

ANNEXURE A

CITY OF CAPE TOWN

DRAFT BUDGET

For the financial period
2011/2012 to 2013/2014

FEBRUARY 2011

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B. 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 policy.

Budget Steering committee – 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 month end balances of cash and short-term investments.

CoCT – City of Cape Town

CPI – Headline Consumer Price Index

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 – A team comprising the City Manager and the Executive Directors and Chief Audit Executive. It reports 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. Measures of service output and/or outcome.

MAYCO – Mayoral Committee

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

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

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 Section 79 of the Structures Act, the City's Portfolio Committees process policies and bylaws 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

SCM - Supply Chain Management

SDBIP – Service Delivery Budget Implementation Plan. A detailed plan comprising 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. There are a total of 105 wards, each of which is represented by a councillor. A ward is, in turn, made up of a number of suburbs.

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

The 2011/2012 MTREF Budget Resolutions recommend that:

1. The City's annual budget for the financial year 2011/2012; and indicative allocations for the two projected outer years 2012/2013 and 2013/2014 and related policies, as tabled, be noted, as set out in the following schedules and annexures:
 - a) *Operating expenditure by GFS classification reflected in Table 2.*
 - b) *Operating expenditure by vote reflected in Table 3.*
 - c) *Operating revenue by source reflected in Table 41.*
 - d) *Multi-year capital appropriations by vote reflected in Annexure 1 and Table 40.*
 - e) *Capital expenditure by GFS classification reflected in Table 5.*
 - f) *Capital funding by source reflected in Table 5.*
 - g) *Cash Flow statement as reflected in Table 7.*
 - h) *Salaries and Benefits of Political Office Bearers, Councillors and Senior Officials as reflected in Table 28 and Table 29.*
 - i) *Performance Indicators for 2011/2012 as set out in Table 13.*
 - j) *Assessment (property) rates as set out in Annexure 3.*
 - k) *Special Rating Areas/City Improvement District Levies and Budgets for 2011/2012 as set out in Annexure 4.*
 - l) *Revised Consumptive Tariffs, Rates and Basic Charges for Electricity Services, Water Services and Waste Management Services as set out in Annexure 5.*
 - m) *Tariffs, Fees and Charges Book incorporating miscellaneous tariffs, charges, rates and levies for 2011/2012 and Draft Special Rating Areas Policy as set out in Annexure 6.*
 - n) *Draft Rates Policy as set out in Annexure 7.*
 - o) *Draft Tariff Policies as set out in Annexure 8.*
 - p) *Draft Credit Control and Debt Collection Policy as set out in Annexure 9 (with effect from 01 June 2011).*
 - q) *Draft Policy for the Allocation of Section 67 Grants as set out in Annexure 10.*
 - r) *Integrated Development Plan as set out in Annexure 11.*
 - s) *Budgets for Municipal Entities reflected in Table 31 to Table 34.*
 - t) *Grants, Subsidies and Contributions to external entities in 2011/2012 as set out in Annexure 12.*
 - u) *Budgeted Financial Performance (revenue and expenditure) per directorate and department as per Annexure 13.*
 - v) *Operating and Capital ward allocation projects approved by Subcouncils as set out in Annexure 14.*

w) *Virement policy as set out in Annexure 16.*

2. Service Delivery Plans / Business Plans with measurable targets be approved by the Executive Mayor within 28 days after the approval of the budget.
3. The National Treasury Circular 54 (“Municipal Budget Circular for the 2011/2012 MTREF”) is annexed to this report for noting.
4. Further ward allocation projects to be identified and approved by sub councils towards the end of February and to be included in the budget to be submitted to Council for approval.

2. BUDGET SYNOPSIS & EXECUTIVE SUMMARY

a. General

The 2011/12 MTREF was drafted in context of a reviving economy, whilst still acknowledging the lingering effects of the economic downturn of the past couple of years.

The budget theme adopted for the 2011/12 MTREF period was “*Driving Efficiencies; i.e. reprioritisation of existing resources / current allocations*”. This theme resulted from the realisation that no, or limited, scope for additional externally- or internally-funded revenue growth existed and was further reiterated in National Treasury guidelines (circular 51) - “... over the next few years, government must deliver more services – and deliver them more efficiently – within a tight resource envelope. Achieving this objective requires a new way of working: the budget has been reprioritised so that money is moved from low-priority programmes to high-priority programmes. Municipalities are encouraged to adopt similar stances on these issues. This is particularly important in the run-up to the local government elections. Mayors and councils need to remain focused on the effective delivery of core municipal services....”

b. Operating Budget

Expenditure

Total operating expenditure increased from R19 476 million in 2010/11 to R21 913 million in 2011/12.

The overall growth of 12.5% can be attributed to increases on several expenditure components. Examples of these are:

	2010/11 Budget R	2011/12 Budget R	Year on year
Employee-related costs	6,502,938,649	7,013,931,370	7.86%
Remuneration of councillors	92,296,414	108,785,820	17.87%
Debt impairment	967,716,272	1,084,080,498	12.02%
Depreciation / asset impairment	1,190,680,302	1,392,823,441	16.98%
Finance charges	739,506,984	766,367,316	3.63%
Bulk purchases	4,738,992,482	5,785,875,517	22.09%
Contracted services	1,763,708,675	2,210,144,471	25.31%
Transfers and grants	87,545,298	83,259,925	-4.90%
Other expenditure	3,392,186,532	3,467,311,604	2.21%
Total Expenditure	19,475,571,608	21,912,579,961	12.51%

Reasons for significant variances:

Remuneration of Councillors – The 2011/12 provision includes an allocation for additional councillors following ward demarcation amendments and the impact of additional sub-councils post the 2011 municipal elections.

Debt Impairment – This is the Working Capital Provision (Bad Debts) for both Rate and Tariff-funded services. Its calculation is based on the 2011/12 collection ratios and is also informed by a recent Auditor-General opinion.

Depreciation & Asset Impairment – The increase results from the adjusted (reduced) life span of certain asset classes and the depreciation impact of major projects; e.g. IRT project, Cape Town Stadium, etc.

Bulk Purchases – The increase results from higher than inflationary bulk purchase costs envisaged for the Electricity and Water services.

Contracted Services – This expenditure component now includes provision for Repairs & Maintenance. A further contributing factor to the 2011/12 increase is the additional funds to cater for sub-council requests within the Community Services and TRAMP directorates.

Staff Cost increases:

	2010/11 Budget R	2011/12 Budget R	Year on year
Community Services	685,460,297	728,291,698	6.25%
Corporate Services	798,751,553	857,626,708	7.37%
Economic and Social Development	125,189,281	137,336,128	9.70%
Finance Services	425,182,917	458,989,776	7.95%
Health	390,268,232	440,550,622	12.88%
Housing	214,261,305	230,798,292	7.72%
Internal Audit	27,762,260	30,517,728	9.93%
Office of the City Manager	124,714,275	132,248,703	6.04%
Rates & Other	40,585,690	33,335,556	-17.86%
Safety & Security	970,508,215	1,037,921,874	6.95%
Strategy and Planning	286,636,234	311,583,815	8.70%
Transport, Roads and Major Projects	406,037,616	466,797,016	14.96%
Utility Services	2,007,580,775	2,147,933,454	6.99%
Total staff costs	6,502,938,649	7,013,931,370	7.86%

Reasons for significant staff cost variances:

Economic & Social Development – Additional funds allocated for the Business Improvement Project within the Property Management Department.

Health - The 2011/12 provision includes additional externally-funded posts within the functions of ARV's and Primary Health Care.

Rates & Other – These amounts relate to annual, staff costs-related corporate provisions. The 2010/11 amount provided for Competency Assessment costs for levels T14 and above. The 2011/12 provision is set aside to absorb the impact of the freedom of association option on Medical Aid for staff (R23 million) and a general allocation for the filling of critical vacancies (R10 million).

Transport Roads & Major Projects – The 2011/12 provision includes an additional allocation for IRT project staff.

The 2011/12 Operating Budget provides for the following additional allocations:

- Safety & Security overtime – R20 million
- Filling of critical vacancies – R10 million
- Medical Aid contingency – R20 million
- Roads & Stormwater (subcouncil requests) – R30 million
- Community Services (subcouncil requests) – R29 million

Revenue

Total operating revenue increased from R19 442 million in 2010/11 to R21 756 million in 2011/12 (11.9% growth).

Major contributing items are:

- An increased allocation in respect of the national Equitable Share allocation (from R862 million (2010/11) to R997 million (2011/12))
- Projected organic growth and tariff increases on Property Rates Tax and Service Charges (Water, Sanitation, Electricity and Refuse)

Revenue sources:

	2010/11 Budget R	2011/12 Budget R	Year on year
Property Rates tax	4 206 430 100	4 511 984 647	7.26%
Property rates - Penalties & Collection Charges	80 430 400	85 759 268	6.63%
Service charges - Electricity	6 638 173 564	8 125 663 538	22.41%
Service charges - Water	1 659 870 678	1 828 095 026	10.13%
Service charges - Sanitation	899 609 036	991 117 664	10.17%
Service charges – Refuse	762 770 166	820 410 087	7.56%
Service charges – Other	651 132 833	625 371 141	-3.96%
Rental of facilities and equipment	244 503 182	264 043 390	7.99%
Interest earned - external investments	213 936 225	192 426 077	-10.05%
Interest earned - outstanding debtors	210 859 997	218 335 000	3.55%
Fines	180 569 052	186 892 388	3.50%
Licences and Permits	28 763 832	30 045 985	4.46%
Agency Services	115 993 082	115 993 082	0.00%
Transfers Recognised – Operational	1 478 282 164	1 779 822 224	20.40%
Other Revenue	1 760 229 612	1 874 992 343	6.52%
Gains on Disposal of PPE	310 443 642	105 000 000	-66.18%
Total Revenue	19 441 997 566	21 755 951 861	11.90%

Individual service tariffs / Rates

The proposed tariff increases in the table below are averages; i.e. some clients may pay more and others less than the average.

Average Tariff increases for 2011/12, 2012/13 and 2013/14:

	2011/12 %	2012/13 %	2013/14 %
Rates	5.90	10.00	5.40
Electricity	19.94	21.42	20.42
Water	8.28	10.12	10.25
Sanitation	8.28	10.12	10.25
Refuse Removal	5.50	5.50	5.40
Refuse Disposal	5.50	7.50	9.40

Rates

The tariff increase is 5.9% and the natural growth increases the total rates income by 7.3%, allowing increased assistance to the more vulnerable residents (City's Indigent Support Programme). Old Age Homes, Hostels and Flats are now rated at the residential rate, reducing their accounts by 50%. The rates rebate to Senior Citizens and Disabled Persons are now available to qualifying ratepayers whose monthly income is R10 000 or below (increased from R8 500). A new indigent category is proposed where qualifying ratepayers with monthly incomes between R3 000 and R4 000 will get a 50% rebate on rates. This is in addition to those with incomes below R3 000 who are still getting the 100% rates rebate.

Water and Sanitation

An average tariff increase of 8.28%, natural growth and changes to consumption patterns increase the service's total revenue by 10.1%. The monthly indigent grant to residential properties valued up to R300 000 will increase from R38.00 to R40.50, to provide the same allocation of an additional 4.5 kilolitres of water free of charge (350 litres per day).

Solid Waste

An average tariff increase of 5.5% and total revenue increases by 7.6%. Old Age Homes are now classified as non-residential, to enable them to decide on the number of bins needed or to use an alternative service provider. A pilot project is being started in Kraaifontein with an additional bin of 140 litres being provided free of charge for recycling purposes. New bins will be provided with a Radio Frequency Identification Tag to improve control and owners will be responsible if these tagged bins are damaged, lost or stolen. The tariff for clean builder's rubble will remain at R50.00 per kilogram. The indigent rebate sliding scale for residential properties valued at R400 000 or below, remains.

Electricity

Although the Eskom bulk supply costs to the City increases by 26.71%, the average City tariff increase is 19.94%, while the total service revenue increases by 22.4%. The domestic tariffs were redesigned to remove the service charge and to bring the structure more in line with the requirements of the National Energy Regulator (NERSA). Domestic Low and Domestic High tariffs are being replaced by a new 2-step tariff; i.e. higher use will imply a higher tariff. The Very Large Power Users (VLPU) is dropped in favour of the Time of Use Metering preferred by NERSA. The Table Mountain Light tariff is increased substantially to reflect the cost of the service. The free 50kWh per month for all domestic clients served by Cape Town will remain for those receiving 450kWh per month or less.

c. Capital Budget

The Capital Budget increases from R3 995 million in 2010/11 to R4 828 million in 2011/12. This overall growth of 20.8% can be attributed to various factors:

- increased allocations made by National and Provincial spheres of Government for the Housing and the Transport, Roads & Major Projects votes; and
- additional funding ex the Capital Replacement Reserve for Solid Waste plant & equipment.

The External Financing Fund (EFF) allocation for 2011/12 is based on the cash availability of the DMTN programme. The EFF amount reflected in the table below for the 2010/11 financial year includes roll-overs from 2009/10, which were approved in August 2010, thereby increasing the EFF base amount to slightly above the initial R1 billion per year target. In addition, changed accounting practices in relation to the budgetary treatment of the procurement of minor furniture and equipment contributed to the reduced Revenue funding source requirement.

	2010/11 Budget R'm	2011/12 Budget R'm	Increase / (Decrease) R'm
Capital Grants & Donations	1,775	2,631	856
Capital Replacement Reserve	699	856	157
External Financing Fund	1,443	1,291	(152)
Revenue	78	50	(28)
Total	3,995	4,828	833

Major capital expenditure is planned in the following areas during the 2011/12 financial year:

- Utility Services → R1.8 billion
- Transport, Roads and Major Projects → R1.7 billion
- Housing → R751 million

The most significant projects are in:

Utility Services Directorate:

- Water Services:
 - Extension to the Zandvliet Waste Water Treatment Works - R55 million
 - Bellville Waste Water Treatment Works - R102 million
 - New bulk sewer for Thornton/Langa - R45 million
- Electricity Services:
 - New Building Complex at Bloemhof - R72 million
 - Replacement of 33kV cables at Oakdale to Boston - R54 million
 - Replacement of the Vanguard Transformer - R41 million
 - Replacement of System Equipment - R96 million

- Solid Waste Services:
 - Plant & Vehicles - R137 million
 - Development of Landfill Infrastructure – R157 million
 - Rehabilitation and Closure of Landfill Sites - R40 million

- Transport, Roads and Major Projects Directorate:
 - IRT-related infrastructure - R1 billion
 - Reconstruction of Metro Roads - R58 million
 - Reconfiguration of Green Point Common - R52 million

- Housing Directorate:
 - Upgrade of rental units (Flats) – R277 million
 - Development of 4000 Units in Bardale / Fairdale – R50 million
 - Land Acquisition for future housing – R40.1 million
 - Infrastructure for 1000 units in Happy Valley Phase 2 – R35 million
 - Construction of outer cavity walls for some housing flats – R24 million
 - Delft - The Hague Housing Project – R24 million

New projects (extract) in the draft 2011/12 Capital Budget:

Project Description	2011/12 Budget R
Kraaifontein Main Substation Reinforcing Electricity Supply	50,000
Supply 400 Volt for Athlone Gas Turbine	1,400,000
Steenbras Rehabilitation of Existing Building	500,000
Upgrading of Piers Road Main Substation	28,944,820
Upgrading of the SANS Main Substation	940,000
Overhead Line - Servitude Access Road : Mitchell's Plain	2,500,000
Construction of new Early Childhood Development Centre in Leonsdale	3,000,000
Construction of new Early Childhood Development Centre in Rocklands	1,800,000
Construction of bulk services infrastructure for housing in Ocean View	9,300,000
New development of a two soccer/rugby fields, ablution/changeroom facilities, fencing and parking area at Masiphumile Sports Complex	3,700,000
Completion of Phase 2 of the upgrading of Turfhall Stadium to meet international standards	1,195,672
Development of the entire Monwabisi coastal node in order to advance tourism	2,000,000
Development of a new sports complex in Wallacedene	3,900,000
Develop the existing Huguenot Square Hall into a two story youth centre	1,920,000
Upgrading the Khayelitsha Golf Driving Range	1,000,000
Bulk water augmentation scheme to link the Berg River Dam to the City's water network	23,800,000
New water main for Dummer Road, Somerset West	10,000,000
New and upgrade of existing depots for Engineering & Asset management	30,000,000
Head office for Water & Sanitation	9,000,000
New sewer line in the New Rest Area	2,000,000
New Northern Regional Sludge Facility	3,000,000

Project Description	2011/12 Budget R
Simon's Town/Fish Hoek Fire Structure Upgrading - Final phase	7,500,000
Property Improvement: Mitchell's Plain Driving Testing Facilities - Final phase	1,224,000
Upgrade of Melkbosstrand Fire Station - Final Phase	5,074,803
Establish the Maitland Vehicle Impound Facility - Final phase	3,300,000
Widening of Stock Road Phillipi	1,500,000
Construction of the Watergate access road	3,000,000
Upgrade of Green Point Promenade	37,000,000
Rehabilitation of Proclaimed Main Roads including Vanguard Drive and Van Riebeeck Rd (Kuilsrivier, Blackheath, Eersterevier section) and others still to be identified	10,000,000
Macassar Housing: Roads and Stormwater	2,700,000
Bulk Roads and Stormwater for Housing Projects including the new extensions of Bardale, Wallacedene, Pelican Park	30,343,244
Imizamo Yethu Taxi Facilities, Hout Bay	1,500,000
Samora Machel Taxi Rank Philippi	6,500,000
Nyanga Main Taxi Rank	18,000,000
Wynberg Transport Interchange Holding Facility	15,000,000
Site C Transport Infrastructure Development	81,300,000

3. ANNUAL BUDGET TABLES

Budget schedules to be approved by resolution of Council

Table A1 - Budget Summary

Description	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
R thousands									
Financial Performance									
Property rates	3,258,745	3,240,604	3,841,313	4,286,861	4,286,861	4,286,861	4,597,744	5,110,163	5,450,553
Service charges	5,785,099	6,943,215	8,735,777	10,611,556	10,599,456	10,599,456	12,390,657	14,683,139	17,466,094
Investment revenue	367,956	441,012	293,555	213,936	213,936	213,936	192,426	219,741	273,743
Transfers recognised - operational	1,773,881	2,281,920	1,194,162	1,478,282	1,521,358	1,521,358	1,779,822	1,782,139	1,858,667
Other own revenue	1,026,453	1,138,348	2,465,853	2,851,362	2,842,386	2,842,386	2,795,302	2,865,696	3,027,620
Total Revenue (excluding capital transfers and contributions)	12,212,134	14,045,099	16,530,661	19,441,998	19,463,996	19,463,996	21,755,952	24,660,878	28,076,678
Employee costs	4,153,345	4,537,568	5,587,167	6,502,939	6,318,122	6,318,122	7,013,931	7,693,017	8,450,830
Remuneration of councillors	70,934	77,629	84,451	92,296	92,296	92,296	108,786	115,857	123,272
Depreciation & asset impairment	809,719	864,825	1,043,389	1,190,680	1,263,258	1,263,258	1,392,823	1,476,807	1,606,205
Finance charges	274,801	396,168	599,797	739,507	739,507	739,507	766,367	914,347	1,070,070
Materials and bulk purchases	2,198,946	2,936,374	3,735,779	5,051,523	4,970,622	4,970,622	6,105,173	7,713,863	9,550,850
Transfers and grants	81,919	125,142	90,338	44,557	91,296	91,296	83,260	88,415	93,189
Other expenditure	4,468,451	4,933,595	5,294,087	5,854,069	5,980,790	5,980,790	6,442,239	6,823,393	7,334,132
Total Expenditure	12,058,115	13,871,301	16,435,008	19,475,572	19,455,890	19,455,890	21,912,580	24,825,699	28,228,549
Surplus/(Deficit)	154,019	173,798	95,653	(33,574)	8,106	8,106	(156,628)	(164,821)	(151,871)
Transfers recognised - capital	1,225,981	2,900,886	1,940,857	1,635,800	1,714,971	1,714,971	2,579,958	1,933,694	1,913,422
Contributions recognised - capital & contributed assets	49,675	61,455	68,988	64,379	60,180	60,180	50,935	42,881	40,300
Surplus/(Deficit) after capital transfers & contributions	1,429,674	3,136,140	2,105,497	1,666,605	1,783,257	1,783,257	2,474,264	1,811,755	1,801,851
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	1,429,674	3,136,140	2,105,497	1,666,605	1,783,257	1,783,257	2,474,264	1,811,755	1,801,851
Capital expenditure & funds sources									
Capital expenditure	3,102,398	5,060,343	4,662,927	3,607,364	3,995,477	3,995,477	4,828,496	4,152,655	4,291,349
Transfers recognised - capital	1,227,256	2,903,740	1,949,507	1,641,200	1,722,285	1,722,285	2,580,448	1,933,694	1,913,422
Public contributions & donations	48,399	58,601	45,337	58,979	52,866	52,866	50,445	42,881	40,300
Borrowing	1,242,470	1,609,436	1,782,932	1,115,877	1,442,790	1,442,790	1,291,132	1,187,536	1,484,336
Internally generated funds	584,273	488,566	885,151	791,309	777,536	777,536	906,472	988,543	853,290
Total sources of capital funds	3,102,398	5,060,343	4,662,927	3,607,364	3,995,477	3,995,477	4,828,496	4,152,655	4,291,349
Financial position									
Total current assets	7,252,583	7,238,381	8,412,729	6,785,281	7,057,885	7,057,885	7,608,087	7,879,593	8,427,461
Total non current assets	12,855,248	16,856,656	20,469,348	23,960,664	23,255,667	23,255,667	26,809,864	29,718,578	32,580,230
Total current liabilities	5,303,352	5,126,466	5,634,330	4,991,398	5,046,938	5,046,938	4,917,511	4,586,047	4,329,444
Total non current liabilities	5,448,269	6,423,137	8,596,740	9,724,720	8,734,846	8,734,846	10,488,998	12,182,407	14,039,742
Community wealth/Equity	9,356,210	12,545,433	14,651,007	16,029,826	16,531,767	16,531,767	19,011,443	20,829,717	22,638,506
Cash flows									
Net cash from (used) operating	3,492,393	3,324,110	3,772,696	2,892,220	2,404,538	2,404,538	3,792,055	2,948,094	3,162,118
Net cash from (used) investing	(4,002,178)	(2,679,317)	(3,435,266)	(3,407,165)	(3,758,203)	(3,758,203)	(4,836,523)	(4,275,065)	(4,403,105)
Net cash from (used) financing	1,231,255	828,331	1,516,796	861,277	(240,089)	(240,089)	1,325,535	1,259,069	1,344,396
Cash/cash equivalents at the year end	1,158,826	2,631,951	4,486,177	2,891,284	2,892,421	2,892,421	3,173,487	3,105,585	3,208,994
Cash backing/surplus reconciliation									
Cash and investments available	4,770,948	4,064,670	4,816,221	3,294,021	3,285,986	3,285,986	3,686,565	3,802,235	4,094,056
Application of cash and investments	4,209,194	3,771,848	3,993,823	3,293,104	2,989,516	2,989,516	3,275,994	3,214,611	3,324,958
Balance - surplus (shortfall)	561,754	292,822	822,398	917	296,470	296,470	410,571	587,624	769,098
Asset management									
Asset register summary (WDV)	12,373,556	16,566,091	20,194,848	-	-	-	-	-	-
Depreciation & asset impairment	809,719	864,825	1,043,389	1,190,680	1,263,258	1,263,258	1,392,823	1,476,807	1,606,205
Renewal of Existing Assets	1,030,697	1,261,761	1,543,740	1,447,563	1,436,337	1,436,337	1,740,512	1,581,660	1,282,707
Repairs and Maintenance	1,185,860	1,372,624	1,577,720	931,611	1,666,482	1,666,482	1,787,409	1,937,281	2,117,841
Free services									
Cost of Free Basic Services provided	648,492	863,946	951,867	1,082,227	1,157,958	1,157,958	1,258,151	1,389,375	1,544,042
Revenue cost of free services provided	967,716	1,058,655	1,178,761	1,874,045	1,881,663	1,878,495	1,933,956	2,113,375	2,279,343
Households below minimum service level									
Water:	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:	36,000	50,000	6,000	24,000	24,000	24,000	24,000	24,000	20,000
Energy:	63,000	88,000	90,024	85,819	85,819	85,819	82,289	78,759	75,229
Refuse:	-	-	-	-	-	-	-	-	-

Table 1: Budget Summary (Table A1)

* The 2007/2008 and 2008/2009 audited outcomes for the capital budget exclude adjustments that are not made on our financial system.

Table A2 - Budgeted Financial Performance (Revenue and Expenditure by standard classification)

Standard Classification Description	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
Revenue - Standard									
Governance and administration	5,291,170	5,682,072	6,273,662	7,209,174	7,194,331	7,194,331	7,558,614	8,242,142	8,905,461
Executive and council	5,637	8,364	2,597	2,158	2,158	2,158	3,244	5,367	10,495
Budget and treasury office	5,112,407	5,367,505	6,093,989	6,801,981	6,800,998	6,800,998	7,347,257	8,067,085	8,703,856
Corporate services	173,126	306,203	177,076	405,036	391,176	391,176	208,113	169,690	191,110
Community and public safety	1,671,642	3,087,032	1,812,088	1,647,158	1,570,682	1,570,682	1,775,228	1,663,624	1,616,935
Community and social services	42,359	77,380	75,646	91,999	96,199	96,199	103,031	53,472	39,504
Sport and recreation	876,847	1,926,565	621,527	136,475	158,471	158,471	71,094	115,689	107,958
Public safety	219,865	267,717	232,638	245,796	254,516	254,516	258,408	252,822	265,444
Housing	355,970	611,722	616,844	906,807	739,058	739,058	1,021,030	908,697	857,037
Health	176,601	203,648	265,433	266,081	322,439	322,439	321,665	332,944	346,991
Economic and environmental services	435,789	764,799	1,255,505	1,191,040	1,439,453	1,439,453	2,265,370	1,663,179	1,638,611
Planning and development	162,696	139,820	138,529	187,603	179,350	179,350	188,542	198,696	196,237
Road transport	260,631	609,438	1,099,079	975,356	1,227,595	1,227,595	2,078,135	1,445,892	1,423,396
Environmental protection	12,462	15,541	17,897	28,081	32,508	32,508	18,693	18,591	18,978
Trading services	6,088,185	7,470,438	9,195,700	11,088,555	11,030,027	11,030,027	12,782,533	15,061,185	17,864,838
Electricity	3,294,465	4,375,480	5,785,196	7,209,309	7,180,765	7,180,765	8,610,247	10,500,645	12,851,605
Water	1,426,810	1,456,287	1,662,855	1,849,115	1,901,677	1,901,677	2,014,335	2,225,428	2,462,066
Waste water management	846,053	1,027,195	1,052,516	1,161,107	1,091,625	1,091,625	1,220,526	1,338,273	1,486,568
Waste management	520,858	611,475	695,132	869,024	855,961	855,961	937,425	996,839	1,064,599
Other	1,002	3,100	3,550	6,249	4,654	4,654	5,098	7,323	4,556
Total Revenue - Standard	13,487,789	17,007,441	18,540,505	21,142,176	21,239,147	21,239,147	24,386,844	26,637,453	30,030,400
Expenditure - Standard									
Governance and administration	2,860,571	2,722,032	3,409,759	3,980,568	3,986,530	3,986,530	4,324,503	4,735,738	5,279,378
Executive and council	179,968	214,509	216,418	273,039	258,348	258,348	289,229	310,832	333,841
Budget and treasury office	1,213,275	1,028,335	1,458,575	1,802,999	1,818,115	1,818,115	1,977,060	2,234,049	2,584,697
Corporate services	1,467,328	1,479,188	1,734,767	1,904,530	1,910,067	1,910,067	2,058,214	2,190,857	2,360,840
Community and public safety	2,736,114	3,191,239	3,712,911	3,904,621	3,995,421	3,995,421	4,100,854	4,439,511	4,806,930
Community and social services	275,921	319,070	358,441	396,659	393,674	393,674	440,296	464,999	505,211
Sport and recreation	563,264	681,893	1,065,075	1,085,025	1,138,223	1,138,223	1,105,590	1,172,784	1,264,757
Public safety	1,010,576	1,124,687	1,151,071	1,294,422	1,268,149	1,268,149	1,333,650	1,455,586	1,588,090
Housing	562,621	685,938	665,936	621,934	634,735	634,735	651,712	698,157	747,510
Health	323,732	379,651	472,389	506,582	560,640	560,640	569,605	647,984	701,361
Economic and environmental services	1,114,035	1,219,192	1,367,880	1,783,320	1,775,325	1,775,325	2,166,835	2,259,676	2,277,169
Planning and development	292,711	340,712	383,673	433,017	437,961	437,961	461,366	500,031	541,104
Road transport	711,146	732,650	817,570	1,167,833	1,144,088	1,144,088	1,512,109	1,549,687	1,507,562
Environmental protection	110,178	145,831	166,638	182,470	193,276	193,276	193,360	209,958	228,503
Trading services	5,303,418	6,689,230	7,891,315	9,753,029	9,647,036	9,647,036	11,267,067	13,334,157	15,804,994
Electricity	2,759,604	3,597,245	4,587,480	5,965,938	5,819,856	5,819,856	7,158,450	8,823,769	10,882,707
Water	1,074,292	1,555,665	1,499,872	1,733,577	1,715,215	1,715,215	1,824,097	2,023,289	2,229,209
Waste water management	491,782	574,162	724,042	761,914	785,679	785,679	868,799	932,913	1,021,238
Waste management	977,740	962,158	1,079,922	1,291,600	1,326,285	1,326,285	1,415,722	1,554,185	1,671,840
Other	43,978	49,609	53,143	54,033	51,579	51,579	53,320	56,618	60,077
Total Expenditure - Standard	12,058,115	13,871,301	16,435,008	19,475,572	19,455,890	19,455,890	21,912,580	24,825,699	28,228,549
Surplus/(Deficit) for the year	1,429,674	3,136,140	2,105,497	1,666,605	1,783,257	1,783,257	2,474,264	1,811,755	1,801,851

Table 2: Budgeted Financial Performance (Revenue and Expenditure by standard classification) (Table A2)

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

Vote Description	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
Revenue by Vote									
Vote1 - Community Services	103,730	190,563	123,505	145,449	146,937	146,937	158,108	155,439	133,008
Vote2 - Corporate Services	66,184	66,972	46,258	27,782	29,789	29,789	29,282	30,807	32,199
Vote3 - Economic and Social Development	110,977	232,463	130,124	377,649	364,711	364,711	180,138	137,622	154,437
Vote4 - Finance Services	537,968	584,224	466,814	393,008	399,984	399,984	380,948	406,451	464,305
Vote5 - Health	176,610	203,596	265,478	266,075	322,433	322,433	321,658	332,938	346,985
Vote6 - Housing	357,397	616,885	624,820	927,365	756,355	756,355	1,047,955	934,390	875,561
Vote7 - Internal Audit	694	723	20	0	0	0	0	0	0
Vote8 - Office of the City Manager	5,745	11,464	3,002	17,358	19,838	19,838	21,244	5,367	10,495
Vote9 - Rates & Other	4,736,393	4,943,670	5,800,425	6,594,508	6,591,884	6,591,884	7,155,066	7,853,996	8,437,686
Vote10 - Safety & Security	219,866	261,186	224,169	224,412	222,309	222,309	235,416	243,829	256,452
Vote11 - Strategy and Planning	111,479	96,922	80,526	120,849	116,535	116,535	83,729	112,219	113,012
Vote12 - Transport, Roads and Major Projects	972,863	2,322,438	1,571,265	953,083	1,223,917	1,223,917	1,985,879	1,354,326	1,332,546
Vote13 - Utility Services	6,087,881	7,476,333	9,204,098	11,094,639	11,044,454	11,044,454	12,787,422	15,070,068	17,873,714
Total Revenue by Vote	13,487,789	17,007,441	18,540,505	21,142,176	21,239,147	21,239,147	24,386,844	26,637,453	30,030,400
Expenditure by Vote to be appropriated									
Vote1 - Community Services	799,049	931,422	1,061,548	1,131,631	1,145,609	1,145,609	1,230,680	1,325,244	1,441,704
Vote2 - Corporate Services	1,247,292	1,216,097	1,419,290	1,528,628	1,503,537	1,503,537	1,620,620	1,722,460	1,852,519
Vote3 - Economic and Social Development	204,352	234,616	268,096	280,427	294,346	294,346	301,984	319,179	343,761
Vote4 - Finance Services	814,013	996,253	1,264,843	1,497,452	1,506,369	1,506,369	1,551,654	1,765,156	1,990,258
Vote5 - Health	370,593	437,668	534,937	575,397	629,506	629,506	642,445	727,932	789,035
Vote6 - Housing	582,043	710,926	697,077	677,320	689,920	689,920	707,841	759,027	813,486
Vote7 - Internal Audit	18,084	23,641	26,320	30,644	31,056	31,056	32,964	36,128	39,563
Vote8 - Office of the City Manager	200,150	240,904	246,391	312,535	299,318	299,318	329,705	354,916	381,826
Vote9 - Rates & Other	569,817	222,380	394,311	544,020	554,709	554,709	671,801	733,242	877,876
Vote10 - Safety & Security	941,827	1,049,027	1,089,714	1,192,399	1,188,081	1,188,081	1,259,707	1,375,679	1,501,802
Vote11 - Strategy and Planning	230,346	290,075	333,671	361,205	373,419	373,419	388,097	422,727	460,820
Vote12 - Transport, Roads and Major Projects	805,027	773,388	1,156,255	1,492,544	1,507,720	1,507,720	1,816,549	1,850,758	1,823,608
Vote13 - Utility Services	5,275,522	6,744,904	7,942,557	9,851,369	9,732,300	9,732,300	11,358,533	13,433,249	15,912,291
Total Expenditure by Vote	12,058,115	13,871,301	16,435,008	19,475,572	19,455,890	19,455,890	21,912,580	24,825,699	28,228,549
Surplus/(Deficit) for the year	1,429,674	3,136,140	2,105,497	1,666,605	1,783,257	1,783,257	2,474,264	1,811,755	1,801,851

Table 3: Budgeted Financial Performance (revenue and expenditure by municipal vote) (Table A3)

Table A4 - Budgeted Financial Performance (revenue and expenditure)

Description	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
R thousand									
Revenue By Source									
Property rates	3,182,895	3,163,360	3,754,425	4,206,430	4,206,430	4,206,430	4,511,985	5,013,774	5,347,944
Property rates - penalties & collection charges	75,850	77,244	86,889	80,430	80,430	80,430	85,759	96,389	102,610
Service charges - electricity revenue	2,922,573	3,979,645	5,336,970	6,638,174	6,774,585	6,774,585	8,125,664	9,945,832	12,197,910
Service charges - water revenue	1,231,444	1,281,671	1,483,354	1,659,871	1,659,871	1,659,871	1,828,095	2,037,247	2,268,485
Service charges - sanitation revenue	725,274	744,294	801,003	899,609	889,609	889,609	991,118	1,104,064	1,230,022
Service charges - refuse revenue	463,776	537,484	614,451	762,770	762,770	762,770	820,410	880,289	943,689
Service charges - other	442,033	400,121	499,999	651,133	512,621	512,621	625,371	715,707	825,988
Rental of facilities and equipment	214,371	219,609	243,468	244,503	250,087	250,087	264,043	274,609	287,769
Interest earned - external investments	367,956	441,012	293,555	213,936	213,936	213,936	192,426	219,741	273,743
Interest earned - outstanding debtors	167,747	215,721	212,978	210,860	207,324	207,324	218,335	230,343	242,832
Fines	159,224	183,283	154,584	180,569	174,769	174,769	186,892	197,171	207,819
Licences and permits	31,036	31,337	33,054	28,764	28,764	28,764	30,046	31,699	33,410
Agency services	112,654	109,222	111,097	115,993	115,993	115,993	115,993	115,993	115,993
Transfers recognised - operational	1,773,881	2,281,920	1,194,162	1,478,282	1,521,358	1,521,358	1,779,822	1,782,139	1,858,667
Other revenue	293,551	195,685	1,631,529	1,760,230	1,771,482	1,771,482	1,874,992	1,960,880	2,068,994
Gains on disposal of PPE	47,870	183,491	79,142	310,444	293,967	293,967	105,000	55,000	70,803
Total Revenue (excluding capital transfers and contributions)	12,212,134	14,045,099	16,530,661	19,441,998	19,463,996	19,463,996	21,755,952	24,660,878	28,076,678
Expenditure By Type									
Employee related costs	4,153,345	4,537,568	5,587,167	6,502,939	6,318,122	6,318,122	7,013,931	7,693,017	8,450,830
Remuneration of councillors	70,934	77,629	84,451	92,296	92,296	92,296	108,786	115,857	123,272
Debt impairment	708,643	771,801	635,851	967,716	967,873	967,873	1,084,080	1,167,960	1,345,183
Depreciation & asset impairment	809,719	864,825	1,043,389	1,190,680	1,263,258	1,263,258	1,392,823	1,476,807	1,606,205
Finance charges	274,801	396,168	599,797	739,507	739,507	739,507	766,367	914,347	1,070,070
Bulk purchases	2,141,514	2,880,965	3,667,765	4,738,992	4,656,592	4,656,592	5,785,876	7,365,579	9,171,558
Other materials	57,432	55,409	68,014	312,531	314,030	314,030	319,298	348,284	379,292
Contracted services	596,506	674,675	800,498	1,763,709	1,925,180	1,925,180	2,210,144	2,378,858	2,588,113
Transfers and grants	81,919	125,142	90,338	44,557	91,296	91,296	83,260	88,415	93,189
Other expenditure	3,161,688	3,483,628	3,854,663	3,122,644	3,087,736	3,087,736	3,148,014	3,276,575	3,400,836
Loss on disposal of PPE	1,613	3,492	3,076	-	-	-	-	-	-
Total Expenditure	12,058,115	13,871,301	16,435,008	19,475,572	19,455,890	19,455,890	21,912,580	24,825,699	28,228,549
Surplus/(Deficit)	154,019	173,798	95,653	(33,574)	8,106	8,106	(156,628)	(164,821)	(151,871)
Transfers recognised - capital	1,225,981	2,900,886	1,940,857	1,635,800	1,714,971	1,714,971	2,579,958	1,933,694	1,913,422
Contributions recognised - capital	49,675	61,455	68,988	64,379	60,180	60,180	50,935	42,881	40,300
Surplus/(Deficit) after capital transfers & contributions	1,429,674	3,136,140	2,105,497	1,666,605	1,783,257	1,783,257	2,474,264	1,811,755	1,801,851
Taxation	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation	1,429,674	3,136,140	2,105,497	1,666,605	1,783,257	1,783,257	2,474,264	1,811,755	1,801,851
Attributable to minorities	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality	1,429,674	3,136,140	2,105,497	1,666,605	1,783,257	1,783,257	2,474,264	1,811,755	1,801,851
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	1,429,674	3,136,140	2,105,497	1,666,605	1,783,257	1,783,257	2,474,264	1,811,755	1,801,851

Table 4: Budgeted Financial Performance (revenue and expenditure) (Table A4)

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

Vote Description	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
Capital expenditure - Vote									
Multi-year expenditure to be appropriated									
Vote1 - Community Services	158,513	239,253	138,365	134,629	154,095	154,095	127,218	145,104	120,392
Vote2 - Corporate Services	110,794	108,062	188,743	124,624	134,662	134,662	208,630	191,694	144,285
Vote3 - Economic and Social Development	16,541	20,244	15,736	16,898	31,024	31,024	17,051	14,160	11,160
Vote4 - Finance Services	14,317	10,779	16,204	7,614	14,175	14,175	5,062	3,396	3,261
Vote5 - Health	24,434	17,951	25,567	11,984	16,896	16,896	20,568	15,046	11,546
Vote6 - Housing	147,529	227,314	229,711	625,763	455,370	455,370	751,108	621,347	513,727
Vote7 - Internal Audit	125	484	419	242	242	242	171	121	121
Vote8 - Office of the City Manager	5,648	13,358	4,309	21,996	26,237	26,237	37,791	39,034	44,034
Vote9 - Rates & Other	-	-	-	-	-	-	-	-	-
Vote10 - Safety & Security	55,510	96,956	58,554	33,893	35,837	35,837	32,206	14,777	14,777
Vote11 - Strategy and Planning	39,012	95,849	73,332	74,174	52,556	52,556	50,006	56,817	53,917
Vote12 - Transport, Roads and Major Projects	1,404,027	2,840,134	2,356,578	998,444	1,566,313	1,566,313	1,699,816	1,052,216	1,129,696
Vote13 - Utility Services	1,125,949	1,389,960	1,555,409	1,557,103	1,508,071	1,508,071	1,878,868	1,998,940	2,244,431
Total Capital Expenditure - Vote	3,102,398	5,060,343	4,662,927	3,607,364	3,995,477	3,995,477	4,828,496	4,152,655	4,291,349
Capital Expenditure - Standard									
Governance and administration	131,746	156,785	225,706	155,033	179,139	179,139	240,195	237,949	197,333
Executive and council	4,148	10,562	3,799	6,516	8,168	8,168	19,240	38,504	43,504
Budget and treasury office	8,238	8,749	8,538	7,626	13,409	13,409	6,725	3,233	3,374
Corporate services	119,360	137,474	213,369	140,891	157,562	157,562	214,229	196,212	150,455
Community and public safety	1,445,100	2,703,844	1,268,217	1,050,036	1,151,582	1,151,582	1,016,839	824,560	695,199
Community and social services	37,521	51,924	49,186	62,878	85,842	85,842	59,849	44,902	29,402
Sport and recreation	1,162,377	2,280,359	874,082	263,567	507,975	507,975	123,645	111,062	101,699
Public safety	73,709	127,474	90,591	90,899	87,298	87,298	72,600	41,052	39,775
Housing	147,355	226,936	228,579	620,708	453,574	453,574	740,527	612,897	513,376
Health	24,138	17,151	25,779	11,984	16,893	16,893	20,218	14,646	10,946
Economic and environmental services	398,948	836,976	1,640,555	874,828	1,181,376	1,181,376	1,711,434	1,112,345	1,179,026
Planning and development	40,941	74,752	46,452	49,508	33,887	33,887	43,896	59,049	48,049
Road transport	346,519	747,859	1,585,918	800,652	1,137,070	1,137,070	1,644,453	1,048,591	1,126,072
Environmental protection	11,488	14,365	8,186	24,669	10,419	10,419	23,084	4,705	4,905
Trading services	1,125,778	1,361,317	1,527,195	1,524,967	1,480,997	1,480,997	1,857,978	1,974,800	2,219,791
Electricity	537,568	496,871	665,972	718,471	774,760	774,760	802,379	868,151	868,342
Water	210,266	241,094	191,283	195,951	193,828	193,828	326,883	360,878	595,794
Waste water management	267,326	458,464	384,535	319,645	262,851	262,851	383,582	410,466	417,050
Waste management	110,618	164,889	285,406	290,901	249,558	249,558	345,136	335,306	338,606
Other	826	1,421	1,254	2,500	2,383	2,383	2,050	3,000	-
Total Capital Expenditure - Standard	3,102,398	5,060,343	4,662,927	3,607,364	3,995,477	3,995,477	4,828,496	4,152,655	4,291,349
Funded by:									
National Government	1,071,282	2,423,827	1,672,706	1,045,900	1,295,433	1,295,433	1,944,106	1,454,998	1,510,254
Provincial Government	154,698	477,059	253,151	589,900	419,539	419,539	635,851	478,697	403,169
Other transfers and grants	1,276	2,854	23,650	5,400	7,314	7,314	490	-	-
Transfers recognised - capital	1,227,256	2,903,740	1,949,507	1,641,200	1,722,285	1,722,285	2,580,448	1,933,694	1,913,422
Public contributions & donations	48,399	58,601	45,337	58,979	52,866	52,866	50,445	42,881	40,300
Borrowing	1,242,470	1,609,436	1,782,932	1,115,877	1,442,790	1,442,790	1,291,132	1,187,536	1,484,336
Internally generated funds	584,273	488,566	885,151	791,309	777,536	777,536	906,472	988,543	853,290
Total Capital Funding	3,102,398	5,060,343	4,662,927	3,607,364	3,995,477	3,995,477	4,828,496	4,152,655	4,291,349

Table 5: Budgeted Capital Expenditure by vote, standard classification and funding (Table A5)

* The 2007/2008 and 2008/2009 audited outcomes in the capital budget exclude adjustments that are not made on our financial system.

Table A6 - Budgeted Financial Position

Description	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
R thousand									
ASSETS									
Current assets									
Cash	188,692	197,633	138,263	-	-	-	-	-	-
Call investment deposits	4,192,038	3,630,894	4,403,713	2,891,284	2,951,755	2,951,755	3,228,154	3,105,585	3,215,794
Consumer debtors	2,292,286	2,744,102	3,361,410	3,168,812	3,558,401	3,558,401	3,790,269	4,138,608	4,526,383
Other debtors	346,278	443,946	294,783	492,596	324,189	324,189	356,608	392,268	431,495
Current portion of long-term receivables	16,949	21,517	17,480	19,419	16,606	16,606	15,776	14,987	14,238
Inventory	216,340	200,289	197,080	213,169	206,934	206,934	217,281	228,145	239,552
Total current assets	7,252,583	7,238,381	8,412,729	6,785,281	7,057,885	7,057,885	7,608,087	7,879,593	8,427,461
Non current assets									
Long-term receivables	197,968	157,693	119,058	142,318	113,105	113,105	107,450	102,077	96,973
Investments	390,218	236,143	274,245	402,737	334,231	334,231	458,411	696,650	878,262
Investment property	95,076	91,546	87,082	-	-	-	-	-	-
Property, plant and equipment	12,142,997	16,329,013	19,947,252	23,415,609	22,808,330	22,808,330	26,244,003	28,919,850	31,604,994
Intangible	20,083	32,821	31,709	-	-	-	-	-	-
Other non-current assets	8,906	9,440	10,002	-	-	-	-	-	-
Total non current assets	12,855,248	16,856,656	20,469,348	23,960,664	23,255,667	23,255,667	26,809,864	29,718,578	32,580,230
TOTAL ASSETS	20,107,831	24,095,037	28,882,077	30,745,945	30,313,552	30,313,552	34,417,951	37,598,171	41,007,691
LIABILITIES									
Current liabilities									
Borrowing	409,239	475,484	262,983	199,643	199,673	199,673	168,660	186,105	150,892
Consumer deposits	240,268	239,904	229,160	266,851	252,076	252,076	277,284	305,012	335,513
Trade and other payables	4,097,826	3,870,289	4,402,741	3,917,328	3,818,771	3,818,771	3,640,800	3,206,009	2,891,893
Provisions	556,019	540,789	739,446	607,576	776,418	776,418	830,768	888,921	951,146
Total current liabilities	5,303,352	5,126,466	5,634,330	4,991,398	5,046,938	5,046,938	4,917,511	4,586,047	4,329,444
Non current liabilities									
Borrowing	3,047,812	3,811,962	5,547,626	6,447,345	5,347,930	5,347,930	6,679,271	7,893,166	9,242,275
Provisions	2,400,457	2,611,175	3,049,114	3,277,375	3,386,916	3,386,916	3,809,727	4,289,241	4,797,467
Total non current liabilities	5,448,269	6,423,137	8,596,740	9,724,720	8,734,846	8,734,846	10,488,998	12,182,407	14,039,742
TOTAL LIABILITIES	10,751,621	11,549,603	14,231,070	14,716,118	13,781,784	13,781,784	15,406,509	16,768,454	18,369,186
NET ASSETS	9,356,210	12,545,434	14,651,007	16,029,826	16,531,768	16,531,768	19,011,442	20,829,717	22,638,505
COMMUNITY WEALTH/EQUITY									
Accumulated Surplus/(Deficit)	7,296,280	10,258,033	12,280,444	11,257,755	12,679,476	12,679,476	13,288,835	13,908,782	14,371,111
Reserves	2,059,930	2,287,400	2,370,563	4,772,071	3,852,291	3,852,291	5,722,609	6,920,935	8,267,395
TOTAL COMMUNITY WEALTH/EQUITY	9,356,210	12,545,433	14,651,007	16,029,826	16,531,767	16,531,767	19,011,443	20,829,717	22,638,506

Table 6: Budgeted Financial Position (Table A6)

Table A7 - Budgeted Cash Flows

Description	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Ratepayers and other	10,539,870	9,141,515	12,641,040	17,090,513	17,049,027	17,049,027	19,256,939	22,059,056	25,280,347
Government - operating	1,717,988	2,273,951	2,550,811	1,478,282	1,521,358	1,521,358	1,779,822	1,782,139	1,858,667
Government - capital	1,275,655	2,900,886	1,940,857	1,700,179	1,775,151	1,775,151	2,630,892	1,976,575	1,953,722
Interest	261,317	577,105	383,657	424,796	421,260	421,260	410,761	480,084	516,575
Payments									
Suppliers and employees	(10,030,976)	(11,163,936)	(13,220,119)	(17,062,043)	(17,622,752)	(17,622,752)	(19,519,992)	(22,405,414)	(25,377,123)
Finance charges	(271,461)	(405,411)	(523,550)	(739,507)	(739,507)	(739,507)	(766,367)	(914,347)	(1,070,070)
NET CASH FROM/(USED) OPERATING ACTIVITIES	3,492,393	3,324,110	3,772,696	2,892,220	2,404,538	2,404,538	3,792,055	2,948,094	3,162,118
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE	59,981	187,505	82,380	310,444	293,967	293,967	105,000	55,000	70,803
Decrease (increase) other non-current receivables	84,041	35,707	42,673	8,512	6,827	6,827	6,486	6,161	5,853
Decrease (increase) in non-current investments	(1,027,192)	2,179,402	1,102,674	(118,757)	(63,520)	(63,520)	(119,513)	(183,572)	(188,412)
Payments									
Capital assets	(3,119,008)	(5,081,931)	(4,662,993)	(3,607,364)	(3,995,477)	(3,995,477)	(4,828,496)	(4,152,655)	(4,291,349)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(4,002,178)	(2,679,317)	(3,435,266)	(3,407,165)	(3,758,203)	(3,758,203)	(4,836,523)	(4,275,065)	(4,403,105)
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Borrowing long term/refinancing	1,432,651	1,240,230	2,047,299	1,100,000	-	-	1,500,000	1,400,000	1,500,000
Increase (decrease) in consumer deposits	23,142	(2,065)	(6,366)	24,259	22,916	22,916	25,208	27,728	30,501
Payments									
Repayment of borrowing	(224,538)	(409,834)	(524,137)	(262,982)	(263,005)	(263,005)	(199,673)	(168,659)	(186,105)
NET CASH FROM/(USED) FINANCING ACTIVITIES	1,231,255	828,331	1,516,796	861,277	(240,089)	(240,089)	1,325,535	1,259,069	1,344,396
NET INCREASE/ (DECREASE) IN CASH HELD	721,470	1,473,125	1,854,226	346,332	(1,593,755)	(1,593,755)	281,066	(67,902)	103,409
Cash/cash equivalents at the year begin:	437,356	1,158,826	2,631,951	2,544,952	4,486,176	4,486,176	2,892,421	3,173,487	3,105,585
Cash/cash equivalents at the year end:	1,158,826	2,631,951	4,486,177	2,891,284	2,892,421	2,892,421	3,173,487	3,105,585	3,208,994

Table 7: Budgeted Cash Flows (Table A7)

Table A8 - Cash backed reserves/accumulated surplus reconciliation

Description	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
Cash and investments available									
Cash/cash equivalents at the year end	1,158,826	2,631,951	4,486,177	2,891,284	2,892,421	2,892,421	3,173,487	3,105,585	3,208,994
Other current investments > 90 days	3,221,904	1,196,576	55,799	-	59,334	59,334	54,667	-	6,800
Non current assets - Investments	390,218	236,143	274,245	402,737	334,231	334,231	458,411	696,650	878,262
Cash and investments available:	4,770,948	4,064,670	4,816,221	3,294,021	3,285,986	3,285,986	3,686,565	3,802,235	4,094,056
Application of cash and investments									
Unspent conditional transfers	1,562,884	889,821	1,048,440	1,534,160	1,096,519	1,096,519	1,157,376	1,226,777	1,303,492
Other working capital requirements	676,073	653,218	668,200	1,007,536	(412,993)	(412,993)	(280,391)	(494,586)	(813,330)
Reserves to be backed by cash/investments	1,970,237	2,228,809	2,277,183	751,408	2,305,990	2,305,990	2,399,009	2,482,420	2,834,796
Total Application of cash and investments:	4,209,194	3,771,848	3,993,823	3,293,104	2,989,516	2,989,516	3,275,994	3,214,611	3,324,958
Surplus(shortfall)	561,754	292,822	822,398	917	296,470	296,470	410,571	587,624	769,098

Table 8: Cash backed reserves/accumulated surplus reconciliation (Table A8)

Table A9 - Asset Management

Description	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
CAPITAL EXPENDITURE									
Total New Assets	2,071,701	3,798,582	3,119,187	2,159,801	2,559,140	2,559,140	3,087,984	2,570,994	3,008,642
Infrastructure - Road transport	198,235	453,967	1,104,515	767,639	866,254	866,254	1,349,431	815,625	789,012
Infrastructure - Electricity	236,951	233,096	284,945	455,244	476,269	476,269	334,147	368,612	535,573
Infrastructure - Water	72,742	155,289	103,961	156,568	82,982	82,982	203,508	225,376	523,812
Infrastructure - Sanitation	152,581	320,529	251,597	172,238	151,080	151,080	258,810	283,578	158,417
Infrastructure - Other	18,724	13,264	21,848	39,240	46,115	46,115	41,585	74,000	266,832
Infrastructure	679,233	1,176,144	1,766,866	1,590,929	1,622,700	1,622,700	2,187,480	1,767,191	2,273,646
Community	1,111,188	2,141,756	817,909	280,142	489,642	489,642	167,920	118,961	90,460
Heritage assets	1,443	294	602	30	983	983	-	-	-
Other assets	279,838	480,388	533,809	288,701	445,814	445,814	732,583	684,842	644,535
Total Renewal of Existing Assets	1,030,697	1,261,761	1,543,740	1,447,563	1,436,337	1,436,337	1,740,512	1,581,660	1,282,707
Infrastructure - Road transport	200,116	311,127	488,308	205,196	231,495	231,495	262,284	203,477	179,395
Infrastructure - Electricity	210,859	183,008	237,032	183,171	205,675	205,675	368,781	325,311	224,290
Infrastructure - Water	75,178	59,801	69,518	70,790	69,321	69,321	57,050	57,557	65,250
Infrastructure - Sanitation	139,437	142,308	145,663	172,005	133,366	133,366	190,842	186,866	261,750
Infrastructure - Other	71,620	99,531	193,235	187,889	166,834	166,834	162,968	159,832	500
Infrastructure	697,210	795,775	1,133,755	819,051	806,690	806,690	1,041,924	933,044	731,185
Community	136,039	231,905	167,712	394,699	365,645	365,645	418,200	421,384	349,005
Heritage assets	473	298	50	439	984	984	689	430	430
Other assets	196,975	233,783	242,224	233,375	263,018	263,018	279,699	226,802	202,087
Total Capital Expenditure									
Infrastructure - Road transport	398,351	765,094	1,592,823	972,835	1,097,749	1,097,749	1,611,715	1,019,102	968,407
Infrastructure - Electricity	447,810	416,104	521,977	638,415	681,945	681,945	702,928	693,923	759,863
Infrastructure - Water	147,920	215,090	173,479	227,358	152,303	152,303	260,558	282,933	589,062
Infrastructure - Sanitation	292,017	462,837	397,259	344,242	284,446	284,446	449,651	470,445	420,167
Infrastructure - Other	90,344	112,795	215,083	227,129	212,949	212,949	204,553	233,832	267,332
Infrastructure	1,376,443	1,971,919	2,900,622	2,409,980	2,429,391	2,429,391	3,229,405	2,700,235	3,004,831
Community	1,247,227	2,373,661	985,621	674,841	855,288	855,288	586,120	540,345	439,465
Heritage assets	1,915	591	652	469	1,967	1,967	689	430	430
Other assets	476,812	714,171	776,033	522,075	708,833	708,833	1,012,282	911,644	846,622
TOTAL CAPITAL EXPENDITURE - Asset class	3,102,398	5,060,343	4,662,927	3,607,364	3,995,477	3,995,477	4,828,496	4,152,655	4,291,349
ASSET REGISTER SUMMARY - PPE (WDV)									
Infrastructure - Road transport	1,670,319	1,929,058	2,625,673	-	-	-	-	-	-
Infrastructure - Electricity	1,461,473	1,928,978	2,615,142	-	-	-	-	-	-
Infrastructure - Water	1,185,904	1,192,072	1,168,331	-	-	-	-	-	-
Infrastructure - Sanitation	717,107	710,198	923,797	-	-	-	-	-	-
Infrastructure - Other	1,668,089	2,865,017	3,142,609	-	-	-	-	-	-
Infrastructure	6,702,892	8,625,323	10,475,552	-	-	-	-	-	-
Community	2,065,026	3,855,950	4,882,720	-	-	-	-	-	-
Community Housing	657,538	642,383	623,081	-	-	-	-	-	-
Heritage assets	9,145	9,440	10,002	-	-	-	-	-	-
Investment properties	95,076	91,546	87,082	-	-	-	-	-	-
Other assets	2,823,796	3,308,629	4,084,703	-	-	-	-	-	-
Intangibles	20,083	32,821	31,709	-	-	-	-	-	-
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	12,373,556	16,566,091	20,194,848	-	-	-	-	-	-
EXPENDITURE OTHER ITEMS									
Depreciation & asset impairment	809,719	864,825	1,043,389	1,190,680	1,263,258	1,263,258	1,392,823	1,476,807	1,606,205
Repairs and Maintenance by Asset Class	1,185,860	1,372,624	1,577,720	931,611	1,666,482	1,666,482	1,787,409	1,937,281	2,117,841
TOTAL EXPENDITURE OTHER ITEMS	1,995,579	2,237,449	2,621,109	2,122,292	2,929,739	2,929,739	3,180,232	3,414,088	3,724,046
% of capital exp on renewal of assets	49.8%	33.2%	49.5%	67.0%	56.1%	56.1%	56.4%	61.5%	42.6%
Renewal of Existing Assets as % of deprecn"	127.3%	145.9%	148.0%	121.6%	113.7%	113.7%	125.0%	107.1%	79.9%
R&M as a % of PPE	9.8%	8.4%	7.9%	4.0%	7.3%	7.3%	6.8%	6.7%	6.7%
Renewal and R&M as a % of PPE	18.0%	16.0%	15.0%	10.2%	13.6%	13.6%	13.4%	12.2%	10.8%

Table 9: Asset Management (Table A9)

Table A10 - Basic service delivery measurement

Description	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
	Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
Household service targets (000)									
Water:									
Piped water inside dwelling	732	733	757	714	714	714	728	742	757
Piped water inside yard (but not in dwelling)	-	-	-	-	-	-	-	-	-
Using public tap (at least min.service level)	115	142	146	190	190	190	194	198	202
Other water supply (at least min.service level)	-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>	847	875	903	904	904	904	922	940	959
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	847	875	903	904	904	904	922	940	959
Sanitation/sewerage:									
Flush toilet (connected to sewerage)	754	779	811	812	812	812	828	846	867
Flush toilet (with septic tank)	-	-	-	-	-	-	-	-	-
Chemical toilet	13	4	16	16	16	16	17	17	17
Pit toilet (ventilated)	2	2	2	2	2	2	2	2	2
Other toilet provisions (> min.service level)	42	40	50	50	50	50	51	52	53
<i>Minimum Service Level and Above sub-total</i>	811	825	879	880	880	880	898	917	939
Bucket toilet	1	5	4	4	4	4	4	4	0
Other toilet provisions (< min.service level)	-	-	-	-	-	-	-	-	-
No toilet provisions	35	45	2	20	20	20	20	20	20
<i>Below Minimum Service Level sub-total</i>	36	50	6	24	24	24	24	24	20
Total number of households	847	875	885	25	25	25	922	941	959
Energy:									
Electricity (at least min.service level)	784	764	731	738	738	738	745	752	758
Electricity - prepaid (min.service level)	-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>	784	764	731	738	738	738	745	752	758
Electricity (< min.service level)	63	88	90	86	86	86	82	79	75
Electricity - prepaid (< min. service level)	-	-	-	-	-	-	-	-	-
Other energy sources	-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>	63	88	90	86	86	86	82	79	75
Total number of households	847	852	821	823	823	823	827	830	834
Refuse:									
Removed at least once a week	819	983	955	926	926	926	945	963	983
<i>Minimum Service Level and Above sub-total</i>	819	983	955	926	926	926	945	963	983
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	819	983	955	926	926	926	945	963	983

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Description	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
	Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
Households receiving Free Basic Service									
Water (6 kilolitres per household per month)	847	901	903	904	904	904	922	940	959
Sanitation (free minimum level service)	811	825	879	881	881	881	898	916	934
Electricity/other energy (50kwh per household per month)	412	419	424	449	449	449	429	442	455
Refuse (removed at least once a week)	476	465	475	481	481	481	484	494	504
Cost of Free Basic Services provided (R'000)									
Water (6 kilolitres per household per month)	218,278	331,346	365,140	407,102	427,195	427,195	462,011	513,294	570,270
Sanitation (free sanitation service)	137,070	169,902	188,119	219,151	274,789	274,789	309,301	338,585	370,816
Electricity/other energy (50kwh per household per month)	92,088	128,473	142,483	180,955	180,955	180,955	206,319	251,366	311,103
Refuse (removed once a week)	201,056	234,225	256,125	275,019	275,019	275,019	280,520	286,130	291,853
Total cost of FBS provided (minimum social package)	648,492	863,946	951,867	1,082,227	1,157,958	1,157,958	1,258,151	1,389,375	1,544,042
Highest level of free service provided									
Property rates (R value threshold)	-	-	-	-	-	-	-	-	-
Water (kilolitres per household per month)	6	6	6	6	6	6	6	6	6
Sanitation (kilolitres per household per month)	4	4	4	4	4	4	4	4	4
Sanitation (Rand per household per month)	20	30	30	38	38	38	41	45	49
Electricity (kwh per household per month)	50	50	50	50	50	50	50	50	50
Refuse (average litres per week)	240L	240L	240L	240L	240L	240L	240L	240L	240L
Revenue cost of free services provided (R'000)									
Property rates (R15 000 threshold rebates)	40,825	54,048	39,297	49,188	49,188	49,188	52,533	58,312	62,044
Property rates (other exemptions, reductions and rebates)	308,253	344,447	398,820	887,466	887,466	887,466	906,730	1,006,470	1,070,884
Water	218,278	331,346	365,140	382,073	387,743	387,743	387,743	419,694	461,663
Sanitation	137,070	34,613	38,074	182,890	184,838	184,838	184,838	210,234	231,257
Electricity/other energy	73,000	86,469	100,641	96,947	96,947	96,947	105,847	115,564	143,336
Refuse	163,000	178,000	207,500	240,813	240,813	240,813	262,648	267,901	273,259
Municipal Housing - rental rebates	27,290	29,732	29,289	34,668	34,668	31,500	33,617	35,200	36,900
Housing - top structure subsidies	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total revenue cost of free services provided (total social package)	967,716	1,058,655	1,178,761	1,874,045	1,881,663	1,878,495	1,933,956	2,113,375	2,279,343

Table 10: Basic service delivery measurement (Table A10)

4. OVERVIEW OF ANNUAL BUDGET PROCESS

a. Budget Process Overview

In terms of Section 24 of the MFMA, Council must, at least 30 days before the start of the financial year, consider the annual budget for approval. Section 53 requires the Mayor of a municipality to provide general political guidance over the budget process and the priorities that must guide the preparation of the budget. In addition, Chapter 2 of the Municipal Budget and Reporting Regulations, gazetted on 17 April 2009, states that 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.

In line with the above requirements, the budget process for the 2011/2012 MTREF period proceeded/will proceed according to the following timeline:

July 2010: A strategic session with the Executive Management Team (EMT) and the Budget Steering Committee (BSC) investigated past performance trends of operating and capital budgets, identified budget realities going forward, and set the criteria and basis of the City's Budget Prioritisation Process. The budget process and strategies were presented to the BSC and Finance Management Forum (FMF).

The service directorates, IDP office and the Budget department held consultative sessions with subcouncils. The purpose of the engagements was to receive feedback on the current budget process, to inform subcouncils of line departments' 3 year budget and to ascertain what the communities service needs were, i.e. where budget allocation is required.

August 2010: Service departments' work-shopped their 2011/2012 MTREF budget proposals with their respective Portfolio Committees for input to BSC. A Budget / IDP public participation process involving subcouncils was embarked on in order to submit requests based on community needs.

September - November 2010: EMT and the BSC considered various iterations of the MTREF forecasting model with a view to ensure a credible, affordable and sustainable budget over the medium term.

December 2010: A forecasted three year budget (MTREF model) was submitted to Mayco for endorsement.

February 2011: Budget related policies and tariffs presented to BSC. The draft 2011/2012 operating and capital budgets, based on the parameters and assumptions set out in the MTREF model, is scheduled for tabling at Council.

March - April 2011: The budget, IDP and tariff proposals will be published for consultation and comment as part of the public participation process. Comments received as a result of the public participation process will be submitted to BSC and Mayco for consideration.

May 2011: The 2011/2012 MTREF budget is scheduled for adoption by Council.

b. Integration of the review of the IDP and the preparation of the Budget

The City's IDP is its principal strategic planning instrument that guides and informs its planning, management and development actions. This visionary framework is rolled out into objectives, key performance indicators (KPIs) and targets for implementation. These are then broken down into Service Delivery and Budget Implementation Plans (SDBIPs) that reflect the detailed projects. Each of these projects is allocated budgetary and other resources.

The IDP also informs the City's performance management system, as the KPIs are monitored and must be reported on every quarter.

The figure below visually represents the link between the IDP and the Budget and demonstrates how corporate strategy is cascaded towards through the organisation, and how it influences and shapes the operating and capital budgets of the various directorates and departments within the City.

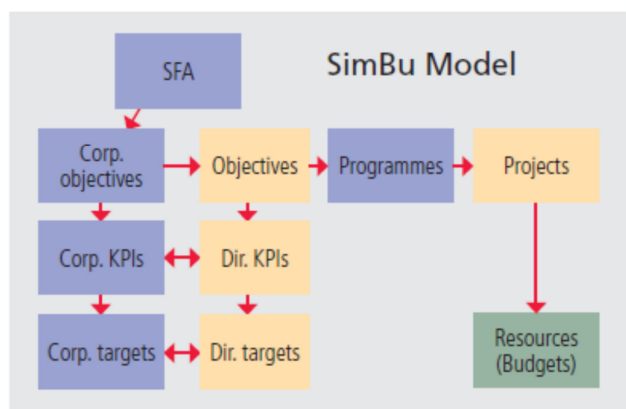


Figure 1: IDP and Budget link

c. Consultation with the community and key stakeholders

The IDP public engagement was held from Mid July to Mid-August 2010. Public awareness of the process was ensured through extensive regional and local print media advertising as well as invitations to ward forums. The first series of direct engagements occurred with consultation taking place at a subcouncil level. Feedback forms and boxes were placed in accessible places such as municipal libraries and subcouncil offices for communities to give input into the 2011/2012 IDP review process.

Some 3190 inputs reflecting the opinions of approximately 1450 residents were captured during the engagement process. The number of projects prioritised as a result of the 'Have Your Say' forms indicate what proportion of projects have come from residents' requests as opposed to those projects which have been prioritised as a result of Councillor's initiatives.

The table below provides summary data of the IDP public engagement process.

<i>Have Your Say</i> forms received	1458
Inputs from <i>Have Your Say</i> Forms	3190
Total Inputs (including from other sources)	3478
Projects Prioritised	769
Number of prioritised projects from <i>Have Your Say</i> Forms	598
Average inputs per <i>Have Your Say</i> Form	2.19
Percentage of <i>Have Your Say</i> Form Inputs Prioritised	18.7%
Average inputs per Sub Council (<i>Have Your Say</i> Form)	139
Average priorities per Sub Council (<i>Have Your Say</i> Form)	26

Table 11: Summary data of the IDP public engagement process

The tabled budget will be provided to the National and Provincial Treasury for their assessment in accordance with S23 of the MFMA in March 2011.

d. Schedule of Key Deadlines relating to budget process [MFMA s 21(1)(b)]

The 2011/2012 IDP and Budget time schedule was revised according to National Treasury Circular 54 and approved in December 2010. The revised schedule is reflected below.

Date	Activity	Participants
November 2010	MTREF and Revenue projections considered and endorsed.	Mayco
January/February 2011	Draft IDP, Operating and Capital Budgets to be presented for consideration.	Executive Management Team and Mayoral Committee
16 February 2011	First draft of the IDP, budgets and tariff structure to be presented for consideration and recommendation to Council.	Mayco
23 February 2011	First draft of IDP, budgets and tariffs to be tabled.	Council
March/April 2011	Public participation.	Subcouncils and other stakeholders
11 May 2011	Final adoption of IDP and Budget.	Council

Table 12: IDP and Budget Time Schedule

5. OVERVIEW OF THE CITY'S INTEGRATED DEVELOPMENT PLAN

a. The Vision of the City

The City's long term vision is to achieve:

- A prosperous city in which City Government creates an enabling environment for shared growth and economic development.
- A city known for its effective and equitable service delivery.
- A city that distinguishes itself via a well-governed and efficiently run administration.

b. The 5-Year IDP and Strategic Focus Areas

On 1 July 2007, the City of Cape Town implemented a new five-year IDP for the period July 2007 to June 2012 to inform and guide the current elected public representatives in their term of office. This document is the fifth and last annual review of the IDP, and outlines the City's intent in terms of the agreed eight strategic focus areas that are required to overcome Cape Town's challenges, achieve its vision, and give effect to its other strategic considerations.

These eight strategic focus areas form the framework of the five-year IDP, and function as internal strategic levers to facilitate shared growth and development, and enhance urban efficiency and institutional effectiveness.

The supportive link between the City's vision and the eight strategic focus areas is shown in the figure below:



Figure 2: Strategic Framework

The draft Integrated Development Plan is attached as Annexure 11.

c. The Intergovernmental Development Agenda for Cape Town

The City engages with the Province and National Government in a structured and functional manner. At a political level, formal engagements between the Provincial Cabinet and the City's Mayoral Committee take place quarterly. At a technical and administrative level, sectoral as well as three formal engagements take place between the Province's Heads of Department as well as the Executive Management Team (EMT) of the City.

These are aimed at ensuring maximum benefit for the City through better planning, coordination and accountability among all spheres of government; enhancing the City's strategic objectives of infrastructure investment for economic growth, service delivery excellence and institutional efficiency; and achieving better and more efficient resource utilisation. In short, all the aforementioned engagements are aimed at ensuring that the City extracts value and benefit from its participation in intergovernmental and international cooperative relations.

d. Measurable performance objectives and indicators

The City's measurable performance objectives, as reflected in Support Table SA7 of Schedule A of the Municipal Budget and Reporting Regulations, are attached as Annexure 2.

6. MEASURABLE PERFORMANCE OBJECTIVES AND INDICATORS

Key financial indicators and ratios

Description of financial indicator	Basis of calculation	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
Borrowing Management										
Borrowing to Asset Ratio	Total Long-Term Borrowing/Total Assets	15.2%	15.8%	19.2%	21.0%	17.6%	17.6%	19.4%	21.0%	22.5%
Credit Rating		Aa2	Aa2	Aa2						
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	4.1%	5.8%	6.8%	5.1%	5.2%	5.2%	4.4%	4.4%	4.5%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	78.4%	59.1%	76.7%	57.7%	0.0%	0.0%	68.3%	64.3%	64.2%
Safety of Capital										
Debt to Equity	Loans, Creditors, Overdraft & Tax Provision/ Funds & Reserves	114.9%	92.1%	97.1%	91.8%	83.4%	83.4%	81.0%	80.5%	81.1%
Gearing	Long Term Borrowing/ Funds & Reserves	148.0%	166.7%	234.0%	135.1%	138.8%	138.8%	116.7%	114.0%	111.8%
Liquidity										
Current Ratio	Current assets/current liabilities	1.4	1.4	1.5	1.4	1.4	1.4	1.5	1.7	1.9
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	1.4	1.4	1.5	1.4	1.4	1.4	1.5	1.7	1.9
Liquidity Ratio	Monetary Assets/Current Liabilities	0.8	0.7	0.8	0.6	0.6	0.6	0.7	0.7	0.7
Revenue Management										
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing	107.8%	84.0%	86.0%	99.2%	99.0%	99.0%	99.0%	98.6%	98.7%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	23.4%	24.0%	22.9%	19.7%	20.6%	20.6%	19.6%	18.8%	18.1%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old	-	-	-	-	-	-	-	-	-
Creditors Management										
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA's 65(e))	91.2%	94.1%	95.7%	96.9%	-	-	-	-	-
Funding of Provisions										
Provisions not funded - %	Unfunded Provs./Total Provisions	-	-	-	-	-	-	-	-	-
Other Indicators										
Electricity Distribution Losses (2)	% Volume (units purchased and generated less units sold)/units purchased and generated	8.3%	8.4%	7.7%	9.3%	9.3%	9.3%	9.3%	9.3%	9.3%
Water Distribution Losses (2)	% Volume (units purchased and own source less units sold)/Total units purchased and own source	20.2%	23.3%	25.2%	23.8%	23.1%	22.5%	20.0%	18.0%	16.5%
Employee costs	Employee costs/(Total Revenue - capital revenue)	34.0%	32.3%	33.8%	33.4%	32.5%	32.5%	32.2%	31.2%	30.1%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	34.6%	33.0%	34.5%	34.1%	33.1%	33.1%	32.9%	31.8%	30.7%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	9.7%	9.8%	9.5%	4.8%	8.6%	8.6%	8.2%	7.9%	7.5%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	8.9%	9.0%	9.9%	9.9%	10.3%	10.3%	9.9%	9.7%	9.5%
IDP regulation financial viability indicators										
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year	10.6	13.0	22.3	26.3	26.3	26.3	32.3	32.6	37.3
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	28.7%	30.9%	28.7%	24.3%	25.8%	25.8%	24.1%	22.7%	21.4%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	1.7	3.3	4.7	2.3	2.3	2.3	2.2	1.9	1.7

Table 13: Performance Indicators (Support Table A8)

7. OVERVIEW OF BUDGET-RELATED POLICIES

Revenue Framework

Section 18 of the MFMA states that the budget can only be funded by realistically anticipated revenue to be collected, as well as cash backed accumulated funds from previous years and not committed for other purposes.

In addition, NT Circular 42 stipulates that the budget is to be managed in a full accrual manner, reflecting a transparent budget and accounting system approach.

The MFMA requires the municipality to adopt and implement a tariff policy. Council has approved such policies for all major tariff-funded services provided by the municipality, which are attached as annexures to this document.

Council is required to adopt budgetary provisions based on realistic anticipated revenue for the budget year from each revenue source, as per the requirements of the MFMA (Chapter 4, S17 (1) (a) & (3) (b)).

1. Revenue related policies

General Tariff Policy

The Municipal System Act requires Council to adopt a Tariff Policy. The general financial management functions covered in section 62 of the MFMA include the implementation of a tariff policy. Specific legislation applicable to each service has been taken into consideration when determining this policy. The General Tariff Policy and subsequent Water and Sanitation, Electricity and Waste Management Tariff Policies are attached as Annexure 8.

Credit Control and Debt Collection Policy

This Policy has been formulated in terms of section 96 (b) and 98 of the Local Government: Municipal Systems Act, 2000 and the Credit Control and Debt Collection By-Law. The Policy also includes the Indigent Policy as per Annexure 9.

2. Budget related policies

Approved policies

The following budget related policies have been approved by Council and is available on the City's website.

- Supply Chain Management Policy – approved March 2008
- Mayor's Special Fund – approved May 2010
- Cash Management and Investment Policy – approved March 2009
- Asset Control Policy - approved October 2004
- Funding and Reserves Policy – approved May 2010

Reviewed/Amended policies

The following budget related policies are currently being reviewed/amended in line with National Guidelines and legislation.

- **Virement Policy**

Minor amendments to the approved policy were considered by the BSC in February 2011 and the amended policy is attached as Annexure 16.

- **Rates Policy**

A Draft Rates Policy was reviewed by the BSC during February 2011 and is attached as Annexure 7.

- **Section 67 Grants Policy**

The Grants In Aid Policy has been extended to include all Section 67 grant payments to ensure compliance with the relevant provisions contained in the Constitution and MFMA.

Previously, only grants-in-aid were submitted to the Integrated Grants Administrative Committee (IGAC) but IGAC will now be renamed as the Section 67 Grants Committee and in future all grant payments will have to be reviewed by this committee to ensure compliance prior to submission to Council for consideration.

8. OVERVIEW OF BUDGET ASSUMPTIONS

Environment in which the 2011/12 Budget was prepared

The MTREF/budget is susceptible to the economic climate and it is therefore vital that the projected economic condition is properly considered during the budget preparation process.

The 2011/2012 MTREF was drafted in context of a reviving economy. Negative impacts of the multi-year recession are however still experienced and reported by both the private and public sectors.

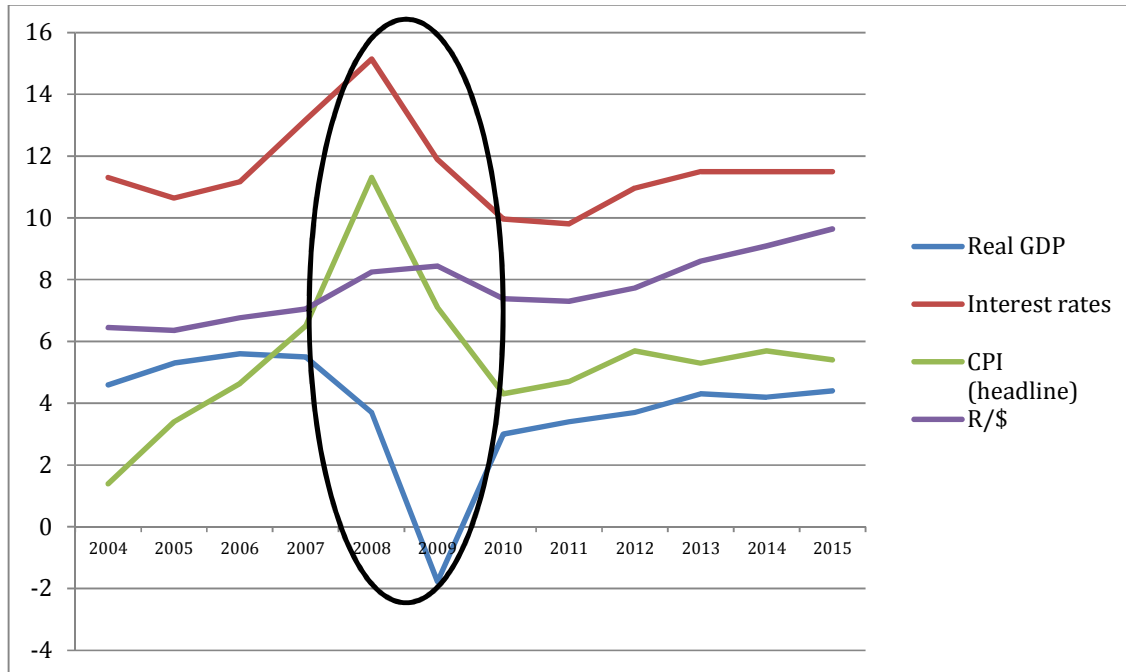


Figure 3: Key economic trends – 2004 to 2015 (Sourced from BER)

In the midst of the recession, GDP was at a deficit of 1.8%; the inflation rate at 11.85%; the R/\$ exchange rate averaged at R8.50 and interest rate levels averaged at around 13.5%. The preparation of the 2011/2012 MTREF first draft produced much improved projections; for example - GDP at 3.55%; inflation rate of 5.35%, R/\$ exchange of R7.76 and average interest rates of 10%.

Budgetary constraints and economic challenges meant that the City had to apply a combination of cost-saving interventions and higher than headline CPI revenue increases to ensure an affordable, credible and sustainable budget over the 2011/2012 MTREF.

The budget theme adopted for the 2011/2012 MTREF period of “*Driving Efficiencies; i.e. reprioritisation of existing resources / current allocations*”, resulted from the realisation that no, or limited, scope for additional externally- or internally-funded revenue growth existed and the challenge that more needed to be done with the existing resource envelope. This was reiterated in National Treasury Budget Circular 54 as well as a National Treasury presentation to municipalities in August 2010.

The challenges that faced the City in preparing the 2011/2012 MTREF included:

- The current multi-year budget provided for a considerable (13.65%) Rates revenue increase in the 2011/2012 financial year. This increase was always deemed to be unacceptably high in the context of prevailing economic conditions. In preparation of the Operating budget this was reduced to a more acceptable level of 5.9%.
- In attempting to reduce the high Rates revenue parameter, several interventions to multi-year targets of both revenue and expenditure across services were required, while simultaneously retaining the strategic links to and focus on the draft IDP.
- Substantial, once-off revenue which cover semi-permanent expenditure obligations;
- Persistent staff costs increases over the medium term beyond CPI levels (with inflation-linked Revenue increases in corresponding periods).
- Declining equitable share and fuel levy year-on-year growth.

The interventions applied to eradicate the above challenges included, amongst others:

- A R60 million reduction to Rates-funded services' general expenditure, based on the expenditure trends of the 2009/2010 financial year; and
- Budget reduction targets set to all services in accordance with its portion of vacancies which existed for more than 12 months – R52 million Rates saving.

Financial modelling

The City of Cape Town's MTREF model is annually reviewed to determine the most affordable level at which the City will be able to operate optimally. In addition, sustainability forms the basis of the preparation of the Operating and Capital Budgets. It sets out the economic context and assumptions that inform the compilation of the next three years' budget.

The principles applied to the MTREF in determining the affordability envelope were:

- Higher than headline CPI revenue increases, to the extent that they affect and support Council's operational activities of relevant services;
- Assumption of a 100% capital expenditure implementation rate based on current spending patterns;
- Credible collection rates, based on collection achievements to date, incorporating improved success anticipated on selected revenue items; and
- Higher than nationally projected inflation provisions for repairs and maintenance, to attain nationally benchmarked levels on this expenditure item, and ensure/enhance the preservation of the City's infrastructure.

Key Financial Indicators in the 2011/2012 MTREF Budget

Headline Consumer Price Index (CPI) – Inflation Outlook

Headline CPI applied in the 2011/2012 MTREF is 4.0%, 5.5% and 5.4% respectively for the 3-year period. This differs somewhat from the BER CPI forecasts of 5.6%, 5.5% and 5.4% for the same period. The levels are within the NT and SARB CPI projections (3% to 6% range).

Budgetary allocations within the current financial year (2010/2011) were largely based on a CPI level of 5.6%. Current projections would indicate a materially lower average for the year (3.5%). The base CPI for the current year was therefore over-provided, which facilitated an amended CPI base for the 2011/2012 financial year of 4%. The MTREF outer years is proposed to remain at 5.5% and 5.4% respectively. The graph below illustrates the CPI projections adopted by the City over the MTREF.

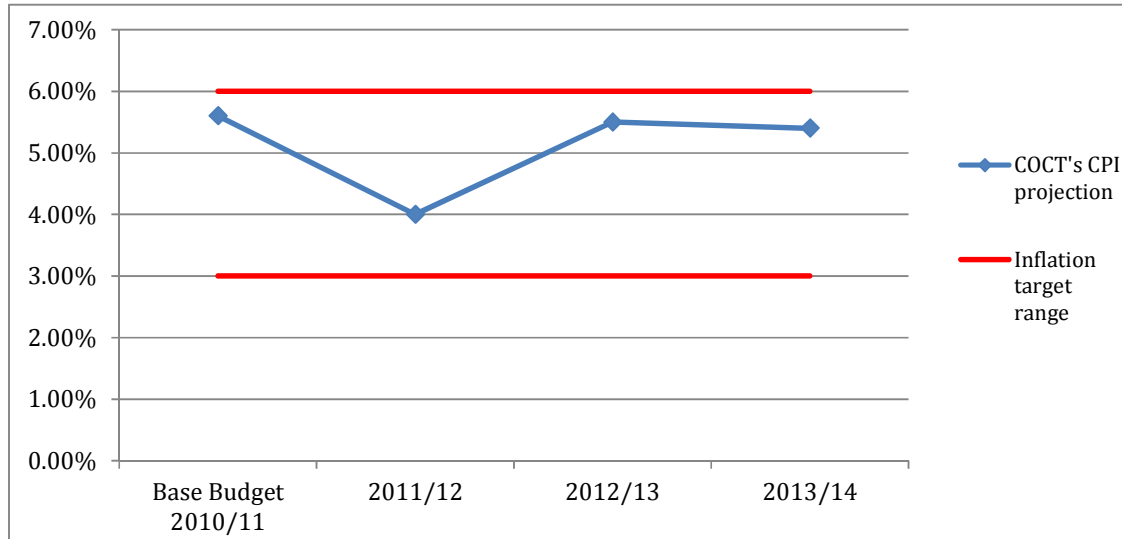


Figure 4: CPI projections adopted over the MTREF

EXPENDITURE FRAMEWORK

Salaries, wages and related staff costs

The City's salary increases applied to the staff budget were as follows:

	BASE BUDGET 2010/2011 %	2011/2012 %	2012/2013 %	2013/2014 %
Salary increases	8.40	7.00	7.50	7.40
Add: Increments	2.00	2.40	2.40	2.40

Table 14: Parameters applied to staff budget

The promulgation of the Salary and Wage Collective Agreement by the South African Local Government Bargaining Council (SALGBC) provided the general salary adjustment guidelines for the period 2009/2010 to 2011/2012.

The 2011/2012 financial year represents the 3rd year of the SALGA salary and wage agreement, which provides for an across the board increase based on the average CPI (February 2010 to January 2011) + 2%, for calculating staff costs increases for the 2011/2012 financial year. The projected staff CPI is 4.03%, however a provision of 5% was made for 2011/2012 due to the agreement stating that "should the average CPI be lower than 5% or higher than 10% for the period.....any party may be entitled to re-open the negotiations", thereby indicating that a lower than 5% salary CPI might not be accepted.

In the absence of an agreement going forward, the 2011/2012 increase formula was used to project for the two outer years. A further increment allowance of 2.4% was provided to cover performance- and other notch increases.

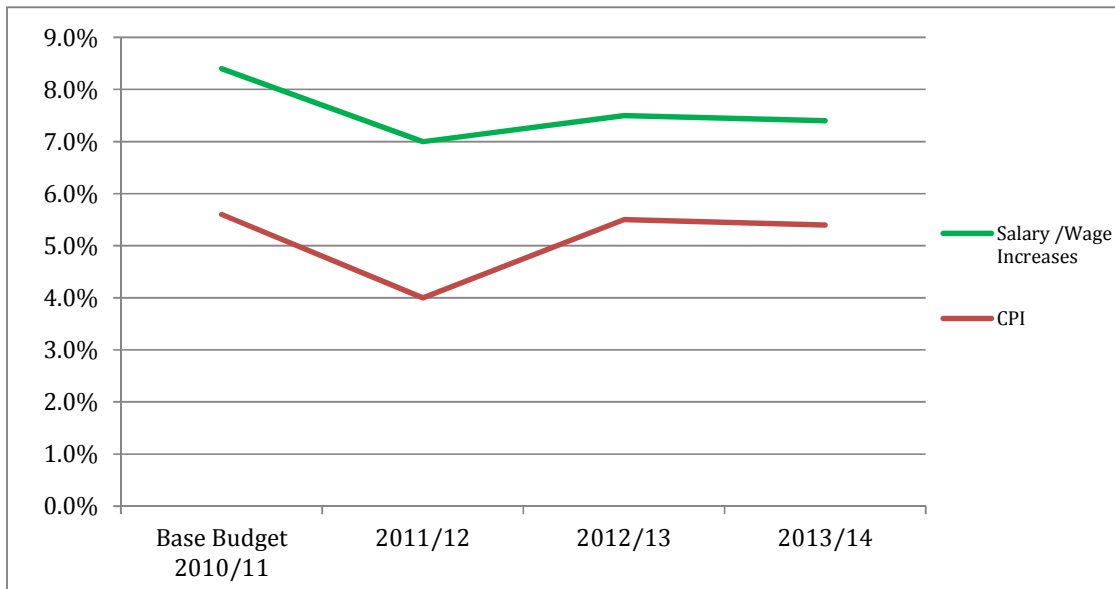


Figure 5: Correlation between The City's CPI and the salary increases over the MTREF

The above graph shows the correlation between CPI and the salary increases over the 2011/2012 MTREF. Salary increases are consistently higher than CPI. The increase in the salary budget was a contributing factor to the cost pressures experienced on the operating budget.

General expenses

To attain an affordable budget the general expenses base was reduced by R60 million. In addition to this a 4% increase was applied to the (reduced) budget, which resulted in an overall year-on-year growth of 0.9%.

Repairs and Maintenance

The National Treasury Municipal Budget Circular 54 for the 2011/2012 MTREF stated that municipalities must “*secure the health of their asset base (especially the municipality's revenue generating assets) by increasing spending on repairs and maintenance*”. The City has, over the last three financial years, consistently increased the investment in repairs and maintenance by above CPI. To further address backlogs in repairs and maintenance CPI + 3% (7%) was applied over the 2011/2012 MTREF. The year-on-year expenditure growth for this category of expenditure is 8.1%.

REVENUE FRAMEWORK

Service growth

The current unstable economic climate has restricted any material service growth. A conservative 1% increase was applied as rates service growth for the 2011/2012 MTREF. A similarly moderate approach was adopted by Water and Sanitation Services over the 2011/2012 MTREF period. Growth provisions of 0.5% were made for the 2011/2012 financial year and 1% for the MTREF outer years. A further 0.4% revenue intervention growth was made for Water and Sanitation to cater for specific water infrastructure expansion in the outer years.

No service growth to Electricity for the 2011/2012 financial year, but 1% and 2% were applied to the 2012/13 and 2013/14 years respectively. The increase over the two outer years is due to current consumption trends indicating an increase in the medium term demand for electricity.

A 2% service growth was applied to the 3 year MTREF period, resulting from a combination of the City's population- and user base growth.

Revenue growth parameters: Rates and trading services

Ensuring an affordable and sustainable budget necessitated a higher than CPI year-on-year revenue growth to be applied to the Rates and Trading services. The graph below depicts the revenue parameters projected for the 2011/2012 MTREF period.

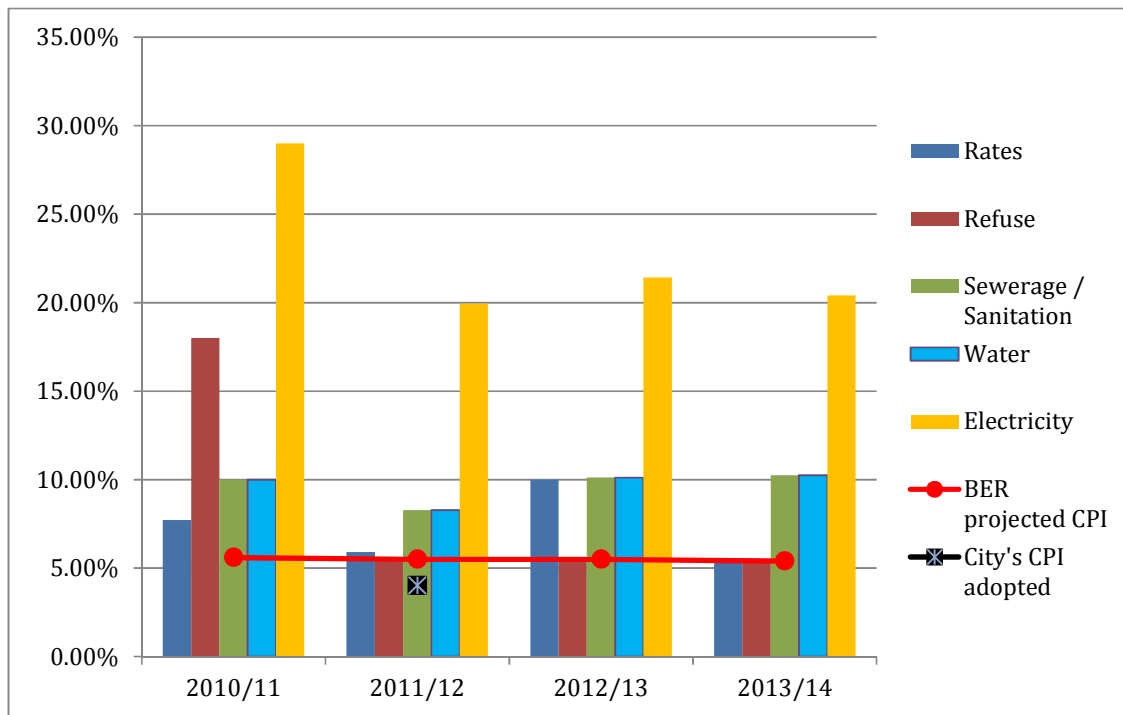


Figure 6: Revenue parameters for 2011/2012 MTREF period

The following revenue parameter increases were applied to the 2011/12 MTREF which informs the tariff increases reflected in the Total Municipal Account (TMA):

- *Rates*: With the backdrop of the current economic climate and other cost pressures negatively impacting on the budget, the rates revenue increase was 5.9%. This above CPI increase is required to achieve an affordable and balanced rates budget without impeding on service delivery.
- *Electricity*: Electricity tariffs are linked to the Eskom tariffs for bulk purchases of electricity, which is proposed by NERSA to be 26.71% for the 2011/12 financial year. In terms of NERSA's Guideline on municipal electricity tariff increases dated November 2010, municipalities should not exceed a tariff of 20.38% to their consumers. To ensure affordability to customers, the electricity revenue parameter increase was set at 19.94%; i.e. 0.44% lower than the Eskom-proposed increase.
- *Water & Sanitation*: The revenue parameter adjustment for both water and sanitation is 8.28% for 2011/2012 financial year. While the revenue parameter increase is higher than CPI, it afforded Water Services the means to ensure that current infrastructure is sufficiently maintained, to invest in new infrastructure and to cater for increased water demand.
- *Refuse Removal*: This revenue parameter increase was modelled at 5.5%, which is within the ambit of the BER's CPI projection for 2011/2012.

The revenue parameters applied will generate the following revenue parameters:

REVENUE CATEGORY	BUDGET 2010/2011 R'000	ORGANIC GROWTH PARAMETERS	AVERAGE TARIFF INCREASE	2011/2012 BUDGETED REVENUE R'000
Rates	4 298 604	1.00%	5.90%	4 597 744
Refuse	762 391	2.00%	5.50%	820 410
Electricity	6 774 774	0.00%	19.94%	8 125 663
Water	1 673 211	0.50%	8.28%	1 828 095 ¹
Sanitation	907 146	0.50%	8.28%	991 118 ²

Table 15: Revenue based on parameter increases

¹ Intervention of 0.4% included

² Intervention of 0.4% included

Collection rate

In accordance with relevant legislation and national directives, the City's projected revenue recovery rates are based on realistic and sustainable trends. In calculating the working capital reserve the following collection ratios were applied as per the table below.

SERVICE	BASE BUDGET 2010/2011 %	2011/2012 %	2012/2013 %	2013/2014 %
Property Rates	96.00	95.00	95.00	95.00
Electricity	95.00	95.00	95.00	95.00
Water	89.50	90.00	90.50	91.00
Sewerage	90.50	90.50	90.50	91.00
Refuse	92.00	94.00	94.00	94.00
Housing	42.00	42.50	45.00	47.50

Table 16: Collection rates

The total collection rate for 2011/2012 averages 92.9% (excluding housing, which has an average collection rate of 42.50%) and is based on a combination of actual collection rates achieved to date and the estimated outcomes for the current financial period. The projections for the outer years remained stable.

General fuel levy

The Taxation Laws Amendment Act proposed that 23% of the revenue raised from the general fuel levy be allocated to metros. The 2011/2012 financial year will be the third year of the phasing-in of this sharing of the general fuel levy with metropolitan municipalities. Allocations will be based on a 25% share of the 2009/2010 RSC levy replacement grant and 75% of its share of overall fuel sales in metros, based on the latest available information from the South African Petroleum Industry Association (SAPIA).

The 2012/2013 financial year will see the sharing of general fuel levy based solely on total fuel sales within the jurisdiction of a metro, based on the latest available fuel sales information.

The gazette will only be enacted later during the year, however to allow municipalities to prepare a three year budget, National Treasury has issued an allocation letter outlining the City's provisional Fuel Levy Allocation for the 2011 MTREF. The allocations are as follows:

- 2011/2012 – R1 609 million
- 2012/2013 – R1 681 million
- 2013/2014 – R1 774 million (Forecasted based on average year on year growth)

NATIONAL GRANTS

Equitable Share

The Constitution provides that each sphere of government is entitled to an equitable share of revenue raised nationally to enable it to provide basic services and perform the functions allocated to it. The equitable division of revenue takes into account the functions assigned to each sphere under the Constitution and the capacity of each government to pay for these functions through own receipts and revenues.

The local government equitable share allocations supplement municipalities' own revenue sources for the provision of basic services to poor households within their areas of jurisdiction. The equitable share per municipality is calculated using the following equation:

Grant = BS + D + I – R ± C
Where
BS is the basic services component
D is the development component
I is the institutional support component
R is the revenue raising capacity correction
C is a correction and stabilisation factor

Table 17: Equitable Share Equation

Initiatives are currently being pursued to assess the application of the equation for the COCT to ensure that the allocation received by the COCT is equitable and fair. The annual Division of Revenue Act (DORA) publishes the equitable share allocations. The following indicative allocations, as published in the 2010/2011 DORA, were provided as follows:

- 2011/2012 – R997.55 million
- 2012/2013 – R1 114 million
- 2012/2013 – R1 268 million (Forecasted based on year on year average growth)

Interest rates

Average interest rates over the 2011/2012 MTREF period

Interest paid at 11.70%, 11.81% and 11.91% respectively and on investments - 5.55%, 5.91% and 6.34%.

The graph below depicts the trends over the MTREF period compared to CPI reflecting above-CPI increases on both interest paid and return on investment albeit at a lower rate.

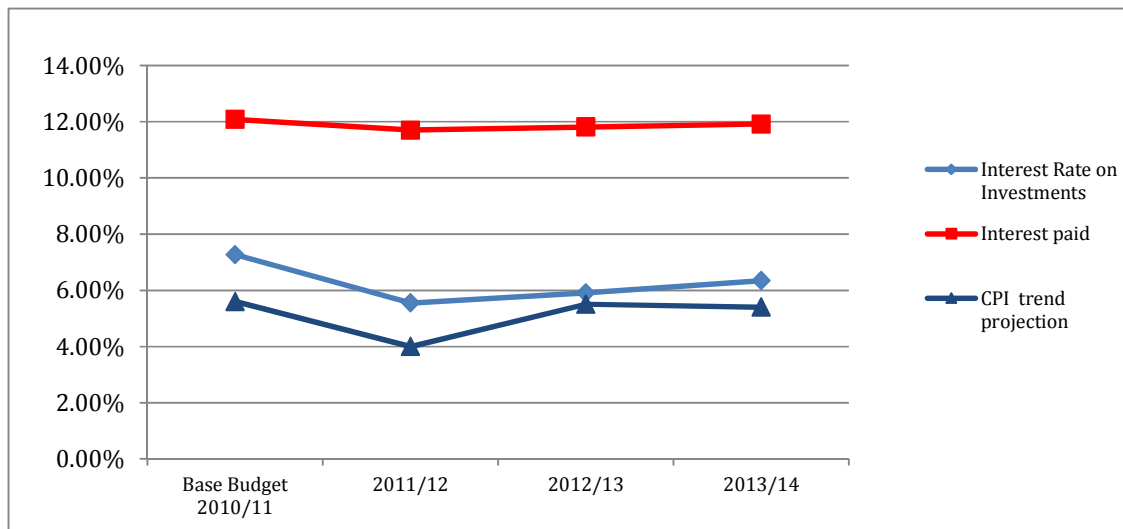


Figure 7: 2011/2012 MTREF Interest Rates vs. City's CPI

Depreciation

Depreciation was calculated on a straight line method based on the lifespan of the asset class and capitalisation date. For multi-year projects it was assumed that capitalisation will only take place when the project is completed and depreciation will take effect then.

Capital expenditure (External Financing Fund component)

Affordability constitutes the primary basis for determining the level of EFF-funded expenditure. The draft 2011/2012 three-year Capital Budget is based on the cash availability in accordance with the DMTN program. Proposed EFF-quanta for the following 3 financial years were set at R1 291 million, R1 188 million and R1 484 million for 2011/2012, 2012/2013 and 2013/2014 respectively.

Capital investment: Consequential operating impact

No additional or consequential operational costs flowing from Council's capital investment programme were provided for. It is assumed that these will be catered for via efficiency gains and the prioritisation of existing operational resources

Major parameters

The following table summarises the major modelling parameters applied to the Operating Budget:

	2011/2012	2012/2013	2013/2014
	%	%	%
CPI	4.00	5.50	5.40
COLLECTION RATES:			
Rates	95.00	95.00	95.00
Electricity	95.00	95.00	95.00
Water	90.00	90.50	91.00
Sanitation	90.50	90.50	91.00
Refuse Removal	94.00	94.00	94.00
Refuse Disposal	94.00	94.00	94.00
Housing	42.50	45.00	47.50
REVENUE PARAMETERS (excluding organic growth):			
Rates	5.90	10.00	5.40
Electricity	19.94	21.42	20.42
Water	8.28	10.12	10.25
Sanitation	8.28	10.12	10.25
Refuse Removal	5.50	5.50	5.40
Refuse Disposal	5.50	7.50	9.40
REVENUE PARAMETERS (including organic growth):			
Rates	6.90	11.00	6.40
Electricity	19.94	22.42	22.42
Water	8.78	11.12	11.25
Sanitation	8.78	11.12	11.25
Refuse Removal	7.50	7.50	7.40
Refuse Disposal	7.50	9.50	11.40
EXPENDITURE PARAMETERS:			
Salary increase:			
Salary increase (SALGA agreement)	7.00	7.50	7.40
Increment provision	2.40	2.40	2.40
General Expenses	4.00	5.50	5.40
Repairs & Maintenance	7.00	8.50	8.40
Interest rates			
Interest paid	11.70	11.81	11.91
Interest on investment	5.55	5.91	6.34
OTHER:			
Capital (EFF component) Expenditure	R1 291 million	R1 188 million	R1 484 million
Equitable Share Allocation	R997.55 million	R1 114 million	R1 268 million
Fuel Levy	R1 609 million	R1 681 million	R1 774 million

Table 18: Summary of parameters applied to Operating Budget

Fiscal Overview

1. 2010/2011 and 2011/2012 to 2013/2014 projected financial performance

1.1. Operating Budget

The Operating budget increases from R 19 456 million in 2010/2011 to R 21 912 million in 2011/2012. These amounts exclude the secondary components of the budget.

The growth is mainly attributable to:

- Repairs and Maintenance of Infrastructure
- Cost of Bulk Purchases (Water and Electricity)
- Employee related costs due to the financial impact of the Wage Curve Collective Agreement and the Salary/Wage increase above CPI levels
- The Operating Costs in respect of the Integrated Rapid Transport related Projects

1.2. Capital Budget

The capital budget increases from R 3 995 million in 2010/2011 to R 4 828 million in 2011/2012.

The overall growth of 20.8% can be attributed to various factors, such as:

- The significant additional external funding allocations to the Housing and Transport, Roads & Major Projects votes
- Additional funding for Solid Waste plant & equipment, funded from the Capital Replacement Reserve
- Water services addressing the priorities of resource availability, urbanisation, ageing infrastructure (including institutional assets) and the curbing of future operating costs. Major increases can therefore mainly be attributed to the following:
 - Availability/capacity of resources, i.e. Bulk Water Infrastructure (specifically the Bulk Water Augmentation Scheme) as well as the Wastewater upgrade projects such as the Bellville, Kraaifontein and Zandvliet Treatment Plants.
 - Growth/Development related projects, i.e. the projects funded from the development levies related projects and projects such as the Northern Area Sewer.
 - Ageing Infrastructure, with a particular focus on Vehicles to ensure optimal use, reduction in maintenance cost and to ensure that the department is not negatively impacted by the implementation of AARTO.
 - Reducing future operational cost and improving operational efficiency, i.e. addressing issues surrounding facilities and head office projects.

2. Medium Term Outlook: 2011/2012 to 2013/2014

Operating Budget

The table below reflects the increase in the operating budget in the medium term:

	2011/2012 R'm	2012/2013 R'm	2013/2014 R'm
Operating Budget	21 912	24 825	28 228

Table 19: Medium term operating budget

Capital Budget

The table below reflects the capital budget and its funding sources in the medium term:

	2011/2012 R'm	2012/2013 R'm	2013/2014 R'm
Capital Budget	4 828	4 153	4 291
Funded as follows:			
National Grant Funding	1 944	1 455	1 510
Provincial Grant Funding	636	479	403
Other Grant Funding	51	43	40
Borrowings	1 291	1 188	1 485
Other City Funding	906	988	853

Table 20: Medium term capital budget and funding sources

The funding sources listed below are appropriated towards the following major projects on the capital budget:

National Grant Funded

- Integrated Rapid Transit Projects relating to Phase 1A
- Municipal Infrastructure projects to improve bulk infrastructure in support of housing opportunities
- Neighbourhood Development Partnership funding which aims to create economically viable institutionally and socially empowered, environmentally, people-centred neighbourhoods. Municipalities are encouraged to invest in public facilities and places to leverage private sector investment and improve the collateral value of property.

Examples of this are the New Regional Library at Kuyasa, Khayelitsha Rail Extension Transport Interchange, Lentegeur & Mandalay Station Public Transport Interchange, Site C Transport Infrastructure Development, Mitchell's Plain Station Transport Interchange, Lentegeur Public Space & Civic Office Upgrade, etc.

Provincial Grant Funded

- Integrated human settlement (Housing) projects and informal settlement upgrades, including, Bardale, Happy Valley Phase 2, Pelican Park Phase 1, Delft - The Hague, Gugulethu Infill Project Erf 8448/MauMau, Rental Upgrade Projects (CRU), etc.

Borrowings & other City Funding

- Data Centre Construction, Reconstruction of Metro Roads and 2010 Related infrastructure projects such as the Reconfiguration of the Green Point Common
- Development of landfill infrastructure as well as plant & equipment
- Electricity system infrastructure reinforcements and refurbishments, such as, Oakdale - Boston: Replace 33 kV Cables, Vanguard Transformer Replacement, Piers Road Substation Upgrade and MV Switchgear Refurbishment, as well as facility requirements. (Projects >R28m)
- Replacement of water and sewer infrastructure, waste water treatment plants and water demand management projects like the Bellville Waste Water Treatment Works, Northern Area Sewer.

3. Sources of Funding

Rates, tariffs and other charges

Property Tax Rates

The proposed property rates are to be levied in accordance with existing Council policies, the Local Government Municipal Property Rates Act 2004 (MPRA) and the Local Government Municipal Finance Management Act 2003.

The Draft Rates Policy was compiled taking into account feedback received from ratepayers and client interface staff and was reviewed by the Budget Steering Committee during February 2011. This Committee was established to, inter alia; oversee the Total Municipal Account Modelling process, whereby the impact of all Council charges on a household is assessed for affordability. The proposed average rates increase is 5.9% for all categories of properties whilst the estimated total rates income is increased by a further 1% to take into account natural growth.

Property tax rates are based on values indicated in the General Valuation Roll 2009 (GV). The Roll is updated for properties affected by land sub-divisions, alterations to buildings, demolitions and new buildings (improvements) through Supplemental Valuation Rolls. All values are as at the date of the GV, being July 2009.

Rebates and concessions are granted to certain categories of property usage and/or property owner.

The definitions and listing of categories are reflected in the Draft Rates Policy attached as Annexure 7.

Water and Sanitation

The proposed Water and Sanitation Tariffs for 2011/2012 are consistent with National Policy on the provision of free basic services, the National Strategic Framework for Water and Sanitation and with Council's Indigent relief measures, Rates and Tariff Policies and Equitable Service Framework.

The progressive nature of the existing domestic stepped tariff structure both for water and sanitation is pro-poor and allows for the needs of the indigent. It is also designed to discourage high water consumption levels, which have an impact on the size of both the water and sanitation portions of a consumer's bill. It enables all consumers to adjust their consumption levels to ensure affordability.

As a result of possible shifts in water usage patterns experienced during periods of restrictions and the stepped-up implementation of water demand management initiatives, the three sets of tariffs have been retained to make allowance for these uncertainties in case restrictions have to be imposed for 10%, 20 % and 30% saving levels respectively.

There is a proposed 8.28% increase in volumetric water and sanitation tariffs. The Bulk Water tariff has been increased by 6%.

There is a proposed 5.5% increase on miscellaneous tariffs.

The proposed consumption based as well as miscellaneous tariffs are shown in the attached Tariffs and Charges Book from page 47.1 to 51.14.

Changes in the tariff policy and tariff schedules for the 2011/2012 financial year are reflected in Annexure 5.

Electricity

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 as well as the recommendations of the National Energy Regulator of South Africa (NERSA).

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.

Domestic consumers supplied directly by the Municipality and charged at the Lifeline Tariff and receiving less than 450 kWh per month on average will continue to receive the free basic supply of 50 kWh per month (included in the 450kWh per month). Note that national guidelines allow for the provision of the free basic supply of 50 kWh per month to be made available to consumers using less than 150 kWh per month. Customers supplied by Eskom and receiving less than 250kWh per month on average will continue to receive a free basic supply of 50kWh per month (again, included in the 250kWh per month).

Guidelines for the municipal electricity tariff increase in July were issued by NERSA as being 20.38%. However, the bulk purchases by the City are expected to rise by 26.71%. This increase, together with increases in expenditure on Salaries and Wages, Repairs and Maintenance, contributions to the Rates Account require the electricity tariffs to increase by an average of 19.94%.

This year sees a complete redesign of the Domestic Tariff structure. The Lifeline tariff becomes a 4 block inclining block tariff, and the Domestic Low and Domestic High tariffs are replaced by a single Domestic tariff, which takes the form of a two block inclining block tariff. A new Domestic tariff named "Net Metered Domestic" is also proposed, to cater for the possibility that some Domestic Consumers may embark on small scale generation to offset their purchases from the Municipality.

Small Power User 1 and 2 Tariffs are increased by 19.94% over their 2010/11 values. The Very Large Power User tariff will be discontinued at the end of the 2010/11 financial year.

The Development Contributions have been recalculated from a zero base due to heavy fluctuations in costs of materials, transport and labour.

New domestic consumers with an installed capacity of 100 Amperes or less will be charged at the Domestic Tariff unless they are eligible for the Lifeline tariff as determined by the Municipality.

New domestic consumers with an installed capacity of above 100 Amperes will be charged at the Small Power 1 Tariff.

Residential establishments where a business license exists (such as hotels, bed and breakfast premises, hostels, retirement homes etc.) will be regarded as Commercial Consumers except where the total connected load of the business portion of a residential property does not exceed 15 kVA, the supply may be taken at the Domestic Tariff at the discretion of the Service Provider.

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

The consumptive tariff details are reflected in Annexure 5.

Solid Waste Management

The Solid Waste Tariffs are levied to recover costs of services provided directly to customers and include collection fees, disposal fees, compost sales, clearance of illegal dumping on private properties, weighbridge fees and other ad hoc services. It is proposed that the Collections Tariffs (Consumptive and Sundry) increase (within CPI) by 5.5% and Disposal by 5.5%.

The New/Changed Tariffs and amendments to the existing Tariff Policy are reflected in Annexure 5.

Tariffs and Charges Book

Council is permitted to levy rates, tariffs, fees and charges in accordance with the Local Government Municipal Property Rates Act, the Local Government: Municipal Systems Act, Act 32 of 2000, Section 75A and the Municipal Finance Management Act, No. 56 of 2003, 17 (a)(ii).

The Tariffs and Charges Book is attached as Annexure 6 and contains all levies, rates and service charges determined for all functions or services performed by the municipality for which a charge is made.

An average growth parameter of 5.5% was applied to all the miscellaneous tariffs. Any substantial deviations were motivated in the reports to the tariff schedules as considered by Portfolio Committees and Mayco. The consumptive tariffs are reflected in Annexure 5 together with the relevant motivations.

All Levies, Rates and Service Charges are determined in compliance with:

- Local Government Municipal Property Rates Act 2004
- Municipal Finance Management Act 56 of 2003
- Local Government Municipal Systems Act 32 of 2000

Housing Rental Increase

The proposed rental tariffs for 2011/2012 are:

Rental (per m²): R7.07

Rental (per m², including water where applicable): R9.57

Excludes premiums and deductions

4. Investments

Monetary investments by type

Investment type	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
R thousand									
Securities - National Government	26,024	31,650	42,400	48,400	48,400	48,400	54,400	60,400	66,400
Listed Corporate Bonds	1,512	-	-	-	-	-	-	-	-
Deposits - Bank	4,192,038	3,630,894	4,486,176	3,705,307	2,989,516	2,989,516	3,275,994	3,214,611	3,324,958
Guaranteed Endowment Policies (sinking)	35,609	40,224	51,291	57,920	57,920	57,920	65,426	73,881	83,429
Total	4,255,183	3,702,768	4,579,867	3,811,626	3,095,835	3,095,835	3,395,821	3,348,893	3,474,787

Table 21: Monetary investments by type (Support Table A15)

Monetary investments by maturity date

Investments by Maturity Name of institution & investment ID	Period of Investment	Type of Investment	Expiry date of investment	Monetary value	Interest to be realised
	Months			Rand thousand	
ABSA	74	FIXED DEPOSIT	15 February 2011	30,000	335
ABSA	70	FIXED DEPOSIT	15 February 2011	10,000	105
ABSA	68	FIXED DEPOSIT	15 February 2011	30,000	307
ABSA	29	FIXED DEPOSIT	15 February 2011	20,000	86
ABSA	67	FIXED DEPOSIT	25 February 2011	20,000	202
ABSA	25	FIXED DEPOSIT	25 February 2011	20,000	74
ABSA	68	FIXED DEPOSIT	15 March 2011	10,000	102
ABSA	63	FIXED DEPOSIT	15 March 2011	45,000	426
ABSA	56	FIXED DEPOSIT	15 March 2011	30,000	252
ABSA	64	FIXED DEPOSIT	25 March 2011	30,000	288
ABSA	63	FIXED DEPOSIT	25 March 2011	20,000	190
ABSA	86	FIXED DEPOSIT	21 April 2011	25,000	328
ABSA	86	FIXED DEPOSIT	21 April 2011	30,000	393
FIRSTRAND	70	FIXED DEPOSIT	15 February 2011	20,000	209
FIRSTRAND	68	FIXED DEPOSIT	15 February 2011	35,000	355
FIRSTRAND	67	FIXED DEPOSIT	25 February 2011	100,000	1,000
FIRSTRAND	66	FIXED DEPOSIT	25 February 2011	30,000	296
FIRSTRAND	58	FIXED DEPOSIT	25 February 2011	30,000	260
FIRSTRAND	82	FIXED DEPOSIT	15 March 2011	20,000	247
FIRSTRAND	68	FIXED DEPOSIT	15 March 2011	15,000	152
FIRSTRAND	63	FIXED DEPOSIT	15 March 2011	10,000	94
FIRSTRAND	57	FIXED DEPOSIT	15 March 2011	10,000	85
FIRSTRAND	56	FIXED DEPOSIT	15 March 2011	20,000	167
FIRSTRAND	64	FIXED DEPOSIT	25 March 2011	25,000	239
FIRSTRAND	63	FIXED DEPOSIT	25 March 2011	15,000	142
FIRSTRAND	90	FIXED DEPOSIT	31 March 2011	10,000	143
FIRSTRAND	90	FIXED DEPOSIT	31 March 2011	12,000	172
FIRSTRAND	90	FIXED DEPOSIT	31 March 2011	9,000	129
FIRSTRAND	90	FIXED DEPOSIT	31 March 2011	12,000	172
FIRSTRAND	86	FIXED DEPOSIT	21 April 2011	25,000	328
FIRSTRAND	86	FIXED DEPOSIT	21 April 2011	30,000	393
INVESTEC	70	FIXED DEPOSIT	15 February 2011	10,000	105
INVESTEC	68	FIXED DEPOSIT	15 February 2011	15,000	154
INVESTEC	67	FIXED DEPOSIT	25 February 2011	30,000	303
INVESTEC	25	FIXED DEPOSIT	25 February 2011	20,000	74
INVESTEC	68	FIXED DEPOSIT	15 March 2011	10,000	102
INVESTEC	86	FIXED DEPOSIT	25 March 2011	30,000	396
INVESTEC	86	FIXED DEPOSIT	21 April 2011	30,000	393

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Investments by Maturity Name of institution & investment ID	Period of Investment	Type of Investment	Expiry date of investment	Monetary value	Interest to be realised
	Months			Rand thousand	
NEDBANK	74	FIXED DEPOSIT	15 February 2011	20,000	221
NEDBANK	68	FIXED DEPOSIT	15 February 2011	50,000	512
NEDBANK	58	FIXED DEPOSIT	25 February 2011	20,000	175
NEDBANK	25	FIXED DEPOSIT	25 February 2011	20,000	73
NEDBANK	68	FIXED DEPOSIT	15 March 2011	15,000	153
NEDBANK	63	FIXED DEPOSIT	15 March 2011	10,000	94
NEDBANK	57	FIXED DEPOSIT	15 March 2011	40,000	344
NEDBANK	56	FIXED DEPOSIT	15 March 2011	20,000	169
NEDBANK	84	FIXED DEPOSIT	25 March 2011	10,000	128
NEDBANK	64	FIXED DEPOSIT	25 March 2011	20,000	193
NEDBANK	63	FIXED DEPOSIT	25 March 2011	15,000	142
NEDBANK	86	FIXED DEPOSIT	21 April 2011	25,000	330
NEDBANK	86	FIXED DEPOSIT	21 April 2011	20,000	264
SCMB	70	FIXED DEPOSIT	15 February 2011	20,000	209
SCMB	68	FIXED DEPOSIT	15 February 2011	40,000	406
SCMB	29	FIXED DEPOSIT	15 February 2011	30,000	128
SCMB	67	FIXED DEPOSIT	25 February 2011	30,000	300
SCMB	66	FIXED DEPOSIT	25 February 2011	40,000	394
SCMB	58	FIXED DEPOSIT	25 February 2011	40,000	346
SCMB	60	FIXED DEPOSIT	15 March 2011	25,000	183
SCMB	68	FIXED DEPOSIT	15 March 2011	35,000	356
SCMB	63	FIXED DEPOSIT	15 March 2011	10,000	94
SCMB	56	FIXED DEPOSIT	15 March 2011	30,000	251
SCMB	84	FIXED DEPOSIT	25 March 2011	20,000	253
SCMB	84	FIXED DEPOSIT	25 March 2011	35,000	443
SCMB	84	FIXED DEPOSIT	25 March 2011	25,000	316
SCMB	64	FIXED DEPOSIT	25 March 2011	25,000	239
SCMB	63	FIXED DEPOSIT	25 March 2011	10,000	94
SCMB	90	FIXED DEPOSIT	31 March 2011	20,000	271
ABSA 2010		NOTICE DEPOSIT		18,865	
ABSA Bank		NOTICE DEPOSIT		210,000	
Investec		NOTICE DEPOSIT		40,000	
Nedbank		NOTICE DEPOSIT		140,000	
ABSA BANK		CURRENT ACCOUNT		126,986	
Fund Managers				2,506,129	
TOTAL INVESTMENTS AND INTEREST				4,654,981	16,281

Table 22: Monetary investments by maturity date (Support Table A16)

5. Long – Term investments and loans

The budget assumes the following new long-term borrowings:

YEAR	EXPECTED DATE OF ISSUE	AMOUNT
2011/2012	01-Dec-11	R1 500 million
2012/2013	01-Dec-12	R1 400 million
2013/2014	01-Dec-13	R1 500 million

Table 23: New long-term borrowings

The above loans will be raised by the issue of City of Cape Town municipal bonds, which will be listed on the Johannesburg Stock Exchange under a R7 billion Domestic Medium Term Note Programme or by approaching financial Institutions for external loan funding, depending on market conditions.

6. Cash backed accumulated surplus

Cash backed accumulated revenue surpluses are used to provide working capital and to temporarily fund capital expenditure in advance of external loan drawdowns. Operational cash flow deficits and surpluses are forecasted and managed on a daily basis within available cash resources and banking facilities.

All statutory funds and reserves, including unspent grants, are fully cash backed. Non-statutory reserves, including the General Insurance Fund and the Capital Replacement Reserve, are also fully cash backed. Long-term provisions are cash backed to the extent that actual expenditure is projected for the budget year.

7. Grant Allocations

National Allocations

The table below reflects the grant allocations in terms of the 2010 Division of Revenue Act (No. 33081 of 31 March 2010) that have been included in this medium term budget:

GRANT	2011/2012 R'000	2012/2013 R'000
Equitable share formula	997 555	1 114 890
Financial Management Grant	1 250	1 250
Public Transport Infrastructure & Systems Grant	1 600 000	900 000
Neighbourhood Development Partnership Grant	124 220	156 400
Municipal Infrastructure Grant	461 509	561 153
Electricity Demand Side Management Grant	26 000	-
Integrated National Electrification Programme Grant	15 000	20 000

Table 24: National allocations

Provincial Allocations

The table below reflects the grants allocated in terms of the Provincial Gazette 6703 (dated 02 March 2010) that have been included in this medium term budget:

GRANT	2011/2012 R'000	2012/2013 R'000
Personal Primary Health Care Services	188 971	199 743
Integrated Nutrition	4 024	4 252
HIV and AIDS	60 146	64 957
Thusong (Multi-Purpose) Centres	1 000	1 000
Integrated Housing and Human Settlement Development Grant	904 806	902 007
Settlement Assistance	1 000	1 000
Cape Metropolitan Transport Fund	9 900	9 900
Mobility Strategies	10 000	10 000
Library Services (conditional grant)	21 633	-

Table 25: Provincial allocations

Note: At the time of compiling this document neither the 2011 DORA nor the 2011 Provincial Gazette indicating grant allocations to the City were available. Hence, the use of the current indicative allocations as published in the 2010 DORA and Provincial Gazette 6703 (dated 02 March 2010). In order to facilitate planning it was furthermore assumed that the 2012/2013 levels of indicative allocation to the City would be maintained for the 2013/2014 financial year.

10. EXPENDITURE ON ALLOCATIONS AND GRANT PROGRAMMES

Description	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
R thousand									
EXPENDITURE:									
Operating expenditure of Transfers and Grants									
National Government:	1,498,565	1,804,254	724,391	1,046,000	1,043,258	1,043,258	1,321,094	1,333,387	1,386,223
Restructuring	49,131	58,857	16,814	5,555	6,304	6,304	7,024	-	-
Finance Management grant	1,633	-	934	1,000	1,325	1,325	1,210	1,250	1,300
Department of Water Affairs	-	4,271	3,059	-	8,461	8,461	-	-	-
Municipal Infrastructure Grant	1,188	-	2,028	4,619	4,619	4,619	5,127	5,409	5,702
2010 FIFA WC Hostcity Operating Grant	-	-	57,357	27,780	27,780	27,780	-	-	-
Public Transport Infrastructure & Systems Grant	450	-	22,234	147,273	131,176	131,176	296,825	197,832	97,076
Dept of Environ Affairs and Tourism	4,138	8,744	8,068	10,883	14,153	14,153	193	180	180
Equitable share	334,517	486,734	610,891	847,566	847,566	847,566	1,008,771	1,126,723	1,280,472
Housing Accreditation	266	-	487	820	820	820	890	938	989
Local Government SETA	-	-	-	504	504	504	504	504	504
RSC Levies	1,107,242	1,245,648	-	-	-	-	-	-	-
Electricity Demand Side Management	-	-	2,519	-	-	-	-	-	-
South African National Biodiversity Institute	-	-	-	-	550	550	550	550	-
Provincial Government:	162,181	395,343	528,736	405,494	450,279	450,279	439,989	444,532	467,997
Local Government and Housing - Fire-fighting Assistance	1,500	871	423	335	434	434	-	-	-
Cultural Affairs and Sport - Library Services	10,031	14,696	18,067	15,990	14,408	14,408	16,964	-	-
Local Government and Housing - Housing	97,076	320,424	348,107	155,000	155,000	155,000	156,000	164,580	173,467
Local Government and Housing - Accreditation	-	-	-	1,000	1,000	1,000	1,700	1,000	1,054
Local Government and Housing - Settlement Assistance	-	-	-	393	393	393	-	-	-
Sustainable Transport	11,717	-	-	10,300	-	-	-	-	-
Health - TB	4,523	-	9,770	9,185	9,185	9,185	9,635	10,165	10,714
Health - Global Fund	3,171	-	4,448	-	17,851	17,851	-	-	-
Health - ARV	20,986	-	46,025	47,509	62,546	62,546	61,349	64,957	68,465
Health - Nutrition	3,008	-	3,604	3,836	3,836	3,836	4,024	4,252	4,482
Health - Vaccines	7,952	59,352	38,402	31,978	49,274	49,274	45,365	47,860	50,444
Comprehensive Health	65	-	-	128,321	128,321	128,321	134,609	141,718	149,371
Other	-	-	59,890	1,202	350	350	-	-	-
Table Mountain Biosphere	-	-	-	100	204	204	-	-	-
Mamre Fencing	-	-	-	94	94	94	94	-	-
Heritage Audit	-	-	-	250	250	250	250	-	-
2010 FIFA World Cup	2,153	-	-	-	2,000	2,000	-	-	-
Mobility Strategy	-	-	-	-	5,133	5,133	10,000	10,000	10,000
Other grant providers:	14,324	26,263	105,724	26,788	27,822	27,822	18,739	4,220	4,448
Sunwest International	-	-	700	350	350	350	-	-	-
Tourism	534	2,597	-	5,155	2,600	2,600	4,000	4,220	4,448
Carnegie	5,800	5,252	7,971	12,294	10,033	10,033	13,940	-	-
CMTF	-	-	89,075	6,100	9,197	9,197	-	-	-
Other	3,878	4,087	7,847	964	964	964	30	-	-
Mamre Trust	1	-	131	355	-	-	150	-	-
MSF Funding	-	-	-	613	573	573	-	-	-
Baboon Management	-	-	-	300	300	300	-	-	-
Solar Energy	-	-	-	146	146	146	146	-	-
Cities for Climate Protection	-	-	-	329	329	329	329	-	-
Neil Desai Skills Development Project	-	-	-	37	37	37	-	-	-
ICLEI: Carbon Taxes	-	-	-	144	144	144	144	-	-
CID	-	216	-	-	1,876	1,876	-	-	-
DBSA	4,111	688	-	-	-	-	-	-	-
Bill Gates	-	13,234	-	-	-	-	-	-	-
World Health Organisation	-	189	-	-	-	-	-	-	-
Outsurance	-	-	-	-	567	567	-	-	-
Rietwei Conservation Fund	-	-	-	-	305	305	-	-	-
National Lottery Board	-	-	-	-	87	87	-	-	-
University of Columbia	-	-	-	-	313	313	-	-	-
Total operating expenditure of Transfers and Grants:	1,675,071	2,225,860	1,358,851	1,478,282	1,521,358	1,521,358	1,779,822	1,782,139	1,858,667

Continued on next page...

Description	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
Capital expenditure of Transfers and Grants									
National Government:	1,071,282	2,423,827	1,672,706	1,045,900	1,295,433	1,295,433	1,944,106	1,454,998	1,510,254
Department of Environmental Affairs & Tourism: Marine & Coastal Management	-	-	57	-	10	10	-	-	-
Department of Water Affairs & Forestry: Water Affairs & Forestry Grant	-	-	-	-	7,699	7,699	-	-	-
Minerals and Energy: Electricity Demand Side Management (Eskom) Grant	-	-	2,519	17,544	18,533	18,533	22,807	-	-
Minerals and Energy: Integrated National Electrification Programme (Municipal) Grant	15,376	22,076	8,760	7,018	7,018	7,018	13,158	17,544	17,544
National Government - Other: Previous years' Dora allocations	607	198	131	150	167	167	350	-	1,000
National Treasury: Local Government Finance Management Grant	170	4,235	1,044	-	2,390	2,390	40	-	-
National Treasury: Local Government Restructuring Grant	42,837	51,819	26,798	3,550	6,462	6,462	-	-	-
National Treasury: Neighbourhood Development Partnership Grant	6,244	49,292	39,266	95,000	98,152	98,152	124,220	156,400	131,500
National Treasury: Other	3,479	5,202	5,184	12,731	10,931	10,931	25,650	23,600	2,000
Provincial and Local Government: Municipal Infrastructure Grant (MIG Cities)	156,124	382,846	304,946	379,107	308,700	308,700	456,507	555,286	555,286
Sport & Recreation SA: 2010 Fifa World Cup Stadiums Development Grant	813,964	1,601,122	511,357	55,000	64,000	64,000	-	-	-
Transport: Public Transport Infrastructure & Systems Grant	32,481	307,037	772,646	475,800	771,371	771,371	1,301,375	702,168	802,924
Provincial Government:	154,698	477,059	253,151	589,900	419,539	419,539	635,851	478,697	403,169
Cultural Affairs and Sport: Development of Sport and Recreation Facilities	972	213,215	3,445	-	108	108	-	-	-
Cultural Affairs and Sport: Library Services (Conditional Grant)	-	-	2,762	8,277	10,437	10,437	5,800	-	-
Health: Global Fund	-	6,641	2,841	-	2,585	2,585	-	-	-
Housing: Integrated Housing and Human Settlement Development Grant	76,040	156,243	166,671	561,083	365,252	365,252	602,550	471,697	403,169
Housing: Previous years' Gazetted allocations	2,088	7,431	19,889	-	940	940	-	-	-
Local Government: Multi-Purpose Centres	9,302	1,532	2,236	-	8	8	-	-	-
Provincial Government: Previous years' Gazetted allocations	17,836	36,398	1,563	-	-	-	1,101	-	-
Transport and Public Works: Cape Metropolitan Transport Fund	48,335	55,600	53,743	20,540	39,608	39,608	23,100	7,000	-
Transport and Public Works: Other	125	-	-	-	600	600	3,300	-	-
Other grant providers:	49,675	61,455	68,988	64,379	60,180	60,180	50,935	42,881	40,300
Other: Other	49,675	61,455	68,988	64,379	60,180	60,180	50,935	42,881	40,300
Total capital expenditure of Transfers and Grants	1,275,655	2,962,341	1,994,844	1,700,179	1,775,151	1,775,151	2,630,892	1,976,575	1,953,722
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	2,950,726	5,188,201	3,353,695	3,178,461	3,296,509	3,296,509	4,410,715	3,758,714	3,812,390

Table 26: Expenditure on allocations and grant programmes (Support Table A19)

11. ALLOCATIONS AND GRANTS MADE BY THE MUNICIPALITY

Section 67 grants are allocations of funds, from the City's annual operating budget, to organisations or bodies outside any sphere of government. These allocations are gratuitous or unrequited transfers by the City to the grantee organisations and are not payments made in compliance with any commercial or other business transaction.

They provide organisations with funds for carrying out projects, which assist the City in exercising its Constitutional powers and functions which include any additional competencies that may be assigned to the City by National or Provincial Government.

Section 16(2) of the MFMA provides that the mayor must table the annual budget at a Council meeting at least 90 days before the start of a budget year whilst Section 17(3) (j) (iv) provides that when that budget is tabled it must include particulars of any proposed allocations or grants to any organisation or body referred to in Section 67.

The particulars of the Section 67 grants proposed for 2011/2012 are attached as Annexure 12.

12. MONTHLY TARGETS FOR REVENUE, EXPENDITURE AND CASH FLOW

MONTHLY CASH FLOWS	Budget Year 2011/12												Medium Term Revenue and Expenditure Framework			
	R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
Cash Receipts By Source																
Property rates	329,099	316,157	372,878	343,531	335,185	363,045	312,587	403,475	413,997	341,568	388,057	378,150	4,297,729	4,747,911	5,054,087	
Service charges - electricity revenue	602,864	579,155	683,060	629,302	614,012	665,048	572,616	739,111	758,385	625,706	710,868	692,718	7,872,845	9,673,452	11,884,200	
Service charges - water revenue	119,285	114,594	135,153	124,516	121,491	131,589	113,300	146,243	150,057	123,804	140,655	137,064	1,557,748	1,745,982	1,933,025	
Service charges - refuse revenue	178,272	171,261	201,987	186,090	181,569	196,661	169,327	218,562	224,261	185,027	210,210	204,843	2,328,069	2,585,001	2,855,478	
Service charges - other	5,826	5,597	6,601	6,081	5,933	6,427	5,533	7,142	7,329	6,046	6,869	6,694	76,078	80,192	84,190	
Rental of facilities and equipment	7,885	14,175	9,489	12,265	13,879	14,574	9,676	15,056	12,201	14,991	12,136	25,830	162,159	164,552	160,888	
Interest earned - external investments	13,118	16,598	18,700	19,847	12,335	14,792	9,705	9,612	13,073	7,443	14,141	20,136	169,501	195,340	247,481	
Fines	5,689	10,227	6,846	8,849	10,013	10,515	6,981	10,863	8,802	10,815	8,756	18,636	116,993	120,390	118,178	
Licences and permits	1,721	3,095	2,072	2,678	3,030	3,182	2,112	3,287	2,663	3,273	2,649	5,639	35,401	32,534	28,374	
Agency services	179,491	99,273	154,273	250,554	168,566	168,496	159,435	126,845	191,819	117,552	131,555	152,141	1,900,000	2,000,000	2,100,000	
Transfer receipts - operational			536,363			536,363			536,363			-	1,609,090	1,681,000	1,774,000	
Other revenue	9,598	29,635	4,856	56,418	15,478	9,621	17,184	21,727	16,511	3,623	10,069	63,531	258,250	131,358	129,189	
Cash Receipts by Source	1,452,848	1,359,766	2,132,277	1,640,131	1,481,490	2,120,313	1,378,457	1,701,924	2,335,461	1,439,849	1,635,965	1,705,382	20,383,862	23,157,712	26,369,090	
Other Cash Flows by Source																
Transfer receipts - capital	582,838	466,520	15,567	523,413	559,820	210,803	39,258	208,375	437,097	49,888	879,199	137,989	4,110,765	3,465,429	3,524,867	
Borrowing long term/refinancing	-	-	-	-	-	1,500,000	-	-	-	-	-	-	1,500,000	1,400,000	1,500,000	
Total Cash Receipts by Source	2,035,686	1,826,286	2,147,844	2,163,543	2,041,310	3,831,116	1,417,715	1,910,299	2,772,558	1,489,737	2,515,163	1,843,371	25,994,627	28,023,141	31,393,958	
Cash Payments by Type																
Employee related costs	466,662	555,376	516,674	514,357	779,720	534,660	540,501	547,012	553,508	543,133	549,380	549,048	6,650,032	7,361,854	8,101,783	
Interest paid			122,484			172,496	28,803	-	122,484	-	-	283,557	729,824	896,355	1,065,039	
Bulk purchases - Electricity	623,755	719,776	688,087	384,253	383,201	373,986	354,756	363,231	354,103	387,991	364,482	512,309	5,509,931	7,042,593	8,844,385	
Bulk purchases - Water & Sewer	30,958	31,022	26,265	27,532	27,532	27,533	23,727	26,265	26,264	26,265	26,302	18,011	317,676	367,011	373,576	
Contracted services	235,731	170,036	161,203	140,443	148,715	162,072	111,648	122,646	214,229	136,850	136,622	159,805	1,900,000	2,000,000	2,100,000	
General expenses	724,385	452,784	507,341	554,147	500,197	680,060	325,531	457,352	374,421	323,564	597,496	176,523	5,673,801	5,794,594	6,147,982	
Cash Payments by Type	2,081,490	1,928,995	2,022,054	1,620,733	1,839,366	1,950,806	1,384,966	1,516,506	1,645,009	1,417,803	1,674,282	1,699,254	20,781,264	23,462,407	26,632,766	
Other Cash Flows/Payments by Type																
Capital assets	725,986	343,431	251,570	277,328	281,278	383,049	154,114	232,396	368,154	448,875	317,332	821,466	4,604,981	4,243,021	4,254,304	
Repayment of borrowing	-	-	45,000	-	-	71,650	41,972	-	36,000	-	-	127,281	321,904	379,095	396,541	
Total Cash Payments by Type	2,807,476	2,272,426	2,318,625	1,898,061	2,120,644	2,405,506	1,581,052	1,748,902	2,049,163	1,866,678	1,991,614	2,648,002	25,708,148	28,084,524	31,283,611	
NET INCREASE/(DECREASE) IN CASH HELD	(771,790)	(446,140)	(170,781)	265,483	(79,333)	1,425,610	(163,338)	161,397	723,395	(376,941)	523,549	(804,631)	286,479	(61,383)	110,347	
Cash/cash equivalents at the month/year begin:	2,989,516	2,217,725	1,771,585	1,600,804	1,866,287	1,786,954	3,212,564	3,049,227	3,210,623	3,934,018	3,557,077	4,080,626	2,989,516	3,275,994	3,214,611	
Cash/cash equivalents at the month/year end:	2,217,725	1,771,585	1,600,804	1,866,287	1,786,954	3,212,564	3,049,227	3,210,623	3,934,018	3,557,077	4,080,626	3,275,994	3,275,994	3,214,611	3,324,958	

Table 27: Monthly targets for revenue and cash flow (Support Table A30)

13. COUNCILLOR AND BOARD MEMBER ALLOWANCES AND EMPLOYEE BENEFITS

Disclosure of Salaries, Allowances & Benefits	Salary	Contrib.	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum						
<u>Councillors</u>						
Speaker	665,336	-	242,426			907,762
Chief Whip	623,752	-	228,565			852,317
Executive Mayor	831,669	-	318,578			1,150,247
Deputy Executive Mayor	665,335	-	242,426			907,761
Executive Committee	7,485,027	-	2,742,783			10,227,810
Total for all other councillors	68,903,685	-	25,836,237			94,739,922
Total Councillors	79,174,804	-	29,611,015			108,785,819
<u>Senior Managers of the Municipality</u>						
Municipal Manager (MM)	1,410,938	322,744	18,000	214,510	-	1,966,192
Chief Finance Officer	1,010,992	266,001	139,057	174,143	-	1,590,193
Executive Director - Strategy & Planning	1,302,633	-	-	170,438	-	1,473,071
Executive Director - Corporate Services	1,071,476	236,030	78,000	170,438	-	1,555,944
Executive Director - Health	904,743	250,273	147,684	161,241	-	1,463,941
Executive Director - Community Services	1,085,667	226,848	103,680	-	-	1,416,195
Executive Director - Housing	1,126,296	250,391	-	-	-	1,376,687
Executive Director - Safety & Security	984,732	192,679	115,891	-	-	1,293,302
Executive Director - Utility Services	1,163,284	191,000	65,160	181,359	-	1,600,803
Executive Director - Economic & Social Development	996,924	224,735	77,040	-	-	1,298,699
Executive Director - Transport Roads & Major Projects	1,283,727	282,967	-	193,839	-	1,760,533
Chief Audit Executive	1,152,918	40,570	85,087	160,883	-	1,439,458
Total Senior Managers of the Municipality	13,494,330	2,484,238	829,599	1,426,851	-	18,235,018
<u>Convenco</u>						
Variable per meeting - Board meetings: Chairperson R3 526, Member R2 623	395,900	-	-	-	-	395,900
Chief Executive Officer (CEO)	1,391,000	-	-	-	-	1,391,000
<u>Khayelitsha Community Trust</u>						
Variable per meeting - Board meetings: Chairperson R3 526, Member R2 623	260,000	-	-	-	-	260,000
Chief Executive Officer (CEO)	603,977	-	99,000	70,298	-	773,275
Chief Financial Officer (CFO)	668,981	-	-	66,898	-	735,879
Total for municipal entities	3,319,858	-	99,000	137,196	-	3,556,054
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION	95,988,992	2,484,238	30,539,614	1,564,047	-	130,576,891

Table 28: Salaries, allowances & benefits (political office bearers/councillors/senior managers) (Support Table A23)

Summary of Employee and Councillor remuneration R thousand	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
	A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)									
Salary	42,747	47,334	51,602	67,164	67,164	67,164	79,175	84,321	89,717
Pension Contributions	6,711	6,971	7,455	-	-	-	-	-	-
Motor vehicle allowance	17,228	-	-	-	-	-	-	-	-
Cell phone allowance	2,102	-	-	2,745	2,745	2,745	3,219	3,428	3,647
Housing allowance	2,147	-	-	-	-	-	-	-	-
Other benefits or allowances	-	23,324	24,279	22,388	22,388	22,388	26,392	28,107	29,906
Sub Total - Councillors	70,935	77,629	83,336	92,296	92,296	92,296	108,786	115,856	123,270
% increase		9.4%	7.4%	10.8%	-	-	17.9%	6.5%	6.4%
Senior Managers of the Municipality									
Salary	10,191	11,135	12,339	12,491	12,491	12,491	13,494	14,830	16,284
Pension Contributions	1,392	1,557	1,657	1,390	1,390	1,390	1,455	1,599	1,756
Medical Aid Contributions	-	-	-	273	273	273	266	292	321
Motor vehicle allowance	847	938	831	796	796	796	729	801	879
Cell phone allowance	-	-	-	142	142	142	101	111	122
Performance Bonus	801	1,235	86	1,241	1,241	1,241	1,427	1,568	1,722
Other benefits or allowances	-	-	-	69	69	69	763	839	920
Sub Total - Senior Managers of Municipality	13,231	14,865	14,913	16,402	16,402	16,402	18,235	20,040	22,004
% increase		12.3%	0.3%	10.0%	-	-	11.2%	9.9%	9.8%
Other Municipal Staff									
Basic Salaries and Wages	2,638,848	2,922,923	3,528,269	4,300,933	4,189,152	4,189,152	4,621,074	5,078,551	5,596,249
Pension Contributions	374,654	439,886	499,657	763,177	701,950	701,950	821,004	902,284	990,707
Medical Aid Contributions	220,000	255,726	301,345	356,800	356,800	356,800	381,317	418,188	458,242
Motor vehicle allowance	150,770	154,677	155,811	156,992	163,757	163,757	179,744	197,539	216,898
Cell phone allowance	-	10,247	11,734	11,947	11,975	11,975	12,591	13,837	15,193
Housing allowance	50,580	55,926	43,831	48,531	48,531	48,531	40,397	44,396	48,747
Overtime	193,460	226,815	260,779	210,287	225,759	225,759	252,934	277,954	305,194
Other benefits or allowances	511,802	456,503	770,828	637,870	603,796	603,796	686,635	740,228	797,596
Sub Total - Other Municipal Staff	4,140,114	4,522,703	5,572,254	6,486,537	6,301,720	6,301,720	6,995,696	7,672,977	8,428,826
% increase		9.2%	23.2%	16.4%	(2.8%)	-	11.0%	9.7%	9.9%
Total Parent Municipality	4,224,280	4,615,197	5,670,503	6,595,236	6,410,418	6,410,418	7,122,717	7,808,873	8,574,100
		9.3%	22.9%	16.3%	(2.8%)	-	11.1%	9.6%	9.8%
Board Members of Entities									
Board Fees	329	321	459	653	653	653	656	697	737
Sub Total - Board Members of Entities	329	321	459	653	653	653	656	697	737
% increase		(2.5%)	43.0%	42.3%	-	-	0.5%	6.3%	5.7%
Senior Managers of Entities									
Salary	858	1,694	1,893	2,509	2,509	2,509	2,664	2,834	3,012
Motor vehicle allowance	86	116	111	90	90	90	99	109	120
Performance Bonus	-	-	-	-	-	-	137	145	153
Sub Total - Senior Managers of Entities	944	1,810	2,004	2,599	2,599	2,599	2,900	3,087	3,284
% increase		91.6%	10.7%	29.7%	-	-	11.6%	6.5%	6.4%
Other Staff of Entities									
Basic Salaries and Wages	18,696	22,603	27,558	29,875	31,736	31,736	32,285	34,703	37,268
Performance Bonus	-	-	-	-	-	-	17	18	19
Sub Total - Other Staff of Entities	18,696	22,603	27,558	29,875	31,736	31,736	32,303	34,722	37,287
% increase		20.9%	21.9%	8.4%	6.2%	-	1.8%	7.5%	7.4%
Total Municipal Entities	19,970	24,734	30,021	33,127	34,988	34,988	35,859	38,506	41,308
TOTAL SALARY, ALLOWANCES & BENEFITS	4,244,250	4,639,931	5,700,524	6,628,363	6,445,406	6,445,406	7,158,576	7,847,379	8,615,408
% increase		9.3%	22.9%	16.3%	(2.8%)	-	11.1%	9.6%	9.8%
TOTAL MANAGERS AND STAFF	4,172,986	4,561,981	5,616,729	6,535,413	6,352,457	6,352,457	7,049,134	7,730,826	8,491,401

Table 29: Councillor and board member allowances and employee benefits (Support Table A22)

14. ANNUAL BUDGETS AND SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLANS – INTERNAL DEPARTMENTS

In terms of Section 53 (1) (c) (ii) of the MFMA, the Service Delivery and Budget Implementation Plan (SDBIP) is defined as a detailed plan approved by the mayor of a municipality for implementing the municipality's delivery of municipal services and its annual budget, and which must indicate the following –

- (a) Projections for each month of
 - Revenue to be collected, by source; and
 - Operational and capital expenditure, by vote.
- (b) Service delivery targets and performance indicators for each quarter, and
- (c) Other matters prescribed.

The Executive Mayor, in accordance with Section 53 of the MFMA, is expected to approve the SDBIP within 28 days of the date of approval of the budget. In addition, the Executive Mayor must ensure that the revenue and expenditure projections for each month, and the service delivery targets and performance indicators as set out in the SDBIP, are made public within 14 days of its approval.

The SDBIP gives effect to the Integrated Development Plan and the budget of the municipality. It is an expression of the objectives of the City in quantifiable outcomes, which will be implemented by the administration for the financial period from 1 July 2011 to 30 June 2012 (the City's financial year). It includes the service delivery targets and performance indicators for each quarter, which should be linked to the performance agreements of senior management. It therefore facilitates oversight of the financial and non-financial performance of the municipality and allows the City Manager to monitor the performance of the Executive Directors, the Mayor/Council to monitor the performance of the City Manager, and the Community to monitor the performance of the City Government.

For the 2011/2012 financial year, the SDBIP will be approved by the Executive Mayor following approval of the Budget.

15. CONTRACTS HAVING FUTURE BUDGETARY IMPLICATIONS

Description	Preceding Years	Current Year 2010/11	2011/12 Medium Term Revenue & Expenditure Framework			Forecast 2014/15	Forecast 2015/16	Forecast 2016/17	Forecast 2017/18	Forecast 2018/19	Forecast 2019/20	Forecast 2020/21	Total Contract Value
	Total	Original Budget	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
R thousand													
Expenditure Obligation By Contract													
AFS (Automated Fuel Systems)	-	176,720	167,126	176,318	186,016	196,247	207,040	218,427	230,441	-	-	-	1,558,336
ABSA BANK (42S/2007/08)	6,727	5,034	5,775	6,745	-	-	-	-	-	-	-	-	24,281
Total Operating Expenditure Implication	6,727	181,754	172,901	183,063	186,016	196,247	207,040	218,427	230,441	-	-	-	1,582,617
Total Expenditure Implication	6,727	181,754	172,901	183,063	186,016	196,247	207,040	218,427	230,441	-	-	-	1,582,617

Table 30: Contracts having future budgetary implications (Support Table A33)

16. ANNUAL BUDGETS AND SERVICE DELIVERY AGREEMENTS (SDA) – MUNICIPAL ENTITIES

1. Cape Town Convention Centre Company Pty (Ltd)

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 funding from the City

Ownership and control	<p><u>Shares:</u></p> <p>City of Cape Town - 50.2%, Provincial Government of Western Cape - 25.1% SunWest International Pty Ltd - 24.7%</p> <p>The City has voting rights of 66%.</p>
Oversight processes	Shareholding Management Department is a dedicated unit to monitor performance and ensure compliance.
Mandate	Provide a world class international conference centre.
Funding over medium term	None at this stage. Expansion of exhibition area on another site is being investigated again, which could result in a contribution by the City.
Summary of SDA	Sets out the obligations of Conenco and the City in respect of compliance and performance issues.
Link to IDP	Strategic Focus Area 1: Shared Economic Growth and Development
Past performance and future objectives	Has exceeded its targets in the past. Conenco is confident that it will maintain its present levels of bookings despite the world economic downturn, but numbers of delegates may decrease by up to 30%.

Besides the normal operating expenditure, maintenance and depreciation are major operating expenditure items on the Conenco budget. Being in the international service and hospitality business requires that the 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, which results in high capital expenditure every year.

Operating Revenue by Source and Operating Expenditure by Type

CATEGORIES	2007/08 Audited Actual	2008/09 Audited Actual	2009/10 Audited Actual	Current Year 2010/11			Medium Term Revenue and Expenditure Framework		
				Approved Budget R'000	Adjusted Budget R'000	Full Year Forecast R'000	Budget Year 2011/12	Budget Year 2012/13	Budget Year 2013/14
							Budget R'000	Budget R'000	Budget R'000
Operating Revenue by Source									
Rental of facilities and equipment	57,238	54,936	69,331	62,708	61,708	61,708	67,530	72,595	77,967
Interest earned - external investments	6,814	8,715	8,837	8,418	8,418	8,418	8,755	9,236	9,735
Other Income	74,356	68,379	72,390	72,213	73,213	73,213	75,474	81,134	87,138
Total Operating Revenue	138,408	132,030	150,558	143,339	143,339	143,339	151,759	162,965	174,840
Operating Expenditure by Type									
Employee related Cost	29,178	23,836	28,380	31,011	31,311	32,872	33,503	36,016	38,681
Remuneration of Directors	86	80	226	370	370	370	396	425	457
Bad debts	68	277	3,065	242	242	242	251	265	280
Depreciation	6,794	18,303	19,657	22,519	22,519	22,519	23,420	24,708	26,042
Repairs and maintenance	23,234	22,509	28,486	32,701	32,701	34,801	38,257	42,956	47,978
General expenses	47,023	52,888	56,494	49,875	51,015	47,066	52,036	55,255	58,555
Total Operating Expenditure	106,383	117,893	136,308	136,718	138,158	137,870	147,863	159,625	171,993
(Surplus) / Deficit	(32,025)	(14,137)	(14,250)	(6,621)	(5,181)	(5,469)	(3,896)	(3,340)	(2,847)

Table 31: Convenco - operating revenue by source and operating expenditure by type

Capital Expenditure by Type

CAPITAL EXPENDITURE BY CATEGORY	2007/08 Audited Actual	2008/09 Audited Actual	2009/10 Audited Actual	Current Year 2010/11			Medium Term Revenue and Expenditure Framework		
				Approved Budget R'000	Adjusted Budget R'000	Full Year Forecast R'000	Budget Year 2011/12	Budget Year 2012/13	Budget Year 2013/14
							Budget R'000	Budget R'000	Budget R'000
Plant & equipment	3664	3,209	1,662	3,353	3,353	3,353	6,068	5,682	1,897
Office equipment	1662	3,841	5,294	8,320	10,691	10,691	11,075	8,235	9,485
Other Land and Buildings	19094	5,860	5,410	4,000	19,146	19,146	5,855	8,110	2,710
TOTAL CAPITAL EXPENDITURE	24,420	12,910	12,366	15,673	33,190	33,190	22,998	22,027	14,092

Table 32: Convenco - capital expenditure by Type

2. Khayelitsha Community Trust (KCT)

Period of Agreement	Renewable annually
Service Provided	The facilitation of the development of the Khayelitsha Central Business District (CBD)
Expiry date of SDA	Not applicable
Monetary value	R8.028 million for 2011/2012, R6.426 million for 2012/2013, and R5.936 million for 2013/2014 depending on business plan and budget approvals

Ownership and control	City of Cape Town (100%) as Trust founder
Oversight processes	Shareholding Management Department is a dedicated unit to monitor performance and ensure compliance.
Mandate	To develop the Khayelitsha CBD
Funding over medium term	R8.028 million for 2011/2012, R6.426 million for 2012/2013, and R5.936 million for 2013/2014 depending on business plan and budget approvals.
Summary of SDA	Sets out the obligations of KCT and the City in respect of compliance finance and performance issues.
Link to IDP	Strategic Focus Area 1: Shared Economic Growth and Development
Past performance and future objectives	KCT has performed poorly in the past, but implemented measures to rectify the situation. A major exercise was undertaken to focus their strategic goals and strengthen their operational capacity.

KCT does not have the staff complement to research, plan and execute all their projects and therefore acquires the required skills via consultant contracts. The cost of these consultants, and the various projects, represent a substantial portion of the annual operating budget.

Operating Revenue by Source and Operating Expenditure by Type

CATEGORIES	2007/08 Audited Actual	2008/09 Audited Actual	2009/10 Audited Actual	Current Year 2010/11			Medium Term Revenue and Expenditure Framework		
				Approved Budget R'000	Adjusted Budget R'000	Full Year Forecast R'000	Budget Year 2011/12	Budget Year 2012/13	Budget Year 2013/14
							Budget R'000	Budget R'000	Budget R'000
Operating Revenue by Source									
Rental of facilities and equipment	-	192	181	187	187	187	191	210	231
Interest earned - external investments	529	380	379	450	450	450	400	310	280
Grants & Subsidies (Conditional)	10,023	7,837	6,866	4,424	4,424	4,424	5,627	6,426	5,936
Other Income	-	-	11	-	50	50	-	-	-
Total Operating Revenue	10,552	8,409	7,437	5,061	5,111	5,111	6,218	6,946	6,447
Operating Expenditure by Type									
Employee related Cost	679	1,015	1,182	1,463	1,463	1,463	1,700	1,793	1,890
Remuneration of Trustees	305	241	233	283	283	283	260	272	280
Depreciation	10	31	33	40	40	40	42	53	67
Repairs and maintenance	8	7	2	8	8	8	8	9	10
Interest Paid	-	124	689	32	39	39	47	55	63
Contracted services	3,812	3,358	3,355	5,488	7,862	7,862	4,958	2,979	2,268
General expenses	1,430	1,287	969	1,632	1,724	1,724	1,522	1,676	1,758
Total Operating Expenditure	6,244	6,063	6,463	8,946	11,419	11,419	8,537	6,837	6,336
(Surplus) / Deficit	(4,308)	(2,346)	(974)	3,885	6,308	6,308	2,319	(109)	(111)

Table 33: Khayelitsha Community Trust - operating revenue by source and operating expenditure by type

Notes:

1. The surplus grant funding of 2008/09 was carried over to the 2009/2010 and 2010/2011 financial years, resulting in the deficit for 2010/2011 (i.e. the Grant Funding required from the City for 2010/2011 was reduced by that amount.)
2. The 2011/2012 grant funding requirement as submitted by KCT was reduced to reflect the grant funding available in the City's budget, therefore resulting in a deficit in the 2011/2012 financial year. The budget will be referred back to KCT for the necessary adjustment before the final budget is approved.

Capital Expenditure by Type

CAPITAL EXPENDITURE BY CATEGORY	2007/08 Audited Actual	2008/09 Audited Actual	2009/10 Audited Actual	Current Year 2010/11			Medium Term Revenue and Expenditure Framework		
				Approved Budget R'000	Adjusted Budget R'000	Full Year Forecast R'000	Budget Year 2011/12	Budget Year 2012/13	Budget Year 2013/14
							Budget R'000	Budget R'000	Budget R'000
OTHER ASSETS									
Office equipment	166	2	19	28	28	28	37	30	32
TOTAL CAPITAL EXPENDITURE	166	2	19	28	28	28	37	30	32

Table 34: Khayelitsha Community Trust - capital expenditure by type

17. RECONCILIATION OF IDP STRATEGIC OBJECTIVES AND CAPITAL BUDGET

Strategic Objective	Goal	Goal Code	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
R thousand											
Shared Economic Growth and Development		A	1,192,331	2,468,234	1,382,759						
Sustainable Urban Infrastructure and Services		B	1,240,447	1,547,750	1,754,228						
Public Transport Systems		C	70,263	275,542	794,056						
Integrated Human Settlements		D	193,553	250,171	257,194						
Safety and Security		E	113,443	126,479	74,403						
Health, social and community development		F	95,452	122,759	91,339						
Good Governance and Regulatory Reform		G	196,908	269,408	308,948						
Shared Economic Growth & Development	Grow & strengthen the City's tourism capability	HC				10,880	1,776	1,776	1,000	-	-
	Develop and grow LED & SMME opportunities	HD				26,360	5,600	5,600	2,521	-	-
	Prioritise skills development	HG				1,330	1,878	1,878	-	-	-
	Host a successful FIFA 2010 WC in Cape Town	HK				212,838	556,725	556,725	140,013	15,000	15,000
	Increase direct investment into the local economy	HL				1,877	32,932	32,932	58,059	25,715	25,380
	Develop new & strengthen existing partnerships	HM				100	10	10	450	430	430
	Improve process : building & land use applications	HN				-	70	70	30,000	15,000	-
	Develop creativity, knowledge & innovation industry	HO				-	750	750	-	-	-
Sustainable Urban Infrastr. & Services	Prioritise large bulk infrastructure programs.	IB				1,116,031	1,207,621	1,207,621	1,500,201	1,589,628	1,801,858
	Demand management programs (utilities, transport)	ID				21,278	146,368	146,368	72,400	142,974	61,600
	Reduce impact of floods on community livelihood	IE				62,462	34,653	34,653	18,300	7,800	4,000
	Conserve biodiversity & improve living environ.	IF				20,648	2,235	2,235	20,121	950	945
	Safeguard health, protect natural aquatic etc.	IG				8,050	4,448	4,448	35,850	57,200	45,181
	Manage and maintain the City's beach nodes	IH				-	1,520	1,520	7,500	26,000	15,000
	Integration in infrastr., service plans & budget	II				6,299	291,181	291,181	360,629	370,181	451,476
	Increase access to sanitation	IJ				28,500	-	-	-	-	1,000
	Increase access to water	IK				2,800	-	-	4,000	-	-
	Increase access to electricity	IL				151,218	-	-	-	-	-
	Increase access to basic refuse collection service	IM				1,000	-	-	-	-	-
	Reduce water demand	IN				7,100	-	-	-	-	-
	Minimise waste	IO				1,250	-	-	-	-	-
	Improve maintenance of City Infrastructure	IP				279,802	18,506	18,506	79,300	67,609	10,200
	Sustainable water supply	IQ				-	-	-	-	500	7,000

Continued on next page...

Strategic Objective	Goal	Goal Code	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework				
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14		
R thousand													
Energy efficiency -sustainable future	Reduce energy consumption	OA				20,000	2,000	2,000	17,000	-	-		
Public Transport Systems	Improve public transport & secure new invest.	JA				473,113	741,805	741,805	1,273,950	735,368	865,924		
	Increase dedicated public transport lanes	JH				-	4,500	4,500	-	-	-		
	Reduce average peak period travel time	JI				-	10,085	10,085	11,000	27,000	-		
	Promote non-motorised transport (NMT)	JJ				29,476	19,099	19,099	29,800	40,000	45,000		
	Increase commuters using public transport	JK				18,000	-	-	-	-	-		
Integrated Human Settlements	Transform dormitory suburbs	KA				332,677	289,476	289,476	399,026	411,350	316,004		
	Establish policy & spatial planning frameworks	KI				1,200	1,200	1,200	1,400	1,400	1,400		
	Maintain community facilities at required standard	KK				134,629	10,000	10,000	18,900	20,750	17,800		
	Increase subsidised housing opportunities	KL				301,546	169,746	169,746	352,150	192,717	165,556		
	Upgrade of erven in informal settlements programme	KM				500	16,277	16,277	29,020	48,832	69,717		
Safety and Security	Improve urban design to reduce crime & emergency	LB				9,642	320	320	450	-	-		
	Develop CCTV network for adequate cover	LC				5,769	6,397	6,397	1,500	500	-		
	Improve law enforcement via more visible action	LD				4,442	11,502	11,502	12,192	11,578	8,093		
	Disaster risk assess, prevent & response plans	LE				1,212	276	276	-	-	-		
	Improve response time of the Fire and Rescue Serv	LF				13,540	22,290	22,290	19,223	6,485	6,383		
	Develop single emergency number	LH				3,861	-	-	126	-	-		
	Reduce the occurrence of vehicle accidents	LK				5,113	-	-	-	-	2,286		
Health, social & community develop.	Implement programs directed at street people	MC				-	100	100	-	-	-		
	Provide effective environmental health services	MD				-	205	205	350	400	600		
	Provide effect primary health care with Province	ME				11,784	16,768	16,768	20,068	14,496	10,796		
	Educate parents, caregivers and ECD forums	MF				-	2,879	2,879	4,100	-	-		
	Provide developmental programs & events	MG				-	5,578	5,578	2,700	3,000	-		
	Promote sustainable community & healthy lifestyles	MH				-	76,587	76,587	70,768	85,551	103,342		
Good Governance and Regulatory Reform	Optimise staff structure/strategy/policy/skills	NA				5,111	95,933	95,933	25,116	27,257	56,467		
	Enhance service delivery via alternate mechanisms	NB				164,718	21,787	21,787	15,475	13,358	5,558		
	Improve service culture and workplace ethics	ND				89	4,444	4,444	1,717	1,400	5,500		
	Management of key financial areas	NE				18,136	28,367	28,367	27,608	14,261	50,093		
	Improve organisation & regulatory environment	NF				71,829	34,267	34,267	93,874	107,912	77,907		
	Establish representative Ward Mechanisms	NG				200	200	200	540	250	250		
	Improved customer satisfaction	NH				440	97,115	97,115	69,064	66,803	35,600		
	Increase levels of employee morale	NJ				400	-	-	-	-	-		
	Create new assets for public benefit	NL				20,117	-	-	1,035	3,000	8,000		
						3,102,398	5,060,343	4,662,927	3,607,364	3,995,477	3,995,477	4,828,496	4,152,655

Table 35: Reconciliation of IDP strategic objectives and budget (capital expenditure) (Support Table A6)

1. **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 has been established in accordance with the MFMA.
- **Budgeting** - The annual budget is prepared in accordance with the requirements prescribed by National Treasury and the MFMA.
- **Financial reporting** - 100% compliance with regards to monthly, quarterly and annual reporting to the Executive Mayor, Mayoral Committee, Council, Provincial and National Treasury.
- **Annual Report** - The annual report is prepared in accordance with the MFMA and National Treasury requirements.
- **Municipal Entities** - Four municipal entities were consolidated into the 2007/2008 Annual Financial Statements. However, the Philippi East Trading Centre and RED1 were discontinued during the 2007/2008 financial year.
- **Internship Programme** - The City, in participating in the Municipal Finance Management Internship Programme, has employed a number of interns to undergo training in various finance departments. Three interns completed their two-year training period at the end of March 2007 and have taken up permanent employment within the City's Finance department. Five interns are currently employed in the Treasury department.

Key issues addressed in National Treasury Circular 54: Municipal Budget Circular for the 2011/2012 MTREF – refer Annexure 15

1. Providing clean water and managing waste water

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

Blue Drop status

The entire water supply system (including the City owned catchments, dams, the 10 water treatment plants, the bulk conveyance system and the whole distribution system) was assessed for both the 2009 and 2010 Blue Drop performance ratings by the Department of Water Affairs. Subsequent to achieving 100% in the 2009 assessment, the City scored a 98.2% in the more stringent 2010 assessment. This was the second highest score achieved by a municipality in the country. The Regulator in 2010 commented as follows: *“The City of Cape Town once again impressed with a remarkable performance, scoring second highest to the City of Johannesburg by a slight fraction of a percentage point. Certainly a world class drinking water quality management outfit and therefore thoroughly deserves the Blue Drop Certification for a second year in succession”*.

The Water Service Provider constantly strives to improve its performance with respect to water quality management and the Water Safety Plan, including Risk Assessments etc., are integrated into its management processes. No major corrective interventions are currently required in terms of this plan, but provision is made in the normal budget allocations to maintain the set standards already achieved.

Green Drop status

According to the latest report issued in 2009 by the Department of Water Affairs the average Green Drop Score of the City's 23 WWTW's was 81.48%.

The Regulatory impression of the City's WWTWs is presented (in brief) below:

“As can be seen, overall WWQ management performance of the Cape Town Metro Municipality is very good. Of the 23 WWTWs, 8 achieved scores equal or higher than 90%. These were Cape Flats, Llandudno, Macassar, Melkbostrand, Mitchell's Plain, Oudekraal, Parow and West Fleur WWTWs – these WWTWs qualify for Green Drop status. It can however, be noted that all of the works, including the above, require further improvement in terms of ensuring that the works are registered and that the relevant document proof is readily available. The remainder of the WWTWs still requires more improvement, specifically in relation WWQ compliance, and WWTW capacity building and planning.”

The areas requiring attention are indicated by the Department of Water Affairs scoring system in the table below.

Waste Water Treatment Systems	Criteria							Green Drop Score
	Process Control, Maintenance & Management Skill	Monitoring programme efficiency	Credibility of Waste Water Sample Analysis	Regular submission of Waste Water Quality Results to DWA	Waste Water Quality Compliance	Waste Water Failures Response Management	Waste Water Treatment Works Capacity	
Athlone	G	A	A	A	D	A	A	69%
Bellville	G	A	A	A	D	A	F	65%
Borcherds Quarry	C	A	A	A	D	A	A	76%
Cape Flats	C	A	A	A	A	A	A	97%
Camps Bay	C	A	A	A	D	A	A	76%
Gordons Bay	C	A	A	A	D	A	A	76%
Greenpoint	C	A	A	A	D	A	A	76%
Hout Bay	C	A	A	A	D	A	C	74%
Klipheuwel	C	A	A	A	D	A	C	74%
Kraaifontein	C	A	A	A	D	A	C	74%
Llandudno	C	A	A	A	A	A	A	97%
Macassar	G	A	A	A	A	A	A	90%
Melkbosstrand	G	A	A	A	A	A	A	90%
Millers Point	C	A	A	A	D	A	C	74%
Mitchells Plain	C	A	A	A	A	A	A	97%
Oudekraal	C	A	A	A	A	A	A	97%
Parow	C	A	A	A	A	A	A	97%
Potsdam	C	A	A	A	D	A	A	76%

Table 36: Green Drop Scoring

Criteria	Score	Symbol	Description	Requirements & (Weighting)
Adequacy of Process Control, Maintenance and Management Skill	100% (10)	A	Fully complies with all requirements	1. Treatment works complying with Reg. 2834 of Water Act., in Terms of Classification and Registration. (20%) 2. Process Controllers are complying with skills requirements of Reg. 2834 of Water Act. (50%) 3. Availability of skilled maintenance skills. (10%) 4. Operations and maintenance manual is in place. (20%)
	80%-90% (8-9)	B	Complies with all requirements except for one.	
	70% (7)	C	Not complying with two requirements.	
	50% (5)	D	Not complying with criteria No. 2 or complying with No. 2 and none of the other.	
	30% (3-4)	E	Not complying with criteria No. 1 & 2 or No. 2 & 4.	
	10%-20% (1-2)	F	Not complying with the majority of the requirements.	
	0% (No info)	G	Not complying with any of the requirements or the complete lack of info.	
Efficiency of Waste Water Quality Monitoring Programme	100% (10)	A	Fully complies with all requirements.	1. Details of an effective Operational Monitoring Programme. 2. Details of an effective Compliance Monitoring Programme. 3. Proof of sufficient samples and determinants taken from sample sites.
	70% (7)	B	Complies with all requirements except for one.	
	60% (6)	C	Not complying with Requirement No. 2 and another requirement. Or not complying with any other 3 requirements.	
	30% (3)	E	Only complying with one Requirement (1 or 2).	
	15% (1.5)	F	Not complying with majority of the criteria. Only complying with one requirement.	
	0% (& no info)	G	Not complying with any of the requirements or the complete lack of info.	
Credibility of Drinking Water Sample Analysis	100% (10)	A	Fully complies with all requirements.	1. Proof to be provided of the laboratory used. 2. Laboratory is either accredited or participates in an accredited Proficiency Scheme (obtaining an acceptable Z score). 3. Proof that analysis results are used to improve process controlling.
	70% (7)	B	Complies with all requirements except for No. 1	
	60% (6)	C	Complies with all requirements except for No. 3	
	30% (3)	E	Not complying with requirement No.2 or not complying with Requirements 1 & 2.	
	15% (1.5)	F	Only complying with requirement No. 3	
	0% (& no info)	G	Not complying with any of the requirements or the complete lack of info.	
Regular submission of Waste Water Quality results to DWA	100% (12/12 months)	A	Fully complied with criterion.	1. Results must be submitted 12 months a year.
	0% (<10 months)	G	Less than 12 sets of data submitted to DWA. No data submitted.	
Waste Water Compliance with Licence conditions / General Authorisations or Special Limits	100% (35)	A	Fully complies with criteria.	1. Proof of wastewater quality compliance data for the past 12 months and copy of standards used. 2. Provide figures per determinant; number of analysis per determinant and the number of non complying analysis per determinant. 3. % compliance per Determinant (measured against overall compliance %).
	80% (28)	C	Complies with most criteria, except for one.	
	60% (21)	D	Does not comply with criteria 1 & 2.	
	20% (7)	E	Does not comply with criteria 3.	
	0%	G	Did not comply with both sub criteria or failed to submit sufficient data for assessment purposes.	
Waste Water Quality Failure Response Management	100% (20)	A	Fully complies with criteria.	1. Proof of a documented Effluent Quality Incident Management Protocol (or protocol similar in function) specifying roles and responsibilities. 2. Provide evidence of implementation.
	60% (12)	C	Have evidence to proof incident management control, but has no documented protocol.	
	40% (8)	E	Has a documented protocol in place but not evidence to proof implementation.	
	0%	G	Not complying with criteria or failed to submit sufficient information for assessment purposes.	
Waste Water Treatment works capacity	100% (5)	A	Fully complies with criteria.	
	80% (4)	B	Complies with all criteria except for one.	
	60% (3)	C	Not complying with two criteria or Criterion No. 2	
		D	Not complying with criteria No. 2 or complying with No. 2 and none of the other.	
	40% (2)	E	Not complying with criteria No. 1 & 2 or No. 2 & 4.	
	20% (1)	F	Only complies with one criterion.	
	0% (0)	G	Not complying with criteria or failed to submit sufficient information for assessment purposes.	

Table 37: Green Drop Scoring Key

Areas requiring attention

The primary problems the municipality is experiencing is that of ageing infrastructure, rapid population growth, maintenance of the existing assets and a shortage of relevant skills. These problems are being experienced throughout the Republic.

Addressing the areas requiring attention

The steps the Wastewater Department are taking to address these problems are:

- Recruitment of appropriate staff ;
- Post retirement contracts where possible;
- Training existing staff in an effort to minimise the shortage of trained experienced resources;
- Formulation of comprehensive long term Master Plans;
- Allocating financial resources to expand and maintain existing assets;
- Construction of new wastewater treatment facilities.

2011/12 Budget and MTREF proposed allocations

Capital Budget

The capital budget is allocated for increased treatment capacity, process improvements or improved effluent quality. Both the total project cost and the proposed 2011/2012 capital budget are shown below.

Wastewater Treatment Facility	Project	2011/2012 Budget (R'000)
Athlone	3 no. Additional Primary Settlement Tanks and associated equipment	3 000
Bellville	20 ML/d increase in treatment capacity	102 000
Cape Flats	Disinfection of Effluent	7 000
Kraaifontein / Fisantekraal	Upgrade RAS Pump Station	16 000
Potsdam	Increase in treatment capacity	9 377
Zandvliet	18 ML/ d increase in treatment capacity	54 660
Northern Area Sludge Processing Facility	Northern Area Sludge Processing Facility	3 000
Total for New Infrastructure		216 297

Table 38: Wastewater Treatment Facility Capital Budget

Operating Budget

The proposed 2011/2012 Operating budget is shown below.

Category	Budget (R'000)
Remuneration	76 364
Depreciation	35 985
Repairs & Maintenance	48 395
Contracted Services	57 959
General Expenses	95 829
Interest Internal Borrowings	68 487
Appropriation Account	106 060
Internal Utilities Expenditure	57 214
Insurance Departmental	4 936
Activity Based Costs	15 077
Support Services	30 976
Total Income Statement Expense	597 282

Table 39: Wastewater Treatment Facility Operating Budget

20. CAPITAL EXPENDITURE DETAILS

Municipal Vote/Capital project R thousand	Program/Project description	Project number	IDP Goal code	Asset Class	Asset Sub-Class	Total Project Estimate	Prior year outcomes		2011/12 Medium Term Revenue & Expenditure Framework			Project information	
							Audited Outcome 2009/10	Current Year 2010/11 Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14	Ward location	New or renewal
Community Services	Various			Various	Various		138,365	154,095	127,218	145,104	120,392	Various	Various
Corporate Services	Informations Systems and Technology: Dark Fibre Broadband Infrastructure	C10.16621	NA	Other assets	Computers - hardware/equipment	138,887	66,096	42,791	30,000	-	-	201	New
Corporate Services	Informations Systems and Technology: Data Centre Construction	C11.16627	NF	Other assets	Other Buildings	60,000	-	-	-	30,000	30,000	201	New
Corporate Services	Specialised Technical Services: FM Structural Rehabilitation	C11.12501	IP	Other assets	Civic Land and Buildings	164,304	-	18,000	10,200	78,495	57,609	77	Renewal
Corporate Services	Specialised Technical Services: Radio Trunking Infrastructure	C07.00621	LF	Other assets	Plant & equipment	51,553	-	2,000	1,000	1,000	1,000	201	Renewal
Corporate Services	Various			Various	Various		122,647	71,871	167,430	82,200	55,676	Various	Various
Economic and Social Development	Various			Various	Various		15,736	31,024	17,051	14,160	11,160	Various	Various
Finance Services	Various			Various	Various		16,204	14,175	5,062	3,396	3,261	Various	Various
Health	Various			Various	Various		25,567	16,896	20,568	15,046	11,546	Various	Various
Housing	Existing Settlements: Brick Skin Walls - Housing Flats	C11.15439	KA	Investment properties	Housing development	50,000	-	2,000	-	24,000	24,000	200	Renewal
Housing	Existing Settlements: Hanover Park CRU Project	C10.15433	KA	Investment properties	Housing development	225,881	7,167	30,861	64,382	33,258	55,478	47	Renewal
Housing	Existing Settlements: Heideveld CRU Project	C10.15434	KA	Investment properties	Housing development	112,483	1,745	14,134	24,478	25,259	42,788	44	Renewal
Housing	Existing Settlements: Kewtown CRU Project	C10.15431	KA	Investment properties	Housing development	53,139	14,327	29,782	-	9,029	-	49	Renewal
Housing	Existing Settlements: Langa Hostels CRU Project (579 units)	C11.15418	KA	Investment properties	Housing development	180,000	-	-	50,000	20,000	30,000	52	Renewal
Housing	Existing Settlements: Manenberg CRU Project (1584 units)	C10.15430	KA	Investment properties	Housing development	178,170	1,567	1,837	57,755	1,500	57,755	42	Renewal
Housing	Existing Settlements: Marble Flats CRU Project	C10.15435	KA	Investment properties	Housing development	107,974	2,767	20,782	27,296	24,995	23,588	66	Renewal
Housing	Existing Settlements: Scottsdale CRU Project Phase 1	C10.15425	KA	Investment properties	Housing development	83,397	10,338	47,851	-	25,208	-	6	Renewal
Housing	Existing Settlements: Uitsig CRU Project (790 units)	C10.15427	KA	Investment properties	Housing development	78,987	4,052	33,250	-	32,147	9,538	22	Renewal
Housing	Existing Settlements: Woodlands CRU Project (100 units)	C10.15428	KA	Investment properties	Housing development	85,041	84	24,007	-	39,542	21,408	75	Renewal
Housing	Informal Settlements: Enkanini Phase 2 - UISP 2000 Units	C12.15705	KM	Infrastructure	Various	60,933	-	-	9,580	-	5,000	200	New
Housing	New Settlements: Bardale / Fairdale: Develop 4000 Units	C06.41540	KL	Infrastructure	Various	147,660	25,186	31,000	-	50,000	12,000	18	New
Housing	New Settlements: Happy Valley Phase 2 - 1000 Units	C06.41568	KL	Infrastructure	Various	55,064	664	4,400	-	35,000	15,000	14	New
Housing	New Settlements: Nyanga Upgrading Project (PLF & UISP)	C06.41502	KL	Infrastructure	Various	72,983	72	1,500	3,890	9,500	3,475	200	New
Housing	New Settlements: Pelican Park Phase 1 Housing Project	C06.41511	KL	Infrastructure	Various	50,000	-	-	10,000	20,000	20,000	67	New
Housing	New Settlements: Witsand Phase 2 Atlantis Housing Project	C06.41500	KL	Infrastructure	Various	51,257	10,762	23,159	-	13,509	-	32	New
Housing	Various			Various	Various		150,981	190,807	503,726	258,400	193,697	Various	Various

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Municipal Vote/Capital project R thousand	Program/Project description	Project number	IDP Goal code	Asset Class	Asset Sub-Class	Total Project Estimate	Prior year outcomes		2011/12 Medium Term Revenue & Expenditure Framework			Project information	
							Audited Outcome 2009/10	Current Year 2010/11 Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14	Ward location	New or renewal
							Internal Audit	Various			Various	Various	419
Office of the City Manager	Various			Various	Various	4,309	26,237	37,791	39,034	44,034	Various	Various	
Safety & Security	Various			Various	Various	58,554	35,837	32,206	14,777	14,777	Various	Various	
Strategy and Planning	Various			Various	Various	73,332	52,556	50,006	56,817	53,917	Various	Various	
Transport, Roads & Major Projects	2010 World Cup Technical: 2010 Reconfiguration of Common	C10.10105	HK	Community	Sportsfields & stadia	295,457	158,539	84,879	-	52,039	-	54	New
Transport, Roads & Major Projects	IRT Implementation: Intergrated Bus Rapid Transit System	C09.00313	JA	Infrastructure	Transportation	327,448	64,453	141,769	16,895	48,892	55,439	200	New
Transport, Roads & Major Projects	IRT Implementation: IRT: Atlantis Depot	C11.10505	JA	Infrastructure	Transportation	101,995	-	67	-	101,928	-	200	New
Transport, Roads & Major Projects	IRT Implementation: IRT: Depot Infrastructure	C10.00126	JA	Infrastructure	Transportation	54,850	-	23,314	-	31,535	-	200	New
Transport, Roads & Major Projects	IRT Implementation: IRT: Inner City Feeder Stops	C11.10501	JA	Infrastructure	Various	185,053	-	54,477	-	103,059	27,517	200	New
Transport, Roads & Major Projects	IRT Implementation: IRT: NMT	C11.10507	JA	Infrastructure	Roads, Pavements, Bridges & Storm Water	76,198	-	5,505	15,347	40,000	15,347	200	New
Transport, Roads & Major Projects	IRT Implementation: IRT: Potsdam Depot	C11.10504	JA	Infrastructure	Transportation	82,096	-	10,000	-	72,096	-	23	New
Transport, Roads & Major Projects	IRT Implementation: IRT: Trunk Stations	C11.10502	JA	Infrastructure	Roads, Pavements, Bridges & Storm Water	341,753	-	57,475	111,598	123,390	49,291	200	New
Transport, Roads & Major Projects	IRT Implementation: IRT:InnerCityDepots-Property Acquisition	C11.10503	JA	Infrastructure	Transportation	80,400	-	-	-	-	80,400	200	New
Transport, Roads & Major Projects	IRT Implementation: IRT:WestCoastCorridor	C10.10327	JA	Infrastructure	Roads, Pavements, Bridges & Storm Water	910,119	50,633	211,559	280,881	247,067	119,978	55	New
Transport, Roads & Major Projects	IRT Operations: IRT: Control Centre	C11.10123	JA	Other assets	Plant & equipment	163,326	-	54,128	21,237	79,738	8,222	201	New
Transport, Roads & Major Projects	IRT Operations: IRT: Fare Collection	C11.10124	JA	Other assets	Plant & equipment	311,893	-	77,076	7,657	186,360	40,799	201	New
Transport, Roads & Major Projects	IRT Operations: IRT: Vehicle Acquisition	C11.10121	JA	Other assets	General vehicles	149,841	-	-	-	-	149,841	201	New
Transport, Roads & Major Projects	IRT Operations: IRT: Vehicle Acquisition	C11.10122	JA	Other assets	General vehicles	252,910	-	-	252,910	-	-	201	New
Transport, Roads & Major Projects	Roads and Stormwater: 2010: Klipfontein PT NMT Scheme	C07.10501	HK	Infrastructure	Roads, Pavements, Bridges & Storm Water	50,732	14,661	7,500	-	5,000	-	200	New
Transport, Roads & Major Projects	Roads and Stormwater: Atlantis Dev Corr - M12:	C07.00500	IB	Infrastructure	Roads, Pavements, Bridges & Storm Water	67,579	14,850	5,469	2,000	3,400	5,000	104	New
Transport, Roads & Major Projects	Roads and Stormwater: Brackenfell Blvd - De Bron-Lang	C05.00956	IB	Infrastructure	Transportation	51,648	603	3,000	3,000	4,000	4,000	103	New
Transport, Roads & Major Projects	Roads and Stormwater: Construct Rds:Broadway Extension	C05.00986	IB	Infrastructure	Transportation	113,000	4,400	-	10,000	-	3,000	100	New
Transport, Roads & Major Projects	Roads and Stormwater: CSR: Lotus Canal Widening:Gugulethu	C05.01092	IE	Infrastructure	Roads, Pavements, Bridges & Storm Water	64,674	754	9,396	1,000	6,000	2,000	200	New
Transport, Roads & Major Projects	Roads and Stormwater: Flood Alleviation - Lourens River	C05.01503	IE	Infrastructure	Roads, Pavements, Bridges & Storm Water	66,440	6,068	300	1,000	1,100	1,800	83	Renewal
Transport, Roads & Major Projects	Roads and Stormwater: IM: Reconstruct Roads Metro	C10.10411	IB	Infrastructure	Transportation	58,034	-	-	-	58,034	-	200	Renewal
Transport, Roads & Major Projects	Roads and Stormwater: Khayelisha Rail Extension T1	C08.10502	JA	Other assets	Other	168,749	18,315	16,472	57,000	25,000	30,000	95	Renewal

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Municipal Vote/Capital project	Program/Project description	Project number	IDP Goal code	Asset Class	Asset Sub-Class	Total Project Estimate	Prior year outcomes		2011/12 Medium Term Revenue & Expenditure Framework			Project information	
							Audited Outcome 2009/10	Current Year 2010/11 Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14	Ward location	New or renewal
Transport, Roads & Major Projects	Roads and Stormwater: Pelican Park: Strandfontein Road Upgr	C08.10325	IB	Infrastructure	Transportation	281,373	49,473	32,140	30,000	24,000	20,000	66	Renewal
Transport, Roads & Major Projects	Roads and Stormwater: Vlakkeplaas Bulk Roads & S/water	C08.04407	IB	Infrastructure	Transportation	60,500	-	500	3,000	5,500	16,500	100	New
Transport, Roads & Major Projects	Roads and Stormwater: WC: Ped Imprments to Somerset Rd	C08.10510	HK	Infrastructure	Roads, Pavements, Bridges & Storm Water	53,797	24,642	17,526	-	2,000	-	54	Renewal
Transport, Roads & Major Projects	Transport: Lentegeur & Mandalay Station PTI's:Dsg	C06.41752	JA	Infrastructure	Transportation	76,381	80	11,000	25,000	15,000	25,000	200	New
Transport, Roads & Major Projects	Transport Mitchell's Plain Station TI	C07.01059	JA	Infrastructure	Transportation	169,255	8,862	14,800	33,000	53,240	33,220	78	New
Transport, Roads & Major Projects	Transport Site C Transport Infrastructure Developm	C10.10584	JJ	Infrastructure	Roads, Pavements, Bridges & Storm Water	81,300	-	-	35,000	16,300	30,000	90	New
Transport, Roads & Major Projects	Various			Various	Various		1,940,244	727,960	793,291	(252,461)	412,342	Various	Various
Utility Services	Electricity Services: Koeberg Rd Switching Station Ph 2	C10.84050	IB	Infrastructure	Electricity Reticulation	102,204	-	-	90,043	-	12,162	200	New
Utility Services	Electricity Services: Kraaifontein Reinforcement	C12.84056	IB	Infrastructure	Electricity Reticulation	53,567	-	-	23,138	50	30,379	101	Renewal
Utility Services	Electricity Services: Main Subst MV Switchgear Replacement	C08.84043	IB	Infrastructure	Electricity Reticulation	56,172	3,128	11,065	13,179	11,000	17,350	200	Renewal
Utility Services	Electricity Services: MV Switchgear Refurbishment North	C14.84120	IB	Infrastructure	Electricity Reticulation	50,000	-	-	50,000	-	-	200	Renewal
Utility Services	Electricity Services: New Building Complex Bloemhof	C09.84065	IB	Other assets	Civic Land and Buildings	255,199	12,683	19,544	17,598	71,506	117,083	3	New
Utility Services	Electricity Services: Oakdale - Boston: Replace 33 kV Cables	C09.84040	IB	Infrastructure	Electricity Reticulation	61,615	-	7,715	-	53,900	-	200	Renewal
Utility Services	Electricity Services: Oakdale Upgrade	C10.84044	IB	Infrastructure	Electricity Reticulation	50,686	16,892	32,515	-	1,279	-	200	New
Utility Services	Electricity Services: Piers Road Substation Upgrade	C12.84071	IB	Infrastructure	Electricity Reticulation	54,647	-	-	-	28,945	25,702	200	Renewal
Utility Services	Electricity Services: Retreat Area Office	C08.84049	IB	Other assets	Civic Land and Buildings	71,803	104	-	50,000	-	20,000	72	New
Utility Services	Electricity Services: Rosmead Avenue Reinforcement	C07.00617	IB	Infrastructure	Electricity Reticulation	144,333	17,683	124,541	-	2,109	-	63	New
Utility Services	Electricity Services: Vanguard Transformer Replacement	C10.84029	IB	Infrastructure	Electricity Reticulation	79,550	-	-	-	41,000	38,550	200	Renewal
Utility Services	Solid Waste Services: Development of Landfill Infrastructure	C12.85022	IB	Infrastructure	Refuse	157,168	-	-	-	157,168	-	200	Renewal
Utility Services	Solid Waste Services: Development of Landfill Infrastructure	C13.85000	IB	Infrastructure	Refuse	159,332	-	-	-	-	159,332	200	Renewal
Utility Services	Solid Waste Services: Plant & Vehicles	C12.85003	IB	Other assets	General vehicles	137,794	-	-	-	137,794	-	200	New
Utility Services	Solid Waste Services: Plant & Vehicles	C13.85005	IB	Other assets	General vehicles	98,300	-	-	-	-	98,300	200	New
Utility Services	Solid Waste Services: Plant & Vehicles	C14.85004	II	Other assets	General vehicles	68,100	-	-	68,100	-	-	200	New
Utility Services	Solid Waste Services: Reh. and Closure of L/ill Sites	C13.85001	IB	Infrastructure	Refuse	74,000	-	-	-	-	74,000	200	New
Utility Services	Solid Waste Services: Rehabilitation of Landfill Sites	C14.85009	IB	Infrastructure	Refuse	79,000	-	-	79,000	-	-	200	New

Continued on next page...

Municipal Vote/Capital project R thousand	Program/Project description	Project number	IDP Goal code	Asset Class	Asset Sub-Class	Total Project Estimate	Prior year outcomes		2011/12 Medium Term Revenue & Expenditure Framework			Project information	
							Audited Outcome 2009/10	Current Year 2010/11 Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14	Ward location	New or renewal
Utility Services	Solid Waste Services: Solid Waste Management Infrastructure	C14.85001	IB	Infrastructure	Refuse	187,832	-	-	187,832	-	-	200	New
Utility Services	Various			Various	Various		1,408,619	1,177,159	670,246	1,165,973	1,271,186	Various	Various
Utility Services	Water Services: Athlone Wastewater Treatment Works	C06.30201	II	Infrastructure	Sewerage Purification & Reticulation	93,491	12,164	23,200	-	3,000	-	49	Renewal
Utility Services	Water Services: Bellville Wastewater Treatment Works	C06.30170	II	Infrastructure	Sewerage Purification & Reticulation	290,396	14,900	39,000	8,000	102,000	89,000	9	New
Utility Services	Water Services: Bellville WWTW - Upgrade clarifirs	C13.86002	II	Infrastructure	Sewerage Purification & Reticulation	51,000	-	-	1,000	-	-	200	Renewal
Utility Services	Water Services: Bulk Water Augmentation Scheme	C11.86077	IB	Infrastructure	Water, Reservoirs & Reticulation	487,900	-	800	374,000	23,800	89,300	200	New
Utility Services	Water Services: Cape Flats Wastewater Treatment Works	C06.30185	ID	Infrastructure	Sewerage Purification & Reticulation	82,027	21,866	38,000	-	7,000	-	67	Renewal
Utility Services	Water Services: Contermans Kloof Water mains	C08.86024	IB	Infrastructure	Water, Reservoirs & Reticulation	74,209	22,161	3,064	-	30,000	-	105	New
Utility Services	Water Services: Development of Additional Infrastructure	C05.01268	IG	Infrastructure	Water, Reservoirs & Reticulation	109,901	11,280	370	38,681	16,200	40,700	200	New
Utility Services	Water Services: Infrastructure Replace/Refurbish - WWT	C12.86070	IB	Infrastructure	Sewerage Purification & Reticulation	60,000	-	-	-	20,000	-	200	Renewal
Utility Services	Water Services: Macassar WWTW Extension (MIG)	C13.86052	II	Infrastructure	Sewerage Purification & Reticulation	75,000	-	-	15,500	-	-	15	Renewal
Utility Services	Water Services: Macassar WWTW-extension	C12.86059	IB	Infrastructure	Sewerage Purification & Reticulation	58,000	-	-	-	-	500	15	Renewal
Utility Services	Water Services: Main Rd Upgrade M/Berg to Clovelly Rehab	C08.86038	IB	Infrastructure	Water, Reservoirs & Reticulation	77,970	11,955	10,850	10,000	14,179	12,588	64	New
Utility Services	Water Services: Northern Area Sewer Thornton	C07.00407	IB	Infrastructure	Sewerage Purification & Reticulation	107,967	1,975	1,900	22,000	45,000	37,000	53	New
Utility Services	Water Services: Northern Regional Sludge Facility	C12.86075	IB	Infrastructure	Sewerage Purification & Reticulation	120,000	-	-	47,300	3,000	30,000	200	New
Utility Services	Water Services: Potsdam WWTW - Extension	C11.86063	IB	Infrastructure	Sewerage Purification & Reticulation	249,999	-	7,750	78,300	9,377	21,000	4	Renewal
Utility Services	Water Services: Zandvliet WWTW-Extension	C10.86033	ID	Infrastructure	Sewerage Purification & Reticulation	180,248	-	10,598	34,950	54,660	60,300	15	New
Total Capital expenditure									4,828,496	4,152,655	4,291,349		

Table 40: Capital budget detail (support Table A36)

Note: Refer to Annexure 1 for details of all 2011/2012 capital projects.

21. OTHER SUPPORTING DOCUMENTS

Description R thousand	Vote1 - Community Services	Vote2 - Corporate Services	Vote3 - Economic and Social	Vote4 - Finance Services	Vote5 - Health	Vote6 - Housing	Vote7 - Internal Audit	Vote8 - Office of the City Manager	Vote9 - Rates & Other	Vote10 - Safety & Security	Vote11 - Strategy and Planning	Vote12 - Transport , Roads and	Vote13 - Utility Services	Total
Revenue By Source														
Property rates	-	-	-	-	-	-	-	-	4,511,985	-	-	-	-	4,511,985
Property rates - penalties & collection charges	-	-	-	-	-	-	-	-	85,759	-	-	-	-	85,759
Service charges - electricity revenue	-	-	-	-	-	-	-	-	-	-	-	-	8,125,664	8,125,664
Service charges - water revenue	-	-	-	-	-	-	-	-	-	-	-	-	1,828,095	1,828,095
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-	-	-	-	991,118	991,118
Service charges - refuse revenue	4	-	-	-	-	-	-	-	-	157	-	-	820,249	820,410
Service charges - other	15,872	924	2,310	7,005	201	10,107	-	4	-	8,726	71,569	110,013	398,642	625,371
Rental of facilities and equipment	21,981	845	68,602	1	-	169,728	-	-	-	175	114	2,431	166	264,043
Interest earned - external investments	-	-	10	171,378	-	21,000	-	-	-	26	-	-	12	192,426
Interest earned - outstanding debtors	-	-	615	-	-	-	-	-	-	650	20	50	217,000	218,335
Fines	3,052	-	2	-	18	-	-	-	-	182,685	1,132	-	3	186,892
Licences and permits	391	-	181	-	34	-	-	-	-	28,233	981	225	-	30,046
Agency services	-	-	-	105,000	-	-	-	-	-	10,993	-	-	-	115,993
Other revenue	471	24,013	77	90,463	3,472	5,541	-	2,240	1,609,090	46	673	54,148	84,758	1,874,992
Transfers recognised - operational	31,633	-	4,150	7,060	304,324	174,933	-	-	948,232	424	2,240	306,825	-	1,779,822
Gains on disposal of PPE	-	1,500	99,000	-	-	2,000	-	-	-	-	-	-	2,500	105,000
Total Revenue (excluding capital transfers and contributions)	73,404	27,282	174,947	380,908	308,048	383,310	-	2,244	7,155,066	232,116	76,729	473,693	12,468,207	21,755,952
Expenditure By Type														
Employee related costs	728,292	857,627	137,336	458,990	440,551	230,798	30,518	132,249	33,336	1,037,922	311,584	466,797	2,147,933	7,013,931
Remuneration of councillors	-	-	-	-	-	-	-	108,786	-	-	-	-	-	108,786
Debt impairment	-	-	8,400	-	-	120,668	-	-	285,131	-	-	-	669,882	1,084,080
Depreciation & asset impairment	77,048	133,059	12,810	11,118	6,966	65,468	303	5,887	-	35,609	24,912	356,928	662,715	1,392,823
Finance charges	-	-	-	766,367	-	-	-	-	-	-	-	-	-	766,367
Bulk purchases	-	-	-	-	-	-	-	-	-	-	-	-	-	5,785,876
Other materials	9,919	11,830	935	982	2,565	14,139	3	437	-	4,221	869	35,399	237,999	319,298
Contracted services	264,573	254,682	23,839	5,336	10,974	120,586	617	4,860	-	17,931	16,558	475,869	1,014,320	2,210,144
Transfers and grants	-	-	77,000	-	650	-	-	225	-	-	999	4,000	385	83,260
Other expenditure	150,849	363,423	41,664	308,861	180,739	156,182	1,524	77,261	353,335	164,024	33,175	477,556	839,422	3,148,014
Total Expenditure	1,230,680	1,620,620	301,984	1,551,654	642,445	707,841	32,964	329,705	671,801	1,259,707	388,097	1,816,549	11,358,533	21,912,580
Surplus/(Deficit)	(1,157,277)	(1,593,339)	(127,037)	(1,170,746)	(334,397)	(324,531)	(32,964)	(327,461)	6,483,265	(1,027,592)	(311,367)	(1,342,856)	1,109,674	(156,628)
Transfers recognised - capital	83,509	-	5,101	40	13,610	664,645	-	19,000	-	3,300	7,000	1,510,138	273,615	2,579,958
Contributions recognised - capital	1,196	2,000	90	-	-	-	-	-	-	-	-	2,049	45,600	50,935
Contributed assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(1,072,572)	(1,591,339)	(121,846)	(1,170,706)	(320,787)	340,114	(32,964)	(308,461)	6,483,265	(1,024,292)	(304,367)	169,331	1,428,888	2,474,264

Table 41: Financial Performance Budget (revenue source/expenditure type & dept.)(Support Table A2)

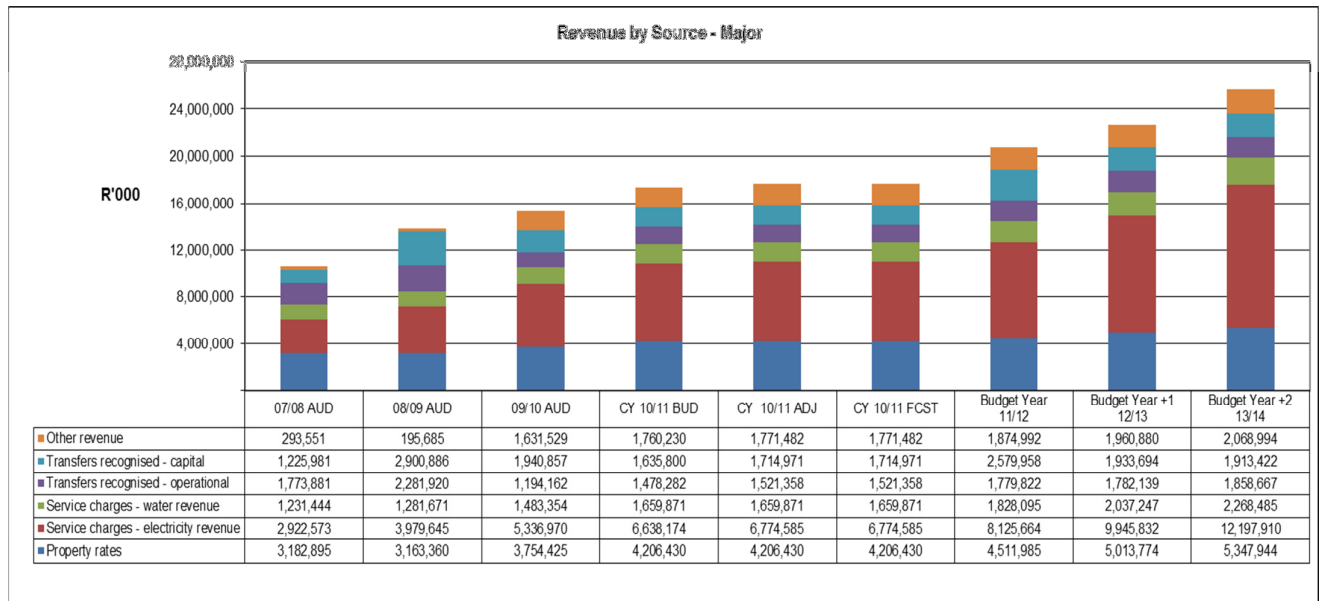


Figure 8: Revenue by Major Source (refer 'Minor' source for 'Other Revenue' allocation)

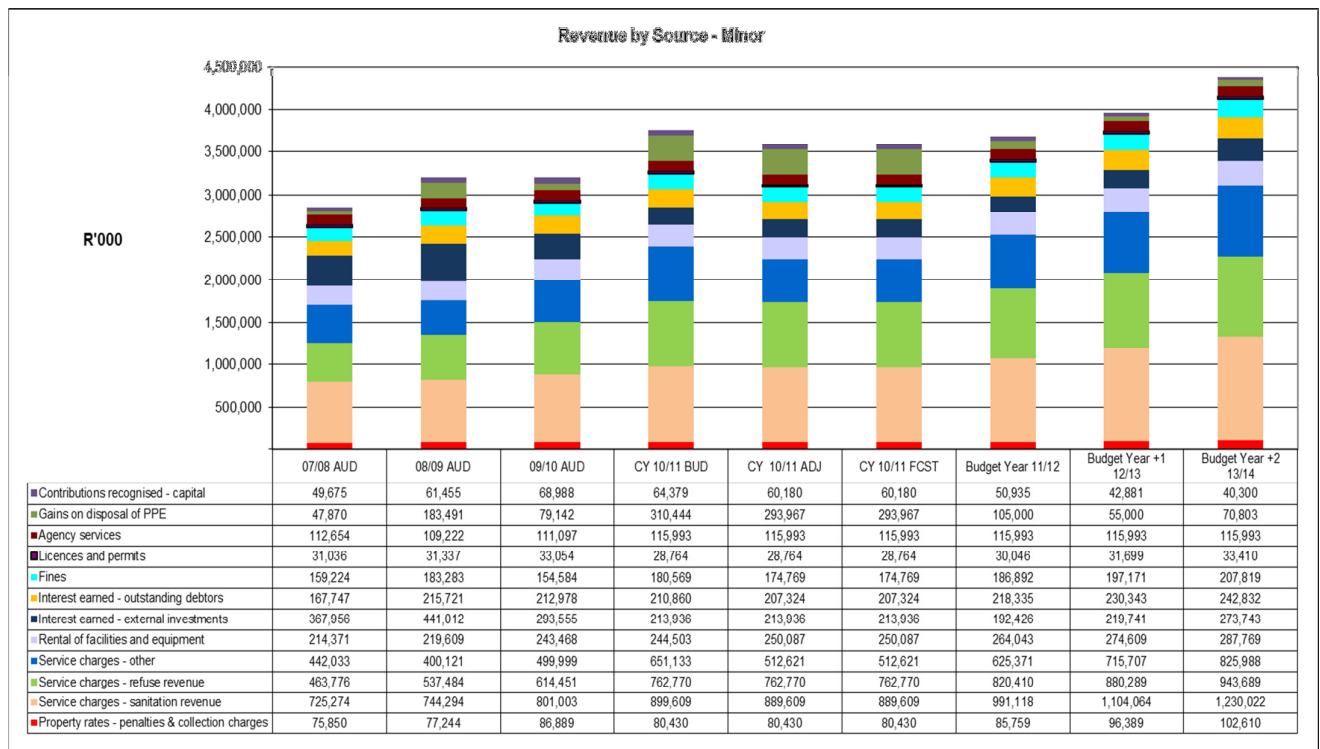


Figure 9: Revenue by Minor Source (Other)



Figure 10: Operating expenditure by major type

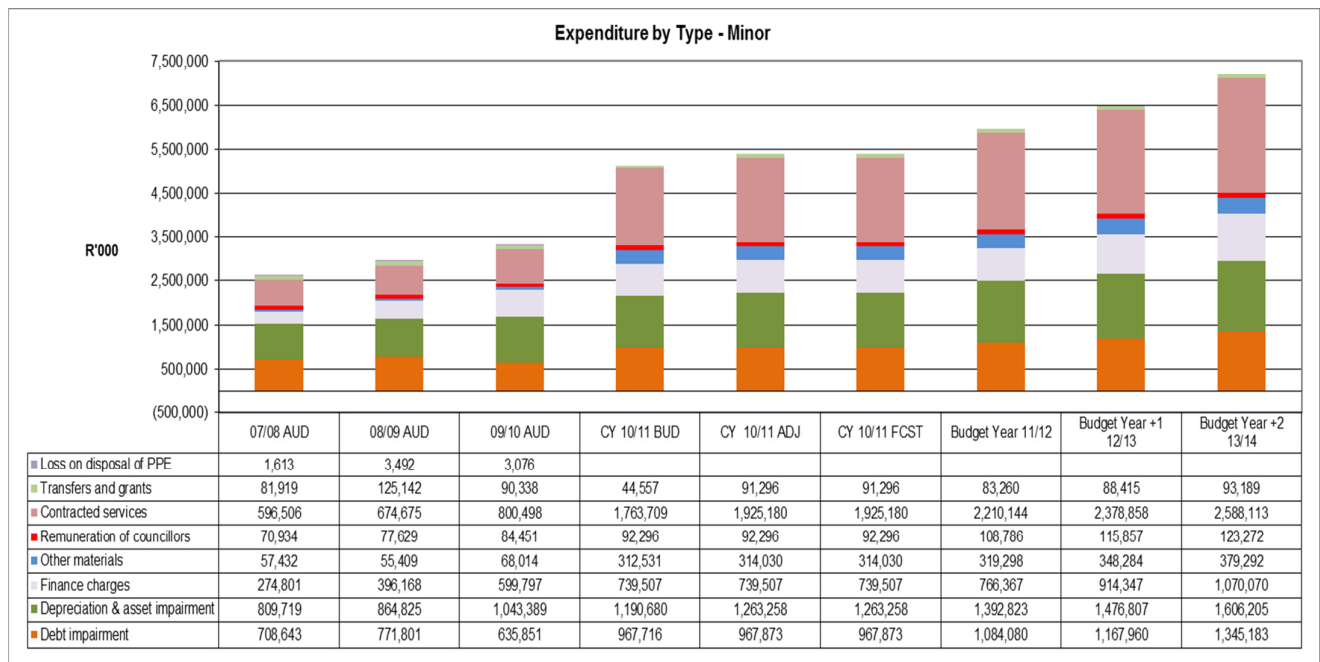


Figure 11: Operating expenditure by minor type

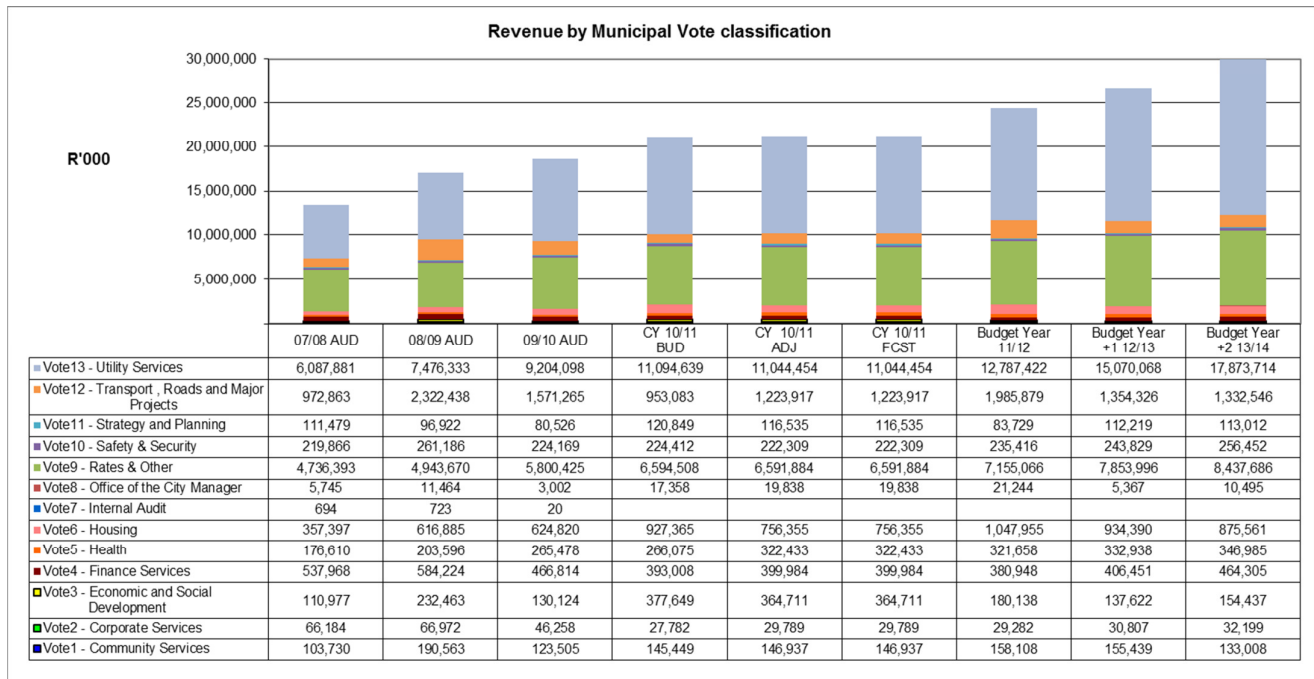


Figure 12: Revenue by municipal vote classification

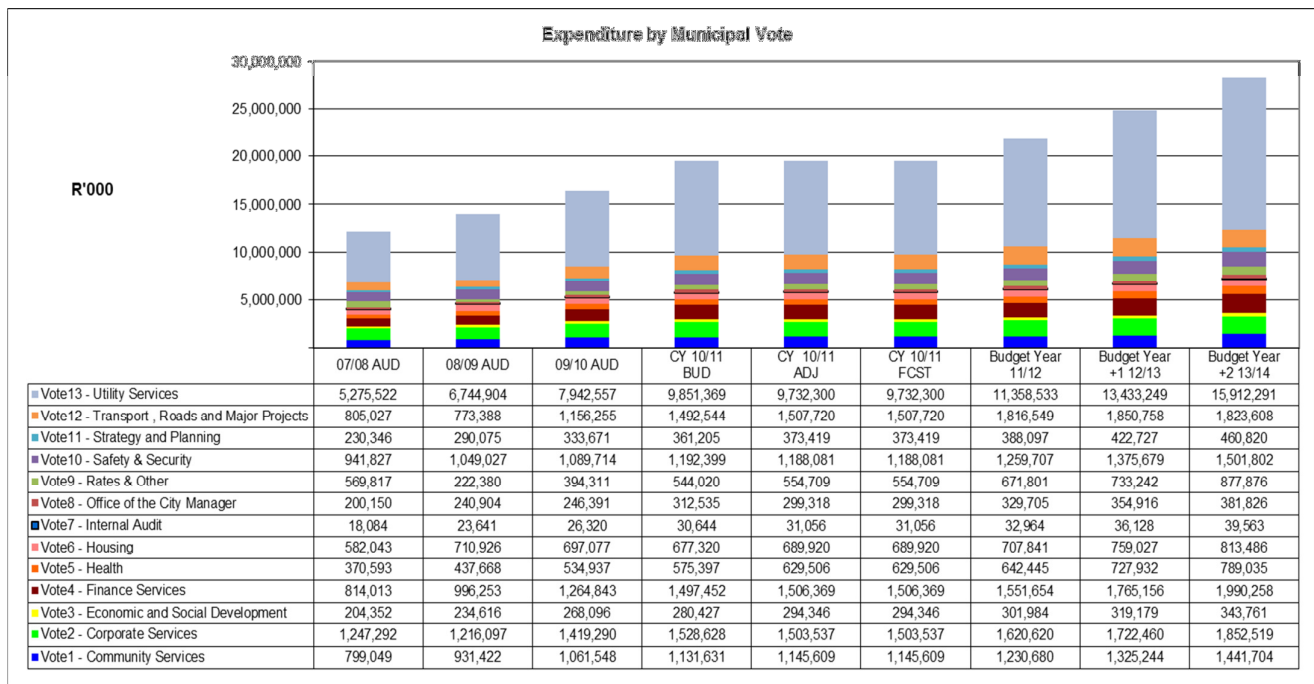


Figure 13: Expenditure by municipal vote classification

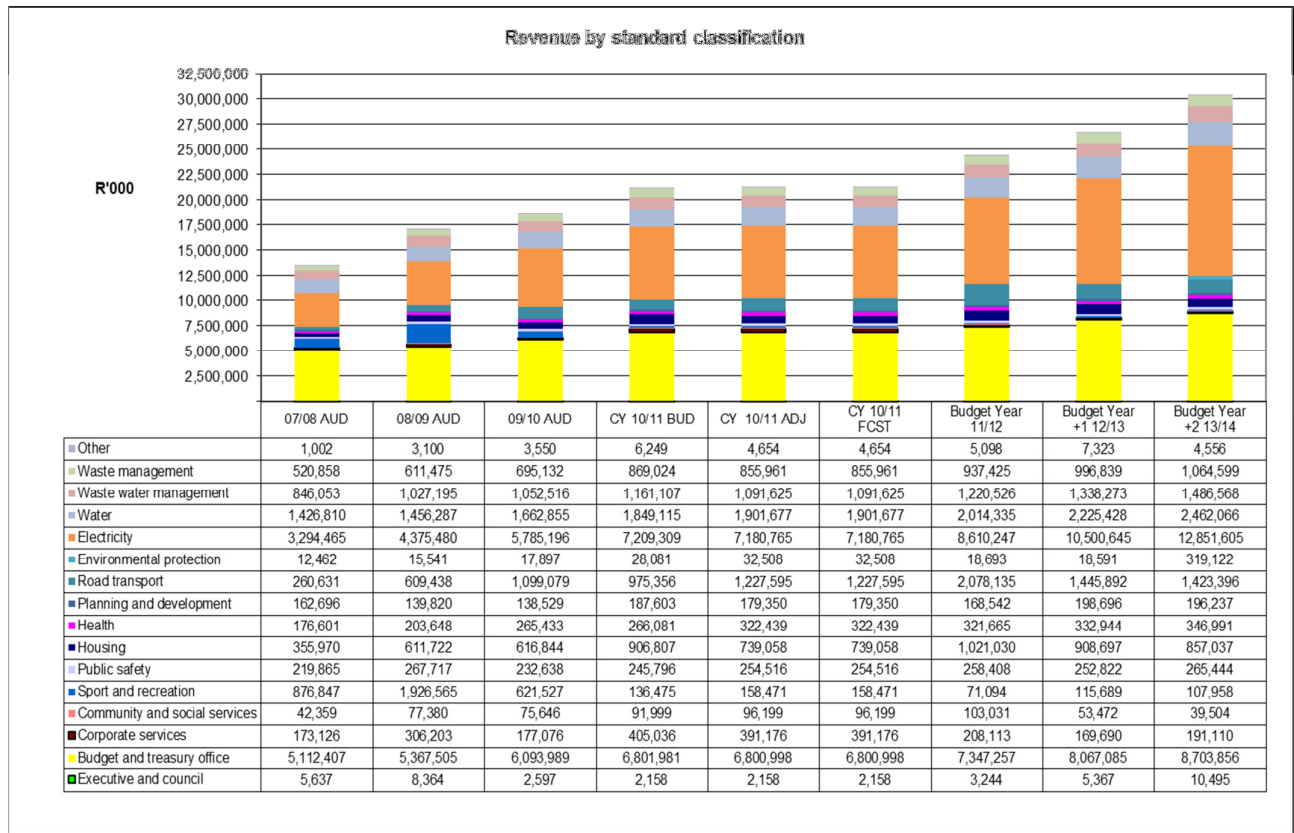


Figure 14: Revenue by standard classification

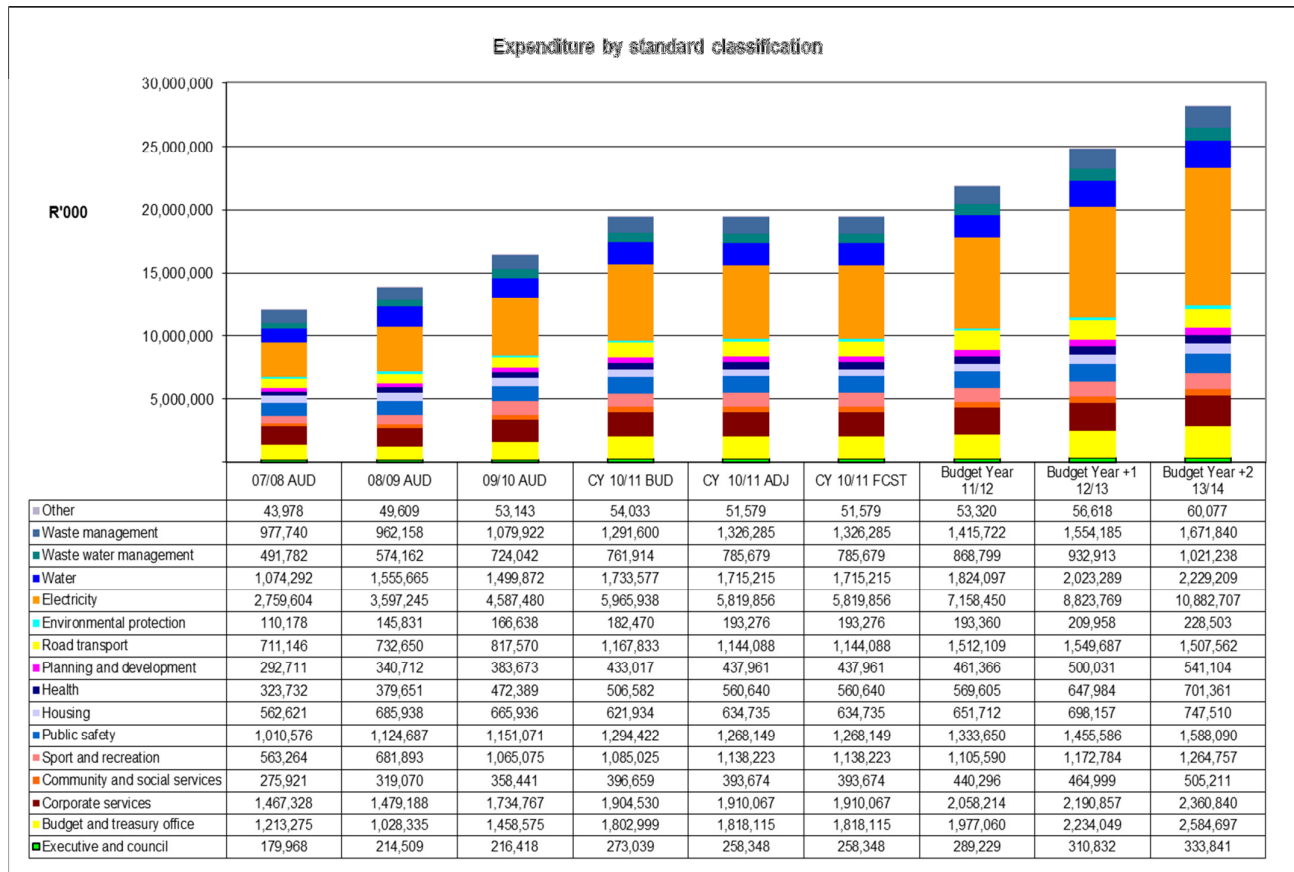


Figure 15: Expenditure by standard classification

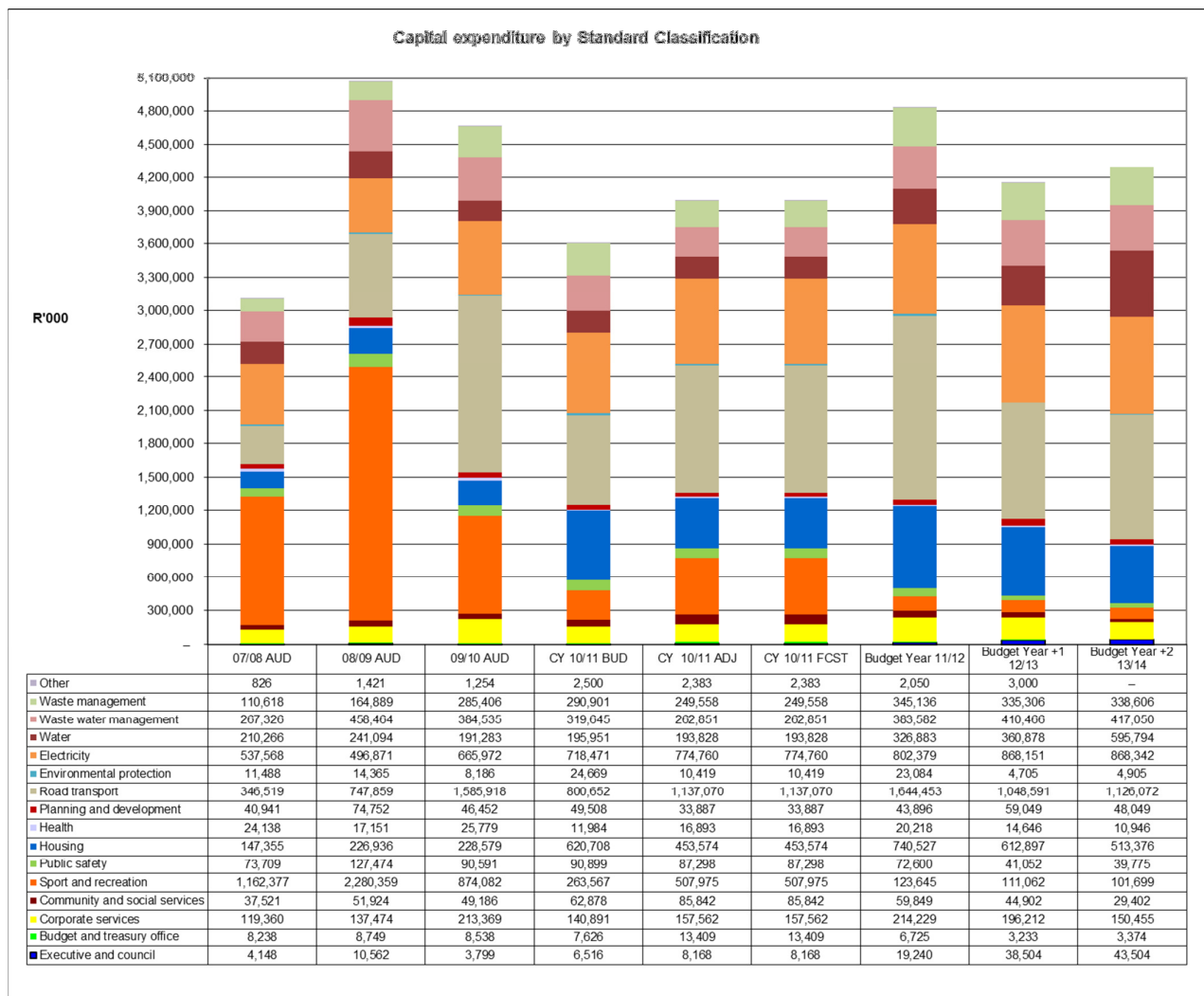


Figure 16: Capital expenditure by standard classification

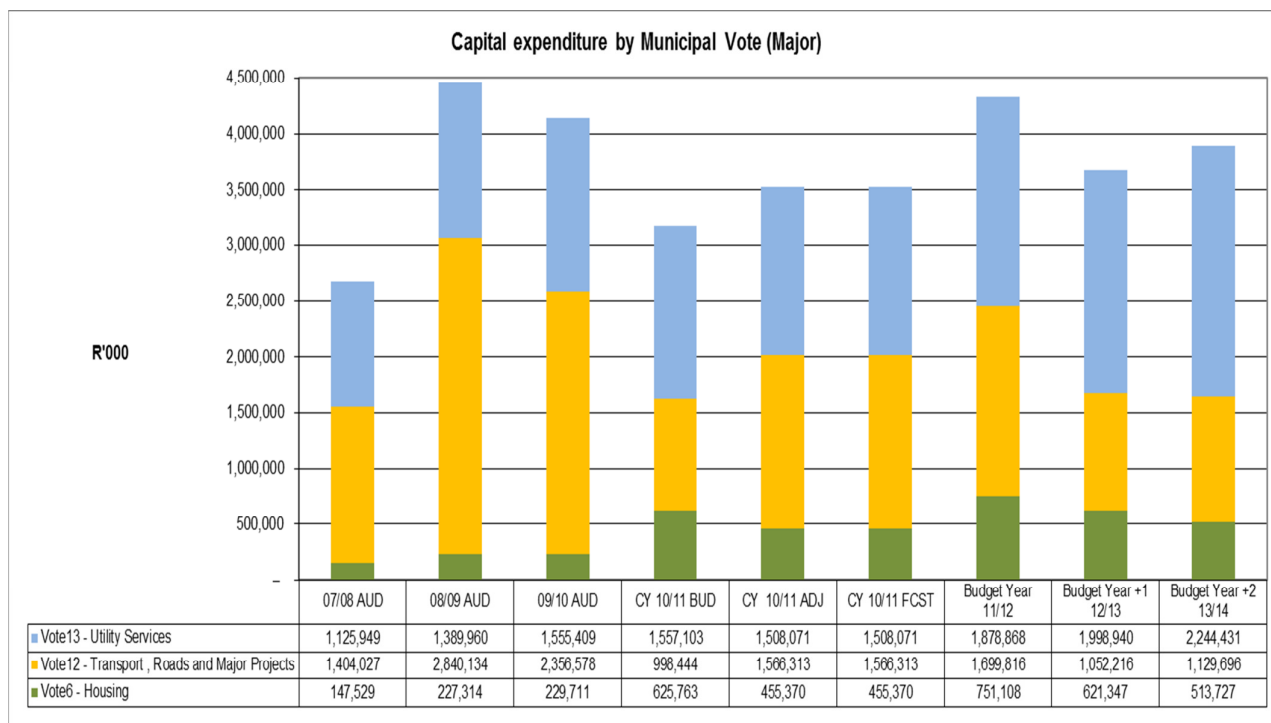


Figure 17: Capital expenditure by municipal vote – major

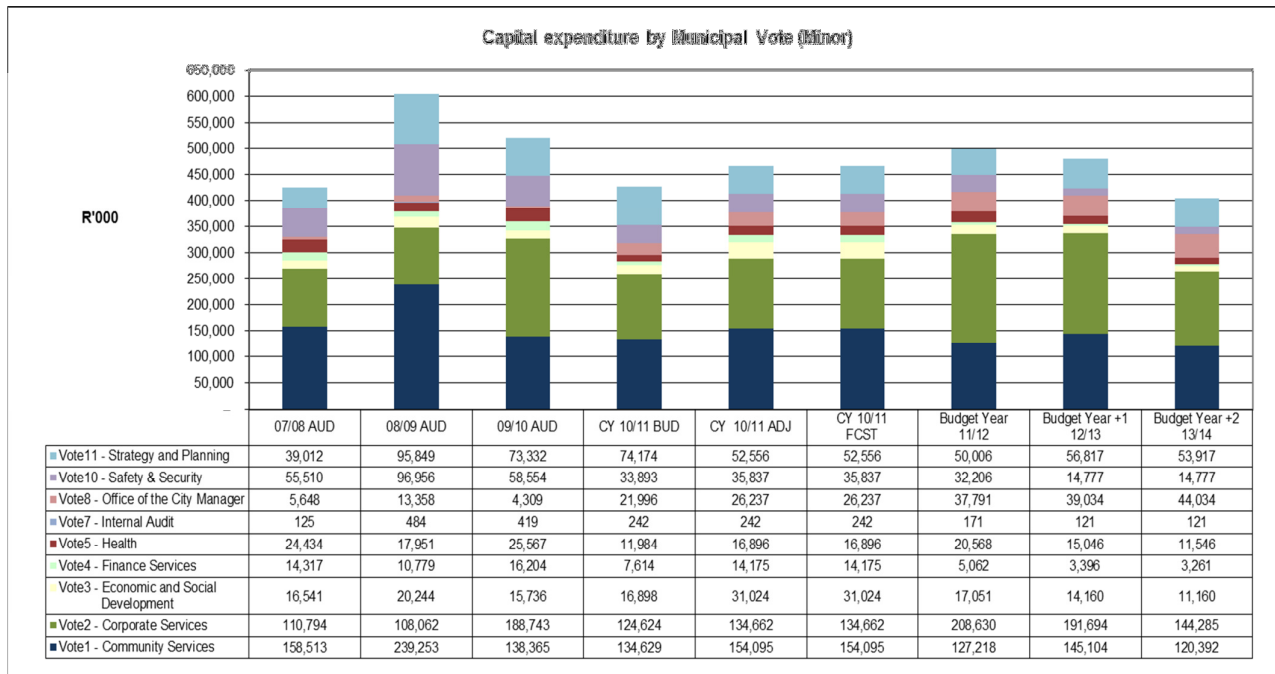


Figure 18: Capital expenditure by municipal vote – minor

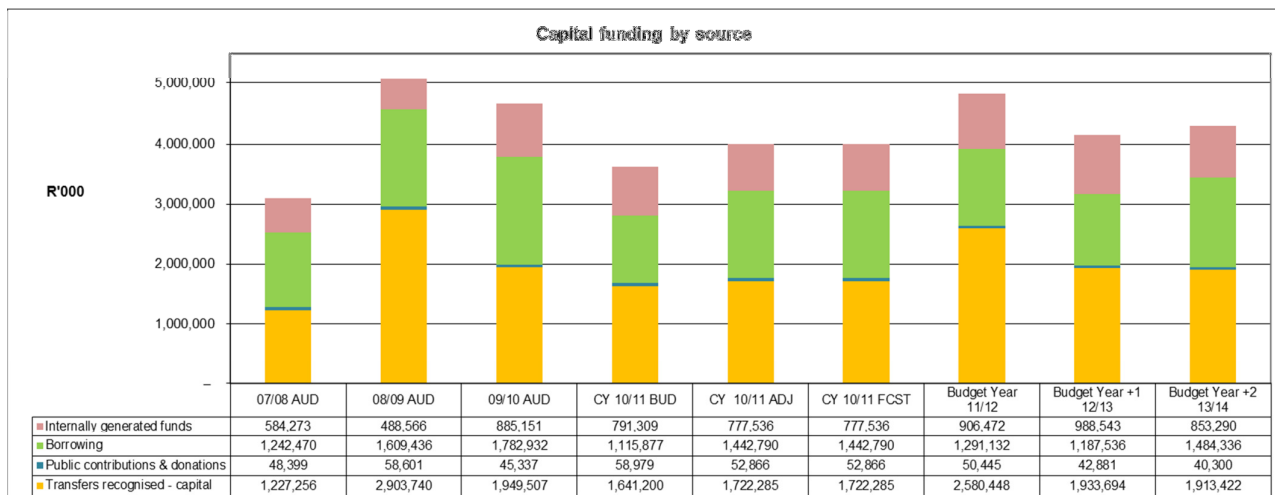


Figure 19: Capital funding by source