

**1. ITEM NUMBER**

**2. SUBJECT**

**BUDGET 2017/18 – 2019/20**

F1369/H5945

**ONDERWERP**

**BEGROTING 2017/18 – 2019/20**

**ISIHLOKO**

**UHLAHLO-LWABIWO-MALI OLUSUSELA KU-2017/18 UKUYA KU-2019/20**

**3. DELEGATED AUTHORITY**

In terms of Section 24 of the Municipal Finance Management Act (MFMA), 56 of 2003.

This report is For decision by

- Committee name:
- The Executive Mayor
- The Executive Mayor together with the Mayoral Committee (MAYCO)
- Council

**4. DISCUSSION**

Council must annually adopt a budget for operating revenue and expenditure, capital expenditure and cash flow. Council must also set rates and service charges in order to ensure that sufficient revenue is generated to match proposed expenditure.

The format for adopting municipal budgets is prescribed in the Municipal Finance Management Act (MFMA), its regulations and National Treasury circulars, which require the adoption and noting of a range of issues.

The City's annual budget for 2017/18 – 2019/20 must reflect the revised Integrated Development Plan (IDP).

- 4.1. Financial implications  None  Opex  Capex
- Capex: New Projects
  - Capex: Existing projects requiring additional funding
  - Capex: Existing projects with no additional funding requirements

4.2. Legal Compliance

Compliance to Section 24 of the MFMA.

Staff Implications  Yes  No

## 5. OUTCOMES OF DISCUSSIONS WITH MAYCO MEMBER

The MAYCO member takes note of the report.

## 6. RECOMMENDATIONS

Not delegated: for decision by Council

The 2017/18 MTREF budget resolutions recommend that:

1. The City's annual budget for the financial year 2017/18; and indicative allocations for the two projected outer years 2018/19 and 2019/20 and related policies 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 Annexure 23.
  - 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 52 and Table 53.
  - i. Performance Indicators and benchmarks for 2017/18 as set out in Table 34.
  - j. Consolidated budget tables for the City and the municipal entity (CTICC) as reflected in Table 93 to Table 101.

- k. Property (Tax) Rates as set out in Annexure 2.
  - l. Special Rating Areas (SRA) policy, SRA additional rates 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 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 (with effect from 01 June 2017).
  - r. Grants-In-Aid policy as set out in Annexure 9.
  - s. Policy On Accounts Payable as set out in Annexure 10.
  - t. Integrated Development Plan(IDP) - NEW TERM OF OFFICE - July 2017- June 2022 in Annexure 11.
  - u. Overview of budget assumptions applied to the 2017/18 MTREF required to be included in Annexure 11 (NEW TERM OF OFFICE IDP) as set out in Annexure 12.
  - v. Transfers and grants to external organisations as set out in Annexure 13.
  - w. Individual projects with a total project cost in excess of R50 million (to give effect to S.19(1) (b) of the MFMA) as reflected in Table 81 and as set out in Annexure 14.
  - x. Operating- and capital ward allocation projects supported by Sub Councils as set out in Annexure 15.
  - y. Municipal Entity – Schedule D (annual budget and supporting documents) as set out in Annexure 16.
  - z. Municipal Entity – Business Plan as set out in Annexure 17.
  - aa. Iconic and other events to be hosted by the City in 2017/18 as set out in Annexure 18.
2. National Treasury Circular 82 – Cost Containment Measures March 2016 (updated Nov 2016) - as set out in Annexure 19 to this report be noted.
  3. National Treasury Circulars 85 and 86 - Municipal Budget Circulars for the 2017/18 MTREF - as set out in Annexure 20 to this report be noted.
  4. The statement of intent to establish a municipal entity to manage and operate the Cape Town Stadium as set out in Annexure 21 to this report be noted.
  5. Council approves the commencement of a process, in compliance with S.46 of the MFMA, to take up funding up to an amount of R2.5 billion, depending on cash flow requirements

6. Unspent conditional grant allocations (national), as at the end of the 2016/17 financial year, and appropriated or voted to 2017/18 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), Circular 75 (2015) and Circular 79 (2016).
7. The Capital Replacement Reserve: Ward Allocations be funded from savings identified in the 2016/17 financial year to fund the ward allocation projects in the amount of R64 191 616 for the 2017/18 financial year.
8. Budgetary input received during the public participation process during April 2017, reported under cover of a separate report, be noted.
9. The changes to the tabled 2017/18 - 2019/20 budget (March 2017) and the 2017/18 - 2019/20 budget (May 2017) as reported in Annexure B, be adopted. It should be noted that these changes were also effected to the tables included within Annexure A.
10. The Built Environment Performance Plans (BEPP), reported under cover of a separate report, be noted.
11. The draft updated scorecard as included in the CTICC's business plan and comments regarding the cost containment measures adopted by CTICC is tabled at Mayco subject to any possible amendments by the CTICC Board at its meeting of 12 May 2017, for final approval by Council.

## **AANBEVELINGS**

### Nie gedeleger nie: vir besluitneming deur die Raad

Die resolusies van die MTREF-begroting vir 2017/18 beveel aan:

1. Die jaarlikse begroting van die Stad vir die boekjaar 2017/18; rigtinggewende toekennings vir die twee geprojekteerde buitenste jare, 2018/19 en 2019/20; en verwante beleide, goedgekeur en aangeneem word, soos in die volgende bylaes en aanhangsels uiteengesit:
  - a. Bedryfsbesteding per standaardklassifikasie, soos in tabel 21 aangetoon.
  - b. Bedryfsbesteding per posbegroting, soos in tabel 22 aangetoon.

- c. Bedryfsinkomste per bron, soos in tabel 25 aangetoon.
- d. Veeljaarkapitaal-toewysings per posbegroting, soos in bylae 1 en bylae 23 aangetoon.
- e. Kapitaalbesteding per standaardklassifikasie, soos in tabel 25 aangetoon.
- f. Kapitaalfinansiering per bron, soos in tabel 25 aangetoon.
- g. Begrote kontantvloeistaat, soos in tabel 27 aangetoon.
- h. Salarisse en voordele van politieke ampsdraers, raadslede en senior amptenare soos in tabel 52 en 53 aangetoon.
- i. Prestasie-aanwysers en norme vir 2017/2018, soos in tabel 34 uiteengesit.
- j. Gekonsolideerde begrotingstabelle vir die Stad en die munisipale entiteit (KIKS) soos in tabel 93 tot 101 weergegee.
- k. Eiendomsbelastingstariewe, soos in bylae 2 uiteengesit.
- l. Die beleid oor spesiale-aanslaggebiede (SRA) en bykomende tariewe vir spesiale-aanslaggebiede, soos in bylae 3 uiteengesit.
- m. Hersiene verbruikstariewe, koerse en basiese heffings vir elektrisiteitsdienste, waterdienste en afvalbestuursdienste, soos in bylae 4 uiteengesit.
- n. Die beleid oor eiendomsbelasting, soos in bylae 5 uiteengesit.
- o. Die boek met tariewe, gelde en heffings soos in bylae 6 uiteengesit.
- p. Die tariefbeleide, soos in bylae 7 uiteengesit.
- q. Die beleid oor kredietbeheer en skuldinvordering, soos in bylae 8 uiteengesit (met ingang van 1 Junie 2017).
- r. Die hulptoelaebeleid, soos in bylae 9 uiteengesit.
- s. Beleid oor rekeninge betaalbaar, soos in bylae 10 uiteengesit.
- t. Geïntegreerde ontwikkelingsplan (GOP) – NUWE AMPSTERMYN – Julie 2017-Junie 2022 in bylae 11.
- u. Oorsig van begrotingsaannames toegepas op die MTREF vir 2017/18 wat by bylae 11 ingesluit moet word (GOP VAN NUWE AMPSTERMYN), soos in bylae 12 uiteengesit.
- v. Oordragte en toelae aan eksterne organisasies, soos in bylae 13 uiteengesit.
- w. Individuele projekte met 'n totale projektkoste van meer as R50 miljoen (om uitvoering te gee aan artikel 19(1)(b) van die MFMA) soos weergegee in tabel 81 en in bylae 14 uiteengesit.
- x. Bedryfs- en kapitaalwykstoewysingsprojekte deur die subrade gesteun, soos in bylae 15 uiteengesit.
- y. Munisipale entiteit – skedule D (jaarlikse begroting en ondersteunende dokumentasie) soos in bylae 16 uiteengesit.
- z. Iqumru likaMasipala elizimeleyo – iSicwangciso sokuqhutywa komsebenzi njengoko kuqulunqwe kwisihlomelo-17.
- aa. Ikoniese en ander geleenthede wat die Stad in 2017/18 gaan aanbied, soos in bylae 18 uiteengesit.

2. Daar kennis geneem word van die nasionale tesourie se omsendbrief 82 – kostebekampingsmaatreëls 2016 (November 2016 bygewerk) – soos in bylae 19 van hierdie verslag uiteengesit.
3. Daar kennis geneem word van die nasionale tesourie se omsendbriewe 85 en 86 – omsendbriewe m.b.t. munisipale begrotings vir die 2017/18-MTREF – soos in bylae 20 van hierdie verslag uiteengesit
4. Daar kennis geneem word van die verklaring van voorneme om 'n munisipale entiteit te stig om die Kaapstad-stadion te bestuur en te bedryf, soos in bylae 21 van hierdie verslag uiteengesit.
5. Die Raad die aanvang van 'n proses, ter nakoming van artikel 46 van die MFMA, om befondsing te vermeerder tot 'n bedrag van R2,5 miljard goedkeur, afhange van kontantvloei vereistes.
6. Onbestede voorwaardelike toelaetoewysings (nasionaal) soos aan die einde van die 2016/17-boekjaar, en bewillig of in 'n posbegroting vir die 2017/18- en toekomstige jare, nie tot besteding verbind word nie tot goedkeuring daarvoor by die nasionale tesourie verkry is, in ooreenstemming met die opdrag in begrotingsomsendbrief 48 (2009), omsendbrief 51 (2010), omsendbrief 55 (2011), omsendbrief 59 (2012), omsendbrief 67 (2013), omsendbrief 72 (2014), omsendbrief 75 (2015) en omsendbrief 79 (2016).
7. Die kapitaalvervangingsreserwe: wykstoewysings befonds word vanuit besparings wat in die 2016/17-boekjaar geïdentifiseer is om die wykstoewysingsprojekte ten bedrae van R64 191 616 vir die 2017/18-boekjaar te befonds.
8. Daar kennis geneem word van die begrotingsinsette wat gedurende die openbare deelname proses in April 2017 ontvang is, waarvoor verslag gedoen word onder dekking van 'n afsonderlike verslag.
9. Die veranderinge tussen die begroting van 2017/18 – 2019/20 (Maart 2017) en die 2017/18 – 2019/20 (Mei 2017) wat ter tafel gelê is, soos daar in bylae B verslag gedoen word, aangeneem word. Daar moet ook kennis van geneem word dat hierdie veranderinge ook by die tabelle wat in bylae A ingesluit is, aangebring is.
10. Daar kennis geneem word van die prestasieplanne vir die beboude omgewing (BEPP), waarvoor verslag gedoen word onder dekking van 'n afsonderlike verslag.

11. Die konsepweergawe van die bygewerkte telkaart, soos ingesluit by die KIKS se sakeplan en kommentaar oor die kostebekampingsmaatreëls wat deur die KIKS aangeneem is, by Mayco ter tafel gelê word, onderworpe aan enige moontlike wysigings deur die KIKS-bestuur by sy vergadering op 12 Mei 2017, vir finale goedkeuring deur die Raad.

## **IZINDULULO**

### Azigunyaziswanga: isigqibo seseBhunga

Izisombululo zohlahlo-lwabiwo ezinge- MTREF ka-2017/18, zindulula ukuba:

1. Makuphunyezwe kwaye kwamkelwe uhlahlo-lwabiwo-mali lonyaka leSixeko lomnyaka-mali ka-2017/18; nezabelo ezihlalutyiweyo kulungiselelwa iminyaka engaphandle ekujoliswe kuyo engeyama-2018/19 nowama-2019/20 kunye nemigaqo-nkqubo enxulumene nook, njengoko kuqulunqwe kwiishedyuli nezihlomelo ezilandelayo:
  - a. Inkcitho esebenzisekayo ngokohlelo olumiselweyo njengoko kubonakalisiwe kwiTafile-21.
  - b. Inkcitho esebenzisekayo ngokwevoti njengoko kubonakalisiwe kwiTafile-22.
  - c. Ingeniso esebenzisekayo ngokwentsusa njengoko kubonakaliswe kwiTafile-24
  - d. Iingqikelelo ezingezimali ezinkulu zomnyaka ngokumbax
  - e. Inkcitho engezimali ezinkulu ngokohlelo olumiselweyo njengoko kubonakalisiwe kwiTafile-25.
  - f. Inkxaso-mali engezimali ezinkulu ngokwentsusa njengoko kubonakaliswe kwiTafile-25.
  - g. Ingxelo engokuhanjswa kwemali eyikheshi ebhajethelweyo njengoko kubonakaliswe kwiTafile-27.
  - h. Imivuzo neeNkxamlo/iinzuzo zabezoPolitiko abase-ofisini, ooCeba namagosa aphezulu njengoko kubonakaliswe kwiiTafile-52 no-53.
  - i. Izibonakalisi zendlela yokusebenza nokumiselwa ngokwenqanaba ku-2017/18 njengoko kuqulunqwe kwiTafile-34.
  - j. Iitafile zebhajethi ezidityanisiweyo zeSixeko nequmrhu likamasipala elizimelyo (CTICC) njengoko kubonakaliswe kwiiTafile-93 no-101.
  - k. IiRhafu (imirhumo) engeePropati njengoko kuqulunqwe kwisihlomelo-2.
  - l. Umgaqo-nkqubo ongeMimandla engeRhafu ezizodwa (SRA), iirhafu ezongezelelweyo ze-SRA njengoko kuqulunqwe kwisihlomelo-3.

- m. Amaxabiso asetyenzisiweyo ahlaziyiweyo, iirhafu, neentlawulo ezingundoqo zeenkonzozombane, zeenkonzozamanzi neenkonzozolawulo lwenkunkuma njengoko kuqulunqwe kwisihlomelo—4.
  - n. Umgaqo-nkqubo ongeeRhafu njengoko kuqulunqwe kwisihlomelo-5
  - o. Amaxabiso, imirhumo nencwadi engeentlawulo njengoko kuqulunqwe kwisihlomelo-6.
  - p. Imigaqo-nkqubo engamaxabiso njengoko kuqulunqwe kwisihlomelo-7.
  - q. Umgaqo-nkqubo ongolawulo lwezikweliti nokuqokelelwa kwamtyala njengoko kuqulunqwe kwisihlomelo-8 (ukususela kowo-1 kweyeSilimela 2017).
  - r. Umgaqo-nkqubo ongezibonelelo-zoncedo njengoko kuqulunqwe kwisihlomelo-9.
  - s. UMgaqo-nkqubo ongokuhlawulwa kwee-akhawunti njengoko kuqulunqwe kwisihlomelo-10.
  - t. Isicwangciso soPhuhliso ngokuHlangeneyo (IDP) – ixesha elitsha lokusebenza – ukususela ngeyeKahala 2017 ukuya kweyeSilimela 2022. Kwisihlomelo-11.
  - u. Uphengululo lweengqikelelo zolwabiwo-mali ezijoliswe kwi-MTREF ka-2017/18 ekufuneka ziqukwe kwisihlomelo-11 (ixesha elitsha lokusebenza le-IDP) njengoko kuqulunqwe kwisihlomelo-12.
  - v. Utshintshelo nezibonelelo-zoncedo kwimibutho yangaphandle njengoko kuqulunqwe kwisihlomelo-13.
  - w. Iiprojekthi zomntu ngamnye apho indleko zeprojekthi zizonke zingaphezulu kwama-R50 ezigidi (ukufezekisa icandelo-19(1) le-MFMA) njengoko kubonakalisiwe kwiTafile-81 kwaye kuqulunqwe kwisihlomelo-14.
  - x. Iiprojekthi ezisebenzisekayo nezingezimali ezinkulu zezabelo lwewadi ezixhaswe ngamaBhungana njengoko kuqulunqwe kwisihlomelo-15.
  - y. IQumrhu likaMasipala elizimeleyo- iShedyuli-D (ibhajethi yonyaka namaxwebhu axhasayo) njengoko kuqulunqwe kwisihlomelo-16.
  - z. Iqumrhu likaMasipala elizimeleyo – iSicwangciso sokuqhutywa komsebenzi njengoko kuqulunqwe kwisihlomelo-17.
  - aa. Imisitho egqamileyo/eyodumo nengeminye eyakuthi ichotshelwe siSixeko kowama-2017/18 njengoko kuqulunqwe kwisihlomelo-18.
2. Makuqwalselwe iSetyhula-82 kaNondyebio weSizwe - amaNyathelo angolawulo lwendleko ngeyoKwindla 2016 (ehlaziywe ngeyeNkanga 2016) – njengoko kuqulunqwe kwisihlomelo-19 kule ngxelo.
  3. Makuqwalaselwe iiSetyhula-85 no-86 zikaNondyebio weSizwe – iiSetyhula zoHahlo-lwabiwo-mali lukaMasipala olulungiselelwe i-MTREF ka-2017/18- njengoko kuqulunqwe kwisihlomelo-20 kule ngxelo.



4. Makuqwaselwe ingxelo-ntetho eyinjongo engokumiselwa kwequmrhu elizimeleyo likamasipala ukuze liphathe kwaye liqhube/lisebenzise iStediyam saseKapa njengoko kuqulunqwe kwisihlomelo-21 kule ngxelo.
5. IBhunga maliphumeze ukuqaliswa kwenkqubo, kuthotyelwa icandelo-46 le-MFMA, ukuba kuthtaythwe inkxaso-mali efikelele kwisixa-mali esili- R2.5 lezigi ngezigidi, ngokuxhomekeke kwiimfuno zokuhanjiswa kwemali eyikheshi.
6. Izabelo ezingomqathango zesibonelelo-soncedo ezingakhange zisetyenziswe (zesizwe), ukususela ekupheleni komnyaka-mali ka-2016/17, neziqikelelweyo okanye ezivotelweyo kowama-2017/18 neminyaka yexesha elizayo, mazingamiselwa ukuba zichithwe kude kube kufunyanwa isiphumezo kuNondyebo weSizwe, ngokungqinelana nomyalelo weSetyhula-48 (2009) engoHlahlo-lwabiwo-mali, iSetyhula-51 (2010), iSetyhula-55 (2011), iSetyhula 59 (2012), iSetyhula 67 (2013), iSetyhula 72 (2014), iSetyhula 75 (2015) neSetyhula-79 (2016).
7. Izimali ezinkulu ezingoTshintshelo kuVimba: iZabelo zeWadi apho ziyakuthi zixhaswe ngezimali zolondolozo ezichongwe kumnyaka-mali ka-2016/17 ukuba zixhase ngezimali iiprojekthi zolwabelo lwewadi ngesixa-mali esingama-R64 191 616 kumnaka-mali ka-2017/18.
8. Makuqwalaselwe uluvo olungoHlahlo-lwabiwo-mali oluthe lwafumaneka kwinkqubo engentatho-nxaxheba yoluntu kwisithuba sangekaTshaziimpuzi 2017, ekunikezelweyo kwingxelo eyodwa exonyezelelweyo.
9. Makwamkelwe utshintsho oludandalaziswe kuhlahlo-lwabiwo-mali luka-2017/18 ukuya kowama-2019/20 (eyoKwindla 2017) nelowama- 2017/18 ukuya kowama-2019/20 (kwekaCanzibe 2017) njengoko kunikezelwe ingxelo kwisihlomelo-B. Kufuneka kuqatshelwe ukuba olu tshintsho luye lwenziwa kwiitafle ezithe zaqukwa kwisihlomelo-A.
10. Makuqwalaselwe izicwangciso zendlela yokusebenza ezingolwakhiwo kokusingqongileyo (BEPP), ekunikezelwe ingxelo ngazo kwingxelo eyodwa exonyezelelweyo.
11. Makuthathelwe ingqalelo ikhadi lamanqaku eluluyilo elihlaziyiweyo njengoko liqukiwe kwisicwangciso sokuqhutywa komsebenzi zeZiko elingeNkomfa leZizwe laseKapa (CTICC) nezimvo ngokumalunga namanyathelo olawulo lwendleko ezimiselwe ngabe-CTICC, luthi ludandalaziswe kwi-Mayco, ngokuxhomekeke kuzo naziphina izilungiso ezingakho zeBhodi ye- CTICC kwintlanganiso yayo yangowe-12 kuCanzibe 2017, ukuze kuphunyezwe okokugqibela liBhunga.

## ANNEXURES

**Annexure A:** City of Cape Town – Annual budget 2017/18 to 2019/20  
**Annexure B:** High level summary of changes between the tabled 2017/18 - 2019/20 budget (March 2017) and the 2017/18 - 2019/20 budget (May 2017)

### FOR FURTHER DETAILS CONTACT

NAME	Johan Steyl	CONTACT NUMBER	021 400 2070
E-MAIL ADDRESS	johan.steyl@capetown.gov.za		
DIRECTORATE	Finance	FILE REF NO	n/a
SIGNATURE : DIRECTOR _____			

### EXECUTIVE DIRECTOR: FINANCE

NAME	KEVIN JACOBY	COMMENT:
DATE	_____	_____
SIGNATURE	_____	_____

## LEGAL COMPLIANCE

REPORT COMPLIANT WITH THE PROVISIONS OF COUNCIL'S DELEGATIONS, POLICIES, BY-LAWS AND ALL LEGISLATION RELATING TO THE MATTER UNDER CONSIDERATION.

NON-COMPLIANT

NAME \_\_\_\_\_

COMMENT: \_\_\_\_\_

DATE \_\_\_\_\_

\_\_\_\_\_

SIGNATURE \_\_\_\_\_

\_\_\_\_\_

## EXECUTIVE MAYOR

SUPPORTED

NOT SUPPORTED

NAME \_\_\_\_\_

COMMENT: \_\_\_\_\_

DATE \_\_\_\_\_

\_\_\_\_\_

SIGNATURE \_\_\_\_\_

\_\_\_\_\_