



CITY OF CAPE TOWN
ISIXEKO SASEKAPA
STAD KAAPSTAD

ANNEXURE B

CHANGES INCORPORATED INTO THE BUDGET POST TABLING IN MARCH 2024

2024/25 BUDGET (MAY 2024)

CHANGES INCORPORATED INTO THE BUDGET POST TABLING IN MARCH 2024

BACKGROUND

Following the tabling of the City's 2024/25 draft budget by the Executive Mayor at the Council meeting in March 2024, portfolio committees considered the budget details of the functions within their respective portfolios.

In addition, proposals for amendments resulting from the latest Provincial Gazette Extraordinary 8892 dated 7 March 2024, as well as from line functions and other fora were received.

The portfolio committees' input received in the form of budget proposals and certain appropriations were incorporated based on affordability.

Final decision on these proposals were made after engagement with the Executive Mayor and incorporated into the 2024/25 budget for adoption at the Council meeting in May 2024.

CAPITAL BUDGET

A. OUTCOME OF THE RELEVANT PORTFOLIO COMMITTEES MEETINGS

1. The following portfolio committees supported and/or noted the tabled 2024/25-2026/27 capital budget as presented:
 - Economic Growth;
 - Finance;
 - Future Planning and Resilience;
 - Innovation & Ease of Doing Business;
 - Office of the City Manager;
 - Spatial Planning & Environment;
 - Urban Mobility; and
 - Urban Waste Management.
2. The following portfolio committees proposed amendments:
 - a) Community Services & Health proposed a decrease of R10,3 million in 2024/25 with a corresponding increase in 2025/26 on the Strandfontein Clubhouse Development, due to two applicable current transversal tenders being in litigation and not available before September 2024.
 - b) Corporate Services proposed:
 - An increase of R1,1 million in 2024/25 where additional funding is required to replace plant that has reached the end of its useful life.
 - Other increases and decreases in 2024/25:
 - New Integration Software reduces by R7,6 million;
 - Records and Document Management Software increases by R3 million;
 - Renewal Back-end IT infrastructure FY25 increases by R4,6 million; and
 - Installation of inverters reduces by R5 million and is reprioritised to Facility Upgrade: Subcouncil 18, which increases by R5 million.

- A decrease of R8.3 million in 2025/26 with a corresponding increase in 2026/27, on the following projects:
 - Fuel Storage and Capacity project reduces by R25 million in 2025/26;
 - Bellville Fleet Facility - Upgrade increases by R7,1 million in 2025/26;
 - Hillstar Fleet Facility - Upgrade increases by R9,6 million in 2025/26; and
 - Ndabeni Fleet Facility - Upgrade increases by R8,3 million in 2026/27.
- c) Energy proposed increases of R4,2 million, R79 008 and R178 020 in 2024/25, 2025/26 and 2026/27 respectively, on the following projects:
 - Energy online Application System: Additional funding is required for ERP support to resolve snags during the project go-live and 4 months thereafter;
 - Service connections to meter service connections: Project descriptions changes require new projects to be created;
 - HV Substations reduces by R3,3 million due to savings identified; and
 - Computer equipment replacement increases by R6,5 million, which will include specialised equipment to be Windows11 compliant.
- d) Human Settlements proposed an increase of R7 million in 2024/25 on the following projects:
 - Peoples Housing Project Electricity: A reduction of R3 million as the expenditure is of an operational nature; and
 - Various CRU Upgrades: An increase of R10 million as Urban Settlement Development Grant (USDG) funding is being made available for area lighting projects and funds are being reallocated to priority work in terms of the conditional assessments of the CRUs.
- e) Safety & Security proposed the following amendments:
 - Property Acquisition for a Joint Policing Centre: R161 million additional allocation;
 - Provincial Grant amendments for LEAP - vehicle, computers and facilities: R6,7 million increase;
 - Bodycams and dashcams reduces by R43,1 million in 2024/25, R35,2 million in 2025/26 and R5,2 million in 2026/27 as the expenditure is operational in nature; and
 - EPIC decreases by R3 million due to the review of priorities and alignment of technologies in order to ensure value and relevant solutions in anticipation of CAR.
- f) Water & Sanitation, after two further consultation sessions with the Executive Mayor, proposed decreases of R223,9 million, R600,6 million in 2024/25 and 2025/26 respectively as well as increases of R480,2 million in 2026/27. The main reasons for these amendments are:
 - Alignment between projects within a financial year and across financial years.
 - Projects moved to outer financial years. Some of these reductions have been utilised to further expedite the implementation of other priorities, specifically the City's water- and sanitation pipe networks.
 - Major savings on the Extension to Potsdam Wastewater Treatment Works Project due to adjustments to the Contract Price Adjustment (CPA) and Foreign Exchange forecasted amounts. There are also minor savings on the Gordon's Bay Sewer Rising Main Project. The largest portion of this real saving has been factored into this latest budget submission.

B. AMENDMENTS STEMMING FROM THE LATEST PROVINCIAL GAZETTE EXTRAORDINARY 8892 DATED 7 MARCH 2024

1. Community Services & Health Directorate
 - Library: Metro Grant:
 - Library Upgrades and Extensions increases by R89 991 in 2025/26 and R370 000 in 2026/27; and
 - Specialised IT Equipment: Add FY26 increases by R9 million in 2025/26.
 - Department of Social Development Grant for the expansion of the Haven District Six Shelter:
 - Street People Facility Development FY25 increases by R6,5 million in 2024/25.
2. Safety & Security Directorate
 - LEAP Facilities Upgrade increases by R10 million in 2024/25;
 - SRO Computers: Additional increases by R740 000 in 2024/25; and
 - LEAP Vehicles: Additional decreases by R4 million in 2024/25.

C. AMENDMENTS STEMMING FROM SUBCOUNCIL SUPPORTED RESOLUTIONS

Re-prioritisation of budgetary provision via substitution within the Community Services & Health Directorate as follows:

Project Description Rand	Tabled Budget 2024/25	Proposed Budget 2024/25	Increase/ Decrease	Motivation
Burren Close Park - Fencing	207 000	0	-207 000	Project cancelled by the subcouncil as the residents of the immediate area are not in support of the fencing of the park. Funds transferred to two new projects: Burren Close Park - Gym Equipment, and Bundoran Park - Gym Equipment.
Burren Close Park - Gym Equipment	0	52 000	52 000	New project supported by the subcouncil. Funds required for the installation of gym equipment. Funds transferred from previously supported project CPX.0036689-F1 Burren Close Park - Fencing.
Bundoran Park - Gym Equipment	0	155 000	155 000	New project supported by the subcouncil. Funds required for the installation of gym equipment. Funds transferred from previously supported project CPX.0036689-F1 Burren Close Park - Fencing.

D. OTHER AMENDMENTS

1. Community Services & Health Directorate proposed the following:
 - A decrease of R5,2 million in 2024/25 with a corresponding increase in 2025/26, as the Rebuild Parkwood Community Hall Project is being rephased from 2024/25 to 2025/26 in order to conduct a more extensive public participation process.
 - An increase of R5,5 million in 2024/25 on Recreation & Parks Upgrade FY25 for landscaping work in Cape Town CBD.

2. Economic Growth Directorate proposed, by way of substitution, the following amendments:

WBS Element	WBS Element Description	Tabled Budget 2024/25	Proposed Budget 2024/25	Increase/ Decrease 2024/25
CPX.0028578-F2	Computers: Additional FY25	310 500	336 682	26 182
CPX.0029868-F2	Printers: Additional FY25	95 000	97 057	2 057
CPX.0027424-F2	Computers: Replacement FY25	75 000	75 327	327
CPX.0030096-F1	Printers: Replacement FY25	15 000	12 616	-2 384
CPX.0028009-F2	Furniture: Replacement FY25	286 525	260 343	-26 182
CPX.0017703-F2	Athlone Stadium Upgrade Phase 4	13 937 500	6 800 000	-7 137 500
CPX.0033768-F2	Upgrade: Track infrastructure, Green Point, Athlone Stadium	0	7 137 500	7 137 500

3. Finance Directorate proposed an increase of R1,4 million as follows:

- Additional forklift to be used in the SCM stores - R650 000;
- Replacement Pitch Cleaning Equipment (mower) for the new pitch at the Cape Town Stadium - R750 000; and
- Install Fire Protection System reduces with R500 000 while LED Big Screen Replacement at the Cape Town Stadium increases with R500 000.

4. Urban Mobility Directorate proposed the following:

- An increase of R6,9 million in 2024/25 for the Cape Town CBD Enhancement Projects to upgrade centre medians along Christiaan Barnard Street and Hertzog Boulevard as well as FW de Klerk Drive.
- The Directorate also made a change by way of substitution within the Congestion Relief Programme in the 2024/25 financial year, on the following projects:
 - CPX.0007857-F1 Road Dualling: Amandel Road, between Bottelary River to Church Street increases by R8,9 million to cover contractual commitments early in the financial year; and
 - CPX.0007859-F1: Road Construction: Saxdowns Road: Langverwacht - Van Riebeeck reduces by R8,9 million as additional budget was required in the current financial year and which has been made available via a transfer of funds. The accelerated spend in current financial year means that less budget is required in 2024/25.

5. Review and amendments to project linkages of capital projects to ensure correct alignment to programmes/routine programmes as per approved definitions as well as providing better/more detail of projects.

The net results per directorate stemming from the above amendments post tabling of the 2024/25 capital budget at Council at the end of March 2024 are reflected in the below table.

Directorate	Tabled Budget 2024/25	Proposed Budget 2024/25 (May 2024)	Difference 2024/25	Tabled Budget 2025/26	Proposed Budget 2025/26 (May 2024)	Difference 2025/26	Budget 2026/27	Proposed Budget 2026/27 (May 2024)	Difference 2026/27
R Thousand									
Community Services & Health	332 970	329 440	(3 530)	315 566	331 217	15 651	187 590	187 960	370
Corporate Services	435 212	436 312	1 100	1 469 989	1 461 656	(8 333)	677 352	685 685	8 333
Economic Growth	111 730	111 730	–	110 899	110 899	–	84 703	84 703	–
Energy	1 229 320	1 233 595	4 275	1 189 046	1 189 125	79	1 488 275	1 488 453	178
Finance	69 227	70 627	1 400	70 195	70 195	–	84 205	84 205	–
Future Planning & Resilience	17 909	17 909	–	9 815	9 815	–	10 488	10 488	–
Human Settlements	975 278	982 278	7 000	913 431	913 431	–	1 113 249	1 113 249	–
Office of the City Manager	3 196	3 196	–	1 374	1 374	–	27 298	27 298	–
Safety & Security	362 852	483 669	120 817	340 743	305 543	(35 200)	255 771	250 595	(5 175)
Spatial Planning & Environment	390 286	390 286	–	410 264	410 264	–	201 325	201 325	–
Urban Mobility	2 560 685	2 567 589	6 904	3 466 382	3 466 382	–	2 871 130	2 871 130	–
Urban Waste Management	300 619	300 619	–	319 771	319 771	–	470 914	470 914	–
Water & Sanitation	5 317 181	5 093 382	(223 799)	6 272 806	5 672 207	(600 599)	5 223 728	5 703 972	480 244
Grand Total	12 106 465	12 020 633	(85 833)	14 890 280	14 261 878	(628 402)	12 696 027	13 179 976	483 950

OPERATING BUDGET

1. The following portfolio committees supported and/or noted the draft budget as presented:

- Community Services and Health;
- Corporate Services;
- Economic Growth;
- Energy;
- Finance;
- Future Planning & Resilience;
- Human Settlements;
- Innovation & Ease of Doing Business;
- Urban Mobility;
- Urban Waste Management; and
- Water & Sanitation.

2. The following portfolio committees proposed amendments:

- a) Safety & Security - Learnings from existing tenders have shown that it is more beneficial to lease body and dashboard cameras and it was, therefore, suggested that funding be shifted from the capital budget to the operating budget. The following budget provisions are proposed for inclusion:
- 2024/25 - R17,5 million
 - 2025/26 - R38 million
 - 2026/27 - R42 million

The request was supported and will be funded within Rates.

- b) Spatial Planning & Environment, and Community Services & Health requires additional funding in 2024/25 for continuation of the Polyphagous Shot Hole Borer Beetle Programme as follows:
- Spatial Planning & Environment - R5,1 million
 - Community Services & Health - R2,7 million

The request was supported and will be funded within Rates.

- c) Spatial Planning & Environment requires additional funding over the 2025 MTREF for the continuation of the Living Alongside Wildlife Programme to, inter alia, assist with effectively managing baboons:
- 2024/25 - R1,5 million
 - 2025/26 - R1,7 million
 - 2026/27 - R3,6 million

This request was supported and will be funded within Rates.

3. Other sundry changes include an increase on the insurance premium of R16,8 million, due to an increase in short-term insurance premiums. This will be funded from the Insurance Reserve.