor Vehicle Registration Office - Roof Refurbishment	1 000
Water & Sanitation	Bayside Canal Upgrade	1 000
	Cape Flats Aquifer: Hanover Park & Philippi	26 000
	Water Pollution Control Management System	11 000

Table 7 - Most significant projects/programmes for 2022/23

Description	Budget 2022/23
R Thousand	
Community Services & Health	
Community Services & Health Facilities Upgrade	14 000
Integrated Social Services Precincts	11 150
National Core Standards Compliance Programme	12 000
Park Upgrades	32 328
Sport and Recreation Facilities Upgrade	42 646
Upgrade of Security at Health Facilities	18 950
Corporate Services	
Broadband Infrastructure Programme	140 631
Fleet Services: Replacement Plant	47 100
Fleet Services: Replacement Vehicles	55 449
Economic Growth	
Business Support Infrastructure Development	3 705
CTICC 2 - Interface Structure	10 695
Trading Plan Infrastructure Development	2 231
Energy	
Electrical Service Connections	96 323
Electrification	24 801
Medium Voltage Switchgear Refurbishment	38 000
Medium Voltage System Infrastructure	46 000
Prepayment Meter Replacements	40 000
Street Lighting	66 480
System Equipment Replacement	139 286
Transmission System Development	266 672
Human Settlements	
Asset Management Programme	66 795
Urbanisation: Backyards/Informal Settlements Upgrade	293 844
Safety & Security	
CCTV & License Plate Recognition Installations	49 672
EPIC Programme	37 929
Spatial Planning & Environment	
Coastal Infrastructure Upgrades	43 452
Coastal Structures: Rehabilitation	29 883
Nature Reserves Infrastructure Upgrades	16 097
Urban Mobility	
Congestion Relief Projects	192 089
IRT Phase 2 A	667 472
Metro Roads: Reconstruction	38 500
Non-Motorised Transport Programme	34 884
Public Transport Interchange Programme	98 711
Roads: Rehabilitation	93 580
Urban Waste Management	
Landfill Infrastructure Development	80 742
Solid Waste Facility Upgrades	61 935
Solid Waste Management Plant & Vehicles Replacement	280 000
Transfer Stations Development	186 466
Waste Minimisation	16 588
Water & Sanitation	
Bulk Water Infrastructure Replacement	55 000
Cape Flats Rehabilitation	141 412
New Water Plan	453 279
Replace & Upgrade Sewer Network	168 300
Replace & Upgrade Sewerage Pump Stations	71 200
Replace & Upgrade Water Network	109 500
Treated Effluent Re-Use	33 500
Water Meter Replacement Programme	153 135

1.4 Operating Revenue Framework

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

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

- National Treasury's guidelines and macro-economic policy;
- Projected City growth and continued economic development;
- Realistic revenue management, which provides for achieving collection rate targets;
- Electricity tariff increases as approved by the National Electricity Regulator of South Africa (NERSA);
- Setting of trading services' user charges at levels that are reflective of these services' cost-recovery nature;
- The City's Property Rates policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA); and
- The lingering impact of the COVID-19 pandemic on various revenue sources.

The following table is a summary of the 2022/23 MTREF (classified by main revenue source):

Table 8 - Summary of Revenue classified by main revenue sources

Description	2022/23 Medium Term Revenue & Expenditure Framework		
	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand			
Revenue By Source			
Property rates	11 519 486	12 132 471	12 858 482
Service charges - electricity revenue	17 241 469	19 624 539	21 913 943
Service charges - water revenue	3 928 012	4 121 615	4 523 452
Service charges - sanitation revenue	2 014 506	2 155 521	2 366 762
Service charges - refuse revenue	1 381 241	1 501 125	1 629 348
Rental of facilities and equipment	389 180	405 996	423 707
Interest earned - external investments	1 118 566	1 119 454	970 357
Interest earned - outstanding debtors	367 515	383 143	399 529
Dividends received	–	–	–
Fines, penalties and forfeits	1 262 193	1 264 511	1 266 932
Licences and permits	73 251	76 474	79 839
Agency services	271 616	283 567	296 044
Transfers and subsidies	6 260 172	6 454 997	6 693 166
Other revenue	3 466 403	3 472 498	3 579 018
Gains	3 992 365	4 086 014	4 289 972
Total Revenue (excluding capital transfers and contributions)	53 285 975	57 081 926	61 290 550

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

Table 9 - Revenue by source as a percentage of total budget

Description	2022/23 Medium Term Revenue & Expenditure Framework					
	Budget Year 2022/23	%	Budget Year +1 2023/24	%	Budget Year +2 2024/25	%
R thousand						
Revenue By Source						
Property rates	11 519 486	21.6%	12 132 471	21.3%	12 858 482	21.0%
Service charges - electricity revenue	17 241 469	32.4%	19 624 539	34.4%	21 913 943	35.8%
Service charges - water revenue	3 928 012	7.4%	4 121 615	7.2%	4 523 452	7.4%
Service charges - sanitation revenue	2 014 506	3.8%	2 155 521	3.8%	2 366 762	3.9%
Service charges - refuse revenue	1 381 241	2.6%	1 501 125	2.6%	1 629 348	2.7%
Rental of facilities and equipment	389 180	0.7%	405 996	0.7%	423 707	0.7%
Interest earned - external investments	1 118 566	2.1%	1 119 454	2.0%	970 357	1.6%
Interest earned - outstanding debtors	367 515	0.7%	383 143	0.7%	399 529	0.7%
Dividends received	–	0.0%	–	0.0%	–	0.0%
Fines, penalties and forfeits	1 262 193	2.4%	1 264 511	2.2%	1 266 932	2.1%
Licences and permits	73 251	0.1%	76 474	0.1%	79 839	0.1%
Agency services	271 616	0.5%	283 567	0.5%	296 044	0.5%
Transfers and subsidies	6 260 172	11.7%	6 454 997	11.3%	6 693 166	10.9%
Other revenue	3 466 403	6.5%	3 472 498	6.1%	3 579 018	5.8%
Gains	3 992 365	7.5%	4 086 014	7.2%	4 289 972	7.0%
Total Revenue (excluding capital transfers and contributions)	53 285 975	100.0%	57 081 926	100.0%	61 290 550	100.0%
Total Revenue from Rates & Service Charges	36 084 714	67.7%	39 535 272	69.3%	43 291 988	70.6%

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

Rates and Service Charges makes up 67.7% of the City's total revenue mix for 2022/23. Services charges – electricity revenue makes up the largest revenue source totaling R17 241 million (32.4% of total revenue). Property rates is the second largest revenue source totaling R11 519 million (21.6% of total revenue).

Transfers and subsidies (operating grants and transfers) total R6 260 million (11.7% of total revenue), and increases to R6 693 million by 2024/25. For purpose of budget compilation, national allocations are based on the 2022 Division of Revenue Bill (B6-2022), and Government Gazette No. 45903 of 11 February 2022. Provincial allocations are based on Provincial Gazette 8566, dated 14 March 2022.

Table 10 - Operating Transfers and Grant Receipts (MBRR Table SA18)

Description	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Operating Transfers and Grants: RECEIPTS									
National Government:	3 529 417	3 811 395	4 334 795	4 239 294	4 583 830	4 583 830	4 727 836	4 958 688	5 172 731
Local Government Equitable Share	3 016 366	2 815 558	3 509 590	3 215 174	3 215 174	3 215 174	3 656 394	3 983 337	4 341 849
Local Government Equitable Share Covid Rollover	-	-	-	-	144 562	144 562	-	-	-
Finance Management grant	1 000	1 000	1 000	1 000	1 000	1 000	1 000	1 000	1 000
Urban Settlements Development Grant	32 326	12 523	202 546	219 147	233 182	233 182	124 584	154 091	154 568
Energy Efficiency and Demand Side Management Grant	700	640	818	800	1 085	1 085	900	900	900
Dept. of Environ Affairs and Tourism	220	110	220	220	220	220	220	220	220
Expanded Public Works Programme	23 266	32 283	43 601	49 072	49 072	49 072	41 469	-	-
Public Transport Infrastructure & Systems Grant	-	934 290	-	38 640	25 894	25 894	52 233	36 299	28 802
Infrastructure Skills Development	13 023	11 000	10 006	11 000	11 000	11 000	10 446	10 000	11 500
Public Transport Network Grant	440 780	-	513 632	489 103	528 888	528 888	477 706	460 795	475 995
Neighbourhood Development Partnership Grant	-	-	1 394	5 000	227	227	-	-	-
Informal Settlements Upgrading Partnership Grant	-	-	-	76 143	64 514	64 514	90 959	82 169	84 948
National Skills Fund	-	-	18 470	46 276	55 675	55 675	27 788	-	-
National Treasury General Budget Support	-	-	-	16 829	16 829	16 829	10 125	-	-
Integrated City Development Grant	1 083	2 664	21 014	-	603	603	-	-	-
Peninsula Wetlands Rehabilitation Project	653	1 327	-	-	-	-	-	-	-
Philippi Agri Hub	-	-	12 504	-	-	-	-	-	-
Programme And Project Preparation Support Grant	-	-	-	70 890	70 890	70 890	65 970	68 877	72 950
Public Employment Program (NT PEP)	-	-	-	-	161 000	161 000	156 000	161 000	-
Regional Land Claims Commissioner	-	-	-	-	4 014	4 014	12 043	-	-
Provincial Government:	840 173	944 696	1 128 492	1 371 012	1 459 146	1 459 146	1 499 281	1 447 999	1 487 435
Cultural Affairs and Sport - Provincial Library Services	46 705	44 455	49 192	43 116	46 926	46 926	52 712	53 769	55 782
Cultural Affairs and Sport - Library Services: Transfer funding to enable City of Cape Town to procure periodicals and newspapers	4 770	5 150	5 338	5 338	5 368	5 368	5 338	5 521	5 769
Municipal Library Support	-	-	-	-	8 533	8 533	-	-	-
Human Settlements - Human Settlement Development Grant	380 250	286 311	196 080	262 554	348 158	348 158	318 630	333 380	358 380
Health - TB	29 233	31 445	27 380	87 317	32 715	32 715	33 546	70 898	70 898
Health - ARV	-	-	266 024	300 230	300 980	300 980	316 834	313 037	327 104
Health - Nutrition	4 790	5 465	5 692	6 664	6 664	6 664	6 832	6 832	6 832
Health - Vaccines	93 766	120 142	132 426	91 661	114 134	114 134	117 033	117 033	117 033
Comprehensive Health	251 120	263 243	-	173 489	205 618	205 618	210 841	173 489	173 489
LEAP	-	110 961	417 000	350 000	319 478	319 478	400 000	350 000	350 000
Transport and Public Works - Provision for persons with special needs	-	-	10 000	10 000	10 019	10 019	10 000	10 000	10 449
Community Safety - Law Enforcement Auxiliary Services	3 938	-	4 388	4 629	3 429	3 429	2 852	2 966	3 084
Community Development Workers	-	2 034	1 034	1 001	2 647	2 647	1 034	1 034	1 034
Finance Management Capacity Building Grant	360	380	300	250	250	250	-	-	-
Transport Safety and Compliance - Rail Safety	-	-	-	19 000	21 000	21 000	-	-	-
Tourism Safety Law Enforcement Unit	-	4 153	3 608	5 480	3 667	3 667	-	-	-
Establishment and Support K9 unit	3 000	2 300	2 530	2 783	1 589	1 589	1 000	1 040	1 081
Municipal accreditation and capacity building grant	-	14 721	7 500	7 500	8 871	8 871	10 000	7 500	5 000
Human Settlements -Informal Settlements	-	1 500	-	-	1 500	1 500	1 500	1 500	1 500
Title Deeds Restoration Grant	-	-	-	-	-	-	11 129	-	-
LG Public Employment Support Grant	-	-	-	-	17 600	17 600	-	-	-
Enhanced Extended Discount Benefit Scheme	-	25 206	-	-	-	-	-	-	-
Finance Management Support Grant	230	230	-	-	-	-	-	-	-
Municipal Land Transport Fund	13 666	27 000	-	-	-	-	-	-	-
Municipal Disaster Grant	5 000	-	-	-	-	-	-	-	-
K9 Unit	3 000	-	-	-	-	-	-	-	-
Provincial Documents Mod Centre Deployment	345	-	-	-	-	-	-	-	-

Table continues on next page

Description	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Other grant providers:	23 827	6 431	101	36 625	27 267	27 267	33 055	48 310	33 000
CMTF	-	-	-	15 400	13 500	13 500	3 000	3 000	3 000
CID	6 374	4 452	-	2 052	5 144	5 144	7 704	-	-
Century City	-	290	-	618	618	618	-	-	-
Westcott Primary School - Traffic Attendant	-	43	-	43	53	53	-	-	-
Rustenberg Junior Girls School - Traffic Attendant	-	43	-	43	53	53	-	-	-
V&A Waterfront: Traffic Officer	-	891	-	-	332	332	-	-	-
KFW- Technical Assistance (GDB)	-	-	-	15 000	5 000	5 000	20 000	43 000	30 000
Orio	-	-	-	3 421	969	969	2 310	2 310	-
Mayor's Relief fund	12	2	101	-	-	-	-	-	-
The Cape Academy for MST	-	-	-	29	82	82	41	-	-
Greenpoint Law enforcement	-	-	-	-	410	410	-	-	-
Long Street Law enforcement	-	-	-	-	992	992	-	-	-
Curro Durbanville - Part Time Attend	-	-	-	-	53	53	-	-	-
Rockefeller Philanthropy Advisors Inc	710	710	-	-	-	-	-	-	-
Munich Project - SBLE & CYCLING	731	-	-	-	-	-	-	-	-
Municipal Land Transport Fund - Rail Safety	16 000	-	-	-	-	-	-	-	-
University of Connecticut	-	-	-	-	18	18	-	-	-
Total Operating Transfers and Grants	4 393 417	4 762 523	5 463 389	5 646 931	6 070 243	6 070 243	6 260 172	6 454 997	6 693 166

1.4.1 Property (Tax) Rates (refer Annexure 2)

Property rates are levied in accordance with Council policies, the Local Government: Municipal Property Rates Act 2004 (MPRA), the MPRA Regulations, and the Local Government: Municipal Finance Management Act 56 of 2003.

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

The rate-in-the-rand for Property Rates for the 2022/23 financial year is set out in Annexure 2.

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

The proposed rates tariffs are shown in the Tariffs, Fees and Charges Book attached as Annexure 6.

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

The Water and Sanitation Consumptive Tariffs are levied to recover the costs of providing the services.

The proposed tariff increases are predominantly due to the water augmentation plan to ensure security of water supply, upgrades and extensions to the wastewater treatment plants, water demand management initiatives, ensuring the management of assets at appropriate levels, sustain and enhance the maintenance programs as well as supplying water and sanitation at appropriate compliance, capacity, skills, service delivery and responsiveness levels. This includes enhanced focus on the ageing sewer network infrastructure as well as upgrading of the sewer pump stations.

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

The ensuing tables show the proposed tariffs for water and sanitation for the 2022/23 financial year.

Table 11 - Proposed water tariffs: Non-indigent

Category	Proposed Tariff 2022/23 Level 0	Proposed Tariff 2022/23 Level 1	Proposed Tariff 2022/23 Level 2	Proposed Tariff 2022/23 Level 3	Proposed Tariff 2022/23 Emergency
	Rand per Kl (excl. VAT)				
DOMESTIC Full					
Fixed basic Charge (Assume meter size = 15mm)	65.44	65.44	65.44	65.44	65.44
Step 1 (0 ≤ 6kl)	16.89	17.42	18.34	22.01	26.99
Step 2 (>6 ≤ 10.5kl)	23.21	24.79	29.24	35.42	43.86
Step 3 (>10.5 ≤ 35kl)	31.54	35.19	44.20	53.73	66.74
Step 4 (>35kl)	58.20	77.27	109.94	221.74	382.12
DOMESTIC Cluster					
Fixed basic Charge (Assume meter size = 40mm)	467.43	467.43	467.43	467.43	467.43
Step 1 (0 ≤ 6kl)	16.89	17.42	18.34	22.01	26.99
Step 2 (>6 ≤ 10.5kl)	23.21	24.79	29.24	35.42	43.86
Step 3 (>10.5 ≤ 35kl)	31.54	35.19	44.20	53.73	66.74
Step 4 (>35kl)	58.20	77.27	109.94	221.74	382.12
COMMERCIAL (assumed meter size = 50mm)	730.36	730.36	730.36	730.36	730.36
COMMERCIAL	30.24	31.92	37.41	41.91	47.77
INDUSTRIAL (assumed meter size = 100mm)	2921.43	2921.43	2921.43	2921.43	2921.43
INDUSTRIAL	30.24	31.92	37.41	41.91	47.77

Table 12 - Proposed sanitation tariffs: Non-indigent

Category	Proposed Tariff 2022/23 Level 0	Proposed Tariff 2022/23 Level 1	Proposed Tariff 2022/23 Level 2	Proposed Tariff 2022/23 Level 3	Proposed Tariff 2022/23 Emergency
	Rand per Kl (excl. VAT)				
DOMESTIC Full - Standard					
Step 1 (0 ≤ 4.2 kl)	14.84	15.31	16.13	18.72	21.56
Step 2 (>4.2 ≤ 7.35 kl)	20.39	21.78	25.69	31.56	38.53
Step 3 (>7.35 ≤ 24.5kl)	28.64	32.59	41.44	49.00	57.51
Step 4 (>24.5 ≤ 35kl)	45.05	58.65	86.74	109.70	137.68
DOMESTIC Cluster					
Step 1 (0 ≤ 4.2kl)	14.84	15.31	16.13	18.72	21.56
Step 2 (>4.2 ≤ 7.35 kl)	20.39	21.78	25.69	31.56	38.53
Step 3 (>7.35 ≤ 24.5kl)	28.64	32.59	41.44	49.00	57.51
Step 4 (>24.5 ≤ 35kl)	45.05	58.65	86.74	109.70	137.68
COMMERCIAL	27.17	28.68	31.48	35.11	38.59
INDUSTRIAL	27.17	28.68	31.48	35.11	38.59

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

Table 13 - Proposed water tariff (domestic consumption): Non-indigent

Monthly Consumption kl	Proposed amount payable 2022/23 (No Restriction) R (excl VAT)	Proposed amount payable 2022/23 (Level 1) R (excl VAT)	Proposed amount payable 2022/23 (Level 2) R (excl VAT)	Proposed amount payable 2022/23 (Level 3) R (excl VAT)	Proposed amount payable 2022/23 (Emergency) R (excl VAT)
Fixed basic charge *	65.44	65.44	65.44	65.44	65.44
6	167.30	170.57	176.38	198.60	228.77
10.5	272.94	283.62	310.11	360.63	429.63
20	572.57	617.92	730.01	871.06	1 063.46
35	1 058.45	1 165.95	1 424.53	1 757.56	2 215.77
50	1 931.45	2 325.00	3 073.63	5 083.66	7 947.57
80	3 677.45	4 643.10	6 371.83	11 735.86	19 411.17
* Assume meter size=15mm					

Table 14 - Proposed sanitation tariff (domestic consumption): Non-indigent

Monthly Consumption kl	Proposed amount payable 2022/23 (No Restriction) R (excl VAT)	Proposed amount payable 2022/23 (Level 1) R (excl VAT)	Proposed amount payable 2022/23 (Level 2) R (excl VAT)	Proposed amount payable 2022/23 (Level 3) R (excl VAT)	Proposed amount payable 2022/23 (Emergency) R (excl VAT)
4.2	62.65	64.67	68.30	79.36	91.53
7.35	127.71	134.37	150.81	180.53	214.81
14	318.16	351.09	426.38	506.38	597.25
24.5	624.39	702.03	876.70	1 041.25	1 228.01
35	1 075.82	1 289.73	1 745.89	2 140.51	2 607.64

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

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

Proposed tariffs are shown in the Tariffs, Fees and Charges Book attached as Annexure 6.

The ensuing table shows the comparison between current and proposed waste removal fees for the 2022/23 financial year.

Table 15 - Comparison between current and proposed waste removal fees

SERVICES RENDERED	UNIT	REMARKS To be read in conjunction with Definitions (refer annexures)	VAT Yes/No	Current 2021/22 R excl. VAT	Proposed 2022/23 R excl. VAT	Increase R excl. VAT	Percentage change
Black lid 240L container service (R/blacklid) - Residential properties							
Basic container service: Residential collection based on a once-per week 240L service per household/service point in suburbs containerised.	Per month	Account to property owner. Basic container service (weekly service is 1x 240L Black lid container per week).	y	142.00	149.13	7.13	5.02%
Additional once-per-week 240L service (Black lid 240L)	Per additional 240 L container per month	Enhanced service level. (Additional service of 240L Black lid container(s) serviced on the same day as the normal weekly service. Per fixed agreement - not variable).	y	142.00	149.13	7.13	5.02%
Three times per week for cluster	per month	Account to property owner. Basic container service (weekly service is 3x 240L Black lid container per week).	y	426.00	447.30	21.30	5.00%
Black lid 240L container service (R/blacklid) - Non-Residential properties							
240L container (1 per week)	Per month	Account to property owner. Container service delivered to non-residential areas (Weekly service is 1x 240L Black lid container per week).	y	169.65	178.17	8.52	5.02%
240L container (3 per week)	Per month	Account to property owner. Container service thrice per week.	y	508.70	534.17	25.47	5.01%
240L container (5 per week)	Per month	Account to property owner. Container service five times per week.	y	848.09	890.52	42.43	5.00%
Refuse Availability - Vacant land							
Availability charge on vacant land	Per month	All vacant erven subjected to Availability Charge	y	84.17	88.35	4.18	4.97%
Disposal Services							
General Waste	Per metric ton or part thereof	Applicable to all disposal sites, transfer stations and compost plants	y	556.61	584.43	27.82	5.00%
Special/Hazardous waste	Per metric ton or part thereof	As determined by the site weighbridge. Applicable for disposal at Vissershok landfill only. Subject to prior permitting.	y	737.74	774.61	36.87	5.00%
Builders Rubble	Per metric ton or part thereof	Applicable to all Landfill Sites	y	23.04	24.17	1.13	4.90%

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

The proposed revisions to the tariffs have been formulated in accordance with the City of Cape Town Tariff and Rates Policy and comply with Section 74 of the Municipal Systems Act.

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

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

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

On 9 March 2022, NERSA approved a tariff increase to direct Eskom customers of 9.61%. This then equates to a 8.61% increase to Municipalities. To date, NERSA have not issued a finalised Guideline increase for regulated tariffs to Municipalities (the draft for consultation contained a Guideline increase of 7.47%, but this calculation contains several errors and does not in any way allow for changes in the amount of electricity sold).

CPI was set by the City at 4.6% for the coming financial year, and, together with the above bulk purchases increase, other required expenditure items and a reduction in sales volumes of 1.5% on a restated sales base for 2021/22 (increased by 0.7%), means that a total tariff increase of 9.5% is required for the coming financial year.

The unregulated portion of the tariff is made up of the Contribution to Rates (R1 783 million, or 24.75c/kWh on relevant energy portions) and the cost of street lighting (R533 million or 6.67c/kWh). Subsidised energy tariffs (Lifeline Block 1 and Investment Incentive tariffs) only attract the street lighting portion, while the remainder attract both the Contribution to Rates amount and the street Lighting portion, for a total of 31.42c/kWh (as per the Consumptive Tariff Schedule in Annexure 6).

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

Present electricity tariffs were approved by Council on 26 May 2021 and by NERSA on 14 July 2021, and were implemented with effect from 1 July 2021.

The proposed tariffs are shown in the Tariffs, Fees and Charges Book (Annexure 6).

The ensuing table shows the comparison between current and proposed electricity charges (domestic consumption) the 2022/23 financial year.

Table 16 - Comparison between current and proposed electricity charges (domestic consumption)

Category	Unit	Steps	VAT yes/no	Current 2021/22 c/kWh (excl VAT)	Proposed 2022/23 c/kWh (excl VAT)	Difference (Increase)	Percentage change
Lifeline INCLUDING the FBE portion	Energy Charge (c/kWh)	0-350kWh	y	142.86	156.43	13.57	9.50%
		350.1+ kWh	y	288.05	315.41	27.36	9.50%
Domestic	Energy Charge (c/kWh)	0-600kWh	y	236.89	259.39	22.50	9.50%
		600.1+ kWh	y	288.05	315.41	27.36	9.50%
Home User	Service Charge	Per Month	y	168.95	185.00	16.05	9.50%
	Energy Charge (c/kWh)	0-600kWh	y	208.73	228.56	19.83	9.50%
		600.1+ kWh	y	288.05	315.41	27.36	9.50%

1.4.5 Overall impact of tariff increases on households

The following table shows the overall expected impact of tariff increases for a single ‘middle income’ household, a single ‘affordable’ household and a single ‘indigent household receiving free basic services’.

Table 17 - Impact of tariff increases on households (MBRR Table SA14)

Description	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework			
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23 % incr.	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Rand/cent										
Monthly Account for Household - 'Middle Income Range'										
Rates and services charges:										
Property rates	298.08	185.00	192.33	201.00	201.00	201.00	5.2%	211.47	224.15	237.60
Electricity: Basic levy	-	-	-	-	-	-	-	-	-	-
Electricity: Consumption	1 986.90	2 163.34	2 267.82	2 573.54	2 573.54	2 573.54	9.5%	2 817.98	3 256.46	3 691.86
Water: Basic levy	-	56.00	58.52	61.45	61.45	61.45	6.5%	65.44	68.71	74.76
Water: Consumption	11 315.59	1 170.05	808.81	772.22	772.22	772.22	6.5%	822.53	863.66	939.66
Sanitation	1 598.01	650.53	518.07	487.00	487.00	487.00	6.5%	518.65	544.57	592.49
Refuse removal	126.32	132.61	137.00	142.00	142.00	142.00	5.0%	149.10	156.56	164.38
Other	-	-	-	-	-	-	-	-	-	-
sub-total	15 324.90	4 357.53	3 982.55	4 237.21	4 237.21	4 237.21	8.2%	4 585.17	5 114.11	5 700.76
VAT on Services	1 340.68	625.88	568.53	605.43	605.43	605.43	8.4%	656.06	733.49	819.47
Total large household bill:	16 665.58	4 983.41	4 551.08	4 842.64	4 842.64	4 842.64	8.2%	5 241.22	5 847.61	6 520.23
% increase/-decrease		(70.1%)	(8.7%)	6.4%	-		8.2%	11.6%	11.5%	
Monthly Account for Household - 'Affordable Range'										
Rates and services charges:										
Property rates	178.85	92.50	96.17	100.50	100.50	100.50	5.2%	105.73	112.08	118.80
Electricity: Basic levy	-	-	-	-	-	-	-	-	-	-
Electricity: Consumption	914.45	995.65	1 043.75	1 184.45	1 184.45	1 184.45	9.5%	1 296.95	1 498.75	1 699.15
Water: Basic levy	-	-	58.52	61.45	61.45	61.45	6.5%	65.44	68.71	74.76
Water: Consumption	6 315.59	839.45	651.44	624.17	624.17	624.17	6.5%	664.83	698.07	759.50
Sanitation	1 219.76	474.87	416.04	392.89	392.89	392.89	6.5%	418.40	439.32	477.98
Refuse removal	126.32	99.39	137.00	142.00	142.00	142.00	5.0%	149.10	156.56	164.38
Other	-	-	-	-	-	-	-	-	-	-
sub-total	8 754.97	2 501.86	2 402.92	2 505.46	2 505.46	2 505.46	7.8%	2 700.45	2 973.49	3 294.58
VAT on Services	1 340.68	361.40	346.01	360.74	360.74	360.74	7.9%	389.21	429.21	476.37
Total small household bill:	10 095.65	2 863.26	2 748.93	2 866.20	2 866.20	2 866.20	7.8%	3 089.66	3 402.70	3 770.94
% increase/-decrease		(71.6%)	(4.0%)	4.3%	-		7.8%	10.1%	10.8%	
Monthly Account for Household - 'Indigent' Household receiving free basic services										
Rates and services charges:										
Property rates	59.62	-	-	-	-	-	-	-	-	-
Electricity: Basic levy	-	-	-	-	-	-	-	-	-	-
Electricity: Consumption	386.05	420.32	409.14	464.30	464.30	464.30	9.5%	508.40	587.50	666.06
Water: Basic levy	-	-	-	-	-	-	-	-	-	-
Water: Consumption	1 154.59	289.15	303.49	-	-	-	-	-	-	-
Sanitation	718.66	185.47	196.79	-	-	-	-	-	-	-
Refuse removal	63.16	66.35	137.00	-	-	-	-	-	-	-
sub-total	2 382.08	961.29	1 046.42	464.30	464.30	464.30	9.5%	508.40	587.50	666.06
VAT on Services	1 340.68	144.19	156.96	69.64	69.64	69.64	9.5%	76.26	88.13	99.91
Total small household bill:	3 722.76	1 105.48	1 203.39	533.94	533.94	533.94	9.5%	584.66	675.63	765.96
% increase/-decrease		(70.3%)	8.9%	(55.6%)	-		9.5%	15.6%	13.4%	

* Middle Income Range: Based on property value of R700 000, 1000 kWh electricity and 30kl water

* Affordable Range: Based on property value between R500 000 and R700 000, 500 kWh electricity and 25kl water

* 'Indigent' Household receiving free basic services: Based on property value of R300 000, 350kWh electricity (25 kWh electricity free)

1.5 Operating Expenditure Framework

The City's expenditure for the 2022/23 budget and MTREF is informed by the Long Term Financial Plan (LTFP) theme of getting to a realistic, deliverable MTREF within a revenue envelope which is credible and affordable to its ratepayers, consumptive users and stakeholders. This strategy is discussed in detail in the *Overview of budget assumptions applied to the 2022/23 MTREF* section on page 104.

A differentiated budgeting approach, principles of cost containment, elimination of wasteful expenditure and reprioritisation of spending were some of the technical imperatives when preparing the MTREF, in light of the lingering impact of the COVID-19 pandemic.

Based on 2020/21 outcomes/past year's performance the following budget principles were applied:

- A zero % increase was applied to Other Expenditure, Contracted Services and Inventory Consumed (excluding Water Inventory) for all directorates for the 3 years of the MTREF;
- A CPI increase for overtime was only afforded to Safety & Security. No increases were applied to other directorates; and
- Differentiated parameters were applied to repairs and maintenance based on the nature of expenditure, the nature of service department and previous performance.

In response of the SMF Operational Review and subsequent amended Strategic Brief to address the Mayoral priorities towards driving the priorities and programmes in the new IDP, an amount of R110.2 million was allocated to various directorates as reflected in the table below.

Directorate	Nature of Expenditure	Salaries, Wages and Allowances	Contracted Services	Repairs & Maintenance	Material & Other Expenditure	Total
Corporate Services	Contract Management Function for each directorate	24 500 000	-	-	-	24 500 000
Urban Mobility	Continue to Maintain the Road Network	-	-	15 000 000	-	15 000 000
Community Services & Health	Expansion and Maintenance of Cremator Facilities	-	5 000 000	10 000 000	-	15 000 000
Safety & Security	Aerial ISR Technology (Drone)	-	-	-	12 000 000	12 000 000
Urban Mobility	Stormwater Maintenance	-	-	10 000 000	-	10 000 000
Energy	Transactional Advisory Services for the IPP Programme	-	10 000 000	-	-	10 000 000
Corporate Services	Call Centre Integration Project	-	5 000 000	-	-	5 000 000
Safety & Security	CCTV Maintenance	-	-	5 000 000	-	5 000 000
Spatial Planning & Environment	Steenbras Dam pollution prevention	-	-	2 000 000	3 000 000	5 000 000
Safety & Security	Additional HR Capacity for EPIC	3 197 862	-	-	-	3 197 862
Spatial Planning & Environment	Pollution in three recreational vleis (Rietvlei, Zandvlei and Zeekoevlei) – remedial plans	-	900 000	1 500 000	-	2 400 000
Water & Sanitation	Stormwater Supplementary Staff	2 100 000	-	-	-	2 100 000
Safety & Security	Neighbourhood Watch equipment and tools	-	-	-	1 000 000	1 000 000
Total		29 797 862	20 900 000	43 500 000	16 000 000	110 197 862

A further R318 million was included in the 2022/23 operating budget to cater for specific aspects of priorities and programmes in the new IDP, for the public participation outcome and requirements post tabling of the budget. The details of this allocation is indicated in the table below.

Directorate/Department	Priority/Programme	Amount
Rates Funded Services		
Energy: Sustainable Energy Markets	End Loadshedding	48 600 000
Human Settlements	Land release	5 000 000
Community Services & Health	Safe Spaces	11 000 000
Safety & Security	24-hour operationalisation for Traffic, Metropolice and Law Enforcement	91 207 000
Spatial Planning & Environment	Water ways and recreational vleis, Strandfontein pavilion upgrading	8 556 000
Urban Mobility	Road maintenance	25 000 000
Urban Waste Management	Public engagement project: EPWP job creation opportunities	13 249 000
	Waste minimisation: Informal settlements	30 000 000
	Area cleaning on the N2	10 000 000
Corporate Services	Centralisation of fleet tenders and contract management to address backlogs, improve turn-around time, quality- and vendor management, and to maximise in-house capacity within workshops.	18 000 000
Total Rates Funded		260 612 000
Tariff Funded Services		
Urban Waste Management	Collections: Backyarder services	30 000 000
Water & Sanitation	Sanitation and environment	27 600 000
Total tariff funded Services		57 600 000
TOTAL		318 212 000

These additional requirements were funded by a combination of higher than anticipated Fuel Levy and Equitable Share allocations, and reprioritisation of expenditure.

The following table shows operating expenditure, classified by main type, over the 2022/23 MTREF.

Table 18 - Summary of operating expenditure by main type

Description	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Expenditure By Type									
Employee related costs	12 334 289	12 775 413	15 108 022	15 612 505	15 849 607	15 849 607	17 322 936	18 233 838	19 284 577
Remuneration of councillors	161 297	167 521	166 417	179 826	179 826	179 826	176 133	184 204	192 463
Debt impairment	1 582 947	2 804 042	2 854 651	2 716 859	2 371 700	2 371 700	2 316 909	2 267 010	2 243 914
Depreciation & asset impairment	2 832 012	2 921 723	2 863 255	3 013 855	3 073 473	3 073 473	3 208 222	3 419 174	3 690 730
Finance charges	755 724	814 407	831 478	794 747	788 704	788 704	862 999	1 067 515	1 540 707
Bulk purchases - electricity	8 281 772	9 317 868	9 718 558	11 182 400	11 218 900	11 218 900	12 350 900	14 201 053	16 328 728
Inventory consumed	1 565 496	1 703 335	1 584 652	3 703 847	5 624 449	5 624 449	5 214 790	5 608 397	5 845 012
Contracted services	5 996 310	6 710 842	7 195 014	7 960 362	8 147 022	8 147 022	8 572 922	8 756 750	8 884 837
Transfers and subsidies	391 968	453 464	401 555	464 263	561 134	561 134	391 480	361 696	326 291
Other expenditure	1 990 134	2 210 367	2 339 410	2 632 042	2 775 275	2 775 275	2 927 064	3 217 434	3 269 610
Losses	187 081	84 988	97 246	14 124	647 747	647 747	452 697	479 132	502 982
Total Expenditure	36 079 030	39 963 970	43 160 260	48 274 831	51 237 836	51 237 836	53 797 051	57 796 204	62 109 851

Employee related costs amounts to R17 322 million in 2022/23, which equates to 32.2% of the total operating expenditure. The 2022/23 cost of living increase, as per the SALGBC wage agreement, is CPI % for 2022 as projected by the January Monetary Policy Committee (MPC) 2022, and amounts to 4.9%, which was used when calculating the 2022/23 staff budget. The cost associated with the remuneration of councillors is determined by the Minister of Co-Operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). No increase was implemented in the 2021/22 financial year. A 4.9% increase is provided in the City's 2022/23 budget.

Provision for debt impairment equates to R2 317 million in 2022/23 and reduces to R2 244 million in 2024/25 based on projected collection rates as well as the City's Credit Control & Debt Collection policy.

Budgeted appropriations for Depreciation & Asset Impairment, which is linked to the capitalisation rate of assets, total R3 208 million for 2022/23. The calculation of depreciation on new capital expenditure is based on variables such as asset class and the lifespan of the asset depending on its nature. Depreciation of existing assets is calculated based on simulated financial system (SAP) data, which reflects actual values per annum. Assets Under Construction (AUC) are calculated based on asset class lifespan and projected capitalisation dates.

Finance Charges consist primarily of the repayment of interest (cost of capital) on long-term borrowing. It equates to 1.6% (R863 million) of the 2022/23 operating expenditure (excluding redemption costs) and increases to R1 541 million in 2024/25. The increase over the 2022/23 MTREF is informed by existing and new loans that will be taken up to fund the City's capital programme and the projected interest loan service charges over this period.

Budgetary provision for Bulk Purchases - Electricity totals R12 351 million for 2022/23 and is influenced by the purchase of electricity from Eskom, which is informed by consumer behaviour. In this regard, annual price increases have been factored into the budget appropriations, which in turn impacts on the tariff requirements for these tariff-based services.

Inventory Consumed caters for sundry items such as the bulk water, fuel, materials for maintenance, cleaning materials and chemicals. This category is projected at R5 215 million in 2022/23 increasing to R5 845 million by 2024/25.

The Contracted Services expenditure component includes provisions for repairs and maintenance, and additional allocations for service delivery enhancements. Expenditure levels are projected at R8 573 million in 2022/23 escalating to R8 885 million in 2024/25.

Other expenditure of R2 927 million, includes provision for, inter alia:

- MIDS/CIDS (Special Rating Areas) - R306 million
- Software Licences - Upgrade/Protection - R266 million
- Specialised Information Technology Services - R208 million
- Electricity Costs - R186 million
- Indigent Relief: Electricity (Eskom) - R149 million
- Uniform & Protective Clothing - R131 million
- Levy: Skills Development - R123 million
- Bulk Water: Levy (Berg Water Project) - R100 million
- Operating Leases – R340 million

Figure 1 below provides a graphical breakdown of the main expenditure categories for 2022/23.

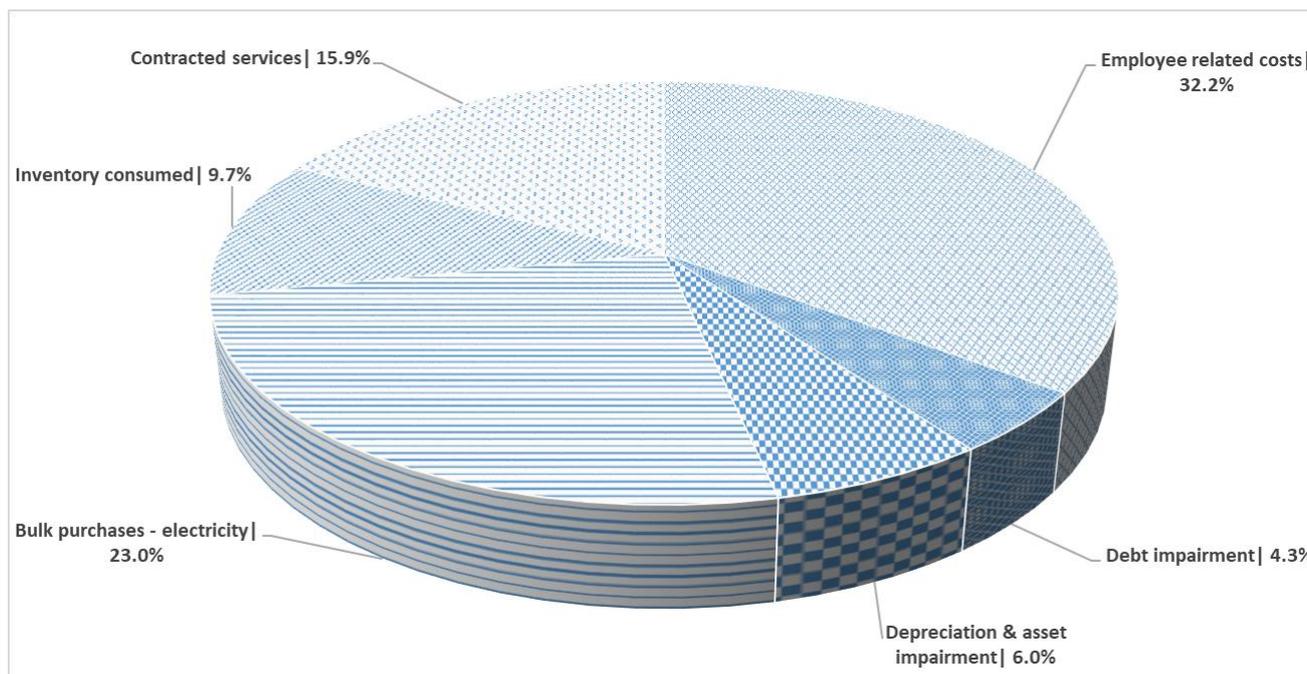


Figure 1 Main operational expenditure categories for the 2022/23 financial year

1.5.1 Priority given to Repairs & Maintenance

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

A 5% growth was applied to the following directorates: Corporate Services (Fleet Management department); Water & Sanitation; Urban Mobility; Human Settlements; and Community Services & Health.

A CPI growth was applied within the Corporate Services directorate and the Energy directorate.

Zero growth was applied to the rest of the directorates/departments.

In terms of the MBRR, operational repairs and maintenance is not considered a direct expenditure driver but an outcome of other expenditure i.e. remuneration, inventory and contracted services. Considering these cost drivers, the ensuing table is a consolidation of the total expenditure associated with repairs and maintenance.

The repairs and maintenance allocation for 2022/23 is R4 760 million. The nominal allocations reflect the differentiated approach to repairs and maintenance of different line functions.

In addition, these allocations provide for the full cost absorption method applied to calculate labour unit price, and the increases in activity prices based on the total cost of employment (TCOE) of direct labour workers.

The ensuing table provides an overview of repairs and maintenance by expenditure type over the 2022/23 MTREF.

Table 19 - Operational repairs and maintenance

Description R thousand	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Employee related costs	1 119 643	943 436	910 041	1 134 510	1 239 357	1 239 357	1 326 529	1 550 242	1 550 887
Inventory Consumed (Project Maintenance)	345 149	295 254	293 752	393 347	376 429	376 429	393 489	410 787	428 897
Contracted Services	2 175 978	2 354 973	2 306 942	2 564 721	2 749 051	2 749 051	2 791 960	2 922 348	3 061 008
Other Expenditure	139 625	114 611	155 885	160 307	203 510	203 510	248 250	253 841	259 713
Total Repairs and Maintenance Expenditure	3 780 395	3 708 274	3 666 620	4 252 885	4 568 346	4 568 346	4 760 227	5 137 218	5 300 505

1.5.2 Free Basic Services: Basic Social Services Package

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

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

a) Blanket Approach: Municipal value of the property

Utilisation of the blanket approach prevents the need to deal with the almost 200 000 applications that would qualify if all had to apply on a periodic basis.

The challenge with this approach is that it applies to households irrespective of their ability to pay. However, the cost of providing the service using this method outweighs the benefit of not providing the free services. The benefit of the blanket approach is that it provides certainty and reduces the risks of fraud.

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

Property Value	Rebate %
R1 to R300 000	100%
R300 001 – R350 000	50%
R350 001 – R500 000	25%

b) Targeted Approach: Household income based

This method allows any resident who is required to pay for municipal services and whose gross monthly household income is R4 500 or below to register as indigent in order to receive the same benefits as if their property values were equal to or below R300 000. The number of indigent registered at the end April 2022 was 11 594. This number varies on a monthly basis as registration is valid for 12 months after which re-application is required.

The City also offers varying rebates for residents of household income of up to R7 500. Property rates- and refuse rebates are granted to residents based on their gross monthly household income as follows:

Income bracket	Rebate %
R4 501 – R6 000	95%
R6 001 – R7 500	90%

The number of beneficiaries for the current year rebate at the end of April 2022 was 156.

Senior citizen and disabled persons' rates rebates are granted to qualifying applicants where the gross monthly household income is below R17 500. For household income up to R4 500, the rates rebate is 100%, reducing gradually to 10% for income between R16 501 and R17 500. The number of beneficiaries in this category at the end of February 2022 was 29 406.

c) Electricity – Based on consumer behaviour

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

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

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

Further detail relating to the number of households receiving free basic services, the cost of free basic services, highest level of free basic services as well as the revenue cost associated with the free basic services is reflected in Table 31 on page 79.

1.6 Capital Expenditure

1.6.1 Capital Funding Sources

The capital budget will be funded from the following major funding sources.

Major Capital Funding Sources	Budget 2022/23
R Thousand	
Capital Grants & Donations (CGD)	2 271 867
Capital Replacement Reserve (CRR)	1 364 428
External Financing Fund (EFF)	3 790 654
Revenue (Internal funding source)	80 369
Total	7 507 319

Capital Grants and Donations (CGD)

Capital Grants & Donations represent R2 272 million or 30.3% of the 2022/23 capital funding and consists largely of national- and provincial allocations. Of the R2 272 million that the City will receive in grants, R2 166 million or 95.3% will be from national government, while R5.5 million or 0.2% will be from provincial government. It should be noted that projects funded from national- and provincial government grants must conform to specific conditions as per the respective grant frameworks.

The various capital grants and donations expected over the MTREF are shown in the table below.

Capital Grants and Donations	2022/23	2023/24	2024/25
R Thousand			
Energy Efficiency and Demand Side Management Grant	8 100	8 100	8 100
Expanded Public Works Programme	937	–	–
Infrastructure Skills Development Grant	1 000	1 000	1 000
Informal Settlement Upgrading Partnership Grant	458 053	491 041	514 004
Neighbourhood Development Partnership Grant	19 699	24 699	30 000
Public Transport Network Grant	501 555	393 960	411 408
Public Transport Network Grant - Budget Facility for Infrastructure	335 000	769 000	1 574 000
Local Government Restructuring Grant	217	593	155
Urban Settlements Development Grant	840 960	854 009	898 805
Private Sector - Orio	6 712	36 675	43 747
Private Sector	94 141	58 700	64 500
Integrated Housing and Human Settlement Development Grant	–	150	100
Metro Library Grant	5 492	5 573	5 577
Grand Total	2 271 867	2 643 500	3 551 397

The largest grant is the Urban Settlement Development Grant (USDG), which is a cross-cutting grant to supplement the capital revenue of municipalities for the implementation of infrastructure projects that promote equitable, integrated, productive, inclusive and sustainable urban development. The second biggest grant is the Public Transport Network Grant budget Facility for Infrastructure (PTNG-BFI), which is used for the IRT Phase 2A roll-out.

For purposes of the 2022/23 budget compilation, national allocations are based on the 2022 DoRb (B6-2022 issued in February 2022). Provincial allocations are based on Provincial Gazette 8566 dated 14 March 2022.

Some projects that will be implemented through grant funding are listed below per directorate.

- **Economic Growth directorate**

Philippi Fresh Produce Market Refurbishment (R15 million per annum for each year of the 3-year MTREF - funded from the Neighborhood Development Partnership Grant (NDPG)): Refurbishment, reinstatement and upgrade of existing elements of City-owned property including roof replacement, electrical upgrades, hard surfacing and installation of a solar system in order to accommodate the development of an up-scaled Agri-hub. This Agri-hub will contribute towards economic activity in the area by creating jobs and business opportunities for farms by selling produce at the facility.

- **Human Settlements directorate**

- Land Acquisition (R82.5 million in 2022/23, R22 million in 2023/24, R26.7 million in 2024/25 - funded from the Urban Settlement Development Grant (USDG)): Acquisition of additional land for future affordable housing developments in Cape Town.
- Urbanisation: Backyards/Informal Settlements Upgrade, which will focus on amongst other:
 - Village Heights informal settlement upgrade in Retreat (R6.25 million in each year of the MTREF - funded from the Informal Settlements Upgrading Partnership Grant (ISUPG)): Provision of infrastructure to areas with no basic services infrastructure, in a phased implementation process from primary infrastructure to service sites with electricity, access to water and formal sanitation.
 - Informal Settlements upgrade (R77.2 million in 2022/23, R48.4 million in 2023/24 - funded from the ISUPG) and Informal Settlement upgrades on an ad hoc and emergency basis across the City (R40 million in 2022/23 and 2023/24, and R45.8 million in 2024/25 -funded from the ISUPG). These programmes will ensure delivery of serviced sites; access tracks to improve access in current informal settlements for emergency and services vehicles; and graded platforms to facilitate re-blocking of informal structures and avoid flooding.
- Informal Settlements Upgrade funded from the ISUPG. The projects, as listed below, will provide infrastructure to areas with no basic services infrastructure, in a phased implementation process from primary infrastructure to service sites with electricity, access to water and formal sanitation.
 - Super Blocks programme (R40 million in 2022/23, R50 million in 2023/24, R60 million in 2024/25)
 - Enhanced services programme (R40 million in 2022/23, R50 million in 2023/24, R30 million in 2024/25)
 - Managed settlements programme (R40 million in 2022/23 and 2023/24, R50 million in 2024/25)
- Backyarder Programme (R10 million in 2022/23 - funded from the USDG):
 - Installation of prefab toilet structures (R1 million) for backyarders at City-rental properties in order to uplift the living conditions for household in the backyards of City Rental Units (CRU).
 - Installation of water dispensing devices (R9 million) for backyarders on City-rental properties.
- Kanonkop Housing Project Phase 2 (R20 million in 2022/23, R25 million in 2023/24 and R30 million in 2024/25 - funded from USDG): Integrated housing development consisting of 2502 serviced sites in Kanonkop Atlantis for beneficiaries on the waiting list.
- Bonteheuwel Infill Housing project (R10 million in 2022/23 and 2023/24, R15 million in 2024/25): Provision of 297 serviced sites, civil infrastructure and bulk services for people living in informal housing conditions with the aim of providing formal housing and secure tenure.
- Penhill Housing Project (WCG) (R25.2 million in 2022/23 - funded from USDG): Provision of additional housing opportunities in the Penhill area. This project is managed by the Western Cape Government (WCG). The City makes a contribution to the project for the construction of services in line with the approved USDG application.

- Highlands Drive Infill Housing project (R10 million per annum in each of the MTREF years - funded from the USDG: Provision of approximately 800 serviced sites along Highlands Drive in Mitchells Plain.
- **Urban Mobility directorate**
 - Smart Technologies at Public Transport Interchanges (R27.2 million in 2022/23, R49.5 million in 2023/24, R20 million in 2024/25 - funded from the Public Transport Network Grant (PTNG)): Installation of digital technology i.e. access control, public Wi-Fi, CCTV and environmental sensing via Internet of Things (IOT) devices with corresponding analytics that will inform public transport operations, regulations and planning. This is an ongoing multi-year project, which is aimed at improving efficiency and safety at all of the City's PTI facilities, and improving the customer experience through the provision of free Wi-Fi.
 - IRT Phase 2A (R592.9 million in 2022/23, R803 million in 2023/24, R1 597 million in 2024/25 - funded from PTNG, PTNG: Budget Facility for Infrastructure (BFI) and Orio). Delivery of two bus depots at Spine Road between Khayelitsha and Mitchell's Plain; construction of a trunk route along Govan Mbeki Road between Jan Smuts and Heinz Road; construction of a pedestrian over-rail bridge in Lentegeur; ongoing property acquisitions along the planned trunk routes; detail design of the remaining work packages; and the relocation of water and electricity services.

Capital Replacement Reserve (CRR)

Funding from the Capital Replacement Reserve represents R1 364 million or 18.2% of the 2022/23 capital funding.

The ramping up of infrastructure construction in response to the IRT Phase 2A will gain significant momentum over the 2022/23 Medium-term Revenue Framework and beyond leading to the end of the programme in 2027. The City submitted a BFI funding application amounting to R7.1 billion to the National Treasury (NT) and National Department of Transport (NDOT) during 2017, which was approved by the Ministers Committee on the Budget (MinComBud).

The BFI was introduced by the NT as a policy instrument in support of delivering mega infrastructure projects from a funding perspective. Notwithstanding the provision of cash flow requirements over the programme lifecycle, currently the gazetted allocation in the 2022 Division of the Revenue Bill (DoRb) does not align with the planned capital expenditure over the 2022/23 MTREF to shortfall values of R74.5 million, R105 million and R518.8 million respectively. In this regard, provision has been made to interim bridge fund the anticipated expenditure shortfalls over the 2022/23 MTREF with the Capital Replacement Reserve: IRT Ph2A funding set aside from accumulated surpluses. In rectifying this impasse, the Urban Mobility directorate has corresponded with NT and NDOT requesting that the October 2022 Medium-term Policy and Budget Statement (National Adjustment Budget) be utilised to align the PTNG BFI cash flow by increasing the BFI allocation by R74.5 million for the 2022/23 financial year.

The intention would be to correct the funding source back to BFI in the City's January 2023 adjustments budget. The outer years of the 2022/23 MTREF will be corrected as part of the next National Budget process. The Urban Mobility directorate will monitor developments leading to the National Adjustment Budget in October 2022, and provide management and Council with updates in order to manage and mitigate the risk. The City will review its funding approach on an annual basis as part of the budget process.

The City will continue to make CRR funding available in 2022/23 in support of, inter alia, the following priorities:

- Traffic congestion relief programme (R192 million) for inter alia:
 - Dualling of Broadway Boulevard from Main Road 27 to Altena Road, Strand (R47.7 million in 2022/23 and R920 000 in 2023/24): Alleviation of bottlenecks in the traffic flow. This project entails widening the existing carriageway ($\pm 3759\text{m}^2$) on Broadway Boulevard (R44) from Main Road to Altena Road to a two-lane carriageway cross-section in both directions.
 - Kommetjie Road Dualling (Phase 3) (R17.2 million in 2022/23): Further extension of the dualling of Kommetjie Road from Capri Drive to Houmoed Ave including upgrades to Lekkerwater, Pokela, Wood and Houmoed Ave intersections. This congestion relief project aims to alleviate congestion along Kommetjie Road and will also support the Masipumelele Housing Development project.
 - Dualling of Berkley Road from the M5 to Prestige Drive/Jan Smuts Drive, Ndabeni (R10.4 million in 2022/23): Alleviation of congestion along the Berkley Road corridor and will support the Two Rivers Urban Park development.
- Ward allocations (R79.5 million in 2022/23)
- Fleet replacement in Fleet Management department (R5 million in 2022/23)
- Electricity generation and distribution equipment, electricity generation and distribution facilities, SCADA master station upgrade and systems, vehicles, street lighting, electrification, LED refurbishment, medium voltage infrastructure refurbishment, meter replacement etc. (R406.9 million).
- Cape Flats Aquifer Recharge (R255.1 million in 2022/23, R15 million in 2023/24): Managed injection of treated secondary effluent, into the Cape Flats Aquifer, to artificially recharge the aquifer and enable the City to sustainably abstract water from the aquifer. The abstracted water will be treated, before being injected into the potable water network and will optimise water resources to ensure water security for the future.
- Various water and sanitation projects in specific areas that utilise previously collected development charges and includes amongst others:
 - Zevenwacht Reservoir and Network (R1.6 million in 2023/24, R6.3 million in 2024/25)
 - Peligrini Sewer Upgrade Phase 2 (R1.6 million in 2022/23, R717 420 in 2023/24)

- Woodstock Hospital Precinct Redevelopment (R1.3 million in 2022/23): Establishment of mixed income, mixed-use affordable housing opportunities consisting of (but not limited to) social housing, Community Residential Units (CRU) and/or affordable housing in support of the strategic development objectives of the hospital so that it can be upgraded to provide improved conditions for the current occupants.

External Financing Fund (EFF)

The most significant source of funding of the capital budget is the EFF, which amounts to R3 791 million and represents 50.5% of the total capital funding requirement in 2022/23.

The country and local economy is still in a recovery period as a result of the COVID-19 pandemic. The City will continue to invest substantially in its capital investment programme in order to assist with the recovery of the local economy on a direct and indirect basis. The City reviewed its cash position in relation to its capital investment programme and will take up external loans amounting to R2 000 million, with the balance (R1 791 million) funded from ring-fenced internal resources at an equivalent rate of 6.5% interest for the 2022/23 financial year. Highlights of projects proposed across the various directorates are:

• Community Services & Health

- IT Modernisation (R20.8 million in 2022/23): Improvement of current business processes by utilising technology to enable and enhance service delivery such as:
 - Clinic Appointment System to reduce queueing;
 - Patient Record System to shift from hardcopy to digital clinical records;
 - Integrated Pharmacy System;
 - Integrated X - Ray System;
 - Environmental Health System;
 - Facility Booking System; and
 - Early Childhood Development Registration System.
- Homeless Accommodation Upgrade & Extensions (R2.2 million in 2022/23, R1 million in 2023/24, R16 million in 2024/25): Extension of existing city assets to shelter the homeless by increasing existing bed space at the Kensington, Retreat and Culemborg shelters, which is currently managed by NGOs and an external service provider that the City contracts with.

• Corporate Services

- Broadband Infrastructure Programme (BIP) (R140.6 million in 2022/23, R119.3 million in 2023/24, R62.5 million in 2024/25): Provision of a reliable and cost effective broadband telephony and DATA infrastructure, and service to all City facilities and staff. This infrastructure and services are core and will serve as the enabler to implement other essential applications and systems required to fulfil service delivery in the City. In addition, the aim is to maximise the value and benefit of the City's existing Broadband Infrastructure investment. The Broadband layers implemented will provide the bandwidth and connectivity needed for the City's business systems and act as an enabler for digital transformation.

- IT: Corporate Application Review Infrastructure (CAR) (R47.1 million in 2023/24, R42.8 million in 2024/25): Upgrade and replacement of all IT infrastructure hardware and systems required to operate the City's core applications. It will support doing the basics better and take service delivery into the digital age. CAR will contribute to the employment value chain over the next 10 years via the provision of implementing systems and processes such as recruitment and talent management systems to better attract and retain talent in the City. Furthermore, the foundational-, core- and edge technologies being implemented will help make engaging with the City easier for citizens and/or service providers/suppliers. (The project will be funded from the CRR : General in the amount of R41 million in 2022/23).
- **Economic Growth**
 - Electronic Workflow - Immovable property (R1.9 million in 2022/23): Conversion of manual/paper based transactions into the digital (SAP) platform. This automation allows for better management of transactions as well as identifying bottlenecks in the process. The end process is the optimisation, improvement, and automation of transactions to increase output, eliminate repetition, and reduce errors and will allow for a more efficient and effective service provided to internal clients as well as citizens.
 - Informal Trading Permitting System Enhancement (R11.3 million in 2022/23): Modernisation of administrative processes supporting the function and in so doing will create well-ordered trading spaces across the City for traders, their customers and the public through more effective monitoring and incident management, and will support decision-making and timely interventions in the management of informal trading.
- **Energy**
 - Ground mounted PV (R47.4 million in 2022/23 and R107.1 million in 2023/24): Design, build, operate and maintain a 10MW ground-mounted Solar PV facility and connect to the City's existing electrical grid. The aim is to improve the financial sustainability of the City by reducing electricity purchases from Eskom, thus mitigating Eskom's electricity tariff increases. It will also reduce the impact of load shedding in the City.
 - Outage Management System (OMS) (R3 million in 2022/23 and R1.5 million in 2023/24): Improvement to the directorate's customer service by refining the time taken to restore electricity outages with the focus on providing the following functions:
 - Become aware of an outage;
 - Diagnose and locate outage;
 - Provide feedback to affected customers;
 - Dispatch trouble/repair crews;
 - Assist with restoration of electricity services; and
 - Maintain historical records of electrical outages.
- **Finance**
 - Upgrading of cash and Motor Vehicle Registration and Licensing Offices (R4.7 million in 2022/23): To meet COVID-19 and future pandemic standards and reduce queuing times at these facilities in order to do the basics better and take service delivery into the digital age so that every Capetonian can live a life of dignity.

- System Enhancement Projects (R5 million in 2022/23): Enhancement and upgrade of the City's Rates Clearance System and processes with the view to reduce the turnaround time of issuing Property Revenue Clearance Certificates to the conveyancing attorneys in order to deliver on the Ease of Doing Business programme.
- **Human Settlements**

Public Housing Master Data Application Upgrade (R6.9 million in 2022/23, R7.4 million in 2023/24): Effective management of assets through accurate master data by integrating plant maintenance and real estate, which will assist in achieving the directorate's proactive maintenance objectives in the public housing environment and contributing to residents living a life of dignity.
- **Office of the City Manager**

Construct Municipal Court in Bluedowns (R9.7 million in 2022/23, R9.7 million in 2023/24): Construction of a fully functional stand-alone court facility independently run by the City. The expected increase in arrests and the issuing of fines for by-law and traffic contraventions will impact operations at municipal courts resulting in more cases that need to be placed on the court roll. The new court will be better equipped to handle such influx and thus provide a better service to the citizens of Cape Town.
- **Safety & Security**
 - Dashboard Cameras (R15 million in 2022/23, R5 million in 2023/24, R26.6 million in 2024/25): Procurement of dashboard cameras that will record video from within vehicles to assist with officer safety and to gather evidence. These cameras will also have automatic number-plate recognition (ANPR) benefits, and will assist officers to identify any vehicle on the watch list at any time.
 - Digital equipment (Body Cameras) (R15 million in 2023/24, R16.5 million in 2024/25): Procurement of bodycams, which will offer the value of traditional body cameras, specifically creating evidence of the action taken by citizens/the officer and is often referred to as the independent witness benefit.
 - Small Arms Training Simulator (R2 million in 2022/23): Interactive training that will improve marksmanship and tactical judgment to deal with a variety of situations and in so doing increase public safety.
 - New Training College for Metro Police (R12.7 million in 2023/24, R4.3 million in 2024/25): Adherence and administration of all regulatory- and legislative requirements for operations in a conducive environment. It will assist in making Cape Town safer by training and deploying hundreds of additional law enforcement officers as well as training existing members, which will result in additional boots on the ground to reduce crime in affected areas.
 - CCTV/LPR Cameras (R47.3 million in 2022/23): Enhancement of the current CCTV footprint across the City and to provide capacity to monitor areas from a central location, detect instances that require attention, assist with traffic management and by-law infringements, fire detection, medical assistance, overall management of the area, enhance service delivery and resolve incidence swiftly. The cameras will be utilised as a force-multiplier and will ensure that safety and security resources are deployed efficiently.

- Maitland Vehicle Impound Parking Facility expansion (R4.5 million in 2022/23): For impoundment of public transport vehicles that do not comply with operating license conditions in an effort to assist in improving road safety and commuter safety in terms of public transport.
- Events Mobile Application (R6 million in 2022/23): Development of a one-stop portal to be used by event organisers and organisations interested in hosting events in the City, tourists and the general public. The application will assist with the ease of doing business in the City for the entire events value chain.
- Drone programme including operating license procurement (R66 664 in 2022/23, R5.2 million in 2023/24, R2.3 million in 2024/25): Two-fold project that includes expert consultants to assist in securing the City's Remote Operating Certificate as well for the purchase of drones and associated equipment. The drone technology will assist in providing critical information to the policing and emergency services allowing them to make the best possible decisions when dealing with incidents and emergencies.
- 24 Hour Operationalisation of Traffic Services, Law Enforcement and Metro Police (R51.5 million in 2022/23, R27.8 million in 2023/24): Procurement of vehicles, firearms, EPIC devices, computers, radios, and laptops, for additional staff being employed (254 officers and command structure over a period of 2 financial years).
- **Spatial Planning & Environment**
 - Asanda Village Wetland Rehabilitation (R16 million in 2022/23): Upgrade of the stormwater system that flows into the wetland, construction of footway and recreational area as well as installation of public lighting. Due to developments in the catchment, the additional stormwater is flooding the downstream community of Asanda Village. The wetland needs to be reshaped and the public open space redesigned and upgraded. This will result in improved stormwater management, and quality open space for the community and protected biodiversity.
 - Zandvlei Visitor Education Centre (R2.4 million in 2022/23, R6 million in 2023/24, R9.7 million in 2024/25). The current facility is inadequate in terms of capacity and does not meet the health and safety standards. The new multipurpose center will support operations of the Zandvlei Estuary Nature Reserve by educating and empowering adjacent communities at the learning facility as well as providing the base of operations for the Expanded Public Works Programme (EPWP) employment.
 - Certain interventions on coastal structures rehabilitation:
 - Fisherman's lane/Strandfontein Boardwalk (R20.9 million in 2022/23, R5.6 million in 2023/24): Creation of more resilient infrastructure that can be used by fishermen and other visitors. Work will include the removal of unsafe infrastructure, improvement to the function of the coastline and upgrading the braai, picnic and play facilities.
 - Seaforth Beach Precinct Upgrade (R8.9 million in 2022/23, R3.5 million in 2023/24, R27 070 in 2024/25): Upgrading of terraced grassed area, pathways and access points to Seaforth Beach to improve the traffic flow and to make it more convenient and safe for pedestrians as well as providing access to the beach for differently-abled persons. This precinct is the gateway to the Boulders Penguin Colony, which is one of Cape Town's major tourist attractions.

- Milnerton Beachfront Retreat (R10.6 million in 2022/23): Replacement of collapsed revetment with geobag containers. The project also includes the removal of the broken boat ramp in front of the lifesaving club and establishment of a formal access point for service vehicles and emergency vessels on the golf club side of the beach.
 - Monwabisi Beach Precinct Upgrade (R3.5 million in 2022/23, R22.6 million in 2023/24, R10 million in 2024/25): Demolition of derelict buildings and construction of high quality amenities for security, and services to accommodate ablutions, lifesaving, law enforcement and first aid. New- and refurbished walkways and other hard surfacing, parking areas, recreational lawns, play areas, interface with the tidal pool, the management of wind-blown sand and upgrade of the tidal pool is also planned. Once completed it will improve recreation and tourism for the residents of Khayelitsha and other neighboring suburbs with a high quality coastal node and destination place.
 - Weed Harvester and flatbed truck at Rietvlei (R15 million in 2022/23): For the removal of invasive aquatic weeds that grow as a result of the high nutrient content of the water due to sewerage spills into the waterbody. This will improve the management of existing vleis including improving the water quality and ensuring that the public can enjoy the different recreational water activities e.g. swimming, fishing, boating etc.
 - Lowering of the Zeekoei Weir (R1.5 million in 2023/24, R5.5 million in 2024/25): To ensure a healthy urban environment by substantially improving the water quality of the inland water bodies (“ambient water quality”), which will improve the quality of life for the residents of Cape Town.
 - E-systems enhancements (R7.3 million in 2022/23): Development Application Management System (DAMS2) functionality of the E-Services Portal and SAP, which will improve customer service, turnaround times of scrutiny and approvals of development applications, which will result in quicker commencement of building work, and faster completion of building work to contribute to the economic growth of Cape Town.
 - Strandfontein Pavilion (R2.3 million in 2023/24, R680 000 in 2024/25): Refurbishment and upgrade of the Strandfontein tidal pool, pavilion building (including the mermaid section) and upgrades to the beach access points. The refurbishment and upgrade of the pavilion and coastal public access to the coastline will be designed to align with proposed future development and with the adjacent Fishermans Lane project. This is to ensure an overall integrated coastal nodal development that optimises social and economic opportunity. The proposed amounts will be for the design work followed with the implementation in future years.
- **Urban Mobility**
 - Zevenwacht Link Extension - Butskop Road Rail LCE (R4.4 million in 2022/23, R26 million in 2023/24, R62 million in 2024/25): Construction of a portion of Zevenwacht Link Road Extension between Van Riebeeck Road and Albert Phielander Road, Blackheath in order to eliminate the Butskop Road rail level crossing. This is a road safety project to respond to a number of fatalities in the past.

- Construction of a pedestrian bridge across the Vygekraal River, Bridgetown (R5.6 million in 2022/23): Provision of a safe pedestrian crossing across the Vygekraal River on a desire line where there is currently no formal crossing facility. The City will invest in this non-motorised transport option to make it safer for pedestrians and cyclists.
- Green Point Precinct Road Upgrades (R30 million in 2022/23): To host the Formula E motorsport event that has economic benefits for the City as a whole.
- **Urban Waste Management**
 - Replacement Shipping Containers (R2.6 million in 2022/23): Housing of waste removed from dwellings in informal settlements until such time that it can be moved to the landfill. It is crucial that these shipping containers are in good working order to ensure services are not disrupted.
 - De Grendel Drop-off Upgrade Waste Minimisation (R8.9 million in 2022/23, R28.9 million in 2023/24, R4.9 million in 2024/25): Construction of new buildings to house the recyclers in a more structured manner and to make the experience of recycling a more pleasurable experience for the public.
 - Coastal Park: Design and develop a Material Recover Facility (MRF) (R172.9 million in 2022/23, R162.9 million in 2023/24, R500 000 in 2024/25): For a separation at source recycling service from which recyclables will be taken to a material recovery facility for separation by a recycler and processed thereby reducing waste ending up on the landfill sites.
 - Coastal Park: Landfill Gas Infrastructure to Flaring Phase 1 (R5 million per annum in each of the MTREF years): Channeling of methane gas via a pipeline to a central point from which future electricity generating infrastructure can be linked at the next phase of the project.
 - Vissershok South: Landfill Gas Infrastructure to Beneficiation (R8.6 million in 2022/23, R24.9 million in 2023/24, R52.9 million in 2024/25): Channeling of methane gas via a pipeline system to be converted to electricity. This will reduce carbon emissions into the atmosphere in support of reducing the effects of climate change.
- **Water & Sanitation**
 - Additional heavy vehicles (R32.2 million in 2022/23): Procurement of vehicles in order to move away from private hired fleet which is costly: includes vehicles to be used in the sewer spill reduction plan.
 - Replacement heavy vehicles (R25.4 million in 2022/23): Procurement of vehicles to address the backlog of vehicle replacement and in turn reduce downtime of fleet in order to provide much need services to the community.
 - Reactive Incident Management System (R19.3 million in 2022/23, R14.7 million in 2023/24): Enhancement of operational efficiencies, reduction of costs and improvement of the City's response to complaints of non-conforming services. SAP mobile technology could be used to improve the speed of dispatching incidents and receiving updates on the repair status of service/asset breakdowns.

- Sand/Langvlei Canal Wetland Rehabilitation (R164 583 in 2022/23, R418 025 in 2023/24, R2.9 million in 2024/25): To ensure a healthy urban environment by substantially improving the water quality of the inland water bodies (“ambient water quality”), which will improve the quality of life for the residents of Cape Town.
- Bayside Canal Upgrade (R1 million in 2022/23, R21 million in 2023/24, R31 million in 2024/25) where infrastructure upgrade is required along the western boundaries of Bayside Mall and Table View Mall to reduce the risk of flooding and to ensure improved water quality discharging into Rietvlei Estuary.

Revenue

The smallest source of funding of the capital budget is Revenue. It amounts to R80.4 million or 1.1% of the total proposed capital budget for 2022/23 and will fund the following projects/programmes:

- EPIC programme (Safety & Security directorate) for the continued investment in the EPIC system as the primary technology system utilised by the directorate to manage incidents as effectively as possible and to improve the citizens’ perception of safety. Projects linked to the EPIC programme are:
 - Citizen Enablement System (R8 million in 2022/23, R10.8 million in 2023/24) to deliver a mobile application for use by citizens to engage meaningfully with the directorate by way of providing information ranging from emergency incident reporting and also anonymous tipoffs. This application will also allow the City to communicate directly with citizens with regards to safety matters such as alerts, messages and requests for crowdsourced information.
 - Computer Aided Dispatch System (R14.3 million in 2022/23 - of which R13.1 million will be funded from Revenue and R1.2 million from EFF, R15.7 million in 2023/24): Management of the entire incident lifecycle of service requests, which are submitted to the various departments within the directorate. The EPIC solution deals with Workforce Planning, Incident Registration, Incident Dispatch, Command and Control, Incident Reporting and Investigative Case Management.
 - Contravention System (R15 million in 2022/23, R16.5 million in 2023/24) to deliver a mobile application that allows officers to generate contravention notices (fines) on the existing EPIC mobile devices and use portable bluetooth printers to print out the notice. The electronic generation of contravention notices will allow officers to be significantly more efficient and more accurate, and the inefficiencies of ‘paper’ based documents will be eradicated. This should result in an improved recovery rate, but more importantly should result in a stronger driver behaviour adjustment effect.
- Insurance Contingency provisions in each directorate totaling R30.4 million in 2022/23 to effect insurance claim settlements if and when required to be in a position to replace damaged/stolen items.
- Books, Periodicals & Subscriptions for the Library & Information Services department (R10.4 million in 2022/23).
- Aerial Photography for use by the Valuations department (R3.5 million in 2022/23).

1.6.2 Infrastructure investment in the City

It is widely accepted that metropolitan cities are the growth instruments of the national- and local economy by way of providing for asset renewal/upgrade as well as investing in new infrastructure. One of the main tools at cities’ disposal is revenue parameters that are set to take into consideration the requirement for appropriate funding of its capital budgets in order to implement infrastructure to support infrastructure-led economic growth.

At a local level, the City remains the driver of the economy in the Western Cape, is home to most people in the Western Cape and is the second largest metro by population numbers in South Africa. It is widely accepted that infrastructure investment is an enabler to stimulate economic growth, hence the City’s commitment to invest in infrastructure.

Cape Town has seen steady population growth (albeit at a slowing annual growth rate), with an estimated population of 4 678 900 in 2021. The average annual growth rate has declined from 2.3% over the 2011-2015 period to 2.0% over the 2016-2021 period. The population is expected to grow to around 5 million by 2025 according to Statistics South Africa, equating to an average annual growth rate of 1.7% over the 2022-2025 period. The ensuing graph shows the population and population growth in Cape Town over the 2002-2021 period.

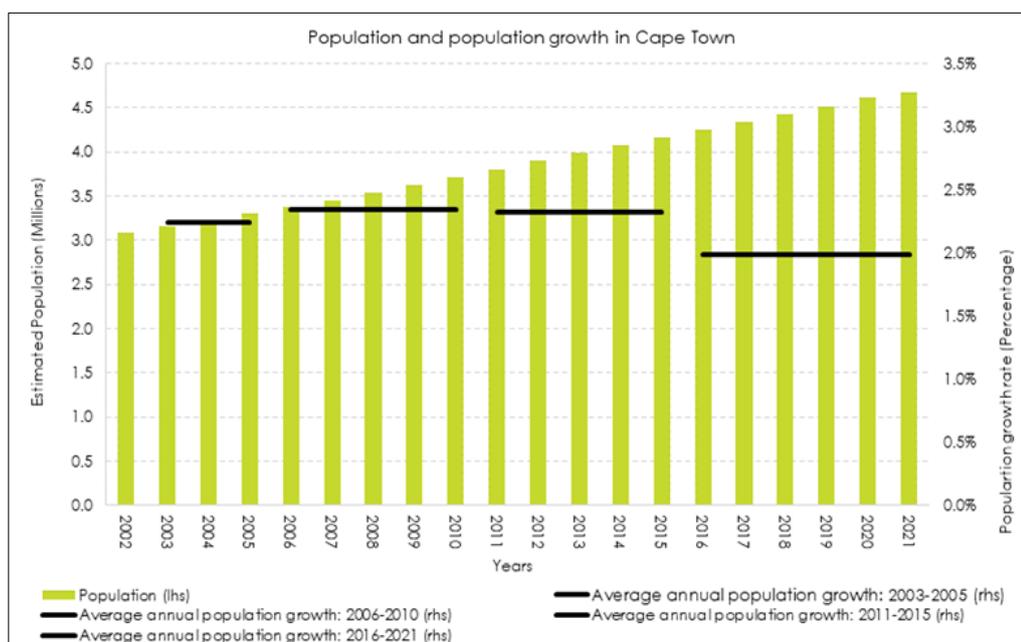


Figure 2 Population and population growth in Cape Town over the 2002-2021 period

Population growth is one of the informants used to assess whether municipalities’ capital budgets (instrument used to mainly create infrastructure assets) are adequate to preserve its current asset base and invest in new assets for future generations. It also assesses whether the municipality is sufficiently growing in line with the population.

As evidenced in the ensuing table, when capital growth is adjusted with the effects of inflation (CPI), the real capital growth (nominal capital growth less CPI) for both the total capital budget as well as the infrastructure assets component of the total capital budget are still expected to grow at a faster pace than population growth.

	Projected Growth	2022/23	2023/24	2024/25
Total Capital Budget	Capital Budget (Nominal)	23.2%	46.2%	15.5%
	CPI	4.6%	4.4%	4.4%
	<i>Real Capital Budget (CPI Deflated)</i>	18.6%	41.8%	11.1%
Total infrastructure asset component of the Capital Budget	Capital Budget (Nominal)	29.4%	46.6%	26.2%
	CPI	4.6%	4.4%	4.4%
	<i>Real Capital Budget (CPI Deflated)</i>	24.8%	42.2%	21.8%
Other Statistics	Cape Town Population (Growth rate)	1.7%	1.7%	1.7%
	National GDP (calendar yr.)	1.8%	1.6%	1.7%
	Cape Town GDP (calendar yr.)	2.1%	2.0%	1.7%

Furthermore, it is anticipated that the high expected capital growth will have a positive effect on domestic and national growth, which is currently projected at an average of 2.1% and 1.8% respectively for 2022/23.

The City’s proposed capital expenditure will result in direct and indirect revenue generating assets.

In a municipal context, a revenue generating asset is an asset that will increase the revenue base of the municipality for example construction of bulk water infrastructure to a new suburb/township where the municipality will be able to bill and collect revenue. Direct revenue generating assets are generally service delivery linked assets within the municipality’s trading services.

Indirect revenue generating assets, are the balance of capital expenditure-related assets and are associated with for example roads infrastructure, halls, parks, ERP systems, etc. The below graph indicates that in the 2022/23 financial year, just over R3 526 million or 47% of the total proposed capital expenditure will acquire direct revenue generating assets, increasing steadily to R5 500 million or 50.1% in 2023/24. The proposed capital budget for the last year of the 3-year MTREF will see a fairly equal split between direct and indirect revenue generating assets at approximate levels of R6 300 million each.

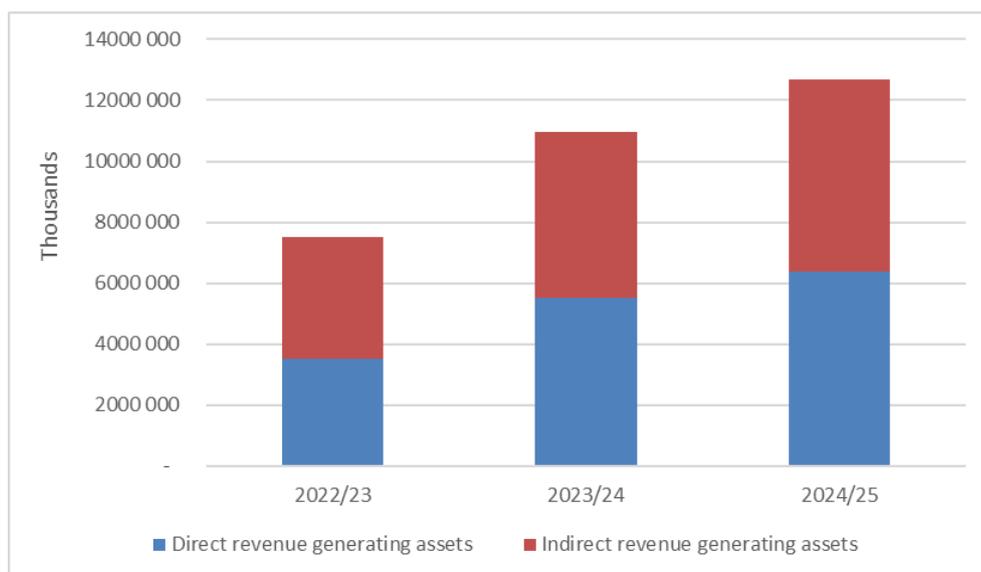


Figure 3 Direct and indirect revenue generating assets over the MTREF

The ensuing table clearly indicates that expenditure emphasis is still on those votes (directorates) responsible for infrastructure development e.g. Water & Sanitation, Urban Mobility, Energy, Human Settlements and Urban Waste Management.

Table 20 - Capital budget per vote over the 2022/23 MTREF

Vote Description R thousand	Current Year 2021/22		2022/23 Medium Term Revenue & Expenditure Framework					
	Adjusted Budget	%	Budget Year 2022/23	%	Budget Year +1 2023/24	%	Budget Year +2 2024/25	%
Vote 1 - Community Services & Health	298 971	4.9%	244 533	3.3%	371 996	3.4%	350 661	2.8%
Vote 2 - Corporate Services	434 277	7.1%	395 619	5.3%	961 376	8.8%	749 408	5.9%
Vote 3 - Economic Growth	51 116	0.8%	48 748	0.6%	30 091	0.3%	50 154	0.4%
Vote 4 - Energy	863 527	14.2%	1 052 059	14.0%	1 235 003	11.3%	1 111 789	8.8%
Vote 5 - Finance	16 542	0.3%	18 129	0.2%	26 237	0.2%	40 296	0.3%
Vote 6 - Future Planning & Resilience	46 623	0.8%	26 415	0.4%	11 840	0.1%	17 230	0.1%
Vote 7 - Human Settlements	928 826	15.2%	884 428	11.8%	900 561	8.2%	1 009 618	8.0%
Vote 8 - Office of the City Manager	7 147	0.1%	13 329	0.2%	24 290	0.2%	1 256	0.0%
Vote 9 - Safety & Security	199 062	3.3%	236 735	3.2%	210 302	1.9%	315 458	2.5%
Vote 10 - Spatial Planning & Environment	112 056	1.8%	217 455	2.9%	338 689	3.1%	311 010	2.5%
Vote 11 - Urban Mobility	722 772	11.9%	1 379 126	18.4%	2 071 856	18.9%	2 973 446	23.5%
Vote 12 - Urban Waste Management	388 298	6.4%	647 002	8.6%	790 916	7.2%	764 880	6.0%
Vote 13 - Water & Sanitation	2 025 899	33.2%	2 343 741	31.2%	4 001 058	36.5%	4 983 466	39.3%
Total Capital Expenditure - Vote	6 095 115	100%	7 507 319	100%	10 974 216	100%	12 678 671	100%

The 2022/23 allocation to these votes represents just over R6 306 million or 84% of the total budgetary allocation for 2022/23. Water & Sanitation receives the largest allocation of R2 344 million, which represents 31.2% of the budget, the second highest allocation is made to Urban Mobility and amounts to R1 379 million (18.4%), followed by Energy at R1 052 million (14%), Human Settlements at R884 million (11.8%) and Urban Waste Management at R647 million (8.6%).

Major directorates spent on infrastructure assets

The City's investment in infrastructure is central to ensuring sustainable and continuous service delivery to all its residents, while unlocking economic growth through new development proposals thereby also growing the City's revenue base, which in turn will ensure that the City can afford further future investment in infrastructure.

Spending on infrastructure assets is generally focused in those services responsible for the built environment and largely delivering on the provision of basic services, such as electricity distribution, water and sanitation, solid waste management, housing where serviced sites must be provided, as well as roads and transport.

The proposed capital programme of the City reflects that 70% (or just over R5.2 billion) of the capital programme will be invested in infrastructure assets in 2022/23, as can be seen from the ensuing graph.

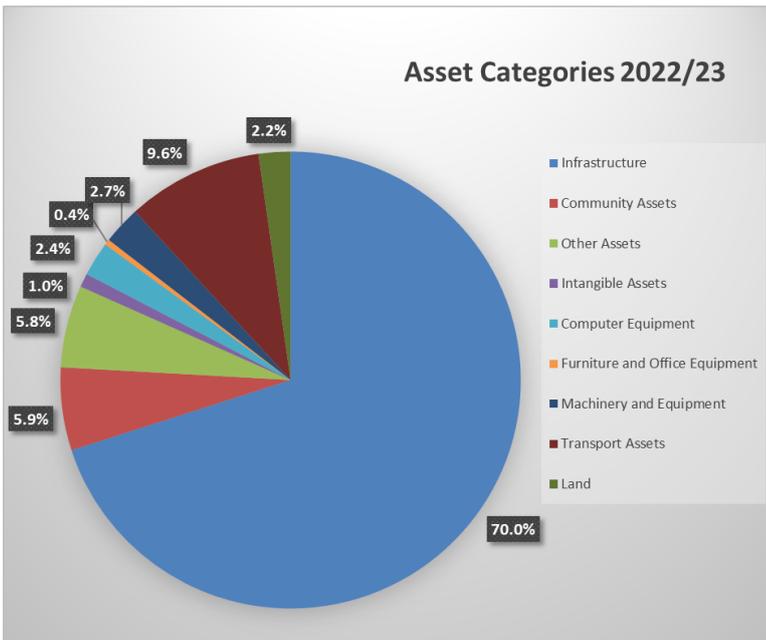


Figure 4 Asset categories 2022/23

The graph shows that for each Rand spent on the City’s proposed capital budget in 2022/23, just over 70 cents will be spent on infrastructure assets compared to the almost 6 cents on community assets.

Infrastructure asset investment by the City typically relates to the upgrading, renewal and implementation of new infrastructure such as, electrical infrastructure, roads and transport infrastructure, sanitation infrastructure, stormwater infrastructure, water supply infrastructure, information and communication infrastructure, as well as coastal infrastructure.

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

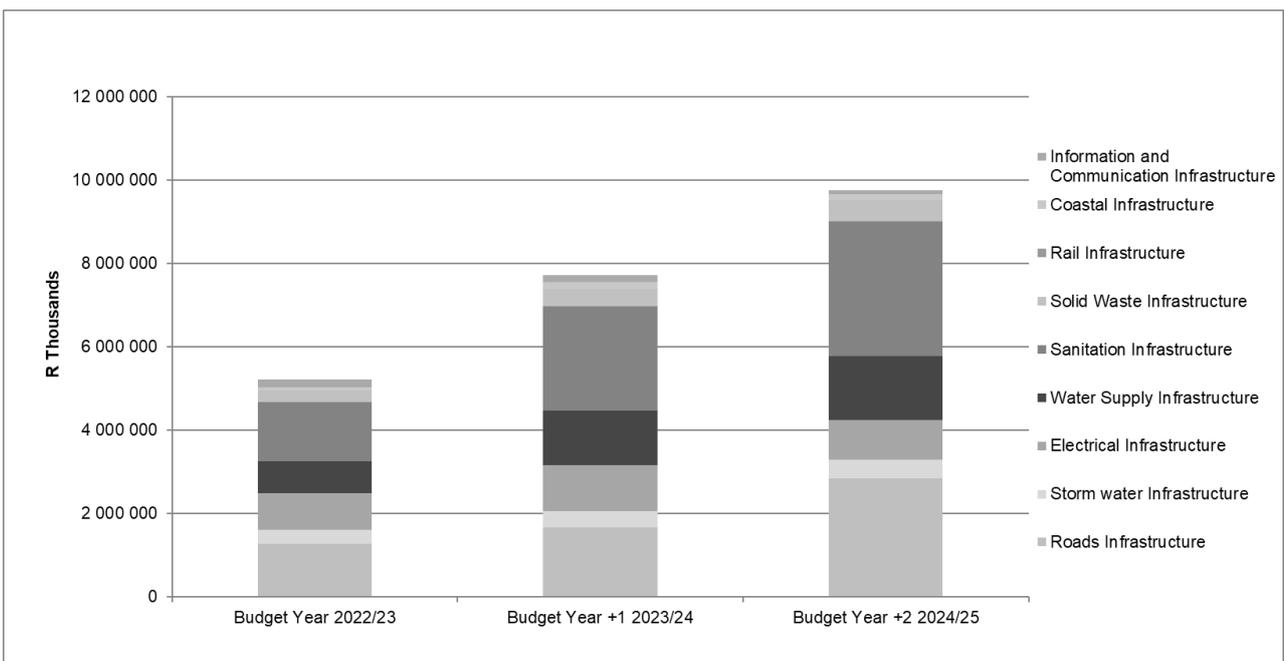


Figure 5 Capital Infrastructure Programme

Of the 70% or just over R5.2 billion, which will be invested in infrastructure assets, the largest contributor to the spending on infrastructure assets will be the Water & Sanitation directorate (R2.2 billion in 2022/23), followed by Urban Mobility directorate (R955 million in 2022/23) and thirdly, the Energy directorate (R915.7 million in 2022/23).

The table below depicts what percentage of the infrastructure asset investment will be going towards the largest three, mainly built environment, directorates.

Directorate	2022/23	2023/24	2024/25
Energy	17.4%	14.1%	9.6%
Urban Mobility	18.2%	17.2%	25.1%
Water & Sanitation	41.5%	49.2%	48.9%

Therefore, low levels of infrastructure asset investment will not give adequate traction to eradicate any backlogs or create an environment where economic growth can be achieved.

Main projects relating to infrastructure asset establishment within the three largest directorates are listed on the ensuing pages.

Energy

Currently there is a great deal of uncertainty associated with energy consumption projections in the energy sector as a result of various factors. The most rigorous approach requires a representation of the stock of demand technologies in the system and an estimate of the rate at which they will be replaced by more efficient technologies. This is an extremely time consuming and data intensive approach. An existing base model on the Low Emissions Analysis Platform (LEAP) is currently being updated to provide another lens on consumption for future sector plans.

Electricity consumption in the City has decreased consistently since 2012. From 2012 to 2021, the number of customers on the Lifeline tariff decreased by about 107 000 due to tighter application of the qualification criteria while customers on the Domestic tariff increased by about 208 000. Energy consumption for customers in the domestic category decreased by about 18% over the same period. To this end, infrastructure asset acquisition and planning over the short-, medium- and long term is key for inclusion into sector/master plans. Examples of infrastructure assets which will be invested in to ensure further economic growth and dignity to City residents are listed below.

- The ensuing projects normally results from large new developments, typically requiring more than 14 MVA, necessitating new HV infrastructure and power transformer capacity to be established. Many projects were postponed in previous financial years due to lower than anticipated load growth, and rescheduled into later years as per the SA Grid Code, but due to network requirements can no longer be delayed.

- Paardevlei Switching station (R750 000 in 2022/23) and 132/66 kV stepdown (R1 million in 2023/24, R84.2 million in 2024/25) and Main Substation 1 and 2, where Helderberg substation is currently supplied from Eskom’s Firgrove substation at 132 kV and energy purchased at Eskom’s distribution high voltage (HV) tariff. With the recent Mitchell’s Plain - Steenbras loop-in project to Eskom’s Pinotage main transmission station (MTS), the opportunity exists to supply Helderberg from Pinotage at a transmission tariff, which is more cost effective than the HV tariff. This requires the establishment of a 132 kV switching station in the area. Somerset West- and Strand main substations are currently supplied from Eskom’s Lourensrivier substation at 66 kV and this energy is also purchased at Eskom’s distribution HV tariff. The opportunity exists to supply these main substations from the new Paardevlei switching station that will enable a transmission tariff if a Paardevlei stepdown substation (132/66 kV) is established. The original load calculations indicated that the proposed Paardevlei development can mature to approximately 80 MVA if deemed developable, necessitating two new main substations in future, Paardevlei MS 1 and 2 (not yet in this MTREF window). The two new main substations are purely development dependent, and will be supplied from the new Paardevlei switching station once implemented.
- Construction of a new 132 kV Morgen Gronde switching station (R129.3 million in 2022/23, R8 million 2023/24) and transfer existing 66kV intake points, Bellville South, Triangle and Oakdale (1 & 2) (completed in previous years), to Morgen Gronde switching station, upgrading nearly half of the 66kV load to 132kV networks due to network capacity constraints. This is a new major intake point from Eskom, which is required to facilitate network upgrades in order to ensure a reliable supply to the Bellville networks. It will also enable electricity supply to three major investors in the City.
- Bellville South Main Substation Upgrade (R22.7 million in 2022/23, R53.8 million in 2023/24) which will entail the replacement of 66 kV overhead lines with 132kV cable as well as replacing old transformers. The current capacity of the network is not sufficient to ensure a firm supply to the Bellville industrial area. This project is required to ensure a reliable supply and enable growth in this area.
- Triangle 132kV Upgrade (R110.3 million in 2022/23, R131.5 million in 2023/24, R41.6 million in 2024/25) for construction of a new switching station and replacement of 66 kV overhead lines with 132kV cable as well as replacement of old transformers. The current network capacity is not sufficient enough to ensure a firm supply to the Bellville industrial area. This project is required to ensure a reliable supply and enable growth in this area.
- Service Connections programme (R96.3 million in 2022/23, R92.7 million in 2023/24, R83 million in 2024/25), which comprises of a myriad of different service connection categories such as free market connections, gap housing, subsidised housing and serviced-site developments, informal settlements, and backyard dwellings. Project implementation only occurs when customers have paid for the new connection. Due to the unpredictable and uncertain nature of these projects, proposed outer year budgets are based on historic spend plus a CPI inflation based increase. These budgets comprise shared network cost (Connection Infrastructure (Quote)) and private sector expenditure (Service Connections (quote and tariff)).

- Medium Voltage System Infrastructure including switchgear refurbishment (R84 million in 2022/23, R211.5 million in 2023/24, R198 million in 2024/25) to accommodate the additional capacity applied for by customers in terms of service connections that require upstream network, which must be reconfigured, improved or expanded. These infrastructure budgets are also used for improvement and expansion projects emanating from the evaluation of feeder group performance indicators.
- Electrification (both informal and formal) and backyarder programmes (R24.8 million in 2022/23, R13.5 million in 2023/24 and 2024/25), which will entail electrification of formal- and informal settlements, and backyard dwellings (restricted to backyard dwellings on City Rental Units) within the City's supply area in order for the City to meet its constitutional and statutory obligations to provide basic municipal services, and to afford occupiers of backyard dwellings direct access to the supply of electricity. "Backyarder" is a term used to describe where the occupier (owner or tenant) of formal housing has allowed others to establish informal dwellings on the property. These dwellings are reliant on the occupier of the formal dwelling for services. Once access to the service has been provided, there is no distinction between the quality of supply and service levels to informal, back-yarder and formal residential areas.
- New Street Lighting Programme (R26.1 million in 2022/23, R24.1 million in 2023/24, R25.3 million in 2024/25) as well as refurbishment of street lighting programme (R40.2 million in 2022/23, R48 million in 2023/24, R48.9 million in 2024/25) to provide public lighting in both the City and Eskom licensed areas of electrical supply within the metro.

Urban Mobility (including road and transport infrastructure)

- IRT Phase 2A (R667 million in 2022/23, R1 074 million in 2023/24, R2.1 billion in 2024/25) to improve the public transport offering between the residential areas of Khayelitsha and Mitchells Plain and the transport hubs of Claremont and Wynberg, linking socio-economic hubs within the Phase 2A corridor and beyond, through reliable, predictable and more affordable public transport services. The objective of investment in this infrastructure is to provide safe, reliable, quality public transport to the high density population in the Metro South-east, and to improve access to economic opportunities for residents living in the Metro South-east. Programme elements include, amongst others, trunk and feeder routes, bus depots and stations, public transport interchange upgrades, new and improved non-motorised transport facilities, bus acquisitions etc.
- Road Upgrade of Amandel Road between Bottelary River and Church Street (R55.5 million in 2022/23, R29.5 million in 2023/24, R150 000 in 2024/25) for dualling the section of Amandel Road, which will provide significant traffic congestion relief in the Kuilsriver area.
- Road Rehabilitation in Bishop Lavis (R40.2 million in 2022/23, R32 million in 2023/24, R80 000 in 2024/25) as well as in Kalksteefontein (R20.3 million in 2022/23, R7.4 million in 2023/24) as a result of cancellation of the replacement professional services tender that has since been resolved with work to commence early 2022/23. The rehabilitation of various roads in Bishop Lavis and Kalksteefontein will include the upgrading of concrete roads and related services, which will provide a boundary-to-boundary improvement of the road reserve, including road rehabilitation/upgrading, stormwater improvements and footways.

- General Stormwater – Rehabilitation (R7.8 million in 2022/23), which includes the trenchless rehabilitation of City-wide underground stormwater infrastructure using various rehabilitation methodologies. The annual City-wide budget for general stormwater has been increased from previously charged Development Charges in order to provide for professional services required to initiate a stormwater project in response to the Tygerberg district stormwater master plan, which is aimed at managing stormwater runoff and reduced flooding in that area.
- MyCiTi Ph1 IRT Station Rebuilds (R2 million in 2022/23, R38.2 million in 2023/24) for the redesign and expedited rebuild of three Phase 1 MyCiTi IRT bus stations, which were vandalised and destroyed during protest action in previous years with the aim to improve security and vandal-resistant measures and to bring the three bus stations back into service.

Water & Sanitation

- The capacity at some of the City's wastewater treatment works (WWTW) have been sighted in the past as hampering developments in certain areas of the City. Work planned over the MTREF period and beyond at these WWTW will increase the capacity of the works, allowing the provision of further sanitation services in the catchment area. The upgrades and refurbishments will also increase the plants performance and treatment capacity to ensure compliance with required discharge limits. Once completed, these WWTW will directly unlock economic growth in the catchment areas, which will in turn have an indirect positive impact on the City in the form of a growth in revenue. These WWTW are:
 - Potsdam WWTW – Extension (R200 million in 2022/23, R436 million in 2023/24, R480 million in 2024/25) to achieve a 53 megalitre per day capacity extension and refurbishment of the existing Potsdam Wastewater Treatment Works.
 - Macassar WWTW Extension (R12 million in 2022/23, R215 million in 2023/24, R415 million in 2024/25) to achieve a 32 megalitre per day capacity extension and refurbishment of the existing Macassar Wastewater Treatment Works.
 - Zandvliet WWTW: Prim Treatment & Sludge (R160.8 million in 2022/23, R23.6 million in 2023/24) to achieve an 18 megalitre per day capacity extension and refurbishment of the existing Zandvliet Wastewater Treatment Works.
- Cape Flats WWTW will see the following work being undertaken:
 - Cape Flats WWTW Inlet works & rising mains (R1 million in 2022/23, R49 million in 2023/24, R63.2 million in 2024/25), which will include the construction of a new 200 megalitre per day inlet works including odour and gas control, demolition of the existing inlet, rehabilitation of the existing access road and associated civil services.

- Cape Flats WWTW – Biosolids (R50 million in 2022/23, R375 million in 2023/24, R223 million in 2024/25) to construct the Southern Biosolids Beneficiating Facility at the Cape Flats WWTW, where advanced treatment will be done onsite and imported sludge (biosolids) will be stored to reduce sludge volumes and improve sludge quality. The phased project will rehabilitate existing thickening and digestion infrastructure, construct new dewatering and prescreening infrastructure, and new post digester nutrient removal facility with gas collection amongst others. The project will assist in meeting the City's responsibility to treat and dispose of waste in ways that comply with legislation, protect the environment and improve the City's image especially within environmentally sensitive areas.
- The upgrade and refurbishment of certain wastewater treatment infrastructure will increase the plants' performance and treatment capacity to ensure it complies with the required discharge limits, which will also contribute to ending pollution of our natural waterways and water bodies. The upgrade will improve services to customers and reduce proactive and reactive maintenance costs. Examples are:
 - Athlone WWTW - Capacity Extension - phase 1 (R86 million in 2022/23, R89 million in 2023/24, R32.8 million in 2024/25), which will include the construction of civil infrastructure to accommodate the installation of mechanical blowers. The blowers are required to provide aeration to support the chemical processes within wastewater treatment.
 - Infrastructure Replacements at WWTW (R10 million in 2022/23 and 2023/24, R30 million in 2024/25) for multiple minor replacement of capital infrastructure at the WWTW, which is beyond repair and could not be paid from the operating budget.
- Catchment and Stormwater Management infrastructure is also vital to address public safety and improve water quality in Cape Town's waterways. Infrastructure projects to be undertaken include:
 - Sir Lowry's Pass River Upgrade (R115 million in 2022/23, R91.2 million in 2023/24, R122.6 million in 2024/25), which is required to secure the safe conveyance of up to the 1 in 100-year flood event through the Firlands agricultural area and the 1 in 50-year flood event in the existing development in Gordon's Bay. Once completed it will alleviate flooding and free-up land for development.
 - Stormwater Dams: Safety upgrade (City-wide) (R1.7 million in 2022/23, R8.2 million in 2023/24, R16 million in 2024/25) to Category II stormwater dams. The project will implement the recommendations of the recent dam safety evaluations and the work will rehabilitate various elements of the stormwater dams including spillways, embankments and outlet channels. This project is required to ensure compliance with the Water Act and applicable regulations, which in turn would produce safe and functional stormwater dams as well as reduce risk to human life and infrastructure due to dam failure. In addition, the work will provide some water quality improvement benefits in the City's waterways.
 - Macassar Flood Alleviation (R1.5 million in 2022/23, R4.4 million in 2023/24, R5.3 million in 2024/25) for the upgrade of the Macassar River Corridor, bordered by Baden Powell Drive to the West and the N2 to the North. The project is vital to secure the safe conveyance of up to the 1 in 100-year flood event, to alleviate flooding in the areas of Kramat, Sandvlei and Macassar thereby protecting vulnerable communities from loss of life and property and to free up land for development.

- Investment in sewer reticulation infrastructure will include the following projects:
 - Replacement & Upgrade Sewer Pump Stations (R69.6 million in 2022/23, R59.9 million in 2023/24 and R60 million in 2024/25) includes minor upgrades to and replacement of sewer pump stations across the metropolitan area identified as requiring such interventions to ensure the effective, efficient and continued operation of these infrastructure assets. Good working conditions of sewer pump stations will keep sewerage from streets/waterways and ensure uninterrupted sanitation service delivery.
 - Upgrade Rietvlei Sewer Pump Station (R3 million in 2023/24, R23.3 million in 2023/24, R98 million in 2024/25), which will include the Kuils River sewer outfall feeder pipeline. These assets are approaching their maximum operating capacity due to current and future development in the Bottelary Corridor and must be upgraded to accommodate this development. The unlocking of further development in the Bottelary corridor is in itself a catalyst for job creation in that area.
 - Philippi Collector Sewer (R8.1 million in 2022/23, R95.9 million in 2023/24, R96.3 million in 2024/25) where the infrastructure investment would comprise of approximately 10.6km of new gravity sewer pipeline with associated manholes, grit trap structures etc. In addition to the main collector sewer, a number of existing secondary sewers that currently drain into the existing collector sewer will be diverted and connected to the new/upgraded collector sewer. The existing Philippi Collector Sewer, which was constructed more than 30 years ago has reached the end of its design life. Blockages and failures of the sewer pipes and manholes have become frequent occurrences. The rehabilitation of some of the existing sewer pipes will also accommodate existing and future developments and significantly reduce the breakdowns and blockages currently experienced on the sewer.
 - Replace Sewer Network (Citywide) (R150 million in 2022/23, R300 million in 2023/24, R305 million in 2024/25) for replacement of sewer pipes that have reached the end of its useful life. Allocations, in addition to previous spending trends, are proposed in order to increase the number of kilometres of sewer pipes, which will be replaced per financial year. The estimated increases are:
 - 30km versus the envisaged 50km in 2022/23;
 - 30km versus the envisaged 100km in 2023/24; and
 - 30km versus the envisaged 100km in 2024/25.
 - Bulk Reticulation Sewers in Milnerton Rehabilitation (R43.3 million in 2022/23, R100 million in 2023/24, R90 million in 2024/25), which entails the construction of a new bulk outfall sewer in Montague Gardens, construction of a sand trap and mechanical screening facility at Koeberg Road Pump Station and rehabilitation of the existing bulk sewer in Montague Drive in Montague Gardens. The existing Montague Drive Sewer is currently operating at full capacity and cannot accommodate the planned development within its catchment area. The existing bulk sewer is also heavily deteriorated due to sulfuric acid corrosion and therefore needs rehabilitation/replacement. Sewer collapses on the Montague Drive Bulk Sewer is high risk for the City due to the bulk sewer's location underneath the Montague Drive roadway. Non-sewerage objects and sediment transported to the Koeberg Road Pump Station sump results in pump breakdowns and ultimately pump station failure, which results in sewer spills into the Rietvlei Estuary. A sand trap and screening facility prior to the Koeberg Road Pump Station will reduce the amount of non-sewerage objects and sediment from entering the pump station sump.

- Gordon's Bay Sewer Rising Main (R18.3 million in 2022/23, R37.6 million in 2023/24, R62.7 million in 2024/25), which comprises of the construction of a regional sewer pump station located adjacent to the Gordon's Bay WWTW and a corresponding 8km 700mm diameter rising main. The sewage will be transported from the Gordon's Bay WWTW to the Sir Lowry's Pass Outfall sewer from where it will ultimately be conveyed to the Macassar WWTW for treatment and disposal. With significant growth expected in the Gordon's Bay area, the existing Gordon's Bay WWTW and Trappies gravity sewer, will not have sufficient capacity to accommodate the increased sewage inflows to the works, hence this infrastructure investment. The construction of the pump station and rising main will alleviate the risk of sewer spillages at the Gordon's Bay WWTW and ensure that future development in Gordon's Bay and Firlands can be accommodated.

Distinguishing between new and renewal of city assets

Asset lifecycle management requires the constant review of the condition of all assets. Once general repairs and maintenance (operating budget expense) is no longer feasible, assets should either be renewed/upgraded.

Renewal of assets relates to existing assets that require replacement/rehabilitation/refurbishment and that has reached end of useful life to either reset the asset life or extend the asset life.

Upgrading of assets refers to the upgrade of an existing asset to increase/unlock capacity within an existing asset. The life of the asset may be extended.

In addition to the renewal and upgrading of existing assets, the City must also keep up with new and future developments in a specific geographical area that might require capital investment in new assets, which will then increase the City's asset base.

In short, an adequate balance of capital investment on renewal, upgrading and new assets are vital.

In order to continue growing the local economy and expand provision of municipal services, investment in new assets are needed. On the other end of the spectrum, investment in renewal and upgrading of existing assets will ensure that City assets remain functional and in good working order. In cases where renewal and upgrading of assets is not adequately prioritised, the useful life of the assets will be reduced resulting in failure of infrastructure, which will be costlier to repair over the long-term to get back to acceptable service standards.

The City will be investing fairly equally in both the upgrade/renewal of its existing asset while also expanding its asset base by constructing and implementing new assets as indicated in the table below:

Categorisation R'Thousands	2022/23	2023/24	2024/25
New	3 637 355	5 241 961	7 242 804
Renewal	2 047 662	2 791 548	2 487 259
Upgrade	1 822 301	2 940 708	2 948 608
Total Budget	7 507 319	10 974 216	12 678 671

The City will spend, as a percentage of the total 2022/23 capital budget, 51.5% on the renewal and upgrading of assets. This slightly increases to 52.2% in 2023/24 and is expected to reduce to 42.9% by 2024/25.

Financial year	Renewal and Upgrade as % of total capital budget	New as % of total capital budget
2022/23	51.5%	48.5%
2023/24	52.2%	47.8%
2024/25	42.9%	57.1%

Within the main directorates responsible for the built environment, which also contribute largely to the infrastructure asset, spending on renewal and upgrade of infrastructure assets general exceed 60%, which is vital in ensuring continued service delivery and reducing outages.

Directorate	Categorisation	2022/23	2023/24	2024/25
Energy	New Assets % of Total Capital	37.7%	26.2%	44.2%
	Renewal and Upgrade % of Total Capital	62.3%	73.8%	55.8%
Human Settlements	New Assets % of Total Capital	97.2%	95.1%	95.8%
	Renewal and Upgrade % of Total Capital	2.8%	4.9%	4.2%
Urban Mobility	New Assets % of Total Capital	63.6%	63.6%	87.4%
	Renewal and Upgrade % of Total Capital	36.4%	36.4%	12.6%
Urban Waste Management	New Assets % of Total Capital	75.7%	83.3%	89.9%
	Renewal and Upgrade % of Total Capital	24.3%	16.7%	10.1%
Water & Sanitation	New Assets % of Total Capital	33.6%	41.6%	48.5%
	Renewal and Upgrade % of Total Capital	66.4%	58.4%	51.5%

Capital expenditure on renewal/upgrading of infrastructure assets within Human Settlements directorate (housing), Urban Mobility directorate (roads and transport) and Urban Waste Management appear low. It should, however, be noted that in the case of Human Settlements directorate, capital investment relates to new housing opportunities while the repairs and maintenance of the City’s vast rental stock is provided for on the City’s operating budget and CRUs are viewed as Social Housing within the Other Assets category, which skews the results.

Infrastructure asset investment within the Urban Mobility directorate is substantially affected by the sheer scale of the MyCiTi Phase 2A integrated bus service rollout to the City’s metro-south east corridor, which is classified as investment in new infrastructure assets. Infrastructure assets within the Urban Waste Management directorate mainly consist of landfill sites, which does not require significant upgrades/renewal as airspace is the only infrastructure requirement. The new infrastructure planned over the next 5 to 10 years will largely focus on less waste going to landfill sites. The fleet of Urban Waste Management directorate is not seen as infrastructure, but rather Transport Assets, which is continuously renewed within a 7-year replacement plan, resulting in the skewed results for Urban Waste Management.

It is therefore imperative for the City to ensure sufficient investment in its infrastructure by way of asset renewal/upgrade, which is typically executed via the City's capital budget, but to also ensure general repairs and maintenance are adequately implemented over the lifespan of the asset and effected via the City's operating budget.

National norms

Over time the NT has developed various norms to benchmark progress against as published in NT MFMA Budget Circulars. The norms applicable to the capital budget are:

- Asset renewal/rehabilitation expenditure level; and
- Adequate levels of investment in capital infrastructure

- **Asset renewal/rehabilitation expenditure level**

As indicated above, renewal and upgrade of City assets refer to the costs that will be incurred to refurbish/rehabilitate/reconstruct/upgrade existing assets, which will ultimately ensure effective and efficient service delivery beyond the original/initial useful life of the specific asset. These investment choices must be made over the life of the asset and be implemented before the asset reaches its end of life.

The National Treasury benchmark for upgrade/renewal of assets is 40%. From the above tables (previous section) it is evident that the City exceeds this 40% requirement, which over time should then reduce the repairs and maintenance requirements on the upgrade/renewed infrastructure and also translate to less breakdown in services.

The City will spend in the order of R3.9 billion to upgrade/renew its existing assets.

- **Adequate levels of investment in capital infrastructure**

A further calculation which can be used is to see whether the City is sufficiently investing in capital infrastructure (not just in the infrastructure asset class but the total capital budget) as a percentage of the total City budget, which includes both capital and operating expenditure. NT reports indicates that a municipality is adequately investing in infrastructure when the capital budget is between 10% and 20% of the total budget.

Capital investment of below 10% of the total budget (capital and operating) could indicate that insufficient investment is made in ensuring adequate levels of service delivery that is impacted on by constant breakdown in infrastructure and therefore could contribute to an unwillingness by consumers of services to pay rates and tariffs.

Capital investment in excess of 20 percent of the total budget (capital and operating) could put future strain on the financials of the City and pose financial sustainability challenges. NT advised that borrowings should generally be used to fund revenue-generating asset. It is therefore also important that the correct balance is struck to ensure that cash reserves are not eroded/depleted in a short space of time by approving unaffordable capital investment programmes.

The City strives to maintain a good quality service delivery to ensure sustained future revenue inflows. Capital budget preparation is also informed by line functions' sector/master plans, which looks at medium-to-long term capital investment requirements.

The City will spend in the order of R7.5 billion on its capital budget which represents 12.2% of the City's total budget.

Additional details regarding asset classes and proposed capital expenditure is contained in Table 30 on page 75.

MBRR Table A9, Table SA34a, Table SA34b and Table SA34e provides the detailed breakdown of the capital budget with regards to new asset construction, capital asset renewal and upgrading.

Major projects/programmes to be implemented over the medium term

- Advanced Metering Infrastructure rollout programme - R765 million
- Aloe Ridge Housing Project - R73.8 million
- Annandale Housing Project - R102.1 million
- Athlone Refuse Transfer Station: Development of a Mechanical Biological Treatment Facility - R129.6 million
- Athlone Waste Water Treatment Works - Capacity Extension Phase 1 - R207.8 million
- Atlantis Aquifer - R273 million
- Atlantis GAP Sites Housing Project - R59.5 million
- Atlantis Kanonkop Housing Project - R75 million
- Bayside Canal Upgrade - R53 million
- Beacon Valley Housing Project - Mitchells Plain - R43.7 million
- Bellville South Main Substation Upgrade - R76.6 million
- Bonteheuwel Infill Housing project construction - R35 million
- Bulk Reticulation Sewers in Milnerton Rehabilitation - R233.3 million
- Cape Flats Aquifer Recharge - R626.4 million
- Cape Flats Aquifer: Hanover Park and Philippi - R198 million
- Cape Flats Waste Water Treatment Works - Refurbishment - R761.2 million
- Cemetery Expansions - R31 million
- Coastal Park Transfer Station: Develop Modern Materials Recovery Facility - R336.3 million
- Contract Management System Integration - R33 million
- Dashboard Cameras - R46.6 million
- Digital Equipment: Additional - R31.5 million
- District 6 Public Realm Upgrade - R21.6 million
- Electricity Substations: Fencing - R48.1 million
- Engineering & Asset Management: Depot Realignment - R168 million
- Farm 920 and Bloubos Road Housing Project - R27.1 million
- Fire Vehicles: Replacement - R27.1 million
- Flood Alleviation - Lourens River - R48.6 million
- Gordon's Bay Sewer Rising Main - R118.6 million
- Green Point Precinct Road Upgrades - R30 million
- Greenville Housing Project - R43.9 million
- Ground Mounted solar photovoltaic installations - R253.4 million
- Highlands Drive Infill Housing project - R30 million
- Informal Settlement Upgrade - Airport Precinct, Gugulethu - R48.9 million
- Informal Settlement Upgrade - Enkanini - R90.7 million

- Informal Settlement Upgrades: Enhanced Basic Services - R120 million
- Informal Settlement Upgrades: Managed Settlements - R130 million
- Informal Settlement Upgrades: Super Blocking Project - R150 million
- Integrated Bus Rapid Transit System - R64.6 million
- IT Modernisation - R20.8 million
- Khaya Integrated Recreation Facility - R8 million
- Killarney Drop-off facility upgrade: Waste Minimisation - R59.6 million
- Kruskal Avenue Upgrade - R23.2 million
- Library Books, Materials, Periodicals & Subscriptions - R33.8 million
- Library Upgrades and Extensions - R7.3 million
- Local Area Priority Initiatives - R58 million
- Local Environment and Heritage Projects - R40.9 million
- Lwandle Community Library Upgrade - R13.6 million
- Macassar BNG Housing Project - R126 million
- Macassar Waste Water Treatment Works Extension - R642 million
- Masiphumelele Housing Project Phase 4 - R48 million
- Monwabisi Beach Precinct Upgrade - R36.1 million
- Morgen Gronde Switching Station - R137.3 million
- Muizenberg Beach Front Upgrade - R38.2 million
- Nature Reserve Visitor Education Centres - R85.1 million
- Nooiensfontein Housing Project - R60 million
- Pelican Park Phase 2 Housing Project - R52.1 million
- Penhill Housing Project - R25.2 million
- Philippi Collector Sewer - R200.4 million
- Philippi Fresh Produce Market Refurbishment - R45 million
- Policing Service Programme - Courts - R34.2 million
- Potsdam Waste Water Treatment Works - Extension - R1.12 billion
- Provision of Equipment for facilities - R17.2 million
- Public Transport System Projects - R182.2 million
- Reconstruction of Delft Main Road - R64 million
- Regional Recreation Hubs - R10.5 million
- Road Construction: Extension of Saxdown Road from Langverwacht to Van Riebeeek Road - R84 million
- Road Dualling: Jip De Jager Drive from Kommissaris Street to Van Riebeeckshof Road - R89.9 million
- Road Rehabilitation: Bishop Lavis - R72.3 million
- Road Rehabilitation: Bonteheuwel and Uitsig - R61.4 million
- Road Rehabilitation: Broadlands Road from N2 to 19th Avenue - R84 million
- Road Rehabilitation: Jakes Gerwel Drive between Frans Conradie Road and Viking Road - R64.5 million
- Road Upgrade: Amandel Road, between Bottelary River and Church Street - R85.1 million
- Rusthoff Infill Housing Project - R29.5 million
- Sea Point Promenade Upgrade Phase 2 - R40 million
- Sheffield Road Housing Project - R30.2 million
- Sir Lowry's Pass Clinic Upgrade - R5 million

- Sir Lowry's Pass River Upgrade - R328.8 million
- Sir Lowry's Pass Village Housing Project - R27.1 million
- Small Bay Sea Wall Upgrade - R42.4 million
- Social Housing Protea Village - R35.3 million
- Steenbras Generation facilities & plant refurbishment - R36.7 million
- Strand Sea Wall Upgrade - R66.8 million
- Strandfontein Clubhouse Development - R15 million
- Strandfontein Integrated Housing Project - R40.7 million
- Symphony Housing Project - R88.4 million
- Table Mountain Group Aquifer: Steenbras - R90 million
- Table View Beachfront Upgrade - R108.8 million
- Tafelsig Clinic Extensions and Upgrade - R11 million
- Triangle Main Substation Upgrade - R283.4 million
- Upgrade Maitland Crematorium - R26.1 million
- Upgrade Rietvlei Sewer Pump Station - R124.3 million
- Upgrade to Health facilities - R9.3 million
- Vehicles for Law Enforcement Services - R26.4 million
- Vehicles for Traffic Services - R51.7 million
- Vissershok Landfill Site: Installation of landfill gas driven electricity generators - R86.4 million
- Vissershok North Landfill: Provision of additional waste disposal capacity - R167.2 million
- Vrygrond Housing Project - R48.2 million
- Wesfleur Waste Water Treatment Works - Capacity Extension - R62.4 million
- Zandvliet Plant Re-use (50ML) - R563.3 million
- Zandvliet Waste Water Treatment Works - Extension - R184.4 million
- Congestion Relief - Erica Drive - R52.9 million
- Informal Trading Permitting System Enhancement - R11.3 million
- Refurbishment of MyCiTi Buses - R58 million
- 24 Hour Operationalisation of Safety & Security services - R79.3 million
- Elsies River Integrated Recreational Facility - R20 million
- Mfuleni Integrated Recreation Facility - R13 million
- Swimming Pool Redevelopment - R33 million
- Delft Integrated Recreation Facility - R8.3 million
- Zewenwacht Link Road Extension between Van Riebeeck and Albert Phielander Roads - R92.4 million

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

Section 19(1)(b) of the MFMA states that before a municipality may spend money on a capital project, the project, including the total cost, has to be approved by Council.

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

The total project cost of projects were reviewed by implementing directorates and amended, where required, while the estimated total project cost on any new project/programme proposed for inclusion in the budget, are included in Annexures 1 and/or 22.

Moreover, Section 19(2)(a) states that “before approving a capital project in terms of subsection (1)(b), the council of a municipality must consider the projected cost covering all financial years until the project is operational.” This information is also provided in Annexure 22 for those projects being approved individually with a total project cost in excess of R50 million. Outer years’ estimates are reviewed annually during the budget process and amended/updated in line with latest project implementation plans.

1.6.4 Future operational cost of new infrastructure

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

To give effect to this requirement, the future operational cost and revenue of projects/programmes are reflected in Annexures 1 and/or Annexure 22 to the budget report.

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

Directorates have confirmed that the future operating impacts (excluding interest charges and depreciation) will be absorbed in their operating budgets over the MTREF through efficiency gains and the prioritisation of existing operational resources, which were considered during the calculation of the revenue increases for the 2022/23 MTREF.

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

The project level detail for those projects with a total project cost in excess of R50 million is available for viewing as part of Annexure 22 at www.capetown.gov.za/budget.

Table SA35, on page 245, represents the future operational costs resulting from the capital investment programme at directorate level. The table shows that the costs estimated over the MTREF are expected to grow from R848 million in 2022/23 to R3 108 million in 2024/25. No additional budgetary provision was made for these costs as it is expected to be absorbed through efficiency gains and the prioritisation of existing operational resources, with the exception of the 24-hour operationalisation of the Metro Police, Law Enforcement and Traffic Services as well as the extension of City infrastructure to be used by NGOs to house the homeless, which is now included in the 2022/23 operating budget.

1.7 Annual Budget Tables

The ten main budget tables, as required in terms of regulation 9 of the MBRR, are presented on page 59 to page 79. These tables reflect the City's 2022/23 budget and MTREF and each table is accompanied by explanatory notes.

Table 21 - MBRR Table A1 - Budget Summary

Description	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Financial Performance									
Property rates	9 536 185	10 081 179	10 275 271	10 984 132	10 983 815	10 983 815	11 519 486	12 132 471	12 858 482
Service charges	18 907 828	20 100 461	20 275 960	22 396 466	22 343 043	22 343 043	24 565 228	27 402 801	30 433 505
Investment revenue	1 122 065	1 283 558	896 540	855 119	895 923	895 923	1 118 566	1 119 454	970 357
Transfers recognised - operational	4 491 082	4 983 212	5 793 196	5 650 364	6 070 243	6 070 243	6 260 172	6 454 997	6 693 166
Other own revenue	6 133 210	5 933 134	6 172 500	7 757 502	10 383 261	10 383 261	9 822 523	9 972 203	10 335 040
Total Revenue (excluding capital transfers and contributions)	40 190 370	42 381 544	43 413 467	47 643 584	50 676 285	50 676 285	53 285 975	57 081 926	61 290 550
Employee costs	12 334 289	12 775 413	15 108 022	15 612 505	15 849 607	15 849 607	17 322 936	18 233 838	19 284 577
Remuneration of councillors	161 297	167 521	166 417	179 826	179 826	179 826	176 133	184 204	192 463
Depreciation & asset impairment	2 832 012	2 921 723	2 863 255	3 013 855	3 073 473	3 073 473	3 208 222	3 419 174	3 690 730
Finance charges	755 724	814 407	831 478	794 747	788 704	788 704	862 999	1 067 515	1 540 707
Inventory consumed and bulk purchases	9 847 268	11 021 203	11 303 210	14 886 247	16 843 349	16 843 349	17 565 690	19 809 450	22 173 739
Transfers and grants	391 968	453 464	401 555	464 263	561 134	561 134	391 480	361 696	326 291
Other expenditure	9 756 473	11 810 239	12 486 322	13 323 387	13 941 743	13 941 743	14 269 591	14 720 326	14 901 343
Total Expenditure	36 079 030	39 963 970	43 160 260	48 274 831	51 237 836	51 237 836	53 797 051	57 796 204	62 109 851
Surplus/(Deficit)	4 111 340	2 417 575	253 208	(631 247)	(561 551)	(561 551)	(511 076)	(714 278)	(819 301)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	2 078 060	1 911 311	1 616 023	3 066 644	1 733 253	1 733 253	2 171 013	2 548 125	3 443 150
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)	52 664	40 524	185 190	72 198	59 336	59 336	100 854	95 375	108 247
Surplus/(Deficit) after capital transfers & contributions	6 242 064	4 369 410	2 054 420	2 507 595	1 231 038	1 231 038	1 760 790	1 929 221	2 732 096
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	6 242 064	4 369 410	2 054 420	2 507 595	1 231 038	1 231 038	1 760 790	1 929 221	2 732 096
Capital expenditure & funds sources									
Capital expenditure	5 316 290	5 970 668	6 528 474	8 314 767	6 095 115	5 732 590	7 507 319	10 974 216	12 678 671
Transfers recognised - capital	2 119 370	1 946 844	1 676 001	3 138 842	1 792 589	1 737 256	2 271 867	2 643 500	3 551 397
Borrowing	388 077	1 060 298	(1 281)	2 500 000	1 200 000	1 072 895	2 000 000	6 479 900	7 480 175
Internally generated funds	2 808 842	2 963 525	4 853 753	2 675 925	3 102 526	2 922 439	3 235 452	1 850 816	1 647 098
Total sources of capital funds	5 316 290	5 970 668	6 528 474	8 314 767	6 095 115	5 732 590	7 507 319	10 974 216	12 678 671

Table continues on next page

Description	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousands									
Financial position									
Total current assets	18 405 667	19 584 521	18 039 300	16 853 068	16 244 681	16 244 681	14 594 517	16 318 044	19 062 085
Total non current assets	52 547 898	56 552 793	60 640 764	66 340 381	63 324 319	63 324 319	68 257 103	74 862 575	82 011 265
Total current liabilities	9 114 291	9 777 564	9 902 651	11 660 078	9 432 885	9 432 885	10 307 659	12 514 288	12 931 521
Total non current liabilities	13 148 025	13 299 091	13 662 335	15 486 945	13 789 999	13 789 999	14 437 050	18 630 198	25 373 599
Community wealth/Equity	48 691 250	53 060 659	55 115 078	56 046 426	56 346 117	56 346 117	58 106 911	60 036 133	62 768 229
Cash flows									
Net cash from (used) operating	9 246 334	7 005 549	6 427 873	5 769 282	4 473 874	4 473 874	5 106 527	5 817 464	6 740 966
Net cash from (used) investing	(6 170 498)	(6 773 466)	(7 317 202)	(8 523 340)	(6 372 955)	(6 372 955)	(6 818 047)	(10 007 417)	(10 759 571)
Net cash from (used) financing	(143 179)	715 211	(351 140)	2 145 615	916 175	916 175	589 849	4 748 647	4 517 411
Cash/cash equivalents at the year end	8 419 276	9 366 570	8 126 101	5 186 901	7 143 195	7 143 195	6 021 524	6 580 217	7 079 023
Cash backing/surplus reconciliation									
Cash and investments available	16 294 163	18 070 428	17 583 105	13 061 790	15 018 081	15 018 081	13 896 413	14 455 106	14 953 912
Application of cash and investments	7 480 400	9 104 891	9 896 815	7 362 560	8 928 846	8 928 846	8 069 599	7 498 151	6 936 827
Balance - surplus (shortfall)	8 813 763	8 965 537	7 686 290	5 699 230	6 089 235	6 089 235	5 826 813	6 956 955	8 017 086
Asset management									
Asset register summary (WDV)	46 989 651	50 273 369	54 060 989	60 099 326	57 082 632	57 082 632	61 381 729	68 936 770	77 924 711
Depreciation	2 836 129	2 926 971	2 873 505	3 013 855	3 073 473	3 073 473	3 208 222	3 419 174	3 690 730
Renewal and Upgrading of Existing Assets	2 688 834	3 401 333	3 604 876	4 069 569	3 484 249	3 314 187	3 869 963	5 732 255	5 435 867
Repairs and Maintenance	3 780 395	3 708 274	3 666 620	4 252 885	4 568 346	4 568 346	4 760 227	5 137 218	5 300 505
Free services									
Cost of Free Basic Services provided	1 541 657	1 707 262	1 845 882	2 345 466	2 363 911	2 385 124	2 136 016	2 230 109	2 354 185
Revenue cost of free services provided	1 478 535	1 233 725	1 305 018	1 389 874	1 388 850	1 388 850	1 873 408	2 009 487	2 178 287
Households below minimum service level									
Water:	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:	149	149	-	-	-	-	-	-	-
Energy:	31 126	29 130	27 409	26 130	26 130	26 130	24 630	23 130	21 630
Refuse:	-	-	-	-	-	-	-	-	-

Explanatory notes to MBRR Table A1 - Budget Summary

1. Table A1 represents a high-level summation of the City’s budget, providing a view that includes all major components, i.e. operating, capital, financial position, cash flow and MFMA funding compliance.
2. In essence, it provides a synopsis of financial performance, capital expenditure and funding sources, financial position, cash flows, asset management, and the City’s commitment to eliminate basic service delivery backlogs.
3. The importance of ensuring that a municipal budget is fully funded is stressed in the financial management reforms. The MFMA through Section 18 requires that a budget only be funded by realistically anticipated revenue to be collected and cash-backed accumulated funds from previous years, not committed for other purposes.
4. To test whether the City’s budget is funded, it is required to collectively assess the financial performance, capital budget, financial position and cash flow budget.

5. The City's key outcomes in this regard are as follows:
 - a. The Financial Performance shows a deficit position over the 2022/23 MTREF. This is as a result of transfers recognised- capital (capital grants and donations received) being excluded from the revenue total while included in the expenditure total.
 - b. The cash flow budget outcome shows that the budget is funded.
 - c. The capital budget is funded from the following sources:
 - i. Transfers recognised capital and public contributions & donations;
 - ii. Borrowing; and
 - iii. Internally generated funds which are financed from previous years' accumulated surpluses, previous years' contributions to CRR and bulk infrastructure levies already collected. The affordability and sustainability of these funds are confirmed by the positive cash flow outcome over the 2022/23 MTREF.

6. The City's persistent strive to eradicate infrastructure backlogs is evident in the annual increase in the Cost of Free Basic Services and the Revenue Cost of Free Basic Services provided. Backlogs still exist for Electricity Services but are projected to reduce.

Table 22 - MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

Functional Classification Description	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand									
Revenue - Functional									
<i>Governance and administration</i>	15 543 018	16 264 813	16 452 770	16 652 638	16 827 067	16 827 067	17 786 194	18 558 671	19 300 695
Executive and council	1 085	680	1 306	1 325	17 336	17 336	1 372	1 387	1 403
Finance and administration	15 541 925	16 264 118	16 451 463	16 651 310	16 809 727	16 809 727	17 784 818	18 557 281	19 299 289
Internal audit	8	15	1	3	3	3	3	3	4
<i>Community and public safety</i>	3 323 826	3 495 031	3 687 282	3 769 506	3 933 374	3 933 374	4 000 007	3 989 222	4 167 947
Community and social services	134 009	167 274	101 330	110 743	107 692	107 692	104 197	130 149	103 968
Sport and recreation	88 066	66 160	49 376	44 660	42 419	42 419	66 919	84 884	77 388
Public safety	1 397 393	1 398 243	1 866 652	1 662 138	1 640 328	1 640 328	1 706 432	1 666 374	1 691 835
Housing	1 305 808	1 437 439	1 203 244	1 426 542	1 650 307	1 650 307	1 623 592	1 580 080	1 747 128
Health	398 550	425 915	466 680	525 421	492 628	492 628	498 867	527 736	547 630
<i>Economic and environmental services</i>	1 731 451	1 682 633	2 048 185	3 236 531	1 931 538	1 931 538	2 307 254	2 590 644	3 446 614
Planning and development	368 031	386 345	437 073	536 404	576 415	576 415	552 759	564 205	527 969
Road transport	1 341 965	1 277 491	1 564 081	2 649 668	1 305 409	1 305 409	1 709 236	2 005 265	2 906 510
Environmental protection	21 456	18 796	47 031	50 459	49 713	49 713	45 259	21 173	12 135
<i>Trading services</i>	21 720 578	22 889 073	23 026 050	27 118 687	29 771 831	29 771 831	31 459 089	34 581 358	37 920 917
Energy sources	13 545 653	14 671 118	14 684 233	16 218 803	16 198 350	16 198 350	17 775 482	20 149 046	22 477 817
Water management	4 534 459	4 517 147	4 549 731	6 903 018	9 529 139	9 529 139	8 510 472	8 974 011	9 648 093
Waste water management	2 061 006	1 966 766	2 086 778	2 160 243	2 172 101	2 172 101	3 177 244	3 297 061	3 549 165
Waste management	1 579 460	1 734 042	1 705 309	1 836 622	1 872 241	1 872 241	1 995 890	2 161 239	2 245 842
<i>Other</i>	2 221	1 829	392	5 065	5 065	5 065	5 298	5 531	5 774
Total Revenue - Functional	42 321 094	44 333 380	45 214 680	50 782 426	52 468 873	52 468 873	55 557 841	59 725 425	64 841 947
Expenditure - Functional									
<i>Governance and administration</i>	7 457 011	8 291 491	9 377 521	3 332 830	3 441 103	3 441 103	2 963 104	3 213 113	3 546 410
Executive and council	426 599	490 883	548 975	128 804	158 549	158 549	173 918	198 424	223 588
Finance and administration	6 987 322	7 752 790	8 777 758	3 201 334	3 279 681	3 279 681	2 786 198	3 008 429	3 312 774
Internal audit	43 089	47 818	50 788	2 693	2 872	2 872	2 988	6 259	10 048
<i>Community and public safety</i>	7 955 510	8 571 544	9 639 867	12 223 551	12 244 694	12 244 694	13 136 483	13 818 358	14 354 138
Community and social services	928 483	1 048 183	1 055 191	1 798 583	1 821 934	1 821 934	1 899 826	1 966 799	2 039 525
Sport and recreation	1 402 111	1 474 678	1 483 201	1 902 331	1 961 435	1 961 435	1 991 079	2 048 124	2 097 631
Public safety	2 848 184	3 098 522	3 834 284	4 756 613	4 671 462	4 671 462	5 246 351	5 607 865	5 809 896
Housing	1 583 809	1 645 473	1 732 548	2 115 229	2 070 815	2 070 815	2 189 567	2 268 759	2 397 912
Health	1 192 924	1 304 689	1 534 643	1 650 795	1 719 049	1 719 049	1 809 659	1 926 812	2 009 174
<i>Economic and environmental services</i>	4 665 013	4 923 207	4 912 698	6 054 195	6 209 915	6 209 915	6 492 526	6 627 835	6 863 032
Planning and development	1 038 996	1 333 794	1 369 833	1 599 708	1 641 945	1 641 945	1 738 251	1 768 818	1 849 486
Road transport	3 486 036	3 405 885	3 314 692	4 168 229	4 263 094	4 263 094	4 431 267	4 546 904	4 693 484
Environmental protection	139 982	183 529	228 173	286 258	304 877	304 877	323 008	312 113	320 062
<i>Trading services</i>	15 954 207	18 121 801	19 126 720	26 500 450	29 178 610	29 178 610	31 016 671	33 945 818	37 152 250
Energy sources	11 577 936	12 621 188	13 233 728	15 733 470	15 781 655	15 781 655	17 360 287	19 756 403	22 222 932
Water management	3 057 300	3 678 201	3 247 461	6 127 497	8 631 623	8 631 623	7 480 308	8 130 664	8 566 810
Waste water management	536 246	1 151 847	1 771 128	2 801 168	2 900 098	2 900 098	4 153 482	3 927 379	4 239 903
Waste management	782 724	670 565	874 403	1 838 316	1 865 234	1 865 234	2 022 595	2 131 372	2 122 605
<i>Other</i>	47 290	55 927	103 453	163 804	163 514	163 514	188 261	191 080	194 020
Total Expenditure - Functional	36 079 031	39 963 971	43 160 260	48 274 831	51 237 836	51 237 836	53 797 046	57 796 203	62 109 851
Surplus/(Deficit) for the year	6 242 063	4 369 409	2 054 420	2 507 595	1 231 038	1 231 038	1 760 795	1 929 222	2 732 096

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

1. Table A2 is an overview of the budgeted financial performance in relation to revenue and expenditure per standard classification, which divides the municipal services into 16 functional classifications.
2. Major contributing items to the increased operating revenue are additional grant allocations from National- and Provincial Government, the projected growth and tariff increases on Property Rates Tax and Service Charges (Water, Sanitation, Electricity and Refuse).
3. The surplus of R1 761 million for 2022/23 includes Transfers recognised- capital (Capital Grants and Donations received), while the expenditure category excludes these transfers.

Table 23 - MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Revenue by Vote									
Vote 1 - Community Services & Health	920 090	914 528	1 219 915	1 006 695	1 128 776	1 128 776	1 033 395	1 101 426	1 085 264
Vote 2 - Corporate Services	77 252	72 008	71 453	68 146	70 017	70 017	70 505	72 613	76 778
Vote 3 - Economic Growth	275 354	252 454	270 886	326 517	332 254	332 254	303 782	277 101	254 800
Vote 4 - Energy	13 344 199	14 465 644	14 472 434	15 976 619	15 956 166	15 956 166	17 626 588	19 986 831	22 300 995
Vote 5 - Finance	15 957 830	16 964 279	16 823 143	17 564 399	17 895 000	17 895 000	17 075 935	17 803 525	18 615 088
Vote 6 - Future Planning & Resilience	16 574	18 952	6 415	38 311	44 361	44 361	61 932	63 588	70 047
Vote 7 - Human Settlements	1 185 786	1 312 424	1 071 872	1 165 767	1 389 531	1 389 531	1 623 584	1 580 071	1 747 119
Vote 8 - Office of the City Manager	1 090	574	4 007	788	15 154	15 154	824	860	898
Vote 9 - Safety & Security	1 431 610	1 467 552	1 967 592	1 717 141	1 707 498	1 707 498	1 763 850	1 726 318	1 754 417
Vote 10 - Spatial Planning & Environment	372 222	391 543	423 889	470 116	470 560	470 560	498 030	524 459	511 657
Vote 11 - Urban Mobility	1 421 443	1 364 476	1 612 650	2 700 909	1 334 063	1 334 063	1 756 273	2 085 066	2 924 425
Vote 12 - Urban Waste Management	1 461 072	1 551 924	1 607 666	1 699 585	1 442 972	1 442 972	2 022 324	2 183 640	2 268 349
Vote 13 - Water & Sanitation	5 856 570	5 557 022	5 662 757	8 047 433	10 682 521	10 682 521	11 720 819	12 319 926	13 232 110
Total Revenue by Vote	42 321 094	44 333 379	45 214 679	50 782 426	52 468 873	52 468 873	55 557 842	59 725 425	64 841 947
Expenditure by Vote to be appropriated									
Vote 1 - Community Services & Health	3 361 843	3 743 494	4 220 408	4 203 852	4 364 284	4 364 284	4 435 582	4 635 941	4 841 841
Vote 2 - Corporate Services	2 458 864	2 650 762	3 388 184	3 077 255	3 041 197	3 041 197	3 347 229	3 758 646	3 904 276
Vote 3 - Economic Growth	549 713	663 611	670 171	766 032	794 818	794 818	711 443	707 694	695 403
Vote 4 - Energy	10 348 895	11 536 465	12 121 799	13 826 536	13 885 266	13 885 266	15 248 998	17 379 324	19 575 910
Vote 5 - Finance	3 361 510	2 694 046	3 074 201	3 222 505	3 329 145	3 329 145	3 295 289	3 527 736	4 037 830
Vote 6 - Future Planning & Resilience	312 359	376 496	394 594	499 202	515 713	515 713	560 878	579 554	608 327
Vote 7 - Human Settlements	1 125 953	1 355 050	1 400 320	1 446 864	1 467 828	1 467 828	1 545 840	1 603 084	1 695 637
Vote 8 - Office of the City Manager	305 852	373 241	419 625	479 646	498 490	498 490	472 208	474 620	492 619
Vote 9 - Safety & Security	3 381 154	3 711 342	4 461 150	4 707 856	4 614 791	4 614 791	5 166 367	5 542 705	5 797 925
Vote 10 - Spatial Planning & Environment	807 360	1 084 801	1 175 317	1 170 715	1 178 447	1 178 447	1 274 335	1 321 505	1 414 127
Vote 11 - Urban Mobility	3 348 933	3 256 302	3 198 844	3 669 116	3 727 691	3 727 691	3 848 458	3 941 056	4 062 313
Vote 12 - Urban Waste Management	2 401 654	2 698 109	2 889 088	3 138 571	3 215 107	3 215 107	3 340 398	3 427 840	3 466 636
Vote 13 - Water & Sanitation	4 314 941	5 820 251	5 746 558	8 066 681	10 605 059	10 605 059	10 550 026	10 896 499	11 517 006
Total Expenditure by Vote	36 079 031	39 963 971	43 160 260	48 274 831	51 237 836	51 237 836	53 797 052	57 796 204	62 109 851
Surplus/(Deficit) for the year	6 242 063	4 369 408	2 054 419	2 507 595	1 231 038	1 231 038	1 760 790	1 929 222	2 732 096

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

1. Table A3 shows budgeted financial performance in relation to the revenue and expenditure per municipal vote and the operating surplus inclusive of transfers recognised- capital (Capital Grants and Donations received).

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

Table 24 - Surplus/(Deficit) calculations for the trading services

Description	2022/23 Medium Term Revenue & Expenditure Framework		
	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand			
Energy			
Total Operating Revenue (including capital transfers and contributions)	17 626 588	19 986 831	22 300 995
Total Operating Expenditure	15 248 998	17 379 324	19 575 910
Operating Surplus/(Deficit) for the year	2 377 590	2 607 507	2 725 085
% Surplus	13.5%	13.0%	12.2%
Water & Sanitation			
Total Operating Revenue including capital transfers and contributions)	11 720 819	12 319 926	13 232 110
Total Operating Expenditure	10 550 026	10 896 499	11 517 006
Operating Surplus/(Deficit) for the year	1 170 793	1 423 427	1 715 104
% Surplus	10.0%	11.6%	13.0%
Urban Waste Management			
Total Operating Revenue including capital transfers and contributions)	1 449 180	1 544 505	1 591 638
Total Operating Expenditure	1 233 293	1 327 542	1 390 555
Operating Surplus/(Deficit) for the year	215 887	216 963	201 083
% Surplus	14.9%	14.0%	12.6%

The calculation of the trading services' surplus/deficit as per the above table is based on primary revenue and expenditure items only.

It does not include contributions from Energy to Rates or internal cost charges/recoveries. These 'secondary elements' are, however, included in the tariff calculations for the various trading services. When taking the secondary budget into account, none of the trading services reflect a deficit/surplus position.

Table 25 - MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure)

Description	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand									
Revenue By Source									
Property rates	9 536 185	10 081 179	10 275 271	10 984 132	10 983 815	10 983 815	11 519 486	12 132 471	12 858 482
Service charges - electricity revenue	13 042 932	14 253 069	14 241 794	15 734 566	15 734 566	15 734 566	17 241 469	19 624 539	21 913 943
Service charges - water revenue	3 123 527	3 021 344	3 226 406	3 556 345	3 549 249	3 549 249	3 928 012	4 121 615	4 523 452
Service charges - sanitation revenue	1 602 463	1 550 298	1 604 014	1 775 113	1 791 914	1 791 914	2 014 506	2 155 521	2 366 762
Service charges - refuse revenue	1 138 907	1 275 750	1 203 747	1 330 442	1 267 313	1 267 313	1 381 241	1 501 125	1 629 348
Rental of facilities and equipment	395 688	340 986	329 574	350 647	368 900	368 900	389 180	405 996	423 707
Interest earned - external investments	1 122 065	1 283 558	896 540	855 119	895 923	895 923	1 118 566	1 119 454	970 357
Interest earned - outstanding debtors	361 403	408 418	454 919	449 452	361 774	361 774	367 515	383 143	399 529
Dividends received	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	1 485 757	1 313 161	1 571 762	1 247 015	1 250 376	1 250 376	1 262 193	1 264 511	1 266 932
Licences and permits	64 881	45 587	44 655	67 110	70 030	70 030	73 251	76 474	79 839
Agency services	230 144	200 585	270 810	261 614	269 491	269 491	271 616	283 567	296 044
Transfers and subsidies	4 491 082	4 983 212	5 793 196	5 650 364	6 070 243	6 070 243	6 260 172	6 454 997	6 693 166
Other revenue	3 442 054	3 385 442	3 429 183	3 328 606	3 351 703	3 351 703	3 466 403	3 472 498	3 579 018
Gains	153 282	238 955	71 597	2 053 058	4 710 989	4 710 989	3 992 365	4 086 014	4 289 972
Total Revenue (excluding capital transfers and contributions)	40 190 370	42 381 544	43 413 467	47 643 584	50 676 285	50 676 285	53 285 975	57 081 926	61 290 550
Expenditure By Type									
Employee related costs	12 334 289	12 775 413	15 108 022	15 612 505	15 849 607	15 849 607	17 322 936	18 233 838	19 284 577
Remuneration of councillors	161 297	167 521	166 417	179 826	179 826	179 826	176 133	184 204	192 463
Debt impairment	1 582 947	2 804 042	2 854 651	2 716 859	2 371 700	2 371 700	2 316 909	2 267 010	2 243 914
Depreciation & asset impairment	2 832 012	2 921 723	2 863 255	3 013 855	3 073 473	3 073 473	3 208 222	3 419 174	3 690 730
Finance charges	755 724	814 407	831 478	794 747	788 704	788 704	862 999	1 067 515	1 540 707
Bulk purchases - electricity	8 281 772	9 317 868	9 718 558	11 182 400	11 218 900	11 218 900	12 350 900	14 201 053	16 328 728
Inventory consumed	1 565 496	1 703 335	1 584 652	3 703 847	5 624 449	5 624 449	5 214 790	5 608 397	5 845 012
Contracted services	5 996 310	6 710 842	7 195 014	7 960 362	8 147 022	8 147 022	8 572 922	8 756 750	8 884 837
Transfers and subsidies	391 968	453 464	401 555	464 263	561 134	561 134	391 480	361 696	326 291
Other expenditure	1 990 134	2 210 367	2 339 410	2 632 042	2 775 275	2 775 275	2 927 064	3 217 434	3 269 610
Losses	187 081	84 988	97 246	14 124	647 747	647 747	452 697	479 132	502 982
Total Expenditure	36 079 030	39 963 970	43 160 260	48 274 831	51 237 836	51 237 836	53 797 051	57 796 204	62 109 851
Surplus/(Deficit)	4 111 340	2 417 575	253 208	(631 247)	(561 551)	(561 551)	(511 076)	(714 278)	(819 301)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	2 078 060	1 911 311	1 616 023	3 066 644	1 733 253	1 733 253	2 171 013	2 548 125	3 443 150
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	49 804	40 465	59 979	72 198	59 336	59 336	100 854	95 375	108 247
Transfers and subsidies - capital (in-kind - all)	2 860	60	125 211	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	6 242 064	4 369 410	2 054 420	2 507 595	1 231 038	1 231 038	1 760 790	1 929 221	2 732 096
Taxation	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation	6 242 064	4 369 410	2 054 420	2 507 595	1 231 038	1 231 038	1 760 790	1 929 221	2 732 096
Attributable to minorities	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality	6 242 064	4 369 410	2 054 420	2 507 595	1 231 038	1 231 038	1 760 790	1 929 221	2 732 096
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	6 242 064	4 369 410	2 054 420	2 507 595	1 231 038	1 231 038	1 760 790	1 929 221	2 732 096

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

1. Table A4 is a view of the budgeted financial performance in relation to the revenue by source and expenditure by type. Total revenue (excluding appropriations, which are disclosed in the Statement of Financial Position) is R53 286 million in 2022/23 escalating to R61 291 million by 2024/25. Major contributing items to the total revenue are the increased grant operating allocations from National- and Provincial Government, the projected growth, and tariff increases on service charges.
2. Revenue to be generated from Property Rates is R11 519 million (21.6%) in 2022/23 increasing to R12 858 million (21.0%) by 2024/25. This remains a significant funding source for the City.
3. Service charges relating to electricity, water, sanitation and refuse removal constitute the biggest component of the revenue basket of the City totalling R24 565 million in 2022/23 or 46.1% of the revenue base, increasing to R30 434 million in 2024/25.
4. Transfers & Subsidies increases from R6 260 million in 2022/23 to R6 693 million in 2024/25. This includes external allocations received from National- and Provincial Government and private sector funding.

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

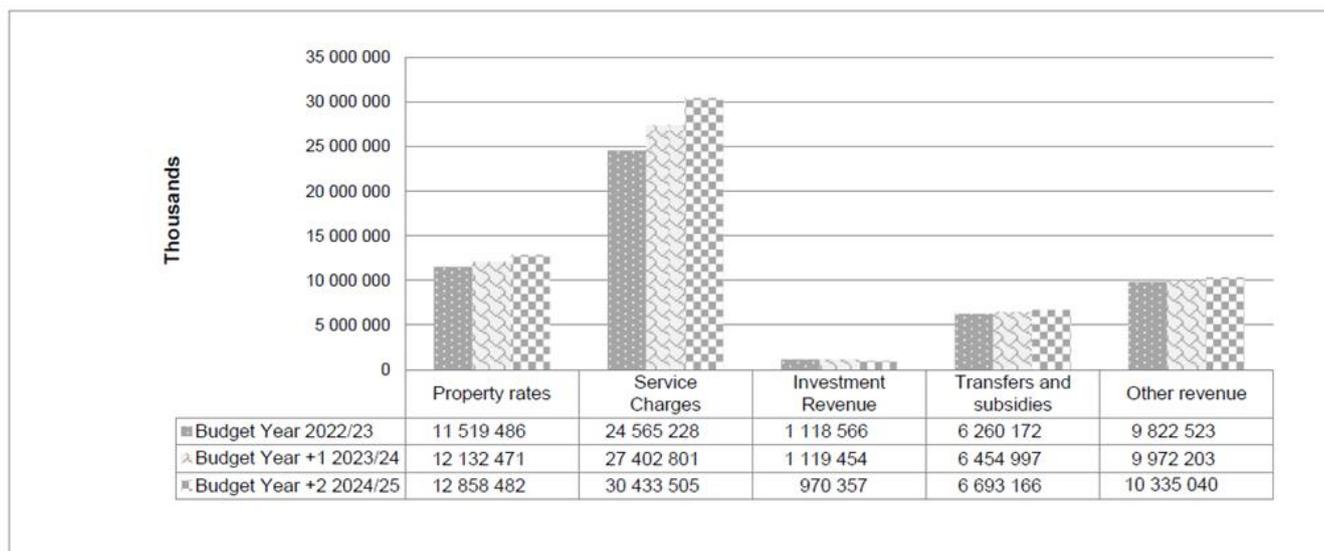


Figure 6 Revenue by source

5. Employee-related costs are the main cost driver within the City’s operating expenditure budget increasing from R17 323 million in 2022/23 to R19 285 million in 2024/25.
6. Bulk purchases (electricity) increases significantly over the MTREF, escalating from R12 351 million in 2022/23 to R16 329 million in 2024/25. This increase can be attributed to substantial increases in the cost of bulk electricity.
7. Depreciation & Asset Impairment totals R3 208 million in 2022/23 and is linked to the capitalisation rate of assets. The calculation of depreciation on new capital expenditure is based on variables such as asset class and lifespan depending on the nature of the asset. Depreciation of existing assets is calculated based on simulated financial system data (SAP), which reflects actual values per annum. Assets Under Construction (AUC) are calculated based on asset class lifespan and projected capitalisation dates.
8. Contracted Services increases from R8 573 million in 2022/23 to R8 885 million in 2024/25 and includes budgetary provision for repairs and maintenance.
9. The deficit of R511 million reflected in 2022/23 increases to R819 million in 2024/25 and is mainly due to expenditure, which is funded from surpluses as a result of the City’s Depreciation Strategy, and appropriations not reflected in Table A4.

The figure below provides a graphically view of the main sources of expenditure over the MTREF.

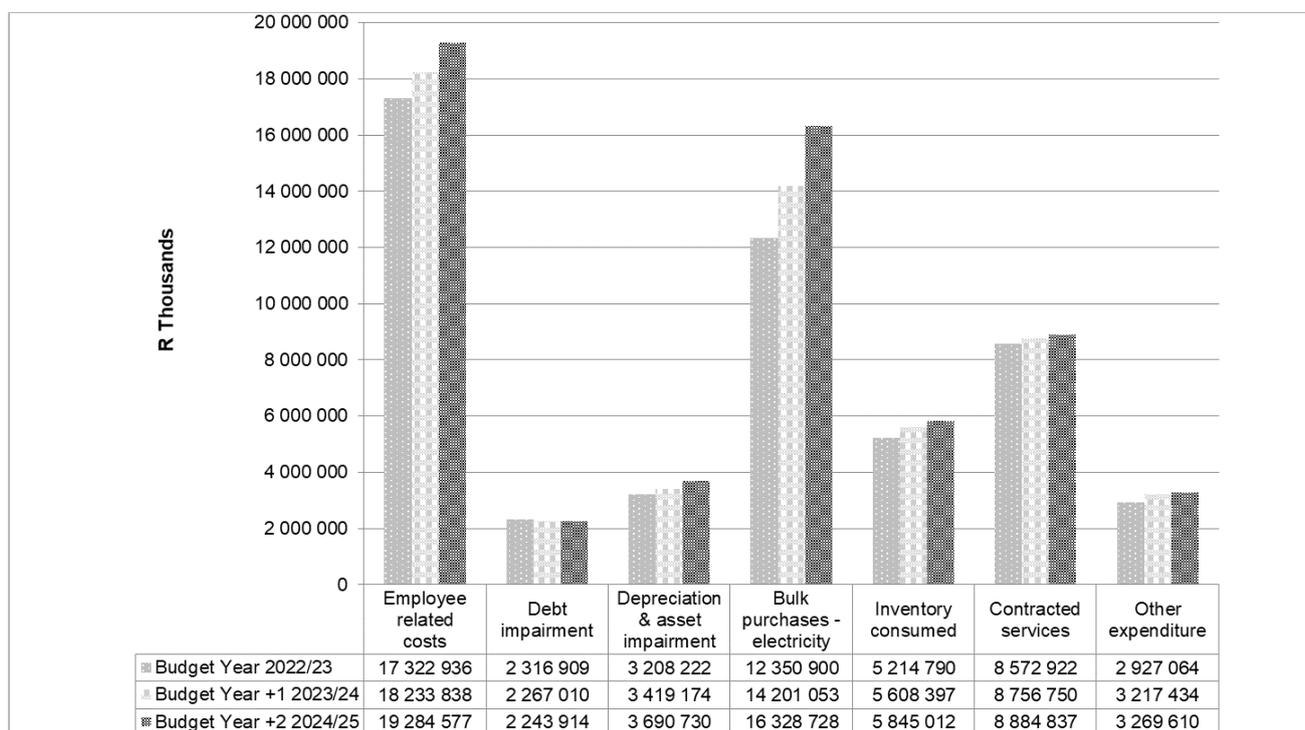


Figure 7 Expenditure by type

Table 26 - MBRR Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

Vote Description	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand									
Capital expenditure - Vote									
Multi-year expenditure to be appropriated									
Vote 1 - Community Services & Health	294 231	283 453	294 831	299 732	298 971	292 300	244 533	371 996	350 661
Vote 2 - Corporate Services	478 505	514 561	438 414	418 530	434 277	433 377	395 619	961 376	749 408
Vote 3 - Economic Growth	35 495	34 522	90 132	57 073	51 116	44 689	48 748	30 091	50 154
Vote 4 - Energy	739 130	596 002	732 741	952 575	863 527	771 279	1 052 059	1 235 003	1 111 789
Vote 5 - Finance	26 225	63 051	248 489	25 515	16 542	16 373	18 129	26 237	40 296
Vote 6 - Future Planning & Resilience	28 880	45 163	51 741	79 452	46 623	42 132	26 415	11 840	17 230
Vote 7 - Human Settlements	670 112	858 297	737 971	827 201	928 826	915 686	884 428	900 561	1 009 618
Vote 8 - Office of the City Manager	2 876	3 622	6 041	6 308	7 147	7 112	13 329	24 290	1 256
Vote 9 - Safety & Security	206 866	429 428	367 879	258 298	199 062	198 765	236 735	210 302	315 458
Vote 10 - Spatial Planning & Environment	69 347	90 293	114 093	154 142	112 056	99 720	217 455	338 689	311 010
Vote 11 - Urban Mobility	973 584	873 070	776 446	2 191 855	722 772	691 832	1 379 126	2 071 856	2 973 446
Vote 12 - Urban Waste Management	269 698	261 480	528 035	661 993	388 298	353 983	647 002	790 916	764 880
Vote 13 - Water & Sanitation	1 521 340	1 917 725	2 141 660	2 382 091	2 025 899	1 865 341	2 343 741	4 001 058	4 983 466
Total Capital Expenditure - Vote	5 316 290	5 970 668	6 528 474	8 314 767	6 095 115	5 732 590	7 507 319	10 974 216	12 678 671
Capital Expenditure - Functional									
Governance and administration	1 163 300	1 152 292	1 161 921	1 057 483	1 096 585	1 098 556	1 171 731	1 846 167	1 578 318
Executive and council	3 413	4 114	14 904	5 052	8 110	7 740	18 166	1 967	2 267
Finance and administration	1 159 611	1 147 662	1 146 920	1 052 191	1 088 206	1 090 547	1 153 487	1 844 120	1 575 972
Internal audit	275	516	98	240	269	269	79	79	79
Community and public safety	998 433	1 367 012	1 447 957	1 198 986	1 259 631	1 235 211	1 223 732	1 349 833	1 453 890
Community and social services	94 544	88 723	94 843	77 151	81 033	74 413	55 398	115 363	125 275
Sport and recreation	88 538	85 176	300 069	98 585	79 264	78 946	93 090	193 280	122 653
Public safety	86 760	289 079	264 183	154 854	129 639	131 705	167 415	125 030	81 868
Housing	668 152	850 038	730 137	810 653	912 118	897 625	870 578	886 711	1 006 184
Health	60 439	53 996	58 725	57 742	57 576	52 523	37 250	29 450	117 910
Economic and environmental services	1 004 471	942 726	875 361	2 365 925	837 635	782 494	1 589 981	2 354 490	3 297 555
Planning and development	61 043	112 860	88 836	148 941	116 789	104 958	127 118	126 455	112 451
Road transport	917 378	811 791	723 104	2 130 255	673 779	634 743	1 324 240	1 981 930	2 942 713
Environmental protection	26 050	18 076	63 421	86 728	47 067	42 793	138 623	246 105	242 391
Trading services	2 147 206	2 508 321	3 040 850	3 690 923	2 900 105	2 615 179	3 515 725	5 416 476	6 347 058
Energy sources	725 766	567 428	717 219	950 075	861 727	770 059	1 045 059	1 218 503	1 106 789
Water management	785 265	863 421	1 012 390	882 986	892 262	761 274	879 104	1 239 431	2 086 919
Waste water management	534 774	884 172	970 285	1 355 020	955 941	925 483	1 233 422	2 460 801	2 586 407
Waste management	101 400	193 299	340 956	502 843	190 176	158 363	358 139	497 740	566 942
Other	2 881	317	2 384	1 450	1 159	1 149	6 150	7 250	1 850
Total Capital Expenditure - Functional	5 316 290	5 970 668	6 528 474	8 314 767	6 095 115	5 732 590	7 507 319	10 974 216	12 678 671
Funded by:									
National Government	2 047 136	1 869 804	1 602 827	3 050 778	1 705 493	1 658 762	2 165 521	2 542 402	3 437 473
Provincial Government	22 430	36 561	13 195	15 866	27 760	27 677	5 492	5 723	5 677
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	49 804	40 480	59 979	72 198	59 336	50 818	100 854	95 375	108 247
Transfers recognised - capital	2 119 370	1 946 844	1 676 001	3 138 842	1 792 589	1 737 256	2 271 867	2 643 500	3 551 397
Borrowing	388 077	1 060 298	(1 281)	2 500 000	1 200 000	1 072 895	2 000 000	6 479 900	7 480 175
Internally generated funds	2 808 842	2 963 525	4 853 753	2 675 925	3 102 526	2 922 439	3 235 452	1 850 816	1 647 098
Total Capital Funding	5 316 290	5 970 668	6 528 474	8 314 767	6 095 115	5 732 590	7 507 319	10 974 216	12 678 671

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

1. Table A5 reflects the City's capital programme in relation to capital expenditure by municipal vote (directorate); capital expenditure by standard classification; funding sources required to fund the capital budget and information on capital transfers from National- and Provincial departments.
2. The MFMA provides that a municipality may approve single- or multi-year capital budget appropriations. The City has allocated multi-year appropriations amounting to R7 507 million for 2022/23, increasing to R10 974 million and R12 678 million in 2023/24 and 2024/25 respectively.
3. The capital budget is funded by allocations made to the City in the form of grants by National- and Provincial government, public contributions and donations, borrowings and internally generated funds.
4. Capital transfers from National- and the Western Cape Government amount to R2 171 million (29.1%) in 2022/23, increasing to R2 548 million in 2023/24 and R3 443 million in 2024/25.
5. Transfers and Subsidies – capital amount to R101 million, R95 million and R108 million respectively over the MTREF.
6. Borrowing of R2 000 million (2022/23), R6 480 million (2023/24) and R7 480 million (2024/25) has been provided for in terms of affordability levels as determined during the MTREF modelling.
7. Internally generated funds amounting to R3 235 million, R1 851 million and R1 647 million have been provided for annually over the MTREF.

Table 27 - MBRR Table A6 - Budgeted Financial Position

Description	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
ASSETS									
Current assets									
Cash	302 472	277 285	215 607	134 904	134 903	134 903	96 396	125 748	100 274
Call investment deposits	10 649 133	11 525 335	10 794 362	6 686 030	8 641 706	8 641 706	6 924 764	8 363 658	10 747 275
Consumer debtors	6 215 923	6 320 661	5 256 966	7 940 433	6 228 608	6 228 608	6 396 636	6 667 021	7 068 372
Other debtors	793 308	1 021 212	1 297 701	1 616 220	749 236	749 236	682 375	645 199	606 296
Current portion of long-term receivables	8 838	8 524	7 600	4 889	4 311	4 311	93	93	14
Inventory	435 992	431 504	467 065	470 592	485 917	485 917	494 253	516 324	539 854
Total current assets	18 405 667	19 584 521	18 039 300	16 853 068	16 244 681	16 244 681	14 594 517	16 318 044	19 062 085
Non current assets									
Long-term receivables	215 690	11 616	6 639	212	215	215	122	28	14
Investments	5 342 557	6 267 808	6 573 136	6 240 856	6 241 472	6 241 472	6 875 252	5 965 700	4 106 364
Investment property	582 962	581 247	579 534	577 820	577 861	577 861	576 147	574 433	572 720
Investment in Associate	–	–	–	–	–	–	–	–	–
Property, plant and equipment	45 703 232	49 082 175	52 846 552	58 952 744	55 951 008	55 951 008	60 355 266	67 628 959	76 572 736
Biological	–	–	–	–	–	–	–	–	–
Intangible	693 178	599 678	624 635	524 765	542 589	542 589	439 143	682 281	746 158
Other non-current assets	10 280	10 269	10 268	43 983	11 173	11 173	11 173	11 173	13 273
Total non current assets	52 547 898	56 552 793	60 640 764	66 340 381	63 324 319	63 324 319	68 257 103	74 862 575	82 011 265
TOTAL ASSETS	70 953 565	76 137 314	78 680 064	83 193 449	79 569 000	79 569 000	82 851 621	91 180 619	101 073 350
LIABILITIES									
Current liabilities									
Bank overdraft	–	–	–	–	–	–	–	–	–
Borrowing	427 597	446 355	440 239	1 565 429	1 486 784	1 486 784	1 808 361	3 045 204	1 503 331
Consumer deposits	410 962	419 421	439 775	455 824	543 494	543 494	571 504	598 412	627 143
Trade and other payables	7 127 758	7 527 442	7 449 967	7 497 681	5 717 652	5 717 652	6 391 580	7 332 734	9 243 484
Provisions	1 147 974	1 384 347	1 572 671	2 141 143	1 684 955	1 684 955	1 536 214	1 537 937	1 557 563
Total current liabilities	9 114 291	9 777 564	9 902 651	11 660 078	9 432 885	9 432 885	10 307 659	12 514 288	12 931 521
Non current liabilities									
Borrowing	6 270 937	6 871 889	6 547 823	7 589 127	6 360 401	6 360 401	6 624 774	10 303 727	16 486 825
Provisions	6 877 088	6 427 203	7 114 512	7 897 818	7 429 598	7 429 598	7 812 276	8 326 471	8 886 775
Total non current liabilities	13 148 025	13 299 091	13 662 335	15 486 945	13 789 999	13 789 999	14 437 050	18 630 198	25 373 599
TOTAL LIABILITIES	22 262 316	23 076 656	23 564 986	27 147 023	23 222 884	23 222 884	24 744 710	31 144 486	38 305 120
NET ASSETS	48 691 250	53 060 659	55 115 078	56 046 426	56 346 116	56 346 116	58 106 911	60 036 133	62 768 230
COMMUNITY WEALTH/EQUITY									
Accumulated Surplus/(Deficit)	43 892 330	47 421 464	49 616 547	51 800 220	50 915 099	50 915 099	53 332 902	55 674 753	58 703 909
Reserves	4 798 920	5 639 194	5 498 532	4 246 206	5 431 017	5 431 017	4 774 009	4 361 380	4 064 320
TOTAL COMMUNITY WEALTH/EQUITY	48 691 250	53 060 659	55 115 078	56 046 426	56 346 117	56 346 117	58 106 911	60 036 133	62 768 229

Explanatory notes to Table A6 - Budgeted Financial Position

- a. The budgeted Statement of Financial Position of the City has been prepared on a basis consistent with GRAP1 and international accounting standards and as such makes it comparable with the present Statement of Financial Position and those of previous years. This will enable all stakeholders to interpret the impact of the budget as such on the Statement of Financial Position.

- b. The assets are in the order of relative liquidity and liabilities according to their priority of being met with cash and an extensive table of notes (MBRR Table SA3 on page 253) are provided with details of the major components of items, such as:
 - Call Investment Deposits
 - Consumer Debtors
 - Property, Plant and Equipment
 - Trade and Other Payables
 - Non-Current Provisions
 - Changes in Net Assets
 - Reserves

- c. Movements on the Budgeted Statement of Financial Performance will impact on the Budgeted Statement of Financial Position. Assumptions made on the collection rate for instance, will affect the budgeted cash position of the City and the budgeted impairment of debtors. As such the assumptions form a critical link in determining the applicability and relevance of the budget, the determination of financial indicators, the assessment of funding compliance and the general viability of the municipality.

Table 28 - MBRR Table A7 - Budgeted Cash Flow Statement

Description	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand									
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Property rates	9 319 556	9 296 655	10 005 031	10 544 767	10 544 463	10 544 463	11 116 304	11 707 835	12 408 436
Service charges	20 600 259	19 396 197	21 101 782	21 640 699	21 610 703	21 610 703	23 922 286	26 716 482	29 687 542
Other revenue	2 573 710	3 798 052	2 612 879	4 049 121	4 060 272	4 060 272	4 559 563	4 603 721	4 750 146
Transfers and Subsidies - Operational	4 468 913	4 945 515	5 781 742	5 650 364	6 070 243	6 070 243	6 260 172	6 454 997	6 693 166
Transfers and Subsidies - Capital	2 079 448	1 911 311	1 616 702	3 200 628	1 943 969	1 943 969	2 271 867	2 643 500	3 551 397
Interest	1 427 759	1 642 305	1 438 934	855 119	895 923	895 923	1 118 566	1 119 454	970 357
Payments									
Suppliers and employees	(30 505 458)	(33 265 559)	(35 397 699)	(38 966 571)	(39 388 219)	(39 388 219)	(42 947 594)	(46 208 500)	(49 621 813)
Finance charges	(717 853)	(718 927)	(731 498)	(740 582)	(702 345)	(702 345)	(803 157)	(858 329)	(1 371 972)
Transfers and Grants	–	–	–	(464 263)	(561 134)	(561 134)	(391 480)	(361 696)	(326 291)
NET CASH FROM/(USED) OPERATING ACTIVITIES	9 246 334	7 005 549	6 427 873	5 769 282	4 473 874	4 473 874	5 106 527	5 817 464	6 740 966
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE	151 009	73 195	84 028	124 139	54 741	54 741	54 742	57 150	59 665
Decrease (increase) in non-current receivables	7 513	10 826	(32 484)	(751)	(3)	(3)	751	97	99
Decrease (increase) in non-current investments	(936 202)	(886 819)	(840 273)	(331 962)	(332 578)	(332 578)	633 780	909 552	1 859 336
Payments									
Capital assets	(5 392 818)	(5 970 668)	(6 528 473)	(8 314 767)	(6 095 115)	(6 095 115)	(7 507 319)	(10 974 216)	(12 678 671)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(6 170 498)	(6 773 466)	(7 317 202)	(8 523 340)	(6 372 955)	(6 372 955)	(6 818 047)	(10 007 417)	(10 759 571)
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans	–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing	196 420	1 091 580	–	2 500 000	1 200 000	1 200 000	2 000 000	6 479 900	7 480 175
Increase (decrease) in consumer deposits	29 302	8 459	20 354	17 110	87 669	87 669	28 010	26 908	28 731
Payments									
Repayment of borrowing	(368 901)	(384 828)	(371 494)	(371 495)	(371 495)	(371 495)	(1 438 161)	(1 758 161)	(2 991 495)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(143 179)	715 211	(351 140)	2 145 615	916 175	916 175	589 849	4 748 647	4 517 411
NET INCREASE/ (DECREASE) IN CASH HELD	2 932 657	947 294	(1 240 469)	(608 444)	(982 906)	(982 906)	(1 121 671)	558 693	498 806
Cash/cash equivalents at the year begin:	5 486 619	8 419 276	9 366 570	5 795 344	8 126 101	8 126 101	7 143 195	6 021 524	6 580 217
Cash/cash equivalents at the year end:	8 419 276	9 366 570	8 126 101	5 186 901	7 143 195	7 143 195	6 021 524	6 580 217	7 079 023

Explanatory notes to Table A7 - Budgeted Cash Flow Statement

- The table shows the cash and cash equivalents of the City during the 2022/23 MTREF.
- The budget has been prepared to ensure adequate levels of working capital representing cash and cash equivalents over the medium-term, with projected cash levels of R6 022 million for 2022/23 increasing to R7 079 million by 2024/25.
- Assumptions used in the preparation of the cash flow budget.
 - Revised collection rates:
 - Property rates - 97%
 - Electricity - 99.6%
 - Water - 95%
 - Sanitation - 93%
 - Solid waste - 90%
 - Rental income - 80%
 - Fines - 20%
 - Disposal Coupon Fees are excluded from 'Solid Waste' revenue and included under the 'Other revenue' category.
 - The assumptions for expenditure is 100% spend (Capital and operating).

Table 29 - MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

Description	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Cash and investments available									
Cash/cash equivalents at the year end	8 419 276	9 366 570	8 126 101	5 186 901	7 143 195	7 143 195	6 021 524	6 580 217	7 079 023
Other current investments > 90 days	2 532 330	2 436 050	2 883 868	1 634 033	1 633 414	1 633 414	999 637	1 909 189	3 768 525
Non current assets - Investments	5 342 557	6 267 808	6 573 136	6 240 856	6 241 472	6 241 472	6 875 252	5 965 700	4 106 364
Cash and investments available:	16 294 163	18 070 428	17 583 105	13 061 790	15 018 081	15 018 081	13 896 413	14 455 106	14 953 912
Application of cash and investments									
Unspent conditional transfers	1 298 170	1 392 172	1 119 269	1 563 531	1 563 531	1 563 531	1 429 132	1 524 837	1 625 198
Unspent borrowing	-	-	-	-	-	-	-	-	-
Statutory requirements	-	-	-	-	-	-	-	-	-
Other working capital requirements	(1 120 446)	(697 709)	207 964	(3 114 079)	(2 415 605)	(2 415 605)	(1 819 464)	(1 217 239)	228 469
Other provisions	-	-	-	1 264 232	947 234	947 234	917 034	969 836	1 018 840
Long term investments committed	2 503 755	2 771 233	3 071 050	3 402 669	3 402 669	3 402 669	2 768 888	1 859 336	-
Reserves to be backed by cash/investments	4 798 920	5 639 194	5 498 532	4 246 206	5 431 017	5 431 017	4 774 009	4 361 380	4 064 320
Total Application of cash and investments:	7 480 400	9 104 891	9 896 815	7 362 560	8 928 846	8 928 846	8 069 599	7 498 151	6 936 827
Surplus(shortfall)	8 813 763	8 965 537	7 686 290	5 699 230	6 089 235	6 089 235	5 826 813	6 956 955	8 017 086

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

1. The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.
2. In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.
3. The outcome of this exercise would either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality's budget must be "funded".
4. From the table it can be seen that the City remains in a surplus net cash flow position over the 2022/23 MTREF.
5. Considering the requirements of section 18 of the MFMA, it can be concluded that the 2022/23 MTREF is fully funded.
6. As part of the budgeting and planning guidelines that informed the compilation of the 2022/23 MTREF, the end objective of the medium-term framework was to ensure the budget is funded/aligned to section 18 of the MFMA.
7. Table A8 reflects a surplus of R5 827 million in 2022/23 increasing to R8 017 million by 2024/25.

Table 30 - MBRR Table A9 - Asset Management

Description	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand									
CAPITAL EXPENDITURE									
Total New Assets	2 627 456	2 569 335	2 923 598	4 245 198	2 610 866	2 418 403	3 637 355	5 241 961	7 242 804
<i>Roads Infrastructure</i>	587 481	500 502	488 593	1 766 163	398 209	356 099	898 423	1 169 561	2 518 232
<i>Storm water Infrastructure</i>	98 758	129 716	113 152	149 668	124 428	120 167	178 018	187 126	217 355
<i>Electrical Infrastructure</i>	319 606	186 867	398 082	317 389	277 179	247 524	346 071	285 150	413 049
<i>Water Supply Infrastructure</i>	519 126	686 393	634 995	460 677	519 702	463 695	436 170	1 003 565	1 268 381
<i>Sanitation Infrastructure</i>	187 147	160 537	264 910	281 260	248 795	232 324	458 911	764 787	1 265 666
<i>Solid Waste Infrastructure</i>	13 523	60 885	213 265	376 760	122 226	98 972	209 388	347 302	442 860
<i>Coastal Infrastructure</i>	-	-	305	2 000	-	-	10 675	25 000	-
<i>Information and Communication Infrastructure</i>	69 757	23 060	32 875	56 949	50 597	45 897	101 807	96 017	53 239
Infrastructure	1 795 398	1 747 961	2 146 176	3 410 867	1 741 136	1 564 677	2 639 463	3 878 509	6 178 783
Community Facilities	294 880	205 471	224 025	273 564	225 945	245 361	202 148	298 774	272 632
Sport and Recreation Facilities	534	658	767	4 000	-	-	6 215	-	-
Community Assets	295 414	206 129	224 792	277 564	225 945	245 361	208 363	298 774	272 632
Heritage Assets	-	-	12	-	-	-	-	-	-
Operational Buildings	80 599	102 237	81 135	104 305	56 123	49 963	74 610	152 245	150 298
Housing	18 822	7 515	16 855	11 566	26 354	1 204	8 693	450	300
Other Assets	99 421	109 752	97 990	115 871	82 477	51 168	83 303	152 695	150 598
Licences and Rights	11 291	25 489	15 940	24 598	13 538	14 821	41 516	229 161	186 248
Intangible Assets	11 291	25 489	15 940	24 598	13 538	14 821	41 516	229 161	186 248
Computer Equipment	127 174	74 763	131 350	104 299	108 336	114 805	107 938	89 350	92 726
Furniture and Office Equipment	49 228	45 536	42 591	25 374	23 904	20 557	16 213	35 544	53 256
Machinery and Equipment	89 349	105 249	169 276	142 792	151 559	145 543	116 919	120 255	142 469
Transport Assets	155 023	207 284	88 670	92 046	121 018	127 506	256 111	353 688	127 347
Land	5 157	47 170	6 800	51 785	142 954	133 963	167 529	83 984	38 744
Total Renewal of Existing Assets	1 491 830	1 700 998	1 817 718	1 897 457	1 968 793	1 855 779	2 047 662	2 791 548	2 487 259
<i>Roads Infrastructure</i>	123 380	116 938	101 807	178 832	143 235	140 421	140 280	245 850	185 083
<i>Storm water Infrastructure</i>	20 426	15 058	15 931	2 910	6 052	5 706	7 991	40 469	27 016
<i>Electrical Infrastructure</i>	301 112	271 821	252 917	434 796	432 102	381 034	383 657	501 385	393 099
<i>Water Supply Infrastructure</i>	245 200	213 808	272 484	359 820	305 684	242 301	318 135	260 000	225 500
<i>Sanitation Infrastructure</i>	132 652	188 287	270 583	276 606	314 808	347 516	439 712	884 594	809 061
<i>Solid Waste Infrastructure</i>	-	189	-	-	-	-	-	1 300	9 500
<i>Information and Communication Infrastructure</i>	3 819	1 911	5 218	6 375	5 480	5 718	19 764	29 336	21 595
Infrastructure	826 589	808 012	918 940	1 259 339	1 207 362	1 122 696	1 309 539	1 962 935	1 670 854
Community Facilities	3 774	8 320	33 107	22 200	34 952	29 059	24 434	32 899	65 500
Sport and Recreation Facilities	-	-	3 883	6 500	1 592	797	-	5 000	10 000
Community Assets	3 774	8 320	36 990	28 700	36 544	29 856	24 434	37 899	75 500
Heritage Assets	5 074	988	597	744	905	611	-	-	-
Operational Buildings	20 078	11 322	17 523	30 272	30 365	27 145	11 276	18 480	10 854
Housing	50 012	127 394	107 866	57 129	66 979	68 569	66 795	66 795	76 814
Other Assets	70 090	138 715	125 389	87 401	97 344	95 714	78 071	85 275	87 669
Licences and Rights	9 154	6 491	9 106	12 000	11 441	8 398	10 150	9 250	9 075
Intangible Assets	9 154	6 491	9 106	12 000	11 441	8 398	10 150	9 250	9 075
Computer Equipment	119 334	120 529	133 748	61 268	83 138	79 286	67 920	67 975	60 135
Furniture and Office Equipment	8 444	13 340	4 982	9 242	12 000	6 693	13 235	15 879	106 135
Machinery and Equipment	73 924	29 515	29 992	95 417	93 241	66 008	82 167	79 044	93 542
Transport Assets	375 447	575 088	557 974	343 346	426 817	446 515	462 147	533 291	384 350

Table continues on next page

Description	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Total Upgrading of Existing Assets	1 197 004	1 700 336	1 787 158	2 172 112	1 515 456	1 458 408	1 822 301	2 940 708	2 948 608
<i>Roads Infrastructure</i>	178 381	257 828	135 960	200 528	175 023	166 447	232 574	253 740	146 664
<i>Storm water Infrastructure</i>	11 843	19 542	28 472	139 086	57 304	61 772	156 863	157 319	199 720
<i>Electrical Infrastructure</i>	40 691	23 364	5 463	124 430	68 049	63 465	187 000	301 713	128 835
<i>Water Supply Infrastructure</i>	116 584	66 367	56 243	50 472	80 000	84 205	13 500	34 067	34 067
<i>Sanitation Infrastructure</i>	325 744	649 210	681 675	897 495	566 222	514 714	525 390	859 900	1 165 585
<i>Solid Waste Infrastructure</i>	12 233	75 204	46 392	50 949	18 295	17 556	67 067	68 377	40 102
<i>Coastal Infrastructure</i>	496	1 222	6 857	42 371	13 982	16 529	55 522	147 482	150 492
<i>Information and Communication Infrastructure</i>	–	17 314	13 493	66 043	47 080	44 831	70 477	43 944	12 933
Infrastructure	685 972	1 110 050	974 556	1 571 374	1 025 955	969 519	1 308 394	1 866 541	1 878 399
Community Facilities	152 726	155 887	189 795	200 835	174 341	173 778	138 942	338 784	437 325
Sport and Recreation Facilities	86 550	97 737	299 842	73 546	71 574	69 870	68 178	173 421	110 306
Community Assets	239 275	253 624	489 637	274 380	245 915	243 648	207 119	512 205	547 631
Heritage Assets	1 293	17	31 715	–	–	–	–	–	2 100
Operational Buildings	187 846	240 715	209 083	266 861	179 504	174 743	275 101	427 618	489 070
Housing	37 201	49 961	12 699	1 203	1 373	918	245	–	–
Other Assets	225 048	290 676	221 782	268 064	180 877	175 661	275 346	427 618	489 070
Licences and Rights	23 908	14 700	41 534	6 912	5 381	11 914	21 054	127 591	8 195
Intangible Assets	23 908	14 700	41 534	6 912	5 381	11 914	21 054	127 591	8 195
Computer Equipment	225	13 134	16 487	49 811	55 547	55 443	7 088	1 452	12 213
Furniture and Office Equipment	3 845	160	175	500	647	722	300	300	–
Machinery and Equipment	17 438	17 975	11 272	1 070	1 134	1 500	3 000	5 000	11 000
Total Capital Expenditure	5 316 290	5 970 668	6 528 474	8 314 767	6 095 115	5 732 590	7 507 319	10 974 216	12 678 671
<i>Roads Infrastructure</i>	889 242	875 269	726 359	2 145 523	716 466	662 966	1 271 277	1 669 151	2 849 980
<i>Storm water Infrastructure</i>	131 027	164 315	157 556	291 665	187 785	187 646	342 872	384 915	444 092
<i>Electrical Infrastructure</i>	661 410	482 052	656 462	876 615	777 330	692 023	916 728	1 088 248	934 983
<i>Water Supply Infrastructure</i>	880 909	966 568	963 723	870 969	905 386	790 201	767 805	1 297 632	1 527 948
<i>Sanitation Infrastructure</i>	645 542	998 034	1 217 168	1 455 361	1 129 826	1 094 553	1 424 013	2 509 281	3 240 313
<i>Solid Waste Infrastructure</i>	25 755	136 278	259 657	427 709	140 520	116 528	276 455	416 980	492 462
<i>Coastal Infrastructure</i>	496	1 222	7 162	44 371	13 982	16 529	66 197	172 482	150 492
<i>Information and Communication Infrastructure</i>	73 576	42 285	51 586	129 368	103 157	96 446	192 049	169 297	87 767
Infrastructure	3 307 959	3 666 022	4 039 672	6 241 581	3 974 453	3 656 893	5 257 396	7 707 985	9 728 036
Community Facilities	451 380	369 678	446 927	496 599	435 238	448 198	365 524	670 457	775 458
Sport and Recreation Facilities	87 084	98 395	304 491	84 046	73 166	70 668	74 393	178 421	120 306
Community Assets	538 464	468 073	751 418	580 644	508 404	518 866	439 916	848 878	895 764
Heritage Assets	6 367	1 005	32 325	744	905	611	–	–	2 100
Operational Buildings	288 524	354 274	307 742	401 438	265 992	251 852	360 987	598 343	650 222
Housing	106 035	184 870	137 420	69 898	94 706	70 691	75 733	67 245	77 114
Other Assets	394 559	539 143	445 162	471 337	360 699	322 543	436 720	665 588	727 336
Licences and Rights	44 353	46 681	66 580	43 510	30 360	35 133	72 720	366 002	203 518
Intangible Assets	44 353	46 681	66 580	43 510	30 360	35 133	72 720	366 002	203 518
Computer Equipment	246 732	208 426	281 585	215 377	247 021	249 535	182 946	158 777	165 075
Furniture and Office Equipment	61 517	59 036	47 748	35 117	36 551	27 973	29 747	51 723	159 390
Machinery and Equipment	180 711	152 740	210 540	239 279	245 934	213 051	202 086	204 299	247 011
Transport Assets	530 470	782 372	646 644	435 393	547 835	574 021	718 259	886 979	511 697
Land	5 157	47 170	6 800	51 785	142 954	133 963	167 529	83 984	38 744
TOTAL CAPITAL EXPENDITURE - Asset class	5 316 290	5 970 668	6 528 474	8 314 767	6 095 115	5 732 590	7 507 319	10 974 216	12 678 671

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Description	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand									
ASSET REGISTER SUMMARY - PPE (WDV)	46 989 651	50 273 369	54 060 989	60 099 326	57 082 632	57 082 632	61 381 729	68 936 770	77 924 711
<i>Roads Infrastructure</i>	9 498 494	9 887 288	10 599 765	12 084 118	10 930 499	10 930 499	11 732 567	12 887 726	15 208 442
<i>Storm water Infrastructure</i>	890 174	984 602	1 060 144	1 326 664	1 186 091	1 186 091	1 464 990	1 783 194	2 157 139
<i>Electrical Infrastructure</i>	7 421 931	7 773 701	8 091 837	8 867 626	8 603 852	8 603 852	9 208 478	9 966 946	10 551 725
<i>Water Supply Infrastructure</i>	3 885 066	4 639 021	5 224 700	6 269 908	5 937 365	5 937 365	6 484 561	7 537 132	8 794 935
<i>Sanitation Infrastructure</i>	3 406 106	3 538 615	4 206 502	5 974 736	5 161 500	5 161 500	6 393 452	8 676 651	11 577 367
<i>Solid Waste Infrastructure</i>	534 135	521 723	502 959	1 202 467	612 410	612 410	847 410	1 209 931	1 645 712
<i>Coastal Infrastructure</i>	148 977	143 782	144 129	186 089	152 261	152 261	212 395	377 925	515 449
<i>Information and Communication Infrastructure</i>	3 997 604	4 761 803	5 592 225	4 781 956	5 601 293	5 601 293	5 694 988	5 757 916	5 732 034
Infrastructure	29 782 489	32 250 535	35 422 261	40 693 563	38 185 271	38 185 271	42 038 840	48 197 420	56 182 803
Community Assets	6 244 428	6 179 196	6 292 458	6 816 275	6 405 940	6 405 940	6 472 384	6 927 884	7 418 805
Heritage Assets	10 280	10 269	10 268	10 269	10 268	10 268	10 268	10 268	10 268
Investment properties	582 962	581 247	579 534	577 820	577 820	577 820	576 107	574 393	572 679
Other Assets	5 116 851	4 747 938	4 949 992	5 245 928	5 001 769	5 001 769	5 095 469	5 412 998	5 794 575
Intangible Assets	693 178	599 678	624 635	401 091	492 588	492 588	438 864	682 002	745 879
Computer Equipment	593 657	572 357	633 911	633 916	622 454	622 454	565 874	498 405	465 931
Furniture and Office Equipment	338 363	356 140	385 292	532 357	316 325	316 325	285 609	277 246	366 442
Machinery and Equipment	544 245	526 554	480 596	479 284	605 219	605 219	624 981	643 383	675 697
Transport Assets	2 060 727	3 329 467	3 563 803	3 592 371	3 657 767	3 657 767	3 898 595	4 254 048	4 194 164
Land	1 022 473	1 119 988	1 118 239	1 116 453	1 207 210	1 207 210	1 374 740	1 458 724	1 497 468
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	46 989 651	50 273 369	54 060 989	60 099 326	57 082 632	57 082 632	61 381 729	68 936 770	77 924 711
EXPENDITURE OTHER ITEMS	6 616 524	6 635 245	6 540 125	7 266 740	7 641 818	7 641 818	7 968 449	8 556 392	8 991 235
Depreciation	2 836 129	2 926 971	2 873 505	3 013 855	3 073 473	3 073 473	3 208 222	3 419 174	3 690 730
Repairs and Maintenance by Asset Class	3 780 395	3 708 274	3 666 620	4 252 885	4 568 346	4 568 346	4 760 227	5 137 218	5 300 505
<i>Roads Infrastructure</i>	596 375	555 000	417 198	637 154	615 751	615 751	708 812	740 831	774 451
<i>Storm water Infrastructure</i>	-	-	-	140 345	-	-	148 037	154 853	162 010
<i>Electrical Infrastructure</i>	507 109	474 450	460 718	542 654	544 317	544 317	596 334	609 489	623 224
<i>Water Supply Infrastructure</i>	400 456	389 894	430 692	411 499	509 960	509 960	381 433	394 715	420 621
<i>Sanitation Infrastructure</i>	384 042	437 293	552 692	334 708	620 582	620 582	373 761	387 286	401 464
<i>Solid Waste Infrastructure</i>	1 728	1 384	945	8 653	2 161	2 161	11 558	11 558	11 558
<i>Coastal Infrastructure</i>	-	-	-	3 994	-	-	3 994	3 994	3 994
Infrastructure	1 889 711	1 858 022	1 862 246	2 079 007	2 292 771	2 292 771	2 223 929	2 302 726	2 397 321
<i>Community Facilities</i>	120 476	116 996	131 941	228 329	101 866	101 866	486 075	717 613	726 702
<i>Sport and Recreation Facilities</i>	363 389	361 851	386 600	67 613	362 629	362 629	95 399	99 656	104 127
Community Assets	483 865	478 847	518 541	295 941	464 495	464 495	581 473	817 269	830 829
Heritage Assets	266	219	3 626	1 912	904	904	2 832	2 917	3 005
<i>Revenue Generating</i>	132	57	99	10 096	219	219	6 629	6 629	6 629
<i>Non-revenue Generating</i>	3 328	152	1	11	10	10	10	10	10
Investment properties	3 459	209	100	10 107	229	229	6 639	6 639	6 639
<i>Operational Buildings</i>	161 132	125 817	130 727	189 833	200 878	200 878	247 129	255 338	263 954
<i>Housing</i>	-	-	-	14 990	-	-	19 148	19 150	19 152
Other Assets	161 132	125 817	130 727	204 823	200 878	200 878	266 277	274 487	283 106
Computer Equipment	214 045	159 862	234 027	427 869	257 896	257 896	431 201	444 451	458 364
Furniture and Office Equipment	557 451	690 643	600 104	770 057	871 642	871 642	334 180	348 249	356 648
Machinery and Equipment	-	-	-	2 069	-	-	393 020	407 054	417 791
Transport Assets	470 466	394 655	317 250	461 100	479 530	479 530	520 676	533 425	546 803
TOTAL EXPENDITURE OTHER ITEMS	6 616 524	6 635 245	6 540 125	7 266 740	7 641 818	7 641 818	7 968 449	8 556 392	8 991 235
<i>Renewal and upgrading of Existing Assets as % of total capex</i>	50.6%	57.0%	55.2%	48.9%	57.2%	57.8%	51.5%	52.2%	42.9%
<i>Renewal and upgrading of Existing Assets as % of deprecn R&M as a % of PPE</i>	94.8%	116.2%	125.5%	135.0%	113.4%	107.8%	120.6%	167.7%	147.3%
<i>R&M as a % of PPE</i>	8.3%	7.6%	6.9%	7.2%	8.2%	8.2%	7.9%	7.6%	6.9%
<i>Renewal and upgrading and R&M as a % of PPE</i>	14.0%	14.0%	13.0%	14.0%	14.0%	14.0%	14.0%	16.0%	14.0%

Explanatory notes to Table A9 – Asset Management

1. Table A9 provides an overview of municipal capital allocations to building new assets and renewal of existing assets, as well as spending on repairs and maintenance by asset class.
2. The following chart provides an analysis between depreciation (including capital asset impairment) and operational repairs and maintenance over the MTREF. It highlights the City’s strategy to address the maintenance backlog. To ensure compliance the City will embark on an asset creation project which will be finalised over a couple of years.

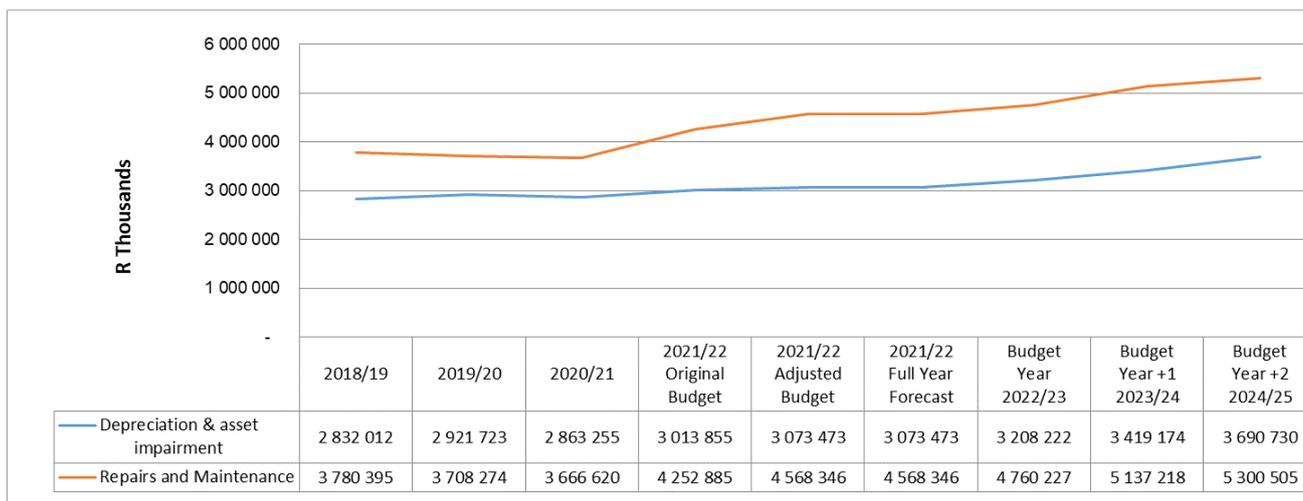


Figure 8 Depreciation in relation to repairs and maintenance for previous years and over the MTREF

Table 31 - MBRR Table A10 - Basic Service Delivery Measurement

Description	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Household service targets									
Water:									
Piped water inside dwelling	1 190 854	1 214 760	1 256 146	1 310 286	1 310 286	1 310 286	1 328 617	1 351 464	1 374 568
Piped water inside yard (but not in dwelling)	-	-	-	-	-	-	-	-	-
Using public tap (at least min.service level)	165 105	168 419	174 157	181 663	181 663	181 663	184 205	187 372	190 575
Other water supply (at least min.service level)	-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>	1 355 959	1 383 179	1 430 303	1 491 949	1 491 949	1 491 949	1 512 822	1 538 836	1 565 143
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	1 355 959	1 383 179	1 430 303	1 491 949	1 491 949	1 491 949	1 512 822	1 538 836	1 565 143
Sanitation/sewerage:									
Flush toilet (connected to sewerage)	1 275 391	1 285 080	1 329 491	1 384 841	1 384 841	1 384 841	1 404 012	1 429 241	1 452 156
Flush toilet (with septic tank)	-	-	-	-	-	-	-	-	-
Chemical toilet	26 392	35 120	39 765	62 330	62 330	62 330	63 105	63 105	63 105
Pit toilet (ventilated)	197	197	197	197	197	197	197	197	197
Other toilet provisions (> min.service level)	53 830	62 633	60 850	44 581	44 581	44 581	45 508	46 293	49 685
<i>Minimum Service Level and Above sub-total</i>	1 355 810	1 383 030	1 430 303	1 491 949	1 491 949	1 491 949	1 512 822	1 538 836	1 565 143
Bucket toilet	149	149	-	-	-	-	-	-	-
Other toilet provisions (< min.service level)	-	-	-	-	-	-	-	-	-
No toilet provisions	-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>	149	149	-	-	-	-	-	-	-
Total number of households	1 355 959	1 383 179	1 430 303	1 491 949	1 491 949	1 491 949	1 512 822	1 538 836	1 565 143
Energy:									
Electricity (at least min.service level)	841 791	883 767	844 162	845 662	845 662	845 662	847 162	848 662	850 162
Electricity - prepaid (min.service level)	-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>	841 791	883 767	844 162	845 662	845 662	845 662	847 162	848 662	850 162
Electricity (< min.service level)	31 126	29 130	27 409	26 130	26 130	26 130	24 630	23 130	21 630
Electricity - prepaid (< min. service level)	-	-	-	-	-	-	-	-	-
Other energy sources	-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>	31 126	29 130	27 409	26 130	26 130	26 130	24 630	23 130	21 630
Total number of households	872 917	912 897	871 571	871 792	871 792	871 792	871 792	871 792	871 792
Refuse:									
Removed at least once a week	944 616	958 534	935 447	954 156	954 156	954 156	1 071 453	1 115 178	1 162 007
<i>Minimum Service Level and Above sub-total</i>	944 616	958 534	935 447	954 156	954 156	954 156	1 071 453	1 115 178	1 162 007
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	944 616	958 534	935 447	954 156	954 156	954 156	1 071 453	1 115 178	1 162 007
Households receiving Free Basic Service									
Water (6 kilolitres per household per month)	267 325	270 025	253 851	250 413	250 413	250 413	240 091	240 091	240 091
Sanitation (free minimum level service)	267 325	270 025	253 851	250 413	250 413	250 413	240 091	240 091	240 091
Electricity/other energy (50kwh per household per month)	183 070	166 389	179 943	184 570	184 570	184 570	184 570	184 570	184 570
Refuse (removed at least once a week)	304 437	310 526	264 761	270 056	270 056	270 056	270 035	270 035	270 035

Table continues on next page

Description	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Cost of Free Basic Services provided - Formal Settlements (R'000)									
Water (6 kilolitres per indigent household per month)	368 203	449 106	408 131	441 368	441 368	441 368	283 602	297 782	323 986
Sanitation (free sanitation service to indigent households)	233 221	232 446	251 148	295 201	295 201	295 201	242 531	254 658	277 068
Electricity/other energy (50kwh per indigent household per month)	125 999	125 999	106 000	119 430	119 430	119 430	117 303	135 555	153 679
Refuse (removed once a week for indigent households)	280 000	287 133	313 332	311 132	311 132	311 132	356 132	356 132	356 132
Cost of Free Basic Services provided - Informal Formal	534 234	612 579	767 270	1 178 335	1 196 781	1 217 993	1 136 448	1 185 983	1 243 320
Total cost of FBS provided	1 541 657	1 707 262	1 845 882	2 345 466	2 363 911	2 385 124	2 136 016	2 230 109	2 354 185
Highest level of free service provided per household									
Property rates (R value threshold)	–	–	285 000	285 000	285 000	285 000	285 000	285 000	285 000
Water (kilolitres per household per month)	6	6	6	11	11	11	15	15	15
Sanitation (kilolitres per household per month)	4	4	4	7	7	7	11	11	11
Sanitation (Rand per household per month)	–	–	–	–	–	–	–	–	–
Electricity (kwh per household per month)	60	60	60	60	60	60	60	60	60
Refuse (average litres per week)	240	240	240	240	240	240	240	240	240
Revenue cost of subsidised services provided (R'000)									
Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)	–	–	–	–	–	–	–	–	–
Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)	1 450 216	1 191 840	1 277 662	1 358 195	1 357 171	1 357 171	1 456 700	1 570 385	1 700 724
Water (in excess of 6 kilolitres per indigent household per month)	–	0	–	–	–	–	203 884	214 078	232 917
Sanitation (in excess of free sanitation service to indigent households)	–	–	–	–	–	–	174 358	183 076	199 187
Electricity/other energy (in excess of 50 kwh per indigent household per month)	–	–	–	–	–	–	15 616	18 046	20 459
Refuse (in excess of one removal a week for indigent households)	–	–	–	–	–	–	–	–	–
Municipal Housing - rental rebates	28 319	41 885	27 356	31 679	31 679	31 679	22 850	23 901	25 001
Housing - top structure subsidies	–	–	–	–	–	–	–	–	–
Other	–	–	–	–	–	–	–	–	–
Total revenue cost of subsidised services provided	1 478 535	1 233 725	1 305 018	1 389 874	1 388 850	1 388 850	1 873 408	2 009 487	2 178 287

Explanatory notes to Table A10 – Basic Service Delivery Measurement

1. Table A10 provides an overview of service delivery levels, including backlogs (below minimum service level), for each of the main services.
2. The City is persistently striving to eradicate backlogs. The City’s backlog status is as follows:
 - a) Water services: Cape Town’s population, both formal and informal settlements, receives potable water in accordance with the National minimum standards as required by the Water Services Act 108 (of 1997).
 - b) Sanitation services: Cape Town’s population, both formal and informal settlements, receives sanitation services in accordance with the National minimum standards. Funding is still provided to further improve the service levels in Informal Settlements in line with the City’s strategy.
 - c) Electricity services: The electrification strategy is to reduce the backlog by 1 500 annually over the 2022/23 MTREF.
 - d) Refuse services: This service does not have any backlogs.
3. The associated cost of providing free basic services is projected to escalate from R2 136 million in 2022/23 to R2 354 million in 2024/25.
 - a) The cost of free basic services for water and sanitation reflects a reduction when compared to the 2021/22 financial year. This is predominantly due to a change in the calculating methodology. The amounts calculated for 2022/23 is based on projected actuals for the new financial years as opposed to the ‘allocation per property/informal settlement household’ approach that was used in prior years.
 - b) The cost of providing free basic services as reflected on Table A10 does not reflect the full cost to the City of providing these services. The true cost of providing free basic services is R4.7 billion as reflected in the ensuing table.

Category	Table A10 Cost of Free Basic Services	Actual Cost of Free Basic Services	Table A10 Understated
R Thousand			
Energy	268 592	995 530	711 321
Water	455 426	639 149	197 650
Sanitation	766 012	940 370	174 358
Refuse	630 370	753 642	123 272
Property Rates	1 456 700	1 456 700	-
Total	3 577 100	4 785 391	1 206 602

4. The following assumptions are applied when determining the number of households per service:
 - a) Water & Sanitation: The number of households is based on the StatsSA 2021 Mid-Year Population Estimates.
 - b) Energy: The City supplies only part of the Metro and provides electricity connections irrespective of the number of households.
 - c) Refuse: Formal household numbers are determined by monthly billing data and informal settlement dwelling numbers are determined through an annual auditable dwelling count process.

Part 2 – Supporting Documentation

2.1 Overview of annual budget process

2.1.1 Mayoral oversight and responsibility

Section 53 of the MFMA requires the mayor of a municipality to provide general political guidance over the budget process and the priorities that guide the preparation of the budget.

In addition, Regulation 4 of the Municipal Budget and Reporting Regulations (MBRR) states that:

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

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

2.1.2 Budget process overview

Section 21 of the MFMA requires the Mayor to table a time schedule, which sets out the process to draft the IDP and prepare the budget, ten months before the start of the new financial year. The IDP- and Budget Time Schedule was adopted by Council on 29 July 2021.

The City's annual Strategic Management Framework's (SMF) process informs planning over the next financial year and helps ensure delivery on the strategic objectives set out in the IDP. The three-pronged approach of the SMF process commenced with the strategic review in July 2021 followed by the Operational- and Item Review. The Strategic Review provided an opportunity to consider critical issues that may affect the organisation over the MTREF, and laid out important priorities, which inform the planning imperatives over the MTREF. Following the Strategic Review engagement, the City Manager, in August 2021, issued the Strategy Brief including the key priorities to be considered in preparation of the MTREF as follows:

- Focus on core mandates;
- Deliver excellent essential services sustainably and resiliently;
- Exercise financial discipline and maintain financial sustainability;
- Facilitate economic growth;
- Improving safety;
- Enable inclusivity and integration;
- Build resilience; and
- Modernise and digitise City government.

A revised Strategy Brief was issued in November 2021 – post the local government elections - to take into account the incoming Executive Mayor’s seven priorities, which are:

- End load shedding in Cape Town over time;
- Make Cape Town safer by investing in law enforcement resources;
- Create new jobs by making Cape Town the easiest place to do business in Africa;
- Make public transport work by fighting for control over railways and funding to expand the MyCiTi bus service;
- Do the basics better and take service delivery into the digital age so that every Capetonian can live a life of dignity;
- Release state-owned land so the private sector can deliver more affordable housing for Capetonians; and
- Clean up Cape Town’s public spaces, streets and waterways.

The timeline below sets out the processes followed in preparation of the 2022/23 MTREF.

July 2021

- Tabling of 2022/23 IDP and Budget Time Schedule at Council.
- Commencement of financial technical sessions to formulate proposals in achieving a realistic, deliverable and affordable MTREF (June 2021).
- Budget Steering Committee (BSC), and SMF strategic review.

August – October 2021

- Issue of a Strategy Brief by the Executive Mayor and the City Manager to Executive Directors and Mayoral Committee (MayCo) members in preparation of the SMF Operational Review (mid-August 2021).
- Continuation of various finance technical sessions to formulate proposals to achieve a realistic, deliverable and affordable MTREF (included for reviewing the borrowing strategy and initiatives to reduce revenue parameters) (August 2021).
- Presentations to BSC included technical assessment of the outcome of the 2020/21 financial year and its impact on the 2022/23 MTREF, update on latest LTFP outcome and presentations by Trading Services (Water & Sanitation, Energy and Solid Waste) on proposed financial plans and tariffs (September 2021).
- SMF Operational Review where Executive Directors presented their operational budget proposals and alignment to strategy in responding to the Strategy Brief (October 2021).

November - December 2021

- Local government elections took place on 1 November 2021, which required a revised plan for briefing the incoming political structure.
- Various meetings with the Executive Mayor, which included briefings on budget timelines, latest LTFP model positions to inform the 2022/23 MTREF, the 2021/22 mid-year review and performance assessment, and related adjustments budget, and update on the SMF process impacting the MTREF (November and December 2021).
- Refinement of the LTFP model to ensure a credible, affordable and sustainable budget over the medium term and presentation of parameters and assumptions for endorsements budget proposals.
- Conclusion of Project Readiness Assessment on proposed capital budget (SMF Item Review) (December 2021).

January and February 2022

- Presentation of proposed rates and tariffs and the outcome of the Total Municipal Account (TMA) i.e. the impact of the proposed tariffs on the consumer to BSC and BSM.
- Preparation of detailed operating- and capital budget.

March to May 2022

- Draft 2022/23 operating- and capital budget, and new IDP scheduled tabled at Council on 31 March 2022.
- The budget, IDP and tariff proposals was published for comment and consultation as part of the public participation process from 1 April to 3 May 2022.
- Comments received as a result of the public participation process to be submitted to the MayCo for consideration.
- A combined 2022/23 SIME/LGMTEC and the National Treasury 2023 Municipal Benchmark Engagement took place on 3 May 2022.
- 2022/23 MTREF budget and IDP scheduled for consideration and adoption by Council on 31 May 2022.

2.1.3 Integrated Development Plan (IDP)

The IDP is the City's principal strategic planning instrument, which guides and informs on-going strategic planning, management and development actions. The IDP represents the City administration's commitment to exercise its executive authority. The 5-Year (2022 - 2027) Term of Office Plan, is in line with National- and Provincial government legislation and is effectively the local government's blueprint by which it strives to realise its vision for Cape Town in the short-, medium- and long term.

The 5-Year (2022 - 2027) Term of Office IDP was developed in line with the Term of Office IDP Process Plan. The IDP will be tabled at Council in March 2022 under separate cover.

Section 25(1) of the Municipal Systems Act (MSA) - Adoption of Integrated Development Plans

Each municipal council must, within a prescribed period after the start of its elected term, adopt a single, inclusive and strategic plan for the development of the municipality which –

- *links, integrates and co-ordinates plans and takes into account proposals for the development of the municipality;*
- *aligns the resources and capacity of the municipality with the implementation of the plan;*
- *forms the policy framework and general basis on which annual budgets must be based;*
- *complies with the provisions of this Chapter; and*
- *is compatible with national and provincial development plans and planning requirements binding on the municipality in terms of legislation.*

Section 28 of the Municipal Systems Act (MSA) - Adoption of process

- *Each municipal council, within a prescribed period after the start of its elected term, must adopt a process set out in writing to guide the planning, drafting, adoption and review of its integrated development plan.*
- *The municipality must through appropriate mechanisms, processes and procedures established in terms of Chapter 4, consult the local community before adopting the process.*
- *A municipality must give notice to the local community of particulars of the process it intends to follow.*

Section 29(1) of the Municipal Systems Act (MSA) - Process to be followed

- *The process followed by a municipality to draft its integrated development plan, including its consideration and adoption of the draft plan, must –*
 - *be in accordance with a predetermined programme specifying timeframes for the different steps;*
 - *through appropriate mechanisms, processes and procedures established in terms of Chapter 4, allow for –*
 - *the local community to be consulted on its development needs and priorities;*
 - *the local community to participate in the drafting of the integrated development plan; and*
 - *organs of state, including traditional authorities, and other role players to be identified and consulted on the drafting of the integrated development plan;*
 - *provide for the identification of all plans and planning requirements binding on the municipality in terms of national and provincial legislation; and*
 - *be consistent with any other matters that may be prescribed by regulation.*

2.2 Overview of alignment of annual budget with Integrated Development Plan (IDP) and Service Delivery and Budget Implementation Plan (SDBIP)

The City's priority, objectives and programmes are set out in its IDP, which provides the strategic framework that guides the City's planning, budgeting and service delivery implementation through the Corporate Scorecard and SDBIPs over the course of the 5-year political term. These documents are aligned to ensure effective and efficient service delivery.

The IDP's priorities and foundations are translated into 16 objectives, which are broken down into programmes and projects that are underpinned by the budget.

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

The City's SDBIP has various components i.e Corporate (Five-Year and One-Year) and the Directorate SDBIPs. The Corporate SDBIP contains the Corporate One-Year Scorecard and other budget related information, which is the strategic tool used by the City to ensure service delivery and for the community to monitor the implementation and progress against set targets.

The Five-Year Corporate scorecard contains annual targets for the term of office and forms part of the IDP. National Treasury MFMA Circular 88 requires that outcome indicators must find expression in the IDP and the Circular Outcomes Scorecard contains prescribed outcomes indicators as determined by NT. The outcomes indicators are separately disclosed from the corporate scorecard as it contains external data such as StatsSA household data, which is predominantly not under the City's 'area of control' but forms part of the City's 'area of concern'. The City monitors and tracks a range of trends to understand the environment in which it operates. This is measured on an annual basis. These documents are approved by council as part of the IDP.

The One-Year Corporate Scorecard contains quarterly targets for the 2022/23 financial year and is referred to as the Corporate SDBIP. The Corporate SDBIP contains budget information and sets out how the City intends spending the budget for the financial year.

The figure below provides a graphical display of the link between SDBIP and corporate scorecard.

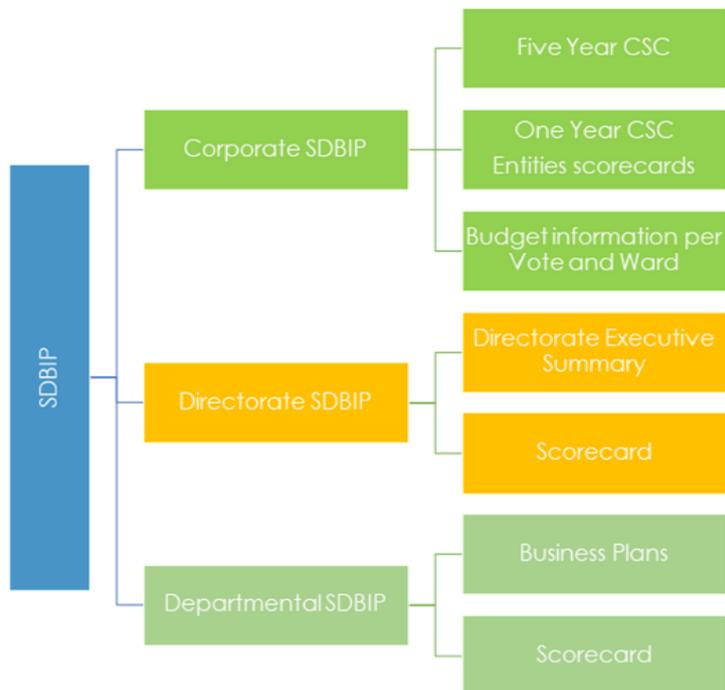


Figure 9 Link between SDBIP and corporate scorecard

2.2.1 Service Delivery and Budget Implementation Plan (SDBIP)

The Corporate SDBIP sets out various components in the format required by NT. It includes the City’s One-Year Corporate Scorecard as well as the Municipal Entities’ Scorecards.

These scorecards reflect the measurable performance indicators for quarterly- and annual targets.

The corporate SDBIP has several components:

- One-Year Corporate scorecard for the City;
- Circular 88 Scorecard as prescribed by NT;
- Cape Town Stadium (CTS) scorecard; and
- Cape Town International Convention Centre (CTICC) scorecard.

The balance of the components of the City’s SDBIP (i.e. revenue to be collected, by source and operating- and capital expenditure by vote) includes projections for each month and are presented in MBRR table SA25 on page 145, table SA26 on page 147 and table SA28 on page 150.

The entities’ scorecards are disclosed in terms of section 93B(a) and (b) and 93C (iv) and (v) of the Municipal Systems Act (MSA) and section 87(5)(d) of the MFMA.

Detailed departmental SDBIPs are published on the City’s website and may be accessed at www.capetown.gov.za.

The vision of the City

The vision of the City (as set out in the IDP) is to be a City of Hope for all – a prosperous, inclusive and healthy city where people can see their hopes of a better future for themselves, their children and community become a reality.

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

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

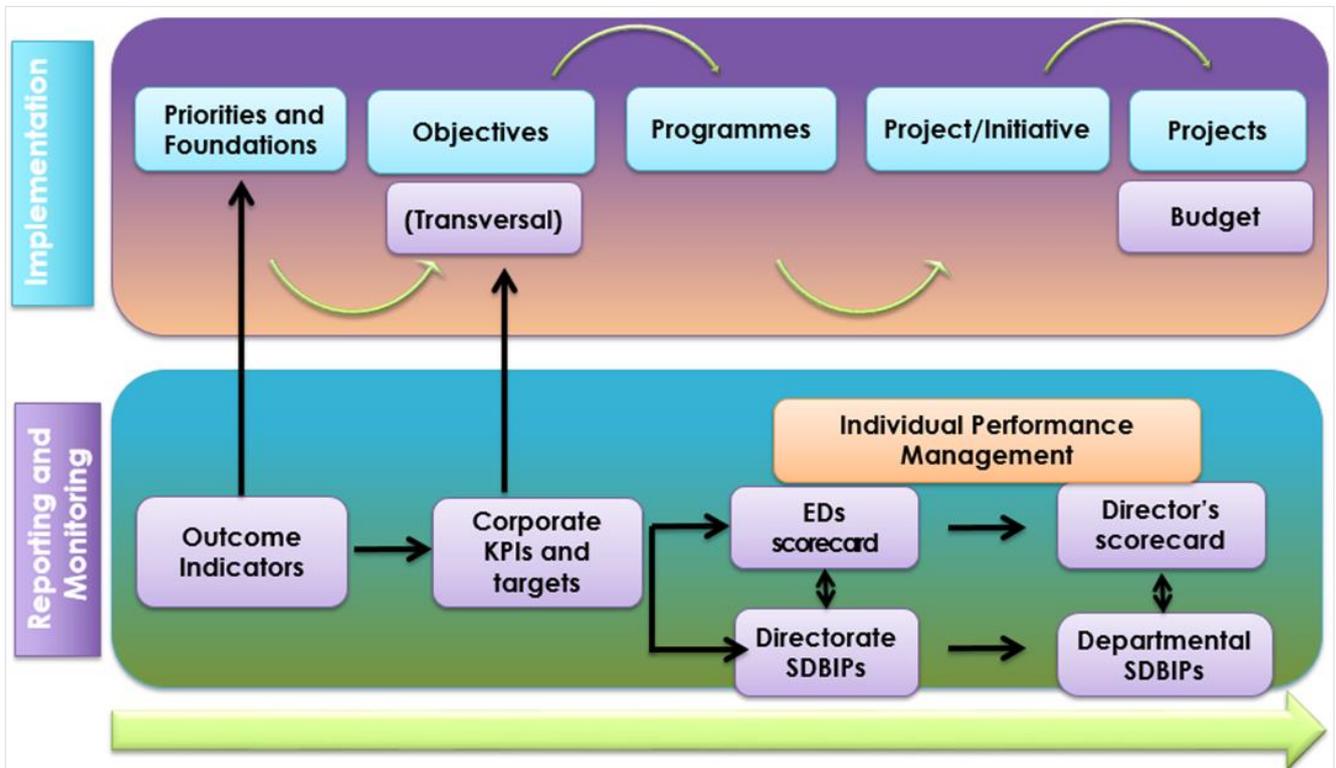


Figure 10 IDP and Budget link

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

Table 32 - MBRR Table SA4 - Reconciliation between the IDP strategic objective and budgeted revenue

Strategic Objective	Goal	Goal Code	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand											
Opportunity City	Position Cape Town as globally competitive City	1.1	363 337	356 781	504 345	2 398 261	2 540 506	2 540 506	–	–	–
	Leveraging Technology for Progress	1.2	18 014	15 272	15 308	15 385	15 385	15 385	–	–	–
	Economic Inclusion	1.3	14	4	2	–	17 600	17 600	–	–	–
	Resource Efficiency and Security	1.4	42 040	53 936	53 265	44 729	54 152	54 152	–	–	–
Safe City	Safe Communities	2.1	1 392 978	1 445 612	1 959 597	1 703 026	1 688 314	1 688 314	–	–	–
Caring City	Excellence in Basic Service delivery	3.1	20 476 786	21 481 701	21 630 669	23 697 098	26 100 268	26 100 268	–	–	–
	Basic service to informal settlements and backyarders	3.2	47 823	146 805	246 530	126 659	126 765	126 765	–	–	–
Inclusive City	Dense & Transit Orientated Urban Growth & Development	4.1	7 604	1 247	30 484	50 864	68 263	68 263	–	–	–
	An Efficient Integrated Transport System	4.2	675 155	695 061	714 695	719 833	765 336	765 336	–	–	–
	Building Integrated Communities	4.3	706 133	727 090	981 266	804 041	895 675	895 675	–	–	–
Well-Run City	Operational sustainability	5.1	16 460 487	17 458 035	17 277 307	18 083 687	18 404 020	18 404 020	–	–	–
Economic Growth	Increased Jobs and Investment within the Cape Town economy	1	–	–	–	–	–	–	565 121	546 910	528 789
Basic Services	Improved access to quality and reliable basic services	2	–	–	–	–	–	–	12 781	1	1
	End load shedding in Cape Town over time	3	–	–	–	–	–	–	5	3	3
	Well-managed and modernised infrastructure to support economic growth	4	–	–	–	–	–	–	30 837 216	33 974 069	37 300 018
Safety	Effective law enforcement to make communities safer	5	–	–	–	–	–	–	1 744 823	1 692 453	1 693 010
	Partner with communities to improve public safety	6	–	–	–	–	–	–	–	–	–
Housing	Increased supply of affordable, well located homes	7	–	–	–	–	–	–	983 193	1 059 018	1 140 471
	Safer, better quality homes in informal settlements and backyards over time	8	–	–	–	–	–	–	69 021	42 234	31 525
Public Space, Environment and Amenities	Healthy and sustainable environment	9	–	–	–	–	–	–	899 048	884 942	900 433
	Clean and healthy waterways and beaches	10	–	–	–	–	–	–	7 024	7 333	7 656
	Quality and safe parks and recreation facilities	11	–	–	–	–	–	–	97 863	101 235	89 754
Transport	Efficient, safe and affordable travel options for all	12	–	–	–	–	–	–	844 281	816 262	821 190
	Safe and quality roads for vehicles, cyclists and pedestrians	13	–	–	–	–	–	–	–	–	–
A Resilient City	A Resilient City	14	–	–	–	–	–	–	13 785	14 392	15 025
A More Spatially Integrated and Inclusive City	A More Spatially Integrated and Inclusive City	15	–	–	–	–	–	–	3 438	3 668	589
A Capable and Collaborative City Government	A Capable, Collaborative and Financially Sustainable City Government	16	–	–	–	–	–	–	17 208 376	17 939 407	18 762 089
Total Revenue (excluding capital transfers and contributions)			40 190 370	42 381 544	43 413 467	47 643 584	50 676 285	50 676 285	53 285 974	57 081 926	61 290 550

Table 33 - MBRR Table SA5 - Reconciliation between the IDP strategic objectives and budgeted operating expenditure

Strategic Objective	Goal	Goal Code	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand											
Opportunity City	Position Cape Town as globally competitive City	1.1	5 665 438	6 131 888	6 384 898	8 588 834	7 033 603	7 033 603	–	–	–
	Leveraging Technology for Progress	1.2	457 398	464 624	577 978	563 055	560 811	560 811	–	–	–
	Economic Inclusion	1.3	52 217	41 107	72 065	79 022	81 460	81 460	–	–	–
	Resource Efficiency and Security	1.4	366 513	563 930	440 413	446 416	442 579	442 579	–	–	–
Safe City	Safe Communities	2.1	3 368 186	3 872 380	4 533 221	4 676 340	4 640 612	4 640 612	–	–	–
Caring City	Excellence in Basic Service delivery	3.1	16 296 726	19 110 717	19 572 515	21 941 471	26 581 387	26 581 387	–	–	–
	Basic service to informal settlements and backyarders	3.2	624 026	841 544	1 017 901	1 160 863	945 873	945 873	–	–	–
Inclusive City	Dense & Transit Orientated Urban Growth & Development	4.1	46 821	46 038	75 749	100 575	119 123	119 123	–	–	–
	An Efficient Integrated Transport System	4.2	1 792 282	1 671 670	1 782 862	1 902 604	1 938 215	1 938 215	–	–	–
	Building Integrated Communities	4.3	1 348 239	1 530 989	1 848 254	1 903 304	1 938 819	1 938 819	–	–	–
Well-Run City	Operational sustainability	5.1	6 061 184	5 689 082	6 854 402	6 912 346	6 955 353	6 955 353	–	–	–
Economic Growth	Increased Jobs and Investment within the Cape Town economy	1	–	–	–	–	–	–	1 558 572	1 547 900	1 552 674
Basic Services	Improved access to quality and reliable basic services	2	–	–	–	–	–	–	977 070	942 349	950 652
	End load shedding in Cape Town over time	3	–	–	–	–	–	–	12 474 607	14 487 586	16 537 364
	Well-managed and modernised infrastructure to support economic growth	4	–	–	–	–	–	–	14 716 866	15 257 147	16 004 317
Safety	Effective law enforcement to make communities safer	5	–	–	–	–	–	–	4 148 594	4 479 355	4 682 166
	Partner with communities to improve public safety	6	–	–	–	–	–	–	24 997	26 091	27 061
Housing	Increased supply of affordable, well located homes	7	–	–	–	–	–	–	1 411 897	1 495 687	1 593 976
	Safer, better quality homes in informal settlements and backyards over time	8	–	–	–	–	–	–	199 867	179 492	177 420
Public Space, Environment and Amenities	Healthy and sustainable environment	9	–	–	–	–	–	–	2 151 504	2 270 990	2 410 685
	Clean and healthy waterways and beaches	10	–	–	–	–	–	–	229 344	238 216	257 324
	Quality and safe parks and recreation facilities	11	–	–	–	–	–	–	2 272 495	2 385 502	2 497 808
Transport	Efficient, safe and affordable travel options for all	12	–	–	–	–	–	–	3 848 458	3 941 056	4 062 313
	Safe and quality roads for vehicles, cyclists and pedestrians	13	–	–	–	–	–	–	–	–	–
A Resilient City	A Resilient City	14	–	–	–	–	–	–	899 505	942 272	992 066
A More Spatially Integrated and Inclusive City	A More Spatially Integrated and Inclusive City	15	–	–	–	–	–	–	408 229	419 428	436 839
A Capable and Collaborative City Government	A Capable, Collaborative and Financially Sustainable City Government	16	–	–	–	–	–	–	8 475 040	9 183 134	9 927 186
Total Expenditure			36 079 031	39 963 971	43 160 260	48 274 831	51 237 836	51 237 836	53 797 046	57 796 203	62 109 851

Table 34 - MBRR Table SA6 - Reconciliation between the IDP strategic objectives and budgeted capital expenditure

Strategic Objective	Goal	Goal Code	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand											
Opportunity City	Position CT as a forward looking business City	1.1	783 172	793 017	929 153	1 041 555	950 562	883 691	-	-	-
	Leveraging Technology for Progress	1.2	92 551	29 469	34 622	37 000	41 699	41 669	-	-	-
	Economic Inclusion	1.3	7 916	12 228	8 568	68 794	3 341	3 157	-	-	-
	Natural Resource and Environment Sustain	1.4	76 512	127 430	223 172	563 942	183 433	153 342	-	-	-
Safe City	Safe Communities	2.1	190 015	495 067	422 926	276 313	249 142	247 728	-	-	-
Caring City	Excellence in Basic Service Delivery	3.1	2 003 607	2 073 805	2 202 161	2 459 557	2 247 866	2 051 510	-	-	-
	Basic service to informal settlements and backyards	3.2	308 190	411 975	517 460	580 573	558 228	575 023	-	-	-
Inclusive City	Dense and Transit Urban Growth and Development	4.1	195 475	243 814	221 346	435 641	153 544	126 517	-	-	-
	Efficient Integrated Transport System	4.2	346 178	287 644	419 420	1 023 510	336 953	333 693	-	-	-
	Building Integrated Communities	4.3	396 169	546 328	453 107	769 792	349 461	331 628	-	-	-
Well-run City	Operational sustainability	5.1	916 505	949 891	1 096 540	1 058 088	1 020 884	984 631	-	-	-
Economic Growth	Increased Jobs and Investment in the Cape Town economy	1	-	-	-	-	-	-	234 403	264 871	365 611
Basic Services	Improved access to quality and reliable basic services	2	-	-	-	-	-	-	106 700	105 550	106 350
	End load shedding in Cape Town over time	3	-	-	-	-	-	-	111 805	183 270	141 816
	Well-managed and modernised infrastructure to support economic growth	4	-	-	-	-	-	-	3 322 579	5 138 347	5 807 798
Safety	Effective law enforcement to make communities safer	5	-	-	-	-	-	-	188 351	150 061	208 887
	Strengthen Partnerships for safer communities	6	-	-	-	-	-	-	200	2 300	6 900
Housing	Increased supply of affordable, well located homes	7	-	-	-	-	-	-	548 402	566 137	627 445
	Safer, better quality homes in informal settlements and backyards over time	8	-	-	-	-	-	-	317 026	315 425	363 173
Public Space, Environment and Amenities	Healthy and sustainable environment	9	-	-	-	-	-	-	109 161	123 761	209 560
	Clean and healthy waterways and beaches	10	-	-	-	-	-	-	89 350	235 623	248 523
	Quality and safe parks and recreation facilities supported by community partnerships	11	-	-	-	-	-	-	164 733	327 871	201 773
Transport	An integrated, efficient transport system that provides safe and affordable travel options for all	12	-	-	-	-	-	-	1 094 031	1 653 588	2 501 446
	Safe and quality roads for vehicles, cyclists and pedestrians	13	-	-	-	-	-	-	286 345	419 893	474 227
A Resilient City	A Resilient City	14	-	-	-	-	-	-	197 823	183 895	259 610
A more spatially integrated and inclusive city	A more spatially integrated and inclusive city	15	-	-	-	-	-	-	2 208	1 023	16 023
A capable and collaborative City government	A capable and collaborative City government	16	-	-	-	-	-	-	734 202	1 302 603	1 139 530
Total Capital Expenditure			5 316 290	5 970 668	6 528 474	8 314 767	6 095 115	5 732 590	7 507 319	10 974 216	12 678 671

2.3 Measurable performance objectives and indicators

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

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

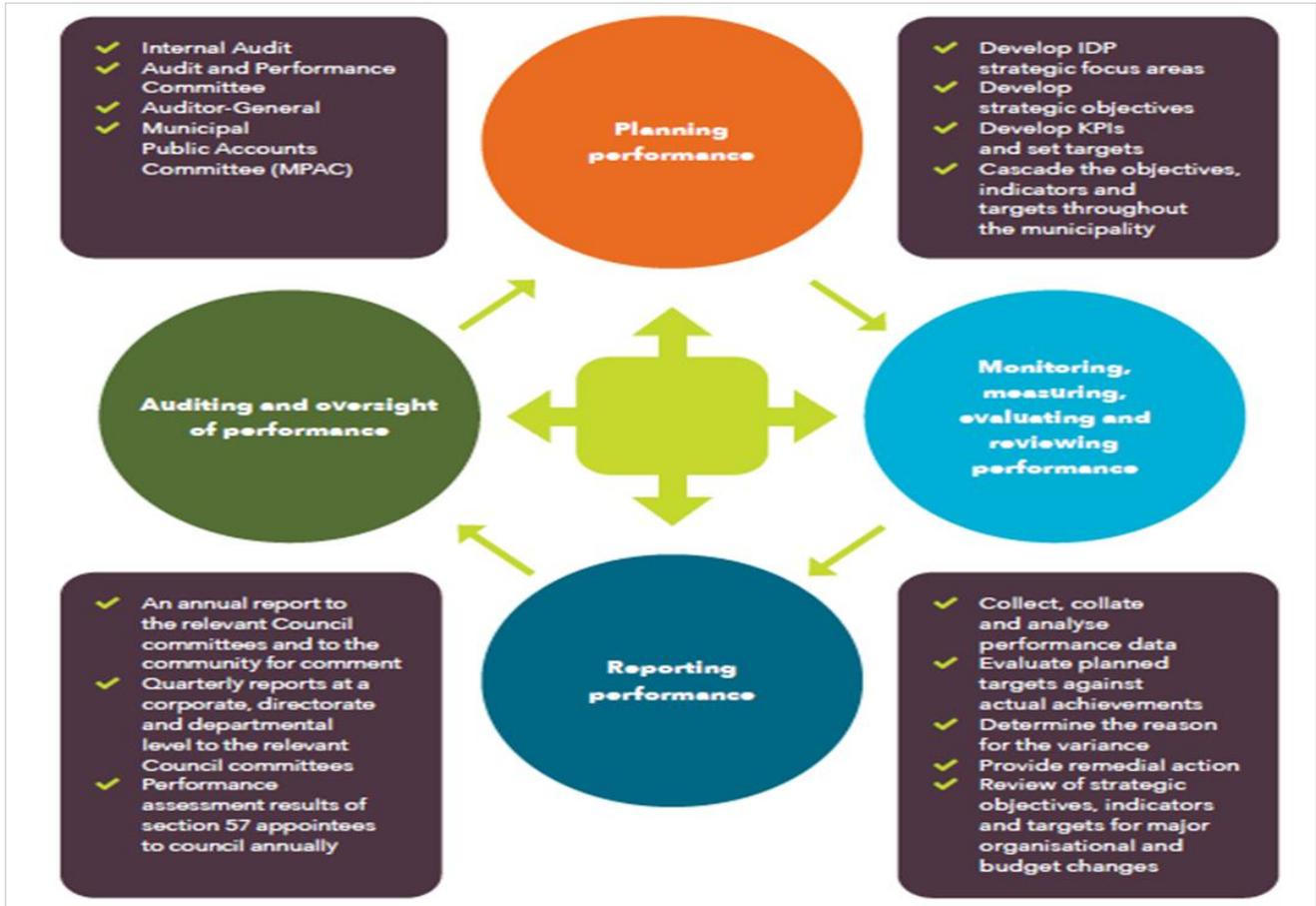


Figure 11 Planning, budgeting and reporting cycle

Planning Performance

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

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

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

Indicators must be measurable, relevant, objective and precise. It must include outcomes, output and input indicators. General national key performance indicators as per regulation 10 of the Municipal Planning and Performance Management regulation must be included. Proxy indicators will be used until auditable and cost effective systems and processes are in place to measure the national general indicators.

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

Monitoring, Measuring, Evaluating and Reviewing performance

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

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

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

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

Reporting

The actual achievements of targets set for the key performance indicators will be reported on a quarterly basis, where appropriate. It will form the platform for the quarterly- and annual performance reports. NT MFMA Circular 88 will only be reported on annually. Reporting performance includes an Annual Report to the relevant Council committees and to the community for comment and quarterly reports at corporate, directorate and department level to the relevant Council committees.

Auditing and Oversight

Internal Audit and the Audit Committee (including the Performance Management Committee) reviews the Organisational Performance Management (OPM) system for functionality, performance information and compliance. The Auditor-General performs an annual audit on the Annual report and expresses an audit opinion on the financial and non-financial information. The Municipal Public Accounts Committee (MPAC) reviews the Annual Report and provide oversight.

The 2022/23 Corporate SDBIP will be approved by the Executive Mayor in June 2022.

Table 35 - MBRR Table SA7 - Measureable performance objectives

Description	Unit of measurement	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Priority: Economic growth										
Objective: 1. Increased Jobs and Investment within the Cape Town economy										
1.A Building plans (<500 m2) approved within 30 days (%)	Percentage	New	New	New	New	New	New	96.00%	96.00%	97.00%
1.B Building plans (>500 m2) approved within 60 days (%)	Percentage	New	New	New	New	New	New	96.00%	96.00%	97.00%
1.C Property revenue clearance certificates issued within 10 working days (%)	Percentage	94.61%	90.74%	92.63%	90.00%	90.00%	90.00%	93.00%	93.00%	93.00%
1.D Commercial electricity services applications finalised within industry standard timeframes (%)	Percentage	New	New	New	New	New	New	95.00%	95.00%	95.00%
1.E Council approved trading plans developed or revised for informal trading (number)	Number	New	New	New	New	New	New	8	8	8
1.F Regulatory Impact Assessments completed (Number)	Number	New	New	New	New	New	New	4	4	4
1.G Work opportunities created through Public Employment Programmes (Number) (NKPI)	Number	36 910	31 871	34 306	25 000	25 000	25 000	25 000	25 000	25 000
Priority: Basic Services										
Objective 2. Improved access to quality and reliable basic services										
2.A Taps provided in informal settlements (number) (NKPI)	Number	716	1 520	799	700	700	700	700	700	700
2.B Toilets provided in informal settlements (number) (NKPI)	Number	3 687	2 999	3 422	2 500	2 500	2 500	2 500	2 500	2 500
2.C Informal Settlements receiving waste removal and area cleaning services (%) (NKPI)	Percentage	99.74%	99.74%	99.79%	99.00%	99.00%	99.00%	99.00%	99.00%	99.00%
2.D Subsidised electricity connections installed (number) (NKPI)	Number	2 440	1 996	1 721	1 500	1 500	1 500	1 500	1 500	1 500
Objective 3. End load shedding in Cape Town over time										
3.A Capacity of additional approved alternative energy sources (Small Scale Embedded Generation (SSEG)) grid tied installations (MegaVolt Ampere)	Mega-volt ampere	New	New	New	New	New	New	5MVA	5MVA	5MVA
3.B Load shedding level variance (%)	Percentage	New	New	New	New	New	New	40.00%	40.00%	40.00%
Objective 4. Well-managed and modernised infrastructure to support economic growth										
4.A Sewer reticulations pipeline replaced (metres)	Metres	New	New	New	New	New	New	50 000	100 000	100 000
4.B Compliance with drinking water quality standards (%)	Percentage	99.09%	99.19%	99.11%	98.00%	98.00%	98.00%	99.00%	99.00%	99.00%
4.C Total augmented water capacity in megalitres per day (MLD)	Megalitres per day	New	New	New	New	New	New	20	40	80
4.D Valid applications for residential water services closed within the response standard (%) (NKPI)	Percentage	New	New	New	New	New	New	80.00%	80.00%	80.00%
4.E Valid applications for residential sewerage services closed within the response standard (%) (NKPI)	Percentage	New	New	New	New	New	New	80.00%	80.00%	80.00%
4.F Service requests for non-collection of refuse resolved within 3 days (%) (NKPI)	Percentage	New	New	New	New	New	New	96.00%	96.00%	96.00%
4.G Residential electricity services applications finalised within industry standard timeframes (%) (NKPI)	Percentage	New	New	New	New	New	New	95.00%	95.00%	95.00%

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Description	Unit of measurement	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Priority: Safety										
Objective 5. Effective law enforcement to make communities safer										
5.A Drone flights used for safety and security activities (Number)	Number	New	New	New	New	New	New	40	45	50
5.B Roadblocks focussed on drinking and driving offences (Number)	Number	New	New	New	New	New	New	228	252	276
5.C Closed-Circuit Television (CCTV) detected incidents relayed to responders (Number)	Number	New	New	New	New	New	New	9 000	9 000	9 200
Objective 6. Strengthen partnerships for safer communities										
6.A New auxiliary law enforcement officers recruited and trained (number)	Number	New	New	New	New	New	New	80	100	120
6. B Client satisfaction survey for neighbourhood watch programme (%)	Percentage	New	New	New	New	New	New	70.00%	75.00%	77.00%
Priority: Housing										
Objective 7. Increased supply of affordable, well located homes										
7.A Well-located land parcels released to the private sector for affordable housing (number)	Number	New	New	New	New	New	New	4	5	7
7.B Human Settlement Top structures (houses) provided (number) per housing programme	Number	3 784	2 738	2 587	2 600	2 430	2 430	2 400	2 200	2 200
7.C Formal housing serviced sites provided (number)	Number	1 908	785	2 363	2 500	1 940	1 940	2 800	4 000	7 100
7.D Land acquired for human settlements in priority housing development areas (Hectares)	Hectares	New	New	New	New	New	New	10	12	15
7.E Transfers of ownership to new beneficiaries (number)	Number	New	New	New	New	New	New	1 900	2 150	2 200
Objective 8. Safer, better quality homes in informal settlements and backyards over time										
8.A Informal settlement sites serviced (number)	Number	1 448	924	1 274	1 000	800	800	1 000	1 220	1 400
Priority: Public Space, Environment and Amenities										
Objective 9. Healthy and sustainable environment										
9.A Proportion of biodiversity priority areas protected (%)	Percentage	New	New	New	New	New	New	65.33%	65.66%	66.00%
9.B Biodiversity priority areas remaining (hectares)	Hectares	New	New	New	New	New	New	85 000	85 000	85 000
9.C Severe/Moderate dehydration in children under the age of five presenting at City health facilities with diarrhoea (%)	Percentage	New	New	New	New	New	New	<5.2%	<5.1%	<5.0%
Objective 10. Clean and healthy waterways and beaches										
10.A Coastline with protection measures in place (%)	Percentage	New	New	New	New	New	New	6.27%	6.27%	6.27%
10.B Days in a year that Vleis are open (%)	Percentage	New	New	New	New	New	New	65.00%	75.00%	83.00%
Objective 11. Quality and safe parks and recreation facilities supported by community partnerships										
11.A Recreation and Parks open space mowed according to annual mowing plan (%)	Percentage	New	New	New	New	New	New	80.00%	82.00%	84.00%

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Description	Unit of measurement	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Priority: Transport										
Objective 12. A sustainable transport system that is integrated, efficient and provides safe and affordable travel options for all										
12.A Passengers transported for each scheduled kilometre travelled by MyCiTi buses (ratio)	Passengers per kilometre	1.06	1.00	0.80	0.80	0.94	0.94	1.10	1.15	1.23
12.B Passenger journeys travelled on MyCiTi buses (Number)	Number	17.5 million	13.3 million	10.9 million	11.7 million	12.5 million	12.5 million	16.9 million	18.5 million	21.4 million
12.C Road corridors on which traffic signal timing plans are updated (Number)	Number	New	New	New	New	New	New	5	5	5
Objective 13. Safe and quality roads for vehicles, cyclists and pedestrians										
13.A Surfaced road resurfaced (kilometres)	Kilometres	New	New	New	New	New	New	180	189	198
13.B Potholes reported per 10 kilometres of network	Potholes per 10 km	New	New	New	New	New	New	56	56	56
Priority: A Resilient City										
Objective 14. A Resilient City										
14.A Public safety awareness and preparedness sessions held in communities (Number)	Number	New	New	New	New	New	New	500	500	500
14.B Disaster Risk Management volunteer/auxiliary staff members appointed (Number)	Number	New	New	New	New	New	New	50	55	60
14.C Storm water cleaning budget spend (%)	Percentage	New	New	New	New	New	New	90.00%	90.00%	90.00%
Priority: A more spatially integrated and inclusive city										
Objective 15. A more spatially integrated and inclusive city										
15.A Local neighbourhood plans approved for mixed-use development (Number)	Number	New	New	New	New	New	New	3	3	3
Priority: A Capable and Collaborative City Government										
Objective 16. A Capable and Collaborative City Government										
16.A Community satisfaction City-wide survey (score 1–5)	Score	2.3	2.7	2.5	3.0	2.7	2.7	2.8	2.9	3.0
16.B Opinion of independent rating agency	Opinion	High investment rating	High investment rating	High investment rating	High investment rating	High investment rating	High investment rating	High investment rating	High investment rating	High investment rating
16.C Opinion of the Auditor-General	Opinion	Unqualified audit opinion	Unqualified audit opinion	Unqualified audit opinion	Clean Audit	Clean Audit	Clean Audit	Unqualified audit opinion	Unqualified audit opinion	Unqualified audit opinion
16.D Spend of capital budget (%) (NKPI)	Percentage	80.10%	89.00%	88.51%	90.00%	90.00%	90.00%	90.00%	90.00%	90.00%
16.E Cash/cost coverage ratio (NKPI)	Ratio	3.85:1	1.91:1	1.82:1	2:1	2:1	2:1	1.70:1	1.70:1	1.80:1
16.F Net Debtors to annual income (NKPI)	Percentage	19.94%	19.44%	17.50%	21.50%	21.50%	21.50%	20.67%	20.98%	21.35%
16.G Debt (total borrowings) to total operating revenue (NKPI)	Percentage	22.85%	24.60%	23.00%	33.00%	24.20%	24.20%	30.52%	41.56%	42.80%
16.H Kilometres of fibre infrastructure for broadband connectivity installed (kilometres)	Kilometres	New	New	New	New	New	New	46.3	78.2	5.4
16.I Employees from the employment equity (EE) designated groups in the three highest levels of management (%) (NKPI)	Percentage	73.05%	72.99%	74.20%	75.00%	75.00%	75.00%	75.00%	75.00%	76.00%
16.J Budget spent on implementation of Workplace Skills Plan (%) (NKPI)	Percentage	95.58%	89.82%	88.44%	95.00%	90.00%	90.00%	90.00%	90.00%	90.00%
16.K Adherence to service standards (%)	Percentage	87.28%	87.40%	85.46%	90.00%	90.00%	90.00%	90.00%	90.00%	90.00%

The following table sets out the municipalities main performance indicators and benchmarks for the 2022/23 MTREF.

Table 36 - MBRR Table SA8 - Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<u>Borrowing Management</u>										
Credit Rating		Aaa.za	Aaa.za	Aa3.za	Aa3.za	Aa3.za	Aa3.za			
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	3.1%	3.0%	2.8%	2.4%	2.3%	2.3%	4.3%	4.9%	7.3%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	3.2%	3.2%	3.2%	2.8%	2.6%	2.6%	4.9%	5.6%	8.3%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	6.1%	27.1%	0.0%	48.3%	27.9%	30.0%	38.2%	77.8%	82.0%
<u>Safety of Capital</u>										
Gearing	Long Term Borrowing/ Funds & Reserves	13.8%	13.8%	12.7%	16.3%	13.9%	13.9%	14.5%	22.2%	28.7%
<u>Liquidity</u>										
Current Ratio	Current assets/current liabilities	2.0	2.0	1.8	1.4	1.7	1.7	1.4	1.3	1.5
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	2.0	2.0	1.8	1.4	1.7	1.7	1.4	1.3	1.5
Liquidity Ratio	Monetary Assets/Current Liabilities	1.2	1.2	1.1	0.6	0.9	0.9	0.7	0.7	0.8
<u>Revenue Management</u>										
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing	0.0%	105.2%	95.1%	101.7%	96.4%	96.5%	0.0%	97.1%	97.2%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		105.2%	95.1%	101.8%	96.4%	96.5%	96.5%	97.1%	97.2%	97.2%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	18.0%	17.4%	15.1%	20.1%	13.8%	13.8%	13.3%	12.8%	12.5%
<u>Creditors Management</u>										
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA' s 65(e))	96.0%	97.0%	99.0%	98.0%	98.0%	98.0%	99.0%	99.0%	99.0%
Creditors to Cash and Investments		52.4%	48.6%	57.3%	69.5%	29.3%	29.3%	42.7%	51.6%	73.3%

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Description of financial indicator	Basis of calculation	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Other Indicators										
Electricity Distribution Losses (2)	Total Volume Losses (kW)	1 012 317 214	895 681 043	1 084 885 249	1 084 885 249	1 084 885 249	1 084 885 249	1 084 885 249	1 084 885 249	1 084 885 249
	Total Cost of Losses (Rand '000)	883 955	905 444	1 159 308	1 365 654	1 365 654	1 365 654	1 483 249	1 705 736	1 961 597
	% Volume (units purchased and generated less units sold)/units purchased and generated	10.7%	9.7%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%
Water Distribution Losses (2)	Total Volume Losses (kl)	61 254 982	69 259 740	84 042 766	79 692 567	90 648 167	90 648 167	93 187 918	93 187 918	93 187 918
	Total Cost of Losses (Rand '000)	617	605	700	681	774 135	774 135	403 949	424 147	445 354
	% Volume (units purchased and generated less units sold)/units purchased and generated	29.7%	28.5%	31.5%	29.9%	31.9%	31.9%	31.6%	31.6%	31.6%
Employee costs	Employee costs/(Total Revenue - capital revenue)	30.7%	30.1%	34.8%	32.8%	31.3%	31.3%	32.5%	31.9%	31.5%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	31.2%	30.6%	35.2%	33.1%	31.6%	31.6%	32.8%	32.3%	31.8%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	9.4%	8.7%	8.4%	8.9%	9.0%	9.0%	8.9%	9.0%	8.6%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	8.9%	8.8%	8.5%	8.0%	7.6%	7.6%	7.6%	7.9%	8.5%
IDP regulation financial viability indicators										
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	17.6	20.7	30.7	33.1	33.1	33.1	16.3	12.8	13.8
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	24.3%	24.1%	21.3%	28.3%	20.7%	20.7%	19.4%	18.3%	17.6%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	3.3	3.3	2.6	1.5	2.0	2.0	1.6	1.7	1.7

2.3.1 Performance indicators and benchmarks

2.3.1.1 Borrowing Management

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

Moody's Investors Service published their latest credit opinion for the City on 14 April 2022. It has reaffirmed the existing long- and short-term national and global scale rating of Aa3.za/P-1.za and Ba3/NP, and changed the outlook from negative to stable. This update follows after the City received its 17th consecutive unqualified audit report and after the change in outlook of the sovereign (the Republic of South Africa) from negative to stable.

The City's rating reflects its moderate financial performance supported by its prudent financial management, large and diversified economic base. The City has consistently generated robust operating surplus with stronger liquidity and lower debt than that of its peers in South Africa also rated by Moody's.

The City's credit profile is constrained by capital spending pressure, related to infrastructure backlogs and population growth. It is also constrained by the structurally weak economic environment, worsened by the ongoing coronavirus restrictions, which is expected to moderate the City's operating performance. The resilience in the City's cash position is expected to remain. The low debt level, together with the City's liquidity reserves places the City in a favourable position to raise funding. In addition, any movement in the South African sovereign rating will impact directly on the City's global scale rating.

The following financial performance indicators have formed part of the compilation of the 2022/23 MTREF:

- *Capital charges to operating expenditure* is the measure of the cost of borrowing in relation to the operating expenditure. This ratio averages 5.5% over the 2022/23 MTREF, which indicates that the City spends an average of 5.5% of its operating expenditure budget annually on finance charges. This is below the national treasury norm of 6 to 8%.
- *Borrowing funding as a ratio of own capital expenditure* reflects the degree to which own capital expenditure (excluding government grants and public contributions) has been funded by way of borrowing. The ratio shows a 66% over the MTREF. This ratio outcome is as a result of the City's borrowing strategy and the funding requirements.

2.3.1.2 Safety of Capital

The gearing ratio is a measure of the total short-term and long-term borrowings over total community wealth (equity). The City's outcome over the 2022/23 MTREF averages 21.8%. The gearing ratio shows that the City has a small proportion of debt versus equity.

2.3.1.3 Liquidity

- Current Ratio

The current ratio is used to assess the City's ability to pay back its Short-term Liabilities (Debt and Payables) with Short-term Assets (Cash, Inventory, Receivables). According to NT MFMA Circular 71 the higher the current ratio, the more capable the municipality will be to pay its current- or short-term obligations and provide for risk cover to enable it to continue operations at desired levels. It is preferable that the ratio is at least above one. The ratio for the City averages 1.4 over the 2022/23 MTREF period.

- Liquidity ratio

The cash (liquidity) ratio is a measure of the ability of the City to utilise cash and cash equivalents to settle its current liabilities immediately. The norm is between 0.5 and 1. This ratio for the City averages 0.7 over the 2022/23 MTREF period indicating that the City is in a good position to meet the payment of current liabilities should it be due.

2.3.1.4 Revenue Management

Debt Management action, including legal action carried out against those debtors who can afford to pay, but choose not to, with a special focus on:

- Categorisation of accounts into high value accounts - business and residential;
- Top 1000 debtors;
- Government and State-owned Entity accounts; and
- Staff and councillor arrears.

The City will continue to enforce the payment of outstanding debt through effective debt management actions to those residents/businesses who have not come forward to access the City's benefits and COVID-19 relief offered. These actions may include:

- Restriction/disconnection of water/electricity services;
- Collection of all arrear debts through electricity prepaid purchases;
- Listing of property owners for adverse credit listing at relevant credit bureaus; and
- Handing over accounts to appointed attorneys to initiate legal recovery action, which could lead to a sale in execution (SIE) of the property to recover the municipal debts.

Further to the above, the City's strategy for indigent debtors are:

- Deemed indigent properties are allocated 15kl of water and 10.5kl sanitation for free with additional consumption billed in terms of the approved water and sanitation indigent tariffs;
- Prepaid electricity meters are installed free of charge;
- When successfully registered as indigent, a once off write-off is done of all outstanding debt; and
- Council approves the write-off of all interest charges as well as suspension of interest charges on indigent properties until the pre-paid electricity meters have been installed and applicable outstanding debts have been written off.

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

NOTING: Options are provided to those parts of the residential and commercial sector most affected by COVID-19. This could be extended into the 2022/23 financial year - in accordance with the City's Credit Control and Debt Collection Policy and not in violation of MFMA Section 164 (1)(c)(iii).

2.3.1.5 *Creditors Management*

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

2.3.1.6 *Other Indicators*

- **Electricity distribution losses**
Performance in the 2020/21 financial year has shown that electricity distribution losses was 12.0%. The City's strategy to continue to address this included the appointment of additional revenue protection teams, which when compared to the 2019/20 financial year where performance was 9.73%. This was understated as the estimations during the pandemic were problematic because of the lockdown. A recovery was already evident in the 2021/22 mid-year where losses are tracked at 9.9%.

- **Water distribution losses**
High priority is being given to a comprehensive water loss reduction strategy with detailed action plans to address each of the physical or real losses and apparent losses. The Water & Sanitation Services department is applying the resources required to implement Water Demand Management interventions. These include:
 - Enhancing water loss monitoring via adequate bulk and zonal metering;
 - Education and awareness programmes;
 - Leak detection and repair programme to identify underground leaks by using leak detection technologies and visual inspection and repair;
 - Pressure Management Systems by installing technologies to minimise pipe bursts, leakage in the system and to reduce night flows as well as increasing the area covered by the management system to include previously unmanaged sections;
 - Pipe replacement programme replacing ageing pipelines to reduce water leakage and minimise pipe bursts (priority areas are aligned with the pressure management system);
 - Meter replacement programme to provide bulk water balances to proactively establish accurate assessment of water losses in bulk water supply system;
 - Replace and upgrade of old meters;
 - Ensure adequate working bulk meters at all required supply points; and
 - Monitor top water users.

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

The social package for indigent households is based on the blanket- and targeted approach. The blanket approach refers to rebates provided to indigent households based on property value of R0 to R400 000 (R400 001 to R500 000 for refuse removal only).

The rebates reflected in the ensuing table are provided to the indigent-based property value.

Table 37 - Basic social package rebates

Property Value	Refuse Removal Charges	Water	Sanitation	Property Rates	Electricity: Lifeline 1 <250KWH	Electricity: Lifeline 2 >250KWH <450KWH
R1 to R300 000	100%	15kl free	10.5kl free	100%	60kWh free	25kWh free
R300 001 – R350 000	50%	15kl free	10.5kl free	-	60kWh free	25kWh free
R350 001 – R400 000	25%	15kl free	10.5kl free	-	60kWh free	25kWh free
R400 001 – R500 000	25%	-	-	-	-	-

The Free Basic Services to indigent properties has been adjusted upwards from 10.5 kl of free water and 7.35kl of sanitation to a monthly allocation of 15kl of water and 10.5kl of sanitation. This aligns with the *Free Services allowed for the Excessive Use* approach introduced in the 2021/22 financial year.

With this targeted approach any resident who is required to pay for municipal services and whose gross monthly household income is R4 500 or below needs to register as an indigent to receive the same benefits as if their property values were below R300 000.

Households with property values of up to R300 000 are entitled to:

- 100% property rates rebate;
- 100% refuse removal rebate;
- 15kl free water;
- 10.5kl free basic allocation for sanitation services;
- 60kWh free electricity if consumption is less than 250kWh; and
- 25kWh free electricity if consumption is greater than 250kWh but less than 450kWh.

The number of indigents registered at the end of April 2022 was 11 594. This number varies monthly as registration is valid for 12 months after which re-application is required.

The City also offers varying rebates for residents of household income of up to R7 500.

Property rates- and refuse rebates are granted to residents based on their gross monthly household income as follows:

Income bracket	Rebate %
R4 501 – R6 000	95%
R6 001 – R7 500	90%

The number of beneficiaries for the current year rebate at the end of April 2022 was 156.

2.3.3 Providing potable water and managing waste water

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

Water Quality

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

Major water projects included in the future capital programme are:

- Bulk Water Augmentation Scheme, which is required to augment the City's bulk water supply system, to ensure a safe, reliable and sustainable supply of water to Cape Town and its surrounding region and includes new major reservoirs as well as a new water treatment plant and distribution bulk mains.
- Flowing from the drought, the City adopted a Water Strategy, which, inter-alia, seeks to increase water resilience through diversification of water sources. Significant capital investments are being made in Development of the Cape Flats Managed Aquifer Recharge Scheme, upgrading of the Atlantis Managed Aquifer Recharge Scheme, and development of the Table Mountain Group (TMG) Aquifer Scheme. Planning is currently underway to develop an advanced water purification plant (reuse) as well as permanent sea water desalination plants to cater for longer term growth in water demand and climatic uncertainty.

Treatment of wastewater

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

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

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

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

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

Additional challenges include significant financial investment requirements for:

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

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

Some of the major current and future wastewater projects are:

- Zandvliet Extension Wastewater Treatment Works (WWTW) - increase in treatment capacity;
- Bellville WWTW – improvement in treatment processes;
- Potsdam Waste Water Treatment Plant (WWTP) – increase in treatment capacity
- Macassar Extension WWTP - increase in treatment capacity;
- Borchards Quarry WWTW – improvement in treatment processes and
- Athlone WWTP - increase in treatment capacity
- Cape Flats- Bio-solids Beneficiation Facility (BBF) i.e. Sludge to energy; and
- Managed Aquifer recharge – Tertiary reclamation of final effluent.

The capital budget is allocated for increased treatment capacity, process improvements and improved effluent quality. The detailed capital budget and development programme is reflected in Annexure 23 of the budget documentation.

2.4 Overview of budget related-policies

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

2.4.1 Approved policies with no amendments in the 2022/23 budget cycle

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

- Asset Management Policy (Approved February 2013)
- Borrowing Policy (Approved March 2013)
- Ward Allocation Policy (Approved January 2014)
- Supply Chain Management Policy (Approved June 2019)
- Cash Management and Investment Policy (Approved July 2018)

2.4.2 Policies amended during the 2022/23 budget cycle

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

- Rates Policy – Annexure 5
- Tariff Policies – Annexure 7
- Credit Control and Debt Collection Policy – Annexure 8
- Grants-in-Aid Policy – Annexure 9
- Policy on Accounts Payable – Annexure 10
- Funding and Reserves Policy – Annexure 11
- Virement Policy – Annexure 12
- Budget Management and Oversight Policy – Annexure 13
- Long Term Financial Plan Policy – Annexure 14
- Policy Governing Adjustments Budgets – Annexure 15
- Unforeseen and Unavoidable Expenditure Policy – Annexure 16
- Policy Governing Planning and Approval of Capital Projects – Annexure 17
- Cost Containment Policy – Annexure 18
- Municipal Entities Policy – Annexure 19

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

- Property (Tax) Rates – Annexure 2
- Revised consumptive tariffs, rates and basic charges for electricity generation and distribution, water and sanitation and solid waste management services - Annexure 4
- City Improvement Districts Additional Rates – Annexure 3

2.5 Overview of budget assumptions applied to the 2022/23 MTREF

Introduction

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

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

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

The LTFP model is reviewed annually to determine the most affordable level at which the City can operate optimally and includes the following:

- Fiscal overview;
- Economic climate;
- Demographic trends;
- National- and Provincial influences;
- IDP and other legislative imperatives; and
- Internal governance, community consultation and service delivery trends.

The key budget assumptions of the 2022/23 MTREF covers sources of information to develop a framework for revenue and expenditure, which drives the 3-year MTREF of the City under the following headings:

- Tail-end of the COVID-19 pandemic;
- Financial Strategic Approach;
- Financial Modelling and Key Planning Drivers;
- Economic outlook/external factors (including demographics);
- National and Provincial influences;
- 2022/23 MTREF Budget Projection;
- Revenue Framework;
- Expenditure Framework;
- Capital; and
- National and Provincial Allocations over the MTREF.

2.5.1 Tail-end of the COVID-19 pandemic?

The 2022/23 MTREF was drafted as the country exited the 4th wave of the COVID-19 pandemic. Although not at the same level of impact as the start of the national lockdown declared on 23 March 2020, the impact of the depressed economy on municipalities' operations and the affordability thereof on its consumers would be with us for some time still.

The previous LTFP/MTREF was framed with the assumption that the pandemic would end by June 2021; however, South Africa was subjected to a 4th wave of the pandemic with further occurrences expected in future months. Fiscal/financial constraints placed on government resulted in lower grants and subsidy allocations to municipalities, thereby shrinking the City's revenue base. In addition, consumers' ability to pay are still largely unknown. The City is experiencing an escalating indigent support requirement. Revenue growth estimations are furthermore clouded by the effect of the lingering pandemic, with fluctuating restriction levels placing constraints on revenue sources dependent on economic activity e.g. property rates, bus fares, rental of facilities, fines income etc.

The City's collection rates have however shown resilience in the current financial year, with the budgeted collection rates for trading services revised upwards in the January 2022 adjustments budget. Collection rates projected for 2022/23 - while not at pre-pandemic levels - are showing improvement.

The provision of water and sanitation to informal settlements on privately owned land, started during the pandemic, will continue. Due to the uncertainty of the end of the COVID-19 pandemic, the City is legally bound by the Constitution and the MFMA to provide basic services to these informal settlements. For this, an amount of R100 million is required for the 2022/23 financial year.

An amount of R175 million, provided for additional health requirements in the 2021/22 financial year, was removed in the 2022/23 MTREF. This additional provision is not required to defray COVID-19 related expenditure in the 2022/23 financial year.

The City's COVID-19 pandemic recovery plan

The City's previous recovery programme phases, which predicted Stabilisation from October 2020 to June 2021, Adaptation from July 2021 to June 2022, and Recovery from July 2022 to June 2027, had to be reviewed. Considering latest available information on the pandemic trajectory and new virus variants, and projections on vaccine provision, it was found to be unrealistic to enter the recovery phase for at least the next two years. It is therefore envisaged that the Stabilisation phase and Adaptation phase will extend until June 2023 with the goal of attaining organisational survival (functional and financial), the least disruption to and uninterrupted service delivery, and focus on efficiency and effectiveness.

The Recovery phase will focus on thriving in line with the intended vision of the IDP in a post-pandemic world and deliver the projects and programmes on which the sustainability of the organisation is assured and the economic recovery of the City-at-large is supported and maximised.

2.5.2 Financial Strategic Approach

The 2022/23 LTFP/MTREF was prepared with the intention of keeping revenue parameters as low as possible to assist already struggling communities and businesses, but also to ensure that service delivery is not compromised and specific priorities addressed.

The key informants over the coming year as provided during the Strategic Review phase of the Strategic Management Framework (SMF) process are:

- a. Constrained financial envelope and increase uncertainty;
- b. COVID-19 Crisis response;
- c. National Government Failure;
- d. Infrastructure Investment;
- e. Advocacy- intergovernmental collaboration;
- f. Response to growing informality;
- g. Staff Safety;
- h. Asset, land and facility protection;
- i. Utility business model reform;
- j. Containing costs; and
- k. Concerted implementation of transversal strategies/initiatives.

The Strategy Brief required City directorates to focus resources and efforts towards implementing the priorities included in the Strategy Brief.

LTFP rationale and financial strategies implemented

- The depreciation strategy, which provides operating account relief via reduced depreciation costs and which commenced in the 2020/21 financial year, is continued with for this MTREF in an effort to utilise available cash and reduce tariffs.
 - This strategy sees the City using its surplus cash flow via the recovery of a depreciation charge of R500 million per annum over seven years.
- Various cost savings initiatives were also implemented to achieve a budget that is realistic, sustainable and credible - still ensuring the continuation of services and keeping revenue increases at low levels.
- Utilising own funding to reduce borrowing requirements but gearing for debt take up as project preparation improves. The City has a low level of Debt Leverage and has strength to support a stronger debt profile.

2.5.3 Financial Modelling and Key Planning Drivers

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

- To cover the cost of living increase as per the SALGBC agreement, the City had to identify permanent reductions across the organisation in the 2021/22 financial year. This amounted to R287 million for Rates-funded services and was incorporated in the January 2022 adjustments budget.
- In an effort to reprioritise budgets within the Rates-funded services environment a base reduction of R40 million was applied in areas such as Cost Containment related expenditure, Contracted Services and other sundry expenditure elements, an amount of R50 million to Debt Impairment and increased Agency Income of R10 million. These amendments were based on previous years' implementation performance.
- Differentiated expenditure parameters providing for no expenditure growth on certain expenditure elements (Other Expenditure, Contracted Services and Inventory Consumed).
- Differentiated parameters applied to Repairs and Maintenance growth was based on the previous year's actual expenditure, service delivery needs and efficiencies identified.
- The following staff and vacancies intervention were included:
 - A differentiated percentage budget approach on vacancies (assumptions on vacancy period for different post levels);
 - Cost of living increase applied as per the SALGBC agreement;
 - Budgeting at 95% of employee costs; and
 - Inflationary increases applied to overtime for the Safety & Security directorate only. No overtime increases for other directorates.
- A 100% capital expenditure implementation rate assumed.
- All expenditure programmes must be delivery ready with focus on project preparation for outer years.
- New IDP is not an "add-on" to the budget. The budget is required to resource an IDP i.e. to detect the priorities and programmes in the IDP to evaluate the budget allocation.
- Credible and realistic collection rates based on current- and projected trends considering past and current trends.
- National- and Provincial allocations as per the 2022 Division of Revenue Bill (DoRb) and the Provincial Gazette Extraordinary 8566, dated 14 March 2022.

The following was included in the MTREF:

- A reduction of R175.2 million - additional expenditure included in the 2020/21 for health related COVID-19 related expenditure – but no longer required in the 2022/23 financial year.
- In response to the SMF Operational Review process and subsequent amended Strategy Brief to address the mayoral priorities towards driving the priorities and programmes in the new IDP an amount of R110 million was included.
- The aforementioned was absorbed by reprioritisation of expenditure of R100 million and R10 million from a higher than anticipated Equitable Share allocation.
- A further provision of R373.6 million was made for Rate-funded services to drive the priorities and programmes set out in the IDP and requirements identified over the past few months. This was funded by a combination of reprioritised budget, improved investment interest estimates, higher than anticipated Fuel Levy, and Equitable Share allocations.
- R125.5 million was allocated as the City's funding portion to the Law Enforcement Advancement Program (LEAP) for the 2022/23 financial year.
- The following main changes were affected post tabling of the budget in March 2022:
 - Update of provincial grant allocations as per Provincial Gazette Extraordinary 8566 dated 14 March 2022;
 - Inclusion of additional expenditure and revenue (fines) within Rates and Insurance Fund;
 - Shifting of R27.26 million Public Transport Network Grant (PTNG) funding from the capital budget to the operating budget for Public Transport Interchange projects within the Urban Mobility directorate.

2.5.4 Economic Outlook / External Factors (including demographics)

Economic context

In 2020 the economy contracted by 6.4 percent with the onset of the pandemic, however, in 2021 the economic activity has recovered more rapidly than expected. According to STATSA GDP expanded by 4.9 percent in 2021. This growth is expected to be subdued in future years due to various structural constraints in the domestic- and global economy such as inadequate electricity supply, pandemic-induced job losses, higher global inflation and changes to monetary policies. Real GDP growth is expected to moderate to 2.1 percent in 2022, averaging 1.8 percent for the period 2023 and 2024.

In recent months, global- and domestic factors contributed to the fluctuation in the Rand exchange rate. The rand/dollar exchange rate is currently hovering between R15 and R16 to the US Dollar. BER projects the Rand to average R15.13 against the US dollar in 2022. The price of crude oil has been rising steadily over recent months and has breached the 90 US Dollar mark for the first time in 7 years. A combination of factors is pushing oil prices higher including imbalances between supply and demand and the escalating Russia-Ukraine conflict. The crude oil price is expected to remain volatile and is estimated to average 100.4 US Dollars per barrel in 2022.

According to Stats SA, headline consumer inflation was at 5.7 for two consecutive months (January and February) at the start of the year but accelerated to 5.9 percent year-on-year in March and remained unchanged in April. Inflation is moving closer to the top of the South African Reserve Bank's (SARB) target range of 3-6 percent due to the current market demand and constraints in supply of goods and services. In the May 2022 MPC statement, the 3rd meeting for the year, the repo rate was increased by 50 basis points to 4.75 percent per year. It is expected that the rise in the repo rate will keep inflation expectations anchored and moderate the future path of interest rates. The SARB's model indicates that the interest rate will gradually normalise through to 2024.

Demographic trends

Cape Town has the second-largest population of all cities in South Africa and is the main urban centre in the Western Cape. The City has seen steady population growth (albeit at a slowing annual growth rate), with an estimated 4 678 900 people in 2021 (Statistics South Africa, 2021). According to current estimates, the total population of Cape Town will reach approximately 5.5 million by 2035 (City of Cape Town, 2018).

While the population continues to increase, the average household size has decreased from 3.5 people per household in 2011 to 3.2 in 2016 (Statistics South Africa, 2011 and 2016). A growing population, together with a decreasing average household size, has resulted in a significant increase in the number of households in Cape Town; growing from approximately 1 million households in 2011 to an estimated 1.46 million households in 2021 (City of Cape Town, 2022, using Mid-year Population Estimates and 2016 Community Survey).

This trend of a steadily increasing population growth (albeit at a declining growth rate) and an increasing number of households form some of the informants to City planning and service delivery for the residents of Cape Town. These trends will continue to be monitored and refined as needed to also inform COVID-19 recovery responses and planning. More information will be available and used from the 2022 Census when the data is released.

Cape Town has seen a steady population growth; the average annual growth rate has declined from 2.3 percent over the 2011-2015 period to 2.0 percent over the 2016-2021 period. The population is expected to grow to around 5 million by 2025 according to Statistics South Africa, equating to an average annual growth rate of 1.7 percent over the 2022-2025 period. The City's capital budget is expected to grow by an average of 28.3% over the next 3 years, showing that infrastructure investment is growing as population is growing.

2.5.5 National and Provincial influences

a) National Treasury MFMA Circular No. 112, issued on 6 December 2021

The purpose of this annual budget circular is to guide municipalities with the compilation of the 2022/23 MTREF.

The objectives of the circular are to, inter alia, demonstrate how municipalities should undertake annual budget preparation in accordance with the budget- and financial reform agenda and associated "game changers".

Key focus areas stemming from this circular included:

- Macro-economic forecasts to be considered when preparing the 2022/23 MTREF municipal budgets.
- Key focus areas for the 2022/23 budget process including local government conditional grant allocations.
- IDP Consultation Process Post 2021 Local Government.
- Version 6.6 of the mSCOA chart released with the circular to be utilised for the preparation of the 2022/23 MTREF.
- Other mSCOA-related requirements and recommendations for municipalities to consider.
- Municipalities to set cost reflective tariffs to ensure that recovery of the full cost of rendering the service.
- The local government equitable share formula has been updated to account for projected household growth, inflation and estimated increases in bulk water and electricity costs over the 2022 MTEF period.
- All municipalities are reminded of section 8 of the Municipal Property Rates Act (MPRA) on the determination of categories of rateable properties that has been revised through the Local Government Municipal Property Rates Amendment Act, 2014.
- Municipalities are encouraged to maintain tariff increases at levels that reflect an appropriate balance between the affordability to poorer households and other customers while ensuring the financial sustainability of the municipality.
- Municipalities to justify all tariff increases in excess of the projected inflation target for 2022/23.
- National Treasury supports municipalities to develop and implement long-term financial models and strategies.
- The new leadership is advised to:
 - Decisively address unfunded budgets by reducing non-priority spending and improving revenue management processes to enable collection; and
 - Address service delivery failures by ensuring adequate maintenance, upgrading and renewal of existing assets to enable reliable service delivery.

b) National Treasury MFMA Circular No. 115, issued on 4 March 2022

This budget circular is a follow-up to MFMA Circular No. 112 that was issued on 06 December 2021 and aimed to provide further guidance to municipalities with the preparation of their 2022/23 MTREF. It focusses primarily on the grant allocations as per the 2022 Budget Review and the 2022 Division of Revenue Bill.

The circular also covers the following:

- An update on the economic outlook.
- Local government conditional grants allocation and Equitable Share in terms of the Division of Revenue Bill published on 23 February 2022.
- Release of Version 6.6.1 of the mSCOA chart with the circular to be utilised for the preparation of the 2022/23 MTREF.
- Additional mSCOA related requirements to be considered e.g. how to account for depreciation and change in calculation of consumer deposits and the introduction of an e-learning mSCOA training course.
- An update of the Eskom bulk tariff increase provided, guidance to provide for water and electricity losses and a reminder to municipalities to have a UIFW reduction plan approved by Council.

- Municipalities must be mindful that the Equitable Share is meant to fund basic municipal services to the indigent.
- In addition to the criteria for the release of Equitable share instalments, criteria for the rollover of conditional grants are set out.
- The 2021/22 unspent conditional process will be managed in accordance with section 21 of DoRA, in order to ensure that the unspent conditional grants against the 2021/22 financial year return to the National Revenue Fund (NRF).
- Compliance to section 16 of DoRA in relation to the allocation or transfer of funds by municipalities to other organs of state in order to implement projects on behalf of the municipalities was highlighted.

c) Provincial Treasury Municipal Circular 1/2022 issued 25 January 2022

In addition to reiterating the key aspects included in the MFMA Circular 112, this circular also highlighted:

- Economic and Fiscal environment of the Western Cape;
- A reminder to municipalities to include their compliance with B-BBEE in their AFS and annual reports and included The B-BBEE Commission's Explanatory Notice No.2 of 2021 as an annexure to the circular; and
- Key dates of the 2022/23 Integrated Planning and Budgeting Process.

2.5.6 2022/23 MTREF Budget Projection

2.5.6.1 Revenue analysis – a three-year preview

a) Services Growth

Property Rates

No growth is projected for Property Rates for 2022/23 and 2023/24. A 0.25 percent growth is projected for year 3 of the MTREF. This is due to the unstable/unpredictable property market resulting from the lagging impact of the pandemic. Variable growth rates are applied to the property rates income forgone component due to the increase in applications for rebates.

Electricity

A shrinkage of 3% is projected for 2022/23 with an average shrinkage of 1.5 percent in sales revenue projected over the outer years of the 2022/23 MTREF period. The approach is mainly due to a sustained declining demand on electricity consumption and thereby sales. This shrinkage in sales is however not filtering fully to the electricity bulk purchases expenditure component, due to an increase in theft and vandalism.

Water and Sanitation

A growth of 4 percent is projected for water and 3 percent for sanitation for the 2022/23 financial year. A 2 and a 1 percent growth is projected for both Water and Sanitation respectively over the outer years of the MTREF. The projected growth is evident in the current trends and can mainly be attributed to the expected increase in consumption as the City experiences the "bounce-back" after the drought flowing from the withdrawal of water restrictions and restriction tariffs.

Refuse

Average revenue growth over the last 3 years shows a consistent 2 percent growth for Refuse revenue. Based on this a 2 percent growth factor was applied over the 2022/23 MTREF. Waste Disposal shows a zero increase over the last 3 years, therefore, no growth is projected for Disposal over the MTREF period.

b) Major tariffs and charges: Rates and Trading services

National Treasury, in MFMA Circular 112, continues to encourage municipalities to maintain tariff increases at levels that reflect an appropriate balance between the affordability to poorer households and other customers while ensuring the financial sustainability of the municipality. The CPI inflation is forecasted to be within the lower limit of the 3-6 percent target band, therefore, municipalities are required to justify all increases in excess of the projected inflation target for 2022/23 in their budget narrative and pay careful attention to tariff increases across all consumer groups.

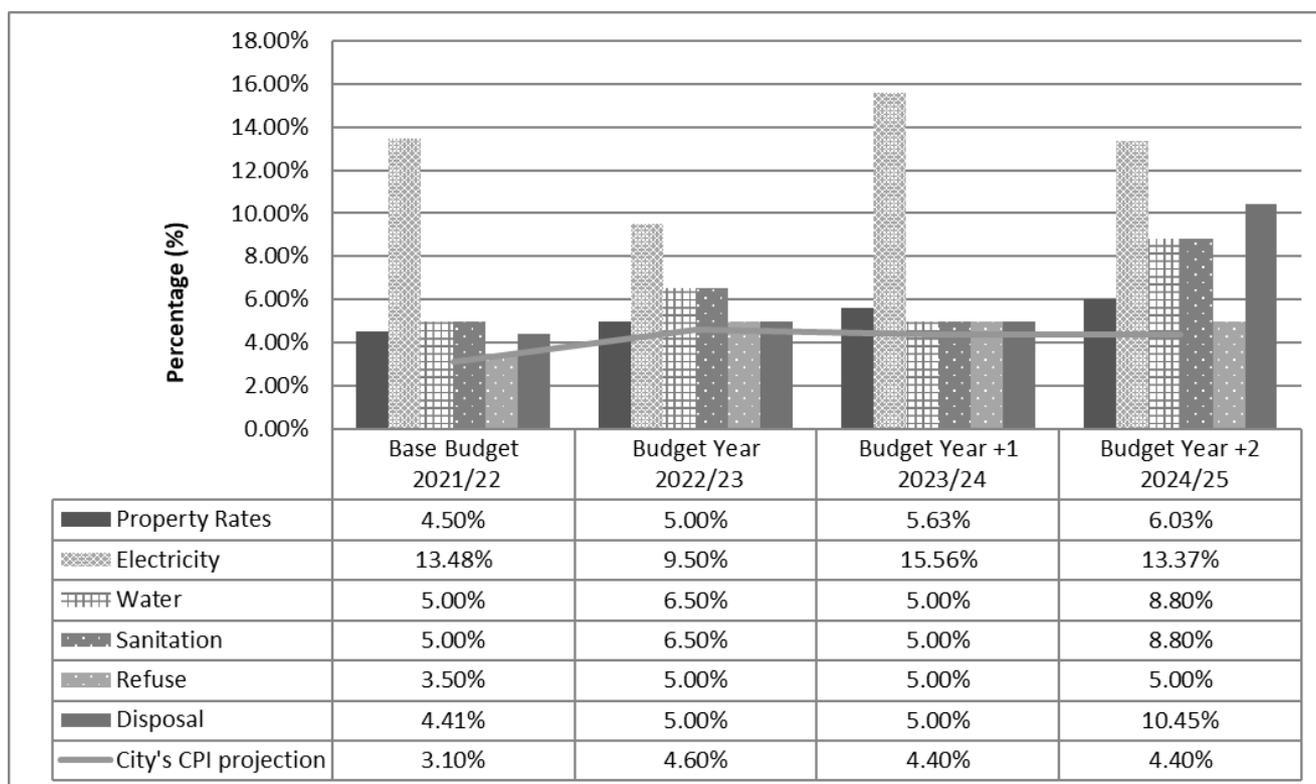


Figure 12 Revenue parameters for the MTREF period

Property Rates

The revenue parameter for Property Rates for the 2022/23 financial year is within the inflation target range. This increase will allow for the continuation of providing Rates-funded services, investment in infrastructure, servicing of informal settlements and ongoing investment in repairs and maintenance. In addition, it will give effect to the requirements stemming from the new term of office IDP.

Electricity

National Energy Regulator of South Africa (NERSA) at a meeting held on 9 March 2022, made a determination on Eskom’s Retail Tariff and Structural Adjustment (ERTSA) application and approved an average tariff increase of 9.61% for Eskom’s standard tariff customers and an increase of 8.61% for municipalities. The increase for Eskom’s standard tariff customers will be effective from 1 April 2022 and for municipalities from 1 July 2022.

The City applied an 8.61% for bulk purchases as per the approved application and, in the absence of future years', increases applied a 15% bulk purchases increase for the outer years. The nature of business for the Electricity service is the purchasing and redistribution of electricity, where bulk purchases constitute a large portion of the electricity service's budget. Bulk purchases as percent of electricity expenditure averages 67% over the MTREF. The electricity average revenue increases are 9.50%, 15.56% and 13.37%, respectively over the 2022/23 MTREF.

The revenue increase requirement are due to, amongst other, the following:

- Shrinkage in sales growth due to consumers moving towards alternative sources of energy;
- Increase in bulk purchases, due to vandalism and theft, without a concomitant increase in sales income;
- The establishment of a Generation Department to investigate and prepare the directorate for future alternative generation possibilities including the building of ground mounted PV plants;
- Inclusion of mayoral priorities as it relates to initiatives to end load shedding; and
- Additional security in order to help curb the increase in theft and vandalism.

Water and Sanitation

NT MFMA Circular 99 stated that "Municipalities should take strategic action to ensure effective water management and resilience to drought, including the security of water supply, environmental degradation, and pollution of resources to achieve economic growth, development and socio – economic priorities in an equitable and sustainable manner."

The average revenue increase applied is 6.5% for 2022/23, 5.0% for 2023/24 and 8.8% for 2024/25. To ensure the lowest revenue increase, expenditure was reduced while still ensuring that the strategic imperatives of the service could continue. The revenue increase makes provision for, amongst other, the following:

- To ensure sustainable and resilient provision of water, budgetary provision for the New Water Plan was made, which includes initiatives to further invest in the underground extraction of water from aquifers;
- Water demand management to limit the abuse and loss of water;
- Interventions aimed at improving the water quality in the vleis;
- Improving response times for sewerage blockages and to reduce these blockages with preventative maintenance;
- Upgrades and extensions to the wastewater treatment plants;
- Continued investment in asset replacement programs to ensure proper asset management, with a specific focus on sewer network replacement as well as the upgrading of sewer pump stations;
- Ongoing investment in repairs and maintenance programs and maintaining required compliance standards;
- Supplying water and sanitation at appropriate compliance, capacity, skills, service delivery and responsiveness levels; and
- COVID-19 pandemic requirements, which has been incorporated into permanent aspects of the service levels.

Refuse

Guidance on budgeting for solid waste matters was provided in National Treasury MFMA Circular 99, stating that “Investments in waste collections and treatment infrastructure should be made in tandem with industrial and urban developments to minimise pollution to our land and waters”. In this regard, the following revenue increases are projected for Urban Waste Management over the 2022/23 MTREF.

Urban Waste Management consists of 3 services of which two are tariff-funded (the third is funded by Property Rates). The tariff-funded services consists of Refuse and Disposal.

- Refuse revenue is received for the removal of waste from residential and non-residential properties. The Refuse average increase is 5% over the 2022/23 MTREF period. The average increase will fund, amongst other, the upgrading of drop-off facilities to accommodate the expansion in the service, waste minimization programmes for formal & informal settlements, expansion of services to informal settlements and backyarders, continuous implementation of waste minimisation initiatives, upgrading of depots, maintenance programs and the typical day-to-day service operations.
- Disposal is the revenue received for the disposal of waste from residential and non-residential properties. The Disposal average increase for 2022/23 is 5% whereas the increases for the two outer years are 5% and 10.45% respectively. This increase is required for the continued operational requirement of the service, the development of landfill infrastructure, development and upgrading of transfer stations, plant replacement, additional Material Recovery Facilities and Landfill Gas generation to beneficiation at all landfill sites.

Housing rental (Council rental properties)

The monthly rental charge for housing rental properties is based on a rate per square meter applied to the size of the unit being rented, coupled with a set of premiums/deductions based on the location, maintenance level, facilities et al of the specific property for which the rent is charged. In an effort to address the economic challenges faced by many poorer communities residing in the City’s rental stock, the average total monthly rental charge percentage increase associated with the City’s rental properties has been retained at an affordable level and is based on an annual increase of 4.41% (where the unit has a separate water meter) or 4.24% (for those units which include water in the rental charge) for 2022/23. The projected rental charge increase is lower than CPI, due to rental units operating on a City-subsidised basis.

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

The proposed 2022/23 housing rental charge is in line with previous annual rental increases and is again aimed at ensuring affordability for the City's poorer communities. The rental rate (per square meter per month) is R12.13 (where the unit has a separate water meter) or a rental charge (including water charge where applicable) of R20.54 per square meter per month. The City's housing premiums and deductions charge structure addressing the variations in the City's diverse rental properties remains as follows:

- Discounts on account
- Outside toilet (R20 per month)
- External Water (R30 per month)
- No ceiling (R15 per month)
- Premiums on account
- Saleable unit (R4,50 per month)
- Well maintained (R5 per month)
- Local environment (R3,50 per month)
- Well located (R5 per month)
- Hot water cylinder (R4 per month)

A surcharge for tenants earning a monthly income above the rental income threshold (R3 500) is charged at a stepped rate of 8% for those earning R3 501 – R7 500 and 10% for those earning R7 501 – R10 000. Tenants who earn more than R10 000 per month will pay a surcharge of 25% of the amount above R10 000. A two (2) year lease agreement will be signed, which will not be renewed if the income remains more than R10 000.

c) Interest rates for investment of funds

Investments are made in terms of the City's Cash Management & Investment Policy, which aims to secure sound and sustainable management of the City's surplus cash and investments. The MPC cut the repo rate with the onset of the COVID-19 pandemic to assist with South Africa's recovery. The resultant drop in the repo rate impacted negatively on the City's investment income budget. The MPC has subsequently raised the repo rate, which has a positive impact on the investment income. Further movement in the repo rate is expected as pressure on inflation predictions persists. The investment interest rates have been revised to 5.13% for the 2022/23 budget year and 5.7% for the two outer years.

2.5.6.2 Expenditure Framework

a) General inflation outlook and its impact on municipal activities

The City's CPI projection is within the SARB's inflation target range of between 3% and 6% but slightly deviates from the National Treasury guidance. CPI applied by the City for the 2022/23 MTREF is 4.60%, 4.40% and 4.40% over the respective three years. The City utilised BER's CPI projections at a point in time during the planning process and applies the projections in municipal financial years. NT MFMA latest Circular 115, published in March 2022, provides a CPI projection of 4.8% for 2022/23, 4.4% for 2023/24 and 4.5% for 2024/25. This represents an upward adjustment of 0.8%, from 4.00% previously published in Circular 112 in December 2021.

The inflation rate had little impact on the City's expenditure budget as the City continued with the differentiated approach to give effect to a zero-based expenditure budget. Inflation was therefore not the primary driver of expenditure. CPI was considered in determining miscellaneous (sundry) tariffs.

b) Contracted Services, Overtime and Operational Cost

The 2022/23 LTFP process commenced with an in depth analysis on previous year's performance outcomes with emphasis on reducing areas of underperformance. In an effort to safeguard the provision of municipal services but still ensure financial sustainability, no expenditure parameter was applied to contracted services and other operational costs. This strategy freed up funds to assist with reprioritisation of needs and balancing the budget at affordable levels. In addition, cost element categories were reprioritised to give effect to the requirements stemming from the new term of office IDP. For example, an overtime parameter increase of CPI was afforded to the Safety & Security directorate only.

In addition, the Municipal Cost Containment Regulations and the City's Cost Containment Policy embedded in the City's operations also continued to assist in driving down costs and ensuring that value for money is achieved and resources of the municipality used effectively, efficiently and economically.

c) Collection rate for Property Rates and Service charges

NT MFMA Circular 112 makes references to previous MFMA Circulars 93 and 98 as it relates to collection rates. It indicates that emphasis is on municipalities to comply with Section 18 of the MFMA and ensure that they fund their 2022/23 MTREF budgets from realistically anticipated revenues to be collected. In addition, municipalities are cautioned against assuming collection rates that are unrealistic and unattainable as this is a fundamental reason for municipalities not attaining their desired collection rates.

The year-to-date collection rate outcome has shown improvements in collection rates across most services. This led to the upward adjustment of collection rates in the 2021/22 adjustments budget. Based on this result and assuming that this trend will continue, the collection rate assumptions as shown in the ensuing table were made for the 2022/23 MTREF.

Table 38 - Collection Rates

Services	Base Budget 2021/22	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Rates	95.14%	95.50%	95.74%	96.19%
Electricity	99.00%	99.00%	99.00%	99.00%
Water	91.00%	91.00%	92.00%	93.00%
Sanitation	93.00%	93.00%	94.00%	95.00%
Refuse	90.00%	90.00%	92.00%	92.00%

The Rates collection rate is projected at 95.5% for 2022/23, which shows an improvement to the previous budgeted collection rate. The higher projected collection rate is a result of the implementation of various strategies such as continued debt management initiatives, system enhancements and resolving valuation objections.

The Electricity collection rate is projected to average 99% over the 2022/23 MTREF period. This high collection rate projection is mainly attributable to the continuous rollout of prepaid meters and revenue protection initiatives.

The collection rate is projected at 91% for Water and at 93% for Sanitation for the 2022/23 financial year, similar to the collection rates budgeted for in the 2021/22 adjustments budget. A collection rate of 92% and 93% for Water, and 94% and 95% for Sanitation is projected, respectively, for the outer years of the MTREF. The expected increase in the collection rate is based on the latest projections, which include increased debt management action as well as systematically moving out of the COVID-19 environment.

The Refuse collection rate is projected at 90% for 2022/23 and expected to increase to 92% over the outer years of the MTREF. The collection rate projection is supported by the current in-year 12 months' average trend, which shows an average collection rate outcome of 90% as at January 2022.

d) Staff cost increases

A new three-year Salary & Wage national collective agreement was entered into at the Bargaining Council in 2021. The terms of this agreement covers the municipal financial years 2021/22 to 2023/24. In the absence of an agreement for the last year of the City's MTREF, the principle applied for 2023/24 was similarly applied for 2024/25.

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

- 2022/23: CPI percentage for 2022 as projected by January 2022 MPC; and
- 2023/24: CPI percentage for 2023 as projected by January 2023 MPC

The CPI projected by the January 2022 MPC Statement was 4.9% for 2022. The salary increases included in the budget are graphically shown below.

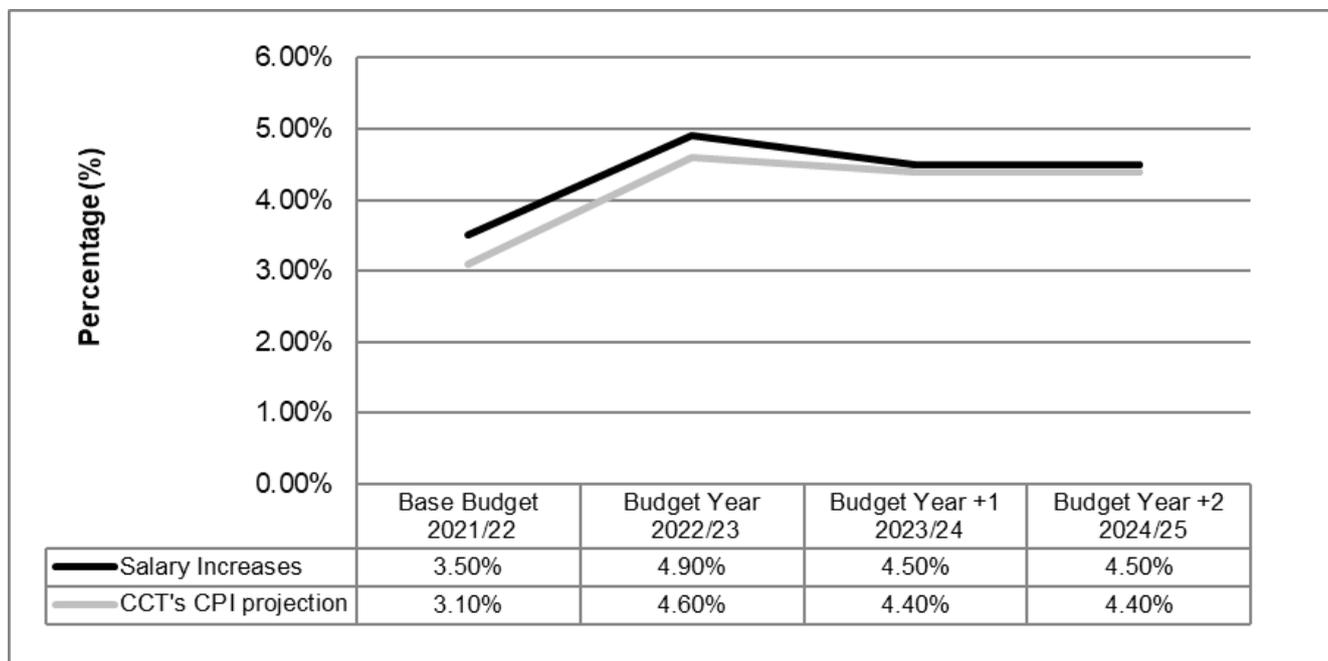


Figure 13 Correlation between the City's CPI and the salary increase over the MTREF

A provision of 2% was made for incremental allowances for T-grade level 13 and below. In addition, the City continued with the method of budgeting for salaries at 95% and partial budgeting for vacancies. This approach was adopted as the turnaround time of vacancies has attributed significantly to the underperformance on the salaries budget.

e) Ensuring maintenance of existing assets

NT MFMA Circular 112 states “municipalities must ensure that they render basic services, maintain their assets and clean environment”. It further advises municipalities to refer to annual budget circulars of previous years for guidance on budget preparation not covered in this circular. In this regard, NT MFMA Circular 55 states that municipal councils, mayors and municipal managers are urged to ensure that allocations to repairs and maintenance, and the renewal of existing infrastructure are prioritised.

Investment in infrastructure is a core component of ensuring economic growth. In addition, asset maintenance is pivotal to prevent breakdown of infrastructure assets and to avoid interruption to service delivery. To ensure infrastructure assets are maintained adequately and considering past performance on these costs, the following repairs and maintenance increases were applied:

- Higher than CPI increases were applied to services where the nature of business are primarily to provide repairs and maintenance and where the condition of the assets must be secured;
- CPI increases were applied to services where the main business is not providing repairs and maintenance but the nature of business and facilities requires a proper maintenance provision; and
- No increases provided for support services and underperforming directorates.

NT MFMA Circulars 55 and 70 set the ratio of operational repairs and maintenance to asset value (write down value of the municipality’s property, plant and equipment (PPE)) at 8%. The ratio outcome for 2022/23 is 7.9%, which is slightly lower than then the National Treasury norm. This is due to the quantum of new assets budgeted for in 2022/23, which will not require immediate repairs and maintenance. The outcome shows that the City is investing adequately in protecting its asset base by effectively providing for repairs and maintenance.

f) Operational financing for capital depreciation

Calculation of depreciation on new capital expenditure is based on variables such as asset class and lifespan, depending on the nature of the asset. An annual capital expenditure implementation rate of 100% was assumed. Depreciation of existing assets is calculated based on simulated system data which reflect actual values per annum.

2.5.7 Capital Funding

a) Funding of the capital budget

Similar to previous years, the capital budget was assessed considering matters such as procurement, implementation readiness, technical- and financial feasibility, and strategic alignment. This assessment was done utilising the City’s Project Readiness Assessment (PRA) tool.

The capital budget was prepared with the aim of preserving the City’s current infrastructure and expanding in areas where further capital investments are required to give effect to the City’s new term of office IDP. The capital budget is expected to grow by an average of 28.3% over the MTREF period.

The ensuing table shows the capital funding source over the 2022/23 MTREF.

Table 39 - Capital Budget over MTREF

Capital funding R Thousand	Budget Year 2022/23	Budget Year+1 2023/24	Budget Year +2 2024/25
Transfers recognised - capital	2 271 867	2 643 500	3 551 397
Borrowing	2 000 000	6 479 900	7 480 175
Internally generated funds	3 235 452	1 850 816	1 647 098
TOTAL	7 507 319	10 974 216	12 678 671

b) Credit rating outlook and borrowing

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

Moody's Investors Service Inc published their latest credit opinion for the City on 14 April 2022. It has reaffirmed the existing long- and short-term national and global scale rating of Aa3.za/P-1.za and Ba3/NP, and changed the outlook from negative to stable. This update follows after the City received its 17th consecutive unqualified audit report and after the change in outlook of the sovereign (the Republic of South Africa) from negative to stable.

The City's rating reflects its moderate financial performance supported by its prudent financial management, and large and diversified economic base. The City has consistently generated robust operating surpluses with stronger liquidity and lower debt than that of its peers in South Africa also rated by Moody's.

The City's credit profile is constrained by capital spending pressure, relating to infrastructure backlogs and population growth. It is further constrained by the structurally weak economic environment, worsened by the ongoing coronavirus restrictions, which is expected to moderate the City's operating performance. The resilience in the City's cash position is expected to remain. The low debt level, together with the City's liquidity reserves places the City in a favourable position to raise funding. In addition, any movement in the South African sovereign rating will impact directly on the City's global scale rating.

The City's known ratings over the last period are:

Table 40 - Credit rating outlook

Category	Currency	Current Rating 14 April 2022 Update following rating action on Sovereign	Previous Rating 26 November 2021 Update following review conclusion	Previous 29 July 2021 Downgrade after sector review
Outlook	-	Stable	Negative	Rating(s) under review
NSR Issuer Rating	Rand	Aa3.za	Aa3.za	Aa3.za
NSR ST Issuer Rating	Rand	P-1.za	P-1.za	P-1.za
NSR Senior Unsecured	Rand	Aa3.za	Aa3.za	Aa3.za

Credit rating definitions:

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

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

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

R Thousand	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Borrowing	2 000 000	6 479 900	7 480 175
Borrowing Interest Rate (%)	11%	11%	11%

2.5.8 2022 Division of Revenue Bill (DoRb) and Fuel Levy

Equitable Share

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

NT MFMA Circular 115 indicated that the local government equitable share formula has been updated to account for projected household growth, inflation and estimated increases in bulk water and electricity costs over the MTEF period. Local Government Equitable Share (LGES) grew at an annual average rate of 10.3 per cent over the National MTEF. R28.9 billion is added to the LGES over the MTEF to increase coverage of the provision of free basic services.

The equitable share allocation to the City is therefore higher than anticipated and higher than the indicative allocations reflected in the 2021 DoRA. The DoRb issued in February 2022, via Gazette number 45903, provided for the following allocations, which have been included in the City's MTREF:

- 2022/23 – R3 656 million
- 2023/24 – R3 983 million
- 2024/25 – R4 342 million

Sharing of the Fuel Levy

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

The General Fuel Levy allocation letter, as received from National Treasury for the 2022/23 MTREF, stated that the 2020 (latest) fuel volume sales were used to determine the 2022/23 sharing of the general fuel levy allocations. In 2021, the local government sphere was subjected to budget reductions for the MTEF period ending 2023/24, due to the COVID-19 pandemic and being in a constrained fiscal environment. These reductions will continue to have an impact on the sharing of the general fuel levy allocations with all the metropolitan municipalities for the period. Metropolitan municipalities are currently advised by the fiscus that the allocations for the two outer years of the 2022 MTEF are provisional and the actual allocations will be based on fuel sales.

The fuel levy allocation was more than anticipated for the 2022/23 financial year as it was based on fuel sales for the 2020 year, which saw the country at pandemic restriction level 5 with minimal travelling allowed. This resulted in a contracted economy affecting all sectors. The first year of the 2022/23 MTREF reflects a higher than anticipated fuel levy, but a decrease in the outer years is still expected.

The following amounts allocated to the City, as per the 2022/23 allocation letter, is included in the City's MTREF:

- 2022/23 – R2 667 million
- 2023/24 – R2 637 million
- 2024/25 – R2 706 million

2.5.9 Major parameters

The following table summarises the major parameters applied to the 2022/23 MTREF operating budget:

Table 41 - Summary of parameters applied to the operating budget

	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
CPI	4.60%	4.40%	4.40%
COLLECTION RATES			
Rates	95.50%	95.74%	96.19%
Electricity	99.00%	99.00%	99.00%
Water	91.00%	92.00%	93.00%
Sanitation	93.00%	94.00%	95.00%
Refuse	90.00%	92.00%	92.00%
REVENUE PARAMETERS			
Rates	5.00%	5.63%	6.03%
Electricity	9.50%	15.56%	13.37%
Water	6.50%	5.00%	8.80%
Sanitation	6.50%	5.00%	8.80%
Refuse	5.00%	5.00%	5.00%
Disposal	5.00%	5.00%	10.45%
GROWTH PARAMETERS			
Rates	0.00%	0.00%	0.25%
Electricity	-3.00%	-1.50%	-1.50%
Water	4.00%	2.00%	1.00%
Sanitation	3.00%	2.00%	1.00%
Refuse	2.00%	2.00%	2.00%
EXPENDITURE PARAMETERS			
Salary increase			
Salary increase (SALGBC Agreement)	4.90%	4.50%	4.50%
Increment provision*	2.00%	2.00%	2.00%
Operational cost	No increase	No increase	No increase
Repairs & Maintenance	Differentiated	Differentiated	Differentiated
Interest Rates			
Interest paid	11.00%	11.00%	11.00%
Interest on investment	5.13%	5.70%	5.70%
OTHER			
Capital Borrowing expenditure	R2.000bn	R6.480bn	R7.480bn
Equitable Share Allocation	R3.656bn	R3.983bn	R4.342bn
Fuel levy	R2.667bn	R2.637bn	R2.706bn

2.6 Overview of budget funding

2.6.1 Medium-term outlook: operating revenue

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

The City derives most of its operational revenue from its service charges (46.1% of total revenue) i.e. provision of services such as water, electricity, sanitation and solid waste removal. Property Rates (21.6%), Transfers & Subsidies (11.7%), Investment revenue (2.1%) and Other revenue (i.e. alia Fuel Levy, building plan fees, licences, permits, etc.) (18.4%) forms part of the 2022/23 revenue base.

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

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

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

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

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

Description	2022/23 Medium Term Revenue & Expenditure Framework					
	Budget Year 2022/23	%	Budget Year +1 2023/24	%	Budget Year +2 2024/25	%
Property Rates	11 519 486	21.6%	12 132 471	21.3%	12 858 482	21.0%
Service Charges	24 565 228	46.1%	27 402 801	48.0%	30 433 505	49.7%
Investment Revenue	1 118 566	2.1%	1 119 454	2.0%	970 357	1.6%
Transfers & Subsidies	6 260 172	11.7%	6 454 997	11.3%	6 693 166	10.9%
Other own revenue	9 822 523	18.4%	9 972 203	17.5%	10 335 040	16.9%
Total Revenue (excluding capital transfers and contributions)	53 285 975	100%	57 081 926	100%	61 290 550	100%

The following graph is a breakdown of the operational revenue per main category for 2022/23.

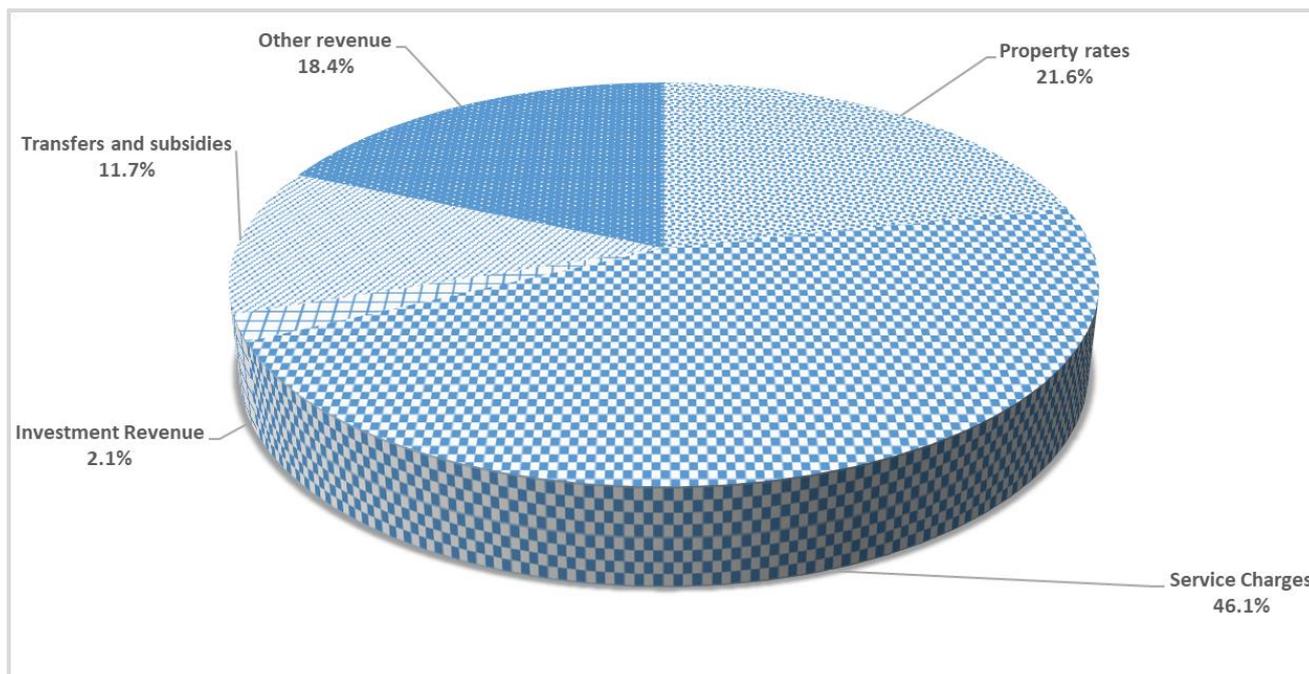


Figure 14 Breakdown of operating revenue over the 2022/23 MTREF

Revenue to be generated from Property Rates in 2022/23 amount to R11 519 million and represents 21.6% of the operating revenue base of the City. It increases to R12 859 million in 2024/25.

Service Charges relating to electricity, water, sanitation and refuse removal constitute the biggest component of the revenue basket of the City totalling R24 565 million or 46.1% of the total revenue base in 2022/23.

Investment revenue is budgeted at R1 119 million for the 2022/23 financial year.

Transfers and Subsidies amount to R6 260 million in 2022/23. This category includes external allocations received from National- and Provincial Government, and private sector funding.

Table 43 provides detailed investment information while Table 44 provides investment particulars by maturity.

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

Table 43 - MBRR Table SA15 - Investment particulars by type

Investment type	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand									
Securities - National Government	82 567	72 006	53 351	49 450	49 450	49 450	49 450	49 450	49 450
Listed Corporate Bonds	-	-	-	-	-	-	-	-	-
Deposits - Bank	13 405 368	14 949 522	14 243 096	9 474 767	11 431 059	11 431 059	11 021 603	12 460 497	14 844 113
Deposits - Public Investment Commissioners	-	-	-	-	-	-	-	-	-
Deposits - Corporation for Public Deposits	-	-	-	-	-	-	-	-	-
Bankers Acceptance Certificates	-	-	-	-	-	-	-	-	-
Negotiable Certificates of Deposit - Banks	-	-	-	-	-	-	-	-	-
Guaranteed Endowment Policies (sinking)	2 503 755	2 771 615	3 071 050	3 402 669	3 402 669	3 402 669	2 768 888	1 859 336	-
Repurchase Agreements - Banks	-	-	-	-	-	-	-	-	-
Municipal Bonds	-	-	-	-	-	-	-	-	-
TOTAL	15 991 691	17 793 143	17 367 498	12 926 886	14 883 178	14 883 178	13 839 941	14 369 283	14 893 563

Table 44 - MBRR Table SA16 - Investment particulars by maturity

Investments by Maturity Name of institution & investment ID	Period of Investment Yrs/Months	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate	Expiry date of investment	Opening balance	Interest to be realised	Partial/ Premature Withdrawal	Investment Top Up	Closing Balance
ABSA Bank	77	Fixed	Yes	Fixed	4.40%	13-May-22	20 000	72	–	–	20 072
ABSA Bank	77	Fixed	Yes	Fixed	4.40%	13-May-22	50 000	181	–	–	50 181
ABSA Bank	67	Fixed	Yes	Fixed	4.35%	6-May-22	15 000	54	–	–	15 054
ABSA Bank	66	Fixed	Yes	Fixed	4.35%	6-May-22	35 000	125	–	–	35 125
ABSA Bank	72	Fixed	Yes	Fixed	4.35%	13-May-22	50 000	179	–	–	50 179
ABSA Bank	71	Fixed	Yes	Fixed	4.35%	13-May-22	95 000	340	–	–	95 340
ABSA Bank	85	Fixed	Yes	Fixed	4.43%	27-May-22	100 000	364	–	–	100 364
ABSA Bank	74	Fixed	Yes	Fixed	4.35%	20-May-22	15 000	54	–	–	15 054
ABSA Bank	80	Fixed	Yes	Fixed	4.38%	27-May-22	65 000	234	–	–	65 234
ABSA Bank	72	Fixed	Yes	Fixed	4.35%	20-May-22	30 000	107	–	–	30 107
ABSA Bank	82	Fixed	Yes	Fixed	4.52%	31-May-22	35 000	130	–	–	35 130
ABSA Bank	81	Fixed	Yes	Fixed	4.55%	3-Jun-22	35 000	131	–	–	35 131
ABSA Bank	91	Fixed	Yes	Fixed	4.58%	15-Jun-22	210 000	791	–	–	210 791
ABSA Bank	85	Fixed	Yes	Fixed	4.50%	10-Jun-22	35 000	129	–	–	35 129
ABSA Bank	94	Fixed	Yes	Fixed	4.55%	24-Jun-22	40 000	150	–	–	40 150
ABSA Bank	94	Fixed	Yes	Fixed	4.70%	27-Jun-22	15 000	58	–	–	15 058
ABSA Bank	91	Fixed	Yes	Fixed	4.65%	27-Jun-22	55 000	210	–	–	55 210
ABSA Bank	90	Fixed	Yes	Fixed	4.65%	27-Jun-22	50 000	191	–	–	50 191
ABSA Bank	93	Fixed	Yes	Fixed	4.65%	30-Jun-22	25 000	96	–	–	25 096
ABSA Bank	79	Fixed	Yes	Fixed	4.60%	17-Jun-22	50 000	189	–	–	50 189
ABSA Bank	92	Fixed	Yes	Fixed	4.65%	30-Jun-22	30 000	115	–	–	30 115
ABSA Bank	60	Fixed	Yes	Fixed	4.60%	3-Jun-22	50 000	170	–	–	50 170
ABSA Bank	86	Fixed	Yes	Fixed	4.70%	30-Jun-22	35 000	117	–	–	35 117
ABSA Bank	85	Fixed	Yes	Fixed	4.70%	30-Jun-22	65 000	209	–	–	65 209
ABSA Bank	81	Fixed	Yes	Fixed	4.70%	1-Jul-22	85 000	219	–	–	85 219
ABSA Bank	80	Fixed	Yes	Fixed	4.70%	1-Jul-22	30 000	73	–	–	30 073
ABSA Bank	79	Fixed	Yes	Fixed	4.70%	1-Jul-22	20 000	46	–	–	20 046
ABSA Bank	71	Fixed	Yes	Fixed	4.70%	1-Jul-22	20 000	26	–	–	20 026
ABSA Bank	77	Fixed	Yes	Fixed	4.70%	8-Jul-22	25 000	29	–	–	25 029
ABSA Bank	74	Fixed	Yes	Fixed	4.70%	8-Jul-22	45 000	35	–	–	45 035
ABSA Bank	45	Fixed	Yes	Fixed	4.65%	10-Jun-22	15 000	10	–	–	15 010
Firststrand	77	Fixed	Yes	Fixed	4.66%	13-May-22	20 000	77	–	–	20 077
Firststrand	77	Fixed	Yes	Fixed	4.66%	13-May-22	60 000	230	–	–	60 230
Firststrand	67	Fixed	Yes	Fixed	4.64%	6-May-22	15 000	57	–	–	15 057
Firststrand	67	Fixed	Yes	Fixed	4.64%	6-May-22	15 000	57	–	–	15 057
Firststrand	66	Fixed	Yes	Fixed	4.64%	6-May-22	30 000	114	–	–	30 114
Firststrand	72	Fixed	Yes	Fixed	4.65%	13-May-22	50 000	191	–	–	50 191
Firststrand	71	Fixed	Yes	Fixed	4.64%	13-May-22	105 000	400	–	–	105 400
Firststrand	85	Fixed	Yes	Fixed	4.68%	27-May-22	100 000	385	–	–	100 385
Firststrand	74	Fixed	Yes	Fixed	4.66%	20-May-22	20 000	77	–	–	20 077
Firststrand	80	Fixed	Yes	Fixed	4.67%	27-May-22	60 000	230	–	–	60 230
Firststrand	72	Fixed	Yes	Fixed	4.67%	20-May-22	35 000	134	–	–	35 134
Firststrand	82	Fixed	Yes	Fixed	4.72%	31-May-22	35 000	136	–	–	35 136
Firststrand	81	Fixed	Yes	Fixed	4.72%	3-Jun-22	35 000	136	–	–	35 136
Firststrand	91	Fixed	Yes	Fixed	4.75%	15-Jun-22	220 000	859	–	–	220 859
Firststrand	85	Fixed	Yes	Fixed	4.75%	10-Jun-22	35 000	137	–	–	35 137
Firststrand	94	Fixed	Yes	Fixed	4.82%	24-Jun-22	65 000	258	–	–	65 258
Firststrand	94	Fixed	Yes	Fixed	4.87%	27-Jun-22	20 000	80	–	–	20 080
Firststrand	94	Fixed	Yes	Fixed	4.87%	27-Jun-22	25 000	100	–	–	25 100
Firststrand	94	Fixed	Yes	Fixed	4.87%	27-Jun-22	25 000	100	–	–	25 100
Firststrand	91	Fixed	Yes	Fixed	4.84%	27-Jun-22	70 000	278	–	–	70 278
Firststrand	90	Fixed	Yes	Fixed	4.84%	27-Jun-22	50 000	199	–	–	50 199
Firststrand	93	Fixed	Yes	Fixed	4.87%	30-Jun-22	30 000	120	–	–	30 120
Firststrand	79	Fixed	Yes	Fixed	4.82%	17-Jun-22	50 000	198	–	–	50 198
Firststrand	92	Fixed	Yes	Fixed	4.86%	30-Jun-22	30 000	120	–	–	30 120
Firststrand	64	Fixed	Yes	Fixed	4.80%	3-Jun-22	10 000	39	–	–	10 039
Firststrand	60	Fixed	Yes	Fixed	4.80%	3-Jun-22	50 000	178	–	–	50 178
Firststrand	86	Fixed	Yes	Fixed	4.84%	30-Jun-22	55 000	190	–	–	55 190
Firststrand	85	Fixed	Yes	Fixed	4.84%	30-Jun-22	35 000	116	–	–	35 116
Firststrand	81	Fixed	Yes	Fixed	4.98%	1-Jul-22	50 000	136	–	–	50 136
Firststrand	80	Fixed	Yes	Fixed	4.97%	1-Jul-22	25 000	65	–	–	25 065
Firststrand	79	Fixed	Yes	Fixed	4.97%	1-Jul-22	20 000	49	–	–	20 049
Firststrand	71	Fixed	Yes	Fixed	4.96%	1-Jul-22	20 000	27	–	–	20 027
Firststrand	77	Fixed	Yes	Fixed	4.97%	8-Jul-22	25 000	31	–	–	25 031
Firststrand	74	Fixed	Yes	Fixed	4.96%	8-Jul-22	45 000	37	–	–	45 037
Firststrand	45	Fixed	Yes	Fixed	4.77%	10-Jun-22	30 000	20	–	–	30 020

Table continues on next page.

Investments by Maturity Name of institution & investment ID	Period of Investment Yrs/Months	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal	Investment Top Up	Closing Balance
Investec Bank	77	Fixed	Yes	Fixed	4.25%	13-May-22	95 000	332	-	-	95 332
Investec Bank	77	Fixed	Yes	Fixed	4.25%	13-May-22	10 000	35	-	-	10 035
Investec Bank	66	Fixed	Yes	Fixed	4.38%	6-May-22	10 000	36	-	-	10 036
Investec Bank	72	Fixed	Yes	Fixed	4.38%	13-May-22	20 000	72	-	-	20 072
Investec Bank	85	Fixed	Yes	Fixed	4.40%	27-May-22	85 000	307	-	-	85 307
Investec Bank	80	Fixed	Yes	Fixed	4.40%	27-May-22	30 000	108	-	-	30 108
Investec Bank	72	Fixed	Yes	Fixed	4.38%	20-May-22	15 000	54	-	-	15 054
Investec Bank	82	Fixed	Yes	Fixed	4.40%	31-May-22	15 000	54	-	-	15 054
Investec Bank	81	Fixed	Yes	Fixed	4.40%	3-Jun-22	20 000	72	-	-	20 072
Investec Bank	91	Fixed	Yes	Fixed	4.50%	15-Jun-22	85 000	314	-	-	85 314
Investec Bank	85	Fixed	Yes	Fixed	4.40%	10-Jun-22	10 000	36	-	-	10 036
Investec Bank	94	Fixed	Yes	Fixed	4.50%	24-Jun-22	65 000	240	-	-	65 240
Investec Bank	94	Fixed	Yes	Fixed	4.60%	27-Jun-22	10 000	38	-	-	10 038
Investec Bank	94	Fixed	Yes	Fixed	4.60%	27-Jun-22	10 000	38	-	-	10 038
Investec Bank	91	Fixed	Yes	Fixed	4.36%	27-Jun-22	25 000	90	-	-	25 090
Investec Bank	90	Fixed	Yes	Fixed	4.60%	27-Jun-22	30 000	113	-	-	30 113
Investec Bank	79	Fixed	Yes	Fixed	4.55%	17-Jun-22	35 000	131	-	-	35 131
Investec Bank	86	Fixed	Yes	Fixed	4.60%	30-Jun-22	20 000	66	-	-	20 066
Investec Bank	77	Fixed	Yes	Fixed	4.55%	8-Jul-22	15 000	17	-	-	15 017
Investec Bank	74	Fixed	Yes	Fixed	4.55%	8-Jul-22	20 000	15	-	-	20 015
Nedbank	77	Fixed	Yes	Fixed	4.25%	13-May-22	35 000	122	-	-	35 122
Nedbank	77	Fixed	Yes	Fixed	4.25%	13-May-22	60 000	210	-	-	60 210
Nedbank	66	Fixed	Yes	Fixed	4.25%	6-May-22	40 000	140	-	-	40 140
Nedbank	72	Fixed	Yes	Fixed	4.25%	13-May-22	45 000	157	-	-	45 157
Nedbank	428	Fixed	Yes	Fixed	4.70%	30-Jun-22	21 550	83	-	-	21 633
Nedbank	426	Fixed	Yes	Fixed	4.70%	30-Jun-22	165	1	-	-	166
Nedbank	426	Fixed	Yes	Fixed	4.70%	30-Jun-22	62 100	240	-	-	62 340
Nedbank	426	Fixed	Yes	Fixed	4.70%	30-Jun-22	13 900	54	-	-	13 954
Nedbank	365	Fixed	Yes	Fixed	4.65%	30-Jun-22	715	3	-	-	718
Nedbank	365	Fixed	Yes	Fixed	4.65%	30-Jun-22	590	2	-	-	592
Nedbank	365	Fixed	Yes	Fixed	4.65%	30-Jun-22	290	1	-	-	291
Nedbank	365	Fixed	Yes	Fixed	4.65%	30-Jun-22	1 479	6	-	-	1 485
Nedbank	71	Fixed	Yes	Fixed	4.25%	13-May-22	75 000	262	-	-	75 262
Nedbank	85	Fixed	Yes	Fixed	4.30%	27-May-22	100 000	353	-	-	100 353
Nedbank	74	Fixed	Yes	Fixed	4.25%	20-May-22	15 000	52	-	-	15 052
Nedbank	80	Fixed	Yes	Fixed	4.35%	27-May-22	25 000	89	-	-	25 089
Nedbank	114	Fixed	Yes	Fixed	4.55%	30-Jun-22	28 000	105	-	-	28 105
Nedbank	72	Fixed	Yes	Fixed	3.35%	20-May-22	25 000	69	-	-	25 069
Nedbank	82	Fixed	Yes	Fixed	4.30%	31-May-22	30 000	106	-	-	30 106
Nedbank	81	Fixed	Yes	Fixed	4.30%	3-Jun-22	30 000	106	-	-	30 106
Nedbank	91	Fixed	Yes	Fixed	4.35%	15-Jun-22	175 000	626	-	-	175 626
Nedbank	85	Fixed	Yes	Fixed	4.35%	10-Jun-22	30 000	107	-	-	30 107
Nedbank	94	Fixed	Yes	Fixed	4.45%	24-Jun-22	45 000	165	-	-	45 165
Nedbank	94	Fixed	Yes	Fixed	4.45%	27-Jun-22	30 000	110	-	-	30 110
Nedbank	91	Fixed	Yes	Fixed	4.45%	27-Jun-22	50 000	183	-	-	50 183
Nedbank	90	Fixed	Yes	Fixed	4.45%	27-Jun-22	50 000	183	-	-	50 183
Nedbank	93	Fixed	Yes	Fixed	4.45%	30-Jun-22	15 000	55	-	-	15 055
Nedbank	79	Fixed	Yes	Fixed	4.45%	17-Jun-22	50 000	183	-	-	50 183
Nedbank	92	Fixed	Yes	Fixed	4.45%	30-Jun-22	20 000	73	-	-	20 073
Nedbank	64	Fixed	Yes	Fixed	4.40%	3-Jun-22	10 000	36	-	-	10 036
Nedbank	60	Fixed	Yes	Fixed	4.40%	3-Jun-22	55 000	179	-	-	55 179
Nedbank	86	Fixed	Yes	Fixed	4.45%	30-Jun-22	50 000	158	-	-	50 158
Nedbank	80	Fixed	Yes	Fixed	4.45%	1-Jul-22	20 000	46	-	-	20 046
Nedbank	79	Fixed	Yes	Fixed	4.45%	1-Jul-22	30 000	66	-	-	30 066
Nedbank	71	Fixed	Yes	Fixed	4.45%	1-Jul-22	20 000	24	-	-	20 024
Nedbank	77	Fixed	Yes	Fixed	4.45%	8-Jul-22	45 000	49	-	-	45 049
Nedbank	74	Fixed	Yes	Fixed	4.45%	8-Jul-22	40 000	29	-	-	40 029
Nedbank	45	Fixed	Yes	Fixed	4.40%	10-Jun-22	25 000	15	-	-	25 015

Table continues on next page.

Investments by Maturity Name of institution & investment ID	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal	Investment Top Up	Closing Balance
	Yrs/Months										
Standard Bank	77	Fixed	Yes	Fixed	4.50%	13-May-22	20 000	74	-	-	20 074
Standard Bank	77	Fixed	Yes	Fixed	4.50%	13-May-22	90 000	333	-	-	90 333
Standard Bank	67	Fixed	Yes	Fixed	4.46%	6-May-22	10 000	37	-	-	10 037
Standard Bank	66	Fixed	Yes	Fixed	4.45%	6-May-22	40 000	146	-	-	40 146
Standard Bank	72	Fixed	Yes	Fixed	4.47%	13-May-22	50 000	184	-	-	50 184
Standard Bank	71	Fixed	Yes	Fixed	4.47%	13-May-22	100 000	367	-	-	100 367
Standard Bank	85	Fixed	Yes	Fixed	4.51%	27-May-22	100 000	371	-	-	100 371
Standard Bank	77	Fixed	Yes	Fixed	4.49%	20-May-22	25 000	92	-	-	25 092
Standard Bank	80	Fixed	Yes	Fixed	4.50%	27-May-22	50 000	185	-	-	50 185
Standard Bank	72	Fixed	Yes	Fixed	4.49%	20-May-22	35 000	129	-	-	35 129
Standard Bank	82	Fixed	Yes	Fixed	4.51%	31-May-22	35 000	130	-	-	35 130
Standard Bank	81	Fixed	Yes	Fixed	4.51%	3-Jun-22	40 000	148	-	-	40 148
Standard Bank	91	Fixed	Yes	Fixed	4.57%	15-Jun-22	230 000	864	-	-	230 864
Standard Bank	85	Fixed	Yes	Fixed	4.58%	10-Jun-22	35 000	132	-	-	35 132
Standard Bank	94	Fixed	Yes	Fixed	4.61%	24-Jun-22	20 000	76	-	-	20 076
Standard Bank	91	Fixed	Yes	Fixed	4.65%	27-Jun-22	40 000	153	-	-	40 153
Standard Bank	90	Fixed	Yes	Fixed	4.65%	27-Jun-22	50 000	191	-	-	50 191
Standard Bank	93	Fixed	Yes	Fixed	4.66%	30-Jun-22	30 000	115	-	-	30 115
Standard Bank	79	Fixed	Yes	Fixed	4.61%	17-Jun-22	50 000	189	-	-	50 189
Standard Bank	92	Fixed	Yes	Fixed	4.65%	30-Jun-22	30 000	115	-	-	30 115
Standard Bank	64	Fixed	Yes	Fixed	4.58%	3-Jun-22	10 000	38	-	-	10 038
Standard Bank	60	Fixed	Yes	Fixed	4.57%	3-Jun-22	45 000	152	-	-	45 152
Standard Bank	86	Fixed	Yes	Fixed	4.63%	30-Jun-22	55 000	181	-	-	55 181
Standard Bank	85	Fixed	Yes	Fixed	4.63%	30-Jun-22	50 000	159	-	-	50 159
Standard Bank	81	Fixed	Yes	Fixed	4.65%	1-Jul-22	50 000	127	-	-	50 127
Standard Bank	80	Fixed	Yes	Fixed	4.65%	1-Jul-22	25 000	61	-	-	25 061
Standard Bank	79	Fixed	Yes	Fixed	4.65%	1-Jul-22	20 000	46	-	-	20 046
Standard Bank	71	Fixed	Yes	Fixed	4.63%	1-Jul-22	15 000	19	-	-	15 019
Standard Bank	77	Fixed	Yes	Fixed	4.64%	8-Jul-22	20 000	23	-	-	20 023
Standard Bank	74	Fixed	Yes	Fixed	4.62%	8-Jul-22	40 000	30	-	-	40 030
ABSA Bank	-	Call deposit	Yes	Fixed	4.25%	-	431 562	1 462	(195 000)	130 000	368 024
Firststrand Bank	-	Call deposit	Yes	Fixed	4.10%	-	296 572	965	(186 572)	150 000	260 965
Investec Bank	-	Call deposit	Yes	Fixed	4.10%	-	140 428	334	(120 428)	50 000	70 334
Nedbank	-	Call deposit	Yes	Fixed	4.10%	-	215 705	537	(155 705)	75 000	135 537
Standard Bank	-	Call deposit	Yes	Fixed	4.25%	-	416 329	1 380	(196 329)	130 000	351 380
Nedbank current account	-	Current account	-	-	4.05%	-	148 401	685	-	197 638	346 725
Fund Managers	-	-	-	-	-	-	7 331 546	33 067	(4 102 180)	-	3 262 434
Liberty, RMB and Nedbank sinking fund	-	-	-	-	-	-	3 318 123	25 094	(1 000 000)	-	2 343 217
Cash in transit	-	-	-	-	-	-	23 848	-	-	14 529	38 378
CTICC	-	-	-	-	-	-	271 435	-	-	-	271 435
COID	-	-	-	-	-	-	52 297	(52)	-	-	52 245
TOTAL INVESTMENTS AND INTEREST							19 060 036	-	(5 956 214)	747 167	13 936 338

2.6.2 Medium-term outlook: capital revenue

The table below provides a breakdown of the funding composition of the City's 2022/23 medium-term capital programme.

Table 45 - Sources of capital revenue over the MTREF

Funding Source	Current Year 2021/22		2022/23 Medium Term Revenue & Expenditure Framework					
	Adjusted Budget	%	Budget Year 2022/23	%	Budget Year +1 2023/24	%	Budget Year +2 2024/25	%
Funded by:								
National Government	1 705 493		2 165 521		2 542 402		3 437 473	
Provincial Government	27 760		5 492		5 723		5 677	
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)	59 336		100 854		95 375		108 247	
Transfers recognised - capital	1 792 589	29.4%	2 271 867	30.3%	2 643 500	24.1%	3 551 397	28.0%
Borrowing	1 200 000	19.7%	2 000 000	26.6%	6 479 900	59.0%	7 480 175	59.0%
Internally generated funds	3 102 526	50.9%	3 235 452	43.1%	1 850 816	16.9%	1 647 098	13.0%
Total Capital Funding	6 095 115	100.0%	7 507 319	100.0%	10 974 216	100.0%	12 678 671	100.0%

Sources of capital revenue for the 2022/23 financial year are graphically represented below.

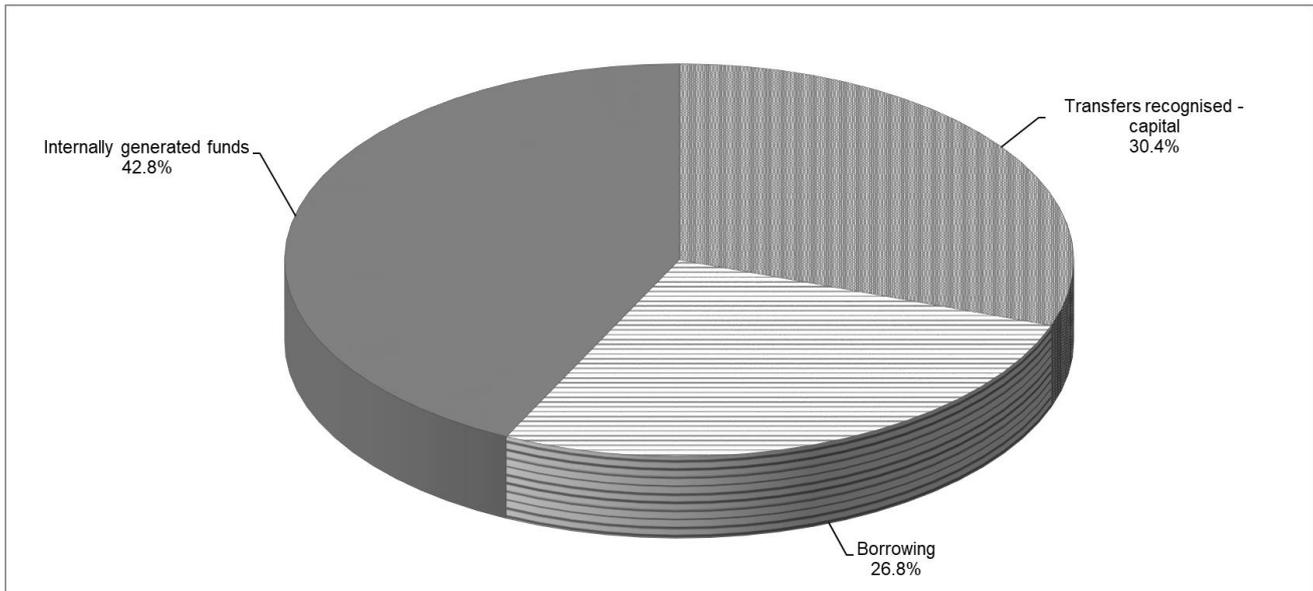


Figure 15 Sources of capital revenue for the 2022/23 financial year

Grants from national- and provincial government as well as other external sources still remain a significant funding source for the 2022/23 – 2024/25 capital budget.

The three sources of capital revenue are detailed below.

- **Transfers recognised – capital**

Transfers recognised – capital amounts to R2 272 million in 2022/23, R2 644 million in 2023/24 and R3 551 million in 2024/25, decreasing slightly from 30.3% to 28% as a percentage of the total capital budget over the MTREF.

Capital transfers and grants from national- and provincial government and other grant providers for the 2022/23 MTREF are reflected in the ensuing table.

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

Description	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand									
Capital Transfers and Grants									
National Government:	2 738 497	1 983 329	1 447 239	3 050 778	1 705 493	1 658 762	2 165 521	2 542 402	3 437 473
Minerals and Energy: Energy Efficiency and Demand Side Management Grant	9 300	10 425	8 182	9 200	8 915	8 915	8 100	8 100	8 100
Minerals and Energy: Integrated National Electrification Programme (Municipal) Grant	10 000	-	-	-	-	-	-	-	-
National Government - Other: Previous years' Dora allocations	-	-	-	-	232	232	-	-	-
National Treasury: Environmental Affairs: Special Projects	2 564	-	-	-	-	-	-	-	-
National Treasury: Environmental Affairs: Terrestrial	766	-	-	-	-	-	-	-	-
National Treasury: Expanded Public Works Programme	1 000	594	1 171	700	700	697	937	-	-
National Treasury: Informal Settlements Upgrading Partnership Grant Municipalities	-	-	-	441 997	453 626	447 583	458 053	491 041	514 004
National Treasury: Infrastructure Skills Development Grant	582	-	863	1 000	1 137	1 137	1 000	1 000	1 000
National Treasury: Integrated City Development Grant	63 279	52 723	44 146	-	4 023	4 023	-	-	-
National Treasury: Local Government Restructuring Grant	-	-	-	60	60	60	217	593	155
National Treasury: Municipal Disaster Recovery Grant	553 500	-	-	-	-	-	-	-	-
National Treasury: Neighbourhood Development Partnership Grant	7 300	42 000	21 140	45 000	10 172	10 172	19 699	24 699	30 000
National Treasury: Public Transport Network: Budget Facility for Infrastructure Grant	-	377 386	237 139	1 433 000	93 000	92 788	335 000	769 000	1 574 000
National Treasury: Urban Settlements Development Grant	1 452 464	1 500 201	1 134 599	753 284	791 491	767 640	840 960	854 009	898 805
Transport: Public Transport Network Grant	637 742	-	-	366 537	342 137	325 514	501 555	393 960	411 408
Provincial Government:	13 004	32 710	11 862	15 866	27 760	27 677	5 492	5 723	5 677
Community Safety: Law Enforcement Advancement Plan	-	-	-	-	19 264	19 199	-	-	-
Cultural Affairs and Sport: Development of Sport and Recreation Facilities	-	775	10 550	-	-	-	-	-	-
Cultural Affairs and Sport: Library Services (Conditional Grant)	2 242	2 607	-	-	-	-	-	-	-
Cultural Affairs and Sport: Library Services: Metro Library Grant	10 000	10 000	-	5 400	5 816	5 810	5 492	5 573	5 577
Economic Development and Tourism: Provide resources for the tourism safety law enforcement unit project	-	-	1 312	-	-	-	-	-	-
Housing: Integrated Housing and Human Settlement Development Grant	-	-	-	10 466	-	-	-	150	100
Tourism Safety Law Enforcement Unit	762	6	-	-	-	-	-	-	-
Provincial Government: Community Safety: Training and Equipment for Volunteers: Law Enforcement Service (LEAS)	-	19 039	-	-	2 679	2 668	-	-	-
Provincial Government: Municipal Accreditation and Capacity Building Grant	-	279	-	-	-	-	-	-	-
Other grant providers:	79 454	65 467	-	72 198	59 336	50 818	100 854	95 375	108 247
Other: Other	79 454	65 467	-	72 198	59 336	50 818	100 854	95 375	108 247
Total Capital Transfers and Grants	2 830 955	2 081 505	1 459 101	3 138 842	1 792 589	1 737 256	2 271 867	2 643 500	3 551 397

Borrowing

Borrowing continues to be one of the major sources of funding of the 2022/23 – 2024/25 capital budget.

The borrowing amount for the 2022/23 financial year, as reflected in Table 45, includes certain rollovers where directorates have already indicated that they will not be able to spend the full 2021/22 budgetary allocation by year-end.

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

Table 47 - MBRR Table SA17 - Detail of borrowing

Borrowing - Categorised by type	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand									
Annuity and Bullet Loans	1 286 456	2 021 889	1 797 823	3 918 565	2 689 839	2 689 839	4 258 690	10 042 308	16 329 972
Marketable Bonds	4 984 481	4 850 000	4 750 000	3 670 563	3 670 563	3 670 563	2 366 091	261 423	156 854
Total Borrowing	6 270 937	6 871 889	6 547 823	7 589 128	6 360 402	6 360 402	6 624 781	10 303 731	16 486 826

The following graph illustrates the growth in outstanding borrowing for the 2022/23 to 2024/25 period.

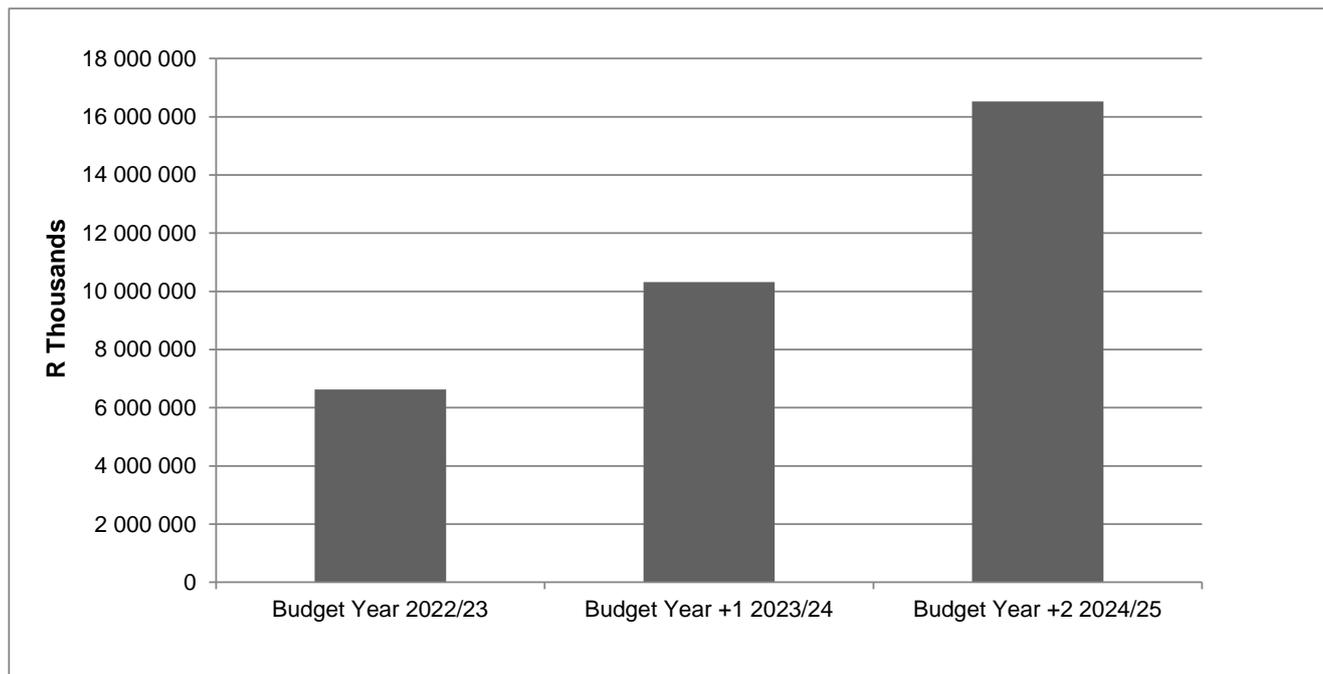


Figure 16 Outstanding borrowings (long-term liabilities) for the 2022/23 MTREF

• **Internally generated funds**

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

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

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

The levels of contributions made to the CRR in the previous year’s operating budget are considered within the MTREF process to determine affordability and sustainability. Internally generated funds amount to R3 235 million, R1 851 million and R1 647 million respectively, over the MTREF.

The percentage of internally generated funds in relation to the total annual budget fluctuates from 43.1% in 2022/23 to 16.9% in 2023/24 and 13% in 2024/25.

Cash Flow Management

Table 48 - MBRR Table A7 - Budgeted cash flow statement

Description	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand									
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Property rates	9 319 556	9 296 655	10 005 031	10 544 767	10 544 463	10 544 463	11 116 304	11 707 835	12 408 436
Service charges	20 600 259	19 396 197	21 101 782	21 640 699	21 610 703	21 610 703	23 922 286	26 716 482	29 687 542
Other revenue	2 573 710	3 798 052	2 612 879	4 049 121	4 060 272	4 060 272	4 559 563	4 603 721	4 750 146
Transfers and Subsidies - Operational	4 468 913	4 945 515	5 781 742	5 650 364	6 070 243	6 070 243	6 260 172	6 454 997	6 693 166
Transfers and Subsidies - Capital	2 079 448	1 911 311	1 616 702	3 200 628	1 943 969	1 943 969	2 271 867	2 643 500	3 551 397
Interest	1 427 759	1 642 305	1 438 934	855 119	895 923	895 923	1 118 566	1 119 454	970 357
Payments									
Suppliers and employees	(30 505 458)	(33 265 559)	(35 397 699)	(38 966 571)	(39 388 219)	(39 388 219)	(42 947 594)	(46 208 500)	(49 621 813)
Finance charges	(717 853)	(718 927)	(731 498)	(740 582)	(702 345)	(702 345)	(803 157)	(858 329)	(1 371 972)
Transfers and Grants	-	-	-	(464 263)	(561 134)	(561 134)	(391 480)	(361 696)	(326 291)
NET CASH FROM/(USED) OPERATING ACTIVITIES	9 246 334	7 005 549	6 427 873	5 769 282	4 473 874	4 473 874	5 106 527	5 817 464	6 740 966
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE	151 009	73 195	84 028	124 139	54 741	54 741	54 742	57 150	59 665
Decrease (increase) in non-current receivables	7 513	10 826	(32 484)	(751)	(3)	(3)	751	97	99
Decrease (increase) in non-current investments	(936 202)	(886 819)	(840 273)	(331 962)	(332 578)	(332 578)	633 780	909 552	1 859 336
Payments									
Capital assets	(5 392 818)	(5 970 668)	(6 528 473)	(8 314 767)	(6 095 115)	(6 095 115)	(7 507 319)	(10 974 216)	(12 678 671)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(6 170 498)	(6 773 466)	(7 317 202)	(8 523 340)	(6 372 955)	(6 372 955)	(6 818 047)	(10 007 417)	(10 759 571)
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	196 420	1 091 580	-	2 500 000	1 200 000	1 200 000	2 000 000	6 479 900	7 480 175
Increase (decrease) in consumer deposits	29 302	8 459	20 354	17 110	87 669	87 669	28 010	26 908	28 731
Payments									
Repayment of borrowing	(368 901)	(384 828)	(371 494)	(371 495)	(371 495)	(371 495)	(1 438 161)	(1 758 161)	(2 991 495)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(143 179)	715 211	(351 140)	2 145 615	916 175	916 175	589 849	4 748 647	4 517 411
NET INCREASE/ (DECREASE) IN CASH HELD	2 932 657	947 294	(1 240 469)	(608 444)	(982 906)	(982 906)	(1 121 671)	558 693	498 806
Cash/cash equivalents at the year begin:	5 486 619	8 419 276	9 366 570	5 795 344	8 126 101	8 126 101	7 143 195	6 021 524	6 580 217
Cash/cash equivalents at the year end:	8 419 276	9 366 570	8 126 101	5 186 901	7 143 195	7 143 195	6 021 524	6 580 217	7 079 023

The above table shows the cash and cash equivalents of the City over the 2022/23 MTREF. The City continues to embark on an extensive debt collection process to boost cash levels. These initiatives and interventions have translated into a positive cash position for the City.

For the 2022/23 MTREF, the budget has been prepared to ensure high levels of cash and cash equivalents over the medium-term with cash levels anticipated to exceed R6 022 million in 2022/23, R6 580 million in 2023/24 and R7 079 million in 2024/25.

2.6.3 Cash Backed Reserves/Accumulated Surplus Reconciliation

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

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

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

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

Description	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Cash and investments available									
Cash/cash equivalents at the year end	8 419 276	9 366 570	8 126 101	5 186 901	7 143 195	7 143 195	6 021 524	6 580 217	7 079 023
Other current investments > 90 days	2 532 330	2 436 050	2 883 868	1 634 033	1 633 414	1 633 414	999 637	1 909 189	3 768 525
Non current assets - Investments	5 342 557	6 267 808	6 573 136	6 240 856	6 241 472	6 241 472	6 875 252	5 965 700	4 106 364
Cash and investments available:	16 294 163	18 070 428	17 583 105	13 061 790	15 018 081	15 018 081	13 896 413	14 455 106	14 953 912
Application of cash and investments									
Unspent conditional transfers	1 298 170	1 392 172	1 119 269	1 563 531	1 563 531	1 563 531	1 429 132	1 524 837	1 625 198
Unspent borrowing	-	-	-	-	-	-	-	-	-
Statutory requirements	-	-	-	-	-	-	-	-	-
Other working capital requirements	(1 120 446)	(697 709)	207 964	(3 114 079)	(2 415 605)	(2 415 605)	(1 819 464)	(1 217 239)	228 469
Other provisions	-	-	-	1 264 232	947 234	947 234	917 034	969 836	1 018 840
Long term investments committed	2 503 755	2 771 233	3 071 050	3 402 669	3 402 669	3 402 669	2 768 888	1 859 336	-
Reserves to be backed by cash/investments	4 798 920	5 639 194	5 498 532	4 246 206	5 431 017	5 431 017	4 774 009	4 361 380	4 064 320
Total Application of cash and investments:	7 480 400	9 104 891	9 896 815	7 362 560	8 928 846	8 928 846	8 069 599	7 498 151	6 936 827
Surplus(shortfall)	8 813 763	8 965 537	7 686 290	5 699 230	6 089 235	6 089 235	5 826 813	6 956 955	8 017 086

From the above table it can be seen that the cash and investments available total R5 827 million in 2022/23 increasing to R8 017 million in 2024/25, including the projected cash and cash equivalents as determined in the cash flow forecast.

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

- Unspent conditional transfers (grants): These include amounts rolled over relating mainly to existing multi-year projects.
- Unspent borrowing: There are no unspent borrowing from previous years.
- Provisions for statutory requirements: The City does not make provision for statutory requirements in this section of the budget as the City is mostly in a refund position.
- Other working capital and other provisions: The main purpose of other working capital/other provisions is to ensure that sufficient funds are available to meet obligations as it falls due. A provision equivalent to one and a half times the monthly operational expenditure has been provided for.
- Long term investments committed: Long term investments consist of the sinking funds for the repayment of current and future borrowings. This amount is "held to maturity" and is not available for spending.
- Reserves to be backed by cash / investments: Although the cash-backing of reserve funds is discretionary in nature and need not be fully cash backed, the City's reserve funds are fully cash-backed.

The following graph supplies an analysis of the trends relating to cash and cash equivalents and the cash backed reserves/accumulated funds reconciliation over the MTREF:

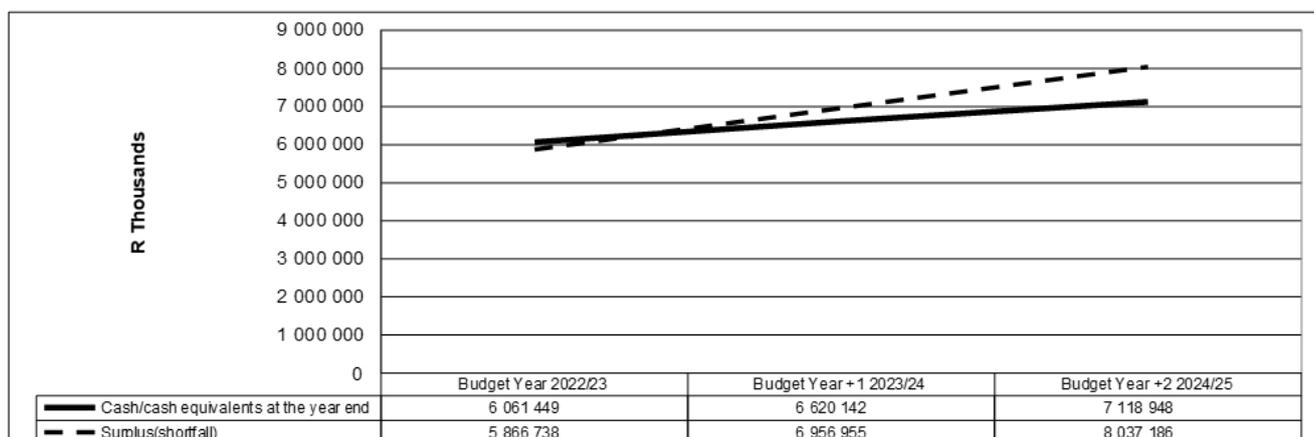


Figure 17 Cash and cash equivalents / cash backed reserves and accumulated funds

2.6.4 Funding Compliance Measurement

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

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

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

Table 50 - MBRR Table SA10 - Funding compliance measurement

Description	MFMA section	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Funding measures										
Cash/cash equivalents at the year end - R'000	18(1)b	8 419 276	9 366 570	8 126 101	5 186 901	7 143 195	7 143 195	6 021 524	6 580 217	7 079 023
Cash + investments at the yr end less applications - R'000	18(1)b	8 813 763	8 965 537	7 686 290	5 699 230	6 089 235	6 089 235	5 826 813	6 956 955	8 017 086
Cash year end/monthly employee/supplier payments	18(1)b	3.31	3.28	2.60	1.52	2.04	2.04	1.65	1.69	1.72
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	6 242 064	4 369 410	2 054 420	2 507 595	1 231 038	1 231 038	1 760 790	1 929 221	2 732 096
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	N.A.	0.1%	(4.8%)	3.3%	(6.2%)	(6.0%)	2.3%	3.6%	3.5%
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	94.4%	90.6%	92.0%	92.7%	92.9%	92.9%	94.5%	94.7%	95.0%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	5.6%	9.3%	9.3%	8.1%	7.1%	7.1%	6.4%	5.7%	5.2%
Capital payments % of capital expenditure	18(1)c;19	101.4%	100.0%	100.0%	100.0%	100.0%	106.3%	100.0%	100.0%	100.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	6.1%	27.1%	0.0%	48.3%	27.9%	30.0%	38.2%	77.8%	82.0%
Grants % of Govt. legislated/gazetted allocations	18(1)a							101.6%	101.0%	100.6%
Current consumer debtors % change - incr(decr)	18(1)a	N.A.	4.7%	(10.7%)	45.7%	(27.0%)	0.0%	1.4%	3.3%	5.0%
Long term receivables % change - incr(decr)	18(1)a	N.A.	(94.6%)	(42.8%)	(96.8%)	1.3%	0.0%	(43.4%)	(76.7%)	(50.5%)
R&M % of Property Plant & Equipment	20(1)(vi)	8.3%	7.6%	6.9%	7.2%	8.2%	8.2%	7.9%	7.6%	6.9%
Asset renewal % of capital budget	20(1)(vi)	28.1%	28.5%	27.8%	22.8%	32.3%	32.4%	27.3%	25.4%	19.6%

2.6.4.1 Cash/cash equivalent position

An increasing positive cash position is shown over the forecasted 2022/23 MTREF, indicating that the medium term budget is affordable and sustainable. The cash position is mainly as a result of a favourable opening cash balance.

2.6.4.2 Cash plus investment less application of funds

This measure shows how a municipality applies its available cash and investments. Total of cash plus investment less applications is more than the commitments for each corresponding year of the 2022/23 MTREF, which indicates that the City is able to afford its commitments over the medium term.

2.6.4.3 Cash year end/monthly employee/supplier payments

This measure outlines the level of financial risk, should the municipality be under stress, i.e. it indicates the number of times average monthly payments are covered. This ratio outcome averages 1.7 over the MTREF.

2.6.4.4 Surplus/deficit excluding depreciation offsets

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

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

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

The ratio outcome shows an average increase of 3.1% above the CPI threshold of 6% over the 2022/23 MTREF. The higher than CPI increase for Electricity and Water & Sanitation are explained below.

Electricity

The City applied an 8.61% increase for bulk purchases as per the approved application and, in the absence of future years' increases, applied a 15% bulk purchases increase for the outer years. The nature of business for the electricity service is the purchasing and redistribution of electricity, where bulk purchases constitute a large portion of the electricity service's budget. Bulk purchases as a percent of electricity expenditure averages 67% over the MTREF. The electricity average revenue increases are 9.50%, 15.56% and 13.37%, respectively over the 2022/23 MTREF. The revenue increase requirement are due to, amongst other, the following:

- Shrinkage in sales growth, due to consumers moving towards alternative sources of energy;
- Increase in bulk purchases without a concomitant increase in sales income, due to vandalism and theft;
- The establishment of a Generation department to investigate and prepare the directorate for future alternative generation possibilities including the building of ground mounted PV plants;
- Inclusion of mayoral priorities as it relates to load shedding; and
- Additional security in order to help curb the increase in theft and vandalism.

Water & Sanitation

The average revenue increase applied is 6.5% for 2022/23, 5.0% for 2023/24 and 8.8% for 2024/25. To ensure the lowest revenue increase, expenditure was reduced while still ensuring that the strategic imperatives of the service could continue. The revenue increase makes provision for, amongst other, the following:

- To ensure sustainable and resilient provision of water, budgetary provision for the New Water Plan was made, which includes initiatives to further invest in the underground extraction of water from aquifers;
- Water demand management to limit the abuse and loss of water;
- Interventions aimed at improving the water quality in the vleis;
- Improving response times for sewerage blockages and to reduce these blockages with preventative maintenance;
- Upgrades and extensions to the wastewater treatment plants;
- Continued investment in asset replacement programs to ensure proper asset management, with a specific focus on sewer network replacement as well as the upgrading of sewer pump stations;
- Ongoing investment in repairs and maintenance programs and maintaining required compliance standards;
- Supplying water and sanitation at appropriate compliance, capacity, skills, service delivery and responsiveness levels; and
- COVID-19 pandemic requirements, which has been incorporated into permanent aspects of the service levels.

2.6.4.6 Cash receipts as a percentage of ratepayer and other revenue

This is a macro measure of the rate at which funds are 'collected'. The expected purpose of this measure is to analyse an underlying assumed collection rate. The ratio outcome for 2022/23 is 94.5% improving to 95.0% in 2024/25. This collection rate is deemed realistic, as it is based on past and current trends. Initiatives are continuously put in place to improve revenue collection.

2.6.4.7 Debt impairment expense as a percentage of billable revenue

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

2.6.4.8 Capital payments percentage of capital expenditure

The purpose of this measure is to understand whether the timing of payments is being taken into consideration when forecasting the cash position. The ratio outcome is 100% over the 2022/23 MTREF period which shows the full capital budget is provided for in the cash flow forecasting.

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

The purpose of this measure is to determine the proportion of a municipality's 'own-funded' capital expenditure budget that is being funded from borrowed funds. The City's long term borrowing is done in terms of chapter 6 of the MFMA, where a long term loan will only be entered into if it's affordable and sustainable. The ratio shows an outcome of 66% on average over the MTREF, showing that the City is borrowing less than capital expenditure, therefore sustainable and compliant to the MFMA.

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

The purpose of this measure is to ensure that all available transfers from all spheres of government have been included in the budget. The City's budget was compiled using the 2022 DoRb, and Provincial Gazette Extraordinary 8566 dated 14 March 2022.

This ratio outcome averages 101.1% over the 2022/23 MTREF. The result is slightly higher than 100% due to the following reasons:

- Interest of previous years' grants included;
- Funding received for the following grants where a memorandum of agreement is in place but not included in the DoRb and Provincial Gazette:
 - Department of Environmental Affairs and Tourism;
 - National Skills Fund grant;
 - Regional land claims commissioner;
 - General Budget Support grant but is not included in DoRb; and
 - Human Settlements -Informal Settlements.

2.6.4.11 *Consumer debtors change (current and non-current)*

The purpose of this measure is to ascertain whether budgeted reductions in outstanding debtors are realistic. The ratio outcomes shows an average increase of 3.2% over the 2022/23 MTREF. The increase in the ratio is driven by the increase in consumer debtors, other debtors, and the current portion of long-term receivables.

2.6.4.12 *Long term receivables % change*

Long-term receivables include 'arrangement debtors' to be paid by the debtor over an extended period of time. Long-term receivable is projected to reduce by an average of 56.9% over the 2022/23 MTREF period. The reduction is due to loans provided to public organisations and sporting bodies prior to the implementation of the MFMA, which are currently being repaid and a long-term loan to the Khayelitsha Community Trust which is repayable over 18 years with the final payment due in 2024.

2.6.4.13 *Repairs and maintenance expenditure level*

This ratio is to indicate whether sufficient provision is made in respect of repairs and maintenance for property, plant and equipment. This ratio outcome for 2022/23 is 7.9% and is slightly below the NT benchmark of 8%. The lower ratio outcome in the outer years is due to an increase investment in new assets.

2.6.4.14 *Asset renewal % of capital budget*

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

Renewal of existing assets is split between *renewal* of existing assets and *upgrading* of existing assets. This ratio only takes into consideration the renewal of existing assets portion over the total capital budget and shows an outcome averaging 24.1% over the 2022/23 MTREF.

Considering both renewal and upgrading of existing assets as a percentage of total capital budget, the ratio outcome will average of 48.9% over the 2022/23 MTREF. This is higher than the NT norm of 40% to be invested in renewal of existing assets.

2.7 Ward Allocations

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

The City has 116 demarcated wards, which forms part of 21 subcouncils. These subcouncils serve the residents by engaging with them on municipal issues. The total available to each ward for the 2022/23 financial year is set at R1 million per ward. These allocations could be spent on either capital or operating projects/programmes.

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

2.8 Expenditure on transfers and grant programmes

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

Description	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand									
Operating expenditure of Transfers and Grants									
National Government:	3 550 212	3 460 973	4 313 068	4 239 294	4 583 830	4 583 830	4 727 836	4 958 688	5 172 731
Local Government Equitable Share	3 016 366	2 815 558	3 509 590	3 215 174	3 215 174	3 215 174	3 656 394	3 983 337	4 341 849
Local Government Equitable Share Covid Rollover	–	–	–	–	144 562	144 562	–	–	–
Finance Management grant	1 000	1 000	1 000	1 000	1 000	1 000	1 000	1 000	1 000
Urban Settlements Development Grant	32 326	125 233	202 546	219 147	233 182	233 182	124 584	154 091	154 568
Energy Efficiency and Demand Side Management	700	640	818	800	1 085	1 085	900	900	900
Dept. of Environ Affairs and Tourism	38	276	394	220	220	220	220	220	220
Expanded Public Works Programme	23 266	24 146	51 156	49 072	49 072	49 072	41 469	–	–
Public Transport Infrastructure & Systems Grant	24 842	9 822	25 679	38 640	25 894	25 894	52 233	36 299	28 802
Infrastructure Skills Development	9 600	10 963	8 289	11 000	11 000	11 000	10 446	10 000	11 500
Public Transport Network Grant	440 780	468 257	451 468	489 103	528 888	528 888	477 706	460 795	475 995
Neighbourhood Development Partnership Grant	–	–	1 394	5 000	227	227	–	–	–
Informal Settlements Upgrading Partnership Grant	11	–	10 113	76 143	64 514	64 514	90 959	82 169	84 948
National Skills Fund	–	–	16 061	46 276	55 675	55 675	27 788	–	–
National Treasury General Budget Support	–	–	–	16 829	16 829	16 829	10 125	–	–
Integrated City Development Grant	1 083	2 664	21 014	–	603	603	–	–	–
Peninsula Wetlands Rehabilitation Project	–	660	994	–	–	–	–	–	–
Philippi Agri Hub	–	–	12 551	–	–	–	–	–	–
Programme And Project Preparation Support Grant	–	–	–	70 890	70 890	70 890	65 970	68 877	72 950
Public Employment Program (NT PEP)	–	–	–	–	161 000	161 000	156 000	161 000	–
Regional Land Claims Commissioner	–	–	–	–	4 014	4 014	12 043	–	–
Special Projects	–	1 740	–	–	–	–	–	–	–
Accreditation: Development Support	200	15	–	–	–	–	–	–	–
Provincial Government:	918 700	1 055 292	1 049 044	1 371 012	1 459 146	1 459 146	1 499 281	1 447 999	1 487 435
Cultural Affairs and Sport - Provincial Library	45 550	47 110	50 635	43 116	46 926	46 926	52 712	53 769	55 782
Cultural Affairs and Sport - Library Services:	4 944	5 294	1 073	5 338	5 368	5 368	5 338	5 521	5 769
Transfer funding to enable City of Cape Town to procure periodicals and newspapers	–	–	–	–	8 533	8 533	–	–	–
Municipal Library Support	–	–	–	–	–	–	–	–	–
Human Settlements - Human Settlement	564 174	390 688	280 951	262 554	348 158	348 158	318 630	333 380	358 380
Health - TB	29 095	30 666	32 138	87 317	32 715	32 715	33 546	70 898	70 898
Health - ARV	–	–	278 156	300 230	300 980	300 980	316 834	313 037	327 104
Health - Nutrition	5 470	5 373	5 551	6 664	6 664	6 664	6 832	6 832	6 832
Health - Vaccines	101	98 845	112 115	91 661	114 134	114 134	117 033	117 033	117 033
Comprehensive Health	234 180	257 047	2 465	173 489	205 618	205 618	210 841	173 489	173 489
LEAP	–	79 568	256 667	350 000	319 478	319 478	400 000	350 000	350 000
Transport and Public Works - Provision for persons with special needs	–	–	10 102	10 000	10 019	10 019	10 000	10 000	10 449
Disaster Funds/Flood Kits	–	52 534	–	–	–	–	–	–	–
Community Safety - Law Enforcement Auxiliary Services	5 692	–	3 474	4 629	3 429	3 429	2 852	2 966	3 084
Community Development Workers	–	451	972	1 001	2 647	2 647	1 034	1 034	1 034
Finance Management Capacity Building Grant	280	500	300	250	250	250	–	–	–
Transport Safety and Compliance - Rail Safety	–	–	–	19 000	21 000	21 000	–	–	–
Tourism Safety Law Enforcement Unit	–	4 207	3 521	5 480	3 667	3 667	–	–	–
Establishment and Support K9 unit	365	4 258	1 968	2 783	1 589	1 589	1 000	1 040	1 081
Municipal accreditation and capacity building grant	5 000	11 897	8 954	7 500	8 871	8 871	10 000	7 500	5 000
Human Settlements -Informal Settlements	–	927	–	–	1 500	1 500	1 500	1 500	1 500
Title Deeds Restoration Grant	–	–	–	–	–	–	11 129	–	–
LG Public Employment Support Grant	–	–	–	–	17 600	17 600	–	–	–
Finance Management Support Grant	230	230	–	–	–	–	–	–	–
Metropolitan Land Transport Fund	18 395	33 699	–	–	–	–	–	–	–
Municipal Disaster Grant	5 000	41	–	–	–	–	–	–	–
Eradication of Registration Backlog	–	421	–	–	–	–	–	–	–
Provincial Docs Mod Centre Development	224	–	–	–	–	–	–	–	–
Enhanced Extended Discount Benefit Scheme	–	31 537	–	–	–	–	–	–	–

Table continues on next page

Description	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand									
Other grant providers:	22 015	24 450	7 414	36 625	27 267	27 267	33 055	48 310	33 000
CMTF	2 323	1 059	1 428	15 400	13 500	13 500	3 000	3 000	3 000
CID	9 903	9 283	4 933	2 052	5 144	5 144	7 704	-	-
Century City	539	532	-	618	618	618	-	-	-
Westcott Primary School - Traffic Attendant	43	36	50	43	53	53	-	-	-
Rustenberg Junior Girls School - Traffic Attendant	43	36	50	43	53	53	-	-	-
V&A Waterfront: Traffic Officer	853	778	854	-	332	332	-	-	-
KFW- Technical Assistance (GDB)	-	-	-	15 000	5 000	5 000	20 000	43 000	30 000
Orio	-	-	-	3 421	969	969	2 310	2 310	-
Regional Tourism	-	-	-	-	-	-	-	-	-
University of Connecticut	-	2	52	-	18	18	-	-	-
The Cape Academy for MST	-	-	54	29	82	82	41	-	-
Greenpoint Law enforcement	-	-	-	-	410	410	-	-	-
Long Street Law enforcement	-	-	-	-	992	992	-	-	-
Medicins SANS Fronteries (MSF)	-	119	-	-	-	-	-	-	-
Metropolitan Land Transport Fund	3 725	11 284	-	-	-	-	-	-	-
Curro Durbanville - Part Time Attend	-	-	-	-	53	53	-	-	-
Total operating expenditure of Transfers and Capital expenditure of Transfers and Grants	4 490 927	4 540 716	5 369 525	5 646 931	6 070 243	6 070 243	6 260 172	6 454 997	6 693 166
National Government:	2 055 630	1 874 750	1 602 827	3 050 778	1 705 493	1 658 762	2 165 521	2 542 402	3 437 473
Minerals and Energy: Energy Efficiency and Demand Side	9 300	10 425	8 170	9 200	8 915	8 915	8 100	8 100	8 100
Minerals and Energy: Integrated National Electrification Programme (Municipal) Grant	12 234	-	-	-	-	-	-	-	-
National Government - Other: Previous years' Dora allocations	198	50	-	-	232	232	-	-	-
National Treasury: Environmental Affairs: Special Projects	531	-	-	-	-	-	-	-	-
National Treasury: Environmental Affairs: Terrestrial	636	-	-	-	-	-	-	-	-
National Treasury: Expanded Public Works Programme	1 000	594	1 171	700	700	697	937	-	-
National Treasury: Informal Settlements Upgrading	-	204 241	265 251	441 997	453 626	447 583	458 053	491 041	514 004
Partnership Grant: Municipalities	-	-	-	-	-	-	-	-	-
National Treasury: Infrastructure Skills Development Grant	582	-	863	1 000	1 137	1 137	1 000	1 000	1 000
National Treasury: Integrated City Development Grant	54 560	40 179	40 410	-	4 023	4 023	-	-	-
National Treasury: Local Government Restructuring Grant	1 156	341	276	60	60	60	217	593	155
National Treasury: Municipal Disaster Grant	31 219	(1)	-	-	-	-	-	-	-
National Treasury: Municipal Disaster Recovery Grant	307 600	199 549	(30)	-	-	-	-	-	-
National Treasury: Neighbourhood Development Partnership Grant	7 166	13 785	11 288	45 000	10 172	10 172	19 699	24 699	30 000
National Treasury: Public Transport Network: Budget Facility for Infrastructure Grant	33 000	-	290 583	1 433 000	93 000	92 788	335 000	769 000	1 574 000
National Treasury: Urban Settlements Development Grant	1 127 450	992 631	747 706	753 284	791 491	767 640	840 960	854 009	898 805
Transport: Public Transport Infrastructure Grant	-	-	-	-	-	-	-	-	-
Transport: Public Transport Network Grant	468 073	412 956	237 139	366 537	342 137	325 514	501 555	393 960	411 408
Provincial Government:	23 819	36 561	13 875	15 866	27 760	27 677	5 492	5 723	5 677
Community Safety: Law Enforcement Advancement Plan	-	-	-	-	19 264	19 199	-	-	-
Cultural Affairs and Sport: Development of Sport and Recreation Facilities	-	772	-	-	-	-	-	-	-
Cultural Affairs and Sport: Library Services (Conditional Grant)	2 242	2 607	-	-	-	-	-	-	-
Cultural Affairs and Sport: Library Services: Metro Library Grant	11 000	10 663	11 404	5 400	5 816	5 810	5 492	5 573	5 577
Economic Development and Tourism: Provide resources for the tourism safety law enforcement unit project	-	-	1 312	-	-	-	-	-	-
Housing: Integrated Housing and Human Settlement Development Grant	8 363	3 195	478	10 466	-	-	-	150	100
Provincial Government: Community Development Workers (CDW) Operational Grant Support	63	-	-	-	-	-	-	-	-
Provincial Government: Community Safety: Training and Nelson Mandela Statue	762	19 045	679	-	2 679	2 668	-	-	-
Provincial Government: Municipal Accreditation and Capacity Building Grant	1 389	-	-	-	-	-	-	-	-
Other: Other	-	279	-	-	-	-	-	-	-
Other grant providers:	51 276	40 524	184 510	72 198	59 336	50 818	100 854	95 375	108 247
Other: Other	51 276	40 524	184 510	72 198	59 336	50 818	100 854	95 375	108 247
Total capital expenditure of Transfers and Grants	2 130 725	1 951 835	1 801 212	3 138 842	1 792 589	1 737 256	2 271 867	2 643 500	3 551 397
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	6 621 652	6 492 552	7 170 737	8 785 773	7 862 831	7 807 499	8 532 039	9 098 497	10 244 563

2.9 Allocations and grants made by the municipality

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

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

An ad-hoc committee facilitates the selection of events and recommendations to the Mayor's events, which the City wishes to support in terms of the IDP and the City's Events Policy. The members of the committee consist of specific councillors as identified by the Mayor. The Committee meets as and when required.

Full disclosure on transfers and grants to external organisations by the City can be found in Annexure 21.

2.10 Councillor and Staff benefits

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

Summary of Employee and Councillor remuneration	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand									
Councillors (Political Office Bearers plus Other)									
Basic Salaries and Wages	146 974	143 964	143 109	154 911	154 911	154 911	157 201	164 432	171 832
Pension and UIF Contributions	4 984	5 100	5 175	6 358	6 358	6 358	–	–	–
Medical Aid Contributions	–	–	–	–	–	–	–	–	–
Motor Vehicle Allowance	–	475	471	638	638	638	669	669	669
Cellphone Allowance	9 339	9 372	9 335	9 544	9 544	9 544	9 887	10 341	10 807
Housing Allowances	–	–	–	–	–	–	–	–	–
Other benefits and allowances	–	8 609	8 328	8 376	8 376	8 376	8 376	8 761	9 156
Sub Total - Councillors	161 297	167 521	166 417	179 826	179 826	179 826	176 133	184 204	192 463
% increase		3.9%	(0.7%)	8.1%	–	–	(2.1%)	4.6%	4.5%
Senior Managers of the Municipality									
Basic Salaries and Wages	23 285	27 207	27 729	30 393	27 534	27 534	28 566	30 451	32 431
Pension and UIF Contributions	1 341	1 099	925	2 901	2 405	2 405	8 326	8 876	9 452
Medical Aid Contributions	92	63	84	188	166	166	47	50	53
Overtime	–	–	–	–	–	–	–	–	–
Performance Bonus	–	–	–	–	–	–	–	–	–
Motor Vehicle Allowance	404	641	536	444	431	431	321	342	364
Cellphone Allowance	147	185	261	297	267	267	351	374	398
Housing Allowances	–	–	–	–	–	–	–	–	–
Other benefits and allowances	23	23	39	42	41	41	48	51	55
Payments in lieu of leave	–	–	–	–	–	–	–	–	–
Long service awards	–	–	–	–	–	–	–	–	–
Post-retirement benefit obligations	–	–	–	–	–	–	–	–	–
Sub Total - Senior Managers of Municipality	25 292	29 219	29 575	34 265	30 844	30 844	37 659	40 144	42 753
% increase		15.5%	1.2%	15.9%	(10.0%)	–	22.1%	6.6%	6.5%
Other Municipal Staff									
Basic Salaries and Wages	8 090 078	9 010 509	9 816 836	10 836 316	10 715 565	10 715 565	12 061 394	12 778 822	13 528 847
Pension and UIF Contributions	1 253 682	1 394 775	1 506 502	1 836 528	1 723 404	1 723 404	2 099 245	2 239 957	2 385 279
Medical Aid Contributions	746 014	823 268	897 200	945 285	955 109	955 109	982 302	1 047 134	1 115 198
Overtime	666 269	763 953	942 386	838 145	941 212	941 212	864 989	836 209	851 680
Performance Bonus	–	–	–	–	–	–	–	–	–
Motor Vehicle Allowance	201 150	209 435	211 641	232 146	235 897	235 897	233 564	241 576	249 988
Cellphone Allowance	22 056	22 764	36 809	32 144	35 727	35 727	37 655	40 140	42 749
Housing Allowances	61 444	65 086	69 198	68 776	68 316	68 316	61 907	65 993	70 282
Other benefits and allowances	261 732	289 411	323 396	319 830	373 277	373 277	370 019	393 428	418 865
Payments in lieu of leave	173 125	292 120	203 383	95 681	114 805	114 805	114 406	121 146	128 223
Long service awards	511	73 555	75 562	81 383	77 613	77 613	151 391	108 529	115 583
Post-retirement benefit obligations	864 199	(176 418)	995 534	292 006	577 838	577 838	308 405	320 760	335 129
Sub Total - Other Municipal Staff	12 340 262	12 768 458	15 078 447	15 578 240	15 818 763	15 818 763	17 285 277	18 193 694	19 241 823
% increase		3.5%	18.1%	3.3%	1.5%	–	9.3%	5.3%	5.8%
TOTAL SALARY, ALLOWANCES & BENEFITS	12 526 850	12 965 198	15 274 440	15 792 331	16 029 433	16 029 433	17 499 069	18 418 042	19 477 040
% increase		3.5%	17.8%	3.4%	1.5%	–	9.2%	5.3%	5.7%
TOTAL MANAGERS AND STAFF	12 365 553	12 797 677	15 108 022	15 612 505	15 849 607	15 849 607	17 322 936	18 233 838	19 284 577

A 4.9% cost-of-living increase was provided for the City's s56/senior managers as per the SALGBC wage agreement for 2022/23. Table SA22, however, indicates an increase of 22.1%. This is mainly due to:

- The zero percent increase to the 2021/22 original budget, which was subsequently changed to 3.5% in December 2021 as approved for implementation by Council. The formula used in Table SA22 is based on the latest budget and not on the original budget;
- Vacant posts, which were budgeted at the mid-point of the Task grade to attract competitive skills; and
- Changes to the organisational structure, which resulted in an additional Executive Director's post.

Table 53 - MBRR Table SA23 - Salaries, allowances and benefits (political office bearers/councillors/senior officials) for the 2022/23 financial year

Disclosure of Salaries, Allowances & Benefits	No.	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum							
Councillors							
Speaker	1	1 250 071	–	156 411			1 406 482
Chief Whip	1	1 120 659	–	42 799			1 163 458
Executive Mayor	1	1 473 069	–	42 799			1 515 868
Deputy Executive Mayor	1	1 250 071	–	42 799			1 292 870
Executive Committee	31	27 523 379	–	1 829 147			29 352 526
Total for all other councillors	196	124 583 910	–	16 817 944			141 401 854
Total Councillors	231	157 201 159	–	18 931 899			176 133 058
Senior Managers of the Municipality							
Municipal Manager (MM)	1	3 383 825	414 054	31 994	–		3 829 873
Chief Finance Officer	1	1 980 967	1 323 004	27 209	–		3 331 180
Executive Director: Community Services and Health	1	2 789 710	433 845	24 738	–		3 248 293
Executive Director: Corporate Services	1	1 637 241	1 093 853	27 209	–		2 758 304
Executive Director: Economic Growth	1	1 637 241	247 139	27 209	–		1 911 589
Executive Director: Energy	1	2 747 122	2 359	257 150	–		3 006 631
Executive Director: Future Planning & Resilience	1	1 637 241	1 093 853	27 209	–		2 758 304
Executive Director: Human Settlements	1	2 979 573	2 359	27 209	–		3 009 142
Executive Director: Safety and Security	1	1 637 241	1 093 853	27 209	–		2 758 304
Executive Director: Spatial Planning and Environment	1	1 637 241	1 093 853	27 209	–		2 758 304
Executive Director: Urban Mobility	1	2 497 621	251 457	25 938	–		2 775 017
Executive Director: Urban Waste Management	1	1 637 241	1 093 853	27 209	–		2 758 304
Executive Director: Water and Sanitation	1	2 363 647	279 215	114 124	–		2 756 986
Total Senior Managers of the Municipality	13	28 565 912	8 422 698	671 619	–		37 660 229
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION	244	185 767 070	8 422 698	19 603 518	–	–	213 793 287

Table 54 - MBRR Table SA24 - Summary of personnel numbers

Summary of Personnel Numbers Number	2020/21			Current Year 2021/22			Budget Year 2022/23		
	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
Municipal Council and Boards of Municipal Entities									
Councillors (Political Office Bearers plus Other Councillors)	231	–	231	231	–	231	231	–	231
Board Members of municipal entities	–	–	–	–	–	–	–	–	–
Municipal employees									
Municipal Manager and Senior Managers	12	–	12	12	–	12	13	–	13
Other Managers	1 031	1 018	13	1 029	1 026	3	1 039	1 036	3
Professionals	1 630	1 584	46	1 571	1 505	66	1 727	1 608	119
<i>Finance</i>	107	105	2	101	99	2	105	102	3
<i>Spatial/town planning</i>	150	150	–	149	148	1	149	149	–
<i>Information Technology</i>	137	134	3	91	80	11	129	111	18
<i>Roads</i>	63	61	2	51	51	–	63	63	–
<i>Electricity</i>	143	143	–	146	145	1	130	130	–
<i>Water</i>	221	220	1	169	166	3	256	240	16
<i>Sanitation</i>	–	–	–	–	–	–	–	–	–
<i>Refuse</i>	18	18	–	21	21	–	26	26	–
<i>Other</i>	791	753	38	843	795	48	869	787	82
Technicians	4 562	4 414	148	4 745	4 465	280	4 880	4 601	279
<i>Finance</i>	167	166	1	164	162	2	165	164	1
<i>Spatial/town planning</i>	360	347	13	367	356	11	364	358	6
<i>Information Technology</i>	342	314	28	399	367	32	437	412	25
<i>Roads</i>	69	64	5	85	81	4	72	71	1
<i>Electricity</i>	426	420	6	404	399	5	401	397	4
<i>Water</i>	506	479	27	387	368	19	555	530	25
<i>Sanitation</i>	–	–	–	–	–	–	–	–	–
<i>Refuse</i>	82	82	–	90	90	–	101	101	–
<i>Other</i>	2 610	2 542	68	2 849	2 642	207	2 785	2 568	217
Clerks (Clerical and administrative)	7 700	7 500	200	7 181	7 130	51	7 194	7 062	132
Service and sales workers	5 470	4 383	1 087	5 665	4 302	1 363	6 462	4 904	1 558
Skilled agricultural and fishery workers	–	–	–	–	–	–	–	–	–
Craft and related trades	2 758	2 756	2	2 653	2 650	3	2 964	2 747	217
Plant and Machine Operators	3 919	3 903	16	3 854	3 854	–	3 887	3 887	–
Elementary Occupations	6 083	6 076	7	5 892	5 830	62	6 006	5 844	162
TOTAL PERSONNEL NUMBERS	33 396	31 634	1 762	32 833	30 762	2 071	34 403	31 689	2 714
% increase	–	–	–	(1.7%)	(2.8%)	17.5%	4.8%	3.0%	31.0%
Total municipal employees headcount	29 237	28 057	1 180	29 069	27 986	1 083	31 050	28 609	2 441
Finance personnel headcount	1 740	1 734	6	1 676	1 671	5	1 686	1 679	7
Human Resources personnel headcount	394	383	11	388	381	7	385	365	20

2.11 Monthly targets for revenue, expenditure and cash flow

Table 55 - MBRR Table SA25 - Budgeted monthly revenue and expenditure

Description	Budget Year 2022/23												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Revenue By Source															
Property rates	960 008	960 008	960 008	960 008	960 008	960 008	959 907	959 907	959 907	959 907	959 907	959 907	11 519 486	12 132 471	12 858 482
Service charges - electricity revenue	1 660 897	1 668 644	1 427 957	1 361 352	1 297 300	1 348 543	1 384 162	1 315 783	1 383 165	1 375 525	1 405 078	1 613 062	17 241 469	19 624 539	21 913 943
Service charges - water revenue	297 719	293 695	285 315	323 056	329 149	364 182	364 465	365 371	358 700	333 336	318 669	294 355	3 928 012	4 121 615	4 523 452
Service charges - sanitation revenue	148 767	149 053	143 514	164 962	168 336	191 030	194 446	195 239	184 460	171 079	161 250	142 370	2 014 506	2 155 521	2 366 762
Service charges - refuse revenue	113 123	113 551	113 211	113 481	115 456	115 456	115 456	115 456	116 513	116 513	116 513	116 513	1 381 241	1 501 125	1 629 348
Rental of facilities and equipment	33 165	33 230	33 087	33 097	33 036	33 098	32 674	32 026	32 002	31 490	31 114	31 159	389 180	405 996	423 707
Interest earned - external investments	92 880	93 101	92 992	92 993	93 077	93 300	93 300	93 300	93 300	93 300	93 300	93 720	1 118 566	1 119 454	970 357
Interest earned - outstanding debtors	42 879	29 841	32 631	31 797	25 782	28 188	28 473	28 473	28 473	28 473	29 624	32 882	367 515	383 143	399 529
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	86 110	102 033	208 004	171 545	174 788	172 481	172 573	63 274	24 507	24 502	24 501	37 875	1 262 193	1 264 511	1 266 932
Licences and permits	3 770	4 378	4 130	4 137	3 834	4 048	4 048	4 048	4 048	6 139	4 047	26 624	73 251	76 474	79 839
Agency services	15 000	21 026	30 477	24 089	23 042	22 000	22 000	21 000	21 000	21 000	21 000	29 981	271 616	283 567	296 044
Transfers and subsidies	214 931	234 840	314 670	280 741	289 293	322 461	267 641	275 552	310 082	345 889	307 353	3 096 719	6 260 172	6 454 997	6 693 166
Other revenue	69 467	968 866	66 806	67 240	66 354	947 311	60 041	63 759	952 688	63 705	64 292	75 875	3 466 403	3 472 498	3 579 018
Gains	328 780	328 780	337 801	328 780	328 780	338 801	328 780	328 780	337 801	328 780	328 780	347 725	3 992 365	4 086 014	4 289 972
Total Revenue (excluding capital transfers and contributions)	4 067 495	5 001 045	4 050 604	3 957 278	3 908 234	4 940 908	4 027 965	3 861 966	4 806 645	3 899 639	3 865 429	6 898 768	53 285 975	57 081 926	61 290 550

Table continues on next page

Description	Budget Year 2022/23												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Expenditure By Type															
Employee related costs	1 346 143	1 382 198	1 398 456	1 383 655	2 035 859	1 398 881	1 391 657	1 386 690	1 400 390	1 384 407	1 382 795	1 431 804	17 322 936	18 233 838	19 284 577
Remuneration of councillors	14 678	14 678	14 678	14 678	14 678	14 678	14 678	14 678	14 678	14 678	14 678	14 678	176 133	184 204	192 463
Debt impairment	197 425	197 425	117 425	197 425	197 425	196 881	188 817	188 817	188 817	188 817	188 817	268 817	2 316 909	2 267 010	2 243 914
Depreciation & asset impairment	267 352	267 352	267 352	267 352	267 352	267 352	267 352	267 352	267 352	267 352	267 352	267 352	3 208 222	3 419 174	3 690 730
Finance charges	68 960	68 958	68 958	68 959	68 959	69 137	68 959	68 959	68 959	68 959	68 959	104 275	862 999	1 067 515	1 540 707
Bulk purchases - electricity	60 329	1 580 326	1 553 779	931 680	895 499	879 526	805 486	866 602	817 728	849 835	835 345	2 274 763	12 350 900	14 201 053	16 328 728
Inventory consumed	93 316	394 281	406 255	399 595	429 179	426 762	450 268	455 794	463 505	456 811	425 850	813 173	5 214 790	5 608 397	5 845 012
Contracted services	296 228	484 992	610 894	689 757	708 514	669 132	702 129	866 883	744 298	739 058	771 454	1 289 582	8 572 922	8 756 750	8 884 837
Transfers and subsidies	8 954	32 953	29 630	56 090	22 461	37 957	27 265	24 771	40 320	23 128	51 314	36 637	391 480	361 696	326 291
Other expenditure	226 626	384 677	218 938	170 988	210 801	215 015	211 740	210 090	209 685	220 995	205 963	441 547	2 927 064	3 217 434	3 269 610
Losses	96	64 720	34 205	32 429	37 664	37 837	42 084	42 096	42 441	41 549	38 954	38 623	452 697	479 132	502 982
Total Expenditure	2 580 107	4 872 560	4 720 570	4 212 607	4 888 392	4 213 158	4 170 434	4 392 732	4 258 172	4 255 587	4 251 480	6 981 251	53 797 051	57 796 204	62 109 851
Surplus/(Deficit)	1 487 388	128 485	(669 967)	(255 330)	(980 158)	727 750	(142 470)	(530 766)	548 473	(355 948)	(386 051)	(82 484)	(511 076)	(714 278)	(819 301)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	71 185	115 318	152 135	204 233	175 711	167 454	108 985	188 068	297 017	173 539	180 481	336 887	2 171 013	2 548 125	3 443 150
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	3 071	4 200	4 896	4 817	5 168	3 248	2 398	4 822	11 635	10 062	9 689	36 848	100 854	95 375	108 247
Transfers and subsidies - capital (in-kind - all)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	1 561 645	248 003	(512 935)	(46 279)	(799 279)	898 452	(31 087)	(337 876)	857 124	(172 347)	(195 882)	291 252	1 760 790	1 929 221	2 732 096
Taxation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attributable to minorities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)	1 561 645	248 003	(512 935)	(46 279)	(799 279)	898 452	(31 087)	(337 876)	857 124	(172 347)	(195 882)	291 252	1 760 790	1 929 221	2 732 096

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

Description	Budget Year 2022/23												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Revenue by Vote															
Vote 1 - Community Services & Health	49 918	70 466	79 891	69 603	82 799	70 687	70 659	51 469	52 797	133 513	70 463	231 130	1 033 395	1 101 426	1 085 264
Vote 2 - Corporate Services	4 835	5 735	5 735	5 735	5 735	5 735	5 735	5 735	5 735	5 735	6 181	7 869	70 505	72 613	76 778
Vote 3 - Economic Growth	16 185	16 345	42 043	17 863	17 828	47 472	16 284	16 656	42 024	16 121	15 744	39 216	303 782	277 101	254 800
Vote 4 - Energy	1 685 890	1 693 933	1 454 625	1 388 409	1 324 840	1 373 504	1 409 382	1 348 918	1 423 886	1 409 618	1 438 826	1 674 756	17 626 588	19 986 831	22 300 995
Vote 5 - Finance	1 066 839	1 955 824	1 082 144	1 080 970	1 072 400	1 965 559	1 068 324	1 077 324	1 966 730	1 072 524	1 073 537	2 593 758	17 075 935	17 803 525	18 615 088
Vote 6 - Future Planning & Resilience	2 028	2 614	3 788	4 962	6 136	7 310	9 070	7 896	6 136	4 962	3 788	3 241	61 932	63 588	70 047
Vote 7 - Human Settlements	60 468	87 705	110 717	139 935	113 357	116 594	66 467	143 508	149 064	118 144	107 546	410 080	1 623 584	1 580 071	1 747 119
Vote 8 - Office of the City Manager	69	69	69	69	69	69	69	69	69	69	69	69	824	860	898
Vote 9 - Safety & Security	123 328	142 644	247 684	217 932	214 544	211 816	211 700	102 463	60 310	66 069	59 931	105 429	1 763 850	1 726 318	1 754 417
Vote 10 - Spatial Planning & Environment	38 791	43 447	39 433	40 853	42 298	36 276	40 096	41 830	41 454	41 229	41 811	50 511	498 030	524 459	511 657
Vote 11 - Urban Mobility	95 178	102 511	122 082	143 749	144 485	142 244	109 158	127 260	186 596	147 248	172 407	263 355	1 756 273	2 085 066	2 924 425
Vote 12 - Urban Waste Management	116 917	120 399	140 535	127 724	130 552	142 815	120 390	120 315	143 947	121 372	121 372	615 986	2 022 324	2 183 640	2 268 349
Vote 13 - Water & Sanitation	881 305	878 870	878 889	928 523	934 070	991 529	1 012 012	1 011 412	1 036 548	946 635	943 923	1 277 102	11 720 819	12 319 926	13 232 110
Total Revenue by Vote	4 141 751	5 120 563	4 207 635	4 166 328	4 089 113	5 111 610	4 139 347	4 054 856	5 115 297	4 083 240	4 055 598	7 272 503	55 557 842	59 725 425	64 841 947
Expenditure by Vote to be appropriated															
Vote 1 - Community Services & Health	292 375	318 432	324 427	350 445	464 297	358 129	374 356	354 524	354 983	351 518	352 521	539 573	4 435 582	4 635 941	4 841 841
Vote 2 - Corporate Services	227 732	338 031	249 457	234 527	318 957	254 478	254 929	259 316	261 495	269 024	262 256	417 026	3 347 229	3 758 646	3 904 276
Vote 3 - Economic Growth	32 245	48 174	58 535	71 040	53 068	67 747	54 497	46 434	59 708	38 292	70 785	110 920	711 443	707 694	695 403
Vote 4 - Energy	314 430	1 811 102	1 785 574	1 164 311	1 188 884	1 110 572	1 031 887	1 097 508	1 048 910	1 081 700	1 070 384	2 543 736	15 248 998	17 379 324	19 575 910
Vote 5 - Finance	252 910	330 274	259 728	264 160	315 400	270 827	265 998	264 882	263 755	261 270	257 844	288 241	3 295 289	3 527 736	4 037 830
Vote 6 - Future Planning & Resilience	32 875	36 176	37 250	42 069	46 844	40 719	44 406	53 281	51 897	53 101	50 088	72 172	560 878	579 554	608 327
Vote 7 - Human Settlements	103 706	114 374	114 869	123 485	136 078	117 432	120 298	141 089	135 307	135 152	137 434	166 615	1 545 840	1 603 084	1 695 637
Vote 8 - Office of the City Manager	28 458	60 831	40 373	31 556	50 325	29 123	37 717	38 071	38 065	38 623	36 919	42 146	472 208	474 620	492 619
Vote 9 - Safety & Security	395 685	408 250	330 353	418 923	539 593	413 707	414 888	408 627	406 111	411 434	405 594	613 202	5 166 367	5 542 705	5 797 925
Vote 10 - Spatial Planning & Environment	92 857	90 958	96 201	100 842	135 530	103 057	110 715	107 643	108 249	106 145	107 767	114 371	1 274 335	1 321 505	1 414 127
Vote 11 - Urban Mobility	167 847	220 071	296 957	295 671	355 899	292 481	292 493	439 779	319 206	319 533	333 374	515 147	3 848 458	3 941 056	4 062 313
Vote 12 - Urban Waste Management	196 880	257 641	278 054	274 015	321 892	292 755	270 426	272 119	294 129	273 890	275 810	332 786	3 340 398	3 427 840	3 466 636
Vote 13 - Water & Sanitation	442 105	838 246	848 792	841 562	961 624	862 131	897 825	909 459	916 356	915 906	890 704	1 225 316	10 550 026	10 896 499	11 517 006
Total Expenditure by Vote	2 580 107	4 872 560	4 720 570	4 212 607	4 888 392	4 213 158	4 170 434	4 392 732	4 258 172	4 255 587	4 251 480	6 981 252	53 797 052	57 796 204	62 109 851
Surplus/(Deficit) before assoc.	1 561 645	248 003	(512 935)	(46 279)	(799 279)	898 452	(31 087)	(337 876)	857 124	(172 347)	(195 882)	291 251	1 760 790	1 929 222	2 732 096
Taxation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attributable to minorities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)	1 561 645	248 003	(512 935)	(46 279)	(799 279)	898 452	(31 087)	(337 876)	857 124	(172 347)	(195 882)	291 251	1 760 790	1 929 222	2 732 096

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

Description	Budget Year 2022/23												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Revenue - Functional															
Governance and administration	1 091 021	1 998 044	1 143 778	1 145 683	1 137 140	2 029 166	1 121 178	1 116 531	2 016 127	1 183 012	1 132 834	2 671 679	17 786 194	18 558 671	19 300 695
Executive and council	28	28	28	28	28	28	28	28	28	28	28	1 062	1 372	1 387	1 403
Finance and administration	1 090 993	1 998 016	1 143 750	1 145 655	1 137 112	2 029 138	1 121 149	1 116 502	2 016 098	1 182 984	1 132 806	2 670 616	17 784 818	18 557 281	19 299 289
Internal audit	0	0	0	0	0	0	0	0	0	0	0	0	3	3	4
Community and public safety	231 549	280 530	418 454	407 418	391 188	379 825	329 842	293 281	257 558	241 316	214 115	554 933	4 000 007	3 989 222	4 167 947
Community and social services	7 513	10 140	10 965	8 418	11 079	7 256	8 101	7 862	7 163	7 412	7 882	10 405	104 197	130 149	103 968
Sport and recreation	4 700	5 100	5 650	5 950	6 350	5 250	5 664	4 538	6 112	5 591	3 847	8 168	66 919	84 884	77 388
Public safety	120 558	139 266	244 547	214 795	211 722	208 767	208 651	99 415	57 261	63 020	56 882	81 547	1 706 432	1 666 374	1 691 835
Housing	60 468	87 705	110 717	139 936	113 358	116 594	66 468	143 509	149 065	118 144	107 547	410 080	1 623 592	1 580 080	1 747 128
Health	38 310	38 319	46 574	38 319	48 679	41 957	40 957	37 957	37 957	47 148	37 957	44 732	498 867	527 736	547 630
Economic and environmental services	137 078	149 253	173 364	180 098	181 970	194 736	146 584	167 366	240 272	184 254	209 494	342 786	2 307 254	2 590 644	3 446 614
Planning and development	39 291	42 960	54 011	39 748	40 554	56 124	38 686	40 402	56 844	39 999	40 407	63 732	552 759	564 205	527 969
Road transport	97 254	104 394	115 564	135 732	136 352	134 703	104 352	122 454	179 290	139 942	164 601	274 597	1 709 236	2 005 266	2 906 510
Environmental protection	534	1 898	3 789	4 617	5 064	3 909	3 546	4 510	4 138	4 312	4 486	4 456	45 259	21 173	12 135
Trading services	2 681 662	2 692 296	2 471 598	2 432 689	2 378 373	2 507 442	2 541 302	2 477 238	2 600 899	2 474 218	2 498 714	3 702 657	31 459 089	34 581 358	37 920 917
Energy sources	1 685 878	1 693 920	1 454 612	1 388 396	1 324 827	1 373 492	1 409 369	1 348 906	1 423 873	1 409 606	1 438 814	1 823 790	17 775 482	20 149 046	22 477 817
Water management	646 044	639 713	632 318	677 027	683 762	715 540	713 742	714 433	719 444	683 680	682 013	1 002 754	8 510 472	8 974 011	9 648 093
Waste water management	232 823	238 540	244 530	250 248	249 746	275 873	298 153	293 861	313 987	259 837	256 793	262 853	3 177 244	3 297 061	3 549 165
Waste management	116 917	120 122	140 138	117 018	120 038	142 538	120 038	120 038	143 595	121 095	121 095	613 259	1 995 890	2 161 239	2 245 842
Other	441	441	441	441	441	441	441	441	441	441	441	449	5 298	5 531	5 774
Total Revenue - Functional	4 141 751	5 120 563	4 207 635	4 166 328	4 089 113	5 111 610	4 139 347	4 054 856	5 115 297	4 083 240	4 055 598	7 272 502	55 557 842	59 725 425	64 841 947

Table continues on next page

Description	Budget Year 2022/23												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Expenditure - Functional															
Governance and administration	748 970	991 037	834 232	824 232	1 035 664	835 359	865 304	871 448	874 201	876 320	876 581	(6 670 243)	2 963 104	3 213 113	3 546 410
Executive and council	40 502	68 556	43 415	42 881	54 018	47 070	45 736	46 349	46 607	46 649	46 543	68 358	596 684	618 774	641 271
Finance and administration	704 115	918 076	786 371	776 970	975 686	783 808	815 165	820 667	823 117	824 760	825 515	1 240 966	10 295 215	11 074 881	11 933 678
Internal audit	4 352	4 405	4 446	4 381	5 960	4 482	4 403	4 432	4 477	4 911	4 523	5 089	55 860	58 974	62 591
Community and public safety	697 139	742 347	668 504	775 927	996 961	784 497	783 586	787 299	776 836	782 132	772 977	4 568 278	13 136 483	13 818 358	14 354 138
Community and social services	73 116	81 498	82 687	89 704	119 752	86 351	80 551	81 986	80 622	81 945	82 747	108 842	1 049 801	1 108 957	1 172 244
Sport and recreation	76 563	83 063	87 894	90 666	123 099	114 284	120 376	103 511	102 496	97 530	97 361	128 887	1 225 729	1 265 374	1 292 872
Public safety	332 640	342 524	261 565	351 353	448 541	346 526	345 266	340 734	338 511	343 088	336 960	489 852	4 277 560	4 617 771	4 794 308
Housing	99 405	110 361	111 007	119 425	131 989	113 348	114 431	136 723	131 074	130 880	132 983	162 342	1 493 968	1 545 772	1 634 839
Health	115 415	124 900	125 352	124 778	173 580	123 989	122 963	124 345	124 132	128 689	122 926	140 463	1 551 533	1 663 573	1 739 762
Economic and environmental services	287 569	337 304	424 811	439 151	529 135	442 210	426 009	568 184	471 995	442 214	468 055	1 655 890	6 492 526	6 627 835	6 863 032
Planning and development	98 480	102 296	126 314	129 418	145 198	138 650	120 435	122 865	137 292	119 061	134 224	157 803	1 532 035	1 555 623	1 627 273
Road transport	172 377	221 010	280 618	289 104	357 063	283 049	283 483	424 302	314 070	303 311	314 167	470 158	3 712 712	3 808 249	3 930 111
Environmental protection	16 712	13 998	17 879	20 629	26 874	20 511	22 091	21 016	20 633	19 842	19 664	23 774	243 624	228 964	231 944
Trading services	842 847	2 784 224	2 788 465	2 154 384	2 319 858	2 145 969	2 078 560	2 158 863	2 130 073	2 150 877	2 112 851	7 349 702	31 016 671	33 945 818	37 152 250
Energy sources	300 107	1 789 997	1 763 232	1 144 331	1 158 104	1 089 964	1 012 651	1 078 025	1 029 705	1 062 210	1 050 941	2 514 653	14 993 922	17 119 300	19 309 988
Water management	184 332	552 983	531 851	530 787	616 067	565 436	599 180	605 671	608 937	606 496	576 525	848 566	6 826 832	7 048 672	7 382 201
Waste water management	205 260	233 224	267 422	258 531	280 706	248 981	248 636	255 317	249 645	262 652	265 634	341 912	3 117 920	3 197 947	3 464 763
Waste management	153 147	208 020	225 960	220 735	264 982	241 587	218 093	219 850	241 786	219 518	219 750	274 822	2 708 250	2 765 300	2 771 188
Other	3 596	17 490	4 747	19 312	6 304	4 465	17 369	4 437	4 110	4 715	19 700	82 017	188 261	191 080	194 020
Total Expenditure - Functional	2 580 121	4 872 402	4 720 758	4 213 005	4 887 922	4 212 499	4 170 827	4 390 230	4 257 215	4 256 257	4 250 164	6 985 644	53 797 046	57 796 203	62 109 851
Surplus/(Deficit) before assoc.	1 561 630	248 161	(513 123)	(46 677)	(798 809)	899 110	(31 480)	(335 374)	858 081	(173 017)	(194 565)	286 859	1 760 796	1 929 222	2 732 096
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)	1 561 630	248 161	(513 123)	(46 677)	(798 809)	899 110	(31 480)	(335 374)	858 081	(173 017)	(194 565)	286 859	1 760 796	1 929 222	2 732 096

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

Description	Budget Year 2022/23												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Multi-year expenditure to be appropriated															
Vote 1 - Community Services & Health	3 490	4 780	19 234	18 582	24 787	16 079	16 602	18 834	30 065	25 541	28 267	38 271	244 533	371 996	350 661
Vote 2 - Corporate Services	2 761	14 579	25 813	20 020	19 918	22 359	21 171	25 671	46 417	33 796	57 430	105 683	395 619	961 376	749 408
Vote 3 - Economic Growth	3 633	3 234	3 985	4 703	3 618	4 969	2 022	4 723	3 710	4 154	5 515	4 483	48 748	30 091	50 154
Vote 4 - Energy	20 569	36 386	48 250	54 567	61 099	34 280	29 248	86 449	159 750	105 783	186 122	229 557	1 052 059	1 235 003	1 111 789
Vote 5 - Finance	-	50	1 485	1 932	1 300	1 468	1 645	1 130	1 198	2 380	2 567	2 974	18 129	26 237	40 296
Vote 6 - Future Planning & Resilience	123	2 000	2 150	1 220	4 433	1 790	2 110	2 660	3 108	2 025	2 610	2 185	26 415	11 840	17 230
Vote 7 - Human Settlements	13 733	38 964	65 522	97 599	67 799	68 963	31 291	101 823	107 582	70 942	62 924	157 286	884 428	900 561	1 009 618
Vote 8 - Office of the City Manager	180	20	43	83	20	149	72	112	95	1 326	12	11 215	13 329	24 290	1 256
Vote 9 - Safety & Security	201	360	2 917	13 862	8 085	17 708	7 490	12 182	18 284	19 749	14 222	121 676	236 735	210 302	315 458
Vote 10 - Spatial Planning & Environment	2 635	3 803	6 057	9 021	10 788	10 934	9 652	14 009	16 312	13 711	25 995	94 540	217 455	338 689	311 010
Vote 11 - Urban Mobility	50 294	79 618	77 673	104 993	110 436	104 062	69 887	84 965	149 730	113 528	119 072	314 867	1 379 126	2 071 856	2 973 446
Vote 12 - Urban Waste Management	7 122	16 023	20 474	38 364	37 637	29 938	137 391	49 759	55 529	68 647	63 585	122 533	647 002	790 916	764 880
Vote 13 - Water & Sanitation	44 116	82 315	97 235	111 714	122 197	184 839	75 243	182 543	281 820	254 743	334 124	572 854	2 343 741	4 001 058	4 983 466
Capital multi-year expenditure sub-total	148 857	282 132	370 838	476 660	472 116	497 537	403 823	584 863	873 599	716 326	902 444	1 778 125	7 507 319	10 974 216	12 678 671

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

Description	Budget Year 2022/23												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Capital Expenditure - Functional															
Governance and administration	10 506	24 479	48 146	56 580	55 305	61 566	148 576	64 316	114 030	110 506	141 675	336 047	1 171 731	1 846 167	1 578 318
Executive and council	12	20	360	170	1 210	410	840	308	390	1 410	12	13 023	18 166	1 967	2 267
Finance and administration	10 494	24 459	47 786	56 403	54 095	61 084	147 736	64 007	113 640	109 096	141 663	323 023	1 153 487	1 844 120	1 575 972
Internal audit	-	-	-	7	-	72	-	-	-	-	-	-	79	79	79
Community and public safety	16 023	42 854	83 271	121 537	97 036	92 233	50 133	126 602	142 188	104 703	86 561	260 592	1 223 732	1 349 833	1 453 890
Community and social services	1 290	2 160	6 590	6 771	6 340	4 051	4 890	3 744	4 821	4 396	3 763	6 582	55 398	115 363	125 275
Sport and recreation	950	1 370	2 679	6 897	10 452	7 043	5 982	5 830	14 764	8 485	8 639	20 000	93 090	193 280	122 653
Public safety	50	360	1 723	11 236	7 355	9 276	4 890	9 664	15 521	16 890	11 835	78 616	167 415	125 030	81 868
Housing	13 733	38 964	64 179	96 433	66 689	67 863	30 191	100 414	106 482	69 832	61 824	153 974	870 578	886 711	1 006 184
Health	-	-	8 100	200	6 200	4 000	4 180	6 950	600	5 100	500	1 420	37 250	29 450	117 910
Economic and environmental services	53 051	84 595	82 526	112 771	118 784	112 369	79 340	102 214	165 495	126 040	145 381	407 414	1 589 981	2 354 490	3 297 555
Planning and development	506	3 683	5 522	8 783	7 986	7 313	5 897	12 841	11 502	10 302	9 565	43 219	127 118	126 455	112 451
Road transport	50 294	78 692	72 748	98 567	104 211	98 202	66 761	81 840	144 105	107 902	112 947	307 971	1 324 240	1 981 930	2 942 713
Environmental protection	2 252	2 220	4 257	5 421	6 588	6 854	6 682	7 533	9 888	7 836	22 870	56 223	138 623	246 105	242 391
Trading services	69 276	130 203	156 295	185 146	200 316	230 768	125 169	291 128	451 248	374 475	528 228	773 471	3 515 725	5 416 476	6 347 058
Energy sources	20 569	36 386	48 250	54 067	60 599	33 780	28 748	84 949	158 750	104 283	186 122	228 557	1 045 059	1 218 503	1 106 789
Water management	21 017	32 217	35 098	46 348	56 698	51 108	16 558	60 198	106 985	116 248	158 083	178 544	879 104	1 239 431	2 086 919
Waste water management	20 568	45 577	52 598	56 872	55 700	117 943	52 473	111 971	162 261	128 396	161 037	268 028	1 233 422	2 460 801	2 586 407
Waste management	7 122	16 023	20 349	27 859	27 319	27 938	27 391	34 009	23 254	25 547	22 985	98 343	358 139	497 740	566 942
Other	-	-	600	626	675	602	605	603	638	603	600	600	6 150	7 250	1 850
Total Capital Expenditure - Functional	148 857	282 132	370 838	476 660	472 116	497 537	403 823	584 863	873 599	716 326	902 444	1 778 125	7 507 319	10 974 216	12 678 671
Funded by:															
National Government	71 185	115 318	151 835	204 133	174 611	167 454	108 985	187 668	296 517	172 831	179 459	335 525	2 165 521	2 542 402	3 437 473
Provincial Government	-	-	300	100	1 100	-	-	400	500	708	1 022	1 362	5 492	5 723	5 677
District Municipality	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	3 071	4 200	4 896	4 817	5 168	3 248	2 398	4 822	11 635	10 062	9 689	36 848	100 854	95 375	108 247
Transfers recognised - capital	74 257	119 518	157 031	209 051	180 879	170 702	111 383	192 890	308 651	183 601	190 170	373 735	2 271 867	2 643 500	3 551 397
Borrowing	24 144	59 624	67 676	93 704	99 679	144 564	46 598	157 576	250 338	204 631	346 169	505 297	2 000 000	6 479 900	7 480 175
Internally generated funds	50 456	102 990	146 131	173 905	191 559	182 271	245 842	234 397	314 610	328 093	366 105	899 092	3 235 452	1 850 816	1 647 098
Total Capital Funding	148 857	282 132	370 838	476 660	472 116	497 537	403 823	584 863	873 599	716 326	902 444	1 778 125	7 507 319	10 974 216	12 678 671

Table 60 - MBRR Table SA30 - Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2022/23												Medium Term Revenue and Expenditure Framework			
	R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Cash Receipts By Source																
Property rates	855 401	917 276	993 652	1 022 205	949 335	913 457	920 814	914 944	944 820	866 214	938 654	879 532	11 116 304	11 707 835	12 408 436	
Service charges - electricity revenue	1 459 679	1 588 819	1 588 753	1 514 171	1 389 943	1 392 652	1 349 598	1 356 809	1 469 860	1 220 156	1 441 493	1 430 254	17 202 189	19 579 827	21 864 014	
Service charges - water revenue	265 213	272 382	283 290	320 312	302 774	294 590	302 953	367 403	362 947	303 015	323 868	332 864	3 731 612	3 915 535	4 297 279	
Service charges - sanitation revenue	135 876	141 363	146 222	162 748	155 810	150 091	147 298	170 006	183 481	146 222	165 277	169 095	1 873 490	2 004 635	2 201 088	
Service charges - refuse revenue	88 224	88 636	88 752	96 635	98 123	96 679	89 485	94 659	97 438	87 761	94 688	93 915	1 114 995	1 216 486	1 325 160	
Rental of facilities and equipment	24 259	25 118	25 522	25 201	29 301	27 411	27 193	29 137	25 765	22 520	22 896	27 019	311 344	324 797	338 965	
Interest earned - external investments	98 717	85 104	82 383	88 467	84 309	94 582	93 970	83 098	96 206	100 830	101 694	109 206	1 118 566	1 119 454	970 357	
Interest earned - outstanding debtors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Fines, penalties and forfeits	24 565	24 031	22 422	30 126	26 985	24 946	22 629	25 216	24 940	20 053	23 509	25 172	294 593	296 911	299 332	
Licences and permits	3 660	6 232	6 255	7 188	7 472	6 790	4 790	6 699	4 857	4 957	5 564	8 787	73 251	76 474	79 839	
Agency services	13 572	23 110	23 195	26 652	27 705	25 176	17 761	24 841	18 011	18 382	20 630	32 581	271 616	283 567	296 044	
Transfers and Subsidies - Operational	2 129 511	35 710	-	9 303	867 130	931 782	28 256	1 113 360	1 145 121	-	-	-	6 260 172	6 454 997	6 693 166	
Other revenue	101 474	948 377	43 556	71 933	85 878	959 673	88 643	72 605	993 367	72 394	81 192	89 668	3 608 760	3 621 973	3 735 966	
Cash Receipts by Source	5 200 152	4 156 159	3 304 004	3 374 941	4 024 765	4 917 828	3 093 388	4 258 777	5 366 813	2 862 506	3 219 466	3 198 092	46 976 891	50 602 489	54 509 646	
Other Cash Flows by Source																
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	838 260	14 057	-	3 662	341 337	366 786	-	261 221	446 544	-	-	-	2 271 867	2 643 500	3 551 397	
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Proceeds on Disposal of Fixed and Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	54 742	54 742	57 150	59 665	
Short term loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-	-	-	2 000 000	2 000 000	6 479 900	7 480 175	
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-	-	-	-	-	28 010	28 010	26 908	28 731	
Decrease (increase) in non-current receivables	-	-	-	-	-	-	-	-	-	-	-	751	751	97	99	
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-	-	-	633 780	633 780	909 552	1 859 336	
Total Cash Receipts by Source	6 038 413	4 170 215	3 304 004	3 378 603	4 366 102	5 284 615	3 093 388	4 519 998	5 813 357	2 862 506	3 219 466	5 915 375	51 966 041	60 719 596	67 489 048	

Table continues on next page

MONTHLY CASH FLOWS	Budget Year 2022/23												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand															
Cash Payments by Type															
Employee related costs	1 286 660	1 312 995	1 355 978	1 388 488	2 061 344	1 377 104	1 386 505	1 416 377	1 413 120	1 434 113	1 405 080	1 333 778	17 171 542	18 125 309	19 168 994
Remuneration of councillors	14 066	13 897	13 901	14 042	13 995	14 188	14 207	17 509	14 627	14 623	15 408	15 669	176 133	184 204	192 463
Finance charges	24 097	–	189 408	142	9 838	164 512	35 892	–	186 007	1	25 561	167 700	803 157	858 329	1 371 972
Bulk purchases - electricity	1 385 371	1 313 987	1 518 581	1 010 855	902 994	1 038 827	833 825	873 731	839 795	878 274	835 102	919 558	12 350 900	14 201 053	16 328 728
Acquisitions - water & other inventory	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Contracted services	1 181 639	567 960	639 067	673 180	713 425	792 311	520 438	564 540	713 634	770 523	562 991	873 213	8 572 922	8 756 750	8 884 837
Transfers and grants - other municipalities	57 615	27 693	31 160	32 823	34 786	38 632	25 376	27 526	34 796	37 570	27 451	16 052	391 480	361 696	326 291
Transfers and grants - other	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other expenditure	652 650	313 699	352 973	371 815	394 043	408 821	287 452	311 810	394 159	425 580	310 954	452 141	4 676 097	4 941 184	5 046 792
Cash Payments by Type	4 602 098	3 550 231	4 101 068	3 491 344	4 130 424	3 834 394	3 103 695	3 211 494	3 596 139	3 560 684	3 182 547	3 778 112	44 142 232	47 428 525	51 320 077
Other Cash Flows/Payments by Type															
Capital assets	1 283 320	386 807	388 588	474 478	568 901	782 272	290 876	415 366	630 152	597 817	793 803	894 939	7 507 319	10 974 216	12 678 671
Repayment of borrowing	50 000	–	79 481	–	42 933	13 333	50 000	–	79 481	–	42 933	1 080 000	1 438 161	1 758 161	2 991 495
Other Cash Flows/Payments	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Cash Payments by Type	5 935 418	3 937 038	4 569 137	3 965 823	4 742 258	4 630 000	3 444 571	3 626 860	4 305 771	4 158 501	4 019 284	5 753 051	53 087 712	60 160 902	66 990 242
NET INCREASE/(DECREASE) IN CASH HELD	102 994	233 177	(1 265 133)	(587 220)	(376 156)	654 615	(351 183)	893 138	1 507 586	(1 295 995)	(799 818)	162 323	(1 121 671)	558 693	498 806
Cash/cash equivalents at the month/year begin:	7 143 195	7 246 189	7 479 367	6 214 233	5 627 013	5 250 857	5 905 472	5 554 289	6 447 427	7 955 013	6 659 018	5 859 200	7 143 195	6 021 524	6 580 217
Cash/cash equivalents at the month/year end:	7 246 189	7 479 367	6 214 233	5 627 013	5 250 857	5 905 472	5 554 289	6 447 427	7 955 013	6 659 018	5 859 200	6 021 524	6 021 524	6 580 217	7 079 023

2.12 Annual budgets – internal departments

2.12.1 Community Services & Health (Vote 1)

In support of the “Giving Hope” vision of the City, the Community Services and Health (CSH) directorate contributes to the health and well-being of communities and individuals through the provision of a range of community- and health facilities, spaces and services, as well as developmental programmes in support of enabling social inclusion.

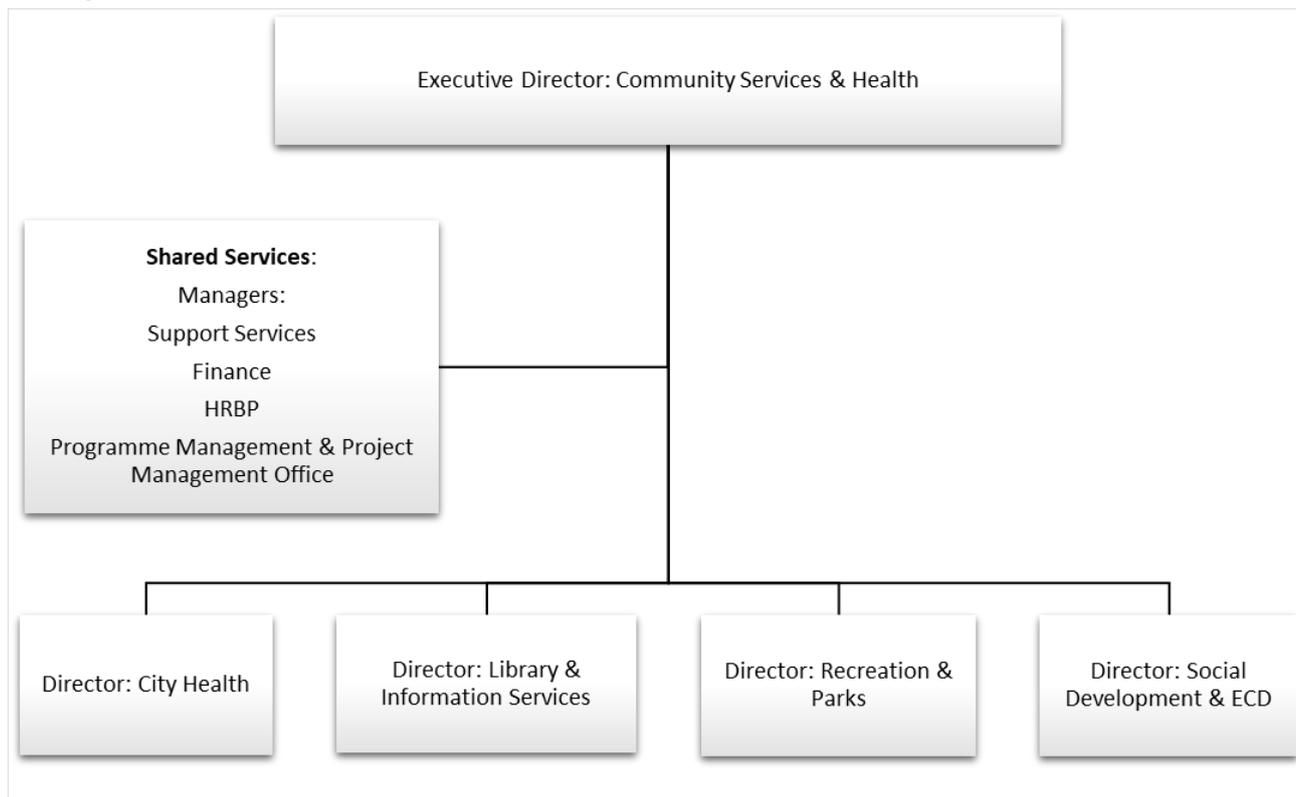
Through the directorate’s departments, the broad social challenges and needs are addressed by providing and maintaining a holistic and integrated range of mandated, as well as discretionary, community facilities, functions, services and developmental programmes, including, but not limited to, those mentioned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

The ability to deliver services is resource dependent, and the directorate continues to assess and prioritise resources and capacity against needs, in order to influence future decision-making. This includes assessing the delivery of services with limited resources and increasing vandalism, such as the possible unfortunate closure of a number of facilities.

CSH directorate is responsible for:

- Delivering a Comprehensive Primary Health Care Service, including Personal Primary Health Care (child health, maternal and women health, non- communicable diseases, and adult curative care in some larger facilities), Matrix and Men’s Clinics sites as well as Municipal Health Care (also referred to as Environmental Health Services);
- Providing access to the services and resources required for informational, educational, cultural and recreational needs through a free public library service that includes spaces and programmes for social development;
- Providing attractive, safe, accessible and sustainable community facilities and spaces where the citizens of Cape Town can engage in active and passive recreation;
- Providing cemeteries and crematoria, which are an integral part of a dignified and efficient interment service;
- Horticultural services at City facilities;
- Community engagements and social preparation;
- Providing a number of targeted community services programmes focusing on substance abuse, homelessness, youth development, early childhood development, poverty alleviation, gender support and vulnerable groups;
- Developing, implementing and maintaining community-orientated arts, culture and heritage programmes, services, infrastructure and partnerships; and
- Maintaining/upgrading community service facilities that are planned and developed in a joint and integrated manner with internal- and external partners, and in areas of greatest need, including integrated facilities in informal settlements.

Management Structure



Changes to service levels and standards over the MTREF

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

Past year's performance – 2020/21

The directorate achieved the following financial indicators in the 2020/21 financial year:

- Capital spend: 90.1% (target 90%)
- Operating spend: 98.2% (target 95%)
- Repairs and maintenance spend: 95.8% (target 95%)
- Training budget spend: 104.1% (target 95%)

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

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

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

Major features of expenditure including discretionary- and non-discretionary expenditure

The directorate's major categories of expenditure will include:

- Repairs and maintenance to community- and health facilities;
- Primary Health Care;
- Security services to secure facilities and staff;
- Ward Allocation projects;
- EPWP projects; and
- Various community based programmes.

Capital Plan: Directorate capital programme

Significant capital projects to be undertaken over the MTREF period include, but are not limited to:

- Integrated Recreation & Parks facilities;
- Cemetery expansion;
- Elsies River integrated recreation facility;
- Upgrade Maitland Crematorium;
- Extension of Belhar multi-purpose centre;
- IT modernisation;
- Upgrades to clinics;
- Swartklip multi-purpose centre;
- Swimming pool redevelopment;
- Strandfontein Clubhouse development;
- Lwandle community library upgrade;
- Mfuleni integrated recreation facility;
- Upgrade to Hartleyvale Stadium;
- Precast concrete wall at sports grounds: Avonwood, Lentegour, Florida Park, and Salberau;
- Upgrade to Bishop Lavis sports ground
- Mandela Park integrated recreational facility
- Upgrades to Community Services & Health facilities;
- Upgrades to Recreation & Parks

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

Directorate: Community Services & Health									
Budgeted Financial Performance (revenue and expenditure)									
Description	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand									
Operating Revenue By Source									
Property rates									
Service charges - electricity revenue	6	-	-	47	47	47	53	59	66
Service charges - water revenue	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	-	-	-	-	-	-	-	-	-
Service charges - other	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	12 362	8 452	2 765	10 320	10 320	10 320	10 795	11 270	11 766
Interest earned - external investments	-	-	-	-	-	-	-	-	-
Interest earned - outstanding debtors	57	64	104	-	-	-	-	-	-
Dividends received	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	2 564	8 281	5 437	2 549	3 068	3 068	3 209	3 350	3 498
Licences and permits	2 325	364	206	238	238	238	249	260	272
Agency services	-	-	-	-	-	-	-	-	-
Transfers and subsidies	743 623	769 315	1 064 241	840 512	970 385	970 385	899 668	910 850	926 224
Other revenue	35 172	37 308	35 958	35 669	40 265	40 265	42 117	43 971	45 906
Gains	3 527	61	5 729	-	-	-	-	-	-
Total Operating Revenue (excluding capital transfers and contributions)	799 636	823 844	1 114 440	889 337	1 024 324	1 024 324	956 091	969 760	987 731
Expenditure By Type									
Employee related costs	2 057 516	2 293 869	2 539 824	2 439 202	2 585 779	2 585 779	2 605 336	2 754 856	2 924 256
Remuneration of councillors	-	(2)	-	-	-	-	-	-	-
Debt impairment	1 220	1 020	830	-	-	-	-	-	-
Depreciation & asset impairment	162 787	156 559	186 880	175 271	186 837	186 837	187 214	204 259	216 666
Finance charges	2 366	2 429	22	227	227	227	227	227	227
Bulk purchases - electricity	-	-	-	-	-	-	-	-	-
Inventory consumed	372 635	362 305	434 335	510 315	468 040	468 040	572 542	609 307	610 034
Contracted services	649 765	779 160	920 742	940 721	965 700	965 700	934 875	931 713	954 349
Transfers and subsidies	19 193	52 642	47 894	19 540	38 031	38 031	19 981	19 981	19 981
Other expenditure	95 725	94 690	89 419	118 568	119 660	119 660	115 396	115 588	116 319
Losses	634	823	463	10	10	10	10	10	10
Total Operating Expenditure	3 361 843	3 743 494	4 220 408	4 203 852	4 364 284	4 364 284	4 435 582	4 635 941	4 841 841
Surplus/(Deficit)	(2 562 206)	(2 919 650)	(3 105 968)	(3 314 516)	(3 339 960)	(3 339 960)	(3 479 491)	(3 666 181)	(3 854 110)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	119 439	90 582	102 877	117 359	104 452	104 452	77 304	131 666	97 533
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	-	53	634	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)	1 015	49	1 964	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(2 441 753)	(2 828 966)	(3 000 493)	(3 197 157)	(3 235 508)	(3 235 508)	(3 402 187)	(3 534 515)	(3 756 577)
Taxation	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation	(2 441 753)	(2 828 966)	(3 000 493)	(3 197 157)	(3 235 508)	(3 235 508)	(3 402 187)	(3 534 515)	(3 756 577)
Attributable to minorities	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality	(2 441 753)	(2 828 966)	(3 000 493)	(3 197 157)	(3 235 508)	(3 235 508)	(3 402 187)	(3 534 515)	(3 756 577)
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	(2 441 753)	(2 828 966)	(3 000 493)	(3 197 157)	(3 235 508)	(3 235 508)	(3 402 187)	(3 534 515)	(3 756 577)
Capital Expenditure	294 231	283 453	294 831	299 732	298 971	292 300	244 533	371 996	350 661

2.12.2 Corporate Services (Vote 2)

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

The Corporate Services directorate consists of the following departments:

- **Customer Relations department**

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

- **Executive and Council Support Operations department**

The department drives the provision of inter alia, strategic, specialised and operational support services to Council, Councilors and its committees, the body politic, and the designated role players in the City's decision-making processes. The department oversees, drives, and leads the provision of the strategic and specialised transversal support services, and sets the direction for the functions that reside within the department. To operationalise its business offering, the department facilitates the interface between the executive decision-making structures, inter alia, Councilors, the Speaker, the Executive Mayor, Executive Deputy Mayor, Mayoral Committee members, the Chief Whip, all committee chairpersons, the City Manager, the Executive Management Team and the organisation as a whole, as well as other spheres of government.

The department also provides a dedicated specialised support services to Councillors and Junior City Council (JCC) that include, inter alia, human resources, finance and general administration services and ensures that Councilors are capacitated and developed in order to deliver on their mandates. In line with the implementation of the City's Language Policy, which includes the promotion of multilingualism, the department drives the provision of translations and interpreting services and other language services related functions. The department also drives the mandate of creating and maintaining a corporate records management system and keeping culture through the management of Citywide transversal administrative registry support services as well as logistical printing services.

- **Fleet Management**

The main function of this department is to provide a comprehensive fleet management service to fulfil the City's vehicles, plant and workshop requirements. Approximately 5 275 Fleet (Vehicles and Plant Equipment) are managed by this section, which is responsible for:

- Ensuring availability of Fleet;
- Procuring and disposal of Fleet;
- Repairs and maintenance of Fleet;
- On-road fueling of Fleet and Fuel Management initiatives;
- Private hire management of Fleet;
- Legislative- and Regulatory compliance;
- Fleet Tracking, Monitoring & Utilisation;
- Accident Management and
- Business & Financial Planning

- **Facilities Management**

The Facilities Management department provides a facilities management and maintenance service and implements a systematic approach to effectively maintain the performance of assets by procuring multi-disciplinary building services, ensuring statutory compliance, overseeing quality assurance and setting norms and standards that improves the life of the asset. The department also provides a repairs and maintenance services as follows:

- Centralised asset users of corporate facilities (156 buildings);
- Community Services & Health (128 clinics, 104 libraries and 61 SDECDs);
- Safety & Security (30 fire stations, 13 Metro Police Offices, 31 traffic Centres); and
- Corporate Services (11 courts)
- The Leased Out Improved Property Portfolio Maintenance (LOIPPM) portfolio focusses on 937 residential and commercial immovable assets, 317 vacant properties and procures security services to safeguard assets pre-and post-occupancy.

The department, furthermore, provides a Transversal Facilities Management service via the facilitation of period tenders and contracts, project management, contract security management to building infrastructure as well as the provision of a quality assurance role in the built environment.

- **Human Resources department**

The Human Resources department ensures proper resourcing of the organisation to enable an efficient and productive administration that prioritises service delivery. The City's Human Resource Strategy is aimed at delivering the right people, with the rights skills, at the right place and time. It is about ensuring the correct alignment of people with business needs. This provides value-added results as it improves service delivery within pre-determined budget parameters.

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

The IS&T department provides Information and Communication Technologies (ICT) services within the City and thereby improves services to officials, citizens, visitors and other stakeholders through implementation of relevant technology tools that is fit for business needs. As a strategic partner to Council and its various business lines it aims to be a catalyst for the transformation of public services and to continue enabling the City to become a more efficient and effective local government authority. As a technology leader, the IS&T department positions itself as a dependable and trusted change agent serving to the forefront of technological progress and innovation in order to render the City more sustainable for all its stakeholders.

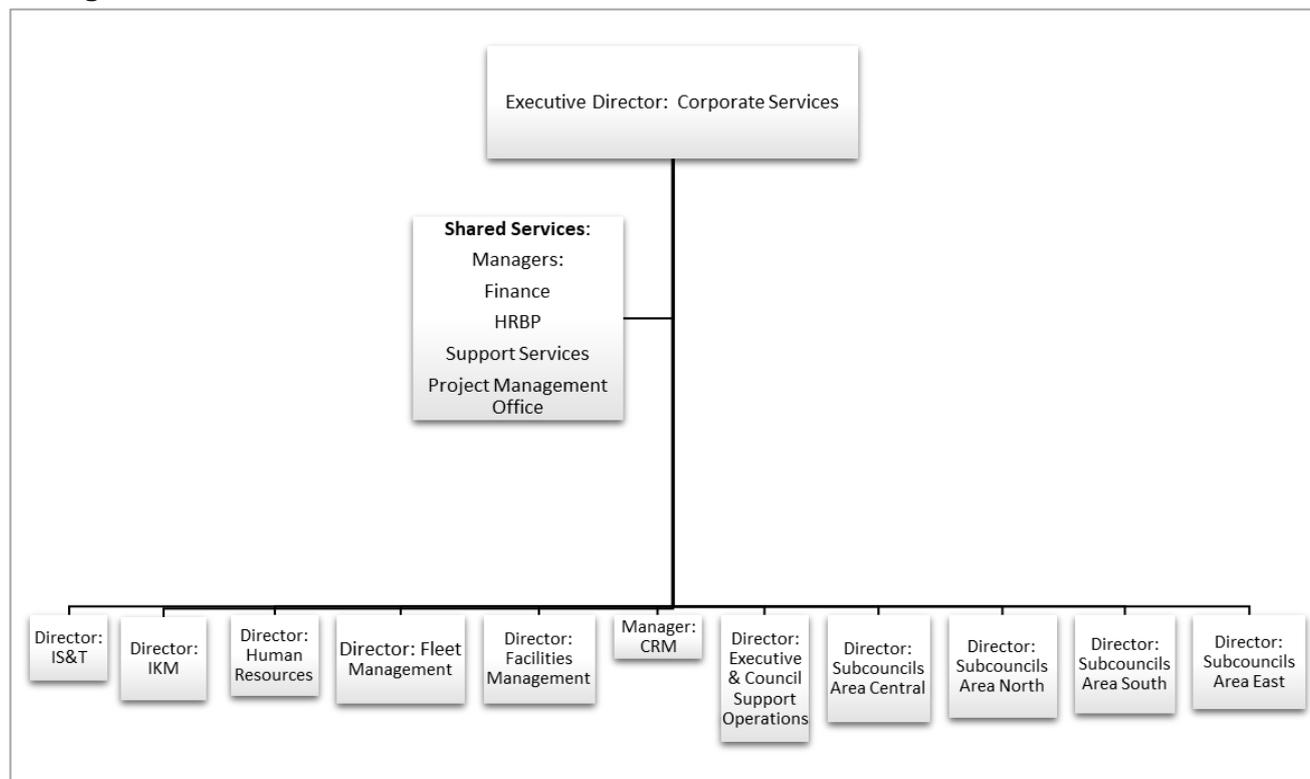
- **Information and Knowledge Management department**

The department provides corporate guidance and standards to City departments in the fields of records managements, geographic information systems (GIS) and data governance in order to improve the management, sharing and retention of information across the organisation. The department also provides specialised services to City departments including geographic data management, geospatial data acquisition including aerial imagery, map production, 3D modelling, and information and records management services. Information is made available to City departments and the public through the City Maps office as well as the open data portal and GIS viewers available on the City's website.

Subcouncils

This department renders strategic, operational and specialist support to the decision-making structures within the City. It further establishes, institutes and manages the activities of Subcouncils and Ward Participatory Mechanisms as well as directs and provides oversight for the Councillor Support services.

Management Structure



Changes to service levels and standards over the MTREF

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

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

Past year’s performance - 2020/21

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

- Capital spend: 90.4% (target: 90%)
- Operating spend 111.7% (target: 95%), due to the corporate provision for Post-Retirement Medical Aid (PRMA)
- Repairs and maintenance spend 93.9% (target: 95%)
- Training budget spend 87.4% (target: 95%)

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

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

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

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

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

Major features of expenditure including highlighting discretionary and non-discretionary expenditure

The directorate's major expenditure categories include:

- Salaries and Wages;
- Telecommunications Costs;
- Software Licensing;
- Professional Services;
- Corporate Training Programmes;
- Security Services;
- Fuel Costs;
- Advertising Contracts; and
- Maintenance of Broadband and ICT infrastructure; fleet, and corporate buildings.

Directorate capital programme

- Two large investments are proposed in the IS&T environment:
 - Broadband Infrastructure Programme (BIP)
This program was reviewed based on an audit recommendation and the latest BIP operating requirements based on the business plan, which will be submitted to Council shortly. The revised business plan is focused around optimising the City's broadband infrastructure and utilising the asset for internal usage. This project has progressed through the detail design phase.
 - Core Application Review (CAR):
The City is currently undergoing a major (core) systems transformation. The upgrade/replacement of these core applications (ERP [SAP], EGIS and Productivity) is required as these applications are nearing the end of its useful lifespan. The CAR project is tasked with defining the target architecture and roadmap for the City's core applications and is proposed to be implemented in a phased approach. This projects has gone through the conceptual design stage and projects must still be identified. The budget provision submitted to Council is therefore subject to change but represent the best estimate at this point in time, subject to affordability.

- **Fleet Services Replacements (Plant & Vehicles)**
To replace aged fleet vehicles in terms of the Fleet Management Strategy and funding prioritised by Council for this purpose. Which will ensure more reliable and available Fleet which will support service delivery to key service delivery departments of Safety and Security, Community Services and Health, Urban Mobility - Roads and Human Settlements.

- **Fleet Facilities Upgrade & Renovations**
To implement the much needed improvements and upgrades of the Fleet facilities in the four areas, which includes equipment. Ndabeni and Khayelitsha Workshop has already been upgraded, therefore leaving Ndabeni Precinct, Hillstar and Bellville workshops, which upgrades will be planned over the next 3 financial years.

- **Corporate Accommodation**
The construction of new office buildings to house City of Cape Town staff. Facilities earmarked for extensions includes the Bellville Civic Centre, Dulcie September and Turfhall.

- **Corporate Facility Upgrades:**
To modernise, rehabilitate, refurbish the existing facilities in order to extend the useful life of these assets and/or to increase the standard of performance. Facilities where upgrades are planned for includes:
 - the Cape Town Civic Centre (CHQ),
 - Brackenfell Municipal Offices,
 - Kuils River Municipal Offices,
 - Khayelitsha,
 - Lookout Hill,
 - Somerset West Municipal Offices,
 - Fezeka,
 - Fish Hoek Municipal Offices
 - Philippi depot.

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

Directorate: Corporate Services									
Budgeted Financial Performance (revenue and expenditure)									
Description	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Operating Revenue By Source									
Property rates	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	-	-	-	-	-	-	-	-	-
Service charges - water revenue	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	-	-	-	-	-	-	-	-	-
Service charges - other	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	735	539	399	930	930	930	973	1 015	1 060
Interest earned - external investments	-	-	-	-	-	-	-	-	-
Interest earned - outstanding debtors	11	35	33	-	-	-	-	-	-
Dividends received	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	1	2 137	1 352	-	-	-	-	-	-
Licences and permits	19	288	-	-	-	-	-	-	-
Agency services	-	-	-	-	-	-	-	-	-
Transfers and subsidies	11 694	11 914	10 119	12 251	13 897	13 897	11 480	11 034	12 534
Other revenue	46 391	46 911	42 285	46 232	45 833	45 833	49 320	51 490	53 756
Gains	16 880	10 184	16 404	7 733	7 733	7 733	7 733	8 073	8 428
Total Operating Revenue (excluding capital transfers and contributions)	75 731	72 008	70 591	67 146	68 392	68 392	69 505	71 613	75 778
Expenditure By Type									
Employee related costs	1 150 183	1 273 128	1 854 189	1 480 398	1 455 442	1 455 442	1 685 260	1 824 364	1 932 616
Remuneration of councillors	159 925	166 081	164 972	178 262	178 262	178 262	174 617	182 619	190 807
Debt impairment	(32)	(4)	315	-	-	-	-	-	-
Depreciation & asset impairment	304 255	342 998	378 035	414 690	422 309	422 309	454 995	463 697	475 123
Finance charges	12	-	-	-	-	-	-	-	-
Bulk purchases - electricity	-	-	-	-	-	-	-	-	-
Inventory consumed	55 861	53 437	52 020	(159)	21 645	21 645	(59 902)	(59 067)	(58 275)
Contracted services	459 474	461 659	481 763	545 137	502 845	502 845	559 318	577 993	591 410
Transfers and subsidies	1 984	1 280	16 176	2 523	2 096	2 096	2 466	2 604	2 604
Other expenditure	325 233	350 323	439 838	456 290	458 459	458 459	530 341	766 304	769 859
Losses	1 969	1 861	876	113	138	138	133	133	133
Total Operating Expenditure	2 458 864	2 650 762	3 388 184	3 077 255	3 041 197	3 041 197	3 347 228	3 758 646	3 904 276
Surplus/(Deficit)	(2 383 133)	(2 578 755)	(3 317 594)	(3 010 109)	(2 972 805)	(2 972 805)	(3 277 723)	(3 687 033)	(3 828 498)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	645	-	863	1 000	1 369	1 369	1 000	1 000	1 000
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)	876	-	-	-	255	255	-	-	-
Transfers and subsidies - capital (in-kind - all)	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(2 381 613)	(2 578 755)	(3 316 731)	(3 009 109)	(2 971 180)	(2 971 180)	(3 276 723)	(3 686 033)	(3 827 498)
Taxation	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation	(2 381 613)	(2 578 755)	(3 316 731)	(3 009 109)	(2 971 180)	(2 971 180)	(3 276 723)	(3 686 033)	(3 827 498)
Attributable to minorities	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality	(2 381 613)	(2 578 755)	(3 316 731)	(3 009 109)	(2 971 180)	(2 971 180)	(3 276 723)	(3 686 033)	(3 827 498)
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	(2 381 613)	(2 578 755)	(3 316 731)	(3 009 109)	(2 971 180)	(2 971 180)	(3 276 723)	(3 686 033)	(3 827 498)
Capital Expenditure	478 505	514 561	438 414	418 530	434 277	433 377	395 619	961 376	749 408

2.12.3 Economic Growth (Vote 3)

The key purpose of the Economic Growth (EG) directorate is to position Cape Town as a city with an efficient environment conducive to economic growth, by leveraging its immovable property asset portfolio to the best interest of internal- and external clients.

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

The directorate is made up of the following departments:

- **Enterprise and Investment department**

The broad aim of the department is to maximise the opportunity to improve Cape Town's business climate and establish it globally as an attractive investment destination with positive economic growth through various programmes and projects to encourage more business opportunities.

- **Property Management department**

The purpose of this department is to ensure a sustained and cost effective real estate, property development and immovable property asset management functionality. Property Management as the custodian of immovable property is responsible for the oversight of the deployment, use and performance of all immovable property assets, acquisition of immovable property assets required for infrastructure and service delivery purposes as well as the disposal of immovable property assets no longer required for delivery of basic municipal services.

- **Strategic Assets department**

This department consist of a portfolio of strategic assets of high economic, environmental and heritage value, which require an asset specific management model. The purpose of the department is to optimally utilise these key assets to position Cape Town on a global platform, act as an enabler and leverage City's tourism, travel, events and investment strategies and ensure that entrepreneurs and cultural partners have a world-class venue to use, perform and showcase their talents.

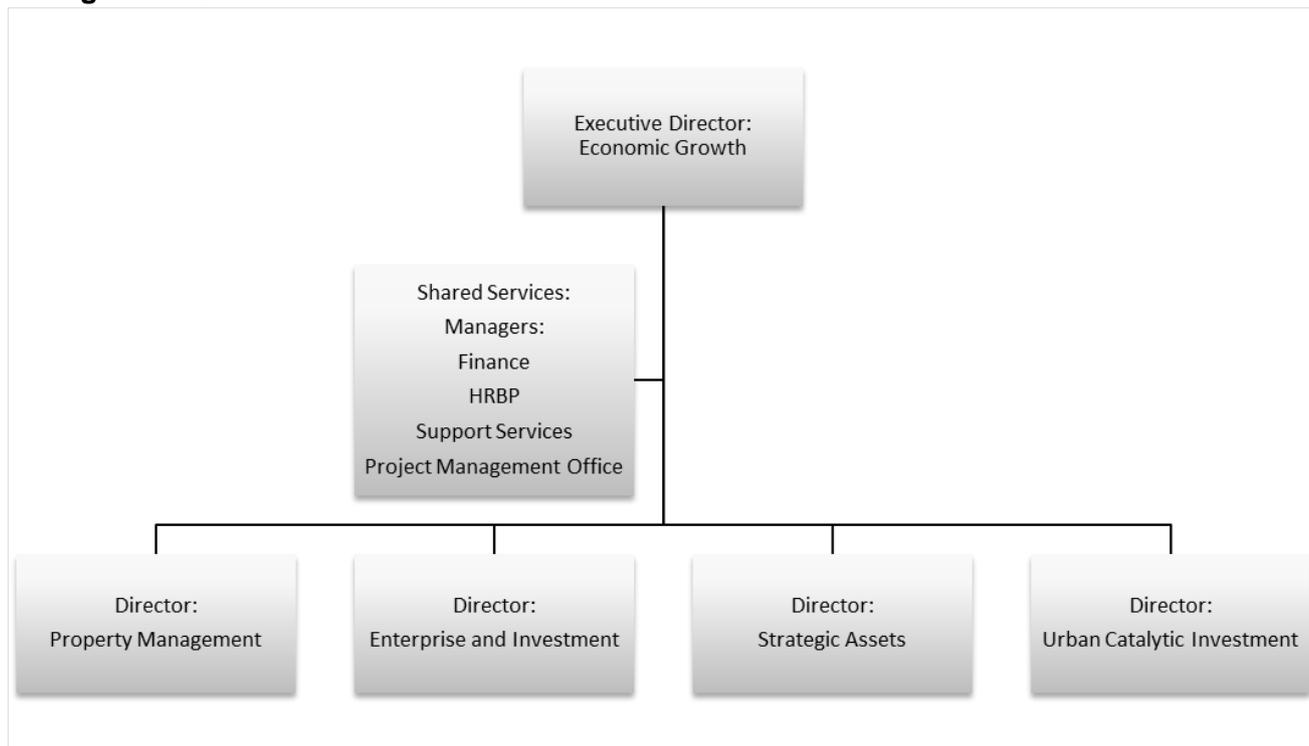
- **Urban Catalytic Investment department**

Urban Catalytic Investment's aim is to enable an innovative and investment-friendly environment in spatially targeted 'Transit-Accessible Precincts' that promotes the City's vision for economic growth and development, jobs and the promotion of spatial transformation through transit-oriented development to enhance the livelihoods, quality of life and opportunities of all its citizens.

It does so by leveraging City resources and investment into a portfolio of three priority catalytic precincts, namely: Bellville Future City, the Philippi Opportunity Area, and the Gateway Precinct, by enabling partnerships with public- and private-sector stakeholders in assembling complex sites, precinct planning and land packaging, remediating land where necessary, and securing the necessary supporting infrastructure and incentives.

Fundamentally, the department seeks to add value that catalyses' private investment in blighted and underperforming parts of the City by creating an enabling environment where investment and delivery in spatially targeted catalytic precincts can flourish.

Management Structure



Changes to service levels and standards over the MTREF

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

Past year's performance – 2020/21

The directorate (previously known as the Economic Opportunities and Asset Management directorate) performed very well from a financial perspective in the 2020/21 financial year. The directorate met the targets for both capital- and operating budget expenditure.

Capital expenditure of 90% was recorded against the target of 90% and operating expenditure of 95.8% was recorded against the target of 95%.

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

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

Major features of expenditure including discretionary and non-discretionary expenditure

The directorate's major expenditure categories include:

- Salaries and wages;
- Contracted Services; and
- Transfers and Subsidies.

Directorate capital programme

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

- Informal Trading Permitting System Enhancement;
- CTICC 2 – Interface Structure; and
- Philippi Fresh Produce Market Refurbishment.

Table 63 - Economic Growth (Vote 3) - operating revenue by source, expenditure by type and total capital expenditure

Directorate: Economic Growth										
Budgeted Financial Performance (revenue and expenditure)										
Description	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework			
	R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Operating Revenue By Source										
Property rates	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue	469	551	620	581	581	581	635	667	711	
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	(13)	-	-	-	-	-	-	-	-	-
Service charges - other	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	158 246	206 743	150 037	176 672	165 071	165 071	172 146	179 721	187 628	
Interest earned - external investments	88	226	541	-	-	-	-	-	-	
Interest earned - outstanding debtors	473	276	240	-	-	-	-	-	-	
Dividends received	-	-	-	-	-	-	-	-	-	
Fines, penalties and forfeits	148	1 666	123	-	-	-	-	-	-	
Licences and permits	-	-	-	-	-	-	-	-	-	
Agency services	-	-	-	-	-	-	-	-	-	
Transfers and subsidies	8 641	1 322	44 800	96 934	124 296	124 296	74 128	37 998	5 822	
Other revenue	8 303	5 401	36 342	5 544	5 544	5 544	5 788	6 043	6 309	
Gains	97 310	36 270	31 791	36 085	36 085	36 085	36 085	37 673	39 330	
Total Operating Revenue (excluding capital transfers and contributions)	273 666	252 455	264 494	315 817	331 577	331 577	288 782	262 101	239 800	
Expenditure By Type										
Employee related costs	204 585	235 584	263 599	299 752	286 732	286 732	311 056	337 529	358 361	
Remuneration of councillors	-	(3)	-	-	-	-	-	-	-	
Debt impairment	468	19 816	23 834	7 325	7 325	7 325	7 325	7 325	7 325	
Depreciation & asset impairment	23 216	23 812	24 764	25 608	28 695	28 695	28 244	33 545	32 491	
Finance charges	5	9	41	-	-	-	-	-	-	
Bulk purchases - electricity	-	-	-	-	-	-	-	-	-	
Inventory consumed	4 068	2 930	1 487	4 861	4 644	4 644	2 354	4 607	4 610	
Contracted services	142 307	175 303	172 527	206 170	199 999	199 999	142 986	129 189	127 608	
Transfers and subsidies	101 448	132 771	135 378	172 580	217 036	217 036	172 122	146 840	116 340	
Other expenditure	73 584	73 271	48 516	49 731	50 382	50 382	47 356	48 658	48 668	
Losses	31	118	24	5	5	5	-	-	-	
Total Operating Expenditure	549 713	663 611	670 171	766 032	794 818	794 818	711 443	707 694	695 403	
Surplus/(Deficit)	(276 047)	(411 156)	(405 676)	(450 215)	(463 240)	(463 240)	(422 661)	(445 593)	(455 603)	
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	-	-	6 392	10 700	677	677	15 000	15 000	15 000	
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)	1 689	-	-	-	-	-	-	-	-	
Surplus/(Deficit) after capital transfers & contributions	(274 358)	(411 156)	(399 284)	(439 515)	(462 563)	(462 563)	(407 661)	(430 593)	(440 603)	
Taxation	-	-	-	-	-	-	-	-	-	
Surplus/(Deficit) after taxation	(274 358)	(411 156)	(399 284)	(439 515)	(462 563)	(462 563)	(407 661)	(430 593)	(440 603)	
Attributable to minorities	-	-	-	-	-	-	-	-	-	
Surplus/(Deficit) attributable to municipality	(274 358)	(411 156)	(399 284)	(439 515)	(462 563)	(462 563)	(407 661)	(430 593)	(440 603)	
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	
Surplus/(Deficit) for the year	(274 358)	(411 156)	(399 284)	(439 515)	(462 563)	(462 563)	(407 661)	(430 593)	(440 603)	
Capital Expenditure	35 495	34 522	90 132	57 073	51 116	44 689	48 748	30 091	50 154	

2.12.4 Energy (Vote 4)

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

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

The directorate is made up of two departments namely:

- **Sustainable Energy Markets department**

Branches within the department include Generation Development and Municipal Operations Efficiency, Renewable Energy & Energy Efficiency and Facilitation, Low Income Energy Services Delivery and Built Environment, Energy and Carbon Data Management & Integration Platforms.

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

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

- **Electricity Generation & Distribution department**

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

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

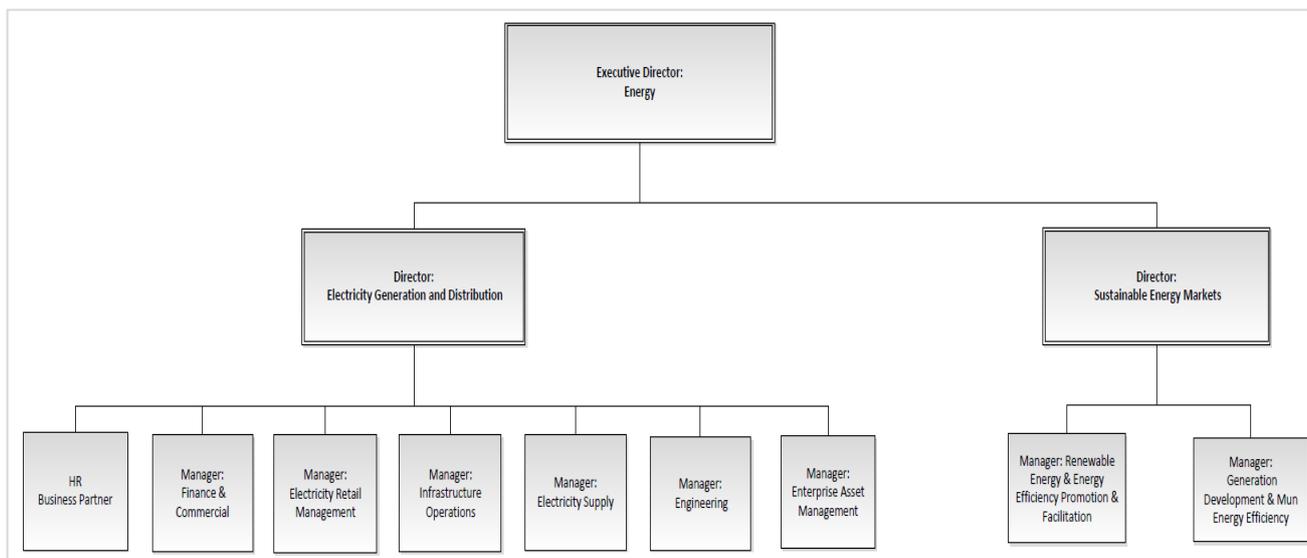
In accordance with the City’s draft Energy and Climate Change Strategy, the department aims to promote the use of renewable energy as follows:

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

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

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

Management Structure



Changes to service levels and standards over the MTREF

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

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

Past year's performance – 2020/21

Operating expenditure amounted to 101.0%; the main reasons for the slight over expenditure was the bulk purchases made to Eskom and a rise in sales as a result of the economic recovery when lockdown levels eased.

Capital expenditure of 90.7% was achieved, which is a reasonable achievement considering the legislative environment within which to spend. The directorate operates within an environment where declining sales is the norm and has to plan and budget accordingly. A few vendors / suppliers / contractors were under business rescue or did not have the capacity/resources to implement work as a result of the COVID-19 lockdown.

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

The current infrastructure within the geographical area of Cape Town needs to be refurbished and maintained to ensure that the condition of the current networks and infrastructure is improved to meet the business and social challenges of electrification in South Africa. This supports the City's IDP basic services priority by enabling a well-managed and modernised infrastructure to support economic growth, by ending load shedding in Cape Town over time and by improving access to quality and reliable basic services.

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

Major features of expenditure including discretionary and non-discretionary expenditure

Bulk purchases of electricity from Eskom represents a substantial part of the directorate's budget - around 61%; the City has previously paid these charges to Eskom within the due dates.

The directorate also collects the non-regulatory portion of its tariffs, which represents 10% of sales for redistribution within the Rates account. The directorate's revenue protection efforts continue to assist in limiting these increases.

Directorate capital programme

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

EFF as a funding source has an impact on tariffs. Funding of non-income generating projects in respect of infrastructure and refurbishment have been moved from EFF (loans) to CRR (internally generated funds) where there is sufficient CRR available on a year-on-year basis. Over a period of time this will have the effect of reducing tariff increase requirements.

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

Directorate: Energy									
Budgeted Financial Performance (revenue and expenditure)									
Description	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
	R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24
Operating Revenue By Source									
Property rates	–	–	–	–	–	–	–	–	–
Service charges - electricity revenue	13 042 789	14 247 662	14 241 566	15 734 519	15 734 519	15 734 519	17 241 416	19 624 480	21 913 877
Service charges - water revenue	–	–	–	–	–	–	–	–	–
Service charges - sanitation revenue	–	–	–	–	–	–	–	–	–
Service charges - refuse revenue	40	–	–	–	–	–	–	–	–
Service charges - other	–	–	–	–	–	–	–	–	–
Rental of facilities and equipment	959	490	38	1 100	1 100	1 100	1 150	1 201	1 254
Interest earned - external investments	–	–	–	–	–	–	–	–	–
Interest earned - outstanding debtors	28 865	33 632	37 150	36 000	36 000	36 000	27 600	28 814	30 082
Dividends received	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits	19 930	3 552	2 975	–	–	–	–	–	–
Licences and permits	–	–	–	–	–	–	–	–	–
Agency services	265	–	–	–	–	–	–	–	–
Transfers and subsidies	3 899	756	818	800	1 085	1 085	133 819	152 197	169 853
Other revenue	115 982	131 697	105 082	31 207	31 207	31 207	106 059	110 728	115 603
Gains	1 517	265	1 632	2 500	2 500	2 500	2 500	2 610	2 725
Total Operating Revenue (excluding capital transfers and contributions)	13 214 247	14 418 054	14 389 262	15 806 126	15 806 411	15 806 411	17 512 545	19 920 031	22 233 395
Expenditure By Type									
Employee related costs	1 143 911	1 187 749	1 363 802	1 407 667	1 449 287	1 449 287	1 528 845	1 621 910	1 719 632
Remuneration of councillors	–	–	–	–	–	–	–	–	–
Debt impairment	17 907	106 389	71 786	145 435	100 036	100 036	110 348	127 518	144 567
Depreciation & asset impairment	359 435	377 848	396 711	414 343	415 039	415 039	434 963	451 941	475 980
Finance charges	–	–	–	–	–	–	–	–	–
Bulk purchases - electricity	8 281 772	9 317 868	9 718 558	11 182 400	11 218 900	11 218 900	12 350 900	14 201 053	16 328 728
Inventory consumed	114 431	100 669	112 028	157 234	155 664	155 664	158 035	162 869	167 916
Contracted services	268 797	278 794	283 432	328 044	350 718	350 718	427 387	576 710	501 760
Transfers and subsidies	–	–	600	600	600	600	1 800	600	600
Other expenditure	161 692	166 734	174 255	190 349	194 559	194 559	236 256	236 260	236 264
Losses	949	415	627	464	464	464	464	464	464
Total Operating Expenditure	10 348 895	11 536 465	12 121 799	13 826 536	13 885 266	13 885 266	15 248 998	17 379 324	19 575 910
Surplus/(Deficit)	2 865 352	2 881 588	2 267 463	1 979 590	1 921 145	1 921 145	2 263 547	2 540 707	2 657 485
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	92 760	19 033	27 393	42 690	21 951	21 951	34 901	23 100	23 100
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	37 192	28 557	47 283	127 803	127 803	127 803	79 141	43 700	44 500
Transfers and subsidies - capital (in-kind - all)	–	–	8 497	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	2 995 304	2 929 178	2 350 635	2 150 083	2 070 899	2 070 899	2 377 590	2 607 507	2 725 085
Taxation	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after taxation	2 995 304	2 929 178	2 350 635	2 150 083	2 070 899	2 070 899	2 377 590	2 607 507	2 725 085
Attributable to minorities	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality	2 995 304	2 929 178	2 350 635	2 150 083	2 070 899	2 070 899	2 377 590	2 607 507	2 725 085
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	2 995 304	2 929 178	2 350 635	2 150 083	2 070 899	2 070 899	2 377 590	2 607 507	2 725 085
Capital Expenditure	739 130	596 002	732 741	952 575	863 527	771 279	1 052 059	1 235 003	1 111 789

2.12.5 Finance (Vote 5)

The Finance directorate promotes sound and sustainable management of the City's financial resources, in compliance with the MFMA, together with other related legislation, policies and procedures.

The directorate's main priorities include, among others, are:

1. Clean audit for the City;
2. Maintaining a good credit rating for the City;
3. City's Revenue Collection; and
4. Supplementary and General Valuations Projects.

Roles and responsibilities of the Finance directorate:

- Provision and maintenance of meaningful, accurate and coherent financial records to facilitate the management and control of expenditure activities against the objectives set by the budget and all forms of financial and statutory accountability finally embraced in the audited financial statements.
- Building a credible standing with the Auditor-General for the promotion of confidence in the financial records of the City.
- Managing the City's banking, investments, borrowings and cash flow (including municipal bond issues) in the most cost effective and efficient manner possible.
- Giving financial effect to the strategic focus of the City in the form of a short, medium and long term financial plan which is credible, viable and sustainable.
- Ensuring timeous and accurate payment of City creditors, councillors and officials.
- Management of City key strategic development targeted conditional grant and related funds (including USDG; ICDG; Health; NDPG; Libraries et al).
- Developing and reviewing financial and finance related policies. Controlling the creation and annual reviewing of all budget related policies, coordinating the annual miscellaneous and consumptive tariff setting processes, evaluation and reporting on the distribution of all billed municipal charges on an affordable and collectable basis.
- Providing a sustainable and credible revenue management service, taking into account an affordable and appropriate user-pays strategy, whilst acknowledging the severe economic challenges faced by many of the City's poorer residents.
- Providing on-going support to the City's directorates and departments in the acquisition and disposal of goods, services, property and construction works.
- Producing and maintaining the City's valuation rolls and all related compliance requirements in terms of prescribed legislation.
- Ensuring compliance to legislation, and the implementation and maintenance of good governance of the City's municipal entities.

The Finance directorate's intention is achieved through its seven departments:

- **Budgets department**

The Budgets departments provides an enabling environment (from a support service, budgetary perspective) to optimise the utilisation of financial resources allocated to service delivery of City functions and the compilation, amendment, monitoring and reporting of financial/budgetary data sets within relevant legislative framework.

- **Expenditure department**

The Expenditure department seeks to provide a financially controlled environment, using limited resources and internal controls by ensuring timeous and accurate payment of City creditors, councillors, officials and Expanded Public Works Programme (EPWP) workers in compliance with relevant legislation. Furthermore, the department ensures that all payroll accounts are reconciled and that the City has a well-managed Travel Management System.

- **Grant Funding department**

The key imperatives of the Grant Funding department relate to its mandates in terms of supporting the City's operational and financial sustainability through its structured acquisition, governance and transversal roles with respect to the diverse array of grant funding received from National and Provincial government.

- **Revenue department**

The Revenue department is a customer-focused department, comprising competent and dedicated staff, providing effective and efficient revenue management services, which includes rates and services, housing rentals and property management leases, by informing citizens through council structures as to their responsibility in creating a solvent and prosperous City, which supports the application of an affordable and appropriate user-pays strategy while acknowledging the severe economic challenges faced by many of the city's poorer residents.

- **Supply Chain Management (SCM) department**

The SCM department supports and manages procurement policy, systems and processes for the acquisition and disposal of goods, works and services. Promotes compliance to a procurement system which is fair, equitable, transparent, cost-effective and competitive. Promotes black economic empowerment and local economic development and also encourages the promotions of small businesses in order to create sustainability and economic opportunities for the residents of the City.

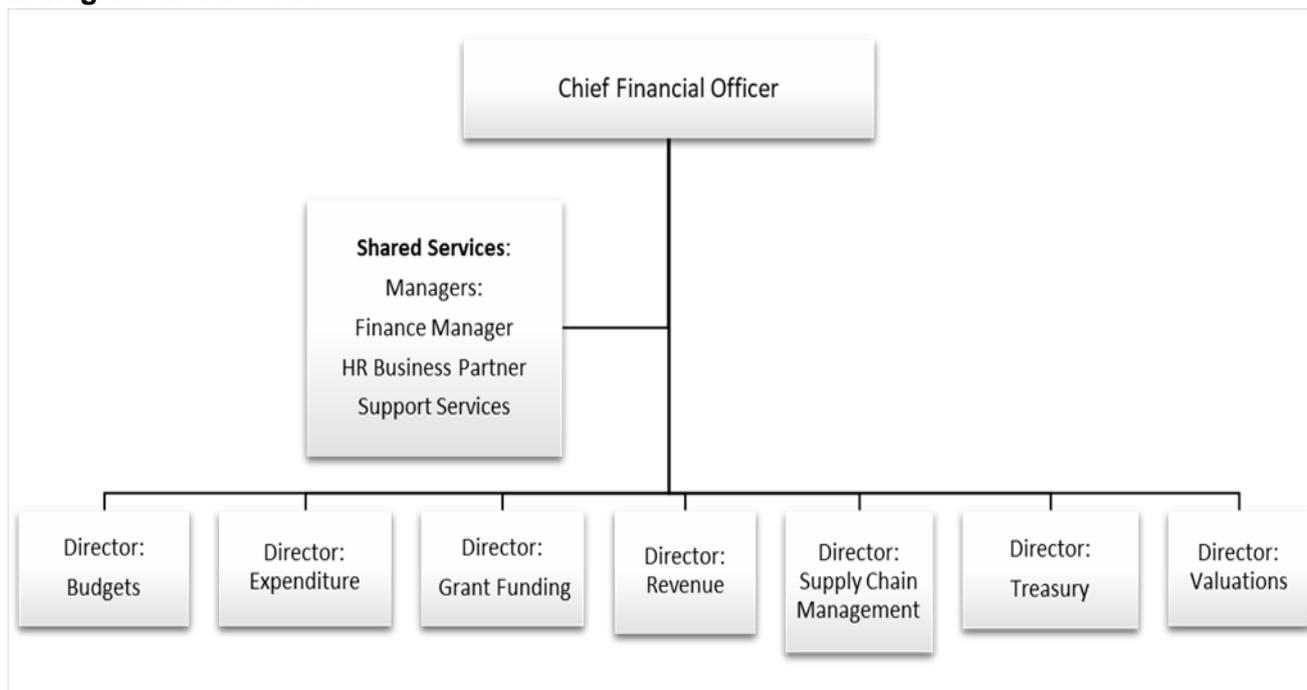
- **Treasury department**

The Treasury department provides and maintains meaningful, accurate and coherent financial records to facilitate the management and control of expenditure activities against the objectives set by the budget and all forms of financial and statutory accountability finally embraced in the audited financial statements. The department strives to build a credible standing with the Auditor-General for the promotion of confidence in the financial records of the City. The department ensures asset management is pro-active for accountability over an extensive array of assets. It manages the City's banking, investments, borrowings and cash flow (including municipal bond issues) in the most cost effective and efficient manner possible. It ensures the continuous viability of the General Insurance Fund and the City's Exempt Status under the Compensation for Occupational Injuries and Diseases Act (130 of 1993) and management of the Fund's core functions inherent in the provision of a self- insurance concept facility to the City. It increases the city's "resilience" in its service delivery process and targets. The department is also responsible for regulating, managing and monitoring Municipal Entities for maximum shareholding returns, financial performance, legislative and policy compliance. Municipal entities operate openly and transparently and that the community and City receives a return on the service provided.

- **Valuations department**

The Valuations department delivers a high quality and impartial valuation service to customers to sustain a cost effective, just and accurate valuation roll that is up to date, taking all new development and land changes into account. The roll serves as the basis for the calculation of fair and equitable rates for the City, provides an effective non-conditional revenue stream taking cognisance of the ability-to-pay principal supported by Council and giving due relief, through the Rates policy, for the indigent, those on government support grants and the public benefit organisations providing supportive services to the City community.

Management Structure



Changes to service levels and standards over the MTREF

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

Past year’s performance – 2020/21

The Finance directorate’s performance for the past year has been positive, demonstrated by the ongoing good credit ratings received, as well as an unqualified audit opinion with findings, providing financial sustainability to the City. The City has received a clean bill of health for financial sustainability and the pre-determined objectives are evidence-based and all stakeholders can rely on actual outcomes recorded against the targets that are a true reflection of the City achieving its IDP goals.

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

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

Major features of expenditure including highlighting discretionary and non-discretionary expenditure

The directorate's major expenditure categories include:

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

Directorate capital programme

The key projects contained within the 2022/23 capital budget of the Finance directorate support both financial control and enhanced service delivery and include a number of strategically aligned projects to support the ease with which ratepayers can engage and do business with the City.

The majority of the capital budget over the next medium term revenue and expenditure framework mainly relates to:

- Aerial Photography;
- Furniture & IT Equipment;
- Insurance Contingency;
- Security at Cash Offices;
- System Enhancements;
- Upgrades to Cash Offices; and
- Warehouse Equipment.

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

Directorate: Finance									
Budgeted Financial Performance (revenue and expenditure)									
Description	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Operating Revenue By Source									
Property rates	9 319 555	9 841 785	10 005 031	10 690 206	10 690 730	10 690 730	11 203 305	11 802 378	12 513 865
Service charges - electricity revenue	-	5 204	(0)	-	-	-	-	-	-
Service charges - water revenue	-	774	-	-	-	-	-	-	-
Service charges - sanitation revenue	-	1 136	-	-	-	-	-	-	-
Service charges - refuse revenue	(276 382)	(226 890)	(343 684)	(311 132)	-	-	-	-	-
Service charges - other	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	14	11	13	2	2	2	2	2	2
Interest earned - external investments	1 120 548	1 283 154	895 881	854 917	895 620	895 620	1 103 053	1 103 258	953 449
Interest earned - outstanding debtors	76 080	120 417	145 944	140 562	96 828	96 828	97 739	101 497	105 491
Dividends received	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	136 689	5 906	950	529	529	529	553	577	603
Licences and permits	(0)	-	11	-	-	-	-	-	-
Agency services	216 445	190 372	258 515	247 124	255 000	255 000	257 125	268 439	280 250
Transfers and subsidies	2 705 469	2 919 490	3 180 372	3 269 619	3 286 054	3 286 054	1 681 477	1 821 376	1 983 153
Other revenue	2 627 695	2 635 731	2 672 098	2 672 513	2 670 178	2 670 178	2 732 463	2 705 404	2 778 120
Gains	30 361	186 521	7 737	-	-	-	-	-	-
Total Operating Revenue (excluding capital transfers and contributions)	15 956 476	16 963 610	16 822 867	17 564 339	17 894 940	17 894 940	17 075 718	17 802 931	18 614 933
Expenditure By Type									
Employee related costs	1 470 171	709 769	1 083 361	1 109 542	1 288 271	1 288 271	1 170 601	1 232 197	1 304 619
Remuneration of councillors	-	-	-	-	-	-	-	-	-
Debt impairment	282 517	470 769	414 120	524 087	474 087	474 087	458 735	407 299	380 725
Depreciation & asset impairment	206 508	200 645	192 101	201 998	202 122	202 122	202 698	200 844	180 847
Finance charges	716 333	766 667	777 620	740 582	734 062	734 062	827 269	1 052 386	1 524 515
Bulk purchases - electricity	-	-	-	-	-	-	-	-	-
Inventory consumed	18 008	11 921	10 938	15 654	15 225	15 225	16 506	16 506	14 054
Contracted services	65 561	41 278	50 221	61 061	56 322	56 322	59 503	58 299	58 156
Transfers and subsidies	55 152	64 903	66 428	75 949	61 293	61 293	33 196	29 955	25 050
Other expenditure	384 147	360 433	389 130	492 340	496 472	496 472	525 521	528 989	548 603
Losses	163 114	67 660	90 284	1 291	1 291	1 291	1 260	1 260	1 260
Total Operating Expenditure	3 361 510	2 694 046	3 074 201	3 222 505	3 329 145	3 329 145	3 295 289	3 527 736	4 037 830
Surplus/(Deficit)	12 594 965	14 269 564	13 748 665	14 341 834	14 565 796	14 565 796	13 780 429	14 275 196	14 577 103
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	1 354	669	276	60	60	60	217	593	155
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	12 596 319	14 270 233	13 748 941	14 341 894	14 565 856	14 565 856	13 780 646	14 275 789	14 577 258
Taxation	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation	12 596 319	14 270 233	13 748 941	14 341 894	14 565 856	14 565 856	13 780 646	14 275 789	14 577 258
Attributable to minorities	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality	12 596 319	14 270 233	13 748 941	14 341 894	14 565 856	14 565 856	13 780 646	14 275 789	14 577 258
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	12 596 319	14 270 233	13 748 941	14 341 894	14 565 856	14 565 856	13 780 646	14 275 789	14 577 258
Capital Expenditure	26 225	63 051	248 489	25 515	16 542	16 373	18 129	26 237	40 296

2.12.6 Future Planning & Resilience (Vote 6)

Following a decision by Council on 15 December 2021, the Future Planning and Resilience Directorate came into existence on 1 February 2022. The intention of Council was to bring together a range of City functions that can be optimised through co-location in order to work across the organisation to perform short-, medium- and long-term strategy and policy development, capital planning, performance management and business improvement. The directorate is tasked with analysing and developing responses, both internally and externally, to the changing nature of the urban environment, including shock events.

The directorate strategy envisages achieving the following:

- Overseeing the implementation of the Infrastructure Planning and Delivery Framework, facilitating the work of the inter-disciplinary working group on Infrastructure Planning and Growth, and developing an Annual Infrastructure Report.
- Providing leadership and facilitation on long-term and annual strategic planning, which includes working closely with the Finance directorate on the annual strategy-led budget process.
- Facilitating the development and review of the City's 5-year Integrated Development Plan (IDP).
- The ongoing development and successful implementation of Project, Programme, Portfolio, Engineering and Contract Management, across the various directorates within the City ensuring a continuous improvement in maturity levels against industry benchmarks.
- Driving a culture of performance management that strategically focuses the City on evidence-based planning for decision-making, data management, monitoring, evaluation and legislative oversight.
- Enabling City-wide approaches to innovation and operational effectiveness as an enabler of modernisation initiatives in order to ensure continuous improvement, the optimal utilisation of resources, increased productivity, and improved quality and overall satisfaction of business and operating models.
- Implementing a new strategic approach to the "Future of Work" as part of the legacy of the COVID-19 pandemic to ensure the organisation is future-fit and is an "employer of choice".
- Overseeing the implementation of the Cape Town Resilience Strategy and the Cape Town Climate Action Plan, while ensuring that the urban environment is constantly assessed for changing shocks and stresses in order to ensure that new responses are included in strategy and planning processes.
- Surgings the combined resources of the directorate to build strategic and programmatic responses to complex problems and city-wide shock events that require co-ordinated transversal responses.
- Communicating and building recognition of the City's brand through a credible and professional communication flow between the City and its various stakeholders.
- Optimising public participation processes to ensure stakeholders are empowered to contribute to City decision-making processes and to have meaningful role in the shaping of Cape Town's future.

The directorate works transversally across the organisation to support other directorates and departments in their strategy, planning, execution, performance management, business improvement processes and communication objectives in order to ensure alignment with the vision and priorities of the organisation over the short-, medium- and long-term.

The directorate is made up of the following departments:

- **Policy and Strategy**

This department leads the drafting, amending and reviewing of the IDP in terms of relevant legislation for the purpose of attaining Citywide and organisational objectives. Additionally, it leads the development of the annual Strategic Management Framework (SMF). It also leads the strategy frameworks and policy processes in the organisation and provides the strategy and analytical support to enable sound decision-making, effective implementation, delivery and strategy-led budgeting.

- **Corporate Project, Programme and Portfolio Management**

The department serves as a Centre of Excellence to provide the required cutting edge for Project, Programme, Portfolio and Engineering Management solutions to enhance the customer-centric culture in the City. The department does not only focus on the continuous increase of maturity throughout the City for the various disciplines, but also aims to ensure continuous individual competence improvements for project- and engineering managers. Through the Project Portfolio Management System, the implementation of the City's projects is supported and managed, and service delivery enhanced towards successful delivery of projects as scoped and planned within the cost, time and quality constraints. It also leads contract creation, execution, and performance monitoring to maximize operational and financial performance, while reducing financial risk.

- **Organisational Effectiveness and Innovation**

The department drives use of innovation methodologies in support of government modernisation and efficiency initiatives in order to prepare the organisation for future challenges and opportunities and to ensure financial sustainability. It gives effect to strategic transformational initiatives of the City via the People Strategy. It plays a pivotal role in improving the effectiveness of the organisation via the following focus areas: organisational culture, embedding the behaviours associated with the City Values, driving the strategies, tools and resources of the Leadership Development and People Management frameworks, developing a compelling Employee Value Proposition to position the City as an "Employer of Choice" and equipping the organisation with tools to drive and lead change. It also transforms the City as a workplace by providing strategic direction and operational oversight in the implementation and monitoring of Employment Equity and matters related to diversity in the organisation. This is to ensure a continuous and developmental ethos of equity for all, emphasise diversity as a benefit and value for organisational performance.

- **Resilience**

The department develops strategic, transversal responses to city-wide prioritised shocks and stresses, and intractable issues that require collaboration and partnering, both internally and externally. It seeks to understand the impact of climate change in Cape Town for the purpose of developing organisation and city-wide responses that improve both mitigation and adaptive capabilities of the City.

- **Organisational Performance Management**

This department guides and directs the enhancement of the City's organisational performance capabilities, alignment and systems in order to develop a mind-set of continuous improvement and improved quality of service delivery through strategy implementation, performance visualisation, accountability and improved evidence-based planning. It also guides the organisation towards attainment of a 'clean audit' for pre-determined objectives, and consequently positively impacts the credit rating and reputation of the City with local, regional and national stakeholders. It builds an analytics-driven culture across the organisation to generate insights that can be used by the organisation to inform strategic and operational decisions, which includes the provision of data engineering services to surface and automate the flow of data. It, furthermore, enhances the organisation's ability to successfully apply monitoring and evaluation (M&E) practices and systems by raising the performance management maturity level of the organisation.

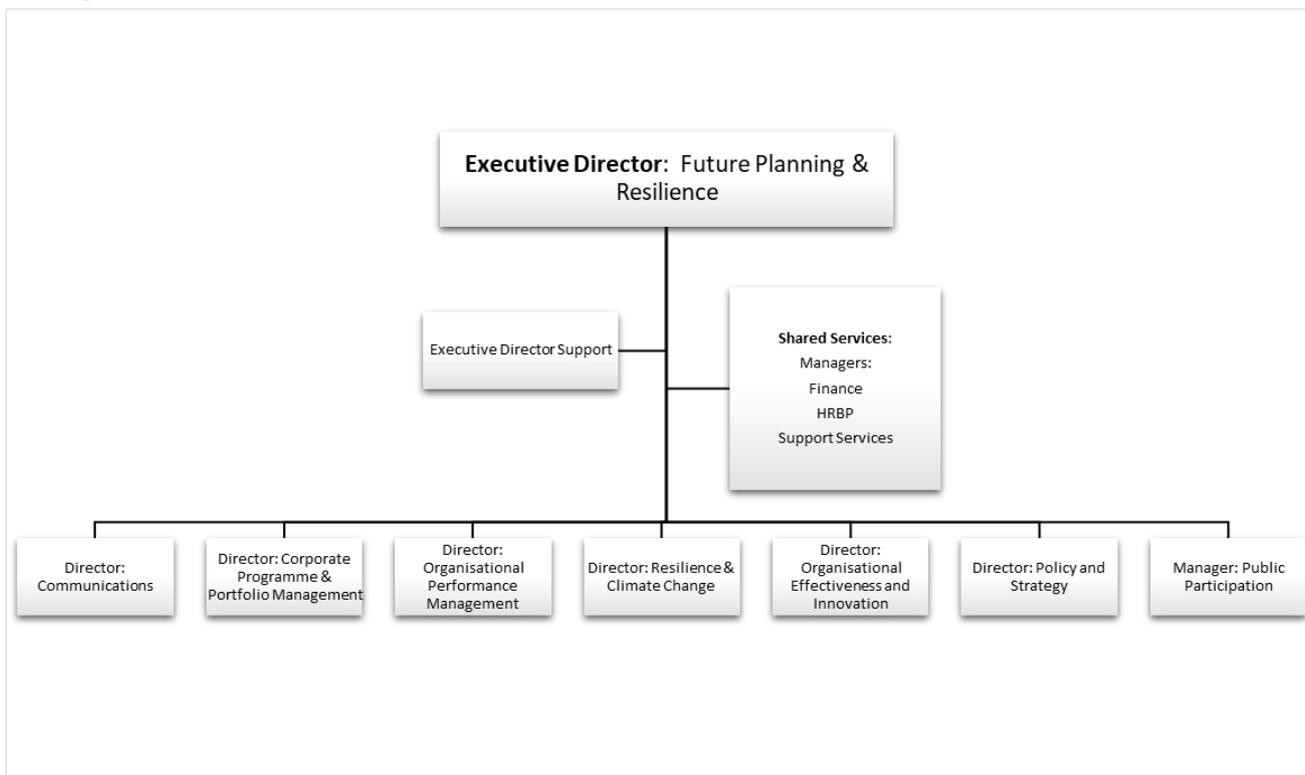
- **Communications**

The department provides a range of specialist communication services to all City departments around the various facets of communication. One of the main deliverables involves managing the City's Corporate Brand and media strategies, which in turn builds towards positive perception and reputation of the City. Services provided include media management and liaison (including social media), communication strategy and campaign development and execution, publications, website and Intranet development and management, photography, videography and audio-visual services. The dimensions of the department's activities are defined by the Corporate Brand Strategy, Brand Architecture and the Media and Communication Strategies of the City.

- **Public Participation Unit**

The Public Participation Unit gives effect to the commitment for a more open and collaborative City government, through co-ordinating, monitoring and advising line departments on the most effective approach to public participation for the implementation of their projects or programmes, and which effectively empowers residents to actively contribute to the City's decision-making processes.

Management Structure



Changes to service levels and standards over the MTREF

All departments within the directorate are internally focused, with the exception of the Public Participation Unit. No changes are anticipated to service levels and changes over the MTREF.

Past year's performance - 2020/21

Future Planning and Resilience is a new directorate, which is made up of departments from Corporate Services and Urban Management. Performance is based on aggregate performance of departments from the old directorates.

- Capital spend: 81.03% (target: 90%)
- Operating spend 93.20% (target: 95%)
- Repairs and maintenance spend 95.2% (target: 95%)
- Training budget spend 144.0% (target: 95%)

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

The major source of revenue generated by the Future Planning & Resilience directorate is grant funding as per the Division of Revenue Act. There are currently no revenue risks.

Major features of expenditure including highlighting discretionary and non-discretionary expenditure

The directorate's major expenditure categories include:

- Salaries and Wages;
- Software Licensing;
- Professional Services; and
- Advertising.

Directorate capital programme

The department's capital programme for 2022/23 is made up of the following main projects:

- Integration and Enhancement – C3PM
- Wayleave System
- Contract Management System Integration

Table 66 – Future Planning & Resilience (Vote 6) - operating revenue by source, expenditure by type and total capital expenditure

Directorate: Future Planning & Resilience									
Budgeted Financial Performance (revenue and expenditure)									
Description	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand									
Operating Revenue By Source									
Property rates	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	-	-	-	-	-	-	-	-	-
Service charges - water revenue	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	-	-	-	-	-	-	-	-	-
Service charges - other	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	-	-	-	-	-	-	-	-	-
Interest earned - external investments	-	-	-	-	-	-	-	-	-
Interest earned - outstanding debtors	-	-	-	-	-	-	-	-	-
Dividends received	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	-	-	-	-	-
Licences and permits	-	-	-	-	-	-	-	-	-
Agency services	-	-	-	-	-	-	-	-	-
Transfers and subsidies	10 265	11 455	1 557	32 157	38 493	38 493	61 876	63 530	69 987
Other revenue	107	170	64	53	53	53	56	58	61
Gains	3	2	1	-	-	-	-	-	-
Total Operating Revenue (excluding capital transfers and contributions)	10 374	11 627	1 622	32 211	38 546	38 546	61 932	63 588	70 047
Expenditure By Type									
Employee related costs	153 849	204 346	244 762	294 283	298 035	298 035	344 288	360 848	374 287
Remuneration of councillors	-	-	-	-	-	-	-	-	-
Debt impairment	-	-	-	-	-	-	-	-	-
Depreciation & asset impairment	10 366	14 026	17 265	20 666	23 816	23 816	22 754	23 380	24 930
Finance charges	-	-	-	-	164	164	164	164	164
Bulk purchases - electricity	-	-	-	-	-	-	-	-	-
Inventory consumed	2 993	3 700	4 532	9 197	9 413	9 413	8 971	8 971	8 971
Contracted services	69 799	39 923	49 743	57 559	75 865	75 865	73 347	75 030	88 807
Transfers and subsidies	-	-	-	-	-	-	200	-	-
Other expenditure	75 249	114 357	78 273	117 495	108 418	108 418	111 153	111 159	111 166
Losses	102	144	20	2	2	2	2	2	2
Total Operating Expenditure	312 359	376 496	394 594	499 202	515 713	515 713	560 878	579 554	608 327
Surplus/(Deficit)	(301 984)	(364 870)	(392 972)	(466 991)	(477 167)	(477 167)	(498 946)	(515 965)	(538 280)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	6 200	7 325	4 793	6 100	5 815	5 815	-	-	-
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatbns, Higher Educational Institutions)	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(295 784)	(357 545)	(388 180)	(460 891)	(471 352)	(471 352)	(498 946)	(515 965)	(538 280)
Taxation	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation	(295 784)	(357 545)	(388 180)	(460 891)	(471 352)	(471 352)	(498 946)	(515 965)	(538 280)
Attributable to minorities	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality	(295 784)	(357 545)	(388 180)	(460 891)	(471 352)	(471 352)	(498 946)	(515 965)	(538 280)
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	(295 784)	(357 545)	(388 180)	(460 891)	(471 352)	(471 352)	(498 946)	(515 965)	(538 280)
Capital Expenditure	28 880	45 163	51 741	79 452	46 623	42 132	26 415	11 840	17 230

2.12.7 Human Settlements (Vote 7)

The Human Settlements directorate leads the City's efforts at facilitating the development of integrated and sustainable human settlements. Housing is one of the City's priorities and the directorate is committed to improving access to affordable and well-located housing through supporting a housing market that can deliver at scale to meet the needs of Cape Town's population.

The key objectives of the Human Settlements directorate are therefore to:

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

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

- **Housing Development department**

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

- **Public Housing department**

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

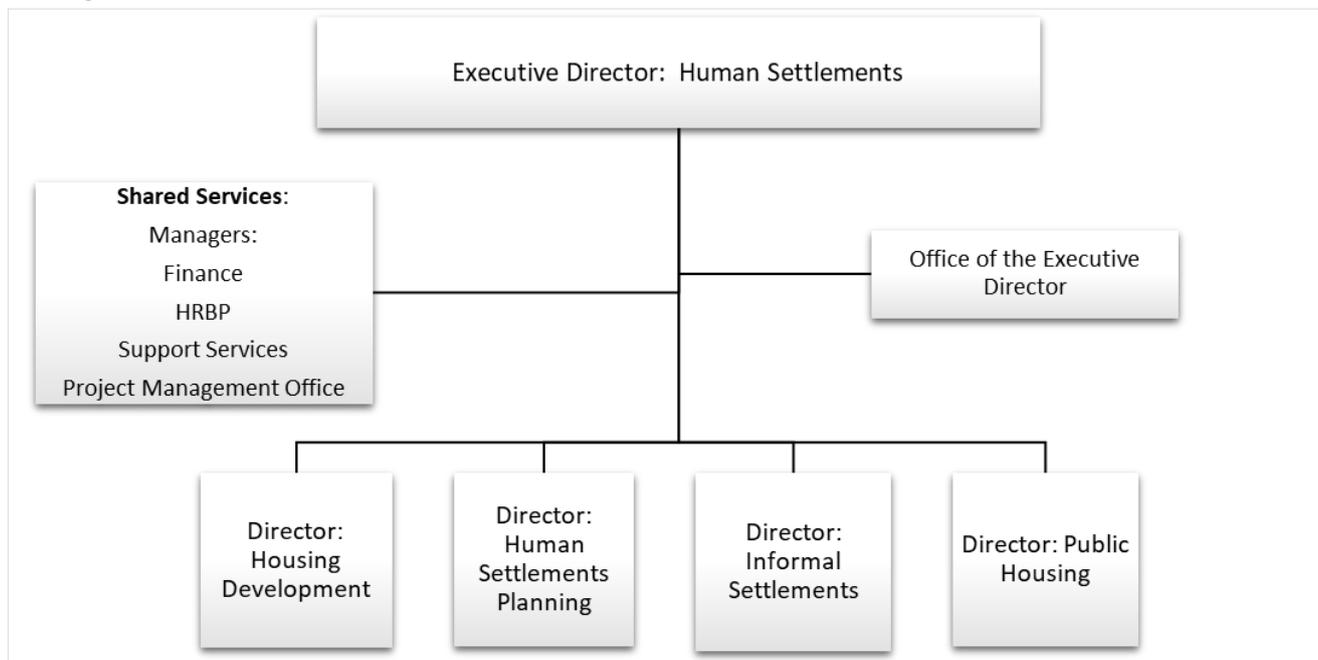
- **Informal Settlements department**

The primary function of this department is the upgrading of informal settlements through a variety of interventions i.e. in-situ upgrading of informal settlements via the National Upgrading of Informal Settlements Programme, re-blocking and enhanced re-blocking as well as super-blocking. The latter interventions can result in individual serviced sites or the provision of shared basic services. The department, furthermore, provides basic municipal services to households residing in the backyards of City-owned rental housing.

Human Settlements Planning department

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

Management Structure



Changes to service levels and standards over the MTREF

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

Past year’s performance – 2020/21

The directorate achieved the following financial indicators in the 2020/21 financial year:

- Capital spend: 94.5% (target 90%)
- Operating spend: 97.6% (target 95%)
- Repairs and maintenance spend: 121.8% (target 95%)
- Training budget spend: 99.7% (target 95%)

The following achievements have been accomplished by the directorate:

- Human Settlements opportunities provided (Top Structures): 2 587 (target 2 050)
- Human Settlements opportunities provided (Serviced Sites): 2 363 (target 2 800)
- Sites serviced in the informal settlements: 1 274 (target: 1 350)
- Service points (toilet and tap with hand basin) provided to backyarders: 357 (target: 350)
- Deeds of Sale agreements signed with identified beneficiaries per annum: 387 (target: 350)

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

Collection of rental income is under pressure as a result of the financial impact of the COVID-19 pandemic on tenants resulting in continued growth in outstanding rental debt. Appropriate debt management measures are in place to address this situation.

Major features of expenditure including discretionary and non-discretionary expenditure

The directorate's major categories of expenditure will be the:

- construction of top structures for qualifying beneficiaries;
- repairs and maintenance in respect of the City's rental units;
- the implementation of the managed settlement initiative in response to unlawful land occupation; and
- release of state-owned land so the private sector can deliver more affordable housing.

Directorate capital programme

The directorate's capital programme for 2022/23 is made up of the following major projects:

- Housing Projects - ACSA Symphony Way; Annandale; Aloe Ridge; Beacon Valley; Macassar BNG; Imizamo Yethu (CRU Top Structures); Sheffield Road; Highlands Drive Infill;
- Informal Settlement Upgrade – Enkanini; Kosovo; Gugulethu Airport Precinct;
- Informal Settlements upgrade programme;
- Land acquisitions;
- Major Upgrading of Housing Rental Stock; and
- Social Housing programme.

Table 67 - Human Settlements (Vote 7) - operating revenue by source, expenditure by type and total capital expenditure

Directorate: Human Settlements									
Budgeted Financial Performance (revenue and expenditure)									
Description	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Operating Revenue By Source									
Property rates	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	137	204	226	-	-	-	-	-	-
Service charges - water revenue	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	-	-	-	-	-	-	-	-	-
Service charges - other	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	221 875	123 612	176 809	161 050	190 904	190 904	203 514	212 160	221 342
Interest earned - external investments	1 149	178	118	201	303	303	303	316	330
Interest earned - outstanding debtors	2 474	1 339	1 338	1 856	750	750	1 500	1 566	1 635
Dividends received	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	2	1 280	2 240	-	-	-	-	-	-
Licences and permits	6	13	-	-	-	-	-	-	-
Agency services	-	-	-	-	-	-	-	-	-
Transfers and subsidies	470 999	528 302	320 672	303 192	384 556	384 556	661 995	694 171	747 155
Other revenue	13 676	29 883	11 604	14 316	11 757	11 757	12 303	12 844	13 409
Gains	406	2 924	1 923	500	2 000	2 000	2 000	2 088	2 180
Total Operating Revenue (excluding capital transfers and contributions)	710 724	687 735	514 931	481 114	590 270	590 270	881 614	923 145	986 052
Expenditure By Type									
Employee related costs	294 742	346 563	385 765	443 735	423 016	423 016	477 038	504 588	535 977
Remuneration of councillors	-	-	-	-	-	-	-	-	-
Debt impairment	90 598	155 172	169 611	169 996	163 246	163 246	163 246	170 428	177 927
Depreciation & asset impairment	122 989	126 992	155 032	178 757	168 530	168 530	202 635	218 294	241 728
Finance charges	1 194	241	-	249	612	612	-	-	-
Bulk purchases - electricity	-	-	-	-	-	-	-	-	-
Inventry consumed	55 904	75 992	50 212	26 146	27 390	27 390	28 093	29 014	29 981
Contracted services	377 488	488 388	520 175	532 239	521 342	521 342	574 628	585 552	614 809
Transfers and subsidies	165 311	139 509	80 163	65 000	105 879	105 879	40 000	40 000	40 000
Other expenditure	12 003	16 797	37 922	30 716	57 785	57 785	60 172	55 179	55 187
Losses	5 724	5 396	1 441	28	28	28	28	28	28
Total Operating Expenditure	1 125 953	1 355 050	1 400 320	1 446 864	1 467 828	1 467 828	1 545 840	1 603 084	1 695 637
Surplus/(Deficit)	(415 229)	(667 314)	(885 389)	(965 750)	(877 559)	(877 559)	(664 226)	(679 939)	(709 585)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	475 062	624 689	556 941	684 652	799 262	799 262	741 970	656 926	761 067
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	59 833	(42 625)	(328 448)	(281 098)	(78 297)	(78 297)	77 744	(23 013)	51 482
Taxation	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation	59 833	(42 625)	(328 448)	(281 098)	(78 297)	(78 297)	77 744	(23 013)	51 482
Attributable to minorities	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality	59 833	(42 625)	(328 448)	(281 098)	(78 297)	(78 297)	77 744	(23 013)	51 482
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	59 833	(42 625)	(328 448)	(281 098)	(78 297)	(78 297)	77 744	(23 013)	51 482
Capital Expenditure	670 112	858 297	737 971	827 201	928 826	915 686	884 428	900 561	1 009 618

2.12.8 Office of The City Manager (Vote 8)

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

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

The Office of the City Manager comprises the following departments:

- **Legal Services and Compliance**

The Legal Services department, through its six functional units, provides in-house legal assistance to the City's frontline departments as well as the City's corporate nerve centre. This legal assistance is rendered with the aim of enabling the municipality to deliver on its constitutional mandate. The department is guided by legislative requirements that indicate operations of the various courts, as well as timelines for court matters. The same applies to the processing and turnaround times for PAIA requests, which are also legislated to ensure efficiency, as well as the POPIA matters. The Department also manages and limits the legal risks of the municipality, its structures, the Executive Mayor, City Manager and Executive Directors. This function is executed by way of rendering effective and efficient legal services by providing legal advice (formally, and including in meetings such as Council and Mayoral Committee) and guidance, drafting or procuring opinions and agreements and providing legal assistance within the Office of the City Manager. Furthermore, the department is responsible for ensuring the legal compliance of all reports submitted to Council, its structures, the Executive Mayor, the Mayoral Committee and the City Manager.

In addition, the department provides legal support to the Office of the City Manager, generally and in his/her capacity as the Appeal Authority in the finalisation of Section 62 appeals and resolutions of disputes, objections and complaints in accordance with Regulations 49 and 50 of SCM Regulations. Moreover, the department assists with the restriction of suppliers, found to have abused the Supply Chain Management process, in terms of Regulation 38 of the SCM Regulations.

The department further assists the City Manager by investigating complaints emanating from the Office of the Public Protector and the SA Human Rights Commission, by preparing draft responses for discussion and approval to promote and safeguard the City's legal interests.

- **Stakeholder Engagement**

This department is responsible to represent the City Manager at various internal- and external stakeholder engagements and to provide feedback and input to and from the City Manager's office. It further seeks to keep abreast of and remain informed on sensitive matters pertaining to the Administration and to ensure that the City Manager is alerted to matters requiring specific attention. It also serves to coordinate and facilitate oversight of specifically identified service delivery related issues in terms of interface with external customer and internal department. The branch also manages service delivery complaints referred to the City Manager and coordinates related investigations. The unit also protects the integrity of the City Manager's office by ensuring that external stakeholders are informed of matters receiving due attention from the Administration.

The department further assists the City Manager to:

- Increase the visibility of Office of City Manager in sub-councils and communities;
- Investigate service delivery complaints that are escalated to Office of the City Manager;
- Monitor progress on City Projects;
- Monitor progress of complaints being dealt with by the Administration;
- Liaise between the City and community/external stakeholder; and
- Communicate the administration plans with the external stakeholders.

- **Office of the Executive Mayor**

The main role of this department is to support the Executive Mayor in identifying the needs of the municipality, and recommend ways to realise those needs by means of the City's IDP and budget. The branch also supports the Executive Mayor in monitoring the Administration, reviewing the performance of the municipality and overseeing service delivery.

The department further ensures the efficient and effective management of the executive political office of the Executive Mayor by providing strategic services. The Office includes Governance, Administrative, Media & Protocol, Stakeholder's Engagement, Legal Advice, Mayoral Fund, Political & Strategic Communication, and the Mayor's correspondence/complaints branch, who all render a service to support the Executive Mayor and his office. The Office of the Executive Mayor also has a daily working relationship with the VIP Unit, Events & Protocol who engage to support the Executive Office.

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

- **Combined Assurance and Governance**

Note that as per the Council approved organisational macro restructuring effective 1 February 2022, the job title of the Portfolio Manager: Probity (PMP) was re-designated as the Director: Combined Assurance and Governance (CAG). Furthermore, the department previously known as Probity, which included Internal Audit (IA); Risk, Ethics and Governance (REG); Forensic Services (FS); Governance and Combined Assurance and the Office of the City Ombudsman no longer reported administratively to the PMP. The aforementioned functions are now regarded as departments within the Office of the City Manager and reporting administratively to the City Manager.

The Combined Assurance and Governance department comprises of the following functions:

- Combined Assurance and Consequence Management (CA&CM);
- Integrated Governance Reporting and Early Warning Systems (IGR); and
- Quality Assurance and Data Integrity (QADI)

As distinguished, trusted governance leaders and assurance advisors and partners, the Combined Assurance and Governance department aims to provide insight, foresight and innovative value adding solutions, which will assist the organisation in making governance a key enabler to effective, equitable, and sustainable service delivery.

Focus areas includes strengthened professional relationships with internal- and external assurance providers, and regulatory- and professional bodies for the provision of coherent and consistent support to management, the City Manager as the Accounting Officer, Executive Management Team (EMT), Risk Management Committee (RiskCo), Audit and Performance Audit Committee (APAC), and other applicable oversight/ governance structures.

- **Office of the City Ombudsman (OCO)**

The OCO's role is to ensure fair and reasonable administration of the functional areas, which have been entrusted to the City in terms of Schedules 4 and 5 of the Constitution. Members of the public who are aggrieved by actions of the City's Administration may lodge complaints with the OCO. In terms of the Ombudsman By-Law, the OCO conducts independent investigations into complaints and strives to reach working resolutions on an amicable basis, by recommending corrective action. The OCO analyses complaints received and investigation outcomes to identifying trends, issues and concerns relating to certain City's administrative practices, processes, by-laws and policies. In addition to the complaints management and investigation functions, the OCO also performs advocacy and awareness functions.

- **Forensic Services**

The purpose of Forensic Services is to combat, fraud, corruption, maladministration and, in doing so enhances proper governance, combined assurance and integrated reporting in the City. In this regard, the department's management team and staff has agreed on a vision, namely, "Delivering real-time reactive investigations and proactive programmes in an effective and independent manner".

The scope of work includes, but is not limited to the provision of the following services/functions:

- A reactive forensic service relating to alleged maladministration and/or negligence committed on the part of any employee, municipal entity, agent, contractor, supplier, and service provider to the City;
- Undertaking a preliminary enquiry/assessment (as part of the reactive forensic service) into any matter that may give rise to a formal investigation with a view to establishing whether, on reasonable grounds, a forensic investigation is warranted;
- Investigating alleged financial crime (fraud, theft, corruption, or other criminal activity);
- Providing litigation support in respect of forensic investigations where required;
- Leading, developing and/or ensuring the implementation of anti-fraud/corruption policies and prevention measures;

- Conducting appropriate proactive, detection, awareness, and education programmes on financial crime and maladministration, fraud prevention and deterrence;
- Facilitating the operation of an independent fraud hotline;
- Fostering open and effective communication with line management, the Mayoral Committee (MayCo), EMT, the APAC and other relevant (internal and external) stakeholders, such as Municipal Public Accounts Committee (MPAC) and the Speaker of Council; and
- Reporting in an effective and timely manner to the appropriate levels of management and the appropriate governance structures.

- **Internal Audit (IA)**

The purpose of IA is to provide independent, objective assurance and advisory services designed to add value and improve the City operations. It helps the City accomplish its objectives by bringing about a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

IA's vision, simply put, is to be a trusted advisor to the City. Its mission is to enhance and protect organisational value by providing risk-based and objective assurance, advice, and insight to the City. IA is largely directed by the Institute of Internal Auditor's International Standards for the Professional Practice of Internal Auditing as well as benchmarks with leading practice.

- **Risk, Ethics and Governance (REG)**

The overall purpose of REG is to provide the City with efficient integrated risk management (IRM) processes, ethics and integrity services, as well as a robust business continuity management (BCM) function. Ethics investigations are authorised by the City Manager (CM) and are undertaken in an independent and objective manner.

The Chief: REG reports functionally to the Risk Committee (RiskCo), which was constituted by the CM to provide the appropriate advisory forum and governance structure to assist the CM and the EMT in discharging their risk management responsibilities and providing an enabling environment to assist the City to comply with laws, regulations and recognised governance frameworks. RiskCo advises on matters related to risk governance and reports to the APAC thereon. In terms of Ethics matters the Chief: REG reports to the APAC.

Changes to service levels and standards over the MTREF

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

Past years' performance - 2020/2021

- Meeting the target of 80% for the completion of authorised forensic investigations with limited investigative staff.
- Exceeded the number of reports to the CM on the implementation of forensic recommendations by Executive Management.
- Exceeding the number of hotline promotions and anti-corruption training interventions.
- Exceeding the number of reports to the CM on the completion of line referrals (cumulative).
- Upskilling and enabling staff to continue to work remotely during the COVID-19 national lockdown.
- Completed annual risk register updates throughout the City.

- Completed the monitor and review sessions during quarters 3 and 4.
- Maintenance of the City's Corporate Risk Register as well as five transversal risk registers.
- Updating the standard operating procedure for the integrated risk management function within REG to accompany the Assurance Governance Framework.
- Continued implementation of business continuity management (BCM) function in accordance with the BCM standard operating procedure (SOP) to accompany the Assurance Governance Framework under the auspices of a newly created leadership position for the BCM. This included the continuous development of Business Impact Assessments on focus areas identified by Executive Directors, as well as Continuity Plans for selected areas.
- Various training awareness initiatives conducted across the City relating to the Code of Conduct, declaration of interests, gift receiving, private work and related policies. Directorate and departmental nodal representatives were also re-confirmed and trained on the declaration of interest process and requirements.
- Approval of the updated Rewards, Gifts Favours and Hospitality SOP by the CM.
- Achievement of the service delivery objectives and targets of the Ethics function for the Pro-active (training awareness initiatives), Advisory and Reactive (ethics investigations) component.
- Assistance, guidance, review and secure sign-off of operational corporate pandemic plans.
- Participated in the Pandemic Business Continuity Committee and participated where requested, such as the vaccination program etc.

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

Not applicable to the directorate.

Major features of expenditure including discretionary and non-discretionary expenditure

The directorate's main expenditure categories include:

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

Directorate capital programme

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

Table 68 - Office of The City Manager (Vote 8) - operating revenue by source, expenditure by type and total capital expenditure

Directorate: Office of the City Manager										
Budgeted Financial Performance (revenue and expenditure)										
Description	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework			
	R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Operating Revenue By Source										
Property rates	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	-	-	-	-	-	-	-	-	-	-
Service charges - other	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	-	-	-	-	-	-	-	-	-	-
Interest earned - external investments	-	-	-	-	-	-	-	-	-	-
Interest earned - outstanding debtors	-	-	-	-	-	-	-	-	-	-
Dividends received	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	60	-	1	-	-	-	-	-	-	-
Licences and permits	-	-	-	-	-	-	-	-	-	-
Agency services	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies	54	-	-	-	14 366	-	14 366	-	-	-
Other revenue	975	574	3 998	788	788	788	824	861	898	
Gains	1	0	9	-	-	-	-	-	-	-
Total Operating Revenue (excluding capital transfers and contributions)	1 090	574	4 007	788	15 154	15 154	824	861	898	
Expenditure By Type										
Employee related costs	205 241	227 374	249 341	254 265	305 274	305 274	279 147	296 386	315 392	
Remuneration of councillors	1 372	1 445	1 445	1 564	1 564	1 564	1 516	1 586	1 657	
Debt impairment	-	-	-	-	-	-	-	-	-	
Depreciation & asset impairment	2 349	2 521	2 412	2 869	2 834	2 834	2 945	2 793	3 054	
Finance charges	-	-	-	-	-	-	-	-	-	
Bulk purchases - electricity	-	-	-	-	-	-	-	-	-	
Inventory consumed	2 751	3 179	2 320	3 104	3 393	3 393	5 382	4 152	4 152	
Contracted services	66 396	80 134	110 554	163 299	117 155	117 155	125 730	112 936	111 597	
Transfers and subsidies	2 383	29 650	25 253	22 502	36 867	36 867	22 550	22 550	22 550	
Other expenditure	25 332	28 923	28 291	32 043	31 403	31 403	34 938	34 217	34 218	
Losses	28	15	9	-	-	-	-	-	-	
Total Operating Expenditure	305 852	373 241	419 625	479 646	498 490	498 490	472 208	474 620	492 619	
Surplus/(Deficit)	(304 762)	(372 667)	(415 618)	(478 858)	(483 336)	(483 336)	(471 384)	(473 759)	(491 720)	
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	(304 762)	(372 667)	(415 618)	(478 858)	(483 336)	(483 336)	(471 384)	(473 759)	(491 720)	
Taxation	-	-	-	-	-	-	-	-	-	
Surplus/(Deficit) after taxation	(304 762)	(372 667)	(415 618)	(478 858)	(483 336)	(483 336)	(471 384)	(473 759)	(491 720)	
Attributable to minorities	-	-	-	-	-	-	-	-	-	
Surplus/(Deficit) attributable to municipality	(304 762)	(372 667)	(415 618)	(478 858)	(483 336)	(483 336)	(471 384)	(473 759)	(491 720)	
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	
Surplus/(Deficit) for the year	(304 762)	(372 667)	(415 618)	(478 858)	(483 336)	(483 336)	(471 384)	(473 759)	(491 720)	
Capital Expenditure	2 876	3 622	6 041	6 308	7 147	7 112	13 329	24 290	1 256	

2.12.9 Safety & Security (Vote 9)

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

The directorate consist of seven functional departments as listed below.

- **Metropolitan Police Services**

The Metropolitan Police Services department was established in terms of the South African Police Service Act. Its mandate is the enforcement of traffic laws, enforcement of by-laws and crime prevention. Its current operations include clamping down on drug- and alcohol-related offences and addressing gang-related violence. To this end, the Gang and Drug Task Force was established, resulting in significant operational successes. Other major initiatives include the expansion of the department's Youth Cadet Camps and Social Crime Prevention projects to bring policing closer to the people of the City. Major projects include the increase in CCTV installations areas within the City based on the Mayor's Visible Service Acceleration (MVSA) Plan, CCTV installations in various wards across the City, procurement of related equipment and the Property Improvement Training College.

- **Law Enforcement, Traffic and Coordination department**

The department comprises the following units:

- **Law Enforcement Services**

- This unit is responsible for the enforcement of by-laws and regulations in terms of the Criminal Procedures Act. The unit is dedicated to protect lives and property through effective and efficient combating of crime through partnerships that create a safe environment, build trust and enhance the quality of life in all our communities. This includes general by-law enforcement in residential areas and resorts as well as specialised enforcement through various units. These units are responsible for dealing with copper theft, informal trading, displaced people, illegal land invasion, liquor control, problem buildings, combatting poaching, prevention of noise nuisances and security at Council rental housing stock. This includes inspection at scrap metal dealers and of liquor premises for compliance. The department plays a major role in beach management over festive seasons as well as other public events and actively supports other directorates in land invasion action. The largest project of the department is the Law Enforcement Advancement Plan (LEAP) which is co-funded by the Western Cape Government and enforced in partnership with the South African Police Service to combat crime in high homicide crime rate areas. The construction of Law Enforcement Base and procuring of vehicles also form part of the major projects embarked on within this unit.

- **Traffic Services**

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

- **Special Investigation Unit**

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

- **VIP Unit**

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

- **107 Public Communication Emergency Call Centre (PECC) department**

Emergencies are logged through the PECC, which directs all calls to appropriate institutions and agencies. The Centre is manned by well qualified operators. Some focus is also placed on education and public awareness campaigns at community facilities, libraries, clinics and shopping centers.

- **Fire and Rescue Services department**

This department was established in terms of the Fire Brigade Services Act. The department has 32 fire stations operating on a 24-hour basis. Its core functions include responding to fires and emergencies as well as medical emergencies. The major programmes include educational programmes, raising awareness around fires, life safety on building, structures and events.

- **Disaster Risk Management Centre (DRMC) department**

The department supports a safe and resilient Cape Town through coordinating and delivering (as mandated by the Disaster Management Act, 2002) a continuous and integrated multi-sectoral, multi-disciplinary process of planning and implementation of measures aimed at: preventing or reducing the risk of disasters; mitigating the severity or consequences of disasters; emergency preparedness; rapid and effective response to disasters; and post-disaster recovery and rehabilitation.

Key performance areas include: establishing and maintaining integrated institutional capacity for disaster risk reduction; disaster risk assessment; disaster risk reduction; and response and recovery. Portfolios within the department includes four service delivery DRMC Areas as well as: Disaster Logistics and Fleet Management; Public Awareness and Preparedness; Disaster Operations and Systems Integration; Disaster Management Planning; Disaster Management Training, and Volunteer Management.

Major programmes, projects and initiatives include: the Disaster Management Advisory Forum and its hazard-specific subcommittees; Disaster Risk Assessment; Disaster Risk Reduction and Response; Winter Readiness; Festive Season Safety; Events Safety; Women and Girls in Resilience; Be a Buddy; Community-based Disaster Risk Reduction; Emergency preparedness support to commerce industry and institutions in the formal and informal sectors; Volunteer Development; Disaster Operations Centre; Disaster Management facilities, equipment and systems resilience and improvement; Disaster Coordinating Team and City Joint Operations Centre management as required and ongoing incident and disaster impact assessments, response and relief coordination and management.

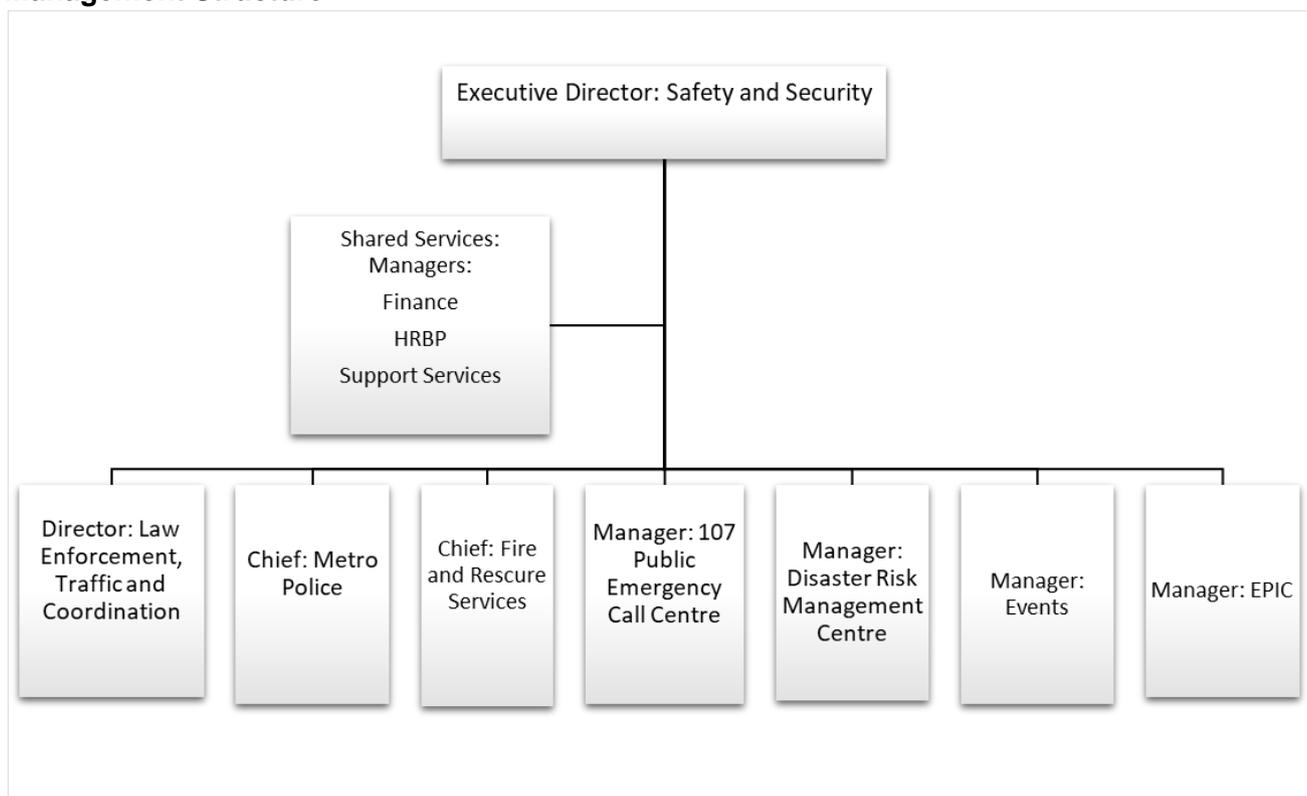
- **Events department**

The Events department contributes to the Inclusive Growth mandate, which is to stimulate economic growth, development, attract investment and demonstrate inclusivity through the staging and hosting of events as well the facilitation and promotion of film activities. Additionally, the department contributes to the Safety mandate by regulating events and filming through facilitating and issuing event and film permits. Events and film also contributes to the Inclusive City mandate, as it is important drivers of social inclusivity. The department continues to aspire to deliver on the City’s achievement as the World’s Leading Festival and Events Destination and to contribute to creating an enabling environment that stimulates growth in the Event and Film industries.

- **Emergency, Policing Incident Command (EPIC) department**

The function of this department is to support, leverage and plan technology implementations within the directorate. This includes managing the utilisation of already deployed technologies and solutions, but also includes innovation and further development and integration of the EPIC Solutions and other associated Safety & Security technology. Ongoing technical development is required in order to ensure that the directorate and the City are in a position to leverage technology to improve service delivery. Major internal projects include the Contravention System, EPIC Programme Replacement Devices, and the Computer Aided Dispatch System. Procurement-related technology projects include the NW Community Safety Application, the introduction of BodyCams and Dashcams (with ANPR capability), the deployment of Information, Surveillance and Reconnaissance (ISR) Aircraft, as well as the creation of an internal S&S drone (RPAS) capability.

Management Structure



Changes to service levels and standards over the MTREF

Although the 2020/21 financial year saw a decrease in the fines revenue budget due to the reduction of fines by the courts and an undeniable trend in non-payment of traffic fines within the COVID-19 environment, the 2021/22 financial year presented an increase in the fine income budget, which can be attributed to an upward trajectory of traffic fines issued due to staff members working overtime and the implementation of various fine collection strategies.

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

Although various interventions have been implemented, there is a general culture of non-payment of traffic fines in the City, which will have an effect on the directorate's revenue projections.

Major features of expenditure including discretionary- and non-discretionary expenditure

The directorate's major expenditure categories include:

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

Past year's performance – 2020/21

The directorate continues to implement various safety and security programmes through technology to ensure all communities are safe and protected.

Over the two last decades, CCTV systems have proven to be an extremely effective tool in combatting and preventing crime within the City. The camera footprint increased by one hundred and thirty one (131) cameras in 2020/21, bring the total number of surveillance cameras to nine hundred and one (901) cameras located throughout the City. Ten thousand nine hundred and ninety (10 990) camera detected incidents were responded to by various policing agencies and resulted in two hundred and sixty seven (267) arrests in the 2020/21 financial year.

The PECC fielded 510 360 calls in 2020/21 financial year. Most callers sought medical assistance, with requests for assistance for law enforcement matters coming in at second place.

229 roadblocks were held to reduce drinking and driving offences and 4 773 manual speed checks were conducted.

The Fire and Rescue Service Command and Control Centre responded to 29 980 emergency incidents of which 9 034 were medical/trauma related special service incidents, and 20 946 were fire-related incidents. Two new fire stations i.e. Kommetjie and Sri Lowry's Pass were commissioned, and a number of new fire engines, water tankers and auxiliary vehicles were procured during the 2020/21 financial year.

Directorate capital programme

The directorate’s significant capital projects are:

- EPIC Programme;
- Upgrading and improving Safety & Security facilities;
- Installation and upgrade of CCTV cameras in various areas within the City, including the Mayor’s Visible Service Acceleration (MVSA) Project and wards;
- Dashboard- and body cameras; and
- Events Mobile Application System and Online Event Calendar System.

Table 69 - Safety & Security (Vote 9) - operating revenue by source, expenditure by type and total capital expenditure

Directorate: Safety & Security									
Budgeted Financial Performance (revenue and expenditure)									
Description	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Operating Revenue By Source									
Property rates	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	-	-	-	-	-	-	-	-	-
Service charges - water revenue	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	8	1	1	-	-	-	-	-	-
Service charges - other	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	703	676	686	283	283	283	296	309	323
Interest earned - external investments	-	-	-	-	-	-	-	-	-
Interest earned - outstanding debtors	2 618	3 507	3 962	-	-	-	-	-	-
Dividends received	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	1 281 535	1 227 471	1 519 442	1 238 981	1 238 981	1 238 981	1 250 274	1 252 068	1 253 941
Licences and permits	33 613	24 360	31 028	52 513	52 513	52 513	54 929	57 345	59 869
Agency services	13 434	10 213	12 295	14 491	14 491	14 491	14 491	15 128	15 794
Transfers and subsidies	37 547	158 231	369 209	370 750	353 273	353 273	416 651	359 059	354 165
Other revenue	23 363	19 906	22 690	26 123	26 013	26 013	27 210	28 407	29 657
Gains	144	25	288	-	-	-	-	-	-
Total Operating Revenue (excluding capital transfers and contributions)	1 392 964	1 444 391	1 959 601	1 703 141	1 685 555	1 685 555	1 763 850	1 712 318	1 713 749
Expenditure By Type									
Employee related costs	1 915 762	2 305 032	2 636 900	2 992 442	2 942 811	2 942 811	3 369 346	3 444 699	3 659 656
Remuneration of councillors	-	-	-	-	-	-	-	-	-
Debt impairment	996 175	869 980	1 292 590	960 000	960 000	960 000	960 000	960 000	960 000
Depreciation & asset impairment	81 395	85 867	115 970	145 714	145 958	145 958	156 220	170 873	212 075
Finance charges	-	-	1 363	-	-	-	-	-	-
Bulk purchases - electricity	-	-	-	-	-	-	-	-	-
Inventory consumed	88 302	98 020	104 659	123 158	111 515	111 515	171 341	438 892	438 899
Contracted services	103 812	116 735	142 536	173 081	137 530	137 530	170 356	169 655	168 584
Transfers and subsidies	32 735	25 248	15 187	63 138	55 633	55 633	67 821	67 821	67 821
Other expenditure	162 391	207 526	150 890	250 242	261 240	261 240	271 188	290 670	290 796
Losses	582	2 935	1 056	81	103	103	95	95	95
Total Operating Expenditure	3 381 154	3 711 342	4 461 150	4 707 856	4 614 791	4 614 791	5 166 367	5 542 705	5 797 925
Surplus/(Deficit)	(1 988 189)	(2 266 951)	(2 501 550)	(3 004 715)	(2 929 236)	(2 929 236)	(3 402 516)	(3 830 387)	(4 084 177)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	38 489	23 161	7 312	14 000	21 944	21 944	-	14 000	40 668
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)	157	-	679	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(1 949 544)	(2 243 790)	(2 493 558)	(2 990 715)	(2 907 293)	(2 907 293)	(3 402 516)	(3 816 387)	(4 043 509)
Taxation	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation	(1 949 544)	(2 243 790)	(2 493 558)	(2 990 715)	(2 907 293)	(2 907 293)	(3 402 516)	(3 816 387)	(4 043 509)
Attributable to minorities	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality	(1 949 544)	(2 243 790)	(2 493 558)	(2 990 715)	(2 907 293)	(2 907 293)	(3 402 516)	(3 816 387)	(4 043 509)
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	(1 949 544)	(2 243 790)	(2 493 558)	(2 990 715)	(2 907 293)	(2 907 293)	(3 402 516)	(3 816 387)	(4 043 509)
Capital Expenditure	206 866	429 428	367 879	258 298	199 062	198 765	236 735	210 302	315 458

2.12.10 Spatial Planning & Environment (Vote 10)

On 15 December 2021, Council approved proposals for the re-alignment of the organisation's macro-organisational structure to improve the way the City does its business. This included, in part, a new focus for the Spatial Planning & Environment (SPE) directorate with the alignment of the Mayoral Urban Regeneration Programme (MURP) unit and City Improvement Districts (CIDS) unit to the directorate as of 1 February 2022.

The purpose of the directorate is to coordinate precinct spatial and environmental planning and the execution of built environment regulatory mandates. It is the view and objective of the directorate to improve safety and address socio-economic challenges to instill pride and quality of life for residents in identified neighborhoods.

Service delivery will now be achieved through five line departments, namely:

- **Urban Planning and Design**

The primary focus of the department is to finalise the 8 District Spatial Development Frameworks to inform the Metropolitan Spatial Development Framework (MSDF) to be approved with the 5-year IDP 2022-2027 in May 2022. This process is ongoing.

- **Environmental Management**

The department manages 21 nature reserves to protect and conserve the City's natural areas and biodiversity heritage. It has the responsibility to regularly review the environmental compliance register, including the procedure for remediation and escalation of environmental non-compliance in City operations. It manages a coastline of approximately 240 km in length – longer than any other municipality in the country – which excludes the coastline falling within Table Mountain National Park (approx. 67km). The department is responsible for any matters that affect the coast on the landward side, including pollution incidents in the catchment. It also plays a role in marine aspects e.g. anchored vessels (noise pollution), marine water quality monitoring, whale carcass removal, whale disentanglement and sea animal stranding. The department conducts frequent water quality sampling at 99 sites along the coast and publishes comprehensive Coastal Water Quality tables online, to promote transparency of results. It also assists transversally across the organisation with conservation of heritage sites.

- **Development Management**

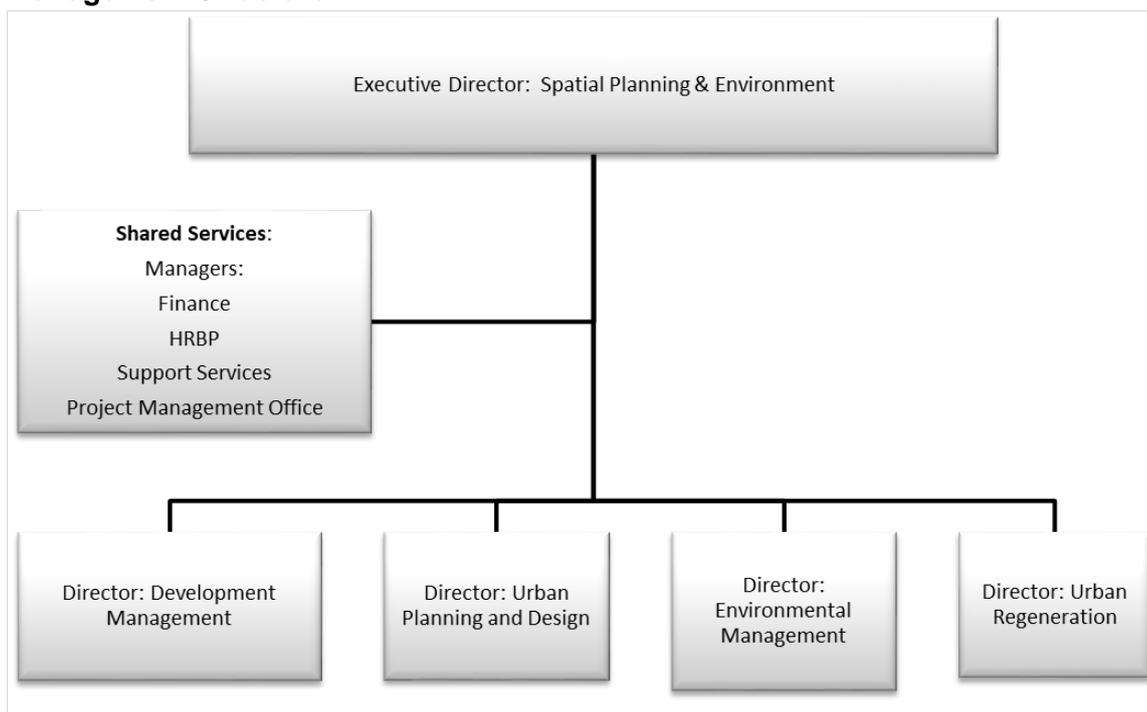
The primary purpose of the department is to create an effective and efficient planning and building development environment in Cape Town, South Africa and in Africa, which promotes and facilitates sustainable development through equitable and effective service delivery. This is done through transversal delivery of services in its operations, the integrated nature of its e-Systems based on the principles of the Property Value Chain (PVC) with linkages to departments within the City.

• **Urban Regeneration**

Mayoral Urban Regeneration Programme (MURP) focusses on improving conditions within the shared public environment by introducing a sustainable system of operations and maintenance of public infrastructure and facilities in partnership with communities. There are many projects across the City to support and improve the lives of the poor via the Mayors Visible Service Acceleration (MVSA) and Violence Prevention through Urban Upgrading (VPUU) Programmes. 23 MVSA precincts has been identified for interventions.

The CID Unit within the Urban Regeneration department is currently administering 47 CIDs, which are operational within Cape Town with at least another 20 communities at various stages of pursuing CID establishment. CIDs are geographically defined areas where property owners pay additional property rates to fund supplemental municipal services into a Council approved Business plan as supported by the community who fund and drive the process and then manage the operations under the oversight of the City. CIDs improve and upgrade their local areas by focusing on public safety, cleansing, environmental initiatives and social programmes to make their areas clean and safe to work, live and play. This can result in attracting investments, stimulating the economy and creating employment opportunities over the next term of office and beyond for the directorate and the City at large.

Management Structure



Changes to service levels and standards over the MTREF

The current service standard relates to the municipality having a consolidated spatial view of its key business districts and the interventions required to unlock/promote economic growth in these areas.

The City monitors information from valuation data as well as surveys and other studies to determine economic activity. The nodes are contained in the MSDF for the City, approved in 2018. In addition, further work is in progress to assess the data and make various assumptions about more localised economic activity to inform the Land Use Model. The Land Use Model has been used to inform the sector plans concluded in the 2021 financial year. These detail the infrastructure requirements for utilities. This data has further informed the new District Spatial Development Frameworks (DSDFs), which are expected to go out for public participation in July 2022. The DSDF plays a critical role in providing a holistic view and integration between sectors as well as utilising place-based decision-making approaches that are a critical component to economic stimulus.

Past year's performance – 2020/21

The directorate experienced many challenges with regard to implementing its capital budget and achieved an overall spend of 79.10%.

Projects successfully completed or worked on in the 2020/21 financial year are:

- Various coastal structure upgrades which includes: Muizenberg Beach Front Upgrade; Big Bay/Small Bay Revetment; Milneron Beachfront Retreat; Table View Beachfront Upgrade; Fisherman's lane/Strandfontein Boardwalk; Seaforth Beach Precinct Upgrade;
- Land Acquisition – Erf 2003 Melkbos concluded;
- Local Environment & Heritage projects –Garden Landscaping, paving, garden elements, shade & deck elements, play elements, furniture elements and artwork completed at Green Point Park EE;
- Reserve Fencing and Upgrades: Symphony Way, Stellenbosch, Morkels Cottage, Vesuvius Way and Wolfgat and IT infrastructure at the Helderberg & Edith Stephens Nature Reserves & alarm system installations at Witzands Nature Reserve; and
- Upgrade to ArcGIS 10.7 - New system went live 31 May 2021

The directorate achieved an overall spend of 98% on its controllable operating expenditure budget with the following projects/programme benefitting:

- Kader Asmal Integrated Programme linked to EPWP – Alien and invasive plant clearing projects;
- Baboon Management;
- Shark Spotting;
- Precinct planning projects;
- Coastal Management, including dune rehabilitation and coastal surveys;
- Security programmes to secure nature reserves; and
- 95% spend on operating-funded ward allocations that included alien- and canal clearing, and environmental awareness programmes.

The directorate achieved an overall collection rate of 91% on its primary controllable revenue budget of which building levies revenue makes up the bulk of revenue.

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

Although the building industry has shown an increase in activity during the 2021/22 financial year, revenue is largely dependent on demand within the building construction industry. Additional revenue above inflation is not expected in the near future given the current economic climate.

Demand for building-related activity is dependent on the construction industry. The objective of most of the tariffs is not to recover the full service cost but to discourage frivolous applications and speculation and, above all, to minimise increases and to remain as affordable as possible.

Revenue collection at nature reserves has shown an upward trend for the past three financial years, due to an increase in visitors, activities and upgrades to facilities. An increase in revenue collection is anticipated for the 2022/23 financial year.

Environmental and Heritage Management revenue collection for the past three financial years has been stable with no significant increases. The budget has been adjusted downward based on trends over the past three financial years. No significant changes to revenue are expected. The majority of tariffs for 2022/23 will remain unchanged to alleviate any additional financial strain on micro, small and medium sized companies as well as non-profit bodies operating in the markets whilst having regard to the local and national economic crisis caused by COVID-19 Lockdown.

Major features of expenditure including discretionary and non-discretionary expenditure

- Baboon Management and Shark Spotting programmes on the Cape Peninsula;
- Provision of a service provider for visitor and staff safety management within nature reserves and open spaces;
- Kader Asmal Integrated Programme linked to EPWP – Alien and invasive plant clearing projects; Green Jobs (Erosion control, fire breaks, rehabilitation, etc.) and management / control of alien invasive animal species;
- Kader Asmal Skills Development Programme linked to EPWP;
- Cape Town Environmental Education Trust (CTEET) partnership;
- SANCCOB Non-Profit Organisation partnership;
- National Sea Rescue Institute (NSRI) partnership;
- Coastal Management, including dune rehabilitation and coastal surveys;
- Vlei Rehabilitation Remedial Programmes for Rietvlei, Zandvlei and Zeekoevlei;
- Removal of Illegal Posters and Signs in Terms of the Outdoor Advertising and Signage By-Law;
- Heritage grading audits as part of the red tape reduction programme for the IDP;
- Administering the Municipal Planning Tribunal;
- Mayoral Urban Regeneration Programme – facilitating various precinct management programmes in various areas across the metro;
- Mayoral Visible Service Acceleration (MVSA) programmes in Lotus Park Guguletu, Monwabisi Park and Harare;
- CID Unit's continued oversight in respect of fiscal governance - all 47 CIDS have received unqualified audit opinion since inception 2000.

- Other planning projects:
 - Integrated Incentive Overlay Zone;
 - Potsdam Sustainability Campus;
 - Municipal Strategic Development Framework Review;
 - Maitland Abattoir Prefeasibility study; and
 - Best practice design guidelines for Micro-Unit plans.

Directorate capital programme

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

- Coastal Infrastructure: Rehabilitation and upgrade of dilapidated coastal infrastructure facilities in order to ensure public safety/reduce liability to the City, reduce social ills, improve social and economic impact of the City's coast line, and to prevent loss of resilience and promote the City's coastline as a world class destination. Projects include: Upgrades to Fisherman's lane/Strandfontein Boardwalk; Seaforth Beach Precinct; Monwabisi Beach Precinct; Muizenberg Beach Front; Small Bay Sea Wall; Strand Sea Wall; Table View Beachfront; Upgrading Sea Point Promenade Ph2; and Revetment and retreats at Glencairn Rail and Milnerton Beachfront.
- Wetland Rehabilitation: Acquisition of a weed harvester and truck to remove invasive aquatic weeds from the Rietvlei due to high nutrients content in the water due to sewerage spills into the waterbody.
- E-systems enhancements: The Development Application Management System (DAMS2) functionality is enhanced on the E-Services Portal and on SAP in order to improve the effective scrutiny of development applications that will improve customer service delivery and contribute to a better economy for the City.
- Acquisition of Land Programme: The aim is to proactively secure priority biodiversity properties for conservation purposes in order to provide a suite of sites with various ecological attributes that can be proposed as biodiversity offsets in order to facilitate City development projects. Biodiversity offsetting is often a condition of approval for various Human Settlements development applications.
- Local Environment and Heritage Projects such as the Asanda Village Wetland Rehabilitation - comprises of the upgrade of the stormwater system which flows into the wetland; construction of a Footway; construction of a recreational area and the installation of public lighting. Upgrade to the existing Green Point Park Environment Education Centre to provide an interactive outdoor experience for children and everyone that enjoys being outdoors and a new multi-functional environmental education centre in Westridge Park.
- Nature Reserve Visitor Education Centres Upgrades at Bracken, Harmony Flats and Zandvlei - These projects entail construction of larger facilities in order to engage a wider community and to increase environmental awareness.

Table 70 - Spatial Planning & Environment (Vote 10) - operating revenue by source, expenditure by type and total capital expenditure

Directorate: Spatial Planning & Environment									
Budgeted Financial Performance (revenue and expenditure)									
Description	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand									
Operating Revenue By Source									
Property rates	216 629	239 394	270 239	293 926	293 085	293 085	316 181	330 093	344 617
Service charges - electricity revenue	-	-	-	-	-	-	-	-	-
Service charges - water revenue	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	-	-	1	-	-	-	-	-	-
Service charges - other	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	524	205	111	84	84	84	88	92	96
Interest earned - external investments	-	-	-	-	-	-	-	-	-
Interest earned - outstanding debtors	2 116	1 224	1 773	-	-	-	-	-	-
Dividends received	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	4 672	5 763	3 707	4 738	3 479	3 479	3 639	3 799	3 966
Licences and permits	245	8	10	-	-	-	-	-	-
Agency services	-	-	-	-	-	-	-	-	-
Transfers and subsidies	10 630	16 680	44 303	40 606	53 568	53 568	49 666	25 380	220
Other revenue	123 178	104 451	100 450	113 662	114 921	114 921	120 207	125 496	131 018
Gains	29	2	40	-	-	-	-	-	-
Total Operating Revenue (excluding capital transfers and contributions)	358 023	367 727	420 634	453 016	465 137	465 137	489 782	484 860	479 918
Expenditure By Type									
Employee related costs	447 840	522 163	584 145	615 734	612 549	612 549	656 433	683 886	727 378
Remuneration of councillors	-	-	-	-	-	-	-	-	-
Debt impairment	6 520	7 205	8 157	8 818	8 792	8 792	9 485	9 485	9 485
Depreciation & asset impairment	29 617	31 494	37 815	42 383	43 916	43 916	49 755	53 079	61 859
Finance charges	-	-	-	-	-	-	-	-	-
Bulk purchases - electricity	-	-	-	-	-	-	-	-	-
Inventory consumed	8 164	8 002	7 137	8 756	9 228	9 228	9 919	9 589	8 589
Contracted services	76 758	244 795	240 715	175 902	191 239	191 239	216 628	234 799	276 875
Transfers and subsidies	13 105	7 462	10 452	10 545	3 412	3 412	1 359	1 359	1 359
Other expenditure	225 253	263 333	286 706	308 578	309 311	309 311	330 756	329 308	328 581
Losses	103	347	190	-	-	-	-	-	-
Total Operating Expenditure	807 360	1 084 801	1 175 317	1 170 715	1 178 447	1 178 447	1 274 335	1 321 505	1 414 127
Surplus/(Deficit)	(449 338)	(717 074)	(754 683)	(717 698)	(713 310)	(713 310)	(784 553)	(836 645)	(934 209)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	14 199	23 805	3 255	17 100	5 422	5 422	8 248	39 599	31 739
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)	-	10	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(435 138)	(693 259)	(751 428)	(700 598)	(707 888)	(707 888)	(776 305)	(797 046)	(902 470)
Taxation	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation	(435 138)	(693 259)	(751 428)	(700 598)	(707 888)	(707 888)	(776 305)	(797 046)	(902 470)
Atributable to minorities	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality	(435 138)	(693 259)	(751 428)	(700 598)	(707 888)	(707 888)	(776 305)	(797 046)	(902 470)
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	(435 138)	(693 259)	(751 428)	(700 598)	(707 888)	(707 888)	(776 305)	(797 046)	(902 470)
Capital Expenditure	69 347	90 293	114 093	154 142	112 056	99 720	217 455	338 689	311 010

2.12.11 Urban Mobility (Vote 11)

The Urban Mobility directorate is a key contributor to the City's IDP objective of a more inclusive city based on an efficient mobility network system for public and private transport, pedestrians and cyclists and with public transport services that enable greater access to opportunities. This contributes to enabling a growing, thriving local economy that benefits everyone. Transport has a key role to play in making Cape Town a viable and competitive global investment destination.

As a global C40 city, Cape Town is committed to taking bold climate action for a healthier and more sustainable future. Urban Mobility has a leading role to play in reducing greenhouse gas emissions. The Comprehensive Integrated Transport Plan (CITP) for 2018-2023, sets out how the directorate will build on the progress it has made in delivering integrated, intermodal and interoperable transport in Cape Town.

The City's delivery of integrated transport is based on the IPTN Network Plan 2032 encompassing the integration of transport and land use through transit-oriented development.

Urban Mobility and Intermodal transport requires that all functions and modes are under the jurisdiction of a single authority. To this end, the City continues to pursue the Contracting Authority and the Municipal Regulatory Entity (MRE) assignments. Although rail is considered the "backbone" of Cape Town's transport system, it is currently in crisis with the Urban Mobility directorate developing a response to the impact of this on the city-wide intermodal transport system.

An interoperable transport system is one in which its component parts work easily with one another without special effort on the part of the commuter.

Cape Town's transport sector faces complex challenges. Pressure on the road network is exacerbated by the failure of rail, which has contributed to congestion and eroded the resilience of the local transport system. Solving this challenge requires enhanced cooperation between national, provincial and local government.

The Urban Mobility directorate's Congestion Relief and Travel Demand Programme continues to improve infrastructure of traffic systems, while the implementation of the Travel Demand Management Strategy has nudged commuters towards more sustainable travel behaviours.

The work-from-home (WFH) requirements imposed by COVID-19 have also demonstrated that flexible working approaches are possible and effective. In 2020/21 the Travel Demand Strategy has taken into account the effect of WFH and is working closely with the Corporate Services directorate to incorporate this change of behaviour in the Future of Work Programme. The Transport Planning and Network Management department is also engaging with business on the Travel Demand Strategy and the effects of WFH to attempt to build the lessons learnt from lockdown into the way Cape Town moves going forward.

MyCiTi, Cape Town's bus rapid transit system, marked its first ten years in operation in 2020. This provided an opportunity for a programmatic review as the service charts a path for the next decade based on a frank evaluation of lessons learnt.

As the directorate confronts challenges and embraces new opportunities, organisational change was required. This included an appropriate institutional vehicle for the MyCiTi Metro South East Corridor roll out (Phase 2A), a complex programme that currently cuts across departments within the directorate.

With ongoing investment in new infrastructure and the continuous maintenance of its assets and road network, the directorate plays an important role in the local economy. This takes place through well-governed tenders and contracts and the economic growth opportunities that are unlocked when new infrastructure is provided and backlogs are addressed in disadvantaged communities.

The directorate also plays an important role in economic growth by promoting the use of local labour through the Community Work Programme (CWP) and Expanded Public Works Programme (EPWP). These public employment programmes create work and upskilling opportunities for individuals who otherwise have limited opportunities for formal employment.

Background, purpose and service mandate of the directorate

Cape Town, due to a number of historic factors, is an inefficient city - the result of which is exacerbated transport costs for residents, commuters, freight, and tourists.

Public transport is overcrowded and the facilities are in many cases inferior and substandard. The scale of the problem is enormous and the financial burden on the City reaches billions of Rand each year.

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

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

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

The directorate also provides for parking, network, freeway management, destination boards, traffic calming, and transport enforcement in collaboration with the Safety & Security directorate.

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

The directorate comprises a management structure with five performance-orientated departments with a focus on integrated service delivery. These departments are:

- **Transport Planning and Network Management**

This department is responsible for Integrated Transport Planning, which encompasses medium- to long-term planning, the Comprehensive Integrated Transport Plan (CITP) and related policies, sector plans, strategies, and frameworks. It further includes systems planning and network design, the focus being on the IPTN as well as transport infrastructure planning, concept design and development. It also includes network implementation strategies that will enable integrated transport strategy and ensure efficient traffic related systems, network facilitation, development, integration, operations and traffic management.

- **Transport Infrastructure Implementation**

This is a capital-led department that focusses on the implementation of major and minor built environment projects and programmes. The department is responsible for detail design, procurement phase, construction management, monitoring and delivery of new infrastructure and the expansion and upgrading of the City's road network, public transport network, public transport infrastructure and related facilities. The department also coordinates transversal integration and implementation of major built environment capital programmes, projects and capital planning and budgeting processes executed across the various corridors and nodes.

- **Roads Infrastructure Management**

This department is responsible for the maintenance of all road infrastructure assets falling under the auspices of the Urban Mobility directorate. This includes the entire road network, stormwater system, all completed public transport, Non-Motorised Transport (NMT) networks and street furniture within the road reserve. It also includes the recording and maintenance of the accurate inventory of these assets as well as the management and maintenance of these assets.

It is further responsible for the management of the Informal Settlements Network, Infrastructure Maintenance and Plant as well as the management of the four City areas, districts and depots, which include management of maintenance plant, lines and signs, weed spraying, stormwater maintenance in the road reserve and the maintenance of warning, regulatory signage and road markings. It is also responsible for rail sidings, the safety thereof, and the management of all plant, fleet and other construction equipment.

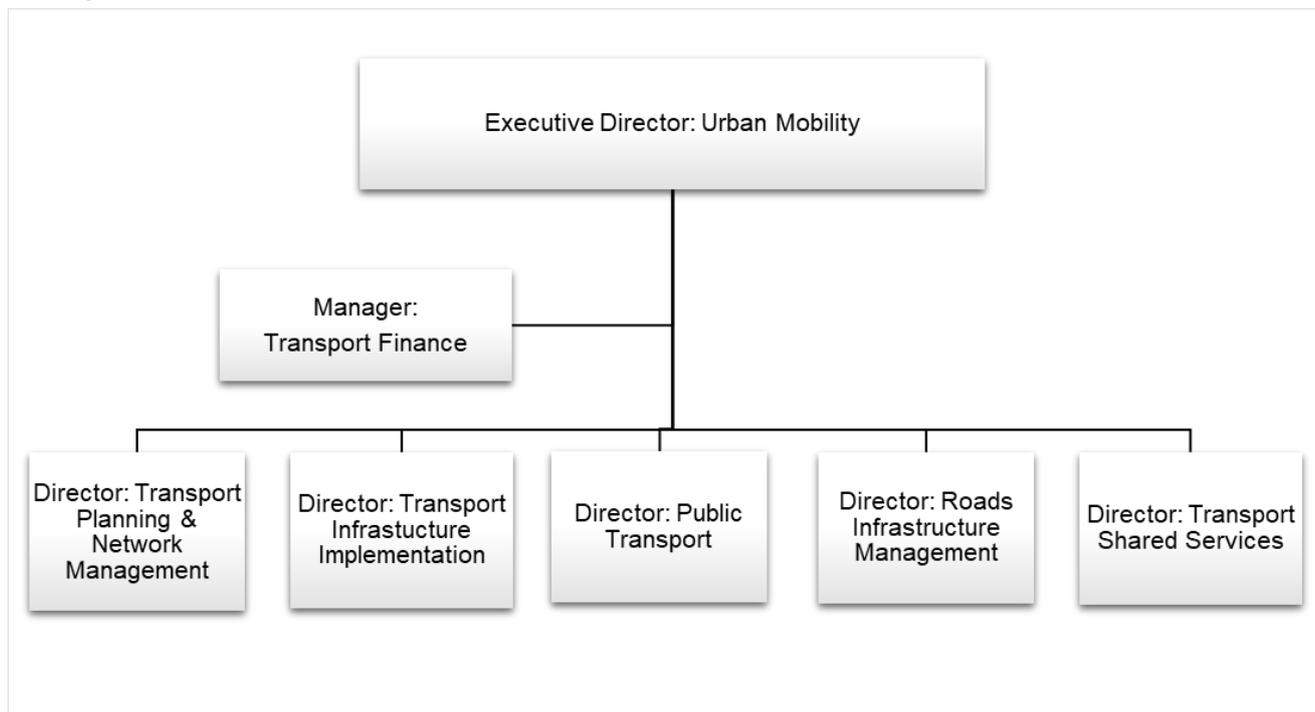
- **Public Transport**

This department is responsible for the management oversight of all scheduled land-based public transport service as assigned to the City and contemplated in sections 40-46 of the National Land Transport Act, 2009. This includes the establishment of operational standards for scheduled public transport operations as well as strategic fleet management, both of the fleet owned by the City as well as the safety and compliance of the entire scheduled public transport fleet. It further includes the development, approval and management of the vehicle operator contracts to ensure an integrated and responsive public transport service to be delivered at a premium standard. Lastly, it includes the strategic management of operations, the development and implementation of the strategy on the regulations of public transport, and the related management strategies. The department is responsible to lead, direct and manage the regulation and industry transition of public transport in terms of the relevant policies and strategies.

▪ **Transport Shared Services**

This department provides a centralised support function to the directorate, which includes Human Resources, Support Services, Communication, Customer Relations, Change and Stakeholder Management, Business Planning, Business Systems, Information, Business Administration, and Programme Monitoring. It plays a key transversal role in equipping and enabling the directorate to achieve its objective of being well governed, compliant, service-oriented, customer-centric, data- and performance-driven. It also ensures that end user and community needs are met and addressed in an efficient, effective and targeted manner.

Management Structure



Changes to service levels and standards over the MTREF

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

Past year’s performance – 2020/21

The **Transport Planning and Network Management** department achieved the following notable outcomes:

- Draft 2021 Annual Update of the Comprehensive Integrated Transport Plan (CITP 2018 - 2023) has been completed.
- An investigation into identifying locations and interventions to provide road based public transport with speed advantage has been initiated.
- Completed the review of applicable strategies and policies, and identified data requirements to inform the update of the IPTN as well as the Quality Bus Rationalisation Plan.
- Commencement of six preliminary designs for road congestion management and relief projects to ensure readiness for implementation in process.
- The earlier work related to the Flexible Working Programme as part of Travel Demand Management institutionalised and incorporated in the Future of Work Programme of the City.

- Commenced a city-wide Household Travel Survey.
- Implementation of Traffic Calming projects to the value of R3.189 million.
- Upgraded batteries in uninterruptible power supply units to maintain traffic signal operation during load shedding.
- Upgraded vehicle detection at various intersections.
- Completed the review of traffic signals plans on five major arterial corridors.

The **Transport Infrastructure Implementation** department achieved the following notable outcomes:

- The construction of IRT Phase 2A Trunk Infrastructure: Jan Smuts Drive from Turfhall Road to Govan Mbeki Road added a 2km long section of Jan Smuts Drive from single carriageway to a dual carriageway with separate bus transit lanes along the median, to accommodate the City's future IRT Phase 2A bus service.
- Initiation of the procurement process for the Construction of the next phase of the IRT Trunk Infrastructure along Govan Mbeki road from Lansdowne road to Heinz road; as well as the construction of the Khayelitsha / Mitchell's Plain MyCiTi Bus Depots.
- The ORIO project advanced well with the completion of the concept designs for Nolungile, Vuyani and Nyanga PTI projects. This process included extensive community engagements which included the establishment of a Broader Leadership Group; engagement of Precinct Representative Groups and the completion of Stakeholder Mapping which created the foundation for the development of various plans to inform the detailed design phase of the projects.
- As part of the Public Transport Interchange (PTI) Programme, the department, completed the construction and upgrade of the Du Noon PTI and commenced with construction on the Retreat PTI. It is noted that the directorate concluded a three-year lease agreement with the rail authority and that the process is underway to conclude a long term lease for the Retreat PTI. Moreover, the department initiated the procurement process for the Makhaza and Somerset West PTIs.
- The rollout of the Non-motorised transport programme has progressed well, with construction contracts completed (Blaauwberg North, Durbanville, Edgemoed/Bothasig, and a further one in progress (Inner City). Furthermore, the conceptual and detailed design for the Kuilsriver NMT project was initiated.

The **Public Transport** department achieved the following notable outcomes:

- The Optimisation Programme was successfully implemented. This was required to make up the revenue shortfall experienced because of the impact of the COVID-19 pandemic.
- Illegal and violent protest action were effectively managed, stabilising the service within a very volatile environment. This was of particular importance in the busy peak periods in order to provide the service to those who need it most. The team went beyond the call of duty to ensure that the service could run at full capacity.
- A Fleet Replacement Strategy draft outline was provided to the director. A draft framework on fleet replacement and bus life cycle costing was provided.
- An electronic Fleet Maintenance Information System (FMIS) pilot project was established, which is still in progress. Fleet has received the FMIS devices and their Fleet Officers have been populating the devices. The next stage is to use the data to drive evidence based decision making within Public Transport Fleet Branch. This will ensure better bus availability.
- New AFC and APTMS Professional Services contracts were signed during July 2020, which will expire on 30 June 2023.

- A total of 7 Cash Vending Machines (CVM) were installed at various MyCiTi stations to improve commuter access to the MyCiTi service.
- The new long-term APTMS Maintenance contract was signed on 31 March 2021 and is valid until 30 June 2023.
- An additional 19 public transport facilities were refurbished during the 2020/21 financial year. The approximate budget allocated was R20.9 million.
- Pilot TOC for 7th Ave Taxi Association: Council approved the Report entitled, “Item No. C 15/12/20: Progress and Way Forward on the Proposed Transformation of the Minibus-Taxi Industry Model to Enable a New Economic Responsive Approach.” in December 2020, which authorised the department to engage extensively with the minibus-taxi industry in respect of the TOC formation.

The **Roads Infrastructure Management** department completed/implemented the following significant projects:

- metro roads reseal and resurfacing programme;
- local roads reseal and resurfacing programme;
- PMS, BMS and Load Management System updating and development; and
- numerous ward council projects including traffic calming and footways.

The **Transport Shared Services** department achieved the following notable outcomes:

- Promoting the use of MyCiTi : The focus was on safety while using public transport and although a special effort was made to promote the festive season services, these had to be cancelled as a result of Lockdown Level 3 Regulations.
- COVID-19 Messaging: The department led the COVID-19 related message development and deployment across all Public Transport modes including, GABS, Metro Rail, MyCiTi, TAXIs and Public Transport Interchanges.
- The road network and pothole campaign: Continuation of The Mayor’s Pothole Campaign by visiting various communities and road maintenance teams to show residents that the City is focused on bringing services to them. This campaign was necessitated because transport maintenance work was lagging behind due to COVID-19 lockdown restrictions, which resulted in significant backlog in the repair of potholes. The campaign continues to receive favourable media coverage and is well received by the affected communities.
- Stakeholder relations: The Transport Information Centre (TIC) continued to operate within the COVID-19 restriction levels and handled on average 180 000 calls per month.
- Changing road user behaviour: The focus was on encouraging ‘work from home’ and was deployed via social media.
- Legislative platforms: The City’s Land Transport Advisory Board (LTAB) and Intermodal Planning Committee (IPC) in terms of the National Land Transport Act, Act 5 of 2009 continued virtually.
- Creation of Shared Services department: The creation of Shared Services department in October 2020 meant Business Planning, Transport Technology, Project Management, Communications, Finance, Administration, Support Manager and the HRBP have been bought into one department allowing for a more comprehensive basket of services to support and guide the line departments as well as the Executive Director. The creation of a Support Manager post within the department has seen the on-boarding of compliance and governance functions as well as Special Projects, which lends better support to fulfilling the transversal nature of the functions.

- Compliance and Governance matters: Governance and compliance matters have been prioritised with a clear intent to move from a position of compliance to governance enabling service delivery. Requirements have been met in the past year in terms of OPM reporting and Probity matters continue to be monitored for implementation and report back ensuring Transport is prioritising good governance and compliance.

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

There is a risk of the MyCiTi fare income being lower than projected if competing modes increase their market share (e.g. if minibus-taxi services expand or lower their fares); if the quality of service declines due to the impact of protected/unprotected strikes or due to fare losses as a result of interruption in electricity supply; if the fares become unaffordable or difficulties arise in the fare system; and due to more people working from home during and after COVID-19. If this were to happen MyCiTi services will have to be curtailed, law enforcement increased or other steps taken to optimise the system to ensure there is sufficient budget for the services within the 2022/23 financial year.

Major features of expenditure including highlighting discretionary and non-discretionary expenditure

- Provision for the contracted road based MyCiTi transport;
- Roads and Stormwater;
- Public Transport Interchanges maintenance;
- Public Transport Planning; and
- Roads Infrastructure Conditional Assessment.

Directorate capital programme

- Congestion Relief;
- Public Transport Interchanges;
- Non-Motorised transport;
- Roads Rehabilitation;
- Metro Roads: Reconstruction; and
- IRT Phase 2A.

Table 71 – Urban Mobility (Vote 11) - operating revenue by source, expenditure by type and total capital expenditure

Directorate: Urban Mobility									
Budgeted Financial Performance (revenue and expenditure)									
Description	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand									
Operating Revenue By Source									
Property rates	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	-	-	-	-	-	-	-	-	-
Service charges - water revenue	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	288	20	-	-	-	-	-	-	-
Service charges - other	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	91	56	(1 480)	-	-	-	-	-	-
Interest earned - external investments	277	0	-	-	-	-	15 210	15 879	16 578
Interest earned - outstanding debtors	23	287	95	-	-	-	-	-	-
Dividends received	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	3 953	36 226	29 923	31	4 130	4 130	4 320	4 510	4 708
Licences and permits	28 670	20 554	13 399	14 358	17 278	17 278	18 073	18 868	19 698
Agency services	-	-	-	-	-	-	-	-	-
Transfers and subsidies	472 198	516 626	575 428	561 522	591 725	591 725	535 062	492 602	484 161
Other revenue	331 411	259 551	295 113	198 693	195 394	195 394	271 616	284 402	296 044
Gains	229	20	352	-	-	-	-	-	-
Total Operating Revenue (excluding capital transfers and contributions)	837 139	833 342	912 831	774 605	808 526	808 526	844 281	816 262	821 190
Expenditure By Type									
Employee related costs	708 225	710 231	744 298	843 169	788 829	788 829	907 395	961 564	1 022 582
Remuneration of councillors	-	-	-	-	-	-	-	-	-
Debt impairment	781	-	-	-	-	-	-	-	-
Depreciation & asset impairment	725 238	666 667	688 291	693 486	719 721	719 721	695 523	733 076	752 311
Finance charges	1 893	-	159	73	73	73	73	73	73
Bulk purchases - electricity	-	-	-	-	-	-	-	-	-
Inventory consumed	108 304	74 894	73 109	97 881	117 101	117 101	113 905	118 097	122 499
Contracted services	1 701 458	1 723 559	1 617 197	1 964 895	2 040 165	2 040 165	2 041 008	2 037 267	2 073 422
Transfers and subsidies	158	-	22	125	125	125	125	125	125
Other expenditure	90 778	76 187	74 718	69 489	61 678	61 678	90 429	90 855	91 302
Losses	12 099	4 764	1 050	-	-	-	-	-	-
Total Operating Expenditure	3 348 933	3 256 302	3 198 844	3 669 116	3 727 691	3 727 691	3 848 458	3 941 056	4 062 313
Surplus/(Deficit)	(2 511 794)	(2 422 960)	(2 286 013)	(2 894 512)	(2 919 165)	(2 919 165)	(3 004 177)	(3 124 794)	(3 241 124)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	583 483	531 134	585 748	1 890 537	494 154	494 154	905 280	1 232 130	2 059 488
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	821	-	-	35 767	31 383	31 383	6 712	36 675	43 747
Transfers and subsidies - capital (in-kind - all)	-	-	114 071	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(1 927 490)	(1 891 826)	(1 586 193)	(968 208)	(2 393 628)	(2 393 628)	(2 092 185)	(1 855 990)	(1 137 888)
Taxation	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation	(1 927 490)	(1 891 826)	(1 586 193)	(968 208)	(2 393 628)	(2 393 628)	(2 092 185)	(1 855 990)	(1 137 888)
Attributable to minorities	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality	(1 927 490)	(1 891 826)	(1 586 193)	(968 208)	(2 393 628)	(2 393 628)	(2 092 185)	(1 855 990)	(1 137 888)
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	(1 927 490)	(1 891 826)	(1 586 193)	(968 208)	(2 393 628)	(2 393 628)	(2 092 185)	(1 855 990)	(1 137 888)
Capital Expenditure	973 584	873 070	776 446	2 191 855	722 772	691 832	1 379 126	2 071 856	2 973 446

2.12.12 Urban Waste Management (Vote 12)

Urban Waste Management directorate is made up of two functional departments:

- **Solid Waste Management**

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

The City's waste management services aim to integrate waste management services in such a way that they are able to not only provide basic services, but to augment economic activity and minimise the effects of waste on human- and environmental health. Much national support and development is necessary, as waste minimisation and recycling activities are not limited to Cape Town, and involve the processing and manufacturing sectors on a national scale. It will require a country-wide approach in terms of planning, infrastructure, facilities, incentives and disincentives to drive out economies of scale that will make this sustainable and economically viable. These are key influences on achieving the long term waste management vision and objectives set by the department.

The long-term vision for the Cape Town Waste Management sector is to:

- Improve access to basic services for residents to as close to 100% as possible within the constraints of available funds and unplanned growth;
- Develop multiple integrated initiatives that will reduce waste and the associated impacts substantially as well as contribute to and support economic development;
- Generate other sources of funding for integrated waste management through Public-Private Partnerships within the Cape Town municipal area;
- Improve the income generated by the Council's waste services;
- Optimise the utilisation of the Council's resources and capital; and
- Regulate waste and the associated services that will ensure sustainability and prevent impact or harm to people and the environment.

- **Expanded Public Works Programme (EPWP) and Community Development Workers (CDW)**

The EPWP & CDW department is aligned to the Economic Growth Priority of the Integrated Development Plan (IDP 2023 - 2027). Economic inclusion generally refers to the equality of opportunities for all members of society in order to participate in the economic activities of the country as employees, entrepreneurs, consumers and citizens. Economic inclusion requires the extension of access to markets and opportunities for education, employment and entrepreneurship, especially to the under-served social groups. From this general definition, it can be concluded that a complete and an all-inclusive view of economic inclusion should feed into (and be evaluated upon) the areas of education (formal/skills and training), employment (creating sustainable work opportunities for all), as well as entrepreneurship (through providing information, funding or training and opportunities for businesses to thrive). The inclusion of each of the above economic inclusion components ensures a holistic approach to the implementation of an economic inclusion model.

Furthermore, the EPWP is directly anchored as one of the key programmes for the required rebuilding and economic recovery of the City. This is in line with the Presidential Employment Stimulus, which places Public Employment Programmes at the centre of the country's recovery plan, in the post-COVID-19 world.

Changes to service levels and standards over the MTREF

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

Past year's performance – 2020/21

The department continued to implement the recommendations of the Municipal Systems Act section 78(3) study, which includes waste minimisation, waste to energy projects and the provision of infrastructure for waste minimisation. The department has also channelled more resources towards waste minimisation infrastructure and programmes. The City effectively introduced recycling at larger drop-off sites and is investigating the usage of drop-off facilities as mini material recovery facilities (MRF).

A total of 18.73% in waste minimisation was achieved, which is a substantial growth, and on track to achieving the City's Integrated Waste Management Policy (IWMP) objectives. Home composting bins have been issued to more than 27 900 beneficiaries and the programme will continue for the next five years with an estimated 5 000 additional beneficiaries per year.

The provision of basic waste management services was maintained at 100%. However, there is a looming challenge on providing services for backyarders, which at this stage is done on an ad hoc basis. Informal settlements now receive a weekly door-to-door bagged waste collection service integrated with area cleaning provided by the City's private contractors. Area cleaning to all informal settlements has increased from five to seven days a week.

The department also ensured compliance with waste management statutes by reviewing its by-law and IWMP. The department continues to upgrade its facilities to ensure that all waste is effectively managed and accounted for. These upgrades include changes to increase recovery of recyclables and upgrading of weighbridges to improve measurement, efficiency and to improve service to the public.

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

Disposal revenue will be under pressure going forward with the introduction of waste minimisation initiatives that will reduce waste being taken to landfill sites. Alternative sustainable revenue streams are being investigated.

Major features of expenditure including discretionary and non-discretionary expenditure

The Department's major expenditure categories include:

- Salaries and Wages
- Contracted Services – mostly linked to:
 - Refuse removal services;
 - Area cleaning and door-to-door refuse removal services to informal settlements;
 - Cleaning of the previously disadvantaged sandy areas;
 - Hauling of waste from various facilities to the Landfill sites; and
 - Chipping of garden greens.

- Depreciation
- General Expenses – mostly linked to:
 - Fuel;
 - Rehabilitation of landfill sites;
 - Security services costs at various sites; and
 - Purchasing of bags.
- Repairs and maintenance on buildings and fleet.
- Activity based costing linked to fleet and equipment rental

Directorate capital programme

The department's capital programme for 2022/23 is made up of the following main projects:

- Vehicle and plant replacement programme;
- Upgrading of various depots;
- Upgrading of various drop-off sites to include components of waste minimisation;
- Construction of new material recovery facilities;
- Development of new landfill airspace; and
- The construction of landfill gas to flaring infrastructure for future possible electrification.

Table 72 - Urban Waste Management (Vote 12) - operating revenue by source, expenditure by type and total capital expenditure

Directorate: Urban Waste Management									
Budgeted Financial Performance (revenue and expenditure)									
Description	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand									
Operating Revenue By Source									
Property rates	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	-	-	-	-	-	-	-	-	-
Service charges - water revenue	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	1 414 966	1 502 619	1 547 366	1 641 574	1 267 313	1 267 313	1 381 241	1 501 125	1 629 348
Service charges - other	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	2	3	-	-	-	-	-	-	-
Interest earned - external investments	-	-	-	-	-	-	-	-	-
Interest earned - outstanding debtors	23 649	35 607	45 946	44 215	36 196	36 196	36 196	37 788	39 451
Dividends received	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	3 885	474	143	-	-	-	-	-	-
Licences and permits	-	-	-	-	-	-	-	-	-
Agency services	-	-	-	-	-	-	-	-	-
Transfers and subsidies	-	-	-	-	117 600	117 600	562 860	603 270	557 710
Other revenue	15 700	11 529	11 823	3 043	6 587	6 587	18 791	19 056	19 333
Gains	1 870	1 098	1 217	1 000	2 300	2 300	2 300	2 401	2 507
Total Operating Revenue (excluding capital transfers and contributions)	1 460 073	1 551 330	1 606 495	1 689 831	1 429 996	1 429 996	2 001 386	2 163 640	2 248 349
Expenditure By Type									
Employee related costs	957 247	1 029 345	1 189 370	1 228 247	1 293 230	1 293 230	1 373 137	1 450 683	1 478 082
Remuneration of councillors	-	-	-	-	-	-	-	-	-
Debt impairment	82 612	215 325	169 854	224 998	148 214	148 214	122 846	132 769	144 724
Depreciation & asset impairment	151 204	156 006	158 473	169 934	164 664	164 664	182 321	218 991	242 306
Finance charges	33 686	45 044	46 003	53 616	53 566	53 566	35 267	14 666	15 729
Bulk purchases - electricity	-	-	-	-	-	-	-	-	-
Inventory consumed	206 959	214 195	193 706	220 803	223 799	223 799	219 145	219 382	206 032
Contracted services	929 723	984 637	1 046 025	1 126 355	1 157 399	1 157 399	1 285 295	1 235 225	1 238 189
Transfers and subsidies	-	-	1 100	1 861	9 861	9 861	1 861	1 861	1 861
Other expenditure	39 850	53 512	83 653	112 638	164 250	164 250	120 405	154 142	139 591
Losses	373	46	903	118	124	124	120	120	120
Total Operating Expenditure	2 401 654	2 698 109	2 889 088	3 138 571	3 215 107	3 215 107	3 340 398	3 427 840	3 466 636
Surplus/(Deficit)	(941 581)	(1 146 780)	(1 282 593)	(1 448 740)	(1 785 111)	(1 785 111)	(1 339 012)	(1 264 200)	(1 218 287)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	1 000	594	1 171	700	700	700	20 937	20 000	20 000
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	-	-	-	9 053	12 276	12 276	-	-	-
Transfers and subsidies - capital (in-kind - all)	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(940 581)	(1 146 186)	(1 281 422)	(1 438 986)	(1 772 135)	(1 772 135)	(1 318 075)	(1 244 200)	(1 198 287)
Taxation	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation	(940 581)	(1 146 186)	(1 281 422)	(1 438 986)	(1 772 135)	(1 772 135)	(1 318 075)	(1 244 200)	(1 198 287)
Attributable to minorities	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality	(940 581)	(1 146 186)	(1 281 422)	(1 438 986)	(1 772 135)	(1 772 135)	(1 318 075)	(1 244 200)	(1 198 287)
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	(940 581)	(1 146 186)	(1 281 422)	(1 438 986)	(1 772 135)	(1 772 135)	(1 318 075)	(1 244 200)	(1 198 287)
Capital Expenditure	269 698	261 480	528 035	661 993	388 298	353 983	647 002	790 916	764 880

2.12.13 Water & Sanitation (Vote 13)

The Water & Sanitation directorate performs the dual role of Water Service Authority and Water Service Provider. It also provides bulk drinking water to adjacent local authorities, namely Drakenstein Municipality and Stellenbosch Municipality. As a water service provider, the City constantly strives to improve its performance with respect to water quality management and therefore water safety planning and risk mitigation methodologies are integrated into the management processes. Although no major corrective interventions are currently required in terms of the water safety plan, the City will constantly evaluate the need for additional risk mitigation measures. Provision is made in the normal budget allocations to maintain the high standards already achieved. Should additional safety barriers be identified or additional license conditions be specified, then budgetary allocations will be prioritised for the associated intervention.

As regards to the management of wastewater, the directorate has a risk-based approach in place, where strategic risks to the wastewater business have been identified; rated and mitigation measures put in place. The plan to improve capacity and compliance is being implemented but there is a significant financial requirement for capacity upgrading, maintenance, rehabilitation and replacement of ageing assets to mitigate the critical risks in the Wastewater Risk Abatement Plan (WWRAP), the sewer network as well as the sewer pump stations. The WWRAP specifically relates to new license conditions imposed by the National Department of Water & Sanitation.

The Water & Sanitation Strategy, informed by the long term vision, is centered on five core commitments i.e. safe access to water and sanitation, the wise use of water, sufficient and reliable water from diverse sources, shared benefits from regional sources, and transitioning into a water sensitive city. The fulfilment of these five commitments will result in the citizens’ needs being met, support being given for improved living conditions as well as protection of the environment and will ultimately enable and support a growing economy.

The Water & Sanitation directorate is structured into four departments with two focusing on direct delivery and two working transversely to improve coordination and efficiency.

Cluster	Branch
Bulk Service	<ul style="list-style-type: none"> ▪ Bulk Water ▪ Wastewater ▪ Catchment, Stormwater & River Management
Distribution Services	<ul style="list-style-type: none"> ▪ Reticulation ▪ Informal Settlement Basic Services
Technical Services (Working transversally acrossbranches)	<ul style="list-style-type: none"> ▪ Engineering & Asset Management ▪ WDM, Regulation & Planning ▪ Scientific Services ▪ Auxiliary Services
Commercial Services (Working transversally acrossbranches)	<ul style="list-style-type: none"> ▪ Customer Services ▪ Capital & Contract Management ▪ Finance & Commercial

The branches within the departments perform the following functions:

- **Bulk Services department:**
 - **Bulk Water Branch**

Manages water catchment areas, storage dams, dam safety, developing and implementing new and diverse supplies of water to increase resilience, water treatment and the conveyance of water in bulk water supply lines to reticulation networks.
 - **Wastewater Treatment Branch**

Manages wastewater treatment works and has the important function of treating used water (effluent) and making it safe before discharging it back into the environment.
 - **Catchment, Stormwater and River Management Branch**

Manages the strategic planning for the City's stormwater system, which includes the management of river systems and their drainage catchments in order to manage flood risk, improve inland water quality and optimise the harvesting of stormwater as a valuable water resource.

- **Distribution Services department:**
 - **Reticulation Branch**

Distributes drinking water to consumers and conveys wastewater to treatment works through a network of pipelines, pump stations and reservoirs. Also conveys treated effluent (recycled) water to large users and to designated collection/filling points for construction and industrial contractors.
 - **Informal Settlements Basic Services Branch**

Provides basic services to informal settlements through the development and implementation of infrastructure, asset maintenance and management of janitorial services for ablution facilities.

- **Technical Services department:**
 - **Engineering and Asset Management Branch**

Ensures the electrical and mechanical maintenance of the water and sanitation equipment and facilities. Also provides risk management, fleet management and health and safety services for the directorate.
 - **Water Demand Management, Regulation and Planning Branch**

Provides a planning service and is responsible for policy development (e.g. the Water Services Development Plan and the Water Conservation and Demand Management Strategy) as well as the development and enforcement of by-laws (e.g. the Water and Treated Effluent by-laws). Also coordinates water demand management programmes, quality management and awareness programmes (e.g. water conservation and sewer blockage education), information management and business reporting.
 - **Scientific Services Branch**

Ensures that the water and treated effluent quality is in compliance with strict water quality checks as prescribed by the Department of Water and Sanitation (DWS). Conducts vigorous testing of drinking water including chemical and microbiological analysis in accordance with SANS 241:2015. In addition, tests treated wastewater from wastewater treatment works (WWTW), water from rivers and vleis, and perform air pollution testing.

- **Auxiliary Services Branch**
Manages depot and building maintenance, information and technology support, staff housing, external communication programmes and campaigns around water and sanitation issues, loss control, investigations as well as security and protection services for staff in volatile areas.
- **Commercial Services department:**
 - **Customer Services Branch**
Manages the optimising of water meter operations, accurate billing based on meter reading, responsiveness to customer queries as well as effective implementation of debt management and revenue collection actions.
 - **Capital and Contract Management Branch**
Provides oversight on the implementation of the projects forming part of the directorate’s capital development programme ensuring adherence to supply chain management/tender processes as well as contract management principles.
 - **Finance and Commercial Branch**
Provides administrative functions relating to budgeting, accounting and financial administration as well as management of movable assets.

Finally the **Human Resources Business Partner** reports directly to the Executive Director and provides an administrative role to the directorate, which includes training and human resources support.

Changes to service levels and standards

The directorate’s commitments for a shared water future are encapsulated in the Water & Sanitation Strategy. Although the achievement of targets in this regard is showing positive trends, the directorate has been experiencing challenges relating to the sewer blockages, spills and overflows.

Therefore, in addition to the high level of service delivery already provided by the directorate, the following aspects received further allocations during the operational review:

- New operations flowing from the New Water Plan projects;
- New operations flowing from the Zandvliet WWTW project;
- Growing basic service requirements to informal settlements relating to janitorial services as well as converting temporary services to permanent;
- Additional capacity to prevent pollution and sewer incidents;
- Additional capacity for the wastewater transition plan; and
- Additional capacity to develop a customer centric culture.

Past year’s performance – 2020/21

The Water & Sanitation Services department (now Water & Sanitation directorate) experienced a number of very challenging years due to the unprecedented drought that put the department under tremendous strain, but this was overcome by hard work and dedication, together with the positive response from the City’s customers, which made Cape Town the number one water-saving City in the world.

Soon thereafter the directorate's resilience was again tested with the onset of the COVID-19 pandemic, which created operational challenges. The directorate again showed its flexibility by maintaining high levels of service during the pandemic reflecting the commitment of staff.

The directorate also continued to maintain service delivery standards by ensuring the meeting of key implementation plan targets including:

- compliance of drinking water standards;
- the replacements of the water and sewer network;
- additional installations of new water connection points and new sanitation services points; and
- Expanded Public Work Programme (EPWP) opportunities.

The commitment by staff as well as the Water Strategy places the directorate on a trajectory to become a modern professional water service provider, consistent with international best practice.

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

Although consumption levels significantly reduced during the drought, the City managed to stabilise revenue generated via the water and sanitation tariffs. Consumptions levels have steadily increased as the City moved out of the drought period and these have been factored into the tariff increases. No major shifts in revenue patterns are currently foreseen for the 2022/23 financial year.

The City continues to closely monitor the consumption patterns.

Major features of expenditure including discretionary and non-discretionary expenditure

In summary, the proposed budget makes allowance for cost associated with the water augmentation plan to ensure security of water supply, upgrades and extensions to the wastewater treatment plants, water demand management initiatives, ensuring the management of assets at appropriate levels, sustain and enhance the maintenance programmes as well as supplying water and sanitation at appropriate compliance, capacity, skills, service delivery and responsiveness levels.

Directorate capital programme

Some of the major capital projects are:

- Bulk Water - New Water Plan: Atlantis Aquifer; Cape Flats Aquifer & Recharge; Table Mountain Group Aquifer; Zandvliet Waste Water Plant Re-use; Bulk Water Infrastructure Replacement;
- WWTW: Zandvliet WWTW - Primary Treatment & Sludge; Athlone WWTW;
- Extension: Cape Flats WWTW – Bio-solids; Potsdam WWTW;
- Catchment, Stormwater and River Management: Sir Lowry's Pass River Upgrade; Lourens River;
- Flood Alleviation; Upgrade Vygekraal River bank – Athlone;
- Reticulation: Cape Flats Sewer Rehabilitation; Philippi Collector Sewer; Gordon's Bay Sewer Rising Main, Rehabilitation of Bulk Reticulation Sewers – Milnerton Area; Upgrade of Rietvlei Sewer Pump station; Replace Water Network (city-wide) as well as specific increases to the Replace Sewer Network (city-wide) and improvements to sewer pump stations;
- Informal Settlements: Provision of water and sanitation infrastructure to informal settlements;
- Customer Services: Meter Replacement Programme;
- Engineering & Asset Management: Vehicle and Plant requirements;
- Water Demand Management: Treated Effluent and Pressure Management Programme; and
- Auxiliary Services: Depot Upgrades; IT & Information Management Systems.

Table 73 - Water & Sanitation (Vote 13) - operating revenue by source, expenditure by type and total capital expenditure

Directorate: Water & Sanitation									
Budgeted Financial Performance (revenue and expenditure)									
Description	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Operating Revenue By Source									
Property rates	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	-	(0)	2	-	-	-	-	-	-
Service charges - water revenue	3 123 058	3 020 019	3 225 786	3 555 763	3 548 668	3 548 668	3 927 377	4 120 949	4 522 741
Service charges - sanitation revenue	1 602 463	1 549 162	1 604 014	1 775 113	1 791 914	1 791 914	2 014 506	2 155 521	2 366 762
Service charges - refuse revenue	-	-	64	-	-	-	-	-	-
Service charges - other	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	177	199	196	206	206	206	216	225	235
Interest earned - external investments	3	-	-	-	-	-	-	-	-
Interest earned - outstanding debtors	225 037	212 030	218 334	226 820	192 000	192 000	204 480	213 477	222 870
Dividends received	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	32 318	20 405	5 469	186	189	189	198	206	215
Licences and permits	3	-	-	-	-	-	-	-	-
Agency services	-	-	-	-	-	-	-	-	-
Transfers and subsidies	16 063	49 122	181 675	122 022	120 946	120 946	1 171 490	1 283 530	1 382 181
Other revenue	100 100	102 329	91 677	46 777	51 782	51 782	79 648	83 738	88 904
Gains	1 005	1 584	4 476	2 005 241	4 660 371	4 660 371	3 941 748	4 033 169	4 234 802
Total Operating Revenue (excluding capital transfers and contributions)	5 100 226	4 954 850	5 331 693	7 732 129	10 366 076	10 366 076	11 339 663	11 890 815	12 818 710
Expenditure By Type									
Employee related costs	1 625 017	1 730 260	1 968 664	2 204 068	2 120 351	2 120 351	2 615 054	2 760 327	2 931 740
Remuneration of councillors	-	-	-	-	-	-	-	-	-
Debt impairment	104 182	958 372	703 554	676 200	510 000	510 000	484 924	452 185	419 159
Depreciation & asset impairment	652 652	736 288	509 506	528 137	549 032	549 032	587 953	644 402	771 360
Finance charges	235	17	6 271	-	-	-	-	-	-
Bulk purchases - electricity	-	-	-	-	-	-	-	-	-
Inventory consumed	527 115	694 090	538 169	2 526 899	4 457 392	4 457 392	3 968 498	4 046 079	4 287 550
Contracted services	1 084 970	1 296 478	1 559 387	1 685 901	1 830 743	1 830 743	1 961 860	2 032 382	2 079 271
Transfers and subsidies	499	-	2 905	29 900	30 300	30 300	28 000	28 000	28 000
Other expenditure	318 897	404 281	457 800	403 563	461 659	461 659	453 151	456 103	499 055
Losses	1 373	464	302	12 012	645 582	645 582	450 585	477 021	500 871
Total Operating Expenditure	4 314 941	5 820 251	5 746 558	8 066 681	10 605 059	10 605 059	10 550 026	10 896 499	11 517 006
Surplus/(Deficit)	785 285	(865 402)	(414 865)	(334 552)	(238 983)	(238 983)	789 637	994 316	1 301 704
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	745 430	590 318	319 002	281 746	277 446	277 446	366 156	414 111	393 400
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	10 915	11 855	12 062	33 558	39 000	39 000	15 000	15 000	20 000
Transfers and subsidies - capital (in-kind - all)	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	1 541 629	(263 229)	(83 801)	(19 248)	77 463	77 463	1 170 793	1 423 427	1 715 104
Taxation	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation	1 541 629	(263 229)	(83 801)	(19 248)	77 463	77 463	1 170 793	1 423 427	1 715 104
Attributable to minorities	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality	1 541 629	(263 229)	(83 801)	(19 248)	77 463	77 463	1 170 793	1 423 427	1 715 104
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	1 541 629	(263 229)	(83 801)	(19 248)	77 463	77 463	1 170 793	1 423 427	1 715 104
Capital Expenditure	1 521 340	1 917 725	2 141 660	2 382 091	2 025 899	1 865 341	2 343 741	4 001 058	4 983 466

2.13 Annual budget and service delivery agreement – Cape Town International Convention Centre (CTICC)

2.13.1 Executive Summary

The continuation of the State of Disaster and related lockdown levels has meant that the CTICC is able to host events of up to 1 000 people in attendance, which has allowed larger events to take place. This has had a significant effect on the trading environment and has required CTICC 1 to be re-commissioned to host larger events.

With the increase in events hosted, the company will likely sell fewer Class C shares to the City during the financial year than was originally anticipated when the 2021/22 budget was presented. This will have a positive impact on the company's ability to remain a going concern for the foreseeable future.

The budget has been prepared taking into account the impact of current COVID-19 regulations on the operations during the budget year. The key assumptions made in preparing the budget are, inter alia:

- Events contracted and on the books as at December 2021 as well as a “blue-sky” portion for the year, assuming that the current limit of 1 000 people for indoor events will remain for the full budget period.
- Additional costs related to the re-commissioning of CTICC 1 to host larger events in the venue.
- The freeze on non-critical vacancies to remain.
- Labour broker contract to be awarded to secure staff to host events.
- 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.

2.13.2 Service Delivery Agreement between the City and the CTICC

Table 74 - CTICC – Service Delivery Agreement

Cape Town Convention Centre Company SOC (RF) Limited

Period of agreement	No period stipulated but subject to annual reviews in terms of Section 93A of the Systems Act.
Service provided	International conference centre
Expiry date of SDA	Not applicable
Monetary value	No current operating funding from the City.
Ownership and control	<u>Shareholding as at 31/01/2022</u> City of Cape Town - 72.7% Provincial Government of Western Cape - 22.2% SunWest International Pty Ltd - 5.1%
Oversight processes	The Finance directorate (Treasury Department) of the City monitors performance and compliance.
Mandate	To manage and sustain a World Class International Convention Centre
Funding over medium term	The CTICC does not intend taking up loan funding to fund their capital programme at this time.
Summary of SDA	Sets out the obligations of the CTICC and the City in respect of compliance and performance issues.
Link to IDP	Inclusive City Public space, environment and amenities Safety
Past performance and future objectives	The CTICC has performed exceptionally well and exceeded its targets in the past. As the expanded centre will support the CTICC's vision and growth outlook, as well as the City's objective of establishing Cape Town as Africa's top business events destination.

The entity's major expenditure categories include:

- Employee related costs;
- Depreciation;
- Contracted services, which mainly consists of cleaning services, security services and refuse removal; and
- Other expenditure, consisting mainly of marketing and communication, IT costs, office- and travel costs, and which are an integral part of the entity's business strategy to grow revenue.

Being in the international service and hospitality business requires that facilities are always up to international standards. The assets of the conference centre represent a major investment, which attracts substantial depreciation. There is also a policy for regular replacement of fixed assets to maintain the high standards, but this has been impacted over the last two years as a result of the COVID-19 pandemic.

The aggregated annual budget, as required in terms of section 9 of the MBRR, are presented in the five primary budget tables on page 222 to page 226. These tables reflect the CTICC's 2022/23 budget and MTREF to be supported by Council.

Schedule D reflecting the annual budget and supporting documents for the CTICC is attached as Annexure 30, while the business plan is attached as Annexure 31. The entity's proposed tariffs are attached as Annexure 32.

Table 75 - CTICC - Table D1 Budget Summary

Description	2018/19	2019/20	2020/21	Current Year 2021/22			Medium Term Revenue and Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousands									
Financial Performance									
Property rates	-	-	-	-	-	-	-	-	-
Service charges	-	-	-	-	-	-	-	-	-
Investment revenue	14 482	15 296	3 927	225	552	552	738	826	909
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Other own revenue	277 782	205 612	48 161	25 766	49 769	49 769	125 748	187 248	213 945
Total Revenue (excluding capital transfers and contributions)	292 264	220 908	52 088	25 991	50 321	50 321	126 486	188 074	214 853
Employee costs	64 254	75 721	68 682	54 470	53 393	53 393	60 622	67 246	71 994
Remuneration of Board Members	415	628	835	697	798	798	760	798	838
Depreciation & asset impairment	54 123	136 708	164 446	50 738	45 699	45 699	45 205	44 301	44 269
Finance charges	-	-	-	-	-	-	-	-	-
Materials and bulk purchases	35 762	26 083	2 769	3 775	5 430	5 430	15 644	21 541	26 231
Transfers and subsidies	2 124	2 124	2 124	2 124	2 124	2 124	2 124	2 124	2 124
Other expenditure	117 709	115 352	67 470	83 695	79 411	79 411	96 516	100 288	105 954
Total Expenditure	274 386	356 617	306 325	195 498	186 856	186 856	220 871	236 298	251 410
Surplus/(Deficit)	17 878	(135 709)	(254 237)	(169 507)	(136 535)	(136 535)	(94 385)	(48 225)	(36 557)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	-	-	-	-	-	-	-	-	-
Contributions recognised - capital & contributed assets	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	17 878	(135 709)	(254 237)	(169 507)	(136 535)	(136 535)	(94 385)	(48 225)	(36 557)
Taxation	5 394	(34 396)	(12 576)	(43 779)	(37 761)	(37 761)	(25 484)	(13 337)	(10 110)
Surplus/ (Deficit) for the year	12 484	(101 313)	(241 661)	(125 728)	(98 774)	(98 774)	(68 901)	(34 887)	(26 446)
Capital expenditure & funds sources									
Capital expenditure	66 087	56 408	20 657	11 172	12 967	12 967	20 472	43 270	72 627
Transfers recognised - capital	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	66 087	56 408	20 657	11 172	12 967	12 967	20 472	43 270	72 627
Total sources of capital funds	66 087	56 408	20 657	11 172	12 967	12 967	20 472	43 270	72 627
Financial position									
Total current assets	252 295	219 744	36 764	28 386	41 022	41 022	57 687	94 371	83 037
Total non current assets	880 699	819 729	686 335	727 764	689 274	689 274	687 407	688 936	692 597
Total current liabilities	97 972	117 108	42 532	54 979	58 494	58 494	88 962	104 919	123 607
Total non current liabilities	335	136	-	231	-	-	231	374	459
Community wealth/Equity	1 034 686	922 229	680 568	700 939	671 802	671 802	655 901	678 014	651 568
Cash flows									
Net cash from (used) operating	24 574	45 213	(128 176)	(121 713)	(63 214)	(63 214)	(16 700)	21 242	59 133
Net cash from (used) investing	(66 087)	(56 408)	(20 657)	111 828	83 033	83 033	32 528	13 730	(72 627)
Net cash from (used) financing	-	-	-	-	-	-	-	-	-
Cash/cash equivalents at the year end	182 243	171 049	22 215	7 227	24 479	24 479	40 307	75 278	61 785

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

Description	2018/19	2019/20	2020/21	Current Year 2021/22			Medium Term Revenue and Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
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	128 088	98 946	19 179	8 398	17 994	17 994	73 350	112 918	124 209
Interest earned - external investments	14 482	15 296	3 927	225	552	552	738	826	909
Interest earned - outstanding debtors	-	-	-	-	-	-	-	-	-
Dividends received	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	-	-	-	-	-
Licences and permits	-	-	-	-	-	-	-	-	-
Agency services	-	-	-	-	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Other revenue	149 694	106 666	28 983	17 368	31 775	31 775	52 398	74 330	89 735
Gains	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)	292 264	220 908	52 088	25 991	50 321	50 321	126 486	188 074	214 853
Expenditure By Type									
Employee related costs	64 254	75 721	68 682	54 470	53 393	53 393	60 622	67 246	71 994
Remuneration of Board Members	415	628	835	697	798	798	760	798	838
Debt impairment	414	(222)	(588)	360	300	300	360	360	360
Depreciation & asset impairment	54 123	136 708	164 446	50 738	45 699	45 699	45 205	44 301	44 269
Finance charges	-	-	-	-	-	-	-	-	-
Bulk purchases - electricity	-	-	-	-	-	-	-	-	-
Inventory consumed	35 762	26 083	2 769	3 775	5 430	5 430	15 644	21 541	26 231
Contracted services	59 538	52 458	27 206	33 218	29 962	29 962	41 462	43 668	45 883
Transfers and subsidies	2 124	2 124	2 124	2 124	2 124	2 124	2 124	2 124	2 124
Other expenditure	57 064	63 125	40 724	50 117	49 149	49 149	54 694	56 261	59 711
Losses	692	(9)	127	-	-	-	-	-	-
Total Expenditure	274 386	356 617	306 325	195 498	186 856	186 856	220 871	236 298	251 410
Surplus/(Deficit)	17 878	(135 709)	(254 237)	(169 507)	(136 535)	(136 535)	(94 385)	(48 225)	(36 557)
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	17 878	(135 709)	(254 237)	(169 507)	(136 535)	(136 535)	(94 385)	(48 225)	(36 557)
Taxation	5 394	(34 396)	(12 576)	(43 779)	(37 761)	(37 761)	(25 484)	(13 337)	(10 110)
Surplus/ (Deficit) for the year	12 484	(101 313)	(241 661)	(125 728)	(98 774)	(98 774)	(68 901)	(34 887)	(26 446)

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

Description	2018/19	2019/20	2020/21	Current Year 2021/22			Medium Term Revenue and Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousands									
Capital expenditure by Asset Class/Sub-class									
Other assets	43 391	38 256	15 088	6 950	6 950	6 950	13 880	24 051	48 820
Operational Buildings	43 391	38 256	15 088	6 950	6 950	6 950	13 880	24 051	48 820
Municipal Offices	43 391	38 256	15 088	6 950	6 950	6 950	13 880	24 051	48 820
Computer Equipment	15 559	13 314	5 410	3 600	5 395	5 395	4 650	11 483	14 726
Computer Equipment	15 559	13 314	5 410	3 600	5 395	5 395	4 650	11 483	14 726
Furniture and Office Equipment	5 797	3 219	160	600	600	600	1 820	5 965	5 486
Furniture and Office Equipment	5 797	3 219	160	600	600	600	1 820	5 965	5 486
Machinery and Equipment	1 340	1 619	–	22	22	22	122	1 772	3 595
Machinery and Equipment	1 340	1 619	–	22	22	22	122	1 772	3 595
Total capital expenditure on assets	66 087	56 408	20 657	11 172	12 967	12 967	20 472	43 270	72 627
Funded by:									
National Government	–	–	–	–	–	–	–	–	–
Provincial Government	–	–	–	–	–	–	–	–	–
Parent Municipality	–	–	–	–	–	–	–	–	–
District Municipality	–	–	–	–	–	–	–	–	–
Transfers recognised - capital	–	–	–	–	–	–	–	–	–
Borrowing	–	–	–	–	–	–	–	–	–
Internally generated funds	66 087	56 408	20 657	11 172	12 967	12 967	20 472	43 270	72 627
Total Capital Funding	66 087	56 408	20 657	11 172	12 967	12 967	20 472	43 270	72 627

Table 78 - CTICC - Table D4 Budgeted Financial Position

Description	2018/19	2019/20	2020/21	Current Year 2021/22			Medium Term Revenue and Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousands									
ASSETS									
Current assets									
Cash	12 023	2 309	4 915	-	-	-	-	-	-
Call investment deposits	170 221	168 740	17 301	7 227	24 479	24 479	40 307	75 278	61 785
Consumer debtors	-	-	-	-	-	-	-	-	-
Other debtors	65 862	43 603	10 335	17 252	12 589	12 589	13 532	14 980	17 116
Current portion of long-term receivables	2 124	2 124	2 124	2 124	2 124	2 124	2 124	2 124	2 124
Inventory	2 065	2 968	2 090	1 783	1 830	1 830	1 725	1 988	2 012
Total current assets	252 295	219 744	36 764	28 386	41 022	41 022	57 687	94 371	83 037
Non current assets									
Long-term receivables	175 051	172 927	170 803	168 679	168 679	168 679	166 555	164 431	162 307
Investments	0	0	-	0	0	0	0	0	0
Investment property	-	-	-	-	-	-	-	-	-
Investment in Associate	-	-	-	-	-	-	-	-	-
Property, plant and equipment	581 477	482 684	338 839	252 728	306 142	306 142	280 915	271 230	266 905
Biological	-	-	-	-	-	-	-	-	-
Intangible	-	-	-	-	-	-	-	-	-
Other non-current assets	124 170	164 117	176 693	306 356	214 453	214 453	239 937	253 275	263 385
Total non current assets	880 699	819 729	686 335	727 764	689 274	689 274	687 407	688 936	692 597
TOTAL ASSETS	1 132 993	1 039 473	723 099	756 149	730 297	730 297	745 094	783 306	775 634
LIABILITIES									
Current liabilities									
Bank overdraft	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-
Consumer deposits	41 386	66 698	22 147	25 935	39 946	39 946	57 522	60 398	63 418
Trade and other payables	51 009	46 134	20 385	29 044	18 549	18 549	31 440	41 563	57 025
Provisions	5 577	4 276	-	-	-	-	-	2 958	3 165
Total current liabilities	97 972	117 108	42 532	54 979	58 494	58 494	88 962	104 919	123 607
Non current liabilities									
Borrowing	-	-	-	-	-	-	-	-	-
Provisions	335	136	-	231	-	-	231	374	459
Total non current liabilities	335	136	-	231	-	-	231	374	459
TOTAL LIABILITIES	98 307	117 244	42 532	55 210	58 494	58 494	89 193	105 292	124 066
NET ASSETS	1 034 686	922 229	680 568	700 939	671 802	671 802	655 901	678 014	651 568
COMMUNITY WEALTH/EQUITY									
Accumulated Surplus/(Deficit)	(242 741)	(355 199)	(596 860)	(735 489)	(695 625)	(695 625)	(764 526)	(799 414)	(825 860)
Reserves	1 277 428	1 277 428	1 277 428	1 436 428	1 367 428	1 367 428	1 420 428	1 477 428	1 477 428
TOTAL COMMUNITY WEALTH/EQUITY	1 034 686	922 229	680 568	700 939	671 802	671 802	655 901	678 014	651 568

Table 79 - CTICC – Table D5 Budgeted Cash Flow

Description	2018/19	2019/20	2020/21	Current Year 2021/22			Medium Term Revenue and Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Property rates	-	-	-	-	-	-	-	-	-
Service charges	-	-	-	-	-	-	-	-	-
Other revenue	247 577	244 401	39 266	25 766	49 769	49 769	125 748	187 248	213 945
Transfers and Subsidies - Operational	-	-	-	-	-	-	-	-	-
Transfers and Subsidies - Capital	-	-	-	-	-	-	-	-	-
Interest	14 846	15 330	3 927	225	552	552	738	826	909
Dividends	-	-	-	-	-	-	-	-	-
Payments									
Suppliers and employees	(237 849)	(214 518)	(171 369)	(147 704)	(113 535)	(113 535)	(143 186)	(166 832)	(155 720)
Finance charges	-	-	-	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	-	-	-	-
Transfers and Grants	-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES	24 574	45 213	(128 176)	(121 713)	(63 214)	(63 214)	(16 700)	21 242	59 133
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables	-	-	-	123 000	96 000	96 000	53 000	57 000	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-
Payments									
Capital assets	(66 087)	(56 408)	(20 657)	(11 172)	(12 967)	(12 967)	(20 472)	(43 270)	(72 627)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(66 087)	(56 408)	(20 657)	111 828	83 033	83 033	32 528	13 730	(72 627)
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	(41 513)	(11 195)	(148 833)	(9 885)	19 819	19 819	15 828	34 972	(13 493)
Cash/cash equivalents at the year begin:	223 757	182 243	171 049	17 112	4 660	4 660	24 479	40 307	75 278
Cash/cash equivalents at the year end:	182 243	171 049	22 215	7 227	24 479	24 479	40 307	75 278	61 785

2.14 Annual budget and service delivery agreement – Cape Town Stadium (CTS)

2.14.1 Executive Summary

The 2020/21 financial year has been a challenging year for the Cape Town Stadium (CTS), due to the impact of COVID-19 on business. As projected during the previous CTS business planning cycle, the Municipal Entity (ME), which governs and manages the stadium on the City's behalf, has taken major strides in developing and implementing its organisational, administrative, commercial, financial and facility management operations.

CTS have completed its third full annual financial cycle. The board and management of CTS are pleased to report that during the current (2021/22) financial year, the stadium has achieved (and in some instances exceeded) its year-to-date projected performance and budgeted financial targets. A Service Delivery Agreement (SDA), in terms of the MFMA, has been implemented with the City. In respect of its governance and management of the stadium, CTS, under the guidance of the Board, has also successfully concluded its macro organisational restructuring process, which was undertaken to align it with an organisational structure suitable to fulfil its contractual mandate to the City for the ultimate benefit of the City's ratepayers.

The Board and Management of CTS are pleased that the CTS once again achieved an unqualified 'clean' audit report for its third full financial year of operations.

In pursuit of financial sustainability, the Board approved commercialisation strategy, which has been a focal point of CTS during its current business cycle. CTS has refined the commercial strategy and business plan and has secured a Naming Rights Partner, an Anchor Tenant in Western Province Rugby for the CTS, as well as the commencement of the implementation process of the commercial events overlay, which includes concessionaires, liquor distribution agents, hospitality partners and preferred suppliers. The COVID-19 lockdown restrictions have had a significant impact on the commercial aspect of the entity. The business plan has been prepared on the basis that government will lift restrictions on gatherings in a phased approach and that spectators will be allowed to attend events.

The following CTS board committees and sub-committees have been fully constituted and will carry out their Board approved functions in terms of documented and approved Terms of References:

- Audit and Risk Committee
- Human Resource, Social and Ethics Subcommittee
- Events, Marketing and Communications Subcommittee
- Commercial and Finance Subcommittee

These committees have been effectively and diligently fulfilling their respective oversight roles. From a governance perspective, an experienced and outsourced company secretary to perform the company secretariat functions was appointed during the year.

2.14.2 Service Delivery Agreement between the City and the CTS

Table 80 - CTS – Service Delivery Agreement

Period of agreement	The period of agreement is 50 years. The City may, at its sole discretion, extend the service provider's appointment for a further period of 49 years.
Funding	The City will provide the grant allocation to cover the entity's operational expenditure in terms of an approved budget. The provision of support services have been renewed for a further three (3) years on 1 February 2021. The entity will be responsible for all maintenance, which is based on the City's maintenance standards. The City will be liable for all capital expenditure, including additional hospitality suites.
Staffing	The City will second staff members to the entity with the concurrence of the staff members concerned. Staff currently employed at the Cape Town Stadium will remain as City employees, will be paid by the City and will receive their standard benefits including bonuses and leave pay. The entity appointed the CFO and will appoint a legal and compliance officer in the 2022/23 financial year.
Services to be Provided	<ul style="list-style-type: none"> • General facility maintenance and event support operations; • Events and entertainment services management; • Commercialisation, marketing and hospitality management; and • Finance, legal and administration management.
Ownership and Control	The City is the 100% shareholder of the entity.
Oversight Processes	The City's Finance directorate (Treasury department) monitors the Service Delivery Agreement (SDA) and related performance and compliance of the entity.
City's Obligations	The City must provide dedicated and prioritised support with regards to accounting, financial management and budgeting per the MFMA, including utilisation of the SAP (Systems, Applications and Products) system as used by the City, Supply Chain Management support, legal company secretary, brand management and communication. In addition, the City must provide dedicated and prioritised services in regard to human resource management support, as well as internal audit and risk management support including oversight over the service provider's audit committee.

The aggregated annual budget, as required in terms of section 9 of the MBRR, are presented in the five primary budget tables on page 229 to page 232. These tables reflect the CTS's 2022/23 budget and MTREF to be supported by Council.

Schedule D reflecting the CTS's annual budget and supporting documents is attached as Annexure 33 while the business plan is attached as Annexure 34. The CTS's proposed tariff structure is attached as Annexure 35.

Table 81 - CTS - Table D1 Budget Summary

Description	2018/19	2019/20	2020/21	Current Year 2021/22			Medium Term Revenue and Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousands									
Financial Performance									
Property rates	-	-	-	-	-	-	-	-	-
Service charges	-	-	-	-	-	-	-	-	-
Investment revenue	-	1	-	-	-	-	-	-	-
Transfers recognised - operational	55 120	59 454	65 237	60 484	61 293	61 293	33 196	29 955	25 050
Other own revenue	24 558	25 501	11 816	42 603	36 093	36 093	92 037	102 608	112 663
Total Revenue (excluding capital transfers and contributions)	79 678	84 956	77 053	103 087	97 386	97 386	125 233	132 563	137 713
Employee costs	-	732	1 390	1 409	1 458	1 458	2 795	2 921	3 053
Remuneration of Board Members	320	272	348	460	460	460	479	498	518
Depreciation & asset impairment	-	-	-	-	-	-	-	-	-
Finance charges	-	-	-	-	-	-	-	-	-
Inventory consumed and bulk purchases	445	687	472	636	636	636	661	688	715
Transfers and grants	-	-	7 608	6 734	6 734	6 734	7 003	7 283	7 575
Other expenditure	78 912	81 255	67 236	91 838	88 098	88 098	114 294	121 172	125 853
Total Expenditure	79 678	82 946	77 053	101 077	97 386	97 386	125 233	132 563	137 713
Surplus/(Deficit)	(0)	2 010	0	2 010	(0)	(0)	(0)	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	(0)	2 010	0	2 010	(0)	(0)	(0)	0	0
Taxation	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	(0)	2 010	0	2 010	(0)	(0)	(0)	0	0
Capital expenditure & funds sources									
Capital expenditure	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	-	-	-	-	-	-	-	-	-
Total sources of capital funds	-	-	-	-	-	-	-	-	-
Financial position									
Total current assets	3 948	6 463	6 528	5 540	3 530	3 530	6 755	6 945	7 142
Total non current assets	-	-	-	-	-	-	-	-	-
Total current liabilities	3 948	4 453	4 518	3 530	3 530	3 530	4 745	4 935	5 132
Total non current liabilities	-	-	-	-	-	-	-	-	-
Community wealth/Equity	-	2 010	2 010	2 010	-	-	2 010	2 010	2 010
Cash flows									
Net cash from (used) operating	11	(11)	3	(0)	-	-	0	(0)	(0)
Net cash from (used) investing	-	-	-	-	-	-	-	-	-
Net cash from (used) financing	-	-	-	-	-	-	-	-	-
Cash/cash equivalents at the year end	11	(0)	3	(0)	3	3	3	3	3

Table 82 - CTS - Table D2 Budgeted Financial Performance (revenue and expenditure)

Description	2018/19	2019/20	2020/21	Current Year 2021/22			Medium Term Revenue and Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
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	22 126	17 086	4 060	26 972	22 988	22 988	69 969	78 967	87 179
Interest earned - external investments	-	1	-	-	-	-	-	-	-
Interest earned - outstanding debtors	-	-	-	-	-	-	-	-	-
Dividends received	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	-	-	-	-	-
Licences and permits	-	-	-	-	-	-	-	-	-
Agency services	-	-	-	-	-	-	-	-	-
Transfers and subsidies	55 120	59 454	65 237	60 484	61 293	61 293	33 196	29 955	25 050
Other revenue	2 432	8 415	7 756	15 631	13 105	13 105	22 068	23 641	25 484
Gains	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)	79 678	84 956	77 053	103 087	97 386	97 386	125 233	132 563	137 713
Expenditure By Type									
Employee related costs	-	732	1 390	1 409	1 458	1 458	2 795	2 921	3 053
Remuneration of Board Members	320	272	348	460	460	460	479	498	518
Debt impairment	-	-	-	-	-	-	-	-	-
Depreciation & asset impairment	-	-	-	-	-	-	-	-	-
Finance charges	-	-	-	-	-	-	-	-	-
Bulk purchases - electricity	-	-	-	-	-	-	-	-	-
Inventory consumed	445	687	472	636	636	636	661	688	715
Contracted services	58 828	64 117	53 734	71 808	68 067	68 067	86 174	89 747	92 468
Transfers and subsidies	-	-	7 608	6 734	6 734	6 734	7 003	7 283	7 575
Other expenditure	20 084	17 138	13 501	20 031	20 031	20 031	28 120	31 426	33 385
Losses	-	-	-	-	-	-	-	-	-
Total Expenditure	79 678	82 946	77 053	101 077	97 386	97 386	125 233	132 563	137 713
Surplus/(Deficit)	(0)	2 010	0	2 010	(0)	(0)	(0)	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	(0)	2 010	0	2 010	(0)	(0)	(0)	0	0
Taxation	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	(0)	2 010	0	2 010	(0)	(0)	(0)	0	0

Table 83 - CTS - Table D4 Budgeted Financial Position

Description	2018/19	2019/20	2020/21	Current Year 2021/22			Medium Term Revenue and Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousands									
ASSETS									
Current assets									
Cash	11	–	3	–	–	–	3	3	3
Call investment deposits	–	–	–	–	–	–	–	–	–
Consumer debtors	772	496	–	–	–	–	–	–	–
Other debtors	3 165	3 957	4 515	3 530	3 530	3 530	4 742	4 932	5 129
Current portion of long-term receivables	–	2 010	2 010	2 010	–	–	2 010	2 010	2 010
Inventory	–	–	–	–	–	–	–	–	–
Total current assets	3 948	6 463	6 528	5 540	3 530	3 530	6 755	6 945	7 142
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	3 948	6 463	6 528	5 540	3 530	3 530	6 755	6 945	7 142
LIABILITIES									
Current liabilities									
Bank overdraft	–	–	–	–	–	–	–	–	–
Borrowing	–	–	–	–	–	–	–	–	–
Consumer deposits	–	–	177	–	–	–	–	–	–
Trade and other payables	3 948	4 453	4 341	3 530	3 530	3 530	4 745	4 935	5 132
Provisions	–	–	–	–	–	–	–	–	–
Total current liabilities	3 948	4 453	4 518	3 530	3 530	3 530	4 745	4 935	5 132
Non current liabilities									
Borrowing	–	–	–	–	–	–	–	–	–
Provisions	–	–	–	–	–	–	–	–	–
Total non current liabilities	–	–	–	–	–	–	–	–	–
TOTAL LIABILITIES	3 948	4 453	4 518	3 530	3 530	3 530	4 745	4 935	5 132
NET ASSETS	–	2 010	2 010	2 010	–	–	2 010	2 010	2 010
COMMUNITY WEALTH/EQUITY									
Accumulated Surplus/(Deficit)	–	2 010	2 010	2 010	–	–	2 010	2 010	2 010
Reserves	–	–	–	–	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	–	2 010	2 010	2 010	–	–	2 010	2 010	2 010

Table 84 - CTS – Table D5 Budgeted Cash Flow

Description	2018/19	2019/20	2020/21	Current Year 2021/22			Medium Term Revenue and Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousands									
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Property rates	-	-	-	-	-	-	-	-	-
Service charges	-	-	-	-	-	-	-	-	-
Other revenue	22 180	19 823	4 146	33 859	29 359	29 359	85 034	95 324	105 089
Transfers and Subsidies - Operational	55 120	59 454	65 237	60 484	61 293	61 293	33 196	29 955	25 050
Transfers and Subsidies - Capital	-	-	-	-	-	-	-	-	-
Interest	-	1	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-	-
Payments									
Suppliers and employees	(77 289)	(79 285)	(69 381)	(94 343)	(90 652)	(90 652)	(118 230)	(125 280)	(130 139)
Finance charges	-	-	-	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	-	-	-	-
Transfers and Grants	-	(3)	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES	11	(11)	3	(0)	-	-	0	(0)	(0)
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE	-	-	-	-	-	-	-	-	-
Decrease (increase) in 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	11	(11)	3	(0)	-	-	0	(0)	(0)
Cash/cash equivalents at the year begin:	-	11	(0)	-	3	3	3	3	3
Cash/cash equivalents at the year end:	11	(0)	3	(0)	3	3	3	3	3

2.15 Contracts having future budgetary implications

Table 85 - MBRR Table SA33 - Contracts having future budgetary implications

Description	Preceding Years	Current Year 2021/22	2022/23 Medium Term Revenue & Expenditure Framework			Forecast 2025/26	Forecast 2026/27	Forecast 2027/28	Forecast 2028/29	Forecast 2029/30	Forecast 2030/31	Forecast 2031/32	Total Contract Value
	Total	Original Budget	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25	Estimate							
Expenditure Obligation By Contract													
<i>Supply and maintenance of data network cabling (Tender 317S/2019/20)</i>	–	12 353	12 353	12 353	12 353	12 353	–	–	–	–	–	–	61 765
<i>Payment of SAP software licences: Annual maintenance fees 2022–2027 (Tender DP6387S/2020/21)</i>	–	28 555	57 129	57 172	57 216	57 259	57 303	28 663	–	–	–	–	343 297
<i>Provision of professional services: Decommissioning of Athlone Power Station (Tender 459C/2010/11)</i>	4 400	1 900	1 200	161 797	81 498	27 166	–	–	–	–	–	–	277 962
<i>Provision of professional services to conduct urban development research (Tender 211C/2020/21)</i>	–	950	7 910	7 336	7 137	16 667	–	–	–	–	–	–	40 000
<i>Service provider for traffic contravention services (Tender DP6424S/2020/21)</i>	57 278	54 154	54 154	64 550	67 132	69 817	72 261	74 790	77 408	80 117	82 921	–	754 583
<i>Provision of professional services (Term tender 375C/2018/19)</i>	7 901	9 358	7 301	2 233	3 113	8 350	5 100	–	–	–	–	–	43 355
<i>Vehicle operator agreement - Transpeninsula (Tender DP5077S/2019/20)</i>	630 473	150 200	168 894	176 193	183 765	63 148	–	–	–	–	–	–	1 372 672
<i>Vehicle operator agreement - Table Bay Area Rapid Transit (Tender DP5079S/2019/20)</i>	928 419	143 952	155 289	161 503	168 063	57 659	–	–	–	–	–	–	1 614 885
<i>Vehicle operator agreement - Kidrogen (Tender DP5078S/2019/20)</i>	1 102 605	246 230	261 565	270 904	280 754	96 004	–	–	–	–	–	–	2 258 061
<i>Provision of professional services: Business planning and related services (Tender 198C/2017/18)</i>	75 281	45 724	46 504	47 359	58 854	58 715	58 533	29 267	–	–	–	–	420 238
<i>Management and operation of the Transport Information Centre (8 years) (Tender 136S/2019/20)</i>	17 412	30 828	32 384	34 020	35 738	37 543	39 439	41 430	–	–	–	–	268 794
<i>Maintenance of stormwater infrastructure by labour intensive methods (Tender 075S/2019/20)</i>	–	38 000	40 000	42 000	4 400	46 000	–	–	–	–	–	–	170 400
<i>Operations, maintenance and management of the Zandvliet Wastewater Treatment (Tender 441S/2010/11)</i>	377 925	92 430	81 223	97 052	85 284	101 904	89 548	106 999	94 026	–	–	–	1 126 391
<i>Operations, maintenance and management of the Fisantekraal Wastewater Treatment (Tender 442S/2010/11)</i>	99 440	20 202	21 191	22 251	23 363	24 531	25 758	27 046	28 398	–	–	–	292 179
<i>Provision of multidisciplinary professional services for the water and sanitation department (Term Tender 194C/2020/21 - Readvertisement of 293C/2019/20)</i>	–	8 371	10 875	9 877	10 870	10 799	4 350	–	–	–	–	–	55 142
Total Operating Expenditure Implication	3 301 134	883 207	957 973	1 166 598	1 079 541	687 915	352 292	308 195	199 832	80 117	82 921	–	9 099 724

Table continues on next page

Description	Preceding Years	Current Year 2021/22	2022/23 Medium Term Revenue & Expenditure Framework			Forecast 2025/26	Forecast 2026/27	Forecast 2027/28	Forecast 2028/29	Forecast 2029/30	Forecast 2030/31	Forecast 2031/32	Total Contract Value
	Total	Original Budget	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25	Estimate							
Capital Expenditure Obligation By Contract													
<i>Contract period tender for the provision of professional services related to planning, execution and monitoring of projects for the City (Tender DP6681/2020/21)</i>	-	-	-	28 420	5 950	5 950	3 417	2 000	-	-	-	-	45 737
<i>Provision of professional services (Term tender 375C/2018/19)</i>	17 299	11 242	16 299	6 267	5 388	150	-	-	-	-	-	-	56 645
<i>Provision of professional services: Planning, preliminary design, concept design, detailed design, tender documentation, and construction supervision for a City-wide transport infrastructure programme (Tender 385C/2016/17)</i>	28 944	99 187	16 124	16 124	-	-	-	-	-	-	-	-	160 379
<i>Provision of Professional Services in Respect of the Design & Construction Monitoring of Phase 2A Infrastructure: Trunk & Support Infrastructure (EAST & WEST) (Tender 225C/2020/21)</i>	-	19 672	29 688	55 916	54 492	78 712	67 990	34 567	26 413	9 532	-	-	376 981
<i>Provision of professional engineering consultancy services: Macassar Wastewater Treatment Works, 32 M/d capacity extension and associated infrastructure refurbishment (Tender 340C/2018/19)</i>	-	7 977	22 347	2 011	16 612	18 330	16 838	7 838	-	-	-	-	91 954
<i>Laying of New water mains, fire hydrants and valves (Term Tender 049Q/2020/21)</i>	-	19 565	20 543	21 570	22 648	23 781	-	-	-	-	-	-	108 106
<i>Appointment of consultant for the rehabilitation and upgrade of the Montague Drive bulk sewer – Phase 1 (Tender 207C/2019/20)</i>	1 546	5 500	6 100	3 800	6 600	5 500	935	-	-	-	-	-	29 982
<i>Provision of multidisciplinary professional services for the Water & Sanitation department (Term Tender 194C/2020/21 - Readvertisement of 293C/2019/20)</i>	-	54 903	67 069	72 884	78 451	64 714	29 171	-	-	-	-	-	367 192
Total Capital Expenditure Implication	47 790	218 045	178 170	206 991	190 141	197 137	118 351	44 405	26 413	9 532	-	-	1 236 975
Total Parent Expenditure Implication	3 348 924	1 101 252	1 136 143	1 373 589	1 269 682	885 052	470 643	352 600	226 245	89 649	82 921	-	10 336 699

Table 86 - Projects having future budgetary implications

R thousand	Description	Project number	Preceding	Current Year	2022/23 Medium Term Revenue & Expenditure			Forecast	Forecast	Forecast	Future Years	Total Project
			Years	2021/22	Framework			2025/26	2026/27	2027/28		Cost
			Total	Adjusted Budget	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25	Estimate	Estimate	Estimate	Estimate	Estimate
Capital Expenditure Obligation By Project												
	Support Services: Community Services & Health: IT Modernisation	CPX.0013591	62 544	18 000	20 793	-	-	-	-	-	-	101 337
	Facilities Management: Facilities Upgrade Area 1: Corporate Head Quarters Phase 3	CPX.0022212	-	3 000	300	36 700	49 800	-	-	-	-	89 800
	Facilities Management: Corporate Accommodation Area 3: Bellville	CPX.0017943	-	-	-	-	88 598	-	-	-	-	88 598
	Facilities Management: Corporate Accommodation Area 3: Dulcie September Phase 1	CPX.0017942	-	-	-	15 000	75 000	-	-	-	-	90 000
	Facilities Management: Facilities Upgrade Area 2: Kuilsriver	CPX.0017812	-	2 067	3 633	46 367	-	-	-	-	-	52 067
	Information Systems & Technology: Records & document management software	CPX.0018729	-	-	-	82 225	50 903	26 724	-	-	-	159 852
	Information Systems & Technology: Supply Chain Management software	CPX.0018731	-	-	-	64 240	13 629	-	-	-	-	77 869
	Information Systems & Technology: Customer Relations Management Software	CPX.0018732	-	-	-	35 986	25 122	-	-	-	-	61 108
	Information Systems & Technology: Data & Analytics software	CPX.0018759	-	-	-	-	84 043	73 189	-	-	-	157 232
	Information Systems & Technology: Identity Lifecycle Management (ILM) Project	CPX.0020372	-	-	-	121 884	-	-	-	-	-	121 884
	Urban Catalytic Investment: Philippi Fresh Produce Market Refurbishment	CPX.0019211	6 392	15 000	15 000	15 000	15 000	-	-	-	-	66 392
	Electricity Generation & Distribution: Outage Management System	C12.84078	54 207	-	3 000	1 500	-	-	-	-	-	58 707
	Electricity Generation & Distribution: Morgen Gronde Switching Station	CPX.0012407	2 115	8 903	129 347	8 000	-	-	-	-	-	148 365
	Electricity Generation & Distribution: Steenbras: Refurbishment of Main Plant	C14.84071	10 419	-	-	2 600	2 750	1 440	19 015	110 125	931 425	1 077 774
	Electricity Generation & Distribution: Ground Mounted Photovoltaic (PV)	CPX.0014782	-	-	47 425	107 145	-	-	-	-	-	154 570
	Electricity Generation & Distribution: Ground mounted Solar Photovoltaic (PV) Project	CPX.0022992	-	-	-	-	98 854	296 564	296 564	296 561	-	988 542
	Electricity Generation & Distribution: Bellville South Main Substation Upgrade	CPX.0004793	-	-	22 790	53 800	-	-	-	-	-	76 590
	Electricity Generation & Distribution: Paardevlei Switching Station	CPX.0014550	119 179	40 500	750	-	-	-	-	-	-	160 429
	Electricity Generation & Distribution: Paardevlei 132/66 kilovolt (kV) stepdown	CPX.0019989	-	-	-	1 069	84 175	101 847	17 833	-	-	204 924
	Electricity Generation & Distribution: Triangle 132 kilovolt (kV) Upgrade	CPX.0022539	-	5 050	110 250	131 520	41 660	-	-	-	-	288 480
	Corporate Project Programme & Portfolio Management: Integration and Enhancement	CPX.0009707	38 076	7 221	629	629	5 000	5 000	5 000	5 000	15 000	81 555
	Organisational Performance Management: Contract Management System Integration	CPX.0017298	17 148	5 755	15 000	8 000	10 000	2 000	2 000	2 000	7 000	68 903
	Housing Development: Delft - The Hague Housing Project	C08.15508	57 824	2 000	550	-	-	-	-	-	-	60 374
	Housing Development: Annandale Housing Project	CPX.0010902	4 275	1 800	1 000	1 092	100 000	100 000	100 000	100 000	161 755	569 923
	Housing Development: Macassar Breaking New Grounds (BNG) Housing Project	CPX.0005674	75 360	35 000	46 000	40 000	40 000	144 000	-	-	-	380 360
	Housing Development: Vlakteplaas Housing Project	CPX.0008076	8 171	1 717	1 334	5 000	15 000	84 686	48 597	47 895	357 605	570 004
	Housing Development: Beacon Valley Housing Project - Mitchells Plain	CPX.0005672	23 498	6 182	15 000	8 661	20 000	109 550	6 007	-	-	188 897
	Housing Development: Highlands Drive Infill Housing project	CPX.0017188	435	435	10 000	10 000	10 000	47 255	480	-	-	78 605
	Housing Development: Airports Company of South Africa Limited Symphony Housing Project Construction	CPX.0017201	5 469	17 000	53 400	35 000	-	40 000	40 000	67 735	-	258 604
	Housing Development: Blue Berry Hill Housing Project	CPX.0008063	10 618	1 524	1 735	2 019	15 000	74 833	46 153	47 850	140 716	340 449
	Housing Development: Pelican Park Phase 2 Housing Project	CPX.0008074	3 654	1 024	3 153	10 000	38 905	134 512	1 273	-	-	192 522
	Housing Development: Planning design and construction of Belhar Vacant School sites.	CPX.0029355	-	-	750	825	6 225	45 000	-	-	-	52 800
	Housing Development: Bonteheuwel Infill Housing project const	CPX.0017204	200	230	10 000	10 000	15 000	24 970	-	-	-	60 400
	Housing Development: Greenville Housing Project Phase 4	CPX.0019597	-	62 661	18 339	-	-	-	-	-	-	81 000
	Housing Development: Atlantis GAP Sites Housing Project	CPX.0014630	1 827	1 200	14 282	45 212	-	-	-	-	-	62 521
	Housing Development: Nooiensfontein Housing Project	CPX.0014611	3 938	2 546	10 000	25 000	25 000	25 000	25 001	-	-	116 485
	Housing Development: Aloe Ridge Housing Project	CPX.0014608	4 667	3 000	3 800	30 000	40 000	-	-	-	-	81 467

Table continues on next page

Description	Project number	Preceding	Current Year	2022/23 Medium Term Revenue & Expenditure			Forecast	Forecast	Forecast	Future Years	Total Project
		Years	2021/22	Framework			2025/26	2026/27	2027/28		Cost
		Total	Adjusted Budget	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25	Estimate	Estimate	Estimate	Estimate	Estimate
Capital Expenditure Obligation By Project											
Housing Development: Gugulethu Infill Project Erf 8448/MauMau	C09.15515	41 791	7 795	6 160	-	-	-	-	-	-	55 746
Housing Development: Harare Infill Housing Project	CPX.0005315	56 548	50	6 300	-	-	-	-	-	-	62 898
Housing Development: Valhalla Park Integrated Housing Project	CPX.0002700	54 389	11 818	15 000	-	-	-	-	-	-	81 207
Housing Development: Masiphumelele Housing Project Phase 4	CPX.0003205	11 886	639	3 000	45 000	-	-	-	-	-	60 525
Housing Development: Vrygrond Housing Project	CPX.0012140	558	572	5 000	24 306	18 891	58 720	557	-	-	108 605
Informal Settlements: Informal Settlement Upgrade - Enkanini	CPX.0005816	10 829	2 954	2 400	46 799	41 523	103 224	63 523	58 100	53 042	382 393
Informal Settlements: Informal Settlements Upgrade: Individual Service Site	CPX.0024864	-	-	-	-	50 000	45 000	45 000	45 000	180 000	365 000
Informal Settlements: Informal Settlements Upgrade: Super Blocking Project	CPX.0024893	-	-	40 000	50 000	60 000	50 000	50 000	50 000	200 000	500 000
Informal Settlements: Informal Settlements Upgrade: Enhanced Basic Services	CPX.0024934	-	-	40 000	50 000	30 000	40 000	40 000	40 000	160 000	400 000
Informal Settlements: Informal Settlements Upgrade: Managed Settlements	CPX.0024946	-	-	40 000	40 000	50 000	50 000	50 000	50 000	200 000	480 000
Informal Settlements: Informal Settlements Upgrade: Back Yarder Services	CPX.0024996	-	-	-	-	20 000	30 000	25 000	25 000	100 000	200 000
Informal Settlements: Gugulethu: Airport Precinct Informal Settlement	CPX.0017338	-	20 000	34 275	14 670	-	-	-	-	-	68 944
Fire Services: Langa Fire Station	CPX.0009145	-	-	-	4 000	26 500	27 000	-	-	-	57 500
Management: Safety & Security: Emergency Policing and Incident Command (EPIC) 2.1: Contravention System	CPX.0021886	-	19 000	15 000	16 500	18 150	-	-	-	-	68 650
Management: Safety & Security: Emergency Policing and Incident Command (EPIC) 1.1: Computer Aided Dispatch System	CPX.0021901	-	12 909	14 300	15 730	17 303	-	-	-	-	60 242
Metropolitan Police Services: Property Improvement Training College	CPX.0016148	13 148	2 027	-	12 737	4 345	51 421	74 219	17 490	-	175 388
Environmental Management: Strand Sea Wall Upgrade	CPX.0019378	1 489	-	2 000	4 382	60 400	72 000	34 891	-	-	175 162
Environmental Management: Muizenberg Beach Front Upgrade	CPX.0016740	454	4 258	2 237	862	35 061	52 248	5 021	-	-	100 141
Environmental Management: Monwabisi Beach Precinct Upgrade	CPX.0016763	-	1 000	3 497	22 629	10 000	33 500	-	-	-	70 626
Environmental Management: Table View Beachfront Upgrade	CPX.0016765	2 448	2 354	16 522	48 357	43 948	631	-	-	-	114 260
Environmental Management: Lowering of Zeekoevlei Weir	CPX.0030629	-	-	-	1 500	5 500	43 000	-	-	-	50 000
Public Transport Operations: Integrated Rapid Transit (IRT): Fare Collection	CPX.0008849	36 460	12 670	10 000	15 000	21 296	2 670	-	-	-	98 095
Public Transport Operations: Integrated Rapid Transit (IRT): Control Centre	CPX.0008858	124 772	16 939	17 705	15 000	15 500	9 296	-	-	-	199 212
Roads Infrastructure Management: Reconstruction of Delft Main Road	CPX.0018115	-	600	24 000	40 000	-	-	-	-	-	64 600
Roads Infrastructure Management: Road Rehabilitation: Broadlands	CPX.0018273	-	1 000	500	37 500	46 000	-	-	-	-	85 000
Roads Infrastructure Management: Road Rehabilitation: Jakes Gerwel Frans Conradie-Viking	CPX.0018274	-	500	1 500	40 000	23 000	-	-	-	-	65 000
Roads Infrastructure Management: Road Rehabilitation: Jakes Gerwel: Weltevreden Bridge-Highlands	CPX.0022651	-	-	600	500	45 253	50 447	-	-	-	96 800
Roads Infrastructure Management: Road Rehabilitation: Bishop Lavis	CPX.0013213	347	553	40 200	32 000	80	-	-	-	-	73 180
Roads Infrastructure Management: Road Rehabilitation: Bonteheuwel/Uitsig	CPX.0013218	-	1 220	21 100	33 600	6 700	-	-	-	-	62 620
Roads Infrastructure Management: Road Rehabilitation: Jakes Gerwel - N2 & N1	CPX.0014895	11 492	70 217	9 900	-	-	-	-	-	-	91 609
Transport Infrastructure Implementation: Dualling: Jip De Jager: Kommissaris Street - Van Riebeeckshof Road	CPX.0017953	293	989	47 200	40 500	2 230	-	-	-	-	91 212
Transport Infrastructure Implementation: Retreat Public Transport Interchange	C11.10537	3 347	1 070	500	30 000	35 000	-	-	-	-	69 917
Transport Infrastructure Implementation: Somerset West Public Transport Interchanges	C11.10552	11 615	17 990	45 000	25 000	-	-	-	-	-	99 605
Transport Infrastructure Implementation: Zevenwacht Link Extension-Buttskop Road Rail Level Crossing Elimination (LCE)	CPX.0029870	-	-	4 400	26 000	62 000	86 500	-	-	-	178 900
Transport Infrastructure Implementation: Road Upgrade: Amandel Rd: Bottelary Bottelary River bridge - Church Street	CPX.0007857	4 434	1 200	55 500	29 450	150	-	-	-	-	90 734
Transport Infrastructure Implementation: Road Construction: Saxdowns Langverwacht and Van Riebeeck Roads	CPX.0007859	5 444	2 969	7 900	45 000	31 100	-	-	-	-	92 413
Transport Infrastructure Implementation: Congestion Relief - Erica Drive	CPX.0007892	8 971	2 348	800	52 111	-	-	-	-	-	64 230

Table continues on next page

Description	Project number	Preceding	Current Year	2022/23 Medium Term Revenue & Expenditure			Forecast	Forecast	Forecast	Future Years	Total Project
		Years	2021/22	Framework			2025/26	2026/27	2027/28		Cost
		Total	Adjusted Budget	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25	Estimate	Estimate	Estimate	Estimate	Estimate
Capital Expenditure Obligation By Project											
Transport Infrastructure Implementation: MyCiti Maitland Bus Rapid Transit Station	CPX.0019543	1 209	2 900	950	11 500	35 300	-	-	-	-	51 859
Transport Shared Services: Public Transport Systems Management: Intelligent Facility Management	CPX.0019804	11 914	24 000	8 000	5 000	5 000	172	-	-	-	54 085
Solid Waste Management: Killarney Drop-off Upgrade Waste Minimisation	CPX.0015242	1 762	374	123	29 602	29 868	-	-	-	-	61 728
Solid Waste Management: Athlone Refuse Transfer Station (ARTS):Material Recovery Facility / Mechanical Biological Treatment (MBT)	CPX.0007847	1 128	2 341	5 983	4 916	118 695	140 898	810	-	-	274 771
Solid Waste Management: Helderberg: Design and Develop (drop-off)	CPX.0007908	6 705	619	-	8 822	51 313	-	-	-	-	67 458
Solid Waste Management: Coastal Park: Design and Develop Material Recovery Facility (MRF)	CPX.0007910	54 027	30 682	172 853	162 973	500	851	-	-	-	421 886
Solid Waste Management: Helderberg Transfer Station: Material Recovery Facility New	CPX.0010023	-	-	-	-	5 000	10 000	80 000	23 000	-	118 000
Solid Waste Management: Coastal Park: Transfer Station New	CPX.0010025	-	-	6 300	5 250	2 250	16 728	149 354	41 118	-	221 000
Solid Waste Management: Bellville Transfer Station (BTS): Material Recovery Facility / Mechanical Biological Treatment (MBT)	CPX.0010026	-	-	-	3 600	-	10 000	10 000	159 800	200	183 600
Solid Waste Management: Development of a Mechanical Biological Treatment facility (Phase 2)	CPX.0011068	-	-	-	15 938	141 652	31 386	13 092	121 265	98 418	421 750
Solid Waste Management: Vissershok: Landfill Gas Infrastructure to Flaring	CPX.0007916	54 617	1 000	5 000	5 000	5 000	5 000	5 000	5 000	19 000	104 617
Solid Waste Management: Vissershok North: Design and Develop Airspace	CPX.0007920	2 348	773	285	113 573	53 301	-	-	-	-	170 280
Solid Waste Management: Coastal Park: Landfill Gas Infrastructure to Flaring	CPX.0007923	33 843	6 266	5 000	5 000	5 000	5 000	5 000	5 000	20 000	90 109
Solid Waste Management: Coastal Park: Design and Develop	CPX.0007924	74 096	16 449	244	-	-	-	-	-	-	90 789
Solid Waste Management: Coastal Park: Landfill Gas Infrastructure - Beneficiation	CPX.0011067	49 877	18 199	4 200	-	-	-	-	-	-	72 276
Solid Waste Management: Installation of Landfill Gas Driven Electricity Generators at the Vissershok Landfill Site	CPX.0011087	211	2 288	8 643	24 929	52 861	-	-	-	-	88 931
Solid Waste Management: New Prince George Drop-off	CPX.0008859	50 888	41 868	14	-	-	-	-	-	-	92 770
Solid Waste Management: Major Upgrade of Facilities - Maitland	CPX.0014675	-	-	421	1 262	2 293	36 739	12 108	-	-	52 822
Bulk Services: Fisantekraal Wastewater Treatment Works (WWTW)	CPX.0009633	12 884	2 000	-	2 000	4 000	43 590	63 570	22 380	117 000	267 424
Bulk Services: Atlantis Aquifer	CPX.0011032	224 213	22 710	90 000	112 000	71 000	66 710	-	-	-	586 634
Bulk Services: Cape Flats Aquifer Recharge	CPX.0013724	197 536	116 129	255 179	135 081	236 089	248 689	-	-	-	1 188 704
Bulk Services: Zandvliet Plant Re-use (50ML)	CPX.0014007	56 655	18 620	12 100	11 200	540 000	800 000	500 000	480 000	452 200	2 870 775
Bulk Services: Cape Flats Aquifer: Hanover Park & Philippi	CPX.0029945	-	-	26 000	152 000	20 000	60 000	-	-	-	258 000
Bulk Services: Cape Flats Aquifer: Strandfontein North East	CPX.0029946	-	-	-	104 000	166 000	-	-	-	-	270 000
Bulk Services: Table Mountain Group Aquifer: Steenbras	CPX.0029948	-	85 542	50 000	40 000	-	-	-	-	-	175 542
Bulk Services: Table Mountain Group Aquifer: Nuweberg	CPX.0029949	-	-	500	500	500	500	500	500	299 000	302 000
Bulk Services: Table Mountain Group Aquifer: Groenlandberg	CPX.0030010	-	-	500	500	500	500	500	500	341 000	344 000
Bulk Services: Table Mountain Group Aquifer: Pre-Treatment	CPX.0030011	-	-	500	500	500	500	500	500	457 000	460 000
Bulk Services: Westfleur Aeration & Blower Replacement	CPX.0016426	524	1 500	1 500	40 300	19 850	-	-	-	-	63 674
Bulk Services: Sir Lowry's Pass River Upgrade	CPX.0012948	9 801	2 930	115 000	91 165	122 643	86 300	24 192	-	-	452 031
Bulk Services: Flood Alleviation - Lourens River	CPX.0013019	29 025	333	20 710	27 908	-	-	-	-	-	77 976
Bulk Services: Flood Alleviation-Lourens River Phase II	CPX.0016672	-	867	12 375	1 186	2 669	84 337	81 514	68 007	273 361	524 317
Bulk Services: Macassar Flood Alleviation	CPX.0016674	-	540	1 500	4 401	5 354	79 399	91 374	132 776	-	315 343
Bulk Services: Bayside Canal Upgrade	CPX.0030776	-	-	1 000	21 000	31 000	16 000	-	-	-	69 000
Commercial Services: Advanced Metering Infrastructure (AMI) rollout programme	CPX.0019987	-	-	20 000	290 000	455 000	480 000	499 000	521 000	1 355 000	3 620 000
Distribution Services: Raapenberg Pump Station Upgrade	CPX.0029269	-	-	-	10 000	80 000	110 000	-	-	-	200 000
Distribution Services: Langa Pump Station (9) - screens, pumps	CPX.0029305	-	-	-	5 000	50 000	45 000	-	-	-	100 000

Table continues on next page

Description	Project number	Preceding	Current Year	2022/23 Medium Term Revenue & Expenditure			Forecast	Forecast	Forecast	Future Years	Total Project
		Years	2021/22	Framework			2025/26	2026/27	2027/28		Cost
		Total	Adjusted Budget	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25	Estimate	Estimate	Estimate	Estimate	Estimate
Capital Expenditure Obligation By Project											
Distribution Services: Koeberg Pump station capacity upgrade	CPX.0029340	-	-	-	3 000	35 000	35 000	-	-	-	73 000
Distribution Services: Gordon's Bay Sewer Rising Main	CPX.0009432	1 125	3 500	18 300	37 611	62 700	-	-	-	-	123 237
Distribution Services: Upgrade Rietvlei Sewer Pump Station	CPX.0010643	-	2 200	3 000	23 323	98 000	-	-	-	-	126 523
Distribution Services: Gordon's Bay Firlands Network Infrastructure	CPX.0023031	-	-	-	-	5 500	6 000	2 400	70 000	210 500	294 400
Technical Services: Water and Sanitation: Depot Realignment: Schaapkraal	CPX.0022981	-	5 130	500	74 000	73 000	-	-	-	-	152 630
Facilities Management: FM Structural Rehabilitation	CPX.0000924	268 371	-	2 000	4 500	-	-	-	-	-	274 871
Information Systems & Technology: Broadband Infrastructure Programme	CPX.0017286	-	39 585	140 631	119 316	62 480	39 520	32 740	35 965	45 922	516 158
Housing Development: Kanonkop (Atlantis Ext 12) Housing Project	CPX.0000306	26 899	4 800	20 000	25 000	30 000	169 814	-	-	-	276 512
Law Enforcement, Traffic & Coordination: Law Enforcement Volunteer Base	CPX.0005551	5 205	-	-	10 000	14 168	50 570	20 210	-	-	100 153
Public Transport: Integrated Rapid Transit (IRT) Phase 2 A	CPX.0030941	-	-	108 287	205 824	112 000	1 670	9 500	-	-	437 281
Public Transport: Integrated Bus Rapid Transit System	CPX.0030942	-	-	10 000	38 000	10 000	-	-	-	-	58 000
Transport Infrastructure Implementation: Integrated Rapid Transit (IRT) Phase 2 A	CPX.0000257	1 116 466	108 001	559 185	868 124	2 004 245	47 015	-	-	-	4 703 036
Transport Infrastructure Implementation: Integrated Bus Rapid Transit System	CPX.0000287	403 343	3 919	750	36 742	27 106	-	-	-	-	471 859
Bulk Services: Borchards Quarry Wastewater Treatment Works (WWTW)	CPX.0000471	367 822	84	190	1 900	7 400	20 650	29 650	50 000	100 000	577 696
Bulk Services: Athlone Wastewater Treatment Works (WWTW)-Capacity Extension-Phase 1	CPX.0000479	141 738	78 420	86 000	89 000	32 769	368 832	696 800	668 731	2 180 016	4 342 307
Bulk Services: Bellville Wastewater Treatment Works (WWTW)	CPX.0000512	600 433	500	59 900	100 900	42 530	11 750	300	-	39 000	855 313
Bulk Services: Bulk Water Augmentation Scheme	CPX.0000524	101 239	4 000	22 000	43 900	215 000	211 000	323 700	582 700	2 981 800	4 485 339
Bulk Services: Cape Flats Wastewater Treatment Works (WWTW)-Refurbish various Structures	CPX.0000533	194 307	39 647	51 000	424 000	286 211	128 000	160 000	349 789	100 000	1 732 954
Bulk Services: Zandvliet Wastewater Treatment Works (WWTW)-Extension	CPX.0000628	1 340 835	399 435	160 800	23 600	-	-	-	-	1 695 000	3 619 670
Bulk Services: Macassar Wastewater Treatment Works (WWTW) Extension	CPX.0000639	11 640	8 000	12 000	215 000	415 000	604 892	171 670	112 800	49 050	1 600 052
Bulk Services: Potsdam Wastewater Treatment Works (WWTW) - Extension	CPX.0000681	54 029	10 289	200 000	436 000	480 000	434 000	927 095	590 740	1 922 846	5 055 000
Bulk Services: Mitchells Plain Wastewater Treatment Works (WWTW) Phase 2	CPX.0000684	121 696	2 000	-	-	2 000	20 000	84 000	50 000	3 000	282 696
Bulk Services: Contermanskloof Reservoir	CPX.0003850	133 213	114 894	8 158	-	-	35 833	-	-	-	292 099
Bulk Services: OSEC (Electrolytic Chlorination Infrastructure)	CPX.0003892	32 623	-	500	8 000	6 000	11 000	5 000	6 000	1 000	70 123
Bulk Services: Helderberg/Faure Bulk Water Scheme	CPX.0009468	-	-	-	1 000	7 000	40 000	15 000	10 500	10 000	83 500
Distribution Services: Cape Flats Rehabilitation	CPX.0000532	110 013	179 143	141 412	206 300	80 300	-	-	-	-	717 169
Distribution Services: Philippi Collector Sewer	CPX.0000679	4 091	3 600	8 120	95 940	96 376	99 697	383 957	3 220	-	695 000
Distribution Services: Bulk Reticulation Sewers in Milnerton Rehabilitation	CPX.0006478	1 506	7 400	43 300	100 000	90 000	56 000	7 500	-	-	305 706

2.16 Details of expenditure by asset class

Table 87 - MBRR Table SA34a - Capital expenditure on new assets by asset class

Description	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Capital expenditure on new assets by Asset Class/Sub-class	1 795 398	1 747 961	2 146 176	3 410 867	1 741 136	1 564 677	2 639 463	3 878 509	6 178 783
Infrastructure									
Roads Infrastructure	587 481	500 502	488 593	1 766 163	398 209	356 099	898 423	1 169 561	2 518 232
Roads	587 481	500 502	488 593	1 764 964	392 725	356 010	891 623	1 169 561	2 516 232
Road Structures	–	–	–	1 199	5 484	88	6 800	–	–
Road Furniture	–	–	–	–	–	–	–	–	2 000
Storm water Infrastructure	98 758	129 716	113 152	149 668	124 428	120 167	178 018	187 126	217 355
Drainage Collection	98 758	129 716	113 152	149 668	124 428	120 167	178 018	187 126	217 355
Electrical Infrastructure	319 606	186 867	398 082	317 389	277 179	247 524	346 071	285 150	413 049
HV Substations	261 124	149 153	342 824	266 925	244 019	214 364	319 971	261 050	338 769
MV Networks	(145)	5 205	(0)	–	–	–	–	–	–
LV Networks	58 627	32 509	55 258	50 465	33 160	33 160	26 100	24 100	74 280
Water Supply Infrastructure	519 126	686 393	634 995	460 677	519 702	463 695	436 170	1 003 565	1 268 381
Reservoirs	387 712	491 198	416 227	236 676	313 496	275 409	212 398	469 700	503 030
Pump Stations	–	–	–	–	–	–	1 360	21 300	350
Water Treatment Works	1 491	6 752	–	3 000	3 000	3 000	7 500	5 000	2 300
Bulk Mains	41 936	20 862	46 459	46 000	51 438	44 774	30 050	45 000	75 000
Distribution	87 986	167 581	172 310	175 001	151 768	140 511	184 862	462 565	687 701
Sanitation Infrastructure	187 147	160 537	264 910	281 260	248 795	232 324	458 911	764 787	1 265 666
Reticulation	88 907	110 747	99 197	118 281	100 826	98 270	141 632	240 505	263 577
Waste Water Treatment Works	96 932	49 790	165 713	162 979	147 969	134 054	317 279	524 281	1 002 089
Outfall Sewers	1 308	–	–	–	–	–	–	–	–
Solid Waste Infrastructure	13 523	60 885	213 265	376 760	122 226	98 972	209 388	347 302	442 860
Landfill Sites	13 523	60 885	213 265	376 760	122 226	98 972	209 388	347 302	442 860
Coastal Infrastructure	–	–	305	2 000	–	–	10 675	25 000	–
Promenades	–	–	305	2 000	–	–	10 675	25 000	–
Information and Communication Infrastructure	69 757	23 060	32 875	56 949	50 597	45 897	101 807	96 017	53 239
Data Centres	31 933	23 078	34 115	46 579	41 555	37 515	64 949	63 732	36 872
Core Layers	37 824	(18)	(1 240)	7 870	6 542	7 293	35 447	32 285	16 367
Distribution Layers	–	–	–	2 500	2 500	1 088	1 412	–	–
Community Assets	295 414	206 129	224 792	277 564	225 945	245 361	208 363	298 774	272 632
Community Facilities	294 880	205 471	224 025	273 564	225 945	245 361	202 148	298 774	272 632
Halls	–	144	53	60	118	118	–	–	–
Centres	–	–	–	2	–	–	18 234	68 000	69 500
Clinics/Care Centres	37 750	12 374	19 212	21 459	18 531	13 483	–	2 000	–
Fire/Ambulance Stations	17 103	2 327	210	4 000	–	–	–	4 000	26 500
Museums	2 951	77	–	–	–	–	–	–	–
Theatres	–	9	–	–	–	–	–	–	–
Libraries	8 366	59	–	10 141	10 121	10 121	11 793	10 764	11 195
Cemeteries/Crematoria	6 237	11 730	2 876	–	–	–	–	–	–
Public Open Space	291	1 261	232	–	106	106	5 825	500	500
Nature Reserves	1 280	841	15 448	14 302	17 786	15 443	6 400	29 000	49 738
Markets	–	316	219	1 150	1 454	1 454	–	–	–
Taxi Ranks/Bus Terminals	220 903	176 333	185 774	222 450	177 829	204 637	159 896	184 510	115 200
Sport and Recreation Facilities	534	658	767	4 000	–	–	6 215	–	–
Outdoor Facilities	534	658	767	4 000	–	–	6 215	–	–
Heritage assets	–	–	12	–	–	–	–	–	–
Other Heritage	–	–	12	–	–	–	–	–	–
Other assets	99 421	109 752	97 990	115 871	82 477	51 168	83 303	152 695	150 598
Operational Buildings	80 599	102 237	81 135	104 305	56 123	49 963	74 610	152 245	150 298
Municipal Offices	31 618	70 167	65 988	93 305	45 323	39 123	72 190	52 165	62 643
Workshops	40 760	32 070	15 147	11 000	10 800	10 840	2 420	100 080	87 655
Laboratories	8 222	–	–	–	–	–	–	–	–
Housing	18 822	7 515	16 855	11 566	26 354	1 204	8 693	450	300
Social Housing	18 822	7 515	16 855	11 566	26 354	1 204	8 693	450	300
Intangible Assets	11 291	25 489	15 940	24 598	13 538	14 821	41 516	229 161	186 248
Licences and Rights	11 291	25 489	15 940	24 598	13 538	14 821	41 516	229 161	186 248
Water Rights	–	–	–	–	150	115	150	150	150
Computer Software and Applications	11 291	25 489	15 940	24 598	13 388	14 706	41 366	229 011	186 098
Computer Equipment	127 174	74 763	131 350	104 299	108 336	114 805	107 938	89 350	92 726
Computer Equipment	127 174	74 763	131 350	104 299	108 336	114 805	107 938	89 350	92 726
Furniture and Office Equipment	49 228	45 536	42 591	25 374	23 904	20 557	16 213	35 544	53 256
Furniture and Office Equipment	49 228	45 536	42 591	25 374	23 904	20 557	16 213	35 544	53 256
Machinery and Equipment	89 349	105 249	169 276	142 792	151 559	145 543	116 919	120 255	142 469
Machinery and Equipment	89 349	105 249	169 276	142 792	151 559	145 543	116 919	120 255	142 469
Transport Assets	155 023	207 284	88 670	92 046	121 018	127 506	256 111	353 688	127 347
Transport Assets	155 023	207 284	88 670	92 046	121 018	127 506	256 111	353 688	127 347
Land	5 157	47 170	6 800	51 785	142 954	133 963	167 529	83 984	38 744
Land	5 157	47 170	6 800	51 785	142 954	133 963	167 529	83 984	38 744
Total Capital Expenditure on new assets	2 627 456	2 569 335	2 923 598	4 245 198	2 610 866	2 418 403	3 637 355	5 241 961	7 242 804

Table 88 - MBRR Table SA34b - Capital expenditure on the renewal of existing assets by asset class

Description	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand									
Capital expenditure on renewal of existing assets by Asset Class/Sub-class									
Infrastructure	826 589	808 012	918 940	1 259 339	1 207 362	1 122 696	1 309 539	1 962 935	1 670 854
Roads Infrastructure	123 380	116 938	101 807	178 832	143 235	140 421	140 280	245 850	185 083
<i>Roads</i>	116 758	116 621	98 331	170 698	133 535	132 290	138 280	242 850	181 083
<i>Road Structures</i>	6 622	317	3 476	8 134	9 700	8 131	2 000	3 000	4 000
Storm water Infrastructure	20 426	15 058	15 931	2 910	6 052	5 706	7 991	40 469	27 016
<i>Drainage Collection</i>	20 426	15 058	15 931	2 910	6 052	5 706	7 991	40 469	27 016
Electrical Infrastructure	301 112	271 821	252 917	434 796	432 102	381 034	383 657	501 385	393 099
<i>HV Substations</i>	70 633	89 337	58 792	106 948	116 654	104 666	121 990	129 905	82 199
<i>MV Substations</i>	18 328	4 476	26 986	44 000	49 100	34 130	38 000	88 000	78 000
<i>MV Networks</i>	169 030	142 310	129 873	209 848	192 348	172 803	139 286	191 500	188 900
<i>LV Networks</i>	43 122	35 697	37 266	74 000	74 000	69 436	84 380	91 980	44 000
Water Supply Infrastructure	245 200	213 808	272 484	359 820	305 684	242 301	318 135	260 000	225 500
<i>Bulk Mains</i>	27 999	48 822	88 217	80 000	99 082	79 624	55 000	80 000	110 000
<i>Distribution</i>	217 201	164 986	184 267	279 820	206 602	162 678	263 135	180 000	115 500
Sanitation Infrastructure	132 652	188 287	270 583	276 606	314 808	347 516	439 712	884 594	809 061
<i>Pump Station</i>	8 288	54 353	37 820	27 200	47 234	41 754	74 200	91 383	158 000
<i>Reticulation</i>	38 034	46 992	87 142	216 930	231 021	124 194	353 012	643 911	538 000
<i>Waste Water Treatment Works</i>	69 421	84 647	62 971	32 476	36 553	41 303	12 500	149 300	113 061
<i>Outfall Sewers</i>	16 908	2 296	82 650	-	-	140 265	-	-	-
Solid Waste Infrastructure	-	189	-	-	-	-	-	1 300	9 500
<i>Landfill Sites</i>	-	189	-	-	-	-	-	1 300	9 500
Information and Communication Infrastructure	3 819	1 911	5 218	6 375	5 480	5 718	19 764	29 336	21 595
<i>Data Centres</i>	3 819	1 911	1 216	5 000	2 648	2 886	17 623	27 785	21 595
<i>Core Layers</i>	-	-	4 002	1 375	2 832	2 832	2 141	1 551	-
Community Assets	3 774	8 320	36 990	28 700	36 544	29 856	24 434	37 899	75 500
Community Facilities	3 774	8 320	33 107	22 200	34 952	29 059	24 434	32 899	65 500
<i>Halls</i>	-	-	916	7 000	15 967	11 467	7 000	-	-
<i>Centres</i>	-	-	-	-	-	-	-	5 199	-
<i>Clinics/Care Centres</i>	1 172	-	652	-	-	-	-	-	-
<i>Museums</i>	-	-	-	-	-	-	-	600	100
<i>Libraries</i>	1 992	-	-	-	-	7	-	-	-
<i>Public Open Space</i>	610	781	788	500	586	586	484	100	100
<i>Markets</i>	-	-	6 392	10 700	15 000	15 000	15 000	15 000	15 000
<i>Taxi Ranks/Bus Terminals</i>	-	7 538	24 359	4 000	3 400	1 999	1 950	12 000	50 300
Sport and Recreation Facilities	-	-	3 883	6 500	1 592	797	-	5 000	10 000
<i>Outdoor Facilities</i>	-	-	3 883	6 500	1 592	797	-	5 000	10 000
Heritage assets	5 074	988	597	744	905	611	-	-	-
Monuments	5 074	988	597	744	905	611	-	-	-
Other assets	70 090	138 715	125 389	87 401	97 344	95 714	78 071	85 275	87 669
Operational Buildings	20 078	11 322	17 523	30 272	30 365	27 145	11 276	18 480	10 854
<i>Municipal Offices</i>	11 282	8 423	15 825	28 072	27 152	24 106	10 876	18 080	9 854
<i>Workshops</i>	8 497	2 700	1 482	1 900	1 900	1 726	-	-	-
<i>Laboratories</i>	299	199	215	300	1 313	1 313	400	400	1 000
Housing	50 012	127 394	107 866	57 129	66 979	68 569	66 795	66 795	76 814
<i>Social Housing</i>	50 012	127 394	107 866	57 129	66 979	68 569	66 795	66 795	76 814
Intangible Assets	9 154	6 491	9 106	12 000	11 441	8 398	10 150	9 250	9 075
Licences and Rights	9 154	6 491	9 106	12 000	11 441	8 398	10 150	9 250	9 075
<i>Computer Software and Applications</i>	9 154	6 491	9 106	12 000	11 441	8 398	10 150	9 250	9 075
Computer Equipment	119 334	120 529	133 748	61 268	83 138	79 286	67 920	67 975	60 135
Computer Equipment	119 334	120 529	133 748	61 268	83 138	79 286	67 920	67 975	60 135
Furniture and Office Equipment	8 444	13 340	4 982	9 242	12 000	6 693	13 235	15 879	106 135
Furniture and Office Equipment	8 444	13 340	4 982	9 242	12 000	6 693	13 235	15 879	106 135
Machinery and Equipment	73 924	29 515	29 992	95 417	93 241	66 008	82 167	79 044	93 542
Machinery and Equipment	73 924	29 515	29 992	95 417	93 241	66 008	82 167	79 044	93 542
Transport Assets	375 447	575 088	557 974	343 346	426 817	446 515	462 147	533 291	384 350
Transport Assets	375 447	575 088	557 974	343 346	426 817	446 515	462 147	533 291	384 350
Total Capital Expenditure on renewal of existing assets	1 491 830	1 700 998	1 817 718	1 897 457	1 968 793	1 855 779	2 047 662	2 791 548	2 487 259
Renewal of Existing Assets as % of total capex	124.6%	28.5%	27.8%	22.8%	32.3%	32.4%	27.3%	25.4%	19.6%
Renewal of Existing Assets as % of depreciation	52.6%	58.1%	63.3%	63.0%	64.1%	60.4%	63.8%	81.6%	67.4%

Table 89 - MBRR Table SA34c - Repairs and maintenance expenditure by asset class

Description	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand									
Repairs and maintenance expenditure by Asset Class/Sub-class	1 889 711	1 858 022	1 862 246	2 079 007	2 292 771	2 292 771	2 223 929	2 302 726	2 397 321
Infrastructure									
Roads Infrastructure	596 375	555 000	417 198	637 154	615 751	615 751	708 812	740 831	774 451
Roads	596 375	555 000	417 198	637 154	615 751	615 751	692 584	723 792	756 559
Road Furniture	-	-	-	-	-	-	16 228	17 039	17 891
Storm water Infrastructure	-	-	-	140 345	-	-	148 037	154 853	162 010
Drainage Collection	-	-	-	140 345	-	-	148 037	154 853	162 010
Electrical Infrastructure	507 109	474 450	460 718	542 654	544 317	544 317	596 334	609 489	623 224
Power Plants	19 690	18 202	15 637	19 286	19 289	19 289	20 757	21 047	21 351
HV Substations	35 464	35 903	32 659	27 042	28 134	28 134	31 706	32 588	33 508
MV Substations	329 468	293 643	307 406	353 961	360 191	360 191	396 901	405 694	414 873
LV Networks	122 487	126 702	105 016	142 365	136 703	136 703	146 969	150 160	153 492
Water Supply Infrastructure	400 456	389 894	430 692	411 499	509 960	509 960	381 433	394 715	420 621
Boreholes	-	-	-	-	22 359	22 359	-	-	-
Reservoirs	24 249	33 698	30 547	49 366	38 853	38 853	42 589	44 609	58 691
Pump Stations	24 840	37 428	52 681	39 826	75 786	75 786	28 875	29 437	30 026
Water Treatment Works	39 571	45 843	48 391	34 590	46 918	46 918	25 028	26 272	27 577
Bulk Mains	9 863	9 229	6 636	2 15	19 662	19 662	237	248	260
Distribution	301 932	263 696	292 436	287 502	306 382	306 382	284 704	294 149	304 066
Sanitation Infrastructure	384 042	437 293	552 692	334 708	620 582	620 582	373 761	387 286	401 464
Retriculation	312 669	315 603	383 217	171 428	451 655	451 655	2 12 654	2 19 796	2 27 271
Waste Water Treatment Works	68 247	117 798	166 971	157 461	164 367	164 367	156 128	162 323	168 826
Outfall Sewers	3 127	3 892	2 505	5 819	4 560	4 560	4 978	5 167	5 366
Solid Waste Infrastructure	1 728	1 384	945	8 653	2 161	2 161	11 558	11 558	11 558
Landfill Sites	1 728	1 384	945	8 653	2 161	2 161	9 556	9 556	9 556
Waste Processing Facilities	-	-	-	-	-	-	2 002	2 002	2 002
Coastal Infrastructure	-	-	-	3 994	-	-	3 994	3 994	3 994
Promenades	-	-	-	3 994	-	-	3 994	3 994	3 994
Community Assets	483 865	478 847	518 541	295 941	464 495	464 495	581 473	817 269	830 829
Community Facilities	120 476	116 996	131 941	228 329	101 866	101 866	486 075	717 613	726 702
Halls	56 324	53 214	52 769	21 624	36 214	36 214	9 712	10 166	10 643
Centres	8 697	9 218	11 463	7 713	8 045	8 045	4 766	4 936	4 936
Clinics/Care Centres	12 883	18 518	34 374	7 820	7 440	7 440	13 399	13 438	13 478
Fire/Ambulance Stations	2 739	1 302	765	2 512	4 732	4 732	4 879	4 879	4 879
Testing Stations	-	-	-	9 940	-	-	11 795	11 876	11 962
Libraries	14 223	10 468	5 724	3 804	16 065	16 065	29 092	29 846	30 638
Cemeteries/Crematoria	10 482	8 224	15 766	10 720	16 138	16 138	33 747	50 766	51 278
Public Open Space	-	-	-	144 909	-	-	356 123	568 524	574 651
Nature Reserves	4 721	5 004	3 141	3 141	4 795	4 795	5 606	5 606	5 606
Public Ablution Facilities	8 887	7 413	7 281	13 323	6 158	6 158	13 967	14 663	15 395
Markets	1 520	3 635	658	2 822	2 278	2 278	3 151	3 083	3 237
Sport and Recreation Facilities	363 389	361 851	386 600	67 613	362 629	362 629	95 399	99 656	104 127
Indoor Facilities	158	175	161	8 732	4	4	13 540	14 215	14 923
Outdoor Facilities	363 231	361 676	386 439	58 881	362 625	362 625	81 858	85 442	89 204
Heritage assets	266	219	3 626	1 912	904	904	2 832	2 917	3 005
Works of Art	266	219	3 626	1 912	904	904	-	-	-
Other Heritage	-	-	-	-	-	-	2 832	2 917	3 005
Investment properties	3 459	209	100	10 107	229	229	6 639	6 639	6 639
Revenue Generating	132	57	99	10 096	219	219	6 629	6 629	6 629
Improved Property	132	57	99	10 096	219	219	6 629	6 629	6 629
Non-revenue Generating	3 328	152	1	11	10	10	10	10	10
Unimproved Property	3 328	152	1	11	10	10	10	10	10
Other assets	161 132	125 817	130 727	204 823	200 878	200 878	266 277	274 487	283 106
Operational Buildings	161 132	125 817	130 727	189 833	200 878	200 878	247 129	255 338	263 954
Municipal Offices	159 427	124 646	129 264	174 611	191 419	191 419	222 246	229 278	236 659
Workshops	-	-	-	-	-	-	21 879	22 927	24 026
Laboratories	1 393	1 093	1 129	2 039	2 100	2 100	3 004	3 133	3 269
Training Centres	271	72	329	701	978	978	-	-	-
Depots	41	5	5	12 482	6 381	6 381	-	-	-
Housing	-	-	-	14 990	-	-	19 148	19 150	19 152
Social Housing	-	-	-	14 990	-	-	19 148	19 150	19 152
Computer Equipment	214 045	159 862	234 027	427 869	257 896	257 896	431 201	444 451	458 364
Computer Equipment	214 045	159 862	234 027	427 869	257 896	257 896	431 201	444 451	458 364
Furniture and Office Equipment	557 451	690 643	600 104	770 057	871 642	871 642	334 180	348 249	356 648
Furniture and Office Equipment	557 451	690 643	600 104	770 057	871 642	871 642	334 180	348 249	356 648
Machinery and Equipment	-	-	-	2 069	-	-	393 020	407 054	417 791
Machinery and Equipment	-	-	-	2 069	-	-	393 020	407 054	417 791
Transport Assets	470 466	394 655	317 250	461 100	479 530	479 530	520 676	533 425	546 803
Transport Assets	470 466	394 655	317 250	461 100	479 530	479 530	520 676	533 425	546 803
Total Repairs and Maintenance Expenditure	3 780 395	3 708 274	3 666 620	4 252 885	4 568 346	4 568 346	4 760 227	5 137 218	5 300 505
R&M as a % of PPE	8.3%	7.6%	6.9%	7.2%	8.2%	8.2%	0.0%	8.5%	7.8%
R&M as % Operating Expenditure	10.5%	9.3%	8.5%	8.8%	8.9%	8.9%	0.0%	9.5%	9.2%

Table 90 - MBRR Table SA34d - Depreciation by asset class

Description	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Depreciation by Asset Class/Sub-class									
Infrastructure	1 258 510	1 392 690	1 209 481	1 267 358	1 300 717	1 300 717	1 403 827	1 549 405	1 742 653
Roads Infrastructure	359 467	370 530	403 094	470 598	474 958	474 958	469 209	513 991	529 264
Roads	334 545	344 846	376 768	338 665	338 609	338 609	440 104	483 116	500 387
Road Structures	11 034	11 411	11 807	88 293	89 094	89 094	12 357	14 452	14 867
Road Furniture	13 887	14 273	14 519	43 639	47 256	47 256	16 748	16 424	14 009
Storm water Infrastructure	46 522	52 730	57 729	58 610	61 838	61 838	63 973	66 711	70 147
Drainage Collection	46 522	52 730	57 729	58 610	61 838	61 838	63 973	66 711	70 147
Electrical Infrastructure	246 946	262 423	280 055	263 112	265 315	265 315	312 102	329 781	350 203
Power Plants	6 957	6 956	8 177	7 933	8 175	8 175	8 175	8 129	7 926
HV Substations	20 514	18 931	19 005	-	-	-	26 913	38 133	54 651
HV Transmission Conductors				14 754	15 526	15 526	-	-	-
MV Substations	52 768	57 184	60 512	10 655	3 567	3 567	65 170	66 636	68 592
MV Switching Stations				60 046	63 718	63 718	-	-	-
MV Networks	103 470	107 375	114 444	117 440	119 638	119 638	123 253	126 348	130 761
LV Networks	63 237	71 976	77 918	52 284	54 692	54 692	88 591	90 535	88 272
Water Supply Infrastructure	236 904	300 822	174 107	184 784	189 721	189 721	220 610	245 061	270 144
Reservoirs	21 898	42 283	20 898	20 957	24 753	24 753	27 582	33 045	37 032
Pump Stations	5 459	5 466	5 386	5 345	9 584	9 584	9 570	9 549	10 788
Water Treatment Works	28 239	50 743	18 181	10 092	11 565	11 565	11 564	11 682	11 682
Bulk Mains	10 405	10 413	3 022	6 572	3 022	3 022	6 571	8 461	11 238
Distribution	170 903	191 916	126 619	141 818	140 796	140 796	165 323	182 323	199 403
Sanitation Infrastructure	266 016	279 184	161 551	164 781	177 828	177 828	192 062	226 082	339 597
Pump Station	7 130	6 988	6 963	8 377	6 966	6 966	9 831	13 306	17 887
Reticulation	157 546	158 804	54 719	56 968	64 560	64 560	70 547	74 918	86 133
Waste Water Treatment Works	88 511	100 549	95 559	95 125	101 560	101 560	106 943	133 104	229 437
Outfall Sewers	12 830	12 843	4 310	4 310	4 741	4 741	4 741	4 754	6 140
Solid Waste Infrastructure	45 630	51 002	44 357	34 129	31 069	31 069	41 455	54 459	56 681
Landfill Sites	38 660	43 867	37 136	34 129	31 069	31 069	33 176	46 180	48 402
Waste Processing Facilities	6 970	7 135	7 221	-	-	-	8 280	8 280	8 280
Coastal Infrastructure	4 488	5 679	5 845	5 730	5 900	5 900	6 063	6 952	12 968
Promenades	4 488	5 679	5 845	5 730	5 900	5 900	6 063	6 952	12 968
Information and Communication Infrastructure	52 537	70 320	82 742	85 614	94 089	94 089	98 354	106 369	113 649
Data Centres	15 984	28 359	34 615	-	-	-	43 485	50 436	58 126
Core Layers	33 275	38 675	44 817	7 127	7 127	7 127	51 329	52 393	52 079
Distribution Layers	3 278	3 286	3 310	78 488	86 962	86 962	3 540	3 540	3 444
Community Assets	344 228	318 923	330 936	381 173	372 500	372 500	350 275	370 180	383 745
Community Facilities	124 987	103 550	121 818	170 682	163 636	163 636	132 368	148 790	175 003
Halls	2 727	3 360	3 736	3 925	4 126	4 126	4 296	4 629	5 036
Centres	3 835	3 631	4 468	54 692	53 209	53 209	4 526	4 744	5 461
Clinics/Care Centres	9 506	6 843	7 144	8 133	7 383	7 383	8 734	9 593	10 039
Fire/Ambulance Stations	1 696	2 294	2 683	2 716	2 696	2 696	2 696	2 696	2 696
Testing Stations	1 239	1 452	1 476	1 343	1 375	1 375	1 508	1 508	1 508
Museums	194	221	301	373	318	318	505	505	505
Theatres	112	112	112	112	112	112	112	114	114
Libraries	5 270	6 062	16 464	6 468	6 403	6 403	15 649	26 357	37 386
Cemeteries/Crematoria	3 256	3 443	4 503	4 507	4 699	4 699	4 802	4 869	7 653
Public Open Space	13 877	14 287	14 584	17 514	15 829	15 829	17 045	18 664	21 209
Nature Reserves	481	480	479	459	378	378	1 618	1 775	2 289
Public Ablution Facilities	2 350	2 406	2 588	2 687	2 893	2 893	3 005	3 004	3 003
Markets	1 586	1 648	1 720	1 697	1 804	1 804	1 845	1 845	1 845
Airports	4	4	4	4	1	1	-	-	-
Taxi Ranks/Bus Terminals	78 856	57 306	61 556	66 051	62 411	62 411	66 027	68 487	76 260
Sport and Recreation Facilities	219 241	215 373	209 118	210 491	208 863	208 863	217 907	221 390	208 742
Indoor Facilities	9 678	11 240	11 321	6 560	6 629	6 629	11 688	12 198	14 732
Outdoor Facilities	209 562	204 133	197 797	203 931	202 234	202 234	206 219	209 192	194 010

Table continues on next page

Description	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand									
Investment properties	1 714	1 714	1 714	1 714	1 714	1 714	1 714	1 714	1 714
Revenue Generating	1 714	1 714	1 714	1 714	1 714	1 714	1 714	1 714	1 714
Improved Property	1 714	1 714	1 714	1 714	1 714	1 714	1 714	1 714	1 714
Other assets	291 325	300 137	322 964	294 428	307 621	307 621	343 021	348 059	345 759
Operational Buildings	191 736	199 605	217 859	181 253	201 097	201 097	230 312	232 736	227 726
Municipal Offices	162 017	168 072	183 220	7 430	5 748	5 748	191 970	193 033	184 459
Workshops	29 100	30 567	33 655	37 175	35 578	35 578	37 313	38 665	42 221
Laboratories	295	637	649	–	–	–	679	687	695
Training Centres	289	289	289	303	289	289	303	303	303
Manufacturing Plant	–	–	–	7 213	8 280	8 280	–	–	–
Depots	36	40	47	129 132	151 203	151 203	47	47	47
Housing	99 589	100 532	105 105	113 176	106 524	106 524	112 709	115 322	118 033
Social Housing	99 589	100 532	105 105	113 176	106 524	106 524	112 709	115 322	118 033
Biological or Cultivated Assets	210	192	192	–	–	–	179	29	29
Biological or Cultivated Assets	210	192	192	–	–	–	179	29	29
Intangible Assets	147 789	154 485	168 921	141 627	162 118	162 118	126 444	122 864	139 641
Licences and Rights	147 789	154 485	168 921	141 627	162 118	162 118	126 444	122 864	139 641
Water Rights	–	–	–	–	–	–	8	15	23
Computer Software and Applications	77 609	84 305	98 740	91 465	111 956	111 956	115 160	118 213	139 246
Unspecified	70 180	70 180	70 180	50 162	50 162	50 162	11 276	4 636	372
Computer Equipment	223 929	224 876	214 908	221 972	245 220	245 220	239 525	226 246	197 549
Computer Equipment	223 929	224 876	214 908	221 972	245 220	245 220	239 525	226 246	197 549
Furniture and Office Equipment	73 110	63 225	72 050	115 877	105 977	105 977	60 464	60 086	70 195
Furniture and Office Equipment	73 110	63 225	72 050	115 877	105 977	105 977	60 464	60 086	70 195
Machinery and Equipment	159 452	158 354	156 024	134 643	133 885	133 885	182 145	185 868	214 668
Machinery and Equipment	159 452	158 354	156 024	134 643	133 885	133 885	182 145	185 868	214 668
Transport Assets	335 863	312 374	375 830	431 673	420 331	420 331	477 431	531 526	571 581
Transport Assets	335 863	312 374	375 830	431 673	420 331	420 331	477 431	531 526	571 581
Land	–	–	20 483	23 198	23 198	23 198	23 198	23 198	23 198
Land	–	–	20 483	23 198	23 198	23 198	23 198	23 198	23 198
Zoo's, Marine and Non-biological Animals	–	–	–	192	192	192	–	–	–
Zoo's, Marine and Non-biological Animals	–	–	–	192	192	192	–	–	–
Total Depreciation	2 836 129	2 926 971	2 873 505	3 013 855	3 073 473	3 073 473	3 208 222	3 419 174	3 690 730

Table 91 - MBRR Table SA34e - Capital expenditure on the upgrading of existing assets by asset class

Description	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand									
Capital expenditure on upgrading of existing assets by Asset Class/Sub-class									
Infrastructure	685 972	1 110 050	974 556	1 571 374	1 025 955	969 519	1 308 394	1 866 541	1 878 399
Roads Infrastructure	178 381	257 828	135 960	200 528	175 023	166 447	232 574	253 740	146 664
Roads	169 558	256 329	124 517	174 087	154 885	151 310	216 749	248 840	144 313
Road Structures	7 326	–	10 049	21 541	14 981	9 981	10 925	–	–
Road Furniture	1 496	1 499	1 393	4 900	5 157	5 156	4 900	4 900	2 351
Storm water Infrastructure	11 843	19 542	28 472	139 086	57 304	61 772	156 863	157 319	199 720
Drainage Collection	11 843	19 542	28 472	139 086	57 304	61 772	156 863	157 319	199 720
Electrical Infrastructure	40 691	23 364	5 463	124 430	68 049	63 465	187 000	301 713	128 835
HV Substations	40 691	23 364	5 463	124 430	68 049	63 465	187 000	301 713	128 835
Water Supply Infrastructure	116 584	66 367	56 243	50 472	80 000	84 205	13 500	34 067	34 067
Reservoirs	3 905	10 028	4 518	3 000	3 000	3 205	3 000	4 000	5 000
Distribution	112 679	56 339	51 725	47 472	77 000	81 000	10 500	30 067	29 067
Sanitation Infrastructure	325 744	649 210	681 675	897 495	566 222	514 714	525 390	859 900	1 165 585
Pump Station	–	–	–	–	–	–	–	11 400	114 200
Reticulation	8 711	13 262	16 353	19 823	29 783	33 132	1 500	9 200	54 486
Waste Water Treatment Works	317 033	635 948	665 323	877 672	536 440	481 582	523 890	839 300	996 899
Solid Waste Infrastructure	12 233	75 204	46 392	50 949	18 295	17 556	67 067	68 377	40 102
Landfill Sites	12 233	75 204	46 392	50 949	18 295	17 556	67 067	68 377	40 102
Coastal Infrastructure	496	1 222	6 857	42 371	13 982	16 529	55 522	147 482	150 492
Promenades	496	1 222	6 857	42 371	13 982	16 529	55 522	147 482	150 492
Information and Communication Infrastructure	–	17 314	13 493	66 043	47 080	44 831	70 477	43 944	12 933
Data Centres	–	12 940	6 132	50 286	22 073	20 332	40 107	21 665	4 619
Core Layers	–	4 374	7 361	15 757	25 006	24 499	30 371	22 279	8 313
Community Assets	239 275	253 624	489 637	274 380	245 915	243 648	207 119	512 205	547 631
Community Facilities	152 726	155 887	189 795	200 835	174 341	173 778	138 942	338 784	437 325
Halls	1 698	9 443	11 960	15 275	6 933	10 781	4 151	6 000	1 000
Centres	13 117	14 413	12 850	7 711	7 132	6 824	7 623	9 623	5 048
Clinics/Care Centres	39 572	58 140	43 920	34 800	36 206	40 069	38 435	25 800	126 110
Fire/Ambulance Stations	12 394	707	1 837	–	–	–	–	–	–
Museums	302	–	2 391	7 000	7 579	7 579	–	–	–
Theatres	–	–	40	–	–	–	100	–	–
Libraries	7 819	7 396	6 974	1 082	1 082	1 185	2 662	15 723	2 447
Cemeteries/Crematoria	5 922	15 741	8 508	7 200	4 688	7 196	8 700	46 609	7 000
Public Open Space	40 940	30 628	57 031	60 910	66 687	61 854	45 000	45 050	38 750
Nature Reserves	10 569	2 140	2 254	6 176	8 356	3 763	2 297	2 661	9 062
Public Ablution Facilities	1 923	4 654	489	–	2 541	2 258	3 100	500	3 000
Taxi Ranks/Bus Terminals	18 471	12 625	41 541	60 680	33 138	32 270	26 873	186 819	244 909
Sport and Recreation Facilities	86 550	97 737	299 842	73 546	71 574	69 870	68 178	173 421	110 306
Indoor Facilities	1 102	10 790	19 086	15 700	24 219	28 194	23 500	61 590	38 078
Outdoor Facilities	85 448	86 947	280 756	57 846	47 355	41 676	44 678	111 831	72 228
Heritage assets	1 293	17	31 715	–	–	–	–	–	2 100
Monuments	1 293	17	31 715	–	–	–	–	–	2 100
Other assets	225 048	290 676	221 782	268 064	180 877	175 661	275 346	427 618	489 070
Operational Buildings	187 846	240 715	209 083	266 861	179 504	174 743	275 101	427 618	489 070
Municipal Offices	87 537	158 925	121 820	182 776	112 910	107 177	190 292	331 402	415 140
Workshops	100 309	81 790	86 635	83 385	66 594	67 567	84 810	96 216	73 930
Training Centres	–	–	628	700	–	–	–	–	–
Housing	37 201	49 961	12 699	1 203	1 373	918	245	–	–
Social Housing	37 201	49 961	12 699	1 203	1 373	918	245	–	–
Intangible Assets	23 908	14 700	41 534	6 912	5 381	11 914	21 054	127 591	8 195
Licences and Rights	23 908	14 700	41 534	6 912	5 381	11 914	21 054	127 591	8 195
Computer Software and Applications	23 908	14 700	41 534	6 912	5 381	11 914	21 054	127 591	8 195
Computer Equipment	225	13 134	16 487	49 811	55 547	55 443	7 088	1 452	12 213
Computer Equipment	225	13 134	16 487	49 811	55 547	55 443	7 088	1 452	12 213
Furniture and Office Equipment	3 845	160	175	500	647	722	300	300	–
Furniture and Office Equipment	3 845	160	175	500	647	722	300	300	–
Machinery and Equipment	17 438	17 975	11 272	1 070	1 134	1 500	3 000	5 000	11 000
Machinery and Equipment	17 438	17 975	11 272	1 070	1 134	1 500	3 000	5 000	11 000
Total Capital Expenditure on upgrading of existing assets	1 197 004	1 700 336	1 787 158	2 172 112	1 515 456	1 458 408	1 822 301	2 940 708	2 948 608
Upgrading of Existing Assets as % of total capex	0.0%	28.5%	27.4%	26.1%	24.9%	25.4%	24.3%	26.8%	23.3%
Upgrading of Existing Assets as % of deprecn"	42.2%	58.1%	62.2%	72.1%	49.3%	47.5%	56.8%	86.0%	79.9%

2.17 Details of capital expenditure

Table 92 - MBRR Table SA35 - Future financial implication of the capital budget

Vote Description	2022/23 Medium Term Revenue & Expenditure Framework			Forecasts			
	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25	Forecast 2025/26	Forecast 2026/27	Forecast 2027/28	Present value
R thousand							
Capital expenditure							
Vote 1 - Community Services & Health	244 533	371 996	350 661	30 650	14 000	–	–
Vote 2 - Corporate Services	395 619	961 376	749 408	140 121	32 740	35 965	–
Vote 3 - Economic Growth	48 748	30 091	50 154	–	–	–	–
Vote 4 - Energy	1 052 059	1 235 003	1 111 789	415 664	336 272	423 511	–
Vote 5 - Finance	18 129	26 237	40 296	–	–	–	–
Vote 6 - Future Planning & Resilience	26 415	11 840	17 230	7 000	7 000	7 000	–
Vote 7 - Human Settlements	884 428	900 561	1 009 618	1 598 190	608 543	595 659	–
Vote 8 - Office of the City Manager	13 329	24 290	1 256	–	–	–	–
Vote 9 - Safety & Security	236 735	210 302	315 458	141 166	94 429	17 490	–
Vote 10 - Spatial Planning & Environment	217 455	338 689	311 010	284 873	79 662	–	–
Vote 11 - Urban Mobility	1 379 126	2 071 856	2 973 446	430 869	9 500	–	–
Vote 12 - Urban Waste Management	647 002	790 916	764 880	333 488	276 083	355 904	–
Vote 13 - Water & Sanitation	2 343 741	4 001 058	4 983 466	4 393 376	4 010 495	2 994 752	–
Total Capital Expenditure	7 507 319	10 974 216	12 678 671	7 775 396	5 468 724	4 430 280	–
Future operational costs by vote							
Vote 1 - Community Services & Health	24 856	70 417	126 373	26 829	20 857	22 575	–
Vote 2 - Corporate Services	143 791	318 873	491 519	271 780	280 576	9 480	–
Vote 3 - Economic Growth	6 060	13 959	16 232	5 048	5 077	4 167	–
Vote 4 - Energy	30 426	101 458	192 557	22 032	24 553	24 535	–
Vote 5 - Finance	1 177	4 665	9 061	–	–	–	–
Vote 6 - Future Planning & Resilience	4 468	7 059	11 524	1 640	1 675	570	–
Vote 7 - Human Settlements	4 895	49 692	109 040	58 774	95 011	89 963	–
Vote 8 - Office of the City Manager	2 175	4 084	6 058	2 188	2 312	291	–
Vote 9 - Safety & Security	65 705	115 547	174 930	67 367	65 966	47 637	–
Vote 10 - Spatial Planning & Environment	13 259	42 616	81 714	11 468	9 544	8 920	–
Vote 11 - Urban Mobility	98 412	224 931	321 833	193 601	358 594	16 777	–
Vote 12 - Urban Waste Management	84 636	175 373	250 396	19 207	21 504	51 740	–
Vote 13 - Water & Sanitation	368 500	574 862	1 317 371	649 949	658 036	580 872	–
Total future operational costs	848 359	1 703 536	3 108 608	1 329 881	1 543 704	857 527	–
Future revenue by source							
Property rates	–	–	–	–	–	–	–
Service charges - electricity revenue	–	–	–	–	–	–	–
Service charges - water revenue	–	–	–	–	–	–	–
Service charges - sanitation revenue	–	–	–	–	–	–	–
Service charges - refuse revenue	–	–	–	–	–	–	–
Rental of facilities and equipment	–	–	–	–	–	–	–
List other revenues sources if applicable	27 673	30 247	31 875	33 263	34 712	–	–
Total future revenue	27 673	30 247	31 875	33 263	34 712	–	–
Net Financial Implications	8 328 005	12 647 505	15 755 404	9 072 015	6 977 717	5 287 807	–

Table 93 - MBRR Table SA37 - Projects delayed from previous financial year(s)

Function	Project name	Project number	Type	MTSF Service Outcome	IUDF	Own Strategic Objectives	Asset Class	Asset Sub-Class	Ward Location	GPS Longitude	GPS Latitude	Previous target year to complete	Current Year 2021/22		2022/23 Medium Term Revenue & Expenditure Framework		
													Original Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Community Services & Health	Recreation and Parks: Erkanini Integrated Recreation Facility	CPX.0011602	Upgrade	13	02	11	Community Facilities	Public Open Space	95	18.700771626	-34.055385492	2021/22	1 000	-	400	5 500	500
Corporate Services	Facilities Management: Facilities Upgrade Area 3: Fezeka Phase	CPX.0017900	Upgrade	09	04	16	Operational Buildings	Municipal Offices	Subcouncil 13	18.565413995	-34.000885197	2021/22	800	-	-	1 050	-
Corporate Services	Facilities Management: Facilities Upgrade Area 2: Khayelitsha Resource Centre	CPX.0017937	Upgrade	09	04	16	Operational Buildings	Municipal Offices	94	18.59842133	-34.041995635	2021/22	1 200	-	-	480	-
Corporate Services	Facilities Management: Facilities Upgrade Area 4: Fish Hoek Municipal Building	CPX.0017940	Upgrade	09	04	16	Operational Buildings	Municipal Offices	64	18.427001075	-34.136512705	2021/22	1 200	-	-	-	9 970
Corporate Services	Facilities Management: Corporate Accommodation Area 3: Turfhall	CPX.0017941	Upgrade	09	04	16	Operational Buildings	Municipal Offices	48	18.513675259	-33.967208859	2021/22	2 400	-	-	5 971	-
Corporate Services	Facilities Management: Corporate Accommodation Area 3: Dulcie September Phase 1	CPX.0017942	Upgrade	09	02	16	Operational Buildings	Municipal Offices	49	18.509803936	-33.960798827	2021/22	2 000	-	-	15 000	75 000
Corporate Services	Facilities Management: Facilities Upgrade Area 2: Somerset West	CPX.0019550	Upgrade	09	03	16	Operational Buildings	Municipal Offices	84	18.847519885	-34.084518954	2021/22	2 000	-	-	29 000	-
Energy	Electricity Generation and Distribution: Outage Management System	C12.84078	New	06	02	4	Electrical Infrastructure	HV Substations	Corp Inf	18.525018937	-34.141156054	2021/22	1 500	-	3 000	1 500	-
Energy	Electricity Generation and Distribution: Noordhoek Low Voltage (LV) Depot	CPX.0004006	New	09	04	16	Operational Buildings	Workshops	64	18.413271364	-34.125479905	2021/22	1 000	-	420	2 080	8 655
Energy	Electricity Generation and Distribution: Electricity Generation and Distribution: Ground Mounted Photovoltaic (PV)	CPX.0014782	Upgrade	06	03	3	Electrical Infrastructure	HV Substations	City-Wide	18.525018937	-34.141156054	2021/22	50 000	-	7 500	127 245	19 825
Energy	Electricity Generation and Distribution: Athlone Gas Turbine: Fire Suppression	CPX.0016608	Renewal	06	03	3	Electrical Infrastructure	HV Substations	51	18.513209717	-33.947355875	2021/22	4 800	-	4 800	-	-
Energy	Electricity Generation and Distribution: Steenbras: Concrete Alkali-Silica Reaction (ASR) Remediation	CPX.0016613	Renewal	06	03	3	Electrical Infrastructure	HV Substations	100	18.898203048	-34.151860320	2021/22	3 250	-	-	750	1 425
Energy	Electricity Generation and Distribution: Steenbras: Steenbras Power Station (SPS) Crane Refurbishment	CPX.0016638	Renewal	06	03	3	Electrical Infrastructure	HV Substations	100	18.898379987	-34.152146472	2021/22	1 500	-	-	6 000	-
Energy	Electricity Generation and Distribution: Steenbras: Transformers Replacement	CPX.0016639	Renewal	06	03	3	Electrical Infrastructure	HV Substations	100	18.898359585	-34.152146455	2021/22	5 000	-	5 000	12 500	500
Finance	Supply Chain Management: E-Tendering System	CPX.0009401	New	09	04	16	Licences and Rights	Computer Software and Applications	Corp Inf	18.525018937	-34.141156054	2021/22	9 700	-	-	100	-
Future Planning & Resilience	Portfolio, Programme and Project Management: Wayleave System	CPX.0016419	Upgrade	09	04	16	Licences and Rights	Computer Software and Applications	Corp Inf	18.525018937	-34.141156054	2021/22	5 912	-	7 325	-	-
Human Settlements	Housing Development: Langa Hostels Community Residential Unit (CRU) Project: New Flats	CPX.0010625	New	08	01	7	Housing	Social Housing	51	18.528137500	-33.946906155	2021/22	6 164	-	100	150	150
Human Settlements	Housing Development: Langa Hostels Community Residential Unit (CRU) Project: Siyahala	CPX.0010626	New	08	01	7	Housing	Social Housing	51	18.524395384	-33.945427240	2021/22	100	-	100	150	150
Human Settlements	Housing Development: Salt River Market Housing project	CPX.0019863	New	08	01	7	Various	Various	115	18.460612809	-33.927324384	2021/22	20 000	-	-	10 000	-
Human Settlements	Housing Development: Woodstock Hospital Upgrading project	CPX.0019864	New	08	01	7	Various	Various	115	18.448351663	-33.931803798	2021/22	2 000	-	2 000	-	-
Human Settlements	Public Housing: Upgrade Reading Room - Ward 13	CPX.0021831	Upgrade	08	01	7	Housing	Social Housing	13	18.637531181	-33.958712127	2021/22	200	-	200	-	-
Safety & Security	Fire Services: Langa Fire Station	CPX.0009145	New	06	03	4	Community Facilities	Fire/Ambulance Stations	53	18.539208152	-33.940901669	2021/22	4 000	-	-	4 000	26 500
Safety & Security	Operational Coordination: Construction of Law Enforcement Base	CPX.0009464	New	06	03	4	Operational Buildings	Municipal Offices	22	18.590894965	-33.947096415	2021/22	10 000	-	-	10 000	14 168
Safety & Security	Events: Online Event Calendar	CPX.0010114	New	09	04	1	Licences and Rights	Computer Software and Applications	Corp Inf	18.525018937	-34.141156054	2021/22	1 800	-	1 700	1 100	-
Safety & Security	Metropolitan Police Services: Closed-circuit television (CCTV) Mayors Visible Service Acceleration (MVSA) - Kraaifontein Central Business District (CBD)	CPX.0019581	New	03	03	5	Operational Buildings	Municipal Offices	Subcouncil 2	18.722216906	-33.850723350	2021/22	1 000	-	1 000	-	-
Safety & Security	Metropolitan Police Services: Closed-circuit television (CCTV) Mayors Visible Service Acceleration (MVSA) - Nyanga Urban Node Upgrade	CPX.0020156	New	03	02	5	Operational Buildings	Municipal Offices	37	18.582718930	-33.994114854	2021/22	2 000	-	2 000	-	-
Safety & Security	Metropolitan Police Services: Closed-circuit television (CCTV) Mayors Visible Service Acceleration (MVSA) - Lotus Park	CPX.0020157	New	03	02	5	Operational Buildings	Municipal Offices	65	18.516751033	-34.040559197	2021/22	1 500	-	1 500	-	-
Safety & Security	Metropolitan Police Services: Closed-circuit television (CCTV) Mayors Visible Service Acceleration (MVSA) - Bo-Kaap	CPX.0020164	New	03	02	5	Operational Buildings	Municipal Offices	115	18.418187925	-33.918627959	2021/22	1 000	-	1 000	-	-
Safety & Security	Metropolitan Police Services: Closed-circuit television (CCTV) Mayors Visible Service Acceleration (MVSA) - Bonteheuwel	CPX.0020178	New	03	02	5	Operational Buildings	Municipal Offices	50	18.554333606	-33.951587092	2021/22	1 000	-	1 000	-	-
Safety & Security	Metropolitan Police Services: Closed-circuit television (CCTV) Mayors Visible Service Acceleration (MVSA) - Ocean View	CPX.0020181	New	03	02	5	Operational Buildings	Municipal Offices	61	18.353172575	-34.144788455	2021/22	450	-	450	-	-
Safety & Security	Metropolitan Police Services: Closed-circuit television (CCTV) Mayors Visible Service Acceleration (MVSA) - Kullsvier Central Business District (CBD)	CPX.0020214	New	03	02	5	Operational Buildings	Municipal Offices	11	18.683153405	-33.931876678	2021/22	3 000	-	3 000	-	-
Safety & Security	Metropolitan Police Services: Closed-circuit television (CCTV) Mayors Visible Service Acceleration (MVSA) - Nollinge Station	CPX.0020215	New	03	02	5	Operational Buildings	Municipal Offices	87	18.651597239	-34.013985746	2021/22	1 500	-	1 500	-	-
Safety & Security	Metropolitan Police Services: Closed-circuit television (CCTV) Mayors Visible Service Acceleration (MVSA) - Nonkqubela Station	CPX.0020217	New	03	02	5	Operational Buildings	Municipal Offices	91	18.663817219	-34.023647997	2021/22	1 500	-	1 500	-	-
Safety & Security	Metropolitan Police Services: Closed-circuit television (CCTV) Mayors Visible Service Acceleration (MVSA) - Harare	CPX.0020219	New	03	02	5	Operational Buildings	Municipal Offices	98	18.675558796	-34.057198954	2021/22	3 500	-	3 500	-	-
Safety & Security	Metropolitan Police Services: Closed-circuit television (CCTV) Mayors Visible Service Acceleration (MVSA) - Goodwood Central Business District (CBD)	CPX.0020223	New	03	02	5	Operational Buildings	Municipal Offices	27	18.549608593	-33.911502863	2021/22	5 000	-	5 000	-	-
Safety & Security	Metropolitan Police Services: Closed-circuit television (CCTV) Mayors Visible Service Acceleration (MVSA) - Parow Central Business District (CBD)	CPX.0020225	New	03	02	5	Operational Buildings	Municipal Offices	Area Central	18.588525301	-33.900860623	2021/22	2 000	-	2 000	-	-
Safety & Security	Metropolitan Police Services: Closed-circuit television (CCTV) Mayors Visible Service Acceleration (MVSA) - Hanover Park	CPX.0020236	New	03	02	5	Operational Buildings	Municipal Offices	47	18.531952488	-33.995135692	2021/22	1 500	-	1 500	-	-

Table continues on next page

City of Cape Town – 2022/23 to 2024/25 Budget (31 May 2022)

Function	Project name	Project number	Type	MTSF Service Outcome	IUDF	Own Strategic Objectives	Asset Class	Asset Sub-Class	Ward Location	GPS Longitude	GPS Latitude	Previous target year to complete	Current Year 2021/22		2022/23 Medium Term Revenue & Expenditure Framework		
													Original Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Safety & Security	Metropolitan Police Services: Closed-circuit television (CCTV) Mayors Visible Service Acceleration (MVSA) - Mannenberg	CPX.0020237	New	03	02	5	Operational Buildings	Municipal Offices	30	18.556281555	-33.985958406	2021/22	1 500	-	1 500	-	-
Safety & Security	Metropolitan Police Services: Closed-circuit television (CCTV) Mayors Visible Service Acceleration (MVSA) - Mitchells Plain	CPX.0020238	New	03	02	5	Operational Buildings	Municipal Offices	81	18.613043508	-34.061230430	2021/22	2 000	-	2 000	-	-
Safety & Security	Metropolitan Police Services: Closed-circuit television (CCTV) Mayors Visible Service Acceleration (MVSA) - Uitsig	CPX.0020240	New	03	02	5	Operational Buildings	Municipal Offices	25	18.596450342	-33.935621729	2021/22	2 000	-	2 000	-	-
Safety & Security	Metropolitan Police Services: Closed-circuit television (CCTV) Mayors Visible Service Acceleration (MVSA) - Wynberg Central Business District (CBD)	CPX.0020241	New	03	02	5	Operational Buildings	Municipal Offices	62	18.471012777	-34.003097223	2021/22	2 500	-	2 500	-	-
Safety & Security	Management: Safety and Security: Emergency Policing and Incident Command (EPIC) 2.3: Citizen Enablement System	CPX.0021893	New	03	02	5	Machinery and Equipment	Machinery and Equipment	City-Wide	18.525018937	-34.141156054	2021/22	2 000	-	8 000	10 800	9 680
Safety & Security	Management: Safety and Security: Emergency Policing and Incident Command (EPIC) 2.2: Neighbourhood Watch Community Safety System	CPX.0021897	New	03	02	5	Machinery and Equipment	Machinery and Equipment	City-Wide	18.525018937	-34.141156054	2021/22	10 000	-	-	-	2 750
Safety & Security	Metropolitan Police Services: Closed-circuit television (CCTV)/ Licence Plate Recognition (LPR) Cameras - Baden Powell Drive	CPX.0021921	New	03	02	5	Operational Buildings	Municipal Offices	Area South	18.547189902	-34.086216980	2021/22	5 000	-	5 000	-	-
Spatial Planning & Environment	Environmental Management: Asanda Village Wetland Rehabilitation	CPX.0014591	Upgrade	10	02	9	Operational Buildings	Municipal Offices	85	18.854229824	-34.108872067	2021/22	18 800	-	16 000	-	-
Spatial Planning & Environment	Environmental Management: Minerton Beachfront Retreat	CPX.0016764	New	10	02	10	Coastal Infrastructure	Promenades	55	18.487079575	-33.881243880	2021/22	2 000	-	10 675	-	-
Spatial Planning & Environment	Environmental Management: Westridge Park Environmental Education (EE) Centre	CPX.0022531	Upgrade	10	02	9	Community Facilities	Public Open Space	81	18.600856985	-34.044826869	2021/22	700	-	1 348	1 500	7 000
Spatial Planning & Environment	Environmental Management: Edith Stephens Nature Reserve Upgrade	CPX.0022533	Upgrade	10	02	9	Community Facilities	Nature Reserves	43	18.552802080	-34.002819431	2021/22	700	-	2 000	2 199	7 000
Urban Mobility	Transport Infrastructure Implementation: Integrated Rapid Transit (IRT) Phase 2 A: Depot Building Works - Mitchells Plain and Khayelitsha	CPX.0015830	New	06	02	12	Roads Infrastructure	Roads	99	18.654525711	-34.046269133	2021/22	88 607	-	134 600	218 500	110 105
Urban Mobility	Roads Infrastructure Management: Vygekraal River Pedestrian Bridge	CPX.0016507	New	12	02	13	Roads Infrastructure	Road Structures	49	18.522484492	-33.955529055	2021/22	1 199	-	5 620	-	-
Urban Waste Management	Solid Waste Management: Coastal Park: Transfer Station New	CPX.0010025	New	06	01	4	Solid Waste Infrastructure	Landfill Sites	45	18.499904218	-34.092541503	2021/22	12 500	-	6 300	5 250	2 250
Water & Sanitation	Bulk Services: Bulk Water Augmentation Scheme: Muldersvlei Reservoir & Pipeline	CPX.0007972	New	06	03	4	Water Supply Infrastructure	Reservoirs	105	18.796846243	-33.795235734	2021/22	2 000	-	-	35 000	200 000
Water & Sanitation	Commercial Services: Advanced Metering Infrastructure (AMI) rollout programme	CPX.0019987	New	06	04	4	Water Supply Infrastructure	Distribution	City-Wide	18.525018937	-34.141156054	2021/22	10 000	-	20 000	290 000	455 000

2.18 Legislation compliance status

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

- **Budget and Treasury Office**
A budget office and Treasury office was established in accordance with the MFMA.
- **Budgeting**
The annual budget is prepared in accordance with the requirements prescribed by National Treasury, MFMA, MBRR and mSCOA regulations.
- **In Year Reporting**
Fully compliant with regards to monthly and quarterly MBRR reporting to National Treasury.
- **Annual Report**
The annual report is prepared in accordance with the MFMA and National Treasury requirements.
- **Municipal Entities**
The City currently has only two entities i.e. the Cape Town International Convention Centre (CTICC) and the Cape Town Stadium (CTS).
- **Internship Programme**
The CFO has introduced an organised professional training and work experience program (Finance Graduate Development Program or FGDP) intended to standardise the current diverse training options by providing training and exposure to qualifying officials and/or suitably qualified external applicants and/or suitably qualified bursars (Bachelor of Commerce or equivalent degree), who meet the criteria and who are aspiring to become local government accountants subject to a recruitment and selection process.

The National Treasury Municipal Finance Management Internship Programme (NTMFMIP) has merged with the FGDP.

The City is funding five interns, whilst NT is funding an additional three interns.

Most interns that were previously on the NTMFMIP have been appointed within the City on completion of the program whilst others got employment opportunities elsewhere.

2.19 External mechanisms

A summary of the total service delivery package and associated financial implications of each external mechanism utilised by the City is attached as Annexure 27 to the document.

2.20 Other supporting documents

Table 94 - MBRR Table SA1 - Supporting detail to budgeted financial performance

Description	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand									
REVENUE ITEMS:									
Property rates									
Total Property Rates	10 986 401	11 273 019	11 552 932	12 342 327	12 340 986	12 340 986	12 976 186	13 702 857	14 559 206
Less Revenue Foregone (exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)	1 450 216	1 191 840	1 277 662	1 358 195	1 357 171	1 357 171	1 456 700	1 570 385	1 700 724
Net Property Rates	9 536 185	10 081 179	10 275 271	10 984 132	10 983 815	10 983 815	11 519 486	12 132 471	12 858 482
Service charges - electricity revenue									
Total Service charges - electricity revenue	13 168 930	14 379 068	14 347 794	15 853 996	15 853 996	15 853 996	17 374 388	19 778 140	22 088 081
Less Revenue Foregone (in excess of 50 kwh per indigent household per month)							15 616	18 046	20 459
Less Cost of Free Basis Services (50 kwh per indigent household per month)	125 999	125 999	106 000	119 430	119 430	119 430	117 303	135 555	153 679
Net Service charges - electricity revenue	13 042 932	14 253 069	14 241 794	15 734 566	15 734 566	15 734 566	17 241 469	19 624 539	21 913 943
Service charges - water revenue									
Total Service charges - water revenue	3 491 729	3 470 449	3 634 537	3 997 713	3 990 617	3 990 617	4 415 498	4 633 475	5 080 355
Less Revenue Foregone (in excess of 6 kilolitres per indigent household per month)							203 884	214 078	232 917
Less Cost of Free Basis Services (6 kilolitres per indigent household per month)	368 203	449 106	408 131	441 368	441 368	441 368	283 602	297 782	323 986
Net Service charges - water revenue	3 123 527	3 021 344	3 226 406	3 556 345	3 549 249	3 549 249	3 928 012	4 121 615	4 523 452
Service charges - sanitation revenue									
Total Service charges - sanitation revenue	1 835 684	1 782 744	1 855 162	2 070 314	2 087 114	2 087 114	2 431 395	2 593 255	2 843 017
Less Revenue Foregone (in excess of free sanitation service to indigent households)							174 358	183 076	199 187
Less Cost of Free Basis Services (free sanitation service to indigent households)	233 221	232 446	251 148	295 201	295 201	295 201	242 531	254 658	277 068
Net Service charges - sanitation revenue	1 602 463	1 550 298	1 604 014	1 775 113	1 791 914	1 791 914	2 014 506	2 155 521	2 366 762
Service charges - refuse revenue									
Total refuse removal revenue	1 418 907	1 562 883	1 517 079	1 641 574	1 578 445	1 578 445	1 737 372	1 857 257	1 985 480
Total landfill revenue									
Less Revenue Foregone (in excess of one removal a week to indigent households)									
week to indigent households)	280 000	287 133	313 332	311 132	311 132	311 132	356 132	356 132	356 132
Net Service charges - refuse revenue	1 138 907	1 275 750	1 203 747	1 330 442	1 267 313	1 267 313	1 381 241	1 501 125	1 629 348
Other Revenue by source									
Fuel Levy	2 558 136	2 570 486	2 594 972	2 608 900	2 608 900	2 608 900	2 666 726	2 636 749	2 706 418
Other Revenue	883 918	814 956	834 211	719 706	742 803	742 803	799 677	835 749	872 600
Total 'Other' Revenue	3 442 054	3 385 442	3 429 183	3 328 606	3 351 703	3 351 703	3 466 403	3 472 498	3 579 018
EXPENDITURE ITEMS:									
Employee related costs									
Basic Salaries and Wages	8 101 059	9 038 023	9 868 128	10 890 999	10 767 820	10 767 820	12 108 428	12 828 554	13 581 406
Pension and UIF Contributions	1 253 682	1 397 127	1 507 428	1 839 429	1 725 809	1 725 809	2 107 571	2 248 833	2 394 732
Medical Aid Contributions	746 014	823 417	897 284	945 473	955 274	955 274	982 349	1 047 184	1 115 251
Overtime	680 581	763 953	942 386	838 145	941 212	941 212	864 989	836 209	851 680
Performance Bonus									
Motor Vehicle Allowance	201 150	210 077	212 177	232 591	236 329	236 329	233 885	241 918	250 352
Cellphone Allowance	22 056	22 956	37 071	32 441	35 993	35 993	38 006	40 514	43 147
Housing Allowances	61 444	65 086	69 198	68 776	68 316	68 316	61 907	65 993	70 282
Other benefits and allowances	261 732	289 746	323 436	319 872	373 318	373 318	370 067	393 479	418 919
Payments in lieu of leave	173 125	292 120	203 383	95 681	114 805	114 805	114 406	121 146	128 223
Long service awards	511	73 555	75 562	81 383	77 613	77 613	151 391	108 529	115 583
Post-retirement benefit obligations	864 199	(176 418)	995 534	292 006	577 838	577 838	308 405	320 760	335 129
sub-total	12 365 555	12 799 642	15 131 585	15 636 795	15 874 328	15 874 328	17 341 404	18 253 118	19 304 706
Less: Employees costs capitalised to PPE	31 266	24 228	23 563	24 291	24 721	24 721	18 468	19 280	20 129
Total Employee related costs	12 334 289	12 775 413	15 108 022	15 612 505	15 849 607	15 849 607	17 322 936	18 233 838	19 284 577

Table continues on next page

Description	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand									
Depreciation & asset impairment									
Depreciation of Property, Plant & Equipment	2 802 364	2 901 939	2 833 027	2 990 657	3 050 275	3 050 275	3 185 024	3 395 977	3 667 533
Lease amortisation	–	–	–	–	–	–	–	–	–
Capital asset impairment	29 648	19 784	30 228	23 198	23 198	23 198	23 198	23 198	23 198
Total Depreciation & asset impairment	2 832 012	2 921 723	2 863 255	3 013 855	3 073 473	3 073 473	3 208 222	3 419 174	3 690 730
Bulk purchases - electricity									
Electricity bulk purchases	8 281 772	9 317 868	9 718 558	11 182 400	11 218 900	11 218 900	12 350 900	14 201 053	16 328 728
Total bulk purchases	8 281 772	9 317 868	9 718 558	11 182 400	11 218 900	11 218 900	12 350 900	14 201 053	16 328 728
Transfers and grants									
Cash transfers and grants	391 968	453 464	401 555	464 263	561 134	561 134	391 480	361 696	326 291
Non-cash transfers and grants	–	–	–	–	–	–	–	–	–
Total transfers and grants	391 968	453 464	401 555	464 263	561 134	561 134	391 480	361 696	326 291
Contracted services									
Outsourced Services	2 191 122	2 491 931	3 260 804	3 343 658	3 543 742	3 543 742	3 739 241	3 634 771	3 656 541
Consultants and Professional Services	775 871	939 743	772 646	949 645	849 647	849 647	954 664	1 025 938	928 648
Contractors	3 029 317	3 279 169	3 161 565	3 667 060	3 753 633	3 753 633	3 879 017	4 096 041	4 299 648
Total contracted services	5 996 310	6 710 842	7 195 014	7 960 362	8 147 022	8 147 022	8 572 922	8 756 750	8 884 837
Other Expenditure By Type									
Collection costs	193 975	184 234	178 035	213 377	204 374	204 374	203 340	203 340	203 340
Contributions to 'other' provisions	(41 414)	(33 131)	(37 921)	(18 242)	(30 242)	(30 242)	(31 835)	894	894
Audit fees	18 188	20 241	18 136	19 328	19 328	19 328	18 828	18 828	18 828
Other Expenditure	403 488	266 889	245 778	560 578	673 658	673 658	430 393	466 977	454 664
MIDS/CIDS (Special rating Areas)	210 130	232 212	262 132	285 109	284 293	284 293	306 696	306 696	306 696
Software Licences - Upgrade/Protection	104 122	138 793	157 141	181 702	201 539	201 539	266 058	428 906	467 552
Specialised Information Technology services	129 188	157 353	200 681	232 931	201 465	201 465	208 204	256 139	217 889
Electricity	141 472	163 667	165 856	177 403	174 206	174 206	186 449	186 449	201 011
Indigent Relief : Electricity - Eskom Re-imburse	78 061	91 284	105 583	122 040	122 040	122 040	149 046	162 374	176 988
Uniform & Protective Clothing	91 555	109 561	123 904	119 007	117 153	117 153	131 722	130 542	131 456
Levy: Skills Development	96 708	89 912	98 627	117 440	117 296	117 296	122 501	122 501	122 501
Bulk Water : Levy (Berg Water Project)	121 130	148 407	160 400	135 000	135 000	135 000	100 000	100 000	120 000
Operating Leases	186 457	276 665	266 831	95 825	106 342	106 342	340 654	332 703	332 805
Hire of LDV, P/Van, Bus, Special Vehicle	55 830	110 631	113 200	52 704	103 142	103 142	87 619	87 619	87 619
Premiums : Unicity Insurance Program	41 999	45 371	55 908	81 111	81 111	81 111	90 111	81 111	81 111
Furniture Fittings Tools & Equipment	–	–	–	67 472	55 472	55 472	49 989	47 928	60 428
Hire Charges	19 563	65 879	62 241	29 629	40 943	40 943	58 542	58 542	63 832
Eskom Connection Fees	1 104	0	700	1 340	1 340	1 340	45 340	45 340	45 340
Postage & Courier	37 468	30 621	37 711	32 227	42 111	42 111	42 021	37 021	42 021
Advertising - Corporate and Municipal Accounts	32 525	37 875	42 067	39 552	35 627	35 627	34 615	36 424	36 424
Telecommunication : Cell Phone Subscription	20 582	27 153	31 303	33 867	33 852	33 852	31 845	31 845	31 845
Motor vehicle License and registration	21 839	21 613	27 892	28 138	30 504	30 504	30 504	30 504	30 504
Telecommunication Lines	26 166	25 136	23 205	24 507	24 722	24 722	24 423	44 751	35 863
Total 'Other' Expenditure	1 990 134	2 210 367	2 339 410	2 632 042	2 775 275	2 775 275	2 927 064	3 217 434	3 269 610
Repairs and Maintenance by Expenditure Item									
Employee related costs	1 119 643	943 436	910 041	1 134 510	1 239 357	1 239 357	1 326 529	1 550 242	1 550 887
Inventory Consumed (Project Maintenance)	345 149	295 254	293 752	393 347	376 429	376 429	393 489	410 787	428 897
Contracted Services	2 175 978	2 354 973	2 306 942	2 564 721	2 749 051	2 749 051	2 791 960	2 922 348	3 061 008
Other Expenditure	139 625	114 611	155 885	160 307	203 510	203 510	248 250	253 841	259 713
Total Repairs and Maintenance Expenditure	3 780 395	3 708 274	3 666 620	4 252 885	4 568 346	4 568 346	4 760 227	5 137 218	5 300 505
Inventory Consumed									
Inventory Consumed - Water	229 400	392 167	252 007	1 717 131	4 123 498	4 123 498	3 703 463	3 888 636	4 083 068
Inventory Consumed - Other	1 336 095	1 311 168	1 332 645	1 986 716	1 500 951	1 500 951	1 511 327	1 719 761	1 761 944
Total Inventory Consumed & Other Material	1 565 496	1 703 335	1 584 652	3 703 847	5 624 449	5 624 449	5 214 790	5 608 397	5 845 012

Table 95 - MBRR Table SA2 - Matrix financial performance budget (revenue source/expenditure type and department)

Description	Vote 1 - Community Services & Health	Vote 2 - Corporate Services	Vote 3 - Economic Growth	Vote 4 - Energy	Vote 5 - Finance	Vote 6 - Future Planning & Resilience	Vote 7 - Human Settlements	Vote 8 - Office of the City Manager	Vote 9 - Safety & Security	Vote 10 - Spatial Planning & Environment	Vote 11 - Urban Mobility	Vote 12 - Urban Waste Management	Vote 13 - Water & Sanitation	Total
R thousand														
Revenue By Source														
Property rates	-	-	-	-	11 203 305	-	-	-	-	316 181	-	-	-	11 519 486
Service charges - electricity revenue	53	-	-	17 241 416	-	-	-	-	-	-	-	-	-	17 241 469
Service charges - water revenue	-	-	635	-	-	-	-	-	-	-	-	-	3 927 377	3 928 012
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-	-	-	-	2 014 506	2 014 506
Service charges - refuse revenue	-	-	-	-	-	-	-	-	-	-	-	1 381 241	-	1 381 241
Rental of facilities and equipment	10 795	973	172 146	1 150	2	-	203 514	-	296	88	-	-	216	389 180
Interest earned - external investments	-	-	-	-	1 103 053	-	303	-	-	-	15 210	-	-	1 118 566
Interest earned - outstanding debtors	-	-	-	27 600	97 739	-	1 500	-	-	-	-	36 196	204 480	367 515
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	3 209	-	-	-	553	-	-	-	1 250 274	3 639	4 320	-	198	1 262 193
Licences and permits	249	-	-	-	-	-	-	-	54 929	-	18 073	-	-	73 251
Agency services	-	-	-	-	257 125	-	-	-	14 491	-	-	-	-	271 616
Other revenue	42 117	49 320	5 788	106 059	2 732 463	56	12 303	824	27 210	120 207	271 616	18 791	79 648	3 466 403
Transfers and subsidies	899 668	11 480	74 128	133 819	1 681 477	61 876	661 995	-	416 651	49 666	535 062	562 860	1 171 490	6 260 172
Gains	-	7 733	36 085	2 500	-	-	2 000	-	-	-	-	2 300	3 941 748	3 992 365
Total Revenue (excluding capital transfers and contributions)	956 091	69 505	288 782	17 512 545	17 075 718	61 932	881 614	824	1 763 850	489 782	844 281	2 001 387	11 339 663	53 285 975

Table continues on next page

Description	Vote 1 - Community Services & Health	Vote 2 - Corporate Services	Vote 3 - Economic Growth	Vote 4 - Energy	Vote 5 - Finance	Vote 6 - Future Planning & Resilience	Vote 7 - Human Settlements	Vote 8 - Office of the City Manager	Vote 9 - Safety & Security	Vote 10 - Spatial Planning & Environment	Vote 11 - Urban Mobility	Vote 12 - Urban Waste Management	Vote 13 - Water & Sanitation	Total
R thousand														
Expenditure By Type														
Employee related costs	2 605 336	1 685 260	311 056	1 528 845	1 170 602	344 288	477 038	279 147	3 369 346	656 433	907 395	1 373 137	2 615 054	17 322 936
Remuneration of councillors	-	174 617	-	-	-	-	-	1 516	-	-	-	-	-	176 133
Debt impairment	-	-	7 325	110 348	458 735	-	163 246	-	960 000	9 485	-	122 846	484 924	2 316 909
Depreciation & asset impairment	187 214	454 995	28 244	434 963	202 698	22 754	202 635	2 945	156 220	49 755	695 523	182 321	587 953	3 208 222
Finance charges	227	-	-	-	827 269	164	-	-	-	-	73	35 267	-	862 999
Bulk purchases - electricity	-	-	-	12 350 900	-	-	-	-	-	-	-	-	-	12 350 900
Inventory consumed	572 543	(59 902)	2 354	158 035	16 506	8 971	28 093	5 382	171 341	9 919	113 905	219 145	3 968 498	5 214 790
Contracted services	934 875	559 318	142 986	427 387	59 503	73 346	574 628	125 730	170 356	216 628	2 041 008	1 285 295	1 961 860	8 572 922
Transfers and subsidies	19 981	2 466	172 122	1 800	33 196	200	40 000	22 550	67 821	1 359	125	1 861	28 000	391 480
Other expenditure	115 396	530 341	47 356	236 256	525 521	111 153	60 172	34 938	271 188	330 756	90 429	120 405	453 151	2 927 064
Losses	10	133	-	464	1 260	2	28	-	95	-	-	120	450 585	452 697
Total Expenditure	4 435 582	3 347 229	711 443	15 248 998	3 295 289	560 878	1 545 840	472 208	5 166 367	1 274 335	3 848 458	3 340 398	10 550 026	53 797 052
Surplus/(Deficit)	(3 479 490)	(3 277 723)	(422 661)	2 263 547	13 780 428	(498 946)	(664 226)	(471 384)	(3 402 516)	(784 553)	(3 004 177)	(1 339 012)	789 637	(511 077)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	77 304	1 000	15 000	34 901	217	-	741 970	-	-	8 248	905 280	20 937	366 156	2 171 013
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	-	-	-	79 141	-	-	-	-	-	-	6 712	-	15 000	100 854
Transfers and subsidies - capital (in-kind - all)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(3 402 187)	(3 276 723)	(407 661)	2 377 590	13 780 645	(498 946)	77 744	(471 384)	(3 402 516)	(776 305)	(2 092 185)	(1 318 075)	1 170 793	1 760 790

Table 96 - MBRR Table SA3 - Supporting detail to Statement of Financial Position

Description	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand									
ASSETS									
Consumer debtors									
Consumer debtors	10 981 470	12 324 116	10 611 274	16 772 246	12 399 512	12 399 512	13 817 690	15 236 318	16 763 000
Less: Provision for debt impairment	(4 765 547)	(6 003 455)	(5 354 308)	(8 831 813)	(6 170 904)	(6 170 904)	(7 421 054)	(8 569 297)	(9 694 628)
Total Consumer debtors	6 215 923	6 320 661	5 256 966	7 940 433	6 228 608	6 228 608	6 396 636	6 667 021	7 068 372
Debt impairment provision									
Balance at the beginning of the year	4 320 108	4 765 547	6 003 455	7 725 997	5 445 162	5 445 162	6 222 801	7 421 054	8 569 297
Contributions to the provision	938 105	1 703 424	2 597 202	1 734 565	1 389 024	1 389 024	1 333 523	1 283 512	1 260 601
Bad debts written off	(492 666)	(465 516)	(3 246 349)	(628 748)	(663 282)	(663 282)	(135 270)	(135 270)	(135 270)
Balance at end of year	4 765 547	6 003 455	5 354 308	8 831 813	6 170 904	6 170 904	7 421 054	8 569 297	9 694 628
Inventory									
Water									
Opening Balance	-	-	-	48 686	49 730	49 730	52 306	39 829	41 906
System Input Volume	229 400	392 167	252 007	2 201 111	4 654 943	4 654 943	4 060 032	4 278 212	4 492 122
Water Treatment Works	-	-	-	-	-	-	3 794 460	3 999 361	4 199 329
Bulk Purchases	229 400	392 167	252 007	2 122 702	4 589 803	4 589 803	173 067	181 720	190 806
Natural Sources	-	-	-	78 409	65 140	65 140	92 505	97 131	101 987
Authorised Consumption	(229 400)	(392 167)	(252 007)	(1 717 131)	(4 123 498)	(4 123 498)	(3 703 463)	(3 888 636)	(4 083 068)
Billed Authorised Consumption	(229 400)	(392 167)	(252 007)	(1 561 987)	(4 003 783)	(4 003 783)	(3 621 933)	(3 803 030)	(3 993 181)
Billed Metered Consumption	(229 400)	(392 167)	(252 007)	(1 561 987)	(4 003 783)	(4 003 783)	(3 621 933)	(3 803 030)	(3 993 181)
Free Basic Water	-	-	-	-	-	-	-	-	-
Subsidised Water	-	-	-	-	-	-	-	-	-
Revenue Water	(229 400)	(392 167)	(252 007)	(1 561 987)	(4 003 783)	(4 003 783)	(3 621 933)	(3 803 030)	(3 993 181)
Unbilled Authorised Consumption	-	-	-	(155 145)	(119 715)	(119 715)	(81 529)	(85 606)	(89 886)
Unbilled Metered Consumption	-	-	-	(79 822)	(78 285)	(78 285)	(53 608)	(56 288)	(59 103)
Unbilled Unmetered Consumption	-	-	-	(75 323)	(41 430)	(41 430)	(27 922)	(29 318)	(30 784)
Water Losses	-	-	-	(483 979)	(528 869)	(528 869)	(369 047)	(387 499)	(406 874)
Apparent losses	-	-	-	(93 443)	(93 495)	(93 495)	(66 532)	(69 859)	(73 352)
Unauthorised Consumption	-	-	-	(23 372)	(23 471)	(23 471)	(16 478)	(17 302)	(18 167)
Customer Meter Inaccuracies	-	-	-	(70 070)	(70 024)	(70 024)	(50 054)	(52 557)	(55 184)
Real losses	-	-	-	(390 537)	(435 374)	(435 374)	(302 515)	(317 641)	(333 523)
Leakage on Transmission and Distribution Mains	-	-	-	(390 537)	(342 918)	(342 918)	(240 211)	(252 221)	(264 832)
Leakage and Overflows at Storage Tanks/Reservoirs	-	-	-	-	(25)	(25)	(5)	(6)	(6)
Leakage on Service Connections up to the point of Customer Meter	-	-	-	-	(92 431)	(92 431)	(62 299)	(65 414)	(68 684)
Data Transfer and Management Errors	-	-	-	-	-	-	-	-	-
Unavoidable Annual Real Losses	-	-	-	-	-	-	-	-	-
Non-revenue Water	-	-	-	(639 124)	(648 584)	(648 584)	(450 577)	(473 105)	(496 761)
Closing Balance Water	-	-	-	48 686	52 306	52 306	39 829	41 906	44 086
Consumables									
Standard Rated	-	-	-	-	-	-	-	-	-
Opening Balance	-	-	(0)	(0)	(0)	(0)	(0)	-	-
Acquisitions	1 336 095	1 311 168	1 332 645	1 986 716	528 966	528 966	486 805	650 160	644 210
Issues	(1 336 095)	(1 311 168)	(1 332 645)	(1 986 716)	(528 966)	(528 966)	(486 805)	(650 160)	(644 210)
Adjustments	-	-	-	-	-	-	-	-	-
Write-offs	-	-	-	-	-	-	-	-	-
Closing balance - Consumables Standard Rated	-	-	(0)	(0)	(0)	(0)	-	-	0
Finished Goods									
Opening Balance	471 727	435 992	431 504	392 850	404 027	404 027	419 784	439 934	459 291
Acquisitions	(35 734)	(4 488)	35 561	20 517	989 637	989 637	1 047 680	1 091 620	1 141 308
Issues	-	-	-	-	(969 388)	(969 388)	(1 021 785)	(1 066 743)	(1 114 747)
Adjustments	-	-	-	(2 956)	(4 493)	(4 493)	(5 745)	(5 519)	(5 893)
Write-offs	-	-	-	-	-	-	-	-	-
Closing balance - Finished Goods	435 992	431 504	467 065	410 411	419 784	419 784	439 934	459 291	479 959
Materials and Supplies									
Opening Balance	-	-	-	61 989	13 308	13 308	13 827	14 490	15 128
Acquisitions	-	-	-	(1 808)	3 117	3 117	3 402	3 496	3 668
Issues	-	-	-	-	(2 598)	(2 598)	(2 738)	(2 858)	(2 987)
Adjustments	-	-	-	(48 686)	-	-	-	-	-
Write-offs	-	-	-	-	-	-	-	-	-
Closing balance - Materials and Supplies	-	-	-	11 495	13 827	13 827	14 490	15 128	15 809
Closing Balance - Inventory & Consumables	435 992	431 504	467 065	470 592	485 917	485 917	494 253	516 324	539 854

Table continues on next page

Description	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand									
Property, plant and equipment (PPE)									
PPE at cost/valuation (excl. finance leases)	70 879 489	76 715 424	82 967 739	92 698 005	89 031 966	89 031 966	96 466 126	107 034 415	119 527 568
Leases recognised as PPE	–	–	–	–	–	–	–	–	–
Less: Accumulated depreciation	25 176 257	27 633 249	30 121 187	33 745 261	33 080 958	33 080 958	36 110 860	39 405 456	42 954 832
Total Property, plant and equipment (PPE)	45 703 232	49 082 175	52 846 552	58 952 744	55 951 008	55 951 008	60 355 266	67 628 959	76 572 736
LIABILITIES									
Current liabilities - Borrowing									
Short term loans (other than bank overdraft)	–	–	–	–	–	–	–	–	–
Current portion of long-term liabilities	427 597	446 355	440 239	1 565 429	1 486 784	1 486 784	1 808 361	3 045 204	1 503 331
Total Current liabilities - Borrowing	427 597	446 355	440 239	1 565 429	1 486 784	1 486 784	1 808 361	3 045 204	1 503 331
Trade and other payables									
Trade Payables	4 408 435	4 552 048	4 660 306	3 606 675	2 092 794	2 092 794	2 568 642	3 395 513	5 186 065
Other creditors	1 290 883	1 409 924	1 584 011	2 139 133	1 971 578	1 971 578	2 299 749	2 314 189	2 329 606
Unspent conditional transfers	1 298 170	1 392 172	1 119 269	1 563 531	1 563 531	1 563 531	1 429 132	1 524 837	1 625 198
VAT	130 270	173 298	86 380	188 342	89 749	89 749	94 057	98 196	102 614
Total Trade and other payables	7 127 758	7 527 442	7 449 967	7 497 681	5 717 652	5 717 652	6 391 580	7 332 734	9 243 484
Non current liabilities - Borrowing									
Borrowing	6 270 937	6 871 889	6 547 823	7 589 127	6 360 401	6 360 401	6 624 774	10 303 727	16 486 825
Finance leases (including PPP asset element)	–	–	–	–	–	–	–	–	–
Total Non current liabilities - Borrowing	6 270 937	6 871 889	6 547 823	7 589 127	6 360 401	6 360 401	6 624 774	10 303 727	16 486 825
Provisions - non-current									
Retirement benefits	5 901 641	5 453 500	6 152 153	6 633 586	6 482 364	6 482 364	6 895 242	7 356 635	7 867 935
Refuse landfill site rehabilitation	345 888	299 856	237 145	494 959	193 443	193 443	130 020	140 493	139 736
Other	629 559	673 847	725 213	769 274	753 791	753 791	787 014	829 343	879 104
Total Provisions - non-current	6 877 088	6 427 203	7 114 512	7 897 818	7 429 598	7 429 598	7 812 276	8 326 471	8 886 775
CHANGES IN NET ASSETS									
Accumulated Surplus/(Deficit)									
Accumulated Surplus/(Deficit) - opening balance	38 984 105	43 892 330	47 421 464	48 580 967	49 616 547	49 616 547	50 915 098	53 332 902	55 674 753
GRAP adjustments	–	–	–	–	–	–	–	–	–
Restated balance	38 984 105	43 892 330	47 421 464	48 580 967	49 616 547	49 616 547	50 915 098	53 332 902	55 674 753
Surplus/(Deficit)	6 242 064	4 369 410	2 054 420	2 507 595	1 231 038	1 231 038	1 760 790	1 929 221	2 732 096
Transfers to/from Reserves	(1 333 839)	(840 276)	140 663	711 667	67 514	67 514	657 008	412 629	297 060
Depreciation offsets	–	–	–	–	–	–	–	–	–
Other adjustments	–	–	–	–	–	–	–	–	–
Accumulated Surplus/(Deficit)	43 892 329	47 421 464	49 616 547	51 800 228	50 915 099	50 915 099	53 332 897	55 674 752	58 703 909
Reserves									
Housing Development Fund	409 352	463 210	421 203	293 946	413 254	413 254	380 447	348 870	318 044
Capital replacement	3 800 793	4 561 164	4 452 496	3 329 158	4 400 620	4 400 620	3 774 122	3 372 998	3 070 741
Self-insurance	588 775	614 821	624 832	623 103	617 143	617 143	619 440	639 512	675 535
Other reserves	–	–	–	–	–	–	–	–	–
Revaluation	–	–	–	–	–	–	–	–	–
Total Reserves	4 798 920	5 639 194	5 498 532	4 246 206	5 431 017	5 431 017	4 774 009	4 361 380	4 064 320
TOTAL COMMUNITY WEALTH/EQUITY	48 691 249	53 060 658	55 115 078	56 046 435	56 346 116	56 346 116	58 106 906	60 036 132	62 768 229

Table 97- MBRR Table SA9 - Social, economic and demographic statistics and assumptions

Description of economic indicator	Basis of calculation	2001 Census	2007 Survey	2011 Census	2018/19	2019/20	2020/21	Current Year 2021/22	2022/23 Medium Term Revenue & Expenditure Framework		
					Outcome	Outcome	Outcome	Original Budget	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Demographics											
Population	StatsSA Census, Community Survey & Mid-year estimates	2 893 249	3 497 097	3 740 025	4 517 676	4 607 601	4 678 900	4 758 405	4 841 030	4 924 275	5 008 458
Females aged 5 - 14	StatsSA Census, Community Survey & Mid-year estimates	260 241	287 307	275 909	360 743	363 423	363 652	364 815	364 839	364 241	363 542
Males aged 5 - 14	StatsSA Census, Community Survey & Mid-year estimates	257 985	284 101	282 124	372 837	375 829	376 639	377 607	377 396	376 832	376 414
Females aged 15 - 34	StatsSA Census, Community Survey & Mid-year estimates	571 867	653 762	706 732	760 070	765 971	768 695	773 219	779 332	786 249	794 082
Males aged 15 - 34	StatsSA Census, Community Survey & Mid-year estimates	539 939	631 811	707 488	775 738	781 616	783 417	787 596	793 620	800 351	807 758
Unemployment	StatsSA Census, Community Survey & QLFS	29.20%	24.50%	23.90%	22.77%	23.23%	25.80%	27.50%	NA	NA	NA
Monthly household income (no. of households)											
No income	StatsSA Census	101 953	52 446	146 517	NA	NA	NA	NA	NA	NA	NA
R1 - R1 600	StatsSA Census	200 414	144 873	185 068	NA	NA	NA	NA	NA	NA	NA
R1 601 - R3 200	StatsSA Census	130 846	122 611	170 824	NA	NA	NA	NA	NA	NA	NA
R3 201 - R6 400	StatsSA Census	133 588	121 268	154 427	NA	NA	NA	NA	NA	NA	NA
R6 401 - R12 800	StatsSA Census	109 609	103 587	139 348	NA	NA	NA	NA	NA	NA	NA
R12 801 - R25 600	StatsSA Census	67 529	87 974	126 625	NA	NA	NA	NA	NA	NA	NA
R25 601 - R51 200	StatsSA Census	23 091	52 892	92 860	NA	NA	NA	NA	NA	NA	NA
R52 201 - R102 400	StatsSA Census	5 470	18 249	38 018	NA	NA	NA	NA	NA	NA	NA
R102 401 - R204 800	StatsSA Census	3 028	5 355	9 749	NA	NA	NA	NA	NA	NA	NA
R204 801 - R409 600	StatsSA Census	1 861	3 429	5 066	NA	NA	NA	NA	NA	NA	NA
R409 601 - R819 200	StatsSA Census	-	189 593	73	NA	NA	NA	NA	NA	NA	NA
Poverty profiles (no. of households)											
< R2 060 per household per month											
City Indigent Relief Policy (The classification of a household as 'indigent' is determined by the City of Cape Town through their Credit Control and Debt Collection Policy which is revised annually.)	Households with a gross income of R4 500 or less per month qualify for free basic services where relevant, while those with a gross income of between R4501 and R7000 per month qualify for reduced rates and refuse.	-	-	-	220 796	197 224	201 707	204 859	NA	NA	NA
Household/demographics											
Number of people in municipal area	StatsSA Census, Community Survey & Mid-year estimates	2 893 249	3 497 097	3 740 025	4 517 676	4 607 601	4 678 900	4 758 405	4 841 030	4 924 275	5 008 458
Number of poor people in municipal area	StatsSA Census, estimates	1 124 687	1 240 002	1 758 442	NA	NA	NA	NA	NA	NA	NA
Number of households in municipal area	StatsSA Census, estimates	777 390	902 275	1 068 575	1 411 774	1 439 875	1 462 156	1 487 001	1 512 822	1 538 836	1 565 143
Number of poor households in municipal area	-	302 193	319 930	502 409	220 796	197 224	201 707	204 859	NA	NA	NA
Definition of poor household (R per month)	-	Household Income < R1608	Household income < R3201	Household income < R3201	-	-	-	-	-	-	-

*NA = not available

Table continues on next page

Table 98 - MBRR Table SA9 - Detail on the provision of municipal services for Table A10 (Basic service delivery measurement)

Total municipal services	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
	Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<u>Household service targets</u>									
<u>Water:</u>									
Piped water inside dwelling	1 190 854	1 214 760	1 256 146	1 310 286	1 310 286	1 310 286	1 328 617	1 351 464	1 374 568
Piped water inside yard (but not in dwelling)	-	-	-	-	-	-	-	-	-
Using public tap (at least min.service level)	165 105	168 419	174 157	181 663	181 663	181 663	184 205	187 372	190 575
Other water supply (at least min.service level)	-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>	1 355 959	1 383 179	1 430 303	1 491 949	1 491 949	1 491 949	1 512 822	1 538 836	1 565 143
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	1 355 959	1 383 179	1 430 303	1 491 949	1 491 949	1 491 949	1 512 822	1 538 836	1 565 143
<u>Sanitation/sewerage:</u>									
Flush toilet (connected to sewerage)	1 275 391	1 285 080	1 329 491	1 384 841	1 384 841	1 384 841	1 404 012	1 429 241	1 452 156
Flush toilet (with septic tank)	-	-	-	-	-	-	-	-	-
Chemical toilet	26 392	35 120	39 765	62 330	62 330	62 330	63 105	63 105	63 105
Pit toilet (ventilated)	197	197	197	197	197	197	197	197	197
Other toilet provisions (> min.service level)	53 830	62 633	60 850	44 581	44 581	44 581	45 508	46 293	49 685
<i>Minimum Service Level and Above sub-total</i>	1 355 810	1 383 030	1 430 303	1 491 949	1 491 949	1 491 949	1 512 822	1 538 836	1 565 143
Bucket toilet	149	149	-	-	-	-	-	-	-
Other toilet provisions (< min.service level)	-	-	-	-	-	-	-	-	-
No toilet provisions	-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>	149	149	-	-	-	-	-	-	-
Total number of households	1 355 959	1 383 179	1 430 303	1 491 949	1 491 949	1 491 949	1 512 822	1 538 836	1 565 143
<u>Energy:</u>									
Electricity (at least min.service level)	841 791	883 767	844 162	845 662	845 662	845 662	847 162	848 662	850 162
Electricity - prepaid (min.service level)	-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>	841 791	883 767	844 162	845 662	845 662	845 662	847 162	848 662	850 162
Electricity (< min.service level)	31 126	29 130	27 409	26 130	26 130	26 130	24 630	23 130	21 630
Electricity - prepaid (< min. service level)	-	-	-	-	-	-	-	-	-
Other energy sources	-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>	31 126	29 130	27 409	26 130	26 130	26 130	24 630	23 130	21 630
Total number of households	872 917	912 897	871 571	871 792	871 792	871 792	871 792	871 792	871 792
<u>Refuse:</u>									
Removed at least once a week	944 616	958 534	935 447	954 156	954 156	954 156	1 071 453	1 115 178	1 162 007
<i>Minimum Service Level and Above sub-total</i>	944 616	958 534	935 447	954 156	954 156	954 156	1 071 453	1 115 178	1 162 007
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	944 616	958 534	935 447	954 156	954 156	954 156	1 071 453	1 115 178	1 162 007

Table continues on next page

Municipal in-house services	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
	Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<u>Household service targets</u>									
<u>Water:</u>									
Piped water inside dwelling	1 190 854	1 214 760	1 256 146	1 310 286	1 310 286	1 310 286	1 328 617	1 351 464	1 374 568
Piped water inside yard (but not in dwelling)	–	–	–	–	–	–	–	–	–
Using public tap (at least min.service level)	165 105	168 419	174 157	181 663	181 663	181 663	184 205	187 372	190 575
<i>Other water supply (at least min.service level)</i>	–	–	–	–	–	–	–	–	–
Minimum Service Level and Above sub-total	1 355 959	1 383 179	1 430 303	1 491 949	1 491 949	1 491 949	1 512 822	1 538 836	1 565 143
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	1 355 959	1 383 179	1 430 303	1 491 949	1 491 949	1 491 949	1 512 822	1 538 836	1 565 143
<u>Sanitation/sewerage:</u>									
Flush toilet (connected to sewerage)	1 275 391	1 285 080	1 329 491	1 384 841	1 384 841	1 384 841	1 404 012	1 429 241	1 452 156
Flush toilet (with septic tank)	–	–	–	–	–	–	–	–	–
Chemical toilet	26 392	35 120	39 765	62 330	62 330	62 330	63 105	63 105	63 105
Pit toilet (ventilated)	197	197	197	197	197	197	197	197	197
Other toilet provisions (> min.service level)	53 830	62 633	60 850	44 581	44 581	44 581	45 508	46 293	49 685
<i>Minimum Service Level and Above sub-total</i>	1 355 810	1 383 030	1 430 303	1 491 949	1 491 949	1 491 949	1 512 822	1 538 836	1 565 143
Bucket toilet	149	149	–	–	–	–	–	–	–
Other toilet provisions (< min.service level)	–	–	–	–	–	–	–	–	–
No toilet provisions	–	–	–	–	–	–	–	–	–
<i>Below Minimum Service Level sub-total</i>	149	149	–	–	–	–	–	–	–
Total number of households	1 355 959	1 383 179	1 430 303	1 491 949	1 491 949	1 491 949	1 512 822	1 538 836	1 565 143
<u>Energy:</u>									
Electricity (at least min.service level)	595 199	637 175	597 570	599 070	599 070	599 070	600 570	602 070	603 570
Electricity - prepaid (min.service level)	–	–	–	–	–	–	–	–	–
<i>Minimum Service Level and Above sub-total</i>	595 199	637 175	597 570	599 070	599 070	599 070	600 570	602 070	603 570
Electricity (< min.service level)	31 126	29 130	27 409	26 130	26 130	26 130	24 630	23 130	21 630
Electricity - prepaid (< min. service level)	–	–	–	–	–	–	–	–	–
Other energy sources	–	–	–	–	–	–	–	–	–
<i>Below Minimum Service Level sub-total</i>	31 126	29 130	27 409	26 130	26 130	26 130	24 630	23 130	21 630
Total number of households	626 325	666 305	624 979	625 200	625 200	625 200	625 200	625 200	625 200
<u>Refuse:</u>									
Removed at least once a week	944 616	958 534	935 447	954 156	954 156	954 156	1 071 453	1 115 178	1 162 007
<i>Minimum Service Level and Above sub-total</i>	944 616	958 534	935 447	954 156	954 156	954 156	1 071 453	1 115 178	1 162 007
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	944 616	958 534	935 447	954 156	954 156	954 156	1 071 453	1 115 178	1 162 007

Table continues on next page

Services provided by 'external mechanisms'		2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Eskom	Energy:									
	Electricity (at least min.service level)	246 592	246 592	246 592	246 592	246 592	246 592	246 592	246 592	246 592
	Electricity - prepaid (min.service level)	-	-	-	-	-	-	-	-	-
	Minimum Service Level and Above sub-total	246 592	246 592	246 592	246 592	246 592	246 592	246 592	246 592	246 592
	Electricity (< min.service level)	-	-	-	-	-	-	-	-	-
	Electricity - prepaid (< min. service level)	-	-	-	-	-	-	-	-	-
	Other energy sources	-	-	-	-	-	-	-	-	-
Below Minimum Service Level sub-total	-	-	-	-	-	-	-	-	-	
Total number of households	246 592	246 592	246 592	246 592	246 592	246 592	246 592	246 592	246 592	

Detail of Free Basic Services (FBS) provided		2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Electricity	Location of households for each type of FBS									
	Formal settlements - (50 kwh per indigent household per month Rands)	125 998 862	125 998 862	106 000 000	119 429 848	119 429 848	119 429 848	117 303 048	135 555 402	153 679 160
	<i>Number of HH receiving this type of FBS</i>	183 070	166 389	179 943	184 570	184 570	184 570	184 570	184 570	184 570
	Informal settlements (Rands)	78 060 662	91 284 423	105 583 474	121 420 995	139 634 144	160 579 266	149 046 400	172 238 020	195 266 243
	<i>Number of HH receiving this type of FBS</i>	136 726	140 495	140 251	153 000	153 000	153 000	153 000	153 000	153 000
	Informal settlements targeted for upgrading (Rands)	-	-	-	-	-	-	-	-	-
	<i>Number of HH receiving this type of FBS</i>	-	-	-	-	-	-	-	-	-
	Living in informal backyard rental agreement (Rands)	1 175 158	1 310 806	1 346 771	1 548 787	1 781 105	2 048 270	2 242 856	2 591 844	2 938 374
	<i>Number of HH receiving this type of FBS</i>	1 646	1 719	1 683	1 719	1 719	1 719	1 719	1 719	1 719
	Other (Rands)	-	-	-	-	-	-	15 616 076	18 045 937	20 458 679
	<i>Number of HH receiving this type of FBS</i>	-	-	-	-	-	-	-	-	-
Total cost of FBS - Electricity for informal settlements	79 235 820	92 595 229	106 930 245	122 969 782	141 415 249	162 627 536	166 905 332	192 875 802	218 663 296	
Water	Location of households for each type of FBS									
	Formal settlements - (6 kilolitre per indigent household per month Rands)	368 202 762	449 105 580	408 131 484	441 367 937	441 367 937	441 367 937	283 601 500	297 781 575	323 986 354
	<i>Number of HH receiving this type of FBS</i>	267 325	270 025	253 851	250 413	250 413	250 413	240 091	240 091	240 091
	Informal settlements (Rands)	225 618 455	277 619 681	276 947 914	315 256 769	315 256 769	315 256 769	167 440 000	175 812 000	191 283 456
	<i>Number of HH receiving this type of FBS</i>	163 805	166 919	174 157	178 863	178 863	178 863	179 505	182 672	185 875
	Informal settlements targeted for upgrading (Rands)	1 790 568	2 494 800	3 054 744	4 935 168	4 935 168	4 935 168	2 611 805	2 742 395	2 983 726
	<i>Number of HH receiving this type of FBS</i>	1 300	1 500	1 900	2 800	2 800	2 800	2 800	2 800	2 800
	Living in informal backyard rental agreement (Rands)	4 074 231	6 458 206	7 931 080	3 348 864	3 348 864	3 348 864	1 772 296	1 860 911	2 024 671
	<i>Number of HH receiving this type of FBS</i>	2 958	3 883	4 933	1 900	1 900	1 900	1 900	1 900	1 900
	Other (Rands)	-	-	-	-	-	-	-	-	-
	<i>Number of HH receiving this type of FBS</i>	-	-	-	-	-	-	-	-	-
Total cost of FBS - Water for informal settlements	231 483 254	286 572 687	287 933 738	323 540 801	323 540 801	323 540 801	171 824 101	180 415 306	196 291 853	

Table continues on next page

Detail of Free Basic Services (FBS) provided		2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Sanitation	Location of households for each type of FBS									
	Formal settlements - (free sanitation service to indigent households)	233 220 746	232 446 161	251 147 995	295 200 868	295 200 868	295 200 868	242 531 450	254 658 022	277 067 928
	<i>Number of HH receiving this type of FBS</i>	267 325	270 025	253 851	250 413	250 413	250 413	240 091	240 091	240 091
	Informal settlements (Rands)	72 617 956	74 235 569	76 361 155	84 588 812	84 588 812	84 588 812	56 393 740	60 147 389	64 146 358
	<i>Number of HH receiving this type of FBS</i>	83 237	86 237	77 183	71 755	71 755	71 755	70 695	73 077	72 888
	Informal settlements targeted for upgrading (Rands)	1 134 151	1 291 248	1 879 769	3 300 797	3 300 797	3 300 797	2 233 573	2 382 243	2 540 629
	<i>Number of HH receiving this type of FBS</i>	1 300	1 500	1 900	2 800	2 800	2 800	2 800	2 800	2 800
	Living in informal backyard rental agreement (Rands)	2 580 630	3 342 611	4 880 473	2 239 826	2 239 826	2 239 826	1 515 639	1 616 522	1 723 998
	<i>Number of HH receiving this type of FBS</i>	2 958	3 883	4 933	1 900	1 900	1 900	1 900	1 900	1 900
	Other (Rands)	-	-	-	348 228 624	348 228 624	348 228 624	463 337 559	463 337 559	463 337 559
<i>Number of HH receiving this type of FBS</i>	-	-	-	107 108	107 108	107 108	108 810	109 595	112 987	
	Total cost of FBS - Sanitation for informal settlements	76 332 737	78 869 428	83 121 397	438 358 059	438 358 059	438 358 059	523 480 511	527 483 713	531 748 544
Refuse Removal	Location of households for each type of FBS									
	Formal settlements - (removed once a week to indigent households)	280 000 000	287 132 840	313 332 279	311 131 690	311 131 690	311 131 690	356 131 690	356 131 690	356 131 690
	<i>Number of HH receiving this type of FBS</i>	304 437	310 526	264 761	270 056	270 056	270 056	270 035	270 035	270 035
	Informal settlements (Rands)	147 182 564	154 541 692	289 284 757	293 466 781	293 466 781	293 466 781	274 238 222	285 207 750	296 616 061
	<i>Number of HH receiving this type of FBS</i>	160 000	163 200	218 000	222 360	222 360	222 360	287 000	306 570	337 227
	Informal settlements targeted for upgrading (Rands)	-	-	-	-	-	-	-	-	-
	<i>Number of HH receiving this type of FBS</i>	-	-	-	-	-	-	-	-	-
	Living in informal backyard rental agreement (Rands)	-	-	-	-	-	-	-	-	-
	<i>Number of HH receiving this type of FBS</i>	-	-	-	-	-	-	-	-	-
	Other (Rands)	-	-	-	-	-	-	-	-	-
<i>Number of HH receiving this type of FBS</i>	-	-	-	-	-	-	-	-	-	
	Total cost of FBS - Refuse Removal for informal settlements	147 182 564	154 541 692	289 284 757	293 466 781	293 466 781	293 466 781	274 238 222	285 207 750	296 616 061

*The information provided in the table above is based on number of properties and not households for Water for example, and for Electricity it will be based on number of service connections. There is therefore not a direct correlation between the two as a property can consist of numerous households.

2.21 Consolidated budget tables

The consolidated tables, as required in terms of Regulation 9 of the MBRR, are presented in the nine primary budget tables on page 261 to page 273.

The tables provide a consolidated view of the main tables (including financial position and cash flow) of the City, CTICC and CTS.

The consolidated tables include the City’s and entities’ MTREF with elimination of inter-company entries. It will therefore not align to a direct consolidation of tables between the City’s MBRR Schedule A and the entities’ MBRR Schedule D.

Table 99 - MBRR Table A1 - Consolidated Budget Summary

Description	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousands									
Financial Performance									
Property rates	9 529 022	10 071 660	10 269 449	10 974 912	10 976 166	10 976 166	11 514 153	12 129 271	12 855 118
Service charges	18 876 837	20 067 405	20 255 170	22 373 824	22 318 671	22 318 671	24 536 330	27 371 394	30 399 391
Investment revenue	1 142 094	1 304 755	900 467	855 344	896 476	896 476	1 119 303	1 120 280	971 266
Transfers recognised - operational	4 494 019	4 983 212	5 793 196	5 650 364	6 070 243	6 070 243	6 260 172	6 454 997	6 693 166
Other own revenue	6 432 197	6 150 919	6 200 896	7 791 764	10 436 120	10 436 120	10 004 084	10 224 219	10 622 121
Total Revenue (excluding capital transfers and contributions)	40 474 168	42 577 951	43 419 178	47 646 208	50 697 675	50 697 675	53 434 043	57 300 161	61 541 061
Employee costs	12 427 935	12 881 216	15 179 277	15 669 540	15 905 717	15 905 717	17 387 592	18 305 301	19 360 979
Remuneration of councillors	161 297	167 521	166 417	179 826	179 826	179 826	176 133	184 204	192 463
Depreciation & asset impairment	2 889 931	3 062 972	3 027 700	3 064 593	3 119 172	3 119 172	3 253 427	3 463 475	3 735 000
Finance charges	756 569	815 109	831 478	794 747	788 704	788 704	862 999	1 067 515	1 540 707
Inventory consumed and bulk purchases	9 883 968	11 049 364	11 306 451	14 890 659	16 849 414	16 849 414	17 581 995	19 831 679	22 200 685
Transfers and grants	336 816	394 011	336 318	405 903	501 965	501 965	360 408	333 865	303 365
Other expenditure	9 707 595	11 846 130	12 494 447	13 441 694	14 050 963	14 050 963	14 416 950	14 876 625	15 063 718
Total Expenditure	36 164 110	40 216 322	43 342 089	48 446 963	51 395 761	51 395 761	54 039 505	58 062 664	62 396 919
Surplus/(Deficit)	4 310 058	2 361 629	77 089	(800 755)	(698 085)	(698 085)	(605 462)	(762 503)	(855 858)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	2 078 060	1 911 311	1 616 023	3 066 644	1 733 253	1 733 253	2 171 013	2 548 125	3 443 150
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)	52 664	40 524	185 190	72 198	59 336	59 336	100 854	95 375	108 247
Surplus/(Deficit) after capital transfers & contributions	6 440 783	4 313 464	-	2 338 087	1 094 503	1 094 503	1 666 405	1 880 997	2 695 540
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	6 440 783	4 313 464	-	2 338 087	1 094 503	1 094 503	1 666 405	1 880 997	2 695 540
Capital expenditure & funds sources									
Capital expenditure	5 382 377	6 027 076	6 549 131	8 325 939	6 108 082	5 745 557	7 527 791	11 017 486	12 751 298
Transfers recognised - capital	2 119 370	1 946 844	1 676 001	3 138 842	1 792 589	1 737 256	2 271 867	2 643 500	3 551 397
Borrowing	388 077	1 060 298	(1 281)	2 500 000	1 200 000	1 072 895	2 000 000	6 479 900	7 480 175
Internally generated funds	2 874 929	3 019 933	4 874 410	2 687 097	3 115 494	2 935 406	3 255 924	1 894 087	1 719 725
Total sources of capital funds	5 382 377	6 027 076	6 549 131	8 325 939	6 108 082	5 745 557	7 527 791	11 017 486	12 751 298

Table continues on next page

Description	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousands									
Financial position									
Total current assets	18 771 125	19 931 520	18 087 833	16 886 995	16 285 703	16 285 703	14 660 789	16 420 925	19 153 806
Total non current assets	52 902 375	56 923 338	61 321 856	67 068 144	64 013 593	64 013 593	68 175 557	74 741 859	81 894 210
Total current liabilities	9 218 141	9 947 548	9 949 700	11 718 587	9 491 379	9 491 379	10 401 366	12 624 141	13 060 260
Total non current liabilities	13 154 744	13 303 872	13 662 335	15 487 177	13 789 999	13 789 999	14 437 282	18 630 572	25 374 058
Community wealth/Equity	49 300 615	53 603 438	55 797 655	56 749 375	57 017 918	57 017 918	57 997 698	59 908 071	62 613 698
Cash flows									
Net cash from (used) operating	9 280 101	6 989 671	6 299 700	5 647 568	4 410 661	4 410 661	5 089 826	5 838 706	6 800 100
Net cash from (used) investing	(6 242 255)	(6 825 074)	(7 337 859)	(8 411 512)	(6 289 922)	(6 289 922)	(6 785 519)	(9 993 688)	(10 832 198)
Net cash from (used) financing	(131 800)	785 076	(351 140)	2 145 615	916 175	916 175	589 849	4 748 647	4 517 411
Cash/cash equivalents at the year end	8 712 870	9 662 543	8 273 244	5 071 884	7 057 883	7 057 883	6 054 466	6 648 131	7 133 444
Cash backing/surplus reconciliation									
Cash and investments available	16 221 572	18 058 960	17 605 323	13 069 017	15 042 560	15 042 560	13 167 769	13 720 736	14 206 049
Application of cash and investments	7 471 653	8 981 479	9 718 353	7 219 509	8 709 643	8 709 643	7 919 038	7 357 808	6 811 207
Balance - surplus (shortfall)	8 749 919	9 077 481	7 886 971	5 849 508	6 332 917	6 332 917	5 248 731	6 362 928	7 394 842
Asset management									
Asset register summary (WDV)	46 989 651	50 273 369	54 060 989	60 099 326	57 082 632	57 082 632	61 381 729	68 936 770	77 924 711
Depreciation	2 836 129	2 926 971	2 873 505	3 064 593	3 119 172	3 119 172	3 253 427	3 463 475	3 735 000
Renewal and Upgrading of Existing Assets	2 690 886	3 401 804	3 608 937	4 072 691	3 487 573	3 317 510	3 882 045	5 759 138	5 472 978
Repairs and Maintenance	3 817 782	3 745 860	3 696 989	4 252 885	4 567 986	4 567 986	4 802 583	5 181 385	5 345 559
Free services									
Cost of Free Basic Services provided	1 541 657	1 707 262	1 845 882	2 345 466	2 363 911	2 385 124	2 136 016	2 230 109	2 354 185
Revenue cost of free services provided	1 478 535	1 233 725	1 305 018	1 389 874	1 388 850	1 388 850	1 873 408	2 009 487	2 178 287
Households below minimum service level									
Water:	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:	149	149	-	-	-	-	-	-	-
Energy:	31 126	29 130	27 409	26 130	26 130	26 130	24 630	23 130	21 630
Refuse:	-	-	-	-	-	-	-	-	-

Table 100 - MBRR Table A2 - Consolidated Budgeted Financial Performance (revenue and expenditure by standard classification)

Functional Classification Description	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Revenue - Functional									
Governance and administration	15 530 792	16 251 106	16 445 173	16 639 753	16 815 607	16 815 607	17 776 773	18 551 179	19 292 824
Executive and council	1 085	680	1 306	1 325	17 336	17 336	1 372	1 387	1 403
Finance and administration	15 529 700	16 250 411	16 443 865	16 638 425	16 798 267	16 798 267	17 775 397	18 549 788	19 291 417
Internal audit	8	15	1	3	3	3	3	3	4
Community and public safety	3 323 013	3 484 457	3 661 013	3 781 666	3 940 275	3 940 275	4 059 909	4 058 283	4 245 591
Community and social services	134 009	167 274	101 330	110 743	107 692	107 692	104 197	130 149	103 968
Sport and recreation	87 253	55 586	23 107	56 820	49 319	49 319	126 820	153 945	155 031
Public safety	1 397 393	1 398 243	1 866 652	1 662 138	1 640 328	1 640 328	1 706 432	1 666 374	1 691 835
Housing	1 305 808	1 437 439	1 203 244	1 426 542	1 650 307	1 650 307	1 623 592	1 580 080	1 747 128
Health	398 550	425 915	466 680	525 421	492 628	492 628	498 867	527 736	547 630
Economic and environmental services	1 756 981	1 706 725	2 048 185	3 236 531	1 931 538	1 931 538	2 307 254	2 590 644	3 446 614
Planning and development	393 561	410 437	437 073	536 404	576 415	576 415	552 759	564 205	527 969
Road transport	1 341 965	1 277 491	1 564 081	2 649 668	1 305 409	1 305 409	1 709 236	2 005 266	2 906 510
Environmental protection	21 456	18 796	47 031	50 459	49 713	49 713	45 259	21 173	12 135
Trading services	21 699 621	22 864 761	23 013 538	27 096 044	29 747 460	29 747 460	31 430 191	34 549 951	37 886 803
Energy sources	13 527 176	14 651 996	14 672 227	16 198 161	16 175 878	16 175 878	17 749 081	20 120 286	22 446 482
Water management	4 531 980	4 511 958	4 549 225	6 901 018	9 527 239	9 527 239	8 507 976	8 971 364	9 645 314
Waste water management	2 061 006	1 966 766	2 086 778	2 160 243	2 172 101	2 172 101	3 177 244	3 297 061	3 549 165
Waste management	1 579 460	1 734 042	1 705 309	1 836 622	1 872 241	1 872 241	1 995 890	2 161 239	2 245 842
Other	294 485	222 737	52 481	31 056	55 386	55 386	131 783	193 604	220 627
Total Revenue - Functional	42 604 893	44 529 787	45 220 390	50 785 050	52 490 264	52 490 264	55 705 910	59 943 661	65 092 458
Expenditure - Functional									
Governance and administration	7 092 218	7 998 410	9 286 510	3 332 830	3 441 103	3 441 103	2 963 104	3 213 113	3 546 410
Executive and council	426 599	490 883	548 975	128 804	158 549	158 549	173 918	198 424	223 588
Finance and administration	6 622 529	7 459 709	8 686 748	3 201 334	3 279 681	3 279 681	2 786 198	3 008 429	3 312 774
Internal audit	43 089	47 818	50 788	2 693	2 872	2 872	2 988	6 259	10 048
Community and public safety	7 954 697	8 560 970	9 621 877	12 235 711	12 251 595	12 251 595	13 196 385	13 887 419	14 431 782
Community and social services	928 483	1 048 183	1 055 191	1 798 583	1 821 934	1 821 934	1 899 826	1 966 799	2 039 525
Sport and recreation	1 401 297	1 464 104	1 465 210	1 914 491	1 968 336	1 968 336	2 050 981	2 117 185	2 175 275
Public safety	2 848 184	3 098 522	3 834 284	4 756 613	4 671 462	4 671 462	5 246 351	5 607 865	5 809 896
Housing	1 583 809	1 645 473	1 732 548	2 115 229	2 070 815	2 070 815	2 189 567	2 268 759	2 397 912
Health	1 192 924	1 304 689	1 534 643	1 650 795	1 719 049	1 719 049	1 809 659	1 926 812	2 009 174
Economic and environmental services	4 880 698	5 160 616	4 912 698	6 054 195	6 209 915	6 209 915	6 492 526	6 627 835	6 863 032
Planning and development	1 254 680	1 571 203	1 369 833	1 599 708	1 641 945	1 641 945	1 738 251	1 768 818	1 849 486
Road transport	3 486 036	3 405 885	3 314 692	4 168 229	4 263 094	4 263 094	4 431 267	4 546 904	4 693 484
Environmental protection	139 982	183 529	228 173	286 258	304 877	304 877	323 008	312 113	320 062
Trading services	15 954 207	18 121 801	19 118 442	26 492 528	29 170 687	29 170 687	31 008 432	33 936 672	37 142 099
Energy sources	11 577 936	12 621 188	13 227 434	15 725 548	15 773 733	15 773 733	17 352 048	19 747 257	22 212 781
Water management	3 057 300	3 678 201	3 245 814	6 127 497	8 631 623	8 631 623	7 480 308	8 130 664	8 566 810
Waste water management	536 246	1 151 847	1 771 128	2 801 168	2 900 098	2 900 098	4 153 482	3 927 379	4 239 903
Waste management	782 724	670 565	874 064	1 838 316	1 865 234	1 865 234	2 022 595	2 131 372	2 122 605
Other	288 153	340 129	368 371	251 960	245 651	245 651	333 863	374 310	395 922
Total Expenditure - Functional	36 169 972	40 181 926	43 307 898	48 367 225	51 318 952	51 318 952	53 994 310	58 039 349	62 379 245
Surplus/(Deficit) for the year	6 434 920	4 347 860	1 912 492	2 417 825	1 171 313	1 171 313	1 711 600	1 904 312	2 713 214

Table 101 - MBBR Table A3 - Consolidated Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Revenue by Vote									
Vote 1 - Community Services & Health	920 090	914 528	1 219 915	1 006 695	1 128 776	1 128 776	1 033 395	1 101 426	1 085 264
Vote 2 - Corporate Services	77 252	72 008	71 453	68 146	70 017	70 017	70 505	72 613	76 778
Vote 3 - Economic Growth	275 354	252 454	270 886	326 517	332 254	332 254	303 782	277 101	254 800
Vote 4 - Energy	13 325 722	14 446 521	14 460 428	15 955 977	15 933 694	15 933 694	17 600 187	19 958 070	22 269 659
Vote 5 - Finance	15 860 942	14 859 564	16 712 224	17 460 587	17 793 055	17 793 055	17 001 182	17 732 531	18 547 147
Vote 6 - Future Planning & Resilience	16 574	18 952	6 415	38 311	44 361	44 361	61 932	63 588	70 047
Vote 7 - Human Settlements	1 185 786	1 312 424	1 071 872	1 165 767	1 389 531	1 389 531	1 623 584	1 580 071	1 747 119
Vote 8 - Office of the City Manager	1 090	574	4 007	788	15 154	15 154	824	860	898
Vote 9 - Safety & Security	1 431 610	1 467 552	1 967 592	1 717 141	1 707 498	1 707 498	1 763 850	1 726 318	1 754 417
Vote 10 - Spatial Planning & Environment	397 752	415 635	423 889	470 116	470 560	470 560	498 030	524 459	511 657
Vote 11 - Urban Mobility	1 421 443	1 364 476	1 612 650	2 700 909	1 334 063	1 334 063	1 756 273	2 085 066	2 924 425
Vote 12 - Urban Waste Management	1 461 072	1 551 924	1 607 666	1 699 585	1 442 972	1 442 972	2 022 324	2 183 640	2 268 349
Vote 13 - Water & Sanitation	5 854 091	5 551 833	5 662 251	8 045 433	10 680 622	10 680 622	11 718 322	12 317 280	13 229 331
Vote 14 - Cape Town International Convention Centre	292 264	220 908	52 088	25 991	50 321	50 321	126 486	188 074	214 853
Vote 15 - Cape Town Stadium	83 848	2 080 433	77 053	103 087	97 386	97 386	125 233	132 563	137 713
Total Revenue by Vote	42 604 892	44 529 786	45 220 390	50 785 050	52 490 264	52 490 264	55 705 910	59 943 661	65 092 458
Expenditure by Vote to be appropriated									
Vote 1 - Community Services & Health	3 361 843	3 743 494	4 220 408	4 203 852	4 364 284	4 364 284	4 435 582	4 635 941	4 841 841
Vote 2 - Corporate Services	2 458 864	2 650 762	3 388 184	3 077 255	3 041 197	3 041 197	3 347 229	3 758 646	3 904 276
Vote 3 - Economic Growth	549 713	663 611	670 171	766 032	794 818	794 818	711 443	707 694	695 403
Vote 4 - Energy	10 348 895	11 536 465	12 115 506	13 818 614	13 877 344	13 877 344	15 240 759	17 370 179	19 565 759
Vote 5 - Finance	3 089 004	2 479 150	2 868 038	3 105 983	3 210 751	3 210 751	3 199 878	3 434 480	3 945 926
Vote 6 - Future Planning & Resilience	312 359	376 496	394 594	499 202	515 713	515 713	560 878	579 554	608 327
Vote 7 - Human Settlements	1 125 953	1 355 050	1 400 320	1 446 864	1 467 828	1 467 828	1 545 840	1 603 084	1 695 637
Vote 8 - Office of the City Manager	305 852	373 241	419 625	479 646	498 490	498 490	472 208	474 620	492 619
Vote 9 - Safety & Security	3 381 154	3 711 342	4 461 150	4 707 856	4 614 791	4 614 791	5 166 367	5 542 705	5 797 925
Vote 10 - Spatial Planning & Environment	812 914	1 089 998	1 175 317	1 170 715	1 178 447	1 178 447	1 274 335	1 321 505	1 414 127
Vote 11 - Urban Mobility	3 348 933	3 256 302	3 198 844	3 669 116	3 727 691	3 727 691	3 848 458	3 941 056	4 062 313
Vote 12 - Urban Waste Management	2 401 654	2 698 109	2 888 750	3 138 571	3 215 107	3 215 107	3 340 398	3 427 840	3 466 636
Vote 13 - Water & Sanitation	4 314 941	5 820 251	5 744 911	8 066 681	10 605 059	10 605 059	10 550 026	10 896 499	11 517 006
Vote 14 - Cape Town International Convention Centre	274 045	322 221	285 026	115 761	110 046	110 046	175 681	212 983	233 736
Vote 15 - Cape Town Stadium	83 848	105 433	77 053	101 077	97 386	97 386	125 233	132 563	137 713
Total Expenditure by Vote	36 169 972	40 181 926	43 307 898	48 367 225	51 318 952	51 318 952	53 994 315	58 039 349	62 379 245
Surplus/(Deficit) for the year	6 434 920	4 347 860	1 912 492	2 417 825	1 171 313	1 171 313	1 711 595	1 904 312	2 713 213

Table 102 - MBRR Table A4 - Consolidated Budgeted Financial Performance (revenue and expenditure)

Description	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand									
Revenue By Source									
Property rates	9 529 022	10 071 660	10 269 449	10 974 912	10 976 166	10 976 166	11 514 153	12 129 271	12 855 118
Service charges - electricity revenue	13 018 591	14 227 439	14 223 494	15 713 924	15 712 094	15 712 094	17 215 068	19 595 778	21 882 608
Service charges - water revenue	3 118 799	3 015 380	3 224 254	3 554 345	3 547 350	3 547 350	3 925 515	4 118 969	4 520 673
Service charges - sanitation revenue	1 600 851	1 549 162	1 604 014	1 775 113	1 791 914	1 791 914	2 014 506	2 155 521	2 366 762
Service charges - refuse revenue	1 138 596	1 275 423	1 203 409	1 330 442	1 267 313	1 267 313	1 381 241	1 501 125	1 629 348
Rental of facilities and equipment	545 869	457 018	352 813	386 017	409 883	409 883	532 499	597 880	635 095
Interest earned - external investments	1 142 094	1 304 755	900 467	855 344	896 476	896 476	1 119 303	1 120 280	971 266
Interest earned - outstanding debtors	361 403	408 418	454 919	449 452	361 774	361 774	367 515	383 143	399 529
Dividends received	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	1 485 757	1 313 161	1 571 762	1 247 015	1 250 376	1 250 376	1 262 193	1 264 511	1 266 932
Licences and permits	64 881	45 587	44 655	67 110	70 030	70 030	73 251	76 474	79 839
Agency services	230 144	200 585	270 810	261 614	269 491	269 491	271 616	283 567	296 044
Transfers and subsidies	4 494 019	4 983 212	5 793 196	5 650 364	6 070 243	6 070 243	6 260 172	6 454 997	6 693 166
Other revenue	3 590 687	3 487 165	3 434 339	3 327 498	3 363 579	3 363 579	3 504 645	3 532 630	3 654 711
Gains	153 456	238 986	71 597	2 053 058	4 710 989	4 710 989	3 992 365	4 086 014	4 289 972
Total Revenue (excluding capital transfers and contributions)	40 474 168	42 577 951	43 419 178	47 646 208	50 697 675	50 697 675	53 434 043	57 300 161	61 541 061
Expenditure By Type									
Employee related costs	12 427 935	12 881 216	15 179 277	15 669 540	15 905 717	15 905 717	17 387 592	18 305 301	19 360 979
Remuneration of councillors	161 297	167 521	166 417	179 826	179 826	179 826	176 133	184 204	192 463
Debt impairment	1 583 361	2 803 823	2 854 064	2 717 219	2 372 000	2 372 000	2 317 269	2 267 370	2 244 274
Depreciation & asset impairment	2 889 931	3 062 972	3 027 700	3 064 593	3 119 172	3 119 172	3 253 427	3 463 475	3 735 000
Finance charges	756 569	815 109	831 478	794 747	788 704	788 704	862 999	1 067 515	1 540 707
Bulk purchases - electricity	8 281 772	9 317 868	9 718 558	11 182 400	11 218 900	11 218 900	12 350 900	14 201 053	16 328 728
Inventory consumed	1 602 195	1 731 497	1 587 893	3 708 259	5 630 514	5 630 514	5 231 095	5 630 626	5 871 958
Contracted services	6 255 917	6 979 063	7 253 418	8 043 689	8 222 593	8 222 593	8 675 425	8 863 901	8 995 742
Transfers and subsidies	336 816	394 011	336 318	405 903	501 965	501 965	360 408	333 865	303 365
Other expenditure	1 835 240	2 036 997	2 376 599	2 666 662	2 808 618	2 808 618	2 971 559	3 266 221	3 320 720
Losses	33 077	26 246	10 366	14 124	647 752	647 752	452 697	479 132	502 982
Total Expenditure	36 164 110	40 216 322	43 342 089	48 446 963	51 395 761	51 395 761	54 039 505	58 062 664	62 396 919
Surplus/(Deficit)	4 310 058	2 361 629	77 089	(800 755)	(698 085)	(698 085)	(605 462)	(762 503)	(855 858)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	2 078 060	1 911 311	1 616 023	3 066 644	1 733 253	1 733 253	2 171 013	2 548 125	3 443 150
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	49 804	40 465	59 979	72 198	59 336	59 336	100 854	95 375	108 247
Transfers and subsidies - capital (in-kind - all)	2 860	60	125 211	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	6 440 783	4 313 464	1 878 301	2 338 087	1 094 503	1 094 503	1 666 405	1 880 997	2 695 540
Taxation	5 861	(34 396)	(12 576)	(43 779)	(37 761)	(37 761)	(25 484)	(13 337)	(10 110)
Surplus/(Deficit) after taxation	6 434 921	4 347 860	1 890 877	2 381 866	1 132 264	1 132 264	1 691 889	1 894 334	2 705 650
Attributable to minorities	(5 216)	(29 006)	(21 615)	(35 958)	(39 049)	(39 049)	(19 706)	(9 978)	(7 564)
Surplus/(Deficit) attributable to municipality	6 429 705	4 318 854	1 869 262	2 345 908	1 093 215	1 093 215	1 672 183	1 884 356	2 698 086
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	6 429 705	4 318 854	1 869 262	2 345 908	1 093 215	1 093 215	1 672 183	1 884 356	2 698 086

Table 103 - MBRR Table A5 - Consolidated Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand									
Capital expenditure - Vote									
Multi-year expenditure to be appropriated									
Vote 1 - Community Services & Health	294 231	283 453	294 831	299 732	298 971	292 300	244 533	371 996	350 661
Vote 2 - Corporate Services	478 505	514 561	438 414	418 530	434 277	433 377	395 619	961 376	749 408
Vote 3 - Economic Growth	35 495	34 522	90 132	57 073	51 116	44 689	48 748	30 091	50 154
Vote 4 - Energy	739 130	596 002	732 741	952 575	863 527	771 279	1 052 059	1 235 003	1 111 789
Vote 5 - Finance	26 225	63 051	248 489	25 515	16 542	16 373	18 129	26 237	40 296
Vote 6 - Future Planning & Resilience	28 880	45 163	51 741	79 452	46 623	42 132	26 415	11 840	17 230
Vote 7 - Human Settlements	670 112	858 297	737 971	827 201	928 826	915 686	884 428	900 561	1 009 618
Vote 8 - Office of the City Manager	2 876	3 622	6 041	6 308	7 147	7 112	13 329	24 290	1 256
Vote 9 - Safety & Security	206 866	429 428	367 879	258 298	199 062	198 765	236 735	210 302	315 458
Vote 10 - Spatial Planning & Environment	69 347	90 293	114 093	154 142	112 056	99 720	217 455	338 689	311 010
Vote 11 - Urban Mobility	973 584	873 070	776 446	2 191 855	722 772	691 832	1 379 126	2 071 856	2 973 446
Vote 12 - Urban Waste Management	269 698	261 480	528 035	661 993	388 298	353 983	647 002	790 916	764 880
Vote 13 - Water & Sanitation	1 521 340	1 917 725	2 141 660	2 382 091	2 025 899	1 865 341	2 343 741	4 001 058	4 983 466
Vote 14 - Cape Town International Convention Centre	66 087	56 408	20 657	11 172	12 967	12 967	20 472	43 270	72 627
Vote 15 - Cape Town Stadium	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Vote	5 382 377	6 027 076	6 549 131	8 325 939	6 108 082	5 745 557	7 527 791	11 017 486	12 751 298
Capital Expenditure - Functional									
Governance and administration	1 163 300	1 152 292	1 161 921	1 057 483	1 096 585	1 098 556	1 171 731	1 846 167	1 578 318
Executive and council	3 413	4 114	14 904	5 052	8 110	7 740	18 166	1 967	2 267
Finance and administration	1 159 611	1 147 662	1 146 920	1 052 191	1 088 206	1 090 547	1 153 487	1 844 120	1 575 972
Internal audit	275	516	98	240	269	269	79	79	79
Community and public safety	998 433	1 367 012	1 447 957	1 198 986	1 259 631	1 235 211	1 223 732	1 349 833	1 453 890
Community and social services	94 544	88 723	94 843	77 151	81 033	74 413	55 398	115 363	125 275
Sport and recreation	88 538	85 176	300 069	98 585	79 264	78 946	93 090	193 280	122 653
Public safety	86 760	289 079	264 183	154 854	129 639	131 705	167 415	125 030	81 868
Housing	668 152	850 038	730 137	810 653	912 118	897 625	870 578	886 711	1 006 184
Health	60 439	53 996	58 725	57 742	57 576	52 523	37 250	29 450	117 910
Economic and environmental services	1 004 471	942 726	875 361	2 365 925	837 635	782 494	1 589 981	2 354 490	3 297 555
Planning and development	61 043	112 860	88 836	148 941	116 789	104 958	127 118	126 455	112 451
Road transport	917 378	811 791	723 104	2 130 255	673 779	634 743	1 324 240	1 981 930	2 942 713
Environmental protection	26 050	18 076	63 421	86 728	47 067	42 793	138 623	246 105	242 391
Trading services	2 147 206	2 508 321	3 040 850	3 690 923	2 900 105	2 615 179	3 515 725	5 416 476	6 347 058
Energy sources	725 766	567 428	717 219	950 075	861 727	770 059	1 045 059	1 218 503	1 106 789
Water management	785 265	863 421	1 012 390	882 986	892 262	761 274	879 104	1 239 431	2 086 919
Waste water management	534 774	884 172	970 285	1 355 020	955 941	925 483	1 233 422	2 460 801	2 586 407
Waste management	101 400	193 299	340 956	502 843	190 176	158 363	358 139	497 740	566 942
Other	68 968	56 724	23 041	12 622	14 126	14 117	26 622	50 520	74 477
Total Capital Expenditure - Functional	5 382 377	6 027 076	6 549 131	8 325 939	6 108 082	5 745 557	7 527 791	11 017 486	12 751 298
Funded by:									
National Government	2 047 136	1 869 804	1 602 827	3 050 778	1 705 493	1 658 762	2 165 521	2 542 402	3 437 473
Provincial Government	22 430	36 561	13 195	15 866	27 760	27 677	5 492	5 723	5 677
District Municipality	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	49 804	40 480	59 979	72 198	59 336	50 818	100 854	95 375	108 247
Transfers recognised - capital	2 119 370	1 946 844	1 676 001	3 138 842	1 792 589	1 737 256	2 271 867	2 643 500	3 551 397
Borrowing	388 077	1 060 298	(1 281)	2 500 000	1 200 000	1 072 895	2 000 000	6 479 900	7 480 175
Internally generated funds	2 874 929	3 019 933	4 874 410	2 687 097	3 115 494	2 935 406	3 255 924	1 894 087	1 719 725
Total Capital Funding	5 382 377	6 027 076	6 549 131	8 325 939	6 108 082	5 745 557	7 527 791	11 017 486	12 751 298

Table 104 - MBRR Table A6 - Consolidated Budgeted Financial Position

Description	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand									
ASSETS									
Current assets									
Cash	8 712 870	9 662 543	220 525	134 904	134 903	134 903	96 399	125 751	100 277
Call investment deposits	2 532 330	2 436 051	10 811 662	6 693 257	8 666 185	8 666 185	6 965 070	8 438 936	10 809 059
Consumer debtors	6 216 695	6 321 157	5 256 966	7 940 433	6 261 031	6 261 031	6 396 636	6 667 021	7 068 372
Other debtors	862 335	1 068 773	1 317 792	1 637 002	729 402	729 402	700 649	665 111	628 541
Current portion of long-term receivables	8 838	8 524	11 734	9 023	6 435	6 435	4 227	4 227	4 148
Inventory	438 058	434 473	469 153	472 376	487 747	487 747	497 807	519 878	543 408
Total current assets	18 771 125	19 931 520	18 087 833	16 886 995	16 285 703	16 285 703	14 660 789	16 420 925	19 153 806
Non current assets									
Long-term receivables	339 392	170 182	172 200	168 891	168 894	168 894	166 677	164 460	162 321
Investments	4 976 372	5 960 366	6 573 136	6 240 856	6 241 472	6 241 472	6 106 299	5 156 049	3 296 713
Investment property	582 961	581 247	582 962	577 820	577 861	577 861	576 147	574 433	572 720
Investment in Associate	–	–	–	–	–	–	–	–	–
Property, plant and equipment	46 292 153	49 595 908	53 109 207	59 205 472	56 287 976	56 287 976	60 636 181	67 900 188	76 839 641
Biological	–	–	–	–	–	–	–	–	–
Intangible	701 217	605 366	697 380	524 765	512 668	512 668	439 143	682 281	746 158
Other non-current assets	10 280	10 269	186 973	350 339	224 721	224 721	251 111	264 448	276 658
Total non current assets	52 902 375	56 923 338	61 321 856	67 068 144	64 013 593	64 013 593	68 175 557	74 741 859	81 894 210
TOTAL ASSETS	71 673 500	76 854 858	79 409 689	83 955 139	80 299 296	80 299 296	82 836 346	91 162 784	101 048 016
LIABILITIES									
Current liabilities									
Bank overdraft	–	–	–	–	–	–	–	–	–
Borrowing	429 527	448 446	440 239	1 565 429	1 486 784	1 486 784	1 808 361	3 045 204	1 503 331
Consumer deposits	452 347	532 450	462 099	481 759	583 440	583 440	629 026	658 810	690 561
Trade and other payables	7 182 715	7 578 029	7 474 692	7 530 256	5 736 201	5 736 201	6 427 764	7 379 232	9 305 640
Provisions	1 153 552	1 388 623	1 572 671	2 141 143	1 684 955	1 684 955	1 536 214	1 540 895	1 560 728
Total current liabilities	9 218 141	9 947 548	9 949 700	11 718 587	9 491 379	9 491 379	10 401 366	12 624 141	13 060 260
Non current liabilities									
Borrowing	6 277 657	6 876 669	6 547 823	7 589 127	6 360 401	6 360 401	6 624 774	10 303 727	16 486 825
Provisions	6 877 087	6 427 203	7 114 512	7 898 050	7 429 598	7 429 598	7 812 508	8 326 845	8 887 234
Total non current liabilities	13 154 744	13 303 872	13 662 335	15 487 177	13 789 999	13 789 999	14 437 282	18 630 572	25 374 058
TOTAL LIABILITIES	22 372 885	23 251 420	23 612 034	27 205 764	23 281 378	23 281 378	24 838 648	31 254 713	38 434 318
NET ASSETS	49 300 615	53 603 438	55 797 655	56 749 375	57 017 918	57 017 918	57 997 698	59 908 071	62 613 698
COMMUNITY WEALTH/EQUITY									
Accumulated Surplus/(Deficit)	44 501 696	47 964 243	49 021 697	51 066 741	50 219 473	50 219 473	51 803 262	54 069 263	57 071 950
Reserves	4 798 919	5 639 195	6 775 959	5 682 634	6 798 445	6 798 445	6 194 437	5 838 808	5 541 748
TOTAL COMMUNITY WEALTH/EQUITY	49 300 615	53 603 438	55 797 655	56 749 375	57 017 918	57 017 918	57 997 698	59 908 071	62 613 698

Table 105 - MBRR Table A7 - Consolidated Budgeted Cash Flows

Description	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand									
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Property rates	9 319 556	9 296 655	10 005 031	10 535 297	10 534 992	10 534 992	11 116 304	11 707 835	12 408 436
Service charges	20 600 259	19 396 197	21 101 782	21 618 057	21 588 060	21 588 060	23 922 286	26 716 482	29 687 542
Other revenue	2 263 623	3 894 095	2 790 476	4 083 382	4 114 037	4 114 037	4 770 345	4 886 293	5 069 179
Transfers and Subsidies - Operational	4 524 033	5 004 969	5 846 979	5 650 364	6 071 051	6 071 051	6 293 368	6 484 953	6 718 216
Transfers and Subsidies - Capital	2 079 448	1 911 311	1 616 702	3 200 628	1 943 969	1 943 969	2 271 867	2 643 500	3 551 397
Interest	1 447 788	1 663 503	1 308 676	855 344	896 475	896 475	1 119 303	1 120 280	971 266
Payments									
Suppliers and employees	(30 261 445)	(33 457 431)	(35 638 449)	(39 151 142)	(39 534 930)	(39 534 930)	(43 209 010)	(46 500 611)	(49 907 672)
Finance charges	(693 161)	(719 628)	(731 498)	(740 582)	(702 345)	(702 345)	(803 157)	(858 329)	(1 371 972)
Transfers and Grants	-	-	-	(403 779)	(500 650)	(500 650)	(391 480)	(361 696)	(326 291)
NET CASH FROM/(USED) OPERATING ACTIVITIES	9 280 101	6 989 671	6 299 700	5 647 568	4 410 661	4 410 661	5 089 826	5 838 706	6 800 100
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE	152 679	85 608	84 028	124 139	54 741	54 741	54 742	57 150	59 665
Decrease (increase) in non-current receivables	7 513	10 826	(32 484)	122 249	95 997	95 997	53 751	57 097	99
Decrease (increase) in non-current investments	(936 183)	(886 819)	(840 273)	(331 962)	(332 578)	(332 578)	633 780	909 552	1 859 336
Payments									
Capital assets	(5 466 264)	(6 034 689)	(6 549 130)	(8 325 939)	(6 108 082)	(6 108 082)	(7 527 791)	(11 017 486)	(12 751 298)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(6 242 255)	(6 825 074)	(7 337 859)	(8 411 512)	(6 289 922)	(6 289 922)	(6 785 519)	(9 993 688)	(10 832 198)
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	196 420	1 091 765	-	2 500 000	1 200 000	1 200 000	2 000 000	6 479 900	7 480 175
Increase (decrease) in consumer deposits	42 524	80 103	20 354	17 110	87 669	87 669	28 010	26 908	28 731
Payments									
Repayment of borrowing	(370 744)	(386 792)	(371 494)	(371 495)	(371 495)	(371 495)	(1 438 161)	(1 758 161)	(2 991 495)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(131 800)	785 076	(351 140)	2 145 615	916 175	916 175	589 849	4 748 647	4 517 411
NET INCREASE/ (DECREASE) IN CASH HELD	2 906 046	949 673	(1 389 299)	(618 329)	(963 086)	(963 086)	(1 105 844)	593 665	485 313
Cash/cash equivalents at the year begin:	5 806 824	8 712 870	9 662 543	5 690 213	8 020 969	8 020 969	7 160 309	6 054 466	6 648 131
Cash/cash equivalents at the year end:	8 712 870	9 662 543	8 273 244	5 071 884	7 057 883	7 057 883	6 054 466	6 648 131	7 133 444

Table 106 - MBRR Table A8 - Consolidated Cash backed reserves/accumulated surplus reconciliation

Description	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Cash and investments available									
Cash/cash equivalents at the year end	8 712 870	9 662 543	8 273 244	5 071 884	7 057 883	7 057 883	6 054 466	6 648 131	7 133 444
Other current investments > 90 days	2 532 330	2 436 051	2 758 944	1 756 277	1 743 206	1 743 206	1 007 004	1 916 556	3 775 893
Non current assets - Investments	4 976 372	5 960 366	6 573 136	6 240 856	6 241 472	6 241 472	6 106 299	5 156 049	3 296 713
Cash and investments available:	16 221 572	18 058 960	17 605 323	13 069 017	15 042 560	15 042 560	13 167 769	13 720 736	14 206 049
Application of cash and investments									
Unspent conditional transfers	1 298 170	1 392 172	1 119 269	1 563 531	1 563 531	1 563 531	1 429 132	1 524 837	1 625 198
Unspent borrowing	-	-	-	-	-	-	-	-	-
Statutory requirements	-	-	-	-	-	-	-	-	-
Other working capital requirements	(1 129 192)	(821 120)	29 502	(3 257 129)	(2 565 807)	(2 565 807)	(1 970 257)	(1 357 955)	102 390
Other provisions	-	-	-	1 264 232	947 234	947 234	917 266	970 209	1 019 299
Long term investments committed	2 503 755	2 771 233	3 071 050	3 402 669	3 402 669	3 402 669	2 768 888	1 859 336	-
Reserves to be backed by cash/investments	4 798 919	5 639 195	5 498 532	4 246 206	5 362 017	5 362 017	4 774 009	4 361 380	4 064 320
Total Application of cash and investments:	7 471 653	8 981 479	9 718 353	7 219 509	8 709 643	8 709 643	7 919 038	7 357 808	6 811 207
Surplus(shortfall)	8 749 919	9 077 481	7 886 971	5 849 508	6 332 917	6 332 917	5 248 731	6 362 928	7 394 842

Table 107 - MBRR Table A9 - Consolidated Asset Management

Description	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
CAPITAL EXPENDITURE									
Total New Assets	2 691 491	2 625 271	2 940 194	4 253 248	2 620 510	2 428 047	3 645 745	5 258 349	7 278 320
<i>Roads Infrastructure</i>	587 481	500 502	488 593	1 766 163	398 209	356 099	898 423	1 169 561	2 518 232
<i>Storm water Infrastructure</i>	98 758	129 716	113 152	149 668	124 428	120 167	178 018	187 126	217 355
<i>Electrical Infrastructure</i>	319 606	186 867	398 082	317 389	277 179	247 524	346 071	285 150	413 049
<i>Water Supply Infrastructure</i>	519 126	686 393	634 995	460 677	519 702	463 695	436 170	1 003 565	1 268 381
<i>Sanitation Infrastructure</i>	187 147	160 537	264 910	281 260	248 795	232 324	458 911	764 787	1 265 666
<i>Solid Waste Infrastructure</i>	13 523	60 885	213 265	376 760	122 226	98 972	209 388	347 302	442 860
<i>Coastal Infrastructure</i>	-	-	305	2 000	-	-	10 675	25 000	-
<i>Information and Communication Infrastructure</i>	69 757	23 060	32 875	56 949	50 597	45 897	101 807	96 017	53 239
Infrastructure	1 795 398	1 747 961	2 146 176	3 410 867	1 741 136	1 564 677	2 639 463	3 878 509	6 178 783
Community Facilities	294 880	205 471	224 025	273 564	225 945	245 361	202 148	298 774	272 632
Sport and Recreation Facilities	534	658	767	4 000	-	-	6 215	-	-
Community Assets	295 414	206 129	224 792	277 564	225 945	245 361	208 363	298 774	272 632
Heritage Assets	-	-	12	-	-	-	-	-	-
Operational Buildings	123 469	140 022	93 461	110 555	62 172	56 012	81 050	165 145	178 498
Housing	18 822	7 515	16 855	11 566	26 354	1 204	8 693	450	300
Other Assets	142 291	147 537	110 315	122 121	88 525	57 216	89 743	165 595	178 798
Licences and Rights	11 291	25 489	15 940	24 598	13 538	14 821	41 516	229 161	186 248
Intangible Assets	11 291	25 489	15 940	24 598	13 538	14 821	41 516	229 161	186 248
Computer Equipment	141 202	88 077	135 462	106 099	111 931	118 401	109 238	91 683	98 002
Furniture and Office Equipment	55 025	48 756	42 751	25 374	23 904	20 557	16 863	36 544	54 126
Machinery and Equipment	90 689	106 868	169 276	142 792	151 559	145 543	116 919	120 410	143 639
Transport Assets	155 023	207 284	88 670	92 046	121 018	127 506	256 111	353 688	127 347
Land	5 157	47 170	6 800	51 785	142 954	133 963	167 529	83 984	38 744
Total Renewal of Existing Assets	1 493 882	1 701 469	1 821 779	1 900 579	1 972 117	1 859 102	2 059 744	2 818 430	2 524 370
<i>Roads Infrastructure</i>	123 380	116 938	101 807	178 832	143 235	140 421	140 280	245 850	185 083
<i>Storm water Infrastructure</i>	20 426	15 058	15 931	2 910	6 052	5 706	7 991	40 469	27 016
<i>Electrical Infrastructure</i>	301 112	271 821	252 917	434 796	432 102	381 034	383 657	501 385	393 099
<i>Water Supply Infrastructure</i>	245 200	213 808	272 484	359 820	305 684	242 301	318 135	260 000	225 500
<i>Sanitation Infrastructure</i>	132 652	188 287	270 583	276 606	314 808	347 516	439 712	884 594	809 061
<i>Solid Waste Infrastructure</i>	-	189	-	-	-	-	-	1 300	9 500
<i>Information and Communication Infrastructure</i>	3 819	1 911	5 218	6 375	5 480	5 718	19 764	29 336	21 595
Infrastructure	826 589	808 012	918 940	1 259 339	1 207 362	1 122 696	1 309 539	1 962 935	1 670 854
Community Facilities	3 774	8 320	33 107	22 200	34 952	29 059	24 434	32 899	65 500
Sport and Recreation Facilities	-	-	3 883	6 500	1 592	797	-	5 000	10 000
Community Assets	3 774	8 320	36 990	28 700	36 544	29 856	24 434	37 899	75 500
Heritage Assets	5 074	988	597	744	905	611	-	-	-
Operational Buildings	20 599	11 793	20 285	30 972	31 267	28 047	18 716	29 630	31 474
Housing	50 012	127 394	107 866	57 129	66 979	68 569	66 795	66 795	76 814
Other Assets	70 611	139 186	128 151	88 101	98 246	96 616	85 511	96 425	108 288
Licences and Rights	9 154	6 491	9 106	12 000	11 441	8 398	10 150	9 250	9 075
Intangible Assets	9 154	6 491	9 106	12 000	11 441	8 398	10 150	9 250	9 075
Computer Equipment	120 865	120 529	135 046	63 068	84 938	81 086	71 270	77 125	69 585
Furniture and Office Equipment	8 444	13 340	4 982	9 842	12 600	7 293	14 405	20 844	110 751
Machinery and Equipment	73 924	29 515	29 992	95 439	93 263	66 030	82 289	80 661	95 967
Transport Assets	375 447	575 088	557 974	343 346	426 817	446 515	462 147	533 291	384 350

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Description	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand									
CAPITAL EXPENDITURE									
Total Upgrading of Existing Assets	1 197 004	1 700 336	1 787 158	2 172 112	1 515 456	1 458 408	1 822 301	2 940 708	2 948 608
<i>Roads Infrastructure</i>	178 381	257 828	135 960	200 528	175 023	166 447	232 574	253 740	146 664
<i>Storm water Infrastructure</i>	11 843	19 542	28 472	139 086	57 304	61 772	156 863	157 319	199 720
<i>Electrical Infrastructure</i>	40 691	23 364	5 463	124 430	68 049	63 465	187 000	301 713	128 835
<i>Water Supply Infrastructure</i>	116 584	66 367	56 243	50 472	80 000	84 205	13 500	34 067	34 067
<i>Sanitation Infrastructure</i>	325 744	649 210	681 675	897 495	566 222	514 714	525 390	859 900	1 165 585
<i>Solid Waste Infrastructure</i>	12 233	75 204	46 392	50 949	18 295	17 556	67 067	68 377	40 102
<i>Coastal Infrastructure</i>	496	1 222	6 857	42 371	13 982	16 529	55 522	147 482	150 492
<i>Information and Communication Infrastructure</i>	–	17 314	13 493	66 043	47 080	44 831	70 477	43 944	12 933
Infrastructure	685 972	1 110 050	974 556	1 571 374	1 025 955	969 519	1 308 394	1 866 541	1 878 399
<i>Community Facilities</i>	152 726	155 887	189 795	200 835	174 341	173 778	138 942	338 784	437 325
<i>Sport and Recreation Facilities</i>	86 550	97 737	299 842	73 546	71 574	69 870	68 178	173 421	110 306
Community Assets	239 275	253 624	489 637	274 380	245 915	243 648	207 119	512 205	547 631
Heritage Assets	1 293	17	31 715	–	–	–	–	–	2 100
<i>Operational Buildings</i>	187 846	240 715	209 083	266 861	179 504	174 743	275 101	427 618	489 070
<i>Housing</i>	37 201	49 961	12 699	1 203	1 373	918	245	–	–
Other Assets	225 048	290 676	221 782	268 064	180 877	175 661	275 346	427 618	489 070
<i>Licences and Rights</i>	23 908	14 700	41 534	6 912	5 381	11 914	21 054	127 591	8 195
Intangible Assets	23 908	14 700	41 534	6 912	5 381	11 914	21 054	127 591	8 195
Computer Equipment	225	13 134	16 487	49 811	55 547	55 443	7 088	1 452	12 213
Furniture and Office Equipment	3 845	160	175	500	647	722	300	300	–
Machinery and Equipment	17 438	17 975	11 272	1 070	1 134	1 500	3 000	5 000	11 000
Total Capital Expenditure	5 382 377	6 027 076	6 549 131	8 325 939	6 108 082	5 745 557	7 527 791	11 017 486	12 751 298
<i>Roads Infrastructure</i>	889 242	875 269	726 359	2 145 523	716 466	662 966	1 271 277	1 669 151	2 849 980
<i>Storm water Infrastructure</i>	131 027	164 315	157 556	291 665	187 785	187 646	342 872	384 915	444 092
<i>Electrical Infrastructure</i>	661 410	482 052	656 462	876 615	777 330	692 023	916 728	1 088 248	934 983
<i>Water Supply Infrastructure</i>	880 909	966 568	963 723	870 969	905 386	790 201	767 805	1 297 632	1 527 948
<i>Sanitation Infrastructure</i>	645 542	998 034	1 217 168	1 455 361	1 129 826	1 094 553	1 424 013	2 509 281	3 240 313
<i>Solid Waste Infrastructure</i>	25 755	136 278	259 657	427 709	140 520	116 528	276 455	416 980	492 462
<i>Coastal Infrastructure</i>	496	1 222	7 162	44 371	13 982	16 529	66 197	172 482	150 492
<i>Information and Communication Infrastructure</i>	73 576	42 285	51 586	129 368	103 157	96 446	192 049	169 297	87 767
Infrastructure	3 307 959	3 666 022	4 039 672	6 241 581	3 974 453	3 656 893	5 257 396	7 707 985	9 728 036
<i>Community Facilities</i>	451 380	369 678	446 927	496 599	435 238	448 198	365 524	670 457	775 458
<i>Sport and Recreation Facilities</i>	87 084	98 395	304 491	84 046	73 166	70 668	74 393	178 421	120 306
Community Assets	538 464	468 073	751 418	580 644	508 404	518 866	439 916	848 878	895 764
Heritage Assets	6 367	1 005	32 325	744	905	611	–	–	2 100
<i>Operational Buildings</i>	331 914	392 529	322 829	408 388	272 942	258 802	374 867	622 394	699 042
<i>Housing</i>	106 035	184 870	137 420	69 898	94 706	70 691	75 733	67 245	77 114
Other Assets	437 950	577 399	460 249	478 287	367 649	329 493	450 600	689 638	776 156
<i>Licences and Rights</i>	44 353	46 681	66 580	43 510	30 360	35 133	72 720	366 002	203 518
Intangible Assets	44 353	46 681	66 580	43 510	30 360	35 133	72 720	366 002	203 518
Computer Equipment	262 291	221 740	286 995	218 977	252 416	254 931	187 596	170 260	179 801
Furniture and Office Equipment	67 314	62 255	47 907	35 717	37 151	28 573	31 567	57 688	164 876
Machinery and Equipment	182 051	154 359	210 540	239 301	245 956	213 073	202 208	206 071	250 606
Transport Assets	530 470	782 372	646 644	435 393	547 835	574 021	718 259	886 979	511 697
Land	5 157	47 170	6 800	51 785	142 954	133 963	167 529	83 984	38 744
TOTAL CAPITAL EXPENDITURE - Asset class	5 382 377	6 027 076	6 549 131	8 325 939	6 108 082	5 745 557	7 527 791	11 017 486	12 751 298

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Description	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand									
ASSET REGISTER SUMMARY - PPE (WDV)	46 989 651	50 273 369	54 060 989	60 099 326	57 082 632	57 082 632	61 381 729	68 936 770	77 924 711
<i>Roads Infrastructure</i>	9 498 494	9 887 288	10 599 765	12 084 118	10 930 499	10 930 499	11 732 567	12 887 726	15 208 442
<i>Storm water Infrastructure</i>	890 174	984 602	1 060 144	1 326 664	1 186 091	1 186 091	1 464 990	1 783 194	2 157 139
<i>Electrical Infrastructure</i>	7 421 931	7 773 701	8 091 837	8 867 626	8 603 852	8 603 852	9 208 478	9 966 946	10 551 725
<i>Water Supply Infrastructure</i>	3 885 066	4 639 021	5 224 700	6 269 908	5 937 365	5 937 365	6 484 561	7 537 132	8 794 935
<i>Sanitation Infrastructure</i>	3 406 106	3 538 615	4 206 502	5 974 736	5 161 500	5 161 500	6 393 452	8 676 651	11 577 367
<i>Solid Waste Infrastructure</i>	534 135	521 723	502 959	1 202 467	612 410	612 410	847 410	1 209 931	1 645 712
<i>Coastal Infrastructure</i>	148 977	143 782	144 129	186 089	152 261	152 261	212 395	377 925	515 449
<i>Information and Communication Infrastructure</i>	3 997 604	4 761 803	5 592 225	4 781 956	5 601 293	5 601 293	5 694 988	5 757 916	5 732 034
Infrastructure	29 782 489	32 250 535	35 422 261	40 693 563	38 185 271	38 185 271	42 038 840	48 197 420	56 182 803
Community Assets	6 244 428	6 179 196	6 292 458	6 816 275	6 405 940	6 405 940	6 472 384	6 927 884	7 418 805
Heritage Assets	10 280	10 269	10 268	10 269	10 268	10 268	10 268	10 268	10 268
Investment properties	582 962	581 247	579 534	577 820	577 820	577 820	576 107	574 393	572 679
Other Assets	5 116 851	4 747 938	4 949 992	5 245 928	5 001 769	5 001 769	5 095 469	5 412 998	5 794 575
Intangible Assets	693 178	599 678	624 635	401 091	492 588	492 588	438 864	682 002	745 879
Computer Equipment	593 657	572 357	633 911	633 916	622 454	622 454	565 874	498 405	465 931
Furniture and Office Equipment	338 363	356 140	385 292	532 357	316 325	316 325	285 609	277 246	366 442
Machinery and Equipment	544 245	526 554	480 596	479 284	605 219	605 219	624 981	643 383	675 697
Transport Assets	2 060 727	3 329 467	3 563 803	3 592 371	3 657 767	3 657 767	3 898 595	4 254 048	4 194 164
Land	1 022 473	1 119 988	1 118 239	1 116 453	1 207 210	1 207 210	1 374 740	1 458 724	1 497 468
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	46 989 651	50 273 369	54 060 989	60 099 326	57 082 632	57 082 632	61 381 729	68 936 770	77 924 711
EXPENDITURE OTHER ITEMS	6 653 911	6 672 831	6 570 494	7 317 478	7 687 158	7 687 158	8 056 010	8 644 860	9 080 559
Depreciation	2 836 129	2 926 971	2 873 505	3 064 593	3 119 172	3 119 172	3 253 427	3 463 475	3 735 000
Repairs and Maintenance by Asset Class	3 817 782	3 745 860	3 696 989	4 252 885	4 567 986	4 567 986	4 802 583	5 181 385	5 345 559
<i>Roads Infrastructure</i>	596 375	555 000	417 198	637 154	684 736	684 736	708 812	740 831	774 451
<i>Storm water Infrastructure</i>	–	–	–	140 345	120 976	120 976	148 037	154 853	162 010
<i>Electrical Infrastructure</i>	507 109	474 450	460 718	542 654	545 727	545 727	596 334	609 489	623 224
<i>Water Supply Infrastructure</i>	400 456	389 894	430 692	411 499	375 756	375 756	381 433	394 715	420 621
<i>Sanitation Infrastructure</i>	384 042	437 293	552 692	334 708	355 086	355 086	373 761	387 286	401 464
<i>Solid Waste Infrastructure</i>	1 728	1 384	945	8 653	7 010	7 010	11 558	11 558	11 558
<i>Coastal Infrastructure</i>	–	–	–	3 994	3 994	3 994	3 994	3 994	3 994
Infrastructure	1 889 711	1 858 022	1 862 246	2 079 007	2 093 285	2 093 285	2 223 929	2 302 726	2 397 321
<i>Community Facilities</i>	120 476	116 996	131 941	228 329	315 266	315 266	486 075	717 613	726 702
<i>Sport and Recreation Facilities</i>	386 154	384 763	406 379	67 613	76 706	76 706	126 280	131 772	136 528
Community Assets	506 630	501 759	538 321	295 941	391 972	391 972	612 354	849 385	863 230
Heritage Assets	266	219	3 626	1 912	4 481	4 481	2 832	2 917	3 005
<i>Revenue Generating</i>	132	57	99	10 096	13 862	13 862	18 104	18 680	19 283
<i>Non-revenue Generating</i>	3 328	152	1	11	9	9	10	10	10
Investment properties	3 459	209	100	10 107	13 871	13 871	18 113	18 690	19 293
<i>Operational Buildings</i>	161 132	125 817	130 727	189 833	288 406	288 406	247 129	255 338	263 954
<i>Housing</i>	–	–	–	14 990	18 489	18 489	19 148	19 150	19 152
Other Assets	161 132	125 817	130 727	204 823	306 895	306 895	266 277	274 487	283 106
Computer Equipment	214 045	159 862	234 027	427 869	452 074	452 074	431 201	444 451	458 364
Furniture and Office Equipment	572 073	705 317	610 693	361 515	412 972	412 972	334 180	348 249	356 648
Machinery and Equipment	–	–	–	410 604	434 846	434 846	393 020	407 054	417 791
Transport Assets	470 466	394 655	317 250	461 107	457 591	457 591	520 676	533 425	546 803
TOTAL EXPENDITURE OTHER ITEMS	6 653 911	6 672 831	6 570 494	7 317 478	7 687 158	7 687 158	8 056 010	8 644 860	9 080 559
Renewal and upgrading of Existing Assets as % of total capex	50.0%	56.4%	55.1%	48.9%	57.1%	57.7%	51.6%	52.3%	42.9%
Renewal and upgrading of Existing Assets as % of deprecn	94.9%	116.2%	125.6%	132.9%	111.8%	106.4%	119.3%	166.3%	146.5%
R&M as a % of PPE	8.2%	7.6%	7.0%	7.2%	8.1%	8.1%	7.9%	7.6%	7.0%
Renewal and upgrading and R&M as a % of PPE	14.0%	14.0%	14.0%	14.0%	14.0%	14.0%	14.0%	16.0%	14.0%

Table 108 - MBRR Table A10 - Consolidated Basic Service Delivery Measurement

Description	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
	Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Household service targets									
Water:									
Piped water inside dwelling	1 190 854	1 214 760	1 256 146	1 310 286	1 310 286	1 310 286	1 328 617	1 351 464	1 374 568
Piped water inside yard (but not in dwelling)	-	-	-	-	-	-	-	-	-
Using public tap (at least min.service level)	165 105	168 419	174 157	181 663	181 663	181 663	184 205	187 372	190 575
Other water supply (at least min.service level)	-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>	1 355 959	1 383 179	1 430 303	1 491 949	1 491 949	1 491 949	1 512 822	1 538 836	1 565 143
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	1 355 959	1 383 179	1 430 303	1 491 949	1 491 949	1 491 949	1 512 822	1 538 836	1 565 143
Sanitation/sewerage:									
Flush toilet (connected to sewerage)	1 275 391	1 285 080	1 329 491	1 384 841	1 384 841	1 384 841	1 404 012	1 429 241	1 452 156
Flush toilet (with septic tank)	-	-	-	-	-	-	-	-	-
Chemical toilet	26 392	35 120	39 765	62 330	62 330	62 330	63 105	63 105	63 105
Pit toilet (ventilated)	197	197	197	197	197	197	197	197	197
Other toilet provisions (> min.service level)	53 830	62 633	60 850	44 581	44 581	44 581	45 508	46 293	49 685
<i>Minimum Service Level and Above sub-total</i>	1 355 810	1 383 030	1 430 303	1 491 949	1 491 949	1 491 949	1 512 822	1 538 836	1 565 143
Bucket toilet	149	149	-	-	-	-	-	-	-
Other toilet provisions (< min.service level)	-	-	-	-	-	-	-	-	-
No toilet provisions	-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>	149	149	-	-	-	-	-	-	-
Total number of households	1 355 959	1 383 179	1 430 303	1 491 949	1 491 949	1 491 949	1 512 822	1 538 836	1 565 143
Energy:									
Electricity (at least min.service level)	841 791	883 767	844 162	845 662	845 662	845 662	847 162	848 662	850 162
Electricity- prepaid (min.service level)	-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>	841 791	883 767	844 162	845 662	845 662	845 662	847 162	848 662	850 162
Electricity (< min.service level)	31 126	29 130	27 409	26 130	26 130	26 130	24 630	23 130	21 630
Electricity - prepaid (< min. service level)	-	-	-	-	-	-	-	-	-
Other energy sources	-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>	31 126	29 130	27 409	26 130	26 130	26 130	24 630	23 130	21 630
Total number of households	872 917	912 897	871 571	871 792	871 792	871 792	871 792	871 792	871 792
Refuse:									
Removed at least once a week	944 616	958 534	935 447	954 156	954 156	954 156	1 071 453	1 115 178	1 162 007
<i>Minimum Service Level and Above sub-total</i>	944 616	958 534	935 447	954 156	954 156	954 156	1 071 453	1 115 178	1 162 007
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	944 616	958 534	935 447	954 156	954 156	954 156	1 071 453	1 115 178	1 162 007
Households receiving Free Basic Service									
Water (6 kilolitres per household per month)	267 325	270 025	253 851	250 413	250 413	250 413	240 091	240 091	240 091
Sanitation (free minimum level service)	267 325	270 025	253 851	250 413	250 413	250 413	240 091	240 091	240 091
Electricity/other energy (50kwh per household per month)	183 070	166 389	179 943	184 570	184 570	184 570	184 570	184 570	184 570
Refuse (removed at least once a week)	304 437	310 526	264 761	270 056	270 056	270 056	270 035	270 035	270 035
Cost of Free Basic Services provided - Formal Settlements (R'000)									
Water (6 kilolitres per indigent household per month)	368 203	449 106	408 131	441 368	441 368	441 368	283 602	297 782	323 986
Sanitation (free sanitation service to indigent households)	233 221	232 446	251 148	295 201	295 201	295 201	242 531	254 658	277 068
Electricity/other energy (50kwh per indigent household per month)	125 999	125 999	106 000	119 430	119 430	119 430	117 303	135 555	153 679
Refuse (removed once a week for indigent households)	280 000	287 133	313 332	311 132	311 132	311 132	356 132	356 132	356 132
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)	534 234	612 579	767 270	1 178 335	1 196 781	1 217 993	1 136 448	1 185 983	1 243 320
Total cost of FBS provided	1 541 657	1 707 262	1 845 882	2 345 466	2 363 911	2 385 124	2 136 016	2 230 109	2 354 185

Table continues on next avi

Description	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
	Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Highest level of free service provided per household									
Property rates (R value threshold)	-	-	285 000	285 000	285 000	285 000	285 000	285 000	285 000
Water (kilolitres per household per month)	6.0	6.0	6.0	10.5	10.5	10.5	15.0	15.0	15.0
Sanitation (kilolitres per household per month)	4.2	4.2	4.2	7.4	7.4	7.4	10.5	10.5	10.5
Sanitation (Rand per household per month)	-	-	-	-	-	-	-	-	-
Electricity (kwh per household per month)	60	60	60	60	60	60	60	60	60
Refuse (average litres per week)	240	240	240	240	240	240	240	240	240
Revenue cost of subsidised services provided (R'000)									
Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)	-	-	-	-	-	-	-	-	-
Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)	1 450 216	1 191 840	1 277 662	1 358 195	1 357 171	1 357 171	1 456 700	1 570 385	1 700 724
Water (in excess of 6 kilolitres per indigent household per month)	-	0	-	-	-	-	203 884	214 078	232 917
Sanitation (in excess of free sanitation service to indigent households)	-	-	-	-	-	-	174 358	183 076	199 187
Electricity/other energy (in excess of 50 kwh per indigent household per month)	-	-	-	-	-	-	15 616	18 046	20 459
Refuse (in excess of one removal a week for indigent households)	-	-	-	-	-	-	-	-	-
Municipal Housing - rental rebates	28 319	41 885	27 356	31 679	31 679	31 679	22 850	23 901	25 001
Housing - top structure subsidies	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total revenue cost of subsidised services provided	1 478 535	1 233 725	1 305 018	1 389 874	1 388 850	1 388 850	1 873 408	2 009 487	2 178 287

2.22 Municipal manager's quality certificate

I, **LUNGELO MBANDAZAYO**, municipal manager of **CITY OF CAPE TOWN (CPT)**, hereby certify that the annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act, and the regulations made under the Act, and that the annual budget and supporting documents are consistent with the Integrated Development Plan (IDP) of the municipality.

Print Name: _____

Municipal Manager of City of Cape Town (CPT)

Signature _____

Date _____

2.23 Additional recommendation read in at Council

(i) in addition to the changes already included in the 2022/23 Budget between March and May as reflected in Annexure B as per (h) above, the following amendments also be included relating to Approval Object CPX.0014782 Ground Mounted PV, within the Energy Directorate, funded from EFF in all three years of the 2022/23 MTREF be revised as follows:

Approval object	Approval Object description	Budget 2022/23 (May 2022)	Revised Budget 2022/23	Budget 2023/24 (May 2022)	Revised Budget 2023/24	Budget 2024/25 (May 2022)	Revised Budget 2024/25
CPX.0014782	Ground Mounted PV	7 500 000	47 425 000	127 245 000	107 145 000	19 825 000	0

And that the relevant legislated MBRR Schedule A tables be amended after Council approval, but before the submission of the 2022/23 Budget to National Treasury.