

**ANNEXURE A**

**CITY OF CAPE TOWN**

**BUDGET**

For the financial period  
2013/14 to 2015/16

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**MAY 2013**

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## Glossary of Terms and Abbreviations

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

**Allocations** – Money received from Provincial and National Treasury.

**Budget** – The financial plan of a municipality.

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

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

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

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

**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 (EMT)** - 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

**MBRR** – Municipal Budget Reporting Regulations

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

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

**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.

**Sub councils** - The metropolitan area governed by the City is divided into sub councils, 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.

## Part 1 - Annual Budget

### 1.1 Council resolutions

#### The 2013/14 MTREF budget resolutions recommend that:

1. The City's annual budget for the financial year 2013/14; and indicative allocations for the two projected outer years 2014/15 and 2015/16 and related policies, as tabled, be approved and adopted, as set out in the following schedules and annexures:
  - a. Operating expenditure by standard classification reflected in Table 22.
  - b. Operating expenditure by vote reflected in Table 23.
  - c. Operating revenue by source reflected in Table 25.
  - d. Multi-year capital appropriations per project by vote together with the total project cost reflected in Annexure 1 and Table 83.
  - e. Capital expenditure by standard classification reflected in Table 26.
  - f. Capital funding by source reflected in Table 26.
  - g. Budgeted Cash Flow statement as reflected in Table 28.
  - h. Salaries and Benefits of Political Office Bearers, Councillors and Senior Officials as reflected in Table 52 and Table 53.
  - i. Performance Indicators and benchmarks for 2013/14 as set out in Table 35.
  - j. Property Rates as set out in Annexure 2.
  - k. Special Rating Areas (SRA) Policy and Special Rating Areas Additional Rates (including City Improvement Districts) as set out in Annexure 3.
  - l. Revised Consumptive Tariffs, Rates and Basic Charges for Electricity Services, Water Services and Waste Management Services as set out in Annexure 4.
  - m. Tariffs, Fees and Charges Book incorporating miscellaneous tariffs, charges, rates and levies for 2013/14 and Special Rating Areas Additional Rates as set out in Annexure 6.
  - n. Rates Policy as set out in Annexure 5.
  - o. Tariff Policies as set out in Annexure 7.
  - p. Credit Control and Debt Collection Policy as set out in Annexure 8.
  - q. Grants Policy as set out in Annexure 9.
  - r. Integrated Development Plan as set out in Annexure 10.
  - s. Budgets for Municipal Entities reflected in Table 86 and Table 87.
  - t. Grants, Subsidies and Contributions to external entities in 2013/14 as set out in Annexure 11.
  - u. Operating and Capital ward allocation projects supported by sub councils as set out in Annexure 12.
  - v. Long Term Financial Plan Policy as set out in Annexure 14.
  - w. Budget Management and Oversight Policy as set out in Annexure 15.
  - x. Unforeseen and Unavoidable Expenditure Policy as set out in Annexure 16.
  - y. Policy Governing Adjustment Budgets as set out in Annexure 17.
  - z. Policy Governing Planning and Approval of Capital Projects as set out in Annexure 18.
  - aa. Fare Policy for Contracted, Road-Based Public Transport as set out in Annexure 19.
  - bb. Virement Policy as set out in Annexure 20.
  - cc. Individual projects with a total project cost in excess of R50 million having future budgetary implications (to give effect to Section 19(1)(b) of the MFMA) as reflected in Table 78 and Annexure 21.

- dd. Iconic and other events to be hosted by the City in the 2013/14 financial year as set out in Annexure 22.
- ee. Policy on Accounts Payable as set out in Annexure 23.
  
- 2. The National Treasury Circulars 66 and 67 (“Municipal Budget Circular for the 2013/14 MTREF”) as set out in Annexure 13 is annexed to this report for noting.
  
- 3. Service delivery plans or business plans with measurable targets be approved by the Executive Mayor within 28 days after the approval of the budget.
  
- 4. Unspent conditional grant allocations (national) as at the end of the 2012/13 financial year, and appropriated or voted to 2013/14 and future years, not be committed to expenditure until approval thereof is obtained from the National Treasury, per directive of Budget Circular 48 (2009), Circular 51 (2010), Circular 55 (2011), Circular 59 (2012) and Circular 67 (2013).
  
- 5. That the Capital Replacement Reserve: Ward Allocations be funded from savings identified in the 2013/14 financial year to fund the Ward Allocation projects in the amount of R51 million for the 2013/14 financial year.
  
- 6. That budgetary input received during the public participation process during April 2013 reported under cover of separate report, be considered for budgetary incorporation.

## **1.2 Executive summary**

### **a. General**

The total budget quantum for the 2013/14 year is R31 595 million, of which R26 144 million (82.75%) is allocated to the Operating Budget and R5 451 million (17.25%) to the Capital Budget.

### **b. Operating Budget**

#### **Expenditure**

Total Operating expenditure has increased from R24 362 million in 2012/13 to R26 144 million in 2013/14. This 7.31% rise is primarily the result of increases in several City expenditure components, examples of which are noted in the table below:

**Table 1 Year-on-year growth of expenditure components**

Category	Budget 2012/13	Budget 2013/14	Year on year
<b>R Thousand</b>			
Employee related costs	7 777 521	8 253 458	6.12%
Remuneration of councillors	122 384	123 721	1.09%
Debt impairment	991 026	866 192	-12.60%
Depreciation & asset impairment	1 444 096	1 934 741	33.98%
Finance charges	768 508	863 894	12.41%
Bulk purchases	6 441 273	6 898 881	7.10%
Other materials	396 540	358 681	-9.55%
Contracted services	2 579 846	3 192 182	23.74%
Transfers and grants	50 606	39 544	-21.86%
Other expenditure	3 790 624	3 612 788	-4.69%
Loss on disposal of PPE	-	-	-
<b>Total Expenditure</b>	<b>24 362 425</b>	<b>26 144 082</b>	<b>7.31%</b>

**Reasons for significant increases:**

**Depreciation** – The increase is mainly due to the revised depreciation calculation, which is now based on a 100% capital spend, as opposed to 95% in 2012/13. In addition, multi-year projects, which were previously capitalised in the final year of the budget, is now capitalised when the asset is commissioned. Furthermore, moveable assets are depreciated in the same year as commissioned based on full budget spending and a detailed assessment of each project is now performed to evaluate asset life span before calculation for the actual budget.

**Finance Charges** - Finance charges consists primarily of the repayment of interest on long-term borrowing (cost of capital). The increase from R769 million in 2012/13 to R864 million in 2013/14 is mainly due to the provision for an external loan of R2.4 billion taken up in 2012/13. With the City's current healthy cash position, no additional loans will be required in 2013/14

**Contracted Services** – This allocation includes provision for Repairs & Maintenance and allocations for IRT vehicle operator contracts.

**Transfers and Grants** – The decrease is due to unallocated funds for a number of applications of various beneficiaries, still to be considered by the Grant Committee.

**Other Materials** – Reduced allocation due to budgetary alignment of repairs and maintenance from this category to contracted services within Corporate Services.



**Table 2 Year-on-year growth on Staff Cost**

Category	Budget 2012/13	Budget 2013/14	Year on year
<b>R Thousand</b>			
Vote 1 - City Health	500 201	567 519	13.46%
Vote 2 - City Manager	48 697	45 775	-6.00%
Vote 3 - Community Services	784 183	831 761	6.07%
Vote 4 - Compliance and Auxiliary Services	230 847	258 634	12.04%
Vote 5 - Corporate Services	890 526	644 222	-27.66%
Vote 6 - Deputy City Manager	42 559	41 272	-3.02%
Vote 7 - Economic, Environment & Spatial Planning	330 566	368 219	11.39%
Vote 8 - Finance	550 059	596 095	8.37%
Vote 9 - Human Settlements	263 888	280 936	6.46%
Vote 10 - Rates & Other	-	109 340	-
Vote 11 - Safety & Security	1 163 246	1 276 366	9.72%
Vote 12 - Social and Early Childhood Development	32 346	38 681	19.58%
Vote 13 - Tourism, Events and Marketing	68 224	88 316	29.45%
Vote 14 - Transport, Roads and Stormwater	499 560	532 192	6.53%
Vote 15 - Utility Services	2 372 617	2 574 131	8.49%
<b>Total Expenditure</b>	<b>7 777 521</b>	<b>8 253 458</b>	<b>6.12%</b>

**Reasons for significant staff cost variances:**

Staff costs increased from R7 777 million in 2012/13 to R8 253 million in 2013/14. The 2013/14 cost of living increase is 8.84% (2% notch increment + 6.84% per salary/wage award formula calculation), while the year-on-year growth is 6.12%. This is mainly due to a review of all staff vacancies in order to attain a balanced and sustainable budget. Vacancies were delimited from the City's post structure within the Rate-funded services and retained in exceptional circumstances only. The reduction in staff vacancies was utilised to redress the imbalances within the Rate-funded services only.

Increased allocations within Health, Transport, Roads & Stormwater and Community Services include externally-funded positions as well as the provision for additional support staff for Mayo members and the Executive Mayor within the Deputy City Manager directorate.

Significant reductions within Corporate Services and Office of the City Manager are due to the centralised provision of Post-Retirement Medical Aid to Rates & Other as well as previously displaced staff, which is now assigned to other functional areas (Social & Early Childhood Development).

**Revenue**

Operating revenue increases from R23 901 million in 2012/13 to R25 895 million in 2013/14.

This 8.34% growth in revenue is mainly as a result of:

- An increase on Transfers Recognised in respect of National Equitable Share from 1 090 million in 2012/13 to R1 243 million in 2013/14.
- Rental of Facilities & Equipment increase from R278 million to R336 million, resulting from the increased marketing of facilities which in turn resulted in a higher rate of usage of facilities such as halls, stadiums, museums etc.

- Interest Earned on External Investments increase from R244 million to R284 million, due to the City's projected favourable cash position.
- Projected organic growth and tariff increases on property rates and services charges (water, electricity and refuse).

**Table 3 Year-on-year growth on Revenue categories**

Category	Budget 2012/13	Budget 2013/14	Year on year
<b>R Thousand</b>			
Property Rates tax	5 030 753	5 427 388	7.88%
Property rates - Penalties & Collection Charges	93 546	99 720	6.60%
Service charges - Electricity	8 971 405	9 668 405	7.77%
Service charges - Water	2 106 357	2 343 850	11.28%
Service charges - Sanitation	1 127 122	1 243 019	10.28%
Service charges – Refuse	896 924	947 126	5.60%
Service charges – Other	237 231	239 991	1.16%
Rental of facilities and equipment	278 754	336 471	20.71%
Interest earned - external investments	244 439	284 618	16.44%
Interest earned - outstanding debtors	236 797	118 805	-49.83%
Fines	160 917	183 257	13.88%
Licences and Permits	33 121	35 601	7.49%
Agency Services	115 993	121 993	5.17%
Transfers Recognised – Operational	2 325 525	2 595 904	11.63%
Other Revenue	1 973 772	2 179 942	10.45%
Gains on Disposal of PPE	69 000	69 000	0.00%
<b>Total Revenue</b>	<b>23 901 656</b>	<b>25 895 089</b>	<b>8.34%</b>

### 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.

**Table 4 Average Tariff increases for 2013/14, 2014/15 and 2015/16**

Category	2013/14 %	2014/15 %	2015/16 %
Rates	6.10	6.00	6.00
Refuse	6.32	5.54	8.03
Disposal	7.06	9.52	8.44
Sanitation	9.53	9.58	10.00
Water	9.53	9.58	10.00
Electricity	7.86	9.92	9.26

### Rates

Property rates are based on values of the new General Valuation Roll 2012 (GV) with the date of valuation being 1 July 2012. The Roll will be updated for properties affected by land sub-divisions, alterations to buildings, demolitions and new buildings (improvements), through Supplemental Valuation Rolls.

Accordingly the rates levied per individual property will depend on the amendment to that property's change in value compared with the average change to all the properties. The total amount of rates included in the budget is 7.1% more than for the 2012/13 financial year and takes into account

natural growth. 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 Rates Policy attached as Annexure 5.

*Water and Sanitation*

There is a proposed 9.53% increase in consumptive water and sanitation tariffs. The Bulk Water tariff has been increased by 6.4%. The tariff increases are necessary to address essential operational requirements, maintenance of existing infrastructure, new infrastructure provision and to ensure the financial sustainability of the service. Such increases are also in accordance with guidelines established in the Medium Term Revenue and Expenditure Framework.

*Solid Waste*

The Solid Waste Tariffs are levied to recover costs of services provided directly to customers and include refuse collection fees, disposal fees, compost sales, weighbridge fees and other ad hoc services. It is proposed that the Collections Tariffs (Consumptive and Sundry) increase by 6.32%, Disposal by 7.06% & Cleaning by 5.6%.

*Electricity*

The average revenue increase requirement (and therefore the average tariff increase) is 7.86%. The additional amounts required that cause the increase in the tariff above that received from Eskom are to be utilised for the increased capital costs as a result of the changes made last year, for additional artisan posts where a critical need exists for graduating apprentices, for upgrades to the notified maximum demand, an increase in the fuel requirements for the gas turbines as a result of the unavailability of Steenbras Pumped Storage Scheme, an increase in the number of revenue collection teams (aimed at an improvement in the collection ratio) and for a reduction in the contribution from rates for street lighting.

**c. Capital Budget**

The Capital Budget decreases from R5 927 million in 2012/13 (original budget) to R5 451 million in 2013/14 or an overall reduction of 8.03%.

**Table 5 Year on year decrease in capital funding sources**

Category	Budget 2012/13	Budget 2013/14	Increase / (Decrease)
<b>R Thousand</b>			
Capital Grants & Donations	3 683 893	2 583 308	(1 100 585)
Capital Replacement Reserve	709 572	700 820	(8 753)
External Financing Fund	1 784 935	2 149 497	364 562
Revenue	43 409	16 968	(26 441)
<b>Total</b>	<b>6 221 809</b>	<b>5 450 592</b>	<b>(771 217)</b>

The table above reflects a decrease of R1.1 billion on Capital Grants & Donations, which in 2012/13 included an approved roll-over from 2011/12 of R1.1 billion for Public Transport Infrastructure & Systems Grant.

The main contributors to the increase in EFF provisions relate to the re-phasing of projects from 2012/13 to 2013/14, as well as additional requirements for the Pressure Management, Treated

Effluent Re-use and Meter Replacement Program projects within Water Services. Additional initiatives aligned to the IDP were also highlighted by directorates across the City during the budget process i.e. accelerated Broadband project spend, Replacement of the oldest fleet vehicles and additional funding to the Safety & Security directorate.

Major capital expenditure is planned in the following areas during 2013/14:

- Utility Services → R2 679 million
- Transport, Roads and Stormwater → R1 416 million
- Human Settlements → R627 million

The most significant projects are in:

#### Cape Town Electricity

- Athlone- Philippi: OH Line Undergrounding → R 60 million
- Backyarders → R 63 million
- City Depot - Relocation → R 64 million
- Conn Infrastructure (Quote) → R 44 million
- Electrification → R 127 million
- Facilities Alterations & Upgrading → R 150 million
- Koeberg Rd Switching Station Phase 2 → R 90 million
- MV Switchgear Refurbishment → R 78 million
- System Equipment Replacement → R 130 million
- System Infrastructure → R 106 million
- Training School - Brackenfell → R 59 million

#### Solid Waste Management

- New Landfill Site Infrastructure → R 25 million
- New Transfer Station Infrastructure → R 105 million
- Replacement: Plant & Vehicles → R 64 million
- Solid Waste Management Infrastructure → R 50 million

#### Water & Sanitation

- Borchards Quarry WWTW → R 20 million
- Bulk Water Augmentation Scheme → R 32 million
- Bulk Water Infrastructure Replacement → R 20 million
- Cape Flats III → R 38 million
- Development of Additional Infrastructure → R 27 million
- Fisantekraal Housing Garden City → R 26 million
- Meter Replacement Program → R 75 million
- Northern Area Sewer Thornton → R 90 million
- Pressure Management → R 20 million
- Replace & Upgrade Sewer Network (Citywide) → R 60 million
- Replace & Upgrade Water Network (Citywide) → R 79 million
- Treated Effluent : Re-use and Upgrades → R 29 million

#### Transport, Roads and Stormwater

- Bulk Roads & Stormwater for Housing Projects → R 48 million
- Construct:Broadway Blvd, Nomzamo/Lwandle → R 19 million
- IM: Reconstruct Roads Metro → R 33 million

- Inner City:Public Transport Hub → R 10 million
- IRT → R 803 million
- NMT Network & Universal Access → R 60 million
- Pedestrianisation - Low Income Areas → R 20 million
- Roads & Stormwater Rehabilitation → R 110 million

Corporate Services

- Broadband → R 82 million
- FM Structural Rehabilitation → R 39 million

Safety & Security

- Integrated Emergency Contact Centre → R 30 million

Human Settlements

- Manenberg CRU Project → R 100 million
- Langa Hostels CRU Project → R 87 million
- Hanover Park CRU Project → R 61 million
- Delft - The Hague Housing Project → R 20 million
- Heideveld CRU Project → R 31 million
- Brick Skin Walls - Housing Flats → R 35 million
- Marble Flats CRU Project → R 32 million
- Urbanisation: Backyards/Informal Settlement Upgrade → R 38 million
- Bardale / Fairdale: Develop 4000 Units → R 28 million

**Table 6 New projects (extract) in the 2013/14 Capital Budget**

Project Description	Budget 2013/14
<b>R Thousand</b>	
Project and Portfolio Management	12 900
Bloemhof: Stores Upgrade	10 000
Blue Downs: Sub-Depot - Street Lighting	4 000
SCADA Master Station Upgrade	14 000
Steenbras: Replace Motor Generator Rotors & Plant Refurbishment	5 000
Fisantekraal Housing Garden City	25 740
Telemetry Automation (Reticulation)	7 000
Zevenwacht Reservoir and Network	1 250
Parks Upgrades Mannenberg	1 000
Valhalla Park Family Park (irrigation)	1 500
Synthetic Pitch - Cross Roads	5 000
Synthetic Pitch - Heideveld	5 000
Synthetic Pitch - Kewtown	5 000
Synthetic Pitch - Steenberg	5 000
Nomzamo Access Bridge & Public Transport Interchange	9 000
Sir Lowry's Pass Village Road Upgrade	2 000
Integrated Emergency Contact Centre	30 000
Urbanisation: Backyards/Informal Settlements Upgrade	37 836
2014 AFCON-CHAN: Equipment	4 000
Installation of additional Food & Beverage Kiosks: Cape Town Stadium	2 000
Completion of change rooms: Cape Town Stadium	2 000
Provision of lifts for empty shafts: Cape Town Stadium	3 500
Temporary Distribution Boards for rental	1 000
Upgrade of Athlone Stadium	2 000

### 1.3 Operating Revenue Framework

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

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

- National Treasury's guidelines and macro-economic policy;
- Projected City growth and continued economic development;
- Realistic revenue management, which provides for the achieving of the collection rate target;
- Electricity tariff increases as approved by the National Electricity Regulator of South Africa (NERSA);
- Setting of trading services' user charges at levels which are reflective of these services' cost recovering nature;
- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA);
- The municipality's policies to assist the poor and rendering of free basic services; and
- Sundry tariff policies.

The following table is a summary of the 2013/14 MTREF (classified by main revenue source):

**Table 7 Summary of Revenue classified by main revenue sources**

Description	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<b>Revenue By Source</b>									
Property rates	3 754 425	4 435 764	4 622 441	5 030 753	5 067 589	5 067 589	5 427 388	5 807 305	6 213 817
Property rates - penalties & collection charges	86 889	94 168	89 657	93 546	93 546	93 546	99 720	106 701	114 170
Service charges - electricity revenue	5 413 081	6 578 085	8 061 684	8 971 405	9 094 445	9 094 445	9 668 405	10 627 511	11 611 618
Service charges - water revenue	1 483 354	1 649 307	1 817 183	2 106 357	2 106 357	2 106 357	2 343 850	2 591 038	2 874 475
Service charges - sanitation revenue	801 003	903 204	1 002 897	1 127 122	1 127 122	1 127 122	1 243 019	1 374 779	1 526 005
Service charges - refuse revenue	614 451	754 178	813 287	896 924	905 638	905 638	947 126	1 016 027	1 112 384
Service charges - other	423 888	474 953	291 714	237 231	231 230	231 230	239 991	253 736	268 453
Rental of facilities and equipment	243 468	250 316	289 736	278 754	303 006	303 006	336 471	352 223	369 016
Interest earned - external investments	293 555	291 679	333 336	244 439	244 439	244 439	284 618	292 445	303 664
Interest earned - outstanding debtors	212 978	230 391	228 425	236 797	238 098	238 098	118 805	261 690	276 877
Fines	154 584	166 476	144 394	160 917	172 827	172 827	183 257	193 432	204 558
Licences and permits	33 054	37 645	41 471	33 121	33 121	33 121	35 601	37 595	39 775
Agency services	111 097	115 991	123 651	115 993	115 993	115 993	121 993	128 825	136 297
Transfers recognised - operational	1 194 162	1 400 627	1 639 075	2 325 525	2 170 614	2 170 614	2 595 904	2 549 102	3 037 349
Other revenue	1 631 529	1 757 278	1 961 587	1 973 772	1 978 519	1 978 519	2 179 942	2 297 942	2 431 222
Gains on disposal of PPE	79 142	20 580	44 144	69 000	69 000	69 000	69 000	90 897	109 343
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>16 530 661</b>	<b>19 160 643</b>	<b>21 504 683</b>	<b>23 901 656</b>	<b>23 951 546</b>	<b>23 951 546</b>	<b>25 895 089</b>	<b>27 981 247</b>	<b>30 629 023</b>

**Table 8 Revenue by source as a percentage of total budget**

Description	Current Year 2012/13		2013/14 Medium Term Revenue & Expenditure Framework					
	Adjusted Budget	%	Budget Year 2013/14	%	Budget Year +1 2014/15	%	Budget Year +2 2015/16	%
<b>R thousand</b>								
<b>Revenue By Source</b>								
Property rates	5 067 589	21.2%	5 427 388	21.0%	5 807 305	20.8%	6 213 817	20.3%
Property rates - penalties & collection charges	93 546	0.4%	99 720	0.4%	106 701	0.4%	114 170	0.4%
Service charges - electricity revenue	9 094 445	38.0%	9 668 405	37.3%	10 627 511	38.0%	11 611 618	37.9%
Service charges - water revenue	2 106 357	8.8%	2 343 850	9.1%	2 591 038	9.3%	2 874 475	9.4%
Service charges - sanitation revenue	1 127 122	4.7%	1 243 019	4.8%	1 374 779	4.9%	1 526 005	5.0%
Service charges - refuse revenue	905 638	3.8%	947 126	3.7%	1 016 027	3.6%	1 112 384	3.6%
Service charges - other	231 230	1.0%	239 991	0.9%	253 736	0.9%	268 453	0.9%
Rental of facilities and equipment	303 006	1.3%	336 471	1.3%	352 223	1.3%	369 016	1.2%
Interest earned - external investments	244 439	1.0%	284 618	1.1%	292 445	1.0%	303 664	1.0%
Interest earned - outstanding debtors	238 098	1.0%	118 805	0.5%	261 690	0.9%	276 877	0.9%
Fines	172 827	0.7%	183 257	0.7%	193 432	0.7%	204 558	0.7%
Licences and permits	33 121	0.1%	35 601	0.1%	37 595	0.1%	39 775	0.1%
Agency services	115 993	0.5%	121 993	0.5%	128 825	0.5%	136 297	0.4%
Transfers recognised - operational	2 170 614	9.1%	2 595 904	10.0%	2 549 102	9.1%	3 037 349	9.9%
Other revenue	1 978 519	8.3%	2 179 942	8.4%	2 297 942	8.2%	2 431 222	7.9%
Gains on disposal of PPE	69 000	0.3%	69 000	0.3%	90 897	0.3%	109 343	0.4%
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>23 951 546</b>	<b>100%</b>	<b>25 895 089</b>	<b>100%</b>	<b>27 981 247</b>	<b>100%</b>	<b>30 629 023</b>	<b>100%</b>
<b>Total Revenue from Rates &amp; Service Charges</b>	<b>18 625 928</b>	<b>77.8%</b>	<b>19 969 500</b>	<b>77.1%</b>	<b>21 777 097</b>	<b>77.8%</b>	<b>23 720 922</b>	<b>77.4%</b>

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

Rates and service charge revenues comprise 77.1% of the City's total revenue mix for the 2013/14 financial year. In the 2012/13 financial year, revenue from rates and services charges totalled R18.6 billion. This increases to R19.9 billion, R21.8 billion and R23.7 billion in the respective financial years of the 2013/14 MTREF. The MTREF indicates a notable percentage reduction in the revenue generated from rates and services charges, which reduces from 77.8% in 2012/13 to 77.4% in 2015/16.

Property rates, including Penalties and Collection Charges, is the second largest revenue source in the 2013/14 financial year, totalling R5.5 billion (21.3% of revenue) and increasing to R6.3 billion (21%) in 2015/16.

Operating grants and transfers totals R2.6 billion in the 2013/14 financial year and increases to R3 billion by 2015/16. This revenue component reflects a significant increase over the MTREF period, due to the revised Equitable Share formula, which is now based on the updated national census statistics.

**Table 9 Operating Transfers and Grant Receipts**

Description	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<b>R thousand</b>									
<b>RECEIPTS:</b>									
<b>Operating Transfers and Grants</b>									
<b>National Government:</b>	<b>1 804 254</b>	<b>89 546</b>	<b>123 957</b>	<b>1 679 172</b>	<b>1 423 829</b>	<b>1 423 829</b>	<b>1 743 572</b>	<b>1 943 605</b>	<b>2 230 917</b>
Restructuring	58 857	1 911	-	3 884	5 303	5 303	3 379	-	-
Finance Management grant	-	832	1 160	1 250	1 443	1 443	1 250	1 250	1 250
Department of Water Affairs	4 271	3 227	-	-	-	-	-	-	-
Municipal Infrastructure Grant	-	2 479	-	-	-	-	-	-	-
Electricity Demand Side Management	-	27 780	-	-	1 359	1 359	-	-	-
Public Transport Infrastructure & Systems Grant	-	31 885	87 809	506 832	227 626	227 626	-	-	-
Dept of Environ Affairs and Tourism	8 744	13 426	270	7 283	7 504	7 504	200	-	-
Equitable share	486 734	7 528	-	1 093 004	1 093 004	1 093 004	1 248 993	1 426 963	1 724 334
Housing Accreditation	-	227	-	400	400	400	200	-	-
Local Government SETA	-	250	-	-	-	-	-	-	-
RSC Levies	1 245 648	-	-	-	-	-	-	-	-
South African National Biodiversity Institute	-	-	-	-	2 132	2 132	-	-	-
Urban Settlements Development Grant	-	-	23 244	46 314	55 574	55 574	113 705	347 411	461 933
Neighbourhood Development Partnership Grant	-	-	1 199	-	-	-	-	-	-
Expanded Public Works Programme Integrated Grant	-	-	9 279	20 205	29 484	29 484	31 980	-	-
Integrated City Development Grant	-	-	-	-	-	-	10 364	-	-
Public Transport Network Operations Grant	-	-	-	-	-	-	272 521	167 548	43 000
2014 African Nations Championship Host City Operating Grant	-	-	-	-	-	-	59 000	-	-
Energy Efficiency and Demand Side Management Grant	-	-	995	-	-	-	1 980	433	400
<b>Provincial Government:</b>	<b>395 343</b>	<b>314 696</b>	<b>315 180</b>	<b>628 671</b>	<b>723 795</b>	<b>723 795</b>	<b>844 953</b>	<b>603 497</b>	<b>805 432</b>
Local Government and Housing - Fire-fighting Assistance	871	434	-	-	-	-	-	-	-
Cultural Affairs and Sport - Library Services	14 696	14 194	15 836	23 470	22 470	22 470	24 400	26 650	29 535
Local Government and Housing - Housing	320 424	148 491	114 597	240 224	334 557	334 557	436 831	188 807	426 240
Local Government and Housing - Accreditation	-	251	-	7 100	7 100	7 100	10 000	-	-
Local Government and Housing - Settlement Assistance	-	676	-	1 000	1 000	1 000	1 000	1 000	1 000
Sustainable Transport	-	-	10 000	-	-	-	-	-	-
Health - TB	-	12 431	11 893	9 934	9 934	9 934	11 207	11 058	11 611
Health - Global Fund	-	19 031	18 582	43 015	36 913	36 913	34 753	35 109	28 952
Health - ARV	-	52 362	62 075	71 492	71 492	71 492	77 627	83 061	65 510
Health - Nutrition	-	3 454	3 754	4 140	4 140	4 140	4 400	4 576	4 740
Health - Vaccines	59 352	56 974	68 443	71 617	71 617	71 617	79 995	83 994	65 329
Comprehensive Health	-	-	-	138 779	138 779	138 779	147 132	152 842	156 890
Other	-	149	-	-	-	-	-	-	-
Table Mountain Biosphere	-	68	-	-	7	7	-	-	-
Mamre Fencing	-	-	-	-	63	63	-	-	-
Heritage Audit	-	-	-	-	4	4	-	-	-
Community Development Workers	-	2 000	-	-	-	-	-	-	-
Transport and Public Works - Provision for persons with special needs	-	4 182	10 000	10 000	20 078	20 078	10 000	10 000	9 426
Comprehensive Integrated Transport Plan	-	-	-	7 900	5 641	5 641	-	-	-
Rail Park and Ride facilities	-	-	-	-	-	-	-	-	-
2010 FIFA World Cup	-	-	-	-	-	-	-	-	-
Municipal Land Transport Fund	-	-	-	-	-	-	5 600	5 900	6 200
Transport Safety and Compliance - Rail Safety	-	-	-	-	-	-	2 000	500	-
<b>Other grant providers:</b>	<b>26 263</b>	<b>17 181</b>	<b>15 217</b>	<b>17 682</b>	<b>22 991</b>	<b>22 991</b>	<b>7 379</b>	<b>2 000</b>	<b>1 000</b>
<i>Sunwest International</i>	-	350	-	-	-	-	-	-	-
<i>Tourism</i>	2 597	2 083	-	4 000	4 000	4 000	2 000	2 000	1 000
<i>Carnegie</i>	5 252	8 444	3 732	1 442	916	916	1 258	-	-
<i>CMTF</i>	-	2 513	-	11 754	12 131	12 131	170	-	-
<i>Other</i>	4 087	824	3 244	30	30	30	15	-	-
<i>Mamre Trust</i>	-	-	12	150	-	-	150	-	-
<i>MSF Funding</i>	-	454	-	-	-	-	-	-	-
<i>Baboon Management</i>	-	300	-	-	-	-	-	-	-
<i>Solar Energy</i>	-	-	-	-	146	146	-	-	-
<i>Cities for Climate Protection</i>	-	-	-	-	321	321	-	-	-
<i>Neil Desai Skills Development Project</i>	-	37	-	-	-	-	-	-	-
<i>ICLEI: Carbon Taxes</i>	-	-	-	-	117	117	-	-	-
<i>CID</i>	216	1 992	3 249	-	2 525	2 525	2 905	-	-
<i>Century City Property Owners Association</i>	-	-	285	-	183	183	196	-	-
<i>Outsurance</i>	-	-	896	-	1 024	1 024	-	-	-
<i>Rietvlei Conservation Fund</i>	-	-	-	305	305	305	-	-	-
<i>University of Columbia</i>	-	100	-	-	-	-	-	-	-
<i>NGK Ceramic Company</i>	-	-	-	-	686	686	686	-	-
<i>South African National Biodiversity Institute</i>	-	85	2 733	-	-	-	-	-	-
<i>Finland Government</i>	-	-	-	-	607	607	-	-	-
<i>DBSA</i>	688	-	-	-	-	-	-	-	-
<i>Bill Gates</i>	13 234	-	-	-	-	-	-	-	-
<i>World Health Organisation</i>	189	-	-	-	-	-	-	-	-
<i>National Lottery</i>	-	-	400	-	-	-	-	-	-
<i>Glocal Forum Monaco</i>	-	-	510	-	-	-	-	-	-
<i>Lourens River Flood Alleviation</i>	-	-	156	-	-	-	-	-	-
<b>Total Operating Transfers and Grants</b>	<b>2 225 860</b>	<b>421 422</b>	<b>454 354</b>	<b>2 325 525</b>	<b>2 170 614</b>	<b>2 170 614</b>	<b>2 595 904</b>	<b>2 549 102</b>	<b>3 037 349</b>



### 1.3.1 Property Rates (Refer Annexure 2)

The 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 Rates Policy was compiled taking into account feedback received from the Finance Portfolio Committee, Councillors, ratepayers and clients since the adoption of the 2012/13 Property Rates Policy in May 2012. In addition, it was informed by the three workshops held with the Finance Portfolio Committee and workshops with relevant staff during January 2013 to May 2013. The Total Municipal Account (TMA) was modelled to assess the impact of all the billed Council charges on households spread over fourteen valuation brackets to determine the affordability of the package of tariff increases.

Property rates are based on values indicated in the new General Valuation Roll 2012 (GV) with the date of valuation being 1 July 2012. The Roll will be updated for properties affected by land subdivisions, alterations to buildings, demolitions and new buildings (improvements) through Supplemental Valuation Rolls.

Accordingly the rates levied per individual property will depend on the amendment to that property's change in value compared with the average change to all the properties. The total amount of rates included in the budget is 7.1% more than for the 2012/13 financial year and takes into account natural growth.

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 Rates Policy attached as Annexure 5.

**Table 10 Comparison of proposed rates to be levied for the 2013/14 financial year**

Category	Current Tariff (1 July 2012)	Proposed Tariff (1 July 2013)
	Rand-in-the-Rand	Rand-in-the-Rand
Agricultural Properties and Small holdings in rural areas that qualify for the residential rebate	0.006062	0.005900
Bona fide farming properties	0.001213	0.001180
Residential Properties	0.006062	0.005900
All other properties that do not qualify for rebates	0.012124	0.011800
Public Service Infrastructure	0.002165	0.002107

### 1.3.2 Sale of Water and Sanitation and Impact of Tariff Increases (Refer Annexure 4)

The proposed Water and Sanitation Tariffs for the 2013/14 financial year 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 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% reduction levels respectively.

The normal tariff set relates to a level at least 10% below the Low Water Demand Curve, as previous restrictions and water demand initiatives have been successful in reducing the normal water demand to this level and the Level 1 restriction measures have been incorporated into the promulgated Water and Sanitation By-Law as permanent good water demand practice. The tariff levels of reduction or restriction imposed by the City on its consumers is therefore not only linked to the level of restriction imposed by the Department of Water Affairs on the City, but also to the level of demand from its consumers.

There is a proposed 9.53% increase in consumptive water and sanitation tariffs. The Bulk Water tariff has been increased by 6.4%. The tariff increases are necessary to address essential operational requirements, maintenance of existing infrastructure, new infrastructure provision and to ensure the financial sustainability of the service.

The miscellaneous tariffs are levied by Water and Sanitation for the provision of various services by the Department. Examples of these services are the installation of water connections and the testing of meters. The aim of these tariffs is to recover the cost of the provision of a particular service to each customer. There is a proposed 5.6% increase on miscellaneous tariffs.

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

**Table 11 Proposed Water Tariffs**

Category	Current Tariff 2012/13	Proposed Tariff 2013/14
	Rand per Kl (excl. VAT)	Rand per Kl (excl. VAT)
<b>DOMESTIC Full</b>		
Step 1 (0 ≤ 6kl)	0	0
Step 2 (>6 ≤ 10.5kl)	5.83	7.60
Step 3 (>10.5 ≤ 20kl)	10.60	11.61
Step 4 (>20 ≤ 35kl)	15.70	17.20
Step 5 (>35 ≤ 50kl)	19.40	21.24
Step 6 (>50kl)	25.58	28.02
<b>DOMESTIC Cluster</b>		
Step 1 (0 < 6kl)	0.00	0.00
Step 2 (>6 kl)	n/a	n/a
Step 2 (>6 < 20kl)	9.07	n/a
Step 2 (>6 < 10.5kl)	n/a	9.93
Step 3 (>10.5 < 20)	n/a	11.61
Step 3 (>20kl)	17.55	n/a
Step 4 (>20 < 35kl)	n/a	17.20
Step 5 (>35 < 50kl)	n/a	21.24
Step 6 (>50kl)	n/a	28.02
<b>COMMERCIAL</b>	11.42	12.51
<b>INDUSTRIAL</b>	11.42	12.51

**Table 12 Proposed Sanitation Tariffs**

Category	Current Tariff 2012/13	Proposed Tariff 2013/14
	Rand per Kl (excl VAT)	Rand per Kl (excl VAT)
<b>DOMESTIC Full - Standard</b>	Single residential properties - 70% of water consumption to a maximum of 35 kl of sewerage per month (70% of 50 kl water = 35 kl of sewerage)	
Step 1 (0 < 4,2 kl)	0	0
Step 2 (>4.2 < 7.35 kl)	5.81	7.20
Step 3 (>7.35 < 14 kl)	12.38	13.56
Step 4 (>14 < 24.5 kl)	13.53	14.82
Step 5 (>24.5 < 35 kl)	14.21	15.56
<b>DOMESTIC Cluster</b>		
Step 1 (0 < 4.2kl)	0.00	0.00
Step 1 (0 < 4.2kl)	n/a	n/a
Step 2 (> 4.2kl)	9.05	n/a
Step 2 (>4.2 < 7.35 kl)	n/a	9.05
Step 3 (>7.35 < 14 kl)	n/a	13.56
Step 3 (> 4.2 < 35 kl)	15.04	n/a
Step 4 (>14 < 24.5 kl)	n/a	14.82
Step 5 (>28 < 35 kl)	n/a	15.56
<b>COMMERCIAL</b>	8.78	9.62
<b>INDUSTRIAL</b>	8.78	9.62

The following tables show the impact of the proposed increases in water- and sanitation tariffs for a single dwelling house:

**Table 13 Comparison between current water charges and proposed increases (domestic consumption)**

Monthly Consumption kl	Current amount Payable 2012/13 R	Proposed amount Payable 2013/14 R	Difference (Increase)	Percentage change
6	0.00	0.00	0.00	-
10.5	26.24	34.20	7.97	30.36%
20	126.94	144.50	17.57	13.84%
35	362.44	402.50	40.07	11.05%
50	653.44	721.10	67.67	10.36%
80	1 420.84	1 561.70	140.87	9.91%

**Table 14 Comparison between current sanitation charges and proposed increases (domestic consumption):**

Monthly Consumption kl	Current amount Payable 2012/13 R	Proposed amount Payable 2013/14 R	Difference (Increase)	Percentage change
4.2	0.00	0.00	0.00	-
7.35	18.30	22.68	4.38	23.92%
14	100.63	112.85	12.22	12.15%
24.5	242.69	268.46	25.77	10.62%
35	391.90	431.84	39.94	10.19%

**1.3.3 Waste removal and impact of Tariff Increases (Refer Annexure 4)**

The Solid Waste Tariffs are levied to recover costs of services provided directly to customers and include refuse collection fees, disposal fees, compost sales, weighbridge fees and other ad hoc services. It is proposed that the Collections Tariffs (Consumptive and Sundry) increase by 6.32%, Disposal by 7.06% & Cleaning by 5.6%.

**Table 15 Comparison between current waste removal fees and increases**

SERVICES RENDERED	UNIT	REMARKS To be read in conjunction with Definitions (refer annexures)	2012/13 R excl. VAT	VAT Yes/No	2013/14 R excl. VAT
<b>Black lid 240L container service (R/blacklid)</b>					
Basic container service: Residential collection based on a once-per week 240 L service per household/service point in suburbs containerised.	Per month	Account to property owner. Basic container service (Weekly service is 1x 240L Black lid container per week.)	85.21	y	90.60
<b>Subsidised : Black lid 240L container service (R/blacklid)</b>					
Property owner with property value up to and including R100 000	Rebate per month on First Container only	Account to property owner. Basic container service (Weekly service is 1x 240L Black lid container per week.)	100% rebate (-85.21)	y	100% rebate (-90.60)
Property value between R100 001 up to and including R150 000	Rebate per month on First Container only	Account to property owner. Basic container service (Weekly service is 1x 240L Black lid container per week.)	75% rebate (-63.91)	y	75% rebate (-67.95)
Property value between R150 001 up to and including R350 000	Rebate per month on First Container only	Account to property owner. Basic container service (Weekly service is 1x 240L Black lid container per week.)	50% rebate (-42.61)	y	50% rebate (-45.30)
Property value between R350 001 up to and including R400 000	Rebate per month on First Container only	Account to property owner. Basic container service (Weekly service is 1x 240L Black lid container per week.)	25% rebate (-21.30)	y	25% rebate (-22.65)
Additional once-per-week 240 L service (Black lid 240L)	Per additional 240 L container per month	Enhanced service level. (additional service of 240L Black lid container(s) serviced on the same day as the normal weekly service. Per fixed agreement - not variable)	85.21	y	90.60
Providing a lockable 240L container service	Per month	Account to property owner. Basic container service (Weekly service is 1x 240L Black lid container per week). Subject to Availability.	85.21	y	90.60
Subsidised service to Homeless People Shelters as per the Tariff Policy	Rebate per 240L container per month (limited to a Maximum of 15 containers per shelter)	Account rendered to the registered & Approved NGO organisations and organisations accredited by HOMAC. Enhanced service level (240L black lid containers) serviced once a week	50% rebate (-42.61)	y	50% rebate (-45.30)
Providing a Single lockable 240L container service	Per month	Account to property owner. Basic container service (Weekly service is 1x 240L Black lid container per week). Subject to Availability.	Delete	y	Delete
Indigent relief on a 240L container	Rebate per month on First Container only	In terms of the of Section 27 of the Credit Control & Debt Collection Policy. Basic container service (Weekly service is 1x 240L Black lid container per week.)	100% rebate (-85.21)	y	100% rebate (-90.60)
Additional Recycling Container service: Residential dry recyclable collection based on a once-per week service per participating household.	Per month	Account to property owner participating in the dry recyclable project. Container service.	free		free

**1.3.4 Sale of Electricity and Impact of Tariff Increases (Refer Annexure 4)**

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

At the time of writing, NERSA have not yet issued a definitive guideline for municipal increases, although Eskom have released a schedule of standard prices for 2013/14. Based on the above the bulk purchase increase to the City is calculated at 6% and the tariffs tabled with this report are based thereon. It should also be noted that any changes to the above guidelines may require further changes during the public participation process, with the final tariffs and structures being tabled for final approval in May this year.

As a result of the above, the average revenue increase requirement (and therefore the average tariff increase) is 7.86%. The additional amounts required that caused the increase in the above tariff received from Eskom, are to be utilised for the increased capital costs as a result of the changes made last year, for additional artisan posts where a critical need exists for graduating apprentices, for upgrades to the notified maximum demand, an increase in the fuel requirements for the gas turbines as a result of the unavailability of Steenbras Pumped Storage Scheme, an increase in the number of revenue collection teams (aimed at an improvement in the collection ratio) as well as for a reduction in the contribution from Rates funding for street lighting.

**Table 16 Comparison between current electricity charges and increases (domestic consumption)**

Category	Unit	Steps	VAT yes/no	2012/13 c/kWh excl VAT	2013/14 c/kWh excl VAT
Lifeline INCLUDES the FBE portion	Energy Charge (c/kWh)	0-150kWh	y	64.93	79.70
		150.1-350kWh	y	89.95	79.70
		350.1-600kWh	y	118.11	185.00
		600.1+ kWh	y	140.18	185.00
Domestic	Energy Charge (c/kWh)	0-150kWh	y	113.20	125.00
		150.1-350kWh	y	118.11	125.00
		350.1-600kWh	y	118.11	125.00
		600.1+ kWh	y	140.18	152.00

### 1.3.5 Overall impact of tariff increases on households

The following table shows the overall expected impact on the tariff increases on a 'large' and 'small' household as well as on a 'small' household receiving free basic services:

**Table 17 MBRR Table SA14 - Household bills**

Description	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework			
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14 % incr.	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<b>Rand/cent</b>										
<b>Monthly Account for Household - 'Middle Income Range'</b>										
<b>Rates and services charges:</b>										
Property rates	576.91	652.78	233.88	247.91	247.91	247.91	(2.6%)	245.83	260.58	276.21
Electricity: Basic levy	120.15	-	-	-	-	-	-	-	-	-
Electricity: Consumption	882.02	933.10	1 271.98	1 383.56	1 383.56	1 383.56	7.9%	1 354.89	1 489.30	1 627.20
Water: Basic levy	-	-	-	-	-	-	-	-	-	-
Water: Consumption	224.99	227.31	274.63	299.35	299.35	299.35	9.5%	312.67	346.93	381.63
Sanitation	156.76	157.88	192.19	213.96	213.96	213.96	9.5%	214.78	238.32	262.15
Refuse removal	72.88	75.44	90.73	83.96	83.96	83.96	6.3%	90.60	95.62	103.30
Other	78.21	-	-	-	-	-	-	-	-	-
<b>sub-total</b>	<b>2 111.92</b>	<b>2 046.51</b>	<b>2 063.41</b>	<b>2 228.74</b>	<b>2 228.74</b>	<b>2 228.74</b>	<b>(0.4%)</b>	<b>2 218.77</b>	<b>2 430.74</b>	<b>2 650.49</b>
VAT on Services	214.90	195.12	256.13	277.32	277.32	277.32	-	276.21	303.82	332.40
<b>Total large household bill:</b>	<b>2 326.82</b>	<b>2 241.63</b>	<b>2 319.54</b>	<b>2 506.06</b>	<b>2 506.06</b>	<b>2 506.06</b>	<b>(0.4%)</b>	<b>2 494.98</b>	<b>2 734.56</b>	<b>2 982.89</b>
<b>% increase/-decrease</b>		<b>(3.7%)</b>	<b>3.5%</b>	<b>8.0%</b>	<b>-</b>	<b>-</b>	<b>(0.4%)</b>	<b>9.6%</b>	<b>9.1%</b>	<b>9.1%</b>
<b>Monthly Account for Household - 'Affordable Range'</b>										
<b>Rates and services charges:</b>										
Property rates	192.60	184.21	140.35	178.49	178.49	178.49	(2.6%)	147.50	156.35	165.73
Electricity: Basic levy	-	-	-	-	-	-	-	-	-	-
Electricity: Consumption	385.30	464.68	612.35	601.50	601.50	601.50	7.6%	625.00	687.00	750.62
Water: Basic levy	-	-	-	-	-	-	-	-	-	-
Water: Consumption	139.51	163.95	196.77	187.69	187.69	187.69	9.5%	226.67	251.51	276.66
Sanitation	102.70	119.83	145.22	138.85	138.85	138.85	9.5%	162.91	180.76	198.84
Refuse removal	63.93	75.44	90.73	83.96	83.96	83.96	6.3%	90.60	95.62	103.30
Other	65.31	-	-	-	-	-	-	-	-	-
<b>sub-total</b>	<b>949.35</b>	<b>1 008.11</b>	<b>1 185.42</b>	<b>1 190.50</b>	<b>1 190.50</b>	<b>1 190.50</b>	<b>5.2%</b>	<b>1 252.68</b>	<b>1 371.24</b>	<b>1 495.14</b>
VAT on Services	105.95	115.36	146.31	141.68	141.68	141.68	-	154.73	170.08	186.12
<b>Total small household bill:</b>	<b>1 055.30</b>	<b>1 123.47</b>	<b>1 331.73</b>	<b>1 332.18</b>	<b>1 332.18</b>	<b>1 332.18</b>	<b>5.6%</b>	<b>1 407.41</b>	<b>1 541.32</b>	<b>1 681.26</b>
<b>% increase/-decrease</b>		<b>6.5%</b>	<b>18.5%</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>5.6%</b>	<b>9.5%</b>	<b>9.1%</b>	<b>9.1%</b>
<b>Monthly Account for Household - 'Indigent' Household receiving free basic services</b>										
<b>Rates and services charges:</b>										
Property rates	192.60	224.65	44.16	46.81	46.81	46.81	(2.6%)	45.28	48.00	50.88
Electricity: Basic levy	-	-	-	-	-	-	-	-	-	-
Electricity: Consumption	53.90	43.01	253.87	276.14	276.14	276.14	6.9%	238.40	262.05	286.32
Water: Basic levy	-	-	-	-	-	-	-	-	-	-
Water: Consumption	-	-	120.57	131.42	131.42	131.42	9.5%	75.61	83.90	92.28
Sanitation	-	-	98.53	107.40	107.40	107.40	9.5%	111.38	123.59	135.94
Refuse removal	72.88	86.00	68.05	83.96	83.96	83.96	6.3%	45.28	47.79	51.63
Other	-	-	-	-	-	-	-	-	-	-
<b>sub-total</b>	<b>319.38</b>	<b>353.66</b>	<b>585.18</b>	<b>645.73</b>	<b>645.73</b>	<b>645.73</b>	<b>(20.1%)</b>	<b>515.95</b>	<b>565.31</b>	<b>617.05</b>
VAT on Services	17.75	18.06	75.74	83.85	83.85	83.85	-	65.89	72.42	79.26
<b>Total small household bill:</b>	<b>337.13</b>	<b>371.72</b>	<b>660.92</b>	<b>729.58</b>	<b>729.58</b>	<b>729.58</b>	<b>(20.2%)</b>	<b>581.84</b>	<b>637.74</b>	<b>696.31</b>
<b>% increase/-decrease</b>		<b>10.3%</b>	<b>77.8%</b>	<b>10.4%</b>	<b>-</b>	<b>-</b>	<b>(20.2%)</b>	<b>9.6%</b>	<b>9.2%</b>	<b>9.2%</b>

**Note:**

GV2009 implemented July 2010  
 GV2012 implemented July 2013

This results in the differences of the Rates figures and what seems to be negative growth.

## 1.4 Operating Expenditure Framework

The City's expenditure for the 2013/14 budget and MTREF is informed by the following:

- Modelling of feasible and sustainable budgets over the medium term,
- Cognisance of international, national and local economic- and fiscal conditions,
- Expenditure limits set by realistic and realisable revenue levels,
- The City's asset renewal strategy and its medium- to long term asset repairs and maintenance goals,
- Relevant (budget and other) legislative imperatives, and
- Operational gains and efficiencies directed to fund areas of strategic priority and known commitments.

The following table is a high level summary of the 2013/14 budget and MTREF (classified by main type of operating expenditure):

**Table 18 Summary of operating expenditure by standard classification**

Description	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<b>Expenditure By Type</b>									
Employee related costs	5 587 167	6 123 768	6 916 012	7 777 521	7 667 739	7 636 630	8 253 458	8 951 393	9 723 994
Remuneration of councillors	84 451	88 621	97 772	122 384	112 904	112 904	123 721	131 887	140 855
Debt impairment	635 851	773 226	818 450	991 026	999 026	999 026	866 192	1 064 858	1 136 380
Depreciation & asset impairment	1 043 389	1 271 965	1 399 490	1 444 096	1 598 033	1 598 033	1 934 741	2 069 894	2 214 534
Finance charges	599 797	717 476	681 533	768 508	749 279	749 279	863 894	960 456	1 169 031
Bulk purchases	3 668 797	4 620 105	5 705 263	6 441 273	6 509 473	6 509 473	6 898 881	7 545 500	8 211 995
Other materials	68 014	279 273	273 402	396 540	345 614	344 523	358 681	386 392	417 011
Contracted services	2 378 150	2 010 269	2 193 662	2 579 846	2 832 886	2 842 946	3 192 182	3 283 032	3 524 328
Transfers and grants	94 193	93 382	103 492	50 606	90 343	97 491	39 544	51 366	54 992
Other expenditure	2 272 047	2 666 893	2 988 712	3 790 624	3 531 021	3 546 012	3 612 788	3 809 743	4 273 239
Loss on disposal of PPE	3 076	3 529	1 724	-	-	-	-	-	-
<b>Total Expenditure</b>	<b>16 434 930</b>	<b>18 648 506</b>	<b>21 179 513</b>	<b>24 362 425</b>	<b>24 436 318</b>	<b>24 436 318</b>	<b>26 144 082</b>	<b>28 254 520</b>	<b>30 866 359</b>

Staff costs for the 2013/14 financial year amounts to R8.3 billion, which is equates to 31.6% of the total operating expenditure. Based on the three year collective SALGBC agreement, salary increases have been factored into this budget at a percentage increase of 8.84 (i.e. 6.84 + 2) per cent for the 2013/14 financial year. Similar, inflation-linked increases are estimated for the outer years of the City's MTREF.

The cost associated with the remuneration of councillors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The most recent proclamation in this regard has been taken into account in compiling the City's budget.

The provision for debt impairment was based on collection rates achieved to date and projected over the MTREF period, as well as the City's arrears and debt recovery policies. For the 2013/14 financial year this amount equates to R866 million and escalates to R1.1 billion by 2015/16. While this expenditure is considered to be a non-cash flow item, it informs the total cost associated with rendering the services of the municipality, as well as the municipality's realistically anticipated revenues.

Budget appropriations for depreciation and asset impairment total R1.9 billion for the 2013/14 financial year. The increase is mainly due to the revised calculation, which is now based on a 100% spend as opposed to 95% in 2012/13. In addition, multi-year projects, which were previously capitalised in final year of the budget is now capitalised when the asset is commissioned. Moveable assets are depreciated in the same year based on full budget spending and a detail assessment of each project is now performed to evaluate asset life span before calculation for the actual budget.

Finance charges consists primarily of the repayment of interest on long-term borrowing (cost of capital). Finance charges equates to 3.3% (R864 million) of 2013/14 operating expenditure, excluding redemption costs and increases to R1.2 billion by 2015/16. The increase from R769 million in 2012/13 to R864 million in 2013/14 is mainly due to the provision for an external loan of R2.4 billion taken up in 2012/13. With the City's current healthy cash position, no additional loans will be required in 2013/14.

Budgetary provision for bulk purchases are largely informed by the purchase of electricity and water from the suppliers, i.e. Eskom and DWAF. In this regard, annual price increases have been factored into the budget appropriations, which in turn impacts on tariff requirements for these tariff-based services.

Other materials provisions cater for sundry items such as the purchase of fuel, diesel, materials for maintenance, cleaning materials and chemicals. Growth is projected for this expenditure component over the MTREF period (R358 million in 2013/14; estimated to increase to R417 million by 2015/16).

The contracted services expenditure component now includes provisions for repairs and maintenance expenditure. Expenditure levels of R3.2 billion (2013/14) to R3.5 billion (2015/16) are projected.

The following graph gives a breakdown of the main expenditure categories for 2013/14.

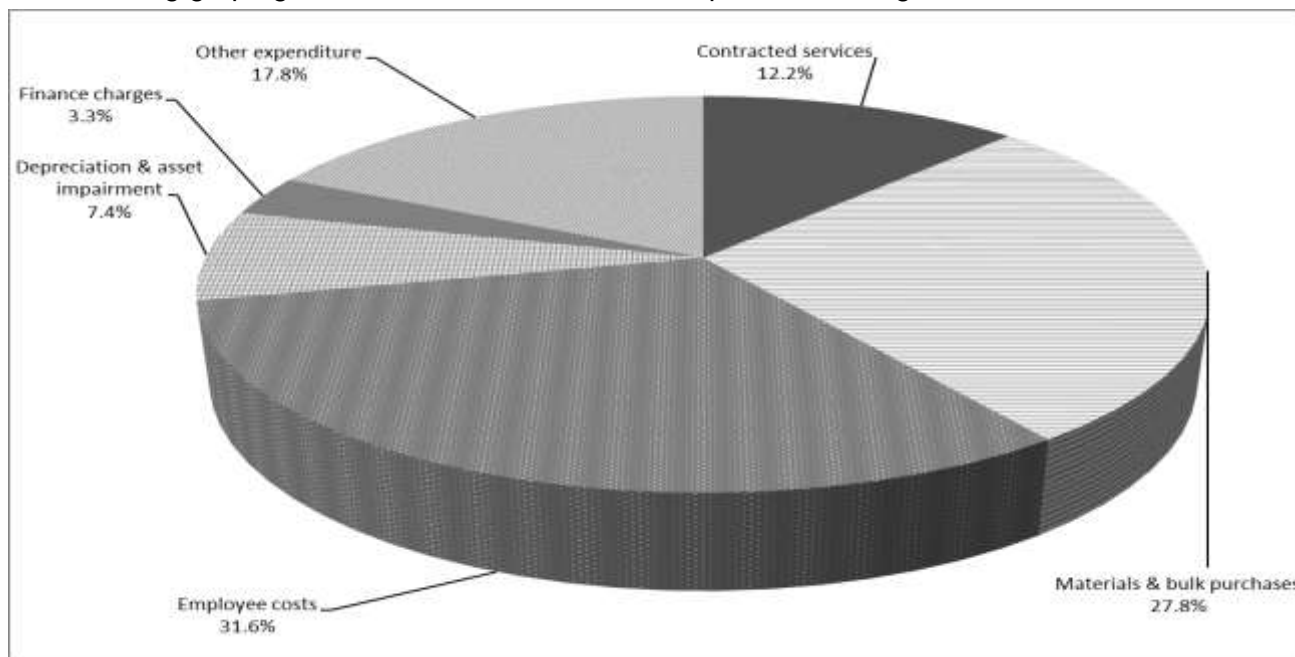


Figure 1 Main operational expenditure categories for the 2013/14 financial year



### 1.4.1 Priority given to Repairs and Maintenance

The City has acknowledged its obligation to optimally preserve its extended asset base and recognises current inherent backlogs in this regard. In line with the approach of recent financial years, 2013/14 appropriations again provide for significant and above-CPI level increases to this cost component.

In terms of the Municipal Budget and Reporting Regulations, operational repairs and maintenance is not considered a direct expenditure driver, but an outcome of other expenditures, such as remuneration, purchases of materials and contracted services. Considering these cost drivers, the following table is a consolidation of all the expenditures associated with repairs and maintenance.

**Table 19 Operational repairs and maintenance**

Description	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<b>R thousand</b>									
<b>Repairs &amp; Maintenance by Expenditure Item</b>									
Employee related costs	0	406 268	446 891	960 451	945 862	945 862	1 165 808	1 266 075	1 377 490
Other materials	–	200 892	180 350	305 208	243 415	243 415	263 900	286 690	311 816
Contracted Services	68	995 374	1 088 586	1 193 519	1 301 084	1 304 997	1 360 489	1 488 123	1 608 206
Other Expenditure	1 577 652	106 746	167 226	131 960	131 738	131 738	140 087	152 566	165 513
<b>Total Repairs and Maintenance Expenditure</b>	<b>1 577 720</b>	<b>1 709 280</b>	<b>1 883 053</b>	<b>2 591 137</b>	<b>2 622 099</b>	<b>2 626 012</b>	<b>2 930 285</b>	<b>3 193 454</b>	<b>3 463 025</b>

The total Repairs & Maintenance allocation for 2013/14 equates to R2.9 billion and represents a growth of 13% in relation to the 2012/13 budget. The significant increase is notable on Repairs & Maintenance - secondary (labour to operating) resulting from the full cost absorption method applied in 2013/14 to calculate labour unit price and the increases in activity prices based on total cost of employment (TCOE) of direct labour workers influenced by TASK outcome/job grading system, where jobs and positions were graded based on the content of approved job descriptions. This trend continues over the MTREF and increases to R1.4 billion in 2015/16. The 2013/14 Repairs & Maintenance provision represents more than 10% of total operating expenditure.

### 1.4.2 Free Basic Services: Basic Social Services Package

The City provides free basic services (electricity, refuse removal, water, sanitation and rates) to residential properties via two procedures, i.e. the municipal value of the property or on application by those with limited income whose property values exceed the set valuation levels.

The valuation method is utilized to prevent the creation of a bloated and costly administration to deal with the expected 245 000 to 280 000 applications if all had to apply on a periodic basis. Via the billing system criteria the City provides assistance to those residents assumed to be in need, although some with the ability to pay would also receive that benefit. However, the costs of preventing those few unintended cases being assisted would far outweigh the benefits of not providing free services to them. A further benefit of the valuation based approach is that it provides certainty and reduces the risks of fraud. The benefits vary based on the valuation of the properties at R400 000 or below and the recipients vary between 80 000 and 245 000.

The second procedure allows any resident who is required to pay for the mentioned services and whose gross monthly household income is R3 000 or below, to register as indigent to receive the same benefits as if their property values were below R100 000. To date 2 295 residents registered as such, showing clearly that the valuation driven measures are reaching the less fortunate residents as envisaged.

As from 2012/13 a new category of indigent support was created by granting a 50% rebate on rates to all residents where the gross monthly household income is between R3 001 and R4 000. To date 27 households have registered.

Senior citizens and disabled persons' rates rebate is granted to qualifying applicants where the gross monthly household income is below R12 000. For such income up to R3 500 the rates rebate is 100%, reducing gradually to 10% for income between R11 001 and R12 000.

Lifeline tariff customers receiving less than 250kWh per month will receive an increase in the free basic supply to 60kWh, with those receiving between 250kWh and 450kWh per month receiving a free basic supply of 25kWh per month. In total there are 306 000 residents receiving this benefit in the City and Eskom area of supply.

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

The costs for the refuse removal, the R67.42 for water and sanitation and the 60kWh of free electricity are 123% financed by National Government through the local government equitable share received in terms of the annual Division of Revenue Act. However, the City allocates R46 million from rates income to balance this expenditure whilst the costs of the free 6 kilolitres of water (and concomitant sanitation) and the R200 000 valuation rebate on rates for those residents within the valuation brackets deemed to be indigent are paid for by those remaining residents.

## 1.5 Capital Expenditure

**Table 20 2013/14 Medium-term capital budget per vote**

Vote Description R thousand	Current Year 2012/13		2013/14 Medium Term Revenue & Expenditure Framework					
	Adjusted Budget	%	Budget Year 2013/14	%	Budget Year +1 2014/15	%	Budget Year +2 2015/16	%
Vote 1 - City Health	31 899	0.5%	23 716	0.4%	17 466	0.3%	25 466	0.5%
Vote 2 - City Manager	804	0.0%	842	0.0%	1 222	0.0%	702	0.0%
Vote 3 - Community Services	192 140	3.1%	222 027	4.1%	191 734	3.7%	154 670	2.8%
Vote 4 - Compliance and Auxiliary Services	8 453	0.1%	10 465	0.2%	36 167	0.7%	36 481	0.7%
Vote 5 - Corporate Services	237 997	3.8%	258 892	4.7%	218 263	4.2%	243 893	4.4%
Vote 6 - Deputy City Manager	27 765	0.4%	40 450	0.7%	6 250	0.1%	356	0.0%
Vote 7 - Economic, Environment & Spatial Planning	43 667	0.7%	58 459	1.1%	67 169	1.3%	62 527	1.1%
Vote 8 - Finance	52 205	0.8%	11 784	0.2%	7 172	0.1%	3 781	0.1%
Vote 9 - Human Settlements	641 852	10.3%	626 894	11.5%	366 956	7.1%	92 833	1.7%
Vote 11 - Safety & Security	58 703	0.9%	67 927	1.2%	57 127	1.1%	35 127	0.6%
Vote 12 - Social and Early Childhood Development	9 590	0.2%	5 460	0.1%	15 810	0.3%	11 010	0.2%
Vote 13 - Tourism, Events and Marketing	102 455	1.6%	28 661	0.5%	25 250	0.5%	30 250	0.6%
Vote 14 - Transport, Roads and Stormwater	2 623 876	42.2%	1 415 743	26.0%	1 614 413	31.2%	1 770 088	32.2%
Vote 15 - Utility Services	2 190 402	35.2%	2 679 272	49.2%	2 552 472	49.3%	3 024 849	55.1%
<b>Total Capital Expenditure - Vote</b>	<b>6 221 809</b>	<b>100%</b>	<b>5 450 592</b>	<b>100%</b>	<b>5 177 472</b>	<b>100%</b>	<b>5 492 034</b>	<b>100%</b>

The capital budget decreases from R6 222 million in 2012/13 (January 2013 adjustments budget) to R5 451 million in 2013/14. This is an overall decline of 12.4% when measured against the latest 2012/13 budgetary provision.

The above table clearly indicates that expenditure emphasis is still on those votes responsible for infrastructure development e.g. Utility Services and Transport, Roads & Stormwater. This allocation in 2013/14 represents just over R4 095 million or 75.1% of the total budgetary allocation for the year. Utility Services receives the largest allocation of R2 679 million in 2013/14, which represents 49.2% of the budget. Utility Services includes the services responsible for the provision of electricity, solid waste, water and sanitation. The second highest allocation is made to Transport Roads & Stormwater amounting to R1 416 million or 26%, which is then followed by Human Settlement at R627 million, Corporate Services at R259 million and Community Services at R222 million.

In the outer years the majority of the allocations were also made to infrastructure development amounting to R4 167 million (80.5%) and R4 795 million (87.3%) respectively for each of the financial years.

National Treasury, in its MFMA circulars, has indicated that a minimum of 40% of the capital budget should be for renewal as opposed to new infrastructure. In the City's proposed Capital Budget the renewal of existing assets equates to R2 274 million or 41.7% of the total 2013/14 capital budget, while new assets represents R3 177 million or 58.3%. It is important to note that asset renewal represents the upgrading or replacement of existing City owned assets, while new assets will result in an increase in the asset base of this City. Additional details regarding asset classes and proposed capital expenditure is contained in Table 30 MBRR Table A9 - Asset Management on page 42, while MBRR Tables A9, SA34a and SA34b provides a detailed breakdown of the capital budget with

regards to new asset construction and capital asset renewal (refer pages 152 and 153). A detailed breakdown of the capital budget per project over the medium term is available on page 156.

Major projects/programmes to be implemented over the medium term are:

- Athlone- Philippi: OH Line Undergrounding → R87 million
- Backyarders → R293 million
- Bloemhof: Stores Upgrade → R60 million
- Broad Road Phase 3 → R50 million
- City Depot – Relocation → R64 million
- Conn Infrastructure (Quote) → R161 million
- Electrification → R396 million
- Facilities Alterations & Upgrading → R300 million
- Guguletu Main Substation Upgrade → R39 million
- HV Switchgear Replacement → R17 million
- Koeberg Rd Switching Station Phase 2 → R128 million
- Main Substation MV Switchgear Replacement → R48 million
- Milnerton: Sub-Depot - Street Lighting → R20 million
- MV Switchgear Refurbishment → R215 million
- New Building Complex Bloemhof → R35 million
- Platteklouf - N1 Reinforcement → R88 million
- Electricity Service Connections → R82 million
- Steenbras Rehab/Upgrade → R77 million
- Stikland Main Substation → R40 million
- Street Lighting: City Wide → R153 million
- Substation Fencing → R42 million
- System Equipment Replacement → R420 million
- System Infrastructure → R327 million
- Training School – Brackenfell → R59 million
- New Landfill Site Infrastructure → R155 million
- New Transfer Station Infrastructure → R251 million
- Replacement: Plant & Vehicles → R200 million
- Solid Waste Management Infrastructure → R50 million
- Upgrading facilities → R53 million
- Athlone WWTW-Capacity Extension → R40 million
- Bulk Water (Housing Projects) → R16 million
- Bulk Water Augmentation Scheme → R161 million
- Bulk Water Infrastructure Replacement → R60 million
- Cape Flats III → R161 million
- Cape Flats WWTW-Refurbish → R36 million
- Development of Additional Infrastructure → R197 million
- Fisantekraal Housing Garden City → R26 million
- Infrastructure Replace/Refurbish - WWTW → R67 million
- Macassar WWTW Extension → R16 million
- Meter Replacement Program → R411 million
- Mitchells Plain WWTW-Improvements → R104 million

- New Head Office → R182 million
- Northern Area Sewer Thornton → R136 million
- Northern Regional Sludge Facility → R85 million
- Philippi Collector Sewer → R15 million
- Potsdam WWTW – Extension → R174 million
- Pump Station & Rising Main Du Noon → R28 million
- Replace & Upgrade Sewer Network (Citywide) → R182 million
- Replace & Upgrade Water Network (Citywide) → R225 million
- Ruyterwacht Midblock Water Pipes → R11 million
- Spes Bona Reservoir → R23 million
- Somerset West Bus Park Main Sewer (lower leg) → R35 million
- Zandvliet WWTW-Extension → R136 million
- Atlantis Cemetery Upgrade → R8 million
- Cemetery Upgrades & Extensions → R14 million
- Delft Cemetery Development → R5 million
- Develop Metro South-East Cemetery → R10 million
- District Park Atlantis → R5 million
- Maitland Cemetery Upgrade Roads & Infrastructure → R5 million
- Park Upgrades and Developments → R44 million
- Vaalfontein Cemetery Development → R10 million
- Welmoed Cemetery Development → R5 million
- Library Upgrades and Extensions → R45 million
- New Regional Library Kuyasa Khayalitsha → R59 million
- Atlantis Synthetic Soccer Pitch → R7 million
- Blue Waters Resort : Upgrade → R6 million
- Irrigation: General Upgrade → R9 million
- Solomon Mahlangu Hall Modification → R8 million
- Sport and Recreation Facilities Upgrade → R69 million
- SRA Synthetic Pitches → R59 million
- Synthetic Pitch - Cross Roads → R5 million
- Synthetic Pitch – Heideveld → R5 million
- Synthetic Pitch – Kewtown → R5 million
- Synthetic Pitch – Steenberg → R5 million
- Bellville:Public Transport Hub → R21 million
- Bulk Roads & Stormwater for Housing Projects → R153 million
- Construct:Broadway Blvd, Nomzamo/Lwandle → R22 million
- Dualling of Platteklouf Road → R12 million
- Durban Road Corridor Modderdam Road extension → R19 million
- IM: Reconstruct Roads Metro → R97 million
- Inner City: Public Transport Hub → R38 million
- IRT → R3 billion
- Main Roads: Northern Corridor → R45 million
- Makhaza Bus Terminal → R12 million
- NMT Network & Universal Access → R220 million
- Nolungile (Site C) → R30 million

- Nomzamo Access Bridge & PTI → R19 million
- Pedestrianisation - Low Income Areas → R80 million
- Pelican Park: Strandfontein Rd Upgrade → R109 million
- Public Transport Facilities → R30 million
- Public Transport Systems Management Project → R161 million
- Rail based Park & Ride Facilities → R18 million
- Roads & Stormwater Rehabilitation → R282 million
- Scottsdene Regional Taxi Rank → R22 million
- Sir Lowry's Pass River Upgrade → R40 million
- Sir Lowry's Pass Village Road Upgrade → R15 million
- Somerset West PTI → R12 million
- Wallacedene Public Transport Interchange → R20 million
- Wynberg: Public Transport Hub → R20 million
- Broadband → R250 million
- Khayelitsha EHO and Health Facilities → R6 million
- Mzamomhle clinic upgrade & ext. TB/ARV → R4 million
- New Pelican Park Clinic → R7 million
- New Site B youth clinic → R11 million
- St Vincent Clinic – Extensions → R4 million
- Tafelsig Clinic Extensions and Upgrade → R5 million
- Integrated Emergency Contact Centre → R60 million
- Replacement of Fire Vehicles → R9 million
- Hanover Park Project → R17 million
- Manenberg CRU Project → R168 million
- Urbanisation: Backyards/Informal Settlement Upgrades → R61 million
- Energy Efficiency and Demand Side Manage → R21 million
- Local Area Priority Initiatives [LAPIs] → R44 million
- Quality Public Spaces - Citywide → R23 million
- Install Electronic Advertising Board: Cape Town Stadium → R5 million
- Multi-Media Upgrade → R10 million
- Replacement of Toilets on Level 3 and 6: Cape Town Stadium → R6 million
- Upgrade of Athlone Stadium → R5 million
- Upgrade to Grand Parade → R2 million
- Construct ECD Centres-Du Noon → R5 million
- Construct ECD Centres-Strand(Erjville) → R3 million
- Construction of ECD - Golden Gate → R4 million
- Construction of ECD – Nantes → R3 million
- Wallacedene Social Development Hub → R3 million

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

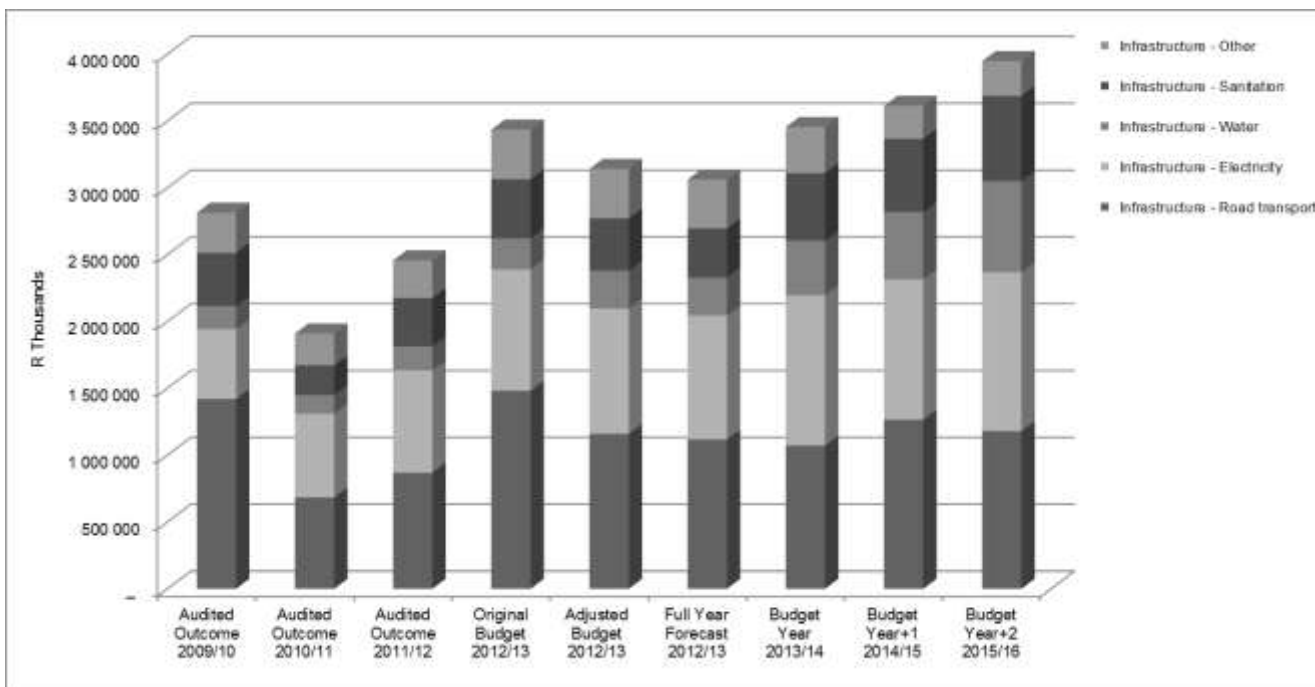


Figure 2 Capital Infrastructure Programme

**1.5.1 Future operational cost of new infrastructure**

Table SA35, on page 155, represents the future operational costs resulting from the capital investment program. The table shows that the costs estimated over the MTREF are expected to grow from R2 950 million in 2013/14 to R3 539 million in 2015/16. No additional budgetary provision was made for these costs as it is expected to be absorbed through efficiency gains and the prioritisation of existing operational resources.

**1.6 Annual Budget Tables**

The ten primary budget tables, as required in terms of section 8 of the MBRR, are presented on page 27 to page 44. These tables reflect the City’s 2013/14 budget and MTREF to be considered and adopted by Council. Each table is accompanied by explanatory notes.

**Table 21 MBRR Table A1 - Budget Summary**

Description	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<b>Financial Performance</b>									
Property rates	3 841 313	4 529 932	4 712 098	5 124 299	5 161 136	5 161 136	5 527 109	5 914 006	6 327 987
Service charges	8 735 777	10 359 727	11 986 765	13 339 039	13 464 792	13 464 792	14 442 391	15 863 091	17 392 935
Investment revenue	293 555	291 679	333 336	244 439	244 439	244 439	284 618	292 445	303 664
Transfers recognised - operational	1 194 162	1 400 627	1 639 075	2 325 525	2 170 614	2 170 614	2 595 904	2 549 102	3 037 349
Other own revenue	2 465 853	2 578 677	2 833 409	2 868 354	2 910 565	2 910 565	3 045 068	3 362 603	3 567 088
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>16 530 661</b>	<b>19 160 643</b>	<b>21 504 683</b>	<b>23 901 656</b>	<b>23 951 546</b>	<b>23 951 546</b>	<b>25 895 089</b>	<b>27 981 247</b>	<b>30 629 023</b>
Employee costs	5 587 167	6 123 768	6 916 012	7 777 521	7 667 739	7 636 630	8 253 458	8 951 393	9 723 994
Remuneration of councillors	84 451	88 621	97 772	122 384	112 904	112 904	123 721	131 887	140 855
Depreciation & asset impairment	1 043 389	1 271 965	1 399 490	1 444 096	1 598 033	1 598 033	1 934 741	2 069 894	2 214 534
Finance charges	599 797	717 476	681 533	768 508	749 279	749 279	863 894	920 445	1 169 031
Materials and bulk purchases	3 736 811	4 899 378	5 978 665	6 837 813	6 855 087	6 853 996	7 257 562	7 931 892	8 629 006
Transfers and grants	94 193	93 382	103 492	50 606	90 343	97 491	39 544	51 366	54 992
Other expenditure	5 289 123	5 453 917	6 002 548	7 361 496	7 362 933	7 387 984	7 671 163	8 157 633	8 933 946
<b>Total Expenditure</b>	<b>16 434 930</b>	<b>18 648 506</b>	<b>21 179 513</b>	<b>24 362 425</b>	<b>24 436 318</b>	<b>24 436 318</b>	<b>26 144 082</b>	<b>28 254 520</b>	<b>30 866 359</b>
<b>Surplus/(Deficit)</b>	<b>95 730</b>	<b>512 137</b>	<b>325 171</b>	<b>(460 769)</b>	<b>(484 772)</b>	<b>(484 772)</b>	<b>(248 993)</b>	<b>(273 273)</b>	<b>(237 336)</b>
Transfers recognised - capital	1 940 857	1 173 315	2 061 755	3 277 122	3 637 304	3 637 304	2 535 058	2 472 524	2 421 296
Contributions recognised - capital & contributed assets	68 988	46 728	120 358	57 707	46 588	46 588	48 250	61 142	53 600
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>2 105 575</b>	<b>1 732 180</b>	<b>2 507 284</b>	<b>2 874 060</b>	<b>3 199 121</b>	<b>3 199 121</b>	<b>2 334 315</b>	<b>2 260 393</b>	<b>2 237 560</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	<b>2 105 575</b>	<b>1 732 180</b>	<b>2 507 284</b>	<b>2 874 060</b>	<b>3 199 121</b>	<b>3 199 121</b>	<b>2 334 315</b>	<b>2 260 393</b>	<b>2 237 560</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>4 662 927</b>	<b>2 857 761</b>	<b>4 233 245</b>	<b>5 926 610</b>	<b>6 221 809</b>	<b>6 046 048</b>	<b>5 450 592</b>	<b>5 177 472</b>	<b>5 492 034</b>
Transfers recognised - capital	1 949 507	1 173 329	2 061 778	3 280 447	3 641 101	3 542 788	2 537 158	2 474 624	2 421 296
Public contributions & donations	45 337	46 715	44 208	54 382	42 791	39 727	46 150	59 042	53 600
Borrowing	1 782 932	992 283	1 374 791	1 765 377	1 784 935	1 767 703	2 149 497	2 048 074	2 442 586
Internally generated funds	885 151	645 435	752 469	826 405	752 982	695 830	717 788	595 731	574 553
<b>Total sources of capital funds</b>	<b>4 662 927</b>	<b>2 857 761</b>	<b>4 233 245</b>	<b>5 926 610</b>	<b>6 221 809</b>	<b>6 046 048</b>	<b>5 450 592</b>	<b>5 177 472</b>	<b>5 492 034</b>
<b>Financial position</b>									
Total current assets	8 468 126	9 455 665	10 769 190	9 113 527	12 059 201	12 059 201	11 085 280	12 368 577	12 931 844
Total non current assets	20 470 389	21 882 485	24 772 540	29 891 064	30 034 934	30 034 934	33 525 814	36 658 696	39 954 893
Total current liabilities	5 492 569	5 801 721	7 101 568	5 875 516	7 865 655	7 865 655	8 556 365	8 670 782	9 071 054
Total non current liabilities	8 590 155	8 856 173	9 252 622	11 344 930	11 761 696	11 761 696	11 249 547	13 283 804	14 500 132
Community wealth/Equity	14 855 791	16 680 256	19 187 540	21 784 146	22 466 785	22 466 785	24 805 183	27 072 687	29 315 551
<b>Cash flows</b>									
Net cash from (used) operating	3 772 696	3 644 517	5 241 829	4 726 735	5 260 693	5 260 693	4 447 103	4 525 742	4 637 605
Net cash from (used) investing	(3 435 266)	(4 755 444)	(4 173 468)	(5 803 342)	(6 139 458)	(6 139 458)	(5 109 063)	(4 827 701)	(5 108 090)
Net cash from (used) financing	1 516 796	(248 995)	(156 536)	1 925 729	2 257 023	2 257 023	(598 143)	1 429 287	722 847
<b>Cash/cash equivalents at the year end</b>	<b>6 609 303</b>	<b>5 249 381</b>	<b>6 161 206</b>	<b>4 523 511</b>	<b>7 539 097</b>	<b>7 539 463</b>	<b>6 279 361</b>	<b>7 406 689</b>	<b>7 659 051</b>
<b>Cash backing/surplus reconciliation</b>									
Cash and investments available	4 845 300	5 448 098	6 361 479	5 473 500	8 409 971	8 409 971	7 404 594	8 807 671	9 352 285
Application of cash and investments	1 431 330	1 177 581	1 785 290	5 335 752	8 255 726	8 255 726	7 148 363	8 506 851	9 024 396
<b>Balance - surplus (shortfall)</b>	<b>3 413 970</b>	<b>4 270 517</b>	<b>4 576 189</b>	<b>137 748</b>	<b>154 245</b>	<b>154 245</b>	<b>256 231</b>	<b>300 821</b>	<b>327 890</b>
<b>Asset management</b>									
Asset register summary (WDV)	19 953 867	21 483 763	24 098 059	28 580 574	28 721 836	28 683 593	32 232 897	35 081 601	38 084 499
Depreciation & asset impairment	1 043 389	1 271 965	1 399 490	1 444 096	1 598 033	1 598 033	1 934 741	2 069 894	2 214 534
Renewal of Existing Assets	1 598 371	1 306 083	2 196 471	2 234 246	2 860 285	2 804 993	2 273 944	2 056 382	2 140 632
Repairs and Maintenance	1 577 720	1 709 282	1 883 057	2 591 137	2 622 099	2 626 012	2 930 285	3 193 454	3 463 025
<b>Free services</b>									
Cost of Free Basic Services provided	951 867	863 295	914 309	520 794	1 461 959	1 461 959	1 538 830	1 820 904	1 985 678
Revenue cost of free services provided	1 521 428	1 775 172	1 870 318	2 204 924	2 183 508	2 183 508	2 473 098	2 666 653	2 877 532
<b>Households below minimum service level</b>									
Water:	-	-	-	12 000	12 000	12 000	8 000	4 000	4 000
Sanitation/sewerage:	6 000	24 000	24 000	60 800	60 800	60 800	40 600	20 400	20 400
Energy:	90 000	86 000	40 012	38 213	38 963	38 963	37 863	36 763	35 663
Refuse:	-	-	-	-	-	-	-	-	-



## Explanatory notes to MBRR Table A1 – Budget Summary

1. Table A1 represents a high-level summation of the City's budget, providing a view that includes all major components, i.e. operating, capital, financial position, cash flow and MFMA funding compliance.
2. In essence it provides a synopsis of the amounts to be approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance and the City's commitment to eliminate basic service delivery backlogs.
3. The importance of ensuring that a municipal budget is fully funded is stressed in the financial management reforms. The MFMA through section 18 requires that a budget can only be funded by realistically anticipated revenue to be collected and cash-backed accumulated funds from previous years, not committed for other purposes.
4. To test whether the City's budget is funded it is required therefore to collectively assess the financial performance, capital budget, financial position and cash flow budgets.
5. The City's key outcomes in this regard are as follows:
  - a. The City's financial performance shows deficit positions over the 2013/14 MTREF. National Treasury Circular 42 states that a deficit on the Financial Performance does not mean that the budget is not funded as long as it is funded from uncommitted previous years' surpluses.
  - b. The deficit on the Financial Performance is as a result of appropriations which are included in the financial position and not in the financial performance budget. The appropriation includes the depreciation reserves (for externally-funded capital projects), Housing Development Fund, Insurance Fund and contributions to the Capital Replacement Reserve.
  - c. The cash flow budget outcome shows that this deficit is funded from uncommitted, previous years' surpluses. It is consequently viewed as a sustainable position.
  - d. The capital budget is funded from the following sources:
    - Transfers recognised - capital and public contributions & donations which are shown on the financial performance budget;
    - Borrowing, which is shown in the cash flow budget as part of the net cash from financing activities; and
    - Internally generated funds are financed from previous years' accumulated surpluses, previous years' contributions made to CRR and bulk infrastructure levies already collected. The affordability and sustainability of these funds are confirmed by the positive and increasing cash flow outcome over the 2013/14 MTREF.
6. The City's cash backing/surplus reconciliation over the 2013/14 MTREF shows a positive and increasing trend, which is an indication that the City will be able to afford its commitments over the next three years.
7. The City's persistent strive to eradicate infrastructure backlogs and is evident in the annual increase of investment in the Cost of Free Basic Services and the Revenue Cost of Free Basic Services provided. Backlogs still exist for Water, Sanitation and Electricity services.

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

Standard Classification Description R thousand	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<b>Revenue - Standard</b>									
<i>Governance and administration</i>	<b>6 273 662</b>	<b>7 249 832</b>	<b>7 964 359</b>	<b>8 294 353</b>	<b>8 363 244</b>	<b>8 363 244</b>	<b>9 117 905</b>	<b>9 821 685</b>	<b>10 667 949</b>
Executive and council	2 597	5 227	626	2 365	6 099	6 099	2 498	2 637	2 790
Budget and treasury office	6 093 989	7 145 211	7 642 383	8 113 587	8 153 077	8 153 077	8 899 708	9 568 553	10 388 062
Corporate services	177 076	99 393	321 350	178 401	204 068	204 068	215 699	250 495	277 097
<i>Community and public safety</i>	<b>1 812 088</b>	<b>1 489 699</b>	<b>1 660 887</b>	<b>1 878 807</b>	<b>2 077 475</b>	<b>2 077 475</b>	<b>2 299 263</b>	<b>2 001 573</b>	<b>2 105 535</b>
Community and social services	75 646	78 695	79 894	102 173	73 301	73 301	100 274	104 297	70 605
Sport and recreation	621 527	199 956	90 515	122 100	141 657	141 657	197 733	123 308	141 631
Public safety	232 638	249 345	247 953	235 626	267 404	267 404	283 945	259 549	273 898
Housing	616 844	641 597	875 782	1 004 881	1 186 166	1 186 166	1 284 802	1 059 891	1 175 007
Health	265 433	320 106	366 744	414 028	408 948	408 948	432 509	454 528	444 394
<i>Economic and environmental services</i>	<b>1 255 505</b>	<b>949 908</b>	<b>1 613 953</b>	<b>3 127 647</b>	<b>3 105 901</b>	<b>3 105 901</b>	<b>2 010 294</b>	<b>2 094 646</b>	<b>2 142 559</b>
Planning and development	138 529	154 281	163 261	216 365	191 470	191 470	219 262	210 922	220 460
Road transport	1 099 079	771 669	1 434 262	2 888 726	2 877 628	2 877 628	1 767 700	1 863 190	1 896 104
Environmental protection	17 897	23 958	16 429	22 556	36 803	36 803	23 332	20 534	25 996
<i>Trading services</i>	<b>9 195 700</b>	<b>10 689 106</b>	<b>12 443 026</b>	<b>13 928 026</b>	<b>14 083 716</b>	<b>14 083 716</b>	<b>15 046 323</b>	<b>16 594 942</b>	<b>18 186 803</b>
Electricity	5 785 196	6 944 632	8 238 997	9 238 567	9 382 334	9 382 334	10 020 983	10 947 759	12 008 802
Water	1 662 855	1 829 212	2 048 752	2 312 229	2 315 737	2 315 737	2 506 465	2 842 620	3 104 420
Waste water management	1 052 516	1 072 839	1 267 953	1 399 900	1 393 820	1 393 820	1 485 615	1 711 700	1 874 466
Waste management	695 132	842 423	887 325	977 330	991 825	991 825	1 033 259	1 092 862	1 199 115
<i>Other</i>	<b>3 550</b>	<b>2 141</b>	<b>4 572</b>	<b>7 652</b>	<b>5 103</b>	<b>5 103</b>	<b>4 613</b>	<b>2 068</b>	<b>1 072</b>
<b>Total Revenue - Standard</b>	<b>18 540 505</b>	<b>20 380 686</b>	<b>23 686 797</b>	<b>27 236 485</b>	<b>27 635 439</b>	<b>27 635 439</b>	<b>28 478 397</b>	<b>30 514 913</b>	<b>33 103 919</b>
<b>Expenditure - Standard</b>									
<i>Governance and administration</i>	<b>3 409 682</b>	<b>3 680 745</b>	<b>4 180 175</b>	<b>4 843 898</b>	<b>4 802 806</b>	<b>4 792 025</b>	<b>4 912 166</b>	<b>5 283 399</b>	<b>5 800 916</b>
Executive and council	216 418	224 469	264 276	390 329	340 772	346 229	354 083	388 521	413 399
Budget and treasury office	1 458 575	1 503 034	1 660 096	2 177 022	2 125 119	2 117 851	2 324 155	2 489 837	2 802 317
Corporate services	1 734 689	1 953 242	2 255 804	2 276 547	2 336 914	2 327 946	2 233 927	2 405 041	2 585 200
<i>Community and public safety</i>	<b>3 712 911</b>	<b>3 740 465</b>	<b>4 048 163</b>	<b>4 528 345</b>	<b>4 730 116</b>	<b>4 735 011</b>	<b>5 244 602</b>	<b>5 548 231</b>	<b>6 244 487</b>
Community and social services	358 441	387 945	452 563	466 230	510 627	510 584	508 917	574 191	616 397
Sport and recreation	1 065 075	1 087 097	1 036 232	1 147 217	1 171 819	1 171 955	1 271 578	1 316 856	1 422 648
Public safety	1 151 071	1 162 535	1 269 552	1 412 885	1 436 368	1 441 170	1 599 991	1 698 299	1 839 941
Housing	665 936	561 427	678 590	806 590	920 608	920 608	1 105 048	1 149 236	1 548 782
Health	472 389	541 460	611 225	695 422	690 694	690 694	759 067	809 650	816 718
<i>Economic and environmental services</i>	<b>1 367 880</b>	<b>1 606 066</b>	<b>1 905 321</b>	<b>2 572 956</b>	<b>2 417 361</b>	<b>2 423 339</b>	<b>2 717 443</b>	<b>2 764 144</b>	<b>2 829 739</b>
Planning and development	383 673	408 295	456 187	524 774	530 968	530 538	589 937	606 069	655 335
Road transport	817 570	1 003 857	1 251 273	1 836 436	1 642 463	1 648 871	1 888 013	1 911 130	1 907 404
Environmental protection	166 638	193 914	197 861	211 746	243 930	243 930	239 492	246 944	267 000
<i>Trading services</i>	<b>7 891 315</b>	<b>9 569 263</b>	<b>10 991 369</b>	<b>12 321 579</b>	<b>12 394 151</b>	<b>12 394 136</b>	<b>13 182 540</b>	<b>14 568 069</b>	<b>15 895 563</b>
Electricity	4 587 480	5 614 777	6 894 044	7 747 649	7 818 844	7 818 809	8 319 445	9 144 785	9 955 909
Water	1 499 872	1 780 553	1 810 451	1 993 450	1 992 409	1 992 384	2 092 450	2 415 324	2 649 568
Waste water management	724 042	872 037	943 358	1 055 512	1 073 797	1 073 841	1 166 829	1 302 231	1 437 737
Waste management	1 079 922	1 301 896	1 343 516	1 524 969	1 509 101	1 509 101	1 603 815	1 705 729	1 852 350
<i>Other</i>	<b>53 143</b>	<b>51 967</b>	<b>54 484</b>	<b>95 646</b>	<b>91 884</b>	<b>91 807</b>	<b>87 332</b>	<b>90 678</b>	<b>95 654</b>
<b>Total Expenditure - Standard</b>	<b>16 434 930</b>	<b>18 648 506</b>	<b>21 179 513</b>	<b>24 362 425</b>	<b>24 436 318</b>	<b>24 436 318</b>	<b>26 144 082</b>	<b>28 254 520</b>	<b>30 866 359</b>
<b>Surplus/(Deficit) for the year</b>	<b>2 105 575</b>	<b>1 732 180</b>	<b>2 507 284</b>	<b>2 874 060</b>	<b>3 199 121</b>	<b>3 199 121</b>	<b>2 334 315</b>	<b>2 260 393</b>	<b>2 237 560</b>

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

1. Table A2 is an overview of the budgeted financial performance in relation to revenue and expenditure per standard classification, which divides the municipal services into 15 functional areas.
2. Major contributing items to the increased operating revenue are additional allocations on the Equitable Share, the projected organic growth and tariff increases on Property Rates Tax and Service Charges (Water, Sanitation, Electricity and Refuse).
3. A surplus of R2 334 million in 2013/14 is reflected in this table as total revenue includes Transfers Recognised - capital (capital grants and donations received) while the expenditure category excludes these transfers.
4. This table highlights that the revenue for Electricity, Water and Waste Water Management excluding Waste Management, exceed their expenditure, resulting from the exclusion of Internal Charges. The deficit in Waste Management Department is absorbed within Rates revenue.
5. Other functions within Rates show a deficit when comparing revenue and expenditure, which is financed from Rates revenue.

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

Vote Description	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<b>Revenue by Vote</b>									
Vote 1 - City Health	265 478	320 113	366 750	414 621	409 541	409 541	433 136	455 190	445 094
Vote 2 - City Manager	485	108	51	39	39	39	41	44	46
Vote 3 - Community Services	121 144	121 858	152 761	208 071	191 543	191 543	218 688	210 466	194 235
Vote 4 - Compliance and Auxiliary Services	7 694	5 344	1 829	2 806	6 540	6 540	2 963	3 129	3 310
Vote 5 - Corporate Services	45 869	29 877	118 741	31 537	27 846	27 846	37 936	45 200	47 537
Vote 6 - Deputy City Manager	5 627	22 854	17 146	54 693	35 719	35 719	33 859	2 000	-
Vote 7 - Economic, Environment & Spatial Planning	81 499	87 244	80 525	88 256	106 853	106 853	100 661	108 085	118 045
Vote 8 - Finance	587 241	551 672	779 398	602 451	631 086	631 086	694 205	734 389	783 499
Vote 9 - Human Settlements	619 203	644 363	878 573	1 008 303	1 188 935	1 188 935	1 287 635	1 063 031	1 178 357
Vote 10 - Rates & Other	5 800 425	6 847 309	7 258 182	7 861 963	7 898 800	7 898 800	8 605 150	9 269 249	10 077 214
Vote 11 - Safety & Security	224 143	230 638	223 891	215 130	238 981	238 981	261 949	248 554	262 903
Vote 12 - Social and Early Childhood Development	384	103	2 178	380	1 022	1 022	401	423	447
Vote 13 - Tourism, Events and Marketing	579 407	159 507	22 817	27 653	31 721	31 721	87 930	23 427	23 537
Vote 14 - Transport, Roads and Stormwater	997 808	666 399	1 323 004	2 783 687	2 772 589	2 772 589	1 656 659	1 745 931	1 772 044
Vote 15 - Utility Services	9 204 098	10 693 298	12 460 950	13 936 893	14 094 223	14 094 223	15 057 184	16 605 796	18 197 650
<b>Total Revenue by Vote</b>	<b>18 540 505</b>	<b>20 380 686</b>	<b>23 686 797</b>	<b>27 236 485</b>	<b>27 635 439</b>	<b>27 635 439</b>	<b>28 478 397</b>	<b>30 514 913</b>	<b>33 103 919</b>
<b>Expenditure by Vote to be appropriated</b>									
Vote 1 - City Health	534 937	610 208	679 284	770 819	766 664	766 664	839 300	896 631	911 108
Vote 2 - City Manager	71 774	73 510	77 360	104 566	91 032	95 144	101 107	108 345	116 089
Vote 3 - Community Services	1 040 535	1 107 063	1 212 637	1 300 674	1 345 447	1 345 447	1 392 541	1 525 599	1 647 097
Vote 4 - Compliance and Auxiliary Services	294 945	300 072	345 054	489 149	451 224	451 033	485 895	532 074	568 719
Vote 5 - Corporate Services	1 364 501	1 557 366	1 795 509	1 686 921	1 718 322	1 718 322	1 575 214	1 696 093	1 822 029
Vote 6 - Deputy City Manager	20 774	24 036	48 612	88 433	92 911	88 990	115 861	115 410	126 913
Vote 7 - Economic, Environment & Spatial Planning	368 586	395 223	425 822	445 834	485 424	485 424	516 546	530 303	576 997
Vote 8 - Finance	1 350 627	1 451 326	1 465 749	1 723 728	1 676 599	1 676 599	1 862 695	2 012 850	2 301 625
Vote 9 - Human Settlements	679 642	581 835	701 246	836 965	945 541	945 541	1 124 286	1 174 695	1 576 290
Vote 10 - Rates & Other	394 311	351 317	499 886	805 470	814 501	814 501	837 495	883 284	935 406
Vote 11 - Safety & Security	1 085 031	1 113 817	1 241 298	1 384 094	1 399 497	1 399 497	1 528 458	1 620 982	1 752 450
Vote 12 - Social and Early Childhood Development	26 536	27 240	46 006	58 238	79 214	79 214	77 280	83 779	89 957
Vote 13 - Tourism, Events and Marketing	445 394	429 389	335 979	428 964	449 844	449 844	531 454	503 094	537 878
Vote 14 - Transport, Roads and Stormwater	812 009	1 001 413	1 258 752	1 843 834	1 650 117	1 650 117	1 889 690	1 912 897	1 909 273
Vote 15 - Utility Services	7 945 328	9 624 690	11 046 321	12 394 737	12 469 982	12 469 982	13 266 261	14 658 483	15 994 528
<b>Total Expenditure by Vote</b>	<b>16 434 930</b>	<b>18 648 506</b>	<b>21 179 513</b>	<b>24 362 425</b>	<b>24 436 318</b>	<b>24 436 318</b>	<b>26 144 082</b>	<b>28 254 520</b>	<b>30 866 359</b>
<b>Surplus/(Deficit) for the year</b>	<b>2 105 575</b>	<b>1 732 180</b>	<b>2 507 284</b>	<b>2 874 060</b>	<b>3 199 121</b>	<b>3 199 121</b>	<b>2 334 315</b>	<b>2 260 393</b>	<b>2 237 560</b>

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

1. Table A3 shows budgeted financial performance in relation to revenue and expenditure and operating surplus or deficit per municipal vote.
2. The table below, which is in the MBRR format, is an analysis of the Trading Services' surplus or deficit.

**Table 24 Surplus / (Deficit) calculations for the Trading Services**

Description	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<b>Electricity</b>									
Total Operating Revenue (including capital transfers and contributions)	5 793 734	6 949 075	8 257 070	9 247 575	9 392 980	9 392 980	10 031 991	10 958 767	12 019 811
Total Operating Expenditure	4 663 995	5 703 479	6 978 407	7 844 284	7 916 866	7 916 866	8 425 950	9 259 830	10 081 554
<b>Operating Surplus/(Deficit) for the year</b>	<b>1 129 739</b>	<b>1 245 596</b>	<b>1 278 663</b>	<b>1 403 290</b>	<b>1 476 114</b>	<b>1 476 114</b>	<b>1 606 041</b>	<b>1 698 937</b>	<b>1 938 257</b>
<b>Percentage Surplus</b>	<b>19%</b>	<b>18%</b>	<b>15%</b>	<b>15%</b>	<b>16%</b>	<b>16%</b>	<b>16%</b>	<b>16%</b>	<b>16%</b>
<b>Water</b>									
Total Operating Revenue including capital transfers and contributions)	2 715 224	2 901 796	3 316 554	3 711 989	3 709 417	3 709 417	3 991 933	4 554 166	4 978 724
Total Operating Expenditure	2 190 089	2 605 850	2 710 798	3 008 594	3 027 147	3 027 147	3 216 330	3 671 134	4 037 075
<b>Operating Surplus/(Deficit) for the year</b>	<b>525 135</b>	<b>295 946</b>	<b>605 756</b>	<b>703 395</b>	<b>682 270</b>	<b>682 270</b>	<b>775 604</b>	<b>883 032</b>	<b>941 649</b>
<b>Percentage Surplus</b>	<b>19%</b>	<b>10%</b>	<b>18%</b>	<b>19%</b>	<b>18%</b>	<b>18%</b>	<b>19%</b>	<b>19%</b>	<b>19%</b>
<b>Solid Waste</b>									
Total Operating Revenue including capital transfers and contributions)	695 132	842 423	887 325	977 330	991 825	991 825	1 033 259	1 092 862	1 199 115
Total Operating Expenditure	1 080 554	1 301 896	1 343 516	1 524 969	1 509 101	1 509 101	1 603 815	1 705 729	1 852 350
<b>Operating Surplus/(Deficit) for the year</b>	<b>(385 422)</b>	<b>(459 473)</b>	<b>(456 192)</b>	<b>(547 639)</b>	<b>(517 276)</b>	<b>(517 276)</b>	<b>(570 555)</b>	<b>(612 867)</b>	<b>(653 235)</b>
<b>Percentage Surplus</b>	<b>-55%</b>	<b>-55%</b>	<b>-51%</b>	<b>-56%</b>	<b>-52%</b>	<b>-52%</b>	<b>-55%</b>	<b>-56%</b>	<b>-54%</b>

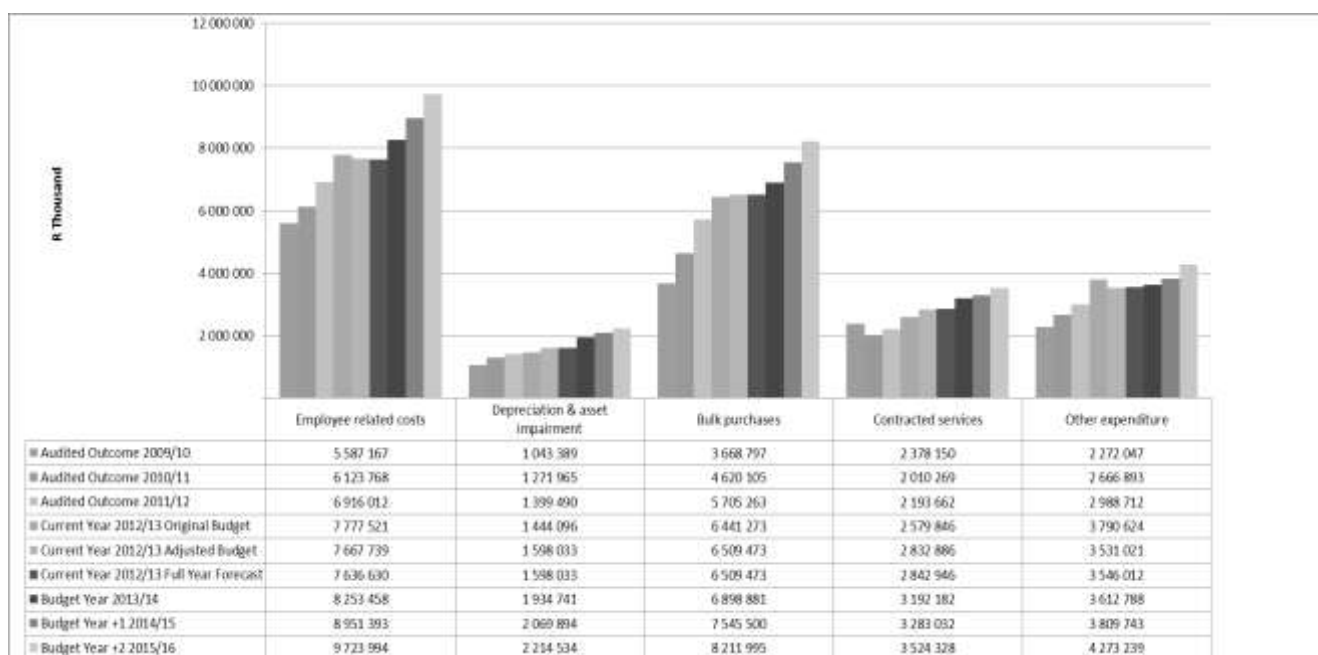
- a. The surplus of 16% in Electricity Services remains constant over the MTREF. This is as a result of the exclusion of the secondary revenue and expenditure in the MBRR tables, which are used to calculate the tariff of the service. When taking this into account Electricity Service reflects a balanced position.
- b. The surplus of 19% in Water Services remains constant over the MTREF. This is as a result of the exclusion of the secondary revenue and expenditure in the MBRR tables, which are used to calculate the tariff of the service. When taking this into account Water Service reflects a balanced position.
- c. Solid Waste Management shows a deficit, which remains constant over the MTREF. This is as a result of the exclusion of the secondary revenue and expenditure in the MBRR tables, which are used to calculate the tariff of the service. The secondary revenue includes a contribution in the region of R900 million from the Rates Account. When taking this into account Solid Waste Management reflects a balanced position.

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

Description	2009/10	2010/11	2011/12	2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<b>R thousand</b>									
<b>Revenue By Source</b>									
Property rates	3 754 425	4 435 764	4 622 441	5 030 753	5 067 589	5 067 589	5 427 388	5 807 305	6 213 817
Property rates - penalties & collection charges	86 889	94 168	89 657	93 546	93 546	93 546	99 720	106 701	114 170
Service charges - electricity revenue	5 413 081	6 578 085	8 061 684	8 971 405	9 094 445	9 094 445	9 668 405	10 627 511	11 611 618
Service charges - water revenue	1 483 354	1 649 307	1 817 183	2 106 357	2 106 357	2 106 357	2 343 850	2 591 038	2 874 475
Service charges - sanitation revenue	801 003	903 204	1 002 897	1 127 122	1 127 122	1 127 122	1 243 019	1 374 779	1 526 005
Service charges - refuse revenue	614 451	754 178	813 287	896 924	905 638	905 638	947 126	1 016 027	1 112 384
Service charges - other	423 888	474 953	291 714	237 231	231 230	231 230	239 991	253 736	268 453
Rental of facilities and equipment	243 468	250 316	289 736	278 754	303 006	303 006	336 471	352 223	369 016
Interest earned - external investments	293 555	291 679	333 336	244 439	244 439	244 439	284 618	292 445	303 664
Interest earned - outstanding debtors	212 978	230 391	228 425	236 797	238 098	238 098	118 805	261 690	276 877
Fines	154 584	166 476	144 394	160 917	172 827	172 827	183 257	193 432	204 558
Licences and permits	33 054	37 645	41 471	33 121	33 121	33 121	35 601	37 595	39 775
Agency services	111 097	115 991	123 651	115 993	115 993	115 993	121 993	128 825	136 297
Transfers recognised - operational	1 194 162	1 400 627	1 639 075	2 325 525	2 170 614	2 170 614	2 595 904	2 549 102	3 037 349
Other revenue	1 631 529	1 757 278	1 961 587	1 973 772	1 978 519	1 978 519	2 179 942	2 297 942	2 431 222
Gains on disposal of PPE	79 142	20 580	44 144	69 000	69 000	69 000	69 000	90 897	109 343
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>16 530 661</b>	<b>19 160 643</b>	<b>21 504 683</b>	<b>23 901 656</b>	<b>23 951 546</b>	<b>23 951 546</b>	<b>25 895 089</b>	<b>27 981 247</b>	<b>30 629 023</b>
<b>Expenditure By Type</b>									
Employee related costs	5 587 167	6 123 768	6 916 012	7 777 521	7 667 739	7 636 630	8 253 458	8 951 393	9 723 994
Remuneration of councillors	84 451	88 621	97 772	122 384	112 904	112 904	123 721	131 887	140 855
Debt impairment	635 851	773 226	818 450	991 026	999 026	999 026	866 192	1 064 858	1 136 380
Depreciation & asset impairment	1 043 389	1 271 965	1 399 490	1 444 096	1 598 033	1 598 033	1 934 741	2 069 894	2 214 534
Finance charges	599 797	717 476	681 533	768 508	749 279	749 279	863 894	960 456	1 169 031
Bulk purchases	3 668 797	4 620 105	5 705 263	6 441 273	6 509 473	6 509 473	6 898 881	7 545 500	8 211 995
Other materials	68 014	279 273	273 402	396 540	345 614	344 523	358 681	386 392	417 011
Contracted services	2 378 150	2 010 269	2 193 662	2 579 846	2 832 886	2 842 946	3 192 182	3 283 032	3 524 328
Transfers and grants	94 193	93 382	103 492	50 606	90 343	97 491	39 544	51 366	54 992
Other expenditure	2 272 047	2 666 893	2 988 712	3 790 624	3 531 021	3 546 012	3 612 788	3 809 743	4 273 239
Loss on disposal of PPE	3 076	3 529	1 724	-	-	-	-	-	-
<b>Total Expenditure</b>	<b>16 434 930</b>	<b>18 648 506</b>	<b>21 179 513</b>	<b>24 362 425</b>	<b>24 436 318</b>	<b>24 436 318</b>	<b>26 144 082</b>	<b>28 254 520</b>	<b>30 866 359</b>
<b>Surplus/(Deficit)</b>	<b>95 730</b>	<b>512 137</b>	<b>325 171</b>	<b>(460 769)</b>	<b>(484 772)</b>	<b>(484 772)</b>	<b>(248 993)</b>	<b>(273 273)</b>	<b>(237 336)</b>
Transfers recognised - capital	1 940 857	1 173 315	2 061 755	3 277 122	3 637 304	3 637 304	2 535 058	2 472 524	2 421 296
Contributions recognised - capital	68 988	46 728	44 230	57 707	46 588	46 588	48 250	61 142	53 600
Contributed assets	-	-	76 128	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>2 105 575</b>	<b>1 732 180</b>	<b>2 507 284</b>	<b>2 874 060</b>	<b>3 199 121</b>	<b>3 199 121</b>	<b>2 334 315</b>	<b>2 260 393</b>	<b>2 237 560</b>
Taxation									
<b>Surplus/(Deficit) after taxation</b>	<b>2 105 575</b>	<b>1 732 180</b>	<b>2 507 284</b>	<b>2 874 060</b>	<b>3 199 121</b>	<b>3 199 121</b>	<b>2 334 315</b>	<b>2 260 393</b>	<b>2 237 560</b>
Attributable to minorities									
<b>Surplus/(Deficit) attributable to municipality</b>	<b>2 105 575</b>	<b>1 732 180</b>	<b>2 507 284</b>	<b>2 874 060</b>	<b>3 199 121</b>	<b>3 199 121</b>	<b>2 334 315</b>	<b>2 260 393</b>	<b>2 237 560</b>
Share of surplus/ (deficit) of associate									
<b>Surplus/(Deficit) for the year</b>	<b>2 105 575</b>	<b>1 732 180</b>	<b>2 507 284</b>	<b>2 874 060</b>	<b>3 199 121</b>	<b>3 199 121</b>	<b>2 334 315</b>	<b>2 260 393</b>	<b>2 237 560</b>

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

1. Table A4 is a view of the budgeted financial performance in relation to the revenue by source and expenditure by type. Total revenue is R25 895 million (excluding appropriations which are disclosed in the financial position statement) in 2013/14 and escalates to R30 629 million by 2015/16. This represents a revenue growth of 8.34%, 8.1% and 9.5% respectively over the 3 years. Major contributing items are the increased allocation in respect of the National Equitable Share allocation, the projected organic growth and tariff increases on Property Rates Tax and Service Charges.
2. Revenue to be generated from Property Rates amounts to R5 527 million (including penalties and collection charges) in the 2013/14 financial year and increases to R6 328 million by 2015/16, which represents 21.2% of the operating revenue base of the City and therefore remains a significant funding source for the City.
3. Service charges relating to Electricity, Water, Sanitation and Refuse Removal constitute the biggest component of the revenue basket of the City, totalling R14 442 million for the 2013/14 financial year and increasing to R17 392 million in 2015/16. For the 2013/14 financial year, service charges are 55.8% of the total revenue base and the average year-on-year growth is approximately 10% over the medium term.
4. Transfers Recognised – Operating includes increased allocation in respect of the Equitable Share from R1 084 million (2012/13) to R1 243 million (2013/14) on Operating Grants & Donations.



**Figure 3 Expenditure by type**

5. Bulk purchases have increased significantly over the 2009/10 to 2015/16 period, escalating from R3 668 million to R8 212 million in 2015/16. These increases can be attributed to substantial increases in the cost of bulk electricity from Eskom and Water from the Department of Water Affairs.

6. Employee related costs is also the main cost driver within the City's Operating Expenditure, i.e. from R5 587 million in 2009/10 to R9 724 million in 2015/16, as a result of increases on staff costs over and above SALGA Salary Agreement, higher average CPI as well as the impact Task outcome, where jobs and positions were graded based on the content of the job description. The budgeted 2013/14 salary increase was based on the projected average CPI of 6.84% plus 2% notch increment as per SALGA agreement.
7. Depreciation & Asset Impairment increased from R1 043 million in 2009/10 to R2 215 million in 2015/16. The increase is mainly due to the revised calculation, which is now based on 100% spent as opposed to 95% in 2012/13. In addition, multi-year projects, which were previously capitalised in final year of the budget is now capitalised when the asset is commissioned. Moveable assets are depreciated in the same year based on full budget spending and a detail assessment of each project is now performed to evaluate asset life span before calculation for the actual budget.
8. Contracted Services increased from R2 378 million in 2009/10 to R3 524 million in 2015/16. This allocation includes budgetary provision for Repairs & Maintenance.



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

Description	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<b>Capital expenditure - Vote</b>									
<b>Multi-year expenditure to be appropriated</b>									
Vote 1 - City Health	26 031	12 355	22 801	27 460	31 899	31 899	23 716	17 466	25 466
Vote 2 - City Manager	772	1 959	802	632	804	1 304	842	1 222	702
Vote 3 - Community Services	134 622	119 547	162 880	198 523	192 140	186 918	222 027	191 734	154 670
Vote 4 - Compliance and Auxiliary Services	6 417	8 484	6 459	14 918	8 453	5 531	10 465	36 167	36 481
Vote 5 - Corporate Services	200 885	141 936	203 093	250 029	237 997	236 469	258 892	218 263	243 893
Vote 6 - Deputy City Manager	848	15 451	9 531	26 050	27 765	25 904	40 450	6 250	356
Vote 7 - Economic, Environment & Spatial Planning	53 453	36 332	36 570	52 457	43 667	43 480	58 459	67 169	62 527
Vote 8 - Finance	16 073	13 889	119 902	48 975	52 205	23 479	11 784	7 172	3 781
Vote 9 - Human Settlements	228 863	322 994	494 468	589 472	641 852	636 909	626 894	366 956	92 833
Vote 10 - Rates & Other	-	-	-	-	-	-	-	-	-
Vote 11 - Safety & Security	58 554	27 377	67 079	52 433	58 703	58 701	67 927	57 127	35 127
Vote 12 - Social and Early Childhood Development	6 155	6 909	9 389	11 658	9 590	8 258	5 460	15 810	11 010
Vote 13 - Tourism, Events and Marketing	784 314	104 266	62 980	77 050	102 455	96 603	28 661	25 250	30 250
Vote 14 - Transport, Roads and Stormwater	1 590 531	723 567	1 276 023	2 335 654	2 623 876	2 553 783	1 415 743	1 614 413	1 770 088
Vote 15 - Utility Services	1 555 409	1 322 695	1 761 268	2 241 299	2 190 402	2 136 808	2 679 272	2 552 472	3 024 849
<b>Total Capital Expenditure - Vote</b>	<b>4 662 927</b>	<b>2 857 761</b>	<b>4 233 245</b>	<b>5 926 610</b>	<b>6 221 809</b>	<b>6 046 048</b>	<b>5 450 592</b>	<b>5 177 472</b>	<b>5 492 034</b>
<b>Capital Expenditure - Standard</b>									
<b>Governance and administration</b>	<b>225 706</b>	<b>169 755</b>	<b>352 521</b>	<b>320 902</b>	<b>318 545</b>	<b>286 035</b>	<b>308 002</b>	<b>276 647</b>	<b>293 405</b>
Executive and council	3 799	7 960	3 555	14 204	7 695	4 670	22 150	39 700	35 887
Budget and treasury office	8 538	11 711	9 201	5 823	10 888	10 931	5 949	4 953	4 104
Corporate services	213 369	150 084	339 765	300 876	299 963	270 435	279 903	231 995	253 414
<b>Community and public safety</b>	<b>1 268 217</b>	<b>627 114</b>	<b>848 360</b>	<b>1 009 409</b>	<b>1 088 035</b>	<b>1 064 762</b>	<b>1 023 912</b>	<b>716 828</b>	<b>401 865</b>
Community and social services	51 393	61 661	59 661	63 798	48 123	43 683	79 595	100 204	42 848
Sport and recreation	871 875	167 278	170 840	219 083	249 703	242 452	171 272	130 840	152 431
Public safety	90 591	63 113	102 241	109 996	116 858	110 219	122 934	101 361	88 286
Housing	228 579	322 710	494 353	589 472	641 852	636 909	626 894	366 956	92 833
Health	25 779	12 352	21 265	27 060	31 499	31 499	23 216	17 466	25 466
<b>Economic and environmental services</b>	<b>1 640 555</b>	<b>753 834</b>	<b>1 299 044</b>	<b>2 393 983</b>	<b>2 660 222</b>	<b>2 589 442</b>	<b>1 486 754</b>	<b>1 681 789</b>	<b>1 831 905</b>
Planning and development	46 452	30 794	26 323	39 529	34 022	33 469	52 552	48 072	39 842
Road transport	1 585 918	715 575	1 259 365	2 326 649	2 610 517	2 540 427	1 411 818	1 612 470	1 769 188
Environmental protection	8 186	7 466	13 357	27 805	15 682	15 547	22 384	21 247	22 875
<b>Trading services</b>	<b>1 527 195</b>	<b>1 306 648</b>	<b>1 729 111</b>	<b>2 198 466</b>	<b>2 150 665</b>	<b>2 102 602</b>	<b>2 629 075</b>	<b>2 501 957</b>	<b>2 964 609</b>
Electricity	665 972	708 894	877 800	1 251 120	1 233 971	1 211 956	1 404 107	1 120 921	1 279 572
Water	191 283	176 302	261 112	297 584	346 091	346 765	478 665	610 236	794 834
Waste water management	384 535	223 077	360 295	404 257	356 430	332 066	481 365	541 795	652 859
Waste management	285 406	198 374	229 904	245 506	214 173	211 815	264 938	229 006	237 345
<b>Other</b>	<b>1 254</b>	<b>410</b>	<b>4 210</b>	<b>3 849</b>	<b>4 343</b>	<b>3 206</b>	<b>2 849</b>	<b>250</b>	<b>250</b>
<b>Total Capital Expenditure - Standard</b>	<b>4 662 927</b>	<b>2 857 761</b>	<b>4 233 245</b>	<b>5 926 610</b>	<b>6 221 809</b>	<b>6 046 048</b>	<b>5 450 592</b>	<b>5 177 472</b>	<b>5 492 034</b>
<b>Funded by:</b>									
National Government	1 672 706	865 987	1 717 564	2 921 635	3 246 952	3 153 045	2 191 297	2 243 589	2 401 564
Provincial Government	253 151	304 847	335 474	355 487	390 352	385 946	343 761	228 935	19 732
District Municipality	-	-	-	-	-	-	-	-	-
Other transfers and grants	23 650	2 495	8 740	3 325	3 797	3 797	2 100	2 100	-
<b>Transfers recognised - capital</b>	<b>1 949 507</b>	<b>1 173 329</b>	<b>2 061 778</b>	<b>3 280 447</b>	<b>3 641 101</b>	<b>3 542 788</b>	<b>2 537 158</b>	<b>2 474 624</b>	<b>2 421 296</b>
<b>Public contributions &amp; donations</b>	<b>45 337</b>	<b>46 715</b>	<b>44 208</b>	<b>54 382</b>	<b>42 791</b>	<b>39 727</b>	<b>46 150</b>	<b>59 042</b>	<b>53 600</b>
<b>Borrowing</b>	<b>1 782 932</b>	<b>992 283</b>	<b>1 374 791</b>	<b>1 765 377</b>	<b>1 784 935</b>	<b>1 767 703</b>	<b>2 149 497</b>	<b>2 048 074</b>	<b>2 442 586</b>
<b>Internally generated funds</b>	<b>885 151</b>	<b>645 435</b>	<b>752 469</b>	<b>826 405</b>	<b>752 982</b>	<b>695 830</b>	<b>717 788</b>	<b>595 731</b>	<b>574 553</b>
<b>Total Capital Funding</b>	<b>4 662 927</b>	<b>2 857 761</b>	<b>4 233 245</b>	<b>5 926 610</b>	<b>6 221 809</b>	<b>6 046 048</b>	<b>5 450 592</b>	<b>5 177 472</b>	<b>5 492 034</b>

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

1. Table A5 reflects the City's capital programme in relation to capital expenditure by municipal vote (directorate); capital expenditure by standard classification; and funding sources required to fund the capital budget, including information on capital transfers from National and Provincial Departments.
2. The MFMA provides that a municipality may approve multi-year or single-year capital budget appropriations. The City has allocated multi-year appropriations amounting to R5 451 million for 2013/14 and reducing to R5 177 million in 2014/15 and increasing to R5 492 million in 2015/16.
3. The Capital Budget is funded by allocations made to the City by National and Provincial government in the form of grants, as well as public contributions and donations, borrowings and internally generated funds. Capital transfers from National Government, the Provincial Government Western Cape and other transfers and grants amounts to R2 537 million (46.5%) during 2013/14 and reduce to R2 475 million and R2 421 for the 2014/15 and 2015/16 financial years respectively. Borrowings amounts to R2 149 million, R2 048 million and R 2 443 million over the MTREF and have been provided for in terms of affordability levels as determined during MTREF modelling. Internally generated funds have been provided for over the MTREF amounting to R718 million, R596 million and R575 million for each of the respective financial years.

**Table 27 MBRR Table A6 - Budgeted Financial Position**

Description	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<b>R thousand</b>									
<b>ASSETS</b>									
<b>Current assets</b>									
Cash	138 253	146 095	133 505	-	-	-	-	-	-
Call investment deposits	4 432 802	5 151 758	6 077 714	4 523 511	7 458 973	7 458 973	6 200 954	7 315 371	7 562 429
Consumer debtors	3 361 410	3 709 111	3 979 256	4 078 849	3 979 256	3 979 256	4 217 354	4 336 159	4 597 849
Other debtors	321 101	194 259	305 949	234 483	336 544	336 544	370 198	407 218	447 940
Current portion of long-term receivables	17 480	19 193	19 758	17 322	18 770	18 770	17 832	16 940	16 093
Inventory	197 080	235 249	253 008	259 362	265 658	265 658	278 941	292 888	307 533
<b>Total current assets</b>	<b>8 468 126</b>	<b>9 455 665</b>	<b>10 769 190</b>	<b>9 113 527</b>	<b>12 059 201</b>	<b>12 059 201</b>	<b>11 085 280</b>	<b>12 368 577</b>	<b>12 931 844</b>
<b>Non current assets</b>									
Long-term receivables	119 058	115 526	99 328	104 262	94 362	94 362	89 644	85 161	80 903
Investments	274 245	150 245	150 260	949 989	950 998	950 998	1 203 274	1 491 934	1 789 490
Investment property	-	-	-	-	-	-	-	-	-
Investment in Associate	-	-	-	-	-	-	-	-	-
Property, plant and equipment	20 077 086	21 616 714	24 522 952	28 836 813	28 989 575	28 989 575	32 232 897	35 081 601	38 084 499
Agricultural	-	-	-	-	-	-	-	-	-
Biological	-	-	-	-	-	-	-	-	-
Intangible	-	-	-	-	-	-	-	-	-
Other non-current assets	-	-	-	-	-	-	-	-	-
<b>Total non current assets</b>	<b>20 470 389</b>	<b>21 882 485</b>	<b>24 772 540</b>	<b>29 891 064</b>	<b>30 034 934</b>	<b>30 034 934</b>	<b>33 525 814</b>	<b>36 658 696</b>	<b>39 954 893</b>
<b>TOTAL ASSETS</b>	<b>28 938 515</b>	<b>31 338 150</b>	<b>35 541 730</b>	<b>39 004 591</b>	<b>42 094 136</b>	<b>42 094 136</b>	<b>44 611 094</b>	<b>49 027 273</b>	<b>52 886 737</b>
<b>LIABILITIES</b>									
<b>Current liabilities</b>									
Bank overdraft	-	-	-	-	-	-	-	-	-
Borrowing	361 475	305 353	294 186	370 393	563 763	563 763	478 860	468 369	603 138
Consumer deposits	229 160	233 492	274 944	282 525	302 438	302 438	332 682	365 950	402 546
Trade and other payables	4 162 488	4 487 965	5 506 661	4 360 119	5 922 387	5 922 387	6 592 362	6 603 329	6 745 919
Provisions	739 446	774 911	1 025 777	862 478	1 077 066	1 077 066	1 152 460	1 233 133	1 319 452
<b>Total current liabilities</b>	<b>5 492 569</b>	<b>5 801 721</b>	<b>7 101 568</b>	<b>5 875 516</b>	<b>7 865 655</b>	<b>7 865 655</b>	<b>8 556 365</b>	<b>8 670 782</b>	<b>9 071 054</b>
<b>Non current liabilities</b>									
Borrowing	5 541 041	5 343 836	5 176 421	6 975 308	7 243 313	7 243 313	6 493 327	8 270 460	9 208 496
Provisions	3 049 114	3 512 337	4 076 201	4 369 622	4 518 383	4 518 383	4 756 220	5 013 344	5 291 636
<b>Total non current liabilities</b>	<b>8 590 155</b>	<b>8 856 173</b>	<b>9 252 622</b>	<b>11 344 930</b>	<b>11 761 696</b>	<b>11 761 696</b>	<b>11 249 547</b>	<b>13 283 804</b>	<b>14 500 132</b>
<b>TOTAL LIABILITIES</b>	<b>14 082 724</b>	<b>14 657 894</b>	<b>16 354 190</b>	<b>17 220 445</b>	<b>19 627 351</b>	<b>19 627 351</b>	<b>19 805 911</b>	<b>21 954 586</b>	<b>23 571 186</b>
<b>NET ASSETS</b>	<b>14 855 791</b>	<b>16 680 256</b>	<b>19 187 540</b>	<b>21 784 146</b>	<b>22 466 785</b>	<b>22 466 785</b>	<b>24 805 183</b>	<b>27 072 687</b>	<b>29 315 551</b>
<b>COMMUNITY WEALTH/EQUITY</b>									
Accumulated Surplus/(Deficit)	12 485 228	14 369 652	16 895 822	19 872 204	20 263 916	20 263 916	22 790 759	25 094 373	27 260 773
Reserves	2 370 563	2 310 604	2 291 718	1 911 942	2 202 869	2 202 869	2 014 424	1 978 313	2 054 778
Minorities' interests	-	-	-	-	-	-	-	-	-
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>14 855 791</b>	<b>16 680 256</b>	<b>19 187 540</b>	<b>21 784 146</b>	<b>22 466 785</b>	<b>22 466 785</b>	<b>24 805 183</b>	<b>27 072 687</b>	<b>29 315 551</b>

### **Explanatory notes to Table A6 - Budgeted Financial Position**

1. The budgeted Statement of Financial Position of the City has been prepared on a basis consistent with GRAP 1 and international accounting standards and as such makes it comparable with the present Statement of Financial Position and those of previous years. This will enable all stakeholders to interpret the impact of the budget as such on the Statement of Financial Position.
2. The assets are in the order of relative liquidity and liabilities according to their priority of being met with cash and an extensive table of notes (MBRR Table SA3 on page 173) are provided with details of the major components of items, such as:
  - Call Investment Deposits
  - Consumer Debtors
  - Property, Plant and Equipment
  - Trade and Other Payables
  - Non-Current Provisions
  - Changes in Net Assets
  - Reserves
3. Movements on the Budgeted Statement of Financial Performance will impact on the Budgeted Statement of Financial Position. Assumptions made on the collection rate for instance, will affect the budgeted cash position of the City and the budgeted impairment of debtors. As such the assumptions form a critical link in determining the applicability and relevance of the budget, the determination of financial indicators, the assessment of funding compliance and the general viability of the municipality.

**Table 28 MBRR Table A7 - Budgeted Cash Flow Statement**

Description	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<b>R thousand</b>									
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>									
<b>Receipts</b>									
Ratepayers and other	12 641 040	16 463 076	18 601 603	19 664 743	20 260 796	20 260 796	21 960 571	23 722 254	25 765 410
Government - operating	2 550 811	1 385 536	1 626 991	2 325 525	2 170 614	2 170 614	2 595 904	2 549 102	3 037 349
Government - capital	1 940 857	1 173 315	2 130 844	3 334 829	3 680 095	3 680 095	2 583 308	2 533 667	2 474 896
Interest	383 657	503 857	563 873	481 236	482 538	482 538	403 422	554 135	580 541
Dividends	-	-	-	-	-	-	-	-	-
<b>Payments</b>									
Suppliers and employees	(13 220 119)	(15 163 792)	(17 019 721)	(20 311 090)	(20 714 939)	(20 714 939)	(22 346 653)	(24 013 314)	(26 185 695)
Finance charges	(523 550)	(717 475)	(661 761)	(768 508)	(618 412)	(618 412)	(749 449)	(820 102)	(1 034 896)
Transfers and Grants	-	-	-	-	-	-	-	-	-
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>3 772 696</b>	<b>3 644 517</b>	<b>5 241 829</b>	<b>4 726 735</b>	<b>5 260 693</b>	<b>5 260 693</b>	<b>4 447 103</b>	<b>4 525 742</b>	<b>4 637 605</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>									
<b>Receipts</b>									
Proceeds on disposal of PPE	82 380	63 278	45 983	69 000	69 000	69 000	69 000	90 897	109 343
Decrease (increase) in non-current debtors	-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables	42 673	1 819	15 633	6 399	6 399	6 399	-	-	-
Decrease (increase) in non-current investments	1 102 674	(1 962 720)	(1 922)	(248 462)	(304 138)	(304 138)	-	-	-
<b>Payments</b>									
Capital assets	(4 662 993)	(2 857 821)	(4 233 162)	(5 630 280)	(5 910 719)	(5 910 719)	(5 178 063)	(4 918 598)	(5 217 433)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(3 435 266)</b>	<b>(4 755 444)</b>	<b>(4 173 468)</b>	<b>(5 803 342)</b>	<b>(6 139 458)</b>	<b>(6 139 458)</b>	<b>(5 109 063)</b>	<b>(4 827 701)</b>	<b>(5 108 090)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>									
<b>Receipts</b>									
Short term loans	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	2 047 299	-	-	2 000 000	2 400 000	2 400 000	-	2 015 000	1 300 000
Increase (decrease) in consumer deposits	(6 366)	4 332	41 818	25 684	25 684	25 684	-	-	-
<b>Payments</b>									
Repayment of borrowing	(524 137)	(253 327)	(198 354)	(99 955)	(168 662)	(168 662)	(598 143)	(585 713)	(577 153)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>1 516 796</b>	<b>(248 995)</b>	<b>(156 536)</b>	<b>1 925 729</b>	<b>2 257 023</b>	<b>2 257 023</b>	<b>(598 143)</b>	<b>1 429 287</b>	<b>722 847</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>1 854 226</b>	<b>(1 359 922)</b>	<b>911 825</b>	<b>849 121</b>	<b>1 378 257</b>	<b>1 378 257</b>	<b>(1 260 103)</b>	<b>1 127 328</b>	<b>252 362</b>
Cash/cash equivalents at the year begin:	4 755 077	6 609 303	5 249 381	3 674 390	6 160 840	6 161 206	7 539 463	6 279 361	7 406 689
Cash/cash equivalents at the year end:	6 609 303	5 249 381	6 161 206	4 523 511	7 539 097	7 539 463	6 279 361	7 406 689	7 659 051

**Explanatory notes to Table A7 – Budgeted Cash Flow Statement**

1. The table shows the cash and cash equivalents of the City during the 2013/14 to 2015/16 MTREF.
2. The City has embarked on an extensive debt collection process to boost cash levels. These initiatives and interventions have translated into a positive cash position for the City.
3. For the 2013/14 MTREF the budget has been prepared to ensure high levels of cash and cash equivalents over the medium-term, with cash levels anticipated to exceed R6 279 million by 2013/14 and steadily increasing to R7 659 million by 2015/16.

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

Description	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<b>Cash and investments available</b>									
Cash/cash equivalents at the year end	6 609 303	5 249 381	6 161 206	4 523 511	7 539 097	7 539 463	6 279 361	7 406 689	7 659 051
Other current investments > 90 days	(2 038 248)	48 472	50 013	(0)	(80 124)	(80 490)	(78 040)	(90 952)	(96 256)
Non current assets - Investments	274 245	150 245	150 260	949 989	950 998	950 998	1 203 274	1 491 934	1 789 490
<b>Cash and investments available:</b>	<b>4 845 300</b>	<b>5 448 098</b>	<b>6 361 479</b>	<b>5 473 500</b>	<b>8 409 971</b>	<b>8 409 971</b>	<b>7 404 594</b>	<b>8 807 671</b>	<b>9 352 285</b>
<b>Application of cash and investments</b>									
Unspent conditional transfers	1 048 440	1 108 680	1 665 752	1 162 749	1 731 982	1 731 982	1 826 081	1 912 796	2 035 216
Unspent borrowing	-	-	-	-	-	-	-	-	-
Statutory requirements	-	-	-	398 040	409 620	409 620	426 030	425 820	420 887
Other working capital requirements	(148 582)	(470 169)	(401 925)	(957 645)	(35 391)	(35 391)	219 980	40 834	(233 969)
Other provisions	-	-	-	3 279 563	3 563 268	3 563 268	2 741 800	3 136 557	3 708 687
Long term investments committed	-	-	-	979 989	950 998	950 998	1 203 274	1 491 934	1 789 490
Reserves to be backed by cash/investments	531 472	539 070	521 463	473 056	1 635 249	1 635 249	731 198	1 498 910	1 304 084
<b>Total Application of cash and investments:</b>	<b>1 431 330</b>	<b>1 177 581</b>	<b>1 785 290</b>	<b>5 335 752</b>	<b>8 255 726</b>	<b>8 255 726</b>	<b>7 148 363</b>	<b>8 506 851</b>	<b>9 024 396</b>
<b>Surplus(shortfall)</b>	<b>3 413 970</b>	<b>4 270 517</b>	<b>4 576 189</b>	<b>137 748</b>	<b>154 245</b>	<b>154 245</b>	<b>256 231</b>	<b>300 821</b>	<b>327 890</b>

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

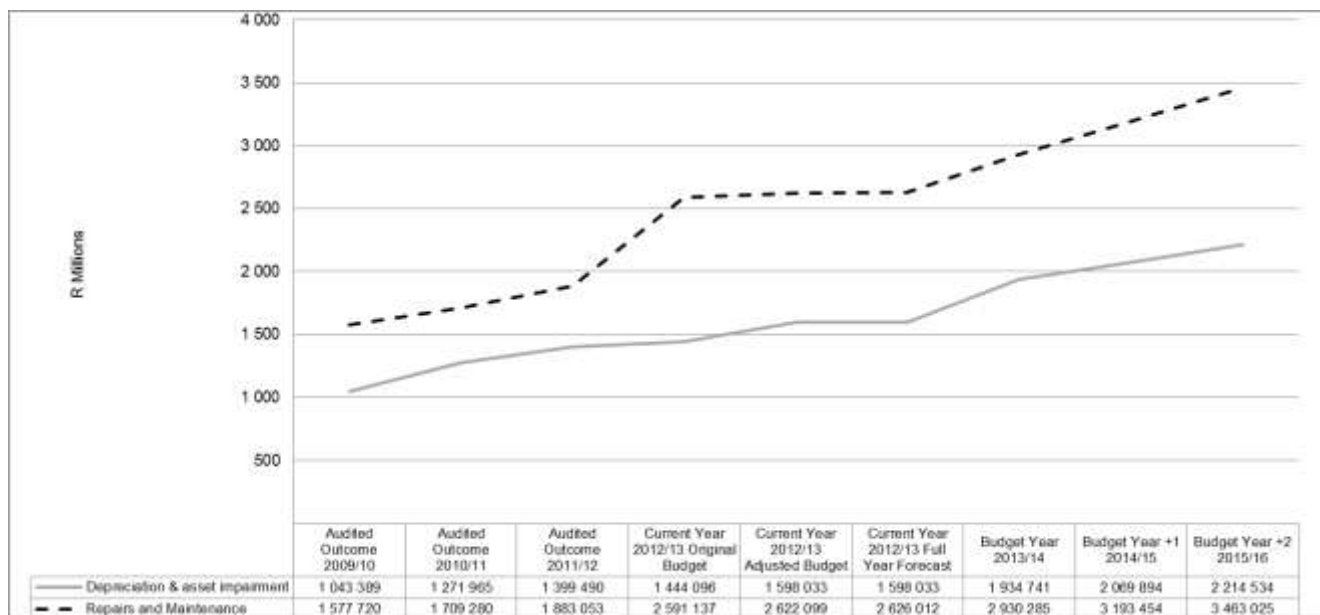
1. The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.
2. In essence, the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year-end and secondly reconciling the available funding to the liabilities/commitments that exist.
3. The outcome of this exercise would either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality's budget must be "funded".
4. From the table it can be seen that for the City remains in a surplus net cash flow position for the period 2013/14 to 2015/16.
5. Considering the requirements of section 18 of the MFMA, it can be concluded that the 2013/14 MTREF is fully funded.
6. As part of the budgeting and planning guidelines that informed the compilation of the 2013/14 MTREF, the end objective of the medium-term framework was to ensure the budget is funded/aligned to section 18 of the MFMA.
7. Table A8 reflects an inclining/positive term trend from a surplus of R256 million in 2013/14 to a surplus of R328 million by 2015/16.

**Table 30 MBRR Table A9 - Asset Management**

Description	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<b>R thousand</b>									
<b>CAPITAL EXPENDITURE</b>									
<b>Total New Assets</b>	<b>3 064 556</b>	<b>1 551 678</b>	<b>2 036 774</b>	<b>3 692 364</b>	<b>3 361 524</b>	<b>3 241 055</b>	<b>3 176 648</b>	<b>3 121 089</b>	<b>3 351 402</b>
<i>Infrastructure - Road transport</i>	972 074	508 450	650 661	1 163 863	819 122	779 288	818 410	978 885	944 905
<i>Infrastructure - Electricity</i>	268 053	404 244	341 321	479 671	487 951	482 530	780 590	612 363	620 826
<i>Infrastructure - Water</i>	91 974	58 842	79 633	140 006	162 453	158 204	209 650	266 004	316 172
<i>Infrastructure - Sanitation</i>	240 052	103 983	47 159	168 438	112 796	107 335	258 160	240 208	291 684
<i>Infrastructure - Other</i>	61 111	90 987	173 158	229 941	261 285	258 970	251 026	196 624	224 500
<b>Infrastructure</b>	<b>1 633 263</b>	<b>1 166 506</b>	<b>1 291 933</b>	<b>2 181 919</b>	<b>1 843 608</b>	<b>1 786 327</b>	<b>2 317 836</b>	<b>2 294 084</b>	<b>2 398 088</b>
Community	810 874	148 781	106 850	224 026	247 463	208 561	102 010	129 661	92 050
Heritage assets	602	761	10 842	7 220	7 659	7 657	9 598	9 924	6 797
Investment properties	-	-	-	-	-	-	-	-	-
Other assets	619 817	235 630	627 149	1 279 199	1 262 793	1 238 509	747 204	687 420	854 468
Agricultural Assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Intangibles	-	-	-	-	-	-	-	-	-
<b>Total Renewal of Existing Assets</b>	<b>1 598 371</b>	<b>1 306 083</b>	<b>2 196 471</b>	<b>2 234 246</b>	<b>2 860 285</b>	<b>2 804 993</b>	<b>2 273 944</b>	<b>2 056 382</b>	<b>2 140 632</b>
<i>Infrastructure - Road transport</i>	448 535	175 653	218 798	318 282	340 712	338 844	253 722	286 857	235 750
<i>Infrastructure - Electricity</i>	253 925	222 302	423 720	426 925	449 902	444 437	343 578	437 833	567 471
<i>Infrastructure - Water</i>	81 505	80 896	99 671	93 411	119 939	125 876	199 112	237 388	366 252
<i>Infrastructure - Sanitation</i>	157 208	118 354	314 290	274 402	279 475	260 628	247 590	307 370	344 550
<i>Infrastructure - Other</i>	239 037	146 542	108 660	140 816	108 796	106 636	93 507	50 413	35 700
<b>Infrastructure</b>	<b>1 180 210</b>	<b>743 747</b>	<b>1 165 138</b>	<b>1 253 836</b>	<b>1 298 823</b>	<b>1 276 523</b>	<b>1 137 508</b>	<b>1 319 862</b>	<b>1 549 723</b>
Community	174 800	288 797	478 711	481 745	521 527	513 095	571 615	383 650	163 237
Heritage assets	-	-	342	1 355	746	746	1 930	1 230	2 230
Investment properties	-	-	-	-	-	-	-	-	-
Other assets	243 362	273 539	552 279	497 311	1 039 190	1 014 629	562 892	351 641	425 442
Agricultural Assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Intangibles	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure</b>	<b>1 420 609</b>	<b>684 103</b>	<b>869 459</b>	<b>1 482 146</b>	<b>1 159 834</b>	<b>1 118 132</b>	<b>1 072 132</b>	<b>1 265 742</b>	<b>1 180 656</b>
<i>Infrastructure - Road transport</i>	521 977	626 546	765 041	906 595	937 853	926 966	1 124 168	1 050 196	1 188 297
<i>Infrastructure - Electricity</i>	173 479	139 738	179 304	233 417	282 392	284 080	408 761	503 392	682 424
<i>Infrastructure - Water</i>	397 259	222 337	361 449	442 839	392 271	367 963	505 750	547 578	636 234
<i>Infrastructure - Sanitation</i>	300 148	237 530	281 818	370 757	370 081	365 708	344 533	247 037	260 200
<i>Infrastructure - Other</i>	-	-	-	-	-	-	-	-	-
<b>Infrastructure</b>	<b>2 813 473</b>	<b>1 910 253</b>	<b>2 457 071</b>	<b>3 435 754</b>	<b>3 142 431</b>	<b>3 062 850</b>	<b>3 455 344</b>	<b>3 613 946</b>	<b>3 947 811</b>
Community	985 674	437 578	585 561	705 771	768 990	721 656	673 625	513 311	255 287
Heritage assets	602	761	11 184	8 575	8 405	8 403	11 528	11 154	9 027
Investment properties	-	-	-	-	-	-	-	-	-
Other assets	863 178	509 169	1 179 428	1 776 510	2 301 983	2 253 138	1 310 095	1 039 061	1 279 910
Agricultural Assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Intangibles	-	-	-	-	-	-	-	-	-
<b>TOTAL CAPITAL EXPENDITURE - Asset class</b>	<b>4 662 927</b>	<b>2 857 761</b>	<b>4 233 245</b>	<b>5 926 610</b>	<b>6 221 809</b>	<b>6 046 048</b>	<b>5 450 592</b>	<b>5 177 472</b>	<b>5 492 034</b>
<b>ASSET REGISTER SUMMARY - PPE (WDV)</b>									
<i>Infrastructure - Road transport</i>	2 622 221	3 738 721	4 348 581	5 637 606	5 246 424	5 242 107	6 415 227	7 741 124	9 151 443
<i>Infrastructure - Electricity</i>	2 615 142	3 039 822	3 406 010	4 010 927	4 028 342	4 012 042	4 745 964	5 452 614	6 184 121
<i>Infrastructure - Water</i>	1 168 331	1 268 425	1 403 332	1 403 959	1 430 207	1 429 991	1 545 722	1 755 174	2 123 570
<i>Infrastructure - Sanitation</i>	923 797	1 516 478	1 770 031	2 166 388	2 110 144	2 104 078	2 540 802	2 940 207	3 414 297
<i>Infrastructure - Other</i>	3 765 690	2 823 869	3 601 507	3 858 932	3 855 626	3 853 926	3 979 522	4 033 915	4 100 806
<b>Infrastructure</b>	<b>11 095 180</b>	<b>12 387 315</b>	<b>14 529 460</b>	<b>17 077 812</b>	<b>16 670 743</b>	<b>16 642 144</b>	<b>19 227 237</b>	<b>21 923 034</b>	<b>24 974 237</b>
Community	4 882 720	4 802 575	5 228 266	5 724 678	5 777 698	5 772 388	6 229 741	6 473 493	6 476 182
Heritage assets	10 002	11 914	12 742	21 301	21 131	21 131	31 158	42 312	51 339
Investment properties	-	-	-	-	-	-	-	-	-
Other assets	3 965 965	4 281 959	4 327 591	5 756 783	6 252 264	6 247 930	6 744 761	6 642 762	6 582 741
Agricultural Assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Intangibles	-	-	-	-	-	-	-	-	-
<b>TOTAL ASSET REGISTER SUMMARY - PPE (WDV)</b>	<b>19 953 867</b>	<b>21 483 763</b>	<b>24 098 059</b>	<b>28 580 574</b>	<b>28 721 836</b>	<b>28 683 593</b>	<b>32 232 897</b>	<b>35 081 601</b>	<b>38 084 499</b>
<b>EXPENDITURE OTHER ITEMS</b>									
<b>Depreciation &amp; asset impairment</b>	<b>1 043 389</b>	<b>1 271 965</b>	<b>1 399 490</b>	<b>1 444 096</b>	<b>1 598 033</b>	<b>1 598 033</b>	<b>1 934 741</b>	<b>2 069 894</b>	<b>2 214 534</b>
<b>Repairs and Maintenance by Asset Class</b>	<b>1 577 720</b>	<b>1 709 282</b>	<b>1 883 057</b>	<b>2 591 137</b>	<b>2 622 099</b>	<b>2 626 012</b>	<b>2 930 285</b>	<b>3 193 454</b>	<b>3 463 025</b>
<i>Infrastructure - Road transport</i>	237 338	265 917	303 238	354 785	356 474	356 474	618 603	671 509	730 602
<i>Infrastructure - Electricity</i>	260 839	269 194	202 472	336 492	336 575	336 575	335 843	364 959	396 822
<i>Infrastructure - Water</i>	20 127	22 544	23 998	63 893	65 382	65 382	65 993	71 667	77 975
<i>Infrastructure - Sanitation</i>	29 565	27 556	39 518	57 083	64 148	64 148	69 926	75 939	82 623
<i>Infrastructure - Other</i>	20 107	22 128	11 675	37 841	111 797	111 797	65 077	70 673	76 892
<b>Infrastructure</b>	<b>567 976</b>	<b>607 340</b>	<b>580 901</b>	<b>850 094</b>	<b>934 376</b>	<b>934 376</b>	<b>1 155 442</b>	<b>1 254 747</b>	<b>1 364 914</b>
Community	57 990	64 418	59 347	62 627	63 523	63 523	68 657	74 464	81 018
Heritage assets	6 361	7 104	7 236	9 983	9 983	9 983	12 608	13 692	14 897
Investment properties	-	-	-	-	-	-	-	-	-
Other assets	945 392	1 030 420	1 235 574	1 668 433	1 614 217	1 618 130	1 693 578	1 850 551	2 002 196
<b>TOTAL EXPENDITURE OTHER ITEMS</b>	<b>2 621 109</b>	<b>2 981 247</b>	<b>3 282 547</b>	<b>4 035 233</b>	<b>4 220 132</b>	<b>4 224 045</b>	<b>4 865 025</b>	<b>5 263 348</b>	<b>5 677 559</b>
<i>Renewal of Existing Assets as % of total capex</i>	34.3%	45.7%	51.9%	37.7%	46.0%	46.4%	41.7%	39.7%	39.0%
<i>Renewal of Existing Assets as % of deprecn</i>	153.2%	102.7%	156.9%	154.7%	179.0%	175.5%	117.5%	99.3%	96.7%
<i>R&amp;M as a % of PPE</i>	7.9%	7.9%	7.7%	9.0%	9.0%	9.1%	9.1%	9.1%	9.1%
<i>Renewal and R&amp;M as a % of PPE</i>	16.0%	14.0%	17.0%	17.0%	19.0%	19.0%	16.0%	15.0%	15.0%

**Explanatory notes to Table A9 – Asset Management**

1. Table A9 provides an overview of municipal capital allocations to building new assets and renewal of existing assets, as well as spending on repairs and maintenance by asset class.
2. At this stage spending on depreciation by asset class information is not available.
3. The following graph provides an analysis between depreciation and operational repairs and maintenance over the MTREF. It highlights the City’s strategy to address the maintenance backlog. To ensure compliance the City will embark on an asset creation project which will be finalised over a couple of years.



**Figure 4 Depreciation in relation to repairs and maintenance over the MTREF**



Table 31 MBRR Table A10 - Basic Service Delivery Measurement

Description	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
	Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<b>Household service targets</b>									
<b>Water:</b>									
Piped water inside dwelling	757 000	714 000	728 000	943 000	943 000	943 000	978 000	1 014 000	1 052 000
Piped water inside yard (but not in dwelling)	-	-	-	-	-	-	-	-	-
Using public tap (at least min.service level)	146 000	190 000	194 000	187 000	187 000	187 000	196 000	204 000	212 000
Other water supply (at least min.service level)	-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>	<b>903 000</b>	<b>904 000</b>	<b>922 000</b>	<b>1 130 000</b>	<b>1 130 000</b>	<b>1 130 000</b>	<b>1 174 000</b>	<b>1 218 000</b>	<b>1 264 000</b>
Using public tap (< min.service level)	-	-	-	12 000	12 000	12 000	8 000	4 000	4 000
Other water supply (< min.service level)	-	-	-	-	-	-	-	-	-
No water supply	-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12 000</b>	<b>12 000</b>	<b>12 000</b>	<b>8 000</b>	<b>4 000</b>	<b>4 000</b>
<b>Total number of households</b>	<b>903 000</b>	<b>904 000</b>	<b>922 000</b>	<b>1 142 000</b>	<b>1 142 000</b>	<b>1 142 000</b>	<b>1 182 000</b>	<b>1 222 000</b>	<b>1 268 000</b>
<b>Sanitation/sewerage:</b>									
Flush toilet (connected to sewerage)	811 000	812 000	828 000	999 000	999 000	999 000	1 045 000	1 093 000	1 143 000
Flush toilet (with septic tank)	-	-	-	-	-	-	-	-	-
Chemical toilet	16 000	16 000	17 000	23 000	23 000	23 000	24 000	25 000	26 000
Pit toilet (ventilated)	2 000	2 000	2 000	1 560	1 560	1 560	1 560	1 560	1 560
Other toilet provisions (> min.service level)	50 000	50 000	51 000	58 000	58 000	58 000	71 000	83 000	94 000
<i>Minimum Service Level and Above sub-total</i>	<b>879 000</b>	<b>880 000</b>	<b>898 000</b>	<b>1 081 560</b>	<b>1 081 560</b>	<b>1 081 560</b>	<b>1 141 560</b>	<b>1 202 560</b>	<b>1 264 560</b>
Bucket toilet	4 000	4 000	4 000	800	800	800	600	400	400
Other toilet provisions (< min.service level)	-	-	-	-	-	-	-	-	-
No toilet provisions	2 000	20 000	20 000	60 000	60 000	60 000	40 000	20 000	20 000
<i>Below Minimum Service Level sub-total</i>	<b>6 000</b>	<b>24 000</b>	<b>24 000</b>	<b>60 800</b>	<b>60 800</b>	<b>60 800</b>	<b>40 600</b>	<b>20 400</b>	<b>20 400</b>
<b>Total number of households</b>	<b>885 000</b>	<b>904 000</b>	<b>922 000</b>	<b>1 142 360</b>	<b>1 142 360</b>	<b>1 142 360</b>	<b>1 182 160</b>	<b>1 222 960</b>	<b>1 284 960</b>
<b>Energy:</b>									
Electricity (at least min.service level)	731 000	738 000	807 138	808 938	821 075	821 075	822 175	823 275	824 375
Electricity - prepaid (min.service level)	-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>	<b>731 000</b>	<b>738 000</b>	<b>807 138</b>	<b>808 938</b>	<b>821 075</b>	<b>821 075</b>	<b>822 175</b>	<b>823 275</b>	<b>824 375</b>
Electricity (< min.service level)	90 000	86 000	40 012	38 213	38 963	38 963	37 863	36 763	35 663
Electricity - prepaid (< min. service level)	-	-	-	-	-	-	-	-	-
Other energy sources	-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>	<b>90 000</b>	<b>86 000</b>	<b>40 012</b>	<b>38 213</b>	<b>38 963</b>	<b>38 963</b>	<b>37 863</b>	<b>36 763</b>	<b>35 663</b>
<b>Total number of households</b>	<b>821 000</b>	<b>824 000</b>	<b>847 150</b>	<b>847 151</b>	<b>860 038</b>	<b>860 038</b>	<b>860 038</b>	<b>860 038</b>	<b>860 038</b>
<b>Refuse:</b>									
Removed at least once a week	955 000	926 000	945 000	963 000	963 000	963 000	936 893	955 630	974 743
<i>Minimum Service Level and Above sub-total</i>	<b>955 000</b>	<b>926 000</b>	<b>945 000</b>	<b>963 000</b>	<b>963 000</b>	<b>963 000</b>	<b>936 893</b>	<b>955 630</b>	<b>974 743</b>
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>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total number of households</b>	<b>955 000</b>	<b>926 000</b>	<b>945 000</b>	<b>963 000</b>	<b>963 000</b>	<b>963 000</b>	<b>936 893</b>	<b>955 630</b>	<b>974 743</b>
<b>Households receiving Free Basic Service</b>									
Water (6 kilolitres per household per month)	903 000	904 000	992 000	1 130 000	1 130 000	1 130 000	1 174 000	1 218 000	1 263 649
Sanitation (free minimum level service)	879 000	881 000	898 000	1 081 000	1 081 000	1 081 000	1 141 000	1 202 000	1 266 261
Electricity/other energy (50kwh per household per month)	424 000	449 000	429 000	374 892	402 410	402 410	373 966	373 966	373 966
Refuse (removed at least once a week)	475 000	481 000	484 000	494 000	494 000	494 000	503 880	513 576	523 847
<b>Cost of Free Basic Services provided (R'000)</b>									
Water (6 kilolitres per household per month)	365 140	407 102	427 195	544 359	544 359	544 359	667 256	741 322	823 609
Sanitation (free sanitation service)	188 119	219 000	275 000	384 410	384 410	384 410	309 000	483 162	529 612
Electricity/other energy (50kwh per household per month)	142 483	180 955	206 319	233 735	247 060	247 060	215 243	242 143	271 095
Refuse (removed once a week)	256 125	275 019	280 520	286 130	286 130	286 130	347 331	354 277	361 363
<b>Total cost of FBS provided (minimum social package)</b>	<b>951 867</b>	<b>1 082 076</b>	<b>1 189 034</b>	<b>1 448 634</b>	<b>1 461 959</b>	<b>1 461 959</b>	<b>1 538 830</b>	<b>1 820 904</b>	<b>1 985 678</b>
<b>Highest level of free service provided</b>									
Property rates (R value threshold)	200 000	200 000	200 000	200 000	200 000	200 000	200 000	200 000	200 000
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)	30	38	41	53	53	53	59	65	71
Electricity (kwh per household per month)	50	50	50	50	50	50	60	60	60
Refuse (average litres per week)	240	240	240	240	240	240	240	240	240
<b>Revenue cost of free services provided (R'000)</b>									
Property rates (R15 000 threshold rebate)	39 297	50 039	53 551	60 576	60 576	60 576	64 876	69 418	74 277
Property rates (other exemptions, reductions and rebates)	398 821	791 904	843 709	1 015 814	994 398	994 398	1 065 000	1 139 550	1 219 318
Water	365 140	382 073	387 743	467 090	467 090	467 090	547 393	608 153	675 657
Sanitation	380 740	182 890	184 838	263 221	263 221	263 221	312 326	346 994	385 510
Electricity/other energy	100 641	96 947	105 847	96 044	96 044	96 044	115 316	125 902	137 459
Refuse	207 500	240 813	262 648	267 901	267 901	267 901	331 973	338 613	345 385
Municipal Housing - rental rebates	29 289	30 507	31 982	34 279	34 279	34 279	36 214	38 025	39 926
Housing - top structure subsidies	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>Total revenue cost of free services provided (total social package)</b>	<b>1 521 428</b>	<b>1 775 172</b>	<b>1 870 318</b>	<b>2 204 924</b>	<b>2 183 508</b>	<b>2 183 508</b>	<b>2 473 098</b>	<b>2 666 653</b>	<b>2 877 532</b>

## **Explanatory notes to Table A10 – Basic Service Delivery Measurement**

1. Table A10 provides an overview of service delivery levels, including backlogs (below minimum service level), for each of the main services.
2. The City is persistently striving to eradicate backlogs. The City's backlog status are as follows:
  - a. Water services – The majority of Cape Town's population, both formal and informal settlements, receives potable water service levels that generally meet the National minimum standards as required by the Water Services Act 108 (of 1997). The backlog reflects the informal settlement households not serviced to City of Cape Town's minimum service standards.
  - b. Sanitation services – The backlog is expected to reduce over the MTREF period from 40 600 in 2013/14 to 20 400 in 2015/16. The reduction is attributed to additional funding allocated for this purpose.
  - c. Electricity services – The electrification strategy is to reduce the backlog by 1 100 annually. The electricity backlog is expected to reduce from 37 863 in 2013/14 to 35 663 in 2015/16.
  - d. Refuse services – This service does not have any backlogs.
3. Households receiving free basic services are generally expected to increase by an average of 3.6% over the 2013/14 MTREF for all services.
4. The annual increase in households receiving free basic services consequently increases the cost for providing the services. The associated cost of providing the free basic services is projected to escalate from R1 539 million in 2013/14 to R1 820 million in 2014/15 and R1 985 million in 2015/16. The City's cost of free basic services as a ratio of the equitable share allocation equals 124%, 121% and 109% respectively over the 2013/14 MTREF, which shows that the equitable share does not compensate for the full cost of free basic services.

## Part 2 – Supporting Documentation

### 2.1 Budget process: Mayoral oversight and responsibility

Section 24 of the MFMA requires the municipal council to, 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:

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

In addition to the persons listed above, the City has extended the membership of the BSC to include a number of other administrative representatives from across the organisation as well as senior political members to strengthen the link between the five Strategic Focus Areas of the IDP and the objectives of the budget.

The 2013/14 financial year signifies the 2<sup>nd</sup> year of the current 5-year IDP cycle. Re-allocation of resources was considered in terms of the IDP review, budget realities and sundry strategic considerations.

The principles applied to the MTREF and presented to the BSC informed a number of financial scenarios over the short, medium term and long term. These scenarios are based on revenue and expenditure parameters applied to current financial plans and are utilised to calculate the affordability and sustainability of the City's budget over the medium to long term.

#### 2.1.1 Budget process overview

Section 21 of the MFMA requires the Mayor to table a time schedule that sets out the process to draft the IDP and prepare the budget, 10 months before the start of the new financial year. In compliance with this requirement, the IDP- and budget cycle time schedule was tabled at Council on 29 August 2012.

In compliance to the above requirements, the budget process for the 2013/14 MTREF period proceeded according to the following timeline:

### **August 2012**

Submission of the IDP/Budget timetable to Council for approval. Outline of budget process to EMT. Strategic session with EMT / Mayco / BSC re budget strategy, process and guidance.

### **September 2012**

Mayoral oversight in terms of Section 52 of the MFMA – Mayor provided strategic focus areas and guidance for the budget preparation process in terms of the Integrated Development Plan.

### **October 2012**

Directorates-based consultative sessions with subcouncils. Executive Directors attended subcouncil meetings in person. Subcouncil comments recorded for consideration during compilation of budget drafts.

BSC consideration of key parameters, drivers and other financial and economic assumptions to be applied to the MTREF-modelled forecasting.

### **November / December 2012**

Service departments' workshop their 2013/14 budget proposals with Portfolio Committees, for input to BSC.

Executive Directors and relevant Mayco members do budget presentations to smaller BSC group. Presentations included, inter alia, the directorates' proposed business improvement measures; capital investment plans for 3-year MTREF period and budgeting per strategic alignment to the draft IDP.

### **December 2012**

Refinement of the MTREF model to ensure a credible, affordable and sustainable budget over the medium term.

### **January / February 2013**

Drafting of detailed operating and capital budgets.

### **March 2013**

The draft 2013/14 operating and capital budgets, based on the parameters and assumptions set out in the MTREF model and as influenced by IDP and aligned strategic considerations was tabled at Council on 27 March 2013.

### **April 2013**

The budget, IDP and tariff proposals were published for comment and consultation as part of the public participation process.

### **May 2013**

Comments received as a result of the public participation process submitted to Mayco for consideration. The 2013/14 MTREF budget, as amended, is scheduled for consideration and adoption by Council on 29 May 2013.

### **2.1.2 IDP and Service Delivery and Budget Implementation Plan**

The City's Integrated Development Plan (IDP) is its principal strategic planning instrument, which guides and informs its on-going planning, management and development actions. The IDP represents the city administration's commitment to exercise its executive authority (except in cases where it is in conflict with national or provincial legislation, in which case such legislation prevails), and is effectively the local government's blueprint by which it strives to realise its vision for Cape Town in the short, medium and long term.

However, while the IDP represents the strategic intent of the City, it is also compiled with the understanding that a number of challenges will need to be overcome in order to achieve the strategic objectives it sets out. Some of these challenges are known, while others are as yet unknown and may arise at any time due to any number of national and international economic, political or social events.

The 5-Year term of office IDP (2012/13-2016/17) for the City of Cape Town was developed in line with the Term of Office IDP Process Plan (2011/12 -2015/16), approved by Council and the 2012/13 IDP and Budget Time-Schedule of Events approved by the Executive Mayor and noted by Council.

The 2012/13 Time Schedule applicable to the IDP (2012/13-2016/17) review for the City included the following key IDP processes and deliverables:

- Advertisement of time-schedule on website, local newspapers and notice boards;
- Engagement with communities/Ward and Sector organisations to participate in the prioritisation of Council initiatives at Ward, Subcouncil and City-wide level;
- Submission of summary of engagement inputs and responses to public inputs by line departments to Sub councils and Portfolio Committees;
- Table draft Annual Report to Mayco;
- Table draft IDP and Budget Report to Mayco and Council;
- Publication of 2011/12 oversight report;
- Conduct IDP/Corporate Scorecard/Budget Public Hearings to obtain public comment from communities, provincial government and other relevant stakeholders on the draft IDP;
- Final approval of the IDP/Corporate Scorecard and Budget document by Council resolution, setting taxes and tariffs, approving changes to the IDP and budget related policies, approval of measurable performance objectives for revenue by source and expenditure by vote before the start of the financial year;
- Notification of approved 2012/13-2016/17 reviewed IDP and Budget to public;
- Response to public comment in respect of Budget, tariffs and policies;
- Approval of performance agreements by Executive Mayor within 28 days after approval of the IDP and Budget. Submission to the MEC of Local Government and publication within 14 days after approval; and
- Notification of approved 2013/2014 top management performance agreement (S57 employees) to the public.

### **2.1.3 Community Consultation**

In accordance with the Local Government Municipal Systems Act No. 32 of 2000, the Local Government Municipal Finance Management Act No. 56 of 2003 and the Local Government Municipal Property Rates Act 6 of 2004, Council has to call for public comments / objections on the 2013/14 MTREF including the proposed amendments to the budget related policies.

The documents were advertised and available at various venues including the Subcouncil offices and libraries, from 2 April 2013 up to and including 2 May 2013. In total 57 responses were received and these have been categorized according to the issues raised. Each comment / objection received will be responded to and will include appropriate departmental responses.

The public participation was complemented with a request to all relevant departments for comments/proposals regarding the budget related policies. Two workshops were held on the Rates Policy, Credit Control and Debt Collection Policy, various other budget related policies and the Tariff Policy as well as proposed tariff structures for the Utility Services on 13 February 2013 and on 19 April 2013. The initial workshop was held to inform proposals to the relevant policies prior to them being subject to the public participation process. The latter meeting was held to refine departmental input and to consider submissions from the public. These were then considered by the Finance Portfolio Committee at its workshops.

In total 3 workshops were held with the Finance Portfolio Committee in respect of the budget related policies on 25 January 2013, 1 March 2013 and 3 May 2013. The initial meeting served to provide political guidance to the process and input for comment received from the public participation process.

The workshop on 3 May 2013 served to consider and finalise the comments and proposals received via the Public Participation Process for inclusion in the relevant policies to be included in the IDP/Budget report for Council's consideration and subsequent approval.

Workshops were held on 8 February 2013 and 11 April 2013 with all the relevant officials from line departments and Subcouncils. The first meeting was a pre-cursor to the initial Finance Portfolio Committee workshop for political guidance in respect of the Grants Policy whilst the second was during the public participation process.

A delegation of senior finance officials and the Chairperson of the Finance Portfolio Committee also met with the Chamber of Commerce to do presentations and had discussions on the 2013/14 budget.

The comments / objections received were considered and those supported by the Budget Steering Committee on 6 May 2013 are included in the final documentation for Council consideration at the end of May. Comments / objections received and the relevant departmental responses did not require any significant changes to the Draft 2013/14 MTREF. The budget related policies and the Tariffs and Charges Book have been amended as approved by the Budget Steering Committee.

## **2.2 Overview of alignment of annual budget with IDP**

The city's priority objectives are set out in its Integrated Development Plan (IDP) which provides the strategic framework that guides the city's planning and budgeting over the course of the five year political term. Five pillars have been identified to focus delivery and translate the electoral mandate into the organisational structures of the city.

The 5 strategic focus areas (SFA's) or pillars are:

1. The Opportunity City
2. The Safe City
3. The Caring City
4. The Inclusive City
5. The Well Run City

These pillars are unpacked into twenty three objectives, which are broken down into programmes and projects that are underpinned by the budget. This realistic and sound budget supports the credibility of the process. Resources were allocated firstly through budget prioritisation at a corporate level and pulled through to the directorate and department Business plans.

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

### **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.

The national and provincial priorities, policies and strategies of importance include amongst others:

- National Development Plan
- Government Programme of Action;
- Development Facilitation Act of 1995;
- Provincial Growth and Development Strategy (GGDS);
- National and Provincial spatial development perspectives;
- Relevant sector plans such as transportation, legislation and policy;
- National Key Performance Indicators (NKPIs);
- Accelerated and Shared Growth Initiative (ASGISA);
- National 2014 Vision;
- National Spatial Development Perspective (NSDP) and

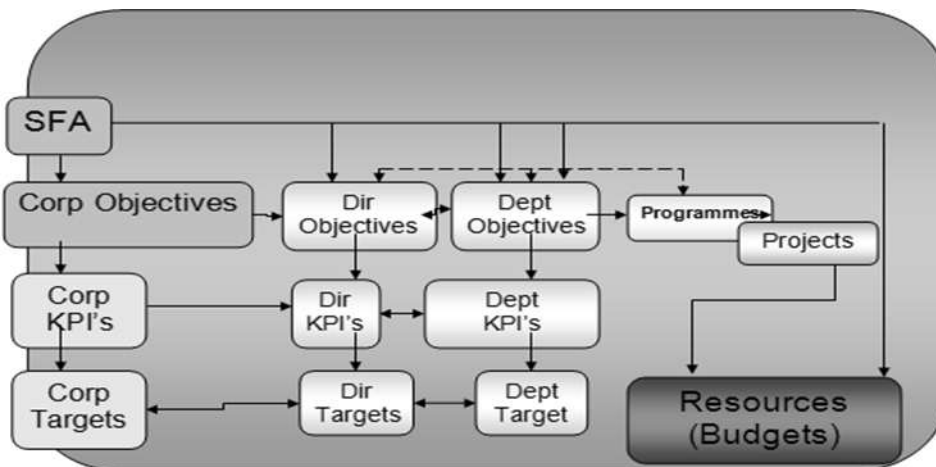
- The National Priority Outcomes.

The vision of the City of Cape Town is threefold:

- To be a prosperous city that creates an enabling environment for shared economic growth and development
- To achieve effective and equitable service delivery
- To serve the citizens of Cape Town as a well-governed and effectively run administration

The budget is allocated against the five strategic focus areas at a corporate level. 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 figure below visually represents the link between the IDP and the Budget and demonstrates how corporate strategy is cascaded through the organisation, and how it influences and shapes the operating and capital budgets of the various directorates and departments within the City.



**Figure 5 IDP and Budget link**

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



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

Strategic Objective	Goal	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<b>R thousand</b>										
An Opportunity City	Attract investment for econ growth/jobs	55 442	59 381	66 201	69 397	73 247	73 247	77 495	81 676	86 414
An Opportunity City	Prov of economic & social infrastructure	8 950 901	10 499 950	12 129 181	13 533 363	13 653 882	13 653 882	14 512 962	16 052 004	17 589 975
An Opportunity City	Sustainable environment through resource	16 631	19 293	10 307	1 794	4 594	4 594	3 529	1 858	1 907
An Opportunity City	Mobility via effective public transport	42 520	57 345	147 436	578 989	304 979	304 979	348 846	227 796	104 990
An Opportunity City	City Assets for econ growth & developmnt	69 348	82 385	92 403	106 869	108 819	108 819	120 484	122 848	129 956
A Safe City	Expand resources for safety and security	0	-	439	-	-	-	-	-	-
A Safe City	Resource depts for optimum operations	20 120	16 539	27 688	15 571	23 539	23 539	48 797	23 466	24 762
A Safe City	Enhance intelligence-driven policing	187 768	207 414	187 602	196 708	208 607	208 607	211 225	223 054	235 991
A Safe City	Improve emergency staff through training	748	868	569	1 138	1 138	1 138	1 202	1 269	1 342
A Safe City	Safety and security through partnerships	3 983	5 285	4 736	714	714	714	725	765	807
A Caring City	Human settlements for increased access	320 859	228 210	396 751	420 783	547 550	547 550	709 723	723 991	1 101 962
A Caring City	Assess rental stock to beneficiaries	232 192	207 300	207 724	215 512	217 036	217 036	224 071	234 710	245 909
A Caring City	Innovative human settlements access	543 810	571 989	667 063	750 179	749 899	749 899	796 959	848 605	903 817
A Caring City	Effective environmental health services	338	267	611	1 307	1 307	1 307	1 387	1 465	1 550
A Caring City	Provide effective air quality mnngt & pol	1	6	6	603	603	603	637	673	712
A Caring City	Effective primary health care services	259 019	318 697	354 665	396 346	390 244	390 244	418 999	447 317	429 383
An Inclusive City	Response for citizens to be communicated	13	12	16	-	-	-	-	-	-
An Inclusive City	Facilities that make citizens feel home	130 960	170 566	85 411	102 698	114 017	114 017	164 646	110 831	118 232
A Well-Run City	Transparent & corruption free government	2 212	5 251	712	2 505	6 239	6 239	2 645	2 793	2 955
A Well-Run City	Efficient & productive administration	37 795	29 305	34 473	29 522	28 030	28 030	29 702	31 153	32 954
A Well-Run City	Ensure unqualified audits by AG	5 656 003	6 680 580	7 090 690	7 477 658	7 517 103	7 517 103	8 221 054	8 844 973	9 615 405
<b>Allocations to other priorities</b>		-	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>16 530 661</b>	<b>19 160 643</b>	<b>21 504 683</b>	<b>23 901 656</b>	<b>23 951 546</b>	<b>23 951 546</b>	<b>25 895 089</b>	<b>27 981 247</b>	<b>30 629 023</b>

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

Strategic Objective	Goal	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<b>R thousand</b>										
An Opportunity City	Attract investment for econ growth/jobs	228 080	234 127	231 506	251 337	297 271	284 441	308 998	328 595	359 354
An Opportunity City	Prov of economic & social infrastructure	8 042 605	9 751 051	11 161 706	12 536 969	12 713 607	12 713 447	13 529 697	14 954 479	16 254 007
An Opportunity City	Sustainable environment through resource	368 880	449 356	527 210	585 797	530 680	530 680	594 019	634 561	711 898
An Opportunity City	Mobility via effective public transport	258 695	339 263	535 367	986 079	786 241	786 241	936 855	868 526	791 953
An Opportunity City	City Assets for econ growth & developmnt	68 709	81 960	92 833	112 059	112 525	112 525	124 519	127 285	134 839
A Safe City	Expand resources for safety and security	1 394	1 078	2 437	1 062	1 067	1 067	1 173	1 271	1 378
A Safe City	Resource depts for optimum operations	771 224	769 754	838 505	979 703	994 348	993 349	1 096 073	1 158 259	1 253 166
A Safe City	Enhance intelligence-driven policing	262 859	269 163	317 731	337 901	338 504	337 085	374 556	403 568	437 697
A Safe City	Improve emergency staff through training	53 800	70 222	73 888	69 572	67 056	66 034	69 876	72 360	78 482
A Safe City	Safety and security through partnerships	34 295	41 401	51 331	52 681	56 329	56 069	67 956	73 913	80 053
A Caring City	Human settlements for increased access	418 645	337 192	401 830	533 472	624 572	624 022	894 637	920 361	1 303 161
A Caring City	Assess rental stock to beneficiaries	343 443	300 285	341 451	374 318	389 656	389 656	319 907	346 083	372 275
A Caring City	Innovative human settlements access	424 747	446 545	495 777	596 460	648 714	653 714	703 463	743 648	814 608
A Caring City	Effective environmental health services	99 234	114 755	116 296	128 552	125 795	125 816	137 789	149 226	161 817
A Caring City	Provide effective air quality mnngt & pol	7 046	8 768	7 568	9 377	9 697	9 697	10 171	11 007	11 924
A Caring City	Effective primary health care services	467 657	535 373	604 674	688 248	683 518	683 517	751 441	801 390	807 765
An Inclusive City	Response for citizens to be communicated	34 405	35 330	39 962	46 790	43 463	43 411	52 549	55 936	60 447
An Inclusive City	Facilities that make citizens feel home	1 466 114	1 530 129	1 547 125	1 678 395	1 747 699	1 747 699	1 842 154	1 940 328	2 093 221
A Well-Run City	Transparent & corruption free government	266 323	276 797	321 734	469 513	439 720	437 734	474 106	516 812	551 874
A Well-Run City	Efficient & productive administration	1 431 201	1 613 543	1 882 608	1 777 737	1 756 136	1 771 456	1 607 102	1 729 721	1 857 423
A Well-Run City	Ensure unqualified audits by AG	1 385 576	1 442 414	1 587 976	2 146 402	2 069 720	2 068 659	2 247 042	2 417 191	2 729 016
<b>Total Expenditure</b>		<b>16 434 930</b>	<b>18 648 506</b>	<b>21 179 513</b>	<b>24 362 425</b>	<b>24 436 318</b>	<b>24 436 318</b>	<b>26 144 082</b>	<b>28 254 520</b>	<b>30 866 359</b>

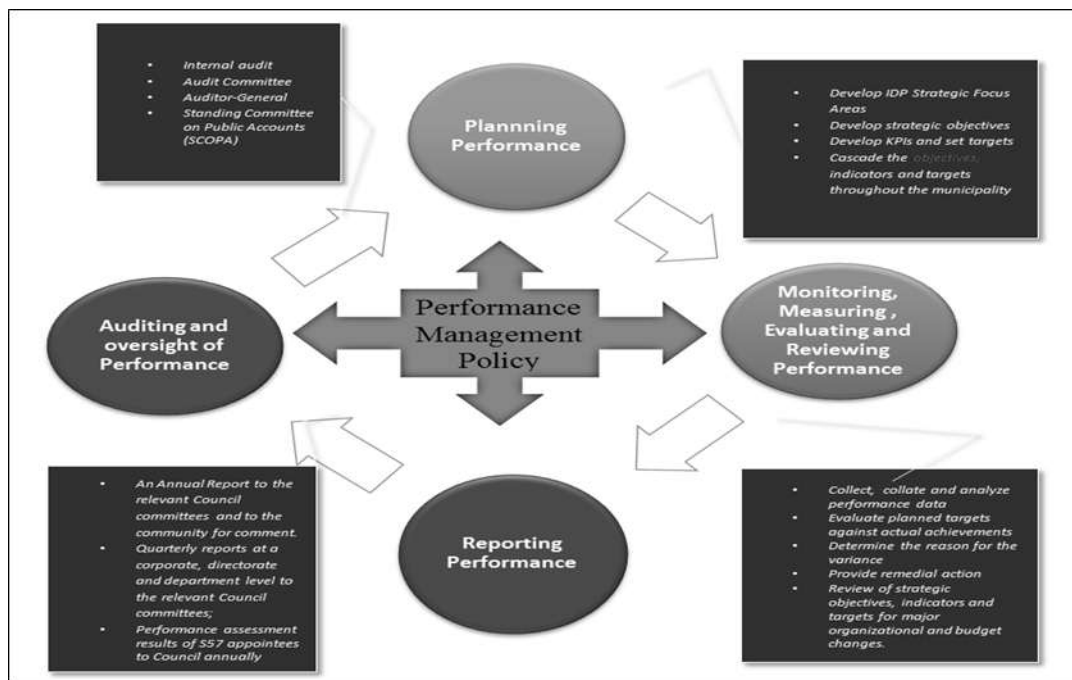
**Table 34 MBRR SA6 - Reconciliation between the IDP strategic objectives and budgeted capital expenditure**

Strategic Objective R thousand	Goal	Goal Code	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Shared Economic Growth and Development		A	1 382 759								
Sustainable Urban Infrastructure and Services		B	1 754 228								
Public Transport Systems		C	794 056								
Integrated Human Settlements		D	257 194								
Safety and Security		E	74 403								
Health, social and community development		F	91 339								
Good Governance and Regulatory Reform		G	308 948								
Shared Economic Growth & Development		H		166 745							
Sustainable Urban Infrastr. & Services		I		1 461 182							
Energy efficiency -sustainable future		O		1 000							
Public Transport Systems		J		480 181							
Integrated Human Settlements		K		350 795							
Safety and Security		L		28 972							
Health, social & community develop.		M		76 545							
Good Governance and Regulatory Reform		N		292 345							
An Opportunity City		a			3 263 230						
A Safe City		b			85 331						
A Caring City		c			594 778						
An Inclusive City		d			201 885						
A Well-Run City		e			88 021						
An Opportunity City	Create environment to attract investment	1.1				7 170	13 810	12 783	17 363	14 950	6 000
	Provide economic and social infrastructure	1.2				2 683 360	2 672 675	2 705 112	3 145 098	3 112 375	3 708 083
	Promote sustainable environment through resources	1.3				34 471	73 848	76 812	68 611	74 673	79 891
	Mobility via an effective public transport system	1.4				1 918 506	2 120 258	1 966 617	910 166	999 222	1 009 001
	The city's assets for economic growth and develop	1.5				43 439	5 263	4 936	2 659	2 826	1 250
A Safe City	Expand resources for safety and security	2.1				-	7	7	-	-	-
	Resource depts for optimum operations	2.2				71 330	78 636	57 843	36 980	26 812	39 514
	Enhance intelligence-driven policing	2.3				9 457	7 301	7 256	50 936	34 013	5 900
	Improve emergency staff through effective training	2.4				3 630	2 380	2 358	300	500	300
	Improve safety and security through partnerships	2.5				13 541	35 535	33 930	12 891	3 351	6 000
A Caring City	Provide access to social services	3.1				10 958	9 521	8 108	5 460	15 610	10 250
	Ensure human settlements for increased access	3.2				273 225	332 165	302 543	251 806	156 061	120 412
	Assess rental stock to beneficiaries	3.3				337 623	358 874	355 453	393 350	246 795	17 371
	Improved servs in informal settlements & byard res	3.4				135 468	80 416	81 561	125 736	132 844	173 900
	Provide effective environmental health services	3.5				16 597	18 696	10 389	8 000	4 500	7 696
	Provide effect air quality mngrt & pollution	3.6				400	460	456	500	-	-
	Provide effective primary health-care services	3.7				20 393	24 977	24 977	17 646	16 796	24 700
An Inclusive City	Response for citizens to be communicated with	4.1				17 608	57 978	55 783	46 026	18 672	5 722
	Provide facilities that make citizens feel home	4.2				227 801	206 989	201 810	256 349	230 258	189 474
A Well-Run City	Efficient + productive admin to prioritise delivery	5.2				13 763	17 306	29 571	15 342	10 479	14 604
	Ensure financial prudence, with clean audits by the Auditor General	5.3				87 871	104 714	107 745	85 373	76 734	71 967
<b>Total Capital Expenditure</b>			<b>4 662 927</b>	<b>2 857 764</b>	<b>4 233 245</b>	<b>5 926 610</b>	<b>6 221 809</b>	<b>6 046 048</b>	<b>5 450 592</b>	<b>5 177 472</b>	<b>5 492 034</b>

### 2.3 Measurable performance objectives and indicators

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

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



**Figure 6 The Cycle and process of the performance objectives and indicators**

#### Planning Performance

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

The planning cycle delivers a five year and annually reviewed IDP (including a Corporate Scorecard with definitions), an annual Corporate SDBIP, Directorate Executive Summaries (including SDBIPs), Departmental Business Plans and SDBIPs, Performance Indicator Measurement Sheets, S57 Performance Plans and Individual Performance Assessments.

Planning ensures that clear strategic direction is set and prioritised. Planning is informed by feedback on performance. This is the stage where Strategic Focus Areas (SFAs), objectives, performance indicators and targets are determined. Indicators measure the extent to which objectives are being achieved, indicating performance in relation to outcomes, outputs, activities and inputs. Targets set the level of performance to be achieved within a defined period of time.

Indicators must be measurable, relevant, objective and precise. They must include outcomes, output and input indicators. National general indicators must be included. Proxy indicators will be used until auditable and cost effective systems and processes are in place to measure the National general indicators.

The IDP will be set for the five year term of office of the elected council and reviewed annually. It will include the SFAs, corporate objectives (strategic objectives), corporate indicators and targets. There

will be a direct relationship between the SFA, corporate objective, corporate indicator and target. The actual achievements of targets set for the objectives will be reported on quarterly bases where appropriate. They will form the platform for the quarterly and annual reports on performance.

The components will be interlinked to ensure implementation. All the corporate objectives and indicators will cascade into a Directorate and/or a Departmental SDBIP and/or the City Manager's and/or a section 57 appointees scorecards.

*Monitoring, measuring, evaluating and reviewing performance*

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

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

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

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

Reporting performance includes an Annual Report to the relevant Council committees and to the community for comment and Quarterly reports at corporate, directorate and department level to the relevant Council committees.

*Auditing and Oversight*

Internal Audit and Audit Committee (includes the Performance Management committee) review the OPM system for functionality, performance information and compliance. The Auditor General and Standing Committee on Public Accounts (SCOPA) reviews the Annual Report.

The following table sets out the main performance objectives and benchmarks for the 2013/14 MTREF:

**Table 35 MBRR Table SA8 - Performance indicators and benchmarks**

Description of financial indicator	Basis of calculation	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<b>Borrowing Management</b>										
Credit Rating		Aa2	Aa2	Aa2	Aa2	Aa3	Aa3			
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	6.8%	5.2%	4.2%	3.6%	3.8%	3.8%	5.6%	5.5%	5.7%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	7.3%	5.5%	4.4%	4.0%	4.2%	4.2%	6.3%	6.1%	6.3%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure ex cl. transfers and grants and contributions	76.7%	0.0%	0.0%	77.2%	94.6%	97.4%	0.0%	76.2%	43.1%
<b>Safety of Capital</b>										
Gearing	Long Term Borrowing/ Funds & Reserves	233.7%	231.3%	225.9%	364.8%	328.8%	328.8%	322.3%	418.1%	448.2%
<b>Liquidity</b>										
Current Ratio	Current assets/current liabilities	1.5	1.6	1.5	1.6	1.5	1.5	1.3	1.4	1.4
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	1.5	1.6	1.5	1.6	1.5	1.5	1.3	1.4	1.4
Liquidity Ratio	Monetary Assets/Current Liabilities	0.8	0.9	0.9	0.8	0.9	0.9	0.7	0.8	0.8
<b>Revenue Management</b>										
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing	0.0%	84.8%	94.4%	95.5%	92.5%	94.4%	0.0%	95.7%	94.7%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		0.0%	84.5%	94.4%	95.5%	92.5%	94.4%	0.0%	95.7%	94.7%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	23.1%	21.1%	20.5%	18.6%	18.5%	18.5%	18.1%	17.3%	16.8%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Creditors Management</b>										
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA' s 65(e))	95.7%	96.3%	95.6%	95.6%	96.2%	96.2%	0.0%	0.0%	0.0%
Creditors to Cash and Investments		46.3%	63.3%	61.4%	69.1%	54.7%	54.7%	74.8%	62.3%	60.4%
<b>Other Indicators</b>										
Electricity Distribution Losses (2)	Total Volume Losses (kW)	809 898 232	931 440 224	1 118 030 251	966 996 755	966 996 755	966 996 755	966 996 755	966 996 755	966 996 755
	Total Cost of Losses (Rand '000)	260 075	381 890	577 792	554 710	554 710	554 710	598 310	657 663	718 562
Water Distribution Losses (2)	Total Volume Losses (kℓ)	83 274 564	75 978 841	68 887 483	62 928 715	62 928 715	50 400 000	49 928 750	49 445 000	48 948 750
	Total Cost of Losses (Rand '000)	215 681	216 540	208 040	202 630	202 630	202 630	200 241	202 207	210 673
Employee costs	Employee costs/(Total Revenue - capital revenue)	33.8%	32.0%	32.2%	32.5%	32.0%	31.9%	31.9%	32.0%	31.7%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	34.5%	32.6%	32.8%	33.2%	32.6%	32.5%	32.5%	32.6%	32.4%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	9.5%	8.9%	8.8%	10.8%	10.9%	11.0%	11.3%	11.4%	11.3%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	9.9%	10.4%	9.7%	9.3%	9.8%	9.8%	10.8%	10.8%	11.0%
<b>IDP regulation financial viability indicators</b>										
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	20.3	23.3	34.2	33.1	33.1	33.1	20.4	22.0	23.8
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	28.9%	25.9%	25.3%	23.1%	22.9%	22.9%	22.7%	21.5%	21.0%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	5.9	4.1	4.2	2.7	4.4	4.4	3.5	3.9	3.6

## 2.3.1 Performance indicators and benchmarks

### 2.3.1.1 *Borrowing Management*

The City's capital expenditure is funded from four sources, namely, government grants, public contributions and donations, internally generated funds and external loans (borrowing). The City's borrowing is conducted in terms of chapter 6 of the MFMA and the City's borrowing policy, where a long term loan will only be entered into if it's affordable and sustainable.

The City's credit rating is rated by Moody's Investors Service. The City needs a credit rating to demonstrate its ability to meet its financial obligation. Potential lenders also use it to assess the City's credit risk, which in turn affects the pricing of any subsequent loans taken. Factors used to evaluate the creditworthiness of municipalities include the economy, debt, finances, politics, management and institutional framework. Moody Investor Services has downgraded the City's credit rating from Aa2 to Aa3 in October 2012, due to South Africa's national rating being downgraded from A3 to Baa1. The City has achieved an Aa2.za rating for the past 4 years prior to last year's downgrade.

The following financial performance indicators have formed part of the compilation of the 2013/14 MTREF:

- Capital charges to operating expenditure are the measure of the cost of borrowing in relation to the operating expenditure. This ratio averages 5.6% over the 2013/14 MTREF which indicates that the City spends an average of approximately 5% of its operating expenditure budget annually on finance charges, which is considered feasible and sustainable.
- Borrowing funding as a ratio of own capital expenditure reflects the degree to which own capital expenditure (excluding grants and contributions) has been funded by way of borrowing. The ratio shows 0% for 2013/14 which is as a result of not taking up a loan in 2013/14 due to the City's healthy cash position. The ratio averages 59.7% over the two outer years of the 2013/14 MTREF. This ratio shows that the City's borrowing is affordable and sustainable over the medium term.

### 2.3.1.2 *Safety of Capital*

- The gearing ratio is a measure of the total long term borrowings over funds and reserves. The City does not agree with the methodology applied to calculate this ratio. The calculation preferred should be debt less cash and bank balances divided by community wealth/equity, of which the City's outcome over the 2013/14 MTREF averages 3%. This outcome is due to the low borrowing and the good cash position of the City.

### 2.3.1.3 *Liquidity*

- Current ratio measures the extent which current assets cover current liabilities. It is preferable that the ratio is at least above one. This ratio for the City averages 1.4 over the 2013/14 MTREF.
- The liquidity ratio is a measure of the ability of the City to utilise cash and cash equivalents to extinguish or retire its current liabilities immediately. Ideally a municipality should have the equivalent cash and cash equivalents on hand to meet at least the current liabilities, which should translate into a liquidity ratio of 1. Anything below 1 indicates a shortage in cash to meet creditor obligations. In this instance the City also does not agree with the methodology applied to calculate the ratio. The preferred calculation is current assets less inventory, divided by current liabilities. This ratio for the City averages 1.35 over the 2013/14 MTREF.

#### 2.3.1.4 Revenue Management

- Debt Management actions, including legal actions are carried out against debtors who can pay, but choose not to, with a special focus on the top 1000 debtors, government accounts, staff and councillor arrears, businesses and irrecoverable debt.
- Debtors who are experiencing difficulties in paying their accounts are given options to either enter into payment arrangements or to apply to be registered as indigent or apply for rates rebates offered.
- The City provides the option of an affordable payment plan for debtors to settle their arrears, where compliance with the agreed payment plan leads to the suspension of all debt management actions and interest being raised until the arrears are paid in full .
- In addition to the above, the City's strategy for the Indigent debtors are as follows:
  - water leaks are fixed on all indigent properties, free of charge
  - water demand management devices (WDM) and prepaid electricity meters are installed free of charge
  - once the water leaks have been repaired and the WDMs and pre-paid electricity meters are installed, a once off write off is done of all outstanding debt.
  - Council has approved the writing off of all interest charges as well as the stopping of interest charges from being raised/billed on indigent properties, until the water leaks have been repaired ,the WDMs and the pre-paid electricity meters have been installed

#### 2.3.1.5 Creditors Management

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

#### 2.3.1.6 Other Indicators

- Past performance and projections forward shows that Electricity distribution losses is kept constant at 967 million kW. The City has strategies to reduce the losses; however there is a limit to what can be done with limited resources in the short term and the extent to which losses can be limited. Historically the losses have remained fairly constant, but well below international benchmarks, so budgeting for a constant loss factor is prudent.
- Water distribution losses are expected to reduce from 49 million kl in 2013/14 to 48 million kl in 2015/16. High priority is being given to a comprehensive water loss reduction strategy with detail action plans being developed for each of the physical or real losses and commercial losses. Water and Sanitation Services are applying the resources required to implement Water Demand Management interventions, including:
  - Reduction of non-revenue water (Water Demand Management Device and Smart Metering),
  - Reduction of high pressure, minimum night flow for residential consumers,
  - Leak Detection and repair,
  - Education and awareness programmes,
  - Retrofitting and leak and meter repair programmes, and
  - Pipe replacement, treated effluent re-use, water restrictions and stepped tariffs.

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

The free basic services described in section 1.4.2 *Free Basic Services: Basic Social Services Package* on page 20 are provided on the basis that as the value of the property increases above R100 000 it is deemed that there should be some funds available to pay a small portion of the costs of the services, gradually increasing till the full costs (less the rebates granted to all residential properties) are billed when the valuation exceeds R400 001. These value driven rebates are allocated automatically by the billing system when the invoices are produced, the administration costs are therefore absolutely minimal.

Residents needing free basic services in addition to that provided via the billing system register with the City on a periodic basis to receive the same benefits as if their property values were below R100 000.

Residential properties valued higher than R400 000 pay the normal municipal rates and tariffs, after allowing the valuation rebate R200 000, 6 kilolitres free water and 4.2 kilolitres free sanitation. Properties valued between R350 001 and R400 000 receive a 25% rebate on refuse removal charges. Properties valued between R300 001 and R350 000 receive a rebate of 50% on refuse removal charges. Properties valued between R200 001 and R300 000 receive a rebate of 50% on refuse removal and an indigent grant of R67.42 per month to provide an additional 4.5 kilolitres of free water (in addition to the 6 kilolitres per month provided free to all residential properties) and free sanitation (based on the water consumption). Properties valued between R150 001 and R200 000 receive a 50% rebate on refuse removal charges, the R67.42 on water and sanitation charges and a 100% rebate on rates. Properties valued between R100 001 and R150 000 receive a 75% rebate on refuse removal charges, the R67.42 on water and sanitation and a 100% rebate on rates. Properties valued at R100 000 or below receive a 100% rebate on refuse removal, the R67.42 on water and sanitation and a 100% rebate on rates.

The free services provided to the households in informal settlements are not included in this document. Such services include water via standpipes, refuse removal via skips or bags and access to rate funded services such as clinics, libraries, etc.

### **2.3.3 Providing clean water and managing waste water**

In managing the provision of drinking water and the treatment of wastewater, the City 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 11 water treatment plants, the bulk conveyance system and the whole distribution system) was assessed for the 2009, 2010, 2011 and 2012 Blue Drop performance ratings by the Department of Water Affairs. Subsequent to achieving 100% in the 2009 assessment, the City scored a 98.2%, 97.2 and 98.14% respectively in the more stringent following assessments. Since the inception of the Blue Drop programme, the City has been in the top scores for the country.

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*

The City has a risk approach in place whereby the strategic risks to the wastewater business have been identified, rated and mitigation measures put in place. The plan is being implemented and there is a match between the resources allocation and the critical risks in the Wastewater Risk Abatement Plan. This document is reviewed to further refine prioritisation of the risks and resource allocation.

The City has clear objectives based on a sound baseline and knowledge of their processes and technologies. The application of risk management and abatement is an integral part of the wastewater business. The risk trend is overall encouraging with 19 of the 26 plants showing improved Cumulative Risk Rating (CRR%) deviation ratios. The remaining 7 plants shows declined risk positions, and the Wastewater Risk Abatement Plan needs expansion to improve upon these systems.

The City displays a strong commitment to wastewater and Green Drop and has a very good understanding of the CRR baseline and its approach, which they use in internal performance reviews. Management continues to impress with their readiness and dedication to participate and strives to continuous improvement.

#### *Areas requiring attention*

The primary problems the municipality is experiencing are 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 and the City of Cape Town is addressing such via recruitment of appropriate staff, training existing staff in an effort to minimise the shortage of trained experienced resources, formulation of comprehensive long term Master Plans, improve business processes, allocating financial resources to create new facilities, expand as well as maintaining existing assets.

#### *2013/14 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 2013/14 capital budget are shown below.

**Table 36 Wastewater Treatment Facility Capital Budget**

Wastewater Treatment Facility	Project	2012/2013 Budget	2013/2014 Budget
<b>R Thousand</b>			
Athlone	3 no. Additional Primary Settlement Tanks and associated equipment	500	0
Bellville	20 MI/d increase in treatment capacity	89 000	14 640
Cape Flats	Disinfection of Effluent	-	5 000
Potsdam	Increase in treatment capacity	21 000	8 300
Zandvliet	18 ML/ d increase in treatment capacity	10 000	12 000
Borherds Quarry	Replacement of Centrifuges with Belt Presses	11 000	20 000
Mitchells Plain	Replacement of Centrifuges with Belt Presses	5 000	50 000
Mitchells Plain WWTW-Improvements	Restoration of ageing infrastructure	-	5 500
BlacMac Sewer: Upgrade sewer		-	5 000
Macassar	Capacity extension of 16MI/d required	2 000	11 000
Klipheuwel	Require by pass and holding facility when Septic tank requires cleaning	500	0
<b>Total for New Infrastructure</b>		<b>136 500</b>	<b>120 440</b>

*Operating Budget*

The proposed 2013/14 operating budget is shown below.

**Table 37 Wastewater Treatment Facility Operating Budget**

Category	2012/2013 Budget	2013/2014 Budget
<b>R Thousand</b>		
Remuneration	79 659	90 683
Depreciation	54 477	67 118
Repairs & Maintenance	70 855	67 488
Contracted Services	61 089	64 473
General Expenses	121 702	157 102
Interest Internal Borrowings	70 351	68 245
Appropriation Account	64 819	85 015
Internal Utilities Expenditure	69 566	79 542
Insurance Departmental	4 739	4 684
Activity Based Costs	22 722	25 608
Support Services	34 085	33 925
<b>Total Income Statement Expense</b>	<b>654 064</b>	<b>743 883</b>

## **2.4 Overview of budget related-policies**

### **2.4.1 Approved policies**

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

- Mayor's Special Fund – approved May 2010
- Funding and Reserves Policy – approved May 2010
- Supply Chain Management Policy – approved December 2011
- Virement Policy – approved June 2011
- Cash Management and Investment Policy – approved 27 February 2013
- Asset Management Policy - approved 27 February 2013

### **2.4.2 Policies for adoption**

The following budget-related policies have been attached to this document for adoption:

- Long Term Financial Plan Policy – Annexure 14
- Budget Management and Oversight Policy – Annexure 15
- Unforeseen and Unavoidable Expenditure Policy – Annexure 16
- Policy Governing Adjustment Budgets – Annexure 17
- Policy Governing Planning and Approval of Capital Projects – Annexure 18
- Fare Policy for Contracted, Road-Based Public Transport – Annexure 19
- Virement Policy – Annexure 20
- Policy on Accounts Payable – Annexure 23

### **2.4.3 Credit control and debt collection procedures/policies**

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 8.

### **2.4.4 Tariff Policies**

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 7.

## **2.5 Overview of budget assumptions applied to the 2013/14 MTREF**

### **Introduction**

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

The Municipal Budget and Reporting Regulations, (Part 2; Budget-related policies of municipalities) require the accounting officer to ensure that budget-related policies are prepared and submitted to Council. One of these policies relates to the long-term financial plan, which aims to ensure that all long-term financial planning is based on a structured and consistent methodology, thereby ensuring long-term financial affordability and sustainability.

A municipality's financial plan integrates the financial relationships of various revenue and expenditure streams to give effect to the Integrated Development Plan (IDP). It provides guidance for the development of current budgets and assesses financial impacts on outer years' budgets by incorporating capital expenditure outcomes, operating expenditure trends, optimal asset management plans and the consequential impact on rates, tariffs and other service charges.

The City has developed a financial model (Medium Term Revenue and Expenditure Framework - MTREF) that aims to determine the appropriate mix of financial parameters and assumptions within which the City should operate to facilitate budgets which are affordable and sustainable at least 10 years into the future. In addition, it identifies the consequential financial impact of planned capital projects on the municipality's operating budget.

The MTREF model is reviewed annually to determine the most affordable level at which the municipality can operate optimally taking the fiscal overview, economic climate, National and Provincial influences, IDP and other legislative imperatives, internal governance and community consultation into account in its deliberations.

### **2.5.1 Financial Strategic Approach**

The 2013/14 MTREF period represents the 2nd year of the City's 5-year IDP period. The 2013/14 MTREF process commenced with a technical analysis of previous years' performance outcomes, an assessment of the current economic outlook and consultation with various role players. The process encompassed the following:

- MTREF presentations to EMT and BSC (Budget Steering Committee)
- Subcouncil budget consultations – attended by Executive Directors
- IDP community consultations
- Presentations by directorates at budget hearings on their business improvement measurements, capital investment plans for 3-year MTREF period
- Presentations by the Trading services with regard to their proposed budgets and tariff increases.
- Presentations to the Mayoral Committee meetings.

### **2.5.2 Financial Modelling and Key Planning Drivers**

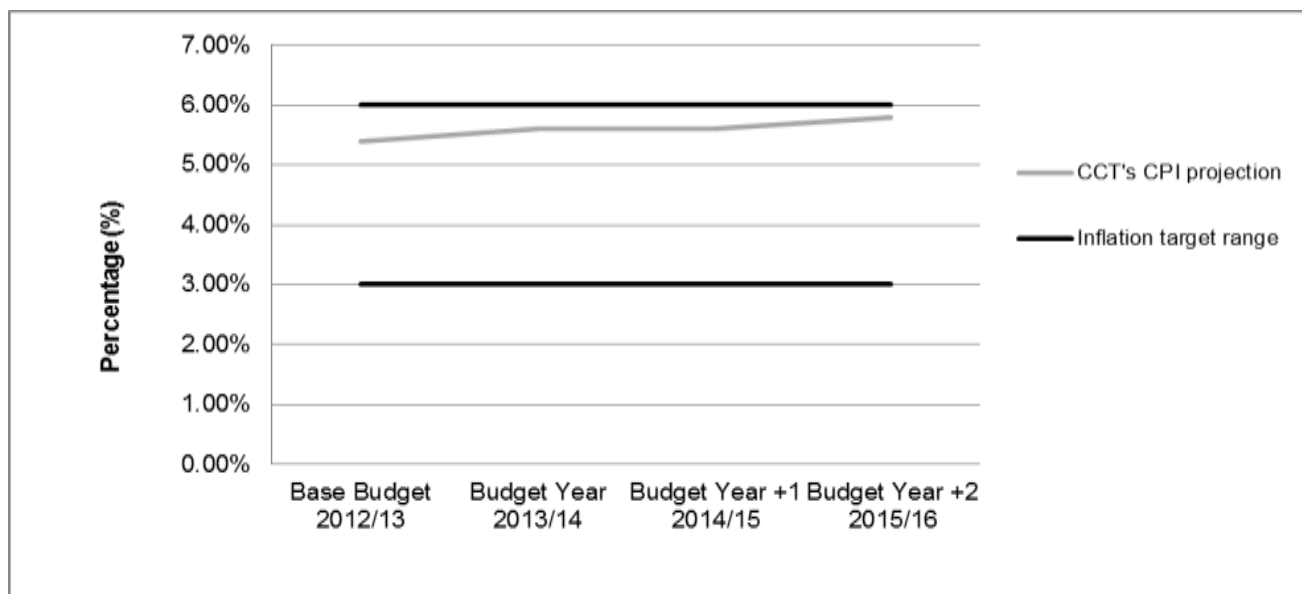
The outcome of the MTREF modeling performed incorporates the strategic focus areas of the IDP as well as core economic, financial and technical data obtained at local and national level. The ensuing paragraphs outline the assumptions on which the MTREF was compiled.

The principles applied to the MTREF in determining and maintaining an affordability envelope included:

- Higher than inflation Repairs and Maintenance provisions to attain nationally benchmarked levels to ensure and enhance preservation of the City’s infrastructure.
- Higher increases to selected cost elements subjected to higher than average inflationary pressure, e.g. staff costs.
- General expenses (e.g. catering, entertainment, public functions and travelling and subsistence) were adjusted downwards by R103m to give effect to NT circular 66 and to ensure affordability.
- Reducing the vacancy provision by R42m.
- City funding provision of R122m in 2013/14 for EPWP and a further R17m for the Mayor’s Urban Regeneration project.
- A 100% capital expenditure implementation rate assumed
- Credible collection rates based on collection achievements to date and incorporating improved success anticipated in selected revenue items.
- National and Provincial allocations as per the 2013 DORb and 2013 Western Cape Provincial gazette.

**2.5.3 General inflation outlook and its impact on municipal activities**

CPI projected for the City is 5.6% for 2013/14 and 2014/15 and 5.8% for 2015/16. These levels are within the SARB inflation targeting range of between 3% to 6% range and is depicted in the graph below.



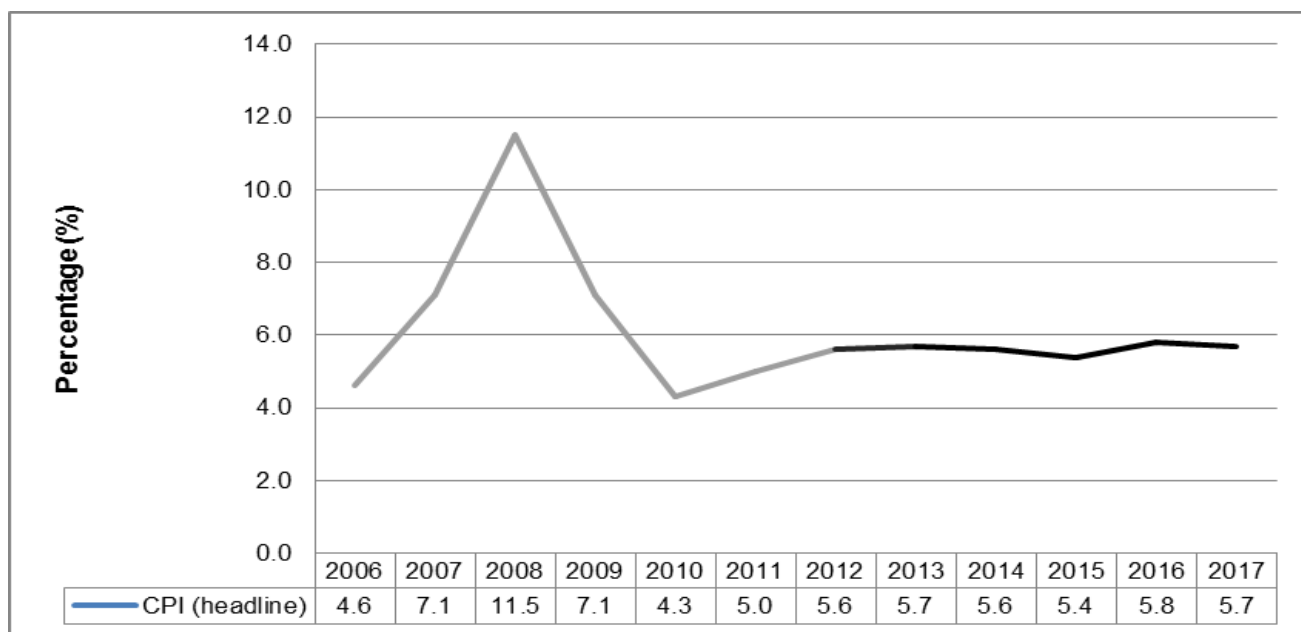
**Figure 7 Consumer price index projections adopted in the MTREF**

**2.5.4 Economic outlook / external factors**

South Africa’s economic outlook is dependent on both domestic and international factors. Domestically the economy is still absorbing the impact of recent strike action in the mining and farming sectors, whereas on the international front the European financial crisis still poses a risk. In light of this, the Bureau of Economic Research (BER) revised the GDP growth projection for 2013 downwards by 0.7 percentage points to 2.6%. The BER further projects GDP to recover in 2014, projecting an average GDP growth of 3.6% for both 2014 and 2015.

Oil prices are currently volatile due to uncertainties around potential supply disruptions stemming from political tension in the Middle East, Iran’s nuclear capabilities and hostilities between Turkey and Syria. As a result of this BER have projected oil prices to remain at the high rate of between \$100 to \$110 per barrel for 2014. BER further forecasts the Rand to end 2013 at an average of R8.57/\$ and is expected to end 2014 at R8.43/\$.

New Consumer Price Index (CPI) weights will be implemented from January 2013, which will attach a larger weighting to food costs. Notwithstanding that, CPI is expected to remain within the South African Reserve Bank (SARB) inflation target range of between 3% and 6%. CPI forecasts for the next 3 years are expected to remain at the upper end of the range due to food, petrol and energy costs. The graph below depicts the CPI for the past years and projections for the next 5 years as per BER. Due to the abovementioned factors, interest rates are expected to remain constant in 2013 and 2014, with minor increases, but is expected to increase from 2015 onwards. The graph below shows the CPI trend actual and forecast for 12 years as per BER.



**Figure 8 Consumer Price Index over recent and future years (projected)**

BER has forecasted CPI as 5.7%, 5.6% and 5.4% for the calendar years 2013 to 2015 respectively. The City’s forecasted CPI in municipal financial years is 5.6% for 2013/14 and 2014/15 and 5.8% for 2015/16.

## Borrowing and Credit rating outlook

The City's borrowing is done in terms of the City's borrowing policy and is influenced by the capital investment / EFF requirement for the 2013/14 MTREF. The City requires a credit rating to demonstrate its ability to meet its financial obligations. Potential lenders also use this rating to assess the City's credit risk, which in turn affects the pricing of any subsequent loans taken. Factors used to evaluate the creditworthiness of municipalities include the economy, debt, finances, politics, management and institutional framework.

Moody's maintained the rating and outlook for the City as 'double A' (Aa2.za) for the past four years. In 2012, due to the South Africa's national rating being downgraded from A3 to Baa1 the City's rating was also downgraded to Aa3. The City's rating is as follows:

**Table 38 Credit rating outlook**

Category	Currency	Rating 2 April 2013	Previous Rating 14 Dec 2012	Previous Rating 03 Oct 2012
Outlook	-	Negative	Negative	Negative
NSR Issuer Rating	Rand	Aa3.za	Aa3.za	Aa3.za
NSR ST Issuer Rating	Rand	P-1.za	P-1.za	P-1.za
NSR Senior Unsecured	Rand	Aa3.za	Aa3.za	Aa3.za

The definitions of the rating categories are:

Negative Outlook - reflects that a credit rating assigned to an issuer which may be lowered.

NSR Issuer Rating – Aa3.za – Issuers or issues rated A.za present above average credit worthiness relative to other domestic issuers.

NSR Issuer Rating – Aa2.za – Issuers or issues rated Aa.za demonstrate very strong creditworthiness relative to other domestic issuers.

NSR ST Issuer Rating – P-1.za – Issuers (or supporting institutions) rated Prime-1 have a superior ability to repay short-term debt obligations.

NSR Senior Unsecured – Issuers demonstrate very strong creditworthiness relative to other domestic issuers.

## National and provincial influences

The Local Government Budgets and Expenditure Review published by National Treasury highlighted the following areas as requiring particular attention by municipalities:

- Revenue management – municipalities need to ensure that billing systems are accurate, send out accounts to residents and follow up to collect revenues owed.
- Collecting outstanding debts – This requires political commitment, sufficient administrative capacity, and pricing policies that ensure that bills are accurate and affordable.
- Pricing services correctly – The full cost of services should be reflected in the price charged to residents who can afford to pay. Many municipalities offer overly generous subsidies and rebates that result in services being run at a loss, resulting in funds being diverted away from other priorities.
- Underspending on repairs and maintenance – Often seen as a way to reduce spending in the short term, underspending on maintenance can shorten the life of assets, increase long-term maintenance and refurbishment costs, and cause a deterioration in the reliability of services.

- Spending on non-priorities – Many municipalities spend significant amounts on non-priority items including unnecessary travel, luxury furnishings, excessive catering and unwarranted public relations projects. Consultants are often used to perform routine tasks. Considering the pressurised economic climate continued spending on non-priority wants cannot be sustained.

NT Circular 66 urged municipalities to work through this review in preparation of their 2013/14 MTREF.

A further major influence of National Government on municipalities’ budget process was the review of the equitable share formula (discussed below). In line with the National and Provincial themes of job creation, service delivery and social responsibility, the City reflects these in its IDP and it was also highlighted in the Mayor’s focus areas.

**2.5.5 Interest rates for borrowing and investment of funds**

Borrowing interest rates is factored at a prime rate of 10.06% for 2013/14 and is expected to increase to 10.89% in 2015/16. The investment interest rate has plummeted from the previous financial period by 1.04%, 5.00% was applied for 2013/14 and is expected to increase to 5.88% in 2015/16.

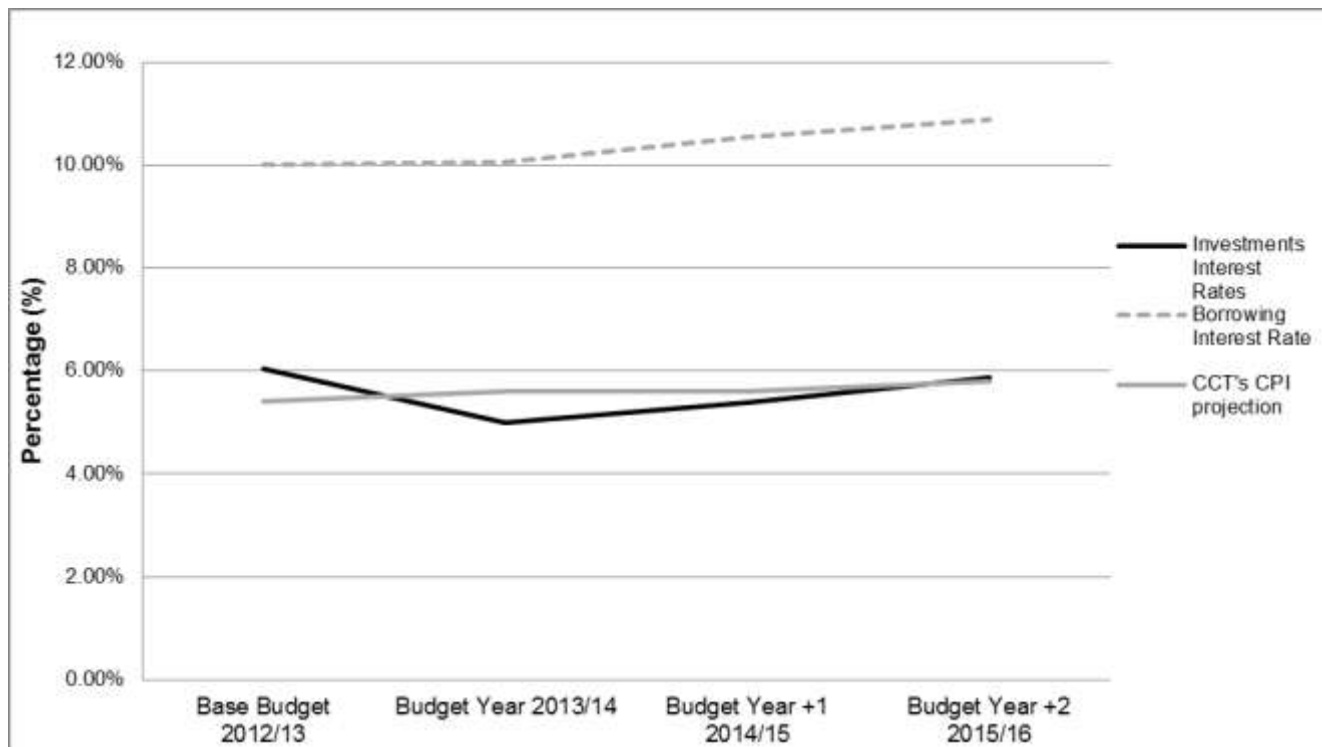


Figure 9 Interest c over the MTREF

**2.5.6 Collection rate for revenue services**

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:

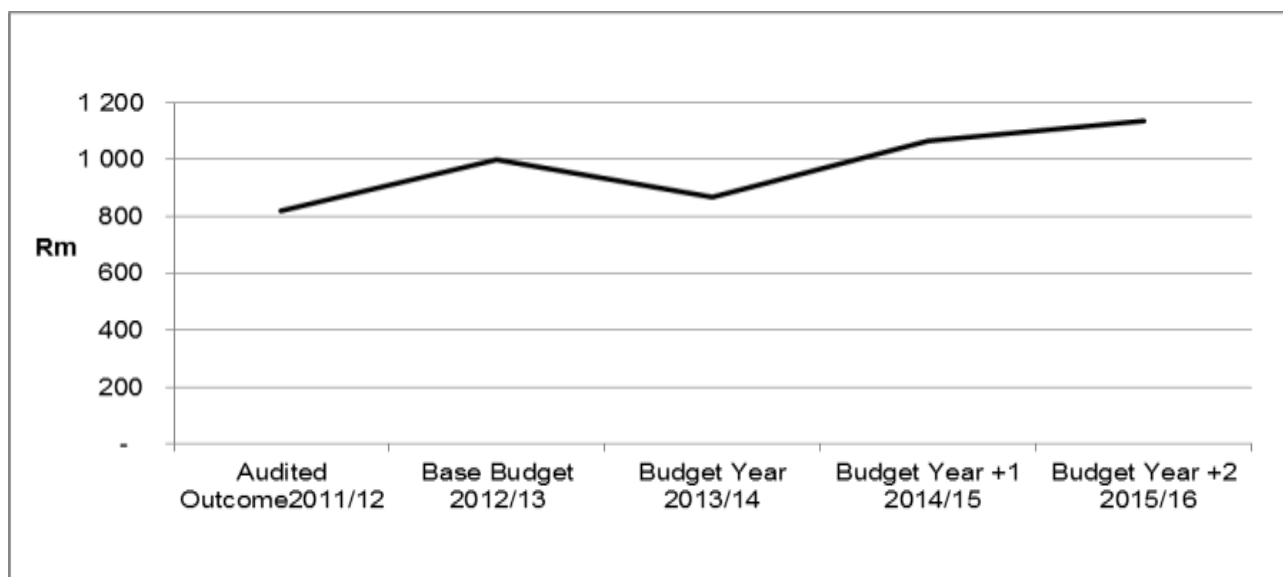


**Table 39 Collection Rates**

Service	Base Budget 2012/13	2013/14	2014/15	2015/16
Property Rates	96.00%	96.00%	96.00%	96.00%
Electricity	97.00%	98.00%	98.00%	98.00%
Water	91.50%	92.50%	93.50%	94.00%
Sewerage	91.50%	92.50%	93.50%	94.00%
Refuse	95.00%	93.00%	93.00%	93.00%
Housing	45.00%	47.00%	48.50%	49.50%

Property Rates and Refuse collection ratios are expected to remain constant over the 2013/14 MTREF period. Electricity Services collection rate is expected to increase from 2012/13 to 2013/14, in line with recent years' trends. The increase in the Water and Sanitation collection ratio is due to the initiative to reduce debt, which include the increases to the number of debt actions and additional rollout of water management devices. Housing collection ratio is also expected to increase over the 2013/14 MTREF, which is due to initiatives that includes amongst other, expanded housing debt management and the Payers Incentive Scheme.

A R866 million was provided for debt impairment in the 2013/14 budget and is based on an average collection ratio of 94% (excludes Housing). The graph below shows the debt impairment for the period 2011/12 to 2015/16.



**Figure 10 Debt Impairment – 2011/12 to 2015/16**

**2.5.7 Salary increases**

**Salaries, Wages & related staff cost expenses**

A 3 year Salary and Wage collective agreement was entered into in 2012. The term of the agreement covers the 2012/13 to 2014/15 period; in the absence of an agreement for the third year of this MTREF period the provisions provided for 2014/15 were also assumed for 2015/16.

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

- 2013/14 financial year:  
Average CPI percentage for the period 1 February 2012 to 31 January 2013 plus 1.25%.
- 2014/15 financial year:  
Average CPI percentage for the period 1 February 2013 to 31 January 2014 plus 1%.

The agreement further stipulates that if, in any of these years the average CPI percentage, as per the calculation above, is less than 5%, the average CPI will be deemed to be 5% and in the event that the average CPI is above 10% the average CPI will be deemed to be 10%.

The actual CPI for the period 1 February 2012 to 31 January 2013 (ex STATSSA) is 5.59%, the salary provision made for the 2013/14 MTREF is therefore 6.84% (5.59%+1.25%).

In addition, provision was made for an incremental allowance of 2% to cater for performance- and other notch increases.

The graph below shows the consistent above-CPI salary increases for the last three years and for the projected MTREF period.

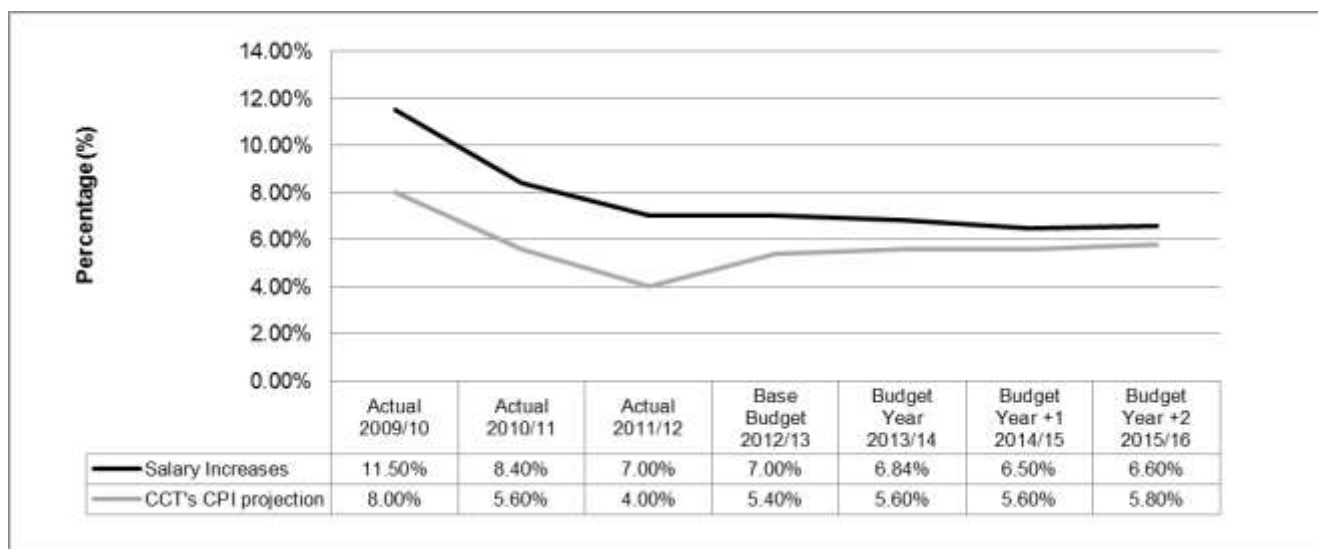


Figure 11 Correlation between the City's CPI and the salary increase over the MTREF

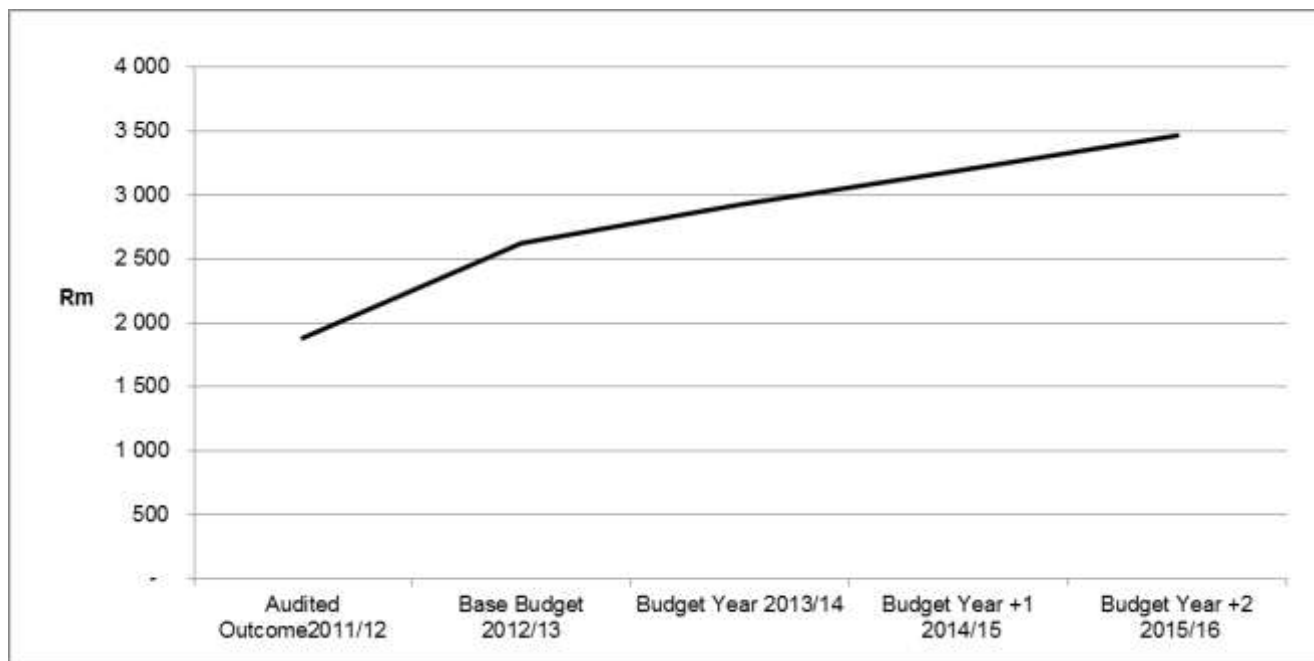
### 2.5.8 Ensuring maintenance of existing assets

#### General Expenses and Repairs & Maintenance

The MTBPS highlighted the under-spending on repairs and maintenance by municipalities. Reference in NT Circular 66 is made to NT circulars 54, 55 and 58 which stressed the importance of securing the health of a municipality's asset base by increased spending on repairs and maintenance. NT circular 58 of 2011 indicated that 'allocations to repairs and maintenance, and the renewal of existing infrastructure must be prioritized'.

In this regard repairs and maintenance was budgeted at 3% above CPI over the MTREF.

The graph below shows the increasing expenditure trend on repairs and maintenance from 2011/12 and projected to 2015/16.



**Figure 12 Increasing expenditure trend on repairs and maintenance from 2011/12 and projected to 2015/16**

### **2.5.9 Operating financing of capital**

#### **Depreciation**

Calculation of depreciation on new capital expenditure is based on variables such as asset class life span, ranging between 9 and 50 years, depending on the nature of the asset. An annual capital expenditure implementation rate of 100% was assumed. Depreciation of existing assets is based on simulated SAP data which reflects actual values per annum. Assets under Construction (AUC) are calculated based on asset class lifespan and projected capitalisation dates.

#### **Borrowing**

Borrowing is done in terms of Chapter 6 of the MFMA where a long term loan will be entered into if it is affordable and sustainable. Due to the City healthy cash position the City will not enter into a loan during 2013/14 financial year.

### **2.5.10 Growth or decline in tax base of the municipality**

The current unstable economic climate has restricted material service growth projections. The respective projected growth for the City’s services is as follows:

#### *Rates*

Service growth applied for Rates over the 2013/14 MTREF is 1%.

#### *Water and Sanitation*

A service growth of 1% was applied to Water and Sanitation over the 2013/14 MTREF. This is based on the average growth over the past years, on the revenue generating portion of water volumes.

*Electricity*

Electricity has projected no service growth over the MTREF, due to the impact of energy saving plans and increasing tariffs, thus reducing consumption.

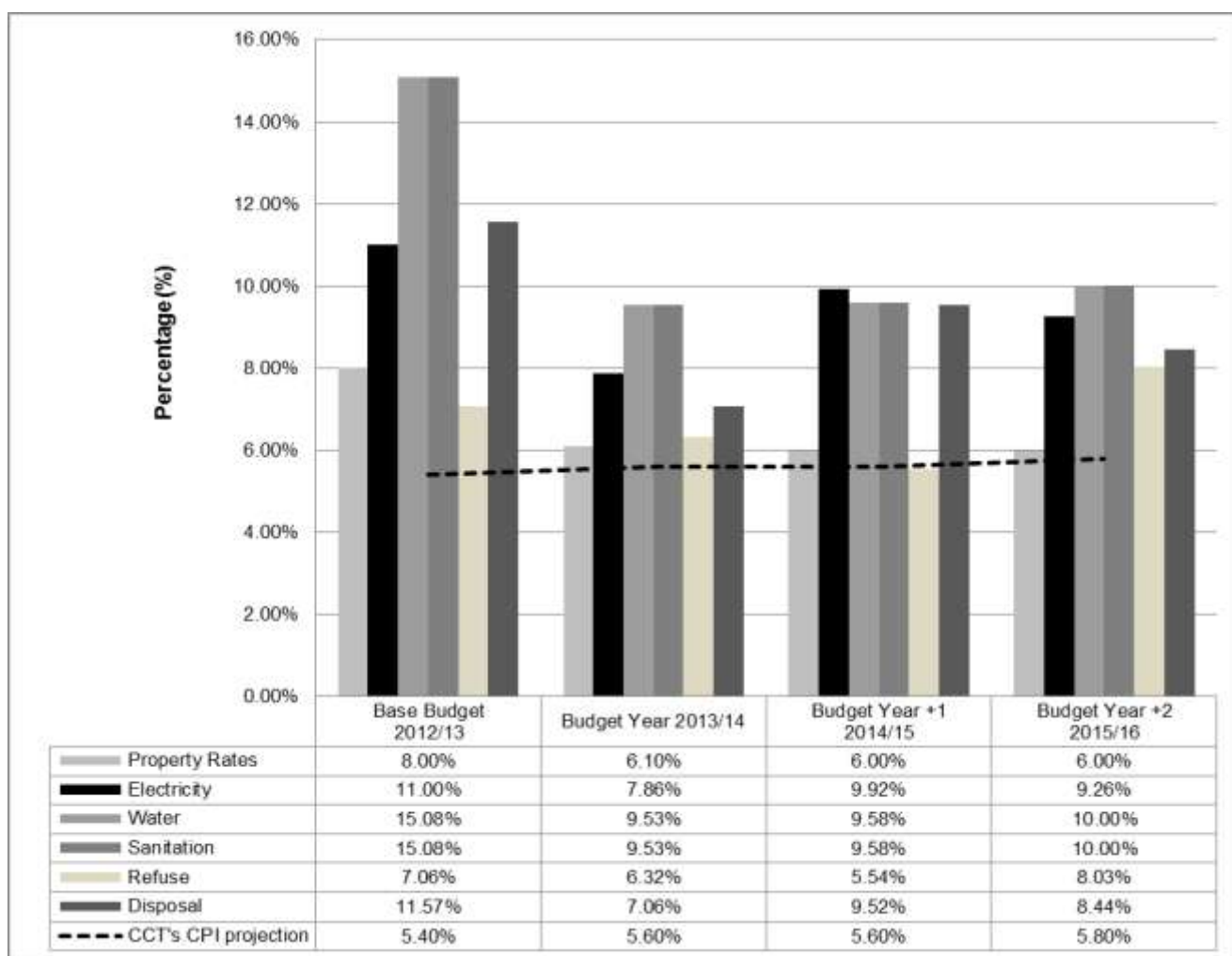
*Refuse*

A 2% service growth was applied over the 2013/14 MTREF for Refuse. This is as a result of the growth in the City's population and user numbers.

**2.5.11 Major tariffs and charges: Rates and Trading Services**

The adverse impact of the current economic climate, coupled with the demand for new and upgraded infrastructure, made tariff increases higher than CPI levels inevitable.

NT circular 66 of December 2012 “encourages municipalities to keep increases in rates, tariffs and other charges at levels that reflect an appropriate balance between the interests of the poor households, other customers’ and ensuring the financial sustainability of the municipality. For this reason municipalities must justify in their budget documentation all increases in excess of the 6 percent upper boundary of the SARB inflation target”. Nevertheless, it further indicates that tariffs should be cost reflective. In this regard the following represents the revenue increases included over the 2013/14 MTREF.



**Figure 13 Revenue parameters for 2013/14 MTREF period**

### *Property Rates*

Rates revenue increase is at 6.1% in 2013/14 and 6% for the two outer years; i.e. within the inflation target range. This increase will afford the City to provide for the recurrent operating costs, new budget realities and for the investments in new infrastructure of Rate funded services.

### *Electricity*

Eskom announced their increase for bulk purchases at 6% after NERSA earlier determined that the approved Eskom increase for the next five years would be 8%. Based on this, the City's average revenue increase requirement is 7.86% for the 2013/14 financial year and 9.92% and 9.26% for the two outer years respectively. The higher than CPI increase is attributed to various factors which would include the higher than CPI Eskom increase and salary increases. It furthermore caters for the increased costs of finance charges (15%) to the previous financial year, due to increased investments in new infrastructure and additional staff requirement to ensure continued optimal service delivery and an increase in the number of revenue collection teams to further improve the collection ratio.

### *Water and Sanitation*

NT circular 66 states that "municipalities are to review the level and structure of the Water and Sanitation tariffs. If the tariffs are not fully cost reflective, the municipality should develop a pricing strategy to phase-in the necessary tariff increases in a manner that spreads the impact on consumers over a period of time. All municipalities should aim to have appropriately structured and cost reflective tariffs in place by 2014".

The average Water and Sanitation revenue increase for 2013/14 is at 9.53% and averages 9.8% over the two outer years. These increases were required to ensure that current infrastructure is sufficiently maintained, for the investments in new infrastructure, to cater for increased water demand and to ensure compliance to the Waste Water Treatment Works legislation issued by the Department of Water Affairs.

### *Solid Waste*

According to NT Circular 66, "municipalities' are reminded that where Solid Waste tariffs do not cover the cost of providing the different components of the service, municipalities should aim to have appropriately structured, cost reflective solid waste tariffs in place by 2015".

The Disposal average increase for 2013/14 is at 7.06%. This increase, amongst other, is required for the rehabilitation of landfill sites and for the operating costs relating to new transfer stations. The 6.32% average increase for Refuse in 2013/14 is to improve the standard of refuse removal service.

### *Housing rental stock*

The monthly rental charge for the City's housing rental properties is based on a rate per square meter applied to the size of the unit being rented.

The rates for 2013/2014 are as follows:

- Rental (per square meter): R7.80
- Rental (per square meter including water where applicable): R10.82
- Excludes premiums and deductions

## 2.5.12 Impact of national, provincial and local policies on operating revenue

### 2013 Division of Revenue bill

#### Equitable Share

The Equitable Share formula has been reviewed by the National Treasury, the Department of Cooperative Governance and the South African Local Government Association, with assistance from the Financial and Fiscal Commission and Statistics South Africa. The new formula and allocations were endorsed by the Budget Forum and Cabinet in February 2013.

The formula provide a subsidy for the provision of free basic water, electricity, sanitation and refuse removal services for every poor household. It also provides funds for the institutional costs of municipalities, a community services component which provides funding towards the provision of core municipal services not included under basic services. To ensure that the funds for institutional costs and non-trading services are targeted at poorer municipalities, the formula applies a revenue-adjustment factor reflecting municipalities' ability to generate their own revenue. The formula used data from the 2011 Census which will be updated annually to reflect estimates of population growth and projected increases in the cost of services such as water and electricity.

#### Structure of the local government equitable share formula

$$LGES = BS + (I + CS) \times RA \pm C$$

where

**LGES** is the local government equitable share

**BS** is the basic services component – basic services subsidy x number of poor households

**I** is the institutional component – base allocation + [allocation per councillor \* number of council seats]

**CS** is the community services component – [municipal health and related services allocation x number of households] + [other services allocation x number of households]

**RA** is the revenue adjustment factor

**C** is the correction and stabilisation factor

Equitable share provisions included in the budget are based on the 2013 Division of Revenue Bill. Based on the calculation as set out above the City had a revenue adjustment factor of zero which meant that it did not receive any allocation from the institutional and non-trading services components on which the factor was applied. The following amounts were allocated to the City as per the 2013 DORb.

2013/14 –	R1.243bn
2014/15 –	R1.502bn
2015/16 –	R1.815bn

As in previous years' the DORB, municipalities are guaranteed to receive at least 90% of the indicative allocations for the middle year of the National MTEF. The figures above reflect the 100%.

### Fuel levy

The general fuel levy is legislated by the Taxation Laws Amendment Act (2009) that makes provision that each metro's share be announced through a Government Gazette. The fuel levy sharing amounts for each metro is therefore published annually through a Notice in the Government gazette.

The Fuel levy allocation is based on the latest available fuel sales figures within the jurisdiction of the City as a metro. The following amounts were allocated to the City as per the 2013/14 allocation letter received from NT:

2013/14 – R1.896 billion  
 2014/15 – R2.015 billion  
 2015/16 – R2.108 billion

### 2.5.13 Capital expenditure

The total capital budget included for the 3-year MTREF period is as follows:

**Table 40 Capital Budget over MTREF**

Capital funding	Budget Year	Budget Year +1	Budget Year +2
	2013/14 R '000	2014/15 R '000	2015/16 R '000
CGD	2 583 308	2 533 667	2 474 896
CRR	700 820	579 857	558 106
Revenue	16 968	15 874	16 447
EFF	2 149 497	2 048 074	2 442 586
<b>TOTAL</b>	<b>5 450 593</b>	<b>5 177 472</b>	<b>5 492 035</b>

Grants received from National and Provincial Government remains a significant funding source over the 2013/14 MTREF. External Financing Fund (EFF) over the 3 years averages R2 billion.

**2.5.14 Major parameters**

The following table summarises the major parameters applied to the Operating budget:

**Table 41 Summary of parameters applied to Operating Budget**

	2013/14	2014/15	2015/16
	%	%	%
<b>CPI</b>	<b>5.60</b>	<b>5.60</b>	<b>5.80</b>
<b>COLLECTION RATES</b>			
Rates	96.00	96.00	96.00
Electricity	98.00	98.00	98.00
Water	92.50	93.50	94.00
Sanitation	92.50	93.50	94.00
Refuse	93.00	93.00	93.00
Housing	47.00	48.50	49.50
<b>REVENUE PARAMETERS (excluding organic growth):</b>			
Rates	6.10	6.00	6.00
Electricity	7.86	9.92	9.26
Water	9.53	9.58	10.00
Sanitation	9.53	9.58	10.00
Refuse	6.32	5.54	8.03
Disposal	7.06	9.52	8.44
<b>REVENUE PARAMETERS (including organic growth):</b>			
Rates	7.10	7.00	7.00
Electricity	7.86	9.92	9.26
Water	10.53	10.58	11.00
Sanitation	10.53	10.58	11.00
Refuse	8.32	7.54	10.03
<b>EXPENDITURE PARAMETERS:</b>			
Salary increase			
Salary increase (SALGA Agreement)	6.84	6.50	6.60
Increment provision	2.00	2.00	2.00
General Expenses	5.60	5.60	5.80
Repairs & Maintenance	8.60	8.60	8.80
Interest Rates			
Interest paid	10.06	10.55	10.89
Interest on investment	5.00	5.38	5.88
<b>OTHER:</b>			
Capital (EFF component) Expenditure	R2.149bn	R2.048bn	R2.443bn
Equitable Share Allocation	R1.243bn	R1.502bn	R1.815bn
Fuel Levy	R1.896bn	R2.015bn	R2.108bn



## 2.6 Overview of budget funding

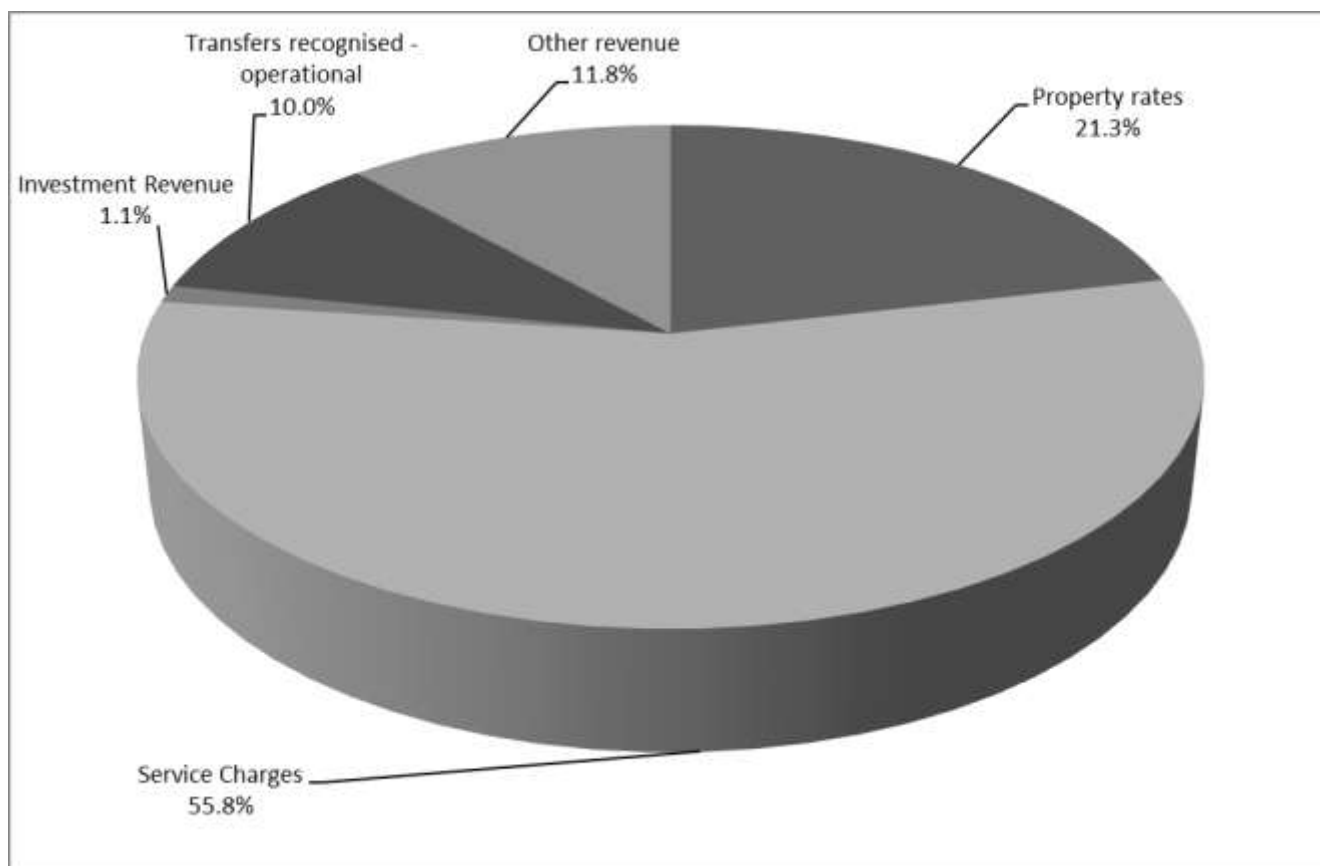
### 2.6.1 Medium-term outlook: operating revenue

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

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

Description R thousand	2013/14 Medium Term Revenue & Expenditure Framework					
	Budget Year 2013/14	%	Budget Year +1 2014/15	%	Budget Year +2 2015/16	%
Property Rates	5 527 109	21.3%	5 914 006	21.1%	6 327 987	20.7%
Service Charges	14 442 391	55.8%	15 863 091	56.7%	17 392 935	56.8%
Investment Revenue	284 618	1.1%	292 445	1.0%	303 664	1.0%
Transfers recognised - Operational	2 595 904	10.0%	2 549 102	9.1%	3 037 349	9.9%
Other own revenue	3 045 068	11.8%	3 362 603	12.0%	3 567 088	11.6%
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>25 895 089</b>	<b>100%</b>	<b>27 981 247</b>	<b>100%</b>	<b>30 629 023</b>	<b>100%</b>

The following graph is a breakdown of the operational revenue per main category for the 2013/14 financial year.



**Figure 14 Breakdown of operating revenue over the 2013/14 MTREF**

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

the service charges (55.8% of the total revenue), i.e. provision of services such as water, electricity sanitation and solid waste removal. Property Rates (21.3%), Transfer recognised - operational (10%), investment revenue (1.1%) and Other Minor Charges (11.8%), i.e. building plan fees, licences, permits etc.) forms part of the 2012/13 revenue base.

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

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

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

Revenue to be generated from Property Rates in 2013/14 amount to R 5 527 million and it increases to R6 328 million by 2015/16. Revenue from Property Rates represents 21.2% of the operating revenue base of the City.

Service charges relating to Electricity, Water, Sanitation and refuse removal constitutes the biggest component of the revenue basket of the City totalling to R14 442 million for the 2013/14 financial year and increasing to R17 392 million in 2015/16. For the 2013/14 financial year, service charges are 55.8% of the total revenue base and the average year on year growth is approximately 10% over the medium term. The growth can be attributed to the increase in the bulk prices of electricity and water.

Operational Grants and Donations in 2012/13 amount to R2 326 million and increased to R2 595 million in 2013/14, mainly due to the increased allocation in respect of the Equitable Share from R1 084 million (2012/13) to R1 243 million (2013/14) as well as external grants received from National & Provincial Government.

**Table 43 MBRR SA15 - Detailed investment information**

Investment type	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Securities - National Government	42 400	48 900	50 013	60 900	60 900	60 900	66 900	72 900	78 900
Listed Corporate Bonds	-	-	-	-	-	-	-	-	-
Deposits - Bank	4 515 265	5 195 183	6 106 897	4 523 511	7 459 982	7 459 982	6 184 763	7 304 981	7 552 039
Deposits - Public Investment Commissioners	-	-	-	-	-	-	-	-	-
Deposits - Corporation for Public Deposits	-	-	-	-	-	-	-	-	-
Bankers Acceptance Certificates	-	-	-	-	-	-	-	-	-
Negotiable Certificates of Deposit - Banks	-	-	-	-	-	-	-	-	-
Guaranteed Endowment Policies (sinking)	149 382	57 920	71 064	889 089	889 089	889 089	1 153 198	1 429 058	1 720 614
<b>Total</b>	<b>4 707 047</b>	<b>5 302 003</b>	<b>6 227 974</b>	<b>5 473 500</b>	<b>8 409 971</b>	<b>8 409 971</b>	<b>7 404 861</b>	<b>8 806 939</b>	<b>9 351 553</b>

**Table 44 MBRR SA16 - Investment particulars by maturity**

Investments by Maturity	Period of Investment	Type of Investment	Variable or Fixed interest rate	Interest Rate	Expiry date of investment	Monetary value	Interest to be realised
Name of institution & investment ID	Yrs/Months					Rand thousand	
ABSA Bank	62	Fixed deposit	Fixed interest rate	5.10%	15 May 2013	40 000	347
ABSA Bank	92	Fixed deposit	Fixed interest rate	5.10%	14 June 2013	40 000	514
ABSA Bank	123	Fixed deposit	Fixed interest rate	5.25%	15 July 2013	40 000	708
ABSA Bank	154	Fixed deposit	Fixed interest rate	5.40%	15 August 2013	40 000	911
ABSA Bank	156	Fixed deposit	Fixed interest rate	5.40%	23 August 2013	30 000	692
ABSA Bank	50	Fixed deposit	Fixed interest rate	5.00%	15 May 2013	15 000	103
ABSA Bank	41	Fixed deposit	Fixed interest rate	5.00%	15 May 2013	45 000	253
ABSA Bank	37	Fixed deposit	Fixed interest rate	5.00%	15 May 2013	125 000	634
ABSA Bank	45	Fixed deposit	Fixed interest rate	5.00%	24 May 2013	20 000	123
ABSA Bank	46	Fixed deposit	Fixed interest rate	5.00%	14 June 2013	10 000	63
ABSA Bank	45	Fixed deposit	Fixed interest rate	5.00%	14 June 2013	10 000	62
Firststrand Bank	127	Fixed deposit	Fixed interest rate	5.20%	25 July 2013	60 000	1 086
Firststrand Bank	156	Fixed deposit	Fixed interest rate	5.30%	23 August 2013	60 000	1 359
Firststrand Bank	60	Fixed deposit	Fixed interest rate	5.00%	24 May 2013	40 000	329
Firststrand Bank	60	Fixed deposit	Fixed interest rate	5.00%	24 May 2013	25 000	205
Firststrand Bank	60	Fixed deposit	Fixed interest rate	5.00%	24 May 2013	45 000	370
Firststrand Bank	60	Fixed deposit	Fixed interest rate	5.00%	24 May 2013	30 000	247
Firststrand Bank	60	Fixed deposit	Fixed interest rate	5.00%	24 May 2013	20 000	164
Firststrand Bank	60	Fixed deposit	Fixed interest rate	5.00%	24 May 2013	50 000	411
Firststrand Bank	58	Fixed deposit	Fixed interest rate	5.00%	24 May 2013	10 000	79
Firststrand Bank	58	Fixed deposit	Fixed interest rate	5.00%	24 May 2013	20 000	159
Firststrand Bank	58	Fixed deposit	Fixed interest rate	5.00%	24 May 2013	30 000	238
Firststrand Bank	186	Fixed deposit	Fixed interest rate	5.70%	30 September 2013	10 000	290
Firststrand Bank	186	Fixed deposit	Fixed interest rate	5.70%	30 September 2013	12 000	349
Firststrand Bank	186	Fixed deposit	Fixed interest rate	5.70%	30 September 2013	9 000	261
Firststrand Bank	186	Fixed deposit	Fixed interest rate	5.70%	30 September 2013	12 000	349
Firststrand Bank	37	Fixed deposit	Fixed interest rate	5.00%	15 May 2013	15 000	76
Firststrand Bank	45	Fixed deposit	Fixed interest rate	5.00%	24 May 2013	20 000	123
Firststrand Bank	35	Fixed deposit	Fixed interest rate	5.00%	15 May 2013	20 000	96
Firststrand Bank	42	Fixed deposit	Fixed interest rate	5.00%	27 May 2013	20 000	115
Firststrand Bank	40	Fixed deposit	Fixed interest rate	5.00%	27 May 2013	10 000	55
Firststrand Bank	39	Fixed deposit	Fixed interest rate	5.00%	27 May 2013	10 000	53
Firststrand Bank	56	Fixed deposit	Fixed interest rate	5.00%	14 June 2013	10 000	77
Firststrand Bank	53	Fixed deposit	Fixed interest rate	5.00%	14 June 2013	20 000	145
Firststrand Bank	52	Fixed deposit	Fixed interest rate	5.00%	14 June 2013	20 000	142
Firststrand Bank	51	Fixed deposit	Fixed interest rate	5.00%	14 June 2013	25 000	175
Firststrand Bank	45	Fixed deposit	Fixed interest rate	5.00%	14 June 2013	10 000	62
Investec Bank	92	Fixed deposit	Fixed interest rate	5.20%	14 June 2013	30 000	393
Investec Bank	123	Fixed deposit	Fixed interest rate	5.25%	15 July 2013	30 000	531
Investec Bank	127	Fixed deposit	Fixed interest rate	5.25%	25 July 2013	20 000	365
Investec Bank	60	Fixed deposit	Fixed interest rate	5.20%	24 May 2013	30 000	256
Investec Bank	50	Fixed deposit	Fixed interest rate	5.20%	15 May 2013	25 000	178
Investec Bank	58	Fixed deposit	Fixed interest rate	5.20%	24 May 2013	30 000	248
Investec Bank	41	Fixed deposit	Fixed interest rate	5.10%	15 May 2013	55 000	315
Investec Bank	37	Fixed deposit	Fixed interest rate	5.10%	15 May 2013	20 000	103
Investec Bank	45	Fixed deposit	Fixed interest rate	5.20%	24 May 2013	10 000	64

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Investments by Maturity	Period of Investment	Type of Investment	Variable or Fixed interest rate	Interest Rate	Expiry date of investment	Monetary value	Interest to be realised
Name of institution & investment ID	Yrs/Months					Rand thousand	
Nedbank	62	Fixed deposit	Fixed interest rate	5.10%	15 May 2013	35 000	303
Nedbank	92	Fixed deposit	Fixed interest rate	5.20%	14 June 2013	35 000	459
Nedbank	123	Fixed deposit	Fixed interest rate	5.20%	15 July 2013	35 000	613
Nedbank	154	Fixed deposit	Fixed interest rate	5.30%	15 August 2013	35 000	783
Nedbank	97	Fixed deposit	Fixed interest rate	5.20%	25 June 2013	60 000	829
Nedbank	127	Fixed deposit	Fixed interest rate	5.20%	25 July 2013	50 000	905
Nedbank	61	Fixed deposit	Fixed interest rate	5.10%	25 May 2013	35 000	298
Nedbank	50	Fixed deposit	Fixed interest rate	5.10%	15 May 2013	20 000	140
Nedbank	45	Fixed deposit	Fixed interest rate	5.10%	24 May 2013	20 000	126
Nedbank	42	Fixed deposit	Fixed interest rate	5.10%	27 May 2013	40 000	235
Nedbank	42	Fixed deposit	Fixed interest rate	5.10%	27 May 2013	20 000	117
Nedbank	40	Fixed deposit	Fixed interest rate	5.10%	27 May 2013	20 000	112
Nedbank	39	Fixed deposit	Fixed interest rate	5.10%	27 May 2013	20 000	109
Nedbank	56	Fixed deposit	Fixed interest rate	5.10%	14 June 2013	15 000	117
Nedbank	53	Fixed deposit	Fixed interest rate	5.10%	14 June 2013	40 000	296
Nedbank	52	Fixed deposit	Fixed interest rate	5.10%	14 June 2013	15 000	109
Nedbank	51	Fixed deposit	Fixed interest rate	5.10%	14 June 2013	25 000	178
Nedbank	49	Fixed deposit	Fixed interest rate	5.10%	14 June 2013	40 000	274
Nedbank	46	Fixed deposit	Fixed interest rate	5.10%	14 June 2013	20 000	129
Nedbank	45	Fixed deposit	Fixed interest rate	5.10%	14 June 2013	10 000	63
Standard Bank	62	Fixed deposit	Fixed interest rate	5.10%	15 May 2013	35 000	303
Standard Bank	92	Fixed deposit	Fixed interest rate	5.10%	14 June 2013	35 000	450
Standard Bank	123	Fixed deposit	Fixed interest rate	5.20%	15 July 2013	35 000	613
Standard Bank	154	Fixed deposit	Fixed interest rate	5.30%	15 August 2013	35 000	783
Standard Bank	97	Fixed deposit	Fixed interest rate	5.10%	25 June 2013	50 000	678
Standard Bank	127	Fixed deposit	Fixed interest rate	5.20%	25 July 2013	50 000	905
Standard Bank	156	Fixed deposit	Fixed interest rate	5.30%	23 August 2013	40 000	906
Standard Bank	60	Fixed deposit	Fixed interest rate	5.00%	24 May 2013	45 000	370
Standard Bank	60	Fixed deposit	Fixed interest rate	5.00%	24 May 2013	25 000	205
Standard Bank	60	Fixed deposit	Fixed interest rate	5.00%	24 May 2013	15 000	123
Standard Bank	50	Fixed deposit	Fixed interest rate	5.00%	15 May 2013	30 000	205
Standard Bank	37	Fixed deposit	Fixed interest rate	5.00%	15 May 2013	10 000	51
Standard Bank	45	Fixed deposit	Fixed interest rate	5.00%	24 May 2013	20 000	123
Standard Bank	35	Fixed deposit	Fixed interest rate	5.00%	15 May 2013	25 000	120
Standard Bank	42	Fixed deposit	Fixed interest rate	5.00%	27 May 2013	50 000	288
Standard Bank	42	Fixed deposit	Fixed interest rate	5.00%	27 May 2013	25 000	144
Standard Bank	40	Fixed deposit	Fixed interest rate	5.00%	27 May 2013	30 000	164
Standard Bank	39	Fixed deposit	Fixed interest rate	5.00%	27 May 2013	30 000	160
Standard Bank	56	Fixed deposit	Fixed interest rate	5.00%	14 June 2013	25 000	192
Standard Bank	53	Fixed deposit	Fixed interest rate	5.00%	14 June 2013	30 000	218
Standard Bank	52	Fixed deposit	Fixed interest rate	5.00%	14 June 2013	35 000	249
Standard Bank	51	Fixed deposit	Fixed interest rate	5.00%	14 June 2013	40 000	279
Standard Bank	45	Fixed deposit	Fixed interest rate	5.00%	14 June 2013	10 000	62
ABSA Bank call						337 164	-
ABSA current account						65 973	-
IRT Fund						1 964	-
Fund managers						4 406 760	-
<b>TOTAL INVESTMENTS AND INTEREST</b>						<b>7 404 861</b>	<b>27 665</b>

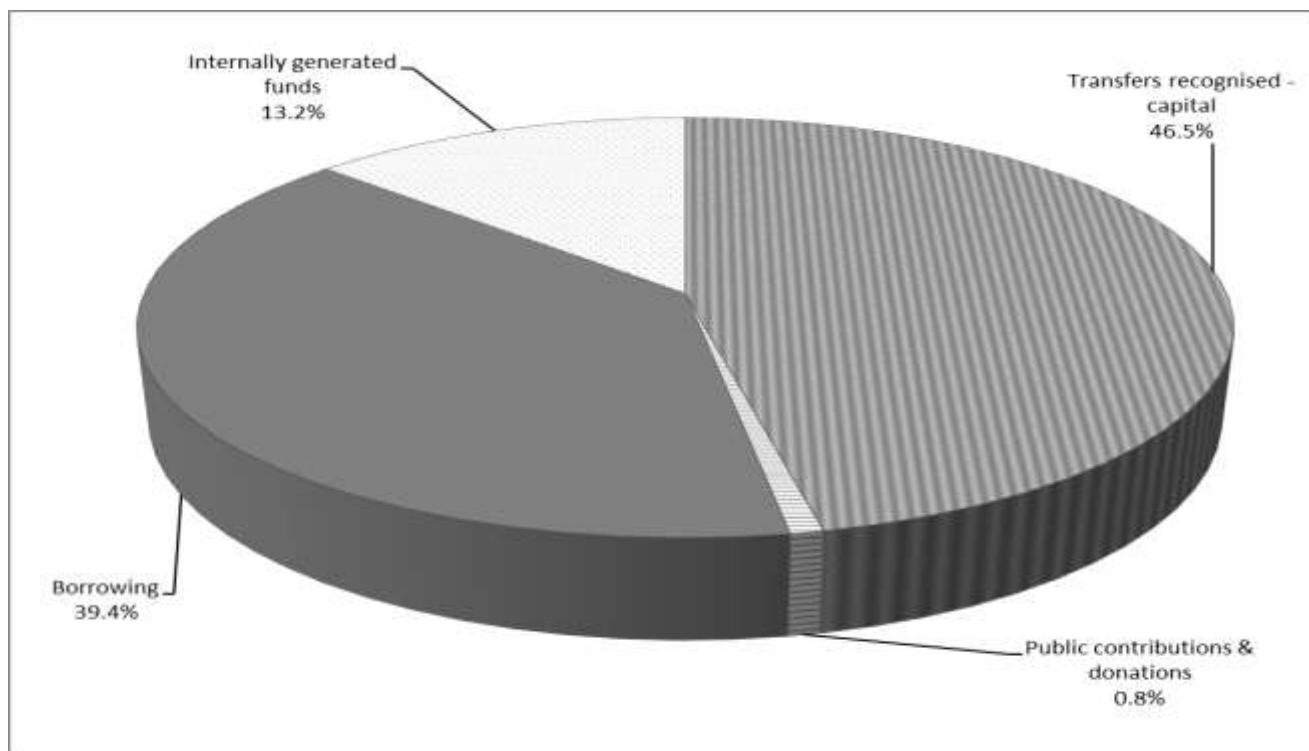
**2.6.2 Medium-term outlook: capital revenue**

The following table is a breakdown of the funding composition of the 2013/14 medium-term capital programme:

**Table 45 Sources of capital revenue over the MTREF**

Vote Description R thousand	Current Year 2012/13		2013/14 Medium Term Revenue & Expenditure Framework					
	Adjusted Budget	%	Budget Year 2013/14	%	Budget Year +1 2014/15	%	Budget Year +2 2015/16	%
<b>Funded by:</b>	-		-		-		-	
National Government	3 246 952		2 191 297		2 243 589		2 401 564	
Provincial Government	390 352		343 761		228 935		19 732	
Other transfers and grants	3 797		2 100		2 100		-	
<b>Transfers recognised - capital</b>	<b>3 641 101</b>	<b>58.52%</b>	<b>2 537 158</b>	<b>46.55%</b>	<b>2 474 624</b>	<b>47.80%</b>	<b>2 421 296</b>	<b>44.09%</b>
<b>Public contributions &amp; donations</b>	<b>42 791</b>	<b>0.69%</b>	<b>46 150</b>	<b>0.85%</b>	<b>59 042</b>	<b>1.14%</b>	<b>53 600</b>	<b>0.98%</b>
<b>Borrowing</b>	<b>1 784 935</b>	<b>28.69%</b>	<b>2 149 497</b>	<b>39.44%</b>	<b>2 048 074</b>	<b>39.56%</b>	<b>2 442 586</b>	<b>44.48%</b>
<b>Internally generated funds</b>	<b>752 982</b>	<b>12.10%</b>	<b>717 788</b>	<b>13.17%</b>	<b>595 731</b>	<b>11.51%</b>	<b>574 553</b>	<b>10.46%</b>
<b>Total Capital Funding</b>	<b>6 221 809</b>	<b>100%</b>	<b>5 450 592</b>	<b>100%</b>	<b>5 177 472</b>	<b>100%</b>	<b>5 492 034</b>	<b>100%</b>

The above table is graphically represented as follows for the 2013/14 financial year:



**Figure 15 Sources of capital revenue for the 2013/14 financial year**

Grants from national and provincial governments as well as other external sources still remain a significant funding source for the 2013/14 to 2015/16 capital budget. Transfers recognised - capital represents R2 537 million in 2013/14, R2 474 million in 2014/15 and R2 421 million in 2015/16 decreases from 58.52% to 44.09% as a percentage of the total capital budget over the MTREF period. Borrowing continues to be a major source of funding of the 2013/14 to 2015/16 capital

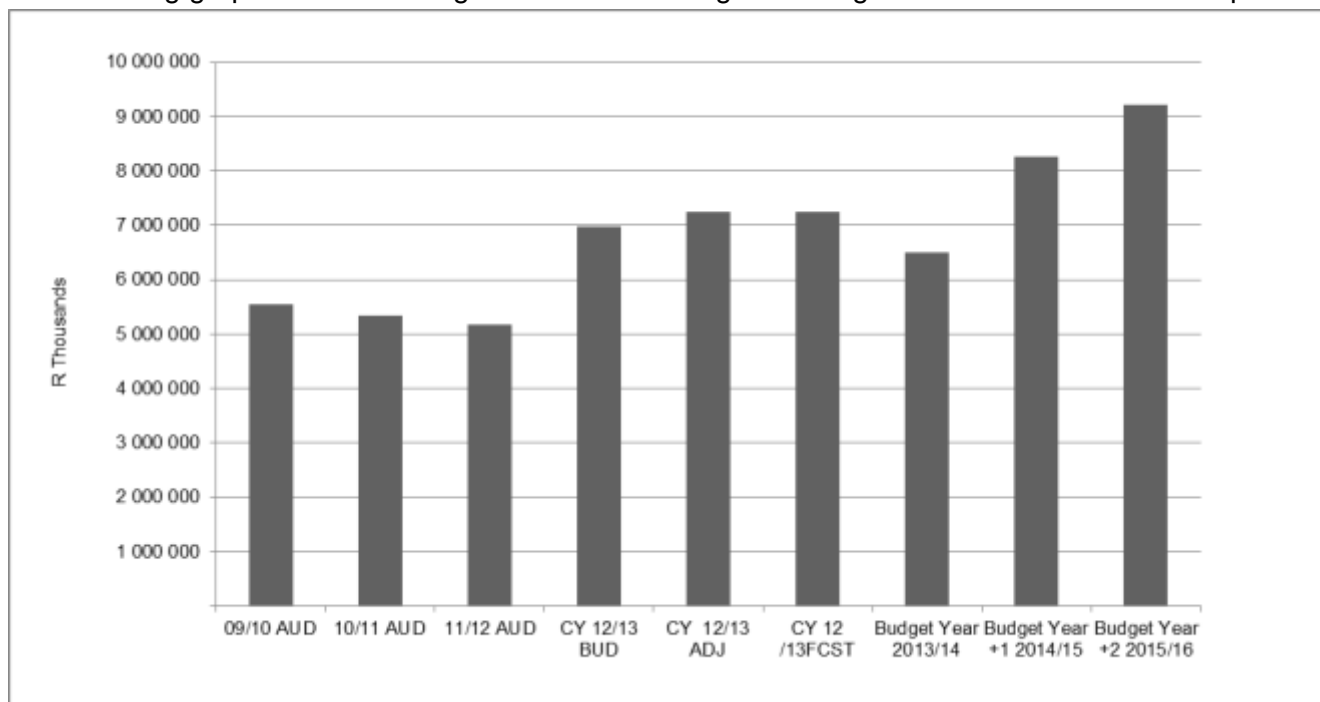
budget. The borrowing amount reflected in the table above for the 2013/14 financial year includes certain roll-overs where directorates have already indicated that they will not be able to spend the full 2012/13 budgetary allocation by year-end. The additional amount has however been included during the modelling phase of the MTREF.

An analysis of the City’s borrowing liability is contained in the table below.

**Table 46 MBRR SA17 - Detail of borrowing**

Borrowing - Categorized by type R thousand	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Long-Term Loans (annuity/reducing balance)	-	-	-	-	-	-	1 649 960	1 537 958	1 424 251
Long-Term Loans (non-annuity)	1 282 975	1 140 952	972 686	836 579	3 036 513	3 036 513	643 366	517 500	269 243
Local registered stock	6 800	6 800	6 800	-	-	-	-	-	-
Financial Leases	61 767	-	-	-	-	-	-	-	-
Marketable Bonds	4 196 084	4 196 084	4 196 934	6 138 729	4 206 800	4 206 800	4 200 001	6 215 002	7 515 002
<b>Total Borrowing</b>	<b>5 547 626</b>	<b>5 343 836</b>	<b>5 176 420</b>	<b>6 975 308</b>	<b>7 243 313</b>	<b>7 243 313</b>	<b>6 493 327</b>	<b>8 270 460</b>	<b>9 208 496</b>

The following graph illustrates the growth in outstanding borrowing for the 2009/10 to 2015/16 period.



**Figure 16 Growth in outstanding borrowings (long-term liabilities)**

Internally generated funds is funded in accordance to Section 18 of the MFMA which requires that the annual budget must be funded from amongst others cash-backed accumulated funds from previous years’ surpluses not committed for other purposes.

The Internally funded component of the Capital Budget is mainly funded from:

- previous years’ accumulated surpluses;
- contributions made to a Capital Replacement Reserve (CRR) in the previous year’s operating budget; and
- Bulk Infrastructure Contribution Levies already collected.

The levels of contributions made to the CRR on the previous year's operating budget are considered within the MTREF process to determine affordability and sustainability. Internally generated funds amount to R718 million, R596 million and R575 million respectively, over the MTREF.

The percentage of internally generated funds in relation to the total annual budget slightly decreases from 13.17% in 2013/14, 11.51% in 2014/15 and 10.46% in 2015/16.

**Table 47 MBRR Table SA18 - Capital transfers and grant receipts**

Description	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<b>RECEIPTS:</b>									
<b>Capital Transfers and Grants</b>									
<b>National Government:</b>	<b>1 672 706</b>	<b>865 987</b>	<b>2 432 846</b>	<b>2 921 635</b>	<b>3 246 952</b>	<b>3 153 045</b>	<b>2 191 297</b>	<b>2 243 589</b>	<b>2 401 564</b>
Department of Environmental Affairs & Tourism: Marine & Coastal Management	57	6	-	-	-	-	-	-	-
Department of Water Affairs & Forestry: Water Affairs & Forestry Grant	-	6 577	-	-	-	-	-	-	-
Minerals & Energy: Energy Efficiency and Demand Side Management Grant	-	-	-	-	-	-	9 020	4 982	9 600
Minerals & Energy: Electricity Demand Side Management (Eskom) Grant	2 519	17 010	34 093	-	5 294	5 294	-	-	-
Minerals & Energy: Integrated National Electrification Programme (Municipal) Grant	8 760	4 434	4 386	-	-	-	24 500	18 000	50 000
National Government - Other: Previous years' Dora allocations	131	64	-	1 200	962	712	200	-	-
National Treasury: Expanded Public Works Programme	-	-	-	-	-	-	100	-	-
National Treasury: Local Government Finance Management Grant	1 044	1 777	90	-	-	-	-	-	-
National Treasury: Local Government Restructuring Grant	26 798	6 931	-	-	200	200	-	-	-
National Treasury: Neighbourhood Development Partnership Grant	39 266	47 141	73 001	52 547	65 097	62 711	30 000	-	-
National Treasury: Other	5 184	3 980	-	26 860	11 290	11 289	17 443	-	-
National Treasury: Urban Settlements Development Grant	-	-	800 786	888 905	987 273	967 663	1 079 792	1 011 468	944 949
Provincial and Local Government: Municipal Infrastructure Grant (MIG Cities)	304 946	247 294	-	-	-	-	-	-	-
Sport & Recreation SA: 2010 Fifa World Cup Stadiums Development Grant	511 357	57 997	-	-	6 617	1 523	-	-	-
Sport & Recreation: 2014 African Nation Championship Host City Operating Grant	-	-	-	-	-	-	4 000	-	-
Transport: Public Transport Infrastructure & Systems Grant	772 646	472 777	1 520 491	1 952 123	2 170 218	2 103 654	-	-	-
Transport: Public Transport Infrastructure Grant	-	-	-	-	-	-	946 241	1 159 140	1 222 015
Transport: Public Transport Network Operations Grant	-	-	-	-	-	-	80 000	50 000	175 000
<b>Provincial Government:</b>	<b>253 151</b>	<b>304 847</b>	<b>208 457</b>	<b>355 487</b>	<b>390 352</b>	<b>385 946</b>	<b>343 761</b>	<b>228 935</b>	<b>19 732</b>
Cultural Affairs and Sport: Development of Sport and Recreation Facilities	3 445	103	-	-	-	-	874	-	-
Cultural Affairs and Sport: Library Services (Conditional Grant)	2 762	9 756	5 500	1 671	2 691	2 691	1 350	10 605	-
Economic Development and Tourism: False Bay Ecology	-	-	-	1 000	176	40	-	-	-
Health: Global Fund	2 841	211	300	1 375	1 375	1 375	-	-	-
Housing: Integrated Housing and Human Settlement Development Grant	166 671	266 745	199 289	323 085	353 833	349 563	319 388	202 628	3 400
Housing: Previous years' Gazetted allocations	19 889	194	-	-	-	-	-	-	-
Housing: Previous years' allocations	-	-	-	-	-	-	5 000	-	-
Local Government: Multi-Purpose Centres	2 236	8	500	-	9	9	-	-	-
Other: Other	-	-	-	-	500	500	740	-	-
Provincial Government: Fibre Optic Broadband Roll Out	-	-	-	-	-	-	10 000	10 702	11 332
Provincial Government: Previous years' Gazetted allocations	1 563	-	-	-	-	-	-	-	-
Transport: Municipal Land Transport Fund	-	-	-	-	-	-	5 000	5 000	5 000
Transport and Public Works: Cape Metropolitan Transport Fund	53 743	27 830	-	28 355	30 085	30 085	1 409	-	-
Transport and Public Works: Other	-	-	2 869	-	1 683	1 683	-	-	-
<b>Other grant providers:</b>	<b>68 988</b>	<b>49 210</b>	<b>36 331</b>	<b>57 707</b>	<b>46 588</b>	<b>43 524</b>	<b>48 250</b>	<b>61 142</b>	<b>53 600</b>
<i>Other: Other</i>	68 988	49 210	36 331	57 707	46 588	43 524	48 250	61 142	53 600
<b>Total Capital Transfers and Grants</b>	<b>1 994 844</b>	<b>1 220 044</b>	<b>2 677 634</b>	<b>3 334 829</b>	<b>3 683 893</b>	<b>3 582 515</b>	<b>2 583 308</b>	<b>2 533 667</b>	<b>2 474 896</b>



### 2.6.3 Cash Flow Management

**Table 48 MBRR Table A7 - Budgeted cash flow statement**

Description	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>									
<b>Receipts</b>									
Ratepayers and other	12 641 040	16 463 076	18 601 603	19 664 743	20 260 796	20 260 796	21 960 571	23 722 254	25 765 410
Government - operating	2 550 811	1 385 536	1 626 991	2 325 525	2 170 614	2 170 614	2 595 904	2 549 102	3 037 349
Government - capital	1 940 857	1 173 315	2 130 844	3 334 829	3 680 095	3 680 095	2 583 308	2 533 667	2 474 896
Interest	383 657	503 857	563 873	481 236	482 538	482 538	403 422	554 135	580 541
Dividends	-	-	-	-	-	-	-	-	-
<b>Payments</b>									
Suppliers and employees	(13 220 119)	(15 163 792)	(17 019 721)	(20 311 090)	(20 714 939)	(20 714 939)	(22 346 653)	(24 013 314)	(26 185 695)
Finance charges	(523 550)	(717 475)	(661 761)	(768 508)	(618 412)	(618 412)	(749 449)	(820 102)	(1 034 896)
Transfers and Grants	-	-	-	-	-	-	-	-	-
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>3 772 696</b>	<b>3 644 517</b>	<b>5 241 829</b>	<b>4 726 735</b>	<b>5 260 693</b>	<b>5 260 693</b>	<b>4 447 103</b>	<b>4 525 742</b>	<b>4 637 605</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>									
<b>Receipts</b>									
Proceeds on disposal of PPE	82 380	63 278	45 983	69 000	69 000	69 000	69 000	90 897	109 343
Decrease (increase) in non-current debtors	-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables	42 673	1 819	15 633	6 399	6 399	6 399	-	-	-
Decrease (increase) in non-current investments	1 102 674	(1 962 720)	(1 922)	(248 462)	(304 138)	(304 138)	-	-	-
<b>Payments</b>									
Capital assets	(4 662 993)	(2 857 821)	(4 233 162)	(5 630 280)	(5 910 719)	(5 910 719)	(5 178 063)	(4 918 598)	(5 217 433)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(3 435 266)</b>	<b>(4 755 444)</b>	<b>(4 173 468)</b>	<b>(5 803 342)</b>	<b>(6 139 458)</b>	<b>(6 139 458)</b>	<b>(5 109 063)</b>	<b>(4 827 701)</b>	<b>(5 108 090)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>									
<b>Receipts</b>									
Short term loans	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	2 047 299	-	-	2 000 000	2 400 000	2 400 000	-	2 015 000	1 300 000
Increase (decrease) in consumer deposits	(6 366)	4 332	41 818	25 684	25 684	25 684	-	-	-
<b>Payments</b>									
Repayment of borrowing	(524 137)	(253 327)	(198 354)	(99 955)	(168 662)	(168 662)	(598 143)	(585 713)	(577 153)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>1 516 796</b>	<b>(248 995)</b>	<b>(156 536)</b>	<b>1 925 729</b>	<b>2 257 023</b>	<b>2 257 023</b>	<b>(598 143)</b>	<b>1 429 287</b>	<b>722 847</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>1 854 226</b>	<b>(1 359 922)</b>	<b>911 825</b>	<b>849 121</b>	<b>1 378 257</b>	<b>1 378 257</b>	<b>(1 260 103)</b>	<b>1 127 328</b>	<b>252 362</b>
Cash/cash equivalents at the year begin:	4 755 077	6 609 303	5 249 381	3 674 390	6 160 840	6 161 206	7 539 463	6 279 361	7 406 689
Cash/cash equivalents at the year end:	6 609 303	5 249 381	6 161 206	4 523 511	7 539 097	7 539 463	6 279 361	7 406 689	7 659 051

The above table shows the cash and cash equivalents of the City with the approved 2013/14 to 2015/16 MTREF. The City has embarked on an extensive debt collection process to boost cash levels. These initiatives and interventions have translated into a positive cash position for the City. For the 2013/14 MTREF, the budget has been prepared to ensure high levels of cash and cash equivalents over the medium-term with cash levels anticipated to exceed R7 407 million by 2014/15 and steadily increasing to R7 659 million by 2015/16.

### 2.6.4 Cash Backed Reserves/Accumulated Surplus Reconciliation

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

- What are the predicted cash and investments that are available at the end of the budget year?

- How are those funds used?
- What is the net funds available or funding shortfall?

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

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

Description	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<b>Cash and investments available</b>									
Cash/cash equivalents at the year end	6 609 303	5 249 381	6 161 206	4 523 511	7 539 097	7 539 463	6 279 361	7 406 689	7 659 051
Other current investments > 90 days	(2 038 248)	48 472	50 013	(0)	(80 124)	(80 490)	(78 040)	(90 952)	(96 256)
Non current assets - Investments	274 245	150 245	150 260	949 989	950 998	950 998	1 203 274	1 491 934	1 789 490
<b>Cash and investments available:</b>	<b>4 845 300</b>	<b>5 448 098</b>	<b>6 361 479</b>	<b>5 473 500</b>	<b>8 409 971</b>	<b>8 409 971</b>	<b>7 404 594</b>	<b>8 807 671</b>	<b>9 352 285</b>
<b>Application of cash and investments</b>									
Unspent conditional transfers	1 048 440	1 108 680	1 665 752	1 162 749	1 731 982	1 731 982	1 826 081	1 912 796	2 035 216
Unspent borrowing	-	-	-	-	-	-	-	-	-
Statutory requirements	-	-	-	398 040	409 620	409 620	426 030	425 820	420 887
Other working capital requirements	(148 582)	(470 169)	(401 925)	(957 645)	(35 391)	(35 391)	219 980	40 834	(233 969)
Other provisions	-	-	-	3 279 563	3 563 268	3 563 268	2 741 800	3 136 557	3 708 687
Long term investments committed	-	-	-	979 989	950 998	950 998	1 203 274	1 491 934	1 789 490
Reserves to be backed by cash/investments	531 472	539 070	521 463	473 056	1 635 249	1 635 249	731 198	1 498 910	1 304 084
<b>Total Application of cash and investments:</b>	<b>1 431 330</b>	<b>1 177 581</b>	<b>1 785 290</b>	<b>5 335 752</b>	<b>8 255 726</b>	<b>8 255 726</b>	<b>7 148 363</b>	<b>8 506 851</b>	<b>9 024 396</b>
<b>Surplus(shortfall)</b>	<b>3 413 970</b>	<b>4 270 517</b>	<b>4 576 189</b>	<b>137 748</b>	<b>154 245</b>	<b>154 245</b>	<b>256 231</b>	<b>300 821</b>	<b>327 890</b>

From the above table it can be seen that the cash and investments available total R7 404 million in 2013/14 and progressively increase to R9 352 million by 2015/16, including the projected cash and cash equivalents as determined in the cash flow forecast.

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

- Unspent conditional transfers (grants)  
These represent amounts rolled over relating mainly to existing multi-year projects (e.g. IRT).
- Unspent borrowing  
There is no unspent borrowing from previous years. A significant portion of the capital expenditure earmarked to be funded via borrowings has been funded from accumulated surpluses.
- Provisions for statutory requirements  
This amount relates to the Housing Development Fund monies not available for general operational purposes.

- Other working capital  
The main purpose of other working capital is to ensure that sufficient funds are available to meet obligations as they fall due. For the purpose of the cash backed reserves and accumulates surpluses reconciliation a provision equivalent to one month’s operational expenditure has been provided for.
- Long term investments committed  
Long term investments consist primarily of the sinking funds for the repayment of current and future borrowings. This amount is “held to maturity” and is not available for spending.
- Most reserve fund cash-backing is discretionary in nature, but the reserve funds are not available to support a budget unless they are cash-backed. Certain of the City’s reserve funds do not need to be fully cash-backed.

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

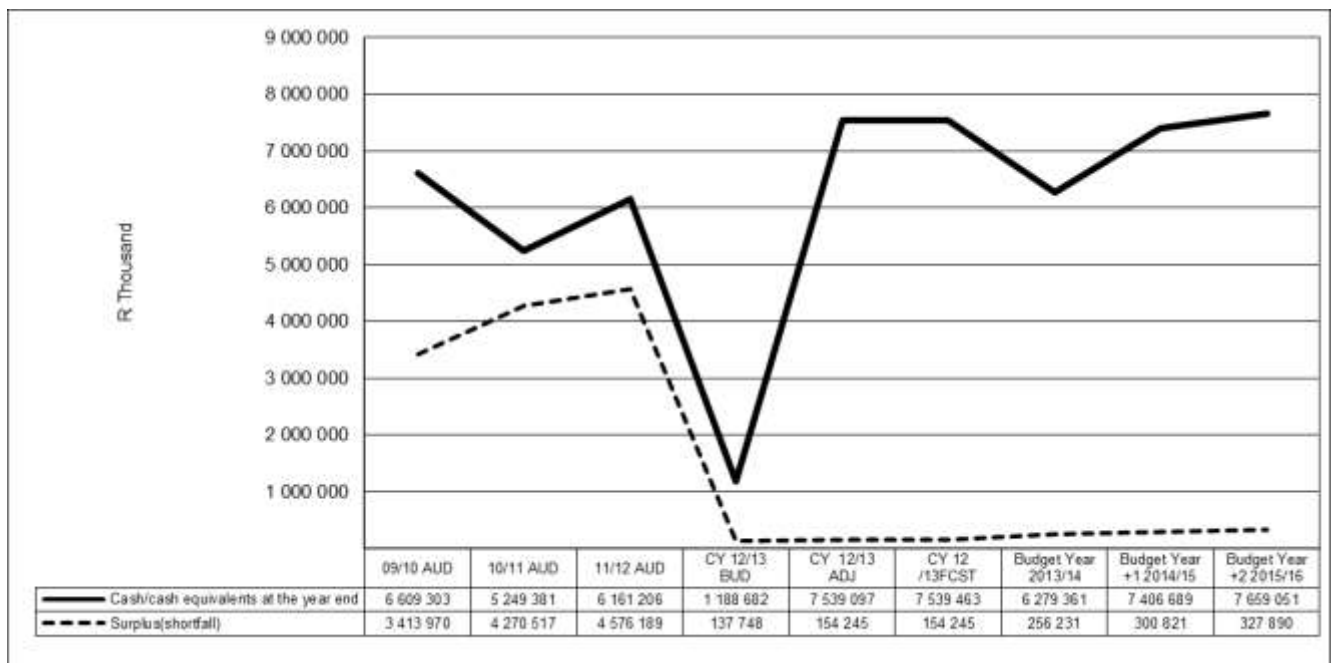


Figure 17 Cash and cash equivalents / cash backed reserves and accumulated funds

## 2.6.5 Funding Compliance Measurement

**Table 50 MBRR Table SA10 - Funding Compliance measurement**

Description	MFMA section	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<b>Funding measures</b>										
Cash/cash equivalents at the year end - R'000	18(1)b	6 609 303	5 249 381	6 161 206	4 523 511	7 539 097	7 539 463	6 279 361	7 406 689	7 659 051
Cash + investments at the yr end less applications - R'000	18(1)b	3 413 970	4 270 517	4 576 189	137 748	154 245	154 245	256 231	300 821	327 890
Cash year end/monthly employee/supplier payments	18(1)b	5.9	4.1	4.2	2.7	4.4	4.4	3.5	3.9	3.6
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	2 105 575	1 732 180	2 507 284	2 874 060	3 199 121	3 199 121	2 334 315	2 260 393	2 237 560
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	N.A.	12.4%	6.2%	4.6%	(5.1%)	(6.0%)	1.2%	3.1%	2.9%
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	84.5%	94.4%	95.5%	92.5%	94.4%	94.4%	95.7%	94.7%	94.8%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	5.0%	5.1%	4.8%	5.3%	5.3%	5.3%	4.3%	4.8%	4.7%
Capital payments % of capital expenditure	18(1)c;19	100.0%	100.0%	100.0%	95.0%	95.0%	97.8%	95.0%	95.0%	95.0%
Borrowing receipts % of capital expenditure (ex cl. transfers)	18(1)c	75.5%	0.0%	0.0%	75.6%	93.0%	95.9%	0.0%	74.6%	42.3%
Grants % of Govt. legislated/gazetted allocations	18(1)a	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	98.2%	95.0%	94.2%
Current consumer debtors % change - incr(decr)	18(1)a	N.A.	6.0%	9.7%	0.6%	0.1%	0.0%	6.2%	3.4%	6.3%
Long term receivables % change - incr(decr)	18(1)a	N.A.	(3.0%)	(14.0%)	5.0%	(9.5%)	0.0%	(5.0%)	(5.0%)	(5.0%)
R&M % of Property Plant & Equipment	20(1)(vi)	7.9%	7.9%	7.7%	9.0%	9.0%	9.1%	9.1%	9.1%	9.1%
Asset renewal % of capital budget	20(1)(vi)	34.3%	45.7%	51.9%	37.7%	46.0%	46.4%	41.7%	39.7%	39.0%

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

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

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

### 2.6.5.1 Cash/cash equivalent position

The City reflects a positive increasing cash position over the forecasted 2013/14 MTREF indicating that the medium term budget is sustainable.

### 2.6.5.2 Cash plus investment less application of funds

The purpose of this measure is to understand how the municipality applies its available cash and investments. Total of cash plus investment less applications is more than the commitments for each corresponding year of the 2013/14 MTREF which shows that the City is able to afford its commitments over the medium term.

### 2.6.5.3 Monthly average payments covered by cash or cash equivalents

This measure outlines the level of financial risk, should the municipality be under stress, i.e. it indicates the number of times average monthly payments are covered. This ratio is positive and averages 3.7 over the 2013/14 MTREF which shows that adequate provision in respect of the monthly payment coverage was made. The City's view is that 1 month's provision is sufficient, given the City's ability to meet its obligation.

#### 2.6.5.4 *Surplus/deficit excluding depreciation offsets*

The purpose of this measure is to highlight whether revenue levels are sufficient to conclude that the community is making a significant contribution towards the municipal resources consumed each year. In respect of this ratio, the City shows a surplus over the 2013/14 MTREF, which means that the forecasted tariffs and taxes are sufficient thereby concluding that the community is making an adequate contribution towards the economic benefits being consumed by the City.

#### 2.6.5.5 *Property rates/service charge revenue as a percentage increase less macro inflation target*

This measure tests whether the municipality is contributing appropriately to the achievement of national inflation targets. This ratio shows 1.2%, 3.1% and 2.9%, for the years 2013/14, 2014/15 and 2015/16 respectively, higher than the NT CPI targets. These higher than CPI increase are due to the various revenue increases applied to service charges and as a result of adjustments to the 2012/13 revenue base of certain services due to in year performance. The revenue increases applied can be substantiated by motivating the revenue increases of all the service charges as follows:

- *Rates:*

In the context of the current environment in which the budget was compiled, the Rates revenue increase was set at 6.1% plus 1% organic growth for 2013/14. The revenue parameter increase projected for the two outer years' averages 6%.

- *Electricity:*

To ensure affordability the electricity revenue parameter was set at 7.86%, 9.92% and 9.26%, respectively, over the 2013/14 MTREF. No service growth was factored in over the MTREF period. The year on year increase is lower due to the revenue base being adjusted in accordance to actual performance outcome. The higher than CPI increase is mostly attributed to the Eskom increase on bulk purchases, and to accommodate the lower sales income stemming from the current year's performance. It further caters for the continual operating costs of the service and for the investments in new infrastructure.

- *Water and Sanitation:*

The revenue increase for both water and sanitation averages 10% for the 2013/14 MTREF plus 1% organic growth. This increase was required to ensure that current infrastructure is sufficiently maintained, for the investments in new infrastructure, to cater for increased water demand and to ensure compliance to the Waste Water Treatment Works legislation issued by the Department of Water Affairs.

- *Refuse Removal:*

A 6.32% revenue parameter was factored in for refuse for 2013/14 and is forecasted to increase to 8.03% in 2015/16. In addition to the revenue increase a 2% organic growth was also factored in over the 2013/14 MTREF. The year on year increase is lower due to the revenue base being adjusted in accordance to actual performance outcome. This higher than CPI increases are required to ensure continued and adequate service delivery and to further improves the standard of refuse removal service.

- *Service Charges Other*

Service Charges Other show a year-on-year increase of 3.8%. 'Other revenue' consists of miscellaneous elements and fixed basics charges, which are based on the services above.

#### *2.6.5.6 Cash receipts as a percentage of ratepayer and other revenue*

This is a macro measure of the rate at which funds are 'collected'. The purpose of this measure is to analyse an underlying assumed collection rate. The City's average collection rate for 2013/14 equals 94%. The 2013/14 ratio outcome is inflated, due to write-off of interest on debtors and other income categories, which is budgeted at full cost recovery. This collection ratio, even though higher than the previous years, is deemed realistic, due to new initiatives to improve revenue collections.

#### *2.6.5.7 Debt impairment expense as a percentage of billable revenue*

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

#### *2.6.5.8 Capital payments percentage of capital expenditure*

The purpose of this measure is to understand whether the timing of payments is being taken into consideration when forecasting the cash position. A 95% ratio is forecasted for the 2013/14 MTREF, which relates to the manner in which the City treats payments. It is estimated that the City will spend 95% of the capital budget.

#### *2.6.5.9 Borrowing as a percentage of capital expenditure (excluding transfers, grants and contributions)*

The purpose of this measure is to determine the proportion of a municipality's 'own-funded' capital expenditure budget that is being funded from borrowed funds. The City's long term borrowing is done in terms of chapter 6 of the MFMA, where a long term loan will only be entered into if it's affordable and sustainable. This ratio shows that the City's borrowing is less than its capital expenditure, therefore sustainable and compliant to the MFMA. The 2013/14 ratio shows 0%. This is as a result of the City not taking out a loan in 2013/14 due to the healthy cash position forecasted for this period. In 2014/15 this ratio is expected to average 58.4% given that the City is forecasting to take up a R2 billion loan. This ratio reduces in 2015/16 as the City is only expecting to take up a loan of R1.3 billion.

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

The purpose of this measure is to ensure that all available transfers from all spheres of government have been included in the budget. The City's budget was compiled using the 2013 DORb and Provincial Gazette allocations. The outcome of this ratio for the City will not equate to 100%, due to the reasons listed below:

- The City included committed unspent grants rolled over from previous years and related interest accrued thereto, where applicable.
- Incorrect allocations made in the DORb in respect of the Neighbourhood Development Partnership Grant (NDPG) and the Integrated National Electrification Programme Grant (INEP). The City included the lower NDPG allocation as per the letter received from National Treasury. No provision was made in the outer years for this grant as the strategic direction from the national department is still under review. The INEP was included in the budget as per the correspondence received from National Treasury.
- The DORb includes indirect grants which are not allocated to the City and does not flow through the City's budget.
- The City included 95% of the Equitable Share allocation for the outer years as the DORb states that only 90% of the outer years' allocation in respect of this grant is guaranteed.

- The 2013 Provincial Gazette allocated an amount for the grant “Fibre Optic Broadband Roll Out” in the municipal 2012/13 financial year. In this regard the City has informed the Provincial Treasury that this grant was not planned to be received in 2012/13 and that the City will not be able to spend it in the few months remaining. This grant allocation was therefore shifted to the 2013/14 MTREF.

#### *2.6.5.11 Consumer debtors change (current and non-current)*

The purpose of this measure is to ascertain whether budgeted reductions in outstanding debtors are realistic. The increase in this ratio is driven by the increase in consumer debtors, other debtors and long term receivables. The reduction in 2014/15 is due to the time lag in the write-off of interest on debtors.

#### *2.6.5.12 Long term receivables % change*

The purpose of this measure is to ascertain whether budgeted reductions in outstanding debtors are realistic. The actual outcome for this ratio shows a continuous decreasing trend. Furthermore, it remains acceptable and constant over the 2013/14. The continuous decline in this ratio is due to new loans, such as car loans and housing loans, no longer being allowed. Long term receivables are therefore being reduced by an average of 5% annually.

#### *2.6.5.13 Repairs and maintenance expenditure level*

This ratio is to indicate whether sufficient provision is made, in respect of repairs and maintenance for property, plant and equipment. It increases by 9.1 % over the 2013/14 MTREF and is higher than the National Treasury benchmark of 8%.

#### *2.6.5.14 Asset renewal % of capital budget*

This measure focuses on the credibility of the levels of asset renewal plans. The objective is to summarise and understand the proportion of budgets being provided for new assets, as well as also asset sustainability. This ratio outcome increases from 41.7% in 2013/14 to 39% in 2015/16. The outcome is distorted and understated, due to the inclusion of mega projects such as IRT in the capital budget. Excluding IRT, this ratio exceeds National norm of 40% stated in Circular 55. The consistent trend shows that the budget is credible and sustainable.

## **2.7 Ward Allocations**

In step with previous financial years, it is proposed to allocate budgetary resources for project, programme or other initiatives’ application at sub council level. While these resources will be spent by line departments, sub councils identify and recommend Ward Allocations’ adoption (following sundry internal line departmental input and liaison) by Mayco and Council.

The total amount available to each ward is R700 000 per year per ward.

A ward allocation project must form part of the core business activities and assets of the lead department and must be aligned with the Service Delivery Business Implementation Plan (SDBIP) of the directorate. The executive directors are responsible for ensuring that all ward allocation projects within their respective directorates are completed during the financial year in respect of which the projects were approved by Council.

## 2.8 Expenditure on grants and reconciliations of unspent funds

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

Description	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<b>R thousand</b>									
<b>EXPENDITURE:</b>									
<b>Operating expenditure of Transfers and Grants</b>									
<b>National Government:</b>	<b>1 804 254</b>	<b>89 546</b>	<b>133 238</b>	<b>1 679 172</b>	<b>1 423 829</b>	<b>1 423 829</b>	<b>1 743 572</b>	<b>1 943 605</b>	<b>2 230 917</b>
Restructuring	58 857	1 911	2 244	3 884	5 303	5 303	3 379	-	-
Finance Management grant	-	832	1 187	1 250	1 443	1 443	1 250	1 250	1 250
Department of Water Affairs	4 271	3 227	7 407	-	-	-	-	-	-
Municipal Infrastructure Grant	-	2 479	-	-	-	-	-	-	-
Electricity Demand Side Management	-	27 780	995	-	1 359	1 359	-	-	-
Public Transport Infrastructure & Systems Grant	-	31 885	87 809	506 832	227 626	227 626	-	-	-
Dept of Environ Affairs and Tourism	8 744	13 426	193	7 283	7 504	7 504	200	-	-
Equitable share	486 734	7 528	7 952	1 093 004	1 093 004	1 093 004	1 248 993	1 426 963	1 724 334
Housing Accreditation	-	227	771	400	400	400	200	-	-
Local Government SETA	-	250	237	-	-	-	-	-	-
RSC Levies	1 245 648	-	-	-	-	-	-	-	-
South African National Biodiversity Institute	-	-	-	-	2 132	2 132	-	-	-
Urban Settlements Development Grant	-	-	23 244	46 314	55 574	55 574	113 705	347 411	461 933
Neighbourhood Development Partnership Grant	-	-	1 199	-	-	-	-	-	-
Expanded Public Works Programme Integrated Grant	-	-	-	20 205	29 484	29 484	31 980	-	-
Integrated City Development Grant	-	-	-	-	-	-	10 364	-	-
Public Transport Network Operations Grant	-	-	-	-	-	-	272 521	167 548	43 000
2014 African Nations Championship Host City Operating Grant	-	-	-	-	-	-	59 000	-	-
Energy Efficiency and Demand Side Management Grant	-	-	-	-	-	-	1 980	433	400
<b>Provincial Government:</b>	<b>395 343</b>	<b>314 696</b>	<b>374 802</b>	<b>628 671</b>	<b>723 795</b>	<b>723 795</b>	<b>844 953</b>	<b>603 497</b>	<b>805 432</b>
Local Government and Housing - Fire-fighting Assistance	871	434	-	-	-	-	-	-	-
Cultural Affairs and Sport - Library Services	14 696	14 194	16 334	23 470	22 470	22 470	24 409	26 650	29 535
Local Government and Housing - Housing	320 424	148 491	-	240 224	334 557	334 557	436 831	188 807	426 240
Local Government and Housing - Accreditation	-	251	-	7 100	7 100	7 100	10 000	-	-
Local Government and Housing - Settlement Assistance	-	676	179 565	1 000	1 000	1 000	1 000	1 000	1 000
Sustainable Transport	-	-	-	-	-	-	-	-	-
Health - TB	-	12 431	9 492	9 934	9 934	9 934	11 207	11 058	11 611
Health - Global Fund	-	19 031	17 920	43 015	36 913	36 913	34 753	35 109	28 952
Health - ARV	-	52 362	65 450	71 492	71 492	71 492	77 627	83 061	65 510
Health - Nutrition	-	3 454	4 019	4 140	4 140	4 140	4 400	4 576	4 740
Health - Vaccines	59 352	56 974	71 476	71 617	71 617	71 617	79 995	83 994	65 329
Comprehensive Health	-	-	-	138 779	138 779	138 779	147 132	152 842	156 890
Other	-	149	-	-	-	-	-	-	-
Table Mountain Biosphere	-	68	129	-	7	7	-	-	-
Mamre Fencing	-	-	278	-	63	63	-	-	-
Heritage Audit	-	-	-	-	4	4	-	-	-
Community Development Workers	-	2 000	160	-	-	-	-	-	-
Mobility Strategy	-	4 182	-	10 000	20 078	20 078	10 000	10 000	9 426
Comprehensive Integrated Transport Plan	-	-	9 657	7 900	5 641	5 641	-	-	-
Rail Park and Ride facilities	-	-	-	-	-	-	-	-	-
2010 FIFA World Cup	-	-	-	-	-	-	-	-	-
Municipal Land Transport Fund	-	-	-	-	-	-	5 600	5 900	6 200
Transport Safety and Compliance - Rail Safety	-	-	-	-	-	-	2 000	500	-
Local Government Multi purpose centres	-	-	322	-	-	-	-	-	-

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City of Cape Town 2013/14 Annual Budget and MTREF

Description	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<b>Other grant providers:</b>	<b>26 263</b>	<b>17 181</b>	<b>23 041</b>	<b>17 682</b>	<b>22 991</b>	<b>22 991</b>	<b>7 379</b>	<b>2 000</b>	<b>1 000</b>
<i>Sunwest International</i>	-	350	-	-	-	-	-	-	-
<i>Tourism</i>	2 597	2 083	1 980	4 000	4 000	4 000	2 000	2 000	1 000
<i>Carnegie</i>	5 252	8 444	2 486	1 442	916	916	1 258	-	-
<i>CMTF</i>	-	2 513	11 989	11 754	12 131	12 131	170	-	-
<i>Other</i>	4 087	824	12	30	30	30	15	-	-
<i>Mamre Trust</i>	-	-	-	150	-	-	150	-	-
<i>MSF Funding</i>	-	454	-	-	-	-	-	-	-
<i>Baboon Management</i>	-	300	-	-	-	-	-	-	-
<i>Solar Energy</i>	-	-	-	-	146	146	-	-	-
<i>Cities for Climate Protection</i>	-	-	9	-	321	321	-	-	-
<i>Neil Desai Skills Development Project</i>	-	37	-	-	-	-	-	-	-
<i>ICLEI: Carbon Taxes</i>	-	-	35	-	117	117	-	-	-
<i>CID</i>	216	1 992	2 300	-	2 525	2 525	2 905	-	-
<i>Century City Property Owners Association</i>	-	-	285	-	183	183	196	-	-
<i>Oursurance</i>	-	-	630	-	1 024	1 024	-	-	-
<i>Rietvlei Conservation Fund</i>	-	-	-	305	305	305	-	-	-
<i>University of Columbia</i>	-	100	-	-	-	-	-	-	-
<i>NGK Ceramic Company</i>	-	-	1 068	-	686	686	686	-	-
<i>South African National Biodiversity Institute</i>	-	85	2 248	-	-	-	-	-	-
<i>Finland Government</i>	-	-	-	-	607	607	-	-	-
<i>DBSA</i>	688	-	-	-	-	-	-	-	-
<i>Bill Gates</i>	13 234	-	-	-	-	-	-	-	-
<i>World Health Organisation</i>	189	-	-	-	-	-	-	-	-
<b>Total operating expenditure of Transfers and Grants:</b>	<b>2 225 860</b>	<b>421 422</b>	<b>531 082</b>	<b>2 325 525</b>	<b>2 170 614</b>	<b>2 170 614</b>	<b>2 595 904</b>	<b>2 549 102</b>	<b>3 037 349</b>
<b>Capital expenditure of Transfers and Grants</b>									
<b>National Government:</b>	<b>1 672 706</b>	<b>865 987</b>	<b>1 717 564</b>	<b>2 921 635</b>	<b>3 246 952</b>	<b>3 153 045</b>	<b>2 191 297</b>	<b>2 243 589</b>	<b>2 401 564</b>
Department of Environmental Affairs & Tourism: Marine & Coastal Management	57	6	-	-	-	-	-	-	-
Department of Water Affairs & Forestry: Water Affairs & Forestry Grant	-	6 577	295	-	-	-	-	-	-
Minerals & Energy: Energy Efficiency and Demand Side Management Grant	-	-	-	-	-	-	9 020	4 982	9 600
Minerals & Energy: Electricity Demand Side Management (Eskom) Grant	2 519	17 010	28 962	-	5 294	5 294	-	-	-
Minerals & Energy: Integrated National Electrification Programme (Municipal) Grant	8 760	4 434	3 551	-	-	-	24 500	18 000	50 000
National Government - Other: Previous years' Dora allocations	131	64	1 400	1 200	962	712	200	-	-
National Treasury: Expanded Public Works Programme	-	-	-	-	-	-	100	-	-
National Treasury: Local Government Finance Management Grant	1 044	1 777	90	-	-	-	-	-	-
National Treasury: Local Government Restructuring Grant	26 798	6 931	962	-	200	200	-	-	-
National Treasury: Neighbourhood Development Partnership Grant	39 266	47 141	88 990	52 547	65 097	62 711	30 000	-	-
National Treasury: Other	5 184	3 980	20 026	26 860	11 290	11 289	17 443	-	-
National Treasury: Urban Settlements Development Grant	-	-	729 919	888 905	987 273	967 663	1 079 792	1 011 468	944 949
Provincial and Local Government: Municipal Infrastructure Grant (MIG Cities)	304 946	247 294	-	-	-	-	-	-	-
Sport & Recreation SA: 2010 Fifa World Cup Stadiums Development Grant	511 357	57 997	1 158	-	6 617	1 523	-	-	-
Sport & Recreation: 2014 African Nation Championship Host City Operating Grant	-	-	-	-	-	-	4 000	-	-
Transport: Public Transport Infrastructure & Systems Grant	772 646	472 777	842 211	1 952 123	2 170 218	2 103 654	-	-	-
Transport: Public Transport Infrastructure Grant	-	-	-	-	-	-	946 241	1 159 140	1 222 015
Transport: Public Transport Network Operations Grant	-	-	-	-	-	-	80 000	50 000	175 000

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City of Cape Town 2013/14 Annual Budget and MTREF

Description	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<b>Provincial Government:</b>	<b>253 151</b>	<b>304 847</b>	<b>335 474</b>	<b>355 487</b>	<b>390 352</b>	<b>385 946</b>	<b>343 761</b>	<b>228 935</b>	<b>19 732</b>
Cultural Affairs and Sport: Development of Sport and Recreation Facilities	3 445	103	-	-	-	-	874	-	-
Cultural Affairs and Sport: Library Services (Conditional Grant)	2 762	9 756	5 500	1 671	2 691	2 691	1 350	10 605	-
Economic Development and Tourism: False Bay Ecology	-	-	-	1 000	176	40	-	-	-
Health: Global Fund	2 841	211	1 297	1 375	1 375	1 375	-	-	-
Housing: Integrated Housing and Human Settlement Development Grant	166 671	266 745	316 391	323 085	353 833	349 563	319 388	202 628	3 400
Housing: Previous years' Gazetted allocations	19 889	194	66	-	-	-	-	-	-
Housing: Previous years' allocations	-	-	-	-	-	-	5 000	-	-
Local Government: Multi-Purpose Centres	2 236	8	8	-	9	9	-	-	-
Other: Other	-	-	-	-	500	500	740	-	-
Provincial Government: Fibre Optic Broadband Roll Out	-	-	-	-	-	-	10 000	10 702	11 332
Provincial Government: Previous years' Gazetted allocations	1 563	-	-	-	-	-	-	-	-
Transport: Municipal Land Transport Fund	-	-	-	-	-	-	5 000	5 000	5 000
Transport and Public Works: Cape Metropolitan Transport Fund	53 743	27 830	9 343	28 355	30 085	30 085	1 409	-	-
Transport and Public Works: Other	-	-	2 869	-	1 683	1 683	-	-	-
<b>Other grant providers:</b>	<b>68 988</b>	<b>49 210</b>	<b>52 947</b>	<b>57 707</b>	<b>46 588</b>	<b>43 524</b>	<b>48 250</b>	<b>61 142</b>	<b>53 600</b>
<i>Other: Other</i>	68 988	49 210	52 947	57 707	46 588	43 524	48 250	61 142	53 600
<b>Total capital expenditure of Transfers and Grants</b>	<b>1 994 844</b>	<b>1 220 044</b>	<b>2 105 985</b>	<b>3 334 829</b>	<b>3 683 893</b>	<b>3 582 515</b>	<b>2 583 308</b>	<b>2 533 667</b>	<b>2 474 896</b>
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>	<b>4 220 704</b>	<b>1 641 465</b>	<b>2 637 067</b>	<b>5 660 353</b>	<b>5 854 507</b>	<b>5 753 130</b>	<b>5 179 212</b>	<b>5 082 769</b>	<b>5 512 245</b>

## 2.9 Councillor and employee benefits

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

Summary of Employee and Councillor remuneration	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<b>R thousand</b>									
<b>Councillors (Political Office Bearers plus Other)</b>									
Basic Salaries and Wages	51 602	54 299	74 370	111 738	105 014	105 014	115 515	123 139	131 513
Pension and UIF Contributions	7 455	6 908	4 067	-	-	-	-	-	-
Medical Aid Contributions	-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	-	-	-	-	-	-	-	-	-
Cellphone Allowance	-	-	10 427	10 646	7 890	7 890	8 206	8 748	9 342
Housing Allowances	-	-	-	-	-	-	-	-	-
Other benefits and allowances	25 394	27 414	8 908	-	-	-	-	-	-
<b>Sub Total - Councillors</b>	<b>84 451</b>	<b>88 621</b>	<b>97 772</b>	<b>122 384</b>	<b>112 904</b>	<b>112 904</b>	<b>123 721</b>	<b>131 887</b>	<b>140 855</b>
<b>% increase</b>	<b>-</b>	<b>4.9%</b>	<b>10.3%</b>	<b>25.2%</b>	<b>(7.7%)</b>	<b>-</b>	<b>9.6%</b>	<b>6.6%</b>	<b>6.8%</b>
<b>Senior Managers of the Municipality</b>									
Basic Salaries and Wages	12 339	12 083	12 962	18 419	18 419	18 419	19 060	20 680	22 459
Pension and UIF Contributions	1 657	1 670	1 308	1 388	1 388	1 388	3 729	4 047	4 394
Medical Aid Contributions	-	-	239	267	267	267	265	287	312
Overtime	-	-	-	-	-	-	-	-	-
Performance Bonus	86	3 429	1 003	147	147	147	-	-	-
Motor Vehicle Allowance	730	696	627	686	686	686	420	456	495
Cellphone Allowance	-	-	166	179	179	179	102	111	120
Housing Allowances	-	-	-	-	-	-	-	-	-
Other benefits and allowances	101	43	978	177	177	177	74	80	88
Payments in lieu of leave	-	-	-	-	-	-	-	-	-
Long service awards	-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	-	-	-	-	-	-	-	-	-
<b>Sub Total - Senior Managers of Municipality</b>	<b>14 913</b>	<b>17 921</b>	<b>17 283</b>	<b>21 263</b>	<b>21 263</b>	<b>21 263</b>	<b>23 650</b>	<b>25 661</b>	<b>27 868</b>
<b>% increase</b>		<b>20.2%</b>	<b>(3.6%)</b>	<b>23.0%</b>	<b>-</b>	<b>-</b>	<b>11.2%</b>	<b>8.5%</b>	<b>8.6%</b>
<b>Other Municipal Staff</b>									
Basic Salaries and Wages	3 506 256	3 848 840	4 347 540	5 159 490	5 057 857	5 032 603	5 653 862	6 129 043	6 660 924
Pension and UIF Contributions	529 355	617 670	672 305	928 393	898 217	892 340	996 761	1 084 671	1 177 954
Medical Aid Contributions	301 345	352 131	397 212	445 619	445 180	445 180	483 170	524 240	569 325
Overtime	260 779	277 175	310 205	278 736	293 241	293 241	302 073	329 170	355 476
Performance Bonus	-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	156 642	167 143	176 258	182 764	183 220	183 220	193 218	207 448	225 289
Cellphone Allowance	11 734	12 388	12 682	13 534	13 514	13 536	13 929	14 487	15 733
Housing Allowances	43 831	31 315	31 061	30 932	30 906	30 906	28 176	30 571	33 200
Other benefits and allowances	134 769	131 273	154 056	191 258	191 025	191 025	222 484	241 396	262 154
Payments in lieu of leave	55 522	58 258	84 554	124 133	124 133	124 133	130 297	141 373	153 531
Long service awards	59 165	8 156	436	36 182	36 182	36 182	49 059	53 228	57 806
Post-retirement benefit obligations	512 856	601 498	712 420	365 218	373 001	373 001	156 778	170 104	184 733
<b>Sub Total - Other Municipal Staff</b>	<b>5 572 254</b>	<b>6 105 847</b>	<b>6 898 729</b>	<b>7 756 258</b>	<b>7 646 476</b>	<b>7 615 367</b>	<b>8 229 807</b>	<b>8 925 731</b>	<b>9 696 125</b>
<b>% increase</b>		<b>9.6%</b>	<b>13.0%</b>	<b>12.4%</b>	<b>(1.4%)</b>	<b>(0.4%)</b>	<b>8.1%</b>	<b>8.5%</b>	<b>8.6%</b>
<b>Total Parent Municipality</b>	<b>5 671 618</b>	<b>6 212 389</b>	<b>7 013 784</b>	<b>7 899 905</b>	<b>7 780 643</b>	<b>7 749 534</b>	<b>8 377 178</b>	<b>9 083 279</b>	<b>9 864 848</b>

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Summary of Employee and Councillor remuneration	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<b>R thousand</b>									
<b>Board Members of Entities</b>									
Basic Salaries and Wages	-	-	-	-	-	-	-	-	-
Pension and UIF Contributions	-	-	-	-	-	-	-	-	-
Medical Aid Contributions	-	-	-	-	-	-	-	-	-
Overtime	-	-	-	-	-	-	-	-	-
Performance Bonus	-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	-	-	-	-	-	-	-	-	-
Cellphone Allowance	-	-	-	-	-	-	-	-	-
Housing Allowances	-	-	-	-	-	-	-	-	-
Other benefits and allowances	-	-	-	-	-	-	-	-	-
Board Fees	459	237	144	406	250	250	265	281	298
Payments in lieu of leave	-	-	-	-	-	-	-	-	-
Long service awards	-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	-	-	-	-	-	-	-	-	-
<b>Sub Total - Board Members of Entities</b>	<b>459</b>	<b>237</b>	<b>144</b>	<b>406</b>	<b>250</b>	<b>250</b>	<b>265</b>	<b>281</b>	<b>298</b>
<b>% increase</b>	<b>-</b>	<b>(48.4%)</b>	<b>(39.2%)</b>	<b>181.9%</b>	<b>(38.4%)</b>	<b>-</b>	<b>6.0%</b>	<b>6.0%</b>	<b>6.0%</b>
<b>Senior Managers of Entities</b>									
Basic Salaries and Wages	1 893	1 314	1 283	1 572	1 595	1 595	1 723	1 860	2 009
Pension and UIF Contributions	-	-	-	-	-	-	-	-	-
Medical Aid Contributions	-	-	-	-	-	-	-	-	-
Overtime	-	-	-	-	-	-	-	-	-
Performance Bonus	-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	111	-	-	-	-	-	-	-	-
Cellphone Allowance	-	-	-	-	-	-	-	-	-
Housing Allowances	-	-	-	-	-	-	-	-	-
Other benefits and allowances	-	-	-	-	-	-	-	-	-
Payments in lieu of leave	-	-	-	-	-	-	-	-	-
Long service awards	-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	-	-	-	-	-	-	-	-	-
<b>Sub Total - Senior Managers of Entities</b>	<b>2 004</b>	<b>1 314</b>	<b>1 283</b>	<b>1 572</b>	<b>1 595</b>	<b>1 595</b>	<b>1 723</b>	<b>1 860</b>	<b>2 009</b>
<b>% increase</b>	<b>-</b>	<b>(34.4%)</b>	<b>(2.4%)</b>	<b>22.5%</b>	<b>1.5%</b>	<b>-</b>	<b>8.0%</b>	<b>8.0%</b>	<b>8.0%</b>
<b>Other Staff of Entities</b>									
Basic Salaries and Wages	27 558	29 453	31 500	35 725	37 567	37 567	39 899	43 686	54 273
Pension and UIF Contributions	-	-	-	-	-	-	-	-	-
Medical Aid Contributions	-	-	-	-	-	-	-	-	-
Overtime	-	-	-	-	-	-	-	-	-
Performance Bonus	-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	-	-	-	-	-	-	-	-	-
Cellphone Allowance	-	-	-	-	-	-	-	-	-
Housing Allowances	-	-	-	-	-	-	-	-	-
Other benefits and allowances	-	-	-	-	-	-	-	-	-
Payments in lieu of leave	-	-	-	-	-	-	-	-	-
Long service awards	-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	-	-	-	-	-	-	-	-	-
<b>Sub Total - Other Staff of Entities</b>	<b>27 558</b>	<b>29 453</b>	<b>31 500</b>	<b>35 725</b>	<b>37 567</b>	<b>37 567</b>	<b>39 899</b>	<b>43 686</b>	<b>54 273</b>
<b>% increase</b>	<b>-</b>	<b>6.9%</b>	<b>7.0%</b>	<b>13.4%</b>	<b>5.2%</b>	<b>-</b>	<b>6.2%</b>	<b>9.5%</b>	<b>24.2%</b>
<b>Total Municipal Entities</b>	<b>30 021</b>	<b>31 004</b>	<b>32 927</b>	<b>37 703</b>	<b>39 412</b>	<b>39 412</b>	<b>41 887</b>	<b>45 827</b>	<b>56 580</b>
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>	<b>5 701 639</b>	<b>6 243 393</b>	<b>7 046 711</b>	<b>7 937 608</b>	<b>7 820 055</b>	<b>7 788 946</b>	<b>8 419 065</b>	<b>9 129 106</b>	<b>9 921 428</b>
<b>% increase</b>		<b>9.5%</b>	<b>12.9%</b>	<b>12.6%</b>	<b>(1.5%)</b>	<b>(0.4%)</b>	<b>8.1%</b>	<b>8.4%</b>	<b>8.7%</b>
<b>TOTAL MANAGERS AND STAFF</b>	<b>5 616 729</b>	<b>6 154 535</b>	<b>6 948 795</b>	<b>7 814 818</b>	<b>7 706 901</b>	<b>7 675 792</b>	<b>8 295 079</b>	<b>8 996 938</b>	<b>9 780 275</b>

**Table 53 MBRR Table SA23 - Salaries, allowances and benefits (political office bearers / councillors / senior managers)**

Disclosure of Salaries, Allowances & Benefits	No.	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
<b>Rand per annum</b>							
<b>Councillors</b>							
Speaker	1	939 975	-	21 859			961 834
Chief Whip	1	881 226	-	21 859			903 085
Executive Mayor	1	1 174 968	-	43 811			1 218 779
Deputy Executive Mayor	1	939 975	-	21 859			961 834
Executive Committee	10	8 812 254	-	218 592			9 030 846
Total for all other councillors	207	102 766 719	-	7 877 927			110 644 646
<b>Total Councillors</b>	<b>221</b>	<b>115 515 117</b>	<b>-</b>	<b>8 205 907</b>	<b>-</b>	<b>-</b>	<b>123 721 024</b>
<b>Senior Managers of the Municipality</b>							
Municipal Manager (MM)	1	1 853 129	277 381	40 930	-		2 171 440
Chief Finance Officer	1	1 367 033	206 403	102 285	-		1 675 721
Deputy City Manager	1	1 599 868	241 288	8 759	-		1 849 915
Executive Director: Corporate Services	1	995 506	663 670	-	-		1 659 176
Executive Director: City Health	1	1 046 827	196 197	170 616	-		1 413 640
Executive Director: Transport, Roads & Stormwater	1	1 659 176	-	15 778	-		1 674 954
Executive Director: Community Services	1	1 364 544	205 667	91 690	-		1 661 901
Executive Director: Human Settlements	1	910 956	607 304	-	-		1 518 260
Executive Director: Safety & Security	1	1 362 854	179 191	132 909	-		1 674 954
Executive Director: Economic, Environment & Spatial Planning	1	1 615 089	45 284	15 778	-		1 676 151
Executive Director: Social & Early Childhood Development	1	1 008 268	672 179	-	-		1 680 447
Executive Director: Tourism, Events and Marketing	1	1 659 176	-	15 778	-		1 674 954
Executive Director: Utility Services	1	1 618 709	33 147	1 977	-		1 653 833
Executive Director : Compliance & Auxiliary	1	999 152	666 101	13 800	-		1 679 053
<b>Total Senior Managers of the Municipality</b>	<b>14</b>	<b>19 060 287</b>	<b>3 993 812</b>	<b>610 300</b>	<b>-</b>	<b>-</b>	<b>23 664 399</b>
<b>TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION</b>	<b>235</b>	<b>134 575 404</b>	<b>3 993 812</b>	<b>8 816 207</b>	<b>-</b>	<b>-</b>	<b>147 385 423</b>

**Table 54 MBRR Table SA24 - Summary of personnel numbers**

Summary of Personnel Numbers Number	2011/12			Current Year 2012/13			Budget Year 2013/14		
	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
<b>Municipal Council and Boards of Municipal Entities</b>									
Councillors (Political Office Bearers plus Other Councillors)	221	-	221	221	-	221	219	-	219
Board Members of municipal entities	-	-	-	-	-	-	-	-	-
<b>Municipal employees</b>									
Municipal Manager and Senior Managers	12	-	12	13	-	12	13	-	13
Other Managers	754	741	13	753	682	71	745	730	15
Professionals	1 710	1 630	80	2 046	1 961	85	1 341	1 230	111
<i>Finance</i>	198	194	4	246	241	5	131	129	2
<i>Spatial/town planning</i>	27	27	-	25	25	-	21	19	2
<i>Information Technology</i>	162	161	1	151	150	1	80	79	1
<i>Roads</i>	87	85	2	88	85	3	60	56	4
<i>Electricity</i>	143	140	3	140	138	2	113	110	3
<i>Water</i>	147	145	2	142	140	2	93	93	-
<i>Sanitation</i>	47	47	-	51	51	-	51	51	-
<i>Refuse</i>	50	49	1	49	48	1	13	12	1
<i>Other</i>	849	782	67	1 154	1 083	71	779	681	98
Technicians	2 375	2 026	349	2 330	2 173	157	2 492	709	206
<i>Finance</i>	29	29	-	64	63	1	62	60	2
<i>Spatial/town planning</i>	2	2	-	3	3	-	6	6	-
<i>Information Technology</i>	90	90	-	108	108	-	148	148	-
<i>Roads</i>	43	43	-	44	44	-	43	43	-
<i>Electricity</i>	205	205	-	223	222	1	220	219	1
<i>Water</i>	140	140	-	157	157	-	158	158	-
<i>Sanitation</i>	28	28	-	27	27	-	30	30	-
<i>Refuse</i>	34	34	-	47	47	-	45	45	-
<i>Other</i>	1 804	1 455	349	1 657	1 502	155	1 780	-	203
Clerks (Clerical and administrative)	5 829	5 560	269	6 063	5 754	309	6 149	5 896	253
Service and sales workers	2 905	2 675	230	2 958	2 773	185	3 093	2 912	181
Skilled agricultural and fishery workers	-	-	-	-	-	-	-	-	-
Craft and related trades	2 204	2 201	3	2 169	2 164	5	2 207	2 201	6
Plant and Machine Operators	3 103	3 080	23	3 170	3 156	14	3 240	3 229	11
Elementary Occupations	6 193	6 066	127	6 159	5 982	177	5 957	5 841	116
<b>TOTAL PERSONNEL NUMBERS</b>	<b>25 306</b>	<b>23 979</b>	<b>1 327</b>	<b>25 882</b>	<b>24 645</b>	<b>1 236</b>	<b>25 456</b>	<b>22 748</b>	<b>1 131</b>
<b>% increase</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2.3%</b>	<b>2.8%</b>	<b>(6.9%)</b>	<b>(1.6%)</b>	<b>(7.7%)</b>	<b>(8.5%)</b>
<b>Total municipal employees headcount</b>									
Finance personnel headcount	1 505	1 478	27	1 650	1 629	21	1 647	1 639	8
Human Resources personnel headcount	435	407	28	471	459	12	388	378	10

The table above represents filled positions in the City as at end April 2013.

## 2.10 Monthly targets for revenue, expenditure and cash flow

Table 55 MBRR Table SA25 - Budgeted monthly revenue and expenditure

Description	Budget Year 2013/14												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<b>Revenue By Source</b>															
Property rates	374 923	478 351	452 008	462 687	438 136	473 706	480 155	436 427	417 380	491 337	457 666	464 611	5 427 388	5 807 305	6 213 817
Property rates - penalties & collection charges	8 310	8 310	8 310	8 310	8 310	8 310	8 310	8 310	8 310	8 310	8 310	8 310	99 720	106 701	114 170
Service charges - electricity revenue	840 772	895 977	854 268	802 718	750 424	738 050	772 789	715 507	824 217	794 812	844 761	834 112	9 668 405	10 627 511	11 611 618
Service charges - water revenue	142 931	151 952	163 227	174 768	197 160	197 160	249 027	230 986	229 061	245 176	211 020	151 384	2 343 850	2 591 038	2 874 475
Service charges - sanitation revenue	90 849	90 849	93 314	103 174	111 802	99 477	121 662	110 569	110 569	122 894	106 872	80 989	1 243 019	1 374 779	1 526 005
Service charges - refuse revenue	75 987	79 117	80 302	80 302	78 927	78 927	78 927	78 927	78 927	78 927	78 927	78 932	947 126	1 016 027	1 112 384
Service charges - other	19 837	17 925	18 025	19 287	20 378	20 177	21 947	20 916	22 362	19 250	19 421	20 464	239 991	253 736	268 453
Rental of facilities and equipment	25 642	25 647	25 650	25 870	26 209	26 171	30 438	30 318	30 376	30 533	30 734	28 882	336 471	352 223	369 016
Interest earned - external investments	23 578	23 578	23 578	23 578	23 578	23 578	24 418	23 578	23 578	23 578	23 578	24 418	284 618	292 445	303 664
Interest earned - outstanding debtors	9 900	9 900	9 900	9 900	9 900	9 900	9 900	9 900	9 900	9 900	9 900	9 900	118 805	261 690	276 877
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines	15 263	14 279	11 328	15 283	15 283	15 283	15 283	15 283	15 263	15 263	15 263	20 182	183 257	193 432	204 558
Licences and permits	3 313	3 429	3 313	2 966	2 966	2 968	2 968	2 852	2 852	2 736	2 620	2 621	35 601	37 595	39 775
Agency services	7 999	11 488	10 166	10 166	10 166	10 166	10 166	10 166	10 166	10 166	10 166	11 012	121 993	128 825	136 297
Transfers recognised - operational	468 210	77 735	85 929	92 998	103 898	514 170	66 916	79 446	92 643	156 451	154 112	703 395	2 595 904	2 549 102	3 037 349
Other revenue	179 899	179 520	179 520	179 521	179 531	182 423	182 905	182 737	182 366	182 272	182 261	186 988	2 179 942	2 297 942	2 431 222
Gains on disposal of PPE	375	375	375	376	2 278	6 086	2 762	7 228	3 801	3 801	19 411	22 131	69 000	90 897	109 343
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>2 287 789</b>	<b>2 068 432</b>	<b>2 019 214</b>	<b>2 011 904</b>	<b>1 978 945</b>	<b>2 406 552</b>	<b>2 078 573</b>	<b>1 963 151</b>	<b>2 061 772</b>	<b>2 195 407</b>	<b>2 175 021</b>	<b>2 648 330</b>	<b>25 895 089</b>	<b>27 981 247</b>	<b>30 629 023</b>

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Description	Budget Year 2013/14												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<b>Expenditure By Type</b>															
Employee related costs	665 459	663 495	662 461	663 177	971 428	662 129	662 705	659 164	661 398	660 473	661 265	660 303	8 253 458	8 951 393	9 723 994
Remuneration of councillors	10 310	10 310	10 310	10 310	10 310	10 310	10 310	10 310	10 310	10 310	10 310	10 310	123 721	131 887	140 855
Debt impairment	72 183	72 183	72 183	72 183	72 183	72 183	72 183	72 183	72 183	72 183	72 183	72 183	866 192	1 064 858	1 136 380
Depreciation & asset impairment	159 570	159 570	159 570	159 570	159 570	159 570	159 570	159 570	159 570	159 570	159 570	179 470	1 934 741	2 069 894	2 214 534
Finance charges	71 991	71 991	71 991	71 991	71 991	71 991	71 991	71 991	71 991	71 991	71 991	71 991	863 894	960 456	1 169 031
Bulk purchases	58 160	874 727	879 274	480 840	490 768	466 438	449 434	466 254	459 222	492 759	467 439	1 313 566	6 898 881	7 545 500	8 211 995
Other materials	27 378	28 256	28 900	29 230	29 233	29 437	28 728	29 418	29 812	29 162	29 826	39 300	358 681	386 392	417 011
Contracted services	162 713	203 787	220 935	235 323	264 266	280 474	234 042	261 175	273 657	296 065	319 788	439 958	3 192 182	3 283 032	3 524 328
Transfers and grants	2 655	2 655	3 365	2 655	8 919	2 655	2 655	2 655	3 365	2 655	2 655	2 655	39 544	51 366	54 992
Other expenditure	293 899	279 583	291 286	275 654	277 177	273 456	286 794	278 580	284 668	290 093	313 115	468 483	3 612 788	3 809 743	4 273 239
Loss on disposal of PPE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>	<b>1 524 318</b>	<b>2 366 557</b>	<b>2 400 274</b>	<b>2 000 933</b>	<b>2 355 844</b>	<b>2 028 645</b>	<b>1 978 412</b>	<b>2 011 300</b>	<b>2 026 176</b>	<b>2 085 261</b>	<b>2 108 142</b>	<b>3 258 220</b>	<b>26 144 082</b>	<b>28 254 520</b>	<b>30 866 359</b>
<b>Surplus/(Deficit)</b>	<b>763 471</b>	<b>(298 125)</b>	<b>(381 059)</b>	<b>10 970</b>	<b>(376 899)</b>	<b>377 907</b>	<b>100 161</b>	<b>(48 149)</b>	<b>35 596</b>	<b>110 146</b>	<b>66 879</b>	<b>(609 890)</b>	<b>(248 993)</b>	<b>(273 273)</b>	<b>(237 336)</b>
Transfers recognised - capital	111 726	105 722	135 436	155 587	155 196	146 071	116 835	177 797	236 725	279 756	381 327	532 879	2 535 058	2 472 524	2 421 296
Contributions recognised - capital	1 560	2 040	3 420	3 780	4 230	3 920	2 720	4 180	4 960	5 450	6 000	5 990	48 250	61 142	53 600
Contributed assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>876 756</b>	<b>(190 363)</b>	<b>(242 203)</b>	<b>170 338</b>	<b>(217 473)</b>	<b>527 898</b>	<b>219 716</b>	<b>133 828</b>	<b>277 281</b>	<b>395 352</b>	<b>454 206</b>	<b>(71 021)</b>	<b>2 334 315</b>	<b>2 260 393</b>	<b>2 237 560</b>
Taxation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attributable to minorities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit)</b>	<b>876 756</b>	<b>(190 363)</b>	<b>(242 203)</b>	<b>170 338</b>	<b>(217 473)</b>	<b>527 898</b>	<b>219 716</b>	<b>133 828</b>	<b>277 281</b>	<b>395 352</b>	<b>454 206</b>	<b>(71 021)</b>	<b>2 334 315</b>	<b>2 260 393</b>	<b>2 237 560</b>



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

Description	Budget Year 2013/14												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<b>Revenue by Vote</b>															
Vote 1 - City Health	34 103	29 728	30 437	29 978	33 528	49 242	16 467	16 567	17 176	65 811	29 478	80 622	433 136	455 190	445 094
Vote 2 - City Manager	3	3	3	3	3	3	3	3	3	3	3	3	41	44	46
Vote 3 - Community Services	15 835	12 346	15 883	13 472	14 936	11 062	14 857	21 437	28 716	29 204	24 315	16 626	218 688	210 466	194 235
Vote 4 - Compliance and Auxiliary Services	247	247	247	247	247	247	247	247	247	247	247	247	2 963	3 129	3 310
Vote 5 - Corporate Services	486	486	486	536	686	3 699	4 024	3 549	3 849	4 999	5 849	9 288	37 936	45 200	47 537
Vote 6 - Deputy City Manager	11 412	912	1 097	1 397	2 177	1 647	1 547	1 677	2 977	2 507	3 347	3 156	33 859	2 000	-
Vote 7 - Economic, Environment & Spatial Planning	8 641	6 683	6 646	7 377	8 264	7 259	7 059	8 165	8 828	7 629	11 463	12 648	100 661	108 085	118 045
Vote 8 - Finance	48 881	51 992	50 670	50 881	52 993	56 890	55 575	60 477	56 679	56 585	72 184	80 400	694 205	734 389	783 499
Vote 9 - Human Settlements	58 536	82 208	91 860	99 306	107 551	88 600	63 396	81 337	98 445	117 932	152 520	245 944	1 287 635	1 063 031	1 178 357
Vote 10 - Rates & Other	935 249	644 661	618 318	628 997	604 445	1 034 032	646 464	602 737	583 689	657 647	623 975	1 024 937	8 605 150	9 269 249	10 077 214
Vote 11 - Safety & Security	22 027	21 853	18 398	21 769	21 782	21 782	21 782	22 038	21 664	21 405	21 289	26 159	261 949	248 554	262 903
Vote 12 - Social and Early Childhood Development	33	33	33	33	33	33	33	33	33	33	33	33	401	423	447
Vote 13 - Tourism, Events and Marketing	775	780	1 281	6 311	6 940	6 904	8 998	8 599	8 637	13 794	13 995	10 912	87 930	23 427	23 537
Vote 14 - Transport, Roads and Stormwater	62 540	64 986	85 621	99 101	91 755	91 193	94 474	134 524	159 276	165 069	251 711	356 409	1 656 659	1 745 931	1 772 044
Vote 15 - Utility Services	1 202 304	1 259 275	1 237 089	1 211 862	1 193 030	1 183 950	1 263 201	1 183 737	1 313 236	1 337 748	1 351 938	1 319 814	15 057 184	16 605 796	18 197 650
<b>Total Revenue by Vote</b>	<b>2 401 074</b>	<b>2 176 194</b>	<b>2 158 071</b>	<b>2 171 271</b>	<b>2 138 371</b>	<b>2 556 543</b>	<b>2 198 128</b>	<b>2 145 128</b>	<b>2 303 457</b>	<b>2 480 613</b>	<b>2 562 348</b>	<b>3 187 199</b>	<b>28 478 397</b>	<b>30 514 913</b>	<b>33 103 919</b>
<b>Expenditure by Vote to be appropriated</b>															
Vote 1 - City Health	67 067	69 016	69 414	68 790	92 413	67 733	67 583	67 413	67 719	67 113	66 931	68 108	839 300	896 631	911 108
Vote 2 - City Manager	6 341	18 217	8 456	7 042	7 593	7 360	8 022	7 090	6 824	8 214	6 922	9 028	101 107	108 345	116 089
Vote 3 - Community Services	110 977	110 989	112 431	115 038	149 550	112 460	114 525	111 928	113 682	111 760	111 839	117 361	1 392 541	1 525 599	1 647 097
Vote 4 - Compliance and Auxiliary Services	36 948	37 520	37 661	38 797	46 538	38 598	37 915	37 867	37 844	37 849	38 016	60 342	485 895	532 074	568 719
Vote 5 - Corporate Services	129 580	123 004	135 482	122 287	148 148	124 796	138 400	124 146	126 804	124 813	127 474	150 281	1 575 214	1 696 093	1 822 029
Vote 6 - Deputy City Manager	9 426	9 426	9 560	9 661	10 395	9 561	9 763	9 562	9 563	9 763	9 563	9 622	115 861	115 410	126 913
Vote 7 - Economic, Environment & Spatial Planning	38 124	38 298	40 928	39 876	52 664	50 901	40 046	40 421	40 281	40 779	41 391	52 837	516 546	530 303	576 997
Vote 8 - Finance	171 896	147 022	148 417	146 137	176 511	146 802	151 015	151 013	151 233	149 965	150 066	172 617	1 862 695	2 012 850	2 301 625
Vote 9 - Human Settlements	59 297	64 561	69 737	74 106	91 928	80 058	60 786	73 230	85 039	97 544	130 422	237 578	1 124 286	1 174 695	1 576 290
Vote 10 - Rates & Other	67 328	69 791	69 791	69 791	69 791	69 791	69 791	69 791	69 791	69 791	69 791	72 254	837 495	883 284	935 406
Vote 11 - Safety & Security	123 072	123 776	123 027	123 100	173 844	122 997	123 259	122 661	123 324	123 019	123 264	123 114	1 528 458	1 620 982	1 752 450
Vote 12 - Social and Early Childhood Development	5 441	6 042	6 310	6 349	7 814	6 349	6 412	6 425	6 417	6 426	6 115	7 179	77 280	83 779	89 957
Vote 13 - Tourism, Events and Marketing	31 565	33 390	33 202	40 821	46 120	47 753	43 888	44 070	43 987	52 346	57 140	57 171	531 454	503 094	537 878
Vote 14 - Transport, Roads and Stormwater	118 776	125 148	137 885	139 185	170 904	151 565	135 939	159 070	163 479	165 844	171 127	250 766	1 889 690	1 912 897	1 909 273
Vote 15 - Utility Services	548 480	1 390 359	1 397 971	999 953	1 111 631	991 919	971 069	986 612	980 189	1 020 034	998 082	1 869 961	13 266 261	14 658 483	15 994 528
<b>Total Expenditure by Vote</b>	<b>1 524 318</b>	<b>2 366 557</b>	<b>2 400 274</b>	<b>2 000 933</b>	<b>2 355 844</b>	<b>2 028 645</b>	<b>1 978 412</b>	<b>2 011 300</b>	<b>2 026 176</b>	<b>2 085 261</b>	<b>2 108 142</b>	<b>3 258 220</b>	<b>26 144 082</b>	<b>28 254 520</b>	<b>30 866 359</b>
<b>Surplus/(Deficit) before assoc.</b>	<b>876 756</b>	<b>(190 363)</b>	<b>(242 203)</b>	<b>170 338</b>	<b>(217 473)</b>	<b>527 898</b>	<b>219 716</b>	<b>133 828</b>	<b>277 281</b>	<b>395 352</b>	<b>454 206</b>	<b>(71 021)</b>	<b>2 334 315</b>	<b>2 260 393</b>	<b>2 237 560</b>
Taxation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attributable to minorities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit)</b>	<b>876 756</b>	<b>(190 363)</b>	<b>(242 203)</b>	<b>170 338</b>	<b>(217 473)</b>	<b>527 898</b>	<b>219 716</b>	<b>133 828</b>	<b>277 281</b>	<b>395 352</b>	<b>454 206</b>	<b>(71 021)</b>	<b>2 334 315</b>	<b>2 260 393</b>	<b>2 237 560</b>

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

Description	Budget Year 2013/14												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<b>Revenue - Standard</b>															
<b>Governance and administration</b>	<b>968 744</b>	<b>677 777</b>	<b>651 434</b>	<b>662 379</b>	<b>640 085</b>	<b>1 076 543</b>	<b>687 507</b>	<b>648 400</b>	<b>626 221</b>	<b>701 329</b>	<b>684 117</b>	<b>1 093 370</b>	<b>9 117 905</b>	<b>9 821 685</b>	<b>10 667 949</b>
Executive and council	208	208	208	208	208	208	208	208	208	208	208	208	2 498	2 637	2 790
Budget and treasury office	959 550	668 962	642 618	653 298	628 746	1 058 382	670 765	627 038	607 990	681 948	648 276	1 052 135	8 899 708	9 568 553	10 388 062
Corporate services	8 985	8 607	8 607	8 873	11 130	17 952	16 534	21 154	18 023	19 173	35 633	41 027	215 699	250 495	277 097
<b>Community and public safety</b>	<b>141 489</b>	<b>146 129</b>	<b>157 073</b>	<b>170 044</b>	<b>183 950</b>	<b>176 500</b>	<b>124 400</b>	<b>149 773</b>	<b>175 638</b>	<b>249 145</b>	<b>243 098</b>	<b>382 021</b>	<b>2 299 263</b>	<b>2 001 573</b>	<b>2 105 535</b>
Community and social services	4 127	4 177	7 028	7 708	8 962	8 449	8 161	9 308	10 780	11 766	11 191	8 614	100 274	104 297	70 605
Sport and recreation	11 983	8 450	9 636	11 575	11 914	8 515	14 682	20 015	25 861	30 519	26 407	18 175	197 733	123 308	141 631
Public safety	33 027	21 853	18 398	21 769	22 282	21 982	21 982	22 838	23 663	23 405	23 789	28 958	283 945	259 549	273 898
Housing	58 301	81 973	91 626	99 066	107 316	88 365	63 161	81 097	98 210	117 697	152 285	245 704	1 284 802	1 059 891	1 175 007
Health	34 050	29 676	30 385	29 926	33 476	49 190	16 415	16 515	17 124	65 759	29 426	80 570	432 509	454 528	444 394
<b>Economic and environmental services</b>	<b>88 358</b>	<b>92 835</b>	<b>112 296</b>	<b>126 807</b>	<b>121 127</b>	<b>119 070</b>	<b>122 529</b>	<b>163 627</b>	<b>189 971</b>	<b>194 001</b>	<b>285 305</b>	<b>394 367</b>	<b>2 010 294</b>	<b>2 094 646</b>	<b>2 142 559</b>
Planning and development	15 780	16 288	16 473	17 503	18 283	17 842	18 020	18 816	19 605	18 813	19 642	22 197	219 262	210 922	220 460
Road transport	69 626	75 561	94 874	108 355	101 008	100 447	103 727	143 778	168 530	174 323	260 964	366 508	1 767 700	1 863 190	1 896 104
Environmental protection	2 952	986	949	949	1 836	781	781	1 034	1 836	865	4 699	5 662	23 332	20 534	25 996
<b>Trading services</b>	<b>1 202 316</b>	<b>1 259 287</b>	<b>1 237 101</b>	<b>1 211 873</b>	<b>1 192 542</b>	<b>1 183 761</b>	<b>1 263 012</b>	<b>1 182 948</b>	<b>1 311 248</b>	<b>1 335 759</b>	<b>1 349 449</b>	<b>1 317 026</b>	<b>15 046 323</b>	<b>16 594 942</b>	<b>18 186 803</b>
Electricity	870 532	912 040	872 711	821 871	770 827	778 643	787 682	735 860	847 100	831 413	881 862	910 442	10 020 983	10 947 759	12 008 802
Water	149 315	158 449	171 087	184 741	209 121	209 662	262 486	243 350	243 315	265 462	233 395	176 083	2 506 465	2 842 620	3 104 420
Waste water management	98 663	96 863	100 183	112 141	120 849	108 711	131 100	121 994	139 087	157 140	152 448	146 435	1 485 615	1 711 700	1 874 466
Waste management	83 805	91 935	93 120	93 120	91 745	86 745	81 745	81 745	81 745	81 745	81 745	84 066	1 033 259	1 092 862	1 199 115
<b>Other</b>	<b>167</b>	<b>167</b>	<b>167</b>	<b>167</b>	<b>667</b>	<b>669</b>	<b>679</b>	<b>379</b>	<b>379</b>	<b>379</b>	<b>379</b>	<b>414</b>	<b>4 613</b>	<b>2 068</b>	<b>1 072</b>
<b>Total Revenue - Standard</b>	<b>2 401 074</b>	<b>2 176 194</b>	<b>2 158 071</b>	<b>2 171 271</b>	<b>2 138 371</b>	<b>2 556 543</b>	<b>2 198 128</b>	<b>2 145 128</b>	<b>2 303 457</b>	<b>2 480 613</b>	<b>2 562 348</b>	<b>3 187 199</b>	<b>28 478 397</b>	<b>30 514 913</b>	<b>33 103 919</b>

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City of Cape Town 2013/14 Annual Budget and MTREF

Description	Budget Year 2013/14												Medium Term Revenue and Expenditure Framework			
	R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<b>Expenditure - Standard</b>																
<b>Governance and administration</b>	<b>414 756</b>	<b>398 295</b>	<b>403 215</b>	<b>387 167</b>	<b>453 973</b>	<b>394 248</b>	<b>408 205</b>	<b>392 844</b>	<b>395 613</b>	<b>393 750</b>	<b>397 810</b>	<b>472 289</b>	<b>4 912 166</b>	<b>5 283 399</b>	<b>5 800 916</b>	
Executive and council	28 104	39 265	28 154	28 079	32 831	28 803	28 144	28 068	28 085	28 079	28 085	28 385	354 083	388 521	413 399	
Budget and treasury office	187 988	190 451	191 462	189 089	211 258	189 147	193 619	193 419	193 628	192 496	192 663	198 936	2 324 155	2 489 837	2 802 317	
Corporate services	198 664	168 579	183 599	169 998	209 884	176 299	186 443	171 357	173 900	173 174	177 062	244 968	2 233 927	2 405 041	2 585 200	
<b>Community and public safety</b>	<b>380 459</b>	<b>390 805</b>	<b>398 336</b>	<b>411 797</b>	<b>534 592</b>	<b>413 985</b>	<b>396 909</b>	<b>406 173</b>	<b>420 553</b>	<b>435 339</b>	<b>469 411</b>	<b>586 242</b>	<b>5 244 602</b>	<b>5 548 231</b>	<b>6 244 487</b>	
Community and social services	38 182	38 738	40 734	42 662	56 024	40 476	42 506	40 165	41 873	40 063	40 083	47 410	508 917	574 191	616 397	
Sport and recreation	96 061	97 460	97 269	104 985	128 128	104 553	104 624	104 405	104 454	109 389	110 563	109 687	1 271 578	1 316 856	1 422 648	
Public safety	127 794	128 965	129 120	129 193	178 263	129 091	129 343	128 892	129 412	129 163	129 359	131 398	1 599 991	1 698 299	1 839 941	
Housing	57 753	63 016	68 192	72 556	89 700	78 513	59 241	71 680	83 494	95 999	128 877	236 028	1 105 048	1 149 236	1 548 782	
Health	60 669	62 626	63 021	62 401	82 478	61 352	61 194	61 032	61 320	60 724	60 530	61 719	759 067	809 650	816 718	
<b>Economic and environmental services</b>	<b>182 964</b>	<b>189 490</b>	<b>204 339</b>	<b>205 372</b>	<b>256 036</b>	<b>228 188</b>	<b>202 232</b>	<b>225 578</b>	<b>229 845</b>	<b>232 788</b>	<b>237 663</b>	<b>322 949</b>	<b>2 717 443</b>	<b>2 764 144</b>	<b>2 829 739</b>	
Planning and development	45 951	45 983	47 346	46 213	56 944	57 078	46 535	46 323	46 345	47 076	46 429	57 713	589 937	606 069	655 335	
Road transport	119 334	125 694	137 774	139 763	172 752	151 663	136 354	159 533	163 921	166 177	170 628	244 420	1 888 013	1 911 130	1 907 404	
Environmental protection	17 679	17 813	19 218	19 396	26 340	19 447	19 343	19 722	19 578	19 535	20 606	20 816	239 492	246 944	267 000	
<b>Trading services</b>	<b>542 443</b>	<b>1 383 876</b>	<b>1 390 646</b>	<b>992 538</b>	<b>1 103 669</b>	<b>984 982</b>	<b>963 829</b>	<b>979 358</b>	<b>972 922</b>	<b>1 012 878</b>	<b>991 748</b>	<b>1 863 651</b>	<b>13 182 540</b>	<b>14 568 069</b>	<b>15 895 563</b>	
Electricity	166 165	988 003	993 286	593 727	630 287	579 114	562 319	578 729	573 092	605 484	580 259	1 468 981	8 319 445	9 144 785	9 955 909	
Water	172 517	171 836	171 256	171 767	203 380	172 478	171 076	171 034	172 045	171 919	172 121	171 022	2 092 450	2 415 324	2 649 568	
Waste water management	83 696	92 270	94 359	92 891	107 528	98 176	99 326	99 151	98 651	98 692	99 573	102 516	1 166 829	1 302 231	1 437 737	
Waste management	120 065	131 767	131 745	134 153	162 474	135 214	131 108	130 443	129 135	136 783	139 795	121 131	1 603 815	1 705 729	1 852 350	
<b>Other</b>	<b>3 695</b>	<b>4 091</b>	<b>3 738</b>	<b>4 060</b>	<b>7 574</b>	<b>7 242</b>	<b>7 237</b>	<b>7 348</b>	<b>7 243</b>	<b>10 506</b>	<b>11 510</b>	<b>13 089</b>	<b>87 332</b>	<b>90 678</b>	<b>95 654</b>	
<b>Total Expenditure - Standard</b>	<b>1 524 318</b>	<b>2 366 557</b>	<b>2 400 274</b>	<b>2 000 933</b>	<b>2 355 844</b>	<b>2 028 645</b>	<b>1 978 412</b>	<b>2 011 300</b>	<b>2 026 176</b>	<b>2 085 261</b>	<b>2 108 142</b>	<b>3 258 220</b>	<b>26 144 082</b>	<b>28 254 520</b>	<b>30 866 359</b>	
<b>Surplus/(Deficit) before assoc.</b>	<b>876 756</b>	<b>(190 363)</b>	<b>(242 203)</b>	<b>170 338</b>	<b>(217 473)</b>	<b>527 898</b>	<b>219 716</b>	<b>133 828</b>	<b>277 281</b>	<b>395 352</b>	<b>454 206</b>	<b>(71 021)</b>	<b>2 334 315</b>	<b>2 260 393</b>	<b>2 237 560</b>	
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Surplus/(Deficit)</b>	<b>876 756</b>	<b>(190 363)</b>	<b>(242 203)</b>	<b>170 338</b>	<b>(217 473)</b>	<b>527 898</b>	<b>219 716</b>	<b>133 828</b>	<b>277 281</b>	<b>395 352</b>	<b>454 206</b>	<b>(71 021)</b>	<b>2 334 315</b>	<b>2 260 393</b>	<b>2 237 560</b>	

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

Description	Budget Year 2013/14												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<b>Multi-year expenditure to be appropriated</b>															
Vote 1 - City Health	1 500	1 750	2 050	2 400	2 800	1 100	1 500	2 000	1 350	2 200	2 650	2 416	23 716	17 466	25 466
Vote 2 - City Manager	-	20	-	150	105	95	-	96	125	130	43	78	842	1 222	702
Vote 3 - Community Services	11 188	7 871	13 068	17 579	17 224	11 910	16 063	25 877	35 399	30 725	22 372	12 749	222 027	191 734	154 670
Vote 4 - Compliance and Auxiliary Services	-	156	281	504	379	199	283	450	503	147	174	7 389	10 465	36 167	36 481
Vote 5 - Corporate Services	-	2 271	7 409	12 070	13 060	5 814	3 236	19 664	30 132	38 773	49 147	77 317	258 892	218 263	243 893
Vote 6 - Deputy City Manager	12 406	1 713	1 763	1 885	2 765	2 080	1 880	2 085	3 485	2 715	3 855	3 819	40 450	6 250	356
Vote 7 - Economic, Environment & Spatial Planning	1 320	1 543	2 488	2 728	2 558	2 100	4 430	10 138	5 013	6 069	9 782	10 292	58 459	67 169	62 527
Vote 8 - Finance	4 340	-	1 073	1 030	824	754	585	580	635	580	514	869	11 784	7 172	3 781
Vote 9 - Human Settlements	26 939	46 890	54 131	60 286	61 280	56 240	31 269	41 017	57 059	57 331	59 238	75 215	626 894	366 956	92 833
Vote 10 - Rates & Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 - Safety & Security	5 584	1 005	1 574	4 284	7 297	5 913	4 150	5 637	9 560	4 033	8 283	10 607	67 927	57 127	35 127
Vote 12 - Social and Early Childhood Development	-	-	-	2 450	600	-	200	-	-	2 010	-	200	5 460	15 810	11 010
Vote 13 - Tourism, Events and Marketing	-	-	1 600	3 045	4 102	3 960	2 520	3 820	3 520	2 275	2 140	1 679	28 661	25 250	30 250
Vote 14 - Transport, Roads and Stormwater	41 823	44 398	62 753	77 345	72 212	61 885	69 977	114 037	137 914	145 888	233 536	353 974	1 415 743	1 614 413	1 770 088
Vote 15 - Utility Services	102 922	133 927	148 952	173 620	205 445	190 905	104 679	182 989	311 147	285 528	320 770	518 388	2 679 272	2 552 472	3 024 849
<b>Total Capital Expenditure</b>	<b>208 022</b>	<b>241 543</b>	<b>297 142</b>	<b>359 376</b>	<b>390 649</b>	<b>342 956</b>	<b>240 772</b>	<b>408 388</b>	<b>595 841</b>	<b>578 404</b>	<b>712 504</b>	<b>1 074 994</b>	<b>5 450 592</b>	<b>5 177 472</b>	<b>5 492 034</b>

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

Description	Budget Year 2013/14												Medium Term Revenue and Expenditure Framework			
	July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16	
<b>Capital Expenditure - Standard</b>																
<b>Governance and administration</b>	<b>6 386</b>	<b>4 076</b>	<b>10 972</b>	<b>15 787</b>	<b>19 288</b>	<b>8 607</b>	<b>5 603</b>	<b>22 841</b>	<b>33 645</b>	<b>41 290</b>	<b>51 330</b>	<b>88 178</b>	<b>308 002</b>	<b>276 647</b>	<b>293 405</b>	
Executive and council	1 406	1 213	1 297	1 343	1 440	1 149	1 100	1 145	1 251	1 091	1 137	8 576	22 150	39 700	35 887	
Budget and treasury office	2 010	-	1 000	676	339	289	-	525	650	110	20	330	5 949	4 953	4 104	
Corporate services	2 970	2 863	8 676	13 767	17 510	7 168	4 503	21 171	31 744	40 089	50 173	79 271	279 903	231 995	253 414	
<b>Community and public safety</b>	<b>55 995</b>	<b>57 754</b>	<b>73 235</b>	<b>91 731</b>	<b>93 346</b>	<b>79 416</b>	<b>56 443</b>	<b>82 267</b>	<b>110 407</b>	<b>105 569</b>	<b>104 537</b>	<b>113 213</b>	<b>1 023 912</b>	<b>716 828</b>	<b>401 865</b>	
Community and social services	1 325	1 260	4 033	7 280	6 322	5 699	6 660	9 160	10 650	12 835	8 345	6 026	79 595	100 204	42 848	
Sport and recreation	9 863	6 611	10 185	15 388	14 878	9 451	11 593	19 887	27 419	21 876	15 967	8 154	171 272	130 840	152 431	
Public safety	16 368	1 242	2 837	6 377	8 066	6 926	5 421	10 203	14 029	11 477	18 437	21 551	122 934	101 361	88 286	
Housing	26 939	46 890	54 131	60 286	61 280	56 240	31 269	41 017	57 059	57 331	59 238	75 215	626 894	366 956	92 833	
Health	1 500	1 750	2 050	2 400	2 800	1 100	1 500	2 000	1 250	2 050	2 550	2 266	23 216	17 466	25 466	
<b>Economic and environmental services</b>	<b>42 799</b>	<b>46 263</b>	<b>65 582</b>	<b>80 612</b>	<b>76 162</b>	<b>64 843</b>	<b>75 140</b>	<b>125 049</b>	<b>145 148</b>	<b>153 556</b>	<b>245 846</b>	<b>365 755</b>	<b>1 486 754</b>	<b>1 681 789</b>	<b>1 831 905</b>	
Planning and development	1 200	1 900	2 806	3 116	3 385	2 750	5 137	4 370	6 300	6 686	7 480	7 422	52 552	48 072	39 842	
Road transport	41 479	44 220	62 544	77 084	71 974	61 643	69 883	113 781	137 606	145 577	233 165	352 862	1 411 818	1 612 470	1 769 188	
Environmental protection	120	143	233	413	803	450	120	6 898	1 243	1 293	5 202	5 470	22 384	21 247	22 875	
<b>Trading services</b>	<b>102 842</b>	<b>133 451</b>	<b>147 352</b>	<b>171 221</b>	<b>201 328</b>	<b>189 570</b>	<b>103 056</b>	<b>178 032</b>	<b>306 440</b>	<b>277 789</b>	<b>310 591</b>	<b>507 400</b>	<b>2 629 075</b>	<b>2 501 957</b>	<b>2 964 609</b>	
Electricity	76 883	83 630	85 565	101 607	102 145	109 892	56 518	115 917	168 368	129 059	144 876	229 647	1 404 107	1 120 921	1 279 572	
Water	11 555	23 643	26 768	22 825	40 576	37 002	17 558	20 955	53 993	47 602	54 516	121 672	478 665	610 236	794 834	
Waste water management	7 770	9 678	14 499	23 044	33 652	28 052	19 356	25 350	56 359	63 498	75 919	124 188	481 365	541 795	652 859	
Waste management	6 634	16 500	20 520	23 745	24 955	14 625	9 625	15 810	27 720	37 630	35 280	31 893	264 938	229 006	237 345	
<b>Other</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>25</b>	<b>525</b>	<b>520</b>	<b>530</b>	<b>200</b>	<b>200</b>	<b>200</b>	<b>200</b>	<b>449</b>	<b>2 849</b>	<b>250</b>	<b>250</b>	
<b>Total Capital Expenditure - Standard</b>	<b>208 022</b>	<b>241 543</b>	<b>297 142</b>	<b>359 376</b>	<b>390 649</b>	<b>342 956</b>	<b>240 772</b>	<b>408 388</b>	<b>595 841</b>	<b>578 404</b>	<b>712 504</b>	<b>1 074 994</b>	<b>5 450 592</b>	<b>5 177 472</b>	<b>5 492 034</b>	

**Table 60 MBRR Table SA30 - Budgeted monthly cash flow**

MONTHLY CASH FLOWS	Budget Year 2013/14												Medium Term Revenue and Expenditure Framework			
	R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<b>Cash Receipts By Source</b>																
Property rates	366 613	470 041	443 698	454 377	429 826	465 395	471 845	428 117	409 069	483 027	449 355	482 506	5 353 870	5 701 034	6 100 711	
Property rates - penalties & collection charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Service charges - electricity revenue	844 816	900 559	858 443	806 390	753 586	741 081	776 170	718 329	731 903	749 032	873 195	871 591	9 625 096	10 574 268	11 554 799	
Service charges - water revenue	113 846	122 866	134 142	145 683	168 074	168 074	219 941	201 901	199 975	216 090	181 934	168 157	2 040 683	2 218 337	2 476 742	
Service charges - sanitation revenue	78 384	78 384	80 849	90 709	99 336	87 011	109 196	98 104	98 104	110 429	94 406	88 177	1 113 090	1 215 050	1 355 548	
Service charges - refuse revenue	72 220	75 350	76 535	76 535	75 160	75 160	75 160	75 160	75 160	75 160	75 160	77 057	903 817	962 784	1 055 565	
Service charges - other	19 861	17 950	18 049	19 311	20 403	20 201	21 971	20 940	22 387	19 274	19 445	20 198	239 991	253 736	268 453	
Rental of facilities and equipment	8 997	9 002	9 006	9 226	9 565	9 527	13 794	13 674	13 732	13 888	14 090	38 734	163 232	139 251	141 740	
Interest earned - external investments	23 578	23 578	23 578	23 578	23 578	23 578	24 418	23 578	23 578	23 578	23 578	24 418	284 618	292 445	303 664	
Interest earned - outstanding debtors	9 900	9 900	9 900	9 900	9 900	9 900	9 900	9 900	9 900	9 900	9 900	9 900	118 805	261 690	276 877	
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Fines	15 130	14 146	11 195	15 150	15 150	15 150	15 150	15 150	15 130	15 130	15 130	21 646	183 257	193 432	204 558	
Licences and permits	3 313	3 429	3 313	2 966	2 966	2 968	2 968	2 852	2 852	2 736	2 620	2 621	35 601	37 595	39 775	
Agency services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Transfer receipts - operational	470 596	80 120	86 926	95 266	106 267	508 531	69 110	81 435	93 004	158 612	156 456	689 583	2 595 904	2 549 102	3 037 349	
Other revenue	187 545	190 655	189 334	189 334	189 344	192 236	192 719	192 550	192 179	192 085	192 074	201 879	2 301 935	2 426 766	2 567 519	
<b>Cash Receipts by Source</b>	<b>2 214 799</b>	<b>1 995 980</b>	<b>1 944 967</b>	<b>1 938 425</b>	<b>1 903 155</b>	<b>2 318 814</b>	<b>2 002 341</b>	<b>1 881 690</b>	<b>1 886 973</b>	<b>2 068 942</b>	<b>2 107 344</b>	<b>2 696 467</b>	<b>24 959 897</b>	<b>26 825 492</b>	<b>29 383 300</b>	
<b>Other Cash Flows by Source</b>																
Transfer receipts - capital	152 632	116 381	130 551	152 956	147 930	147 382	95 826	201 378	218 618	244 162	340 807	634 685	2 583 308	2 533 667	2 474 896	
Contributions recognised - capital & Contributed assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Proceeds on disposal of PPE	-	-	-	-	-	-	-	-	-	-	-	69 000	69 000	90 897	109 343	
Short term loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-	-	-	-	-	2 015 000	1 300 000	
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Decrease (Increase) in non-current debtors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Decrease (increase) other non-current receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Total Cash Receipts by Source</b>	<b>2 367 431</b>	<b>2 112 362</b>	<b>2 075 518</b>	<b>2 091 381</b>	<b>2 051 085</b>	<b>2 466 196</b>	<b>2 098 167</b>	<b>2 083 068</b>	<b>2 105 591</b>	<b>2 313 104</b>	<b>2 448 151</b>	<b>3 400 152</b>	<b>27 612 205</b>	<b>31 465 055</b>	<b>33 267 539</b>	

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City of Cape Town 2013/14 Annual Budget and MTREF

MONTHLY CASH FLOWS	Budget Year 2013/14												Medium Term Revenue and Expenditure Framework			
	R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<b>Cash Payments by Type</b>																
Employee related costs	646 083	644 118	643 095	643 814	952 077	642 797	643 363	639 842	642 092	641 168	641 963	667 209	8 047 621	8 728 060	9 481 455	
Remuneration of councillors	10 310	10 310	10 310	10 310	10 310	10 310	10 310	10 310	10 310	10 310	10 310	10 310	123 721	131 887	140 855	
Finance charges	13 741	-	193 156	-	-	179 044	-	-	188 885	-	-	174 623	749 449	820 102	1 034 896	
Bulk purchases - Electricity	28 695	845 262	849 809	451 375	461 303	436 973	419 969	436 789	429 757	463 294	437 974	1 284 101	6 545 300	7 151 868	7 762 007	
Bulk purchases - Water & Sewer	29 465	29 465	29 465	29 465	29 465	29 465	29 465	29 465	29 465	29 465	29 465	29 465	353 581	393 631	449 988	
Other materials	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Contracted services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Transfers and grants - other municipalities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Transfers and grants - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other expenditure	289 263	274 957	286 287	271 082	273 553	269 994	295 518	274 705	281 165	286 589	311 631	4 161 685	7 276 430	7 607 868	8 351 390	
<b>Cash Payments by Type</b>	<b>1 017 557</b>	<b>1 804 112</b>	<b>2 012 122</b>	<b>1 406 045</b>	<b>1 726 708</b>	<b>1 568 584</b>	<b>1 398 625</b>	<b>1 391 111</b>	<b>1 581 673</b>	<b>1 430 827</b>	<b>1 431 344</b>	<b>6 327 393</b>	<b>23 096 102</b>	<b>24 833 416</b>	<b>27 220 591</b>	
<b>Other Cash Flows/Payments by Type</b>																
Capital assets	254 033	251 158	278 318	325 402	352 389	313 794	217 159	396 285	531 397	502 431	652 201	1 103 496	5 178 063	4 918 598	5 217 433	
Repayment of borrowing	29 947	-	89 481	-	-	64 403	-	-	96 281	-	-	64 955	345 066	309 853	285 598	
Other Cash Flows/Payments	-	-	63 269	-	-	63 269	-	-	63 269	-	-	63 269	253 077	275 860	291 556	
<b>Total Cash Payments by Type</b>	<b>1 301 537</b>	<b>2 055 270</b>	<b>2 443 190</b>	<b>1 731 447</b>	<b>2 079 098</b>	<b>2 010 050</b>	<b>1 615 784</b>	<b>1 787 396</b>	<b>2 272 620</b>	<b>1 933 258</b>	<b>2 083 545</b>	<b>7 559 113</b>	<b>28 872 308</b>	<b>30 337 727</b>	<b>33 015 177</b>	
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>1 065 894</b>	<b>57 091</b>	<b>(367 672)</b>	<b>359 933</b>	<b>(28 012)</b>	<b>456 146</b>	<b>482 383</b>	<b>295 672</b>	<b>(167 029)</b>	<b>379 846</b>	<b>364 606</b>	<b>(4 158 961)</b>	<b>(1 260 103)</b>	<b>1 127 328</b>	<b>252 362</b>	
Cash/cash equivalents at the month/year begin:	7 539 463	8 605 357	8 662 449	8 294 777	8 654 710	8 626 698	9 082 843	9 565 226	9 860 899	9 693 870	10 073 715	10 438 321	7 539 463	6 279 361	7 406 689	
Cash/cash equivalents at the month/year end:	8 605 357	8 662 449	8 294 777	8 654 710	8 626 698	9 082 843	9 565 226	9 860 899	9 693 870	10 073 715	10 438 321	6 279 361	6 279 361	7 406 689	7 659 051	

## **2.11 Annual budgets – internal departments**

### **2.11.1 City Health (Vote 1)**

The City's Health Directorate is committed to working with all spheres of government to meet National and Provincial targets so that there is a coordinated and integrated District Health Service to the citizens of Cape Town.

The City Health Directorate is responsible for Environmental Health Services and Personal Primary Health Care Services.

The core business of the City Health Directorate is Environmental Health Services or Municipal Health Services. Municipal Health Service is defined in the National Health Act (No 61 of 2003) and includes water quality monitoring; food control; waste management; health surveillance of premises; surveillance of communicable diseases, excluding immunizations; vector control; environmental pollution control; disposal of the dead and chemical safety.

The impact of rapid urbanization places an increased workload on our Environmental Health Practitioners (EHP's). Our current ratio of EHP to population sits at 1:27,000 as opposed to the national norm which proposes a 1EHP:15,000 population ratio.

Air and noise pollution are also Local Government functions in terms of Schedule 4B and 5B of the Constitution. The key Act governing air quality is the National Environmental Management Act: Air Quality Act 39 of 2004. Air pollution levels are frequently high in our informal areas and even inside shacks. The City has adopted an Air Quality Management Plan, which outlines the strategies to be used to deal with air pollution.

The City Health Directorate delivers, in partnership with Provincial Government, the Personal Primary Health Care component, (clinic services), via an infrastructure of 82 clinics, 5 Community Health Centres, 22 satellite clinics and 4 mobile clinics. Services include Women and Child Health Services (preventive and promotive services i.e. Family Planning, immunizations and treating sick children under 13 years); HIV/AIDS/STI and TB control and Substance Abuse. These clinic services are delivered in partnership with the Provincial Health Department Metro District Services (PGWC: MDHS) who run 47 Community Health Centres and 24-hour emergency services at primary level along with 6 District Hospitals.

The City Health Directorate is facing an increasing number of clients accessing the Personal Primary Health Care services due to the increased burden of diseases. This places an additional burden on the existing staff as the staff component has not increased to the same extent.

The City has identified the issue of substance abuse as a problem and that it has a role to play in conjunction with other spheres of government and the community in addressing this. Alcohol abuse is a major problem and methamphetamine (tik) abuse in the Western Cape is a big concern with regard to drug-related crime. Among patients under 20 years, 30% reported methamphetamine as their drug of choice. One in four South African men and one in ten women displayed symptoms of alcohol problems (1998). The City manages 4 Substance Abuse outpatient rehabilitation sites at Tafelsig, Tableview, Delft South and Town 2 clinics.



In conclusion, City Health is faced with an increasing need for health services as shown by the Burden of disease, rapid urbanization and Customer Satisfaction Survey, but the resources available to it have not grown proportionally. The resources relate to staffing (extra staff are needed for those areas with a high BOD to reduce long waiting times at clinics and to move towards the norm of 1EHP:15,000 population ratio), keeping pace with the above parameter increases in pharmaceutical and laboratory costs and certain areas require extra security for staff and patients.

**Table 61 City Health Directorate - operating revenue by source, expenditure by type and total capital expenditure**

Directorate: City Health									
Budgeted Financial Performance (revenue and expenditure)									
Description	2009/10	2010/11	2011/12	2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<b>Operating Revenue By Source</b>									
Property rates	-	-	-	-	-	-	-	-	-
Property rates - penalties & collection charges	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	-	-	-	-	-	-	-	-	-
Service charges - water revenue	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	-	49	-	-	-	-	-	-	-
Service charges - other	69	49	113	211	211	211	223	236	249
Rental of facilities and equipment	0	-	8	-	-	-	-	-	-
Interest earned - external investments	1	0	-	-	-	-	-	-	-
Interest earned - outstanding debtors	111	97	93	-	-	-	-	-	-
Dividends received	-	-	-	-	-	-	-	-	-
Fines	50	64	45	19	19	19	20	21	22
Licences and permits	38	35	39	636	636	636	671	709	750
Agency services	-	-	-	-	-	-	-	-	-
Transfers recognised - operational	257 458	317 599	353 860	392 424	386 322	386 322	416 357	444 527	426 431
Other revenue	1 171	839	611	3 660	3 660	3 660	2 365	2 497	2 642
Gains on disposal of PPE	164	16	42	-	-	-	-	-	-
<b>Total Operating Revenue (excluding capital transfers and contributions)</b>	<b>259 062</b>	<b>318 750</b>	<b>354 810</b>	<b>396 949</b>	<b>390 847</b>	<b>390 847</b>	<b>419 636</b>	<b>447 990</b>	<b>430 094</b>
<b>Operating Expenditure By Type</b>									
Employee related costs	331 600	376 794	428 242	500 201	499 880	499 563	567 519	607 016	659 219
Remuneration of councillors	-	-	-	-	-	-	-	-	-
Debt impairment	-	-	-	-	-	-	-	-	-
Depreciation & asset impairment	6 879	6 796	7 564	8 042	7 199	7 199	7 801	8 347	8 932
Finance charges	-	-	-	-	-	-	-	-	-
Bulk purchases	-	-	-	-	-	-	-	-	-
Other materials	1 896	2 683	2 829	2 712	2 712	2 712	3 086	3 175	3 382
Contracted services	12 436	9 636	16 844	13 081	18 027	18 027	21 637	23 058	24 623
Transfers and grants	592	4 101	3 494	4 039	4 064	4 564	2 142	4 418	3 299
Other expenditure	181 534	210 189	220 310	242 742	234 782	234 599	237 113	250 617	211 652
Loss on disposal of PPE	-	9	2	-	-	-	-	-	-
<b>Total Operating Expenditure</b>	<b>534 937</b>	<b>610 208</b>	<b>679 284</b>	<b>770 819</b>	<b>766 664</b>	<b>766 664</b>	<b>839 300</b>	<b>896 631</b>	<b>911 108</b>
<b>Operating Surplus/(Deficit)</b>	<b>(275 875)</b>	<b>(291 458)</b>	<b>(324 473)</b>	<b>(373 869)</b>	<b>(375 817)</b>	<b>(375 817)</b>	<b>(419 663)</b>	<b>(448 641)</b>	<b>(481 013)</b>
Transfers recognised - capital	4 618	1 363	9 936	17 672	18 694	18 694	13 500	7 200	15 000
Contributions recognised - capital	1 798	-	-	-	-	-	-	-	-
Contributed assets	-	-	2 004	-	-	-	-	-	-
<b>Operating Surplus/(Deficit) for the year</b>	<b>(269 459)</b>	<b>(290 095)</b>	<b>(312 534)</b>	<b>(356 197)</b>	<b>(357 122)</b>	<b>(357 122)</b>	<b>(406 163)</b>	<b>(441 441)</b>	<b>(466 013)</b>
<b>Capital Expenditure</b>	<b>26 031</b>	<b>12 355</b>	<b>22 801</b>	<b>27 460</b>	<b>31 899</b>	<b>31 899</b>	<b>23 716</b>	<b>17 466</b>	<b>25 466</b>

## 2.11.2 City Manager (Vote 2)

The City Manager heads the administration of the City of Cape Town and he chairs the Executive Management Team (EMT) of the City who is primarily responsible for advising the City Manager, strategy and policy.

Contained within the Office of the City Manager are two strategic functionaries that advise the City Manager on policy decisions and ensures compliance.

The administrative responsibility for Integrated Strategic Communications and Branding, Office of the Executive Mayor and Strategic Policy, Monitoring and Evaluation Unit, resides in the Office of the City Manager.

**Table 62 City Manager Directorate - operating revenue by source, expenditure by type and total capital expenditure**

Directorate: City Manager									
Budgeted Financial Performance (revenue and expenditure)									
Description	2009/10	2010/11	2011/12	2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand									
<b>Operating Revenue By Source</b>									
Property rates	-	-	-	-	-	-	-	-	-
Property rates - penalties & collection charges	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	-	-	-	-	-	-	-	-	-
Service charges - water revenue	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	-	-	-	-	-	-	-	-	-
Service charges - other	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	-	-	-	-	-	-	-	-	-
Interest earned - external investments	-	-	-	-	-	-	-	-	-
Interest earned - outstanding debtors	-	-	-	-	-	-	-	-	-
Dividends received	-	-	-	-	-	-	-	-	-
Fines	-	-	-	-	-	-	-	-	-
Licences and permits	-	-	-	-	-	-	-	-	-
Agency services	-	-	-	-	-	-	-	-	-
Transfers recognised - operational	387	37	-	-	-	-	-	-	-
Other revenue	93	67	35	39	39	39	41	44	46
Gains on disposal of PPE	5	4	16	-	-	-	-	-	-
<b>Total Operating Revenue (excluding capital transfers and contributions)</b>	<b>485</b>	<b>108</b>	<b>51</b>	<b>39</b>	<b>39</b>	<b>39</b>	<b>41</b>	<b>44</b>	<b>46</b>
<b>Operating Expenditure By Type</b>									
Employee related costs	32 199	34 089	32 072	48 697	36 654	35 654	45 775	49 450	53 740
Remuneration of councillors	941	981	1 050	1 181	1 108	1 108	1 219	1 299	1 388
Debt impairment	-	-	-	-	-	-	-	-	-
Depreciation & asset impairment	1 245	1 281	1 799	1 705	1 458	1 458	1 019	1 306	1 398
Finance charges	-	-	-	-	-	-	-	-	-
Bulk purchases	-	-	-	-	-	-	-	-	-
Other materials	110	66	67	113	113	106	105	111	118
Contracted services	6 602	5 268	4 467	5 215	6 071	6 226	7 629	8 060	8 532
Transfers and grants	2 451	219	1 625	-	-	-	-	-	-
Other expenditure	28 221	31 599	36 272	47 654	45 627	50 592	45 360	48 117	50 914
Loss on disposal of PPE	5	7	7	-	-	-	-	-	-
<b>Total Operating Expenditure</b>	<b>71 774</b>	<b>73 510</b>	<b>77 360</b>	<b>104 566</b>	<b>91 032</b>	<b>95 144</b>	<b>101 107</b>	<b>108 345</b>	<b>116 089</b>
<b>Operating Surplus/(Deficit)</b>	<b>(71 289)</b>	<b>(73 402)</b>	<b>(77 308)</b>	<b>(104 527)</b>	<b>(90 993)</b>	<b>(95 105)</b>	<b>(101 066)</b>	<b>(108 301)</b>	<b>(116 043)</b>
Transfers recognised - capital	-	-	-	-	-	-	-	-	-
Contributions recognised - capital	-	-	-	-	-	-	-	-	-
Contributed assets	-	-	-	-	-	-	-	-	-
<b>Operating Surplus/(Deficit) for the year</b>	<b>(71 289)</b>	<b>(73 402)</b>	<b>(77 308)</b>	<b>(104 527)</b>	<b>(90 993)</b>	<b>(95 105)</b>	<b>(101 066)</b>	<b>(108 301)</b>	<b>(116 043)</b>
<b>Capital Expenditure</b>	<b>772</b>	<b>1 959</b>	<b>802</b>	<b>632</b>	<b>804</b>	<b>1 304</b>	<b>842</b>	<b>1 222</b>	<b>702</b>

### **2.11.3 Community Services (Vote 3)**

The Community Services Directorate is responsible for the provision of community facilities on an equitable and sustainable basis across the city to support and promote healthy lifestyles and to facilitate programmes and community development in general and to help strengthen the social fibre of households and communities. Often these programmes involve collaboration and partnerships with churches, community organisations, NGOs, the corporate sector, different tiers of government and other stakeholders.

#### **City Parks**

The City Parks Department is responsible for greening, conserving and managing Cape Town zoned public spaces, including 11 District Parks, 3 335 Community Parks, 38 Cemeteries, 1 Crematorium, 1862 hectares of road verges, nature sensitive areas and recreational areas alongside rivers and water bodies. Other core functions include the protection of biodiversity, the planting of trees and the implementation of water saving initiatives throughout the City.

To ensure that parks are maintained in an equitable manner across the city, a uniform set of maintenance standards for all maintenance functions have been developed and implemented.

The 3 335 community parks are maintained to a standard that ensures that they are in a condition for communities to utilise at all times. The selected standards focus on mowing, which is set to at least 9 cuts per year and to keep these parks clean by doing litter picking on a weekly basis.

On-going challenges include the level of vandalism and anti-social behaviour at public parks which increases repair costs and have a negative impact on the ability to adhere to the set maintenance standards.

To address the escalating city burial demand resulting from population growth and an earlier death occurrence due to infectious diseases, City Parks has commenced a process to identify, reserve and in due course develop new burial areas to cater for future urban development within the city's urban edge (i.e. 10-15 year scenario). Strong competition for scarce metropolitan land and the poor environmental performance of certain cemeteries given the high winter water-table characteristic of the Cape Flats has prompted the city to pursue several other interment options to supplement or complement traditional in-ground burial and to extend the viable lifespan of existing cemeteries.

#### **Library and Information Services**

The 2 City Wide Libraries, 22 Regional Libraries, 76 Community Libraries, 3 Satellite Libraries and 3 Mobile Libraries provide the citizens of Cape Town with access to services and resources required for their information, education, culture and recreational needs and has a membership in excess of 800 000.

Programmes at the Libraries offer a variety of developmental activities ranging from storytelling, school holiday programmes, reading programmes to peer leadership and capacity building programmes.

Three categories of minimum open hour standards are set for libraries:

- City-wide libraries at 63 hours per week
- Regional libraries at 45 hours per week

- Community libraries at 35 hours per week

Properly constituted Friends of the Library Organisations and/or Volunteers assist at 50+ libraries in the City to meet their minimum opening hours through donating funding or in-kind contributions such as assisting with shelving of library materials, etc. and every effort is being made to encourage the establishment of Friends organisations in more libraries.

Being an unfunded mandate the City will continue with efforts in reaching a resolution with Provincial Government on the funding of libraries services to the citizens of Cape Town. Implementation of the new library automated management system make library processes more efficient. With external funding received, one new library is planned and construction should be completed in the 2014/15 financial year, i.e. Regional Library in Kuyasa, Khayelitsha.

### **Sport Recreation and Amenities**

The Sports Recreation and Amenities department provides, manage and maintains a number of community facilities across the City such as:

- 180 Community Centres (including Halls, Recreation Centres, Multi-Purpose Centres, Civic Centres, Youth and Family Centres). These centres are used by a cross section of local communities ranging from NGOs to rate payer associations, youth groups, religious groups and sport and recreation clubs.
- 179 Sports Facilities (Consisting of Indoor Facilities, Outdoor Facilities and Stadia).
- Outdoor sport facilities that contain 524 individual formal sports fields. Over utilisation and extreme weather patterns, especially in winter, create a challenge in the provision of good playing surfaces for both winter and summer sports played on the grass fields.
- 38 Swimming pools
- 28 Beaches
- 14 resorts

The City has managed to institutionalise the relationship with users through the implementation of an institutional framework that has established Municipal Facility Management Committees (MFMCs) to assist the City with the management of these facilities. It has been observed that where MFMCs are fully operational the associated sports fields tend to be used according to their threshold norms and the standards are maintained on a sustainable basis.

A comprehensive set of uniform maintenance standards has been implemented for these facilities. This is a significant step in making a commitment to our communities on what they can expect when they visit or use these facilities.

In order to maintain and increase the maintenance and service standards the department provides, promotes and facilitates recreation programmes through 27 recreation units in communities and at city facilities. Such programmes can make a measurable impact on the social economic challenges facing our communities.

### **Budget**

Excluding all internal charges, Community Services has an operating expenditure budget of R1 393 million for the 2013/14 financial year which includes R832 million (or 59.7%) for staff costs emphasising the labour intensive nature of its operations. By contrast the capital budget amounts to

only R222 million or about 4.1% of the City's capital budget in 2013/14. This capital budget is mainly used to develop and upgrade infrastructure such as multi-purpose centres, community halls, sports fields, swimming pools, cemeteries and parks which enable the departments to render their services to the public.

Community services is almost fully funded from the city's rates and general account since the direct income of R50 million covers only 3.6% of operating expenditure. This direct income is received via subsidised tariffs for the use of facilities which are provided below cost. The directorate also receives a conditional operating grant of R25.6 million for the library service and capital grants of R140 million to finance its capital investment programme.

**Table 63 Community Services Directorate - operating revenue by source, expenditure by type and total capital expenditure**

Directorate: Community Services									
Budgeted Financial Performance (revenue and expenditure)									
Description	2009/10	2010/11	2011/12	2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand									
<b>Operating Revenue By Source</b>									
Property rates	-	-	-	-	-	-	-	-	-
Property rates - penalties & collection charges	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	10	21	36	-	-	-	-	-	-
Service charges - water revenue	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	-	-	-	5	5	5	5	5	5
Service charges - other	13 289	14 267	13 574	16 633	16 633	16 633	17 323	18 293	19 354
Rental of facilities and equipment	18 319	16 698	17 066	20 709	20 709	20 709	27 883	29 277	30 741
Interest earned - external investments	6	3	0	-	-	-	-	-	-
Interest earned - outstanding debtors	38	3	3	-	-	-	-	-	-
Dividends received	-	-	-	-	-	-	-	-	-
Fines	3 772	2 868	2 994	3 129	3 129	3 129	3 173	3 351	3 546
Licences and permits	1 194	1 297	1 423	412	412	412	1 248	1 318	1 394
Agency services	5	-	-	-	-	-	-	-	-
Transfers recognised - operational	23 319	23 988	19 066	24 912	29 255	29 255	25 667	26 650	29 535
Other revenue	848	2 271	503	483	483	483	591	625	661
Gains on disposal of PPE	485	294	2 147	-	-	-	-	-	-
<b>Total Operating Revenue (excluding capital transfers and contributions)</b>	<b>61 284</b>	<b>61 711</b>	<b>56 811</b>	<b>66 283</b>	<b>70 626</b>	<b>70 626</b>	<b>75 889</b>	<b>79 518</b>	<b>85 235</b>
<b>Operating Expenditure By Type</b>									
Employee related costs	573 972	617 172	696 130	784 183	785 746	785 746	831 761	921 984	1 001 342
Remuneration of councillors	(2)	(27)	-	-	-	-	-	-	-
Debt impairment	-	2 577	1 430	-	-	-	-	-	-
Depreciation & asset impairment	61 312	65 508	69 890	72 955	80 492	80 492	87 089	93 185	99 708
Finance charges	-	-	-	-	-	-	-	-	-
Bulk purchases	-	-	-	-	-	-	-	-	-
Other materials	9 125	14 489	15 882	13 773	13 662	13 369	10 857	11 537	12 285
Contracted services	214 586	210 183	204 777	269 976	307 764	307 856	314 002	338 557	367 578
Transfers and grants	-	(9)	-	-	-	-	-	-	-
Other expenditure	181 406	197 130	224 356	159 786	157 783	157 983	148 833	160 337	166 184
Loss on disposal of PPE	136	40	171	-	-	-	-	-	-
<b>Total Operating Expenditure</b>	<b>1 040 535</b>	<b>1 107 063</b>	<b>1 212 637</b>	<b>1 300 674</b>	<b>1 345 447</b>	<b>1 345 447</b>	<b>1 392 541</b>	<b>1 525 599</b>	<b>1 647 097</b>
<b>Operating Surplus/(Deficit)</b>	<b>(979 251)</b>	<b>(1 045 352)</b>	<b>(1 155 826)</b>	<b>(1 234 390)</b>	<b>(1 274 821)</b>	<b>(1 274 821)</b>	<b>(1 316 652)</b>	<b>(1 446 081)</b>	<b>(1 561 862)</b>
Transfers recognised - capital	54 708	55 156	83 857	140 514	118 880	118 880	139 798	123 405	109 000
Contributions recognised - capital	5 151	4 992	7 224	1 273	2 038	2 038	3 000	7 542	-
Contributed assets	-	-	4 869	-	-	-	-	-	-
<b>Operating Surplus/(Deficit) for the year</b>	<b>(919 391)</b>	<b>(985 205)</b>	<b>(1 059 876)</b>	<b>(1 092 603)</b>	<b>(1 153 904)</b>	<b>(1 153 904)</b>	<b>(1 173 853)</b>	<b>(1 315 134)</b>	<b>(1 452 862)</b>
<b>Capital Expenditure</b>	<b>134 622</b>	<b>119 547</b>	<b>162 880</b>	<b>198 523</b>	<b>192 140</b>	<b>186 918</b>	<b>222 027</b>	<b>191 734</b>	<b>154 670</b>

#### **2.11.4 Compliance and Auxiliary Services (Vote 4)**

The Compliance and Auxiliary Services (CAS) Directorate's responsibility is to ensure compliance through sound business practices, good governance and ensuring service delivery in accordance with the City's Strategic Focus Areas via 24 Sub Councils.

The Executive Director: Compliance and Auxiliary Services has line responsibility for Executive Support, Sub Councils, Councillor Support and VIP, Forensics, Internal Audit, IDP, Performance and Participation, Legal Services, Ombudsman and Integrated Risk Management (IRM).

The core functions and objectives of the Directorate: Compliance and Auxiliary Services are:

##### **Executive Support**

The Department is aligned with the ethos of the City Manager's Centre of Excellence and the commitment to good corporate governance. It drives the development and maintenance of governance systems, processes and procedures for the City's decision-making structures.

The Department provides strategic and operational support to the Directorate and plays an interface role with corporate service areas. It also drives the implementation of the City's Language Policy as well as the promotion of multilingualism.

The Department's customers include members of Council and its committees, the Executive Mayor and the Mayoral Committee, the Offices of the Executive Mayor, Speaker and Chief Whip, the City Manager and the Executive Management Team, the Deputy City Manager and the nine departments within the Directorate, and the administration as well as the members of the public.

##### **Sub Councils, Councillor Support and VIP**

Renders strategic, operational and specialist support to the decision-making structures within the City. Establishes institutes and manages the activities of Sub councils and Ward Participatory Mechanisms. Directs and provides oversight for the Councillor Support service including the safety and security of Councillors as provided by the VIP Protection Unit. Provides strategic input into public participation processes. Provides high-level oversight, infrastructure development and assurances to ad-hoc projects. Co-ordinates and assist the Mayor in the progress review of MAYCO members in their respective portfolios.

##### **Forensic Services**

To add value in the fight against fraud, corruption and serious economic crimes through the application of knowledge and experience for the benefit of the ratepayers, staff and the broader community.

##### **Internal Audit**

Providing independent, objective assurance and consulting services designed to add value and improve the City's operations. Assist the City accomplish its objectives by bringing about a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

##### **IDP, Performance and Participation**

Guiding, directing and facilitating the process of developing, implementing, monitoring and reporting on the City's 5 year Integrated Development Plan (IDP), including the Service Delivery and Budget Implementation Plans (SDBIP), Quarterly Reports, Annual Report and the Performance contracts of

S57 appointees. Executes special projects like the City's interface with Higher Learning Institutions as well as facilitating the annual BBBEE Rating of the City.

#### Legal Services

To provide an effective and efficient legal support service to Council in order to enable it to comply with its Constitutional Mandate and within the relevant legislative framework, so as to manage and limit the legal risks of the City of Cape Town.

#### Ombudsman

Improving accountability of the City of Cape Town by promoting fair and reasonable public administration and investigating and resolving residents' complaints about the municipality and facilitating mediation and conciliation between both parties.

#### Integrated Risk Management (IRM)

Embedding a culture of Risk Management in the City to ensure the optimal use of scarce resources.

#### **Directorate Major Activities proposed for the 2013/14 financial year:**

- Oversee and monitor implementation of Ward Allocations within Line Departments
- A major drive towards the implementation of the Organisational Performance Management System in line with the National drive for outcome based performance management
- Embarking on an electronic agenda process which will be piloted in September 2013.



**Table 64 Compliance and Auxillary Services Directorate- operating revenue by source, expenditure by type and total capital expenditure**

Directorate: Compliance and Auxiliary Services									
Budgeted Financial Performance (revenue and expenditure)									
Description	2009/10	2010/11	2011/12	2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand									
<b>Operating Revenue By Source</b>									
Property rates	-	-	-	-	-	-	-	-	-
Property rates - penalties & collection charges	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	-	-	-	-	-	-	-	-	-
Service charges - water revenue	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	-	-	-	-	-	-	-	-	-
Service charges - other	7	4	20	4	4	4	5	5	5
Rental of facilities and equipment	(7)	741	116	-	-	-	-	-	-
Interest earned - external investments	-	-	-	-	-	-	-	-	-
Interest earned - outstanding debtors	-	-	-	-	-	-	-	-	-
Dividends received	-	-	-	-	-	-	-	-	-
Fines	13	(1)	1	-	-	-	-	-	-
Licences and permits	-	-	-	-	-	-	-	-	-
Agency services	-	-	-	-	-	-	-	-	-
Transfers recognised - operational	3 982	-	160	-	3 734	3 734	-	-	-
Other revenue	2 003	4 587	647	2 801	2 801	2 801	2 958	3 124	3 305
Gains on disposal of PPE	104	13	28	-	-	-	-	-	-
<b>Total Operating Revenue (excluding capital transfers and contributions)</b>	<b>6 102</b>	<b>5 344</b>	<b>973</b>	<b>2 806</b>	<b>6 540</b>	<b>6 540</b>	<b>2 963</b>	<b>3 129</b>	<b>3 310</b>
<b>Operating Expenditure By Type</b>									
Employee related costs	152 145	164 332	183 653	230 847	220 096	219 140	258 634	282 402	303 154
Remuneration of councillors	83 525	87 667	96 722	121 203	111 796	111 796	122 502	130 587	139 467
Debt impairment	-	-	-	-	-	-	-	-	-
Depreciation & asset impairment	5 624	5 242	6 650	6 953	6 236	6 236	5 950	6 366	6 812
Finance charges	-	-	-	-	-	-	-	-	-
Bulk purchases	-	-	-	-	-	-	-	-	-
Other materials	125	152	108	340	341	344	371	395	421
Contracted services	7 882	5 440	14 277	5 122	10 849	11 233	9 657	10 220	10 839
Transfers and grants	6 873	5 282	4 186	-	3 118	3 118	281	2 208	2 336
Other expenditure	38 762	31 779	39 436	124 684	98 788	99 166	88 500	99 895	105 690
Loss on disposal of PPE	9	178	21	-	-	-	-	-	-
<b>Total Operating Expenditure</b>	<b>294 945</b>	<b>300 072</b>	<b>345 054</b>	<b>489 149</b>	<b>451 224</b>	<b>451 033</b>	<b>485 895</b>	<b>532 074</b>	<b>568 719</b>
<b>Operating Surplus/(Deficit)</b>	<b>(288 843)</b>	<b>(294 728)</b>	<b>(344 081)</b>	<b>(486 343)</b>	<b>(444 684)</b>	<b>(444 493)</b>	<b>(482 932)</b>	<b>(528 945)</b>	<b>(565 409)</b>
Transfers recognised - capital	1 592	-	856	-	-	-	-	-	-
Contributions recognised - capital	-	-	-	-	-	-	-	-	-
Contributed assets	-	-	-	-	-	-	-	-	-
<b>Operating Surplus/(Deficit) for the year</b>	<b>(287 251)</b>	<b>(294 728)</b>	<b>(343 225)</b>	<b>(486 343)</b>	<b>(444 684)</b>	<b>(444 493)</b>	<b>(482 932)</b>	<b>(528 945)</b>	<b>(565 409)</b>
<b>Capital Expenditure</b>	<b>6 417</b>	<b>8 484</b>	<b>6 459</b>	<b>14 918</b>	<b>8 453</b>	<b>5 531</b>	<b>10 465</b>	<b>36 167</b>	<b>36 481</b>

### 2.11.5 Corporate Services (Vote 5)

The Directorate's strategy is to be a multi-disciplinary strategic partner to all Directorates which provides value-adding policies, strategies, processes, systems, interventions, knowledge and expertise.

The core functions and objectives of this Directorate are as follows:

- **Human Resources:** Develops, drives and implements Human Resources strategies, programmes and intervention across the City in order to ensure the alignment of staff to business needs. The strategies, programmes and interventions are delivered through partnerships with internal and *external stakeholders, with the primary internal stakeholders being Employment Equity and line departments*. Provides a centre of transactional excellence across a range of Human Resources functions, including the Employee Interaction Centre, Payroll and Personnel Administration.
- **Information Systems & Technology:** Deploys its Smart City Strategy to maximize the use of information Technology (IT) within the City and thereby improve services to citizens. As a strategic partner to business it aims to be a catalyst for the transformation of public services and it will enable the City of Cape Town to become a more efficient and affective local authority.
- **Employment Equity:** Provides strategic direction and develop corporate guidelines for the implementation of the City's EE Policy and EE Plan that form the basis of the City's transformation agenda. This includes programmes for Gender equity, Diversity facilitation, Disability Management and application of Affirmative Action Measures corporate wide.
- **Customer Relations:** Provides an effective and efficient customer relations service to the City's customers to address their requirements in terms of access to municipal service delivery, thereby creating a positive image of the City of Cape Town.
- **Specialised Technical Services:** Provides a professional and specialist function, covering the areas of Facilities management, Fleet Management and Radio Services & Infrastructure which is both technical and administrative, so that available resources are effectively used, business demands are met, operating systems are maintained, assets are managed and employees receive the information and resources necessary to effectively perform their core functions and support service delivery to the community.
- **Strategic Development Information & GIS:** At a corporate level, responsible for ensuring that relevant institutional information and knowledge are managed, retained and shared across the organisation, in order to support decision-making regarding service delivery and the future development of Cape Town. The department also provides information and knowledge management related support services to City departments including spatial data management, map production, aerial photography, information analysis and survey and research support.
- **Occupational Health, Safety and Employee Wellness:** Providing an Employee Wellness programme, which acts as a pivotal partner in promoting and ensuring the emotional and psycho-social wellness of all employees and provides for the development and implementation of programmes and interventions that will ensure that the City of Cape Town complies with all legislation in terms of health and safety in the workplace.
- **Corporate Administration and Support Services:** Provide and co-ordinate efficient and professional Corporate Administrative Services to the organisation and generic Support Services to the Directorate: Corporate Services

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

- Facilities Management Structural Rehabilitation
- Metro Area Fibre Optic Network
- WCG Broadband Connectivity
- Replacement of Fleet
- Aerial Photography for Informal Settlements

The following additional Key Programmes and Projects will be undertaken:

- Culture Climate Survey - Staff Engagement Interventions
- Customer/Community Satisfaction Survey
- Development of a Web-based Knowledge Hub
- Call Centre Programme including 20 Additional Free-call Lines in identified areas
- Records Management Programme including the enabling of Electronic Records Management, as well as a city wide project for the safe-keeping of legal records
- Occupational Health and Safety Management programme
- Matrix Workplace Programme
- Improve energy efficiency of IT Equipment
- Enable Mobile Government
- Enable E-Services
- E-HR Programme
- Internal Management Processes Programme (MAP)
- Service Management Programme (C3)
- Completion of TASK project
- Rollout of Skills Audit to T9 and below employees
- Rollout of integrated Talent Management Programmes
- External Skills Development programme (including external bursaries, learnerships, in-service training and apprenticeships)
- On-going expansion of e-HR applications
- Audit of Council buildings and facilities for accessibility
- Conclude the EEA1 disability survey
- Promote 16 days into 365 days campaign of no violence against women
- Diversity Management programme

**Table 65 Corporate Services Directorate- operating revenue by source, expenditure by type and total capital expenditure**

Directorate: Corporate Services									
Budgeted Financial Performance (revenue and expenditure)									
Description	2009/10	2010/11	2011/12	2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand									
<b>Operating Revenue By Source</b>									
Property rates	-	-	-	-	-	-	-	-	-
Property rates - penalties & collection charges	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	-	-	-	-	-	-	-	-	-
Service charges - water revenue	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	-	-	-	-	-	-	-	-	-
Service charges - other	634	368	567	394	394	394	416	439	465
Rental of facilities and equipment	(4 688)	739	745	443	443	443	465	488	513
Interest earned - external investments	-	-	-	-	-	-	-	-	-
Interest earned - outstanding debtors	-	-	-	-	-	-	-	-	-
Dividends received	-	-	-	-	-	-	-	-	-
Fines	-	-	-	-	-	-	-	-	-
Licences and permits	-	-	-	-	-	-	-	-	-
Agency services	-	-	-	-	-	-	-	-	-
Transfers recognised - operational	7 379	1 169	-	-	-	-	-	-	-
Other revenue	24 088	24 478	45 453	24 200	24 200	24 200	25 555	26 986	28 552
Gains on disposal of PPE	3 487	1 675	2 879	1 500	1 500	1 500	1 500	1 584	1 676
<b>Total Operating Revenue (excluding capital transfers and contributions)</b>	<b>30 900</b>	<b>28 430</b>	<b>49 644</b>	<b>26 537</b>	<b>26 537</b>	<b>26 537</b>	<b>27 936</b>	<b>29 498</b>	<b>31 205</b>
<b>Operating Expenditure By Type</b>									
Employee related costs	764 797	877 950	1 046 721	890 526	904 670	903 070	644 222	702 654	763 082
Remuneration of councillors	(4)	-	-	-	-	-	-	-	-
Debt impairment	300	-	-	-	-	-	-	-	-
Depreciation & asset impairment	111 603	137 924	140 218	149 620	160 884	160 884	231 588	247 799	265 145
Finance charges	-	-	-	-	-	-	-	-	-
Bulk purchases	-	-	-	-	-	-	-	-	-
Other materials	1 302	16 414	14 589	86 878	22 484	22 484	24 544	26 597	28 876
Contracted services	218 896	212 732	261 365	199 325	268 194	269 931	285 351	308 696	331 828
Transfers and grants	-	-	-	-	-	-	-	-	-
Other expenditure	266 496	311 629	332 411	360 571	362 089	361 952	389 509	410 347	433 098
Loss on disposal of PPE	1 189	717	205	-	-	-	-	-	-
<b>Total Operating Expenditure</b>	<b>1 364 579</b>	<b>1 557 366</b>	<b>1 795 509</b>	<b>1 686 921</b>	<b>1 718 322</b>	<b>1 718 322</b>	<b>1 575 214</b>	<b>1 696 093</b>	<b>1 822 029</b>
<b>Operating Surplus/(Deficit)</b>	<b>(1 333 679)</b>	<b>(1 528 936)</b>	<b>(1 745 864)</b>	<b>(1 660 384)</b>	<b>(1 691 785)</b>	<b>(1 691 785)</b>	<b>(1 547 277)</b>	<b>(1 666 595)</b>	<b>(1 790 824)</b>
Transfers recognised - capital	11 562	136	8	-	9	9	10 000	10 702	11 332
Contributions recognised - capital	3 407	1 312	-	5 000	1 300	1 300	-	5 000	5 000
Contributed assets	-	-	69 089	-	-	-	-	-	-
<b>Operating Surplus/(Deficit) for the year</b>	<b>(1 318 710)</b>	<b>(1 527 489)</b>	<b>(1 676 768)</b>	<b>(1 655 384)</b>	<b>(1 690 475)</b>	<b>(1 690 475)</b>	<b>(1 537 277)</b>	<b>(1 650 893)</b>	<b>(1 774 492)</b>
<b>Capital Expenditure</b>	<b>200 885</b>	<b>141 936</b>	<b>203 093</b>	<b>250 029</b>	<b>237 997</b>	<b>236 469</b>	<b>258 892</b>	<b>218 263</b>	<b>243 893</b>

### **2.11.6 Deputy City Manager (Vote 6)**

The Deputy City Manager incorporates the following functions: Project Management and Service Delivery Integration, Expanded Public Works Programme, Urban Regeneration and Expenditure Monitoring.

The core objectives of the Directorate: Deputy City Manager can be described as follows:

- To provide transversal management capacity to the City Manager, The Executive Management Team (EMT) and the Social Economic Clusters;
- To provide internal capacity for the incubation and coordination of designated multi-directorate projects;
- To undertake the coordination and integration of multi-directorate programmes;
- Together with relevant Executive Directors to assess, review, and to take action with required, organisational expenditure with a focus on capital spending;
- To support the City Manager and act as City Manager in his absence.

**Table 66 Deputy City Manager Directorate - operating revenue by source, expenditure by type and total capital expenditure**

Directorate: Deputy City Manager									
Budgeted Financial Performance (revenue and expenditure)									
Description	2009/10	2010/11	2011/12	2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand									
<b>Operating Revenue By Source</b>									
Property rates	-	-	-	-	-	-	-	-	-
Property rates - penalties & collection charges	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	-	-	-	-	-	-	-	-	-
Service charges - water revenue	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	-	-	-	-	-	-	-	-	-
Service charges - other	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	-	-	-	-	-	-	-	-	-
Interest earned - external investments	-	-	-	-	-	-	-	-	-
Interest earned - outstanding debtors	-	-	-	-	-	-	-	-	-
Dividends received	-	-	-	-	-	-	-	-	-
Fines	-	-	-	-	-	-	-	-	-
Licences and permits	-	-	-	-	-	-	-	-	-
Agency services	-	-	-	-	-	-	-	-	-
Transfers recognised - operational	4 767	7 406	7 952	28 793	8 588	8 588	6 959	-	-
Other revenue	49	0	6	-	-	-	-	-	-
Gains on disposal of PPE	3	6	2	-	-	-	-	-	-
<b>Total Operating Revenue (excluding capital transfers and contributions)</b>	<b>4 818</b>	<b>7 412</b>	<b>7 960</b>	<b>28 793</b>	<b>8 588</b>	<b>8 588</b>	<b>6 959</b>	<b>-</b>	<b>-</b>
<b>Operating Expenditure By Type</b>									
Employee related costs	17 211	17 954	27 882	42 559	31 632	29 842	41 272	44 980	52 383
Remuneration of councillors	-	-	-	-	-	-	-	-	-
Debt impairment	-	-	-	-	-	-	-	-	-
Depreciation & asset impairment	369	364	406	403	834	834	1 091	1 167	1 249
Finance charges	-	-	-	-	-	-	-	-	-
Bulk purchases	-	-	-	-	-	-	-	-	-
Other materials	298	6	9	73	73	73	77	81	86
Contracted services	169	1 519	16 213	23 215	26 010	26 010	37 269	31 639	33 475
Transfers and grants	-	-	-	-	-	-	-	-	-
Other expenditure	2 725	4 184	4 102	22 184	34 362	32 231	36 153	37 544	39 721
Loss on disposal of PPE	1	10	-	-	-	-	-	-	-
<b>Total Operating Expenditure</b>	<b>20 774</b>	<b>24 036</b>	<b>48 612</b>	<b>88 433</b>	<b>92 911</b>	<b>88 990</b>	<b>115 861</b>	<b>115 410</b>	<b>126 913</b>
<b>Operating Surplus/(Deficit)</b>	<b>(15 957)</b>	<b>(16 625)</b>	<b>(40 651)</b>	<b>(59 641)</b>	<b>(84 324)</b>	<b>(80 402)</b>	<b>(108 903)</b>	<b>(115 410)</b>	<b>(126 913)</b>
Transfers recognised - capital	809	15 442	9 186	25 900	27 131	27 131	26 900	2 000	-
Contributions recognised - capital	-	-	-	-	-	-	-	-	-
Contributed assets	-	-	-	-	-	-	-	-	-
<b>Operating Surplus/(Deficit) for the year</b>	<b>(15 147)</b>	<b>(1 183)</b>	<b>(31 466)</b>	<b>(33 741)</b>	<b>(57 192)</b>	<b>(53 271)</b>	<b>(82 003)</b>	<b>(113 410)</b>	<b>(126 913)</b>
<b>Capital Expenditure</b>	<b>848</b>	<b>15 451</b>	<b>9 531</b>	<b>26 050</b>	<b>27 765</b>	<b>25 904</b>	<b>40 450</b>	<b>6 250</b>	<b>356</b>

### **2.11.7 Economic, Environment & Spatial Planning (Vote 7)**

The overall purpose and service mandate of the Economic, Environment and Spatial Planning Directorate takes cognisance of the developmental duties of municipalities as derived from Section 152 and 153 of the Constitution which requires local government in its planning processes “to give priority to the basic needs of the community, and to promote the social and economic development of the community; and (b) participate in national and provincial development programmes.

The Directorate operates within various institutional frameworks and the core functions of the Directorate are regulated by and controlled (but not limited) by the statutes and legislation.

The directorate is made up of the following departments:

- Economic Development
- Spatial Planning and Urban design
- Planning and Building development Management
- Environment and Resource Management
- Development Facilitation Unit

The Directorate’s Capital Programme for 2013/14 amounts to R58 million and the Operating Budget amounts to R517 million.

The directorate’s Strategic and Operational Service Delivery Objectives are (subject to change):

#### Strategic

- To lead and be dynamic in shaping the City’s short and longer term future growth and development path through the City Development Strategy, and Spatial Development plans in a space that realises the requirements of the South African Constitution, Municipal Systems Act and the Integrated Development Plan in order to ensure improved quality of life.
- To mainstream the City’s Economic Development Strategy and ensure alignment with the plans of both internal, and external economic development agents and partners.
- To develop a Green Economic Policy and Framework to ensure that the City optimises economic growth and job creation.
- To ensure that the City’s unique economic and social asset - its natural environment - is protected, integrated into the urban landscape, and optimised for maximum social and economic benefit.
- To improve both the quality and affordability of life.

#### Operational

- To provide a service to the developers and property owners of Cape Town which is efficient and effective and continues to reduce the turnaround time of the approval processes for both land use management applications and building development on an administrative fair basis.
- To improve the enforcement aspects of the City’s building development and land use regulation functions. To drive coordinated and integrated environmental enforcement across the City.
- To lead the planning law reform processes by implementing and continuously reviewing the new Cape Town Zoning Scheme as well as the drafting of the planning by-law.
- To improve the City’s environmental compliance with relevant environmental legislation by using best practices environmental technologies and processes.

- To formulate a City wide climate change response that addresses issues of climate change mitigation, climate adaptation and resilience, and energy efficiency through the implementation of the Energy and Climate Action Plan (ECAP), Climate Adaptation Plan of Action (CAPA) and the development of a City Climate Change Policy.
- To create an environment conducive to grow business in the informal economy.

**Table 67 Economic, Environment & Spatial Planning Directorate - operating revenue by source, expenditure by type and total capital expenditure**

Directorate: Economic, Environment & Spatial Planning									
Budgeted Financial Performance (revenue and expenditure)									
Description	2009/10	2010/11	2011/12	2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<b>Operating Revenue By Source</b>									
Property rates	-	-	-	-	-	-	-	-	-
Property rates - penalties & collection charges	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	-	-	-	-	-	-	-	-	-
Service charges - water revenue	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	-	1	0	-	-	-	-	-	-
Service charges - other	59 119	67 135	72 265	75 929	79 929	79 929	84 534	89 268	94 446
Rental of facilities and equipment	19	21	23	451	451	451	28	29	31
Interest earned - external investments	7	7	2	-	-	-	-	-	-
Interest earned - outstanding debtors	1 365	176	116	83	83	83	83	88	93
Dividends received	-	-	-	-	-	-	-	-	-
Fines	488	731	1 148	1 193	1 193	1 193	1 269	1 340	1 418
Licences and permits	880	269	1 067	1 122	1 122	1 122	1 092	1 153	1 220
Agency services	(2)	-	-	-	-	-	-	-	-
Transfers recognised - operational	12 906	14 772	4 123	7 768	17 395	17 395	2 345	433	400
Other revenue	485	940	1 374	710	710	710	750	792	838
Gains on disposal of PPE	107	20	85	-	-	-	-	-	-
<b>Total Operating Revenue (excluding capital transfers and contributions)</b>	<b>75 373</b>	<b>84 071</b>	<b>80 205</b>	<b>87 256</b>	<b>100 883</b>	<b>100 883</b>	<b>90 101</b>	<b>93 104</b>	<b>98 445</b>
<b>Operating Expenditure By Type</b>									
Employee related costs	251 822	273 429	295 485	330 566	337 637	332 637	368 219	397 623	431 820
Remuneration of councillors	-	-	-	-	-	-	-	-	-
Debt impairment	-	-	-	-	-	-	-	-	-
Depreciation & asset impairment	16 827	17 805	18 821	20 385	16 652	16 652	19 492	20 856	22 316
Finance charges	-	-	-	-	-	-	-	-	-
Bulk purchases	-	-	-	-	-	-	-	-	-
Other materials	582	2 679	1 152	688	703	703	684	722	764
Contracted services	17 034	23 853	30 346	27 966	67 555	73 655	61 591	51 988	55 066
Transfers and grants	27 167	29 122	39 254	34 673	27 173	26 973	26 655	28 151	34 253
Other expenditure	55 079	48 269	40 755	31 555	35 703	34 803	39 905	30 963	32 778
Loss on disposal of PPE	74	66	9	-	-	-	-	-	-
<b>Total Operating Expenditure</b>	<b>368 586</b>	<b>395 223</b>	<b>425 822</b>	<b>445 834</b>	<b>485 424</b>	<b>485 424</b>	<b>516 546</b>	<b>530 303</b>	<b>576 997</b>
<b>Operating Surplus/(Deficit)</b>	<b>(293 212)</b>	<b>(311 153)</b>	<b>(345 617)</b>	<b>(358 578)</b>	<b>(384 541)</b>	<b>(384 541)</b>	<b>(426 444)</b>	<b>(437 199)</b>	<b>(478 552)</b>
Transfers recognised - capital	6 126	3 160	132	1 000	5 970	5 970	10 560	14 982	19 600
Contributions recognised - capital	-	14	22	-	-	-	-	-	-
Contributed assets	-	-	166	-	-	-	-	-	-
<b>Operating Surplus/(Deficit) for the year</b>	<b>(287 086)</b>	<b>(307 979)</b>	<b>(345 296)</b>	<b>(357 578)</b>	<b>(378 571)</b>	<b>(378 571)</b>	<b>(415 884)</b>	<b>(422 217)</b>	<b>(458 952)</b>
<b>Capital Expenditure</b>	<b>53 453</b>	<b>36 332</b>	<b>36 570</b>	<b>52 457</b>	<b>43 667</b>	<b>43 480</b>	<b>58 459</b>	<b>67 169</b>	<b>62 527</b>



### 2.11.8 Finance (Vote 8)

The Finance Directorate provides sound financial services, which are sustained via corporate governance procedures, enabling the City of Cape Town to provide effective, efficient and affordable services to its citizens, in compliance with the Municipal Finance Management Act, and other related legislation, policies and procedures.

The top management structure consists of the Chief Finance Officer and 10 Directors (Budgets, Expenditure, Housing Finance and Leases, Property Management, Management, Inter-Services Liaison, Revenue, Shareholding Management, Supply Chain Management, Treasury and Valuations).

Provision has been made for capital expenditure for the Finance Directorate, and the majority of funds are for the replacement of furniture, equipment, computers and E-Procurement amounting to R10 940 655 for 2013/14, and R7 171 535 for 2014/15.

The various Departments in the Finance Directorate are responsible, for *inter alia*:

- Maintaining accurate and complete financial records to enhance decision-making, thereby sustaining confidence in these records of the City
- The compilation and implementation of affordable, balanced operating and capital budgets aligned to the Integrated Development Plan of the City
- Managing the City's banking, investments, borrowings, and cash flow in the most effective, economical and efficient manner
- Managing the immovable assets of the City' and ensuring that land is used to the greatest benefit of the City's strategic objectives.
- Billing and collecting monies and funds due to the City
- Monitoring and controlling all expenditure, in order to embed sound financial discipline and ensuring accountability for the use of public funds
- Fair property valuations in order to equitably levy rates on all properties for the provision of non-tariff funded services
- Implementation of sound supply chain management policies and procedures
- The expansion of external funding provisions and allocations for the upgrade and development of informal settlements and housing areas
- Development and reviewing of financial and finance-related policies
- Ensuring compliance to relevant legislation, and the implementation and maintenance of good governance
- Modelling the impact of the Total Municipal Account on residents to ensure a fair distribution of the burden.

**Table 68 Finance Services Directorate - operating revenue by source, expenditure by type and total capital expenditure**

Directorate: Finance									
Budgeted Financial Performance (revenue and expenditure)									
Description	2009/10	2010/11	2011/12	2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<b>Operating Revenue By Source</b>									
Property rates	10	2	6	-	-	-	-	-	-
Property rates - penalties & collection charges	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	-	-	-	-	-	-	-	-	-
Service charges - water revenue	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	3	16	19	-	-	-	-	-	-
Service charges - other	7 640	7 910	85 264	8 430	10 276	10 276	10 852	11 459	12 124
Rental of facilities and equipment	76 475	55 567	83 885	71 514	95 756	95 756	100 544	105 571	110 850
Interest earned - external investments	267 264	270 446	315 210	227 482	227 482	227 482	269 849	276 849	287 164
Interest earned - outstanding debtors	613	1 015	1 288	594	1 895	1 895	391	413	437
Dividends received	-	-	-	-	-	-	-	-	-
Fines	30	(0)	-	0	-	-	-	-	-
Licences and permits	7	3	2	-	-	-	-	-	-
Agency services	101 217	105 317	111 266	105 000	105 000	105 000	111 000	117 216	124 015
Transfers recognised - operational	934	989	3 508	5 129	6 232	6 232	4 629	1 250	1 250
Other revenue	102 373	101 322	149 916	123 303	123 445	123 445	135 941	139 182	147 255
Gains on disposal of PPE	29 633	6 579	28 929	61 000	61 000	61 000	61 000	82 449	100 405
<b>Total Operating Revenue (excluding capital transfers and contributions)</b>	<b>586 197</b>	<b>549 166</b>	<b>779 293</b>	<b>602 451</b>	<b>631 086</b>	<b>631 086</b>	<b>694 205</b>	<b>734 389</b>	<b>783 499</b>
<b>Operating Expenditure By Type</b>									
Employee related costs	397 563	435 404	479 703	550 059	544 462	544 648	596 095	634 261	688 808
Remuneration of councillors	-	-	-	-	-	-	-	-	-
Debt impairment	27 284	9 759	(13 488)	12 026	12 026	12 026	12 373	12 935	13 685
Depreciation & asset impairment	18 707	15 705	15 012	14 172	11 759	11 759	14 275	15 275	16 344
Finance charges	599 797	683 871	646 184	768 508	716 279	716 279	831 894	926 664	1 133 279
Bulk purchases	-	-	-	-	-	-	-	-	-
Other materials	174	572	504	1 583	1 545	1 545	1 474	1 587	1 712
Contracted services	15 916	13 711	18 109	15 595	22 153	23 264	22 209	24 517	26 242
Transfers and grants	6 866	5 401	5 580	5 931	5 931	5 931	6 263	6 614	6 998
Other expenditure	284 197	286 725	314 122	355 852	362 442	361 146	378 111	390 997	414 557
Loss on disposal of PPE	125	177	23	-	-	-	-	-	-
<b>Total Operating Expenditure</b>	<b>1 350 627</b>	<b>1 451 326</b>	<b>1 465 749</b>	<b>1 723 728</b>	<b>1 676 599</b>	<b>1 676 599</b>	<b>1 862 695</b>	<b>2 012 850</b>	<b>2 301 625</b>
<b>Operating Surplus/(Deficit)</b>	<b>(764 430)</b>	<b>(902 160)</b>	<b>(686 456)</b>	<b>(1 121 277)</b>	<b>(1 045 513)</b>	<b>(1 045 513)</b>	<b>(1 168 490)</b>	<b>(1 278 461)</b>	<b>(1 518 126)</b>
Transfers recognised - capital	1 044	2 506	105	-	-	-	-	-	-
Contributions recognised - capital	-	-	-	-	-	-	-	-	-
Contributed assets	-	-	-	-	-	-	-	-	-
<b>Operating Surplus/(Deficit) for the year</b>	<b>(763 387)</b>	<b>(899 654)</b>	<b>(686 351)</b>	<b>(1 121 277)</b>	<b>(1 045 513)</b>	<b>(1 045 513)</b>	<b>(1 168 490)</b>	<b>(1 278 461)</b>	<b>(1 518 126)</b>
<b>Capital Expenditure</b>	<b>16 073</b>	<b>13 889</b>	<b>119 902</b>	<b>48 975</b>	<b>52 205</b>	<b>23 479</b>	<b>11 784</b>	<b>7 172</b>	<b>3 781</b>

### **2.11.9 Human Settlements (Vote 9)**

The 2013/2014 to 2015/2016 Operating and Capital budgets of the Human Settlements Directorate are indicative of the comprehensive array of programmes and projects managed and operated by the City's Human Settlements Directorate whilst noting the key imperative of informal and backyard settlements upgrades and delivery integration to ensure that the City becomes a caring, an opportunity and inclusive city.

These programmes include;

- Upgrade of Informal Settlements via the Urbanisation Framework implementation programme
- Provision of services to Backyarder units in City rental stock
- Hostels Transformation Programme
- Development of Serviced Sites to promote incremental housing development
- Development of New Human Settlements Projects
- Facilitation of Social Housing Developments
- Major upgrade of City owned Rental Units and Hostels
- Development of New City Rental Units
- Management of City Human Settlements Assets (including rental, hostel and selling scheme properties)
- Acquisition of Human Settlements Land
- Funding of Infrastructure in support of future City Human Settlements projects et al

The provision of services within the backyards of the City of Cape Town rental properties forms a key strategic project for the Directorate and was initiated during the 2011/12 financial year in Facreton, now completed, following the launch by the Executive Mayor. The further roll-out of this ground breaking project, which includes the provision of additional refuse collection, electrical, wash and bathroom facilities, will be expanded to other City rental areas across the City. The roll out would be demand driven by the backyarders and areas with infrastructure capacity would be prioritized for the installation of services.

With respect to informal settlements upgrade the City has identified key Informal settlements in situ upgrade projects across the City and is currently updating its informal settlements database.

Further aligned to the City's informal settlements and urbanization linked initiatives, Council (December 2012) approved the first stage of the City's Hostels Transformation Programme in Langa. This programme is aimed at the comprehensive transformation of all of the City's hostels (including those hostels, where applicable, previously owned by the private sector but now abandoned). The first phase of this initiative started during the 2012/13 financial year in Langa and comprises the development of 463 new family flats to replace the current hostel and surrounding informal area linked to the hostels.

Through ensuring that the lower/middle income sector of the market is supported whilst creating a pipeline for people as their economic circumstances improve, the City Human Settlements Directorate is promoting engagements with the private sector via its City of Cape Town/Banks Agreement (for the development of well-located GAP/Affordable Housing); City/Small Developers Programme (for the development, by small developers, of individual GAP/Affordable sites) both of which are further supported by integrated housing projects where the City partners/contracts with the

private sector for the development of integrated communities. In this regard specific reference may be had to the City's Pelican Park and Scottsdene Developments where, in conjunction with the private sector, the City Human Settlements Directorate is currently developing large scale integrated, environmentally and financially sustainable developments comprising lower income housing, gap market housing, up-market housing coupled with commercial and community facility opportunities. Other similar major developments are also in the planning stage.

The development of affordable, well located housing opportunities is a key part of the Directorate strategy and, as a consequence, the Directorate has expanded its programmes associated with the development and funding of Social Housing Projects whilst further expanding its relationships with its housing partners whilst also continually engaging with potential new social housing partners.

A further major City project reflected in the budget (estimated total value R1 200 million) is the Upgrade of Rental Stock project where some 7 775 of the City's 43 821 rental units are undergoing, until 2015, a major upgrade and facelift thereby ensuring both asset value retention as well as enhancing the living environment of the tenants. This project is funded by State housing and related grants. This project, with support from the communities both in terms of the EPWP programme and post-completion house care, aims to change the City rental stock landscape.

The key to future development is the availability and, where required, the acquisition of appropriate land for all formats of housing delivery. In this regard the multi-year budget clearly reflects the City's provision, from various funding sources, for land acquisition whilst noting that the final outcome is a function of the land that becomes available coupled with the funding available for land purchases. The City is also engaging with the Housing Development Agency in this regard with the view to, particularly, accessing well located and serviced State land.

The Urban Settlements Development Grant (City allocation 2013/14 R1 193 497) is a key City human settlements funding source and provides for the State funding of, inter alia, bulk infrastructure, housing development projects (services), land acquisition and community facilities all with the targeted view to upgrading the informal settlements across the City in an affordable manner whilst noting that this intervention cannot only rely on State funding for delivery but requires both private sector and City intervention. The budget further reflects the grant funding received via the Human Settlements Development Grant used for the top structures associated with subsidy (household income <R3500 per month) housing (City allocation 2013/14 R733,484 million). The recent 50% reduction in the HSDG allocation to the City of Cape Town for the outer years is being addressed with the National Department of Human Settlements.

From the revenue management perspective, the City Human Settlements and Finance Directorates have engaged in a number of additional initiatives aimed specifically at recovering, particularly, monthly rental and selling scheme charges. These initiatives include:

- The Door to Door Collections Campaign (This campaign, recently expanded across the City of Cape Town both supports the recovery of housing charges whilst further supporting the Expanded Public Works Programme via the use of community workers for the collection of housing monies)
- SMS communication technology
- Consistent Payers Incentive Scheme
- Enhanced Debt Collections Project (includes systems enhancements and expanded debt collections actions)

Whilst the City is engaged in ensuring collections, the budget clearly reflects the City's awareness of the economic climate negatively impacting our communities and, in this regard, the Housing Indigent Grant has experienced an increase in the volume of applications for the grant.

Overall the City Human Settlements Directorate budgets are reflective of the array of housing initiatives currently underway whilst also ensuring the maximization of all financial opportunities in pursuit of its 5 Year Human Settlements Plan.

**Table 69 Human Settlements Directorate - operating revenue by source, expenditure by type and total capital expenditure**

Directorate: Human Settlements									
Budgeted Financial Performance (revenue and expenditure)									
Description	2009/10	2010/11	2011/12	2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<b>Operating Revenue By Source</b>									
Property rates	-	-	-	-	-	-	-	-	-
Property rates - penalties & collection charges	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	-	-	-	-	-	-	-	-	-
Service charges - water revenue	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	-	-	-	-	-	-	-	-	-
Service charges - other	10 650	10 181	9 869	10 606	10 606	10 606	10 724	11 324	11 981
Rental of facilities and equipment	150 815	162 646	171 784	180 272	180 272	180 272	190 776	199 550	208 709
Interest earned - external investments	26 171	21 150	18 044	16 940	16 940	16 940	14 760	15 587	16 491
Interest earned - outstanding debtors	525	238	113	-	-	-	-	-	-
Dividends received	-	-	-	-	-	-	-	-	-
Fines	-	6	0	-	-	-	-	-	-
Licences and permits	-	4	1	-	-	-	-	-	-
Agency services	-	-	-	-	-	-	-	-	-
Transfers recognised - operational	199 412	162 911	204 858	288 314	391 034	391 034	546 835	534 539	889 173
Other revenue	6 761	7 594	8 918	5 694	5 694	5 694	5 812	6 137	6 493
Gains on disposal of PPE	37 787	6 747	1 555	2 000	2 000	2 000	2 000	2 112	2 234
<b>Total Operating Revenue (excluding capital transfers and contributions)</b>	<b>432 122</b>	<b>371 476</b>	<b>415 140</b>	<b>503 826</b>	<b>606 547</b>	<b>606 547</b>	<b>770 907</b>	<b>769 249</b>	<b>1 135 082</b>
<b>Operating Expenditure By Type</b>									
Employee related costs	161 678	178 108	196 488	263 888	255 248	255 248	280 936	303 955	330 137
Remuneration of councillors	-	-	-	-	-	-	-	-	-
Debt impairment	140 979	84 679	92 163	117 656	117 656	117 656	119 820	126 530	133 868
Depreciation & asset impairment	84 637	40 382	53 218	56 007	63 914	63 914	73 355	78 211	83 434
Finance charges	-	-	-	-	-	-	-	-	-
Bulk purchases	-	-	0	-	-	-	-	-	-
Other materials	365	18 758	15 030	14 882	14 879	14 879	15 669	16 568	17 566
Contracted services	100 343	133 120	124 310	161 465	198 411	198 411	265 277	312 928	365 932
Transfers and grants	-	3 392	-	-	-	-	-	-	-
Other expenditure	191 150	122 258	219 406	223 068	295 433	295 433	369 230	336 504	645 353
Loss on disposal of PPE	489	1 137	630	-	-	-	-	-	-
<b>Total Operating Expenditure</b>	<b>679 642</b>	<b>581 835</b>	<b>701 246</b>	<b>836 965</b>	<b>945 541</b>	<b>945 541</b>	<b>1 124 286</b>	<b>1 174 695</b>	<b>1 576 290</b>
<b>Operating Surplus/(Deficit)</b>	<b>(247 519)</b>	<b>(210 359)</b>	<b>(286 106)</b>	<b>(333 139)</b>	<b>(338 995)</b>	<b>(338 995)</b>	<b>(353 380)</b>	<b>(405 446)</b>	<b>(441 208)</b>
Transfers recognised - capital	187 081	272 886	463 433	504 477	582 388	582 388	516 728	293 782	43 275
Contributions recognised - capital	-	-	-	-	-	-	-	-	-
Contributed assets	-	-	-	-	-	-	-	-	-
<b>Operating Surplus/(Deficit) for the year</b>	<b>(60 438)</b>	<b>62 527</b>	<b>177 327</b>	<b>171 337</b>	<b>243 393</b>	<b>243 393</b>	<b>163 349</b>	<b>(111 664)</b>	<b>(397 933)</b>
<b>Capital Expenditure</b>	<b>228 863</b>	<b>322 994</b>	<b>494 468</b>	<b>589 472</b>	<b>641 852</b>	<b>636 909</b>	<b>626 894</b>	<b>366 956</b>	<b>92 833</b>

### **2.11.10 Safety & Security (Vote 11)**

The Directorate consist of six departments namely, Law Enforcement and Specialised Services, Traffic Services, the Metropolitan Department, Fire and Rescue, Disaster Risk Management as well as the 107 Public Emergency Communication Centre. The Directorate is committed to ensure a safe and secure environment for all its residents, by combating crime and disorder, reduce vehicle speed and accidents on our roads, improve response time to emergency fire calls and reduce disasters risks.

To achieve this, the Directorate has identified core objectives and programmes for 2013/14 and beyond:

- Expand staff and capital resources in the policing departments and emergency services, to ensure improved services to all communities. This will be done by increasing the operating staff compliment through the volunteer/auxiliary member and externally funded initiatives, as well as far as by ensuring that departments are adequately resources to fulfil their operational mandates.
- Enhance information-driven policing and improved functional specialisation. Improved efficiency through information and technology-driven policing will be achieved by implementation of the Directorate's SmartCop system and the introduction of Advanced Patrol Vehicle Technology. Intelligent crime prevention will be achieved by expanding the Neighbourhood safety officer (NSO) programme, Crime prevention through urban design (CPTED) to reduce crime and disorder and Information-led Special Operations.
- Improved efficiency through human resource development will see the Directorate continue its efforts to build relationships with international partners and the expansion of training college capacity.
- Improved safety and security through partnerships. Community capacity to prevent crime and disorder will be achieved by extending the Neighbourhood Watch support programme, successful implementation of the School Resource Officer programme and by maintaining the efficient Civilian Oversight Committee. Strengthening Community Capacity to respond to Emergency situations will be achieved by the introduction of Fire Wardens, Emergency Coordinators and various Disaster Risk Public Awareness programmes.

Significant capital projects to be undertaken over the medium term includes, among others:

- Building Upgrading and improvements,
- Additional and replacement of radios and equipment,
- Installation of CCTV Cameras,
- SmartCop,
- Replacement and additional vehicles, and
- Replacement of Fire fighting equipment.

**Table 70 Safety and Security Directorate - operating revenue by source, expenditure by type and total capital expenditure**

Directorate: Safety & Security									
Budgeted Financial Performance (revenue and expenditure)									
Description	2009/10	2010/11	2011/12	2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand									
<b>Operating Revenue By Source</b>									
Property rates	-	-	-	-	-	-	-	-	-
Property rates - penalties & collection charges	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	1	-	-	-	-	-	-	-	-
Service charges - water revenue	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	(9)	-	-	166	166	166	175	185	196
Service charges - other	15 914	15 464	22 489	9 197	9 197	9 197	9 712	10 256	10 851
Rental of facilities and equipment	152	177	457	184	184	184	193	202	213
Interest earned - external investments	40	27	12	10	10	10	5	6	6
Interest earned - outstanding debtors	1 053	974	975	500	500	500	501	529	559
Dividends received	-	-	-	-	-	-	-	-	-
Fines	150 157	162 754	140 146	156 550	168 450	168 450	178 673	188 589	199 434
Licences and permits	30 837	35 196	37 409	29 758	29 758	29 758	31 425	33 184	35 109
Agency services	9 878	10 671	12 384	10 993	10 993	10 993	10 993	11 609	12 282
Transfers recognised - operational	2 825	3 519	5 624	6 724	14 693	14 693	30 222	3 941	4 197
Other revenue	1 375	1 210	1 399	48	48	48	51	54	57
Gains on disposal of PPE	362	67	127	-	-	-	-	-	-
<b>Total Operating Revenue (excluding capital transfers and contributions)</b>	<b>212 585</b>	<b>230 059</b>	<b>221 022</b>	<b>214 130</b>	<b>233 998</b>	<b>233 998</b>	<b>261 949</b>	<b>248 554</b>	<b>262 903</b>
<b>Operating Expenditure By Type</b>									
Employee related costs	827 269	912 975	1 028 761	1 163 246	1 172 980	1 154 740	1 276 366	1 356 399	1 471 029
Remuneration of councillors	(2)	-	-	-	-	-	-	-	-
Debt impairment	-	-	-	-	-	-	-	-	-
Depreciation & asset impairment	40 015	35 766	35 599	37 128	36 847	36 847	42 736	45 727	48 928
Finance charges	-	-	-	-	-	-	-	-	-
Bulk purchases	-	-	-	-	-	-	-	-	-
Other materials	4 017	2 936	2 542	4 796	4 928	4 682	4 684	5 012	5 375
Contracted services	26 810	17 807	20 580	20 239	23 913	29 011	33 137	35 610	38 347
Transfers and grants	-	-	-	-	-	-	-	-	-
Other expenditure	186 811	144 234	153 770	158 685	160 829	174 217	171 536	178 233	188 771
Loss on disposal of PPE	112	99	44	-	-	-	-	-	-
<b>Total Operating Expenditure</b>	<b>1 085 031</b>	<b>1 113 817</b>	<b>1 241 298</b>	<b>1 384 094</b>	<b>1 399 497</b>	<b>1 399 497</b>	<b>1 528 458</b>	<b>1 620 982</b>	<b>1 752 450</b>
<b>Operating Surplus/(Deficit)</b>	<b>(872 446)</b>	<b>(883 758)</b>	<b>(1 020 276)</b>	<b>(1 169 963)</b>	<b>(1 165 499)</b>	<b>(1 165 499)</b>	<b>(1 266 509)</b>	<b>(1 372 429)</b>	<b>(1 489 547)</b>
Transfers recognised - capital	8 972	580	2 869	-	3 983	3 983	-	-	-
Contributions recognised - capital	2 586	-	-	1 000	1 000	1 000	-	-	-
Contributed assets	-	-	-	-	-	-	-	-	-
<b>Operating Surplus/(Deficit) for the year</b>	<b>(860 888)</b>	<b>(883 178)</b>	<b>(1 017 407)</b>	<b>(1 168 963)</b>	<b>(1 160 516)</b>	<b>(1 160 516)</b>	<b>(1 266 509)</b>	<b>(1 372 429)</b>	<b>(1 489 547)</b>
<b>Capital Expenditure</b>	<b>58 554</b>	<b>27 377</b>	<b>67 079</b>	<b>52 433</b>	<b>58 703</b>	<b>58 701</b>	<b>67 927</b>	<b>57 127</b>	<b>35 127</b>

### **2.11.11 Social and Early Childhood Development (Vote 12)**

It is common cause that many families in South Africa, and specifically in the jurisdiction area of the City of Cape Town, are in crisis and are faced with a number of challenges which impact negatively on their ability to sustain themselves. Factors that continue to negatively influence the social cohesion within families in Cape Town include poverty, unemployment, alcohol and drug abuse, HIV/AIDS, TB, gangsterism, increasing cost of living, materialism and lack of financial means to access socio-economic services (e.g. social welfare, municipal and housing). Needless to say that the extent of the social decay and the subsequent demand for social welfare services in Cape Town outweigh the supply of such services, which makes it imperative that the services that are indeed rendered, conform to acceptable efficiency and value for money standards, produce measurable outputs and have positive impact on social cohesion.

Against the above-mentioned background, the Directorate: Social Development and Early Childhood Development (SDECDs), in accordance with its statutory duty determined in Section 4(2) (j) of the Local Government: Municipal Systems Act, 32 of 2000, contributes with other organs of state and private sector partners incrementally (within the constraints of its financial means) provide social services to those who need it. In giving effect to its mandate, the SDECDs furthermore concluded a Protocol Agreement with the Western Cape Provincial Department of Social Services (SOCDEV), which enables the SDECDs to collaborate on a number of its programmes with the SOCDEV.

Whilst SOCDEV has statutory responsibilities that mainly focus on curative, SDECDs mainly focuses on preventative social services.

The basket of services rendered by the SDECDs includes:

- the development and management of ECD facilities,
- assessment and referral services for street people,
- awareness and prevention initiatives to curb substance abuse,
- accessing employment opportunities through the Expanded Public Works Programme for unemployed,
- providing food through soup kitchens in exceptional circumstances, and
- curbing gender violence through awareness programmes and by offering life and employment skills through training initiatives.

All the afore-mentioned programmes are aimed at strengthening social cohesion by creating awareness and resilience within vulnerable communities in Cape Town.

All the social services provided by the SDECDs are aligned with Strategic Focus Area 3 in the Integrated Development Plan of the City, i.e. the Caring City. The SDECDs' programmes are more specifically aligned to IDP objective 3.1, i.e. to provide access to social services for those who need it.



**Table 71 Social and Early Childhood Development Directorate - operating revenue by source, expenditure by type and total capital expenditure**

Directorate: Social and Early Childhood Development									
Budgeted Financial Performance (revenue and expenditure)									
Description	2009/10	2010/11	2011/12	2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand									
<b>Operating Revenue By Source</b>									
Property rates	-	-	-	-	-	-	-	-	-
Property rates - penalties & collection charges	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	-	-	-	-	-	-	-	-	-
Service charges - water revenue	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	-	-	-	-	-	-	-	-	-
Service charges - other	37	11	8	288	8	8	15	321	340
Rental of facilities and equipment	103	87	86	90	90	90	386	99	104
Interest earned - external investments	3	2	1	-	-	-	-	-	-
Interest earned - outstanding debtors	-	-	-	-	-	-	-	-	-
Dividends received	-	-	-	-	-	-	-	-	-
Fines	73	1	1	2	2	2	-	3	3
Licences and permits	-	1	2	-	-	-	-	-	-
Agency services	-	-	-	-	-	-	-	-	-
Transfers recognised - operational	148	-	-	-	-	-	-	-	-
Other revenue	1	1	1	0	0	0	0	0	0
Gains on disposal of PPE	19	1	11	-	-	-	-	-	-
<b>Total Operating Revenue (excluding capital transfers and contributions)</b>	<b>384</b>	<b>103</b>	<b>109</b>	<b>380</b>	<b>100</b>	<b>100</b>	<b>401</b>	<b>423</b>	<b>447</b>
<b>Operating Expenditure By Type</b>									
Employee related costs	16 905	17 434	21 019	32 346	34 446	34 446	38 681	43 656	47 410
Remuneration of councillors	-	-	-	-	-	-	-	-	-
Debt impairment	-	-	-	-	-	-	-	-	-
Depreciation & asset impairment	1 824	1 622	1 360	1 303	1 740	1 740	2 106	2 253	2 411
Finance charges	-	-	-	-	-	-	-	-	-
Bulk purchases	-	-	-	-	-	-	-	-	-
Other materials	53	53	229	384	484	484	408	434	463
Contracted services	1 935	1 288	12 597	11 616	25 384	25 384	22 086	23 341	24 714
Transfers and grants	-	1 330	2 270	-	-	-	-	-	-
Other expenditure	5 819	5 512	8 527	12 589	17 160	17 160	13 998	14 095	14 959
Loss on disposal of PPE	0	2	3	-	-	-	-	-	-
<b>Total Operating Expenditure</b>	<b>26 536</b>	<b>27 240</b>	<b>46 006</b>	<b>58 238</b>	<b>79 214</b>	<b>79 214</b>	<b>77 280</b>	<b>83 779</b>	<b>89 957</b>
<b>Operating Surplus/(Deficit)</b>	<b>(26 151)</b>	<b>(27 137)</b>	<b>(45 896)</b>	<b>(57 858)</b>	<b>(79 113)</b>	<b>(79 113)</b>	<b>(76 879)</b>	<b>(83 356)</b>	<b>(89 510)</b>
Transfers recognised - capital	-	-	2 069	-	922	922	-	-	-
Contributions recognised - capital	-	-	-	-	-	-	-	-	-
Contributed assets	-	-	-	-	-	-	-	-	-
<b>Operating Surplus/(Deficit) for the year</b>	<b>(26 151)</b>	<b>(27 137)</b>	<b>(43 827)</b>	<b>(57 858)</b>	<b>(78 192)</b>	<b>(78 192)</b>	<b>(76 879)</b>	<b>(83 356)</b>	<b>(89 510)</b>
<b>Capital Expenditure</b>	<b>6 155</b>	<b>6 909</b>	<b>9 389</b>	<b>11 658</b>	<b>9 590</b>	<b>8 258</b>	<b>5 460</b>	<b>15 810</b>	<b>11 010</b>

## **2.11.12 Tourism, Events and Marketing (Vote 13)**

TEaM Cape Town will market and develop its tourism, events, arts and culture and visitor offering through the use of its strategic assets and internal and external partnerships to deliver economic growth, development and an open opportunity city inclusive of all its citizens (residents).

### *Directorate Strategic Objective*

The directorate's primary strategic objective is to stimulate economic growth, development and attract investment through events, tourism, arts and culture and marketing actions by;

- Increasing visitor numbers, additional iconic events, innovative and creative arts and culture activities,
- maximising operational budgets,
- creating and facilitating partnerships and joint ventures,
- planning, decision-making & coordinated action between role-players (spheres of government, state owned enterprises, promotion and marketing agencies, the private sector and communities)
- facilitating and promoting sector transformation

### *Tourism's Strategic Objective:*

To maximise the economic spin-offs and jobs created from the tourism sector by positioning Cape Town as world-class and South Africa's premier tourism destination.

### *Events Strategic Objective:*

To establish Cape Town through improved strategic management, logistical coordination and support as the top events destination locally and regionally, and as one of the premier events destinations globally, with increased numbers of events held annually resulting in benefits to residents, the hospitality industry and the local economy at large

### *Marketing Strategic Objective:*

To promote Cape Town as a premier travel, events, cultural, trade and investment destination in order to drive economic growth, development in the city's key sectors

### *Strategic Assets Strategic Objective:*

To ensure the financial sustainability of key City assets and the utilisation of these assets in promoting Cape Town as a premier events destination

### *Arts & Culture Strategic Objective:*

To market and develop the arts & culture in a manner that celebrates the city's rich diversity to contribute to economic growth, development and an open opportunity city inclusive of all its citizens (residents)

### *Integration and Support Strategic Objective:*

To provide the directorate with the necessary Finance, Human Resource and general administrative support in a manner that drives compliance without hampering service delivery and the fulfilment of the primary tasks of the directorate

*Monitoring, Evaluation, Research and Information Management Strategic objective:*

To provide the directorate with research support, information management, source data and technical support to help improve the quality of data in the sector and to objectively assess the performance of the five primary sectors independently on an agreed basis.

**Table 72 Tourism, Events and Marketing Directorate - operating revenue by source, expenditure by type and total capital expenditure**

Directorate: Tourism, Events and Marketing									
Budgeted Financial Performance (revenue and expenditure)									
Description	2009/10	2010/11	2011/12	2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<b>Operating Revenue By Source</b>									
Property rates	-	-	-	-	-	-	-	-	-
Property rates - penalties & collection charges	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	-	-	-	-	-	-	-	-	-
Service charges - water revenue	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	-	-	-	-	-	-	-	-	-
Service charges - other	3 643	52 617	2 504	5 060	5 060	5 060	4 379	4 624	4 892
Rental of facilities and equipment	1 474	13 259	13 244	4 795	4 795	4 795	15 764	16 552	17 380
Interest earned - external investments	-	0	-	-	-	-	-	-	-
Interest earned - outstanding debtors	200	0	0	-	-	-	0	0	0
Dividends received	-	-	-	-	-	-	-	-	-
Fines	-	1	1	-	-	-	100	106	112
Licences and permits	30	21	15	103	103	103	15	15	16
Agency services	-	4	-	-	-	-	-	-	-
Transfers recognised - operational	61 392	33 785	1 980	4 000	4 000	4 000	61 000	2 000	1 000
Other revenue	340	1 493	1 489	10 147	10 147	10 147	123	130	137
Gains on disposal of PPE	3	4	16	-	-	-	-	-	-
<b>Total Operating Revenue (excluding capital transfers and contributions)</b>	<b>67 082</b>	<b>101 184</b>	<b>19 249</b>	<b>24 104</b>	<b>24 104</b>	<b>24 104</b>	<b>81 380</b>	<b>23 427</b>	<b>23 537</b>
<b>Operating Expenditure By Type</b>									
Employee related costs	43 000	38 509	41 364	68 224	70 272	70 272	88 316	96 604	104 912
Remuneration of councillors	(4)	-	-	-	-	-	-	-	-
Debt impairment	-	-	-	-	-	-	-	-	-
Depreciation & asset impairment	111 411	203 303	176 662	187 864	189 124	189 124	193 555	206 887	221 369
Finance charges	-	-	-	-	-	-	-	-	-
Bulk purchases	-	-	-	-	-	-	-	-	-
Other materials	589	785	584	994	617	329	1 046	1 105	1 170
Contracted services	70 722	103 223	28 615	105 731	72 271	69 934	186 720	132 470	142 247
Transfers and grants	45 940	44 157	47 083	5 557	50 057	56 905	4 202	9 975	8 105
Other expenditure	173 736	39 409	41 671	60 594	67 503	63 279	57 615	56 053	60 074
Loss on disposal of PPE	0	3	1	-	-	-	-	-	-
<b>Total Operating Expenditure</b>	<b>445 394</b>	<b>429 389</b>	<b>335 979</b>	<b>428 964</b>	<b>449 844</b>	<b>449 844</b>	<b>531 454</b>	<b>503 094</b>	<b>537 878</b>
<b>Operating Surplus/(Deficit)</b>	<b>(378 312)</b>	<b>(328 205)</b>	<b>(316 730)</b>	<b>(404 860)</b>	<b>(425 740)</b>	<b>(425 740)</b>	<b>(450 073)</b>	<b>(479 667)</b>	<b>(514 341)</b>
Transfers recognised - capital	512 325	58 323	3 568	3 549	7 617	7 617	6 549	-	-
Contributions recognised - capital	-	-	-	-	-	-	-	-	-
Contributed assets	-	-	-	-	-	-	-	-	-
<b>Operating Surplus/(Deficit) for the year</b>	<b>134 012</b>	<b>(269 883)</b>	<b>(313 162)</b>	<b>(401 310)</b>	<b>(418 123)</b>	<b>(418 123)</b>	<b>(443 524)</b>	<b>(479 667)</b>	<b>(514 341)</b>
<b>Capital Expenditure</b>	<b>784 314</b>	<b>104 266</b>	<b>62 980</b>	<b>77 050</b>	<b>102 455</b>	<b>96 603</b>	<b>28 661</b>	<b>25 250</b>	<b>30 250</b>

### **2.11.13 Transport, Roads and Stormwater (Vote 14)**

The directorate consists of four operating departments, viz. Transport, Roads & Stormwater, Integrated Rapid Transit (IRT) Implementation and IRT Operations as well as a Strategic Support component. With the establishment of the City's transport authority, Transport for Cape Town (TCT), in October 2012, the directorate is in the process of restructuring to ensure that TCT comes into effect and that the functions, both new and existing, of the TR&S Directorate are structured to achieve the outcomes of a sustainable, integrated and intermodal network as well as what happens on this network.

Focus areas of the directorate are:

- Strategic transportation planning, contract performance and network management across the City.
- The rollout of integrated intermodal transportation across the City under the auspices of TCT, including the MyCiti, Public Transport Interchanges, Transport Information Centre, Transport Management Centre and other related facilities and services.
- Strategic planned management of the City's road and storm-water network and upgrading of the network in disadvantaged areas to facilitate the improvement of the quality of life of all communities.
- Compliance with Occupational Health and Safety legislation in the internal and external Transport, Roads and Stormwater environments for both capital and operating projects.
- Conservation of natural resources through the management of inland and coastal water quality.
- Access to opportunities through the reduction of overall costs for those using public transport.

The directorate follows a three pronged approach to achieving its objectives:

- Commuter
  - Integrated timetabling and ticketing system across all scheduled services
  - Centralised communication and queries across all transportation modes
  - Improved road, storm water and railway network management in cooperation with other relevant stakeholders
- Infrastructure
  - Move from reactive to proactive road maintenance across the entire network.
  - Freight management
  - Plan for upgrading of roads in residential services
  - Improvement of the depot management
  - Focus on public transport asset management
- Governance
  - Taxi management
  - Further rollout of City of Cape Town Transport Authority, Transport for Cape Town
  - Business plan for Passenger Rail and rollout of a process plan.
  - Rollout, upon assignment, of the Contracting Authority function.
  - Business plan for the assignment of the municipal regulating entity function to the City.

Key Projects currently being undertaken include:

Consideration of TCT and ensure that all projects and programmes are aligned within the constitution and bylaws of TCT.

- Roll out and operations of IRT infrastructure in Phase 1A, 1B and N2 Express and plans for Phase 2 and beyond.
- Building of Public Transport Interchanges.
- Implementation of the National Land Transport Act.
- Upgrading, rehabilitation and maintenance of major roads and storm water superstructure.
- Upgrading of the road, pavement and storm water network in disadvantaged residential areas to an acceptable and unified standard.
- Implementation of a business improvement process in the Roads & Stormwater department.

**Table 73 Transport, Roads and Stormwater Directorate - operating revenue by source, expenditure by type and total capital expenditure**

Directorate: Transport, Roads and Stormwater									
Budgeted Financial Performance (revenue and expenditure)									
Description	2009/10	2010/11	2011/12	2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<b>Operating Revenue By Source</b>									
Property rates	-	-	-	-	-	-	-	-	-
Property rates - penalties & collection charges	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	-	-	-	-	-	-	-	-	-
Service charges - water revenue	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	-	-	-	-	-	-	-	-	-
Service charges - other	7 074	15 383	37 721	39 697	39 647	39 647	41 788	44 128	46 688
Rental of facilities and equipment	616	172	63	-	10	10	11	11	12
Interest earned - external investments	10	3	1	-	-	-	0	0	0
Interest earned - outstanding debtors	57	5	4	20	20	20	0	0	0
Dividends received	-	-	-	-	-	-	-	-	-
Fines	-	24	23	20	20	20	21	22	24
Licences and permits	68	819	1 513	1 090	1 090	1 090	1 151	1 215	1 286
Agency services	-	-	-	-	-	-	-	-	-
Transfers recognised - operational	33 916	37 504	109 454	536 487	264 872	264 872	306 120	182 688	54 429
Other revenue	15 535	16 667	22 509	15 436	15 476	15 476	15 744	16 626	17 590
Gains on disposal of PPE	505	462	289	-	-	-	-	-	-
<b>Total Operating Revenue (excluding capital transfers and contributions)</b>	<b>57 782</b>	<b>71 040</b>	<b>171 577</b>	<b>592 749</b>	<b>321 135</b>	<b>321 135</b>	<b>364 836</b>	<b>244 691</b>	<b>120 029</b>
<b>Operating Expenditure By Type</b>									
Employee related costs	313 573	343 110	405 702	499 560	485 320	485 320	532 192	577 364	627 017
Remuneration of councillors	(2)	-	-	-	-	-	-	-	-
Debt impairment	-	-	-	-	-	-	-	-	-
Depreciation & asset impairment	105 431	157 425	192 048	193 081	281 539	281 539	401 017	429 088	459 124
Finance charges	-	-	-	-	-	-	-	-	-
Bulk purchases	-	-	-	-	-	-	-	-	-
Other materials	2 675	47 512	49 701	37 802	41 821	41 821	48 466	52 583	57 156
Contracted services	374 878	308 040	451 992	625 271	635 759	631 759	729 597	701 471	632 492
Transfers and grants	-	-	-	-	-	-	-	-	-
Other expenditure	15 420	145 310	159 256	488 120	205 677	209 677	178 418	152 391	133 484
Loss on disposal of PPE	33	16	53	-	-	-	-	-	-
<b>Total Operating Expenditure</b>	<b>812 009</b>	<b>1 001 413</b>	<b>1 258 752</b>	<b>1 843 834</b>	<b>1 650 117</b>	<b>1 650 117</b>	<b>1 889 690</b>	<b>1 912 897</b>	<b>1 909 273</b>
<b>Operating Surplus/(Deficit)</b>	<b>(754 227)</b>	<b>(930 373)</b>	<b>(1 087 175)</b>	<b>(1 251 085)</b>	<b>(1 328 982)</b>	<b>(1 328 982)</b>	<b>(1 524 854)</b>	<b>(1 668 206)</b>	<b>(1 789 244)</b>
Transfers recognised - capital	798 817	544 447	1 078 416	2 099 953	2 365 948	2 365 948	1 289 673	1 499 140	1 652 015
Contributions recognised - capital	-	-	-	878	1 408	1 408	2 150	2 100	-
Contributed assets	-	-	-	-	-	-	-	-	-
<b>Operating Surplus/(Deficit) for the year</b>	<b>44 590</b>	<b>(385 926)</b>	<b>(8 759)</b>	<b>849 745</b>	<b>1 038 374</b>	<b>1 038 374</b>	<b>(233 031)</b>	<b>(166 966)</b>	<b>(137 229)</b>
<b>Capital Expenditure</b>	<b>1 590 531</b>	<b>723 567</b>	<b>1 276 023</b>	<b>2 335 654</b>	<b>2 623 876</b>	<b>2 553 783</b>	<b>1 415 743</b>	<b>1 614 413</b>	<b>1 770 088</b>

## **2.11.14 Utility Services (Vote 15)**

The City is mandated by the Constitution, to provide essential services to the citizens of Cape Town. Utility Services, as the responsible directorate, delivers on the provision of effective and reliable water, sanitation, electricity and solid waste management services through effective management of natural resources and service delivery infrastructure.

The Core purpose of the directorate is:

- To ensure sustainable municipal infrastructure and services (Water, Sanitation, Electricity and Solid Waste) that will enable economic development
- To ensure equitable access to basic services for all the citizens of Cape Town.

### **2.11.14.1.1 Solid Waste Department**

The City's Solid Waste Management (SWM) Department is the service authority and regulator of waste management activities in Cape Town, per the system of delegations and the municipality's executive powers conferred on it in law. Together with the Council's Integrated Waste Management (IWM) Policy, the IWM Plan is the implementation vehicle for integrated waste management services. The Integrated Waste Management (IWM) Plan of the department is there to comply and meet objectives of the National Waste Management Strategy, per the National Waste Act.

The overarching policy objectives are to ensure basic waste management services to all residents, to reduce waste that is landfilled, to conserve resources and the environment, clear and clean waste that is illegally dumped and to reduce the impacts of waste on human and environmental health, and the economy. In the short to medium term these programmes, projects and initiatives are adjusted according to the available budget.

#### *Key Strategic Focus Areas*

##### **1. Asset Management and Infrastructure Development**

- Develop an integrated infrastructure asset management programme
- Realign depots, staff and implement flexible working hours to achieve improved service efficiencies
- Development of mini-MRF's (material recovery facilities) – to meet demand in all areas
- Rehabilitate old landfill sites (on-going permit and MFMA requirements)
- Construct and commission a new Northern region landfill site to provide landfill airspace to replace decommissioned landfills
- Development of Tygerberg Integrated Waste Management facility
- Review of Helderberg Integrated Waste Management facility design

##### **2. Financial**

- Establish a financial waste information system to ring-fence cost and revenue for all services; securing capital and operating budget to meet service requirements;
- Securing alternative funding options, developing Community partnerships; actively create Local economic and SMME development; develop Public-Private Partnerships as alternate service mechanisms.

##### **3. Waste Minimisation, Green Technology & Waste-to-Energy**

- Give effect to Council's adoption of the MSA S.78 (3) recommendations, evaluation of the feasibility of the PPPs (Public Private Partnerships)
  - Register landfill gas projects with the United Nations Framework Convention for Climate Change and implement a landfill gas mitigation project;
  - Sustain the 'The Think Twice' programme in certain suburbs
  - Institute aggressive waste management, minimisation and re-use of demolition/ construction rubble through the establishment of rubble crushing plants – contract already awarded and implemented at three sites, with more being planned
4. Awareness and Education
- Continue with public education and awareness programmes regarding waste management and waste minimisation (part of 'WasteWise' project).
5. Resource Management
- The creation of other internal (internship, learnership, in-service-training) and external training opportunities;

*Capital Budget – Major Drivers for 2013/14 to 2015/16*

- Replacement of Gantry Cranes at Athlone Transfer Stations & Vissershok Landfill Site
- New Disposal Drop-off Facilities at Swartklip Transfer Station, Old Faure Landfill Site
- New Collections Drop-off Facilities at Beacon Vale (alternative to Tygerdal), Prince George (alternative to Ladies Mile) & Epping
- Construction of the New Bellville Transfer Station
- Design & Development of New Cells for Vissershok North Landfill Site
- Purchase of the Land, Design & Development of New Regional Landfill Site
- Purchase of New & Replacement Fleet & Plant
- Shipping Containers for Informal Settlements



**Table 74 Solid Waste Department - operating revenue by source, expenditure by type and total capital expenditure**

Directorate: Utility Services									
Department: Solid Waste Management									
Budgeted Financial Performance (revenue and expenditure)									
Description	2009/10	2010/11	2011/12	2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand									
<b>Operating Revenue By Source</b>									
Property rates	-	-	-	-	-	-	-	-	-
Property rates - penalties & collection charges	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	-	-	-	-	-	-	-	-	-
Service charges - water revenue	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	614 457	754 111	813 268	896 754	905 468	905 468	946 946	1 015 837	1 112 183
Service charges - other	9 965	10 542	195	10 421	416	416	442	467	494
Rental of facilities and equipment	48	2	1 668	9	9	9	-	-	-
Interest earned - external investments	16	10	7	-	-	-	-	-	-
Interest earned - outstanding debtors	18 832	18 779	19 944	20 000	20 000	20 000	20 000	21 120	22 345
Dividends received	-	-	-	-	-	-	-	-	-
Fines	3	24	29	4	14	14	-	-	-
Licences and permits	-	-	-	-	-	-	-	-	-
Agency services	-	-	-	-	-	-	-	-	-
Transfers recognised - operational	143	-	-	-	11 212	11 212	10 721	-	-
Other revenue	930	880	1 786	143	4 708	4 708	5 150	5 439	5 754
Gains on disposal of PPE	738	632	2 804	-	-	-	-	-	-
<b>Total Operating Revenue (excluding capital transfers and contributions)</b>	<b>645 132</b>	<b>784 981</b>	<b>839 701</b>	<b>927 330</b>	<b>941 825</b>	<b>941 825</b>	<b>983 259</b>	<b>1 042 862</b>	<b>1 140 776</b>
<b>Operating Expenditure By Type</b>									
Employee related costs	400 412	450 515	496 877	571 097	563 854	563 854	611 693	669 686	720 763
Remuneration of councillors	(1)	-	-	-	-	-	-	-	-
Debt impairment	9 947	48 619	41 235	38 624	46 624	46 624	51 219	54 087	57 225
Depreciation & asset impairment	87 755	101 548	116 921	113 126	115 779	115 779	132 871	142 172	152 124
Finance charges	-	33 604	35 350	-	33 000	33 000	32 000	33 792	35 752
Bulk purchases	-	-	-	-	-	-	-	-	-
Other materials	23 494	27 949	28 662	42 926	54 556	54 556	50 421	53 770	57 460
Contracted services	429 713	473 291	446 346	485 204	518 621	518 621	525 066	540 441	604 960
Transfers and grants	450	385	-	406	-	-	-	-	-
Other expenditure	128 401	165 920	178 083	273 586	176 668	176 668	200 545	211 780	224 066
Loss on disposal of PPE	382	65	42	-	-	-	-	-	-
<b>Total Operating Expenditure</b>	<b>1 080 554</b>	<b>1 301 896</b>	<b>1 343 516</b>	<b>1 524 969</b>	<b>1 509 101</b>	<b>1 509 101</b>	<b>1 603 815</b>	<b>1 705 729</b>	<b>1 852 350</b>
<b>Operating Surplus/(Deficit)</b>	<b>(435 422)</b>	<b>(516 915)</b>	<b>(503 815)</b>	<b>(597 639)</b>	<b>(567 276)</b>	<b>(567 276)</b>	<b>(620 555)</b>	<b>(662 867)</b>	<b>(711 574)</b>
Transfers recognised - capital	50 000	57 442	47 624	50 000	50 000	50 000	50 000	50 000	58 339
Contributions recognised - capital	-	-	-	-	-	-	-	-	-
Contributed assets	-	-	-	-	-	-	-	-	-
<b>Operating Surplus/(Deficit) for the year</b>	<b>(385 422)</b>	<b>(459 473)</b>	<b>(456 192)</b>	<b>(547 639)</b>	<b>(517 276)</b>	<b>(517 276)</b>	<b>(570 555)</b>	<b>(612 867)</b>	<b>(653 235)</b>
<b>Capital Expenditure</b>	<b>285 406</b>	<b>198 374</b>	<b>229 904</b>	<b>245 506</b>	<b>214 173</b>	<b>211 815</b>	<b>264 938</b>	<b>229 006</b>	<b>237 345</b>

### **2.11.14.1.2 Water & Sanitation Department**

The Water and Sanitation department has adopted the framework for the attributes of effective water and wastewater utility management developed by the American Water Works Association (AWWA) as a balanced scorecard for its business management. The framework covers all aspects of the Water and Sanitation business necessary to position the department to achieving and contributing effectively and efficiently to the achievement of the City vision. The following ten attributes have been adopted:

1. **Product Quality:** looks at the ability of the department to meet the potable water quality standards licence conditions, the Department of Water Affairs general wastewater effluent standards, environmental management requirements and ecological needs.
2. **Customer Satisfaction:** looks at the ability of the department to provide basic services to all residents in the City, eradication of sanitation backlogs, provision of affordable service, meeting Service Charter standards, level of service and standard of service.
3. **Employee and Leadership Development:** the department has a challenge to develop and retain its employees and ensure high levels of motivation among employees.
4. **Operational Optimisation:** this attribute forces the department to review its business processes to ensure timely on-going cost-effective, reliable and sustainable service provision in all its operations.
5. **Financial Viability:** the focus is for the department to improve its collection ratios and ensure that the tariffs, charges or any levies are total cost-recovering in nature.
6. **Infrastructure Stability:** this business attribute requires the department to understand when to create and dispose of an asset, the condition of its assets, lifecycle costs, the associated costs to be incurred in unlocking asset value, to sustain the business.
7. **Operational Resilience:** this business focus area requires the department to ensure adequate risk management for its water and wastewater business.
8. **Community Sustainability:** this focus area ensures infrastructure investment led job creation for communities in the City of Cape Town. This will assist in improving the disposable income of households and enhance their ability to pay for water and sanitation services.
9. **Water Resource Adequacy:** As it is, this business attribute focuses on the ability of the department to ensure security of water supply.
10. **Stakeholder Management:** this attribute requires the department to identify the representatives of various stakeholders and ensure adequate engagement in issues that affect them.

Tariff increases have been set higher than inflation during the last number of years due to the escalated focus on repairs and maintenance of current infrastructure as well as the growth in the capacity requirement in the capital infrastructure programme. Water and Sanitation Services aim to provide an affordable service to poor households.

General strategies:

- Making adequate provision for the poor by maintaining a stepped tariff cross-subsidising the shortfall in the free basic service.
- Further relief to the poor via assistance to indigent customers.
- Investigation and debate into the use of Prepayment meters.
- Escalated focus on the collection of debt by increasing the capacity.
- Escalated focus on revenue protection and metering efficiency.
- Ensuring that adequate cash reserves are maintained to cover legislated funds

The Capital budget reflects high requirement for necessary infrastructure and is driven largely by growth and economic development as well as the refurbishment / extension of current infrastructure which places severe pressure on the City's Capital Budget. To achieve the required Capital Budget, it is necessary to maximise the use of Grant funding and to make optimal use of the Capital Replacement Reserve (CRR) within the financial constraints.

*Capital Budget – Major Drivers for 2013/14 to 2015/16*

- Bulk Water
- Reticulation
- Wastewater Treatment
- EAMS (Engineering Asset Management Systems)
- Informal Settlements
- Meter Replacement
- Information Technology
- Technical Operation Centre
- Master Planning

**Table 75 Water & Sanitation Department - operating revenue by source, expenditure by type and total capital expenditure**

Directorate: Utility Services									
Department: Water & Sanitation									
Budgeted Financial Performance (revenue and expenditure)									
Description	2009/10	2010/11	2011/12	2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<b>Operating Revenue By Source</b>									
Property rates	-	-	-	-	-	-	-	-	-
Property rates - penalties & collection charges	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	-	-	-	-	-	-	-	-	-
Service charges - water revenue	1 483 354	1 649 307	1 817 183	2 106 357	2 106 357	2 106 357	2 343 850	2 591 038	2 874 475
Service charges - sanitation revenue	801 008	903 138	1 002 925	1 127 122	1 127 122	1 127 122	1 243 019	1 374 779	1 526 005
Service charges - refuse revenue	-	-	-	-	-	-	-	-	-
Service charges - other	37 665	37 819	41 291	53 864	52 352	52 352	54 921	57 997	61 360
Rental of facilities and equipment	4	10	10	7	7	7	50	52	55
Interest earned - external investments	27	19	9	-	-	-	-	-	-
Interest earned - outstanding debtors	183 819	185 226	209 068	200 000	200 000	200 000	81 356	222 145	235 038
Dividends received	-	-	-	-	-	-	-	-	-
Fines	-	3	5	-	-	-	-	-	-
Licences and permits	-	-	-	-	-	-	-	-	-
Agency services	-	-	-	-	-	-	-	-	-
Transfers recognised - operational	2 527	2 915	7 360	-	2 305	2 305	-	-	-
Other revenue	27 454	11 551	32 576	10 439	10 439	10 439	12 447	13 144	13 906
Gains on disposal of PPE	3 492	2 081	3 939	2 000	2 000	2 000	2 000	2 112	2 234
<b>Total Operating Revenue (excluding capital transfers and contributions)</b>	<b>2 539 349</b>	<b>2 792 068</b>	<b>3 114 366</b>	<b>3 499 789</b>	<b>3 500 582</b>	<b>3 500 582</b>	<b>3 737 643</b>	<b>4 261 266</b>	<b>4 713 074</b>
<b>Operating Expenditure By Type</b>									
Employee related costs	719 091	772 770	865 593	1 028 306	961 715	959 321	1 130 178	1 222 469	1 327 844
Remuneration of councillors	(1)	-	-	-	-	-	-	-	-
Debt impairment	265 691	510 256	299 351	368 090	368 090	368 090	259 930	414 805	439 699
Depreciation & asset impairment	186 796	229 972	275 069	279 467	307 871	307 871	341 403	365 301	390 872
Finance charges	-	-	-	-	-	-	-	-	-
Bulk purchases	275 643	293 325	320 262	334 673	334 673	334 673	353 581	393 631	449 988
Other materials	18 469	45 775	63 237	66 409	64 427	64 192	69 928	75 058	80 729
Contracted services	552 837	361 322	417 004	460 641	479 441	481 742	527 032	588 152	670 134
Transfers and grants	-	-	-	-	-	-	-	-	-
Other expenditure	171 325	391 983	470 028	471 008	510 931	511 258	534 279	611 717	677 809
Loss on disposal of PPE	239	447	254	-	-	-	-	-	-
<b>Total Operating Expenditure</b>	<b>2 190 089</b>	<b>2 605 850</b>	<b>2 710 798</b>	<b>3 008 594</b>	<b>3 027 147</b>	<b>3 027 147</b>	<b>3 216 330</b>	<b>3 671 134</b>	<b>4 037 075</b>
<b>Operating Surplus/(Deficit)</b>	<b>349 260</b>	<b>186 218</b>	<b>403 568</b>	<b>491 195</b>	<b>473 435</b>	<b>473 435</b>	<b>521 314</b>	<b>590 132</b>	<b>675 999</b>
Transfers recognised - capital	165 882	95 134	192 281	197 200	198 836	198 836	244 290	281 900	254 650
Contributions recognised - capital	9 993	14 594	9 907	15 000	10 000	10 000	10 000	11 000	11 000
Contributed assets	-	-	-	-	-	-	-	-	-
<b>Operating Surplus/(Deficit) for the year</b>	<b>525 135</b>	<b>295 946</b>	<b>605 756</b>	<b>703 395</b>	<b>682 270</b>	<b>682 270</b>	<b>775 604</b>	<b>883 032</b>	<b>941 649</b>
<b>Capital Expenditure</b>	<b>571 056</b>	<b>390 746</b>	<b>605 157</b>	<b>693 040</b>	<b>689 347</b>	<b>665 660</b>	<b>956 230</b>	<b>1 150 131</b>	<b>1 446 793</b>

### **2.11.14.1.3 Electricity Department**

The Department's core business is to provide reliable electricity supply to customers in the City's Electricity Services supply area. To ensure that the quality of electricity supply meets the required regulatory standards, the department monitors its performance in terms of NERSA guidelines as set out in the NRS 048 documents.

The average energy growth experienced in the City's Electricity services for the 6 years July 2000 to June 2006 was 3.3% p.a. Actual growth since 2008/09 was negative and the forecast is based on 0% growth for the years 2012/13 and 2013/14. Similar trends to the energy growth can be seen in the system demand. There was a sharp drop in demand in 2008/09 compared to the historic system demand growth of 2.7 %. Demand growth is more weather dependant than energy growth and has greater fluctuations. The demand growth for the years 2012/13 to 2016/17 is expected to fluctuate.

The Department, in partnership with the Environmental Resource Management Directorate, aims to:

- Establish and implement an Energy Efficiency (EE) programme.
- Promote Eskom's Energy program to the City's electricity consumers.
- Establish and maintain an on-line EE and DSM (Demand Side Management) resource

The current infrastructure within the geographical area of Cape Town needs to be refurbished and maintained to ensure that the condition of the current networks and infrastructure is improved to meet the business and social challenges in electrification in South Africa. Asset management plans need to be consolidated for implementation of programmes in the interim. This plan will feed into and support the operating and capital budgets. Expenses for refurbishment will be funded through internal working capital generation and borrowings.

In 2006 NERSA conducted technical audits of major electricity distributors including Cape Town Electricity in which maintenance was highlighted as a major area of concern. Subsequent to this the department has embarked on a multi-year program to implement enterprise asset management using the SAP platform and conforming to PAS55 standards. Through the systematization, standardization and centralization of functions asset management will form an integral part of day to day activities to create an efficient, predictable operational environment.

As the department is leading the Enterprise Asset Management (EAM) initiative with the other infrastructure driven departments following, partnering with Enterprise Solution Centre (ESC), HR and other Directorates for a successful implementation of EAM is of corporate importance.

Electrification is an on-going process which follows on the creation of homes for the homeless and will therefore continue over the medium to long-term. A backlog in service connections exists in the electrification of informal settlements in some areas and in the electrification of backyard dwellers in formal areas.

The following are key cost drivers to the departments Operating Budget: Bulk Purchases, Salaries and Wages, Repair & Maintenance, Capital Charges and the Contribution to Rates.

The Eskom price increase has a direct impact on the increase of the cost of Bulk Purchases and subsequently a major impact on the levels at which Cape Town Electricity's tariffs are set.

Capital Budget: The severity of the impact on the ability to distribute power is taken into account when capital projects are evaluated and graded on a risk matrix. Investment is required to ensure that quality, adequacy and reliability of supply are achieved and maintained.

*Capital Budget – Major Drivers for 2013/14 to 2015/16*

- Infrastructure: Growth (Strengthening / Expansion)
- Infrastructure: Refurbishment
- Electrification (including Backyarders)
- Facilities, Vehicles, Equipment
- Public Lighting

**Table 76 Electricity Department - operating revenue by source, expenditure by type and total capital expenditure**

Directorate: Utility Services									
Department: Electricity									
Budgeted Financial Performance (revenue and expenditure)									
Description	2009/10	2010/11	2011/12	2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand									
<b>Operating Revenue By Source</b>									
Property rates	-	-	-	-	-	-	-	-	-
Property rates - penalties & collection charges	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	5 413 070	6 578 063	8 061 648	8 971 405	9 094 445	9 094 445	9 668 405	10 627 511	11 611 618
Service charges - water revenue	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	-	-	-	-	-	-	-	-	-
Service charges - other	258 182	243 204	5 833	6 497	6 497	6 497	4 658	4 918	5 204
Rental of facilities and equipment	138	195	580	280	280	280	372	391	410
Interest earned - external investments	10	12	6	8	8	8	3	4	4
Interest earned - outstanding debtors	18 231	14 416	13 128	15 600	15 600	15 600	16 474	17 396	18 405
Dividends received	-	-	-	-	-	-	-	-	-
Fines	-	2	2	-	-	-	-	-	-
Licences and permits	-	-	-	-	-	-	-	-	-
Agency services	-	-	-	-	-	-	-	-	-
Transfers recognised - operational	-	-	-	-	-	-	3 000	-	-
Other revenue	59 691	69 559	53 118	69 980	69 980	69 980	76 420	80 994	85 692
Gains on disposal of PPE	2 248	1 978	1 273	2 500	2 500	2 500	2 500	2 640	2 793
<b>Total Operating Revenue (excluding capital transfers and contributions)</b>	<b>5 751 569</b>	<b>6 907 428</b>	<b>8 135 587</b>	<b>9 066 270</b>	<b>9 189 309</b>	<b>9 189 309</b>	<b>9 771 832</b>	<b>10 733 854</b>	<b>11 724 126</b>
<b>Operating Expenditure By Type</b>									
Employee related costs	567 993	600 254	664 526	760 398	750 308	750 308	816 171	904 799	993 539
Remuneration of councillors	-	-	-	-	-	-	-	-	-
Debt impairment	111 679	79 120	231 764	190 954	190 954	190 954	138 747	152 511	166 633
Depreciation & asset impairment	202 720	251 080	288 055	301 678	315 522	315 522	379 233	405 780	434 184
Finance charges	-	-	-	-	-	-	-	-	-
Bulk purchases	3 393 154	4 326 779	5 385 001	6 106 600	6 174 800	6 174 800	6 545 300	7 151 868	7 762 007
Other materials	4 738	98 443	78 276	122 130	122 212	122 187	126 800	137 592	149 380
Contracted services	327 344	129 622	125 516	149 320	150 700	150 203	143 010	150 920	186 301
Transfers and grants	-	-	-	-	-	-	-	-	-
Other expenditure	56 084	217 634	205 009	213 204	212 370	212 892	276 688	356 359	389 510
Loss on disposal of PPE	282	546	260	-	-	-	-	-	-
<b>Total Operating Expenditure</b>	<b>4 663 995</b>	<b>5 703 479</b>	<b>6 978 407</b>	<b>7 844 284</b>	<b>7 916 866</b>	<b>7 916 866</b>	<b>8 425 950</b>	<b>9 259 830</b>	<b>10 081 554</b>
<b>Operating Surplus/(Deficit)</b>	<b>1 087 574</b>	<b>1 203 949</b>	<b>1 157 180</b>	<b>1 221 985</b>	<b>1 272 444</b>	<b>1 272 444</b>	<b>1 345 882</b>	<b>1 474 024</b>	<b>1 642 572</b>
Transfers recognised - capital	19 763	15 857	94 406	149 305	175 806	175 806	227 059	189 413	258 085
Contributions recognised - capital	22 402	25 790	27 077	32 000	27 865	27 865	33 100	35 500	37 600
Contributed assets	-	-	-	-	-	-	-	-	-
<b>Operating Surplus/(Deficit) for the year</b>	<b>1 129 739</b>	<b>1 245 596</b>	<b>1 278 663</b>	<b>1 403 290</b>	<b>1 476 114</b>	<b>1 476 114</b>	<b>1 606 041</b>	<b>1 698 937</b>	<b>1 938 257</b>
<b>Capital Expenditure</b>	<b>698 785</b>	<b>733 508</b>	<b>926 127</b>	<b>1 302 623</b>	<b>1 286 751</b>	<b>1 259 202</b>	<b>1 457 964</b>	<b>1 173 196</b>	<b>1 340 572</b>

**2.12 Contracts having future budgetary implications**

**Table 77 MBRR SA33 - Contracts having future budgetary implications**

Description	Preceding Years	Current Year 2012/13	2013/14 Medium Term Revenue & Expenditure Framework			Forecast 2016/17	Forecast 2017/18	Forecast 2018/19	Forecast 2019/20	Forecast 2020/21	Forecast 2021/22	Forecast 2022/23	Total Contract Value
	Total	Original Budget	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
<b>Expenditure Obligation By Contract</b>													
<i>AFS (Automated Fuel Systems)</i>	343 846	176 318	186 016	196 247	207 040	218 427	230 441	-	-	-	-	-	1 558 336
<i>CALGROM3 - Scottsdene</i>	-	42 403	13 000	4 000	-	-	-	-	-	-	-	-	59 403
<i>Power Construction - Pelican Park</i>	5 674	11 047	54 775	53 394	7 135	35 750	-	-	-	-	-	-	167 775
<i>ABSA Bank Ltd</i>	-	1 145	4 715	5 288	5 933	6 660	5 438	-	-	-	-	-	29 179
<b>Total Operating Expenditure Implication</b>	<b>349 520</b>	<b>230 913</b>	<b>258 506</b>	<b>258 929</b>	<b>220 108</b>	<b>260 837</b>	<b>235 879</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1 814 692</b>
<b>Capital Expenditure Obligation By Contract</b>													
<i>Lumen Technologies CC</i>	179 399	34 200	9 930	9 974	10 019	10 067	10 119	-	-	-	-	-	263 708
<i>ICT Works (PTY) LTD</i>	125 868	115 000	14 332	15 626	16 773	18 030	4 588	-	-	-	-	-	310 217
<i>Worley Parsons RSA (Pty)Ltd</i>	-	350	11 000	7 650	9 200	1 800	-	-	-	-	-	-	30 000
<i>Veolia Water Solutions &amp; Sanitation</i>	94 474	61 567	8 000	-	-	-	-	-	-	-	-	-	164 041
<i>CALGROM3 - Scottsdene</i>	76 056	156 770	52 202	-	-	-	-	-	-	-	-	-	285 028
<i>Power Construction - Pelican Park</i>	1 659	28 510	15 490	13 043	9 261	5 545	-	-	-	-	-	-	73 507
<i>AECOM (BKS) - CRU</i>	292 998	117 543	113 078	83 457	-	-	-	-	-	-	-	-	607 075
<i>Aurecon - CRU</i>	269 178	202 818	147 241	55 692	-	-	-	-	-	-	-	-	674 929
<b>Total Capital Expenditure Implication</b>	<b>1 039 632</b>	<b>716 758</b>	<b>371 273</b>	<b>185 441</b>	<b>45 253</b>	<b>35 442</b>	<b>14 707</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2 408 506</b>
<b>Total Expenditure Implication</b>	<b>1 389 152</b>	<b>947 671</b>	<b>629 779</b>	<b>444 370</b>	<b>265 361</b>	<b>296 279</b>	<b>250 586</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4 223 197</b>



**Table 78 Projects having future budgetary implications**

Description	Preceding Years	Current Year 2012/13	2013/14 Medium Term Revenue & Expenditure Framework			Forecast 2016/17	Forecast 2017/18	Forecast 2018/19	Forecast 2019/20	Forecast 2020/21	Forecast 2021/22	Forecast 2022/23	Total Value
	Total	Original Budget	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
<i>Cape Town Electricity: HV Switchgear Replacement</i>	18 019	10 814	6 252	5 315	5 100	5 600	5 100	-	-	-	-	-	56 199
<i>Cape Town Electricity: Main Subst MV Switchgear Replacement</i>	25 506	27 947	14 403	-	33 270	5 758	-	-	-	-	-	-	106 884
<i>Cape Town Electricity: New Building Complex Bloemhof</i>	96 581	122 842	34 755	-	-	-	-	-	-	-	-	-	254 178
<i>Cape Town Electricity: Plattekloof - N1 Reinforcement</i>	-	100	4 915	42 593	40 761	-	-	-	-	-	-	-	88 369
<i>Cape Town Electricity: Koeberg Rd Switching Station Phase 2</i>	-	12 162	90 043	37 565	-	-	-	-	-	-	-	-	139 769
<i>Cape Town Electricity: Training School - Brackenfell</i>	11 813	44 901	59 181	-	-	-	-	-	-	-	-	-	115 895
<i>Cape Town Electricity: City Depot CBD - New</i>	-	9 029	64 264	-	-	4 197	-	-	-	-	-	-	77 489
<i>Cape Town Electricity: Athlone- Philipi: OH Line Undergrounding</i>	-	100	59 890	24 336	2 606	-	-	-	-	-	-	-	86 933
<i>Cape Town Electricity: System Equipment Replacement: North</i>	-	-	50 000	-	-	-	-	-	-	-	-	-	50 000
<i>Cape Town Electricity: Facilities Alterations &amp; Upgrading</i>	-	-	150 000	-	-	-	-	-	-	-	-	-	150 000
<i>Cape Town Electricity: Steenbras: Refurbishment of Main Plant</i>	-	-	5 000	15 000	40 000	130 000	-	-	-	-	-	-	190 000
<i>Cape Town Electricity: Bloemhof: Stores Upgrade</i>	-	-	10 000	50 000	-	-	-	-	-	-	-	-	60 000
<i>Cape Town Electricity: Electrification- Backyarders</i>	-	-	50 000	-	-	-	-	-	-	-	-	-	50 000
<i>Cape Town Electricity: Electrification- Formal &amp; Informal</i>	-	-	91 447	-	-	-	-	-	-	-	-	-	91 447
<i>Cape Town Electricity: System Equipment Replacement: North</i>	-	-	-	53 000	-	-	-	-	-	-	-	-	53 000
<i>Cape Town Electricity: Facilities Alterations &amp; Upgrading</i>	-	-	-	50 000	-	-	-	-	-	-	-	-	50 000
<i>Cape Town Electricity: Broad Rd Main Substation Upgrade - Ph. 3</i>	-	-	-	20 465	29 930	-	-	-	-	-	-	-	50 395
<i>Cape Town Electricity: Bofors Main Substation Upgrade</i>	-	-	-	54 295	88 439	1 006	-	-	-	-	-	-	143 740
<i>Cape Town Electricity: Oakdale Switch. Station Upgrade - Ph. 2</i>	-	-	-	10 000	71 631	-	-	-	-	-	-	-	81 631
<i>Cape Town Electricity: Electrification- Backyarders</i>	-	-	-	65 944	-	-	-	-	-	-	-	-	65 944
<i>Cape Town Electricity: Electrification- Formal &amp; Informal</i>	-	-	-	75 000	-	-	-	-	-	-	-	-	75 000
<i>Cape Town Electricity: System Equipment Replacement: East</i>	-	-	-	-	53 000	-	-	-	-	-	-	-	53 000
<i>Cape Town Electricity: System Equipment Replacement: North</i>	-	-	-	-	58 000	-	-	-	-	-	-	-	58 000
<i>Cape Town Electricity: Facilities Alterations &amp; Upgrading</i>	-	-	-	-	100 000	-	-	-	-	-	-	-	100 000
<i>Cape Town Electricity: Atlantis Industrial</i>	-	-	-	-	20 359	64 880	-	-	-	-	-	-	85 239
<i>Cape Town Electricity: Observatory Main Substation Upgrade</i>	-	-	-	-	7 000	88 934	-	-	-	-	-	-	95 934
<i>Cape Town Electricity: Electrification (INEP)</i>	-	-	-	-	50 000	-	-	-	-	-	-	-	50 000
<i>Cape Town Electricity: Electrification- Backyarders</i>	-	-	-	-	110 000	-	-	-	-	-	-	-	110 000
<i>Cape Town Electricity: Electrification- Formal &amp; Informal</i>	-	-	-	-	85 000	-	-	-	-	-	-	-	85 000

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Description	Preceding Years	Current Year 2012/13	2013/14 Medium Term Revenue & Expenditure Framework			Forecast 2016/17	Forecast 2017/18	Forecast 2018/19	Forecast 2019/20	Forecast 2020/21	Forecast 2021/22	Forecast 2022/23	Total Value
	Total	Original Budget	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
<i>Solid Waste Management: Solid Waste Management Infrastructure</i>	-	-	50 000	-	-	-	-	-	-	-	-	-	50 000
<i>Solid Waste Management: Replacement: Plant &amp; Vehicles</i>	-	-	63 600	-	-	-	-	-	-	-	-	-	63 600
<i>Solid Waste Management: New Transfer Station Infrastructure</i>	-	-	105 134	-	-	-	-	-	-	-	-	-	105 134
<i>Solid Waste Management: New Transfer Station Infrastructure</i>	-	-	-	86 664	-	-	-	-	-	-	-	-	86 664
<i>Solid Waste Management: Replacement: Plant &amp; Vehicles</i>	-	-	-	59 000	-	-	-	-	-	-	-	-	59 000
<i>Solid Waste Management: New Transfer Station Infrastructure</i>	-	-	-	50 000	-	-	-	-	-	-	-	-	50 000
<i>Solid Waste Management: Replacement: Plant &amp; Vehicles</i>	-	-	-	-	77 000	-	-	-	-	-	-	-	77 000
<i>Solid Waste Management: New Landfill Site Infrastructure</i>	-	-	-	-	130 000	-	-	-	-	-	-	-	130 000
<i>Water &amp; Sanitation: Kraaifontein Wastewater Treatment Works</i>	47 419	447	-	-	3 000	3 000	-	-	-	-	-	-	53 866
<i>Water &amp; Sanitation: Mitchells Plain Wastewater Treatment Works</i>	3 000	-	50 000	10 000	9 100	-	-	-	-	-	-	-	72 100
<i>Water &amp; Sanitation: Bellville Wastewater Treatment Works</i>	193 144	120 553	14 640	-	-	-	-	-	-	-	-	-	328 336
<i>Water &amp; Sanitation: Northern Area Sewer Thornton</i>	5 018	10 000	90 000	46 000	-	-	-	-	-	-	-	-	151 018
<i>Water &amp; Sanitation: Main Rd Upgrade M/Berg to Clovelly Rehab</i>	62 382	12 588	10 000	12 000	-	-	-	-	-	-	-	-	96 970
<i>Water &amp; Sanitation: Rehab Outfall Sewers Pentz Sandrift m/qu</i>	7 982	1 200	5 000	5 000	12 000	9 000	9 000	9 000	-	-	-	-	58 182
<i>Water &amp; Sanitation: Zandvliet WWTW-Extension</i>	422	-	12 000	69 050	55 000	-	-	-	-	-	-	-	136 472
<i>Water &amp; Sanitation: Regional resources development</i>	10 455	5 557	13 000	28 100	3 000	3 000	3 000	3 000	-	-	-	-	69 112
<i>Water &amp; Sanitation: Philippi Collector Sewer</i>	-	-	900	2 000	12 000	30 000	25 000	25 000	-	-	-	-	94 900
<i>Water &amp; Sanitation: Potsdam WWTW - Extension</i>	8 882	1 720	8 300	65 000	100 300	51 000	40 000	40 000	-	-	-	-	315 203
<i>Water &amp; Sanitation: Bulk Water Augmentation Scheme</i>	1 493	1 700	31 500	69 300	60 000	316 930	404 850	404 850	-	-	-	-	1 290 623
<i>Water &amp; Sanitation: Macassar WWTW-extension</i>	-	-	-	-	5 000	5 000	25 000	25 000	-	-	-	-	60 000
<i>Water &amp; Sanitation: Construction of new Head Office</i>	-	100	11 000	70 900	100 000	21 000	-	-	-	-	-	-	203 000
<i>Water &amp; Sanitation: Northern Regional Sludge Facility</i>	1 000	1 000	-	10 000	75 000	80 000	160 785	159 785	-	-	-	-	487 571
<i>Water &amp; Sanitation: EAM Depot Realignment - 5 Nodal System</i>	2 409	41 449	25 000	-	-	-	-	-	-	-	-	-	68 859
<i>Water &amp; Sanitation: Macassar WWTW Extension (USDG)</i>	-	9 329	11 000	-	-	-	45 650	45 650	-	-	-	-	111 629
<i>Water &amp; Sanitation: Cape Flats WWTW-Refurbish various struct</i>	-	-	5 000	14 000	17 000	-	-	25 000	-	-	-	-	61 000
<i>Water &amp; Sanitation: Mitchells Plain WWTW-Improvements Phase2</i>	-	-	5 500	11 000	18 500	18 500	-	-	-	-	-	-	53 500
<i>Water &amp; Sanitation: Completion of Cape Flats III Bulk Sewer</i>	-	4 371	38 000	80 000	42 725	-	-	-	-	-	-	-	165 096
<i>Water &amp; Sanitation: Athlone WWTW-Capacity Extension-phase 1</i>	-	-	-	-	40 000	20 000	-	20 000	-	-	-	-	80 000
<i>Water &amp; Sanitation: Replace &amp; Upgr Sewer Network (Citywide)</i>	-	-	59 500	-	-	-	-	-	-	-	-	-	59 500
<i>Water &amp; Sanitation: Replace &amp; Upgr Water Network (citywide)</i>	-	-	78 612	-	-	-	-	-	-	-	-	-	78 612

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Description	Preceding Years	Current Year 2012/13	2013/14 Medium Term Revenue & Expenditure Framework			Forecast 2016/17	Forecast 2017/18	Forecast 2018/19	Forecast 2019/20	Forecast 2020/21	Forecast 2021/22	Forecast 2022/23	Total Value
	Total	Original Budget	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
<i>Water &amp; Sanitation: Meter Replacement Program</i>	-	-	75 000	-	-	-	-	-	-	-	-	-	75 000
<i>Water &amp; Sanitation: Replace &amp; Upgr Sewer Network (Citywide)</i>	-	-	-	54 000	-	-	-	-	-	-	-	-	54 000
<i>Water &amp; Sanitation: Development of Additional Infrastructure</i>	-	-	-	55 221	-	-	-	-	-	-	-	-	55 221
<i>Water &amp; Sanitation: Additional Resources Desalination Reclai</i>	-	-	-	20 000	20 000	245 000	245 000	-	-	-	-	-	530 000
<i>Water &amp; Sanitation: Rietvlei P/Station, R/Main Bottelary</i>	-	-	-	700	32 601	13 750	18 750	6 250	-	-	-	-	72 051
<i>Water &amp; Sanitation: Meter Replacement Program</i>	-	-	-	131 000	-	-	-	-	-	-	-	-	131 000
<i>Water &amp; Sanitation: Development of Additional Infrastructure</i>	-	-	-	-	114 812	-	-	-	-	-	-	-	114 812
<i>Water &amp; Sanitation: Meter Replacement Program</i>	-	-	-	-	205 191	-	-	-	-	-	-	-	205 191
<i>Water &amp; Sanitation: Replace &amp; Upgr Sewer Network (Citywide)</i>	-	-	-	-	68 000	-	-	-	-	-	-	-	68 000
<i>Water &amp; Sanitation: Replace &amp; Upgr Water Network (citywide)</i>	-	-	-	-	98 060	-	-	-	-	-	-	-	98 060
<i>Library and Information Services: New Regional Library Kuyasa Khayelitsha</i>	4 754	6 283	38 470	16 489	-	-	-	-	-	-	-	-	65 995
<i>Library and Information Services: Books, Perio. &amp; Subscription</i>	5 442	5 961	6 433	6 424	6 797	7 191	7 608	7 608	-	-	-	-	53 463
<i>Roads and Stormwater: Pelican Park: Strandfontein Road Upgr</i>	106 202	50 240	6 313	52 600	50 000	30 000	-	-	-	-	-	-	295 355
<i>Roads and Stormwater: Main Roads: Northern Corridor</i>	-	6 000	10 500	22 000	12 000	6 000	9 000	9 000	-	-	-	-	74 500
<i>Roads and Stormwater: NMT Network &amp; Universal Access</i>	-	-	60 000	-	-	-	-	-	-	-	-	-	60 000
<i>Roads and Stormwater: Roads &amp; Stormwater Rehabilitation</i>	-	-	109 600	-	-	-	-	-	-	-	-	-	109 600
<i>Roads and Stormwater: NMT Network &amp; Universal Access</i>	-	-	-	75 000	-	-	-	-	-	-	-	-	75 000
<i>Roads and Stormwater: Sir Lowry's Pass River Upgrade</i>	-	-	-	20 000	20 000	10 000	10 000	-	-	-	-	-	60 000
<i>Roads and Stormwater: Bulk Roads &amp; Stormwater Housing Project</i>	-	-	-	50 000	-	-	-	-	-	-	-	-	50 000
<i>Roads and Stormwater: Roads &amp; Stormwater Rehabilitation</i>	-	-	-	107 000	-	-	-	-	-	-	-	-	107 000
<i>Roads and Stormwater: NMT Network &amp; Universal Access</i>	-	-	-	-	85 000	-	-	-	-	-	-	-	85 000
<i>Roads and Stormwater: Roads &amp; Stormwater Rehabilitation</i>	-	-	-	-	65 000	-	-	-	-	-	-	-	65 000
<i>Roads and Stormwater: Bulk Roads &amp; Stormwater Housing Project</i>	-	-	-	-	55 000	-	-	-	-	-	-	-	55 000
<i>Transport: Mitchell's Plain Station TI</i>	60 556	11 048	9 500	-	-	-	-	-	-	-	-	-	81 105
<i>Transport: Public Transport Systems management proj</i>	-	-	85 000	43 000	33 000	-	-	-	-	-	-	-	161 000
<i>Transport: Public Transport Facilities</i>	-	-	-	-	30 000	40 000	-	-	-	-	-	-	70 000
<i>IRT Implementation: Intergrated Bus Rapid Transit System</i>	211 332	13 806	1 237	1 000	-	-	-	-	-	-	-	-	227 376
<i>IRT Implementation: IRT:Depot Infrastructure:Inner City</i>	23 536	71 124	20 101	1 200	-	-	-	-	-	-	-	-	115 961
<i>IRT Implementation: IRT:WestCoastCorridor</i>	520 175	244 779	90 758	20 900	-	-	-	-	-	-	-	-	876 612

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Description	Preceding Years	Current Year 2012/13	2013/14 Medium Term Revenue & Expenditure Framework			Forecast 2016/17	Forecast 2017/18	Forecast 2018/19	Forecast 2019/20	Forecast 2020/21	Forecast 2021/22	Forecast 2022/23	Total Value
	Total	Original Budget	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
<i>IRT Implementation: IRT: Inner City Feeder Stops</i>	91 996	56 842	15 384	-	-	-	-	-	-	-	-	-	164 222
<i>IRT Implementation: IRT: Trunk Stations</i>	79 475	119 376	39 846	10 000	-	-	-	-	-	-	-	-	248 696
<i>IRT Implementation: IRT: Atlantis Depot</i>	13 566	53 425	3 603	-	-	-	-	-	-	-	-	-	70 595
<i>IRT Implementation: IRT: Ph 2A Wetton-Lansdowne Corr</i>	-	6 000	27 069	372 128	630 631	-	-	-	-	-	-	-	1 035 828
<i>IRT Implementation: IRT: Phase 2 Express City to Mitch Plain</i>	-	22 790	78 364	106 237	15 000	-	-	-	-	-	-	-	222 391
<i>IRT Implementation: IRT: Ph 1B Koeberg-Century City</i>	-	77 909	194 769	140 313	25 000	-	-	-	-	-	-	-	437 990
<i>IRT Operations: IRT: Control Centre</i>	135 456	44 101	13 517	22 737	8 000	-	-	-	-	-	-	-	223 810
<i>IRT Operations: IRT: Fare Collection</i>	72 480	196 848	45 616	126 664	155 257	-	-	-	-	-	-	-	596 866
<i>IRT Operations: IRT: Vehicle Acquisitions</i>	-	-	192 866	-	-	-	-	-	-	-	-	-	192 866
<i>IRT Operations: IRT: Acquisition of Rights</i>	-	552 176	80 000	50 000	175 000	-	-	-	-	-	-	-	857 176
<i>IRT Operations: IRT: Vehicle Acquisition</i>	-	-	-	101 554	159 000	-	-	-	-	-	-	-	260 554
<i>Specialised Technical Services: Radio Trunking Infrastructure</i>	52 330	-	1 000	6 000	6 000	1 000	1 000	1 000	-	-	-	-	68 330
<i>Specialised Technical Services: FM Structural Rehabilitation</i>	61 507	38 215	39 482	40 000	65 000	59 500	-	-	-	-	-	-	303 704
<i>Information Systems and Technology: Dark Fibre Broadband Infrastructure</i>	138 408	45 000	72 000	68 000	68 000	68 000	68 000	68 000	-	-	-	-	595 408
<i>Information Systems and Technology: WCG Broadband Connectivity</i>	2 979	27 228	10 000	10 702	11 332	-	-	-	-	-	-	-	62 241
<i>Disaster Risk Management: Integrated Contact Centre</i>	-	-	30 000	26 500	3 000	-	-	-	-	-	-	-	59 500
<i>Public Housing and Customer Services: Manenberg CRU Project (1584 units)</i>	9 493	75 032	100 544	67 848	-	6 089	-	-	-	-	-	-	259 006
<i>Public Housing and Customer Services: Hanover Park CRU Project (1680 units)</i>	82 847	71 891	61 028	24 832	-	38 277	-	-	-	-	-	-	278 874
<i>Public Housing and Customer Services: Heideveld CRU Project (864 units)</i>	35 810	51 410	30 912	8 868	-	26 984	-	-	-	-	-	-	153 985
<i>Public Housing and Customer Services: Marble Flats CRU Project (688 units)</i>	48 520	26 681	31 614	7 662	-	29 578	-	-	-	-	-	-	144 055
<i>Public Housing and Customer Services: Langa Hostels CRU Project (463 units)</i>	-	9 005	87 207	91 170	7 371	1 415	-	-	-	-	-	-	196 168
<i>Public Housing and Customer Services: Brick Skin Walls - Housing Flats</i>	855	9 047	34 825	4 857	-	855	-	-	-	-	-	-	50 439
<i>HS Development &amp; Delivery: Scottsdene New CRU Project - 350 Units</i>	3 600	68 600	8 082	-	-	-	-	-	-	-	-	-	80 282

2.13 Capital expenditure details

Table 79 MBRR Table SA34a - Capital expenditure on new assets by asset class

Description	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<b>Capital expenditure on new assets by Asset Class/Sub-class</b>									
<b>Infrastructure</b>	<b>1 633 263</b>	<b>1 166 506</b>	<b>1 291 933</b>	<b>2 181 919</b>	<b>1 843 608</b>	<b>1 786 327</b>	<b>2 317 836</b>	<b>2 294 084</b>	<b>2 398 088</b>
Infrastructure - Road transport	972 074	508 450	650 661	1 163 863	819 122	779 288	818 410	978 885	944 905
Roads, Pavements & Bridges	942 489	474 610	562 319	1 097 135	743 008	703 190	770 860	945 679	916 279
Storm water	29 585	33 840	88 342	66 729	76 114	76 098	47 550	33 206	28 626
Infrastructure - Electricity	268 053	404 244	341 321	479 671	487 951	482 530	780 590	612 363	620 826
Transmission & Reticulation	235 810	384 209	304 028	428 148	434 453	434 586	726 538	560 088	559 826
Street Lighting	32 243	20 035	37 294	51 523	53 499	47 943	54 052	52 275	61 000
Infrastructure - Water	91 974	58 842	79 633	140 006	162 453	158 204	209 650	266 004	316 172
Dams & Reservoirs	21 030	4 706	11 195	42 260	39 163	38 657	56 250	119 050	111 610
Reticulation	70 944	54 136	68 438	97 747	123 291	119 547	153 400	146 954	204 563
Infrastructure - Sanitation	240 052	103 983	47 159	168 438	112 796	107 335	258 160	240 208	291 684
Reticulation	96 171	49 353	46 159	167 938	111 796	106 335	258 160	205 908	146 684
Sewerage purification	143 881	54 630	1 000	500	1 000	1 000	-	34 300	145 000
Infrastructure - Other	61 111	90 987	173 158	229 941	261 285	258 970	251 026	196 624	224 500
Waste Management	16 832	32 212	-	-	-	-	193 664	162 194	152 500
Transportation	39 263	57 926	168 073	224 101	259 195	256 895	52 471	34 430	72 000
Other	5 016	849	5 085	5 840	2 090	2 075	4 890	-	-
<b>Community</b>	<b>810 874</b>	<b>148 781</b>	<b>106 850</b>	<b>224 026</b>	<b>247 463</b>	<b>208 561</b>	<b>102 010</b>	<b>129 661</b>	<b>92 050</b>
Parks & gardens	779	4 264	574	-	-	-	2 112	-	-
Sportsfields & stadia	763 568	105 530	76 891	96 114	116 108	111 000	7 879	10 500	13 000
Swimming pools	-	-	-	2 000	2 000	2 000	435	-	-
Community halls	5 430	5 342	6 271	9 334	7 675	7 235	7 458	15 771	11 250
Libraries	9 294	11 379	4 653	27 505	8 892	4 140	48 431	28 489	13 000
Recreational facilities	7 721	7 091	-	-	515	515	-	2 000	-
Fire, safety & emergency	2 057	3 139	179	-	-	-	-	-	-
Clinics	14 925	6 249	13 067	12 856	12 029	12 029	6 000	6 700	12 200
Museums & Art Galleries	-	-	375	76	176	176	-	-	-
Cemeteries	6 620	4 924	4 195	1 000	415	415	-	7 542	2 500
Social rental housing	479	863	640	46 382	68 663	68 663	19 482	16 400	6 800
Other	-	-	6	28 759	30 992	2 390	10 213	42 260	33 300
<b>Heritage assets</b>	<b>602</b>	<b>761</b>	<b>10 842</b>	<b>7 220</b>	<b>7 659</b>	<b>7 657</b>	<b>9 598</b>	<b>9 924</b>	<b>6 797</b>
Other	602	761	10 842	7 220	7 659	7 657	9 598	9 924	6 797
<b>Other assets</b>	<b>619 817</b>	<b>235 630</b>	<b>627 149</b>	<b>1 279 199</b>	<b>1 262 793</b>	<b>1 238 509</b>	<b>747 204</b>	<b>687 420</b>	<b>854 468</b>
General vehicles	182 526	13 939	128 438	527 093	593 119	568 406	285 016	191 804	376 600
Specialised vehicles	2 110	-	-	-	-	-	-	-	-
Plant & equipment	118 765	96 360	260 578	364 019	347 046	350 346	176 215	275 042	291 470
Computers - hardware/equipment	41 010	26 147	33 821	35 783	31 981	32 030	60 436	67 518	28 592
Furniture and other office equipment	37 390	24 893	56 889	24 218	31 256	32 222	26 112	28 906	32 656
Markets	-	-	-	-	-	-	-	-	-
Civic Land and Buildings	49 364	26 544	64 131	155 204	131 309	130 159	71 548	70 900	100 000
Other Buildings	72 595	8 116	47 473	144 115	109 677	107 244	104 540	30 100	5 000
Other Land	69 099	31 550	35 311	28 125	17 461	17 461	20 150	20 150	20 150
Other	46 959	8 081	509	643	943	641	3 187	3 000	-
<b>Total Capital Expenditure on new assets</b>	<b>3 064 556</b>	<b>1 551 678</b>	<b>2 036 774</b>	<b>3 692 364</b>	<b>3 361 524</b>	<b>3 241 055</b>	<b>3 176 648</b>	<b>3 121 089</b>	<b>3 351 402</b>
<b>Specialised vehicles</b>	<b>2 110</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Refuse	2 110	-	-	-	-	-	-	-	-

**Table 80 MBRR Table SA34b - Capital expenditure on the renewal of existing assets by asset class**

Description R thousand	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<b>Capital expenditure on renewal of existing assets by Asset Class/Sub-class</b>									
<b>Infrastructure</b>	<b>1 180 210</b>	<b>743 747</b>	<b>1 165 138</b>	<b>1 253 836</b>	<b>1 298 823</b>	<b>1 276 523</b>	<b>1 137 508</b>	<b>1 319 862</b>	<b>1 549 723</b>
Infrastructure - Road transport	448 535	175 653	218 798	318 282	340 712	338 844	253 722	286 857	235 750
<i>Roads, Pavements &amp; Bridges</i>	424 032	173 164	213 766	312 282	325 149	323 820	218 642	281 307	211 750
<i>Storm water</i>	24 504	2 489	5 032	6 000	15 563	15 024	35 080	5 550	24 000
Infrastructure - Electricity	253 925	222 302	423 720	426 925	449 902	444 437	343 578	437 833	567 471
<i>Generation</i>	-	-	-	-	-	-	164	-	-
<i>Transmission &amp; Reticulation</i>	253 905	222 302	423 585	426 925	449 827	444 367	343 414	437 833	567 471
<i>Street Lighting</i>	20	-	135	-	75	70	-	-	-
Infrastructure - Water	81 505	80 896	99 671	93 411	119 939	125 876	199 112	237 388	366 252
<i>Dams &amp; Reservoirs</i>	4 592	16 189	4 191	10 150	15 150	15 150	-	20 000	10 000
<i>Water purification</i>	2 547	94	-	-	-	-	-	-	5 000
<i>Reticulation</i>	74 366	64 612	95 480	83 261	104 789	110 726	199 112	217 388	351 252
Infrastructure - Sanitation	157 208	118 354	314 290	274 402	279 475	260 628	247 590	307 370	344 550
<i>Reticulation</i>	65 553	51 478	92 098	107 768	113 861	95 090	84 150	71 000	102 950
<i>Sewerage purification</i>	91 654	66 876	222 193	166 634	165 614	165 537	163 440	236 370	241 600
Infrastructure - Other	239 037	146 542	108 660	140 816	108 796	106 738	93 507	50 413	35 700
<i>Waste Management</i>	191 711	132 352	93 620	133 332	102 000	99 950	2 000	-	-
<i>Transportation</i>	45 802	6 238	9 205	6 664	5 874	5 871	88 909	48 000	33 000
<i>Other</i>	1 524	7 953	5 835	820	922	917	2 598	2 413	2 700
<b>Community</b>	<b>174 800</b>	<b>288 797</b>	<b>478 711</b>	<b>481 745</b>	<b>521 527</b>	<b>513 095</b>	<b>571 615</b>	<b>383 650</b>	<b>163 237</b>
Parks & gardens	23 239	21 639	34 675	39 435	52 932	52 842	56 467	24 809	50 101
Sportsfields & stadia	49 761	23 251	44 522	31 363	31 412	35 390	46 084	58 731	65 731
Swimming pools	2 518	4 375	1 072	1 300	1 356	456	-	-	-
Community halls	4 653	4 614	7 426	35 824	35 350	30 138	29 039	-	-
Libraries	1 452	-	-	-	50	41	-	10 000	-
Recreational facilities	1 704	3 912	8 224	6 881	5 459	3 698	7 164	-	10 000
Fire, safety & emergency	4 676	4 609	7 629	2 682	5 097	5 097	4 316	1 264	1 264
Clinics	8 603	3 443	6 306	13 135	16 381	16 382	13 950	6 700	9 000
Museums & Art Galleries	-	34	-	-	92	65	220	-	-
Cemeteries	10 563	8 533	14 991	8 828	10 439	10 439	13 870	29 050	4 000
Social rental housing	58 640	203 350	344 469	331 866	354 041	348 840	398 155	250 795	17 371
Other	8 991	11 037	9 397	10 431	8 918	9 709	2 350	2 300	5 770
<b>Heritage assets</b>	<b>-</b>	<b>-</b>	<b>342</b>	<b>1 355</b>	<b>746</b>	<b>746</b>	<b>1 930</b>	<b>1 230</b>	<b>2 230</b>
Buildings	-	-	-	1 355	746	746	1 500	1 230	-
Other	-	-	342	-	-	-	430	-	2 230
<b>Other assets</b>	<b>243 362</b>	<b>273 539</b>	<b>552 279</b>	<b>497 311</b>	<b>1 039 190</b>	<b>1 014 629</b>	<b>562 892</b>	<b>351 641</b>	<b>425 442</b>
General vehicles	91 171	91 625	68 805	34 788	621 964	621 964	90 673	36 991	38 066
Specialised vehicles	-	-	130 953	100 900	100 900	101 250	63 600	59 000	77 000
Plant & equipment	48 146	43 804	71 250	15 527	18 631	16 413	21 729	24 668	21 248
Computers - hardware/equipment	48 034	36 664	18 906	63 100	71 724	71 989	123 007	87 155	65 239
Furniture and other office equipment	13 923	4 818	7 612	9 456	12 498	12 465	5 613	6 853	4 417
Markets	-	-	220	8 080	1 030	1 030	1 240	-	-
Civic Land and Buildings	11 017	38 288	62 238	109 194	84 432	78 895	64 357	53 300	77 300
Other Buildings	12 734	49 830	168 594	154 266	126 810	110 524	188 022	74 524	125 172
Other Land	-	-	-	-	-	-	-	-	-
Other	18 336	8 509	23 702	2 000	1 200	100	4 650	9 150	17 000
<b>Total Capital Expenditure on renewal of existing assets</b>	<b>1 598 371</b>	<b>1 306 083</b>	<b>2 196 471</b>	<b>2 234 246</b>	<b>2 860 285</b>	<b>2 804 993</b>	<b>2 273 944</b>	<b>2 056 382</b>	<b>2 140 632</b>
<b>Specialised vehicles</b>	<b>-</b>	<b>-</b>	<b>130 953</b>	<b>100 900</b>	<b>100 900</b>	<b>101 250</b>	<b>63 600</b>	<b>59 000</b>	<b>77 000</b>
Refuse	-	-	130 953	100 900	100 900	101 250	63 600	59 000	77 000
<b>Renewal of Existing Assets as % of total capex</b>	<b>34.3%</b>	<b>45.7%</b>	<b>51.9%</b>	<b>37.7%</b>	<b>46.0%</b>	<b>46.4%</b>	<b>41.7%</b>	<b>39.7%</b>	<b>39.0%</b>
<b>Renewal of Existing Assets as % of depreciation</b>	<b>153.2%</b>	<b>102.7%</b>	<b>156.9%</b>	<b>154.7%</b>	<b>179.0%</b>	<b>175.5%</b>	<b>117.5%</b>	<b>99.3%</b>	<b>96.7%</b>

**Table 81 MBRR Table SA34c - Repairs and maintenance expenditure by asset class**

Description	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<b>R thousand</b>									
<b>Repairs and maintenance expenditure by Asset Class/Sub-class</b>									
<b>Infrastructure</b>	<b>567 976</b>	<b>607 340</b>	<b>580 901</b>	<b>850 094</b>	<b>934 376</b>	<b>934 376</b>	<b>1 155 442</b>	<b>1 254 747</b>	<b>1 364 914</b>
Infrastructure - Road transport	237 338	265 917	303 238	354 785	356 474	356 474	618 603	671 509	730 602
Roads, Pavements & Bridges	237 338	265 915	303 234	354 785	356 474	356 474	618 603	671 509	730 602
Storm water	0	2	4	-	-	-	-	-	-
Infrastructure - Electricity	260 839	269 194	202 472	336 492	336 575	336 575	335 843	364 959	396 822
Generation	6 232	9 579	11 910	14 596	14 596	14 596	15 554	16 984	18 378
Transmission & Reticulation	197 031	194 212	173 733	303 885	303 968	303 968	294 872	320 356	348 412
Street Lighting	57 576	65 403	16 829	18 011	18 011	18 011	25 417	27 619	30 032
Infrastructure - Water	20 127	22 544	23 998	63 893	65 382	65 382	65 993	71 667	77 975
Dams & Reservoirs	19 728	22 456	23 932	50 791	52 279	52 279	51 808	56 263	61 215
Water purification	-	-	-	-	-	-	-	-	-
Reticulation	399	87	65	13 103	13 103	13 103	14 185	15 404	16 760
Infrastructure - Sanitation	29 565	27 556	39 518	57 083	64 148	64 148	69 926	75 939	82 623
Reticulation	1	93	1	-	-	-	-	-	-
Sewerage purification	29 564	27 463	39 517	57 083	64 148	64 148	69 926	75 939	82 623
Infrastructure - Other	20 107	22 128	11 675	37 841	111 797	111 797	65 077	70 673	76 892
Waste Management	-	-	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-	-	-
Gas	-	-	-	-	-	-	-	-	-
Other	20 107	22 128	11 675	37 841	111 797	111 797	65 077	70 673	76 892
<b>Community</b>	<b>57 990</b>	<b>64 418</b>	<b>59 347</b>	<b>62 627</b>	<b>63 523</b>	<b>63 523</b>	<b>68 657</b>	<b>74 464</b>	<b>81 018</b>
Parks & gardens	9 127	8 599	8 201	5 550	5 754	5 754	7 121	7 679	8 356
Sportsfields & stadia	1 201	1 224	1 553	-	-	-	-	-	-
Swimming pools	3 052	3 474	3 751	10	6	6	23	25	27
Community halls	8 500	8 177	7 072	2 400	2 450	2 450	2 437	2 647	2 880
Libraries	222	92	172	541	540	540	433	470	512
Recreational facilities	33 060	38 673	31 752	43 267	43 352	43 352	46 928	50 921	55 403
Fire, safety & emergency	139	161	239	123	323	323	669	727	791
Security and policing	-	-	-	-	-	-	-	-	-
Buses	-	-	-	-	-	-	-	-	-
Clinics	862	821	1 309	2 289	2 207	2 207	1 482	1 609	1 751
Museums & Art Galleries	18	3	25	428	428	428	395	429	467
Cemeteries	679	2 039	4 288	1 390	1 386	1 386	1 440	1 564	1 702
Social rental housing	-	-	-	-	-	-	-	-	-
Other	1 129	1 155	985	6 629	7 077	7 077	7 728	8 392	9 131
<b>Heritage assets</b>	<b>6 361</b>	<b>7 104</b>	<b>7 236</b>	<b>9 983</b>	<b>9 983</b>	<b>9 983</b>	<b>12 608</b>	<b>13 692</b>	<b>14 897</b>
Buildings	-	-	-	-	-	-	-	-	-
Other	6 361	7 104	7 236	9 983	9 983	9 983	12 608	13 692	14 897
<b>Investment properties</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Housing development	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>Other assets</b>	<b>945 392</b>	<b>1 030 420</b>	<b>1 235 574</b>	<b>1 668 433</b>	<b>1 614 217</b>	<b>1 618 130</b>	<b>1 693 578</b>	<b>1 850 551</b>	<b>2 002 196</b>
General vehicles	67 872	104 864	127 688	122 693	118 430	118 430	128 159	139 180	154 429
Specialised vehicles	-	-	-	-	-	-	-	-	-
Plant & equipment	8 603	10 279	10 366	13 463	13 152	13 152	18 701	20 203	21 981
Computers - hardware/equipment	123 209	119 134	151 363	275 655	277 817	277 817	272 785	299 078	322 316
Furniture and other office equipment	458 640	494 737	617 792	895 807	839 401	843 603	889 022	975 359	1 050 128
Abattoirs	-	-	-	-	-	-	-	-	-
Markets	-	-	-	-	-	-	-	-	-
Civic Land and Buildings	55 882	61 351	64 519	69 562	68 492	68 492	69 441	75 000	81 599
Other Buildings	1 123	1 235	1 964	2 096	2 090	2 090	1 803	1 958	2 130
Other Land	80 322	81 421	91 486	93 457	95 793	95 793	107 346	115 686	125 864
Surplus Assets - (Investment or Inventory)	-	-	-	-	-	-	-	-	-
Other	149 740	157 398	170 395	195 699	199 041	199 141	206 320	224 087	243 749
<b>Total Repairs and Maintenance Expenditure</b>	<b>1 577 720</b>	<b>1 709 282</b>	<b>1 883 057</b>	<b>2 591 137</b>	<b>2 622 099</b>	<b>2 626 012</b>	<b>2 930 285</b>	<b>3 193 454</b>	<b>3 463 025</b>
<b>Specialised vehicles</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Refuse	-	-	-	-	-	-	-	-	-
Fire	-	-	-	-	-	-	-	-	-
Conservancy	-	-	-	-	-	-	-	-	-
Ambulances	-	-	-	-	-	-	-	-	-
<b>R&amp;M as a % of PPE</b>	<b>7.9%</b>	<b>7.9%</b>	<b>7.7%</b>	<b>9.0%</b>	<b>9.0%</b>	<b>9.1%</b>	<b>9.1%</b>	<b>9.1%</b>	<b>9.1%</b>
<b>R&amp;M as % Operating Expenditure</b>	<b>9.6%</b>	<b>9.2%</b>	<b>8.9%</b>	<b>10.6%</b>	<b>10.7%</b>	<b>10.7%</b>	<b>11.2%</b>	<b>11.3%</b>	<b>11.2%</b>

**Table 82 MBRR Table SA35 - Future financial implication of the capital budget**

Vote Description	2013/14 Medium Term Revenue & Expenditure Framework			Forecasts			
	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16	Forecast 2016/17	Forecast 2017/18	Forecast 2018/19	Present value
<b>Capital expenditure</b>							
Vote 1 - City Health	23 716	17 466	25 466	-	-	-	-
Vote 2 - City Manager	842	1 222	702	-	-	-	-
Vote 3 - Community Services	222 027	191 734	154 670	-	-	-	-
Vote 4 - Compliance and Auxiliary Services	10 465	36 167	36 481	-	-	-	-
Vote 5 - Corporate Services	258 892	218 263	243 893	-	-	-	-
Vote 6 - Deputy City Manager	40 450	6 250	356	-	-	-	-
Vote 7 - Economic, Environment & Spatial Planning	58 459	67 169	62 527	-	-	-	-
Vote 8 - Finance	11 784	7 172	3 781	-	-	-	-
Vote 9 - Human Settlements	626 894	366 956	92 833	-	-	-	-
Vote 10 - Rates & Other	-	-	-	-	-	-	-
Vote 11 - Safety & Security	67 927	57 127	35 127	-	-	-	-
Vote 12 - Social and Early Childhood Development	5 460	15 810	11 010	-	-	-	-
Vote 13 - Tourism, Events and Marketing	28 661	25 250	30 250	-	-	-	-
Vote 14 - Transport, Roads and Stormwater	1 415 743	1 614 413	1 770 088	-	-	-	-
Vote 15 - Utility Services	2 679 272	2 552 472	3 024 849	-	-	-	-
<b>Total Capital Expenditure</b>	<b>5 450 592</b>	<b>5 177 472</b>	<b>5 492 034</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Future operational costs by vote</b>							
Vote 1 - City Health	17 767	19 832	21 771	14 144	15 444	16 439	-
Vote 2 - City Manager	1 400	1 744	1 885	537	587	636	-
Vote 3 - Community Services	128 182	142 121	154 401	60 072	64 686	63 236	-
Vote 4 - Compliance and Auxiliary Services	7 501	8 161	8 811	2 220	2 439	2 603	-
Vote 5 - Corporate Services	303 008	326 692	350 716	92 249	98 927	85 452	-
Vote 6 - Deputy City Manager	1 878	2 193	2 703	1 107	1 210	1 312	-
Vote 7 - Economic, Environment & Spatial Planning	50 075	56 077	61 408	41 783	45 653	49 523	-
Vote 8 - Finance	18 122	19 683	21 254	5 411	5 912	6 413	-
Vote 9 - Human Settlements	83 832	98 080	100 535	19 265	17 495	17 467	-
Vote 10 - Rates & Other	-	-	-	-	-	-	-
Vote 11 - Safety & Security	66 997	73 392	79 978	33 983	36 122	38 612	-
Vote 12 - Social and Early Childhood Development	3 766	4 042	4 653	2 445	2 698	2 827	-
Vote 13 - Tourism, Events and Marketing	274 719	299 900	324 957	114 163	124 737	135 312	-
Vote 14 - Transport, Roads and Stormwater	535 384	594 531	647 106	213 043	219 276	224 023	-
Vote 15 - Utility Services	1 457 640	1 614 829	1 759 309	861 082	924 998	1 004 082	-
<b>Total future operational costs</b>	<b>2 950 271</b>	<b>3 261 277</b>	<b>3 539 487</b>	<b>1 461 503</b>	<b>1 560 185</b>	<b>1 647 938</b>	<b>-</b>
<b>Net Financial Implications</b>	<b>8 400 864</b>	<b>8 438 748</b>	<b>9 031 521</b>	<b>1 461 503</b>	<b>1 560 185</b>	<b>1 647 938</b>	<b>-</b>

The above forecast figures exclude depreciation.



**Table 83 MBRR Table SA36 - Detailed capital budget per municipal vote**

Municipal Vote/Capital project R thousand	Program/Project description	Project number	IDP Goal code	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	Total Project Estimate	Prior year outcomes		2013/14 Medium Term Revenue & Expenditure Framework			Project information	
								Audited Outcome 2011/12	Current Year 2012/13 Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16	Ward location	New or renewal
City Manager	Various			yes	Various	Various				842	1 222	702		
Deputy City Manager	Various			yes	Various	Various				40 450	6 250	356		
Compliance and Auxiliary Services	Various			yes	Various	Various				10 465	36 167	36 481		
Utility Services	Cape Town Electricity: HV Switchgear Replacement	C08.84007	1.2	yes	Infrastructure - Electricity	Transmission & Reticulation	56 199	5 476	10 814	6 252	5 315	5 100	Multi	Renewal
Utility Services	Cape Town Electricity: Main Subst MV Switchgear Replacement	C08.84043	1.2	yes	Infrastructure - Electricity	Transmission & Reticulation	106 884	11 268	33 295	14 403	-	33 270	Multi	Renewal
Utility Services	Cape Town Electricity: Koeberg Rd Switching Station Phase 2	C10.84050	1.2	yes	Infrastructure - Electricity	Transmission & Reticulation	136 431	-	10 454	90 043	37 565	-	55	New
Utility Services	Cape Town Electricity: Training School - Brackenfell	C12.84075	1.2	yes	Other assets	Other Buildings	115 895	11 813	44 901	59 181	-	-	6	New
Utility Services	Cape Town Electricity: City Depot CBD - New	C13.84076	1.2	yes	Infrastructure - Electricity	Transmission & Reticulation	77 489	-	9 029	64 264	-	-	77	New
Utility Services	Cape Town Electricity: Athlone- Philippi: OH Line Undergrounding	C13.84081	1.2	yes	Infrastructure - Electricity	Transmission & Reticulation	86 933	-	100	59 890	24 336	2 606	Multi	Renewal
Utility Services	Cape Town Electricity: System Equipment Replacement North	C14.84005	1.2	yes	Infrastructure - Electricity	Transmission & Reticulation	50 000	-	-	50 000	-	-	Multi	Renewal
Utility Services	Cape Town Electricity: Facilities Alterations & Upgrading	C14.84055	1.2	yes	Other assets	Other Buildings	150 000	-	-	150 000	-	-	Multi	Renewal
Utility Services	Cape Town Electricity: Steenbras: Refurbishment of Main Plant	C14.84071	1.2	yes	Infrastructure - Electricity	Transmission & Reticulation	190 000	-	-	5 000	15 000	40 000	100	Renewal
Utility Services	Cape Town Electricity: Bloemhof: Stores Upgrade	C14.84076	1.2	yes	Infrastructure - Electricity	Transmission & Reticulation	60 000	-	-	10 000	50 000	-	77	New
Utility Services	Cape Town Electricity: Electrification- Backyarders	C14.84389	3.4	yes	Infrastructure - Electricity	Transmission & Reticulation	50 000	-	-	50 000	-	-	Multi	New
Utility Services	Cape Town Electricity: Electrification- Formal & Informal	C14.84390	1.2	yes	Infrastructure - Electricity	Transmission & Reticulation	91 447	-	-	91 447	-	-	Multi	New
Utility Services	Cape Town Electricity: System Equipment Replacement North	C15.84005	1.2	yes	Infrastructure - Electricity	Transmission & Reticulation	53 000	-	-	-	53 000	-	Multi	Renewal
Utility Services	Cape Town Electricity: Facilities Alterations & Upgrading	C15.84055	1.2	yes	Other assets	Other Buildings	50 000	-	-	-	50 000	-	Multi	Renewal
Utility Services	Cape Town Electricity: Broad Rd Main Substation Upgrade - Ph. 3	C15.84071	1.2	yes	Infrastructure - Electricity	Transmission & Reticulation	50 395	-	-	-	20 465	29 930	103	Renewal
Utility Services	Cape Town Electricity: Bofors Main Substation Upgrade	C15.84079	1.2	yes	Infrastructure - Electricity	Transmission & Reticulation	143 740	-	-	-	54 295	88 439	30	Renewal
Utility Services	Cape Town Electricity: Oakdale Switch. Station Upgrade - Ph. 2	C15.84081	1.2	yes	Infrastructure - Electricity	Transmission & Reticulation	81 631	-	-	-	10 000	71 631	3	Renewal
Utility Services	Cape Town Electricity: Electrification- Backyarders	C15.84389	3.4	yes	Infrastructure - Electricity	Transmission & Reticulation	65 944	-	-	-	65 944	-	Multi	New
Utility Services	Cape Town Electricity: Electrification- Formal & Informal	C15.84390	1.2	yes	Infrastructure - Electricity	Transmission & Reticulation	75 000	-	-	-	75 000	-	Multi	New
Utility Services	Cape Town Electricity: System Equipment Replacement East	C16.84004	1.2	yes	Infrastructure - Electricity	Transmission & Reticulation	53 000	-	-	-	-	53 000	Multi	Renewal
Utility Services	Cape Town Electricity: System Equipment Replacement North	C16.84005	1.2	yes	Infrastructure - Electricity	Transmission & Reticulation	58 000	-	-	-	-	58 000	Multi	Renewal
Utility Services	Cape Town Electricity: Facilities Alterations & Upgrading	C16.84055	1.2	yes	Other assets	Other Buildings	100 000	-	-	-	-	100 000	Multi	Renewal

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Municipal Vote/Capital project	Program/Project description	Project number	IDP Goal code	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	Total Project Estimate	Prior year outcomes		2013/14 Medium Term Revenue & Expenditure Framework			Project information	
								Audited Outcome 2011/12	Current Year 2012/13 Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16	Ward location	New or renewal
Utility Services	Cape Town Electricity: Atlantis Industrial	C16.84070	1.2	yes	Infrastructure - Electricity	Transmission & Reticulation	85 239	-	-	-	-	20 359	32	New
Utility Services	Cape Town Electricity: Observatory Main Substation Upgrade	C16.84073	1.2	yes	Infrastructure - Electricity	Transmission & Reticulation	95 934	-	-	-	-	7 000	Multi	Renewal
Utility Services	Cape Town Electricity: Electrification (INEP)	C16.84384	1.2	yes	Infrastructure - Electricity	Transmission & Reticulation	50 000	-	-	-	-	50 000	Multi	New
Utility Services	Cape Town Electricity: Electrification- Backyarders	C16.84389	3.4	yes	Infrastructure - Electricity	Transmission & Reticulation	110 000	-	-	-	-	110 000	Multi	New
Utility Services	Cape Town Electricity: Electrification- Formal & Informal	C16.84390	1.2	yes	Infrastructure - Electricity	Transmission & Reticulation	85 000	-	-	-	-	85 000	Multi	New
Utility Services	Solid Waste Management: Solid Waste Management Infrastructure	C14.85001	1.2	yes	Infrastructure Other	Waste Management	50 000	-	-	50 000	-	-	Multi	New
Utility Services	Solid Waste Management: Replacement: Plant & Vehicles	C14.85004	1.2	yes	Other assets	Specialised vehicles	63 600	-	-	63 600	-	-	Corp Inf	Renewal
Utility Services	Solid Waste Management: New Transfer Station Infrastructure	C14.85012	1.2	yes	Infrastructure Other	Waste Management	105 134	-	-	105 134	-	-	Multi	New
Utility Services	Solid Waste Management: New Transfer Station Infrastructure	C15.85000	1.2	yes	Infrastructure Other	Waste Management	86 664	-	-	-	86 664	-	Multi	New
Utility Services	Solid Waste Management: Replacement: Plant & Vehicles	C15.85004	1.2	yes	Other assets	Specialised vehicles	59 000	-	-	-	59 000	-	Corp Inf	Renewal
Utility Services	Solid Waste Management: New Transfer Station Infrastructure	C15.85009	1.2	yes	Infrastructure Other	Waste Management	50 000	-	-	-	50 000	-	Multi	New
Utility Services	Solid Waste Management: Replacement: Plant & Vehicles	C16.85007	1.2	yes	Other assets	Specialised vehicles	77 000	-	-	-	-	77 000	Multi	Renewal
Utility Services	Solid Waste Management: New Landfill Site Infrastructure	C16.85014	1.2	yes	Infrastructure Other	Waste Management	130 000	-	-	-	-	130 000	Multi	New
Utility Services	Water & Sanitation: Kraaifontein Wastewater Treatment Works	C06.30147	1.2	yes	Infrastructure - Sanitation	Sewerage purification	53 866	32 156	447	-	-	3 000	103	Renewal
Utility Services	Water & Sanitation: Mitchells Plain Wastewater Treatment Works	C06.30148	1.2	yes	Infrastructure - Sanitation	Sewerage purification	72 100	-	-	50 000	10 000	9 100	43	Renewal
Utility Services	Water & Sanitation: Bellville Wastewater Treatment Works	C06.30170	1.2	yes	Infrastructure - Sanitation	Sewerage purification	328 336	104 863	115 808	14 640	-	-	9	Renewal
Utility Services	Water & Sanitation: Northern Area Sewer Thornton	C07.00407	1.2	yes	Infrastructure - Sanitation	Reticulation	151 018	1 051	10 000	90 000	46 000	-	53	New
Utility Services	Water & Sanitation: Main Rd Upgrade M/Berg to Clovelly Rehab	C08.86038	1.2	yes	Infrastructure - Water	Reticulation	96 970	21 179	12 588	10 000	12 000	-	64	Renewal
Utility Services	Water & Sanitation: Rehab Outfall Sewers Pentz Sandrift m/qu	C09.86015	1.2	yes	Infrastructure - Sanitation	Reticulation	58 182	480	1 200	5 000	5 000	12 000	4	Renewal
Utility Services	Water & Sanitation: Zandvliet WWTW-Extension	C10.86033	1.2	yes	Infrastructure - Sanitation	Sewerage purification	136 472	422	-	12 000	69 050	55 000	109	Renewal
Utility Services	Water & Sanitation: Regional resources development	C10.86130	1.2	yes	Other assets	Other Buildings	69 112	6 432	5 622	13 000	28 100	3 000	12	New
Utility Services	Water & Sanitation: Philippi Collector Sewer	C11.86060	1.2	yes	Infrastructure - Sanitation	Reticulation	94 900	-	-	900	2 000	12 000	43	New
Utility Services	Water & Sanitation: Potsdam WWTW - Extension	C11.86063	1.2	yes	Infrastructure - Sanitation	Sewerage purification	315 203	6 614	1 644	8 300	65 000	100 300	4	Renewal
Utility Services	Water & Sanitation: Bulk Water Augmentation Scheme	C11.86077	1.2	yes	Infrastructure - Water	Dams & Reservoirs	1 290 623	932	500	31 500	69 300	60 000	Multi	New

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Municipal Vote/Capital project	Program/Project description	Project number	IDP Goal code	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	Total Project Estimate	Prior year outcomes		2013/14 Medium Term Revenue & Expenditure Framework			Project information	
								Audited Outcome 2011/12	Current Year 2012/13 Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16	Ward location	New or renewal
Utility Services	Water & Sanitation: Macassar WWTW-extension	C12.86059	1.2	yes	Infrastructure - Sanitation	Sewerage purification	60 000	-	-	-	-	5 000	109	Renewal
Utility Services	Water & Sanitation: Construction of new Head Office	C12.86074	1.2	yes	Other assets	Civic Land and Buildings	203 000	-	100	11 000	70 900	100 000	Multi	New
Utility Services	Water & Sanitation: Northern Regional Sludge Facility	C12.86075	1.2	yes	Infrastructure - Sanitation	Sewerage purification	487 571	1 000	1 000	-	10 000	75 000	Multi	New
Utility Services	Water & Sanitation: EAM Depot Realignment - 5 Nodal System	C12.86079	1.2	yes	Other assets	Other Buildings	68 859	2 409	41 449	25 000	-	-	Multi	New
Utility Services	Water & Sanitation: Macassar WWTW Extension (USDG)	C12.86096	1.2	yes	Infrastructure - Sanitation	Sewerage purification	111 629	-	9 329	11 000	-	-	109	Renewal
Utility Services	Water & Sanitation: Cape Flats WWTW-Refurbish various struct	C13.86005	1.2	yes	Infrastructure - Sanitation	Sewerage purification	61 000	-	-	5 000	14 000	17 000	67	Renewal
Utility Services	Water & Sanitation: Mitchells Plain WWTW-Improvements Phase2	C13.86010	1.2	yes	Infrastructure - Sanitation	Sewerage purification	53 500	-	-	5 500	11 000	18 500	43	Renewal
Utility Services	Water & Sanitation: Completion of Cape Flats III Bulk Sewer	C13.86053	1.2	yes	Infrastructure - Sanitation	Reticulation	165 096	-	1 871	38 000	80 000	42 725	49	New
Utility Services	Water & Sanitation: Athlone WWTW-Capacity Extension-phase 1	C13.86081	1.2	yes	Infrastructure - Sanitation	Sewerage purification	80 000	-	-	-	-	40 000	49	New
Utility Services	Water & Sanitation: Replace & Upgr Sewer Network (City wide)	C14.86024	1.2	yes	Infrastructure - Sanitation	Reticulation	59 500	-	-	59 500	-	-	Multi	Renewal
Utility Services	Water & Sanitation: Replace & Upgr Water Network (city wide)	C14.86025	1.2	yes	Infrastructure - Water	Reticulation	78 612	-	-	78 612	-	-	Multi	Renewal
Utility Services	Water & Sanitation: Meter Replacement Program	C14.86070	1.2	yes	Infrastructure - Water	Reticulation	75 000	-	-	75 000	-	-	Multi	Renewal
Utility Services	Water & Sanitation: Replace & Upgr Sewer Network (City wide)	C15.86024	1.2	yes	Infrastructure - Sanitation	Reticulation	54 000	-	-	-	54 000	-	Multi	Renewal
Utility Services	Water & Sanitation: Development of Additional Infrastructure	C15.86036	1.2	yes	Infrastructure - Water	Reticulation	55 221	-	-	-	55 221	-	Multi	New
Utility Services	Water & Sanitation: Additional Resources Desalination Reclai	C15.86043	1.2	yes	Infrastructure - Water	Dams & Reservoirs	530 000	-	-	-	20 000	20 000	Multi	New
Utility Services	Water & Sanitation: Rietvlei P/Station, R/Main Bottelary	C15.86045	1.2	yes	Infrastructure - Sanitation	Reticulation	72 051	-	-	-	700	32 601	8	New
Utility Services	Water & Sanitation: Meter Replacement Program	C15.86056	1.2	yes	Infrastructure - Water	Reticulation	131 000	-	-	-	131 000	-	Multi	Renewal
Utility Services	Water & Sanitation: Development of Additional Infrastructure	C16.86009	1.2	yes	Infrastructure - Water	Reticulation	114 812	-	-	-	-	114 812	Multi	New
Utility Services	Water & Sanitation: Meter Replacement Program	C16.86030	1.2	yes	Infrastructure - Water	Reticulation	205 191	-	-	-	-	205 191	Multi	Renewal
Utility Services	Water & Sanitation: Replace & Upgr Sewer Network (City wide)	C16.86038	1.2	yes	Infrastructure - Sanitation	Reticulation	68 000	-	-	-	-	68 000	Multi	Renewal
Utility Services	Water & Sanitation: Replace & Upgr Water Network (city wide)	C16.86039	1.2	yes	Infrastructure - Water	Reticulation	98 060	-	-	-	-	98 060	Multi	Renewal
Utility Services	Various			yes	Various	Various				1 226 437	1 100 026	931 463		
Community Services	Library and Information Services: New Regional Library Kuyasa Khayelitsha	C10.96010	4.2	yes	Community	Libraries	56 775	4 270	2 500	38 470	16 489	-	97	New

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Municipal Vote/Capital project	Program/Project description	Project number	IDP Goal code	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	Total Project Estimate	Prior year outcomes		2013/14 Medium Term Revenue & Expenditure Framework			Project information	
								Audited Outcome 2011/12	Current Year 2012/13 Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16	Ward location	New or renewal
R thousand														
Community Services	Library and Information Services: Books, Perio. & Subscription	C12.96029	4.2	yes	Heritage Assets	Other	53 463	5 442	5 961	6 433	6 424	6 797	Multi	New
Community Services	Various			yes	Various	Various				177 124	168 821	147 874		
Transport, Roads and Stormwater	Roads and Stormwater: Pelican Park: Strandfontein Road Upgr	C08.10325	1.2	yes	Infrastructure - Road transport	Roads, Pavements & Bridges	295 355	18 829	50 240	6 313	52 600	50 000	66	Renewal
Transport, Roads and Stormwater	Roads and Stormwater: Main Roads: Northern Corridor	C13.10313	1.2	yes	Infrastructure - Road transport	Roads, Pavements & Bridges	74 500	-	5 905	10 500	22 000	12 000	Multi	Renewal
Transport, Roads and Stormwater	Roads and Stormwater: NMT Network & Universal Access	C13.10318	1.2	yes	Infrastructure - Road transport	Roads, Pavements & Bridges	60 000	-	-	60 000	-	-	Multi	New
Transport, Roads and Stormwater	Roads and Stormwater: Roads & Stormwater Rehabilitation	C14.10316	1.2	yes	Infrastructure - Road transport	Various	109 600	-	-	109 600	-	-	Multi	Renewal
Transport, Roads and Stormwater	Roads and Stormwater: NMT Network & Universal Access	C14.10318	1.2	yes	Infrastructure - Road transport	Roads, Pavements & Bridges	75 000	-	-	-	75 000	-	Multi	New
Transport, Roads and Stormwater	Roads and Stormwater: Sir Lowry's Pass River Upgrade	C14.10323	1.2	yes	Various	Various	60 000	-	-	-	20 000	20 000	100	Renewal
Transport, Roads and Stormwater	Roads and Stormwater: Bulk Roads & Stormwater Housing Project	C15.10306	3.2	yes	Infrastructure - Road transport	Various	50 000	-	-	-	50 000	-	Multi	New
Transport, Roads and Stormwater	Roads and Stormwater: Roads & Stormwater Rehabilitation	C15.10307	1.2	yes	Infrastructure - Road transport	Roads, Pavements & Bridges	107 000	-	-	-	107 000	-	Multi	Renewal
Transport, Roads and Stormwater	Roads and Stormwater: NMT Network & Universal Access	C16.10307	1.2	yes	Infrastructure - Road transport	Roads, Pavements & Bridges	85 000	-	-	-	-	85 000	Multi	New
Transport, Roads and Stormwater	Roads and Stormwater: Roads & Stormwater Rehabilitation	C16.10315	1.2	yes	Infrastructure - Road transport	Various	65 000	-	-	-	-	65 000	Multi	Renewal
Transport, Roads and Stormwater	Roads and Stormwater: Bulk Roads & Stormwater Housing Project	C16.10316	3.2	yes	Infrastructure - Road transport	Various	55 000	-	-	-	-	55 000	Multi	New
Transport, Roads and Stormwater	Transport: Mitchell's Plain Station TI	C07.01059	1.4	yes	Infrastructure Other	Transportation	81 105	19 244	11 048	9 500	-	-	79	Renewal
Transport, Roads and Stormwater	Transport: Public Transport Systems management proj	C14.01601	1.4	yes	Infrastructure Other	Transportation	161 000	-	-	85 000	43 000	33 000	Multi	Renewal
Transport, Roads and Stormwater	Transport: Public Transport Facilities	C16.00010	1.4	yes	Infrastructure Other	Transportation	70 000	-	-	-	-	30 000	Corp Inf	New
Transport, Roads and Stormwater	IRT Implementation: Intergrated Bus Rapid Transit System	C09.00313	1.4	yes	Infrastructure - Road transport	Roads, Pavements & Bridges	227 376	34 444	13 806	1 237	1 000	-	Corp Inf	New
Transport, Roads and Stormwater	IRT Implementation: IRT:Depot Infrastructure:Inner City	C10.00126	1.4	yes	Infrastructure - Road transport	Roads, Pavements & Bridges	115 961	7 333	71 124	20 101	1 200	-	Multi	New
Transport, Roads and Stormwater	IRT Implementation: IRT:WestCoastCorridor	C10.10327	1.4	yes	Infrastructure - Road transport	Roads, Pavements & Bridges	876 612	282 394	244 779	90 758	20 900	-	Multi	New
Transport, Roads and Stormwater	IRT Implementation: IRT: Inner City Feeder Stops	C11.10501	1.4	yes	Infrastructure - Road transport	Roads, Pavements & Bridges	164 222	51 060	56 842	15 384	-	-	Multi	New
Transport, Roads and Stormwater	IRT Implementation: IRT: Trunk Stations	C11.10502	1.2	yes	Infrastructure - Road transport	Roads, Pavements & Bridges	248 696	78 375	119 376	39 846	10 000	-	Multi	New
Transport, Roads and Stormwater	IRT Implementation: IRT: Atlantis Depot	C11.10505	1.4	yes	Infrastructure Other	Transportation	70 595	13 566	53 425	3 603	-	-	Multi	New
Transport, Roads and Stormwater	IRT Implementation: IRT: Ph 2A Wetton-Lansdowne Corr	C13.10101	1.4	yes	Infrastructure - Road transport	Roads, Pavements & Bridges	1 035 828	-	6 000	27 069	372 128	630 631	Multi	New

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Municipal Vote/Capital project	Program/Project description	Project number	IDP Goal code	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	Total Project Estimate	Prior year outcomes		2013/14 Medium Term Revenue & Expenditure Framework			Project information	
								Audited Outcome 2011/12	Current Year 2012/13 Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16	Ward location	New or renewal
Transport, Roads and Stormwater	IRT Implementation: IRT: Phase 2 Express City to Mitch Plain	C13.10102	1.4	yes	Infrastructure - Road transport	Roads, Pavements & Bridges	222 391	-	22 790	78 364	106 237	15 000	Multi	Renewal
Transport, Roads and Stormwater	IRT Implementation: IRT: Ph 1B Koeberg-Century City	C13.10103	1.4	yes	Infrastructure - Road transport	Roads, Pavements & Bridges	437 990	-	77 909	194 769	140 313	25 000	Multi	New
Transport, Roads and Stormwater	IRT Operations: IRT: Control Centre	C11.10123	1.4	yes	Other assets	Plant & equipment	223 810	134 227	44 101	13 517	22 737	8 000	Corp Inf	New
Transport, Roads and Stormwater	IRT Operations: IRT: Fare Collection	C11.10124	1.4	yes	Other assets	Plant & equipment	596 866	50 884	196 848	45 616	126 664	155 257	Corp Inf	New
Transport, Roads and Stormwater	IRT Operations: IRT: Vehicle Acquisitions	C11.10125	1.4	yes	Other assets	General vehicles	192 866	-	-	192 866	-	-	Corp Inf	New
Transport, Roads and Stormwater	IRT Operations: IRT: Acquisition of Rights	C13.10131	1.4	yes	Other assets	General vehicles	857 176	-	552 176	80 000	50 000	175 000	Corp Inf	Renewal
Transport, Roads and Stormwater	IRT Operations: IRT: Vehicle Acquisition	C15.10122	1.4	yes	Other assets	General vehicles	260 554	-	-	-	101 554	159 000	Corp Inf	New
Transport, Roads and Stormwater	Various			yes	Various	Various				331 700	292 080	252 200		
Finance	Various			yes	Various	Various				11 784	7 172	3 781		
Corporate Services	Specialised Technical Services: Radio Trunking Infrastructure	C07.00621	1.2	yes	Other assets	Plant & equipment	68 330	2 795	-	1 000	6 000	6 000	Corp Inf	New
Corporate Services	Specialised Technical Services: FM Structural Rehabilitation	C11.12501	1.2	yes	Other assets	Civic Land and Buildings	303 704	43 528	38 215	39 482	40 000	65 000	77	Renewal
Corporate Services	Information Systems and Technology: Dark Fibre Broadband Infrastructure	C10.16621	1.2	yes	Other assets	Plant & equipment	595 408	29 813	45 000	72 000	68 000	68 000	Corp Inf	New
Corporate Services	Information Systems and Technology: WCG Broadband Connectivity	C12.16631	1.2	yes	Other assets	Plant & equipment	62 241	2 979	27 228	10 000	10 702	11 332	Corp Inf	New
Corporate Services	Various			yes	Various	Various				136 410	93 561	93 561		
City Health	Various			yes	Various	Various				23 716	17 466	25 466		
Safety & Security	Disaster Risk Management: Integrated Contact Centre	C14.00080	2.3	yes	Other assets	Computers - hardware/equipment	59 500	-	-	30 000	26 500	3 000	-	New
Safety & Security	Various			yes	Various	Various				37 927	30 627	32 127		
Human Settlements	Public Housing and Customer Services: Manenberg CRU Project (1584 units)	C10.15430	3.3	yes	Community	Social rental housing	259 006	6 089	75 032	100 544	67 848	-	42	Renewal
Human Settlements	Public Housing and Customer Services: Hanover Park CRU Project (1680 units)	C10.15433	3.3	yes	Community	Social rental housing	278 874	38 277	71 891	61 028	24 832	-	47	Renewal
Human Settlements	Public Housing and Customer Services: Heideveld CRU Project (864 units)	C10.15434	3.3	yes	Community	Social rental housing	153 985	26 984	51 410	30 912	8 868	-	44	Renewal
Human Settlements	Public Housing and Customer Services: Marble Flats CRU Project (688 units)	C10.15435	3.3	yes	Community	Social rental housing	144 055	29 578	26 681	31 614	7 662	-	66	Renewal
Human Settlements	Public Housing and Customer Services: Langa Hostels CRU Project (463 units)	C11.15418	3.3	yes	Community	Social rental housing	196 168	-	7 000	87 207	91 170	7 371	51	Renewal
Human Settlements	Public Housing and Customer Services: Brick Skin Walls - Housing Flats	C11.15439	3.3	yes	Community	Social rental housing	50 439	855	9 047	34 825	4 857	-	Multi	Renewal

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Municipal Vote/Capital project	Program/Project description	Project number	IDP Goal code	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	Total Project Estimate	Prior year outcomes		2013/14 Medium Term Revenue & Expenditure Framework			Project information	
								Audited Outcome 2011/12	Current Year 2012/13 Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16	Ward location	New or renewal
Human Settlements	HS Development & Delivery: Bardale / Fairdale:Develop4000Units	C06.41540	3.2	yes	Various	Various	92 715	26 662	7 105	28 000	4 287	-	108	New
Human Settlements	HS Development & Delivery: Happy Valley Phase 2 - 1460 Units	C06.41568	3.2	yes	Various	Various	68 716	13 798	35 000	6 120	-	-	14	New
Human Settlements	HS Development & Delivery: Delft - The Hague Housing Project	C08.15508	3.2	yes	Various	Various	65 911	2 868	12 932	20 000	20 000	7 243	13	New
Human Settlements	HS Development & Delivery: Scottsdene New CRU Project - 350 Units	C11.15505	3.2	yes	Community	Social rental housing	70 082	3 600	68 600	8 082	-	-	7	New
Human Settlements	Various			yes	Various	Various				218 563	137 433	78 219		
Economic, Environment & Spatial Planning	Various			yes	Various	Various				58 459	67 169	62 527		
Tourism, Events and Marketing	Various			yes	Various	Various				28 661	25 250	30 250		
Social and Early Childhood Development	Various			yes	Various	Various				5 460	15 810	11 010		
<b>Capital Expenditure</b>										<b>5 450 592</b>	<b>5 177 472</b>	<b>5 492 034</b>		

**Table 84 MBRR Table SA37 - Projects delayed from previous financial year/s**

Municipal Vote/Capital project	Project name	Project number	Asset Class	Asset Sub-Class	Previous target year to complete	Current Year 2012/13		2013/14 Medium Term Revenue & Expenditure Framework		
						Original Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
					R thousand	Year				
Human Settlements	Existing Settlements: Kewtown CRU Project	C10.15431-F1	Community	Social rental housing	2011/12	-	118	-	-	-
Human Settlements	Existing Settlements: Scottsdene SEFP Project Phase 1	C11.15440-F1	Community	Social rental housing	2011/12	133	1 756	-	-	-
Human Settlements	New Settlements: Wallacedene Phase 8 Housing Project	C06.41497-F1	Various	Various	2011/12	-	50	-	-	-
Human Settlements	New Settlements: Wallacedene Phase 7 Housing Project	C06.41498-F1	Various	Various	2011/12	-	45	-	-	-
Human Settlements	New Settlements: Wallacedene Phase 9 (UISP)	C06.41499-F1	Various	Various	2011/12	-	500	-	-	-
Human Settlements	New Settlements: Wallacedene Phase 6 (UISP)	C06.41513-F1	Various	Various	2011/12	-	70	-	-	-
Human Settlements	New Settlements: Phillip East 5 Housing Project	C06.41520-F1	Various	Various	2011/12	-	828	-	-	-
Human Settlements	New Settlements: Site C (PHDB - 6250 Units) Housing Proj	C06.41525-F1	Various	Various	2011/12	10	10	-	-	-
Human Settlements	New Settlements: Wallacedene Ph4(UISP)	C06.41535-F1	Various	Various	2011/12	-	100	-	-	-
Human Settlements	New Settlements: Ocean View - Mountain View Hsg Proj	C06.41570-F2	Various	Various	2011/12	100	6 193	-	-	-
Social and Early Childhood Development	Service Delivery and Facilitation: Extension of Council Facility: Ward 92	C07.01115-F1	Community	Community halls	2011/12	-	3	-	-	-
Social and Early Childhood Development	Service Delivery and Facilitation: Construction of com fac - Ward 92	C08.00358-F1	Community	Community halls	2011/12	-	4	-	-	-
Social and Early Childhood Development	Service Delivery and Facilitation: Construction of Cebo Lomzi Centre	C09.00413-F1	Community	Community halls	2011/12	-	11	-	-	-
Social and Early Childhood Development	Service Delivery and Facilitation: Construction of ECD Centre in Rocklands	C11.17513-F1	Community	Community halls	2011/12	115	-	-	-	-
Social and Early Childhood Development	Service Delivery and Facilitation: Construction of ECD Centre - Leonsdale	C11.17518-F2	Community	Community halls	2011/12	-	912	-	-	-
Social and Early Childhood Development	Service Delivery and Facilitation: Construction of ECD Centres	C12.17508-F1	Community	Community halls	2011/12	-	1 563	-	-	-
Economic, Environment & Spatial Planning	Environmental Resource Management: Elect Demand Side Mngmnt: Building Light	C12.18420-F1	Other assets	Civic Land and Buildings	2011/12	-	5 294	-	-	-
Economic, Environment & Spatial Planning	Environmental Resource Management: Acquisition of Land	C11.18410-F1	Community	Other	2011/12	17 260	2 300	6 000	8 960	-
Safety & Security	Law Enforcement and Security Services: Building Improvement	C12.00006-F1	Other assets	Civic Land and Buildings	2011/12	-	163	-	-	-
Safety & Security	Traffic Services: Property Improvement	C07.00688-F1	Other assets	Civic Land and Buildings	2011/12	-	56	-	-	-
Safety & Security	Traffic Services: Property Improvements-City Wide	C11.14701-F1	Other assets	Other Buildings	2011/12	-	20	-	-	-
Safety & Security	Traffic Services: Establishment of Maitland Impoundment Facility	C11.14704-F1	Other assets	Civic Land and Buildings	2011/12	-	1 383	-	-	-
Safety & Security	Fire Stations: Refurbishment	C10.14317-F1	Community	Fire, safety & emergency	2011/12	-	3	-	-	-
Safety & Security	Fire and Rescue Services: Upgrading of Fire Stations	C10.14350-F1	Community	Fire, safety & emergency	2011/12	-	13	-	-	-
Safety & Security	Fire and Rescue Services: Replace Equipment	C12.00058-F1	Other assets	Plant & equipment	2011/12	-	5	-	-	-
Safety & Security	Traffic Services: Upgrade Centre Traffic Services	C12.14722-F1	Other assets	Civic Land and Buildings	2011/12	503	1 006	-	-	-

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Municipal Vote/Capital project	Project name	Project number	Asset Class	Asset Sub-Class	Previous target year to complete	Current Year 2012/13		2013/14 Medium Term Revenue & Expenditure Framework		
						Original Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand					Year					
Safety & Security	Metro Police Services: ISERMS	C12.14100-F1	Other assets	General vehicles	2011/12	782	782	-	-	-
Safety & Security	Metro Police Services:In car/ANPR Cameras	C12.14417-F1	Other assets	General vehicles	2011/12	674	674	-	-	-
Safety & Security	Traffic Services: Upgrade Centre Traffic Services	C12.14722-F1	Other assets	Civic Land and Buildings	2011/12	503	1 006	-	-	-
Safety & Security	Fire and Rescue Services: Melkbosstrand Fire Station	C07.00713-F1	Community	Fire, safety & emergency	2011/12	2 366	4 766	-	-	-
Cape Town Electricity:	Cape Town Electricity: Training School - Brackenfell	C12.84075-F2	Other assets	Other Buildings	2011/12	91 100	44 901	59 181	-	-
Cape Town Electricity	Cape Town Electricity: HV-cable fault/condition assessment Syst	C08.84002-F1	Infrastructure - Electricity	Transmission & Reticulation	2011/12	250	-	1 000	2 500	-
Cape Town Electricity	Cape Town Electricity: 132kv OH line refurbish(strain Hardware)	C09.84042-F1	Infrastructure - Electricity	Transmission & Reticulation	2011/12	4 260	-	1 630	3 300	-
Cape Town Electricity	Cape Town Electricity: Main Subst MV Switchgear Replacement	C08.84043-F1	Infrastructure - Electricity	Transmission & Reticulation	2011/12	16 526	33 295	14 403	-	33 270
Cape Town Electricity	Cape Town Electricity: Atlantis SS 5 Transformer Replacement	C10.84025-F1	Infrastructure - Electricity	Transmission & Reticulation	2011/12	3 068	2 426	-	-	-
Cape Town Electricity	Cape Town Electricity: Street lights Sandvlei and Kramat	C12.84201-F1	Infrastructure - Electricity	Street Lighting	2011/12	-	35	-	-	-
Cape Town Electricity	Cape Town Electricity: Construction of High Mast & Floodlights	C11.84237-F1	Infrastructure - Electricity	Street Lighting	2011/12	-	14	-	-	-
Cape Town Electricity	Cape Town Electricity: Area Lighting in Parks	C12.84234-F1	Infrastructure - Electricity	Street Lighting	2011/12	-	37	-	-	-
Cape Town Electricity	Cape Town Electricity: Dassenberg Switchgear Upgrade	C12.84073-F1	Infrastructure - Electricity	Transmission & Reticulation	2011/12	3 162	3 983	-	-	-
Cape Town Electricity	Cape Town Electricity: MV Circuit Breaker Replacement	C08.84009-F1	Infrastructure - Electricity	Transmission & Reticulation	2011/12	12 116	13 780	10 247	1 909	2 100
Cape Town Electricity	Cape Town Electricity: Streetlights at Hani street	C12.84268-F1	Infrastructure - Electricity	Street Lighting	2011/12	-	70	-	-	-
Cape Town Electricity	Cape Town Electricity: Upgrade of Streetlights in Ward 35	C12.84251-F1	Infrastructure - Electricity	Street Lighting	2011/12	-	70	-	-	-
Cape Town Electricity	Cape Town Electricity: Streetlights installation in Nsikizi St	C12.84250-F1	Infrastructure - Electricity	Street Lighting	2011/12	-	100	-	-	-
Cape Town Electricity	Cape Town Electricity: Oakdale - Boston: Replace 33 kV Cables	C09.84040-F1	Infrastructure - Electricity	Transmission & Reticulation	2011/12	1 093	5 673	-	-	-
Cape Town Electricity	Cape Town Electricity: HV Cable Pressure alarm syst replacemen	C08.84067-F2	Infrastructure - Electricity	Transmission & Reticulation	2011/12	-	-	-	-	-
Cape Town Electricity	Cape Town Electricity: Prepayment Meter Replacement	C11.84061-F1	Infrastructure - Electricity	Transmission & Reticulation	2011/12	-	109	-	-	-
Cape Town Electricity	Cape Town Electricity: Roggebaai 33kV Switchgear Replacement	C11.84070-F1	Infrastructure - Electricity	Transmission & Reticulation	2011/12	878	1 852	-	-	-
Cape Town Electricity	Cape Town Electricity: Metering Replacement	C12.84010-F3	Infrastructure - Electricity	Transmission & Reticulation	2011/12	-	362	-	-	-
Cape Town Electricity	Cape Town Electricity: Bloemhof Complex - Road & Fencing	C11.84060-F1	Infrastructure - Electricity	Transmission & Reticulation	2011/12	-	2 472	-	-	-
Cape Town Electricity	Cape Town Electricity: SPS "8DN6" GI Switchgear Replacement	C12.84074-F2	Infrastructure - Electricity	Transmission & Reticulation	2011/12	14 000	16 630	-	-	-
Cape Town Electricity	Cape Town Electricity: Vanguard Transformer Replacement	C10.84029-F1	Infrastructure - Electricity	Transmission & Reticulation	2011/12	21 433	21 040	-	-	-
Water & Sanitation:	Water & Sanitation: Bulk Water Augmentation Scheme	C11.86077-F2	Infrastructure - Water	Dams & Reservoirs	2011/12	1 700	500	6 400	27 600	30 000
Water & Sanitation	Water & Sanitation: SWest Bus Park Main Sewer (lower leg)	C08.86027-F1	Infrastructure - Sanitation	Reticulation	2011/12	-	78	5 500	20 000	4 500
Water & Sanitation	Water & Sanitation: Durbanville Collectors Sewers	C05.01333-F2	Infrastructure - Sanitation	Reticulation	2011/12	-	269	-	-	-
Water & Sanitation	Water & Sanitation: Durbanville Collectors Sewers	C05.01333-F3	Infrastructure - Sanitation	Reticulation	2011/12	-	2 429	500	-	-
Water & Sanitation	Water & Sanitation: Retreat Rising Main - Rehab	C06.01639-F2	Infrastructure - Sanitation	Reticulation	2011/12	2 500	2 799	1 000	-	-
Water & Sanitation	Water & Sanitation: Kraaifontein WWTW	C06.30147-F1	Infrastructure - Sanitation	Sewerage purification	2011/12	-	447	-	-	3 000
Water & Sanitation	Water & Sanitation: Athlone WWTW - EFF	C06.30201-F1	Infrastructure - Sanitation	Sewerage purification	2011/12	-	98	-	-	-
Water & Sanitation	Water & Sanitation: Contermans Kloof Water Mains	C08.86024-F1	Infrastructure - Water	Reticulation	2011/12	8 550	8 627	-	-	-

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Municipal Vote/Capital project	Project name	Project number	Asset Class	Asset Sub-Class	Previous target year to complete	Current Year 2012/13		2013/14 Medium Term Revenue & Expenditure Framework		
						Original Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand										
Water & Sanitation	Water & Sanitation: SWest Bus Park Main Sewer (lower leg)	C08.86027-F1	Infrastructure - Sanitation	Reticulation	2011/12	-	78	5 500	20 000	4 500
Water & Sanitation	Water & Sanitation: Provision of Sewerage to Croydon	C08.86031-F1	Infrastructure - Sanitation	Reticulation	2011/12	5 500	4 976	-	-	-
Water & Sanitation	Water & Sanitation: Pump Station & Rising Main Du Noon	C09.86014-F1	Infrastructure - Sanitation	Reticulation	2011/12	10 000	1 075	23 000	-	-
Water & Sanitation	Water & Sanitation: Regional resources development	C10.86130-F1	Other assets	Other Buildings	2011/12	3 000	5 622	13 000	28 100	3 000
Water & Sanitation	Water & Sanitation: Remove midblock water network-Bishop Lav	C10.86132-F1	Infrastructure - Water	Reticulation	2011/12	1 000	1 909	5 000	500	-
Water & Sanitation	Water & Sanitation: Repl&Upgr Sew Pumps City wide	C12.86002-F2	Infrastructure - Sanitation	Reticulation	2011/12	-	729	-	-	-
Water & Sanitation	Water & Sanitation: Water Meter Reading equipment	C12.86100-F1	Infrastructure - Water	Reticulation	2011/12	-	6 000	-	-	-
Water & Sanitation	Water & Sanitation: Bulk Water Infrastructure Replacement	C12.86141-F1	Infrastructure - Sanitation	Reticulation	2011/12	-	79	-	-	-
Water & Sanitation	Water & Sanitation: Treated Effluent: Reuse & Inf Upgrades	C12.95018-F1	Infrastructure - Water	Reticulation	2011/12	-	4 747	-	-	-
Water & Sanitation	Water & Sanitation: Pressure Management: COCT	C12.96004-F1	Infrastructure - Water	Reticulation	2011/12	-	57	-	-	-
Corporate Services	Information Systems and Technology Data Centre	C11.16627-F1	Other assets	Other Buildings	2011/12	5 000	7 346	-	-	-
Deputy City Manager	Governance & InterfaceWork live units Ntlazane Road	C10.96015-F1	Infrastructure - Road transport	Roads, Pavements & Bridges	2011/12	-	157	-	-	-
Community Services	Library and Information Services: Replace Mobile Bus Conditional grant	C12.96003-F1	Other assets	General vehicles	2011/12	1 671	1 671	-	-	-
Community Services	Library and Information Services: Library Upgrades and Extensions	C12.96018-F1	Community	Libraries	2011/12	5 000	1 545	-	-	-
Community Services	City Parks: Develop Cemetery: Wallacedene	C06.00280-F4	Community	Cemeteries	2011/12	-	415	-	-	-
Community Services	City Parks: Welmoed Cemetery Development	C09.94001-F4	Community	Cemeteries	2011/12	600	830	1 400	2 500	1 500
Community Services	City Parks: Atlantis Cemetery Upgrade	C09.94014-F2	Community	Cemeteries	2011/12	1 500	1 681	3 500	4 750	-
Community Services	Sport, Recreation and Amenities: Sea Winds Sports Complex Phase 3	C08.95073-F1	Community	Sportsfields & stadia	2011/12	706	66	640	-	-
Community Services	Sport, Recreation and Amenities: Turfhal Stadium Upgrade	C09.95026-F1	Community	Sportsfields & stadia	2011/12	-	59	-	-	-
Community Services	Sport, Recreation and Amenities: Masibambane Hall Additions & Alterations	C10.95071-F1	Community	Community halls	2011/12	1 950	2 658	-	-	-
Community Services	Sport, Recreation and Amenities: Provision of Equipment for facilities	C12.95002-F1	Other assets	Furniture and other office equipment	2011/12	-	12	-	-	-
Community Services	Sport, Recreation and Amenities: Pools: General Upgrade and Improvement	C12.95004-F1	Community	Swimming pools	2011/12	-	43	-	-	-
Community Services	Sport, Recreation and Amenities: Resorts: General Upgrade	C12.95005-F1	Community	Recreational facilities	2011/12	-	14	-	-	-
Community Services	Sport, Recreation and Amenities: Sport and Recreation Facilities Upgrade	C12.95009-F1	Community	Sportsfields & stadia	2011/12	-	165	-	-	-
Transport, Roads & Stormwater	IRT Implementation: Furniture & Computer	C12.10111-F1	Other assets	Furniture and other office equipment	2011/12	-	229	-	-	-
Transport, Roads & Stormwater	Roads and Stormwater: CSR: Lotus Canal Widening:Gugulethu	C05.01092-F1	Infrastructure - Road transport	Storm water	2011/12	2 000	486	1 000	-	-
Transport, Roads & Stormwater	Roads and Stormwater: Flood Alleviation - Lourens River	C05.01503-F1	Infrastructure - Road transport	Storm water	2011/12	1 500	1 132	200	500	4 000
Transport, Roads & Stormwater	Roads and Stormwater: Flood Alleviation - Lourens River	C05.01503-F2	Infrastructure - Road transport	Storm water	2011/12	-	50	-	-	-
Transport, Roads & Stormwater	Roads and Stormwater: CSR: Bulk SW Table View North-EFF	C06.01149-F2	Infrastructure - Road transport	Storm water	2011/12	3 000	3 100	1 500	2 000	500
Transport, Roads & Stormwater	Roads and Stormwater: WC:Klipfontein PT NMT Scheme:PGWC	C07.10501-F3	Infrastructure - Road transport	Roads, Pavements & Bridges	2011/12	3 800	4 167	-	-	-

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Municipal Vote/Capital project	Project name	Project number	Asset Class	Asset Sub-Class	Previous target year to complete	Current Year 2012/13		2013/14 Medium Term Revenue & Expenditure Framework		
						Original Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand					Year					
Transport, Roads & Stormwater	Roads and Stormwater: Nonkqubela Minor Rds Phase 2	C08.10280-F2	Infrastructure - Road transport	Roads, Pavements & Bridges	2011/12	-	1 478	-	-	-
Transport, Roads & Stormwater	Roads and Stormwater: Upgr: Gravel Sts: Mission Grounds SLP	C08.10283-F1	Infrastructure - Road transport	Roads, Pavements & Bridges	2011/12	1 000	1 222	1 500	1 500	1 500
Transport, Roads & Stormwater	Roads and Stormwater: Constr: Onwenacht Rd: Broadway to Faure	C08.10318-F1	Infrastructure - Road transport	Roads, Pavements & Bridges	2011/12	-	354	-	-	-
Transport, Roads & Stormwater	Roads and Stormwater: Croydon - Roads & Stormwater	C09.91030-F1	Infrastructure - Road transport	Roads, Pavements & Bridges	2011/12	3 500	3 600	2 555	3 000	-
Transport, Roads & Stormwater	Roads and Stormwater: Inform Settlements: Tracks & Drainage: Incr UpG	C10.10302-F1	Infrastructure - Road transport	Storm water	2011/12	-	40	-	-	-
Transport, Roads & Stormwater	Roads and Stormwater: CSRM General Stormwater projects	C10.10312-F2	Infrastructure - Road transport	Storm water	2011/12	-	804	-	-	-
Transport, Roads & Stormwater	Roads and Stormwater: Green Point Promenade Upgrade	C11.10311-F1	Infrastructure - Road transport	Roads, Pavements & Bridges	2011/12	2 300	2 000	2 195	2 000	-
Transport, Roads & Stormwater	Roads and Stormwater: Construct Roundabout Eisleben & Caravelle	C11.10312-F1	Infrastructure - Road transport	Roads, Pavements & Bridges	2011/12	-	286	-	-	-
Transport, Roads & Stormwater	Roads and Stormwater: IM: Reconstruct Roads Metro	C11.10331-F1	Infrastructure - Road transport	Roads, Pavements & Bridges	2011/12	50 982	64 529	-	-	-
Transport, Roads & Stormwater	Roads and Stormwater: Roads & Stormwater Rehabilitation	C11.10332-F1	Infrastructure - Road transport	Roads, Pavements & Bridges	2011/12	39 700	52 700	-	-	-
Transport, Roads & Stormwater	Roads and Stormwater: Prop Acquis - Hardship	C11.10338-F1	Infrastructure - Road transport	Roads, Pavements & Bridges	2011/12	3 000	4 466	-	-	-
Transport, Roads & Stormwater	Roads and Stormwater: Unmade Roads: Residential	C11.10343-F1	Infrastructure - Road transport	Roads, Pavements & Bridges	2011/12	1 000	1 275	-	-	-
Transport, Roads & Stormwater	Roads and Stormwater: OPS Upgrading of depot facilities	C11.10344-F1	Other assets	Other Buildings	2011/12	300	784	-	-	-
Transport, Roads & Stormwater	Roads and Stormwater: Rainfall monitoring equipment	C11.10379-F1	Other assets	Furniture and other office equipment	2011/12	-	1 067	150	-	-
Transport, Roads & Stormwater	Roads and Stormwater: Construct sidewalks in Ward 41	C12.06002-F1	Infrastructure - Road transport	Roads, Pavements & Bridges	2011/12	-	33	-	-	-
Transport, Roads & Stormwater	Roads and Stormwater: Widening of Stock Road Phillipi	C12.10314-F1	Infrastructure - Road transport	Roads, Pavements & Bridges	2011/12	-	1 134	-	-	-
Transport, Roads & Stormwater	Roads and Stormwater: Construction of the Watergate access rd	C12.10323-F2	Infrastructure - Road transport	Roads, Pavements & Bridges	2011/12	-	277	-	-	-
Transport, Roads & Stormwater	Roads and Stormwater: WC:PT and related Infrastructure Upgrade: PGWC	C12.10330-F3	Infrastructure Other	Transportation	2011/12	-	147	-	-	-
Transport, Roads & Stormwater	Roads and Stormwater: Installation of signage	C12.10346-F1	Infrastructure - Road transport	Roads, Pavements & Bridges	2011/12	-	10	-	-	-
Transport, Roads & Stormwater	Roads and Stormwater: Intersection Upgrades - Balvenie	C12.10363-F1	Infrastructure - Road transport	Roads, Pavements & Bridges	2011/12	-	668	-	-	-
Transport, Roads & Stormwater	Roads and Stormwater: Upgrade Athlone Fish Market Facility	C12.10386-F1	Infrastructure - Road transport	Roads, Pavements & Bridges	2011/12	-	345	-	-	-
Transport, Roads & Stormwater	Transport: Traffic Safety Improvements in Ward 88	C10.10591-F1	Infrastructure - Road transport	Roads, Pavements & Bridges	2011/12	-	146	-	-	-
Transport, Roads & Stormwater	Transport: Transport Systems Management Projects	C11.10550-F2	Infrastructure - Road transport	Roads, Pavements & Bridges	2011/12	-	139	-	-	-
Transport, Roads & Stormwater	Transport: PTI Upgrades	C12.09426-F1	Infrastructure Other	Transportation	2011/12	-	83	-	-	-

## **2.14 Legislation compliance status**

Compliance with the MFMA implementation requirements has been substantially adhered to through the following activities:

1. Budget and Treasury Office - A budget office and Treasury office has been established in accordance with the MFMA.
2. Budgeting - The annual budget is prepared in accordance with the requirements prescribed by National Treasury and the MFMA.
3. In Year Reporting - 100% compliance with regards to reporting to National Treasury in electronic format on a monthly, quarterly and annual basis.
4. Annual Report - The annual report is prepared in accordance with the MFMA and National Treasury requirements.
5. Municipal Entities - The City currently has only one entity viz. the Cape Town International Convention Centre (CTICC).
6. 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. Four interns are currently employed in the Treasury department.

## 2.15 Municipal Entity - Annual Budgets and Service Delivery Agreements (SDA)

The City has one municipal entity namely The Cape Town Convention Centre (CTICC).

Circular 55 stipulated that municipalities with municipal entities produce annual budgets, adjustments budgets and quarterly financial information in consolidated format. National Treasury granted exemption to the City in respect of this requirement until 30 June 2013. The City has made application for exemption and is awaiting feedback from National Treasury.

### Annual Budgets and Service Delivery Agreements (SDA)

**Table 85 Cape Town Convention Centre (PTY) LTD – Service Delivery Agreement**

Period of Agreement	No period stipulated but subject to annual reviews in terms of Section 93A of the Systems Act.
Service Provided	International conference centre
Expiry date of SDA	Not applicable
Monetary value	No current operating funding from the City
Ownership and control	Shares: City of Cape Town - 50.2%, Provincial Government of Western Cape - 25.1% SunWest International Pty Ltd - 24.7% <b>The City has voting rights of 66%.</b>
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	Expansion of the Convention Centre is being investigated which could result in an additional funding required. Council approved a contribution not exceeding R550m. Provincial Government Western Cape committed R161m and CTICC is to obtain loan funding of R100m.
Summary of SDA	Sets out the obligations of Convensco 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. Convensco 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 Convensco 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.

**Table 86 Cape Town Convention Centre - Operating Revenue by Source and Operating Expenditure by Type**

Description	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<b>Operating Revenue by Source</b>									
Rental of facilities and equipment	69 331	62 834	64 952	75 690	76 197	73 097	78 111	82 798	88 998
Interest earned - external investments	8 837	7 599	7 420	5 901	7 791	6 739	19 584	11 969	0
Other Income	72 390	82 961	75 385	80 976	81 957	81 957	87 604	92 860	95 839
<b>Total Operating Revenue</b>	<b>150 558</b>	<b>153 394</b>	<b>147 757</b>	<b>162 567</b>	<b>165 945</b>	<b>161 793</b>	<b>185 299</b>	<b>187 627</b>	<b>184 837</b>
<b>Operating Expenditure by Type</b>									
Employee related Cost	28 380	32 342	32 782	37 297	39 163	39 163	41 622	45 546	56 282
Remuneration of Directors	226	236	144	405	250	250	265	281	298
Bad debts	3 065	299	1 599	270	250	250	265	281	372
Depreciation	19 657	36 743	21 537	26 387	24 425	24 425	24 017	20 083	34 366
Repairs and maintenance	28 486	32 340	33 152	41 161	39 468	34 878	40 805	44 285	55 857
Interest paid	0	0	0	0	0	0	0	0	6 499
General expenses	56 494	54 683	51 868	54 642	56 960	58 237	63 216	64 562	65 041
<b>Total Operating Expenditure</b>	<b>136 308</b>	<b>156 643</b>	<b>141 082</b>	<b>160 162</b>	<b>160 516</b>	<b>157 203</b>	<b>170 190</b>	<b>175 038</b>	<b>218 715</b>
<b>Surplus / (Deficit)</b>	<b>14 250</b>	<b>(3 249)</b>	<b>6 675</b>	<b>2 405</b>	<b>5 429</b>	<b>4 590</b>	<b>15 109</b>	<b>12 589</b>	<b>(33 878)</b>

**Table 87 Cape Town Convention Centre - Capital Expenditure by Type**

Description	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Plant & equipment	1 662	2 892	2 842	3 706	5 856	6 832	6 620	4 335	4 340
Office equipment	5 294	4 323	3 400	4 760	5 877	10 091	15 481	2 595	1 680
Other Land and Buildings	5 410	28 117	11 084	160 020	107 960	123 743	229 015	426 950	121 750
<b>TOTAL CAPITAL EXPENDITURE</b>	<b>12 366</b>	<b>35 332</b>	<b>17 326</b>	<b>168 486</b>	<b>119 693</b>	<b>140 666</b>	<b>251 116</b>	<b>433 880</b>	<b>127 770</b>

2.16 Other supporting documents

Table 88 MBRR Table SA1 - Supporting detail to budgeted financial position

Description	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<b>R thousand</b>									
<b>REVENUE ITEMS:</b>									
<b>Property rates</b>									
Total Property Rates	4 192 543	5 277 706	5 519 703	6 107 143	6 122 562	6 122 562	6 557 264	7 016 273	7 507 412
less Revenue Foregone	438 118	841 942	897 262	1 076 390	1 054 973	1 054 973	1 129 876	1 208 967	1 293 595
<b>Net Property Rates</b>	<b>3 754 425</b>	<b>4 435 764</b>	<b>4 622 441</b>	<b>5 030 753</b>	<b>5 067 589</b>	<b>5 067 589</b>	<b>5 427 388</b>	<b>5 807 305</b>	<b>6 213 817</b>
<b>Service charges - electricity revenue</b>									
Total Service charges - electricity revenue	5 413 081	6 578 085	8 061 684	8 971 405	9 094 445	9 094 445	9 668 405	10 627 511	11 611 618
less Revenue Foregone									
<b>Net Service charges - electricity revenue</b>	<b>5 413 081</b>	<b>6 578 085</b>	<b>8 061 684</b>	<b>8 971 405</b>	<b>9 094 445</b>	<b>9 094 445</b>	<b>9 668 405</b>	<b>10 627 511</b>	<b>11 611 618</b>
<b>Service charges - water revenue</b>									
Total Service charges - water revenue	1 483 354	1 649 307	1 817 183	2 106 357	2 106 357	2 106 357	2 343 850	2 591 038	2 874 475
less Revenue Foregone									
<b>Net Service charges - water revenue</b>	<b>1 483 354</b>	<b>1 649 307</b>	<b>1 817 183</b>	<b>2 106 357</b>	<b>2 106 357</b>	<b>2 106 357</b>	<b>2 343 850</b>	<b>2 591 038</b>	<b>2 874 475</b>
<b>Service charges - sanitation revenue</b>									
Total Service charges - sanitation revenue	801 003	903 204	1 002 897	1 127 122	1 127 122	1 127 122	1 243 019	1 374 779	1 526 005
less Revenue Foregone									
<b>Net Service charges - sanitation revenue</b>	<b>801 003</b>	<b>903 204</b>	<b>1 002 897</b>	<b>1 127 122</b>	<b>1 127 122</b>	<b>1 127 122</b>	<b>1 243 019</b>	<b>1 374 779</b>	<b>1 526 005</b>
<b>Service charges - refuse revenue</b>									
Total refuse removal revenue	534 545	642 018	710 609	754 862	768 141	768 141	826 118	888 408	977 366
Total landfill revenue	79 906	112 160	102 678	142 062	137 497	137 497	121 008	127 619	135 018
less Revenue Foregone	-	-	-	-	-	-	-	-	-
<b>Net Service charges - refuse revenue</b>	<b>614 451</b>	<b>754 178</b>	<b>813 287</b>	<b>896 924</b>	<b>905 638</b>	<b>905 638</b>	<b>947 126</b>	<b>1 016 027</b>	<b>1 112 384</b>
<b>Other Revenue by source</b>									
Fuel Levy	1 371 610	1 510 960	1 637 276	1 706 690	1 706 690	1 706 690	1 895 992	2 002 168	2 118 293
Other Revenue	259 919	246 318	324 311	267 082	271 829	271 829	283 950	295 774	312 929
<b>Total 'Other' Revenue</b>	<b>1 631 529</b>	<b>1 757 278</b>	<b>1 961 587</b>	<b>1 973 772</b>	<b>1 978 519</b>	<b>1 978 519</b>	<b>2 179 942</b>	<b>2 297 942</b>	<b>2 431 222</b>
<b>EXPENDITURE ITEMS:</b>									
<b>Employee related costs</b>									
Basic Salaries and Wages	3 540 694	3 864 352	4 386 721	5 206 450	5 105 682	5 079 213	5 700 072	6 179 168	6 714 136
Pension and UIF Contributions	529 355	619 340	672 305	928 393	898 217	892 340	996 151	1 087 995	1 181 563
Medical Aid Contributions	301 345	352 131	397 452	445 619	445 180	445 180	483 435	524 527	569 637
Overtime	260 779	277 175	310 205	278 736	293 241	294 451	306 086	329 170	355 476
Performance Bonus	-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	156 642	167 839	176 258	182 764	183 220	183 220	193 638	207 904	225 784
Cellphone Allowance	11 734	12 388	12 682	13 534	13 514	13 541	14 031	14 598	15 853
Housing Allowances	43 831	31 315	31 061	30 932	30 906	30 906	28 176	30 571	33 200
Other benefits and allowances	134 769	152 445	154 056	191 258	191 025	191 025	222 558	241 476	262 242
Payments in lieu of leave	55 522	58 258	84 554	124 133	124 133	124 133	130 297	141 373	153 531
Long service awards	59 165	8 156	436	36 256	36 182	36 182	49 059	53 228	57 806
Post-retirement benefit obligations	512 856	601 498	712 420	365 218	373 001	373 001	156 778	170 104	184 733
<b>sub-total</b>	<b>5 606 691</b>	<b>6 144 897</b>	<b>6 938 149</b>	<b>7 803 292</b>	<b>7 694 300</b>	<b>7 663 192</b>	<b>8 280 281</b>	<b>8 980 115</b>	<b>9 753 961</b>
Less: Employees costs capitalised to PPE	19 525	21 129	22 137	25 770	26 562	26 562	26 823	28 723	29 968
<b>Total Employee related costs</b>	<b>5 587 167</b>	<b>6 123 768</b>	<b>6 916 012</b>	<b>7 777 521</b>	<b>7 667 739</b>	<b>7 636 630</b>	<b>8 253 458</b>	<b>8 951 393</b>	<b>9 723 994</b>
<b>Contributions recognised - capital</b>									
Capital PCDR	68 988	46 728	44 230	57 707	46 588	46 588	48 250	61 142	53 600
<b>Total Contributions recognised - capital</b>	<b>68 988</b>	<b>46 728</b>	<b>44 230</b>	<b>57 707</b>	<b>46 588</b>	<b>46 588</b>	<b>48 250</b>	<b>61 142</b>	<b>53 600</b>

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City of Cape Town 2013/14 Annual Budget and MTREF

Description	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<b>R thousand</b>									
<b>Depreciation &amp; asset impairment</b>									
Depreciation of Property, Plant & Equipment	991 348	1 262 098	1 372 098	1 422 591	1 581 891	1 581 891	1 914 841	2 048 879	2 192 301
Lease amortisation	-	-	-	-	-	-	-	-	-
Capital asset impairment	52 040	9 866	27 392	21 505	16 142	16 142	19 900	21 014	22 233
Depreciation resulting from revaluation of PPE	-	-	-	-	-	-	-	-	-
<b>Total Depreciation &amp; asset impairment</b>	<b>1 043 389</b>	<b>1 271 965</b>	<b>1 399 490</b>	<b>1 444 096</b>	<b>1 598 033</b>	<b>1 598 033</b>	<b>1 934 741</b>	<b>2 069 894</b>	<b>2 214 534</b>
<b>Bulk purchases</b>									
Electricity Bulk Purchases	3 393 154	4 326 781	5 385 001	6 106 600	6 174 800	6 174 800	6 545 300	7 151 868	7 762 007
Water Bulk Purchases	275 643	293 323	320 262	334 673	334 673	334 673	353 581	393 631	449 988
<b>Total bulk purchases</b>	<b>3 668 797</b>	<b>4 620 105</b>	<b>5 705 263</b>	<b>6 441 273</b>	<b>6 509 473</b>	<b>6 509 473</b>	<b>6 898 881</b>	<b>7 545 500</b>	<b>8 211 995</b>
<b>Transfers and grants</b>									
Cash transfers and grants	94 193	93 382	103 492	50 606	90 343	97 491	39 544	51 366	54 992
Non-cash transfers and grants	-	-	-	-	-	-	-	-	-
<b>Total transfers and grants</b>	<b>94 193</b>	<b>93 382</b>	<b>103 492</b>	<b>50 606</b>	<b>90 343</b>	<b>97 491</b>	<b>39 544</b>	<b>51 366</b>	<b>54 992</b>
<b>Contracted services</b>									
List services provided by contract	-	-	-	-	-	-	-	-	-
Contracted Services	2 225 283	1 903 204	2 078 947	2 536 569	2 715 201	2 720 032	3 109 731	3 198 935	3 435 766
Labour Brokers	133 035	84 765	40 959	31 011	69 843	75 480	58 546	59 756	63 002
Contracted Services ex Payroll	19 832	22 300	73 756	12 266	47 843	47 435	23 905	24 340	25 561
<b>sub-total</b>	<b>2 378 150</b>	<b>2 010 269</b>	<b>2 193 662</b>	<b>2 579 846</b>	<b>2 832 886</b>	<b>2 842 946</b>	<b>3 192 182</b>	<b>3 283 032</b>	<b>3 524 328</b>
<b>Total contracted services</b>	<b>2 378 150</b>	<b>2 010 269</b>	<b>2 193 662</b>	<b>2 579 846</b>	<b>2 832 886</b>	<b>2 842 946</b>	<b>3 192 182</b>	<b>3 283 032</b>	<b>3 524 328</b>
<b>Other Expenditure By Type</b>									
Collection costs	167 822	174 754	166 379	182 830	179 040	179 040	190 733	201 397	213 062
Contributions to 'other' provisions	27 162	2 977	(58 822)	33 000	(39 265)	(39 265)	(39 000)	(41 184)	(43 573)
Consultant fees	100 860	141 440	147 364	167 073	244 222	248 017	221 049	262 109	205 941
Audit fees	16 434	16 339	15 158	17 157	17 157	17 092	17 500	18 480	19 552
General expenses	733 687	771 488	841 978	934 916	965 638	986 099	778 849	897 260	941 233
Indigent Relief : Refuse	169 339	182 629	207 273	195 907	221 541	221 541	240 842	254 329	269 081
Security Services & Charges	247 741	269 947	301 800	217 123	229 035	236 143	225 242	241 614	251 652
Grants and Donations - Housing PHP Payment	-	40 819	113 072	93 000	152 000	152 000	200 000	118 000	226 700
Fuel (Petrol, Diesel and Fuel Oil)	130 424	143 066	190 773	178 960	184 199	186 244	184 097	194 406	205 681
Grants and Donations - Labour to Operating	-	61 530	76 833	137 697	147 097	147 097	176 238	141 949	153 120
Indigent Relief	76 136	94 584	104 792	126 219	136 559	136 559	146 996	155 228	164 231
Chemicals	84 814	91 727	98 711	118 633	116 412	116 419	145 799	153 964	162 894
MIDS/CIDS	66 648	78 967	86 823	103 663	103 663	103 663	114 884	117 077	123 867
Electricity	52 740	70 981	93 563	90 723	98 898	97 998	99 732	110 059	123 416
Licenses & Permits	63 001	70 866	70 303	90 995	92 698	93 349	98 289	103 793	109 813
Telecommunication Services	66 793	56 163	57 112	97 259	97 252	97 252	96 705	102 120	108 043
Projects	163	1	-	138 811	72 300	55 789	87 752	150 352	163 243
Hire of LDV, P/Van, Bus, Special Vehicle	46 592	64 290	102 938	83 365	86 039	85 237	84 036	88 742	93 889
Grant and Donations - Vaccines	-	56 813	71 205	71 617	71 617	71 617	79 995	83 994	65 329
Grant and Donations Projects	-	138	-	359 585	7 884	7 884	78 892	50 936	285 046
Training	36 149	32 567	42 447	74 240	62 321	60 961	75 636	77 231	81 711
R&M Vehicles to Operating	0	45 784	56 301	59 283	59 180	59 180	73 800	80 147	87 200
Printing Stationery & Photographic	62 611	56 482	61 270	65 751	67 190	67 795	66 861	70 584	74 677
Rental	51 578	55 978	55 763	59 171	60 559	60 661	60 082	63 446	67 126
Minor Tools , Equipment & Other	33 415	43 063	37 276	50 148	54 009	53 865	55 191	58 174	61 548
Levy: Skills Development	37 937	43 499	48 398	43 500	43 778	43 778	52 590	55 535	58 756
<b>Total 'Other' Expenditure</b>	<b>2 272 047</b>	<b>2 666 893</b>	<b>2 988 712</b>	<b>3 790 624</b>	<b>3 531 021</b>	<b>3 546 012</b>	<b>3 612 788</b>	<b>3 809 743</b>	<b>4 273 239</b>
<b>Repairs and Maintenance</b>									
<b>by Expenditure Item</b>									
Employee related costs	0	406 268	446 891	960 451	945 862	945 862	1 165 808	1 266 075	1 377 490
Other materials	-	200 892	180 350	305 208	243 415	243 415	263 900	286 690	311 816
Contracted Services	68	995 374	1 088 586	1 193 519	1 301 084	1 304 997	1 360 489	1 488 123	1 608 206
Other Expenditure	1 577 652	106 746	167 226	131 960	131 738	131 738	140 087	152 566	165 513
<b>Total Repairs and Maintenance Expenditure</b>	<b>1 577 720</b>	<b>1 709 280</b>	<b>1 883 053</b>	<b>2 591 137</b>	<b>2 622 099</b>	<b>2 626 012</b>	<b>2 930 285</b>	<b>3 193 454</b>	<b>3 463 025</b>

**Table 89 MBRR Table SA2 - Matrix financial performance budget (revenue source / expenditure type and department)**

Description	Vote 1 - City Health	Vote 2 - City Manager	Vote 3 - Community Services	Vote 4 - Compliance and Auxiliary Services	Vote 5 - Corporate Services	Vote 6 - Deputy City Manager	Vote 7 - Economic, Environment & Spatial Planning	Vote 8 - Finance	Vote 9 - Human Settlements	Vote 10 - Rates & Other	Vote 11 - Safety & Security	Vote 12 - Social and Early Childhood Development	Vote 13 - Tourism, Events and Marketing	Vote 14 - Transport, Roads and Stormwater	Vote 15 - Utility Services	Total
<b>Revenue By Source</b>																
Property rates	-	-	-	-	-	-	-	-	-	5 427 388	-	-	-	-	-	5 427 388
Property rates - penalties & collection charges	-	-	-	-	-	-	-	0	-	99 720	-	-	-	-	-	99 720
Service charges - electricity revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	9 668 405	9 668 405
Service charges - water revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2 343 850	2 343 850
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1 243 019	1 243 019
Service charges - refuse revenue	-	-	5	-	-	-	-	-	-	-	175	-	-	-	946 946	947 126
Service charges - other	223	-	17 323	5	416	-	84 534	10 852	10 724	-	9 712	15	4 379	41 788	60 020	239 991
Rental of facilities and equipment	-	-	27 883	-	465	-	28	100 544	190 776	-	193	386	15 764	11	422	336 471
Interest earned - external investments	-	-	-	-	-	-	-	269 849	14 760	-	5	-	-	0	3	284 618
Interest earned - outstanding debtors	-	-	-	-	-	-	83	391	-	-	501	-	0	0	117 830	118 805
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines	20	-	3 173	-	-	-	1 269	-	-	-	178 673	-	100	21	-	183 257
Licences and permits	671	-	1 248	-	-	-	1 092	-	-	-	31 425	-	15	1 151	-	35 601
Agency services	-	-	-	-	-	-	-	111 000	-	-	10 993	-	-	-	-	121 993
Other revenue	2 365	41	591	2 958	25 555	-	750	135 941	5 812	1 895 992	51	0	123	15 744	94 017	2 179 942
Transfers recognised - operational	416 357	-	25 667	-	-	6 959	2 345	4 629	546 835	1 182 049	30 222	-	61 000	306 120	13 721	2 595 904
Gains on disposal of PPE	-	-	-	-	1 500	-	-	61 000	2 000	-	-	-	-	-	4 500	69 000
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>419 636</b>	<b>41</b>	<b>75 889</b>	<b>2 963</b>	<b>27 936</b>	<b>6 959</b>	<b>90 101</b>	<b>694 205</b>	<b>770 907</b>	<b>8 605 150</b>	<b>261 949</b>	<b>401</b>	<b>81 380</b>	<b>364 836</b>	<b>14 492 735</b>	<b>25 895 089</b>

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City of Cape Town 2013/14 Annual Budget and MTREF

Description	Vote 1 - City Health	Vote 2 - City Manager	Vote 3 - Community Services	Vote 4 - Compliance and Auxiliary Services	Vote 5 - Corporate Services	Vote 6 - Deputy City Manager	Vote 7 - Economic, Environment & Spatial Planning	Vote 8 - Finance	Vote 9 - Human Settlements	Vote 10 - Rates & Other	Vote 11 - Safety & Security	Vote 12 - Social and Early Childhood Development	Vote 13 - Tourism, Events and Marketing	Vote 14 - Transport, Roads and Stormwater	Vote 15 - Utility Services	Total
<b>R thousand</b>																
<b>Expenditure By Type</b>																
Employee related costs	567 519	45 775	831 761	258 634	644 222	41 272	368 219	596 095	280 936	109 340	1 276 366	38 681	88 316	532 192	2 574 131	<b>8 253 458</b>
Remuneration of councillors	-	1 219	-	122 502	-	-	-	-	-	-	-	-	-	-	-	<b>123 721</b>
Debt impairment	-	-	-	-	-	-	-	12 373	119 820	284 103	-	-	-	-	449 896	<b>866 192</b>
Depreciation & asset impairment	7 801	1 019	87 089	5 950	231 588	1 091	19 492	14 275	73 355	-	42 736	2 106	193 555	401 017	853 668	<b>1 934 741</b>
Finance charges	-	-	-	-	-	-	-	831 894	-	-	-	-	-	-	32 000	<b>863 894</b>
Bulk purchases	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6 898 881	<b>6 898 881</b>
Other materials	3 086	105	10 857	371	24 544	77	684	1 474	15 669	-	4 684	408	1 046	48 466	247 210	<b>358 681</b>
Contracted services	21 637	7 629	314 002	9 657	285 351	37 269	61 591	22 209	265 277	-	33 137	22 086	186 720	729 597	1 196 020	<b>3 192 182</b>
Transfers and grants	2 142	-	-	281	-	-	26 655	6 263	-	-	-	-	4 202	-	-	<b>39 544</b>
Other expenditure	237 113	45 360	148 833	88 500	389 509	36 153	39 905	378 111	369 230	444 052	171 536	13 998	57 615	178 418	1 014 455	<b>3 612 788</b>
Loss on disposal of PPE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	<b>-</b>
<b>Total Expenditure</b>	<b>839 300</b>	<b>101 107</b>	<b>1 392 541</b>	<b>485 895</b>	<b>1 575 214</b>	<b>115 861</b>	<b>516 546</b>	<b>1 862 695</b>	<b>1 124 286</b>	<b>837 495</b>	<b>1 528 458</b>	<b>77 280</b>	<b>531 454</b>	<b>1 889 690</b>	<b>13 266 261</b>	<b>26 144 082</b>
<b>Surplus/(Deficit)</b>	<b>(419 663)</b>	<b>(101 066)</b>	<b>(1 316 652)</b>	<b>(482 932)</b>	<b>(1 547 277)</b>	<b>(108 903)</b>	<b>(426 444)</b>	<b>(1 168 490)</b>	<b>(353 380)</b>	<b>7 767 655</b>	<b>(1 266 509)</b>	<b>(76 879)</b>	<b>(450 073)</b>	<b>(1 524 854)</b>	<b>1 226 474</b>	<b>(248 993)</b>
Transfers recognised - capital	13 500	-	139 798	-	10 000	26 900	10 560	-	516 728	-	-	-	6 549	1 289 673	521 349	<b>2 535 058</b>
Contributions recognised - capital	-	-	3 000	-	-	-	-	-	-	-	-	-	-	2 150	43 100	<b>48 250</b>
Contributed assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	<b>-</b>
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>(406 163)</b>	<b>(101 066)</b>	<b>(1 173 853)</b>	<b>(482 932)</b>	<b>(1 537 277)</b>	<b>(82 003)</b>	<b>(415 884)</b>	<b>(1 168 490)</b>	<b>163 349</b>	<b>7 767 655</b>	<b>(1 266 509)</b>	<b>(76 879)</b>	<b>(443 524)</b>	<b>(233 031)</b>	<b>1 790 923</b>	<b>2 334 315</b>

**Table 90 MBRR Table SA3 - Supporting detail to Statement of Financial Position**

Description	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<b>R thousand</b>									
<b>ASSETS</b>									
<b>Call investment deposits</b>									
Call deposits < 90 days	4 372 926	3 005 162	3 194 327	4 523 511	7 458 973	7 458 973	6 194 154	7 315 371	7 562 429
Other current investments > 90 days	59 876	2 146 596	2 883 387	-	-	-	6 800	-	-
<b>Total Call investment deposits</b>	<b>4 432 802</b>	<b>5 151 758</b>	<b>6 077 714</b>	<b>4 523 511</b>	<b>7 458 973</b>	<b>7 458 973</b>	<b>6 200 954</b>	<b>7 315 371</b>	<b>7 562 429</b>
<b>Consumer debtors</b>									
Consumer debtors	6 660 840	7 524 644	8 160 512	9 924 991	9 159 538	9 159 538	10 263 828	11 447 491	12 845 561
<i>Less: Provision for debt impairment</i>	(3 299 430)	(3 815 533)	(4 181 256)	(5 846 143)	(5 180 282)	(5 180 282)	(6 046 474)	(7 111 332)	(8 247 711)
<b>Total Consumer debtors</b>	<b>3 361 410</b>	<b>3 709 111</b>	<b>3 979 256</b>	<b>4 078 849</b>	<b>3 979 256</b>	<b>3 979 256</b>	<b>4 217 354</b>	<b>4 336 159</b>	<b>4 597 849</b>
<b>Debt impairment provision</b>									
Balance at the beginning of the year	3 079 562	3 299 430	3 815 533	4 855 117	4 181 256	4 181 256	5 180 282	6 046 474	7 111 332
Contributions to the provision	598 836	788 795	802 975	991 026	999 026	999 026	866 192	1 064 858	1 136 380
Bad debts written off	(378 968)	(272 692)	(437 252)	-	-	-	-	-	-
<b>Balance at end of year</b>	<b>3 299 430</b>	<b>3 815 533</b>	<b>4 181 256</b>	<b>5 846 143</b>	<b>5 180 282</b>	<b>5 180 282</b>	<b>6 046 474</b>	<b>7 111 332</b>	<b>8 247 711</b>
<b>Property, plant and equipment (PPE)</b>									
PPE at cost/valuation (excl. finance leases)	29 331 910	32 233 122	36 702 555	42 274 941	42 613 274	42 613 274	47 791 337	52 709 935	57 927 367
Leases recognised as PPE	398 121	234 370	-	234 370	-	-	-	-	-
<i>Less: Accumulated depreciation</i>	9 652 945	10 850 778	12 179 603	13 672 498	13 623 699	13 623 699	15 558 440	17 628 334	19 842 868
<b>Total Property, plant and equipment (PPE)</b>	<b>20 077 086</b>	<b>21 616 714</b>	<b>24 522 952</b>	<b>28 836 813</b>	<b>28 989 575</b>	<b>28 989 575</b>	<b>32 232 897</b>	<b>35 081 601</b>	<b>38 084 499</b>
<b>LIABILITIES</b>									
<b>Current liabilities - Borrowing</b>									
Short term loans (other than bank overdraft)	-	-	-	-	-	-	-	-	-
Current portion of long-term liabilities	361 475	305 353	294 186	370 393	563 763	563 763	478 860	468 369	603 138
<b>Total Current liabilities - Borrowing</b>	<b>361 475</b>	<b>305 353</b>	<b>294 186</b>	<b>370 393</b>	<b>563 763</b>	<b>563 763</b>	<b>478 860</b>	<b>468 369</b>	<b>603 138</b>
<b>Trade and other payables</b>									
Trade and other creditors	3 062 887	3 321 917	3 783 153	3 127 955	4 126 874	4 126 874	4 696 396	4 613 660	4 626 142
Unspent conditional transfers	1 048 440	1 108 680	1 665 752	1 162 749	1 731 982	1 731 982	1 826 081	1 912 796	2 035 216
VAT	51 161	57 368	57 756	69 415	63 532	63 532	69 885	76 873	84 561
<b>Total Trade and other payables</b>	<b>4 162 488</b>	<b>4 487 965</b>	<b>5 506 661</b>	<b>4 360 119</b>	<b>5 922 387</b>	<b>5 922 387</b>	<b>6 592 362</b>	<b>6 603 329</b>	<b>6 745 919</b>
<b>Non current liabilities - Borrowing</b>									
Borrowing	5 479 274	5 343 836	5 176 421	6 975 308	7 243 313	7 243 313	6 493 327	8 270 460	9 208 496
Finance leases (including PPP asset element)	61 767	-	-	-	-	-	-	-	-
<b>Total Non current liabilities - Borrowing</b>	<b>5 541 041</b>	<b>5 343 836</b>	<b>5 176 421</b>	<b>6 975 308</b>	<b>7 243 313</b>	<b>7 243 313</b>	<b>6 493 327</b>	<b>8 270 460</b>	<b>9 208 496</b>
<b>Provisions - non-current</b>									
Retirement benefits	2 388 826	2 857 172	3 370 547	3 567 712	3 743 548	3 743 548	3 900 326	4 070 430	4 255 163
<i>List other major provision items</i>	-	-	-	-	-	-	-	-	-
Refuse landfill site rehabilitation	361 386	342 871	328 839	386 039	361 839	361 839	393 839	427 631	463 383
Other	298 902	312 294	376 815	415 871	412 997	412 997	462 055	515 284	573 090
<b>Total Provisions - non-current</b>	<b>3 049 114</b>	<b>3 512 337</b>	<b>4 076 201</b>	<b>4 369 622</b>	<b>4 518 383</b>	<b>4 518 383</b>	<b>4 756 220</b>	<b>5 013 344</b>	<b>5 291 636</b>

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City of Cape Town 2013/14 Annual Budget and MTREF

Description	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<b>R thousand</b>									
<b>CHANGES IN NET ASSETS</b>									
<b>Accumulated Surplus/(Deficit)</b>									
Accumulated Surplus/(Deficit) - opening balance	10 421 129	12 485 228	14 369 652	14 821 668	16 895 822	16 895 822	20 263 916	22 790 759	25 094 373
GRAP adjustments	41 688	92 283	-	-	-	-	-	-	-
Restated balance	10 462 817	12 577 511	14 369 652	14 821 668	16 895 822	16 895 822	20 263 916	22 790 759	25 094 373
Surplus/(Deficit)	2 105 575	1 732 180	2 507 284	2 874 060	3 199 121	3 199 121	2 334 315	2 260 393	2 237 560
Appropriations to Reserves	(921 437)	(527 936)	(720 503)	2 217 644	210 081	210 081	214 694	66 671	-
Transfers from Reserves	838 274	587 895	739 389	(41 168)	(41 108)	(41 108)	(22 166)	(23 449)	(71 161)
Depreciation offsets	-	-	-	-	-	-	-	-	-
Other adjustments	-	-	-	-	-	-	-	-	-
<b>Accumulated Surplus/(Deficit)</b>	<b>12 485 229</b>	<b>14 369 650</b>	<b>16 895 822</b>	<b>19 872 204</b>	<b>20 263 916</b>	<b>20 263 916</b>	<b>22 790 759</b>	<b>25 094 373</b>	<b>27 260 773</b>
<b>Reserves</b>									
Housing Development Fund	531 472	539 070	521 463	588 769	548 896	548 896	557 131	565 202	574 403
Capital replacement	1 180 916	1 186 371	1 274 073	607 107	1 063 992	1 063 992	849 298	782 627	827 472
Self-insurance	658 175	585 163	496 182	611 673	509 858	509 858	523 788	539 167	556 281
Other reserves	-	-	-	104 393	80 124	80 124	84 207	91 318	96 622
Revaluation	-	-	-	-	-	-	-	-	-
<b>Total Reserves</b>	<b>2 370 563</b>	<b>2 310 604</b>	<b>2 291 718</b>	<b>1 911 942</b>	<b>2 202 869</b>	<b>2 202 869</b>	<b>2 014 424</b>	<b>1 978 313</b>	<b>2 054 778</b>
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>14 855 792</b>	<b>16 680 254</b>	<b>19 187 540</b>	<b>21 784 145</b>	<b>22 466 785</b>	<b>22 466 785</b>	<b>24 805 183</b>	<b>27 072 687</b>	<b>29 315 551</b>

**Table 91 MBRR Table SA9 - Social, economic and demographic statistics and assumptions**

Description of economic indicator	Basis of calculation	1996 Census	2001 Census	2007 Survey	2009/10	2010/11	2011/12	Current Year 2012/13	2013/14 Medium Term Revenue & Expenditure Framework		
					Outcome	Outcome	Outcome	Original Budget	Outcome	Outcome	Outcome
<b>Demographics</b>											
Population	Stats SA and estimates	2 563	2 893	3 497	3 713	3 740	3 947	4 061	4 179	-	-
Females aged 5 - 14	Stats SA and estimates	240	260	287	348	276	344	345	355	-	-
Males aged 5 - 14	Stats SA and estimates	241	258	284	351	282	367	356	366	-	-
Females aged 15 - 34	Stats SA and estimates	496	572	654	687	707	746	762	784	-	-
Males aged 15 - 34	Stats SA and estimates	473	540	632	693	707	715	754	776	-	-
Unemployment	Stats SA and estimates	19.6%	29.2%	24.5%	24.3%	24.9%	23.8%	NA	NA	-	-
<b>Monthly household income (no. of households)</b>											
No income	Stats SA	38 391	101 953	52 446	10 683	146 517	NA	NA	NA	-	-
R1 - R1 600	Stats SA	NA	200 414	144 873	122 708	185 068	NA	NA	NA	-	-
R1 601 - R3 200	Stats SA	NA	130 846	122 611	203 160	170 824	NA	NA	NA	-	-
R3 201 - R6 400	Stats SA	NA	133 588	121 268	213 975	154 427	NA	NA	NA	-	-
R6 401 - R12 800	Stats SA	NA	109 609	103 587	165 641	139 348	NA	NA	NA	-	-
R12 801 - R25 600	Stats SA	NA	67 529	87 974	NA	126 625	NA	NA	NA	-	-
R25 601 - R51 200	Stats SA	NA	23 091	52 892	NA	92 860	NA	NA	NA	-	-
R51 201 - R102 400	Stats SA	NA	5 470	18 249	NA	38 018	NA	NA	NA	-	-
R102 401 - R204 800	Stats SA	NA	3 028	5 355	NA	9 749	NA	NA	NA	-	-
R204 801 and over	Stats SA	NA	1 861	3 429	NA	5 065	NA	NA	NA	-	-
Unspecified	Stats SA	NA	-	189 593	112 934	73	NA	NA	NA	-	-
<b>Household/demographics (000)</b>											
Number of people in municipal area	Stats SA	2 563	2 893	3 497	3 713	3 740	3 947	4 061	4 179	-	-
Number of poor people in municipal area	Estimates	547	1 125	1 240	1 178	1 758	NA	NA	NA	-	-
Number of households in municipal area	Stats SA	653	777	902	1 061	1 069	1 106	1 145	1 185	-	-
Number of poor households in municipal area	Stats SA	139	302	320	337	502	NA	NA	NA	-	-
Definition of poor household (R per month)		Household income < R1001	Household income < R1601	Household income < R3201	Household income < R3201	Household income < R3201	-	-	-	-	-
<b>Housing statistics</b>											
Formal	Stats SA and estimates	517 423	599 792	748 631	832 857	837 533	873 718	904 298	935 949	-	-
Informal	Stats SA and estimates	128 869	159 768	144 116	212 193	223 139	221 194	228 936	236 949	-	-
<b>Total number of households</b>		646 292	759 560	892 747	1 045 050	1 060 672	1 094 912	1 133 234	1 172 898	-	-
Dwellings provided by municipality		-	-	-	8 950	7 723	7 141	9 000	9 000	-	-
Dwellings provided by province/s		-	-	-	-	-	-	-	-	-	-
Dwellings provided by private sector		-	-	-	10 724	8 169	-	-	-	-	-
<b>Total new housing dwellings</b>		-	-	-	19 674	15 892	7 141	9 000	9 000	-	-
<b>Economic</b>											
Inflation/inflation outlook (CPIX)		-	-	-	8.0%	5.6%	4.00%	5.4%	5.6%	5.6%	5.8%
Interest rate - borrowing		-	-	-	11.6%	11.5%	11.8%	10.0%	10.1%	10.6%	10.9%
Interest rate - investment		-	-	-	9.9%	7.2%	5.6%	6.0%	5.0%	5.4%	5.9%
Remuneration increases		-	-	-	11.5%	10.4%	12.90%	8.1%	8.8%	8.5%	8.6%
Consumption growth (electricity)		-	-	-	0.0%	0.0%	0.00%	0.0%	0.0%	0.0%	0.0%
Consumption growth (water)		-	-	-	1.0%	0.5%	1.50%	1.0%	1.0%	1.0%	1.0%
<b>Collection rates</b>											
Property tax/service charges		-	-	-	94.7%	95.0%	97.9%	95.2%	9.6%	9.6%	9.6%
Rental of facilities & equipment		-	-	-	68.5%	76.7%	87.5%	87.5%	87.5%	87.5%	87.5%
Interest - external investments		-	-	-	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Interest - debtors		-	-	-	95.0%	96.0%	96.0%	96.0%	97.0%	97.0%	97.0%
Revenue from agency services		-	-	-	0.0%	0.0%	0.0%	100.0%	100.0%	100.0%	100.0%

**Table 92 MBRR Table SA32 - List of external mechanisms**

External mechanism Name of organisation	Yrs/ Mths	Period of agreement	Service provided	Expiry date of service delivery agreement or contract	Monetary value of agreement
		Number			R thousand
Emerging Contracts (various)	Yrs/ Mths	ongoing	Clearing of Alien Vegetation	ongoing	900
BCA Training (Pty) Ltd, Effective Human Intervention CC, CFG Projects CC t/a Zyl & Associates Nokwindla Yidilani Trading and Projects CC	Mths	15	Provision of a service Provider:Contract Management Related Training for Infrastructure Projects	30 June 2014	4 700
1. Ntlereni Construction and Maintenance Cleaning CC 2. Abaphumeleli Trading 1149 CC 3. Green Guerrillas (Pty) Ltd 4. Mawose Manufacturers CC 5. Linose Trading CC 6. Golden Rewards 618 CC t/a Dynamic Initiatives	Mths	28	Provision of Refuse Collection and Area Cleansing Services in Doornbach Informal Settlement	30 June 2015	2 050
Masiqhame Trading 729 CC	Mths	31	Provision of Community Based Refuse Collection and Area Cleaning Services in Khayelitsha	30 June 2015	25 000
Inyameko Trading 675 CC	Mths	32	Provision of Community Based Refuse Collection and Area Cleaning Services in Mfuleni	30 June 2015	2 400
1. Yonke Imihla Building Solutions CC t/a Quality Fencing Suppliers - Main Contractor (4600003176) 2. Mhongo's Waste Removals CC - Alternative contractor (4600003180) Mhongo's Waste Removal CC t/a Mhongo's Waste & Security Services (Main Contractor) (4600003179)	Mths	32	Provision of Community Based Refuse Collection and Area Cleaning Services in Nomzamo Lwandle	30 June 2015	1 500
Chipoor Construction (Pty) Ltd t/a Chippa Waste Management (4600003177) SSI Engineers and Environmental Consulting (Pty) Ltd, Du Toit Environmental CC t/a the Environmental Partnership, Environmental Planning and Resource Management Services t/a Resource Management Services, Sillilo Environmental Consulting CC Ingerop South Africa (Pty) Ltd	Mths	26	Period Tender for the Provision of a Conventional Refuse Collection Service in Delft/Mfuleni and surrounding Areas	30 June 2015	40 500
EBESA SW JV	Mths	27	Period Tender for the Provision of a Conventional Refuse Collection Service in Kraaifontein, Bloekombos & Wallacedene and surrounding Areas	30 June 2015	35 000
OCS-Odour Control Solutions CC t/a OCS	Mths	18	Appointment of Environmental Assessment Practitioners (EAP's) to Perform Basic Assessments and Waste Management Licensing for Six Existing and Proposed City Solid Waste Drop-Off Facilities (Phase 2)	30 June 2014	1 360
Akura Manufacturing Engineering Company (Pty) Ltd	Mths	28	Provision of professional services to provide the independent chairperson and associated administrative services for the monitoring committees established at the three landfill sites and three refuse transfer stations	30 June 2015	700 (excl. VAT)
BKS (Pty) Ltd	Mths	33	Provision of Professional Services: Bellville North Reservoir: The Planning, Design, tender document, construction monitoring of various Solid Waste Depots and Drop OFF Facilities within the City of Cape Town	30 June 2015	1 000
Waste-Mart CC	Mths	32	Provision of Odour Neutralisation Service at Various Solid Waste Facilities	30 June 2015	7 000
Imvusa Trading 2361 CC, Ntobhele Trading Enterprise CC and Southern Ambition 132 CC t/a Sokipa Services CCA Environmental (Pty) Ltd-R589 439.18	Mths	32	Period Tender for the Refurbish and Re-Paint Bulk Waste Containers to Specification at Athlone Refuse Transfer Station	30 June 2015	2 000
Jeffares & Green (Pty) Ltd- R703 697.50	Mths	22	Provision of Professional Engineering Services for the Design & Construction of Remediation measures for the Atlantis & Kraaifontein Landfill Sites	30 June 2014	3 992
WorleyParsons Incorporating KV3 Engineers-R623 117.00 Spazatiner South Africa CC	Mths	35	Transportation of Containerised Solid Waste from the Swartklip Refuse Transfer Station to Vissershok landfill site	30 June 2015	30 000
SLR Consulting South Africa Pty Ltd	Mths	27	Cleaning and Greasing of Specialised Heavy Plant at Landfill Sites and Depot	30 June 2014	6 000
Jeffares and Green (Pty) Ltd	Mths	27	Provision of Basic Assessment and Waste Management Licencing Services for Waste Facilities at Swartklip, Faure and Atlantis	30 June 2014	Various
Jetvac South Africa (Pty) Ltd (Alternative Contractor - Quetzal Trading 116 CC) Sight Lines Pipe Survey Service (A Division of Wasteman Holdings (Pty) Ltd, Peninsula Pipeline Services CC Developmenthomics (Pty) Ltd	Mths	27	Supply, Delivery and Installation, Moving and Repair of Used Marine Shipping Containers	30 June 2014	2 000
Umtha Strategy and Development Consultancy	Mths	18	Professional Services in relation to clean development mechanism (CDM)- Landfill Gas Extraction and Beneficial utilisation and potential other CDM projects	30 June 2013	2 812
Enviroserve Waste Management (Pty) Ltd Waste-Mart CC BKS (Pty) Ltd	Mths	33	Provision of Professional Services External Compliance Audits of Solid Waste Management Facilities	30 June 2014	677 (excl. VAT)
Reflect All Compressors CC BKS (Pty) Ltd	Mths	28	Cleaning of Pump Station Wetwells	11 February 2013	3 000
Malutsa (PTY) Ltd	Mths	28	Cleaning / Desilting of Sewer Sandtraps (City Wide)	25 January 2013	2 000
Vela VKE Consulting Engineers (Pty) Ltd	Mths	28	Provision of Service Provider: To Conduct a Survey for Water and Sanitation on Customer Perception and Satisfaction	21 January 2013	1 450
	Mths	24	Provision of Service Providers: Water Demand Management – Community Engagement City Wide	17 January 2013	20 000
	Mths	28	Removal, transportation and disposal of grit and screenings from various wastewater treatment works	01 January 2013	26 800
	Mths	36	Provision of Professional Services: Condition Assessment and Rehabilitation of Bulk Sewer in the Blaauwberg and Milnerton area	13 December 2012	1,163 (excl. VAT)
	Mths	30	Inspection and Testing of Pressure Vessels	01 December 2012	6 000
	Mths	36	Provision of professional services - rehabilitation of Langa collector sewer	23 November 2012	726
	Mths	32	Maintenance of Ultraviolet Disinfection Plant and Equipment making provision for scheduled services, repairs and spares for Potsdam and Bellville Waste Water Treatment Plants.	01 November 2012	3 500
	Mths	24	Provision of professional services Trappies sewer project : investigations and preliminary designs	07 May 2012	632 (excl. VAT)

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External mechanism Name of organisation	Yrs/ Mths	Period of agreement	Service provided	Expiry date of service delivery agreement or contract	Monetary value of agreement
		Number			R thousand
Bergstan South Africa Consulting and Development Engineers	Mths	36	Provision of Professional Services: Sludge Dewatering and Sludge Handling Facilities at Various Wastewater Treatment Plants and A Mobile Sludge Dewatering Unit	07 May 2012	4,166 (ex cl. VAT)
Lukhozi Consulting Engineers (Pty) Ltd P O Box 23725 Claremont 7735	Mths	24	Provision of Professional Services: Final Design, Tender Documents and Supervision of Construction Work for the New Rest Sewer Rectification	20 April 2012	1,346 (ex cl. VAT)
Ariya Project Managers (Pty) Ltd	Mths	26	Provision of Professional Services: Design, Contract Administration & Monitoring, & Conducting an EIA study for Civil, Building, Mechanical & Electrical Works at Various Depots for the Engineering & Asset Management Branch	18 April 2012	7,614 (ex cl. VAT)
BKS (Pty) Ltd	Mths	26	Provision of Professional Services: Detailed design, tender documents and supervision of construction work for the Cape Flats 3 Bulk Sewer	13 April 2012	3 833
Information and Consulting Engineering Group (Pty) Ltd v/a ICE Group	Mths	27	Provision of Professional Services: Bellville North Reservoir: The Planning, Design, tender document, contract, administration and site supervision for the construction of a new 5MI reservoir to the Bellville North Water Supply System	19 March 2012	488 (ex cl. VAT)
Information and Consulting Engineering Group (Pty) Ltd v/a ICE Group	Mths	33	Provision of Professional Services: Bellville North Reservoir: Du Noon Sewer Pump Station and rising main: The Planning, Design, tender document, contract, administration and site supervision for the construction of a new sewer Pump station and Rising main	19 March 2012	1,332 (ex cl. VAT)
SSI Engineering and Environmental Consultants (Pty) Ltd	Mths	27	Provision of a professional service: Implementation of strategies to eliminate ingress of stormwater to sewer in part of the COCT sewer network	08 March 2012	6 715
Water & Wastewater Engineering (Pty) Ltd, Jeffares and Green (Pty) Ltd, SSI Engineers and Environmental Consultants (Pty) Ltd	Mths	Various	Provision of Professional Services: Preliminary Design, Detailed Design and Contract Supervision of Civil, Mechanical and Electrical Work at Various Wastewater Treatment Plants	Various	Various
JV Esri South Africa (Pty) Ltd and Giscoe (Pty) Ltd	Mths	28	Field Recording and GIS Data Capture of Electrical Plant and Reticulation	30 June 2015	Estimated at 27.5 million over 3 years
Quick Project Management Services CC	Mths	10	Cleaning Services for Customer Support Services	31 December 2013	-
Elex Umbane (Pty) Ltd v/a Elex Khanyisa	Mths	28	Replacement of prepayment meters	30 June 2015	Estimated at R10 million per annum
Light-Be Construction and Maintenance (Pty) Ltd	Mths	24	Design, Manufacture, Supply, Installation, Removal and Maintenance of Festive Lighting for the City of Cape Town	12 December 2014	5 800
CA Davuds T/A Davids Tool Hire, Lawnmower and Garden Centre	Mths	33	Grounds and horticultural Maintenance at Steenbras Power Station	30 June 2015	3 000
Hazard Bonako Cape (Pty) Ltd	Mths	24	Supply and Fitment of Light Emitting Diode (LED) Lights onto City of Cape Town Vehicles	08 October 2014	Various
Phambili Merz (Pty) Ltd	Mths	33	Period tender for provision of Professional Services: Quality Assurance Inspection of Switchgear and Ancillary Equipment	30 June 2015	-
Activale Marketing Procurement Specialists CC T/A Activale Marketing	Mths	24	Supply and Installation of GPS Navigational Units Mounted on Vehicles and Motorcycles (Global Positioning System)	16 September 2014	Various
Inyameko Trading 675 CC	Mths	24	Cleaning Services at Steenbras Power Station	30 June 2014	410
De Kock and Cronje CC	Mths	24	Medium Voltage Switchgear Maintenance, On the Job Training & Assessment, Writing of Maintenance Manuals and Task Lists for the City of Cape Town's Electricity Area of Supply	30 June 2014	30 000
Pragma Africa (Pty) Ltd P O Box 3971 Tyger Valley 7536	Mths	36	Implementation of new and maintaining of existing Infrastructure Reliability Engineering Centres and physical Infrastructure Reliability Engineering for the City of Cape Town, Technical Support Services	30 June 2015	Various
Kuntwela Ezansi Ventures CC T/A Key Accurate Measuring Meterwise Enterprises CCC and A Johnson Meter Readers CC	Mths	36	Electricity Meter Reading, Delivery of warning Notices to Disconnect supply, Disconnection and Reconnection, effective Disconnections and special investigations to address data purification and meter reading problems	30 June 2015	24 000
Milford Construction CC	Mths	24	Painting of Substation Buildings and City of Cape Town Facilities	31 May 2014	3 000
Shuaib Manjra Medical Consultant CC	Mths	12	The Provision of Occupational Health Care Services	30 March 2013	8,200 (ex cl. VAT)
Main Contractor: GRCT Consortium: Golden Rewards 1852 CC and Coalition Trading 760 CC	Mths	28	Cleaning Services at Block B, Bloemhof Centre, Bellville	30 June 2014	800
Alternative Contractor: Greystone Trading 389 CC T/A Pronto Kleen Cleaning Services and City Security Services 1.Northlink College 2.False Bay College for further Education and Training .	Mths	24	Provision of Training by accredited further education and training provider: Accredited Apprenticeship competency based modular training (CBMT) Programme for various trades	16 January 2014	Various
Doble Engineering Africa Ltd for Item 1 Phambili Merz (Pty) Ltd for item 2 & 3.	Mths	31	Provision of Professional Services; Quality Assurance of Power Transformers (period tender)	30 June 2014	Various
Orbis Security Solutions (Pty) Ltd	Yrs	2	Control Room Operators For a CCTV Surveillance Service	30 June 2013	17 460
1. CI Steyn Tenbekteleers CC v/a CI Steyn Tenbekteleers 2. Ibtisaam Soeker v/a Kimals Trading 3. Rizik Link CC 4. DB Erasmus v/a Pegasus Consulting Services- JV/Dadi's Trading CC 5. Masisebenze Water System (Pty) Ltd	Mths	32	Supply, delivery and/or installation of playground equipment and repair of existing playground equipment	30 June 2015	9 000
1. Hands on Garden Solutions CC (Items 1 - 3) 2. Distinctive Choice 306 CC v/a Avante Services (Item 4 and 7) 3. Chidinma CC v/a Chidinma (Item 5) 4. BF Mampies v/a Mampies Tree Felling and Gardening Services (Item 6)	Mths	13	Maintenance of District Parks in South Area	30 June 2013	3 600
Henning and Henning BK	Mths	33	Chemical Control of Broadleaf Weeds on Public Open Spaces,Road Reserves and Cemeteries	30 June 2014	4 000
1) Uluwandle Cleaning and Construction CC 2) Mkhomazi Investment CC 3) Lucrative Cleaning and Maintenance CC	Mths	24	Maintenance of public toilets on public open spaces and cemeteries	30 June 2014	2 400
Babalwa Cleaning Services Basha Cleaning Services CC v/a Basha Cleaning Services and Maintenance Imvusa Trading 523 CC	Mths	32	Opening and closing of graves in city cemeteries	30 June 2013	3 041
Imvusa Train g14.34 CC v/a Magic-Scapes	Mths	28	Supply, Delivery, Removal and Installation of Rubber Matting around Play Equipment	30 June 2013	1 000
Kohler Signs (Pty) Ltd and Steyn Signage and Maintenance CC	Mths	31	Supply, Delivery and Erection of Signage Boards for City Parks	30 June 2013	500
Landscape Fusion CC	Mths	28	Horticultural Maintenance of Company Gardens	30 June 2013	1 440

**2.17 Municipal manager's quality certificate**

I ....., municipal manager of City of Cape Town, hereby certify that the annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act, and that the annual budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Print Name \_\_\_\_\_

Municipal Manager of City of Cape Town (CPT)

Signature \_\_\_\_\_

Date \_\_\_\_\_