

CITY OF CAPE TOWN

ANNUAL BUDGET
2015/16 to 2017/18

MAY 2015

PART 1 - ANNUAL BUDGET.....	1
COUNCIL RESOLUTIONS.....	1
1.1 EXECUTIVE SUMMARY.....	3
1.2 OPERATING REVENUE FRAMEWORK.....	11
1.3 OPERATING EXPENDITURE FRAMEWORK	22
1.4 CAPITAL EXPENDITURE	26
1.5 ANNUAL BUDGET TABLES.....	29
PART 2 – SUPPORTING DOCUMENTATION	49
2.1 OVERVIEW OF ANNUAL BUDGET PROCESS	49
2.2 OVERVIEW OF ALIGNMENT OF ANNUAL BUDGET WITH IDP.....	51
2.3 MEASURABLE PERFORMANCE OBJECTIVES AND INDICATORS.....	56
2.4 OVERVIEW OF BUDGET RELATED-POLICIES.....	63
2.5 OVERVIEW OF BUDGET ASSUMPTIONS APPLIED TO THE 2015/16 MTREF	64
2.6 OVERVIEW OF BUDGET FUNDING	79
2.7 WARD ALLOCATIONS	92
2.8 EXPENDITURE ON GRANTS AND RECONCILIATIONS OF UNSPENT FUNDS	92
2.9 ALLOCATIONS AND GRANTS MADE BY THE MUNICIPALITY	96
2.10 COUNCILLOR AND EMPLOYEE BENEFITS	97
2.11 MONTHLY TARGETS FOR REVENUE, EXPENDITURE AND CASH FLOW	100
2.12 ANNUAL BUDGETS – INTERNAL DEPARTMENTS	109
2.13 ANNUAL BUDGET AND SERVICE DELIVERY AGREEMENT – CAPE TOWN CONVENTION CENTRE (CTICC).....	160
2.14 CONTRACTS HAVING FUTURE BUDGETARY IMPLICATIONS.....	167
2.15 CAPITAL EXPENDITURE DETAILS.....	170
2.16 LEGISLATION COMPLIANCE STATUS.....	180
2.17 OTHER SUPPORTING DOCUMENTS.....	181
2.18 CONSOLIDATED BUDGET TABLES	194

LIST OF TABLES

<i>Table 1 Year-on-year growth of expenditure components</i>	<i>3</i>
<i>Table 2 Year-on-year growth on Staff Cost.....</i>	<i>5</i>
<i>Table 3 Year-on-year growth on Revenue categories.....</i>	<i>6</i>
<i>Table 4 Average Tariff increases for the 2015/16 MTREF.....</i>	<i>7</i>
<i>Table 5 Year-on-year increase/(decrease) in capital funding sources</i>	<i>8</i>
<i>Table 6 Extract of new projects in the 2015/16 Capital Budget.....</i>	<i>11</i>
<i>Table 7 Summary of Revenue classified by main revenue sources.....</i>	<i>12</i>
<i>Table 8 Revenue by source as a percentage of total budget.....</i>	<i>12</i>
<i>Table 9 Operating Transfers and Grant Receipts.....</i>	<i>14</i>
<i>Table 10 Proposed Water Tariffs.....</i>	<i>17</i>
<i>Table 11 Proposed Sanitation Tariffs</i>	<i>18</i>
<i>Table 12 Comparison between current water charges and proposed increases (domestic consumption).....</i>	<i>18</i>
<i>Table 13 Comparison between current sanitation charges and proposed increases (domestic consumption)</i> <i>.....</i>	<i>18</i>
<i>Table 14 Comparison between current waste removal fees and increases.....</i>	<i>19</i>
<i>Table 15 Comparison between current electricity charges and increases (domestic consumption).....</i>	<i>20</i>
<i>Table 16 MBRR Table SA14 - Household bills.....</i>	<i>21</i>
<i>Table 17 Summary of operating expenditure by standard classification.....</i>	<i>22</i>
<i>Table 18 Operational repairs and maintenance.....</i>	<i>24</i>
<i>Table 19 2015/16 MTREF capital budget per vote.....</i>	<i>26</i>
<i>Table 20 MBRR Table A1 - Budget Summary.....</i>	<i>30</i>
<i>Table 21 MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)</i>	<i>32</i>
<i>Table 22 MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote).....</i>	<i>34</i>
<i>Table 23 Surplus / (Deficit) calculations for the trading services.....</i>	<i>35</i>
<i>Table 24 MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure).....</i>	<i>36</i>

<i>Table 25 MBRR Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source</i>	39
<i>Table 26 MBRR Table A6 - Budgeted Financial Position</i>	41
<i>Table 27 MBRR Table A7 - Budgeted Cash Flow Statement</i>	43
<i>Table 28 MBRR Table A8 - Cash Backed Reserves / Accumulated Surplus Reconciliation</i>	44
<i>Table 29 MBRR Table A9 - Asset Management</i>	45
<i>Table 30 MBRR Table A10 - Basic Service Delivery Measurement</i>	47
<i>Table 31 MBRR Table SA4 - Reconciliation between the IDP strategic objective and budgeted revenue</i>	54
<i>Table 32 MBRR Table SA5 - Reconciliation between the IDP and strategic objectives and budgeted operating expenditure</i>	55
<i>Table 33 MBRR Table SA6 - Reconciliation between the IDP strategic objectives and budgeted capital expenditure</i>	55
<i>Table 34 MBRR Table SA8 - Performance indicators and benchmarks</i>	58
<i>Table 35 Wastewater Treatment Facility Capital Budget</i>	63
<i>Table 36 Wastewater Treatment Facility Operating Budget</i>	63
<i>Table 37 Collection Rates</i>	70
<i>Table 38 Credit rating outlook</i>	73
<i>Table 39 Capital Budget over MTREF</i>	77
<i>Table 40 Summary of parameters applied to Operating Budget</i>	78
<i>Table 41 Breakdown of the operating revenue over the medium-term</i>	79
<i>Table 42 MBRR Table SA15 - Detailed investment information</i>	80
<i>Table 43 MBRR Table SA16 - Investment particulars by maturity</i>	81
<i>Table 44 Sources of capital revenue over the MTREF</i>	82
<i>Table 45 MBRR Table SA17 - Detail of borrowing</i>	83
<i>Table 46 MBRR Table SA18 - Capital transfers and grants receipts</i>	85
<i>Table 47 MBRR Table A7 - Budgeted cash flow statement</i>	86
<i>Table 48 MBRR Table A8 - Cash backed reserves / accumulated surplus reconciliation</i>	87
<i>Table 49 MBRR Table SA10 - Funding Compliance measurement</i>	88
<i>Table 50 MBRR Table SA19 - Expenditure on transfers and grant programmes</i>	93
<i>Table 51 MBRR Table SA22 – Summary of councillor and staff benefits</i>	97
<i>Table 52 MBRR Table SA23 - Salaries, allowances and benefits (political office bearers / councillors / senior officials) for the 2015/16 financial year</i>	98
<i>Table 53 MBRR Table SA24 - Summary of personnel numbers</i>	99
<i>Table 54 MBRR Table SA25 - Budgeted monthly revenue and expenditure</i>	100
<i>Table 55 MBRR Table SA26 - Budgeted monthly revenue and expenditure (municipal vote)</i>	102
<i>Table 56 MBRR Table SA27 - Budgeted monthly revenue and expenditure (standard classification)</i>	103
<i>Table 57 MBRR Table SA28 - Budgeted monthly capital expenditure (municipal vote)</i>	105
<i>Table 58 MBRR Table SA29 - Budgeted monthly capital expenditure (standard classification)</i>	106
<i>Table 59 MBRR Table SA30 - Budgeted monthly cash flow</i>	107
<i>Table 60 City Health - operating revenue by source, expenditure by type and total capital expenditure</i>	111
<i>Table 61 City Manager - operating revenue by source, expenditure by type and total capital expenditure</i>	113
<i>Table 62 Community Services - operating revenue by source, expenditure by type and total capital expenditure</i>	117
<i>Table 63 Compliance and Auxiliary Services - operating revenue by source, expenditure by type and total capital expenditure</i>	120
<i>Table 64 Corporate Services - operating revenue by source, expenditure by type and total capital expenditure</i>	123
<i>Table 65 Energy, Environment & Spatial Planning - operating revenue by source, expenditure by type and total capital expenditure</i>	126
<i>Table 66 Finance - operating revenue by source, expenditure by type and total capital expenditure</i>	128
<i>Table 67 Human Settlements - operating revenue by source, expenditure by type and total capital expenditure</i>	133
<i>Table 68 Safety and Security - operating revenue by source, expenditure by type and total capital expenditure</i>	136
<i>Table 69 Social and Early Childhood Development - operating revenue by source, expenditure by type and total capital expenditure</i>	138
<i>Table 70 Tourism, Events and Economic Development - operating revenue by source, expenditure by type and total capital expenditure</i>	145

Table 71 Transport for Cape Town - operating revenue by source, expenditure by type and total capital expenditure.....	148
Table 72 Water & Sanitation - operating revenue by source, expenditure by type and total capital expenditure.....	152
Table 73 Solid Waste Management - operating revenue by source, expenditure by type and total capital expenditure.....	155
Table 74 Cape Town Electricity - operating revenue by source, expenditure by type and total capital expenditure.....	159
Table 75 CTICC – Service Delivery Agreement.....	161
Table 76 CTICC - Table D1 Budget Summary.....	162
Table 77 CTICC - Table D2 Budgeted Financial Performance (revenue and expenditure)	163
Table 78 CTICC - Table D3 Capital Budget by vote and funding.....	164
Table 79 CTICC - Table D4 Budgeted Financial Position.....	165
Table 80 CTICC – Table D5 Budgeted Cash Flow.....	166
Table 81 MBRR Table SA33 - Contracts having future budgetary implications.....	167
Table 82 Projects having future budgetary implications.....	168
Table 83 MBRR Table SA34a - Capital expenditure on new assets by asset class.....	170
Table 84 MBRR Table SA34b - Capital expenditure on the renewal of existing assets by asset class.....	171
Table 85 MBRR Table SA34c - Repairs and maintenance expenditure by asset class.....	172
Table 86 MBRR Table SA35 - Future financial implication of the capital budget	173
Table 87 MBRR Table SA36 - Detailed capital budget per municipal vote	174
Table 88 MBRR Table SA37 - Projects delayed from previous financial year/s.....	179
Table 89 MBRR Table SA1 - Supporting detail to budgeted financial position.....	181
Table 90 MBRR Table SA2 - Matrix financial performance budget (revenue source / expenditure type and department).....	183
Table 91 MBRR Table SA3 - Supporting detail to Statement of Financial Position	185
Table 92 MBRR Table SA9 - Social, economic and demographic statistics and assumptions	187
Table 93 MBRR Table SA32 - List of external mechanisms.....	188
Table 94 Schedule of Service Delivery Standards.....	192
Table 95 Consolidated Budget Summary.....	194
Table 96 Consolidated Budgeted Financial Performance (revenue and expenditure).....	195
Table 97 Consolidated Budgeted Financial Position	196
Table 98 Consolidated Budgeted Cash Flows.....	197

LIST OF FIGURES

Figure 1 Main operational expenditure categories for the 2015/16 financial year.....	23
Figure 2 Capital Infrastructure Programme.....	29
Figure 3 Revenue by source.....	37
Figure 4 Expenditure by type.....	38
Figure 5 Depreciation in relation to repairs and maintenance over the MTREF.....	46
Figure 6 IDP and Budget link.....	54
Figure 7 Cycle and process of the performance objectives and indicators.....	56
Figure 8 Consumer price index projections adopted in the MTREF.....	66
Figure 9 Consumer Price Index over recent and future years (projected)	67
Figure 10 Interest rates over the MTREF.....	69
Figure 11 Debt Impairment – 2013/14 to 2017/18	70
Figure 12 Correlation between the City's CPI and the salary increase over the MTREF	71
Figure 13 Increasing expenditure trend on repairs and maintenance from 2013/14 and projected to 2017/18	72
Figure 14 Revenue parameters for 2015/16 MTREF period.....	74
Figure 15 Breakdown of operating revenue over the 2015/16 MTREF.....	79
Figure 16 Sources of capital revenue for the 2015/16 financial year	83
Figure 17 Growth in outstanding borrowings (long-term liabilities)	84
Figure 18 Cash and cash equivalents / cash backed reserves and accumulated funds.....	88

LIST OF ANNEXURES

- ANNEXURE 1 MULTI YEAR CAPITAL APPROPRIATIONS BY VOTE
- ANNEXURE 2 PROPERTY (TAX) RATES
- ANNEXURE 3 SPECIAL RATING AREAS (SRA) POLICY, SRA ADDITIONAL RATE (INCLUDING CITY IMPROVEMENT DISTRICTS) AND SRA BY-LAW
- ANNEXURE 4 REVISED CONSUMPTIVE TARIFFS, RATES AND BASIC CHARGES FOR ELECTRICITY SERVICES, WATER SERVICES AND WASTE MANAGEMENT SERVICES
- ANNEXURE 5 RATES POLICY
- ANNEXURE 6 TARIFFS, FEES AND CHARGES BOOK
- ANNEXURE 7 TARIFF POLICIES
- ANNEXURE 8 CREDIT CONTROL AND DEBT COLLECTION POLICY
- ANNEXURE 9 GRANTS-IN-AID POLICY
- ANNEXURE 10 AMENDMENTS TO THE FIVE YEAR 2012/13 – 2016/17 INTEGRATED DEVELOPMENT PLAN (IDP) (2015/16 REVIEW)
- ANNEXURE 11 GRANTS, SUBSIDIES AND CONTRIBUTIONS TO EXTERNAL ORGANISATIONS
- ANNEXURE 12 OPERATING AND CAPITAL WARD ALLOCATION PROJECTS SUPPORTED BY SUB COUNCILS
- ANNEXURE 13 MUNICIPAL ENTITY – SCHEDULE D (ANNUAL BUDGETS AND SUPPORTING DOCUMENTS)
- ANNEXURE 14 MUNICIPAL ENTITY – BUSINESS PLAN
- ANNEXURE 15 OVERVIEW OF BUDGET ASSUMPTIONS APPLIED TO THE 2015/16 MTREF REQUIRED TO BE INCLUDED IN ANNEXURE 10 (IDP)
- ANNEXURE 16 ICONIC AND OTHER EVENTS TO BE HOSTED BY THE CITY IN 2015/16
- ANNEXURE 17 FARES POLICY FOR CONTRACTED, ROAD-BASED PUBLIC TRANSPORT
- ANNEXURE 18 INDIVIDUAL PROJECTS WITH A TOTAL PROJECT COST IN EXCESS OF R50 MILLION (TO GIVE EFFECT TO SECTION 19(1) (B) OF THE MFMA)
- ANNEXURE 19 VIREMENT POLICY
- ANNEXURE 20 UNFORESEEN AND UNAVOIDABLE EXPENDITURE POLICY
- ANNEXURE 21 NATIONAL TREASURY CIRCULARS 74 AND 75 – MUNICIPAL BUDGET CIRCULARS FOR THE 2015/16 MTREF
- ANNEXURE 22 CITY MANAGER’S QUALITY CERTIFICATE

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

Council Resolutions

The 2015/16 MTREF budget resolutions recommend that:

1. The City's annual budget for the financial year 2015/16; and indicative allocations for the two projected outer years 2016/17 and 2017/18 and related policies, as tabled, be approved and adopted, as set out in the following schedules and annexures:
 - a. Operating expenditure by standard classification reflected in Table 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 2015/16 as set out in Table 34.
 - j. Consolidated budget tables for the City and the municipal entity (CTICC) as reflected in Table 95 to Table 98.
 - k. Property (Tax) Rates as set out in Annexure 2.
 - l. Special Rating Areas (SRA) Policy, SRA Additional Rate (Including City Improvement Districts) And SRA By-Law 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. Rates Policy as set out in Annexure 5.
 - o. Tariffs, Fees and Charges Book incorporating miscellaneous tariffs, charges, rates and levies for 2015/16 and Special Rating Areas Additional Rates as set out in Annexure 6.
 - p. Tariff Policies as set out in Annexure 7.
 - q. Credit Control and Debt Collection Policy as set out in Annexure 8.
 - r. Grants-in-Aid Policy as set out in Annexure 9.
 - s. Amendments to the five year 2012/13 – 2016/17 Integrated Development Plan (IDP) (2015/16 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. Municipal entity – Schedule D (annual budgets and supporting documents) as set out in Annexure 13.
 - w. Municipal entity – Business plan as set out in Annexure 14.
 - x. Overview of Budget Assumptions applied to the 2015/16 MTREF required to be included in Annexure 10 (IDP) as set out in Annexure 15.
 - y. Iconic and Other Events to be hosted by the City in the 2015/16 financial year as set out in Annexure 16.
 - z. Fare Policy for Contracted, Road-based Public Transport as set out in Annexure 17.

- aa. Individual projects with a total project cost in excess of R50 million (to give effect to section 19(1) (b) of the MFMA) as reflected in table 82 and Annexure 18.
 - bb. Virement Policy as set out in Annexure 19.
 - cc. Unforeseen and Unavoidable Expenditure Policy as set out in Annexure 20.
-
- 2. National Treasury Circulars 74 and 75 (“Municipal Budget Circulars for the 2015/16 MTREF”) as set out in Annexure 21 to this report be noted.
 - 3. Unspent conditional grant allocations (national), as at the end of the 2014/15 financial year, and appropriated or voted to 2015/16 and future years, not be committed to expenditure until approval thereof is obtained from the National Treasury, in accordance with the directive of Budget Circular 48 (2009), Circular 51 (2010), Circular 55 (2011), Circular 59 (2012), Circular 67 (2013), Circular 72 (2014) and Circular 75 (2015).
 - 4. The Capital Replacement Reserve: Ward Allocations be funded from savings identified in the 2015/16 financial year to fund the ward allocation projects in the amount of R46 142 420 for the 2015/16 financial year.
 - 5. Budgetary input received during the public participation process during March 2015, reported under cover of a separate report, be noted.
 - 6. The high level summary of changes between the tabled 2015/16–2017/18 budget (March 2015) and the 2015/16–2017/18 budget (May 2015), as reported in annexure B, be noted.
 - 7. The built environment performance plans (BEPP), reported under cover of a separate report, be noted.
 - 8. An amount of R242 458 000 from accumulated surpluses be set aside at the end of the current financial year, to establish a ‘Capital Replacement Reserve: Emergency’, which will be used to fund the proposed acquisitions in the 2015/16 financial year.
 - 9. An amount of R3 653 268 from accumulated surpluses be set aside at the end of the current financial year, to establish a ‘Capital Replacement Reserve: Nature Reserves’, which will be used to fund the design and construction of an environmental educational facility at the Helderberg Nature Reserve in the 2016/17 and 2017/18 financial years.

1.1 Executive Summary

a. General

The total budget quantum for the 2015/16 year is R38 189 million, of which R 32 145 million (82%) is allocated to the operating budget and R6 044 million (18%) to the capital budget.

b. Operating Budget

Expenditure

Total operating expenditure has increased from R28 655 million in 2014/15 (original approved budget) to R32 145 million in 2015/16.

This 12.18% growth is primarily the result of increases in several expenditure components, examples of which are noted in the table below.

Table 1 Year-on-year growth of expenditure components

Category	Budget 2014/15	Budget 2015/16	Year on year
R Thousand			
Employee related costs	8,940,483	9,847,508	10.15%
Remuneration of councillors	133,619	139,311	4.26%
Debt impairment	950,533	1,806,613	90.06%
Depreciation & asset impairment	2,154,335	2,089,827	-2.99%
Finance charges	919,232	971,133	5.65%
Bulk purchases	7,050,011	7,967,555	13.01%
Other materials	387,117	359,005	-7.26%
Contracted services	4,205,198	4,866,199	15.72%
Transfers and grants	125,354	120,402	-3.95%
Other expenditure	3,789,486	3,977,481	4.96%
Loss on disposal of PPE	–	–	–
Total Expenditure	28,655,369	32,145,033	12.18%

Reasons for significant increases/decreases in expenditure

- **Employee Related Costs:** The increase is due to additional allocation provided for staff, updated funded allocations and overtime requirements within various Rate-funded services.
- **Debt Impairment:** This increased from R950 million to R1 806 million, largely due to the budgetary treatment of Fines as prescribed in IGRAP1 Accounting Standard, which states that Fines should be budgeted for at 100% of fines issued. Prior to IGRAP1, the City accounted for revenue from Fines on the basis of estimated collectable revenue. A provision for the amount deemed uncollectable has also now been included from the 2015/16 financial year.
- **Finance Charge:** This increased from R919 million to R971 million, due to interest rate fluctuation and new borrowings to fund the City's capital programme. The loan will be taken up in the latter part of the 2015/16 financial year.
- **Contracted Services:** This allocation includes provision for Repairs & Maintenance, which increased above CPI, as well as additional allocation for the roll-out of the new IRT routes.

- **Other Materials:** The reduced allocation is due to budgetary alignment of Repairs & Maintenance from this category to Contracted Services in various directorates.

An additional allocation totalling R253 million was allocated to the following Rate-funded services to address functional areas where current budgetary provisions are outstripped by increased service delivery demands and to achieve strategic imperatives of IDP priority areas.

- City Health (R10 million): To address security needs at facilities and electricity costs at facilities in Eskom supplied areas.
- City Manager (R2.2 million): For the redevelopment of the City's website and social media initiative.
- Community Service (R30 million): To address security needs at community facilities.
- Compliance & Auxiliary Services (R7.5 million): To accommodate additional requirements for overtime and security services at subcouncil offices.
- Corporate Services (R28.7 million):
 - To buffer the impact of the fluctuating international fuel prices and R/\$ exchange rate for all Rate-funded services.
 - To accommodate the operating impact of new specialised vehicles.
- Finance (R42.7 million):
 - R9 million for additional capacity in critical areas to support the corporate procurement effort.
 - R31.7 million to the Property Management Department towards additional capacity in the form of permanent and temporary staff and consultants, in order to enhance the City's PM efficiencies in its land disposal and leasing efforts. This expenditure allocation is offset by additional revenue anticipated from the sale and lease of City properties.
- Safety & Security (R53.4 million):
 - R15 million for overtime expenditure to accommodate extended working hours during the festive season, disaster relief efforts, management of ongoing public violence, service delivery issues and land invasion attempts as well as ongoing gang violence in social housing areas.
 - Additional allocation for staff (33.4 million)
- Social Development & Early Childhood Development (R15.7 million):
 - For appropriation to the annual senior games, implementation of social development programmes, operational expenditure for assessment centres that provide temporary accommodation and perform personal assessment services for street people, repairs and maintenance to facilities and fuel cost.
 - R3.6 million to address security needs at facilities.
- Tourism, Events & Marketing (R1.7 million): Allocation to repairs & maintenance for the City Hall and additional overtime requirements.
- Transport for Cape Town (R13.7 million): Allocation for traffic calming (R3 million), security cost (R7.7 million), R3 million for Contracted Services, Fuel and Overtime.
- Solid Waste - Rates (R29 million): To buffer the impact of the fluctuating international fuel prices and R/\$ exchange rate.

Table 2 Year-on-year growth on Staff Cost

Category	Budget 2014/15	Budget 2015/16	Year on year
R Thousand			
Vote 1 - City Health	622,491	658,567	5.80%
Vote 2 - City Manager	70,900	73,358	3.47%
Vote 3 - Community Services	913,536	994,513	8.86%
Vote 4 - Compliance & Auxiliary Services	278,068	320,522	15.27%
Vote 5 - Corporate Services	687,931	745,086	8.31%
Vote 6 - Energy, Environmental & Spatial Planning	390,260	426,779	9.36%
Vote 7 - Finance	641,419	724,349	12.93%
Vote 8 - Human Settlements	297,803	312,981	5.10%
Vote 9 - Rates & Other	119,967	132,867	10.75%
Vote 10 - Safety & Security	1,327,531	1,511,087	13.83%
Vote 11 - Social Dev & Early Childhood Development	79,482	86,872	9.30%
Vote 12 - Tourism, Events & Economic Development	109,002	119,690	9.81%
Vote 13 - Transport for Cape Town	576,190	640,090	11.09%
Vote 14 - Utility Services	2,825,904	3,100,746	9.73%
Total staff costs	8,940,483	9,847,508	10.15%

Staff cost growth

Staff costs increased from R8 940 million in 2014/15 to R9 847 million in 2015/16. 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 additional staff and overtime requirements.

The 2015/16 cost of living increase, used when calculating the 2015/10 staff budget, was 10.14% (2% notch increment + 8.14% per estimated salary increase), while the year-on-year growth is 10.15%.

The major areas of staff cost growth and reasons for the growth are within the following services

- **Compliance and Auxiliary Services**

To increase the staff capacity of the Trade and Investment department and ward committee staff requirements.

- **Finance Services**

- Additional staff requirements in critical areas to support the corporate procurement effort and re-grading of staff from administrative to professional stream.
- Additional staff needed to address projects prioritised for the lease/disposal of land.

- **Rates and Other**

Average increase to medical aid contribution for continued members on retirement.

- **Safety and security**

- Additional allocation for overtime.
- additional allocation for staff
 - within Fire & Rescue services to bring the department up to the SANS Code 090,
 - to enhance the Metro Police Tactical Response Unit,
 - to improve the enforcement of Liquor Enforcement Bylaw and increase Displaced Peoples' Unit,
 - to improvement Traffic services enforcement and increase visibility on major city roads,

- to re-instate the Head of Disaster Control Centre position,
- appointment of additional call centre operators for 107 PECC, and
- to introduce a limited 24 hour service for law enforcement and traffic services.
- **Social Dev & Early Childhood Development**
An additional provision for non-permanent staff to provide support to the corporate EPWP office.
- **Transport for Cape Town**
Additional provision for staff funded from Urban Settlement Development grant.
- **Utility Services**
 - Additional allocation for staff for the Revenue Protection unit and technician posts for the intake of learner technicians and bursary students (Cape Town Electricity).
 - Additional staff for the new Bellville transfer station and further roll-out of the apprenticeship programme (Solid Waste Management).
 - Additional allocation for new staff funded from the Urban Settlement Development grant and provision for the apprenticeship programme (Water & Sanitation).

Revenue

Operating revenue increases from R28 371 million to R31 724 million in 2015/16.

Table 3 Year-on-year growth on Revenue categories

Category	Budget 2014/15	Budget 2015/16	Year on year
R Thousand			
Revenue By Source			
Property rates	5,942,513	6,600,943	11.08%
Property rates - penalties & collection charges	–	–	-
Service charges - electricity revenue	10,072,265	11,127,619	10.48%
Service charges - water revenue	2,540,080	2,745,181	8.07%
Service charges - sanitation revenue	1,338,202	1,470,947	9.92%
Service charges - refuse revenue	989,912	1,097,246	10.84%
Service charges - other	321,805	561,765	74.57%
Rental of facilities and equipment	358,711	345,646	-3.64%
Interest earned - external investments	275,762	271,687	-1.48%
Interest earned - outstanding debtors	208,262	233,996	12.36%
Dividends received	–	–	-
Fines	175,648	977,210	456.35%
Licences and permits	40,388	43,028	6.54%
Agency services	150,439	153,993	2.36%
Transfers recognised - operational	3,498,169	3,579,752	2.33%
Other revenue	2,338,330	2,441,185	4.40%
Gains on disposal of PPE	120,500	74,669	-38.03%
Total Revenue (excluding capital transfers and contributions)	28,370,984	31,724,869	11.82%

This 11.82% growth is mainly as a result of

- **Transfers recognised – operational:** The increase is due to the increase in the National Equitable Share (R1 497million in 2014/15 to R1 809 million in 2015/16).
- **Service Charges – Other:** This increase, mainly on Bus fares, is due to the roll-out of the IRT bus service to new routes.
- **Fines:** This is largely due to the budgetary treatment of Fines as prescribed in IGRAP1 Accounting Standard. The City now includes 100% revenue for fines in accordance with IGRAP1.

- **Gains on disposal of PPE:** This reduces from R120 million to R75 million. This reduction is linked to the land disposal programme and routine auctions, which are demand driven.
- **Transfers recognised – operational:** The increase is due to:
 - Additional allocation of R216 million within the Human Settlements directorate for top structures and the creation of sustainable human settlements, funded ex HSDG.
 - Increased allocation of R149.5 million within the Human Settlements directorate for the development and creation of infrastructure for human settlements, funded ex USDG.
 - Additional allocation of R11.5 million within the Health directorate for HIV & Aids and Personal Primary Health Care projects.
 - Additional allocation of R21.6 million within the Safety & Security directorate for the appointment of law enforcement officers for the Human Settlements projects, funded ex Local Department of Human Settlements.
 - Additional allocation of R5.5 million within the Safety & Security directorate for law enforcement and traffic calming, funded ex Traffic Free Flow (Pty) (LTD).
- Projected organic growth and tariff increases on property rates and services charges (water, electricity and refuse).

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 the 2015/16 MTREF

Category	Base Budget 2014/15	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Property Rates	6.00%	10.83%	6.58%	7.70%
Electricity	7.63%	10.82%	13.13%	13.00%
Water	8.00%	11.00%	11.00%	11.00%
Sanitation	8.00%	11.00%	11.00%	11.00%
Refuse	5.87%	8.33%	6.26%	5.15%
Disposal	8.56%	9.31%	14.58%	6.32%

Rates

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 improvements through Supplemental Valuations.

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.

Rebates and concessions are granted to certain categories of property usage and/or property owner. The definitions and listing of categories are reflected in the Rates Policy attached as Annexure 5.

Water and Sanitation

There is a proposed 11% increase in consumptive water and sanitation tariffs. The Bulk Water tariff has been increased by 6%.

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.

An increase has been approved on the Consumptive Tariffs for Collections of 8.33% & Disposal of 9.31%. An increase has been approved on the Miscellaneous Tariffs for Cleaning of 5.7%. The details are reflected in Annexure 4.

Electricity

On 18 November 2014, NERSA issued a guideline for municipal increases of 12.2%, based on a projected bulk increase to municipalities of 14.24%. The NERSA guideline does not take into account the effect on the overall increase of the Contributions to Rates (10% of budgeted sales), or the impact of any growth (positive or negative). CPI was projected at being 5.7%.

As a result of the above, the average revenue increase requirement (and therefore the average tariff increase) is 10.8%. The details are reflected in Annexure 4.

c. Capital Budget

The capital budget decreased from R6 211 million in 2014/15 (original approved budget) to R6 044 million in 2015/16 or an overall decrease of 2.7%.

Table 5 Year-on-year increase/(decrease) in capital funding sources

Category R Thousand	Budget 2014/15	Budget 2015/16	Increase / (Decrease)
Capital Grants & Donations	2,882,853	2,285,627	(597,226)
Capital Replacement Reserve	798,892	761,364	(37,528)
External Financing Fund	2,350,301	2,603,490	253,190
Revenue	179,270	130,338	(48,932)
Total	6,211,315	5,780,819	(430,496)

The table above reflects a decrease in all funding sources with an exception in the External Financing Fund (EFF). The main contributors to the increase in EFF provisions relate to the re-phasing of projects from 2014/15 to 2015/16.

Additional initiatives aligned to the IDP were addressed via additional funding allocations from the External Financing Fund (EFF), to address the following:

- Corporate Services directorate receives an additional amount of R470 000 to facilitate the reconfiguration of additional seating capacity in the Council Chamber due to an expected increase in Councillors after the 2016 local government elections.
- Corporate Services directorate is inter alia responsible for the centralised fleet management within the City. R65 million was allocated towards the replacement of the aged specialised fleet, where the average age of vehicles was in excess of 15 years. Specialised fleet which will be replaced includes fire fighting vehicles for Safety and Security directorate, jet/vac trucks for Transport for Cape Town directorate, water tankers for Parks department and Transport for Cape Town directorate, 5 ton crane tippers for Parks department and Transport for Cape Town directorate as well as 10 ton crane truck tippers for Specialised Technical Services department and Transport for Cape Town directorate.
- Tourism, Events and Economic Development directorate is allocated an additional R3 million towards upgrades at the Good Hope Centre. The installation of an additional transformer will result in the reduction of electrical cost and maintenance costs. The installation will also improve the health and safety standards of the electrical supply.
- Transport for Cape Town Directorate receives an additional R3 million for traffic calming city-wide.
- Safety and Security directorate's Metro Police department, receives an additional R6 million for a hardened emergency response vehicle. This vehicle will be utilised during service delivery protests, unblocking of roads and removal of debris as well as to enter "Red Zone" areas.
- Safety and Security directorate also receives an additional R36.5 million for the final phase of the implementation of the Integrated Contact Centre. This system will ensure inclusive functioning of planning- and management of crime and emergency incidents and disasters; ensure effective utilisation, deployment and management of resources and assets; enhanced collaboration for stakeholder coordination and capabilities; and to ensure effective and efficient recovery and reconstruction following a catastrophic event with a particular focus on risk reduction.
- Safety and Security directorate is furthermore allocated an additional R4 million for the installation of specialised equipment such as water pumps of fire fighting vehicles.

Major capital expenditure is planned in the following areas during 2015/16:

- Utility Services R3 228 million
- Transport for Cape Town R1 400 million
- Human Settlements R421 million

The most significant projects are:

- Transport for Cape Town
 - Bulk Roads & Stormwater for Housing Projects R42 million
 - Reconstruct Roads Metro R38 million
 - IRT R519 million
 - NMT Network & Universal Access R120 million
 - Pelican Park: Strandfontein Rd Upgrade R51 million
 - Public Transport Systems Management Project R25 million
 - Roads & Stormwater Rehabilitation R68 million
 - Transport Management Centre Extension R35 million
- Cape Town Electricity

- Backyarders R26 million
- Bofors Main Substation Upgrade R60 million
- City 33kV Gas Cable Replacement R30 million
- City Depot - Relocation R92 million
- Electrification R71 million
- Facilities Alterations & Upgrading R60 million
- MV Switchgear Refurbishment R72 million
- Oakdale Switch. Station Upgrade - Ph. 2 R72 million
- Service Connections R66 million
- Street Lighting: City Wide R62 million
- System Equipment Replacement R145.5 million
- System Infrastructure R113 million
- Solid Waste Management
 - Bellville Transfer Station R37 million
 - Rehabilitation of Vissershok North Landfill R111 million
 - Replacement: Plant & Vehicles R78 million
- Water & Sanitation
 - Completion of Cape Flats III Bulk Sewer R85 million
 - Infrastructure Replace/Refurbish - Wastewater Treatment Works R28 million
 - Meter Replacement Program R175 million
 - Mitchells Plain Wastewater Treatment Works R65 million
 - Rehab Outfall Sewers Pentz Sandrift R30 million
 - Replace & Upgrade Sewer Network (Citywide) R45 million
 - Replace & Upgrade Water Network (Citywide) R43 million
 - Somerset West Bus Park Main Sewer (lower leg) R36.5 million
 - Zandvliet Wastewater Treatment Works -Extension R136 million
- Community Services
 - New Regional Library Kuyasa Khayelitsha R16 million
- Corporate Services
 - Broadband R191 million
 - Digital Inclusion Project R32 million
 - FM Structural Rehabilitation R35 million
- Finance
 - Basement Parking & Access R35 million
 - Granary Project R29 million
- Human Settlements
 - Human Settlements District 6 R76 million
 - Urbanisation: Backyards/Informal Settlements Upgrade R80 million
- Safety & Security
 - Integrated Emergency Contact Centre R44.5 million

Table 6 Extract of new projects in the 2015/16 Capital Budget

Project Description	Budget 2015/16
R Thousand	
Utility Services - Cape Town Electricity: Atlantis Main Sub Building Modifications	1 500
Utility Services - Cape Town Electricity: Depot Main Substation Transformer bays	3 000
Community Services - City Parks: Construction of a Park in Ward 98	1 000
Safety & Security - Disaster Risk Management: Construction of Volunteer base Blueridge	1 000
Safety & Security - Disaster Risk Management: Construction of Volunteer base Khayelitsha	1 000
Safety & Security - Disaster Risk Management: Construction of Volunteer base Llwandle	1 000
Safety & Security - Disaster Risk Management: Construction of Volunteer base Wallacedene	1 000
Safety & Security - Fire & Rescue Services: Fire Station: Masiphumelela	1 000
Safety & Security - Fire & Rescue Services: Somerset West Fire Station	1 000
Transport for Cape Town - Infrastructure: Bottelary Area Main Roads	3 500
Transport for Cape Town - Infrastructure: Gugulethu Concrete Roads	40 000
Transport for Cape Town - Infrastructure: Lotus River Canal Upgrade, Gugulethu	20 000
Transport for Cape Town - Infrastructure: Moddergat Spruit Upgrade, Macassar	3 000
Transport for Cape Town - Infrastructure: Soet River Upgrade, Somerset West	8 000
Transport for Cape Town - Infrastructure: Weltevreden Road Rehabilitation, Philippi	16 000
Safety & Security - Law Enforcement & Security Services: Construction of Law Enforcement Volunteer Base	1 005
Sport, Recreation & Amenities: Develop Pond to Sportsfield – ward 39	1 250
Community Services - Library & Information Services: Du Noon Library Construction	3 033
Community Services - Library & Information Services: Eikendal Library Extension	1 300
Energy, Environmental & Spatial Planning - Planning & Building Dev. Management: SIMS (GIS) system	2 400
Utility Services - Water & Sanitation: Admin,storage and mess upgrading	10 600
Utility Services - Water & Sanitation: Hout Bay Waste Water Treatment Plant Refurbishment	14 700

1.2 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 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 2015/16 MTREF (classified by main revenue source).

Table 7 Summary of Revenue classified by main revenue sources

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue By Source									
Property rates	4,622,441	5,076,445	5,546,774	5,942,513	5,964,279	5,964,279	6,600,943	7,093,977	7,626,736
Property rates - penalties & collection charges	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	8,061,684	8,852,928	9,323,160	10,072,265	10,071,811	10,071,811	11,127,619	12,472,296	13,968,971
Service charges - water revenue	1,817,183	2,053,577	2,185,812	2,540,080	2,464,487	2,464,487	2,745,181	3,044,560	3,376,714
Service charges - sanitation revenue	1,002,897	1,091,897	1,188,106	1,338,202	1,316,720	1,316,720	1,470,947	1,632,751	1,812,354
Service charges - refuse revenue	813,287	869,210	920,173	989,912	970,912	970,912	1,097,246	1,184,461	1,266,767
Service charges - other	291,714	232,192	286,429	321,805	360,711	360,711	561,765	592,664	654,668
Rental of facilities and equipment	289,736	306,605	317,890	358,711	358,438	358,438	345,646	365,183	382,216
Interest earned - external investments	331,749	363,937	461,053	275,762	275,762	275,762	271,687	286,630	302,108
Interest earned - outstanding debtors	318,083	268,249	192,312	208,262	197,086	197,086	233,996	248,181	264,275
Fines	144,394	100,524	729,139	175,648	916,393	916,393	977,210	1,022,151	1,087,348
Licences and permits	41,471	41,843	44,386	40,388	40,988	40,988	43,028	45,395	47,846
Agency services	123,651	132,469	150,256	150,439	153,993	153,993	153,993	162,463	171,236
Transfers recognised - operational	1,639,075	1,985,809	2,399,033	3,498,169	3,518,129	3,518,129	3,579,752	3,658,622	3,972,647
Other revenue	1,963,175	2,449,771	2,252,330	2,338,330	2,338,406	2,338,406	2,441,185	2,515,342	2,637,860
Gains on disposal of PPE	44,144	86,747	64,906	120,500	120,500	120,500	74,669	95,666	84,361
Total Revenue (excluding capital transfers and contributions)	21,504,683	23,912,206	26,061,758	28,370,984	29,068,614	29,068,614	31,724,869	34,420,340	37,656,107

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

Table 8 Revenue by source as a percentage of total budget

Description	Current Year 2014/15		2015/16 Medium Term Revenue & Expenditure Framework					
	Adjusted Budget	%	Budget Year 2015/16	%	Budget Year +1 2016/17	%	Budget Year +2 2017/18	%
Revenue By Source								
Property rates	5,964,279	20.5%	6,600,943	20.8%	7,093,977	20.6%	7,626,736	20.3%
Property rates - penalties & collection charges	-	-	-	-	-	-	-	-
Service charges - electricity revenue	10,071,811	34.6%	11,127,619	35.1%	12,472,296	36.2%	13,968,971	37.1%
Service charges - water revenue	2,464,487	8.5%	2,745,181	8.7%	3,044,560	8.8%	3,376,714	9.0%
Service charges - sanitation revenue	1,316,720	4.5%	1,470,947	4.6%	1,632,751	4.7%	1,812,354	4.8%
Service charges - refuse revenue	970,912	3.3%	1,097,246	3.5%	1,184,461	3.4%	1,266,767	3.4%
Service charges - other	360,711	1.2%	561,765	1.8%	592,664	1.7%	654,668	1.7%
Rental of facilities and equipment	358,438	1.2%	345,646	1.1%	365,183	1.1%	382,216	1.0%
Interest earned - external investments	275,762	0.9%	271,687	0.9%	286,630	0.8%	302,108	0.8%
Interest earned - outstanding debtors	197,086	0.7%	233,996	0.7%	248,181	0.7%	264,275	0.7%
Fines	916,393	3.2%	977,210	3.1%	1,022,151	3.0%	1,087,348	2.9%
Licences and permits	40,988	0.1%	43,028	0.1%	45,395	0.1%	47,846	0.1%
Agency services	153,993	0.5%	153,993	0.5%	162,463	0.5%	171,236	0.5%
Transfers recognised - operational	3,518,129	12.1%	3,579,752	11.3%	3,658,622	10.6%	3,972,647	10.5%
Other revenue	2,338,406	8.0%	2,441,185	7.7%	2,515,342	7.3%	2,637,860	7.0%
Gains on disposal of PPE	120,500	0.4%	74,669	0.2%	95,666	0.3%	84,361	0.2%
Total Revenue (excluding capital transfers and contributions)	29,068,614	100%	31,724,869	100%	34,420,340	100%	37,656,107	100%
Total Revenue from Rates & Service Charges	21,148,920	72.8%	23,603,702	74.4%	26,020,709	75.6%	28,706,210	76.2%

In line with 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 74.4% of the City's total revenue mix for 2015/16. In 2014/15, revenue from Rates and Services Charges totalled R21 149 million. This increases to R23 604 million in 2015/16, R26 021 million in 2016/17 and R28 706 million in 2017/18. The MTREF indicates a notable percentage increase in the revenue generated from Rates and Services Charges, which increases from 74.4% in 2015/16 to 76.3% in 2017/18.

Property rates is the second largest revenue source in 2015/16, totalling R6 601 million (20.8% of revenue) and increasing to R7 627 million (20.3%) in 2017/18.

Transfers recognised – operational (operating grants and transfers) total R3 580 million in 2015/16 and increases to R3 973 million by 2017/18. 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	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand									
RECEIPTS:									
Operating Transfers and Grants									
National Government:	123,957	39,306	465,976	1,919,255	2,358,756	2,358,756	2,345,168	2,446,339	2,637,005
Equitable share	-	-	-	1,503,173	1,505,392	1,505,392	1,811,289	2,036,500	2,263,607
Finance Management grant	1,160	1,250	1,250	1,250	990	990	1,050	1,050	1,050
Restructuring	-	-	-	1,191	1,191	1,191	1,191	1,094	1,094
Urban Settlements Development Grant	23,244	-	-	114,142	209,526	209,526	229,443	146,435	102,064
Public Transport Network Operations Grant	-	-	352,521	217,498	442,968	442,968	-	-	-
Energy Efficiency and Demand Side Management Grant	995	-	-	900	599	599	480	600	400
Dept. of Environ Affairs and Tourism	270	155	-	200	4,510	4,510	4,304	4,432	-
Housing Accreditation	-	-	-	200	200	200	200	-	-
Expanded Public Works Programme	9,279	29,484	32,080	20,804	23,610	23,610	23,216	-	-
Integrated City Development Grant	-	-	10,364	-	9,500	9,500	5,000	5,000	-
2014 African Nations Championship Host City Operating Grant	-	-	63,000	-	87	87	-	-	-
Public Transport Infrastructure & Systems Grant	87,809	-	-	7,726	7,726	7,726	8,466	-	-
Public Transport Infrastructure Grant	-	-	-	-	112,016	112,016	-	-	-
LGSETA: Post Graduate Internship Programme	-	522	-	-	-	-	-	-	-
Natural Resource Management	-	7,895	-	-	-	-	-	-	-
Infrastructure Skills Development	-	-	1,000	2,300	2,901	2,901	7,526	7,971	12,000
LGSETA	-	-	-	-	536	536	-	-	-
National Treasury: Neighbourhood Development Partnership Grant	1,199	-	-	-	-	-	-	-	-
Department of Water Affairs & Forestry: Water Affairs & Forestry Grant	-	-	-	-	697	697	-	-	-
Municipal Human Settlements Capacity Grant	-	-	-	49,871	35,401	35,401	13,703	13,703	15,758
Municipal Disaster Grant	-	-	5,761	-	707	707	-	-	-
Public Transport Network Grant	-	-	-	-	-	-	238,000	229,554	241,032
Department of Public Service and Administration	-	-	-	-	200	200	1,300	-	-
Provincial Government:	305,680	864,258	937,585	1,542,400	1,116,395	1,116,395	1,199,402	1,190,261	1,335,260
Cultural Affairs and Sport - Provincial Library Services	15,836	23,470	24,409	30,735	33,580	33,580	32,100	37,377	39,168
Human Settlements - Human Settlement Development Grant	114,597	641,612	623,269	1,097,130	648,161	648,161	696,014	702,526	821,698
Human Settlements - Municipal Accreditation Assistance	-	10,000	10,000	-	8,000	8,000	10,000	-	-
Human Settlement - Settlement Assistance	-	1,000	1,000	1,000	1,000	1,000	-	-	-
Health - TB	11,893	12,408	14,025	17,206	17,206	17,206	24,535	25,885	27,257
Health - Global Fund	18,582	3,722	36,139	37,555	38,994	38,994	34,408	-	-
Health - ARV	62,075	22,606	97,542	109,589	109,589	109,589	136,515	148,551	160,551
Health - Nutrition	3,754	4,056	4,400	4,636	4,636	4,636	4,904	5,176	5,448
Health - Vaccines	68,443	67,811	73,439	70,956	70,956	70,956	76,822	81,047	85,342
Comprehensive Health	-	67,569	-	155,960	155,960	155,960	163,465	172,456	181,596
Transport and Public Works - Provision for persons with special needs	10,000	10,000	-	10,000	10,075	10,075	10,000	10,000	10,500
Municipal Land Transport Fund	-	-	22,600	-	5,181	5,181	-	-	-
Transport Safety and Compliance - Rail Safety	-	-	-	500	2,200	2,200	4,000	-	-
ABET adult Education	-	4	-	-	-	-	-	-	-
Community Development Workers	-	-	984	732	1,390	1,390	789	843	900
City of Cape Town - Public access centres	-	-	2,350	500	500	500	-	-	-
Planning, Maintenance and Rehabilitation of Transport Systems and Infrastructure	-	-	-	5,900	5,700	5,700	5,850	6,400	2,800
Community Safety - Law Enforcement Auxiliary Services	-	-	27,428	-	2,500	2,500	-	-	-
Western Cape Financial Management Support Grant	-	-	-	-	300	300	-	-	-
Local Government: Multi-Purpose Centres	500	-	-	-	-	-	-	-	-
Local Government - Compliance	-	-	-	-	293	293	-	-	-
Local Government - Training	-	-	-	-	174	174	-	-	-

Table continues on next page.

City of Cape Town – 2015/16 Budget

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Other grant providers:	15,217	6,314	19,763	35,826	42,289	42,289	34,838	21,659	-
Tourism	-	-	-	2,190	4,190	4,190	2,000	-	-
Carnegie	3,732	-	10,695	3,057	3,057	3,057	879	-	-
CMTF	-	-	-	9,777	14,220	14,220	411	-	-
Other	3,244	-	-	-	-	-	-	-	-
Mamre Trust	12	12	11	-	-	-	-	-	-
CID	3,249	2,271	2,542	2,969	2,840	2,840	2,791	-	-
Century City Property Owners Association	285	409	378	468	468	468	732	-	-
NGK Ceramic Company	-	-	-	-	-	-	-	-	-
Traffic Free Flow (Pty) Ltd	896	1,116	1,070	-	1,135	1,135	1,585	-	-
Finnish Government	-	-	426	-	-	-	-	-	-
Mamre Fencing	-	-	-	-	17	17	-	-	-
Disaster Management Fund	-	256	98	-	-	-	-	-	-
Mayoress Charity Fund	-	651	76	-	-	-	-	-	-
Give Responsibly Campaign	-	8	-	-	-	-	-	-	-
South African National Biodiversity Institute	2,733	1,591	1,033	482	3,544	3,544	-	-	-
Afrikaanse Taal en Kultuur Vereniging	-	-	10	-	-	-	-	-	-
DBSA - Green Fund	-	-	-	10,000	10,000	10,000	25,000	21,659	-
Stellenbosch University	-	-	1,925	1,781	1,781	1,781	1,026	-	-
Sustainable Energy Africa	-	-	-	424	424	424	-	-	-
National Lottery	400	-	1,500	-	-	-	-	-	-
Glocal Forum	510	-	-	-	-	-	-	-	-
Lourens River Flood Alleviation	156	-	-	-	-	-	-	-	-
Agency Francaise de Development (AFD)	-	-	-	4,679	316	316	-	-	-
UN Women	-	-	-	-	150	150	-	-	-
V&A Waterfront Holdings (Pty) Ltd	-	-	-	-	148	148	275	-	-
Domain (Pty) Ltd	-	-	-	-	-	-	140	-	-
Total Operating Transfers and Grants	444,854	909,878	1,423,324	3,497,481	3,517,441	3,517,441	3,579,408	3,658,259	3,972,265

1.2.1 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), the MPRA Amendment Act 2014 (MPRAA), the MPRA Regulations and the Local Government Municipal Finance Management Act 2003.

The Rates Policy was compiled taking into account feedback received from the Finance Portfolio Committee, Councillors, ratepayers and clients since the adoption of the 2014/15 Property Rates Policy in May 2014. In addition, it was informed by the workshops held with the Finance Portfolio Committee and relevant staff during the period October 2014 to May 2015. 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 improvements through Supplemental Valuations.

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.

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

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

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

The proposed Water and Sanitation Tariffs for the 2015/16 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.

There is a proposed 11% increase in consumptive water and sanitation tariffs. The Bulk Water tariff has been increased by 6%. 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.

Stepped tariffs (1 – 6) for the Domestic Cluster category was implemented from 1 July 2013 based on previous consultation with customers. Due to the pressure on the water and sanitation tariffs, further steps to refine alignment with the Domestic Full category could not be effected for the 2015/16 financial year.

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 5.7% increase on miscellaneous tariffs.

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

Table 10 Proposed Water Tariffs

Category	Current Tariff 2014/15	Proposed Tariff 2015/16
	Rand per KI (excl. VAT)	Rand per KI (excl. VAT)
DOMESTIC Full		
Step 1 (0 ≤ 6kl)	0	0
Step 2 (>6 ≤ 10.5kl)	8.75	9.71
Step 3 (>10.5 < 20kl)	12.54	13.92
Step 4 (>20 < 35kl)	18.58	20.62
Step 5 (>35 ≤ 50kl)	22.94	25.47
Step 6 (>50kl)	30.27	33.59
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)	10.72	11.90
Step 3 (>10.5 < 20kl)	12.54	13.92
Step 3 (>20kl)	n/a	n/a
Step 4 (>20 < 35kl)	18.58	20.62
Step 5 (>35 < 50kl)	22.94	25.47
Step 6 (>50kl)	30.27	33.59
COMMERCIAL	13.51	15.00
INDUSTRIAL	13.51	15.00

Table 11 Proposed Sanitation Tariffs

Category	Current Tariff 2014/15	Proposed Tariff 2015/16
	Rand per Kl (excl VAT)	Rand per Kl (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)	0.00	0.00
Step 2 (>4.2 < 7.35 kl)	8.25	9.16
Step 3 (>7.35 < 14 kl)	14.64	16.25
Step 4 (>14 < 24.5 kl)	16.01	17.77
Step 5 (>24.5 < 35 kl)	16.81	18.66
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	10.05
Step 3 (>7.35 < 14 kl)	14.64	16.25
Step 3 (> 4.2 < 35 kl)	n/a	n/a
Step 4 (>14 < 24.5 kl)	16.01	17.77
Step 5 (>28 < 35 kl)	16.81	18.66
COMMERCIAL	10.39	11.53
INDUSTRIAL	10.39	11.53

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 2014/15 R	Proposed amount Payable 2015/16 R	Difference (Increase)	Percentage change
6	0.00	0.00	0.00	-
10.5	39.38	43.71	4.33	11.00%
20	158.49	175.94	17.45	11.01%
35	437.13	485.30	48.17	11.02%
50	781.22	867.25	86.03	11.01%
80	1,689.32	1,875.24	185.92	11.01%

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

Monthly Consumption kl	Current amount Payable 2014/15 R	Proposed amount Payable 2015/16 R	Difference (Increase)	Percentage change
4.2	0.00	0.00	0.00	-
7.35	25.99	28.85	2.86	11.00%
14	123.38	136.91	13.53	10.97%
24.5	291.43	323.51	32.08	11.01%
35	467.88	519.43	51.55	11.02%

1.2.3 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 8.33% & Disposal of 9.31%. An increase has been approved on the Miscellaneous Tariffs for Cleaning of 5.7%.

Table 14 Comparison between current waste removal fees and increases

SERVICES RENDERED	UNIT	REMARKS To be read in conjunction with Definitions (refer annexures)	2014/15 R excl. VAT	VAT Yes/No	2015/16 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).	95.92	y	103.95
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 (-95.92)	y	-103.95
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 (-71.94)	y	-77.96
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 (-47.96)	y	-51.98
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 (-23.98)	y	-25.99
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)	95.92	y	103.95
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.	95.92	y	103.95
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 (-47.96)	y	-51.98
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 (-95.92)	y	-103.95
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

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

The proposed revisions to the tariffs have been formulated in accordance with the City of Cape Town Tariff and Rates Policy and comply with Section 74 of the Municipal Systems Act as well as the recommendations of the National Energy Regulator of South Africa (NERSA).

In terms of section 75A of the Local Government Municipal Systems Act, any fees, charges or tariffs which a municipality may wish to levy and recover in respect of any function or service of the

municipality, must be approved by a resolution passed by the municipal council with a supporting vote of a majority of its members.

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

On 18 November 2014, NERSA issued a guideline for municipal increases of 12.2%, based on a projected bulk increase to municipalities of 14.24%. The NERSA guideline does not take into account the effect on the overall increase of the Contributions to Rates (10% of budgeted sales), or the impact of any growth (positive or negative). CPI was projected at being 5.7%.

As a result of the above, the average revenue increase requirement (and therefore the average tariff increase) is 10.8%.

Present electricity tariffs were approved by Council on 28 May 2014 and by NERSA on 30 June 2014, and were implemented with effect from 1 July 2014.

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

Category	Unit	Steps	VAT yes/no	2014/15 c/kWh excl VAT	2015/16 c/kWh excl VAT
Lifeline INCLUDES the FBE portion	Energy Charge (c/kWh)	0-350kWh	y	84.32	91.06
		350.1+ kWh	y	204.65	252.12
Domestic	Energy Charge (c/kWh)	0-600kWh	y	134.76	154.30
		600.1+ kWh	y	163.87	187.63

1.2.5 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	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework			
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16 %incr.	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Rand/cent										
Monthly Account for Household - 'Middle Income Range'										
Rates and services charges:										
Property rates	233.88	247.91	250.75	265.80	265.80	265.80	6.0%	281.75	298.65	316.57
Electricity: Basic levy	-	-	-	-	-	-	-	-	-	-
Electricity: Consumption	1,271.98	1,383.56	1,358.00	1,463.92	1,463.92	1,463.92	7.8%	1,578.11	1,701.20	1,833.89
Water: Basic levy	-	-	-	-	-	-	-	-	-	-
Water: Consumption	274.63	299.35	312.67	340.18	340.18	340.18	8.8%	370.12	371.20	403.87
Sanitation	192.19	213.96	214.78	233.68	233.68	233.68	8.8%	254.24	255.33	277.80
Refuse removal	90.73	83.96	90.60	95.98	95.98	95.98	5.9%	101.26	107.84	114.20
Other	-	-	-	-	-	-	-	-	-	-
sub-total	2,063.41	2,228.74	2,226.80	2,399.56	2,399.56	2,399.56	7.7%	2,585.47	2,734.23	2,946.34
VAT on Services	256.13	277.32	276.65	298.73	298.73	298.73	-	322.52	340.98	368.17
Total large household bill:	2,319.54	2,506.06	2,503.45	2,698.29	2,698.29	2,698.29	7.8%	2,908.00	3,075.21	3,314.50
%increase/-decrease		8.0%	(0.1%)	7.8%	-	-	7.8%	7.8%	5.8%	7.8%
Monthly Account for Household - 'Affordable Range'										
Rates and services charges:										
Property rates	140.35	178.49	172.08	159.59	159.59	159.59	6.0%	169.17	179.32	190.07
Electricity: Basic levy	-	-	-	-	-	-	-	-	-	-
Electricity: Consumption	612.35	601.50	665.10	673.75	673.75	673.75	7.8%	726.30	782.95	844.02
Water: Basic levy	-	-	-	-	-	-	-	-	-	-
Water: Consumption	196.77	187.69	226.67	247.30	247.30	247.30	9.1%	269.80	294.36	321.14
Sanitation	145.22	138.85	162.91	177.73	177.73	177.73	9.1%	193.90	211.55	230.80
Refuse removal	90.73	83.96	90.60	95.98	95.98	95.98	5.9%	101.26	107.23	113.56
Other	-	-	-	-	-	-	-	-	-	-
sub-total	1,185.42	1,190.49	1,317.36	1,354.35	1,354.35	1,354.35	7.8%	1,460.44	1,575.41	1,699.60
VAT on Services	146.31	141.68	160.34	167.27	167.27	167.27	-	180.78	195.45	211.33
Total small household bill:	1,331.73	1,332.17	1,477.70	1,521.62	1,521.62	1,521.62	7.9%	1,641.21	1,770.86	1,910.94
%increase/-decrease		0.0%	10.9%	3.0%	-	-	7.9%	7.9%	7.9%	7.9%
Monthly Account for Household - 'Indigent' Household receiving free basic services										
Rates and services charges:										
Property rates	44.16	46.81	54.08	57.32	57.32	57.32	6.0%	60.76	64.40	68.27
Electricity: Basic levy	-	-	-	-	-	-	-	-	-	-
Electricity: Consumption	253.87	276.14	272.60	273.30	273.30	273.30	5.7%	288.88	305.34	322.75
Water: Basic levy	-	-	-	-	-	-	-	-	-	-
Water: Consumption	120.57	131.42	142.81	156.66	156.66	156.66	9.7%	171.86	188.53	206.81
Sanitation	98.53	107.40	111.38	122.18	122.18	122.18	9.7%	134.03	147.03	161.29
Refuse removal	68.05	83.96	45.28	47.97	47.97	47.97	5.9%	50.61	53.60	56.76
Other	-	-	-	-	-	-	-	-	-	-
sub-total	585.18	645.73	626.15	657.43	657.43	657.43	7.4%	706.13	758.90	815.88
VAT on Services	75.74	83.85	80.09	84.02	84.02	84.02	-	90.35	97.23	104.67
Total small household bill:	660.92	729.58	706.24	741.45	741.45	741.45	7.4%	796.49	856.13	920.55
%increase/-decrease		10.4%	(3.2%)	5.0%	-	-	7.4%	7.4%	7.5%	7.5%

1.3 Operating Expenditure Framework

The City's expenditure for the 2015/16 MTREF is informed by

- 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	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Expenditure By Type									
Employee related costs	6,916,012	7,446,199	8,640,854	8,940,483	8,806,893	8,804,911	9,847,508	10,715,810	11,610,644
Remuneration of councillors	97,772	111,673	119,709	133,619	133,619	133,619	139,311	148,366	157,862
Debt impairment	818,450	926,812	1,295,526	950,533	1,691,334	1,691,334	1,806,613	1,943,609	2,077,690
Depreciation & asset impairment	1,399,490	1,627,385	1,784,970	2,154,335	2,014,841	2,014,841	2,089,827	2,227,876	2,383,827
Finance charges	681,533	728,669	807,283	919,232	912,241	912,241	971,133	1,090,167	1,222,662
Bulk purchases	5,705,263	6,391,186	6,591,232	7,050,011	7,086,261	7,086,261	7,967,555	9,051,585	10,285,261
Other materials	273,402	284,193	299,153	387,117	353,235	351,821	359,005	389,927	418,889
Contracted services	2,193,662	2,825,946	3,312,529	4,205,198	4,025,535	3,996,738	4,866,199	4,984,111	5,321,657
Transfers and grants	103,492	103,144	115,021	125,354	139,809	140,900	120,402	117,538	123,777
Other expenditure	2,988,712	3,473,078	3,563,228	3,789,486	4,166,847	4,197,949	3,977,481	4,155,193	4,446,895
Loss on disposal of PPE	1,724	1,443	1,944	–	–	–	–	–	–
Total Expenditure	21,179,513	23,919,727	26,531,448	28,655,369	29,330,615	29,330,615	32,145,033	34,824,182	38,049,163

Staff costs for 2015/16 are R9 847 million, equating to 30.6% of total operating expenditure. The 2015/16 cost of living increase is 8.14% (2% notch increment + 6.14% per estimated salary/wage award), while the year-on-year growth is 10.15%. Similar, inflation-linked increases are estimated for the outer years of the City's MTREF.

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

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 2015/16 this equates to R1 807 million and escalates to R2 077 million by 2017/18. While this expenditure is considered to be a non-cash flow item, it informs the total cost associated with rendering services as well as the City's realistically anticipated revenues.

Budgeted appropriations for depreciation and asset impairment total R2 089 million for 2015/16, which is linked to the capitalisation to the capitalisation of assets. The calculation, is now based on a 100% spend as opposed to 95% and 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 are now capitalised when the asset is commissioned.

Finance charges consist primarily of the repayment of interest on long-term borrowing (cost of capital) and equates to 3.0% (R971 million) of 2015/16 operating expenditure, excluding redemption costs and increases to R1 222 million by 2017/18.

Budgetary provision for bulk purchases are largely informed by the purchase of electricity and water from suppliers. 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 materials for maintenance and cleaning materials. This expenditure component is projected to grow over the MTREF from R359 million in 2015/16 to R418 million in 2017/18.

Contracted Services expenditure component includes provisions for Repairs & Maintenance. Expenditure levels is projected to escalate from R4 866 million in 2015/16 to R5 321 million in 2017/18.

The following graph gives a breakdown of the main expenditure categories for 2015/16.

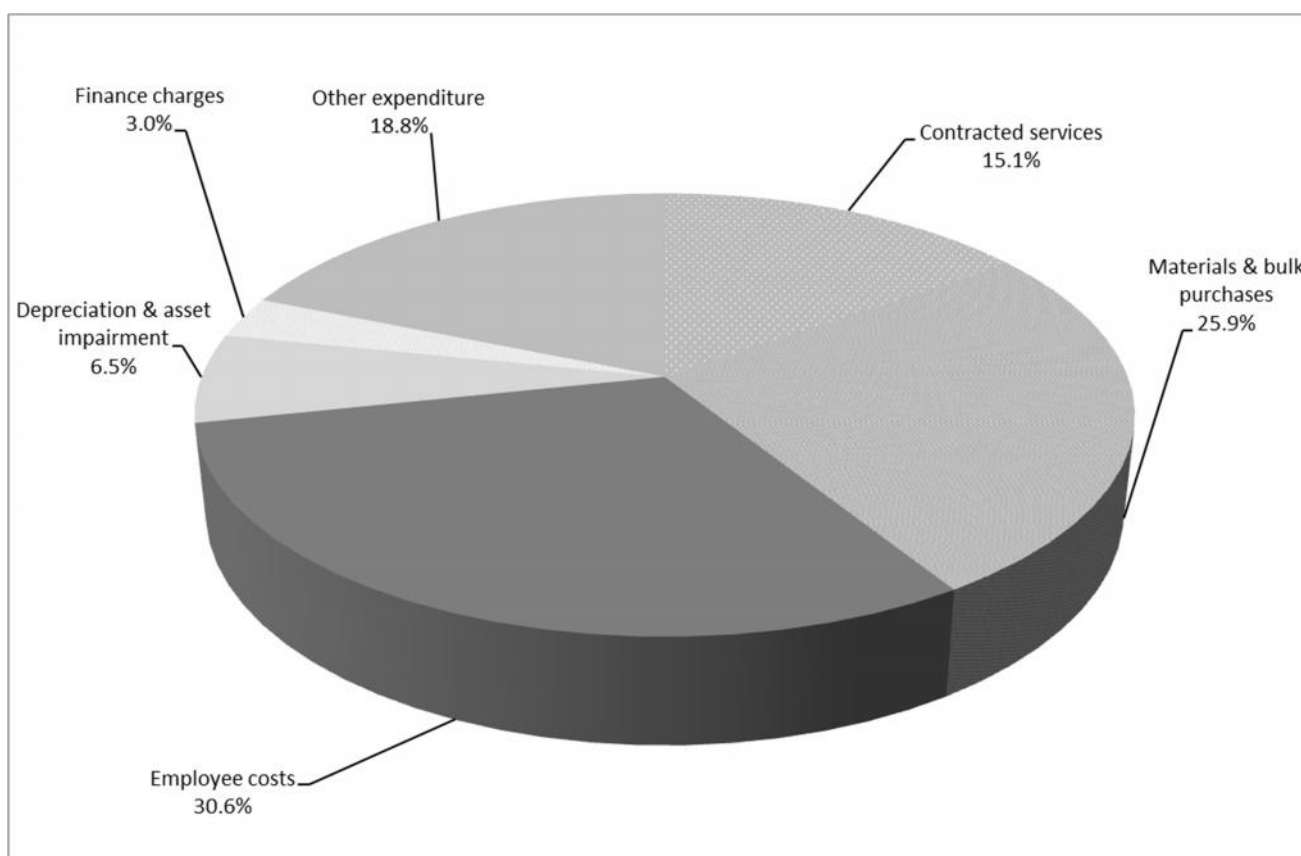


Figure 1 Main operational expenditure categories for the 2015/16 financial year

1.3.1 Priority given to Repairs & 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, 2015/16 appropriations again provide for significantly 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 employee-related costs, general expenses, and purchase of material 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	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand									
Repairs & Maintenance by Expenditure Item									
Employee related costs	446,891	1,030,137	1,089,097	1,248,847	1,288,227	1,288,227	1,502,465	1,630,634	1,767,139
Other materials	180,350	202,646	216,406	237,074	258,622	257,629	270,378	293,567	318,227
Contracted Services	1,088,586	1,314,473	1,426,952	1,506,011	1,346,770	1,319,529	1,579,232	1,741,800	1,915,927
Other Expenditure	167,226	203,129	172,915	157,424	233,516	264,999	220,318	239,086	259,091
Total Repairs and Maintenance Expenditure	1,883,053	2,750,384	2,905,370	3,149,355	3,127,135	3,130,384	3,572,394	3,905,087	4,260,384

The total repairs and maintenance (R&M) allocation for 2015/16 is R3 572 million, which represents a growth of 13.4% from 2014/15. A significant increase is notable on employee-related costs, resulting from the full cost absorption method applied to calculate labour unit price as well as increases in activity prices based on total cost of employment (TCOE) for direct labour workers, which is influenced by the projected salary increases. This trend continues over the MTREF and increases to R4 260 million in 2017/18. The 2015/16 R&M provision represents more than 11% of total operating expenditure.

1.3.2 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 79 000 and 257 000.

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 3 307 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 22 households have registered. Households with gross monthly income between R4 001 and R4 500 receive a 50% rebate on rates and 10 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 10 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 consuming less than 250kWh per month will receive a free basic supply of 60kWh per month, while those consuming 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 the modelled impact of the tariffs and policies on all residential properties. All free basic services are provided for in the City's balanced operating budget.

The costs for the indigent support on charges for refuse removal, the R85.72 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 R81 million from Rates income to balance this expenditure, whilst the costs of the free 6 kilolitres of water (plus 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.

1.4 Capital Expenditure

Table 19 2015/16 MTREF capital budget per vote

Vote Description R thousand	Current Year 2014/15		2015/16 Medium Term Revenue & Expenditure Framework					
	Adjusted Budget	%	Budget Year 2015/16	%	Budget Year +1 2016/17	%	Budget Year +2 2017/18	%
Vote 1 - City Health	20,802	0.3%	15,673	0.3%	13,466	0.2%	29,466	0.5%
Vote 2 - City Manager	14,638	0.2%	14,954	0.2%	954	0.0%	934	0.0%
Vote 3 - Community Services	237,145	3.9%	160,331	2.7%	135,009	2.4%	118,064	2.2%
Vote 4 - Compliance & Auxiliary Services	3,774	0.1%	4,134	0.1%	36,600	0.7%	36,600	0.7%
Vote 5 - Corporate Services	392,444	6.4%	420,880	7.0%	315,721	5.7%	296,970	5.5%
Vote 6 - Energy, Environmental & Spatial Planning	57,859	0.9%	80,064	1.3%	146,224	2.7%	135,066	2.5%
Vote 7 - Finance	92,458	1.5%	141,379	2.3%	11,241	0.2%	8,681	0.2%
Vote 8 - Human Settlements	1,071,685	17.5%	420,835	7.0%	267,132	4.8%	212,421	3.9%
Vote 10 - Safety & Security	82,247	1.3%	105,163	1.7%	57,127	1.0%	52,127	1.0%
Vote 11 - Social Dev & Early Childhood Development	24,258	0.4%	11,971	0.2%	10,860	0.2%	10,860	0.2%
Vote 12 - Tourism, Events & Economic Development	38,681	0.6%	41,098	0.7%	33,750	0.6%	33,750	0.6%
Vote 13 - Transport for Cape Town	1,754,130	28.6%	1,399,805	23.2%	1,465,204	26.6%	1,436,035	26.7%
Vote 14 - Utility Services	2,338,098	38.2%	3,227,699	53.4%	3,020,274	54.8%	3,009,155	55.9%
Total Capital Expenditure - Vote	6,128,220	100%	6,043,985	100%	5,513,563	100%	5,380,070	100%

The capital budget decreased from R6 128 million in 2014/15 (April 2015 adjustments budget) to R6 044 million in 2015/16. This is an overall decrease of 1.4% when measured against the latest 2014/15 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 2015/16 represents just over R4 628 million or 76.6% of the total budgetary allocation for the year. Utility Services receives the largest allocation (R3 228 million) in 2015/16, which represents 53.4% of the budget. Utility Services includes the services responsible for the provision of electricity, solid waste management, water and sanitation. The second highest allocation is made to Transport for Cape Town (R1 400 million or 23.2%) followed by Corporate Services (R421 million), Human Settlements (R421 million) and Community Services (R160 million).

In the outer years the majority of the allocations are also made to infrastructure development; R4 485 million (81.4%) in 2016/17 and R4 445 million (82.6%) in 2017/18.

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 760 million or 45.7% of the total 2015/16 capital budget, while new assets represents R3 284 million or 54.3%. It is important to note that asset renewal represents the upgrading or replacement of existing City owned assets, while new assets will result in an increase in the asset base of this City. Additional details regarding asset classes and proposed capital expenditure is contained in Table 30 MBRR Table A9 - Asset Management on page 45. A detailed breakdown of the capital budget with regards to new asset construction and capital asset renewal is providing on MBRR Tables A9, SA34a and SA34b (refer pages 170 and 171). A detailed breakdown of the capital budget per project over the medium term is available on page 174.

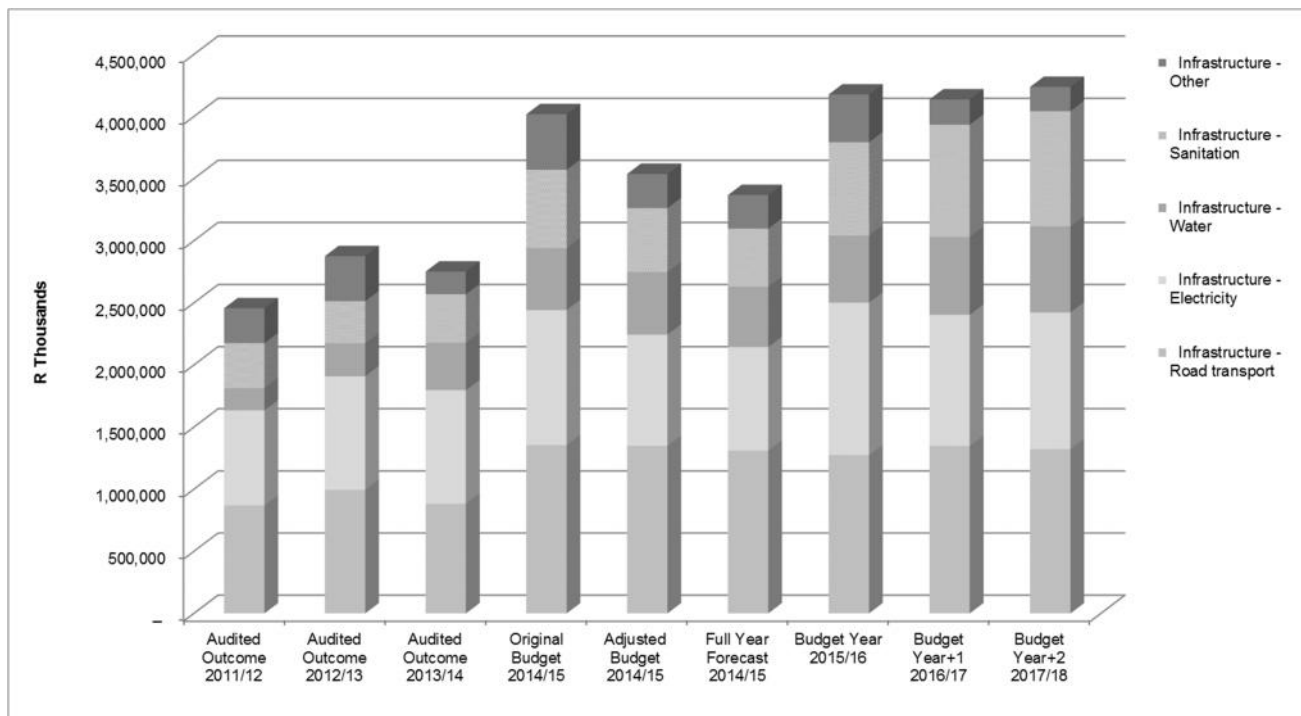
Major projects/programmes to be implemented over the medium term are:

- Zakhele Clinic - Replacement R5 million
- Masincedane Clinic - Ext for ARV/TB R3 million
- New Fisantekraal Clinic R8 million
- New Pelican Park Clinic R6 million
- Uitsig Clinic - Ext for ARV/TB R3 million
- Delft Cemetery Development R9 million
- Upgrade Atlantis Smart Park R10 million
- Upgrade of Blue Ridge Park, Wallacedene R10 million
- Upgrade of Sea Point Promenade R7 million
- Vaalfontein Cemetery Development R7 million
- Welmoed Cemetery Development R11.5 million
- Du Noon Library Construction R13 million
- Library Upgrades and Extensions R9.5 million
- Atlantis Synthetic Soccer Pitch R7 million
- Mamre Synthetic Pitch R7 million
- Ocean View Synthetic Pitch R7 million
- Recreation Hubs Equipment R9 million
- Roof Enclosure of Ruyterwacht Pool R5 million
- Sea Winds Synthetic Pitch R6 million
- Sport and Recreation Facilities Upgrade R21 million
- ERP Business Systems R36 million
- Witsands Reserve Development R10 million
- Development Applications Management System Enhancements R10 million
- Local Area Priority Initiatives [LAPIs] R21 million
- Quality Public Spaces - Citywide R17 million
- Strand Pavilion Precinct Upgrade R12 million
- Land acquisition for municipal purposes R53 million
- E - Procurement system R15 million
- Fisantekraal Garden Cities Housing Project R77 million
- Imizamo Yethu Housing Project (Phase 3) R48 million
- Macassar BNG Housing Project R57 million
- Morkel's Cottage Strand Housing Project R46 million
- Wallacedene Housing Project R42 million
- Langa Hostels CRU Project R82 million
- Major Upgrading - Rental Units R28 million
- Masiphumelel/Ocean View/Kommetjie R12 million
- Replacement of Fire Vehicles R13 million
- Somerset West Fire Station R11 million
- Construction of Law Enforcement Volunteer Base R7 million
- Law Enforcement and Security Services - Vehicles R9 million
- Hardened Emergency Response R6 million
- Traffic Services - Vehicles R17 million
- Construction of ECD Centres - Delft R14 million
- Construction of ECD Centres - Nantes R9 million
- Construction of ECD Centres - Heideveld R5 million
- Film & Events Permitting System R8 million
- Multi-Media Upgrade R10 million
- Upgrade of Athlone Stadium R10.5 million
- Upgrade of Good Hope Centre R13 million
- Upgrading of City Hall R27 million
- Bellville: Public Transport Hub R42 million
- Construct Roads: Bottelary/R300 R60.5 million
- Dualling: Broadway Blvd - Beach Rd R31 million
- Du Noon Taxi Terminus R22 million

- Gugulethu Concrete Roads R64 million
- Inner City: Public Transport Hub R135 million
- Lotus River Canal Upgrade, Gugulethu R37 million
- Makhaza Bus Terminal R22 million
- Mitchell's Plain Station Transport Interchange R29 million
- Nolungile (Site C) Public Transport Interchange R30 million
- Nyanga Main Taxi Rank R29 million
- Retreat Public Transport Interchange R47.5 million
- Sir Lowry's Pass River Upgrade R165 million
- Sir Lowry's Pass Village Road Upgrade R21 million
- Wynberg: Public Transport Hub R41.5 million
- Main Roads: Northern Corridor R32.5 million
- Traffic Calming City Wide R25 million
- Bloemhof: Stores Upgrade R69 million
- New Switching Station Atlantis Industrial R98 million
- Observatory Main Substation Upgrade R69 million
- Optic Fibre Installations R32 million
- Prepayment Meter Replacement R66 million
- Steenbras Power Station Rehabilitation/Upgrade R97.5 million
- Grassy Park HV Network Rearrangement R75 million
- Grassy Park Main Substation Upgrade R50 million
- Development of the Regional Landfill Site R151 million
- New Drop-off facilities R22 million
- New Landfill Site Infrastructure R110 million
- New Transfer Station Infrastructure R36 million
- Upgrading Solid Waste Management facilities R53 million
- Athlone WWTW-Capacity Extension R60.5 million
- Bellville Wastewater Treatment Works R95 million
- Borchards Quarry WWTW R184.5 million
- Bulk Water Augmentation Scheme R211 million
- Development of Additional Bulk Water Infrastructure R78 million
- Informal Settlements Sanitation Installation R53 million
- Mitchells Plain WWTW-Improvements R90 million
- New Contermanskloof Reservoir R89.5 million
- New Head Office for Water & Sanitation R212 million
- New Spes Bona Reservoir R49 million
- New Steenbras Reservoir R69 million
- Northern Regional Sludge Facility R185 million
- Philippi Collector Sewer R67 million
- Potsdam WWTW - Extension R96 million
- Pressure Management R60 million
- Refurbishment of Cape Flats WWTW R58.5 million
- Rehabilitation of Outfall Sewers Pentz Sandrift R70 million
- Replacement & Upgrade of Sewerage Pump Stations R58 million
- Scottsdene WWTW R33.5 million
- TMS Aquifer Deep Borehole R30 million
- Upgrade Bellville WWTW R20 million
- Water Meters New Connections R68 million
- Water Supply at Baden Powell Dr to Khayelitsha R51 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



1.4.1 Future operational cost of new infrastructure

Table SA35, on page 173, 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 R3 460 million in 2015/16 to R4 051 million in 2017/18. 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.

1.5 Annual Budget Tables

The ten primary budget tables, as required in terms of section 8 of the Municipal Budget and Reporting Regulations (MBRR), are presented on page 30 to page 47. These tables reflect the City’s 2015/16 budget and MTREF to be approved and adopted by Council. Each table is accompanied by explanatory notes.

Table 20 MBRR Table A1 - Budget Summary

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousands									
Financial Performance									
Property rates	4,622,441	5,076,445	5,546,774	5,942,513	5,964,279	5,964,279	6,600,943	7,093,977	7,626,736
Service charges	11,986,765	13,099,805	13,903,679	15,262,264	15,184,641	15,184,641	17,002,759	18,926,732	21,079,474
Investment revenue	331,749	363,937	461,053	275,762	275,762	275,762	271,687	286,630	302,108
Transfers recognised - operational	1,639,075	1,985,809	2,399,033	3,498,169	3,518,129	3,518,129	3,579,752	3,668,622	3,972,647
Other own revenue	2,924,654	3,386,210	3,751,219	3,392,277	4,125,803	4,125,803	4,269,728	4,454,380	4,675,142
Total Revenue (excluding capital transfers and contributions)	21,504,683	23,912,206	26,061,758	28,370,984	29,068,614	29,068,614	31,724,869	34,420,340	37,656,107
Employee costs	6,916,012	7,446,199	8,640,854	8,940,483	8,806,893	8,804,911	9,847,508	10,715,810	11,610,644
Remuneration of councillors	97,772	111,673	119,709	133,619	133,619	133,619	139,311	148,366	157,862
Depreciation & asset impairment	1,399,490	1,627,385	1,784,970	2,154,335	2,014,841	2,014,841	2,089,827	2,227,876	2,383,827
Finance charges	681,533	728,669	807,283	919,232	912,241	912,241	971,133	1,090,167	1,222,662
Materials and bulk purchases	5,978,665	6,675,379	6,890,385	7,437,129	7,439,497	7,438,082	8,326,560	9,441,512	10,704,149
Transfers and grants	103,492	103,144	115,021	125,354	139,809	140,900	120,402	117,538	123,777
Other expenditure	6,002,548	7,227,278	8,173,227	8,945,218	9,883,716	9,886,021	10,650,292	11,062,914	11,846,242
Total Expenditure	21,179,513	23,919,727	26,531,448	28,655,369	29,330,615	29,330,615	32,145,033	34,824,182	38,049,163
Surplus/(Deficit)	325,171	(7,521)	(469,690)	(284,384)	(262,001)	(262,001)	(420,164)	(403,842)	(393,056)
Transfers recognised - capital	2,061,755	3,414,645	2,052,758	2,817,627	3,128,658	3,128,658	2,223,813	2,393,837	2,481,389
Contributions recognised - capital & contributed assets	120,358	36,603	76,408	65,226	52,010	52,010	53,761	99,000	103,100
Surplus/(Deficit) after capital transfers & contributions	2,507,284	3,443,726	1,659,476	2,598,469	2,918,667	2,918,667	1,857,410	2,088,995	2,191,433
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	2,507,284	3,443,726	1,659,476	2,598,469	2,918,667	2,918,667	1,857,410	2,088,995	2,191,433
Capital expenditure & funds sources									
Capital expenditure	4,233,245	5,868,810	4,502,293	6,211,315	6,128,220	5,910,881	6,043,985	5,513,563	5,380,070
Transfers recognised - capital	2,061,778	3,414,645	2,053,319	2,809,834	3,129,946	3,024,246	2,223,813	2,393,837	2,481,389
Public contributions & donations	44,208	35,076	44,022	73,019	50,723	50,223	53,761	99,000	103,100
Borrowing	1,374,791	1,753,425	1,856,889	2,350,301	2,277,157	2,211,217	2,579,264	2,327,888	2,291,866
Internally generated funds	752,469	665,664	548,063	978,161	670,395	625,195	1,187,146	692,837	503,715
Total sources of capital funds	4,233,245	5,868,810	4,502,293	6,211,315	6,128,220	5,910,881	6,043,985	5,513,563	5,380,070
Financial position									
Total current assets	10,735,982	12,900,815	9,904,351	10,530,544	10,897,328	10,897,328	9,363,636	9,185,509	10,599,111
Total non current assets	24,772,540	29,033,825	34,817,678	37,639,154	37,230,935	37,230,935	42,860,207	45,707,427	49,033,913
Total current liabilities	7,242,430	7,988,695	8,155,256	7,321,815	7,179,862	7,179,862	8,940,501	8,513,927	9,204,814
Total non current liabilities	9,252,622	11,488,749	12,450,101	13,001,051	13,881,057	13,881,057	14,391,843	15,398,515	17,256,282
Community wealth/Equity	19,013,470	22,457,196	24,116,672	27,846,832	27,067,344	27,067,344	28,891,499	30,980,494	33,171,927
Cash flows									
Net cash from (used) operating	5,241,829	5,506,919	4,515,574	5,618,991	5,297,911	5,297,911	4,325,047	4,447,617	5,234,956
Net cash from (used) investing	(4,173,468)	(5,820,775)	(6,122,250)	(6,478,138)	(7,101,516)	(7,101,516)	(6,046,623)	(5,315,425)	(5,731,321)
Net cash from (used) financing	(156,536)	2,252,382	(283,067)	1,224,051	1,224,443	1,224,443	1,671,793	470,247	1,323,356
NET INCREASE/ (DECREASE) IN CASH HELD	6,161,206	8,099,732	2,266,559	6,968,574	5,663,526	5,663,526	2,215,627	1,818,067	2,645,058
Cash backing/surplus reconciliation									
Cash and investments available	6,361,479	8,334,415	8,133,506	7,045,003	7,489,901	7,489,901	7,629,375	6,962,417	8,624,683
Application of cash and investments	2,108,447	3,816,303	5,363,453	4,382,122	5,463,759	5,463,759	5,781,429	5,061,329	6,001,563
Balance - surplus (shortfall)	4,253,032	4,518,112	2,770,053	2,662,881	2,026,142	2,026,142	1,847,946	1,901,088	2,623,120
Asset management									
Asset register summary (MDV)	24,522,952	28,758,735	31,468,325	35,865,333	35,272,206	35,272,206	38,924,165	41,934,174	44,661,413
Depreciation & asset impairment	1,399,490	1,627,385	1,784,970	2,154,335	2,014,841	2,014,841	2,089,827	2,227,876	2,383,827
Renewal of Existing Assets	2,196,471	2,045,212	1,999,216	2,719,100	2,605,068	2,501,542	2,759,898	2,416,242	2,431,397
Repairs and Maintenance	1,883,053	2,750,384	2,905,370	3,149,355	3,127,135	3,130,384	3,572,394	3,905,087	4,260,384
Free services									
Cost of Free Basic Services provided	1,299,409	1,452,596	1,700,693	1,839,369	1,839,369	1,839,369	1,984,824	2,166,299	2,367,184
Revenue cost of free services provided	1,932,599	2,174,654	2,391,849	2,528,743	2,528,743	2,605,173	2,789,695	3,015,701	3,278,575
Households below minimum service level									
Water:	-	12,000	8,000	-	-	-	-	-	-
Sanitation/sewerage:	24,000	60,800	40,600	600	377	377	-	-	-
Energy:	40,012	39,094	35,341	36,316	36,316	33,841	32,341	30,841	29,341
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 highlighted in the financial management reforms. Section 18 of the MFMA 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 2015/16 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 cash flow outcome over the 2015/16 MTREF.**
6. The City's cash backing/surplus reconciliation over the 2015/16 MTREF shows a positive outcome, 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 but are expected to reduce.

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

Standard Classification Description R thousand	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue - Standard									
Governance and administration	8,271,309	9,223,776	9,725,371	10,461,359	10,476,969	10,476,969	11,478,330	12,346,354	13,256,077
Executive and council	205,189	215,293	222,571	272,595	294,393	294,393	294,405	314,639	336,438
Budget and treasury office	7,754,281	8,818,341	9,325,485	9,890,543	9,896,230	9,896,230	10,918,369	11,742,899	12,608,577
Corporate services	311,838	190,141	177,315	298,221	286,346	286,346	265,556	288,816	311,062
Community and public safety	1,416,255	1,617,631	2,371,841	2,845,189	3,474,835	3,474,835	3,102,900	2,918,318	3,014,722
Community and social services	74,743	77,079	83,749	136,417	115,949	115,949	101,689	89,024	80,980
Sport and recreation	93,742	128,749	139,688	119,466	111,341	111,341	111,802	110,698	107,302
Public safety	202,422	150,485	803,168	231,113	997,603	997,603	1,071,703	1,086,762	1,147,168
Housing	878,583	1,081,270	1,132,956	2,102,760	1,994,838	1,994,838	1,536,028	1,365,829	1,379,194
Health	166,765	180,048	212,279	255,433	255,104	255,104	281,679	266,005	300,078
Economic and environmental services	1,551,636	2,844,896	1,702,432	2,182,482	2,600,884	2,600,884	2,068,429	2,218,671	2,281,122
Planning and development	187,430	238,875	244,648	314,250	255,149	255,149	295,963	375,836	380,350
Road transport	1,360,978	2,593,813	1,451,044	1,848,563	2,317,644	2,317,644	1,766,123	1,836,252	1,898,505
Environmental protection	3,228	12,207	6,740	19,669	28,091	28,091	6,343	6,583	2,267
Trading services	12,443,025	13,675,770	14,390,251	15,761,551	15,691,336	15,691,336	17,350,212	19,429,759	21,688,595
Electricity	8,238,997	9,141,319	9,688,895	10,374,795	10,494,997	10,494,997	11,421,475	12,843,819	14,366,314
Water	2,048,752	2,245,107	2,332,377	2,688,261	2,625,262	2,625,262	2,922,748	3,234,246	3,645,501
Waste water management	1,267,952	1,325,054	1,375,489	1,640,951	1,532,534	1,532,534	1,894,642	2,152,304	2,394,218
Waste management	887,325	964,291	993,490	1,057,543	1,038,543	1,038,543	1,111,347	1,199,390	1,282,562
Other	4,572	1,381	1,030	3,258	5,258	5,258	2,572	75	79
Total Revenue - Standard	23,686,797	27,363,454	28,190,924	31,253,838	32,249,282	32,249,282	34,002,443	36,913,178	40,240,596
Expenditure - Standard									
Governance and administration	4,303,417	4,734,703	6,101,339	5,450,165	5,537,030	5,536,066	6,107,800	6,406,648	6,909,630
Executive and council	566,190	512,505	868,121	818,634	887,414	886,650	1,044,793	1,039,529	1,118,617
Budget and treasury office	1,711,050	2,055,237	3,362,374	2,506,777	2,508,567	2,508,577	2,783,800	2,947,788	3,198,832
Corporate services	2,026,176	2,166,961	1,870,844	2,124,754	2,141,048	2,140,838	2,279,207	2,419,331	2,592,180
Community and public safety	3,967,161	4,489,463	5,338,007	6,155,784	6,509,785	6,509,595	7,084,791	7,441,372	7,964,743
Community and social services	415,030	488,669	469,116	508,334	523,916	525,379	566,317	612,168	660,799
Sport and recreation	1,015,804	1,159,982	1,242,113	1,315,435	1,332,480	1,330,802	1,467,195	1,536,565	1,637,081
Public safety	1,186,905	1,341,395	1,852,966	1,587,110	2,360,649	2,360,646	2,503,345	2,656,387	2,847,213
Housing	723,479	796,924	1,034,934	1,892,239	1,439,120	1,439,120	1,616,880	1,644,629	1,752,408
Health	625,944	702,493	738,879	852,667	853,619	853,647	931,054	991,624	1,067,241
Economic and environmental services	1,901,310	2,333,118	2,779,445	3,107,880	3,463,514	3,464,193	3,503,807	3,840,988	4,098,913
Planning and development	501,392	577,098	620,738	720,507	711,777	711,556	756,326	933,916	991,500
Road transport	1,334,189	1,666,700	2,068,358	2,291,386	2,646,137	2,646,137	2,641,172	2,807,232	3,002,405
Environmental protection	65,729	89,320	90,348	95,987	105,600	106,500	106,309	99,840	105,007
Trading services	10,954,925	12,313,101	12,259,142	13,877,328	13,758,745	13,759,219	15,385,492	17,070,152	19,006,835
Electricity	6,880,375	7,659,201	7,677,729	8,621,654	8,530,043	8,530,523	9,441,323	10,628,827	11,990,437
Water	1,830,845	2,005,078	1,995,569	2,295,850	2,227,992	2,228,616	2,464,347	2,705,727	2,950,467
Waste water management	901,743	1,063,080	1,115,782	1,274,995	1,288,014	1,287,384	1,507,947	1,622,621	1,835,114
Waste management	1,341,961	1,585,743	1,470,061	1,684,829	1,712,697	1,712,697	1,971,875	2,112,978	2,230,817
Other	52,700	49,342	53,516	64,212	61,542	61,542	63,143	65,023	69,043
Total Expenditure - Standard	21,179,513	23,919,727	26,531,448	28,655,369	29,330,615	29,330,615	32,145,033	34,824,182	38,049,163
Surplus/(Deficit) for the year	2,507,284	3,443,726	1,659,476	2,598,469	2,918,667	2,918,667	1,857,410	2,088,995	2,191,433

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 R1 857 million in 2015/16 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	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue by Vote									
Vote 1 - City Health	366,750	390,874	432,226	490,743	490,414	490,414	539,593	544,567	598,108
Vote 2 - City Manager	(1,010)	400	235	45	355	355	1,348	51	54
Vote 3 - Community Services	152,749	182,524	161,377	238,500	209,670	209,670	167,052	180,779	168,389
Vote 4 - Compliance & Auxiliary Services	1,829	3,714	2,127	4,167	9,323	9,323	4,394	4,634	4,880
Vote 5 - Corporate Services	118,741	60,045	64,914	72,689	60,347	60,347	80,174	76,915	104,667
Vote 6 - Energy, Environmental & Spatial Planning	97,803	137,023	125,492	195,712	141,761	141,761	148,659	220,743	212,210
Vote 7 - Finance	779,398	1,130,680	895,278	785,022	796,522	796,522	768,694	826,983	854,655
Vote 8 - Human Settlements	878,572	1,081,267	1,132,899	2,102,754	1,994,832	1,994,832	1,536,021	1,365,822	1,379,186
Vote 9 - Rates & Other	7,258,182	7,923,871	8,660,739	9,457,542	9,456,145	9,456,145	10,481,033	11,281,821	12,122,637
Vote 10 - Safety & Security	223,891	185,764	836,091	254,301	1,021,412	1,021,412	1,080,472	1,101,061	1,164,330
Vote 11 - Social Dev & Early Childhood Development	2,181	2,637	2,164	7,912	11,019	11,019	526	132	139
Vote 12 - Tourism, Events & Economic Development	23,755	28,523	67,690	26,586	28,613	28,613	55,086	25,429	26,728
Vote 13 - Transport for Cape Town	1,323,004	2,556,563	1,414,827	1,845,324	2,327,055	2,327,055	1,760,594	1,829,342	1,891,577
Vote 14 - Utility Services	12,460,950	13,679,568	14,394,865	15,772,541	15,701,814	15,701,814	17,378,799	19,454,899	21,713,036
Total Revenue by Vote	23,686,797	27,363,454	28,190,924	31,253,838	32,249,282	32,249,282	34,002,443	36,913,178	40,240,596
Expenditure by Vote to be appropriated									
Vote 1 - City Health	677,994	727,932	784,947	907,929	904,656	904,656	996,804	1,055,514	1,136,050
Vote 2 - City Manager	98,199	120,286	131,152	174,999	204,870	204,870	210,825	221,460	235,886
Vote 3 - Community Services	1,205,674	1,339,634	1,370,809	1,507,382	1,532,773	1,532,773	1,687,957	1,813,036	1,941,072
Vote 4 - Compliance & Auxiliary Services	350,949	416,717	450,726	509,929	516,109	516,109	568,028	605,830	650,463
Vote 5 - Corporate Services	1,815,516	1,864,105	1,493,422	1,661,637	1,669,672	1,669,672	1,805,615	1,923,152	2,062,159
Vote 6 - Energy, Environmental & Spatial Planning	375,386	423,721	457,049	522,794	521,822	521,822	552,947	584,916	620,684
Vote 7 - Finance	1,465,116	1,623,529	1,847,531	2,050,943	2,057,120	2,057,120	2,213,600	2,403,056	2,630,687
Vote 8 - Human Settlements	690,301	760,882	998,067	1,850,987	1,402,441	1,402,441	1,576,986	1,602,510	1,706,916
Vote 9 - Rates & Other	499,886	744,135	1,861,654	902,820	900,620	900,620	1,033,098	1,018,571	1,072,625
Vote 10 - Safety & Security	1,237,101	1,381,203	1,901,498	1,641,626	2,433,789	2,433,789	2,606,001	2,750,702	2,951,701
Vote 11 - Social Dev & Early Childhood Development	66,432	110,735	115,219	159,068	143,060	143,060	182,305	275,984	293,788
Vote 12 - Tourism, Events & Economic Development	397,601	470,031	573,288	536,767	547,309	547,309	569,288	573,618	609,616
Vote 13 - Transport for Cape Town	1,268,816	1,565,311	2,198,334	2,232,622	2,624,013	2,624,013	2,718,462	2,871,816	3,071,247
Vote 14 - Utility Services	11,030,540	12,371,505	12,347,754	13,995,866	13,872,362	13,872,362	15,423,118	17,124,017	19,066,270
Total Expenditure by Vote	21,179,513	23,919,727	26,531,448	28,655,369	29,330,615	29,330,615	32,145,033	34,824,182	38,049,163
Surplus/(Deficit) for the year	2,507,284	3,443,726	1,659,476	2,598,469	2,918,667	2,918,667	1,857,410	2,088,995	2,191,433

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. Table 23 below is an analysis of the surplus or deficit for trading services.

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

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Cape Town Electricity									
Total Operating Revenue (including capital transfers and contributions)	8,257,070	9,145,207	9,693,842	10,385,808	10,505,497	10,505,497	11,448,928	12,867,733	14,389,429
Total Operating Expenditure	6,976,807	7,738,950	7,787,577	8,750,685	8,663,947	8,663,947	9,581,409	10,781,850	12,157,351
Operating Surplus/(Deficit) for the year	1,280,263	1,406,257	1,906,264	1,635,124	1,841,550	1,841,550	1,867,519	2,085,884	2,232,078
Percentage Surplus	16%	15%	20%	16%	18%	18%	16%	16%	16%
Water & Sanitation									
Total Operating Revenue including capital transfers and contributions)	3,316,554	3,570,064	3,707,533	4,329,190	4,157,774	4,157,774	4,817,366	5,386,525	6,039,693
Total Operating Expenditure	2,698,172	3,033,128	3,076,733	3,540,789	3,476,047	3,476,047	3,846,975	4,204,501	4,651,441
Operating Surplus/(Deficit) for the year	618,382	536,936	630,800	788,401	681,726	681,726	970,391	1,182,025	1,388,252
Percentage Surplus	19%	15%	17%	18%	16%	16%	20%	22%	23%
Solid Waste Management									
Total Operating Revenue including capital transfers and contributions)	855,055	943,914	966,711	1,057,196	1,038,196	1,038,196	1,111,169	1,199,203	1,282,364
Total Operating Expenditure	533,992	678,801	589,919	694,634	723,862	723,862	861,947	922,917	977,470
Operating Surplus/(Deficit) for the year	321,062	265,113	376,792	362,562	314,334	314,334	249,223	276,286	304,895
Percentage Surplus	38%	28%	39%	34%	30%	30%	22%	23%	24%

- Electricity revenue and expenditure growth remains constant at 16% in 2015/16 to 2017/18. This is influenced by Eskom bulk purchases as well as the impact of the City's tariff setting policy.
- The surplus on the Water Account fluctuates over the 3 years between 20% and 23%.
- The surplus within Solid Waste Management fluctuates over the 3 years between 22% and 24%.
- The surplus reflected in the various trading services (Cape Town Electricity, Water & Sanitation and Solid Waste Management) is mainly based on primary revenue and expenditure elements. This does not include the internal cost charges/recoveries and the contribution to Rates (the Rates Account receive a contribution from electricity service reducing the surplus shown above). 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	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand									
Revenue By Source									
Property rates	4,622,441	5,076,445	5,546,774	5,942,513	5,964,279	5,964,279	6,600,943	7,093,977	7,626,736
Property rates - penalties & collection charges	–	–	–	–	–	–	–	–	–
Service charges - electricity revenue	8,061,684	8,852,928	9,323,160	10,072,265	10,071,811	10,071,811	11,127,619	12,472,296	13,968,971
Service charges - water revenue	1,817,183	2,053,577	2,185,812	2,540,080	2,464,487	2,464,487	2,745,181	3,044,560	3,376,714
Service charges - sanitation revenue	1,002,897	1,091,897	1,188,106	1,338,202	1,316,720	1,316,720	1,470,947	1,632,751	1,812,354
Service charges - refuse revenue	813,287	869,210	920,173	989,912	970,912	970,912	1,097,246	1,184,461	1,266,767
Service charges - other	291,714	232,192	286,429	321,805	360,711	360,711	561,765	592,664	654,668
Rental of facilities and equipment	289,736	306,605	317,890	358,711	358,438	358,438	345,646	365,183	382,216
Interest earned - external investments	331,749	363,937	461,053	275,762	275,762	275,762	271,687	286,630	302,108
Interest earned - outstanding debtors	318,063	268,249	192,312	208,262	197,086	197,086	233,996	248,181	264,275
Dividends received	–	–	–	–	–	–	–	–	–
Fines	144,394	100,524	729,139	175,648	916,393	916,393	977,210	1,022,151	1,087,348
Licences and permits	41,471	41,843	44,386	40,388	40,988	40,988	43,028	45,395	47,846
Agency services	123,651	132,469	150,256	150,439	153,993	153,993	153,993	162,463	171,236
Transfers recognised - operational	1,639,075	1,985,809	2,399,033	3,498,169	3,518,129	3,518,129	3,579,752	3,658,622	3,972,647
Other revenue	1,963,175	2,449,771	2,252,330	2,338,330	2,338,406	2,338,406	2,441,185	2,515,342	2,637,860
Gains on disposal of PPE	44,144	86,747	64,906	120,500	120,500	120,500	74,669	95,666	84,361
Total Revenue (excluding capital transfers and contributions)	21,504,683	23,912,206	26,061,758	28,370,984	29,068,614	29,068,614	31,724,869	34,420,340	37,656,107
Expenditure By Type									
Employee related costs	6,916,012	7,446,199	8,640,854	8,940,483	8,806,893	8,804,911	9,847,508	10,715,810	11,610,644
Remuneration of councillors	97,772	111,673	119,709	133,619	133,619	133,619	139,311	148,366	157,862
Debt impairment	818,450	926,812	1,295,526	950,533	1,691,334	1,691,334	1,806,613	1,943,609	2,077,690
Depreciation & asset impairment	1,399,490	1,627,385	1,784,970	2,154,335	2,014,841	2,014,841	2,089,827	2,227,876	2,383,827
Finance charges	681,533	728,669	807,283	919,232	912,241	912,241	971,133	1,090,167	1,222,662
Bulk purchases	5,705,263	6,391,186	6,591,232	7,050,011	7,086,261	7,086,261	7,967,555	9,051,585	10,285,261
Other materials	273,402	284,193	299,153	387,117	353,235	351,821	359,005	389,927	418,889
Contracted services	2,193,662	2,825,946	3,312,529	4,205,198	4,025,535	3,996,738	4,866,199	4,984,111	5,321,657
Transfers and grants	103,492	103,144	115,021	125,354	139,809	140,900	120,402	117,538	123,777
Other expenditure	2,988,712	3,473,078	3,563,228	3,789,486	4,166,847	4,197,949	3,977,481	4,155,193	4,446,895
Loss on disposal of PPE	1,724	1,443	1,944	–	–	–	–	–	–
Total Expenditure	21,179,513	23,919,727	26,531,448	28,655,369	29,330,615	29,330,615	32,145,033	34,824,182	38,049,163
Surplus/(Deficit)	325,171	(7,521)	(469,690)	(284,384)	(262,001)	(262,001)	(420,164)	(403,842)	(393,056)
Transfers recognised - capital	2,061,755	3,414,645	2,052,758	2,817,627	3,128,658	3,128,658	2,223,813	2,393,837	2,481,389
Contributions recognised - capital	44,230	34,076	43,022	65,226	52,010	52,010	53,761	99,000	103,100
Contributed assets	76,128	2,527	33,387	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	2,507,284	3,443,726	1,659,476	2,598,469	2,918,667	2,918,667	1,857,410	2,088,995	2,191,433
Taxation	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after taxation	2,507,284	3,443,726	1,659,476	2,598,469	2,918,667	2,918,667	1,857,410	2,088,995	2,191,433
Attributable to minorities	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality	2,507,284	3,443,726	1,659,476	2,598,469	2,918,667	2,918,667	1,857,410	2,088,995	2,191,433
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	2,507,284	3,443,726	1,659,476	2,598,469	2,918,667	2,918,667	1,857,410	2,088,995	2,191,433

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 R31 725 million (excluding appropriations, which are disclosed in the financial position statement) in 2015/16 and escalates to R37 656 million by 2017/18. This represents a revenue growth of 11.8%, 8.5% and 9.4% 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 R6 601 million in 2015/16 and increases to R7 627 million by 2017/18, which represents 21% of the operating revenue base of the City and therefore remains a significant funding source for the City.
3. Service charges relating to Electricity, Water, Sanitation, Refuse Removal and Service Charges Other constitute the biggest component of the revenue basket of the City, totalling R17 003 million for the 2015/16 financial year and increasing to R21 079 million in 2017/18. For 2015/16, service charges are 53.6% of the total revenue base and the average year-on-year growth is approximately 11% over the medium term.
4. Transfers Recognised – operational includes increased allocation in respect of the Equitable Share (R1 497 million in 2014/15 to R1 809 million in 2015/16).

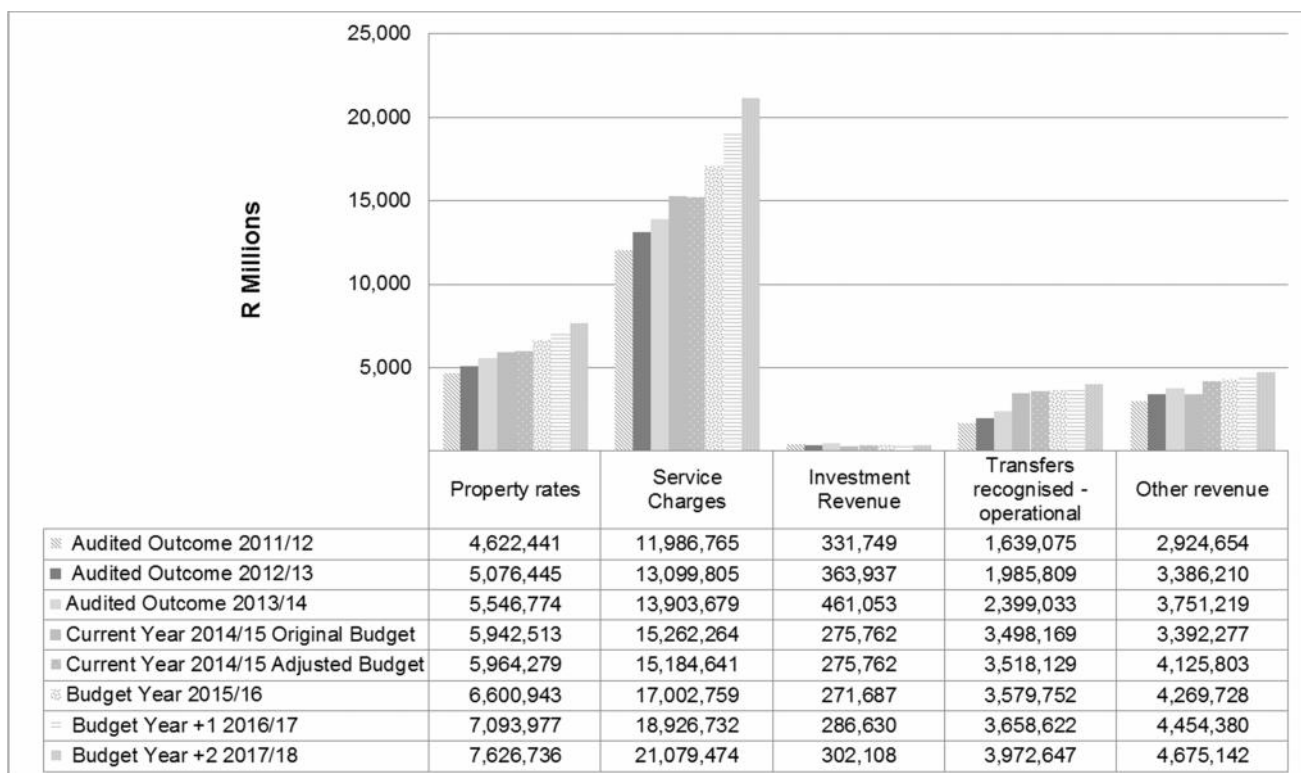


Figure 3 Revenue by source

5. Bulk purchases have increased significantly over the 2011/12 to 2017/18 period, escalating from R5 705 million in 2011/12 to R10 285 million in 2017/18. 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 cost, one of the main cost drivers within the City’s operating expenditure, increases from R6 916 million in 2011/12 to R11 610 million in 2017/18, resulting from the implementation of TASK and the impact of re-grading and advancements in line with the City’s HR-related policies. The budgeted 2015/16 salary increase is based on the projected average CPI of 6.14% plus a 2% notch increment.
7. Depreciation & Asset Impairment increases from R1 399 million in 2011/12 to R2 383 million in 2017/18. 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.

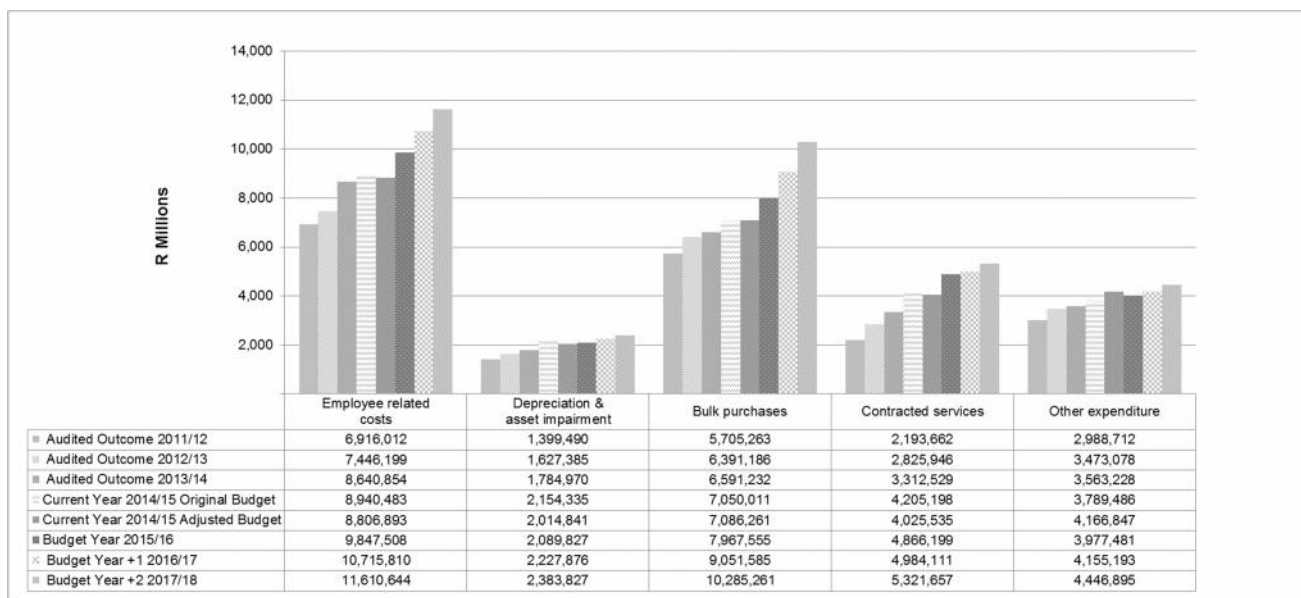


Figure 4 Expenditure by type

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

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand									
Capital expenditure - Vote									
Multi-year expenditure to be appropriated									
Vote 1 - City Health	22,801	22,778	25,185	21,966	20,802	20,780	15,673	13,466	29,466
Vote 2 - City Manager	985	1,976	13,070	6,771	14,638	14,598	14,954	954	934
Vote 3 - Community Services	162,772	178,223	161,422	203,711	237,145	236,999	160,331	135,009	118,064
Vote 4 - Compliance & Auxiliary Services	5,460	5,118	3,775	12,376	3,774	3,772	4,134	36,600	36,600
Vote 5 - Corporate Services	204,091	232,756	286,544	359,474	392,444	387,706	420,880	315,721	296,970
Vote 6 - Energy, Environmental & Spatial Planning	38,254	64,114	70,776	118,119	57,859	57,832	80,064	146,224	135,006
Vote 7 - Finance	119,902	21,613	13,384	105,578	92,458	92,457	141,379	11,241	8,681
Vote 8 - Human Settlements	490,041	565,694	564,330	860,786	1,071,685	1,014,918	420,835	267,132	212,421
Vote 9 - Rates & Other	-	-	-	-	-	-	-	-	-
Vote 10 - Safety & Security	67,079	55,708	63,809	70,559	82,247	82,242	105,163	57,127	52,127
Vote 11 - Social Dev & Early Childhood Development	9,446	6,791	7,555	18,410	24,258	24,203	11,971	10,860	10,860
Vote 12 - Tourism, Events & Economic Development	70,350	180,632	26,375	39,227	38,681	38,680	41,098	33,750	33,750
Vote 13 - Transport for Cape Town	1,280,796	2,493,517	1,113,033	1,603,985	1,754,130	1,718,724	1,399,805	1,465,204	1,436,035
Vote 14 - Utility Services	1,761,268	2,039,890	2,153,036	2,790,354	2,338,098	2,217,971	3,227,699	3,020,274	3,009,155
Total Capital Expenditure - Vote	4,233,245	5,868,810	4,502,293	6,211,315	6,128,220	5,910,881	6,043,985	5,513,563	5,380,070
Capital Expenditure - Standard									
Governance and administration	359,586	293,748	331,690	510,823	537,054	532,297	587,509	382,779	363,548
Executive and council	40,784	30,805	19,286	34,406	32,951	32,672	21,193	51,760	51,845
Budget and treasury office	10,590	16,991	11,085	14,032	16,582	16,581	14,495	8,382	8,382
Corporate services	308,212	245,952	301,319	462,384	487,521	483,044	551,820	322,637	303,321
Community and public safety	816,918	1,007,537	860,117	1,232,384	1,496,616	1,438,676	799,473	554,637	499,882
Community and social services	46,952	31,670	48,114	109,187	101,350	101,291	69,196	55,831	48,842
Sport and recreation	174,371	320,937	134,842	130,805	170,897	170,810	124,613	102,428	98,372
Public safety	83,821	66,785	88,074	109,640	131,811	130,808	169,157	117,281	113,481
Housing	490,110	565,763	564,398	860,855	1,071,754	1,014,987	420,904	267,201	212,490
Health	21,665	22,382	24,690	21,896	20,802	20,780	15,603	11,896	26,696
Economic and environmental services	1,331,495	2,556,854	1,190,510	1,726,276	1,814,931	1,779,415	1,502,183	1,625,712	1,578,525
Planning and development	37,705	52,804	59,776	99,620	40,612	40,164	83,570	139,384	124,184
Road transport	1,285,096	2,497,813	1,116,363	1,613,361	1,763,138	1,727,729	1,408,046	1,473,845	1,444,676
Environmental protection	8,694	6,236	14,370	13,295	11,181	11,521	10,567	12,484	9,665
Trading services	1,721,408	2,009,041	2,118,932	2,740,808	2,278,597	2,159,471	3,154,319	2,950,434	2,938,115
Electricity	880,178	1,194,512	1,151,286	1,255,722	1,001,862	942,772	1,343,939	1,088,681	1,106,721
Water	259,335	303,326	458,746	513,312	555,304	536,830	786,494	678,562	746,909
Waste water management	351,992	303,029	372,281	555,899	492,930	451,367	726,171	888,136	887,480
Waste management	229,904	208,174	136,619	415,875	228,501	228,501	297,715	295,056	197,006
Other	3,838	1,629	1,043	1,025	1,023	1,023	500	-	-
Total Capital Expenditure - Standard	4,233,245	5,868,810	4,502,293	6,211,315	6,128,220	5,910,881	6,043,985	5,513,563	5,380,070
Funded by:									
National Government	1,717,564	3,056,018	1,768,880	2,515,669	2,811,792	2,734,912	2,137,367	2,302,468	2,472,394
Provincial Government	335,474	354,954	283,513	292,065	315,880	287,060	86,446	91,369	8,995
District Municipality	-	-	-	-	-	-	-	-	-
Other transfers and grants	8,740	3,673	926	2,100	2,274	2,274	-	-	-
Transfers recognised - capital	2,061,778	3,414,645	2,053,319	2,809,834	3,129,946	3,024,246	2,223,813	2,393,837	2,481,389
Public contributions & donations	44,208	35,076	44,022	73,019	50,723	50,223	53,761	99,000	103,100
Borrowing	1,374,791	1,753,425	1,856,889	2,350,301	2,277,157	2,211,217	2,579,264	2,327,888	2,291,866
Internally generated funds	752,469	665,664	548,063	978,161	670,395	625,195	1,187,146	692,837	503,715
Total Capital Funding	4,233,245	5,868,810	4,502,293	6,211,315	6,128,220	5,910,881	6,043,985	5,513,563	5,380,070

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 044 million for 2015/16, decreasing to R5 514 million in 2016/17 and R5 380 million in 2017/18.
3. The City's capital budget is funded by allocations from 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 224 million (36.8%) in 2015/16 and increases slightly to R2 394 million and R2 481 million for 2016/17 and 2017/18 respectively. Public contributions and donations form a very small component of the overall funding of the City's capital budget, amounting to R54 million, R99 million and R103 million over the MTREF. Borrowings amounts to R2 579 million, R2 328 million and R2 292 million over the MTREF and have been provided for in terms of affordability levels as determined during the MTREF modelling. Internally generated funds amounting to R1 187 million, R693 million and R504 million have been provided for each of the respective financial years over the MTREF.

Table 26 MBRR Table A6 - Budgeted Financial Position

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand									
ASSETS									
Current assets									
Cash	133,505	187,429	207,934	–	–	–	–	–	–
Call investment deposits	6,077,714	7,973,561	4,680,531	5,362,934	5,630,269	5,630,269	3,787,475	3,278,598	4,337,147
Consumer debtors	3,979,256	4,172,233	4,309,649	4,499,300	4,506,735	4,506,735	4,740,731	4,988,912	5,253,187
Other debtors	272,741	290,496	417,304	351,500	459,034	459,034	504,938	555,432	610,975
Current portion of long-term receivables	19,758	20,546	19,650	20,495	18,543	18,543	19,470	20,443	21,466
Inventory	253,008	256,550	269,283	296,315	282,747	282,747	311,022	342,124	376,336
Total current assets	10,735,982	12,900,815	9,904,351	10,530,544	10,897,328	10,897,328	9,363,636	9,185,509	10,599,111
Non current assets									
Long-term receivables	99,328	101,665	104,312	91,753	99,096	99,096	94,142	89,435	84,963
Investments	150,260	173,425	3,245,041	1,682,069	1,859,632	1,859,632	3,841,900	3,683,819	4,287,536
Investment property	–	–	–	–	–	–	–	–	–
Investment in Associate	–	–	–	–	–	–	–	–	–
Property, plant and equipment	24,522,952	28,758,735	31,468,325	35,865,333	35,272,206	35,272,206	38,924,165	41,934,174	44,661,414
Agricultural	–	–	–	–	–	–	–	–	–
Biological	–	–	–	–	–	–	–	–	–
Intangible	–	–	–	–	–	–	–	–	–
Other non-current assets	–	–	–	–	–	–	–	–	–
Total non current assets	24,772,540	29,033,825	34,817,678	37,639,154	37,230,935	37,230,935	42,860,207	45,707,427	49,033,913
TOTAL ASSETS	35,508,522	41,934,640	44,722,029	48,169,698	48,128,263	48,128,263	52,223,842	54,892,936	59,633,024
LIABILITIES									
Current liabilities									
Bank overdraft	–	–	–	–	–	–	–	–	–
Borrowing	294,186	418,166	368,325	378,885	378,885	378,885	498,690	367,798	313,820
Consumer deposits	274,944	308,217	370,217	372,943	407,239	407,239	447,963	492,759	542,035
Trade and other payables	5,647,523	5,445,077	6,338,164	5,125,323	5,239,689	5,239,689	7,018,803	6,580,821	7,169,155
Provisions	1,025,777	1,817,235	1,078,550	1,444,665	1,154,048	1,154,048	975,045	1,072,549	1,179,804
Total current liabilities	7,242,430	7,988,695	8,155,256	7,321,815	7,179,862	7,179,862	8,940,501	8,513,927	9,204,814
Non current liabilities									
Borrowing	5,176,421	6,936,236	6,666,139	7,902,043	7,902,043	7,902,043	8,032,745	8,790,433	10,403,546
Provisions	4,076,201	4,552,513	5,783,962	5,099,008	5,979,014	5,979,014	6,359,098	6,608,082	6,852,736
Total non current liabilities	9,252,622	11,488,749	12,450,101	13,001,051	13,881,057	13,881,057	14,391,843	15,398,515	17,256,282
TOTAL LIABILITIES	16,495,052	19,477,444	20,605,357	20,322,866	21,060,919	21,060,919	23,332,343	23,912,442	26,461,096
NET ASSETS	19,013,470	22,457,196	24,116,672	27,846,832	27,067,344	27,067,344	28,891,499	30,980,494	33,171,927
COMMUNITY WEALTH/EQUITY									
Accumulated Surplus/(Deficit)	16,721,752	20,159,376	21,896,756	25,806,310	24,732,002	24,732,002	27,044,035	29,176,511	31,138,284
Reserves	2,291,718	2,297,820	2,219,916	2,040,522	2,335,342	2,335,342	1,847,464	1,803,983	2,033,643
Minorities' interests	–	–	–	–	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	19,013,470	22,457,196	24,116,672	27,846,832	27,067,344	27,067,344	28,891,499	30,980,494	33,171,927

*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 185) 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	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand									
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Property rates, penalties & collection charges	18,601,603	18,963,843	5,496,774	5,829,406	5,774,172	5,774,172	6,494,836	6,974,413	7,499,183
Service charges	–	–	13,318,656	14,691,943	14,113,274	14,113,274	15,773,011	17,602,542	19,671,102
Other revenue	–	–	3,257,633	2,785,585	2,883,489	2,883,489	3,107,198	3,207,815	3,362,815
Government - operating	1,626,991	1,979,795	2,389,432	3,498,169	3,518,129	3,518,129	3,579,752	3,658,622	3,972,647
Government - capital	2,130,844	3,414,645	2,052,758	2,882,853	3,179,418	3,179,418	2,277,574	2,492,837	2,584,489
Interest	563,873	592,319	729,374	275,762	924,430	924,430	442,109	248,720	785,653
Dividends	–	–	–	–	–	–	–	–	–
Payments									
Suppliers and employees	(17,019,721)	(18,797,472)	(21,822,483)	(23,514,982)	(24,265,256)	(24,265,256)	(26,462,052)	(28,711,281)	(31,474,508)
Finance charges	(661,761)	(646,211)	(791,549)	(829,746)	(829,746)	(829,746)	(887,380)	(1,026,051)	(1,166,427)
Transfers and Grants	–	–	(115,021)	–	–	–	–	–	–
NET CASH FROM/(USED) OPERATING ACTIVITIES	5,241,829	5,506,919	4,515,574	5,618,991	5,297,911	5,297,911	4,325,047	4,447,617	5,234,956
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE	45,983	93,472	71,458	40,167	120,500	120,500	74,669	95,666	84,361
Decrease (Increase) in non-current debtors	–	–	–	–	–	–	–	–	–
Decrease (increase) other non-current receivables	15,633	(3,125)	(1,751)	(4,829)	(110,970)	(110,970)	4,955	4,707	4,472
Decrease (increase) in non-current investments	(1,922)	(42,313)	(1,689,664)	(379,999)	(1,029,558)	(1,029,558)	(170,422)	37,909	(483,545)
Payments									
Capital assets	(4,233,162)	(5,868,809)	(4,502,293)	(6,133,477)	(6,081,488)	(6,081,488)	(5,955,826)	(5,453,707)	(5,336,609)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(4,173,468)	(5,820,775)	(6,122,250)	(6,478,138)	(7,101,516)	(7,101,516)	(6,046,623)	(5,315,425)	(5,731,321)
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans	–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing	–	2,384,420	–	1,500,000	1,500,000	1,500,000	2,000,000	1,000,000	1,800,000
Increase (decrease) in consumer deposits	41,818	33,273	62,000	33,904	34,296	34,296	40,724	44,796	49,276
Payments									
Repayment of borrowing	(198,354)	(165,311)	(345,067)	(309,853)	(309,853)	(309,853)	(368,931)	(574,549)	(525,919)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(156,536)	2,252,382	(283,067)	1,224,051	1,224,443	1,224,443	1,671,793	470,247	1,323,356
NET INCREASE/ (DECREASE) IN CASH HELD	911,825	1,938,526	(1,889,743)	364,904	(579,161)	(579,161)	(49,783)	(397,560)	826,991
Cash/cash equivalents at the year begin:	5,249,381	6,161,206	4,156,302	6,603,670	6,242,687	6,242,687	2,265,410	2,215,627	1,818,067
Cash/cash equivalents at the year end:	6,161,206	8,099,732	2,266,559	6,968,574	5,663,526	5,663,526	2,215,627	1,818,067	2,645,058

Explanatory notes to Table A7 – Budgeted Cash Flow Statement

1. The table shows the cash and cash equivalents of the City during the 2015/16 MTREF.
2. For the 2015/16 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 R2 216 million by 2015/16 and increasing to R2 645 million by 2017/18.
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. The balance of cash and cash equivalents has been restated as disclosed in the financial statements. The movement in the balance from 2014/15 to 2015/16 is as a result of targeting the cash and cash equivalents line item only.

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

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Cash and investments available									
Cash/cash equivalents at the year end	6,161,206	8,099,732	2,266,559	6,968,574	5,663,526	5,663,526	2,215,627	1,818,067	2,645,068
Other current investments > 90 days	50,013	61,258	2,621,906	(1,605,640)	(33,257)	(33,257)	1,571,848	1,460,531	1,692,089
Non current assets - Investments	150,260	173,425	3,245,041	1,682,069	1,859,632	1,859,632	3,841,900	3,683,819	4,287,536
Cash and investments available:	6,361,479	8,334,415	8,133,506	7,045,003	7,489,901	7,489,901	7,629,375	6,962,417	8,624,683
Application of cash and investments									
Unspent conditional transfers	1,665,752	858,556	1,495,768	996,885	1,545,452	1,545,452	1,640,961	1,763,203	1,672,545
Unspent borrowing	-	-	-	-	-	-	-	-	-
Statutory requirements	-	-	-	(70,930)	-	-	-	-	-
Other working capital requirements	(229,028)	486,502	154,225	(658,195)	-	-	412,329	(430,822)	(59,319)
Other provisions	-	-	-	444,665	-	-	-	-	-
Long term investments committed	150,260	173,425	3,245,041	1,682,069	1,859,632	1,859,632	2,045,502	2,014,640	2,353,720
Reserves to be backed by cash/investments	521,463	2,297,820	468,419	1,987,628	2,058,675	2,058,675	1,682,637	1,714,307	2,034,617
Total Application of cash and investments:	2,108,447	3,816,303	5,363,453	4,382,122	5,463,759	5,463,759	5,781,429	5,061,329	6,001,563
Surplus(shortfall)	4,253,032	4,518,112	2,770,053	2,662,881	2,026,142	2,026,142	1,847,946	1,901,088	2,623,120

*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 the City remained in a surplus net cash flow position for the period 2015/16 to 2017/18.
5. Considering the requirements of section 18 of the MFMA, it can be concluded that the 2015/16 MTREF is fully funded.
6. As part of the budgeting and planning guidelines that informed the compilation of the 2015/16 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 R1 848 million in 2015/16 to a surplus of R2 623 million by 2017/18.

Table 29 MBRR Table A9 - Asset Management

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand									
CAPITAL EXPENDITURE									
Total New Assets	2,036,774	3,823,598	2,503,077	3,492,215	3,523,152	3,409,339	3,284,087	3,097,321	2,948,673
Infrastructure - Road transport	650,661	700,386	666,729	1,002,469	926,409	913,809	835,679	961,633	1,009,774
Infrastructure - Electricity	341,321	478,236	607,595	609,204	546,603	496,896	657,276	571,918	564,550
Infrastructure - Water	79,633	142,846	156,526	244,904	184,850	174,363	277,745	316,649	320,689
Infrastructure - Sanitation	47,159	88,619	162,452	278,173	161,645	133,227	241,784	280,905	304,049
Infrastructure - Other	173,158	259,214	63,269	229,465	171,706	166,641	190,924	134,549	88,750
Infrastructure	1,291,933	1,669,301	1,656,571	2,364,215	1,991,214	1,684,936	2,203,408	2,265,653	2,287,813
Community	106,850	249,486	61,334	124,220	99,028	95,922	83,812	103,477	79,804
Heritage assets	10,842	1,218	204	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Other assets	627,149	1,903,592	784,967	1,003,781	1,432,911	1,428,481	996,867	728,192	581,066
Agricultural Assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Intangibles	-	-	-	-	-	-	-	-	-
Total Renewal of Existing Assets	2,196,471	2,045,212	1,999,216	2,719,100	2,605,068	2,501,542	2,759,898	2,416,242	2,431,397
Infrastructure - Road transport	218,798	294,266	217,144	353,351	423,888	396,222	438,645	387,129	312,187
Infrastructure - Electricity	423,720	436,439	436,626	477,451	347,414	336,853	569,383	603,218	536,586
Infrastructure - Water	99,671	121,610	225,244	253,966	319,872	311,793	263,000	310,650	372,942
Infrastructure - Sanitation	314,290	250,774	227,906	351,120	351,299	333,904	509,003	621,860	622,630
Infrastructure - Other	108,660	103,628	118,979	218,074	103,855	103,787	193,895	68,400	106,400
Infrastructure	1,165,138	1,206,717	1,094,900	1,653,963	1,546,327	1,482,559	1,973,926	1,871,258	1,950,744
Community	478,711	489,417	442,234	480,953	578,590	543,580	209,296	148,401	141,343
Heritage assets	342	646	500	850	1,339	1,339	29,140	-	2,230
Investment properties	-	-	-	-	-	-	-	-	-
Other assets	552,279	348,431	461,582	583,335	478,812	474,063	547,535	396,583	337,080
Agricultural Assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Intangibles	-	-	-	-	-	-	-	-	-
Total Capital Expenditure	869,459	994,652	883,873	1,355,820	1,350,297	1,310,030	1,274,324	1,348,762	1,321,961
Infrastructure - Road transport	765,041	914,675	913,221	1,086,655	894,017	833,749	1,226,659	1,055,136	1,101,136
Infrastructure - Electricity	179,304	264,456	381,771	498,871	504,722	486,157	540,745	627,299	693,631
Infrastructure - Water	361,449	339,392	390,358	629,293	512,944	467,131	750,787	902,765	926,679
Infrastructure - Sanitation	281,818	362,842	182,247	447,539	275,561	270,428	384,819	202,949	195,150
Infrastructure - Other	2,457,071	2,876,018	2,751,471	4,018,177	3,537,541	3,367,495	4,177,334	4,136,910	4,238,557
Infrastructure	585,561	738,903	503,568	606,172	677,618	639,503	293,109	251,877	221,147
Community	11,184	1,865	705	850	1,339	1,339	29,140	-	2,230
Heritage assets	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Other assets	1,179,428	2,252,024	1,246,549	1,587,116	1,911,722	1,902,544	1,544,402	1,124,775	918,136
Agricultural Assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Intangibles	-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class	4,233,245	5,868,810	4,502,293	6,211,315	6,128,220	5,910,881	6,043,985	5,513,563	5,380,070
ASSET REGISTER SUMMARY - PPE (WDV)									
Infrastructure - Road transport	4,348,581	5,640,550	7,691,454	7,084,550	8,381,550	8,381,550	9,096,250	9,814,090	10,471,817
Infrastructure - Electricity	3,406,010	4,090,969	4,720,005	5,226,214	5,447,786	5,447,786	6,531,648	7,351,650	8,170,299
Infrastructure - Water	1,403,332	1,572,381	1,706,105	1,793,260	2,005,420	2,005,420	2,575,704	3,009,546	3,483,972
Infrastructure - Sanitation	1,770,031	1,857,803	2,096,342	2,963,566	2,432,564	2,432,564	2,891,083	3,508,840	4,119,746
Infrastructure - Other	2,811,170	2,398,435	1,494,456	4,179,300	1,581,732	1,581,732	1,725,269	1,857,332	1,885,862
Infrastructure	13,739,123	15,560,138	17,708,362	21,236,890	19,849,051	19,849,051	22,819,953	25,541,459	28,131,696
Community	5,676,043	5,955,915	6,279,252	6,295,271	7,135,963	7,135,963	7,388,399	7,406,302	7,307,964
Heritage assets	12,742	9,411	9,111	42,026	9,111	9,111	9,111	9,111	9,111
Investment properties	-	-	-	-	-	-	-	-	-
Other assets	5,095,044	7,233,271	7,471,600	8,291,146	8,278,081	8,278,081	8,706,702	8,977,302	9,212,643
Agricultural Assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Intangibles	-	-	-	-	-	-	-	-	-
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	24,522,952	28,758,735	31,468,325	35,865,333	35,272,206	35,272,206	38,924,165	41,934,174	44,661,413
EXPENDITURE OTHER ITEMS									
Depreciation & asset impairment	1,399,490	1,627,385	1,784,970	2,154,335	2,014,841	2,014,841	2,089,827	2,227,876	2,383,827
Repairs and Maintenance by Asset Class	1,883,053	2,750,384	2,905,370	3,149,355	3,127,135	3,130,384	3,572,394	3,905,087	4,260,384
Infrastructure - Road transport	303,234	445,720	508,687	617,412	614,774	614,849	520,456	564,782	612,105
Infrastructure - Electricity	202,472	312,055	348,592	354,430	367,407	367,407	432,859	469,684	509,103
Infrastructure - Water	23,998	50,474	65,935	59,414	41,863	41,863	44,828	48,640	52,724
Infrastructure - Sanitation	39,518	95,636	97,167	88,138	94,897	94,897	110,833	120,257	130,356
Infrastructure - Other	11,675	22,603	36,612	38,094	37,168	37,668	39,310	42,651	46,233
Infrastructure	580,896	926,488	1,056,994	1,157,488	1,156,109	1,156,694	1,148,286	1,246,013	1,350,522
Community	59,347	83,278	81,839	82,389	83,529	84,181	59,931	65,086	70,488
Heritage assets	7,236	15,707	14,217	15,199	14,886	14,886	15,027	16,305	17,674
Investment properties	-	-	-	-	-	-	-	-	-
Other assets	1,235,574	1,724,910	1,752,321	1,894,279	1,872,612	1,874,634	2,349,150	2,577,684	2,821,700
TOTAL EXPENDITURE OTHER ITEMS	3,282,542	4,377,770	4,690,340	5,303,690	5,141,976	5,145,225	5,662,221	6,132,963	6,644,211
Renewal of Existing Assets as % of total capex	51.9%	34.8%	44.4%	43.8%	42.5%	42.3%	45.7%	43.8%	45.2%
Renewal of Existing Assets as % of deprecn"	156.9%	125.7%	112.0%	126.2%	129.3%	124.2%	132.1%	108.5%	102.0%
R&M as a % of PPE	7.7%	9.6%	9.2%	8.8%	8.9%	8.9%	9.2%	9.3%	9.5%
Renewal and R&M as a % of PPE	17.0%	17.0%	16.0%	16.0%	16.0%	16.0%	16.0%	15.0%	15.0%

Explanatory notes to Table A9 – Asset Management

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

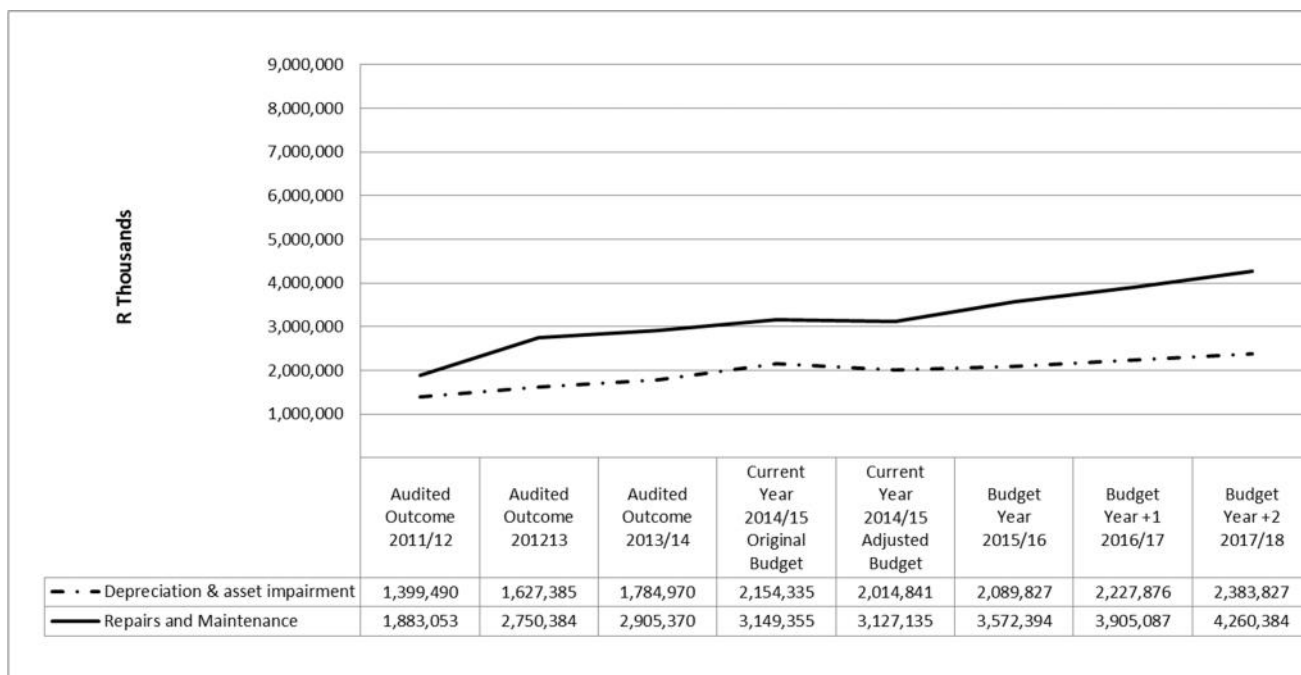


Figure 5 Depreciation in relation to repairs and maintenance over the MTREF

Table 30 MBRR Table A10 - Basic Service Delivery Measurement

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Household service targets									
Water:									
Piped water inside dwelling	728,000	943,000	978,000	989,239	989,239	989,239	978,170	988,643	998,693
Piped water inside yard (but not in dwelling)	–	–	–	–	–	–	–	–	–
Using public tap (at least min.service level)	194,000	187,000	196,000	153,853	153,853	153,853	156,755	158,433	160,044
Other water supply (at least min.service level)	–	–	–	–	–	–	–	–	–
<i>Minimum Service Level and Above sub-total</i>	922,000	1,130,000	1,174,000	1,143,092	1,143,092	1,143,092	1,134,925	1,147,076	1,158,737
Using public tap (< min.service level)	–	12,000	8,000	–	–	–	–	–	–
Other water supply (< min.service level)	–	–	–	–	–	–	–	–	–
No water supply	–	–	–	–	–	–	–	–	–
<i>Below Minimum Service Level sub-total</i>	–	12,000	8,000	–	–	–	–	–	–
Total number of households	922,000	1,142,000	1,182,000	1,143,092	1,143,092	1,143,092	1,134,925	1,147,076	1,158,737
Sanitation/sewerage:									
Flush toilet (connected to sewerage)	828,000	999,000	1,045,000	1,043,129	1,043,129	1,043,129	1,044,323	1,050,398	1,056,229
Flush toilet (with septic tank)	–	–	–	–	–	–	–	–	–
Chemical toilet	17,000	23,000	24,000	31,740	29,080	29,080	29,955	29,955	29,955
Pit toilet (ventilated)	2,000	1,560	1,560	–	–	–	–	–	–
Other toilet provisions (> min.service level)	51,000	58,000	70,840	67,623	70,506	70,506	60,647	66,723	72,553
<i>Minimum Service Level and Above sub-total</i>	898,000	1,081,560	1,141,400	1,142,492	1,142,715	1,142,715	1,134,925	1,147,076	1,158,737
Bucket toilet	4,000	800	600	600	377	377	–	–	–
Other toilet provisions (< min.service level)	–	–	–	–	–	–	–	–	–
No toilet provisions	20,000	60,000	40,000	–	–	–	–	–	–
<i>Below Minimum Service Level sub-total</i>	24,000	60,800	40,600	600	377	377	–	–	–
Total number of households	922,000	1,142,360	1,182,000	1,143,092	1,143,092	1,143,092	1,134,925	1,147,076	1,158,737
Energy:									
Electricity (at least min.service level)	807,138	822,870	817,259	825,870	825,870	819,619	821,119	822,619	824,119
Electricity - prepaid (min.service level)	–	–	–	–	–	–	–	–	–
<i>Minimum Service Level and Above sub-total</i>	807,138	822,870	817,259	825,870	825,870	819,619	821,119	822,619	824,119
Electricity (< min.service level)	40,012	39,094	35,341	36,316	36,316	33,841	32,341	30,841	29,341
Electricity - prepaid (< min. service level)	–	–	–	–	–	–	–	–	–
Other energy sources	–	–	–	–	–	–	–	–	–
<i>Below Minimum Service Level sub-total</i>	40,012	39,094	35,341	36,316	36,316	33,841	32,341	30,841	29,341
Total number of households	847,150	861,964	852,600	862,186	862,186	853,460	853,460	853,460	853,460
Refuse:									
Removed at least once a week	945,000	963,000	936,893	938,280	938,280	938,280	965,781	985,097	1,004,799
<i>Minimum Service Level and Above sub-total</i>	945,000	963,000	936,893	938,280	938,280	938,280	965,781	985,097	1,004,799
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	945,000	963,000	936,893	938,280	938,280	938,280	965,781	985,097	1,004,799
Households receiving Free Basic Service									
Water (6 kilolitres per household per month)	992,000	1,142,000	1,182,000	1,143,092	1,143,092	1,143,092	1,134,925	1,147,076	1,158,737
Sanitation (free minimum level service)	898,000	1,081,000	1,141,000	1,143,092	1,143,092	1,143,092	1,134,925	1,147,076	1,158,737
Electricity/other energy (50kwh per household per month)	429,000	402,410	411,641	401,156	401,156	382,028	382,028	382,028	382,028
Refuse (removed at least once a week)	484,000	494,000	432,096	428,569	428,569	428,569	445,882	454,800	463,896
Cost of Free Basic Services provided (R'000)	–	–	–	–	–	–	–	–	–
Water (6 kilolitres per household per month)	498,367	544,359	667,256	674,724	674,724	674,724	730,125	818,543	917,669
Sanitation (free sanitation service)	314,203	384,410	440,786	554,040	554,040	554,040	605,330	667,129	735,722
Electricity/other energy (50kwh per household per month)	206,319	237,697	245,320	263,256	263,256	263,256	295,425	319,604	345,550
Refuse (removed once a week)	280,520	286,130	347,331	347,348	347,348	347,348	353,944	361,023	368,244
Total cost of FBS provided (minimum social package)	1,299,409	1,452,596	1,700,693	1,839,369	1,839,369	1,839,369	1,984,824	2,166,299	2,367,184
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)	41	53	59	65	65	65	75	83	93
Electricity (kwh per household per month)	50	50	60	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)	53,551	62,468	56,583	62,904	62,904	66,298	69,874	74,646	80,581
Property rates (other exemptions, reductions and rebates)	843,711	966,776	1,006,046	1,072,720	1,072,720	1,113,137	1,178,248	1,258,722	1,358,791
Water	426,662	467,090	547,393	551,078	551,078	551,078	592,313	664,042	744,457
Sanitation	208,198	263,221	312,326	383,889	383,889	383,889	417,009	467,509	524,124
Electricity/other energy	105,847	115,316	105,751	105,750	105,750	143,102	151,688	160,790	170,437
Refuse	262,648	267,901	331,973	316,532	316,532	316,532	342,924	349,782	356,778
Municipal Housing - rental rebates	31,982	31,882	31,777	35,870	35,870	31,136	37,640	40,211	43,407
Housing - top structure subsidies	–	–	–	–	–	–	–	–	–
Other	–	–	–	–	–	–	–	–	–
Total revenue cost of free services provided (total social package)	1,932,599	2,174,654	2,391,849	2,528,743	2,528,743	2,605,173	2,789,695	3,015,701	3,278,575

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 (of 1997). Backlogs reflected in the 2012/13 and 2013/14 financial years were based on the City's standards and not national standards.
 - 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. The bucket toilet system (377 households) reflected in the 'below minimum standards' category in the 2014/15 financial year is not seen as a backlog as these households using the bucket system do so despite being offered and encouraged to use alternative sanitation services which are available and accessible. As part of a new project the remaining ones are being removed during the second half of the 2014/15 financial year. Therefore there are no households using bucket toilets to be recorded over the 2015/16 MTREF.
 - c. Electricity services – The electrification strategy is to reduce the backlog by 1 500 annually. The electricity backlog is expected to reduce from 32 341 in 2015/16 to 29 341 in 2017/18.
 - d. Refuse services – This service does not have any backlogs.
3. Households receiving free basic services are expected to increase by an average of 1% over the 2015/16 MTREF.
3. 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 985 million in 2015/16, R2 166 million in 2016/17 and R2 367 million in 2017/18. The City's cost of free basic services as a ratio of the City's Equitable Share allocation equals 110%, 106% and 105%, respectively, over the 2015/16 MTREF.

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*

The City has an established BSC that embodies all the requirements as set out in the MFMA. In addition, two committees namely, the Budget Strategy Committee (BSM) and the Budget Oversight Committee (BOC) were established in 2013. 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 2015 financial year signifies the 4th year of the current 5-year IDP cycle. Re-allocation of resources was considered in terms of the IDP review, budget realities and sundry strategic considerations.

The principles applied to the MTREF and presented to the BSC, BSM and the BOC were informed by scenarios of sensitivity analysis against various scenario options over the short, medium 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 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 20 August 2014.

In compliance to the above requirements, the budget process for the 2015/16 MTREF period proceeded according to the following timeline:

July - August 2014

The 2015/16 IDP/Budget timetable was tabled at Council; a strategic session with EMT / Mayco / BSC re budget strategy, process and guidance was held.

September - October 2014

Budget consultation with Subcouncils and the 2015/16 budget proposals of Service departments were work shopped with Portfolio Committees.

Budget hearing meetings were held with Executive Directors and relevant Mayco members to ensure, inter alia, budget alignment to the City's strategies.

Key parameters were considered by BSC which included financial and economic assumptions to be applied to the MTREF forecasting model.

November 2014 – February 2015

Iterative interaction with BSC and BSM. Refinement of the MTREF forecasting model to ensure a credible, affordable and sustainable budget over the medium term. The detailed draft operating- and capital budget was prepared.

March 2015

The 2015/16 draft operating- and capital budget, based on the parameters and assumptions set out in the MTREF model and as influenced by the IDP and aligned strategic considerations, was tabled at Council on 25 March 2015.

April 2015

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

May 2015

Comments received, as a result of the public participation process, will be submitted to Mayco for consideration. The 2015/16 MTREF budget is scheduled for consideration and adoption by Council on the 29 May 2015.

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 was developed in line with the Term of Office IDP Process Plan (2011/12 -2015/16), approved by Council and the IDP and Budget Time-Schedule of Events, for the approval of the 2015/16 IDP and 2015/16 – 2017/18 Budget, approved by the Executive Mayor and tabled in Council.

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

- Advertisement of time-schedule on website, local newspapers and notice boards.
- 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 2013/14 oversight report.
- Advertise IDP/Corporate Scorecard/Budget proposed amendments 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 Local Government Municipal Systems Act No. 32 of 2000, the Local Government Municipal Finance Management Act No. 56 of 2003 and the Local Government Municipal Property Rates Act 6 of 2004, Council has to call for public comments / objections on the 2015/16 Draft Budget, including the proposed amendments to the budget related policies.

The public participation process was very comprehensive in that it followed a dual process. Whilst the annual public participation exceeds the legislative requirements it was further enhanced by the Executive Mayor's initiative to introduce an Extended Public Participation Programme (EPPP). The EPPP was co-ordinated by the Public Participation Unit and included 5 public meetings, 12 Ward Committee Focus Group Meetings and door-to-door information distribution in identified areas. The public meetings included a short explanatory video (10 minutes) on the Budget and IDP process and a presentation of budgets spend in the relevant ward including details of relief granted to the indigent, aged and disabled in respect of consumptive services and rates.

The IDP/budget documents were advertised and available at various venues including the Subcouncil offices and libraries, from 30 March 2015 up to and including 30 April 2015. The annual public participation process attracted some 156 responses, which have been categorized according to the issues raised. Each comment/objection received will be responded to and will include appropriate departmental responses subsequent to Council's consideration thereof.

The annual public participation process was complemented with a request to all relevant departments for comments/proposals regarding the budget related policies. Two workshops were held on the Rates Policy, Credit Control and Debt Collection Policy, various other budget related policies and the

Tariff Policy as well as proposed tariff structures for the Utility Services. An initial workshop was held to inform proposals to the relevant policies prior to them being subject to the public participation process. A follow-up workshop was held to refine departmental input and to consider submissions from the public. These were then considered by the Finance Portfolio Committee at its joint workshops with representatives of other Portfolio Committees.

In total 3 workshops were held with the Finance Portfolio Committee in respect of the budget-related policies on 30 October, 2014, 11 February 2015 and 13 May 2015. The initial meeting served to provide political guidance to the process and input for comment received from the public participation process. In addition two Finance Portfolio Committee workshops were held specifically for the Special Rating Areas on 21 October 2014 and 2 February 2015. This was followed by a separate SRA Forum meeting on 15 April 2015 dealing with SRA Policy and By-law issues raised previously and discussed at the political workshops.

The workshop on 13 May 2015 served to consider and finalise the comments and proposals received via the Public Participation Process for inclusion in the relevant policies to be included in the IDP/Budget report for Council's consideration and subsequent approval. The EPPP yielded many comments and requests, which were distributed to line departments for suitable responses and for consideration in current and future budgets.

Given the comments/objections received and the relevant departmental responses from the departments, it appears that the 2015/16 Draft Budget does not require any significant changes. The budget-related policies and the Tariffs and Charges Book have been amended accordingly.

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 (NKPI),
- 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 (KPI) and targets for implementation. These are then broken down into Service Delivery and Budget Implementation Plans (SDBIP) 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.

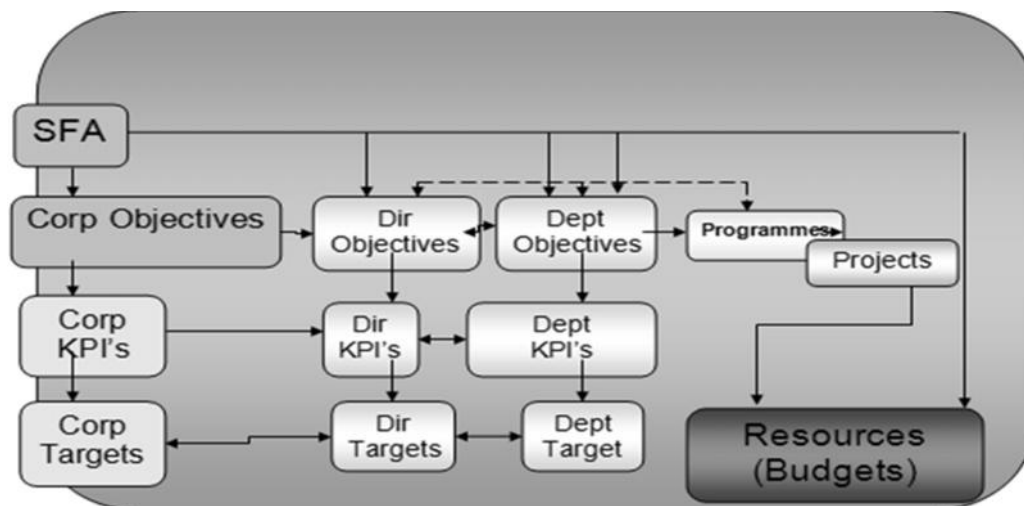


Figure 6 IDP and Budget link

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	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand										
The Opportunity City	Attract investment for econ growth/jobs	66,201	75,297	81,203	86,600	86,295	86,295	94,991	100,218	105,629
The Opportunity City	Prov of economic & social infrastructure	12,129,181	13,297,135	13,984,774	15,286,118	15,455,251	15,455,251	16,858,968	18,756,026	20,887,344
The Opportunity City	Sustainable environment through resource	10,307	3,826	9,847	12,526	4,171	4,171	2,849	3,099	3,034
The Opportunity City	Mobility via effective public transport	147,436	204,462	367,782	349,201	534,171	534,171	514,673	518,513	574,104
The Opportunity City	City Assets for econ growth & developmnt	92,403	108,400	119,673	127,514	134,821	134,821	147,054	155,139	163,514
The Safe City	Expand resources for safety and security	439	26	19	-	-	-	-	-	-
The Safe City	Resource depts for optimum operations	27,688	31,603	49,277	44,448	48,663	48,663	44,818	10,160	10,709
The Safe City	Enhance intelligence-driven policing	187,602	146,562	772,465	204,839	957,201	957,201	1,018,266	1,065,465	1,133,000
The Safe City	Improve emergency staff through training	569	646	7,808	1,271	1,271	1,271	1,344	1,418	1,494
The Safe City	Safety and security through partnerships	4,736	4,272	3,471	1,508	1,508	1,508	1,914	2,019	2,127
The Caring City	Human settlements for increased access	396,751	474,680	477,750	1,363,234	920,228	920,228	1,070,150	1,022,217	1,098,745
The Caring City	Assess rental stock to beneficiaries	207,724	213,069	261,874	233,780	233,780	233,780	240,254	252,185	263,677
The Caring City	Innovative human settlements access	667,063	749,928	798,320	844,312	849,918	849,918	940,410	1,010,024	1,105,132
The Caring City	Effective environmental health services	611	685	570	1,468	6,504	6,504	6,855	7,232	7,623
The Caring City	Provide effective air quality mngt & pol	6	678	465	675	675	675	713	752	793
The Caring City	Effective primary health care services	354,665	374,825	418,329	478,468	475,671	475,671	533,159	536,091	573,336
The Caring City	Substance abuse treatment/rehabilitation	-	-	-	-	-	-	-	-	-
The Inclusive City	Response for citizens to be communicated	16	26	69	-	-	-	0	0	0
The Inclusive City	Facilities that make citizens feel home	85,411	111,925	136,552	135,677	146,592	146,592	154,630	135,554	137,897
The Well-Run City	Transparent & corruption free government	712	2,290	1,240	3,531	7,747	7,747	5,047	3,964	4,189
The Well-Run City	Efficient & productive administration	34,473	41,352	39,429	143,793	144,931	144,931	82,603	104,066	76,813
The Well-Run City	Ensure unqualified audits by AG	7,090,690	8,070,517	8,530,844	9,052,020	9,059,217	9,059,217	10,006,172	10,736,199	11,506,947
Total Revenue (excluding capital transfers and contributions)		21,504,683	23,912,206	26,061,758	28,370,984	29,068,614	29,068,614	31,724,869	34,420,340	37,656,107

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

Strategic Objective	Goal	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand										
The Opportunity City	Attract investment for econ growth/jobs	231,500	283,222	295,891	325,279	328,131	328,081	356,730	383,514	411,110
The Opportunity City	Prov of economic & social infrastructure	11,174,925	12,742,652	12,672,194	14,386,764	14,405,044	14,406,220	15,748,249	17,583,370	19,485,903
The Opportunity City	Sustainable environment through resource	510,642	504,608	530,075	649,061	622,999	622,949	680,477	764,482	864,445
The Opportunity City	Mobility via effective public transport	534,094	662,451	1,269,342	1,128,026	1,357,555	1,357,555	1,485,155	1,552,589	1,649,113
The Opportunity City	City Assets for econ growth & developmnt	92,833	112,389	124,353	133,815	143,638	143,638	156,729	165,583	174,752
The Safe City	Expand resources for safety and security	2,437	2,007	2,301	1,504	2,013	2,013	2,028	2,197	2,372
The Safe City	Resource depts for optimum operations	836,935	955,570	992,612	1,173,428	1,201,391	1,201,378	1,335,057	1,394,818	1,509,090
The Safe City	Enhance intelligence-driven policing	315,113	334,624	814,189	384,926	1,143,365	1,142,478	1,174,658	1,250,625	1,328,071
The Safe City	Improve emergency staff through training	73,878	84,165	89,102	90,023	89,835	89,835	97,922	106,264	114,892
The Safe City	Safety and security through partnerships	51,300	55,007	72,403	73,391	78,603	78,603	80,688	87,363	94,245
The Caring City	Human settlements for increased access	401,156	552,386	668,109	1,531,610	1,089,228	1,089,068	1,250,021	1,254,517	1,331,049
The Caring City	Assess rental stock to beneficiaries	341,195	294,281	416,668	419,099	424,964	424,964	457,691	489,052	522,669
The Caring City	Innovative human settlements access	495,369	613,275	705,704	851,900	863,880	863,630	947,479	940,507	1,022,414
The Caring City	Effective environmental health services	116,058	129,106	130,766	149,821	156,224	156,224	255,260	274,535	302,973
The Caring City	Provide effective air quality mnngt & pol	7,548	8,776	8,097	9,830	9,913	9,913	11,001	11,947	12,926
The Caring City	Effective primary health care services	603,456	644,472	700,385	807,598	805,048	805,076	890,685	940,161	1,011,150
The Caring City	Substance abuse treatment/rehabilitation	-	-	3,714	6,361	6,477	6,449	6,966	7,551	8,156
The Inclusive City	Response for citizens to be communicated	39,957	44,470	48,083	53,391	53,019	53,139	57,524	61,377	66,155
The Inclusive City	Facilities that make citizens feel home	1,539,898	1,724,586	1,817,502	1,921,259	1,971,547	1,972,447	2,168,369	2,282,448	2,438,570
The Well-Run City	Transparent & corruption free government	321,615	384,636	420,615	481,009	497,876	498,026	531,613	564,921	606,279
The Well-Run City	Efficient & productive administration	1,902,305	1,879,093	1,525,336	1,703,627	1,683,168	1,682,303	1,804,529	1,901,655	2,039,605
The Well-Run City	Ensure unqualified audits by AG	1,587,297	1,907,950	3,224,006	2,373,647	2,396,699	2,396,628	2,646,202	2,804,716	3,053,225
Total Expenditure		21,179,513	23,919,727	26,531,448	28,655,369	29,330,615	29,330,615	32,145,033	34,824,182	38,049,163

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

Strategic Objective	Goal	Goal Code	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
The Opportunity City		I	3,263,230	4,732,828	-	-	-	-	-	-	-
The Safe City		J	85,331	76,225	-	-	-	-	-	-	-
The Caring City		K	594,778	693,981	-	-	-	-	-	-	-
The Inclusive City		L	201,885	233,343	-	-	-	-	-	-	-
The Well-Run City		M	88,021	132,432	-	-	-	-	-	-	-
The Opportunity City	Attract investment for econ growth/jobs	1.1	-	-	14,989	13,850	21,023	21,103	8,250	12,750	20,750
	Prov of economic & social infrastructure	1.2	-	-	2,499,201	3,640,894	3,214,295	3,093,910	3,848,652	3,650,512	3,562,376
	Sustainable environment through resource	1.3	-	-	65,879	62,591	80,473	77,875	57,678	68,597	53,857
	Mobility via effective public transport	1.4	-	-	764,054	813,451	834,264	801,198	761,772	797,285	830,262
	City Assets for econ growth & developmnt	1.5	-	-	1,978	92,326	76,637	76,637	126,654	3,810	1,250
The Safe City	Expand resources for safety and security	2.1	-	-	-	30	30	29	45	3,800	-
	Enhance intelligence-driven policing	2.3	-	-	63,472	59,299	49,217	49,212	78,768	32,357	37,577
	Improve emergency staff through training	2.4	-	-	551	500	500	500	300	-	-
	Safety and security through partnerships	2.5	-	-	16,267	7,671	14,662	14,649	33,425	81,311	74,891
The Caring City	Provide access to social services for those who need it	3.1	-	-	6,986	18,510	93,339	94,246	103,271	53,140	12,860
	Human settlements for increased access	3.2	-	-	284,491	281,346	646,217	630,597	287,997	316,849	295,800
	Assess rental stock to beneficiaries	3.3	-	-	274,954	346,672	408,729	369,478	96,180	42,515	13,000
	Innovative human settlements access	3.4	-	-	126,388	378,799	153,131	144,693	130,510	105,200	121,200
	Effective environmental health services	3.5	-	-	13,304	11,800	16,214	15,464	18,900	-	7,500
	Provide effective air quality mnngt & pol	3.6	-	-	3,243	-	-	-	-	1,500	-
	Effective primary health care services	3.7	-	-	16,554	18,996	17,938	17,916	15,103	11,896	26,696
The Inclusive City	Response for citizens to be communicated	4.1	-	-	46,119	21,342	42,382	44,116	31,714	5,622	10,022
	Facilities that make citizens feel home	4.2	-	-	185,970	298,179	257,393	257,436	205,003	186,162	153,027
The Well-Run City	Transparent & corruption free government	5.1	-	-	-	-	3,527	-	3,000	-	-
	Efficient & productive administration	5.2	-	-	15,329	15,825	19,772	19,599	25,521	15,755	19,440
	Ensure unqualified audits by AG	5.3	-	-	102,565	129,233	178,477	178,697	211,241	124,501	139,562
Total Capital Expenditure			4,233,245	5,868,810	4,502,293	6,211,315	6,128,220	5,910,881	6,043,985	5,513,563	5,380,070

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:

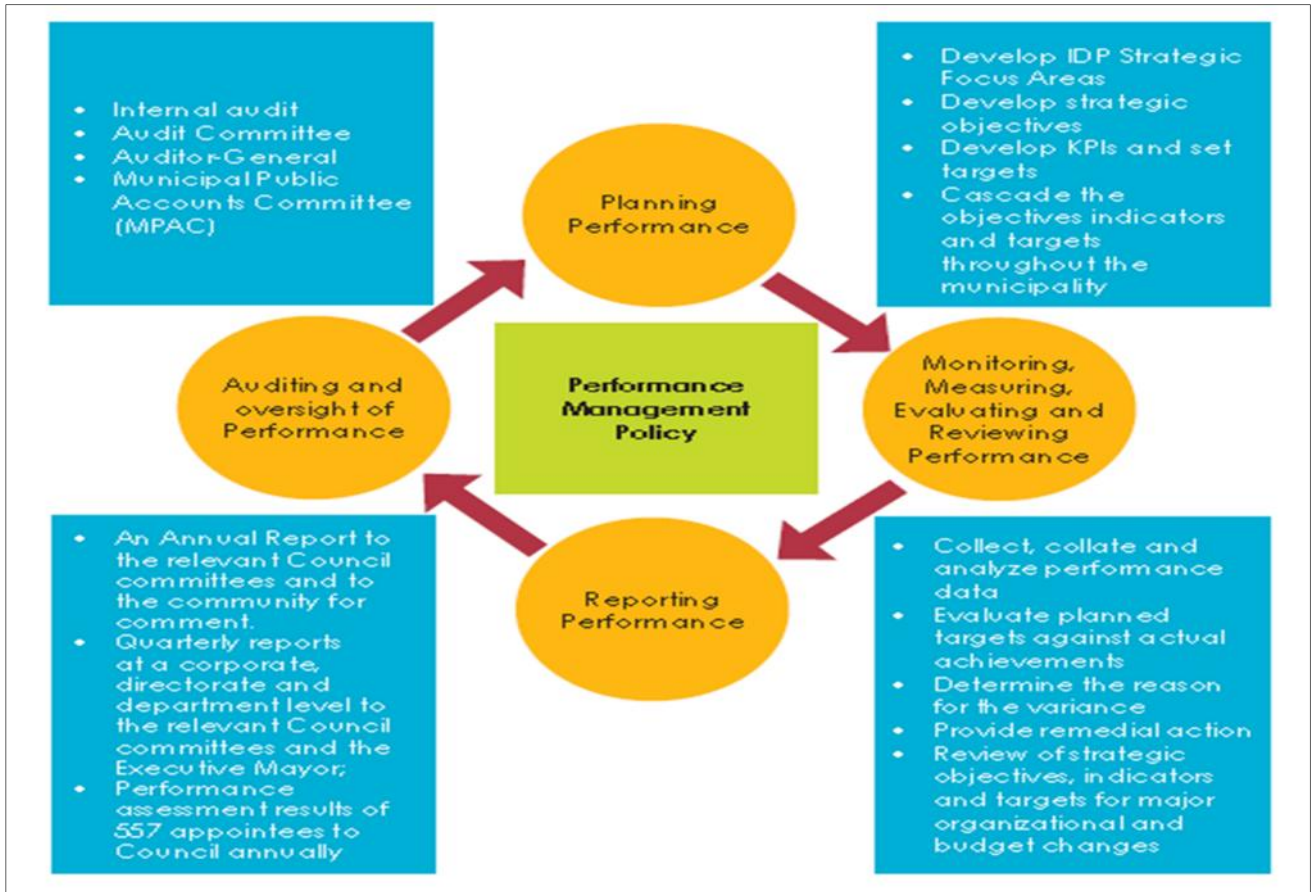


Figure 7 Cycle and process of the performance objectives and indicators

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) reviews the Organisational Performance Management (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 2015/16 were published for consultation after it was tabled in Council on 25 March 2015. The comments will be considered by Council before the approval of the documentation at the May 2015 council meeting.

The Executive Mayor will approve the in-year (quarterly) targets when the SDBIP is approved in June 2015.

The following table sets out the main performance objectives and benchmarks for the 2015/16 MTREF:

Table 34 MBRR Table SA8 - Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Borrowing Management										
Credit Rating		Aa2	Aa3	Aa3	Aa3.za	A1.za	A1.za	-	-	-
Capital Charges to Operating Expenditure	Interest & Principal Paid / Operating Expenditure	4.2%	3.7%	4.3%	4.3%	4.2%	4.2%	4.2%	4.8%	4.6%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing / Own Revenue	4.4%	4.1%	4.9%	4.9%	4.8%	4.8%	4.8%	5.4%	5.2%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	0.0%	98.6%	0.0%	45.1%	50.9%	52.9%	53.1%	33.1%	64.4%
Safety of Capital										
Gearing	Long Term Borrowing/ Funds & Reserves	225.9%	301.9%	300.3%	387.3%	338.4%	338.4%	434.8%	487.3%	511.6%
Liquidity										
Current Ratio	Current assets/current liabilities	1.5	1.6	1.2	1.4	1.5	1.5	1.0	1.1	1.2
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	1.5	1.6	1.2	1.4	1.5	1.5	1.0	1.1	1.2
Liquidity Ratio	Monetary Assets/Current Liabilities	0.9	1.0	0.6	0.7	0.8	0.8	0.4	0.4	0.5
Revenue Management										
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing	-	112.1%	104.3%	96.7%	96.8%	93.5%	94.4%	94.5%	94.5%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		112.0%	104.3%	96.7%	96.8%	94.0%	94.0%	94.3%	94.5%	94.6%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	20.3%	19.2%	18.6%	17.5%	17.5%	17.5%	16.9%	16.4%	15.9%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Creditors Management										
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA's 66(e))	95.6%	95.6%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%
Creditors to Cash and Investments		63.7%	55.8%	210.2%	58.1%	63.7%	63.7%	238.6%	259.7%	204.0%
Other Indicators										
Electricity Distribution Losses	Total Volume Losses (kW)	1,118,000,251	954,803,233	953,942,456	1,070,171,488	1,070,171,488	1,070,171,488	1,070,171,488	1,070,171,488	1,070,171,488
	Total Cost of Losses (Rand '000)	577,792	567,677	657,406	707,566	707,566	707,566	783,984	901,581	1,036,818
	% Volume (units purchased and generated less units sold)/units purchased and generated	10.75%	9.30%	10.50%	10.50%	10.50%	10.50%	10.50%	10.50%	10.50%
Water Distribution Losses	Total Volume Losses (k)	68,887	50,948	57,473	51,023	51,023	51,023	50,729	50,729	50,729
	Total Cost of Losses (Rand '000)	208,040	164,052	196,557	178,071	178,071	178,071	187,668	198,928	210,864
Employee costs	% Volume (units purchased and generated less units sold)/units purchased and generated	20.87%	15.88%	18.26%	16.00%	16.00%	16.00%	16.00%	16.00%	16.00%
	Employee costs/(Total Revenue - capital revenue)	32.2%	31.1%	33.2%	31.5%	30.3%	30.3%	31.0%	31.1%	30.8%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	32.6%	31.6%	33.6%	32.0%	30.8%	30.7%	31.5%	31.6%	31.3%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	8.8%	11.5%	11.1%	11.1%	10.8%	10.8%	11.3%	11.3%	11.3%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	9.7%	9.9%	9.9%	10.8%	10.1%	10.1%	9.6%	9.6%	9.6%
IDP regulation financial viability indicators										
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within	26.2	20.4	40.4	20.2	20.2	20.2	34.2	23.5	25.7
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	25.3%	24.3%	24.0%	22.6%	23.2%	23.2%	22.0%	21.1%	20.2%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	4.2	4.9	1.2	3.5	2.8	2.8	1.0	0.7	1.0

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 Investor Services has downgraded the City's credit rating from Aa3.za/P-1 with a negative outlook to A1.za/P-1 with a stable outlook which still reflects the City's strong budgetary performance and its good liquidity position.

The following financial performance indicators have formed part of the compilation of the 2015/16 MTREF:

- Capital charges to operating expenditure are the measure of the cost of borrowing in relation to the operating expenditure. This ratio averages 4.5% over the 2015/16 MTREF which indicates that the City spends an average of approximately 4.5% 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 53.1% for 2015/16 and averages 50.2% over the two outer years of the 2015/16 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 borrowing less cash and bank balances divided by community wealth/equity, of which the City's outcome over the 2015/16 MTREF averages 17%.

2.3.1.3 Liquidity

- The current ratio is used to assess the City's ability to pay back its Short-term Liabilities (Debt and Payables) with Short-term Assets (Cash, Inventory, Receivables). According to National Treasury circular 71 the higher the current Ratio, the more capable the Municipality will be to pay its current or short-term obligations and provide for risk cover to enable it to continue operations at desired levels. It is preferable that the ratio is at least above one. This ratio for the City averages 1.1 over the 2015/16 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 1.05 over the 2015/16 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 categorization of accounts into high value accounts: Business and Residential; the top 1000 debtors, government accounts, staff and councillor arrears and appropriate action against irrecoverable debt.
- Limiting/blocking of electricity prepaid meters: Collecting other debts via the prepaid electricity meter
- Debtors who are experiencing difficulties in paying their accounts are given options to either enter into affordable payment arrangements or to apply to be registered as indigent or apply for rates rebates offered.

- The City provides the option of an affordable payment plan for debtors to settle their arrears, where compliance with the agreed payment plan leads to the suspension of all debt management actions and interest being raised until the arrears is paid in full.
- In addition to the above, the City's strategy for the Indigent debtors are:
 - Water leaks are fixed on all indigent properties, free of charge.
 - Water demand management devices (WDM) and prepaid electricity meters are installed free of charge.
 - Once the water leaks have been repaired and the WDMs and pre-paid electricity meters are installed, a once off write off is done of all outstanding debt.
 - Council has approved the writing off of all interest charges as well as the 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

- Electricity distribution losses
Performance in 2013/14 has shown that Electricity distribution losses are around 10.5%. The City has strategies to arrest 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
High priority is being given to a comprehensive water loss reduction strategy with detailed action plans to address and reduce 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 1.3.2 *Free Basic Services: Basic Social Services Package* on page 24 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 rates rebate and the free 6kl of water per month 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.

All 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. In addition to the R200 000 valuation rebate on rates, the 6 kilolitres of free water and 4.2 kilolitres of sanitation, properties receive additional indigent assistance based on their municipal valuations. 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 R85.72 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 R85.72 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 R85.72 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 R85.72 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.

2.3.1 Providing potable 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, 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 and Sanitation. Subsequent to achieving 100% in the 2009 assessment, the City scored a 98.2%, 97.2% and 98.14% respectively in the more stringent follow-up assessments. Since the inception of the Blue Drop programme, the City has been in the top scores for the country.

The Water and Sanitation Department constantly strives to improve its performance with respect to water quality management. Water safety planning and risk mitigation methodologies are integrated into its management processes. Although, no major corrective interventions are currently required in terms of the water safety plan, the department constantly evaluates the need for additional risk mitigation barriers. Although provision is made in the normal budget allocations to maintain the high standards already achieved, should additional safety barriers be identified, then budgetary allocations will prioritize the associated intervention.

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, specifically related to new licence conditions. 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 City's wastewater treatment plants have improved in performance based on its assessment against the latest Green Drop assessment criteria, where the Department of Water & Sanitation recently released the 2012/2013 Green Drop scores. The City received 12 Green Drops and an overall municipal score of 89.7%, up from the 11 Green Drops awarded and an 86.8% score achieved in 2011/2012.

The City displays a strong commitment to wastewater treatment and Green Drop, and strives to continuous improvement by the implementation of the Green Drop principles of management throughout the entire workforce. The primary problems experienced are that of ageing infrastructure, rapid population growth, maintenance of the existing assets, a shortage of relevant skills, as well as more stringent licence conditions. These problems are being experienced throughout South Africa and the City is addressing such challenges 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 with most appropriate technologies, and expanding as well as maintaining existing assets.

2015/16 Budget and MTREF proposed allocations

The capital budget is allocated for increased treatment capacity, process improvements or improved effluent quality. The proposed 2015/16 capital budget is shown below.

Table 35 Wastewater Treatment Facility Capital Budget

Wastewater Treatment Facility	Project	Budget Year 2014/15 (Adjusted)	Budget Year 2015/16
R Thousand			
Bellville Wastewater Treatment Works	20 ML/d increase in treatment capacity	13,268	-
Cape Flats WWTW-Refurbish various structures	Disinfection of Effluent	14,000	22,500
Potsdam WWTW- Extension	Increase in treatment capacity	3,011	6,000
Zandvliet WWTW-Extension	18 ML/d increase in treatment capacity	10,292	135,943
Borchards Quarry WWTW	Replacement of Centrifuges with Belt Presses	13,238	52,000
Mitchells Plain Wastewater Treatment Works	Replacement of Centrifuges with Belt Presses	52,220	113,510
Scottsdale WWTW	Capacity extension	750	18,500
Hout Bay Refurbishment	Refurbishment	10,000	14,700
Infrastructure Replace/Refurbish - WWTW	Replace & Refurbish WWTW Plants city-wide	149,165	28,250
Melkbos WWTW-Effluent Disinfection	Disinfection of Effluent	300	12,000
Athlone WWTW-Capacity Extension-phase 1	Capacity extension	-	500
Gordons Bay WWTW-Improvements	Capacity extension	-	17,000
Weslleur WWTW-Capacity Extension USDG	Capacity extension	-	5,000
Expansion of WWTW	Capacity extension city wide	5,700	-
Total for New Infrastructure		271,944	425,903

The proposed 2015/16 operating budget is shown in the table below.

Table 36 Wastewater Treatment Facility Operating Budget

Category	Original Budget 2014/15	Adjusted Budget 2014/15	Budget Year 2015/16
R Thousand			
Remuneration	101,272	91,070	116,165
Depreciation	84,979	82,448	89,726
Repairs & Maintenance	95,558	93,839	105,286
Contracted Services	61,153	61,761	64,227
General Expenses	167,797	163,153	165,538
Interest Internal Borrowings	64,052	67,784	81,656
Appropriation Account	106,507	82,709	207,159
Internal Utilities Expenditure	82,653	82,653	94,181
Insurance Departmental	5,634	5,634	5,540
Activity Based Costs	27,853	27,438	31,218
Support Services	38,973	37,770	41,767
Total	836,431	796,259	1,002,463

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 September 2011
- Funding and Reserves Policy – approved May 2010
- Supply Chain Management Policy – approved July 2013
- Cash Management and Investment Policy – approved 27 February 2013
- Asset Management Policy - approved 27 February 2013
- Policy on Accounts Payable – approved May 2014

2.4.2 Policies drafted and/or reviewed

The following budget-related policies have been drafted and/or reviewed.

- Policy on Contributions to the City of Cape Town – this policy will be submitted under separate cover to the May 2015 Council meeting.
- Virement Policy – Annexure 19
- Unforeseen and Unavoidable Expenditure Policy – Annexure 20

The following policies were reviewed at the Finance Portfolio Committee workshops held during the year but were not amended. These policies are available on the City's website.

- Budget Management and Oversight Policy (approved May 2013)
- Long Term Financial Plan Policy (approved May 2013)
- Policy Governing Adjustment Budgets (approved May 2013)
- Policy Governing Planning and Approval of Capital Projects (approved May 2013)

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 2015/16 MTREF

Introduction

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

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

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

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

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

2.5.1 Financial Strategic Approach

The 2015/16 MTREF period represents the 4th year of the City's 5-year IDP period. The 2015/16 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
- Presentations by directorates at budget hearings on inter alia their process to execute the City's strategy in their directorates, their business improvement measurements and implementation readiness of their capital programme
- Presentations by the Utility Services directorate 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 Integrated Development Plan
- 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
- Other issues deemed important stemming from EMT/Mayco strategic sessions

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;
- Cost containment measures reiterated in the 2014 MTBPS and guidelines provided in National Treasury circular 74;
- National and Provincial allocations as per the 2015 DORb and the 2015 Provincial Gazette Extraordinary;
- NERSA-approved (November 2014) Eskom electricity retail tariffs

2.5.3 General inflation outlook and its impact on municipal activities

CPI projected for the City is 5.7% for 2015/16, 5.5% and 5.4% for 2016/17 and 2017/18 respectively. Although current CPI levels are in the region of 4%, this is forecasted to grow to 5.2% and 6% in the 3rd and 4th quarter of 2015 respectively, reaching over the 6% mark in the 1st quarter of 2016 as per BER. 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.

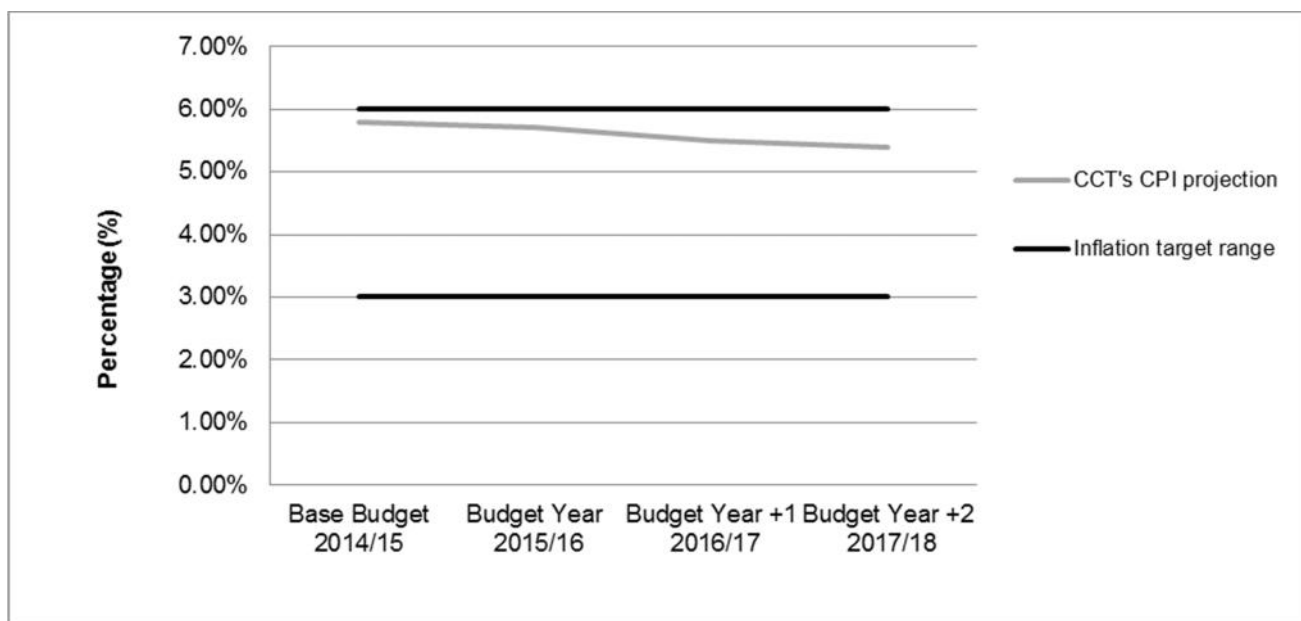


Figure 8 Consumer price index projections adopted in the MTREF

Inflation is projected to remain below 6%, however various budget elements such as salaries, repairs and maintenance, interest and depreciation cost has higher than CPI increases. This creates a fiscal gap which necessitates higher than CPI increases for Service charges and Rates.

2.5.4 Economic outlook / external factors

According to Bureau of Economic Research (BER) real GDP growth rates are projected not to exceed 3% over the medium term. It is expected that from 2015 the economy will be recovering as mining output returns to normal after the strike action experienced in 2014. GDP is forecasted to grow at reasonable rates in the years to follow but will be restrained by influences such as the supply of electricity, poor business confidence and the absence of focussed economic policy.

Oil prices showed a decline over the last few months which is mainly driven by the supply of the commodity exceeding its demand. The fall in the oil price partly cushioned the impact of the weaker Rand exchange rate which is mainly as a result of the large current account deficit. Considering these current events and the risk of future possible supply disappointments, oil prices are projected to remain within \$100 to \$105 per barrel over the medium term. BER further forecasts the Rand to end 2015 at an average of R11.08/\$ and 2016 to end at R11.29/\$.

CPI is expected to remain within the SARB inflation target range of between 3% and 6%. CPI forecasts for at least the next 2 years are expected to remain at the upper end of the range due to the recent NERSA approved electricity tariff hikes combined with the weaker rand exchange rate. The graph below depicts the CPI for the past years and projections for the next 5 years as per BER.

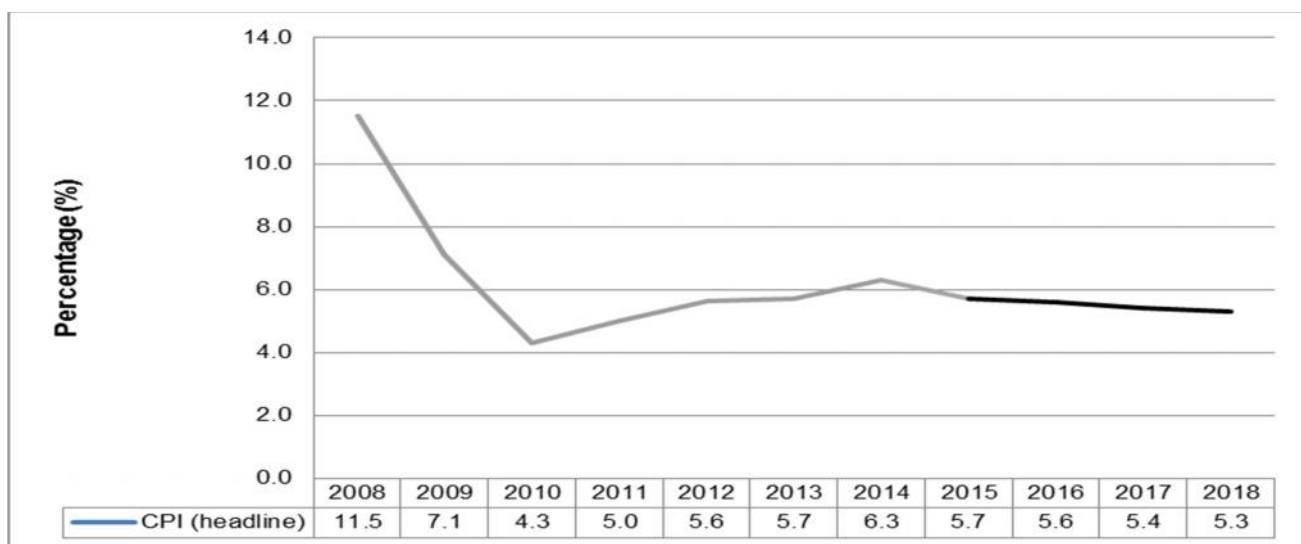


Figure 9 Consumer Price Index over recent and future years (projected)

BER forecasted CPI as 5.7%, 5.6% and 5.4% for the calendar years 2015 to 2017, respectively, based on this the City’s forecasted CPI in municipal financial years is 5.7% for 2015/16, 5.5% for 2016/17 and 5.4% for 2017/18. Although current CPI levels are in the region of 4%, this is forecasted to grow to 5.2% and 6% in the 3rd and 4th quarter of 2015 respectively, reaching over the 6% mark in the 1st quarter of 2016 as per BER. The subsequent national inflation forecast set out in National Treasury Circular 74 is 6.2%, 5.8% and 5.5% for the fiscal years 2015 to 2017.

National and provincial influences

In drafting the 2015/16 MTREF special attention was given to national and provincial influences, which included:

a) Medium Term Budget Policy Statement (MTBPS)

The MTBPS highlights that South Africa's economic performance has deteriorated over the past several years and that the key priority of government is to reshape South Africa's urban environment through integrated spatial planning, investment in dynamic city development, integrated housing and transport programmes, and support for business activity and job creation. The Medium Term Strategic Framework (MTSF) priorities for structural reform over the period ahead include:

- Building the capacity of local government through the “back to basics” approach, which will focus on improving service delivery, accountability and financial management. Local government should be effective and efficient; this will be measured by its ability to perform the basic mandate of service delivery.
- Reshaping South Africa's urban environment through integrated spatial planning and an expansion of the municipal debt market. Municipalities play a critical role in growing the economy through well-planned and well-managed urbanisation. In order to achieve this:
 - Large municipalities require massive investment to stimulate growth, maintain infrastructure and ensure that basic services are provided for growing populations;
 - Over the next three years, the government will roll-out a new approach to local government infrastructure financing;
 - Incentives will be introduced to encourage large urban municipalities to promote more compact, efficient and equitable cities;
 - Planning will focus on developing mixed-use precincts that can help to catalyse economic activity, and on upgrading informal settlements.
- Sustainable job creation remains a national priority and municipalities must ensure that they continue to explore opportunities to mainstream labour intensive approaches to delivering service and more particular to participate fully in the Expanded Public Works Programme (EPWP).

In addition the MTBPS reiterated the requirement to minimise costs and abuse. It emphasized that intensive effort has to be focused on achieving the intended savings and maximising efficiency by:

- Focussing on procurement costs;
- Reinforcing cost-containment measures to identify goods and services expenditure that can be eliminated without affecting service delivery;
- Adopting a culture of doing more with less, e.g. Treasury is working with municipalities to link the disbursement of infrastructure grants more tightly to the efficient delivery of capital projects; and
- Continuing to fight waste and corruption, supported by audit institutions and stringent monitoring and reporting requirements.

With regard to the issues raised above, the City is continuously investing in the EPWP and has since 2013/14 implemented cost containment measures which included the reduction in the cost of National and International travel, catering and entertainment. These measures are revisited and assessed on an annual basis to ensure that maximum efficiencies are attained.

b) MFMA Circular 74

Cognisance was also taken of MFMA Circular No 74 – Municipal Budget Circular for the 2015/16 MTREF, which amongst other included:

- Local government budget and financial management reforms, including the regulation and the financial applications and impact of mSCOA;

- Municipalities must adopt a conservative approach when projecting their expected revenues and cash receipts;
- Municipalities are advised to determine the costs per service in determining tariffs and should take into account both primary and secondary costs of services provided, local economic conditions and affordability of service to ensure financial sustainability;
- Municipalities to keep increases in rates, tariffs and other charges at levels that reflect an appropriate balance between the interest of poor households other customers and ensuring the financial sustainability of the municipality;
- Municipalities still urged to implement cost containment measures on six focus areas namely, consultancy fees, no credit cards, travel and related costs, advertising, catering, events costs and accommodation;
- Municipalities should also pay particular attention to managing revenue effectively and carefully evaluate all spending decisions;
- Strengthening procurement to obtain value for money and fighting against corruption;
- Guidelines for the 2015/16 MTREF Electricity, Water, Sanitation and Solid Waste tariffs;
- The main objective of local government is to ensure the provision of basic service to communities. Municipalities must therefore prioritise the provision of basic services such as electricity, water, sanitation and refuse removal.

2.5.5 Interest rates for borrowing and investment of funds

Borrowing interest rates is factored at a prime rate stabilising at 12% over the 2015/16 MTREF. The investment interest rate has improved from the previous financial period by 1%. An average of 6.50% is forecasted over the 2015/16 MTREF.

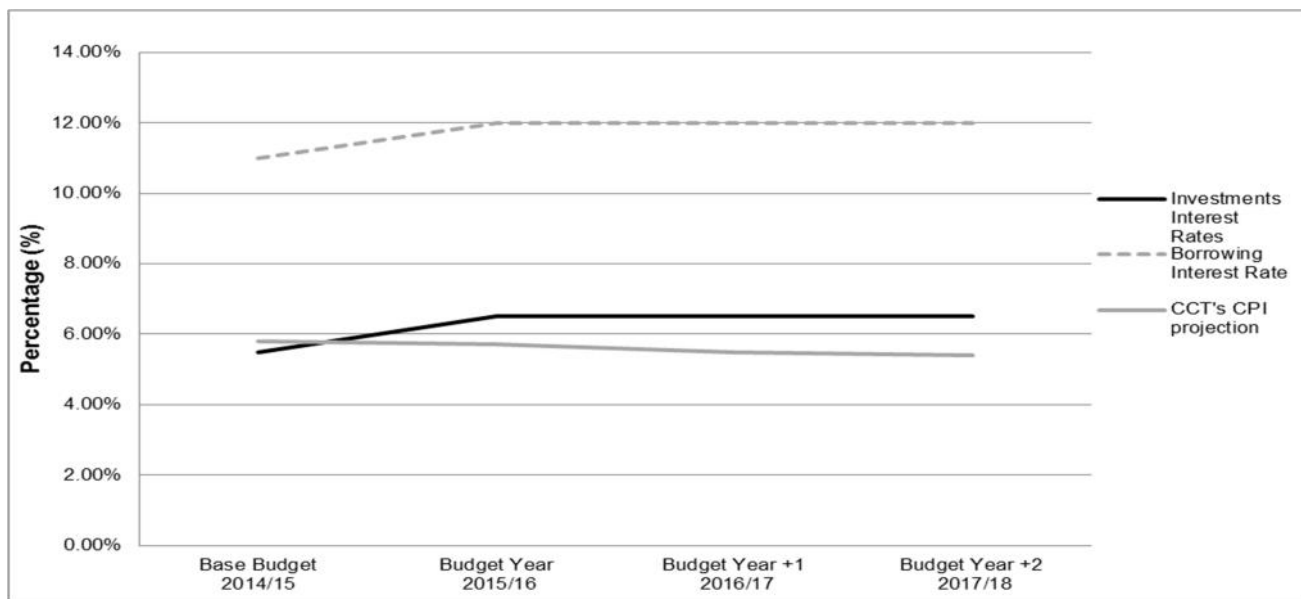


Figure 10 Interest rates over the MTREF

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 debt impairment, the following collection rates were applied:

Table 37 Collection Rates

Service	Base Budget 2014/15 %	Budget Year 2015/16 %	Budget Year+1 2016/17 %	Budget Year +2 2017/18 %
Rates	96.00%	96.00%	96.00%	96.00%
Electricity	98.00%	98.00%	98.00%	98.00%
Water	90.60%	88.00%	88.00%	88.00%
Sanitation	90.60%	89.00%	89.00%	89.00%
Refuse	95.00%	95.00%	95.00%	95.00%
Housing	50.40%	54.60%	56.60%	58.20%

Property Rates, Refuse and Electricity’s collection rates are expected to remain constant over the 2015/16 MTREF period. The downward adjustment of the Water and Sanitation collection rate is as a result of lower than anticipated actual outcomes. Ongoing debt management initiatives are being implemented which is intended to raise the collection rate to targeted levels.

Housing collection rate is also expected to increase over the 2015/16 MTREF, which is due to initiatives that includes amongst other, expanded housing debt management and the Payers Incentive Scheme.

A R1.8 billion was provided for debt impairment in the 2015/16 budget and is based on an average collection rate of 93.2% (excludes Housing). The graph below shows the debt impairment for the period 2013/14 to 2017/18.

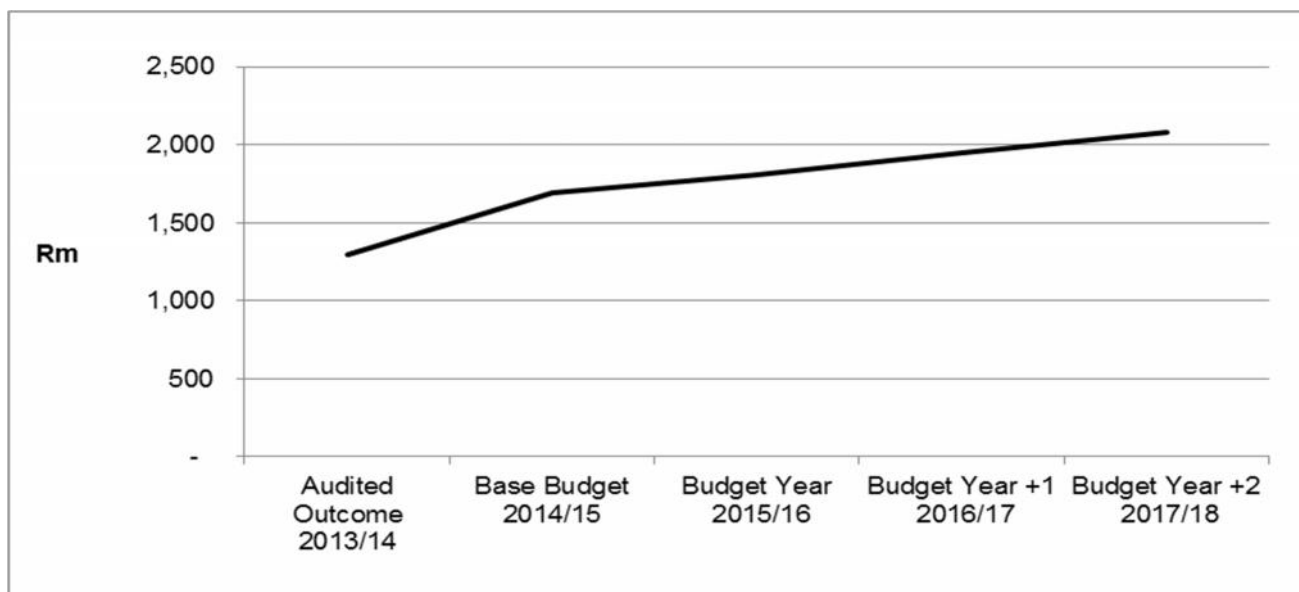


Figure 11 Debt Impairment – 2013/14 to 2017/18

2.5.7 Salary increases

Salaries, Wages & related staff cost expenses

The 3 year Salary and Wage collective agreement for local government ends in 2014/15. In the absence of a concluded agreement the 2015/16 MTREF was prepared using the methodology applied in the previous agreement. 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 forecasted budget year plus a further %, which reduces over the MTREF period (2%, 1.25% and 1% over the 3 year MTREF respectively).

The actual CPI for the period 1 February 2014 to 30 November 2015 (ex STATSSA) is 6.14% (December and January outcome projected) thus the salary provision made for the 2015/16 financial year is 8.14% (6.14%+2%).

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.

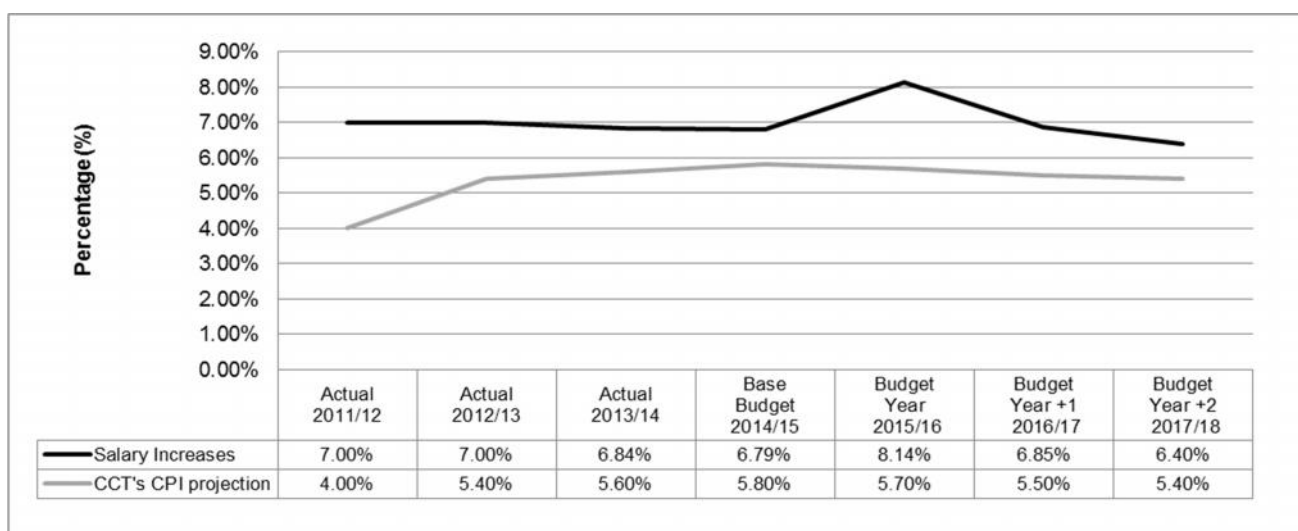


Figure 12 Correlation between the City’s CPI and the salary increase over the MTREF

2.5.8 Ensuring maintenance of existing assets

Repairs & Maintenance

NT Circular 74 reminded municipalities to consider the budget management issues which were 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’s outcome for the City averages 9.2% annually over the 2015/16 MTREF.

To give effect to the above directives repairs and maintenance was budgeted at 3% above CPI over the 2015/16 MTREF.

The graph below shows the increasing expenditure trend on repairs and maintenance from 2013/14 and projected to 2017/18.

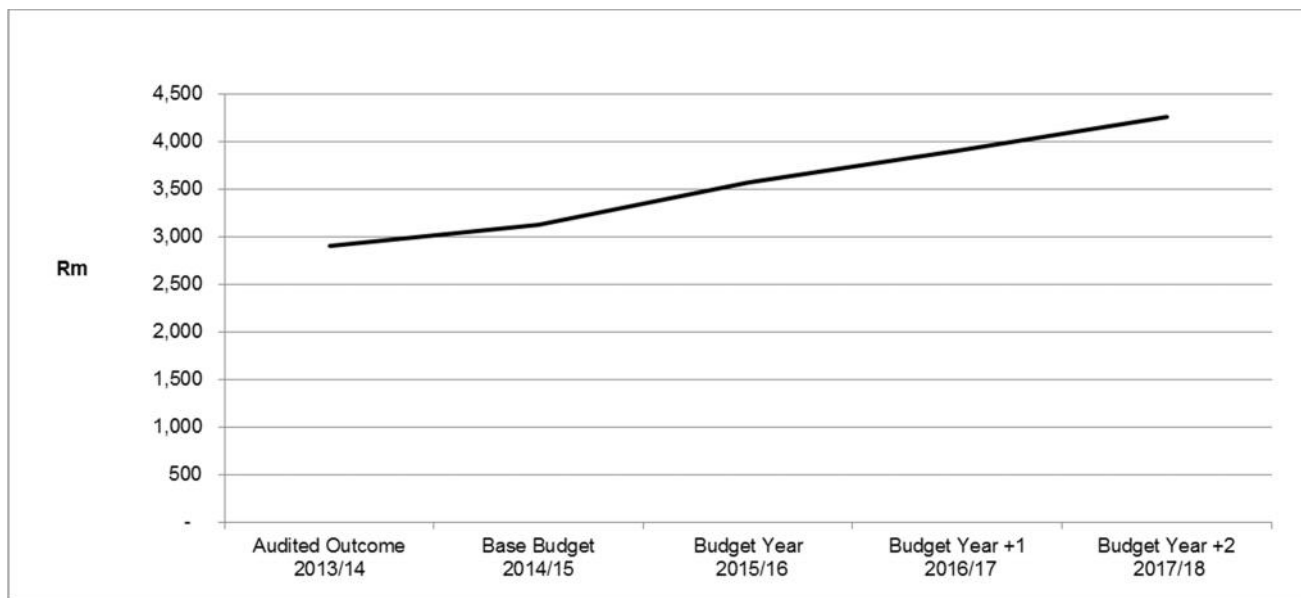


Figure 13 Increasing expenditure trend on repairs and maintenance from 2013/14 and projected to 2017/18

2.5.9 Operating financing of capital

Depreciation

Calculation of depreciation on new capital expenditure is based on variables such as asset class life span 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 2015/16 MTREF. The City needs a credit rating to demonstrate its ability to meet its short and long term financial obligations. Potential lenders also use it to assess the City's credit risk, which in turn affects the pricing of any subsequent loans taken. Factors used to evaluate the creditworthiness of municipalities include the economy, debt, finances, politics, management and institutional framework.

Moody's Investors Services downgraded the credit rating for the City following the weakening of South Africa's credit profile as captured by the downgrade of the sovereign rating to Baa2 from Baa1 with a stable outlook. The City's rating was downgraded from Aa3.za/P-1 with a negative outlook to A1.za/P-1 with a stable outlook which still 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 and it is expected that the City will maintain this relatively strong financial position in the medium term.

Table 38 Credit rating outlook

Category	Currency	Current Rating 17 February 2015	Previous Rating 12 November 2014	Previous Rating 10 February 2014
Outlook	-	Stable	Stable	Negative
NSR Issuer Rating	Rand	A1.za	A1.za	Aa3.za
NSR ST Issuer Rating	Rand	P-1.za	P-1.za	P-1.za
NSR Senior Unsecured	Rand	A1.za	A1.za	Aa3.za

The definitions of the rating categories are:

Stable Outlook – reflects that a credit rating assigned to an issuer is unlikely to change.

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

NSR Issuer Rating – A.za - Issuers or issues rated A.za present above-average creditworthiness relative to other domestic issuers.

NSR Issuer Rating – 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 has a superior ability to repay short-term debt obligations.

NSR Senior Unsecured – A.za - Issuers or issues rated A.za present above-average 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 for Rates is projected to reduce from 0.5% in 2014/15 to 0.25% over the 2015/16 MTREF. The projected lower growth is due to economic growth not at sustainable levels to encourage new developments and/or home improvements.
- *Water and Sanitation*
Water and Sanitation projected zero growth over the 2015/16 MTREF. This is based on the latest trend flowing from current economic conditions as well as water saving initiatives.
- *Electricity*
Electricity has projected a 1% annual shrinkage of service growth over the 2015/16 MTREF, due to the impact of energy saving plans and increasing tariffs which is reducing consumption.

- *Refuse*
A 2% service growth was applied over the 2015/16 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, the demand for new and upgraded infrastructure, savings initiatives and lower demand for services made tariff increases higher than CPI levels inevitable.

NT circular 70 of December 2013 “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 2015/16 MTREF.

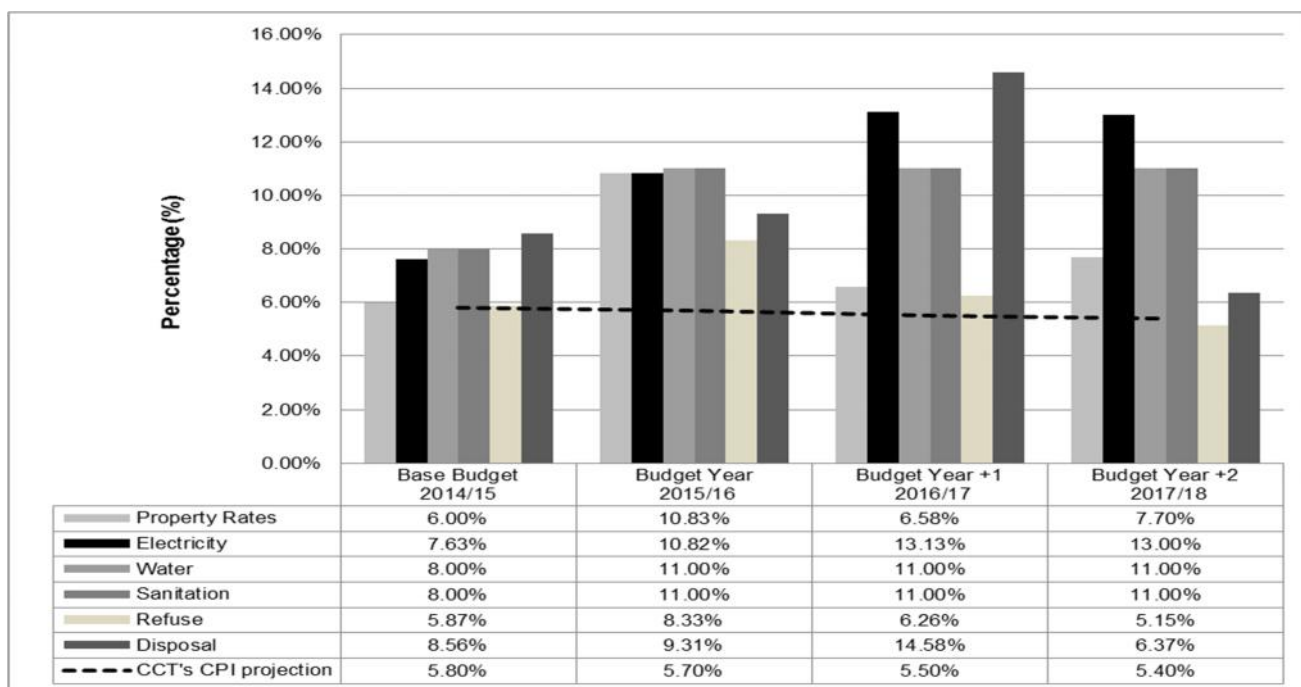


Figure 14 Revenue parameters for 2015/16 MTREF period

- *Property Rates*
An average Rates tariff increase of 10.83% is proposed for the 2015/16 financial year with an increase of 6.58% and 7.70% proposed, respectively, for the two outer years. The higher than CPI increases will provide for the recurring operating costs, new budget realities and for investments in new infrastructure for Rates funded services. Further contributing factors to the higher than CPI increase includes lower projected Rates service growth, higher than CPI salary and capital cost increases.

- *Electricity*

The nature of business for this service is the purchasing and redistribution of electricity, where bulk purchases averages 60% of the service's total budget. The higher than CPI electricity average tariff increase is therefore mostly attributed to the NERSA approved Eskom increase on bulk purchases, which is 14.24% for the 2015/16 financial year. In addition, electricity sales are reducing due to energy saving plans and increasing tariffs which is forecasted to shrink consumption by 1% annually over the MTREF period. Based on this and to ensure affordability the electricity average tariff increase was set at 10.82%, 13.13% and 13.00%, respectively, over the 2015/16 MTREF. This increase will also further cater for the continual operating costs of the service and for the investments in new infrastructure.

Eskom has requested the National Energy Regulator (NERSA) to reconsider the electricity tariffs for the 2015/16 financial year. NERSA has committed to pronounce on this application by 29 June 2015. Customers will be impacted by three specific price elements which, if all approved, could mean an increase of just under 26% on the 2014/15 electricity prices, or a further 9,6% above the 12,69% already approved by NERSA for 2015/16. The City will have to take into consideration any legislative requirements announced to accommodate any such pronounced increases.

- *Water and Sanitation*

According to NT circular 74, municipalities were previously advised that "If a municipality's 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. As per the guidance in various previous Budget Circulars, municipalities were expected to apply cost reflective tariffs in the 2014/15 MTREF for both water and sanitation. Should this not be the case, municipalities will be required to clearly articulate the reasons and remedial actions to rectify this position in their budget document".

Mindful of this, the Water and Sanitation average tariff increase is 11% annually over the 2015/16 MTREF. The higher than CPI tariff increase are due to various factors which includes the financial impact of the capital programme (new infrastructure, expansion and rehabilitation of current infrastructure to address capacity constraints and to ensure system efficiency), the reduction in revenue due to lower usage patterns flowing from economic conditions and water savings initiatives, as well as the cumulative effect of the social package provided.

- *Solid Waste*

Circular 74 reminds municipalities that budget management issues dealt with in previous circulars are still applicable. Circular 70 advised 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*".

Solid Waste consists of two tariffs namely Disposal and Refuse. The disposal average tariff increase for 2015/16 is at 9.31% the increase for the two outer years are 14.58% and 6.37% respectively. This increase is required for capital investment and its related operating expenses. The capital investment includes amongst other, the Bellville transfer station to ensure continuity of the service at the end of a landfill site's useful life, new drop off facilities at Faure and Swartklip bringing the service closer to customers, the provision for rehabilitation of landfill sites, the construction of gas management systems allowing for future waste to energy initiatives and new airspace to be constructed to ensure sufficient capacity for the amount of waste generated.

The 8.33% average tariff increase for Refuse in 2015/16 is to maintain and improve the current standard of refuse removal service and to further promote waste minimisation. The service is piloting the roll out of home composters which will supply statistics on compost generated allowing the department to assess the viability of providing this service to all. The outer year's average tariffs are projected to increase by 6.26% and 5.15% annually.

- *Housing rental (Council rental properties)*

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 specific property for which the rent is charged.

Through addressing the economic challenges faced by many poorer communities residing in, particularly, the City's rental stock, the average total monthly rental charge percentage increase associated with the City's rental properties has been retained at an affordable level and is based on an annual increase of 4.88% (where the unit has a separate water meter) or 6.30% (for those units which include water in the rental charge) for 2015/2016. The annual rental charge percentage increase, acknowledging the ongoing multi-year implications of inflation on the costs associated with the management of rental properties including, inter alia, maintenance of the properties, administrative costs is not directly aligned to the full economic cost of operating the rental units and operates on a City of Cape Town subsidized basis for the financial differential between the economic cost recovery based rental (CPIX linked) and the amount charged. Tenants who were in occupation of the City's rental properties in 2007 receive a subsidy of 20% of the rental charge being the final portion of the phase out program which was not fully implemented by the City to facilitate affordability of long standing tenants. This key initiative, reflected within the City's Housing Debt Management Policy, supports affordable rentals to many poor communities and supports the City's initiatives in terms of its housing debt collection drives whilst supporting the City's housing debtor book that it does not unduly increase due to, potentially, unreachable charges.

The proposed 2015/2016 housing rental charge is similar to previous annual rental increase percentages which, through targeting affordability by the City's poorer communities, were aligned to the City's general annual increases. The rental rate (per square meter per month) is R8.60 (where the unit has a separate water meter) or a rental charge (including water charge where applicable) of R12.31 per square meter per month. The City's housing premiums and deductions charge structure addressing the variations in the City's diverse rental properties remains as follows: Discounts on account – Outside toilet (R20 per month); External Water (R30 per month); No ceiling (R15 per month). Premiums on account – Saleable unit (R4,50 per month); Well maintained (R5 per month); Local environment (R3,50 per month); Well located (R5 per month); Hot water cylinder (R4 per month). A surcharge for tenants earning a monthly income above the rental income threshold (R3 500) is charged as follows at a stepped rate: R3 501 – R7 500 (8%); R7 501 – R10 000 (10%). Tenants with a monthly income >R10 000 will pay a surcharge of 25% of any amount above R10 000.

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

Equitable Share

The reviewed Equitable Share formula provide a subsidy for the provision of free basic water, electricity, sanitation and refuse removal services for every poor household. It also provides funds for the institutional costs of municipalities, a community services component which provides funding towards the provision of core municipal services not included under basic services. To ensure that the funds for institutional costs and non-trading services are targeted at poorer municipalities, the formula applies a revenue-adjustment factor reflecting municipalities' ability to generate their own revenue. The 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.

Equitable share provisions included in the budget are based on the 2015 Division of Revenue Bill. The following indicative equitable share amounts were allocated to the City as per the 2015 DORb:

2015/16 – R1.810 billion

2016/17 – R2.037 billion

2017/18 – R2.264 billion

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 2015/16 allocation letter received from NT:

2015/16 – R2.060 billion

2016/17 – R2.146 billion

2017/18 – R2.228 billion

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 R thousands	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Capital Grants & Donations	2,277,574	2,492,837	2,584,489
Capital Replacement Reserve	1,003,958	677,004	487,265
Revenue	183,188	15,834	16,450
External Financing Fund	2,579,264	2,327,888	2,291,866
TOTAL	6,043,985	5,513,563	5,380,070

Grants received from National and Provincial Government remains a significant funding source over the 2015/16 MTREF. External Financing Fund (EFF) over the 3 years averages R2.4 billion.

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

	2015/16 %	2016/17 %	2017/18 %
CPI	5.70%	5.50%	5.40%
COLLECTION RATES			
Rates	96.00%	96.00%	96.00%
Electricity	98.00%	98.00%	98.00%
Water	88.00%	88.00%	88.00%
Sanitation	89.00%	89.00%	89.00%
Refuse	95.00%	95.00%	95.00%
Housing	54.60%	56.60%	58.20%
REVENUE PARAMETERS (excluding organic growth):			
Rates	10.83%	6.58%	7.70%
Electricity	10.82%	13.13%	13.00%
Water	11.00%	11.00%	11.00%
Sanitation	11.00%	11.00%	11.00%
Refuse	8.33%	6.26%	5.15%
Disposal	9.31%	14.58%	6.37%
REVENUE PARAMETERS (including organic growth):			
Rates	0.25%	0.25%	0.25%
Electricity	-1.00%	-1.00%	-1.00%
Water	0.00%	0.00%	0.00%
Sanitation	0.00%	0.00%	0.00%
Refuse	2.00%	2.00%	2.00%
EXPENDITURE PARAMETERS:			
Salary increase			
Salary increase (SALGA Agreement)	8.14%	6.85%	6.40%
Increment provision	2.00%	2.00%	2.00%
General Expenses	5.70%	5.50%	5.40%
Repairs & Maintenance	8.70%	8.50%	8.40%
Interest Rates			
Interest paid	12.00%	12.00%	12.00%
Interest on investment	6.50%	6.50%	6.50%
OTHER:			
Capital (EFF component) expenditure	R2.579bn	R2.328bn	R2.292bn
Equitable Share Allocation	R1.810bn	R2.037bn	R2.264bn
Fuel levy	R2.060bn	R2.146bn	R2.228bn

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 2015/16	%	Budget Year +1 2016/17	%	Budget Year +2 2017/18	%
Property Rates	6,600,943	20.8%	7,093,977	20.6%	7,626,736	20.3%
Service Charges	17,002,759	53.6%	18,926,732	55.0%	21,079,474	56.0%
Investment Revenue	271,687	0.9%	286,630	0.8%	302,108	0.8%
Transfers recognised - Operational	3,579,752	11.3%	3,658,622	10.6%	3,972,647	10.5%
Other own revenue	4,269,728	13.5%	4,454,380	12.9%	4,675,142	12.4%
Total Revenue (excluding capital transfers and contributions)	31,724,869	100%	34,420,340	100%	37,656,107	100%

The following graph is a breakdown of the operational revenue per main category.

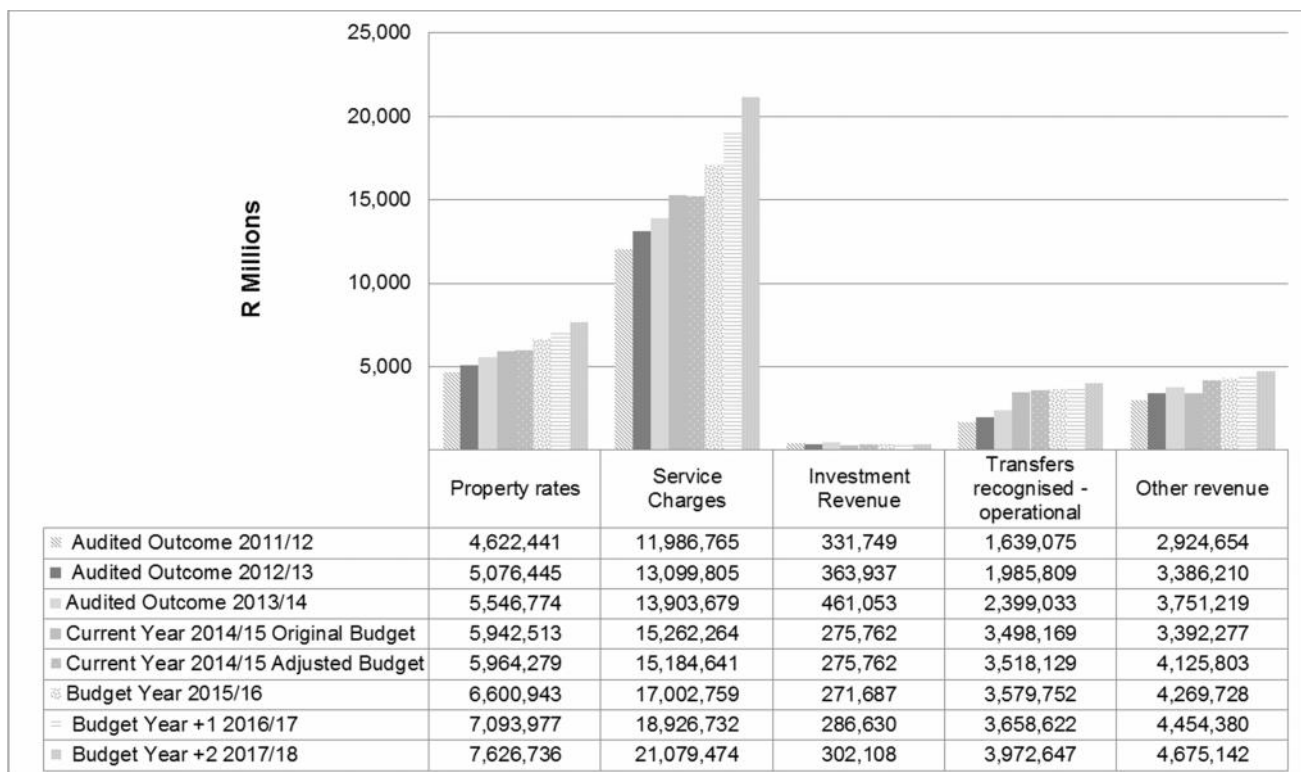


Figure 15 Breakdown of operating revenue over the 2015/16 MTREF

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 service charges (53.6% of the total revenue), i.e. provision of services such as water, electricity sanitation and solid waste removal. Property Rates (20.8%), Transfer recognised - operational (11.3%), Investment revenue (0.9%) and Other Minor Charges i.e. building plan fees, licences, permits etc. (13.5%) forms part of the 2015/16 revenue base.

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

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

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

Revenue to be generated from Property Rates in 2015/16 amount to R6 601 million and represents 20.8% of the operating revenue base of the City. It increases to R7 627 million by 2017/18. Service Charges relating to electricity, water, sanitation and refuse removal constitute the biggest component of the revenue basket of the City totalling R17 003 million for 2015/16 and increasing to R21 080 million in 2017/18. For 2015/16, Service Charges are 53.6% of the total revenue base and the average year-on-year growth is approximately 11% over the medium term. This growth can be attributed to the increase in the bulk prices of electricity and water.

Transfers recognised – operational increases from R3 498 million in 2014/15 to R3 580 million in 2015/16, mainly due to increased external allocations received from National- and Provincial Government.

Table 42 MBRR Table SA15 - Detailed investment information

Investment type	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Securities - National Government	50,013	60,900	69,820	72,900	72,900	72,900	82,000	88,000	94,000
Listed Corporate Bonds	–	–	–	–	–	–	–	–	–
Deposits - Bank	6,106,897	7,185,964	6,224,002	5,183,626	5,153,713	5,153,713	5,578,546	4,822,278	6,265,636
Deposits - Public Investment Commissioners	–	–	–	–	–	–	–	–	–
Deposits - Corporation for Public Deposits	–	–	–	–	–	–	–	–	–
Bankers Acceptance Certificates	–	–	–	–	–	–	–	–	–
Negotiable Certificates of Deposit - Banks	–	–	–	–	–	–	–	–	–
Guaranteed Endowment Policies (sinking)	71,064	900,122	1,631,750	1,788,477	1,788,477	1,788,477	1,968,829	2,052,139	2,265,047
Repurchase Agreements - Banks	–	–	–	–	–	–	–	–	–
Total	6,227,974	8,146,986	7,925,572	7,045,003	7,015,090	7,015,090	7,629,375	6,962,417	8,624,683

Table 43 MBRR Table 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	R Thousands										
ABSA	66	Fixed Deposit	Fixed	6.15%	No	n/a	2015/05/25	100,000	1,112	-	-	101,112
ABSA	92	Fixed Deposit	Fixed	6.13%	No	n/a	2015/05/27	10,000	155	-	-	10,155
ABSA	22	Fixed Deposit	Fixed	5.90%	No	n/a	2015/05/27	20,000	71	-	-	20,071
ABSA	51	Fixed Deposit	Fixed	6.00%	No	n/a	2015/05/29	35,000	293	-	-	35,293
ABSA	21	Fixed Deposit	Fixed	5.95%	No	n/a	2015/05/29	10,000	34	-	-	10,034
ABSA	105	Fixed Deposit	Fixed	6.10%	No	n/a	2015/06/15	50,000	877	-	-	50,877
ABSA	104	Fixed Deposit	Fixed	6.05%	No	n/a	2015/06/15	30,000	517	-	-	30,517
ABSA	45	Fixed Deposit	Fixed	6.00%	No	n/a	2015/06/25	50,000	370	-	-	50,370
ABSA	44	Fixed Deposit	Fixed	6.08%	No	n/a	2015/06/25	15,000	110	-	-	15,110
ABSA	43	Fixed Deposit	Fixed	6.05%	No	n/a	2015/06/25	20,000	143	-	-	20,143
ABSA	42	Fixed Deposit	Fixed	6.00%	No	n/a	2015/06/25	10,000	69	-	-	10,069
ABSA	141	Fixed Deposit	Fixed	6.00%	No	n/a	2015/06/26	25,000	579	-	-	25,579
ABSA	116	Fixed Deposit	Fixed	6.00%	No	n/a	2015/06/26	40,000	763	-	-	40,763
ABSA	52	Fixed Deposit	Fixed	6.00%	No	n/a	2015/06/26	20,000	171	-	-	20,171
ABSA	43	Fixed Deposit	Fixed	6.00%	No	n/a	2015/06/30	35,000	247	-	-	35,247
FIRSTRAND	67	Fixed Deposit	Fixed	5.95%	No	n/a	2015/05/25	20,000	218	-	-	20,218
FIRSTRAND	66	Fixed Deposit	Fixed	5.95%	No	n/a	2015/05/25	10,000	108	-	-	10,108
FIRSTRAND	66	Fixed Deposit	Fixed	5.95%	No	n/a	2015/05/25	50,000	538	-	-	50,538
FIRSTRAND	60	Fixed Deposit	Fixed	5.95%	No	n/a	2015/05/25	40,000	391	-	-	40,391
FIRSTRAND	56	Fixed Deposit	Fixed	5.91%	No	n/a	2015/05/25	25,000	227	-	-	25,227
FIRSTRAND	27	Fixed Deposit	Fixed	5.88%	No	n/a	2015/05/25	80,000	348	-	-	80,348
FIRSTRAND	64	Fixed Deposit	Fixed	5.95%	No	n/a	2015/05/27	30,000	313	-	-	30,313
FIRSTRAND	22	Fixed Deposit	Fixed	5.65%	No	n/a	2015/05/27	10,000	34	-	-	10,034
FIRSTRAND	45	Fixed Deposit	Fixed	5.91%	No	n/a	2015/05/29	20,000	146	-	-	20,146
FIRSTRAND	21	Fixed Deposit	Fixed	5.65%	No	n/a	2015/05/29	10,000	33	-	-	10,033
FIRSTRAND	77	Fixed Deposit	Fixed	5.99%	No	n/a	2015/06/15	35,000	442	-	-	35,442
FIRSTRAND	63	Fixed Deposit	Fixed	5.95%	No	n/a	2015/06/15	25,000	257	-	-	25,257
FIRSTRAND	56	Fixed Deposit	Fixed	5.91%	No	n/a	2015/06/15	60,000	544	-	-	60,544
FIRSTRAND	55	Fixed Deposit	Fixed	5.91%	No	n/a	2015/06/15	45,000	401	-	-	45,401
FIRSTRAND	57	Fixed Deposit	Fixed	5.95%	No	n/a	2015/06/25	45,000	418	-	-	45,418
FIRSTRAND	52	Fixed Deposit	Fixed	5.91%	No	n/a	2015/06/25	90,000	758	-	-	90,758
FIRSTRAND	45	Fixed Deposit	Fixed	5.92%	No	n/a	2015/06/25	70,000	510	-	-	70,510
FIRSTRAND	44	Fixed Deposit	Fixed	5.92%	No	n/a	2015/06/25	10,000	71	-	-	10,071
FIRSTRAND	43	Fixed Deposit	Fixed	5.88%	No	n/a	2015/06/25	15,000	104	-	-	15,104
FIRSTRAND	42	Fixed Deposit	Fixed	5.88%	No	n/a	2015/06/25	20,000	135	-	-	20,135
FIRSTRAND	51	Fixed Deposit	Fixed	5.91%	No	n/a	2015/06/26	20,000	165	-	-	20,165
FIRSTRAND	43	Fixed Deposit	Fixed	5.91%	No	n/a	2015/06/30	40,000	279	-	-	40,279
FIRSTRAND	3557	Fixed Deposit	Fixed	7.12%	No	n/a	2015/09/30	10,000	6,936	-	-	16,936
FIRSTRAND	3557	Fixed Deposit	Fixed	7.12%	No	n/a	2015/09/30	12,000	8,323	-	-	20,323
FIRSTRAND	3557	Fixed Deposit	Fixed	7.12%	No	n/a	2015/09/30	9,000	6,242	-	-	15,242
FIRSTRAND	3557	Fixed Deposit	Fixed	7.12%	No	n/a	2015/09/30	12,000	8,323	-	-	20,323
INVESTEC	66	Fixed Deposit	Fixed	6.15%	No	n/a	2015/05/25	15,000	167	-	-	15,167
INVESTEC	66	Fixed Deposit	Fixed	6.15%	No	n/a	2015/05/25	50,000	566	-	-	50,566
INVESTEC	60	Fixed Deposit	Fixed	6.20%	No	n/a	2015/05/25	20,000	204	-	-	20,204
INVESTEC	56	Fixed Deposit	Fixed	6.20%	No	n/a	2015/05/25	15,000	143	-	-	15,143
INVESTEC	45	Fixed Deposit	Fixed	6.05%	No	n/a	2015/05/29	15,000	112	-	-	15,112
INVESTEC	77	Fixed Deposit	Fixed	6.30%	No	n/a	2015/06/15	20,000	266	-	-	20,266
INVESTEC	52	Fixed Deposit	Fixed	6.15%	No	n/a	2015/06/25	30,000	263	-	-	30,263
INVESTEC	44	Fixed Deposit	Fixed	6.15%	No	n/a	2015/06/25	10,000	74	-	-	10,074
INVESTEC	43	Fixed Deposit	Fixed	6.15%	No	n/a	2015/06/25	10,000	72	-	-	10,072
INVESTEC	116	Fixed Deposit	Fixed	6.10%	No	n/a	2015/06/26	25,000	485	-	-	25,485
INVESTEC	100	Fixed Deposit	Fixed	6.10%	No	n/a	2015/06/26	75,000	1,253	-	-	76,253
INVESTEC	43	Fixed Deposit	Fixed	6.05%	No	n/a	2015/06/30	10,000	71	-	-	10,071
NEDBANK	67	Fixed Deposit	Fixed	6.08%	No	n/a	2015/05/25	25,000	279	-	-	25,279
NEDBANK	66	Fixed Deposit	Fixed	6.05%	No	n/a	2015/05/25	15,000	164	-	-	15,164
NEDBANK	66	Fixed Deposit	Fixed	6.05%	No	n/a	2015/05/25	50,000	547	-	-	50,547

Table continues on next page.

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	R Thousands										
NEDBANK	27	Fixed Deposit	Fixed	5.85%	No	n/a	2015/05/25	15,000	65	–	–	15,065
NEDBANK	96	Fixed Deposit	Fixed	6.05%	No	n/a	2015/05/27	20,000	318	–	–	20,318
NEDBANK	64	Fixed Deposit	Fixed	6.05%	No	n/a	2015/05/27	40,000	424	–	–	40,424
NEDBANK	62	Fixed Deposit	Fixed	6.05%	No	n/a	2015/05/27	80,000	822	–	–	80,822
NEDBANK	87	Fixed Deposit	Fixed	6.00%	No	n/a	2015/05/29	30,000	429	–	–	30,429
NEDBANK	86	Fixed Deposit	Fixed	6.00%	No	n/a	2015/05/29	20,000	283	–	–	20,283
NEDBANK	45	Fixed Deposit	Fixed	6.00%	No	n/a	2015/05/29	15,000	111	–	–	15,111
NEDBANK	131	Fixed Deposit	Fixed	6.10%	No	n/a	2015/06/15	15,000	328	–	–	15,328
NEDBANK	123	Fixed Deposit	Fixed	6.10%	No	n/a	2015/06/15	20,000	411	–	–	20,411
NEDBANK	102	Fixed Deposit	Fixed	6.05%	No	n/a	2015/06/15	30,000	507	–	–	30,507
NEDBANK	77	Fixed Deposit	Fixed	6.10%	No	n/a	2015/06/15	25,000	322	–	–	25,322
NEDBANK	68	Fixed Deposit	Fixed	6.05%	No	n/a	2015/06/15	30,000	338	–	–	30,338
NEDBANK	63	Fixed Deposit	Fixed	6.05%	No	n/a	2015/06/15	35,000	365	–	–	35,365
NEDBANK	56	Fixed Deposit	Fixed	6.05%	No	n/a	2015/06/15	30,000	278	–	–	30,278
NEDBANK	55	Fixed Deposit	Fixed	6.05%	No	n/a	2015/06/15	20,000	182	–	–	20,182
NEDBANK	57	Fixed Deposit	Fixed	6.06%	No	n/a	2015/06/25	35,000	331	–	–	35,331
NEDBANK	52	Fixed Deposit	Fixed	6.03%	No	n/a	2015/06/25	50,000	430	–	–	50,430
NEDBANK	44	Fixed Deposit	Fixed	6.00%	No	n/a	2015/06/25	10,000	72	–	–	10,072
NEDBANK			Fixed		No	n/a		15,000	106	–	–	15,106
STANDARD			Fixed	6.05%	No	n/a		35,000	249	–	–	35,249
ABSA current account					No	n/a		130,675	15,538	–	–	146,213
Liberty, RMB and Nedbank sinking fund								83,339	11,378	–	–	94,716
Fund Managers								2,131,492	–	–	–	2,131,492
TOTAL INVESTMENTS AND INTEREST								5,488,506	–	–	–	5,578,546

2.6.2 Medium-term outlook: capital revenue

The following table is a breakdown of the funding composition of the 2015/16 medium-term capital programme.

Table 44 Sources of capital revenue over the MTREF

Vote Description	Current Year 2014/15		2015/16 Medium Term Revenue & Expenditure Framework					
	Adjusted Budget	%	Budget Year 2015/16	%	Budget Year +1 2016/17	%	Budget Year +2 2017/18	%
Funded by:								
National Government	2,811,792		2,137,367		2,302,468		2,472,394	
Provincial Government	315,880		86,446		91,369		8,995	
Other transfers and grants	2,274		–		–		–	
Transfers recognised - capital	3,129,946	51.1%	2,223,813	36.8%	2,393,837	43.4%	2,481,389	46.1%
Public contributions & donations	50,723	0.8%	53,761	0.9%	99,000	1.8%	103,100	1.9%
Borrowing	2,277,157	37.2%	2,579,264	42.7%	2,327,888	42.2%	2,291,866	42.6%
Internally generated funds	670,395	10.9%	1,187,146	19.6%	692,837	12.6%	503,715	9.4%
Total Capital Funding	6,128,220	100.0%	6,043,985	100.0%	5,513,563	100.0%	5,380,070	100.0%

Sources of capital revenue for the 2015/16 financial year are graphically represented below.

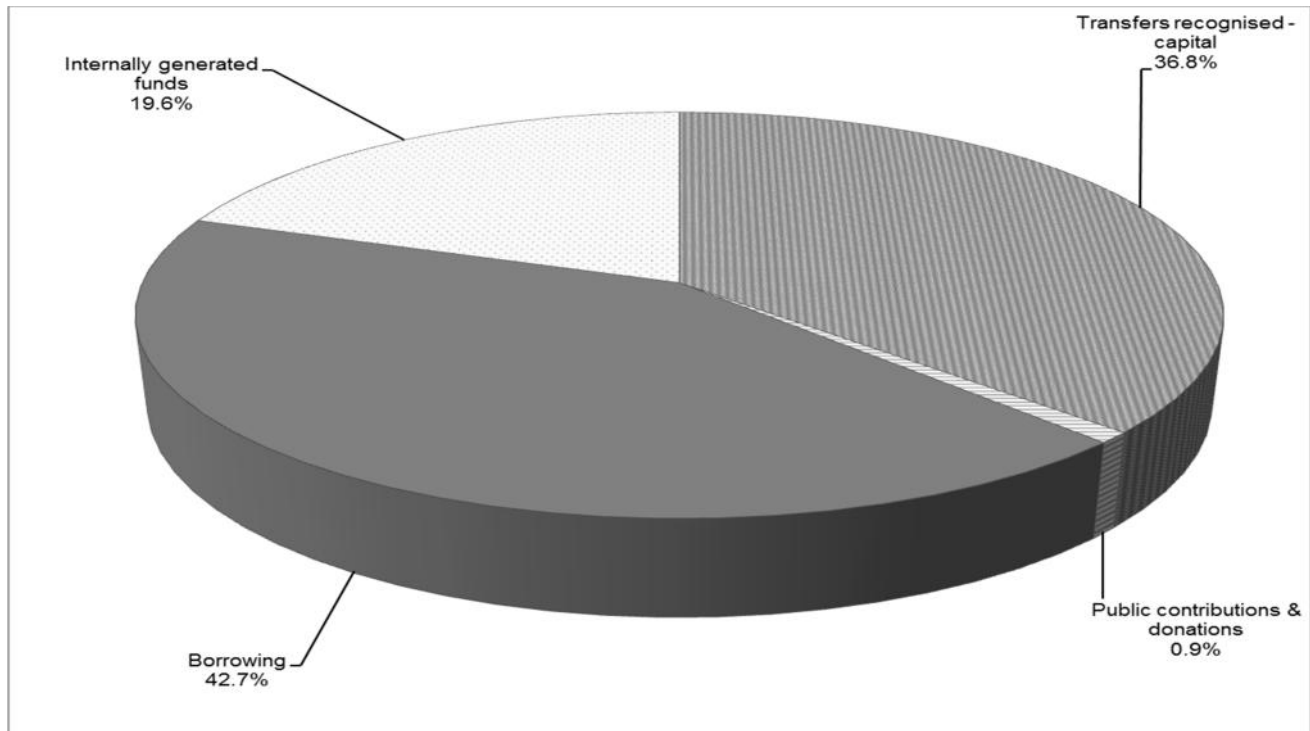


Figure 16 Sources of capital revenue for the 2015/16 financial year

Grants from national and provincial governments as well as other external sources still remain a significant funding source for the capital budget over the MTREF. Transfers recognised - capital represents R2 224 million in 2015/16, R2 394 million in 2016/17 and R2 481 million in 2017/18, and increases from 36.8% to 46.1% as a percentage of the total capital budget over the MTREF period. Borrowing also continues to be a major source of funding of the capital budget over the MTREF. The borrowing amount for the 2015/16 financial year reflected in the table above includes roll-overs where directorates have already indicated that they will not be able to spend the full 2014/15 budgetary allocation by year-end on certain projects. This additional amount, has however, been included in the MTREF during the modelling phase.

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

Table 45 MBRR Table SA17 - Detail of borrowing

Borrowing - Categorized by type	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand									
Long-Term Loans (annuity/reducing balance)	–	–	–	–	–	–	–	–	–
Long-Term Loans (non-annuity)	972,687	2,736,236	2,466,139	2,202,038	2,202,043	2,202,043	1,832,745	1,590,433	1,403,546
Local registered stock	6,800	–	–	–	–	–	–	–	–
Marketable Bonds	4,196,934	4,200,000	4,200,000	6,367,982	5,700,000	5,700,000	6,200,000	7,200,000	9,000,000
Total Borrowing	5,176,421	6,936,236	6,666,139	8,570,020	7,902,043	7,902,043	8,032,745	8,790,433	10,403,546

The following graph illustrates the growth in outstanding borrowing for the 2011/12 to 2017/18 period.

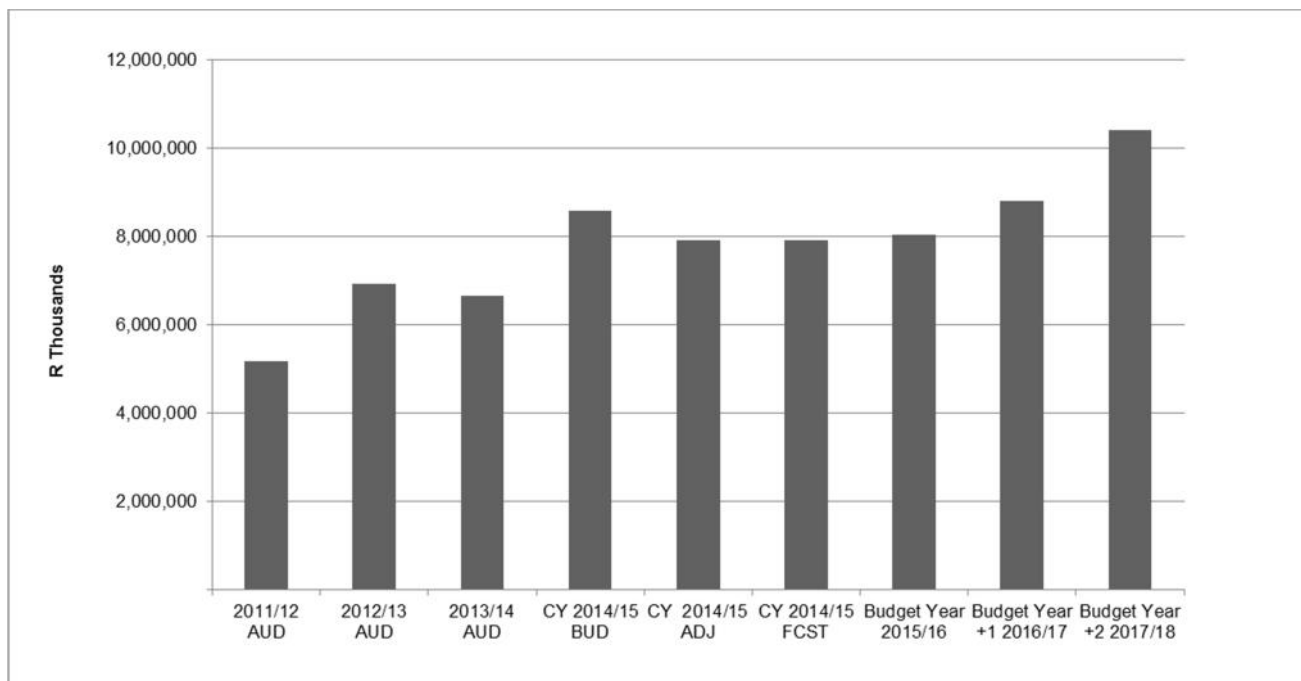


Figure 17 Growth in outstanding borrowings (long-term liabilities)

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
- Development Contributions 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 R1 187 million, R693 million and R504 million respectively, over the MTREF.

The percentage of internally generated funds in relation to the total annual budget decreases from 19.6% in 2015/16, 12.6% in 2016/17 and 9.4% in 2017/18.

Table 46 MBRR Table SA18 - Capital transfers and grants receipts

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
National Government:	2,432,846	2,350,682	2,206,483	2,515,669	2,811,792	2,734,912	2,137,367	2,302,468	2,472,394
Department of Environmental Affairs & Tourism: Marine & Coastal Management	-	-	245	-	265	265	-	-	-
Mineral Energy: Energy Efficiency and Demand Side Management Grant	-	-	16,000	9,100	5,990	5,990	11,520	14,400	9,600
Minerals and Energy: Electricity Demand Side Management (Eskom) Grant	34,093	-	-	-	-	-	-	-	-
Minerals and Energy: Integrated National Electrification Programme (Municipal) Grant	4,386	-	24,500	5,000	22,224	22,224	5,000	5,000	10,000
National Government - Other: Previous years' Dora allocations	-	-	-	200	200	200	-	-	-
National Treasury: Expanded Public Works Programme	-	-	-	400	400	400	400	-	-
National Treasury: Financial Management Grant	-	-	-	-	599	598	-	-	-
National Treasury: Infrastructure Skills Development Grant	-	-	-	-	300	300	-	-	-
National Treasury: Integrated City Development Grant	-	-	-	57,171	57,171	57,171	45,826	43,982	53,629
National Treasury: Local Government Financial Management Grant	90	-	-	-	-	-	-	-	-
National Treasury: Local Government Restructuring Grant	-	-	-	-	1,350	1,350	153	-	-
National Treasury: Municipal Disaster Grant	-	-	-	-	1,466	1,466	-	-	-
National Treasury: Municipal Human Settlements Capacity Grant	-	-	-	500	500	500	-	-	-
National Treasury: Neighbourhood Development Partnership Grant	73,001	30,000	26,000	35,470	30,785	25,707	60,000	60,000	60,000
National Treasury: Other	-	-	-	1,902	2,089	2,089	650	-	-
National Treasury: Urban Settlements Development Grant	800,786	971,980	1,193,497	1,244,737	1,437,350	1,393,548	1,158,317	1,309,901	1,437,403
Sport & Recreation SA: 2010 Fifa World Cup Stadiums Development Grant	-	-	-	-	250	250	-	-	-
Sport Recreation: 2014 African Nation Championship Host City Operating Grant	-	1,348,702	-	-	-	-	-	-	-
Transport: Public Transport Infrastructure & Systems Grant	1,520,491	-	-	2,000	2,000	2,000	-	-	-
Transport: Public Transport Infrastructure Grant	-	-	946,241	1,159,140	1,248,854	1,220,854	-	-	-
Transport: Public Transport Network Operations Grant	-	-	-	50	-	-	-	-	-
Transport: Public Transport Network Grant	-	-	-	-	-	-	855,501	869,185	901,762
Provincial Government:	207,957	2,767	-	292,065	315,880	287,060	86,446	91,369	8,995
Cultural Affairs and Sport: Development of Sport and Recreation Facilities	-	-	-	250	250	250	-	-	-
Cultural Affairs and Sport: Library Services (Conditional Grant)	5,500	-	-	10,200	9,365	9,365	5,733	11,169	-
Economic Development and Tourism: False Bay Ecology	-	-	-	-	850	850	-	-	-
Economic Development and Tourism: Public Access Centres	-	-	-	2,350	2,350	2,350	-	-	-
Health: Global Fund	300	-	-	-	-	-	-	-	-
Housing: Integrated Housing and Human Settlement Development Grant	199,289	-	-	263,029	281,224	256,904	55,773	56,905	-
Provincial Government: Community Development Workers (CDW) Operational Grant Support	-	-	-	300	300	300	292	295	295
Provincial Government: Fibre Optic Broadband Roll Out	-	-	-	10,702	10,923	6,423	7,298	-	-
Provincial Government: Previous years' Gazetted allocations	-	-	-	-	75	75	-	-	-
Transport: Municipal Land Transport Fund	-	-	-	-	5,000	5,000	-	-	-
Transport and Public Works: Other	2,869	1,352	-	234	343	343	-	-	-
Transport and Public Works: Planning, Maintenance and Rehabilitation of Transport System and Infrastructure	-	-	-	5,000	5,200	5,200	17,350	23,000	8,700
Health: Ixuyyo Clinic Extension	-	1,415	-	-	-	-	-	-	-
Other grant providers:	36,331	32,462	32,675	75,119	52,996	52,496	53,761	99,000	103,100
Other: Other	36,331	32,462	32,675	75,119	52,996	52,496	53,761	99,000	103,100
Total Capital Transfers and Grants	2,677,134	2,385,911	2,239,158	2,882,853	3,180,668	3,074,469	2,277,574	2,492,837	2,584,489

2.6.3 Cash Flow Management

Table 47 MBRR Table A7 - Budgeted cash flow statement

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Property rates, penalties & collection charges	18,601,603	18,963,843	5,496,774	5,829,406	5,774,172	5,774,172	6,494,836	6,974,413	7,499,183
Service charges	-	-	13,318,666	14,691,943	14,113,274	14,113,274	15,773,011	17,602,542	19,671,102
Other revenue	-	-	3,257,633	2,785,585	2,883,489	2,883,489	3,107,198	3,207,815	3,362,815
Government - operating	1,626,991	1,979,795	2,389,432	3,498,169	3,518,129	3,518,129	3,579,752	3,658,622	3,972,647
Government - capital	2,130,844	3,414,645	2,052,758	2,882,853	3,179,418	3,179,418	2,277,574	2,482,837	2,584,489
Interest	563,873	592,319	729,374	275,762	924,430	924,430	442,109	248,720	785,653
Dividends	-	-	-	-	-	-	-	-	-
Payments									
Suppliers and employees	(17,019,721)	(18,797,472)	(21,822,483)	(23,514,982)	(24,265,256)	(24,265,256)	(26,462,052)	(28,711,281)	(31,474,508)
Finance charges	(661,761)	(646,211)	(791,549)	(829,746)	(829,746)	(829,746)	(887,380)	(1,026,051)	(1,166,427)
Transfers and Grants	-	-	(115,021)	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES	5,241,829	5,506,919	4,515,574	5,618,991	5,297,911	5,297,911	4,325,047	4,447,617	5,234,956
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE	45,983	93,472	71,458	40,167	120,500	120,500	74,669	95,666	84,361
Decrease (Increase) in non-current debtors	-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables	15,633	(3,125)	(1,751)	(4,829)	(110,970)	(110,970)	4,955	4,707	4,472
Decrease (increase) in non-current investments	(1,922)	(42,313)	(1,689,664)	(379,999)	(1,029,558)	(1,029,558)	(170,422)	37,909	(483,545)
Payments									
Capital assets	(4,233,162)	(5,868,809)	(4,502,293)	(6,133,477)	(6,081,488)	(6,081,488)	(5,955,826)	(5,453,707)	(5,336,609)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(4,173,468)	(5,820,775)	(6,122,250)	(6,478,138)	(7,101,516)	(7,101,516)	(6,046,623)	(5,315,425)	(5,731,321)
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	2,384,420	-	1,500,000	1,500,000	1,500,000	2,000,000	1,000,000	1,800,000
Increase (decrease) in consumer deposits	41,818	33,273	62,000	33,904	34,296	34,296	40,724	44,796	49,276
Payments									
Repayment of borrowing	(198,354)	(165,311)	(345,067)	(309,853)	(309,853)	(309,853)	(368,931)	(574,549)	(525,919)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(156,536)	2,252,382	(283,067)	1,224,051	1,224,443	1,224,443	1,671,793	470,247	1,323,356
NET INCREASE/ (DECREASE) IN CASH HELD	911,825	1,938,526	(1,889,743)	364,904	(579,161)	(579,161)	(49,783)	(397,560)	826,991
Cash/cash equivalents at the year begin:	5,249,381	6,161,206	4,156,302	6,603,670	6,242,687	6,242,687	2,265,410	2,215,627	1,818,067
Cash/cash equivalents at the year end:	6,161,206	8,099,732	2,266,559	6,968,574	5,663,526	5,663,526	2,215,627	1,818,067	2,645,058

The above table shows the cash and cash equivalents of the City with the tabled 2015/16 MTREF. The City continues to embark on an extensive debt collection process to boost cash levels. These initiatives and interventions have translated into a positive cash position for the City. For the 2015/16 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 R2 216 million by 2015/16, R1 818 million by 2016/17 and R2 645 million by 2017/18.

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	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Cash and investments available									
Cash/cash equivalents at the year end	6,161,206	8,099,732	2,266,559	6,968,574	5,663,526	5,663,526	2,215,627	1,818,067	2,645,058
Other current investments > 90 days	50,013	61,258	2,621,906	(1,605,640)	(33,257)	(33,257)	1,571,848	1,460,531	1,692,089
Non current assets - Investments	150,260	173,425	3,245,041	1,682,069	1,859,632	1,859,632	3,841,900	3,683,819	4,287,536
Cash and investments available:	6,361,479	8,334,415	8,133,506	7,045,003	7,489,901	7,489,901	7,629,375	6,962,417	8,624,683
Application of cash and investments									
Unspent conditional transfers	1,665,752	858,556	1,495,768	996,885	1,545,452	1,545,452	1,640,961	1,763,203	1,672,545
Unspent borrowing	-	-	-	-	-	-	-	-	-
Statutory requirements	-	-	-	(70,930)	-	-	-	-	-
Other working capital requirements	(229,028)	486,502	154,225	(658,195)	-	-	412,329	(430,822)	(59,319)
Other provisions	-	-	-	444,665	-	-	-	-	-
Long term investments committed	150,260	173,425	3,245,041	1,682,069	1,859,632	1,859,632	2,045,502	2,014,640	2,353,720
Reserves to be backed by cash/investments	521,463	2,297,820	468,419	1,987,628	2,058,675	2,058,675	1,682,637	1,714,307	2,034,617
Total Application of cash and investments:	2,108,447	3,816,303	5,363,453	4,382,122	5,463,759	5,463,759	5,781,429	5,061,329	6,001,563
Surplus(shortfall)	4,253,032	4,518,112	2,770,053	2,662,881	2,026,142	2,026,142	1,847,946	1,901,088	2,623,120

From the above table it can be seen that the cash and investments available total R7 629 million in 2015/16 and progressively increases to R8 625 million by 2017/18, 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. Only 26.2% of the 2015/16 capital expenditure budget will be funded from new borrowings.
- Provisions for statutory requirements – There are no statutory requirements.
- 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:

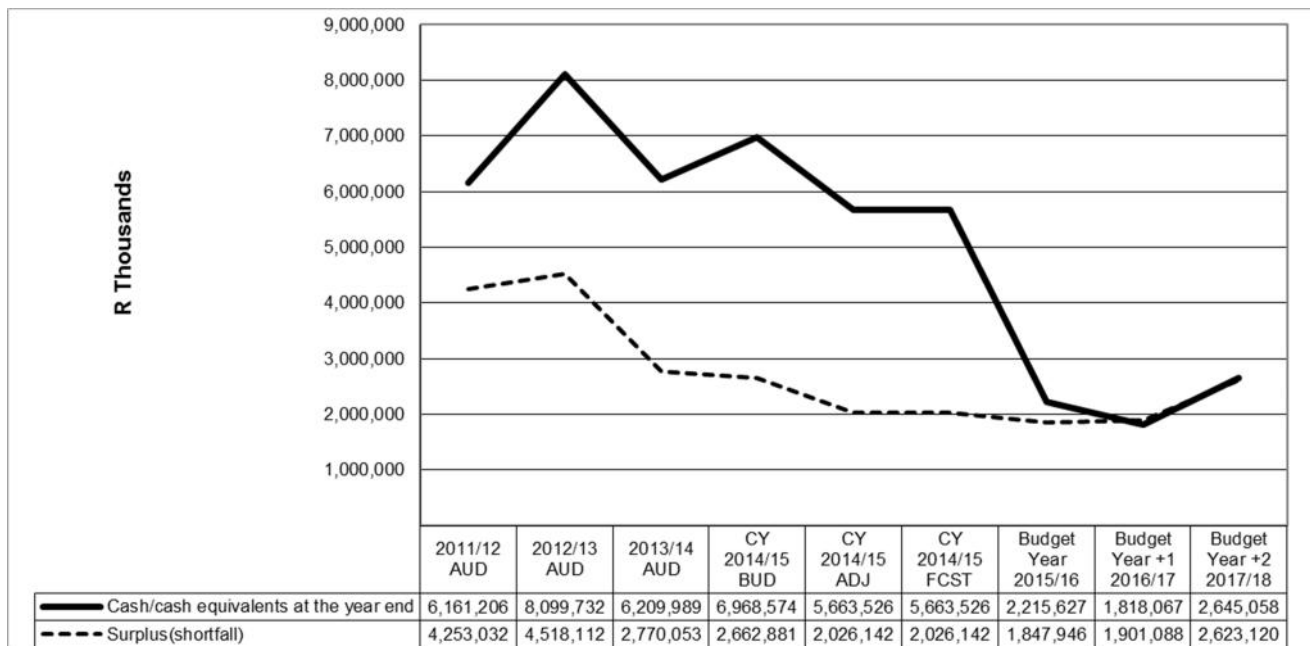


Figure 18 Cash and cash equivalents / cash backed reserves and accumulated funds

2.6.5 Funding Compliance Measurement

Table 49 MBRR Table SA10 - Funding Compliance measurement

Description	MFMA section	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Funding measures										
Cash/cash equivalents at the year end - R'000	18(1)b	6,161,206	8,099,732	2,266,559	6,968,574	5,663,526	5,663,526	2,215,627	1,818,067	2,645,058
Cash + investments at the yr end less applications - R'000	18(1)b	4,253,032	4,518,112	2,770,053	2,662,881	2,026,142	2,026,142	1,847,946	1,901,088	2,623,120
Cash year end/monthly employee/supplier payments	18(1)b	4.2	4.9	1.2	3.5	2.8	2.8	1.0	0.7	1.0
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	2,507,284	3,443,726	1,659,476	2,598,469	2,918,667	2,918,667	1,857,410	2,088,995	2,191,433
Service charge rev % change - macro CPI target exclusive	18(1)a,(2)	N.A.	3.4%	1.0%	3.0%	(6.3%)	(6.0%)	5.6%	4.2%	4.3%
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	95.4%	88.3%	95.4%	95.2%	90.5%	90.5%	91.3%	91.5%	91.7%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	4.9%	5.1%	6.7%	4.5%	8.0%	8.0%	7.7%	7.5%	7.2%
Capital payments % of capital expenditure	18(1)c;19	100.0%	100.0%	100.0%	98.7%	99.2%	102.9%	98.5%	98.9%	99.2%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	0.0%	97.2%	0.0%	44.1%	50.0%	52.0%	52.4%	32.1%	62.1%
Grants % of Govt. legislated/gazetted allocations	18(1)a	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	99.1%	98.3%	97.9%
Current consumer debtors % change - incr(decr)	18(1)a	N.A.	5.0%	5.9%	2.6%	2.3%	0.0%	5.6%	5.7%	5.8%
Long term receivables % change - incr(decr)	18(1)a	N.A.	2.4%	2.6%	(12.0%)	8.0%	0.0%	(5.0%)	(5.0%)	(5.0%)
R&M % of Property Plant & Equipment	20(1)(vi)	7.7%	9.6%	9.2%	8.8%	8.9%	8.9%	9.2%	9.3%	9.5%
Asset renewal % of capital budget	20(1)(vi)	51.9%	34.8%	44.4%	43.8%	42.5%	42.3%	45.7%	43.8%	45.2%

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 cash position over the forecasted 2015/16 MTREF, indicating that the medium term budget is sustainable. The fluctuation in the cash and cash equivalent is as result of reduced borrowing in 2016/17. This is part of the City's cash flow management and financing strategy to first utilise available working capital resources to reduce the external borrowing requirements to minimize the burden on rates and service charges.

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 2015/16 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's outcome is low due to an amendment in the manner in which cash/cash equivalent is stated on the budgeted cash flow, as recommended by the Provincial Treasury during the LGMTEC engagement held in April 2015. The outcome of the ratio is not a true reflection of the City's cash coverage ratio as the Cash & Cash Equivalent now shown does not include all equally liquid current and non-current investments managed by fund managers. 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 2015/16 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 5.6%, 4.2% and 4.3%, for the years 2015/16, 2016/17 and 2017/18 respectively, higher than the NT CPI targets. The higher than CPI increases are due to the various revenue and growth increases applied to service charges. These increases differ to the increases reflected on Table SA10, due to adjustments made to the 2014/15 revenue base of certain services. The revenue increases applied can be substantiated by motivating the individual services' revenue increase, which is as follows:

Rates:

An average Rates tariff increase of 10.83% was set for the 2015/16 financial year with an increase of 6.58% and 7.70% proposed, respectively, for the two outer years. In addition a 0.25% annual growth factor was factored in over the 2015/16 MTREF. The higher than CPI increases will provide for the recurring operating costs, new budget realities and for investments in new infrastructure for Rates funded services. Further contributing factors to the higher than CPI increase includes lower projected Rates service growth, higher than CPI salary and capital cost increases.

- Electricity:

The nature of business for this service is the purchasing and redistribution of electricity, where bulk purchases averages 60% of the service's total budget. The higher than CPI electricity average tariff increase is therefore mostly attributed to the NERSA approved Eskom increase on bulk purchases, which is 14.24% for the 2015/16 financial year. In addition, electricity sales are reducing due to energy saving plans and increasing tariffs which is forecasted to shrink consumption by 1% annually over the MTREF period. Based on this and to ensure affordability the electricity average tariff increase was set at 10.82%, 13.13% and 13.00%, respectively, over the 2015/16 MTREF. This increase will also further cater for the continual operating costs of the service and for the investments in new infrastructure.

- Water and Sanitation:

The Water and Sanitation average tariff increase is 11% annually over the 2015/16 MTREF. The higher than CPI tariff increase are due to various factors which includes the financial impact of the capital programme (new infrastructure, expansion and rehabilitation of current infrastructure to address capacity constraints and to ensure system efficiency), the reduction in revenue due to lower usage patterns flowing from economic conditions and water savings initiatives, as well as the cumulative effect of the social package provided.

- Refuse Removal:

Solid Waste consists of two tariffs namely Disposal and Refuse. The disposal average tariff increase for 2015/16 is at 9.31% the increase for the two outer years are 14.58% and 6.37% respectively. This increase is required for capital investment and its related operating expenses. The capital investment includes amongst other, the Bellville transfer station to ensure continuity of the service at the end of a landfill site's useful life, new drop off facilities at Faure and Swartklip bringing the service closer to customers, the provision for rehabilitation of landfill sites, the construction of gas management systems allowing for future waste to energy initiatives and new airspace to be constructed to ensure sufficient capacity for the amount of waste generated.

The 2015/16 Refuse average tariff increase is 8.33% and in addition a 2% growth was factored in over the 2015/16 MTREF. The increase is required to maintain and improve the current standard of refuse removal service and to further promote waste minimisation. The outer year's average tariffs are projected to increase by 6.26% and 5.15% annually.

- **Service Charges Other**

Other revenue consists of miscellaneous elements and fixed basic charges, which are based on the service charges discussed above that has higher than CPI increases. In addition, contributing to the 55.7% increase in 2015/16 is the expected increase in bus fares revenue, due to the roll-out of additional MyCiti routes.

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 2015/16 outcome of this ratio shows 91.2% lower than the City's average collection rate of 93.2% (excluding housing) for this period. This is due to the cash receipts budget also considering the indigent relief expenditure and not only debt impairment. 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 2015/16 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 52.4% for 2015/16 and is expected to average 48.8% 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. The City's budget was compiled using the 2015 DORb and the 2015 Provincial Government Gazette Extraordinary.

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.
- The DORb allocations include indirect grants, which are not shown in the City's budget.

- Grants received from National- and Provincial Government departments based on memorandum of agreements and not reflected as an allocation in the 2015 DORb and the 2015 Provincial Government Gazette Extraordinary.

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 2015/16. 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 an average of 9.3% over the 2015/16 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 asset sustainability. This ratio outcome over the 2015/16 MTREF averages 44.9% and exceeds the national norm of 40% as per Circular 55.

2.7 Ward Allocations

In step with previous financial years, it is proposed to allocate budgetary resources to projects, programmes or other initiative applications at sub council level. While these resources will be spent by line departments, sub councils identify and recommend ward allocation adoption (following sundry internal line departmental input and liaison) by Mayco and Council.

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 Budget Implementation Plan (SDBIP) of the directorate. Ward allocation projects must, as far as possible, be completed within the financial year in respect of which they were approved. However, capital funds may be rolled over to the next financial year, where compelling reasons exist for such roll-over.

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

2.8 Expenditure on grants and reconciliations of unspent funds

Table 50 MBRR Table SA19 - Expenditure on transfers and grant programmes

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
EXPENDITURE:									
Operating expenditure of Transfers and Grants									
National Government:	133,238	241,703	420,240	1,919,255	2,358,556	2,358,556	2,343,868	2,446,339	2,637,005
Restructuring	2,244	1,702	–	1,191	1,191	1,191	1,191	1,094	1,094
Finance Management grant	1,187	1,075	219	1,250	990	990	1,050	1,050	1,050
Equitable share	7,952	8,439	376	1,503,173	1,505,392	1,505,392	1,811,289	2,036,500	2,263,607
Urban Settlements Development Grant	23,244	65,208	57,826	114,142	209,526	209,526	229,443	146,435	102,064
Public Transport Network Operations Grant	–	–	217,101	217,498	442,968	442,968	–	–	–
Energy Efficiency and Demand Side Management Grant	995	1,343	1,728	900	599	599	480	600	400
Dept. of Environ Affairs and Tourism	193	230	224	200	4,510	4,510	4,304	4,432	–
Housing Accreditation	771	123	57	200	200	200	200	–	–
Expanded Public Works Programme	–	29,433	38,192	20,804	23,610	23,610	23,216	–	–
Integrated City Development Grant	–	–	864	–	9,500	9,500	5,000	5,000	–
2014 African Nations Championship Host City Operating Grant	–	–	45,060	–	87	87	–	–	–
Public Transport Infrastructure & Systems Grant	87,809	128,874	56,119	7,726	7,726	7,726	8,466	–	–
Public Transport Infrastructure Grant	–	–	–	–	112,016	112,016	–	–	–
Natural Resource Management	–	5,276	2,474	–	–	–	–	–	–
Infrastructure Skills Development	–	–	–	2,300	2,901	2,901	7,526	7,971	12,000
LGSETA	237	–	–	–	536	536	–	–	–
National Treasury: Neighbourhood Development Partnership Grant	1,199	–	–	–	–	–	–	–	–
Department of Water Affairs & Forestry: Water Affairs & Forestry Grant	7,407	–	–	–	697	697	–	–	–
Municipal Human Settlements Capacity Grant	–	–	–	49,871	35,401	35,401	13,703	13,703	15,758
Municipal Disaster Grant	–	–	–	–	707	707	–	–	–
Public Transport Network Grant	–	–	–	–	–	–	238,000	229,554	241,032
Department of Public Service and Administration	–	–	–	–	200	200	1,300	–	–
Provincial Government:	374,395	501,570	573,197	1,542,400	1,115,929	1,115,929	1,199,402	1,190,261	1,335,260
Cultural Affairs and Sport - Provincial Library Services	16,334	22,470	22,008	30,735	33,580	33,580	32,100	37,377	39,168
Human Settlements - Human Settlement Development Grant	179,565	267,244	299,584	1,097,130	648,161	648,161	696,014	702,526	821,698
Human Settlements - Municipal Accreditation Assistance	–	3,255	3,690	–	8,000	8,000	10,000	–	–
Human Settlement - Settlement Assistance	–	529	712	1,000	1,000	1,000	–	–	–
Health - TB	9,492	9,934	11,807	17,206	17,206	17,206	24,535	25,885	27,257
Health - Global Fund	17,920	3,791	35,296	37,555	38,994	38,994	34,408	–	–
Health - ARV	65,450	24,623	88,613	109,589	109,589	109,589	136,515	148,551	160,551
Health - Nutrition	4,019	4,140	4,385	4,636	4,636	4,636	4,904	5,176	5,448
Health - Vaccines	71,476	65,163	66,724	70,956	70,956	70,956	76,822	81,047	85,342
Comprehensive Health	–	70,983	–	155,960	155,960	155,960	163,465	172,456	181,596
Transport and Public Works - Provision for persons with special needs	–	18,702	1,895	10,000	10,075	10,075	10,000	10,000	10,500
Municipal Land Transport Fund	–	10,736	10,888	–	5,181	5,181	–	–	–
Transport Safety and Compliance - Rail Safety	–	–	–	500	2,200	2,200	4,000	–	–
Community Development Workers	160	–	367	732	1,390	1,390	789	843	900
City of Cape Town - Public access centres	–	–	–	500	500	500	–	–	–
Planning, Maintenance and Rehabilitation of Transport Systems and Infrastructure	–	–	–	5,900	5,700	5,700	5,850	6,400	2,800
Community Safety - Law Enforcement Auxiliary Services	–	–	27,228	–	2,500	2,500	–	–	–
Western Cape Financial Management Support Grant	–	–	–	–	300	300	–	–	–
Local Government Multi-Purpose Centres	322	–	–	–	–	–	–	–	–
Comprehensive Integrated transport Plan	9,657	–	–	–	–	–	–	–	–
Local Government - Compliance	–	–	–	–	293	293	–	–	–
Local Government - Training	–	–	–	–	174	174	–	–	–

Table continues on next page.

City of Cape Town – 2015/16 Budget

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand									
Other grant providers:	23,449	6,014	12,864	35,826	42,289	42,289	34,699	21,659	-
Tourism	1,980	552	-	2,190	4,190	4,190	2,000	-	-
Carnegie	2,486	524	1,583	3,057	3,057	3,057	879	-	-
CMTF	11,989	-	3,264	9,777	14,220	14,220	411	-	-
Other	12	-	-	-	-	-	-	-	-
CID	2,300	2,271	2,764	2,969	2,840	2,840	2,791	-	-
Century City Property Owners Association	285	409	438	468	468	468	732	-	-
NGK Ceramic Company	1,068	686	686	-	-	-	-	-	-
Traffic Free Flow (Pty) Ltd	630	649	1,417	-	1,135	1,135	1,585	-	-
Finnish Government	-	406	112	-	-	-	-	-	-
City for Climate Protection	9	176	144	-	-	-	-	-	-
ICLEI Carbon Taxes	35	6	111	-	-	-	-	-	-
Mamme Fencing	278	-	46	-	17	17	-	-	-
South African National Biodiversity Institute	2,248	335	2,244	482	3,544	3,544	-	-	-
Afrikaanse Taal en Kultuur Vereniging	-	-	5	-	-	-	-	-	-
DBSA - Green Fund	-	-	-	10,000	10,000	10,000	25,000	21,659	-
Stellenbosch University	-	-	51	1,781	1,781	1,781	1,026	-	-
Sustainable Energy Africa	-	-	-	424	424	424	-	-	-
Agency Francaise de Development (AFD)	-	-	-	4,679	316	316	-	-	-
UN Women	-	-	-	-	150	150	-	-	-
V&A Waterfront Holdings (Pty) Ltd	-	-	-	-	148	148	275	-	-
Table Mountain Biosphere	129	-	-	-	-	-	-	-	-
Domain (Pty) Ltd	-	-	-	-	-	-	140	-	-
Total operating expenditure of Transfers and Grants:	531,082	749,287	1,006,301	3,497,481	3,516,775	3,516,775	3,577,968	3,658,259	3,972,265
Capital expenditure of Transfers and Grants									
National Government:	1,717,564	3,056,018	1,768,879	2,515,669	2,811,792	2,734,912	2,137,367	2,302,468	2,472,394
Department of Environmental Affairs & Tourism: Marine & Coastal Management	-	-	-	-	265	265	-	-	-
Department of Water Affairs & Forestry: Water Affairs & Forestry Grant	295	(44)	-	-	-	-	-	-	-
Mineral Energy: Energy Efficiency and Demand Side Management Grant	-	-	-	9,100	5,990	5,990	11,520	14,400	9,600
Minerals and Energy: Electricity Demand Side Management (Eskom) Grant	28,962	5,287	7,683	-	-	-	-	-	-
Minerals and Energy: Integrated National Electrification Programme (Municipal) Grant	3,551	-	7,276	5,000	22,224	22,224	5,000	5,000	10,000
National Government - Other: Previous years' Dora allocations	1,400	609	-	200	200	200	-	-	-
National Treasury: Expanded Public Works Programme	-	-	412	400	400	400	400	-	-
National Treasury: Financial Management Grant	-	-	841	-	599	598	-	-	-
National Treasury: Infrastructure Skills Development Grant	-	-	99	-	300	300	-	-	-
National Treasury: Integrated City Development Grant	-	-	-	57,171	57,171	57,171	45,826	43,982	53,629
National Treasury: Local Government Financial Management Grant	90	-	-	-	-	-	-	-	-
National Treasury: Local Government Restructuring Grant	962	200	-	-	1,350	1,350	153	-	-
National Treasury: Municipal Disaster Grant	-	-	3,589	-	1,466	1,466	-	-	-
National Treasury: Municipal Human Settlements Capacity Grant	-	-	-	500	500	500	-	-	-
National Treasury: Neighbourhood Development Partnership Grant	88,990	48,361	24,551	35,470	30,785	25,707	60,000	60,000	60,000
National Treasury: Other	20,026	9,392	15,387	1,902	2,089	2,089	650	-	-
National Treasury: Urban Settlements Development Grant	729,919	911,363	915,400	1,244,737	1,437,350	1,393,548	1,158,317	1,309,901	1,437,403
Sport & Recreation SA: 2010 Fifa World Cup Stadiums Development Grant	1,158	2,517	3,891	-	250	250	-	-	-
Sport Recreation: 2014 African Nation Championship Host City Operating Grant	-	-	3,942	-	-	-	-	-	-
Transport: Public Transport Infrastructure & Systems Grant	842,211	2,078,333	131,296	2,000	2,000	2,000	-	-	-
Transport: Public Transport Infrastructure Grant	-	-	654,511	1,159,140	1,248,854	1,220,854	-	-	-
Transport: Public Transport Network Operations Grant	-	-	1	50	-	-	-	-	-
Transport: Public Transport Network Grant	-	-	-	-	-	-	855,501	869,185	901,762

Table continues on next page.

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand									
Provincial Government:	335,474	358,628	283,680	292,065	315,880	287,060	86,446	91,369	8,995
<i>Cultural Affairs and Sport: Development of Sport and Recreation Facilities</i>	-	-	-	250	250	250	-	-	-
<i>Cultural Affairs and Sport: Library Services (Conditional Grant)</i>	5,500	2,654	2,263	10,200	9,365	9,365	5,733	11,169	-
<i>Economic Development and Tourism: False Bay Ecology</i>	-	11	243	-	850	850	-	-	-
<i>Economic Development and Tourism: Public Access Centres</i>	-	-	-	2,350	2,350	2,350	-	-	-
<i>Health: Global Fund</i>	1,297	-	-	-	-	-	-	-	-
<i>Housing: Integrated Housing and Human Settlement Development Grant</i>	316,391	321,652	252,825	263,029	281,224	256,904	55,773	56,905	-
<i>Housing: Previous years' Gazetted allocations</i>	66	-	979	-	-	-	-	-	-
<i>Local Government: Multi-Purpose Centres</i>	8	-	-	-	-	-	-	-	-
<i>Other: Other</i>	-	488	-	-	-	-	-	-	-
<i>Provincial Government: Community Development Workers (CDW) Operational Grant Support</i>	-	-	-	300	300	300	292	295	295
<i>Provincial Government: Fibre Optic Broadband Roll Out</i>	-	-	4,860	10,702	10,923	6,423	7,298	-	-
<i>Provincial Government: Previous years' Gazetted allocations</i>	-	-	-	-	75	75	-	-	-
<i>Transport: Municipal Land Transport Fund</i>	-	-	139	-	5,000	5,000	-	-	-
<i>Transport and Public Works: Cape Metropolitan Transport Fund</i>	9,343	31,841	21,053	-	-	-	-	-	-
<i>Transport and Public Works: Other</i>	2,869	277	-	234	343	343	-	-	-
<i>Transport and Public Works: Planning, Maintenance and Rehabilitation of Transport System and Infrastructure</i>	-	-	-	5,000	5,200	5,200	17,350	23,000	8,700
<i>Health: Ixuyyo Clinic Extension</i>	-	1,375	-	-	-	-	-	-	-
<i>Transport and Public Works - Provision for persons with special needs</i>	-	261	-	-	-	-	-	-	-
<i>ABET adult Education</i>	-	9	-	-	-	-	-	-	-
<i>Transport and Public Works: Implementation of Impoundment Facilities</i>	-	60	1,318	-	-	-	-	-	-
Other grant providers:	52,947	35,074	43,022	75,119	52,996	52,496	53,761	99,000	103,100
<i>Other: Other</i>	52,947	35,074	43,022	75,119	52,996	52,496	53,761	99,000	103,100
Total capital expenditure of Transfers and Grants	2,105,985	3,449,720	2,095,581	2,882,853	3,180,668	3,074,469	2,277,574	2,492,837	2,584,489
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	2,637,067	4,199,007	3,101,882	6,380,334	6,697,443	6,591,244	5,855,542	6,151,096	6,556,754

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 applications 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 coordinate, 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	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand									
Councillors (Political Office Bearers plus Other)									
Basic Salaries and Wages	74,370	98,484	104,001	115,625	115,625	115,625	118,539	126,244	134,323
Pension and UIF Contributions	4,066	4,488	4,583	5,360	5,360	5,360	5,298	5,643	6,004
Medical Aid Contributions	-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	-	-	-	-	-	-	-	-	-
Cellphone Allowance	-	-	-	-	-	-	-	-	-
Housing Allowances	-	-	-	-	-	-	-	-	-
Other benefits and allowances	19,336	8,701	11,125	12,634	12,634	12,634	15,474	16,479	17,534
Sub Total - Councillors	97,772	111,673	119,709	133,619	133,619	133,619	139,311	148,366	157,861
% increase	-	14.2%	7.2%	11.6%	-	-	4.3%	6.5%	6.4%
Senior Managers of the Municipality									
Basic Salaries and Wages	14,017	18,616	20,746	21,182	21,182	21,182	22,929	24,959	27,055
Pension and UIF Contributions	1,451	1,385	1,322	1,392	1,392	1,392	1,504	1,637	1,775
Medical Aid Contributions	240	243	226	234	234	234	233	253	274
Overtime	-	-	-	-	-	-	-	-	-
Performance Bonus	1,197	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	560	445	456	567	567	567	614	668	724
Cellphone Allowance	-	-	-	179	179	179	179	179	179
Housing Allowances	-	-	-	-	-	-	-	-	-
Other benefits and allowances	231	30	338	88	88	88	82	89	97
Payments in lieu of leave	-	-	-	-	-	-	-	-	-
Long service awards	-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality	17,696	20,719	23,088	23,642	23,642	23,642	25,541	27,785	30,104
% increase	-	17.1%	11.4%	2.4%	-	-	8.0%	8.8%	8.3%
Other Municipal Staff									
Basic Salaries and Wages	4,349,369	4,845,122	4,889,922	6,181,730	6,028,317	6,024,749	6,780,959	7,376,980	7,991,341
Pension and UIF Contributions	670,854	753,001	839,455	1,089,465	1,016,568	1,014,658	1,221,469	1,337,906	1,456,607
Medical Aid Contributions	397,212	439,331	492,621	562,394	556,282	557,362	601,138	654,340	709,304
Overtime	310,205	335,100	359,418	329,014	395,495	396,541	401,992	437,309	473,748
Performance Bonus	-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	175,698	179,938	186,485	180,604	197,072	197,729	202,120	220,008	238,489
Cellphone Allowance	12,682	13,367	13,704	13,746	13,786	13,824	14,171	15,440	16,752
Housing Allowances	31,061	29,266	26,512	26,534	30,836	30,792	28,727	31,269	33,896
Other benefits and allowances	153,825	172,522	198,172	194,824	205,175	205,321	208,053	225,644	244,598
Payments in lieu of leave	84,554	81,997	134,127	100,550	103,629	104,202	114,587	124,727	135,205
Long service awards	436	73,013	17,824	66,265	64,353	64,353	58,800	64,003	69,380
Post-retirement benefit obligations	712,420	502,763	1,459,526	171,715	171,738	171,738	189,951	200,399	211,220
Sub Total - Other Municipal Staff	6,898,316	7,425,480	8,617,766	8,916,841	8,783,251	8,781,269	9,821,967	10,688,025	11,580,540
% increase	-	7.6%	16.1%	3.5%	(1.5%)	(0.0%)	11.9%	8.8%	8.4%
TOTAL SALARY, ALLOWANCES & BENEFITS	7,013,784	7,557,872	8,760,563	9,074,102	8,940,512	8,938,530	9,986,819	10,864,176	11,768,505
% increase	-	7.8%	15.9%	3.6%	-1.5%	0.0%	11.7%	8.8%	8.3%
TOTAL MANAGERS AND STAFF	6,916,012	7,446,199	8,640,854	8,940,483	8,806,893	8,804,911	9,847,508	10,715,810	11,610,644

Table 52 MBRR Table SA23 - Salaries, allowances and benefits (political office bearers / councillors / senior officials) for the 2015/16 financial year

Disclosure of Salaries, Allowances & Benefits	No.	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum							
Councillors							
Speaker	1	727,394	115,022	227,654	–	–	1,070,070
Chief Whip	1	850,680	107,833	23,779	–	–	982,292
Executive Mayor	1	1,232,287	–	93,386	–	–	1,325,673
Deputy Executive Mayor	1	907,394	115,022	47,654	–	–	1,070,070
Executive Committee	10	9,031,587	409,765	400,918	–	–	9,842,270
Total for all other councillors	207	105,789,397	4,550,785	14,680,352	–	–	125,020,534
Total Councillors	221	118,538,739	5,298,427	15,473,743	–	–	139,310,909
Senior Managers of the Municipality							
Municipal Manager (MM)	1	2,148,762	333,940	13,800	–	–	2,496,502
Chief Finance Officer	1	1,589,676	239,511	101,393	–	–	1,930,580
Executive Director: City Health	1	1,611,144	205,881	85,212	–	–	1,902,237
Executive Director: Community Services	1	1,583,431	242,511	104,638	–	–	1,930,580
Executive Director: Compliance & Auxiliary Services	1	1,886,508	1,930	13,800	–	–	1,902,238
Executive Director: Corporate Services	1	1,886,508	1,930	13,800	–	–	1,902,238
Executive Director: Energy, Environment & Spatial Planning	1	1,868,177	48,603	13,800	–	–	1,930,580
Executive Director: Human Settlements	1	1,694,554	222,226	13,800	–	–	1,930,580
Executive Director: Safety & Security	1	1,591,375	222,226	116,979	–	–	1,930,580
Executive Director: Social & Early Childhood Development	1	1,479,554	265,084	157,600	–	–	1,902,238
Executive Director: Tourism, Events & Economic Developmnt	1	1,914,850	1,930	13,800	–	–	1,930,580
Commissioner: Transport for Cape Town	1	1,914,850	1,930	13,800	–	–	1,930,580
Executive Director: Utility Services	1	1,759,819	30,632	130,591	–	–	1,921,042
Total Senior Managers of the Municipality	13	22,929,208	1,818,334	793,013	–	–	25,540,555
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION	234	141,467,947	7,116,761	16,266,756	–	–	164,851,464

Table 53 MBRR Table SA24 - Summary of personnel numbers

Summary of Personnel Numbers Number	2013/14			Current Year 2014/15			Budget Year 2015/16		
	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
Board Members of municipal entities	–	–	–	–	–	–	–	–	–
Municipal employees									
Municipal Manager and Senior Managers	13	–	13	13	–	13	13	13	–
Other Managers	745	730	15	816	798	18	890	869	21
Professionals	1,341	1,230	111	978	967	11	1,142	1,006	136
<i>Finance</i>	131	129	2	85	84	1	97	96	1
<i>Spatial/town planning</i>	21	19	2	75	75	–	95	89	6
<i>Information Technology</i>	80	79	1	69	69	–	50	49	1
<i>Roads</i>	60	56	4	42	42	–	20	19	1
<i>Electricity</i>	113	110	3	103	103	–	122	119	3
<i>Water</i>	93	93	–	117	117	–	127	126	1
<i>Sanitation</i>	51	51	–	6	6	–	18	18	–
<i>Refuse</i>	13	12	1	–	–	–	8	7	1
<i>Other</i>	779	681	98	481	471	10	605	483	122
Technicians	2,492	2,286	206	3,143	2,889	254	3,676	3,334	342
<i>Finance</i>	62	60	2	106	105	1	146	137	9
<i>Spatial/town planning</i>	6	6	–	179	179	–	219	210	9
<i>Information Technology</i>	148	148	–	166	159	7	218	214	4
<i>Roads</i>	43	43	–	52	51	1	15	11	4
<i>Electricity</i>	220	219	1	231	230	1	260	260	–
<i>Water</i>	158	158	–	273	262	11	319	298	21
<i>Sanitation</i>	30	30	–	50	50	–	5	5	–
<i>Refuse</i>	45	45	–	–	–	–	72	72	–
<i>Other</i>	1,780	1,577	203	2,086	1,853	233	2,422	2,127	295
Clerks (Clerical and administrative)	6,149	5,896	253	6,175	6,035	140	6,714	6,493	221
Service and sales workers	3,093	2,912	181	3,704	3,041	663	3,794	3,274	547
Skilled agricultural and fishery workers	–	–	–	–	–	–	–	–	–
Craft and related trades	2,207	2,201	6	2,469	2,298	171	2,975	2,782	193
Plant and Machine Operators	3,240	3,229	11	3,260	3,235	25	3,768	3,738	30
Elementary Occupations	5,957	5,841	116	5,907	5,791	116	5,813	5,697	116
TOTAL PERSONNEL NUMBERS	25,458	24,325	1,133	26,686	25,054	1,632	29,006	27,206	1,827
% increase				4.8%	3.0%	44.0%	8.7%	8.6%	11.9%
Total municipal employees headcount							26,275	25,138	1,137
Finance personnel headcount	1,647	1,639	8	1,704	1,698	6	1,648	1,637	11
Human Resources personnel headcount	388	378	10	320	311	9	326	317	9

*The significant increase in the ‘positions’ and ‘permanent employees’ categories in the budget year 2015/16 is due to the inclusion of vacancies.

2.11 Monthly targets for revenue, expenditure and cash flow

Table 54 MBRR Table SA25 - Budgeted monthly revenue and expenditure

Description	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue By Source															
Property rates	487,054	562,590	605,712	510,583	569,089	564,768	559,177	552,303	506,345	458,253	634,797	590,271	6,600,943	7,093,977	7,626,736
Property rates - penalties & collection charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	934,270	946,520	975,892	938,020	877,250	862,905	903,944	836,499	962,009	928,936	986,287	975,088	11,127,619	12,472,296	13,968,971
Service charges - water revenue	161,425	187,598	196,848	199,640	229,631	237,482	297,135	310,016	275,388	243,610	221,557	184,854	2,745,181	3,044,560	3,376,714
Service charges - sanitation revenue	86,357	105,223	106,899	111,303	122,528	124,758	151,648	149,849	146,503	131,392	128,608	105,879	1,470,947	1,632,751	1,812,354
Service charges - refuse revenue	91,437	91,437	91,437	91,437	91,437	91,437	91,437	91,437	91,437	91,437	91,437	91,437	1,097,246	1,184,461	1,266,767
Service charges - other	45,215	45,772	45,904	45,887	47,052	46,080	47,458	47,657	46,894	47,287	47,399	49,160	561,765	592,664	654,668
Rental of facilities and equipment	37,616	23,114	26,028	28,803	28,802	28,805	28,805	28,804	28,804	28,804	28,804	28,459	345,646	365,183	382,216
Interest earned - external investments	22,636	22,636	22,636	22,636	22,636	22,664	22,636	22,636	22,636	22,636	22,636	22,662	271,687	286,630	302,108
Interest earned - outstanding debtors	17,720	18,660	18,660	19,131	19,131	19,131	19,366	20,071	19,601	19,601	20,748	22,178	233,996	248,181	264,275
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines	81,434	81,434	81,434	81,434	81,434	81,434	81,434	81,434	81,434	81,434	81,434	81,434	977,210	1,022,151	1,087,348
Licences and permits	3,586	3,586	3,586	3,586	3,586	3,586	3,586	3,586	3,586	3,586	3,586	3,586	43,028	45,395	47,846
Agency services	12,833	11,542	13,625	12,833	12,833	12,833	12,833	12,833	12,833	12,833	12,833	13,331	153,993	162,463	171,236
Transfers recognised - operational	898,214	103,727	284,422	119,071	120,132	701,442	117,679	109,803	564,725	158,861	134,553	267,122	3,579,752	3,658,622	3,972,647
Other revenue	27,151	717,694	27,434	29,513	33,059	716,198	29,480	33,374	716,235	35,472	32,109	43,465	2,441,185	2,515,342	2,637,860
Gains on disposal of PPE	5,722	5,722	5,722	5,722	5,722	5,722	6,472	5,722	5,722	5,722	5,722	10,972	74,669	95,666	84,361
Total Revenue (excluding capital transfers and contributions)	2,912,671	2,927,256	2,506,241	2,219,598	2,264,322	3,519,244	2,373,090	2,306,025	3,484,152	2,269,864	2,452,509	2,489,898	31,724,869	34,420,340	37,656,107

Table continues on next page.

Description	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Expenditure By Type															
Employee related costs	806,583	796,801	789,321	785,950	1,169,671	785,442	785,812	785,560	785,007	784,692	784,296	788,373	9,847,508	10,715,810	11,610,644
Remuneration of councillors	11,609	11,609	11,609	11,609	11,609	11,609	11,609	11,609	11,609	11,609	11,609	11,609	139,311	148,366	157,862
Debt impairment	150,551	150,551	150,551	150,551	150,551	150,551	150,551	150,551	150,551	150,551	150,551	150,551	1,806,613	1,943,609	2,077,690
Depreciation & asset impairment	174,152	174,152	174,152	174,152	174,152	174,152	174,152	174,152	174,152	174,152	174,152	174,152	2,089,827	2,227,876	2,383,827
Finance charges	80,928	80,928	80,928	80,928	80,928	80,928	80,928	80,928	80,928	80,928	80,928	80,928	971,133	1,090,167	1,222,662
Bulk purchases	68,090	1,015,625	959,982	573,848	583,292	558,416	530,818	545,279	525,395	562,112	541,551	1,503,152	7,967,555	9,051,585	10,285,261
Other materials	25,774	30,852	31,591	31,285	29,946	27,884	28,165	30,796	29,801	29,686	30,317	32,908	359,005	389,927	418,889
Contracted services	215,245	308,871	505,219	358,833	373,533	386,911	349,246	373,517	398,671	390,174	403,068	802,912	4,866,199	4,984,111	5,321,657
Transfers and grants	23,227	3,031	13,575	19,829	13,368	3,031	13,531	4,631	5,029	3,031	13,531	4,589	120,402	117,538	123,777
Other expenditure	351,386	334,260	310,906	312,827	317,426	313,683	312,825	322,165	317,150	324,703	317,296	442,854	3,977,481	4,155,193	4,446,895
Loss on disposal of PPE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure	1,907,545	2,906,679	3,027,835	2,499,812	2,904,475	2,492,606	2,437,636	2,479,188	2,478,293	2,511,637	2,507,299	3,992,027	32,145,033	34,824,182	38,049,163
Surplus/(Deficit)	1,005,126	20,576	(521,595)	(280,214)	(640,153)	1,026,638	(64,547)	(173,163)	1,005,859	(241,773)	(54,790)	(1,502,129)	(420,164)	(403,842)	(393,056)
Transfers recognised - capital	26,948	120,742	144,740	158,263	161,541	99,585	91,843	168,740	229,825	274,536	259,854	487,194	2,223,813	2,393,837	2,481,389
Contributions recognised - capital	2,030	2,581	4,452	5,190	5,874	4,525	2,910	3,080	4,410	4,320	4,320	10,070	53,761	99,000	103,100
Contributed assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	1,034,103	143,900	(372,403)	(116,761)	(472,738)	1,130,748	30,206	(1,343)	1,240,095	37,083	209,384	(1,004,865)	1,857,410	2,088,995	2,191,433
Taxation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attributable to minorities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)	1,034,103	143,900	(372,403)	(116,761)	(472,738)	1,130,748	30,206	(1,343)	1,240,095	37,083	209,384	(1,004,865)	1,857,410	2,088,995	2,191,433

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

Description	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework			
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18	
Revenue by Vote																
Vote 1 - City Health	48,905	32,931	32,931	34,031	37,967	73,065	33,667	21,345	41,395	64,808	32,822	85,724	539,593	544,567	598,108	
Vote 2 - City Manager	4	4	4	4	4	504	4	4	304	4	4	504	1,348	51	54	
Vote 3 - Community Services	10,048	11,259	12,923	14,340	13,417	11,185	10,289	9,678	16,881	19,388	16,081	21,564	167,052	180,779	168,389	
Vote 4 - Compliance & Auxiliary Services	301	35	127	41	41	41	41	41	113	121	121	3,369	4,394	4,634	4,880	
Vote 5 - Corporate Services	4,179	7,415	4,179	4,379	8,077	4,329	4,929	8,257	5,279	9,037	5,779	14,334	80,174	76,915	104,667	
Vote 6 - Energy, Environmental & Spatial Planning	10,048	9,647	19,626	9,438	9,578	10,875	8,955	10,657	10,588	11,185	11,154	26,907	148,659	220,743	212,210	
Vote 7 - Finance	73,263	57,318	62,027	63,695	63,932	63,872	63,873	63,872	63,873	63,872	64,108	64,988	768,694	826,983	854,655	
Vote 8 - Human Settlements	75,868	87,238	254,513	100,863	97,671	104,407	89,766	109,291	113,791	124,226	128,034	250,351	1,536,021	1,365,822	1,379,186	
Vote 9 - Rates & Other	1,263,845	1,257,565	613,951	518,822	577,327	1,786,474	567,416	560,541	1,627,056	466,491	643,035	598,509	10,481,033	11,281,821	12,122,637	
Vote 10 - Safety & Security	89,233	89,333	89,516	89,790	91,246	89,134	89,833	90,089	89,734	91,193	92,166	89,206	1,080,472	1,101,061	1,164,330	
Vote 11 - Social Dev & Early Childhood Development	10	10	10	10	10	10	210	10	10	10	210	10	526	132	139	
Vote 12 - Tourism, Events & Economic Development	1,021	1,986	2,537	4,383	4,383	5,186	4,386	4,385	4,884	6,960	6,760	8,216	55,086	25,429	26,728	
Vote 13 - Transport for Cape Town	44,992	110,471	140,740	139,880	146,351	96,286	99,534	149,937	197,064	201,109	182,885	251,346	1,760,594	1,829,342	1,891,577	
Vote 14 - Utility Services	1,319,931	1,385,367	1,422,348	1,403,375	1,381,730	1,377,987	1,494,939	1,449,735	1,547,416	1,490,313	1,533,524	1,572,133	17,378,799	19,454,899	21,713,036	
Total Revenue by Vote	2,941,649	3,050,579	2,655,433	2,383,051	2,431,737	3,623,354	2,467,842	2,477,845	3,718,387	2,548,720	2,716,684	2,987,162	34,002,443	36,913,178	40,240,596	
Expenditure by Vote to be appropriated																
Vote 1 - City Health	74,023	78,449	78,352	79,481	107,139	81,066	77,599	78,827	77,384	81,896	77,154	105,434	996,804	1,055,514	1,136,050	
Vote 2 - City Manager	25,307	14,385	18,759	18,678	17,433	15,018	14,585	14,519	14,827	14,454	14,256	28,604	210,825	221,460	235,886	
Vote 3 - Community Services	112,581	124,047	136,313	133,044	186,145	130,408	128,522	137,558	135,010	138,439	137,852	188,037	1,687,957	1,813,036	1,941,072	
Vote 4 - Compliance & Auxiliary Services	44,964	45,542	45,651	45,734	58,525	46,700	45,652	46,525	45,930	45,853	45,603	51,349	568,028	605,830	650,463	
Vote 5 - Corporate Services	162,437	179,489	138,785	139,737	168,962	141,311	141,214	142,582	143,245	144,180	143,880	159,793	1,805,615	1,923,152	2,062,159	
Vote 6 - Energy, Environmental & Spatial Planning	40,598	41,335	46,004	41,508	56,312	43,215	40,777	40,791	41,312	40,974	40,814	79,307	552,947	584,916	620,684	
Vote 7 - Finance	203,946	172,289	180,682	179,356	214,483	176,064	177,212	176,740	176,595	179,171	177,709	199,353	2,213,600	2,403,056	2,630,687	
Vote 8 - Human Settlements	103,251	103,188	266,456	108,920	120,893	109,880	109,330	110,354	108,984	116,924	125,668	193,139	1,576,986	1,602,510	1,706,916	
Vote 9 - Rates & Other	76,170	76,170	76,170	76,170	76,170	76,170	76,170	76,170	76,170	76,170	76,170	76,170	1,033,098	1,018,571	1,072,625	
Vote 10 - Safety & Security	208,762	209,037	213,608	211,220	274,998	210,722	211,120	210,490	211,046	210,319	210,765	223,912	2,606,001	2,750,702	2,951,701	
Vote 11 - Social Dev & Early Childhood Development	11,132	11,486	12,171	15,835	16,273	11,967	11,777	12,642	12,342	11,906	11,385	43,391	182,305	275,984	293,788	
Vote 12 - Tourism, Events & Economic Development	57,397	37,987	50,495	49,564	43,916	53,470	48,391	38,612	51,403	38,116	48,612	51,324	569,288	573,618	609,616	
Vote 13 - Transport for Cape Town	155,749	216,085	221,798	217,676	245,734	215,505	200,895	216,319	233,807	228,166	231,206	335,522	2,718,462	2,871,816	3,071,247	
Vote 14 - Utility Services	631,228	1,597,179	1,542,592	1,182,891	1,317,490	1,181,110	1,154,392	1,177,060	1,150,237	1,185,069	1,166,227	2,137,632	15,423,118	17,124,017	19,066,270	
Total Expenditure by Vote	1,907,545	2,906,671	3,027,835	2,499,812	2,904,475	2,492,606	2,437,636	2,479,188	2,478,293	2,511,637	2,507,299	3,992,027	32,145,033	34,824,182	38,049,163	
Surplus/(Deficit) before assoc.	1,034,103	143,900	(372,403)	(116,761)	(472,738)	1,130,748	30,206	(1,343)	1,240,095	37,083	209,384	(1,004,865)	1,857,410	2,088,995	2,191,433	
Taxation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Attributable to minorities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Surplus/(Deficit)	1,034,103	143,900	(372,403)	(116,761)	(472,738)	1,130,748	30,206	(1,343)	1,240,095	37,083	209,384	(1,004,865)	1,857,410	2,088,995	2,191,433	

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

Description	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue - Standard															
Governance and administration	1,362,047	1,326,820	684,772	591,425	653,866	1,896,695	640,746	623,578	1,709,681	571,254	717,530	699,914	11,478,330	12,346,354	13,256,077
Executive and council	32,960	16,697	16,817	16,737	16,737	54,229	16,737	3,115	25,681	44,061	16,817	33,819	294,405	314,639	336,438
Budget and treasury office	1,300,045	1,293,085	651,266	555,100	613,648	1,822,734	603,677	596,802	1,663,317	502,752	679,298	636,644	10,918,369	11,742,899	12,608,577
Corporate services	29,043	17,038	16,689	19,587	23,481	19,733	20,333	23,661	20,683	24,441	21,415	29,452	265,556	288,816	311,062
Community and public safety	191,795	205,838	375,160	227,431	228,709	228,822	211,228	233,433	242,635	264,154	262,386	431,311	3,102,900	2,918,318	3,014,722
Community and social services	6,596	7,118	8,308	10,219	6,093	7,746	5,087	5,741	8,412	12,480	8,437	15,450	101,689	89,024	80,980
Sport and recreation	3,966	5,620	6,144	7,995	11,199	7,314	9,077	7,812	12,344	13,158	13,894	13,280	111,802	110,698	107,302
Public safety	86,516	87,016	87,348	88,407	89,864	87,366	87,715	89,707	89,351	90,810	93,284	94,318	1,071,703	1,086,762	1,147,168
Housing	75,869	87,239	254,514	100,864	97,672	104,408	89,767	109,292	113,792	124,227	128,035	250,351	1,536,028	1,365,829	1,379,194
Health	18,848	18,846	18,846	19,946	23,881	21,988	19,581	20,881	18,736	23,478	18,736	57,912	281,679	266,005	300,078
Economic and environmental services	68,271	133,349	173,596	162,548	169,160	120,391	121,920	173,825	220,882	225,526	207,470	291,491	2,068,429	2,218,671	2,281,122
Planning and development	22,657	22,242	32,206	22,027	22,157	21,301	21,734	23,258	23,185	23,797	23,997	37,402	295,963	375,836	380,350
Road transport	45,453	110,931	141,200	140,340	146,812	96,746	99,995	150,398	197,525	201,570	183,346	251,807	1,766,123	1,836,252	1,898,505
Environmental protection	161	175	190	181	191	2,343	191	169	172	159	128	2,283	6,343	6,583	2,267
Trading services	1,319,536	1,384,572	1,421,403	1,401,644	1,380,000	1,376,641	1,493,943	1,447,005	1,544,685	1,487,583	1,529,293	1,563,908	17,350,212	19,429,759	21,688,595
Electricity	960,952	965,865	997,353	953,814	890,518	874,893	915,742	858,357	990,497	981,084	1,022,885	1,009,515	11,421,475	12,843,819	14,366,314
Water	174,357	201,559	210,226	216,326	244,822	251,466	308,891	319,721	287,384	257,906	232,500	217,589	2,922,748	3,234,246	3,645,501
Waste water management	91,615	124,535	121,212	138,892	152,048	157,669	176,698	176,314	174,191	155,980	181,296	244,191	1,894,642	2,152,304	2,394,218
Waste management	92,612	92,612	92,612	92,612	92,612	92,612	92,612	92,612	92,612	92,612	92,612	92,612	1,111,347	1,199,390	1,282,562
Other	0	0	502	3	3	805	5	5	504	204	4	538	2,572	75	79
Total Revenue - Standard	2,941,649	3,050,579	2,655,433	2,383,051	2,431,737	3,623,354	2,467,842	2,477,845	3,718,387	2,548,720	2,716,684	2,987,162	34,002,443	36,913,178	40,240,596

Table continues on next page.

Description	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework			
	R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Expenditure - Standard																
<i>Governance and administration</i>	531,174	506,970	475,161	478,353	558,922	478,640	473,725	476,329	476,282	478,749	476,249	697,245	6,107,800	6,406,648	6,909,630	
Executive and council	88,286	78,274	78,918	82,489	95,554	80,301	78,508	80,043	79,486	78,708	77,979	146,246	1,044,793	1,039,529	1,118,617	
Budget and treasury office	210,070	215,350	221,283	220,777	251,892	217,890	219,040	218,568	218,433	221,023	219,570	349,905	2,783,800	2,947,788	3,198,832	
Corporate services	232,818	213,346	174,961	175,087	211,475	180,449	176,177	177,718	178,363	179,018	178,700	201,094	2,279,207	2,419,331	2,592,180	
<i>Community and public safety</i>	512,707	530,812	716,869	549,005	703,275	559,141	542,881	554,334	559,858	564,222	567,955	723,732	7,084,791	7,441,372	7,964,743	
Community and social services	42,805	43,786	45,468	45,698	68,100	46,241	44,373	45,788	45,935	44,899	44,730	48,494	566,317	612,168	660,799	
Sport and recreation	93,982	105,321	121,719	112,457	146,844	119,960	109,185	117,595	125,238	118,904	118,360	177,630	1,467,195	1,536,565	1,637,081	
Public safety	200,218	201,661	206,468	204,079	262,044	203,582	203,980	203,350	203,899	203,178	203,625	207,260	2,503,345	2,656,387	2,847,213	
Housing	106,465	106,410	269,679	112,142	125,244	113,111	112,561	113,585	112,215	120,155	128,897	196,414	1,616,880	1,644,629	1,752,408	
Health	69,237	73,633	73,535	74,629	101,042	76,247	72,782	74,016	72,571	77,085	72,343	93,934	931,054	991,624	1,067,241	
<i>Economic and environmental services</i>	228,311	275,082	296,375	281,316	327,090	277,153	261,550	275,729	293,457	284,546	286,376	416,821	3,503,807	3,840,988	4,098,913	
Planning and development	66,246	56,533	71,991	61,934	73,484	56,600	56,459	56,366	58,422	56,445	56,267	85,580	756,326	933,916	991,500	
Road transport	155,178	211,385	217,178	211,772	243,477	211,153	197,983	212,276	227,553	220,801	222,899	309,517	2,641,172	2,807,232	3,002,405	
Environmental protection	6,887	7,164	7,205	7,610	10,129	9,401	7,109	7,088	7,482	7,300	7,209	21,724	106,309	99,840	105,007	
<i>Trading services</i>	623,355	1,592,267	1,537,353	1,178,950	1,313,347	1,175,604	1,147,421	1,171,230	1,146,619	1,182,560	1,164,661	2,152,125	15,385,492	17,070,152	19,006,835	
Electricity	200,534	1,133,712	1,078,069	691,881	738,201	677,949	648,604	666,932	643,053	679,767	659,209	1,623,411	9,441,323	10,628,827	11,990,437	
Water	200,350	201,673	202,055	202,127	243,839	201,599	201,779	203,482	201,524	200,934	201,446	203,541	2,464,347	2,705,727	2,950,467	
Waste water management	112,164	120,315	120,028	123,159	136,597	122,917	120,981	123,255	124,482	124,299	126,446	153,304	1,507,947	1,622,621	1,835,114	
Waste management	110,307	136,566	137,201	161,783	194,711	173,138	176,057	177,560	177,560	177,560	177,560	171,869	1,971,875	2,112,978	2,230,817	
<i>Other</i>	11,998	1,549	2,076	12,187	1,841	2,068	12,059	1,566	2,076	1,559	12,059	2,104	63,143	65,023	69,043	
Total Expenditure - Standard	1,907,545	2,906,679	3,027,835	2,499,812	2,904,475	2,492,606	2,437,636	2,479,188	2,478,293	2,511,637	2,507,299	3,992,027	32,145,033	34,824,182	38,049,163	
Surplus/(Deficit) before assoc.	1,034,103	143,900	(372,403)	(116,761)	(472,738)	1,130,748	30,206	(1,343)	1,240,095	37,083	209,384	(1,004,865)	1,857,410	2,088,995	2,191,433	
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Surplus/(Deficit)	1,034,103	143,900	(372,403)	(116,761)	(472,738)	1,130,748	30,206	(1,343)	1,240,095	37,083	209,384	(1,004,865)	1,857,410	2,088,995	2,191,433	

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

Description	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Multi-year expenditure to be appropriated															
Vote 1 - City Health	600	600	600	969	700	4,263	600	700	800	1,200	2,321	2,320	15,673	13,466	29,466
Vote 2 - City Manager	1,015	1,086	1,350	1,277	1,245	1,064	1,010	1,241	1,663	1,412	1,520	1,070	14,954	954	934
Vote 3 - Community Services	3,769	5,373	11,055	15,734	16,959	7,562	7,143	11,410	18,968	20,823	16,984	24,551	160,331	135,009	118,064
Vote 4 - Compliance & Auxiliary Services	292	20	275	170	100	405	645	174	163	60	553	1,277	4,134	36,600	36,600
Vote 5 - Corporate Services	500	8,432	24,154	26,637	35,489	9,142	12,879	32,856	65,866	61,903	76,310	66,710	420,880	315,721	296,970
Vote 6 - Energy, Environmental & Spatial Planning	1,896	3,348	8,732	4,887	4,362	3,809	2,359	6,289	6,087	7,941	12,064	18,288	80,064	146,224	135,006
Vote 7 - Finance	10,681	9,508	5,835	5,184	4,934	56,512	3,002	3,509	3,989	5,149	5,778	27,298	141,379	11,241	8,681
Vote 8 - Human Settlements	16,785	20,155	26,775	23,572	19,880	32,058	11,500	32,310	39,250	42,770	35,500	120,280	420,835	267,132	212,421
Vote 9 - Rates & Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 - Safety & Security	240	3,608	6,167	16,160	7,646	6,490	10,553	14,827	12,094	11,055	14,232	2,090	105,163	57,127	52,127
Vote 11 - Social Dev & Early Childhood Development	-	-	50	-	1,761	-	3,600	3,110	3,200	-	200	50	11,971	10,860	10,860
Vote 12 - Tourism, Events & Economic Development	-	950	1,210	2,665	10,963	2,315	8,870	790	7,620	2,240	1,790	1,685	41,098	33,750	33,750
Vote 13 - Transport for Cape Town	2,500	81,735	102,010	109,427	119,745	47,365	64,720	119,555	169,729	184,482	163,794	234,744	1,399,805	1,465,204	1,436,035
Vote 14 - Utility Services	81,657	136,368	186,220	173,663	195,742	390,346	97,753	209,501	254,813	349,193	326,890	825,552	3,227,699	3,020,274	3,009,155
Total Capital Expenditure	119,935	271,184	374,433	380,345	419,526	561,332	224,634	436,274	584,242	688,228	657,936	1,325,916	6,043,985	5,513,563	5,380,070

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

Description	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Capital Expenditure - Standard															
Governance and administration	11,802	18,643	30,773	32,853	43,162	66,664	20,476	40,468	74,074	68,532	83,419	96,642	587,509	382,779	363,548
Executive and council	622	128	259	397	2,344	584	4,190	3,913	3,618	800	1,433	2,906	21,193	51,760	51,845
Budget and treasury office	400	703	1,000	1,510	1,610	1,210	705	1,085	1,702	1,600	1,660	1,310	14,495	8,382	8,382
Corporate services	10,781	17,812	29,514	30,946	39,209	64,869	15,581	35,470	68,754	66,132	80,326	92,427	551,820	322,637	303,321
Community and public safety	21,794	29,578	47,847	63,215	61,231	53,577	40,042	66,134	84,925	83,666	81,132	166,330	799,473	554,637	499,882
Community and social services	2,250	2,951	5,635	8,534	5,119	3,140	1,200	2,065	4,322	9,918	7,076	16,986	69,196	55,831	48,842
Sport and recreation	1,219	3,222	6,421	9,400	21,960	5,982	14,423	9,345	21,096	11,705	10,908	8,932	124,613	102,428	98,372
Public safety	940	2,635	8,417	20,725	13,572	8,119	12,319	21,714	19,433	18,074	25,327	17,881	169,157	117,281	113,481
Housing	16,785	20,170	26,775	23,587	19,880	32,073	11,500	32,310	39,274	42,770	35,500	120,280	420,904	267,201	212,490
Health	600	600	600	969	700	4,263	600	700	800	1,200	2,321	2,250	15,603	11,896	26,696
Economic and environmental services	5,511	88,827	112,957	116,749	125,536	52,670	68,263	127,318	178,075	194,538	177,908	253,832	1,502,183	1,625,712	1,578,525
Planning and development	2,911	3,926	9,742	5,572	5,327	3,942	2,907	7,187	7,890	8,205	7,373	18,588	83,570	139,384	124,184
Road transport	2,600	84,888	103,110	110,927	119,954	47,986	64,853	119,788	170,024	184,777	164,094	235,044	1,408,046	1,473,845	1,444,676
Environmental protection	–	12	105	250	255	743	503	343	161	1,556	6,441	200	10,567	12,484	9,665
Trading services	80,827	134,136	182,856	167,528	189,597	388,121	95,853	202,354	247,168	341,291	315,476	809,111	3,154,319	2,950,434	2,938,115
Electricity	49,777	77,670	105,039	86,190	83,703	57,528	51,376	126,424	134,066	221,631	167,177	183,360	1,343,939	1,088,681	1,106,721
Water	11,701	22,941	24,391	27,838	39,714	280,228	17,713	34,810	48,163	52,850	41,517	184,626	786,494	678,562	746,909
Waste water management	3,100	16,375	28,525	34,050	46,359	47,165	22,175	35,200	48,800	48,500	85,225	310,697	726,171	888,136	887,480
Waste management	16,250	17,150	24,900	19,450	19,820	3,200	4,590	5,920	16,140	18,310	21,557	130,428	297,715	295,056	197,006
Other	–	–	–	–	–	300	–	–	–	200	–	–	500	–	–
Total Capital Expenditure - Standard	119,935	271,184	374,433	380,345	419,526	561,332	224,634	436,274	584,242	688,228	657,936	1,325,916	6,043,985	5,513,563	5,380,070

Table 59 MBRR Table SA30 - Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework			
	R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Cash Receipts By Source																
Property rates	475,916	539,462	540,017	563,729	555,458	544,416	541,420	511,208	496,272	562,631	579,495	584,811	6,494,836	6,974,413	7,499,183	
Property rates - penalties & collection charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Service charges - electricity revenue	939,290	1,027,586	953,389	974,894	868,642	862,231	874,934	823,539	883,902	882,661	957,023	1,028,286	11,076,377	12,416,001	13,908,581	
Service charges - water revenue	137,210	139,608	144,516	157,514	157,179	177,684	208,806	225,674	213,643	233,015	201,964	184,491	2,181,305	2,434,033	2,725,825	
Service charges - sanitation revenue	91,130	91,610	92,157	104,924	100,704	105,149	118,360	121,112	124,009	130,016	120,171	117,876	1,317,220	1,463,868	1,631,182	
Service charges - refuse revenue	54,912	57,437	54,049	58,748	53,595	52,781	54,274	58,384	62,196	62,266	63,599	69,823	702,065	765,310	823,926	
Service charges - other	32,243	38,196	39,188	39,188	36,707	42,164	38,692	42,164	45,140	40,676	47,124	54,563	496,044	523,329	581,589	
Rental of facilities and equipment	7,110	8,389	9,170	9,698	7,949	5,724	4,814	9,724	9,912	9,386	9,074	12,366	103,316	100,589	99,109	
Interest earned - external investments	39,990	35,799	35,934	34,646	33,718	35,928	36,607	30,856	42,158	42,637	44,600	29,236	442,109	248,720	785,653	
Interest earned - outstanding debtors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Fines	17,790	17,506	15,160	15,779	17,851	16,048	16,227	15,234	15,957	14,971	18,840	14,079	195,442	204,430	217,470	
Licences and permits	27,061	18,141	17,252	22,126	17,249	15,554	9,488	18,541	10,691	9,659	9,432	21,828	197,022	207,858	219,082	
Agency services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Transfer receipts - operational	728,612	150,002	155,700	56,546	592,615	284,576	137,025	548,481	425,088	35,588	30,289	435,228	3,579,752	3,658,622	3,972,647	
Other revenue	38,630	763,439	24,767	24,464	21,752	762,417	30,124	35,400	749,916	18,631	16,896	124,982	2,611,418	2,694,938	2,827,154	
Cash Receipts by Source	2,589,895	2,887,174	2,081,299	2,062,257	2,463,419	2,904,673	2,070,770	2,440,317	3,078,885	2,042,138	2,098,508	2,677,569	29,396,905	31,692,112	35,291,401	
Other Cash Flows by Source																
Transfer receipts - capital	680,126	108,858	139,917	19,645	416,377	19,190	179,994	379,668	310,132	13,335	1,956	8,376	2,277,574	2,492,837	2,584,489	
Contributions recognised - capital & Contributed assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Proceeds on disposal of PPE	-	-	-	-	-	-	-	-	-	-	-	74,669	74,669	95,666	84,361	
Short term loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Borrowing long term/refinancing	-	-	2,000,000	-	-	-	-	-	-	-	-	-	2,000,000	1,000,000	1,800,000	
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-	-	-	-	-	40,724	40,724	44,796	49,276	
Decrease (Increase) in non-current debtors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Decrease (increase) other non-current receivables	-	-	-	-	-	-	-	-	-	-	-	4,955	4,955	4,707	4,472	
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-	-	-	(170,422)	(170,422)	37,909	(483,545)	
Total Cash Receipts by Source	3,270,021	2,996,032	4,221,216	2,081,902	2,879,796	2,923,863	2,250,765	2,819,985	3,389,018	2,055,473	2,100,464	2,635,872	33,624,406	35,368,028	39,330,454	

Table continues on next page.

MONTHLY CASH FLOWS	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework			
	R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Cash Payments by Type																
Employee related costs	769,039	769,424	766,060	770,096	1,196,101	769,520	772,917	767,585	761,830	761,871	761,031	760,014	9,625,488	10,479,612	11,359,773	
Remuneration of councillors	10,886	11,063	11,182	11,175	11,153	11,164	11,366	14,322	11,885	11,739	11,598	11,778	139,311	148,366	157,862	
Finance charges	–	–	182,007	–	–	214,878	–	–	179,071	–	150,000	161,423	887,380	1,026,051	1,166,427	
Bulk purchases - Electricity	870,000	984,812	929,169	543,035	552,479	527,603	500,005	514,466	494,582	531,299	510,738	639,635	7,597,819	8,661,513	9,874,125	
Bulk purchases - Water & Sewer	44,806	17,156	35,780	25,758	18,367	36,048	24,605	34,070	37,735	46,609	39,240	9,562	369,736	390,072	411,136	
Other materials	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	
Contracted services	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	
Transfers and grants - other municipalities	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	
Transfers and grants - other	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	
Other expenditure	1,208,486	736,540	644,968	674,359	479,490	709,918	576,066	664,829	739,234	663,013	676,227	956,570	8,729,699	9,031,718	9,671,613	
Cash Payments by Type	2,903,217	2,518,994	2,569,166	2,024,424	2,257,589	2,269,131	1,884,958	1,995,271	2,224,336	2,014,530	2,148,833	2,538,982	27,349,432	29,737,332	32,640,934	
Other Cash Flows/Payments by Type																
Capital assets	576,295	192,864	285,071	313,094	781,611	540,437	184,302	317,579	519,601	429,817	789,184	1,025,970	5,955,826	5,453,707	5,336,609	
Repayment of borrowing	–	–	89,481	–	–	53,023	–	–	89,481	–	66,667	70,280	368,931	574,549	525,919	
Other Cash Flows/Payments	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	
Total Cash Payments by Type	3,479,512	2,711,858	2,943,718	2,337,517	3,039,200	2,862,591	2,069,261	2,312,851	2,833,418	2,444,347	3,004,684	3,635,232	33,674,189	35,765,588	38,503,463	
NET INCREASE/(DECREASE) IN CASH HELD	(209,491)	284,174	1,277,498	(255,615)	(159,404)	61,272	181,504	507,134	555,600	(388,875)	(904,220)	(999,360)	(49,783)	(397,560)	826,991	
Cash/cash equivalents at the month/year begin:	2,265,410	2,055,919	2,340,093	3,617,591	3,361,976	3,202,572	3,263,844	3,445,348	3,952,482	4,508,082	4,119,207	3,214,987	2,265,410	2,215,627	1,818,067	
Cash/cash equivalents at the month/year end:	2,055,919	2,340,093	3,617,591	3,361,976	3,202,572	3,263,844	3,445,348	3,952,482	4,508,082	4,119,207	3,214,987	2,215,627	2,215,627	1,818,067	2,645,058	

* 'Other materials', 'Contracted services', 'Transfers and grants – other municipalities' and 'Transfers and grants –other' are included in 'Other expenditure'.

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 urbanisation 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, immunisation 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 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. Already there is a Matrix Treatment Site operating from the Somerset West clinic, which is run by an NGO – SMART, and funded by the Provincial Department of Social Development.

A sixth City Health's Matrix site is being established in Manenberg from one of our satellite clinics, at Ruimte Road. This service will indeed be of great value to the community plagued with the scourge of substance abuse. Also underway are plans of engaging substance abuse support services from an NGO that is operating within the Atlantis area.

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 operating and capital resources available and allocated to the directorate have not grown proportionally for both Municipal Health Services and Personal 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, and high electricity costs puts further 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	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
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	113	394	348	4,236	4,236	4,236	4,478	4,724	4,979
Rental of facilities and equipment	8	29	0	–	–	–	–	–	–
Interest earned - external investments	–	–	–	–	–	–	–	–	–
Interest earned - outstanding debtors	93	75	53	–	–	–	–	–	–
Dividends received	–	–	–	–	–	–	–	–	–
Fines	45	36	29	21	21	21	22	23	25
Licences and permits	39	727	497	710	710	710	751	792	835
Agency services	–	–	–	–	–	–	–	–	–
Transfers recognised - operational	353,860	373,995	417,486	471,674	473,113	473,113	530,455	533,238	570,329
Other revenue	611	609	697	2,502	2,502	2,502	2,644	2,790	2,940
Gains on disposal of PPE	42	25	31	–	–	–	–	–	–
Total Operating Revenue (excluding capital transfers and contributions)	354,810	375,889	419,142	479,143	480,582	480,582	538,350	541,567	579,108
Operating Expenditure By Type									
Employee related costs	428,242	465,539	500,631	622,491	612,152	612,152	658,567	716,352	776,525
Remuneration of councillors	–	–	–	–	–	–	–	–	–
Debt impairment	–	–	–	–	–	–	–	–	–
Depreciation & asset impairment	7,564	7,420	8,774	8,718	9,603	9,603	9,513	10,179	10,892
Finance charges	–	–	–	–	–	–	–	–	–
Bulk purchases	–	–	–	–	–	–	–	–	–
Other materials	2,829	3,311	3,006	3,637	3,419	3,389	4,274	4,535	4,808
Contracted services	16,844	23,502	26,967	21,554	22,030	22,030	48,587	44,568	47,218
Transfers and grants	3,494	3,612	3,097	3,731	4,745	4,745	3,982	–	–
Other expenditure	219,021	224,546	242,439	247,799	252,708	252,738	271,881	279,881	296,607
Loss on disposal of PPE	2	3	33	–	–	–	–	–	–
Total Operating Expenditure	677,994	727,932	784,947	907,929	904,656	904,656	996,804	1,055,514	1,136,050
Operating Surplus/(Deficit)	(323,184)	(352,043)	(365,806)	(428,786)	(424,074)	(424,074)	(458,455)	(513,948)	(556,942)
Transfers recognised - capital	9,936	12,868	11,093	11,600	9,832	9,832	1,243	3,000	19,000
Contributions recognised - capital	–	–	–	–	–	–	–	–	–
Contributed assets	2,004	2,118	1,992	–	–	–	–	–	–
Operating Surplus/(Deficit) for the year	(311,245)	(337,058)	(352,721)	(417,186)	(414,242)	(414,242)	(457,212)	(510,948)	(537,942)
Capital Expenditure	22,801	22,778	25,185	21,966	20,802	20,780	15,673	13,466	29,466

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, Branding and Marketing, Strategy and Operations (includes the Mayoral Administration) and Trade and Investment reside in the Office of the City Manager.

- **Integrated Strategic Communication, Branding and Marketing**

The department provides a range of specialist communication services to all departments of the City around all facets pertaining to the communication field. One of the main deliverables involves the City's Corporate Brand Strategy and execution thereof which in return builds toward positive perceptions and reputation for the City.

Services provided include: Media, Communication strategy and campaign development, Publications, Electronic Communications, Photography, Videography and Audio-Visual services.

The dimensions of the department's activities are defined by the Corporate Brand Strategy, Brand Architecture and the Media and Communication Strategies of the City.

- **Strategy and Operations**

The department is primarily concerned with assisting the Executive Mayor in executing her statutory function and providing a platform for the interface between the political, democratic agenda and the political office-bearers responsible for it and the administration. The department's core customers include the Executive Mayor, members of the Mayoral Committee, committees of Council, the City Manager, the Executive Management Team as well as the residents and various communities within the City. The department is responsible for coordinating the City's Transversal Management System, the Mayoral Dashboard System for performance monitoring and evaluation, co-ordinating strategic alignment of all city-wide policies and strategies, mayoral research, major communications, enhancing the City's Capital Programme and improving Project Management Governance within the City, coordinating the City's international exchanges, establishing international links and attracting investments. As well as responding to service delivery queries and facilitating community requests.

- **Trade and Investment**

Creates an enabling environment that attracts investment to generate economic growth and job creation through:

- Cluster strategies for catalytic sectors, incentives for investors, sector and economic research and "one-stop-shop" investment facilitation unit.
- Ascertain the City's client's expectations to increase business trade and attract investment.
- Promote economic growth and job creation by creating and enhancing an enabling economic climate and business environment for investors.

Initiatives in the 2015/16 financial year

- Implementing the City's new corporate identity across all departments and functions.
- Ongoing review and refine communication initiatives across the City thereby optimising the effectiveness of City communication.

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	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
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	(1,068)	98	104	-	-	-	46	49	51
Rental of facilities and equipment	0	0	0	-	-	-	-	-	-
Interest earned - external investments	-	-	-	-	-	-	-	-	-
Interest earned - outstanding debtors	-	-	-	-	-	-	-	-	-
Dividends received	-	-	-	-	-	-	-	-	-
Fines	-	-	-	-	-	-	-	-	-
Licences and permits	-	-	-	-	-	-	-	-	-
Agency services	-	-	-	-	-	-	-	-	-
Transfers recognised - operational	-	-	-	-	200	200	1,300	-	-
Other revenue	35	298	20	45	45	45	2	2	2
Gains on disposal of PPE	23	4	11	-	-	-	-	-	-
Total Operating Revenue (excluding capital transfers and contributions)	(1,010)	400	136	45	245	245	1,348	51	54
Operating Expenditure By Type									
Employee related costs	42,370	43,897	50,762	70,900	64,269	64,269	73,358	79,851	86,558
Remuneration of councillors	1,050	1,108	1,164	-	1,534	1,534	1,326	1,412	1,502
Debt impairment	-	-	-	-	-	-	-	-	-
Depreciation & asset impairment	1,636	1,453	1,339	1,269	2,502	2,502	2,682	2,869	3,070
Finance charges	-	-	-	-	-	-	-	-	-
Bulk purchases	-	-	-	-	-	-	-	-	-
Other materials	67	45	8	103	111	111	153	161	171
Contracted services	4,771	26,932	28,071	16,518	45,915	47,405	74,489	75,111	79,173
Transfers and grants	11,625	5,744	5,048	11,736	11,853	11,853	9,498	10,188	10,738
Other expenditure	36,673	41,097	44,752	74,474	78,686	77,196	49,318	51,868	54,673
Loss on disposal of PPE	7	10	7	-	-	-	-	-	-
Total Operating Expenditure	98,199	120,286	131,152	174,999	204,870	204,870	210,825	221,460	235,886
Operating Surplus/(Deficit)	(99,209)	(119,886)	(131,016)	(174,954)	(204,624)	(204,624)	(209,476)	(221,409)	(235,832)
Transfers recognised - capital	-	-	99	-	110	110	-	-	-
Contributions recognised - capital	-	-	-	-	-	-	-	-	-
Contributed assets	-	-	-	-	-	-	-	-	-
Operating Surplus/(Deficit) for the year	(99,209)	(119,886)	(130,917)	(174,954)	(204,514)	(204,514)	(209,476)	(221,409)	(235,832)
Capital Expenditure	985	1,976	13,070	6,771	14,638	14,598	14,954	954	934

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 12 district parks, 3 408 community parks, 41 cemeteries, 1 crematorium, 1 995 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 3 408 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, 77 community libraries, 2 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 679 730. In 2009/10, LIS migrated two outdated Library Management systems into one Library Management system. The two systems functioned independently of each other and as a result membership records were duplicated. 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. 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 56 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 was planned and construction should be completed in 2015/16, i.e. Regional Library in Kuyasa, Khayelitsha.

Sports, Recreation and Amenities

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

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

A comprehensive set of uniform minimum maintenance standards has been developed in order to effectively deliver services through these facilities. This is a significant step in making a commitment to our communities about what they can expect when they visit or use these facilities and to provide parity to communities.

The City has managed to institutionalise the relationship with varying user sport codes at single facilities through the implementation of an institutional framework that has established Municipal Facility Management Committees (MFMCs) to assist the City with the coordination of usage 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 which saves the department from extensive and expensive reinstatement maintenance programmes.

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

Budget

Community Services has a operating expenditure budget of R1 688 million for 2015/16, which includes R995 million (or 59%) for staff costs emphasising the labour intensive nature of its operations. By contrast the capital budget amounts to only R160 million. 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 R56 million covers only 3.3% 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 R37 million for the Library Service and capital grants of R70 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	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Operating Revenue By Source									
Property rates	–	–	–	–	–	–	–	–	–
Property rates - penalties & collection charges	–	–	–	–	–	–	–	–	–
Service charges - electricity revenue	36	49	62	36	36	36	36	40	45
Service charges - water revenue	–	–	–	–	–	–	–	–	–
Service charges - sanitation revenue	–	–	–	–	–	–	–	–	–
Service charges - refuse revenue	–	–	–	5	5	5	5	6	6
Service charges - other	13,562	13,871	15,505	18,168	18,168	18,168	46,675	49,242	51,901
Rental of facilities and equipment	17,066	21,736	19,507	27,580	27,580	27,580	1,700	1,785	1,874
Interest earned - external investments	0	0	–	–	–	–	–	–	–
Interest earned - outstanding debtors	3	25	0	–	–	–	–	–	–
Dividends received	–	–	–	–	–	–	–	–	–
Fines	2,994	3,068	2,907	2,946	2,946	2,946	3,114	3,285	3,463
Licences and permits	1,423	1,244	1,506	3,047	3,047	3,047	3,221	3,398	3,581
Agency services	–	–	–	–	–	–	–	–	–
Transfers recognised - operational	19,066	28,649	23,597	33,793	37,038	37,038	32,979	37,377	39,168
Other revenue	503	392	1,692	626	626	626	640	675	711
Gains on disposal of PPE	2,147	185	445	–	–	–	–	–	–
Total Operating Revenue (excluding capital transfers and contributions)	56,799	69,218	65,220	86,201	89,446	89,446	88,369	95,807	100,749
Operating Expenditure By Type									
Employee related costs	696,130	731,897	753,163	913,536	901,365	898,365	994,513	1,082,137	1,158,071
Remuneration of councillors	–	–	–	–	–	–	–	–	–
Debt impairment	1,430	–	3,218	–	–	–	–	–	–
Depreciation & asset impairment	69,876	87,670	87,916	91,759	92,829	92,829	108,273	115,852	123,962
Finance charges	–	–	–	–	–	–	–	–	–
Bulk purchases	–	–	–	–	–	–	19	21	24
Other materials	15,882	16,768	16,841	8,631	11,232	11,721	10,602	14,862	15,638
Contracted services	204,777	234,304	296,865	338,748	261,271	231,307	344,579	357,125	385,853
Transfers and grants	–	–	–	–	–	–	–	–	–
Other expenditure	217,408	268,877	212,726	154,708	266,076	298,552	229,972	243,038	257,525
Loss on disposal of PPE	171	117	79	–	–	–	–	–	–
Total Operating Expenditure	1,205,674	1,339,634	1,370,809	1,507,382	1,532,773	1,532,773	1,687,957	1,813,036	1,941,072
Operating Surplus/(Deficit)	(1,148,875)	(1,270,416)	(1,305,589)	(1,421,181)	(1,443,328)	(1,443,328)	(1,599,588)	(1,717,228)	(1,840,323)
Transfers recognised - capital	83,857	111,160	94,869	143,474	115,538	115,538	71,922	84,972	67,640
Contributions recognised - capital	7,224	1,752	1,255	8,826	4,687	4,687	6,761	–	–
Contributed assets	4,869	394	33	–	–	–	–	–	–
Operating Surplus/(Deficit) for the year	(1,052,925)	(1,157,109)	(1,209,432)	(1,268,882)	(1,323,103)	(1,323,103)	(1,520,905)	(1,632,257)	(1,772,683)
Capital Expenditure	162,772	178,223	161,422	203,711	237,145	236,999	160,331	135,009	118,064

2.12.4 Compliance and Auxiliary Services (Vote 4)

The Compliance and Auxiliary Services (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 matters of maladministration, fighting corruption and fraud,
- Advising on control weaknesses in report of procedure and systems,
- Administering the process flow of all reports 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 CAS directorate 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 of the Office of the City Manager as well as the CAS 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, directorate of the Office of the City Manager as well as the Compliance and Auxiliary Services directorate, the organisation as a whole and members of the public.

- **Councillor Support and Subcouncils**

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 direction and input into the City's public participation processes. Undertakes transversal project management and provides HR, Finance and Administrative support across the department.

- **Forensic Services**

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

- **Internal Audit**

To provide independent, objective and reliable assurance and advisory services, which is designed to add value and improve the City's operations. It assists the City to 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)**

Guide, direct and facilitate the process of developing, implementing, monitoring and reporting on the City's 5 year Integrated Development Plan (IDP), including the completion of Impact analysis report, Service Delivery and Budget Implementation Plans (SDBIP), quarterly reports, Annual Report, quality assurance of performance indicators. 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 by undertaking independent investigation into complaints against the City Administration and resolving these complaints through alternative dispute resolution between both parties, where possible. Awareness campaigns are attended to, in order to make the public aware of the services rendered by the office.

- **Integrated Risk Management (IRM)**

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

Major activities proposed for the 2015/16 financial year

- Oversee and monitor implementation of ward allocations within line departments.
- A major drive towards the implementation of the Organisational Performance Management System in line with the national drive for outcome based performance management.
- Improvement of functioning of sub-councils and ward committees.
- Promote and institutionalise culture of ethics in the organisation.

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

Directorate: Compliance & Auxiliary Services									
Budgeted Financial Performance (revenue and expenditure)									
Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
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	20	6	18	5	5	5	17	18	19
Rental of facilities and equipment	116	86	382	–	–	–	–	–	–
Interest earned - external investments	–	–	–	–	–	–	–	–	–
Interest earned - outstanding debtors	–	–	–	–	–	–	–	–	–
Dividends received	–	–	–	–	–	–	–	–	–
Fines	1	1	–	–	–	–	–	–	–
Licences and permits	–	–	–	–	–	–	–	–	–
Agency services	–	–	–	–	–	–	–	–	–
Transfers recognised - operational	160	1,776	367	732	5,748	5,748	789	843	900
Other revenue	647	1,806	1,299	3,130	3,130	3,130	3,297	3,478	3,666
Gains on disposal of PPE	29	38	61	–	–	–	–	–	–
Total Operating Revenue (excluding capital transfers and contributions)	974	3,714	2,127	3,867	8,883	8,883	4,102	4,338	4,584
Operating Expenditure By Type									
Employee related costs	215,294	223,101	264,789	278,068	277,194	277,194	320,522	346,500	375,384
Remuneration of councillors	107,636	111,796	122,502	133,619	132,084	132,084	137,985	146,954	156,359
Debt impairment	–	–	–	–	–	–	–	–	–
Depreciation & asset impairment	6,699	6,430	6,741	5,057	5,049	5,049	4,921	5,265	5,634
Finance charges	–	–	–	–	–	–	–	–	–
Bulk purchases	–	–	–	–	–	–	–	–	–
Other materials	339	340	383	406	424	421	441	469	498
Contracted services	6,143	12,638	7,682	10,822	12,261	11,929	55,317	54,694	57,676
Transfers and grants	4,789	3,118	1,515	60	430	430	60	–	–
Other expenditure	46,180	100,366	80,772	81,897	88,665	89,001	48,781	51,948	54,911
Loss on disposal of PPE	–	–	–	–	–	–	–	–	–
Total Operating Expenditure	387,080	457,787	484,383	509,929	516,109	516,109	568,028	605,830	650,463
Operating Surplus/(Deficit)	(386,106)	(454,073)	(482,256)	(506,062)	(507,226)	(507,226)	(563,926)	(601,492)	(645,879)
Transfers recognised - capital	856	(0)	–	300	440	440	292	295	295
Contributions recognised - capital	–	–	–	–	–	–	–	–	–
Contributed assets	–	–	–	–	–	–	–	–	–
Operating Surplus/(Deficit) for the year	(385,250)	(454,073)	(482,256)	(505,762)	(506,786)	(506,786)	(563,634)	(601,196)	(645,583)
Capital Expenditure	5,460	5,118	3,775	12,376	3,774	3,772	4,134	36,600	36,600

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. Corporate Services, as enablers of service delivery, contributes and underpins all IDP Strategic Focus Areas.

The core functions and objectives of this directorate are:

- **Human Resources**

Develops, drives and implements Human Resources strategies, programmes and interventions across the City in order to ensure that the City has the right people with the right skills and competencies in the right place at the right time. To ensure that people management strategies support and align to the business strategies and plans of the City. The strategies, programmes and interventions are delivered through partnerships with internal and external stakeholders, with the primary internal stakeholders being the line departments. Further 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, which 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, administration and logistics 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**

Responsible, at a corporate level, for ensuring that relevant institutional information, knowledge and records are managed, retained and shared across the organisation, in order to support planning, service delivery and more efficient management. The department also provides information, knowledge and records management related support services to City departments including spatial data management, map production, aerial photography, information analysis, survey and research support and records management services.

- **Occupational Health, Safety and Employee Wellness**

Develops, drives and implements strategies, systems and procedures that promote the safety, health and general wellbeing of employees across the City thus ensuring employees are safe and well enough to provide high quality services on behalf of the City to enable the City to meet its service delivery obligations.

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

- Facilities Management Rehabilitation of Cape Town Civic Centre, which includes Electrical Retrofits, Replacement of Diesel Burners, Fire Suppression System and the upgrading of ablution facilities.
- Facility Management Enterprise System
- Specialised Vehicles – Replacement of aged Fleet
- Replacement of Vehicles / Plant and associated equipment
- Construction of a Metro Area Fibre Optic Network
- Digital Inclusion Programme
- Enhance Corporate Business Systems
- Renew ICT Infrastructure
- 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
- Enable Mobile Government
- Enable Corporate Business Services through Information Systems and Technology
- e-HR Programme
- Talent Management Programme
- Internal Management Processes Programme (MAP)
- Service Management Programme (C3)
- 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	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand									
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	567	476	446	440	440	440	981	1,035	1,091
Rental of facilities and equipment	745	899	1,062	488	488	488	-	-	-
Interest earned - external investments	-	-	-	-	-	-	-	-	-
Interest earned - outstanding debtors	-	-	-	-	-	-	-	-	-
Dividends received	-	-	-	-	-	-	-	-	-
Fines	-	0	-	-	-	-	-	-	-
Licences and permits	-	-	-	-	-	-	-	-	-
Agency services	-	-	-	-	-	-	-	-	-
Transfers recognised - operational	-	10,000	-	2,300	3,437	3,437	7,526	7,971	12,000
Other revenue	45,453	45,296	49,372	57,259	42,259	42,259	62,869	66,326	89,908
Gains on disposal of PPE	2,879	3,366	8,411	1,500	1,500	1,500	1,500	1,583	1,668
Total Operating Revenue (excluding capital transfers and contributions)	49,644	60,036	59,292	61,987	48,124	48,124	72,876	76,915	104,667
Operating Expenditure By Type									
Employee related costs	1,046,721	970,876	547,095	687,931	683,635	683,635	745,086	806,728	874,429
Remuneration of councillors	-	-	-	-	-	-	-	-	-
Debt impairment	-	-	91	-	-	-	-	-	-
Depreciation & asset impairment	140,218	190,875	193,790	153,771	173,082	173,082	172,181	180,757	193,410
Finance charges	-	-	-	-	-	-	-	-	-
Bulk purchases	-	-	-	-	-	-	-	-	-
Other materials	14,589	14,931	13,593	25,147	27,912	26,436	32,313	34,999	37,875
Contracted services	261,365	264,486	282,544	394,587	378,145	381,840	279,132	295,881	318,835
Transfers and grants	-	-	-	-	-	-	-	-	-
Other expenditure	352,419	422,623	455,810	400,200	406,898	404,679	576,902	604,787	637,611
Loss on disposal of PPE	205	315	499	-	-	-	-	-	-
Total Operating Expenditure	1,815,516	1,864,105	1,493,422	1,661,637	1,669,672	1,669,672	1,805,615	1,923,152	2,062,159
Operating Surplus/(Deficit)	(1,765,872)	(1,804,069)	(1,434,130)	(1,599,650)	(1,621,548)	(1,621,548)	(1,732,739)	(1,846,236)	(1,957,492)
Transfers recognised - capital	8	9	5,622	10,702	12,223	12,223	7,298	-	-
Contributions recognised - capital	-	-	-	-	-	-	-	-	-
Contributed assets	69,089	-	-	-	-	-	-	-	-
Operating Surplus/(Deficit) for the year	(1,696,776)	(1,804,060)	(1,428,508)	(1,588,948)	(1,609,325)	(1,609,325)	(1,725,441)	(1,846,236)	(1,957,492)
Capital Expenditure	204,091	232,756	286,544	359,474	392,444	387,706	420,880	315,721	296,970

2.12.6 Energy, Environment & Spatial Planning (Vote 6)

The overall purpose and service mandate of the Energy, Environmental and Spatial Planning directorate is to lead the City's urban spatial and environmental planning functions in pursuit of the developmental mandate 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, "to promote the social and economic development of the community" and "participate in national and provincial development programmes".

The directorate is made up of the following core departments:

- Spatial Planning & Urban Design
- Planning & Building Development Management
- Environmental Resource Management

In the 2013/14 financial year, the Economic Development department and Development Facilitation Unit that used to reside in the directorate, was realigned to the TEED directorate and Investment department respectively. The Mayoral Urban Regeneration Programme (MURP) and Violence Prevention through Urban Upgrading Programme (VPUU) function was moved to, and integrated in the Spatial Planning and Urban Design Department.

The directorate's strategic and operational service delivery objectives are:

Strategic

- To lead shaping of 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 Integrated Development Plan in order to facilitate improved quality of life for all.
- To coordinate and direct the City Support Programme and Built Environment Performance Plan in respect of National Treasury's grant funding programmes on behalf of the Executive Management Team
- To ensure a healthy, safe and sustainable physical 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 an environment at local government level conducive to growth and investment in the property sector
- To guide investment and 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 various strategies, policies and action plans.

- To modernise the City's development regulatory systems and undertake planning law reform by implementing new national and provincial planning legislation, continuously reviewing and improving the Cape Town Zoning Scheme, as well as finalising and implementing 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 enforcement across the city.

The directorate's areas of business improvement are:

- The directorate implemented a new electronic management system for the submission of development applications which went live in 2013/2014. Ongoing business improvement dealing with the processing of development applications will continue for the Planning and Building Management Department in the year ahead.
- Establishment of the Urban Regeneration Programme organisation unit in the Spatial and Urban design department, resourcing thereof and capacitation of staff to run a coherent, well planned and innovative programme

The directorate is looking forward to the new planning by-law in 2015/16, which will make provision for improvements to procedural and decision-making powers. Furthermore the entire planning regulatory reform is an ideal opportunity to reverse the inefficiencies in current laws, with the aim of reducing much of the currently existing red tape. The planning by-law will be aligned to facilitate SPLUMA and its regulations as well as the new provincial law, LUPA, which will replace LUPO.

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

Directorate: Energy, Environmental & Spatial Planning									
Budgeted Financial Performance (revenue and expenditure)									
Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Operating Revenue By Source									
Property rates	–	–	–	–	–	–	–	–	–
Property rates - penalties & collection charges	–	–	–	–	–	–	–	–	–
Service charges - electricity revenue	–	–	0	–	–	–	–	–	–
Service charges - water revenue	–	–	–	–	–	–	–	–	–
Service charges - sanitation revenue	0	–	–	–	–	–	–	–	–
Service charges - refuse revenue	0	(0)	–	–	–	–	–	–	–
Service charges - other	72,951	79,807	83,834	91,632	91,632	91,632	100,876	106,426	112,173
Rental of facilities and equipment	23	40	19	29	29	29	31	32	34
Interest earned - external investments	3	0	–	–	–	–	–	–	–
Interest earned - outstanding debtors	20	613	9	18	18	18	18	19	20
Dividends received	–	–	–	–	–	–	–	–	–
Fines	1,148	1,123	960	1,343	1,343	1,343	1,430	1,508	1,590
Licences and permits	1,067	2,573	4,422	1,655	1,655	1,655	1,732	1,827	1,925
Agency services	–	–	–	–	–	–	–	–	–
Transfers recognised - operational	12,076	21,186	8,391	35,241	37,037	37,037	12,526	10,395	782
Other revenue	934	(95)	341	50	50	50	50	53	56
Gains on disposal of PPE	75	23	23	–	–	–	–	–	–
Total Operating Revenue (excluding capital transfers and contributions)	88,297	105,270	97,998	129,969	131,765	131,765	116,662	120,261	116,581
Operating Expenditure By Type									
Employee related costs	294,959	319,070	344,331	390,260	393,130	394,030	426,779	462,401	501,243
Remuneration of councillors	–	–	–	–	–	–	–	–	–
Debt impairment	–	–	–	–	–	–	–	–	–
Depreciation & asset impairment	12,524	12,764	14,464	17,925	17,151	17,151	19,029	20,361	21,786
Finance charges	–	–	–	–	–	–	–	–	–
Bulk purchases	–	–	–	–	–	–	–	–	–
Other materials	1,069	1,112	1,046	799	1,099	968	1,191	1,268	1,350
Contracted services	29,062	56,129	54,510	54,081	67,570	64,391	50,122	41,975	34,197
Transfers and grants	1,025	–	461	337	337	436	176	186	196
Other expenditure	36,745	34,640	42,230	59,392	42,534	44,845	55,649	58,724	61,912
Loss on disposal of PPE	1	6	7	–	–	–	–	–	–
Total Operating Expenditure	375,386	423,721	457,049	522,794	521,822	521,822	552,947	584,916	620,684
Operating Surplus/(Deficit)	(287,089)	(318,451)	(359,051)	(392,825)	(390,057)	(390,057)	(436,285)	(464,655)	(504,104)
Transfers recognised - capital	9,318	31,753	27,494	65,743	9,996	9,996	31,996	100,482	95,629
Contributions recognised - capital	22	–	–	–	–	–	–	–	–
Contributed assets	166	–	–	–	–	–	–	–	–
Operating Surplus/(Deficit) for the year	(277,583)	(286,698)	(331,557)	(327,082)	(380,061)	(380,061)	(404,288)	(364,173)	(408,475)
Capital Expenditure	38,254	64,114	70,776	118,119	57,859	57,832	80,064	146,224	135,006

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 Financial Officer and 10 directors (Budgets, Housing Finance, Expenditure, Property Management, Inter-Services Liaison, Revenue, Shareholding Management, Supply Chain Management, Treasury and Valuations).

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 funded 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 City's external grant funds associated with the delivery of infrastructure, community facilities, reticulation and top structures associated with the City's informal settlements upgrade and varied integrated human settlements programmes.
- Managing the City's human settlements statutory reserve funds.
- Managing the City's housing related debtors and debtor management systems.
- 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.
- 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	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Operating Revenue By Source									
Property rates	6	2	(2)	–	–	–	–	–	–
Property rates - penalties & collection charges	–	–	–	–	–	–	–	–	–
Service charges - electricity revenue	–	–	–	–	–	–	–	–	–
Service charges - water revenue	–	–	–	–	–	–	–	–	–
Service charges - sanitation revenue	–	–	–	–	–	–	–	–	–
Service charges - refuse revenue	19	3	5	–	–	–	–	–	–
Service charges - other	85,264	10,445	8,310	10,488	10,488	10,488	26,680	28,147	29,667
Rental of facilities and equipment	83,885	81,258	97,112	108,182	108,182	108,182	113,592	119,271	125,235
Interest earned - external investments	313,667	348,801	449,077	265,154	265,154	265,154	262,285	276,711	291,653
Interest earned - outstanding debtors	1,288	1,545	800	1,176	1,176	1,176	89	94	99
Dividends received	–	–	–	–	–	–	–	–	–
Fines	–	0	1	–	–	–	–	–	–
Licences and permits	2	3	2	–	–	–	–	–	–
Agency services	111,266	117,849	137,654	139,446	143,000	143,000	143,000	150,865	159,012
Transfers recognised - operational	3,508	2,480	219	2,441	2,480	2,480	4,944	5,067	5,303
Other revenue	151,459	526,155	193,507	147,135	154,442	154,442	152,282	160,658	169,333
Gains on disposal of PPE	28,929	42,140	10,074	111,000	111,000	111,000	65,669	86,171	74,353
Total Operating Revenue (excluding capital transfers and contributions)	779,293	1,130,680	896,761	785,022	795,923	795,923	768,541	826,983	854,655
Operating Expenditure By Type									
Employee related costs	479,703	527,461	549,260	641,419	629,773	629,774	724,349	784,236	850,076
Remuneration of councillors	–	–	–	–	–	–	–	–	–
Debt impairment	(13,488)	7,644	92,253	12,806	13,025	13,025	10,877	11,475	12,095
Depreciation & asset impairment	15,012	12,142	11,404	11,664	12,403	12,403	15,743	16,845	18,024
Finance charges	646,184	697,132	775,598	886,062	879,071	879,071	943,229	1,060,728	1,191,633
Bulk purchases	–	–	–	–	–	–	–	–	–
Other materials	504	616	439	51,498	659	686	1,061	1,134	1,212
Contracted services	18,109	25,508	23,514	34,238	40,589	41,295	51,026	59,511	63,266
Transfers and grants	5,580	5,931	6,176	6,627	6,627	6,627	7,004	2,000	2,000
Other expenditure	313,489	347,049	388,835	406,628	474,973	474,239	460,312	467,127	492,381
Loss on disposal of PPE	23	47	53	–	–	–	–	–	–
Total Operating Expenditure	1,465,116	1,623,529	1,847,531	2,050,943	2,057,120	2,057,120	2,213,600	2,403,056	2,630,687
Operating Surplus/(Deficit)	(685,823)	(492,850)	(950,770)	(1,265,921)	(1,261,197)	(1,261,197)	(1,445,059)	(1,576,073)	(1,776,031)
Transfers recognised - capital	105	–	(482)	–	599	599	153	–	–
Contributions recognised - capital	–	–	(1,000)	–	–	–	–	–	–
Contributed assets	–	–	–	–	–	–	–	–	–
Operating Surplus/(Deficit) for the year	(685,718)	(492,850)	(952,252)	(1,265,921)	(1,260,598)	(1,260,598)	(1,444,906)	(1,576,073)	(1,776,031)
Capital Expenditure	119,902	21,613	13,384	105,578	92,458	92,457	141,379	11,241	8,681

2.12.8 Human Settlements (Vote 8)

The Human Settlements directorate contributes to and leads the City's development of Integrated Sustainable Human Settlements by improving the overall living and built environment of communities within the City of Cape Town and balancing quantity with quality housing opportunities with specific focus on improving the livelihood of the poor. This is done through the dedicated efforts of delivering a range of housing opportunities and lifestyle enhancements instead of merely building houses. In this way, the directorate is contributing tangibly to the upliftment of individuals, families and communities across Cape Town.

The Housing Act (No.107 of 1997), places an obligation on the City, 'as part of its process of integrated development planning, to take all reasonable and necessary steps within the framework of the national and provincial housing policy to ensure that:

- The inhabitants of its area of jurisdiction have access to adequate housing on a progressive basis;
- Conditions not conducive to the health and safety of the inhabitants of its area of jurisdiction are prevented or removed;
- Services in respect of water, sanitation, electricity, roads, storm water drainage and transport are provided in a manner, which is economically efficient.

In addition, the City is required to:

- Set housing delivery goals in respect of its area of jurisdiction;
- Identify and designate land for housing development that is financially and socially viable;
- Promote the resolution of conflicts arising in the housing development process;
- Initiate, plan, coordinate, facilitate, promote and enable appropriate housing development in its area of jurisdiction;
- Provide bulk engineering services, and revenue generating services in so far as such services are not provided by specialist utility suppliers; and
- Plan and manage land use and development for human settlements.'

The directorate, in order to give greater effect to the above obligations, developed a draft framework during the latter half of 2013 for the future transversal management of Integrated Human Settlements Framework (IHSF) to enable the delivery of significantly more housing opportunities per annum to what is currently being achieved, towards the expected need of about 833 000 households by 2031. The draft framework, which proposes and informs the finalisation of a new and innovative long term Integrated Human Settlements Plan, was approved by Council on 26 February 2014.

The IHSF proposes, and will inform, the finalisation of a new and innovative long term Integrated Human Settlements Plan (2031) based on the City's broader human settlement delivery mandate and one that can holistically address the key challenges brought about by rapid urbanization. The long term plan will also be influenced and also influence the City's Growth Management process, including the City's Built Environment Performance Plan. The IHSF proposes the following key strategy shifts and processes:

1) **The regularisation and progressive upgrading of all informal settlements**

This should shift from a pipeline of comprehensive upgrade projects to a broad based (all settlements) ongoing improvement of services, public space and tenure provided while households formalise their top structures. Densities must be sufficient to minimise the need to relocate households.

2) **Increase supply of new housing opportunities by households of rental units and subdivisions:**

Encourage and support the development of second dwellings through regularising existing backyard dwellings and opening up new designated areas for formal backyard rental units. In addition, the upgrading and formalisation of existing backyard dwellings should be enabled.

Encourage and support further household densification in designated areas by providing incentives and expediting sub-divisions of existing residential properties for the building of additional housing for sale and also the building by households of second dwellings (granny flats) for rental on their properties.

3) **Open-up new areas for housing development within and adjacent to the existing developed areas of the City**

The emphasis should be on high densities and starter units that support incremental completion of the house over an indefinite period. The City should prioritise development of super blocks for third party development or site and service for household occupation and incremental building of their houses themselves over an indefinite period.

4) **Support higher density affordable apartment unit investment by Social Housing Institutions and Private Developers, only around the transport corridors and priority nodes**

These developers should be actively encouraged by investment incentives, planning and building plan approvals and special concessions around development contributions. Public land should where relevant be made available.

The conversion of non-residential properties to affordable residential rental should also be encouraged

5) **A focused programme should be undertaken to improve home-ownership related credit worthiness within Cape Town, particularly in respect of lower income households.**

6) **A focused communications programme should be undertaken to adjust the expectations of stakeholder.**

The directorate is in the process of developing an implementation programme to give effect to the above proposals.

The abovementioned strategic issues are managed within the directorate via the following six departments i.e. in respect of directing, overseeing and controlling key performance areas for the immediate future:

Development & Delivery

- Directing the planning, development and implementation of Integrated Human Settlements and community facilities / amenities including the development of an integrated service delivery plan for the directorate.
- Directing and overseeing the development of new Community Residential Units (CRU's).
- Directing and overseeing the Peoples Housing / Community Based housing delivery process.

- Directing and overseeing the management and facilitation of Land Reform, Social and GAP housing programmes/projects/opportunities.
- Directing and overseeing the facilitation, coordination and implementation of a professional Architectural and Quantity Surveying services for the Directorate's and City's short, medium and long term service delivery objectives.
- Directing and overseeing major upgrading to existing /new Community Residential Units (CRU's) / rental units and Hostels including the development and implementation of long term asset management plan/s for CRU's / rental units.
- Directing and overseeing implementation of the BEPP in line with National Guidelines and Integrated Human Settlement Plan/5 Year Human Settlement Plan.
- Directing and overseeing the monitoring of USDG / HSDG project implementations across the City.
- Directing and overseeing implementation and upgrades of bulk services in the defined areas, land parcels and proposed housing projects.
- Coordinating provision of support to SMME contractors to access business opportunities and mentorship.
- Forging / facilitating partnerships with private sector developers for integrated housing delivery.
- Identifying and implementing alternate housing development programmes.

Public Housing and Customer Services

- Directing and overseeing the management and administration of rental / home ownership units.
- Directing and overseeing the maintenance of existing and new CRU's / hostels (reactive maintenance).
- Directing and overseeing the development and implementation of effective stakeholder relationships, communication strategies / systems and tools to maintain and enhance service delivery.

National Human Settlements Programmes, Forward Planning and Delivery Coordination

- Directing the identification, planning, acquisition, sale and packaging of land for the provision of Integrated Sustainable Human Settlements.
- Directing, coordinating and implementing the researching, development and compliance of Human Settlement policies and strategies.
- The directing of all functions delegated and assigned to the City by proclamation in respect of the administration of the National Housing Programmes, including the promotion, facilitation and coordination of accreditation matters with Provincial - and National Government.
- Directing and overseeing the implementation of housing strategies, policies and programmes across the directorate.
- Managing and leading Inter Governmental Relations and Coordination to achieve integrated human settlements.
- Coordinating development and Management of Human Settlements Performance Management Systems in line with National and Provincial systems e.g. Outcome 8 etc.

Urbanisation

- To lead and drive the comprehensive strategic and operational policy development; programme coordination, management and control of all facets of the City's urbanisation responses to Urbanisation across the entire Cape Town Metropolitan Area to prevent and reduce the impact of negative consequences of urbanisation and to identify and optimise urban opportunities within the context of human settlements.
- A key component of this Department is to coordinate urbanisation strategies across contributing Directorates through a transitional/ matrix management approach for the effective and coordinated upgrading, improvement and management of informal settlements and backyard residences, as well as to coordinate and facilitate inter-departmentally and across all spheres of government the planning and development of social and community facilities in relation to the City's urbanisation roll out plans and implementation programmes.

Support Services and Administration

- Directing and overseeing the management of all logistic and asset administration functions.
- Directing and overseeing the management of an effective general administrative function.
- Directing and overseeing the management of a professional Human Resource Management function.
- Directing and overseeing the management of an inter-service liaison function to and from the Executive Director's office.
- Overseeing the management of directorate risk management initiatives.
- Coordinating provision of a secretariat support services across the entire directorate.
- Coordinating Internal, forensic and general audit processes within the directorate.

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	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
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	9,869	10,096	10,144	10,120	10,120	10,120	9,120	9,622	10,141
Rental of facilities and equipment	171,784	179,216	189,259	204,461	204,461	204,461	212,032	224,887	234,906
Interest earned - external investments	18,043	15,117	11,960	10,600	10,600	10,600	9,050	9,548	10,063
Interest earned - outstanding debtors	113	244	127	–	–	–	–	–	–
Dividends received	–	–	–	–	–	–	–	–	–
Fines	0	1	0	–	–	–	–	–	–
Licences and permits	1	1	4	–	–	–	–	–	–
Agency services	–	–	–	–	–	–	–	–	–
Transfers recognised - operational	204,858	329,396	375,051	1,252,652	803,615	803,615	924,701	870,564	924,646
Other revenue	8,918	6,881	11,460	6,599	6,599	6,599	8,052	6,018	6,343
Gains on disposal of PPE	1,554	20,528	33,051	2,000	2,000	2,000	2,000	2,110	2,224
Total Operating Revenue (excluding capital transfers and contributions)	415,139	561,481	631,056	1,486,431	1,037,395	1,037,395	1,164,955	1,122,748	1,188,324
Operating Expenditure By Type									
Employee related costs	186,461	215,399	280,771	297,803	278,153	278,153	312,981	377,742	407,353
Remuneration of councillors	–	–	–	–	–	–	–	–	–
Debt impairment	92,163	(6,146)	90,891	102,389	102,389	102,389	109,837	129,911	136,926
Depreciation & asset impairment	53,208	58,851	88,792	84,266	95,935	95,935	78,835	84,353	90,258
Finance charges	–	–	–	–	–	–	–	–	–
Bulk purchases	0	–	–	–	–	–	–	–	–
Other materials	15,027	17,725	30,852	30,549	30,529	30,529	27,891	28,966	30,118
Contracted services	124,320	209,582	241,998	1,023,471	503,073	503,073	755,536	716,581	771,029
Transfers and grants	–	–	–	–	–	–	–	–	–
Other expenditure	218,492	265,219	264,152	312,510	392,363	392,363	291,907	264,957	271,232
Loss on disposal of PPE	630	253	610	–	–	–	–	–	–
Total Operating Expenditure	690,301	760,882	998,067	1,850,987	1,402,441	1,402,441	1,576,986	1,602,510	1,706,916
Operating Surplus/(Deficit)	(275,162)	(199,401)	(367,011)	(364,556)	(365,046)	(365,046)	(412,031)	(479,761)	(518,592)
Transfers recognised - capital	463,433	519,786	501,844	616,322	957,437	957,437	371,066	243,073	190,863
Contributions recognised - capital	–	–	–	–	–	–	–	–	–
Contributed assets	–	–	–	–	–	–	–	–	–
Operating Surplus/(Deficit) for the year	188,271	320,385	134,833	251,766	592,391	592,391	(40,965)	(236,688)	(327,729)
Capital Expenditure	490,041	565,694	564,330	860,786	1,071,685	1,014,918	420,835	267,132	212,421

2.12.9 Safety & Security (Vote 10)

The directorate consists of six functional departments; Law Enforcement 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.

Policing Departments

The City's policing departments consist of Metro Police Services, Traffic Services and Law Enforcement Services. The objectives and priorities of these departments are set out in the legislatively required Annual Police Plan and departmental business plans, which feed into the City's IDP.

▪ Metro Police

Metro Police was established in terms of the South African Police Service Act. Its mandate is the enforcement of traffic laws, enforcement of bylaws and crime prevention. Its current operations include clamping down on drug and alcohol-related offences and addressing gang-related violence. To this end, the Gang and Drug Task Force have been established and is achieving significant operational successes. Other major initiatives include the expansion of the department's Neighbourhood Policing programme to bring policing closer to the people of the City and the establishment of an integrated information management system (Project EPIC). Major projects include the increase in CCTV installations in major areas within the City, particularly within the MURP areas.

▪ Traffic Services

The department was established in terms of the National Road Traffic Act. It consists of two sections; the Operations Section and the Licensing Section. The Operations section deals with specialised and general activities, the enforcement on roads, while the Licensing Section deals with all learner and driver licence testing, card conversions and renewals. This section manages the traffic court division, public/private partnership agreement on traffic cameras. Major projects include the final phase of the Atlantis Driver's testing station; improvement of the various driver licensing and driver testing centres and replacement of vehicles.

▪ Law Enforcement Services

The core function of the Law Enforcement and Specialised Services department is the enforcement of bylaws and regulations in terms of the Criminal Procedure Act. The departments deal with general bylaw enforcement in residential areas and resorts as well as specialised enforcement through various units dealing with copper theft, informal trading, displaced people, land invasion, liquor control and problem buildings. These departments play a major role on beaches over festive seasons as well as other public events and actively supporting other directorates in land invasion actions. Major projects include purchasing of specialized equipment in the combating of land invasions and strike actions, building improvements to very old buildings, vehicle replacements and the construction of law enforcement volunteer bases.

Emergency Services

The Emergency Services consists of the 107 Emergency Call Centre, Fire and Rescue Services and Disaster Risk Management.

107 Emergency Call Centre

The City has a single emergency number (107) to a call-taking and dispatching centre, which directs all calls to appropriate institutions and agencies. The centre is manned by well-trained quality-controlled operators. Key focus projects includes education and public awareness campaigns at schools, old-age homes, frail-care facilities and shopping centres.

Fire and Rescue Services

The Fire and Rescue Services was established in terms of the Fire Brigade Services Act. The department has 30 fire stations operating on a 24 hour basis. Its core functions include responding to fires and emergencies as well as medical emergencies. The major programmes include educational programmes, raising awareness around fires, life safety on buildings, structures and events. Major projects includes the acquisition of specialised fire vehicles to replace its aged fleet, replacement of fire-fighting equipment, replacement of medical and communication equipment.

Disaster Risk Management

The core function of the department is to prevent and mitigate the effect of disasters. To this end the department aims to identify, prevent and reduce the occurrence of disasters. It has a well-established volunteer corps, who plays a key role in event safety, co-ordination of corporate safety initiatives, festive season planning, winter preparedness planning, unrest, and service delivery protest. Key projects include the construction of volunteer bases throughout the City, IT and vehicle replacements.

Significant Capital Projects for the 2015/16 MTREF

Significant capital projects to be undertaken by the directorate over the medium-term include:

- The final phase of the implementation of an Integrated Emergency Contact Centre
- Upgrading and improving the driving and licencing testing centres
- Complete the final phase of the Atlantis Driving Licensing and Testing centre
- Installation of CCTV camera various areas within the City, including the MURP areas
- Replacement and acquisition of additional radios and equipment
- Acquisition and replacement of aged 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	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand									
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	–	–	(0)	185	185	185	196	206	218
Service charges - other	22,489	19,700	18,723	10,154	10,154	10,154	10,849	11,446	12,064
Rental of facilities and equipment	457	439	410	202	202	202	213	223	234
Interest earned - external investments	12	6	4	7	7	7	352	371	391
Interest earned - outstanding debtors	975	1,348	1,097	501	501	501	501	528	557
Dividends received	–	–	–	–	–	–	–	–	–
Fines	140,146	96,180	725,184	171,315	912,060	912,060	972,621	1,017,310	1,082,244
Licences and permits	37,409	36,045	35,947	33,747	33,583	33,583	35,271	37,211	39,220
Agency services	12,384	14,621	12,602	10,993	10,993	10,993	10,993	11,598	12,224
Transfers recognised - operational	5,624	12,825	37,862	24,794	39,640	39,640	35,188	–	–
Other revenue	1,399	1,763	1,090	168	168	168	159	168	177
Gains on disposal of PPE	127	164	87	–	–	–	–	–	–
Total Operating Revenue (excluding capital transfers and contributions)	221,022	183,090	833,006	252,067	1,007,494	1,007,494	1,066,342	1,079,061	1,147,330
Operating Expenditure By Type									
Employee related costs	1,028,761	1,160,026	1,202,281	1,327,531	1,363,544	1,363,544	1,511,087	1,612,821	1,750,592
Remuneration of councillors	–	20	3	–	–	–	–	–	–
Debt impairment	–	–	464,654	–	740,581	740,581	740,581	781,313	823,504
Depreciation & asset impairment	35,599	36,823	41,457	33,799	37,537	37,537	43,314	41,585	44,496
Finance charges	–	–	–	–	–	–	–	–	–
Bulk purchases	–	–	–	–	–	–	–	–	–
Other materials	2,542	3,049	3,469	4,984	5,731	6,051	5,465	6,101	6,503
Contracted services	20,580	22,355	34,458	47,806	51,954	52,286	59,878	50,366	53,942
Transfers and grants	–	–	–	–	–	–	–	–	–
Other expenditure	149,573	158,916	154,938	227,506	234,442	233,790	245,675	258,517	272,664
Loss on disposal of PPE	44	15	237	–	–	–	–	–	–
Total Operating Expenditure	1,237,101	1,381,203	1,901,498	1,641,626	2,433,789	2,433,789	2,606,001	2,750,702	2,951,701
Operating Surplus/(Deficit)	(1,016,079)	(1,198,113)	(1,068,492)	(1,389,559)	(1,426,295)	(1,426,295)	(1,539,659)	(1,671,641)	(1,804,371)
Transfers recognised - capital	2,869	2,659	1,868	2,234	13,919	13,919	14,130	22,000	17,000
Contributions recognised - capital	–	–	1,000	–	–	–	–	–	–
Contributed assets	–	15	218	–	–	–	–	–	–
Operating Surplus/(Deficit) for the year	(1,013,210)	(1,195,439)	(1,065,406)	(1,387,325)	(1,412,376)	(1,412,376)	(1,525,529)	(1,649,641)	(1,787,371)
Capital Expenditure	67,079	55,708	63,809	70,559	82,247	82,242	105,163	57,127	52,127

2.12.10 Social Development and Early Childhood Development Directorate (Vote 11)

Cape Town continually faces the challenge of social ills like the lack of social cohesion within families, poverty, unemployment, alcohol and drug abuse, 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 services, so it is imperative that services rendered conform to acceptable efficiency and value for money standards, produce measurable outputs by enabling, facilitating and implementing the defined Social Development and Early Childhood Development Directorate (SDECD) basket of services.

The South African Constitution mandates local government to “promote social and economic development”. 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 vulnerable.

The 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 (within the constraints of its financial means) to provide social services (defined as developmental services for SDECD at a Local government level) and early childhood development to those who need it supported by an Implementation Protocol Agreement with the Western Cape Government Provincial Department of Social Services, which enables SDECD to collaborate on a number of its programmes with same.

Planning and Implementation is aligned to the City’s Integrated Development Plan, Social Development Strategy and Economic Growth Strategy. SDECD is the lead directorate in ensuring that the following corporate scorecard objectives of the IDP are attained:

- Pillar 1 (The Opportunity City)
 - Strategic Objective 1.2: Provide and maintain Economic and Social infrastructure to ensure infrastructure led economic growth and development
 - Programme 1.2 (d): Number of Expanded Public Works Programme opportunities created.
- Pillar 3 (The Caring City)
 - Strategic Objective 3.1: Provide Social Services (defined as developmental services for SDECD at a Local government level) for those who need it
 - Programme 3.1(a): Number of targeted development programmes.

SDECD participates in the Social EMT Management Subcommittee, with working groups;

- Sustainable Communities Working Group
- Area Management Working Group
- Integrated Human Settlements Working Group
- Corporate Social Investment Working Group
- EPWP Working Group.

Within the Safe communities working group SDECD drives the following work streams:

- Integrated Youth Strategy with its implementation Plan
- Social & Situational Crime Prevention Strategy with its implementation Plan
- Alcohol & Other Drug Harm Minimisation Strategy with its implementation Plan

Furthermore, SDECD enables, facilitates and implements preventative social developmental and early childhood developmental programmes in eight service delivery areas, through implementation of its basket of services. This is done by creating awareness and resilience within vulnerable communities in Cape Town using Inclusive Community Methodology when SDECD initiatives are implemented.

SDECD is now also the driver of the National Government Expanded Public Works Programme (EPWP) which aims “to contribute to development by providing work opportunities to poor and unemployed people in the labour intensive delivery of public and community assets and services”.

PURPOSE AND SERVICE MANDATE OF DIRECTORATE

Social Development & Early Childhood Development Basket of Services

Substance Abuse:

The programme is aligned to the approved “Prevention and Early Intervention of Alcohol and Other Drug Use” Policy, as well as the “Alcohol and Other Drug Harm Minimization and Mitigation” Strategy. The City will collaborate at local and provincial level to offer initiatives that promote awareness of and provide support.

- Manage substance abuse projects and campaigns
 - Implement the Strengthening Families programme
- Ensuring operational optimisation of the CTADAC – Cape Town Alcohol and Drug Action Committee
- Partner with PGWC, NGOs and CBOs in substance abuse related matters
- Concentrate on awareness programmes concerning the negative impact of substance abuse
- Collaborate with schools to implement substance abuse awareness sessions via MOD centres
- Promote and support the City’s 24/7 substance abuse helpline: 0800 HELP 4 U (0800 4357 48) under leadership of the Performance & Operational Support Department
- Initiate policy review process in consultation with the Strategic Policy Unit

Street People:

The programme is aligned to the approved “Street People” Policy. The aim is to reduce the number of people living/sleeping/surviving on the streets, and ensure that street people are given the necessary development assistance to achieve reintegration, accommodation and employment.

- Co-ordinate the “Give Responsibly” campaign
- Procurement of services at assessment centres
- Implement the Winter Readiness programme
- Deal with street people matters on a daily basis
- Establish Local Networks of Care
- Create employment opportunities through EPWP programmes
- Promote and support the City’s 24/7 street people helpline: 0800 87 22 01 under leadership of the Performance & Operational Support Department
- Initiate policy review process in consultation with the Strategic Policy Unit

Youth Development:

The programme is aligned to the approved “Youth Development” policy. It includes implementation of the multifaceted Youth Development interventions, taking into account the many challenges facing the youth.

- Co-ordinate a Youth campaign
- 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
- Initiate Youth Conversations
- Initiate policy review process in consultation with the Strategic Policy Unit

Early Childhood Development:

The programme is aligned to the approved “ECD” Policy, as well as the “ECD Land Use” Policy. The aim is to provide quality ECD services with a variety of developmental components.

- Co-ordinate ECD campaigns
- Assist with ECD centres’ registrations in collaboration with relevant CCT departments and the Western Cape Government
- Train ECD practitioners, caregivers and parents
- Establish new, as well as support existing ECD Forums
- Establish a one stop service for all ECD services
- Conduct regular surveys/audits on registered and unregistered crèches in conjunction with PGWC
- Construct ECD centres on CCT-owned land in identified areas of need
 - Exploration of alternative building methods for construction of ECDs
- Maintain City-owned ECD centres
- Contribute towards ECD curriculum development
- Assist non-complying ECD centres and support action against on-going non-compliance (site inspections)
- Initiate policy review process in consultation with the Strategic Policy Unit

Poverty Alleviation and Reduction:

The programme is aligned to the approved “Food Gardens Policy in Support of Poverty Alleviation and Reduction”. Being a Caring City requires a targeted effort to care for the marginalised and vulnerable in Cape Town. Collaboration with a range of partners is essential to assist in creating sustainable communities and promoting independence over time.

- Establish Community Food Gardens and Food gardens at CCT owned ECD’s, including: Gardening & Governance Training; Provision of Equipment, Seedlings, Compost and Clothing
- Establish partnerships to broaden service menu of the programme
- Initiate policy review process in consultation with the Strategic Policy Unit

Vulnerable Groups:

The programme is aligned to the approved “Vulnerable Groups” Policy. 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 care.

- Women and gender matters
- Support for older persons, including hosting annual older persons games
- Persons with disabilities
- Home-based care
- Establish a 24hr social care line
- Initiate policy review process in consultation with the Strategic Policy Unit

SDECD ensures its purpose and service mandate is implemented by structuring itself in the following way:

Special Projects

The Special Projects department focuses on planning of programmes, review and development of policies, ensuring that programme rollout is aligned to policies, monitoring quality of programmes and conducting impact assessments of basket of services.

District Service Delivery

The Service Delivery department focuses on creating opportunities for communities to meet their developmental needs in order for them to become cohesive and sustainable. The department promotes the social developmental and early childhood developmental interests of communities and allocates resources to implement the directorate’s defined basket of services and carrying out of community profiles.

Performance & Operational Support

The Performance & Operational Support department provides the following services to ensure implementation of the directorate’s basket of services which includes *inter alia*:

- Organizational & Individual Performance Management, Knowledge Management, facilitate Policy review and development, Business Planning & Compliance:
- Expanded Publics Works Programme (SDECD):
- Capital Projects Implementation as well as repairs and maintenance:
- Support Services (Human Resources & General administration)
- Facility & Asset Management
- Communications

EPWP (Corporate)

The corporate EPWP department is a lead department and is responsible for ensuring the corporate EPWP job creation targets and strategies are achieved by all line departments. In addition, the department is responsible for the development and monitoring of policies with regard to EPWP and the recruitment and selection for workers from the community (database of work seekers). The Community Work Programme (CWP) is a sub-programme under EPWP and is funded and managed by the Department of Cooperative Governance. The City has a governance oversight responsibility in the roll out of the CWP. The City’s roles and responsibilities, in relation to the CWP, are contained in a Protocol Agreement and the EPWP office is responsible for the facilitation and coordination thereof.

The departmental EPWP programme is aligned to the approved policy “Implementation of the Expanded Public Works Programme (EPWP)”. Work opportunities are created through the EPWP in alignment to the directorate’s “Basket of Service” programmes.

Finance

The Finance department provides professional financial support to the directorate line departments.

Their functions include *inter alia*:

Compilation of the directorate’s annual operating expenditure budget, revenue budget and capital budget. Creating, updating and reporting of SAP projects & WBS numbers. Compiling monthly operating/capital expenditure, Section 71 high level, reports to section 79 Portfolio Committee and Homeless Agency Committee. Creating and managing purchase requisitions, reservations, notifications, goods receipt notifications (GRN), vendor registration and interface, SCM queries, accounts payable, VAT clearance issues, request for quotations (RFQ) and verification of deviation/condonation reports.

Enabling and monitoring ward allocations (operating and capital) by creating SAP projects and WBS numbers. Conduct financial verification of reports/control documents. Monthly reporting, Corrective action / journals.

Represents the directorate at the City’s Grants committee, member of the Finance Managers’ Forum (FMF).

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

Directorate: Social Dev & Early Childhood Development									
Budgeted Financial Performance (revenue and expenditure)									
Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
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	8	5	5	8	8	8	78	82	86
Rental of facilities and equipment	86	115	94	413	113	113	48	50	53
Interest earned - external investments	1	0	0	–	–	–	–	–	–
Interest earned - outstanding debtors	–	–	–	–	–	–	–	–	–
Dividends received	–	–	–	–	–	–	–	–	–
Fines	1	1	1	–	–	–	–	–	–
Licences and permits	2	–	4	–	–	–	–	–	–
Agency services	–	–	–	–	–	–	–	–	–
Transfers recognised - operational	–	1,622	1,626	4,741	6,898	6,898	–	–	–
Other revenue	3	1	20	–	–	–	–	–	–
Gains on disposal of PPE	12	2	0	–	–	–	–	–	–
Total Operating Revenue (excluding capital transfers and contributions)	112	1,746	1,751	5,162	7,019	7,019	126	132	139
Operating Expenditure By Type									
Employee related costs	26,652	35,523	42,140	79,482	70,508	70,508	86,872	94,557	102,499
Remuneration of councillors	–	–	–	–	–	–	–	–	–
Debt impairment	–	–	–	–	–	–	–	–	–
Depreciation & asset impairment	1,487	2,045	2,709	2,887	4,142	4,142	4,953	5,300	5,670
Finance charges	–	–	–	–	–	–	–	–	–
Bulk purchases	–	–	–	–	–	–	–	–	–
Other materials	230	468	235	335	343	343	201	214	227
Contracted services	27,131	55,294	45,723	54,675	48,983	45,734	68,655	153,439	161,666
Transfers and grants	2,270	–	–	–	–	–	–	–	–
Other expenditure	8,659	17,403	24,402	21,690	19,084	22,334	21,624	22,475	23,724
Loss on disposal of PPE	3	1	9	–	–	–	–	–	–
Total Operating Expenditure	66,432	110,735	115,219	159,068	143,060	143,060	182,305	275,984	293,788
Operating Surplus/(Deficit)	(66,319)	(108,989)	(113,467)	(153,906)	(136,041)	(136,041)	(182,180)	(275,852)	(293,648)
Transfers recognised - capital	2,069	890	412	2,750	4,000	4,000	400	–	–
Contributions recognised - capital	–	–	–	–	–	–	–	–	–
Contributed assets	–	–	–	–	–	–	–	–	–
Operating Surplus/(Deficit) for the year	(64,250)	(108,098)	(113,055)	(151,156)	(132,041)	(132,041)	(181,780)	(275,852)	(293,648)
Capital Expenditure	9,446	6,791	7,555	18,410	24,258	24,203	11,971	10,860	10,860

2.12.11 Tourism, Events and Economic Development (Vote 12)

The Tourism, Events and Economic Development directorate will promote Cape Town and develop its economic development functions, including business areas and local trading areas, tourism, events and arts and culture and visitor offering through the use of its strategic assets, economic assets, cultural 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 economic development of business areas, local trading, release key strategic land, events, tourism, arts and culture by:

- Increasing business and leisure tourism visitors;
- Increasing the number of additional iconic and international events;
- Additional innovative and creative areas and culture activities;
- Maximising operational budgets;
- Creating and facilitating partnerships and joint ventures;
- Planning, decision-making and coordinated action between role-players (the private sector and communities);
- Facilitating and promoting sector transformation.

Arts and Culture Strategic Objective

To market and develop arts and culture in an innovative manner that celebrates the City's established sectors while opening up opportunity to the rich diversity of the City's burgeoning cultural landscape to contribute to economic growth, development and an open opportunity city inclusive of all its citizens (residents).

Cape Town Stadium Strategic Objective

Cape Town Stadium and Green Point Urban Park strives to be one of the leading multipurpose venues of choice at local, national and international level that contributes to the City's social and financial stability. As a leading multifunctional lifestyle venue, we pride ourselves on service excellence through team work, modern technologies, innovative and integrated approaches to create a safe and fun environment for visitors and spectators and a financially and environmentally sustainable entity for the City as well as a venue of choice for event organizers and promoters.

Economic Development Strategic Objectives

The Economic Development department's programmes are aimed at positioning Cape Town as a business-friendly destination by championing interventions that leads to an inclusive local economic development. This is done through the provision of professional economic development services that are based on sound analytical research and expert knowledge. It contributes to the City's core business to support the City's economic growth and opportunity.

Events Strategic Objective

To establish Cape Town through improved strategic management, logistical coordination and support as the leading events destination locally and regionally, and as Africa's leading events destinations globally, with increased numbers of iconic and international events held annually resulting in benefits to residents, the hospitality industry and the local economy at large.

Integrated and Support Strategic Objective

To provide the directorate with the necessary finance, human resources and general administrative support in a manner that drives compliance without hampering service delivery and the fulfilment of the primary tasks of the directorate.

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, arts and culture and heritage destination.

Tourism Strategic Objective

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

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

Directorate: Tourism, Events & Economic Development									
Budgeted Financial Performance (revenue and expenditure)									
Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
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	2,899	3,354	3,670	6,530	6,199	6,199	6,472	6,828	7,196
Rental of facilities and equipment	13,244	20,692	9,248	16,663	16,689	16,689	17,554	18,432	19,353
Interest earned - external investments	–	–	–	–	–	–	–	–	–
Interest earned - outstanding debtors	96	55	25	65	53	53	25	26	28
Dividends received	–	–	–	–	–	–	–	–	–
Fines	1	78	0	–	–	–	–	–	–
Licences and permits	15	16	4	10	0	0	1	1	1
Agency services	–	–	–	–	–	–	–	–	–
Transfers recognised - operational	1,980	552	45,060	2,190	4,277	4,277	2,000	–	–
Other revenue	1,933	40	160	129	144	144	28,535	142	150
Gains on disposal of PPE	20	6	51	–	–	–	–	–	–
Total Operating Revenue (excluding capital transfers and contributions)	20,187	24,794	58,219	25,586	27,363	27,363	54,586	25,429	26,728
Operating Expenditure By Type									
Employee related costs	60,269	78,562	86,329	109,002	108,448	108,745	119,690	130,281	140,301
Remuneration of councillors	–	–	–	–	–	–	–	–	–
Debt impairment	–	–	–	–	–	–	–	–	–
Depreciation & asset impairment	182,979	195,669	203,808	206,321	207,793	207,793	206,638	221,102	236,580
Finance charges	–	–	–	–	–	–	–	–	–
Bulk purchases	–	–	–	–	–	–	–	–	–
Other materials	677	669	521	1,227	606	601	662	700	739
Contracted services	31,114	47,918	105,447	62,898	61,648	60,392	119,864	92,330	96,906
Transfers and grants	75,312	84,981	98,432	102,863	115,318	116,310	99,681	105,164	110,843
Other expenditure	47,241	62,227	78,733	54,456	53,495	53,468	22,753	24,041	24,248
Loss on disposal of PPE	9	5	18	–	–	–	–	–	–
Total Operating Expenditure	397,601	470,031	573,288	536,767	547,309	547,309	569,288	573,618	609,616
Operating Surplus/(Deficit)	(377,414)	(445,237)	(515,069)	(511,180)	(519,946)	(519,946)	(514,701)	(548,189)	(582,888)
Transfers recognised - capital	3,568	3,729	9,471	1,000	1,250	1,250	500	–	–
Contributions recognised - capital	–	–	–	–	–	–	–	–	–
Contributed assets	–	–	–	–	–	–	–	–	–
Operating Surplus/(Deficit) for the year	(373,846)	(441,507)	(505,598)	(510,180)	(518,696)	(518,696)	(514,201)	(548,189)	(582,888)
Capital Expenditure	70,350	180,632	26,375	39,227	38,681	38,680	41,098	33,750	33,750

2.12.12 Transport for Cape Town (Vote 13)

Transport for Cape Town is responsible 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. Transport for Cape Town also has responsibility for storm water catchment planning and management, including master planning and catchment control measures, and the provision and ongoing upgrading and maintenance of bulk and local storm-water systems including rivers, canals, detention dams and vleis.

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 roads 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 towards 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:

- Completion of the last sections of IRT infrastructure in Phase 1A, such as the Inner City stops with associated pedestrian safety measures, Camps Bay Drive widening and provision of the MyCiTi bus holding area in Hout Bay.
- Roll-out and optimization of Phase 1A trunk and feeder services.
- Roll-out of the Phase 1B MyCiTi trunk bus services – scheduled for early 2015/16.
- Construction of IRT Phase 1B feeder service bus stops and associated route improvements.
- Construction of the IRT N2 Express stations and stops in Khayelitsha and Mitchells Plain together with route improvements.
- Roll-out of the N2 Express MyCiTi bus services to Khayelitsha and Mitchells Plain.
- Planning for IRT Phase 2 service to the Metro South East.
- Upgrading and dualling of sections of Strandfontein Road between Govan Mbeki Road and Spine Road incorporating elements of IRT Phase 2 and significantly improved non-motorized transport facilities.
- Upgrading and dualling of Stock Road between Govan Mbeki Road and the Cape Flats freeway (R300) incorporating elements of IRT Phase 2 and improved non-motorized transport facilities.
- Planning, design and construction of a number of strategic Public Transport Interchanges as determined by the Integrated Public Transport Network Plan.
- 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.
- Roll-out of an extensive network of non-motorized transport routes throughout the City to promote a safe and user friendly environment for pedestrian and cycle usage.

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	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
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	37,721	43,109	80,116	108,835	147,792	147,792	297,431	313,790	360,735
Rental of facilities and equipment	63	46	313	240	240	240	–	–	–
Interest earned - external investments	1	3	7	0	0	0	0	0	0
Interest earned - outstanding debtors	4	2	3	2	2	2	2	2	2
Dividends received	–	–	–	–	–	–	–	–	–
Fines	23	15	12	22	22	22	24	25	26
Licences and permits	1,513	1,227	2,001	1,218	1,992	1,992	2,054	2,167	2,284
Agency services	–	–	–	–	–	–	–	–	–
Transfers recognised - operational	109,454	158,855	286,463	244,521	591,585	591,585	263,505	251,115	259,911
Other revenue	22,509	13,358	23,354	14,753	15,447	15,447	15,429	16,278	17,157
Gains on disposal of PPE	289	250	224	–	–	–	–	–	–
Total Operating Revenue (excluding capital transfers and contributions)	171,577	216,866	392,493	369,591	757,081	757,081	578,445	583,377	640,115
Operating Expenditure By Type									
Employee related costs	405,702	457,118	682,282	576,190	563,462	563,462	640,090	689,333	747,221
Remuneration of councillors	–	–	–	–	–	–	–	–	–
Debt impairment	–	–	–	–	–	–	–	–	–
Depreciation & asset impairment	192,048	263,918	444,745	572,188	588,940	588,940	614,777	657,812	703,858
Finance charges	–	–	–	–	–	–	–	–	–
Bulk purchases	–	–	–	–	–	–	–	–	–
Other materials	49,701	47,083	44,617	50,670	56,099	56,099	51,180	55,494	60,118
Contracted services	451,992	594,388	837,014	816,892	1,044,793	1,044,793	1,251,391	1,301,844	1,382,391
Transfers and grants	–	–	–	–	500	500	–	–	–
Other expenditure	169,320	202,784	189,652	216,682	370,219	370,219	161,024	167,334	177,658
Loss on disposal of PPE	53	20	25	–	–	–	–	–	–
Total Operating Expenditure	1,268,816	1,565,311	2,198,334	2,232,622	2,624,013	2,624,013	2,718,462	2,871,816	3,071,247
Operating Surplus/(Deficit)	(1,097,239)	(1,348,445)	(1,805,841)	(1,863,031)	(1,866,932)	(1,866,932)	(2,140,017)	(2,288,439)	(2,431,131)
Transfers recognised - capital	1,151,426	2,339,666	1,022,334	1,463,632	1,566,851	1,566,851	1,181,148	1,195,965	1,201,462
Contributions recognised - capital	–	30	–	12,100	3,124	3,124	1,000	50,000	50,000
Contributed assets	–	–	–	–	–	–	–	–	–
Operating Surplus/(Deficit) for the year	54,187	991,252	(783,507)	(387,299)	(296,958)	(296,958)	(957,868)	(1,042,474)	(1,179,669)
Capital Expenditure	1,280,796	2,493,517	1,113,033	1,603,985	1,754,130	1,718,724	1,399,805	1,465,204	1,436,035

2.12.13 Utility Services (Vote 14)

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

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.

Water & Sanitation

Formal households and commercial customers have access to water and sanitation services through a metered water connection and (with the exception of a few septic tank facilities) full flush sanitation on site. The City has met national standards for full water and sanitation access in informal settlements.

Electricity Services

The City's Electricity Services department distributes electricity to residential and commercial/industrial customers in the City's electricity supply area. The department is licensed by the National Energy Regulator of South Africa (NERSA) to undertake this function. Under the NERSA licence, the standard of services provided must meet the requirements as set out in the national standards NRS047 and NRS048.

Solid Waste Management Services

Informal settlements receive a once weekly, bagged door-door waste collection service, which is provided to indigent families per dwelling as per a Council approved contract. Waste collection services (formal and informal settlements) are provided by the City's Solid Waste Management services or via Council tenders that include community based contracts. Commerce is serviced by either the Solid Waste Management department or private sector companies, while the industrial sector, which also generates special and hazardous waste, is serviced exclusively by the private sector in terms of the Council policy.

2.12.13.1 Water and Sanitation department

The core business of the Water and Sanitation department is to equitably and efficiently provide access to water and sanitation services to all citizens of the City in a sustainable, safe, reliable, environmentally friendly and financially viable way observing the dictates of sound good governance principles.

The department has made significant progress in providing water and sanitation services to the City residents since the formation of one Metro administration. All formal areas are adequately provided for with water and sanitation services while services within informal settlement areas are continually being improved.

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.

To ensure sustainable, fair, equitable, reliable and financially viable provision of water and sanitation services, the department has developed and is implementing strategies that address the priorities reflected in the scorecard, represented by the Service Delivery and Budget Implementation Plan (SDBIP), to ensure effective water services management. The strategies also seek to ensure compliance with the National Water Act, Water Services Act and the related regulations, National and City Policies.

The department's commitment to infrastructure investment and maintenance is clear through these two programmes as reflected in the SDBIP. In the 2013/14 financial year over R720 million capital was invested in the growth, refurbishment and replacement of the City's water and sanitation infrastructure. The target for 2014/15 is R915.9 million, and it is anticipated that for 2015/16 approximately R1.19 billion will be invested in new infrastructure and maintenance of existing infrastructure.

The City has further committed itself to upgrade and replace 300 km of water pipes over the five year period - 2012 to 2017 - as described in its publicly available Integrated Development Plan (IDP). R46 million was budgeted for water pipe replacements in the 2014/15 financial year and about 27 km was replaced between July 2014 and December 2014. 89.97 km was replaced in the 2011/12 financial year, 70.28 km in the 2012/13 financial year and 55.42 km in the 2013/14 year. This equates to approximately 242 km replaced since the beginning of the 2011/12 financial year. Quarterly targets for the replacement of water and sewer mains are set and reported on in the SDBIP.

The City provides various sanitation options including full flush toilets. Some of these alternative sanitation options are seen as a top-up service or a 1-on-1 provision and some can service more than one household. The City fully complies in terms of meeting the National Guidelines of adequate sanitation.

The backyarder programme commenced in 2012 as a pilot project to provide services (water, sanitation, electricity and a wheelie bin) to backyarders residing in City-owned rental stock property. The implementing agent was the Water and Sanitation department, but the programme is now being rolled out by Human Settlements. Water and Sanitation will still have to plan and allow for the free basic and indigent component of the service.

The department conforms to the City's financial budgeting process, which forms part of the IDP and bases its budget formulation on some key strategic plans. The department plans ahead on a 10 year budget estimate, which is based on identifying current and potential future requirements for that period and beyond. The budget schedule contains 3 years of rolling approved budget projected to 5 years, plus another 5 years based on forward planning.

The Asset Management Plans of the various branches guide priorities for replacement, refurbishment and maintenance projects and programmes. Projects are developed, services are procured and projects are implemented with emphasis on best practice project management and engineering.

Operating budget: It is difficult to reach optimum levels of staff, maintain acceptable levels of infrastructure maintenance and carry the impact of the capital programme within the financial constraints during difficult economic conditions. Consequently, there is also pressure on annual tariff increases to exceed inflation.

Capital budget: The high requirement for necessary infrastructure is driven largely by capacity requirements, due to growth and economic development, the refurbishment of current infrastructure as well as projects relating to system efficiency, which places severe pressure on the City's capital budget. To achieve the required capital budget, it is necessary to maximise the use of grant funding and to make optimal use of the Capital Replacement Reserve (CRR) within the financial constraints.

(Source: Departmental Business Plan 2015/2016)

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	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Operating Revenue By Source									
Property rates	–	–	–	–	–	–	–	–	–
Property rates - penalties & collection charges	–	–	–	–	–	–	–	–	–
Service charges - electricity revenue	–	–	–	–	–	–	–	–	–
Service charges - water revenue	1,817,183	2,053,577	2,185,904	2,540,080	2,464,487	2,464,487	2,745,181	3,044,560	3,376,714
Service charges - sanitation revenue	1,002,925	1,091,910	1,188,192	1,338,202	1,316,720	1,316,720	1,470,947	1,632,751	1,812,354
Service charges - refuse revenue	–	–	–	–	–	–	–	–	–
Service charges - other	41,291	46,252	43,468	56,437	45,437	45,437	47,761	50,387	53,108
Rental of facilities and equipment	10	41	46	53	53	53	55	58	61
Interest earned - external investments	9	6	4	–	–	–	–	–	–
Interest earned - outstanding debtors	209,068	168,874	96,466	92,000	101,000	101,000	106,000	111,830	117,869
Dividends received	–	–	–	–	–	–	–	–	–
Fines	5	3	–	–	–	–	–	–	–
Licences and permits	–	–	–	–	–	–	–	–	–
Agency services	–	–	–	–	–	–	–	–	–
Transfers recognised - operational	7,360	2,305	–	–	1,346	1,346	25,263	2,213	2,392
Other revenue	32,576	16,462	29,342	14,308	18,308	18,308	18,399	19,411	20,460
Gains on disposal of PPE	3,939	9,521	2,736	3,500	3,500	3,500	3,000	3,165	3,336
Total Operating Revenue (excluding capital transfers and contributions)	3,114,366	3,388,950	3,546,158	4,044,579	3,950,850	3,950,850	4,416,606	4,864,375	5,386,293
Operating Expenditure By Type									
Employee related costs	865,593	965,912	941,151	1,217,531	1,147,630	1,147,660	1,319,107	1,458,735	1,596,523
Remuneration of councillors	–	–	–	–	–	–	–	–	–
Debt impairment	299,351	368,090	289,930	351,433	351,433	351,433	467,288	516,589	573,610
Depreciation & asset impairment	275,069	312,351	336,010	373,928	382,185	382,185	408,191	436,764	467,337
Finance charges	–	–	–	–	–	–	–	–	–
Bulk purchases	320,262	293,295	308,118	371,711	368,361	368,361	369,736	390,072	411,136
Other materials	63,237	49,999	55,587	51,678	54,784	54,139	54,408	58,592	63,049
Contracted services	417,004	549,133	622,634	614,311	604,599	604,858	674,537	720,319	810,231
Transfers and grants	–	–	–	–	–	–	–	–	–
Other expenditure	457,402	494,217	523,118	560,197	567,055	567,411	553,708	623,430	729,554
Loss on disposal of PPE	254	130	185	–	–	–	–	–	–
Total Operating Expenditure	2,698,172	3,033,128	3,076,733	3,540,789	3,476,047	3,476,047	3,846,975	4,204,501	4,651,441
Operating Surplus/(Deficit)	416,193	355,822	469,425	503,790	474,803	474,803	569,631	659,875	734,852
Transfers recognised - capital	192,281	171,251	151,861	273,610	195,924	195,924	389,760	510,150	641,400
Contributions recognised - capital	9,907	9,863	9,514	11,000	11,000	11,000	11,000	12,000	12,000
Contributed assets	–	–	–	–	–	–	–	–	–
Operating Surplus/(Deficit) for the year	618,382	536,936	630,800	788,401	681,726	681,726	970,391	1,182,025	1,388,252
Capital Expenditure	605,157	596,642	823,478	1,069,212	1,048,234	988,197	1,512,625	1,566,698	1,634,389

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 as per the City's System of Delegations and the municipality's executive powers conferred on it by law. The City as a service authority or regulator is responsible for services in the metropolitan municipal area for:

- 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 waste, 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.

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.

National support and development is necessary as waste minimisation and recycling activities are not limited to Cape Town; and involve processing and manufacturing sectors on a national scale. It is apparent that this will not be an easy or a quick process. These are key influences on achieving the City's long-term waste management vision and objectives set by the department. The long-term vision for the Cape Town Waste Management sector is:

- To improve access to basic services for residents to as close to 100% as possible within the constraints of available funds and unplanned growth.
- 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 income generated by the City's waste services.
- To optimise utilisation of the Council's resources and capital.
- To regulate waste and the associated services, which will ensure sustainability and prevent impact or harm to people and the environment.

The approved SWM Integrated Waste Management (IWM) Plan (5 year plan aligned with the IDP) along with the annual SWM Business Plan gives effect to our long-term vision. Recommendations to achieve large volume waste diversion from landfills, which will enable the City to comply with the provisions of NEMWA to consider waste minimisation in terms of ensuring service provisions, are embedded in the department's IWM Plan.

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 City's Tariff Schedule). The following funding groups are provided for council's waste management functions in both the SWM IWM and the SWM tariff policies:

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:

- Operating costs: Defined as those costs expended by the SWM in managing and implementing the day-to-day operations required for SWM services rendered by the City. 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: Includes, but is 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.).

(Source: Departmental Business Plan 2015/2016)

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	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand									
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	813,268	869,207	920,167	989,721	970,721	970,721	1,097,045	1,184,249	1,266,543
Service charges - other	195	(459)	(206)	90	90	90	95	100	106
Rental of facilities and equipment	1,668	1,623	6	-	-	-	-	-	-
Interest earned - external investments	7	2	0	-	-	-	-	-	-
Interest earned - outstanding debtors	19,944	18,020	12,338	12,000	12,000	12,000	12,000	12,660	13,344
Dividends received	-	-	-	-	-	-	-	-	-
Fines	29	17	37	-	-	-	-	-	-
Licences and permits	-	7	-	-	-	-	-	-	-
Agency services	-	-	-	-	-	-	-	-	-
Transfers recognised - operational	-	11,199	19,154	-	-	-	2,047	2,213	2,392
Other revenue	1,786	6,211	9,612	5,732	5,732	5,732	160	169	178
Gains on disposal of PPE	2,804	8,464	7,404	-	-	-	-	-	-
Total Operating Revenue (excluding capital transfers and contributions)	839,701	914,291	968,515	1,007,543	988,543	988,543	1,111,347	1,199,390	1,282,562
Operating Expenditure By Type									
Employee related costs	496,877	542,713	497,549	687,420	668,702	668,702	777,084	845,452	916,093
Remuneration of councillors	-	-	-	-	-	-	-	-	-
Debt impairment	41,235	46,624	51,219	37,291	37,291	37,291	47,179	49,773	52,461
Depreciation & asset impairment	116,921	115,871	118,519	142,896	129,767	129,767	138,495	148,190	158,563
Finance charges	35,350	31,536	31,685	33,170	33,170	33,170	27,904	29,439	31,029
Bulk purchases	-	-	-	-	-	-	-	-	-
Other materials	28,662	32,368	32,019	40,355	39,233	39,293	41,776	44,422	47,199
Contracted services	446,346	570,333	538,334	560,695	622,406	622,226	699,774	750,686	771,062
Transfers and grants	-	-	-	-	-	-	-	-	-
Other expenditure	176,527	246,211	200,700	183,004	182,129	182,249	239,663	245,016	254,410
Loss on disposal of PPE	42	87	37	-	-	-	-	-	-
Total Operating Expenditure	1,341,961	1,585,743	1,470,061	1,684,829	1,712,697	1,712,697	1,971,875	2,112,978	2,230,817
Operating Surplus/(Deficit)	(502,260)	(671,452)	(501,547)	(677,286)	(724,154)	(724,154)	(860,527)	(913,587)	(948,254)
Transfers recognised - capital	47,624	50,000	24,975	50,000	50,000	50,000	-	-	-
Contributions recognised - capital	-	-	-	-	-	-	-	-	-
Contributed assets	-	-	-	-	-	-	-	-	-
Operating Surplus/(Deficit) for the year	(454,636)	(621,452)	(476,572)	(627,286)	(674,154)	(674,154)	(860,527)	(913,587)	(948,254)
Capital Expenditure	229,904	208,174	136,619	415,875	228,501	228,501	297,715	295,056	197,006

2.12.13.3 Cape Town Electricity department

The Cape Town Electricity department's core business is to provide reliable electricity supply to customers in the City's electricity services supply area. In order to ensure that the quality of electricity supply meets the required regulatory standards, the department monitors its performance in terms of NERSA guidelines as set out in the 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, which is purchased 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. 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.
- Keeping abreast (together with the Environmental Resource Management directorate) of national and provincial developments in respect of renewable energy including the development of feed-in tariffs and Carbon Credits and facilitating the incorporation thereof into City processes.
- In the light of proposed Eskom price increases, investigate the practicality of entering into long term PPAs with IPPs to provide electricity at the same price at which the City purchases electricity from Eskom.
- Promote the finalisation of national technical specifications for the connection of small scale renewable generation to utility electrical grids.

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

Load Shedding: The department is ready to respond to a national declared emergency and activate load shedding in accordance with the national requirements and the published load shedding schedules. Load shedding in the event of a system emergency is required in order to prevent the power system from sliding into an unstable state, which can lead to a national blackout with very serious consequences. The City's load shedding practices and schedules have been aligned with the national standard NRS048 part 9. Load-shedding schedules are posted on the City's official website.

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. Capital projects are evaluated and graded on a risk matrix.

Access to electricity service is achieved through the demand driven capital programme funded through developer's contributions for non-subsidised housing. Subsidised housing is funded through the electrification plan, which aligns with the Integrated Human Settlement 2012-2017 Plan of the City. With a change in the DoE policy, Eskom has embarked on the electrification of informal areas, which comply in terms of the City's electrification policy utilising INEP grant funding. The City has also allocated USDG funding sourced internally by Cape Town Electricity Services. Electrification is an on-going process, which follows on the Human Settlements Programme and will therefore continue over the medium to long-term.

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. The financial plan is cognitive of the key cost drivers.

Unless otherwise stated, financial modelling will be based on the assumptions listed below:

- Contribution to Rates Account - basis of calculation = 10% of Electricity Sales (excluding 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 budget is funded from a number of funding sources, with the Capital Replacement Reserve (CRR) and Grants & Donations (CGD) being the largest. External Financing Fund (EFF) envelope is determined by Corporate Finance and increases in capital charges relating to this funding source have an impact on tariffs. Non-generating revenue projects in respect of infrastructure and refurbishment have been moved from EFF funding (loans) to CRR funding (revenue) with effect from the 2014/15 financial year. This practise, over an extended period, will have the effect of reducing tariff increase requirements.

The following principles, which are in the long-term interests of the electricity consumers in South Africa, will inform the annual tariff adjustment process:

- Electricity tariffs will, in the long-term, reflect as closely as possible the underlying costs of supply for the majority of consumers. This will ensure that consumers make rational decisions on electricity consumption and that the correct levels of resources are, over time, dedicated to electricity supply in South Africa. Considerations of affordability of electricity will be taken into account, both in the short and longer terms. Tariff structure adjustments will be introduced in a phased manner, in order to give consumers the opportunity to respond and adjust behaviour accordingly.

- For social-development reasons electricity supply to substantially low-income households will need to be held below full cost-reflective levels in the medium to long term. This is a critical element of government policy and the City will be placed under an explicit regulatory obligation to offer “electricity basic services support tariffs” to poor households.
- Any levies or cross-subsidies will be transparent and the City should provide sufficient information to consumers in order that they may understand its purpose.

(Source: Departmental Business Plan 2015/2016)

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

Directorate: Utility Services									
Department: Electricity									
Budgeted Financial Performance (revenue and expenditure)									
Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand									
Operating Revenue By Source									
Property rates	–	–	–	–	–	–	–	–	–
Property rates - penalties & collection charges	–	–	–	–	–	–	–	–	–
Service charges - electricity revenue	8,061,648	8,852,879	9,323,098	10,072,229	10,071,775	10,071,775	11,127,583	12,472,256	13,968,926
Service charges - water revenue	–	–	–	–	–	–	–	–	–
Service charges - sanitation revenue	–	–	–	–	–	–	–	–	–
Service charges - refuse revenue	–	–	–	–	–	–	–	–	–
Service charges - other	5,833	5,036	21,160	4,662	15,942	15,942	10,207	10,768	11,349
Rental of facilities and equipment	580	385	424	400	400	400	423	444	466
Interest earned - external investments	6	2	1	1	1	1	–	–	–
Interest earned - outstanding debtors	13,128	15,437	14,004	13,500	16,500	16,500	16,500	17,408	18,348
Dividends received	–	–	–	–	–	–	–	–	–
Fines	2	–	6	–	–	–	–	–	–
Licences and permits	–	–	–	–	–	–	–	–	–
Agency services	–	–	–	–	–	–	–	–	–
Transfers recognised - operational	–	–	1,707	–	88,623	88,623	14,356	–	–
Other revenue	53,118	76,133	66,451	82,956	86,016	86,016	88,456	93,321	98,360
Gains on disposal of PPE	1,273	2,031	2,295	2,500	2,500	2,500	2,500	2,638	2,780
Total Operating Revenue (excluding capital transfers and contributions)	8,135,587	8,951,904	9,429,146	10,176,248	10,281,757	10,281,757	11,260,024	12,596,833	14,100,229
Operating Expenditure By Type									
Employee related costs	664,526	690,079	643,486	905,902	909,840	909,840	986,508	1,068,900	1,158,726
Remuneration of councillors	–	–	–	–	–	–	–	–	–
Debt impairment	231,764	190,954	138,747	144,263	144,263	144,263	160,763	169,605	178,764
Depreciation & asset impairment	288,055	322,817	224,408	447,724	255,755	255,755	262,112	280,459	300,092
Finance charges	–	–	–	–	–	–	–	–	–
Bulk purchases	5,385,001	6,097,891	6,283,114	6,678,300	6,717,900	6,717,900	7,597,800	8,661,492	9,874,101
Other materials	78,276	95,675	96,804	117,034	121,002	120,982	127,330	137,950	149,323
Contracted services	125,516	135,466	167,111	152,938	259,291	261,208	211,446	212,460	228,848
Transfers and grants	–	–	–	–	–	–	–	–	–
Other expenditure	203,409	205,730	233,813	304,524	255,896	253,999	235,451	250,983	267,497
Loss on disposal of PPE	260	339	96	–	–	–	–	–	–
Total Operating Expenditure	6,976,807	7,738,950	7,787,577	8,750,685	8,663,947	8,663,947	9,581,409	10,781,850	12,157,351
Operating Surplus/(Deficit)	1,158,781	1,212,954	1,641,569	1,425,564	1,617,810	1,617,810	1,678,614	1,814,984	1,942,878
Transfers recognised - capital	94,406	170,873	201,299	176,260	190,540	190,540	153,905	233,900	248,100
Contributions recognised - capital	27,077	22,431	32,253	33,300	33,200	33,200	35,000	37,000	41,100
Contributed assets	–	–	31,144	–	–	–	–	–	–
Operating Surplus/(Deficit) for the year	1,280,263	1,406,257	1,906,264	1,635,124	1,841,550	1,841,550	1,867,519	2,085,884	2,232,078
Capital Expenditure	926,127	1,235,012	1,192,833	1,305,128	1,061,223	1,001,133	1,417,218	1,158,381	1,177,621

2.13 Annual budget and service delivery agreement – Cape Town Convention Centre (CTICC)

2.13.1 Executive Summary

CTICC's financial history reflects that despite a 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 self-sustainability while also contributing to GDP and job creation.

The financial plan for 2015/16 reflects that, with the projected hosting of 500 events, the company will be generating both an operating and net profit for the year. The 2015/16 operational plans, which are factored into the budget, have taken into account growth in primary and secondary revenue streams as well as the continuous drive to save on costs. The 2015/16 budget includes 32% (R29 million) "blue sky" revenue as the budget is prepared for the City well in advance of the start date of the 2015/16 financial year, where there are few bookings in the system on which the budget can be based. 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 unknown or short term business. As venue rental income is the primary source of revenue, other revenue streams budgets are prepared with the same assumptions.

The business needs, in respect of capital expenditure for the existing building, which is 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 R468 million for the year, which is funded from the contribution of the parent municipality and Provincial Government Western Cape to the share capital of the company. The CTICC is also to provide in excess of R100 million of their own funding to the expansion.

The 2015/16 budget reflects positive results showing a R25.5 million profit before interest and depreciation and a net profit after tax of R13.2 million. The budget indicates an increase in total revenues of 7% compared to 2014/15 forecast budget, which 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 8.5%. While although higher than the CPI parameter of 5.7%, it is in line with salary and repairs & maintenance inflation.

The CTICC expansion is expected to come on line in 2017. In the start-up years of the expansion operations, it is expected for the CTICC will operate at a deficit for the 2016/17 and 2017/18 financial years. It is expected that thereafter the CTICC will return to a surplus. The deficits for the two financial years will be financed from reserves accumulated until then.

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	<u>Shareholding as at 31/01/2015</u> City of Cape Town - 69.91% Provincial Government of Western Cape - 21.92% SunWest International Pty Ltd - 8.17% This shareholding % may change as the City and Provincial Government take up additional shareholding in tranches during the year. The City has voting rights of 76%
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	Expansion of the Convention Centre will result in additional funding being required. Council approved a contribution not exceeding R550 million. Provincial Government: Western Cape committed R170 million. The CTICC is to obtain loan funding of R100 million.
Summary of SDA	Sets out the obligations of Conenco 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. Conenco 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 CTICC's 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 162 to page 166. 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 13 while the business plan is attached as Annexure 14.

Table 76 CTICC - Table D1 Budget Summary

Description	2011/12	2012/13	2013/14	Current Year 2014/15			Medium Term Revenue and Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousands									
Financial Performance									
Property rates	–	–	–	–	–	–	–	–	–
Service charges	–	–	–	–	–	–	–	–	–
Investment revenue	7,420	7,664	11,239	16,988	20,529	20,529	22,568	9,706	4,607
Transfers recognised - operational	–	–	–	–	–	–	–	–	–
Other own revenue	140,337	158,899	174,902	177,785	180,735	180,735	192,990	247,943	277,862
	147,757	166,563	186,141	194,773	201,265	201,265	215,558	257,649	282,469
Total Revenue (excluding capital transfers and contributions)									
Employee costs	32,782	36,743	41,719	44,324	46,811	46,811	53,428	79,668	81,202
Remuneration of Board Members	144	208	445	289	850	850	873	926	981
Depreciation and debt impairment	21,537	20,443	20,875	26,707	26,707	26,707	29,790	31,527	32,250
Finance charges	–	–	–	–	–	–	–	–	–
Materials and bulk purchases	–	–	–	–	–	–	–	–	–
Transfers and grants	–	–	–	–	–	–	–	–	–
Other expenditure	82,505	102,896	118,168	132,337	134,457	134,457	142,902	203,523	217,315
Total Expenditure	136,968	139,847	160,331	176,951	182,119	182,119	197,204	284,106	299,498
Surplus/(Deficit)	10,789	26,716	25,809	17,822	19,146	19,146	18,354	(26,457)	(17,029)
Transfers recognised - capital	–	–	–	–	–	–	–	–	–
Contributions recognised - capital & contributed assets	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	10,789	26,716	25,809	17,822	19,146	19,146	18,354	(26,457)	(17,029)
Taxation	4,114	8,877	8,252	4,990	5,361	5,361	5,139	–	–
Surplus/ (Deficit) for the year	6,675	17,839	17,558	12,832	13,785	13,785	13,215	(26,457)	(17,029)
Capital expenditure & funds sources									
Capital expenditure	17,326	29,327	41,259	78,779	192,179	192,179	495,319	170,438	35,724
Transfers recognised - capital	–	–	–	52,100	165,500	165,500	–	–	–
Public contributions & donations	–	–	–	–	–	–	–	–	–
Borrowing	–	–	–	–	–	–	–	–	–
Internally generated funds	17,326	29,327	41,259	26,679	26,679	26,679	495,319	170,438	35,724
Total sources of capital funds	17,326	29,327	41,259	78,779	192,179	192,179	495,319	170,438	35,724
Financial position									
Total current assets	139,932	168,644	365,734	565,951	686,043	686,043	275,146	125,290	109,864
Total non current assets	176,273	185,429	205,314	254,119	370,786	370,786	836,315	975,226	978,700
Total current liabilities	36,443	58,748	61,530	48,865	50,810	50,810	54,020	69,531	74,608
Total non current liabilities	6,915	4,640	2,201	4,640	2,201	2,201	2,201	2,201	2,201
Community wealth/Equity	272,846	290,686	507,317	766,565	1,003,818	1,003,818	1,055,241	1,028,784	1,011,755
Cash flows									
Net cash from (used) operating	15,925	51,652	42,337	44,130	24,654	24,654	45,124	15,758	17,670
Net cash from (used) investing	(17,417)	(29,737)	(41,259)	(78,779)	(192,179)	(192,179)	(495,319)	(170,438)	(35,724)
Net cash from (used) financing	–	–	199,074	230,000	482,716	482,716	38,209	–	–
Cash/cash equivalents at the year end	132,933	154,848	354,999	550,351	670,190	670,190	258,204	103,524	85,470

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

Description	2011/12	2012/13	2013/14	Current Year 2014/15			Medium Term Revenue and Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
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	64,952	74,158	83,459	84,247	85,447	85,447	91,367	125,481	140,067
Interest earned - external investments	7,420	7,664	11,239	16,988	20,529	20,529	22,568	9,706	4,607
Interest earned - outstanding debtors	–	–	–	–	–	–	–	–	–
Dividends received	–	–	–	–	–	–	–	–	–
Fines	–	–	–	–	–	–	–	–	–
Licences and permits	–	–	–	–	–	–	–	–	–
Agency services	–	–	–	–	–	–	–	–	–
Transfers recognised - operational	–	–	–	–	–	–	–	–	–
Other revenue	75,385	84,741	91,443	93,538	95,288	95,288	101,622	122,462	137,796
Gains on disposal of PPE	–	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)	147,757	166,563	186,141	194,773	201,265	201,265	215,558	257,649	282,469
Expenditure By Type									
Employee related costs	32,782	36,743	41,719	44,324	46,811	46,811	53,428	79,658	81,202
Remuneration of Directors	144	208	445	289	850	850	873	926	981
Debt impairment	–	–	–	–	–	–	–	–	–
Collection costs	–	–	–	–	–	–	–	–	–
Depreciation & asset impairment	21,537	20,443	20,875	26,707	26,707	26,707	29,790	31,527	32,250
Finance charges	–	–	–	–	–	–	–	–	–
Bulk purchases	–	–	–	–	–	–	–	–	–
Other materials	–	–	–	–	–	–	–	–	–
Contracted services	–	–	–	–	–	–	–	–	–
Transfers and grants	–	–	–	–	–	–	–	–	–
Other expenditure	82,505	82,452	97,293	105,630	107,750	107,750	113,113	171,996	185,065
Loss on disposal of PPE	–	–	–	–	–	–	–	–	–
Total Expenditure	136,968	139,847	160,331	176,951	182,119	182,119	197,204	284,106	299,498
Surplus/(Deficit)	10,789	26,716	25,809	17,822	19,146	19,146	18,354	(26,457)	(17,029)
Transfers recognised - capital	–	–	–	–	–	–	–	–	–
Contributions recognised - capital	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	10,789	26,716	25,809	17,822	19,146	19,146	18,354	(26,457)	(17,029)
Taxation	4,114	8,877	8,252	4,990	5,361	5,361	5,139	–	–
Surplus/ (Deficit) for the year	6,675	17,839	17,558	12,832	13,785	13,785	13,215	(26,457)	(17,029)

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

Vote Description	2011/12	2012/13	2013/14	Current Year 2014/15			Medium Term Revenue and Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousands									
<i>Building enhancements</i>	11,084	8,311	6,883	13,300	13,300	13,300	11,995	12,715	13,478
IT & electronic infrastructure	3,400	6,363	10,430	9,029	9,029	9,029	10,849	11,500	12,190
Kitchen enhancements	874	1,411	868	960	960	960	1,050	1,113	1,180
Catering furniture & equipment	1,968	1,398	2,114	3,390	3,390	3,390	3,450	3,657	3,876
CTICC EAST	–	11,844	20,964	52,100	165,500	165,500	467,975	141,453	5,000
Capital single-year expenditure sub-total	17,326	29,327	41,259	78,779	192,179	192,179	495,319	170,438	35,724
Total Capital Expenditure	17,326	29,327	41,259	78,779	192,179	192,179	495,319	170,438	35,724
Funded by:									
National Government	–	–	–	–	–	–	–	–	–
Provincial Government	–	–	–	–	–	–	–	–	–
Parent Municipality	–	–	–	52,100	165,500	165,500	–	–	–
District Municipality	–	–	–	–	–	–	–	–	–
Transfers recognised - capital	–	–	–	52,100	165,500	165,500	–	–	–
Public contributions & donations	–	–	–	–	–	–	–	–	–
Borrowing	–	–	–	–	–	–	–	–	–
Internally generated funds	17,326	29,327	41,259	26,679	26,679	26,679	495,319	170,438	35,724
Total Capital Funding	17,326	29,327	41,259	78,779	192,179	192,179	495,319	170,438	35,724

Table 79 CTICC - Table D4 Budgeted Financial Position

Description	2011/12	2012/13	2013/14	Current Year 2014/15			Medium Term Revenue and Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousands									
ASSETS									
Current assets									
Cash	6,597	3,286	6,867	–	–	–	–	–	–
Call investment deposits	126,336	151,562	348,132	550,351	670,190	670,190	258,204	103,524	85,470
Consumer debtors	–	–	–	–	–	–	–	–	–
Other debtors	5,622	12,676	9,666	13,586	13,811	13,811	14,748	18,947	21,234
Current portion of long-term receivables	–	–	–	–	–	–	–	–	–
Inventory	1,377	1,120	1,068	2,014	2,041	2,041	2,195	2,820	3,161
Total current assets	139,932	168,644	365,734	565,951	686,043	686,043	275,146	125,290	109,864
Non current assets									
Long-term receivables	–	–	–	–	–	–	–	–	–
Investments	–	0	0	–	–	–	–	–	–
Investment property	–	–	–	–	–	–	–	–	–
Property, plant and equipment	176,273	185,429	205,314	254,119	370,786	370,786	836,315	975,226	978,700
Agricultural assets	–	–	–	–	–	–	–	–	–
Biological assets	–	–	–	–	–	–	–	–	–
Intangible assets	–	–	–	–	–	–	–	–	–
Total non current assets	176,273	185,429	205,314	254,119	370,786	370,786	836,315	975,226	978,700
TOTAL ASSETS	316,205	354,074	571,048	820,070	1,056,829	1,056,829	1,111,462	1,100,517	1,088,564
LIABILITIES									
Current liabilities									
Bank overdraft	–	–	–	–	–	–	–	–	–
Borrowing	–	–	–	–	–	–	–	–	–
Consumer deposits	16,497	25,071	28,308	10,667	10,844	10,844	11,579	14,877	16,672
Trade and other payables	16,879	30,988	29,972	35,039	36,443	36,443	38,622	50,516	53,450
Provisions	3,068	2,689	3,250	3,159	3,522	3,522	3,818	4,139	4,487
Total current liabilities	36,443	58,748	61,530	48,865	50,810	50,810	54,020	69,531	74,608
Non current liabilities									
Borrowing	–	–	–	–	–	–	–	–	–
Provisions	6,915	4,640	2,201	4,640	2,201	2,201	2,201	2,201	2,201
Total non current liabilities	6,915	4,640	2,201	4,640	2,201	2,201	2,201	2,201	2,201
TOTAL LIABILITIES	43,359	63,388	63,731	53,505	53,011	53,011	56,221	71,732	76,809
NET ASSETS	272,846	290,686	507,317	766,565	1,003,818	1,003,818	1,055,241	1,028,784	1,011,755
COMMUNITY WEALTH/EQUITY									
Accumulated Surplus/(Deficit)	(292,793)	(274,954)	(257,396)	(259,075)	(243,611)	(243,611)	(230,396)	(256,853)	(273,883)
Reserves	–	–	–	–	–	–	–	–	–
Share capital	565,640	565,640	764,713	1,025,640	1,247,429	1,247,429	1,285,638	1,285,638	1,285,638
TOTAL COMMUNITY WEALTH/EQUITY	272,846	290,686	507,317	766,565	1,003,818	1,003,818	1,055,241	1,028,784	1,011,755

Table 80 CTICC – Table D5 Budgeted Cash Flow

Description	2011/12	2012/13	2013/14	Current Year 2014/15			Medium Term Revenue and Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousands									
#N/A									
Receipts									
Ratepayers and other	149,435	162,147	181,112	83,203	163,871	163,871	192,053	243,743	275,576
Government - operating	-	-	-	-	-	-	-	-	-
Government - capital	-	-	-	-	-	-	-	-	-
Interest	7,466	7,704	11,280	16,988	20,529	20,529	22,568	9,706	4,607
Dividends	-	-	-	-	-	-	-	-	-
Payments									
Suppliers and employees	(140,930)	(118,158)	(150,015)	(56,061)	(159,746)	(159,746)	(169,497)	(237,692)	(262,513)
Finance charges	(46)	(40)	(41)	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	-	-	-	-
Transfers and Grants	-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES	15,925	51,652	42,337	44,130	24,654	24,654	45,124	15,758	17,670
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE	-	-	-	0	0	0	-	-	-
Decrease (increase) in non-current debtors	-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-
Payments									
Capital assets	(17,417)	(29,737)	(41,259)	(78,779)	(192,179)	(192,179)	(495,319)	(170,438)	(35,724)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(17,417)	(29,737)	(41,259)	(78,779)	(192,179)	(192,179)	(495,319)	(170,438)	(35,724)
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	199,074	230,000	482,716	482,716	38,209	-	-
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-	-	-
Payments									
Repayment of borrowing	-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES	-	-	199,074	230,000	482,716	482,716	38,209	-	-
NET INCREASE/ (DECREASE) IN CASH HELD	(1,492)	21,915	200,151	195,352	315,191	315,191	(411,987)	(154,680)	(18,054)
#N/A	134,425	132,933	154,848	354,999	354,999	354,999	670,190	258,204	103,524
Cash/cash equivalents at the year end:	132,933	154,848	354,999	550,351	670,190	670,190	258,204	103,524	85,470

2.14 Contracts having future budgetary implications

Table 81 MBRR Table SA33 - Contracts having future budgetary implications

Description	Preceding Years	Current Year 2014/15	2015/16 Medium Term Revenue & Expenditure Framework			Forecast 2018/19	Forecast 2019/20	Forecast 2020/21	Forecast 2021/22	Forecast 2022/23	Forecast 2023/24	Forecast 2024/25	Total Contract Value
	Total	Original Budget	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18	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 2024/25)</i>	–	–	20,092	21,498	23,003	24,613	26,336	28,179	30,152	32,263	34,521	36,938	277,594
<i>AFS (Automated Fuel Systems)</i>	520,164	186,016	196,247	207,040	218,427	230,441	–	–	–	–	–	–	1,558,336
<i>ABSA BANK: Main Bank Tender and other services</i>	6,529	7,266	7,688	8,621	9,722	10,694	11,763	12,939	14,233	15,000	16,000	17,000	137,454
<i>Armed Carrier Service</i>	26,600	9,333	9,333	9,333	9,333	10,000	10,000	10,000	10,000	10,000	10,000	10,000	133,932
<i>Debt Collectors</i>	12,000	15,300	5,100	5,100	5,100	6,900	6,900	6,900	7,900	7,900	7,900	9,000	96,000
<i>Bulk Printing and Postal Processing</i>	26,600	31,579	10,526	10,526	10,526	11,000	11,000	11,000	13,000	13,000	13,000	15,000	176,758
<i>Cape Town Tourism</i>	37,500	39,375	42,000	–	–	–	–	–	–	–	–	–	118,875
<i>Contract CM 11/08/13: MyCITI phase 1: 12 year vehicle operator contracts</i>	176,160	385,841	480,530	518,978	554,275	598,617	646,506	698,227	754,085	814,411	879,564	949,930	7,457,123
Total Operating Expenditure Implication	805,553	674,710	771,515	781,096	830,386	892,265	712,505	767,245	829,370	892,574	960,985	1,037,867	9,956,072
Capital Expenditure Obligation By Contract													
<i>Bulk Water Supply Baden Powell Dr, Khayelitsha</i>	–	–	6,500	6,500	38,000	58,570	3,700	–	–	–	–	–	113,270
<i>Phillipi Collector Sewer</i>	–	–	1,700	1,620	63,570	63,570	3,000	–	–	–	–	–	133,460
<i>Provision of Multidisciplinary Professional Services: New Office Building for Water & Sanitation</i>	–	–	16,805	121,902	73,487	30	–	–	–	–	–	–	212,224
<i>Provision of Professional Services iro the Steenbeas Pumped Storage Main Plant Refurbishment</i>	–	5	4,000	20,000	45,000	25,500	–	–	–	–	–	–	94,505
<i>AECOM (BKS) - CRU</i>	537,542	93,856	–	–	–	–	–	–	–	–	–	–	631,398
<i>Aurecon - CRU</i>	536,238	155,806	6,990	–	–	–	–	–	–	–	–	–	699,034
<i>IRT Automated Fare Collection (Contract 24G/2009/10)</i>	141,094	85,000	133,411	58,353	75,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	667,859
<i>Design, Supply, Installation, Commissioning, Maintenance and Operational Support of the MyCITI Advanced Public Transport (Contract 24Q/2014/15)</i>	–	5,000	98,000	65,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	248,000
Total Capital Expenditure Implication	1,214,875	339,667	267,407	273,375	305,057	182,670	41,700	35,000	35,000	35,000	35,000	35,000	2,799,750

Table 82 Projects having future budgetary implications

Description	Item	Preceding Years	Current Year 2014/15	2015/16 Medium Term Revenue & Expenditure Framework			Forecast 2018/19	Forecast 2019/20	Forecast 2020/21	Total Contract Value
		Total	Adjusted Budget	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18	Estimate	Estimate	Estimate	Estimate
Capital Expenditure Obligation By Project										
<i>Cape Town Electricity: Retreat Depot - Replace for Muizenberg</i>	<i>C08.84049</i>	6,504	3,770	23,308	21,225	–	–	–	–	54,807
<i>Cape Town Electricity: City Depot CBD - New</i>	<i>C13.84076</i>	15,776	3,866	91,977	49,128	–	–	–	–	160,747
<i>Cape Town Electricity: Steenbras: Refurbishment of Main Plant</i>	<i>C14.84071</i>	–	2,500	17,500	40,000	40,000	45,000	45,000	–	190,000
<i>Cape Town Electricity: Bloemhof: Stores Upgrade</i>	<i>C14.84076</i>	5,446	7,259	63,501	5,788	–	–	–	–	81,994
<i>Cape Town Electricity: Atlantis Industrial New Main Substation</i>	<i>C16.84070</i>	–	7,700	85,000	12,502	–	–	–	–	105,202
<i>Cape Town Electricity: Oakdale Switching Station Upgrade Ph 3</i>	<i>CPX.0003624</i>	–	–	–	–	30,000	120,000	–	50,000	200,000
<i>Solid Waste Management: Dev of the Regional Landfill Site</i>	<i>CPX.0003137</i>	–	–	–	1,000	50,000	11,000	–	–	62,000
<i>Water & Sanitation: Mitchells Plain Wastewater Treatment Wor</i>	<i>C06.30148</i>	44,926	42,574	65,010	12,000	–	–	–	–	164,510
<i>Water & Sanitation: Bellville Wastewater Treatment Works</i>	<i>C06.30170</i>	323,163	13,268	–	60,000	35,000	34,000	–	–	465,431
<i>Water & Sanitation: Trappies Sewerage System</i>	<i>C08.11114</i>	5,837	–	500	5,000	20,000	–	–	50,000	81,337
<i>Water & Sanitation: Somerset West Bus. Park Main sewer</i>	<i>C08.86027</i>	1,708	18,500	20,000	28,000	–	–	–	–	68,208
<i>Water & Sanitation: Main Rd Upgrade M/Berg to Clovelly Rehab</i>	<i>C08.86038</i>	94,326	20,000	15,000	–	–	–	–	5,000	134,326
<i>Water & Sanitation: Rehab Outfall Sewers Pentz Sandrift m/qu</i>	<i>C09.86015</i>	9,555	3,000	30,000	40,000	–	–	–	–	82,555
<i>Water & Sanitation: Zandvliet WWTW-Extension</i>	<i>C10.86033</i>	422	17,000	135,943	206,500	263,230	276,000	–	–	899,095
<i>Water & Sanitation: Regional resources development</i>	<i>C10.86130</i>	25,160	4,100	3,000	3,000	10,000	24,885	50,000	–	120,145
<i>Water & Sanitation: Philippi Collector Sewer</i>	<i>C11.86060</i>	–	–	1,700	1,620	63,570	63,570	3,000	–	133,460
<i>Water & Sanitation: Potsdam WWTW - Extension</i>	<i>C11.86063</i>	11,442	3,011	6,000	40,000	50,000	80,000	–	–	190,453
<i>Water & Sanitation: Bulk Water Augmentation Scheme</i>	<i>C11.86077</i>	1,931	15,426	64,800	69,200	76,700	381,754	498,695	529,900	1,638,406
<i>Water & Sanitation: Macassar WWTW Extension</i>	<i>C12.86059</i>	–	–	–	5,000	25,000	25,000	–	–	55,000
<i>Water & Sanitation: Construction of new Head Office</i>	<i>C12.86074</i>	937	2,850	23,365	124,328	61,279	–	–	–	212,759
<i>Water & Sanitation: Northern Regional Sludge Facility</i>	<i>C12.86075</i>	1,973	–	–	65,050	119,750	159,785	40,000	–	386,559
<i>Water & Sanitation: Water Supply at Baden Powell Dr to Khaye</i>	<i>C12.86082</i>	33	–	6,500	6,500	38,000	58,570	3,700	–	113,303
<i>Water & Sanitation: Borchards Quarry WWTW</i>	<i>C12.86091</i>	26,107	15,000	52,000	66,000	66,500	50,000	–	–	275,607
<i>Water & Sanitation: Macassar WWTW Extension</i>	<i>C12.86096</i>	9,257	–	–	–	38,150	45,650	–	–	93,057
<i>Water & Sanitation: Cape Flats WWTW-Refurbish various struct</i>	<i>C13.86005</i>	3,819	14,000	22,500	20,000	16,000	32,000	–	–	108,319
<i>Water & Sanitation: Mitchells Plain WWTW-Improvements Phase2</i>	<i>C13.86010</i>	5,500	12,400	48,500	41,500	–	–	–	–	107,900
<i>Water & Sanitation: Completion of Cape Flats III Bulk Sewer</i>	<i>C13.86053</i>	2,628	400	75,000	94,000	10,000	–	–	–	182,028
<i>Water & Sanitation: Athlone WWTW-Capacity Extension-phase 1</i>	<i>C13.86081</i>	–	–	500	20,000	40,000	75,000	75,000	–	210,500

Table continues on next page.

Description		Preceding Years	Current Year 2013/14	2015/16 Medium Term Revenue & Expenditure Framework			Forecast 2017/18	Forecast 2018/19	Forecast 2019/20	Total Value
		Total	Original Budget	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	Estimate	Estimate	Estimate	Estimate
<i>Water & Sanitation: Spes Bona Reservoir 35 Ml</i>	<i>C14.86056</i>	58	1,250	22,000	14,000	13,000	–	–	–	50,308
<i>Water & Sanitation: Rietvlei P/Station, R/Main Bottelary</i>	<i>C15.86045</i>	–	–	–	500	15,700	16,000	–	20,000	52,200
<i>Water & Sanitation: Contermanskloof Reservoir</i>	<i>CPX.0003851</i>	–	5,850	30,000	41,000	18,500	–	–	–	95,350
<i>Water & Sanitation: OSEC (Electrolytic Chlorination Infr)</i>	<i>CPX.0003893</i>	–	25,517	1,800	5,000	9,000	24,100	10,150	150	75,717
<i>Water & Sanitation: Steenbras Reservoir</i>	<i>CPX.0003895</i>	–	5	4,000	20,000	45,000	25,500	–	–	94,505
<i>Library & Information Services: New Regional Library Kuyasa Khayelitsha</i>	<i>C10.96010</i>	17,362	41,947	9,806	–	–	–	9,029	–	78,144
<i>Contract Operations: IRT: Control Centre</i>	<i>C11.10123</i>	175,348	40,923	11,456	–	10,000	1,000	10,000	–	248,727
<i>Contract Operations: IRT: Fare Collection</i>	<i>C11.10124</i>	359,643	85,000	133,411	58,353	75,000	25,000	25,000	–	761,407
<i>Infrastructure: Flood Alleviation - Lourens River</i>	<i>C05.01503</i>	14,679	6,070	6,000	6,000	6,000	6,000	10,000	–	54,749
<i>Infrastructure: Retreat Public Transport Interchange</i>	<i>C11.10537</i>	820	500	10,000	25,500	12,000	12,000	–	–	60,820
<i>Infrastructure: Wynberg: Public Transport Hub</i>	<i>C11.10541</i>	802	500	1,500	15,000	25,000	22,000	–	40,000	104,802
<i>Infrastructure: Inner City: Public Transport Hub</i>	<i>C13.00016</i>	2,139	1,000	30,000	60,000	45,000	45,000	–	100,000	283,139
<i>Infrastructure: Bellville: Public Transport Hub</i>	<i>C13.00028</i>	675	3,000	1,000	1,000	40,000	25,000	–	130,000	200,675
<i>Infrastructure: Nolungile (Site C) PTI</i>	<i>C13.00054</i>	744	1,000	10,000	10,000	10,000	40,000	–	100,000	171,744
<i>Infrastructure: IRT: Ph 2A Wetton-Lansdowne Corridor</i>	<i>C13.10101</i>	–	190,812	272,334	450,984	512,262	750,750	800,000	1,200,000	4,177,142
<i>Infrastructure: Main Roads: Northern Corridor</i>	<i>C13.10313</i>	15,522	27,383	15,500	17,000	–	–	–	–	75,405
<i>Infrastructure: Sir Lowy's Pass River Upgrade</i>	<i>C14.10323</i>	–	2,092	15,000	75,100	75,100	60,100	46,000	–	273,392
<i>Infrastructure: Metro South East Public Transport Facili</i>	<i>GPX.0003806</i>	–	2,500	3,000	52,000	52,000	150,000	25,000	–	284,500
<i>Network Management: Public Transport Systems management proj</i>	<i>C14.01601</i>	69,526	75,000	25,000	15,000	–	–	–	–	184,526
<i>Network Management: Transport Management Centre Extension</i>	<i>GPX.0003783</i>	–	40,000	35,000	5,000	–	–	–	–	80,000
<i>Property Management: Basement Parking & Access</i>	<i>GPX.0004113</i>	–	70,406	35,034	560	–	–	–	–	106,000
<i>Specialised Technical Services: FM Structural Rehabilitation</i>	<i>C11.12501</i>	138,304	40,000	35,000	40,000	30,000	34,853	11,500	–	329,657
<i>Information Systems & Technology: Dark Fibre Broadband Infrastructure</i>	<i>C10.16621</i>	282,507	142,550	180,850	180,850	180,850	180,850	180,850	–	1,329,308
<i>Information Systems & Technology: Digital Inclusion Project</i>	<i>CPX.0003127</i>	–	61,000	32,000	7,000	–	–	–	–	100,000
<i>Disaster Risk Management: Integrated Contact Centre</i>	<i>C14.00080</i>	20,952	30,398	44,500	3,000	3,000	3,000	3,000	–	107,850
<i>Public Housing & Customer Services: Langa Hostels CRU Project (868 units)</i>	<i>CPX.0003149</i>	–	3,000	18,000	21,000	4,000	55,000	–	–	101,000
<i>HS Development & Delivery: Delft - The Hague Housing Project</i>	<i>C08.15508</i>	45,278	4,300	3,500	–	–	–	–	9,103	62,180
<i>HS Development & Delivery: Hangberg CRU 70 Units</i>	<i>C10.15509</i>	4,137	17,200	4,400	3,900	3,000	–	–	40,498	73,135
<i>HS Development & Delivery: Pelican Park Phase 1 Housing Project</i>	<i>C12.15507</i>	69,654	4,600	4,900	–	–	–	–	18	79,172
<i>HS Development & Delivery: Fisantekraal Garden Cities Phase 2</i>	<i>CPX.0003134</i>	–	16,000	38,000	36,667	2,000	–	–	–	92,667

2.15 Capital expenditure details

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

Description R thousand	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Capital expenditure on new assets by Asset Class/Sub-class									
Infrastructure	1,291,933	1,669,301	1,656,571	2,364,215	1,991,214	1,884,936	2,203,408	2,265,653	2,287,813
Infrastructure - Road transport	650,661	700,386	666,729	1,002,469	926,409	913,809	835,679	961,633	1,009,774
Roads, Pavements & Bridges	562,319	629,225	615,030	876,646	856,561	848,072	741,539	877,318	929,758
Storm water	88,342	71,161	51,699	125,822	69,848	65,737	94,140	84,315	80,016
Infrastructure - Electricity	341,321	478,236	607,595	609,204	546,603	496,896	657,276	571,918	564,550
Transmission & Reticulation	304,028	437,225	565,731	559,768	487,212	438,508	594,286	506,118	496,750
Street Lighting	37,294	41,011	41,864	49,436	59,391	58,388	62,990	65,800	67,800
Infrastructure - Water	79,633	142,846	156,526	244,904	184,850	174,363	277,745	316,649	320,689
Dams & Reservoirs	11,195	33,144	26,797	77,411	42,789	38,818	138,600	175,200	162,200
Reticulation	68,438	109,702	129,729	161,493	142,061	135,546	139,145	130,949	152,989
Infrastructure - Sanitation	47,159	88,619	162,452	278,173	161,645	133,227	241,784	280,905	304,049
Reticulation	46,159	87,645	162,452	276,873	161,345	132,927	229,784	204,855	184,299
Sewerage purification	1,000	973	-	1,300	300	300	12,000	76,050	119,750
Infrastructure - Other	173,158	259,214	63,269	229,465	171,706	166,641	190,924	134,549	88,750
Waste Management	-	-	24,975	159,000	137,000	137,000	37,000	12,000	1,000
Transportation	168,073	256,784	35,853	63,849	21,793	16,727	143,771	116,349	81,500
Other	5,085	2,431	2,441	6,617	12,913	12,913	10,153	6,200	6,250
Community	106,850	249,486	61,334	124,220	99,028	95,922	83,812	103,477	79,804
Parks & gardens	574	-	1,727	2,231	2,592	2,892	2,295	300	100
Sportsfields & stadia	76,891	174,970	7,185	3,500	2,211	2,211	4,100	-	-
Swimming pools	-	-	-	-	-	-	-	-	-
Community halls	6,271	6,449	2,364	14,808	13,248	13,243	18,833	55,150	56,000
Libraries	4,653	885	16,114	40,316	52,259	52,259	17,639	11,169	1,240
Recreational facilities	-	279	15	-	-	-	20	-	-
Fire, safety & emergency	179	-	-	1,264	1,264	1,264	1,064	1,264	1,264
Clinics	13,067	5,052	8,862	6,700	2,564	2,564	-	1,200	13,000
Museums & Art Galleries	375	68	-	-	-	-	-	-	-
Cemeteries	4,195	414	-	7,542	20	20	100	3,000	3,000
Social rental housing	640	59,164	18,763	32,300	18,275	14,875	31,600	22,200	5,200
Other	6	2,204	6,304	15,558	6,594	6,594	8,162	9,194	-
Heritage assets	10,842	1,218	204	-	-	-	-	-	-
Other	10,842	1,218	204	-	-	-	-	-	-
Other assets	627,149	1,903,592	784,967	1,003,781	1,432,911	1,428,481	996,867	728,192	581,056
General vehicles	128,438	1,196,840	153,746	347,399	386,958	386,858	41,993	35,050	42,900
Specialised vehicles	-	100,208	64,004	-	-	-	78,000	98,300	59,000
Plant & equipment	260,578	323,103	271,961	402,068	403,106	398,990	670,475	298,670	309,146
Computers - hardware/equipment	33,821	30,651	67,356	71,477	73,335	74,299	82,672	33,147	39,343
Furniture and other office equipment	56,889	37,184	34,315	41,540	46,524	46,666	44,697	28,626	35,550
Civic Land and Buildings	64,131	124,492	31,152	10,834	3,293	3,293	16,805	121,902	73,487
Other Buildings	47,473	79,593	103,804	116,100	99,418	98,198	62,074	12,020	21,480
Other Land	35,311	10,864	58,101	14,150	420,050	419,950	150	100,150	150
Other	509	658	529	213	227	226	-	326	-
Total Capital Expenditure on new assets	2,036,774	3,823,598	2,503,077	3,492,215	3,523,152	3,409,339	3,284,087	3,097,321	2,948,673
Specialised vehicles	-	100,208	64,004	-	-	-	78,000	98,300	59,000
Refuse	-	100,208	64,004	-	-	-	78,000	98,300	59,000

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

Description R thousand	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Capital expenditure on renewal of existing assets by Asset Class/Sub-class									
Infrastructure	1,165,138	1,206,717	1,094,900	1,653,963	1,546,327	1,482,559	1,973,926	1,871,258	1,950,744
Infrastructure - Road transport	218,798	294,266	217,144	353,351	423,888	396,222	438,645	387,129	312,187
<i>Roads, Pavements & Bridges</i>	213,766	280,898	175,031	342,551	401,269	371,103	381,221	294,699	246,187
<i>Storm water</i>	5,032	13,368	42,113	10,800	22,619	25,119	57,424	92,430	66,000
Infrastructure - Electricity	423,720	436,439	305,626	477,451	347,414	336,853	569,383	483,218	536,586
<i>Generation</i>	–	–	88	–	–	–	–	–	–
<i>Transmission & Reticulation</i>	423,585	436,367	305,540	477,451	347,414	336,853	569,383	483,218	536,586
<i>Street Lighting</i>	135	72	(2)	–	–	–	–	–	–
Infrastructure - Water	99,671	121,610	225,244	253,966	319,872	311,793	263,000	310,650	372,942
<i>Dams & Reservoirs</i>	4,191	14,994	–	2,092	2,092	500	15,000	75,000	75,000
<i>Water purification</i>	–	–	–	2,000	6,140	6,140	–	–	–
<i>Reticulation</i>	95,480	106,616	225,244	249,874	311,639	305,153	248,000	235,650	297,942
Infrastructure - Sanitation	314,290	250,774	227,906	351,120	351,299	333,904	509,003	621,860	622,630
<i>Reticulation</i>	92,098	87,045	70,321	109,150	89,655	77,899	95,100	109,250	67,750
<i>Sewerage purification</i>	222,193	163,729	157,585	241,970	261,644	256,005	413,903	512,610	554,880
Infrastructure - Other	108,660	103,628	118,979	218,074	103,855	103,787	193,895	68,400	106,400
<i>Waste Management</i>	93,620	97,562	41,645	166,764	20,756	20,756	163,661	50,050	103,000
<i>Transportation</i>	9,205	4,967	75,108	48,700	80,770	80,731	27,800	17,150	2,150
<i>Other</i>	5,835	1,099	2,225	2,610	2,329	2,299	2,434	1,200	1,250
Community	478,711	489,417	442,234	480,953	578,590	543,580	209,296	148,401	141,343
Parks & gardens	34,675	51,458	56,223	26,671	60,902	60,596	57,923	59,021	58,961
Sportsfields & stadia	44,522	60,455	34,075	61,848	63,819	63,890	20,607	26,929	34,571
Swimming pools	1,072	354	170	–	7,635	7,635	5,000	–	–
Community halls	7,426	27,479	19,161	7,000	8,886	8,841	1,185	–	–
Libraries	–	49	–	6,788	6,859	6,859	1,395	4,345	3,000
Recreational facilities	8,224	3,332	6,773	350	522	522	1,310	100	100
Fire, safety & emergency	7,629	5,015	2,800	1,499	1,501	1,501	–	1,841	1,841
Clinics	6,306	14,271	11,211	11,625	14,075	14,074	8,687	8,000	10,700
Museums & Art Galleries	–	65	–	–	190	190	2,800	6,000	2,500
Cemeteries	14,991	9,916	9,692	21,950	6,262	6,262	20,974	18,304	15,150
Social rental housing	344,469	311,949	297,276	342,147	405,460	370,540	79,405	21,515	9,000
Other	9,397	5,074	4,853	1,074	2,480	2,670	10,010	2,345	5,520
Heritage assets	342	646	500	850	1,339	1,339	29,140	–	2,230
Buildings	–	646	500	850	1,339	1,339	29,140	–	2,230
Other	342	–	–	–	–	–	–	–	–
Other assets	552,279	348,431	461,582	583,335	478,812	474,063	547,535	396,583	337,080
General vehicles	68,805	69,779	98,390	41,591	65,942	66,274	87,666	52,541	44,575
Specialised vehicles	130,953	–	–	84,000	62,565	62,565	29,900	4,000	4,000
Plant & equipment	71,250	15,858	22,219	29,306	29,636	29,233	27,663	21,728	20,739
Computers - hardware/equipment	18,906	69,945	123,936	103,202	124,393	124,552	88,476	76,521	78,253
Furniture and other office equipment	7,612	11,248	12,601	13,333	34,555	34,050	11,792	5,180	6,042
Markets	220	748	783	350	200	200	150	–	–
Civic Land and Buildings	62,238	82,310	63,665	98,545	60,161	57,442	79,028	73,225	38,800
Other Buildings	168,594	98,444	139,245	211,009	100,452	98,839	220,855	153,888	140,470
Other	23,702	100	743	2,000	907	907	2,005	9,500	4,200
Total Capital Expenditure on renewal of existing assets	2,196,471	2,045,212	1,999,216	2,719,100	2,605,068	2,501,542	2,759,898	2,416,242	2,431,397
Specialised vehicles	130,953	–	–	84,000	62,565	62,565	29,900	4,000	4,000
Refuse	130,953	–	–	84,000	62,565	62,565	–	4,000	4,000
Fire	–	–	–	–	–	–	29,900	–	–
Renewal of Existing Assets as % of total capex	51.9%	34.8%	44.4%	43.8%	42.5%	42.3%	45.7%	43.8%	45.2%
Renewal of Existing Assets as % of depreciation	156.9%	125.7%	112.0%	126.2%	129.3%	124.2%	132.1%	108.5%	102.0%

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

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Repairs and maintenance expenditure by Asset Class/Sub-class									
Infrastructure	580,896	926,488	1,056,994	1,157,488	1,156,109	1,156,684	1,148,286	1,246,013	1,350,522
Infrastructure - Road transport	303,234	445,720	508,687	617,412	614,774	614,849	520,456	564,782	612,105
<i>Roads, Pavements & Bridges</i>	303,230	445,713	508,681	617,412	614,774	614,849	520,456	564,782	612,105
<i>Storm water</i>	4	7	6	-	-	-	-	-	-
Infrastructure - Electricity	202,472	312,055	348,592	354,430	367,407	367,407	432,859	469,684	509,103
<i>Generation</i>	11,910	13,880	13,586	15,179	15,172	15,172	13,053	14,162	15,351
<i>Transmission & Reticulation</i>	173,733	273,352	303,743	308,924	315,894	315,894	376,779	408,805	443,147
<i>Street Lighting</i>	16,829	24,824	31,263	30,327	36,341	36,341	43,027	46,717	50,605
Infrastructure - Water	23,998	50,474	65,935	59,414	41,863	41,863	44,828	48,640	52,724
<i>Dams & Reservoirs</i>	23,932	50,458	63,130	59,171	41,625	41,625	44,549	48,337	52,395
<i>Reticulation</i>	65	16	2,805	244	238	238	279	303	329
Infrastructure - Sanitation	39,518	95,636	97,167	88,138	94,897	94,897	110,833	120,257	130,366
<i>Reticulation</i>	1	22	561	2	1	1	2	2	2
<i>Sewerage purification</i>	39,517	95,614	96,606	88,136	94,896	94,896	110,832	120,255	130,364
Infrastructure - Other	11,675	22,603	36,612	38,094	37,168	37,668	39,310	42,651	46,233
<i>Other</i>	11,675	22,603	36,612	38,094	37,168	37,668	39,310	42,651	46,233
Community	59,347	83,278	81,839	82,389	83,529	84,181	59,931	65,086	70,488
Parks & gardens	8,201	11,270	11,093	7,287	7,283	7,284	9,392	10,190	11,046
Sportsfields & stadia	1,553	1,761	1,473	-	-	-	-	-	-
Swimming pools	3,751	5,084	4,230	102	67	67	66	71	78
Community halls	7,072	6,140	7,244	2,591	1,678	1,678	1,829	1,985	2,152
Libraries	172	251	180	669	672	672	543	589	639
Recreational facilities	31,752	50,055	47,602	66,213	67,429	67,429	41,043	44,532	48,273
Fire, safety & emergency	239	116	407	521	521	521	470	510	553
Clinics	1,309	2,012	1,688	2,512	2,454	2,454	2,311	2,508	2,718
Museums & Art Galleries	25	4	-	-	-	-	-	-	-
Cemeteries	4,288	5,466	6,061	1,465	2,407	3,058	2,106	2,285	2,477
Other	985	1,120	1,861	1,029	1,018	1,018	2,171	2,415	2,563
Heritage assets	7,236	15,707	14,217	15,199	14,886	14,886	15,027	16,305	17,674
Other	7,236	15,707	14,217	15,199	14,886	14,886	15,027	16,305	17,674
Other assets	1,235,574	1,724,910	1,752,321	1,894,279	1,872,612	1,874,634	2,349,150	2,577,684	2,821,700
General vehicles	127,688	139,173	136,885	137,258	136,955	136,955	147,614	160,162	173,615
Plant & equipment	10,366	11,618	9,955	13,516	13,466	13,436	15,901	17,252	18,702
Computers - hardware/equipment	151,363	242,214	234,390	294,350	305,380	307,431	330,878	367,877	408,483
Furniture and other office equipment	617,792	936,913	967,841	1,021,188	996,821	994,609	1,357,539	1,492,756	1,637,464
Civic Land and Buildings	64,519	67,496	66,766	72,965	72,829	72,974	82,377	89,380	96,886
Other Buildings	1,964	2,509	1,651	1,860	1,860	1,860	1,939	2,105	2,281
Other Land	91,486	103,454	110,407	110,197	110,139	111,139	134,480	145,875	158,128
Other	170,395	221,533	224,425	242,945	235,161	236,229	278,421	302,278	326,142
Total Repairs and Maintenance Expenditure	1,883,053	2,750,384	2,905,370	3,149,355	3,127,135	3,130,384	3,572,394	3,905,087	4,260,384
R&M as a % of PPE	7.7%	9.6%	9.2%	8.8%	8.9%	8.9%	9.2%	9.3%	9.5%
R&M as % Operating Expenditure	8.9%	11.5%	11.0%	11.0%	10.7%	10.7%	11.1%	11.2%	11.2%

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

Vote Description R thousand	2015/16 Medium Term Revenue & Expenditure Framework			Forecasts			Present value
	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18	Forecast 2018/19	Forecast 2019/20	Forecast 2020/21	
Capital expenditure							
Vote 1 - City Health	15,673	13,466	29,466	–	–	–	–
Vote 2 - City Manager	14,954	954	934	–	–	–	–
Vote 3 - Community Services	160,331	135,009	118,064	–	–	–	–
Vote 4 - Compliance & Auxiliary Services	4,134	36,600	36,600	–	–	–	–
Vote 5 - Corporate Services	420,880	315,721	296,970	–	–	–	–
Vote 6 - Energy, Environmental & Spatial Planning	80,064	146,224	135,006	–	–	–	–
Vote 7 - Finance	141,379	11,241	8,681	–	–	–	–
Vote 8 - Human Settlements	420,835	267,132	212,421	–	–	–	–
Vote 9 - Rates & Other	–	–	–	–	–	–	–
Vote 10 - Safety & Security	105,163	57,127	52,127	–	–	–	–
Vote 11 - Social Dev & Early Childhood Development	11,971	10,860	10,860	–	–	–	–
Vote 12 - Tourism, Events & Economic Development	41,098	33,750	33,750	–	–	–	–
Vote 13 - Transport for Cape Town	1,399,805	1,465,204	1,436,035	–	–	–	–
Vote 14 - Utility Services	3,227,699	3,020,274	3,009,155	–	–	–	–
Total Capital Expenditure	6,043,985	5,513,563	5,380,070	–	–	–	–
Future operational costs by vote							
Vote 1 - City Health	20,652	22,616	24,700	26,613	28,095	30,093	–
Vote 2 - City Manager	5,823	6,371	6,894	7,430	7,982	8,550	–
Vote 3 - Community Services	152,759	172,309	183,124	192,792	201,186	214,673	–
Vote 4 - Compliance & Auxiliary Services	6,479	7,002	7,530	8,084	8,665	9,277	–
Vote 5 - Corporate Services	291,761	293,599	310,748	334,602	359,001	384,414	–
Vote 6 - Energy, Environmental & Spatial Planning	52,660	58,323	62,715	67,686	72,763	77,955	–
Vote 7 - Finance	27,236	29,660	32,019	34,461	36,991	39,614	–
Vote 8 - Human Settlements	92,603	111,751	115,450	128,314	135,816	131,544	–
Vote 9 - Rates & Other	–	–	–	–	–	–	–
Vote 10 - Safety & Security	74,524	77,104	83,616	87,078	91,907	91,081	–
Vote 11 - Social Dev & Early Childhood Development	9,360	10,273	11,244	12,114	13,015	13,391	–
Vote 12 - Tourism, Events & Economic Development	293,426	318,799	345,211	371,339	399,137	426,489	–
Vote 13 - Transport for Cape Town	805,993	893,193	934,239	981,800	1,034,672	1,100,834	–
Vote 14 - Utility Services	1,626,848	1,806,143	1,933,521	2,070,173	2,223,348	2,381,378	–
Total future operational costs	3,460,124	3,807,141	4,051,010	4,322,487	4,612,579	4,909,294	–
Net Financial Implications	9,504,109	9,320,703	9,431,081	4,322,487	4,612,579	4,909,294	–

The above figures exclude depreciation.

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

Municipal Vote/Capital project R thousand	Program/Project description	Project number	IDP Goal code	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	Total Project Estimate	Prior year outcomes		2015/16 Medium Term Revenue & Expenditure Framework			Project information	
								Audited Outcome 2013/14	Current Year 2014/15 Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18	Ward location	New or renewal
City Health	Various			No	Various	Various	–	25,185	20,802	15,673	13,466	29,466		
City Manager	Various			No	Various	Various	–	13,070	14,638	14,954	954	934		
Community Services	Library & Information Services: New Regional Library Kuyasa Khayelitsha	C10.96010	4.2	Yes	Community	Community	82,248	12,609	46,050	9,806	–	–	97	New
Community Services	Various			No	Various	Various	–	148,813	191,095	150,525	135,009	118,064		
Compliance & Auxiliary Services	Various			No	Various	Various	–	3,775	3,774	4,134	36,600	36,600		
Corporate Services	Specialised Technical Services: FM Structural Rehabilitation	C11.12501	1.2	Yes	Other assets	Other assets	329,657	40,016	40,000	35,000	40,000	30,000	77	Renewal
Corporate Services	Specialised Technical Services: Specialised Vehicles - Replace old Fleet	CPX.0005833	5.3	No	Other assets	Other assets	65,000	–	–	65,000	–	–	Corp Inf	Renewal
Corporate Services	Information Systems & Technology: Dark Fibre Broadband Infrastructure	C10.16621	1.2	Yes	Other assets	Other assets	1,329,308	99,145	140,050	183,350	180,850	180,850	Corp Inf	New
Corporate Services	Information Systems & Technology: WCG Broadband Connectivity	C12.16631	1.2	Yes	Other assets	Other assets	53,228	4,860	10,923	7,298	–	–	Multi	New
Corporate Services	Information Systems & Technology: Digital Inclusion Project	CPX.0003127	1.2	Yes	Other assets	Other assets	100,000	–	61,000	32,000	7,000	–	Multi	New
Corporate Services	Various			No	Various	Various	–	142,523	140,470	98,232	87,871	86,120		
Energy, Environmental & Spatial Planning	Spatial Planning & Urban Design: NDPG Capex programmes	CPX.0005604	2.5	No	Other assets	Other assets	134,144	–	–	14,144	60,000	60,000	Multi	Renewal
Energy, Environmental & Spatial Planning	Various			No	Various	Various	–	70,776	57,859	65,920	86,224	75,006		
Finance	Property Management: Basement Parking & Access	CPX.0004113	1.5	Yes	Other assets	Other assets	106,000	–	70,406	35,034	560	–	77	New
Finance	Property Management: Land acquisition for municipal purposes	CPX.0005721	1.5	No	Other assets	Other assets	52,850	–	–	52,850	–	–	Multi	Renewal
Finance	Various			No	Various	Various	–	13,384	22,052	53,494	10,681	8,681		
Human Settlements	Public Housing & Customer Services: Marble Flats CRU Project (688 units)	C10.15435	3.3	Yes	Community	Community	132,928	8,037	49,874	6,990	–	–	66	Renewal
Human Settlements	Public Housing & Customer Services: Langa Hbstels CRU Project (463 units)	C11.15418	3.3	Yes	Community	Community	143,195	16,054	87,971	39,170	–	–	52	Renewal
Human Settlements	Public Housing & Customer Services: Langa Hbstels CRU Project (868 units)	CPX.0003149	3.3	Yes	Community	Community	101,000	–	3,000	18,000	21,000	4,000	52	New
Human Settlements	HS Development & Delivery: Delft - The Hague Housing Project	C08.15508	3.2	Yes	Various	Various	53,078	29,493	4,300	3,500	–	–	13	New
Human Settlements	HS Development & Delivery: Scottsdale New CRU Project - 350 Units	C11.15505	3.2	Yes	Various	Various	87,601	16,082	–	8,000	–	–	7	New
Human Settlements	HS Development & Delivery: Pelican Park Phase 1 Housing Project	C12.15507	3.2	Yes	Various	Various	79,154	40,719	4,600	4,900	–	–	67	New
Human Settlements	HS Development & Delivery: Fisantekraal Garden Cities Phase 2	CPX.0003134	3.2	Yes	Various	Various	80,667	–	4,000	38,000	36,667	2,000	105	New
Human Settlements	HS Development & Delivery: Macassar BNG Housing Project	CPX.0005674	3.2	Yes	Various	Various	57,000	–	–	–	12,000	45,000	15	New
Human Settlements	HS Development & Delivery: HS District 6	CPX.0005675	3.2	Yes	Various	Various	78,861	–	–	75,715	3,145	–	57	New
Human Settlements	HS Urbanisation: Urbanisation: Backyards/Infrm Sett Upgr	C15.15102	3.4	No	Various	Various	79,595	–	–	79,595	–	–	Multi	New
Human Settlements	Various			No	Various	Various	–	453,945	917,940	146,965	194,319	161,421		

Table continues on next page.

City of Cape Town – 2015/16 Budget

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		2015/16 Medium Term Revenue & Expenditure Framework			Project information	
								Audited Outcome 2013/14	Current Year 2014/15 Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18	Ward location	New or renewal
Safety & Security	Disaster Risk Management: Integrated Contact Centre	C14.00080	2.3	Yes	Other assets	Other assets	98,350	20,952	20,898	44,500	3,000	3,000	27	New
Safety & Security	Various			No	Various	Various	-	42,858	61,350	60,663	54,127	49,127		
Social Dev & Early Childhood Development	Various			No	Various	Various	-	7,555	24,258	11,971	10,860	10,860		
Tourism, Events & Economic Development	Various			No	Various	Various	-	26,375	38,681	41,098	33,750	33,750		
Transport for Cape Town	Contract Operations: IRT: Control Centre	C11.10123	1.4	Yes	Other assets	Other assets	257,727	13,093	40,923	11,456	-	10,000	Multi	New
Transport for Cape Town	Contract Operations: IRT: Fare Collection	C11.10124	1.4	Yes	Other assets	Other assets	761,407	98,787	85,000	133,411	58,353	75,000	Multi	New
Transport for Cape Town	Infrastructure: Construct Rds:Botelary/R300	C05.00981	1.2	Yes	Infrastructure - Road transport	Infrastructure - Road transport	62,624	-	1,000	23,000	27,500	10,000	6	New
Transport for Cape Town	Infrastructure: Flood Alleviation - Lourens River	C05.01503	1.2	Yes	Infrastructure - Road transport	Infrastructure - Road transport	54,749	3,589	6,070	6,000	6,000	6,000	Subcouncil 8	Renewal
Transport for Cape Town	Infrastructure: Lentegeur & Mandalay Station PTI's:Dsg	C06.41752	1.4	Yes	Various	Various	54,003	940	7,500	12,000	-	-	76	New
Transport for Cape Town	Infrastructure: Mitchell's Plain Station TI	C07.01059	1.4	Yes	Infrastructure Other	Infrastructure Other	106,999	33	6,566	29,000	-	-	79	New
Transport for Cape Town	Infrastructure: Pelican Park: Strandfontein Road Upgr	C08.10325	1.2	Yes	Infrastructure - Road transport	Infrastructure - Road transport	224,201	8,459	8,000	51,300	-	-	66	Renewal
Transport for Cape Town	Infrastructure: Integrated Bus Rapid Transit System	C09.00313	1.4	Yes	Infrastructure - Road transport	Infrastructure - Road transport	314,517	26,750	42,733	20,000	-	-	Corp Inf	New
Transport for Cape Town	Infrastructure: Retreat Public Transport Interchange	C11.10537	1.4	Yes	Various	Various	60,820	178	500	10,000	25,500	12,000	67	New
Transport for Cape Town	Infrastructure: Wynberg: Public Transport Hub	C11.10541	1.4	Yes	Various	Various	64,802	664	500	1,500	15,000	25,000	62	New
Transport for Cape Town	Infrastructure: Inner City:Public Transport Hub	C13.00016	1.4	Yes	Infrastructure - Road transport	Infrastructure - Road transport	183,139	500	1,000	30,000	60,000	45,000	77	New
Transport for Cape Town	Infrastructure: Bellville:Public Transport Hub	C13.00028	1.4	Yes	Infrastructure - Road transport	Infrastructure - Road transport	70,675	443	3,000	1,000	1,000	40,000	10	New
Transport for Cape Town	Infrastructure: Nolongle (Site C) PTI	C13.00054	1.4	Yes	Various	Various	71,744	610	1,000	10,000	10,000	10,000	87	New
Transport for Cape Town	Infrastructure: IRT: Ph 2A Wetton-Lansdowne Corridor	C13.10101	1.4	Yes	Infrastructure - Road transport	Infrastructure - Road transport	2,977,142	-	190,812	272,334	450,984	512,262	Multi	New
Transport for Cape Town	Infrastructure: IRT: Ph 1B Koeberg-Century City	C13.10103	1.4	Yes	Infrastructure - Road transport	Infrastructure - Road transport	394,203	195,625	79,848	70,000	-	-	Multi	New
Transport for Cape Town	Infrastructure: Main Roads: Northern Corridor	C13.10313	1.2	Yes	Infrastructure - Road transport	Infrastructure - Road transport	75,405	9,617	27,383	15,500	17,000	-	Multi	Renewal
Transport for Cape Town	Infrastructure: Sir Lowry's Pass River Upgrade	C14.10323	1.2	Yes	Various	Various	273,392	-	2,092	15,000	75,100	75,100	100	Renewal
Transport for Cape Town	Infrastructure: NMT Network & Universal Access	C16.10307	1.2	No	Infrastructure - Road transport	Infrastructure - Road transport	120,000	-	-	120,000	-	-	Multi	New
Transport for Cape Town	Infrastructure: Roads & Stormwater Rehabilitation	C16.10315	1.2	No	Infrastructure - Road transport	Infrastructure - Road transport	68,081	-	-	68,081	-	-	Multi	Renewal
Transport for Cape Town	Infrastructure: NMT Network & Universal Access:PTIS	CPX.0002206	1.2	No	Infrastructure - Road transport	Infrastructure - Road transport	120,000	-	-	-	120,000	-	Multi	New
Transport for Cape Town	Infrastructure: Roads & Stormwater Rehabilitation	CPX.0002315	1.2	No	Infrastructure - Road transport	Infrastructure - Road transport	185,500	-	-	-	185,500	-	Multi	Renewal

Table continues on next page.

City of Cape Town – 2015/16 Budget

Municipal Vote/Capital project R thousand	Program/Project description	Project number	IDP Goal code	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	Total Project Estimate	Prior year outcomes		2015/16 Medium Term Revenue & Expenditure Framework			Project information	
								Audited Outcome 2013/14	Current Year 2014/15 Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18	Ward location	New or renewal
Transport for Cape Town	Infrastructure: IM: Reconstruct Roads Metro	CPX.0002811	1.2	No	Infrastructure - Road transport	Infrastructure - Road transport	53,423	-	-	-	-	53,423	Multi	Renewal
Transport for Cape Town	Infrastructure: NMT Network & Universal Access:PTIS	CPX.0002923	1.2	No	Infrastructure - Road transport	Infrastructure - Road transport	124,500	-	-	-	-	124,500	Multi	New
Transport for Cape Town	Infrastructure: Roads & Stormwater Rehabilitation	CPX.0002943	1.2	No	Infrastructure - Road transport	Infrastructure - Road transport	200,000	-	-	-	-	200,000	Multi	Renewal
Transport for Cape Town	Infrastructure: Metro South East Public Transport Facili	CPX.0003806	1.4	Yes	Infrastructure - Road transport	Infrastructure - Road transport	184,500	-	2,500	3,000	52,000	52,000	Multi	New
Transport for Cape Town	Infrastructure: Gugulethu Concrete Roads	CPX.0005708	3.1	Yes	Infrastructure - Road transport	Infrastructure - Road transport	64,000	-	-	40,000	24,000	-	41	Renewal
Transport for Cape Town	Network Management: Public Transport Systems management proj	C14.01601	1.4	Yes	Infrastructure Other	Infrastructure Other	184,526	69,526	75,000	25,000	15,000	-	Multi	Renewal
Transport for Cape Town	Network Management: Transport Management Centre Extension	CPX.0003783	1.4	Yes	Infrastructure - Road transport	Infrastructure - Road transport	80,000	-	40,000	35,000	5,000	-	27	Renewal
Transport for Cape Town	Various			No	Various	Various	-	684,219	1,132,703	397,223	317,267	185,750		
Utility Services	Cape Town Electricity: Retreat Dapot - Replace. for Muizenberg	C08.84049	1.2	Yes	Other assets	Other assets	54,807	577	3,770	23,308	21,225	-	72	Renewal
Utility Services	Cape Town Electricity: Platteklouf - N1 Reinforcement	C10.84032	1.2	Yes	Infrastructure - Electricity	Infrastructure - Electricity	83,910	5,219	43,999	34,592	-	-	Multi	New
Utility Services	Cape Town Electricity: City Depot CBD - New	C13.84076	1.2	Yes	Infrastructure - Electricity	Infrastructure - Electricity	160,747	160	3,866	91,977	49,128	-	77	New
Utility Services	Cape Town Electricity: Athlone-Philippi: OH Line Undergrounding	C13.84081	1.2	Yes	Infrastructure - Electricity	Infrastructure - Electricity	86,712	50,253	28,710	7,649	-	-	Multi	New
Utility Services	Cape Town Electricity: Steenbras: Refurbishment of Main Plant	C14.84071	1.2	Yes	Infrastructure - Electricity	Infrastructure - Electricity	187,500	-	-	17,500	40,000	40,000	100	Renewal
Utility Services	Cape Town Electricity: Bloemhof: Stores Upgrade	C14.84076	1.2	Yes	Infrastructure - Electricity	Infrastructure - Electricity	81,994	5,446	7,259	63,501	5,788	-	3	New
Utility Services	Cape Town Electricity: Bofors Main Substation Upgrade	C15.84079	1.2	Yes	Infrastructure - Electricity	Infrastructure - Electricity	96,499	2,575	34,161	59,763	-	-	Multi	Renewal
Utility Services	Cape Town Electricity: Oakdale Main Substation Upgrade Ph 2	C15.84081	1.2	Yes	Infrastructure - Electricity	Infrastructure - Electricity	81,631	-	10,000	71,631	-	-	Multi	Renewal
Utility Services	Cape Town Electricity: System Equipment Replacement: North	C16.84005	1.2	No	Infrastructure - Electricity	Infrastructure - Electricity	60,000	-	-	60,000	-	-	Multi	Renewal
Utility Services	Cape Town Electricity: Facilities Alterations & Upgrading	C16.84055	1.2	No	Other assets	Other assets	60,000	-	-	60,000	-	-	Multi	Renewal
Utility Services	Cape Town Electricity: Atlantis Industrial New Main Substation	C16.84070	1.2	Yes	Infrastructure - Electricity	Infrastructure - Electricity	105,202	-	7,700	85,000	12,502	-	32	New
Utility Services	Cape Town Electricity: Observatory Main Substation Upgrade	C16.84073	1.2	Yes	Infrastructure - Electricity	Infrastructure - Electricity	69,450	-	-	-	69,450	-	915	Renewal
Utility Services	Cape Town Electricity: Street Lighting: City Wide	C16.84259	1.2	No	Infrastructure - Electricity	Infrastructure - Electricity	62,000	-	-	62,000	-	-	Multi	New
Utility Services	Cape Town Electricity: Electrification	C16.84390	1.2	No	Infrastructure - Electricity	Infrastructure - Electricity	70,844	-	-	70,844	-	-	Multi	New
Utility Services	Cape Town Electricity: System Equipment Replacement: North	C17.84005	1.2	No	Infrastructure - Electricity	Infrastructure - Electricity	65,000	-	-	-	65,000	-	Multi	Renewal

Table continues on next page.

City of Cape Town – 2015/16 Budget

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		2015/16 Medium Term Revenue & Expenditure Framework			Project information	
								Audited Outcome 2013/14	Current Year 2014/15 Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18	Ward location	New or renewal
Utility Services	Cape Town Electricity: System Equipment Replacement: South	C17.84007	1.2	No	Infrastructure - Electricity	Infrastructure - Electricity	50,000	-	-	-	50,000	-	Multi	Renewal
Utility Services	Cape Town Electricity: Street Lighting: City Wide	C17.84259	1.2	No	Infrastructure - Electricity	Infrastructure - Electricity	65,800	-	-	-	65,800	-	Multi	New
Utility Services	Cape Town Electricity: Electrification - Backyarders	C17.84389	3.4	No	Infrastructure - Electricity	Infrastructure - Electricity	85,000	-	-	-	85,000	-	Multi	New
Utility Services	Cape Town Electricity: Electrification	C17.84390	1.2	No	Infrastructure - Electricity	Infrastructure - Electricity	130,500	-	-	-	130,500	-	Multi	New
Utility Services	Cape Town Electricity: System Equipment Replacement: North	C18.84005	1.2	No	Infrastructure - Electricity	Infrastructure - Electricity	70,000	-	-	-	-	70,000	Multi	Renewal
Utility Services	Cape Town Electricity: System Equipment Replacement: South	C18.84007	1.2	No	Infrastructure - Electricity	Infrastructure - Electricity	50,000	-	-	-	-	50,000	Multi	Renewal
Utility Services	Cape Town Electricity: Street Lighting: City Wide	C18.84259	1.2	No	Infrastructure - Electricity	Infrastructure - Electricity	67,800	-	-	-	-	67,800	Multi	New
Utility Services	Cape Town Electricity: Electrification - Backyarders	C18.84389	3.4	No	Infrastructure - Electricity	Infrastructure - Electricity	95,000	-	-	-	-	95,000	Multi	New
Utility Services	Cape Town Electricity: Electrification	C18.84390	1.2	No	Infrastructure - Electricity	Infrastructure - Electricity	136,000	-	-	-	-	136,000	Multi	New
Utility Services	Cape Town Electricity: Grassy Park Main Substation Upgrade	CPX.0003579	1.2	Yes	Infrastructure - Electricity	Infrastructure - Electricity	50,000	-	-	-	-	50,000	65	Renewal
Utility Services	Cape Town Electricity: Grassy Park HV Network Rearrangement	CPX.0003622	1.2	Yes	Infrastructure - Electricity	Infrastructure - Electricity	100,000	-	-	-	-	75,000	65	Renewal
Utility Services	Cape Town Electricity: Oakdale Switching Station Upgrade Ph 3	CPX.0003624	1.2	Yes	Infrastructure - Electricity	Infrastructure - Electricity	150,000	-	-	-	-	30,000	Multi	New
Utility Services	Cape Town Electricity: Bellville South Main Substation Upgrade	CPX.0004793	1.2	Yes	Infrastructure - Electricity	Infrastructure - Electricity	74,945	-	-	-	-	38,096	9	Renewal
Utility Services	Solid Waste Management: Replacement: Plant & Vehicles FY2016	C16.85007	1.2	No	Other assets	Other assets	78,000	-	-	78,000	-	-	Multi	New
Utility Services	Solid Waste Management: Bellville Transfer Station	CPX.0001616	1.2	Yes	Infrastructure Other	Infrastructure Other	198,975	24,975	137,000	37,000	-	-	9	New
Utility Services	Solid Waste Management: Purchase of Land Regional Landfill	CPX.0003136	1.2	No	Other assets	Other assets	100,000	-	-	-	100,000	-	Multi	New
Utility Services	Solid Waste Management: Dev of the Regional Landfill Site	CPX.0003137	1.2	Yes	Infrastructure Other	Infrastructure Other	62,000	-	-	-	1,000	50,000	Multi	Renewal
Utility Services	Solid Waste Management: Rehab of Missershok North L/Fill FY2016	CPX.0003178	1.2	No	Infrastructure Other	Infrastructure Other	111,361	-	-	111,361	-	-	Multi	Renewal
Utility Services	Solid Waste Management: Replacement: Plant & Vehicles FY2017	CPX.0003201	1.2	No	Other assets	Other assets	98,300	-	-	-	98,300	-	Multi	New
Utility Services	Solid Waste Management: Replacement: Plant & Vehicles FY2018	CPX.0003448	1.2	No	Other assets	Other assets	59,000	-	-	-	-	59,000	Multi	New
Utility Services	Water & Sanitation: Kraaifontein Wastewater Treatment Works	C06.30147	1.2	Yes	Infrastructure - Sanitation	Infrastructure - Sanitation	50,866	-	-	-	3,000	-	103	Renewal
Utility Services	Water & Sanitation: Mitchells Plain Wastewater Treatment Wbr	C06.30148	1.2	Yes	Infrastructure - Sanitation	Infrastructure - Sanitation	164,510	41,926	42,574	65,010	12,000	-	43	Renewal
Utility Services	Water & Sanitation: Bellville Wastewater Treatment Works	C06.30170	1.2	Yes	Infrastructure - Sanitation	Infrastructure - Sanitation	465,431	14,423	13,268	-	60,000	35,000	9	Renewal
Utility Services	Water & Sanitation: Northern Area Sewer Thornton	C07.00407	1.2	Yes	Infrastructure - Sanitation	Infrastructure - Sanitation	152,179	63,962	64,000	7,200	-	-	Multi	New

Table continues on next page.

City of Cape Town – 2015/16 Budget

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		2015/16 Medium Term Revenue & Expenditure Framework			Project information	
								Audited Outcome 2013/14	Current Year 2014/15 Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18	Ward location	New or renewal
Utility Services	Water & Sanitation: Somerset West Bus. Park Main sewer	C08.86027	1.2	Yes	Infrastructure - Sanitation	Infrastructure - Sanitation	69,208	593	18,500	36,500	12,500	-	109	New
Utility Services	Water & Sanitation: Main Rd Upgrade M/Berg to Clovelly Rehab	C08.86038	1.2	Yes	Infrastructure - Water	Infrastructure - Water	124,326	19,366	20,000	10,000	-	-	64	Renewal
Utility Services	Water & Sanitation: Rehab Outfall Sewers Pentz Sandrift m/qu	C09.86015	1.2	Yes	Infrastructure - Sanitation	Infrastructure - Sanitation	82,555	1,255	3,000	30,000	40,000	-	Multi	Renewal
Utility Services	Water & Sanitation: Zandvliet WWTW Extension	C10.86033	1.2	Yes	Infrastructure - Sanitation	Infrastructure - Sanitation	892,386	-	10,292	135,943	206,500	263,230	Multi	Renewal
Utility Services	Water & Sanitation: Regional resources development	C10.86130	1.2	Yes	Other assets	Other assets	120,145	9,611	4,100	3,000	3,000	10,000	12	New
Utility Services	Water & Sanitation: Philippi Collector Sewer	C11.86060	1.2	Yes	Infrastructure - Sanitation	Infrastructure - Sanitation	183,460	-	-	1,700	1,620	63,570	43	New
Utility Services	Water & Sanitation: Potsdam WWTW - Extension	C11.86063	1.2	Yes	Infrastructure - Sanitation	Infrastructure - Sanitation	190,453	840	3,011	6,000	40,000	50,000	4	Renewal
Utility Services	Water & Sanitation: Bulk Water Augmentation Scheme	C11.86077	1.2	Yes	Infrastructure - Water	Infrastructure - Water	1,634,206	374	11,426	64,800	69,200	76,700	Multi	New
Utility Services	Water & Sanitation: Macassar WWTW Extension	C12.86059	1.2	Yes	Infrastructure - Sanitation	Infrastructure - Sanitation	138,800	-	-	-	5,000	63,150	109	Renewal
Utility Services	Water & Sanitation: Construction of new Head Office	C12.86074	1.2	Yes	Other assets	Other assets	216,011	937	2,850	16,805	121,902	73,487	Multi	New
Utility Services	Water & Sanitation: Northern Regional Sludge Facility	C12.86075	1.2	Yes	Infrastructure - Sanitation	Infrastructure - Sanitation	386,559	-	-	-	65,050	119,750	21	New
Utility Services	Water & Sanitation: Water Supply at Baden Powell Dr to Khaye	C12.86082	1.2	Yes	Infrastructure - Water	Infrastructure - Water	163,303	33	-	6,500	6,500	38,000	81	New
Utility Services	Water & Sanitation: Borchards Quarry WWTW	C12.86091	1.2	Yes	Infrastructure - Sanitation	Infrastructure - Sanitation	273,846	19,999	13,238	52,000	66,000	66,500	31	Renewal
Utility Services	Water & Sanitation: Cape Flats WWTW Refurbish various struct	C13.86005	1.2	Yes	Infrastructure - Sanitation	Infrastructure - Sanitation	108,319	3,819	14,000	22,500	20,000	16,000	Multi	Renewal
Utility Services	Water & Sanitation: Mitchells Plain WWTW Improvements Phase 2	C13.86010	1.2	Yes	Infrastructure - Sanitation	Infrastructure - Sanitation	105,422	5,500	9,647	48,500	41,500	-	43	Renewal
Utility Services	Water & Sanitation: Completion of Cape Flats III Bulk Sewer	C13.86053	1.2	Yes	Infrastructure - Sanitation	Infrastructure - Sanitation	244,464	900	400	84,510	116,926	30,000	49	New
Utility Services	Water & Sanitation: Athlone WWTW Capacity Extension-phase 1	C13.86081	1.2	Yes	Infrastructure - Sanitation	Infrastructure - Sanitation	210,500	-	-	500	20,000	40,000	49	Renewal
Utility Services	Water & Sanitation: Spes Bona Reservoir 35 Ml	C14.86056	1.2	Yes	Infrastructure - Water	Infrastructure - Water	50,308	58	1,250	22,000	14,000	13,000	105	New
Utility Services	Water & Sanitation: Meter Replacement Programme	C16.86030	1.2	No	Infrastructure - Water	Infrastructure - Water	175,000	-	-	175,000	-	-	Multi	Renewal
Utility Services	Water & Sanitation: Meter Replacement Programme	CPX.0001935	1.2	No	Infrastructure - Water	Infrastructure - Water	162,400	-	-	-	162,400	-	Multi	Renewal
Utility Services	Water & Sanitation: Meter Replacement Programme	CPX.0001938	1.2	No	Infrastructure - Water	Infrastructure - Water	190,000	-	-	-	-	190,000	Multi	Renewal
Utility Services	Water & Sanitation: Contermanskloof Reservoir	CPX.0003851	1.2	Yes	Infrastructure - Water	Infrastructure - Water	92,920	-	3,420	30,000	41,000	18,500	23	New
Utility Services	Water & Sanitation: OSEC (Electrolytic Chlorination Infr)	CPX.0003893	1.2	Yes	Infrastructure - Water	Infrastructure - Water	73,772	-	23,572	1,800	5,000	9,000	Multi	New
Utility Services	Water & Sanitation: Steenbras Reservoir	CPX.0003895	1.2	Yes	Infrastructure - Water	Infrastructure - Water	94,505	-	5	4,000	20,000	45,000	Multi	New
Utility Services	Water & Sanitation: Acquisition & Commissioning of large Gen	CPX.0005992	1.2	No	Other assets	Other assets	237,000	-	-	237,000	-	-	Multi	New
Utility Services	Various			No	Various	Various	-	1,880,243	1,803,080	1,232,305	1,073,484	1,027,372		
Total Capital expenditure								4,502,293	6,128,220	6,043,985	5,513,563	5,380,070		

Table 88 MBRR Table SA37 - Projects delayed from previous financial year/s

Municipal Vote (Directorate)	Project name	Project number	Asset Class	Asset Sub-Class	Previous target year to complete	Current Year 2014/15		2015/16 Medium Term Revenue & Expenditure Framework		
						Original Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
						Year				
R thousand										
City Health	Southern Sub District: Ocean View Clinic - Ext of Records	C14.13900	Community	Clinics	2013/14	100	–	300	500	–
Energy, Environmental & Spatial Planning	Spatial Planning & Urban Design: Upgrading of Vuyani Market Facilities	C11.16804	Other assets	Markets	2013/14	350	200	150	–	–
Energy, Environmental & Spatial Planning	Spatial Planning & Urban Design: Imizamu Yethu Sporting Precinct Upgrade	C14.18307	Other assets	Other Buildings	2013/14	2,359	1,104	4,396	–	–
Energy, Environmental & Spatial Planning	Spatial Planning & Urban Design: Pampoenkraal Heritage site	CPX.0001729	Other assets	Other Buildings	2014/15	2,439	1,100	8,900	–	–
Human Settlements	HS Development & Delivery: Manenberg The Downs : Housing Project	C06.41531	Various	Various	2014/15	7,288	3,488	74	–	–
Safety & Security	Disaster Risk Management: Integrated Contact Centre	C14.00080	Other assets	Computers - hardware/equipment	2013/14	30,398	20,898	44,500	3,000	3,000
Transport for Cape Town	Infrastructure: Mitchell's Plain Station Transport Interchange	C07.01059	Infrastructure Other	Transportation	2008/09	14,500	6,566	29,000	–	–
Transport for Cape Town	Infrastructure: Construct of Roads: Dualling Platteklouf	C07.01047	Infrastructure - Road transport	Roads, Pavements & Bridges	2008/09	6,000	–	7,430	3,000	–
Transport for Cape Town	Infrastructure: Croydon - Roads & Stormwater	C09.91030	Infrastructure - Road transport	Roads, Pavements & Bridges	2009/10	6,100	3,000	7,000	–	–
Transport for Cape Town	Infrastructure: Pelican Park: Strandfontein Road Upgrade	C08.10325	Infrastructure - Road transport	Roads, Pavements & Bridges	2011/12	15,000	8,000	51,300	–	–
Transport for Cape Town	Infrastructure: Durban Road Corridor Modderdam Road extension	C13.10329	Infrastructure - Road transport	Roads, Pavements & Bridges	2013/14	500	–	1,000	–	–
Transport for Cape Town	Infrastructure: Sir Lowry's Pass Village Road Upgrade	C14.10324	Infrastructure - Road transport	Roads, Pavements & Bridges	2014/15	13,000	1,000	21,000	–	–
Transport for Cape Town	Infrastructure: Durbanville CBD Public Transport Interchange	C14.00005	Infrastructure Other	Transportation	2014/15	200	–	100	500	5,000
Transport for Cape Town	TCT Performance & Coordination: Transport Registry system	C15.00032	Other assets	Other	2014/15	1,000	907	500	500	–
Utility Services	Cape Town Electricity: Noordhoek LV Depot	CPX.0004006	Infrastructure - Electricity	Transmission & Reticulation	2014/15	25,500	577	13,344	12,643	–
Utility Services	Water & Sanitation: Construction of new Head Office	C12.86074	Other assets	Civic Land and Buildings	2011/12	10,500	2,850	16,805	121,902	73,487
Utility Services	Water & Sanitation: Borchards Quarry WWTW	C12.86091	Infrastructure - Sanitation	Sewerage purification	2011/12	15,000	13,238	52,000	66,000	66,500
Utility Services	Water & Sanitation: Scottsdale WWTW	C12.86094	Infrastructure - Sanitation	Sewerage purification	2011/12	1,500	750	10,000	10,500	–
Utility Services	Water & Sanitation: Fisantekraal Housing Garden City - Sewer	C14.86074	Infrastructure - Sanitation	Reticulation	2013/14	4,383	2,569	6,031	–	–

2.16 Legislation compliance status

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

- **Budget and Treasury Office**
A budget office and Treasury office was established in accordance with the MFMA.
- **Budgeting**
The annual budget is prepared in accordance with the requirements prescribed by National Treasury and the MFMA.
- **In Year Reporting**
Fully compliant with regards to monthly, quarterly and annual MBRR reporting to National Treasury.
- **Annual Report**
The annual report is prepared in accordance with the MFMA and National Treasury requirements.
- **Municipal Entities**
The City currently has only one entity viz. the Cape Town International Convention Centre (CTICC).
- **Internship Programme**
The CFO has introduced an organised professional training and work experience program (Finance Graduate Development Program or FGDP) intended to standardise the current diverse training options by providing training and exposure to qualifying officials and/or suitably qualified external applicants and/or suitably qualified bursars (Bachelor of Commerce or equivalent degree), who meet the criteria and who are aspiring to become local government accountants subject to a recruitment and selection process. The National Treasury Municipal Finance Management Internship Programme (NTMFIP) has been merged with the FGDP. The City is funding five of the interns on the FGDP, whilst NT is funding an additional three interns. All the interns that were previously on the NTMFIP have been appointed within the City.

2.17 Other supporting documents

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

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand									
REVENUE ITEMS:									
Property rates									
Total Property Rates	5,519,703	6,105,690	6,609,404	7,066,137	7,143,715	7,143,715	7,849,065	8,427,345	9,066,107
less Revenue Foregone	897,262	1,029,245	1,062,630	1,123,624	1,179,436	1,179,436	1,248,122	1,333,368	1,439,371
Net Property Rates	4,622,441	5,076,445	5,546,774	5,942,513	5,964,279	5,964,279	6,600,943	7,093,977	7,626,736
Service charges - electricity revenue									
Total Service charges - electricity revenue	8,061,684	8,852,928	9,323,160	10,072,265	10,071,811	10,071,811	11,127,619	12,472,296	13,968,971
less Revenue Foregone									
Net Service charges - electricity revenue	8,061,684	8,852,928	9,323,160	10,072,265	10,071,811	10,071,811	11,127,619	12,472,296	13,968,971
Service charges - water revenue									
Total Service charges - water revenue	1,817,183	2,053,577	2,185,812	2,540,080	2,464,487	2,464,487	2,745,181	3,044,560	3,376,714
less Revenue Foregone									
Net Service charges - water revenue	1,817,183	2,053,577	2,185,812	2,540,080	2,464,487	2,464,487	2,745,181	3,044,560	3,376,714
Service charges - sanitation revenue									
Total Service charges - sanitation revenue	1,002,897	1,091,897	1,188,106	1,338,202	1,316,720	1,316,720	1,470,947	1,632,751	1,812,354
less Revenue Foregone									
Net Service charges - sanitation revenue	1,002,897	1,091,897	1,188,106	1,338,202	1,316,720	1,316,720	1,470,947	1,632,751	1,812,354
Service charges - refuse revenue									
Total refuse removal revenue	710,609	775,144	837,381	891,885	882,885	882,885	982,271	1,063,162	1,138,918
Total landfill revenue	102,678	94,066	82,791	98,027	88,027	88,027	114,975	121,299	127,849
less Revenue Foregone	-	-	-	-	-	-	-	-	-
Net Service charges - refuse revenue	813,287	869,210	920,173	989,912	970,912	970,912	1,097,246	1,184,461	1,266,767
Other Revenue by source									
Fuel Levy	1,637,276	1,706,690	1,895,992	2,002,938	2,002,938	2,002,938	2,060,211	2,145,853	2,228,419
Other Revenue	325,899	743,081	356,338	335,392	335,468	335,468	380,974	369,489	409,441
Total 'Other' Revenue	1,963,175	2,449,771	2,252,330	2,338,330	2,338,406	2,338,406	2,441,185	2,515,342	2,637,860
EXPENDITURE ITEMS:									
Employee related costs									
Basic Salaries and Wages	4,386,721	4,886,349	4,932,431	6,223,423	6,070,011	6,066,443	6,830,619	7,430,143	8,048,125
Pension and UIF Contributions	672,305	754,386	840,777	1,080,857	1,017,960	1,016,050	1,222,973	1,339,543	1,458,382
Medical Aid Contributions	397,452	439,574	492,847	562,628	556,516	557,596	601,371	654,592	709,578
Overtime	310,205	335,100	359,418	329,014	395,494	396,541	401,982	437,309	473,748
Performance Bonus	-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	176,258	180,443	186,941	181,172	197,639	198,296	202,734	220,676	239,213
Cellphone Allowance	12,682	13,367	13,704	13,925	13,964	14,003	14,349	15,619	16,931
Housing Allowances	31,061	29,266	26,512	26,534	30,836	30,792	28,727	31,269	33,896
Other benefits and allowances	154,056	172,552	198,510	194,912	205,263	205,409	208,135	225,733	244,695
Payments in lieu of leave	84,554	81,997	134,127	100,550	103,629	104,202	114,587	124,727	135,205
Long service awards	436	73,013	17,824	66,265	64,353	64,353	58,800	64,003	69,380
Post-retirement benefit obligations	712,420	502,763	1,459,526	171,715	171,738	171,738	189,951	200,399	211,220
sub-total	6,938,149	7,468,810	8,662,618	8,960,994	8,827,405	8,825,423	9,874,239	10,744,014	11,640,373
Less: Employees costs capitalised to PPE	22,137	22,611	21,764	20,511	20,511	20,511	26,731	28,204	29,728
Total Employee related costs	6,916,012	7,446,199	8,640,854	8,940,483	8,806,893	8,804,911	9,847,508	10,715,810	11,610,644
Contributions recognised - capital									
Total Contributions recognised - capital	44,230	34,076	43,022	65,226	52,010	52,010	53,761	99,000	103,100
Depreciation & asset impairment									
Depreciation of Property, Plant & Equipment	1,372,098	1,620,275	1,752,270	2,131,135	1,991,641	1,991,641	2,089,827	2,227,876	2,383,827
Lease amortisation	-	-	-	-	-	-	-	-	-
Capital asset impairment	27,392	7,110	32,700	23,200	23,200	23,200	-	-	-
Depreciation resulting from revaluation of PPE	-	-	-	-	-	-	-	-	-
Total Depreciation & asset impairment	1,399,490	1,627,385	1,784,970	2,154,335	2,014,841	2,014,841	2,089,827	2,227,876	2,383,827
Bulk purchases									
Electricity Bulk Purchases	5,385,001	6,097,891	6,283,114	6,678,300	6,717,900	6,717,900	7,597,819	8,661,513	9,874,125
Water Bulk Purchases	320,262	293,295	308,118	371,711	368,361	368,361	369,736	390,072	411,136
Total bulk purchases	5,705,263	6,391,186	6,591,232	7,050,011	7,086,261	7,086,261	7,967,555	9,051,585	10,285,261

Table continues on next page.

City of Cape Town – 2015/16 Budget

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand									
Transfers and grants									
Cash transfers and grants	103,492	103,144	115,021	125,354	139,809	140,900	120,402	117,538	123,777
Non-cash transfers and grants	–	–	–	–	–	–	–	–	–
Total transfers and grants	103,492	103,144	115,021	125,354	139,809	140,900	120,402	117,538	123,777
Contracted services									
<i>Executive and council</i>	31,995	56,043	63,173	75,549	91,001	87,804	158,402	100,625	106,455
<i>Budget & Treasury Office</i>	9,520	15,373	13,162	21,303	27,630	28,536	148,392	90,465	94,489
<i>Corporate services</i>	271,239	294,113	319,746	415,100	418,860	423,624	387,290	415,255	445,121
<i>Community and social services</i>	47,307	52,445	55,386	36,118	30,959	30,791	38,189	37,644	40,506
<i>Sport & Recreation</i>	184,898	204,619	301,852	350,476	275,990	246,139	410,565	395,488	425,091
<i>Public safety</i>	27,284	30,902	47,128	65,544	69,011	69,343	73,888	77,278	83,193
<i>Housing</i>	124,330	209,631	242,024	1,023,507	503,109	503,109	755,627	716,678	771,134
<i>Health</i>	13,614	18,074	18,418	13,354	12,590	12,590	39,454	41,833	44,319
<i>Planning and development</i>	34,579	69,781	73,481	60,859	63,025	61,191	60,059	184,353	186,626
<i>Road transport</i>	447,616	590,239	832,416	801,748	1,017,196	1,017,196	1,107,946	1,159,007	1,228,584
<i>Environmental protection</i>	10,873	30,297	24,476	23,850	30,960	30,111	23,295	11,874	10,022
<i>Electricity</i>	116,551	124,288	148,691	132,102	236,450	238,367	181,236	179,713	193,382
<i>Water</i>	141,618	192,539	188,816	163,854	147,081	147,340	177,499	199,501	220,218
<i>Waste water management</i>	283,850	366,102	444,441	457,722	474,329	474,329	599,977	620,956	698,548
<i>Waste management</i>	446,346	570,333	538,334	560,695	622,406	622,226	699,774	750,686	771,062
<i>Other</i>	2,041	1,166	984	3,420	4,937	4,042	4,606	2,755	2,909
<i>sub-total</i>	2,193,662	2,825,946	3,312,529	4,205,198	4,025,535	3,996,738	4,866,199	4,984,111	5,321,657
Total contracted services	2,193,662	2,825,946	3,312,529	4,205,198	4,025,535	3,996,738	4,866,199	4,984,111	5,321,657
Other Expenditure By Type									
Collection costs	166,379	183,024	174,129	201,630	186,052	186,052	200,040	212,273	223,736
Contributions to 'other' provisions	(58,822)	31,765	(34,246)	(60,234)	(42,514)	(42,514)	(5,591)	(5,899)	(6,217)
Consultant fees	147,364	162,459	123,776	174,043	191,465	192,892	17,630	965	1,046
Audit fees	15,158	13,660	12,487	18,207	18,659	18,703	18,687	19,714	20,779
General expenses	947,079	1,119,904	1,129,181	1,283,325	1,509,833	1,540,278	1,029,454	1,066,623	1,128,164
Other Expenditure by Type:									
Security Services & Charges	301,800	337,312	389,145	242,335	278,988	280,049	337,594	356,379	375,565
Fuel (Petrol, Diesel and Fuel Oil)	190,773	219,572	267,110	223,465	258,943	259,662	281,394	307,896	346,619
Indigent Relief : Refuse	207,273	229,833	212,636	232,261	227,951	227,951	239,427	252,595	266,236
Indigent Relief : R20 (07/08 = R30)	104,792	139,321	165,025	190,255	194,116	194,116	205,181	216,466	228,155
Specialised Information Technology servi	–	–	–	–	–	–	186,745	197,787	208,457
G&D Housing PHP Payment	113,072	143,432	142,412	170,000	250,733	250,733	184,968	150,000	150,000
Chemicals	98,711	114,306	133,680	143,877	139,358	139,358	144,505	162,907	193,704
MIDS/CIDS	86,823	103,663	114,884	123,058	130,146	130,146	141,982	149,791	157,879
Electricity	93,563	101,075	101,680	105,422	112,948	113,108	119,046	135,713	154,712
Licenses & Permits	70,303	73,185	97,668	123,471	122,069	121,218	116,469	123,508	130,151
Telecommunication Lines	–	–	–	–	–	–	100,112	105,618	111,322
Printing Stationery & Photographic	61,270	65,715	73,562	77,453	78,136	79,301	86,232	90,830	95,703
Training	42,447	44,010	50,141	75,564	56,846	55,858	78,068	82,325	86,760
G&D Vaccines	71,205	57,539	66,716	70,956	70,956	70,956	76,822	81,047	85,342
Rental	55,763	55,857	56,808	66,890	69,689	69,513	76,815	79,684	83,986
Uniform & Protective Clothing	36,878	51,693	57,826	64,584	68,830	68,742	74,074	78,647	82,889
Hire of LDV, P/Van, Bus, Special Vehicle	102,938	94,487	80,503	84,025	69,767	68,741	69,957	81,164	102,214
Minor Tools , Equipment & Other	37,276	44,151	47,758	67,588	63,047	62,742	66,832	70,902	74,734
Cleaning Costs	70,186	49,756	52,704	60,469	59,985	59,502	66,085	69,730	72,728
Indigent Relief : Electricity - Eskom Re	26,480	37,362	47,642	50,843	50,843	50,843	64,956	68,529	72,230
Total 'Other' Expenditure	2,988,712	3,473,078	3,563,228	3,789,486	4,166,847	4,197,949	3,977,481	4,155,193	4,446,895
Repairs and Maintenance by Expenditure Item									
Employee related costs	446,891	1,030,137	1,089,097	1,248,847	1,288,227	1,288,227	1,502,465	1,630,634	1,767,139
Other materials	180,350	202,646	216,406	237,074	258,622	257,629	270,378	293,567	318,227
Contracted Services	1,088,586	1,314,473	1,426,952	1,506,011	1,346,770	1,319,529	1,579,232	1,741,800	1,915,927
Other Expenditure	167,226	203,129	172,915	157,424	233,516	264,999	220,318	239,086	259,091
Total Repairs and Maintenance Expenditure	1,883,053	2,750,384	2,905,370	3,149,355	3,127,135	3,130,384	3,572,394	3,905,087	4,260,384

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 & Auxiliary Services	Vote 5 - Corporate Services	Vote 6 - Energy, Environmental & Spatial Planning	Vote 7 - Finance	Vote 8 - Human Settlements	Vote 9 - Rates & Other	Vote 10 - Safety & Security	Vote 11 - Social Dev & Early Childhood Development	Vote 12 - Tourism, Events & Economic Development	Vote 13 - Transport for Cape Town	Vote 14 - Utility Services	Total
Revenue By Source															
Property rates	-	-	-	-	-	-	-	-	6,600,943	-	-	-	-	-	6,600,943
Property rates - penalties & collection charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	-	-	36	-	-	-	-	-	-	-	-	-	-	11,127,583	11,127,619
Service charges - water revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	2,745,181	2,745,181
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	1,470,947	1,470,947
Service charges - refuse revenue	-	-	5	-	-	-	-	-	-	196	-	-	-	1,097,045	1,097,246
Service charges - other	4,478	46	46,767	17	981	100,876	26,680	9,120	-	10,849	78	6,380	297,431	58,062	561,765
Rental of facilities and equipment	-	-	1,700	-	-	31	113,592	212,032	-	213	48	17,554	-	478	345,646
Interest earned - external investments	-	-	-	-	-	-	262,285	9,050	-	352	-	-	0	-	271,687
Interest earned - outstanding debtors	-	-	-	-	-	18	89	-	98,861	501	-	25	2	134,500	233,996
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines	22	-	3,114	-	-	1,430	-	-	-	972,621	-	-	24	-	977,210
Licences and permits	751	-	3,221	-	-	1,732	-	-	-	35,271	-	1	2,054	-	43,028
Agency services	-	-	-	-	-	-	143,000	-	-	10,993	-	-	-	-	153,993
Other revenue	2,644	2	640	3,297	62,869	50	152,276	8,058	2,060,211	159	-	28,535	15,429	107,015	2,441,185
Transfers recognised - operational	530,455	1,300	32,979	789	7,526	12,526	4,944	924,701	1,721,017	35,188	-	2,000	263,505	42,822	3,579,752
Gains on disposal of PPE	-	-	-	-	1,500	-	65,669	2,000	-	-	-	-	-	5,500	74,669
Total Revenue (excluding capital transfers and contributions)	538,350	1,348	88,461	4,102	72,876	116,662	768,535	1,164,961	10,481,033	1,066,342	126	54,494	578,445	16,789,134	31,724,869

Table continues on next page.

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	658,567	73,358	994,513	320,522	745,086	426,779	724,349	312,981	132,867	1,511,067	86,872	119,690	640,090	3,100,746	9,847,508
Remuneration of councillors	–	1,326	–	137,985	–	–	–	–	–	–	–	–	–	–	139,311
Debt impairment	–	–	–	–	–	–	10,877	109,837	270,088	740,581	–	–	–	675,229	1,806,613
Depreciation & asset impairment	9,513	2,682	108,273	4,921	172,181	19,029	15,743	78,835	–	43,314	4,953	206,638	614,777	808,968	2,089,827
Finance charges	–	–	–	–	–	–	943,229	–	–	–	–	–	–	27,904	971,133
Bulk purchases	–	–	19	–	–	–	–	–	–	–	–	–	–	7,967,536	7,967,555
Other materials	4,274	153	10,602	441	32,313	1,191	1,061	27,891	–	5,465	201	662	51,180	223,571	359,005
Contracted services	48,587	74,489	344,579	55,317	279,132	50,122	51,026	755,536	119,062	59,878	68,655	119,864	1,251,391	1,588,561	4,866,199
Transfers and grants	3,982	9,498	–	60	–	176	7,004	–	–	–	–	99,681	–	–	120,402
Other expenditure	271,881	49,318	229,972	48,781	576,902	55,649	460,312	291,907	511,081	245,675	21,624	22,753	161,024	1,030,602	3,977,481
Loss on disposal of PPE	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Expenditure	996,804	210,825	1,687,957	568,028	1,805,615	552,947	2,213,600	1,576,986	1,033,098	2,606,001	182,305	569,288	2,718,462	15,423,118	32,145,033
Surplus/(Deficit)	(458,455)	(209,476)	(1,599,496)	(563,926)	(1,732,739)	(436,285)	(1,445,066)	(412,024)	9,447,934	(1,539,658)	(182,180)	(514,793)	(2,140,017)	1,366,016	(420,164)
Transfers recognised - capital	1,243	–	71,922	292	7,298	31,996	153	371,066	–	14,130	400	500	1,181,148	543,665	2,223,813
Contributions recognised - capital	–	–	6,761	–	–	–	–	–	–	–	–	–	1,000	46,000	53,761
Contributed assets	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	(457,212)	(209,476)	(1,520,813)	(563,634)	(1,725,441)	(404,288)	(1,444,913)	(40,958)	9,447,934	(1,525,529)	(181,780)	(514,293)	(957,868)	1,955,681	1,857,410

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

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand									
ASSETS									
Call investment deposits									
Call deposits < 90 days	3,194,327	4,542,767	2,058,625	5,362,934	5,630,269	5,630,269	2,215,627	1,818,067	2,645,058
Other current investments > 90 days	2,883,387	3,430,794	2,621,906	–	–	–	1,571,848	1,460,531	1,692,089
Total Call investment deposits	6,077,714	7,973,561	4,680,531	5,362,934	5,630,269	5,630,269	3,787,475	3,278,598	4,337,147
Consumer debtors									
Consumer debtors	8,160,512	8,217,315	8,540,616	10,361,107	10,429,036	10,429,036	12,469,645	14,661,434	17,003,400
Less: Provision for debt impairment	(4,181,256)	(4,045,082)	(4,230,967)	(5,861,807)	(5,922,301)	(5,922,301)	(7,728,914)	(9,672,523)	(11,750,213)
Total Consumer debtors	3,979,256	4,172,233	4,309,649	4,499,300	4,506,735	4,506,735	4,740,731	4,988,912	5,253,187
Debt impairment provision									
Balance at the beginning of the year	3,815,533	4,181,256	4,045,082	4,911,274	4,230,967	4,230,967	5,922,301	7,728,914	9,672,523
Contributions to the provision	802,975	868,296	760,710	950,533	1,691,334	1,691,334	1,806,613	1,943,609	2,077,690
Bad debts written off	(437,252)	(1,004,470)	(574,825)	–	–	–	–	–	–
Balance at end of year	4,181,256	4,045,082	4,230,967	5,861,807	5,922,301	5,922,301	7,728,914	9,672,523	11,750,213
Property, plant and equipment (PPE)									
PPE at cost/valuation (excl. finance leases)	36,702,555	42,499,000	46,911,958	53,717,656	52,730,680	52,730,680	58,472,465	63,710,350	68,821,417
Leases recognised as PPE	–	–	–	–	–	–	–	–	–
Less: Accumulated depreciation	12,179,603	13,740,265	15,443,633	17,852,324	17,458,474	17,458,474	19,548,300	21,776,176	24,160,003
Total Property, plant and equipment (PPE)	24,522,952	28,758,735	31,468,325	35,865,333	35,272,206	35,272,206	38,924,165	41,934,174	44,661,414
LIABILITIES									
Current liabilities - Borrowing									
Short term loans (other than bank overdraft)	–	–	–	–	–	–	–	–	–
Current portion of long-term liabilities	294,186	418,166	368,325	378,885	378,885	378,885	498,690	367,798	313,820
Total Current liabilities - Borrowing	294,186	418,166	368,325	378,885	378,885	378,885	498,690	367,798	313,820
Trade and other payables									
Trade and other creditors	3,924,015	4,517,030	4,763,375	4,048,176	3,607,314	3,607,314	5,286,573	4,721,785	5,395,986
Unspent conditional transfers	1,665,752	858,556	1,495,768	996,885	1,545,452	1,545,452	1,640,961	1,763,203	1,672,545
VAT	57,756	69,491	79,021	80,262	86,923	86,923	91,269	95,833	100,624
Total Trade and other payables	5,647,523	5,445,077	6,338,164	5,125,323	5,239,689	5,239,689	7,018,803	6,580,821	7,169,155
Non current liabilities - Borrowing									
Borrowing	5,176,421	6,936,236	6,666,139	7,902,043	7,902,043	7,902,043	8,032,745	8,790,433	10,403,546
Finance leases (including PPP asset element)	–	–	–	–	–	–	–	–	–
Total Non current liabilities - Borrowing	5,176,421	6,936,236	6,666,139	7,902,043	7,902,043	7,902,043	8,032,745	8,790,433	10,403,546
Provisions - non-current									
Retirement benefits	3,370,547	3,782,902	5,073,266	4,111,395	5,245,004	5,245,004	5,434,955	5,635,353	5,846,573
List other major provision items	–	–	–	–	–	–	–	–	–
Refuse landfill site rehabilitation	328,839	332,991	274,069	435,670	233,030	233,030	364,363	348,945	313,000
Other	376,815	436,620	436,627	551,943	500,980	500,980	559,780	623,783	693,163
Total Provisions - non-current	4,076,201	4,552,513	5,783,962	5,099,008	5,979,014	5,979,014	6,359,098	6,608,082	6,852,736

Table continues on next page.

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand									
CHANGES IN NET ASSETS									
Accumulated Surplus/(Deficit)									
Accumulated Surplus/(Deficit) - opening balance	14,369,652	16,721,752	20,159,376	23,100,680	21,895,505	21,895,505	24,732,002	27,044,035	29,176,511
GRAP adjustments	(174,070)	-	-	-	-	-	-	-	-
Restated balance	14,195,582	16,721,752	20,159,376	23,100,680	21,895,505	21,895,505	24,732,002	27,044,035	29,176,511
Surplus/(Deficit)	2,507,284	3,443,726	1,659,476	2,598,469	2,918,667	2,918,667	1,857,410	2,088,995	2,191,433
Appropriations to Reserves	(720,503)	(639,146)	(457,093)	154,477	(39,406)	(39,406)	465,579	54,376	(218,859)
Transfers from Reserves	739,389	633,044	534,997	(47,315)	(42,764)	(42,764)	(10,956)	(10,895)	(10,800)
Depreciation offsets	-	-	-	-	-	-	-	-	-
Other adjustments	-	-	-	-	-	-	-	-	-
Accumulated Surplus/(Deficit)	16,721,752	20,159,376	21,896,756	25,806,310	24,732,002	24,732,002	27,044,035	29,176,511	31,138,284
Reserves									
Housing Development Fund	521,463	504,356	468,419	545,474	497,001	497,001	489,067	482,260	477,725
Capital replacement	1,274,073	1,281,721	1,187,993	863,783	1,227,399	1,227,399	769,755	722,186	945,580
Self-insurance	496,182	511,743	563,504	540,106	577,685	577,685	588,642	599,537	610,338
Other reserves	-	-	-	91,158	33,257	33,257	-	-	-
Revaluation	-	-	-	-	-	-	-	-	-
Total Reserves	2,291,718	2,297,820	2,219,916	2,040,522	2,335,342	2,335,342	1,847,464	1,803,983	2,033,643
TOTAL COMMUNITY WEALTH/EQUITY	19,013,470	22,457,196	24,116,672	27,846,832	27,067,345	27,067,345	28,891,499	30,980,494	33,171,927

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	2011/12	2012/13	2013/14	Current Year 2014/15	2015/16 Medium Term Revenue & Expenditure Framework		
					Outcome	Outcome	Outcome	Original Budget	Outcome	Outcome	Outcome
Demographics											
Population	StatsSA Census & Mid-year estimates, Projections	2,893,249	3,497,097	3,740,025	3,786,633	3,852,187	3,918,830	3,928,148	3,972,237	-	-
Females aged 5 - 14	StatsSA Census & Mid-year estimates, Projections	260,241	287,307	275,909	328,597	331,840	334,957	312,409	322,161	-	-
Males aged 5 - 14	StatsSA Census & Mid-year estimates, Projections	257,985	284,101	282,124	337,422	339,553	341,895	321,657	332,518	-	-
Females aged 15 - 34	StatsSA Census & Mid-year estimates, Projections	571,867	653,762	706,732	632,676	638,350	643,892	692,628	686,064	-	-
Males aged 15 - 34	StatsSA Census & Mid-year estimates, Projections	539,939	631,811	707,488	629,943	640,726	651,314	688,675	681,071	-	-
Unemployment	StatsSA Census & QLFS	29.20%	24.50%	23.90%	23.43%	25.65%	24.17%	25.25%	NA	-	-
Monthly household income (no. of households)											
No income	StatsSA Census	101,953	52,446	146,517	NA	NA	NA	NA	NA	-	-
R1 - R1 600	StatsSA Census	200,414	144,873	185,068	NA	NA	NA	NA	NA	-	-
R1 601 - R3 200	StatsSA Census	130,846	122,611	170,824	NA	NA	NA	NA	NA	-	-
R3 201 - R6 400	StatsSA Census	133,588	121,268	154,427	NA	NA	NA	NA	NA	-	-
R6 401 - R12 800	StatsSA Census	109,609	103,587	139,348	NA	NA	NA	NA	NA	-	-
R12 801 - R25 600	StatsSA Census	67,529	87,974	126,625	NA	NA	NA	NA	NA	-	-
R25 601 - R51 200	StatsSA Census	23,091	52,892	92,860	NA	NA	NA	NA	NA	-	-
R52 201 - R102 400	StatsSA Census	5,470	18,249	38,018	NA	NA	NA	NA	NA	-	-
R102 401 - R204 800	StatsSA Census	3,028	5,355	9,749	NA	NA	NA	NA	NA	-	-
> R204 800	StatsSA Census	1,861	3,429	5,066	NA	NA	NA	NA	NA	-	-
Unspecified		-	189,593	73	NA	NA	NA	NA	NA	-	-
Household/demographics (000)											
Number of people in municipal area	StatsSA Census & Mid-year estimates, Projections	2,893	3,497	3,740	3,787	3,852	3,919	3,928	3,972	-	-
Number of poor people in municipal area	StatsSA Census, estimates	1,125	1,240	1,758	NA	NA	NA	NA	NA	-	-
Number of households in municipal area	StatsSA Census, estimates	777	902	1,069	1,082	1,101	1,120	1,122	1,135	-	-
Number of poor households in municipal area	StatsSA Census	302	320	502	NA	NA	NA	NA	NA	-	-
Definition of poor household (R per month)		Household Income < R1608	Household income < R3201	Household income < R3201	-	-	-	-	-	-	-
Housing statistics											
Formal	StatsSA Census, estimates	619,691	758,159	846,026	856,572	871,401	886,477	888,584	898,558	-	-
Informal	StatsSA Census, estimates	157,699	144,116	222,549	225,323	229,224	233,189	233,744	236,367	-	-
Total number of households		777,390	902,275	1,068,575	1,081,895	1,100,625	1,119,666	1,122,328	1,134,925	-	-
Dwellings provided by municipality		-	-	-	7,141	4,300	3,647	5,164	4,760	-	-
Dwellings provided by province/s		-	-	-	-	-	-	-	-	-	-
Dwellings provided by private sector		-	-	-	27,188	53,586	26,595	NA	NA	-	-
Total new housing dwellings		-	-	-	34,329	57,886	30,242	5,164	4,760	-	-
Economic											
Inflation/inflation outlook (CPIX)		-	-	-	4.0%	5.4%	-	5.8%	5.7%	5.5%	5.4%
Interest rate - borrowing		-	-	-	11.8%	10.0%	9.8%	11.0%	12.0%	12.0%	12.0%
Interest rate - investment		-	-	-	6.0%	6.0%	5.3%	5.5%	6.5%	6.5%	6.5%
Remuneration increases		-	-	-	6.5%	6.5%	6.80%	6.8%	8.1%	6.9%	6.4%
Consumption growth (electricity)		-	-	-	0.0%	0.0%	-1.80%	-1.8%	-1.0%	-1.0%	-1.0%
Consumption growth (water)		-	-	-	0.5%	1.0%	-	1.0%	0.0%	0.0%	0.0%
Collection rates											
Property tax/service charges		-	-	-	97.9%	95.2%	96.3%	96.0%	96.0%	96.0%	96.0%
Rental of facilities & equipment		-	-	-	87.5%	87.5%	85.0%	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%	96.2%	96.4%	96.0%	93.2%	93.2%	93.2%
Revenue from agency services		-	-	-	100.0%	100.0%	100.0%	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
King James/Yellow Wood	Mths	24	Brand development, comms. strategies, social media.	01 January 2016	8,000
Panel of freelancer photographers	Mths	36	Ad hoc photographic services.	30 September 2018	1,000
Panel of freelancer graphic designers	Mths	36	Ad hoc graphic design services.	New tender still being finalised	4,000
Ultra Afrikom	Mths	36	Media support/capacitation.	08 September 2017	3,000
J Lloyd	Mths	36	Specialist media space buying.	30 June 2016	500
Panel of small audio-visual companies	Mths	36	Provision of sound, recording and audio systems at meetings/ functions - new tender.	Services procured as and when required	No fixed amount
Panel of freelance creative writers/small agencies	Mths	36	Provision of creative writing services for publications, leaflets, web.	31 October 2017	2,000
Creative Store	Mths	36	Development of newsletters.	01 June 2015	2,000
Ince	Mths	36	Development of 8 flagship publications.	01 June 2015	2,000
Mailtronic Printing	Mths	36	Printing of newsletters.	31 October 2017	4,000
Newscip	Mths	36	Independent monitoring of media coverage received by the city.	01 June 2015	2,000
Civair	Mths	36	Provision of helicopter for aerial photography.	01 June 2015	1,000
Panel of freelance web writers and designers	Mths	36	Provision of web design and web writing services.	New tender still to be finalised	9,000
Panel of freelance videographers and associated services	Mths	36	Provision of professional video writing, filming and post production editing - new tender currently being developed.	New tender	3,000
Copy Editors and Proof Readers	Mths	36	Editing and proofreading of written material	Approx February 2017	2,000
Phambili Merz (Pty) Ltd	Mths	30	Provision of Professional Services; Quality Assurance of Power Transformers (period tender)	30 June 2017	Various Rates
African Consulting Surveyors CC	Mths	32	Provision of Professional Services to conduct Topographical Surveys and Airspace Monitoring Service at Solid Waste Landfill Sites	30 June 2017	1,188
Guerini Marine Construction CC	Mths	31	The Inspection, Maintenance and Minor Repairs of Submarine Pipelines of Marine Outfalls	30 June 2017	1,350
Wasteman Holdings (Pty) Ltd	Mths	33	Removal and Disposal of Water Treatment Residue from the Faure Water Treatment Plant	30 June 2017	Various Rates
1st BEC held on 28/08/2014 - clarifications required.	Mths	30	Provision of a Water Meter Reading Service for the City of Cape Town (Water and Sanitation)	30 June 2017	36,000
Pinnacle Instruments CC	Mths	29	Calibration Service of Inline pH, Turbidity and Conductivity Analysers at Water Treatment Plants, Bulk Water Branch	30 June 2017	750
Phambili Merz (Pty) Ltd	Mths	30	Period Tender for Provision of Professional Services; Quality Assurance Inspection of Electrical Cable	30 June 2017	3,000
Masiqhame Trading 729 CC	Mths	36	Removal and Disposal of Refuse from Storage Areas in Informal Settlements	30 June 2017	78,000
Masisebenze Water Systems (Pty) Ltd (4600006360)	Mths	32	Supply, Delivery and Installation, Moving and Repair of used Marine Shipping Containers.	30 June 2017	Various Rates
JT Maritz Electrical CC t/a Maritz Electrical	Mths	32	Design, manufacture, supply, installation, removal and maintenance of festive lighting for the City of Cape Town	30 June 2017	4,000
Chand Environmental Consultants CC	Mths	36	Provision of professional services: External compliance audits of solid waste management facilities	30 June 2017	1,200

Table continues on next page.

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
Lilian4Zonke (Pty) Ltd	Mths	31	Term Tender: Cleaning services at Electricity Services facilities, Ndabeni Depot	30 June 2017	2,300
DB Erasmus t/a Pegasus Consulting Services	Mths	32	Provision of Garden Services for the Faure Water Scheme, Helderberg Water Scheme and Firlands Pump Station	30 June 2017	Various Rates
Marthinusen & Coutts, Cleveland - a Division of Actom (Pty) Ltd	Mths	31	Repairs and Maintenance Services for Steenbras Power Station 12 kV Generators	30 June 2017	7,000
Inter-Waste (Pty) Ltd	Mths	31	Supply, Delivery and/or Rental of Hazardous Waste Containers and Collection, Removal, Transportation and Disposal of Hazardous Waste	30 June 2017	4,500
Sisonke Treefellers CC	Mths	23	High Voltage (HV) Overhead Line Servitude Clearance	30 June 2016	Various Rates
Area 1: South Peninsula -Lazar Civil Engineering CC	Mths	25	Maintenance of sewer pipelines	30 June 2016	10,000
Joint Venture, Beach Clean Services South Africa CC and Wasteman Hldings (Pty) Ltd.	Mths	24	Provision of Deep Beach Cleaning Machine	30 June 2016	Various Rates
Metrofile (Pty) Ltd & Giscoe & Esri South Africa	Mths	34	Geographic Information Systems (GIS) of Water and Sewer Infrastructure and Scanning of As-Built Drawings	30 June 2016	4,000
USK Environmental & Waste Engineering (Pty) Ltd	Mths	30	Appointment of Consultant: Active Landfill Site Gaseous Emission Monitoring	30 June 2016	Various Rates
Quetzal Trading 116 C C (Main Contractor).	Mths	24	Cleaning of Informal Settlement Sanitation Infrastructure within the Boundaries of the City of Cape Town	30 June 2016	7,000
Waste-Mart CC	Mths	30	The Provision of a Refuse Collection Service in Brown's Farm, Phillipi, Weltevreden and Surroundings	30 June 2016	13,200
Enviroserv Waste Management (Pty) Ltd	Mths	30	Tender for the Removal, Transportation and Disposal of Dewatered Wastewater Sludge from various Wastewater Treatment Works	30 June 2016	173,000
Powerrec (Pty) Ltd, BCB Cable Jointing CC, EJM Electrical CC and V2 Electrical Contractors CC	Mths	28	Low Voltage Distribution Kiosk Maintenance and Replacement	30 June 2016	15,000
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
EJM Electrical CC 4600005869	Mths	28	First Line Response - Distribution Area North: Mowbray and Vanguard District	30 June 2016	20,000
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	2,200
V2 Electrical Contractors CC	Mths	30	First Line Response: Distribution Area: East	30 June 2016	Various Rates
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
ABB South Africa (Pty) Ltd	Mths	24	Implementation of new outage management system (C12.84078-F2)	30 June 2016	28,189
PD Naidoo and Assoc Consulting Engineers (Pty) Ltd	Mths	34	Appointment of a Professional Services Provider for the Provision of Environmental Assessment and Waste Management Licencing Services for the Vissershok Landfill Site	30 June 2016	1,000
Cocopan (Pty) Ltd	Mths	18	Provision of Garden maintenance Services for Solid Waste Management Facilities	30 June 2016	30,000
Abaphumeleli Trading 1149 CC t/a Indalo	Mths	30	Provision of a Conventional Refuse Collection Service in Khayelitsha and Surrounding Areas	30 June 2016	11,880
WSP Environmental (Pty) Ltd	Mths	24	Provision of Professional Services: Environmental Impact Assessment in Respect of the Gordon's bay Beach front Sewerage Upgrade Project	30 June 2016	334
World Focus 404 CC t/a World Focus Security Training and Cleaning Services	Mths	18	Cleaning Services at Steenbras Power Station	30 June 2016	500

Table continues on next page.

City of Cape Town – 2015/16 Budget

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
Colin Gous and Associates CC	Mths	34	Term Tender: Provision of a Service Provider for the Implementation of New and Maintaining of Existing Integrated Management System (ISO) for the Execution of Technical Support Services Operations Only 1 July 2013- 30 June 2016	30 June 2016	Various Rates
PD Naidoo	Mths	36	Provision of Basic Assessment and Waste Management Licencing for closure of the Waterkloof Lanfill site	30 June 2016	Various Rates
Powerrec (Pty) Ltd	Mths	30	Provision of LV and MV three-phase meter installation services	30 June 2016	2,000
Chad Ways Construction CC	Mths	34	Repair and replacement of locks and hinges to council's green litter bins	30 June 2016	Various Rates
MR Price t/a Lite-Line Electrical	Mths	18	First Line Response for Area South: Districts Mitchells Plain, Muizenberg and Wynberg	30 June 2016	30,400
Waste-Mart CC (4600005651)	Mths	30	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
Imvusa Trading 700 CC t/a Mshengu Services (Main Contractor)- 4600006056	Mths	22	Rental, Delivering, Placement, Servicing and Maintenance of Portable Non Flushing Chemical Toilet Units for Informal Settlements and Public Transport Interchanges Citywide	30 June 2016	205,000
Tender Awarded to Jeffares & Green (Pty) Ltd	Mths	24	Provision of Professional Service Provider : Identification of an Appropriate Sites/s for an Integrated Waste Management Facility to Serve The South Peninsula Area For the City of Cape Town	30 June 2016	900
BCB Cable Jointing CC	Mths	22	Emergency cable jointing services for up to 11KV cables - Electricity Services	30 June 2016	10,000
KE Daniels (Pty) Ltd t/a Premier Car & Bakkie Rental	Mths	21	Hiring of Transport Services for Staff of Collection and Drop Off Facilities Branch of Solid Waste Management within Atlantic, Tierberg, Impuma and Two Oceans Area.	30 June 2016	3,000
Cape Town Tourism	Yrs	3	Provide City with Tourism Marketing, Information Services and in-destination services.	30 June 2017	yr1 = 39 375 yr2 = 42 000 yr3 = 44 625
Learn to Earn	mths	12	To deliver lifeskills, job readiness programmes and marketable skills programmes that will result in participants becoming economically active.	30 June 2015	906
Phillipi Economic Development Initiative	mths	12	Develop and promote economic opportunity in Phillipi and its surrounding areas within Cape Town.	30 June 2015	1,890
Cape Town Partnership	mths	12	Drive development in the inner city and beyond through multi stakeholder collaboration.	30 June 2015	9,173
Raymond Ackerman Academy	mths	12	Youth Entrepreneurship Skills Development programme at UCT Graduate School of Business.	30 June 2015	200
Seda Atlantis Renewable Energy Business Incubator(SAREBI)	mths	12	Business Accelration support program for 5 SMME's to startup manufacturing, assembly and component production companies in renewable energy sector.	30 June 2015	500
Dreamworker NPO Office Atlantis	mths	12	Employment Support and Placement service in Atlantis	30 April 2015	174
Cape of Good Hope SPCA	Yrs	3	Provision of animal care, pound and control related services.	30 June 2017	1,500
Public Discipline & Integration of Technology	Yrs	2	Maintenance of CCTV systems and equipment.	30 June 2015	3,536
Melsa Trading (Pty) Ltd & Tra-Col Solutions CC	Yrs	2	Supply and delivery of animal feed and bedding.	30 June 2015	172
Nobelteq 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	10,274
EOHMthombo (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
Syntell (PTY) Ltd	Yrs	2	Service provided for the administration and collection of traffic fines.	30 June 2015	2,000
AECOM	Mths	17	Professional Services for the Construction of the Delft ECD	30 June 2016	1,205

Table continues on next page.

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
AECOM	Mths	17	Professional Services for the Construction of the Nantes ECD	30 June 2016	736
ICAPA Builders CC	Mths	18	Construction of Golden Gate ECD	30 June 2016	4,209
Gramoney Sports Turf and Landscaping CC, Brainwave Projects 1789 CC, Powerrec (Pty) Ltd	Mths	30	Supply and deliver of organic and in-organic fertilizers	30 June 2017	5,000
Magadi Investments (Pty) Ltd, Lilian4Zonke (Pty) Ltd, S Jacobs Contractors (Pty) Ltd, Ululwandle Cleaning and Construction CC, Kimbalesa Cleaning Services CC, Leticia's Cleaning Services (Various Tenders were awarded for various Areas	Mths	0	Maintenance of public toilets on public open spaces and cemeteries	30 June 2017	3 050
Blou Terreindienste BK CC	Mths	6	Tree Maintenance on Public Open Spaces, Road Reserves and Cemeteries - Eastern Districts, City Parks	30 June 2015	6,000
Need Compost CC t/a Garden & Organics (Zandvlei Recreation Park) BF Mampies t/a Mampies Tree Felling and Gardening Services (Maynardville Park) Leticia's Cleaning Services CC	Mths	24	Maintenance of district parks: Southern area	30 June 2016	3,500
Wely Construction & Projects CC Siqalo Gardening and Cleaning CC Yahwen Construction CC Waste Rethink Integer Hldings (Pty) Ltd Ngokotho Hldings (Pty) Ltd	Mths	30	Preparation of graves in city cemeteries	30 June 2016	22,000
Cocopan (Pty) Ltd	Mths	31	Horticultural Maintenance to Buitengracht Centre Median	30 June 2016	800
Cocopan (Pty) Ltd	Mths	31	Horticultural Maintenance to Granger Bay Boulevard Landscaping	30 June 2016	2,500
ATN Roadmarking and Civils CC CA Davids	Mths	20	Horticultural maintenance - Northern district	30 June 2015	5,800
Eric Cherry Landscaping (Pty) Ltd Mega Ndira Resources CC Siqalo Gardening and Cleaning Services Senzakabi Trading CC Masiqhame Trading 568 CC Frederick and Lucky CC Landscape Fusion CC	Mths	35	Horticultural Maintenance of Company Gardens	30 June 2016	Rate based
Cocopan Garden Services CC	Mths	21	Horticultural maintenance to N1/Koeberg interchange landscape	30 June 2015	Various Rates
Jacobus Hendrick Louw t/a Swartland Conchem - Saligna BEE CC	Mths	37	Chemical Weed Control on Roads and Hard Surfaces throughout the City of Cape Town	30 June 2015	2,600

Table 94 Schedule of Service Delivery Standards

Standard	Description	Service Level
Solid Waste Removal		
	Premise based removal (Residential Frequency)	Once per week
	Premise based removal (Business Frequency)	Once, Three & Five times per week
	Bulk Removal (Frequency)	N/A
	Removal Bags provided(Yes/No)	Yes - Informal Settlements
	Garden refuse removal Included (Yes/No)	No; alternative removal per arrangement/request at separate tariff.
	Street Cleaning Frequency in CBD	Daily
	Street Cleaning Frequency in areas excluding CBD	Adhoc service
	How soon are public areas cleaned after events (24hours/48hours/longer)	Within 24hours
	Clearing of illegal dumping (24hours/48hours/longer)	Longer; dependant on the amount to be removed and subject to resource availability.
	Recycling or environmentally friendly practices(Yes/No)	Yes
	Licenced landfill site(Yes/No)	Yes
Water Service		
	Water Quality rating (Blue/Green/Brown/N0 drop)	Blue and Green drop
	Is free water available to all? (All/only to the indigent consumers)	All
	Frequency of meter reading? (per month, per year)	Per Month
	Are estimated consumption calculated on actual consumption over (two month's/three month's/longer period)	Longer period
	On average for how long does the municipality use estimates before reverting back to actual readings? (months)	Latest standard procedure is not to exceed 12 months
	Duration (hours) before availability of water is restored in cases of service interruption (complete the sub questions)	
	One service connection affected (number of hours)	Within 24 hours
	Up to 5 service connection affected (number of hours)	Within 24 hours
	Up to 20 service connection affected (number of hours)	Within 24 hours
	Feeder pipe larger than 800mm (number of hours)	Within 24 hours
	What is the average minimum water flow in your municipality?	Annual Average Daily Flow = 860MI / day
	Do you practice any environmental or scarce resource protection activities as part of your operations? (Yes/No)	Yes
	How long does it take to replace faulty water meters? (days)	Within a week
	Do you have a cathodic protection system in place that is operational at this stage? (Yes/No)	Only partial
Electricity Service		
	What is your electricity availability percentage on average per month?	99.73%
	Do your municipality have a ripple control in place that is operational? (Yes/No)	yes
	How much do you estimate is the cost saving in utilizing the ripple control system?	Not used
	What is the frequency of meters being read? (per month, per year)	per month
	Are estimated consumption calculated at consumption over (two month's/three month's/longer period)	previous year
	On average for how long does the municipality use estimates before reverting back to actual readings? (months)	Always attempt to use actual
	Duration before availability of electricity is restored in cases of breakages (immediately/one day/two days/longer)	Immediately
	Are accounts normally calculated on actual readings? (Yes/no)	Yes
	Do you practice any environmental or scarce resource protection activities as part of your operations? (Yes/No)	Not used
	How long does it take to replace faulty meters? (days)	1
	Do you have a plan to prevent illegal connections and prevention of electricity theft? (Yes/No)	Yes
	How effective is the action plan in curbing line losses? (Good/Bad)	Average
	How soon does the municipality provide a quotation to a customer upon a written request? (days)	Dependent on circumstances
	How long does the municipality takes to provide electricity service where existing infrastructure can be used? (working days)	3 months
	How long does the municipality takes to provide electricity service for low voltage users where network extension is not required? (working days)	3 months
	How long does the municipality takes to provide electricity service for high voltage users where network extension is not required? (working days)	6 months
Sewerage Service		
	Are your purification system effective enough to put water back in to the system after purification?	System = nature = yes / System = water system = only for irrigation purposes (treated effluent only)
	To what extend do you subsidize your indigent consumers?	0-4.2kl free / Additional 3.15kl subsidised for indigent customers.
	How long does it take to restore sewerage breakages on average	
	Severe overflow? (hours)	Within 24 hours
	Sewer blocked pipes: Large pipes? (Hours)	Within 24 hours
	Sewer blocked pipes: Small pipes? (Hours)	Within 24 hours
	Spillage clean-up? (hours)	Within 24 hours
	Replacement of manhole covers? (Hours)	Within 24 hours

Table continues on next page.

Standard	Description	Service Level
Road Infrastructure Services		
	Time taken to make safe Potholes on major roads after being reported	Within 12 hours
	Time taken to repair a single pothole on a major road? Final repair (weather permitting and materials availability)	Within 72 hours
	Time taken to make safe Potholes on major roads after being reported	Within 24 hours
	Time taken to repair a single pothole on a minor road? Final repair (weather permitting and materials availability)	Within 72 hours
	Time taken to repair a road following an open trench service crossing? (Services provider is responsible for keeping safe the trench crossing.) Final repair can be within 2 to 6 weeks dependent on depot staff availability or outsourcing via an annual contractor.	6 weeks
	Time taken to repair walkways? (Make safe)	Within 72 hours
	Final repair of walkways (dependent on extent of the work required) - Work will be programmed. From 1 week to 3 months.	3 months
Property valuations		
	How long does it take on average from completion to the first account being issued? (one month/three months or longer)	1 to 2 months depending on the daily billing cycle for the specific property.
	Do you have any special rating properties? (Yes/No)	Yes
Financial Management		
	Is there any change in the situation of unauthorised and wasteful expenditure over time? (Decrease/Increase)	Decrease
	Are the financial statement outsourced? (Yes/No)	No
	Are there Council adopted business process instructing the flow and management of documentation feeding to Trial Balance?	Yes; standard SAP business processes.
	How long does it take for an Tax/Invoice to be paid from the date it has been received?	It takes approximately 16.7 days on average to pay an invoice from date of receipt, taking into account all verification and approval processes performed by all line departments involved. There is a demand plan in place, which is updated regularly to cater for the spend as indicated by line departments.
	Is there advance planning from SCM unit linking all departmental plans quarterly and annually including for the next two to three years procurement plans?	
Administration (Corporate Call Centre)		
	Reaction time on enquiries and requests?	This varies from day to day and queue to queue and different channels.
	Time to respond to a verbal customer enquiry or request? (working days)	Immediately during the call; depending the nature of the request.
	Time to respond to a written customer enquiry or request? (working days)	Acknowledged immediately via auto response and responded to as soon as possible. This varies from queue to queue. Our aim is to acknowledge immediately and respond within 7 days.
	Time to resolve a customer enquiry or request? (working days)	90% are resolved immediately at first point of contact. 10% resolved by back office according to their service standards.
	What percentage of calls are not answered? (5%,10% or more)	It differs from queue to queue and the time of day, week, month, year and extenuating circumstances.
	How long does it take to respond to voice mails? (hours)	We do not use voice mail.
	How many times does SCM Unit, CFO's Unit and Technical unit sit to review and resolve SCM process delays other than normal monthly management meetings?	As and when required.
Community safety and licensing services		
	How long does it take to register a vehicle? (minutes)	Between 10 to 20min (excl. queueing time)
	How long does it take to renew a vehicle license? (minutes)	5 minutes (excl. queueing time)
	How long does it take to issue a duplicate registration certificate vehicle? (minutes)	10 minutes (excl. queueing time)
	How long does it take to de-register a vehicle? (minutes)	3 to 5 minutes (excl. queueing time)
	How long does it take to renew a drivers license? (minutes)	40 minutes
	What is the average reaction time of the fire service to an incident? (minutes)	Between 8 to 20 minutes
	What is the average reaction time of the ambulance service to an incident in the urban area? (minutes)	N/A - Provincial Competency
	What is the average reaction time of the ambulance service to an incident in the rural area? (minutes)	N/A - Provincial Competency
Economic development		
	How many economic development projects does the municipality drive?	3
	How many economic development programme are deemed to be catalytic in creating an enabling environment to unlock key economic growth projects?	4
	What percentage of the projects have created sustainable job security?	2
	Does the municipality have any incentive plans in place to create an conducive environment for economic development? (Yes/No)	Yes
Other Service delivery and communication		
	Is a information package handed to the new customer? (Yes/No)	No
	Does the municipality have training or information sessions to inform the community? (Yes/No)	Yes
	Are customers treated in a professional and humanly manner? (Yes/No)	Yes

2.18 Consolidated budget tables

The tables below provide a consolidated view of the main tables (including financial position and cash flow) of the City and CTICC.

Table 95 Consolidated Budget Summary

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousands									
Financial Performance									
Property rates	4,622,441	5,076,445	5,546,774	5,942,513	5,964,279	5,964,279	6,600,943	7,093,977	7,626,736
Service charges	11,986,765	13,099,805	13,903,679	15,262,264	15,184,641	15,184,641	17,002,759	18,926,732	21,079,474
Investment revenue	339,169	371,601	472,292	292,750	296,292	296,292	294,255	296,336	306,715
Transfers recognised - operational	1,639,075	1,985,809	2,399,033	3,498,169	3,518,129	3,518,129	3,579,752	3,658,622	3,972,647
Other own revenue	3,064,990	3,545,109	3,926,120	3,570,063	4,306,539	4,306,539	4,462,718	4,702,323	4,953,004
Total Revenue (excluding capital transfers and contributions)	21,652,440	24,078,769	26,247,898	28,565,757	29,269,879	29,269,879	31,940,427	34,677,989	37,938,576
Employee related costs	6,948,794	7,482,943	8,682,573	8,984,807	8,853,705	8,851,723	9,900,936	10,795,468	11,691,846
Remuneration of councillors and directors	97,916	111,881	120,154	133,908	134,469	134,469	140,184	149,292	158,843
Depreciation & asset impairment	1,421,026	1,647,829	1,805,844	2,181,042	2,041,548	2,041,548	2,119,616	2,259,402	2,416,077
Finance charges	681,533	728,669	807,283	919,232	912,241	912,241	971,133	1,090,167	1,222,662
Materials and bulk purchases	5,978,665	6,675,379	6,890,385	7,437,129	7,439,497	7,438,082	8,326,560	9,441,512	10,704,149
Transfers and grants	103,492	103,144	115,021	125,354	139,809	140,900	120,402	117,538	123,777
Other expenditure	6,085,054	7,309,731	8,270,520	9,050,848	9,991,466	9,993,771	10,763,405	11,254,909	12,031,307
Total Expenditure	21,316,481	24,059,574	26,691,780	28,832,320	29,512,734	29,512,734	32,342,237	35,108,288	38,348,661
Surplus/(Deficit)	335,960	19,195	(443,881)	(266,562)	(242,855)	(242,855)	(401,811)	(430,299)	(410,085)
Transfers recognised - capital	2,061,755	3,414,645	2,052,758	2,817,627	3,128,658	3,128,658	2,223,813	2,393,837	2,481,389
Contributions recognised - capital & contributed assets	120,358	36,603	76,408	65,226	52,010	52,010	53,761	99,000	103,100
Surplus/(Deficit) after capital transfers & contributions	2,518,073	3,470,442	1,685,285	2,616,291	2,937,813	2,937,813	1,875,763	2,062,538	2,174,404
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	2,518,073	3,470,442	1,685,285	2,616,291	2,937,813	2,937,813	1,875,763	2,062,538	2,174,404
Financial position									
Total current assets	10,897,227	13,091,542	10,300,818	10,605,522	10,458,388	10,458,388	9,839,064	9,351,014	10,300,646
Total non current assets	24,916,058	29,186,892	34,840,463	37,893,274	37,798,037	37,798,037	41,846,433	44,998,306	48,066,153
Total current liabilities	7,281,673	8,047,768	8,218,660	7,370,680	6,895,418	6,895,418	6,898,144	6,513,214	6,498,698
Total non current liabilities	9,276,134	11,509,055	12,466,786	13,005,691	13,883,258	13,883,258	15,394,044	16,400,716	18,258,483
Community wealth/Equity	19,255,478	22,721,611	24,455,835	28,122,425	27,477,749	27,477,749	29,393,309	31,435,390	33,609,617
Cash flows									
Net cash from (used) operating	5,257,754	5,558,571	4,557,911	5,663,122	5,079,796	5,079,796	4,109,146	4,291,171	4,682,508
Net cash from (used) investing	(4,190,884)	(5,850,512)	(6,163,509)	(6,556,917)	(7,492,672)	(7,492,672)	(6,369,825)	(5,708,833)	(5,559,473)
Net cash from (used) financing	(156,536)	2,252,382	(83,994)	1,454,051	1,707,159	1,707,159	1,336,607	606,965	1,471,689
Cash/cash equivalents at the year end	6,294,139	8,254,580	6,564,988	7,518,925	5,858,906	5,858,906	4,934,834	4,124,137	4,718,861

* The consolidated tables from 2013/14 onwards are an accumulation of the City and Entity's results with an elimination of inter-company entries. It is therefore not aligned to the consolidated information as found in the Annual Financial Statements.

Table 96 Consolidated Budgeted Financial Performance (revenue and expenditure)

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand									
Revenue By Source									
Property rates	4,622,441	5,076,445	5,546,774	5,942,513	5,964,279	5,964,279	6,600,943	7,093,977	7,626,736
Property rates - penalties & collection charges	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	8,061,684	8,852,928	9,323,160	10,072,265	10,071,811	10,071,811	11,127,619	12,472,296	13,968,971
Service charges - water revenue	1,817,183	2,053,577	2,185,812	2,540,080	2,464,487	2,464,487	2,745,181	3,044,560	3,376,714
Service charges - sanitation revenue	1,002,897	1,091,897	1,188,106	1,338,202	1,316,720	1,316,720	1,470,947	1,632,751	1,812,354
Service charges - refuse revenue	813,287	869,210	920,173	989,912	970,912	970,912	1,097,246	1,184,461	1,266,767
Service charges - other	291,714	232,192	286,429	321,805	360,711	360,711	561,765	592,664	654,668
Rental of facilities and equipment	354,688	380,762	401,348	442,959	443,885	443,885	437,014	490,663	522,283
Interest earned - external investments	339,169	371,601	472,292	292,750	296,292	296,292	294,255	296,336	306,715
Interest earned - outstanding debtors	318,083	268,249	192,312	208,262	197,086	197,086	233,996	248,181	264,275
Dividends received	-	-	-	-	-	-	-	-	-
Fines	144,394	100,524	729,139	175,648	916,393	916,393	977,210	1,022,151	1,087,348
Licences and permits	41,471	41,843	44,386	40,388	40,988	40,988	43,028	45,395	47,846
Agency services	123,651	132,469	150,256	150,439	153,993	153,993	153,993	162,463	171,236
Transfers recognised - operational	1,639,075	1,985,809	2,399,033	3,498,169	3,518,129	3,518,129	3,579,752	3,658,622	3,972,647
Other revenue	2,038,559	2,534,512	2,343,773	2,431,868	2,433,694	2,433,694	2,542,807	2,637,804	2,775,656
Gains on disposal of PPE	44,144	86,747	64,906	120,500	120,500	120,500	74,669	95,666	84,361
Total Revenue (excluding capital transfers and contributions)	21,652,440	24,078,769	26,247,898	28,565,757	29,269,879	29,269,879	31,940,427	34,677,989	37,938,576
Expenditure By Type									
Employee related costs	6,948,794	7,482,943	8,682,573	8,984,807	8,853,705	8,851,723	9,900,936	10,795,468	11,691,846
Remuneration of councillors	97,772	111,673	119,709	133,619	133,619	133,619	139,311	148,366	157,862
Remuneration of Directors	144	208	445	289	850	850	873	926	981
Debt impairment	818,450	926,812	1,295,526	950,533	1,691,334	1,691,334	1,806,613	1,943,609	2,077,690
Depreciation & asset impairment	1,421,026	1,647,829	1,805,844	2,181,042	2,041,548	2,041,548	2,119,616	2,259,402	2,416,077
Finance charges	681,533	728,669	807,283	919,232	912,241	912,241	971,133	1,090,167	1,222,662
Bulk purchases	5,705,263	6,391,186	6,591,232	7,050,011	7,086,261	7,086,261	7,967,555	9,051,585	10,285,261
Other materials	273,402	284,193	299,153	387,117	353,235	351,821	359,005	389,927	418,889
Contracted services	2,193,662	2,825,946	3,312,529	4,205,198	4,025,535	3,996,738	4,866,199	4,984,111	5,321,657
Transfers and grants	103,492	103,144	115,021	125,354	139,809	140,900	120,402	117,538	123,777
Other expenditure	3,071,217	3,555,531	3,660,521	3,895,116	4,274,597	4,305,699	4,090,593	4,327,189	4,631,960
Loss on disposal of PPE	1,724	1,443	1,944	-	-	-	-	-	-
Total Expenditure	21,316,481	24,059,574	26,691,780	28,832,320	29,512,734	29,512,734	32,342,237	35,108,288	38,348,661
Surplus/(Deficit)	335,960	19,195	(443,881)	(266,562)	(242,855)	(242,855)	(401,811)	(430,299)	(410,085)
Transfers recognised - capital	2,061,755	3,414,645	2,052,758	2,817,627	3,128,658	3,128,658	2,223,813	2,393,837	2,481,389
Contributions recognised - capital	44,230	34,076	43,022	65,226	52,010	52,010	53,761	99,000	103,100
Contributed assets	76,128	2,527	33,387	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	2,518,073	3,470,442	1,685,285	2,616,291	2,937,813	2,937,813	1,875,763	2,062,538	2,174,404
Taxation	4,114	8,877	8,252	4,990	5,361	5,361	5,139	-	-
Surplus/(Deficit) after taxation	2,513,959	3,461,566	1,677,033	2,611,301	2,932,452	2,932,452	1,870,624	2,062,538	2,174,404
Attributable to minorities	3,326	8,888	8,013	3,621	4,148	4,148	3,976	(7,744)	(4,984)
Surplus/(Deficit) attributable to municipality	2,510,633	3,452,678	1,669,020	2,607,680	2,928,304	2,928,304	1,866,648	2,070,282	2,179,389
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	2,510,633	3,452,678	1,669,020	2,607,680	2,928,304	2,928,304	1,866,648	2,070,282	2,179,389

Table 97 Consolidated Budgeted Financial Position

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand									
ASSETS									
Current assets									
Cash	3,481,533	4,907,440	2,652,774	–	–	–	–	–	–
Call investment deposits	2,883,387	3,430,794	2,621,906	5,422,313	5,175,476	5,175,476	4,245,960	3,422,336	4,014,287
Consumer debtors	3,977,942	4,170,933	4,308,354	4,499,300	4,506,735	4,506,735	4,740,731	4,988,912	5,253,187
Other debtors	280,222	304,159	427,783	365,086	472,846	472,846	519,686	574,379	632,208
Current portion of long-term receivables	19,758	20,546	19,650	20,495	18,543	18,543	19,470	20,443	21,466
Inventory	254,385	257,670	270,351	298,329	284,788	284,788	313,217	344,944	379,498
Total current assets	10,897,227	13,091,542	10,300,818	10,605,522	10,458,388	10,458,388	9,839,064	9,351,014	10,300,646
Non current assets									
Long-term receivables	99,328	101,665	104,312	91,753	99,096	99,096	94,142	89,435	84,963
Investments	111,492	134,657	3,056,273	1,682,069	1,859,632	1,859,632	2,045,502	2,014,640	2,359,047
Investment property	192,478	191,945	190,849	–	–	–	–	–	–
Investment in Associate	–	–	–	–	–	–	–	–	–
Property, plant and equipment	24,399,586	27,992,605	30,750,411	36,119,452	35,839,309	35,839,308	39,706,790	42,894,232	45,622,143
Agricultural	–	–	–	–	–	–	–	–	–
Biological	–	–	–	–	–	–	–	–	–
Intangible	100,432	756,609	729,507	–	–	–	–	–	–
Other non-current assets	12,742	9,411	9,111	–	–	–	–	–	–
Total non current assets	24,916,058	29,186,892	34,840,463	37,893,274	37,798,037	37,798,037	41,846,433	44,998,306	48,066,153
TOTAL ASSETS	35,813,285	42,278,434	45,141,281	48,498,796	48,256,425	48,256,425	51,685,497	54,349,320	58,366,799
LIABILITIES									
Current liabilities									
Bank overdraft	–	–	–	–	–	–	–	–	–
Borrowing	296,142	419,496	369,536	378,885	378,885	378,885	503,608	372,716	319,425
Consumer deposits	291,441	333,288	398,525	383,610	418,083	418,083	459,542	507,635	558,706
Trade and other payables	5,665,245	5,475,060	6,368,800	5,160,362	4,940,879	4,940,879	4,956,131	4,556,174	4,436,275
Provisions	1,028,845	1,819,924	1,081,799	1,447,824	1,157,571	1,157,571	978,863	1,076,688	1,184,291
Total current liabilities	7,281,673	8,047,768	8,218,660	7,370,680	6,895,418	6,895,418	6,898,144	6,513,214	6,498,698
Non current liabilities									
Borrowing	5,192,992	6,951,845	6,680,623	7,902,043	7,902,043	7,902,043	9,032,745	9,790,433	11,403,546
Provisions	4,083,142	4,557,210	5,786,163	5,103,648	5,981,215	5,981,215	6,361,299	6,610,283	6,854,937
Total non current liabilities	9,276,134	11,509,055	12,466,786	13,005,691	13,883,258	13,883,258	15,394,044	16,400,716	18,258,483
TOTAL LIABILITIES	16,557,807	19,556,823	20,685,446	20,376,371	20,778,676	20,778,676	22,292,188	22,913,930	24,757,181
NET ASSETS	19,255,478	22,721,611	24,455,835	28,122,425	27,477,749	27,477,749	29,393,309	31,435,390	33,609,617
COMMUNITY WEALTH/EQUITY									
Accumulated Surplus/(Deficit)	16,827,990	20,279,133	22,000,972	25,865,578	25,142,540	25,142,540	27,233,824	29,376,476	31,417,158
Reserves	2,291,718	2,297,820	2,219,916	2,040,522	2,051,932	2,051,932	1,841,963	1,757,790	1,896,319
Minorities' interests	135,770	144,658	234,947	216,325	283,277	283,277	317,522	301,125	296,141
Share Capital	–	–	–	–	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	19,255,478	22,721,611	24,455,835	28,122,425	27,477,749	27,477,749	29,393,309	31,435,390	33,609,617

Table 98 Consolidated Budgeted Cash Flows

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand									
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Property rates, penalties & collection charges	18,751,038	19,125,990	5,677,886	5,912,610	5,938,043	5,938,043	6,683,378	7,217,258	7,773,813
Service charges	–	–	13,318,656	14,691,943	14,614,321	14,614,321	15,762,479	17,599,848	19,668,263
Other revenue	–	–	3,257,633	2,785,585	2,877,310	2,877,310	3,077,195	3,211,407	3,366,601
Government - operating	1,626,991	1,979,795	2,389,432	3,498,169	2,987,675	2,987,675	3,152,092	3,497,492	3,867,114
Government - capital	2,130,844	3,414,645	2,052,758	2,882,853	3,236,176	3,236,176	2,285,627	2,480,537	2,581,539
Interest	571,339	600,023	740,654	292,750	944,959	944,959	480,607	385,646	525,623
Dividends	–	–	–	–	–	–	–	–	–
Payments									
Suppliers and employees	(17,160,651)	(18,915,630)	(21,972,498)	(23,571,042)	(24,688,942)	(24,688,942)	(26,375,153)	(29,014,966)	(31,874,018)
Finance charges	(661,807)	(646,251)	(791,590)	(829,746)	(829,746)	(829,746)	(957,079)	(1,086,051)	(1,226,427)
Transfers and Grants	–	–	(115,021)	–	–	–	–	–	–
NET CASH FROM/(USED) OPERATING ACTIVITIES	5,257,754	5,558,571	4,557,911	5,663,122	5,079,796	5,079,796	4,109,146	4,291,171	4,682,508
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE	45,983	93,472	71,458	40,167	120,500	120,500	74,669	95,666	84,361
Decrease (Increase) in non-current debtors	–	–	–	–	–	–	–	–	–
Decrease (increase) other non-current receivables	15,633	(3,125)	(1,751)	(4,829)	(110,970)	(110,970)	(45,903)	(50,494)	(55,543)
Decrease (increase) in non-current investments	(1,922)	(42,313)	(1,689,664)	(379,999)	(1,029,558)	(1,029,558)	(186,352)	(89,310)	(218,908)
Payments									
Capital assets	(4,250,579)	(5,898,546)	(4,543,552)	(6,212,256)	(6,472,645)	(6,472,645)	(6,212,239)	(5,664,695)	(5,369,383)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(4,190,884)	(5,850,512)	(6,163,509)	(6,556,917)	(7,492,672)	(7,492,672)	(6,369,825)	(5,708,833)	(5,559,473)
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans	–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing	–	2,384,420	199,074	1,730,000	1,982,716	1,982,716	1,538,209	1,000,000	1,800,000
Increase (decrease) in consumer deposits	41,818	33,273	62,000	33,904	34,296	34,296	233,996	248,181	264,275
Payments									
Repayment of borrowing	(198,354)	(165,311)	(345,067)	(309,853)	(309,853)	(309,853)	(435,598)	(641,216)	(592,586)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(156,536)	2,252,382	(83,994)	1,454,051	1,707,159	1,707,159	1,336,607	606,965	1,471,689
NET INCREASE/ (DECREASE) IN CASH HELD	910,334	1,960,441	(1,689,592)	560,255	(705,717)	(705,717)	(924,072)	(810,697)	594,724
Cash/cash equivalents at the year begin:	5,383,805	6,294,139	8,254,580	6,958,670	6,564,622	6,564,622	5,858,906	4,934,834	4,124,137
Cash/cash equivalents at the year end:	6,294,139	8,254,580	6,564,988	7,518,925	5,858,906	5,858,906	4,934,834	4,124,137	4,718,861