

CITY OF CAPE TOWN

DRAFT BUDGET

For the financial period
2014/15 to 2016/17

FEBRUARY 2014

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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.

CGD – Capital Grants and Donations

CCT – City of Cape Town

City - City of Cape Town

CPI – Headline Consumer Price Index

CRR – Capital Replacement Reserve

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

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. Each ward is made up of a number of suburbs and is represented by a councillor.

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

Part 1 - Annual Budget

1.1 Council Resolutions

The 2014/15 MTREF Budget Resolutions recommend that:

1. The City's annual draft budget for the financial year 2014/15; and indicative allocations for the two projected outer years 2015/16 and 2016/17 and related policies, as tabled, be noted and made available for public comment, as set out in the following schedules and annexures:
 - a. Operating expenditure by standard classification reflected in Table 21.
 - b. Operating expenditure by vote reflected in Table 22.
 - c. Operating revenue by source reflected in Table 24.
 - d. Multi-year capital appropriations by vote reflected in Annexure 1 and Table 87.
 - e. Capital expenditure by standard classification reflected in Table 25.
 - f. Capital funding by source reflected in Table 25.
 - g. Budgeted Cash Flow statement as reflected in Table 27.
 - h. Salaries and Benefits of Political Office Bearers, Councillors and Senior Officials as reflected in Table 51 and Table 52.
 - i. Performance Indicators and benchmarks for 2014/15 as set out in Table 34.
 - j. Consolidated budget tables for the City and the municipal entity (CTICC) as reflected in Table 94 to Table 97.
 - k. Draft Property (Tax) Rates as set out in Annexure 2.
 - l. Draft Special Rating Areas (SRA) Policy and SRA Additional Rates (including City Improvement Districts) as set out in Annexure 3.
 - m. Revised Consumptive Tariffs, Rates and Basic Charges for Electricity Services, Water Services and Waste Management Services as set out in Annexure 4.
 - n. Draft Rates Policy as set out in Annexure 5.
 - o. Draft 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.
 - p. Draft Tariff Policies as set out in Annexure 7.
 - q. Draft Credit Control and Debt Collection Policy as set out in Annexure 8.
 - r. Draft Grants Policy as set out in Annexure 9.
 - s. Amendments to the five year 2012/13 – 2016/17 Integrated Development Plan (IDP) (2014/2015 Review) as set out in Annexure 10.
 - t. Grants, Subsidies and Contributions to external organisations as set out in Annexure 11.
 - u. Operating and Capital ward allocation projects supported by sub councils as set out in Annexure 12.
 - v. Draft Virement Policy as set out in Annexure 13.
 - w. Municipal entity – Schedule D (Annual budgets and supporting documents) as set out in Annexure 14.
 - x. Municipal entity – Business plan as set out in Annexure 15.
 - y. Overview of Budget Assumptions applied to the 2014/15 MTREF required to be included in Annexure 10 (Integrated Development Plan) as set out in Annexure 16.
 - z. Iconic and Other Events to be hosted by the City in the 2014/15 financial year as set out in Annexure 17.

- aa. Draft Policy on Accounts Payable as set out in Annexure 18.
 - bb. Draft Fare Policy for Contracted, Road-based Public Transport as set out in Annexure 19.
2. The National Treasury Circular 70 (“Municipal Budget Circular for the 2014/15 MTREF”) as set out in Annexure 20 is annexed to this report for noting.

1.2 Executive Summary

a. General

The total budget quantum for the 2014/15 year is R33 870 million, of which R 27 789 million (82%) is allocated to the operating budget and R6 081 million (18%) to the capital budget.

b. Operating Budget

Expenditure

Total operating expenditure has increased from R26 144 million in 2013/14 (original approved budget) to R27 789 million in 2014/15. This 6.29% 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 2013/14	Budget 2014/15	Year on year
R Thousand			
Employee related costs	8 253 458	8 918 318	8.06%
Remuneration of councillors	123 721	133 619	8.00%
Debt impairment	866 192	950 511	9.73%
Depreciation & asset impairment	1 934 741	2 154 335	11.35%
Finance charges	863 894	919 232	6.41%
Bulk purchases	6 898 881	7 050 011	2.19%
Other materials	358 681	332 349	-7.34%
Contracted services	3 192 182	3 418 014	7.07%
Transfers and grants	39 544	100 567	154.32%
Other expenditure	3 612 788	3 812 561	5.53%
Loss on disposal of PPE	-	-	-
Total Expenditure	26 144 082	27 789 517	6.29%

Reasons for significant increases/decreases

Employee Related Costs – The increase is due to additional staff requirements to accommodate organisational restructuring within Social Development & Early Childhood, Transport for Cape Town and to fund critical staff requirements in other functional areas.

Depreciation – The higher than CPI increase is mainly due to the revised calculation, which is now based on a 100% spend as opposed to 95% as well as the impact of the increased capital spend over the last few years.

Contracted Services – This allocation includes provision for repairs and maintenance and allocations for IRT vehicle operator contracts.

Transfers and Grants – the schedule includes a number of applications from various beneficiaries that have been identified or received by line departments for consideration.

Other Materials – Reduced allocation due to budgetary alignment of repairs and maintenance from this category to contracted services in various directorates.

Table 2 Year-on-year growth on Staff Cost

Category	Budget 2013/14	Budget 2014/15	Year on year
R Thousand			
Vote 1 - City Health	567 519	620 821	9.39%
Vote 2 - City Manager	53 267	52 767	-0.94%
Vote 3 - Community Services	831 761	933 586	12.24%
Vote 4 - Compliance and Auxiliary Services	292 414	307 375	5.12%
Vote 5 - Corporate Services	644 222	691 038	7.27%
Vote 6 - Economic, Environment & Spatial Planning	368 219	390 582	6.07%
Vote 7 - Finance	596 095	644 168	8.06%
Vote 8 - Human Settlements	280 936	297 127	5.76%
Vote 9 - Rates & Other	109 340	119 967	9.72%
Vote 10 - Safety & Security	1 276 366	1 308 520	2.52%
Vote 11 - Social and Early Childhood Development	38 681	71 377	84.53%
Vote 12 - Tourism, Events and Marketing	88 316	94 053	6.50%
Vote 13 - Transport for Cape Town	532 192	580 657	9.11%
Vote 14 - Utility Services	2 574 131	2 806 280	9.02%
Total staff costs	8 253 458	8 918 318	8.06%

Staff cost growth:

Staff costs increased from R8 253 million in 2013/14 to R8 918 million in 2014/15. The City's staff budget is reviewed annually for budgetary purposes and provides for an intense scrutiny of HR needs and assessment of all vacancies. Additional funds were allocated to accommodate organisational restructuring within Social Development & Early Childhood and Transport for Cape Town directorates and to fund sundry staff requirements in other functional areas.

The 2014/15 cost of living increase used when calculating the 2014/15 staff budget was 8.84% (2% notch increment + 6.84% per salary/wage award formula calculation), while the year-on-year growth is 8.06%.

The reduction within the Office of the City Manager is due to restructuring within this directorate, where staff members were assigned to other functional areas.

Revenue

Operating revenue increases from R25 895 million to R27 509 million in 2014/15.

This 6.23% growth in revenue is mainly as a result of:

- An increase on Transfers Recognised, due to an increase in the allocation of the National Equitable Share (R1 243 million in 2013/14 to R1 502 million in 2014/15).

- An increase of Rental of Facilities & Equipment from R336 million to R439 million, resulting from the increased marketing of facilities which in turn resulted in a higher rate of facilities usage such as halls, stadiums, museums etc.
- Agency Services Revenue increases from R121 million to R150 million, due to increased tariffs on Motor Vehicle Registration Licences.
- 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 2013/14	Budget 2014/15	Year on year
R Thousand			
Revenue By Source			
Property rates	5 427 388	5 811 899	7.08%
Property rates - penalties & collection charges	99 720	106 202	6.50%
Service charges - electricity revenue	9 668 405	10 072 265	4.18%
Service charges - water revenue	2 343 850	2 540 080	8.37%
Service charges - sanitation revenue	1 243 019	1 338 202	7.66%
Service charges - refuse revenue	947 126	989 912	4.52%
Service charges - other	239 991	262 019	9.18%
Rental of facilities and equipment	336 471	439 945	30.75%
Interest earned - external investments	284 618	275 762	-3.11%
Interest earned - outstanding debtors	118 805	119 622	0.69%
Dividends received	-	-	-
Fines	183 257	175 648	-4.15%
Licences and permits	35 601	40 388	13.45%
Agency services	121 993	150 439	23.32%
Transfers recognised - operational	2 595 904	2 766 510	6.57%
Other revenue	2 179 942	2 350 227	7.81%
Gains on disposal of PPE	69 000	70 500	2.17%
Total Revenue (excluding capital transfers and contributions)	25 895 089	27 509 618	6.23%

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 2014/15, 2015/16 and 2016/17

Category	Base Budget 2013/14	Budget Year 2014/15	Budget Year+1 2015/16	Budget Year +2 2016/17
Property Rates	6.10%	6.00%	6.00%	6.00%
Electricity	7.86%	7.63%	8.50%	8.75%
Water	9.53%	8.00%	10.35%	10.92%
Sanitation	9.53%	8.00%	10.35%	10.92%
Refuse	6.32%	5.87%	6.07%	5.75%
Disposal	7.06%	8.56%	13.87%	10.27%

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 that property's value compared with the valuation of all the rateable properties in the municipal area. The total amount of rates included in the budget is 6.5% more than for the 2013/14 financial year and takes into account natural growth.

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

Water and Sanitation

There is a proposed 8% increase in consumptive water and sanitation tariffs. The Bulk Water tariff has been increased by 2%. 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. The details are reflected in Annexure 4.

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 tariffs for collections increase with 5.87%, disposal with 8.56% and miscellaneous services with 5.8%. The details are reflected in Annexure 4.

Electricity

On 20 November 2013, NERSA issued a guideline for municipal increases of 7.39%, based on a projected bulk increase to municipalities of 8.06%. The projected bulk increase is an average value; the City has determined that the likely increase specifically for the City is likely to be 8.5%. Based on the above, the proposed average tariff increase is 7.63%. The details are reflected in Annexure 4.

c. Capital Budget

The capital budget increases from R5 451 million in 2013/14 (original budget) to R6 081 million in 2014/15 or an overall increase of 11.56%.

Table 5 Year-on-year increase in capital funding sources

Category	Budget 2013/14	Budget 2014/15	Increase / (Decrease)
R Thousand			
Capital Grants & Donations	2 583 308	2 886 199	302 891
Capital Replacement Reserve	700 820	722 927	22 107
External Financing Fund	2 149 497	2 346 301	196 804
Revenue	16 968	125 270	108 301
Total	5 450 592	6 080 696	630 103

The table above reflects an increase on all funding sources. The main contributors to the increase in EFF provisions relate to the re-phasing of projects from 2013/14 to 2014/15. Additional initiatives aligned to the IDP were also highlighted by directorates across the City during the budget process i.e. accelerated Broadband project spend and a wireless mesh for Khayelitsha and Mitchells Plain.

Major capital expenditure is planned in the following areas during 2014/15:

- Utility Services → R2 872 million
- Transport for Cape Town → R1 652 million
- Human Settlements → R688 million

The most significant projects are in:

- Cape Town Electricity
 - Athlone - Phillipi: OH Line Undergrounding → R36 million
 - Backyarders → R82 million
 - Bloemhof Network Control Centre → R23 million
 - Bofors Main Substation Upgrade → R39 million
 - City Depot - Relocation → R65 million
 - Electrification → R110 million
 - Facilities Alterations & Upgrading → R60 million
 - Koeberg Rd Switching Station Phase 2 → R24 million
 - MV Switchgear Refurbishment → R66 million
 - Platteklouf - N1 Reinforcement → R46 million
 - Retreat Depot - Replacement for Muizenberg → R45 million
 - Service Connections → R68 million
 - Street Lighting: City Wide → R48 million
 - System Equipment Replacement → R134 million
 - System Infrastructure → R109 million
- Community Services
 - New Regional Library Kuyasa Khayelitsha → R45 million
- Corporate Services
 - Broadband → R150 million
 - Facilities Management Structural Rehabilitation → R40 million
 - Khayelitsha/Mitchells Plain Mesh Network → R61 million
- Human Settlements
 - Brick Skin Walls - Housing Flats → R36 million
 - Hangberg CRU 70 Units → R23 million
 - Hanover Park CRU Project → R42 million
 - Land Acquisition (USDG) → R34 million
 - Manenberg CRU Project → R72 million
 - Urbanisation: Backyards/Informal Settlements Upgrade → R80 million
 - Marble Flats CRU Upgrade → R40 million
- Safety & Security
 - Integrated Emergency Contact Centre → R30 million
- Solid Waste Management
 - Bellville Transfer Station → R180 million
 - Rehab of Vissershok North Landfill → R108 million
 - Replacement: Plant & Vehicles → R59 million

- Upgrading Depot facilities → R35 million
- Upgrading of Drop-off facilities → R27 million
- Transport for Cape Town
 - Bulk Roads & Stormwater for Housing Projects → R50 million
 - Infrastructure Management: Reconstruct Roads Metro → R32 million
 - IRT → R841 million
 - Main Roads: Northern Corridor → R27 million
 - Non-Motorised Transport Network & Universal Access → R80 million
 - Pedestrianisation - Low Income Areas → R30 million
 - Pelican Park: Strandfontein Rd Upgrade → R25 million
 - Public Transport Systems Management Project → R43 million
 - Rail based Park & Ride Facilities → R40 million
 - Roads & Stormwater Rehabilitation → R139 million
 - Transport Management Centre Extension → R40 million
- Water & Sanitation
 - Bulk Water Infrastructure Replacement → R20 million
 - Infrastructure Replace/Refurbish – Wastewater Treatment Works → R85 million
 - Meter Replacement Program → R163 million
 - Mitchells Plain Wastewater Treatment Works → R40 million
 - Northern Area Sewer Thornton → R55 million
 - OSEC (Electrolytic Chlorination Infrastructure) → R23 million
 - Pressure Management → R20 million
 - Replace & Upgrade Sewer Network (Citywide) → R54 million
 - Replace & Upgrade Water Network (Citywide) → R52 million
 - Somerset West Bus Park Main Sewer (lower leg) → R40 million
 - Treated Effluent : Re-use and Upgrades → R25 million
 - Vehicles, Plant Equip: Additional Fleet Management → R25 million
 - Zandvliet Wastewater Treatment Works -Extension → R59 million
 - Rehab Outfall Sewers Pentz Sandrift → R32 million
 - Completion of Cape Flats III Bulk Sewer → R100 million

Table 6 New projects (extract) in the 2014/15 draft Capital Budget

Project Description	Budget 2014/15
R Thousand	
Asset Management and Maintenance	1 200
Athlone Gas Turbine Combustion Chamber	14 500
Athlone Gas Turbine Network Rearrange	2 356
Bofors Main Substation Upgrade	39 492
Broad Rd Main Substation Upgrade - Ph. 3	20 465
Contermanskloof Reservoir	20 000
Fisantekraal Garden Cities Phase 2	20 800
Glencairn Rail & Road Stabilisation	3 000
Green Point Phase 3 Housing Project	2 000
Imizamo Yethu Housing Project (Phase 3)	6 500
Khayelitsha/Mitchells Plain Mesh Network	61 000
Kommetjie Road Upgrade	1 000
Langa Hostels CRU Project (868 units)	5 500
M/Plain / Steenbras Fibre Optic Replace	5 792
Macassar Housing Project	12 000
Maitland Crematorium - Install Cremators	1 700
Masiphumelele Housing Project Phase 4	5 000
Morkel's Cottage Strand Housing Project	9 500
Oakdale Switch Station Upgrade - Ph. 2	10 000
OSEC (Electrolytic Chlorination Infrastructure)	22 876
Pampoenkraal Heritage site	2 439
Radio Trunking Infrastructure Upgrade	6 000
Sir Lowry's Pass River Upgrade	10 000
Telemetry Automation (Reticulation)	2 500
Transport Management Centre Extension	40 000
Upgrade of Sea Point Promenade	3 000
Woodstock Switch Station Switchgear Refurbishment	10 000
Woodstock Switch Station Switchgear Upgrade	3 500

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 2014/15 MTREF (classified by main revenue source):

Table 7 Summary of Revenue classified by main revenue sources

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Revenue By Source									
Property rates	4 435 764	4 622 441	5 076 445	5 427 388	5 427 388	5 427 388	5 811 899	6 214 672	6 642 001
Property rates - penalties & collection charges	94 168	89 657	85 057	99 720	99 720	99 720	106 202	113 105	120 457
Service charges - electricity revenue	6 578 085	8 061 684	8 852 928	9 668 405	9 483 473	9 483 473	10 072 265	10 827 685	11 661 417
Service charges - water revenue	1 649 307	1 817 183	2 053 577	2 343 850	2 333 850	2 333 850	2 540 080	2 824 821	3 158 769
Service charges - sanitation revenue	903 204	1 002 897	1 091 897	1 243 019	1 243 019	1 243 019	1 338 202	1 489 197	1 666 350
Service charges - refuse revenue	754 178	813 287	869 210	947 126	950 808	950 808	989 912	1 067 418	1 146 988
Service charges - other	474 953	291 714	232 192	239 991	243 397	243 397	262 019	286 692	316 633
Rental of facilities and equipment	250 316	289 736	306 605	336 471	336 823	336 823	439 945	461 382	483 854
Interest earned - external investments	291 679	333 336	368 324	284 618	282 078	282 078	275 762	291 205	306 930
Interest earned - outstanding debtors	230 391	228 425	183 192	118 805	121 617	121 617	119 622	126 320	133 142
Fines	166 476	144 394	100 524	183 257	168 710	168 710	175 648	185 484	195 500
Licences and permits	37 645	41 471	41 843	35 601	39 281	39 281	40 388	52 650	69 953
Agency services	115 991	123 651	132 469	121 993	134 993	134 993	150 439	167 284	187 442
Transfers recognised - operational	1 400 627	1 639 075	1 985 809	2 595 904	2 603 947	2 603 947	2 766 510	3 144 268	3 543 997
Other revenue	1 757 278	1 961 587	2 445 384	2 179 942	2 187 009	2 187 009	2 350 227	2 481 840	2 615 859
Gains on disposal of PPE	20 580	44 144	86 747	69 000	69 000	69 000	70 500	74 448	78 468
Total Revenue (excluding capital transfers and contributions)	19 160 643	21 504 683	23 912 206	25 895 089	25 725 114	25 725 114	27 509 618	29 808 469	32 327 761

Table 8 Revenue by source as a percentage of total budget

Description	Current Year 2013/14		2014/15 Medium Term Revenue & Expenditure Framework					
	Adjusted Budget	%	Budget Year 2014/15	%	Budget Year +1 2015/16	%	Budget Year +2 2016/17	%
Revenue By Source								
Property rates	5 427 388	21.1%	5 811 899	21.1%	6 214 672	20.8%	6 642 001	20.5%
Property rates - penalties & collection charges	99 720	0.4%	106 202	0.4%	113 105	0.4%	120 457	0.4%
Service charges - electricity revenue	9 483 473	36.9%	10 072 265	36.6%	10 827 685	36.3%	11 661 417	36.1%
Service charges - water revenue	2 333 850	9.1%	2 540 080	9.2%	2 824 821	9.5%	3 158 769	9.8%
Service charges - sanitation revenue	1 243 019	4.8%	1 338 202	4.9%	1 489 197	5.0%	1 666 350	5.2%
Service charges - refuse revenue	950 808	3.7%	989 912	3.6%	1 067 418	3.6%	1 146 988	3.5%
Service charges - other	243 397	0.9%	262 019	1.0%	286 692	1.0%	316 633	1.0%
Rental of facilities and equipment	336 823	1.3%	439 945	1.6%	461 382	1.5%	483 854	1.5%
Interest earned - external investments	282 078	1.1%	275 762	1.0%	291 205	1.0%	306 930	0.9%
Interest earned - outstanding debtors	121 617	0.5%	119 622	0.4%	126 320	0.4%	133 142	0.4%
Fines	168 710	0.7%	175 648	0.6%	185 484	0.6%	195 500	0.6%
Licences and permits	39 281	0.2%	40 388	0.1%	52 650	0.2%	69 953	0.2%
Agency services	134 993	0.5%	150 439	0.5%	167 284	0.6%	187 442	0.6%
Transfers recognised - operational	2 603 947	10.1%	2 766 510	10.1%	3 144 268	10.5%	3 543 997	11.0%
Other revenue	2 187 009	8.5%	2 350 227	8.5%	2 481 840	8.3%	2 615 859	8.1%
Gains on disposal of PPE	69 000	0.3%	70 500	0.3%	74 448	0.2%	78 468	0.2%
Total Revenue (excluding capital transfers and contributions)	25 725 114	100%	27 509 618	100%	29 808 469	100%	32 327 761	100%
Total Revenue from Rates & Service Charges	19 781 655	76.9%	21 120 578	76.8%	22 823 589	76.6%	24 712 615	76.4%

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 Charges revenues comprise 76.8% of the City's total revenue mix for 2014/15. In 2013/14, revenue from Rates and Services Charges totalled R19 781 million. This increases to R21 120 million, R22 823 million and R24 712 million in the respective financial years of the 2014/15 MTREF. The MTREF indicates a notable percentage reduction in the revenue generated from Rates and Services Charges, which reduces from 76.8% in 2014/15 to 76.4% in 2016/17.

Property rates (including Penalties and Collection Charges) is the second largest revenue source in 2014/15, totalling R5 918 million (21.5% of revenue) and increasing to R6 762 million (21%) in 2016/17.

Operating grants and transfers totals R2 766 million in 2014/15 and increases to R3 544 million by 2016/17. This revenue component reflects a significant increase over the MTREF period, due to the increased allocations from Provincial and National Government.

Table 9 Operating Transfers and Grant Receipts

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
National Government:	89 546	123 957	39 306	1 743 572	1 722 026	1 722 026	1 792 191	1 958 351	2 366 087
Restructuring	1 911	-	-	3 379	3 379	3 379	1 191	-	-
Finance Management grant	832	1 160	1 250	1 250	530	530	1 250	1 250	1 250
Equitable share	7 528	-	-	1 248 993	1 245 785	1 245 785	1 502 066	1 815 088	2 193 107
Urban Settlements Development Grant	2 479	23 244	-	113 705	76 174	76 174	57 870	65 320	102 876
Public Transport Network Operations Grant	-	-	-	272 521	272 521	272 521	217 498	73 050	68 853
Energy Efficiency and Demand Side Management Grant	27 780	995	-	1 980	1 980	1 980	921	400	-
Dept. of Environ Affairs and Tourism	13 426	270	155	200	5 258	5 258	-	-	-
Housing Accreditation	227	-	-	200	200	200	200	-	-
Expanded Public Works Programme	-	9 279	29 484	31 980	40 947	40 947	-	-	-
Integrated City Development Grant	-	-	-	10 364	10 364	10 364	3 470	-	-
2014 African Nations Championship Host City Operating Grant	-	-	-	59 000	59 000	59 000	-	-	-
Public Transport Infrastructure & Systems Grant	31 885	87 809	-	-	4 452	4 452	7 726	3 244	-
LGSETA: Post Graduate Internship Programme	-	-	522	-	-	-	-	-	-
Natural Resource Management	-	-	7 895	-	-	-	-	-	-
Infrastructure Skills Development	-	-	-	-	900	900	-	-	-
LGSETA	250	-	-	-	536	536	-	-	-
National Treasury: Neighbourhood Development Partnership Grant	-	1 199	-	-	-	-	-	-	-
Department of Water Affairs & Forestry: Water Affairs & Forestry Grant	3 227	-	-	-	-	-	-	-	-
Provincial Government:	314 628	305 180	865 610	844 953	858 207	858 207	946 716	1 167 344	1 176 711
Cultural Affairs and Sport - Provincial library Services	14 194	15 836	23 470	24 409	22 009	22 009	30 205	32 337	35 053
Human Settlements - Human Settlement Development Grant	148 491	114 597	641 612	436 831	440 663	440 663	519 971	785 350	792 000
Human Settlements - Municipal Accreditation Assistance	251	-	10 000	10 000	10 000	10 000	8 500	-	-
Human Settlement - Settlement Assistance	676	-	1 000	1 000	1 000	1 000	1 000	1 000	1 000
Health - TB	12 431	11 893	12 408	11 207	11 207	11 207	11 058	11 611	11 611
Health - Global Fund	19 031	18 582	3 722	34 753	36 323	36 323	35 109	28 952	28 952
Health - ARV	52 362	62 075	22 606	77 627	88 729	88 729	83 061	65 510	65 510
Health - Nutrition	3 454	3 754	4 056	4 400	4 400	4 400	4 576	4 740	4 740
Health - Vaccines	56 974	68 443	67 811	79 995	74 264	74 264	83 994	65 329	65 329
Comprehensive Health	-	-	67 569	147 132	147 132	147 132	152 842	156 890	156 890
Transport and Public Works - Provision for persons with special needs	4 182	10 000	10 000	10 000	11 896	11 896	10 000	9 426	9 426
Municipal Land Transport Fund	-	-	-	5 600	5 600	5 600	5 900	6 200	6 200
Transport Safety and Compliance - Rail Safety	-	-	-	2 000	2 000	2 000	500	-	-
ABET adult Education	-	-	4	-	-	-	-	-	-
Transport Vehicle Impound Facility	-	-	1 352	-	-	-	-	-	-
Community Development Workers	2 000	-	-	-	984	984	-	-	-
Dept. of Environ Affairs and Tourism	-	-	-	-	2 000	2 000	-	-	-
Fire Fighting Assistance	434	-	-	-	-	-	-	-	-
Other	149	-	-	-	-	-	-	-	-
Other grant providers:	17 249	15 217	6 314	7 379	23 715	23 715	27 602	18 573	1 200
Tourism	2 083	-	-	2 000	2 000	2 000	2 190	2 000	1 000
Carnegie	8 444	3 732	-	1 258	1 664	1 664	3 057	-	-
CMTF	2 513	-	-	170	9 140	9 140	8 980	190	200
Other	824	3 244	-	15	-	-	-	-	-
Mamre Trust	-	12	12	150	-	-	-	-	-
CID	1 992	3 249	2 271	2 905	3 006	3 006	-	-	-
Century City Property Owners Association	-	285	409	196	196	196	-	-	-
NGK Ceramic Company	-	-	-	686	686	686	-	-	-
Traffic Free Flow (Pty) Ltd	-	896	1 116	-	1 746	1 746	-	-	-
Finnish Government	-	-	-	-	201	201	-	-	-
City for Climate Protection	-	-	-	-	144	144	-	-	-
ICLEI Carbon Taxes	-	-	-	-	111	111	-	-	-
Mamre Fencing	68	-	-	-	63	63	-	-	-
Disaster Management Fund	-	-	256	-	-	-	-	-	-
Mayoress Charity Fund	-	-	651	-	-	-	-	-	-
Give Responsibly Campaign	-	-	8	-	-	-	-	-	-
South African National Biodiversity Institute	85	2 733	1 591	-	3 047	3 047	1 170	357	-
Afrikaanse Taal en Kultuur Vereniging	-	-	-	-	5	5	-	-	-
DBSA - Green Fund	-	-	-	-	-	-	10 000	15 000	-
Stellenbosch University	-	-	-	-	1 283	1 283	1 781	1 026	-
Sustainable Energy Africa	-	-	-	-	424	424	424	-	-
Table Mountain Biosphere	-	-	-	-	-	-	-	-	-
MSF Funding	454	-	-	-	-	-	-	-	-
Baboon Management	300	-	-	-	-	-	-	-	-
University of Columbia	100	-	-	-	-	-	-	-	-
Neil DESAI Skills Development Project	37	-	-	-	-	-	-	-	-
Sunwest International	350	-	-	-	-	-	-	-	-
National Lottery	-	400	-	-	-	-	-	-	-
Glocal Forum	-	510	-	-	-	-	-	-	-
Lourens River Flood Alleviation	-	156	-	-	-	-	-	-	-
Total Operating Transfers and Grants	421 422	444 354	911 230	2 595 904	2 603 947	2 603 947	2 766 510	3 144 268	3 543 997

1.3.1 Property (Tax) 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 Draft Rates Policy was compiled taking into account feedback received from the Finance Portfolio Committee, Councillors, ratepayers and clients since the adoption of the 2013/14 Property Rates Policy in May 2013. In addition, it was informed by the two workshops held with the Finance Portfolio Committee and a workshop with relevant staff during the period November 2013 to February 2014. 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 General Valuation Roll 2012 (GV) with the date of valuation being 1 July 2012. The Roll is being 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 that property's value compared with the valuation of all the rateable properties in the municipal area. The total amount of rates included in the budget is 6.5% more than for the 2013/14 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 Draft Rates Policy attached as Annexure 5.

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

The proposed Water and Sanitation Tariffs for the 2014/15 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 8% increase in consumptive water and sanitation tariffs. The Bulk Water tariff has been increased by 2%. 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.

In addition to the standard consumptive tariff increases, it is again recommended that the price applied to step 2 of the Domestic Full category be adjusted upwards to reduce the level of subsidisation currently applied to this step for water tariffs. Such alignment is necessary due to the usage patterns and water demand strategy.

Stepped tariffs (1 – 6) for the Domestic Cluster category was implemented from 1 July 2013 based on previous consultation with customers. Further steps to refine alignment with the Domestic Full category have been taken.

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 5.8% increase on miscellaneous tariffs.

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

Table 10 Proposed Water Tariffs

Category	Current Tariff 2013/14	Proposed Tariff 2014/15
	Rand per KI (excl. VAT)	Rand per KI (excl. VAT)
DOMESTIC Full		
Step 1 (0 ≤ 6kl)	0	0
Step 2 (>6 ≤ 10.5kl)	7.60	8.75
Step 3 (>10.5 ≤ 20kl)	11.61	12.54
Step 4 (>20 ≤ 35kl)	17.20	18.58
Step 5 (>35 ≤ 50kl)	21.24	22.94
Step 6 (>50kl)	28.02	30.97
DOMESTIC Cluster		
Step 1 (0 < 6kl)	0.00	0.00
Step 2 (>6 kl)	n/a	n/a
Step 2 (>6 < 20kl)	n/a	n/a
Step 2 (>6 < 10.5kl)	9.93	10.72
Step 3 (>10.5 < 20kl)	11.61	12.54
Step 3 (>20kl)	n/a	n/a
Step 4 (>20 < 35kl)	17.20	18.58
Step 5 (>35 < 50kl)	21.24	22.94
Step 6 (>50kl)	28.02	30.97
COMMERCIAL	12.51	13.51
INDUSTRIAL	12.51	13.51

Table 11 Proposed Sanitation Tariffs

Category	Current Tariff 2013/14	Proposed Tariff 2014/15
	Rand per KI (excl VAT)	Rand per KI (excl VAT)
DOMESTIC Full - Standard	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)	7.20	8.25
Step 3 (>7.35 < 14 kl)	13.56	14.64
Step 4 (>14 < 24.5 kl)	14.82	16.01
Step 5 (>24.5 < 35 kl)	15.56	16.81
DOMESTIC Cluster		
Step 1 (0 < 4.2kl)	0.00	0.00
Step 1 (0 < 4.2kl)	n/a	n/a
Step 2 (> 4.2kl)	n/a	n/a
Step 2 (>4.2 < 7.35 kl)	9.05	9.05
Step 3 (>7.35 < 14 kl)	13.56	14.64
Step 3 (> 4.2 < 35 kl)	n/a	n/a
Step 4 (>14 < 24.5 kl)	14.82	16.01
Step 5 (>28 < 35 kl)	15.56	16.81
COMMERCIAL	9.62	10.39
INDUSTRIAL	9.62	10.39

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

Table 12 Comparison between current water charges and proposed increases (domestic consumption)

Monthly Consumption kl	Current amount Payable 2013/14 R	Proposed amount Payable 2014/15 R	Difference (Increase)	Percentage change
6	0.00	0.00	0.00	-
10.5	34.20	39.38	5.18	15.15%
20	144.50	158.49	13.99	9.68%
35	402.50	437.13	34.63	8.60%
50	721.10	781.22	60.12	8.34%
80	1 561.70	1 689.32	127.62	8.17%

Table 13 Comparison between current sanitation charges and proposed increases (domestic consumption):

Monthly Consumption kl	Current amount Payable 2013/14 R	Proposed amount Payable 2014/15 R	Difference (Increase)	Percentage change
4.2	0.00	0.00	0.00	-
7.35	22.68	25.99	3.31	14.59%
14	112.85	123.38	10.53	9.33%
24.5	268.46	291.43	22.97	8.56%
35	431.84	467.88	36.04	8.35%

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. An increase has been approved on the Consumptive Tariffs for Collections of 5.87% & Disposal of 8.56%. An increase has been approved on the Miscellaneous Tariffs for Cleaning of 5.8%.

Table 14 Comparison between current waste removal fees and increases

SERVICES RENDERED	UNIT	REMARKS To be read in conjunction with Definitions (refer annexures)	2013/14 R excl. VAT	VAT Yes/No	2014/15 R excl. VAT
Black lid 240L container service (R/blacklid)					
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.).	90.60	y	95.92
Subsidised : Black lid 240L container service (R/blacklid)					
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 (-90.60)	y	100% rebate (-95.92)
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 (-67.95)	y	75% rebate (-71.94)
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 (-45.30)	y	50% rebate (-47.96)
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 (-22.65)	y	25% rebate (-23.98)
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)	90.60	y	95.92
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.	90.60	y	95.92
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 (-45.30)	y	50% rebate (-47.96)
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 (-90.60)	y	100% rebate (-95.92)
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.

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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.

On 20 November 2013, NERSA issued a guideline for municipal increases of 7.39%, based on a projected bulk increase to municipalities of 8.06%. The NERSA guideline does not take into account the effect on the overall increase of the Contributions to Rates (10% of budgeted sales). Furthermore, the projected bulk increase is an average value, and the City has determined that the likely increase specifically for the City is likely to be 8.5%. CPI was projected at being 5.8%.

Further additional increases are required for Eskom National Maximum Demand Upgrades, additional staff costs as a result of accommodating bursary graduates into operations where a critical shortage of skills exists, and an increase in capital charges.

As a result of the above, the average revenue increase requirement (and therefore the average tariff increase) is 7.63%.

Present electricity tariffs were approved by Council on 29 May 2013 and by NERSA on 13 June 2013, and were implemented with effect from 1 July 2013.

Table 15 Comparison between current electricity charges and increases (domestic consumption)

Category	Unit	Steps	VAT yes/no	2013/14 c/kWh excl VAT	2014/15 c/kWh excl VAT
Lifeline INCLUDES the FBE portion	Energy Charge (c/kWh)	0-350kWh	y	79.70	84.32
		350.1+ kWh	y	185.00	204.65
Domestic	Energy Charge (c/kWh)	0-600kWh	y	125.00	134.76
		600.1+ kWh	y	152.00	163.87

1.3.5 Overall impact of tariff increases on households

The following table shows the overall expected impact of tariff increases on households with a ‘middle income range’, an ‘affordable range’ and an ‘indigent household receiving free basic services’:

Table 16 MBRR Table SA14 - Household bills

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework			
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15 % incr.	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Rand/cent										
Monthly Account for Household - 'Middle Income Range'										
Rates and services charges:										
Property rates	652.78	233.88	247.91	250.75	250.75	250.75	6.0%	265.80	281.74	301.46
Electricity: Basic levy	-	-	-	-	-	-	-	-	-	-
Electricity: Consumption	933.10	1 271.98	1 383.56	1 441.34	1 441.34	1 250.00	9.9%	1 374.00	1 501.23	1 655.26
Water: Basic levy	-	-	-	-	-	-	-	-	-	-
Water: Consumption	227.31	274.63	299.35	312.67	312.67	312.67	9.6%	342.62	376.89	418.34
Sanitation	157.88	192.19	213.96	214.78	214.78	214.78	9.6%	235.36	258.89	287.37
Refuse removal	75.44	90.73	83.96	90.60	90.60	90.60	5.5%	95.58	100.84	107.39
Other	-	-	-	-	-	-	-	-	-	-
sub-total	2 046.51	2 063.41	2 228.74	2 310.14	2 310.14	2 118.80	0.1%	2 313.36	2 519.59	2 769.83
VAT on Services	195.12	256.13	277.32	288.31	288.31	261.53	-	286.66	313.30	345.57
Total large household bill:	2 241.63	2 319.54	2 506.06	2 598.45	2 598.45	2 380.33	0.1%	2 600.02	2 832.89	3 115.40
% increase/-decrease		3.5%	8.0%	3.7%	-	(8.4%)		9.2%	9.0%	10.0%
Monthly Account for Household - 'Affordable Range'										
Rates and services charges:										
Property rates	184.21	140.35	178.49	172.08	172.08	150.56	6.0%	159.59	169.17	181.01
Electricity: Basic levy	-	-	-	-	-	-	-	-	-	-
Electricity: Consumption	464.68	612.35	601.50	665.10	665.10	625.00	9.9%	687.00	750.62	827.63
Water: Basic levy	-	-	-	-	-	-	-	-	-	-
Water: Consumption	163.95	196.77	187.69	226.67	226.67	226.67	9.6%	248.38	273.22	303.28
Sanitation	119.83	145.22	138.85	162.91	162.91	162.91	9.6%	178.52	196.37	217.97
Refuse removal	75.44	-	83.96	90.60	90.60	90.60	5.5%	95.58	100.84	107.39
Other	-	-	-	-	-	-	-	-	-	-
sub-total	1 008.11	1 094.69	1 190.49	1 317.36	1 317.36	1 255.74	3.9%	1 369.08	1 490.22	1 637.28
VAT on Services	115.35	133.61	141.68	160.34	160.34	154.73	-	169.33	184.95	203.88
Total small household bill:	1 123.46	1 228.30	1 332.17	1 477.70	1 477.70	1 410.47	4.1%	1 538.41	1 675.16	1 841.16
% increase/-decrease		9.3%	8.5%	10.9%	-	(4.5%)		9.1%	8.9%	9.9%
Monthly Account for Household - 'Indigent' Household receiving free basic services										
Rates and services charges:										
Property rates	224.65	44.16	46.81	54.08	54.08	54.08	6.0%	57.32	60.76	65.02
Electricity: Basic levy	-	-	-	-	-	-	-	-	-	-
Electricity: Consumption	43.01	253.87	276.14	272.60	272.60	258.64	9.9%	284.30	310.62	342.49
Water: Basic levy	-	-	-	-	-	-	-	-	-	-
Water: Consumption	-	120.57	131.42	142.81	142.81	142.81	9.6%	156.49	172.14	191.08
Sanitation	-	98.53	107.40	111.38	111.38	111.38	9.6%	122.05	134.26	149.02
Refuse removal	86.00	68.05	83.96	45.28	45.28	45.28	5.5%	47.77	50.40	53.67
Other	-	-	-	-	-	-	-	-	-	-
sub-total	353.66	585.18	645.73	626.15	626.15	612.19	6.7%	667.93	728.18	801.28
VAT on Services	18.06	75.74	83.85	80.09	80.09	78.14	-	85.49	93.44	103.08
Total small household bill:	371.72	660.92	729.58	706.24	706.24	690.33	6.7%	753.42	821.62	904.36
% increase/-decrease		77.8%	10.4%	(3.2%)	-	(2.3%)		9.1%	9.1%	10.1%

1.4 Operating Expenditure Framework

The City's expenditure for the 2014/15 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 2014/15 budget and MTREF (classified by main type of operating expenditure):

Table 17 Summary of operating expenditure by standard classification

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Expenditure By Type									
Employee related costs	6 123 768	6 916 012	7 446 199	8 253 458	8 219 948	8 219 948	8 918 318	9 689 511	10 484 648
Remuneration of councillors	88 621	97 772	111 673	123 721	123 721	123 721	133 619	142 438	151 554
Debt impairment	773 226	818 450	926 812	866 192	881 192	881 192	950 511	1 064 031	1 160 370
Depreciation & asset impairment	1 271 965	1 399 490	1 627 385	1 934 741	1 957 724	1 957 724	2 154 335	2 304 813	2 465 758
Finance charges	717 476	681 533	720 766	863 894	863 894	863 894	919 232	1 150 593	1 383 509
Bulk purchases	4 620 105	5 705 263	6 391 186	6 898 881	6 607 911	6 607 911	7 050 011	7 610 228	8 225 878
Other materials	279 273	273 402	284 193	358 681	332 973	332 973	332 349	358 921	388 108
Contracted services	2 010 269	2 193 662	2 825 946	3 192 182	3 342 889	3 342 889	3 418 014	3 715 662	4 020 002
Transfers and grants	93 382	103 492	103 144	39 544	116 409	116 409	100 567	117 769	123 994
Other expenditure	2 666 893	2 988 712	3 480 981	3 612 788	3 521 062	3 521 062	3 812 561	4 065 240	4 359 005
Loss on disposal of PPE	3 529	1 724	1 443	-	-	-	-	-	-
Total Expenditure	18 648 506	21 179 513	23 919 727	26 144 082	25 967 723	25 967 723	27 789 517	30 219 206	32 762 827

Staff costs for 2014/15 is R8 918 million equating to 32.1% of total operating expenditure. The 2014/15 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 8.06%. Similar, inflation-linked increases are estimated for the outer years of the City's MTREF. Furthermore, additional funds were allocated to accommodate organisational restructuring within Social Development & Early Childhood, Transport for Cape Town and to fund critical staff requirements in other functional areas.

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 2014/15 this equates to R951 million and escalates to R1 160 million by 2016/17. 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.

Budgeted appropriations for depreciation and asset impairment total R2 154 million for 2014/15. The higher than CPI increase is mainly due to the revised calculation, which is now based on a 100% spend as opposed to 95% as well as the impact of the increased capital spend over the last few years. In addition, multi-year projects, which were previously capitalised in the final year of the budget is now capitalised when the asset is commissioned.

Finance charges consist primarily of the repayment of interest on long-term borrowing (cost of capital). Finance charges equates to 3.3% (R919 million) of 2014/15 operating expenditure, excluding redemption costs and increases to R1 384 million by 2016/17.

Budgetary provision for bulk purchases are largely informed by the purchase of electricity and water from 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 provision caters 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 (R332 million in 2014/15; estimated to increase to R388 million by 2016/17).

Contracted services expenditure component now includes provisions for repairs and maintenance. Expenditure levels of R3 418 million in 2014/15 escalating to R4 020 million in 2016/17 are projected.

The following graph gives a breakdown of the main expenditure categories for 2014/15.

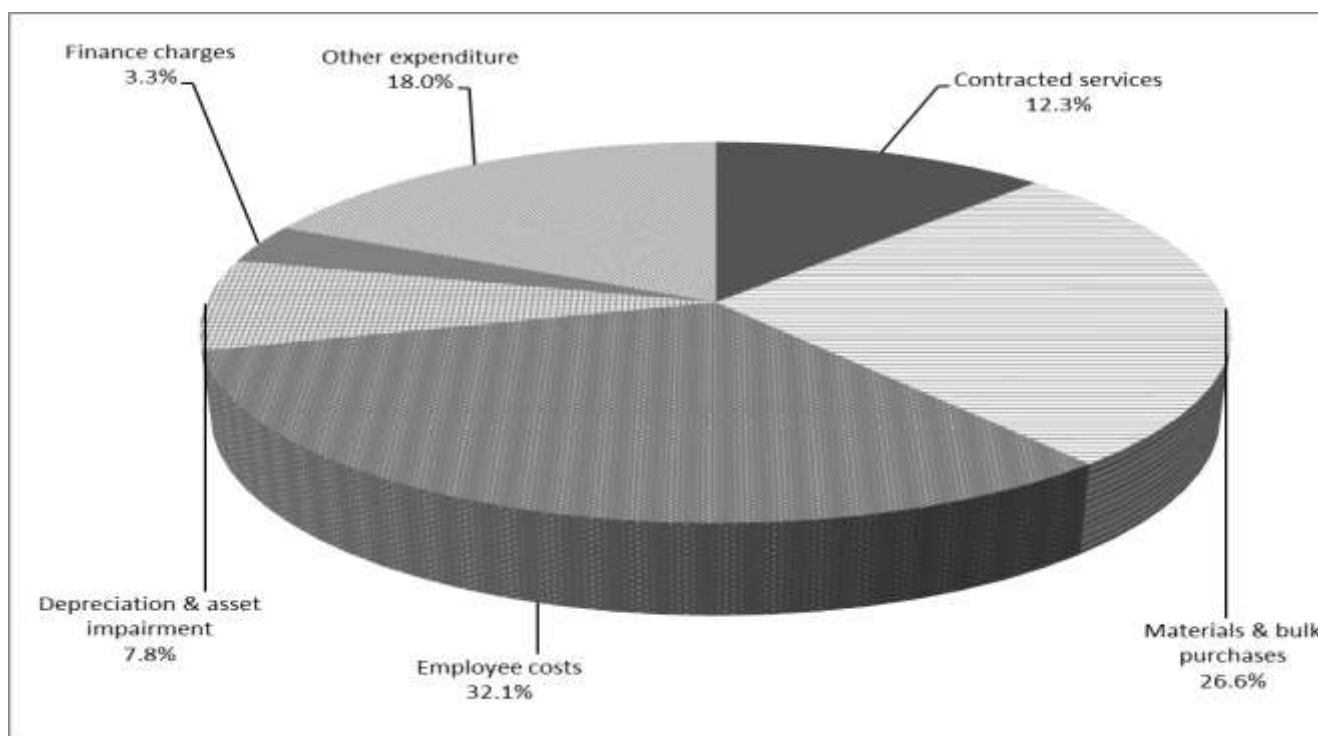


Figure 1 Main operational expenditure categories for the 2014/15 financial year

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, 2014/15 appropriations again provide for significant and above-CPI level increases to this cost component.

In terms of the MBRR, 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 18 Operational repairs and maintenance

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand									
Repairs & Maintenance by Expenditure Item									
Employee related costs	406 268	446 891	1 030 137	1 165 808	1 038 287	1 038 287	1 248 847	1 356 288	1 470 189
Other materials	200 892	180 350	202 646	263 900	245 101	245 101	237 074	257 462	279 089
Contracted Services	995 374	1 088 586	1 314 473	1 360 489	1 407 563	1 407 563	1 509 560	1 639 382	1 819 279
Other Expenditure	106 746	167 226	203 129	140 087	151 479	151 479	157 424	170 952	185 321
Total Repairs and Maintenance Expenditure	1 709 280	1 883 053	2 750 384	2 930 285	2 842 430	2 842 430	3 152 905	3 424 085	3 753 877

The total repairs and maintenance allocation for 2014/15 is R3 153 million, which represents a growth of 11% from 2013/14. The significant increase is notable on Repairs & Maintenance (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 the TASK outcome/job grading system, where jobs and positions were graded based on the content of approved job description. This trend continues over the MTREF and increases to R3 754 million in 2016/17. The 2014/15 repairs and maintenance provision represents more than 11% 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 250 000 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 85 000 and 250 000.

The second procedure allows any resident who is required to pay for the mentioned services and whose gross monthly household income is R3 500 or below, to register as indigent to receive the same benefits as if their property values were below R100 000. To date 2 238 residents registered as such, showing clearly that the valuation driven measures are reaching the less fortunate residents as envisaged.

As from 2013/14 new categories of indigent support were created by granting a 75% rebate on rates to all residents where the gross monthly household income is between R3 501 and R4 000. To date 20 households have registered. Households with gross monthly income between R4 001 and R4 500 receive a 50% rebate on rates and 25 applications have been approved. Applications from households with gross monthly incomes between R4 501 and R5 000 receive a 25% rebate on their rates accounts and to date 11 have been approved.

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 a free basic supply 60kWh, with those receiving between 250kWh and 450kWh per month receiving a free basic supply of 25kWh per month. In total there are approximately 420 000 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 indigent support on charges for refuse removal, the R77.23 for water and sanitation and the 60kWh of free electricity are partially financed by National Government through the local government equitable share received in terms of the annual Division of Revenue Act. However, the City allocates R49 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 19 2014/15 Medium-term capital budget per vote

Vote Description R thousand	Current Year 2013/14		2014/15 Medium Term Revenue & Expenditure Framework					
	Adjusted Budget	%	Budget Year 2014/15	%	Budget Year +1 2015/16	%	Budget Year +2 2016/17	%
Vote 1 - City Health	30 096	0.5%	21 966	0.4%	25 466	0.4%	28 466	0.5%
Vote 2 - City Manager	14 095	0.3%	26 771	0.4%	954	0.0%	954	0.0%
Vote 3 - Community Services	209 126	3.7%	241 334	4.0%	163 920	2.6%	207 737	3.5%
Vote 4 - Compliance and Auxiliary Services	31 343	0.6%	14 102	0.2%	36 605	0.6%	69 605	1.2%
Vote 5 - Corporate Services	294 109	5.2%	359 474	5.9%	353 053	5.7%	322 411	5.4%
Vote 6 - Economic, Environment & Spatial Planning	64 469	1.1%	65 338	1.1%	61 487	1.0%	52 927	0.9%
Vote 7 - Finance	44 204	0.8%	16 078	0.3%	14 481	0.2%	8 681	0.1%
Vote 8 - Human Settlements	772 040	13.8%	688 135	11.3%	560 035	9.0%	517 690	8.7%
Vote 10 - Safety & Security	64 080	1.1%	70 529	1.2%	40 127	0.6%	35 127	0.6%
Vote 11 - Social and Early Childhood Development	7 838	0.1%	15 660	0.3%	10 860	0.2%	10 860	0.2%
Vote 12 - Tourism, Events and Marketing	26 530	0.5%	37 781	0.6%	30 200	0.5%	30 200	0.5%
Vote 13 - Transport for Cape Town	1 612 231	28.8%	1 651 931	27.2%	1 922 058	31.0%	1 885 673	31.7%
Vote 14 - Utility Services	2 436 227	43.5%	2 871 598	47.2%	2 985 398	48.1%	2 781 129	46.7%
Total Capital Expenditure - Vote	5 606 388	100%	6 080 696	100%	6 204 645	100%	5 951 461	100%

The capital budget increased from R5 606 million in 2013/14 (January 2014 adjustments budget) to R6 081 million in 2014/15. This is an overall increase of 8.5% when measured against the latest 2013/14 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 for Cape Town. This allocation in 2014/15 represents just over R4 524 million or 74.4% of the total budgetary allocation for the year. Utility Services receives the largest allocation of R2 872 million in 2014/15, which represents 47.2% of the budget. Utility Services includes the services responsible for the provision of electricity, solid waste, water and sanitation. The second highest allocation amounting to R1 652 million or 27.2% is made to Transport for Cape Town, which is followed by Human Settlements at R688 million, Corporate Services at R359 million and Community Services at R241 million.

In the outer years the majority of the allocations were also made to infrastructure development; R4 907 million (79.1%) in 2015/16 and R4 666 million (78.4%) in 2016/17.

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 521 million or 41.5% of the total 2014/15 capital budget, while new assets represents R3 560 million or 58.5%. 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 41, 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 162 and 163). A detailed breakdown of the capital budget per project over the medium term is available on page 166.

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

- Bloemhof: Stores Upgrade → R26 million
- New Switching Station Atlantis Industrial → R85 million
- Oakdale Switch. Station Upgrade - Ph. 2 → R82 million
- Observatory Main Substation Upgrade → R97 million
- Tamboerskloof Transformer Replacement → R36 million
- Prepayment Meter Replacement → R63 million
- Prepayment Vending System Upgrading → R14 million
- Optic Fibre Installations → R28 million
- Broad Rd Main Substation Upgrade - Ph. 3 → R50 million
- Grassy Park Main Substation Upgrade → R45 million
- Hout Bay New Low Voltage Depot → R34 million
- Sarepta New Main Substation → R30 million
- Steenbras Power Station Rehabilitation/Upgrade → R111 million
- Mzamomhle clinic upgrade & ext. TB/ARV → R5 million
- New Pelican Park Clinic → R15 million
- Tafelsig Clinic Extensions and Upgrade → R4 million
- Replacement Clinic Zakhele → R6 million
- New Fisantekraal Clinic → R5 million
- Extensions for ARV and TB Masincedane → R4 million
- Atlantis Cemetery Upgrade → R5 million
- Atlantis Synthetic Soccer Pitch → R7 million
- Delft Cemetery Development → R6 million
- Develop Metro South-East Cemetery → R13 million
- District Park Atlantis → R4 million
- Library Upgrades and Extensions → R32 million
- Vaalfontein Cemetery Development → R12 million
- Welmoed Cemetery Development → R4 million
- Construction new library at Imizamo Yethu → R14 million
- Upgrade of Sea Point Promenade → R10 million
- Klip Road Cemetery Extension → R5 million
- Development of Mandela Peace Park → R5 million
- Recreation Hubs Equipment → R9 million
- Sport, Recreation & Amenities: Spray Parks → R10 million
- Sport, Recreation & Amenities: Synthetic Pitches → R78 million
- ERP Business Systems → R31 million
- Radio Trunking Infrastructure Upgrade → R18 million
- Local Area Priority Initiatives [LAPIs] → R22 million
- Quality Public Spaces - Citywide → R27 million
- Strand Pavillion Precinct Upgrade → R10 million
- Pampoenkraal Heritage site → R11 million
- Local Environment and Heritage Projects → R4 million
- Development Applications Management System Enhancements → R10 million
- E - Procurement system → R14 million
- Imizamo Yethu Housing Project (Phase 3) → R55 million

- Langa Hostels CRU Project → R306 million
- Macassar Housing Project → R63 million
- Wallacedene Housing Project → R44 million
- Fisantekraal Garden Cities Housing Project → R105 million
- Replacement of Fire Vehicles → R9 million
- Traffic Services - Vehicles → R17 million
- CCTV roll out Bellville → R3 million
- Law Enforcement and Security Services - Vehicles → R9 million
- Metro Police Services - Replacement of Vehicles → R3 million
- Construction of ECD - Nantes → R4 million
- Wallacedene Social Dev Hub → R3 million
- Construction of ECD Centres - Delft → R5 million
- Construction of ECD Centres - Du Noon → R5 million
- Construction of ECD Centres - Strand (Erjville) → R3 million
- Construction of Heideveld ECD → R5 million
- New Landfill Site Infrastructure → R52 million
- New Transfer Station Infrastructure → R24 million
- Upgrading of Drop-off facilities → R52 million
- Development of the Regional Landfill Site → R190 million
- Upgrade of Athlone Stadium → R6 million
- Upgrade to Grand Parade → R5 million

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

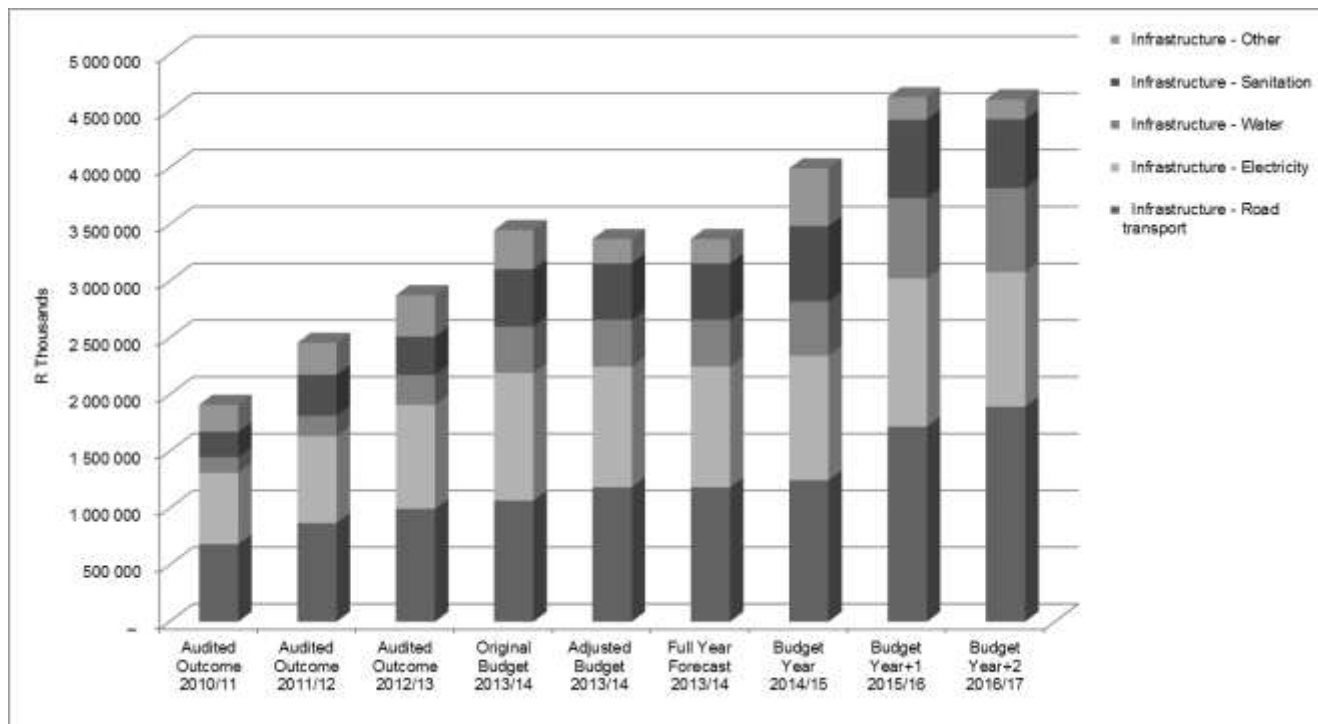


Figure 2 Capital Infrastructure Programme

1.5.1 Future operational cost of new infrastructure

Table SA35, on page 165, 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 R1 081 million in 2014/15 to R1 375 million in 2016/17. 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 Municipal Budget and Reporting Regulations, are presented on page 26 to page 43. These tables reflect the City's 2014/15 budget and MTREF to be supported by Council and made public for comment. Each table is accompanied by explanatory notes.

Table 20 MBRR Table A1 - Budget Summary

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousands									
Financial Performance									
Property rates	4 529 932	4 712 098	5 161 502	5 527 109	5 527 109	5 527 109	5 918 101	6 327 777	6 762 458
Service charges	10 359 727	11 986 765	13 099 805	14 442 391	14 254 547	14 254 547	15 202 477	16 495 812	17 950 157
Investment revenue	291 679	333 336	368 324	284 618	282 078	282 078	275 762	291 205	306 930
Transfers recognised - operational	1 400 627	1 639 075	1 985 809	2 595 904	2 603 947	2 603 947	2 766 510	3 144 268	3 543 997
Other own revenue	2 578 677	2 833 409	3 296 766	3 045 068	3 057 433	3 057 433	3 346 768	3 549 407	3 764 218
Total Revenue (excluding capital transfers and contributions)	19 160 643	21 504 683	23 912 206	25 895 089	25 725 114	25 725 114	27 509 618	29 808 469	32 327 761
Employee costs	6 123 768	6 916 012	7 446 199	8 253 458	8 219 948	8 219 948	8 918 318	9 689 511	10 484 648
Remuneration of councillors	88 621	97 772	111 673	123 721	123 721	123 721	133 619	142 438	151 554
Depreciation & asset impairment	1 271 965	1 399 490	1 627 385	1 934 741	1 957 724	1 957 724	2 154 335	2 304 813	2 465 758
Finance charges	717 476	681 533	720 766	863 894	863 894	863 894	919 232	1 150 593	1 383 509
Materials and bulk purchases	4 899 378	5 978 665	6 675 379	7 257 562	6 940 884	6 940 884	7 382 360	7 969 149	8 613 986
Transfers and grants	93 382	103 492	103 144	39 544	116 409	116 409	100 567	117 769	123 994
Other expenditure	5 453 917	6 002 548	7 235 181	7 671 163	7 745 143	7 745 143	8 181 086	8 844 934	9 539 378
Total Expenditure	18 648 506	21 179 513	23 919 727	26 144 082	25 967 723	25 967 723	27 789 517	30 219 206	32 762 827
Surplus/(Deficit)	512 137	325 171	(7 521)	(248 993)	(242 610)	(242 610)	(279 899)	(410 737)	(435 067)
Transfers recognised - capital	1 173 315	2 061 755	3 414 645	2 535 058	2 868 417	2 868 417	2 820 973	2 899 159	2 842 006
Contributions recognised - capital & contributed assets	46 728	120 358	36 603	48 250	75 302	75 302	65 226	96 300	100 300
Surplus/(Deficit) after capital transfers & contributions	1 732 180	2 507 284	3 443 726	2 334 315	2 701 109	2 701 109	2 606 299	2 584 723	2 507 239
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	1 732 180	2 507 284	3 443 726	2 334 315	2 701 109	2 701 109	2 606 299	2 584 723	2 507 239
Capital expenditure & funds sources									
Capital expenditure	2 857 761	4 233 245	5 868 810	5 450 592	5 606 388	5 606 388	6 080 696	6 204 645	5 951 461
Transfers recognised - capital	1 173 329	2 061 778	3 414 645	2 537 158	2 860 517	2 860 517	2 813 180	2 899 159	2 842 006
Public contributions & donations	46 715	44 208	35 076	46 150	52 025	52 025	73 019	96 300	100 300
Borrowing	992 283	1 374 791	1 753 425	2 149 497	2 036 433	2 036 433	2 346 301	2 510 679	2 386 273
Internally generated funds	645 435	752 469	665 664	717 788	657 413	657 413	848 196	698 506	622 883
Total sources of capital funds	2 857 761	4 233 245	5 868 810	5 450 592	5 606 388	5 606 388	6 080 696	6 204 645	5 951 461
Financial position									
Total current assets	9 455 665	10 735 982	12 900 815	11 085 280	11 425 726	11 425 726	11 581 321	11 861 796	12 768 585
Total non current assets	21 882 485	24 772 540	29 033 825	33 525 814	33 418 774	33 418 774	37 325 591	41 172 473	44 592 606
Total current liabilities	5 801 721	7 242 430	7 988 695	8 556 365	8 166 244	8 166 244	7 383 216	7 012 551	6 451 713
Total non current liabilities	8 856 173	9 252 622	11 488 749	11 249 547	11 436 827	11 436 827	13 669 034	15 577 163	17 951 890
Community wealth/Equity	16 680 256	19 013 470	22 457 196	24 805 183	25 241 429	25 241 429	27 854 662	30 444 554	32 957 590
Cash flows									
Net cash from (used) operating	3 644 517	5 241 829	5 506 919	4 447 103	4 639 183	4 639 183	4 389 214	4 680 132	4 720 732
Net cash from (used) investing	(4 755 444)	(4 173 468)	(5 820 775)	(5 109 063)	(5 536 736)	(5 536 736)	(6 014 404)	(6 136 556)	(5 890 741)
Net cash from (used) financing	(248 995)	(156 536)	2 252 382	(598 143)	(598 143)	(598 143)	1 615 030	1 549 940	1 877 118
Cash/cash equivalents at the year end	5 249 381	6 161 206	8 099 732	6 278 994	6 603 670	6 603 670	6 593 510	6 687 027	7 394 135
Cash backing/surplus reconciliation									
Cash and investments available	5 448 098	6 361 479	8 334 415	7 404 228	7 729 520	7 729 520	7 994 946	8 345 164	9 282 838
Application of cash and investments	1 177 581	1 957 849	3 642 055	7 148 363	7 481 654	7 481 654	7 701 850	7 915 223	8 768 017
Balance - surplus (shortfall)	4 270 517	4 403 630	4 692 360	255 865	248 231	248 231	293 096	429 941	514 821
Asset management									
Asset register summary (WDV)	21 616 714	24 522 952	28 758 735	32 232 897	32 118 918	32 118 918	35 741 244	39 330 844	42 518 974
Depreciation & asset impairment	1 271 965	1 399 490	1 627 385	1 934 741	1 957 724	1 957 724	2 154 335	2 304 813	2 465 758
Renewal of Existing Assets	1 306 053	2 196 471	2 143 416	2 308 326	2 294 353	2 294 353	2 520 700	2 256 663	2 116 607
Repairs and Maintenance	1 709 280	1 883 053	2 750 384	2 930 285	2 842 430	2 842 430	3 152 905	3 424 085	3 753 877
Free services									
Cost of Free Basic Services provided	1 091 076	1 299 409	1 452 596	1 670 616	1 670 616	1 700 693	1 839 369	1 995 136	2 231 252
Revenue cost of free services provided	1 775 173	1 932 597	2 155 382	2 473 098	2 473 098	2 470 084	2 575 437	2 801 546	3 068 011
Households below minimum service level									
Water:	-	-	12 000	8 000	8 000	8 000	-	-	-
Sanitation/sewerage:	24 000	24 000	60 800	40 600	40 600	40 600	600	-	-
Energy:	86 000	40 012	39 316	37 863	37 863	37 816	36 316	34 816	33 316
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 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 2014/15 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 appropriations include the depreciation reserves (for capital grants), Housing Development Fund, Insurance Fund and contributions to the Capital Replacement Reserve (CRR).**
 - 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:**
 - i. **Transfers recognised - capital and public contributions & donations which are shown on the financial performance budget;**
 - ii. **Borrowing, which is shown in the cash flow budget as part of the net cash from financing activities; and**
 - iii. **Internally generated funds are financed from previous years' accumulated surpluses, previous years' contributions to CRR and bulk infrastructure levies already collected. The affordability and sustainability of these funds are confirmed by the positive and increasing cash flow outcome over the 2014/15 MTREF.**
6. The City's cash backing/surplus reconciliation over the 2014/15 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 is evident in the annual increase of investment in the Cost of Free Basic Services and the Revenue Cost of Free Basic Services provided. Backlogs still exist for Electricity Services.

Table 21 MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

Standard Classification Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Revenue - Standard									
Governance and administration	7 249 832	7 964 359	8 899 313	9 117 905	9 123 306	9 123 306	9 996 590	10 849 662	11 782 038
Executive and council	5 227	626	2 202	2 498	4 482	4 482	2 642	2 790	2 941
Budget and treasury office	7 145 211	7 642 383	8 699 491	8 899 708	8 897 917	8 897 917	9 652 742	10 487 862	11 413 331
Corporate services	99 393	321 350	197 620	215 699	220 907	220 907	341 205	359 009	365 766
Community and public safety	1 489 699	1 660 887	1 884 082	2 299 263	2 435 288	2 435 288	2 391 470	2 565 264	2 670 322
Community and social services	78 695	79 894	74 967	100 274	78 770	78 770	131 775	79 119	86 937
Sport and recreation	199 956	90 515	131 674	197 733	203 580	203 580	123 302	141 872	183 297
Public safety	249 345	247 953	208 010	283 945	279 748	279 748	251 946	268 447	288 966
Housing	641 597	875 782	1 079 234	1 284 802	1 430 707	1 430 707	1 419 639	1 630 181	1 644 494
Health	320 106	366 744	390 196	432 509	442 482	442 482	464 809	445 645	466 628
Economic and environmental services	949 908	1 613 953	2 902 638	2 010 294	2 245 500	2 245 500	2 192 201	2 316 941	2 313 471
Planning and development	154 281	163 261	197 527	219 262	228 068	228 068	215 964	230 643	242 557
Road transport	771 669	1 434 262	2 674 412	1 767 700	1 977 398	1 977 398	1 944 505	2 047 986	2 054 055
Environmental protection	23 958	16 429	30 699	23 332	40 034	40 034	31 732	38 312	16 859
Trading services	10 689 106	12 443 026	13 675 771	15 046 323	14 861 675	14 861 675	15 812 298	17 069 991	18 503 159
Electricity	6 944 632	8 238 997	9 141 319	10 020 983	9 904 328	9 904 328	10 406 839	11 221 830	12 040 433
Water	1 829 212	2 048 752	2 245 107	2 506 465	2 483 050	2 483 050	2 686 961	2 984 019	3 349 138
Waste water management	1 072 839	1 267 953	1 325 054	1 485 615	1 460 110	1 460 110	1 660 954	1 773 106	1 907 602
Waste management	842 423	887 325	964 291	1 033 259	1 014 188	1 014 188	1 057 543	1 091 037	1 205 987
Other	2 141	4 572	1 650	4 613	3 064	3 064	3 258	2 071	1 075
Total Revenue - Standard	20 380 686	23 686 797	27 363 454	28 478 397	28 668 832	28 668 832	30 395 816	32 803 929	35 270 066
Expenditure - Standard									
Governance and administration	3 697 770	4 198 400	4 692 783	4 947 550	4 907 009	4 907 009	5 262 177	5 800 532	6 374 994
Executive and council	224 375	264 157	302 624	354 000	339 462	339 462	357 569	383 610	410 683
Budget and treasury office	1 503 014	1 660 072	1 984 028	2 324 556	2 288 542	2 288 542	2 455 178	2 793 099	3 152 334
Corporate services	1 970 381	2 274 172	2 406 131	2 268 994	2 279 005	2 279 005	2 449 430	2 623 823	2 811 976
Community and public safety	3 730 298	4 036 458	4 510 510	5 217 765	5 248 099	5 248 099	5 543 997	6 112 653	6 551 667
Community and social services	386 212	450 527	499 201	502 666	518 999	518 999	590 700	636 633	686 586
Sport and recreation	1 082 983	1 031 211	1 180 475	1 261 439	1 278 306	1 278 306	1 301 311	1 400 837	1 508 847
Public safety	1 159 891	1 266 462	1 430 306	1 593 632	1 586 283	1 586 283	1 675 662	1 812 025	1 955 289
Housing	561 002	678 251	748 757	1 104 778	1 100 260	1 100 260	1 173 965	1 452 392	1 533 468
Health	540 210	610 007	651 772	755 250	764 252	764 252	802 359	810 766	867 478
Economic and environmental services	1 617 655	1 915 566	2 329 216	2 723 045	2 812 117	2 812 117	2 993 057	3 080 550	3 274 484
Planning and development	408 785	456 782	513 609	589 928	569 124	569 124	596 138	685 652	734 021
Road transport	1 015 514	1 261 436	1 582 628	1 894 433	1 987 816	1 987 816	2 151 153	2 126 088	2 267 176
Environmental protection	193 355	197 349	232 979	238 683	255 178	255 178	245 765	268 810	273 286
Trading services	9 550 898	10 974 644	12 311 362	13 168 418	12 907 060	12 907 060	13 893 222	15 122 345	16 453 105
Electricity	5 612 700	6 891 693	7 649 552	8 315 138	8 024 763	8 024 763	8 625 250	9 302 236	10 036 561
Water	1 784 414	1 826 349	1 998 723	2 145 890	2 150 332	2 150 332	2 288 781	2 544 797	2 790 100
Waste water management	853 242	914 641	1 077 344	1 104 045	1 134 529	1 134 529	1 293 704	1 372 703	1 565 390
Waste management	1 300 542	1 341 961	1 585 743	1 603 345	1 597 435	1 597 435	1 685 486	1 902 610	2 061 053
Other	51 886	54 444	75 856	87 305	93 437	93 437	97 064	103 126	108 578
Total Expenditure - Standard	18 648 506	21 179 513	23 919 727	26 144 082	25 967 723	25 967 723	27 789 517	30 219 206	32 762 827
Surplus/(Deficit) for the year	1 732 180	2 507 284	3 443 726	2 334 315	2 701 109	2 701 109	2 606 299	2 584 723	2 507 239

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 606 million in 2014/15 is reflected in this table as total revenue includes Transfers Recognised - capital (Capital Grants & Donations received) while the expenditure category excludes these transfers.
4. This table highlights that the revenue for Cape Town Electricity, Water & Sanitation and Solid Waste Management, exceed their expenditure, due to the exclusion of internal cost charges/recoveries and other provisions e.g. Contribution from Electricity Services to the Rates Account.
5. Other functions within Rates show a deficit when comparing revenue and expenditure, which is financed from Rates Revenue.

Table 22 MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Revenue by Vote									
Vote 1 - City Health	320 113	366 750	390 874	433 136	443 109	443 109	465 481	446 354	467 375
Vote 2 - City Manager	107	51	30	41	1 041	1 041	44	46	49
Vote 3 - Community Services	121 858	152 761	182 524	218 688	198 890	198 890	237 808	202 857	251 192
Vote 4 - Compliance and Auxiliary Services	28 198	18 975	40 231	36 822	35 614	35 614	3 135	3 310	3 489
Vote 5 - Corporate Services	29 877	118 741	60 045	37 936	43 700	43 700	70 389	74 359	66 428
Vote 6 - Economic, Environment & Spatial Planning	87 244	80 525	104 240	100 661	129 961	129 961	120 210	134 330	117 522
Vote 7 - Finance	551 672	779 398	1 130 680	694 205	703 536	703 536	819 740	871 602	928 930
Vote 8 - Human Settlements	644 363	878 573	1 081 268	1 287 635	1 433 541	1 433 541	1 423 424	1 634 232	1 648 874
Vote 9 - Rates & Other	6 847 309	7 258 182	7 923 871	8 605 150	8 605 150	8 605 150	9 361 063	10 181 176	11 090 152
Vote 10 - Safety & Security	230 638	223 891	185 764	261 949	257 475	257 475	241 172	257 439	277 957
Vote 11 - Social and Early Childhood Development	103	2 178	1 027	401	401	401	421	442	464
Vote 12 - Tourism, Events and Marketing	159 507	22 817	26 770	87 930	90 521	90 521	24 625	24 536	24 684
Vote 13 - Transport for Cape Town	666 399	1 323 004	2 556 563	1 656 659	1 853 357	1 853 357	1 805 019	1 892 268	1 878 804
Vote 14 - Utility Services	10 693 298	12 460 950	13 679 568	15 057 184	14 872 536	14 872 536	15 823 285	17 080 978	18 514 145
Total Revenue by Vote	20 380 686	23 686 797	27 363 454	28 478 397	28 668 832	28 668 832	30 395 816	32 803 929	35 270 066
Expenditure by Vote to be appropriated									
Vote 1 - City Health	608 889	677 994	727 932	835 227	844 133	844 133	885 635	901 216	965 454
Vote 2 - City Manager	70 858	78 641	90 212	111 235	108 700	108 700	116 379	124 606	133 083
Vote 3 - Community Services	1 101 442	1 205 856	1 339 644	1 376 911	1 372 388	1 372 388	1 508 829	1 630 855	1 760 878
Vote 4 - Compliance and Auxiliary Services	327 198	392 826	482 069	591 539	548 678	548 678	595 332	677 699	725 996
Vote 5 - Corporate Services	1 575 758	1 815 516	1 864 105	1 612 797	1 596 337	1 596 337	1 750 293	1 878 483	2 012 257
Vote 6 - Economic, Environment & Spatial Planning	394 710	425 376	465 087	515 983	537 690	537 690	529 092	574 314	601 962
Vote 7 - Finance	1 450 870	1 465 116	1 623 529	1 860 619	1 853 859	1 853 859	1 999 890	2 304 293	2 620 713
Vote 8 - Human Settlements	580 832	700 305	771 861	1 124 016	1 119 218	1 119 218	1 197 054	1 477 466	1 560 632
Vote 9 - Rates & Other	351 317	499 886	744 135	837 495	814 287	814 287	866 338	921 047	991 887
Vote 10 - Safety & Security	1 109 655	1 237 101	1 381 203	1 520 375	1 512 067	1 512 067	1 578 161	1 707 804	1 844 040
Vote 11 - Social and Early Childhood Development	27 225	45 979	73 392	77 095	100 814	100 814	114 553	123 316	132 454
Vote 12 - Tourism, Events and Marketing	429 067	335 559	419 741	530 824	571 001	571 001	485 387	522 133	555 763
Vote 13 - Transport for Cape Town	1 012 927	1 268 816	1 565 311	1 896 136	1 996 348	1 996 348	2 165 137	2 141 188	2 283 459
Vote 14 - Utility Services	9 607 759	11 030 540	12 371 505	13 253 830	12 992 203	12 992 203	13 997 438	15 234 787	16 574 249
Total Expenditure by Vote	18 648 506	21 179 513	23 919 727	26 144 082	25 967 723	25 967 723	27 789 517	30 219 206	32 762 827
Surplus/(Deficit) for the year	1 732 180	2 507 284	3 443 726	2 334 315	2 701 109	2 701 109	2 606 299	2 584 723	2 507 239

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

1. Table A3 shows budgeted financial performance in relation to the revenue and expenditure and the operating surplus or deficit per municipal vote. The table below is an analysis of the surplus or deficit for trading services.

Table 23 Surplus / (Deficit) calculations for the trading services

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Cape Town Electricity									
Total Operating Revenue (including capital transfers and contributions)	6 949 075	8 257 070	9 145 207	10 031 991	9 915 336	9 915 336	10 417 852	11 232 844	12 051 447
Total Operating Expenditure	5 702 653	6 976 807	7 738 950	8 423 335	8 131 285	8 131 285	8 751 447	9 438 536	10 183 494
Operating Surplus/(Deficit) for the year	1 246 422	1 280 263	1 406 257	1 608 656	1 784 051	1 784 051	1 666 405	1 794 308	1 867 953
Percentage Surplus	18%	16%	15%	16%	18%	18%	16%	16%	15%
Water & Sanitation									
Total Operating Revenue including capital transfers and contributions)	2 901 796	3 316 554	3 570 064	3 991 933	3 943 013	3 943 013	4 347 890	4 757 097	5 256 712
Total Operating Expenditure	2 591 098	2 698 172	3 033 128	3 206 985	3 243 326	3 243 326	3 541 512	3 873 112	4 307 514
Operating Surplus/(Deficit) for the year	310 698	618 382	536 936	784 948	699 686	699 686	806 378	883 985	949 198
Percentage Surplus	11%	19%	15%	20%	18%	18%	19%	19%	18%
Solid Waste Management									
Total Operating Revenue including capital transfers and contributions)	841 196	855 055	943 914	1 022 477	993 134	993 134	1 057 196	1 090 670	1 205 600
Total Operating Expenditure	567 545	533 992	678 801	700 492	675 830	675 830	694 730	840 051	923 628
Operating Surplus/(Deficit) for the year	273 651	321 062	265 113	321 985	317 303	317 303	362 466	250 620	281 973
Percentage Surplus	33%	38%	28%	31%	32%	32%	34%	23%	23%

- Electricity revenue and expenditure growth remains constant in 2014/15 and 2015/16, resulting in a trading surplus of 16%, which reduces to 15% in 2016/17. This is due to increases in Eskom bulk purchases as well as the impact of City’s tariff setting policy.
- The surplus on the Water Account fluctuates over the 3 years between 18% and 19%.
- The surplus within Solid Waste Management fluctuates over the 3 years between 23% and 34%.
- The surplus reflected in the various trading services (Electricity, Water & Sanitation and Solid Waste Management) is mainly based on primary revenue and expenditure elements. This does not include the contribution to Rates (the Rates Account receive a contribution from electricity service reducing the surplus shown above) and the internal cost charges/recoveries. These “secondary elements” are however included in the tariff calculations for the various trading services. Taking the secondary budget into account none of the Trading Services’ have deficit/surplus position.

Table 24 MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure)

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Revenue By Source									
Property rates	4 435 764	4 622 441	5 076 445	5 427 388	5 427 388	5 427 388	5 811 899	6 214 672	6 642 001
Property rates - penalties & collection charges	94 168	89 657	85 057	99 720	99 720	99 720	106 202	113 105	120 457
Service charges - electricity revenue	6 578 085	8 061 684	8 852 928	9 668 405	9 483 473	9 483 473	10 072 265	10 827 685	11 661 417
Service charges - water revenue	1 649 307	1 817 183	2 053 577	2 343 850	2 333 850	2 333 850	2 540 080	2 824 821	3 158 769
Service charges - sanitation revenue	903 204	1 002 897	1 091 897	1 243 019	1 243 019	1 243 019	1 338 202	1 489 197	1 666 350
Service charges - refuse revenue	754 178	813 287	869 210	947 126	950 808	950 808	989 912	1 067 418	1 146 988
Service charges - other	474 953	291 714	232 192	239 991	243 397	243 397	262 019	286 692	316 633
Rental of facilities and equipment	250 316	289 736	306 605	336 471	336 823	336 823	439 945	461 382	483 854
Interest earned - external investments	291 679	333 336	368 324	284 618	282 078	282 078	275 762	291 205	306 930
Interest earned - outstanding debtors	230 391	228 425	183 192	118 805	121 617	121 617	119 622	126 320	133 142
Fines	166 476	144 394	100 524	183 257	168 710	168 710	175 648	185 484	195 500
Licences and permits	37 645	41 471	41 843	35 601	39 281	39 281	40 388	52 650	69 953
Agency services	115 991	123 651	132 469	121 993	134 993	134 993	150 439	167 284	187 442
Transfers recognised - operational	1 400 627	1 639 075	1 985 809	2 595 904	2 603 947	2 603 947	2 766 510	3 144 268	3 543 997
Other revenue	1 757 278	1 961 587	2 445 384	2 179 942	2 187 009	2 187 009	2 350 227	2 481 840	2 615 859
Gains on disposal of PPE	20 580	44 144	86 747	69 000	69 000	69 000	70 500	74 448	78 468
Total Revenue (excluding capital transfers and contributions)	19 160 643	21 504 683	23 912 206	25 895 089	25 725 114	25 725 114	27 509 618	29 808 469	32 327 761
Expenditure By Type									
Employee related costs	6 123 768	6 916 012	7 446 199	8 253 458	8 219 948	8 219 948	8 918 318	9 689 511	10 484 648
Remuneration of councillors	88 621	97 772	111 673	123 721	123 721	123 721	133 619	142 438	151 554
Debt impairment	773 226	818 450	926 812	866 192	881 192	881 192	950 511	1 064 031	1 160 370
Depreciation & asset impairment	1 271 965	1 399 490	1 627 385	1 934 741	1 957 724	1 957 724	2 154 335	2 304 813	2 465 758
Finance charges	717 476	681 533	720 766	863 894	863 894	863 894	919 232	1 150 593	1 383 509
Bulk purchases	4 620 105	5 705 263	6 391 186	6 898 881	6 607 911	6 607 911	7 050 011	7 610 228	8 225 878
Other materials	279 273	273 402	284 193	358 681	332 973	332 973	332 349	358 921	388 108
Contracted services	2 010 269	2 193 662	2 825 946	3 192 182	3 342 889	3 342 889	3 418 014	3 715 662	4 020 002
Transfers and grants	93 382	103 492	103 144	39 544	116 409	116 409	100 567	117 769	123 994
Other expenditure	2 666 893	2 988 712	3 480 981	3 612 788	3 521 062	3 521 062	3 812 561	4 065 240	4 359 005
Loss on disposal of PPE	3 529	1 724	1 443	-	-	-	-	-	-
Total Expenditure	18 648 506	21 179 513	23 919 727	26 144 082	25 967 723	25 967 723	27 789 517	30 219 206	32 762 827
Surplus/(Deficit)	512 137	325 171	(7 521)	(248 993)	(242 610)	(242 610)	(279 899)	(410 737)	(435 067)
Transfers recognised - capital	1 173 315	2 061 755	3 414 645	2 535 058	2 868 417	2 868 417	2 820 973	2 899 159	2 842 006
Contributions recognised - capital	46 728	44 230	34 076	48 250	44 125	44 125	65 226	96 300	100 300
Contributed assets	-	76 128	2 527	-	31 177	31 177	-	-	-
Surplus/(Deficit) after capital transfers & contributions	1 732 180	2 507 284	3 443 726	2 334 315	2 701 109	2 701 109	2 606 299	2 584 723	2 507 239
Taxation									
Surplus/(Deficit) after taxation	1 732 180	2 507 284	3 443 726	2 334 315	2 701 109	2 701 109	2 606 299	2 584 723	2 507 239
Attributable to minorities									
Surplus/(Deficit) attributable to municipality	1 732 180	2 507 284	3 443 726	2 334 315	2 701 109	2 701 109	2 606 299	2 584 723	2 507 239
Share of surplus/ (deficit) of associate									
Surplus/(Deficit) for the year	1 732 180	2 507 284	3 443 726	2 334 315	2 701 109	2 701 109	2 606 299	2 584 723	2 507 239

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 R27 509 million (excluding appropriations which are disclosed in the financial position statement) in 2014/15 and escalates to R32 328 million by 2016/17. This represents a revenue growth of 6.2%, 8.4% and 8.5% respectively over the 3 years. Major contributing items are the increased allocations from National- and Provincial Government, 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 918 million (including penalties and collection charges) in 2014/15 and increases to R6 762 million by 2016/17, which represents 21.5% of the operating revenue base of the City and therefore remain 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 940 million for the 2014/15 financial year and increasing to R17 634 million in 2016/17. For 2014/15, service charges are 55.3% of the total revenue base and the average year-on-year growth is approximately 9% over the medium term.
4. Transfers Recognised – Operating includes increased allocation in respect of the Equitable Share from R1 243 million (2013/14) to R1 502 million (2014/15) on Operating Grants & Donations.

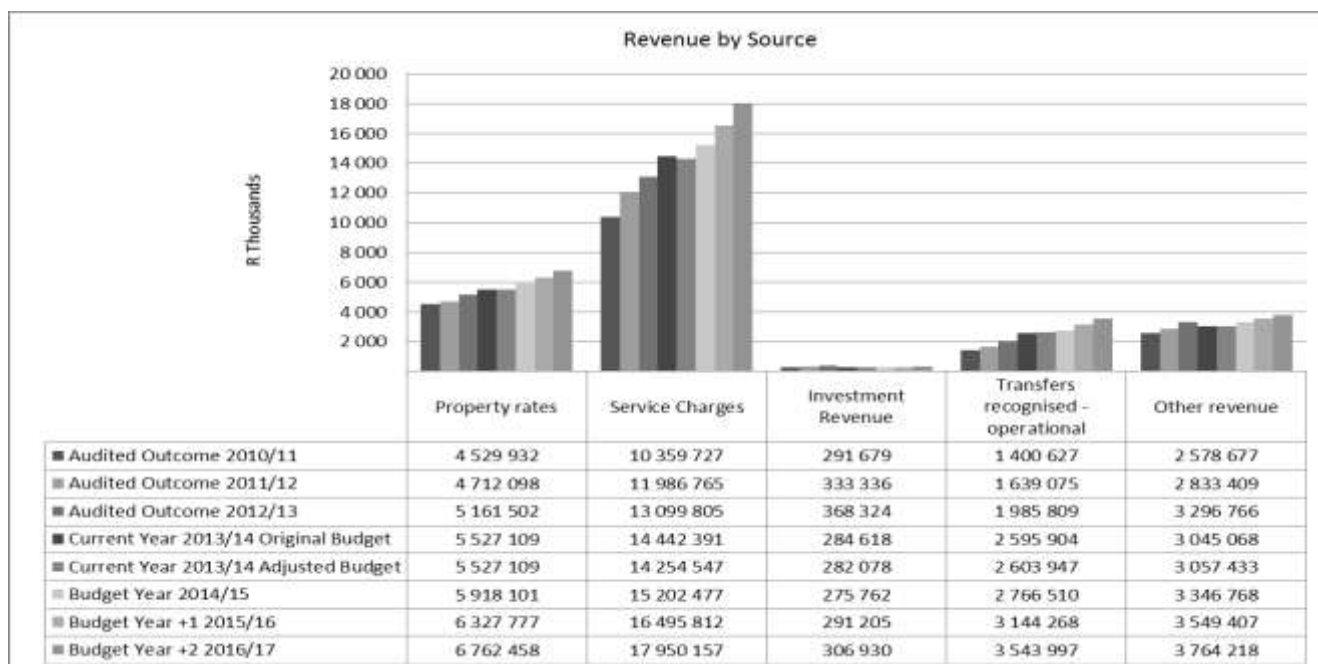


Figure 3 Revenue by source

5. Bulk purchases have increased significantly over the 2010/11 to 2016/17 period, escalating from R4 620 million to R8 226 million in 2016/17. 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 R6 124 million in 2010/11 to R10 485 million in 2016/17, as a result of increases on staff costs over and above SALGA Salary Agreement, higher than average CPI as well as the impact of the Task outcome, where jobs and positions were graded based on the content of the job description. The budgeted 2014/15 salary increase was based on the projected average CPI of 6.84% plus 2% notch increment.
7. Depreciation & Asset Impairment increases from R1 272 million in 2010/11 to R2 466 million in 2016/17. This increase is mainly due to the revised calculation, which is now based on 100% spent as opposed to 95% as well as the impact of the increased capital spend over the last few years. In addition, multi-year projects, which were previously capitalised in the final year of the budget is now capitalised when the asset is commissioned.
8. Contracted Services includes budgetary provision for Repairs & Maintenance.

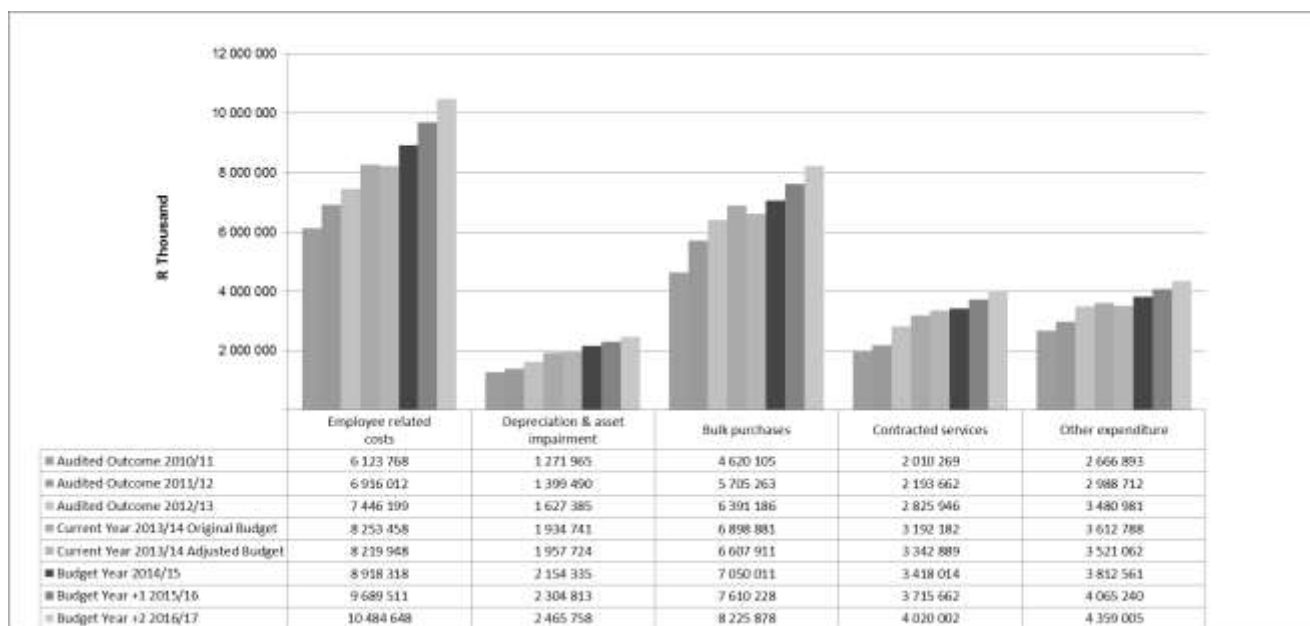


Figure 4 Expenditure by type

Table 25 MBRR Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand									
Capital expenditure - Vote									
Multi-year expenditure to be appropriated									
Vote 1 - City Health	12 355	22 801	22 778	23 716	30 096	30 096	21 966	25 466	28 466
Vote 2 - City Manager	1 959	802	1 169	13 892	14 095	14 095	26 771	954	954
Vote 3 - Community Services	114 653	162 772	178 223	222 027	209 126	209 126	241 334	163 920	207 737
Vote 4 - Compliance and Auxiliary Services	23 935	14 646	30 157	37 865	31 343	31 343	14 102	36 605	69 605
Vote 5 - Corporate Services	142 581	204 091	232 756	258 892	294 109	294 109	359 474	353 053	322 411
Vote 6 - Economic, Environment & Spatial Planning	36 429	36 727	41 429	58 459	64 469	64 469	65 338	61 487	52 927
Vote 7 - Finance	13 889	119 902	21 613	11 784	44 204	44 204	16 078	14 481	8 681
Vote 8 - Human Settlements	322 253	490 041	565 694	626 894	772 040	772 040	688 135	560 035	517 690
Vote 9 - Rates & Other	-	-	-	-	-	-	-	-	-
Vote 10 - Safety & Security	27 377	67 079	55 708	67 927	64 080	64 080	70 529	40 127	35 127
Vote 11 - Social and Early Childhood Development	6 909	9 446	6 791	5 460	7 838	7 838	15 660	10 860	10 860
Vote 12 - Tourism, Events and Marketing	108 834	62 875	179 084	28 661	26 530	26 530	37 781	30 200	30 200
Vote 13 - Transport for Cape Town	723 893	1 280 796	2 493 517	1 415 743	1 612 231	1 612 231	1 651 931	1 922 058	1 885 673
Vote 14 - Utility Services	1 322 695	1 761 268	2 039 890	2 679 272	2 436 227	2 436 227	2 871 598	2 985 398	2 781 129
Total Capital Expenditure - Vote	2 857 761	4 233 245	5 868 810	5 450 592	5 606 388	5 606 388	6 080 696	6 204 645	5 951 461
Capital Expenditure - Standard									
Governance and administration	170 475	359 545	276 777	294 502	356 991	356 991	422 427	414 931	416 089
Executive and council	7 960	3 555	4 266	9 250	2 256	2 256	33 333	35 550	68 603
Budget and treasury office	11 787	17 593	10 471	5 349	6 286	6 286	5 153	3 803	3 603
Corporate services	150 728	338 397	262 041	279 903	348 449	348 449	383 941	375 577	343 882
Community and public safety	630 866	834 941	1 049 984	1 024 512	1 157 013	1 157 013	1 111 371	875 368	869 990
Community and social services	59 321	56 068	37 716	82 045	66 522	66 522	125 398	52 448	68 315
Sport and recreation	169 973	166 051	321 193	169 422	173 451	173 451	166 657	149 132	173 832
Public safety	67 251	101 232	103 000	122 934	115 404	115 404	109 215	88 286	83 286
Housing	321 970	489 925	565 694	626 894	772 040	772 040	688 135	560 035	517 690
Health	12 352	21 665	22 382	23 216	29 596	29 596	21 966	25 466	26 866
Economic and environmental services	752 299	1 311 540	2 528 595	1 500 104	1 697 460	1 697 460	1 722 126	1 983 188	1 939 843
Planning and development	31 338	25 960	31 631	65 452	62 479	62 479	48 679	39 995	39 995
Road transport	713 944	1 272 448	2 482 101	1 412 268	1 604 685	1 604 685	1 651 188	1 921 358	1 884 973
Environmental protection	7 017	13 132	14 864	22 384	30 296	30 296	22 259	21 835	14 875
Trading services	1 303 710	1 723 002	2 010 593	2 628 625	2 393 258	2 393 258	2 823 572	2 929 958	2 724 889
Electricity	704 757	880 178	1 194 512	1 404 107	1 313 311	1 313 311	1 252 766	1 328 632	1 207 410
Water	184 957	258 890	303 326	479 365	477 601	477 601	514 012	690 976	830 740
Waste water management	215 623	354 031	304 581	480 215	462 840	462 840	619 919	626 344	468 360
Waste management	198 374	229 904	208 174	264 938	139 505	139 505	436 875	284 006	218 379
Other	410	4 218	2 860	2 849	1 666	1 666	1 200	1 200	650
Total Capital Expenditure - Standard	2 857 761	4 233 245	5 868 810	5 450 592	5 606 388	5 606 388	6 080 696	6 204 645	5 951 461
Funded by:									
National Government	865 987	1 717 564	3 056 018	2 191 297	2 501 455	2 501 455	2 521 915	2 808 177	2 722 006
Provincial Government	304 847	335 474	354 954	343 761	357 962	357 962	289 165	90 982	120 000
District Municipality	-	-	-	-	-	-	-	-	-
Other transfers and grants	2 495	8 740	3 673	2 100	1 100	1 100	2 100	-	-
Transfers recognised - capital	1 173 329	2 061 778	3 414 645	2 537 158	2 860 517	2 860 517	2 813 180	2 899 159	2 842 006
Public contributions & donations	46 715	44 208	35 076	46 150	52 025	52 025	73 019	96 300	100 300
Borrowing	992 283	1 374 791	1 753 425	2 149 497	2 036 433	2 036 433	2 346 301	2 510 679	2 386 273
Internally generated funds	645 435	752 469	665 664	717 788	657 413	657 413	848 196	698 506	622 883
Total Capital Funding	2 857 761	4 233 245	5 868 810	5 450 592	5 606 388	5 606 388	6 080 696	6 204 645	5 951 461

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 R6 081 million for 2014/15, to R6 205 million in 2015/16 and decreasing to R5 951 million in 2016/17.
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 amount to R2 813 million (46.3%) in 2014/15 and increases slightly to R2 899 million and R2 842 for 2015/16 and 2016/17 respectively. Borrowings amounts to R2 346 million, R2 511 million and R 2 386 million over the MTREF and has 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 R848 million, R699 million and R623 million for each of the respective financial years.

Table 26 MBRR Table A6 - Budgeted Financial Position

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
ASSETS									
Current assets									
Cash	146 095	133 505	187 429	-	-	-	-	-	-
Call investment deposits	5 151 758	6 077 714	7 973 561	6 200 954	6 526 246	6 526 246	6 502 352	6 590 700	7 292 012
Consumer debtors	3 709 111	3 979 256	4 172 233	4 217 354	4 291 038	4 291 038	4 410 659	4 536 980	4 670 121
Other debtors	194 259	272 741	290 496	370 198	319 546	319 546	351 500	386 650	425 315
Current portion of long-term receivables	19 193	19 758	20 546	17 832	19 519	19 519	20 495	21 519	22 595
Inventory	235 249	253 008	256 550	278 941	269 378	269 378	296 315	325 947	358 541
Total current assets	9 455 665	10 735 982	12 900 815	11 085 280	11 425 726	11 425 726	11 581 321	11 861 796	12 768 585
Non current assets									
Long-term receivables	115 526	99 328	101 665	89 644	96 582	96 582	91 753	87 165	82 807
Investments	150 245	150 260	173 425	1 203 274	1 203 274	1 203 274	1 492 594	1 754 464	1 990 826
Investment property	-	-	-	-	-	-	-	-	-
Investment in Associate	-	-	-	-	-	-	-	-	-
Property, plant and equipment	21 616 714	24 522 952	28 758 735	32 232 897	32 118 918	32 118 918	35 741 244	39 330 844	42 518 974
Agricultural	-	-	-	-	-	-	-	-	-
Biological	-	-	-	-	-	-	-	-	-
Intangible	-	-	-	-	-	-	-	-	-
Other non-current assets	-	-	-	-	-	-	-	-	-
Total non current assets	21 882 485	24 772 540	29 033 825	33 525 814	33 418 774	33 418 774	37 325 591	41 172 473	44 592 606
TOTAL ASSETS	31 338 150	35 508 522	41 934 640	44 611 094	44 844 500	44 844 500	48 906 912	53 034 269	57 361 192
LIABILITIES									
Current liabilities									
Bank overdraft	-	-	-	-	-	-	-	-	-
Borrowing	305 353	294 186	418 166	478 860	387 991	387 991	400 902	536 469	396 553
Consumer deposits	233 492	274 944	308 217	332 682	339 039	339 039	372 943	410 237	451 261
Trade and other payables	4 487 965	5 647 523	5 445 077	6 592 362	5 494 773	5 494 773	5 164 707	4 476 714	3 855 855
Provisions	774 911	1 025 777	1 817 235	1 152 460	1 944 441	1 944 441	1 444 665	1 589 131	1 748 044
Total current liabilities	5 801 721	7 242 430	7 988 695	8 556 365	8 166 244	8 166 244	7 383 216	7 012 551	6 451 713
Non current liabilities									
Borrowing	5 343 836	5 176 421	6 936 236	6 493 327	6 646 477	6 646 477	8 570 026	10 202 141	12 264 615
Provisions	3 512 337	4 076 201	4 552 513	4 756 220	4 790 350	4 790 350	5 099 008	5 375 022	5 687 275
Total non current liabilities	8 856 173	9 252 622	11 488 749	11 249 547	11 436 827	11 436 827	13 669 034	15 577 163	17 951 890
TOTAL LIABILITIES	14 657 894	16 495 052	19 477 444	19 805 911	19 603 071	19 603 071	21 052 250	22 589 714	24 403 602
NET ASSETS	16 680 256	19 013 470	22 457 196	24 805 183	25 241 429	25 241 429	27 854 662	30 444 554	32 957 590
COMMUNITY WEALTH/EQUITY									
Accumulated Surplus/(Deficit)	14 369 652	16 721 752	20 159 376	22 790 759	23 100 680	23 100 680	25 758 853	28 431 147	30 922 370
Reserves	2 310 604	2 291 718	2 297 820	2 014 424	2 140 749	2 140 749	2 095 810	2 013 407	2 035 220
Minorities' interests	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	16 680 256	19 013 470	22 457 196	24 805 183	25 241 429	25 241 429	27 854 662	30 444 554	32 957 590

*Restated 2011/12 figures.

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 178) 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 27 MBRR Table A7 - Budgeted Cash Flow Statement

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Ratepayers and other	16 463 076	18 601 603	18 963 843	21 960 571	21 767 279	21 767 279	23 238 889	25 015 455	27 007 103
Government - operating	1 385 536	1 626 991	1 979 795	2 595 904	2 603 047	2 603 047	2 766 510	3 144 268	3 543 997
Government - capital	1 173 315	2 130 844	3 414 645	2 583 308	2 889 753	2 889 753	2 531 808	2 808 177	2 722 006
Interest	503 857	563 873	592 319	403 422	282 078	282 078	275 762	291 205	306 930
Dividends	-	-	-	-	-	-	-	-	-
Payments									
Suppliers and employees	(15 163 792)	(17 019 721)	(18 797 472)	(22 346 653)	(22 153 411)	(22 153 411)	(23 594 009)	(25 516 684)	(27 558 058)
Finance charges	(717 475)	(661 761)	(646 211)	(749 449)	(749 563)	(749 563)	(829 746)	(1 062 289)	(1 301 246)
Transfers and Grants	-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES	3 644 517	5 241 829	5 506 919	4 447 103	4 639 183	4 639 183	4 389 214	4 680 132	4 720 732
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE	63 278	45 983	93 472	69 000	0	0	-	-	-
Decrease (Increase) in non-current debtors	-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables	1 819	15 633	(3 125)	-	-	-	-	-	-
Decrease (increase) in non-current investments	(1 962 720)	(1 922)	(42 313)	-	-	-	-	-	-
Payments									
Capital assets	(2 857 821)	(4 233 162)	(5 868 809)	(5 178 063)	(5 536 736)	(5 536 736)	(6 014 404)	(6 136 556)	(5 890 741)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(4 755 444)	(4 173 468)	(5 820 775)	(5 109 063)	(5 536 736)	(5 536 736)	(6 014 404)	(6 136 556)	(5 890 741)
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	2 384 420	-	-	-	2 190 000	2 000 000	2 285 000
Increase (decrease) in consumer deposits	4 332	41 818	33 273	-	-	-	-	-	-
Payments									
Repayment of borrowing	(253 327)	(198 354)	(165 311)	(598 143)	(598 143)	(598 143)	(574 970)	(450 060)	(407 882)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(248 995)	(156 536)	2 252 382	(598 143)	(598 143)	(598 143)	1 615 030	1 549 940	1 877 118
NET INCREASE/ (DECREASE) IN CASH HELD	(1 359 922)	911 825	1 938 526	(1 260 103)	(1 495 696)	(1 495 696)	(10 160)	93 517	707 108
Cash/cash equivalents at the year begin:	6 609 303	5 249 381	6 161 206	7 539 097	8 099 366	8 099 366	6 603 670	6 593 510	6 687 027
Cash/cash equivalents at the year end:	5 249 381	6 161 206	8 099 732	6 278 994	6 603 670	6 603 670	6 593 510	6 687 027	7 394 135

Explanatory notes to Table A7 – Budgeted Cash Flow Statement

1. The table shows the cash and cash equivalents of the City during the 2014/15 MTREF.
2. For the 2014/15 MTREF the budget has been prepared to ensure adequate levels of working capital representing cash and cash equivalents over the medium-term, with cash levels anticipated to exceed R6 594 million by 2014/15 and steadily increasing to R7 394 million by 2016/17.
3. Interest earned on outstanding debtors relates to arrear debtors accounts and was considered prudent to be excluded from the interest income line item for cash-flow purposes as a result of the uncertainty of its collectability.
4. Transfers and grants are included in the suppliers and employees totals.

Table 28 MBRR Table A8 - Cash Backed Reserves / Accumulated Surplus Reconciliation

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Cash and investments available									
Cash/cash equivalents at the year end	5 249 381	6 161 206	8 099 732	6 278 994	6 603 670	6 603 670	6 593 510	6 687 027	7 394 135
Other current investments > 90 days	48 472	50 013	61 258	(78 040)	(77 059)	(77 059)	(91 158)	(96 327)	(102 123)
Non current assets - Investments	150 245	150 260	173 425	1 203 274	1 203 274	1 203 274	1 492 594	1 754 464	1 990 826
Cash and investments available:	5 448 098	6 361 479	8 334 415	7 404 228	7 729 885	7 729 885	7 994 946	8 345 164	9 282 838
Application of cash and investments									
Unspent conditional transfers	1 108 680	1 665 752	858 556	1 826 081	1 820 627	1 820 627	1 546 848	1 468 137	1 368 299
Unspent borrowing	-	-	-	-	-	-	-	-	-
Statutory requirements	-	-	-	426 030	350 575	350 575	-	-	-
Other working capital requirements	(470 169)	(229 366)	485 679	219 980	219 980	219 980	(1 085 933)	(1 842 019)	(2 525 489)
Other provisions	-	-	-	2 741 800	2 885 202	2 885 202	4 138 902	5 164 391	6 132 902
Long term investments committed	-	-	-	1 203 274	1 203 274	1 203 274	1 492 594	1 754 464	1 990 826
Reserves to be backed by cash/investments	539 070	521 463	2 297 820	731 198	1 001 996	1 001 996	1 609 439	1 370 250	1 801 479
Total Application of cash and investments:	1 177 581	1 957 849	3 642 055	7 148 363	7 481 654	7 481 654	7 701 850	7 915 223	8 768 017
Surplus(shortfall)	4 270 517	4 403 630	4 692 360	255 865	248 231	248 231	293 096	429 941	514 821

*Restated 2011/12 figures.

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 remained in a surplus net cash flow position for the period 2014/15 to 2016/17.
5. **Considering the requirements of section 18 of the MFMA, it can be concluded that the 2014/15 MTREF is fully funded.**
6. As part of the budgeting and planning guidelines that informed the compilation of the 2014/15 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; i.e. moving progressively from a surplus of R293 million in 2014/15 to a surplus of R514 million by 2016/17.

Table 29 MBRR Table A9 - Asset Management

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand									
CAPITAL EXPENDITURE									
Total New Assets	1 551 708	2 036 774	3 725 393	3 142 267	3 312 035	3 312 035	3 559 996	3 947 982	3 834 854
Infrastructure - Road transport	508 450	650 661	700 386	813 479	927 665	927 665	896 563	1 423 221	1 677 048
Infrastructure - Electricity	404 244	341 321	478 236	780 590	730 219	730 219	639 848	703 051	604 180
Infrastructure - Water	58 842	79 633	142 846	209 650	201 822	201 822	215 777	330 662	289 560
Infrastructure - Sanitation	104 013	47 159	88 619	258 160	225 553	225 553	292 350	297 270	350 220
Infrastructure - Other	90 987	173 158	259 214	251 026	118 331	118 331	428 500	159 252	153 074
Infrastructure	1 166 536	1 291 933	1 669 301	2 312 905	2 203 589	2 203 589	2 473 037	2 913 456	3 074 081
Community	148 781	106 850	251 490	94 152	124 715	124 715	151 089	117 046	218 145
Heritage assets	761	10 842	7 586	9 598	8 638	8 638	11 725	6 797	7 164
Investment properties	-	-	-	-	-	-	-	-	-
Other assets	235 630	627 149	1 797 016	725 611	975 093	975 093	924 146	910 683	535 464
Agricultural Assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Intangibles	-	-	-	-	-	-	-	-	-
Total Renewal of Existing Assets	1 306 053	2 196 471	2 143 416	2 308 326	2 294 353	2 294 353	2 520 700	2 256 663	2 116 607
Infrastructure - Road transport	175 653	218 798	294 266	253 722	256 724	256 724	349 190	295 126	218 087
Infrastructure - Electricity	222 302	423 720	436 439	343 578	333 032	333 032	457 051	600 606	579 010
Infrastructure - Water	80 896	99 671	121 610	199 112	209 821	209 821	261 879	378 000	452 250
Infrastructure - Sanitation	118 324	314 290	250 774	247 590	271 684	271 684	372 420	395 460	256 110
Infrastructure - Other	146 542	108 660	103 628	93 507	96 995	96 995	79 674	37 450	21 350
Infrastructure	743 717	1 165 138	1 206 717	1 137 508	1 168 257	1 168 257	1 520 214	1 706 642	1 526 806
Community	288 797	478 711	487 413	575 473	552 358	552 358	510 766	203 835	208 802
Heritage assets	-	342	646	1 930	989	989	2 223	2 230	2 230
Investment properties	-	-	-	-	-	-	-	-	-
Other assets	273 539	552 279	448 640	593 415	572 749	572 749	487 497	343 956	378 769
Agricultural Assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Intangibles	-	-	-	-	-	-	-	-	-
Total Capital Expenditure	684 103	869 459	994 652	1 067 201	1 184 389	1 184 389	1 245 753	1 718 347	1 895 134
Infrastructure - Road transport	626 546	765 041	914 675	1 124 168	1 063 251	1 063 251	1 096 899	1 303 657	1 183 190
Infrastructure - Electricity	139 738	179 304	264 456	408 761	411 643	411 643	477 656	708 662	741 810
Infrastructure - Water	222 337	361 449	339 392	505 750	497 238	497 238	664 770	692 730	606 330
Infrastructure - Sanitation	237 530	281 818	362 842	344 533	215 326	215 326	508 173	196 702	174 424
Infrastructure - Other	1 910 253	2 457 071	2 876 018	3 450 413	3 371 846	3 371 846	3 993 251	4 620 098	4 600 888
Infrastructure	437 578	585 561	738 903	669 625	677 073	677 073	661 855	320 881	426 947
Community	761	11 184	8 233	11 528	9 627	9 627	13 947	9 027	9 394
Heritage assets	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Other assets	509 169	1 179 428	2 245 656	1 319 026	1 547 841	1 547 841	1 411 643	1 254 639	914 233
Agricultural Assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Intangibles	-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class	2 857 761	4 233 245	5 868 810	5 450 592	5 606 388	5 606 388	6 080 696	6 204 645	5 951 461
ASSET REGISTER SUMMARY - PPE (WDV)									
Infrastructure - Road transport	3 738 721	4 348 581	5 640 550	6 415 227	6 473 196	6 473 196	7 084 550	8 104 822	9 250 190
Infrastructure - Electricity	3 039 822	3 406 010	4 090 969	4 745 964	4 631 884	4 631 884	5 226 214	5 985 623	6 597 054
Infrastructure - Water	1 268 425	1 403 332	1 572 381	1 545 722	1 528 022	1 528 022	1 793 260	2 264 756	2 753 622
Infrastructure - Sanitation	1 516 478	1 770 031	1 857 803	2 540 802	2 507 428	2 507 428	2 953 566	3 413 290	3 777 047
Infrastructure - Other	2 381 008	2 811 170	2 398 435	3 979 522	3 839 549	3 839 549	4 179 300	4 213 143	4 215 110
Infrastructure	11 944 454	13 739 123	15 560 138	19 227 237	18 980 077	18 980 077	21 236 890	23 981 633	26 593 023
Community	5 072 369	5 676 043	5 955 915	6 229 741	6 213 881	6 213 881	6 295 271	6 014 746	5 794 399
Heritage assets	11 914	12 742	9 411	31 158	28 776	28 776	42 026	50 601	59 525
Investment properties	-	-	-	-	-	-	-	-	-
Other assets	4 587 977	5 095 044	7 233 271	6 744 761	6 896 184	6 896 184	8 167 057	9 283 865	10 072 027
Agricultural Assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Intangibles	-	-	-	-	-	-	-	-	-
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	21 616 714	24 522 952	28 758 735	32 232 897	32 118 918	32 118 918	35 741 244	39 330 844	42 518 974
EXPENDITURE OTHER ITEMS									
Depreciation & asset impairment	1 271 965	1 399 490	1 627 385	1 934 741	1 957 724	1 957 724	2 154 335	2 304 813	2 465 758
Repairs and Maintenance by Asset Class	1 709 280	1 883 053	2 750 384	2 930 285	2 842 430	2 842 430	3 152 905	3 424 085	3 753 877
Infrastructure - Road transport	265 915	303 234	445 720	618 603	501 361	501 361	617 518	670 625	726 956
Infrastructure - Electricity	269 194	202 472	312 055	335 843	335 843	335 843	354 462	384 945	417 282
Infrastructure - Water	22 544	23 998	50 474	65 993	68 293	68 293	59 414	64 523	69 944
Infrastructure - Sanitation	27 556	39 518	95 636	69 926	82 426	82 426	88 138	95 717	107 592
Infrastructure - Other	22 128	11 675	22 603	65 077	71 858	71 858	38 094	41 370	44 844
Infrastructure	607 337	580 896	926 488	1 155 442	1 059 781	1 059 781	1 157 626	1 257 180	1 366 618
Community	64 418	59 347	83 278	68 657	69 057	69 057	89 964	97 705	105 913
Heritage assets	7 104	7 236	15 707	12 608	12 317	12 317	15 199	16 507	17 893
Investment properties	-	-	-	-	-	-	-	-	-
Other assets	1 030 420	1 235 574	1 724 910	1 693 578	1 701 275	1 701 275	1 890 115	2 052 692	2 263 452
TOTAL EXPENDITURE OTHER ITEMS	2 981 244	3 282 542	4 377 770	4 865 025	4 800 154	4 800 154	5 307 239	5 728 898	6 219 636
Renewal of Existing Assets as % of total capex	45.7%	51.9%	36.5%	42.3%	40.9%	40.9%	41.5%	36.4%	35.6%
Renewal of Existing Assets as % of deprecn"	102.7%	156.9%	131.7%	119.3%	117.2%	117.2%	117.0%	97.9%	85.8%
R&M as a % of PPE	7.9%	7.7%	9.6%	9.1%	8.8%	8.8%	8.8%	8.7%	8.8%
Renewal and R&M as a % of PPE	14.0%	17.0%	17.0%	16.0%	16.0%	16.0%	16.0%	14.0%	14.0%

Explanatory notes to Table A9 – Asset Management

1. Table A9 provides an overview of municipal capital allocations to building new assets and renewal of existing assets, as well as spending on repairs and maintenance by asset class.
2. 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.

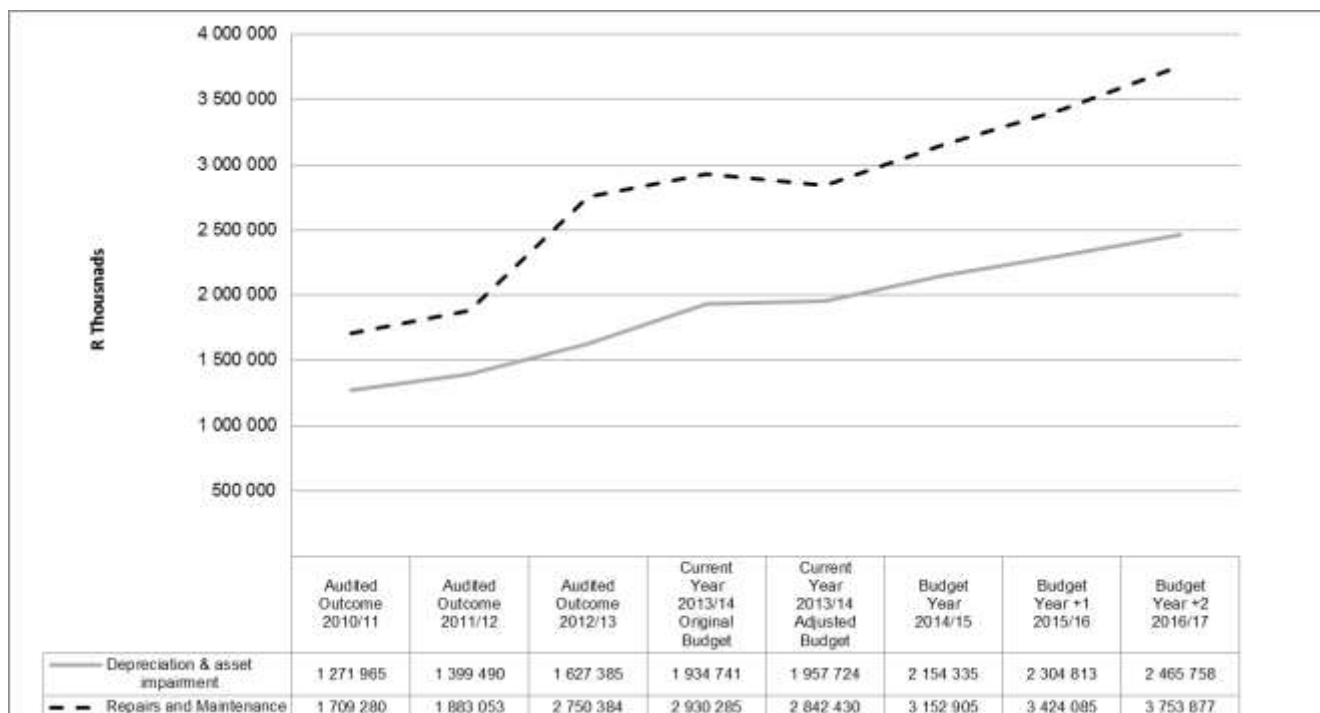


Figure 5 Depreciation in relation to repairs and maintenance over the MTREF

Table 30 MBRR Table A10 - Basic Service Delivery Measurement

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
	Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Household service targets									
Water:									
Piped water inside dwelling	714 000	728 000	943 000	978 000	978 000	978 000	989 239	1 023 862	1 059 698
Piped water inside yard (but not in dwelling)	–	–	–	–	–	–	–	–	–
Using public tap (at least min.service level)	190 000	194 000	187 000	196 000	196 000	196 000	153 853	159 238	164 811
Other water supply (at least min.service level)	–	–	–	–	–	–	–	–	–
<i>Minimum Service Level and Above sub-total</i>	904 000	922 000	1 130 000	1 174 000	1 174 000	1 174 000	1 143 092	1 183 100	1 224 509
Using public tap (< min.service level)	–	–	12	8 000	8 000	8 000	–	–	–
Other water supply (< min.service level)	–	–	–	–	–	–	–	–	–
No water supply	–	–	–	–	–	–	–	–	–
<i>Below Minimum Service Level sub-total</i>	–	–	12 000	8 000	8 000	8 000	–	–	–
Total number of households	904 000	922 000	1 142 000	1 182 000	1 182 000	1 182 000	1 143 092	1 183 100	1 224 509
Sanitation/sewerage:									
Flush toilet (connected to sewerage)	812 000	828 000	999 000	1 045 000	1 045 000	1 045 000	1 043 129	1 077 752	1 113 588
Flush toilet (with septic tank)	–	–	–	–	–	–	–	–	–
Chemical toilet	16 000	17 000	23 000	24 000	24 000	24 000	31 740	31 740	31 740
Pit toilet (ventilated)	2 000	2 000	1 560	1 560	1 560	1 560	–	–	–
Other toilet provisions (> min.service level)	50 000	51 000	58 000	71 000	71 000	71 000	67 623	73 608	79 181
<i>Minimum Service Level and Above sub-total</i>	880 000	898 000	1 081 560	1 141 560	1 141 560	1 141 560	1 142 492	1 183 100	1 224 509
Bucket toilet	4 000	4 000	800	600	600	600	600	–	–
Other toilet provisions (< min.service level)	–	–	–	–	–	–	–	–	–
No toilet provisions	20 000	20 000	60 000	40 000	40 000	40 000	–	–	–
<i>Below Minimum Service Level sub-total</i>	24 000	24 000	60 800	40 600	40 600	40 600	600	–	–
Total number of households	904 000	922 000	1 142 360	1 182 160	1 182 160	1 182 160	1 143 092	1 183 100	1 224 509
Energy:									
Electricity (at least min.service level)	738 000	807 138	822 870	822 175	822 175	824 370	825 870	827 370	828 870
Electricity - prepaid (min.service level)	–	–	–	–	–	–	–	–	–
<i>Minimum Service Level and Above sub-total</i>	738 000	807 138	822 870	822 175	822 175	824 370	825 870	827 370	828 870
Electricity (< min.service level)	86 000	40 012	39 316	37 863	37 863	37 816	36 316	34 816	33 316
Electricity - prepaid (< min. service level)	–	–	–	–	–	–	–	–	–
Other energy sources	–	–	–	–	–	–	–	–	–
<i>Below Minimum Service Level sub-total</i>	86 000	40 012	39 316	37 863	37 863	37 816	36 316	34 816	33 316
Total number of households	824 000	847 150	862 186	860 038	860 038	862 186	862 186	862 186	862 186
Refuse:									
Removed at least once a week	926 000	945 000	963 000	936 893	936 893	936 893	938 280	957 046	976 187
<i>Minimum Service Level and Above sub-total</i>	926 000	945 000	963 000	936 893	936 893	936 893	938 280	957 046	976 187
Removed less frequently than once a week	–	–	–	–	–	–	–	–	–
Using communal refuse dump	–	–	–	–	–	–	–	–	–
Using own refuse dump	–	–	–	–	–	–	–	–	–
Other rubbish disposal	–	–	–	–	–	–	–	–	–
No rubbish disposal	–	–	–	–	–	–	–	–	–
<i>Below Minimum Service Level sub-total</i>	–	–	–	–	–	–	–	–	–
Total number of households	926 000	945 000	963 000	936 893	936 893	936 893	938 280	957 046	976 187
Households receiving Free Basic Service									
Water (6 kilolitres per household per month)	904 000	992 000	1 130 000	1 174 000	1 174 000	1 174 000	1 143 092	1 183 100	1 224 509
Sanitation (free minimum level service)	881 000	898 000	1 081 000	1 141 000	1 141 000	1 141 000	1 143 092	1 183 100	1 224 509
Electricity/other energy (50kwh per household per month)	449 000	429 000	402 410	373 966	373 966	401 156	401 156	401 156	401 156
Refuse (removed at least once a week)	481 000	484 000	494 000	503 880	503 880	503 880	428 569	437 140	445 883
Cost of Free Basic Services provided (R'000)									
Water (6 kilolitres per household per month)	407 102	498 367	544 359	667 256	667 256	667 256	674 724	749 618	896 970
Sanitation (free sanitation service)	219 000	314 203	384 410	440 786	440 786	440 786	554 040	606 861	665 024
Electricity/other energy (50kwh per household per month)	189 955	206 319	237 697	215 243	215 243	245 320	263 256	284 362	307 877
Refuse (removed once a week)	275 019	280 520	286 130	347 331	347 331	347 331	347 348	354 295	361 381
Total cost of FBS provided (minimum social package)	1 091 076	1 299 409	1 452 596	1 670 616	1 670 616	1 700 693	1 839 369	1 995 136	2 231 252
Highest level of free service provided									
Property rates (R value threshold)	–	–	–	–	–	–	–	–	–
Water (kilolitres per household per month)	6	6	6	6	6	6	6	6	6
Sanitation (kilolitres per household per month)	4	4	4	4	4	4	4	4	4
Sanitation (Rand per household per month)	38	41	53	59	59	59	65	71	–
Electricity (kwh per household per month)	50	50	50	60	60	60	60	60	60
Refuse (average litres per week)	240	240	240	240	240	240	240	240	240
Revenue cost of free services provided (R'000)									
Property rates (R15 000 threshold rebate)	50 039	53 551	62 468	64 876	64 876	64 876	69 093	73 584	78 367
Property rates (other exemptions, reductions and rebates)	791 904	843 709	966 776	1 065 000	1 065 000	1 065 000	1 113 225	1 185 584	1 262 647
Water	382 073	426 662	467 090	547 393	547 393	547 393	551 078	612 248	732 598
Sanitation	182 890	208 198	263 221	312 326	312 326	312 326	383 889	426 501	473 843
Electricity/other energy	96 947	105 847	96 044	115 316	115 316	115 316	105 750	143 102	151 688
Refuse	240 813	262 648	267 901	331 973	331 973	331 973	316 532	322 863	329 320
Municipal Housing - rental rebates	30 507	31 982	31 882	36 214	36 214	33 200	35 870	37 664	39 547
Housing - top structure subsidies	–	–	–	–	–	–	–	–	–
Other	–	–	–	–	–	–	–	–	–
Total revenue cost of free services provided (total social package)	1 775 173	1 932 597	2 155 382	2 473 098	2 473 098	2 470 084	2 575 437	2 801 546	3 068 011

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 – Cape Town's population, both formal and informal settlements, receives potable water in accordance with the National minimum standards as required by the Water Services Act 108 (1997).
 - b. Sanitation services – Cape Town's population, both formal and informal settlements, receives sanitation services in accordance with the National minimum standards. Funding has still been provided to further improve the service levels in Informal Settlements in line with the City's strategy. Households using the bucket toilet were given the opportunity to choose alternate sanitation options but declined. This is therefore not regarded as a backlog.
 - c. Electricity services – The electrification strategy is to reduce the backlog by 1 500 annually. The electricity backlog is expected to reduce from 36 316 in 2014/15 to 33 316 in 2016/17.
 - d. Refuse services – This service does not have any backlogs.
3. Households receiving free basic services are expected to increase by an average of 3% over the 2014/15 MTREF.
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 839 million in 2014/15, R1 995 million in 2015/16 and R2 231 million in 2016/17. The City's cost of free basic services as a ratio of the equitable share equals 122%, 110% and 102%, respectively, over the 2014 MTREF, which shows that the equitable share does not compensate for the full cost of free basic services.

Part 2 – Supporting Documentation

2.1 Overview of annual budget process

2.1.1 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:

- (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*

Changes to recent years' structures, protocols and processes envisage three separate budget committees with different focus of attention and responsibilities. This was implemented to ensure further improved strategic alignment of the budget to the IDP. The two additional budget committees namely, the Budget Strategy Committee (BSM) and the Budget Oversight Committee (BOC) were established for the 2014/15 budget process. The purpose of the BSM is to ensure that the budget is aligned to the City's strategies whereas the BOC has an oversight role ensuring that the overall strategic alignment is being met.

The 2014/15 financial year signifies the 3rd 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, presented to the BSC, BSM and the BOC 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.

2.1.2 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. The IDP- and budget cycle time schedule was tabled at Council on 19 September 2013.

In compliance to the above requirements, the budget process for the 2014/15 MTREF period proceeded according to the following timeline:

August - September 2013

Submission of 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.

Service departments' workshop their 2014/15 budget proposals with Portfolio Committees, for input to BSC.

October 2013

Executive Directors and relevant Mayco members made budget submissions to BSC.

Key parameters considered by BSC including, drivers, financial and economic assumptions to be applied to the MTREF-modelled forecasting.

November 2013

Review of strategic alignment of budget by BSM.

December 2013

Iterative interaction with BSM. Refinements of the MTREF model to ensure a credible, affordable and sustainable budget over the medium term.

January / February 2014

Drafting of detailed operating and capital budgets.

February 2014

The draft 2014/15 operating and capital budgets, based on the parameters and assumptions set out in the MTREF model and as influenced by the IDP and aligned strategic considerations will be tabled at Council on 26 February 2014.

March 2014

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

May 2014

Comments received as a result of the public participation process will be submitted to Mayco for consideration. The 2014/15 MTREF budget is scheduled for consideration and adoption by Council on 29 May 2014.

2.1.3 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 2013/14 IDP and Budget Time-Schedule of Events approved by the Executive Mayor and noted by Council.

The 2013/2014 Time Schedule applicable to the IDP (2012/13-2016/17) review for the City of Cape Town included the following key IDP processes and deliverables:

- Advertisement of time-schedule on website, local newspapers and notice boards.
- A member or committee of a municipal council propose amendments to the IDP.
- The proposals were advertised for public comment.
- Table draft Annual Report to Mayco.
- Table draft IDP and Budget Report to Mayco and Council.
- Publication of 2012/13 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.

2.1.4 Community Consultation

In accordance with the MFMA, Municipal Systems Act (32 of 2000) and the Municipal Property Rates Act (6 of 2004), the tabled 2013/14 MTREF and associated documentation will be published for consultation after it is tabled in Council on 26 February 2014.

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.

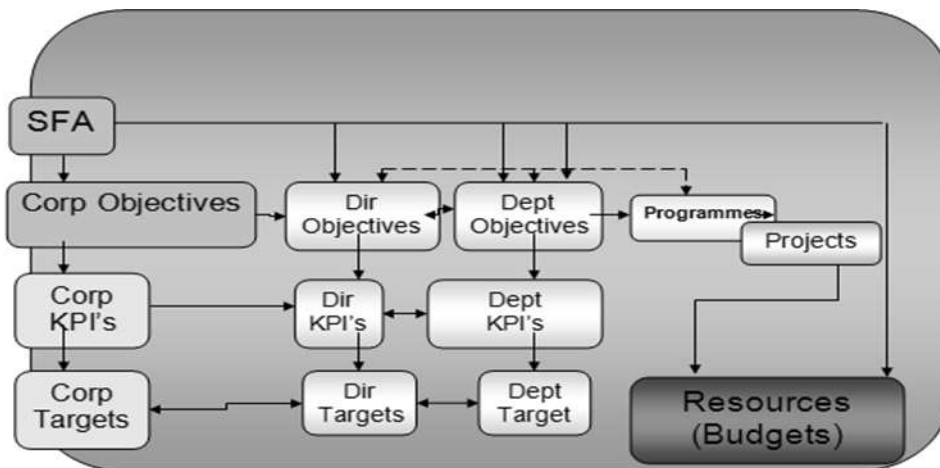


Figure 6 IDP and Budget link

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

Strategic Objective	Goal	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand										
An Opportunity City	Attract investment for economic growth/jobs	59 381	66 201	75 297	77 495	85 845	85 845	86 600	91 450	96 388
An Opportunity City	Provision of economic & social infrastructure	10 499 950	12 129 181	13 297 135	14 512 962	14 336 082	14 336 082	15 272 598	16 557 068	18 000 258
An Opportunity City	Sustainable environment through resource utilisation	19 293	10 307	3 826	3 529	6 009	6 009	12 347	16 906	1 588
An Opportunity City	Mobility via effective public transport system	57 345	147 436	204 462	348 846	349 605	349 605	290 694	145 211	162 949
An Opportunity City	City Assets for economic growth & development	82 385	92 403	108 400	120 484	119 055	119 055	128 961	136 170	143 514
A Safe City	Expand resources for safety and security	-	439	26	-	-	-	-	-	-
A Safe City	Resource departments for optimum operational functionality	16 539	27 688	31 603	48 797	55 214	55 214	31 320	28 195	21 875
A Safe City	Enhance intelligence-driven policing	207 414	187 602	146 562	211 225	196 225	196 225	204 839	226 310	252 991
A Safe City	Improve emergency staff through training	868	569	646	1 202	1 202	1 202	1 271	1 342	1 415
A Safe City	Safety and security through partnerships	5 285	4 736	4 272	725	2 161	2 161	1 508	1 592	1 677
A Caring City	Ensure Human settlements for increased access	228 210	396 751	474 680	709 723	675 025	675 025	816 070	1 094 803	1 151 452
A Caring City	Assess sale/transfer of rental stock to beneficiaries	207 300	207 724	213 069	224 071	235 845	235 845	233 780	245 085	256 866
A Caring City	Innovative human settlements access	571 989	667 063	749 928	796 959	796 959	796 959	843 996	924 967	1 014 658
A Caring City	Effective environmental health services	267	611	685	1 387	1 387	1 387	1 468	1 550	1 634
A Caring City	Provide effective air quality management & pollution Control	6	6	678	637	637	637	675	712	751
A Caring City	Effective primary health care services	318 697	354 665	374 825	418 999	427 223	427 223	453 206	430 642	448 624
A Caring City	Provide substance abuse treatment/rehabilitation	-	-	-	-	-	-	-	-	-
An Inclusive City	Ensure Responsiveness for citizens to be communicated with	12	16	26	-	-	-	-	-	-
An Inclusive City	Provide facilities that make citizens feel home	170 566	85 411	111 925	164 646	170 787	170 787	118 268	120 959	127 900
A Well-Run City	Ensure Transparent & corruption free government	5 251	712	2 290	2 645	4 429	4 429	2 799	2 955	3 115
A Well-Run City	Establish an efficient & productive administration	29 305	34 473	41 352	29 702	30 233	30 233	53 678	56 538	59 489
A Well-Run City	Ensure financial prudence with clean audits by AG	6 680 580	7 090 690	8 070 517	8 221 054	8 231 190	8 231 190	8 955 541	9 726 016	10 580 618
Total Revenue (excluding capital transfers and contributions)		19 160 643	21 504 683	23 912 206	25 895 089	25 725 114	25 725 114	27 509 618	29 808 469	32 327 761

Table 32 MBRR SA5 - Reconciliation between the IDP and strategic objectives and budgeted operating expenditure

Strategic Objective	Goal	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
An Opportunity City	Attract investment for economic growth/jobs	234 104	231 500	283 222	308 988	321 989	321 989	328 530	363 483	391 403
An Opportunity City	Provision of economic & social infrastructure	9 759 165	11 174 925	12 742 652	13 550 126	13 262 808	13 262 808	14 353 937	15 698 015	17 017 183
An Opportunity City	Sustainable environment through resource utilisation	437 568	510 642	504 608	570 025	582 472	582 472	649 018	713 611	773 845
An Opportunity City	Mobility via effective public transport system	338 366	534 094	662 451	935 771	1 021 072	1 021 072	1 070 841	962 674	1 010 996
An Opportunity City	City Assets for economic growth & development	81 960	92 833	112 389	124 519	124 629	124 629	133 178	140 832	148 643
A Safe City	Expand resources for safety and security	1 078	2 437	2 007	1 173	1 807	1 807	1 572	1 706	1 847
A Safe City	Resource departments for optimum operational functionality	768 928	836 935	955 570	1 090 802	1 093 576	1 093 576	1 125 874	1 219 202	1 317 459
A Safe City	Enhance intelligence-driven policing	265 831	315 113	334 624	371 940	357 634	357 634	379 246	408 225	438 442
A Safe City	Improve emergency staff through training	70 208	73 878	84 165	69 791	66 929	66 929	83 833	91 031	98 582
A Safe City	Safety and security through partnerships	41 391	51 300	55 007	67 843	66 453	66 453	69 217	74 982	81 019
A Caring City	Ensure Human settlements for increased access	336 415	401 156	552 386	894 318	776 972	776 972	860 124	1 150 519	1 217 335
A Caring City	Assess sale/transfer of rental stock to beneficiaries	299 934	341 195	294 281	319 683	426 567	426 567	418 939	408 975	431 626
A Caring City	Innovative human settlements access	446 439	495 369	613 275	702 050	745 056	745 056	792 124	804 012	905 867
A Caring City	Effective environmental health services	114 501	116 058	129 106	137 439	137 376	137 376	150 290	163 130	176 563
A Caring City	Provide effective air quality management & pollution Control	8 747	7 548	8 776	10 161	10 048	10 048	9 837	10 670	11 545
A Caring City	Effective primary health care services	534 123	603 456	644 472	747 624	756 313	756 313	784 948	791 900	847 078
A Caring City	Provide substance abuse treatment/rehabilitation	-	-	-	-	-	-	6 410	6 940	7 495
An Inclusive City	Ensure Responsiveness for citizens to be communicated with	35 304	39 957	44 470	52 493	53 385	53 385	53 741	58 069	62 594
An Inclusive City	Provide facilities that make citizens feel home	1 523 877	1 539 898	1 724 586	1 825 561	1 845 313	1 845 313	1 908 377	2 055 102	2 214 961
A Well-Run City	Ensure Transparent & corruption free government	276 729	321 615	384 636	474 080	464 407	464 407	475 314	518 313	555 815
A Well-Run City	Establish an efficient & productive administration	1 631 826	1 902 305	1 879 093	1 644 224	1 634 533	1 634 533	1 749 107	1 868 962	2 002 502
A Well-Run City	Ensure financial prudence with clean audits by AG	1 442 012	1 587 297	1 907 950	2 245 471	2 218 384	2 218 384	2 385 063	2 708 855	3 050 025
Total Expenditure		18 648 506	21 179 513	23 919 727	26 144 082	25 967 723	25 967 723	27 789 517	30 219 206	32 762 827

Table 33 MBRR SA6 - Reconciliation between the IDP strategic objectives and budgeted capital expenditure

Strategic Objective	Goal	Goal Code	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Shared Economic Growth & Development		A	166 745	-	-	-	-	-	-	-	-
Sustainable Urban Infrastructure & Services		B	1 461 178	-	-	-	-	-	-	-	-
Energy efficiency -sustainable future		C	1 000	-	-	-	-	-	-	-	-
Public Transport Systems		D	480 181	-	-	-	-	-	-	-	-
Integrated Human Settlements		E	350 795	-	-	-	-	-	-	-	-
Safety and Security		F	28 972	-	-	-	-	-	-	-	-
Health, social & community development		G	76 545	-	-	-	-	-	-	-	-
Good Governance and Regulatory Reform		H	292 345	-	-	-	-	-	-	-	-
An Opportunity City		I	-	3 263 230	-	-	-	-	-	-	-
A Safe City		J	-	85 331	-	-	-	-	-	-	-
A Caring City		K	-	594 778	-	-	-	-	-	-	-
An Inclusive City		L	-	201 885	-	-	-	-	-	-	-
A Well-Run City		M	-	88 021	-	-	-	-	-	-	-
The Opportunity City	Create an enabling environment to attract investment that generates economic growth and job creation	1.1	-	-	11 998	17 363	20 357	20 357	12 850	7 000	5 000
	Provide and maintain economic and social infrastructure to ensure infrastructure-led growth and development	1.2	-	-	3 324 330	3 145 226	2 953 717	2 953 717	3 725 917	3 743 671	3 238 488
	Promote a sustainable environment through the efficient utilisation of resources	1.3	-	-	75 317	68 611	73 343	73 343	20 885	22 851	7 500
	Ensure mobility through the implementation of an effective public transport system	1.4	-	-	1 312 259	909 966	1 064 508	1 064 508	828 451	1 168 722	1 402 500
	Leverage the city's assets to drive economic growth and sustainable development	1.5	-	-	4 163	2 659	2 579	2 579	2 826	2 750	1 000
The Safe City	Expanding staff and capital resources in policing departments and emergency services to provide improved services to all, especially the most vulnerable communities	2.1	-	-	7	-	-	-	-	-	4 000
	Resource departments in pursuit of optimum operational functionality	2.2	-	-	38 249	36 330	40 103	40 103	32 873	60 605	38 713
	Enhance information-driven policing with improved information-gathering capacity and functional specialisation.	2.3	-	-	7 453	50 336	36 759	36 759	42 917	10 900	5 600
	Improve efficiency of policing and emergency staff through effective training	2.4	-	-	1 994	300	528	528	500	300	-
	Improve safety and security through partnerships	2.5	-	-	40 092	18 351	22 103	22 103	39 211	19 610	11 211
The Caring City	Ensure increased access to innovative human settlements for those who need it	3.2	-	-	268 396	251 806	398 894	398 894	314 015	268 915	490 740
	Assess the possible sale or transfer of rental stock to identified beneficiaries, using established criteria	3.3	-	-	317 375	393 350	355 782	355 782	346 672	82 170	107 000
	Provide for the needs of informal settlements and backyard residences through improved services	3.4	-	-	74 586	125 736	181 552	181 552	186 630	387 700	133 700
	Provide effective environmental health services	3.5	-	-	4 854	8 000	14 600	14 600	56 800	66 500	52 100
	Provide effective air quality management & pollution (including noise) control programmes	3.6	-	-	451	500	3 500	3 500	-	-	-
	Provide effective primary health-care services	3.7	-	-	21 551	17 646	20 466	20 466	18 996	24 896	26 296
	Provide substance abuse outpatient treatment and rehabilitation services	3.8	-	-	41 497	41 133	61 357	61 357	26 531	15 722	4 622
The Inclusive City	Ensure responsiveness by creating an environment where citizens can be communicated with and responded to	4.1	-	-	26	4 843	869	869	5 896	-	33 000
	Provide facilities that make citizens feel at home	4.2	-	-	191 820	256 349	236 459	236 459	278 282	197 224	244 631
The Well-Run City	Ensure a transparent government and work towards eradicating corruption	5.1	-	-	(0)	-	-	-	-	-	-
	Establish an efficient and productive administration that prioritises delivery	5.2	-	-	27 668	16 792	18 397	18 397	16 573	16 083	13 969
	Ensure financial prudence, with clean audits by the Auditor General	5.3	-	-	104 724	85 295	100 515	100 515	123 869	109 025	131 392
Total Capital Expenditure			2 857 761	4 233 245	5 868 810	5 450 592	5 606 388	5 606 388	6 080 696	6 204 645	5 951 461

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:

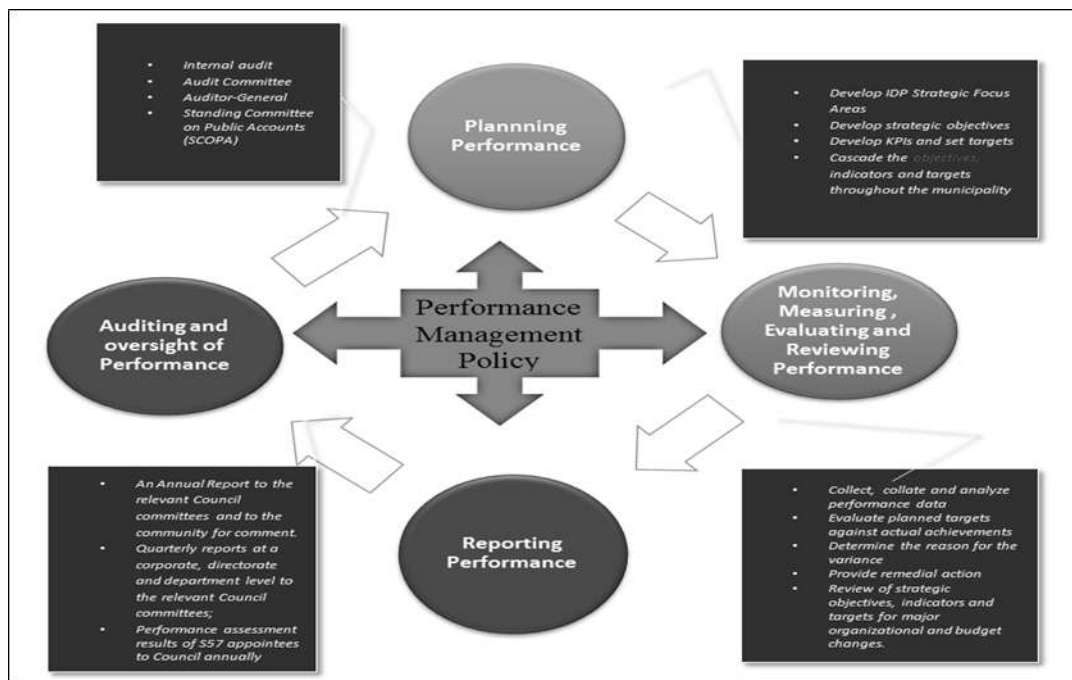


Figure 7 The Cycle and process of the performance objectives and indicators

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 Municipal Public Accounts Committee (MPAC) reviews the Annual Report.

The measurable performance objectives to be accomplished in 2014/15 will be submitted under separate cover to the Council meeting on 26 February 2014. It will be incorporated into the budget document that will be submitted for approval to Council in May 2014.

The following table sets out the main performance objectives and benchmarks for the 2014/15 MTREF:

Table 34 MBRR Table SA8 - Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Borrowing Management										
Credit Rating		Aa2	Aa2	Aa3	Aa3	Aa3	Aa3	-	-	-
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	5.2%	4.2%	3.7%	5.6%	5.6%	5.6%	5.4%	5.3%	5.5%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	5.5%	4.4%	4.0%	6.3%	6.3%	6.3%	6.0%	6.0%	6.2%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	0.0%	0.0%	98.6%	0.0%	0.0%	0.0%	68.6%	62.3%	75.9%
Safety of Capital										
Gearing	Long Term Borrowing/ Funds & Reserves	231.3%	225.9%	301.9%	322.3%	310.5%	310.5%	408.9%	506.7%	602.6%
Liquidity										
Current Ratio	Current assets/current liabilities	1.6	1.5	1.6	1.3	1.4	1.4	1.6	1.7	2.0
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	1.6	1.5	1.6	1.3	1.4	1.4	1.6	1.7	2.0
Liquidity Ratio	Monetary Assets/Current Liabilities	0.9	0.9	1.0	0.7	0.8	0.8	0.9	0.9	1.1
Revenue Management										
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing	0.0%	94.4%	95.5%	88.3%	95.7%	95.6%	0.0%	95.3%	95.1%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		94.4%	95.5%	88.3%	95.7%	95.6%	95.6%	95.3%	95.1%	95.1%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	21.1%	20.3%	19.2%	18.1%	18.4%	18.4%	17.7%	16.9%	16.1%
Creditors Management										
Creditors System Efficiency	% of Creditors Paid Within Terms (within 'MFMA' s 65(e))	96.3%	95.6%	95.6%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%
Creditors to Cash and Investments		63.3%	63.7%	55.8%	74.8%	54.5%	54.5%	53.7%	43.7%	32.4%
Other Indicators										
Electricity Distribution Losses	Total Volume Losses (kW)	931 440 224	1 118 030 251	954 803 233	954 803 233	954 803 233	954 803 233	954 803 233	954 803 233	954 803 233
	Total Cost of Losses (Rand '000)	381 890	577 792	567 677	612 296	-	-	659 014	715 044	777 631
	Total Volume Losses (kt)	75 979	68 887	50 948	49 929	49 929	49 929	48 800	47 700	46 600
Water Distribution Losses	Total Cost of Losses (Rand '000)	216 540	208 040	164 052	170 756	170 756	170 756	170 312	176 461	182 736
	% Volume (units purchased and generated less units sold)/units purchased and generated	22.59%	20.87%	15.88%	15.13%	15.60%	15.60%	15.25%	14.76%	14.28%
Employee costs	Employee costs/(Total Revenue - capital revenue)	32.0%	32.2%	31.1%	31.9%	32.0%	32.0%	32.4%	32.5%	32.4%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	32.4%	32.6%	30.6%	32.4%	32.6%	32.6%	32.9%	33.0%	33.0%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	8.9%	8.8%	11.5%	11.3%	11.0%	11.0%	11.5%	11.5%	11.6%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	10.4%	9.7%	9.8%	10.8%	11.0%	11.0%	11.2%	11.6%	11.9%
IDP regulation financial viability indicators										
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within	23.3	26.2	21.9	26.5	26.5	26.5	33.4	37.3	40.3
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	25.9%	25.1%	24.1%	22.7%	23.0%	23.0%	22.2%	21.2%	20.3%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	4.1	4.2	4.9	3.5	3.8	3.8	3.5	3.2	3.3

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, borrowing and internally generated funds.

The City's borrowing is done 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.

It is further dependent on the City's credit rating, which is rated by Moody's Investor Services. 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's Investor Services has downgraded the City's credit rating from Aa2.za to Aa3.za in December 2012, due to South Africa's national rating being downgraded from A3.za to Baa1.za. In April 2013 Moody's retained the rating for the City at Aa3.za.

The following financial performance indicators have formed part of the compilation of the 2014/15 MTREF:

- Capital charges to operating expenditure are the measure of the cost of borrowing in relation to the operating expenditure. This ratio averages 5.4% over the 2014/15 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 68.6% for 2014/15 and averages 69% over the two outer years of the 2014/15 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 2014/15 MTREF averages 11%.

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 1.7 over the 2014/15 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 1.7 over the 2014/15 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 appropriate action against 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 interests 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, and
 - Council has approved the writing off of all interest charges as well as the suspension of interest charges on indigent properties, until the water leaks have been repaired, the WDMs and the pre-paid electricity meters have been installed and applicable outstanding debt written off.

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

- Performance in 2012/13 has shown that Electricity distribution losses are around 9.3%. The City has strategies to reduce the losses including the appointment of additional revenue protection teams; 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 and within benchmarks, so budgeting for a constant loss factor is prudent.
- Water distribution losses are expected to reduce from 49.9 million kl in 2013/14 to 48.8 million kl in 2014/15. 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 apparent 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)
 - 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
- 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 R77.23 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 R77.23 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 R77.23 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 R77.23 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 but there is a significant financial requirement on maintaining, rehabilitating and replacing the ageing assets to mitigate 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 W&S department is satisfied that the City's wastewater treatment plants have improved in performance based on its assessment against the Green Drop assessment criteria. However, as a result of the Minister not awarding the Green Drops for 2012/13, the W&S only has its assessment to base its performance on.

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.

2014/15 Budget and MTREF proposed allocations

Capital Budget

The capital budget is allocated for increased treatment capacity, process improvements or improved effluent quality. The proposed 2014/15 capital budget is shown below.

Table 35 Wastewater Treatment Facility Capital Budget

Wastewater Treatment Facility R Thousand	Project	Budget Year 2013/2014	Budget Year 2014/2015
Bellville	20 ML/d increase in treatment capacity	25 000	3 000
Cape Flats	Disinfection of Effluent	5 000	14 000
Potsdam	Increase in treatment capacity	855	18 000
Zandvliet	18 ML/ d increase in treatment capacity	–	59 050
Borherds Quarry	Replacement of Centrifuges with Belt Presses	20 000	15 000
Mitchells Plain	Replacement of Centrifuges with Belt Presses	55 500	52 400
Total for New Infrastructure		106 355	161 450

Operating Budget

The proposed 2014/15 operating budget is shown below.

Table 36 Wastewater Treatment Facility Operating Budget

Category R Thousand	Original Budget 2013/2014	Adjusted Budget 2013/2014	Budget Year 2014/15
Remuneration	90 683	90 683	101 272
Depreciation	67 118	74 748	84 979
Repairs & Maintenance	67 488	88 338	95 558
Contracted Services	64 473	60 473	61 153
General Expenses	157 102	139 702	167 827
Interest Internal Borrowings	68 245	64 131	64 052
Appropriation Account	85 015	64 177	116 507
Internal Utilities Expenditure	79 542	79 542	82 653
Insurance Departmental	4 684	4 684	5 634
Activity Based Costs	25 608	25 608	27 853
Support Services	33 925	33 925	37 276
Total Income Statement Expense	743 883	726 012	844 763

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
- Cash Management and Investment Policy – approved 27 February 2013
- Asset Management Policy - approved 27 February 2013
- Long Term Financial Plan Policy – approved May 2013
- Budget Management and Oversight Policy – approved May 2013
- Unforeseen and Unavoidable Expenditure Policy – approved May 2013
- Policy governing Adjustment Budgets – approved May 2013
- Policy governing Planning and Approval of Capital Projects - approved May 2013

2.4.2 Draft policies and policies reviewed

The following policies have been amended and/or revised and are attached to this document:

- Virement Policy – Annexure 13
- Draft Policy On Accounts Payable – Annexure 18
- Fare Policy for Contracted, Road-Based Public Transport – Annexure 19

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 2014/15 MTREF

Introduction

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

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

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

The City 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 2014/15 MTREF period represents the 3rd year of the City's 5-year IDP period. The 2014/15 MTREF process commenced with a technical analysis of previous years' performance outcomes, an assessment of the economic outlook and consultation with various role players. The process encompassed the following:

- BSM provided the framework for and strategic direction of the budget
- MTREF model forecasted taking above direction into account
- Continuous MTREF presentations to EMT, BSC and the BSM
- IDP community consultations
- Presentations by directorates at budget hearings on their business improvement measurements, funding the IDP and capital investment plans for 3-year MTREF period
- Presentations by the Trading services with regard to their proposed budgets and tariff increases.

2.5.2 Financial Modelling and Key Planning Drivers

The alignment of the strategy of the City and the budget included alignment to:

- The IDP;
- Resource prioritisation within the IDP objectives according to the City's Economic Growth Strategy (EGS) and the Social Development Strategy (SDS);
- The City's transversal goals as set out by the Economic and Social Clusters;
- Core economic, financial and technical data obtained at local and national level; and
- Other issues deemed important at Mayco.

The outcome of the MTREF modelling performed incorporated the above and 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;
- 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;
- Reprioritisation of the operating budget to give effect to the MTBPS and National Treasury circular 79 and to ensure strategic alignment of the budget; and
- National and Provincial allocations as per the 2013 DORA and 2013 Western Cape Provincial gazette.

2.5.3 General inflation outlook and its impact on municipal activities

CPI projected for the City is 5.8% for 2014/15, 5.6% and 5.4% for 2015/16 and 2016/17 respectively. These levels are within the South African Reserve Bank (SARB) inflation targeting range of between 3% to 6% range and is depicted in the graph below.

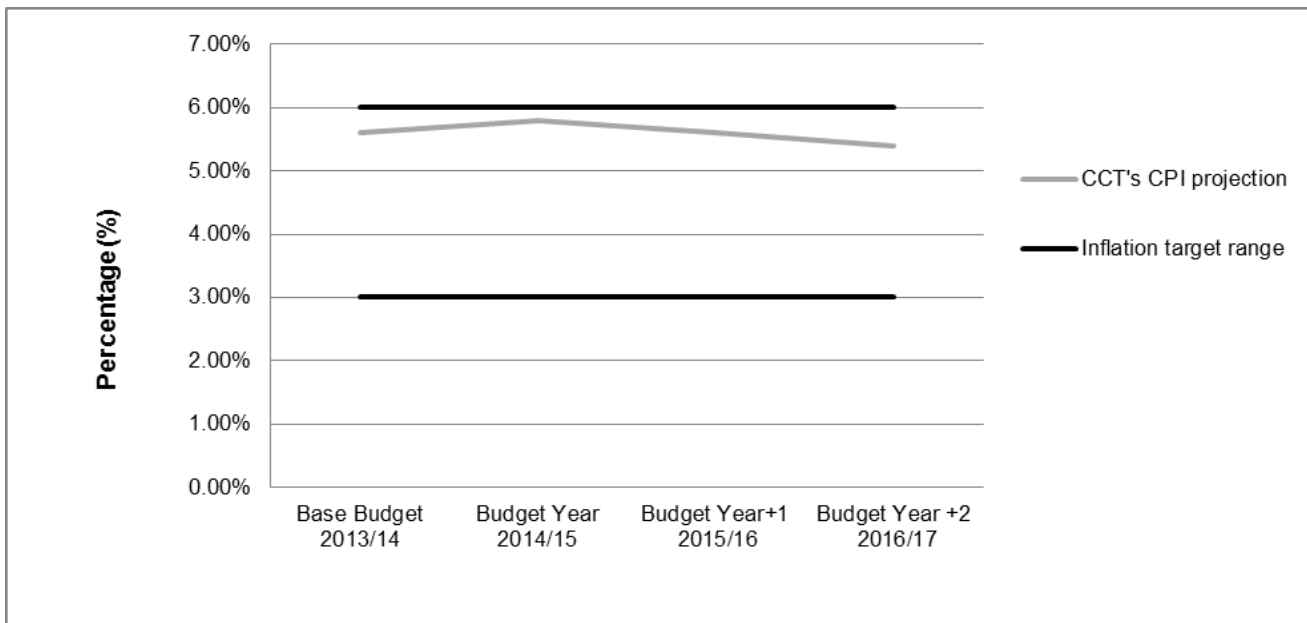


Figure 8 Consumer price index projections adopted in the MTREF

2.5.4 Economic outlook / external factors

According to Bureau of Economic Research (BER), growth performance is expected to revert back to the long term average. This forecast is due to the international financial markets recovering from the European Sovereign Debt crisis and the assumption that positive politics and improved economic policies will be experienced domestically. As a result, GDP is expected to recover in 2015 to 3.0% and increase steadily to 3.6% in 2017.

Oil prices are volatile due to the increasing average international prices and the negative fluctuations of the R/\$ exchange rate. Oil prices are projected to remain at the high rate of between \$100 to \$110 per barrel for 2015. BER further forecasts the Rand to end 2014 at an average of R10.89/\$ and is expected to end 2015 at R10.30/\$.

CPI is expected to remain within the 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.

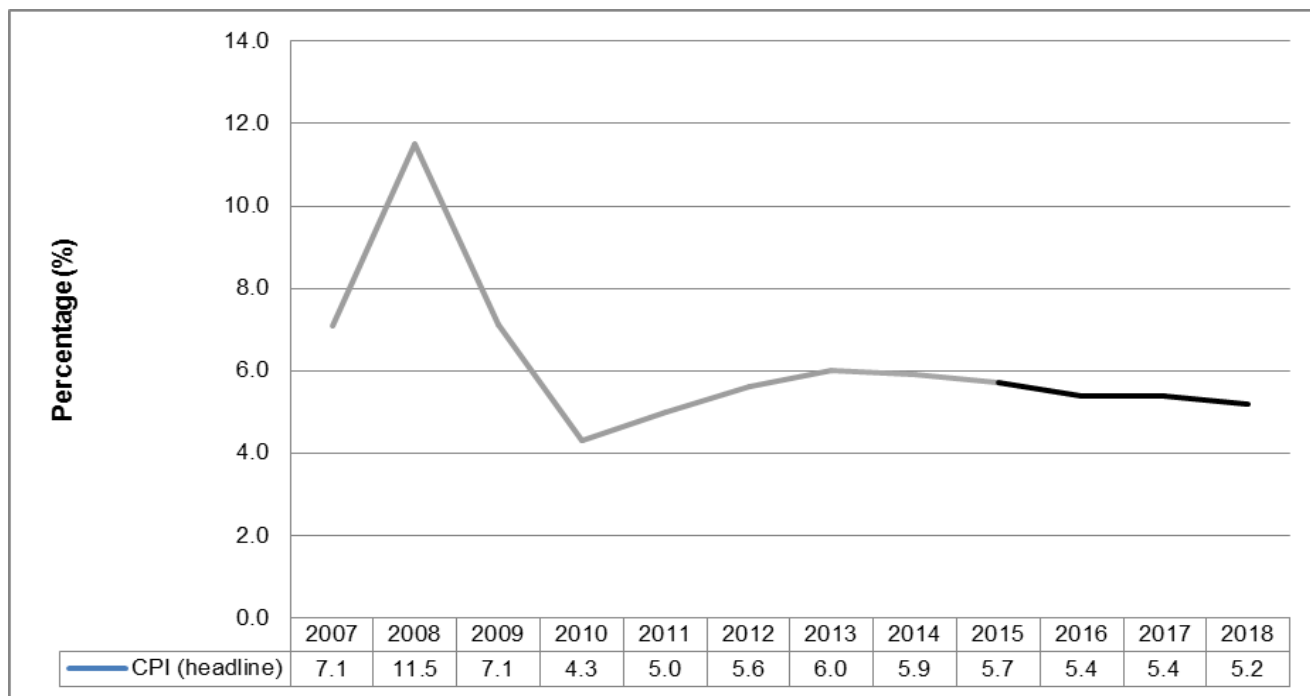


Figure 9 Consumer Price Index over recent and future years (projected)

BER has forecasted CPI as 5.9%, 5.7% and 5.4% for the calendar years 2014 to 2016 respectively. The City’s forecasted CPI in municipal financial years is 5.8% for 2014/15, 5.6% for 2015/16 and 5.4% for 2016/17. Years 1 and 2 are higher than the inflation forecasts set out in NT circular 70, which estimated 5.6% and 5.4% respectively for 2014/15 and 2015/16.

National and provincial influences

In drafting the 2014/15 MTREF special attention was given to National and Provincial influences, which included:

a) Medium Term Budget Policy Statement (MTBPS)

The MTBPS outlined strategies and interventions required by local government in achieving economic stability and higher levels of growth. It includes, among others:

- i. Expanding public sector investment in infrastructure through ensuring the budgets and MTREF acknowledge that capital programmes needs a balanced funding structure addressing not only backlogs in services but also investment in new infrastructure as well as renewing current infrastructure.
- ii. Sustainable job creation - municipalities are to ensure that in drafting their 2014/15 budgets and MTREF, they continue to explore opportunities to promote labour intensive approaches to delivering services, and fully participate in the Expanded Public Works Programme (EPWP).
- iii. Municipalities to act as catalysts for economic growth through creating an enabling environment for investment and other activities that foster job creation.
- iv. Implementing the National Development Plan (NDP) through expanding electricity, transport, communications capacity and promoting industrial competitiveness.

The MTBPS further highlighted the current financial position of the country and informed amongst other, municipalities to minimise costs and abuse. The following six focus areas were highlighted for the period ahead:

- i. Consultant services: Improved contract management, stricter control of consultancy fees and each government entity to develop a consultancy reduction plan over the course of this financial year.
- ii. No credit cards.
- iii. Travel and related costs: Restricting the type of cars hired and the number of officials travelling.
- iv. Advertising: Guidelines to limit non-essential costs and for better use of GCIS facilities will be developed.
- v. Catering and event costs: Guidelines to be developed for reducing event costs, including better use of government facilities rather than outside venues for meetings. No public funds to be used for purchase of alcohol. Entertainment allowance to be limited to R2 000.
- vi. Steps are under way to reduce long term office accommodation and government housing costs and make further savings from electricity demand management measures in government buildings.

With regard to the issues raised above, the City has already in 2013/14 implemented cost cutting initiatives where provisions for national and international travel was reduced and stricter approving mechanisms applied, further expanded the EPWP for 2014/15 as well as reducing its catering and entertainments budgets. In addition, the City continuously assesses efficiencies in the utilisation of office accommodation.

b) MFMA Circular 70

Cognisance was also taken of MFMA Circular No 70 – Municipal Budget Circular for the 2014/15 MTREF, which amongst other included:

- Municipalities must adopt a conservative approach when projecting their expected revenues and cash receipts.
- Municipalities should carefully consider affordability of tariff increases.
- Municipalities should pay particular attention to managing revenue effectively and carefully evaluate all spending decisions.
- Municipalities must implement cost containing measures as approved by Cabinet to eliminate non-priority spending.
- Strengthening procurement to obtain value for money and fighting against corruption
- Local government budget and financial management reforms, including the regulation of SCOA, the financial implication of SCOA and Management accounting and its impact on tariff setting.
- Guidelines for the 2014/15 MTREF Electricity, Water, Sanitation and Solid Waste tariffs.
- Municipalities are urged to sign service level agreements and recover costs where unfunded/underfunded mandates are performed on behalf of other spheres of government. Unfunded/underfunded mandates pose an institutional and financial risk to the municipality as substantial amounts of own funding is allocated to non-core functions at the expense of service delivery.

2.5.5 Interest rates for borrowing and investment of funds

Borrowing interest rates are factored at a prime rate, stabilising at 11% over the 2014/15 MTREF. The investment interest rate has improved from the previous financial period by 0.5%. An average of 5.50% was forecasted over the 2014/15 MTREF.

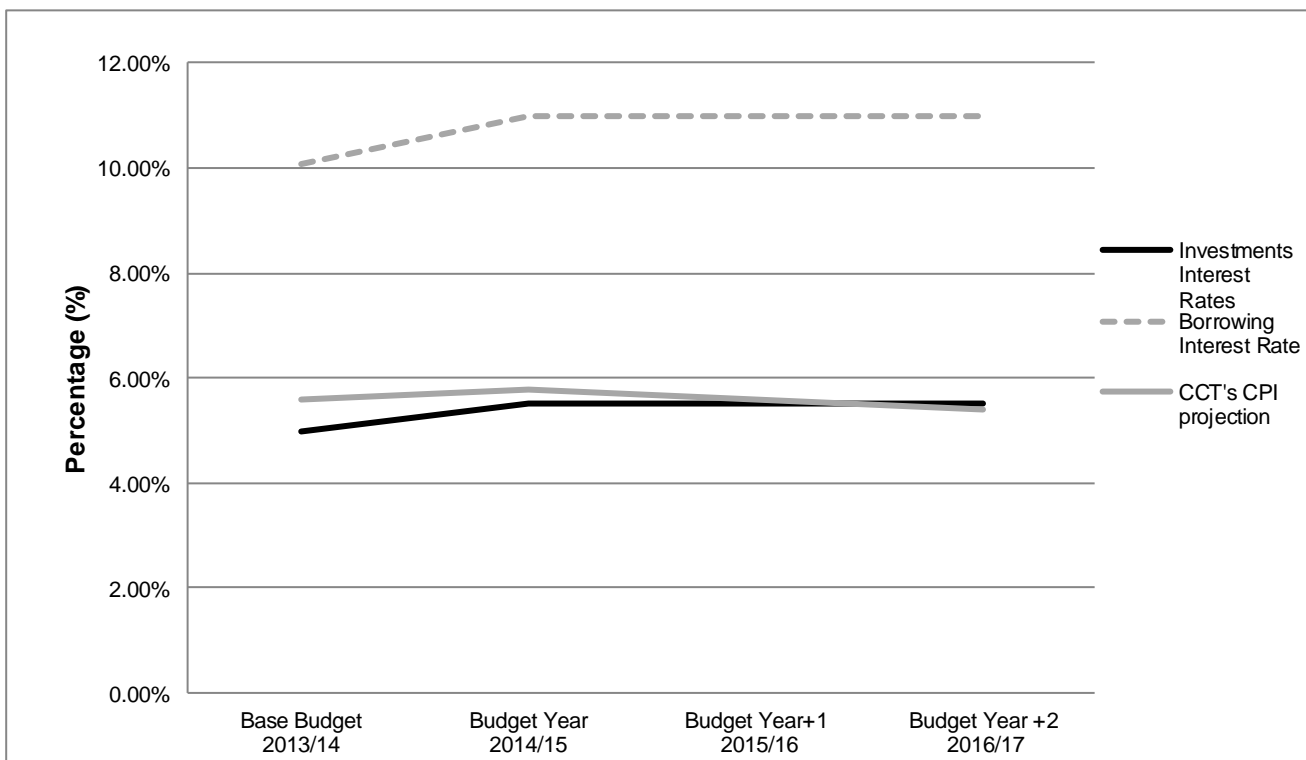


Figure 10 Interest rates over the MTREF

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 37 Collection Rates

Service	Base Budget 2013/14 %	Budget Year 2014/15 %	Budget Year+1 2015/16 %	Budget Year +2 2016/17 %
Rates	96.00	96.00	96.00	96.00
Electricity	98.00	98.00	98.00	98.00
Water	92.50	90.60	89.50	89.00
Sanitation	92.50	90.60	90.00	90.50
Refuse	93.00	95.00	95.00	95.00
Housing	47.00	50.40	52.00	54.60

Property Rates and Electricity collection ratios are expected to remain constant over the 2014/15 MTREF period. The refuse collection rate is expected to increase from 93% in 2013/14 to 95% in 2014/15, in line with recent years’ trends. The year-on-year phased downward alignment of the Water and Sanitation collection ratio is as a result of lower than anticipated actual outcomes. Current debt management initiatives, which are being implemented, are intended to raise the collection ratio to targeted levels.

The housing collection ratio is also expected to increase over the 2014/15 MTREF, due to initiatives that includes amongst other, expanded housing debt management and the Payers Incentive Scheme.

R951 million was provided for debt impairment in the 2014/15 budget and is based on an average collection ratio of 94% (excludes Housing). The graph below shows the debt impairment for the period 2012/13 to 2016/17.

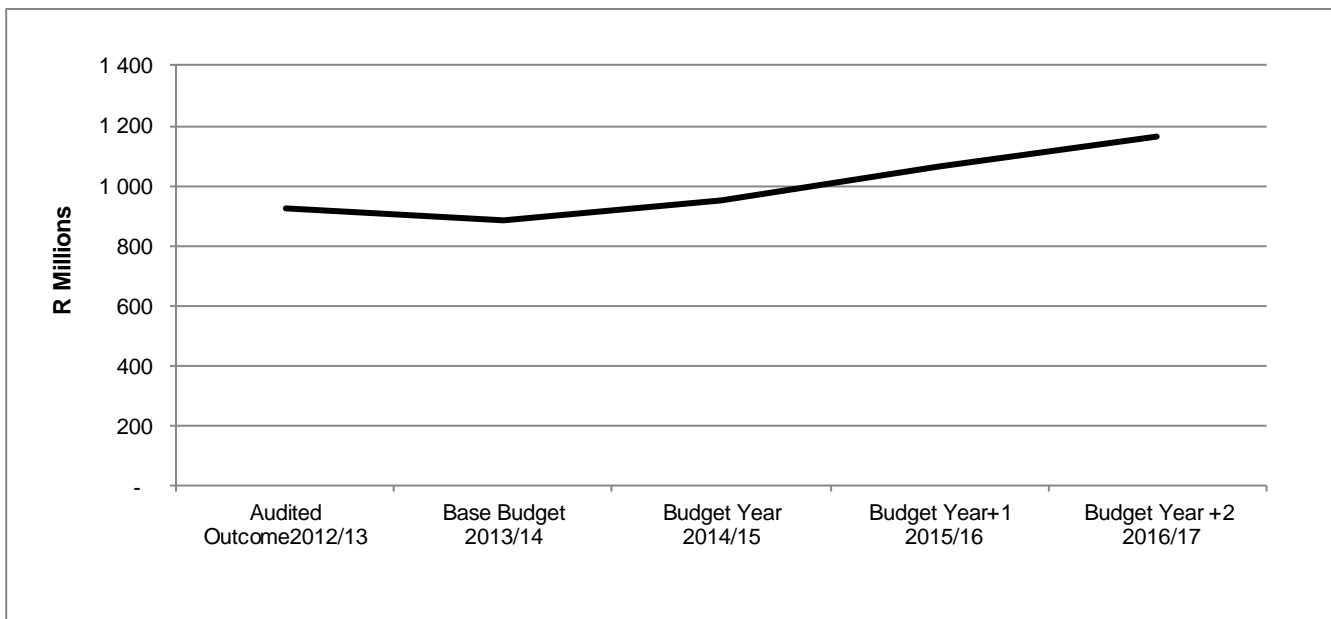


Figure 11 Provision of bad debts – 2012/13 to 2016/17

2.5.7 Salary increases

Salaries, Wages & related staff cost expenses

A three 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 two outer years of this MTREF period the provisions provided for 2014/15 were also assumed for the two outer years.

In terms of the agreement, the salary and wage increases were annually calculated for all three years using the average CPI for the period 1 February of the previous year to 31 January of the current year.

The agreement further stipulated 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 2013 to 30 November 2013 (ex STATSSA) is 5.84%; the salary provision made for the 2014/15 MTREF is therefore 6.84% (5.84%+1%).

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.

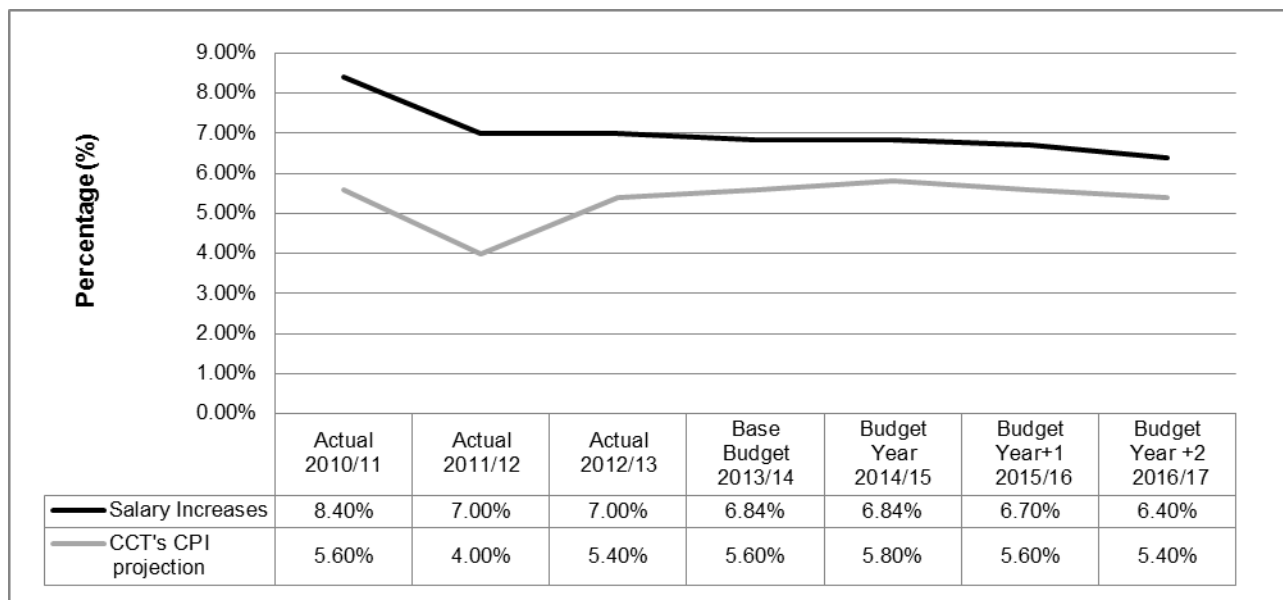


Figure 12 Correlation between the City's CPI and the salary increase over the MTREF

2.5.8 Ensuring maintenance of existing assets

Repairs & Maintenance

NT Circular 70 reminded municipalities to consider the budget management issues discussed in previous circulars. NT Circulars 54, 55 and 58 stressed the importance of securing the health of a municipality's asset base by increased spending on repairs and maintenance. NT Circular 55 further stated that "allocations to repairs and maintenance, and the renewal of existing infrastructure must be prioritised. Municipalities must provide detailed motivations in their budget documentation if allocations do not meet the benchmarks". NT Circulars 55 and 70 set the percentage norm of operational repairs and maintenance to asset value (write down value) of the municipality's Property Plant and Equipment (PPE) at 8%; this ratio outcome for the City averages 8.8% annually over the 2014/15 MTREF.

To give effect to the above directives repairs and maintenance was budgeted at 3% above CPI over the 2014/15 MTREF.

The graph below shows the increasing expenditure trend on repairs and maintenance from 2012/13 and projected to 2016/17.

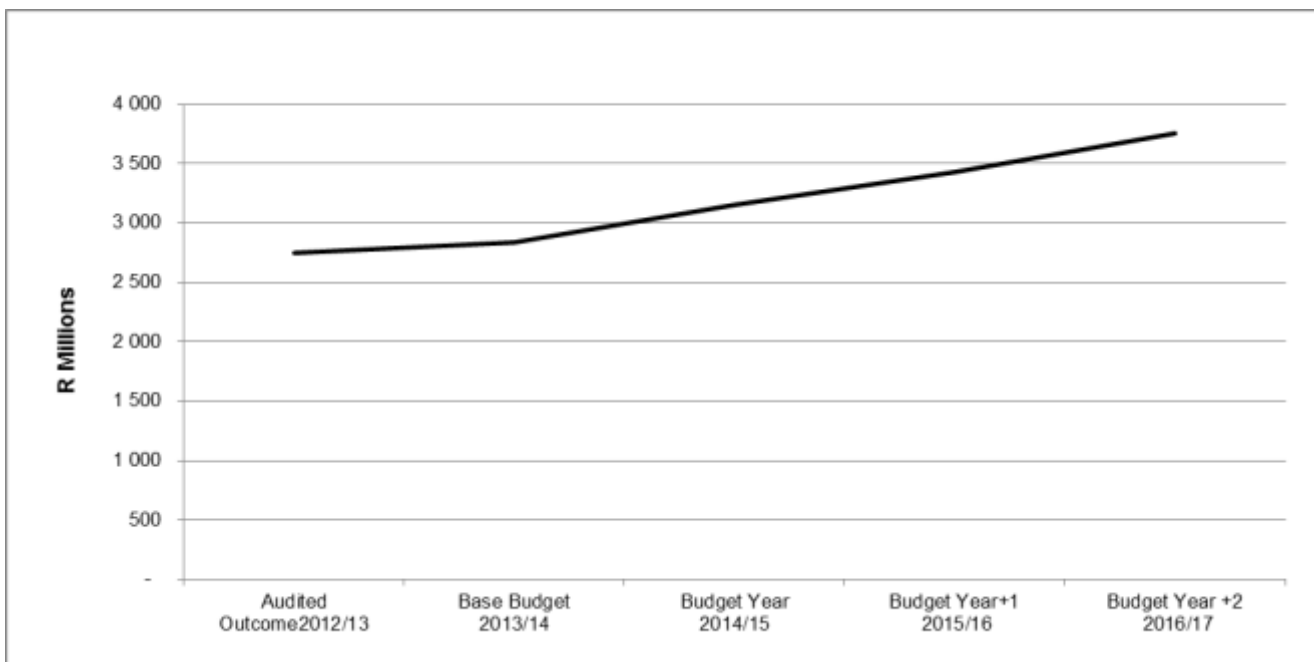


Figure 13 Increasing expenditure trend on repairs and maintenance from 2012/13 and projected to 2016/17

2.5.9 Operating financing of capital

Depreciation

Calculation of depreciation on new capital expenditure is based on variables such as asset class lifespan, 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 and Credit rating outlook

The City’s borrowing is done 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. It is influenced by the capital investment / EFF requirement for the 2014/15 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 Investors Service has rated the City’s credit rating as Aa3.za in 2013, which reflects the City’s strong budgetary performance and its good liquidity position. The City is rated at the high end of the range of South African municipalities rated by Moody’s and it is expected that the City will maintain this relatively strong financial position in the medium term. The negative outlook on the City’s rating mirrors the negative outlook on South Africa’s sovereign rating. This position can only be improved by the stabilisation or upgrade of the sovereign rating.

Table 38 Credit rating outlook

Category	Currency	Current Rating 02 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.

2.5.10 Growth or decline in tax base and services 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 has reduced from 1% in 2013/14 to 0.5% over the 2014/15 MTREF.

- *Water and Sanitation*

A service growth of 1% was applied to Water and Sanitation over the 2014/15 MTREF. This is based on the average growth over the past years on the revenue generating portion of water volumes.

- *Electricity*

Electricity has projected negative service growth over the 2014/15 MTREF, due to the impact of energy saving plans and increasing tariffs, which is reducing consumption. Negative service growth levels of 1.75% (2014/15) and 1% (2015/16 and 2016/17) are projected over the MTREF period.

- *Refuse*

A 2% service growth was applied over the 2014/15 MTREF for Refuse. This is as a result of the growth in the requirement for refuse services.

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 70 of December 2013 stated that “National Treasury also continues to encourage municipalities to keep increases in rates, tariffs and other charges at levels that reflect an appropriate

balance between the interests of 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 6.0 per cent upper boundary of the South African Reserve Bank’s inflation target in the budget narratives”. Nevertheless, it further indicates that tariffs should be cost reflective. In this regard the following represents the revenue increases included over the 2014/15 MTREF.

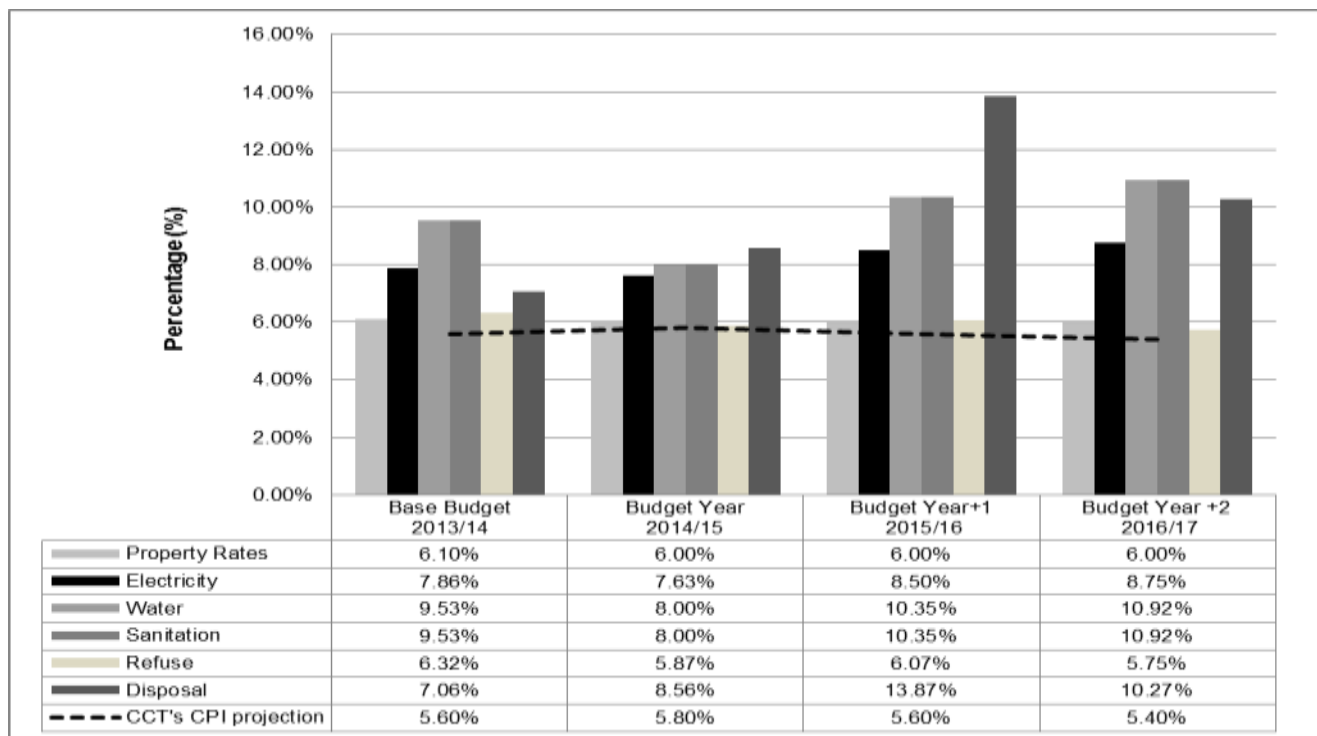


Figure 14 Revenue parameters for 2014/15 MTREF period

- *Property Rates*

The Rates revenue increase is at 6% over the 2014/15 MTREF, 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*

The NERSA approved electricity bulk purchases increase for 2014/15 is 8.06%. Based on this, the City’s average revenue increase requirement is 7.63% for 2014/15 and 8.50% and 8.75% 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 to the previous financial year, due to increased investments in new infrastructure 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*

According to NT Circular 70 municipalities were previously advised that “If the water and sanitation 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”. It was further advised that “as per the guidance in previous Budget Circulars, municipalities are expected to have cost reflective tariffs for the 2014/15 MTREF for both water and sanitation. Should

this not be case, municipalities will be required to clearly articulate the reasons within the budget document including remedial actions in rectifying this position”.

The average Water and Sanitation revenue increase for 2014/15 is at 8.00% and averages 10.64% over the two outer years. The higher than CPI tariff increase requirement is as a result of the additional cost required to service informal settlement, to keep pace with the demand for maintenance of the current infrastructure, to cater for increased water demand, to ensure compliance to the Waste Water Treatment Works legislation issued by the Department of Water Affairs, the investment in new infrastructure as well as to absorb the cost impact of the lower collection ratio projected for the 2014/15 MTREF.

- *Solid Waste*

According to Circular 70, *“municipalities are once again reminded that in many instances waste tariffs do not cover the cost of providing the different components of the service. Where this is the case, municipalities should aim to have appropriately structured, cost-reflective solid waste tariffs in place by 2015”.*

The Disposal average increase for 2014/15 is at 8.56%. This increase, amongst other, is required for the rehabilitation of landfill sites and for the operating costs relating to the new transfer station. The 5.87% average increase for Refuse in 2014/15 is to maintain and improve the current 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 coupled with a set of premiums/deductions based on the location, maintenance level, facilities et al of the property for which the rent is charged.

The rates for 2014/15 are as follows:

- Rental (per square meter): R8.20;
- Rental (per square meter including water charge where applicable): R11.58;
- Plus the applicable premiums and deductions associated with the unit.

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

Equitable Share

The reviewed Equitable Share formula provides 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 revised formula used data from the 2011 Census which are to 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

Figure 15 Structure of the local government equitable share formula

Equitable share provisions included in the budget are based on the 2013 Division of Revenue Act (DORA). 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 indicative equitable share amounts were allocated to the City as per the 2013 DORA.

2014/15 - R1 502 million

2015/16 - R1 815 million

2016/17 - R2 193 million (projected on average year-on-year increase)

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 indicative amounts were allocated to the City as per the 2013/14 allocation letter received from NT:

2014/15 - R2 015 million

2015/16 - R2 108 million

2016/17 - R2 222 million (projected on average year-on-year increase)

2.5.13 Capital expenditure

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

Table 39 Capital Budget over MTREF

Capital funding	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousands			
CGD	2 886 199	2 995 459	2 942 306
CRR	722 927	681 040	607 349
Revenue	125 270	17 467	15 534
EFF	2 346 301	2 510 679	2 386 273
TOTAL	6 080 696	6 204 645	5 951 461

Grants received from National and Provincial Government remains a significant funding source over the 2014/15 MTREF. External Financing Fund (EFF) over the 3 years averages R2 414 million.

2.5.14 Major parameters

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

Table 40 Summary of parameters applied to Operating Budget

	2014/15 %	2015/16 %	2016/17 %
CPI	5.80	5.60	5.40
COLLECTION RATES			
Rates	96.00	96.00	96.00
Electricity	98.00	98.00	98.00
Water	90.60	89.50	89.00
Sanitation	90.60	90.00	90.50
Refuse	95.00	95.00	95.00
Housing	50.40	52.00	54.60
REVENUE PARAMETERS (excluding organic growth):			
Rates	6.00	6.00	6.00
Electricity	7.63	8.50	8.75
Water	8.00	10.35	10.92
Sanitation	8.00	10.35	10.92
Refuse	5.87	6.07	5.75
Disposal	8.56	13.87	10.27
REVENUE PARAMETERS (including organic growth):			
Rates	6.50	6.50	6.50
Electricity	5.88	7.50	7.75
Water	9.00	11.35	11.92
Sanitation	9.00	11.35	11.92
Refuse	7.87	8.07	7.75
EXPENDITURE PARAMETERS:			
Salary increase			
Salary increase (SALGA Agreement)	6.84	6.70	6.40
Increment provision	2.00	2.00	2.00
General Ex penses	5.80	5.60	5.40
Repairs & Maintenance	8.80	8.60	8.40
Interest Rates			
Interest paid	11.00	11.00	11.00
Interest on inv estment	5.50	5.50	5.50
OTHER:			
Capital (EFF component) Expenditure	R2 346 million	R2 511 million	R2 386 million
Equitable Share Allocation	R1 502 million	R1 815 million	R2 193 million
Fuel Levy	R2 015 million	R2 108 million	R2 222 million

2.6 Overview of budget funding

2.6.1 Medium-term outlook: operating revenue

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

Table 41 Breakdown of the operating revenue over the medium-term

Description	2014/15 Medium Term Revenue & Expenditure Framework					
	Budget Year 2014/15	%	Budget Year +1 2015/16	%	Budget Year +2 2016/17	%
Property Rates	5 918 101	21.5%	6 327 777	21.2%	6 762 458	20.9%
Service Charges	15 202 477	55.3%	16 495 812	55.3%	17 950 157	55.5%
Investment Revenue	275 762	1.0%	291 205	1.0%	306 930	0.9%
Transfers recognised - Operational	2 766 510	10.1%	3 144 268	10.5%	3 543 997	11.0%
Other own revenue	3 346 768	12.2%	3 549 407	11.9%	3 764 218	11.6%
Total Revenue (excluding capital transfers and contributions)	27 509 618	100%	29 808 469	100%	32 327 761	100%

The following graph is a breakdown of the operational revenue per main category for 2014/15.

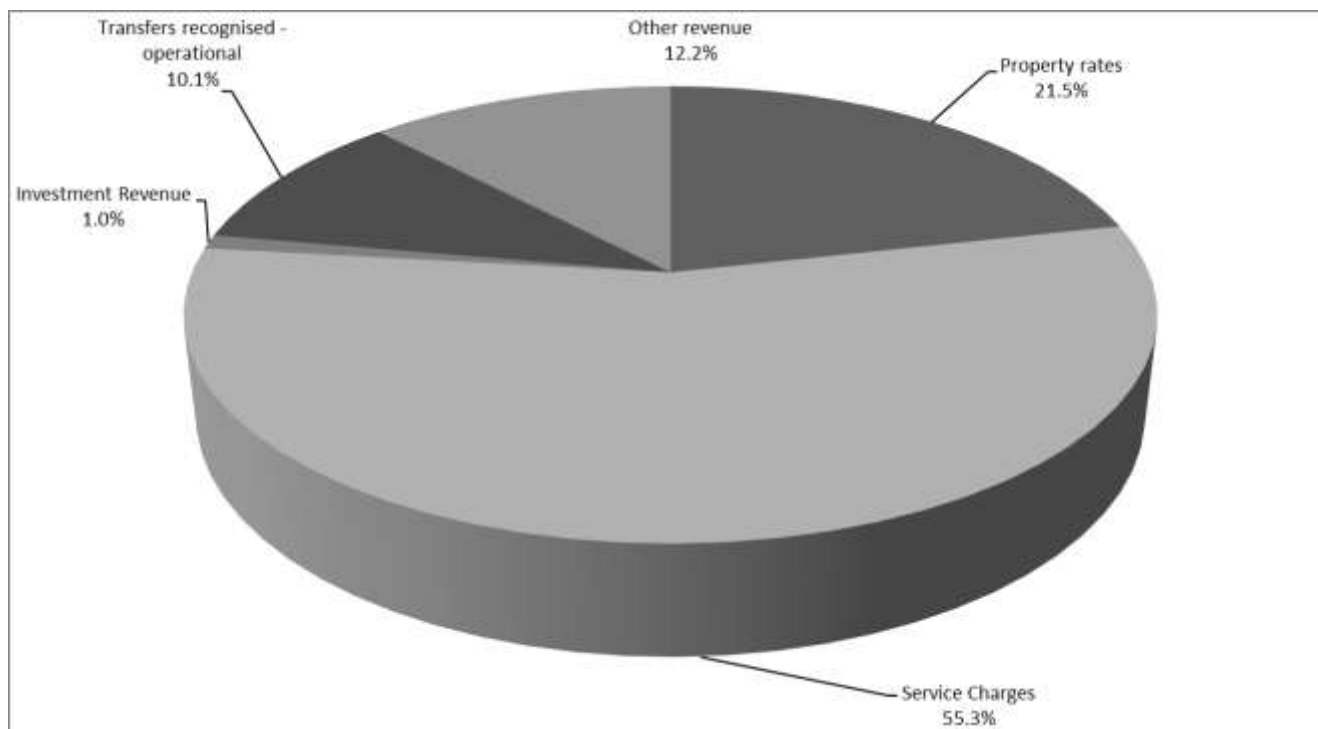


Figure 16 Breakdown of operating revenue over the 2014/15 MTREF

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 (55.3% of the total revenue), i.e. provision of services such as water, electricity sanitation and solid waste removal. Property Rates (21.5%), Transfer recognised - operational (10.1%), investment revenue (1%) and Other Minor Charges i.e. building plan fees, licences, permits etc. (12.2%) forms part of the 2014/15 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 2014/15 amount to R 5 918 million and represents 21.5% of the operating revenue base of the City. It increases to R6 762 million by 2016/17.

Service Charges relating to electricity, water, sanitation and refuse removal constitute the biggest component of the revenue basket of the City totalling R15 202 million for 2014/15 and increasing to R17 950 million in 2016/17. For 2014/15, Service Charges are 55.3% of the total revenue base and the average year-on-year growth is approximately 9% over the medium term. The growth can be attributed to the increase in the bulk prices of electricity and water.

Transfers recognised – operational increases from R2 604 million in 2013/14 to R2 767 million in 2014/15, mainly due to the increased external allocations received from National- and Provincial Government.

Table 42 MBRR SA15 - Detailed investment information

Investment type	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Securities - National Government	48 900	50 013	60 900	66 900	66 900	66 900	72 900	78 900	84 900
Listed Corporate Bonds	-	-	-	-	-	-	-	-	-
Deposits - Bank	5 195 183	6 106 897	7 185 964	6 184 130	6 509 422	6 509 422	6 492 328	6 542 821	7 281 988
Deposits - Public Investment Commissioners	-	-	-	-	-	-	-	-	-
Deposits - Corporation for Public Deposits	-	-	-	-	-	-	-	-	-
Bankers Acceptance Certificates	-	-	-	-	-	-	-	-	-
Negotiable Certificates of Deposit - Banks	-	-	-	-	-	-	-	-	-
Guaranteed Endowment Policies (sinking)	57 920	71 064	900 122	1 153 198	1 153 198	1 153 198	1 429 718	1 723 443	1 915 950
Repurchase Agreements - Banks	-	-	-	-	-	-	-	-	-
Total	5 302 003	6 227 974	8 146 986	7 404 228	7 729 520	7 729 520	7 994 946	8 345 164	9 282 838

Table 43 MBRR SA16 - Investment particulars by maturity

Investments by Maturity	Period of Investment	Type of Investment	Variable or Fixed interest rate	Interest Rate	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal	Investment Top Up	Closing Balance
Name of institution & investment ID	Yrs/Months											
ABSA Bank	30	Fixed deposit	Fixed	0.05075	n/a	n/a	2014/02/14	10 000	42	no	no	10 042
ABSA Bank	28	Fixed deposit	Fixed	0.0555	n/a	n/a	2014/02/28	10 000	43	no	no	10 043
ABSA Bank	28	Fixed deposit	Fixed	0.0555	n/a	n/a	2014/02/28	20 000	85	no	no	20 085
ABSA Bank	21	Fixed deposit	Fixed	0.0502	n/a	n/a	2014/02/14	30 000	87	no	no	30 087
ABSA Bank	28	Fixed deposit	Fixed	0.0555	n/a	n/a	2014/02/28	15 000	64	no	no	15 064
ABSA Bank	28	Fixed deposit	Fixed	0.0555	n/a	n/a	2014/02/28	20 000	85	no	no	20 085
ABSA Bank	28	Fixed deposit	Fixed	0.05075	n/a	n/a	2014/02/14	10 000	39	no	no	10 039
ABSA Bank	25	Fixed deposit	Fixed	0.0505	n/a	n/a	2014/02/14	15 000	52	no	no	15 052
ABSA Bank	24	Fixed deposit	Fixed	0.0505	n/a	n/a	2014/02/14	15 000	50	no	no	15 050
ABSA Bank	22	Fixed deposit	Fixed	0.0502	n/a	n/a	2014/02/14	25 000	76	no	no	25 076
ABSA Bank	26	Fixed deposit	Fixed	0.055	n/a	n/a	2014/02/25	20 000	78	no	no	20 078
ABSA Bank	28	Fixed deposit	Fixed	0.0555	n/a	n/a	2014/02/28	150 000	639	no	no	150 639
ABSA Bank	35	Fixed deposit	Fixed	0.0557	n/a	n/a	2014/03/07	150 000	801	no	no	150 801
Firststrand	182	Fixed deposit	Fixed	0.0585	n/a	n/a	2014/03/31	10 000	292	no	no	10 292
Firststrand	182	Fixed deposit	Fixed	0.0585	n/a	n/a	2014/03/31	12 000	350	no	no	12 350
Firststrand	182	Fixed deposit	Fixed	0.0585	n/a	n/a	2014/03/31	9 000	263	no	no	9 263
Firststrand	182	Fixed deposit	Fixed	0.0585	n/a	n/a	2014/03/31	12 000	350	no	no	12 350
Firststrand	30	Fixed deposit	Fixed	0.05025	n/a	n/a	2014/02/14	40 000	165	no	no	40 165
Firststrand	28	Fixed deposit	Fixed	0.055	n/a	n/a	2014/02/28	50 000	211	no	no	50 211
Firststrand	28	Fixed deposit	Fixed	0.055	n/a	n/a	2014/02/28	25 000	105	no	no	25 105
Firststrand	28	Fixed deposit	Fixed	0.055	n/a	n/a	2014/02/28	25 000	105	no	no	25 105
Firststrand	28	Fixed deposit	Fixed	0.055	n/a	n/a	2014/02/28	60 000	253	no	no	60 253
Firststrand	28	Fixed deposit	Fixed	0.055	n/a	n/a	2014/02/28	50 000	211	no	no	50 211
Firststrand	28	Fixed deposit	Fixed	0.05025	n/a	n/a	2014/02/14	20 000	77	no	no	20 077
Firststrand	25	Fixed deposit	Fixed	0.049625	n/a	n/a	2014/02/14	15 000	51	no	no	15 051
Firststrand	24	Fixed deposit	Fixed	0.049625	n/a	n/a	2014/02/14	15 000	49	no	no	15 049
Firststrand	22	Fixed deposit	Fixed	0.049	n/a	n/a	2014/02/14	30 000	89	no	no	30 089
Firststrand	25	Fixed deposit	Fixed	0.054	n/a	n/a	2014/02/25	50 000	185	no	no	50 185
Firststrand	28	Fixed deposit	Fixed	0.055	n/a	n/a	2014/02/28	150 000	633	no	no	150 633
Firststrand	35	Fixed deposit	Fixed	0.055	n/a	n/a	2014/03/07	100 000	527	no	no	100 527
Investec Bank	30	Fixed deposit	Fixed	0.0505	n/a	n/a	2014/02/14	10 000	42	no	no	10 042
Investec Bank	28	Fixed deposit	Fixed	0.0555	n/a	n/a	2014/02/28	40 000	170	no	no	40 170
Investec Bank	28	Fixed deposit	Fixed	0.0555	n/a	n/a	2014/02/28	20 000	85	no	no	20 085
Investec Bank	28	Fixed deposit	Fixed	0.0555	n/a	n/a	2014/02/28	25 000	106	no	no	25 106
Investec Bank	28	Fixed deposit	Fixed	0.0505	n/a	n/a	2014/02/14	10 000	39	no	no	10 039
Investec Bank	25	Fixed deposit	Fixed	0.0495	n/a	n/a	2014/02/14	10 000	34	no	no	10 034
Investec Bank	24	Fixed deposit	Fixed	0.0505	n/a	n/a	2014/02/14	10 000	33	no	no	10 033
Investec Bank	22	Fixed deposit	Fixed	0.05	n/a	n/a	2014/02/14	10 000	30	no	no	10 030
Investec Bank	28	Fixed deposit	Fixed	0.0555	n/a	n/a	2014/02/28	60 000	255	no	no	60 255
Investec Bank	35	Fixed deposit	Fixed	0.056	n/a	n/a	2014/03/07	60 000	322	no	no	60 322
Nedbank	21	Fixed deposit	Fixed	0.05	n/a	n/a	2014/02/14	50 000	144	no	no	50 144
Nedbank	28	Fixed deposit	Fixed	0.0505	n/a	n/a	2014/02/25	100 000	387	no	no	100 387
Nedbank	27	Fixed deposit	Fixed	0.05025	n/a	n/a	2014/02/25	65 000	242	no	no	65 242
Nedbank	26	Fixed deposit	Fixed	0.0545	n/a	n/a	2014/02/25	50 000	194	no	no	50 194
Nedbank	25	Fixed deposit	Fixed	0.055	n/a	n/a	2014/02/25	40 000	151	no	no	40 151
Nedbank	28	Fixed deposit	Fixed	0.0554	n/a	n/a	2014/02/28	150 000	637	no	no	150 637
Nedbank	35	Fixed deposit	Fixed	0.0561	n/a	n/a	2014/03/07	150 000	807	no	no	150 807
Standard Bank	30	Fixed deposit	Fixed	0.05025	n/a	n/a	2014/02/14	40 000	165	no	no	40 165
Standard Bank	29	Fixed deposit	Fixed	0.0508	n/a	n/a	2014/02/25	100 000	404	no	no	100 404
Standard Bank	28	Fixed deposit	Fixed	0.0552	n/a	n/a	2014/02/28	60 000	254	no	no	60 254
Standard Bank	28	Fixed deposit	Fixed	0.0552	n/a	n/a	2014/02/28	30 000	127	no	no	30 127
Standard Bank	28	Fixed deposit	Fixed	0.0552	n/a	n/a	2014/02/28	30 000	127	no	no	30 127
Standard Bank	28	Fixed deposit	Fixed	0.0552	n/a	n/a	2014/02/28	20 000	85	no	no	20 085
Standard Bank	28	Fixed deposit	Fixed	0.05	n/a	n/a	2014/02/14	20 000	77	no	no	20 077
Standard Bank	25	Fixed deposit	Fixed	0.0495	n/a	n/a	2014/02/14	45 000	153	no	no	45 153
Standard Bank	24	Fixed deposit	Fixed	0.0493	n/a	n/a	2014/02/14	20 000	65	no	no	20 065
Standard Bank	22	Fixed deposit	Fixed	0.0488	n/a	n/a	2014/02/14	15 000	44	no	no	15 044
Standard Bank	26	Fixed deposit	Fixed	0.0544	n/a	n/a	2014/02/25	20 000	78	no	no	20 078
Standard Bank	27	Fixed deposit	Fixed	0.055	n/a	n/a	2014/02/27	100 000	407	no	no	100 407
Standard Bank	28	Fixed deposit	Fixed	0.0552	n/a	n/a	2014/02/28	150 000	635	no	no	150 635
Standard Bank	35	Fixed deposit	Fixed	0.0562	n/a	n/a	2014/03/07	150 000	808	no	no	150 808
ABSA Bank Call			Fixed					147 592	784			148 375
Standard Bank Call			Fixed					45 000	58			45 058
ABSA Bank Current								44 293	254			44 547
Fund Managers								3 519 366				3 519 366
Municipality sub-total								6 579 251				6 593 510

2.6.2 Medium-term outlook: capital revenue

The following table is a breakdown of the funding composition of the 2014/15 medium-term capital programme:

Table 44 Sources of capital revenue over the MTREF

Vote Description R thousand	Current Year 2013/14		2014/15 Medium Term Revenue & Expenditure Framework					
	Adjusted Budget	%	Budget Year 2014/15	%	Budget Year +1 2015/16	%	Budget Year +2 2016/17	%
Funded by:								
National Government	2 501 455		2 521 915		2 808 177		2 722 006	
Provincial Government	357 962		289 165		90 982		120 000	
Other transfers and grants	1 100		2 100		-		-	
Transfers recognised - capital	2 860 517	51.0%	2 813 180	46.3%	2 899 159	46.7%	2 842 006	47.8%
Public contributions & donations	52 025	0.9%	73 019	1.2%	96 300	1.6%	100 300	1.7%
Borrowing	2 036 433	36.3%	2 346 301	38.6%	2 510 679	40.5%	2 386 273	40.1%
Internally generated funds	657 413	11.7%	848 196	13.9%	698 506	11.3%	622 883	10.5%
Total Capital Funding	5 606 388	100.0%	6 080 696	100.0%	6 204 645	100.0%	5 951 461	100.0%

The above table is graphically represented as follows for the 2014/15 financial year:

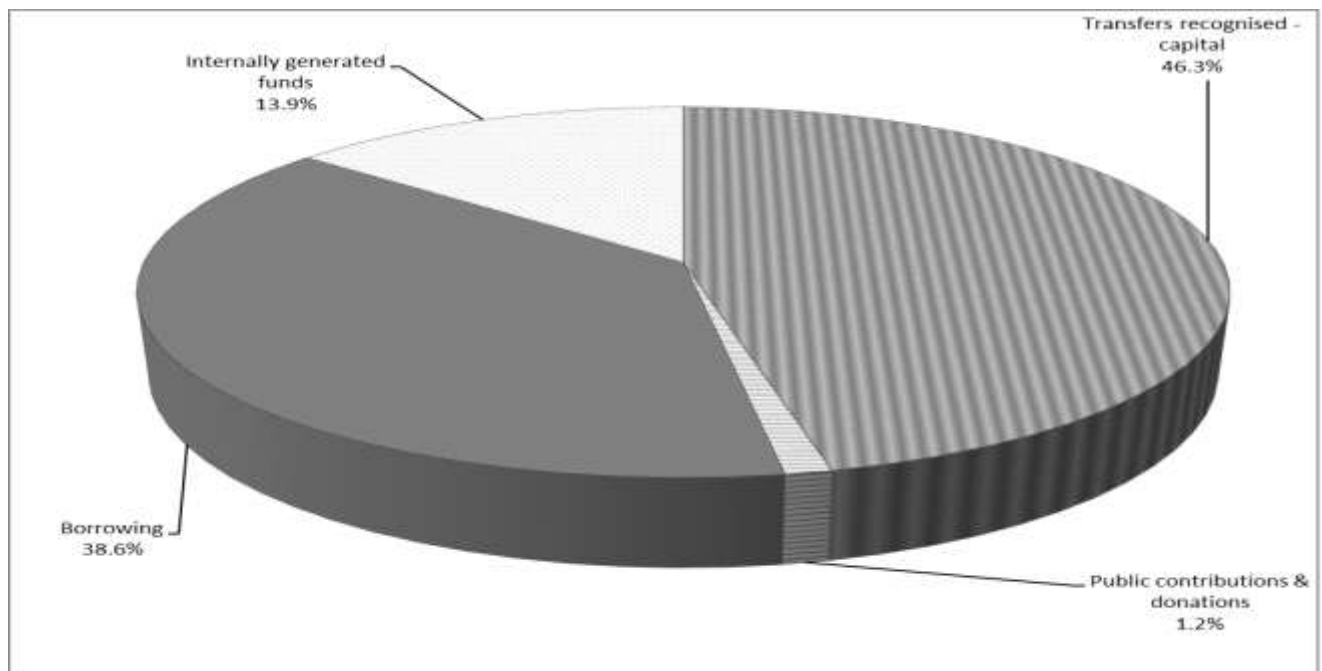


Figure 17 Sources of capital revenue for the 2014/15 financial year

Grants from national and provincial governments as well as other external sources still remain a significant funding source for the 2014/15 - 2016/17 capital budget. Transfers recognised - capital represents R2 813 million in 2014/15, R2 899 million in 2015/16 and R2 842 million in 2016/17, increases from 46.3% to 47.8% as a percentage of the total capital budget over the MTREF period. Borrowing continues to be a major source of funding of the 2014/15 - 2016/17 capital budget. The borrowing amount reflected in the table above for the 2014/15 financial year includes certain roll-overs where directorates have already indicated that they will not be able to spend the full 2013/14 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 45 MBRR SA17 - Detail of borrowing

Borrowing - Categorised by type R thousand	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Long-Term Loans (annuity/reducing balance)				1 649 960	1 649 960	1 649 960			
Long-Term Loans (non-annuity)	1 140 138	972 687	2 736 238	643 366	643 366	643 366	2 202 038	1 832 742	1 589 614
Local registered stock	6 800	6 800							
Marketable Bonds	4 196 898	4 196 934	4 200 000	4 200 001	4 200 001	4 200 001	6 367 982	8 369 398	10 675 001
Total Borrowing	5 343 836	5 176 421	6 936 238	6 493 327	6 493 327	6 493 327	8 570 020	10 202 140	12 264 615

The following graph illustrates the growth in outstanding borrowing for the 2010/11 to 2016/17 period.

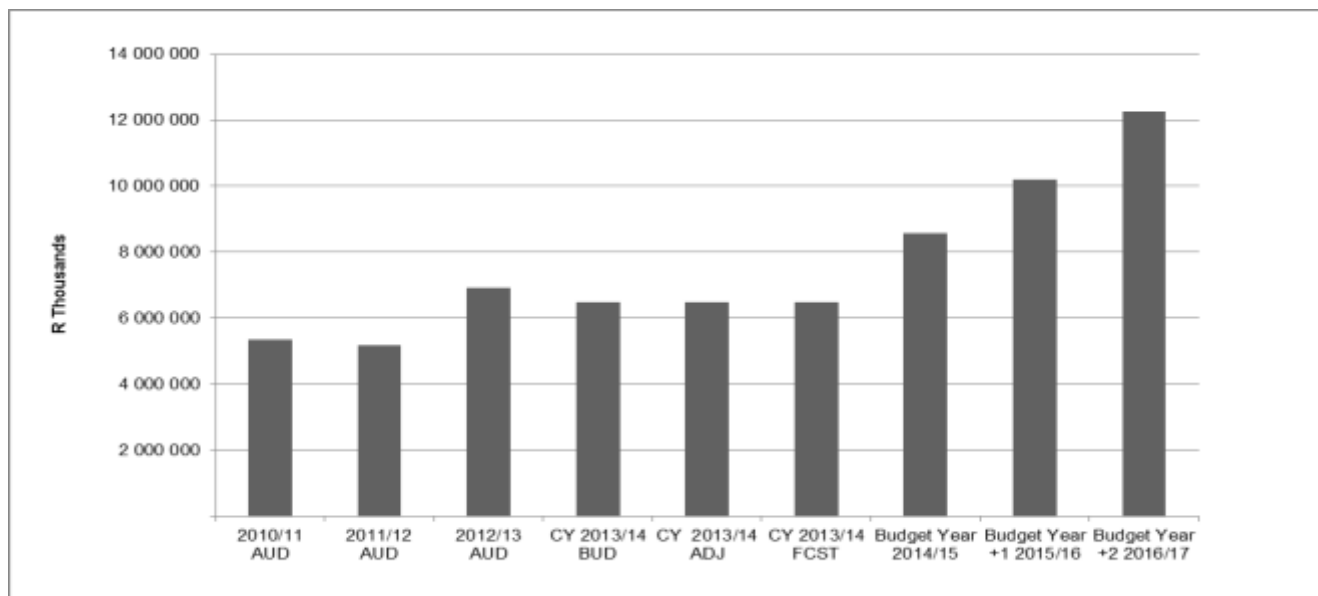


Figure 18 Growth in outstanding borrowings (long-term liabilities)

Internally generated funds are funded in accordance with 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 R848 million, R699 million and R623 million respectively, over the MTREF.

The percentage of internally generated funds in relation to the total annual budget slightly decreases from 13.95% in 2014/15, 11.26% in 2015/16 and 10.47% in 2016/17.

Table 46 MBRR Table SA18 - Capital transfers and grant receipts

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Capital Transfers and Grants									
National Government:	865 986	2 432 846	2 350 682	2 191 297	2 501 455	2 501 455	2 521 915	2 808 177	2 722 006
Department of Environmental Affairs & Tourism: Marine & Coastal Management	6	-	-	-	-	-	-	-	-
Department of Water Affairs & Forestry: Water Affairs & Forestry Grant	6 577	-	-	-	-	-	-	-	-
Mineral Energy: Energy Efficiency and Demand Side Management Grant	17 010	34 093	-	9 020	14 020	14 020	4 494	9 600	-
Minerals and Energy: Integrated National Electrification Programme (Municipal) Grant	4 434	4 386	-	24 500	24 500	24 500	18 000	50 000	20 000
National Government - Other: Previous years' Dora allocations	64	-	-	200	100	100	200	-	-
National Treasury: Expanded Public Works Programme	-	-	-	100	412	412	-	-	-
National Treasury: Infrastructure Skills Development Grant	-	-	-	-	100	100	-	-	-
National Treasury: Local Government Financial Management Grant	1 776	90	-	-	869	869	-	-	-
National Treasury: Local Government Restructuring Grant	6 931	-	-	-	-	-	-	-	-
National Treasury: Neighbourhood Development Partnership Grant	47 141	73 001	30 000	30 000	42 435	42 435	35 470	10 000	-
National Treasury: Other	3 980	-	-	17 443	16 052	16 052	1 552	-	-
National Treasury: Urban Settlements Development Grant	-	800 786	971 980	1 079 792	1 183 598	1 183 598	1 301 009	1 341 562	1 302 006
Provincial and Local Government: Municipal Infrastructure Grant (MIG Cities)	247 294	-	-	-	-	-	-	-	-
Sport & Recreation SA: 2010 Fifa World Cup Stadiums Development Grant	57 997	-	-	-	4 141	4 141	-	-	-
Sport Recreation: 2014 African Nation Championship Host City Operating Grant	-	-	-	4 000	4 000	4 000	-	-	-
Transport: Public Transport Infrastructure & Systems Grant	472 777	1 520 491	1 348 702	-	184 987	184 987	2 000	-	-
Transport: Public Transport Infrastructure Grant	-	-	-	946 241	946 241	946 241	1 159 140	1 222 015	1 400 000
Transport: Public Transport Network Operations Grant	-	-	-	80 000	80 000	80 000	50	175 000	-
Provincial Government:	304 847	208 457	1 415	343 761	357 962	357 962	289 165	90 982	120 000
Cultural Affairs and Sport: Development of Sport and Recreation Facilities	103	-	-	874	874	874	-	-	-
Cultural Affairs and Sport: Library Services (Conditional Grant)	9 756	5 500	-	1 350	2 787	2 787	10 200	1 000	-
Economic Development and Tourism: False Bay Ecology	-	-	-	-	1 093	1 093	-	-	-
Health: Global Fund	211	300	-	-	-	-	-	-	-
Health: Iuvuyo Clinic Extension	-	-	1 415	-	-	-	-	-	-
Housing: Integrated Housing and Human Settlement Development Grant	266 745	199 289	-	319 388	315 556	315 556	263 029	73 650	115 000
Housing: Previous years' allocations	-	-	-	5 000	5 000	5 000	-	-	-
Housing: Previous years' Gazetted allocations	194	-	-	-	-	-	-	-	-
Local Government: Multi-Purpose Centres	8	500	-	-	-	-	-	-	-
Other: Other	-	-	-	740	740	740	-	-	-
Provincial Government: Fibre Optic Broadband Roll Out	-	-	-	10 000	5 000	5 000	10 702	11 332	-
Transport: Municipal Land Transport Fund	-	-	-	5 000	5 000	5 000	5 000	5 000	5 000
Transport and Public Works: Cape Metropolitan Transport Fund	27 830	-	-	1 409	20 589	20 589	-	-	-
Transport and Public Works: Other	-	2 869	-	-	-	-	-	-	-
Transport and Public Works: Implementation of Impoundment Facilities	-	-	-	-	1 322	1 322	234	-	-
Other grant providers:	49 210	36 331	32 462	48 250	53 125	53 125	75 119	96 300	100 300
Other: Other	49 210	36 331	32 462	48 250	53 125	53 125	75 119	96 300	100 300
Total Capital Transfers and Grants	1 220 043	2 677 634	2 384 559	2 583 308	2 912 542	2 912 542	2 886 199	2 995 459	2 942 306

2.6.3 Cash Flow Management

Table 47 MBRR Table A7 - Budgeted cash flow statement

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Ratepayers and other	16 463 076	18 601 603	18 963 843	21 960 571	21 767 279	21 767 279	23 238 889	25 015 455	27 007 103
Government - operating	1 385 536	1 626 991	1 979 795	2 595 904	2 603 047	2 603 047	2 766 510	3 144 268	3 543 997
Government - capital	1 173 315	2 130 844	3 414 645	2 583 308	2 889 753	2 889 753	2 531 808	2 808 177	2 722 006
Interest	503 857	563 873	592 319	403 422	282 078	282 078	275 762	291 205	306 930
Dividends	-	-	-	-	-	-	-	-	-
Payments									
Suppliers and employees	(15 163 792)	(17 019 721)	(18 797 472)	(22 346 653)	(22 153 411)	(22 153 411)	(23 594 009)	(25 516 684)	(27 558 058)
Finance charges	(717 475)	(661 761)	(646 211)	(749 449)	(749 563)	(749 563)	(829 746)	(1 062 289)	(1 301 246)
Transfers and Grants	-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES	3 644 517	5 241 829	5 506 919	4 447 103	4 639 183	4 639 183	4 389 214	4 680 132	4 720 732
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE	63 278	45 983	93 472	69 000	0	0	-	-	-
Decrease (Increase) in non-current debtors	-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables	1 819	15 633	(3 125)	-	-	-	-	-	-
Decrease (increase) in non-current investments	(1 962 720)	(1 922)	(42 313)	-	-	-	-	-	-
Payments									
Capital assets	(2 857 821)	(4 233 162)	(5 868 809)	(5 178 063)	(5 536 736)	(5 536 736)	(6 014 404)	(6 136 556)	(5 890 741)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(4 755 444)	(4 173 468)	(5 820 775)	(5 109 063)	(5 536 736)	(5 536 736)	(6 014 404)	(6 136 556)	(5 890 741)
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	2 384 420	-	-	-	2 190 000	2 000 000	2 285 000
Increase (decrease) in consumer deposits	4 332	41 818	33 273	-	-	-	-	-	-
Payments									
Repayment of borrowing	(253 327)	(198 354)	(165 311)	(598 143)	(598 143)	(598 143)	(574 970)	(450 060)	(407 882)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(248 995)	(156 536)	2 252 382	(598 143)	(598 143)	(598 143)	1 615 030	1 549 940	1 877 118
NET INCREASE/ (DECREASE) IN CASH HELD	(1 359 922)	911 825	1 938 526	(1 260 103)	(1 495 696)	(1 495 696)	(10 160)	93 517	707 108
Cash/cash equivalents at the year begin:	6 609 303	5 249 381	6 161 206	7 539 097	8 099 366	8 099 366	6 603 670	6 593 510	6 687 027
Cash/cash equivalents at the year end:	5 249 381	6 161 206	8 099 732	6 278 994	6 603 670	6 603 670	6 593 510	6 687 027	7 394 135

The above table shows the cash and cash equivalents of the City with the approved 2014/15 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 2014/15 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 594 million by 2014/15 and steadily increases to R7 394 million by 2016/17.

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

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Cash and investments available									
Cash/cash equivalents at the year end	5 249 381	6 161 206	8 099 732	6 278 994	6 603 670	6 603 670	6 593 510	6 687 027	7 394 135
Other current investments > 90 days	48 472	50 013	61 258	(78 040)	(77 059)	(77 059)	(91 158)	(96 327)	(102 123)
Non current assets - Investments	150 245	150 260	173 425	1 203 274	1 203 274	1 203 274	1 492 594	1 754 464	1 990 826
Cash and investments available:	5 448 098	6 361 479	8 334 415	7 404 228	7 729 885	7 729 885	7 994 946	8 345 164	9 282 838
Application of cash and investments									
Unspent conditional transfers	1 108 680	1 665 752	858 556	1 826 081	1 820 627	1 820 627	1 546 848	1 468 137	1 368 299
Unspent borrowing	-	-	-	-	-	-	-	-	-
Statutory requirements	-	-	-	426 030	350 575	350 575	-	-	-
Other working capital requirements	(470 169)	(229 366)	485 679	219 980	219 980	219 980	(1 085 933)	(1 842 019)	(2 525 489)
Other provisions	-	-	-	2 741 800	2 885 202	2 885 202	4 138 902	5 164 391	6 132 902
Long term investments committed	-	-	-	1 203 274	1 203 274	1 203 274	1 492 594	1 754 464	1 990 826
Reserves to be backed by cash/investments	539 070	521 463	2 297 820	731 198	1 001 996	1 001 996	1 609 439	1 370 250	1 801 479
Total Application of cash and investments:	1 177 581	1 957 849	3 642 055	7 148 363	7 481 654	7 481 654	7 701 850	7 915 223	8 768 017
Surplus(shortfall)	4 270 517	4 403 630	4 692 360	255 865	248 231	248 231	293 096	429 941	514 821

From the above table it can be seen that the cash and investments available total R7 995 million in 2014/15 and progressively increases to R9 283 million by 2016/17, including the projected cash and cash equivalents as determined in the cash flow forecast.

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

- Unspent conditional transfers (grants) - These include amounts rolled over relating mainly to existing multi-year projects (e.g. IRT).
- Unspent borrowing - There is no unspent borrowing from previous years. 38.5% of the 2014/15 capital expenditure budget will be funded from new borrowings.
- Provisions for statutory requirements - The amount in the 2013/14 budget year relates to Housing Development Funds. Going forward these amounts will be included in “Reserves to be backed by cash / investments”.
- Other working capital and other provisions - The main purpose of other working capital / other provisions is to ensure that sufficient funds are available to meet obligations as they fall due. A provision equivalent to one and a half times the monthly operational expenditure has been provided for.
- Long term investments committed - Long term investments consist of the sinking funds for the repayment of current and future borrowings. This amount is “held to maturity” and is not available for spending.

- Reserves to be backed by cash / investments - Although the cash-backing of reserve funds is discretionary in nature and need not be fully cash backed, the City’s reserve funds are fully cash-backed.

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

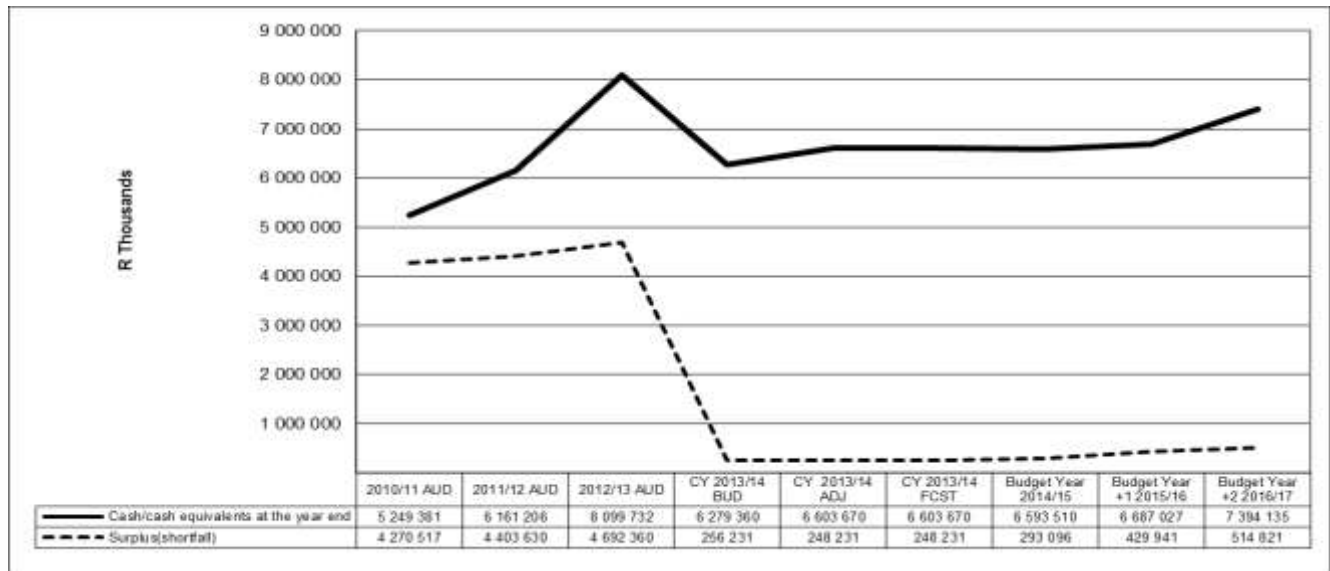


Figure 19 Cash and cash equivalents / cash backed reserves and accumulated funds

2.6.5 Funding Compliance Measurement

Table 49 MBRR Table SA10 - Funding Compliance measurement

Description	MFMA section	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Funding measures										
Cash/cash equivalents at the year end - R'000	18(1)b	5 249 381	6 161 206	8 099 732	6 278 994	6 603 670	6 603 670	6 593 510	6 687 027	7 394 135
Cash + investments at the yr end less applications - R'000	18(1)b	4 270 517	4 403 630	4 692 360	255 865	248 231	248 231	293 096	429 941	514 821
Cash year end/monthly employee/supplier payments	18(1)b	4.1	4.2	4.9	3.5	3.8	3.8	3.5	3.2	3.3
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	1 732 180	2 507 284	3 443 726	2 334 315	2 701 109	2 701 109	2 606 299	2 584 723	2 507 239
Service charge rev % change - macro CPI target exclusive	18(1)a,(2)	N.A.	6.2%	3.4%	3.4%	(6.9%)	(6.0%)	0.8%	2.1%	2.3%
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	94.4%	95.5%	88.3%	95.7%	95.6%	95.6%	95.3%	95.1%	95.1%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	5.1%	4.8%	5.0%	4.3%	4.4%	4.4%	4.4%	4.6%	4.6%
Capital payments % of capital expenditure	18(1)c;19	100.0%	100.0%	100.0%	95.0%	98.8%	98.8%	98.9%	98.9%	99.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	0.0%	0.0%	97.2%	0.0%	0.0%	0.0%	67.0%	60.5%	73.5%
Grants % of Govt. legislated/gazetted allocations	18(1)a	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	108.3%	106.8%	100.0%
Current consumer debtors % change - incr(decr)	18(1)a	N.A.	8.9%	5.0%	2.7%	0.5%	0.0%	3.3%	3.4%	3.5%
Long term receivables % change - incr(decr)	18(1)a	N.A.	(14.0%)	2.4%	(11.8%)	7.7%	0.0%	(5.0%)	(5.0%)	(5.0%)
R&M % of Property Plant & Equipment	20(1)(vi)	7.9%	7.7%	9.6%	9.1%	8.8%	8.8%	8.8%	8.7%	8.8%
Asset renewal % of capital budget	20(1)(vi)	45.7%	51.9%	36.5%	42.3%	40.9%	40.9%	41.5%	36.4%	35.6%

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 49 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 2014/15 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 2014/15 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 3.3 over the 2014/15 MTREF which shows that adequate provision in respect of the monthly payment coverage was made. The City's view is that 1.5 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 2014/15 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 0.8%, 2.1% and 2.3%, for the years 2014/15, 2015/16 and 2016/17 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 2013/14 revenue base of certain services due to in year performance. The revenue increases applied can be substantiated by motivating the individual services' revenue increase, which is as follows:

- Rates:

In the context of the current environment in which the budget was compiled, the Rates revenue increase was set at 6% plus 0.5% organic growth for 2014/15. The same revenue increase is applied for the two outer years.

- Electricity:

To ensure affordability the electricity revenue parameter was set at 7.63%, 8.50% and 8.75%, respectively, over the 2014/15 MTREF. In addition a negative service growth of 1.75% was factored in for 2014/15 and 1% for the two outer years of the MTREF period. The year on year increase is lower due to the negative service growth applied and the revenue base for 2013/14 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 is 8% for 2014/15 and averages 10.6% over the two outer years of the MTREF period. In addition an organic growth of 1% was applied over the 2014/15 MTREF. The higher than CPI increase is as a result of the additional cost required to service informal settlement, to keep pace with the demand for maintenance of the current infrastructure, to cater for increased water demand, to ensure compliance to the Waste Water Treatment Works legislation issued by the Department of Water Affairs, the investment in new infrastructure as well as to absorb the cost impact of the lower collection ratio projected for the 2014/15 MTREF.

- Refuse Removal:

A 5.87% revenue parameter was factored in for refuse for 2014/15 and is forecasted to increase by 6.07% and 5.75% respectively for 2015/16 and 2016/17. In addition to the revenue increase a 2% organic growth was factored in over the 2014/15 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 improve the standard of refuse removal service.

- Service Charges Other

Other revenue increased by 7.7%, it consists of miscellaneous elements and fixed basics charges, which are based on the service charges discussed above that has higher than CPI increases.

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 2014/15 outcome of this ratio shows 95.3% which is overstated due to certain revenue categories, which are budgeted for at full cost recovery, included in the calculation. The City's forecasted average collection rate for 2014/15 equals 94%. This collection ratio 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 lower than 100% ratio is shown over the forecasted 2014/15 MTREF due to the capital funding source CRR projected at 90% in the cash flow.

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. The ratio shows an outcome of 67% for 2014/15 and is expected to average 67% over the outer years of the MTREF. This ratio shows that the City's borrowing is less than its capital expenditure, therefore sustainable and compliant to the MFMA.

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. In the absence of national and provincial allocations for the 2014/15 MTREF, the City's budget was compiled using the 2013 DORA and 2013 Provincial Gazette allocations.

The outcome of this ratio for the City will not equate to 100%, due to the reasons listed below:

- The budget includes committed unspent grants rolled over from previous years and related interest accrued thereto.
- Included in the budget is funding not yet gazetted but as per allocation letters received from the provincial departments for housing and library services.

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.

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 2014/15. 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 8.8% over the 2014/15 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 over the 2014/15 MTREF averages 37.8%. The outcome is distorted and understated, due to the inclusion of mega projects such as IRT and Broadband in the capital budget. Excluding these projects, this ratio exceeds National norm of 40% stated in Circular 55.

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 50 MBRR Table SA19 - Expenditure on transfers and grant programmes

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
EXPENDITURE:									
Operating expenditure of Transfers and Grants									
National Government:	89 546	133 238	241 703	1 743 572	1 722 026	1 722 026	1 792 191	1 958 351	2 366 087
Restructuring	1 911	2 244	1 702	3 379	3 379	3 379	1 191	-	-
Finance Management grant	832	1 187	1 075	1 250	530	530	1 250	1 250	1 250
Equitable share	7 528	7 952	8 439	1 248 993	1 245 785	1 245 785	1 502 066	1 815 088	2 193 107
Urban Settlements Development Grant	-	23 244	65 208	113 705	76 174	76 174	57 870	65 320	102 876
Public Transport Network Operations Grant	-	-	128 874	272 521	272 521	272 521	217 498	73 050	68 853
Energy Efficiency and Demand Side Management Grant	27 780	995	1 343	1 980	1 980	1 980	921	400	-
Dept. of Environ Affairs and Tourism	13 426	193	230	200	5 258	5 258	-	-	-
Housing Accreditation	227	771	123	200	200	200	200	-	-
Expanded Public Works Programme	-	-	29 433	31 980	40 947	40 947	-	-	-
Integrated City Development Grant	-	-	-	10 364	10 364	10 364	3 470	-	-
2014 African Nations Championship Host City Operating Grant	-	-	-	59 000	59 000	59 000	-	-	-
Public Transport Infrastructure & Systems Grant	31 885	87 809	-	-	4 452	4 452	7 726	3 244	-
Natural Resource Management	-	-	5 276	-	-	-	-	-	-
Infrastructure Skills Development	-	-	-	-	900	900	-	-	-
LGSETA	250	237	-	-	536	536	-	-	-
National Treasury: Neighbourhood Development Partnership Grant	-	1 199	-	-	-	-	-	-	-
Department of Water Affairs & Forestry: Water Affairs & Forestry Grant	3 227	7 407	-	-	-	-	-	-	-
Municipal Infrastructure grant	2 479	-	-	-	-	-	-	-	-
Provincial Government:	314 627	374 395	501 570	844 953	858 207	858 207	946 716	1 167 344	1 176 711
Cultural Affairs and Sport - Provincial library Services	14 194	16 334	22 470	24 409	22 009	22 009	30 205	32 337	35 053
Human Settlements - Human Settlement Development Grant	148 491	179 565	267 244	436 831	440 663	440 663	519 971	785 350	792 000
Human Settlements - Municipal Accreditation Assistance	251	-	3 255	10 000	10 000	10 000	8 500	-	-
Human Settlement - Settlement Assistance	676	-	529	1 000	1 000	1 000	1 000	1 000	1 000
Health - TB	12 431	9 492	9 934	11 207	11 207	11 207	11 058	11 611	11 611
Health - Global Fund	19 031	17 920	3 791	34 753	36 323	36 323	35 109	28 952	28 952
Health - ARV	52 362	65 450	24 623	77 627	88 729	88 729	83 061	65 510	65 510
Health - Nutrition	3 454	4 019	4 140	4 400	4 400	4 400	4 576	4 740	4 740
Health - Vaccines	56 974	71 476	65 163	79 995	74 264	74 264	83 994	65 329	65 329
Comprehensive Health	-	-	70 983	147 132	147 132	147 132	152 842	156 890	156 890
Transport and Public Works - Provision for persons with special needs	-	-	18 702	10 000	11 896	11 896	10 000	9 426	9 426
Municipal Land Transport Fund	-	-	10 736	5 600	5 600	5 600	5 900	6 200	6 200
Transport Safety and Compliance - Rail Safety	-	-	-	2 000	2 000	2 000	500	-	-
Community Development Workers	2 000	160	-	-	984	984	-	-	-
Dept. of Environ Affairs and Tourism	-	-	-	-	2 000	2 000	-	-	-
Fire Fighting Assistance	434	-	-	-	-	-	-	-	-
Mobility Strategy	4 182	-	-	-	-	-	-	-	-
Local Government: Multi-Purpose Centres	-	322	-	-	-	-	-	-	-
Comprehensive Integrated Transport Plan	-	9 657	-	-	-	-	-	-	-
Other	149	-	-	-	-	-	-	-	-

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City of Cape Town – 2014/15 Draft Budget

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Other grant providers:	17 252	23 448	6 014	7 379	23 715	23 715	27 602	18 573	1 200
Tourism	2 083	1 980	552	2 000	2 000	2 000	2 190	2 000	1 000
Carnegie	8 444	2 486	524	1 258	1 664	1 664	3 057	-	-
CMTF	2 513	11 989	-	170	9 140	9 140	8 980	190	200
Other	824	12	-	15	-	-	-	-	-
Mamre Trust	-	-	-	150	-	-	-	-	-
CID	1 992	2 300	2 271	2 905	3 006	3 006	-	-	-
Century City Property Owners Association	-	285	409	196	196	196	-	-	-
NGK Ceranuc Company	-	1 068	686	686	686	686	-	-	-
Traffic Free Flow (Pty) Ltd	-	630	649	-	1 746	1 746	-	-	-
Finnish Government	-	-	406	-	201	201	-	-	-
City for Climate Protection	-	9	176	-	144	144	-	-	-
ICLEI Carbon Taxes	-	35	6	-	111	111	-	-	-
Mamre Fencing	-	278	-	-	63	63	-	-	-
South African National Biodiversity Institute	85	2 248	334	-	3 047	3 047	1 170	357	-
Afrikaanse Taal en Kultuur Vereniging	-	-	-	-	5	5	-	-	-
DBSA - Green Fund	-	-	-	-	-	-	10 000	15 000	-
Stellenbosch University	-	-	-	-	1 283	1 283	1 781	1 026	-
Sustainable Energy Africa	-	-	-	-	424	424	424	-	-
Table Mountain Biosphere	68	129	-	-	-	-	-	-	-
Sunwest International	350	-	-	-	-	-	-	-	-
MSF Funding	457	-	-	-	-	-	-	-	-
Baboon Management	300	-	-	-	-	-	-	-	-
University of Columbia	100	-	-	-	-	-	-	-	-
Neil DESAI Skills Development Project	37	-	-	-	-	-	-	-	-
Total operating expenditure of Transfers and Grants	421 425	531 082	749 287	2 595 904	2 603 947	2 603 947	2 766 510	3 144 268	3 543 997
Capital expenditure of Transfers and Grants									
National Government:	618 694	1 717 564	3 056 018	2 191 297	2 501 455	2 501 455	2 521 915	2 808 177	2 722 006
Department of Environmental Affairs & Tourism: Marine & Coastal Management	6	-	-	-	-	-	-	-	-
Department of Water Affairs & Forestry: Water Affairs & Forestry Grant	6 577	295	(44)	-	-	-	-	-	-
Mineral Energy: Energy Efficiency and Demand Side Management Grant	-	-	5 287	9 020	14 020	14 020	4 494	9 600	-
Minerals and Energy: Electricity Demand Side Management (Eskom) Grant	17 010	28 962	-	-	-	-	-	-	-
Minerals and Energy: Integrated National Electrification Programme (Municipal) Grant	4 434	3 551	-	24 500	24 500	24 500	18 000	50 000	20 000
National Government - Other: Previous years' Dora allocations	64	1 400	609	200	100	100	200	-	-
National Treasury: Expanded Public Works Programme	-	-	-	100	412	412	-	-	-
National Treasury: Infrastructure Skills Development Grant	-	-	-	-	100	100	-	-	-
National Treasury: Local Government Financial Management Grant	1 777	90	-	-	869	869	-	-	-
National Treasury: Local Government Restructuring Grant	6 931	962	200	-	-	-	-	-	-
National Treasury: Neighbourhood Development Partnership Grant	47 141	88 990	48 361	30 000	42 435	42 435	35 470	10 000	-
National Treasury: Other	3 980	20 026	9 392	17 443	16 052	16 052	1 552	-	-
National Treasury: Urban Settlements Development Grant	-	729 919	911 363	1 079 792	1 183 598	1 183 598	1 301 009	1 341 562	1 302 006
Sport & Recreation SA: 2010 Fifa World Cup Stadiums Development Grant	57 997	1 158	2 517	-	4 141	4 141	-	-	-
Sport Recreation: 2014 African Nation Championship Host City Operating Grant	-	-	-	4 000	4 000	4 000	-	-	-
Transport: Public Transport Infrastructure & Systems Grant	472 777	842 211	2 078 333	-	184 987	184 987	2 000	-	-
Transport: Public Transport Infrastructure Grant	-	-	-	946 241	946 241	946 241	1 159 140	1 222 015	1 400 000
Transport: Public Transport Network Operations Grant	-	-	-	80 000	80 000	80 000	50	175 000	-
Provincial and Local Government: Municipal Infrastructure Grant	247 294	-	-	-	-	-	-	-	-

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City of Cape Town – 2014/15 Draft Budget

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Provincial Government:	304 847	335 474	358 628	343 761	357 962	357 962	289 165	90 982	120 000
Cultural Affairs and Sport: Development of Sport and Recreation Facilities	103	–	–	874	874	874	–	–	–
Cultural Affairs and Sport: Library Services (Conditional Grant)	9 756	5 500	2 654	1 350	2 787	2 787	10 200	1 000	–
Economic Development and Tourism: False Bay Ecology	–	–	11	–	1 093	1 093	–	–	–
Health: Global Fund	211	1 297	–	–	–	–	–	–	–
Housing: Integrated Housing and Human Settlement Development Grant	266 745	316 391	321 652	319 388	315 556	315 556	263 029	73 650	115 000
Housing: Previous years' allocations	–	–	–	5 000	5 000	5 000	–	–	–
Housing: Previous years' Gazetted allocations	194	66	–	–	–	–	–	–	–
Local Government: Multi-Purpose Centres	8	8	–	–	–	–	–	–	–
Other: Other	–	–	488	740	740	740	–	–	–
Provincial Government: Fibre Optic Broadband Roll Out	–	–	–	10 000	5 000	5 000	10 702	11 332	–
Transport: Municipal Land Transport Fund	–	–	–	5 000	5 000	5 000	5 000	5 000	5 000
Transport and Public Works: Cape Metropolitan	27 830	9 343	31 841	1 409	20 589	20 589	–	–	–
Transport and Public Works: Other	–	2 869	277	–	–	–	–	–	–
Health: Iuvuyo Clinic Extension	–	–	1 375	–	–	–	–	–	–
Transport and Public Works - Provision for persons with special needs	–	–	261	–	–	–	–	–	–
ABET adult Education	–	–	9	–	–	–	–	–	–
Other grant providers:	49 210	52 947	35 074	48 250	53 125	53 125	75 119	96 300	100 300
Other: Other	49 210	52 947	35 074	48 250	53 125	53 125	75 119	96 300	100 300
Total capital expenditure of Transfers and Grants	972 750	2 105 985	3 449 720	2 583 308	2 912 542	2 912 542	2 886 199	2 995 459	2 942 306

2.9 Allocations and grants made by the municipality

Transfers and Grants are allocations of funds, from the City's approved budget, to outside organisations or bodies. These allocations are gratuitous or unrequited transfers by the City to the grantee organisations and are not payments made in compliance with any commercial or other business transaction. All transfers and grants are disbursed in terms of section 67 of the Municipal Finance Management Act. All application in respect of grant-in-aid funds are approved by the City's Grants Committee or by the Section 80 Special Events Committee.

The Grant Committee approves grants applications in terms of the City's Grant Policy and the members of the Committee are officials of the City appointed by the CFO. The Committee will co-ordinate, administer, and control the Screening Process in respect of applications recommended by line departments & sub-councils to ensure that all recommended grants complies with City's Grant Policy, the Constitution and relevant legislation.

The Section 80 Special Events Committee was established in March 2013 to facilitate the selection of events that the Council wishes to support in terms of the Integrated Development Plan (IDP) and Council's Events Policy. The Committee is chaired by the MAYCO member for Tourism, Events and Marketing and includes the following members: Executive Mayor, Deputy Mayor, MAYCO Member: Safety and Security, MAYCO Member: Transport, Roads and Stormwater.

The Committee meets as and when required. The Committee invites the MAYCO member/s who is/are not a member/s of this Committee to participate in the meeting where an event/s that falls within the functional area of such MAYCO member will be considered by the Committee.

Full disclosure on allocations and grants made by the City can be found in Annexure 11.

2.10 Councillor and employee benefits

Table 51 MBRR Table SA22 – Summary of councillor and staff benefits

Summary of Employee and Councillor remuneration	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand									
Councillors (Political Office Bearers plus Other)									
Basic Salaries and Wages	54 299	74 370	98 484	115 515	115 515	115 515	115 624	123 256	131 144
Pension and UIF Contributions	6 908	4 067	4 488		-	-	-	-	-
Cellphone Allowance	-	10 427	-		-	-	-	-	-
Other benefits and allowances	27 414	8 908	8 701	8 206	8 206	8 206	17 994	19 182	20 409
Sub Total - Councillors	88 621	97 772	111 673	123 721	123 721	123 721	133 618	142 438	151 553
% increase	-	10.3%	14.2%	10.8%	-	-	8.0%	6.6%	6.4%
Senior Managers of the Municipality									
Basic Salaries and Wages	12 083	12 962	17 631	19 060	19 060	19 060	21 182	23 025	24 959
Pension and UIF Contributions	1 670	1 308	1 273	3 729	3 729	3 729	1 392	1 513	1 640
Medical Aid Contributions	-	239	237	265	265	265	234	254	275
Performance Bonus	3 429	1 003	145		-	-	-	-	-
Motor Vehicle Allowance	696	627	431	420	420	420	567	617	669
Cellphone Allowance	-	166	137	102	102	102	179	195	211
Other benefits and allowances	43	978	287	74	74	74	88	95	103
Sub Total - Senior Managers of Municipality	17 921	17 283	20 141	23 650	23 650	23 650	23 642	25 699	27 857
% increase		(3.6%)	16.5%	17.4%	-	-	(0.0%)	8.7%	8.4%
Other Municipal Staff									
Basic Salaries and Wages	3 848 840	4 347 540	4 634 751	5 653 862	5 669 143	5 669 143	6 115 890	6 647 973	7 206 402
Pension and UIF Contributions	617 670	672 305	753 113	996 761	992 500	992 500	1 089 898	1 184 719	1 284 236
Medical Aid Contributions	352 131	397 212	439 337	483 170	483 170	483 170	562 436	611 368	662 723
Overtime	277 175	310 205	328 082	302 073	299 086	299 086	330 974	359 769	389 990
Motor Vehicle Allowance	167 143	176 258	180 012	193 218	193 218	193 218	179 937	195 591	212 021
Cellphone Allowance	12 388	12 682	13 230	13 929	13 929	13 929	13 606	14 790	16 032
Housing Allowances	31 315	31 061	29 266	28 176	28 176	28 176	26 540	28 848	31 272
Other benefits and allowances	131 273	154 056	172 265	222 484	222 484	222 484	193 951	210 824	228 533
Payments in lieu of leave	58 258	84 554	76 816	130 297	130 297	130 297	143 465	155 947	169 046
Long service awards	8 156	436	73 013	49 059	49 059	49 059	66 265	72 030	78 080
Post-retirement benefit obligations	601 498	712 420	495 852	156 778	156 778	156 778	171 715	186 654	202 333
Sub Total - Other Municipal Staff	6 105 847	6 898 729	7 195 737	8 229 807	8 237 840	8 237 840	8 894 677	9 668 513	10 480 668
% increase		13.0%	4.3%	14.4%	0.1%	-	8.0%	8.7%	8.4%
TOTAL SALARY, ALLOWANCES & BENEFITS	6 212 389	7 013 784	7 327 551	8 377 178	8 385 211	8 385 211	9 051 937	9 836 650	10 660 078
% increase		12.9%	4.5%	14.3%	0.1%	-	8.0%	8.7%	8.4%
TOTAL MANAGERS AND STAFF	6 123 768	6 916 012	7 215 878	8 253 457	8 261 490	8 261 490	8 918 319	9 694 212	10 508 525

Table 52 MBRR Table SA23 - Salaries, allowances and benefits (political office bearers / councillors / senior officials) for 2014/15

Disclosure of Salaries, Allowances & Benefits	No.	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum							
Councillors							
Speaker	1	1 012 309	-	24 045	-	-	1 036 354
Chief Whip	1	949 038	-	24 045	-	-	973 083
Executive Mayor	1	1 265 385	-	48 192	-	-	1 313 577
Deputy Executive Mayor	1	1 033 973	-	24 045	-	-	1 058 018
Executive Committee	10	9 490 380	-	240 451	-	-	9 730 831
Total for all other councillors	207	101 873 330	-	17 633 515	-	-	119 506 845
Total Councillors	221	115 624 415	-	17 994 293	-	-	133 618 708
Senior Managers of the Municipality							
Municipal Manager (MM)	1	1 980 825	315 440	13 800	-	-	2 310 065
Chief Finance Officer	1	1 469 350	222 978	94 800	-	-	1 787 128
Executive Director: City Health	1	1 490 476	190 595	79 837	-	-	1 760 908
Executive Director: Community Services	1	1 467 179	222 149	97 800	-	-	1 787 128
Executive Director: Compliance & Auxiliary	1	1 745 201	1 907	13 800	-	-	1 760 908
Executive Director: Corporate Services	1	1 745 201	1 907	13 800	-	-	1 760 908
Executive Director: Economic, Environment & Spatial Planning	1	1 724 930	48 398	13 800	-	-	1 787 128
Executive Director: Human Settlements	1	1 565 251	208 077	13 800	-	-	1 787 128
Executive Director: Safety & Security	1	1 469 838	208 077	109 213	-	-	1 787 128
Executive Director: Social & Early Childhood Development	1	1 362 613	251 519	146 776	-	-	1 760 908
Executive Director: Tourism, Events and Marketing	1	1 771 421	1 907	13 800	-	-	1 787 128
Executive Director: Transport for Cape Town	1	1 771 421	1 907	13 800	-	-	1 787 128
Executive Director: Utility Services	1	1 618 600	37 904	121 800	-	-	1 778 304
Total Senior Managers of the Municipality	13	21 182 306	1 712 765	746 826	-	-	23 641 897
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION	234	136 806 721	1 712 765	18 741 119	-	-	157 260 605

Table 53 MBRR Table SA24 - Summary of personnel numbers

Summary of Personnel Numbers Number	2012/13			Current Year 2013/14			Budget Year 2014/15		
	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
Municipal Council and Boards of Municipal Entities									
Councillors (Political Office Bearers plus Other Councillors)	221	-	221	221	-	221	221	-	221
Municipal employees									
Municipal Manager and Senior Managers	13	-	13	13	-	13	13	-	13
Other Managers	753	682	71	745	730	15	816	798	18
Professionals	2 046	1 967	85	1 341	1 230	111	978	967	11
<i>Finance</i>	246	241	5	131	129	2	85	84	1
<i>Spatial/town planning</i>	25	25	-	21	19	2	75	75	-
<i>Information Technology</i>	151	150	1	80	79	1	69	69	-
<i>Roads</i>	88	85	3	60	56	4	42	42	-
<i>Electricity</i>	140	138	2	113	110	3	103	103	-
<i>Water</i>	142	140	2	93	93	-	117	117	-
<i>Sanitation</i>	51	51	-	51	51	-	6	6	-
<i>Refuse</i>	49	48	1	13	12	1	-	-	-
<i>Other</i>	1 154	1 083	71	779	681	98	481	471	10
Technicians	2 330	2 173	157	2 492	2 286	206	3 143	2 889	254
<i>Finance</i>	64	63	1	62	60	2	106	105	1
<i>Spatial/town planning</i>	3	3	-	6	6	-	179	179	-
<i>Information Technology</i>	108	108	-	148	148	-	166	159	7
<i>Roads</i>	44	44	-	43	43	-	52	51	1
<i>Electricity</i>	223	222	1	220	219	1	231	230	1
<i>Water</i>	157	157	-	158	158	-	273	262	11
<i>Sanitation</i>	27	27	-	30	30	-	50	50	-
<i>Refuse</i>	47	47	-	45	45	-	-	-	-
<i>Other</i>	1 657	1 502	155	1 780	1 577	203	2 086	1 853	233
Clerks (Clerical and administrative)	6 063	5 754	309	6 149	5 896	253	6 175	6 035	140
Service and sales workers	2 958	2 773	185	3 093	2 912	181	3 704	3 041	663
Skilled agricultural and fishery workers	-	-	-	-	-	-	-	-	-
Craft and related trades	2 169	2 164	5	2 207	2 201	6	2 469	2 298	171
Plant and Machine Operators	3 170	3 156	14	3 240	3 229	11	3 260	3 235	25
Elementary Occupations	6 159	5 982	177	5 957	5 841	116	5 907	5 791	116
TOTAL PERSONNEL NUMBERS	25 882	24 645	1 237	25 458	24 325	1 133	26 686	25 054	1 632
% increase	-	-	-	(1.6%)	(1.3%)	(8.4%)	4.8%	3.0%	44.0%
Total municipal employees headcount									
Finance personnel headcount	1 650	1 629	21	1 647	1 639	8	1 704	1 698	6
Human Resources personnel headcount	471	459	12	388	378	10	320	311	9

2.11 Monthly targets for revenue, expenditure and cash flow

Table 54 MBRR Table SA25 - Budgeted monthly revenue and expenditure

Description	Budget Year 2014/15												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Revenue By Source															
Property rates	484 325	484 325	484 325	484 325	484 325	484 325	484 325	484 325	484 325	484 325	484 325	484 325	5 811 899	6 214 672	6 642 001
Property rates - penalties & collection charges	8 850	8 850	8 850	8 850	8 850	8 850	8 850	8 850	8 850	8 850	8 850	8 850	106 202	113 105	120 457
Service charges - electricity revenue	846 503	858 311	883 312	848 852	793 552	780 466	817 203	756 629	871 586	840 491	893 310	882 049	10 072 265	10 827 685	11 661 417
Service charges - water revenue	211 673	211 673	211 673	211 673	211 673	211 673	211 673	211 673	211 673	211 673	211 673	211 673	2 540 080	2 824 821	3 158 769
Service charges - sanitation revenue	111 517	111 517	111 517	111 517	111 517	111 517	111 517	111 517	111 517	111 517	111 517	111 517	1 338 202	1 489 197	1 666 350
Service charges - refuse revenue	82 493	82 493	82 493	82 493	82 493	82 493	82 493	82 493	82 493	82 493	82 493	82 493	989 912	1 067 418	1 146 988
Service charges - other	19 631	21 570	21 590	21 590	21 590	21 770	22 140	21 790	21 790	21 975	21 810	24 778	262 019	286 692	316 633
Rental of facilities and equipment	36 662	36 662	36 662	36 662	36 662	36 662	36 662	36 662	36 662	36 662	36 662	36 662	439 945	461 382	483 854
Interest earned - external investments	22 980	22 980	22 980	22 980	22 980	22 980	22 980	22 980	22 980	22 980	22 980	22 980	275 762	291 205	306 930
Interest earned - outstanding debtors	9 968	9 968	9 968	9 968	9 968	9 968	9 968	9 968	9 968	9 968	9 968	9 968	119 622	126 320	133 142
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines	14 637	14 637	14 637	14 637	14 637	14 637	14 637	14 637	14 637	14 637	14 637	14 637	175 648	185 484	195 500
Licences and permits	3 366	3 366	3 366	3 366	3 366	3 366	3 366	3 366	3 366	3 366	3 366	3 366	40 388	52 650	69 953
Agency services	12 537	12 537	12 537	12 537	12 537	12 537	12 537	12 537	12 537	12 537	12 537	12 537	150 439	167 284	187 442
Transfers recognised - operational	709 828	75 039	80 533	89 472	99 933	561 140	59 894	78 030	94 937	166 889	152 600	598 216	2 766 510	3 144 268	3 543 997
Other revenue	195 721	195 721	195 721	196 247	195 721	195 721	195 721	196 247	195 721	195 721	195 721	196 247	2 350 227	2 481 840	2 615 859
Gains on disposal of PPE	5 875	5 875	5 875	5 875	5 875	5 875	5 875	5 875	5 875	5 875	5 875	5 875	70 500	74 448	78 468
Total Revenue (excluding capital transfers and contributions)	2 776 565	2 155 523	2 186 039	2 161 043	2 115 678	2 563 979	2 099 840	2 057 579	2 188 916	2 229 958	2 268 323	2 706 173	27 509 618	29 808 469	32 327 761

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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
Expenditure By Type															
Employee related costs	721 926	721 762	713 580	714 487	1 055 368	713 592	715 085	711 077	713 934	712 313	713 416	711 778	8 918 318	9 689 511	10 484 648
Remuneration of councillors	11 135	11 135	11 135	11 135	11 135	11 135	11 135	11 135	11 135	11 135	11 135	11 135	133 619	142 438	151 554
Debt impairment	79 209	79 209	79 209	79 209	79 209	79 209	79 209	79 209	79 209	79 209	79 209	79 209	950 511	1 064 031	1 160 370
Depreciation & asset impairment	177 595	177 595	177 595	177 595	177 595	177 595	177 595	177 595	177 595	177 595	177 595	200 795	2 154 335	2 304 813	2 465 758
Finance charges	73 838	73 838	73 838	73 838	73 838	73 838	73 838	73 838	73 838	73 838	73 838	107 009	919 232	1 150 593	1 383 509
Bulk purchases	59 779	874 447	886 530	500 295	490 866	482 573	468 362	478 811	467 556	509 336	480 352	1 351 104	7 050 011	7 610 228	8 225 878
Other materials	23 199	24 964	24 955	27 614	27 061	30 149	26 367	28 627	28 423	28 106	28 337	34 547	332 349	358 921	388 108
Contracted services	144 280	225 469	237 160	268 803	283 364	315 496	234 409	278 369	292 590	307 301	336 781	493 992	3 418 014	3 715 662	4 020 002
Transfers and grants	5 725	8 306	7 068	9 169	13 694	7 068	7 952	7 952	7 952	7 952	7 952	9 779	100 567	117 769	123 994
Other expenditure	291 593	331 599	298 771	292 321	298 370	298 854	285 724	292 432	302 810	319 579	328 951	471 557	3 812 561	4 065 240	4 359 005
Loss on disposal of PPE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure	1 588 280	2 528 324	2 509 841	2 154 466	2 510 501	2 189 510	2 079 676	2 139 045	2 155 042	2 226 364	2 237 565	3 470 903	27 789 517	30 219 206	32 762 827
Surplus/(Deficit)	1 188 285	(372 801)	(323 803)	6 577	(394 822)	374 470	20 164	(81 465)	33 874	3 594	30 758	(764 729)	(279 899)	(410 737)	(435 067)
Transfers recognised - capital	108 674	198 420	235 271	198 098	205 958	199 548	139 188	229 618	245 977	283 075	292 160	484 985	2 820 973	2 899 159	2 842 006
Contributions recognised - capital	1 510	2 850	5 279	5 165	6 483	2 410	2 610	6 814	6 090	8 280	9 380	8 355	65 226	96 300	100 300
Contributed assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	1 298 469	(171 531)	(83 253)	209 840	(182 381)	576 428	161 963	154 967	285 940	294 948	332 298	(271 389)	2 606 299	2 584 723	2 507 239
Taxation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attributable to minorities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)	1 298 469	(171 531)	(83 253)	209 840	(182 381)	576 428	161 963	154 967	285 940	294 948	332 298	(271 389)	2 606 299	2 584 723	2 507 239

Table 55 MBRR Table SA26 - Budgeted monthly revenue and expenditure (municipal vote)

Description	Budget Year 2014/15												Medium Term Revenue and Expenditure Framework			
	R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Revenue by Vote																
Vote 1 - City Health	52 436	30 317	30 317	32 144	33 317	61 346	17 680	17 680	17 580	69 818	30 517	72 328	465 481	446 354	467 375	
Vote 2 - City Manager	4	4	4	4	4	4	4	4	4	4	4	4	44	46	49	
Vote 3 - Community Services	17 374	14 642	13 863	12 678	22 200	13 282	13 955	28 518	26 315	23 590	21 800	29 590	237 808	202 857	251 192	
Vote 4 - Compliance and Auxiliary Services	261	261	261	261	261	261	261	261	261	261	261	261	3 135	3 310	3 489	
Vote 5 - Corporate Services	4 974	5 274	5 774	5 774	5 774	5 174	4 974	5 474	5 174	7 674	7 674	6 676	70 389	74 359	66 428	
Vote 6 - Economic, Environment & Spatial Planning	8 273	8 273	9 475	9 663	11 013	10 821	10 970	8 973	9 123	9 253	11 013	13 361	120 210	134 330	117 522	
Vote 7 - Finance	68 289	68 289	68 289	68 289	68 344	68 289	68 289	68 289	68 289	68 289	68 289	68 509	819 740	871 602	928 930	
Vote 8 - Human Settlements	86 255	108 659	118 867	123 219	113 957	121 726	61 101	91 471	102 612	124 638	151 918	219 001	1 423 424	1 634 232	1 648 874	
Vote 9 - Rates & Other	1 296 653	661 082	661 082	661 082	661 082	1 096 569	661 082	661 082	661 082	661 082	661 082	1 018 101	9 361 063	10 181 176	11 090 152	
Vote 10 - Safety & Security	20 198	19 964	20 964	19 964	19 964	19 874	20 874	19 874	19 874	19 874	19 874	19 874	241 172	257 439	277 957	
Vote 11 - Social and Early Childhood Development	35	35	35	35	35	35	35	35	35	35	35	35	421	442	464	
Vote 12 - Tourism, Events and Marketing	1 786	1 976	2 286	2 586	2 286	2 586	1 786	2 086	1 786	1 886	1 786	1 786	24 625	24 536	24 684	
Vote 13 - Transport for Cape Town	36 523	123 098	136 840	131 517	143 590	132 720	112 790	167 297	173 146	190 931	173 214	283 355	1 805 019	1 892 268	1 878 804	
Vote 14 - Utility Services	1 293 689	1 314 920	1 358 532	1 297 091	1 246 292	1 233 251	1 267 837	1 222 967	1 355 700	1 343 978	1 422 396	1 466 633	15 823 285	17 080 978	18 514 145	
Total Revenue by Vote	2 886 749	2 356 793	2 426 589	2 364 306	2 328 119	2 765 938	2 241 638	2 294 011	2 440 982	2 521 313	2 569 863	3 199 514	30 395 816	32 803 929	35 270 066	
Expenditure by Vote to be appropriated																
Vote 1 - City Health	63 694	71 826	71 748	73 532	98 619	71 263	71 499	71 154	70 356	71 553	69 986	80 404	885 635	901 216	965 454	
Vote 2 - City Manager	18 425	8 669	9 615	8 667	9 163	8 531	8 718	8 833	7 968	8 949	8 117	10 725	116 379	124 606	133 083	
Vote 3 - Community Services	101 343	108 114	114 883	117 236	161 456	127 735	113 308	119 746	129 278	120 973	132 019	162 739	1 508 829	1 630 855	1 760 878	
Vote 4 - Compliance and Auxiliary Services	45 816	48 075	48 561	48 449	58 956	49 040	48 445	48 451	48 382	48 271	48 286	54 601	595 332	677 699	725 996	
Vote 5 - Corporate Services	138 514	148 339	137 921	135 435	168 147	140 000	137 349	142 890	141 695	143 060	145 338	171 605	1 750 293	1 878 483	2 012 257	
Vote 6 - Economic, Environment & Spatial Planning	40 828	42 098	41 504	41 322	56 232	56 751	40 817	40 897	41 339	41 211	42 777	43 317	529 092	574 314	601 962	
Vote 7 - Finance	158 210	189 788	163 463	158 170	193 848	159 197	159 820	159 816	159 810	161 208	160 291	176 271	1 999 890	2 304 293	2 620 713	
Vote 8 - Human Settlements	64 986	69 029	72 547	79 772	98 336	92 170	62 611	80 972	97 778	118 144	142 000	218 709	1 197 054	1 477 466	1 560 632	
Vote 9 - Rates & Other	67 375	71 515	71 515	71 515	71 515	71 515	71 515	71 515	71 515	71 805	71 805	83 235	866 338	921 047	991 887	
Vote 10 - Safety & Security	126 888	126 969	126 574	126 971	183 720	126 810	127 035	125 844	127 035	126 640	127 035	126 640	1 578 161	1 707 804	1 844 040	
Vote 11 - Social and Early Childhood Development	8 282	8 282	8 487	9 366	11 099	9 296	9 962	9 362	9 380	10 364	8 652	12 021	114 553	123 316	132 454	
Vote 12 - Tourism, Events and Marketing	31 416	39 941	39 256	40 768	42 728	40 536	41 386	41 394	41 462	42 094	42 206	42 197	485 387	522 133	555 763	
Vote 13 - Transport for Cape Town	123 869	155 286	157 135	183 788	195 450	187 776	155 589	177 578	179 367	184 046	185 196	280 058	2 165 137	2 141 188	2 283 459	
Vote 14 - Utility Services	598 635	1 440 395	1 446 633	1 059 475	1 161 233	1 048 891	1 031 623	1 040 592	1 029 676	1 078 048	1 053 858	2 008 380	13 997 438	15 234 787	16 574 249	
Total Expenditure by Vote	1 588 280	2 528 324	2 509 841	2 154 466	2 510 501	2 189 510	2 079 676	2 139 045	2 155 042	2 226 364	2 237 565	3 470 903	27 789 517	30 219 206	32 762 827	
Surplus/(Deficit) before assoc.	1 298 469	(171 531)	(83 253)	209 840	(182 381)	576 428	161 963	154 967	285 940	294 948	332 298	(271 389)	2 606 299	2 584 723	2 507 239	
Taxation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Attributable to minorities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Surplus/(Deficit)	1 298 469	(171 531)	(83 253)	209 840	(182 381)	576 428	161 963	154 967	285 940	294 948	332 298	(271 389)	2 606 299	2 584 723	2 507 239	

Table 56 MBRR Table SA27 - Budgeted monthly revenue and expenditure (standard classification)

Description	Budget Year 2014/15												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Revenue - Standard															
Governance and administration	1 348 909	713 405	713 906	713 910	713 961	1 148 795	713 106	713 616	713 307	715 807	715 807	1 072 061	9 996 590	10 849 662	11 782 038
Executive and council	220	220	220	220	220	220	220	220	220	220	220	220	2 642	2 790	2 941
Budget and treasury office	1 320 936	685 366	685 366	685 366	685 421	1 120 853	685 366	685 366	685 366	685 366	685 366	1 042 605	9 652 742	10 487 862	11 413 331
Corporate services	27 753	27 819	28 319	28 324	28 319	27 722	27 520	28 030	27 720	30 221	30 221	29 236	341 205	359 009	365 766
Community and public safety	177 101	174 654	185 283	189 471	191 210	217 597	114 981	159 804	168 652	240 189	227 178	345 350	2 391 470	2 565 264	2 670 322
Community and social services	8 708	9 075	10 184	10 010	15 418	8 722	6 946	11 946	11 781	13 406	13 590	11 990	131 775	79 119	86 937
Sport and recreation	10 106	7 006	5 118	4 107	8 221	5 998	8 448	18 011	15 973	11 623	9 650	19 039	123 302	141 872	183 297
Public safety	19 965	19 965	21 165	20 365	20 665	20 175	21 175	21 075	21 075	21 075	21 875	23 375	251 946	268 447	288 966
Housing	85 943	108 347	118 555	122 901	113 645	121 411	60 788	91 148	102 299	124 323	151 603	218 674	1 419 639	1 630 181	1 644 494
Health	52 380	30 261	30 261	32 088	33 261	61 290	17 624	17 624	17 524	69 762	30 461	72 272	464 809	445 645	466 628
Economic and environmental services	67 043	153 618	168 562	163 427	176 850	165 789	146 008	198 517	204 516	222 431	206 475	318 963	2 192 201	2 316 941	2 313 471
Planning and development	17 412	17 412	18 112	18 462	18 812	17 692	17 622	17 972	17 622	18 252	18 112	18 484	215 964	230 643	242 557
Road transport	48 147	134 722	148 464	143 140	155 214	144 344	124 414	178 920	184 770	202 555	184 838	294 978	1 944 505	2 047 986	2 054 055
Environmental protection	1 485	1 485	1 987	1 825	2 825	3 753	3 972	1 625	2 125	1 625	3 525	5 501	31 732	38 312	16 859
Trading services	1 293 690	1 314 921	1 358 333	1 296 692	1 245 593	1 232 952	1 267 538	1 221 768	1 354 501	1 342 779	1 420 397	1 463 135	15 812 298	17 069 991	18 503 159
Electricity	856 627	872 325	906 226	868 181	812 281	798 141	828 527	780 763	900 690	888 235	946 555	948 287	10 406 839	11 221 830	12 040 433
Water	220 132	220 962	222 926	221 881	220 881	222 881	222 581	222 881	226 881	227 663	226 362	230 934	2 686 961	2 984 019	3 349 138
Waste water management	117 969	122 672	125 219	122 669	128 469	127 969	132 469	134 162	142 969	142 919	163 519	199 951	1 660 954	1 773 106	1 907 602
Waste management	98 962	98 962	103 962	83 962	83 962	83 962	83 962	83 962	83 962	83 962	83 962	83 962	1 057 543	1 091 037	1 205 987
Other	6	196	506	806	506	806	6	306	6	106	6	6	3 258	2 071	1 075
Total Revenue - Standard	2 886 749	2 356 793	2 426 589	2 364 306	2 328 119	2 765 938	2 241 638	2 294 011	2 440 982	2 521 313	2 569 863	3 199 514	30 395 816	32 803 929	35 270 066

Continues on next page.

Description	Budget Year 2014/15												Medium Term Revenue and Expenditure Framework			
	R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Expenditure - Standard																
Governance and administration	418 526	459 331	424 690	416 184	496 843	421 641	419 606	426 345	424 349	428 317	428 883	497 461	5 262 177	5 800 532	6 374 994	
Executive and council	39 335	28 321	28 390	28 323	33 644	28 969	28 393	28 320	28 332	28 247	28 219	29 077	357 569	383 610	410 683	
Budget and treasury office	193 908	198 772	204 040	199 820	226 920	200 074	200 739	201 786	201 917	203 540	202 691	220 971	2 455 178	2 793 099	3 152 334	
Corporate services	185 282	232 239	192 260	188 042	236 279	192 598	190 474	196 239	194 101	196 530	197 973	247 413	2 449 430	2 623 823	2 811 976	
Community and public safety	382 236	405 466	415 820	429 361	570 921	450 452	407 798	429 337	456 042	470 468	502 586	623 510	5 543 997	6 112 653	6 551 667	
Community and social services	43 337	44 865	47 975	47 089	64 774	50 407	48 878	46 861	50 079	48 867	46 089	51 480	590 700	636 633	686 586	
Sport and recreation	85 082	94 021	97 241	102 303	130 595	110 166	98 152	104 783	111 167	105 632	117 875	144 295	1 301 311	1 400 837	1 508 847	
Public safety	133 621	134 209	134 791	135 155	191 541	134 934	135 155	134 065	135 159	134 768	135 133	137 130	1 675 662	1 812 025	1 955 289	
Housing	63 121	67 164	70 682	77 901	95 814	90 301	60 742	79 097	95 910	116 275	140 130	216 827	1 173 965	1 452 392	1 533 468	
Health	57 075	65 207	65 131	66 913	88 197	64 644	64 870	64 531	63 728	64 926	63 358	73 778	802 359	810 766	867 478	
Economic and environmental services	193 718	223 216	223 397	249 785	282 523	268 875	220 754	242 507	244 725	249 186	251 909	342 460	2 993 057	3 080 550	3 274 484	
Planning and development	50 968	49 375	47 557	47 589	58 638	60 857	46 602	46 606	46 618	47 047	46 714	47 566	596 138	685 652	734 021	
Road transport	123 375	154 658	156 490	182 782	195 599	186 710	154 994	176 678	178 440	183 037	184 188	274 203	2 151 153	2 126 088	2 267 176	
Environmental protection	19 375	19 183	19 350	19 414	28 285	21 307	19 158	19 224	19 668	19 102	21 006	20 692	245 765	268 810	273 286	
Trading services	591 059	1 432 464	1 437 779	1 050 980	1 151 539	1 040 386	1 022 628	1 031 968	1 021 035	1 069 504	1 045 297	1 998 582	13 893 222	15 122 345	16 453 105	
Electricity	177 442	997 825	1 010 083	623 241	643 794	605 116	591 694	602 256	591 488	633 110	604 236	1 544 964	8 625 250	9 302 236	10 036 561	
Water	190 204	191 375	187 426	187 052	221 261	186 890	186 978	186 239	186 831	187 156	188 828	188 540	2 288 781	2 544 797	2 790 100	
Waste water management	96 459	105 619	102 670	102 927	118 555	109 642	109 007	109 127	109 444	109 556	109 742	110 955	1 293 704	1 372 703	1 565 390	
Waste management	126 954	137 645	137 600	137 759	167 928	138 737	134 949	134 346	133 272	139 682	142 491	154 123	1 685 486	1 902 610	2 061 053	
Other	2 741	7 846	8 155	8 156	8 675	8 156	8 890	8 887	8 890	8 889	8 890	8 889	97 064	103 126	108 578	
Total Expenditure - Standard	1 588 280	2 528 324	2 509 841	2 154 466	2 510 501	2 189 510	2 079 676	2 139 045	2 155 042	2 226 364	2 237 565	3 470 903	27 789 517	30 219 206	32 762 827	
Surplus/(Deficit) before assoc.	1 298 469	(171 531)	(83 253)	209 840	(182 381)	576 428	161 963	154 967	285 940	294 948	332 298	(271 389)	2 606 299	2 584 723	2 507 239	
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Surplus/(Deficit)	1 298 469	(171 531)	(83 253)	209 840	(182 381)	576 428	161 963	154 967	285 940	294 948	332 298	(271 389)	2 606 299	2 584 723	2 507 239	

Table 57 MBRR Table SA28 - Budgeted monthly capital expenditure (municipal vote)

Description	Budget Year 2014/15												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Multi-year expenditure to be appropriated															
Vote 1 - City Health	700	1 100	1 100	996	1 900	1 300	1 000	1 700	2 000	3 100	4 000	3 070	21 966	25 466	28 466
Vote 2 - City Manager	-	30	217	29	582	430	485	91	20	600	17	24 270	26 771	954	954
Vote 3 - Community Services	12 239	9 677	10 289	11 285	23 327	11 426	14 257	36 112	35 186	25 735	23 519	28 281	241 334	163 920	207 737
Vote 4 - Compliance and Auxiliary Services	-	166	431	524	1 960	235	110	365	316	405	-	9 589	14 102	36 605	69 605
Vote 5 - Corporate Services	559	13 080	21 934	33 881	36 910	16 586	2 670	29 361	46 361	51 575	54 083	52 474	359 474	353 053	322 411
Vote 6 - Economic, Environment & Spatial Planning	-	1 750	2 646	4 018	4 315	3 030	4 887	6 034	4 860	5 991	6 155	21 652	65 338	61 487	52 927
Vote 7 - Finance	200	670	1 559	1 155	2 055	2 337	555	1 015	2 355	1 305	1 535	1 336	16 078	14 481	8 681
Vote 8 - Human Settlements	49 589	72 772	81 145	78 571	63 135	71 039	29 762	44 258	40 554	43 113	46 163	68 035	688 135	560 035	517 690
Vote 9 - Rates & Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 - Safety & Security	359	965	33 706	2 808	7 314	2 673	4 341	4 337	5 730	2 318	3 776	2 202	70 529	40 127	35 127
Vote 11 - Social and Early Childhood Development	-	-	200	100	2 100	500	300	3 500	1 240	3 000	4 171	550	15 660	10 860	10 860
Vote 12 - Tourism, Events and Marketing	2 805	2 625	3 085	3 425	4 925	5 370	2 300	3 688	3 000	2 700	1 960	1 898	37 781	30 200	30 200
Vote 13 - Transport for Cape Town	36 283	108 415	122 850	116 800	133 125	113 100	90 190	152 385	157 950	178 284	158 915	283 634	1 651 931	1 922 058	1 885 673
Vote 14 - Utility Services	43 645	81 478	143 095	141 790	160 533	161 071	106 829	210 861	258 689	328 702	388 681	846 224	2 871 598	2 985 398	2 781 129
Total Capital Expenditure	146 379	292 728	422 257	395 382	442 181	389 098	257 686	493 706	558 261	646 828	692 975	1 343 214	6 080 696	6 204 645	5 951 461

Table 58 MBRR Table SA29 - Budgeted monthly capital expenditure (standard classification)

Description	Budget Year 2014/15												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Capital Expenditure - Standard															
<i>Governance and administration</i>	1 118	14 171	24 792	36 259	45 998	19 618	4 390	31 928	49 622	54 431	56 265	83 836	422 427	414 931	416 089
Executive and council	-	85	348	438	1 848	160	90	356	201	281	17	29 509	33 333	35 550	68 603
Budget and treasury office	-	541	929	590	1 260	382	80	640	190	155	155	230	5 153	3 803	3 603
Corporate services	1 118	13 545	23 515	35 231	42 889	19 076	4 220	30 931	49 231	53 994	56 093	54 098	383 941	375 577	343 882
<i>Community and public safety</i>	65 333	87 934	130 960	100 130	102 000	92 984	52 055	97 919	92 845	86 257	90 738	112 216	1 111 371	875 368	869 990
Community and social services	5 018	4 996	6 814	7 356	13 228	7 524	4 893	16 886	17 116	14 841	16 765	9 961	125 398	52 448	68 315
Sport and recreation	10 026	7 226	6 561	6 974	16 744	9 423	11 884	25 963	22 170	16 338	12 729	20 617	166 657	149 132	173 832
Public safety	-	1 840	35 341	6 233	6 994	3 698	4 516	9 112	11 005	8 865	11 080	10 533	109 215	88 286	83 286
Housing	49 589	72 772	81 145	78 571	63 135	71 039	29 762	44 258	40 554	43 113	46 163	68 035	688 135	560 035	517 690
Health	700	1 100	1 100	996	1 900	1 300	1 000	1 700	2 000	3 100	4 000	3 070	21 966	25 466	26 866
<i>Economic and environmental services</i>	36 283	110 165	125 601	120 813	137 870	116 575	95 512	158 319	162 835	184 310	164 970	308 873	1 722 126	1 983 188	1 939 843
Planning and development	-	1 750	2 761	3 630	4 705	1 975	2 725	4 766	4 585	5 480	5 239	11 063	48 679	39 995	39 995
Road transport	36 283	108 415	122 840	116 790	133 115	113 100	90 190	152 285	157 950	178 284	158 815	283 121	1 651 188	1 921 358	1 884 973
Environmental protection	-	-	-	393	50	1 500	2 597	1 268	300	546	916	14 689	22 259	21 835	14 875
<i>Trading services</i>	43 645	80 458	140 905	137 880	156 313	159 571	105 729	205 241	252 959	321 730	381 002	838 139	2 823 572	2 929 958	2 724 889
Electricity	16 260	27 503	58 070	59 185	74 898	69 974	40 273	103 448	136 447	188 482	191 876	286 351	1 252 766	1 328 632	1 207 410
Water	7 423	14 972	23 915	29 116	30 379	32 714	28 913	36 522	35 897	46 950	75 826	151 385	514 012	690 976	830 740
Waste water management	4 963	17 983	28 870	29 179	29 986	31 833	36 542	34 771	44 350	50 851	93 250	217 340	619 919	626 344	468 360
Waste management	15 000	20 000	30 050	20 400	21 050	25 050	-	30 500	36 265	35 446	20 050	183 063	436 875	284 006	218 379
<i>Other</i>	-	-	-	300	-	350	-	300	-	100	-	150	1 200	1 200	650
Total Capital Expenditure - Standard	146 379	292 728	422 257	395 382	442 181	389 098	257 686	493 706	558 261	646 828	692 975	1 343 214	6 080 696	6 204 645	5 951 461

Table 59 MBRR Table SA30 - Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2014/15												Medium Term Revenue and Expenditure Framework			
	R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Cash Receipts By Source																
Property rates	430 465	505 773	500 104	430 858	520 005	508 716	480 288	496 114	441 165	517 804	482 912	413 795	5 727 999	6 114 971	6 530 384	
Property rates - penalties & collection charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Service charges - electricity revenue	859 232	915 648	873 024	820 114	766 639	754 075	789 661	731 147	842 310	812 259	841 258	1 019 372	10 024 739	10 774 483	11 603 398	
Service charges - water revenue	127 865	117 150	145 940	145 843	170 018	202 157	247 697	237 503	215 628	230 672	198 627	168 301	2 207 401	2 452 410	2 752 640	
Service charges - sanitation revenue	71 353	69 839	83 096	83 989	95 634	108 812	120 577	119 155	106 372	118 259	102 805	115 734	1 195 625	1 329 592	1 492 294	
Service charges - refuse revenue	76 383	78 957	76 399	82 468	75 609	72 189	75 496	73 124	79 448	79 448	79 448	93 416	942 386	1 014 216	1 088 970	
Service charges - other	23 361	20 571	18 950	20 426	21 159	19 082	19 964	26 861	24 736	21 144	21 447	24 317	262 019	286 692	316 633	
Rental of facilities and equipment	22 400	20 230	22 865	18 258	22 164	23 674	22 519	21 279	21 753	21 753	21 753	11 193	249 842	248 575	251 780	
Interest earned - external investments	26 590	20 622	24 682	21 109	23 892	22 584	22 140	25 084	21 899	23 899	21 899	21 362	275 762	291 205	306 930	
Interest earned - outstanding debtors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Fines	5 285	5 204	3 884	4 829	4 509	3 534	4 058	4 072	6 980	6 980	6 980	31 510	87 824	92 742	97 750	
Licences and permits	16 524	15 868	17 296	15 069	19 764	13 545	17 029	19 611	15 289	14 657	13 916	12 259	190 827	219 933	257 395	
Agency services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Transfer receipts - operational	533 841	48 144	129 322	78 691	704 831	41 999	137 333	271 156	435 029	53 193	28 671	304 300	2 766 510	3 144 268	3 543 997	
Other revenue	26 313	701 950	31 979	28 868	25 691	702 057	34 103	28 676	700 561	24 786	28 350	16 892	2 350 227	2 481 840	2 615 859	
Cash Receipts by Source	2 219 610	2 519 956	1 927 541	1 750 522	2 449 915	2 472 422	1 970 865	2 053 783	2 911 171	1 924 856	1 848 067	2 232 452	26 281 161	28 450 928	30 858 030	
Other Cash Flows by Source																
Transfer receipts - capital	110 184	201 270	240 550	203 263	212 441	201 958	141 798	236 432	252 067	291 355	301 540	138 950	2 531 808	2 808 177	2 722 006	
Contributions recognised - capital & Contributed assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Proceeds on disposal of PPE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Short term loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-	-	-	2 190 000	2 190 000	2 000 000	2 285 000	
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Decrease (Increase) in non-current debtors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Decrease (increase) other non-current receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Cash Receipts by Source	2 329 794	2 721 226	2 168 091	1 953 785	2 662 355	2 674 381	2 112 664	2 290 215	3 163 237	2 216 210	2 149 607	4 561 402	31 002 969	33 259 105	35 865 036	

Continues on next page.

MONTHLY CASH FLOWS	Budget Year 2014/15												Medium Term Revenue and Expenditure Framework			
	R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Cash Payments by Type																
Employee related costs	550 916	580 710	682 286	623 320	969 363	627 041	656 624	655 858	679 565	679 843	679 570	1 295 243	8 680 339	9 436 150	10 215 446	
Remuneration of councillors	10 531	10 470	10 434	10 430	10 537	10 519	10 273	14 369	11 135	11 135	11 135	12 650	133 619	142 438	151 554	
Finance charges	-	-	186 624	-	-	171 767	-	-	183 299	-	-	288 056	829 746	1 062 289	1 301 246	
Bulk purchases - Electricity	891 300	861 500	839 000	504 100	476 800	462 200	378 400	447 700	434 200	473 900	444 200	465 000	6 678 300	7 205 955	7 781 805	
Bulk purchases - Water & Sewer	9 183	41 482	20 593	22 663	50 121	30 569	31 041	-	30 976	30 976	30 976	73 131	371 711	404 273	444 073	
Other materials	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Contracted services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Transfers and grants - other municipalities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Transfers and grants - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other expenditure	650 017	561 946	557 012	552 715	609 374	525 563	541 576	588 256	627 336	648 801	662 068	1 205 376	7 730 040	8 327 869	8 965 181	
Cash Payments by Type	2 111 947	2 056 108	2 295 950	1 713 228	2 116 195	1 827 660	1 617 914	1 706 183	1 966 511	1 844 655	1 827 949	3 339 456	24 423 755	26 578 973	28 859 304	
Other Cash Flows/Payments by Type																
Capital assets	146 379	292 728	422 257	395 382	442 181	389 098	257 686	493 706	558 261	647 828	692 975	1 275 923	6 014 404	6 136 556	5 890 741	
Repayment of borrowing	-	-	89 481	-	-	65 148	-	-	89 481	-	-	65 744	309 853	285 568	407 882	
Other Cash Flows/Payments	-	-	-	-	-	-	-	-	-	-	-	265 117	265 117	164 492	-	
Total Cash Payments by Type	2 258 326	2 348 836	2 807 688	2 108 610	2 558 376	2 281 906	1 875 600	2 199 889	2 614 252	2 492 483	2 520 924	4 946 239	31 013 129	33 165 589	35 157 928	
NET INCREASE/(DECREASE) IN CASH HELD	71 468	372 390	(639 596)	(154 825)	103 979	392 475	237 064	90 326	548 985	(276 273)	(371 317)	(384 837)	(10 160)	93 517	707 108	
Cash/cash equivalents at the month/year begin:	6 603 670	6 675 139	7 047 529	6 407 932	6 253 108	6 357 087	6 749 562	6 986 626	7 076 952	7 625 937	7 349 664	6 978 347	6 603 670	6 593 510	6 687 027	
Cash/cash equivalents at the month/year end:	6 675 139	7 047 529	6 407 932	6 253 108	6 357 087	6 749 562	6 986 626	7 076 952	7 625 937	7 349 664	6 978 347	6 593 510	6 593 510	6 687 027	7 394 135	

‘Other materials’, ‘Contracted services’, ‘Transfers and grants – other municipalities’ and ‘Transfers and grants –other’ is included in the ‘Other expenditure’ category.

2.12 Annual budgets – internal departments

2.12.1 City Health (Vote 1)

The City 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 delivers a comprehensive Primary Health Care service to the people of the City of Cape Town. This includes both Personal Primary Health Care Services (commonly referred to as clinic services) and Municipal Health Services (also referred to as Environmental Health).

Although the National Health Act, No 61 of 2003, allocates the responsibility of provision of personal primary health care services to the Provincial Health Department, the Constitution allows those services to be assigned to Local Government via mutual agreement. The City Health directorate has an excellent partnership with the Provincial Health Department and a long tradition of rendering quality Primary Health Care under a Service Level Agreement.

The core business of the City Health directorate is Municipal (Environmental) Health Services, which is a core function of metropolitan and district municipalities. Municipal Health Services is defined in the National Health Act (No 61 of 2003) as monitoring of water quality; 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 (EHPs). Our current ratio of EHP to population sits at 1:27 000 as opposed to the national norm which proposes a 1 EHP: 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 and the City has adopted an Air Quality Management Plan, which outlines the strategies to be used to deal with and /or mitigate against the effects of air pollution, especially in informal areas.

The City Health directorate delivers, in partnership with Provincial Government, the Personal Primary Health Care component (clinic services). This is done via an infrastructure of 82 clinics, 5 community day centres, 22 satellite clinics and 4 mobile clinics. The services include promotive and preventive health care to women, men and children (reproductive health, immunization and well-baby clinics), treatment of sick children under 13 years; HIV/AIDS/STI, TB Programs and limited adults curative and chronic care.

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 (BOD). This places an additional burden on the existing staff as the staff component has not increased to the same extent.

Alcohol abuse and methamphetamine (tik) abuse in the Western Cape is a big concern with regard to drug-related crime. As a result, the City has identified this scourge as a very serious problem and it plays a role in conjunction with other spheres of government and the community in addressing this. The City manages 5 substance abuse outpatient rehabilitation (Matrix) sites at the Tafelsig, Tableview, Delft South, Town 2 and Parkwood clinics, with more sites being envisaged in the near future through the collaborative efforts with other role players.

In conclusion, City Health is faced with an increasing need for health services as shown by the burden of diseases; rapid urbanization; and Customer Satisfaction Survey. However, the resources available to it have not grown proportionally for both Primary Health Care Services - a greater need of human resources, being in those areas with a high BOD; long waiting times at clinics and areas that are densely populated. In addition, National Core Standards requirements; increases in pharmaceutical, laboratory and security services costs, further put more strain on the already stretched resources.

Table 60 City Health - operating revenue by source, expenditure by type and total capital expenditure

Directorate: City Health									
Budgeted Financial Performance (revenue and expenditure)									
Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Operating Revenue By Source									
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	49	113	394	223	223	223	4 236	4 473	4 715
Rental of facilities and equipment	-	8	29	-	-	-	-	-	-
Interest earned - external investments	0	-	-	-	-	-	-	-	-
Interest earned - outstanding debtors	97	93	75	-	-	-	-	-	-
Dividends received	-	-	-	-	-	-	-	-	-
Fines	64	45	36	20	20	20	21	22	23
Licences and permits	35	39	727	671	671	671	710	750	791
Agency services	-	-	-	-	-	-	-	-	-
Transfers recognised - operational	317 599	353 860	373 995	416 357	424 581	424 581	446 411	423 467	441 062
Other revenue	839	611	609	2 365	2 365	2 365	2 502	2 642	2 784
Gains on disposal of PPE	16	42	25	-	-	-	-	-	-
Total Operating Revenue (excluding capital transfers and contributions)	318 750	354 810	375 889	419 636	427 861	427 861	453 881	431 354	449 375
Operating Expenditure By Type									
Employee related costs	376 794	428 242	465 539	567 519	572 630	572 630	620 821	674 832	731 518
Remuneration of councillors	-	-	-	-	-	-	-	-	-
Debt impairment	-	-	-	-	-	-	-	-	-
Depreciation & asset impairment	6 796	7 564	7 420	7 801	8 483	8 483	8 718	9 328	9 981
Finance charges	-	-	-	-	-	-	-	-	-
Bulk purchases	-	-	-	-	-	-	-	-	-
Other materials	2 683	2 829	3 311	3 086	3 336	3 336	3 637	3 864	4 099
Contracted services	9 636	16 844	23 502	21 637	21 637	21 637	22 477	23 957	25 492
Transfers and grants	4 101	3 494	3 612	2 142	5 426	5 426	3 654	3 299	3 343
Other expenditure	208 869	219 021	224 546	233 041	232 620	232 620	226 329	185 934	191 020
Loss on disposal of PPE	9	2	3	-	-	-	-	-	-
Total Operating Expenditure	608 889	677 994	727 932	835 227	844 133	844 133	885 635	901 216	965 454
Operating Surplus/(Deficit)	(290 139)	(323 184)	(352 043)	(415 591)	(416 272)	(416 272)	(431 754)	(469 861)	(516 078)
Transfers recognised - capital	1 363	9 936	12 868	13 500	15 249	15 249	11 600	15 000	18 000
Contributions recognised - capital	-	-	-	-	-	-	-	-	-
Contributed assets	-	2 004	2 118	-	-	-	-	-	-
Operating Surplus/(Deficit) for the year	(288 776)	(311 245)	(337 058)	(402 091)	(401 024)	(401 024)	(420 154)	(454 861)	(498 078)
Capital Expenditure	12 355	22 801	22 778	23 716	30 096	30 096	21 966	25 466	28 466

2.12.2 City Manager (Vote 2)

The City Manager heads the administration of the City and chairs the Executive Management Team (EMT) of the City, whose primary responsibility is advising the City Manager on 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, Mayoral Administration (includes External Relations) and Strategic Policy, Monitoring and Evaluation Unit, resides in the Office of the City Manager.

- **Mayoral Administration:** Renders administrative support to the Executive Mayor to enable her to fulfil all her executive duties, which include legal and constitutional obligations, adherence to and implementation of all council policies and regulations, administering all Mayoral Committee functions, monitoring and controlling the annual budget, improving service delivery to the community, attracting investments from external investors and to giving political guidance and leadership to the administration of the City.
- **Strategic Policy Unit (SPU):** The primary functions of this unit are strategic policy planning, performance monitoring and evaluation, and transversal and project portfolio management.

In line with international and national best practice, the unit acts as a strategic coordinating point that ensures that the City's electoral mandate is implemented throughout the City in accordance with the 'five pillars', especially the pillar of being a well-run city. It identifies how that mandate is being delivered on and where there are shortcomings that need to be addressed and in so doing, we improve our level of service delivery to the people of Cape Town.

It does so by coordinating, advising and developing city-wide strategies and policies and monitoring and evaluating the performance of directorates at a City-wide level.

It also provides transversal capacity to the City Manager, the EMT, the Social and Economic clusters as well as providing portfolio management services to the clusters. Finally, it works to raise the project management maturity level of the entire organisation.

- **Integrated Strategic Communication and Branding:** Manage the City's brand and reputational profile via the corporate branding architecture and provision of relevant information to the City's target audiences and provides a range of specialist communication services to all departments of the City around all facets pertaining to the communication field.

Table 61 City Manager - operating revenue by source, expenditure by type and total capital expenditure

Directorate: City Manager									
Budgeted Financial Performance (revenue and expenditure)									
Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Operating Revenue By Source									
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	-	-	0	-	-	-	-	-	-
Rental of facilities and equipment	-	-	-	-	-	-	-	-	-
Interest earned - external investments	-	-	-	-	-	-	-	-	-
Interest earned - outstanding debtors	-	-	-	-	-	-	-	-	-
Dividends received	-	-	-	-	-	-	-	-	-
Fines	-	-	-	-	-	-	-	-	-
Licences and permits	-	-	-	-	-	-	-	-	-
Agency services	-	-	-	-	-	-	-	-	-
Transfers recognised - operational	37	-	-	-	900	900	-	-	-
Other revenue	66	35	29	41	41	41	44	46	49
Gains on disposal of PPE	4	16	1	-	-	-	-	-	-
Total Operating Revenue (excluding capital transfers and contributions)	107	51	30	41	941	941	44	46	49
Operating Expenditure By Type									
Employee related costs	32 158	35 414	34 471	53 267	49 595	49 595	52 767	57 357	62 175
Remuneration of councillors	981	1 050	1 108	1 219	1 219	1 219	-	-	-
Debt impairment	-	-	-	-	-	-	-	-	-
Depreciation & asset impairment	1 028	1 363	1 287	961	1 023	1 023	1 069	1 194	1 278
Finance charges	-	-	-	-	-	-	-	-	-
Bulk purchases	-	-	-	-	-	-	-	-	-
Other materials	66	67	44	94	95	95	101	107	113
Contracted services	5 074	4 333	14 101	6 574	6 346	6 346	6 722	7 102	7 490
Transfers and grants	219	1 625	-	-	-	-	-	-	-
Other expenditure	31 326	34 782	39 192	49 120	50 423	50 423	55 721	58 845	62 027
Loss on disposal of PPE	5	7	9	-	-	-	-	-	-
Total Operating Expenditure	70 858	78 641	90 212	111 235	108 700	108 700	116 379	124 606	133 083
Operating Surplus/(Deficit)	(70 751)	(78 590)	(90 183)	(111 194)	(107 759)	(107 759)	(116 335)	(124 559)	(133 034)
Transfers recognised - capital	-	-	-	-	100	100	-	-	-
Contributions recognised - capital	-	-	-	-	-	-	-	-	-
Contributed assets	-	-	-	-	-	-	-	-	-
Operating Surplus/(Deficit) for the year	(70 751)	(78 590)	(90 183)	(111 194)	(107 659)	(107 659)	(116 335)	(124 559)	(133 034)
Capital Expenditure	1 959	802	1 169	13 892	14 095	14 095	26 771	954	954

2.12.3 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, 3 339 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 3 339 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 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 600 000. In 2009/10, LIS migrated 2 outdated Library Management systems into one Library Management system. A result of the migration was duplicate and dated membership records as the 2 systems functioned independently of each other. In June 2013 an automated membership purification process was launched on the new Library Management System. This led to a drop in membership totals as duplicate and inactive membership records were removed from the system. The current totals are a truer reflection of "active" members making use of the service.

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 2014/15, 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:

- 178 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 ratepayer associations, youth groups, religious groups and sport and recreation clubs.
- 182 Sports Facilities (Consisting of Indoor Facilities [16], Outdoor Facilities [162] and Stadia [4]).
- Outdoor sport facilities that contain 549 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
- 36 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 40 recreation units in communities and at City facilities. Such programmes can make a measurable impact on the social economic challenges facing our communities.

Budget

Community Services has an operating expenditure budget of R1 509 million for the 2014/15 financial year which includes R934 million (or 62%) for staff costs emphasising the labour intensive nature of its operations. By contrast the capital budget amounts to only R241 million or about 4% of the City's capital budget in 2014/15. 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 R52.5 million covers only 2.3% 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 conditional operating grants of R33 million for the library service and capital grants of R152 million to finance its capital investment programme.

Table 62 Community Services - operating revenue by source, expenditure by type and total capital expenditure

Directorate: Community Services									
Budgeted Financial Performance (revenue and expenditure)									
Description	2010/11	2011/12	2012/13	2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Operating Revenue By Source									
Property rates	-	-	-	-	-	-	-	-	-
Property rates - penalties & collection charges	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	21	36	49	-	-	-	36	39	42
Service charges - water revenue	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	-	-	-	5	5	5	5	5	6
Service charges - other	14 267	13 574	13 871	17 323	17 323	17 323	18 168	19 185	20 221
Rental of facilities and equipment	16 698	17 066	21 736	27 883	27 883	27 883	27 667	29 051	30 503
Interest earned - external investments	3	0	0	-	-	-	-	-	-
Interest earned - outstanding debtors	3	3	25	-	-	-	-	-	-
Dividends received	-	-	-	-	-	-	-	-	-
Fines	2 868	2 994	3 068	3 173	3 173	3 173	2 946	3 111	3 279
Licences and permits	1 297	1 423	1 244	1 248	1 248	1 248	3 047	3 218	3 391
Agency services	-	-	-	-	-	-	-	-	-
Transfers recognised - operational	23 988	19 066	28 649	25 667	23 678	23 678	33 263	32 337	35 053
Other revenue	2 271	503	392	591	591	591	626	661	697
Gains on disposal of PPE	294	2 147	185	-	-	-	-	-	-
Total Operating Revenue (excluding capital transfers and contributions)	61 711	56 811	69 218	75 889	73 901	73 901	85 758	87 607	93 192
Operating Expenditure By Type									
Employee related costs	617 172	696 130	731 897	831 761	828 967	828 967	933 586	1 014 808	1 100 052
Remuneration of councillors	(27)	-	-	-	-	-	-	-	-
Debt impairment	2 577	1 430	-	-	-	-	-	-	-
Depreciation & asset impairment	65 508	69 890	87 681	87 089	83 370	83 370	91 769	98 193	105 066
Finance charges	-	-	-	-	-	-	-	-	-
Bulk purchases	-	-	-	-	-	-	-	-	-
Other materials	14 489	15 882	16 768	10 857	10 500	10 500	8 631	8 808	9 289
Contracted services	210 183	204 777	234 304	314 002	317 068	317 068	332 698	360 476	389 874
Transfers and grants	(9)	-	-	-	-	-	-	-	-
Other expenditure	191 509	217 575	268 877	133 203	132 482	132 482	142 144	148 570	156 597
Loss on disposal of PPE	40	171	117	-	-	-	-	-	-
Total Operating Expenditure	1 101 442	1 205 856	1 339 644	1 376 911	1 372 388	1 372 388	1 508 829	1 630 855	1 760 878
Operating Surplus/(Deficit)	(1 039 731)	(1 149 044)	(1 270 426)	(1 301 021)	(1 298 487)	(1 298 487)	(1 423 071)	(1 543 248)	(1 667 686)
Transfers recognised - capital	55 156	83 857	111 160	139 798	122 951	122 951	143 224	115 250	158 000
Contributions recognised - capital	4 992	7 224	1 752	3 000	2 005	2 005	8 826	-	-
Contributed assets	-	4 869	394	-	33	33	-	-	-
Operating Surplus/(Deficit) for the year	(979 583)	(1 053 094)	(1 157 120)	(1 158 223)	(1 173 498)	(1 173 498)	(1 271 022)	(1 427 998)	(1 509 686)
Capital Expenditure	114 653	162 772	178 223	222 027	209 126	209 126	241 334	163 920	207 737

2.12.4 Compliance and Auxiliary Services (Vote 4)

The CAS directorate's primary responsibility is to render a transversal compliance service to the City by inter alia:

- Ensuring statutory compliance,
- Promoting and institutionalising good governance practices,
- Promoting a culture of ethics in the workplace,
- Administering performance management throughout the organisation,
- Undertaking forensic investigations into matter of maladministration, fight corruption and fraud,
- Advising on control weaknesses in report of procedure and systems,
- Administering the process flow of all report to council, its committees and the Mayor to deliver timeously on agendas and related secretariat services, and
- Rendering a mediation service between the public and line departments to resolve client queries – to improve accountability.

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 members of the public.
- **Ethics, 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. Manages large Corporate EPWP projects and programmes (Special programmes and CWP) such as the Mayor's Special job Creation Programme to accelerate the increase in temporary job creation.
- **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:** To provide independent, objective assurance and advisory services designed to add value and improve the City's operations. It helps the City accomplish its objectives by bringing about a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.
- **IDP, and Organisational Performance Management (IDP.OPM):** 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, quality assurance of performance indicators and the performance contracts of S57 appointees. Executes special projects like facilitating the annual BBBEE verification for the City as well as national and provincial reporting requirements such as Municipal Economic Review Outlook (MERO), CSP Project (City Support Programme – a National Treasury initiative to measure indicators of municipalities throughout South Africa), Section 47, MGRO and Regional Development profile.
- **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.
- **Ombudsman:** Improving accountability of the City by promoting fair and reasonable public administration and investigating and resolving residents' complaints about the municipality, and facilitating mediation and conciliation between both parties. Awareness campaigns are attended to in order to make the public aware of the services rendered by the office.
- **Integrated Risk Management (IRM):** Embedding a culture of Risk Management in the City to ensure the optimal use of scarce resources.
- **Urban Regeneration:** Facilitates, co-ordinates and manages the social, economic and infrastructure development of Khayelitsha and Mitchells Plain.

Major activities proposed for 2014/15:

- 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.
- Mayoral Special Job Creation Programme (EPWP) to enhance service provision in previously disadvantage areas through the employment of the local unemployed on a temporary basis.
- Improvement of functioning of sub-councils and ward committees.
- Promote and institutionalise culture of ethics and organisation.

Table 63 Compliance and Auxiliary Services - operating revenue by source, expenditure by type and total capital expenditure

Directorate: Compliance and Auxiliary Services									
Budgeted Financial Performance (revenue and expenditure)									
Description	2010/11	2011/12	2012/13	2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Operating Revenue By Source									
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	4	20	6	5	5	5	5	5	5
Rental of facilities and equipment	741	116	86	-	-	-	-	-	-
Interest earned - external investments	-	-	-	-	-	-	-	-	-
Interest earned - outstanding debtors	-	-	-	-	-	-	-	-	-
Dividends received	-	-	-	-	-	-	-	-	-
Fines	(1)	1	1	-	-	-	-	-	-
Licences and permits	-	-	-	-	-	-	-	-	-
Agency services	-	-	-	-	-	-	-	-	-
Transfers recognised - operational	7 406	8 113	11 822	6 959	5 423	5 423	-	-	-
Other revenue	4 588	653	1 818	2 958	2 958	2 958	3 130	3 305	3 484
Gains on disposal of PPE	19	31	41	-	-	-	-	-	-
Total Operating Revenue (excluding capital transfers and contributions)	12 757	8 934	13 775	9 922	8 386	8 386	3 135	3 310	3 489
Operating Expenditure By Type									
Employee related costs	184 216	208 194	240 158	292 414	291 411	291 411	307 375	334 117	362 183
Remuneration of councillors	87 667	96 722	110 546	122 502	122 502	122 502	133 619	142 438	151 554
Debt impairment	-	-	-	-	-	-	-	-	-
Depreciation & asset impairment	5 860	7 491	7 427	7 098	7 897	7 897	8 451	9 043	9 676
Finance charges	-	-	-	-	-	-	-	-	-
Bulk purchases	-	-	-	-	-	-	-	-	-
Other materials	158	118	462	459	457	457	487	517	549
Contracted services	7 152	30 624	43 468	47 982	21 423	21 423	26 458	65 982	69 649
Transfers and grants	5 282	4 186	2 875	281	1 335	1 335	-	-	-
Other expenditure	36 673	45 471	77 046	120 803	103 653	103 653	118 942	125 603	132 386
Loss on disposal of PPE	189	21	87	-	-	-	-	-	-
Total Operating Expenditure	327 198	392 826	482 069	591 539	548 678	548 678	595 332	677 699	725 996
Operating Surplus/(Deficit)	(314 442)	(383 893)	(468 294)	(581 618)	(540 292)	(540 292)	(592 197)	(674 389)	(722 506)
Transfers recognised - capital	15 442	10 042	26 456	26 900	27 229	27 229	-	-	-
Contributions recognised - capital	-	-	-	-	-	-	-	-	-
Contributed assets	-	-	-	-	-	-	-	-	-
Operating Surplus/(Deficit) for the year	(299 000)	(373 851)	(441 838)	(554 718)	(513 064)	(513 064)	(592 197)	(674 389)	(722 506)
Capital Expenditure	23 935	14 646	30 157	37 865	31 343	31 343	14 102	36 605	69 605

2.12.5 Corporate Services (Vote 5)

Corporate Services directorate by nature is a transversal directorate. Corporate Services' core purpose is to provide multi-disciplinary services and professional partnerships to Directorates, supporting and enabling service delivery for the City, through value adding programmes, systems, processes, policies and knowledge management. As enablers of service delivery Corporate Services contributes and underpins all IDP Strategic Focus Areas.

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, Occupational Health Safety & Wellness 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 to become a more efficient and affective local authority.
- **Employment Equity:** Provides strategic direction and develops corporate guidelines for the implementation of the City's EE Policy and EE Plan that forms 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.
- **Specialised Technical Services:** Provides a professional and specialised function related to fleet services, facilities management and electronic and radio services to its clients in order that available resources are effectively used, business demands are met, operational systems are maintained, and clients receive these services to effectively perform their work.
- **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 is 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 complies with all legislation in terms of health and safety in the workplace.

- **Corporate Administration and Support Services:** Provides and co-ordinate efficient and professional corporate administrative services to the organisation and generic support services to the Corporate Services directorate.

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

- Facilities Management Structural Rehabilitation of City Corporate Buildings, which includes: Lift Modernisation, Escalator Replacement, Installation of an additional/mezzanine floor, Electrical Switchgear replacement and various electrical retrofits.
- Construction of a Metro Area Fibre Optic Network
- Provide Broadband Connectivity to the Western Cape Government
- Replacement of Fleet
- Update of aerial photography for municipal area

The following additional Key Programmes and Projects will be undertaken:

- Staff Engagement Survey
- Customer/Community Satisfaction Survey
- Enhancement of the Web-based Knowledge Hub
- Call Centre Programme including 22 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
- Improve energy efficiency of IT Equipment
- Enable Mobile Government
- Enable E-Services
- E-HR Programme
- Internal Management Processes Programme (MAP)
- Service Management Programme (C3)
- Facilities Management Enterprise System
- Rollout of integrated Talent Management Programmes
- External Skills Development programme (including external bursaries, learnerships, in-service training and apprenticeships)
- 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 64 Corporate Services - operating revenue by source, expenditure by type and total capital expenditure

Directorate: Corporate Services									
Budgeted Financial Performance (revenue and expenditure)									
Description	2010/11	2011/12	2012/13	2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Operating Revenue By Source									
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	368	567	476	416	315	315	440	465	490
Rental of facilities and equipment	739	745	899	465	566	566	488	513	538
Interest earned - external investments	-	-	91	-	-	-	-	-	-
Interest earned - outstanding debtors	-	-	-	-	-	-	-	-	-
Dividends received	-	-	-	-	-	-	-	-	-
Fines	-	-	0	-	-	-	-	-	-
Licences and permits	-	-	-	-	-	-	-	-	-
Agency services	-	-	-	-	-	-	-	-	-
Transfers recognised - operational	1 169	-	10 000	-	536	536	-	-	-
Other revenue	24 478	45 453	45 205	25 555	34 995	34 995	57 259	60 465	63 730
Gains on disposal of PPE	1 675	2 879	3 366	1 500	1 500	1 500	1 500	1 584	1 670
Total Operating Revenue (excluding capital transfers and contributions)	28 430	49 644	60 036	27 936	37 913	37 913	59 687	63 027	66 428
Operating Expenditure By Type									
Employee related costs	877 950	1 046 721	970 876	644 222	645 279	645 279	691 038	751 095	814 123
Remuneration of councillors	-	-	-	-	-	-	-	-	-
Debt impairment	-	-	-	-	-	-	-	-	-
Depreciation & asset impairment	137 924	140 218	190 875	231 588	196 418	196 418	153 771	164 535	176 053
Finance charges	-	-	-	-	-	-	-	-	-
Bulk purchases	-	-	-	-	-	-	-	-	-
Other materials	16 414	14 589	14 931	24 544	24 544	24 544	25 294	27 409	29 648
Contracted services	212 732	261 365	264 486	285 351	302 133	302 133	394 334	422 330	451 558
Transfers and grants	-	-	-	-	-	-	-	-	-
Other expenditure	330 021	352 419	422 623	427 092	427 963	427 963	485 855	513 113	540 876
Loss on disposal of PPE	717	205	315	-	-	-	-	-	-
Total Operating Expenditure	1 575 758	1 815 516	1 864 105	1 612 797	1 596 337	1 596 337	1 750 293	1 878 483	2 012 257
Operating Surplus/(Deficit)	(1 547 328)	(1 765 872)	(1 804 069)	(1 584 861)	(1 558 425)	(1 558 425)	(1 690 606)	(1 815 456)	(1 945 829)
Transfers recognised - capital	136	8	9	10 000	5 787	5 787	10 702	11 332	-
Contributions recognised - capital	1 312	-	-	-	-	-	-	-	-
Contributed assets	-	69 089	-	-	-	-	-	-	-
Operating Surplus/(Deficit) for the year	(1 545 881)	(1 696 776)	(1 804 060)	(1 574 861)	(1 552 638)	(1 552 638)	(1 679 904)	(1 804 124)	(1 945 829)
Capital Expenditure	142 581	204 091	232 756	258 892	294 109	294 109	359 474	353 053	322 411

2.12.6 Economic, Environment & Spatial Planning (Vote 6)

The overall purpose and service mandate of the Economic, Environmental and Spatial Planning directorate is to lead the City's urban spatial, economic and environmental planning functions in support of the developmental duties of municipalities set out in 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 "participate in national and provincial development programmes".

The directorate operates within various legal, policy and institutional frameworks and its core functions are regulated and controlled by (but not limited to) the statutes and legislation.

In addition to a number of cross-cutting and support units, the directorate is made up of the following core departments:

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

The directorate's Strategic and Operational Service Delivery Objectives are:

Strategic

- To lead shaping the City in a sustainable and dynamic fashion by implementing economic growth and development strategies through its spatial development plans and strategies and statutory processes in a way that realises the requirements of the Constitution, Municipal Systems Act and the IDP in order to facilitate improved quality of life for all.
- To mainstream the City's Economic Growth Strategy and ensure alignment of the plans of both internal and external economic development agents and partners.
- To ensure a healthy, safe and sustainable environment that offers economic and social opportunities.
- To ensure that the City's unique economic and social asset - its natural environment - is managed, protected and integrated into the urban landscape, and optimised for maximum social and economic benefit.

Operational

- To create a business environment at local government level conducive to growth and investment in both the formal and informal economy.
- To provide a quality service to the developers and property owners of Cape Town which is efficient and effective and continues to streamline and reduce the regulatory burden and cost of development on an administratively fair basis.
- To facilitate a City climate change response that addresses mitigation, adaptation and resilience, and implement energy efficiency through the Energy and Climate Action Plan (ECAP), Climate Adaptation Plan of Action (CAPA) and the development of a City Climate Change Policy.
- To undertake planning law reform by implementing new national and provincial planning legislation, continuously reviewing and improving the Cape Town Zoning Scheme, as well as drafting a planning by-law.

- To illustrate implementation of City policy and strategies by unlocking and facilitating catalytic development opportunities.
- To improve the City's compliance with relevant environmental, building development and land-use legislation and policy objectives and co-ordinate integrated environmental enforcement across the city.

Performance highlights from the 2012/13 Annual Report

- The directorate received a number of environmental awards in 2012/13, including first runner-up in the 2012 Greenest Metro competition.
- The City Solar Water Heater Endorsement Programme was approved by Council and will facilitate the roll-out of high-pressure solar water heaters. Energy-efficiency projects under the energy efficiency demand-side management (EEDSM) programme are currently saving the City R18 million per annum, and reducing the City's carbon emissions by 16 million tons. A three-year tender was awarded for the continued roll-out of the highly successful electricity-savings campaign.
- In February 2013, the City became the first local authority in South Africa to have its heritage resources management competency approved in terms of the National Heritage Resources Act, Act 25 of 1999. During the year under review, a number of heritage sites and assets underwent critical repairs and upgrades.
- The ongoing baboon management programme continues to be highly successful. In 2012/13, the service provider was able to keep baboons out of affected urban areas for over 95% of the time.
- The successful conclusion of the purchase of Klein Dassenberg – one of the original core botanical sites that were previously known as the fynbos corridor. This important biodiversity land will be used as a land bank to potentially facilitate the development of land in the urban edge and industrial areas of Atlantis. This arrangement is set to boost development facilitation in the area.
- 80.7% of building plans were finalised within statutory timeframes (target of 80%).
- As part of Global Entrepreneurship Week, the annual Entrepreneurship Week held on 9 and 10 November 2012 at the Cape Peninsula University of Technology (CPUT) campus was attended by 645 delegates. 80 satellite events linked to the Entrepreneurship Week were held across Cape Town and attended by an estimated 2 400 people.
- In addition to providing access to trading infrastructure and premises to approximately 3 000 emerging entrepreneurs, the directorate hosted an Informal Trading Summit in March 2013. One of the outcomes of the summit was the review of the Informal Trading Policy and Bylaw. An online e-permitting system has also been rolled out to roughly 95% of informal traders throughout Cape Town.

Table 65 Economic, Environment & Spatial Planning - operating revenue by source, expenditure by type and total capital expenditure

Directorate: Economic, Environment & Spatial Planning									
Budgeted Financial Performance (revenue and expenditure)									
Description	2010/11	2011/12	2012/13	2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Operating Revenue By Source									
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	(0)	-	-	-	-	-	-
Service charges - other	67 135	72 265	81 370	84 534	90 034	90 034	93 443	98 676	104 004
Rental of facilities and equipment	21	23	41	28	28	28	29	31	32
Interest earned - external investments	7	2	-	-	-	-	-	-	-
Interest earned - outstanding debtors	176	116	659	83	83	83	83	88	92
Dividends received	-	-	-	-	-	-	-	-	-
Fines	731	1 148	1 123	1 269	1 269	1 269	1 343	1 418	1 495
Licences and permits	269	1 067	2 573	1 092	4 092	4 092	1 655	1 748	1 843
Agency services	-	-	-	-	-	-	-	-	-
Transfers recognised - operational	14 772	4 123	12 747	2 345	19 697	19 697	12 090	15 757	-
Other revenue	940	1 374	(86)	750	750	750	50	53	56
Gains on disposal of PPE	20	85	29	-	-	-	-	-	-
Total Operating Revenue (excluding capital transfers and contributions)	84 071	80 205	98 454	90 101	115 954	115 954	108 694	117 770	107 522
Operating Expenditure By Type									
Employee related costs	273 429	295 485	315 268	368 219	368 641	368 641	390 582	424 563	460 226
Remuneration of councillors	-	-	-	-	-	-	-	-	-
Debt impairment	-	-	-	-	-	-	-	-	-
Depreciation & asset impairment	17 805	18 821	18 681	19 492	20 261	20 261	20 991	22 460	24 032
Finance charges	-	-	-	-	-	-	-	-	-
Bulk purchases	-	-	-	-	-	-	-	-	-
Other materials	2 679	1 152	1 097	684	684	684	714	754	795
Contracted services	23 853	30 346	69 622	61 591	92 789	92 789	71 650	79 009	67 190
Transfers and grants	29 122	39 254	24 824	26 655	13 311	13 311	6 189	15 228	16 050
Other expenditure	47 756	40 310	35 587	39 342	42 004	42 004	38 967	32 300	33 668
Loss on disposal of PPE	66	9	9	-	-	-	-	-	-
Total Operating Expenditure	394 710	425 376	465 087	515 983	537 690	537 690	529 092	574 314	601 962
Operating Surplus/(Deficit)	(310 640)	(345 172)	(366 633)	(425 881)	(421 736)	(421 736)	(420 398)	(456 544)	(494 440)
Transfers recognised - capital	3 160	132	5 785	10 560	14 007	14 007	11 516	16 560	10 000
Contributions recognised - capital	14	22	-	-	-	-	-	-	-
Contributed assets	-	166	-	-	-	-	-	-	-
Operating Surplus/(Deficit) for the year	(307 466)	(344 851)	(360 847)	(415 321)	(407 729)	(407 729)	(408 881)	(439 984)	(484 440)
Capital Expenditure	36 429	36 727	41 429	58 459	64 469	64 469	65 338	61 487	52 927

2.12.7 Finance (Vote 7)

The Finance directorate provides sound financial services, which are sustained via corporate governance procedures, enabling the City to provide effective, efficient and affordable services to its citizens, in compliance with the MFMA, 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).

The Finance directorate has a capital budget of R16 million for 2014/15. Two of the major projects for the directorate are: E-Procurement (R4 million) and Warehouse Equipment (R6.5 million).

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 66 Finance - operating revenue by source, expenditure by type and total capital expenditure

Directorate: Finance									
Budgeted Financial Performance (revenue and expenditure)									
Description	2010/11	2011/12	2012/13	2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Operating Revenue By Source									
Property rates	2	6	2	-	-	-	-	-	-
Property rates - penalties & collection charges	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	-	-	-	-	-	-	-	-	-
Service charges - water revenue	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	16	19	3	-	-	-	-	-	-
Service charges - other	7 910	85 264	10 445	10 852	9 449	9 449	13 664	14 430	15 209
Rental of facilities and equipment	55 567	83 885	81 258	100 544	100 481	100 481	189 415	198 886	208 830
Interest earned - external investments	270 446	315 210	353 096	269 849	269 849	269 849	265 154	280 003	295 123
Interest earned - outstanding debtors	1 015	1 288	1 545	391	1 204	1 204	1 536	1 622	1 710
Dividends received	-	-	-	-	-	-	-	-	-
Fines	(0)	-	0	-	-	-	-	-	-
Licences and permits	3	2	3	-	-	-	-	-	-
Agency services	105 317	111 266	117 849	111 000	124 000	124 000	139 446	155 675	175 207
Transfers recognised - operational	989	3 508	2 480	4 629	3 909	3 909	2 441	1 250	1 250
Other revenue	101 322	149 916	521 859	135 941	133 564	133 564	147 083	155 320	163 707
Gains on disposal of PPE	6 579	28 929	42 140	61 000	61 000	61 000	61 000	64 416	67 894
Total Operating Revenue (excluding capital transfers and contributions)	549 166	779 293	1 130 680	694 205	703 455	703 455	819 740	871 602	928 930
Operating Expenditure By Type									
Employee related costs	435 404	479 703	527 461	596 095	597 519	597 519	644 168	700 211	759 029
Remuneration of councillors	-	-	-	-	-	-	-	-	-
Debt impairment	9 759	(13 488)	7 644	12 373	12 373	12 373	12 784	9 023	9 239
Depreciation & asset impairment	15 705	15 012	12 142	14 275	11 152	11 152	11 664	12 481	13 355
Finance charges	683 871	646 184	689 230	831 894	831 894	831 894	886 062	1 115 565	1 346 590
Bulk purchases	-	-	-	-	-	-	-	-	-
Other materials	572	504	616	1 474	1 474	1 474	1 498	1 613	1 733
Contracted services	13 711	18 109	25 508	22 209	19 320	19 320	33 069	35 227	37 462
Transfers and grants	5 401	5 580	5 931	6 263	6 263	6 263	6 627	6 998	7 376
Other expenditure	286 268	313 489	354 951	376 035	373 862	373 862	404 017	423 175	445 930
Loss on disposal of PPE	177	23	47	-	-	-	-	-	-
Total Operating Expenditure	1 450 870	1 465 116	1 623 529	1 860 619	1 853 859	1 853 859	1 999 890	2 304 293	2 620 713
Operating Surplus/(Deficit)	(901 704)	(685 823)	(492 850)	(1 166 414)	(1 150 404)	(1 150 404)	(1 180 150)	(1 432 691)	(1 691 783)
Transfers recognised - capital	2 506	105	-	-	82	82	-	-	-
Contributions recognised - capital	-	-	-	-	-	-	-	-	-
Contributed assets	-	-	-	-	-	-	-	-	-
Operating Surplus/(Deficit) for the year	(899 198)	(685 718)	(492 850)	(1 166 414)	(1 150 322)	(1 150 322)	(1 180 150)	(1 432 691)	(1 691 783)
Capital Expenditure	13 889	119 902	21 613	11 784	44 204	44 204	16 078	14 481	8 681

2.12.8 Human Settlements (Vote 8)

The 2014/15 to 2016/17 operating and capital budgets of the Human Settlements directorate are indicative of the comprehensive array of delivery programmes, funding streams and projects managed and operated by the City's Human Settlements Directorate.

These projects target the key imperative of informal and backyard settlements upgrades and delivery integration to ensure that the City is a caring, opportunity and inclusive city.

In this regard, various additional strategies and delivery formats are being followed with special reference to the informal settlements upgrade elements of the Human Settlements activities.

These programmes include;

- Upgrade of Informal Settlements via, inter alia, re-blocking
- 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 targeted 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's rental properties forms a key strategic project for the directorate and was initiated during 2011/12 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, is currently being expanded to other City rental areas across the City.

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 whilst instigating various delivery opportunities at its various informal areas. A long term development matrix is being developed and will be finalised in February 2014 in this regard. This will guide and ensure structured upgrading of informal settlements.

The first project in the Hostels Transformation Project has started in Langa and comprises the development of 463 new family flats.

Interactions with the private sector are essential and, as a consequence, the City has engaged with various private sector landowners and financiers with the view to fostering partnerships which support integrated human settlements development.

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 constructing 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 final planning stage such as the project with Garden Cities in Fisantekraal.

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. New and expanded social housing projects form a key element of the 2014/2015 and beyond budget.

The City also increased funding for People Housing Projects to increase delivery of top structures to areas that were previously provided with serviced stands. This delivery approach does not only provide shelter but also builds community cohesion whilst also creating opportunities to small and medium contractors.

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 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 currently engaging with the Housing Development Agency and other public land owners(Public Works, Denel etc.) with the view to, particularly, access well located and serviced State land as well as creating partnerships (HDA) aimed, via project management support, at supporting the City of Cape Town in delivering human settlements at scale.

The Urban Settlements Development Grant (City allocation 2014/15: R1 358 879 000) 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 2014/15: R783 000 000). The planned City Housing Assignment process may impact on the quantum of funds available to the City for the delivery of integrated 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 is showing positive collections results
- SMS communication technology
- Consistent Payers Incentive Scheme
- Payment – Plus Scheme (aimed at transferring saleable rental stock held by the City)

- 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 a significant increase in the volume of applications for the grant.

Overall the City Human Settlements directorate budget is reflective of the array of housing initiatives currently underway whilst also ensuring the maximization of all financial opportunities in pursuit of its Multi Year Human Settlements Plan.

Table 67 Human Settlements - operating revenue by source, expenditure by type and total capital expenditure

Directorate: Human Settlements									
Budgeted Financial Performance (revenue and expenditure)									
Description	2010/11	2011/12	2012/13	2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Operating Revenue By Source									
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	10 181	9 869	10 096	10 724	10 724	10 724	10 120	10 687	11 264
Rental of facilities and equipment	162 646	171 784	179 216	190 776	191 090	191 090	204 461	214 124	224 234
Interest earned - external investments	21 150	18 044	15 117	14 760	12 220	12 220	10 600	11 194	11 798
Interest earned - outstanding debtors	238	113	244	-	-	-	-	-	-
Dividends received	-	-	-	-	-	-	-	-	-
Fines	6	0	1	-	-	-	-	-	-
Licences and permits	4	1	1	-	-	-	-	-	-
Agency services	-	-	-	-	-	-	-	-	-
Transfers recognised - operational	162 911	204 858	329 396	546 835	518 595	518 595	584 902	851 670	895 876
Other revenue	7 594	8 918	6 881	5 812	5 812	5 812	6 599	6 968	7 345
Gains on disposal of PPE	6 747	1 555	20 528	2 000	2 000	2 000	2 000	2 112	2 226
Total Operating Revenue (excluding capital transfers and contributions)	371 476	415 140	561 482	770 907	740 440	740 440	818 681	1 096 754	1 152 742
Operating Expenditure By Type									
Employee related costs	178 108	196 488	226 158	280 936	283 025	283 025	297 127	322 977	350 107
Remuneration of councillors	-	-	-	-	-	-	-	-	-
Debt impairment	84 679	92 163	(6 146)	119 820	104 820	104 820	102 389	104 123	103 961
Depreciation & asset impairment	40 382	53 218	58 850	73 355	79 722	79 722	84 286	89 861	95 760
Finance charges	-	-	-	-	-	-	-	-	-
Bulk purchases	-	0	-	-	-	-	-	-	-
Other materials	18 758	15 030	17 727	15 669	26 669	26 669	25 556	28 444	32 384
Contracted services	133 120	124 310	209 616	265 277	329 939	329 939	294 813	434 825	472 698
Transfers and grants	3 392	-	-	-	-	-	-	-	-
Other expenditure	121 254	218 466	265 403	368 960	295 042	295 042	392 884	497 236	505 722
Loss on disposal of PPE	1 137	630	253	-	-	-	-	-	-
Total Operating Expenditure	580 832	700 305	771 861	1 124 016	1 119 218	1 119 218	1 197 054	1 477 466	1 560 632
Operating Surplus/(Deficit)	(209 355)	(285 166)	(210 379)	(353 109)	(378 778)	(378 778)	(378 373)	(380 711)	(407 890)
Transfers recognised - capital	272 886	463 433	519 786	516 728	693 101	693 101	604 743	537 477	496 132
Contributions recognised - capital	-	-	-	-	-	-	-	-	-
Contributed assets	-	-	-	-	-	-	-	-	-
Operating Surplus/(Deficit) for the year	63 531	178 268	309 407	163 619	314 323	314 323	226 370	156 766	88 242
Capital Expenditure	322 253	490 041	565 694	626 894	772 040	772 040	688 135	560 035	517 690

2.12.9 Safety & Security (Vote 10)

The directorate consist of six departments namely, Law Enforcement and Specialised Services, Traffic Services, Metropolitan Police Services, Fire and Rescue Services, Disaster Risk Management and 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 in all communities within the City.

To achieve this, the directorate has identified core objectives and programmes for 2014/15 and beyond:

- Expand staff and capital resources in the policing departments and emergency services, to ensure improved services to all communities. This will be achieved by increasing the operating staff compliment through the volunteer/auxiliary member programmes, externally funded initiatives and by ensuring that all departments are adequately resourced.
- Improved efficiency through information and technology-driven policing by establishing: a SmartCop System and the Integrated Emergency Contact Centre. The directorate intends to further expand its Neighbourhood Safety Officer (NSO) programme as well as to influence urban design in order to improve intelligent crime prevention and reduce crime and disorder.
- Improved efficiency through human resource development will see the directorate continue its efforts to build relationships with both local and international partners and expanding the capacity of all its training colleges.
- Improved safety and security through partnerships with communities; the private sector; other departments and spheres of government. Part of this initiative is to extend the Neighbourhood Watch support programme to more areas; ensures the presence of law enforcement agencies at public transport interchanges in partnership with transport authorities and the SAPS; continues with the School Resource Officer (SRO) programme and increase the disaster risk as well as fire public awareness programmes in all areas.

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

- The Establishment of an Integrated Emergency Contact Centre;
- Upgrading and improving the driving and licencing testing centres;
- The complete phase 2 of the Vehicle Impoundment Facility in Maitland;
- Complete the final phase of the Atlantis Driving Licensing and Testing centre;
- Complete the final phase of the CCTV camera installation in Athlone and Bellville;
- Replacement and acquisition of additional radios and equipment; and
- Acquisition and replacement of vehicles.

Table 68 Safety and Security - operating revenue by source, expenditure by type and total capital expenditure

Directorate: Safety & Security									
Budgeted Financial Performance (revenue and expenditure)									
Description	2010/11	2011/12	2012/13	2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Operating Revenue By Source									
Property rates	-	-	-	-	-	-	-	-	-
Property rates - penalties & collection charges	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	-	-	-	-	-	-	-	-	-
Service charges - water revenue	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	-	-	-	175	175	175	185	196	206
Service charges - other	15 464	22 489	19 700	9 712	10 133	10 133	10 154	10 722	11 301
Rental of facilities and equipment	177	457	439	193	193	193	202	213	223
Interest earned - external investments	27	12	6	5	5	5	7	7	8
Interest earned - outstanding debtors	974	975	1 348	501	501	501	501	529	557
Dividends received	-	-	-	-	-	-	-	-	-
Fines	162 754	140 146	96 180	178 673	164 126	164 126	171 315	180 909	190 678
Licences and permits	35 196	37 409	36 045	31 425	32 105	32 105	33 747	45 637	62 561
Agency services	10 671	12 384	14 621	10 993	10 993	10 993	10 993	11 609	12 236
Transfers recognised - operational	3 519	5 624	12 825	30 222	36 521	36 521	11 666	7 440	-
Other revenue	1 210	1 399	1 763	51	51	51	168	177	187
Gains on disposal of PPE	67	127	164	-	-	-	-	-	-
Total Operating Revenue (excluding capital transfers and contributions)	230 059	221 022	183 090	261 949	254 802	254 802	238 938	257 439	277 957
Operating Expenditure By Type									
Employee related costs	912 975	1 028 761	1 160 026	1 276 366	1 265 353	1 265 353	1 308 520	1 422 361	1 541 839
Remuneration of councillors	-	-	20	-	-	-	-	-	-
Debt impairment	-	-	-	-	-	-	-	-	-
Depreciation & asset impairment	35 766	35 599	36 823	42 736	41 523	41 523	33 799	36 165	38 696
Finance charges	-	-	-	-	-	-	-	-	-
Bulk purchases	-	-	-	-	-	-	-	-	-
Other materials	2 936	2 542	3 049	4 684	5 089	5 089	4 726	5 057	5 402
Contracted services	17 807	20 580	22 355	33 137	32 263	32 263	50 187	53 626	57 203
Transfers and grants	-	-	-	-	-	-	-	-	-
Other expenditure	140 072	149 573	158 916	163 452	167 840	167 840	180 929	190 596	200 899
Loss on disposal of PPE	99	44	15	-	-	-	-	-	-
Total Operating Expenditure	1 109 655	1 237 101	1 381 203	1 520 375	1 512 067	1 512 067	1 578 161	1 707 804	1 844 040
Operating Surplus/(Deficit)	(879 597)	(1 016 079)	(1 198 113)	(1 258 425)	(1 257 265)	(1 257 265)	(1 339 222)	(1 450 366)	(1 566 083)
Transfers recognised - capital	580	2 869	2 659	-	1 672	1 672	2 234	-	-
Contributions recognised - capital	-	-	-	-	1 000	1 000	-	-	-
Contributed assets	-	-	15	-	-	-	-	-	-
Operating Surplus/(Deficit) for the year	(879 017)	(1 013 210)	(1 195 439)	(1 258 425)	(1 254 593)	(1 254 593)	(1 336 988)	(1 450 366)	(1 566 083)
Capital Expenditure	27 377	67 079	55 708	67 927	64 080	64 080	70 529	40 127	35 127

2.12.10 Social and Early Childhood Development (Vote 11)

Like many other cities in South Africa, Cape Town faces the challenge of social ills such as lack of social cohesion within families, poverty, unemployment, alcohol and drug abuse, HIV/AIDS, TB, gangsterism, increasing cost of living and lack of financial means to access socio-economic services. The extent of the social decay outweighs 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.

The South African Constitution mandates local government to “promote social and economic”. Social Development is understood broadly as the overall improvement of as well as the enhancement in quality of life of all people, especially people who are poor and marginalised.

The Social Development and Early Childhood Development Directorate (SDECD), 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) to providing social services and early childhood development to those who need it. In giving effect to its mandate, SDECD concluded an Implementation Protocol Agreement with the Western Cape Provincial Department of Social Services, which enables SDECD to collaborate on a number of its programmes with same.

SDECD will be the driver within the Social Cluster of a transversal management system. Greater emphasis will be placed on ensuring inter-directorate coordination when addressing social developmental and early childhood developmental needs of communities.

To enable seamless implementation of programmes, eight service delivery areas (currently at central CBD accommodation) will be established within their designated communities.

SDECD focuses on preventative social developmental and early childhood developmental programmes aimed at strengthening social cohesion by creating awareness and resilience within vulnerable communities in Cape Town. This includes involving communities when SDECD programmes are implemented.

Interventions rely on available resources, and will be prioritized in areas of need, with the focus being on Gang and Substance Abuse Awareness, Youth Development, Street People and Early Childhood Development. To this end, SDECD will work towards establishing a Street People re-integration unit, as well as greater support at Assessment Centres and Early Childhood Development Centres. Identified sites will be equipped (in collaboration with the Department of Justice and the Department of Social Development PGWC) to implement skills development, diversion programmes etc. to people at risk of living on the street, thus aimed at reducing the number of people living on the streets of Cape Town.

Substance Abuse:

Substance abuse is a priority area, given the high incidence of drug and alcohol abuse in Cape Town. The City will collaborate with partners at local and provincial level to offer initiatives that promote awareness of substance abuse and provide support for the substance abuse

programme. This includes involving communities when programmes are implemented. The programme entails the following key projects and interventions:

- Manage the “Be Smart, Don’t Start” project
- Establish Local Drug Action Committees and capacitate them to carry out preventative projects
- Forge partnerships with PGWC, NGOs and CBOs
- Concentrate on awareness programmes concerning the negative impact of substance abuse
- Collaborate with schools to implement substance abuse awareness sessions via MOD centres
- SDECD will drive implementation of the City’s interventions targeting Gang & Substance Abuse through the Social Cluster of the transversal management system

Street People:

The aim is to effectively reduce the number of people living, sleeping and surviving on the streets, as well as ensuring that street people are given the necessary development assistance to achieve reintegration, accommodation and employment. Reduce the number of citizens living on the streets. This is achieved through the implementation of the street people programme. The programme entails the following key projects and interventions:

- Manage the “Give Responsibly” campaign
- Compile database of street people
- Provide assessment centres (including referral services) access to other services, including physical and mental assessment, referrals for bed space, rehabilitation and reintegration to communities of origin
- Implement the Winter Readiness programme
- Deal with street people matters on a daily basis in conjunction with the Displaced People’s Unit
- Establishment of a re-integration unit
- Create employment opportunities through EPWP programmes

Early Childhood Development:

The ECD period, from birth to age six, is the most critical time in a child’s development, during which children require the most care and support. The ECD period is when cognitive stimulation, nutrition and emotional attachment all work together to shape the identity, coping skills, intelligence and problem-solving abilities that children will need to grow into positively adjusted adolescents and adults. The aim of the programme is therefore to offer quality ECD services with a variety of development components, such as the following:

- Assist with ECD centres’ registrations in collaboration with relevant departments within the City of Cape Town and Department of Social Development (PGWC)
- Train ECD practitioners, caregivers and parents in capacity building
- Conduct regular surveys/audits on registered and unregistered crèches in conjunction with PGWC
- Construct ECD centres on City-owned land in identified areas of need
- Maintain City-owned ECD centres
- Contribute towards ECD curriculum development
- Assist non-complying ECD centres and act against on-going non-compliance

Youth Development:

The City is committed to the development of its youth, and recognises the important role they play in society. Multifaceted Youth Development interventions, taking into account the many challenges facing the youth, will be implemented across the city, with the aim to deliver the following:

- Life skills and employment skills for youth
- Career planning and referrals for further training within the City and other institutions offering further training aimed at improving employability of youth
- Identifying youth for leadership development programmes
- Collaborating with Department of Social Development (PGWC) to render support to youth at risk
- SDECED will drive implementation of the City's interventions targeting Gang & Substance Abuse through the Social Cluster of the transversal management system

Poverty Alleviation and Reduction:

Being a caring city requires a targeted effort to care for the marginalised & vulnerable in Cape Town. Given the economic environment of increasing unemployment and number of residents living below the poverty line, indigent programmes and other economic enabling measures require urgent attention. Collaboration with a range of partners is essential. This will require corporate social investment (CSI) as well as social entrepreneurship initiatives to create sustainable opportunities and promote independence over time.

The programme entails the following key projects and interventions:

- Establishment of Community Gardens, including, but not limited to: food gardens; soup kitchens; feeding schemes; recycling projects.
- Receiving food vouchers for jobs at these community gardens.
- Provision of food for the destitute on an ad hoc basis.
- Active participants in the Corporate Social Investment Sector.

Vulnerable Groups:

Despite considerable progress made with regards to the legal status of vulnerable persons being entrenched in the Bill of Rights of the Constitution of South Africa, Act 108 of 1996, vulnerable groups in South Africa still do not enjoy equal rights in practice. There is a lack of an adequate human rights culture of tolerance and acceptance, aggravated by a lack of awareness and knowledge of the different types of disability, and the causes and ways of ensuring acceptance of persons with disabilities within communities. Women are still faced with challenges of unemployment, physical abuse and violence perpetrated by society. Older persons face many challenges, and ageing, which is an inevitable stage of life, requires special needs. Older Persons deserve the assistance they need. An enabling environment needs to be created where older persons can live active, healthy and independent lives for as long as possible.

Initiatives in this programme are aimed at:

- Women and Gender matters
- Senior Citizens
- Persons with disabilities
- Children at Risk

The focus is on awareness raising initiatives concerning gender based violence, abuse against senior citizens, assistance to persons living with disabilities regarding employment opportunities and assisting with care. Children at Risk are addressed in association with the ECD programme and PGWC. This includes involving communities when programmes are implemented.

Expanded Publics Work Programme (EPWP):

Work opportunities are created through the EPWP in alignment to the directorate's six programmes namely;

- Early Childhood Development
- Street People
- Substance Abuse
- Vulnerable Groups
- Youth Development
- Poverty Alleviation and Reduction

Table 69 Social and Early Childhood Development - operating revenue by source, expenditure by type and total capital expenditure

Directorate: Social and Early Childhood Development									
Budgeted Financial Performance (revenue and expenditure)									
Description	2010/11	2011/12	2012/13	2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Operating Revenue By Source									
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	11	8	5	15	15	15	8	9	9
Rental of facilities and equipment	87	86	115	386	386	386	413	433	455
Interest earned - external investments	2	1	0	-	-	-	-	-	-
Interest earned - outstanding debtors	-	-	-	-	-	-	-	-	-
Dividends received	-	-	-	-	-	-	-	-	-
Fines	1	1	1	-	-	-	-	-	-
Licences and permits	1	2	-	-	-	-	-	-	-
Agency services	-	-	-	-	-	-	-	-	-
Transfers recognised - operational	-	-	16	-	-	-	-	-	-
Other revenue	1	1	(1)	0	0	0	-	-	-
Gains on disposal of PPE	1	11	1	-	-	-	-	-	-
Total Operating Revenue (excluding capital transfers and contributions)	103	109	136	401	401	401	421	442	464
Operating Expenditure By Type									
Employee related costs	17 434	21 019	30 336	38 681	40 686	40 686	71 377	77 587	84 105
Remuneration of councillors	-	-	-	-	-	-	-	-	-
Debt impairment	-	-	-	-	-	-	-	-	-
Depreciation & asset impairment	1 622	1 360	1 901	2 106	2 434	2 434	2 597	2 779	2 974
Finance charges	-	-	-	-	-	-	-	-	-
Bulk purchases	-	-	-	-	-	-	-	-	-
Other materials	53	229	402	408	408	408	332	353	374
Contracted services	1 288	12 597	26 389	22 086	37 086	37 086	24 149	25 590	27 068
Transfers and grants	1 330	2 270	-	-	-	-	-	-	-
Other expenditure	5 497	8 501	14 364	13 814	20 199	20 199	16 097	17 006	17 934
Loss on disposal of PPE	2	3	1	-	-	-	-	-	-
Total Operating Expenditure	27 225	45 979	73 392	77 095	100 814	100 814	114 553	123 316	132 454
Operating Surplus/(Deficit)	(27 122)	(45 869)	(73 256)	(76 694)	(100 413)	(100 413)	(114 132)	(122 874)	(131 990)
Transfers recognised - capital	-	2 069	890	-	-	-	-	-	-
Contributions recognised - capital	-	-	-	-	-	-	-	-	-
Contributed assets	-	-	-	-	-	-	-	-	-
Operating Surplus/(Deficit) for the year	(27 122)	(43 800)	(72 365)	(76 694)	(100 413)	(100 413)	(114 132)	(122 874)	(131 990)
Capital Expenditure	6 909	9 446	6 791	5 460	7 838	7 838	15 660	10 860	10 860

2.12.11 Tourism, Events and Marketing (Vote 12)

TEaM Cape Town will market and develop its tourism, events, arts and culture and visitor offering through the use of its strategic assets, design-led processes 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 the world Design Capital 2014 programme, events, tourism, arts and culture as well as 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; and
- advocating design-led thinking.

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).

World Design Capital 2014 Strategic Objective

To fulfil the obligations of the Host City Agreement in response to the City of Cape Town's status as World Design Capital 2014. This include the funding of Cape Town Design NPC for the implementation of the World Design Capital 2014 programme in the greater Cape Town as well

as advocating the use of design principles by City line-departments and wards through a process of facilitation, education and collaboration.

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.

Table 70 Tourism, Events and Marketing - operating revenue by source, expenditure by type and total capital expenditure

Directorate: Tourism, Events and Marketing									
Budgeted Financial Performance (revenue and expenditure)									
Description	2010/11	2011/12	2012/13	2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Operating Revenue By Source									
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	52 617	2 504	1 889	4 379	4 369	4 369	4 719	4 984	5 253
Rental of facilities and equipment	13 259	13 244	20 692	15 764	15 764	15 764	16 576	17 404	18 275
Interest earned - external investments	0	-	-	-	-	-	-	-	-
Interest earned - outstanding debtors	0	0	9	0	0	0	0	0	0
Dividends received	-	-	-	-	-	-	-	-	-
Fines	1	1	78	100	100	100	-	-	-
Licences and permits	21	15	16	15	15	15	10	11	12
Agency services	4	-	-	-	-	-	-	-	-
Transfers recognised - operational	33 785	1 980	552	61 000	61 000	61 000	2 190	2 000	1 000
Other revenue	1 493	1 489	291	123	133	133	130	137	145
Gains on disposal of PPE	4	16	1	-	-	-	-	-	-
Total Operating Revenue (excluding capital transfers and contributions)	101 184	19 249	23 529	81 380	81 380	81 380	23 625	24 536	24 684
Operating Expenditure By Type									
Employee related costs	38 509	41 364	63 281	88 316	88 355	88 355	94 053	102 236	110 823
Remuneration of councillors	-	-	-	-	-	-	-	-	-
Debt impairment	-	-	-	-	-	-	-	-	-
Depreciation & asset impairment	203 303	176 662	189 167	193 555	195 653	195 653	200 320	214 342	229 346
Finance charges	-	-	-	-	-	-	-	-	-
Bulk purchases	-	-	-	-	-	-	-	-	-
Other materials	785	584	662	1 046	1 080	1 080	1 229	1 298	1 369
Contracted services	103 223	28 615	42 346	186 720	114 868	114 868	54 221	61 331	64 364
Transfers and grants	44 157	47 083	65 901	4 202	90 074	90 074	84 098	92 244	97 225
Other expenditure	39 087	41 251	58 382	56 985	80 971	80 971	51 466	50 682	52 635
Loss on disposal of PPE	3	1	3	-	-	-	-	-	-
Total Operating Expenditure	429 067	335 559	419 741	530 824	571 001	571 001	485 387	522 133	555 763
Operating Surplus/(Deficit)	(327 883)	(316 310)	(396 213)	(449 443)	(489 621)	(489 621)	(461 761)	(497 597)	(531 080)
Transfers recognised - capital	58 323	3 568	3 241	6 549	9 141	9 141	1 000	-	-
Contributions recognised - capital	-	-	-	-	-	-	-	-	-
Contributed assets	-	-	-	-	-	-	-	-	-
Operating Surplus/(Deficit) for the year	(269 560)	(312 742)	(392 972)	(442 894)	(480 480)	(480 480)	(460 761)	(497 597)	(531 080)
Capital Expenditure	108 834	62 875	179 084	28 661	26 530	26 530	37 781	30 200	30 200

2.12.12 Transport for Cape Town (Vote 13)

The Transport for Cape Town directorate has the responsibility for the provision and maintenance of a sustainable, integrated and intermodal transportation network as well as what happens on this network. It now operates within the parameters of the gazetted TCT Constitution Bylaws, No 7208 of 2013.

Focus areas of Transport for Cape Town 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 bus network, Public Transport Interchanges, Transport Information Centre, Transport Management Centre and other related facilities and services.
- Strategic planned management, provision and maintenance of the City's road and storm-water networks.
- Upgrading of the network, especially in previously disadvantaged areas to facilitate the improvement of the quality of life of all communities.
- Access to opportunities through the reduction of overall costs for those using public transport.
- Conservation of natural resources through the management of inland and coastal water quality.
- Compliance with Occupational Health and Safety legislation in the internal and external Transport for Cape Town environments for both capital and operating projects.

Transport for Cape Town follows a three-pronged approach to achieving its objectives and in reaching its performance and investment-based targets, namely:

- *Commuter*
 - Working toward an integrated time-tabling and ticketing system across all scheduled services.
 - Centralised communication and queries across all transportation modes.
 - Improved road, storm water, public transport and railway network management in cooperation with other relevant stakeholders.
- *Infrastructure*
 - Working toward proactive road maintenance across the entire network.
 - Freight management.
 - Overall strategic plan for upgrading of roads in residential areas.
 - Improvement of maintenance depot operational management.
 - Focus on public transport asset management.
- *Governance*
 - Taxi management.
 - Guiding the production of a 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:

- Roll out and operations of IRT infrastructure in Phase 1A, 1B and N2 Express and plans for Phase 2 and beyond.
- Planning and building of Public Transport Interchanges.
- Implementation of the National Land Transport Act, with the focus on obtaining the assignment of the Contracting Authority function and the Municipal Regulatory Function (MRE) to the City so as to facilitate integrated public transport.
- Upgrading, rehabilitation and maintenance of major roads and storm water facilities.
- Upgrading of the road, pavement and storm water network in previously disadvantaged residential areas to an acceptable and unified standard.

Table 71 Transport for Cape Town - operating revenue by source, expenditure by type and total capital expenditure

Directorate: Transport for Cape Town									
Budgeted Financial Performance (revenue and expenditure)									
Description	2010/11	2011/12	2012/13	2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Operating Revenue By Source									
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	15 383	37 721	43 109	41 788	41 788	41 788	45 872	58 441	76 057
Rental of facilities and equipment	172	63	46	11	11	11	240	252	265
Interest earned - external investments	3	1	3	0	0	0	0	0	0
Interest earned - outstanding debtors	5	4	2	0	0	0	2	2	2
Dividends received	-	-	-	-	-	-	-	-	-
Fines	24	23	15	21	21	21	22	24	25
Licences and permits	819	1 513	1 227	1 151	1 151	1 151	1 218	1 286	1 355
Agency services	-	-	-	-	-	-	-	-	-
Transfers recognised - operational	37 504	109 454	158 855	306 120	304 351	304 351	245 471	84 669	84 679
Other revenue	16 667	22 509	13 358	15 744	15 744	15 744	14 753	15 580	16 421
Gains on disposal of PPE	462	289	250	-	-	-	-	-	-
Total Operating Revenue (excluding capital transfers and contributions)	71 040	171 577	216 866	364 836	363 066	363 066	307 579	160 253	178 804
Operating Expenditure By Type									
Employee related costs	343 110	405 702	457 118	532 192	544 530	544 530	580 657	631 174	684 193
Remuneration of councillors	-	-	-	-	-	-	-	-	-
Debt impairment	-	-	-	-	-	-	-	-	-
Depreciation & asset impairment	157 425	192 048	263 918	401 017	472 045	472 045	572 188	612 241	655 098
Finance charges	-	-	-	-	-	-	-	-	-
Bulk purchases	-	-	-	-	-	-	-	-	-
Other materials	47 512	49 701	47 083	48 466	45 966	45 966	50 670	54 968	59 523
Contracted services	308 040	451 992	594 388	729 597	725 108	725 108	773 882	688 721	724 436
Transfers and grants	-	-	-	-	-	-	-	-	-
Other expenditure	156 824	169 320	202 784	184 864	208 700	208 700	187 740	154 084	160 210
Loss on disposal of PPE	16	53	20	-	-	-	-	-	-
Total Operating Expenditure	1 012 927	1 268 816	1 565 311	1 896 136	1 996 348	1 996 348	2 165 137	2 141 188	2 283 459
Operating Surplus/(Deficit)	(941 887)	(1 097 239)	(1 348 445)	(1 531 301)	(1 633 282)	(1 633 282)	(1 857 558)	(1 980 935)	(2 104 655)
Transfers recognised - capital	595 331	1 151 426	2 339 666	1 289 673	1 488 571	1 488 571	1 485 340	1 682 015	1 650 000
Contributions recognised - capital	56	-	61	4 300	3 439	3 439	24 200	100 000	100 000
Contributed assets	-	-	-	-	-	-	-	-	-
Operating Surplus/(Deficit) for the year	(346 500)	54 187	991 282	(237 328)	(141 272)	(141 272)	(348 018)	(198 920)	(354 655)
Capital Expenditure	723 893	1 280 796	2 493 517	1 415 743	1 612 231	1 612 231	1 651 931	1 922 058	1 885 673

2.12.13 Utility Services (Vote 14)

Service Mandate: The Constitution stipulates that the City has a responsibility to ensure that citizens of Cape Town have access to basic services. Utility Service's specific functions are contained in Schedule 4B pertaining to electricity reticulation, water and sanitation and schedule 5B pertaining to street lighting, cleansing, refuse removal, refuse dumps and solid waste disposal.

To meet this responsibility Utility Services must ensure 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 Management) that will enable economic development.
- To ensure equitable access to basic services for all the citizens of Cape Town.

2.12.13.1 Water and Sanitation department

The Water and Sanitation department has made significant progress in providing water and sanitation services to the City's residents since the formation of one metro administration. The principal challenge for the department is to maintain an existing water and sanitation service for the City while also providing services for an ever-increasing number of households in a sustainable way. This has to be achieved in the context of providing basic needs, ensuring economic growth, maintaining an ageing infrastructure, limiting negative environmental impact, managing water resource scarcity and consolidating a transformed metro administrative infrastructure.

The overall trend is that Cape Town's population will continue to grow each year although at a slower rate than previous years. The number of households living in informal settlements and backyards has been growing due to urbanisation, natural growth and changes in household size. If the trends continue to increase, it will eventually force more and more households into the indigent bracket or even within informal sector. Considering the latter, it means more and more people will fall within the City's subsidised housing programme which creates implications for growth of the City and its infrastructure. Increased city sprawl will increase the cost of infrastructure to new households.

Infrastructure investment also creates an environment for economic growth and is important for sustainable growth. Failure to improve the current state of infrastructure poses a serious threat to the local economy. In order to ensure medium to long-term sustainability of the existing infrastructure, proactive rehabilitation and maintenance of the infrastructure needs to be implemented.

Over the last two years, the department has succeeded in increasing its pipe replacement programme to great success, although it will take several years to reverse the trend.

An estimated minimum of R150 million/annum (2012/13 - 2016/17) and R84 million/annum is required for water pipe replacement and sewer pipe replacement respectively, including for Bulk

lines. For reticulation water mains the aim is to achieve an acceptable burst rate of less than 10 bursts/100km/year.

The City has undertaken an accelerated programme to improve the replacement of water distribution network mains, especially in areas that experience a high incidence of bursts, such as the Tygerberg district. More importantly, Water and Sanitation Services is implementing an Asset Management Programme (AMP). This will ensure that

- assets are maintained proactively rather than reactively;
- the total asset lifecycle is managed to maximise life of asset;
- maintenance work is effectively coordinated, and
- operational downtime is significantly reduced.

A very high priority is being given to a comprehensive water loss reduction strategy with detail action plans being developed for each of the technical losses (Pipe bursts, Leakage, Treatment losses, System losses), Apparent losses (illegal connections, metering inefficiencies, unmetered authorised consumption, unauthorised consumption, Billing/accounting, meter reading).

The operating budget will increase in line with the City's MTREF. This reflects the need for increasing demands to repair and maintain current infrastructure and the requirement of resources to operate new infrastructure. Consequently, there is pressure on annual tariffs increases to exceed inflation. The pressure on the operating budget needs to be addressed via above-inflation tariff increases and initiatives to ensure that money due to the City is collected.

Tariff increases implemented 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.

To achieve the required capital budget, it is necessary to maximise the use of grant funding and to make optimal use of the CRR within the financial constraints.

Key capital infrastructure projects for the next three years are as follows:

- Upgrading / Replacement of the existing water and sewer networks, rising mains and pump stations.
- Additional reservoir storage capacity.
- Augmentation of the water sources and bulk water supply.
- Upgrading and extension of various WWTW.
- Rehabilitation and maintenance of the existing water and sanitation infrastructure.

Table 72 Water & Sanitation - operating revenue by source, expenditure by type and total capital expenditure

Directorate: Utility Services									
Department: Water & Sanitation									
Budgeted Financial Performance (revenue and expenditure)									
Description	2010/11	2011/12	2012/13	2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Operating Revenue By Source									
Property rates	-	-	-	-	-	-	-	-	-
Property rates - penalties & collection charges	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	-	-	-	-	-	-	-	-	-
Service charges - water revenue	1 649 307	1 817 183	2 053 577	2 343 850	2 333 850	2 333 850	2 540 080	2 824 821	3 158 769
Service charges - sanitation revenue	903 138	1 002 925	1 091 910	1 243 019	1 243 019	1 243 019	1 338 202	1 489 197	1 666 350
Service charges - refuse revenue	-	-	-	-	-	-	-	-	-
Service charges - other	37 819	41 291	46 252	54 921	53 921	53 921	56 437	59 597	62 816
Rental of facilities and equipment	10	10	41	50	50	50	53	55	58
Interest earned - external investments	19	9	6	-	-	-	-	-	-
Interest earned - outstanding debtors	185 226	209 068	168 874	81 356	91 356	91 356	92 000	97 152	102 398
Dividends received	-	-	-	-	-	-	-	-	-
Fines	3	5	3	-	-	-	-	-	-
Licences and permits	-	-	-	-	-	-	-	-	-
Agency services	-	-	-	-	-	-	-	-	-
Transfers recognised - operational	2 915	7 360	2 305	-	-	-	-	-	-
Other revenue	11 551	32 576	16 462	12 447	12 447	12 447	14 308	15 109	15 925
Gains on disposal of PPE	2 081	3 939	9 521	2 000	2 000	2 000	3 500	3 696	3 896
Total Operating Revenue (excluding capital transfers and contributions)	2 792 068	3 114 366	3 388 950	3 737 643	3 736 643	3 736 643	4 044 579	4 489 627	5 010 212
Operating Expenditure By Type									
Employee related costs	772 770	865 593	965 912	1 130 178	1 085 913	1 085 913	1 217 459	1 322 944	1 420 021
Remuneration of councillors	-	-	-	-	-	-	-	-	-
Debt impairment	510 256	299 351	368 090	259 930	289 930	289 930	351 433	431 275	492 160
Depreciation & asset impairment	229 972	275 069	312 351	341 403	348 669	348 669	373 928	400 102	428 110
Finance charges	-	-	-	-	-	-	-	-	-
Bulk purchases	293 325	320 262	293 295	353 581	343 581	343 581	371 711	404 273	444 073
Other materials	45 775	63 237	49 999	69 928	55 127	55 127	52 021	55 986	60 153
Contracted services	361 322	417 004	549 133	527 032	605 311	605 311	615 111	620 958	742 961
Transfers and grants	-	-	-	-	-	-	-	-	-
Other expenditure	377 231	457 402	494 217	524 934	514 795	514 795	559 849	637 573	720 037
Loss on disposal of PPE	447	254	130	-	-	-	-	-	-
Total Operating Expenditure	2 591 098	2 698 172	3 033 128	3 206 985	3 243 326	3 243 326	3 541 512	3 873 112	4 307 514
Operating Surplus/(Deficit)	200 970	416 193	355 822	530 658	493 317	493 317	503 067	616 516	702 698
Transfers recognised - capital	95 134	192 281	171 251	244 290	196 369	196 369	292 310	256 470	234 500
Contributions recognised - capital	14 594	9 907	9 863	10 000	10 000	10 000	11 000	11 000	12 000
Contributed assets	-	-	-	-	-	-	-	-	-
Operating Surplus/(Deficit) for the year	310 698	618 382	536 936	784 948	699 686	699 686	806 378	883 985	949 198
Capital Expenditure	390 746	605 157	596 642	956 230	933 026	933 026	1 133 212	1 316 620	1 298 400

2.12.13.2 Solid Waste Management 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. It is also one of the providers of services in the metropolitan municipal area to:

- The management and minimisation of waste that will be collected, streamed, diverted, processed or treated, recycled;
- The management of waste that will be disposed of at a licensed, regulated landfill site inside the City's boundaries or any other waste management site under its direct control;
- All individuals residing or visiting the City, and entities doing business or providing any form of private, public or community service requiring waste management services;
- All service providers operating in the waste management industry;
- The management and regulation of all waste that may include liquid or fluid wastes, which are generated in the municipality, with special provisions for the handling, processing, treatment and disposal of hazardous waste, as well as waste generated by the health services industry (including veterinary services);
- The regulation of waste crossing the City's boundaries to ensure proper management, recycling and control of all types of waste.

Principles, service levels and standards for waste management are contained in the City's Integrated Waste Management (IWM) policy. This policy excludes waste originating from sanitation systems of whatever form, for which there are separate national and Council policies, but makes provision for the disposal of treated sewage sludges of an acceptable quality that will minimise impact on the environment, as determined by separate guidelines from time-to-time.

The IWMP aligns with the Integrated Development Plan (IDP), the Western Cape Integrated Waste Management Plan (IWMP), The Western Cape Provincial initiatives regarding Industry Waste Management Planning as required in part 7 of the National Environmental Management: Waste Act (Act 59 of 2008) as well as the Western Cape Provincial Spatial Development Framework (SDF) and the City of Cape Town Spatial Development Framework (CTSDF).

The NWMS aims to redress the past imbalances in waste management. The NWMS has a direct bearing on future waste management strategies of the SWM Department and is structured against a framework of eight goals. An action plan that sets out how the goals and targets will be met forms part of the strategy, and the actions include roles and responsibilities for different spheres of government, industry and the civil society. The eight goals are:

1. Promote waste minimisation, re-use, recycling and recovery of waste.
2. Ensure effective and efficient delivery of waste services.
3. Grow the contribution of the waste sector to the green economy.
4. Ensure that people are aware of the impact of waste on their health, well-being and the environment.
5. Achieve integrated waste management planning.
6. Ensure sound budgeting and financial management for waste services.
7. Provide measures to remediate contaminated land.
8. Establish effective compliance with and enforcement of the Waste Act.

The basis of funding is determined by the nature and the type of service and related resources, fleet, plant, equipment or infrastructure, and whether a fee can be used to recover the cost of the service (as determined by the Council's Tariff Schedule). In both the SWM Integrated Waste Management and the SWM Tariff policies the following funding groups are provided for Council's waste management functions:

Tariffs:

- Collection of refuse and waste in residential areas.
- Waste disposal and treatment, including landfill sites, transfer stations and related waste handling and waste minimisation infrastructure.

Rates:

- Cleansing services.
- Drop-off facilities.
- Waste planning, including waste minimisation.
- Support Services (incl. Human resources, administration, Finance & Commercial, Loss Control, Technical Services and management overheads).

In general the funding provided for SWM specific integrated waste management aspects are as follows:

- The Operating Costs - defined as those costs expended by the SWM in managing and implementing the day-to-day operations required for solid waste management services rendered by the City of Cape Town. It also includes the cost of external service providers, consultants and contractors employed by the SWM; the costs of repairs and maintenance of existing infrastructure, plant and equipment.
- Capital costs - include, but not limited to technical investigations/studies/consultation fees, land acquisition, infrastructure development, vehicles, plant & equipment acquisition, new buildings and facilities (i.e. liners for landfills, transfer stations, drop-off or recycling centres, composting plants, etc.).

The National Environmental Management Waste Act 59 of 2008 (NEMWA), which came into effect on 1 July 2009, requires that waste minimisation be considered by municipalities in addition to municipal services such as cleaning, collection and disposal to landfill. In developing any alternate service delivery mechanism for waste management, efficiency, effectiveness, sustainability and affordability considerations must also be taken into account within the City's municipal environment.

Having considered legislative changes, the need to give effect to waste minimisation and diversion from landfill as a key focus and the Constitutional vested service authority and responsibility to provide solid waste services, Council resolved that the preferred service delivery mechanism for Solid Waste Management be an Internal department in terms of the MSA S.76 (a) (i).

The City did an assessment in terms of Section 78 (3), Assessment of Alternative Service Delivery (ASD) mechanisms, of the Local Government Municipal Systems Act 32 of 2000 (MSA). This was needed to place the City in a position to make an informed decision as to the most appropriate mechanisms for the Solid Waste Management Department to meet new legislative requirements and to reduce waste and divert waste from landfill.

The long-term vision for the City's waste management services, is to integrate waste management services in such a way that they are able to not only provide basic services, but to augment economic activity and minimise the effects of waste on human and environmental health.

The long-term vision for the CTWM sector is -

- to improve access to basic services for residents to as close to 100% as possible within the constraints of available funds and unplanned growth;
- to develop multiple integrated initiatives that will reduce waste and the associated impacts substantially as well as contribute to and support economic development;
- to generate other sources of funding for integrated waste management through Public-Private Partnerships within the Cape Town municipal area;
- to improve the income generated by the Council's waste services;
- to optimise the utilisation of the Council's resources and capital; and
- to regulate waste and the associated services that will ensure sustainability and prevent impact or harm to people and the environment.

Table 73 Solid Waste Management - 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	2010/11	2011/12	2012/13	2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Operating Revenue By Source									
Property rates	-	-	-	-	-	-	-	-	-
Property rates - penalties & collection charges	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	-	-	-	-	-	-	-	-	-
Service charges - water revenue	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	754 111	813 268	869 207	946 946	950 629	950 629	989 721	1 067 217	1 146 776
Service charges - other	10 542	195	(459)	442	439	439	90	95	100
Rental of facilities and equipment	2	1 668	1 623	-	-	-	-	-	-
Interest earned - external investments	10	7	2	-	-	-	-	-	-
Interest earned - outstanding debtors	18 779	19 944	18 020	20 000	12 000	12 000	12 000	12 672	13 356
Dividends received	-	-	-	-	-	-	-	-	-
Fines	24	29	17	-	-	-	-	-	-
Licences and permits	-	-	7	-	-	-	-	-	-
Agency services	-	-	-	-	-	-	-	-	-
Transfers recognised - operational	-	-	11 199	10 721	21 000	21 000	-	-	-
Other revenue	880	1 786	6 211	5 150	5 145	5 145	5 732	6 053	6 380
Gains on disposal of PPE	632	2 804	8 464	-	-	-	-	-	-
Total Operating Revenue (excluding capital transfers and contributions)	784 981	839 701	914 291	983 259	989 213	989 213	1 007 543	1 086 037	1 166 613
Operating Expenditure By Type									
Employee related costs	450 515	496 877	542 713	611 693	612 329	612 329	672 157	730 265	791 229
Remuneration of councillors	-	-	-	-	-	-	-	-	-
Debt impairment	48 619	41 235	46 624	51 219	51 219	51 219	37 291	44 985	48 003
Depreciation & asset impairment	101 548	116 921	115 871	132 871	122 168	122 168	142 896	152 848	163 547
Finance charges	33 604	35 350	31 536	32 000	32 000	32 000	33 170	35 028	36 919
Bulk purchases	-	-	-	-	-	-	-	-	-
Other materials	27 949	28 662	32 368	50 421	30 682	30 682	40 355	42 781	45 272
Contracted services	473 291	446 346	570 333	525 066	574 707	574 707	564 340	670 483	703 720
Transfers and grants	385	-	-	-	-	-	-	-	-
Other expenditure	164 566	176 527	246 211	200 075	174 330	174 330	195 277	226 220	272 363
Loss on disposal of PPE	65	42	87	-	-	-	-	-	-
Total Operating Expenditure	1 300 542	1 341 961	1 585 743	1 603 345	1 597 435	1 597 435	1 685 486	1 902 610	2 061 053
Operating Surplus/(Deficit)	(515 561)	(502 260)	(671 452)	(620 086)	(608 222)	(608 222)	(677 943)	(816 573)	(894 441)
Transfers recognised - capital	57 442	47 624	50 000	50 000	24 975	24 975	50 000	5 000	39 374
Contributions recognised - capital	-	-	-	-	-	-	-	-	-
Contributed assets	-	-	-	-	-	-	-	-	-
Operating Surplus/(Deficit) for the year	(458 119)	(454 636)	(621 452)	(570 086)	(583 247)	(583 247)	(627 943)	(811 573)	(855 067)
Capital Expenditure	198 374	229 904	208 174	264 938	139 505	139 505	436 875	284 006	218 379

2.12.13.3 Cape Town 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.

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

- Market and sell Green Electricity being purchased by the City of Cape Town from the Darling Wind Farm. The Darling Wind Farm, a national demonstration project, is South Africa's first commercial wind farm, situated in Darling in the Western Cape. This four turbine (1.3MW each) wind farm is a partnership between the Central Energy Fund, the Development Bank of South Africa, the Danish Government, the private Darling Independent Power Producer and the City of Cape Town. It comprises four wind turbines of 1.3MW capacity generating 5.2MW (10 GWh annually). The electricity is 'injected' onto the nearby Eskom electrical network and replaces electricity generated by Eskom. The turbines began generating in May 2008.
- Promote and facilitate the implementation of other renewable generation systems where practical.
- Together with the Environmental Resource Management Directorate keep abreast of national and provincial developments regarding renewable energy including the development of feed-in tariffs and Carbon Credits and facilitate the incorporation thereof into City processes.
- In the light of proposed Eskom price increases, investigate the practicality of entering into long term PPA's with IPP's to provide electricity at the same price the City purchases electricity from Eskom.

Promote the finalization of national technical specifications for the connection of small scale renewable generation to utility electrical grids.

In partnership with the Environmental Resource Management Directorate, the Department 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 resource.

The department is in the process of establishing a smart meter pilot and a Utility Load Management (ULM) projects to test and assess the appropriateness, uses and availability of technologies for smart meters and improve service delivery. Once completed, the results will be used to inform the decision on whether to deploy these technologies for use in the business.

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.

Access to electricity service is achieved through the demand driven capital programme funded through developer's contributions for non-subsidized housing. Subsidized housing is funded through the electrification plan.

The budget presented is based on a combination of zero as well as parameter based budgetary methods. The planned change is premised on the framework that will allow the Finance function to add value to the business it serves.

Unless otherwise stated, financial modelling is based on the assumptions as listed below:

- Contribution to Rates Account - basis of calculation = 10% of Electricity Sales (excl FBE)
- System energy growth calculation based on recent and current energy consumptive patterns
- CPIX as determined by Corporate Finance for the next three years
- Effective Eskom increase is based on the NERSA approved multi-year pricing determination
- Collection ratio of 98% for the next three years

The capital funded from a number of funding sources with the CRR and CGD being the largest. It is critically important that a benchmark for the investment in refurbishment is established in accordance with international best practice to ensure good quality of supply and excellent customer and delivery service. External Financing Fund (EFF) envelopes are set by Corporate Finance and increases in capital charges related to this funding source have an impact on tariffs. With effect from the 2014/15 financial year, non-generating revenue projects in respect of infrastructure and refurbishment have been moved from EFF (loans) to CRR (revenue) funding. This practise over an extended period will have the effect of reducing tariff increase requirements.

The structure of the current and medium-term future residential tariffs has multiple objectives:

- To provide protection to the poor through a cross-subsidy from the larger consumers;
- To discourage bulk buying;
- To encourage the efficient use of electricity;
- To meet NERSA's regulatory objectives;;
- To safeguard the financial sustainability of the distributor as best possible.

Eskom have recently completed a "Cost to Serve" study, which resulted in the municipal supply tariffs for 2013/14 (i.e. the tariffs at which municipal distributors purchase electricity) increasing at a lower rate than the average Eskom increase. This in turn resulted in a lower than otherwise expected increase for the municipal consumers for the same period.

The City's Electricity department has recently commenced with our own "Cost of Supply" study, with the intention of being able to determine the levels at which the tariffs should be set, as well as being able to then also quantify exactly what subsidies exist and how much these are. The study is expected to be refined over a number of years; with the first basic version being complete in time for the 2015/16 financial year. At that time a migration path will be prepared in order for the relevant adjustments over the medium-term to be made, should any be required.

Table 74 Cape Town Electricity - operating revenue by source, expenditure by type and total capital expenditure

Directorate: Utility Services									
Department: Cape Town Electricity									
Budgeted Financial Performance (revenue and expenditure)									
Description	2010/11	2011/12	2012/13	2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Operating Revenue By Source									
Property rates	-	-	-	-	-	-	-	-	-
Property rates - penalties & collection charges	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	6 578 063	8 061 648	8 852 879	9 668 405	9 483 473	9 483 473	10 072 229	10 827 646	11 661 375
Service charges - water revenue	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	-	-	-	-	-	-	-	-	-
Service charges - other	243 204	5 833	5 036	4 658	4 658	4 658	4 662	4 923	5 189
Rental of facilities and equipment	195	580	385	372	372	372	400	420	441
Interest earned - external investments	12	6	2	3	3	3	1	1	1
Interest earned - outstanding debtors	14 416	13 128	15 437	16 474	16 474	16 474	13 500	14 256	15 026
Dividends received	-	-	-	-	-	-	-	-	-
Fines	2	2	-	-	-	-	-	-	-
Licences and permits	-	-	-	-	-	-	-	-	-
Agency services	-	-	-	-	-	-	-	-	-
Transfers recognised - operational	-	-	-	3 000	1 708	1 708	-	-	-
Other revenue	69 559	53 118	76 133	76 420	76 420	76 420	82 956	87 602	92 332
Gains on disposal of PPE	1 978	1 273	2 031	2 500	2 500	2 500	2 500	2 640	2 783
Total Operating Revenue (excluding capital transfers and contributions)	6 907 428	8 135 587	8 951 904	9 771 832	9 585 608	9 585 608	10 176 248	10 937 488	11 777 147
Operating Expenditure By Type									
Employee related costs	600 254	664 526	690 079	816 171	820 379	820 379	902 183	980 558	1 062 437
Remuneration of councillors	-	-	-	-	-	-	-	-	-
Debt impairment	79 120	231 764	190 954	138 747	138 747	138 747	144 263	154 342	166 834
Depreciation & asset impairment	251 080	288 055	322 817	379 233	366 749	366 749	447 724	479 065	512 599
Finance charges	-	-	-	-	-	-	-	-	-
Bulk purchases	4 326 779	5 385 001	6 097 891	6 545 300	6 264 330	6 264 330	6 678 300	7 205 955	7 781 805
Other materials	98 443	78 276	95 675	126 800	126 800	126 800	117 034	126 893	137 334
Contracted services	129 622	125 516	135 466	143 010	141 981	141 981	152 938	165 026	177 765
Transfers and grants	-	-	-	-	-	-	-	-	-
Other expenditure	216 809	203 409	205 730	274 073	272 297	272 297	309 005	326 697	344 720
Loss on disposal of PPE	546	260	339	-	-	-	-	-	-
Total Operating Expenditure	5 702 653	6 976 807	7 738 950	8 423 335	8 131 285	8 131 285	8 751 447	9 438 536	10 183 494
Operating Surplus/(Deficit)	1 204 775	1 158 781	1 212 954	1 348 497	1 454 323	1 454 323	1 424 802	1 498 953	1 593 653
Transfers recognised - capital	15 857	94 406	170 873	227 059	269 184	269 184	208 304	260 055	236 000
Contributions recognised - capital	25 790	27 077	22 431	33 100	29 400	29 400	33 300	35 300	38 300
Contributed assets	-	-	-	-	31 144	31 144	-	-	-
Operating Surplus/(Deficit) for the year	1 246 422	1 280 263	1 406 257	1 608 656	1 784 051	1 784 051	1 666 405	1 794 308	1 867 953
Capital Expenditure	733 508	926 127	1 235 012	1 457 964	1 363 543	1 363 543	1 301 372	1 384 632	1 264 210

2.13 Annual budgets and service delivery agreements – entities

2.13.1 Executive Summary

CTICC's financial history reflects that despite challenging global and national economic backdrop, the company has managed to generate an operating profit year on year. As a municipal entity the CTICC is mandated to ensure its self-sustainability while also contributing to GDP and job creation.

The financial plan for 2014/15 reflects that, with the projected hosting of 500 events, the company will be generating both an operating and net profit for the year with growth of 8% year-on-year. The 2014/15 operational plans, which are factored into the budgets, have taken into account growth in primary and secondary revenue streams as well as the continuous drive to save on costs. The business needs in respect of capital expenditure for the existing building, which is also funded from CTICC reserves, have been budgeted at R27 million for the year. This capital expenditure is for new and existing assets, which will result in CTICC remaining a world class facility. Capital expenditure on the expansion of the CTICC is budgeted at R52.1 million for the year, which is funded from the contribution of the parent municipality to the share capital of the company.

The 2014/15 budget reflects positive results showing a net profit before tax of R17.8 million. The budget indicates an increase in total revenues of 8% compared to 2013/14 forecast budget, which is 2% more than current inflation rate and is more or less in line with the average revenue trend increase over the past five years. Total indirect costs have been budgeted at an increase of 5% on total indirect costs, which is also in line with inflation. The operating profit before interest and depreciation reflects a 26% growth compared to 2013/14 forecast budget.

The 2014/15 budget includes 35% (R29 million) "blue sky" revenue as the budget is prepared for the City well in advance of the start date of the 2014/15 financial year where there are few bookings in the system on which the budget can be based. The budgeted operating profit before interest and depreciation for 2014/15 has been budgeted at R27.5 million, which is R5.6 million more than the 2013/14 budget.

Due to the nature of the CTICC's business and the increase in short term bookings the CTICC has always included a portion of "unknown" revenue for the unknown or short term business. As venue rental income is the primary source of revenue the other revenue streams budgets are prepared with these same assumptions.

Furthermore, direct costs have been budgeted on the cost of sales percentage trends of 32% of the catering revenue and direct personnel being 14% of catering revenue. Gross Margins is budgeted to be maintained at an average of 78%. Indirect costs have been budgeted to increase at inflation, which is currently 6% for most of the categories of indirect costs except for maintenance, electricity, water, refuse, personnel costs and building costs, which have been budgeted to increase in line with City's guidelines. The 2014/15 budget reflects a R27.5 million profit before interest and depreciation and a R17.8 million profit before tax.

2.13.2 Service Delivery Agreement between the City and the CTICC

The table below shows the service delivery agreement details.

Table 75 CTICC – 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	n/a
Monetary value	No current operating funding from the City.
Ownership and control	<p><u>Shares:</u> City of Cape Town - 50.2% Provincial Government of Western Cape - 25.1% SunWest International Pty Ltd - 24.7%</p> <p>The City has voting rights of 66%</p>
Oversight processes	The Shareholding Management department in the City is the dedicated unit monitoring performance and ensuring compliance.
Mandate	Provide a world class international conference centre.
Funding over medium term	<p>Expansion of the Convention Centre will result in additional funding being required.</p> <p>Council approved a contribution not exceeding R550 million.</p> <p>Provincial Government: Western Cape committed R161 million.</p> <p>The CTICC is to obtain loan funding of R100 million.</p>
Summary of SDA	Sets out the obligations of Convenco and the City in respect of compliance and performance issues.
Link to IDP	SFA 1: Opportunity City
Past performance and future objectives	Has exceeded its targets in the past. Convenco is confident that it will maintain its present levels of bookings despite the world economic downturn.

Besides the normal operating expenditure, maintenance and depreciation are major operating expenditure items on the Convenco 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.

The aggregated annual budget, as required in terms of section 25 of the MBRR, are presented in the five primary budget tables on page 152 to page 156. These tables reflect the CTICC's 2014/15 budget and MTREF to be supported by Council and made public for comment.

Schedule D reflecting the annual budget and supporting documents for the CTICC is attached as Annexure 14 while the business plan is attached as Annexure 15.

Table 76 CTICC - Table D1 Budget Summary

Description	2010/11	2011/12	2012/13	Current Year 2013/14			Medium Term Revenue and Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousands									
Financial Performance									
Property rates	-	-	-	-	-	-	-	-	-
Service charges	-	-	-	-	-	-	-	-	-
Investment revenue	7 599	7 420	7 664	14 074	7 698	7 698	16 988	6 159	5 942
Transfers recognised - operational	-	-	-	-	-	-	-	-	-
Other own revenue	145 795	140 337	158 899	165 826	164 126	164 126	177 785	188 452	199 759
	153 394	147 757	166 563	179 901	171 824	171 824	194 773	194 611	205 702
Total Revenue (excluding capital transfers and contributions)									
Employee costs	32 342	32 782	36 743	41 657	41 657	41 657	44 324	47 212	50 045
Remuneration of Board Members	237	144	208	265	265	265	289	325	344
Depreciation and debt impairment	36 743	-	-	-	-	-	-	-	-
Finance charges	-	-	-	-	-	-	-	-	-
Materials and bulk purchases	-	-	-	-	-	-	-	-	-
Transfers and grants	-	-	-	-	-	-	-	-	-
Other expenditure	79 974	104 042	102 896	124 038	125 670	125 670	132 337	140 301	148 719
Total Expenditure	149 295	136 968	139 847	165 959	167 592	167 592	176 951	187 838	199 108
Surplus/(Deficit)	4 099	10 789	26 716	13 941	4 232	4 232	17 822	6 773	6 593
Transfers recognised - capital	-	-	-	-	-	-	-	-	-
Contributions recognised - capital & contributed assets	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	4 099	10 789	26 716	13 941	4 232	4 232	17 822	6 773	6 593
Taxation	6 426	4 114	8 877	3 904	1 185	1 185	4 990	1 896	1 846
Surplus/ (Deficit) for the year	(2 327)	6 675	17 839	10 038	3 047	3 047	12 832	4 877	4 747
Capital expenditure & funds sources									
Capital expenditure	35 332	17 326	29 327	245 665	41 941	41 941	78 779	384 254	399 600
Transfers recognised - capital	-	-	-	219 800	-	-	52 100	356 900	301 000
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	71 400
Internally generated funds	35 332	17 326	29 327	25 865	41 941	41 941	26 679	27 354	27 200
Total sources of capital funds	35 332	17 326	29 327	245 665	41 941	41 941	78 779	384 254	399 600
Financial position									
Total current assets	143 086	139 932	168 644	301 118	369 020	369 020	565 951	464 551	202 537
Total non current assets	180 417	176 273	185 429	268 857	202 047	202 047	254 119	610 064	979 655
Total current liabilities	49 014	36 443	58 748	45 585	42 695	42 695	48 865	48 534	51 364
Total non current liabilities	8 318	6 915	4 640	6 915	4 640	4 640	4 640	4 640	104 640
Community wealth/Equity	266 171	272 846	290 686	517 474	523 733	523 733	766 565	1 021 441	1 026 189
Cash flows									
Net cash from (used) operating	45 277	15 925	51 652	39 379	11 710	11 710	44 512	31 919	36 593
Net cash from (used) investing	(35 007)	(17 417)	(29 737)	(94 665)	(41 941)	(41 941)	(78 779)	(384 254)	(399 600)
Net cash from (used) financing	-	-	-	230 000	230 000	230 000	230 000	250 000	100 000
Cash/cash equivalents at the year end	134 425	132 933	154 848	329 562	354 617	354 617	550 351	448 015	185 009

Table 77 CTICC - Table D2 Budgeted Financial Performance (revenue and expenditure)

Description	2010/11	2011/12	2012/13	Current Year 2013/14			Medium Term Revenue and Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousands									
Revenue by Source									
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	62 834	64 952	74 158	78 511	78 511	78 511	84 247	89 302	94 660
Interest earned - external investments	7 599	7 420	7 664	14 074	7 698	7 698	16 988	6 159	5 942
Interest earned - outstanding debtors	-	-	-	-	-	-	-	-	-
Dividends received	-	-	-	-	-	-	-	-	-
Fines	-	-	-	-	-	-	-	-	-
Licences and permits	-	-	-	-	-	-	-	-	-
Agency services	-	-	-	-	-	-	-	-	-
Transfers recognised - operational	-	-	-	-	-	-	-	-	-
Other revenue	82 961	75 385	84 741	87 315	85 615	85 615	93 538	99 150	105 099
Gains on disposal of PPE	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)	153 394	147 757	166 563	179 901	171 824	171 824	194 773	194 611	205 702
Expenditure By Type									
Employee related costs	32 342	32 782	36 743	41 657	41 657	41 657	44 324	47 212	50 045
Remuneration of Directors	237	144	208	265	265	265	289	325	344
Debt impairment	-	-	-	-	-	-	-	-	-
Collection costs	-	-	-	-	-	-	-	-	-
Depreciation & asset impairment	36 743	21 537	20 443	25 323	25 323	25 323	26 707	28 310	30 008
Finance charges	-	-	-	-	-	-	-	-	-
Bulk purchases	-	-	-	-	-	-	-	-	-
Other materials	-	-	-	-	-	-	-	-	-
Contracted services	-	-	-	-	-	-	-	-	-
Transfers and grants	-	-	-	-	-	-	-	-	-
Other expenditure	79 974	82 505	82 452	98 715	100 347	100 347	105 630	111 992	118 711
Loss on disposal of PPE	-	-	-	-	-	-	-	-	-
Total Expenditure	149 295	136 968	139 847	165 959	167 592	167 592	176 951	187 838	199 108
Surplus/(Deficit)	4 099	10 789	26 716	13 941	4 232	4 232	17 822	6 773	6 593
Transfers recognised - capital	-	-	-	-	-	-	-	-	-
Contributions recognised - capital	-	-	-	-	-	-	-	-	-
#N/A	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	4 099	10 789	26 716	13 941	4 232	4 232	17 822	6 773	6 593
Taxation	6 426	4 114	8 877	3 904	1 185	1 185	4 990	1 896	1 846
Surplus/ (Deficit) for the year	(2 327)	6 675	17 839	10 038	3 047	3 047	12 832	4 877	4 747

Table 78 CTICC - Table D3 Capital Budget by vote and funding

Vote Description	2010/11	2011/12	2012/13	Current Year 2013/14			Medium Term Revenue and Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousands									
<i>Building enhancements</i>	28 117	11 084	8 311	9 650	13 456	13 456	13 300	11 995	12 834
IT & electronic infrastructure	2 589	3 400	6 363	10 895	13 153	13 153	9 029	10 849	9 661
Kitchen enhancements	2 034	874	1 411	880	880	880	960	1 500	1 027
Catering furniture & equipment	2 593	1 968	1 398	4 440	4 440	4 440	3 390	3 010	3 678
CTICC EAST	-	-	11 844	219 800	10 012	10 012	52 100	356 900	372 400
Capital single-year expenditure sub-total	35 332	17 326	29 327	245 665	41 941	41 941	78 779	384 254	399 600
Total Capital Expenditure	35 332	17 326	29 327	245 665	41 941	41 941	78 779	384 254	399 600
Funded by:									
National Government	-	-	-	-	-	-	-	-	-
Provincial Government	-	-	-	-	-	-	-	108 900	51 100
Parent Municipality	-	-	-	219 800	-	-	52 100	248 000	249 900
District Municipality	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	-	-	-	219 800	-	-	52 100	356 900	301 000
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	71 400
Internally generated funds	35 332	17 326	29 327	25 865	41 941	41 941	26 679	27 354	27 200
Total Capital Funding	35 332	17 326	29 327	245 665	41 941	41 941	78 779	384 254	399 600

Table 79 CTICC - Table D4 Budgeted Financial Position

Description	2010/11	2011/12	2012/13	Current Year 2013/14			Medium Term Revenue and Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousands									
ASSETS									
Current assets	-	-	-	-	-	-	-	-	-
Cash	13 567	6 597	3 286	-	-	-	-	-	-
Call investment deposits	120 858	126 336	151 562	286 586	354 617	354 617	550 351	448 016	185 009
Consumer debtors	-	-	-	-	-	-	-	-	-
Other debtors	7 277	5 622	12 676	12 672	12 542	12 542	13 586	14 401	15 265
Current portion of long-term receivables	-	-	-	-	-	-	-	-	-
Inventory	1 385	1 377	1 120	1 860	1 860	1 860	2 014	2 135	2 263
Total current assets	143 086	139 932	168 644	301 118	369 020	369 020	565 951	464 551	202 537
Non current assets									
Long-term receivables	-	-	-	-	-	-	-	-	-
Investments	0	-	0	0	(0)	-	-	-	-
Investment property	-	-	-	-	-	-	-	-	-
Property, plant and equipment	180 417	176 273	185 429	268 856	202 048	202 047	254 119	610 064	979 655
Agricultural assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-
Total non current assets	180 417	176 273	185 429	268 857	202 047	202 047	254 119	610 064	979 655
TOTAL ASSETS	323 503	316 205	354 074	569 975	571 067	571 067	820 070	1 074 615	1 182 192
LIABILITIES									
Current liabilities									
Bank overdraft	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-
Consumer deposits	11 203	16 497	25 071	9 950	9 848	9 848	10 667	11 307	11 986
Trade and other payables	35 344	16 879	30 988	32 031	29 639	29 639	35 039	33 802	35 666
Provisions	2 468	3 068	2 689	3 605	3 208	3 208	3 159	3 425	3 712
Total current liabilities	49 014	36 443	58 748	45 585	42 695	42 695	48 865	48 534	51 364
Non current liabilities									
Borrowing	-	-	-	-	-	-	-	-	100 000
Provisions	8 318	6 915	4 640	6 915	4 640	4 640	4 640	4 640	4 640
Total non current liabilities	8 318	6 915	4 640	6 915	4 640	4 640	4 640	4 640	104 640
TOTAL LIABILITIES	57 332	43 359	63 388	52 501	47 334	47 334	53 505	53 174	156 004
NET ASSETS	266 171	272 846	290 686	517 474	523 733	523 733	766 565	1 021 441	1 026 189
COMMUNITY WEALTH/EQUITY									
Accumulated Surplus/(Deficit)	(299 469)	(292 793)	(274 954)	(278 166)	(271 907)	(271 907)	(259 075)	(254 198)	(249 451)
Reserves	-	-	-	-	-	-	-	-	-
Share capital	565 640	565 640	565 640	795 640	795 640	795 640	1 025 640	1 275 640	1 275 640
TOTAL COMMUNITY WEALTH/EQUITY	266 171	272 846	290 686	517 474	523 733	523 733	766 565	1 021 441	1 026 189

Table 80 CTICC – Table D5 Budgeted Cash Flow

Description	2010/11	2011/12	2012/13	Current Year 2013/14			Medium Term Revenue and Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousands									
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Ratepayers and other	144 074	149 435	162 147	27 090	4 932	4 932	83 203	88 487	93 796
Government - operating	-	-	-	-	-	-	-	-	-
Government - capital	-	-	-	-	-	-	-	-	-
Interest	7 660	7 466	7 704	14 074	7 698	7 698	16 988	6 159	5 942
Dividends	-	-	-	-	-	-	-	-	-
Payments									
Suppliers and employees	(106 396)	(140 930)	(118 158)	(1 785)	(920)	(920)	(55 679)	(62 727)	(63 145)
Finance charges	(61)	(46)	(40)	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	-	-	-	-
Transfers and Grants	-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES	45 277	15 925	51 652	39 379	11 710	11 710	44 512	31 919	36 593
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE	325	-	-	0	0	0	-	-	-
Decrease (increase) in non-current debtors	-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-
Payments									
Capital assets	(35 332)	(17 417)	(29 737)	(94 665)	(41 941)	(41 941)	(78 779)	(384 254)	(399 600)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(35 007)	(17 417)	(29 737)	(94 665)	(41 941)	(41 941)	(78 779)	(384 254)	(399 600)
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	230 000	230 000	230 000	230 000	250 000	100 000
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-	-	-
Payments									
Repayment of borrowing	-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES	-	-	-	230 000	230 000	230 000	230 000	250 000	100 000
NET INCREASE/ (DECREASE) IN CASH HELD	10 270	(1 492)	21 915	174 714	199 769	199 769	195 733	(102 335)	(263 006)
Cash/cash equivalents at the year begin:	124 154	134 425	132 933	154 848	154 848	154 848	354 617	550 351	448 015
Cash/cash equivalents at the year end:	134 425	132 933	154 848	329 562	354 617	354 617	550 351	448 015	185 009

2.14 Contracts having future budgetary implications

Table 81 MBRR SA33 - Contracts having future budgetary implications

Description	Preceding Years	Current Year 2013/14	2014/15 Medium Term Revenue & Expenditure Framework			Forecast 2017/18	Forecast 2018/19	Forecast 2019/20	Forecast 2020/21	Forecast 2021/22	Forecast 2022/23	Forecast 2023/24	Total Contract Value
	Total	Original Budget	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
Expenditure Obligation By Contract													
<i>Transnet (waste from Athlone Transfer Station to Vissershok landfill site from 2013/14 to 2023/24)</i>	–	16 800	18 500	20 400	22 400	24 640	27 100	29 810	32 800	36 080	39 680	43 650	311 860
<i>AFS (Automated Fuel Systems)</i>	520 164	186 016	196 247	207 040	218 427	230 441	–	–	–	–	–	–	1 558 336
<i>CALGROM3 - Scottsdene</i>	22 307	20 095	–	–	–	–	–	–	–	–	–	–	42 403
<i>Power Construction - Pelican Park</i>	5 674	84 226	87 000	5 000	–	–	–	–	–	–	–	–	181 900
<i>LA Solomons Property Development and Consulting - Kanonkop</i>	558	548	–	–	–	–	250	250	302	–	–	–	1 908
<i>Provision of professional services for Kapteinsklip Station precinct and Mhandi coastal node: Development Framework, Environmental and Land Use</i>	80	2 020	1 900	1 000	–	–	–	–	–	–	–	–	5 000
<i>ABSA BANK: Main Bank Tender and other services</i>	6 144	4 784	6 563	7 285	8 092	6 956	–	–	–	–	–	–	39 825
Total Operating Expenditure Implication	554 928	314 489	310 210	240 725	248 920	262 037	27 350	30 060	33 102	36 080	39 680	43 650	2 141 231
Capital Expenditure Obligation By Contract													
<i>Provision of multidisciplinary professional services: new office building for Water & Sanitation</i>	–	500	10 500	70 900	100 000	21 000	–	–	–	–	–	–	202 900
<i>Design and contract administration of Muldersvlei Reservoir</i>	265	500	6 734	56 200	56 200	38 500	901	–	–	–	–	–	159 300
<i>Provision of professional services: Contermanskloof Reservoir: design, tender documentation, contract administration and construction monitoring of a 100 Ml reservoir and associated infrastructure</i>	–	6 000	20 000	49 000	18 438	500	–	–	–	–	–	–	93 938
<i>Provision of professional engineering consultancy services: Zandvliet Wastewater Treatment Works, 18ML/d capacity extension and associated infrastructure refurbishment</i>	–	–	59 050	67 000	50 000	–	–	–	–	–	–	–	176 050
<i>CALGROM3 - Scottsdene</i>	224 677	42 961	30 000	2 000	–	–	–	–	–	–	–	–	299 638
<i>Power Construction - Pelican Park</i>	28 934	39 603	–	–	–	–	–	–	–	–	–	–	68 537
<i>AECOM (BKS) - CRU</i>	408 568	130 493	71 686	–	–	–	–	–	–	–	–	–	610 747
<i>Aurecon - CRU</i>	456 358	150 114	103 619	–	–	–	–	–	–	–	–	–	710 090
<i>LA Solomons Property Development and Consulting - Kanonkop</i>	697	500	500	–	–	500	500	500	–	–	–	–	3 197
Total Capital Expenditure Implication	1 119 499	370 670	302 089	245 100	224 638	60 500	1 401	500	–	–	–	–	2 324 398
Total Parent Expenditure Implication	1 674 427	685 159	612 300	485 825	473 558	322 537	28 751	30 560	33 102	36 080	39 680	43 650	4 465 629

Table 82 Projects having future budgetary implications

Description	Preceding Years	Current Year 2013/14	2014/15 Medium Term Revenue & Expenditure Framework			Forecast 2017/18	Forecast 2018/19	Forecast 2019/20	Forecast 2020/21	Forecast 2021/22	Forecast 2022/23	Forecast 2023/24	Total Contract Value
	Total	Adjusted Budget	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
Capital Expenditure Obligation By Project													
<i>Cape Town Electricity: SCADA System RTUs</i>	4 222	4 211	2 500	2 750	1 250	1 250	750	-	-	-	-	-	16 933
<i>Cape Town Electricity: SCADA W Integration (RTU)</i>	5 472	3 923	2 250	3 000	3 250	2 180	2 180	-	-	-	-	-	22 256
<i>Cape Town Electricity: HV Switchgear Replacement</i>	27 146	933	7 190	5 100	5 600	5 900	-	-	-	-	-	-	51 868
<i>Cape Town Electricity: Asbestos Roofing Replace. - Metro Wide</i>	16 520	3 400	2 000	2 000	2 000	2 000	2 000	-	-	-	-	-	29 920
<i>Cape Town Electricity: Outage Management System</i>	518	7 500	12 500	750	750	750	-	-	-	-	-	-	22 768
<i>Cape Town Electricity: HV Cables - Link box repl & Installation</i>	1 864	3 000	3 000	3 000	3 000	3 000	3 000	-	-	-	-	-	19 864
<i>Cape Town Electricity: Steenbras: Refurbishment of Main Plant</i>	-	5 000	15 000	40 000	40 000	45 000	45 000	-	-	-	-	-	190 000
<i>Cape Town Electricity: SCADA Master Station Upgrade</i>	-	22 550	2 451	800	800	800	1 000	-	-	-	-	-	28 401
<i>Cape Town Electricity: Bofors Main Substation Upgrade</i>	-	-	39 492	68 101	1 006	-	-	-	-	-	-	-	108 600
<i>Water & Sanitation: Trappies Sewerage System</i>	5 837	-	500	10 000	30 000	20 000	-	-	-	-	-	-	66 337
<i>Water & Sanitation: Rehab Outfall Sewers Pentz Sandrift m/qu</i>	8 300	5 882	31 500	12 000	10 000	10 000	10 000	10 000	-	50 000	-	-	147 682
<i>Water & Sanitation: Zandvliet WWTW-Extension</i>	422	-	59 050	67 000	50 000	-	-	-	-	-	-	-	176 472
<i>Water & Sanitation: Regional resources development</i>	15 548	10 000	10 600	10 000	3 000	3 000	3 000	3 000	-	12 000	-	-	70 148
<i>Water & Sanitation: Philippi Collector Sewer</i>	-	200	2 000	7 000	74 500	58 000	45 000	-	-	-	-	-	186 700
<i>Water & Sanitation: Potsdam WWTW - Extension</i>	10 603	855	18 000	80 300	71 000	40 000	45 000	-	-	-	-	-	265 758
<i>Water & Sanitation: Bulk Water Augmentation Scheme</i>	1 558	5 300	11 230	64 800	84 200	363 600	405 800	276 450	-	65 250	-	-	1 278 188
<i>Water & Sanitation: TMS Aquifer Deep Borehole</i>	4 917	2 000	15 000	15 000	6 000	-	-	-	-	-	-	-	42 917
<i>Water & Sanitation: On-line effluent monitoring at all WWTW</i>	-	-	1 000	1 000	1 000	-	-	-	-	-	-	-	3 000
<i>Water & Sanitation: Construction of new Head Office</i>	-	500	10 500	70 900	100 000	21 000	-	-	-	-	-	-	202 900
<i>Water & Sanitation: Water Supply at Baden Powell Dr to Khaye</i>	-	120	2 000	6 500	6 500	23 000	11 000	-	-	-	-	-	49 120
<i>Water & Sanitation: Upgrade clarifiers - Bellville WWTW</i>	-	-	1 000	5 000	10 000	10 000	10 000	-	-	-	-	-	36 000
<i>Water & Sanitation: Mitchells Plain WWTW-Improvements Phase2</i>	-	5 500	12 400	18 500	18 500	-	-	500	-	110 000	-	-	165 400
<i>Water & Sanitation: Completion of Cape Flats III Bulk Sewer</i>	1 728	600	100 000	86 725	26 000	-	-	-	-	-	-	-	215 053
<i>Water & Sanitation: Melkbos WWTW-Effluent Disinfection</i>	-	-	300	12 000	10 000	-	-	-	-	-	-	-	22 300
<i>Water & Sanitation: Rietvlei P/Station, R/Main Bottlery</i>	-	-	700	20 000	12 000	15 750	16 000	-	-	-	-	-	64 450
<i>Water & Sanitation: Contermanskloof Reservoir</i>	-	-	20 000	49 000	18 438	500	-	-	-	-	-	-	87 938
<i>Water & Sanitation: OSEC (Electrolytic Chlorination Infr)</i>	-	-	22 876	9 000	24 000	10 000	150	-	-	-	-	-	66 026
<i>Water & Sanitation: Steenbras Reservoir</i>	-	-	5	2 000	44 000	43 000	10 000	-	-	-	-	-	99 005

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City of Cape Town – 2014/15 Draft Budget

Description	Preceding Years	Current Year 2013/14	2014/15 Medium Term Revenue & Expenditure Framework			Forecast 2017/18	Forecast 2018/19	Forecast 2019/20	Forecast 2020/21	Forecast 2021/22	Forecast 2022/23	Forecast 2023/24	Total Value
	Total	Original Budget	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
<i>City Parks: Develop Metro South-East Cemetery</i>	381	-	7 542	2 500	3 000	3 000	-	1 000	-	5 000	-	-	22 423
<i>City Parks: Regional Park Upg:Durbanville Rose Garde</i>	1 258	500	300	700	500	500	800	1 500	-	2 000	-	-	8 058
<i>City Parks: Develop Districtpark: Jack Muller,Bellvi</i>	5 883	800	300	1 000	500	700	1 000	2 000	-	2 800	-	-	14 983
<i>City Parks: Khayelitsha Wetlands Park Upgrade</i>	4 743	1 581	1 000	1 000	1 500	1 500	3 000	1 500	-	1 500	-	-	17 324
<i>City Parks: Vaalfontein Cemetery Development</i>	73	-	8 500	1 500	2 000	-	-	-	-	-	-	-	12 073
<i>City Parks: Wesbank POS system development</i>	-	500	500	1 000	1 200	700	1 200	-	-	-	-	-	5 100
<i>City Parks: Macassar POS system development</i>	100	1 300	700	1 000	1 000	-	-	1 000	-	1 000	-	-	6 100
<i>City Parks: Development of new Depot for Strand Park</i>	-	-	451	2 401	700	-	-	500	-	-	-	-	4 053
<i>City Parks: Park Upgrades in Vrygrond</i>	-	750	150	50	500	400	100	300	-	700	-	-	2 950
<i>City Parks: Upgrading of Arderne Gardens</i>	-	-	100	100	100	50	-	200	-	350	-	-	900
<i>City Parks: Upgrade of Wynberg Park - Master Plan</i>	-	-	200	500	500	300	300	200	-	1 000	-	-	3 000
<i>City Parks: Upgrade of Sea Point Promenade</i>	-	-	3 000	3 000	4 000	-	-	-	-	-	-	-	10 000
<i>Contract Operations: IRT: Fare Collection</i>	260 856	98 790	122 615	133 411	58 353	75 000	-	-	-	-	-	-	749 024
<i>Contract Operations: Khayelitsha CBD PTI</i>	-	-	500	4 000	5 500	1 500	1 500	-	-	-	-	-	13 000
<i>Infrastructure: Inner City:Public Transport Hub</i>	1 639	7 700	10 400	45 000	45 000	45 000	45 000	45 000	-	45 000	-	-	289 739
<i>Infrastructure: Bayside Public Transport Interch: PTIG</i>	481	1 000	4 500	7 000	2 500	-	-	10 000	-	-	-	-	25 481
<i>Infrastructure: Bellville:Public Transport Hub</i>	232	1 500	6 300	40 000	40 000	40 000	-	10 000	-	25 000	-	-	163 032
<i>Infrastructure: IRT: Ph 2A Wetton-Lansdowne Corr</i>	-	7 874	131 600	539 555	874 547	750 000	850 000	50 000	-	50 000	-	-	3 253 577
<i>Infrastructure: Metro South East Public Transport Facili</i>	-	-	30 000	150 000	150 000	150 000	150 000	150 000	-	750 000	-	-	1 530 000
<i>Maintenance: Construct Rds:Bottelary/R300</i>	1 124	500	1 000	1 000	1 000	-	-	-	-	40 000	-	-	44 624
<i>Maintenance: Flood Alleviation - Lourens River</i>	11 090	829	1 600	6 000	6 000	10 000	10 000	40 000	-	200 000	-	-	285 519
<i>Maintenance: Upgr: Gravel St's: Mission Grounds, SLP</i>	4 806	1 817	1 200	1 200	1 200	1 200	1 200	1 200	-	6 000	-	-	19 823
<i>Maintenance: Green Point Promenade Upgrade</i>	2 636	2 364	2 000	2 000	2 000	-	-	6 000	-	10 000	-	-	27 000
<i>Maintenance: Retreat PTI</i>	642	1 200	15 000	13 000	8 000	12 000	12 000	-	-	-	-	-	61 842

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Description	Preceding Years	Current Year 2013/14	2014/15 Medium Term Revenue & Expenditure Framework			Forecast 2017/18	Forecast 2018/19	Forecast 2019/20	Forecast 2020/21	Forecast 2021/22	Forecast 2022/23	Forecast 2023/24	Total Value
	Total	Original Budget	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
Maintenance: Nyanga Main Taxi Rank	491	100	2 500	2 000	15 000	10 000	1 000	-		-			31 091
Maintenance: Wynberg: Public Transport Hub	139	1 500	4 000	10 000	15 000	25 000	25 000	20 000		10 000			110 639
Maintenance: Somerset West PTI	182	1 000	1 100	2 000	10 000	3 000	3 000	5 000		5 000			30 282
Maintenance: Makhaza Bus Terminal	-	2 000	10 000	10 000	2 500	2 500	2 500	-		-			29 500
Maintenance: Nolongile (Site C) PTI	134	4 750	15 000	40 000	40 000	40 000	40 000	20 000		30 000			229 884
Maintenance: Main Roads: Northern Corridor	5 905	10 500	26 500	15 500	2 000	500	500	-		15 000			76 405
Maintenance: Durbanville CBD PTI	-	200	200	1 000	4 000	5 000	-	-		-			10 400
Maintenance: Macassar PTI	-	200	2 000	2 500	5 000	-	-	-		-			9 700
Maintenance: Public Transport Systems management proj	-	85 000	43 000	33 000	20 000	-	-	-		-			181 000
Maintenance: Sir Lowry's Pass River Upgrade	-	-	10 000	93 800	105 200	67 045	-	-		-			276 045
Maintenance: Kommetjie Road Upgrade	-	-	1 000	4 000	1 000	-	-	10 000		15 000			31 000
Maintenance: Glencairn Rail & Road Stabilisation	-	-	3 000	5 000	2 000	-	-	-		-			10 000
Network Management: Transport Management Centre Extension	-	-	40 000	35 000	5 000	-	-	-		-			80 000
Supply Chain Management: E - Procurement system	2 775	5 931	4 000	5 000	5 000	2 000	-	-		-			24 706
Specialised Technical Services: FM Infrastructure	19 663	3 800	3 800	2 800	2 800	2 800	2 800	15 600		63 000			117 063
Specialised Technical Services: FM Structural Rehabilitation	98 288	40 663	40 000	35 000	40 000	30 000	34 853	-		-			318 804
Specialised Technical Services: Radio Trunking Infrastructure Upgrade	-	-	6 000	6 000	6 000	6 000	-	-		-			24 000
Human Resources: e-HR	7 005	1 800	1 800	1 800	1 800	1 800	1 800	1 800		9 000			28 605
Support Services: Record Management Storage	2 748	237	200	-	200	490	490	490		2 450			7 304
Information Systems and Technology: Dark Fibre Broadband Infrastructure	183 362	104 625	139 475	180 850	180 850	180 850	180 850	220 000		1 100 000			2 470 862
Information Systems and Technology: Microsoft Systems: Replacement	4 924	5 000	5 000	5 000	5 000	5 000	5 000	5 000		25 000			64 924
Information Systems and Technology: Corporate Reporting System	4 891	2 000	2 000	2 000	2 000	2 000	2 000	2 000		10 000			28 891
Information Systems and Technology: Khayelitsha/Mitchells Plain Mesh Network	-	-	61 000	32 000	7 000	-	-	-		-			100 000
Khayelitsha Sub District: Upgrade and Extensions Kuyasa Clinic	-	-	100	100	100	-	3 000	6 000		-			9 300
Khayelitsha Sub District: Replacement clinic Zakhele	-	-	400	4 200	1 000	6 000	-	5 000		15 000			31 600
Klipfontein Sub District: Extensions for ARV and TB Masincedane	-	-	100	1 100	3 000	2 000	-	-		-			6 200
Klipfontein Sub District: Extensions for ARV and TB Vuyani Clinic	-	-	100	600	2 000	2 000	3 000	-		-			7 700
Mitchells Plain Sub District: Extensions for ARV and TB Phumlani	-	-	100	500	2 000	1 000	-	1 000		4 000			8 600

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Description	Preceding Years	Current Year 2013/14	2014/15 Medium Term Revenue & Expenditure Framework			Forecast 2017/18	Forecast 2018/19	Forecast 2019/20	Forecast 2020/21	Forecast 2021/22	Forecast 2022/23	Forecast 2023/24	Total Value
	Total	Original Budget	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
<i>Northern Sub District: New Fisantekraal Clinic</i>	393	600	200	500	4 500	6 000	2 000	5 000		-			19 193
<i>Northern Sub District: Upgrade and Extensions Northpine Clinic</i>	-	140	100	1 000	1 500	-	-	-		-			2 740
<i>Southern Sub District: New Pelican Park Clinic</i>	-	-	1 800	7 200	6 000	1 000	-	-		-			16 000
<i>Tygerberg Sub District: Kasselsvlei Clinic Upgrade and Ext</i>	-	-	-	-	100	2 000	1 000	-		-			3 100
<i>Western Sub District: Extensions for ARV and TB Spencer Road</i>	-	200	-	-	100	500	2 000	1 000		-			3 800
<i>Disaster Risk Management: Integrated Contact Centre</i>	-	21 102	30 398	8 000	3 000	3 000	3 000	-		-			68 500
<i>Disaster Risk Management: DisMan Centre Additions/Alterations</i>	-	-	1 264	1 264	1 264	1 264	1 264	1 264		1 264			8 848
<i>Public Housing and Customer Services: Langa Hostels CRU Project (868 units)</i>	-	-	5 500	60 000	100 000	100 000	55 000	-		-			320 500
<i>HS Development & Delivery: Wallacedene Phase 10A (PLS)</i>	2 157	1 000	12 000	12 000	12 000	12 000	-	-		-			51 157
<i>HS Development & Delivery: Ocean View - Mountain View Hsg Project</i>	23 293	48	32	32	32	-	-	-		-			23 438
<i>HS Development & Delivery: Wallacedene Phase 10B (UISP)</i>	380	-	2 000	3 000	3 000	-	-	-		-			8 380
<i>HS Development & Delivery: Hangberg CRU 70 Units</i>	186	12 000	22 600	5 700	15 000	8 000	-	-		-			63 486
<i>HS Development & Delivery: Fisantekraal Garden Cities Phase 2</i>	-	-	20 800	49 500	17 600	-	-	-		-			87 900
<i>HS Development & Delivery: Macassar Housing Project</i>	-	-	12 000	30 000	20 500	-	-	-		-			62 500
<i>HS Development & Delivery: Imizamo Yethu Housing Project (Phase 3)</i>	-	-	6 500	28 000	20 000	35 000	20 500	-		-			110 000
<i>Planning and Building Dev. Management: DAMS Enhancements</i>	-	-	-	5 000	5 000	7 000	7 000	-		-			24 000
<i>Arts & Culture: Delft Centre</i>	-	-	-	-	4 000	2 500	2 500	-		-			9 000
<i>Strategic Assets: Upgrade of Athlone Stadium</i>	-	2 300	1 000	500	4 000	6 000	11 000	2 000		1 500			28 300
<i>Strategic Assets: Upgrade of GHC & Plant & Equipment</i>	-	-	-	1 000	2 550	4 050	10 000	2 000		1 500			21 100
<i>Strategic Assets: Upgrade of City Hall & Plant & Equipment</i>	-	-	-	1 000	10 000	16 000	5 500	1 500		1 000			35 000
<i>Strategic Assets: Upgrade to Grand Parade</i>	-	-	-	2 500	1 000	1 000	550	2 500		1 500			9 050
<i>District Service Delivery: Construct ECD Centres-Du Noon</i>	-	-	660	2 250	2 000	-	-	-		-			4 910
<i>District Service Delivery: Heideveld ECD</i>	-	-	200	2 500	2 000	-	-	-		-			4 700

2.15 Capital expenditure details

Table 83 MBRR Table SA34a - Capital expenditure on new assets by asset class

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Capital expenditure on new assets by Asset Class/Sub-class									
Infrastructure	1 166 536	1 291 933	1 669 301	2 312 905	2 203 589	2 203 589	2 473 037	2 913 456	3 074 081
Infrastructure - Road transport	508 450	650 661	700 386	813 479	927 665	927 665	896 563	1 423 221	1 677 048
Roads, Pavements & Bridges	474 610	562 319	629 225	765 929	847 133	847 133	814 278	1 296 744	1 569 085
Storm water	33 840	88 342	71 161	47 550	80 532	80 532	82 284	126 477	107 963
Infrastructure - Electricity	404 244	341 321	478 236	780 590	730 219	730 219	639 848	703 051	604 180
Transmission & Reticulation	384 209	304 028	437 225	726 538	679 655	679 655	591 212	647 051	547 380
Street Lighting	20 035	37 294	41 011	54 052	50 564	50 564	48 636	56 000	56 800
Infrastructure - Water	58 842	79 633	142 846	209 650	201 822	201 822	215 777	330 662	289 560
Dams & Reservoirs	4 706	11 195	33 144	56 250	31 700	31 700	82 106	169 800	152 638
Reticulation	54 136	68 438	109 702	153 400	170 122	170 122	133 671	160 862	136 922
Infrastructure - Sanitation	104 013	47 159	88 619	258 160	225 553	225 553	292 350	297 270	350 220
Reticulation	49 383	46 159	87 645	258 160	225 553	225 553	291 050	253 770	232 220
Sewerage purification	54 630	1 000	973	-	-	-	1 300	43 500	118 000
Infrastructure - Other	90 987	173 158	259 214	251 026	118 331	118 331	428 500	159 252	153 074
Waste Management	32 212	-	-	193 664	65 208	65 208	343 034	101 502	92 374
Transportation	57 926	168 073	256 784	52 471	50 651	50 651	78 849	56 500	59 500
Other	849	5 085	2 431	4 890	2 471	2 471	6 617	1 250	1 200
Community	148 781	106 850	251 490	94 152	124 715	124 715	151 089	117 046	218 145
Parks & gardens	4 264	574	-	2 112	2 147	2 147	2 231	2 601	700
Sportsfields & stadia	105 530	76 891	174 970	21	16 224	16 224	3 500	4 000	-
Swimming pools	-	-	2 010	435	425	425	-	-	-
Community halls	5 342	6 271	6 443	7 458	5 527	5 527	19 499	12 150	43 700
Libraries	11 379	4 653	885	48 431	32 121	32 121	43 118	18 995	10 745
Recreational facilities	7 091	-	279	-	-	-	-	-	-
Fire, safety & emergency	3 139	179	-	-	-	-	-	-	-
Clinics	6 249	13 067	5 052	6 000	10 216	10 216	6 700	7 700	10 500
Museums & Art Galleries	-	375	68	-	-	-	-	-	-
Cemeteries	4 924	4 195	414	-	-	-	7 542	2 500	3 000
Social rental housing	863	640	59 164	19 482	23 170	23 170	32 300	65 600	116 200
Other	-	6	2 204	10 213	34 885	34 885	36 199	3 500	33 300
Heritage assets	761	10 842	7 586	9 598	8 638	8 638	11 725	6 797	7 164
Other	761	10 842	7 586	9 598	8 638	8 638	11 725	6 797	7 164
Other assets	235 630	627 149	1 797 016	725 611	975 093	975 093	924 146	910 683	535 464
General vehicles	13 939	128 438	1 196 840	285 016	368 841	368 841	345 899	208 453	37 750
Specialised vehicles	-	-	-	-	-	-	-	-	-
Plant & equipment	96 360	260 578	323 103	178 485	300 930	300 930	400 238	410 551	281 014
Computers - hardware/equipment	26 147	33 821	30 651	60 436	61 606	61 606	73 677	34 742	32 997
Furniture and other office equipment	24 893	56 889	30 816	23 112	25 744	25 744	30 135	30 887	35 227
Markets	-	-	-	-	-	-	-	-	-
Civic Land and Buildings	26 544	64 131	124 492	45 755	33 255	33 255	10 834	70 900	100 000
Other Buildings	8 116	47 473	79 593	104 540	116 069	116 069	26 600	12 000	8 000
Other Land	31 550	35 311	10 864	25 081	68 101	68 101	34 150	140 150	40 150
Other	8 081	509	658	3 187	547	547	2 613	3 000	326
Total Capital Expenditure on new assets	1 551 708	2 036 774	3 725 393	3 142 267	3 312 035	3 312 035	3 559 996	3 947 982	3 834 854
Specialised vehicles	-	-	-	-	-	-	-	-	-
Refuse	-	-	-	-	-	-	-	-	-
Fire	-	-	-	-	-	-	-	-	-
Conservancy	-	-	-	-	-	-	-	-	-
Ambulances	-	-	-	-	-	-	-	-	-

Table 84 MBRR Table SA34b - Capital expenditure on the renewal of existing assets by asset class

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Capital expenditure on renewal of existing assets by Asset Class/Sub-class									
Infrastructure	743 717	1 165 138	1 206 717	1 137 508	1 168 257	1 168 257	1 520 214	1 706 642	1 526 806
Infrastructure - Road transport	175 653	218 798	294 266	253 722	256 724	256 724	349 190	295 126	218 087
<i>Roads, Pavements & Bridges</i>	173 164	213 766	280 898	218 642	211 814	211 814	338 390	260 326	169 087
<i>Storm water</i>	2 489	5 032	13 368	35 080	44 910	44 910	10 800	34 800	49 000
Infrastructure - Electricity	222 302	423 720	436 439	343 578	333 032	333 032	457 051	600 606	579 010
<i>Generation</i>	-	-	-	164	103	103	-	-	-
<i>Transmission & Reticulation</i>	222 302	423 585	436 367	343 414	332 929	332 929	457 051	600 606	579 010
<i>Street Lighting</i>	-	135	72	-	-	-	-	-	-
Infrastructure - Water	80 896	99 671	121 610	199 112	209 821	209 821	261 879	378 000	452 250
<i>Dams & Reservoirs</i>	16 189	4 191	14 994	-	-	-	10 005	89 000	146 000
<i>Water purification</i>	94	-	-	-	-	-	2 000	-	-
<i>Reticulation</i>	64 612	95 480	106 616	199 112	209 821	209 821	249 874	289 000	306 250
Infrastructure - Sanitation	118 324	314 290	250 774	247 590	271 684	271 684	372 420	395 460	256 110
<i>Reticulation</i>	51 448	92 088	87 045	84 150	101 739	101 739	109 950	84 950	55 500
<i>Sewerage purification</i>	66 876	222 193	163 729	163 440	169 945	169 945	262 470	310 510	200 610
Infrastructure - Other	146 542	108 660	103 628	93 507	96 995	96 995	79 674	37 450	21 350
<i>Waste Management</i>	132 352	93 620	97 562	2 000	2 447	2 447	28 730	-	-
<i>Transportation</i>	6 238	9 205	4 967	88 909	92 448	92 448	48 400	35 800	20 150
<i>Other</i>	7 953	5 835	1 099	2 598	2 100	2 100	2 544	1 650	1 200
Community	288 797	478 711	487 413	575 473	552 358	552 358	510 766	203 835	208 802
Parks & gardens	21 639	34 675	51 458	55 967	58 550	58 550	40 649	50 300	74 324
Sportsfields & stadia	23 251	44 522	53 958	56 733	36 321	36 321	74 710	68 231	74 731
Swimming pools	4 375	1 072	354	-	238	238	-	-	-
Community halls	4 614	7 426	27 486	22 248	34 830	34 830	1 340	-	-
Libraries	-	-	49	-	552	552	6 788	-	11 000
Recreational facilities	3 912	8 224	3 332	7 164	6 665	6 665	350	6 800	3 200
Fire, safety & emergency	4 609	7 629	5 015	4 316	2 829	2 829	2 763	1 264	3 105
Clinics	3 443	6 306	14 271	13 950	14 780	14 780	11 625	14 000	12 300
Museums & Art Galleries	34	-	65	220	190	190	-	3 000	6 000
Cemeteries	8 533	14 991	9 916	14 370	13 870	13 870	29 250	4 000	10 797
Social rental housing	203 350	344 469	311 949	398 155	380 696	380 696	342 147	22 170	7 000
Other	11 037	9 397	9 560	2 350	2 837	2 837	1 144	34 070	6 345
Heritage assets	-	342	646	1 930	989	989	2 223	2 230	2 230
Buildings	-	-	646	1 500	714	714	2 080	-	1 800
Other	-	342	-	430	275	275	143	2 230	430
Other assets	273 539	552 279	448 640	593 415	572 749	572 749	487 497	343 956	378 769
General v ehicles	91 625	68 805	69 779	90 673	97 481	97 481	41 591	42 066	48 541
Specialised v ehicles	-	130 953	100 208	63 600	64 020	64 020	59 000	59 000	80 624
Plant & equipment	43 804	71 250	15 858	22 459	24 493	24 493	30 663	20 728	15 928
Computers - hardware/equipment	36 664	18 906	69 945	123 007	128 096	128 096	100 602	73 156	78 493
Furniture and other office equipment	4 818	7 612	11 248	9 613	12 320	12 320	13 263	10 737	10 175
Markets	-	220	748	1 240	1 140	1 140	-	-	-
Civic Land and Buildings	38 288	62 238	82 310	90 150	65 079	65 079	98 545	48 000	50 900
Other Buildings	49 830	168 594	98 444	188 022	178 869	178 869	141 833	89 770	89 508
Other Land	-	-	-	-	-	-	-	-	-
Other	8 509	23 702	100	4 650	1 250	1 250	2 000	500	4 600
Total Capital Expenditure on renewal of existing assets	1 306 053	2 196 471	2 143 416	2 308 326	2 294 353	2 294 353	2 520 700	2 256 663	2 116 607
Specialised vehicles	-	130 953	100 208	63 600	64 020	64 020	59 000	59 000	80 624
Refuse	-	130 953	100 208	63 600	64 020	64 020	59 000	59 000	80 624
Fire	-	-	-	-	-	-	-	-	-
Conservancy	-	-	-	-	-	-	-	-	-
Ambulances	-	-	-	-	-	-	-	-	-
Renewal of Existing Assets as % of total capex	45.7%	51.9%	36.5%	42.3%	40.9%	40.9%	41.5%	36.4%	35.6%
Renewal of Existing Assets as % of depreciation	102.7%	156.9%	131.7%	119.3%	117.2%	117.2%	117.0%	97.9%	85.8%

Table 85 MBRR Table SA34c - Repairs and maintenance expenditure by asset class

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Repairs and maintenance expenditure by Asset Class/Sub-class									
Infrastructure	607 337	580 896	926 488	1 155 442	1 059 781	1 059 781	1 157 626	1 257 180	1 366 618
Infrastructure - Road transport	265 915	303 234	445 720	618 603	501 361	501 361	617 518	670 625	726 956
Roads, Pavements & Bridges	265 913	303 230	445 713	618 603	501 361	501 361	617 518	670 625	726 956
Storm water	2	4	7	-	-	-	-	-	-
Infrastructure - Electricity	269 194	202 472	312 055	335 843	335 843	335 843	354 462	384 945	417 282
Generation	9 579	11 910	13 880	15 554	15 554	15 554	15 179	16 484	17 869
Transmission & Reticulation	194 212	173 733	273 352	294 872	294 872	294 872	308 924	335 491	363 674
Street Lighting	65 403	16 829	24 824	25 417	25 417	25 417	30 359	32 970	35 740
Infrastructure - Water	22 544	23 998	50 474	65 993	68 293	68 293	59 414	64 523	69 944
Dams & Reservoirs	22 456	23 932	50 458	51 808	54 108	54 108	59 171	64 259	69 657
Water purification	-	-	-	-	-	-	-	-	-
Reticulation	87	65	16	14 185	14 185	14 185	244	264	287
Infrastructure - Sanitation	27 556	39 518	95 636	69 926	82 426	82 426	88 138	95 717	107 592
Reticulation	93	1	22	-	-	-	2	2	2
Sewerage purification	27 463	39 517	95 614	69 926	82 426	82 426	88 136	95 715	107 590
Infrastructure - Other	22 128	11 675	22 603	65 077	71 858	71 858	38 094	41 370	44 844
Waste Management	-	-	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-	-	-
Gas	-	-	-	-	-	-	-	-	-
Other	22 128	11 675	22 603	65 077	71 858	71 858	38 094	41 370	44 844
Community	64 418	59 347	83 278	68 657	69 057	69 057	89 964	97 705	105 913
Parks & gardens	8 599	8 201	11 270	7 121	7 121	7 121	7 287	7 913	8 579
Sportsfields & stadia	1 224	1 553	1 761	-	-	-	-	-	-
Swimming pools	3 474	3 751	5 084	23	23	23	102	111	120
Community halls	8 177	7 072	6 140	2 437	2 437	2 437	2 591	2 815	3 051
Libraries	92	172	251	433	433	433	669	727	788
Recreational facilities	38 673	31 752	50 055	46 928	46 928	46 928	66 213	71 908	77 949
Fire, safety & emergency	161	239	116	669	1 069	1 069	521	566	613
Security and policing	-	-	-	-	-	-	-	-	-
Buses	-	-	-	-	-	-	-	-	-
Clinics	821	1 309	2 012	1 482	1 482	1 482	2 512	2 730	2 960
Museums & Art Galleries	3	25	4	395	395	395	-	-	-
Cemeteries	2 039	4 288	5 466	1 440	1 440	1 440	1 465	1 591	1 725
Social rental housing	-	-	-	-	-	-	-	-	-
Other	1 155	985	1 120	7 728	7 728	7 728	8 604	9 344	10 129
Heritage assets	7 104	7 236	15 707	12 608	12 317	12 317	15 199	16 507	17 893
Buildings	-	-	-	-	-	-	-	-	-
Other	7 104	7 236	15 707	12 608	12 317	12 317	15 199	16 507	17 893
Investment properties	-	-	-	-	-	-	-	-	-
Housing development	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Other assets	1 030 420	1 235 574	1 724 910	1 693 578	1 701 275	1 701 275	1 890 115	2 052 692	2 263 452
General vehicles	104 864	127 688	139 173	128 159	129 395	129 395	137 258	149 062	161 583
Specialised vehicles	-	-	-	-	-	-	-	-	-
Plant & equipment	10 279	10 366	11 618	18 701	18 701	18 701	13 516	14 679	15 910
Computers - hardware/equipment	119 134	151 363	242 214	272 785	288 631	288 631	294 318	319 637	361 822
Furniture and other office equipment	494 737	617 792	936 913	889 022	896 123	896 123	1 022 448	1 110 394	1 226 674
Abattoirs	-	-	-	-	-	-	-	-	-
Markets	-	-	-	-	-	-	-	-	-
Civic Land and Buildings	61 351	64 519	67 496	69 441	68 674	68 674	72 965	79 241	85 894
Other Buildings	1 235	1 964	2 509	1 803	1 803	1 803	1 860	2 020	2 190
Other Land	81 421	91 486	103 454	107 346	107 403	107 403	109 670	119 102	129 105
Surplus Assets - (Investment or Inventory)	-	-	-	-	-	-	-	-	-
Other	157 398	170 395	221 533	206 320	190 544	190 544	238 080	258 556	280 273
Total Repairs and Maintenance Expenditure	1 709 280	1 883 053	2 750 384	2 930 285	2 842 430	2 842 430	3 152 905	3 424 085	3 753 877
Specialised vehicles	-	-	-	-	-	-	-	-	-
Refuse	-	-	-	-	-	-	-	-	-
Fire	-	-	-	-	-	-	-	-	-
Conservancy	-	-	-	-	-	-	-	-	-
Ambulances	-	-	-	-	-	-	-	-	-
R&M as a % of PPE	7.9%	7.7%	9.6%	9.1%	8.8%	8.8%	8.8%	8.7%	8.8%
R&M as % Operating Expenditure	9.2%	8.9%	11.5%	11.2%	10.9%	10.9%	11.3%	11.3%	11.5%

Table 86 MBRR Table SA35 - Future financial implication of the capital budget

Vote Description R thousand	2014/15 Medium Term Revenue & Expenditure Framework			Forecasts			
	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	Forecast 2017/18	Forecast 2018/19	Forecast 2019/20	Present value
Capital expenditure							
Vote 1 - City Health	21 966	25 466	28 466	-	-	-	-
Vote 2 - City Manager	26 771	954	954	-	-	-	-
Vote 3 - Community Services	241 334	163 920	207 737	-	-	-	-
Vote 4 - Compliance and Auxiliary Services	14 102	36 605	69 605	-	-	-	-
Vote 5 - Corporate Services	359 474	353 053	322 411	-	-	-	-
Vote 6 - Economic, Environment & Spatial Planning	65 338	61 487	52 927	-	-	-	-
Vote 7 - Finance	16 078	14 481	8 681	-	-	-	-
Vote 8 - Human Settlements	688 135	560 035	517 690	-	-	-	-
Vote 9 - Rates & Other	-	-	-	-	-	-	-
Vote 10 - Safety & Security	70 529	40 127	35 127	-	-	-	-
Vote 11 - Social and Early Childhood Development	15 660	10 860	10 860	-	-	-	-
Vote 12 - Tourism, Events and Marketing	37 781	30 200	30 200	-	-	-	-
Vote 13 - Transport for Cape Town	1 651 931	1 922 058	1 885 673	-	-	-	-
Vote 14 - Utility Services	2 871 598	2 985 398	2 781 129	-	-	-	-
Total Capital Expenditure	6 080 696	6 204 645	5 951 461	-	-	-	-
Future operational costs by vote							
Vote 1 - City Health	9 617	11 157	12 292	13 386	14 261	15 335	-
Vote 2 - City Manager	846	973	1 068	1 163	1 257	1 352	-
Vote 3 - Community Services	38 696	47 242	51 352	57 520	54 748	57 486	-
Vote 4 - Compliance and Auxiliary Services	1 573	1 810	1 986	2 162	2 338	2 514	-
Vote 5 - Corporate Services	85 463	96 348	104 872	113 479	94 925	102 076	-
Vote 6 - Economic, Environment & Spatial Planning	28 837	33 166	36 875	39 623	42 852	46 080	-
Vote 7 - Finance	4 248	4 885	5 361	5 837	6 312	6 788	-
Vote 8 - Human Settlements	11 603	29 006	28 235	35 234	20 682	31 456	-
Vote 9 - Rates & Other	-	-	-	-	-	-	-
Vote 10 - Safety & Security	26 807	30 825	34 586	37 038	36 002	38 210	-
Vote 11 - Social and Early Childhood Development	2 038	2 399	2 650	2 904	3 137	3 371	-
Vote 12 - Tourism, Events and Marketing	85 791	98 940	108 549	119 162	128 829	140 604	-
Vote 13 - Transport for Cape Town	164 032	207 460	214 429	245 785	218 150	232 931	-
Vote 14 - Utility Services	621 826	706 790	772 598	825 395	892 177	957 959	-
Total future operational costs	1 081 378	1 271 001	1 374 854	1 498 687	1 515 669	1 636 161	-
Net Financial Implications	7 162 074	7 475 646	7 326 315	1 498 687	1 515 669	1 636 161	-

The above figures exclude depreciation.

Table 87 MBRR Table SA36 - Detailed capital budget per municipal vote

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		2014/15 Medium Term Revenue & Expenditure Framework			Project information	
								Audited Outcome 2012/13	Current Year 2013/14 Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	Ward location	New or renewal
City Health	Various	Various	-				-	22 778	30 096	21 966	25 466	28 466		
City Manager	Various	Various	-				-	1 169	14 095	26 771	954	954		
Community Services	Library and Information Services: New Regional Library Kuyasa Khayelitsha	C10.96010	DC	Yes	Community	Libraries	65 654	-	20 744	40 156	-	-	97	New
Community Services	Various	Various	-				-	178 223	188 382	201 178	163 920	207 737		
Compliance and Auxiliary Services	Various	Various	-				-	30 157	31 343	14 102	36 605	69 605		
Corporate Services	Information Systems and Technology: Dark Fibre Broadband Infrastructure	C10.16621	AH				2 470 862	44 954	104 625	139 475	180 850	180 850		
Corporate Services	Information Systems and Technology: Khayelitsha/Mitchells Plain Mesh Network	CPX.0003127	AH				100 000	-	-	61 000	32 000	7 000		
Corporate Services	Information Systems and Technology: Microsoft Systems: Replacement	C11.16615	AJ	Yes	Other assets	Computers - hardware/equipment	64 924	4 924	5 000	5 000	5 000	5 000	Corp Inf	Renewal
Corporate Services	Information Systems and Technology: WCG Broadband Connectivity	C12.16631	AH	No	Other assets	Plant & equipment	57 181	27 168	5 000	10 702	11 332	-	Corp Inf	New
Corporate Services	Specialised Technical Services: FM Infrastructure	C10.12501	AJ	No	Other assets	Civic Land and Buildings	117 063	7 488	3 800	3 800	2 800	2 800	Corp Inf	Renewal
Corporate Services	Specialised Technical Services: FM Structural Rehabilitation	C11.12501	AJ	No	Other assets	Civic Land and Buildings	318 804	36 781	40 663	40 000	35 000	40 000	77	Renewal
Corporate Services	Various	Various	-				-	111 440	135 022	99 497	86 071	86 761		
Economic, Environment & Spatial Planning	Various	Various	-				-	41 429	64 469	65 338	61 487	52 927		
Finance	Various	Various	-				-	21 613	44 204	16 078	14 481	8 681		
Human Settlements	HS Development & Delivery: Bardale / Fairdale.Develop4000Units	C06.41540	CE	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	145 051	4 271	28 257	5 152	-	-	108	New
Human Settlements	HS Development & Delivery: Fisantekraal Garden Cites - Phase 2	CPX.0003134	CE	Yes	Infrastructure - Water	Reticulation	87 900	-	-	20 800	49 500	17 600	105	New
Human Settlements	HS Development & Delivery: Hangberg CRU 70 Units	C10.15509	CE	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	63 486	186	12 000	22 600	5 700	15 000	74	New
Human Settlements	HS Development & Delivery: Imizamo Yethu Housing Project (Phase 3)	CPX.0003139	CE	Yes	Infrastructure - Water	Reticulation	110 000	-	-	6 500	28 000	20 000	16	New
Human Settlements	HS Development & Delivery: Macassar Housing Project	CPX.0003138	CE	Yes	Infrastructure - Water	Reticulation	62 500	-	-	12 000	30 000	20 500	15	New
Human Settlements	HS Development & Delivery: Nyanga Upgrading Project(PLF&UISP)	C06.41502	CE	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	54 102	1 440	11 500	5 000	11 000	-	39	New
Human Settlements	HS Development & Delivery: Scottsdene New CRU Project - 350 Units	C11.15505	CE	Yes	Community	Social rental housing	90 281	59 920	16 762	10 000	-	-	7	New
Human Settlements	HS Development & Delivery: Wallacedene Phase 10A (PLS)	C06.30881	CE	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	51 157	1 554	1 000	12 000	12 000	12 000	6	New
Human Settlements	HS Urbanisation: Urbanisation: Backyards/Infrm Settll Upgr	C15.15101	CJ	No	Infrastructure - Road transport	Roads, Pavements & Bridges	80 000	-	-	80 000	-	-	Multi-ward	New
Human Settlements	HS Urbanisation: Urbanisation: Backyards/Infrm Settll Upgr	C15.15102	CJ	No	Infrastructure - Road transport	Roads, Pavements & Bridges	260 000	-	-	-	260 000	-	Multi-ward	New
Human Settlements	HS Urbanisation: Urbanisation: Backyards/Infrm Settll Upgr	CPX.0003221	CE	No	Infrastructure - Water	Reticulation	268 000	-	-	-	-	268 000	Multi-ward	New
Human Settlements	Public Housing and Customer Services: Hanover Park CRU Project (1680 units)	C10.15433	CG	Yes	Community	Social rental housing	254 333	74 216	63 813	33 456	-	-	47	Renewal
Human Settlements	Public Housing and Customer Services: Heideveld CRU Project (864 units)	C10.15434	CG	Yes	Community	Social rental housing	127 924	50 048	27 629	14 437	-	-	44	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 2012/13	Current Year 2013/14 Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	Ward location	New or renewal
Human Settlements	Public Housing and Customer Services: Langa Hostels	C11.15418	CG	Yes	Community	Social rental housing	189 790	-	49 370	124 250	16 170	-	51	Renewal
Human Settlements	Public Housing and Customer Services: Langa Hostels CRU Project (868 units)	CPX.0003149	CG	Yes	Community	Social rental housing	320 500	-	-	5 500	60 000	100 000	51	New
Human Settlements	Public Housing and Customer Services: Manenberg CRU Project (1584 units)	C10.15430	CG	Yes	Community	Social rental housing	259 403	74 590	117 959	57 361	-	-	42	Renewal
Human Settlements	Public Housing and Customer Services: Marble Flats CRU Project (688 units)	C10.15435	CG	Yes	Community	Social rental housing	122 675	19 506	24 970	29 679	-	-	66	Renewal
Human Settlements	Various	Various	-	-	-	-	-	279 964	418 781	249 398	87 665	64 590	-	-
Safety & Security	Disaster Risk Management: Integrated Contact Centre	C14.00080	BC	Yes	Other assets	Computers - hardware/equipment	68 500	-	21 102	30 398	8 000	3 000	Corp Inf	New
Safety & Security	Various	Various	-	-	-	-	-	55 708	42 978	40 131	32 127	32 127	-	-
Social and Early Childhood Development	Various	Various	-	-	-	-	-	6 791	7 838	15 660	10 860	10 860	-	-
Tourism, Events and Marketing	Various	Various	-	-	-	-	-	179 084	26 530	37 781	30 200	30 200	-	-
Transport for Cape Town	Contract Operations: Intergrated Bus Rapid Transit System	C09.00313	AP	No	Infrastructure - Road transport	Roads, Pavements & Bridges	286 144	13 701	29 110	32 000	-	-	Multi-ward	New
Transport for Cape Town	Contract Operations: IRT: Acquisition of Rights	C13.10131	AJ	Yes	Other assets	General vehicles	886 159	631 109	80 000	50	175 000	-	Corp Inf	New
Transport for Cape Town	Contract Operations: IRT: Control Centre	C11.10123	AP	Yes	Other assets	Plant & equipment	250 449	26 800	39 131	27 606	11 456	-	Corp Inf	New
Transport for Cape Town	Contract Operations: IRT: Fare Collection	C11.10124	AP	Yes	Other assets	Plant & equipment	749 024	188 375	98 790	122 615	133 411	58 353	Corp Inf	New
Transport for Cape Town	Contract Operations: IRT: Vehicle Acquisition	C15.10122	AJ	Yes	Other assets	General vehicles	302 339	-	-	302 339	-	-	Corp Inf	New
Transport for Cape Town	Contract Operations: Mitchell's Plain Station TI	C07.01059	AN	Yes	Infrastructure Other	Transportation	97 399	10 843	3 500	14 500	8 000	-	79	New
Transport for Cape Town	Infrastructure: Bellville:Public Transport Hub	C13.00028	AN	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	163 032	232	1 500	6 300	40 000	40 000	Multi-ward	New
Transport for Cape Town	Infrastructure: Inner City:Public Transport Hub	C13.00016	AN	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	289 739	1 639	7 700	10 400	45 000	45 000	Multi-ward	New
Transport for Cape Town	Infrastructure: IRT: Inner City Feeder Stops	C11.10501	AP	No	Infrastructure - Road transport	Roads, Pavements & Bridges	232 756	55 760	45 000	40 000	-	-	Multi-ward	New
Transport for Cape Town	Infrastructure: IRT: Ph 1B Koeberg-Century City	C13.10103	AP	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	380 510	48 729	215 995	110 785	5 000	-	Multi-ward	New
Transport for Cape Town	Infrastructure: IRT: Ph 2A Wetton-Lansdowne Corr	C13.10101	AP	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	3 253 577	-	7 874	131 600	539 555	874 547	Multi-ward	New
Transport for Cape Town	Infrastructure: IRT: Phase 2 Express City to Mitch Plain	C13.10102	AP	No	Infrastructure - Road transport	Roads, Pavements & Bridges	65 487	5 423	34 881	25 183	-	-	Multi-ward	New
Transport for Cape Town	Infrastructure: IRT: Trunk Stations	C11.10502	AP	No	Infrastructure - Road transport	Roads, Pavements & Bridges	228 271	101 770	43 213	3 813	-	-	Multi-ward	New
Transport for Cape Town	Infrastructure: IRT: West Coast Corridor	C10.10327	AP	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	883 251	238 483	119 593	5 000	-	-	Multi-ward	New
Transport for Cape Town	Infrastructure: IRT:Depot Infrastructure:Inner City	C10.00126	AJ	No	Infrastructure - Road transport	Roads, Pavements & Bridges	132 694	68 407	30 751	10 000	-	-	Multi-ward	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 2012/13	Current Year 2013/14 Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	Ward location	New or renewal
Transport for Cape Town	Infrastructure: Lenteguur & Mandalay Station PT's:Dsg	C06.41752	AN	Yes	Infrastructure Other	Transportation	52 213	12 495	4 000	12 650	2 000	-	76	New
Transport for Cape Town	Infrastructure: Metro South East Public Transport Facili	CPX.0003806	AN	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	1 530 000	-	-	30 000	150 000	150 000	Multi-ward	New
Transport for Cape Town	Infrastructure: Rail based Park & Ride Facilities	C13.00015	AQ	No	Infrastructure - Road transport	Roads, Pavements & Bridges	55 882	8 082	7 800	40 000	-	-	Multi-ward	New
Transport for Cape Town	Maintenance: Bulk Roads & Stormwater Housing Project	C15.10306	CE	No	Infrastructure - Road transport	Roads, Pavements & Bridges	50 000	-	-	50 000	-	-	Multi-ward	New
Transport for Cape Town	Maintenance: Bulk Roads & Stormwater Housing Project	C16.10316	CE	No	Infrastructure - Road transport	Roads, Pavements & Bridges	50 000	-	-	-	50 000	-	Multi-ward	New
Transport for Cape Town	Maintenance: Bulk Roads & Stormwater Housing Project	CPX.0002220	CE	No	Infrastructure - Road transport	Storm water	50 000	-	-	-	-	50 000	Multi-ward	New
Transport for Cape Town	Maintenance: Flood Alleviation - Lourens River	C05.01503	AJ	Yes	Infrastructure - Road transport	Storm water	285 519	1 153	829	1 600	6 000	6 000	83	Renewal
Transport for Cape Town	Maintenance: Main Roads: Northern Corridor	C13.10313	AJ	No	Infrastructure - Road transport	Roads, Pavements & Bridges	76 405	5 905	10 500	26 500	15 500	2 000	Multi-ward	Renewal
Transport for Cape Town	Maintenance: NMT Network & Universal Access	C16.10307	AJ	No	Infrastructure - Road transport	Roads, Pavements & Bridges	80 000	-	-	-	80 000	-	Multi-ward	New
Transport for Cape Town	Maintenance: NMT Network & Universal Access:PTIS	C14.10318	AJ	No	Infrastructure - Road transport	Roads, Pavements & Bridges	80 000	-	-	80 000	-	-	Multi-ward	New
Transport for Cape Town	Maintenance: NMT Network & Universal Access:PTIS	CPX.0002206	AJ	No	Infrastructure - Road transport	Roads, Pavements & Bridges	80 000	-	-	-	-	80 000	Multi-ward	New
Transport for Cape Town	Maintenance: Nolungile (Site C) PTI	C13.00054	AN	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	229 884	134	4 750	15 000	40 000	40 000	87	New
Transport for Cape Town	Maintenance: Nonqubela PTI	CPX.0003791	AN	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	150 000	-	-	-	1 000	5 000	87	New
Transport for Cape Town	Maintenance: Pelican Park: Strandfontein Road Upgr	C08.10325	AJ	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	244 442	50 240	13 000	25 000	50 000	-	66	Renewal
Transport for Cape Town	Maintenance: Public Transport Systems management proj	C14.01601	AN	Yes	Infrastructure Other	Transportation	181 000	-	85 000	43 000	33 000	20 000	Multi-ward	Renewal
Transport for Cape Town	Maintenance: Retreat PTI	C11.10537	AN	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	61 842	466	1 200	15 000	13 000	8 000	Multi-ward	New
Transport for Cape Town	Maintenance: Roads & Stormwater Rehabilitation	C15.10307	AJ	No	Infrastructure - Road transport	Roads, Pavements & Bridges	139 000	-	-	139 000	-	-	Multi-ward	Renewal
Transport for Cape Town	Maintenance: Roads & Stormwater Rehabilitation	C16.10315	AJ	No	Infrastructure - Road transport	Roads, Pavements & Bridges	96 000	-	-	-	96 000	-	Multi-ward	Renewal
Transport for Cape Town	Maintenance: Roads & Stormwater Rehabilitation	CPX.0002315	AJ	No	Infrastructure - Road transport	Storm water	110 000	-	-	-	-	110 000	Multi-ward	Renewal
Transport for Cape Town	Maintenance: Sir Lowry's Pass River Upgrade	C14.10323	AJ	Yes	Infrastructure - Water	Dams & Reservoirs	276 045	-	-	10 000	93 800	105 200		
Transport for Cape Town	Maintenance: Wynberg: Public Transport Hub	C11.10541	AN	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	110 639	139	1 500	4 000	10 000	15 000	62	New
Transport for Cape Town	Network Management: Transport Management Centre Extension	CPX.0003783	AR	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	80 000	-	-	40 000	35 000	5 000	Multi-ward	Renewal
Transport for Cape Town	Various	Various	-				-	1 023 632	726 614	277 990	289 336	271 573		
Utility Services	Cape Town Electricity: Athlone- Philipi: OH Line Undergrounding	C13.84081	AJ	Yes	Infrastructure - Electricity	Transmission & Reticulation	86 932	100	49 980	35 583	1 269	-	Multi-ward	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 2012/13	Current Year 2013/14 Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	Ward location	New or renewal
Utility Services	Cape Town Electricity: Atlantis Industrial	C16.84070	AJ	Yes	Infrastructure -	Transmission &	85 239	-	-	-	20 359	64 880	32	New
Utility Services	Cape Town Electricity: Bofors Main Substation Upgrade	C15.84079	AJ	Yes	Infrastructure -	Transmission & Reticulation	108 600	-	-	39 492	68 101	1 006	30	Renewal
Utility Services	Cape Town Electricity: Broad Rd Main Substation Upgrade - Ph. 3	C15.84071	AJ	Yes	Infrastructure -	Transmission & Reticulation	50 395	-	-	20 465	29 930	-	103	Renewal
Utility Services	Cape Town Electricity: City Depot CBD - New	C13.84076	AJ	Yes	Infrastructure -	Transmission &	144 989	15 616	160	64 691	64 522	-	77	New
Utility Services	Cape Town Electricity: Electrification - Backyarders	C17.84389	CK	No	Infrastructure -	Transmission &	85 000	-	-	-	-	85 000	Multi-ward	New
Utility Services	Cape Town Electricity: Electrification - Formal & Informal	C17.84390	AJ	No	Infrastructure -	Transmission & Reticulation	120 000	-	-	-	-	120 000	Multi-ward	New
Utility Services	Cape Town Electricity: Electrification (INEP)	C16.84384	AJ	No	Infrastructure -	Transmission &	50 000	-	-	-	50 000	-	Multi-ward	New
Utility Services	Cape Town Electricity: Electrification- Backyarders	C15.84389	CK	No	Infrastructure -	Transmission &	65 944	-	-	65 944	-	-	Multi-ward	New
Utility Services	Cape Town Electricity: Electrification- Backyarders	C16.84389	CK	No	Infrastructure -	Transmission &	75 000	-	-	-	75 000	-	Multi-ward	New
Utility Services	Cape Town Electricity: Electrification- Formal & Informal	C14.84390	AJ	No	Infrastructure -	Transmission & Reticulation	143 893	-	134 000	9 893	-	-	Multi-ward	New
Utility Services	Cape Town Electricity: Electrification- Formal & Informal	C15.84390	AJ	No	Infrastructure -	Transmission & Reticulation	75 000	-	-	75 000	-	-	Multi-ward	New
Utility Services	Cape Town Electricity: Electrification- Formal & Informal	C16.84390	AJ	No	Infrastructure -	Transmission & Reticulation	120 000	-	-	-	120 000	-	Multi-ward	New
Utility Services	Cape Town Electricity: Facilities Alterations & Upgrading	C15.84055	AJ	No	Other assets	Other Buildings	60 000	-	-	60 000	-	-	Multi-ward	Renewal
Utility Services	Cape Town Electricity: Grassy Park HV Rearrangement	CPX.0003622	AJ	Yes	Infrastructure -	Transmission & Reticulation	100 000	-	-	-	-	10 000	Multi-ward	Renewal
Utility Services	Cape Town Electricity: Guguletu Main Substation Upgrade	C13.84080	AJ	Yes	Infrastructure -	Transmission & Reticulation	50 651	6 378	39 869	4 404	-	-	40	New
Utility Services	Cape Town Electricity: HV Switchgear Replacement	C08.84007	AJ	Yes	Infrastructure -	Transmission &	51 868	9 127	933	7 190	5 100	5 600	Multi-ward	Renewal
Utility Services	Cape Town Electricity: Koeberg Rd Switching Station Phase 2	C10.84050	AJ	Yes	Infrastructure -	Transmission & Reticulation	136 901	8 824	104 500	23 577	-	-	55	New
Utility Services	Cape Town Electricity: MV Circuit Breaker Replacement	C08.84009	AJ	Yes	Infrastructure -	Transmission & Reticulation	50 208	12 225	10 881	6 601	7 237	-	Multi-ward	Renewal
Utility Services	Cape Town Electricity: Oakdale Switch. Station Upgrade - Ph. 2	C15.84081	AJ	Yes	Infrastructure -	Transmission & Reticulation	81 631	-	-	10 000	71 631	-	3	Renewal
Utility Services	Cape Town Electricity: Observatory Main Substation Upgrade	C16.84073	AJ	Yes	Infrastructure -	Transmission & Reticulation	97 460	-	-	-	-	97 460	Subcouncil 15	Renewal
Utility Services	Cape Town Electricity: Platteklouf - N1 Reinforcement	C10.84032	AJ	Yes	Infrastructure -	Transmission & Reticulation	86 884	100	4 915	45 800	36 069	-	1	New
Utility Services	Cape Town Electricity: Retreat Depot - Replace. for Muizenberg	C08.84049	AJ	Yes	Other assets	Civic Land and Buildings	51 048	4 124	577	44 545	-	-	72	Renewal
Utility Services	Cape Town Electricity: Steenbras: Refurbishment of Main Plant	C14.84071	AI	Yes	Infrastructure -	Transmission & Reticulation	190 000	-	5 000	15 000	40 000	40 000	100	Renewal
Utility Services	Cape Town Electricity: System Equipment Replacement: North	C15.84005	AJ	No	Infrastructure -	Transmission & Reticulation	55 000	-	-	55 000	-	-	Multi-ward	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 2012/13	Current Year 2013/14 Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	Ward location	New or renewal
Utility Services	Water & Sanitation: Meter Replacement Program	C16.86030	AI	No	Infrastructure - Water	Reticulation	199 000	-	-	-	199 000	-	Multi-ward	Renewal
Utility Services	Water & Sanitation: Meter Replacement Programme	CPX.0001935	AI	No	Infrastructure - Water	Reticulation	235 000	-	-	-	-	235 000	Multi-ward	Renewal
Utility Services	Water & Sanitation: Mitchells Plain Wastewater Treatment Wor	C06.30148	AJ	Yes	Infrastructure - Sanitation	Sewerage purification	143 010	-	50 000	40 000	50 010	-	43	Renewal
Utility Services	Water & Sanitation: Mitchells Plain WWTW-Improvements Phase2	C13.86010	AJ	Yes	Infrastructure - Sanitation	Sewerage purification	165 400	-	5 500	12 400	18 500	18 500	43	Renewal
Utility Services	Water & Sanitation: Northern Area Sewer Thornton	C07.00407	AJ	Yes	Infrastructure -	Reticulation	154 017	10 000	84 000	55 000	-	-	53	New
Utility Services	Water & Sanitation: Northern Regional Sludge Facility	C12.86075	AJ	Yes	Infrastructure -	Sewerage purification	429 759	973	-	-	25 000	87 000	Multi-ward	New
Utility Services	Water & Sanitation: OSEC (Electrolytic Chlorination Inf)	CPX.0003893	AJ	Yes	Infrastructure - Water	Dams & Reservoirs	66 026	-	-	22 876	9 000	24 000	Multi-ward	New
Utility Services	Water & Sanitation: Philippi Collector Sewer	C11.86060	AJ	Yes	Infrastructure -	Reticulation	186 700	-	200	2 000	7 000	74 500	43	New
Utility Services	Water & Sanitation: Potsdam WWTW - Extension	C11.86063	AJ	Yes	Infrastructure -	Sewerage purification	265 758	1 720	855	18 000	80 300	71 000	4	Renewal
Utility Services	Water & Sanitation: Regional resources development	C10.86130	AJ	No	Other assets	Other Buildings	70 148	5 093	10 000	10 600	10 000	3 000	12	New
Utility Services	Water & Sanitation: Rehab Outfall Sewers Pentz Sandrift m/qu	C09.86015	AI	Yes	Infrastructure - Sanitation	Reticulation	147 682	318	5 882	31 500	12 000	10 000	4	Renewal
Utility Services	Water & Sanitation: Replace & Upgr Sewer Network (City wide)	C15.86024	AI	No	Infrastructure - Sanitation	Reticulation	53 750	-	-	53 750	-	-	Multi-ward	Renewal
Utility Services	Water & Sanitation: Replace & Upgr Water Network (city wide)	C16.86039	AI	No	Infrastructure - Water	Reticulation	50 000	-	-	-	50 000	-	Multi-ward	Renewal
Utility Services	Water & Sanitation: Replace & Upgr Water Network FY2015	CPX.0003866	AJ	No	Infrastructure - Water	Reticulation	51 750	-	-	51 750	-	-	Multi-ward	Renewal
Utility Services	Water & Sanitation: Rietvlei P/Station, R/Main Bottelary	C15.86045	AJ	Yes	Infrastructure - Sanitation	Reticulation	64 450	-	-	700	20 000	12 000	8	New
Utility Services	Water & Sanitation: Somerset West Bus. Park Main sewer	C08.86027	AJ	Yes	Infrastructure - Sanitation	Reticulation	63 115	78	2 000	40 000	20 000	-	109	New
Utility Services	Water & Sanitation: Steenbras Reservoir	CPX.0003895	AJ	Yes	Infrastructure - Water	Dams & Reservoirs	99 005	-	-	5	2 000	44 000	Multi-ward	Renewal
Utility Services	Water & Sanitation: Trappies Sewerage System	C08.11114	AJ	Yes	Infrastructure -	Reticulation	66 337	-	-	500	10 000	30 000	100	New
Utility Services	Water & Sanitation: Zandvliet WWTW-Extension	C10.86033	AJ	Yes	Infrastructure -	Sewerage purification	176 472	-	-	59 050	67 000	50 000	109	Renewal
Utility Services	Various	Various	-	-			-	1 933 222	1 825 318	1 107 864	1 263 446	1 107 018		
Parent Capital expenditure										6 080 696	6 204 645	5 951 461		

Table 88 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 2013/14		2014/15 Medium Term Revenue & Expenditure Framework		
						Original Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
					Year					
Utility Services	Water & Sanitation: Trappies Sewerage System	C08.11114	Infrastructure - Sanitation	Reticulation	2012/13	3 000	–	500	10 000	30 000
Community Services	Library and Information Services: Extensions to Libraries	C12.96037	Community	Libraries	2013/14	2 500	2 200	1 802	–	–
Tourism, Events and Marketing	Strategic Assets: Upgrade Generator Exhaust Extract System	C14.00039	Other assets	Furniture and other office equipment	2012/13	3 000	60	1 040	–	–
Tourism, Events and Marketing	Strategic Assets: Construction Waste Room at CT Stadium	C14.00040	Infrastructure Other	Waste Management	2012/13	2 000	99	1 701	–	–
Tourism, Events and Marketing	Strategic Assets: Provision of lifts for empty shafts: CTS	C14.00044	Other assets	Other Buildings	2013/14	3 500	465	7 985	–	–
Tourism, Events and Marketing	Strategic Assets: Temporary Distribution Boards for rental	C14.00046	Other assets	Furniture and other office equipment	2013/14	1 000	86	1 474	–	–
Tourism, Events and Marketing	Strategic Assets: Completion of change rooms at CT Stadium	C14.00047	Community	Sportsfields & stadia	2013/14	2 000	252	4 338	–	–
Tourism, Events and Marketing	Arts & Culture: Upgrade Heritage Facility site C	C14.00069	Heritage Assets	Buildings	2013/14	1 500	650	850	–	–
Safety & Security	Traffic Services: Property Improvement : City Wide	C14.14704	Other assets	Other Buildings	2012/13	1 800	1 695	29	–	–
Safety & Security	Traffic Services: Acquisition & Upgrade - Atlantis	C14.14717	Community	Fire, safety & emergency	2013/14	4 000	2 501	1 499	–	–
Economic, Environment & Spatial Planning	Planning and Building Dev. Management: Provision of Filing space and systems	C14.18502	Other assets	Other Buildings	2013/14	2 000	900	3 100	–	–
Community Services	Sport, Recreation and Amenities: Synthetic Pitch - Steenberg	C14.95022	Community	Sportsfields & stadia	2013/14	5 000	2 294	2 706	–	–
Community Services	Sport, Recreation and Amenities: Synthetic Pitch - Heideveld	C14.95023	Community	Sportsfields & stadia	2013/14	5 000	2 294	2 706	–	–
Community Services	Sport, Recreation and Amenities: Synthetic Pitch - Cross Roads	C14.95024	Community	Sportsfields & stadia	2013/14	5 000	2 294	2 706	–	–
Community Services	Sport, Recreation and Amenities: Synthetic Pitch - Kewtown	C14.95025	Community	Sportsfields & stadia	2013/14	5 000	2 294	2 706	–	–
Community Services	Sport, Recreation and Amenities: Upgrade of D'Oliviera Sports Facility	C14.95058	Community	Sportsfields & stadia	2012/13	70	–	40	–	–
Community Services	Sport, Recreation and Amenities: Bonteheuwel Sport Field-Ext brick wall	C14.95082	Community	Sportsfields & stadia	2013/14	100	95	100	–	–
Community Services	Sport, Recreation and Amenities: Upgrading of J Nontulo Sports Field	C14.95086	Community	Sportsfields & stadia	2013/14	1 200	85	1 115	–	–
Community Services	Sport, Recreation and Amenities: Upgrading of NY116 Sports Field	C14.95087	Community	Sportsfields & stadia	2013/14	1 000	80	920	–	–
Community Services	Sport, Recreation and Amenities: Lwandle Spectator Stand	C13.95018	Community	Sportsfields & stadia	2013/14	1 000	750	250	–	–
Safety & Security	Metro Police Services: CCTV roll out Bellville	C13.11106	Infrastructure Other	Other	2013/14	3 400	328	3 072	–	–
Safety & Security	Metro Police Services: CCTV roll out Athlone	C13.11107	Infrastructure Other	Other	2013/14	1 400	135	1 265	–	–
Social and Early Childhood Development	District Service Delivery: Construction of ECD - Golden Gate	C13.17310	Community	Community halls	2013/14	3 800	2 000	2 000	500	–

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Municipal Vote/Capital project	Project name	Project number	Asset Class	Asset Sub-Class	Previous target year to complete	Current Year 2013/14		2014/15 Medium Term Revenue & Expenditure Framework			
						Original Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	
R thousand						Year					
Human Settlements	HS Development & Delivery: Wallacedene Ph10B(UISP)	C07.00027	Infrastructure - Road transport	Roads, Pavements & Bridges	2012/13	3 800	-	2 000	3 000	3 000	
Community Services	Sport, Recreation and Amenities: Sea Winds Sports Complex Phase 3	C08.95073	Community	Sportsfields & stadia	2013/14	640	200	440	-	-	
Human Settlements	HS Development & Delivery: Edward Street: Grassy Park Development	C12.15506	Infrastructure - Road transport	Roads, Pavements & Bridges	2013/14	2 000	465	2 750	-	-	
Human Settlements	HS Development & Delivery: Gugulethu Infill Project Erf 8448/MauMau	C09.15515	Infrastructure - Road transport	Roads, Pavements & Bridges	2012/13	-	3 787	18 617	3 900	-	
Human Settlements	HS Development & Delivery: Morningstar Durbanville Housing Project	C12.15510	Infrastructure - Road transport	Roads, Pavements & Bridges	2012/13	-	500	3 000	-	-	
Human Settlements	HS Development & Delivery: Belhar/Pentech Housing Proj: 350 Units	C06.41518	Infrastructure - Road transport	Roads, Pavements & Bridges	2013/14	9 280	6 651	4 280	-	-	
Human Settlements	HS Development & Delivery: 10 Ha Somerset West Housing Project	C06.42371	Infrastructure - Road transport	Roads, Pavements & Bridges	2012/13	-	3 600	4 035	-	-	
Human Settlements	HS Urbanisation: Hazeldean Housing Project Services	C13.15703	Infrastructure - Road transport	Roads, Pavements & Bridges	2013/14	9 500	8 214	8 100	-	-	
Human Settlements	HS Development & Delivery: Rondevlei Housing Project	C06.01622	Infrastructure - Road transport	Roads, Pavements & Bridges	2012/13	-	150	120	-	-	
Human Settlements	HS Development & Delivery: Philippi East 5 Housing Project	C06.41520	Infrastructure - Road transport	Roads, Pavements & Bridges	2012/13	-	25	100	-	-	
Tourism, Events and Marketing	Tourism: URP Upgrade of Lookout Hill Facility	C11.00159	Community	Community halls	2012/13	2 549	1 000	1 000	-	-	
Safety & Security	Traffic Services: Establish the Maitland Impound Facility	C11.14704	Other assets	Civic Land and Buildings	2012/13	-	1 322	234	-	-	
Safety & Security	Traffic Services: Property Improvement : City Wide	C11.14702	Other assets	Other Buildings	2012/13	-	-	17	-	-	
Utility Services	Cape Town Electricity: Milnerton: Sub-Depot - Street Lighting	C13.84082	Infrastructure - Electricity	Transmission & Reticulation	2012/13	20 000	-	17 951	-	-	
Utility Services	Cape Town Electricity: Hout Bay LV Depot	C13.84075	Infrastructure - Electricity	Transmission & Reticulation	2012/13	22 017	-	12 340	21 704	-	
Human Settlements	HS Development & Delivery: Hazendal Housing Project	C07.00437	Infrastructure - Road transport	Roads, Pavements & Bridges	2012/13	-	1 500	250	-	-	
Utility Services	Cape Town Electricity: Retreat Depot - Replace. for Muizenberg	C08.84049	Other assets	Civic Land and Buildings	2013/14	25 793	577	44 545	-	-	
Utility Services	Cape Town Electricity: Stikland Main Substation	C09.84043	Infrastructure - Electricity	Transmission & Reticulation	2012/13	40 134	33 382	5 859	-	-	
Human Settlements	HS Development & Delivery: Ocean View - Mountain View Housing Proj	C06.41570	Infrastructure - Road transport	Roads, Pavements & Bridges	2012/13	-	48	32	32	32	
Transport for Cape Town	Contract Operations: Mitchell's Plain Station TI	C07.01059	Infrastructure Other	Transportation	2013/14	9 500	3 500	14 500	8 000	-	
Human Settlements	HS Development & Delivery: Heideveld Duinefontein Housing Project	C10.15510	Infrastructure - Road transport	Roads, Pavements & Bridges	2012/13	-	550	3 800	2 800	-	
Transport for Cape Town	Infrastructure: Lenteguur & Mandalay Station PTI's:Dsg	C06.41752	Infrastructure Other	Transportation	2012/13	-	4 000	12 650	2 000	-	
Utility Services	Cape Town Electricity: City Depot CBD - New	C13.84076	Infrastructure - Electricity	Transmission & Reticulation	2013/14	64 264	160	64 691	64 522	-	

2.16 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. Currently, three of the five interns have been appointed in permanent positions within the City's Finance department, while two are undergoing training.

2.17 Other supporting documents

Table 89 MBRR Table SA1 - Supporting detail to budgeted financial position

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand									
REVENUE ITEMS:									
Property rates									
Total Property Rates	5 277 706	5 519 703	6 105 690	6 557 264	6 557 264	6 557 264	6 994 217	7 473 841	7 983 016
less Revenue Foregone	841 942	897 262	1 029 245	1 129 876	1 129 876	1 129 876	1 182 318	1 259 169	1 341 015
Net Property Rates	4 435 764	4 622 441	5 076 445	5 427 388	5 427 388	5 427 388	5 811 899	6 214 672	6 642 001
Service charges - electricity revenue									
Total Service charges - electricity revenue	6 578 085	8 061 684	8 852 928	9 668 405	9 483 473	9 483 473	10 072 265	10 827 685	11 661 417
less Revenue Foregone									
Net Service charges - electricity revenue	6 578 085	8 061 684	8 852 928	9 668 405	9 483 473	9 483 473	10 072 265	10 827 685	11 661 417
Service charges - water revenue									
Total Service charges - water revenue	1 649 307	1 817 183	2 053 577	2 343 850	2 333 850	2 333 850	2 540 080	2 824 821	3 158 769
less Revenue Foregone									
Net Service charges - water revenue	1 649 307	1 817 183	2 053 577	2 343 850	2 333 850	2 333 850	2 540 080	2 824 821	3 158 769
Service charges - sanitation revenue									
Total Service charges - sanitation revenue	903 204	1 002 897	1 091 897	1 243 019	1 243 019	1 243 019	1 338 202	1 489 197	1 666 350
less Revenue Foregone									
Net Service charges - sanitation revenue	903 204	1 002 897	1 091 897	1 243 019	1 243 019	1 243 019	1 338 202	1 489 197	1 666 350
Service charges - refuse revenue									
Total refuse removal revenue	642 018	710 609	775 144	826 118	829 800	829 800	891 885	963 901	1 037 882
Total landfill revenue	112 160	102 678	94 066	121 008	121 008	121 008	98 027	103 516	109 106
less Revenue Foregone	-	-	-	-	-	-	-	-	-
Net Service charges - refuse revenue	754 178	813 287	869 210	947 126	950 808	950 808	989 912	1 067 418	1 146 988
Other Revenue by source									
List other revenue by source	-	-	-	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-	-	-	-
Total 'Other' Revenue	1 757 278	1 961 587	2 445 384	2 179 942	2 187 009	2 187 009	2 350 227	2 481 840	2 615 859
EXPENDITURE ITEMS:									
Employee related costs									
Basic Salaries and Wages	3 864 352	4 386 721	4 886 349	5 700 072	5 689 675	5 689 675	6 157 583	6 693 280	7 242 095
Pension and UIF Contributions	619 340	672 305	754 386	996 151	997 432	997 432	1 091 290	1 186 233	1 285 876
Medical Aid Contributions	352 131	397 452	439 574	483 435	483 435	483 435	562 670	611 622	662 999
Overtime	277 175	310 205	335 100	306 086	302 327	302 327	330 974	359 769	389 990
Performance Bonus	-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	167 839	176 258	180 443	193 638	194 012	194 012	180 504	196 207	212 689
Cellphone Allowance	12 388	12 682	13 367	14 031	14 040	14 040	13 785	14 985	16 243
Housing Allowances	31 315	31 061	29 266	28 176	28 176	28 176	26 540	28 848	31 272
Other benefits and allowances	152 445	154 056	172 552	222 558	201 558	201 558	194 039	210 920	228 637
Payments in lieu of leave	58 258	84 554	81 997	130 297	130 279	130 279	143 465	155 947	169 046
Long service awards	8 156	436	73 013	49 059	49 059	49 059	66 265	72 030	78 080
Post-retirement benefit obligations	601 498	712 420	502 763	156 778	156 778	156 778	171 715	181 331	191 123
sub-total	6 144 897	6 938 149	7 468 810	8 280 281	8 246 771	8 246 771	8 938 830	9 711 171	10 508 049
Less: Employees costs capitalised to PPE	21 129	22 137	22 611	26 823	26 823	26 823	20 511	21 660	23 401
Total Employee related costs	6 123 768	6 916 012	7 446 199	8 253 458	8 219 948	8 219 948	8 918 318	9 689 511	10 484 648
Contributions recognised - capital									
Capital PCDR	46 728	44 230	34 076	48 250	44 125	44 125	65 226	96 300	100 300
Total Contributions recognised - capital	46 728	44 230	34 076	48 250	44 125	44 125	65 226	96 300	100 300
Depreciation & asset impairment									
Depreciation of Property, Plant & Equipment	1 262 098	1 372 098	1 620 275	1 914 841	1 937 824	1 937 824	2 131 135	2 280 314	2 439 936
Lease amortisation	-	-	-	-	-	-	-	-	-
Capital asset impairment	9 866	27 392	7 110	19 900	19 900	19 900	23 200	24 499	25 822
Depreciation resulting from revaluation of PPE	-	-	-	-	-	-	-	-	-
Total Depreciation & asset impairment	1 271 965	1 399 490	1 627 385	1 934 741	1 957 724	1 957 724	2 154 335	2 304 813	2 465 758
Bulk purchases									
Electricity Bulk Purchases	4 326 781	5 385 001	6 097 891	6 545 300	6 264 330	6 264 330	6 678 300	7 205 955	7 781 805
Water Bulk Purchases	293 323	320 262	293 295	353 581	343 581	343 581	371 711	404 273	444 073
Total bulk purchases	4 620 105	5 705 263	6 391 186	6 898 881	6 607 911	6 607 911	7 050 011	7 610 228	8 225 878

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Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand									
Transfers and grants									
Cash transfers and grants	93 382	103 492	103 144	39 544	116 409	116 409	100 567	117 769	123 994
Non-cash transfers and grants	-	-	-	-	-	-	-	-	-
Total transfers and grants	93 382	103 492	103 144	39 544	116 409	116 409	100 567	117 769	123 994
Contracted services									
Labour Brokers	84 765	40 959	81 972	58 546	72 731	72 731	59 108	62 205	65 350
Contracted Services ex Payroll	22 300	73 756	39 899	23 905	13 736	13 736	23 430	24 610	25 761
Executive and council	1 110	1 990	11 427	2 718	5 340	5 340	2 260	2 407	2 558
Budget & Treasury Office	2 845	10 032	7 274	31 083	31 158	31 158	45 326	48 592	52 007
Corporate services	183 936	264 531	293 248	329 208	333 209	333 209	416 902	449 771	480 821
Community and social services	39 452	40 187	65 161	48 118	58 924	58 924	51 702	55 512	59 504
Sport & Recreation	259 631	176 782	201 018	351 278	350 905	350 905	310 134	335 876	363 108
Public safety	24 973	27 322	33 667	40 753	39 748	39 748	71 417	76 663	82 156
Housing	130 698	119 791	206 625	264 050	329 784	329 784	294 654	434 658	472 521
Health	4 378	8 458	16 741	15 064	15 064	15 064	15 469	16 538	17 651
Planning and development	8 707	22 471	55 599	80 946	55 545	55 545	56 337	97 547	102 932
Road transport	297 560	439 113	582 910	711 735	710 238	710 238	758 049	672 172	707 140
Environmental protection	17 974	23 897	45 883	34 777	46 618	46 618	30 212	35 234	21 032
Electricity	118 377	115 395	122 941	132 998	132 056	132 056	130 568	140 784	151 540
Water	114 142	138 711	184 798	201 680	217 908	217 908	160 356	181 077	194 356
Waste water management	255 121	282 014	358 836	328 963	390 596	390 596	459 018	444 587	553 787
Waste management	442 024	406 201	512 656	488 573	533 291	533 291	525 497	629 465	660 486
Other	2 275	2 053	5 288	47 787	6 038	6 038	7 573	7 964	7 292
sub-total	2 010 269	2 193 662	2 825 946	3 192 182	3 342 889	3 342 889	3 418 014	3 715 662	4 020 002
Total contracted services	2 010 269	2 193 662	2 825 946	3 192 182	3 342 889	3 342 889	3 418 014	3 715 662	4 020 002
Other Expenditure By Type									
Collection costs	174 754	166 379	183 024	190 733	190 237	190 237	205 919	217 451	229 193
Contributions to 'other' provisions	2 977	(58 822)	31 765	(39 000)	(39 000)	(39 000)	(60 234)	(63 607)	(67 042)
Consultant fees	141 440	147 364	162 459	221 049	220 832	220 832	189 306	164 572	200 645
Audit fees	16 339	15 158	13 660	17 500	17 500	17 500	18 207	19 227	20 265
General expenses	773 046	861 908	948 294	941 670	923 883	923 883	914 753	889 314	937 020
413510 - G&D Housing PHP Payment	40 819	113 072	143 432	200 000	165 756	165 756	260 000	393 061	396 448
Security Services & Charges	269 947	301 800	337 312	225 242	253 024	253 024	243 123	274 626	303 376
Fuel (Petrol, Diesel and Fuel Oil)	143 066	190 773	219 572	184 097	193 491	193 491	225 138	236 901	249 694
Indigent Relief: R20 (07/08 = R30)	94 584	104 792	139 321	146 996	146 996	146 996	158 755	176 774	197 846
Chemicals	91 727	98 711	114 306	145 799	125 154	125 154	144 154	171 593	199 779
MIDS/CIDS	78 967	86 823	103 663	114 884	114 884	114 884	122 391	129 245	136 224
Licenses & Permits	70 866	70 303	73 185	98 289	95 935	95 935	117 121	123 679	130 358
Electricity	70 981	93 563	101 075	99 732	100 378	100 378	105 422	111 326	117 338
Telecommunication Services	56 163	57 112	99 391	96 705	96 705	96 705	94 716	100 020	105 421
Hire of LDV, P/Van, Bus, Special Vehicle	64 290	102 938	94 487	84 036	62 417	62 417	92 168	92 320	97 305
414410 - G&D Vaccines	56 813	71 205	57 539	79 995	74 264	74 264	83 994	65 329	65 329
Projects	1	-	-	87 752	53 811	53 811	83 884	71 689	75 560
Training	32 567	42 447	44 010	75 636	62 207	62 207	78 940	85 811	90 444
Printing Stationery & Photographic	56 482	61 270	65 715	66 861	71 697	71 697	77 708	82 074	86 581
Minor Tools, Equipment & Other	43 063	37 276	44 151	55 191	53 655	53 655	68 113	81 877	90 758
Uniform & Protective Clothing	36 017	36 878	51 693	44 887	55 735	55 735	67 259	70 530	74 338
Service Connections	15 631	3 477	6 554	36 227	35 281	35 281	64 236	67 833	71 496
Rental	55 978	55 763	55 857	60 082	61 367	61 367	62 813	66 330	69 912
Levy: Skills Development	43 499	48 398	56 475	52 590	52 526	52 526	58 947	62 248	65 609
Sewerage Services	35 209	47 450	59 789	47 886	52 886	52 886	57 823	76 061	94 358
Computer Services & Software	19 038	25 399	44 419	37 110	38 601	38 601	55 555	58 666	61 834
Total 'Other' Expenditure	2 666 893	2 988 712	3 480 981	3 612 788	3 521 062	3 521 062	3 812 561	4 065 240	4 359 005
Repairs and Maintenance									
by Expenditure Item									
Employee related costs	406 268	446 891	1 030 137	1 165 808	1 038 287	1 038 287	1 248 847	1 356 288	1 470 189
Other materials	200 892	180 350	202 646	263 900	245 101	245 101	237 074	257 462	279 089
Contracted Services	995 374	1 088 586	1 314 473	1 360 489	1 407 563	1 407 563	1 509 560	1 639 382	1 819 279
Other Expenditure	106 746	167 226	203 129	140 087	151 479	151 479	157 424	170 952	185 321
Total Repairs and Maintenance Expenditure	1 709 280	1 883 053	2 750 384	2 930 285	2 842 430	2 842 430	3 152 905	3 424 085	3 753 877

Table 90 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 - Economic, Environment & Spatial Planning	Vote 7 - Finance	Vote 8 - Human Settlements	Vote 9 - Rates & Other	Vote 10 - Safety & Security	Vote 11 - Social and Early Childhood Development	Vote 12 - Tourism, Events and Marketing	Vote 13 - Transport for Cape Town	Vote 14 - Utility Services	Total
Revenue By Source															
Property rates	-	-	-	-	-	-	-	-	5 811 899	-	-	-	-	-	5 811 899
Property rates - penalties & collection charges	-	-	-	-	-	-	-	-	106 202	-	-	-	-	-	106 202
Service charges - electricity revenue	-	-	36	-	-	-	-	-	-	-	-	-	-	10 072 229	10 072 265
Service charges - water revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	2 540 080	2 540 080
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	1 338 202	1 338 202
Service charges - refuse revenue	-	-	5	-	-	-	-	-	-	185	-	-	-	989 721	989 912
Service charges - other	4 236	-	18 168	5	440	93 443	13 664	10 120	-	10 154	8	4 719	45 872	61 189	262 019
Rental of facilities and equipment	-	-	27 667	-	488	29	189 415	204 461	-	202	413	16 576	240	453	439 945
Interest earned - external investments	-	-	-	-	-	-	265 154	10 600	-	7	-	-	0	1	275 762
Interest earned - outstanding debtors	-	-	-	-	-	83	1 536	-	-	501	-	0	2	117 500	119 622
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines	21	-	2 946	-	-	1 343	-	-	-	171 315	-	-	22	-	175 648
Licences and permits	710	-	3 047	-	-	1 655	-	-	-	33 747	-	10	1 218	-	40 388
Agency services	-	-	-	-	-	-	139 446	-	-	10 993	-	-	-	-	150 439
Other revenue	2 502	44	626	3 130	57 259	50	147 083	6 599	2 014 887	168	-	130	14 753	102 996	2 350 227
Transfers recognised - operational	446 411	-	33 263	-	-	12 090	2 441	584 902	1 428 075	11 666	-	2 190	245 471	-	2 766 510
Gains on disposal of PPE	-	-	-	-	1 500	-	61 000	2 000	-	-	-	-	-	6 000	70 500
Total Revenue (excluding capital transfers and contributions)	453 881	44	85 758	3 135	59 687	108 694	819 740	818 681	9 361 063	238 938	421	23 625	307 579	15 228 371	27 509 618

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Description	Vote 1 - City Health	Vote 2 - City Manager	Vote 3 - Community Services	Vote 4 - Corporate Services	Vote 5 - Deputy City Manager	Vote 6 - Economic, Environment & Spatial Planning	Vote 7 - Finance	Vote 8 - Human Settlements	Vote 9 - Rates & Other	Vote 10 - Safety & Security	Vote 11 - Social and Early Childhood Development	Vote 12 - Tourism, Events and Marketing	Vote 13 - Transport, Roads and Stormwater	Vote 14 - Utility Services	Total
R thousand															
Expenditure By Type															
Employee related costs	620 821	52 767	933 586	307 375	691 038	390 582	644 168	297 127	119 967	1 308 520	71 377	94 053	580 657	2 806 280	8 918 318
Remuneration of councillors	-	-	-	133 619	-	-	-	-	-	-	-	-	-	-	133 619
Debt impairment	-	-	-	-	-	-	12 784	102 389	302 352	-	-	-	-	532 986	950 511
Depreciation & asset impairment	8 718	1 069	91 769	8 451	153 771	20 991	11 664	84 286	-	33 799	2 597	200 320	572 188	964 712	2 154 335
Finance charges	-	-	-	-	-	-	886 062	-	-	-	-	-	-	33 170	919 232
Bulk purchases	-	-	-	-	-	-	-	-	-	-	-	-	-	7 050 011	7 050 011
Other materials	3 637	101	8 631	487	25 294	714	1 498	25 556	-	4 726	332	1 229	50 670	209 474	332 349
Contracted services	22 477	6 722	332 698	26 458	394 334	71 650	33 069	294 813	-	50 187	24 149	54 221	773 882	1 333 353	3 418 014
Transfers and grants	3 654	-	-	-	-	6 189	6 627	-	-	-	-	84 098	-	-	100 567
Other expenditure	226 329	55 721	142 144	118 942	485 855	38 967	404 017	392 884	444 019	180 929	16 097	51 466	187 740	1 067 451	3 812 561
Loss on disposal of PPE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure	885 635	116 379	1 508 829	595 332	1 750 293	529 092	1 999 890	1 197 054	866 338	1 578 161	114 553	485 387	2 165 137	13 997 438	27 789 517
Surplus/(Deficit)	(431 754)	(116 335)	(1 423 071)	(592 197)	(1 690 606)	(420 398)	(1 180 150)	(378 373)	8 494 725	(1 339 222)	(114 132)	(461 761)	(1 857 558)	1 230 933	(279 899)
Transfers recognised - capital	11 600	-	143 224	-	10 702	11 516	-	604 743	-	2 234	-	1 000	1 485 340	550 614	2 820 973
Contributions recognised - capital	-	-	8 826	-	-	-	-	-	-	-	-	-	12 100	44 300	65 226
Contributed assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(420 154)	(116 335)	(1 271 022)	(592 197)	(1 679 904)	(408 881)	(1 180 150)	226 370	8 494 725	(1 336 988)	(114 132)	(460 761)	(360 118)	1 825 847	2 606 299

Table 91 MBRR Table SA3 - Supporting detail to Statement of Financial Position

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand									
ASSETS									
Call investment deposits									
Call deposits < 90 days	3 005 162	3 194 327	4 542 767	6 194 154	6 519 446	6 519 446	6 502 352	6 590 700	7 292 012
Other current investments > 90 days	2 146 596	2 883 387	3 430 794	6 800	6 800	6 800	-	-	-
Total Call investment deposits	5 151 758	6 077 714	7 973 561	6 200 954	6 526 246	6 526 246	6 502 352	6 590 700	7 292 012
Consumer debtors									
Consumer debtors	7 524 644	8 160 512	8 217 315	10 263 828	9 202 312	9 202 312	10 272 445	11 462 796	12 756 309
<u>Less: Provision for debt impairment</u>	(3 815 533)	(4 181 256)	(4 045 082)	(6 046 474)	(4 911 274)	(4 911 274)	(5 861 785)	(6 925 817)	(8 086 187)
Total Consumer debtors	3 709 111	3 979 256	4 172 233	4 217 354	4 291 038	4 291 038	4 410 659	4 536 980	4 670 121
Debt impairment provision									
Balance at the beginning of the year	3 299 430	3 815 533	4 181 256	5 180 282	4 045 082	4 045 082	4 911 274	5 861 785	6 925 817
Contributions to the provision	788 795	802 975	868 296	866 192	866 192	866 192	950 511	1 064 031	1 160 370
Bad debts written off	(272 692)	(437 252)	(1 004 470)	-	-	-	-	-	-
Balance at end of year	3 815 533	4 181 256	4 045 082	6 046 474	4 911 274	4 911 274	5 861 785	6 925 817	8 086 187
Property, plant and equipment (PPE)									
PPE at cost/valuation (excl. finance leases)	32 233 122	36 702 555	42 499 000	47 791 337	47 816 907	47 816 907	53 593 568	59 487 980	65 141 869
Leases recognised as PPE	234 370	-	-	-	-	-	-	-	-
<u>Less: Accumulated depreciation</u>	10 850 778	12 179 603	13 740 265	15 558 440	15 697 989	15 697 989	17 852 324	20 157 137	22 622 895
Total Property, plant and equipment (PPE)	21 616 714	24 522 952	28 758 735	32 232 897	32 118 918	32 118 918	35 741 244	39 330 844	42 518 974
LIABILITIES									
Current liabilities - Borrowing									
Short term loans (other than bank overdraft)	-	-	-	-	-	-	-	-	-
Current portion of long-term liabilities	305 353	294 186	418 166	478 860	387 991	387 991	400 902	536 469	396 553
Total Current liabilities - Borrowing	305 353	294 186	418 166	478 860	387 991	387 991	400 902	536 469	396 553
Trade and other payables									
Trade and other creditors	3 321 917	3 924 015	4 517 030	4 696 396	3 597 706	3 597 706	3 537 596	2 924 302	2 399 067
Unspent conditional transfers	1 108 680	1 665 752	858 556	1 826 081	1 820 627	1 820 627	1 546 848	1 468 137	1 368 299
VAT	57 368	57 756	69 491	69 885	76 440	76 440	80 262	84 275	88 489
Total Trade and other payables	4 487 965	5 647 523	5 445 077	6 592 362	5 494 773	5 494 773	5 164 707	4 476 714	3 855 855
Non current liabilities - Borrowing									
Borrowing	5 343 836	5 176 421	6 936 236	6 493 327	6 646 477	6 646 477	8 570 026	10 202 141	12 264 615
Finance leases (including PPP asset element)	-	-	-	-	-	-	-	-	-
Total Non current liabilities - Borrowing	5 343 836	5 176 421	6 936 236	6 493 327	6 646 477	6 646 477	8 570 026	10 202 141	12 264 615
Provisions - non-current									
Retirement benefits	2 857 172	3 370 547	3 782 902	3 900 326	3 939 680	3 939 680	4 111 395	4 292 725	4 483 848
<i>List other major provision items</i>	-	-	-	-	-	-	-	-	-
Refuse landfill site rehabilitation	342 871	328 839	332 990	393 839	364 991	364 991	435 670	458 324	501 374
Other	312 294	376 815	436 621	462 055	485 679	485 679	551 943	623 973	702 053
Total Provisions - non-current	3 512 337	4 076 201	4 552 513	4 756 220	4 790 350	4 790 350	5 099 008	5 375 022	5 687 275

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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
R thousand									
CHANGES IN NET ASSETS									
<u>Accumulated Surplus/(Deficit)</u>									
Accumulated Surplus/(Deficit) - opening balance	12 485 228	14 369 652	16 721 752	20 263 916	20 158 276	20 158 276	23 100 680	25 758 853	28 431 147
GRAP adjustments	92 283	(174 070)	-	-	-	-	-	-	-
Restated balance	12 577 511	14 195 582	16 721 752	20 263 916	20 158 276	20 158 276	23 100 680	25 758 853	28 431 147
Surplus/(Deficit)	1 732 180	2 507 284	3 443 726	2 334 315	2 701 109	2 701 109	2 606 299	2 584 723	2 507 239
Appropriations to Reserves	(527 936)	(720 503)	(639 146)	214 694	263 461	263 461	99 549	139 532	40 481
Transfers from Reserves	587 895	739 389	633 044	(22 166)	(22 166)	(22 166)	(47 676)	(51 961)	(56 498)
Depreciation offsets	-	-	-	-	-	-	-	-	-
Other adjustments	-	-	-	-	-	-	-	-	-
Accumulated Surplus/(Deficit)	14 369 650	16 721 752	20 159 376	22 790 759	23 100 680	23 100 680	25 758 853	28 431 147	30 922 370
<u>Reserves</u>									
Housing Development Fund	539 070	521 463	504 356	557 131	512 591	512 591	545 474	580 198	616 797
Capital replacement	1 186 371	1 274 073	1 281 721	849 298	1 018 260	1 018 260	918 711	779 179	738 698
Self-insurance	585 163	496 182	511 743	523 788	525 674	525 674	540 467	557 704	577 602
Other reserves	-	-	-	84 207	84 224	84 224	91 158	96 327	102 123
Revaluation	-	-	-	-	-	-	-	-	-
Total Reserves	2 310 604	2 291 718	2 297 820	2 014 424	2 140 749	2 140 749	2 095 810	2 013 407	2 035 220
TOTAL COMMUNITY WEALTH/EQUITY	16 680 254	19 013 470	22 457 196	24 805 183	25 241 429	25 241 429	27 854 662	30 444 554	32 957 590

Total capital expenditure includes expenditure on nationally significant priorities:

Provision of basic services	-	-	-	-	-	-	-	-	-
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Table 92 MBRR Table SA9 - Social, economic and demographic statistics and assumptions

Description of economic indicator	Basis of calculation	2001 Census	2007 Survey	2011 Census	2010/11	2011/12	2012/13	Current Year	2014/15 Medium Term Revenue & Expenditure Framework		
					Outcome	Outcome	Outcome	2013/14 Original Budget	Outcome	Outcome	Outcome
Demographics											
Population	Stats SA Data/Estimate	2 893 246	3 497 097	3 740 025	3 723 769	3 792 089	3 860 589	3 930 079	4 000 821	-	-
Females aged 5 - 14	Stats SA Data/Estimate	260 208	287 307	275 909	323 597	329 690	335 040	341 071	347 210	-	-
Males aged 5 - 14	Stats SA Data/Estimate	257 995	284 101	282 124	333 859	338 524	342 421	348 584	354 859	-	-
Females aged 15 - 34	Stats SA Data/Estimate	571 891	653 762	706 732	629 631	634 589	639 883	651 401	663 126	-	-
Males aged 15 - 34	Stats SA Data/Estimate	539 880	631 811	707 488	640 688	648 963	657 445	669 279	681 326	-	-
Unemployment	Stats SA Data	29.2%	24.5%	23.9%	24.8%	23.9%	26.3%	25.6%	n/a	-	-
Monthly household income (no. of households)											
No income	Stats SA Data	101 953	52 446	146 517	145 881	n/a	n/a	n/a	n/a	-	-
R1 - R1 600	Stats SA Data	200 414	144 873	185 068	184 264	n/a	n/a	n/a	n/a	-	-
R1 601 - R3 200	Stats SA Data	130 846	122 611	170 824	170 082	n/a	n/a	n/a	n/a	-	-
R3 201 - R6 400	Stats SA Data	133 588	121 268	154 427	153 756	n/a	n/a	n/a	n/a	-	-
R6 401 - R12 800	Stats SA Data	109 609	103 587	139 348	138 743	n/a	n/a	n/a	n/a	-	-
R12 801 - R25 600	Stats SA Data	67 529	87 974	126 625	126 075	n/a	n/a	n/a	n/a	-	-
R25 601 - R51 200	Stats SA Data	23 091	52 892	92 860	92 457	n/a	n/a	n/a	n/a	-	-
R52 201 - R102 400	Stats SA Data	5 470	18 249	38 018	37 853	n/a	n/a	n/a	n/a	-	-
R102 401 - R204 800	Stats SA Data	3 028	5 355	9 749	9 707	n/a	n/a	n/a	n/a	-	-
> R204 800	Stats SA Data	1 861	3 429	5 066	5 044	n/a	n/a	n/a	n/a	-	-
Unspecified		-	189 593	73	73	n/a	n/a	n/a	n/a	-	-
Poverty profiles (no. of households)											
< R2 060 per household per month		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-	-
Indigent Households		-	-	-	213 765	251 381	288 703	n/a	n/a	-	-
Household/demographics (000)											
Number of people in municipal area	Stats SA Data	-	-	-	-	-	-	-	-	-	-
Number of poor people in municipal area	Estimate	2 893	3 497	3 740	3 724	3 792	3 861	3 930	4 001	-	-
Number of households in municipal area	Stats SA Data/Estimate	1 125	1 240	1 758	1 751	n/a	n/a	n/a	n/a	-	-
Number of poor households in municipal area	Stats SA Data	777	902	1 069	1 064	1 083	1 103	1 123	1 143	-	-
Definition of poor household (R per month)		302 Household income < R1601	320 Household income < R3201	502 Household income < R3201	500 Household income < R3201	n/a	n/a	n/a	n/a	-	-
Housing statistics											
Formal	Stats SA Data/Estimate	599 792	748 631	837 533	833 895	849 195	864 535	880 096	895 938	-	-
Informal	Stats SA Data/Estimate	157 687	144 116	222 549	221 582	225 648	229 724	233 859	238 068	-	-
Total number of households		757 479	892 747	1 060 082	1 055 477	1 074 843	1 094 259	1 113 955	1 134 006	-	-
Dwellings provided by municipality		-	-	-	7 472	7 141	4 300	4 791	8 896	-	-
Dwellings provided by province/s		-	-	-	-	-	-	-	-	-	-
Dwellings provided by private sector		-	-	-	6 349	6 455	9 076	-	-	-	-
Total new housing dwellings		-	-	-	13 821	13 596	13 376	4 791	8 896	-	-
Economic											
Inflation/inflation outlook (CPIX)		-	-	-	5.6%	4.0%	5.40%	5.6%	5.8%	5.6%	5.4%
Interest rate - borrowing		-	-	-	12.1%	11.8%	10.0%	10.1%	11.0%	11.0%	11.0%
Interest rate - investment		-	-	-	7.3%	5.6%	6.0%	5.0%	5.5%	5.5%	5.5%
Remuneration increases		-	-	-	10.4%	12.9%	8.10%	6.8%	6.8%	6.7%	6.4%
Consumption growth (electricity)		-	-	-	0.0%	0.0%	0.00%	0.0%	-1.8%	-1.0%	-1.0%
Consumption growth (water)		-	-	-	0.5%	0.5%	1.00%	1.0%	1.0%	1.0%	1.0%
Collection rates											
Property tax/service charges		-	-	-	95.0%	97.9%	95.2%	96.0%	96.0%	96.0%	96.0%
Rental of facilities & equipment		-	-	-	76.7%	87.5%	87.5%	85.0%	85.0%	85.0%	85.0%
Interest - external investments		-	-	-	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Interest - debtors		-	-	-	96.0%	96.0%	96.2%	96.2%	96.0%	96.0%	96.0%
Revenue from agency services		-	-	-	0.0%	0.0%	0.0%	100.0%	100.0%	100.0%	100.0%

Table 93 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
BCA Training (Pty) Ltd	Mths	15	Provision of a service provider: contract management related training for infrastructure projects.	30 June 2014	4 700
Waste-Mart CC	Mths	20	The provision of a refuse collection service in Brown's Farm, Phillipi, Weltevreden and surroundings.	30 June 2016	13 200
Chad Ways Construction CC	Mths	22	Repair and replacement of locks and hinges to council's green litter bins.	30 June 2016	Various rates
Waste-Mart CC (4600005651)	Mths	20	Provision of services for the road transportation of containerised municipal solid waste from the Kraaifontein waste management facility to the Vissershok landfill site.	30 June 2016	12 000
Infancare Personal Products CC t/a VT Med Waste	Mths	12	Clearance, collection, transport and safe disposal/ incineration of illegally dumped medical, hazardous, toxic waste.	30 November 2015	600
Linamandla Business Enterprise CC	Mths	36	Provision of area cleaning services in formal disadvantage sandy areas.	30 June 2015	125 000
World-Wize Waste Solutions CC	Mths	28	Collection, loading, transport and disposal of animal carcasses.	30 June 2015	3 000
Waste-Mart CC	Mths	35	Transportation of containerised solid waste from the Swartklip refuse transfer station to Vissershok landfill site.	30 June 2015	30 000
SA Metal Group (Pty) Ltd t/a Waste Control (4600003168)	Mths	29	Chipping and removal of garden refuse and waste skip container services to Solid Waste Facilities within the City of Cape Town.	30 June 2015	180 000
Mhongo's Waste Removal CC t/a Mhongo's Waste & Security Services (Main Contractor) (4600003179)	Mths	29	Period tender for the provision of a conventional refuse collection service in Kraaifontein, Bloekombos and Wallacedene and surrounding areas.	30 June 2015	35 000
Mhongo's Waste Removal CC t/a Mhongo's Waste & Security Services (Main Contractor) (4600003179)	Mths	28	Period tender for the provision of a conventional refuse collection service in Delft/ Mfuleni and surrounding areas.	30 June 2015	40 500
Akura Manufacturing Engineering Company (Pty) Ltd	Mths	34	Period tender for the refurbish and re-paint bulk waste containers to specification at Athlone refuse transfer station.	30 June 2015	2 000
Masiqame Trading 729 CC	Mths	32	Provision of community based refuse collection and area cleaning services in Mfuleni.	30 June 2015	2 400
Ntente Construction and Maintenance Cleaning 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 Nomzamo Lwandle.	30 June 2015	1 500
OCS-Odour Control Solutions CC t/a OCS	Mths	34	Provision of odour neutralisation service at various Solid Waste facilities	30 June 2015	7 000
Nokwinda Yidlani Trading and Projects CC	Mths	30	Provision of refuse collection and area cleansing services in Doornbach informal settlement.	30 June 2015	2 050
Nokwinda Yindlala Trading and Projects CC	Mths	27	Supply, provision of refuse collection and area cleansing services in Joe Slovo (Langa) informal settlement.	30 June 2015	1 520
Waste-Mart CC	Mths	23	Provision of skips for the removal of animal waste, general waste and disposal thereof at Vissershok (Council owned site).	30 June 2015	1 000
Waste Plan (Pty) Ltd for Item 4.1	Mths	31	Provision of recyclables in the surrounds of Sea Point and Green Point areas.	30 June 2014	9 700
Waste-Mart CC	Mths	36	Provision of a wet/ dry refuse collection services for various suburbs in the Atlantic Area (Pinelands, Parklands, Melkbos and Blouberg).	30 June 2014	1757 Per month
Ngokholo Construction and Cleaning and Security CC t/a Our Pride Services	Mths	31	Provision of refuse collection and area cleaning services in Hangberg informal settlement.	30 June 2014	2 300
Waste Plan (Pty) Ltd	Mths	35	Provision of services for the operating of the materials recovery facility at the Kraaifontein waste management facility and for the collection of dry refuse and co-mingled recyclables from the targeted North-Eastern metropolitan areas.	30 June 2014	per unit
Waste-Mart CC	Mths	32	Provision of a wet/ dry refuse collection services for various Helderberg suburbs in the Impuma area (Gordon's Bay, Somerset West, Strand, Sir Lowry's Pass, Nomzamo, Lwandle and surrounding areas).	30 June 2014	3500 Per month
Waste-Mart CC	Mths	32	Provision of a wet/ dry refuse collection services for various suburbs in the Two Oceans area (Masiphumelele, Fishhoek, Simons Town, Muizenberg, Kalkbay, Clovelly & St James).	30 June 2014	698 Per month
S.A. Metal Group t/a Waste Control	Mths	30	Provision of a wet/ dry refuse collection services for various suburbs in the Atlantic area (Camps Bay, Bantry Bay, Clifton, Bakoven, Hout Bay, Llundando).	30 June 2014	1100 Per month
Lolla's Care Giving Agency	Mths	28	Provision of refuse collection and area cleansing services in Witsands informal settlement.	30 June 2014	2 155
Camel Rock Trading 630 CC	Mths	31	Provision of refuse collection and area cleaning services in Du Noon informal settlements.	30 June 2014	4 900
Linamandla Business Enterprise CC	Mths	28	Provision of refuse collection and area cleaning services in Imizamo Yethu informal settlement.	30 June 2014	3 610
Suburban Services (Pty) Ltd (4600002729)	Mths	27	Cleaning of municipal courts.	30 June 2014	1 080

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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
Imvusa Trading 2361 CC, Nboenhle Trading Enterprise CC and Southern Ambition 132 CC t/a Sokipa Services	Mths	26	Cleaning and greasing of specialised heavy plant at landfill sites and depot.	30 June 2014	6 000
Spazatainer South Africa CC	Mths	27	Supply, delivery and installation, moving and repair of used marine shipping containers.	30 June 2014	2 000
Teloc Waste Management CC t/a Malume Drain Specialists	Mths	29	The ad hoc hire of heavy duty and small street sweeping machines.	31 January 2014	57 500
Maxal Projects SA (Pty) Ltd	Mths	32	Servicing and repairs of chlorine dosing equipment on various bulk water treatment plants and reservoirs	30 June 2016	400
Harmonious Pools CC	Mths	24	Term tender for the installation and rehabilitation of fire hydrants in District 3, Khayelitsha.	20 August 2015	2 000
Reflect All Compressors CC	Mths	31	Inspection and testing of pressure vessels.	30 June 2015	6 000
Jetvac South Africa (Pty) Ltd	Mths	28	Cleaning of pump station wetwells.	30 June 2015	3 000
Sight Lines Pipe Survey Service (A Division of Wasteman Holdings (Pty) Ltd), Peninsula Pipeline Services CC	Mths	29	Cleaning/ desilting of sewer sandtraps (city wide).	30 June 2015	2 000
Malutsa (Pty) Ltd	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.	30 June 2015	3 500
Ikapa Reticulation and Flow CC	Mths	25	Disconnection and reconnection of water supplies.	30 June 2015	6 000
Khaya Gordon Maqabuka Trading CC	Mths	19	Maintenance of sewer manholes in District 3, Khayelitsha.	30 June 2015	Various Rates
Enviroserv Waste Management (Pty) Ltd	Mths	30	Removal, transportation and disposal of grit and screenings from various wastewater treatment works.	30 June 2015	26 800
Biocure CC	Mths	22	Supply, delivery, commissioning, installation and maintenance treatment of odour control systems at selected wastewater treatment works and supply and delivery of odour control agent at various wastewater treatment facilities within the City of Cape Town.	30 April 2015	1 200
Various companies as per resolution	Mths	24	Period tender for trenchless rehabilitation of sewers (works projects: up to R2,0 million). (Please note this tender covers a period of two years)	28 February 2015	Various Rates
Nazima Civils JV	Mths	24	Period tender for the maintenance of pressure reducing valves and chambers.	29 November 2014	Various Rates
CAC Arendse t/a CA Holdings	Mths	24	Construction of new sewer connections in District 3, Khayelitsha.	08 November 2014	Various Rates
JJ Dyers Environmental Services & Contractors CC	Mths	24	Period tender for the repair of sewer lines in District 3, Khayelitsha.	23 October 2014	Various Rates
Quetzal Trading 116CC	Mths	24	Period tender for the construction of new sewer manholes in District 3, Khayelitsha.	22 October 2014	Various Rates
World Focus 226 CC t/a WF Constructions	Mths	9	Construction of water reticulation and property connections in Ruyterwacht Phase 4.	17 July 2014	5 013
Imvusa Trading 700 CC t/a Mshengu Services	Mths	36	Rental, delivering, placement and servicing of portable non-flushing chemical toilet units for informal settlements within the City of Cape Town.	30 June 2014	164 885
Sannicare CC	Mths	30	Servicing of container toilets in informal settlements within the City of Cape Town.	30 June 2014	38 400
Sannicare CC	Mths	30	Servicing and maintenance of portable flush toilets in informal settlements within the City of Cape Town.	30 June 2014	48 000
Masizakhe Garden Services CC	Mths	33	Garden maintenance for the Faure water scheme, Helderberg water scheme and Firlands Pump Station.	30 June 2014	900
Wasteman Holdings (Pty)Ltd	Mths	34	Removal and disposal of water treatment residue from the Faure Water Treatment Plant.	30 June 2014	21 200
Guerrini Marine Construction CC	Mths	34	The inspection, maintenance and minor repairs of submarine pipelines of marine outfalls.	30 June 2014	350
Ikapa Reticulation and Flow CC	Mths	30	Provision of water meter reading service for the City of Cape Town (Water and Sanitation).	30 June 2014	5 200
Nejeni Construction and Project Management CC and MA Nzima Civil Construction CC JV, Amandla GCF Construction CC, CAC Arendse t/a CA Holdings, Triple C Maintenance and Services CC, ATN Roadmarkings CC	Mths	31	Period tender for repairing existing and laying of new sewer mains.	18 May 2014	Various Rates
Quetzal Trading 116 CC	Mths	23	Period tender for the installation and rehabilitation of valves in District 3, Khayelitsha.	27 March 2014	Various Rates
Messrs Mackenzie Ice Investments 105 CC t/a Titan Labour (4600002440)	Mths	31	Periodic tender for trenchless rehabilitation of water mains.	28 February 2014	Various Rates
Frogfoot Networks (Pty) Ltd	Mths	30	Appointment of third party service providers: electricity prepayment vending solution for the City of Cape Town.	30 June 2016	Various Rates

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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
Vodacom (Pty) Ltd and Telkom SA SOC (Pty) Ltd	Mths	30	Provision of secure GPRS data and related services for machine-to-machine and POS connectivity from a first tier service provider.	30 June 2016	Various Rates
V2 Electrical Contractors CC	Mths	30	First line response: distribution area: east.	30 June 2016	Various Rates
Powerrac (Pty) Ltd	Mths	31	Provision of LV and MV three-phase meter installation services.	30 June 2016	Various Rates
Onlab Specialist Electro Technology CC	Mths	24	Supply of labour for the installation, testing, and maintenance of protection and automation relays.	25 September 2015	600
Light-Be Construction and Maintenance (Pty) Ltd	Mths	24	Provision of works for highmast public lighting installations.	21 August 2015	6 000
Adenco Construction (Pty) Ltd	Mths	25	Low voltage overhead maintenance and repairs on the City of Cape Town electricity distribution network.	30 June 2015	Various Rates
Current Affairs Electrical CC, Adenco Construction (Pty) Ltd, PTPP Projects CC, Light-Be Construction and Maintenance (Pty) Ltd and Jelani Projects CC	Mths	30	Maintenance of public lighting installations.	30 June 2015	85 000
CA Davuds t/a Davids Tool Hire, Lawnmower and Garden Centre	Mths	32	Grounds and horticultural maintenance at Steenbras power station.	30 June 2015	3 000
Main: Sisonke Treefellers CC	Mths	28	Pruning of trees near bare conductor low voltage overhead lines.	30 June 2015	4 000
JV Esri South Africa (Pty) Ltd and Giscoe (Pty) Ltd	Mths	29	Field recording and GIS data capture of electrical plant and reticulation.	30 June 2015	Est imated R27.5 million over 3 years
Die Sonop Trust t/a Seven Eleven Sarepta, OM Mthuze t/a Terminus Kiosk, SR Haider t/a Delmar Superette, Zaihaad Trading CC t/a Duinefontein Service Station, Henque 2465 CC t/a OK Minimark Mitchell's Plain, Nampini Trading CC t/a Oakglen Service Station, The Business Zone 623 CC t/a Wavcrest Motors, Kerogem Investments 14 CC t/a Hout Bay Spar, J Kamrodien t/a New GP Superette, Tradesstuff 2225 CC t/a Glencairn Kwikspar, Hillsdon Investments CC t/a Prosper Kwikspar, S. Hendricks t/a Shamiena's Tuck Shop, MA Badroodien t/a Foodland Supermarket, Clarks Garage t/a RK Davids, VP Alpha Retail CC t/a Vierlanden 7 Eleven, Moegamat Luthfi Isaacs, Rothman & Rothman CC t/a Friendly 7 Eleven Vasco, Rothman & Nel CC t/a Foodzone Tygerdal, Sebenzisana Trading 23 CC, Donavon Peter Adriaans t/a Adriaans Tuck Shop, Peter Godsiff Investments CC t/a The Write Shoppe, S P White CC t/a Forest Glade Pharmacy, Paul Theophilus Rass t/a Forest Drive Supermarket, H.A. Trading t/a 7/11 Beehive, Anadon Foods CC t/a Kuilsriver Superspar, A. Mukuddem t/a Las Vegas Café, Stander Office Supplies t/a Oxford Stationery and Books, Mcebisi Witness Mjijima t/a Nozulu Braai, Gratima 146 CC t/a Edgemoed Superspar, Hoosain Khan Gaffoor t/a Belvedere Café, Harold S Singer and Associates CC t/a Minikem and Cameraworld, World Focus 2070 CC t/a Mom's Supermarket, Pauloyd Auto Spares CC t/a Solly's Garage, Retha-Marie Superette t/a Friendly Seven Eleven, C & P Campbell CC t/a Guy's Service Centre, S. Butler CC t/a Sawmill Service Station, AR Hassan t/a Rite Price Supermarket, Satar Sayed Ismail t/a Parkers Superette, Ahamed Jawoodien t/a Jawoodiem Supermarket, The Baking Boss t/a Quicktrip Bakery, N.E Msimang t/a Msihla Cash Store, H. Mallach & Associates CC t/a M-Kem Medicine City, JL Fenton t/a Jimmys Café AM Parker t/a S.E. Supermarket, Genetrix Investments CC t/a Rosmead Superspar, Quicko Trading 040 t/a Fuzzy's Mini Market, Sharifa Mohamed-Fakier t/a Kismet Supply Store, Abdulla Kajie Ismail t/a Rezwaans Fast Foods, Gasant Basha t/a GB Cash Count Supermarket, Lucmar Investments CC t/a The Hut Supermarket	Mths	21	Appointment of service provider: electricity prepaid municipal vendors.	30 June 2015	Various Rates
Kuntwela Ezansi Ventures CC t/a Kev Accurate Measuring	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
Elex Umbane (Pty) Ltd t/a Elex Khanyisa	Mths	29	Replacement of prepayment meters.	30 June 2015	Est R10 million p.a.
Shuaib Manjra Medical Consultants	Mths	24	Provision of occupational health care services for Electricity Services.	31 May 2015	Various Rates
Current Affairs Electrical CC	Mths	24	Supply of labour for location and repair of pilot cable faults.	05 May 2015	Various Rates
F & R Catal Transport Solution (Pty) Ltd	Mths	24	The supply and fitment of aluminium swappable bodies on City of Cape Town vehicles.	16 April 2015	4 000

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External mechanism	Yrs/ Mths	Period of agreement	Service provided	Expiry date of service delivery agreement or contract	Monetary value of agreement
Name of organisation		Number			R thousand
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
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 Rates
Activate Marketing Procurement Specialists CC t/a Activate Marketing	Mths	24	Supply and installation of GPS navigational units mounted on vehicles and motorcycles (Global Positioning System).	16 September 2014	Various Rates
De Kock and Cronje CC	Mths	24	Medium voltage switchgear maintenance, on the job training and assessment, writing of maintenance manuals and task lists for the City of Cape Town's electricity area of supply.	30 June 2014	30 000
Milford Construction CC	Mths	24	Painting of substation buildings and City of Cape Town facilities.	31 May 2014	3 000
EJ Jacobs t/a EJM Electrical Servicing and Maintenance	Mths	24	Inspection and removal of illegal and unsafe electrical connections - distribution areas: east, north and south.	31 January 2014	2 632
ZT Raya, J Samuels t/a JS Alien Destroyers, VJ Mitchell t/a Indigi Care, N A Kewuti t/a Masonwabe Alien Clearing, N Ngame t/a Phumelela, N C Lombo t/a Akhanani Alien Clearing, B Sopedi	Mths	31	Clearing of alien vegetation.	30 June 2016	4 500 000
APT Quantity Surveyors	Yrs	1	Quantity surveying.	30 June 2016	131 750
Bounce Back Community Development	Yrs	1	Anti bullying and anger management for PR teens.	30 June 2016	64 000
Cape Heart Community	Yrs	1	Be Smart don't start programme.	30 June 2016	125 975
Dynamic Flooring	Yrs	1	Upgrade of ECD centre-Scorpio.	30 June 2016	189 184
Ekapu training	Yrs	1	ECD sector capacity - parenting skills.	30 June 2016	48 500
EMCE Coaching	Yrs	1	Assessment centres services for Street People.	30 June 2016	175 100
Grassroots	Yrs	1	ECD: First Aid training.	30 June 2016	90 000
Haven Night Shelter	Yrs	1	Assessment centres services for Street People.	30 June 2016	174 500
Industaff Solutions	Yrs	1	Labour Broker services - Contract Staff.	30 June 2016	2 935 682
LJA Construction	Yrs	1	Construction of ECD Centre-Strandfontein.	30 June 2016	1 493 490
Matdoc Outsourcing	Yrs	1	Social home based care.	30 June 2016	176 500
PTJ Building & Plumbing Suppliers	Yrs	1	Upgrade of ECD centre-Scorpio.	30 June 2016	63 701
SA Homeless Street	Yrs	1	Assessment centres services for Street People.	30 June 2016	192 500
Safer Together	Yrs	1	Assessment centres services for Street People.	30 June 2016	192 500
Somerset West Night Shelter	Yrs	1	Assessment centres services for Street People.	30 June 2016	186 000
Studio 23	Yrs	1	Architectural services: Nantes ECD centre.	30 June 2016	13 969
The Business Zone	Yrs	1	Local networks of care integrated Street People services.	30 June 2016	80 000
Training Force	Yrs	1	ECD: First Aid training.	30 June 2016	42 400
ZAF Construction	Yrs	1	Construction of ECD centre-Strandfontein.	30 June 2016	438 983
Safety Protective Clothing CC	Yrs	2	Supply and delivery of reflective vests for metro police officers.	30 June 2016	450
Caddic Security Systems and Integration (Pty) Ltd	Yrs	2	Roll out of CCTV cameras for Claremont.	30 June 2016	3 500
Parow Arms & Ammo (Pty) Ltd	Yrs	2	Acquisition of pump action shotguns.	01 August 2014	450
Caddic Security Systems and Integration (Pty) Ltd	Yrs	2	Supply, installation and commissioning of in-car camera system.	30 June 2016	640
Bernhard Agencies	Yrs	3	Supply and delivery of Glock pistols for the city of Cape Town Metropolitan Police Department.	30 June 2015	443
Public Discipline & Integration of Technology	Yrs	2	Maintenance of CCTV systems and equipment.	30 June 2015	1 500
Melsa Trading (Pty) Ltd & Tra-Col Solutions CC	Yrs	2	Supply and delivery of animal feed and bedding.	30 June 2015	172
Nobelleq Arms and Ammunition (Pty) Ltd & Quemic South (Pty) Ltd	Yrs	2	Supply and delivery of ammunition.	30 June 2015	1 000
Sirdicks CC	Yrs	3	Supply and delivery of soft body armour vests.	30 June 2016	1 800
Various	Yrs	3	Supply and delivery of uniforms for metro police.	30 June 2016	450
Securitas SA (Pty) Ltd	Yrs	3	Provision of control room operators for a CCTV surveillance service.	30 June 2016	32 789

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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
Transport Telematics Africa (Pty) Ltd	Yrs	2	Professional services for the design, implementation and project management of urban cctv surveillance in the cape town metro area.	14 October 2015	4 800
EOH Mthombo (Pty) Ltd	Yrs	3	Appointment of a service provider for the implementation of a sap public safety and security solution.	30 June 2016	57 014
Morvest Human Capital Management	Yrs	3	Supply of ICT professional services.	30 June 2016	662
Lifesaving Western Province	Mths	8	Lifesaving services.	01 May 2014	3 500 000
BAU Africa	Mths	11	Appointment of registered professional engineering service provider: civil engineering services for Delft cemetery extension, phase 2, Delft.	30 June 2014	199 500
Cape Contours Landscapes CC	Mths	30	Supply and delivery of fertilizers.	30 June 2016	3 500 000
Siyphambili Electrical and Industrial Supplies CC	Mths	30	Supply and delivery of herbicides, pesticides and insecticides.	30 June 2016	2 500 000
Conchem-Saligna Bee BK	Mths	20	Horticultural maintenance - northern district.	30 June 2015	580 000
Mrs M Moosa t/a Western Cape Stationers	Yrs	3	Chemical weed control on roads and hard surfaces throughout the city of Cape Town.	30 June 2015	2 600 000
Gau-Flora CC, Jacobs Maintenance & Services, MPE Garden Services, Pro-Lux Construction and Cleaning Services CC, John Lindsay Industrial & Domestic CC, Jared Alexander Erasmus, Grand Landscaping CC, Marindas Projects, Corma Construction and Cleaning CC, Inkwali Cleaning & Construction CC, Anoesjka's, Woman on Board CC, Pegasus Consulting Services, Bohay Construction & Cleaning CC, Siliroille Ihlahla Construction CC, Ngcokoto General Trading CC, Hands on Garden Solutions CC, Skyforce General Services, Women Care Trading	Yrs	2	Mowing of public open spaces, road reserves and cemeteries.	30 June 2015	50 000 000
Henning and Henning BK	Mths	33	Chemical control of broadleaf weeds on public open spaces, road reserves and cemeteries.	30 June 2014	4 000 000
Ululwandle Cleaning and Construction CC, Mkhomazi Investment CC, Lucrative Cleaning and Maintenance CC	Yrs	2	Maintenance of public toilets on public open spaces and cemeteries.	30 June 2014	2 500 000
Wely Construction & Projects CC, Siqalo Gardening and Cleaning CC, Yahwen Construction CC, Waste Rethink,	Yrs	3	Preparation of graves in city cemeteries.	30 June 2016	22 000 000
Integer Holdings (Pty) Ltd, Ngcokotho Holdings (Pty) Ltd	Mths	24	Brand development, comms. strategies, social media.	01 January 2016	8 000 000
King James/Yellow Wood	Mths	36	Ad hoc photographic services.	New tender	1 000 000
Panel of freelancer photographers	Mths	36	Ad hoc graphic design services.	01 June 2014	3 000 000
Panel of freelancer graphic designers	Mths	36	Media support/capacitation.	01 June 2014	3 000 000
HWB Communications	Mths	36	Specialist media space buying.	30 June 2016	500 000
J Lloyd	Mths	36	Provision of sound, recording and audio systems at meetings/ functions - new tender.	n/a	7 000 000
Panel of small audio-visual companies	Mths	36	Provision of creative writing services for publications, leaflets, web.	New tender	2 000 000
Panel of freelance creative writers/small agencies	Mths	36	Development of newsletters.	01 June 2015	2 000 000
Creative Store	Mths	36	Development of 8 flagship publications.	01 June 2015	2 000 000
Ince	Mths	36	Printing of new sletters.	30 June 2014	4 000 000
Tandym Print	Mths	36	Independent monitoring of media coverage received by the city.	01 June 2015	2 000 000
Newsclip	Mths	36	Provision of helicopter for aerial photography.	01 June 2015	1 000 000
Civair	Mths	36	Provision of radio media summaries.	01 April 2014	180 000
Newsflash	Mths	12	Provision of web design and web writing services.	01 June 2014	9 000 000
Panel of freelance web writers and designers	Mths	36	Provision of professional video writing, filming and post production editing - new tender currently being developed.	New tender	3 000 000
Panel of freelance videographers and associated services	Mths	36	Print and distribute corporate newsletter to residents.	Approx February 2017	9 000 000
Independent Media and Media24	Mths	36	Provide the media office with copies of a range of print media.	01 January 2015	60 000
Cape Media Subscriptions	Mths	12			

2.18 Consolidated budget tables

Table 94 Consolidated Budget Summary

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousands									
Financial Performance									
Property rates	4 529 932	4 712 098	5 161 502	5 527 109	5 527 109	5 527 109	5 918 101	6 327 777	6 762 458
Service charges	10 359 727	11 986 765	13 099 805	14 442 391	14 254 547	14 254 547	15 202 477	16 495 812	17 950 157
Investment revenue	299 278	340 756	375 988	298 692	289 776	289 776	292 750	297 363	312 872
Transfers recognised - operational	1 400 627	1 639 075	1 985 809	2 595 904	2 603 947	2 603 947	2 766 510	3 144 268	3 543 997
Other own revenue	2 724 472	2 973 746	3 455 665	3 210 894	3 221 559	3 221 559	3 524 553	3 737 859	3 963 978
Total Revenue (excluding capital transfers and contributions)	19 314 037	21 652 440	24 078 769	26 074 990	25 896 938	25 896 938	27 704 390	30 003 080	32 533 462
Employee costs	6 156 110	6 948 794	7 482 943	8 295 115	8 261 605	8 261 605	8 962 643	9 736 723	10 534 693
Remuneration of councillors	88 621	97 772	111 673	123 721	123 721	123 721	133 619	142 438	151 554
Remuneration of Board Members	237	144	208	265	265	265	289	325	344
Depreciation & asset impairment	1 308 708	1 421 026	1 647 829	1 960 063	1 983 047	1 983 047	2 181 042	2 333 123	2 495 767
Finance charges	717 476	681 533	720 766	863 894	863 894	863 894	919 232	1 150 593	1 383 509
Materials and bulk purchases	4 899 378	5 978 665	6 675 379	7 257 562	6 940 884	6 940 884	7 382 360	7 969 149	8 613 986
Transfers and grants	93 382	103 492	103 144	39 544	116 409	116 409	100 567	117 769	123 994
Other expenditure	5 533 890	6 085 054	7 317 633	7 769 877	7 845 490	7 845 490	8 286 716	8 956 925	9 658 089
Total Expenditure	18 797 801	21 316 481	24 059 574	26 310 042	26 135 315	26 135 315	27 966 468	30 407 044	32 961 935
Surplus/(Deficit)	516 236	335 960	19 195	(235 052)	(238 377)	(238 377)	(262 077)	(403 964)	(428 473)
Transfers recognised - capital	1 173 315	2 061 755	3 414 645	2 535 058	2 868 417	2 868 417	2 820 973	2 899 159	2 842 006
Contributions recognised - capital & contributed assets	46 728	120 358	36 603	48 250	75 302	75 302	65 226	96 300	100 300
Surplus/(Deficit) after capital transfers & contributions	1 736 279	2 518 073	3 470 442	2 348 256	2 705 341	2 705 341	2 624 121	2 591 496	2 513 833
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Taxation	6 426	4 114	8 877	3 904	1 185	1 185	4 990	1 896	1 846
Surplus/(Deficit) for the year	1 729 854	2 513 959	3 461 566	2 344 353	2 704 156	2 704 156	2 619 131	2 589 599	2 511 986
Capital expenditure & funds sources									
Capital expenditure	2 893 093	4 250 570	5 898 137	5 696 257	5 648 329	5 648 329	6 159 475	6 588 899	6 351 061
Transfers recognised - capital	1 173 329	2 061 778	3 414 645	2 756 958	2 860 517	2 860 517	2 865 280	3 256 059	3 143 006
Public contributions & donations	46 715	44 208	35 076	46 150	52 025	52 025	73 019	96 300	100 300
Borrowing	992 283	1 374 791	1 753 425	2 149 497	2 036 433	2 036 433	2 346 301	2 510 679	2 457 673
Internally generated funds	680 767	769 794	694 991	743 653	699 354	699 354	874 875	725 861	650 083
Total sources of capital funds	2 893 093	4 250 570	5 898 137	5 696 257	5 648 329	5 648 329	6 159 475	6 588 899	6 351 061
Financial position									
Total current assets	9 598 751	10 875 914	13 069 459	11 232 378	11 640 726	11 640 726	11 667 069	11 669 320	12 314 095
Total non current assets	22 062 902	24 948 813	29 219 254	33 794 671	33 620 821	33 620 821	37 579 710	41 782 536	45 572 261
Total current liabilities	5 850 735	7 278 873	8 047 443	8 601 950	8 208 939	8 208 939	7 432 082	7 061 085	6 503 077
Total non current liabilities	8 864 491	9 259 537	11 493 389	11 256 462	11 441 466	11 441 466	13 673 674	15 581 803	18 056 529
Community wealth/Equity	16 946 427	19 286 316	22 747 882	25 168 637	25 611 142	25 611 142	28 141 024	30 808 968	33 326 750
Cash flows									
Net cash from (used) operating	3 689 794	5 257 754	5 558 571	4 486 482	4 650 894	4 650 894	4 168 609	4 547 559	4 757 325
Net cash from (used) investing	(4 790 451)	(4 190 884)	(5 850 512)	(5 203 728)	(5 578 677)	(5 578 677)	(6 093 183)	(6 520 810)	(6 290 341)
Net cash from (used) financing	(248 995)	(156 902)	2 252 382	(368 143)	(368 143)	(368 143)	2 110 147	1 964 432	1 977 118
Cash/cash equivalents at the year end	5 384 133	6 294 101	8 254 542	6 608 923	6 958 288	6 958 288	7 143 861	7 135 042	7 579 144

Table 95 Consolidated Budgeted Financial Performance (revenue and expenditure)

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Revenue By Source									
Property rates	4 435 764	4 622 441	5 076 445	5 427 388	5 427 388	5 427 388	5 811 899	6 214 672	6 642 001
Property rates - penalties & collection charges	94 168	89 657	85 057	99 720	99 720	99 720	106 202	113 105	120 457
Service charges - electricity revenue	6 578 085	8 061 684	8 852 928	9 668 405	9 483 473	9 483 473	10 072 265	10 827 685	11 661 417
Service charges - water revenue	1 649 307	1 817 183	2 053 577	2 343 850	2 333 850	2 333 850	2 540 080	2 824 821	3 158 769
Service charges - sanitation revenue	903 204	1 002 897	1 091 897	1 243 019	1 243 019	1 243 019	1 338 202	1 489 197	1 666 350
Service charges - refuse revenue	754 178	813 287	869 210	947 126	950 808	950 808	989 912	1 067 418	1 146 988
Service charges - other	474 953	291 714	232 192	239 991	243 397	243 397	262 019	286 692	316 633
Rental of facilities and equipment	313 150	354 688	380 762	414 982	415 334	415 334	524 192	550 684	578 514
Interest earned - external investments	299 278	340 756	375 988	298 692	289 776	289 776	292 750	297 363	312 872
Interest earned - outstanding debtors	230 391	228 425	183 192	118 805	121 617	121 617	119 622	126 320	133 142
Dividends received	-	-	-	-	-	-	-	-	-
Fines	166 476	144 394	100 524	183 257	168 710	168 710	175 648	185 484	195 500
Licences and permits	37 645	41 471	41 843	35 601	39 281	39 281	40 388	52 650	69 953
Agency services	115 991	123 651	132 469	121 993	134 993	134 993	150 439	167 284	187 442
Transfers recognised - operational	1 400 627	1 639 075	1 985 809	2 595 904	2 603 947	2 603 947	2 766 510	3 144 268	3 543 997
Other revenue	1 840 239	2 036 972	2 530 126	2 267 256	2 272 624	2 272 624	2 443 765	2 580 990	2 720 958
Gains on disposal of PPE	20 580	44 144	86 747	69 000	69 000	69 000	70 500	74 448	78 468
Total Revenue (excluding capital transfers and contributions)	19 314 037	21 652 440	24 078 769	26 074 990	25 896 938	25 896 938	27 704 390	30 003 080	32 533 462
Expenditure By Type									
Employee related costs	6 156 110	6 948 794	7 482 943	8 295 115	8 261 605	8 261 605	8 962 643	9 736 723	10 534 693
Remuneration of councillors	88 621	97 772	111 673	123 721	123 721	123 721	133 619	142 438	151 554
Remuneration of Directors	237	144	208	265	265	265	289	325	344
Debt impairment	773 226	818 450	926 812	866 192	881 192	881 192	950 511	1 064 031	1 160 370
Depreciation & asset impairment	1 308 708	1 421 026	1 647 829	1 960 063	1 983 047	1 983 047	2 181 042	2 333 123	2 495 767
Finance charges	717 476	681 533	720 766	863 894	863 894	863 894	919 232	1 150 593	1 383 509
Bulk purchases	4 620 105	5 705 263	6 391 186	6 898 881	6 607 911	6 607 911	7 050 011	7 610 228	8 225 878
Other materials	279 273	273 402	284 193	358 681	332 973	332 973	332 349	358 921	388 108
Contracted services	2 010 269	2 193 662	2 825 946	3 192 182	3 342 889	3 342 889	3 418 014	3 715 662	4 020 002
Transfers and grants	93 382	103 492	103 144	39 544	116 409	116 409	100 567	117 769	123 994
Other expenditure	2 746 866	3 071 217	3 563 433	3 711 503	3 621 409	3 621 409	3 918 191	4 177 232	4 477 716
Loss on disposal of PPE	3 529	1 724	1 443	-	-	-	-	-	-
Total Expenditure	18 797 801	21 316 481	24 059 574	26 310 042	26 135 315	26 135 315	27 966 468	30 407 044	32 961 935
Surplus/(Deficit)	516 236	335 960	19 195	(235 052)	(238 377)	(238 377)	(262 077)	(403 964)	(428 473)
Transfers recognised - capital	1 173 315	2 061 755	3 414 645	2 535 058	2 868 417	2 868 417	2 820 973	2 899 159	2 842 006
Contributions recognised - capital	46 728	44 230	34 076	48 250	44 125	44 125	65 226	96 300	100 300
Contributed assets	-	76 128	2 527	-	31 177	31 177	-	-	-
Surplus/(Deficit) after capital transfers & contributions	1 736 279	2 518 073	3 470 442	2 348 256	2 705 341	2 705 341	2 624 121	2 591 496	2 513 833
Taxation	6 426	4 114	8 877	3 904	1 185	1 185	4 990	1 896	1 846
Surplus/(Deficit) after taxation	1 729 854	2 513 959	3 461 566	2 344 353	2 704 156	2 704 156	2 619 131	2 589 599	2 511 986
Attributable to minorities	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality	1 729 854	2 513 959	3 461 566	2 344 353	2 704 156	2 704 156	2 619 131	2 589 599	2 511 986
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	1 729 854	2 513 959	3 461 566	2 344 353	2 704 156	2 704 156	2 619 131	2 589 599	2 511 986

Table 96 Consolidated Budgeted Financial Position

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousands									
ASSETS									
Current assets									
Cash	159 662	140 102	190 715	–	–	–	–	–	–
Call investment deposits	5 272 616	6 204 050	8 125 123	6 333 520	6 726 844	6 726 844	6 572 500	6 381 688	6 819 993
Consumer debtors	3 709 111	3 979 256	4 172 233	4 217 354	4 291 038	4 291 038	4 410 659	4 536 980	4 670 121
Other debtors	201 536	278 363	303 172	382 870	332 088	332 088	365 086	401 051	440 580
Current portion of long-term receivables	19 193	19 758	20 546	17 832	19 519	19 519	20 495	21 519	22 595
Inventory	236 634	254 385	257 670	280 802	271 238	271 238	298 329	328 081	360 804
Total current assets	9 598 751	10 875 914	13 069 459	11 232 378	11 640 726	11 640 726	11 667 069	11 669 320	12 314 095
Non current assets									
Long-term receivables	115 526	99 328	101 665	89 644	96 582	96 582	91 753	87 165	82 807
Investments	150 245	150 260	173 425	1 203 274	1 203 274	1 203 274	1 492 594	1 754 464	1 990 826
Investment property	–	–	–	–	–	–	–	–	–
Investment in Associate	180 417	176 273	185 429	–	–	–	–	–	–
Property, plant and equipment	21 616 714	24 522 952	28 758 735	32 501 753	32 320 965	32 320 965	35 995 363	39 940 907	43 498 629
Agricultural	–	–	–	–	–	–	–	–	–
Biological	–	–	–	–	–	–	–	–	–
Intangible	–	–	–	–	–	–	–	–	–
Other non-current assets	–	–	–	–	–	–	–	–	–
Total non current assets	22 062 902	24 948 813	29 219 254	33 794 671	33 620 821	33 620 821	37 579 710	41 782 536	45 572 261
TOTAL ASSETS	31 661 653	35 824 727	42 288 714	45 027 049	45 261 547	45 261 547	49 246 779	53 451 856	57 886 356
LIABILITIES									
Current liabilities									
Bank overdraft	–	–	–	–	–	–	–	–	–
Borrowing	305 353	294 186	418 166	478 860	387 991	387 991	400 902	536 469	396 553
Consumer deposits	244 695	291 441	333 288	342 632	348 886	348 886	383 610	421 544	463 246
Trade and other payables	4 523 309	5 664 402	5 476 065	6 624 393	5 524 412	5 524 412	5 199 746	4 510 516	3 891 521
Provisions	777 379	1 028 845	1 819 924	1 156 065	1 947 650	1 947 650	1 447 824	1 592 556	1 751 756
Total current liabilities	5 850 735	7 278 873	8 047 443	8 601 950	8 208 939	8 208 939	7 432 082	7 061 085	6 503 077
Non current liabilities									
Borrowing	5 343 836	5 176 421	6 936 236	6 493 327	6 646 477	6 646 477	8 570 026	10 202 141	12 364 615
Provisions	3 520 655	4 083 116	4 557 153	4 763 135	4 794 989	4 794 989	5 103 648	5 379 662	5 691 914
Total non current liabilities	8 864 491	9 259 537	11 493 389	11 256 462	11 441 466	11 441 466	13 673 674	15 581 803	18 056 529
TOTAL LIABILITIES	14 715 226	16 538 411	19 540 832	19 858 412	19 650 405	19 650 405	21 105 756	22 642 888	24 559 606
NET ASSETS	16 946 427	19 286 316	22 747 882	25 168 637	25 611 142	25 611 142	28 141 024	30 808 968	33 326 750
COMMUNITY WEALTH/EQUITY									
Accumulated Surplus/(Deficit)	14 070 183	16 428 959	19 884 422	22 896 407	23 212 587	23 212 587	25 820 841	28 496 584	30 991 165
Reserves	2 310 604	2 291 718	2 297 820	2 014 424	2 140 749	2 140 749	2 095 810	2 013 407	2 035 220
Share capital	565 640	565 640	565 640	–	–	–	–	–	–
Non-controlling interest	–	–	–	257 806	257 806	257 806	224 374	298 976	300 365
TOTAL COMMUNITY WEALTH/EQUITY	16 946 427	19 286 316	22 747 882	25 168 637	25 611 142	25 611 142	28 141 024	30 808 968	33 326 750

Table 97 Consolidated Budgeted Cash Flows

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 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									
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Ratepayers and other	16 607 150	18 751 038	19 125 990	21 987 661	21 772 211	21 772 211	23 322 092	25 103 941	27 100 899
Government - operating	1 385 536	1 626 991	1 979 795	2 595 904	2 603 047	2 603 047	2 766 510	3 144 268	3 543 997
Government - capital	1 173 315	2 130 844	3 414 645	2 583 308	2 889 753	2 889 753	2 531 808	2 808 177	2 722 006
Interest	511 517	571 339	600 023	417 497	289 776	289 776	292 750	297 363	312 872
Dividends	-	-	-	-	-	-	-	-	-
Payments									
Suppliers and employees	(15 270 188)	(17 160 651)	(18 915 630)	(22 348 438)	(22 154 331)	(22 154 331)	(23 914 805)	(25 743 903)	(27 621 203)
Finance charges	(717 536)	(661 807)	(646 251)	(749 449)	(749 563)	(749 563)	(829 746)	(1 062 289)	(1 301 246)
Transfers and Grants	-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES	3 689 794	5 257 754	5 558 571	4 486 482	4 650 894	4 650 894	4 168 609	4 547 559	4 757 325
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE	63 603	45 983	93 472	69 000	0	0	-	-	-
Decrease (Increase) in non-current debtors	-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables	1 819	15 633	(3 125)	-	-	-	-	-	-
Decrease (increase) in non-current investments	(1 962 720)	(1 922)	(42 313)	-	-	-	-	-	-
Payments									
Capital assets	(2 893 153)	(4 250 579)	(5 898 546)	(5 272 728)	(5 578 677)	(5 578 677)	(6 093 183)	(6 520 810)	(6 290 341)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(4 790 451)	(4 190 884)	(5 850 512)	(5 203 728)	(5 578 677)	(5 578 677)	(6 093 183)	(6 520 810)	(6 290 341)
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	2 384 420	230 000	230 000	230 000	2 420 000	2 250 000	2 385 000
Increase (decrease) in consumer deposits	4 332	41 452	33 273	-	-	-	-	-	-
Payments									
Repayment of borrowing	(253 327)	(198 354)	(165 311)	(598 143)	(598 143)	(598 143)	(309 853)	(285 568)	(407 882)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(248 995)	(156 902)	2 252 382	(368 143)	(368 143)	(368 143)	2 110 147	1 964 432	1 977 118
NET INCREASE/ (DECREASE) IN CASH HELD	(1 349 652)	909 968	1 960 441	(1 085 388)	(1 295 926)	(1 295 926)	185 573	(8 819)	444 102
Cash/cash equivalents at the year begin:	6 733 785	5 384 133	6 294 101	7 694 311	8 254 214	8 254 214	6 958 288	7 143 861	7 135 042
Cash/cash equivalents at the year end:	5 384 133	6 294 101	8 254 542	6 608 923	6 958 288	6 958 288	7 143 861	7 135 042	7 579 144

2.19 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 (WC000)

Signature _____

Date _____