



CITY OF CAPE TOWN
ISIXEKO SASEKAPA
STAD KAAPSTAD

ANNEXURE A

2020/21 - 2022/23 BUDGET

27 MAY 2020

**INCLUDING ADDITIONAL
RECOMMENDATIONS READ IN AT
COUNCIL**

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GLOSSARY OF TERMS AND ABBREVIATIONS

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

Allocations – Money received from Provincial- and National Treasury.

Budget – The financial plan of a municipality.

Budget-related policy – Policy of a municipality affecting, or affected by, the budget. Examples include tariff policy, rates policy and credit control and debt collection 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 cash and short-term investment balances.

CGD – Capital Grants and Donations

CCT/City – City of Cape Town

CPI – Headline Consumer Price Index

CRR – Capital Replacement Reserve

CTICC – Cape Town International Convention Centre

CTS – Cape Town Stadium

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 of the City Manager and the Executive Directors reporting 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. Measure of service outputs and/or outcomes.

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.

mSCOA – municipal Standard Chart of Accounts

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 S.79 of the Structures Act, the City's Portfolio Committees process policies and by-laws 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 of quarterly performance targets and monthly budget estimates.

SFA – Strategic Focus Areas. The main priorities of a municipality as set out in the IDP. Budgeted spending must contribute towards achievement of these Strategic Focus Areas.

Subcouncils - The metropolitan area governed by the City is divided into subcouncils, each of which is made up of a number of wards. Each ward is made up of a number of suburbs and is represented by a councillor.

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

Part 1 - Annual Budget

1.1 Mayor's Report

The proposed annual budget for 2020/21 outlines the funded commitments of the City, which will see us deliver on our Integrated Development Plan (IDP) and associated strategies in order to effectively support the lives and livelihoods of all our residents.

The current COVID-19 global pandemic has called for an unprecedented global health response and the City of Cape Town has risen to this, allocating resources to support the City's health response and augment our cleansing and sanitation services. We have also adapted our service delivery models so that essential services can continue to be delivered safely and expanded where necessary to support the national response. During the national lockdown, we have seen some of our capital projects put on hold and the delivery of some of our non-essential services has also been compromised. We will continue to chart a recovery path for these and ensure that they are brought back on-line when it is appropriate to do so. We intend to minimise the impact of any disruptions and ensure that our residents continue to receive the benefits that these services offer.

Prior to the arrival of this pandemic, we were already faced with the economic challenges of a sluggish national GDP growth rate and high unemployment. Our country's downgrade to junk status at the onset of the pandemic response has exacerbated pre-existing socio-economic challenges. In response to this, and in-line with our Economic Recovery Framework, we have emphasised the role of the City in maintaining and ensuring a base for economic stabilisation through the continued provision of quality basic services and enabling business facilitation, retention and expansion.

Within the constrained fiscal environment, we are ensuring that every rand we spend will help to stabilise our economy and support its growth. Our pipeline of capital projects goes through a stage-gate process to ensure that they are not only implementation ready, but also that they are aligned to the City's strategies, are designed to maximise economic benefit and are cost effective. We have also maximised the allocation of available grant funding to deliver critical projects and programmes. A Cost Containment Policy was adopted last year to reduce the City's dependency on consultants and other contracted services, and place greater control on expenses incurred by councillors and officials, amongst other measures.

The budget seeks to ensure that operational services and infrastructure projects are properly funded, whilst continuing to provide assistance to our most vulnerable residents, and keeping the contributions of our ratepayers as low as possible. Our budget has been fine-tuned to ensure that we support those who are, and those who will likely become, dependent on our social package, and to make sure that increases in rates and tariffs are contained within reasonable limits.

Safety and security is a continued focus area of our budget. This can be seen in the allocations given to capacitating Law Enforcement, and ensuring that our residents and municipal facilities are better served. In the absence of a commensurate response from the South African Police Service to the unacceptably high levels of crime and violence in our City, and with the support of the Western Cape Provincial Government, we have launched a significant programme to train and deploy law enforcement officials over the next three years. In addition to this increase in personnel, we are improving security services through providing effective training and equipment, as well as additional CCTV cameras and vehicles.

The City will also continue to expand security operations to support the Rail Enforcement Unit in protecting commuters and rail infrastructure. In dealing with ‘grime’ the administration is continuing the roll-out of a city-wide clean-up campaign, and we call on residents to assist by ensuring that their local community does not tolerate illegal dumping.

The challenges exposed by efforts to facilitate social distancing and lockdown directives in informal settlements and other overcrowded settlements underlie the existing challenges of housing delivery. This is a shared responsibility of all spheres of government and the private sector, and one which remains a priority of this administration. In order to decisively overcome the legacies of apartheid, we are working hard to provide more truly integrated human settlements. The bulk of the housing opportunities being developed by the City are on well-located land close to public transport, jobs, government services and public amenities. This demonstrates how we are realising the objectives in the Municipal Spatial Development Framework (MSDF) in terms of densification and prioritising projects located in the urban core. The rollout of title deeds, which has empowered communities across the City, will continue to be supported and accelerated.

This is a necessary and multifaceted budget which has been developed in response to our obligation to continue delivering services and enable progress in the lives of all people who live and work in our City. The proposed rates and tariff increases are being kept as low as possible to reduce the burden on ratepayers, whilst ensuring that services continue to be delivered to a high standard during these challenging times.

The continued water saving efforts of all Capetonians is slowing down the rate at which we are drawing down water from our dams. We are nevertheless mindful that rainfall over the past years has not been in line with historic averages, and so we will continue to pursue the bulk water augmentation programmes and water demand management initiatives called for in our Water Strategy in order to build a more water resilient City, at a cost that is affordable to our customers.

The Urban Management directorate will continue to spearhead integrated urban management and coordination of planning, community engagement and investment, specifically targeting former neglected and dysfunctional areas through the funding of programmes such as the Mayoral Urban Regeneration Programme (MURP), Expanded Public Works Programme (EPWP) and Area Economic Development and Management.

To conclude, this budget is focused on and committed to directing resources where they are needed most and where they will have the biggest impact so that we can continue to make progress possible, together.

1.2 Council Resolutions

The 2020/21 MTREF budget resolutions recommend that:

1. The City's annual budget for the financial year 2020/21; and indicative allocations for the two projected outer years 2021/22 and 2022/23, and related policies as set out in the following schedules and annexures, be adopted.
 - a. Operating revenue and expenditure by standard classification reflected in Table 22.
 - b. Operating revenue and expenditure by vote reflected in Table 23.
 - c. Operating revenue by source and expenditure by type reflected in Table 25.
 - d. Multi-year capital appropriations by vote reflected in Annexure 1.
 - e. Capital expenditure by standard classification reflected in Table 26.
 - f. Capital funding by source reflected in Table 26.
 - g. Budgeted Cash Flow statement as reflected in Table 28.
 - h. Salaries and Benefits of Political Office Bearers, Councillors and Senior Officials as reflected in Table 52 and Table 53.
 - i. Performance Indicators and benchmarks for 2020/21 as set out in Table 36.
 - j. Consolidated budget tables for the City and municipal entities (CTICC and CTS) as reflected in Table 99 to Table 108.
 - k. Property (Tax) Rates as set out in Annexure 2.
 - l. City Improvement Districts (CIDs) - Additional Rates as set out in Annexure 3.
 - m. Revised consumptive tariffs, rates and basic charges for electricity generation and distribution, water and sanitation and solid 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 2020).
 - r. Grants-In-Aid policy as set out in Annexure 9.
 - s. Policy on Accounts Payable as set out in Annexure 10.

- t. Funding and Reserves Policy as set out in Annexure 11.
- u. Virement Policy as set out in Annexure 12.
- v. Budget Management and Oversight Policy as set out in Annexure 13.
- w. Long Term Financial Plan Policy as set out in Annexure 14.
- x. Policy Governing Adjustments Budgets as set out in Annexure 15.
- y. Unforeseen and Unavoidable Expenditure Policy as set out in Annexure 16.
- z. Policy Governing Planning and Approval of Capital Projects as set out in Annexure 17.
- aa. Municipal Entities Policy as set out in Annexure 18.
- bb. Proposed amendments to the 2017-2022 approved Integrated Development Plan for 2020/21 as set out in Annexure 19.
- cc. Overview of budget assumptions applied to the 2020/21 MTREF required to be included in Annexure 19 (IDP) as set out in Annexure 20.
- dd. Transfers and grants to external organisations as set out in Annexure 21.
- ee. Individual projects with a total project cost in excess of R50 million (to give effect to Section 19(1)(b) of the MFMA and Regulation 13(1)(b) of the MBRR) as reflected in Table 86 and as set out in Annexure 22.
- ff. Projected cost covering all financial years until capital projects are operational as well as future operational costs and revenues on projects/programmes, to give effect to sections 19(2) and 19(3) of all projects and programmes as listed in Annexure 22 and Annexure 1.
- gg. Detailed capital budget (MBRR Table SA36) as set out in Annexure 23.
- hh. Details to capital programmes (2020/21), as set out in Annexure 24.
- ii. Detailed operational projects (MBRR Table SA38) as set out in Annexure 25.
- jj. Operating- and capital ward allocation projects supported by Subcouncils as set out in Annexure 26.
- kk. External mechanisms (MBRR Table SA32) as set out in Annexure 27.
- ll. Schedule of Service Delivery Standards as set out in Annexure 28.
- mm. Iconic and other events to be hosted by the City in 2020/21 as set out in Annexure 29.
- nn. Cape Town International Convention Centre (CTICC) (municipal entity) - Schedule D (annual budget and supporting tables) as set out in Annexure 30.

- oo. Cape Town International Convention Centre (CTICC) (municipal entity) – Business Plan as set out in Annexure 31.
 - pp. Cape Town International Convention Centre (CTICC) (municipal entity) – Tariffs as set out in Annexure 32.
 - qq. Cape Town Stadium (CTS) (municipal entity) – Schedule D (annual budget and supporting tables) as set out in Annexure 33.
 - rr. Cape Town Stadium (CTS) (municipal entity) – Business Plan as set out in Annexure 34.
 - ss. Cape Town Stadium (CTS) (municipal entity) – Tariff Policy and Tariffs as set out in Annexure 35.
2. That Council notes the intent of the administration to follow MFMA Section 33 processes on items marked with an 'X' as reflected in the Demand (Procurement) Plan as set out in Annexure 36 to the report.
 3. That Council notes National Treasury Circulars 98 and 99 (Municipal budget circulars for 2020/21) as set out in Annexure 37 to the report.
 4. That Council approves an amount of up to R10 million, to be funded from within the Rates account, in support of the Council approved Mayor's Special Fund objective as contemplated in Section 12 of the MFMA
 5. The Capital Replacement Reserve(CRR): Ward Allocations be funded from savings identified in the 2019/20 financial year to fund ward allocation projects in the amount of R60 258 650 for the 2020/21 financial year.
 6. The high level summary of changes between the tabled and the proposed budget as reported in Annexure B, be adopted. It should be noted that these changes have already been incorporated into Annexure A of this report.
 7. The Koeberg Nuclear Emergency Preparedness Tariff has been recalculated as a cost reflective tariff as required by local government legislation and in accordance with the MOU signed between the City of Cape Town and Koeberg Nuclear Power Station. It is recommended that the resultant significant increase be phased in over 3 years, starting from 1 July 2020. The phase-in amount will be one third of the difference between the current tariff and the correct tariff, before any adjustments due to changes in disaster management operations, and excludes the annual escalation required to maintain the status of a cost reflective tariff.
 8. That Council approves the commencement of a process, in compliance with Section 46 of the Municipal Finance Management Act (MFMA), to take up funding to an amount of R2.5 billion depending on the City's cash flow requirements, necessitated as a result of the impact of the COVID-19 pandemic on the City's financial plan. However, should the cash flow position be sufficient to fund the capital programme either partially or fully, the funding will be adjusted accordingly.

1.3 Executive Summary

a. Past performance

The key focus of the City is to look after the people of Cape Town, especially the vulnerable, ensuring that the City is welcoming to all people, and making residents feel at home. In order to achieve these key focus areas, it's the City's objective to be excellent in basic service delivery and mainstreaming basic service delivery to informal settlements and backyard dwellers.

Below are some of the key achievements and highlights of the City's basic service delivery excellence and mainstreaming in 2018/19:

In response to the drought, the City implemented an aggressive approach to water pressure management, leak repairs and demand management. These contributed to the City's unprecedented, internationally-recognised water demand reduction initiatives. Pressure management achieved savings in excess of 60 Ml/day, various leak repair programmes an estimated 4,75 Ml/day, while additional large demand reductions were achieved by logging and focusing on the top 200 users.

The City runs various programmes aimed at providing stable electricity services to informal settlements, backyarders and subsidised housing developments. These services require various network upgrades, maintenance/replacement at various times, and are constantly monitored to reduce the potential for power failures in these areas. In 2018/19, the City installed 2 440 subsidised electricity connections, bringing the total to 21 056 since 2012/13.

The City's human settlements programme works towards creating affordable housing on well-located land close to public transport, and job opportunities are a cornerstone of the City's efforts to bring redress and greater parity of services and opportunities to all residents in Cape Town. In 2018/19, the City brought the number of housing opportunities created since 2012/13 to 54 265 and transferred more than 13 000 title deeds to vulnerable and senior residents.

The mainstreaming of basic service delivery to informal settlements and backyard dwellers remains a key transformational priority for the City. This commitment is reflected in the City's budget, which has earmarked more than R850 million in the medium term for upgrades to informal settlements and backyarder services. Since 2014, the Informal Settlements department has installed 2 624 water and sanitation points (2018/19: 164) in the homes of backyard dwellers on City rental property. By the end of June 2019, a total of 3 687 sanitation installations and 716 taps had been installed in informal settlements. This brought the total to 6 252 taps and 27 001 sanitation service points (toilets) installed since 2012/13.

b. Impact of COVID-19 pandemic on the tabled 2020/21 budget

On 15 March 2020, President Cyril Ramaphosa declared a national state of disaster in terms of the Disaster Management Act to enable government and the country at large to manage the spreading of the COVID-19 virus. As part of the measures introduced to curb the spreading of the virus, the President prohibited gatherings of 100 or more people.

On 23 March 2020, the President declared a nationwide lockdown, whereby all citizens, except those that form part of essential services, were ordered to stay home for a period of 21 days. The nationwide lockdown, which is known as level 5, commenced at midnight on Thursday 26 March 2020.

On 9 April 2020 the nationwide level 5 lockdown was extended until the end of April 2020 and on the 23 April the President announced the lifting of certain restrictions as the country eased into a level 4 lockdown from 1 May 2020.

This had a devastating effect on the economy of South Africa coupled with the impact of the pandemic on the global economy. Financial modelling and drafting of the tabled MTREF in March 2020 was pre the COVID-19 pandemic. The tabled budget therefore had to be reworked to incorporate the impact of the COVID-19 pandemic.

Changes to the tabled budget as a result of COVID-19 pandemic are summarised below – further details are included in relevant sections of the budget document.

- To ensure advertised rates and tariffs remain as per March tabled budget, sundry financial strategies were reviewed to ensure an amended, viable financial plan over the MTREF i.e.
 - Reversal of the revenue strategy per the tabled budget, which provided for revenue from Rates and tariff-funded services beyond the levels substantiated by the respective cent in the Rand or tariffs, and
 - Review of the loan take-up position of the City for 2020/21 – from no loans envisaged to be taken up in the tabled budget to R2.5 billion, which will now be taken up;
- Reviewed capital budget – mostly roll-overs from the 2019/20 financial year, due to non-spending during the restrictions and lockdown period and to reflect the most up to date positions over the remainder of the MTREF period;
- Additional operating requirements stemming from the City's response to the pandemic;
- Reduction/Reprioritisation of operating expenditure;
- Increased debt impairment provisions, due to anticipated consumer payment behaviour;
- Loss of revenue as a result of lower rates- and tariff payments as well as anticipated negative impacts on sundry revenue sources such as bus fares, events, facility rental, fines revenue etc.

The base of the 2020/21 budget is the 2019/20 adjustments budget (May 2020), currently also on the Council agenda for approval including any amendments thereto.

c. Public Participation on the tabled 2020/21 budget

Section 23 of the Municipal Finance Management Act (MFMA) stipulates that, upon budget tabling, input thereon is to be solicited via public participation process, which is to be considered for inclusion into the budget to be adopted. This consultation process ran from 29 March 2020 to 2 May 2020. Due to the nationwide lockdown no public engagements took place but comments were solicited via electronic-, social- and print media. This input was considered by line departments for inclusion in the final proposed budget or, if of an operational nature, to be included in directorate's operational plans over the MTREF period.

Public Participation ito Annexure to MFMA Circular 99 of 8 April 2020

National Treasury issued Annexure to MFMA Circular 99 on 8 April 2020 to provide guidance regarding Government Gazette No 43181 (MFMA Exemption Notice) and when finalising the 2020/21 MTREF budget.

One of the important aspects in the circular was its reference to tariff changes. The circular states that tariffs tabled as part of the draft budget (March tabled budget) is regarded as 'indicative' and may change after the public consultation process.

This implies that municipalities could amend rates and tariffs post tabling of the budget provided that, should such changes to rates and tariffs be material, the municipality has to consult again on the revised tariff, given the impact on the consumer. The City does not propose changes to the rates and tariffs levels proposed via the March tabled budget and therefore no further consultation with the public is required.

d. Total Budget

The total budget quantum for the 2020/21 financial year is R54 436 million, of which R44 830 million (82.4%) is allocated to the operating budget and R9 606 million (17.6%) to the capital budget.

e. Operating Budget

Expenditure

The total operating expenditure amounts to R44 830 million for the 2020/21 financial year.

Table 1 Expenditure components of the 2020/21 budget

Category R Thousand	Budget 2019/20 (Original)	Budget 2020/21	Year-on-year
Employee related costs	13 817 805	15 203 365	10.03%
Remuneration of councillors	179 818	189 675	5.48%
Debt impairment	2 341 628	3 640 353	55.46%
Depreciation & asset impairment	3 015 086	3 300 067	9.45%
Finance charges	790 756	828 460	4.77%
Bulk purchases	10 092 601	9 990 881	-1.01%
Other materials	1 611 763	1 599 125	-0.78%
Contracted services	7 156 498	7 215 975	0.83%
Transfers and subsidies	446 206	498 081	11.63%
Other expenditure	2 326 698	2 362 108	1.52%
Losses	756	2 002	164.87%
Total Expenditure	41 779 617	44 830 094	7.30%

Major components for 2020/21 include:

- Employee related costs total R15 203 million, which equates to 33.9% of the total budget. The 2020/21 cost of living increase as per the SALGBC wage agreement (CPI +1.25%) was used when calculating the 2020/21 staff budget (5% + 1.25%). This provision includes additional allocations for service enhancements, which were allocated to various directorates during the Strategic Management Framework (SMF) process, appointment of additional law enforcement officers for the Law Enforcement Advancement Project (LEAP) and to address capacity gaps relating to the Core Application Review (CAR) and the Broadband Implementation Projects (BIP).

A reduction of R250 million on vacancies was effected post the March tabled budget to absorb additional requirements relating to the COVID-19 pandemic and the impact thereof on revenue sources.

- Bulk purchases amount to R9 991 million, which is allocated for the purchase of electricity and water from suppliers i.e. Eskom and the Department of Water Affairs & Sanitation. These allocations are influenced by consumer behaviour.

A reduction of R548 million was effected post the March tabled budget based on projected consumption trends and considering the impact of COVID-19 pandemic on sales.

- The Debt Impairment allocation of R3 640 million is influenced by the budgetary treatment of fines as prescribed in the iGRAP1 Accounting Standard, which states that fines should be budgeted for at 100% of fines issued. Prior to iGRAP1 implementation, the City accounted for revenue from fines on the basis of estimated collectable revenue. A provision for the amount deemed uncollectable has been included in the budget, which is based on collection rates achieved to date and projected over the MTREF period, as well as the City's arrears and debt recovery policies.

The provision increased by R1 499 million post the March tabled budget based on the projected lower collection rates due to the impact of the COVID-19 pandemic on consumers' ability to pay.

- Finance charges consist primarily of the repayment of interest on long-term borrowing (cost of capital). It equates to 1.8% (R828 million) of the 2020/21 operating expenditure (excluding redemption costs). The City is planning to take up external loans towards the end of the 2020/21 financial year; the impact thereof will, therefore, be reflected in the following financial year.
- Contracted services of R7 216 million, which includes repairs and maintenance provisions and budgetary realignments from this category in line with mSCOA regulations.

A reduction of R103 million was effected post the March tabled budget to absorb additional requirements relating to the COVID-19 pandemic and its impact on revenue sources.

- Other expenditure of R2 362 million includes a reduction of R29 million effected post the March tabled budget to absorb additional requirements related to the COVID-19 pandemic and its impact thereof on revenue sources. This category includes, inter alia, the following:
 - Special Rating Areas (MID/CID) – R251 million
 - Collection costs – R208 million
 - Electricity costs – R199 million
 - Software Licenses – R169 million
 - Specialised Information technology – R148 million
 - Insurance – R146 million
 - Training – R136 million
 - Uniform & Protective clothing – R117 million
 - Levy: Skills Development – R114 million
 - Operating Leases – R104 million

Staff cost growth

The City's current staff establishment is evaluated in terms of updated and reviewed business plans to achieve corporate strategy. Increases are mainly due to implementation of the inflation-linked increase of 6.25% and service enhancements that were allocated to various directorates during the SMF process, the appointment of 1000 law enforcement officers for LEAP and to address capacity gaps related to the Core Applications Review (CAR) and the Broadband Infrastructure Plan (BIP).

The 2020/21 cost of living increase (5% + 1.25%), as per the SALGA wage agreement, was used when calculating the 2020/21 staff budget. A differentiated budget approach was applied on funded vacancies for 2020/21.

A reduction of R250 million on vacancies was effected post the March tabled budget to absorb additional requirements relating to the COVID-19 pandemic and its impact on revenue sources.

Table 2 Staff cost per vote (directorate)

Vote (Directorate) R Thousand	Budget 2019/20 (Original)	Budget 2020/21	Year-on-year
Vote 1 - Community service & Health	2 351 926	2 680 618	13.98%
Vote 2 - Corporate Services	1 050 373	1 147 271	9.23%
Vote 3 - Economic Opportunities & Asset Management	500 427	523 031	4.52%
Vote 4 - Energy & Climate Change	1 362 574	1 453 129	6.65%
Vote 5 - Finance	1 031 387	1 093 854	6.06%
Vote 6 - Human Settlements	379 666	421 085	10.91%
Vote 7 - Office of the City Manager	174 411	180 037	3.23%
Vote 8 - Safety & Security	2 150 222	2 760 103	28.36%
Vote 9 - Spatial Planning & Environment	531 801	580 292	9.12%
Vote 10 - Transport	816 129	843 576	3.36%
Vote 11 - Urban Management	426 895	401 311	-5.99%
Vote 12 - Water & Waste	3 041 996	3 119 058	2.53%
Total staff costs	13 817 806	15 203 365	10.03%

Revenue

Operating revenue amounts to **R42 225** million in the 2020/21 financial year.

Table 3 Revenue categories of the 2020/21 budget

Category R Thousand	Budget 2019/20 (Original)	Budget 2020/21	Year on year
Revenue By Source			
Property rates	9 916 685	10 511 519	6.00%
Service charges - electricity revenue	13 623 146	13 789 334	1.22%
Service charges - water revenue	3 212 017	3 194 459	-0.55%
Service charges - sanitation revenue	1 568 599	1 616 486	3.05%
Service charges - refuse revenue	1 286 433	1 285 431	-0.08%
Rental of facilities and equipment	311 781	359 559	15.32%
Interest earned - external investments	912 495	847 535	-7.12%
Interest earned - outstanding debtors	380 814	389 137	2.19%
Dividends received	-	-	-
Fines, penalties and forfeits	1 185 453	1 063 333	-10.30%
Licences and permits	82 218	76 875	-6.50%
Agency services	217 672	242 236	11.28%
Transfers and subsidies	7 376 568	5 608 724	-23.97%
Other revenue	804 335	3 190 491	296.66%
Gains	43 732	50 000	14.33%
Total Revenue (excluding capital transfers and contributions)	40 921 950	42 225 117	3.18%

Major components for 2020/21 include:

- Property rates (R10 512 million)
The allocation is mainly influenced by the outcome of General Valuation (GV) 2018. The Rates revenue increase is attributed to a revenue quantum increase of 5% for 2020/21.

A reduction of R112 million was effected post the March tabled budget taking into consideration the impact of the COVID-19 pandemic.

- Service charges – electricity revenue (R13 789 million)
NERSA approved an average percentage price increase of 8.76% to Eskom for the 2020/21 financial year. This increase translates to a 6.90% increase for municipalities. This in turn translates into a 4.83% average increase for City consumers.

A reduction of R696 million was effected post the March tabled budget based on current trends and taking into consideration the impact of the COVID-19 pandemic on sales.

- Service Charges – Water Revenue (R3 194 million) and Sanitation Revenue (R1 616 million)
The 2020/21 revenue projections are based on Level 1 tariffs as from 1 July 2020. The principle of ‘revenue neutral’ still applies i.e. the City intends to generate the same level of revenue at the volumetric set applicable to each tariff level. The volumetric sets are projected based on the latest trends.

A reduction of R96 million on Water- and Sanitation Revenue was effected post the March tabled budget based on current trends and taking into consideration the impact of the COVID-19 pandemic on sales.

- Transfers and Subsidies (R5 609 million; National- and Provincial allocations)
For purposes of budget compilation, national allocations are based on the Division of Revenue Bill, Government Gazette No 43025 of 17 February 2020 and provincial allocations are based on Provincial Gazette 8217 dated 10 March 2020.

Individual service tariffs/Rates

The proposed tariff increases in the table below are averages; i.e. some ratepayers and service users may pay more and others less than the average as a result of the impact of rebates, usage/consumption, property value and type of consumer.

Table 4 Average Tariff increases for the 2020/21 MTREF

Category	Base Year 2019/20	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Electricity	8.88%	4.83%	7.60%	8.81%
Water	9.00%	4.50%	13.28%	10.26%
Sanitation	9.00%	4.50%	13.28%	10.26%
Refuse	5.00%	3.50%	4.00%	4.50%
Disposal	5.00%	5.00%	7.50%	15.58%

Rates

There was a slight increase of 3.96% in the rate-in-the-rand from 0.00555 to 0.005770 for 2020/21.

The rate-in-the-rand for Property Rates for the 2020/21 financial year is reflected in the Tariff, fees and charges book (Annexure 6).

Definitions and listing of categories are reflected in the Rates Policy (Annexure 5).

Water & Sanitation

Level 1 water and sanitation tariffs are recommended for implementation from 1 July 2020. There is a 4.5% tariff increase proposed on Level 1 tariffs and this increase is also applicable for the no restriction and emergency levels.

The proposed 2020/21 increases for level 2 and level 3 tariffs are both 6.5% for water and 6.5% and 8% respectively for sanitation.

There is a proposed 5.10% increase on miscellaneous tariffs.

The proposed consumption-based, as well as miscellaneous tariffs, are shown in the attached Tariffs, fees and charges book (Annexure 6).

Solid Waste

For 2020/21, an average increase has been applied on the Consumptive Tariffs: 3.5% for Collections and 5% for Disposal.

An average increase of 5.10% has been applied on the Miscellaneous Tariffs for Cleaning.

The details of changes to solid waste tariffs are reflected in Annexure 4.

Proposed tariffs are reflected in the attached Tariffs, fees and charges book (Annexure 6).

Electricity

The Electricity average tariff increase projected over the 2020/21 MTREF is 4.83%, 7.60% and 8.81%, respectively.

Details of changes to the electricity tariff are reflected in Annexure 4.

Proposed tariffs are reflected in the attached Tariffs, fees and charges book (Annexure 6).

f. Capital Budget

The City's tabled 2020/21 budget was compiled in the weeks before the outbreak of the novel coronavirus and most certainly before the announcement of the implementation of the COVID-19 national state of disaster and lockdown. The impact of delays resulting from the COVID-19 lockdown were considered by the various directorates and incorporated into the proposed 2020/21 budget, in order to also quantify the effect on the City's overall cash flow, given the significant impact effect on the operating budget proposed for 2020/21.

The City remains committed to a large scale infrastructure investment plan to assist in re-energising the economy to stimulate economic growth over the short- to medium term post the COVID-19 lockdown.

All projects proposed for inclusion on the capital budget for 2020/21 were assessed against an implementable delivery plan to comply with, inter alia, implementation readiness, tender readiness (must be on the City's Demand Plan), strategic alignment and capacity to implement.

The total capital budget amounts to R9 606 million in the 2020/21 financial year and will be funded as reflected in the table below.

Table 5 Capital funding sources for 2020/21

Major Capital Funding Sources	Budget 2020/21
R Thousand	
Capital Grants & Donations (CGD)	2 883 814
Capital Replacement Reserve (CRR)	1 439 208
External Financing Fund (EFF)	5 231 245
Revenue (Internal funding source)	51 607
Total	9 605 874

Capital Grants and Donations (CGD)

Capital Grants and Donations represent 30% of the 2020/21 capital funding and consists largely of National- and Provincial allocations. For purposes of the 2020/21 budget compilation, National allocations are based on the 2020 DoRB (Government Gazette No. 43025), dated 17 February 2020, as well as a letter received from NT regarding amendments in respect of the Informal Settlement Upgrading Partnership (ISUP) grant dated 12 March 2020. Provincial allocations are based on the Provincial Gazette Extraordinary number 8217, dated 10 March 2020.

Post the tabling of the draft 2020/21 capital budget in March 2020, projects funded from the Urban Settlement Development Grant (USDG) and ISUP grant have been reprioritised and rephased to be in line with latest implementation plans to the extent that impacts on the plans could be revised, given the changing environment of the five national lockdown levels implemented to control the spread of COVID-19. The reprioritisation also incorporates three new de-densification projects (Kosovo-, Dunoon- and Ithemba Informal Settlements) in response to the COVID-19 pandemic, which will include planning, design and provision of internal service. In addition, there has been an increase on the capital budget with a corresponding decrease on the operating budget with regard to Public Transport Network Grant (PTNG) funding for projects such as Dunoon Taxi Terminus, Public Transport Interchange Refurbishment Programme, etc.

Since the tabling of the budget in March 2020 further unconditional grant allocations, funded ex Private Sector, has been proposed:

- R633 959 for the Turfhall Stadium Upgrade (Community Services and Health directorate); and
- R8.5 million for Service Connections (Quote): South FY21 (Electricity Generation & Distribution department).

Capital Replacement Reserve (CRR)

Funding from the Capital Replacement Reserve represents 15% of the 2020/21 capital funding.

The national lockdown in response to flattening the curve of the spread of COVID-19, also resulted in delays in the current financial year on projects/and programmes being funded from the CRR. In instances where line functions could ascertain the potential impact of the national COVID-19 lockdown levels on ongoing projects and programmes, the unspent components that could be estimated were rolled over from the current financial year to the 2020/21 financial year.

Projects/programmes where roll-overs were included subsequent to the tabled budget in March 2020 are, inter alia, as follows:

- Facilities Management Structural Rehabilitation - R5.9 million (Economic Opportunities & Asset Management directorate)
- Replacement Plant & Vehicles - R82.4 million (Solid Waste Management department);
- Road Upgrade of Langverwacht Road: Amandel to Zevenwacht - R4.6 million (Transport directorate);
- Suites Cape Town Stadium - R14.1 million (Finance directorate);
- System Equipment Replacement - R22 million (Energy & Climate Change directorate); and
- MV Switchgear Refurbishment - R9.2 million (Energy & Climate Change directorate)

The City will continue to make funding available via the CRR in support of priorities in 2020/21, which now include proposed roll-overs on on-going projects and programmes, such as:

- Traffic congestion relief programme – R93.4 million;
- Ward allocations - R67.3 million;
- Bulk Water infrastructure replacement, development of additional bulk water infrastructure and replacement of the water network city-wide - R185 million;
- Electricity generation and distribution equipment, electricity generation and distribution facilities, vehicles, street lighting, electrification, LED refurbishment, medium voltage infrastructure refurbishment, meter replacement etc. – R554.8 million;
- Suites Cape Town Stadium - R221.3 million; and
- Infrastructure replacement at Wastewater Treatment Works and replacement of the sewer network city-wide - R110 million.

External Financing Fund (EFF)

The most significant source of funding of the capital budget is the EFF, which amounts to R5 231 million and represents 54.5% of the total 2020/21 capital funding requirement.

Certain **additional allocations**, strategically aligned to the IDP and flowing from the Strategic Management Framework (SMF) process, were incorporated into the proposed 2020/21 capital budget.

These **specific additional allocations** are mainly:

- **Corporate Services directorate**
 - Broadband Infrastructure Programme (R111.7 million in 2021/22, R54 million in 2022/23) to connect City buildings and thereby increasing the bandwidth available to City employees and to service the telecommunications needs of other departments via an infrastructure consolidation, operational alignment and optimisation initiative.

- Business Continuity (R2 million in both 2020/21 and 2021/22) to procure IT server equipment to accommodate increased storage requirements in order to support growth in the SAP (financial system) environment in the form of systems and users.
- Core Application Review (CAR) – Foundational (R162.3 million in 2021/22 and R63.1 million in 2022/23) to define the target architecture and roadmap for the City's core applications (ERP (SAP), EGIS and Productivity).
- Contract Management System Integration (R10 million in 2021/22 and R25 million in 2022/23) to develop a system to improve the City's contract management capacity.
- CAR Branch facilities (R1.38 million in 2020/21, R2.91 million in 2021/22 and R2.72 million in 2022/23) where the appointment of additional IT staff for the CAR project will require branch facilities for the extended workforce (i.e. furniture and other office equipment items).
- Data Science Infrastructure (R9.25 million in 2020/21) where funds are required to establish a Cloud Computing environment for the Data Science unit to enable data analytics in the City; to develop a single point of entry for City data for use by internal- and external users as well as improved security architecture for City data.
- Data Storage - Security & Accessibility (R33 million in 2020/21) to upgrade and expand infrastructure to ensure continued reliability and provide continued radio communication services covering the City's emergency services.
- Enterprise resource planning software (R70.2 million in 2022/23) to procure new Human Capital Management (HCM) and Supply Chain Management (SCM) software for the CAR project. This software will be used to manage HR talent and workforce management processes as well as to assist the City to manage tender- and other SCM processes.
- Wayleave System (R10 million in 2020/21) to develop a web-based Wayleave Management System, which integrates with SAP PPM, SharePoint and GIS.
- **Economic Opportunities & Asset Management directorate**
 - Corporate Accommodation Area 3: Bellville (R43.99 million in 2022/23) and Corporate Accommodation Area 4: South (R35.5 million in 2022/23) to provide operational work space for staff in City-owned buildings in order to reduce external leases and to alleviate the traffic flow to the CBD.
 - Corporate Facility Upgrades (R3.4 million in 2020/21) to procure a generator for the Durbanville facility, which will be used during load shedding.
 - Electronic Workflow - Immovable property (R5 million in 2021/22) to provide a better property management transaction service.
 - Good Hope Centre Upgrade Phase 3 (R200 million in 2022/23) to upgrade and redevelop the entire Good Hope Centre precinct. The centre has reached the end of its life cycle and requires re-investment to become fully compliant with all regulations and fit for use/purpose.
- **Finance directorate**
 - Computer Equipment: Replacement (R1 million in each year of the MTREF) to replace computers and printers as part of a roll-out in the SCM department, which takes place every 5 years.
 - IT Equipment: Replacement (R900 000 in 2020/21) required for Motor Vehicle Registration (MVR) offices.
 - POS System replacement (R65 000 in 2020/21) as the current point-of-sale (POS) system is old and requires constant maintenance.

- System Enhancement Projects (R3.2 million in 2020/21, R5 million in 2021/22 and R5 million in 2022/23) required for the revenue component of the SAP system to address improvement strategies in 2020/21 while enhancements on the data validation, debt management, electronic and E-services systems are required in 2021/22 and 2022/23.
- **Human Settlements directorate**
 - Asset Management Programme (R23.6 million in 2021/22 and R109 million in 2022/23) to continue addressing refurbishment backlogs of the City's rental units (CRUs) where health and safety matters have been prioritised.
 - Fleet Replacement (R11.5 million in 2021/22) to replace aged vehicles.
 - Major Upgrading - Rental Units (R9 million in 2022/23) to facilitate planning and detailed design of the upgrade of the water and sanitation infrastructure at CRUs.
- **Office of the City Manager**
 - Replacement of obsolete furniture, office- and IT equipment as well as replacement of IT equipment not compatible with Windows 10 within the Probity department (R400 000 in 2020/21).
 - Additional computers, furniture and office equipment (R600 000 in 2020/21 and R50 000 per annum for 2021/22 and 2022/23) for furniture and equipment within the Probity department.
- **Safety & Security directorate**
 - Budgetary allocations (as listed below) to equip 106 additional traffic officials in order to address capacity gaps within the Law Enforcement, Traffic & Coordination department. Allocations are as follows:
 - Acquisitions of Firearms -R1.3 million;
 - Replacement IT equipment - R600 000;
 - Radios - R1.3 million; and
 - Vehicles - R26.45 million.
- **Spatial Planning & Environment directorate**
 - E-system enhancements (R5.2 million in 2020/21) where additional budgetary provision is required for additional system developer resources resulting from functional system changes.
 - Additional furniture, fittings, tools & equipment (R700 000 in 2020/21) resulting from the filling of new vacancies to align to the directorate's new approved business model.
 - Replacement of old and condemned office furniture (R100 000 in 2020/21).
 - Glencairn Rail Revetment (R26.1 million in 2022/23) to mitigate the impact of erosion, wave damage and wind-blown sand on the transport infrastructure at Glencairn via a protective engineering solution.
 - Land Acquisition (R7 million in 2021/22) to facilitate the consolidation of the Atlantis Conservation Land Bank and Klein Dassenberg Critical Biodiversity Areas.
 - Land Acquisition: Development Offsets (R13 million in 2020/21 and R9 million in 2021/22) to secure and manage critical biodiversity remnants to act as a conservation land bank to facilitate human settlement developments.
 - Local Environment and Heritage Projects (R6 million in 2020/21 and R18 million in 2021/22) for the Asanda Village wetland rehabilitation.
 - Metro South East - Bio off-set: Fencing (R2 million in 2020/21) required to mitigate the risk of land invasion on proclaimed land and to prevent the escape of hippos at numerous nature reserves across the City.

- Monwabisi Beach Precinct Upgrade (R21.5 million in 2022/23) for removal of derelict infrastructure and redevelopment of the coastal node into a destination place for local- and foreign visitors.
- Nature Reserve Visitor Education Centres (R14.6 million in 2021/22) for various construction work to be undertaken at the Bracken Visitor Education Centre and Zandvlei Visitor Education Centre.
- Strand Sea Wall Phase 3 Upgrade (R25 million in 2022/23) to rehabilitate and upgrade the sea wall to, inter alia, reduce future maintenance requirements, contribute to the revitalisation of the recreational node and provide safety for traffic and pedestrians.
- Table View Beachfront Upgrade (R334 471 in 2020/21 and R21.8 million in 2022/23) to, inter alia, rehabilitate coastal dune barriers to reduce the impact of wind-blown sand on adjacent infrastructure, upgrade all infrastructure and abutting services, upgrade and improve all amenity facilities.
- Upgrade of Reserves Infrastructure (R19 million in 2020/21), which will include the erection of fences and boundary markers of nature reserves in the Metro South East, replacement of fencing at Helderberg, Witsands and Dassenberg, as well as general upgrading of nature reserve infrastructure.
- Additional vehicles (R1.8 million in 2020/21) for the management of conservation areas, which forms part of the Metro Southeast Strandveld Conservation Implementation Plan.

- **Transport directorate**
 - Property acquisition (R2.5 million in 2020/21) required for the implementation of infrastructure projects.

- **Urban Management directorate**
 - Furniture (R151 650 in 2020/21), IT equipment (R1.8 million in 2020/21), vehicles (R4.5 million in 2020/21) and office equipment (R28 000 in 2020/21) required in support of the Ward Councillor Outreach Programme and continuous engagement strategy.
 - IT Equipment: Councillors (R14.1 million in 2020/21) to procure laptops for councillors after the Local Government elections in 2021.

- **Water & Sanitation department**
 - Implementation of various projects are planned to address flood risk and deteriorating water quality in the City's rivers and water bodies in 2022/23, such as:
 - Rehabilitation Keyzers River, Steenberg - R2.6 million;
 - Stormwater Dams, Driftsands - R4.3 million;
 - Sir Lowry's Pass River Upgrade - R40 million; and
 - Rehabilitation of Diep River - Erica Road Outfall - R8.06 million.

Budgetary amendments were made on numerous projects and programmes to give effect to the roll-over of funds that will not be able to be spent in the 2019/20 financial year due to the national lockdown. In some cases, budgets were also rephased to outer financial years as sufficient budgetary provisions are available in the 2020/21 financial year to accommodate the latest implementation plans. These additional roll-over allocations and rephasing, to a lesser degree to outer financial years, mostly relate to EFF funded projects. The total EFF roll-over allocation included post March 2020 amounts to R704.4 million, while an amount of R33.4 million will be rephased to outer financial years.

It is anticipated that the City will take up an external loan of R2 500 million in the 2020/21 financial year, while R2 731 million will be funded from ring-fenced internal resources at an equivalent rate of 6.5% interest for the 2020/21 financial year.

Major capital expenditure is planned for the following directorates in 2020/21:

- **Water & Waste - R3 644 million**
- **Transport - R1 793 million**
- **Energy & Climate Change – R1 049 million**
- **Human Settlements – R895 million**

Table 6 Selection of new sundry projects in the 2020/21 capital budget

R Thousand	Description	Budget 2020/21
Community Services & Health		
	Development of Sportsfield - Ward 36	1 000
Corporate Services		
	Broadband Infrastructure Programme	22 594
	Contract Management System Integration	15 000
	Wayleave System	10 000
Economic Opportunities & Asset Managemnt		
	Corporate Accommodation Area 3: Bellville	4 000
	Corporate Accommodation Area 3: Voortrekker Corridor	160 000
	Corporate Accommodation Area 4: South	2 000
	Good Hope Centre Upgrade Phase 1	3 000
	Good Hope Centre Upgrade Phase 2	3 000
Human Settlements		
	Bonteheuwel Infill Housing Project	8 500
	Elsies River Infill Housing Project	8 250
	Farm 920 & Bloubos Rd Housing Project	3 840
	Highlands Drive Infill Housing project	25 770
	Informal Settlement Upgrade - Kosovo	10 000
	Mahama Housing Project	15 000
	Symphony Housing Project	38 866
	Informal Settlement Upgrade: Du Noon-Erf 786-7 (Covid-19)	35 112
	Informal Settlement Upgrade: Ithemba-Erf 41965 (Covid-19)	31 616
	Informal Settlement Upgrade: Kosovo-Erf 35148 (Covid-19)	17 258
	Masakhane Bantu Housing Project	1 000
Safety & Security		
	CCTV Cameras - Ward 37	1 000
	Langa Fire Station	1 500
Spatial Planning & Environment		
	Land Aquisition: Development Offsets	13 000
Transport		
	Dualling: Jip De Jager Drive from Kommissaris St to Van Riebeeckshof Rd	25 000
	Dualling: Main Road 27 to Altena Rd	2 000

Table 7 Most significant projects/programmes for 2020/21

Description	Budget 2020/21
R Thousand	
Community Services & Health	
Ideal Clinics Programme	12 000
Integrated Social Services Precincts	60 819
National Core Standards Compliance Programme	13 000
Park Upgrades	29 205
Sport and Recreation Facilities Upgrade	28 395
Upgrade Clinics for Diabetic Service	17 475
Economic Opportunities & Asset Managemnt	
Facilities Management Infrastructure	41 628
Fleet Services: Replacement Plant	50 000
Fleet Services: Replacement Vehicles	139 671
Energy & Climate Change	
Electrical Service Connections	101 000
Electrification	35 342
Medium Voltage Switchgear Refurbishment	59 250
Medium Voltage System Infrastructure	97 950
Street Lighting	44 000
System Equipment Replacement	227 641
Transmission System Development	155 172
Finance	
Suites Cape Town Stadium	221 360
Human Settlements	
Asset Management Programme	134 561
Informal Settlement Upgrades (Covid-19)	83 986
Urbanisation: Backyards/Informal Settlements Upgrade	147 893
Safety & Security	
CCTV & License Plate Recognition Installations	21 587
Metropolitan Police Services Property Improvements	31 334
Specialised vehicles: Additional	20 523
Vehicles: Additional	53 941
Vehicles: Replacement	106 733
Spatial Planning & Environment	
Upgrade of Reserves Infrastructure	34 537
Transport	
Congestion Relief Projects	96 819
IRT Phase 2 A	1 040 002
Metro Roads: Reconstruction	95 201
Non-Motorised Transport Programme	106 462
Public Transport Interchange Programme	126 899
Roads: Rehabilitation	58 440
Water & Waste	
Bulk Water Infrastructure Replacement	73 000
Cape Flats Rehabilitation	146 527
Development of Additional Water & Sanitation Infrastructure	35 000
Development of Landfill Infrastructure	261 071
Development of Transfer Stations	81 170
New Drop-off Facilities	71 877
New Water Plan	601 166
Replace & Upgrade Sewer Network	73 000
Replace & Upgrade Water Network	96 000
Solid Waste Management Plant & Vehicles Replacement	233 648
Upgrading of drop-off facilities	47 907
Upgrading of Solid Waste facilities	88 356
Water Meter Replacement Programme	128 000

1.4 Operating Revenue Framework

The City's revenue quantum is determined by setting a package of tariffs, which are not only considered affordable to its ratepayers and the users of its services, but deemed to be at fair and at 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 targets;
- Electricity tariff increases as approved by the National Electricity Regulator of South Africa (NERSA);
- Setting of trading services' user charges at levels which are reflective of these services' cost recovering nature;
- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA); and
- The projected additional requirements and under-expenditure on various expenditure items due to COVID-19 pandemic.

The following table is a summary of the 2020/21 MTREF (classified by main revenue source):

Table 8 Summary of Revenue classified by main revenue sources

Description	2020/21 Medium Term Revenue & Expenditure Framework		
	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand			
Revenue By Source			
Property rates	10 511 519	11 555 663	12 624 126
Service charges - electricity revenue	13 789 334	15 484 526	16 740 057
Service charges - water revenue	3 194 459	3 770 788	4 098 172
Service charges - sanitation revenue	1 616 486	1 909 418	2 068 297
Service charges - refuse revenue	1 285 431	1 388 777	1 500 622
Rental of facilities and equipment	359 559	379 441	412 383
Interest earned - external investments	847 535	879 286	911 609
Interest earned - outstanding debtors	389 137	409 790	444 159
Dividends received	–	–	–
Fines, penalties and forfeits	1 063 333	1 050 664	1 077 403
Licences and permits	76 875	88 002	92 411
Agency services	242 236	266 808	286 557
Transfers and subsidies	5 608 724	5 573 928	6 020 849
Other revenue	3 190 491	3 428 780	3 555 840
Gains	50 000	52 490	55 120
Total Revenue (excluding capital transfers and contributions)	42 225 117	46 238 363	49 887 604

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

Table 9 Revenue by source as a percentage of total budget

Description	2020/21 Medium Term Revenue & Expenditure Framework					
	Budget Year 2020/21	%	Budget Year +1 2021/22	%	Budget Year +2 2022/23	%
R thousand						
Revenue By Source						
Property rates	10 511 519	24.9%	11 555 663	25.0%	12 624 126	25.3%
Service charges - electricity revenue	13 789 334	32.7%	15 484 526	33.5%	16 740 057	33.6%
Service charges - water revenue	3 194 459	7.6%	3 770 788	8.2%	4 098 172	8.2%
Service charges - sanitation revenue	1 616 486	3.8%	1 909 418	4.1%	2 068 297	4.1%
Service charges - refuse revenue	1 285 431	3.0%	1 388 777	3.0%	1 500 622	3.0%
Rental of facilities and equipment	359 559	0.9%	379 441	0.8%	412 383	0.8%
Interest earned - external investments	847 535	2.0%	879 286	1.9%	911 609	1.8%
Interest earned - outstanding debtors	389 137	0.9%	409 790	0.9%	444 159	0.9%
Dividends received	–	0.0%	–	0.0%	–	0.0%
Fines, penalties and forfeits	1 063 333	2.5%	1 050 664	2.3%	1 077 403	2.2%
Licences and permits	76 875	0.2%	88 002	0.2%	92 411	0.2%
Agency services	242 236	0.6%	266 808	0.6%	286 557	0.6%
Transfers and subsidies	5 608 724	13.3%	5 573 928	12.1%	6 020 849	12.1%
Other revenue	3 190 491	7.6%	3 428 780	7.4%	3 555 840	7.1%
Gains	50 000	0.1%	52 490	0.1%	55 120	0.1%
Total Revenue (excluding capital transfers and contributions)	42 225 117	100.0%	46 238 363	100.0%	49 887 604	100.0%
Total Revenue from Rates & Service Charges	30 397 228	72.0%	34 109 173	73.8%	37 031 274	74.2%

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

Rates and Service Charges revenue makes up 72.0% of the City's total revenue mix for 2020/21. Services charges – electricity revenue makes up the largest revenue source in 2020/21, totaling R13 789 million (32.7% of revenue). Property rates is the second largest revenue source totaling R10 512 million (24.9% of revenue).

Transfers and subsidies (operating grants and transfers) total R5 609 million in 2020/21 (13.3% of revenue) and increases to R6 021 million by 2022/23. This revenue component reflects an increase over the MTREF as a result of increased allocations from Provincial- and National Government, albeit at a relatively low average year-on-year rate of only 5%.

Table 10 Operating Transfers and Grant Receipts (MBRR Table SA18)

Description	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand									
Operating Transfers and Grants: RECEIPTS									
National Government:	6 691 421	7 132 136	7 820 834	6 273 080	6 412 585	6 412 585	6 747 281	6 807 510	7 219 515
Local Government Equitable Share	2 012 945	2 292 908	2 574 650	2 815 558	2 815 558	2 815 558	3 081 195	3 377 636	3 678 073
Finance Management grant	1 050	1 050	1 000	1 000	1 000	1 000	1 000	1 000	1 000
Urban Settlements Development Grant	1 423 504	1 318 986	1 484 790	186 298	328 053	328 053	137 635	130 687	113 999
	15 000	10 000	10 000	600	640	640	950	600	–
Energy Efficiency and Demand Side Management Grant									
Dept. of Environ Affairs and Tourism	5 158	6 193	4 203	10 598	11 204	11 204	11 219	–	–
Expanded Public Works Programme	31 740	14 183	24 266	32 877	32 147	32 147	43 566	–	–
Integrated City Development Grant	44 805	61 263	64 362	6 854	11 460	11 460	14 904	12 424	7 000
Public Transport Infrastructure & Systems Grant	–	–	–	37 183	23 813	23 813	120 202	34 640	33 226
Infrastructure Skills Development	9 416	10 393	13 605	13 605	11 000	11 000	11 000	11 500	13 000
Public Transport Network Grant	950 063	999 525	1 078 522	554 849	554 849	554 849	608 396	385 194	475 506
Neighbourhood Development Partnership Grant	–	–	7 300	3 600	5 040	5 040	6 900	6 700	7 300
Informal Settlements Upgrading Partnership Grant	–	–	–	39 572	35 212	35 212	45 427	66 143	63 509
National Skills Fund	–	–	–	–	12 122	12 122	50 320	37 082	–
National Treasury General Budget Support	–	–	–	–	–	–	19 595	9 997	10 125
Fuel Levy	2 197 740	2 417 635	2 558 136	2 570 486	2 570 486	2 570 486	2 594 972	2 733 907	2 816 777
Provincial Government:	1 235 596	1 021 549	1 026 034	1 088 633	1 418 797	1 418 797	1 421 609	1 499 170	1 616 956
Cultural Affairs and Sport - Provincial Library Services	49 665	53 299	48 947	47 062	47 632	47 632	49 192	51 897	54 751
Cultural Affairs and Sport - Library Services: Transfer funding to enable City of Cape Town to procure periodicals and newspapers	–	4 500	4 770	5 150	5 343	5 343	5 338	5 720	5 847
Human Settlements - Human Settlement Development Grant	596 558	405 755	350 755	392 430	568 138	568 138	266 999	379 600	416 000
Human Settlements - Municipal Accreditation Assistance	10 000	5 000	5 000	–	–	–	–	–	–
Human Settlement - Settlement Assistance	1 500	1 500	1 500	1 500	2 067	2 067	–	–	–
Health - TB	27 147	26 793	29 233	65 227	30 666	30 666	81 085	93 051	106 267
Health - ARV	206 350	207 677	251 120	257 047	257 047	257 047	273 756	291 550	305 544
Health - Nutrition	4 143	5 429	4 790	6 248	6 248	6 248	6 548	6 776	7 028
Health - Vaccines	96 758	90 264	93 766	91 661	106 980	106 980	91 661	91 661	91 661
Comprehensive Health	188 649	160 593	182 857	173 489	192 731	192 731	173 489	173 489	173 489
LEAP	–	–	–	–	110 954	110 954	417 000	350 000	400 000
Transport and Public Works - Provision for persons with special needs	10 000	10 000	10 000	10 000	11 155	11 155	10 000	10 000	10 000
Economic Development and Tourism: Public Access Centres	–	–	–	–	–	–	12 689	10 480	10 983
Planning, Maintenance and Rehabilitation of Transport Systems and Infrastructure	18 000	–	–	–	–	–	–	–	–
Community Safety - Law Enforcement Auxiliary Services	25 618	30 734	3 938	4 159	4 714	4 714	4 388	4 629	4 852
Appointment, Training , Equipping and Operationalisation of School Resource Officers	–	–	–	–	165	165	–	–	–
Community Safety - Prov Docs Mon Centre Deployment	–	–	345	–	–	–	–	–	–
Community Development Workers	1 089	1 036	–	–	2 034	2 034	1 034	1 034	1 034
Finance Management Capacity Building Grant	120	240	360	380	500	500	400	–	–
Provincial Government: Financial Management Support Grant	–	230	230	230	230	230	–	–	–
Provincial Contribution towards addressing Natural Disasters	–	2 500	–	–	–	–	–	–	–
Transport Safety and Compliance - Rail Safety	–	16 000	3 666	17 000	23 517	23 517	18 000	19 000	20 000
Aerial support fire suppression	–	–	–	–	41	41	–	–	–
Establishment and Support K9 unit	–	–	3 000	2 300	4 935	4 935	2 530	2 783	2 000
Accreditation - Support - NHP	–	–	–	–	–	–	–	–	–
Human Settlements - Title deeds restoration	–	–	26 757	–	26 757	26 757	–	–	–
Municipal accreditation and capacity building grant	–	–	5 000	14 750	14 714	14 714	7 500	7 500	7 500
Human Settlements- Housing Consumer Education Manuals	–	–	–	–	8	8	–	–	–
Human Settlements- Eradication of registration backlog	–	–	–	–	2 221	2 221	–	–	–

Table continues on next page.

Description	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Other grant providers:	9 453	17 473	23 827	14 855	29 918	29 918	34 805	1 155	1 155
Tourism	–	–	–	1 291	1 416	1 416	–	–	–
CMTF	–	–	–	2 000	2 000	2 000	–	–	–
CID	4 410	4 844	5 309	5 141	5 892	5 892	3 586	–	–
Century City Property Owners Association	782	621	–	–	–	–	–	–	–
Chieta Learnership Programme	839	108	–	–	–	–	–	–	–
Dutch Government Orio Project	–	4 195	–	–	–	–	–	–	–
Mayoress Charity Fund	328	161	11	–	–	–	–	–	–
Traffic Free Flow (PTY) Ltd	987	–	–	580	580	580	–	–	–
Westcott Primary	38	47	–	43	39	39	–	–	–
Airports Company South Africa SOC Ltd	667	333	–	–	2 052	2 052	–	–	–
Rockefeller Philanthropy Advisor's Inc	–	1 420	710	–	–	–	–	–	–
V&A Waterfront Holdings (Pty) Ltd	332	880	–	891	795	795	–	–	–
The South African Breweries	–	4 040	–	–	217	217	–	–	–
Bayside	176	615	360	556	556	556	–	–	–
Disaster Management Fund	6	–	34	–	–	–	–	–	–
Big Bay	–	209	–	–	189	189	–	–	–
Long Street law Enforcement	–	–	–	1 583	1 583	1 583	–	–	–
University of Connecticut	–	–	–	–	73	73	–	–	–
Medicins Sans Frontieres	–	–	–	–	119	119	–	–	–
Sustainable Energy Africa	–	–	–	274	204	204	–	–	–
Prasa	–	–	16 000	–	12 275	12 275	–	–	–
Marine Circle Rent-A-Cop	–	–	124	569	–	–	–	–	–
Munich Project - SBLE & Cycling	–	–	731	–	–	–	–	–	–
Grand China	–	–	95	396	396	396	–	–	–
Bergvliet High Part-time Trfc Attendant	–	–	–	–	39	39	50	–	–
CCID - Traffic Wardnes	–	–	–	902	902	902	–	–	–
Green Point Law Enforcement	–	–	453	586	554	554	–	–	–
Part Time Trfc Attend: Rustenberg Girls	38	–	–	43	39	39	–	–	–
PopART - Stellenbosch University	850	–	–	–	–	–	–	–	–
Integrated Public Transport Network	–	–	–	–	–	–	15 400	–	–
PTI-Precincts	–	–	–	–	–	–	–	–	–
KFW- Technical Assistance (GDB)	–	–	–	–	–	–	15 000	–	–
Orio - IRT Phase 2	–	–	–	–	–	–	770	1 155	1 155
Total Operating Transfers and Grants	7 936 470	8 171 158	8 870 695	7 376 568	7 861 300	7 861 300	8 203 696	8 307 835	8 837 626

1.4.1 Property (Tax) Rates (refer Annexure 2)

Property rates are levied in accordance with Council policies, the Local Government Municipal Property Rates Act 2004 (MPRA), the MPRA Regulations, and the Local Government: Municipal Finance Management Act 56 of 2003.

In terms of the amendments to the Property Rates Act, the City is required to:

- Institute new rating categories;
- Align its rebates, reductions and exemptions to the amended legislation;
- Implement the amendments of the MPRA and the new categories simultaneously with a new General Valuation which came into effect on 1 July 2019.

The rate-in-the-rand for Property Rates for the 2020/21 financial year are set out in Annexure 2.

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

The proposed rates tariffs are shown in the Tariffs, fees and charges book attached as Annexure 6.

1.4.2 Sale of Water and Sanitation and Impact of Tariff Increases (refer Annexure 4)

The drought had a permanent impact on the overall consumption levels as well as consumption in the high usage steps used for cross subsidisation. To stabilise the tariff structure, changes were already approved during the 2018/19 budget cycle to ensure that the cost of delivering the service was recovered to protect the sustainability of the service.

During the 2019/20 budget cycle, the City also effected the change from the 7 levels of reduction tariffs to 5 new levels of tariffs in line with the new water strategy. These 5 levels of tariff have been maintained for the 2020/21 financial year. The volumetric sets applicable to each of the levels have however been refined for the latest trends in the demand curve. It is also important to emphasise that as from the 2020/21 financial year, these tariff levels will be de-linked from the promulgated restriction levels. The tariff level will be aligned to the appropriate consumption set to ensure recovery of the cost to deliver the service.

The proposed consumption-based, as well as miscellaneous tariffs, are shown in the Tariffs, fees and charges book attached as Annexure 6.

The ensuing tables show the proposed tariffs for water and sanitation over the 2020/21 MTREF.

Table 11 Proposed water tariffs – Non-indigent

Category	Proposed Tariff 2020/21 Level 0	Proposed Tariff 2020/21 Level 1	Proposed Tariff 2020/21 Level 2	Proposed Tariff 2020/21 Level 3	Proposed Tariff 2020/21 Emergency
	Rand per Kl (excl. VAT)				
DOMESTIC Full					
Fixed basic Charge (Assume meter size = 15mm)	58.52	58.52	58.52	58.52	58.52
Step 1 (0 < 6kl)	15.10	15.58	16.40	19.68	24.14
Step 2 (>6 < 10.5kl)	20.75	22.17	26.15	31.68	39.22
Step 3 (>10.5 < 35kl)	28.20	31.47	39.52	48.05	59.68
Step 4 (>35kl)	52.04	69.09	98.31	198.29	341.72
DOMESTIC Cluster					
Fixed basic Charge (Assume meter size = 40mm)	418.00	418.00	418.00	418.00	418.00
Step 1 (0 < 6kl)	15.10	15.58	16.40	19.68	24.14
Step 2 (>6 < 10.5kl)	20.75	22.17	26.15	31.68	39.22
Step 3 (>10.5 < 35kl)	28.20	31.47	39.52	48.05	59.68
Step 4 (>35kl)	52.04	69.09	98.31	198.29	341.72
COMMERCIAL (assumed meter size = 50mm)	653.13	653.13	653.13	653.13	653.13
COMMERCIAL	27.04	28.54	33.46	37.48	42.72
INDUSTRIAL (assumed meter size = 100mm)	2 612.50	2 612.50	2 612.50	2 612.50	2 612.50
INDUSTRIAL	27.04	28.54	33.46	37.48	42.72

Table 12 Proposed sanitation tariffs - Non Indigent

Category	Proposed Tariff 2020/21 Level 0	Proposed Tariff 2020/21 Level 1	Proposed Tariff 2020/21 Level 2	Proposed Tariff 2020/21 Level 3	Proposed Tariff 2020/21 Emergency
	Rand per Kl (excl. VAT)				
DOMESTIC Full - Standard					
Step 1 (0 < 4.2 kl)	13.27	13.69	14.42	16.74	19.28
Step 2 (>4.2 < 7.35 kl)	18.24	19.48	22.97	28.22	34.45
Step 3 (>7.35 < 24.5kl)	25.61	29.15	37.06	43.82	51.42
Step 4 (>24.5 < 35kl)	40.28	52.45	77.56	98.10	123.12
DOMESTIC Cluster					
Step 1 (0 < 4.2kl)	13.27	13.69	14.42	16.74	19.28
Step 2 (>4.2 < 7.35 kl)	18.24	19.48	22.97	28.22	34.45
Step 3 (>7.35 < 24.5kl)	25.61	29.15	37.06	43.82	51.42
Step 4 (>24.5 < 35kl)	40.28	52.45	77.56	98.10	123.12
COMMERCIAL	24.30	25.64	28.15	31.40	34.51
INDUSTRIAL	24.30	25.64	28.15	31.40	34.51

The following two tables show the proposed water- and sanitation tariffs for a single dwelling house.

Table 13 Proposed water tariff (domestic consumption) –non-indigent

Monthly Consumption kl	Proposed amount payable 2020/21 (No Restriction) R (excl VAT)	Proposed amount payable 2020/21 (Level 1) R (excl VAT)	Proposed amount payable 2020/21 (Level 2) R (excl VAT)	Proposed amount payable 2020/21 (Level 3) R (excl VAT)	Proposed amount payable 2020/21 (Emergency) R (excl VAT)
Fixed basic charge *	58.52	58.52	58.52	58.52	58.52
6	149.58	152.54	157.72	177.59	204.60
10.5	244.03	253.64	277.32	322.50	384.03
20	511.93	552.61	652.76	778.98	950.99
35	946.36	1 042.70	1 273.75	1 571.76	1 981.42
50	1 726.96	2 079.05	2 748.40	4 546.11	7 107.22
80	3 288.16	4 151.75	5 697.70	10 494.81	17 358.82

* Assume meter size=15mm

Table 14 Proposed sanitation tariff (domestic consumption) – non-indigent

Monthly Consumption kl	Proposed amount payable 2020/21 (No Restriction) R (excl VAT)	Proposed amount payable 2020/21 (Level 1) R (excl VAT)	Proposed amount payable 2020/21 (Level 2) R (excl VAT)	Proposed amount payable 2020/21 (Level 3) R (excl VAT)	Proposed amount payable 2020/21 (Emergency) R (excl VAT)
4.2	56.02	57.83	61.06	70.97	81.85
7.35	114.22	120.17	134.83	161.43	192.07
14	284.52	314.01	381.28	452.84	534.02
24.5	558.35	627.91	784.00	931.16	1 097.99
35	961.98	1 153.49	1 561.20	1 914.18	2 331.72

1.4.3 Solid Waste Management 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 adhoc services.

An average increase has been applied on the Consumptive Tariffs: 3.5% for Collections and 5% for Disposal. An average increase of 5.10% has been applied on the Miscellaneous Tariffs for Cleaning.

The proposed tariffs are shown in the Tariffs, fees and charges book attached as Annexure 6.

Table 15 Comparison between current waste removal fees and increases

SERVICES RENDERED	UNIT	REMARKS To be read in conjunction with Definitions (refer annexures)	VAT Yes/No	Current 2019/20 R excl. VAT	Proposed 2020/21 R excl. VAT	Increase R excl. VAT	Percentage change
Black lid 240L container service (R/blacklid) - Residential properties							
Basic container service: Residential collection based on a once-per week 240L 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).	y	132.61	137.22	4.61	3.48%
Additional once-per-week 240L 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).	y	132.61	137.22	4.61	3.48%
Three times per week for cluster	per month	Account to property owner. Basic container service (weekly service is 3x 240L Black lid container per week).	y	397.65	411.57	13.91	3.50%
Black lid 240L container service (R/blacklid) - Non-Residential properties							
240L container (1 per week)	Per month	Account to property owner. Container service delivered to non-residential areas (Weekly service is 1x 240L Black lid container per week).	y	158.35	163.91	5.57	3.51%
240L container (3 per week)	Per month	Account to property owner. Container service thrice per week.	y	474.87	491.48	16.61	3.50%
240L container (5 per week)	Per month	Account to property owner. Container service five times per week.	y	791.65	819.39	27.74	3.50%
Refuse Availability - Vacant land							
Availability charge on vacant land	Per month	All vacant erven subjected to Availability Charge	y	78.52	81.30	2.78	3.54%
Disposal Services							
General Waste	Per metric ton or part thereof	Applicable to all disposal sites, transfer stations and compost plants	y	507.74	533.13	25.39	5.00%
Special/Hazardous waste	Per metric ton or part thereof	As determined by the site weighbridge. Applicable for disposal at Vissershok landfill only. Subject to prior permitting.	y	672.96	706.61	33.65	5.00%
Builders Rubble	Per metric ton or part thereof	Applicable to all Landfill Sites	y	21.04	22.09	1.04	4.96%

1.4.4 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.

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.

The Consumptive Tariff Schedule includes a note indicating that the tariffs are applied in accordance with the terms and conditions as contained in the Electricity Tariff Policy.

On 9 March 2020, NERSA approved a tariff increase to direct Eskom customers of 7.86%. This then equates to a 6.9% increase to Municipalities. On 14 May 2020, NERSA issued a guideline increase for the 2020/21 financial year of 6.22%.

The aforementioned as well as amendments to the Support Services Recharges and other internal City-determined costs result in the Electricity Generation and Distribution Department requiring a revenue decline from Sale of Electricity of 1.1% in order to meet the budgeted operating expenditure and, when coupled to the expected negative sales growth of -1.5%, results in a tariff increase requirement of an average of 4.83%.

Subsequent to this, as a result of COVID-19 lockdown and the resulting economic impacts, it is predicted that sales growth of -6.5% is more likely (an additional 5% in lost sales is anticipated), however, given the uncertainty of this, the tariffs were not amended to reflect this at this time although further budget amendments were made in order to balance the budget.

These increases are in line with the guidelines established in the Medium Term Revenue and Expenditure Framework.

The proposed tariffs are shown in the Tariffs, fees and charges book (Annexure 6).

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

Category	Unit	Steps	VAT yes/no	Current 2019/20 c/kWh (excl VAT)	Proposed 2020/21 c/kWh (excl VAT)	Difference (Increase)	Percentage change
Lifeline INCLUDING the FBE portion	Energy Charge (c/kWh)	0-350kWh	y	120.09	125.89	5.80	4.83%
		350.1+ kWh	y	242.14	253.83	11.69	4.83%
Domestic	Energy Charge (c/kWh)	0-600kWh	y	199.13	208.75	9.62	4.83%
		600.1+ kWh	y	242.14	253.83	11.69	4.83%
Home User	Service Charge	Per Month	y	142.02	148.88	6.86	4.83%
	Energy Charge (c/kWh)	0-600kWh	y	175.46	183.93	8.47	4.83%
		600.1+ kWh	y	242.14	253.83	11.69	4.83%

1.4.5 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 17 - Impact of tariff increases on households (MBRR Table SA14)

Description	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework			
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21 % incr.	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Rand/cent										
Monthly Account for Household - 'Middle Income Range'										
Rates and services charges:										
Property rates	266.54	279.88	298.08	185.00	185.00	185.00	4.0%	192.33	203.87	218.14
Electricity: Basic levy	-	-	-	-	-	-	-	-	-	-
Electricity: Consumption	1 787.26	1 837.32	1 986.90	2 163.34	2 163.34	2 163.34	(7.2%)	2 007.62	2 128.08	2 277.04
Water: Basic levy	-	-	-	56.00	56.00	56.00	4.5%	58.52	62.03	66.37
Water: Consumption	608.33	4 278.50	11 315.59	1 170.05	1 170.05	1 170.05	(25.9%)	867.33	919.37	983.73
Sanitation	415.60	1 524.25	1 598.01	650.53	650.53	650.53	(20.4%)	518.07	549.15	587.59
Refuse removal	112.19	119.47	126.32	132.61	132.61	132.61	(1.4%)	130.70	138.54	148.24
Other	-	-	-	-	-	-	-	-	-	-
sub-total	3 189.92	8 039.42	15 324.90	4 357.53	4 357.53	4 357.53	(13.4%)	3 774.57	4 001.04	4 281.12
VAT on Services	227.14	709.56	1 340.68	625.88	625.88	625.88	-	537.34	569.58	609.45
Total large household bill:	3 417.06	8 748.98	16 665.58	4 983.41	4 983.41	4 983.41	(13.5%)	4 311.91	4 570.62	4 890.56
% increase/-decrease		156.0%	90.5%	(70.1%)				(13.5%)	6.0%	7.0%
Monthly Account for Household - 'Affordable Range'										
Rates and services charges:										
Property rates	159.93	167.93	178.85	92.50	92.50	92.50	-	96.17	101.94	109.08
Electricity: Basic levy	-	-	-	-	-	-	-	-	-	-
Electricity: Consumption	822.55	845.60	914.45	995.65	995.65	995.65	(8.2%)	913.65	968.47	1 036.26
Water: Basic levy	-	-	-	-	56.00	56.00	-	58.52	62.03	66.37
Water: Consumption	426.61	2 778.50	6 315.59	839.45	839.45	839.45	(15.4%)	709.96	752.56	805.24
Sanitation	261.08	1 156.75	1 219.76	474.87	474.87	474.87	(12.4%)	416.04	441.00	471.87
Refuse removal	112.19	119.47	126.32	99.39	99.39	99.39	31.5%	130.70	138.54	148.24
Other	-	-	-	-	-	-	-	-	-	-
sub-total	1 782.36	5 068.25	8 754.97	2 501.86	2 557.86	2 557.86	(7.1%)	2 325.04	2 464.54	2 637.06
VAT on Services	227.14	709.56	1 340.68	361.40	369.80	369.80	-	334.33	354.39	379.20
Total small household bill:	2 009.50	5 777.81	10 095.65	2 863.26	2 927.66	2 927.66	(7.1%)	2 659.37	2 818.93	3 016.26
% increase/-decrease		187.5%	74.7%	(71.6%)	2.2%			(9.2%)	6.0%	7.0%
Monthly Account for Household - 'Indigent' Household receiving free basic services										
Rates and services charges:										
Property rates	53.31	55.98	59.62	-	-	-	-	-	-	-
Electricity: Basic levy	-	-	-	-	-	-	-	-	-	-
Electricity: Consumption	291.27	306.00	386.05	420.32	420.32	420.32	(0.4%)	418.57	443.68	474.74
Water: Basic levy	-	-	-	-	-	-	-	-	-	-
Water: Consumption	246.96	1 014.50	1 154.59	289.15	289.15	289.15	5.0%	303.49	321.70	344.22
Sanitation	198.88	613.29	718.66	185.47	185.47	185.47	6.1%	196.76	208.57	223.17
Refuse removal	56.14	59.74	63.16	66.35	66.26	66.26	-	-	-	-
sub-total	846.56	2 049.51	2 382.08	961.29	961.20	961.20	(4.4%)	918.82	973.95	1 042.13
VAT on Services	111.06	286.93	357.31	144.19	144.18	144.18	-	137.82	146.09	156.32
Total small household bill:	957.62	2 336.44	2 739.39	1 105.48	1 105.38	1 105.38	(4.4%)	1 056.64	1 120.04	1 198.44
% increase/-decrease		144.0%	17.2%	(59.6%)	(0.0%)			(4.4%)	6.0%	7.0%

1.5 Operating Expenditure Framework

The City's expenditure for the 2020/21 budget and MTREF is informed by the Long Term Financial Plan (LTFP) theme of getting to a realistic, deliverable MTREF and addressing the Cape Town opprobrium (public outcry). This strategy is discussed in detail in the *Overview of budget assumptions applied to the 2020/21 MTREF* section on page 84.

A differentiated budgeting approach, principles of cost containment, elimination of wasteful expenditure and reprioritisation of spending were some of the technical imperatives when preparing the MTREF, more so when reviewing the tabled budget in light of the impact of the COVID-19 pandemic.

The following table is a high level summary of the 2020/21 MTREF operating expenditure (classified by main type):

Table 18 Summary of operating expenditure by main type

Description	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Expenditure By Type									
Employee related costs	9 686 496	10 894 615	12 365 555	13 817 805	13 957 734	13 957 734	15 203 365	16 596 339	17 968 950
Remuneration of councillors	138 374	154 923	161 297	179 818	179 818	179 818	189 675	201 018	213 099
Debt impairment	1 581 367	1 360 558	1 582 947	2 341 628	2 487 569	2 487 569	3 640 353	2 251 087	2 360 388
Depreciation & asset impairment	2 308 949	2 578 561	2 832 012	3 015 086	3 040 783	3 040 783	3 300 067	3 379 989	3 558 839
Finance charges	839 192	859 203	833 211	790 756	800 816	800 816	828 460	1 239 002	1 445 614
Bulk purchases	8 413 200	8 122 430	8 632 303	10 092 601	9 743 389	9 743 389	9 990 881	11 092 084	12 044 044
Other materials	1 168 228	1 190 157	1 304 830	1 611 763	1 462 612	1 462 612	1 599 125	1 669 941	1 772 265
Contracted services	5 227 988	5 432 869	5 996 310	7 156 498	6 907 626	6 907 626	7 215 975	7 285 392	7 681 470
Transfers and subsidies	349 609	418 599	391 968	446 206	592 157	592 157	498 081	435 905	383 811
Other expenditure	1 790 430	1 876 499	1 954 501	2 326 698	2 264 543	2 264 543	2 362 108	2 577 204	2 794 675
Losses	15 640	12 861	24 097	756	1 712	1 712	2 002	2 082	2 166
Total Expenditure	31 519 472	32 901 274	36 079 031	41 779 617	41 438 759	41 438 759	44 830 094	46 730 044	50 225 320

- Employee related costs amounts to R15 203 million in 2020/21, which equates to 33.9% of the total operating expenditure. The 2020/21 cost of living increase, as per the SALGBC wage agreement (CPI +1.25%), was used when calculating the 2020/21 staff budget (5% + 1.25%). This provision includes additional enhancement allocations to various directorates during the SMF process, the appointment of 1000 law enforcement officers for LEAP and to address capacity gaps relating to CAR and BIP. A reduction of R250 million on vacancies was effected post the March tabled budget to absorb additional requirements relating to the COVID-19 pandemic and its impact on revenue sources.
- 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 was taken into account when compiling the City's 2020/21 budget.
- Provision for debt impairment equates to R3 640 million in 2020/21 and reduces to R2 360 million in 2022/23. It is based on lower projected collection rates as well as the City's Credit Control and Debt Collection policy.

- Budgeted appropriations for Depreciation & Asset Impairment totals R3 300 million for 2020/21 and is linked to the capitalisation rate of assets. The calculation of depreciation on new capital expenditure is based on variables such as asset class and lifespan of the asset depending on its nature. Depreciation of existing assets is calculated based on simulated SAP (financial system) data that reflects actual values per annum. Assets Under Construction (AUC) are calculated based on asset class lifespan and projected capitalisation dates.
- Finance Charges consist primarily of the repayment of interest (cost of capital) on long-term borrowing. It equates to 1.8% (R828 million) of the 2020/21 operating expenditure (excluding redemption costs), increasing to R1 446 million in 2022/23. The increase over the 2020/21 MTREF is informed by existing- and new loans that will be taken up to fund the City’s capital programme and the projected interest loan service charges over this period.
- Budgetary provision for Bulk Purchases is influenced by the purchase of electricity and water from suppliers (Eskom and the National Department of Water & Sanitation), which is informed by consumer behaviour. In this regard, annual price increases have been factored into the budget appropriations, which in turn impacts on the tariff requirements for these tariff-based services. The budget provision was amended post the March tabled budget to take into account the impact of the COVID-19 pandemic on sales.
- Other Materials caters for sundry items such as the purchase of fuel, materials for maintenance, cleaning materials and chemicals. This expenditure component is projected at R1 599 million in 2020/21 increasing to R1 772 million by 2022/23.
- The Contracted Services expenditure component includes provisions for repairs and maintenance and additional allocations for service delivery enhancements. Expenditure levels are projected at **R7 216** million in 2020/21 escalating to **R7 681** million in 2022/23.

Figure 1 below gives a breakdown of the main expenditure categories for 2020/21.

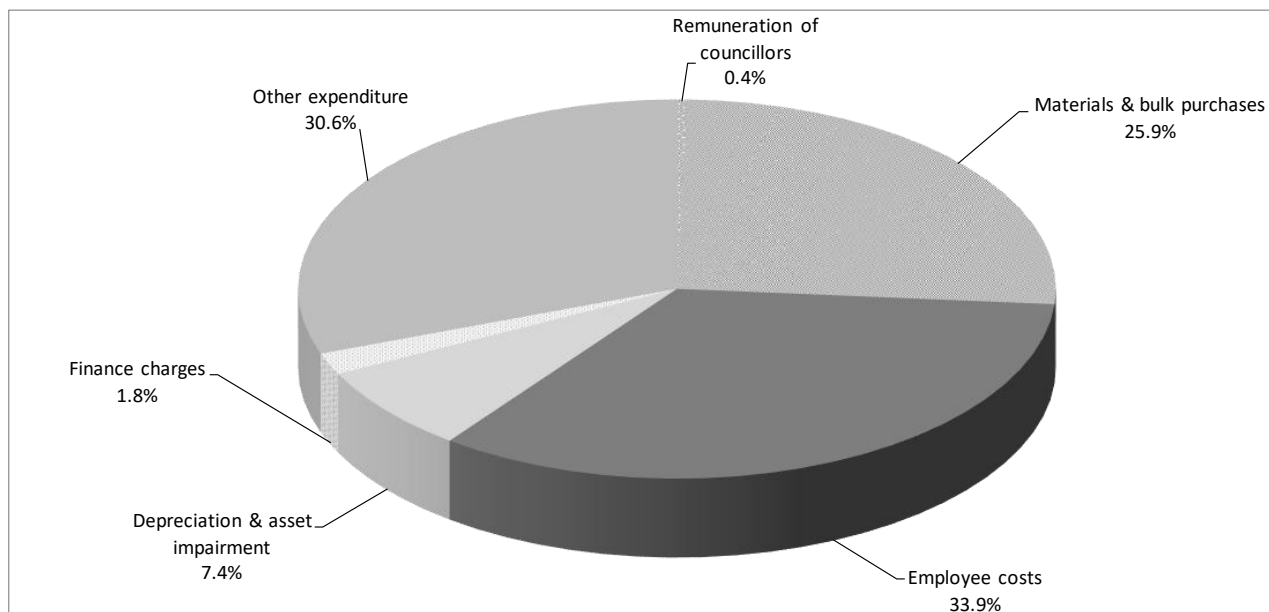


Figure 1 Main operational expenditure categories for the 2020/21 financial year

1.5.1 Priority given to Repairs & Maintenance

The City acknowledges its obligation to optimally preserve its extensive asset base and recognises current inherent backlogs in this regard. Repairs and maintenance growth is based on the previous year's actual expenditure, service delivery needs and efficiencies identified.

Above inflationary increases were applied to the following directorates: Economic Opportunities & Asset Management; Water & Waste; and Transport.

Inflation growth was applied to the following directorates: Urban Management; Corporate Services; Energy & Climate Change; Community Services & Health; and Safety & Security.

No growth was applied to Support Services i.e. Finance and Office of the City Manager.

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

Table 19 Operational repairs and maintenance

Description	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand									
Repairs & Maintenance by Expenditure Item									
Employee related costs	1 271 125	1 229 788	1 119 643	1 135 210	1 115 135	1 115 135	1 690 469	1 842 417	1 932 626
Other materials	276 260	329 644	343 692	376 267	359 634	359 634	402 391	420 975	440 919
Contracted Services	2 010 873	2 075 310	2 160 455	2 471 803	2 290 102	2 290 102	2 334 040	2 665 623	2 791 818
Other Expenditure	203 039	175 323	156 604	146 396	143 178	143 178	148 498	163 422	171 580
Total Repairs and Maintenance Expenditure	3 761 297	3 810 065	3 780 395	4 129 677	3 908 049	3 908 049	4 575 398	5 092 436	5 336 943

The repairs and maintenance allocation for 2020/21 is R4 575 million. The nominal allocations reflect the differentiated approach to repairs and maintenance of different line functions, as outlined above.

In addition, these allocations provide for the full cost absorption method applied to calculate labour unit price, and the increases in activity prices based on the total cost of employment (TCOE) of direct labour workers.

1.5.2 Free Basic Services: Basic Social Services Package

The City provides free basic services (electricity, refuse removal, water, sanitation and rates) to residential properties via three methods, namely:

- Blanket approach: Based on the municipal value of the property; or
- Targeted approach: On application by those with limited income whose property values exceed set valuation levels; or
- Based on consumer behaviour i.e. usage.

a) Blanket Approach: Municipal value of the property

The utilisation of the blanket approach prevents the need to deal with the almost 200 000 applications that would qualify if all had to apply on a periodic basis.

The challenge with this approach is that it applies to households irrespective of their ability to pay. However, the cost of providing the service using this method outweighs the benefit of not providing the free services. The benefit of the blanket approach is that it provides certainty and reduces the risks of fraud.

Varying percentage rebates for refuse removal based on property values for properties between R1 and R500 000 are applied as follows:

<i>Property Value</i>	<i>Rebate %</i>
<i>R1 to R300 000</i>	<i>100%</i>
<i>R300 001 – R350 000</i>	<i>50%</i>
<i>R350 001 – R500 000</i>	<i>25%</i>

This is an improvement to the 2019/20 financial year where the following current rebates apply:

- R100 000 and below = 100% rebate
- R100 001 – R150 000 = 75% rebate
- R150 001 – R300 000 = 50% rebate

b) Targeted Approach: Household income based

This method allows any resident who is required to pay for municipal services and whose gross monthly household income is R4 500 or below to register as indigent in order to receive the same benefits as if their property values were below R100 000. The current number of indigent registered was 5 828 at the end of April 2020. This number varies on a monthly basis as registration is valid for 12 months where after re-application is required.

In addition, the City also offers varying rebates for residents of household income of up to R7 000 (previously R6 000). This limit was lifted to further assist households currently showing strain in their ability to pay municipal accounts as a result of the COVID-19 lockdown. Property rates- and refuse rebates are granted to residents based on their gross monthly household income as follows:

<i>Income bracket</i>	<i>Rebate %</i>
<i>R4 501 – R5 500</i>	<i>75%</i>
<i>R5 501 – R6 500</i>	<i>50%</i>
<i>R6 501 – R7 000</i>	<i>25%</i>

The current number of beneficiaries in the above categories is fifty-nine. However, this number is expected to increase as a result of the COVID-19 pandemic as well as the increased household limit from R6 000 to R7 000.

Senior citizen and disabled persons’ rates rebates are granted to qualifying applicants where the gross monthly household income is below R17 500. For household income up to R4 500, the rates rebate is 100%, reducing gradually to 10% for income between R16 501 and R17 500.

c) Electricity – Based on consumer behaviour

Electricity lifeline tariff customers consuming less than 250kWh per month will receive a free basic supply of 60kWh, while those consuming between 250kWh and 450kWh per month will receive a free basic supply of 25kWh per month.

Assistance to the households mentioned based on modelling the impact of the tariffs and policies on all residential properties and are regulated by Council's budget-related policies, which are reviewed annually. 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, water and sanitation, property rates and free electricity are partially financed by National Government through the local government Equitable Share received in terms of the annual DoRA. The City, however, supplements this expenditure from property rates and tariffs revenue.

Further detail relating to the number of households receiving free basic services, the cost of free basic services, highest level of free basic services as well as the revenue cost associated with the free basic services is contained in Table 31 on page 61.

1.6 Capital Expenditure

Table 20 Capital budget per vote over the 2020/21 MTREF

Vote Description R thousand	Current Year 2019/20		2020/21 Medium Term Revenue & Expenditure Framework					
	Adjusted Budget	%	Budget Year 2020/21	%	Budget Year +1 2021/22	%	Budget Year +2 2022/23	%
Vote 1 - Community service & Health	331 634	4.9%	453 758	4.7%	314 863	3.3%	250 706	2.4%
Vote 2 - Corporate Services	172 410	2.6%	242 020	2.5%	446 781	4.7%	296 694	2.8%
Vote 3 - Economic Opportunities & Asset Management	399 051	5.9%	580 321	6.0%	159 660	1.7%	611 040	5.7%
Vote 4 - Energy & Climate Change	697 873	10.4%	1 049 131	10.9%	1 043 350	10.9%	1 156 061	10.9%
Vote 5 - Finance	92 524	1.4%	268 787	2.8%	96 371	1.0%	25 191	0.2%
Vote 6 - Human Settlements	899 243	13.4%	894 903	9.3%	1 010 098	10.5%	1 065 805	10.0%
Vote 7 - Office of the City Manager	1 418	0.0%	2 130	0.0%	960	0.0%	960	0.0%
Vote 8 - Safety & Security	437 414	6.5%	438 954	4.6%	95 332	1.0%	172 660	1.6%
Vote 9 - Spatial Planning & Environment	58 186	0.9%	157 205	1.6%	209 463	2.2%	330 155	3.1%
Vote 10 - Transport	1 245 863	18.6%	1 793 342	18.7%	2 262 536	23.6%	2 320 196	21.8%
Vote 11 - Urban Management	83 761	1.2%	81 503	0.8%	128 830	1.3%	141 230	1.3%
Vote 12 - Water & Waste	2 289 261	34.1%	3 643 819	37.9%	3 837 590	40.0%	4 270 403	40.1%
Total Capital Expenditure - Vote	6 708 639	100%	9 605 874	100%	9 605 834	100%	10 641 101	100%

The capital budget increases from R6 709 million in 2019/20 (May 2020 adjustments budget) to R9 606 million in 2020/21. This is an overall increase of 43.2% when measured against the latest 2019/20 budgetary provision.

The above table clearly indicates that expenditure emphasis is still on those votes (directorates) responsible for infrastructure development e.g. Water & Waste, Transport, Human Settlements and Energy & Climate Change. The 2020/21 allocation to these votes represents just over R7 381 million or 76.8% of the total budgetary allocation for 2020/21. These budgetary allocations are as follows:

- Water & Waste - R3 644 million (37.9% of the budget);
- Transport - R1 793 million (18.7% of the budget);
- Energy & Climate Change - R1 049 million (10.9% of the budget); and
- Human Settlements - R895 million (9.3% of the budget).

The majority of allocations are made to infrastructure development in the outer years i.e. R8 154 million (84.88%) in 2021/22 and R8 812 million (82.82%) in 2022/23.

National Treasury, in its MFMA circulars, stipulates that a minimum of 40% of a municipality's capital budget should be for renewal of existing assets as opposed to new infrastructure. In the 2020/21 capital budget, the renewal of existing assets equates to R2 377 million (24.7%), upgrading of existing assets represents R2 555 million (26.6%) and new assets represents R4 674 million (48.7%). It is important to note that existing assets can be renewed or upgraded, while new assets will result in an increase in the asset base of the City.

Additional details regarding asset classes and proposed capital expenditure is contained in Table 30 on page 57. MBRR Table A9, Table SA34a, Table SA34b and Table SA34e provides the detailed breakdown of the capital budget with regards to new asset construction, capital asset renewal and upgrading.

A detailed breakdown of the capital budget per project/programme over the medium term is available in Annexure 23.

Details of all capital programmes included in Annexure 1 (Multi-year capital appropriations by vote) are reflected in Annexure 24.

Major projects/programmes to be implemented over the medium term

- Athlone Refuse Transfer Station: Development of a Mechanical Biological Treatment Facility - R375.8 million
- Athlone Waste Water Treatment Works - Capacity Extension Phase - R535.5 million
- Atlantis Aquifer - R312.3 million
- Atlantis Kanonkop Housing Project - R63.1 million
- Basement Parking & Access - R21.6 million
- Beacon Valley Housing Project - Mitchells Plain - R86.6 million
- Bellville Integrated Recreation Facility - R34 million
- Bellville Waste Water Treatment Works Extension - R217.4 million
- Beverley Hills Erf 5822 Housing Project - R43.6 million
- Broadband Infrastructure Programme - R244.2 million
- Bulk Reticulation Sewers in Milneron Rehabilitation - R90.4 million
- Cape Flats Aquifer - R338 million
- Cape Flats Aquifer Recharge -R523.9 million
- Cape Flats Waste Water Treatment Works: Refurbishment - R573.7 million
- Coastal Park Landfill: Provision of additional waste disposal capacity – R76.9 million
- Coastal Park Transfer Station: Develop Modern Materials Recovery Facility – R195.4 million
- Coastal Structures: Rehabilitation - R37.7 million
- Community Services & Health: Facility Upgrades - R32.4 million
- Congestion Relief - Erica Drive - R72.8 million
- Construction of Law Enforcement Base - R37.5 million
- Contermanskloof Reservoir - R175.9 million
- Contract Management System Integration - R55 million
- Dualling of Jip De Jager Drive from Kommissaris Street to Van Riebeeckshof Road - R75 million
- Dualling of Main Road 27 to Altena Road - R54 million
- EAM Depot Realignment: 5 Nodal System - R122 million
- Electricity Substations: Fencing - R64.4 million
- E-Tendering System - R82.7 million
- Farm 920 and Bloubos Road Housing Project - R38.3 million
- Grassy Park Non-Motorised Transport - R47 million
- Green Point Athletics Stadium - R7 million
- Green Point Park – R8.8 million
- Ground Mounted solar photovoltaic panels - R100 million
- Gugulethu - Airport Precinct Land Rehabilitation- R193.7 million
- Helderberg: Design and develop public drop off facility at Vaalfontein site - R68.1 million
- Highlands Drive Infill Housing project - R45.8 million
- Hostels Transformation Programme – R69.9 million
- Imizamo Yethu Housing Project (Phase 3) - R46.3 million
- Informal Settlement Upgrade - Airport Precinct, Gugulethu - R137.2 million
- Informal Settlement Upgrade - Enkanini - R152.3 million
- Informal Settlement Upgrade - Imizamo Yethu - R38.6 million
- Informal Settlement Upgrade – Kosovo - R169.4 million

- Infrastructure and Safety Measures - R85 million
- IT Modernisation - R36.5 million
- Langa Fire Station - R19.7 million
- Law Enforcement Advancement Plan - R86.7 million
- Library Books, Materials, Periodicals & Subscriptions - R32.8 million
- Library Upgrades and Extensions - R45.7 million
- Local Area Priority Initiatives - R77.5 million
- Local Environment and Heritage Projects - R32.1 million
- Macassar BNG Housing Project - R136.8 million
- Macassar Waste Water Treatment Works Extension - R210 million
- Mahama Housing Project - R50 million
- Maroela Housing Project: North - R78.9 million
- Metro Police Services Training College - R72.7 million
- Monwabisi Beach Precinct Upgrade - R29.5 million
- New Fisantekraal Clinic - R27.9 million
- New Health Clinics – R31 million
- New Libraries - R39.1 million
- New Prince George Drop-off - R83.7 million
- New Transfer Station at Coastal Park Landfill Site - R162.5 million
- New Water Plan: Zandvliet Plant Re-use - R53 million
- New Zakhele Clinic - R25.8 million
- Noordhoek Low Voltage Depot Construction - R26 million
- Paardevlei Switching Station - R149.7 million
- Philippi Collector Sewer - R156.4 million
- Potsdam Waste Water Treatment Works – Extension - R1 109 million
- Project EPIC: Integrated Contact Centre - R58.3 million
- Public Transport System Projects - R301.4 million
- Regional Recreation Hubs - R55 million
- Rehabilitation of Jakes Gerwel Drive - N2 & N1 - R73.2 million
- Resource efficiency - R86.5 million
- Retreat Public Transport Interchange - R62.3 million
- Road Rehabilitation: Bishop Lavis - R44 million
- Road Upgrade: Amandel Road, between Bottelary River and Church Street - R67.7 million
- Sea Point Promenade Upgrade Phase - R242.5 million
- Sir Lowry's Pass River Upgrade - R296.3 million
- Sir Lowry's Pass Village Housing Project - R54.6 million
- Somerset West Public Transport Interchange - R65 million
- Steenbras Generation facilities & plant refurbishment - R455.9 million
- Strand Sea Wall Upgrade Phase 3 - R28 million
- Symphony Housing Project - R160.9 million
- Table Mountain Group Aquifer - R433.4 million
- Table View Beachfront Upgrade - R50.8 million
- Upgrade Maitland Crematorium – R67.1 million
- Upgrade of Athlone Stadium - R36.8 million
- Upgrade of City Hall - R21.3 million

- Upgrade of Good Hope Centre - R207.63 million
- Upgrade of Grand Parade - R10.4 million
- Upgrade Rietvlei Sewer Pump Station - R125.5 million
- Upgrades to Clinics - R26.1 million
- Vissershok North Landfill: Provision of additional waste disposal capacity - R82.8 million
- Vissershok South Landfill: Installation of landfill gas extraction and flaring infrastructure - R54 million
- Water Supply at Baden Powell Drive to Khayelitsha - R56.6 million
- Wesfleur Waste Water Treatment Works - Capacity Extension - R63.6 million
- Woodstock Depot Upgrade - R72.9 million
- Zandvliet Waste Water Treatment Works – Extension - R1 010.8 million

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

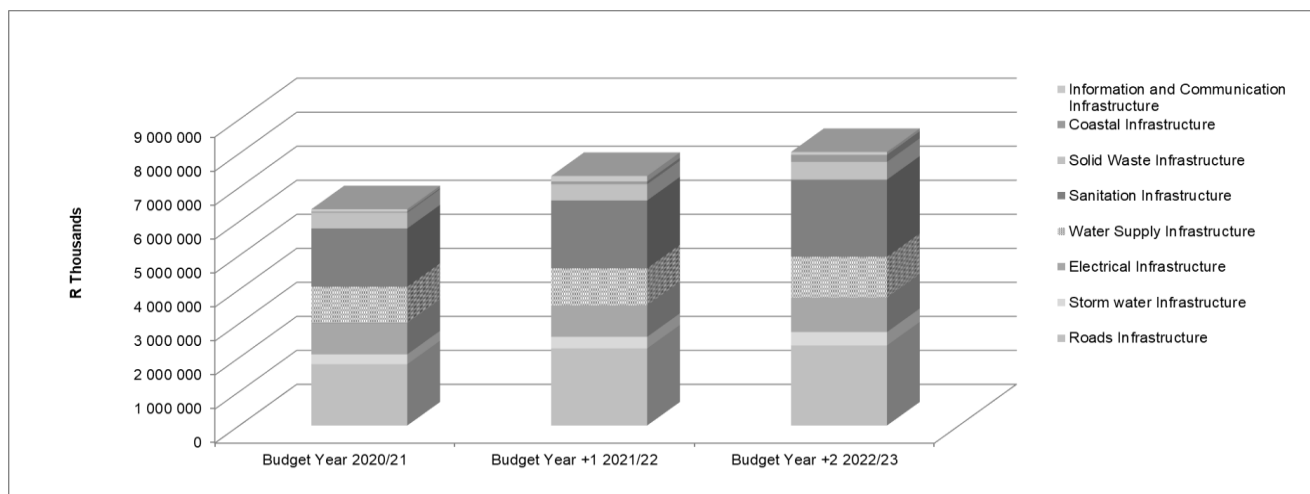


Figure 2 Capital Infrastructure Programme

1.6.1 Total Project Cost and projected cost covering all financial years until the project is operational

Section 19(1)(b) of the MFMA states that before a municipality may spend money on a capital project, the project, including the total cost, has to be approved by Council.

Furthermore, Section 19(3) of the MFMA states that the municipal council may in terms of subsection 19(1)(b) approve capital projects below the value of R50 million (amount as prescribed in MBRR regulation 13(2)(c)), either individually or as part of a consolidated capital programme.

The total project cost of projects was reviewed by implementing directorates and amended, where required, while the estimated total project cost on any new project/programme proposed for inclusion in the budget, are included in Annexures 1 and/or 22.

Moreover, Section 19(2)(a) states that “before approving a capital project in terms of subsection (1)(b), the council of a municipality must consider the projected cost covering all financial years until the project is operational.” This information is also provided in Annexure 22 for those projects being approved individually with a total project cost in excess of R50 million. Outer years’ estimates are reviewed annually during the budget process and amended/updated in line with latest project implementation plans.

1.6.2 Future operational cost of new infrastructure

MFMA Section 19 requires a municipal Council to consider future operational costs and revenues on capital budget projects, including the municipal tax and tariff implications, before approving projects individually or as part of a consolidated programme.

To give effect to this requirement, the future operational cost and revenue of projects/programmes are reflected in Annexures 1 and/or 22 to the budget report.

The estimated future operating impact indicated in these annexures, represents the sum of the operating expenditure of the 3-year MTREF. This includes estimated operating expenditure in respect of salaries, contracted services (including repairs and maintenance), other general expenditure, depreciation and interest cost to be incurred in the running of the asset once operational as well as future operating revenue. The operating impacts excluding depreciation and interest charges were provided by the respective directorates while depreciation and interest charges were calculated by the Finance directorate.

Directorates have confirmed that the future operating impacts (excluding interest charges and depreciation) will be absorbed in their operating budgets over the MTREF through efficiency gains and the prioritisation of existing operational resources, which were considered during the calculation of the revenue increases for the 2020/21 MTREF.

Operating impacts are reviewed annually and amended, where necessary, during the budget process, while taking into consideration the impacts on Rates and Tariffs to ensure future sustainability of the City overall.

The project level detail for those projects with a total project cost in excess of R50 million is available for viewing as part of Annexure 22 at www.capetown.gov.za/budget.

Table SA35, on page 229, represents the future operational costs resulting from the capital investment program at directorate level. The table shows that the costs estimated over the MTREF are expected to grow from R848 million in 2020/21 to R2 711 million in 2022/23. 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.

1.7 Annual Budget Tables

The ten main budget tables, as required in terms of regulation 9 of the MBRR, are presented on page 40 to page 61. These tables reflect the City's 2020/21 budget and MTREF and each table is accompanied by explanatory notes.

Table 21 MBRR Table A1 - Budget Summary

Description	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousands									
Financial Performance									
Property rates	8 274 386	8 669 308	9 536 185	9 916 685	9 897 154	9 897 154	10 511 519	11 555 663	12 624 126
Service charges	16 560 353	17 019 653	18 907 828	19 690 195	19 705 480	19 705 480	19 885 709	22 553 509	24 407 148
Investment revenue	761 852	877 984	1 122 065	912 495	912 473	912 473	847 535	879 286	911 609
Transfers recognised - operational	5 864 445	6 450 645	7 049 218	7 376 568	7 861 300	7 861 300	5 608 724	5 573 928	6 020 849
Other own revenue	3 067 995	3 769 321	3 575 074	3 026 006	2 877 662	2 877 662	5 371 631	5 675 976	5 923 873
Total Revenue (excluding capital transfers and contributions)	34 529 031	36 786 911	40 190 370	40 921 950	41 254 070	41 254 070	42 225 117	46 238 363	49 887 604
Employee costs	9 686 496	10 894 615	12 365 555	13 817 805	13 957 734	13 957 734	15 203 365	16 596 339	17 968 950
Remuneration of councillors	138 374	154 923	161 297	179 818	179 818	179 818	189 675	201 018	213 099
Depreciation & asset impairment	2 308 949	2 578 561	2 832 012	3 015 086	3 040 783	3 040 783	3 300 067	3 379 989	3 558 839
Finance charges	839 192	859 203	833 211	790 756	800 816	800 816	828 460	1 239 002	1 445 614
Materials and bulk purchases	9 581 428	9 312 587	9 937 133	11 704 364	11 206 000	11 206 000	11 590 007	12 762 025	13 816 309
Transfers and grants	349 609	418 599	391 968	446 206	592 157	592 157	498 081	435 905	383 811
Other expenditure	8 615 425	8 682 786	9 557 855	11 825 581	11 661 450	11 661 450	13 220 438	12 115 765	12 838 698
Total Expenditure	31 519 472	32 901 274	36 079 031	41 779 617	41 438 759	41 438 759	44 830 094	46 730 044	50 225 320
Surplus/(Deficit)	3 009 559	3 885 637	4 111 339	(857 667)	(184 689)	(184 689)	(2 604 976)	(491 681)	(337 716)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	2 005 297	1 732 882	2 078 060	2 211 385	2 356 436	2 356 436	2 815 828	3 245 568	3 332 526
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)	88 397	78 248	52 664	53 700	42 137	42 137	189 226	194 439	226 003
Surplus/(Deficit) after capital transfers & contributions	5 103 253	5 696 767	6 242 063	1 407 418	2 213 884	2 213 884	400 078	2 948 326	3 220 814
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	5 103 253	5 696 767	6 242 063	1 407 418	2 213 884	2 213 884	400 078	2 948 326	3 220 814
Capital expenditure & funds sources									
Capital expenditure	5 904 621	5 603 619	5 316 290	8 388 432	6 708 639	6 708 639	9 605 874	9 605 834	10 641 101
Transfers recognised - capital	2 127 388	1 805 414	2 119 370	2 265 085	2 398 573	2 398 573	2 883 814	3 312 729	3 424 875
Borrowing	2 739 196	2 533 155	388 077	1 091 580	1 091 580	1 091 580	2 500 000	5 000 000	5 000 000
Internally generated funds	1 038 037	1 265 050	2 808 842	5 031 767	3 218 486	3 218 486	4 222 060	1 293 105	2 216 225
Total sources of capital funds	5 904 621	5 603 619	5 316 290	8 388 432	6 708 639	6 708 639	9 605 874	9 605 834	10 641 101

Table continues on next page.

Description	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousands									
Financial position									
Total current assets	11 151 286	14 250 005	18 405 667	18 469 328	18 040 216	18 040 216	15 462 550	17 618 752	18 076 994
Total non current assets	46 581 224	49 792 902	52 547 898	58 066 233	55 951 867	55 951 867	62 552 759	69 108 385	76 554 559
Total current liabilities	8 766 304	8 876 008	9 114 291	12 857 487	8 163 924	8 163 924	9 025 173	11 191 887	12 798 847
Total non current liabilities	11 898 945	12 717 712	13 148 025	14 911 172	14 923 026	14 923 026	17 684 925	21 247 714	24 324 355
Community wealth/Equity	37 067 261	42 449 187	48 691 250	48 766 902	50 905 133	50 905 133	51 305 210	54 287 537	57 508 351
Cash flows									
Net cash from (used) operating	6 601 206	7 349 603	9 246 334	4 563 204	4 575 259	4 575 259	3 778 849	6 358 923	6 545 221
Net cash from (used) investing	(6 102 676)	(6 037 208)	(6 170 498)	(7 718 788)	(6 211 573)	(6 211 573)	(8 822 386)	(8 855 381)	(9 793 434)
Net cash from (used) financing	(380 806)	724 030	(143 179)	748 685	747 798	747 798	2 173 711	4 328 232	3 346 538
Cash/cash equivalents at the year end	3 450 193	5 486 619	8 419 275	4 985 877	7 530 759	7 530 759	4 660 933	6 492 707	6 591 032
Cash backing/surplus reconciliation									
Cash and investments available	9 981 970	12 579 967	16 294 163	11 517 654	15 405 646	15 405 646	12 535 822	14 367 596	14 465 921
Application of cash and investments	6 986 763	6 246 653	6 939 854	8 822 834	7 832 551	7 832 551	7 895 163	8 160 202	9 113 761
Balance - surplus (shortfall)	2 995 207	6 333 314	9 354 309	2 694 820	7 573 095	7 573 095	4 640 659	6 207 394	5 352 160
Asset management									
Asset register summary (WDV)	41 470 692	44 463 379	46 989 651	52 871 578	50 322 074	50 322 074	56 627 881	62 853 726	69 935 988
Depreciation	2 117 336	2 308 949	2 832 012	3 015 086	3 040 783	3 040 783	3 300 067	3 379 989	3 558 839
Renewal and Upgrading of Existing Assets	2 898 130	2 738 360	2 688 834	4 521 835	3 657 119	3 657 119	4 931 561	4 659 733	5 721 924
Repairs and Maintenance	3 761 297	3 810 065	3 780 395	4 129 677	3 908 049	3 908 049	4 575 398	5 092 436	5 336 943
Free services									
Cost of Free Basic Services provided	1 156 117	1 402 781	1 541 657	1 695 856	1 674 856	1 674 856	1 712 590	1 888 530	2 051 279
Revenue cost of free services provided	1 184 792	1 387 066	1 478 535	1 263 535	1 252 593	1 252 593	1 272 116	1 322 907	1 376 114
Households below minimum service level									
Water:	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:	217	217	72	149	149	149	-	-	-
Energy:	35 341	33 566	31 126	29 626	29 626	29 626	28 126	26 626	25 126
Refuse:	-	-	-	-	-	-	-	-	-

Explanatory notes to MBRR Table A1 – Budget Summary

- 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.
- 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.
- The importance of ensuring that a municipal budget is fully funded is stressed in the financial management reforms. The MFMA through Section 18 requires that a budget only be funded by realistically anticipated revenue to be collected and cash-backed accumulated funds from previous years, not committed for other purposes.
- To test whether the City's budget is funded, it is required to collectively assess the financial performance, capital budget, financial position and cash flow budget.

5. The City's key outcomes in this regard are as follows:
 - a. The Financial Performance shows a deficit position over the 2020/21 MTREF which is funded from existing reserves.
 - b. The cash flow budget outcome shows that the budget is funded.
 - c. The capital budget is funded from the following sources:
 - i. Transfers recognised capital and public contributions & donations;
 - ii. Borrowing; and
 - iii. Internally generated funds which 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 2020/21 MTREF.

6. 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 projected to reduce.

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

Functional Classification Description	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand									
Revenue - Functional									
Governance and administration	13 530 917	14 271 943	15 443 185	15 376 936	15 390 933	15 390 933	16 142 580	17 530 149	18 944 093
Executive and council	1 400	849	1 085	299	2 333	2 333	1 348	1 363	1 380
Finance and administration	13 529 514	14 271 074	15 442 092	15 376 634	15 388 597	15 388 597	16 141 229	17 528 782	18 942 709
Internal audit	2	20	8	3	3	3	3	3	3
Community and public safety	1 780 840	1 709 404	3 321 949	3 278 566	3 383 494	3 383 494	3 207 693	3 364 892	3 512 123
Community and social services	105 403	117 303	133 503	125 649	181 028	181 028	134 928	131 785	155 514
Sport and recreation	106 473	83 533	88 066	63 591	55 686	55 686	54 043	60 700	60 529
Public safety	24 889	36 980	1 397 410	1 238 308	1 154 663	1 154 663	1 132 243	1 115 661	1 189 292
Housing	1 227 273	1 091 120	1 305 811	1 374 066	1 553 467	1 553 467	1 384 590	1 529 763	1 562 310
Health	316 802	380 469	397 158	476 952	438 649	438 649	501 889	526 983	544 478
Economic and environmental services	3 237 399	3 247 954	1 820 674	2 297 417	2 351 491	2 351 491	3 358 490	3 618 854	3 817 563
Planning and development	324 404	351 649	361 835	450 811	419 808	419 808	483 906	505 497	527 786
Road transport	2 896 258	2 887 880	1 435 992	1 831 775	1 900 370	1 900 370	2 836 039	3 108 979	3 285 180
Environmental protection	16 736	8 425	22 848	14 831	31 313	31 313	38 545	4 378	4 597
Trading services	18 070 611	19 366 263	21 732 550	22 228 113	22 520 598	22 520 598	22 516 457	25 159 277	27 166 896
Energy sources	12 083 270	12 386 476	13 551 701	14 080 480	14 472 197	14 472 197	14 252 289	15 961 972	17 244 787
Water management	2 913 555	3 640 245	4 539 934	4 468 355	4 454 506	4 454 506	4 473 233	5 128 166	5 484 538
Waste water management	1 857 210	1 864 535	2 061 455	1 956 104	1 905 725	1 905 725	2 015 133	2 172 698	2 403 201
Waste management	1 216 576	1 475 007	1 579 460	1 723 174	1 688 170	1 688 170	1 775 801	1 896 441	2 034 370
Other	2 958	2 477	2 736	6 002	6 127	6 127	4 951	5 198	5 458
Total Revenue - Functional	36 622 725	38 598 041	42 321 094	43 187 035	43 652 643	43 652 643	45 230 171	49 678 370	53 446 134
Expenditure - Functional									
Governance and administration	5 781 224	6 748 504	8 078 174	8 994 792	9 265 753	9 265 753	10 228 608	10 482 435	11 313 298
Executive and council	359 584	398 459	427 984	535 009	531 248	531 248	616 260	652 372	693 089
Finance and administration	5 384 400	6 307 736	7 607 324	8 413 698	8 687 645	8 687 645	9 558 956	9 770 807	10 555 988
Internal audit	37 240	42 309	42 866	46 085	46 860	46 860	53 392	59 257	64 221
Community and public safety	4 745 544	4 731 115	7 347 035	7 785 248	7 894 502	7 894 502	8 127 027	8 259 648	8 792 820
Community and social services	854 030	855 828	905 997	971 924	1 030 305	1 030 305	1 013 228	1 063 255	1 142 130
Sport and recreation	1 089 010	1 117 555	1 192 184	1 114 871	1 127 193	1 127 193	1 159 069	1 223 217	1 281 242
Public safety	509 422	548 353	2 903 921	2 910 539	2 930 976	2 930 976	3 162 129	2 993 541	3 136 145
Housing	1 284 415	1 128 142	1 173 517	1 480 067	1 558 889	1 558 889	1 391 023	1 477 770	1 614 654
Health	1 008 668	1 081 237	1 171 416	1 307 848	1 247 139	1 247 139	1 401 579	1 501 866	1 618 649
Economic and environmental services	5 575 486	6 001 155	4 414 880	5 277 186	5 082 850	5 082 850	5 707 789	6 213 302	6 646 946
Planning and development	783 904	920 045	1 028 431	1 511 371	1 400 488	1 400 488	1 375 526	1 479 673	1 539 262
Road transport	4 674 501	4 951 472	3 238 984	3 607 973	3 507 567	3 507 567	4 117 236	4 526 489	4 884 730
Environmental protection	117 081	129 637	147 465	157 842	174 795	174 795	215 027	207 141	222 953
Trading services	15 281 223	15 331 389	16 131 637	19 596 544	19 084 971	19 084 971	20 581 635	21 579 633	23 266 579
Energy sources	9 596 987	9 555 633	10 058 040	11 596 405	11 314 437	11 314 437	11 992 018	12 923 299	13 972 159
Water management	2 460 627	2 568 752	2 661 718	3 747 227	3 263 851	3 263 851	3 570 275	3 822 349	4 132 449
Waste water management	1 621 019	1 505 962	1 546 091	2 049 818	2 264 319	2 264 319	2 530 258	2 363 170	2 531 919
Waste management	1 602 590	1 701 042	1 865 788	2 203 094	2 242 365	2 242 365	2 489 084	2 470 815	2 630 052
Other	135 995	89 111	107 300	125 847	110 683	110 683	185 034	195 025	205 678
Total Expenditure - Functional	31 519 472	32 901 274	36 079 026	41 779 617	41 438 759	41 438 759	44 830 094	46 730 044	50 225 320
Surplus/(Deficit) for the year	5 103 254	5 696 767	6 242 068	1 407 418	2 213 884	2 213 884	400 078	2 948 326	3 220 814

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 16 functional classifications.
2. Major contributing items to the increased operating revenue are additional grant allocations from National- and Provincial Government, the projected growth and tariff increases on Property Rates Tax and Service Charges (Water, Sanitation, Electricity and Refuse).
3. The surplus of R400 million for 2020/21 includes Transfers recognised- capital (Capital Grants and Donations received), while the expenditure category excludes these transfers.

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

Vote Description	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Revenue by Vote									
Vote 1 - Community service & Health	790 165	845 742	920 099	974 189	936 555	936 555	1 066 078	1 067 318	1 088 145
Vote 2 - Corporate Services	64 612	88 093	69 717	71 523	66 230	66 230	57 780	60 207	63 178
Vote 3 - Economic Opportunities & Asset Management	154 013	347 908	282 741	181 445	222 435	222 435	283 469	257 142	246 642
Vote 4 - Energy & Climate Change	12 083 675	12 148 435	13 350 399	13 874 705	14 266 422	14 266 422	14 028 935	15 727 450	16 998 539
Vote 5 - Finance	13 043 157	14 244 329	15 957 830	16 196 525	16 182 605	16 182 605	16 939 234	18 446 200	19 929 141
Vote 6 - Human Settlements	1 218 375	965 319	1 185 791	1 249 070	1 428 470	1 428 470	1 253 326	1 391 936	1 417 592
Vote 7 - Office of the City Manager	260	117	164	6	6	6	6	7	7
Vote 8 - Safety & Security	1 402 529	1 531 936	1 431 606	1 291 229	1 385 391	1 385 391	1 616 047	1 532 506	1 659 463
Vote 9 - Spatial Planning & Environment	163 760	148 772	152 894	166 410	157 041	157 041	187 521	162 619	194 909
Vote 10 - Transport	1 532 003	1 421 534	1 421 445	1 801 886	1 744 574	1 744 574	2 369 495	2 705 656	2 830 807
Vote 11 - Urban Management	177 650	211 787	231 778	301 769	282 918	282 918	275 239	312 431	338 663
Vote 12 - Water & Waste	5 992 526	6 644 068	7 316 631	7 078 277	6 979 995	6 979 995	7 153 041	8 014 900	8 679 048
Total Revenue by Vote	36 622 725	38 598 041	42 321 094	43 187 035	43 652 643	43 652 643	45 230 171	49 678 370	53 446 134
Expenditure by Vote to be appropriated									
Vote 1 - Community service & Health	2 936 967	3 143 835	3 414 260	3 925 379	3 819 274	3 819 274	4 403 961	4 394 063	4 709 258
Vote 2 - Corporate Services	1 453 011	1 571 084	1 709 075	1 808 678	1 873 327	1 873 327	2 061 818	2 373 825	2 510 379
Vote 3 - Economic Opportunities & Asset Management	876 859	1 023 228	1 168 348	1 363 793	1 398 026	1 398 026	1 414 661	1 542 111	1 590 421
Vote 4 - Energy & Climate Change	9 883 643	9 810 072	10 354 181	12 060 720	11 782 180	11 782 180	12 412 445	13 375 675	14 457 309
Vote 5 - Finance	2 142 088	2 544 214	3 363 625	3 004 417	3 368 583	3 368 583	3 686 308	3 580 180	3 965 057
Vote 6 - Human Settlements	1 250 229	1 092 017	1 164 939	1 468 810	1 556 708	1 556 708	1 394 457	1 481 554	1 618 774
Vote 7 - Office of the City Manager	124 127	142 779	176 978	237 561	247 287	247 287	258 605	271 017	291 190
Vote 8 - Safety & Security	2 857 196	2 943 783	3 347 986	3 598 555	3 686 305	3 686 305	4 293 174	4 467 978	4 744 033
Vote 9 - Spatial Planning & Environment	509 893	540 893	575 368	711 474	679 917	679 917	789 228	820 513	883 828
Vote 10 - Transport	2 906 004	3 133 654	3 330 783	3 683 708	3 411 052	3 411 052	3 640 210	3 720 093	3 991 263
Vote 11 - Urban Management	588 169	700 687	748 443	1 142 379	1 053 056	1 053 056	1 127 346	1 246 474	1 325 043
Vote 12 - Water & Waste	5 991 287	6 255 027	6 725 038	8 774 143	8 563 043	8 563 043	9 347 882	9 456 562	10 138 765
Total Expenditure by Vote	31 519 472	32 901 274	36 079 026	41 779 617	41 438 759	41 438 759	44 830 094	46 730 044	50 225 320
Surplus/(Deficit) for the year	5 103 253	5 696 768	6 242 068	1 407 418	2 213 885	2 213 885	400 078	2 948 326	3 220 814

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

- Table A3 shows budgeted financial performance in relation to the revenue and expenditure per municipal vote and the operating surplus inclusive of transfers recognised- capital (Capital Grants and Donations received).

2. The table below is an analysis of the surplus or deficit for trading services.

Table 24 Surplus / (Deficit) calculations for the trading services

Description	2020/21 Medium Term Revenue & Expenditure Framework		
	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand			
Energy & Climate Change			
Total Operating Revenue (including capital transfers and contributions)	14 028 935	15 727 450	16 998 539
Total Operating Expenditure	12 412 445	13 375 675	14 457 309
Operating Surplus/(Deficit) for the year	1 616 490	2 351 775	2 541 230
% Surplus	11.5%	15.0%	14.9%
Water & Sanitation			
Total Operating Revenue including capital transfers and contributions)	5 510 440	6 258 291	6 793 037
Total Operating Expenditure	6 274 061	6 360 238	6 847 573
Operating Surplus/(Deficit) for the year	(763 622)	(101 947)	(54 536)
% Surplus	-13.9%	-1.6%	-0.8%
Solid Waste Management			
Total Operating Revenue including capital transfers and contributions)	1 641 114	1 755 020	1 885 878
Total Operating Expenditure	1 380 021	1 287 530	1 368 617
Operating Surplus/(Deficit) for the year	261 093	467 490	517 262
% Surplus	15.9%	26.6%	27.4%

The calculation of the trading services' surplus/deficit - as per Table 24 - is based on primary revenue and expenditure items only. It does not include contributions from Energy to Rates, the Rates Contribution to Water & Sanitation (for the New Water Plan) or internal cost charges/recoveries. These 'secondary elements' are, however, included in the tariff calculations for the various trading services. When taking the secondary budget into account, none of the trading services reflect a deficit/surplus position.

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

Description	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand									
Revenue By Source									
Property rates	8 274 386	8 669 308	9 536 185	9 916 685	9 897 154	9 897 154	10 511 519	11 555 663	12 624 126
Service charges - electricity revenue	11 763 313	11 810 596	13 042 932	13 623 146	14 044 248	14 044 248	13 789 334	15 484 526	16 740 057
Service charges - water revenue	2 394 281	2 633 611	3 123 527	3 212 017	2 954 773	2 954 773	3 194 459	3 770 788	4 098 172
Service charges - sanitation revenue	1 426 013	1 518 274	1 602 463	1 568 599	1 482 072	1 482 072	1 616 486	1 909 418	2 068 297
Service charges - refuse revenue	976 746	1 057 172	1 138 907	1 286 433	1 224 387	1 224 387	1 285 431	1 388 777	1 500 622
Rental of facilities and equipment	305 833	455 331	395 688	311 781	307 681	307 681	359 559	379 441	412 383
Interest earned - external investments	761 852	877 984	1 122 065	912 495	912 473	912 473	847 535	879 286	911 609
Interest earned - outstanding debtors	277 417	302 792	358 499	380 814	398 487	398 487	389 137	409 790	444 159
Dividends received	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	1 260 639	1 666 379	1 485 757	1 185 453	1 091 546	1 091 546	1 063 333	1 050 664	1 077 403
Licences and permits	54 159	52 141	64 881	82 218	65 276	65 276	76 875	88 002	92 411
Agency services	188 238	213 550	230 144	217 672	218 745	218 745	242 236	266 808	286 557
Transfers and subsidies	5 864 445	6 450 645	7 049 218	7 376 568	7 861 300	7 861 300	5 608 724	5 573 928	6 020 849
Other revenue	794 924	998 651	916 842	804 335	748 422	748 422	3 190 491	3 428 780	3 555 840
Gains	186 784	80 477	123 262	43 732	47 505	47 505	50 000	52 490	55 120
Total Revenue (excluding capital transfers and contributions)	34 529 031	36 786 911	40 190 370	40 921 950	41 254 070	41 254 070	42 225 117	46 238 363	49 887 604
Expenditure By Type									
Employee related costs	9 686 496	10 894 615	12 365 555	13 817 805	13 957 734	13 957 734	15 203 365	16 596 339	17 968 950
Remuneration of councillors	138 374	154 923	161 297	179 818	179 818	179 818	189 675	201 018	213 099
Debt impairment	1 581 367	1 360 558	1 582 947	2 341 628	2 487 569	2 487 569	3 640 353	2 251 087	2 360 388
Depreciation & asset impairment	2 308 949	2 578 561	2 832 012	3 015 086	3 040 783	3 040 783	3 300 067	3 379 989	3 558 839
Finance charges	839 192	859 203	833 211	790 756	800 816	800 816	828 460	1 239 002	1 445 614
Bulk purchases	8 413 200	8 122 430	8 632 303	10 092 601	9 743 389	9 743 389	9 990 881	11 092 084	12 044 044
Other materials	1 168 228	1 190 157	1 304 830	1 611 763	1 462 612	1 462 612	1 599 125	1 669 941	1 772 265
Contracted services	5 227 988	5 432 869	5 996 310	7 156 498	6 907 626	6 907 626	7 215 975	7 285 392	7 681 470
Transfers and subsidies	349 609	418 599	391 968	446 206	592 157	592 157	498 081	435 905	383 811
Other expenditure	1 790 430	1 876 499	1 954 501	2 326 698	2 264 543	2 264 543	2 362 108	2 577 204	2 794 675
Losses	15 640	12 861	24 097	756	1 712	1 712	2 002	2 082	2 166
Total Expenditure	31 519 472	32 901 274	36 079 031	41 779 617	41 438 759	41 438 759	44 830 094	46 730 044	50 225 320
Surplus/(Deficit)	3 009 559	3 885 637	4 111 339	(857 667)	(184 689)	(184 689)	(2 604 976)	(491 681)	(337 716)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	2 005 297	1 732 882	2 078 060	2 211 385	2 356 436	2 356 436	2 815 828	3 245 568	3 332 526
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	71 882	72 532	49 804	53 700	42 137	42 137	189 226	194 439	226 003
Transfers and subsidies - capital (in-kind - all)	16 516	5 716	2 860	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	5 103 253	5 696 767	6 242 063	1 407 418	2 213 884	2 213 884	400 078	2 948 326	3 220 814
Taxation	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation	5 103 253	5 696 767	6 242 063	1 407 418	2 213 884	2 213 884	400 078	2 948 326	3 220 814
Attributable to minorities	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality	5 103 253	5 696 767	6 242 063	1 407 418	2 213 884	2 213 884	400 078	2 948 326	3 220 814
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	5 103 253	5 696 767	6 242 063	1 407 418	2 213 884	2 213 884	400 078	2 948 326	3 220 814

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 (excluding appropriations, which are disclosed in the Statement of Financial Position) is R42 225 million in 2020/21 escalating to R49 889 million by 2022/23. Major contributing items to the total revenue are the increased grant operating allocations from National- and Provincial Government, the projected growth, and tariff increases on property rates tax and service charges.
2. Revenue to be generated from Property Rates is R10 512 million in 2020/21 increasing to R12 624 million by 2022/23, which represents 24.9% of the operating revenue base of the City and therefore remains a significant funding source for the City.
3. Service charges relating to electricity, water, sanitation and refuse removal constitute the biggest component of the revenue basket of the City, totalling R19 886 million in 2020/21 and increasing to R24 407 million in 2022/23. For 2020/21, service charges are 47.1% of the total revenue base.
4. Transfers & Subsidies increases from R5 609 million in 2020/21 to R6 021 million in 2022/23. This includes external allocations received from National- and Provincial Government and private sector funding.

The table below provides a graphically view of the main sources of revenue over the MTREF.

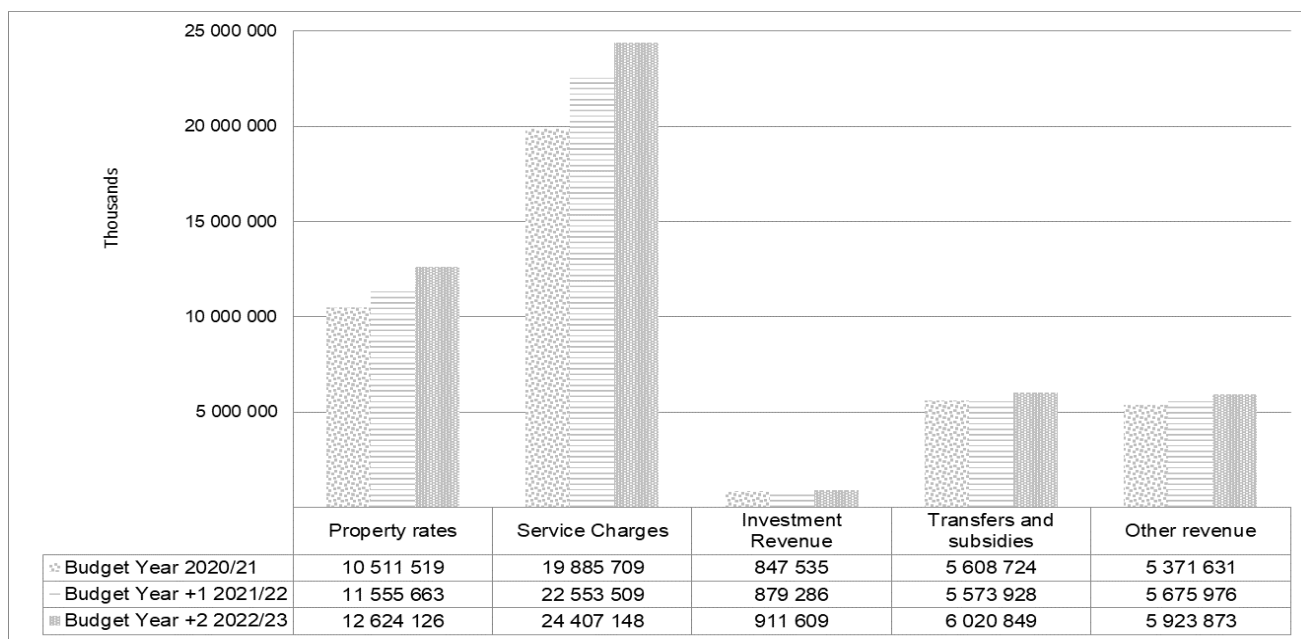


Figure 3 Revenue by source

5. Employee-related costs are the main cost driver within the City’s operating expenditure budget increasing from R15 203 million in 2020/21 to R17 941 million in 2022/23.
6. Bulk purchases have increased significantly over the MTREF, escalating from R9 991 million to R12 044 million in 2022/23. This increase can be attributed to substantial increases in the cost of bulk electricity and water.

7. Depreciation & Asset Impairment totals R3 300 million for the 2020/21 financial year and is linked to the capitalisation rate of assets. The calculation of depreciation on new capital expenditure is based on variables such as asset class and lifespan depending on the nature of the asset. Depreciation of existing assets is calculated based on simulated financial system data (SAP), which reflects actual values per annum. Assets Under Construction (AUC) are calculated based on asset class lifespan and projected capitalisation dates.
8. Contracted Services increases from R7 216 million in 2020/21 to R7 681 million in 2022/23 and includes budgetary provision for repairs and maintenance.
9. The deficit of R2 605 million reflected in 2020/21 reduces to R338 million in 2022/23. The substantial deficits, specifically in the 2020/21 financial year, is due to additional requirements and projected revenue under-recovery as a result of the impact of the COVID-19 pandemic. The deficits are funded from projected under-spends and existing reserves.

The figure below provides a graphically view of the main sources of expenditure over the MTREF.

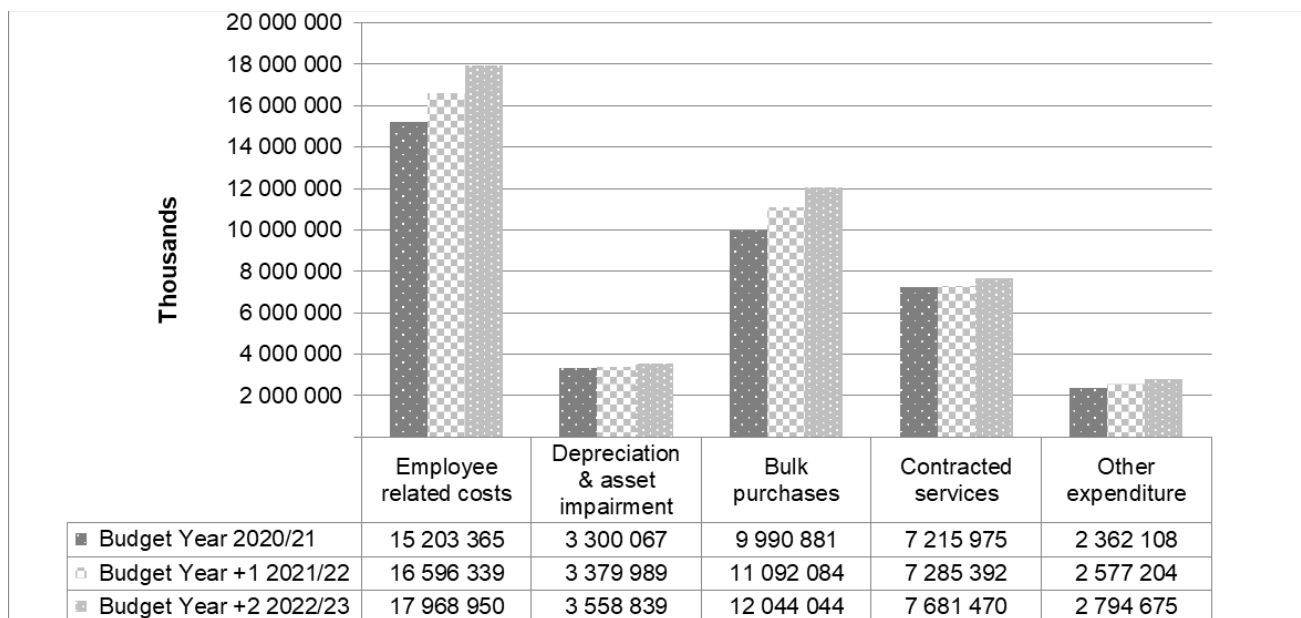


Figure 4 Expenditure by type

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

Vote Description	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand									
Capital expenditure - Vote									
Multi-year expenditure to be appropriated									
Vote 1 - Community service & Health	243 540	260 247	294 231	354 281	331 634	331 634	453 758	314 863	250 706
Vote 2 - Corporate Services	263 835	370 959	252 050	149 863	172 410	172 410	242 020	446 781	296 694
Vote 3 - Economic Opportunities & Asset Management	272 732	295 284	272 714	389 498	399 051	399 051	580 321	159 660	611 040
Vote 4 - Energy & Climate Change	1 248 887	1 024 550	749 456	834 094	697 873	697 873	1 049 131	1 043 350	1 156 061
Vote 5 - Finance	23 989	14 009	26 225	116 957	92 524	92 524	268 787	96 371	25 191
Vote 6 - Human Settlements	476 807	464 837	670 112	869 063	899 243	899 243	894 903	1 010 098	1 065 805
Vote 7 - Office of the City Manager	1 402	2 288	2 500	973	1 418	1 418	2 130	960	960
Vote 8 - Safety & Security	116 584	158 094	206 866	535 237	437 414	437 414	438 954	95 332	172 660
Vote 9 - Spatial Planning & Environment	56 092	42 434	57 070	92 847	58 186	58 186	157 205	209 463	330 155
Vote 10 - Transport	1 441 770	1 001 020	973 584	1 326 126	1 245 863	1 245 863	1 793 342	2 262 536	2 320 196
Vote 11 - Urban Management	12 541	17 308	22 429	122 981	83 761	83 761	81 503	128 830	141 230
Vote 12 - Water & Waste	1 746 441	1 952 589	1 789 054	3 596 511	2 289 261	2 289 261	3 643 819	3 837 590	4 270 403
Total Capital Expenditure - Vote	5 904 621	5 603 619	5 316 290	8 388 432	6 708 639	6 708 639	9 605 874	9 605 834	10 641 101
Capital Expenditure - Functional									
Governance and administration	1 073 095	1 207 303	953 790	1 120 012	1 000 622	1 000 622	1 396 272	1 089 251	1 092 579
Executive and council	9 164	4 328	3 413	24 280	4 387	4 387	19 414	5 327	5 402
Finance and administration	1 063 799	1 202 224	950 102	1 095 600	995 683	995 683	1 376 447	1 083 814	1 087 067
Internal audit	131	751	275	131	552	552	411	110	110
Community and public safety	821 576	811 812	988 852	1 547 286	1 416 804	1 416 804	1 745 862	1 303 424	1 593 921
Community and social services	127 329	131 174	83 095	105 089	89 600	89 600	121 397	66 552	310 275
Sport and recreation	127 927	94 055	88 538	141 792	121 209	121 209	357 122	56 300	9 109
Public safety	66 517	76 656	87 618	349 905	240 414	240 414	279 623	71 075	162 232
Housing	476 807	464 837	670 112	869 063	899 243	899 243	894 903	1 010 098	1 065 805
Health	22 996	45 090	59 489	81 436	66 338	66 338	92 816	99 400	46 500
Economic and environmental services	1 530 380	1 060 763	1 066 375	1 534 310	1 448 680	1 448 680	2 106 139	2 561 250	2 761 678
Planning and development	70 697	33 694	51 066	151 588	122 228	122 228	112 992	143 462	190 395
Road transport	1 447 732	1 008 733	988 308	1 345 610	1 305 576	1 305 576	1 879 199	2 261 097	2 318 733
Environmental protection	11 951	18 337	27 000	37 112	20 876	20 876	113 949	156 691	252 550
Trading services	2 474 957	2 516 840	2 292 473	4 176 629	2 840 505	2 840 505	4 338 922	4 645 214	5 190 723
Energy sources	1 131 636	930 773	736 092	805 190	663 862	663 862	1 027 660	1 040 850	1 151 561
Water management	608 426	893 393	921 660	1 517 922	1 002 596	1 002 596	1 287 888	1 299 514	1 286 743
Waste water management	659 092	583 306	533 320	1 381 056	951 135	951 135	1 465 161	1 716 822	2 166 179
Waste management	75 803	109 367	101 400	472 461	222 912	222 912	558 214	588 028	586 240
Other	4 613	6 901	14 800	10 195	2 027	2 027	18 679	6 695	2 200
Total Capital Expenditure - Functional	5 904 621	5 603 619	5 316 290	8 388 432	6 708 639	6 708 639	9 605 874	9 605 834	10 641 101
Funded by:									
National Government	2 009 376	1 699 597	2 047 136	2 189 348	2 319 047	2 319 047	2 803 382	3 234 438	3 320 861
Provincial Government	46 130	33 285	22 430	22 038	37 388	37 388	12 446	11 130	11 665
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	71 882	72 532	49 804	53 700	42 137	42 137	67 986	67 161	92 349
Transfers recognised - capital	2 127 388	1 805 414	2 119 370	2 265 085	2 398 573	2 398 573	2 883 814	3 312 729	3 424 875
Borrowing	2 739 196	2 533 155	388 077	1 091 580	1 091 580	1 091 580	2 500 000	5 000 000	5 000 000
Internally generated funds	1 038 037	1 265 050	2 808 842	5 031 767	3 218 486	3 218 486	4 222 060	1 293 105	2 216 225
Total Capital Funding	5 904 621	5 603 619	5 316 290	8 388 432	6 708 639	6 708 639	9 605 874	9 605 834	10 641 101

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; funding sources required to fund the capital budget and information on capital transfers from National- and Provincial departments.
2. The MFMA provides that a municipality may approve single- or multi-year capital budget appropriations. The City has allocated multi-year appropriations amounting to R9 606 million for 2020/21 and 2021/22 and increasing to R10 641 million in 2022/23.
3. The capital budget is funded by allocations made to the City in the form of grants by National- and Provincial government, public contributions and donations, borrowings and internally generated funds.
4. Capital transfers from National- and the Western Cape Government amount to R2 816 million (29.3%) in 2020/21, increasing to R3 246 million in 2021/22 and R3 333 million in 2022/23.
5. Public contributions and donations amount to R67.9 million, R67.2 million and R92.3 million respectively over the MTREF.
6. It is anticipated that the City will be borrowing R2 500 million for 2020/21 and R5 000 million for 2021/22 and 2022/23 respectively, which has been provided for in terms of affordability levels as determined during the MTREF modelling.
7. Internally generated funds amounting to R4 222 million, R1 293 million and R2 216 million have been provided for annually over the MTREF.

Table 27 MBRR Table A6 - Budgeted Financial Position

Description	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand									
ASSETS									
Current assets									
Cash	500 739	249 821	302 472	146 904	146 904	146 904	121 758	134 904	96 396
Call investment deposits	4 608 866	7 218 373	10 649 133	6 199 428	9 648 324	9 648 324	6 505 170	7 991 220	7 761 833
Consumer debtors	5 023 593	5 626 400	6 215 923	9 710 204	6 625 632	6 625 632	6 999 547	7 409 336	7 853 495
Other debtors	679 351	669 394	793 308	1 826 248	1 132 985	1 132 985	1 302 932	1 498 372	1 723 128
Current portion of long-term receivables	14 201	14 290	8 838	15 755	6 781	6 781	5 594	4 615	3 808
Inventory	324 536	471 727	435 992	570 789	479 590	479 590	527 549	580 304	638 334
Total current assets	11 151 286	14 250 005	18 405 667	18 469 328	18 040 216	18 040 216	15 462 550	17 618 752	18 076 994
Non current assets									
Long-term receivables	232 869	217 750	215 690	23 333	19 374	19 374	15 984	13 186	10 879
Investments	4 877 663	5 111 773	5 342 557	5 171 322	5 610 418	5 610 418	5 908 894	6 241 472	6 607 692
Investment property	586 427	584 713	582 962	581 285	581 247	581 247	579 534	577 820	576 106
Investment in Associate	–	–	–	–	–	–	–	–	–
Property, plant and equipment	40 196 490	43 153 765	45 703 232	51 856 546	49 192 810	49 192 810	55 655 771	62 021 356	69 273 432
Biological	–	–	–	–	–	–	–	–	–
Intangible	678 871	716 009	693 178	424 856	537 737	537 737	382 296	244 271	76 170
Other non-current assets	8 904	8 892	10 280	8 891	10 280	10 280	10 280	10 280	10 280
Total non current assets	46 581 224	49 792 902	52 547 898	58 066 233	55 951 867	55 951 867	62 552 759	69 108 385	76 554 559
TOTAL ASSETS	57 732 510	64 042 907	70 953 565	76 535 561	73 992 083	73 992 083	78 015 309	86 727 137	94 631 553
LIABILITIES									
Current liabilities									
Bank overdraft	5 298	–	–	–	–	–	–	–	–
Borrowing	334 185	376 805	427 597	489 858	489 858	489 858	628 487	1 967 270	2 488 247
Consumer deposits	351 710	381 660	410 962	461 809	452 058	452 058	497 264	546 990	601 689
Trade and other payables	7 110 819	7 102 387	7 127 758	10 762 203	6 080 272	6 080 272	6 602 127	7 331 735	8 306 261
Provisions	964 292	1 015 156	1 147 974	1 143 617	1 141 735	1 141 735	1 297 295	1 345 891	1 402 649
Total current liabilities	8 766 304	8 876 008	9 114 291	12 857 487	8 163 924	8 163 924	9 025 173	11 191 887	12 798 847
Non current liabilities									
Borrowing	5 789 616	6 492 536	6 270 937	7 838 577	7 838 577	7 838 577	9 784 054	12 723 321	15 141 147
Provisions	6 109 329	6 225 176	6 877 088	7 072 595	7 084 449	7 084 449	7 900 871	8 524 393	9 183 208
Total non current liabilities	11 898 945	12 717 712	13 148 025	14 911 172	14 923 026	14 923 026	17 684 925	21 247 714	24 324 355
TOTAL LIABILITIES	20 665 249	21 593 720	22 262 316	27 768 659	23 086 950	23 086 950	26 710 099	32 439 600	37 123 202
NET ASSETS	37 067 261	42 449 187	48 691 250	48 766 902	50 905 133	50 905 133	51 305 210	54 287 537	57 508 351
COMMUNITY WEALTH/EQUITY									
Accumulated Surplus/(Deficit)	33 294 076	38 984 106	43 892 330	43 002 095	45 365 771	45 365 771	46 737 031	49 612 774	52 624 184
Reserves	3 773 185	3 465 082	4 798 920	5 764 808	5 539 362	5 539 362	4 568 179	4 674 762	4 884 167
TOTAL COMMUNITY WEALTH/EQUITY	37 067 261	42 449 187	48 691 250	48 766 902	50 905 133	50 905 133	51 305 210	54 287 537	57 508 351

Explanatory notes to Table A6 - Budgeted Financial Position

- a. The budgeted Statement of Financial Position of the City has been prepared on a basis consistent with GRAP1 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.

- b. 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 238) 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

- c. Movements on the Budgeted Statement of Financial Performance will impact on the Budgeted Statement of Financial Position. Assumptions made on the collection rate for instance, will affect the budgeted cash position of the City and the budgeted impairment of debtors. As such the assumptions form a critical link in determining the applicability and relevance of the budget, the determination of financial indicators, the assessment of funding compliance and the general viability of the municipality.

Table 28 MBRR Table A7 - Budgeted Cash Flow Statement

Description	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand									
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Property rates	8 105 126	8 470 387	9 319 556	9 714 194	9 034 009	9 034 009	10 031 409	11 355 510	12 413 264
Service charges	18 619 105	18 160 336	20 600 259	18 787 179	18 453 792	18 453 792	18 045 505	21 666 906	23 453 709
Other revenue	617 854	2 472 152	2 573 710	1 746 152	1 207 619	1 207 619	4 122 832	4 586 433	4 806 320
Transfers and Subsidies - Operational	3 633 883	4 011 324	4 468 913	7 376 568	7 861 300	7 861 300	5 608 724	5 573 928	6 020 849
Transfers and Subsidies - Capital	2 014 869	1 733 466	2 079 448	2 211 385	2 356 436	2 356 436	2 815 828	3 245 568	3 332 526
Interest	999 822	1 150 625	1 427 759	912 495	912 473	912 473	847 535	879 286	911 609
Payments									
Suppliers and employees	(26 611 461)	(27 959 017)	(30 505 458)	(35 467 695)	(34 533 295)	(34 533 295)	(36 939 655)	(39 700 946)	(42 670 116)
Finance charges	(666 163)	(689 670)	(717 853)	(717 075)	(717 075)	(717 075)	(753 329)	(1 247 762)	(1 722 941)
Transfers and Grants	(111 829)	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES	6 601 206	7 349 603	9 246 334	4 563 204	4 575 259	4 575 259	3 778 849	6 358 923	6 545 221
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE	198 742	98 239	151 009	97 432	89 642	89 642	117 986	119 651	147 469
Decrease (increase) in non-current receivables	13 614	15 030	7 513	1 228	4 419	4 419	3 390	2 797	2 308
Decrease (increase) in non-current investments	(410 412)	(561 572)	(936 202)	(267 859)	(267 859)	(267 859)	(298 475)	(332 578)	(366 220)
Payments									
Capital assets	(5 904 620)	(5 588 905)	(5 392 818)	(7 549 589)	(6 037 775)	(6 037 775)	(8 645 287)	(8 645 251)	(9 576 991)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(6 102 676)	(6 037 208)	(6 170 498)	(7 718 788)	(6 211 573)	(6 211 573)	(8 822 386)	(8 855 381)	(9 793 434)
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	1 000 000	196 420	1 091 580	1 091 580	1 091 580	2 500 000	5 000 000	5 000 000
Increase (decrease) in consumer deposits	27 077	29 950	29 302	41 983	41 096	41 096	45 206	49 726	54 699
Payments									
Repayment of borrowing	(407 883)	(305 920)	(368 901)	(384 878)	(384 878)	(384 878)	(371 495)	(721 495)	(1 708 161)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(380 806)	724 030	(143 179)	748 685	747 798	747 798	2 173 711	4 328 232	3 346 538
NET INCREASE/ (DECREASE) IN CASH HELD	117 724	2 036 425	2 932 657	(2 406 899)	(888 516)	(888 516)	(2 869 825)	1 831 774	98 325
Cash/cash equivalents at the year begin:	3 332 469	3 450 194	5 486 618	7 392 776	8 419 275	8 419 275	7 530 759	4 660 933	6 492 707
Cash/cash equivalents at the year end:	3 450 193	5 486 619	8 419 275	4 985 877	7 530 759	7 530 759	4 660 933	6 492 707	6 591 032

Explanatory notes to Table A7 – Budgeted Cash Flow Statement

1. The table shows the cash and cash equivalents of the City during the 2020/21 MTREF.
2. For the 2020/21 MTREF the budget has been prepared to ensure adequate levels of working capital representing cash and cash equivalents over the medium-term, with projected cash levels of R4 661 million for 2020/21 increasing to R6 591 million by 2022/23.
3. The following assumptions were used in the preparation of the cash flow budget.
 - a. Revenue categories were reduced by the following percentages of the working capital bad debtor provision:
 - Property rates 13.19%
 - Electricity 3.30%
 - Water 23.08%
 - Sanitation 16.48%
 - Solid Waste 3.30%
 - Rental income 6.59%
 - Fines 23.37%
 - Debtor interest 10.69%
 - b. The revised collection rates as a result of the above calculation are:
 - Property rates 95%
 - Electricity 99%
 - Water 74%
 - Sanitation 63%
 - Solid waste 89%
 - Rental income 33%
 - Fines 20%
 - c. Landfill Service revenue is excluded from 'Solid Waste' revenue and is included under the 'Other revenue' category.
 - d. The assumptions for expenditure is 100% spend with the exception of capital, which is calculated at 90% spend.

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

Description	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Cash and investments available									
Cash/cash equivalents at the year end	3 450 193	5 486 619	8 419 275	4 985 877	7 530 759	7 530 759	4 660 933	6 492 707	6 591 032
Other current investments > 90 days	1 654 114	1 981 576	2 532 330	1 360 455	2 264 469	2 264 469	1 965 995	1 633 417	1 267 197
Non current assets - Investments	4 877 663	5 111 773	5 342 557	5 171 322	5 610 418	5 610 418	5 908 894	6 241 472	6 607 692
Cash and investments available:	9 981 970	12 579 967	16 294 163	11 517 654	15 405 646	15 405 646	12 535 822	14 367 596	14 465 921
Application of cash and investments									
Unspent conditional transfers	1 054 374	1 067 745	1 298 170	1 425 028	1 344 116	1 344 116	1 740 833	2 238 437	2 771 211
Unspent borrowing	-	-	-	-	-	-	-	-	-
Statutory requirements	-	-	-	-	-	-	-	-	-
Other working capital requirements	107 335	(550 927)	(1 660 992)	(1 538 617)	(2 282 326)	(2 282 326)	(2 781 234)	(3 501 557)	(3 713 155)
Other provisions	-	-	-	400 000	459 784	459 784	1 297 295	1 345 891	1 402 649
Long term investments committed	2 051 869	2 264 754	2 503 755	2 771 615	2 771 615	2 771 615	3 070 090	3 402 669	3 768 888
Reserves to be backed by cash/investments	3 773 185	3 465 081	4 798 920	5 764 808	5 539 362	5 539 362	4 568 179	4 674 762	4 884 167
Total Application of cash and investments:	6 986 763	6 246 653	6 939 854	8 822 834	7 832 551	7 832 551	7 895 163	8 160 202	9 113 761
Surplus(shortfall)	2 995 207	6 333 314	9 354 309	2 694 820	7 573 095	7 573 095	4 640 659	6 207 394	5 352 160

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 remains in a surplus net cash flow position over the 2020/21 MTREF.
5. Considering the requirements of section 18 of the MFMA, it can be concluded that the 2020/21 MTREF is fully funded.
6. As part of the budgeting and planning guidelines that informed the compilation of the 2020/21 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 a surplus of **R4 641** million in 2020/21 increasing to **R5 352** million by 2022/23.

Table 30 MBRR Table A9 - Asset Management

Description	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand									
CAPITAL EXPENDITURE									
Total New Assets	3 006 491	2 865 259	2 627 456	3 866 597	3 051 520	3 051 520	4 674 313	4 946 101	4 919 176
<i>Roads Infrastructure</i>	769 172	601 711	587 481	939 692	856 367	856 367	1 430 151	1 878 738	1 907 827
<i>Storm water Infrastructure</i>	73 364	104 566	101 217	122 937	133 269	133 269	153 853	202 658	200 511
<i>Electrical Infrastructure</i>	554 978	426 255	319 606	374 200	195 510	195 510	465 691	329 350	304 300
<i>Water Supply Infrastructure</i>	237 755	433 231	517 896	994 702	668 628	668 628	673 163	629 081	606 177
<i>Sanitation Infrastructure</i>	181 767	110 446	185 917	221 874	173 465	173 465	403 824	437 477	291 493
<i>Solid Waste Infrastructure</i>	41 370	65 287	13 523	251 120	69 311	69 311	400 302	346 378	481 520
<i>Coastal Infrastructure</i>	-	-	-	-	-	-	764	9 102	10 034
<i>Information and Communication Infrastructure</i>	128 334	157 577	69 757	30 000	24 014	24 014	49 363	69 783	46 147
Infrastructure	1 986 741	1 899 072	1 795 398	2 934 525	2 120 566	2 120 566	3 577 110	3 902 566	3 848 009
Community Facilities	135 821	217 809	294 880	242 440	221 201	221 201	226 754	384 754	394 124
Sport and Recreation Facilities	10	1 149	534	720	820	820	1 035	4 000	-
Community Assets	135 831	218 957	295 414	243 160	222 021	222 021	227 789	388 754	394 124
Heritage Assets	-	-	-	30	-	-	30	-	-
Non-revenue Generating	81	-	-	-	-	-	-	-	-
Investment properties	81	-	-	-	-	-	-	-	-
Operational Buildings	217 074	206 772	80 599	159 180	125 853	125 853	312 591	161 285	311 176
Housing	3 255	8 113	18 822	8 420	51 082	51 082	20 414	25 466	43 715
Other Assets	220 329	214 884	99 421	167 600	176 935	176 935	333 005	186 751	354 891
Licences and Rights	500	3 690	11 291	44 752	24 163	24 163	28 413	7 900	6 900
Intangible Assets	500	3 690	11 291	44 752	24 163	24 163	28 413	7 900	6 900
Computer Equipment	155 924	214 178	127 174	86 886	90 271	90 271	141 153	285 607	182 660
Furniture and Office Equipment	124 567	104 912	101 777	118 167	102 354	102 354	158 697	77 173	46 942
Machinery and Equipment	155 401	139 739	36 812	48 127	58 908	58 908	50 403	41 900	33 400
Transport Assets	62 793	68 313	155 011	197 348	215 917	215 917	124 713	29 450	32 850
Land	164 323	1 511	5 157	26 000	40 384	40 384	33 000	26 000	19 400
Total Renewal of Existing Assets	1 103 254	1 183 560	1 270 138	1 806 744	1 820 272	1 820 272	2 376 858	2 193 429	2 781 410
<i>Roads Infrastructure</i>	83 561	53 531	16 503	21 260	126 918	126 918	172 641	206 000	161 576
<i>Storm water Infrastructure</i>	-	-	9 265	20 900	13 862	13 862	27 308	9 920	20 683
<i>Electrical Infrastructure</i>	233 390	232 834	271 791	276 100	292 547	292 547	430 377	457 858	707 731
<i>Water Supply Infrastructure</i>	307 810	382 861	240 300	409 900	215 767	215 767	324 300	408 932	518 000
<i>Sanitation Infrastructure</i>	57 703	29 620	83 125	212 700	233 866	233 866	383 301	476 691	727 000
<i>Solid Waste Infrastructure</i>	985	-	-	-	189	189	-	10 000	-
<i>Information and Communication Infrastructure</i>	138	4 988	3 819	1 500	1 915	1 915	7 569	47 938	6 500
Infrastructure	683 587	703 835	624 803	942 360	885 063	885 063	1 345 496	1 617 340	2 141 490
Community Facilities	3 365	7 033	3 774	19 283	9 107	9 107	31 748	24 032	5 115
Sport and Recreation Facilities	-	439	-	-	800	800	1 900	-	-
Community Assets	3 365	7 471	3 774	19 283	9 907	9 907	33 648	24 032	5 115
Heritage Assets	-	-	-	-	1 195	1 195	1 257	1 200	1 750
Operational Buildings	6 958	685	4 999	10 300	13 910	13 910	53 389	24 290	23 460
Housing	49 186	15 025	51 522	44 311	138 913	138 913	125 261	98 461	79 877
Other Assets	56 144	15 710	56 520	54 611	152 823	152 823	178 651	122 751	103 337
Licences and Rights	-	2 282	9 154	7 000	2 500	2 500	9 000	7 000	7 000
Intangible Assets	-	2 282	9 154	7 000	2 500	2 500	9 000	7 000	7 000
Computer Equipment	70 328	79 122	119 334	120 209	134 198	134 198	111 499	66 334	72 246
Furniture and Office Equipment	11 501	16 088	18 190	28 889	46 335	46 335	27 356	19 432	18 381
Machinery and Equipment	6 318	56 922	62 916	11 454	6 574	6 574	67 398	61 250	57 250
Transport Assets	272 011	302 131	375 447	622 937	581 678	581 678	602 555	274 091	374 841

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Description	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Total Upgrading of Existing Assets	1 794 876	1 554 800	1 418 696	2 715 091	1 836 847	1 836 847	2 554 703	2 466 305	2 940 515
<i>Roads Infrastructure</i>	378 935	240 612	285 375	392 639	246 709	246 709	199 613	182 090	285 477
<i>Storm water Infrastructure</i>	106 677	42 784	23 004	83 550	15 134	15 134	110 247	128 632	173 975
<i>Electrical Infrastructure</i>	281 357	197 840	70 012	100 307	23 921	23 921	25 578	138 100	-
<i>Water Supply Infrastructure</i>	67 667	105 131	122 471	77 600	69 053	69 053	65 746	49 399	73 292
<i>Sanitation Infrastructure</i>	416 785	416 054	374 283	1 014 756	657 152	657 152	930 149	1 081 762	1 252 835
<i>Solid Waste Infrastructure</i>	11 006	13 115	12 233	111 425	86 435	86 435	61 724	122 992	41 114
<i>Coastal Infrastructure</i>	239	5 129	496	290	1 290	1 290	28 430	72 040	196 840
<i>Information and Communication Infrastructure</i>	2 497	-	-	5 000	17 100	17 100	15 954	43 009	30 404
Infrastructure	1 265 165	1 020 664	887 875	1 785 566	1 116 794	1 116 794	1 437 442	1 818 024	2 053 936
Community Facilities	151 159	128 224	152 533	220 535	189 937	189 937	270 183	203 474	368 313
Sport and Recreation Facilities	57 234	46 666	86 550	147 154	121 704	121 704	343 091	65 899	51 578
Community Assets	208 392	174 890	239 082	367 689	311 641	311 641	613 273	269 373	419 891
Heritage Assets	38 955	8 010	6 367	600	17	17	17 466	4 100	-
Operational Buildings	240 605	231 444	203 002	440 659	291 307	291 307	382 705	319 973	406 734
Housing	24 283	85 364	35 692	61 128	66 909	66 909	8 410	-	40 073
Other Assets	264 887	316 809	238 694	501 786	358 216	358 216	391 115	319 973	446 807
Licences and Rights	3 931	7 205	23 908	26 950	13 175	13 175	49 826	2 500	10 379
Intangible Assets	3 931	7 205	23 908	26 950	13 175	13 175	49 826	2 500	10 379
Computer Equipment	1 355	13 072	225	16 690	17 730	17 730	29 725	45 984	-
Furniture and Office Equipment	8 033	12 534	12 310	10 147	14 450	14 450	6 278	5 351	6 501
Machinery and Equipment	4 158	1 616	10 234	5 662	4 824	4 824	9 578	1 000	3 000
Total Capital Expenditure	5 904 621	5 603 619	5 316 290	8 388 432	6 708 639	6 708 639	9 605 874	9 605 834	10 641 101
<i>Roads Infrastructure</i>	1 231 668	895 854	889 359	1 353 590	1 229 994	1 229 994	1 802 406	2 266 828	2 354 880
<i>Storm water Infrastructure</i>	180 041	147 349	133 486	227 387	162 266	162 266	291 407	341 210	395 168
<i>Electrical Infrastructure</i>	1 069 725	856 928	661 410	750 607	511 979	511 979	921 646	925 308	1 012 031
<i>Water Supply Infrastructure</i>	613 232	921 223	880 667	1 482 202	953 448	953 448	1 063 208	1 087 412	1 197 469
<i>Sanitation Infrastructure</i>	656 256	556 121	643 326	1 449 330	1 064 482	1 064 482	1 717 275	1 995 930	2 271 328
<i>Solid Waste Infrastructure</i>	53 361	78 403	25 755	362 545	155 935	155 935	462 025	479 370	522 634
<i>Coastal Infrastructure</i>	239	5 129	496	290	1 290	1 290	29 194	81 142	206 874
<i>Information and Communication Infrastructure</i>	130 970	162 566	73 576	36 500	43 029	43 029	72 886	160 731	83 050
Infrastructure	3 935 493	3 623 572	3 308 076	5 662 452	4 122 423	4 122 423	6 360 047	7 337 930	8 043 436
Community Facilities	290 345	353 065	451 187	482 258	420 245	420 245	528 685	612 259	767 553
Sport and Recreation Facilities	57 244	48 253	87 084	147 874	123 325	123 325	346 026	69 899	51 578
Community Assets	347 588	401 318	538 271	630 132	543 569	543 569	874 710	682 158	819 130
Heritage Assets	38 955	8 010	6 367	630	1 212	1 212	18 753	5 300	1 750
Non-revenue Generating	81	-	-	-	-	-	-	-	-
Investment properties	81	-	-	-	-	-	-	-	-
Operational Buildings	464 637	438 901	288 600	610 139	431 070	431 070	748 685	505 548	741 370
Housing	76 724	108 502	106 035	113 859	256 904	256 904	154 085	123 927	163 665
Other Assets	541 361	547 403	394 635	723 998	687 974	687 974	902 770	629 475	905 035
Licences and Rights	4 431	13 177	44 353	78 702	39 838	39 838	87 240	17 400	24 279
Intangible Assets	4 431	13 177	44 353	78 702	39 838	39 838	87 240	17 400	24 279
Computer Equipment	227 607	306 373	246 732	223 786	242 199	242 199	282 376	397 925	254 906
Furniture and Office Equipment	144 101	133 534	132 278	157 203	163 139	163 139	192 331	101 956	71 824
Machinery and Equipment	165 876	198 277	109 962	65 243	70 306	70 306	127 379	104 150	93 650
Transport Assets	334 804	370 443	530 458	820 286	797 595	797 595	727 267	303 541	407 691
Land	164 323	1 511	5 157	26 000	40 384	40 384	33 000	26 000	19 400
TOTAL CAPITAL EXPENDITURE - Asset class	5 904 621	5 603 619	5 316 290	8 388 432	6 708 639	6 708 639	9 605 874	9 605 834	10 641 101

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Description	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand									
ASSET REGISTER SUMMARY - PPE (WDV)	41 470 692	44 463 379	46 989 651	52 871 578	50 322 074	50 322 074	56 627 881	62 853 726	69 935 988
<i>Roads Infrastructure</i>	7 848 021	9 038 537	9 498 494	10 520 662	10 266 484	10 266 484	11 637 380	13 440 638	15 297 541
<i>Storm water Infrastructure</i>	734 352	765 168	890 174	1 014 851	988 251	988 251	1 226 717	1 511 830	1 847 002
<i>Electrical Infrastructure</i>	6 760 029	7 076 484	7 421 931	8 041 029	7 675 849	7 675 849	8 335 223	8 980 968	9 690 406
<i>Water Supply Infrastructure</i>	2 640 397	2 948 124	3 885 066	5 355 893	4 511 220	4 511 220	5 259 875	6 015 080	6 834 189
<i>Sanitation Infrastructure</i>	2 876 204	3 259 714	3 406 106	4 806 251	4 144 041	4 144 041	5 564 635	7 248 420	9 155 370
<i>Solid Waste Infrastructure</i>	744 567	466 031	534 135	788 863	642 616	642 616	1 067 505	1 512 048	1 979 867
<i>Coastal Infrastructure</i>	–	117 984	148 977	108 950	144 527	144 527	168 029	243 055	443 292
<i>Information and Communication Infrastructure</i>	3 815 860	3 810 497	3 997 604	3 838 397	3 976 858	3 976 858	3 979 070	4 067 328	4 075 465
Infrastructure	25 419 430	27 482 539	29 782 489	34 474 895	32 349 846	32 349 846	37 238 434	43 019 367	49 323 132
Community Assets	7 947 245	6 271 699	6 244 428	6 671 115	6 336 272	6 336 272	6 859 610	7 154 269	7 571 354
Heritage Assets	8 904	8 891	10 280	8 891	10 280	10 280	10 280	10 280	10 280
Investment properties	586 427	584 713	582 962	581 286	581 248	581 248	579 534	577 820	576 107
Other Assets	2 819 667	5 213 603	5 116 851	5 906 277	5 523 765	5 523 765	6 147 824	6 491 872	7 111 507
Intangible Assets	678 871	716 040	693 178	521 885	574 912	574 912	506 711	386 085	295 015
Computer Equipment	572 894	586 327	593 657	594 661	590 231	590 231	635 029	816 835	850 002
Furniture and Office Equipment	366 760	351 339	338 363	431 571	382 926	382 926	469 108	477 728	444 786
Machinery and Equipment	635 507	507 179	544 245	487 638	494 270	494 270	495 671	476 145	449 080
Transport Assets	1 439 906	1 718 576	2 060 727	2 219 973	2 417 486	2 417 486	2 661 097	2 464 750	2 381 647
Land	995 081	1 022 473	1 022 473	973 386	1 060 838	1 060 838	1 024 585	978 576	923 079
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	41 470 692	44 463 379	46 989 651	52 871 578	50 322 074	50 322 074	56 627 881	62 853 726	69 935 988
EXPENDITURE OTHER ITEMS	5 878 633	6 119 013	6 612 407	7 144 763	6 948 833	6 948 833	7 875 466	8 472 426	8 895 782
Depreciation	2 117 336	2 308 949	2 832 012	3 015 086	3 040 783	3 040 783	3 300 067	3 379 989	3 558 839
Repairs and Maintenance by Asset Class	3 761 297	3 810 065	3 780 395	4 129 677	3 908 049	3 908 049	4 575 398	5 092 436	5 336 943
<i>Roads Infrastructure</i>	609 310	588 798	596 375	688 377	582 171	582 171	756 245	925 224	971 577
<i>Storm water Infrastructure</i>	–	–	–	–	86 871	86 871	126 779	141 528	148 618
<i>Electrical Infrastructure</i>	504 116	484 296	507 109	541 437	541 529	541 529	518 758	544 439	571 712
<i>Water Supply Infrastructure</i>	482 019	487 625	400 456	440 210	444 645	444 645	346 775	361 041	378 879
<i>Sanitation Infrastructure</i>	447 780	437 208	384 042	374 758	343 710	343 710	316 303	331 682	348 299
<i>Solid Waste Infrastructure</i>	2 497	2 553	1 728	2 250	6 312	6 312	7 281	7 639	8 022
Infrastructure	2 045 722	2 000 480	1 889 711	2 047 033	2 005 237	2 005 237	2 072 140	2 311 553	2 427 108
Community Facilities	115 109	117 431	120 476	122 404	410 415	410 415	701 876	765 788	801 656
Sport and Recreation Facilities	381 822	379 229	363 389	382 327	15 535	15 535	60 013	29 272	30 738
Community Assets	496 931	496 660	483 865	504 731	425 950	425 950	761 889	795 059	832 394
Heritage Assets	1 647	730	266	1 916	2 515	2 515	2 666	3 480	3 616
Revenue Generating	259	229	132	43	727	727	338	355	373
Non-revenue Generating	18 742	20 497	3 328	8 001	295	295	17	18	18
Investment properties	19 001	20 726	3 459	8 043	1 022	1 022	355	373	391
Operational Buildings	140 548	143 284	161 132	338 649	251 572	251 572	225 448	283 789	295 325
Housing	–	–	–	–	18 633	18 633	2 937	2 956	2 976
Other Assets	140 548	143 284	161 132	338 649	270 205	270 205	228 385	286 745	298 301
Computer Equipment	179 935	246 521	214 045	246 058	363 009	363 009	458 940	509 520	532 044
Furniture and Office Equipment	424 463	430 696	557 451	542 256	422 927	422 927	568 616	653 666	684 663
Machinery and Equipment	–	–	–	–	1 910	1 910	2 512	2 632	2 758
Transport Assets	453 049	470 969	470 466	440 991	415 274	415 274	479 895	529 407	555 668
TOTAL EXPENDITURE OTHER ITEMS	5 878 633	6 119 013	6 612 407	7 144 763	6 948 833	6 948 833	7 875 466	8 472 426	8 895 782
Renewal and upgrading of Existing Assets as % of total capex	49.1%	48.9%	50.6%	53.9%	54.5%	54.5%	51.3%	48.5%	53.8%
Renewal and upgrading of Existing Assets as % of deprecn	136.9%	118.6%	94.9%	150.0%	120.3%	120.3%	149.4%	137.9%	160.8%
R&M as a % of PPE	9.4%	8.8%	8.3%	8.0%	7.9%	7.9%	8.2%	8.2%	7.7%
Renewal and upgrading and R&M as a % of PPE	16.0%	15.0%	14.0%	16.0%	15.0%	15.0%	17.0%	16.0%	16.0%

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. The following chart provides an analysis between depreciation (including capital asset impairment) 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.

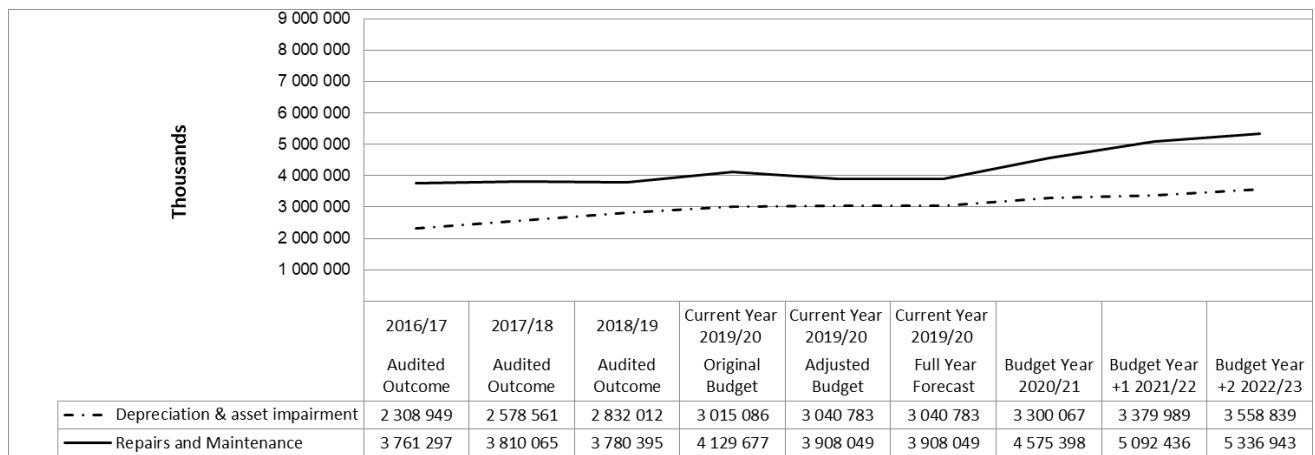


Figure 5 Depreciation in relation to repairs and maintenance for previous years and over the MTREF

Table 31 MBRR Table A10 - Basic Service Delivery Measurement

Description	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Household service targets									
Water:									
Piped water inside dwelling	988 643	1 132 666	1 190 854	1 214 760	1 214 760	1 214 760	1 256 146	1 280 054	1 304 676
Piped water inside yard (but not in dwelling)	-	-	-	-	-	-	-	-	-
Using public tap (at least min.service level)	158 433	157 038	165 105	168 419	168 419	168 419	174 157	177 472	180 886
Other water supply (at least min.service level)	-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>	1 147 076	1 289 704	1 355 959	1 383 179	1 383 179	1 383 179	1 430 303	1 457 526	1 485 562
Using public tap (< min.service level)	-	-	-	-	-	-	-	-	-
Other water supply (< min.service level)	-	-	-	-	-	-	-	-	-
No water supply	-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>	-	-	-	-	-	-	-	-	-
Total number of households	1 147 076	1 289 704	1 355 959	1 383 179	1 383 179	1 383 179	1 430 303	1 457 526	1 485 562
Sanitation/sewerage:									
Flush toilet (connected to sewerage)	1 070 076	1 211 917	1 263 952	1 285 080	1 285 080	1 285 080	1 331 819	1 353 699	1 378 322
Flush toilet (with septic tank)	-	-	-	-	-	-	-	-	-
Chemical toilet	23 964	30 575	32 185	35 120	35 120	35 120	34 020	34 020	34 020
Pit toilet (ventilated)	65	197	197	197	197	197	197	197	197
Other toilet provisions (> min.service level)	52 754	46 798	59 553	62 633	62 633	62 633	64 267	69 610	73 024
<i>Minimum Service Level and Above sub-total</i>	1 146 859	1 289 487	1 355 887	1 383 030	1 383 030	1 383 030	1 430 303	1 457 526	1 485 562
Bucket toilet	217	217	72	149	149	149	-	-	-
Other toilet provisions (< min.service level)	-	-	-	-	-	-	-	-	-
No toilet provisions	-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>	217	217	72	149	149	149	-	-	-
Total number of households	1 147 076	1 289 704	1 355 959	1 383 179	1 383 179	1 383 179	1 430 303	1 457 526	1 485 562
Energy:									
Electricity (at least min.service level)	853 402	828 552	841 791	843 291	843 291	843 291	844 791	846 291	847 791
Electricity - prepaid (min.service level)	-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>	853 402	828 552	841 791	843 291	843 291	843 291	844 791	846 291	847 791
Electricity (< min.service level)	35 341	33 566	31 126	29 626	29 626	29 626	28 126	26 626	25 126
Electricity - prepaid (< min. service level)	-	-	-	-	-	-	-	-	-
Other energy sources	-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>	35 341	33 566	31 126	29 626	29 626	29 626	28 126	26 626	25 126
Total number of households	888 743	862 118	872 917	872 917	872 917	872 917	872 917	872 917	872 917
Refuse:									
Removed at least once a week	975 507	931 820	944 616	958 534	958 534	958 534	935 447	954 156	973 239
<i>Minimum Service Level and Above sub-total</i>	975 507	931 820	944 616	958 534	958 534	958 534	935 447	954 156	973 239
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	975 507	931 820	944 616	958 534	958 534	958 534	935 447	954 156	973 239
Households receiving Free Basic Service									
Water (6 kilolitres per household per month)	222 098	231 793	267 325	270 025	270 025	270 025	253 851	253 851	253 851
Sanitation (free minimum level service)	222 098	255 733	267 325	270 025	270 025	270 025	253 851	253 851	253 851
Electricity/other energy (50kwh per household per month)	236 941	195 564	183 070	183 070	183 070	183 070	183 070	183 070	183 070
Refuse (removed at least once a week)	302 957	317 665	304 437	310 526	310 526	310 526	257 328	262 475	267 724

Table continues on next page

Description	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Cost of Free Basic Services provided - Formal Settlements (R'000)									
Water (6 kilolitres per indigent household per month)	212 041	314 306	368 203	449 106	449 106	449 106	408 131	462 331	509 767
Sanitation (free sanitation service to indigent households)	143 728	178 254	233 221	232 446	232 446	232 446	251 148	284 500	313 690
Electricity/other energy (50kwh per indigent household per month)	160 638	160 638	125 999	125 999	104 999	104 999	133 559	141 572	150 067
Refuse (removed once a week for indigent households)	235 401	276 709	280 000	287 133	287 133	287 133	220 282	227 992	235 971
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)	404 310	472 874	534 234	601 172	601 172	601 172	699 470	772 134	841 784
Total cost of FBS provided	1 156 117	1 402 781	1 541 657	1 695 856	1 674 856	1 674 856	1 712 590	1 888 530	2 051 279
Highest level of free service provided per household									
Property rates (R value threshold)	–	–	–	–	–	–	–	–	–
Water (kilolitres per household per month)	6	6	11	11	11	11	11	11	11
Sanitation (kilolitres per household per month)	4	4	7	7	7	7	7	7	7
Sanitation (Rand per household per month)	102	151	–	–	–	–	–	–	–
Electricity (kwh per household per month)	60	60	60	60	60	60	60	60	60
Refuse (average litres per week)	240	240	240	240	240	240	240	240	240
Revenue cost of subsidised services provided (R'000)									
Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)	–	–	–	–	–	–	–	–	–
Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)	1 159 618	1 357 933	1 450 216	1 231 247	1 200 304	1 200 304	1 241 212	1 290 613	1 342 366
Water (in excess of 6 kilolitres per indigent household per month)	–	–	–	–	–	–	–	–	–
Sanitation (in excess of free sanitation service to indigent households)	–	–	–	–	–	–	–	–	–
Electricity/other energy (in excess of 50 kwh per indigent household per month)	–	–	–	–	–	–	–	–	–
Refuse (in excess of one removal a week for indigent households)	–	–	–	–	–	–	–	–	–
Municipal Housing - rental rebates	25 175	29 133	28 319	32 289	52 289	52 289	30 904	32 294	33 748
Housing - top structure subsidies	–	–	–	–	–	–	–	–	–
Other	–	–	–	–	–	–	–	–	–
Total revenue cost of subsidised services provided	1 184 792	1 387 066	1 478 535	1 263 535	1 252 593	1 252 593	1 272 116	1 322 907	1 376 114

Explanatory notes to Table A10 – Basic Service Delivery Measurement

- Table A10 provides an overview of service delivery levels, including backlogs (below minimum service level), for each of the main services.
- The City is persistently striving to eradicate backlogs. The City’s backlog status are as follows:
 - 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).
 - Sanitation services: Cape Town’s population, both formal and informal settlements, receives sanitation services in accordance with the National minimum standards. Funding is still provided to further improve the service levels in Informal Settlements in line with the City’s strategy.
 - Electricity services: The electrification strategy is to reduce the backlog by 1 500 annually over the 2020/21 MTREF.
 - Refuse services: This service does not have any backlogs.
- The associated cost of providing free basic services is projected to escalate from R1 713 million in 2020/21 to R2 051 million in 2022/23.
- The following assumptions are applied when determining the number of households per service:
 - Water & Sanitation
The number of households is based on the StatsSA 2017 Mid-Year Estimates.
 - Energy
The City supplies only part of the metro and provides electricity connections irrespective of the number of households.
 - Refuse
The number of households is based on a formal property count of the actual number of households that requests this service.

Part 2 – Supporting Documentation

2.1 Overview of annual budget process

2.1.1 Mayoral oversight and responsibility

Section 53 of the MFMA requires the Mayor of a municipality to provide general political guidance over the budget process and the priorities that guide the preparation of the budget. In addition, Regulation 4 of the MBRR states that:

- 1) *The mayor of a municipality must establish a budget steering committee to provide technical assistance to the mayor in discharging the responsibilities set out in section 53 of the Act.*
- 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 Budget Steering Committee (BSC) that embodies all the requirements as set out in the MFMA and MBRR. In addition, the City established a Budget Strategy Committee (BSM) whose purpose is to provide strategic guidance and ensure that the budget is aligned to the City's strategies.

2.1.2 Budget process overview

Section 21 of the MFMA requires the Mayor to table a time schedule, which sets out the process to draft the IDP and prepare the budget, ten months before the start of the new financial year. The IDP- and Budget Time Schedule was adopted by Council on 29 May 2019.

The City's annual Strategic Management Framework's (SMF) process informs planning over the next financial year and helps ensure delivery on the strategic objectives set out in the IDP.

The three-pronged approach of the SMF process commenced with the Strategic Review in July 2019 followed by the Operational- and Item Review. The Strategic Review provided an opportunity to consider critical issues that may affect the organisation over the MTREF and laid out the important priorities, which are to inform the planning imperatives over the MTREF. Following the Strategic Review engagement, the City Manager issued the Strategic Brief to be considered in preparation of the MTREF as follows:

- Implement the IDP;
- Implement the Municipal Strategic Development Framework (MSDF);
- Implement the Water Strategy;
- Maintain assets;
- Protect existing infrastructure and staff to ensure service delivery;
- Develop a transversal approach to address violent crime and social challenges;
- Improving service delivery by addressing implementation challenges; and
- Implementing the resilience strategy.

The processes in the timeline up to the tabling of the budget was all pre-COVID-19, subsequent to which the budget was reviewed and amended to incorporate the impact of the COVID-19 pandemic.

The timeline below sets out the processes followed in the preparation of the 2020/21 MTREF.

May 2019

- The 2020/21 IDP and Budget Time Schedule was tabled at Council.

July to September 2019

- The SMF Strategic Review took place in July 2019.
- The City Manager issued an organisational strategic brief document to the Executive Directors in preparation of the SMF Operational Review in September 2019.
- Finance technical sessions to formulate proposals in achieving a realistic, deliverable and affordable MTREF (included for reviewing the borrowing strategy and initiatives to reduce revenue parameters) took place.
- Budget consultation with Subcouncils – a report was submitted to the September cycle of subcouncil meetings. Requirements stemming from subcouncils were submitted to line departments for consideration.

October to December 2019

- Presentations to the BSC included an updated LTFP modelled scenario; technical assessment of the outcome of the 2018/19 financial year and its influence on the 2020/21 MTREF; and the outcome and impact of Operational Review budget proposals.
- Operational Review meetings, where Executive Directors presented their operational budget proposals and their alignment to strategy in responding to the Strategic Brief, were held.
- Iterative interactions with BSC and BSM. Refinements of the LTFP model to ensure a credible, affordable and sustainable budget over the medium term and presentation of parameters and assumptions for endorsements.
- Presentations by Trading Services (i.e. Water & Sanitation, Energy and Solid Waste) on their proposed financial plans and tariffs were made to BSC and BSM.

January and February 2020

- Brickwall assessment (implementation readiness assessment) review informing Item Review and consideration of its impact on operating- and capital budget.
- Presentation of final revenue parameters and outcome of Total Municipal Account (TMA) to BSC and BSM for endorsement.
- Prepare detailed operating- and capital budgets.

March – April 2020

- The draft 2020/21 operating- and capital budget, and IDP review was tabled at Council on 26 March 2020 on the morning before the national lockdown.
- Due to the national lockdown, no public participation meetings took place, all comments and consultation were via the media – social and published.
- Due to the focus in reacting to the COVID-19 pandemic, the 2020 LG MTEC engagement scheduled for 24 April 2020 was cancelled. A technical session to discuss the report has been set up for 20 May 2020.

April - May 2020

- Impact of the COVID-19 on the City's operational and financial position was assessed for inclusion to the 2020/21 Budget;
- Comments received as a result of the public participation process to be submitted to Mayco for consideration.
- The 2020 Municipal Benchmark Engagement with National Treasury took place via the Microsoft Teams platform on 15 May 2020.
- The 2020/21 MTREF budget and IDP review is scheduled for consideration and adoption by Council on 27 May 2020.

2.1.3 Integrated Development Plan (IDP)

The City's 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. This 5-Year (2017/18 – 2021/22) Term of Office Plan, is in line with National- and Provincial government legislation 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.

The 5-Year (2017/18 – 2021/22) Term of Office IDP was developed in line with the Term of Office IDP Process Plan.

Section 34(a) of the Municipal Systems Act (MSA) requires a municipal council to review its IDP:

- i) annually, in accordance with an assessment of its performance measurements;*
- ii) and to the extent that changing circumstances so demand.*

Section 34(b) of the MSA states that a municipal council may amend its IDP in accordance with the prescribed process.

The prescribed process for amending an IDP is contained in Section 3 of the Municipal Planning and Performance Management Regulations, 2001. The main steps in the process are:

- i) Only a member or committee of a municipal council may introduce a proposal for amending the IDP;
- ii) Any proposal for amending the IDP must be accompanied by a memorandum setting out the reasons for the proposal;
- iii) The proposed amendment must be published for public comment for a minimum period of 21 days; and
- iv) An amendment to the IDP is adopted by a decision taken by a municipal council in accordance with the rules and orders of council.

Key amendments to the IDP

Proposed amendments are aimed to accommodate emerging strategic changes from the IDP in order to support and strengthen the approved strategic direction and narrative of the IDP. The proposed amendments are summarised under the following areas.

- Existing contextual analysis;
- List of indicators aligned with national indicators;
- Implementation Plan;
- Corporate Scorecard and definitions;

- Entities Scorecard and definitions; and
- IDP Statutory, Strategic and Operational Plans.

Annexure 19 to this document contains the proposed amendments to the 2017-2022 approved IDP for 2020/21.

2.2 Overview of alignment of annual budget with Integrated Development Plan (IDP) and Service Delivery and Budget Implementation Plan (SDBIP)

The City's priority objectives are set out in its IDP, which provides the strategic framework that guides the City's planning and budgeting over the course of the 5-year political term.

To this extent, the IDP consists of two main parts, being (a) a strategic plan, which contains the longer term strategic vision, priorities and narrative as well as (b) an implementation plan, which focuses only on key strategic programmes, projects and initiatives that will support the achievement of the priorities through the 5-year term of office.

The City's 5 Strategic Focus Areas (SFA) or pillars are unpacked into 11 priorities (transformed into 11 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 are allocated firstly through budget prioritisation at a corporate level and pulled through to the directorate/department business plans.

The Corporate Scorecard is the strategic tool used by the City and the community to monitor progress against delivery. The five-year corporate scorecard contains annual targets and forms part of the IDP.

The one-year corporate scorecard which contains quarterly targets forms part of the corporate SDBIP and sets out how the City intends spending their budget for the financial year.

2.2.1 Service Delivery and Budget Implementation Plan (SDBIP)

The Corporate SDBIP Book combines and sets out the various components in the format required by National Treasury. It includes the City's one-year corporate scorecard as well as the municipal entities' scorecards.

These scorecards reflect the measurable performance indicators for quarterly- and annual targets.

The corporate SDBIP has several components:

- one-year corporate scorecard for the City;
- Cape Town Stadium scorecard; and
- Cape Town International Convention Centre (CTICC) scorecard.

The balance of the components of the City’s SDBIP, as listed below, includes projections for each month and are presented in MBRR table SA25 on page 123, table SA26 on page 125 and table SA28 on page 128:

- revenue to be collected, by source; and
- operational and capital expenditure, by vote

The entities’ scorecards are disclosed in terms of section 93B(a) and (b) and 93C (iv) and (v) of the Municipal Systems Act (MSA) and section 87(5)(d) of the MFMA.

Detailed departmental SDBIPs are published on the City’s website and may be accessed at www.capetown.gov.za.

The vision of the City

The vision of the City is to be an opportunity city that creates an enabling environment for economic growth and job creation, and to provide assistance to those who need it most; to deliver quality services to all residents; and to serve the citizens of Cape Town as a well-governed and corruption free administration.

In pursuit of this vision, the City’s mission is as follows:

- To contribute actively to the development of the environment, and its human- and social capital;
- To offer high-quality services to all who live in, do business in or visit Cape Town; and
- To be known for as an efficient, effective and caring government.

The budget is allocated against the five SFA 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 the SDBIP that reflects the detailed projects. Each of these projects is allocated budgetary and other resources.

The figure below visually represents the link between the IDP and budget, and demonstrates how corporate strategy is cascaded through the organisation, and how it influences and shapes the operating- and capital budget of the City’s directorates/departments.

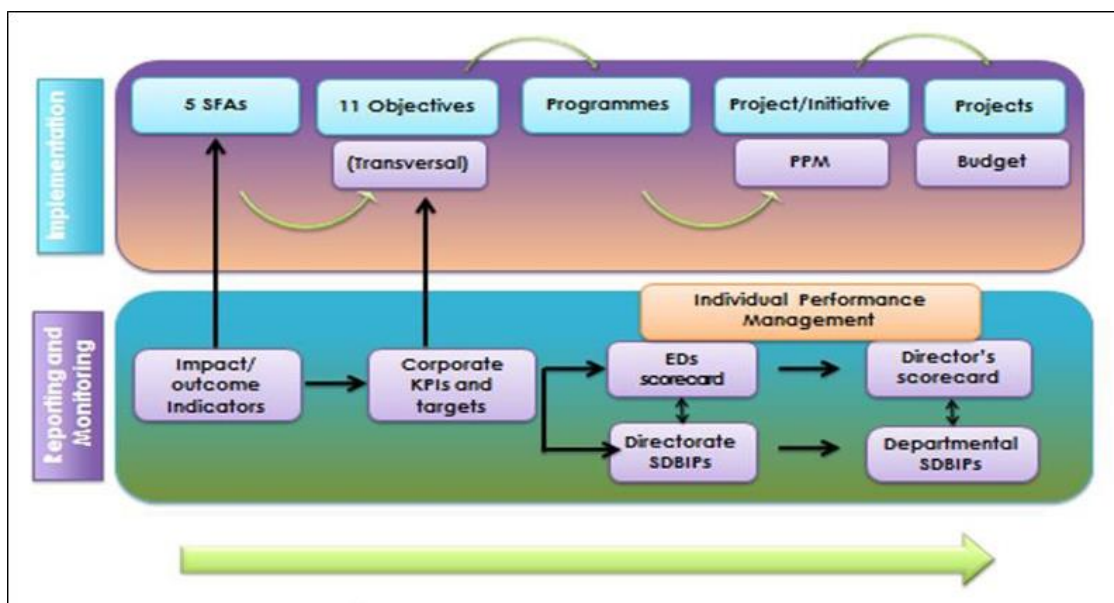


Figure 6 IDP and Budget link

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

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

Strategic Objective	Goal	Goal Code	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand											
The Opportunity City	Attract investment for economic growth/jobs	1.1	124 616	–	–	–	–	–	–	–	–
	Provision of economic & social infrastructure	1.2	18 420 842	–	–	–	–	–	–	–	–
	Sustainable environment through resource	1.3	247 125	–	–	–	–	–	–	–	–
	Mobility via effective public transport	1.4	937 518	–	–	–	–	–	–	–	–
	City Assets for economic growth & development	1.5	180 762	–	–	–	–	–	–	–	–
The Safe City	Expand resources for safety and security	2.1	0	–	–	–	–	–	–	–	–
	Resource departments for optimum operations	2.2	89 760	–	–	–	–	–	–	–	–
	Enhance intelligence-driven policing	2.3	1 291 241	–	–	–	–	–	–	–	–
	Improve emergency staff through training	2.4	20 848	–	–	–	–	–	–	–	–
	Safety and security through partnerships	2.5	206	–	–	–	–	–	–	–	–
The Caring City	Human settlements for increased access	3.2	1 068 620	–	–	–	–	–	–	–	–
	Assess rental stock to beneficiaries	3.3	195 029	–	–	–	–	–	–	–	–
	Innovative human settlements access	3.4	669 525	–	–	–	–	–	–	–	–
	Effective environmental health services	3.5	9 899	–	–	–	–	–	–	–	–
	Provide effective air quality management & pollution	3.6	362	–	–	–	–	–	–	–	–
	Effective primary health care services	3.7	581 820	–	–	–	–	–	–	–	–
	Substance abuse treatment/rehabilitation	3.8	0	–	–	–	–	–	–	–	–
The Inclusive City	Response for citizens to be communicated	4.1	250	–	–	–	–	–	–	–	–
	Facilities that make citizens feel home	4.2	236 337	–	–	–	–	–	–	–	–
The Well-Run City	Transparent & corruption free government	5.1	1 593	–	–	–	–	–	–	–	–
	Efficient & productive administration	5.2	77 632	–	–	–	–	–	–	–	–
	Ensure unqualified audits by AG	5.3	10 375 045	–	–	–	–	–	–	–	–
Opportunity City	Position Cape Town as globally competitive City	1.1	–	452 644	363 335	390 658	398 485	398 485	388 638	395 290	389 323
	Leveraging Technology for Progress	1.2	–	23 713	18 017	18 407	15 431	15 431	16 186	16 992	17 843
	Economic Inclusion	1.3	–	125	14	32 877	–	–	–	–	–
	Resource Efficiency and Security	1.4	–	8 633	42 040	19 817	37 310	37 310	44 639	10 017	9 889
Safe City	Safe Communities	2.1	–	1 522 057	1 401 713	1 304 024	1 371 883	1 371 883	1 601 734	1 521 368	1 603 515
Caring City	Excellence in Basic Service delivery	3.1	–	18 673 270	20 476 786	20 991 706	21 270 771	21 270 771	21 149 697	23 900 910	25 824 258
	Basic service to informal settlements and backyarders	3.2	–	47 665	47 823	43 005	119 616	119 616	10 111	10 116	10 122
Inclusive City	Dense_Transit Orientated Growth and Development	4.1	–	6 012	7 604	519	2 231	2 231	25 822	16 107	10 125
	An Efficient Integrated Transport System	4.2	–	599 497	675 155	787 694	715 669	715 669	823 825	675 659	770 934
	Building Integrated Communities	4.3	–	12 812 107	13 786 748	14 095 076	14 065 193	14 065 193	14 897 893	16 314 542	17 695 101
Well-Run City	Operational sustainability	5.1	–	2 641 187	3 371 136	3 238 168	3 257 480	3 257 480	3 266 573	3 377 362	3 556 495
Total Revenue (excluding capital transfers and contributions)			34 529 031	36 786 911	40 190 370	40 921 950	41 254 070	41 254 070	42 225 117	46 238 363	49 887 604

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

Strategic Objective	Goal	Goal Code	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand											
The Opportunity City	Attract investment for econ growth/jobs	1.1	390 474	–	–	–	–	–	–	–	–
	Prov of economic & social infrastructure	1.2	16 121 414	–	–	–	–	–	–	–	–
	Sustainable environment through resource	1.3	715 536	–	–	–	–	–	–	–	–
	Mobility via effective public transport	1.4	1 586 386	–	–	–	–	–	–	–	–
	City Assets for econ growth & developmnt	1.5	180 785	–	–	–	–	–	–	–	–
The Safe City	Expand resources for safety and security	2.1	1 964	–	–	–	–	–	–	–	–
	Resource depts for optimum operations	2.2	1 287 008	–	–	–	–	–	–	–	–
	Enhance intelligence-driven policing	2.3	1 333 677	–	–	–	–	–	–	–	–
	Improve emergency staff through training	2.4	119 197	–	–	–	–	–	–	–	–
	Safety and security through partnerships	2.5	82 512	–	–	–	–	–	–	–	–
The Caring City	Human settlements for increased access	3.2	930 041	–	–	–	–	–	–	–	–
	Assess rental stock to beneficiaries	3.3	452 330	–	–	–	–	–	–	–	–
	Innovative human settlements access	3.4	501 227	–	–	–	–	–	–	–	–
	Effective environmental health services	3.5	336 022	–	–	–	–	–	–	–	–
	Provide effective air quality management & pollution	3.6	10 662	–	–	–	–	–	–	–	–
	Effective primary health care services	3.7	952 301	–	–	–	–	–	–	–	–
	Substance abuse treatment/rehabilitation	3.8	6 750	–	–	–	–	–	–	–	–
	Response for citizens to be communicated	4.1	58 386	–	–	–	–	–	–	–	–
The Inclusive City	Facilities that make citizens feel home	4.2	2 160 343	–	–	–	–	–	–	–	–
	Transparent & corruption free government	5.1	536 796	–	–	–	–	–	–	–	–
The Well-Run City	Efficient & productive administration	5.2	1 763 270	–	–	–	–	–	–	–	–
	Ensure unqualified audits by AG	5.3	1 992 390	–	–	–	–	–	–	–	–
Opportunity City	Position CT as globally competitive City	1.1	–	4 720 167	5 278 500	5 866 968	5 636 481	5 636 481	5 900 270	6 510 347	6 926 386
	Leveraging Technology for Progress	1.2	–	616 571	617 632	616 301	642 004	642 004	729 723	833 905	939 506
	Economic Inclusion	1.3	–	42 987	52 437	131 417	60 472	60 472	82 766	89 255	95 512
	Resource Efficiency and Security	1.4	–	286 177	369 628	651 366	560 117	560 117	499 045	671 671	748 096
Safe City	Safe Communities	2.1	–	3 043 526	3 440 761	3 899 703	3 923 466	3 923 466	4 437 405	4 652 625	4 944 128
Caring City	Excellence in Basic Service delivery	3.1	–	15 853 325	16 604 074	20 250 377	19 877 588	19 877 588	21 097 575	21 991 387	23 712 923
	Mstr basic service to inf settl bkyard	3.2	–	542 545	627 900	660 047	890 650	890 650	956 458	784 162	827 657
Inclusive City	Dense_Transit Orientated Growth and Dev	4.1	–	69 095	46 821	51 090	50 039	50 039	73 313	66 956	70 287
	An Efficient Integrated Transport System	4.2	–	1 686 499	1 794 664	1 983 044	1 825 092	1 825 092	2 002 728	1 867 492	1 976 022
	Building Integrated Communities	4.3	–	1 630 807	2 351 784	2 241 322	2 530 392	2 530 392	3 226 953	2 528 243	2 727 320
Well-Run City	Operational sustainability	5.1	–	4 409 576	4 894 828	5 427 982	5 442 457	5 442 457	5 823 859	6 734 001	7 257 484
Total Expenditure			31 519 472	32 901 274	36 079 031	41 779 617	41 438 759	41 438 759	44 830 094	46 730 044	50 225 320

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

Strategic Objective	Goal	Goal Code	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand											
The Opportunity City	Attract investment for econ growth/jobs	1.1	7 079	–	–	–	–	–	–	–	–
	Prov of economic & social infrastructure	1.2	3 642 069	–	–	–	–	–	–	–	–
	Sustainable environment through resource	1.3	200 021	–	–	–	–	–	–	–	–
	Mobility via effective public transport	1.4	571 990	–	–	–	–	–	–	–	–
	City Assets for econ growth & developmnt	1.5	97 282	–	–	–	–	–	–	–	–
The Safe City	Expand resources for safety and security	2.1	11 270	–	–	–	–	–	–	–	–
	Enhance intelligence-driven policing	2.3	74 687	–	–	–	–	–	–	–	–
	Safety and security through partnerships	2.5	29 189	–	–	–	–	–	–	–	–
The Caring City	Access to social services	3.1	25 607	–	–	–	–	–	–	–	–
	Human settlements for increased access	3.2	352 643	–	–	–	–	–	–	–	–
	Innovative human settlements access	3.4	163 178	–	–	–	–	–	–	–	–
	Effective environmental health services	3.5	5 395	–	–	–	–	–	–	–	–
	Effective primary health care services	3.7	24 439	–	–	–	–	–	–	–	–
	Substance abuse treatment/rehabilitation	3.8	924	–	–	–	–	–	–	–	–
The Inclusive City	Response for citizens to be communicated	4.1	2 842	–	–	–	–	–	–	–	–
	Facilities that make citizens feel home	4.2	213 589	–	–	–	–	–	–	–	–
The Well-Run City	Efficient & productive administration	5.2	71 325	–	–	–	–	–	–	–	–
	Ensure unqualified audits by AG	5.3	411 092	–	–	–	–	–	–	–	–
Opportunity City	Position CT as a fwd looking bus City	1.1	–	1 861 734	1 345 657	1 305 493	854 853	854 853	1 669 032	1 099 631	1 454 350
	Leveraging Technology for Progress	1.2	–	283 118	84 512	38 530	44 841	44 841	62 200	10 200	7 500
	Economic Inclusion	1.3	–	–	11 571	22 029	29 778	29 778	55 211	76 475	81 154
	Resource Efficiency and Security	1.4	–	313 430	327 945	349 212	128 808	128 808	464 302	568 212	553 891
Safe City	Safe Communities	2.1	–	172 415	264 501	579 441	538 971	538 971	485 314	98 331	211 222
Caring City	Excellence in Basic Service Delivery	3.1	–	1 161 879	1 268 649	2 964 988	2 262 848	2 262 848	2 992 996	3 131 789	3 342 115
	Basic service to inf settlement & bkyard	3.2	–	247 851	324 494	544 526	454 801	454 801	657 600	686 351	874 325
Inclusive City	Dense & Transit Urban Growth and Devpmt	4.1	–	937	46 106	136 726	184 916	184 916	249 321	290 287	312 662
	Efficient, Integrated Transport System	4.2	–	524 498	558 291	639 804	598 194	598 194	888 434	1 144 301	1 149 407
	Building Integrated Communities	4.3	–	51 418	503 332	697 399	685 858	685 858	906 005	1 171 662	1 373 695
Well-run City	Operational sustainability	5.1	–	986 339	581 231	1 110 283	924 770	924 770	1 175 461	1 328 595	1 280 780
Total Capital Expenditure			5 904 621	5 603 619	5 316 290	8 388 432	6 708 639	6 708 639	9 605 874	9 605 834	10 641 101

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 below:

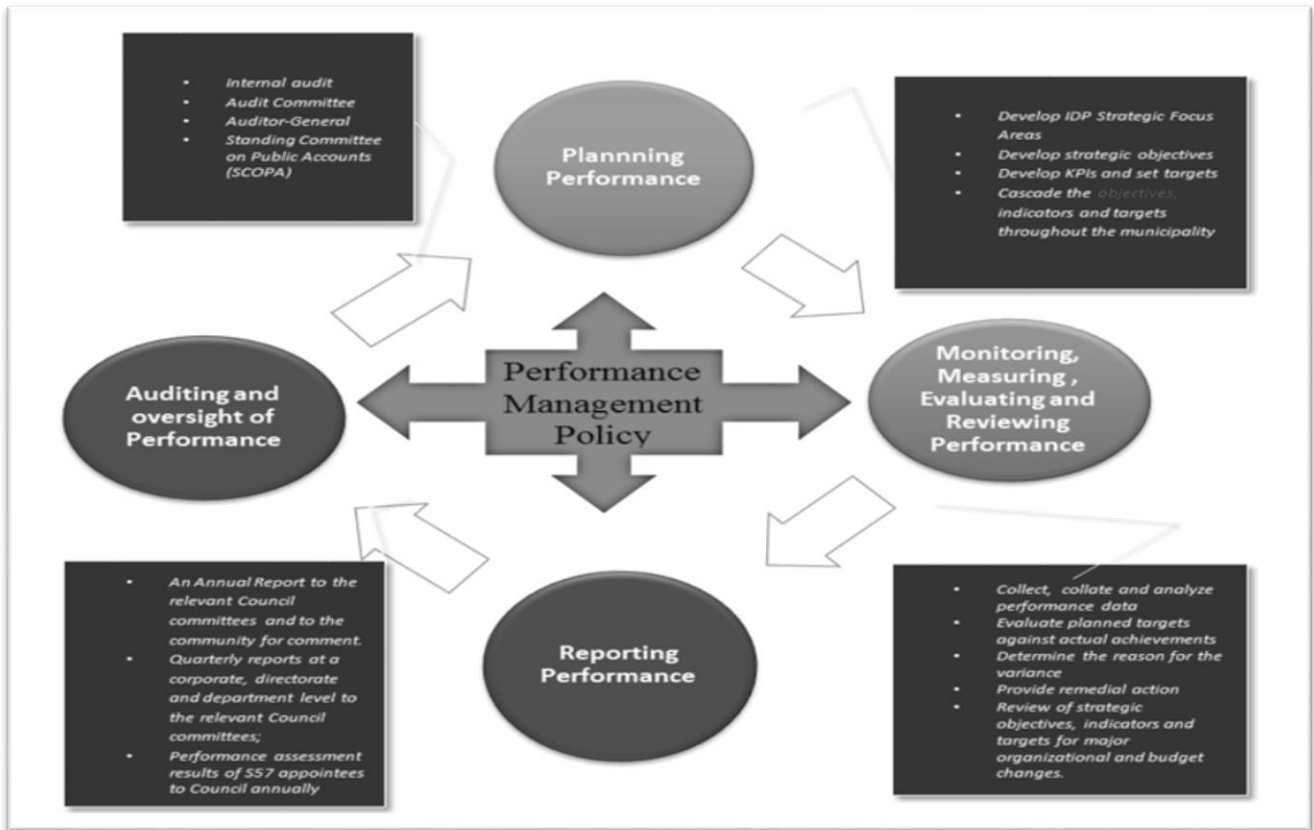


Figure 7 Planning, budgeting and reporting cycle

Planning Performance

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

Planning ensures that clear strategic direction is set and prioritised. The IDP is developed and is set for the 5-year term of office of the elected council and reviewed annually. This is the stage where Strategic Focus Areas (SFA), objectives, performance indicators, definitions 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.

The planning cycle delivers a 5-year and annually reviewed IDP (including a Five-year Corporate Scorecard with definitions and targets), annual one-year corporate (quarterly) targets, directorate and departmental SDBIP, performance indicator measurement sheets, Section 57 performance plans and individual performance assessments.

Indicators must be measurable, relevant, objective and precise. It 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 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 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. This takes place on a quarterly and annual basis.

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

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

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

Reporting

The actual achievements of targets set for the objectives will be reported on a quarterly basis, where appropriate. It will form the platform for the quarterly- and annual reports on performance. 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 the Audit Committee (including the Performance Management Committee) reviews the Organisational Performance Management (OPM) system for functionality, performance information and compliance. The Auditor General and the Municipal Public Accounts Committee (MPAC) reviews the Annual Report.

The final measurable performance indicators to be accomplished in 2020/21 will be approved by the Executive Mayor as part of the Corporate SDBIP in June 2020.

Table 35 MBRR Table SA7 - Measureable performance objectives

Description	Unit of measurement	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
SFA 1: OPPORTUNITY CITY										
1.1. Positioning Cape Town as a forward - looking, globally competitive City										
1.A Percentage of building plans approved within 30-60 days	Percentage	97.30%	97.50%	92.80%	94.00%	94.00%	90.00%	95.00%	96.00%	-
1.B Percentage of rates clearance certificate issued within 10 working days	Percentage	New	93.84%	94.61%	92.00%	90.00%	90.00%	93.00%	93.00%	-
1.C Number of outstanding valid applications for commercial electricity services expressed as a percentage of commercial customers	Percentage	New	0.59%	0.66%	0.20%	0.70%	0.70%	0.70%	0.70%	-
1.2. Leveraging technology for progress										
1.D Broadband Infrastructure Programme (BIP)	Programme	New	New	New	Approved Broad Band business and management review	Approved Broad Band business and management review	Business plan at the end of concept design to be approved by council in May	Approved detailed design of BIP	Implementation of programme will commence in line with approved detailed design	-
1.3 Economic inclusion										
1.E Number of Mayoral Job Creation Programme (MJCP) opportunities created - NKPI	Number	45 370	35 145	36 910	35 500	35 500	30 000	35 500	35 500	-
1.F Percentage budget spent on implementation of Workplace Skills Plan (WSP) (NKPI)	Percentage	92.30%	95.42%	95.58%	95.00%	95.00%	75.00%	95.00%	95.00%	-
1.4. Natural Resources and Environment										
1.G Percentage compliance with drinking water quality standards	Percentage	99.65%	99.11%	99.09%	98.00%	98.00%	98.00%	98.00%	98.00%	-
1.H Small scale embedded generation (SSEG) capacity legally installed and grid-tied measured in mega-volt ampere (MVA)	Mega-volt ampere	New	5.24	6.4	4	4	4	4.5	5	-
SFA 2: SAFE CITY										
2.1. Safe communities										
2.A Number of areas in which additional CCTV cameras have been installed	Number	New	11	9	5	5	5	5	5	-
2.B Community satisfaction survey (Score 1 - 5) - safety and security	Score	2.9	2.8	2.3	2.5	2.5	2.5	2.8	3.0	-

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Description	Unit of measurement	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
SFA 3: CARING CITY										
3.1. Excellence in basic service delivery										
3.A Community satisfaction survey (Score 1 - 5) - City-wide	Score	2.8	2.8	2.3	3.0	2.5	2.5	2.8	3.0	-
3.B Number of outstanding valid applications for water services expressed as a percentage of total number of billings for the service (NKPI)	Percentage	0.33%	0.44%	0.27%	< 0.7%	< 0.7%	< 0.7%	< 0.7%	< 0.7%	-
3.C Number of outstanding valid applications for sewerage services expressed as a percentage of total number of billings for the service (NKPI)	Percentage	0.37%	0.49%	0.24%	< 0.7%	< 0.7%	< 0.7%	< 0.7%	< 0.7%	-
3.D Number of outstanding valid applications for electricity services expressed as a percentage of total number of billings for the service (NKPI)	Percentage	0.08%	0.11%	0.11%	< 0.4%	< 0.4%	< 0.4%	< 0.3%	< 0.2%	-
3.E Number of outstanding valid applications for refuse collection service expressed as a percentage of total number of billings for the service (NKPI)	Percentage	0.01%	0.01%	0.01%	< 0.4%	< 0.4%	< 0.4%	< 0.2%	< 0.1%	-
3.F Percentage adherence to City-wide service requests	Percentage	81.75%	83.06%	87.28%	90.0%	90.0%	90.0%	90.0%	90.0%	-
3.G Number of human settlement opportunities (Top structures)	Number	4 839	3 749	3 784	4 151	3 375	2 565	4225	4159	-
3.H Number of human settlement opportunities (Formal sites serviced)	Number	1 189	4 346	1 908	1767	1767	785	3088	4123	-
3.2. Mainstreaming basic service delivery to informal settlements and backyard dwellers										
3.I Number of water service points (taps) provided to informal settlements (NKPI)	Number	676	912	716	700	700	700	700	700	-
3.J Number of sanitation service points (toilets) provided to informal settlements (NKPI)	Number	2 085	4 275	3 687	2500	2500	2500	2500	2500	-
3.K Percentage of Areas of Informality receiving waste removal and area cleaning services (NKPI)	Percentage	99.74%	99.74%	99.74%	99.00%	99.00%	99.00%	99.00%	99.00%	-
3.L Number of service points (toilet and tap with hand basin) provided to backyarders	Number	New	408	164	880	300	300	350	400	-
3.M Number of electricity subsidised connections installed (NKPI)	Number	1 747	1 774	2 440	1500	1500	1500	1500	1500	-
3.N Number of sites serviced in the informal settlements	Number	New	1052	1448	1600	1300	854	1350	1400	-
3.O Number of community services facilities within informal settlements	Number	New	New	New	1	1	0	2	3	-

Table continues on next page

Description	Unit of measurement	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
SFA 4: INCLUSIVE CITY										
4.1. Dense and transit oriented growth and development										
4.A Catalytic Land Development Programme (CLDP)	Programme	New	New	New	CLD programme setting out prioritised projects and subprojects and their implementation actions	CLD programme setting out prioritised projects and subprojects and their implementation actions	CLD programme setting out prioritised projects and subprojects and their implementation actions	-	Planning and enablement of CLDP projects for implementation	-
4.2. An efficient, integrated transport system										
4.B Number of passenger journeys per kilometer operated (MyCiTi)	Number	New	1.11	1.06	1.07	1.00	1.00	1.00	1.07	-
4.C Total number of passenger journeys on MyCiTi	Number	19.9 Million	18 million	17.5 million	18.6 million	16.8 million	12.8 million	16.8 million	19.1 million	-
4.3. Building integrated communities										
4.D Percentage of employees from the EE target (designated) groups employed in the three highest levels of management (NKPI)	Percentage	69.86%	71.10%	73.05%	74.00%	74.00%	74.00%	75.00%	75.00%	-
4.E Number of strengthening families programmes implemented	Number	New	20.00	19.00	18	18	10	18	18	-
SFA 5: WELL-RUN CITY										
5.1. Operational sustainability										
5.A Opinion of independent rating agency	Opinion	High investment rating (Aaa.za)	High investment rating	High investment rating	High investment rating	High investment rating	High investment rating	High investment rating	High investment rating	-
5.B Opinion of the Auditor-General	Opinion	Unqualified audit opinion with other findings	Unqualified audit opinion	Unqualified audit opinion	Clean audit	Clean audit	Clean audit	Clean audit	Clean audit	-
5.C Percentage spend of capital budget (NKPI)	Percentage	92.85%	73.00%	80.10%	90.00%	90.00%	90.00%	90.00%	90.00%	-
5.D Percentage spend on Repair and Maintenance	Percentage	99.52%	99.54%	95.60%	95.00%	95.00%	95.00%	95.00%	95.00%	-
5.E Cash/cost coverage ratio (excluding unspent conditional grants) (NKPI)	Ratio	2.28:1	3.02:1	3.85:1	2.1	2.1	1:90	2.1	2.1	-
5.F Net Debtors to annual income (NKPI)	Percentage	21.15%	21.11%	19.94%	21.50%	21.50%	22.80%	21.50%	21.50%	-
5.G Debt (total borrowings) to total operating revenue (NKPI)	Percentage	New	24.30%	22.85%	28.00%	22.50%	26.11%	30.00%	33.00%	-

The following table sets out the municipalities main performance indicators and benchmarks for the 2020/21 MTREF.

Table 36 MBRR Table SA8 - Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Borrowing Management										
Credit Rating		Aaa.za	Aaa.za	Aaa.za						
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	4.0%	3.5%	3.3%	2.8%	2.9%	2.9%	2.7%	4.2%	6.3%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	4.4%	3.8%	3.6%	3.5%	3.6%	3.6%	3.3%	4.8%	7.2%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	0.0%	26.3%	6.1%	17.8%	25.3%	25.3%	37.2%	79.5%	69.3%
Safety of Capital										
Gearing	Long Term Borrowing/ Funds & Reserves	153.4%	187.4%	130.7%	136.0%	141.5%	141.5%	214.2%	272.2%	310.0%
Liquidity										
Current Ratio	Current assets/current liabilities	1.3	1.6	2.0	1.4	2.2	2.2	1.7	1.6	1.4
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	1.3	1.6	2.0	1.4	2.2	2.2	1.7	1.6	1.4
Liquidity Ratio	Monetary Assets/Current Liabilities	0.6	0.8	1.2	0.5	1.2	1.2	0.7	0.7	0.6
Revenue Management										
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing	0.0%	107.7%	103.7%	105.2%	96.3%	92.9%	0.0%	92.4%	96.8%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		107.6%	103.7%	105.2%	96.3%	92.9%	92.9%	92.4%	96.8%	96.9%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	17.2%	17.7%	18.0%	28.3%	18.9%	18.9%	19.7%	19.3%	19.2%
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 65(e))	96.5%	97.3%	96.0%	97.0%	97.0%	97.0%	97.0%	97.0%	97.0%
Creditors to Cash and Investments		121.7%	78.7%	52.4%	134.6%	44.6%	44.6%	74.1%	55.6%	59.7%
Other Indicators										
Electricity Distribution Losses (2)	Total Volume Losses (kW)	1 075 357 226	1,028,785,537	1 012 317 214	994 990 251	994 990 251	994 990 251	994 990 251	994 990 251	994 990 251
	Total Cost of Losses (Rand '000)	877 599	843,923	883 955	1 004 622	1 004 622	1 004 622	1 084 992	1 171 792	1 265 535
	% Volume (units purchased and generated less units sold)/units purchased and generated	10.89%	10.72%	10.67%	10.69%	10.69%	10.69%	10.69%	10.69%	10.69%
Water Distribution Losses (2)	Total Volume Losses (kl)	63 571 089	51 131 888	61 254 982	48 694 449	48 694 449	67 845 819	69 893 617	69 893 617	69 893 617
	Total Cost of Losses (Rand '000)	317 697	299 803	616 734	395 671	395 671	592 972	610 870	641 414	673 484
	% Volume (units purchased and generated less units sold)/units purchased and generated	22.05%	24.42%	29.71%	19.20%	19.20%	29.46%	29.54%	29.54%	29.54%
Employee costs	Employee costs/(Total Revenue - capital revenue)	28.1%	29.6%	30.8%	33.8%	33.8%	33.8%	36.0%	35.9%	36.0%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	28.5%	30.0%	31.2%	34.3%	34.3%	34.3%	36.5%	36.4%	36.5%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	10.9%	10.4%	9.4%	10.1%	9.5%	9.5%	10.8%	11.0%	10.7%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	9.1%	9.3%	9.1%	9.3%	9.3%	9.3%	9.8%	10.0%	10.0%
IDP regulation financial viability indicators										
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	19.7	16.9	25.5	25.9	25.9	25.9	22.9	15.5	16.7
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	22.7%	24.1%	24.3%	38.6%	26.0%	26.0%	27.0%	25.8%	25.6%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	1.5	2.3	3.3	1.7	2.5	2.5	1.4	1.9	1.9

2.3.1 Performance indicators and benchmarks

2.3.1.1 Borrowing Management

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.

On 6 April 2020, Moody's Investors Service provided an update to the City's credit opinion after a downgrade in the credit rating of the sovereign, the RSA Government. The City's global scale rating was downgraded to Ba1/NP from Baa3/P-3 while its national scale rating as well as its negative outlook were both affirmed.

The City's national scale rating is currently Aaa.za/P-1.za, which reflects the City's credit profile of strong financial performance supported by prudent financial management, a large and diverse economic profile and predictable sources of revenue from property taxes and service charges. The City has consistently generated operating surplus, strong liquidity compared with that of its peers in South Africa and low debt. The City's credit profile is constrained by Cape Town's capital spending pressure as a result of water shortage because of the drought, infrastructure backlogs and population growth.

The following financial performance indicators have formed part of the compilation of the 2020/21 MTREF:

- *Capital charges to operating expenditure* is the measure of the cost of borrowing in relation to the operating expenditure. This ratio averages 4.4% over the 2020/21 MTREF, which indicates that the City spends an average of 4.4% 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 government grants and public contributions) has been funded by way of borrowing. The ratio shows 62% over the MTREF. This ratio outcome is as a result of the City's borrowing strategy and the funding requirements.

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 preferred calculation is borrowing less cash and bank balances divided by community wealth/equity, of which the City's outcome over the 2020/21 MTREF averages 9%. The low gearing ratio shows that the City has a small proportion of debt versus equity.

2.3.1.3 Liquidity

- **Current Ratio**

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 1.6 over the MTREF period.

- Liquidity ratio

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. 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 1.5 over the MTREF period.

2.3.1.4 Revenue Management

- Debt Management action, including legal action, are carried out against debtors who can pay, but choose not to, with a special focus on:
 - Categorisation of accounts into high value accounts - business and residential;
 - Top 1000 debtors;
 - Government accounts;
 - Staff and councillor arrears; and
 - Appropriate action against irrecoverable debts.
- Furthermore, decisive and appropriate action is taken against irrecoverable debts.
- In addition to the issuing of warning letters, restriction and/or disconnection of water and energy/electricity services, the below debt management actions are taken to enforce payment of the debt:
 - Adverse Credit Listing:
 - Adverse credit listing – enforce debtors who are active credit users to settle their debts, otherwise they cannot enter into any other credit/loan agreements.
 - Handing over of accounts, which could lead to a sale in execution (SIE) of the property, to recover municipal debts:
 - Focus on the high value accounts handed over for legal actions; and
 - Progress of accounts handed over to the appointed panel of attorneys is performance managed and monitored.
- Further to the above, the City's strategy for indigent debtors are:
 - Water leaks are fixed on all indigent properties free of charge;
 - The deemed indigent properties are allocated 10.5kl of water and sanitation for free, with additional consumption billed in terms of the approved water and sanitation indigent tariffs, and properties are installed with a Water Demand Management devices (WDM) or equivalent free of charge, to encourage and empower residents to manage their consumptions;
 - Prepaid electricity meters are installed free of charge;
 - When water leaks have been repaired and the relevant meters are installed, a once off write-off is done of all outstanding debt; and
 - Council approved the write-off of all interest charges as well as 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 debts have been written off.
- Debtors who are experiencing difficulty 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.
 - The City provides the option of an affordable payment plan for debtors to settle their arrears, where compliance with the agreed payment plan leads to the suspension of all debt management actions and interest being raised, until the arrears are paid in full.

NOTING: Options are being provided to those parts of the residential- and commercial sector most affected by COVID-19. This could be extended into the 2020/21 financial year - in accordance with the City's Credit Control and Debt Collection Policy and not in violation of MFMA Section 164 (1)(c)(iii).

2.3.1.5 Creditors Management

In compliance with Section 65 of the MFMA, the City has continuously managed to ensure that all its creditors are settled within 30 days of invoice or statement where goods and services are rendered timeously and in good condition. Under exceptional circumstances where services cannot be rendered on time, existing follow-up procedures and control measures are applied to ascertain reasons, thus facilitating timeous payments. These are built-in within the City's payment processes. The City also ensures that suppliers are familiar with 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 the 2018/19 financial year has shown that electricity distribution losses was 10.67%. The City's strategy to continue to address this included the appointment of additional revenue protection teams, which when compared to the 2017/18 financial year where performance was 10.72%, has shown continued success.

- Water distribution losses

High priority is being given to a comprehensive water loss reduction strategy with detailed action plans to address each of the physical or real losses and apparent losses. The Water & Sanitation Services department is applying the resources required to implement Water Demand Management interventions. These include:

- Enhancing water loss monitoring via adequate bulk and zonal metering;
- Education and awareness programmes;
- Leak detection and repair at low income households, schools and council properties;
- Pressure Management Systems to minimise leakage in the system and reduce night flows/increasing the area covered by the management system to include previously unmanaged section;
- Pipe replacement programme (priority areas as well as alignment with the pressure management system);
- Meter Replacement programme to improve accuracy of meters.

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

The social package for indigent households is based on the blanket approach and the targeted approach. The blanket approach refers to rebates provided to indigent households based on property value of R0 to R400 000 (R500 000 for refuse removal only).

The rebates reflected in the ensuing table are provided to the indigent-based property value:

Table 37 Basic social package rebates

Property Value	Refuse Removal Charges	Water	Sanitation	Property Rates	Electricity: Lifeline 1 <250KWH	Electricity: Lifeline 2 >250KWH <450KWH
R1 to R300 000	100%	10.5kl free water	7.35kl free sanitation	100%	60kWh free	25kWh free
R300 001 – R350 000	50%	10.5kl free water	7.35kl free sanitation	-	60kWh free	25kWh free
R350 001 – R400 000	25%	10.5kl free water	7.35kl free sanitation	-	60kWh free	25kWh free
R400 001 – R500 000	25%	-	-	-	-	-

With this targeted approach any resident who is required to pay for the municipal services and whose gross monthly household income is R4 500 or below needs to register as an indigent to receive the same benefits as if their property values were below R300 000.

Households with property values of up to R300 000 are entitled to:

- a 100% property rates rebate;
- a 100% refuse removal rebate;
- 10.5kl free water;
- 7.35kl free sanitation;
- 60kWh free electricity if consumption is less than 250kWh; and
- 25kWh free electricity if consumption is greater than 250kWh but less than 450kWh.

Households with property values between R100 001 and R300 000 are now entitled to a refuse removal charge rebate of 100% (previously 75% for properties valued between R100 001 – R150 000 and 50% for properties valued between R150 001 – R300 000).

The number of indigents registered was 5 828 at the end of April 2020. This number varies monthly as registration is valid for 12 months where after re-application is required.

The City also offers varying rebates for residents of household income of up to R7 000 (previously R6 000). This limit was lifted to further assist households currently showing strain in their ability to pay municipal accounts as a result of the COVID-19 pandemic and national lockdown period. The property rates and refuse rebates are granted to residents based on their gross monthly household income as follows:

Income bracket	Rebate %
R4 501 – R5 500	75%
R5 501 – R6 500	50%
R6 501 – R7 000	25%

The number of beneficiaries in the above categories was fifty-nine at the end of April 2020. However, this number is expected to increase as a result of the current pandemic and the increased household limit from R6 000 to R7 000.

2.3.3 Providing potable water and managing waste water

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

Water Quality

As a water service provider, the City 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 City will constantly evaluate 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 prioritise the associated intervention.

Major water projects included in the future capital programme are:

- Bulk Water Augmentation Scheme: It is required to augment, refurbish and maintain the City's bulk water supply system, to ensure a safe, reliable and sustainable supply of water to Cape Town and its surrounding region. The Bulk Water Augmentation Scheme includes new major reservoirs as well as a new water treatment plant and distribution bulk mains.
- Water supply Baden Powell to Khayelitsha: New bulk supply main (1000mmØ) off the existing Faure 2400mmØ pipeline to supplement the water supply to the Khayelitsha area. This will increase the supply to the area, which will accommodate the formalisation of various areas within Khayelitsha.
- Flowing from the drought, the City adopted a Water Strategy, which, inter-alia, seeks to increase water resilience through diversification of water sources. Significant capital investments are being made in Development of the Cape Flats Managed Aquifer Recharge Scheme, upgrading of the Atlantis Managed Aquifer Recharge Scheme, and development of the Table Mountain Group (TMG) Aquifer Scheme Planning is currently underway to develop an advanced water purification plant (reuse) as well as permanent sea water desalination plants to cater for longer term growth in water demand and climatic uncertainty.
- Two temporary sea water desalination plants have continued to operate at Strandfontein and Monwabisi and a temporary demonstration reuse plant has been commissioned using source water from the Zandvliet Wastewater Treatment Works.

Treatment of wastewater

The City has a risk-based approach in place whereby the strategic risks to the wastewater business have been identified, rated and mitigation measures have been put in place. The plan is being implemented but there is a significant financial requirement for capacity upgrading, maintaining, rehabilitating and replacing the ageing assets to mitigate the critical risks in the Wastewater Risk Abatement Plan (WWRAP). This plan specifically relates to new license conditions imposed by the national Department of Water & Sanitation. This document is reviewed to further refine prioritisation of the risks and resource allocations.

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.

Since the City received 12 Green Drops and an overall score of 89.7% for its 27 wastewater treatment systems during the 2012/13 assessment up from the 11 Green Drops awarded and the 86.8% score achieved in 2011/12, no further national Green Drop assessment have taken place. Nevertheless, in 2017, the Wastewater branch received the first SALGA award as well as one from the Regional office of the Department of Water & Sanitation (DWS)/Water Institute of SA (WISA) for water use compliance., The Branch again received an award from the DWS in 2018.

The City continues to display a strong commitment to improving wastewater treatment and strives for on-going improvement with implementation of the principles of best practice management throughout the entire workforce.

The primary problems experienced are that of ageing infrastructure, which needs to be rehabilitated or replaced, rapid population growth, maintenance of the existing assets, a shortage of relevant skills, as well as more stringent license conditions.

Additional challenges include significant financial investment requirements for:

- New infrastructure to cater for the rapidly developing city; and
- Improving the existing wastewater effluent quality.

These problems are experienced throughout South Africa and the City is addressing such challenges via recruitment of appropriate staff and training existing staff in an effort to minimise the shortage of experienced employees. The City's Water & Sanitation Services department has formulated comprehensive long term master plans (for wastewater, bulk water and the sewer and water reticulation services) and improved business processes. This allows for efficient allocation of financial resources to create new facilities with appropriate technologies and expanding as well as maintaining existing assets.

Some of the major wastewater projects are:

- Zandvliet Extension Wastewater Treatment Works (WWTW) - increase in treatment capacity;
- Bellville Extension WWTW – improvement in treatment processes;
- Potsdam WWTP – increase in treatment capacity
- Macassar WWTP - increase in treatment capacity;
- Borchards Quarry WWTW – improvement in treatment processes and
- Athlone WWTP - increase in treatment capacity

The capital budget is allocated for increased treatment capacity, process improvements and improved effluent quality. The detailed capital budget and development programme is reflected in Annexure 23 of the budget documentation.

2.4 Overview of budget related-policies

The City's budgeting process is guided and governed by relevant legislation, frameworks, strategies and 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.

- Asset Management Policy (Approved February 2013)
- Borrowing Policy (Approved March 2013)
- Ward Allocation Policy (Approved January 2014; currently in the process of being amended)
- Supply Chain Management Policy (Approved June 2019)
- Special Rating Areas Policy (Approved May 2017; currently in the process of being revised to City Improvement Districts Policy)
- Cash Management and Investment Policy (Approved July 2018)
- Cost Containment Policy (Approved October 2019)

2.4.2 Policies reviewed and amended

The policies listed below were reviewed at the budget-related policy workshops held during the year and is annexed to the document.

- Rates Policy – Annexure 5
- Tariff Policies – Annexure 7
- Credit Control and Debt Collection Policy – Annexure 8
- Grants-in-Aid Policy – Annexure 9
- Policy on Accounts Payable – Annexure 10
- Funding and Reserves Policy – Annexure 11
- Virement Policy – Annexure 12
- Budget Management and Oversight Policy – Annexure 13
- Long Term Financial Plan Policy – Annexure 14
- Policy Governing Adjustments Budgets – Annexure 15
- Unforeseen and Unavoidable Expenditure Policy – Annexure 16
- Policy Governing Planning and Approval of Capital Projects – Annexure 17
- Municipal Entities Policy – Annexure 18

The annexures listed below provide details of changes made to the Rates Policy (Annexure 5) and the Tariff Policies (Annexure 7) respectively.

- Property (Tax) Rates – Annexure 2
- Revised consumptive tariffs, rates and basic charges for electricity generation and distribution, water and sanitation and solid waste management services - Annexure 4

2.5 Overview of budget assumptions applied to the 2020/21 MTREF

Introduction

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

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

A municipality's financial plan integrates the financial relationships of various revenue and expenditure streams to give effect to the IDP. It provides guidance for the development of current budgets and assesses financial impacts on outer years' budgets by incorporating capital expenditure outcomes, operating expenditure trends, optimal asset management plans and the consequential impact on rates, tariffs and other service charges. The City has developed a financial model, namely the Long Term Financial Plan (LTFP), which aims to determine the appropriate mix of financial parameters and assumptions within which the City should operate to facilitate affordable and sustainable budgets for at least 10 years into the future. In addition, it identifies the consequential financial impact of planned capital projects on the City's operating budget.

The LTFP model is reviewed annually to determine the most affordable level at which the City can operate optimally taking the following into account:

- Fiscal overview;
- Economic climate;
- Demographic trends;
- National- and Provincial influences;
- IDP and other legislative imperatives; and
- Internal governance, community consultation and service delivery trends.

The key budget assumptions of the 2020/21 MTREF include a discussion of the sources of information used to develop assumptions for revenue and expenditure that drive the 3-year MTREF of the City under the following headings:

- Financial Strategic Approach;
- Financial Modelling and Key Planning Drivers;
- Economic outlook / external factors (including demographics);
- National and Provincial influences;
- Expenditure analysis – a three-year preview;
- Revenue analysis – a three-year preview; and
- Local Government Equitable Share and Fuel Levy.

On 15 March 2020, President Cyril Ramaphosa declared a national state of disaster in terms of the Disaster Management Act to enable government and the country at large to manage the spreading of the COVID-19 virus. As part of the measures introduced to curb the spreading of the virus, the President prohibited gatherings of 100 or more people. On 23 March 2020, the President declared a nationwide lockdown, whereby all citizens, except those that form part of essential services, were ordered to stay home for a period of 21 days. The nationwide lockdown commenced at midnight on Thursday 26 March 2020.

On the 9 April 2020 the nationwide lockdown was extended until the end of April 2020 and on the 23 April 2020 the President announced the lifting of certain restrictions as the country eased into level 4 lockdown from 1 May 2020.

This had a devastating effect on the economy of South Africa coupled with the impact of the pandemic on the global economy. Financial modelling and drafting of the tabled MTREF in March 2020, was pre the impact of the COVID-19 pandemic. The sections below will thus include the initial approach and amendments post the tabling of the budget in March 2020. The amendments refer to the development of an amended, viable financial plan over the short to medium term, taking the variables and impacts emanating from the COVID-19 pandemic into account.

2.5.1 Financial Strategic Approach

The backdrop of the 2020/21 MTREF preparation was initially against the following scenario - a 2018/19 financial year outcome confirming that the City's budget requires material review and adjustment - major under-expenditure coupled with over-recovery of revenue consistently result in a much higher than anticipated surplus. This furthermore manifests in balance sheet positions on, for example, a high surplus/free cash position for a public sector institution such as a municipality.

In addition, the public outcry on the seemingly high rates and tariffs for the 2019/20 financial year needed urgent intervention and consideration during the drafting of the 2020/21 MTREF.

The LTFFP theme for the 2020/21 MTREF was therefore getting to a realistic, deliverable MTREF and addressing the Cape Town opprobrium (public outcry).

The direction provided during the Strategic Review phase of the Strategic Management Framework (SMF) process was for the organisation to focus, plan, review and reprioritise programs ensuring alignment to the following themes/topics:

- Implementation of the following:
 - Current IDP,
 - MSDF, and
 - The Water Strategy;
- Maintain Assets;
- Protect existing infrastructure and staff to ensure service delivery; and
- Violent crime and social challenges.

The Organisational Strategy Brief 2020/21 in preparation of the 2020/21 MTREF issued provided a summary of the strategic drivers and budgeting priorities for the City to guide and inform the organisation's planning of the MTREF.

The economic, social and financial shock and stress of the COVID-19 pandemic impacted on the City's operations financially and strategically which required urgent interventions. The City's immediate response to the pandemic was focused on its vulnerable citizens during the restrictions and more specifically the lockdown period by, inter alia:

- shelter for the homeless (currently being decommissioned);
- ensuring provision of water and sanitation to underserved and unserved Informal Settlements sites;
- ramped up area cleaning at homeless shelters and informal settlements;
- immediate procurement of PPE emergency supplies (i.e. Masks, Sanitisers, Soaps, Glove, Bleach etc.) for frontline staff; and
- 3G cards and data contracts to facilitate employees working from home.

The comprehensive response to COVID-19 was set out in the City's Response Plan which included elements for which the City is responsible for and those for which it is not. This plan provided guidance against which additional requirements for COVID-19 related expenditure was sourced from the various directorates. In addition to this, directorates were further required to provide impacts of underspending and potential loss of revenue as a result of the pandemic.

LTFP rationale and financial strategies implemented

Changes to the initial strategies were necessary to address the financial impact of the COVID-19 pandemic:

- The initial strategy of a more stringent approach to loan take-up had to be reviewed as previous years' surplus cash had to be redirected to fund the impact of the COVID-19 pandemic. From no loans previously envisaged, external loans of R2.5 billion will now be taken up in the 2020/21 financial year to cover part of the EFF-funded capital projects of R5.2 billion.
- A depreciation strategy in an effort to utilise available cash and reduce tariffs.
 - This strategy sees the City using its surplus cash flow to negate the recovery of a depreciation charge of R500 million per year over seven years. This is done in order to offset revenue increases, due to loans not taken up previously.
 - This has resulted in the Budgeted Financial Performance (MBRR Table A4 on page 47) showing a bottom-line deficit although the City's budget is fully funded as reflected in the Budgeted Cash Flow statement (MBRR Table A7 on page 54) and the Funding Compliance Measurement (MBRR Table SA10 on page 112).
- The other strategy proposed in the tabled budget of providing for a revenue budget but not including a portion of the revenue in the calculation of the rate-in-the-Rand (for Rates) or the tariff calculation (for Water & Sanitation and Electricity) was reversed.
 - This strategy in response to continuous previous years' trends of collection of higher than budgeted revenue as a result of 'old' debt being paid in current years was reversed as the impact of COVID-19 on the consumer was quicker evident in the first few months of the pandemic and subsequent lockdown.
 - As services already had to review their collection rate due to consumer ability to pay no further pressure could be placed on them with the application of an intervention factor.

2.5.2 Financial Modelling and Key Planning Drivers

The principles applied to the MTREF in determining and maintaining a sustainable financial plan included:

- A base reduction on various expenditure categories of R356 million across all directorates in response to performance outcome of the 2018/19 financial year.
- Staff and vacancies:
 - Budgeting at 95% of employee costs; and
 - a differentiated percentage budget approach on vacancies.
- No increases on overtime provision except for labour intensive directorates where higher than inflation increases are applied.
- Repairs and maintenance growth based on the previous year's actual expenditure, service delivery needs and efficiencies identified.
- A 100% capital expenditure implementation rate.
- Credible and realistic collection rates based on current and projected trends considering the impact of the pandemic.
- National- and Provincial allocations as per the 2020 Division of Revenue Bill and 2020 Provincial Gazette Extraordinary 8217.

The following were included in the MTREF:

- In response to the SMF Operational Review process, additional allocations of R504 million to various directorates across the organisation were made.
- To capacitate the newly approved HR business model, R21 million was allocated across directorates.
- To provide for the City's portion of the Law Enforcement Advancement Program (LEAP), R133 million, R146 million and R125 million was allocated for the 2020/21 financial year and two outer years' respectively.
- The City noted with concern the risk after the 3-year contract expires in 2023/24 as the City might be faced with additional expenditure of R550 million (estimated rates revenue increase requirement of 6%).
- Subsequent to the tabling of the budget the following impact of COVID-19 pandemic was included in the MTREF for the 2020/21 financial year:
 - Additional COVID-19 related operating expenditure of R903.9 million;
 - Increased debt impairment as a result of lower collection rate expected for both all services of R1 499.1 million;
 - Reduction in the operating expenditure budget of R1 703.9 million as a result of projections on projects/programmes not going ahead and reprioritization of budget to cover for the additional impact; and
 - Reduction in revenue projections for both rates and tariff funded services revenue elements of R1 427.8 million.
 - Finally, to balance the 2020/21 tabled budget various expenditure items were adjusted by a further R450m and existing reserves of R1 522 million was utilised to absorb the additional requirements related to COVID-19 and the impact thereof on revenue.

2.5.3 Economic outlook / external factors

The preparation of the drafting of the MTREF commenced with a macro environmental scan of the economy as one of its determinants. The factors taken into consideration included the CPI, interest rates, exchange rates, service growth and GDP, which is briefly discussed below.

Globally the COVID-19 pandemic has become both a health and economic crisis. This event is viewed as unprecedented the world over and has damaging effects on world economies. Uncertainty around the duration of the pandemic and the impact it will have on the future economic activities also makes it challenging to forecast future trends. Amidst this uncertainty the South African Reserve Bank (SARB) expects GDP to contract by 6.1% in 2020 and to grow by 2.2% in 2021 and by 2.7% in 2022. GDP is expected to grow by 2.2% in 2021 and by 2.7% in 2022.

Considering current economic pressures which includes the contraction in growth, volatile exchange rate, unstable business sector and the sovereign credit rate downgrade the Monetary Policy Committee (MPC) in April reduced the repo rate by 100 basis points making more capital available and mitigating the financial impact. A quarterly reduction in the repo rate by 25 basis points is projected until the first quarter of 2021.

Major influences to the fuel price are the Brent Crude oil price and the Rand/Dollar exchange rate. The pandemic had a distressing impact on Brent Crude oil price, reducing it to levels below \$30 per barrel due to sluggish demand. This amidst major suppliers such as OPEC reducing production. The Monetary Policy Committee (MPC) in April forecasts that Brent Crude oil price will average \$42 per barrel in 2020 and \$45 per barrel in 2021. The South African Rand also depreciated over the last few months reaching levels of R18.6/\$ in May due to the impact of the pandemic. The Bureau of Economic Research (BER) forecasts the Rand to end 2020 at an average of R17.81/\$ and 2021 at R16.78/\$.

Inflation predictions are still expected to be in line with the SARB inflation targeting range of between 3 to 6 percent. It was however reduced considering the shrinkage in demand, lower consumer purchasing power and the reduced cost of fuel resulting from the impact of the pandemic. The SARB expects inflation to be subdued for 2020 and increasing over later years as the economy stabilises. The Bank's headline consumer price inflation forecast averages 3.6% for 2020, 4.5% for 2021, and 4.4% in 2022.

Demographic trends

The population of Cape Town in 2019 was estimated at 4 488 546, growing at 2.01% from 2018 to 2019 (Mid-year Population Estimates, Statistics South Africa, 2019). This makes Cape Town one of the larger metropolitan municipalities in South Africa and the main urban centre in the Western Cape.

In the context of the current novel COVID-19 pandemic facing the City and Cape Town, it is complex and not yet possible to consider what the shorter and longer terms impacts on demographic trends maybe. However, at a high-level, it is still expected that the broad trends will be similar and Cape Town's population is expected to continue to grow as has been the trend.

It is estimated that the population will grow to around 4.7 million in 2025 (City of Cape Town, 2018). Moreover, the number of households in Cape Town in 2019 was 1 402 million, an increase of 10.7% since 2015 (City of Cape Town 2019, using Mid-year estimates). The average household size has declined from 3.3 persons in 2015 to 3.2 persons in 2019 (City of Cape Town, 2019).

These trends of steadily increasing population growth (albeit at a declining growth rate) and increasing numbers of households, with fewer persons per household, form some of the informants to City planning and service delivery for the residents of Cape Town. These trends will continue to be monitored, and refined as needed to inform COVID-19 and post COVID-19 responses and planning.

National and Provincial influences

a) National Treasury MFMA Circular No. 98, issued in December 2019

The purpose of this annual budget circular is to guide municipalities with the compilation of the 2020/21 MTREF.

The objectives of the circular are to, inter alia, demonstrate how municipalities should undertake annual budget preparation in accordance with the budget- and financial reform agenda and associated “game changers”.

Key themes from this circular include the following:

- The dire economic environment confronting government over the next several years;
- Macro-economic forecasts to be considered when preparing the 2020/21 MTREF municipal budgets;
- Changes to local government allocations;
- The equitable share and the allocation of the general fuel levy to local government constitute unconditional funding. Municipalities were reminded that this funding allocation is formula driven and designed to fund the provision of free basic services to disadvantaged communities;
- Conditional grant funding must be utilised for the intended purpose within the stipulated timeframes, as specified in the DoRB published in February 2020. Funds not spent must be returned to the fiscus and requests for roll-overs will only be considered in extenuating circumstances;
- Addressing unfunded budgets in local government;
- Changes to the structure of local government allocations;
- Version 6.4 of the mSCOA chart is effective from 2020/21 and must be used to compile the 2020/21 MTREF;
- Municipalities must comply with Section 18 of the MFMA and ensure that they fund their 2020/21 MTREF budgets from realistically anticipated revenues to be collected;
- Municipalities should pay attention to reconcile the valuation roll data to the billing system to ensure that revenue anticipated from property rates are accurate;
- Setting cost reflective tariffs and having a credible budget to ensure tariffs results in financial sustainability;

- Municipalities to consider the following when compiling their 2020/21 MTREF budgets:
 - Improve the effectiveness of revenue management processes and procedures;
 - Pay special attention to cost containment measures by, inter alia, controlling unnecessary spending on 'nice-to-have' items and non-essential activities as per the Municipal Cost Containment Regulations (MCCR) issued on 7 June 2019;
 - Ensure value for money through the procurement process;
 - Affordability of providing free basic services to all households; and
 - Curb consumption of water and electricity by indigents to ensure that they do not exceed their allocation.

b) National Treasury MFMA Circular No. 99, issued in March 2020

This budget circular is a follow-up to MFMA Circular No. 98 and aims to provide further guidance to municipalities with the preparation of the 2020/21 MTREF with the key focus being grant allocations per the 2020 Budget Review and the 2020 DoRB.

The Circular further sets out the key focus areas for the 2020/21 Municipal Budget process, highlighting the need for municipalities to improve their collection rates; reminding municipalities that all allocations included in their budgets must correspond to the allocations listed in the DoRB and provided the response to the Finance and Fiscal Commission (FFC)'s recommendations.

The key themes from this circular – over and above what was covered in the previous circular - are:

- Reviewed macro-economic forecasts;
- Eskom Bulk Tariff increases: In absence of NERSA determination, municipalities to utilise the March 2019 increases;
- Budgeting issues: The wage bill, Pension fund and SARS contributions, Water management and attracting economic investments;
- Borrowing for multi-year capital projects and Refinancing of existing loans: Reiterating the requirements of the MFMA; and
- Highlighting the criteria for the roll-over of conditional grant funding.

c) National Treasury Annexure to MFMA Circular No 99 in April 2020

The Annexure to MFMA Circular No 99 was issued to provide municipalities guidance regarding Government Gazette No. 43181 which provides for exemption from the Act and Regulations that was published on 30 March 2020. This gazette in essence provides for exemption from the timeline provisions in the MFMA until such time that the national state of disaster declaration is lifted by the President.

The key matters raised in the Circular include:

- On the MFMA Exemption Notice, attached a list of key time bound actions to be taken by municipalities which may be affected during the National State of Disaster;
- Only one adjustments budget allowed between date of the declaration of the national state of disaster and 15 June 2020;
- The Socio-economic impact;
- Core principles in an event of disasters for rapid and impactful responses but remaining within financial and governance practises;

- Budgetary implications – guiding principles on credit control and debt management; tariff increases post tabling; limiting COVID-19 related expenditure to municipal mandate in terms so the Constitution;
- Conditional grants to respond to COVID-19;
- Tabling and adoption of 2020/21 MTREF budgets and 2019/20 reporting requirements; and
- Revenue and Expenditure Management during this period.

2.5.4 Expenditure analysis – a three-year preview

a) General inflation outlook and its impact on municipal activities

The City continued with the differentiated approach adopted in previous years in the compilation of this year's budget. Inflation was therefore not the only or primary driver.

The City's CPI applied over the 2020/21 MTREF is 5.10%, 4.98% and 5.01% over the respective three years as projected by BER at a point in time during the planning process. This is within the South African Reserve Bank's (SARB) inflation target range of between 3% and 6%. In terms of MFMA Circular No. 98, NT's CPI projection is 4.9% for 2020/21 and 4.8% for the two outer years. This was further reduced in MFMA Circular No. 99, issued in March 2020, to 4.5% for 2020/21 and 4.6% for the two outer years.

b) Contracted Services, Overtime and Operational Cost

The outcome of the 2018/19 performance had a strong influence on the MTREF approach similar to previous years where budget reductions, reprioritisation and a differentiated approach was implemented. The differentiated approach consisted of a combination of zero-based, and different percentage increases based on the nature of expenditure, the nature of the service department (e.g. labour intensive in the case of overtime) and previous performance.

The Municipal Cost Containment Regulations, followed by the City's Cost Containment Policy, approved by Council in October 2019, reiterated the importance of ensuring that value for money is achieved and resources of the municipality are used effectively, efficiently and economically.

Contracted services, overtime and operational cost were of the categories of expenditure impacted by the COVID-19 pandemic, which reduced due to programmes and projects not going ahead and increased due to impact of COVID-19 related additional requirements.

c) Interest rates for investment of funds

Investments are made in terms of the City's Cash Management and Investment Policy, which aims to secure sound and sustainable management of the City's surplus cash and investments. The pandemic also negatively affected the City's investment income. Investment interest rates for the 2020/21 MTREF was reviewed based on the latest drop in the prime rate and the expectation of further interest rates cuts. Based on this an average investment interest rate of 4.81% is forecasted for 2020/21 and 4.55% for the outer years of the MTREF.

d) Collection rate for Property Rates and Service charges

NT Circular 99 states that “The declining economic growth which might be impacted on further by the Corona virus pandemic and international companies closing down as a result, the deteriorating state of the finances for state-owned entities, continued high unemployment and water and electricity shortages will put pressure on the ability of municipalities to raise revenue”. It further states that municipalities should, amongst other, adopt realistic budgets.

In addition, the City’s revenue collection has been negatively affected by the economic downturn as a result of the precautionary measures put in place nationally to curb the spread of the COVID-19 pandemic over the last few weeks. In this regard, consumers across sectors are currently showing strain in their ability to pay municipal accounts. Given that we are currently in uncharted waters with little empirical data available, it was challenging to predict what next year would hold for consumer payment behaviour.

Nevertheless, considering current collection trends, predicted COVID-19 lockdown projections and to give effect to the NT Circular 99 both Rates and Tariff funded services’ collection rates were reviewed and adjusted for the 2020/21 financial year. Outer years will be reviewed as more certainty on the pandemic and consumer behaviour is known.

Table 38 Collection Rates

Services	Base Budget 2019/20	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Rates	93.0%	90.0%	96.0%	96.0%
Electricity	98.0%	96.7%	99.0%	99.0%
Water	84.0%	82.3%	91.2%	91.2%
Sanitation	85.5%	82.3%	94.2%	94.2%
Refuse	87.0%	76.0%	90.0%	90.0%

Rates collection rate is projected at 90% for 2020/21 and is primarily as a result of consumers’ ability to pay due to the impact of COVID-19

Electricity collection rate for 2020/21 is projected at 96.7%, which is lower than previous years’ collection rate and is a direct consequence of the projected COVID-19 impact and the expected inability of consumers to pay. The outer years’ projection averages 99%.

The projected collection rate for both Water and Sanitation is 82.3% for the 2020/21 financial year. The collection rate for both Water and Sanitation showed improvement over the first half of the 2019/20 financial year, due to debt management actions and indigent debtors methodology applied. However, due to the impact of the pandemic and latest payment trends the projections for 2020/21 were adjusted downwards. The collection rates for the outer years’ averages 91.2% for Water and 94.2% for Sanitation.

There are two main factors driving the collection rate for Refuse, namely the impact of the COVID-19 on consumer’s ability to pay and an adjustment in the rebate categories based on property value to bring about an alignment in who is deemed indigent across services. Accordingly, a 100% rebate is extended to property values between R1 and R300 000. Considering these factors, the projected collection rate for Refuse is 76% for 2020/21 and 90% for the two outer years of the MTREF.

e) Salary increases

The 2020/21 financial year is the last year of the 3-year salary and wage collective agreement approved in 2018. In the absence of an agreement for the two outer years of the 2020/21 MTREF, the principle applied for 2020/21 was assumed.

In terms of the salary and wage collective agreement, the increases per municipal financial year are to be calculated as follows:

- 2020/21: CPI percentage for 2020 as projected by January 2020 MPC plus 1.25%; and
- 2021/22 and 2022/23: Projected at 6.5% in the absence of an agreement.

Furthermore, the salary and wage collective agreement states that if in any of these years the average CPI percentage is less than 5%, the average CPI will be deemed to be 5%, and in the event that the average CPI is above 10% the average CPI will be deemed to be 10%.

The CPI projected by the January 2020 MPC Statement was 4.7% for 2020. Based on this, the salary provision for the 2020/21 financial year was 5% plus 1.25%. A further provision of 2% was made for incremental allowances to cater for performance- and other notch increases.

The figure below shows the correlation between the City’s CPI and the salary increase over the MTREF.

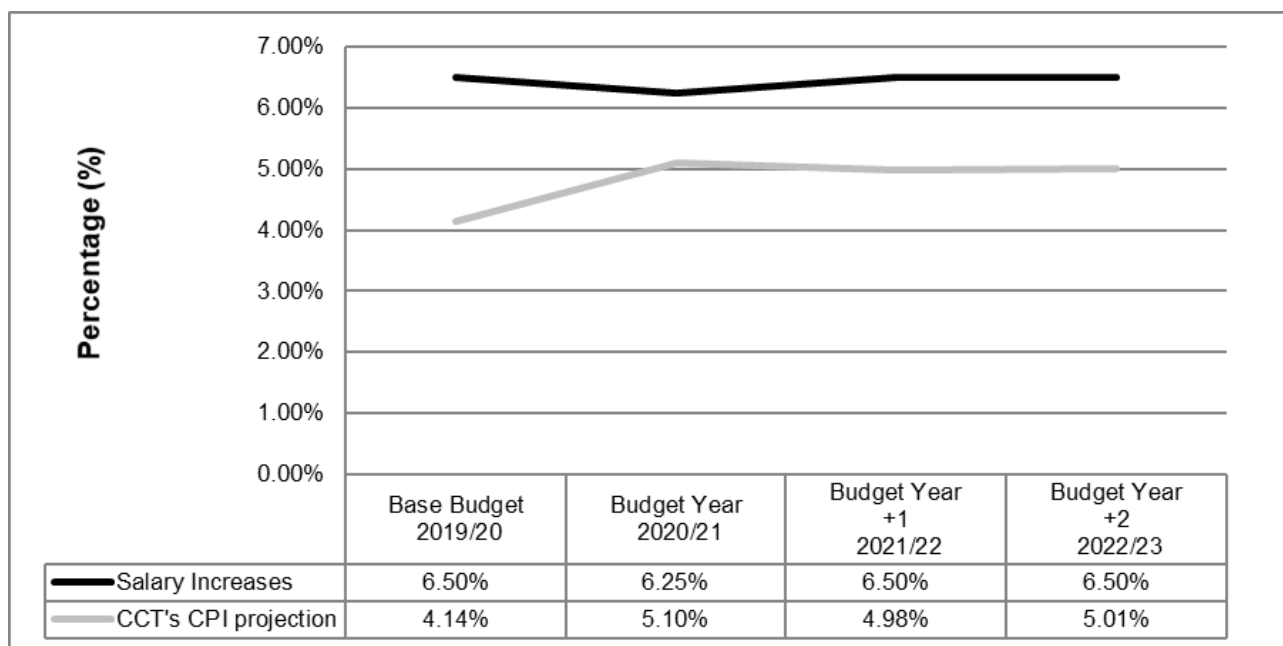


Figure 8 Correlation between the City’s CPI and the salary increase over the MTREF

In addition to the above increases, the City continued with the method of budgeting for salaries at 95% as introduced in the 2018/19 financial year. The 2020/21 MTREF also saw the continuation of budgeting partially for vacancies, due to previous years’ outcomes showing a recurring under performance. This approach was adopted as the turnaround time of vacancies has attributed significantly to the underperformance on the salaries budget. Subsequent to the tabling of the budget a decision to only budget for 50% of performance increases from T-level 14 and above were implemented.

f) Ensuring maintenance of existing assets

The differentiated approach introduced in previous years was applied to repairs and maintenance expenditure accounts for the 2020/21 MTREF. This approach considered previous year's performance, service delivery needs, efficiencies and the nature of the function that individual services provide. The following varying parameters were applied:

- CPI increase to both services where the nature of business is primarily to provide repairs and maintenance and where the condition of the assets must be secured, and for services, which although their main function is not providing repairs and maintenance but the nature of business and facilities requires a proper maintenance provision; and
- No increase for support services.

NT Circular No. 55 and NT Circular No. 70 set the ratio of operational repairs and maintenance to asset value (write down value of the municipality's property, plant and equipment (PPE)) at 8%. The City's averages 8% over the 2020/21 MTREF.

g) Operational financing for capital depreciation

Calculation of depreciation on new capital expenditure is based on variables such as asset class and lifespan, depending on the nature of the asset. An annual capital expenditure implementation rate of 100% was assumed. Depreciation of existing assets is calculated based on simulated SAP data that reflect actual values per annum. Assets under construction (AUC) are calculated based on asset class lifespan and projected capitalisation dates.

Credit rating outlook and borrowing

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.

On 6 April 2020, Moody's Investors Service provided an update to the City's credit opinion after a downgrade in the credit rating of the sovereign, the RSA Government. The City's global scale rating was downgraded to Ba1/NP from Baa3/P-3, while its national scale rating as well as its negative outlook were both affirmed.

The City's national scale rating is currently Aaa.za/P-1.za, which reflects the City's credit profile of strong financial performance supported by prudent financial management, a large and diverse economic profile and predictable sources of revenue from property taxes and service charges. The City has consistently generated operating surplus, strong liquidity compared with that of its peers in South Africa and low debt. The City's credit profile is constrained by Cape Town's capital spending pressure as a result of water shortage because of drought, infrastructure backlogs and population growth. The City's known ratings over the last period were as follows:

Table 39 Credit rating outlook

Category	Currency	Current 6 April 2020 Update following downgrade of Sovereign	Previous 13 March 2020	Current 11 November 2019 Changes in outlook
Outlook	-	Negative	Negative	Negative
NSR Issuer Rating	Rand	Aaa.za	Aaa.za	Aaa.za
NSR ST Issuer Rating	Rand	P-1.za	P-1.za	P-1.za
NSR Senior Unsecured	Rand	Aaa.za	Aaa.za	Aaa.za

- 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 may be lowered;
- Rating under Review - a review indicates that a rating is under consideration for a change in the near term;
- NSR Issuer Rating – Aaa.za - Issuers or issues rated Aaa.za demonstrate the strongest creditworthiness relative to other domestic issuers;
- NSR ST Issuer Rating – P-1.za – Issuers (or supporting institutions) rated Prime-1 have the strongest ability to repay short-term senior unsecured debt obligations relative to other domestic issuers; and
- NSR Senior Unsecured – Aaa.za - Issuers or issues rated Aaa.za demonstrate the strongest creditworthiness relative to other domestic issuers.

The City's borrowing is done in terms of Chapter 6 of the MFMA as well as the City's Borrowing Policy, in terms of which a long-term loan will only be entered into if it's affordable and sustainable. The City's loan requirements are determined by the capital investment requirement (excl. Transfers Recognised: Capital) and the projected cash position. The City primarily borrows against future revenue generating assets. Borrowing over the MTREF is calculated on an interest rate of 11% based on the annuity method.

The below table reflects the borrowing and interest rate over the MTREF.

R Thousand	2020/21	2021/22	2022/23
Borrowing	2 500 000	5 000 000	5 000 000
Borrowing Interest Rate (%)	11.0%	11.0%	11.0%

2.5.5 Revenue analysis – a three-year preview

a) Growth

Property Rates

Due to the expected shrinkage in the economy the growth projected for Rates is projected at 0.25% for the 2020/21 financial year. The outer years are expected to grow by 1.0% annually as it is expected that the economy will improve over the next financial years.

Electricity

Shrinkage in sales revenue of 6.5% is projected for 2020/21 and 1.5% over the two outer years of the MTREF. The large projected shrinkage in 2020/21 is mainly due to the expected reduction in demand of Electricity during the pandemic period. Other factors resulting in the shrinkage includes continued energy saving and efficiency plans implemented by consumers, which results in reduced consumption and declining revenue sales.

Water and Sanitation

A shrinkage in growth of 3.5% for water and 3% for sanitation (from the 2019/20 base volumes) is projected for 2020/21. This projection is based on 2019/20 volumetric consumer usage behaviour. A 1% growth is projected for the two outer years of the MTREF. This position will be reviewed in future years when more information/data is available and consumption levels have stabilised. It is viewed to be prudent for the new base to be established before making future projections.

Refuse

The average revenue growth over the last 3 years shows that a 2% growth for refuse is sustainable over the 2020/21 MTREF. This projected increase is driven by the growth in the requirement for this service.

b) Major tariffs and charges: Rates and Trading services

MFMA Circular No. 98 encourages municipalities to maintain acceptable levels of tariff increases to all consumers and requires municipalities to justify increases in excess of inflation.

The Circular further reiterates the need to set cost reflective tariffs, which is a requirement of Section 74(2) of the Municipal Systems Act, 2000 (Act No.32 of 2000) that states that tariffs must “reflect the costs reasonably associated with rendering the service”. This is meant to assist municipalities to generate sufficient revenue to fully recover their costs, deliver services to customers sustainably and invest in infrastructure that promotes local economic development.

Considering the above and to ensure future financial sustainability, the following revenue increases are applied for 2020/21 MTREF. A decision to not amend any revenue parameters and tariff increases subsequent to the tabling of the budget was made although Annexure to MFMA Circular No 99 allowed for such increases post tabling of the budget.

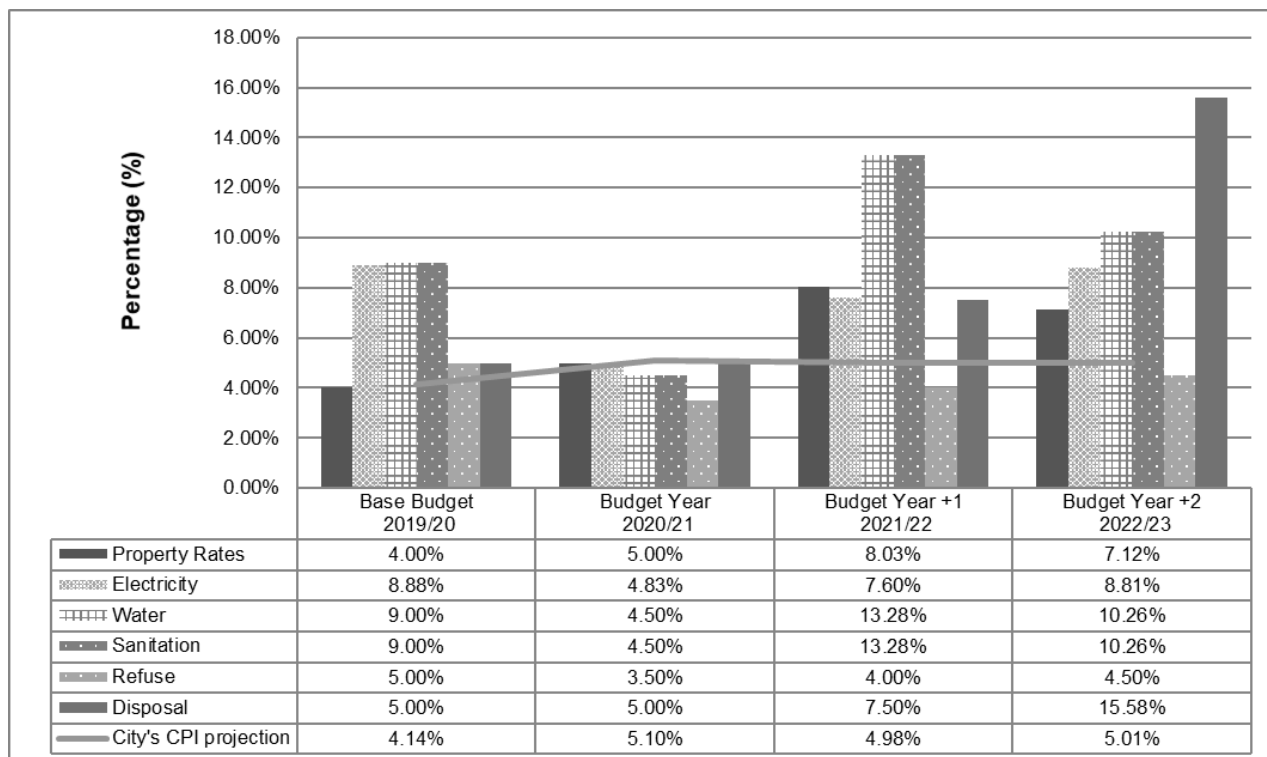


Figure 9 Revenue parameters for the MTREF period

Property Rates

The revenue parameter for Property Rates for the 2020/21 financial year is at level below the upper limit of the inflation target range. The low increase is as a result of various corporate initiatives proposed to reduce cost and reprioritise budgets.

Electricity

On 9 March 2020, NERSA provided a decision on Eskom's Retail Tariff and Structural Adjustment Application and Schedule of tariffs for the period 1 April 2020 to 31 March 2021. The approved allowable revenue by NERSA resulted in an average annual percentage price increase of 8.76% for the 2020/21 Eskom financial year.

This translated in an estimated Eskom increase to municipalities of 6.9% for 2020/21. This increase influences the bulk purchases cost and therefore the electricity revenue increase requirement. The business of providing an electricity service is the purchasing and redistribution of electricity, thus bulk purchases is a major influencing factor in determining the revenue increase. Bulk purchases averages 65% of the Energy & Climate Change directorate's total expenditure budget.

Due to the implementation of corporate cost savings measures the revenue increase for electricity was kept at levels lower than the projected Eskom increases for the MTREF. The electricity average revenue increase projected for the 2020/21 financial year is 4.83% and 7.60% and 8.81% for the two outer years, respectively. The slightly below CPI increase is as a result of the bulk purchases cost, declining electricity sales and business enhancement initiatives.

Water and Sanitation

The average revenue increases applied for the MTREF for water and sanitation is 4.5% for 2020/21, 13.28% and 10.26%, respectively for the two outer years. This is based on level 1 tariffs and is recommended for implementation from 1 July 2020.

To make provision for drought restriction tariffs, five levels of tariffs are proposed for the 2020/21 financial year.

- The no-restriction and emergency levels restrictive tariff increase is as per the level 1 increase projected for 2020/21;
- Level 2 an increase of 6.5% is projected for water and 6.5% for sanitation; and
- Level 3 a restrictive tariff increase 6.5% is projected for water and 8% for sanitation.

Circular 99 states that "Municipalities should take strategic action to ensure effective water management and resilience to drought, including the security of water supply, environmental degradation, and pollution of resources to achieve economic growth, development and socio – economic priorities in an equitable and sustainable manner."

Considering the requirements of Circular 99, the proposed increases for water and sanitation will make provision for amongst other the following:

- Requirements for the New Water Plan to ensure sustainable and resilient provision of water. Initiatives include the further investment in underground extraction from aquifers;
- Water demand management initiatives to limit the abuse of water;
- Upgrades and extensions to the wastewater treatment plants;

- Continued investment in asset replacement programs to ensure proper asset management;
- Continued investment in the repairs and maintenance program and maintaining required compliance standards; and
- Supplying water and sanitation at appropriate compliance, capacity, skills, service delivery and responsiveness levels; and
- Lower collection rate and the associated debt impairment cost requirement.

The revenue increases for Water and Sanitation in 2020/21 is in line with CPI as a result of various cost savings initiatives which includes the phasing out of the New Water Plan and reducing cost in areas which in previous years showed consistent underspend.

Refuse

Solid Waste Management in the City has a dual funding model with Collections and Disposal making up the tariff-funded services while Drop-off Facilities and Cleansing are funded from Property Rates.

NT Circular 99 states that “Investments in waste collection and treatment infrastructure should be made in tandem with industrial and urban developments to minimise pollution to our land and waters”. In this regard the following revenue increases is projected for Solid Waste Management over the 2020/21 MTREF.

Refuse revenue is the revenue received for the removal of waste from residential and non-residential properties. The average refuse tariff increase is 3.50% for 2020/21 and 4.00% and 4.50% for the two outer years, respectively. The average increase will allow for, amongst other things, the waste minimisation initiatives and expanding the footprint of the service as the customer base grows. increasing the property value threshold for 100% rebate qualifiers and the associated debt impairment cost associated with the lower collection rate.

Disposal revenue is the revenue received for the disposal of waste from residential and non-residential properties. The average disposal tariff increase for 2020/21 is 5.00% whereas the increases for the two outer years are 7.50% and 15.58%, respectively. This increase is required for the continued operational requirement of the service and for the capital investment of new, replacement and renewed assets. The capital investment includes the development of landfill infrastructure, development and upgrading transfer stations, additional two Material Recovery Facilities and Landfill Gas Generation to Beneficiation at all landfill sites.

Housing rental (Council rental properties)

The monthly rental charge for 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 3.76% (where the unit has a separate water meter) or 4.14% (for those units which include water in the rental charge) for 2020/21.

The projected rental charge increase is lower than CPI, due to rental units operating on a City-subsidised basis.

Tenants who are occupying rental properties since 2007 receive a subsidy of 20% of the rental charge, this 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 Credit Control and Debt Collection Policy, supports affordable rentals to many poor communities and 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 2020/21 housing rental charge is in line with previous annual rental increases and is again aimed at ensuring affordability for the City's poorer communities. The rental rate (per square meter per month) is R11.27 (where the unit has a separate water meter) or a rental charge (including water charge where applicable) of R19.04 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 of 8% for those earning R3 501 – R7 500 and 10% for those earning R7 501 – R10 000. Tenants who earn more than R10 000 per month will pay a surcharge of 25% of any amount above R10 000. A two (2) year lease agreement will be signed, which will not be renewed if the income remains more than R10 000.

c) Capital funding

The capital budget was prepared considering very strict assessment criteria to ensure mainly the ability to implement the capital budget. In this regard the "Brick Wall" approach was adopted where screening and reviewing of projects takes place for procurement and implementation readiness, technical and financial feasibility and strategic alignment. This process culminated in the proposal of the following capital budget over the 2020/21 MTREF:

Table 40 Capital Budget over MTREF

Capital funding	Budget Year	Budget Year	Budget Year
R thousands	2020/21	+1 2021/22	+2 2022/23
Transfers recognised - capital	2 883 814	3 312 729	3 424 875
Borrowing	2 500 000	5 000 000	5 000 000
Internally generated funds	4 222 060	1 293 105	2 216 225
TOTAL	9 605 874	9 605 834	10 641 100

2.5.6 2020 Division of Revenue Bill (DoRb) and Fuel Levy

Equitable Share

In terms of section 227 of the Constitution, local government is entitled to an equitable share of nationally raised revenue to enable it to provide basic services and perform its allocated functions. The local government equitable share is an unconditional transfer, which supplements the revenue that municipalities can raise themselves (including revenue raised through property rates and service charges).

The DoRB provided the following, which was included in the City's MTREF:

- 2020/21 – R3 081 million
- 2021/22 – R3 378 million
- 2022/23 – R3 678 million

Sharing of the Fuel Levy

The general Fuel Levy is legislated by the Taxation Laws Amendment Act (Act 17 of 2009), which provides that each metropolitan's share should be announced in the government gazette.

The Fuel Levy allocation for 2020/21 was based on the 2018 fuel volume sales. Allocations for the two outer years of the 2020/21 MTREF is indicative; the actual allocations will be based on fuel sales.

The following amounts were allocated to the City, as per the 2020/21 allocation letter, and was included in the City's MTREF:

- 2020/21 – R2 595 million
- 2021/22 – R2 734 million
- 2022/23 – R2 817 million

It is expected that the outer years' indicative amounts will be impacted on due to the impact of the current lockdown situation and its impact of fuel sales, this will impact on both the 2021/22 and 2022/23 financial years.

2.5.7 Major parameters

The following table summarises the major parameters applied to the 2020/21 MTREF operating budget:

Table 41 Summary of parameters applied to Operating Budget

	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
CPI	5.10%	4.98%	5.01%
COLLECTION RATES			
Rates	90.00%	96.00%	96.00%
Electricity	96.70%	99.00%	99.00%
Water	82.30%	91.20%	91.20%
Sanitation	82.30%	94.20%	94.20%
Refuse	76.00%	90.00%	90.00%
REVENUE PARAMETERS			
Rates	5.00%	8.03%	7.12%
Electricity	4.83%	7.60%	8.81%
Water	4.50%	13.28%	10.26%
Sanitation	4.50%	13.28%	10.26%
Refuse	3.50%	4.00%	4.50%
Disposal	5.00%	7.50%	15.58%
GROWTH PARAMETERS			
Rates	0.25%	1.00%	1.00%
Electricity	-6.50%	-1.50%	-1.50%
Water	-3.50%	1.00%	1.00%
Sanitation	-3.00%	1.00%	1.00%
Refuse	2.00%	2.00%	2.00%
EXPENDITURE PARAMETERS			
Salary increase			
Salary increase (SALGBC Agreement)	6.25%	6.50%	6.50%
Increment provision	2.00%	2.00%	2.00%
Operational cost	Differentiated	Differentiated	Differentiated
Repairs & Maintenance	Differentiated	Differentiated	Differentiated
Interest Rates			
Interest paid	11.00%	11.00%	11.00%
Interest on investment	4.81%	4.55%	4.55%
OTHER			
Capital Borrowing expenditure	R2.50bn	R5.00bn	R5.00bn
Equitable Share Allocation	R3.08bn	R3.38bn	R3.68bn
Fuel levy	R2.59bn	R2.73bn	R2.82bn

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 42 Breakdown of the operating revenue over the medium-term

Description R thousand	2020/21 Medium Term Revenue & Expenditure Framework					
	Budget Year 2020/21	%	Budget Year +1 2021/22	%	Budget Year +2 2022/23	%
Property Rates	10 511 519	24.9%	11 555 663	25.0%	12 624 126	25.3%
Service Charges	19 885 709	47.1%	22 553 509	48.8%	24 407 148	48.9%
Investment Revenue	847 535	2.0%	879 286	1.9%	911 609	1.8%
Transfers & Subsidies	5 608 724	13.3%	5 573 928	12.1%	6 020 849	12.1%
Other own revenue	5 371 631	12.7%	5 675 976	12.3%	5 923 873	11.9%
Total Revenue (excluding capital transfers and contributions)	42 225 117	100%	46 238 363	100%	49 887 604	100%

The following graph is a breakdown of the operational revenue per main category for 2020/21.

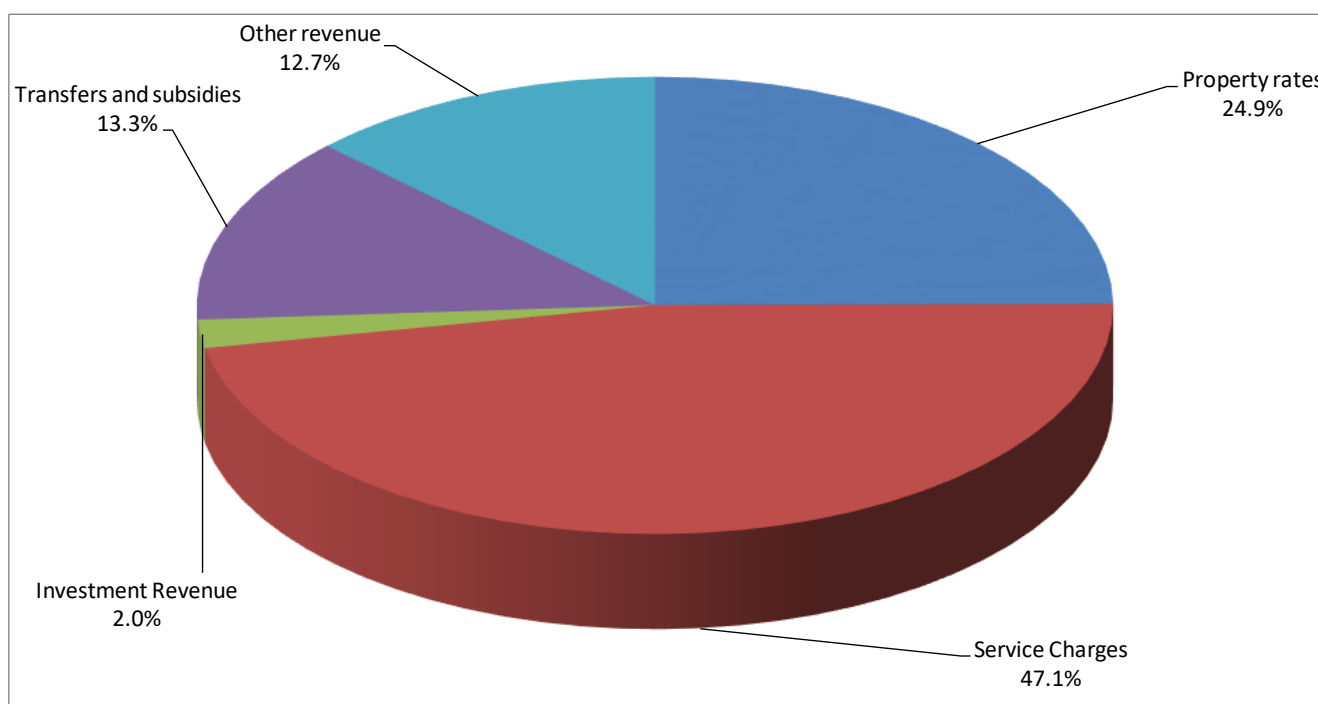


Figure 10 Breakdown of operating revenue over the 2020/21 MTREF

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 its service charges (47.1% of total revenue) i.e. provision of services such as water, electricity, sanitation and solid waste removal. Property Rates (24.9%), Transfers & Subsidies (13.3%), Investment revenue (2.0%) and Other revenue (inter alia Fuel levy, building plan fees, licences, permits etc.) (12.7%) forms part of the 2020/21 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 the consumers and ratepayers.

Revenue to be generated from Property Rates in 2020/21 amount to R10 512 million and represents 24.9% of the operating revenue base of the City. It increases to R12 624 million in 2022/23.

Service Charges relating to electricity, water, sanitation and refuse removal constitute the biggest component of the revenue basket of the City totalling R19 886 million in 2020/21. For 2020/21, Service Charges are 47.1% of the total revenue base.

Transfers and Subsidies decreases from R7 377 million in 2019/20 to **R5 609** million in 2020/21. This category includes external allocations received from National- and Provincial Government, and private sector funding. The reason for the downward adjustment from 2019/20 to 2020/21 is due to the re-classification of the fuel levy to Other Revenue in line with the mSCOA reporting requirement.

Investment revenue is budgeted at R848 million, R879 million and R912 million over the 2020/21 MTREF.

Table 43 provides detailed investment information while Table 44 provides investment particulars by maturity.

It should be noted that the investments included in these tables are compliant with the provisions of S17(1)(f) of the MFMA as well as the City's approved Cash management and Investment Policy.

Table 43 MBRR Table SA15 - Detailed investment information

Investment type	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Parent municipality									
Securities - National Government	84 240	82 838	82 567	84 240	84 240	84 240	59 450	49 450	49 450
Listed Corporate Bonds	-	-	-	-	-	-	-	-	-
Deposits - Bank	7 350 420	9 982 261	13 405 368	8 514 895	12 402 887	12 402 887	9 337 279	10 856 586	10 679 284
Deposits - Public Investment Commissioners	-	-	-	-	-	-	-	-	-
Deposits - Corporation for Public Deposits	-	-	-	-	-	-	-	-	-
Bankers Acceptance Certificates	-	-	-	-	-	-	-	-	-
Negotiable Certificates of Deposit - Banks	-	-	-	-	-	-	-	-	-
Guaranteed Endowment Policies (sinking)	2 051 869	2 265 047	2 503 755	2 771 615	2 771 615	2 771 615	3 070 090	3 402 669	3 768 888
Repurchase Agreements - Banks	-	-	-	-	-	-	-	-	-
Municipal Bonds	-	-	-	-	-	-	-	-	-
TOTAL	9 486 529	12 330 146	15 991 691	11 370 750	15 258 742	15 258 742	12 466 819	14 308 705	14 497 622

Table 44 MBRR Table SA16 - Investment particulars by maturity

Investments by Maturity Name of institution & investment ID	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal	Investment Top Up	Closing Balance
	Yrs/Months										
ABSA Bank	84	Fixed deposit	Yes	Fixed	6.60%	5-Jun-20	100 000	1 519	–	–	101 519
ABSA Bank	91	Fixed deposit	Yes	Fixed	6.62%	12-Jun-20	145 000	2 393	–	–	147 393
ABSA Bank	102	Fixed deposit	Yes	Fixed	6.75%	15-Jun-20	190 000	3 584	–	–	193 584
ABSA Bank	81	Fixed deposit	Yes	Fixed	5.83%	19-Jun-20	45 000	582	–	–	45 582
ABSA Bank	113	Fixed deposit	Yes	Fixed	6.80%	26-Jun-20	30 000	632	–	–	30 632
ABSA Bank	100	Fixed deposit	Yes	Fixed	6.66%	26-Jun-20	100 000	1 825	–	–	101 825
ABSA Bank	104	Fixed deposit	Yes	Fixed	6.67%	30-Jun-20	35 000	665	–	–	35 665
ABSA Bank	48	Fixed deposit	Yes	Fixed	4.65%	30-Jun-20	15 000	92	–	–	15 092
ABSA Bank	47	Fixed deposit	Yes	Fixed	4.65%	30-Jun-20	15 000	90	–	–	15 090
ABSA Bank	60	Fixed deposit	Yes	Fixed	4.67%	3-Jul-20	70 000	537	–	–	70 537
ABSA Bank	57	Fixed deposit	Yes	Fixed	4.65%	3-Jul-20	20 000	145	–	–	20 145
ABSA Bank	66	Fixed deposit	Yes	Fixed	4.70%	10-Jul-20	45 000	382	–	–	45 382
ABSA Bank	76	Fixed deposit	Yes	Fixed	4.75%	15-Jul-20	40 000	396	–	–	40 396
ABSA Bank	100	Fixed deposit	Yes	Fixed	5.85%	15-Jul-20	20 000	321	–	–	20 321
ABSA Bank	76	Fixed deposit	Yes	Fixed	4.75%	15-Jul-20	15 000	148	–	–	15 148
ABSA Bank	78	Fixed deposit	Yes	Fixed	4.75%	15-Jul-20	30 000	305	–	–	30 305
ABSA Bank	72	Fixed deposit	Yes	Fixed	4.75%	17-Jul-20	15 000	141	–	–	15 141
ABSA Bank	77	Fixed deposit	Yes	Fixed	4.72%	24-Jul-20	20 000	199	–	–	20 199
ABSA Bank	77	Fixed deposit	Yes	Fixed	4.72%	24-Jul-20	15 000	149	–	–	15 149
ABSA Bank	94	Fixed deposit	Yes	Fixed	4.80%	27-Jul-20	180 000	2 225	–	–	182 225
ABSA Bank	94	Fixed deposit	Yes	Fixed	4.80%	27-Jul-20	15 000	185	–	–	15 185
ABSA Bank	94	Fixed deposit	Yes	Fixed	4.80%	27-Jul-20	30 000	371	–	–	30 371
ABSA Bank	94	Fixed deposit	Yes	Fixed	4.80%	27-Jul-20	50 000	618	–	–	50 618
Firststrand Bank	84	Fixed deposit	Yes	Fixed	6.30%	5-Jun-20	50 000	725	–	–	50 725
Firststrand Bank	102	Fixed deposit	Yes	Fixed	6.45%	15-Jun-20	160 000	2 884	–	–	162 884
Firststrand Bank	74	Fixed deposit	Yes	Fixed	5.50%	15-Jun-20	30 000	335	–	–	30 335
Firststrand Bank	113	Fixed deposit	Yes	Fixed	6.40%	26-Jun-20	60 000	1 189	–	–	61 189
Firststrand Bank	90	Fixed deposit	Yes	Fixed	5.53%	30-Jun-20	20 000	273	–	–	20 273
Firststrand Bank	48	Fixed deposit	Yes	Fixed	4.38%	30-Jun-20	20 000	115	–	–	20 115
Firststrand Bank	47	Fixed deposit	Yes	Fixed	4.36%	30-Jun-20	15 000	84	–	–	15 084
Firststrand Bank	57	Fixed deposit	Yes	Fixed	4.40%	3-Jul-20	20 000	137	–	–	20 137
Firststrand Bank	66	Fixed deposit	Yes	Fixed	4.42%	10-Jul-20	50 000	400	–	–	50 400
Firststrand Bank	103	Fixed deposit	Yes	Fixed	5.53%	15-Jul-20	30 000	468	–	–	30 468
Firststrand Bank	103	Fixed deposit	Yes	Fixed	5.53%	15-Jul-20	40 000	624	–	–	40 624
Firststrand Bank	97	Fixed deposit	Yes	Fixed	5.52%	15-Jul-20	15 000	220	–	–	15 220
Firststrand Bank	103	Fixed deposit	Yes	Fixed	5.53%	15-Jul-20	40 000	624	–	–	40 624
Firststrand Bank	100	Fixed deposit	Yes	Fixed	5.55%	15-Jul-20	35 000	532	–	–	35 532
Firststrand Bank	78	Fixed deposit	Yes	Fixed	4.47%	15-Jul-20	40 000	382	–	–	40 382
Firststrand Bank	72	Fixed deposit	Yes	Fixed	4.42%	17-Jul-20	20 000	174	–	–	20 174
Firststrand Bank	66	Fixed deposit	Yes	Fixed	4.42%	17-Jul-20	80 000	639	–	–	80 639
Firststrand Bank	77	Fixed deposit	Yes	Fixed	4.44%	24-Jul-20	95 000	890	–	–	95 890
Firststrand Bank	81	Fixed deposit	Yes	Fixed	4.47%	24-Jul-20	30 000	298	–	–	30 298
Firststrand Bank	77	Fixed deposit	Yes	Fixed	4.44%	24-Jul-20	20 000	187	–	–	20 187
Firststrand Bank	74	Fixed deposit	Yes	Fixed	4.44%	24-Jul-20	80 000	720	–	–	80 720
Firststrand Bank	94	Fixed deposit	Yes	Fixed	4.50%	27-Jul-20	15 000	174	–	–	15 174
Investec Bank	84	Fixed deposit	Yes	Fixed	6.65%	5-Jun-20	30 000	459	–	–	30 459
Investec Bank	91	Fixed deposit	Yes	Fixed	6.70%	12-Jun-20	85 000	1 420	–	–	86 420
Investec Bank	102	Fixed deposit	Yes	Fixed	6.75%	15-Jun-20	70 000	1 320	–	–	71 320
Investec Bank	113	Fixed deposit	Yes	Fixed	6.85%	26-Jun-20	20 000	424	–	–	20 424
Investec Bank	104	Fixed deposit	Yes	Fixed	6.65%	30-Jun-20	80 000	1 516	–	–	81 516
Investec Bank	47	Fixed deposit	Yes	Fixed	4.50%	30-Jun-20	10 000	58	–	–	10 058
Investec Bank	66	Fixed deposit	Yes	Fixed	4.55%	10-Jul-20	20 000	165	–	–	20 165
Investec Bank	103	Fixed deposit	Yes	Fixed	6.10%	15-Jul-20	10 000	172	–	–	10 172
Investec Bank	103	Fixed deposit	Yes	Fixed	6.10%	15-Jul-20	10 000	172	–	–	10 172
Investec Bank	103	Fixed deposit	Yes	Fixed	6.10%	15-Jul-20	20 000	344	–	–	20 344
Investec Bank	100	Fixed deposit	Yes	Fixed	5.85%	15-Jul-20	20 000	321	–	–	20 321
Investec Bank	78	Fixed deposit	Yes	Fixed	4.65%	15-Jul-20	15 000	149	–	–	15 149
Investec Bank	72	Fixed deposit	Yes	Fixed	4.65%	17-Jul-20	10 000	92	–	–	10 092
Investec Bank	66	Fixed deposit	Yes	Fixed	4.55%	17-Jul-20	10 000	82	–	–	10 082
Investec Bank	81	Fixed deposit	Yes	Fixed	4.65%	24-Jul-20	25 000	258	–	–	25 258
Investec Bank	94	Fixed deposit	Yes	Fixed	4.75%	27-Jul-20	55 000	673	–	–	55 673
Investec Bank	94	Fixed deposit	Yes	Fixed	4.75%	27-Jul-20	50 000	612	–	–	50 612
Investec Bank	94	Fixed deposit	Yes	Fixed	4.75%	27-Jul-20	20 000	245	–	–	20 245
Nedbank	84	Fixed deposit	Yes	Fixed	6.40%	5-Jun-20	50 000	736	–	–	50 736
Nedbank	91	Fixed deposit	Yes	Fixed	6.45%	12-Jun-20	55 000	884	–	–	55 884
Nedbank	102	Fixed deposit	Yes	Fixed	6.65%	15-Jun-20	190 000	3 531	–	–	193 531
Nedbank	74	Fixed deposit	Yes	Fixed	5.60%	15-Jun-20	35 000	397	–	–	35 397
Nedbank	81	Fixed deposit	Yes	Fixed	5.65%	19-Jun-20	125 000	1 567	–	–	126 567
Nedbank	113	Fixed deposit	Yes	Fixed	6.75%	26-Jun-20	65 000	1 358	–	–	66 358

Table continues on next page.

Investments by Maturity Name of institution & investment ID	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal	Investment Top Up	Closing Balance
	Yrs/Months										
Nedbank	100	Fixed deposit	Yes	Fixed	6.55%	26-Jun-20	100 000	1 795	-	-	101 795
Nedbank	363	Fixed deposit	Yes	Fixed	7.80%	30-Jun-20	715	55	-	-	770
Nedbank	243	Fixed deposit	Yes	Fixed	7.40%	30-Jun-20	590	29	-	-	619
Nedbank	104	Fixed deposit	Yes	Fixed	6.60%	30-Jun-20	40 000	752	-	-	40 752
Nedbank	90	Fixed deposit	Yes	Fixed	5.65%	30-Jun-20	20 000	279	-	-	20 279
Nedbank	48	Fixed deposit	Yes	Fixed	4.45%	30-Jun-20	10 000	59	-	-	10 059
Nedbank	47	Fixed deposit	Yes	Fixed	4.45%	30-Jun-20	15 000	86	-	-	15 086
Nedbank	57	Fixed deposit	Yes	Fixed	4.50%	3-Jul-20	15 000	105	-	-	15 105
Nedbank	66	Fixed deposit	Yes	Fixed	4.50%	10-Jul-20	40 000	325	-	-	40 325
Nedbank	76	Fixed deposit	Yes	Fixed	4.60%	15-Jul-20	90 000	862	-	-	90 862
Nedbank	103	Fixed deposit	Yes	Fixed	5.75%	15-Jul-20	30 000	487	-	-	30 487
Nedbank	99	Fixed deposit	Yes	Fixed	5.75%	15-Jul-20	45 000	702	-	-	45 702
Nedbank	97	Fixed deposit	Yes	Fixed	5.75%	15-Jul-20	35 000	535	-	-	35 535
Nedbank	76	Fixed deposit	Yes	Fixed	4.60%	15-Jul-20	15 000	144	-	-	15 144
Nedbank	103	Fixed deposit	Yes	Fixed	5.75%	15-Jul-20	40 000	649	-	-	40 649
Nedbank	100	Fixed deposit	Yes	Fixed	5.75%	15-Jul-20	35 000	551	-	-	35 551
Nedbank	98	Fixed deposit	Yes	Fixed	5.75%	15-Jul-20	95 000	1 467	-	-	96 467
Nedbank	77	Fixed deposit	Yes	Fixed	4.60%	15-Jul-20	40 000	388	-	-	40 388
Nedbank	78	Fixed deposit	Yes	Fixed	4.60%	15-Jul-20	30 000	295	-	-	30 295
Nedbank	72	Fixed deposit	Yes	Fixed	4.55%	17-Jul-20	20 000	180	-	-	20 180
Nedbank	66	Fixed deposit	Yes	Fixed	4.50%	17-Jul-20	10 000	81	-	-	10 081
Nedbank	77	Fixed deposit	Yes	Fixed	4.55%	24-Jul-20	75 000	720	-	-	75 720
Nedbank	77	Fixed deposit	Yes	Fixed	4.55%	24-Jul-20	15 000	144	-	-	15 144
Nedbank	81	Fixed deposit	Yes	Fixed	4.60%	24-Jul-20	70 000	715	-	-	70 715
Nedbank	94	Fixed deposit	Yes	Fixed	4.65%	27-Jul-20	10 000	120	-	-	10 120
Nedbank	365	Fixed deposit	Yes	Fixed	5.50%	30-Apr-21	165	9	-	-	174
Nedbank	365	Fixed deposit	Yes	Fixed	5.50%	30-Apr-21	62 100	3 416	-	-	65 516
Nedbank	365	Fixed deposit	Yes	Fixed	5.50%	30-Apr-21	13 900	765	-	-	14 665
Standard Bank	84	Fixed deposit	Yes	Fixed	6.60%	5-Jun-20	50 000	759	-	-	50 759
Standard Bank	91	Fixed deposit	Yes	Fixed	6.63%	12-Jun-20	160 000	2 645	-	-	162 645
Standard Bank	102	Fixed deposit	Yes	Fixed	6.82%	15-Jun-20	190 000	3 621	-	-	193 621
Standard Bank	74	Fixed deposit	Yes	Fixed	5.78%	15-Jun-20	20 000	234	-	-	20 234
Standard Bank	81	Fixed deposit	Yes	Fixed	5.80%	19-Jun-20	45 000	579	-	-	45 579
Standard Bank	113	Fixed deposit	Yes	Fixed	6.88%	26-Jun-20	45 000	958	-	-	45 958
Standard Bank	100	Fixed deposit	Yes	Fixed	6.57%	26-Jun-20	100 000	1 800	-	-	101 800
Standard Bank	91	Fixed deposit	Yes	Fixed	5.82%	30-Jun-20	60 000	871	-	-	60 871
Standard Bank	104	Fixed deposit	Yes	Fixed	6.59%	30-Jun-20	55 000	1 033	-	-	56 033
Standard Bank	48	Fixed deposit	Yes	Fixed	4.68%	30-Jun-20	15 000	92	-	-	15 092
Standard Bank	47	Fixed deposit	Yes	Fixed	4.65%	30-Jun-20	10 000	60	-	-	10 060
Standard Bank	60	Fixed deposit	Yes	Fixed	4.70%	3-Jul-20	110 000	850	-	-	110 850
Standard Bank	57	Fixed deposit	Yes	Fixed	4.69%	3-Jul-20	15 000	110	-	-	15 110
Standard Bank	66	Fixed deposit	Yes	Fixed	4.70%	10-Jul-20	45 000	382	-	-	45 382
Standard Bank	100	Fixed deposit	Yes	Fixed	5.95%	15-Jul-20	40 000	652	-	-	40 652
Standard Bank	76	Fixed deposit	Yes	Fixed	4.79%	15-Jul-20	30 000	299	-	-	30 299
Standard Bank	78	Fixed deposit	Yes	Fixed	4.79%	15-Jul-20	25 000	256	-	-	25 256
Standard Bank	72	Fixed deposit	Yes	Fixed	4.72%	17-Jul-20	20 000	186	-	-	20 186
Standard Bank	66	Fixed deposit	Yes	Fixed	4.70%	17-Jul-20	10 000	85	-	-	10 085
Standard Bank	77	Fixed deposit	Yes	Fixed	4.72%	24-Jul-20	30 000	299	-	-	30 299
Standard Bank	77	Fixed deposit	Yes	Fixed	4.72%	24-Jul-20	10 000	100	-	-	10 100
Standard Bank	94	Fixed deposit	Yes	Fixed	4.87%	27-Jul-20	250 000	3 135	-	-	253 135
Nedbank current account	-	Current account	-	-	4.05%	-	64 806	486	-	239 377	304 669
Fund Managers	-	-	-	-	-	-	6 625 620	46 462	(3 595 139)	-	3 076 943
Liberty, RMB and Nedbank sinking fund	-	-	-	-	-	-	2 702 182	22 753	345 155	-	3 070 090
Cash in transit	-	-	-	-	-	-	20 314	-	(1 296)	-	19 018
CTICC	-	-	-	-	-	-	366 187	-	-	-	366 187
ABSA IRT Bank account	-	-	-	-	-	-	51 200	-	(44 775)	-	6 425
COID	-	-	-	-	-	-	71 567	(46)	-	-	71 522
TOTAL INVESTMENTS AND INTEREST							15 494 346		(3 296 055)	239 377	12 588 577

2.6.2 Medium-term outlook: capital revenue

The table below provides a breakdown of the funding composition of the City’s 2020/21 medium-term capital programme.

Table 45 Sources of capital revenue over the MTREF

Vote Description			2020/21 Medium Term Revenue & Expenditure Framework					
	Adjusted Budget	%	Budget Year 2020/21	%	Budget Year +1 2021/22	%	Budget Year +2 2022/23	%
Funded by:								
National Government	2 319 047		2 803 382		3 234 438		3 320 861	
Provincial Government	37 388		12 446		11 130		11 665	
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	42 137		67 986		67 161		92 349	
Transfers recognised - capital	2 398 573	35.8%	2 883 814	30.0%	3 312 729	34.5%	3 424 875	32.2%
Borrowing	1 091 580	16.3%	2 500 000	26.0%	5 000 000	52.1%	5 000 000	47.0%
Internally generated funds	3 218 486	48.0%	4 222 060	44.0%	1 293 105	13.5%	2 216 225	20.8%
Total Capital Funding	6 708 639	100.0%	9 605 874	100.0%	9 605 834	100.0%	10 641 101	100.0%

Sources of capital revenue for the 2020/21 financial year are graphically represented below.

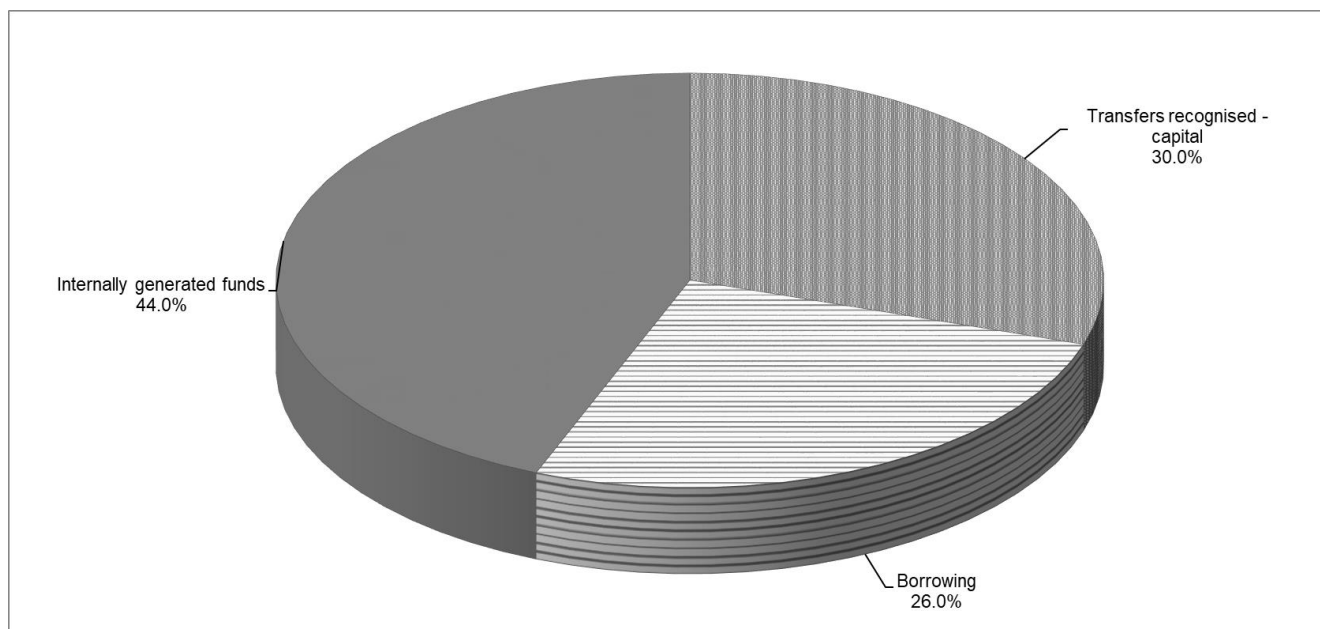


Figure 11 Sources of capital revenue for the 2020/21 financial year

Grants from national- and provincial government as well as other external sources still remain a significant funding source for the 2020/21 - 2022/23 capital budget.

Transfers recognised – capital

Transfers recognised – capital amounts to R2 884 million in 2020/21, R3 313 million in 2021/22 and R3 425 million in 2022/23, increasing slightly from 30% to 32.2% as a percentage of the total capital budget over the MTREF.

Capital transfers and grants from national- and provincial government and other grant providers for the 2020/21 MTREF are reflected in the table below.

Table 46 MBRR Table SA18 - Capital transfers and grants receipts

Description	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand									
Capital Transfers and Grants									
National Government:	25 180	150 423	563 500	2 189 348	2 319 047	2 319 047	2 803 382	3 234 438	3 320 861
Minerals and Energy: Energy Efficiency and Demand Side Management Grant	-	-	-	10 465	10 425	10 425	9 050	8 400	13 000
National Government - Other: Previous years' Dora allocations	-	-	-	50	50	50	50	50	-
National Treasury: Expanded Public Works Programme	-	-	-	-	730	730	1 206	-	-
National Treasury: Informal Settlements Upgrading Partnership Grant: Municipalities	-	-	-	276 803	221 421	221 421	291 515	451 997	485 503
National Treasury: Integrated City Development Grant	-	5 000	-	48 533	46 927	46 927	53 040	50 287	58 970
National Treasury: Local Government Restructuring Grant	-	-	-	250	343	343	280	60	190
National Treasury: Municipal Disaster Grant	-	122 502	-	-	-	-	-	-	-
National Treasury: Municipal Disaster Recovery Grant	-	-	553 500	-	199 589	199 589	-	-	-
National Treasury: Neighbourhood Development Partnership Grant	25 180	2 109	-	26 400	36 960	36 960	59 636	58 300	62 700
National Treasury: Public Transport Network: Budget Facility for Infrastructure Grant	-	-	-	354 000	354 000	354 000	1 045 000	1 433 000	1 515 052
National Treasury: Urban Settlements Development Grant	-	-	-	1 070 051	1 045 532	1 045 532	1 007 028	841 744	851 546
Transport: Public Transport Infrastructure & Systems Grant	-	-	-	-	275	275	-	-	-
Transport: Public Transport Network Grant	-	-	-	402 796	402 796	402 796	336 578	390 600	333 900
Co-operative Governance: Emergency Disaster Relief Fund	-	20 812	-	-	-	-	-	-	-
National Treasury: DME Grant	-	-	10 000	-	-	-	-	-	-
Provincial Government:	7 500	10 000	10 000	22 038	37 388	37 388	12 446	11 130	11 665
Community Safety: Law Enforcement Advancement Plan	-	-	-	-	19 046	19 046	-	-	-
Cultural Affairs and Sport: Development of Sport and Recreation Facilities	-	-	-	-	779	779	1 000	-	-
Cultural Affairs and Sport: Library Services (Conditional Grant)	-	-	-	-	2 612	2 612	-	-	-
Cultural Affairs and Sport: Library Services: Metro Library Grant	7 500	10 000	10 000	10 000	11 245	11 245	10 550	11 130	11 665
Economic Development and Tourism: Provide resources for the tourism safety law enforcement unit project	-	-	-	-	-	-	896	-	-
Housing: Integrated Housing and Human Settlement Development Grant	-	-	-	11 788	3 412	3 412	-	-	-
Provincial Government: Community Safety: Training and Equipment for Volunteers: Law Enforcement Service (LEAS)	-	-	-	-	8	8	-	-	-
Provincial Government: Municipal Accreditation and Capacity Building Grant	-	-	-	250	286	286	-	-	-
Other grant providers:	87 813	99 263	79 453	53 700	42 137	42 137	67 986	67 161	92 349
Other: Other	87 813	99 263	79 453	53 700	42 137	42 137	67 986	67 161	92 349
Total Capital Transfers and Grants	120 493	259 686	652 953	2 265 085	2 398 573	2 398 573	2 883 814	3 312 729	3 424 875

Borrowing

The borrowing amounts over the 2020/21 MTREF are reflected in Table 45.

The borrowing requirements are determined by the capital investment requirement (excl. Transfers Recognised: Capital) and the projected cash position, while taking into account affordability and sustainability. Due to a favourable cash position, it is envisaged that the City will only be required to borrow R2 500 million in the 2020/21 financial year. Borrowings then increase to R5 000 million in the two outer years of the MTREF, respectively.

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

Table 47 MBRR Table SA17 - Detail of borrowing

Borrowing - Categorised by type	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand									
Long-Term Loans (non-annuity)	1 589 616	1 403 697	1 286 456	2 958 113	2 958 113	2 958 113	5 008 161	9 053 519	12 775 056
Local registered stock	-	-	-	-	-	-	-	-	-
Instalment Credit	-	-	-	-	-	-	-	-	-
Financial Leases	-	-	-	-	-	-	-	-	-
PPP liabilities	-	-	-	-	-	-	-	-	-
Finance Granted By Cap Equipment Supplier	-	-	-	-	-	-	-	-	-
Marketable Bonds	4 200 000	5 088 841	4 984 481	4 880 464	4 880 464	4 880 464	4 775 893	3 669 802	2 366 091
Non-Marketable Bonds	-	-	-	-	-	-	-	-	-
Bankers Acceptances	-	-	-	-	-	-	-	-	-
Financial derivatives	-	-	-	-	-	-	-	-	-
Other Securities	-	-	-	-	-	-	-	-	-
Total Borrowing	5 789 616	6 492 538	6 270 937	7 838 577	7 838 577	7 838 577	9 784 054	12 723 321	15 141 147

The following graph illustrates the growth in outstanding borrowing for the 2020/21 to 2022/23 period.

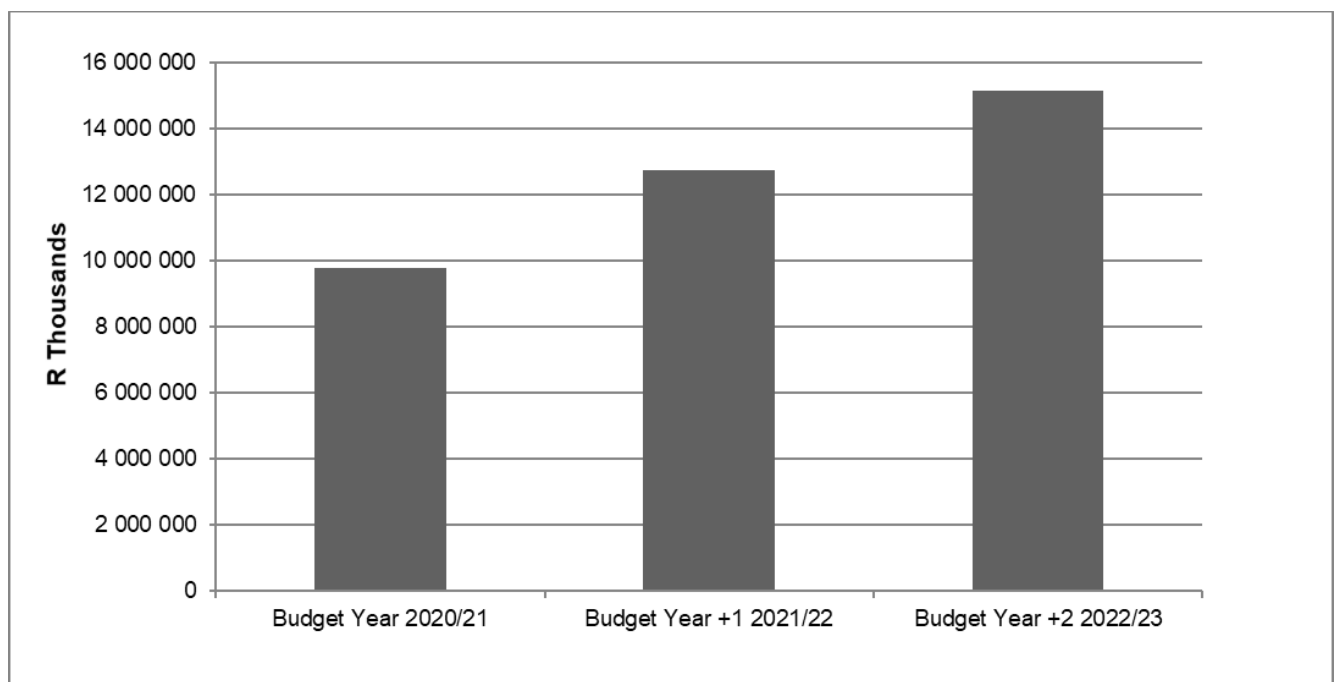


Figure 12 Growth in outstanding borrowings (long-term liabilities)

Internally generated funds are funded in accordance with Section 18 of the MFMA, which requires that the annual budget must be funded from, inter alia, 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 charges which were 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 R4 222 million, R1 293 million and R2 216 million respectively, over the MTREF.

The percentage of internally generated funds in relation to the total annual budget decreases from 44% in 2020/21 to 13.5% in 2021/22 and increases to 20.82% in 2022/23.

Cash Flow Management

Table 48 MBRR Table A7 - Budgeted cash flow statement

Description	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand									
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Property rates	8 105 126	8 470 387	9 319 556	9 714 194	9 034 009	9 034 009	10 031 409	11 355 510	12 413 264
Service charges	18 619 105	18 160 336	20 600 259	18 787 179	18 453 792	18 453 792	18 045 505	21 666 906	23 453 709
Other revenue	617 854	2 472 152	2 573 710	1 746 152	1 207 619	1 207 619	4 122 832	4 586 433	4 806 320
Transfers and Subsidies - Operational	3 633 883	4 011 324	4 468 913	7 376 568	7 861 300	7 861 300	5 608 724	5 573 928	6 020 849
Transfers and Subsidies - Capital	2 014 869	1 733 466	2 079 448	2 211 385	2 356 436	2 356 436	2 815 828	3 245 568	3 332 526
Interest	999 822	1 150 625	1 427 759	912 495	912 473	912 473	847 535	879 286	911 609
Payments									
Suppliers and employees	(26 611 461)	(27 959 017)	(30 505 458)	(35 467 695)	(34 533 295)	(34 533 295)	(36 939 655)	(39 700 946)	(42 670 116)
Finance charges	(666 163)	(689 670)	(717 853)	(717 075)	(717 075)	(717 075)	(753 329)	(1 247 762)	(1 722 941)
Transfers and Grants	(111 829)	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES	6 601 206	7 349 603	9 246 334	4 563 204	4 575 259	4 575 259	3 778 849	6 358 923	6 545 221
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE	198 742	98 239	151 009	97 432	89 642	89 642	117 986	119 651	147 469
Decrease (increase) in non-current receivables	13 614	15 030	7 513	1 228	4 419	4 419	3 390	2 797	2 308
Decrease (increase) in non-current investments	(410 412)	(561 572)	(936 202)	(267 859)	(267 859)	(267 859)	(298 475)	(332 578)	(366 220)
Payments									
Capital assets	(5 904 620)	(5 588 905)	(5 392 818)	(7 549 589)	(6 037 775)	(6 037 775)	(8 645 287)	(8 645 251)	(9 576 991)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(6 102 676)	(6 037 208)	(6 170 498)	(7 718 788)	(6 211 573)	(6 211 573)	(8 822 386)	(8 855 381)	(9 793 434)
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	1 000 000	196 420	1 091 580	1 091 580	1 091 580	2 500 000	5 000 000	5 000 000
Increase (decrease) in consumer deposits	27 077	29 950	29 302	41 983	41 096	41 096	45 206	49 726	54 699
Payments									
Repayment of borrowing	(407 883)	(305 920)	(368 901)	(384 878)	(384 878)	(384 878)	(371 495)	(721 495)	(1 708 161)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(380 806)	724 030	(143 179)	748 685	747 798	747 798	2 173 711	4 328 232	3 346 538
NET INCREASE/ (DECREASE) IN CASH HELD	117 724	2 036 425	2 932 657	(2 406 899)	(888 516)	(888 516)	(2 869 825)	1 831 774	98 325
Cash/cash equivalents at the year begin:	3 332 469	3 450 194	5 486 618	7 392 776	8 419 275	8 419 275	7 530 759	4 660 933	6 492 707
Cash/cash equivalents at the year end:	3 450 193	5 486 619	8 419 275	4 985 877	7 530 759	7 530 759	4 660 933	6 492 707	6 591 032

The above table shows the cash and cash equivalents of the City over the tabled 2020/21 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 2020/21 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 R4 661 million by 2020/21, R6 493 million by 2021/22 and R6 591 million by 2022/23.

2.6.3 Cash Backed Reserves/Accumulated Surplus Reconciliation

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

- What are the predicted cash and investments that are available at the end of the budget year?
- How are those funds used?
- What is the net funds available or funding shortfall?

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

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

Description	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Cash and investments available									
Cash/cash equivalents at the year end	3 450 193	5 486 619	8 419 275	4 985 877	7 530 759	7 530 759	4 660 933	6 492 707	6 591 032
Other current investments > 90 days	1 654 114	1 981 576	2 532 330	1 360 455	2 264 469	2 264 469	1 965 995	1 633 417	1 267 197
Non current assets - Investments	4 877 663	5 111 773	5 342 557	5 171 322	5 610 418	5 610 418	5 908 894	6 241 472	6 607 692
Cash and investments available:	9 981 970	12 579 967	16 294 163	11 517 654	15 405 646	15 405 646	12 535 822	14 367 596	14 465 921
Application of cash and investments									
Unspent conditional transfers	1 054 374	1 067 745	1 298 170	1 425 028	1 344 116	1 344 116	1 740 833	2 238 437	2 771 211
Unspent borrowing	-	-	-	-	-	-	-	-	-
Statutory requirements	-	-	-	-	-	-	-	-	-
Other working capital requirements	107 335	(550 927)	(1 660 992)	(1 538 617)	(2 282 326)	(2 282 326)	(2 781 234)	(3 501 557)	(3 713 155)
Other provisions	-	-	-	400 000	459 784	459 784	1 297 295	1 345 891	1 402 649
Long term investments committed	2 051 869	2 264 754	2 503 755	2 771 615	2 771 615	2 771 615	3 070 090	3 402 669	3 768 888
Reserves to be backed by cash/investments	3 773 185	3 465 081	4 798 920	5 764 808	5 539 362	5 539 362	4 568 179	4 674 762	4 884 167
Total Application of cash and investments:	6 986 763	6 246 653	6 939 854	8 822 834	7 832 551	7 832 551	7 895 163	8 160 202	9 113 761
Surplus(shortfall)	2 995 207	6 333 314	9 354 309	2 694 820	7 573 095	7 573 095	4 640 659	6 207 394	5 352 160

From the above table it can be seen that the cash and investments available total **R12 536** million in 2020/21 increasing to **R14 466** million in 2022/23, 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.
- Unspent borrowing: There are no unspent borrowing from previous years.
- Provisions for statutory requirements: The City does not make provision for statutory requirements in this section of the budget as the City is mostly in a refund position.
- 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 it falls 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:

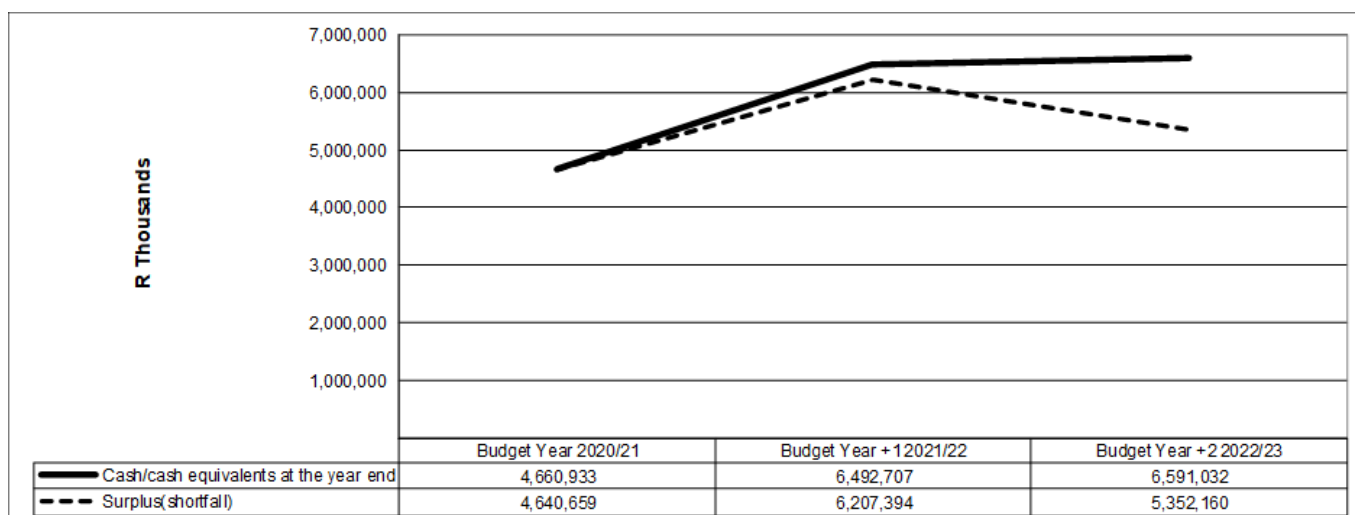


Figure 13 Cash and cash equivalents / cash backed reserves and accumulated funds

2.6.4 Funding Compliance Measurement

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 and 19 of the MFMA.

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

Table 50 MBRR Table SA10 - Funding Compliance measurement

Description	MFMA section	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Funding measures										
Cash/cash equivalents at the year end - R'000	18(1)b	3 450 193	5 486 619	8 419 275	4 985 877	7 530 759	7 530 759	4 660 933	6 492 707	6 591 032
Cash + investments at the yr end less applications - R'000	18(1)b	2 995 207	6 333 314	9 354 309	2 694 820	7 573 095	7 573 095	4 640 659	6 207 394	5 352 160
Cash year end/monthly employee/supplier payments	18(1)b	1.53	2.34	3.27	1.66	2.53	2.53	1.44	1.94	1.87
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	5 103 253	5 696 767	6 242 063	1 407 418	2 213 884	2 213 884	400 078	2 948 326	3 220 814
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	N.A.	(2.6%)	4.7%	(1.9%)	(6.0%)	(6.0%)	(3.3%)	6.2%	2.6%
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	98.7%	99.1%	101.9%	92.8%	88.5%	88.5%	90.1%	94.7%	94.8%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	6.4%	5.3%	5.6%	7.9%	8.4%	8.4%	12.0%	6.6%	6.4%
Capital payments % of capital expenditure	18(1)c;19	100.0%	99.7%	101.4%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	0.0%	26.3%	6.1%	17.8%	25.3%	25.3%	37.2%	79.5%	69.3%
Grants % of Govt. legislated/gazetted allocations	18(1)a							102.9%	101.0%	100.5%
Current consumer debtors % change - incr(decr)	18(1)a	N.A.	10.4%	11.2%	64.6%	(32.8%)	0.0%	7.0%	7.3%	7.5%
Long term receivables % change - incr(decr)	18(1)a	N.A.	(6.5%)	(0.9%)	(89.2%)	(17.0%)	0.0%	(17.5%)	(17.5%)	(17.5%)
R&M % of Property Plant & Equipment	20(1)(vi)	9.4%	8.8%	8.3%	8.0%	7.9%	7.9%	8.2%	8.2%	7.7%
Asset renewal % of capital budget	20(1)(vi)	18.7%	21.1%	23.9%	21.5%	27.1%	27.1%	24.7%	22.8%	26.1%

2.6.4.1 Cash/cash equivalent position

An increasing positive cash position is shown over the forecasted 2020/21 MTREF, indicating that the medium term budget is affordable and sustainable. The cash position is mainly as a result of a favourable opening cash balance.

2.6.4.2 Cash plus investment less application of funds

This measure shows how a 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 2020/21 MTREF, which shows that the City is able to afford its commitments over the medium term.

2.6.4.3 Cash year end/monthly employee/supplier payments

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 outcome averages 1.8 over the MTREF.

2.6.4.4 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. The outcome shows a surplus over the MTREF, which means that the community is making an adequate contribution towards the economic benefits being consumed by the City.

2.6.4.5 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 the national inflation targets.

The ratio outcome shows an overall shrinkage of 3.3% for 2020/21. All rates and services tariffs' revenue increases are below 6% for 2020/21. The revenue increases applied can be substantiated by motivating the individual services' increases, which are as follows:

- Rates

The revenue parameter for Property Rates over the 2020/21 MTREF is at levels below the upper limit of the inflation target range. The low increase was as a result of various corporate initiatives proposed to reduce cost and reprioritise budgets.

- Electricity

Due to the implementation of corporate cost savings measures the revenue increase for electricity was kept at levels lower than the projected Eskom increases for the MTREF. The electricity average revenue increase projected for the 2020/21 financial year is 4.83% and 7.60% and 8.81% for the two outer years, respectively. The slightly below CPI increase is as a result of the bulk purchases cost, declining electricity sales and business enhancement initiatives.

Furthermore, a shrinkage in sales revenue of 6.5% is projected for 2020/21 and 1.5% over the two outer years of the MTREF. The large projected shrinkage in 2020/21 is mainly due to the expected reduction in demand of Electricity during the pandemic period.

- Water and Sanitation

The average revenue increases applied for the MTREF for water and sanitation is 4.5% for 2020/21, 13.28% and 10.26%, respectively for the two outer years.

The proposed increase for Water and Sanitation is due to various factors, which include the following:

- Requirements for the New Water Plan to ensure sustainable and resilient provision of water. Initiatives include the further investment in underground extraction from aquifers;
- Water demand management initiatives to limit the abuse of water;
- Upgrades and extensions to the wastewater treatment plants;
- Continued investment in asset replacement programs to ensure proper asset management;
- Continued investment in the repairs and maintenance program and maintaining required compliance standards;
- Supplying water and sanitation at appropriate compliance, capacity, skills, service delivery and responsiveness levels;
- The shrinkage in sales due to water savings initiatives; and
- Lower collection rate and the associated debt impairment cost requirement.

- Refuse Removal

Solid Waste consists of three services of which two are Tariff funded and one funded by Property Rates. The tariff funded services consists of Refuse and Disposal.

Refuse revenue is the revenue received for the removal of waste from residential and non-residential properties. The average refuse tariff increase is 3.50% for 2020/21 and 4.00% and 4.50% for the two outer years, respectively. The average increase will allow for, amongst other things, the waste minimisation initiatives and expanding the footprint of the service as the customer base grows, increasing the property value threshold for 100% rebate qualifiers and the associated debt impairment cost associated with the lower collection rate.

Disposal revenue is the revenue received for the disposal of waste from residential and non-residential properties. The average disposal tariff increase for 2020/21 is 5.00% whereas the increases for the two outer years are 7.50% and 15.58%, respectively. This increase is required for the continued operational requirement of the service and for the capital investment of new-, replacement- and renewed assets. The capital investment includes the development of landfill infrastructure, development and upgrading transfer stations, additional two Material Recovery Facilities and Landfill Gas Generation to Beneficiation at all landfill sites.

2.6.4.6 Cash receipts as a percentage of ratepayer and other revenue

This is a macro measure of the rate at which funds are 'collected'. The expected purpose of this measure is to analyse an underlying assumed collection rate. The ratio outcome for 2020/21 is 90.1% improving to 94.7% and 94.8% in 2021/22 and 2022/23 respectively. This collection ratio is deemed realistic considering the projected impact of the pandemic on consumers' ability to pay.

2.6.4.7 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.

2.6.4.8 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 MTREF, due to capital funding sources projected at 90% in the cash flow.

2.6.4.9 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 62% on average over the MTREF, showing that the City is borrowing less than capital expenditure, therefore sustainable and compliant to the MFMA

2.6.4.10 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 2020 DoRB and 2020/21 MTREF gazetted Provincial Government allocations.

This ratio outcome averages 101.5% over the MTREF. The result is slightly higher than 100% due to the following:

This ratio outcome is due to the following:

- Interest of previous years' grants included;
- Funding received from the Department of Environmental Affairs and Tourism not included in the DORb;
- Funding received from National Skills Fund which is not included in DORb; and
- The general Budget Support allocation was not included in the DORb, however, a funding letter was received from NT.

2.6.4.11 Consumer debtors change (current and non-current)

The purpose of this measure is to ascertain whether budgeted reductions in outstanding debtors are realistic. The ratio increases by an average of 7.3% over the MTREF. The increase in this ratio is driven by the increase in consumer debtors, other debtors and long term receivables.

2.6.4.12 Long term receivables % change

Long term receivables include 'arrangement debtors' to be paid by the debtor over an extended period of time. Long term receivable is projected to reduce by an average of 17.5% annually over the MTREF. This reduction is due to long term loans not being offered any longer.

2.6.4.13 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. This ratio outcome averages 8% over the MTREF which is aligned to the National Treasury benchmark of 8%.

2.6.4.14 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.

Renewal of existing assets is split between renewal of existing assets and upgrading of existing assets.

This ratio only takes into consideration the renewal of existing assets portion over the total capital budget and shows an outcome averaging 24.6% over the MTREF.

Considering both renewal and upgrading of existing assets as a percentage of total capital budget, the ratio outcome will average of 51.5% over the MTREF. This is higher than the NT norm of 40% to be invested in renewal of existing assets.

2.7 Ward Allocations

It is proposed that the City allocates budgetary resources for projects, programmes or other initiatives' application at subcouncil level. While these resources will be spent by line departments, subcouncils identify and recommend ward allocation adoption (following sundry internal line departmental input and liaison) by MayCo and Council.

The City has 116 demarcated wards, which forms part of 24 subcouncils. These subcouncils serve the residents by engaging with them on municipal issues. The total available to each ward for the 2020/21 financial year is set at R1 million per ward. These allocations could be spent on either capital or operating projects/programmes.

A ward allocation project must form part of the core business activities and assets of the lead department and must be aligned with the Service Delivery Business Implementation Plan of the directorate. Ward allocation projects must, as far as possible, be completed within the financial year in which approved. However, unspent capital funds may be rolled over to the next financial year, where compelling reasons exist for such roll-over.

2.8 Expenditure on transfers and grant programmes

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

Description	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand									
Operating expenditure of Transfers and Grants									
National Government:	4 564 239	5 212 873	5 666 633	6 273 080	6 412 585	6 412 585	6 747 281	6 807 510	7 219 515
Local Government Equitable Share	2 012 945	2 292 908	2 574 650	2 815 558	2 815 558	2 815 558	3 081 195	3 377 636	3 678 073
Finance Management grant	1 050	1 050	1 000	1 000	1 000	1 000	1 000	1 000	1 000
Urban Settlements Development Grant	41 560	49 009	32 326	186 298	328 053	328 053	137 635	130 687	113 999
Energy Efficiency and Demand Side Management Grant	568	186	700	600	640	640	950	600	–
Dept. of Environ Affairs and Tourism	5 868	6 236	38	10 598	11 204	11 204	11 219	–	–
Expanded Public Works Programme	31 340	13 783	23 266	32 877	32 147	32 147	43 566	–	–
Integrated City Development Grant	6 290	(4 933)	1 083	6 854	11 460	11 460	14 904	12 424	7 000
Public Transport Infrastructure & Systems Grant	32 413	30 666	24 843	37 183	23 813	23 813	120 202	34 640	33 226
Infrastructure Skills Development	7 365	9 614	9 600	13 605	11 000	11 000	11 000	11 500	13 000
Public Transport Network Grant	232 093	396 719	440 780	554 849	554 849	554 849	608 396	385 194	475 506
Public Transport Network Operations Grant	(5 183)	–	–	–	–	–	–	–	–
Neighborhood Development Partnership Grant	–	–	–	3 600	5 040	5 040	6 900	6 700	7 300
Informal Settlements Upgrading Partnership Grant	–	–	–	39 572	35 212	35 212	45 427	66 143	63 509
National Skills Fund	–	–	–	–	12 122	12 122	50 320	37 082	–
National Treasury General Budget Support	–	–	–	–	–	–	19 595	9 997	10 125
Fuel Levy	2 197 740	2 417 635	2 558 136	2 570 486	2 570 486	2 570 486	2 594 972	2 733 907	2 816 777
Health & Hygiene Education Informal settlements	–	–	11	–	–	–	–	–	–
Accreditation Development Support	–	–	200	–	–	–	–	–	–
Department of Public Service and Administration	190	–	–	–	–	–	–	–	–
Provincial Government:	990 337	1 010 860	1 101 557	1 088 633	1 418 797	1 418 797	1 421 609	1 499 170	1 616 956
Cultural Affairs and Sport - Provincial Library Services	37 626	37 344	45 550	47 062	47 632	47 632	49 192	51 897	54 751
Cultural Affairs and Sport - Library Services: Transfer	–	4 498	4 944	5 150	5 343	5 343	5 338	5 720	5 847
Human Settlements - Human Settlement Development Grant	424 143	413 409	456 558	392 430	568 138	568 138	266 999	379 600	416 000
Human Settlements - Municipal Accreditation Assistance	6 111	6 089	5 000	–	–	–	–	–	–
Human Settlement - Settlement Assistance	697	766	–	1 500	2 067	2 067	–	–	–
Health - TB	25 626	27 604	29 095	65 227	30 666	30 666	81 085	93 051	106 267
Health - ARV	179 967	217 701	234 180	257 047	257 047	257 047	273 756	291 550	305 544
Health - Nutrition	4 733	5 200	5 470	6 248	6 248	6 248	6 548	6 776	7 028
Health - Vaccines	80 874	96 299	101 499	91 661	106 980	106 980	91 661	91 661	91 661
Comprehensive Health	188 649	160 593	182 857	173 489	192 731	192 731	173 489	173 489	173 489
LEAP	–	–	–	–	110 954	110 954	417 000	350 000	400 000
Transport and Public Works - Provision for persons with special needs	10 089	10 312	8 912	10 000	11 155	11 155	10 000	10 000	10 000
Economic Development and Tourism: Public Access Centres	–	–	–	–	–	–	12 689	10 480	10 983
Planning, Maintenance and Rehabilitation of Transport Systems and Infrastructure	5 674	2 158	–	–	–	–	–	–	–
Community Safety - Law Enforcement Auxiliary Services	25 620	28 255	5 692	4 159	4 714	4 714	4 388	4 629	4 852
Appointment, Training, Equipping and Operationalisation of School Resource Officers	–	–	–	–	165	165	–	–	–
Community Development Workers	469	402	701	–	2 034	2 034	1 034	1 034	1 034
Finance Management Capacity Building Grant	–	–	280	380	500	500	400	–	–
Provincial Government: Financial Management Support	4	230	230	230	230	230	–	–	–
Provincial Contribution towards addressing Natural Disasters	–	–	2 500	–	–	–	–	–	–
Transport Safety and Compliance - Rail Safety	56	–	9 483	17 000	23 517	23 517	18 000	19 000	20 000
Aerial support fire suppression	–	–	–	–	41	41	–	–	–
Establishment and Support K9 unit	–	–	365	2 300	4 935	4 935	2 530	2 783	2 000
Accreditation - Support - NHP	–	–	–	–	–	–	–	–	–
Human Settlements - Title deeds restoration	–	–	–	–	26 757	26 757	–	–	–
Municipal accreditation and capacity building grant	–	–	–	14 750	14 714	14 714	7 500	7 500	7 500
Human Settlements- Housing Consumer Education Manuals	–	–	108	–	8	8	–	–	–
Human Settlements- Eradication of registration backlog	–	–	3 133	–	2 221	2 221	–	–	–
Municipal Disaster grant	–	–	5 000	–	–	–	–	–	–

Table continues on next page

Description	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand									
Other grant providers:	34 628	21 686	22 014	14 855	29 918	29 918	34 805	1 155	1 155
Tourism	-	2 000	2 000	1 291	1 416	1 416	-	-	-
CMTF	1 811	4 414	2 323	2 000	2 000	2 000	-	-	-
CID	4 224	5 242	5 422	5 141	5 892	5 892	3 586	-	-
Century City Property Owners Association	782	837	539	-	-	-	-	-	-
LGSETA Post Graduate Learnership Programme	(3)	-	-	-	-	-	-	-	-
Traffic Free Flow (PTY) Ltd	644	-	-	580	580	580	-	-	-
Westcott Primary	38	41	43	43	39	39	-	-	-
Airports Company South Africa SOC Ltd	1 333	1 333	1 333	-	2 052	2 052	-	-	-
Rockefeller Philanthropy Advisor's Inc	-	1 033	1 113	-	-	-	-	-	-
V&A Waterfront Holdings (Pty) Ltd	291	772	853	891	795	795	-	-	-
The South African Breweries	244	1 093	2 585	-	217	217	-	-	-
Bayside	-	486	510	556	556	556	-	-	-
Big Bay	-	308	385	-	189	189	-	-	-
Long Street law Enforcement	-	-	-	1 583	1 583	1 583	-	-	-
University of Connecticut	-	14	-	-	73	73	-	-	-
Medicins Sans Fronteries	-	3 339	-	-	119	119	-	-	-
DBSA Green Fund	24 110	-	-	-	-	-	-	-	-
Sustainable Energy Africa	187	-	-	274	204	204	-	-	-
Mamre Fencing	-	-	-	-	-	-	-	-	-
Carnegie	-	-	-	-	-	-	-	-	-
Prasa	-	-	3 725	-	12 275	12 275	-	-	-
Marine Circle Rent-A-Cop	-	-	173	569	-	-	-	-	-
Grand China	-	-	166	396	396	396	-	-	-
Bergvliet High Part-time Trfc Attendant	-	-	29	-	39	39	50	-	-
CCID - Traffic Wardnes	-	-	744	902	902	902	-	-	-
Green Point Law Enforcement	-	-	-	586	554	554	-	-	-
Part Time Trfc Attend: Rustenberg Girls	38	41	43	43	39	39	-	-	-
PopART -Stellenbosch University	929	733	28	-	-	-	-	-	-
Integrated Public Transport Network	-	-	-	-	-	-	15 400	-	-
PTI-Precincts	-	-	-	-	-	-	-	-	-
KFW- Technical Assistance (GDB)	-	-	-	-	-	-	15 000	-	-
Orio - IRT Phase 2	-	-	-	-	-	-	770	1 155	1 155
Total operating expenditure of Transfers and Grants:	5 589 204	6 245 419	6 790 204	7 376 568	7 861 300	7 861 300	8 203 696	8 307 835	8 837 626
Capital expenditure of Transfers and Grants									
National Government:	1 959 167	1 699 597	2 055 630	2 189 348	2 319 047	2 319 047	2 803 382	3 234 438	3 320 861
Minerals and Energy: Energy Efficiency and Demand Side Management Grant	14 400	7 435	9 300	10 465	10 425	10 425	9 050	8 400	13 000
National Government - Other: Previous years' Dora allocations	-	-	-	50	50	50	50	50	-
National Treasury: Expanded Public Works Programme	400	400	1 000	-	730	730	1 206	-	-
National Treasury: Informal Settlements Upgrading	-	-	-	276 803	221 421	221 421	291 515	451 997	485 503
Partnership Grant: Municipalities	-	-	-	-	-	-	-	-	-
National Treasury: Integrated City Development Grant	35 756	50 045	54 560	48 533	46 927	46 927	53 040	50 287	58 970
National Treasury: Local Government Restructuring Grant	-	128	1 156	250	343	343	280	60	190
National Treasury: Municipal Disaster Grant	-	74 383	31 219	-	-	-	-	-	-
National Treasury: Municipal Disaster Recovery Grant	-	-	307 600	-	199 589	199 589	-	-	-
National Treasury: Neighbourhood Development Partnership Grant	23 802	2 071	7 166	26 400	36 960	36 960	59 636	58 300	62 700
National Treasury: Public Transport Network: Budget Facility for Infrastructure Grant	-	-	33 000	354 000	354 000	354 000	1 045 000	1 433 000	1 515 052
National Treasury: Urban Settlements Development Grant	1 252 464	1 029 238	1 127 450	1 070 051	1 045 532	1 045 532	1 007 028	841 744	851 546
Transport: Public Transport Infrastructure & Systems Grant	22 681	-	925	-	275	275	-	-	-
Transport Public Transport Infrastructure Grant	(33 331)	(831)	-	-	-	-	-	-	-

Table continues on next page.

Description	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand									
Transport: Public Transport Network Grant	639 812	512 190	468 073	402 796	402 796	402 796	336 578	390 600	333 900
National Treasury DME Grant	–	–	12 234	–	–	–	–	–	–
National Treasury: Accreditation Development Support	–	–	198	–	–	–	–	–	–
National Treasury Infrastructure Skills Development Grant	989	986	582	–	–	–	–	–	–
National treasury: Urban Renewal	2 194	–	–	–	–	–	–	–	–
Department of Environmental Affairs and Tourism	–	–	1 167	–	–	–	–	–	–
Co-operative Governance: Emergency Disaster Relief Fund	–	20 813	–	–	–	–	–	–	–
National Treasury: DME Grant	–	2 739	–	–	–	–	–	–	–
Provincial Government:	46 130	33 287	22 430	22 038	37 388	37 388	12 446	11 130	11 665
Community Safety: Law Enforcement Advancement	–	–	–	–	19 046	19 046	–	–	–
Community Safety: Law Enforcement Auxiliary Services	–	–	762	–	–	–	–	–	–
Cultural Affairs and Sport: Development of Sport and Recreation Facilities	–	–	–	–	779	779	1 000	–	–
Cultural Affairs and Sport: Library Services (Conditional)	14 078	15 208	–	–	2 612	2 612	–	–	–
Cultural Affairs and Sport: Library Services: Metro Library Grant	8 512	9 958	13 241	10 000	11 245	11 245	10 550	11 130	11 665
Economic Development and Tourism: Provide resources for the tourism safety law enforcement unit	–	–	–	–	–	–	896	–	–
Housing: Integrated Housing and Human Settlement Development Grant	2 268	8 030	8 364	11 788	3 412	3 412	–	–	–
Provincial Government: Community Development Workers (CDW) Operational Grant Support	150	91	63	–	–	–	–	–	–
Provincial Government: Community Safety: Training and Equipment for Volunteers: Law Enforcement Service (LEAS)	–	–	–	–	8	8	–	–	–
Cultural Affairs and Sport	20	–	–	–	–	–	–	–	–
Economic Development and Tourism: Public Access	127	–	–	–	–	–	–	–	–
Macassar treatment Works	5 500	–	–	–	–	–	–	–	–
Transport and Public Works: Planning, Maintenance and rehabilitation of Transport System and Infrastructure	15 219	–	–	–	–	–	–	–	–
Transport Safety and Compliance - Rail Safety	256	–	–	–	–	–	–	–	–
Provincial Government: Municipal Accreditation and Capacity Building Grant	–	–	–	250	286	286	–	–	–
Other grant providers:	71 882	72 541	49 805	53 700	42 137	42 137	67 986	67 161	92 349
Other: Other	71 882	72 541	49 805	53 700	42 137	42 137	67 986	67 161	92 349
Total capital expenditure of Transfers and Grants	2 077 179	1 805 424	2 127 864	2 265 085	2 398 573	2 398 573	2 883 814	3 312 729	3 424 875
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	7 666 383	8 050 843	8 918 068	9 641 654	10 259 874	10 259 874	11 087 510	11 620 564	12 262 501

2.9 Allocations and grants made by the municipality

Transfers and Grants are allocations made to outside organisations or bodies from the City's approved budget. These allocations are gratuitous/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 MFMA. Application in respect of section 67 grant and grant- in aid allocations are approved by the City's Grants Committee and event-related sponsorships by the Executive Mayor as per the City's System of Delegations.

The Grant Committee supports grant applications in terms of the City's Grants-In-Aid Policy and the members of the committee are officials of the City appointed by the CFO. The Committee co-ordinates, administers, and controls the screening process in respect of applications recommended by line departments and sub-councils to ensure that all recommended grants comply with the City's Grants-In-Aid Policy, the Constitution and relevant legislation.

An ad-hoc committee facilitates the selection of events and recommendations to the Mayor's events, which the City wishes to support in terms of the IDP and the City's Events Policy. The members of the committee consist of specific councillors as identified by the Mayor. The Committee meets as and when required.

Full disclosure on transfers and grants to external organisations by the City can be found in Annexure 21.

2.10 Councillor and Staff benefits

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

Summary of Employee and Councillor remuneration	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand									
Councillors (Political Office Bearers plus Other)									
Basic Salaries and Wages	122 846	139 878	146 974	146 004	146 004	146 004	154 911	164 174	174 041
Pension and UIF Contributions	4 115	–	4 984	5 992	5 992	5 992	6 358	6 738	7 143
Medical Aid Contributions	–	–	–	–	–	–	–	–	–
Motor Vehicle Allowance	–	–	–	601	601	601	638	676	717
Cellphone Allowance	4 903	6 977	9 339	8 996	8 996	8 996	9 544	10 115	10 723
Housing Allowances	–	–	–	–	–	–	–	–	–
Other benefits and allowances	6 510	8 068	–	18 225	18 225	18 225	18 225	19 315	20 475
Sub Total - Councillors	138 374	154 923	161 297	179 818	179 818	179 818	189 675	201 018	213 099
% increase		12.0%	4.1%	11.5%	–	–	5.5%	6.0%	6.0%
Senior Managers of the Municipality									
Basic Salaries and Wages	30 689	23 508	23 285	27 879	27 879	27 879	32 580	34 922	37 891
Pension and UIF Contributions	1 499	1 780	1 341	4 379	4 379	4 379	3 742	3 774	4 095
Medical Aid Contributions	160	118	92	136	136	136	185	201	218
Overtime	–	–	–	–	–	–	–	–	–
Performance Bonus	–	–	–	–	–	–	–	–	–
Motor Vehicle Allowance	382	412	404	439	439	439	643	697	757
Cellphone Allowance	115	120	147	292	292	292	290	301	327
Housing Allowances	–	–	–	–	–	–	–	–	–
Other benefits and allowances	103	172	24	61	61	61	67	73	79
Payments in lieu of leave	1 617	438	–	–	–	–	–	–	–
Long service awards	–	–	–	–	–	–	–	–	–
Post-retirement benefit obligations	–	–	–	–	–	–	–	–	–
Sub Total - Senior Managers of Municipality	34 565	26 548	25 293	33 186	33 186	33 186	37 507	39 969	43 366
% increase		(23.2%)	(4.7%)	31.2%	–	–	13.0%	6.6%	8.5%
Other Municipal Staff									
Basic Salaries and Wages	5 961 231	7 472 534	8 090 078	9 671 214	9 349 768	9 349 768	10 771 328	11 850 701	12 819 780
Pension and UIF Contributions	1 068 818	1 157 975	1 253 682	1 713 911	1 540 324	1 540 324	1 751 417	1 887 829	2 049 232
Medical Aid Contributions	660 098	702 198	746 014	823 574	823 597	823 597	901 410	978 030	1 061 163
Overtime	546 810	602 119	666 269	606 267	761 422	761 422	698 138	720 373	781 447
Performance Bonus	–	–	–	–	–	–	–	–	–
Motor Vehicle Allowance	191 177	194 044	201 150	225 780	227 812	227 812	248 056	269 141	292 018
Cellphone Allowance	16 599	17 853	22 056	24 352	25 091	25 091	26 834	28 603	31 034
Housing Allowances	56 862	59 361	61 444	65 440	65 780	65 780	69 645	75 565	81 988
Other benefits and allowances	221 898	242 503	261 732	238 893	263 297	263 297	306 112	328 739	356 682
Payments in lieu of leave	675 494	144 677	173 125	97 768	102 192	102 192	86 607	93 481	101 291
Long service awards	23 642	179	511	86 529	85 156	85 156	49 434	86 728	94 100
Post-retirement benefit obligations	229 302	274 623	864 199	261 187	703 314	703 314	280 120	261 582	282 472
Sub Total - Other Municipal Staff	9 651 931	10 868 066	12 340 262	13 814 914	13 947 754	13 947 754	15 189 101	16 580 771	17 951 207
% increase		12.6%	13.5%	11.9%	1.0%	–	8.9%	9.2%	8.3%
TOTAL SALARY, ALLOWANCES & BENEFITS	9 824 870	11 049 537	12 526 851	14 027 918	14 160 758	14 160 758	15 416 283	16 821 758	18 207 672
% increase		12.5%	13.4%	12.0%	0.9%	–	8.9%	9.1%	8.2%
TOTAL MANAGERS AND STAFF	9 686 496	10 894 614	12 365 554	13 848 100	13 980 940	13 980 940	15 226 608	16 620 740	17 994 573

Table 53 MBRR Table SA23 - Salaries, allowances and benefits (political office bearers / councillors / senior officials) for the 2020/21 financial year

Disclosure of Salaries, Allowances & Benefits	No.	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum							
Councillors							
Speaker	1	983 246	134 878	154 191			1 272 314
Chief Whip	1	1 155 277	–	45 886			1 201 163
Executive Mayor	1	1 518 572	–	45 886			1 564 458
Deputy Executive Mayor	1	1 091 551	134 878	45 886			1 272 314
Executive Committee	10	11 416 682	112 466	482 479			12 011 627
Total for all other councillors	217	138 745 285	5 975 281	27 632 830			172 353 395
Total Councillors	231	154 910 612	6 357 502	28 407 157			189 675 272
Senior Managers of the Municipality							
Municipal Manager (MM)	1	3 325 692	406 803	28 308	–		3 760 803
Chief Finance Officer	1	2 876 285	294 268	108 558	–		3 279 111
Executive Director: Community Services and Health	1	2 833 121	421 478	23 902	–		3 278 501
Executive Director: Corporate Services	1	2 910 761	353 512	23 902	–		3 288 175
Executive Director: Economic Opportunities and Asset Management	1	2 531 776	316 928	93 076	–		2 941 780
Executive Director: Energy and Climate Control	1	2 680 503	2 015	259 345	–		2 941 862
Executive Director: Human Settlements	1	2 915 863	2 015	23 902	–		2 941 780
Executive Director: Safety and Security	1	2 799 831	353 512	125 275	–		3 278 618
Executive Director: Spatial Planning and Environment	1	2 489 856	369 204	80 821	–		2 939 882
Executive Director: Transport	1	1 658 311	1 105 541	23 902	–		2 787 753
Executive Director: Urban Management	1	3 252 835	1 883	23 902	–		3 278 621
Executive Director: Water and Waste	1	2 304 877	367 261	117 630	–		2 789 768
Total Senior Managers of the Municipality	12	32 579 711	3 994 422	932 521	–		37 506 654
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION	243	187 490 324	10 351 923	29 339 679	–		227 181 926

Table 54 MBRR Table SA24 - Summary of personnel numbers

Summary of Personnel Numbers Number	2018/19			Current Year 2019/20			Budget Year 2020/21		
	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)	231	–	231	231	–	231	231	–	231
Board Members of municipal entities	–	–	–	–	–	–	–	–	–
Municipal employees									
Municipal Manager and Senior Managers	11	–	11	12	–	12	12	–	12
Other Managers	1 004	989	15	1 008	1 003	5	1 025	1 013	12
Professionals	1 310	1 267	43	1 455	1 367	88	1 630	1 584	46
<i>Finance</i>	99	98	1	98	98	–	107	105	2
<i>Spatial/town planning</i>	63	63	–	60	60	–	150	150	–
<i>Information Technology</i>	75	75	–	86	85	1	137	134	3
<i>Roads</i>	34	32	2	42	38	4	63	61	2
<i>Electricity</i>	122	121	1	128	126	2	143	143	–
<i>Water</i>	148	146	2	218	182	36	221	220	1
<i>Sanitation</i>	–	–	–	–	–	–	–	–	–
<i>Refuse</i>	18	18	–	16	16	–	18	18	–
<i>Other</i>	751	714	37	807	762	45	791	753	38
Technicians	4 388	4 253	135	4 306	4 175	131	4 562	4 414	148
<i>Finance</i>	158	157	1	160	159	1	167	166	1
<i>Spatial/town planning</i>	193	193	–	186	186	–	360	347	13
<i>Information Technology</i>	425	395	30	437	412	25	342	314	28
<i>Roads</i>	65	59	6	60	57	3	69	64	5
<i>Electricity</i>	362	358	4	333	330	3	426	420	6
<i>Water</i>	442	400	42	422	391	31	506	479	27
<i>Sanitation</i>	–	–	–	–	–	–	–	–	–
<i>Refuse</i>	94	94	–	96	96	–	82	82	–
<i>Other</i>	2 649	2 597	52	2 612	2 544	68	2 610	2 542	68
Clerks (Clerical and administrative)	7 272	7 107	165	7 278	7 115	163	7 387	7 202	185
Service and sales workers	4 436	3 949	487	4 210	3 844	366	5 470	4 383	1 087
Skilled agricultural and fishery workers	–	–	–	–	–	–	–	–	–
Craft and related trades	2 745	2 745	–	2 768	2 768	–	2 758	2 756	2
Plant and Machine Operators	3 840	3 833	7	3 848	3 839	9	3 919	3 903	16
Elementary Occupations	5 827	5 819	8	5 851	5 846	5	6 083	6 076	7
TOTAL PERSONNEL NUMBERS	31 064	29 962	1 102	30 967	29 957	1 010	33 077	31 331	1 746
% increase	–	–	–	(0.3%)	(0.0%)	(8.3%)	6.8%	4.6%	72.9%
Total municipal employees headcount	26 465	25 720	745	27 123	26 478	645	28 918	27 754	1 164
Finance personnel headcount	1 570	1 569	1	1 690	1 687	3	1 713	1 709	4
Human Resources personnel headcount	343	333	10	373	360	13	388	378	10

2.11 Monthly targets for revenue, expenditure and cash flow

Table 55 MBRR Table SA25 - Budgeted monthly revenue and expenditure

Description	Budget Year 2020/21												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Revenue By Source															
Property rates	866 645	866 645	866 645	866 645	866 645	866 645	885 274	885 274	885 274	885 274	885 274	885 274	10 511 519	11 555 663	12 624 126
Service charges - electricity revenue	1 259 732	1 334 408	1 187 033	1 222 086	1 168 855	1 031 383	1 194 007	1 005 646	1 070 494	1 023 727	1 180 342	1 111 621	13 789 334	15 484 526	16 740 057
Service charges - water revenue	216 523	227 448	239 776	255 393	263 112	278 729	305 903	308 010	296 470	284 065	268 045	250 985	3 194 459	3 770 788	4 098 172
Service charges - sanitation revenue	109 454	123 257	125 597	134 358	139 787	141 971	146 737	146 214	142 601	138 703	138 094	129 712	1 616 486	1 909 418	2 068 297
Service charges - refuse revenue	105 299	101 087	101 155	105 400	102 681	109 973	109 973	109 973	109 973	109 973	109 973	109 973	1 285 431	1 388 777	1 500 622
Rental of facilities and equipment	30 124	30 125	30 125	30 125	30 125	30 125	29 825	29 825	29 825	29 825	29 825	29 685	359 559	379 441	412 383
Interest earned - external investments	70 628	70 628	70 628	70 628	70 628	70 628	70 628	70 628	70 628	70 628	70 628	70 628	847 535	879 286	911 609
Interest earned - outstanding debtors	31 538	33 128	32 636	32 360	32 860	32 374	32 374	32 374	32 374	32 374	32 374	32 374	389 137	409 790	444 159
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	88 596	88 596	88 600	88 596	88 603	88 596	88 596	88 596	88 656	88 621	88 621	88 656	1 063 333	1 050 664	1 077 403
Licences and permits	6 385	6 390	6 390	6 390	6 390	6 390	6 390	6 390	6 390	6 390	6 390	6 594	76 875	88 002	92 411
Agency services	20 285	20 285	20 285	20 285	20 285	19 103	20 285	20 285	20 285	20 285	20 285	20 285	242 236	266 808	286 557
Transfers and subsidies	467 394	467 394	467 394	467 394	467 394	467 394	467 394	467 394	467 394	467 394	467 394	467 394	5 608 724	5 573 928	6 020 849
Other revenue	49 818	914 082	48 956	49 187	49 916	914 811	49 895	49 612	914 449	49 156	49 117	51 492	3 190 491	3 428 780	3 555 840
Gains	3 667	3 667	3 667	3 667	3 667	6 167	3 667	3 667	3 667	3 667	3 667	7 167	50 000	52 490	55 120
Total Revenue (excluding capital transfers and contributions)	3 326 087	4 287 138	3 288 887	3 352 512	3 310 946	4 064 286	3 410 948	3 223 886	4 138 478	3 210 081	3 350 028	3 261 840	42 225 117	46 238 363	49 887 604

Table continues on next page

Description	Budget Year 2020/21												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand															
Expenditure By Type															
Employee related costs	1 210 657	1 253 172	1 265 766	1 261 789	1 258 929	1 264 374	1 244 348	1 280 965	1 274 117	1 273 476	1 270 560	1 345 212	15 203 365	16 596 339	17 968 950
Remuneration of councillors	13 987	14 160	14 096	14 221	14 381	14 503	14 041	16 149	16 149	16 092	16 103	25 794	189 675	201 018	213 099
Debt impairment	303 946	303 946	303 946	303 946	303 946	302 946	302 946	302 946	302 946	302 946	302 946	302 946	3 640 353	2 251 087	2 360 388
Depreciation & asset impairment	269 235	269 235	269 235	269 235	269 235	269 235	269 235	269 235	269 235	269 235	269 235	338 488	3 300 067	3 379 989	3 558 839
Finance charges	68 763	68 767	68 761	68 761	68 785	70 807	68 787	68 836	68 787	68 787	68 787	69 832	828 460	1 239 002	1 445 614
Bulk purchases	58 518	1 243 127	1 217 694	715 185	739 055	708 454	672 915	720 797	681 987	707 561	696 617	1 828 969	9 990 881	11 092 084	12 044 044
Other materials	73 882	123 585	110 408	139 230	123 544	117 337	114 180	120 679	116 125	126 550	132 486	301 119	1 599 125	1 669 941	1 772 265
Contracted services	230 414	421 214	497 333	574 454	562 711	540 074	550 900	672 170	619 813	626 630	624 008	1 296 253	7 215 975	7 285 392	7 681 470
Transfers and subsidies	32 172	20 419	35 415	29 298	16 673	18 759	44 902	28 145	44 105	36 807	44 556	146 831	498 081	435 905	383 811
Other expenditure	160 233	206 168	165 453	202 278	170 330	164 693	190 159	191 939	183 675	185 287	186 088	355 804	2 362 108	2 577 204	2 794 675
Losses	100	183	218	249	217	224	193	112	112	112	112	171	2 002	2 082	2 166
Total Expenditure	2 421 906	3 923 975	3 948 324	3 578 646	3 527 806	3 471 405	3 472 606	3 671 973	3 577 051	3 613 484	3 611 498	6 011 419	44 830 094	46 730 044	50 225 320
Surplus/(Deficit)	904 181	363 163	(659 438)	(226 134)	(216 860)	592 881	(61 658)	(448 087)	561 426	(403 403)	(261 470)	(2 749 579)	(2 604 976)	(491 681)	(337 716)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	15 487	101 853	121 914	130 406	126 377	133 695	121 258	219 663	291 120	155 684	169 623	1 192 491	2 815 828	3 245 568	3 332 526
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	12 404	14 731	14 606	14 606	14 781	13 307	11 907	15 347	15 447	15 947	17 847	19 162	189 226	194 439	226 003
Transfers and subsidies - capital (in-kind - all)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	932 072	479 747	(522 919)	(81 122)	(75 703)	739 884	71 507	(213 077)	867 994	(231 772)	(74 000)	(1 537 926)	400 078	2 948 326	3 220 814
Taxation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attributable to minorities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)	932 072	479 747	(522 919)	(81 122)	(75 703)	739 884	71 507	(213 077)	867 994	(231 772)	(74 000)	(1 537 926)	400 078	2 948 326	3 220 814

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

Description	Budget Year 2020/21												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Revenue by Vote															
Vote 1 - Community service & Health	78 340	79 229	79 944	81 839	82 457	79 172	82 777	94 403	97 291	94 715	94 809	121 102	1 066 078	1 067 318	1 088 145
Vote 2 - Corporate Services	4 815	4 815	4 815	4 815	4 815	4 815	4 815	4 815	4 815	4 815	4 815	4 815	57 780	60 207	63 178
Vote 3 - Economic Opportunities & Asset Management	23 772	23 772	23 772	23 772	23 772	23 772	23 473	23 473	23 473	23 473	23 473	23 473	283 469	257 142	246 642
Vote 4 - Energy & Climate Change	1 274 389	1 350 465	1 205 765	1 241 968	1 190 812	1 047 500	1 210 924	1 026 853	1 093 250	1 042 284	1 200 599	1 144 127	14 028 935	15 727 450	16 998 539
Vote 5 - Finance	1 186 112	2 051 103	1 186 122	1 186 242	1 186 172	2 050 021	1 204 741	1 204 741	2 069 731	1 204 741	1 204 741	1 204 771	16 939 234	18 446 200	19 929 141
Vote 6 - Human Settlements	51 628	101 610	101 144	102 326	97 997	112 982	79 770	127 359	148 685	106 122	88 646	135 058	1 253 326	1 391 936	1 417 592
Vote 7 - Office of the City Manager	1	1	1	1	1	1	1	1	1	1	1	1	6	7	7
Vote 8 - Safety & Security	132 765	132 765	132 765	132 765	136 365	132 865	132 865	132 865	140 365	132 865	132 865	143 933	1 616 047	1 532 506	1 659 463
Vote 9 - Spatial Planning & Environment	15 580	15 581	15 581	15 581	15 581	15 581	15 631	15 631	15 631	15 631	15 631	15 880	187 521	162 619	194 909
Vote 10 - Transport	77 197	106 142	122 072	126 615	128 576	129 028	115 078	114 198	127 394	129 491	132 904	1 060 801	2 369 495	2 705 656	2 830 807
Vote 11 - Urban Management	22 003	22 003	22 088	22 588	23 638	22 088	23 588	22 609	23 588	23 588	23 588	23 868	275 239	312 431	338 663
Vote 12 - Water & Waste	483 135	520 114	535 523	563 204	576 738	616 857	637 066	681 950	711 584	627 226	617 871	581 773	7 153 041	8 014 900	8 679 048
Total Revenue by Vote	3 349 736	4 407 600	3 429 590	3 501 715	3 466 924	4 234 681	3 530 727	3 448 897	4 455 808	3 404 951	3 539 942	4 459 601	45 230 171	49 678 370	53 446 134
Expenditure by Vote to be appropriated															
Vote 1 - Community service & Health	310 494	330 989	339 509	363 197	348 813	352 959	351 870	357 790	357 605	368 045	356 273	566 416	4 403 961	4 394 063	4 709 258
Vote 2 - Corporate Services	168 404	155 151	171 292	162 024	149 064	159 703	165 567	173 741	176 418	168 678	169 748	238 593	2 061 818	2 373 825	2 510 379
Vote 3 - Economic Opportunities & Asset Management	109 359	95 714	111 097	100 792	92 731	92 352	123 589	110 103	123 386	125 297	130 823	199 418	1 414 661	1 542 111	1 590 421
Vote 4 - Energy & Climate Change	250 540	1 452 376	1 417 152	921 824	946 465	911 359	861 043	914 978	876 331	903 177	896 859	2 060 341	12 412 445	13 375 675	14 457 309
Vote 5 - Finance	280 568	333 726	297 982	309 713	303 887	305 794	312 412	297 846	301 798	296 924	296 159	349 499	3 686 308	3 580 180	3 965 057
Vote 6 - Human Settlements	85 402	91 026	93 220	102 764	102 113	102 275	100 398	99 323	93 556	102 279	105 984	316 118	1 394 457	1 481 554	1 618 774
Vote 7 - Office of the City Manager	31 605	17 614	17 631	17 333	17 817	17 491	18 827	18 534	20 868	19 953	20 336	40 597	258 605	271 017	291 190
Vote 8 - Safety & Security	318 360	346 753	347 877	346 592	353 102	344 305	332 409	367 870	362 670	355 039	352 969	465 229	4 293 174	4 467 978	4 744 033
Vote 9 - Spatial Planning & Environment	57 945	63 970	63 007	77 582	67 068	63 064	60 294	65 690	66 890	66 926	65 241	71 552	789 228	820 513	883 828
Vote 10 - Transport	142 740	244 847	257 039	307 416	293 892	273 191	275 085	377 308	316 285	320 734	329 839	501 835	3 640 210	3 720 093	3 991 263
Vote 11 - Urban Management	76 333	81 518	79 844	81 070	86 550	83 239	108 743	103 059	95 832	94 835	95 121	141 204	1 127 346	1 246 474	1 325 043
Vote 12 - Water & Waste	590 158	710 290	752 674	788 338	766 304	765 676	762 371	785 731	785 414	791 598	792 147	1 057 182	9 347 882	9 456 562	10 138 765
Total Expenditure by Vote	2 421 906	3 923 975	3 948 324	3 578 646	3 527 806	3 471 405	3 472 606	3 671 973	3 577 051	3 613 484	3 611 498	6 007 984	44 830 094	46 730 044	50 225 320
Surplus/(Deficit) before assoc.	927 830	483 624	(518 734)	(76 930)	(60 882)	763 276	58 121	(223 076)	878 757	(208 534)	(71 556)	(1 548 383)	400 078	2 948 326	3 220 814
Taxation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attributable to minorities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of surplus/(deficit) of associate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)	927 830	483 624	(518 734)	(76 930)	(60 882)	763 276	58 121	(223 076)	878 757	(208 534)	(71 556)	(1 548 383)	400 078	2 948 326	3 220 814

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

Description	Budget Year 2020/21												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Revenue - Functional															
Governance and administration	1 117 116	1 981 767	1 116 819	1 118 028	1 116 574	1 979 323	1 136 191	1 140 191	2 006 232	1 138 341	1 137 241	1 154 757	16 142 580	17 530 149	18 944 093
Executive and council	112	112	112	112	112	112	112	112	112	112	112	112	1 348	1 363	1 380
Finance and administration	1 117 003	1 981 654	1 116 706	1 117 915	1 116 461	1 979 211	1 136 079	1 140 079	2 006 120	1 138 229	1 137 129	1 154 644	16 141 229	17 494 247	18 892 147
Internal audit	0	0	0	0	0	0	0	0	0	0	0	0	3	3	3
Community and public safety	205 014	256 310	256 459	258 466	259 746	269 075	237 019	292 234	322 648	272 909	256 627	321 185	3 207 693	3 364 892	3 512 123
Community and social services	7 173	7 686	7 926	8 026	10 994	8 773	9 383	11 653	13 444	13 733	15 027	21 108	134 928	128 932	158 367
Sport and recreation	3 629	4 429	4 929	5 729	4 651	4 686	4 631	4 887	4 684	3 719	3 619	4 453	54 043	60 700	60 529
Public safety	92 539	92 539	92 539	92 539	96 139	92 639	92 639	92 639	100 139	92 639	92 639	102 619	1 132 243	1 115 661	1 189 292
Housing	62 566	112 549	112 082	113 265	108 935	123 920	90 708	138 298	159 624	117 061	99 585	145 996	1 384 590	1 529 763	1 562 310
Health	39 108	39 108	38 983	38 908	39 026	39 058	39 658	44 758	44 758	45 758	45 758	47 010	501 889	526 983	544 478
Economic and environmental services	158 420	187 366	203 381	208 424	211 436	210 337	197 937	196 078	210 504	212 600	216 013	1 145 995	3 358 490	3 618 854	3 817 563
Planning and development	39 208	39 208	39 293	39 793	40 843	39 293	40 843	39 864	41 093	41 093	41 093	42 282	483 906	505 497	527 786
Road transport	116 001	144 946	160 876	165 419	167 380	167 832	153 882	153 002	166 198	168 295	171 708	1 100 501	2 836 039	3 095 054	2 959 158
Environmental protection	3 211	3 212	3 212	3 212	3 212	3 212	3 212	3 212	3 212	3 212	3 212	3 211	38 545	4 378	4 597
Trading services	1 868 789	1 981 760	1 852 535	1 916 400	1 878 772	1 775 549	1 959 184	1 819 997	1 916 028	1 780 704	1 929 664	1 837 075	22 516 457	25 159 277	27 166 896
Energy sources	1 293 001	1 369 078	1 224 377	1 260 581	1 209 425	1 066 113	1 229 537	1 045 465	1 111 863	1 060 897	1 219 212	1 162 740	14 252 289	15 961 972	17 244 787
Water management	315 071	333 572	347 637	360 973	369 018	386 677	416 406	414 958	400 128	388 905	377 414	362 475	4 473 233	5 128 166	5 484 538
Waste water management	114 790	136 793	138 933	149 208	156 768	171 792	162 274	208 606	253 070	179 935	182 072	160 892	2 015 133	2 172 698	2 403 201
Waste management	145 927	142 317	141 586	145 638	143 562	150 967	150 967	150 967	150 967	150 967	150 967	150 967	1 775 801	1 896 441	2 034 370
Other	397	397	397	397	397	397	397	397	397	397	397	589	4 951	5 198	5 458
Total Revenue - Functional	3 349 736	4 407 600	3 429 590	3 501 715	3 466 924	4 234 681	3 530 727	3 448 897	4 455 808	3 404 951	3 539 942	4 459 601	45 230 171	49 678 370	53 446 134

Table continues on next page

Description	Budget Year 2020/21												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Expenditure - Functional															
Governance and administration	761 882	826 017	806 926	830 192	799 985	808 651	818 814	837 929	845 334	837 198	830 047	1 225 633	10 228 608	10 482 435	11 313 298
Executive and council	56 227	44 532	44 226	44 170	44 748	44 057	45 034	47 920	50 219	48 922	49 390	96 815	616 260	652 372	693 089
Finance and administration	700 852	777 176	758 365	781 721	750 723	760 193	769 428	785 669	790 723	784 024	776 257	1 123 824	9 558 956	9 764 307	10 551 988
Internal audit	4 803	4 309	4 335	4 301	4 514	4 400	4 351	4 340	4 393	4 252	4 401	4 993	53 392	59 257	64 221
Community and public safety	574 358	622 561	632 498	656 529	658 556	649 553	645 945	649 813	646 221	658 767	659 386	1 072 839	8 127 027	8 259 648	8 792 820
Community and social services	76 389	79 792	80 998	91 211	84 308	81 028	78 077	79 801	82 188	82 911	86 104	110 422	1 013 228	1 060 401	1 144 984
Sport and recreation	77 332	85 832	90 694	93 756	95 060	96 317	93 444	93 651	97 064	96 753	95 851	143 315	1 159 069	1 223 217	1 281 242
Public safety	233 531	256 520	258 086	257 980	267 405	257 663	262 747	264 046	261 765	259 459	259 819	323 107	3 162 129	2 993 541	3 136 145
Housing	84 896	90 549	92 737	102 375	101 802	102 527	100 144	99 006	93 312	101 978	105 750	315 946	1 391 023	1 477 770	1 614 654
Health	102 211	109 869	109 983	111 207	109 980	112 019	111 532	113 309	111 892	117 667	111 861	180 049	1 401 579	1 501 866	1 618 649
Economic and environmental services	321 351	406 471	430 419	474 254	449 142	425 942	469 076	555 786	500 813	489 538	507 463	677 535	5 707 789	6 213 302	6 646 946
Planning and development	116 107	102 348	113 539	107 379	101 004	98 265	140 649	117 420	118 426	109 143	124 648	126 598	1 375 526	1 479 673	1 539 262
Road transport	189 483	287 348	299 821	349 013	327 804	310 930	311 779	420 259	362 566	361 593	365 579	531 061	4 117 236	4 512 564	4 558 708
Environmental protection	15 760	16 775	17 059	17 861	20 333	16 747	16 648	18 107	19 822	18 802	17 236	19 876	215 027	207 141	222 953
Trading services	758 360	2 060 675	2 069 077	1 609 866	1 610 638	1 574 151	1 523 484	1 604 476	1 559 908	1 598 799	1 597 257	3 014 945	20 581 635	21 579 633	23 266 579
Energy sources	223 819	1 417 992	1 381 284	885 576	911 234	876 645	826 615	880 658	841 995	867 694	862 719	2 015 788	11 992 018	12 923 299	13 972 159
Water management	234 222	273 504	283 160	295 768	290 307	292 614	297 059	300 812	297 683	305 254	303 232	396 660	3 570 275	3 822 349	4 132 449
Waste water management	140 607	174 251	194 787	224 449	205 443	201 308	195 736	210 369	211 700	217 259	220 984	333 366	2 530 258	2 363 170	2 531 919
Waste management	159 712	194 928	209 846	204 074	203 654	203 584	204 074	212 636	208 531	208 592	210 322	269 131	2 489 084	2 470 815	2 630 052
Other	5 955	8 251	9 404	7 804	9 486	13 108	15 288	23 970	24 775	29 183	17 346	20 467	185 034	195 025	205 678
Total Expenditure - Functional	2 421 906	3 923 975	3 948 324	3 578 646	3 527 806	3 471 405	3 472 606	3 671 973	3 577 051	3 613 484	3 611 498	6 011 419	44 830 094	46 730 044	50 225 320
Surplus/(Deficit) before assoc.	927 830	483 624	(518 734)	(76 930)	(60 882)	763 276	58 121	(223 076)	878 757	(208 534)	(71 556)	(1 551 818)	400 078	2 948 326	3 220 814
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)	927 830	483 624	(518 734)	(76 930)	(60 882)	763 276	58 121	(223 076)	878 757	(208 534)	(71 556)	(1 551 818)	400 078	2 948 326	3 220 814

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

Description	Budget Year 2020/21												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Multi-year expenditure to be appropriated															
Vote 1 - Community service & Health	7 168	12 034	13 420	19 174	23 416	35 938	19 900	39 434	46 056	46 410	41 660	149 148	453 758	314 863	250 706
Vote 2 - Corporate Services	18 794	16 632	35 134	19 386	14 573	9 008	7 696	14 598	17 180	16 402	15 421	57 199	242 020	446 781	296 694
Vote 3 - Economic Opportunities & Asset Management	7 690	12 507	29 872	9 847	18 825	17 213	5 946	19 470	25 945	50 480	64 294	318 233	580 321	159 660	611 040
Vote 4 - Energy & Climate Change	32 357	51 977	73 197	76 336	85 049	33 594	35 393	101 031	132 701	118 369	124 109	185 018	1 049 131	1 043 350	1 156 061
Vote 5 - Finance	–	4 200	26 576	33 429	30 127	22 853	20 947	14 447	38 257	16 927	8 691	52 334	268 787	96 371	25 191
Vote 6 - Human Settlements	20 391	74 870	77 485	81 297	82 159	85 698	37 178	97 332	107 292	69 561	49 123	112 517	894 903	1 010 098	1 065 805
Vote 7 - Office of the City Manager	110	140	259	282	240	249	137	70	155	130	–	359	2 130	960	960
Vote 8 - Safety & Security	2 685	20 074	9 915	9 740	26 544	35 789	56 002	40 312	90 287	44 805	39 579	63 222	438 954	95 332	172 660
Vote 9 - Spatial Planning & Environment	3 077	7 387	17 518	12 442	22 277	7 770	8 751	16 102	14 706	13 426	10 306	23 444	157 205	209 463	330 155
Vote 10 - Transport	110	46 707	66 274	73 710	77 627	75 978	58 012	57 686	77 285	80 388	82 189	1 097 377	1 793 342	2 262 536	2 320 196
Vote 11 - Urban Management	–	5 150	4 711	7 936	4 004	431	7 074	8 932	10 400	10 007	9 063	13 797	81 503	128 830	141 230
Vote 12 - Water & Waste	67 216	205 940	136 303	202 040	194 459	265 311	141 825	293 153	475 846	385 969	493 349	782 407	3 643 819	3 837 590	4 270 403
Capital multi-year expenditure sub-total	159 598	457 617	490 663	545 619	579 300	589 830	398 861	702 564	1 036 112	852 874	937 782	2 855 055	9 605 874	9 605 834	10 641 101

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

Description	Budget Year 2020/21												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Capital Expenditure - Functional															
Governance and administration	33 787	120 361	82 445	102 631	45 323	46 456	44 126	72 296	100 982	105 572	117 450	524 844	1 396 272	1 089 251	1 092 579
Executive and council	–	5 060	4 030	6 187	1 303	145	166	237	175	641	178	1 293	19 414	5 327	5 402
Finance and administration	33 787	115 301	78 295	96 444	44 020	46 190	43 949	72 059	100 807	104 931	117 273	523 392	1 376 447	1 083 814	1 087 067
Internal audit	–	–	120	–	–	121	11	–	–	–	–	159	411	110	110
Community and public safety	25 721	101 828	110 126	130 626	154 606	157 940	83 800	169 715	262 732	162 704	127 762	258 301	1 745 862	1 303 424	1 593 921
Community and social services	1 846	4 354	5 512	6 132	12 207	11 133	6 145	9 643	12 465	13 197	13 275	25 488	121 397	66 552	310 275
Sport and recreation	2 099	2 830	24 855	36 401	37 439	36 645	22 757	24 865	51 071	30 409	17 446	70 305	357 122	56 300	9 109
Public safety	185	17 574	849	4 725	21 052	21 514	14 020	24 235	79 354	34 891	33 598	27 626	279 623	71 075	162 232
Housing	20 391	74 870	77 485	81 297	82 159	85 698	37 178	97 332	107 292	69 561	49 123	112 517	894 903	1 010 098	1 065 805
Health	1 200	2 200	1 425	2 070	1 750	2 950	3 700	13 640	12 550	14 646	14 320	22 365	92 816	99 400	46 500
Economic and environmental services	3 187	54 376	90 668	87 808	102 346	93 262	104 362	91 464	101 905	106 436	102 277	1 168 048	2 106 139	2 561 250	2 761 678
Planning and development	955	3 338	3 509	4 317	7 119	4 504	9 246	13 551	13 626	13 776	12 511	26 539	112 992	143 462	190 395
Road transport	110	46 389	72 504	74 281	77 452	83 358	88 118	67 969	78 714	84 402	83 939	1 121 961	1 879 199	2 261 097	2 318 733
Environmental protection	2 121	4 649	14 655	9 210	17 775	5 400	6 998	9 945	9 565	8 257	5 828	19 548	113 949	156 691	252 550
Trading services	96 902	179 618	207 219	223 999	275 025	291 387	165 812	365 954	566 973	474 663	589 283	902 087	4 338 922	4 645 214	5 190 723
Energysources	29 829	47 755	71 972	75 011	84 774	32 509	34 478	100 056	130 626	115 644	122 534	182 471	1 027 660	1 040 850	1 151 561
Water management	22 473	53 753	55 268	61 494	79 446	112 464	48 888	96 021	149 661	154 155	183 891	270 373	1 287 888	1 299 514	1 286 743
Waste water management	4 503	37 403	40 853	42 127	64 007	101 948	37 459	124 514	236 342	155 725	236 984	383 297	1 465 161	1 716 822	2 166 179
Waste management	40 097	40 707	39 127	45 367	46 798	44 466	44 987	45 363	50 343	49 140	45 874	65 946	558 214	588 028	586 240
Other	–	1 434	205	555	2 000	785	760	3 135	3 520	3 500	1 010	1 775	18 679	6 695	2 200
Total Capital Expenditure - Functional	159 598	457 617	490 663	545 619	579 300	589 830	398 861	702 564	1 036 112	852 874	937 782	2 855 055	9 605 874	9 605 834	10 641 101
Funded by:															
National Government	11 244	105 287	125 654	134 154	140 103	156 437	107 122	208 219	299 896	178 073	170 573	1 166 619	2 803 382	3 234 438	3 320 861
Provincial Government	–	444	444	444	1 094	650	750	1 444	1 988	850	1 494	2 846	12 446	11 130	11 665
District Municipality	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	2 690	5 016	4 891	4 891	5 066	2 926	1 526	4 966	5 066	5 566	7 466	17 914	67 986	67 161	92 349
Transfers recognised - capital	13 934	110 747	130 989	139 489	146 263	160 013	109 398	214 629	306 949	184 489	179 533	1 187 380	2 883 814	3 312 729	3 424 875
Borrowing	34 887	88 862	89 241	103 927	136 736	154 553	68 192	181 452	317 334	301 772	385 881	637 164	2 500 000	5 000 000	5 000 000
Internally generated funds	110 776	258 008	270 433	302 203	296 301	275 264	221 271	306 483	411 829	366 613	372 369	1 030 511	4 222 060	1 293 105	2 216 225
Total Capital Funding	159 598	457 617	490 663	545 619	579 300	589 830	398 861	702 564	1 036 112	852 874	937 782	2 855 055	9 605 874	9 605 834	10 641 101

Table 60 MBRR Table SA30 - Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2020/21												Medium Term Revenue and Expenditure Framework			
	R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Cash Receipts By Source																
Property rates	681 306	689 609	901 359	905 188	908 231	795 749	907 471	866 810	902 692	778 823	884 058	810 114	10 031 409	11 355 510	12 413 264	
Service charges - electricity revenue	825 222	932 191	1 032 286	1 231 710	1 193 315	1 141 277	1 138 498	1 116 602	1 194 640	1 270 974	1 271 635	1 320 956	13 669 307	15 434 488	16 687 341	
Service charges - water revenue	184 701	175 748	198 030	193 873	206 827	209 306	210 481	208 302	203 747	208 203	212 999	142 049	2 354 266	3 420 520	3 729 165	
Service charges - sanitation revenue	81 720	80 999	80 976	82 861	82 787	90 400	90 823	86 230	85 394	85 792	87 787	80 579	1 016 348	1 659 227	1 804 720	
Service charges - refuse revenue	80 617	80 458	80 983	82 474	85 610	88 421	90 455	90 112	90 766	90 700	90 518	54 471	1 005 584	1 152 671	1 232 482	
Rental of facilities and equipment	10 169	10 327	10 496	10 601	10 927	10 781	10 243	9 648	10 995	10 922	10 867	3 529	119 504	279 365	306 952	
Interest earned - external investments	77 810	73 964	72 035	75 386	72 589	74 034	73 232	71 169	72 179	72 335	69 478	43 323	847 535	879 286	911 609	
Interest earned - outstanding debtors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Fines, penalties and forfeits	18 589	19 059	17 811	20 512	20 884	19 201	17 883	18 200	20 355	17 941	20 295	1 938	212 667	210 133	215 481	
Licences and permits	16 711	27 044	20 261	39 280	29 685	19 905	29 905	27 070	18 562	27 347	28 364	34 975	319 110	354 810	378 968	
Agency services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Transfers and Subsidies - Operational	1 009 966	934 870	120 284	99 736	702 271	607 211	598 180	172 550	1 363 655	-	-	(0)	5 608 724	5 573 928	6 020 849	
Other revenue	13 606	909 050	29 731	46 017	41 398	984 459	83 532	48 505	1 063 279	13 444	15 924	222 605	3 471 551	3 742 126	3 904 919	
Cash Receipts by Source	3 000 418	3 933 320	2 564 252	2 787 638	3 354 525	4 040 743	3 250 705	2 715 197	5 026 265	2 576 480	2 691 924	2 714 538	38 656 004	44 062 063	47 605 751	
Other Cash Flows by Source																
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	737 174	83 201	164 410	296 576	64 413	245 788	68 555	364 133	791 577	-	-	(0)	2 815 828	3 245 568	3 332 526	
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	-	-	-	-	-	-	-	-	-	-	-	67 986	67 986	67 161	92 349	
Proceeds on Disposal of Fixed and Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	50 000	50 000	52 490	55 120	
Short term loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-	-	-	2 500 000	2 500 000	5 000 000	5 000 000	
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-	-	-	-	-	45 206	45 206	49 726	54 699	
Decrease (increase) in non-current receivables	-	-	-	-	-	-	-	-	-	-	-	3 390	3 390	2 797	2 308	
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-	-	-	(298 475)	(298 475)	(332 578)	(366 220)	
Total Cash Receipts by Source	3 737 592	4 016 520	2 728 662	3 084 215	3 418 938	4 286 531	3 319 260	3 079 329	5 817 842	2 576 480	2 691 924	5 082 645	43 839 939	52 147 227	55 776 533	

Table continues on next page

MONTHLY CASH FLOWS	Budget Year 2020/21												Medium Term Revenue and Expenditure Framework			
	R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Cash Payments by Type																
Employee related costs	1 136 189	1 190 469	1 256 576	1 211 935	1 857 168	1 237 923	1 239 260	1 275 208	1 284 538	1 286 222	1 269 378	932 308	15 177 174	16 534 011	17 900 473	
Remuneration of councillors	14 944	14 548	14 645	14 941	14 814	15 162	15 221	15 106	15 881	15 879	17 611	20 923	189 675	201 018	213 099	
Finance charges	38 138	–	148 536	–	47 374	135 935	35 595	–	145 663	–	44 876	157 212	753 329	1 247 762	1 722 941	
Bulk purchases - Electricity	1 183 758	843 498	1 257 167	908 988	722 428	971 788	675 492	700 970	675 000	706 231	691 654	248 241	9 585 215	10 578 308	11 461 549	
Bulk purchases - Water & Sewer	27 474	30 013	30 795	30 548	30 824	30 347	35 697	41 733	40 837	39 372	35 263	32 763	405 666	513 776	582 495	
Other materials	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	
Contracted services	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	
Transfers and grants - other municipalities	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	
Transfers and grants - other	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	
Other expenditure	1 518 756	787 571	904 676	943 985	962 094	1 046 338	696 394	730 015	1 041 946	890 116	717 689	1 342 343	11 581 924	11 873 832	12 512 499	
Cash Payments by Type	3 919 259	2 866 098	3 612 395	3 110 397	3 634 703	3 437 493	2 697 659	2 763 032	3 203 865	2 937 821	2 776 471	2 733 790	37 692 983	40 948 708	44 393 056	
Other Cash Flows/Payments by Type																
Capital assets	1 488 735	374 811	387 639	351 329	518 027	738 719	298 675	388 341	643 724	785 065	1 041 758	1 628 465	8 645 287	8 645 251	9 576 991	
Repayment of borrowing	50 000	–	79 481	–	42 933	13 333	50 000	–	79 481	–	42 933	13 333	371 495	721 495	1 708 161	
Other Cash Flows/Payments	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	
Total Cash Payments by Type	5 457 994	3 240 909	4 079 515	3 461 726	4 195 664	4 189 545	3 046 333	3 151 373	3 927 070	3 722 886	3 861 162	4 375 588	46 709 765	50 315 453	55 678 208	
NET INCREASE/(DECREASE) IN CASH HELD	(1 720 402)	775 611	(1 350 852)	(377 511)	(776 726)	96 987	272 927	(72 044)	1 890 772	(1 146 406)	(1 169 238)	707 057	(2 869 825)	1 831 774	98 325	
Cash/cash equivalents at the month/year begin:	7 530 759	5 810 357	6 585 968	5 235 116	4 857 605	4 080 879	4 177 866	4 450 793	4 378 749	6 269 521	5 123 115	3 953 877	7 530 759	4 660 933	6 492 707	
Cash/cash equivalents at the month/year end:	5 810 357	6 585 968	5 235 116	4 857 605	4 080 879	4 177 866	4 450 793	4 378 749	6 269 521	5 123 115	3 953 877	4 660 933	4 660 933	6 492 707	6 591 032	

2.12 Annual budgets – internal departments

2.12.1 Community Services & Health (Vote 1)

The Community Services & Health directorate provides community facilities, spaces and services, as well as developmental programmes in support of building communities and individuals' capabilities towards improved social well-being of the citizens of Cape Town.

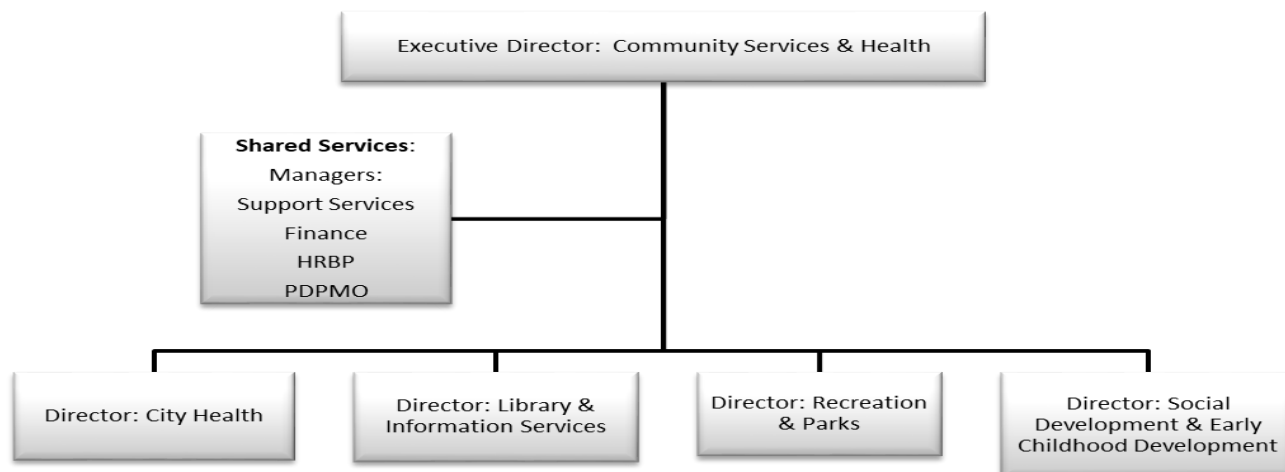
The directorate is a major role-player of the City of Cape Town's Social Development Strategy (SDS), and as such ensures coordination of same across all directorates. Furthermore, within the Transversal Safe Communities Working Group, the directorate drives the following Transversal Work Streams:

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

Through the directorate's departments, the broad social challenges and needs are addressed by providing and maintaining a holistic and integrated range of mandated community facilities, services and developmental programmes and functions, including, but not limited to, those mentioned below.

- Delivering a Comprehensive Primary Health Care Service including Personal Primary Health Care (child health, maternal and women health, non-communicable diseases, and adult curative care in some larger facilities), Matrix and Men's Clinics sites as well as Municipal Health Care (also referred to as Environmental Health Services);
- Providing access to the services and resources required for informational, educational, cultural and recreational needs through a free public library service that includes spaces and programmes for social development;
- Providing attractive, safe, accessible and sustainable community facilities and spaces where the citizens of Cape Town can engage in active and passive recreation;
- Providing cemeteries and crematoria, which are an integral part of a dignified and efficient interment service;
- Horticultural Services at City facilities;
- Community Engagements and Social Preparation;
- Providing a number of targeted community services programmes focusing on substance abuse, homelessness, youth development, early childhood development, poverty alleviation and vulnerable groups;
- Developing, implementing and maintaining community orientated arts, culture and heritage programmes, services, infrastructure and partnerships; and
- Providing new community service facilities that are planned and developed in a joint, integrated, clustered and multifunctional manner in areas that maximise community use, ownership and pride. Protective measures will also be put in place to ensure that these facilities are safe and secure.

Management Structure



Performance objectives and indicators

Strategic Focus Area	Objectives	IDP Programme
SFA 1: The Opportunity City	1.2. Leveraging Technology for progress	1.2.a. Digital City: - Technology innovation project
SFA 2: The Safe City	2.1. Safe Communities	2.1.b Holistic crime prevention: - Early childhood development informal settlement safety project
SFA 3: The Caring City	3.1. Excellence in basic service delivery	3.1.b. Social Services facility provision - Social Facilities Project - Cemetery and crematorium provision
		3.2.b. Human settlements: - Settlement mix project: Integrated settlement project
SFA 4: The Inclusive City	4.3. Building Integrated communities	4.3.d. Substance abuse: - Substance abuse treatment project - Substance awareness and prevention projects
		4.3.e. Primary healthcare: - Intergovernmental collaboration project - Complying with national core standards and improving access to services - Environmental Health Services
		4.3.f. Social Inclusion: - Homeless people project - Youth development project - Informal settlements social inclusion project - Healthy lifestyle project - Literacy project - Social inclusion research project

Changes to service levels and standards over the MTREF

There are no material changes in trends for the directorate over the MTREF period.

Past year's performance - 2018/19

The directorate achieved the following financial indicators in the 2018/19 financial year:

- Capital spend: 93.7% (target 90%)
- Operating spend: 96.9% (target 95%)
- Repairs and maintenance spend: 91.9% (target 95%)
- Training budget spend: 98.2% (target 95%)

Both Corporate Scorecard indicators for which the directorate was responsible (i.e. number of community services facilities within informal settlements, and number of strengthening families' programmes implemented) were achieved at the end of the previous financial year.

Risks to achieving revenue projections, any expected major shifts in revenue patterns and any planned alternative sources of revenue

Management, with the assistance of the Integrated Risk Management (IRM) department, have applied their minds, and due care is taken to ensure that risks, which could impact on the directorate not achieving its objectives, are identified, addressed and managed in accordance with the City's approved IRM Policy and Framework.

Risk Registers are utilised as a management tool in order to manage identified risks of the directorate. The risks identified and rated equal to or above the Council approved risk acceptance level will be reported to the Executive Management Team (EMT). The Executive Director informs/ discusses the directorate's risks with the relevant Mayoral Committee member on a six monthly basis.

Major features of expenditure including discretionary- and non-discretionary expenditure

The directorate's major categories of expenditure will include:

- Repairs and maintenance to community services and health facilities;
- Primary Health Care;
- Security services to secure facilities and staff;
- Ward Allocation projects;
- EPWP projects; and
- Various community based programmes.

Capital Plan: Directorate capital programme

Significant capital projects to be undertaken over the MTREF period include, but are not limited to:

- IT Modernisation project;
- New Fisantekraal Clinic;
- Khaya Integrated Recreation Facility;
- Upgrade Maitland Crematorium;
- Bellville Integrated Recreation Facility;
- New Zakhele Clinic;
- Regional Recreation Hubs;
- Community Services & Health: Facility Upgrade;
- Books, Periodicals & Subscriptions;
- Depot Upgrades;
- Delft South Clinic Diabetic Services;
- Library Upgrades and Extensions;
- Social Services Facilities Upgrades;
- Nyanga Clinic Diabetic Services;
- Hanover Park Integrated Recreation Facility;
- Hout Bay Recreation Facility Upgrade;
- Upgrade of Security at Clinics; and
- Vehicles: Additional.

Table 61 Community Services & Health (Vote 1) - operating revenue by source, expenditure by type and total capital expenditure

Directorate: Community Services & Health									
Budgeted Financial Performance (revenue and expenditure)									
Description	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Operating Revenue By Source									
Property rates									
Service charges - electricity revenue	75	32	6	41	41	41	43	45	49
Service charges - water revenue	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	7	-	-	-	-	-	-	-	-
Service charges - other	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	10 711	14 215	12 362	22 778	10 929	10 929	12 063	25 394	26 666
Interest earned - external investments	-	-	-	-	-	-	-	-	-
Interest earned - outstanding debtors	83	62	57	-	-	-	-	-	-
Dividends received	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	3 459	2 762	2 564	3 168	2 327	2 327	2 473	3 121	3 277
Licences and permits	1 196	1 029	2 325	821	454	454	781	977	1 026
Agency services	-	-	-	-	-	-	-	-	-
Transfers and subsidies	618 828	667 519	743 623	772 908	777 178	777 178	815 606	852 115	889 456
Other revenue	35 047	33 758	35 181	40 973	33 303	33 303	32 011	42 004	44 108
Gains	403	3 837	3 527	-	-	-	-	-	-
Total Operating Revenue (excluding capital transfers and contributions)	669 809	723 213	799 646	840 689	824 231	824 231	862 976	923 656	964 583
Operating Expenditure By Type									
Employee related costs	1 707 576	1 916 964	2 064 813	2 351 926	2 299 958	2 299 958	2 680 618	2 719 905	2 949 260
Remuneration of councillors	-	-	-	-	-	-	-	-	-
Debt impairment	(163)	(4 664)	1 220	-	-	-	-	-	-
Depreciation & asset impairment	88 499	146 175	162 846	157 813	155 360	155 360	172 056	178 798	184 586
Finance charges	5 744	6 712	6 824	3 130	3 130	3 130	3 130	3 254	3 385
Bulk purchases	-	-	-	-	-	-	-	-	-
Other materials	339 011	352 202	389 595	472 689	390 455	390 455	533 882	517 129	552 764
Contracted services	715 752	635 543	677 827	809 238	796 746	796 746	852 992	821 065	854 695
Transfers and subsidies	2 275	7 079	19 193	15 806	51 050	51 050	39 826	20 615	21 442
Other expenditure	77 872	82 055	91 321	114 762	122 560	122 560	121 448	133 287	143 117
Losses	400	1 770	635	15	15	15	9	10	10
Total Operating Expenditure	2 936 967	3 143 835	3 414 274	3 925 379	3 819 274	3 819 274	4 403 961	4 394 063	4 709 258
Surplus/(Deficit)	(2 267 158)	(2 420 622)	(2 614 629)	(3 084 690)	(2 995 043)	(2 995 043)	(3 540 985)	(3 470 407)	(3 744 675)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	113 359	117 692	119 439	133 500	112 271	112 271	202 468	143 662	123 562
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)	291	1 403	-	-	53	53	634	-	-
Transfers & subsidies capital in-kind	6 706	3 433	1 015	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(2 146 802)	(2 298 093)	(2 494 175)	(2 951 190)	(2 882 719)	(2 882 719)	(3 337 883)	(3 326 745)	(3 621 113)
Taxation	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation	(2 146 802)	(2 298 093)	(2 494 175)	(2 951 190)	(2 882 719)	(2 882 719)	(3 337 883)	(3 326 745)	(3 621 113)
Attributable to minorities	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality	(2 146 802)	(2 298 093)	(2 494 175)	(2 951 190)	(2 882 719)	(2 882 719)	(3 337 883)	(3 326 745)	(3 621 113)
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	(2 146 802)	(2 298 093)	(2 494 175)	(2 951 190)	(2 882 719)	(2 882 719)	(3 337 883)	(3 326 745)	(3 621 113)
Capital Expenditure	243 540	260 247	294 231	354 281	331 634	331 634	453 758	314 863	250 706

2.12.2 Corporate Services (Vote 2)

The Corporate Services directorate is a transversal directorate by nature. Its core purpose is to provide multi-disciplinary services and professional partnerships to the City's directorates, supporting and enabling service delivery for the City through value adding programmes, systems, processes, policies and knowledge management. The Corporate Services directorate is made up of the following departments:

- **Customer Relations department**

The department 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.

- **Corporate Project Programme and Portfolio Management (C3PM) department**

C3PM aims to serve as a Centre of Excellence (COE) to provide the required cutting edge for Project, Programme, Portfolio and Engineering Management solutions to enhance the customer-centric culture in the City. The department provides an effective and efficient Project, Programme, Portfolio and Engineering Management service and enhances this respective discipline maturity throughout the City. Through the Project Portfolio Management (PPM) System, the implementation of the City's projects is supported and managed and service delivery enhanced. The department's primary mandate is to ensure the long term development and successful implementation of Project, Programme and Portfolio Management (PPPM), across the various directorates within the City of Cape Town.

- **Executive and Council Support department**

The department inter alia provides an interface between the executive and decision-making structures and the organisation through effective and efficient facilitation of the decision-making and implementation process. To this end, the department drives, develops, manages and maintains sound governance systems, processes and procedures as key components of the professional support given to Council and its committees, the Executive Mayor, the Mayoral Committee, the City Manager and the City's Executive Management Team, the Directorate: Corporate Services and the organisation as a whole. It also drives the implementation of the City's Language Policy as well as the promotion of multilingualism.

- **Legal Services department**

The department provides an effective and efficient in-house legal support service to Council in order to enable the Municipality to comply with and deliver on its Constitutional mandate and within the relevant legislative framework. In addition, the department manages and limits the legal risks of the Municipality and supports the strategic focus areas of the Integrated Development Plan of the City.

- **Human Resources department**

The purpose of the Human Resources department is to render a professional, efficient and effective service to the City. The overarching aim is to ensure the City is recognised as a responsible, efficient and customer-centric employer and the HR benchmark within local government in South Africa by being a strategic business partner to business.

- **Information Systems & Technology (IS&T) department**

The IS&T department deploys its Digital City Strategy to maximize the use of Information and Communication Technologies (ICT) within the City and thereby improve services to officials, citizens, visitors and other stakeholders. As a strategic partner to Council and its various business lines it aims to be a catalyst for the transformation of public services and to continue enable the City to become a more efficient and effective local government authority. As a technology leader, the IS&T department positions itself as a dependable and trusted change agent serving to the forefront of technological progress and innovation in order to render the City more sustainable for all its stakeholders.

- **Information and Knowledge Management department**

The department is 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 specialised support services to City departments including land surveying, geographic data management, map production, 3D modelling, and information and records management services.

- **Communications department**

The department provides a range of specialist communication services to all City departments around the various facets of communication. One of the main deliverables involves managing the City's Corporate Brand and media strategies, which in turn builds towards 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.

- **Organisational Effectiveness and Innovation department**

The department is a COE established to provide the City with strategies, tools and resources to drive strategic change. Main deliverables include entrenching operational excellence through continuous improvement and innovation; embed proper People management through Leadership development as well as ensuring Diversity is considered and leveraged on for superior service delivery. Ultimately the department contributes in driving City's Modernisation initiatives to prepare the City for future challenges and opportunities.

- **Organisational Performance Management department**

To manage and monitor the City's performance and benchmark the City's organisational performance management against international best practice in order to improve service delivery quality, accountability and create a mind-set of continuous improvement through performance systems and processes.

- **Policy and Strategy department**

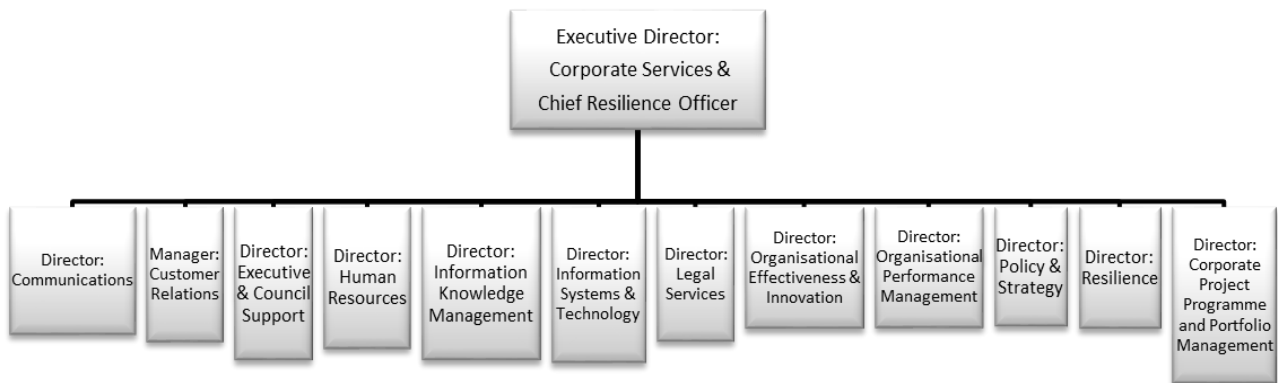
The Policy and Strategy department supports the directorate and the City's IDP by leading the development of the strategy and policy processes in the City and supporting evidence-based decision making through research and analysis (directly and through partners).

• **Resilience department**

The Resilience department is the key custodian of one of the five guiding principles of the IDP 2017-2022: “Resilience”. Urban resilience is the capacity of individuals, communities, institutions, businesses and systems in a city to survive, overcome, adapt and grow, no matter what chronic stresses and acute shocks they experience. Building resilience forms part of Goal 11 of the UN SDGs, namely making cities inclusive, safe, resilient and sustainable.

Resilience as a guiding principle should be institutionalised across the organisation and be incorporated into the City’s strategic, planning and decision-making mechanisms. This is the overarching aim of the Resilience Department, to lead this institutionalisation of resilience.

Management Structure



Performance objectives and indicators

Strategic Focus Area	Objectives	IDP Programme
SFA 1: The Opportunity City	1.2 Leveraging Technology for Progress	Enhancement of the Open Data Portal
		Construction of a Metro Area Fibre Optic Network
		Renew ICT Infrastructure
	1.3 Economic Inclusion	External Skills Development programme (including external bursaries, learnerships, in-service training and apprenticeships)
SFA 2: The Safe City	2.1 Safe Communities	Enhance Corporate Business Systems (EPIC 2)
SFA 5: The Well-Run City	5.1 Operational Sustainability	Data Management
		e-HR Programme
		Occupational Health and Safety Management programme
		Roll-out of revised HR model IS&T operating models
		Talent Management Programme
		Update of aerial photography for municipal area

Changes to service levels and standards over the MTREF

All the departments within Corporate Services, with the exception of Customer Relations, are internally focused.

The Human Resources and IS&T departments are currently finalising the reviewing and redesigning their operational models in order to better serve their customer needs and to ultimately contribute to effective service delivery to the City's customers.

The Customer Relations department uses call-taking and service request statistics to manage the level of services provided to the City's customers. In the absence of proper benchmarking, the percentage of dropped calls are managed downwards, which serves as a measure of improving the level of services year-on-year.

Past year's performance - 2018/19

The directorate achieved the following financial indicators against the said targets, which illustrates that the directorate manages its finances closely in order to achieve its targets as reflected in the SDBIP.

- Capital spend: 93.5% (target: 90%)
- Operating spend 100.1% (target: 95%)
- Repairs and maintenance spend 128.6% (target: 95%)
- Training budget spend 96.0% (target: 95%)

Risks to achieving revenue projections, any expected major shifts in revenue patterns and any planned alternative sources of revenue

The major sources of revenue generated by the Corporate Services directorate are:

- Grant Funding as per Division of Revenue Act
- Service Charges from the rental of spare capacity in the City's Broadband Project
- LGSeta – claims for prior year training costs incurred

Only the service charges generated from hiring out spare capacity in the City's Broadband project is demand driven and dependent on market forces. Even though the expansion of the Broadband project has resulted in no new infrastructure being implemented, the existing external users to the system remain unchanged and therefore no significant reduction in revenue is anticipated.

Historically, the other two major sources of revenue increase year-on-year. The City has no influence in determining the City's allocations in terms of these two funding sources.

Major features of expenditure including discretionary and non-discretionary expenditure

The directorate's major expenditure categories include:

- Salaries and Wages;
- Telecommunications Costs;
- Software Licensing;
- Professional Services;
- Corporate Training Programmes;
- Advertising Contracts; and
- Maintenance of the Broadband and ICT infrastructure.

Directorate capital programme

Two large investments are proposed in the IS&T environment:

- **Broadband Infrastructure Programme (BIP)**

This program was reviewed based on an audit recommendation and the latest BIP operating requirements based on the business plan, which is focused around optimising the City’s Broadband Infrastructure and utilising the asset for City internal usage, will be submitted to Council shortly.

The directorate is aware of the unprecedented financial pressures that the City is currently under as a result of the COVID-19 pandemic. The programme budgets have already been rephased/reduced for the first three years of the programme in an attempt to be more affordable for the City. During the Detailed Design Stage, further financial considerations may be made to accommodate the COVID-19 pandemic situation. It must be iterated that digital change is inevitable; the ability of the City to support distributed operations and remote working is more critical than ever, and will play a vital role in City operations and citizen needs enablement.

The programme is still subject to a Detailed Design Stage Gate Review process during which the current cost estimates will be refined and where possible reduced. The cost benefit analysis will also be further refined and analysed during this stage.

It is proposed that the affordability, sustainability and cost benefit of the programme be reviewed by the City on an annual rolling basis.

No financial commitments should be made relating to this programme beyond the City’s 2021 MTREF period due to the possible impact of the Detailed Design Stage on the finances.

- **Core Application Review (CAR):**

The City is currently undergoing a major (core) systems transformation. The upgrade/replacement of these core applications (ERP (SAP), EGIS and Productivity) is required as these applications are nearing its useful lifespan. The CAR project is tasked with defining the target architecture and roadmap for the City’s core applications and is proposed to be implemented in a phased approach.

The requirements for these projects, in addition to what is currently on the operating budget is as follows (these are updated additional provisions on the budget).

	BIP		CAR		Total R Thousand
	Operating Budget R Thousand	Capital Budget R Thousand	Operating Budget R Thousand	Capital Budget R Thousand	
2020/21	41 345	(48 431)	64 705	36 380	93 999
2021/22	38 849	165 080	124 717	167 282	495 929
2022/23	13 396	56 550	92 000	177 093	339 039
Total	93 590	173 199	281 422	380 755	928 967

Both of the above projects must still progress through various stage gate review processes, further investigation and analysis. The budget provisions submitted to Council are therefore subject to change but represent the best estimate at this point in time subject to affordability.

These projects will be subjected to regular review. No financial commitments have been made beyond the City's MTREF period.

Table 62 Corporate Services (Vote 2) - operating revenue by source, expenditure by type and total capital expenditure

Directorate: Corporate Services									
Budgeted Financial Performance (revenue and expenditure)									
Description	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand									
Operating Revenue By Source									
Property rates	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	-	-	-	-	-	-	-	-	-
Service charges - water revenue	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	-	-	-	-	-	-	-	-	-
Service charges - other	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	37	25	25	-	-	-	-	-	-
Interest earned - external investments	-	-	-	-	-	-	-	-	-
Interest earned - outstanding debtors	14	9	11	26	31	31	-	-	-
Dividends received	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	0	-	-	-	-	-	-	-	-
Licences and permits	-	-	-	-	-	-	-	-	-
Agency services	-	-	-	-	-	-	-	-	-
Transfers and subsidies	7 552	24 756	21 258	24 569	22 890	22 890	12 262	12 423	13 000
Other revenue	55 459	60 948	46 788	46 927	43 308	43 308	45 517	47 784	50 178
Gains	275	953	178	-	-	-	-	-	-
Total Operating Revenue (excluding capital transfers and contributions)	63 337	86 691	68 260	71 523	66 230	66 230	57 780	60 207	63 178
Expenditure By Type									
Employee related costs	717 976	762 479	928 444	1 050 373	1 048 957	1 048 957	1 147 271	1 396 969	1 434 954
Remuneration of councillors	-	-	-	-	-	-	-	-	-
Debt impairment	31	2	(27)	-	-	-	-	-	-
Depreciation & asset impairment	162 834	174 145	205 066	202 303	215 163	215 163	230 402	221 999	234 984
Finance charges	7 602	9 281	9 306	-	-	-	-	-	-
Bulk purchases	-	-	-	-	-	-	-	-	-
Other materials	8 025	23 407	9 328	13 687	5 747	5 747	9 438	9 620	9 931
Contracted services	172 136	170 966	226 589	172 743	215 507	215 507	267 788	265 063	274 418
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Other expenditure	384 214	429 849	329 589	369 507	386 957	386 957	406 852	480 105	556 020
Losses	194	953	781	66	995	995	66	69	71
Total Operating Expenditure	1 453 011	1 571 084	1 709 075	1 808 678	1 873 327	1 873 327	2 061 818	2 373 825	2 510 379
Surplus/(Deficit)	(1 389 674)	(1 484 392)	(1 640 816)	(1 737 155)	(1 807 098)	(1 807 098)	(2 004 038)	(2 313 618)	(2 447 201)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	989	986	582	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)	287	416	876	-	-	-	-	-	-
Transfers & subsidies capital in-kind	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(1 388 399)	(1 482 991)	(1 639 358)	(1 737 155)	(1 807 098)	(1 807 098)	(2 004 038)	(2 313 618)	(2 447 201)
Taxation	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation	(1 388 399)	(1 482 991)	(1 639 358)	(1 737 155)	(1 807 098)	(1 807 098)	(2 004 038)	(2 313 618)	(2 447 201)
Attributable to minorities	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality	(1 388 399)	(1 482 991)	(1 639 358)	(1 737 155)	(1 807 098)	(1 807 098)	(2 004 038)	(2 313 618)	(2 447 201)
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	(1 388 399)	(1 482 991)	(1 639 358)	(1 737 155)	(1 807 098)	(1 807 098)	(2 004 038)	(2 313 618)	(2 447 201)
Capital Expenditure	263 835	370 959	252 050	149 863	172 410	172 410	242 020	446 781	296 694

2.12.3 Economic Opportunities & Asset Management (Vote 3)

The Economic Opportunities & Asset Management directorate was established to respond to stagnant economic growth and rising unemployment nationally. The City needs to ensure it's doing everything within its power to enable the private sector to grow and create economic opportunities for residents. This includes the leveraging of appropriate City assets, in coordination with other public asset owners in the City.

The directorate also engages in the complete asset lifecycle management including the phases of planning, acquisition, holding and disposal. Due to the fact that the City has a substantial portfolio of assets, the efficient and effective distribution and management of these assets are critical to the sustained service delivery objectives of the City and the community it serves.

The core functions and objectives of this directorate are:

- **Enterprise and Investment**

The purpose of this department is to enhance the enabling environment for the attraction of new investments and the creation of new enterprises within the local economy, in pursuit of inclusive economic growth and job creation.

- **Property Management**

The purpose of this department is to ensure a sustained and cost effective real estate, property development and immovable property asset management functionality. Property Management as the custodian of immovable property is accountable for oversight of the deployment, use and performance of all immovable property assets as well as the creation and retirement of immovable assets.

- **Strategic Assets**

The purpose of the Strategic Assets department is to ensure the financial sustainability of key City assets and the utilisation of these assets in promoting Cape Town as a premier events destination.

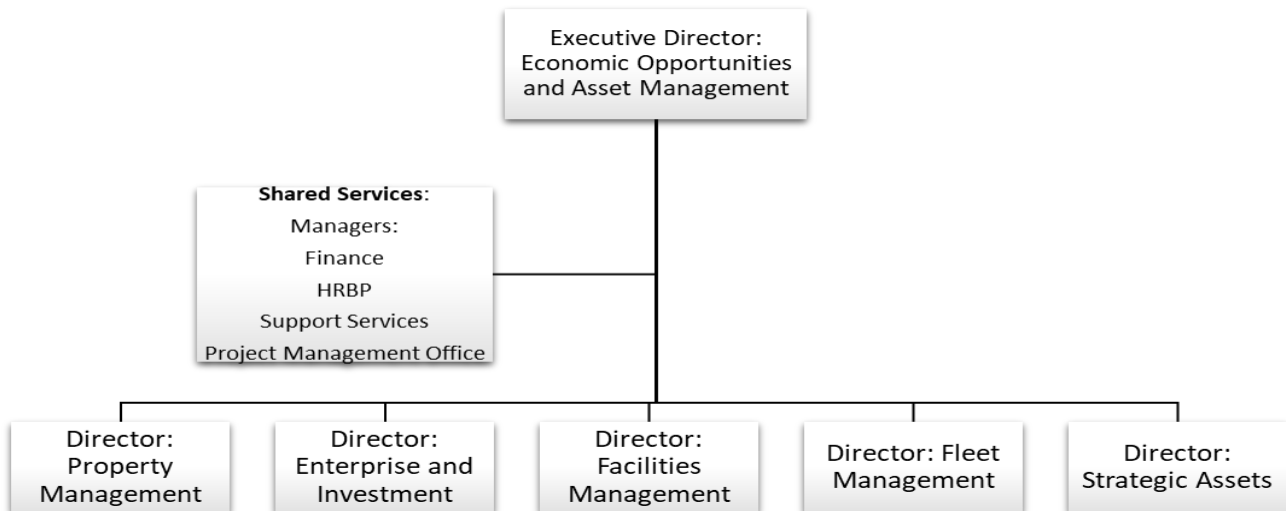
- **Facilities Management**

This department provides transversal facilities management and maintenance services to the directorate and to devolved asset users and will develop a facilities management and maintenance support strategy, facilitate period tenders, assist with tender specifications and quality control.

- **Fleet Management**

The main function of the department is to provide a comprehensive fleet management service to fulfil the City's vehicles, plant and workshop requirements. Approximately 4 000 fleet (vehicles and plant equipment) and devolved fleet (self-owned vehicles and plant) are managed i.e. ensuring availability of fleet; procurement and disposal of fleet; repairs and maintenance of fleet; on road fuelling of fleet; introducing fuel saving projects; private hire management of fleet; legislative compliance; and fleet utilisation.

Management Structure



Performance objectives and indicators

Strategic Focus Area	Objectives	IDP Programme
SFA 1: The Opportunity City	1.1 Positioning Cape Town as a forward- looking, globally competitive city	1.1a Ease of doing business 1.1 b Cape Town business brand programme 1.1 e Economic development and growth programme 1.1 f Partnership development programme 1.1g Leveraging the City’s assets
	1.2 Leveraging technology for progress	1.2a Digital City programme
	1.3 Economic inclusion	1.3 a Skills investment programme 1.3 b EPWP
	1.4 Resource efficiency and security	1.4a Energy-efficiency and supply programme
SFA 2: The Safe City	2.1 Safe Communities	2.1a Safety technology programme
SFA 3: The Caring City	3.1 Excellence in basic service delivery	3.1a Excellence in service delivery
SFA 4: The Inclusive City	4.1 Dense and transit-oriented growth and development	4.1a Spatial integration and transformation programme
	4.2 An efficient, integrated transport system	4.2b Travel Demand management programme
	4.3 Building integrated communities	4.3 b Citizen value programme
SFA 5: The Well-Run City	5.1 Operational sustainability	5.1a Efficient, responsible and sustainable City services programme
		5.1f Service delivery improvement programme

Changes to service levels and standards over the MTREF

There are no material changes in revenue trends over the MTREF period for the directorate.

Past year's performance - 2018/19

The EOAM directorate performed very well from a financial perspective during the 2018/19 financial year. The directorate exceeded the targets for both capital- and operating budget expenditure.

Capital expenditure of 96.06% was recorded against the target of 90% and operating expenditure of 95.27% was recorded against the target of 95%.

Key highlights include, inter alia, the following:

- **Business support project:** The City has committed to facilitating business support for approximately 500 small and medium enterprises (SMEs) per year until 2022. This includes ongoing advice and skills development, guidance on regulation compliance, and the removal of business-related bottlenecks. The support is delivered directly and in partnership with support organisations and various business incubators. For the year in review, the Business Hub helpdesk service resolved or actioned 97% of the 1049 service requests received from SMMEs and entrepreneurs within two working days. The Enterprise and Supplier Development programme facilitated support for 514 SMMEs and City vendors across all 24 subcouncils. The Business Hub walk-in centre at the Strand Street concourse will be launched during the 2019/20 financial year, along with further improvements to the Business Query Tracking system to enhance performance monitoring and reporting.
- **Business brand project:** In 2018/19, the City cemented the development of its business brand, 'Invest Cape Town', through stronger partnerships and several digital campaigns and direct stakeholder relations. The 'Invest Cape Town' brand is stimulating and enabling investment in Cape Town through ensuring all economic role-players speak with one voice as Africa's hub for business ideas and innovation. Online platforms, including the Invest Cape Town website (www.investcapetown.com), reached 72,000 users this year, and the Twitter account (@investcapetown) doubled its following. Invest Cape Town established a LinkedIn page reaching professionals and generating leads by linking the City's facilitation team with possible investors. The City, in partnership with Wesgro, ran a digital investor campaign reaching an audience of 4.8 million users in investor markets in the USA, China, and seven other countries.
- **Economic sector development project:** In 2018/19, the Special Purpose Vehicles (SPVs) have facilitated investment worth R2.7bn investment, 4 764 jobs and 2 109 skills opportunities. In addition, since 2018, 614 graduates have been placed in internships with host companies in the Information and Communications Technology space.
- **Investment destination in identified markets project:** The City recognises that identifying key opportunities in high-growth, high-impact sectors are key to growing the local economy. Once identified, these opportunities are communicated to the market to attract investment to the region and maximise job creation and economic development. Since its launch in 2015, Cape Town Air Access has contributed in landing 14 new routes and has facilitated 18 route expansions. This has resulted in Cape Town International Airport doubling its international seat capacity by 1.5 million seats, which helped the airport reach the 10.7 million passenger mark in 2017. International terminal passengers grew by 20% in 2017 reaching a total of 2.4 million. An important achievement by Air Access in 2018/19 is the new direct flight between Cape Town and New York, which is expected to further increase visitor numbers.

- **Events project:** In 2018/19, the efforts of the Enterprise and Investment department contributed to Cape Town's recognition as the World's Leading Festival and Event Destination for 2018 at the World Travel Awards. As a premier events destination, Cape Town has also already been voted Africa's Leading Festival and Event Destination for 2019 and is a finalist for the global award again later this year. These accolades highlight the City's commitment to providing an enabling environment for successful events, event packaging and promotion for the tourism industry as envisioned by its Tourism Development Framework of 2024. These are also important milestones in terms of the City's goal to align Cape Town with international trends and positioning it as a truly global city.
- **Investment Promotion:** Cemented the City's business brand, Invest Cape Town, through stronger partnerships, digital campaigns and stakeholder relations. Reached 72,000 users via online platforms like investcapetown.com and Twitter. Established a LinkedIn page to link the City's facilitation team with potential investors. Ran a digital investor campaign reaching an audience of 4.8 million users in international investor markets.
- **Local Tourism & Tourism promotion:** Provided strategic advice and direction to Cape Town Tourism. Secured approval for a new three-year agreement with Cape Town Tourism for in-destination and visitor services, tourism marketing and special City projects.
- **Business incentive project:** The City's Investment Facilitation unit (IFU) administers the City's investment incentive programme. The programme saw 158 non-financial incentives taken up in the first three quarters of the 2018/19 financial year, while 19 financial incentives were taken up to the value of R21.78 million. The incentive scheme is currently confined to the Atlantis Industrial area, but will be rolled out to five additional areas in the 2019/20 financial year.
- **Upgrading of key City strategic assets**
 - City Hall: Refurbishment of the entire auditorium, including new flooring and finishes, new seating and new stage and backstage. Upgrade of two event spaces completed.
 - Grand Parade: Upgrading of the kiosks was completed.
 - Athlone Stadium: Construction of a new media facility for media briefings and meetings. Upgrade of the Staff Mess Room completed.
 - Refurbishment of the Old Granary building has been completed.
 - Green Point Athletic Stadium: PA System upgraded. Stadium ventilation upgraded.
 - Green Point Urban Park: Upgrading of water reticulation. Playground surface upgraded. New fencing. Additional shade structures. Off leash dog park. Bulk water filters.
- **SPV skills development and apprenticeship investment and graduate internship project:** The City partners with various SPVs to deliver skills training in sectors with clear potential for growth. The focus is on skilling, re-skilling and upskilling target groups, addressing critical skills shortages and attracting high-growth companies that could create more jobs. The SPV collaborations continue to make a tangible contribution to industry development in identified sectors, particularly through training initiatives and industry events. In 2018/19, skills training was facilitated in the call centre, craft and design, information and communications technology (ICT), clothing and textiles as well as the green economy industries. Collectively, between 2014 and June 2019, these training initiatives enhanced the skills of nearly 11,500 people mainly from disadvantaged areas.

- **Workforce development project:** The City's Workforce Development project, which connects unemployed residents with work opportunities, has delivered work readiness training for 5 837 residents. Through collaboration with 31 corporate and SMME employers and various City programmes, 2,676 residents have been employed. In the coming year, the project will focus on delivering on its year-three targets and increasing collaboration across the City on workforce development interventions.
- **Expanded Public Works Programmes (EPWP) mainstreaming project:** The number of EPWP mainstreaming opportunities created by the directorate was 1,350 against a target set of 758.

Risks to achieving revenue projections, any expected major shifts in revenue patterns and any planned alternative sources of revenue

The directorate does not foresee any risks in achieving revenue projections or expect any major shifts in revenue patterns. No planned alternative sources of revenue are anticipated in the short-term. The biggest revenue sources currently are from the Profit on the Sale of Assets in the Property Management department (land sales) and Fleet Management department (vehicle auctions). Another major source of revenue is the rental generated from properties leased out by the Property Management department.

Major features of expenditure including discretionary and non-discretionary expenditure

The directorate's major expenditure categories include:

- Salaries and wages; and
- Repairs and maintenance.

Directorate capital programme

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

- Facilities management building infrastructure;
- Corporate accommodation;
- Facilities upgrades;
- Security hardening of various facilities;
- Replacement of vehicles / plant and associated equipment;
- Development of a fleet management information system;
- Upgrading of fleet facilities;
- Upgrading of strategic assets such as Good Hope Centre, Athlone Stadium, City Hall, Grand Parade, Green Point Athletics Stadium, Green Point Park; and
- Electronic workflow system for immovable property.

Table 63 Economic Opportunities & Asset Management (Vote 3) - operating revenue by source, expenditure by type and total capital expenditure

Directorate: Economic Opportunities & Asset Management									
Budgeted Financial Performance (revenue and expenditure)									
Description	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand									
Operating Revenue By Source									
Property rates	–	–	–	–	–	–	–	–	–
Service charges - electricity revenue	–	–	–	–	–	–	–	–	–
Service charges - water revenue	524	189	469	532	532	532	532	608	677
Service charges - sanitation revenue	–	–	–	–	–	–	–	–	–
Service charges - refuse revenue	–	–	(13)	–	–	–	–	–	–
Service charges - other	–	–	–	–	–	–	–	–	–
Rental of facilities and equipment	102 368	258 685	158 956	144 458	168 430	168 430	179 224	173 898	198 129
Interest earned - external investments	121	163	88	–	–	–	–	–	–
Interest earned - outstanding debtors	30	7	43	24	24	24	–	–	–
Dividends received	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits	454	5 393	149	–	–	–	–	–	–
Licences and permits	1	201	19	–	–	–	–	–	–
Agency services	–	–	–	–	–	–	–	–	–
Transfers and subsidies	–	2 000	2 000	1 291	13 538	13 538	60 320	37 082	–
Other revenue	14 460	15 560	5 333	1 906	1 906	1 906	1 893	1 987	2 087
Gains	25 529	65 710	114 008	33 233	38 005	38 005	41 500	43 567	45 749
Total Operating Revenue (excluding capital transfers and contributions)	143 487	347 908	281 053	181 445	222 435	222 435	283 469	257 142	246 642
Expenditure By Type									
Employee related costs	353 964	391 930	413 278	500 427	494 132	494 132	523 031	571 110	619 448
Remuneration of councillors	–	–	–	–	–	–	–	–	–
Debt impairment	1 198	27 949	464	8 455	27 955	27 955	13 455	8 791	9 144
Depreciation & asset impairment	46 967	88 769	122 174	152 023	172 583	172 583	211 907	225 380	231 992
Finance charges	29 453	25 577	37 255	–	–	–	–	–	–
Bulk purchases	–	–	–	–	–	–	–	–	–
Other materials	18 181	15 055	17 225	(453)	27 213	27 213	(12 471)	(12 906)	(13 717)
Contracted services	291 023	348 814	411 212	477 754	431 767	431 767	412 255	496 450	518 089
Transfers and subsidies	54 816	79 550	97 664	113 708	133 122	133 122	154 474	134 984	101 827
Other expenditure	80 327	44 772	67 819	111 849	111 224	111 224	111 979	118 270	123 605
Losses	929	813	1 258	31	31	31	31	32	33
Total Operating Expenditure	876 859	1 023 228	1 168 348	1 363 793	1 398 026	1 398 026	1 414 661	1 542 111	1 590 421
Surplus/(Deficit)	(733 372)	(675 321)	(887 296)	(1 182 348)	(1 175 591)	(1 175 591)	(1 131 191)	(1 284 969)	(1 343 779)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	–	–	–	–	–	–	–	–	–
Transfers and subsidies - capital (monetary allocations) (Nat./ Prov. Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)	10 526	–	–	–	–	–	–	–	–
Transfers & subsidies capital in-kind	–	–	1 689	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	(722 846)	(675 321)	(885 607)	(1 182 348)	(1 175 591)	(1 175 591)	(1 131 191)	(1 284 969)	(1 343 779)
Taxation	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after taxation	(722 846)	(675 321)	(885 607)	(1 182 348)	(1 175 591)	(1 175 591)	(1 131 191)	(1 284 969)	(1 343 779)
Attributable to minorities	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality	(722 846)	(675 321)	(885 607)	(1 182 348)	(1 175 591)	(1 175 591)	(1 131 191)	(1 284 969)	(1 343 779)
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	(722 846)	(675 321)	(885 607)	(1 182 348)	(1 175 591)	(1 175 591)	(1 131 191)	(1 284 969)	(1 343 779)
Capital Expenditure	272 732	295 284	272 714	389 498	399 051	399 051	580 321	159 660	611 040

2.12.4 Energy & Climate Change (Vote 4)

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, are contained in Schedule 4B. Specific functions pertaining to street lighting are contained in schedule 5B.

To meet this responsibility, the Energy & Climate Change directorate must ensure the provision of effective and reliable electricity services through effective management of natural resources and service delivery infrastructure.

The directorate is made up of two departments:

- **Sustainable Energy Markets department**

The department is newly established and has been in operation for three years. Branches within the department include Generation Development and Municipal Operations Efficiency, Renewable Energy & Energy Efficiency and Facilitation, Low Income Energy Services Delivery and Built Environment, Energy and Carbon Data Management & Integration Platforms.

The departmental focus is mainly on, but not limited to:

- Ensuring adoption of the Climate Change Policy for the City;
- Coordinating the implementation and monitoring of the City's Sustainable Energy Action Plan with departments and stakeholders towards achieving the Cape Town Energy 2040 vision;
- Ensuring the continuation of improving the City's own energy use and carbon footprint by retrofitting City buildings and operations; and
- Key cross-cutting projects including:
 - Developing partnerships for the City's path to sustainable growth: Initiating and building on beneficial partnerships locally, nationally and internationally to enhance and drive the City's path to a sustainable, low-carbon and inclusive future;
 - Green Procurement Programme and projects;
 - Friends and Neighbours Programme;
 - Smart Living and Working Programme;
 - The Mayor's Portfolio of Urban Sustainability; and
 - Ongoing implementation of the graduate intern and international intern programmes.

- **Electricity Generation & Distribution department**

The department has been in existence since 1895 in different forms but providing the same essential service. Branches include Supply, Infrastructure Management, Engineering, Enterprise Asset Management, Retail Management and Technical Support Services.

The department's core business is to provide reliable electricity supply to customers in the City's electricity services supply area and is licensed by NERSA to undertake this function. 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 NRS048 documents.

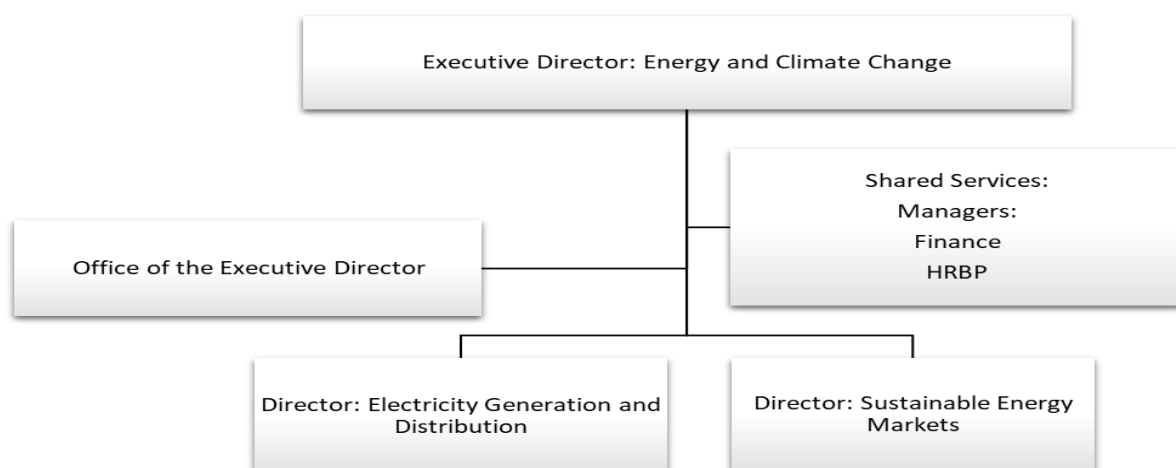
In accordance with the City’s draft Energy and Climate Change Strategy, the department aims to promote the use of renewable energy as follows:

- Promote and facilitate the implementation of other renewable generation systems, where practical;
- Keep abreast of national- and provincial developments regarding renewable energy and facilitate the incorporation thereof into City processes;
- Investigate the practicality of entering into long term power purchase agreements (PPAs) with independent power producers (IPPs) to provide electricity at the same price at which the City purchases it from Eskom;
- Manage the City’s Small Scale Embedded Generation program, which provides for a limited amount of excess generation of small scale renewable energy generators to be fed back onto the municipal grid and to receive an associated credit; and
- 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 Sustainable Energy Markets department, aims to:

- Establish and implement an Energy Efficiency (EE) programme;
- Promote Eskom’s Energy Saving Program to the City’s electricity customers; and
- Establish and maintain an on-line EE and demand side management (DSM) resource.

Management Structure



Performance objectives and indicators

Strategic Focus Area	Objectives	IDP Programme
SFA 1: The Opportunity City	1.1 – Positioning Cape Town as a forward-looking, globally competitive City	1.1.C Infrastructure Investment programme
	1.2 - Leveraging technology and progress	Embedded generation Sustainable mix of energy
	1.3- Economic inclusion	Skills development (apprentices and learners)
	1.4 Resource efficiency and security	Climate change programme 1.4.A Energy Efficiency and Supply programme
SFA 2: The Safe City	2.1 – Holistic Crime Prevention Programme	Public lighting
SFA 5: The Well Run City	5.1 - Operational sustainability	Energy revenue model

Changes to service levels and standards over the MTREF

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 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.

Past year's performance – 2018/19

Operating expenditure amounted to 96.3%; the under expenditure was mainly due to underspend on certain line items i.e. R100 million underspend on the bad debts provision, R87.8 million underspend on support charges. A 94.8% spend was achieved on repairs and maintenance.

Capital expenditure of 86.8% was achieved, which is a reasonable achievement considering the legislative environment within which to spend. The directorate operates within an environment where declining sales is the norm and has to plan and budget accordingly.

Risks to achieving revenue projections, any expected major shifts in revenue patterns and any planned alternative sources of revenue

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 of electrification in South Africa. This supports the City's IDP by enabling an Opportunity City, and by providing a Safe City that is a Caring City through excellence in basic services.

The directorate considers itself well-run as is evidenced in the revenue collection and low levels of electrification backlog. The energy industry is changing and the sales environment is declining, yet the directorate has to prepare its business to meet the future energy needs of the City's residents. The introduction of the Home-User tariff has assisted in the structural change required to limit the impact of declining sales. The directorate's revenue protection teams are working tirelessly on maintaining the current collection rates and minimising the City's losses. The continued roll-out of split prepaid metering will also assist in limiting losses.

Major features of expenditure including discretionary and non-discretionary expenditure

Bulk purchases of electricity from Eskom represents a substantial part of our budget - around 61%; the City has previously paid these charges to Eskom within the due dates.

The directorate also collects the non-regulatory portion of its tariffs, which represents 10% of sales for redistribution within the Rates account.

The directorate's revenue protection efforts continue to assist in limiting these increases.

Directorate capital programme

The capital budget is funded from a number of funding sources with the CRR, EFF and CGD being the largest. It is critically important to match the benchmark for the investment in refurbishment in accordance with international best practice to ensure good quality of supply and excellent customer and delivery service.

EFF envelopes are set by Corporate Finance, and increases in capital charges related to this funding source have an impact on tariffs. Funding of non-income generating projects in respect of infrastructure and refurbishment have been moved from EFF (loans) to CRR (revenue) where there is sufficient CRR available on a year-on-year basis. Over a period of time this will have the effect of reducing tariff increase requirements.

Table 64 Energy & Climate Change (Vote 4) - operating revenue by source, expenditure by type and total capital expenditure

Directorate: Energy & Climate Change									
Budgeted Financial Performance (revenue and expenditure)									
Description	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand									
Operating Revenue By Source									
Property rates	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	11 763 615	11 810 552	13 042 789	13 623 106	14 044 207	14 044 207	13 789 292	15 484 481	16 740 008
Service charges - water revenue	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	-	-	40	-	-	-	-	-	-
Service charges - other	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	794	1 042	959	1 015	1 015	1 015	1 067	1 120	1 176
Interest earned - external investments	-	-	-	-	-	-	-	-	-
Interest earned - outstanding debtors	21 736	24 402	28 865	27 655	27 655	27 655	27 655	29 591	31 662
Dividends received	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	-	17 606	19 930	-	-	-	-	-	-
Licences and permits	-	-	-	-	-	-	-	-	-
Agency services	-	-	265	-	-	-	-	-	-
Transfers and subsidies	4 596	7 394	3 899	874	961	961	950	600	-
Other revenue	129 078	143 752	115 982	103 315	121 398	121 398	30 266	31 774	33 367
Gains	2 979	3 166	1 517	2 500	2 500	2 500	2 500	2 625	2 756
Total Operating Revenue (excluding capital transfers and contributions)	11 922 798	12 007 914	13 214 247	13 758 464	14 197 736	14 197 736	13 851 730	15 550 190	16 808 969
Expenditure By Type									
Employee related costs	958 398	1 058 234	1 167 216	1 362 574	1 425 431	1 425 431	1 453 129	1 577 025	1 710 382
Remuneration of councillors	-	-	-	-	-	-	-	-	-
Debt impairment	84 156	51 184	17 907	132 851	138 851	138 851	303 535	103 208	111 578
Depreciation & asset impairment	276 116	312 853	359 643	371 608	379 429	379 429	419 097	433 291	459 382
Finance charges	220	156	244	-	-	-	-	-	-
Bulk purchases	8 069 461	7 870 527	8 281 772	9 475 500	9 217 793	9 217 793	9 585 215	10 578 308	11 461 549
Other materials	92 384	92 614	96 337	201 993	152 788	152 788	157 959	165 258	173 028
Contracted services	246 296	267 922	268 596	345 818	295 337	295 337	307 766	324 010	339 109
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Other expenditure	148 830	153 259	161 517	169 925	172 101	172 101	185 294	194 107	201 794
Losses	7 782	3 322	949	450	450	450	450	468	487
Total Operating Expenditure	9 883 643	9 810 072	10 354 181	12 060 720	11 782 180	11 782 180	12 412 445	13 375 675	14 457 309
Surplus/(Deficit)	2 039 155	2 197 842	2 860 066	1 697 745	2 415 556	2 415 556	1 439 285	2 174 515	2 351 660
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	115 465	88 776	98 960	74 541	39 101	39 101	44 500	52 411	53 650
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)	45 412	51 745	37 192	41 700	29 584	29 584	132 705	124 849	135 920
Transfers & subsidies capital in-kind	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	2 200 033	2 338 363	2 996 218	1 813 986	2 484 241	2 484 241	1 616 490	2 351 775	2 541 230
Taxation	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation	2 200 033	2 338 363	2 996 218	1 813 986	2 484 241	2 484 241	1 616 490	2 351 775	2 541 230
Attributable to minorities	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality	2 200 033	2 338 363	2 996 218	1 813 986	2 484 241	2 484 241	1 616 490	2 351 775	2 541 230
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	2 200 033	2 338 363	2 996 218	1 813 986	2 484 241	2 484 241	1 616 490	2 351 775	2 541 230
Capital Expenditure	1 248 887	1 024 550	749 456	834 094	697 873	697 873	1 049 131	1 043 350	1 156 061

2.12.5 Finance (Vote 5)

The Finance directorate promotes sound and sustainable management of the City's financial resources, in compliance with the MFMA, together with other related legislation, policies and procedures.

The directorate's main priorities include, among others,

- Clean audit for the City;
- Maintaining a good credit rating for the City;
- City's Revenue Collection; and
- Supplementary and General Valuations Projects.

Roles and responsibilities of the Finance directorate:

- Provision and maintenance of meaningful, accurate and coherent financial records to facilitate the management and control of expenditure activities against the objectives set by the budget and all forms of financial and statutory accountability finally embraced in the audited financial statements.
- Building a credible standing with the Auditor-General for the promotion of confidence in the financial records of the City.
- Managing the City's banking, investments, borrowings and cash flow (including municipal bond issues) in the most cost effective and efficient manner possible.
- Giving financial effect to the strategic focus of the City in the form of a short, medium and long term financial plan which is credible, viable and sustainable.
- Ensuring timeous and accurate payment of City creditors, councillors and officials.
- Management of City key strategic development targeted conditional grant and related funds (including USDG; ICDG; Health; NDPG; Libraries et al).
- Developing and reviewing financial and finance related policies. Controlling the creation and annual reviewing of all budget related policies, coordinating the annual miscellaneous and consumptive tariff setting processes, evaluation and reporting on the distribution of all billed municipal charges on an affordable and collectable basis.
- Providing a sustainable and credible revenue management service, taking into account an affordable and appropriate user-pays strategy, whilst acknowledging the severe economic challenges faced by many of the City's poorer residents.
- Providing on-going support to the City's directorates and departments in the acquisition and disposal of goods, services, property and construction works.
- Producing and maintaining the City's valuation rolls and all related compliance requirements in terms of prescribed legislation.
- Ensuring compliance to legislation, and the implementation and maintenance of good governance of the City's municipal entities.

The Finance directorate's intention is achieved through its seven departments:

- **Budgets department**

The Budgets departments provides an enabling environment (from a support service, budgetary perspective) to optimise the utilisation of financial resources allocated to service delivery of City functions and the compilation, amendment, monitoring and reporting of financial/budgetary data sets within relevant legislative framework.

- **Expenditure department**

The Expenditure department seeks to provide a financially controlled environment, using limited resources and internal controls by ensuring timeous and accurate payment of City creditors, councillors, officials and Expanded Public Works Programme (EPWP) workers in compliance with relevant legislation. Furthermore, the department ensures that all payroll accounts are reconciled and that the City has a well-managed Travel Management system.

- **Grant Funding department**

The key imperatives of the Grant Funding department relate to its mandates in terms of supporting the City's operational and financial sustainability through its structured acquisition, governance and transversal roles with respect to the diverse array of conditional grant funds received from National and Provincial government.

- **Revenue department**

The Revenue department is a customer-focused department, comprising competent and dedicated staff, providing effective and efficient revenue management services, which includes rates and services, housing rentals and property management leases, by informing citizens through council structures as to their responsibility in creating a solvent and prosperous City, which supports the application of an affordable and appropriate user-pays strategy while acknowledging the severe economic challenges faced by many of the city's poorer residents.

- **Supply Chain Management (SCM) department**

The SCM department supports and manages procurement policy, systems and processes for the acquisition and disposal of goods, works and services. Promotes compliance to a procurement system which is fair, equitable, transparent, cost-effective and competitive. Promotes black economic empowerment and local economic development and also encourages the promotions of small businesses in order to create sustainability and economic opportunities for the residents of the City.

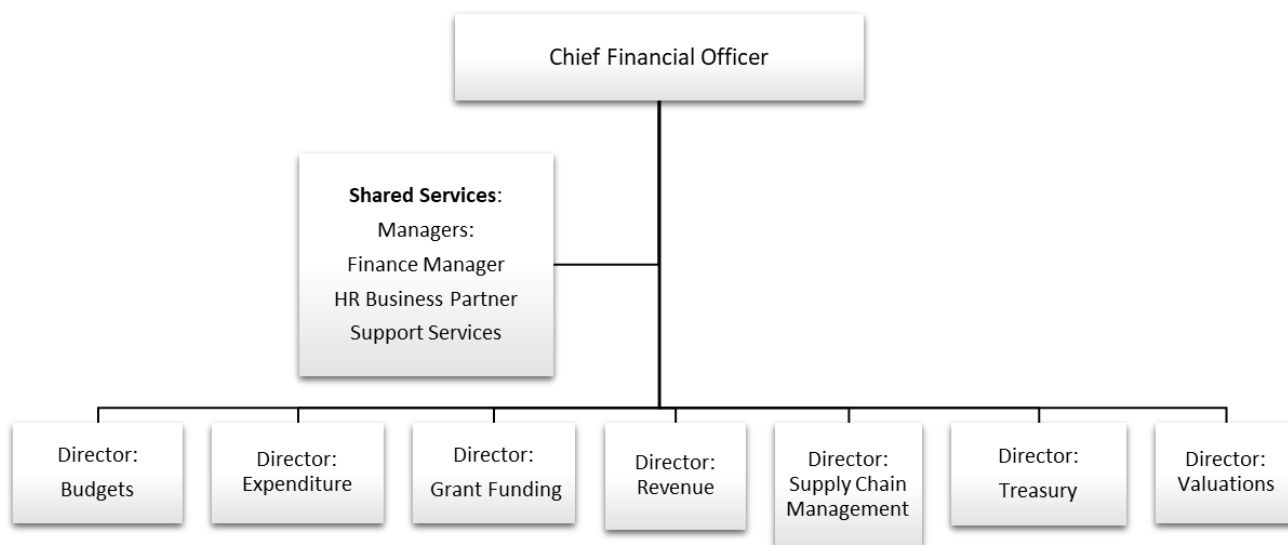
- **Treasury department**

The Treasury department provides and maintains meaningful, accurate and coherent financial records to facilitate the management and control of expenditure activities against the objectives set by the budget and all forms of financial and statutory accountability finally embraced in the audited financial statements. The department strives to build a credible standing with the Auditor-General for the promotion of confidence in the financial records of the City. The department ensures asset management is pro-active for accountability over an extensive array of assets. It manages the City's banking, investments, borrowings and cash flow (including municipal bond issues) in the most cost effective and efficient manner possible. It ensures the continuous viability of the General Insurance Fund and the City's Exempt Status under the Compensation for Occupational Injuries and Diseases Act (130 of 1993) and management of the Fund's core functions inherent in the provision of a self-insurance concept facility to the City. It increases the city's "resilience" in its service delivery process and targets. The department is also responsible for regulating, managing and monitoring Municipal Entities for maximum shareholding returns, financial performance, legislative and policy compliance. Municipal entities operate openly and transparently and that the community and City receives a return on the service provided.

• Valuations department

The Valuations department delivers a high quality and impartial valuation service to customers to sustain a cost effective, just and accurate valuation roll that is up to date, taking all new development and land changes into account. The roll serves as the basis for the calculation of fair and equitable rates for the City, provides an effective non-conditional revenue stream taking cognisance of the ability-to-pay principal supported by Council and giving due relief, through the Rates policy, for the indigent, those on government support grants and the public benefit organisations providing supportive services to the City community.

Management Structure



Strategic Alignment to the IDP

Strategic Focus Area	Objectives	IDP Programmed
SFA 1: The Opportunity City	1.1. Positioning Cape Town as a forward looking globally competitive City	1.1.a. - Ease of Business
SFA 4: The Inclusive City	4.3. Building integrated communities	4.3.h. - Cross-Subsidization Programmed 4.3.h.1 - Rebates and Indigent Project
SFA 5: The Well-Run City	5.1 Operational sustainability	5.1.a. - Efficient, responsible and sustainable Programme

Changes to service levels and standards over the MTREF

There are no material changes in trends over the MTREF period for the directorate.

Past year’s performance – 2018/19

The Finance directorate’s performance for the past years has been positive, demonstrated by the ongoing good credit ratings received, as well as an unqualified audit opinion with findings, providing financial sustainability to the City. The City has received a clean bill of health for financial sustainability and the pre-determined objectives are evidence-based and all stakeholders can rely on actual outcomes recorded against the targets that are a true reflection of the City achieving its IDP goals.

Risks to achieving revenue projections, any expected major shifts in revenue patterns and any planned alternative sources of revenue

There are no material changes in revenue trends over the MTREF period for the Finance directorate.

Major features of expenditure including discretionary and non-discretionary expenditure

The directorate's major expenditure categories include:

- Salaries and Wages;
- Contracted Services – mostly linked to MURP projects;
- Depreciation; and
- Finance Charges

Capital Programme

The key projects contained within the 2020/21 capital budget of the Finance directorate support both financial control and enhanced service delivery and include a number of strategically aligned projects to support the ease with which ratepayers can engage and do business with the City.

The majority of the capital budget over the next medium term revenue and expenditure framework mainly relates to:

- Cape Town Stadium Suites;
- Aerial Photography;
- Furniture & IT Equipment;
- E-Tendering;
- Security at Cash Offices;
- System Enhancements; and
- Upgrades to Cash Offices.

Table 65 Finance (Vote 5) - operating revenue by source, expenditure by type and total capital expenditure

Directorate: Finance									
Budgeted Financial Performance (revenue and expenditure)									
Description	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand									
Operating Revenue By Source									
Property rates	8 105 126	8 470 387	9 319 555	9 679 843	9 657 760	9 657 760	10 252 881	11 284 146	12 339 005
Service charges - electricity revenue	-	-	-	-	-	-	-	-	-
Service charges - water revenue	(324 696)	(298 806)	-	-	-	-	-	-	-
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	(214 249)	(255 968)	(276 382)	(287 133)	(287 133)	(287 133)	(301 777)	(316 865)	(332 709)
Service charges - other	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	12 442	6 631	14	2	2	2	2	2	2
Interest earned - external investments	761 471	877 692	1 120 548	912 296	912 296	912 296	847 340	879 077	911 386
Interest earned - outstanding debtors	81 299	81 672	76 080	108 892	108 892	108 892	115 512	125 036	139 472
Dividends received	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	738	156 734	136 689	488	488	488	513	538	565
Licences and permits	134	(1)	(0)	-	-	-	-	-	-
Agency services	175 296	199 068	216 445	204 906	205 979	205 979	228 818	252 250	270 762
Transfers and subsidies	4 398 142	4 817 578	5 263 605	5 504 854	5 513 480	5 513 480	3 137 157	3 419 919	3 712 198
Other revenue	47 416	189 108	99 580	71 828	70 164	70 164	2 658 458	2 801 988	2 888 269
Gains	38	106	341	-	-	-	-	-	-
Total Operating Revenue (excluding capital transfers and contributions)	13 043 157	14 244 201	15 956 476	16 195 975	16 181 927	16 181 927	16 938 904	18 446 090	19 928 951
Expenditure By Type									
Employee related costs	697 586	888 483	1 470 171	1 031 387	1 344 579	1 344 579	1 093 854	1 163 066	1 264 178
Remuneration of councillors	-	-	-	-	-	-	-	-	-
Debt impairment	105 223	173 556	282 517	396 779	446 376	446 376	1 023 242	450 119	486 638
Depreciation & asset impairment	202 027	205 817	206 508	203 920	201 294	201 294	194 406	202 715	219 762
Finance charges	693 232	742 682	720 090	751 248	761 144	761 144	771 474	1 175 622	1 372 713
Bulk purchases	-	-	-	-	-	-	-	-	-
Other materials	20 626	19 751	18 816	19 726	19 244	19 244	20 031	21 301	22 101
Contracted services	87 445	73 731	66 864	72 963	68 683	68 683	56 918	67 435	69 941
Transfers and subsidies	1 179	24 167	55 152	113 746	113 746	113 746	80 718	45 515	45 519
Other expenditure	334 654	415 883	543 351	414 648	413 516	413 516	444 443	453 137	482 883
Losses	115	145	156	-	-	-	1 222	1 271	1 322
Total Operating Expenditure	2 142 088	2 544 215	3 363 625	3 004 417	3 368 583	3 368 583	3 686 308	3 580 180	3 965 057
Surplus/(Deficit)	10 901 070	11 699 986	12 592 851	13 191 558	12 813 344	12 813 344	13 252 597	14 865 910	15 963 894
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	-	128	1 354	550	679	679	330	110	190
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)	-	-	-	-	-	-	-	-	-
Transfers & subsidies capital in-kind	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	10 901 070	11 700 114	12 594 204	13 192 108	12 814 023	12 814 023	13 252 927	14 866 020	15 964 084
Taxation	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation	10 901 070	11 700 114	12 594 204	13 192 108	12 814 023	12 814 023	13 252 927	14 866 020	15 964 084
Attributable to minorities	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality	10 901 070	11 700 114	12 594 204	13 192 108	12 814 023	12 814 023	13 252 927	14 866 020	15 964 084
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	10 901 070	11 700 114	12 594 204	13 192 108	12 814 023	12 814 023	13 252 927	14 866 020	15 964 084
Capital Expenditure	23 989	14 009	26 225	116 957	92 524	92 524	268 787	96 371	25 191

2.12.6 Human Settlements (Vote 6)

The Human Settlements directorate leads the City's efforts at facilitating the development of integrated and sustainable human settlements, a work focus area closely aligned with the IDP's Strategic Focus Area 3 (The Caring City) and Strategic Focus Area 4 (The Inclusive City).

The key objectives of the Human Settlements directorate are therefore to:

- Facilitate and develop sustainable integrated human settlements;
- Integrate the delivery of housing opportunities with the objectives and deliverables of the rest of the City, thereby ensuring that these contribute to the creation of a compact city and optimal use of facilities;
- Improve informal settlements and backyard precincts incrementally and create a better-quality living environment, rather than merely providing shelter;
- Manage and maintain the City's rental housing assets strategically; and
- Promote and ensure meaningful partnerships with private sector and community-based stakeholders towards the development of affordable housing.

The above mentioned objectives are realised through projects and programmes implemented in the various line departments within the directorate:

- **Housing Development department**

The core function of this department is to facilitate and develop sustainable integrated human settlements in alignment with the National Housing Code, the City's Spatial Development Framework and the City's Transit Oriented Development Framework. This is done by managing the initiation, planning and implementation of integrated human settlement projects and facilitating the development of social facilities and amenities. Furthermore, the department is responsible to facilitate the development of social- and gap housing in identified restructuring zones within the City to ensure the provision of affordable rental- and full-title ownership housing in well-located areas within the City. Lastly, the department is responsible for the upliftment of local communities through the management of People's Housing Programme (PHP) projects.

- **Public Housing department**

The Public Housing department is responsible to direct, manage and control the operations with regard to the transfer of the City's public housing assets, as well as for tenancy transfer and management. The department is also responsible for the development and implementation of maintenance plans by assessing conditions, maintenance costing, and roll-out. The department also manages and administers properties envisaged to be retained as operational staff housing.

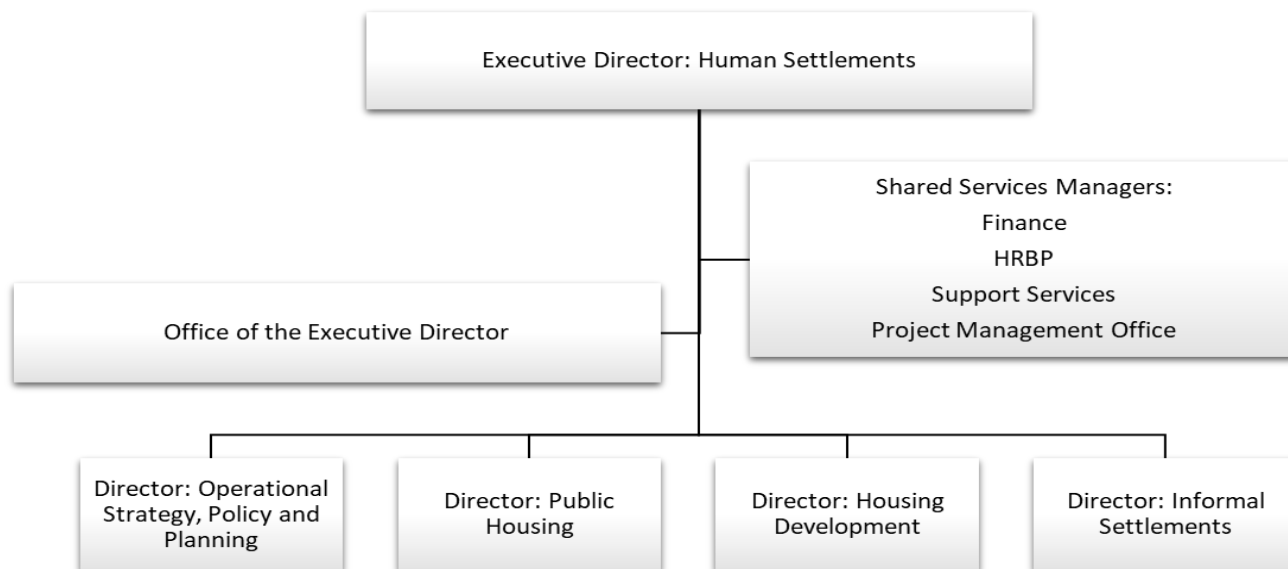
- **Informal Settlements department**

The primary function of this department is the upgrading of informal settlements through a variety of interventions i.e. in-situ upgrading of informal settlements via the National Upgrading of Informal Settlements Programme, re-blocking and enhanced re-blocking as well as super-blocking. The latter interventions can result in individual serviced sites or the provision of shared basic services. The department, furthermore, provides basic municipal services to households residing in the backyards of City-owned rental housing. In addition, the department is responsible to provide emergency housing, fire- and flood kits when the need arises.

Operational Strategy, Policy and Planning department

The core objective of the department is to provide strategic support in the implementation of human settlement programmes, which will be achieved through the development of human settlements operational strategies and policies that inform human settlements plans and programmes. Furthermore, this department is responsible for strategic identification and acquisition of land for human settlements purposes as well as focus on beneficiary and tenure administration.

Management Structure



Performance objectives and indicators

Strategic Focus Area	Objectives	IDP Programme
SFA 3: The Caring City	3.1 Excellence in basic service delivery	3.1.C Housing programme: <ul style="list-style-type: none"> - Densification project - New housing development project - Public-private housing demand project - Social housing safety project - Housing financing options project
	3.2. Mainstreaming basic service delivery to informal settlements and backyard dwellers	3.2.A Basic service delivery programme: <ul style="list-style-type: none"> - Encouraging and supporting backyard dwellings projects
3.2.B Human settlements programme: <ul style="list-style-type: none"> - Informal settlements services project - Informal settlement formalization project - Settlement mix project: Integrated settlement project 		
SFA 4: Inclusive City	4.1. Dense and transit-oriented urban growth and development	4.1.A Spatial integration and transformation programme: <ul style="list-style-type: none"> - Spatial transformation - Urbanisation Management
		4.1.B Transit-Oriented Development catalytic projects programme: <ul style="list-style-type: none"> - Bellville CBD development project - Paardevlei

Changes to service levels and standards over the MTREF

There are no material changes in trends for the directorate over the MTREF period.

Past year's performance - 2018/19

The directorate achieved the following financial indicators in the 2018/19 financial year:

- Capital spend: 94% (target 90%)
- Operating spend: 78% (target 90%)
- Repairs and maintenance spend: 81% (target 95%)
- Training budget spend: 105% (target 95%)

The following achievements have been accomplished by the directorate:

- Human Settlements opportunities provided (Top Structures): 3 919 (target 3 521);
- Human Settlements opportunities provided (Serviced Sites): 1 908 (target 2 505);
- Sites serviced in the informal settlements (incremental housing and re-blocking): 1 448 (target: 1 480);
- Service points (toilet and tap with hand basin) provided to backyarders: 164 (target: 780);
- Water services points (taps): 716 (target: 700);
- Sanitation service points (toilets) 3 687 (target: 2 600);
- Deeds of sale agreements signed with identified beneficiaries per annum: 683 (target: 600); and
- Percentage of allocated housing opportunity budget spent: 84% (target: 90%).

Risks to achieving revenue projections, any expected major shifts in revenue patterns and any planned alternative sources of revenue

Rental income is under pressure as a result in the growth of outstanding rental debt. Appropriate debt management measures are in place to address this situation.

Major features of expenditure including discretionary and non-discretionary expenditure

The directorate's major category of expenditure will be repairs and maintenance on various projects in respect of the City's rental units and Hostels. The directorate will also be responding to the COVID-19 pandemic through mitigation efforts at the City's rental units and Hostels, which will include regular-cleaning and waste removal, education and awareness.

Directorate capital programme

The directorate's capital programme for 2020/21 is made up of the following main projects:

- COVID19: Du Noon, Erf 786-7 (WCG): de-densification project;
- COVID19: Ithemba, Erf 41965 (WCG): de-densification project;
- COVID19: Kosovo, Erf 35148 (WCG): de-densification project;
- Imizamo Yethu Housing Project (CRU Top Structures);
- Beacon Valley Housing Project;
- Macassar BNG Housing Project;
- ACSA Symphony Way Housing Project;
- Maroela Housing Project;
- Hostels Transformation Programme;
- Informal Settlement Upgrade – Enkanini;

- Internal Services: Monwabisi Park;
- Imizamo Yethu Informal Settlements Emergency Project;
- Major Upgrading of Housing Rental Stock; and
- Installation of Rental Stock Sub-Meters as part of the Water Resilience Programme.

Table 66 Human Settlements (Vote 6) - operating revenue by source, expenditure by type and total capital expenditure

Directorate: Human Settlements									
Budgeted Financial Performance (revenue and expenditure)									
Description	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand									
Operating Revenue By Source									
Property rates	–	–	–	–	–	–	–	–	–
Service charges - electricity revenue	–	–	137	–	–	–	–	–	–
Service charges - water revenue	–	–	–	–	–	–	–	–	–
Service charges - sanitation revenue	–	–	–	–	–	–	–	–	–
Service charges - refuse revenue	–	–	–	–	–	–	–	–	–
Service charges - other	–	–	–	–	–	–	–	–	–
Rental of facilities and equipment	178 341	173 404	221 875	143 005	126 811	126 811	166 574	178 367	185 715
Interest earned - external investments	72	95	1 149	200	178	178	195	209	223
Interest earned - outstanding debtors	(1)	(0)	–	2	–	–	1 800	1 926	2 061
Dividends received	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits	54	14	2	–	–	–	–	–	–
Licences and permits	60	134	6	–	–	–	–	–	–
Agency services	–	–	–	–	–	–	–	–	–
Transfers and subsidies	472 333	428 140	470 999	414 854	645 977	645 977	383 710	408 884	433 133
Other revenue	23 690	21 276	16 154	18 942	15 161	15 161	12 708	13 341	14 010
Gains	154 147	3 204	406	5 000	5 000	5 000	5 000	5 249	5 512
Total Operating Revenue (excluding capital transfers and contributions)	828 697	626 267	710 729	582 003	793 126	793 126	569 987	607 976	640 654
Expenditure By Type									
Employee related costs	278 787	309 198	315 347	379 666	367 584	367 584	421 085	459 656	498 590
Remuneration of councillors	–	–	–	–	–	–	–	–	–
Debt impairment	103 645	103 861	90 598	121 119	131 119	131 119	174 876	171 438	178 313
Depreciation & asset impairment	202 317	116 846	123 103	217 568	196 741	196 741	223 722	243 724	292 993
Finance charges	9 072	4 885	3 419	77	241	241	241	251	261
Bulk purchases	–	–	–	–	–	–	–	–	–
Other materials	60 837	27 483	57 598	54 277	77 317	77 317	25 426	25 801	26 146
Contracted services	364 018	250 988	393 598	527 867	551 900	551 900	420 348	460 978	495 824
Transfers and subsidies	210 753	244 016	165 311	120 000	216 767	216 767	106 000	107 903	114 590
Other expenditure	16 262	31 429	10 252	48 235	15 012	15 012	22 731	11 775	12 029
Losses	4 539	3 312	5 724	–	27	27	27	28	29
Total Operating Expenditure	1 250 229	1 092 017	1 164 939	1 468 810	1 556 708	1 556 708	1 394 457	1 481 554	1 618 774
Surplus/(Deficit)	(421 532)	(465 750)	(454 210)	(886 807)	(763 582)	(763 582)	(824 470)	(873 578)	(978 120)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	389 678	339 052	475 062	667 066	635 344	635 344	683 339	783 960	776 938
Transfers and subsidies - capital (monetary allocations) (Nat/ Prov DeparIm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)	–	–	–	–	–	–	–	–	–
Transfers & subsidies capital in-kind	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	(31 854)	(126 698)	20 852	(219 741)	(128 238)	(128 238)	(141 131)	(89 619)	(201 182)
Taxation	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after taxation	(31 854)	(126 698)	20 852	(219 741)	(128 238)	(128 238)	(141 131)	(89 619)	(201 182)
Attributable to minorities	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality	(31 854)	(126 698)	20 852	(219 741)	(128 238)	(128 238)	(141 131)	(89 619)	(201 182)
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	(31 854)	(126 698)	20 852	(219 741)	(128 238)	(128 238)	(141 131)	(89 619)	(201 182)
Capital Expenditure	476 807	464 837	670 112	869 063	899 243	899 243	894 903	1 010 098	1 065 805

2.12.7 Office of the City Manager (Vote 7)

The City Manager heads the administration of the City and chairs the City's Executive Management Team (EMT), whose primary responsibility is to advise the City Manager on service delivery matters, strategy and policy. The EMT also supports the City Manager by driving the implementation of strategic programmes within the 5-year IDP.

The vision of the Office of the City Manager is to be a trusted centre that advises, provides direction and engages with internal- and external partners. This is to assist the City to become known for its effective and equitable service delivery and to distinguish itself as a well-governed and efficiently run administration contributing to the achievement of the goals and objectives of the IDP.

The Office of the City Manager comprises the following departments:

- **Support Services: Office of The City Manager**

- **Legal Compliance Unit**

The primary function of this unit is to mitigate risk against Council and its structures, the Executive Mayor, City Manager and Executive Directors. This function is executed by way of rendering effective and efficient legal services by providing legal advice (formally and including in meetings such as Council and MayCo) and guidance, drafting or procuring opinions and agreements and providing legal assistance within the Office of the City Manager. Furthermore, the unit is responsible for ensuring the legal compliance of all reports submitted to Council and its structures, the Executive Mayor, the Mayoral Committee and the City Manager.

In addition, the unit deals with the management and finalisation of section 62 appeals and the management and finalisation of resolutions of disputes, objections and complaints in accordance with regulations 49 and 50 of SCM Regulations.

The unit provides legal support to the office of the City Manager generally and in his/her capacity as the Appeal Authority and to the Independent and Impartial Person as per SCM regulations 49 and 50. The City Manager heads the administration of the City and chairs the City's Executive Management Team (EMT), whose primary responsibility is advising the City Manager on service delivery matters, strategy and policy. The EMT also supports the City Manager by driving the implementation of strategic programmes within the 5-year IDP.

- **Office of The Executive Mayor department**

The main role of the Office of the Executive Mayor department is to support the Executive Mayor to identify the needs of the municipality, and recommend ways to realise those needs by means of the City's IDP and budget. The Office of the Executive Mayor also support the Executive Mayor to monitor the administration, review the performance of the municipality and oversee service delivery.

The department ensures the efficient and effective management of the executive political office of the Executive Mayor by providing strategic services. The Office includes Governance, Administrative, Media & Protocol, Stakeholder's Engagement, Legal Advice, Mayoral Fund, Political & Strategic Communication and Monitoring Service Delivery, who are all rendering a service to support the Executive Mayor and his office.

The Office of the Executive Mayor also has a daily working relationship with the VIP Unit, International Relations, Events & Protocol and Mayor's Correspondence Office departments who are all engaged to support the Executive Office.

The Office of the Executive Mayor also performs political/administrative interface with Mayoral Committee Members, Council and the City Manager.

- **International Relations**

The activities of this unit are strongly aligned with the objective of positioning Cape Town as a forward-looking and world class competitive investment location. Coupled with the former, it is aligned with the Invest Cape Town initiative in order to showcase Cape Town as an ideal place to work, live, study and conduct business.

The unit mainly facilitates (i) incoming visits from international delegations; (ii) outgoing trade and investment missions by both the Executive Mayor and Deputy Executive Mayor; (iii) the signing and implementation of sister city agreements with foreign cities, and; (iv) the tasks associated with the City being a member of a number of international organisations. The overarching aim of the unit is to provide strategic direction and inputs concerning new global developments that could inform the City's approach to economic diplomacy.

Key customers of the unit include the Executive Mayor and Deputy Executive Mayor, senior officials in the organisation, international organisations and sister cities.

- **Probity department**

Probity is comprised of the Internal Audit (IA); Risk, Ethics and Governance (REG); Office of the City Ombudsman (OCO); Forensics Services (FS) and Office of the Portfolio Manager: Probity functions. As the leading trusted governance and assurance advisor and partner, the Probity department aims to provide insight and foresight, and to assist the organisation in making governance a key enabler to effective, equitable, and sustainable service delivery.

The Chiefs of the assurance providers i.e. IA, REG, OCO, and FS are responsible and accountable for their respective operations and functional responsibilities. These assurance providers report administratively into the Office of the City Manager and functionally to the APAC, and RiskCo in the case of REG. The mandates, authority, and scope of work of the various Probity functions are per the respective Charters, By-laws, Delegations, policies and procedures.

The Probity department is positioned for continued value-add, resilience, and professional excellence in its role as a governance and assurance partner and advisor to management. The focus includes strengthened professional relationships with internal and external assurance providers, and regulatory and professional bodies, for the provision of coherent and consistent support to, inter alia, the City Manager (CM), Management and the Audit and Performance Audit Committee (APAC).

Performance objectives and indicators

Strategic Focus	Objectives/Programmes	Directorate projects / initiatives / linkages
<p>SFA 5: The Well-Run City</p>	<p>5.1 (c) Compliant Service Delivery Programme</p>	<p>Provide independent and objective risk-based internal audit assurance and advisory services; Deliver an effective integrated risk management and ethics function aligned to the organisational governance requirements; Develop and institutionalise ethics by driving the process of protecting, nurturing, and enhancing the ethical culture of the City Respond to ethics and integrity transgressions of the organisational Code of Conduct; Fight against fraud, and serious economic crimes and entrench ethical principles in the organisation; Re-active and pro-active forensic investigations; Provision of an off-site independent hotline service provider. The provision of the hotline is available in the three official Western Cape languages and is available on a daily basis.; Investigate and facilitate, in an impartial/neutral manner, the resolution of complaints about maladministration, injustice and poor service lodged by residents of Cape Town.</p> <p>Standardisation of reporting to the Delegated Authorities: Formalisation of reporting to the Audit and Performance Audit Committee by all the Probity branches; Quarterly Integrated Governance Report; and Integrated Annual Report on Governance, Risk Management and Internal Controls of the City.</p> <p>Ensure a collaborative approach to all assurance activities and optimal assurance to senior management, the Audit and Performance Audit Committee, and to Council. Roll-out and embedding of Business Continuity Management and Combined Assurance within the City.</p> <p>Quality Assurance Programs for all Probity functions to ensure the quality of, and improvements to, processes, systems, products, and services are in line with applicable functional, legislative, ethical and professional requirements: Early Warning Systems and Client Account Management. Communication strategy and plan to build and maintain stakeholder relations. Staff performance, training, and development strategy and plans to ensure the appointment, development, and retention of the right skills.</p>

Changes to service levels and standards over the MTREF

There are no material changes in trends over the MTREF period for the directorate.

Past year's performance – 2018/19

Probity department

King IV defines corporate governance as the application of ethical and effective leadership by a governing body. The municipal supplement indicates that the governing body is the municipal council. Good governance outcomes include an ethical culture, good performance, effective control, and legitimacy.

Recommendations per reports issued by independent internal assurance providers are aimed at mitigating identified risks, addressing control weaknesses, alleviating fraud and corruption, and exploring alternative dispute resolution mechanisms. The reports are issued to appropriate stakeholders, including line management, directors, executive directors, the City Manager, Mayoral Committee (Mayco) members and the Executive Mayor. Where deemed necessary, reports are submitted to the Executive Management Team (EMT) Governance and Risk Subcommittee of EMT, but may also be included for broader EMT discussions. When required, the City Manager also issues memorandums to staff members responsible for the implementation of corrective action, to address Probity recommendations in an appropriate and timely manner.

Based on the results of audits, investigations and other engagements and per their functional reporting line requirements, the independent internal assurance providers submit quarterly reports to the Audit- and Performance Audit Committee (APAC) highlighting key governance and control issues and emerging risks identified. These reports include functional and administrative performance against key operating indicators and targets. The Portfolio Manager Probity (PMP) also submits a bi-annual report to APAC relating to the Chartered Accountant (CA) programme in the City. Internal Audit (IA) also drafts an annual statement on governance, risk and internal controls which is issued to stakeholders, including the EMT and APAC. Based on the work performed during the financial year, this report provides the City leadership and governance structures with an overall IA opinion of the control environment.

On a quarterly basis, the Office of the PMP issues an integrated governance report to the EMT Governance Sub-committee, City Manager, the Executive Deputy Mayor and Executive Mayor. The report provides a summary of the work performed by the independent internal assurance providers' in the preceding period, including the key governance issues identified and management's progress in addressing these.

To provide an overview of the City's leadership and oversight bodies' role in good corporate and ethical governance and by using the quarterly integrated governance reports, an annual integrated governance report is compiled. This report includes key reporting items as identified and reported on by all the City's independent internal assurance providers and the corrective measures and governance initiatives being undertaken within the City to address these. The annual integrated governance report is incorporated into the City's integrated annual report.

Engagements performed by the independent internal assurance providers are approved and based on the priorities and risk profile of the City. Performance is monitored via the SDBIP, which includes key performance indicators (KPIs), as required by the Municipal Systems Act. One of the KPIs is the percentage of approved audit engagements/investigations/risk registers completed. See following table for results of the 2018/19 financial year.

<i>Independent internal assurance provider</i>	<i>Target</i>	<i>Actual</i>
Integrated Risk Management (IRM) (within REG)	210	339
Ethics (within REG)	20	21
Internal Audit	80	80
Forensic Services	150	154
Office of the Ombudsman	1400	2082

The outcomes of these engagements are reported to the appropriate stakeholders to facilitate the timely implementation of the required corrective action(s). The detailed performance and progress made by the Probity department are reported in the Integrated Governance Report - 2019.

Risks to achieving revenue projections, any expected major shifts in revenue patterns and any planned alternative sources of revenue

Not applicable to the directorate.

Major features of expenditure including discretionary and non-discretionary expenditure

The directorate's main expenditure categories include:

- Employee Related Cost;
- Contracted Services; and
- Other expenditure.

Directorate capital programme

The directorate's capital budget relates to additional- and replacements of office furniture and IT equipment.

Table 67 Office of the City Manager (Vote 7) - operating revenue by source, expenditure by type and total capital expenditure

Directorate: Office of the City Manager									
Budgeted Financial Performance (revenue and expenditure)									
Description	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand									
Operating Revenue By Source									
Property rates	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	-	-	-	-	-	-	-	-	-
Service charges - water revenue	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	-	-	-	-	-	-	-	-	-
Service charges - other	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	-	-	-	-	-	-	-	-	-
Interest earned - external investments	-	-	-	-	-	-	-	-	-
Interest earned - outstanding debtors	-	-	-	-	-	-	-	-	-
Dividends received	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	-	12	60	-	-	-	-	-	-
Licences and permits	-	-	-	-	-	-	-	-	-
Agency services	-	-	-	-	-	-	-	-	-
Transfers and subsidies	-	-	54	-	-	-	-	-	-
Other revenue	258	100	49	6	6	6	6	7	7
Gains	2	5	0	-	-	-	-	-	-
Total Operating Revenue (excluding capital transfers and contributions)	260	117	164	6	6	6	6	7	7
Expenditure By Type									
Employee related costs	90 501	110 741	137 260	174 411	172 731	172 731	180 037	195 023	212 276
Remuneration of councillors	1 281	1 339	1 372	1 475	1 475	1 475	1 564	1 658	1 758
Debt impairment	-	-	-	-	-	-	-	-	-
Depreciation & asset impairment	1 203	1 249	1 560	1 637	1 746	1 746	1 686	1 440	1 277
Finance charges	105	125	187	-	-	-	-	-	-
Bulk purchases	-	-	-	-	-	-	-	-	-
Other materials	1 901	1 252	1 779	1 258	1 608	1 608	1 507	1 567	1 630
Contracted services	5 926	3 636	9 508	31 815	13 580	13 580	34 677	36 468	37 927
Transfers and subsidies	2 314	4 779	2 383	3 323	29 851	29 851	11 502	5 016	5 217
Other expenditure	20 884	19 635	22 902	23 642	26 296	26 296	27 632	29 844	31 104
Losses	13	24	28	-	-	-	-	-	-
Total Operating Expenditure	124 127	142 779	176 978	237 561	247 287	247 287	258 605	271 017	291 190
Surplus/(Deficit)	(123 868)	(142 662)	(176 814)	(237 555)	(247 281)	(247 281)	(258 599)	(271 010)	(291 183)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)	-	-	-	-	-	-	-	-	-
Transfers & subsidies capital in-kind	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(123 868)	(142 662)	(176 814)	(237 555)	(247 281)	(247 281)	(258 599)	(271 010)	(291 183)
Taxation	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation	(123 868)	(142 662)	(176 814)	(237 555)	(247 281)	(247 281)	(258 599)	(271 010)	(291 183)
Attributable to minorities	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality	(123 868)	(142 662)	(176 814)	(237 555)	(247 281)	(247 281)	(258 599)	(271 010)	(291 183)
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	(123 868)	(142 662)	(176 814)	(237 555)	(247 281)	(247 281)	(258 599)	(271 010)	(291 183)
Capital Expenditure	1 402	2 288	2 500	973	1 418	1 418	2 130	960	960

2.12.8 Safety & Security (Vote 8)

The Safety & Security directorate is committed to ensuring a safe and secure environment for all its residents, by combating crime and disorder, reducing vehicle speed and accidents on our roads, improving response time to emergency fire calls, reducing disaster risks in all communities within the City and supporting community events in order to create opportunities for communities and build social cohesion.

The directorate consist of six functional departments as listed below.

- **Metropolitan Police Services**

The Metro Police Services department was established in terms of the South African Police Service Act. Its mandate is the enforcement of traffic laws, enforcement of by-laws 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 was established, resulting in significant operational successes. Other major initiatives include the expansion of the department's Neighbourhood Safety Teams in order to bring policing closer to the people of the City as well as Youth Cadet Camps. Major projects include the increase in CCTV installations areas within the City based on the City's CCTV master plan, CCTV installations in various wards across the City, replacement of vehicles, the procurement of additional firearms, related equipment and the Property Improvement Training College.

- **Law Enforcement, Traffic and Coordination**

- **Law Enforcement Services**

The department is responsible for the enforcement of by-laws and regulations in terms of the Criminal Procedures Act. This includes general by-law enforcement in residential areas and resorts as well as specialised enforcement through various units. These units are responsible in dealing with copper theft, informal trading, displaced people, land invasion, liquor control, problem buildings and security at Council rental housing stock. This includes the number of inspections at scrap metal dealers and inspection of liquor premises for compliance. The department plays a major role in beach management over festive seasons as well as other public events and actively supports other directorates in land invasion actions. Major projects include Law Enforcement Advancement Plan (LEAP), the construction of Law Enforcement Base, purchasing of specialised equipment for the combating of land invasions, strike actions and reducing anti- social behaviour and illegal activities within the City's rental housing areas, building improvements to very old buildings and replacement of vehicles.

- **Traffic Services**

The department was established in terms of the National Road Traffic Act. It consists of two sections i.e. the Operations section and the Licensing section. The Operations section deals with specialised and general activities and the enforcement on roads. This includes the number of speed checks conducted and the number of drivers screened for driving under the influence. The Licensing section deals with all learner- and driver licence testing, card conversions and renewals, as well as managing the traffic court division and the public/private partnership agreement on traffic cameras. Major projects include replacement of vehicles, purchasing of specialised vehicles to assist during protest actions and strikes, improvements to various traffic and licensing centres and the acquisition of various traffic licensing equipment and radios.

- **Special Investigation Unit**

The function of this unit is to provide investigation support to the directorate and the City in areas such as, fraud and corruption, misconduct by City employees, malicious damage to Council property, hijacking and theft of council vehicles, protest actions, land invasions, service delivery strikes, gang-related violence and anti-social behaviour within communities.

- **VIP Unit**

The function of this unit is to ensure effective support and protection to all political office bearers including the Executive Mayor, Executive Deputy Mayor, Chief Whip, Speaker and all councillors.

- **107 Public Communication 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 programmes include education and public awareness campaigns at schools, old-age homes, frail-care facilities and shopping centres. Major projects include the installation and upgrade of communication equipment and systems.

- **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 building, structures and events. These include the number of Fire Safety Inspections conducted and the number of fire related deaths. Major projects include the replacement of fire vehicles, the replacement of fire-fighting, medical, communication and hazmat equipment and the Langa Fire Station.

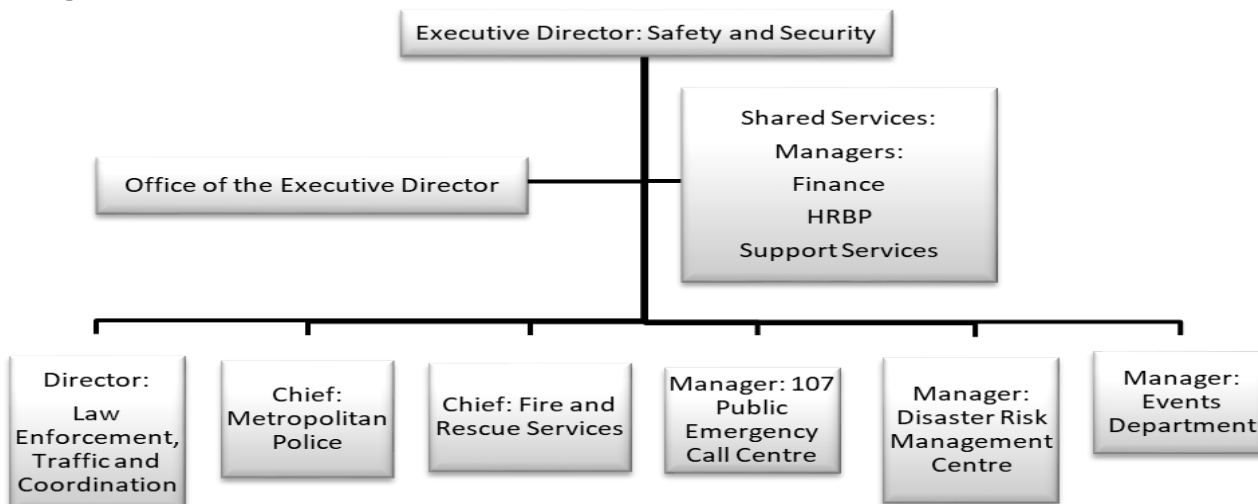
- **Disaster Risk Management Centre**

The core function of this 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. The department has a well-established volunteer corps, who plays a key role in event safety, coordination of corporate safety initiatives, festive season planning, winter preparedness planning, unrest, and service delivery protest. Key projects include the upgrading of various disaster management centres, replacement of IT equipment, procurement of vehicle for volunteers and the Digital Backend Upgrade.

- **Events Department**

The function of this department includes the support of community events in order to create economic opportunities and to build social cohesion. The department seeks to establish Cape Town through improved strategic management, logistical co-ordination and support as the top events destination locally and regionally, and a premier events destination globally. Major projects include the Film & Events Permitting System, Events Support Online Application System as well as the Online Event Calendar project.

Management Structure



Performance objectives and indicators

Strategic Focus Area	Objectives	Directorate projects/initiatives/linkages
SFA 1: The Opportunity City	1.1 - Cape Town Business Brand Programme	Promoting iconic and strategic events by actively developing, inter alia, the following events segments <ul style="list-style-type: none"> - Large events i.e. Cape Town Cycle Tour - Sports events i.e. HSBC Cape Town Rugby Seven Series; - Business events, exhibitions and conventions i.e. SA Innovation Summit - Cultural events i.e. Design Indaba - Music events i.e. The Cape Town International Jazz Festival.
SFA 2: The Safe City	2.1 Safe Communities – Safety technology programme	Improved Safety through technology programmes <ul style="list-style-type: none"> - Intelligent policing project where EPIC technology provide a more efficient incident management system - Installing CCTV Cameras in new areas - Performing gunshot identification analysis by means of location technology - Meeting safety and security requirements by the availability of Remote Piloted Aircraft System (RPAS).
	2.1 Safe Communities – Holistic crime prevention programme	Improving crime prevention through the following projects <ul style="list-style-type: none"> - Development of safety plans project - Ceasefire project - Youth cadet project - Creating a safe workplace for City staff project.
	2.1 Safe Communities – Policing Services programme	Policing services programmes to ensure safety and security <ul style="list-style-type: none"> - 24-hour law enforcement project - Staff capacity project - Staff training project

Table continues on next page.

Strategic Focus Area	Objectives	Directorate projects/initiatives/linkages
SFA 2: The Safe City	2.1 Safe Communities – Neighbourhood Safety programme.	Improve neighbourhood safety through <ul style="list-style-type: none"> - Neighbourhood policing project - Neighbourhood watch support project - Safe schools project - Bylaw education and awareness project
	2.1 Safe Communities - Safety Volunteer Programme	Improve safety and security <ul style="list-style-type: none"> - Auxiliary law enforcement project: Expanding the City's law enforcement capacity - Fire and rescue volunteer project: Expanding the City's volunteer fir-fighter capacity.
	2.1 Safe Communities - Disaster Risk Assessment Programme	Improving the disaster risk programme <ul style="list-style-type: none"> - Review of the comprehensive disaster risk assessment undertaken in 2009 to identify all possible hazards that could affect the City.

Changes to service levels and standards over the MTREF

There is a reduction in Fine Income as a result of non-payment of traffic fines but also to the reduction of fines by the courts, which may impact on the directorate over the MTREF period.

Risks to achieving revenue projections, any expected major shifts in revenue patterns and any planned alternative sources of revenue

The key risk of not achieving the directorate's revenue projections is the restriction of not being able to appoint additional staff for traffic fine collections. Although various interventions have been implemented, there is a general culture of non-payment of traffic fines.

No alternate source of revenue has been identified.

Major features of expenditure including discretionary- and non-discretionary expenditure

The directorate's major expenditure categories include:

- Salaries and Wages;
- Telecommunications Costs;
- Software Licensing;
- Professional Services;
- Fuel;
- Security Services;
- Commission- Revenue;
- Event Promoters; and
- Sponsorships.

Past year's performance – 2018/19

The directorate continues to implement various safety and security programmes through technology to ensure all communities are safe and protected.

The City's CCTV network is now the largest public-area surveillance agency in Africa, and the only in Southern Africa that covers residential areas, informal settlements as well as city centres. The City continues to expand this network with City- and development grant funding. CCTV network expansion takes place according to a pre-approved master plan. During the previous financial year, CCTV cameras were installed in various areas. Expansion efforts mainly focused on Ocean View, Tafelsig, Parkwood, Mountview, Fairways, Muizenberg, Wetton and Wembly Park. The City's CCTV footprint now stands at 717 cameras.

Gunshot detection technology continues to support the fight against gun violence and gangsterism. The ShotSpotter technology provides real-time gunshot detection, also specifying the exact location where the shot was fired. This is then conveyed to law enforcement agencies and emergency services for an immediate response. The technology also reveals details such as the number of shooters and the number of shots fired, which can be used as evidence when prosecuting offenders. In 2018/19, the Gunfire Detection system detected 1 924 incidents with a total of 5 421 shots fired, until the end of the contract on 6 April 2019. The City will be acquiring acoustic gunfire detection services for three years via a tender and envisages the same success with this contract.

In the past year, the City's Public Emergency Communication Centre (PECC) moved into its new, premises in Goodwood, which features the latest technology, courtesy of the EPIC system. The PECC is home to 68 highly trained emergency communicators working in shifts and fielded 532 140 calls in the past financial year. Most callers sought medical assistance, with requests for assistance for law enforcement matters coming in at second place. Call-takers are also able to re-route calls to external agencies, such as the Metro Emergency Medical Services and SAPS.

A total of 99,323 drivers were screened for driving under the influence and 5 935 manual speed checks were conducted. There were 5 399 fire inspections conducted in the past financial year.

Significant capital projects for the 2020/21 MTREF

- The Law Enforcement Advancement Plan (LEAP);
- Integrated Emergency Contact Centre (EPIC);
- Upgrading and improving Safety and Security Facilities;
- Installation and upgrading of CCTV cameras in various areas within the City, including the Mayor's Urban Regeneration Programme (MURP) areas and wards;
- Events Support Online Application System and Online Event Calendar systems;
- Replacement and acquisition of additional vehicles;
- Replacement and acquisition of additional radios and equipment;
- Acquisition of firearms and related equipment;
- Property Improvement Training College;
- Construction of Law Enforcement Base; and
- Langa Fire Station.

Table 68 Safety & Security (Vote 8) - operating revenue by source, expenditure by type and total capital expenditure

Directorate: Safety & Security									
Budgeted Financial Performance (revenue and expenditure)									
Description	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand									
Operating Revenue By Source									
Property rates	–	–	–	–	–	–	–	–	–
Service charges - electricity revenue	–	–	–	–	–	–	–	–	–
Service charges - water revenue	–	–	–	–	–	–	–	–	–
Service charges - sanitation revenue	–	–	–	–	–	–	–	–	–
Service charges - refuse revenue	187	5	8	–	–	–	–	–	–
Service charges - other	–	–	–	–	–	–	–	–	–
Rental of facilities and equipment	583	720	703	295	261	261	275	289	303
Interest earned - external investments	–	–	–	–	–	–	–	–	–
Interest earned - outstanding debtors	1 716	2 387	2 618	1 192	1 192	1 192	–	–	–
Dividends received	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits	1 251 561	1 372 551	1 281 535	1 177 212	1 084 146	1 084 146	1 055 541	1 041 960	1 068 262
Licences and permits	38 287	34 444	33 613	50 719	39 616	39 616	50 934	53 966	56 669
Agency services	12 942	14 482	13 434	12 766	12 766	12 766	13 417	14 558	15 795
Transfers and subsidies	46 373	50 704	37 547	33 475	209 275	209 275	445 757	372 945	422 888
Other revenue	22 820	28 902	23 359	14 489	14 489	14 489	25 228	26 484	27 811
Gains	124	140	144	–	–	–	–	–	–
Total Operating Revenue (excluding capital transfers and contributions)	1 374 593	1 504 336	1 392 960	1 290 147	1 361 745	1 361 745	1 591 151	1 510 201	1 591 729
Expenditure By Type									
Employee related costs	1 606 935	1 797 733	1 895 373	2 150 221	2 239 615	2 239 615	2 760 103	2 952 955	3 203 255
Remuneration of councillors	–	–	–	–	–	–	–	–	–
Debt impairment	828 823	728 739	996 175	852 805	852 805	852 805	879 084	871 023	866 821
Depreciation & asset impairment	52 691	69 757	81 282	118 047	94 273	94 273	132 370	135 617	137 627
Finance charges	9 440	8 316	5 527	–	–	–	–	–	–
Bulk purchases	–	–	–	–	–	–	–	–	–
Other materials	77 131	79 349	90 526	93 520	92 150	92 150	122 752	117 912	121 715
Contracted services	91 178	84 914	89 368	135 960	135 242	135 242	119 681	107 310	120 322
Transfers and subsidies	33 902	32 759	32 735	52 467	24 362	24 362	49 670	51 647	53 718
Other expenditure	156 711	141 930	156 419	195 473	247 796	247 796	229 448	231 447	240 505
Losses	384	286	582	61	61	61	65	67	70
Total Operating Expenditure	2 857 196	2 943 783	3 347 986	3 598 555	3 686 305	3 686 305	4 293 174	4 467 978	4 744 033
Surplus/(Deficit)	(1 482 603)	(1 439 448)	(1 955 026)	(2 308 408)	(2 324 560)	(2 324 560)	(2 702 022)	(2 957 777)	(3 152 304)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	27 630	25 657	38 489	1 083	23 645	23 645	24 896	22 305	67 734
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)	–	146	–	–	–	–	–	–	–
Transfers & subsidies capital in-kind	306	1 797	157	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	(1 454 667)	(1 411 847)	(1 916 381)	(2 307 326)	(2 300 915)	(2 300 915)	(2 677 126)	(2 935 472)	(3 084 570)
Taxation	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after taxation	(1 454 667)	(1 411 847)	(1 916 381)	(2 307 326)	(2 300 915)	(2 300 915)	(2 677 126)	(2 935 472)	(3 084 570)
Attributable to minorities	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality	(1 454 667)	(1 411 847)	(1 916 381)	(2 307 326)	(2 300 915)	(2 300 915)	(2 677 126)	(2 935 472)	(3 084 570)
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	(1 454 667)	(1 411 847)	(1 916 381)	(2 307 326)	(2 300 915)	(2 300 915)	(2 677 126)	(2 935 472)	(3 084 570)
Capital Expenditure	116 584	158 094	206 866	535 237	437 414	437 414	438 954	95 332	172 660

2.12.9 Spatial Planning & Environment (Vote 9)

The purpose of the Spatial Planning & Environment directorate is to ensure that the City meets the spatial planning objectives set out in the IDP, Metropolitan Spatial Development Framework (MSDF), the Transport Orientated Development (TOD) strategic framework, and to comply with the built environment planning and approvals requirements.

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

The directorate is made up of the following departments:

- **Urban Integration department**

Spatial planning is essentially a forward-looking planning process that seeks to organise how the economy, society, and the built environment operate in space, whilst also seeking to ensure the protection, restoration and management of the natural environment, based on accepted town planning principles, values and approaches.

The primary objective of the branch is in realising the spatial objectives of the Spatial Development Framework as well as the development objectives of SPLUMA. TOD is a key foundation to progressively move towards a compact, well connected, efficient, resilient urban form and movement system that is conducive to economic and social efficiency and equality.

The Integrated Urban Development Framework (IUDF) and City's approved TOD strategic framework both recognise the public transport network as one of the key strategic levers to overcome the city's fragmented urban form and legacy.

This fragmentation compounds transport inefficiencies and the associated costs – to the state, households, business and individuals - of these inefficiencies. It is committed to taking a significant responsibility, in partnership with other City line departments, to drive the TOD strategy and supportive programmes.

Detailed precinct planning and capital project implementation will deliver projects at an integrated district and precinct level, requiring the department to work closely with other directorates and branches that have a spatial focus (such as the Mayoral Urban Regeneration Programme) and Community Services.

- **Development Management department**

The primary purpose of the department is to create an effective and efficient planning and building development environment in Cape Town, South Africa and in Africa, which promotes and facilitates sustainable development through equitable and effective service delivery. This will be done through its transversal delivery of services in its operations, the integrated nature of its e - Systems based on the principles of the Property Value Chain (PVC) with linkages to departments within the City.

The continued implementation of the Municipal Planning By-law for the City is well in place and the review with amendments has been done for the year. The operations of the Municipal Planning Tribunal (MTP) has improved the procedural and decision-making.

Furthermore, the entire planning regulatory reform has demonstrated that it was an ideal opportunity to reverse the inefficiencies reducing much of the previous existing red tape. Continued implementation of DAMS, with its reporting opportunity to monitor the submission of development applications across the city.

The e-Systems enhancements have allowed for the expansion of services, including electronic payments and online registry.

- **Environmental Management department**

The department's core functions and objectives are guided by the City's Environmental Strategy, adopted by Council in 2017. The vision of the Environmental Strategy is *"To ensure that Cape Town's natural and cultural heritage assets are optimised to provide a basis for sustainable economic growth and social development, while ensuring long term protection and management of these assets and their associated goods and services for future generations."*

The Environmental Strategy contributes significantly towards the environmental component of sustainability by providing decision makers with an effective policy and governance framework for decision-making, management, and operational implementation.

The department has defined the following strategic objectives to guide its work, and which fulfil the department's service mandate:

- Ensuring that the City has clear, up to date, and well-articulated environmental strategy and policy, which informs the IDP and which is integrated into City decision-making;
- Seeking solutions to complex urban environmental problems, unlocking social and economic opportunities in the environmental sector, and aiming to address inequalities;
- Proactively conserving, integrating, and managing the city's terrestrial and aquatic biodiversity and ecosystems;
- Proactively protecting and managing the city's coastline, coastal ecosystems, coastal landscapes, and coastal and oceanographic systems and dynamics, in a manner that optimises its socio-economic and environmental value to the citizens of Cape Town, and monitoring the city's impact on its associated marine environment;
- Providing high quality publically accessible protected areas, ecosystem services, and open spaces, as well as co-ordinating and implementing invasive species control;
- Proactively conserving, integrating, and managing the city's cultural heritage assets and resources, and retaining the City's unique identity and cultural landscapes;
- Ensuring that the City is proactively responding to climate change through climate change adaptation and climate change mitigation planning and implementation, and conducting and participating in research to support this climate change response;
- Ensuring an environmentally compliant organisation and citizenry;
- Identifying and addressing environmental risks and promoting a proactive approach to environmental risk reduction;
- Promoting more resource efficient City operations, residential, and business sectors;
- Providing up to date, accurate, and relevant (environmental) data, information, and knowledge to inform City decision-making and empower citizens; and
- Managing the impact of outdoor advertising and signage to protect the unique visual beauty of Cape Town as an environmental, heritage and tourism resource.

Urban Catalytic Investment (UCI) department

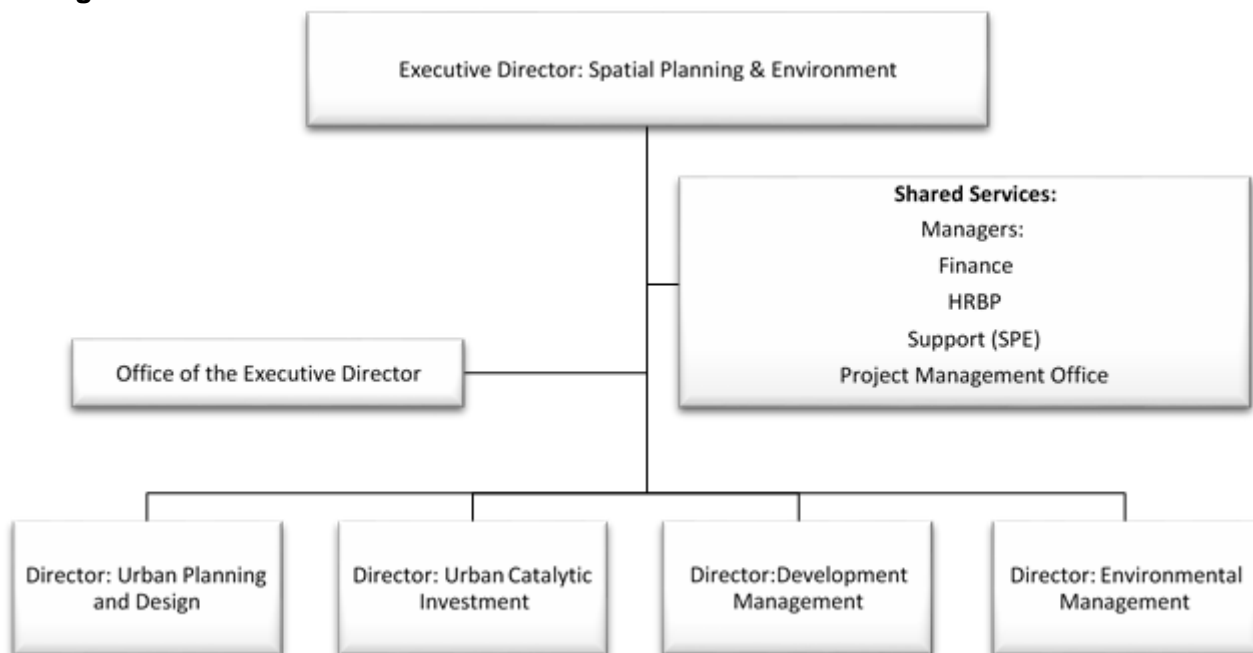
The UCI department comprises a diverse set of planning and enablement functions combining precinct planning, the packaging and project management of complex catalytic sites; innovative finance and funding mechanisms; and spatial incentives; to conceptualise Transit-oriented Development (TOD) through a portfolio of spatially targeted sites, hereafter the ‘Catalytic Land Development Programme’ (CLDP).

UCI’s primary aim is to enable an innovative and investment-friendly environment in spatially targeted ‘Transit-Accessible Precincts’ that promotes the City’s vision for inclusive economic growth and development, jobs and the promotion of spatial transformation through TOD to enhance the livelihoods, quality of life and opportunities of all Capetonians.

The purpose of UCI is to:

- Render planning and enablement functions to the City and its strategic partners that supports the City’s vision and objectives for regeneration and catalytic land development;
- Manage a portfolio of catalytic projects comprising a Council-endorsed CLDP grounded in land assembly; precinct planning; co-ordinating infrastructure investment; innovative funding, finance mechanisms; and transaction structures;
- Provide technical analysis in respect of CLDP development proposals (technical, legal and environmental due-diligence; pre-feasibility frameworks; economic impact assessment, social-impact assessment, and cost-benefit analysis);
- Intergovernmental co-ordination to accelerate the release of surplus public land capable of transit-oriented development, whilst leveraging partner resources (establishing an inter-governmental project pipeline) to drive inclusive economic growth and development, jobs and improve the supply of quality affordable homes of all tenures and typologies in spatially targeted areas.

Management Structure



Performance objectives and indicators

Strategic Area	Focus	Objectives/Programmes	Directorate projects / initiatives / linkages
SFA 1: The Opportunity City	1.1 Positioning Cape Town as a forward looking competitive City		<ul style="list-style-type: none"> - Continued enhancements and review of the DAMS. - Finalise the digitization process for development applications and its processing. - Continuous review and enhancing of DAMS and SIMS. - Continued streamlining of development applications for emergency housing delivery, Transport orientated developments (TOD)
			Development of Spatial Incentives Mechanisms for catalytic projects
	1.2 Leveraging Technology	Digital City Programme	
	1.1.a. Ease-of-business programme (Legislative review)	Continuous review of the implementation of the Municipal Planning by-law for the City of Cape Town	
	1.3 Economic inclusion	EPWP Job Creation Programme, creation of 1000 EPWP jobs	
	1.4 Resource Efficiency and Security	<ul style="list-style-type: none"> - BioBiodiversity Management Programmes and projects: Multipurpose educational & recreational facilities in Nature Reserves - Rehabilitation of coastal defences - Green Infrastructure Pilot Projects - City Resilience Programme; Climate change programme 	
SFA 2: The Safe City	2.1 Safe Communities	2.1.b. Holistic Crime Prevention Programme 2.1.d Neighbourhood Safety Programme	
SFA 3: The Caring City	3.1 Excellence in basic services	Excellence in Service Delivery	
		Social Services facility provision	
Housing Programme			
	3.2 Mainstreaming basic Service Delivery to informal settlements and backyard dwellers	Human Settlements Programme	
SFA 4: The Inclusive City	4.1 - Dense and Transit-Oriented Growth and Development.	TOD Catalytic Projects Programmes: <ul style="list-style-type: none"> - Bellville – Develop Business Case - Foreshore Precinct – Develop Business Case - Phillipi – Develop Business Case - Paardevelei: Disposal strategy and site packaging and strategic partnerships and institutional coordination Spatial integration and transformation programme: Land Value Capture Strategy/ Funding and Financing Mechanisms. 	
		Integrated Public Transport Network – IPTN 2032 Programme	
	4.3 Building Integrated Communities	<ul style="list-style-type: none"> - Built Environment Integration Programme - Citizen value Programme - Public Participation Programme 	
SFA 5: The Well-Run City	5.1: Operational Sustainability	<ul style="list-style-type: none"> - Evidence-led decision making programme - Compliant Service Delivery Programme - Service Delivery Improvement Programme 	
	5.1.b Value awareness programme (Annual Community Satisfaction Survey)	All departments participates	
	5.1.a Efficient, responsible and sustainable city services programme (Financial and operational sustainability)	All departments involved	

Changes to service levels and standards over the MTREF

The current service standard relates to the municipality having a consolidated spatial view of its key business districts and the interventions required to unlock or promote economic growth in these areas.

The City monitors information from valuation data as well as surveys and other studies to determine economic activity. The nodes are contained in the MSDF for the City, approved in 2018. In addition, further work is in progress to assess the data and make various assumptions about more localised economic activity to inform the Land Use Model. The Land Use Model will be used to inform the sector plans that will detail the infrastructure requirements for utilities. Land Use Model to be completed by June 2020 and draft sector plans to be available November 2020. This data and guidance will be contained in the District SDFs, that provide more detail and local perspective from the MSDF. District SDFs are to be completed by June 2021.

Past year's performance – 2018/19

The following capital projects were completed/worked on in the 2018/19 financial year:

- E-systems enhancements;
- Land Acquisition – Atlantis as part of the Atlantis Conservation Land Bank;
- Local Environment & Heritage projects - Sinclair Place, Hout Bay parking area upgrade, Biodiversity Showcase Garden Environmental Education Centre;
- Kruskal Avenue Upgrade, phase 1 of construction well underway;
- Reserve Upgrade: Fencing at Wolfgat Nature Reserve;
- Helderberg Nature Reserve Development – concluded detailed design drawings;
- Refurbishment of the Nelson Mandela Memorial Exhibition space; and
- Bonteheuwel/Bishop Lavis - rehabilitation and resurfacing of League Rd and Lenton Drive.

The major operating projects that benefitted from spend on the operating expenditure budget were:

- Kadar Asmal – Alien clearing projects linked to EPWP;
- Baboon Management;
- Shark Spotting;
- Tygerberg Partnership;
- Elsies River Public Investment Framework;
- Together Hub; and
- Environmental awareness campaigns, alien and canal clearing - 98% spend on ward allocations.

The directorate achieved an overall collection rate of 93.8% on its primary revenue budget. The two main categories, which contributed to this collection rate, are:

- Building Levies (collection rate dropped to 88%); and
- Building Fines, also known as administrative penalties for non-adherence to building regulations (collection rate was 110%).

Risks to achieving revenue projections, any expected major shifts in revenue patterns and any planned alternative sources of revenue

Building Development- and Land Use Management's revenue is largely dependent on demand within the building construction industry. The budget has been based on revenue collection trends and has been increased for the past three years, but additional revenue above inflation is not expected in the near future.

Demand for building related activity is dependent on the construction industry. The objective of most of the tariffs is not to recover the full service cost, but to discourage frivolous applications and speculation and above all, to minimise increases and to remain as affordable as possible.

Revenue collection at nature reserves has shown an upward trend for the past three financial years. An increase in revenue collection is anticipated for the 2020/21 financial year, however revenue collection is always subject to the prevailing economic climate.

Environmental and Heritage Management revenue collection for the past three financial years has been stable with no significant increases. The budget has been adjusted downward based on the trends over the past three financial years. No significant changes to revenue are expected.

Major features of expenditure including discretionary and non-discretionary expenditure

- Baboon Management and shark spotting on the Cape Peninsula;
- Control and/or extirpation of target and emerging invasive plant species and invasive animal species and removal of house crows, European paper wasps and German wasps;
- Provision of a service provider for visitor- and staff safety management within nature reserves and open spaces by providing rangers in the operational area of the City;
- Kadar Asmal – Alien clearing projects linked to EPWP;
- Greater Tygerberg Partnership (GPT) – facilitating partnerships and collaboration between the private sector, civil society, academic institutions and all spheres of government. GPT furthermore supports the City's efforts to revitalise Voortrekker Road Corridor and Bellville CBD and surrounds to ensure the social and economic well-being of the City's second metropolitan node for the benefit and enjoyment of all its citizens;
- Philippi Agri-Hub – Enhancing and conversion of the existing Philippi Fresh Produce Market Centre into a significantly up-scaled Agri-hub with related small scale agri-business opportunities and offering associated training and business development services, that will create job opportunities, stimulate growth in the small scale commercial agriculture sector and drive economic development to the benefit of the broader Philippi community;
- ICDG Technical Assistance secured for three year internal contracts: Deliverables:
 - Undertaking the planning priorities and related urban design technical functions emanating from the district planning process and within the three integrated development zones;
 - Catalytic Land Development Programme (CLDP): Bellville (Voortrekker Road Integration Zone) and Philippi Catalytic projects (Metro South East Integration Zone).
- Administering the Municipal Planning Tribunal.

Directorate capital programme

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

- Coastal Infrastructure: Rehabilitation and upgrade of dilapidated coastal infrastructure facilities in order to ensure public safety/reduce liability to the City, reduce social ills, improve social and economic impact of the City's coast line, and to prevent loss of resilience and promote the City's coastline as a world class destination. Projects include: Strand sea wall; Muizenberg-, Tableview- and Milnerton beachfronts and Hout Bay promenade walk. Coastal emergency projects: Strand sea wall storm damage phase 3 and Big Bay/Small Bay revetment.

- Acquisition of Land Programme: Atlantis and other Development Offsets: Consolidation of the Atlantis Conservation Land Bank - Facilitate holistic management of the area, unlock recreational opportunities and potentially use acquired land for development facilitation (offsetting).
- Local Area Priority Initiatives [LAPIs] projects include: Bonteheuwel/Bishop Lavis LAPI; Parow Arcade; Salt River Station upgrade, District 6 and Kruskal Avenue Upgrade: The Kruskal Avenue Spine is situated within the Bellville CBD business hub and provides a major pedestrian route from Bellville Station to Tygervalley Centre District. This spine has been identified as an area suffering from degeneration, crime and grime. The upgrading of this Kruskal Avenue Spine presents the opportunity to act as a catalyst in the regeneration of the surrounding area.
- Nature Reserve Visitor Education Centres - Helderberg; Bracken; Harmony Flats; Zandvlei: These projects entail construction of larger facilities in order to engage a wider community, achieve agreed upon targets and to increase environmental awareness.
- Reserve Upgrade - Fencing: Construction of a new boundary fence around the newly established nature reserve within Metro South East area. This will ensure biodiversity protection for future generations.
- Local Environment and Heritage Projects: Asanda Village Wetland Rehabilitation, which entails the reshaping, redesign and upgrade of public open space as development in the catchment area is flooding the downstream community of Asanda Village. Green Point Park EE Garden, which will be completed July 2020.

Table 69 Spatial Planning & Environment (Vote 9) - operating revenue by source, expenditure by type and total capital expenditure

Directorate: Spatial Planning & Environment									
Budgeted Financial Performance (revenue and expenditure)									
Description	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Operating Revenue By Source									
Property rates	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	-	-	-	-	-	-	-	-	-
Service charges - water revenue	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	-	-	-	-	-	-	-	-	-
Service charges - other	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	94	51	524	86	90	90	155	163	171
Interest earned - external investments	188	-	-	-	-	-	-	-	-
Interest earned - outstanding debtors	260	300	419	20	125	125	-	-	-
Dividends received	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	3 636	4 105	4 214	4 384	4 384	4 384	4 595	4 824	5 066
Licences and permits	10	10	245	715	-	-	-	-	-
Agency services	-	-	-	-	-	-	-	-	-
Transfers and subsidies	14 233	13 476	17 271	12 747	30 206	30 206	62 287	17 975	10 958
Other revenue	123 328	129 913	123 157	138 069	112 146	112 146	119 934	125 907	142 215
Gains	7	38	29	-	-	-	-	-	-
Total Operating Revenue (excluding capital transfers and contributions)	141 757	147 892	145 860	156 020	146 951	146 951	186 971	148 869	158 409
Expenditure By Type									
Employee related costs	399 926	420 063	437 562	531 801	487 044	487 044	580 292	637 733	692 531
Remuneration of councillors	-	-	-	-	-	-	-	-	-
Debt impairment	-	-	21	-	-	-	-	-	-
Depreciation & asset impairment	12 012	25 957	27 120	30 530	29 619	29 619	32 139	35 691	38 727
Finance charges	126	142	130	-	-	-	-	-	-
Bulk purchases	-	-	-	-	-	-	-	-	-
Other materials	9 132	8 805	8 481	19 241	11 727	11 727	11 374	11 453	11 891
Contracted services	67 887	67 728	79 561	91 472	117 863	117 863	114 757	92 200	95 573
Transfers and subsidies	265	8 286	8 605	8 362	9 372	9 372	28 517	19 264	19 754
Other expenditure	20 496	9 770	13 808	30 067	24 291	24 291	22 149	24 171	25 350
Losses	48	142	79	-	-	-	-	-	-
Total Operating Expenditure	509 893	540 893	575 368	711 474	679 917	679 917	789 228	820 513	883 828
Surplus/(Deficit)	(368 136)	(393 001)	(429 508)	(555 454)	(532 966)	(532 966)	(602 257)	(671 644)	(725 419)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	12 500	880	7 034	10 390	10 090	10 090	550	13 750	36 500
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)	-	-	-	-	-	-	-	-	-
Transfers & subsidies capital in-kind	9 503	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(346 133)	(392 121)	(422 475)	(545 064)	(522 876)	(522 876)	(601 707)	(657 894)	(688 919)
Taxation	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation	(346 133)	(392 121)	(422 475)	(545 064)	(522 876)	(522 876)	(601 707)	(657 894)	(688 919)
Attributable to minorities	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality	(346 133)	(392 121)	(422 475)	(545 064)	(522 876)	(522 876)	(601 707)	(657 894)	(688 919)
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	(346 133)	(392 121)	(422 475)	(545 064)	(522 876)	(522 876)	(601 707)	(657 894)	(688 919)
Capital Expenditure	56 092	42 434	57 070	92 847	58 186	58 186	157 205	209 463	330 155

2.12.10 Transport (Vote 10)

The City of Cape Town's Transport directorate is a driving force for achieving a more equal society based on an efficient mobility network for public and private transport, pedestrians and cyclists and with public transport services that enable greater access to opportunities. This contributes to a growing, thriving local economy that benefits everyone. Transport has a key role to play in making Cape Town a viable and competitive global investment destination.

As a global C40 city, Cape Town is committed to taking bold climate action for a healthier and more sustainable future. Transport has a leading role to play in reducing greenhouse gas emissions.

The Comprehensive Integrated Transport Plan (CITP) for 2018-2023, sets out how the directorate will build on the progress it has made in delivering integrated, intermodal and interoperable transport in Cape Town.

The City's delivery of integrated transport is based on the IPTN Network Plan 2032 encompassing the integration of transport and land use through transit-oriented development.

Intermodal transport requires that all functions and modes are under the jurisdiction of a single authority. To this end, the City continues to pursue the Contracting Authority and the Municipal Regulatory Entity (MRE) assignment. Although rail is considered the "backbone" of Cape Town's transport system, it is currently in crisis which requires to develop a response and approach to this crisis with its impact on the city-wide intermodal transport system.

An interoperable transport system is one in which its component parts work easily with one another without special effort on the part of the commuter.

Cape Town's transport sector faces complex challenges. Pressure on the road network is exacerbated by the failure of rail which has contributed to congestion and eroded the resilience of the local transport system. This encompasses shared responsibilities between national, provincial and local government and calls for enhanced cooperative governance.

Measuring Transport's progress with respect to the IDP's transformational priorities underpins the Urban Development Index which completed in 2019/20. This measures the impact of the City's TOD strategy and the interrelated changes in land use in transport. It provides a benchmark to analyse progress into the future.

The directorate's Congestion Management Programme continues to improve infrastructure and traffic systems, while the implementation of the Travel Demand Management Strategy is nudging commuters towards more sustainable travel behaviour.

MyCiTi, Cape Town's bus rapid transit system, marks its first ten years in operation. This provides an opportunity for a programmatic review as the service charts a path for the next decade based on a frank evaluation of lessons learnt.

As the directorate confronts challenges and embraces new opportunities, organisational change is required. This includes an appropriate institutional vehicle for MyCiTi, a complex programme that currently cuts across departments within the directorate.

Background, purpose and service mandate of the directorate

Cape Town, due to a number of historic factors, is an inefficient city the result of which is an exacerbated transport cost to access for residents, commuters, freight, and tourists.

Public transport is overcrowded and the facilities are in many cases inferior and substandard. The scale of the problem is enormous and the financial burden on the City reaches billions of rand each year.

The National Land Transport Act, 2009 (NLTA) gave metropolitan municipalities the power to integrate public transport services that are subject to contracts as well as appropriate uncontracted services into the larger public transport system in terms of an integrated transport plan.

The Integrated Public Transport Plan (IPTN) determines the role that appropriate transport modes play to provide users of the system with optimal solutions that will enable them to travel from origin to destination in a seamless and cost-effective manner. It also provides strategic direction.

The directorate is responsible for ensuring that the medium to long term plan and related policies, sector plans and strategies are rolled out inclusive of planning, operations, management and maintenance across the full spectrum of the integrated transport lifecycle and infrastructure.

The directorate also provides for parking, network, freeway management, destination boards, traffic calming, enforcement intelligence the Transport Enforcement Branch within the Safety & Security directorate.

This directorate is furthermore responsible for the Operating License Strategy, implementation and management of mini bus and metered taxis including the registration of all taxi associations operating in the City. Industry transition as it relates to the implementation of the IRT and any industry negotiations are pivotal functions.

The directorate comprises a management structure with seven performance-orientated departments with a focus on integrated service delivery. These departments are:

- **Transport Planning department**

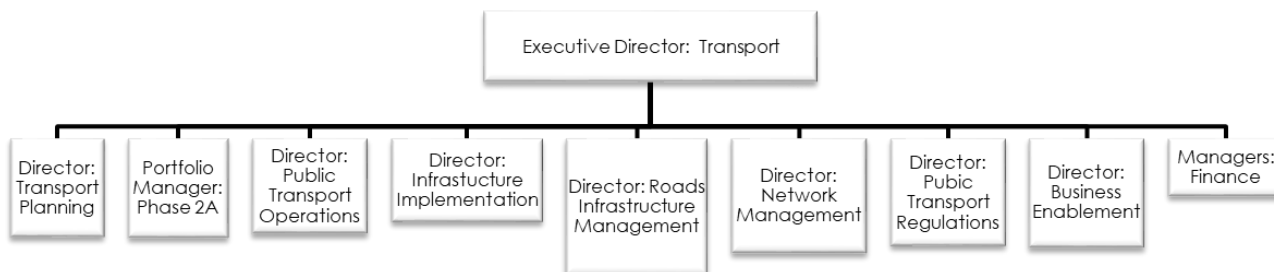
The department focuses on the core components of the integrated transport management process. These are the medium to long-term plan (CITP) and related policies, sector plans and strategies. Planning also includes business development, long-term strategic planning, as well as the planning of stormwater and sustainability issues across Transport.

- **Portfolio Management department**

This department ensures that a suitable dedicated programme delivery management structure with a single point of accountability for the entire MyCiTi Phase 2A mega capital programme is established. It also ensures that spending and resources are focussed on the delivery of the MyCiTi Phase 2A and that an appropriate independent monitoring and evaluation mechanism to track progress with the design and implementation progress is in place.

- Public Transport Operations department**
 This department focuses on the contractual and operational management of MyCiTi contracts and the management of public transport facilities.
- Infrastructure Implementation department**
 This department is responsible for all construction and capital investment related to public transport, non-motorised transport (NMT), roads and related local stormwater and facilities.
- Roads Infrastructure Management department**
 This department is responsible for the overall management and maintenance of all road and stormwater assets falling under the Transport directorate. It also manages the districts and depots under four area managers and includes the registration and management of all plant for the rollout and maintenance of infrastructure. It also includes a focus on the informal track and stormwater network.
- Network Management department**
 This department deals with Transport functions in terms of road and rail network management. It also deals with traffic related systems, traffic management and public transport enforcement and is responsible for network and related modal integration.
- Public Transport Regulations department**
 This department is responsible for all functions in terms of regulation and their efficient management. This includes industry management and transition as well as managing operating licences. The City has also requested the assignment of the Municipal Regulatory Entity function, as provided for in the National Land Transport Act (NLTA).
- Business Enablement department**
 This department plays a key transversal role in equipping and enabling the Transport Directorate to achieve its objective of being an effective directorate that is well governed, fact based, performance-driven and customer-centric.

Management Structure



Performance objectives and indicators

Strategic Focus Area	Objectives/Programmes	Directorate projects / initiatives / linkages
SFA 1: The Opportunity City	1.1 Positioning Cape Town as a forward-looking, globally competitive city	1.1.d Road infrastructure investment programme
		1.3.a Skills investment programme 1.3.b Mayor's Job Creation Programme
	1.4 Resource efficiency and security	1.4.b Climate change programme
SFA 2: The Safe City	2.1 Safe Communities	2.1.c Policing service programme
SFA 3: The Caring City	3.1 Excellence in basic service delivery	3.1.a Excellence in service delivery
SFA 4: The Inclusive City	4.1 Dense and transit-orientated urban growth and development	4.1.a Spatial integration and transformation programme
	4.2: An efficient, integrated transport system	4.2.a Integrated Public Transport Network 2032 programme 4.2.b Travel demand management programme 4.2.c Non-motorised transport programme 4.2.d Intelligent transport systems programme 4.2.f Efficient, integrated public transport programme 4.2.g Traffic calming programme
	4.3 Building integrated communities	4.3.a Built environment integration programme
SFA 5: The Well-Run City	5.1 Operational sustainability	5.1.a Efficient, responsible and sustainable City services programme 5.1.f Service delivery improvement programme

Changes to service levels and standards over the MTREF

There are no material changes in trends over the MTREF period for the directorate.

Past year's performance – 2018/19

- **Transport Planning department**

During the 2018/19 financial year this department completed the CITP which is currently with the Minister of Transport for approval. The IPTN 2032 has been completed and approved. Planning required for the further rollout of MyCiTi is underway.

- **Infrastructure Implementation department**

In the 2018/19 financial year, notable progress was observed in some areas whilst other areas were negatively affected by externalities which undermined the attainment of some of the targets that were set. The department's performance includes tangible infrastructure outputs, technical design planning deliverables in some instances and operational sustainability outputs.

Infrastructure outputs included the commencement of the concrete road rehabilitation project in Gugulethu after a prolonged community engagement with a violent group residing in the community presenting conflicting community priority areas. One of the public transport interchanges in Masiphumelele was completed, with construction works at Dunoon and Makhaza commencing shortly. Progress was made on the depot enabling works project as well as the Stock Road project, as part of the construction of road infrastructure to contribute towards the MyCiTi roll-out.

Construction for road expansion and new projects were completed to address congestion including the upgrading of the N7 in Sandown Road in January 2019 and the extension of the M12 to Giel Basson which commenced in December 2018.

Non-motorised transport infrastructure includes the construction of non-motorised transport lanes in some instances as part of larger road construction and dualling projects. Non-motorised transport will be enhanced at the Wooden Bridge precinct in Milnerton and through the Edgemoor/Bothasig and Eerste River projects.

To improve the commuter experience, upgrades were made at Cape Town Station deck, Bellville and Potsdam public transport interchanges.

The department also introduced processes and institutionalised systems for better alignment with corporate approaches and to streamline service delivery and implementation. By the end of December 2018, an overall screening of 95% of the capital budget was achieved with a significant improvement on the reporting of capital spend.

A public transport interchanges steering committee was established and congestion relief programme management approach adopted for inter-disciplinary engagement and effective project management.

In the past 18 months, challenges experienced as a result of systemic incongruences along the project lifecycle pipeline, especially in the upfront stages of concept and detailed design required the creation of numerous forums to align programmes, timelines, funding and resourcing for transversal integration. Some innovation has emerged including mapping key financial processes to proactively collaborate ahead of critical decision points. These interventions over time will become embedded in more efficient standard operating procedures and a more stable delivery environment.

- **Public Transport Operations department**

- Passenger journeys on MyCiTi have increased.
- Passenger journeys on Dial-a-Ride have increased.
- Card vending machines were implemented as a pilot.

- **Roads Infrastructure and Management department**

MyCiTi bus fleet

- Tender specifications were developed for the maintenance of the 9m Optare bus fleet, Volvo bus fleet, and the Scania bus fleet.
- Cost models were developed for all bus types.
- Input into negotiations to reduce operating costs.
- Tender specifications were developed to procure 80 buses in the new financial year (approximate value R450 million).
- The roads operational fleet and plant.
- A replacement strategy to replace aging plant and vehicles was developed.
- A pool of vehicles and plant for rubble removal and other related activities was created and all assets were verified.

Road Infrastructure and systems

Significant projects completed are:

- Metro roads reseal and resurfacing programme;
- Local roads reseal and resurfacing programme; and
- Numerous ward council projects including traffic calming and footways.

Informal settlements

- Masiphumelele: Sewage discharge into the wetland adjacent to Masiphumelele was of environmental concern. To address this, drainage interventions were provided to divert waste water to sewers and Houmoed Road design and construction completed.
- UT section: Bank stabilisation to provide truck access for pond maintenance was completed at Waterbound Maccadam base.
- Gaza Village (Leonsdale): Pedestrian access ways and stormwater infrastructure was installed to provide overland escape routes for stormwater to prevent flooding.
- Imizamo Yethu: A stormwater silt trap was installed to prevent sewer overflows into the river. Pedestrian access ways and barrier kerbs were also installed.
- Ekuphumeleni: The inlet structure at the detention pond was upgraded to enable the use of a sports facility.

• **Public Transport Regulations department**

- SAP platform established for the administration of operating licenses including development of software, testing of the system and training staff to use the system.
- The 7th Ave pilot trial was launched on 10 January 2019, business and operations plans prepared and trackers fitted to affected vehicles.
- The Rail Enforcement Unit was established in October 2018.

• **Network Management department**

The network enforcement branch was relocated to public transport regulations on 1 April 2019 and transport technology was assigned to the Network Management department.

Events

- Successfully arranging the logistics and managing the transport plan for the National Transport Imbizo on behalf of the national Department of Transport.
- Assisting Cape Town Stadium with all major events, operation of the required transport management plans and related tasks.
- Management of traffic over several weekend closures of the N1 freeway for construction. This included alternate route traffic management, signalised intersection special adaptations, time-plan alterations and scheduling.

Transport network development regions

- Four speed limit reviews were conducted per region, two on higher order routes and two at schools/public facilities.
- Road safety assessments were undertaken on a minimum of four arterials City-wide.
- Safety improvements were implemented at four hazardous locations per region (12 in total).
- Traffic calming was implemented at 13 schools and backlogs addressed as available budget allowed.

Traffic signals

- 23 count links were added to the network.
- All signal sites were moved to broadband communications.

Transport network technology

- Roll-out of communication (fibre and CCTV) on portions of the M3.
- New truck lane enforcement system installed on Ou Kaapse Weg.
- Installation of CCTV services at various traffic signal intersections.
- Installation of a spare Area Traffic Control (ATC) server resulting in improvement to the ATC system.
- Installation of a Area Traffic Control (IPTV) distribution system at the Transport Management Centre (TMC).
- Linkage by broadband (fibre, Wi-Fi, GPRS) of more than 1 400 traffic controllers to the TMC.

Transport network information

- A traffic data strategy was produced.
- The 2005–2015 Accident Report was produced.

Transport enforcement

- The Rail Enforcement Unit was successfully rolled out.

Risks to achieving revenue projections, any expected major shifts in revenue patterns and any planned alternative sources of revenue

There is a risk of the fare income being lower than projected if competing modes increase their market share (e.g. if minibus-taxi services expand or lower their fares), if the quality of the service decline, due to the impact of protected or unprotected strikes or due to fare losses as a result of interruption in electricity supply or difficulties in the fare system. It normally takes up to two months after a strike to get back to the planned monthly fare income.

It is projected that implementation of a new parking management tender will result in increased parking revenue. This increase revenue does not require an increase in parking fees (other than inflation-related increases), but rather in the different model of managing parking management, and such income is dependent on a monitoring tender being awarded to ensure that the parking management company pays over the required income to the City. The implementation of this tender has been delayed by an appeal against the original award, and the tender may be further delayed by further litigation regarding this matter.

Major features of expenditure including discretionary and non-discretionary expenditure

- Provision for the contracted road based MyCiTi transport
- Roads and Stormwater
- Public Transport Interchanges maintenance
- Public Transport Planning
- Roads Infrastructure Conditional Assessment

Major Capital Programmes

- Congestion Relief
- Public Transport Interchanges
- Non-Motorised transport
- Roads Rehabilitation
- Metro Roads: Reconstruction
- Phase 2A

Table 70 Transport (Vote 10) - operating revenue by source, expenditure by type and total capital expenditure

Directorate: Transport									
Budgeted Financial Performance (revenue and expenditure)									
Description	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Operating Revenue By Source									
Property rates	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	-	0	-	-	-	-	-	-	-
Service charges - water revenue	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	-	-	288	-	-	-	-	-	-
Service charges - other	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	371	372	91	-	-	-	-	-	-
Interest earned - external investments	-	34	277	-	-	-	-	-	-
Interest earned - outstanding debtors	10	14	23	2	2	2	-	-	-
Dividends received	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	590	2 899	3 953	29	29	29	31	32	34
Licences and permits	14 150	16 103	28 670	29 963	25 207	25 207	25 160	33 060	34 716
Agency services	-	-	-	-	-	-	-	-	-
Transfers and subsidies	268 707	424 257	472 198	572 789	578 134	578 134	671 278	447 293	538 181
Other revenue	272 091	288 132	331 412	303 547	261 080	261 080	207 927	278 146	291 456
Gains	161	352	229	-	-	-	-	-	-
Total Operating Revenue (excluding capital transfers and contributions)	556 080	732 163	837 141	906 331	864 452	864 452	904 395	758 531	864 387
Expenditure By Type									
Employee related costs	611 054	658 529	708 229	816 129	780 769	780 769	843 576	912 178	1 042 431
Remuneration of councillors	-	-	-	-	-	-	-	-	-
Debt impairment	-	33 519	781	-	-	-	-	-	-
Depreciation & asset impairment	662 583	725 108	725 243	720 375	722 528	722 528	728 912	725 107	680 848
Finance charges	21 752	2 012	3 505	-	-	-	-	-	-
Bulk purchases	-	-	-	-	-	-	-	-	-
Other materials	46 492	56 356	93 956	80 943	101 127	101 127	117 739	115 495	120 988
Contracted services	1 453 349	1 549 302	1 689 267	1 953 889	1 701 529	1 701 529	1 858 769	1 878 587	2 038 534
Transfers and subsidies	27 587	11 154	158	215	125	125	125	130	135
Other expenditure	83 088	96 622	97 576	112 157	104 973	104 973	91 088	88 596	108 327
Losses	99	1 052	12 072	-	-	-	-	-	-
Total Operating Expenditure	2 906 004	3 133 654	3 330 787	3 683 708	3 411 052	3 411 052	3 640 210	3 720 093	3 991 263
Surplus/(Deficit)	(2 349 924)	(2 401 491)	(2 493 646)	(2 777 377)	(2 546 599)	(2 546 599)	(2 735 814)	(2 961 562)	(3 126 877)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	969 307	689 698	583 483	895 556	880 122	880 122	1 442 278	1 911 500	1 911 252
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)	6 616	(812)	821	-	-	-	22 822	35 625	55 168
Transfers & subsidies capital in-kind	-	485	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(1 374 001)	(1 712 121)	(1 909 342)	(1 881 822)	(1 666 478)	(1 666 478)	(1 270 715)	(1 014 437)	(1 160 457)
Taxation	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation	(1 374 001)	(1 712 121)	(1 909 342)	(1 881 822)	(1 666 478)	(1 666 478)	(1 270 715)	(1 014 437)	(1 160 457)
Attributable to minorities	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality	(1 374 001)	(1 712 121)	(1 909 342)	(1 881 822)	(1 666 478)	(1 666 478)	(1 270 715)	(1 014 437)	(1 160 457)
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	(1 374 001)	(1 712 121)	(1 909 342)	(1 881 822)	(1 666 478)	(1 666 478)	(1 270 715)	(1 014 437)	(1 160 457)
Capital Expenditure	1 441 770	1 001 020	973 584	1 326 126	1 245 863	1 245 863	1 793 342	2 262 536	2 320 196

2.12.11 Urban Management (Vote 11)

The Urban Management directorate was established on 13 December 2018 as a result of the macro restructuring process of the City.

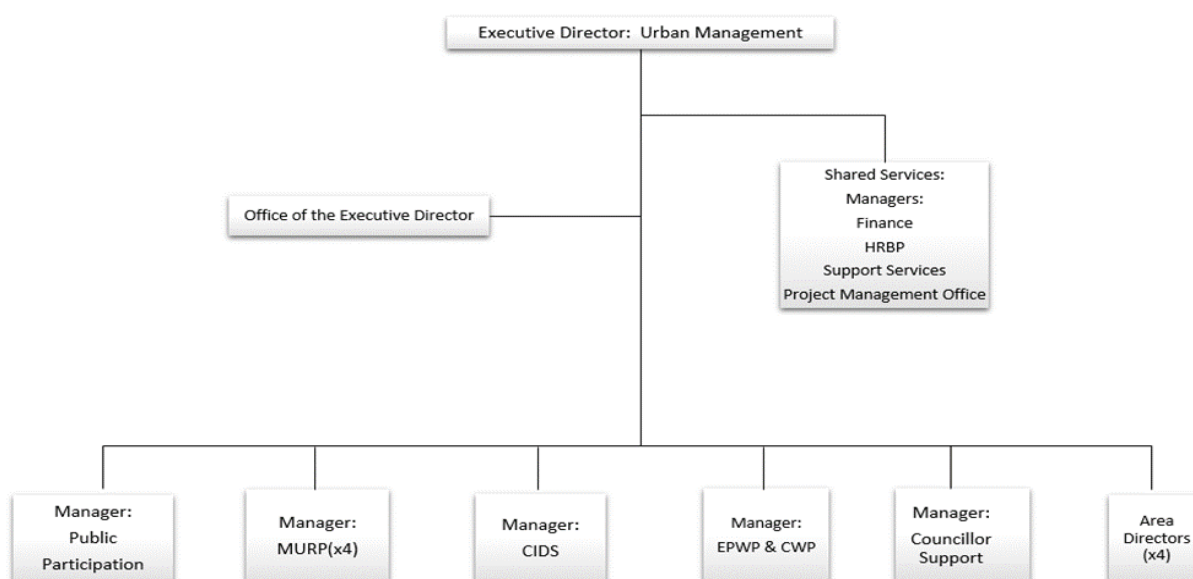
The directorate seeks to increase the capacity of the City and communities to manage the urban environment in a way that creates a healthy, safe and prosperous environment for all by:

- Improving service delivery at a local level through an integrated customer-centric service delivery model;
- Improving area coordination and management of service delivery across the City, by creating Urban Management Service Teams; and
- Ensuring transversal collaboration in all departments and across portfolios.

Local Government is mandated to meet the urban management needs of human settlements – with certain activities being crucial to the wellbeing of residents, their protection from harm and the fostering of economic and social opportunities. To this end the directorate resolves to:

- Champion a local government culture that prioritises customer needs and advocates for integrated and responsive urban management services that positively impacts communities;
- Provide a closer link with communities via a one-stop-shop model – to be a City that listens to community needs and raises awareness of City services;
- Bring the needs of local residents into the centre of local government planning and delivery processes;
- Ensure that all public resources are used to their fullest extent in delivering services to those most in need of them;
- Create economic and social opportunities which are accessible to the most vulnerable persons within a community;
- Proactively employ integrated, collaborative and innovative solutions to effectively and efficiently address customer and community issues; and
- Work to combat service blockages, backlogs and provide parity of services for all residents.

Management Structure



Performance objectives and indicators

Strategic Focus Area	Objectives	IDP Programme
SFA 1: The Opportunity City	1.1 Positioning Cape Town as a forward looking globally competitive city	To leverage local area tourism successes and grow investment offerings etc., Informal trading, implementing Urban Management transversal service delivery model.
	1.3 - Economic inclusion	EPWP, informal trading, micro-enterprise development and community procurement.
SFA 2: The Safe City	2.1 – Holistic Crime Prevention Programme	Promote the well-being of communities through partnerships, which include the MURP Community Action Plan & Safety Plans and Precinct Management.
SFA 3: The Caring City	3.1 – Excellence in basic services - The focus is to improve the overall customer experience while engaging with the City.	All departments in a variety of projects at various levels are working towards an improved customer experience. The aim is to enable: * customer centricity; * service integration * services performance monitoring; * driving innovation; * monitoring and facilitating Service Level & Standards Management; * Local Area Risk resilience management; and * Local needs determination and prioritisation.
SFA 4: The Inclusive City	4.3.c - Public Participation programme	Public engagement projects; stakeholder management and key customer relationship building; petitions management; empowerment of the public; intelligence gathering; data analysis & dissemination; creating partnerships on matters of public participation and continuous public engagement.
		All departments in a variety of projects at various levels.
SFA 5: The Well-Run City	Human resource development	All departments involved.
	5.1.f Service Delivery improvement programme	All departments involved.
	Annual Community Satisfaction Survey	All departments participate.
	Financial and operational sustainability	All departments involved.

Past year's performance – 2018/19

The directorate achieved the following financial indicators against said targets, which illustrates that the directorate manages its finances closely in order to achieve its targets as reflected in the SDBIP.

- Capital spend: 95.53% (target: 90%)
- Operating spend 93.99% (target: 95%)
- Repairs and maintenance spend 134.5% (target: 95%)
- Training budget spend 107.14% (target: 95%)

Risks to achieving revenue projections, any expected major shifts in revenue patterns and any planned alternative sources of revenue

There are no material changes in revenue trends over the MTREF period for the Urban Management directorate.

Major features of expenditure including discretionary and non-discretionary expenditure

The directorate's major expenditure categories include:

- Salaries and Wages;
- CIDs – Payments made to City Improvement Districts which is directly linked to the amounts collected from them; and
- Contracted Services – mostly linked to MURP projects.

Directorate capital programme

The majority of the capital budget over the next MTREF relates mainly to mayoral urban regeneration projects (MURP) linked to the Neighbourhood Development Partnership Grant (NDPG) and Area Economic Development Infrastructure projects.

Table 71 Urban Management (Vote 11) - operating revenue by source, expenditure by type and total capital expenditure

Directorate: Urban Management									
Budgeted Financial Performance (revenue and expenditure)									
Description	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand									
Operating Revenue By Source									
Property rates	169 260	198 921	216 629	236 842	239 394	239 394	258 637	271 518	285 121
Service charges - electricity revenue	-	-	-	-	-	-	-	-	-
Service charges - water revenue	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	-	-	-	-	-	-	-	-	-
Service charges - other	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	-	-	-	-	-	-	-	-	-
Interest earned - external investments	-	-	-	-	-	-	-	-	-
Interest earned - outstanding debtors	927	795	1 696	0	0	0	-	-	-
Dividends received	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	-	5 025	458	-	-	-	-	-	-
Licences and permits	(31)	-	-	-	-	-	-	-	-
Agency services	-	-	-	-	-	-	-	-	-
Transfers and subsidies	469	402	701	34 377	2 034	2 034	1 034	1 034	1 034
Other revenue	4 266	4 009	4 057	4 150	3 800	3 800	4 362	4 579	4 808
Gains	15	73	8	-	-	-	-	-	-
Total Operating Revenue (excluding capital transfers and contributions)	174 906	209 225	223 549	275 369	245 228	245 228	264 033	277 131	290 963
Expenditure By Type									
Employee related costs	186 581	244 625	259 431	426 895	367 708	367 708	401 311	437 157	474 168
Remuneration of councillors	137 093	153 584	159 925	178 344	178 344	178 344	188 111	199 360	211 341
Debt impairment	5 078	5 968	6 499	7 105	7 182	7 182	7 759	8 068	8 391
Depreciation & asset impairment	(1 663)	12 358	13 969	12 423	13 540	13 540	19 258	21 798	25 225
Finance charges	2 437	2 326	2 241	-	-	-	-	-	-
Bulk purchases	-	-	-	-	-	-	-	-	-
Other materials	7 698	9 463	10 109	6 536	8 951	8 951	12 068	12 511	12 976
Contracted services	47 547	51 126	48 760	230 021	195 170	195 170	194 615	244 506	253 729
Transfers and subsidies	16 518	6 811	10 268	8 058	13 241	13 241	8 088	8 353	8 630
Other expenditure	186 659	214 225	237 118	272 989	268 911	268 911	296 127	314 712	330 572
Losses	222	201	110	9	9	9	9	10	10
Total Operating Expenditure	588 169	700 687	748 429	1 142 379	1 053 056	1 053 056	1 127 346	1 246 474	1 325 043
Surplus/(Deficit)	(413 263)	(491 461)	(524 880)	(867 010)	(807 828)	(807 828)	(863 313)	(969 344)	(1 034 080)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	2 744	2 562	8 228	26 400	37 690	37 690	11 206	35 300	47 700
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)	-	-	-	-	-	-	-	-	-
Transfers & subsidies capital in-kind	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(410 519)	(488 899)	(516 651)	(840 610)	(770 138)	(770 138)	(852 107)	(934 044)	(986 380)
Taxation	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation	(410 519)	(488 899)	(516 651)	(840 610)	(770 138)	(770 138)	(852 107)	(934 044)	(986 380)
Attributable to minorities	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality	(410 519)	(488 899)	(516 651)	(840 610)	(770 138)	(770 138)	(852 107)	(934 044)	(986 380)
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	(410 519)	(488 899)	(516 651)	(840 610)	(770 138)	(770 138)	(852 107)	(934 044)	(986 380)
Capital Expenditure	12 541	17 308	22 429	122 981	83 761	83 761	81 503	128 830	141 230

2.12.12 Water & Waste (Vote 12)

The functional areas within the Water & Waste Management directorate are:

- Solid Waste Management
- Water and Sanitation Management

2.12.12.1 Solid Waste Management

The City's Solid Waste Management department is the service authority and regulator of waste management activities in Cape Town, per the system of delegations and the municipality's executive powers conferred on it in law. The City is responsible for services in the metropolitan municipal area (as a service authority or regulator).

The City's waste management services aim 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. Much national support and development is necessary, as waste minimisation and recycling activities are not limited to Cape Town and involve the processing and manufacturing sectors on a national scale. It will require a country-wide approach in terms of planning, infrastructure, facilities, incentives and disincentives to drive out economies of scale that will make this sustainable and economically viable. These are key influences on achieving the 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;
- Develop multiple integrated initiatives that will reduce waste and the associated impacts substantially as well as contribute to and support economic development;
- Generate other sources of funding for integrated waste management through Public-Private Partnerships within the Cape Town municipal area;
- Improve the income generated by the Council's waste services;
- Optimise the utilisation of the Council's resources and capital; and
- Regulate waste and the associated services that will ensure sustainability and prevent impact or harm to people and the environment.

Performance objectives and indicators

Strategic Focus Area	Objectives	IDP Programme
SFA 1: The Opportunity City	1.1 Positioning Cape Town as forward looking globally competitive city (Priority 7)	<p>2. Promote general Integrated Waste Management practices:</p> <p>a. Implement an integrated builder's rubble waste minimisation program, including builder's rubble beneficiation at Coastal Park LS, Vissershok LS and Bellville South landfill site;</p> <p>b. Continue with public education and awareness programs regarding waste management and waste minimization;</p> <p>c. Cyclic review of Council's Integrated Waste Management (IWM) Policy, IWM By-laws and the IWM Plan;</p> <p>d. Continue and accelerate implementation of the IWM By-law; and</p> <p>e. Align Waste Information System with both the SAWIS & Waste Classification and Management Regulations.</p> <p>3. Identify and promote catalytic sectors:</p> <p>a. Complete the roll out of landfill gas extraction and flaring at Coastal Park and Bellville South Landfill Sites;</p> <p>b. Commence with designs for the Vissershok Landfill Site gas extraction project;</p> <p>c. Finalise Transactional Advisor Project flowing from MSA S78.3 Recommendations (2011), investigating Waste-to-energy (or energy-from-waste) synergies in respect of organic solid waste and sewerage sludge, and to, were deemed feasible, initiate projects as soon as possible, in support of Council's Energy Policy and targets;</p> <p>d. Subject to the TA finding, initiate and register all Council-approved waste minimisation and certain Energy-from-Waste PPP initiatives with the National Treasury;</p> <p>e. Subject to the TA finding, initiate a process to generate alternative (non-Council) funding through Public Private Partnerships (PPPs) for the implementation of such alternate service delivery mechanisms initiatives;</p> <p>f. Support and further stimulate the recycling economy; and</p> <p>g. Subject to the TA findings and Council resolutions, reprioritise and amend the SWM medium to long-term capital works program, its proposed capital or operating budgets to include provisions and changes for alternative service delivery mechanisms.</p> <p>5. Provide and maintain waste minimisation infrastructure:</p> <p>a. Upgrade the Material Recovery Facility (MRF) at the Athlone RTS into a Clean MRF;</p> <p>b. Establish a small-scale Integrated Waste Management facility in the Helderberg area;</p> <p>c. Develop a MRF at the Coastal Park Landfill site;</p> <p>d. Develop and implement additional drop-offs at Disposal facilities, including Swartklip RTS, Faure LS and Helderberg drop-off at Vaalfontein site (part of the integrated facility above); and</p> <p>e. Develop Drop offs, satellite drop-offs and mini-MRF's.</p>
	1.4 Resource efficiency and security (priority 8)	<p>4. Provide and maintain infrastructure:</p> <p>a. Establish Continue with roll-out and further development of an integrated infrastructure asset management program for SWM fixed and movable assets, plant, equipment, infrastructure and superstructure to optimise asset use and service delivery, focusing on waste management fleet as a priority;</p> <p>b. Continue with the project to increase height and maximise airspace utilisation at Vissershok South Landfill site;</p> <p>c. Finalise the legal / environmental process to amend the waste licence at Vissershok North Landfill site;</p> <p>d. Finalise the regional landfill appeal, commence with a project to seek another site for a second future landfill;</p> <p>e. Subject to finalisation of the regional landfill appeal, commence with the construction and commissioning of the regional landfill site; and</p> <p>f. Rehabilitate and manage closed landfill sites (ongoing permit and MFMA requirements).</p>
SFA 3: The Caring City	3.1 Excellence in basic service delivery (priority 1)	<p>1. Improve access to basic waste management services (cleaning, collection and disposal), minimise (reduce and divert) waste to landfill:</p> <p>a. Continually improve access to basic waste management services (cleaning, collection and disposal);</p> <p>b. Continually improve access to residential waste minimisation services;</p> <p>c. Implement recycling at landfill and refuse transfer stations (RTS) and drop-offs where feasible; and</p> <p>d. Monitor the effectiveness of the household hazardous waste (HHHW) drop-off and plan for the roll out at Bellville South RTS.</p>
	3.2 Mainstreaming basic service delivery to informal settlements and backyard dwellers (priority 2)	

Changes to service levels and standards over the MTREF

There are no material changes in revenue trends for the directorate over the MTREF period.

Past year's performance – 2018/19

The department continued to implement the recommendations of the Municipal Systems Act section 78(3) study, which includes waste minimisation, waste to energy projects and the provision of infrastructure for waste minimisation. The department has also channelled more resources towards waste minimisation infrastructure and programmes. The City effectively introduced recycling at larger drop-off sites and are investigating the usage of drop-off facilities as mini material recovery facilities (MRF).

A total of 20% in waste minimisation was achieved, which is a substantial growth and on track to achieving the City's Integrated Waste Management Policy (IWMP) objectives. Home composting bins have been issued to more than 15 000 beneficiaries and the programme will continue for the next five years with an estimated 5 000 additional beneficiaries per year.

The provision of basic waste management services was maintained at 100%. However, there is a looming challenge on providing services for backyarders which at this stage is done on an adhoc basis. Informal settlements now receive a twice weekly door-to-door bagged waste collection service integrated with area cleaning provided by City's private contractors. Refuse services to all informal settlements have been increased to seven days a week instead of five days (Monday to Friday). Certain categories of settlements in the previous contract received a five-day service.

The department also ensured compliance with waste management statutes by reviewing its by-law and IWMP. The department continues to upgrade its facilities to ensure that all waste is effectively managed and accounted for. These upgrades include changes to increase recovery of recyclables and upgrading of weighbridges to improve measurement, efficiency and to improve service to the public.

Risks to achieving revenue projections, any expected major shifts in revenue patterns and any planned alternative sources of revenue

Disposal revenue will be under pressure going forward with the introduction of waste minimisation initiatives that will reduce the waste being taken to landfill sites. Alternative sustainable revenue streams are being investigated.

Major features of expenditure including discretionary and non-discretionary expenditure

The Department's major expenditure categories include:

- Salaries and Wages
- Contracted Services – mostly linked to:
 - Refuse removal services;
 - Area cleaning and door-to-door refuse removal services to informal settlements;
 - Cleaning of the previously disadvantaged sandy areas;
 - Hauling of waste from various facilities to the Landfill sites; and
 - Chipping of garden greens.
- Depreciation
- General Expenses – mostly linked to:
 - Fuel;
 - Rehabilitation of landfill sites;
 - Security services costs at various sites; and
 - Purchasing of bags.
- Repairs and maintenance on building and fleet.
- Activity based costing linked to fleet and equipment rental

Directorate capital programme

The department's capital programme for 2020/21 is made up of the following main projects:

- Vehicle and plant replacement programme;
- Upgrading of various depots;
- Upgrading of various drop-off sites to include components of waste minimisation;
- Construction of new material recovery facilities;
- Development of new landfill airspace; and
- The construction of landfill gas to flaring infrastructure for future possible electrification.

Table 72 Solid Waste Management (Vote 12) - operating revenue by source, expenditure by type and total capital expenditure

Directorate: Water & Waste									
Department: Solid Waste Management									
Budgeted Financial Performance (revenue and expenditure)									
Description	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand									
Operating Revenue By Source									
Property rates	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	-	-	-	-	-	-	-	-	-
Service charges - water revenue	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	1 190 778	1 313 131	1 414 966	1 573 566	1 511 519	1 511 519	1 587 207	1 705 643	1 833 331
Service charges - other	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	13	0	2	-	-	-	-	-	-
Interest earned - external investments	-	-	-	-	-	-	-	-	-
Interest earned - outstanding debtors	19 082	19 219	23 649	18 000	35 565	35 565	40 170	34 957	37 404
Dividends received	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	3 219	1 896	3 885	-	-	-	-	-	-
Licences and permits	-	-	-	-	-	-	-	-	-
Agency services	-	-	-	-	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Other revenue	5 876	8 324	15 690	3 572	13 049	13 049	9 190	9 647	10 131
Gains	2 342	1 454	1 869	2 000	1 000	1 000	-	-	-
Total Operating Revenue (excluding capital transfers and contributions)	1 221 309	1 344 024	1 460 061	1 597 137	1 561 134	1 561 134	1 636 567	1 750 247	1 880 866
Expenditure By Type									
Employee related costs	757 137	839 437	932 723	1 113 222	1 123 197	1 123 197	1 136 229	1 239 736	1 344 654
Remuneration of councillors	-	-	-	-	-	-	-	-	-
Debt impairment	74 458	66 621	82 612	95 237	180 281	180 281	344 653	149 322	155 310
Depreciation & asset impairment	127 528	141 436	150 846	153 325	153 739	153 739	166 493	167 600	191 297
Finance charges	40 884	42 374	36 625	36 300	36 300	36 300	53 615	59 875	69 255
Bulk purchases	-	-	-	-	-	-	-	-	-
Other materials	177 697	211 873	208 093	200 406	228 492	228 492	232 938	242 474	252 490
Contracted services	735 515	817 566	922 823	1 018 934	947 980	947 980	984 944	1 070 576	1 102 545
Transfers and subsidies	-	-	-	-	-	-	1 861	-	-
Other expenditure	60 508	46 503	32 112	116 605	105 418	105 418	120 573	128 041	133 942
Losses	85	239	351	115	115	115	115	119	124
Total Operating Expenditure	1 973 812	2 166 049	2 366 184	2 734 145	2 775 524	2 775 524	3 041 422	3 057 742	3 249 617
Surplus/(Deficit)	(752 503)	(822 025)	(906 123)	(1 137 008)	(1 214 389)	(1 214 389)	(1 404 855)	(1 307 495)	(1 368 751)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatbns, Higher Educ Institutions)	-	-	-	-	-	-	4 667	4 900	5 145
Transfers & subsidies capital in-kind	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(752 503)	(822 025)	(906 123)	(1 137 008)	(1 214 389)	(1 214 389)	(1 400 187)	(1 302 595)	(1 363 606)
Taxation	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation	(752 503)	(822 025)	(906 123)	(1 137 008)	(1 214 389)	(1 214 389)	(1 400 187)	(1 302 595)	(1 363 606)
Attributable to minorities	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality	(752 503)	(822 025)	(906 123)	(1 137 008)	(1 214 389)	(1 214 389)	(1 400 187)	(1 302 595)	(1 363 606)
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	(752 503)	(822 025)	(906 123)	(1 137 008)	(1 214 389)	(1 214 389)	(1 400 187)	(1 302 595)	(1 363 606)
Capital Expenditure	172 499	209 282	267 714	628 576	292 356	292 356	805 560	748 678	746 891

2.12.12.2 Water & Sanitation Services

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

As a water service provider, the City constantly strives to improve its performance with respect to water quality management. Water safety planning and risk mitigation methodologies are integrated into the management processes. Although no major corrective interventions are currently required in terms of the water safety plan, the City will constantly evaluate 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 or additional license conditions be specified, then budgetary allocations will be prioritised for the associated intervention.

The Water and Sanitation Strategy, informed by the long term vision, is centered on five core commitments. The five commitments are – Safe access to water and sanitation, the wise use of water, sufficient and reliable water from diverse resources, shared benefits from regional resources and transitioning into a water sensitive city. The fulfilment of these five commitments will result in the citizens' needs being met, support being given for improved living conditions as well as protection of the environment and will ultimately enable and support a growing economy.

The Water & Sanitation Services department consists of the following branches performing the functions specified.

- **Bulk Water Branch**
Manages water catchment areas, storage dams, dam safety, developing and implementing new and diverse supplies of water to increase resilience, water treatment and the conveyance of water in bulk water supply lines to reticulation networks.
- **Reticulation Branch**
Distributes drinking water to consumers and conveys wastewater to treatment works through a network of pipelines, pump stations and reservoirs. The branch also conveys treated effluent (recycled) water to large users and to collection points for construction and industrial contractors.
- **Customer Services Branch**
Manages the optimizing of water meter operations, accurate billing based on meter reading, responsiveness to customer queries as well as effective implementation of debt management and revenue collection actions.
- **Wastewater Treatment Branch**
Wastewater treatment works have the important job of treating used water (effluent) and making it safe before discharging it into the environment.

- **Catchment, Stormwater and River Management Branch**

Responsible for strategic planning for the City's Stormwater system, which includes the management of river systems and their drainage catchments in order to manage flood risk, improve water quality and optimize the harvesting of Stormwater as a valuable water resource.

- **Engineering and Asset Management Branch**

Ensures the electrical and mechanical maintenance of the water and sanitation equipment and facilities. Provides risk management, fleet management and health and safety services for the Water and Sanitation department.

- **Water Demand Management and Strategy Branch**

The Water Demand Management and Strategy branch provides a planning service and is responsible for policy development (e.g. the Water Services Development Plan and the Water Conservation and Demand Management Strategy) and the development and enforcement of by-laws (e.g. the Water and Treated Effluent by-laws). The branch also coordinates water demand management programmes, quality management and awareness programmes (e.g. water conservation and sewer blockage education), information management and business reporting.

- **Scientific Services Branch**

Ensures that the water quality is in compliance with strict water quality checks as prescribed by the Department of Water and Sanitation (DWS). Conducts vigorous testing of drinking water including chemical and microbiological analysis in accordance with SANS 241:2015. In addition, they test treated wastewater from wastewater treatment works, water from rivers and vleis, and also perform air pollution testing.

- **Finance and Commercial Branch**

Provides administrative functions related to budgeting, accounting and financial administration as well as management of movable assets.

- **Capital and Contract Management Branch**

Provides oversight on the implementation of the projects forming part of the department's capital development programme, ensuring adherence to SCM / tender processes as well as contract management principles.

- **Auxiliary Services Branch**

Manages depot and building maintenance, information and technology support, staff housing, external communication programmes and campaigns around water and sanitation issues, loss control and investigations as well as security and protection services for Water & Sanitation staff in volatile areas.

- **Human Resources Business Partner**

Provides an administrative role to the department, which includes training and human resources support.

Performance Objectives and Indicators

Strategic Focus Area	Objectives	IDP Programme
SFA 1: The Opportunity City	1.1 Positioning Cape Town as a forward-looking, globally competitive city	1.1c Infrastructure Investment programme
	1.3 Economic Inclusion	Expanded Public Works Programme
	1.4 Resource efficiency and security	1.4k Energy-efficiency and supply programme
		1.4l Climate Change Program
	1.4m City Resilience programme	
SFA 3: The Caring City	3.1 Excellence in basic service delivery	3.1a Excellence in service delivery
	3.2 Basic Services to Informal Settlements	3.2d Basic Service Delivery programme
SFA 5: The Well-Run City	5.1 Operational sustainability	5.1a Efficient, responsible and sustainable programme
		5.1c Compliant Service delivery programme
		5.1f Service delivery improvement programme

The IDP identifies the need to address the challenges related to maintaining water and sewer infrastructure, address the growth in the City and to take care of the indigent households.

In this regard, the proposed 2020/21 capital budget attempts to address the following key areas, namely:

- New Water Strategy / Plan to ensure security of water;
- Expand the water- and sewer reticulation system in line with growth requirements;
- Extension of the capacity of major wastewater treatment plants, including major plants such as Zandvliet, Potsdam, Macassar, Athlone and Bellville. Wastewater treatment plants requires large expenditure over an extended period; and
- Upgrading and rehabilitating of current ageing infrastructure.

An estimated 95% is intended for spending on the “Opportunity City” and “Caring City” Focus Areas which addresses the objectives of Resource Security and Basic Service Delivery within the context of a globally competitive City. This include upgrading, refurbishment of wastewater plants, new water strategy projects, water demand management initiatives, water- and sewer reticulation networks and the upgrading of the stormwater system in areas like Sir Lowry’s Pass and Lourens River. The remaining spending is intended for institutional assets (e.g. depots, vehicles and equipment).

Changes to service levels and standards over the MTREF

Although the achieving of targets is showing positive trends, the department experienced significant challenges during the drought period, which placed additional demands on the department’s implementing capacity. Perhaps the most important “target” achieved during this period was the cooperation between the City and the public to drastically reduce water usage which was achieved via various mechanisms including education and awareness.

Although there are no material changes in service standards from the previous financial year, the Department’s commitments for a shared water future are encapsulated in the Water and Sanitation Strategy.

Past year's performance - 2018/19

The Water and Sanitation department has experienced a number of very challenging years due to Cape Town suffering an unprecedented drought that put the department under tremendous strain, but this challenge was overcome by hard work and dedication, together with the positive response from the City's customers, which made Cape Town the number one water-saving City in the world.

The development of expertise to manage the city infrastructure under drought conditions has been a by-product of the drought. These circumstances have necessitated the department to redirect resources under challenging circumstances with a major thrust on diversifying the City's water resource base, increasing the treated effluent volumes reticulated via a separate pipeline network to be reused for sports fields and agricultural irrigation as well as improving the pressure management system. This has also given rise to the new Water Strategy which puts the department on a trajectory to become a modern professional water service provider, consistent with international best practice.

The department also continued to maintain service delivery standards during this period, not only to formal properties but also to informal settlements where an additional 716 new water connection points and 3 687 new sanitation services points were installed during 2018/19.

Risks to achieving revenue projections, any expected major shifts in revenue patterns and any planned alternative sources of revenue

The current consumption levels impact on the ability to generate the revenue necessary to recover the cost for delivering the service. Along with the success of drastically reducing the water usage during the drought, came the high level of uncertainty with regards to the projected consumption patterns and permanent impact of water saving changes made by the customer. The City continues to closely monitor the new consumption patterns.

Major features of expenditure including discretionary and non-discretionary expenditure

The proposed budget makes allowance for cost associated with the water augmentation plan to ensure security of water supply, upgrades and extensions to the wastewater treatment plants, water demand management initiatives, ensuring the management of assets at appropriate levels, sustain and enhance the maintenance programmes as well as supplying water and sanitation at appropriate compliance, capacity, skills, service delivery and responsiveness levels.

Directorate capital programme

Some of the major capital projects are reflected below:

- Bulk Water - New Water Plan: Atlantis Aquifer; Cape Flats Aquifer & Recharge; Table Mountain Group Aquifer; Zandvliet Waste Water Plant re-use as well as the initial processes for permanent desalination;
- Bulk Water: Completion of the Contermanskloof 100ML reservoir;
- Reticulation: Cape Flats Sewer Rehabilitation; Philippi Collector Sewer; Water Supply at Baden Powell Drive to Khayelitsha; Replace Water Network (City-wide) as well as Replace Sewer Network (City-wide);
- Customer Services: Meter Replacement Programme
- Wastewater: Zandvliet WWTW - Primary Treatment & Sludge; Athlone WWTW – Extension; Borchards Quarry WWTW; Bellville WWTW Extension; Cape Flats WWTW – Bio-solids; Potsdam WWTW and Wesfleur WWTW – Aeration and Blowers;

- Catchment, Stormwater and River Management: Sir Lowry's Pass River Upgrade Lourens River – Flood Alleviation; Macassar Flood Alleviation and the Diep River Rehabilitation;
- Engineering & Asset Management: Vehicles and Plant requirements;
- Water Demand Management: Treated Effluent and Pressure Management Programme.

Table 73 Water & Sanitation Services (Vote 12) - operating revenue by source, expenditure by type and total capital expenditure

Directorate: Water & Waste									
Department: Water & Sanitation Services									
Budgeted Financial Performance (revenue and expenditure)									
Description	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand									
Operating Revenue By Source									
Property rates	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	(376)	13	-	-	-	-	-	-	-
Service charges - water revenue	2 718 453	2 932 228	3 123 058	3 211 485	2 954 241	2 954 241	3 193 926	3 770 180	4 097 495
Service charges - sanitation revenue	1 426 013	1 518 274	1 602 463	1 568 599	1 482 072	1 482 072	1 616 486	1 909 418	2 068 297
Service charges - refuse revenue	24	3	-	-	-	-	-	-	-
Service charges - other	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	80	185	177	142	142	142	200	210	220
Interest earned - external investments	-	-	3	-	-	-	-	-	-
Interest earned - outstanding debtors	152 259	173 926	225 037	225 000	225 000	225 000	204 000	218 280	233 560
Dividends received	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	(3 072)	97 382	32 318	172	172	172	181	190	199
Licences and permits	351	221	3	-	-	-	-	-	-
Agency services	-	-	-	-	-	-	-	-	-
Transfers and subsidies	32 300	14 333	15 495	2 553	67 143	67 143	16 996	2 196	-
Other revenue	61 127	74 869	100 097	56 612	58 612	58 612	42 991	45 132	47 393
Gains	762	1 438	1 005	1 000	1 000	1 000	1 000	1 050	1 102
Total Operating Revenue (excluding capital transfers and contributions)	4 387 921	4 812 872	5 099 655	5 065 563	4 788 382	4 788 382	5 075 780	5 946 655	6 448 267
Expenditure By Type									
Employee related costs	1 301 343	1 477 421	1 617 721	1 901 065	1 775 661	1 775 661	1 955 239	2 300 674	2 486 850
Remuneration of councillors	-	-	-	-	-	-	-	-	-
Debt impairment	378 918	173 821	104 182	727 277	703 000	703 000	893 750	489 118	544 193
Depreciation & asset impairment	475 654	557 939	652 488	673 239	704 521	704 521	767 310	786 575	859 923
Finance charges	19 125	14 617	7 859	-	-	-	-	-	-
Bulk purchases	343 740	251 903	350 531	617 101	525 595	525 595	405 666	513 776	582 495
Other materials	308 941	292 307	302 905	447 685	345 380	345 380	366 199	442 032	480 016
Contracted services	948 840	1 110 456	1 112 232	1 284 908	1 433 505	1 433 505	1 587 731	1 417 508	1 477 400
Transfers and subsidies	-	-	499	10 521	521	521	17 300	42 478	12 978
Other expenditure	219 610	190 153	190 298	345 575	264 071	264 071	280 865	368 077	403 718
Losses	829	601	1 370	0	0	0	0	0	0
Total Operating Expenditure	3 996 999	4 069 218	4 340 085	6 007 372	5 752 254	5 752 254	6 274 061	6 360 238	6 847 573
Surplus/(Deficit)	390 922	743 654	759 570	(941 809)	(963 872)	(963 872)	(1 198 281)	(413 583)	(399 306)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	373 625	467 451	745 430	402 300	617 494	617 494	406 262	282 570	315 000
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Deparim Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatbns, Higher Educ Institutions)	8 750	19 635	10 915	12 000	12 500	12 500	28 398	29 065	29 770
Transfers & subsidies capital in-kind	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	773 297	1 230 740	1 515 915	(527 509)	(333 878)	(333 878)	(763 622)	(101 947)	(54 536)
Taxation	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation	773 297	1 230 740	1 515 915	(527 509)	(333 878)	(333 878)	(763 622)	(101 947)	(54 536)
Attributable to minorities	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality	773 297	1 230 740	1 515 915	(527 509)	(333 878)	(333 878)	(763 622)	(101 947)	(54 536)
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	773 297	1 230 740	1 515 915	(527 509)	(333 878)	(333 878)	(763 622)	(101 947)	(54 536)
Capital Expenditure	1 573 852	1 743 207	1 521 136	2 967 728	1 996 507	1 996 507	2 838 119	3 088 771	3 523 372

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

2.13.1 Executive Summary

The CTICC was established in 2003 with the clear purpose of contributing to economic growth and job creation in the City and province through the hosting of international- and national conferences, meetings, exhibitions and events. Since then the CTICC has not only met, but exceeded those expectations on every level.

The CTICC is approaching its 17th year of operations and has sustained more than 130,000 direct and indirect jobs since inception and contributed a considerable R47.7 billion to South Africa's Gross Domestic Product (GDP), of which over R39.6 billion was injected directly into the Western Cape's Gross Geographic Product (GGP).

As it enters its third year of operations in 2019/20, CTICC 2 continues to support its purpose and growth outlook, as well as the city's objective of establishing Cape Town's Africa's top business events destination. The increased capacity and flexibility of physical space allows for higher delegate numbers, as well as increasing the variety of events that can be held concurrently. This provides a significant boost to Cape Town's global standing as a premier world-class meetings and events destination.

In this highly competitive market the CTICC has sought to differentiate its offering from those of its industry peers through a focus on high standards, service excellence and leadership in triple-bottom-line sustainability. There is a strong commitment to innovation, service excellence, and importantly financial sustainability. This, along with an active pursuit of events that support the 'knowledge economy', have bolstered the CTICC's importance as a significant contributor to the local- and national economy.

There is no doubt that economic growth is increasingly dependent on intellectual capital and it is believed that the CTICC has a significant role to play in providing a platform for knowledge exchange and rigorous debate, not only in South Africa but also the broader global economy.

To this end, many of the 560 events hosted by the CTICC in the 2018/19 financial year, especially the international conferences, supported the advancement of industries that have been identified by the City and the Western Cape Government as key catalytic sectors for trade, investment and growth. By attracting global associations and experts to these events, the CTICC makes a vital contribution towards growing essential expertise, knowledge and skills.

Annexure 31 represents the CTICC's Business Plan for the 2020/21 financial year, based on its stated purpose, which is to create jobs by attracting events in key economic sectors and exceeding clients' expectations.

As a state-owned entity, this business plan is aligned with the City's Integrated Development Plan (IDP), as well as the Western Cape Government's Economic Growth Strategy, and is guided by their key principles.

For context, the 2020/21 plan includes an organisational overview of the CTICC and the core reasons for its formation. The CTICC operates in a challenging global context and the market analysis section of this plan provides insight into the broader market environment. The business plan and budget also take into account the impact of the COVID-19 pandemic on the operations and finances of the company.

The company has continued to pay full salaries for all permanent employees since the state of disaster and lock down was instituted even though normal operations have ceased, but a majority of the staff were equipped to work remotely. The staff not able to work remotely will be rostered to work during the period that the temporary hospital is in the building.

Financial management

The CTICC has, over the past number of years, managed to generate positive growth in revenue and operating profit before interest, taxation, depreciation and amortisation (EBITDA), despite various challenges facing the region and industry. The budget for the 2020/21 financial year has been compiled by management, taking into account the significant negative impact of the COVID-19 pandemic on the company's ability to host events in the near future.

As a consequence of the preventative COVID-19 measures put in place by the government, the National Treasury has issued guidance in the form of the Annexure to MFMA Circular No 99. This enables the CTICC to submit a revised budget which takes into account the specific impact of the pandemic on the company's operations.

In light of the state of disaster and lockdown, the CTICC has been unable to host events since mid-March 2020, which has had a devastating impact on operations. During this time, no revenue could be earned, yet most operating costs remained in place, and it is anticipated that events will only be given the go-ahead in the early stages of 2021. A large percentage of the staff was provided with the tools to work from home and, while it proved challenging at times, this new system was largely successful.

Whereas the CTICC's previous budget estimated a R12.1 million profit, the net result of the current pandemic may result in a budgeted EBITDA loss of R50.0 million. However, the CTICC has been able to mitigate the total revenue loss by concluding agreements with the Western Cape Provincial Government (WPCG) to:

- Utilise the CTICC 1 as a temporary intermediate case hospital for 3 months (ending mid-September 2020); and
- Utilise the CTICC 2 for storage of medical supplies until 30 June 2020

Both these contracts may be extended on a month to month basis, as required.

CTICC has always been in the enviable position of generating its own financial resources, which fund its growth through re-investing for the future, the only exception being the major expansion of CTICC 2. This trend is however not likely to persist in the 2020/21 financial year as a result of the loss in business and the use of available cash resources to fund operational and critical capital expenditure.

The CTICC's overall impact is not judged solely on its own financial results but the overall benefit to the citizens of Cape Town, the Western Cape and South Africa, which is best reflected in the contribution to the GDP, as mentioned previously.

Each business unit has an implementation framework and a detailed action plan for the next year, which supports overall business objectives. These unit strategies support the core business strategy and explain how key performance indicators will be achieved and how each unit will contribute to the sustainability of the organisation.

Given the company's economic mandate, the CTICC continues to focus on expanding its international reach. Now more than ever, it is important to ensure that the CTICC plans for the future and adapts in a way that allows the CTICC to achieve success in the post-pandemic environment. Sales, client relations and marketing strategies are in place to, firstly, keep the CTICC top of mind with key role-players and decision-makers and, secondly, position the CTICC as a venue that has the staff, skills, track-record and vision to deliver and exceed clients' expectations. The CTICC has several client engagements planned, nationally and particularly internationally, to support this strategy.

2.13.2 Service Delivery Agreement between the City and the CTICC

Table 74 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	Not applicable
Monetary value	No current operating funding from the City.
Ownership and control	<u>Shareholding as at 31/01/2020</u> City of Cape Town - 71.4% Provincial Government of Western Cape - 23.2% SunWest International Pty Ltd - 5.4%
Oversight processes	The Finance directorate (Treasury Department) of the City monitors performance and compliance.
Mandate	To manage and sustain a World Class International Convention Centre
Funding over medium term	The CTICC does not intend taking up loan funding to fund their capital programme at this time.
Summary of SDA	Sets out the obligations of the CTICC and the City in respect of compliance and performance issues.
Link to IDP	SFA 1: Opportunity City SFA 4: Inclusive City SFA 5: Well-run City
Past performance and future objectives	The CTICC has performed exceptionally well and exceeded its targets in the past. As the expanded centre will support the CTICC's vision and growth outlook, as well as the City's objective of establishing Cape Town as Africa's top business events destination.

The entity's major expenditure categories include:

- Employee-related costs
- Depreciation
- Contracted services, which mainly consists of cleaning services, security services and refuse removal.
- Other expenditure, consisting mainly of marketing and communication, IT costs, Office- and travel costs, and which are an integral part of the entity's business strategy to grow revenue.

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 9 of the MBRR, are presented in the five primary budget tables on page 205 to page 209. These tables reflect the CTICC's 2020/21 budget and MTREF to be supported by Council.

Schedule D reflecting the annual budget and supporting documents for the CTICC is attached as Annexure 30, while the business plan is attached as Annexure 31. The entity's proposed tariffs are attached as Annexure 32.

Table 75 CTICC - Table D1 Budget Summary

Description	2016/17	2017/18	2018/19	Current Year 2019/20			Medium Term Revenue and Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousands									
Financial Performance									
Property rates	–	–	–	–	–	–	–	–	–
Service charges	–	–	–	–	–	–	–	–	–
Investment revenue	28 825	17 829	14 482	6 900	11 750	11 750	8 075	8 560	9 074
Transfers and subsidies	–	–	–	–	–	–	–	–	–
Other own revenue	215 648	246 324	277 782	278 700	278 700	278 700	207 907	259 730	276 265
Total Revenue (excluding capital transfers and contributions)	244 473	264 153	292 264	285 600	290 450	290 450	215 982	268 290	285 338
Employee costs	57 457	56 451	64 254	89 652	79 845	79 845	90 325	96 419	102 085
Remuneration of Board Members	578	459	415	581	581	581	581	610	641
Depreciation & asset impairment	24 424	502 419	54 123	50 164	56 293	56 293	54 499	52 319	50 750
Finance charges	3	–	–	–	–	–	–	–	–
Materials and bulk purchases	–	33 615	35 762	40 524	41 607	41 607	28 061	39 651	42 183
Transfers and subsidies	–	–	2 124	–	–	–	–	–	–
Other expenditure	104 551	98 554	117 709	137 798	137 750	137 750	138 941	148 240	158 184
Total Expenditure	187 013	691 499	274 386	318 719	316 076	316 076	312 407	337 240	353 842
Surplus/(Deficit)	57 460	(427 346)	17 878	(33 118)	(25 626)	(25 626)	(96 425)	(68 950)	(68 504)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	–	–	–	–	–	–	–	–	–
Contributions recognised - capital & contributed assets	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	57 460	(427 346)	17 878	(33 118)	(25 626)	(25 626)	(96 425)	(68 950)	(68 504)
Taxation	13 983	(117 590)	5 394	–	(7 731)	(7 731)	(25 520)	(20 802)	(20 668)
Surplus/ (Deficit) for the year	43 476	(309 756)	12 484	(33 118)	(17 894)	(17 894)	(70 906)	(48 147)	(47 836)
Capital expenditure & funds sources									
Capital expenditure	367 936	115 960	66 087	42 479	59 767	59 767	75 483	74 894	63 394
Transfers recognised - capital	–	–	–	–	–	–	–	–	–
Borrowing	–	–	–	–	–	–	–	–	–
Internally generated funds	367 936	115 960	66 087	42 479	59 767	59 767	75 483	74 894	63 394
Total sources of capital funds	367 936	115 960	66 087	42 479	59 767	59 767	75 483	74 894	63 394
Financial position									
Total current assets	268 623	245 145	252 295	181 214	213 935	213 935	110 167	24 037	21 187
Total non current assets	965 327	704 703	880 699	712 645	884 947	884 947	884 708	926 550	969 238
Total current liabilities	81 046	106 700	97 972	106 255	82 090	82 090	78 525	82 270	169 830
Total non current liabilities	–	–	335	–	–	–	–	114	228
Community wealth/Equity	1 152 904	843 148	1 034 686	787 605	1 016 792	1 016 792	916 350	868 203	820 367
Cash flows									
Net cash from (used) operating	44 827	88 732	20 004	(23 312)	51 548	51 548	(16 944)	(2 802)	(24 154)
Net cash from (used) investing	(405 437)	(115 960)	(61 517)	(42 479)	(59 767)	(59 767)	(75 483)	(74 894)	(63 394)
Net cash from (used) financing	193 000	–	–	–	–	–	–	–	–
Cash/cash equivalents at the year end	250 985	223 757	182 243	163 428	174 025	174 025	81 598	3 903	(83 645)

Table 76 CTICC - Table D2 Budgeted Financial Performance (revenue and expenditure)

Description R thousands	2016/17	2017/18	2018/19	Current Year 2019/20			Medium Term Revenue and Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Revenue by Source									
Property rates	–	–	–	–	–	–	–	–	–
Service charges - electricity revenue	–	–	–	–	–	–	–	–	–
Service charges - water revenue	–	–	–	–	–	–	–	–	–
Service charges - sanitation revenue	–	–	–	–	–	–	–	–	–
Service charges - refuse revenue	–	–	–	–	–	–	–	–	–
Rental of facilities and equipment	104 571	115 084	128 088	131 820	131 820	131 820	115 960	118 138	125 692
Interest earned - external investments	28 825	17 829	14 482	6 900	11 750	11 750	8 075	8 560	9 074
Interest earned - outstanding debtors	–	–	–	–	–	–	–	–	–
Dividends received	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits	–	–	–	–	–	–	–	–	–
Licences and permits	–	–	–	–	–	–	–	–	–
Agency services	–	–	–	–	–	–	–	–	–
Transfers and subsidies	–	–	–	–	–	–	–	–	–
Other revenue	111 077	131 240	149 694	146 880	146 880	146 880	91 947	141 593	150 573
Gains	–	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)	244 473	264 153	292 264	285 600	290 450	290 450	215 982	268 290	285 338
Expenditure By Type									
Employee related costs	57 457	56 451	64 254	89 652	79 845	79 845	90 325	96 419	102 085
Remuneration of councillors	578	459	415	581	581	581	581	610	641
Debt impairment	–	1 057	414	300	300	300	450	450	450
Depreciation & asset impairment	24 424	502 419	54 123	50 164	56 293	56 293	54 499	52 319	50 750
Finance charges	3	–	–	–	–	–	–	–	–
Bulk purchases	–	–	–	–	–	–	–	–	–
Other materials	–	33 615	35 762	40 524	41 607	41 607	28 061	39 651	42 183
Contracted services	–	52 915	59 538	66 227	59 428	59 428	60 033	63 641	67 473
Transfers and subsidies	–	–	2 124	–	–	–	–	–	–
Other expenditure	104 551	44 583	57 064	71 272	78 021	78 021	78 458	84 149	90 261
Losses	–	–	692	–	–	–	–	–	–
Total Expenditure	187 013	691 499	274 386	318 719	316 076	316 076	312 407	337 240	353 842
Surplus/(Deficit)	57 460	(427 346)	17 878	(33 118)	(25 626)	(25 626)	(96 425)	(68 950)	(68 504)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	–	–	–	–	–	–	–	–	–
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	–	–	–	–	–	–	–	–	–
Transfers and subsidies - capital (in-kind - all)	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	57 460	(427 346)	17 878	(33 118)	(25 626)	(25 626)	(96 425)	(68 950)	(68 504)
Taxation	13 983	(117 590)	5 394	–	(7 731)	(7 731)	(25 520)	(20 802)	(20 668)
Surplus/ (Deficit) for the year	43 476	(309 756)	12 484	(33 118)	(17 894)	(17 894)	(70 906)	(48 147)	(47 836)

Table 77 CTICC - Table D3 Capital Budget by vote and funding

Vote Description	2016/17	2017/18	2018/19	Current Year 2019/20			Medium Term Revenue and Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousands									
Capital expenditure by Asset Class/Sub-class									
Other assets	351 231	100 974	43 391	22 450	37 070	37 070	41 713	43 946	42 801
Operational Buildings	351 231	100 974	43 391	22 450	37 070	37 070	41 713	43 946	42 801
Municipal Offices	351 231	100 974	43 391	22 450	37 070	37 070	41 713	43 946	42 801
Computer Equipment	12 853	8 621	15 559	17 051	17 919	17 919	26 586	23 349	12 690
Computer Equipment	12 853	8 621	15 559	17 051	17 919	17 919	26 586	23 349	12 690
Furniture and Office Equipment	3 165	3 183	5 797	1 630	3 430	3 430	4 518	5 021	4 770
Furniture and Office Equipment	3 165	3 183	5 797	1 630	3 430	3 430	4 518	5 021	4 770
Machinery and Equipment	687	3 183	1 340	1 348	1 348	1 348	2 667	2 578	3 133
Machinery and Equipment	687	3 183	1 340	1 348	1 348	1 348	2 667	2 578	3 133
Total capital expenditure on assets	367 936	115 960	66 087	42 479	59 767	59 767	75 483	74 894	63 394
Funded by:									
National Government	–	–	–	–	–	–	–	–	–
Provincial Government	–	–	–	–	–	–	–	–	–
Parent Municipality	–	–	–	–	–	–	–	–	–
District Municipality	–	–	–	–	–	–	–	–	–
Transfers recognised - capital	–	–	–	–	–	–	–	–	–
Borrowing	–	–	–	–	–	–	–	–	–
Internally generated funds	367 936	115 960	66 087	42 479	59 767	59 767	75 483	74 894	63 394
Total Capital Funding	367 936	115 960	66 087	42 479	59 767	59 767	75 483	74 894	63 394

Table 78 CTICC - Table D4 Budgeted Financial Position

Description	2016/17	2017/18	2018/19	Current Year 2019/20			Medium Term Revenue and Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousands									
ASSETS									
Current assets									
Cash	14 301	6 282	12 023	–	–	–	–	–	–
Call investment deposits	236 684	217 475	170 221	163 428	174 025	174 025	81 598	3 903	–
Consumer debtors	–	–	–	–	–	–	–	–	–
Other debtors	16 440	19 796	65 862	16 032	36 032	36 032	24 077	15 584	16 576
Current portion of long-term receivables	–	–	2 124	–	2 124	2 124	2 124	2 124	2 124
Inventory	1 198	1 591	2 065	1 755	1 755	1 755	2 367	2 426	2 487
Total current assets	268 623	245 145	252 295	181 214	213 935	213 935	110 167	24 037	21 187
Non current assets									
Long-term receivables	–	–	175 051	–	172 927	172 927	170 803	168 679	166 555
Investments	0	–	0	0	0	0	0	0	0
Investment property	–	–	–	–	–	–	–	–	–
Investment in Associate	–	–	–	–	–	–	–	–	–
Property, plant and equipment	961 750	575 139	581 477	583 081	595 581	595 581	543 992	567 156	591 300
Biological	–	–	–	–	–	–	–	–	–
Intangible	–	–	–	–	–	–	–	–	–
Other non-current assets	3 577	129 564	124 170	129 564	116 439	116 439	169 912	190 715	211 383
Total non current assets	965 327	704 703	880 699	712 645	884 947	884 947	884 708	926 550	969 238
TOTAL ASSETS	1 233 950	949 848	1 132 993	893 859	1 098 882	1 098 882	994 875	950 587	990 425
LIABILITIES									
Current liabilities									
Bank overdraft	–	–	–	–	–	–	–	–	83 645
Borrowing	–	–	–	–	–	–	–	–	–
Consumer deposits	19 687	28 163	41 386	32 849	32 849	32 849	32 700	34 335	36 052
Trade and other payables	56 399	73 814	51 009	68 596	44 096	44 096	41 229	42 878	44 593
Provisions	4 960	4 723	5 577	4 810	5 145	5 145	4 596	5 057	5 540
Total current liabilities	81 046	106 700	97 972	106 255	82 090	82 090	78 525	82 270	169 830
Non current liabilities									
Borrowing	–	–	–	–	–	–	–	–	–
Provisions	–	–	335	–	–	–	–	114	228
Total non current liabilities	–	–	335	–	–	–	–	114	228
TOTAL LIABILITIES	81 046	106 700	98 307	106 255	82 090	82 090	78 525	82 384	170 058
NET ASSETS	1 152 904	843 148	1 034 686	787 605	1 016 792	1 016 792	916 350	868 203	820 367
COMMUNITY WEALTH/EQUITY									
Accumulated Surplus/(Deficit)	(124 524)	(434 280)	(242 741)	(489 823)	(260 636)	(260 636)	(361 078)	(409 225)	(457 061)
Reserves	1 277 428	1 277 428	1 277 428	1 277 428	1 277 428	1 277 428	1 277 428	1 277 428	1 277 428
TOTAL COMMUNITY WEALTH/EQUITY	1 152 904	843 148	1 034 686	787 605	1 016 792	1 016 792	916 350	868 203	820 367

Table 79 CTICC – Table D5 Budgeted Cash Flow

Description	2016/17	2017/18	2018/19	Current Year 2019/20			Medium Term Revenue and Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousands									
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Property rates	-	-	-	-	-	-	-	-	-
Service charges	-	-	-	-	-	-	-	-	-
Other revenue	194 518	248 151	247 577	277 139	272 574	272 574	207 907	259 730	276 265
Transfers and Subsidies - Operational	-	-	-	-	-	-	-	-	-
Transfers and Subsidies - Capital	-	-	-	-	-	-	-	-	-
Interest	28 825	17 829	14 846	6 900	11 750	11 750	8 075	8 560	9 074
Dividends	-	-	-	-	-	-	-	-	-
Payments									
Suppliers and employees	(178 513)	(177 249)	(242 419)	(307 351)	(232 776)	(232 776)	(232 926)	(271 092)	(309 492)
Finance charges	(3)	-	-	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	-	-	-	-
Transfers and Grants	-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES	44 827	88 732	20 004	(23 312)	51 548	51 548	(16 944)	(2 802)	(24 154)
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-
Payments									
Capital assets	(405 437)	(115 960)	(61 517)	(42 479)	(59 767)	(59 767)	(75 483)	(74 894)	(63 394)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(405 437)	(115 960)	(61 517)	(42 479)	(59 767)	(59 767)	(75 483)	(74 894)	(63 394)
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	193 000	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-	-	-
Payments									
Repayment of borrowing	-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES	193 000	-	-	-	-	-	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD	(167 610)	(27 228)	(41 513)	(65 791)	(8 219)	(8 219)	(92 426)	(77 695)	(87 547)
Cash/cash equivalents at the year begin:	418 595	250 985	223 757	229 219	182 243	182 243	174 025	81 598	3 903
Cash/cash equivalents at the year end:	250 985	223 757	182 243	163 428	174 025	174 025	81 598	3 903	(83 645)

2.14 Annual budget and service delivery agreement – Cape Town Stadium (CTS)

2.14.1 Executive Summary

The 2018/2019 financial year has been an eventful and rewarding year for the CTS. As projected in the previous business planning cycle, CTS has taken major strides in developing and implementing its organisational, administrative, commercial, financial and facility management operations.

CTS's Board and management are pleased to report that they have successfully concluded its organisational re-structure following the establishment and commencement of the business operations of the entity. This included the finalisation and implementation of the legislatively required Service Delivery Agreement (SDA) with the City in respect of its governance and management of the CTS.

CTS has now been enabled to effectively execute on its contractual mandate to the City for the ultimate benefit of the City ratepayers.

In pursuit of its board-approved commercialisation strategy, which has been the primary operational focus point of CTS during its current business cycle, CTS has fine-tuned its commercial strategy and business plan. This has included the identification and the commencement of the implementation of all possible commercial revenue streams, particularly those which have been enhanced by the securing of a major local and international Rugby Union franchise, Western Province Rugby (WPR) as a premium anchor tenant at CTS.

In this regard a 'Binding Heads of Agreement' has been signed between all parties and it is envisaged that WPR will be playing their first few professional matches at the CTS in early 2021. Critically, CTS has also finalised and is in the process of implementing its commercial delivery model, which encompasses both outsourced and in-house elements. Tender processes in respect of seven key stadium commercial revenue streams are well advanced and although commercial tenders are to be awarded by July 2020, income are only to be earned from early 2021 due to the fact that there are no events for the period of July- December 2020 as a result of the COVID-19 pandemic.

A critical commercial revenue generator is the Naming Rights to CTS. This initiative has advanced as there are current discussions underway in securing a naming rights partner. Three naming rights partners have expressed genuine interest and CTS is looking forward to the appointment of a suitable partner.

Further to the entity's drive towards achieving full commercial capitalisation of the stadium, appropriate focused targets have been set as per its SDBIP scorecard – refer Annexure 34 of this document. This has been agreed to with the City in order to achieve its stated commercial objective.

The board committees and subcommittees have been fully constitutionalised via the development and approval of their Terms of Reference, which include:

- Audit and Risk Committee;
- Human Resource, Social & Ethics Sub-committee; and
- Events, Marketing & Communication Sub-committee.

CTS is entering into its commercial and financial sustainability phase of its business cycle, which is ultimately aimed at transforming the CTS into a financially sustainable asset.

2.14.2 Purpose & Service Mandate

The CTS has been mandated in terms of the SDA between the City and the Stadium to, inter alia, provide the following services and functions:

- **General Facility Operations**

Asset management and maintenance: Information and Communications Technology (ICT) services and infrastructure support (tickets, advertising, audio-visual, etc.); safety and security; capital and refurbishment; and investment projects.

- **Events and Entertainment Services Management**

Bowl and non-bowl event scheduling; planning and execution; development and hosting of signature events; managing of events industry and service provider requirement; events leveraging and bidding processes etc.

- **Commercialisation, Marketing and Hospitality Management**

Advertising; merchandising; supplier and pouring rights; ticketing; hospitality; sponsorships; tourism; marketing of bowl and non-bowl facilities; property development and management; commercial legal services.

- **Legal, Human Resources and Administration Management**

Establishment and management of structures, systems and processes with regards to finance, revenue and expenditure, legal, governance, human resources and administration and such additional services as the City may require from time to time.

2.14.3 Service Delivery Agreement between the City and the CTS

Table 80 CTS – Service Delivery Agreement

Period of agreement	The City may, at its sole discretion, extend the service provider's appointment for a further period of 49 years. Then say effectively 50 years from commencement date.
Funding	The City will provide the grant/allocation to cover the entity's operational expenditure in terms of an approved budget and provide support services for the first three years. The entity will be responsible for all maintenance, which is based on the City's maintenance standards. The City will be liable for all capital expenditure, including additional hospitality suites.
Staffing	The City will second staff members to the entity with the concurrence of the staff members concerned. Staff currently employed at the Cape Town Stadium will remain as City employees, will be paid by the City and will receive their standard benefits including bonuses and leave pay. The entity may appoint additional staff.
Services to be Provided	<ul style="list-style-type: none"> • General facility maintenance and event support operations; • Events and entertainment services management; • Commercialisation, marketing and hospitality management; and • Finance, legal and administration management.
Ownership and Control	The City is the 100% shareholder of the entity.
Oversight Processes	The Finance directorate (Treasury department) of the City monitors the Service Delivery Agreement (SDA) and related performance and compliance of the entity.
City's Obligations	The City must provide dedicated and prioritised support with regards to accounting, financial management and budgeting per the MFMA, including utilisation of the SAP (Systems, Applications and Products) system as used by the City and Supply Chain Management support, legal company secretary, brand management and communication. In addition, the City must provide dedicated and prioritised services in regard to human resource management support, as well as internal audit and risk management support including oversight over the service provider's audit committee.

The entity's major expenditure categories include:

- Contracted services mostly linked to:
 - Repairs and Maintenance;
 - Costs of seconded employees;
 - Cleaning;
 - Security; and
 - City Support Services (on event days).
- Other expenditure including utility costs i.e.:
 - Electricity
 - Water

The aggregated annual budget, as required in terms of section 9 of the MBRR, are presented in the five primary budget tables on page 213 to page 216. These tables reflect the CTS's 2020/21 budget and MTREF to be supported by Council.

Schedule D reflecting the CTS's annual budget and supporting documents is attached as Annexure 33 while the business plan is attached as Annexure 34. The CTS's proposed tariff structure is attached as Annexure 35.

Table 81 CTS - Table D1 Budget Summary

Description	2016/17	2017/18	2018/19	Current Year 2019/20			Medium Term Revenue and Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousands									
Financial Performance									
Property rates	-	-	-	-	-	-	-	-	-
Service charges	-	-	-	-	-	-	-	-	-
Investment revenue	-	-	-	-	-	-	-	-	-
Transfers recognised - operational	-	26 337	55 120	71 346	71 346	71 346	65 718	29 918	29 296
Other own revenue	-	6 749	24 558	22 921	22 921	22 921	27 433	84 866	96 119
Total Revenue (excluding capital transfers and contributions)	-	33 087	79 678	94 267	94 267	94 267	93 150	114 784	125 416
Employee costs	-	-	-	-	-	-	1 409	1 528	1 658
Remuneration of board members	-	205	320	739	400	400	424	460	500
Depreciation & asset impairment	-	-	-	-	-	-	-	-	-
Finance charges	-	-	-	-	-	-	-	-	-
Materials and bulk purchases	-	-	445	1 354	645	645	674	704	736
Transfers and grants	-	-	-	-	-	-	-	-	-
Other expenditure	-	32 882	78 912	92 174	93 222	93 222	90 643	112 091	122 522
Total Expenditure	-	33 087	79 678	94 267	94 267	94 267	93 150	114 784	125 416
Surplus/(Deficit)	-	0	(0)	-	-	-	(0)	0	(0)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	-	0	(0)	-	-	-	(0)	0	(0)
Taxation	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	-	0	(0)	-	-	-	(0)	0	(0)
Capital expenditure & funds sources									
Capital expenditure	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	-	-	-	-	-	-	-	-	-
Total sources of capital funds	-	-	-	-	-	-	-	-	-
Financial position									
Total current assets	-	4 777	3 948	9 616	4 195	4 195	6 392	3 541	3 597
Total non current assets	-	-	-	-	-	-	-	-	-
Total current liabilities	-	4 777	3 948	9 616	4 195	4 195	6 392	3 541	3 597
Total non current liabilities	-	-	-	-	-	-	-	-	-
Community wealth/Equity	-	-	-	-	-	-	-	-	-
Cash flows									
Net cash from (used) operating	-	(0)	11	3 771	3 771	3 771	(3 771)	0	0
Net cash from (used) investing	-	-	-	-	-	-	-	-	-
Net cash from (used) financing	-	-	-	-	-	-	-	-	-
Cash/cash equivalents at the year end	-	(0)	11	9 616	3 781	3 781	10	10	10

Table 82 CTS - Table D2 Budgeted Financial Performance (revenue and expenditure)

Description	2016/17	2017/18	2018/19	Current Year 2019/20			Medium Term Revenue and Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Revenue by Source									
Property rates	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	-	-	-	-	-	-	-	-	-
Service charges - water revenue	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	-	6 307	22 126	16 071	22 721	22 721	21 376	63 076	69 743
Interest earned - external investments	-	-	-	-	-	-	-	-	-
Interest earned - outstanding debtors	-	-	-	-	-	-	-	-	-
Dividends received	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	-	-	-	-	-
Licences and permits	-	-	-	-	-	-	-	-	-
Agency services	-	-	-	-	-	-	-	-	-
Transfers and subsidies	-	26 337	55 120	71 346	71 346	71 346	65 718	29 918	29 296
Other revenue	-	442	2 432	6 850	200	200	6 057	21 790	26 377
Gains	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)	-	33 087	79 678	94 267	94 267	94 267	93 150	114 784	125 416
Expenditure By Type									
Employee related costs	-	-	-	-	-	-	1 409	1 528	1 658
Remuneration of board members	-	205	320	739	400	400	424	460	500
Debt impairment	-	-	-	-	-	-	-	-	-
Depreciation & asset impairment	-	-	-	-	-	-	-	-	-
Finance charges	-	-	-	-	-	-	-	-	-
Bulk purchases	-	-	-	-	-	-	-	-	-
Other materials	-	-	445	1 354	645	645	674	704	736
Contracted services	-	19 633	58 828	73 100	72 435	72 435	68 715	84 635	92 039
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Other expenditure	-	13 249	20 084	19 074	20 787	20 787	21 928	27 456	30 482
Losses	-	-	-	-	-	-	-	-	-
Total Expenditure	-	33 087	79 678	94 267	94 267	94 267	93 150	114 784	125 416
Surplus/(Deficit)	-	0	(0)	-	-	-	(0)	0	(0)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	-	0	(0)	-	-	-	(0)	0	(0)
Taxation	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	-	0	(0)	-	-	-	(0)	0	(0)

Table 83 CTS - Table D4 Budgeted Financial Position

Description	2016/17	2017/18	2018/19	Current Year 2019/20			Medium Term Revenue and Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousands									
ASSETS									
Current assets									
Cash	-	-	11	9 616	10	10	10	10	10
Call investment deposits	-	-	-	-	-	-	-	-	-
Consumer debtors	-	-	772	-	-	-	-	-	-
Other debtors	-	4 777	3 165	-	4 185	4 185	6 382	3 530	3 587
Current portion of long-term receivables	-	-	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-	-	-
Total current assets	-	4 777	3 948	9 616	4 195	4 195	6 392	3 541	3 597
Non current assets									
Long-term receivables	-	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-	-
Investment property	-	-	-	-	-	-	-	-	-
Investment in Associate	-	-	-	-	-	-	-	-	-
Property, plant and equipment	-	-	-	-	-	-	-	-	-
Biological	-	-	-	-	-	-	-	-	-
Intangible	-	-	-	-	-	-	-	-	-
Other non-current assets	-	-	-	-	-	-	-	-	-
Total non current assets	-	-	-	-	-	-	-	-	-
TOTAL ASSETS	-	4 777	3 948	9 616	4 195	4 195	6 392	3 541	3 597
LIABILITIES									
Current liabilities									
Bank overdraft	-	0	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-
Consumer deposits	-	-	-	-	-	-	-	-	-
Trade and other payables	-	4 776	3 948	9 616	4 195	4 195	6 392	3 541	3 597
Provisions	-	-	-	-	-	-	-	-	-
Total current liabilities	-	4 777	3 948	9 616	4 195	4 195	6 392	3 541	3 597
Non current liabilities									
Borrowing	-	-	-	-	-	-	-	-	-
Provisions	-	-	-	-	-	-	-	-	-
Total non current liabilities	-	-	-	-	-	-	-	-	-
TOTAL LIABILITIES	-	4 777	3 948	9 616	4 195	4 195	6 392	3 541	3 597
NET ASSETS	-	-	(0)	-	-	-	-	-	-
COMMUNITY WEALTH/EQUITY									
Accumulated Surplus/(Deficit)	-	-	-	-	-	-	-	-	-
Reserves	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	-	-	-	-	-	-	-	-	-

Table 84 CTS – Table D5 Budgeted Cash Flow

Description	2016/17	2017/18	2018/19	Current Year 2019/20			Medium Term Revenue and Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousands									
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Property rates	-	-	-	-	-	-	-	-	-
Service charges	-	-	-	-	-	-	-	-	-
Other revenue	-	6 332	22 180	22 921	22 921	22 921	27 433	84 866	96 119
Transfers and Subsidies - Operational	-	21 561	55 120	71 346	71 346	71 346	65 718	29 918	29 296
Transfers and Subsidies - Capital	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-	-
Payments									
Suppliers and employees	-	(27 893)	(77 289)	(90 496)	(90 496)	(90 496)	(96 921)	(114 784)	(125 416)
Finance charges	-	-	-	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	-	-	-	-
Transfers and Grants	-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES	-	(0)	11	3 771	3 771	3 771	(3 771)	0	0
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-
Payments									
Capital assets	-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) INVESTING ACTIVITIES	-	-	-	-	-	-	-	-	-
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-	-	-
Payments									
Repayment of borrowing	-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES	-	-	-	-	-	-	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD	-	(0)	11	3 771	3 771	3 771	(3 771)	0	0
Cash/cash equivalents at the year begin:	-	-	(0)	5 846	11	11	3 781	10	10
Cash/cash equivalents at the year end:	-	(0)	11	9 616	3 781	3 781	10	10	10

2.15 Contracts having future budgetary implications

Table 85 MBRR Table SA33 - Contracts having future budgetary implications

Description	Preceding Years	Current Year 2019/20	2020/21 Medium Term Revenue & Expenditure Framework			Forecast 2023/24	Forecast 2024/25	Forecast 2025/26	Forecast 2026/27	Forecast 2027/28	Forecast 2028/29	Forecast 2029/30	Total Contract Value
	Total	Original Budget	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
R thousand													
Revenue Obligation By Contract													
<i>Transnet (waste from Athlone Transfer Station to Vissershok Landfill Site)</i>	20 240	21 656	23 172	24 794	26 529	28 386	30 373	–	–	–	–	–	175 150
<i>Bulk printing and postal processing</i>	73 579	44 763	47 225	49 587	51 000	54 000	57 000	61 000	63 000	66 000	69 000	72 000	708 155
Total Operating Revenue Implication	93 819	66 419	70 397	74 381	77 529	82 386	87 373	61 000	63 000	66 000	69 000	72 000	883 305
Expenditure Obligation By Contract													
<i>Supply, install and maintain Integrated Engineering Communications System (rates)</i>	–	20 000	20 000	20 000	20 000	20 000	20 000	–	–	–	–	–	120 000
<i>Provision of professional services: Business planning and related services Tender 198C/2017/18</i>	–	10 990	9 000	9 000	9 000	9 000	9 000	9 000	9 000	6 010	–	–	80 000
<i>Vehicle operator agreement - Transpeninsula - Tender DP5077S/2019/20</i>	658 020	176 793	147 202	207 403	224 838	243 906	253 687	92 126	–	–	–	–	2 003 974
<i>Vehicle operator agreement - Table Bay area rapid transit - Tender</i>	578 739	161 411	134 692	190 581	207 160	225 232	238 668	86 735	–	–	–	–	1 823 218
<i>Vehicle operator agreement - Kidrogen - Tender DP5078S/2019/20</i>	893 267	263 087	219 106	309 072	335 481	364 116	380 654	138 529	–	–	–	–	2 903 312
Total Operating Expenditure Implication	2 130 026	632 280	530 000	736 056	796 479	862 254	902 009	326 390	9 000	6 010	–	–	6 930 504
Capital Expenditure Obligation By Contract													
<i>Provision of professional services in respect of the Steenbras pumped storage main plant refurbishment - Tender 113C/2013/14</i>	8 052	–	5 000	10 000	20 000	20 000	4 000	–	–	–	–	–	67 052
<i>Design and build of mechanical and electrical works for the construction of a MBR plant and bottleneck alleviation at Zandvliet Wastewater Treatment Works - Tender 178Q/2016/17</i>	11 109	105 756	123 446	134 128	136 502	21 832	–	–	–	–	–	–	532 772
<i>The construction of a MBR plant and bottleneck alleviation at Zandvliet Wastewater Treatment Works: Civil works - Tender 179Q/2016/17</i>	–	47 340	127 199	102 291	20 924	–	–	–	–	–	–	–	297 754
<i>Provision of professional engineering services: Investigation, preliminary design, detailed design and contract supervision for the capacity upgrade at Potsdam WWTP - Tender 300C/2016/17</i>	–	7 539	8 692	8 692	8 692	8 692	8 692	–	–	–	–	–	51 000
<i>Design-build of mechanical and electrical works for the construction of primary treatment and sludge handling facilities at Zandvliet Wastewater Treatment Works - Tender 085Q/2016/17</i>	52 756	103 666	142 136	41 307	–	–	–	–	–	–	–	–	339 865

Table continues on next page

Description	Preceding Years	Current Year 2019/20	2020/21 Medium Term Revenue & Expenditure Framework			Forecast 2023/24	Forecast 2024/25	Forecast 2025/26	Forecast 2026/27	Forecast 2027/28	Forecast 2028/29	Forecast 2029/30	Total Contract Value
	Total	Original Budget	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
Capital Expenditure Obligation By Contract													
<i>Construction of the new inlet works, pump stations, primary settling tanks and sludge dewatering building at Zandvliet Wastewater Treatment Works: Civil Works - Tender 084Q/2016/17</i>	66 148	96 760	83 422	38 028	8 516	-	-	-	-	-	-	-	292 874
<i>Appointment of a panel of multidisciplinary professional consulting teams to undertake the planning, design and construction monitoring services of the Hostel Transformation Programme and new CRU developments.</i>	-	6 400	18 100	12 350	20 500	20 143	-	-	-	-	-	-	77 493
<i>Provision of professional project management services: Integrated rapid transit -Tender 119C/2014/15</i>	25 928	11 975	15 094	32 738	33 052	-	-	-	-	-	-	-	118 786
<i>Provision of professional services: Planning, preliminary design, concept design, detailed design, tender documentation, and construction supervision for a City wide transport infrastructure programme - Tender 385C/2016/17</i>	-	3 700	10 000	15 000	20 000	20 000	11 920	-	-	-	-	-	80 620
Total Capital Expenditure Implication	163 994	383 135	533 089	394 534	268 186	90 667	24 612	-	-	-	-	-	1 858 217
Total Parent Expenditure Implication	2 387 839	1 081 835	1 133 486	1 204 971	1 142 194	1 035 307	1 013 994	387 390	72 000	72 010	69 000	72 000	9 672 026

Table 86 – Projects having future budgetary implications

Description	Project number	Preceding Years	Current Year 2019/20	2020/21 Medium Term Revenue & Expenditure Framework			Forecast 2023/24	Forecast 2024/25	Forecast 2025/26	Future Years	Total Project cost
		Total	Adjusted Budget	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23	Estimate	Estimate	Estimate	Estimate	Estimate
Capital Expenditure Obligation By Project											
Support Services: Community Services & Health: IT Modernisation	CPX.0013591	–	–	3 339	2 175	1 133	70 338	137 927	96 549	148 972	460 434
Recreation & Parks: Upgrade Maitland Crematorium	CPX.0003490	27 152	1 628	27 300	18 700	–	–	–	–	74 780	
Organisational Performance Management: Contract Management System Integration	CPX.0017298	–	–	877	8 746	5 364	40 253	93 430	93 430	282 228	
Information Systems & Technology: Enterprise resource planning software	CPX/0018730	7 646	2 418	80 000	101 300	115 000	116 155	–	–	422 520	
Information Systems & Technology: Core Applications Review - Foundational	CPX/0018726	–	–	2 000	73 500	50 000	50 000	50 000	–	225 500	
Information Systems & Technology: Broadband Infrastructure Programme	CPX/0017286	275 831	270 000	138 000	100 000	100 000	100 000	100 000	100 000	192 246	
Strategic Assets: Good Hope Centre Upgrade Phase 3	CPX.0017921	69 826	57 413	89 500	100 000	122 800	71 000	31 000	31 000	–	
Property Management: Basement Parking & Access	CPX.0004113	31 571	25 000	233 946	190 000	100 000	100 000	100 000	100 000	61 688	
Facilities Management: Facilities Upgrade Area 1: Corporate Head Quarters Phase 2	CPX.0017934	21 801	15 000	21 120	7 595	24 321	290 300	521 100	500 000	923 000	
Facilities Management: Corporate Accommodation Area 3: Voortrekker Corridor	CPX.0017910	–	158 000	113 400	150 000	170 000	230 000	240 000	240 000	111 000	
Facilities Management: Corporate Accommodation Area 3: Bellville	CPX.0017943	–	12 884	–	20 000	20 000	20 000	–	–	72 884	
Facilities Management: Corporate Accommodation Area 4: South	CPX.0017944	–	–	5 000	20 400	65 000	65 000	85 000	149 000	200 000	
Facilities Management: FM Structural Rehabilitation	CPX/0000924	100 269	2 000	121 776	50 939	3 158	12 127	–	–	290 269	
Electricity Generation & Distribution: Ground Mounted Photovoltaic (PV)	CPX.0014782	–	–	2 000	5 000	33 000	70 000	70 000	–	180 000	
Electricity Generation & Distribution: Steenbras: Refurbishment of Main Plant	C14.84071	–	49 584	15 000	–	–	5 416	–	–	70 000	
Electricity Generation & Distribution: Morgen Gronde Switching Station	CPX.0012407	1 973	–	–	–	2 000	–	4 000	100 000	800 000	
Electricity Generation & Distribution: Mitchells Plain - Steenbras 132 kV Overhead Line (OHL)	CPX.0004798	114 196	7 500	3 000	2 000	–	40 000	74 000	–	240 696	
Electricity Generation & Distribution: Koeberg Road Switching Station Phase 3	CPX.0009014	27 036	24 315	39 000	379 000	691 000	551 000	300 300	–	–	
Electricity Generation & Distribution: Paardevlei Switching Station	CPX.0014550	2 130	1 700	20 000	101 610	34 784	96 376	32 447	–	–	
Electricity Generation & Distribution: Outage Management System	C12.84078	2 685	52 000	35 921	20 721	–	42 079	–	–	153 406	
Supply Chain Management: E-Tendering System	CPX.0009401	11 588	–	10 000	50 000	150 000	150 000	266 000	–	–	
Cape Town Stadium: Suites Cape Town Stadium	CPX.0010858	344 758	436 768	563 300	347 500	100 000	264 171	–	–	–	
Informal Settlements: Gugulethu - Airport Precinct Land Rehabilitation	CPX.0012155	–	–	40 000	23 600	–	–	–	–	–	
Informal Settlements: Informal Settlement Upgrade - Enkanini	CPX.0005816	125 004	53 480	52 742	100 491	420 500	363 000	52 917	5 000	20 000	
Informal Settlements: Internal Services: Monwabisi Park	CPX.0005817	24 687	2 677	146 527	150 700	50 000	206 000	80 300	113 000	187 000	
Informal Settlements: Imizamo Yethu Informal Settlement Emergency Project	CPX.0010896	101 239	–	–	2 000	6 700	43 900	229 800	–	1 667 500	
Informal Settlements: Gugulethu: Airport Precinct Informal Settlement	CPX.0017338	501 634	87 530	90 888	60 000	66 542	30 350	5 000	–	–	
Informal Settlements: Kosovo Informal Settlement	CPX.0017416	35 903	27 020	175 600	199 862	160 000	50 000	548 740	–	–	
Housing Development: Aloe Ridge Housing Project	CPX.0014608	320 182	46 397	27 000	2 000	10 000	20 000	–	–	–	
Housing Development: Nooiensfontein Housing Project	CPX.0014611	6 420	1 418	69 718	14 029	–	–	–	–	–	

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Description	Project number	Preceding Years	Current Year 2019/20	2020/21 Medium Term Revenue & Expenditure Framework			Forecast 2023/24	Forecast 2024/25	Forecast 2025/26	Future Years	Total Project cost
		Total	Adjusted Budget	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23	Estimate	Estimate	Estimate	Estimate	Estimate
Capital Expenditure Obligation By Project											
Housing Development: Pelican Park Phase 2 Housing Project	CPX.0008074	1 511	22 069	44 009	5 000	5 000	5 000	-	-	-	82 588
Housing Development: Farm 920 & Bloubos Rd Housing Construct	CPX.0017203	1 086	850	76 800	6 000	-	-	-	-	-	84 736
Housing Development: ACSA Symphony Housing Project Construct	CPX.0017201	3 567	366	67 500	9 448	-	-	-	-	-	80 881
Housing Development: Hostel Transform Plan: Gugulethu Section 3	CPX.0017090	2 315	4 525	52 075	6 354	-	-	-	-	-	65 269
Housing Development: Hostel Transform Plan: Gugulethu Section 2	CPX.0017092	365	825	5 750	90 000	280 000	-	-	-	-	376 940
Housing Development: Hostel Transform Plan: Nyanga	CPX.0017095	5 907	200	34 407	33 667	-	-	-	-	-	74 183
Housing Development: Conradie Housing Development	CPX/0014824	9 074	35 000	34 420	141 050	19 905	-	-	-	-	239 449
Housing Development: Langa Hostels Community Rental Units Project: Special Quarters	CPX.0010624	-	-	2 500	5 000	155 000	104 000	6 000	-	-	272 500
Housing Development: Langa Hostels Community Rental Units Project: Siyahlala	CPX.0010626	150	2 477	476	36 605	35 870	12 940	6 661	-	-	95 179
Housing Development: Sir Lowry's Pass Village Housing Project	CPX.0009187	-	-	46 679	26 500	-	-	-	-	-	73 179
Housing Development: Maroela Housing Project - North	CPX.0011088	-	-	-	500	37 000	37 500	-	-	-	75 000
Housing Development: Maroela Housing Project - South	CPX.0009186	-	-	-	-	36 076	60 000	15 000	-	-	111 076
Housing Development: Forest Village Housing Project	CPX.0009026	95 561	8 297	10 000	10 000	-	261 148	4	-	-	385 011
Housing Development: Belhar CBD Housing Development (PGWC)	CPX.0009027	60 999	76 500	55 000	75 000	75 000	-	-	-	-	342 499
Housing Development: Beacon Valley Housing Project - Mitchell	CPX.0005672	433 846	18 114	31 386	30 000	35 000	-	-	-	-	548 346
Housing Development: Imizamo Yethu Housing Project (Phase 3)	CPX.0003139	19 518	33 482	7 269	-	-	-	-	-	-	60 269
Housing Development: Valhalla Park Integrated Housing Project	CPX.0002700	3 347	-	10 000	25 000	27 300	-	177 672	-	-	243 319
Housing Development: Harare Infill Housing Project	CPX.0005315	1 316	800	600	250	250	40 000	50 000	50 000	50 000	193 216
Housing Development: Vlakteplaas Housing Project	CPX.0008076	9 853	282	15 000	30 000	20 000	-	-	-	-	75 135
Housing Development: Macassar Breaking New Ground Housing Project	CPX.0005674	31 689	65 000	35 000	35 000	35 000	-	-	-	-	201 689
Housing Development: Mahama Housing Project Engineering Services	CPX.0017287	24 936	27 000	3 350	-	-	-	-	-	-	55 286
Housing Development: Delft - The Hague Housing Project	C08.15508	-	-	2 000	22 000	30 000	-	-	-	-	54 000
Housing Development: Kanonkop Phase 2 Housing Project	CPX.0006102	-	-	25 000	40 000	10 000	-	-	-	-	75 000
Law Enforcement, Traffic & Coordination: Law Enforcement Volunteer Base	CPX/0005551	2 600	1 090	8 713	39 000	20 000	-	-	-	-	71 403
Metropolitan Police Services: Property Improvement Training College	CPX.0016148	24 405	29 926	4 639	-	-	-	-	-	-	58 971
Management: Safety & Security: Integrated Contact Centre	CPX.0011057	8 320	500	500	10 150	62 100	50 000	75 000	-	-	206 570
Environmental Management: Strand Sea Wall Phase 2 Upgrade	CPX.0016738	397 503	6 619	2 081	5 000	5 000	-	-	-	-	416 203
Environmental Management: Strand Sea Wall Phase 3 Upgrade	CPX.0016739	777 232	472 042	1 040 002	1 434 461	1 545 051	2 331 028	1 770 858	-	589 382	9 960 058
Environmental Management: Monwabisi Beach Precinct Upgrade	CPX.0016763	-	-	-	11 000	60 000	-	-	-	-	71 000
Environmental Management: Table View Beachfront Upgrade	CPX.0016765	-	-	3 000	-	25 000	70 000	25 000	-	-	123 000

Table continues on next page

Description	Project number	Preceding Years	Current Year 2019/20	2020/21 Medium Term Revenue & Expenditure Framework			Forecast 2023/24	Forecast 2024/25	Forecast 2025/26	Future Years	Total Project cost
		Total	Adjusted Budget	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23	Estimate	Estimate	Estimate	Estimate	Estimate
Capital Expenditure Obligation By Project											
Roads Infrastructure & Management: Rehabilitation of Jakes Gerwel - N2 & N1	CPX.0015203	-	-	3 000	2 500	24 000	30 500	20 000	-	-	80 000
Roads Infrastructure & Management: Road Rehabilitation: Broadlands	CPX.0018273	-	-	2 880	13 040	34 840	28 891	-	-	-	79 652
Roads Infrastructure & Management: Road Rehabilitation: Jakes Gerwel Frans Conradie-Viking	CPX.0018274	5 205	-	1 500	1 500	34 470	16 041	-	-	-	58 716
Public Transport Operations: IRT: Control Centre	CPX.0008858	-	52	14 948	6 000	51 728	58 273	-	-	-	131 000
Network Management: Public Transport System Projects	CPX.0013284	22 006	29 300	44 133	13 000	1 171	-	-	-	-	109 611
Network Management: Public Transport Systems Management Project	C14.01601	-	-	5 000	107 207	81 452	9 900	-	-	-	203 559
Infrastructure Implementation: R44 Road Upgrade: North & South Bound Lanes	CPX.0015906	3 626	2 756	5 219	73 123	73 923	70 723	71 523	-	136 046	436 939
Infrastructure Implementation: Retreat Public Transport Interchange	C11.10537	2 000	2 190	20 000	25 000	25 000	2 000	-	-	-	76 190
Infrastructure Implementation: Wynberg: Public Transport Hub	C11.10541	17 292	25 708	23 579	15 000	-	4 500	-	-	-	86 079
Infrastructure Implementation: Somerset West Public Transport Interchange	C11.10552	-	-	10 000	15 000	112 190	20 000	-	-	-	157 190
Infrastructure Implementation: Smart Technologies at Public Transport Interchanges	CPX.0014833	-	40 862	10 000	63 328	96 092	-	-	-	-	210 283
Infrastructure Implementation: Road Upgrade: Sir Lowrys Pass Village Road-Phase 2	C14.10324	321	546	6 500	6 900	20 000	20 854	-	-	-	55 121
Infrastructure Implementation: Dualling: Main Road 27 to Altona Road	CPX.0014563	10	929	5 310	5 000	22 000	25 310	25 000	25 000	25 000	133 559
Infrastructure Implementation: Dualling: Jip De Jager: Kommiss - Van Riebeecks Hof	CPX.0017953	1 862	880	2 798	2 170	12 827	72 592	72 002	-	-	165 131
Infrastructure Implementation: Road Upgrade: Amandel Road: Bottelary River-Church	CPX.0007857	-	-	3 840	18 704	15 791	45 656	-	-	-	83 991
Infrastructure Implementation: Road Upgrade: Langverwacht Road: Amandle-Zevenwacht	CPX.0007861	-	-	38 866	54 999	67 000	112 000	54 135	-	-	327 000
Infrastructure Implementation: Congestion Relief - Erica Drive	CPX.0007892	-	100	800	1 500	15 000	15 200	15 000	15 000	-	62 600
Infrastructure Implementation: Integrated Bus Rapid Transit System	CPX/0000287	-	100	800	1 500	15 000	15 200	15 000	15 000	-	62 600
Infrastructure Implementation: IRT Phase 2 A	CPX/0000257	-	100	900	1 600	15 000	15 250	15 000	15 000	-	62 850
Water & Sanitation Services: Macassar Flood Alleviation	CPX.0016674	6 270	63 270	15 261	2 000	-	-	-	-	-	86 802
Water & Sanitation Services: Flood Alleviation - Lourens River	CPX.0013019	4 305	1 417	1 304	14 802	20 602	61 199	12 583	-	-	116 212
Water & Sanitation Services: Flood Alleviation-Lourens River Phase II	CPX.0016672	333	584	-	-	4 000	72 216	56 785	-	-	133 919
Water & Sanitation Services: Sir Lowry's Pass River Upgrade	CPX.0012948	-	1 199	33 000	18 559	3 000	1 640	-	-	-	57 399
Water & Sanitation Services: Upgrade Rietvlei Sewer Pump Station	CPX.0010643	-	5 523	12 000	33 581	33 000	61 619	-	-	-	145 723
Water & Sanitation Services: Cape Flats Aquifer	CPX.0010520	7 709	27 912	8 288	1 100	-	7 088	-	-	-	52 097
Water & Sanitation Services: Atlantis Aquifer	CPX.0011032	308 236	50 000	3 705	991	-	40 000	-	-	-	402 932
Water & Sanitation Services: Cape Flats Aquifer Recharge	CPX.0013724	74 978	75 654	3 000	-	-	-	-	-	-	153 632
Water & Sanitation Services: Zandvliet Plant Re-use (50ML)	CPX.0014007	3 649	354	45 830	40 800	-	15 146	-	-	-	105 779
Water & Sanitation Services: Table Mountain Group Aquifer	CPX.0016654	3 561	133	16 065	11 825	18 362	70 638	99 885	-	-	220 469
Water & Sanitation Services: Fisantekraal Wastewater Treatment Works (WWTW)	CPX.0009633	27 189	23 200	4 000	3 000	1 100	-	-	-	-	58 489

Table continues on next page

Description	Project number	Preceding Years	Current Year 2019/20	2020/21 Medium Term Revenue & Expenditure Framework			Forecast 2023/24	Forecast 2024/25	Forecast 2025/26	Future Years	Total Project cost
		Total	Adjusted Budget	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23	Estimate	Estimate	Estimate	Estimate	Estimate
		R thousand									
Capital Expenditure Obligation By Project											
Water & Sanitation Services: Bulk Reticulation Sewers in Milnerton Rehabilitation	CPX/0006478	6 080	43 000	6 900	–	–	–	–	–	–	55 980
Water & Sanitation Services: Contermanskloof Reservoir	CPX/0003850	3 611	2 000	1 500	5 000	6 973	155 000	150 000	189 303	150 000	663 387
Water & Sanitation Services: Gordon's Bay Sewer Rising Main	CPX/0009432	2 547	19 404	50 000	46 800	40 000	32 297	–	–	–	191 048
Water & Sanitation Services: Retreat Low Lift Pump station	CPX/0008876	–	–	15 000	15 000	20 000	–	–	–	–	50 000
Water & Sanitation Services: Northern Regional Sludge Facility	CPX/0000694	55 110	1 100	3 600	2 500	–	500	–	–	–	62 810
Water & Sanitation Services: Mitchells Plain Wastewater Treatment Works (WWTW) Phase 2	CPX/0000684	1 214	2 326	3 686	14 000	22 000	17 000	–	–	–	60 226
Water & Sanitation Services: Potsdam Wastewater Treatment Works (WWTW) - Extension	CPX/0000681	286	319	9 700	73 000	–	–	–	–	–	83 306
Water & Sanitation Services: Philippi Collector Sewer	CPX/0000679	–	60 651	221 360	–	–	–	–	–	–	282 011
Water & Sanitation Services: Water Supply at Baden Powell Drive to Khayelitsha	C12.86082	–	–	10 000	90 000	–	–	–	–	–	100 000
Water & Sanitation Services: Macassar Wastewater Treatment Works (WWTW) Extension	CPX/0000639	10 419	–	5 000	75 000	350 000	350 000	4 000	–	–	794 419
Water & Sanitation Services: Zandvliet Wastewater Treatment Works (WWTW)- Extension	CPX/0000628	2 115	–	–	1 200	20 000	100 000	–	–	–	123 315
Water & Sanitation Services: Wesfleur Aeration & Blower Replacement	CPX/0016426	21 338	11 505	7 014	–	–	12 526	–	–	–	52 382
Water & Sanitation Services: Cape Flats Wastewater Treatment Works (WWTW)- Refurbish various structures	CPX/0000533	33 614	15 534	2 116	–	–	–	–	–	–	51 264
Water & Sanitation Services: Cape Flats Rehabilitation	CPX/0000532	1 434	530	135 680	13 999	–	–	–	–	–	151 642
Water & Sanitation Services: Bulk Water Augmentation Scheme	CPX/0000524	46 552	4 745	1 755	1 500	1 500	1 500	1 500	–	–	59 052
Water & Sanitation Services: Bellville Wastewater Treatment Works (WWTW)	CPX/0000512	–	–	–	–	200 000	100 000	–	–	–	300 000
Water & Sanitation Services: Athlone Wastewater Treatment Works (WWTW)- Capacity Extension-phase 1	CPX/0000479	88 958	8 633	13 103	8 502	–	–	–	–	–	119 196
Water & Sanitation Services: Borchards Quarry Wastewater Treatment Works (WWTW)	CPX/0000471	–	–	–	–	50 000	40 000	–	–	–	90 000
Solid Waste Management: New Prince George Drop-off	CPX/0008859	–	–	160 000	–	–	–	–	–	–	160 000
Solid Waste Management: Vissershok:Landfill Gas Infrastructure to Flaring	CPX/0007916	–	–	4 000	–	87 621	80 000	–	–	–	171 621
Solid Waste Management: Vissershok North:Design and Develop Airspace	CPX/0007920	–	–	2 000	–	50 000	40 000	–	–	–	92 000
Solid Waste Management: Coastal Park:Design and Develop	CPX/0007924	262 521	4 988	5 968	–	–	–	–	–	–	273 476
Solid Waste Management: Coastal Park: Landfill Gas Infrastructure - Beneficiation	CPX/0011067	–	5 480	15 000	15 000	25 000	25 000	25 000	–	–	110 480
Solid Waste Management: Athlone Refuse Transfer Station (ARTS):Material Recovery Facility / Mechanical Biological Treatment (MBT)	CPX/0007847	–	–	–	–	70 229	197 879	1 905 515	–	692 025	2 865 648
Solid Waste Management: Helderberg:Design and Develop (drop-off)	CPX/0007908	–	–	–	162 370	63 148	–	–	–	–	225 518
Solid Waste Management: Coastal Park:Design and Develop Material Recovery Facility (MRF)	CPX/0007910	–	–	22 594	165 080	56 550	210 347	242 823	–	605 561	1 302 955
Solid Waste Management: Coastal Park Transfer Station: Transfer Station New	CPX/0010025	26 638	16 149	36 500	–	–	–	–	–	–	79 287
Solid Waste Management: Woodstock Depot Upgrade	CPX/0011066	2 121	276	30 000	30 000	7 109	–	–	–	–	69 506

2.16 Details of expenditure by asset class

Table 87 MBRR Table SA34a - Capital expenditure on new assets by asset class

Description	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand									
Capital expenditure on new assets by Asset Class/Sub-class									
Infrastructure	1 986 741	1 899 072	1 795 398	2 934 525	2 120 566	2 120 566	3 577 110	3 902 566	3 848 009
Roads Infrastructure	769 172	601 711	587 481	939 692	856 367	856 367	1 430 151	1 878 738	1 907 827
Roads	769 172	601 711	587 481	939 692	856 367	856 367	1 430 151	1 878 738	1 907 827
Storm water Infrastructure	73 364	104 566	101 217	122 937	133 269	133 269	153 853	202 658	200 511
Drainage Collection	73 364	104 566	101 217	122 937	133 269	133 269	153 853	202 658	200 511
Electrical Infrastructure	554 978	426 255	319 606	374 200	195 510	195 510	465 691	329 350	304 300
Power Plants	412	–	–	–	–	–	3 000	–	–
HV Substations	471 207	339 210	261 124	319 895	156 738	156 738	401 691	256 510	236 300
MV Networks	19 257	43 044	(145)	6 200	5 098	5 098	–	–	–
LV Networks	64 102	44 000	58 627	48 105	33 675	33 675	61 000	72 841	68 000
Water Supply Infrastructure	237 755	433 231	517 896	994 702	668 628	668 628	673 163	629 081	606 177
Reservoirs	81 564	280 855	387 712	733 800	488 207	488 207	462 776	403 089	403 288
Water Treatment Works	–	–	1 491	10 000	5 000	5 000	5 200	4 000	4 500
Bulk Mains	99 300	74 417	41 936	73 000	22 200	22 200	51 165	58 000	68 000
Distribution	56 891	77 959	86 757	177 902	153 222	153 222	154 022	163 992	130 389
Sanitation Infrastructure	181 767	110 446	185 917	221 874	173 465	173 465	403 824	437 477	291 493
Reticulation	178 767	109 247	87 677	132 574	121 815	121 815	148 758	239 882	165 172
Waste Water Treatment Works	3 000	1 199	96 932	89 300	49 950	49 950	255 066	197 595	126 321
Outfall Sewers	–	–	1 308	–	1 700	1 700	–	–	–
Solid Waste Infrastructure	41 370	65 287	13 523	251 120	69 311	69 311	400 302	346 378	481 520
Landfill Sites	41 370	65 287	13 523	251 120	69 311	69 311	400 302	346 378	481 520
Coastal Infrastructure	–	–	–	–	–	–	764	9 102	10 034
Promenades	–	–	–	–	–	–	764	9 102	10 034
Information and Communication Infrastructure	128 334	157 577	69 757	30 000	24 014	24 014	49 363	69 783	46 147
Data Centres	128 334	157 577	69 757	30 000	24 014	24 014	49 363	69 783	46 147
Community Assets	135 831	218 957	295 414	243 160	222 021	222 021	227 789	388 754	394 124
Community Facilities	135 821	217 809	294 880	242 440	221 201	221 201	226 754	384 754	394 124
Halls	–	–	–	25	262	262	–	–	–
Centres	–	–	–	17 505	65	65	49	33 000	33 000
Clinics/Care Centres	25 620	34 182	37 750	21 296	8 191	8 191	39 856	33 746	26 000
Fire/Ambulance Stations	3 905	12 657	17 103	–	2 739	2 739	1 500	1 500	15 691
Testing Stations	–	1 345	–	–	–	–	–	–	–
Museums	–	99	2 951	–	77	77	44	–	–
Theatres	–	–	–	–	121	121	–	–	–
Libraries	11 634	19 746	8 366	7 375	59	59	3 875	3 000	15 000
Cemeteries/Crematoria	9 961	9 362	6 237	3 500	11 694	11 694	–	–	1 500
Public Open Space	1 982	832	291	11 100	7 320	7 320	4 179	3 000	500
Nature Reserves	8 984	15 044	1 280	10 634	998	998	20 997	26 057	33 133
Markets	–	–	–	710	371	371	619	–	–
Taxi Ranks/Bus Terminals	73 735	124 542	220 903	170 296	189 304	189 304	155 636	284 450	269 300
Sport and Recreation Facilities	10	1 149	534	720	820	820	1 035	4 000	–
Outdoor Facilities	10	1 149	534	720	820	820	1 035	4 000	–
Heritage assets	–	–	–	30	–	–	30	–	–
Works of Art	–	–	–	30	–	–	30	–	–
Investment properties	81	–	–	–	–	–	–	–	–
Non-revenue Generating	81	–	–	–	–	–	–	–	–
Improved Property	81	–	–	–	–	–	–	–	–
Other assets	220 329	214 884	99 421	167 600	176 935	176 935	333 005	186 751	354 891
Operational Buildings	217 074	206 772	80 599	159 180	125 853	125 853	312 591	161 285	311 176
Municipal Offices	172 453	155 586	31 618	114 602	75 257	75 257	280 628	108 905	242 521
Laboratories	–	–	8 222	–	–	–	–	–	–
Training Centres	–	730	–	–	–	–	–	–	–
Depots	44 621	50 456	40 760	44 578	50 596	50 596	31 963	52 380	68 655
Housing	3 255	8 113	18 822	8 420	51 082	51 082	20 414	25 466	43 715
Social Housing	3 255	8 113	18 822	8 420	51 082	51 082	20 414	25 466	43 715
Intangible Assets	500	3 690	11 291	44 752	24 163	24 163	28 413	7 900	6 900
Licences and Rights	500	3 690	11 291	44 752	24 163	24 163	28 413	7 900	6 900
Computer Software and Applications	500	3 690	11 291	44 752	24 163	24 163	28 413	7 900	6 900
Computer Equipment	155 924	214 178	127 174	86 886	90 271	90 271	141 153	285 607	182 660
Computer Equipment	155 924	214 178	127 174	86 886	90 271	90 271	141 153	285 607	182 660
Furniture and Office Equipment	124 567	104 912	101 777	118 167	102 354	102 354	158 697	77 173	46 942
Furniture and Office Equipment	124 567	104 912	101 777	118 167	102 354	102 354	158 697	77 173	46 942
Machinery and Equipment	155 401	139 739	36 812	48 127	58 908	58 908	50 403	41 900	33 400
Machinery and Equipment	155 401	139 739	36 812	48 127	58 908	58 908	50 403	41 900	33 400
Transport Assets	62 793	68 313	155 011	197 348	215 917	215 917	124 713	29 450	32 850
Transport Assets	62 793	68 313	155 011	197 348	215 917	215 917	124 713	29 450	32 850
Land	164 323	1 511	5 157	26 000	40 384	40 384	33 000	26 000	19 400
Land	164 323	1 511	5 157	26 000	40 384	40 384	33 000	26 000	19 400
Total Capital Expenditure on new assets	3 006 491	2 865 259	2 627 456	3 866 597	3 051 520	3 051 520	4 674 313	4 946 101	4 919 176

Table 88 MBRR Table SA34b - Capital expenditure on the renewal of existing assets by asset class

Description R thousand	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Capital expenditure on renewal of existing assets by Asset Class/Sub-class									
Infrastructure	683 587	703 835	624 803	942 360	885 063	885 063	1 345 496	1 617 340	2 141 490
Roads Infrastructure	83 561	53 531	16 503	21 260	126 918	126 918	172 641	206 000	161 576
<i>Roads</i>	83 561	53 531	16 503	21 260	126 918	126 918	172 641	206 000	161 576
Storm water Infrastructure	–	–	9 265	20 900	13 862	13 862	27 308	9 920	20 683
<i>Drainage Collection</i>	–	–	9 265	20 900	13 862	13 862	27 308	9 920	20 683
Electrical Infrastructure	233 390	232 834	271 791	276 100	292 547	292 547	430 377	457 858	707 731
HV Substations	38 113	63 650	59 640	54 100	90 010	90 010	97 023	160 010	418 750
MV Substations	–	–	–	–	3 086	3 086	59 250	44 000	46 000
MV Networks	169 591	137 565	169 030	182 000	159 914	159 914	227 641	209 848	198 981
LV Networks	25 685	31 619	43 122	40 000	39 537	39 537	46 463	44 000	44 000
Water Supply Infrastructure	307 810	382 861	240 300	409 900	215 767	215 767	324 300	408 932	518 000
Reservoirs	–	–	–	–	–	–	27 300	10 932	–
Bulk Mains	47 035	25 337	27 999	60 000	47 000	47 000	73 000	80 000	100 000
Distribution	260 775	357 524	212 301	349 900	168 767	168 767	224 000	318 000	418 000
Sanitation Infrastructure	57 703	29 620	83 125	212 700	233 866	233 866	383 301	476 691	727 000
<i>Pump Station</i>	10 748	–	7 888	71 000	67 698	67 698	25 032	98 500	65 000
<i>Reticulation</i>	–	4 848	38 034	86 700	66 845	66 845	78 000	88 400	171 500
Waste Water Treatment Works	28 430	15 773	37 203	55 000	96 646	96 646	133 742	139 091	440 500
Outfall Sewers	18 526	9 000	–	–	2 677	2 677	146 527	150 700	50 000
Solid Waste Infrastructure	985	–	–	–	189	189	–	10 000	–
<i>Landfill Sites</i>	985	–	–	–	189	189	–	10 000	–
Information and Communication Infrastructure	138	4 988	3 819	1 500	1 915	1 915	7 569	47 938	6 500
<i>Data Centres</i>	138	4 988	3 819	1 500	1 915	1 915	7 569	47 938	6 500
Community Assets	3 365	7 471	3 774	19 283	9 907	9 907	33 648	24 032	5 115
Community Facilities	3 365	7 033	3 774	19 283	9 107	9 107	31 748	24 032	5 115
<i>Halls</i>	–	–	–	9 883	–	–	4 768	3 232	5 115
<i>Centres</i>	–	3 452	–	–	–	–	–	–	–
<i>Clinics/Care Centres</i>	–	499	1 172	8 000	–	–	5 000	20 800	–
<i>Libraries</i>	719	2 352	1 992	–	–	–	–	–	–
<i>Public Open Space</i>	2 600	730	610	1 400	1 400	1 400	1 000	–	–
<i>Nature Reserves</i>	46	–	–	–	–	–	–	–	–
<i>Taxi Ranks/Bus Terminals</i>	–	–	–	–	7 707	7 707	20 980	–	–
Sport and Recreation Facilities	–	439	–	–	800	800	1 900	–	–
<i>Outdoor Facilities</i>	–	439	–	–	800	800	1 900	–	–
Heritage assets	–	–	–	–	1 195	1 195	1 257	1 200	1 750
<i>Monuments</i>	–	–	–	–	1 195	1 195	1 257	1 200	1 750
Other assets	56 144	15 710	56 520	54 611	152 823	152 823	178 651	122 751	103 337
Operational Buildings	6 958	685	4 999	10 300	13 910	13 910	53 389	24 290	23 460
<i>Municipal Offices</i>	1 203	635	3 803	10 250	10 811	10 811	50 705	19 940	19 060
<i>Laboratories</i>	–	–	–	–	255	255	345	300	400
<i>Depots</i>	5 756	50	1 195	50	2 844	2 844	2 339	4 050	4 000
Housing	49 186	15 025	51 522	44 311	138 913	138 913	125 261	98 461	79 877
<i>Social Housing</i>	49 186	15 025	51 522	44 311	138 913	138 913	125 261	98 461	79 877
Intangible Assets	–	2 282	9 154	7 000	2 500	2 500	9 000	7 000	7 000
Licences and Rights	–	2 282	9 154	7 000	2 500	2 500	9 000	7 000	7 000
<i>Computer Software and Applications</i>	–	2 282	9 154	7 000	2 500	2 500	9 000	7 000	7 000
Computer Equipment	70 328	79 122	119 334	120 209	134 198	134 198	111 499	66 334	72 246
Computer Equipment	70 328	79 122	119 334	120 209	134 198	134 198	111 499	66 334	72 246
Furniture and Office Equipment	11 501	16 088	18 190	28 889	46 335	46 335	27 356	19 432	18 381
Furniture and Office Equipment	11 501	16 088	18 190	28 889	46 335	46 335	27 356	19 432	18 381
Machinery and Equipment	6 318	56 922	62 916	11 454	6 574	6 574	67 398	61 250	57 250
Machinery and Equipment	6 318	56 922	62 916	11 454	6 574	6 574	67 398	61 250	57 250
Transport Assets	272 011	302 131	375 447	622 937	581 678	581 678	602 555	274 091	374 841
Transport Assets	272 011	302 131	375 447	622 937	581 678	581 678	602 555	274 091	374 841
Total Capital Expenditure on renewal of existing assets	1 103 254	1 183 560	1 270 138	1 806 744	1 820 272	1 820 272	2 376 858	2 193 429	2 781 410

Table 89 MBRR Table SA34c - Repairs and maintenance expenditure by asset class

Description	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Repairs and maintenance expenditure by Asset Class/Sub-class									
Infrastructure	2 045 722	2 000 480	1 889 711	2 047 033	2 005 237	2 005 237	2 072 140	2 311 553	2 427 108
Roads Infrastructure	609 310	588 798	596 375	688 377	582 171	582 171	756 245	925 224	971 577
Roads	609 310	588 798	596 375	688 377	582 171	582 171	756 245	925 224	971 577
Storm water Infrastructure	-	-	-	-	86 871	86 871	126 779	141 528	148 618
Drainage Collection	-	-	-	-	86 871	86 871	126 779	141 528	148 618
Electrical Infrastructure	504 116	484 296	507 109	541 437	541 529	541 529	518 758	544 439	571 712
Power Plants	21 805	17 371	19 690	17 215	18 861	18 861	18 299	19 210	20 173
HV Substations	32 077	31 369	35 464	31 272	31 251	31 251	28 350	29 749	31 239
MV Substations	364 116	363 016	329 468	353 066	351 447	351 447	335 065	351 620	369 233
LV Networks	86 118	72 540	122 487	139 884	139 971	139 971	137 043	143 860	151 067
Water Supply Infrastructure	482 019	487 625	400 456	440 218	444 645	444 645	346 775	361 041	378 879
Reservoirs	35 896	42 334	24 249	41 845	27 494	27 494	31 229	32 770	34 412
Pump Stations	31 692	35 191	24 840	53 419	66 279	66 279	43 263	45 403	47 678
Water Treatment Works	36 683	55 782	39 571	43 287	22 471	22 471	33 888	35 570	37 352
Bulk Mains	41 830	12 673	9 863	8 242	271	271	1 704	1 789	1 878
Distribution	335 918	341 644	301 932	293 425	328 130	328 130	236 691	245 509	257 559
Sanitation Infrastructure	447 780	437 208	384 042	374 750	343 710	343 710	316 303	331 682	348 299
Reticulation	326 001	309 711	312 669	250 258	204 823	204 823	180 925	189 667	199 169
Waste Water Treatment Works	114 517	121 183	68 247	113 257	127 018	127 018	123 320	129 366	135 848
Outfall Sewers	7 262	6 314	3 127	11 235	11 868	11 868	12 057	12 648	13 282
Solid Waste Infrastructure	2 497	2 553	1 728	2 250	6 312	6 312	7 281	7 639	8 022
Landfill Sites	2 497	2 553	1 728	2 250	6 312	6 312	7 281	7 639	8 022
Community Assets	496 931	496 660	483 865	504 731	425 950	425 950	761 889	795 059	832 394
Community Facilities	115 109	117 431	120 476	122 404	410 415	410 415	701 876	765 788	801 656
Halls	48 752	46 195	56 324	45 452	22 035	22 035	12 876	21 285	21 798
Centres	7 603	8 356	8 697	6 514	17 917	17 917	7 272	7 916	8 282
Clinics/Care Centres	13 326	16 468	12 883	6 258	8 720	8 720	8 902	12 002	12 488
Fire/Ambulance Stations	2 244	2 031	2 739	5 562	2 574	2 574	2 931	3 269	3 336
Testing Stations	-	-	-	-	9 161	9 161	10 246	10 935	11 055
Libraries	16 349	15 861	14 223	34 665	5 276	5 276	5 409	7 206	7 567
Cemeteries/Crematoria	13 433	12 813	10 482	10 129	11 131	11 131	22 271	23 771	24 962
Public Open Space	-	-	-	-	305 096	305 096	612 824	653 015	685 622
Nature Reserves	4 936	5 346	4 721	4 689	3 089	3 089	3 106	3 131	3 133
Public Ablution Facilities	7 701	10 129	8 887	6 856	22 643	22 643	13 267	20 466	20 621
Markets	765	234	1 520	2 278	2 771	2 771	2 772	2 792	2 792
Sport and Recreation Facilities	381 822	379 229	363 389	382 327	15 535	15 535	60 013	29 272	30 738
Indoor Facilities	1 331	781	158	25	3 918	3 918	46 483	14 838	15 581
Outdoor Facilities	380 490	378 448	363 231	382 301	11 618	11 618	13 530	14 434	15 156
Heritage assets	1 647	730	266	1 916	2 515	2 515	2 666	3 480	3 616
Works of Art	1 647	730	266	1 916	2 515	2 515	2 666	3 480	3 616
Investment properties	19 001	20 726	3 459	8 043	1 022	1 022	355	373	391
Revenue Generating	259	229	132	43	727	727	338	355	373
Improved Property	259	229	132	43	727	727	338	355	373
Non-revenue Generating	18 742	20 497	3 328	8 001	295	295	17	18	18
Unimproved Property	18 742	20 497	3 328	8 001	295	295	17	18	18
Other assets	140 548	143 284	161 132	338 649	270 205	270 205	228 385	286 745	298 301
Operational Buildings	140 548	143 284	161 132	338 649	251 572	251 572	225 448	283 789	295 325
Municipal Offices	138 744	141 313	159 427	333 831	240 796	240 796	210 881	267 211	278 077
Laboratories	1 340	1 628	1 393	2 136	1 995	1 995	2 088	2 191	2 300
Training Centres	424	331	271	521	443	443	719	998	1 048
Depots	40	12	41	2 162	8 337	8 337	11 760	13 390	13 900
Housing	-	-	-	-	18 633	18 633	2 937	2 956	2 976
Social Housing	-	-	-	-	18 633	18 633	2 937	2 956	2 976
Computer Equipment	179 935	246 521	214 045	246 058	363 009	363 009	458 940	509 520	532 044
Computer Equipment	179 935	246 521	214 045	246 058	363 009	363 009	458 940	509 520	532 044
Furniture and Office Equipment	424 463	430 696	557 451	542 256	422 927	422 927	568 616	653 666	684 663
Furniture and Office Equipment	424 463	430 696	557 451	542 256	422 927	422 927	568 616	653 666	684 663
Machinery and Equipment	-	-	-	-	1 910	1 910	2 512	2 632	2 758
Machinery and Equipment	-	-	-	-	1 910	1 910	2 512	2 632	2 758
Transport Assets	453 049	470 969	470 466	440 991	415 274	415 274	479 895	529 407	555 668
Transport Assets	453 049	470 969	470 466	440 991	415 274	415 274	479 895	529 407	555 668
Total Repairs and Maintenance Expenditure	3 761 297	3 810 065	3 780 395	4 129 677	3 908 049	3 908 049	4 575 398	5 092 436	5 336 943
R&M as a % of PPE	9.4%	8.8%	8.3%	8.0%	7.9%	7.9%	0.0%	9.1%	8.6%
R&M as % Operating Expenditure	11.9%	11.6%	10.5%	9.9%	9.4%	9.4%	0.0%	11.4%	11.4%

Table 90 MBRR Table SA34d Depreciation by asset class

Description	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand									
Depreciation by Asset Class/Sub-class									
Infrastructure	899 066	985 980	1 254 022	1 296 991	1 330 895	1 330 895	1 471 459	1 556 997	1 739 670
Roads Infrastructure	289 523	325 838	359 467	406 286	391 955	391 955	431 510	463 570	497 977
Roads	289 523	325 838	359 467	294 830	277 686	277 686	308 576	329 579	355 363
Road Structures	–	–	–	72 658	73 751	73 751	80 256	89 786	96 344
Road Furniture	–	–	–	38 798	40 518	40 518	42 678	44 205	46 270
Storm water Infrastructure	34 550	39 337	46 522	45 851	51 326	51 326	52 941	56 097	59 996
Drainage Collection	34 550	39 337	46 522	45 851	51 326	51 326	52 941	56 097	59 996
Electrical Infrastructure	175 039	199 049	246 946	233 540	233 413	233 413	262 272	279 563	302 592
Power Plants	6 946	6 958	6 957	6 955	6 955	6 955	6 955	6 954	6 954
HV Substations	15 652	19 229	20 514	–	–	–	–	–	–
MV Substations	–	–	–	14 594	14 657	14 657	14 657	14 657	14 657
MV Switching Stations	–	–	–	13 983	3 567	3 567	11 062	20 347	35 738
MV Networks	–	–	–	52 620	56 110	56 110	57 568	58 679	59 657
LV Networks	77 624	88 211	103 470	104 873	107 102	107 102	120 020	124 588	129 240
Water Supply Infrastructure	42 744	48 512	63 237	40 516	45 022	45 022	52 010	54 337	56 346
Reservoirs	156 288	180 907	236 904	264 253	276 772	276 772	314 553	332 207	378 360
Pump Stations	17 712	17 099	21 898	22 414	41 763	41 763	50 247	48 712	48 273
Water Treatment Works	2 911	4 629	5 459	5 415	5 441	5 441	5 307	5 269	5 256
Bulk Mains	23 047	25 869	28 239	26 172	31 766	31 766	31 757	31 749	31 747
Distribution	10 025	10 206	10 405	17 915	10 413	10 413	14 651	20 051	28 301
Sanitation Infrastructure	102 592	123 104	170 903	192 337	187 389	187 389	212 590	226 426	264 784
Pump Station	182 290	213 648	266 016	264 260	270 473	270 473	296 681	312 144	364 379
Reticulation	3 618	3 618	7 130	8 144	6 982	6 982	8 562	13 762	15 184
Waste Water Treatment Works	112 942	133 399	157 546	155 668	155 956	155 956	158 582	161 478	180 031
Outfall Sewers	62 922	73 979	88 511	87 640	94 692	94 692	116 725	124 155	150 683
Solid Waste Infrastructure	2 809	2 652	12 830	12 807	12 843	12 843	12 812	12 749	18 481
Landfill Sites	50 032	2 925	45 630	36 207	39 657	39 657	37 136	34 827	54 815
Coastal Infrastructure	50 032	2 925	45 630	36 207	39 657	39 657	37 136	34 827	54 815
Promenades	–	–	–	4 560	5 675	5 675	5 693	6 116	6 637
Information and Communication Infrastructure	–	–	–	4 560	5 675	5 675	5 693	6 116	6 637
Data Centres	11 344	24 277	52 537	42 035	61 623	61 623	70 674	72 474	74 913
Core Layers	11 344	24 277	52 537	–	–	–	–	–	–
Distribution Layers	–	–	–	6 610	7 086	7 086	7 087	7 087	7 279
Community Assets	299 983	306 561	348 370	364 191	356 444	356 444	370 126	392 799	403 795
Community Facilities	83 704	89 761	129 027	155 005	149 049	149 049	166 545	179 651	189 766
Halls	1 872	2 164	2 727	2 756	3 326	3 326	4 158	4 450	4 605
Centres	3 465	3 519	3 835	47 842	49 538	49 538	52 262	58 866	62 447
Clinics/Care Centres	4 591	5 140	9 506	8 247	6 758	6 758	9 240	10 634	13 665
Fire/Ambulance Stations	1 684	1 688	1 696	2 462	2 263	2 263	2 708	2 708	2 708
Testing Stations	926	1 033	1 106	1 122	1 315	1 315	1 326	1 369	1 369
Museums	100	137	194	363	221	221	253	337	477
Theatres	47	47	112	112	112	112	179	180	180
Libraries	3 732	5 094	5 270	6 142	5 988	5 988	6 618	6 665	6 924
Cemeteries/Crematoria	2 674	2 902	3 256	3 880	3 282	3 282	4 082	4 661	4 935
Public Open Space	10 708	11 632	18 365	17 178	14 889	14 889	18 613	20 275	21 572
Nature Reserves	360	372	378	817	378	378	810	1 394	2 148
Public Ablution Facilities	1 737	1 853	2 350	1 941	2 400	2 400	2 946	3 055	3 055
Markets	2 706	1 556	1 586	1 509	1 633	1 633	1 642	1 650	1 650
Airports	4	4	4	4	4	4	4	4	4
Taxi Ranks/Bus Terminals	49 097	52 619	78 643	60 630	56 942	56 942	61 705	63 400	64 026
Sport and Recreation Facilities	216 279	216 801	219 343	209 186	207 395	207 395	203 581	213 148	214 030
Indoor Facilities	8 633	8 872	9 678	6 267	6 514	6 514	6 624	6 633	6 633
Outdoor Facilities	207 646	207 929	209 665	202 919	200 881	200 881	196 957	206 515	207 397

Table continues on next page

Description	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand									
Investment properties	145	1 714	1 714	1 714	1 714	1 714	1 714	1 714	1 714
Revenue Generating	145	1 714	1 714	1 714	1 714	1 714	1 714	1 714	1 714
Improved Property	145	1 714	1 714	1 714	1 714	1 714	1 714	1 714	1 714
Unimproved Property	–	–	–	–	–	–	–	–	–
Other assets	203 810	221 337	291 700	258 709	264 711	264 711	278 711	285 426	285 400
Operational Buildings	118 631	131 885	192 111	155 594	163 429	163 429	168 536	171 953	169 225
Municipal Offices	100 426	112 501	162 150	9 231	6 058	6 058	9 415	11 969	16 065
Workshops	–	–	–	31 024	30 860	30 860	35 591	40 811	43 758
Yards	212	212	212	–	–	–	–	–	–
Laboratories	116	120	295	–	–	–	–	–	–
Training Centres	289	289	289	303	289	289	303	303	303
Manufacturing Plant	–	–	–	6 970	6 970	6 970	6 976	6 976	6 976
Depots	17 588	18 763	29 165	108 066	119 254	119 254	116 251	111 895	102 122
Housing	85 179	89 453	99 589	103 115	101 282	101 282	110 175	113 473	116 175
Social Housing	85 179	89 453	99 589	103 115	101 282	101 282	110 175	113 473	116 175
Intangible Assets	69 931	118 206	147 789	143 931	156 112	156 112	155 441	138 025	115 350
Licences and Rights	69 931	118 206	147 789	143 931	156 112	156 112	155 441	138 025	115 350
Computer Software and Applications	4 387	48 397	77 609	73 751	85 932	85 932	85 261	87 864	104 074
Load Settlement Software Applications	–	–	–	–	–	–	–	–	–
Unspecified	65 544	69 808	70 180	70 180	70 180	70 180	70 180	50 162	11 276
Computer Equipment	239 968	229 206	223 929	228 215	233 514	233 514	237 579	216 119	221 739
Computer Equipment	239 968	229 206	223 929	228 215	233 514	233 514	237 579	216 119	221 739
Furniture and Office Equipment	105 994	111 125	124 655	115 391	110 419	110 419	106 149	93 336	104 765
Furniture and Office Equipment	105 994	111 125	124 655	115 391	110 419	110 419	106 149	93 336	104 765
Machinery and Equipment	77 865	44 155	110 232	119 369	116 573	116 573	125 782	123 480	120 533
Machinery and Equipment	77 865	44 155	110 232	119 369	116 573	116 573	125 782	123 480	120 533
Transport Assets	220 574	290 663	329 600	417 125	400 955	400 955	483 657	499 887	490 793
Transport Assets	220 574	290 663	329 600	417 125	400 955	400 955	483 657	499 887	490 793
Land	–	–	–	69 253	69 253	69 253	69 253	72 009	74 897
Land	–	–	–	69 253	69 253	69 253	69 253	72 009	74 897
Zoo's, Marine and Non-biological Animals	–	–	–	197	192	192	196	196	182
Zoo's, Marine and Non-biological Animals	–	–	–	197	192	192	196	196	182
Total Depreciation	2 117 336	2 308 949	2 832 012	3 015 086	3 040 783	3 040 783	3 300 067	3 379 989	3 558 839

Table 91 MBRR Table SA34e Capital expenditure on the upgrading of existing assets by asset class

Description	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Capital expenditure on upgrading of existing assets by Asset Class/Sub-class	1 265 165	1 020 664	887 875	1 785 566	1 116 794	1 116 794	1 437 442	1 818 024	2 053 936
Infrastructure									
Roads Infrastructure	378 935	240 612	285 375	392 639	246 709	246 709	199 613	182 090	285 477
Roads	378 935	240 612	285 375	392 639	246 709	246 709	199 613	182 090	285 477
Storm water Infrastructure	106 677	42 784	23 004	83 550	15 134	15 134	110 247	128 632	173 975
Drainage Collection	106 677	42 784	23 004	83 550	15 134	15 134	110 247	128 632	173 975
Electrical Infrastructure	281 357	197 840	70 012	100 307	23 921	23 921	25 578	138 100	–
HV Substations	217 617	116 648	51 684	50 307	23 921	23 921	25 578	138 100	–
MV Substations	63 740	81 192	18 328	50 000	–	–	–	–	–
Water Supply Infrastructure	67 667	105 131	122 471	77 600	69 053	69 053	65 746	49 399	73 292
Reservoirs	16 491	31 876	4 892	10 350	12 142	12 142	7 685	8 000	5 000
Bulk Mains	(46)	–	–	–	–	–	–	–	–
Distribution	51 221	73 255	117 579	67 250	56 911	56 911	58 061	41 399	68 292
Sanitation Infrastructure	416 785	416 054	374 283	1 014 756	657 152	657 152	930 149	1 081 762	1 252 835
Pump Station	21 495	16 102	400	7 733	–	–	–	–	–
Reticulation	86 742	68 463	7 723	10 573	9 038	9 038	20 362	16 399	35 292
Waste Water Treatment Works	307 608	330 489	349 251	896 450	648 113	648 113	909 788	1 065 362	1 217 542
Outfall Sewers	940	1 000	16 908	100 000	–	–	–	–	–
Solid Waste Infrastructure	11 006	13 115	12 233	111 425	86 435	86 435	61 724	122 992	41 114
Landfill Sites	11 006	13 115	12 233	111 425	86 435	86 435	61 724	122 992	41 114
Coastal Infrastructure	239	5 129	496	290	1 290	1 290	28 430	72 040	196 840
Promenades	239	5 129	496	290	1 290	1 290	28 430	72 040	196 840
Information and Communication Infrastructure	2 497	–	–	5 000	17 100	17 100	15 954	43 009	30 404
Data Centres	2 497	–	–	5 000	17 100	17 100	15 954	43 009	30 404
Community Assets	208 392	174 890	239 082	367 689	311 641	311 641	613 273	269 373	419 891
Community Facilities	151 159	128 224	152 533	220 535	189 937	189 937	270 183	203 474	368 313
Halls	811	2 958	1 698	8 430	10 914	10 914	35 600	1 350	2 979
Centres	3 797	8 401	13 117	19 900	15 175	15 175	21 271	9 330	206 330
Clinics/Care Centres	7 594	9 261	39 572	61 400	72 141	72 141	46 174	44 850	41 979
Fire/Ambulance Stations	4 442	–	12 394	–	770	770	–	–	–
Testing Stations	1 647	2 141	–	–	–	–	–	–	–
Museums	3 182	2 221	302	–	–	–	4 200	7 000	–
Theatres	133	67	–	–	–	–	40	–	–
Libraries	4 942	4 032	7 819	10 125	7 693	7 693	8 650	22 732	46 535
Cemeteries/Crematoria	7 749	7 498	5 922	18 750	16 726	16 726	34 603	30 900	12 078
Public Open Space	87 355	65 784	40 940	41 450	46 422	46 422	68 921	47 800	23 500
Nature Reserves	343	215	10 569	6 680	2 211	2 211	6 024	7 462	1 162
Public Ablution Facilities	22 990	23 010	1 923	8 000	4 654	4 654	3 030	–	–
Markets	307	86	–	–	–	–	–	–	–
Taxi Ranks/Bus Terminals	5 867	2 549	18 278	45 800	13 231	13 231	41 669	32 050	33 750
Sport and Recreation Facilities	57 234	46 666	86 550	147 154	121 704	121 704	343 091	65 899	51 578
Indoor Facilities	–	–	1 102	14 290	13 545	13 545	37 678	18 900	5 469
Outdoor Facilities	57 234	46 666	85 448	132 864	108 159	108 159	305 413	46 999	46 109
Heritage assets	38 955	8 010	6 367	600	17	17	17 466	4 100	–
Monuments	38 955	8 010	6 367	600	17	17	17 466	4 100	–
Other assets	264 887	316 809	238 694	501 786	358 216	358 216	391 115	319 973	446 807
Operational Buildings	240 605	231 444	203 002	440 659	291 307	291 307	382 705	319 973	406 734
Municipal Offices	204 753	179 723	95 016	280 348	199 446	199 446	241 789	170 234	309 436
Yards	–	–	76	200	–	–	13 807	17 032	34 643
Laboratories	–	–	299	300	–	–	–	–	–
Training Centres	4 064	43	–	–	–	–	600	500	500
Depots	31 789	51 679	107 611	159 811	91 861	91 861	126 509	132 208	62 155
Housing	24 283	85 364	35 692	61 128	66 909	66 909	8 410	–	40 073
Social Housing	24 283	85 364	35 692	61 128	66 909	66 909	8 410	–	40 073
Intangible Assets	3 931	7 205	23 908	26 950	13 175	13 175	49 826	2 500	10 379
Licences and Rights	3 931	7 205	23 908	26 950	13 175	13 175	49 826	2 500	10 379
Computer Software and Applications	3 931	7 205	23 908	26 950	13 175	13 175	49 826	2 500	10 379
Computer Equipment	1 355	13 072	225	16 690	17 730	17 730	29 725	45 984	–
Computer Equipment	1 355	13 072	225	16 690	17 730	17 730	29 725	45 984	–
Furniture and Office Equipment	8 033	12 534	12 310	10 147	14 450	14 450	6 278	5 351	6 501
Furniture and Office Equipment	8 033	12 534	12 310	10 147	14 450	14 450	6 278	5 351	6 501
Machinery and Equipment	4 158	1 616	10 234	5 662	4 824	4 824	9 578	1 000	3 000
Machinery and Equipment	4 158	1 616	10 234	5 662	4 824	4 824	9 578	1 000	3 000
Total Capital Expenditure on upgrading of existing assets	1 794 876	1 554 800	1 418 696	2 715 091	1 836 847	1 836 847	2 554 703	2 466 305	2 940 515
Upgrading of Existing Assets as % of total capex	30.4%	27.7%	26.7%	32.4%	27.4%	27.4%	26.6%	25.7%	27.6%
Upgrading of Existing Assets as % of deprecⁿ	84.8%	67.3%	50.1%	90.1%	60.4%	60.4%	77.4%	73.0%	82.6%

2.17 Details of capital expenditure

Table 92 MBRR Table SA35 - Future financial implication of the capital budget

Vote Description	2020/21 Medium Term Revenue & Expenditure Framework			Forecasts			
	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23	Forecast 2023/24	Forecast 2024/25	Forecast 2025/26	Present value
R thousand							
Capital expenditure							
Vote 1 - Community service & Health	453 758	314 863	250 706	31 164	60 209	–	–
Vote 2 - Corporate Services	242 020	446 781	296 694	292 819	267 823	152 243	–
Vote 3 - Economic Opportunities & Asset Managemnt	580 321	159 660	611 040	279 300	17 000	–	–
Vote 4 - Energy & Climate Change	1 049 131	1 043 350	1 156 061	468 526	8 500	192	–
Vote 5 - Finance	268 787	96 371	25 191	–	–	–	–
Vote 6 - Human Settlements	894 903	1 010 098	1 065 805	1 095 372	613 170	331 826	–
Vote 7 - Office of the City Manager	2 130	960	960	–	–	–	–
Vote 8 - Safety & Security	438 954	95 332	172 660	96 422	–	–	–
Vote 9 - Spatial Planning & Environment	157 205	209 463	330 155	201 486	59 000	150	–
Vote 10 - Transport	1 793 342	2 262 536	2 320 196	2 748 939	1 895 909	323 139	–
Vote 11 - Urban Management	81 503	128 830	141 230	–	–	–	–
Vote 12 - Water & Waste	3 643 819	3 837 590	4 270 403	3 176 424	2 847 429	1 672 306	–
Total Capital Expenditure	9 605 874	9 605 834	10 641 101	8 390 452	5 769 040	2 479 856	–
Future operational costs by vote							
Vote 1 - Community service & Health	43 048	93 332	121 489	47 817	44 581	53 350	–
Vote 2 - Corporate Services	148 941	357 995	512 524	409 012	516 080	488 511	–
Vote 3 - Economic Opportunities & Asset Managemnt	47 677	122 014	153 658	50 953	51 045	52 713	–
Vote 4 - Energy & Climate Change	28 218	88 755	167 313	16 523	13 357	13 620	–
Vote 5 - Finance	3 682	19 976	44 716	966	1 019	1 080	–
Vote 6 - Human Settlements	26 408	59 713	120 544	22 779	22 774	22 774	–
Vote 7 - Office of the City Manager	217	478	614	–	–	–	–
Vote 8 - Safety & Security	51 613	89 659	105 316	33 388	26 380	1 115	–
Vote 9 - Spatial Planning & Environment	7 685	28 209	48 352	6 991	12 835	8 181	–
Vote 10 - Transport	56 022	92 823	170 440	–	–	–	–
Vote 11 - Urban Management	4 950	26 985	46 384	35 604	25 517	12 525	–
Vote 12 - Water & Waste	429 185	752 111	1 219 583	608 653	757 875	800 173	–
Total future operational costs	847 645	1 732 050	2 710 935	1 232 687	1 471 462	1 454 041	–
Future revenue by source							
Property rates	–	–	–	–	–	–	–
Service charges - electricity revenue	–	–	–	–	–	–	–
Service charges - water revenue	–	–	–	–	–	–	–
Service charges - sanitation revenue	–	–	–	–	–	–	–
Service charges - refuse revenue	–	–	–	–	–	–	–
Rental of facilities and equipment	–	–	–	–	–	–	–
List other revenues sources if applicable	(29 004)	(31 451)	(33 464)	(35 378)	(37 293)	(24 207)	–
Total future revenue	(29 004)	(31 451)	(33 464)	(35 378)	(37 293)	(24 207)	–
Net Financial Implications	10 482 523	11 369 336	13 385 500	9 658 518	7 277 795	3 958 105	–

Table 93 MBRR Table SA37 - Projects delayed from previous financial year/s

R thousand	Function	Project name	Project number	Type	MTSF Service Outcome	IUDF	Own Strategic Objectives	Asset Class	Asset Sub-Class	Ward Location	GPS Longitude	GPS Latitude	Previous target year to complete	Current Year 2019/20		2020/21 Medium Term Revenue & Expenditure Framework		
														Original Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Community Services & Health	Recreation & Parks: Gugulethu Cem: Implement Lscape Plans	C09.94018	Upgrade	13	02	3.1	Community Facilities	Public Open Space	39	18.57933378	-33.9823212	2019/20	1 000	963	727	-	-	
Community Services & Health	Planning & Development & PMO: Nyanga Integrated Facility	CPX.0011300	Upgrade	13	02	3.1	Community Facilities	Public Open Space	37	18.5857306	-33.990028	2019/20	7 000	3 000	6 409	-	-	
Community Services & Health	Recreation & Parks: Upgrade Entrances - Philadelphia	CPX.0013177	Upgrade	13	02	3.1	Sport and Recreation Facilities	Outdoor Facilities	105	18.5862577	-33.665638	2019/20	60	-	60	-	-	
Community Services & Health	Recreation & Parks: Upgrade Park - Site C Section D	CPX.0013877	Upgrade	13	02	3.1	Community Facilities	Public Open Space	87	18.6541201	-34.013414	2019/20	50	49	101	-	-	
Community Services & Health	Recreation & Parks: Upgrade Parks - Ward 56	CPX.0014860	Upgrade	13	02	3.1	Machinery and Equipment	Machinery and Equipment	56	18.5153567	-33.909376	2019/20	300	200	250	-	-	
Community Services & Health	Recreation & Parks: Upgrade Parks - Ward 51	CPX.0014932	Upgrade	13	02	3.1	Machinery and Equipment	Machinery and Equipment	51	18.5348737	-33.945872	2019/20	100	24	76	-	-	
Community Services & Health	Recreation & Parks: Upgrade Parks - Ward 52	CPX.0014934	Upgrade	13	02	3.1	Community Facilities	Public Open Space	52	18.5373833	-33.949772	2019/20	100	20	248	-	-	
Community Services & Health	Recreation & Parks: Upgrade Parks - Ward 53	CPX.0014952	Upgrade	13	02	3.1	Furniture and Office Equipment	Furniture and Office Equipment	53	18.5108261	-33.933334	2019/20	80	13	67	-	-	
Community Services & Health	Recreation & Parks: Upgrade Parks - Ward 107	CPX.0014969	Upgrade	13	02	3.1	Community Facilities	Public Open Space	107	18.4961857	-33.806374	2019/20	550	-	670	-	-	
Community Services & Health	Recreation & Parks: Upgrade Park - Adam Tas Park	CPX.0014976	Upgrade	13	02	3.1	Community Facilities	Public Open Space	5	18.5331504	-33.856699	2019/20	250	66	529	-	-	
Community Services & Health	Recreation & Parks: Upgrade Park - Setlaars Park	CPX.0014985	Upgrade	13	02	3.1	Community Facilities	Public Open Space	5	18.556311	-33.858754	2019/20	40	20	20	-	-	
Community Services & Health	Recreation & Parks: De Grendel Park - Runners Track	CPX.0014988	New	13	02	3.1	Sport and Recreation Facilities	Outdoor Facilities	5	18.5402594	-33.857349	2019/20	70	35	35	-	-	
Community Services & Health	Recreation & Parks: Summer Greens Skateboard Park - Fence	CPX.0015018	Upgrade	13	02	3.1	Operational Buildings	Municipal Offices	4	18.5283011	-33.881037	2019/20	150	123	27	-	-	
Community Services & Health	Recreation & Parks: Upgrade Parks - Ward 113	CPX.0015047	Upgrade	13	02	3.1	Community Facilities	Public Open Space	113	18.5108417	-33.832512	2019/20	150	84	66	-	-	
Community Services & Health	Recreation & Parks: Upgrade Parks - Ward 106	CPX.0015330	Upgrade	13	02	3.1	Community Facilities	Public Open Space	106	18.6323532	-33.982146	2019/20	350	51	299	-	-	
Community Services & Health	Recreation & Parks: Upgrade Parks - Ward 13	CPX.0015332	Upgrade	13	02	3.1	Community Facilities	Public Open Space	13	18.6449178	-33.959903	2019/20	360	142	318	-	-	
Community Services & Health	Recreation & Parks: J Nontulo Stadium - Tarring	CPX.0015535	Upgrade	13	02	3.1	Community Facilities	Public Open Space	38	18.5738618	-33.994634	2019/20	50	-	50	-	-	
Community Services & Health	Recreation & Parks: Active Play Park construction - Zalani	CPX.0015567	Upgrade	13	02	3.1	Community Facilities	Public Open Space	92	18.6576533	-34.037022	2019/20	250	181	69	-	-	
Community Services & Health	Recreation & Parks: Upgrade POS's - Ward 83	CPX.0015600	Upgrade	13	02	3.1	Community Facilities	Public Open Space	83	18.8318664	-34.11141	2019/20	60	-	60	-	-	
Community Services & Health	Recreation & Parks: Park Constructions - Ward 15	CPX.0015709	Upgrade	13	02	3.1	Community Facilities	Public Open Space	15	18.8289629	-34.091449	2019/20	50	-	50	-	-	
Community Services & Health	Recreation & Parks: Upgrade Parks - Ward 95	CPX.0015729	Upgrade	13	02	3.1	Community Facilities	Public Open Space	95	18.7128683	-34.06349	2019/20	500	295	205	-	-	
Community Services & Health	Recreation & Parks: Upgrade Parks - Ward 14	CPX.0015729	Upgrade	13	02	3.1	Community Facilities	Public Open Space	14	18.7163531	-33.96412	2019/20	300	269	101	-	-	
Community Services & Health	Recreation & Parks: Upgrade Parks - Ward 8	CPX.0015814	Upgrade	13	02	3.1	Community Facilities	Public Open Space	8	18.6915869	-33.899802	2019/20	230	-	630	-	-	
Community Services & Health	Recreation & Parks: Upgrade Parks - Ward 19	CPX.0015876	Upgrade	13	02	3.1	Community Facilities	Public Open Space	19	18.6682537	-33.957875	2019/20	300	244	56	-	-	
Community Services & Health	Recreation & Parks: Site C Stadium - Upgrade	CPX.0015910	Upgrade	13	02	3.1	Sport and Recreation Facilities	Outdoor Facilities	18	18.6377643	-34.008478	2019/20	1 200	872	328	-	-	
Community Services & Health	Recreation & Parks: Upgrade Parks - Ward 29	CPX.0015921	Upgrade	13	02	3.1	Community Facilities	Public Open Space	29	18.4381329	-33.546	2019/20	580	250	330	-	-	
Community Services & Health	Recreation & Parks: Upgrade Park - Bisley Park	CPX.0015939	Upgrade	13	02	3.1	Community Facilities	Public Open Space	116	18.628658	-34.038484	2019/20	200	141	59	-	-	
Community Services & Health	Recreation & Parks: Upgrade Park - Anita Park	CPX.0015945	Upgrade	13	02	3.1	Community Facilities	Public Open Space	116	18.6324469	-34.034809	2019/20	150	48	102	-	-	
Economic Opportunities & Asset Management	Facilities Management: CHG Ablution Facilities Upgrade	CPX.0007950	Upgrade	09	04	1.1	Operational Buildings	Municipal Offices	115	18.4286429	-33.921137	2019/20	6 648	-	4 680	-	-	
Human Settlements	Housing Development: Witsand Housing Project Phase 2 Atlantis	C06.41500	New	08	01	3.1	Sanitation Infrastructure	Reticulation	32	18.5050836	-33.587299	2019/20	1 500	590	1 300	1 000	500	
Human Settlements	Housing Development: Dido Valley Housing Project	CPX.0005316	New	08	01	3.1	Roads Infrastructure	Roads	61	18.4192697	-34.167608	2019/20	668	344	8 276	6 643	-	
Human Settlements	Housing Development: Forest Village Housing Project	CPX.0009026	New	08	01	3.1	Water Supply Infrastructure	Distribution	16	18.7043728	-34.015867	2019/20	60 500	50 000	3 705	991	-	
Human Settlements	Housing Development: Penhill Housing Project (PGWC)	CPX.0016039	New	08	02	3.1	Water Supply Infrastructure	Distribution	922	18.7333096	-33.993805	2019/20	5 000	-	1 000	-	-	
Human Settlements	Housing Development: Itemba Labs Housing Project (PGWC)	CPX.0016040	New	08	01	3.1	Water Supply Infrastructure	Distribution	16	18.7102122	-34.022327	2019/20	5 000	-	1 000	-	-	
Human Settlements	Housing Development: New Woodlands Housing Project (PGWC)	CPX.0016041	New	08	01	3.1	Roads Infrastructure	Roads	923	18.6026972	-34.023663	2019/20	5 000	-	1 000	-	-	
Safety & Security	Metropolitan Police Services: CCTV Network Provisioning - City network	CPX.0016077	New	06	01	2.1	Licences and Rights	Computer Software and Applications	201	18.5250189	-34.141156	2019/20	15 000	14 592	408	-	-	
Spatial Planning & Environment	Environmental Management: Memorial / Heritage Plaque - Springs Way	CPX.0015665	New	10	02	4.3	Heritage assets	Works of Art	59	18.4578177	-33.974382	2019/20	30	-	30	-	-	

Table continues on next page

R thousand Function	Project name	Project number	Type	MTSF Service Outcome	IUDF	Own Strategic Objectives	Asset Class	Asset Sub-Class	Ward Location	GPS Longitude	GPS Latitude	Previous target year to complete	Current Year 2019/20		2020/21 Medium Term Revenue & Expenditure Framework		
													Original Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Transport	Infrastructure Implementation: Rehab: Gugulethu Concrete Rds Ph5A	CPX.0012105	Upgrade	06	03	1.1	Roads Infrastructure	Roads	803	18.5726243	-33.974925	2019/20	15 000	13 990	2 000	-	-
Transport	Roads Infrastructure & Management: Rehab of Jakes Gerwel - N2 & N1	CPX.0015203	Upgrade	06	03	1.1	Roads Infrastructure	Roads	200	18.5382095	-33.916951	2019/20	50 000	-	46 679	26 500	-
Urban Management	Area North: Informal Trading Stands - Ward 77	CPX.0014914	New	09	04	5.1	Community Facilities	Markets	77	18.4145483	-33.947565	2019/20	40	-	40	-	-
Urban Management	Area East: PA System - Ward 98	CPX.0015327	New	09	04	5.1	Furniture and Office Equipment	Furniture and Office Equipment	98	18.6739333	-34.05849	2019/20	20	20	0	-	-
Urban Management	Area East: Loud Hailer - Ward 90	CPX.0015828	New	09	04	5.1	Furniture and Office Equipment	Furniture and Office Equipment	90	18.6531057	-34.022905	2019/20	10	9	1	-	-
Water & Waste	Water & Sanitation Services: Gordons Bay Beach Front Sewer	CPX.0007411	Upgrade	06	03	3.1	Sanitation Infrastructure	Reticulation	100	18.8622425	-34.151438	2019/20	5 323	1 309	2 214	-	-
Water & Waste	Solid Waste Management: Coastal Park:Design and develop (MRF)	CPX.0007910	New	06	01	3.1	Solid Waste Infrastructure	Landfill Sites	64	18.5014738	-34.086628	2019/20	60 000	35 000	34 420	125 000	-
Water & Waste	Solid Waste Management: Vissershok North:Design and develop Airs	CPX.0007920	New	02	02	3.1	Solid Waste Infrastructure	Landfill Sites	104	18.5465824	-33.768787	2019/20	5 000	850	76 800	6 000	-
Water & Waste	Solid Waste Management: Coastal Park:Design and develop	CPX.0007924	New	02	02	3.1	Solid Waste Infrastructure	Landfill Sites	64	18.5015814	-34.087712	2019/20	55 000	366	67 500	-	-
Water & Waste	Solid Waste Management: Bellville:LFG Infrastructure to Flaring	CPX.0007926	New	02	02	1.4	Solid Waste Infrastructure	Landfill Sites	906	18.6585645	-33.935624	2019/20	5 000	1 051	949	-	-
Water & Waste	Solid Waste Management: New Prince George Drop-off	CPX.0008859	New	02	02	3.1	Solid Waste Infrastructure	Landfill Sites	66	18.4923304	-34.036738	2019/20	35 500	1 418	69 718	20 400	-
Water & Waste	Solid Waste Management: Coastal Park: LFG Infr. - Beneficiation	CPX.0011067	New	02	02	1.4	Solid Waste Infrastructure	Landfill Sites	64	18.5024805	-34.091139	2019/20	12 550	4 525	52 075	4 000	-
Water & Waste	Solid Waste Management: Houtbay Drop-off Upgrade Waste Min	CPX.0015239	Upgrade	06	01	3.1	Solid Waste Infrastructure	Landfill Sites	74	18.3577756	-34.031005	2019/20	14 700	14 450	9 123	-	-

2.18 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, MFMA, MBRR and mSCOA regulations.
- **In Year Reporting**
Fully compliant with regards to monthly and quarterly 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 two entities i.e. the Cape Town International Convention Centre (CTICC) and the Cape Town Stadium (CTS).
- **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 (NTMFMIP) has merged with the FGDP.

The City is funding five interns, whilst NT is funding an additional three interns.

Most interns that were previously on the NTMFMIP have been appointed within the City on completion of the program whilst others got employment opportunities elsewhere.

2.19 External mechanisms

A summary of the total service delivery package and associated financial implications of each external mechanism utilised by the City is attached as Annexure 27 to the document.

2.20 Other supporting documents

Table 94 MBRR Table SA1 - Supporting detail to budgeted financial performance

Description	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand									
REVENUE ITEMS:									
Property rates									
Total Property Rates	9 434 004	10 027 241	10 986 401	11 147 932	11 097 458	11 097 458	11 752 731	12 846 276	13 966 492
less Revenue Foregone (exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)	1 159 618	1 357 933	1 450 216	1 231 247	1 200 304	1 200 304	1 241 212	1 290 613	1 342 366
Net Property Rates	8 274 386	8 669 308	9 536 185	9 916 685	9 897 154	9 897 154	10 511 519	11 555 663	12 624 126
Service charges - electricity revenue									
Total Service charges - electricity revenue	11 923 951	11 971 234	13 168 930	13 749 145	14 149 247	14 149 247	13 922 893	15 626 098	16 890 123
less Revenue Foregone (in excess of 50 kwh per indigent household per month)									
less Cost of Free Basis Services (50 kwh per indigent household per month)	160 638	160 638	125 999	125 999	104 999	104 999	133 559	141 572	150 067
Net Service charges - electricity revenue	11 763 313	11 810 596	13 042 932	13 623 146	14 044 248	14 044 248	13 789 334	15 484 526	16 740 057
Service charges - water revenue									
Total Service charges - water revenue	2 606 322	2 947 917	3 491 729	3 661 123	3 403 879	3 403 879	3 602 590	4 233 120	4 607 939
less Revenue Foregone (in excess of 6 kilolitres per indigent household per month)									
less Cost of Free Basis Services (6 kilolitres per indigent household per month)	212 041	314 306	368 203	449 106	449 106	449 106	408 131	462 331	509 767
Net Service charges - water revenue	2 394 281	2 633 611	3 123 527	3 212 017	2 954 773	2 954 773	3 194 459	3 770 788	4 098 172
Service charges - sanitation revenue									
Total Service charges - sanitation revenue	1 569 741	1 696 528	1 835 684	1 801 045	1 714 518	1 714 518	1 867 634	2 193 919	2 381 987
less Revenue Foregone (in excess of free sanitation service to indigent households)									
less Cost of Free Basis Services (free sanitation service to indigent households)	143 728	178 254	233 221	232 446	232 446	232 446	251 148	284 500	313 690
Net Service charges - sanitation revenue	1 426 013	1 518 274	1 602 463	1 568 599	1 482 072	1 482 072	1 616 486	1 909 418	2 068 297
Service charges - refuse revenue									
Total refuse removal revenue	1 212 147	1 333 881	1 418 907	1 573 566	1 511 519	1 511 519	1 505 713	1 616 769	1 736 594
Total landfill revenue to indigent households)									
to indigent households)									
to indigent households)	235 401	276 709	280 000	287 133	287 133	287 133	220 282	227 992	235 971
Net Service charges - refuse revenue	976 746	1 057 172	1 138 907	1 286 433	1 224 387	1 224 387	1 285 431	1 388 777	1 500 622
Other Revenue by source									
Other Service charges									
Other Revenue	319 540	502 675	392 167	267 893	247 756	247 756	136 102	158 803	166 760
Fuel Levy							2 594 972	2 733 907	2 816 777
Busfares - Transit Products	208 171	206 109	223 824	240 551	173 573	173 573	184 970	243 343	255 534
Building Levies/ Scrutiny Fees	96 838	102 002	88 357	104 516	84 516	84 516	89 336	93 785	108 483
Recoveries of Infrastructure Maintenance	9 982	11 436	9 183	6 489	61 332	61 332	8 135	3 973	3 548
Collection Charges Recovered	32 300	39 141	38 604	35 793	41 459	41 459	38 335	40 244	42 260
Service Charges - Infrastructure and Fac	39 493	41 335	42 546	40 953	34 219	34 219	36 144	38 581	40 514
Recoveries of Operational Expenditure	3 802	25 015	48 788	26 065	26 565	26 565	27 591	30 399	31 922
Administration Fees	26 523	20 176	19 111	19 733	18 948	18 948	18 626	19 554	20 534
Skills Development Levy	23 155	17 623	19 207	17 498	17 498	17 498	18 390	19 306	20 273
Salvaged Items	18 884	15 108	12 086	14 840	14 735	14 735	15 329	16 093	16 899
Burial Fees	9 900	11 443	14 476	14 331	14 331	14 331	13 161	13 817	14 509
Parking Fees	6 336	6 587	8 492	15 675	13 492	13 492	9 399	16 977	17 827
Total 'Other' Revenue	794 924	998 651	916 842	804 335	748 422	748 422	3 190 491	3 428 780	3 555 840

Table continues on next page

Description	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand									
EXPENDITURE ITEMS:									
Employee related costs									
Basic Salaries and Wages	6 018 396	7 525 334	8 132 325	9 699 093	9 377 647	9 377 647	10 803 907	11 885 623	12 857 670
Pension and UIF Contributions	1 070 317	1 159 755	1 253 682	1 718 290	1 544 703	1 544 703	1 755 159	1 891 603	2 053 327
Medical Aid Contributions	660 258	702 316	746 014	823 710	823 733	823 733	901 595	978 231	1 061 381
Overtime	546 810	602 119	680 581	606 267	761 422	761 422	698 138	720 373	781 447
Performance Bonus	–	–	–	–	–	–	–	–	–
Motor Vehicle Allowance	191 559	194 456	201 150	226 219	228 251	228 251	248 699	269 838	292 774
Cellphone Allowance	16 714	17 973	22 056	24 644	25 383	25 383	27 124	28 904	31 361
Housing Allowances	56 862	59 361	61 444	65 440	65 780	65 780	69 645	75 565	81 988
Other benefits and allowances	222 001	242 675	261 732	238 954	263 358	263 358	306 179	328 812	356 761
Payments in lieu of leave	677 111	145 115	173 125	97 768	102 192	102 192	86 607	93 481	101 291
Long service awards	23 642	179	511	86 529	85 156	85 156	49 434	86 728	94 100
Post-retirement benefit obligations	229 302	274 623	864 199	261 187	703 314	703 314	280 120	261 582	282 472
sub-total	9 712 972	10 923 906	12 396 820	13 848 100	13 980 940	13 980 940	15 226 608	16 620 740	17 994 573
Less: Employees costs capitalised to PPE	26 476	29 291	31 266	30 295	23 206	23 206	23 243	24 400	25 623
Total Employee related costs	9 686 496	10 894 615	12 365 555	13 817 805	13 957 734	13 957 734	15 203 365	16 596 339	17 968 950
Depreciation & asset impairment									
Depreciation of Property, Plant & Equipment	2 308 949	2 578 561	2 832 012	2 945 833	2 971 530	2 971 530	3 230 814	3 307 980	3 483 942
Lease amortisation	–	–	–	–	–	–	–	–	–
Capital asset impairment	–	–	–	69 253	69 253	69 253	69 253	72 009	74 897
Total Depreciation & asset impairment	2 308 949	2 578 561	2 832 012	3 015 086	3 040 783	3 040 783	3 300 067	3 379 989	3 558 839
Bulk purchases									
Electricity Bulk Purchases	8 069 460	7 870 527	8 281 772	9 475 500	9 217 793	9 217 793	9 585 215	10 578 308	11 461 549
Water Bulk Purchases	343 740	251 903	350 531	617 101	525 595	525 595	405 666	513 776	582 495
Total bulk purchases	8 413 200	8 122 430	8 632 303	10 092 601	9 743 389	9 743 389	9 990 881	11 092 084	12 044 044
Transfers and grants									
Cash transfers and grants	349 609	418 599	391 968	446 206	592 157	592 157	498 081	435 905	383 811
Non-cash transfers and grants	–	–	–	–	–	–	0	0	–
Total transfers and grants	349 609	418 599	391 968	446 206	592 157	592 157	498 082	435 905	383 811
Contracted services									
Executive and council	17 247	18 121	21 745	54 821	34 927	34 927	106 892	110 900	114 841
Finance and administration	788 258	858 005	996 538	1 229 977	1 187 726	1 187 726	1 397 935	1 383 639	1 444 048
Internal audit	554	783	871	1 915	1 174	1 174	1 237	1 324	1 376
Community and social services	203 379	178 519	190 893	181 718	203 472	203 472	195 228	206 901	215 688
Sport and recreation	372 325	341 337	336 150	243 683	267 834	267 834	257 909	301 540	314 377
Public safety	62 546	53 121	59 266	92 764	84 500	84 500	70 616	72 451	84 042
Housing	364 040	257 326	393 647	537 666	559 455	559 455	420 272	460 898	495 740
Health	91 554	98 938	115 878	111 908	131 208	131 208	102 785	126 626	129 751
Planning and development	85 999	85 728	111 065	295 685	259 090	259 090	148 008	189 211	196 706
Road transport	1 324 299	1 428 778	1 579 275	1 836 309	1 582 838	1 582 838	1 719 765	1 724 885	1 875 870
Environmental protection	36 827	37 839	41 785	40 782	70 939	70 939	72 119	47 190	48 792
Energy sources	216 985	237 386	240 236	310 679	262 711	262 711	274 184	289 010	302 612
Water management	276 651	465 758	342 755	443 749	417 617	417 617	502 451	473 831	492 108
Waste water management	760 980	695 996	786 800	878 692	1 031 285	1 031 285	1 113 325	986 542	1 030 786
Waste management	610 568	659 944	758 379	872 235	780 990	780 990	813 872	890 289	913 870
Other	15 777	15 290	21 028	23 915	31 859	31 859	19 378	20 155	20 862
Total contracted services	5 227 988	5 432 869	5 996 310	7 156 498	6 907 626	6 907 626	7 215 975	7 285 392	7 681 470

Table continues on next page.

Description	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand									
Other Expenditure By Type									
General expenses	345 264	392 563	467 085	445 892	2 032 331	2 032 331	376 526	377 889	427 011
MIDS/CIDS	164 182	192 953	210 130	229 737	(1 333 376)	(1 333 376)	250 878	263 450	276 729
Electricity	133 287	119 956	139 108	238 137	184 107	184 107	198 784	279 403	310 452
Software Licences - Upgrade/Protection	90 053	128 130	102 770	146 717	149 667	149 667	169 086	194 451	259 527
Specialised Information Technology services	195 312	181 269	109 462	112 905	127 748	127 748	147 895	182 695	178 216
Commission - Revenue Sharing	113 727	117 376	122 190	134 078	133 953	133 953	129 078	134 215	139 598
Uniform & Protective Clothing	80 325	75 160	90 612	116 960	120 837	120 837	116 577	112 368	116 851
Levy: Skills Development	79 809	88 690	96 362	88 337	89 859	89 859	114 139	123 785	134 249
Indigent Relief : Electricity - Eskom Rebates	70 556	71 185	78 061	79 910	79 910	79 910	97 496	102 371	107 489
Training	73 196	73 518	96 763	119 839	90 014	90 014	90 973	126 076	131 132
Rehabilitation Costs transferred to Provision	(2 507)	(2 356)	(1 976)	54 850	54 850	54 850	79 287	83 236	87 406
Commission - Pre-paid electricity Vendor	64 490	65 317	68 372	71 254	71 311	71 311	74 817	77 795	80 914
Premiums : Unicity Insurance Program	33 245	39 044	41 999	49 702	49 702	49 702	60 210	51 597	55 214
Advertising - Corporate and Municipal Accounts	29 074	31 726	30 513	38 123	38 645	38 645	40 937	42 565	44 272
Postage & Courier	37 578	35 418	37 468	37 560	34 119	34 119	35 929	38 284	39 820
Rehabilitation of Closed Landfill Sites	26 509	25 426	1 569	30 000	1 686	1 686	31 686	33 264	34 930
Telecommunication Lines	53 256	39 696	26 166	36 647	31 675	31 675	30 283	31 489	32 751
Furniture Fittings Tools & Equipment	-	-	-	29 133	29 133	29 133	29 286	29 095	32 789
G&D Insurance : Non GIF	12 307	14 306	16 190	26 085	26 085	26 085	26 085	27 000	27 000
Motor vehicle License and registration	17 905	19 465	21 839	24 470	25 781	25 781	25 703	26 726	27 798
Motor Claims	17 169	19 027	26 030	23 725	23 725	23 725	25 410	27 183	29 089
R&M Vehicle Tracking	15 761	17 959	15 516	20 725	20 738	20 738	21 795	22 879	24 025
Medical Expenses	14 550	13 800	17 354	20 181	20 181	20 181	21 613	23 122	24 743
Auditors Remuneration	13 183	16 708	18 188	19 328	19 328	19 328	19 328	20 097	20 903
Membership Fees: Professional	14 292	14 626	15 971	18 902	18 301	18 301	18 679	19 423	20 202
Bank & Services charges	7 747	11 592	11 992	22 127	21 053	21 053	18 612	19 352	20 128
G&D Uniform & Protective Clothing	1 216	788	943	278	16 910	16 910	18 570	14 342	14 510
Telecommunication : Cell Phone Subscription	18 526	19 371	20 246	14 586	18 248	18 248	18 393	19 069	19 833
Telecommunication Services	10 233	12 503	19 555	15 684	15 863	15 863	17 892	18 604	19 350
Training Programmes	14 474	10 445	15 779	13 874	14 013	14 013	17 421	14 991	15 588
Water Research Levy	24 902	4 948	12 318	20 448	14 448	14 448	14 250	14 960	15 709
Computer Network Extensions	11 162	15 356	15 987	16 303	11 734	11 734	12 456	12 952	13 472
Travel and Subs: Domestic - Own Transport	9 649	10 535	9 939	10 201	11 966	11 966	12 035	12 475	12 975
Total 'Other' Expenditure	1 790 430	1 876 499	1 954 501	2 326 698	2 264 543	2 264 543	2 362 108	2 577 204	2 794 675
Repairs and Maintenance by Expenditure Item									
Employee related costs	1 271 125	1 229 788	1 119 643	1 135 210	1 115 135	1 115 135	1 690 469	1 842 417	1 932 626
Other materials	276 260	329 644	343 692	376 267	359 634	359 634	402 391	420 975	440 919
Contracted Services	2 010 873	2 075 310	2 160 455	2 471 803	2 290 102	2 290 102	2 334 040	2 665 623	2 791 818
Other Expenditure	203 039	175 323	156 604	146 396	143 178	143 178	148 498	163 422	171 580
Total Repairs and Maintenance Expenditure	3 761 297	3 810 065	3 780 395	4 129 677	3 908 049	3 908 049	4 575 398	5 092 436	5 336 943

Table 95 MBRR Table SA2 - Matrix financial performance budget (revenue source / expenditure type and department)

Description	Vote 1 - Community service & Health	Vote 2 - Corporate Services	Vote 3 - Economic Opportunities & Asset Managemnt	Vote 4 - Energy & Climate Change	Vote 5 - Finance	Vote 6 - Human Settlements	Vote 7 - Office of the City Manager	Vote 8 - Safety & Security	Vote 9 - Spatial Planning & Environment	Vote 10 - Transport	Vote 11 - Urban Management	Vote 12 - Water & Waste	Total
R thousand													
Revenue By Source													
Property rates	-	-	-	-	10 252 881	-	-	-	-	-	258 637	-	10 511 519
Service charges - electricity revenue	43	-	-	13 789 292	-	-	-	-	-	0	-	-	13 789 334
Service charges - water revenue	-	-	532	-	-	-	-	-	-	-	-	3 193 926	3 194 459
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-	-	-	1 616 486	1 616 486
Service charges - refuse revenue	-	-	-	-	(301 777)	-	-	-	-	-	-	1 587 207	1 285 431
Rental of facilities and equipment	12 063	-	179 224	1 067	2	166 574	-	275	155	-	-	200	359 559
Interest earned - external investments	-	-	-	-	847 340	195	-	-	-	-	-	-	847 535
Interest earned - outstanding debtors	-	-	-	27 655	115 512	1 800	-	-	-	-	-	244 170	389 137
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	2 473	-	-	-	513	-	-	1 055 541	4 595	31	-	181	1 063 333
Licences and permits	781	-	-	-	-	-	-	50 934	-	25 160	-	-	76 875
Agency services	-	-	-	-	228 818	-	-	13 417	-	-	-	-	242 236
Other revenue	32 011	45 517	1 893	30 266	2 658 458	12 708	6	25 228	119 934	207 927	4 362	52 181	3 190 491
Transfers and subsidies	815 606	12 262	60 320	950	3 137 157	383 710	-	445 757	62 287	671 278	1 034	18 362	5 608 724
Gains	-	-	41 500	2 500	-	5 000	-	-	-	-	-	1 000	50 000
Total Revenue (excluding capital transfers and contributions)	862 976	57 780	283 469	13 851 730	16 938 904	569 987	6	1 591 151	186 971	904 395	264 033	6 713 714	42 225 117

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Description	Vote 1 - Community service & Health	Vote 2 - Corporate Services	Vote 3 - Economic Opportunities & Asset Management	Vote 4 - Energy & Climate Change	Vote 5 - Finance	Vote 6 - Human Settlements	Vote 7 - Office of the City Manager	Vote 8 - Safety & Security	Vote 9 - Spatial Planning & Environment	Vote 10 - Transport	Vote 11 - Urban Management	Vote 12 - Water & Waste	Total
R thousand													
Expenditure By Type													
Employee related costs	2 680 618	1 147 271	523 031	1 453 129	1 093 854	421 085	180 037	2 760 103	580 292	843 576	401 311	3 119 058	15 203 365
Remuneration of councillors	-	-	-	-	-	-	1 564	-	-	-	188 111	-	189 675
Debt impairment	-	-	13 455	303 535	1 023 242	174 876	-	879 084	-	-	7 759	1 238 403	3 640 353
Depreciation & asset impairment	172 056	230 402	211 907	419 097	194 406	223 722	1 686	132 370	32 139	728 912	19 258	934 111	3 300 067
Finance charges	3 130	-	-	-	771 474	241	-	-	-	-	-	53 615	828 460
Bulk purchases	-	-	-	9 585 215	-	-	-	-	-	-	-	405 666	9 990 881
Other materials	533 882	9 438	(12 471)	157 959	20 031	25 426	1 507	122 752	11 374	117 739	12 068	599 421	1 599 125
Contracted services	852 992	267 788	412 255	307 766	56 918	420 348	34 677	119 681	114 757	1 858 769	194 615	2 575 409	7 215 975
Transfers and subsidies	39 826	-	154 474	-	80 718	106 000	11 502	49 670	28 517	125	8 088	19 161	498 081
Other expenditure	121 448	406 852	111 979	185 294	444 443	22 731	27 632	229 448	22 149	91 088	296 127	402 915	2 362 108
Losses	9	66	31	450	1 222	27	-	65	-	-	9	123	2 002
Total Expenditure	4 403 961	2 061 818	1 414 661	12 412 445	3 686 308	1 394 457	258 605	4 293 174	789 228	3 640 210	1 127 346	9 347 882	44 830 094
Surplus/(Deficit)	(3 540 985)	(2 004 038)	(1 131 191)	1 439 285	13 252 597	(824 470)	(258 599)	(2 702 022)	(602 257)	(2 735 814)	(863 313)	(2 634 168)	(2 604 976)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	202 468	-	-	44 500	330	683 339	-	24 896	550	1 442 278	11 206	406 262	2 815 828
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	634	-	-	132 705	-	-	-	-	-	22 822	-	33 065	189 226
Transfers and subsidies - capital (in-kind - all)	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(3 337 883)	(2 004 038)	(1 131 191)	1 616 490	13 252 927	(141 131)	(258 599)	(2 677 126)	(601 707)	(1 270 715)	(852 107)	(2 194 841)	400 078

Table 96 MBRR Table SA3 - Supporting detail to Statement of Financial Position

Description	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand									
ASSETS									
Consumer debtors									
Consumer debtors	8 867 878	9 946 508	10 981 470	18 908 382	13 878 749	13 878 749	17 893 016	20 553 893	23 358 440
Less: Provision for debt impairment	(3 844 285)	(4 320 108)	(4 765 547)	(9 198 179)	(7 253 116)	(7 253 116)	(10 893 469)	(13 144 556)	(15 504 944)
Total Consumer debtors	5 023 593	5 626 400	6 215 923	9 710 204	6 625 632	6 625 632	6 999 547	7 409 336	7 853 495
Debt impairment provision									
Balance at the beginning of the year	3 556 156	3 961 479	4 320 108	6 856 550	4 765 547	4 765 547	7 253 116	10 893 469	13 144 556
Contributions to the provision	1 060 281	565 738	938 105	2 341 628	2 487 569	2 487 569	3 640 353	2 251 087	2 360 388
Bad debts written off	(772 152)	(207 109)	(492 666)	-	-	-	-	-	-
Balance at end of year	3 844 285	4 320 108	4 765 547	9 198 179	7 253 116	7 253 116	10 893 469	13 144 556	15 504 944
Property, plant and equipment (PPE)									
PPE at cost/valuation (excl. finance leases)	60 848 926	66 805 504	70 879 489	80 138 885	77 252 696	77 252 696	86 858 570	96 464 404	107 105 505
Leases recognised as PPE	-	-	-	-	-	-	-	-	-
Less: Accumulated depreciation	20 652 436	23 651 739	25 176 257	28 282 339	28 059 886	28 059 886	31 202 799	34 443 049	37 832 074
Total Property, plant and equipment (PPE)	40 196 490	43 153 765	45 703 232	51 856 546	49 192 810	49 192 810	55 655 771	62 021 356	69 273 432
LIABILITIES									
Current liabilities - Borrowing									
Short term loans (other than bank overdraft)	-	-	-	-	-	-	-	-	-
Current portion of long-term liabilities	334 185	376 805	427 597	489 858	489 858	489 858	628 487	1 967 270	2 488 247
Total Current liabilities - Borrowing	334 185	376 805	427 597	489 858	489 858	489 858	628 487	1 967 270	2 488 247
Trade and other payables									
Trade Payables	4 200 191	4 316 746	4 408 435	6 709 111	3 357 542	3 357 542	3 453 080	3 608 021	3 932 461
Other creditors	1 762 888	1 584 914	1 290 883	2 481 452	1 241 831	1 241 831	1 264 591	1 334 474	1 444 245
Unspent conditional transfers	1 054 374	1 067 745	1 298 170	1 425 028	1 344 116	1 344 116	1 740 833	2 238 437	2 771 211
VAT	93 366	132 981	130 270	146 612	136 784	136 784	143 623	150 804	158 344
Total Trade and other payables	7 110 819	7 102 387	7 127 758	10 762 203	6 080 272	6 080 272	6 602 127	7 331 735	8 306 261
Non current liabilities - Borrowing									
Borrowing	5 789 616	6 492 536	6 270 937	7 838 577	7 838 577	7 838 577	9 784 054	12 723 321	15 141 147
Finance leases (including PPP asset element)	-	-	-	-	-	-	-	-	-
Total Non current liabilities - Borrowing	5 789 616	6 492 536	6 270 937	7 838 577	7 838 577	7 838 577	9 784 054	12 723 321	15 141 147
Provisions - non-current									
Retirement benefits	5 264 545	5 294 803	5 901 641	6 095 411	6 095 411	6 095 411	6 786 621	7 299 291	7 807 086
Refuse landfill site rehabilitation	328 562	319 035	345 888	316 412	314 726	314 726	403 719	469 629	593 595
Other	516 222	611 339	629 559	660 772	674 311	674 311	710 532	755 473	782 528
Total Provisions - non-current	6 109 329	6 225 176	6 877 088	7 072 595	7 084 449	7 084 449	7 900 871	8 524 393	9 183 208
CHANGES IN NET ASSETS									
Accumulated Surplus/(Deficit)									
Accumulated Surplus/(Deficit) - opening balance	29 171 274	33 294 078	38 984 105	41 575 958	43 892 330	43 892 330	45 365 771	46 771 031	49 612 774
GRAP adjustments	(211 702)	(314 844)	-	-	-	-	-	-	-
Restated balance	28 959 572	32 979 234	38 984 105	41 575 958	43 892 330	43 892 330	45 365 771	46 771 031	49 612 774
Surplus/(Deficit)	5 103 253	5 696 767	6 242 063	1 407 418	2 213 884	2 213 884	400 078	2 948 326	3 220 814
Transfers to/from Reserves	(768 750)	308 105	(1 333 839)	18 718	(740 443)	(740 443)	971 183	(106 583)	(209 405)
Depreciation offsets	-	-	-	-	-	-	-	-	-
Other adjustments	-	-	-	-	-	-	-	-	-
Accumulated Surplus/(Deficit)	33 294 076	38 984 106	43 892 329	43 002 095	45 365 771	45 365 771	46 737 031	49 612 774	52 624 183
Reserves									
Housing Development Fund	331 568	359 290	409 352	322 467	402 257	402 257	420 194	437 310	453 749
Capital replacement	2 880 321	2 527 463	3 800 793	4 847 596	4 533 247	4 533 247	3 533 192	3 599 485	3 767 597
Self-insurance	561 296	578 328	588 775	594 745	603 858	603 858	614 794	637 966	662 821
Other reserves	-	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-	-
Total Reserves	3 773 185	3 465 082	4 798 920	5 764 808	5 539 362	5 539 362	4 568 179	4 674 762	4 884 167
TOTAL COMMUNITY WEALTH/EQUITY	37 067 261	42 449 187	48 691 249	48 766 902	50 905 133	50 905 133	51 305 210	54 287 537	57 508 350

Table 97 MBRR Table SA9 - Social, economic and demographic statistics and assumptions

Description of economic indicator	Basis of calculation	2001 Census	2007 Survey	2011 Census	2016/17	2017/18	2018/19	Current Year 2019/20	2020/21 Medium Term Revenue & Expenditure Framework		
					Outcome	Outcome	Outcome	Original Budget	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Demographics											
Population	StatsSA Census, Community Survey & Mid-year estimates	2 893 249	3 497 097	3 740 025	4 311 386	4 400 240	4 488 546	4 576 971	-	-	-
Females aged 5 - 14	StatsSA Census, Community Survey & Mid-year estimates	260 241	287 307	275 909	345 050	356 607	357 207	361 843	-	-	-
Males aged 5 - 14	StatsSA Census, Community Survey & Mid-year estimates	257 985	284 101	282 124	347 909	359 635	369 077	374 240	-	-	-
Females aged 15 - 34	StatsSA Census, Community Survey & Mid-year estimates	571 867	653 762	706 732	737 441	742 569	753 035	760 434	-	-	-
Males aged 15 - 34	StatsSA Census, Community Survey & Mid-year estimates	539 939	631 811	707 488	736 742	742 842	775 029	782 391	-	-	-
Unemployment	StatsSA Census, Community Survey & QLFS	29.20%	24.50%	23.90%	23.17%	22.15%	22.77%	23.23%	-	-	-
Monthly household income (no. of households)											
No income	StatsSA Census	101 953	52 446	146 517	NA	NA	NA	NA	-	-	-
R1 - R1 600	StatsSA Census	200 414	144 873	185 068	NA	NA	NA	NA	-	-	-
R1 601 - R3 200	StatsSA Census	130 846	122 611	170 824	NA	NA	NA	NA	-	-	-
R3 201 - R6 400	StatsSA Census	133 588	121 268	154 427	NA	NA	NA	NA	-	-	-
R6 401 - R12 800	StatsSA Census	109 609	103 587	139 348	NA	NA	NA	NA	-	-	-
R12 801 - R25 600	StatsSA Census	67 529	87 974	126 625	NA	NA	NA	NA	-	-	-
R25 601 - R51 200	StatsSA Census	23 091	52 892	92 860	NA	NA	NA	NA	-	-	-
R52 201 - R102 400	StatsSA Census	5 470	18 249	38 018	NA	NA	NA	NA	-	-	-
R102 401 - R204 800	StatsSA Census	3 028	5 355	9 749	NA	NA	NA	NA	-	-	-
< R 204 800	StatsSA Census	1 861	3 429	5 066	NA	NA	NA	NA	-	-	-
Unspecified	StatsSA Census	-	189 593	73	NA	NA	NA	NA	-	-	-
Poverty profiles (no. of households)											
< R2 060 per household per month											
Indigent Households	City Indigent Relief Policy	-	-	-	232 569	213 424	225 217	220 796	-	-	-
Household/demographics											
Number of people in municipal area	StatsSA Census, Community Survey & Mid-year estimates	2 893 249	3 497 097	3 740 025	4 311 386	4 400 240	4 488 546	4 576 971	-	-	-
Number of poor people in municipal area	StatsSA Census, estimates	1 124 687	1 240 002	1 758 442	NA	NA	NA	NA	-	-	-
Number of households in municipal area	StatsSA Census, estimates	777 390	902 275	1 068 575	1 347 308	1 375 075	1 402 671	1 430 303	-	-	-
Number of poor households in municipal area	StatsSA Census, Indigent households for 2015/16 to 2018/19	302 193	319 930	502 409	232 569	213 424	225 217	220 796	-	-	-
Definition of poor household (R per month)	-	Household income < R1608	Household income < R3201	Household income < R3201	Indigent households	Indigent households	Indigent households	Indigent households	-	-	-
Housing statistics											
Formal	StatsSA Census & Community Survey, estimates	619 691	758 159	846 026	1 097 660	1 120 282	1 142 764	1 165 277	-	-	-
Informal	StatsSA Census & Community Survey, estimates	157 699	144 116	222 549	249 648	254 793	259 907	265 027	-	-	-
Total number of households		777 390	902 275	1 068 575	1 347 308	1 375 075	1 402 671	1 430 303			
Dwellings provided by municipality	CCT Human Settlements Directorate	-	-	-	4 839	3 712	3 919	-	-	-	-
Dwellings provided by province/s	WCG, Department of Human Settlements Annual Reports	-	-	-	6 182	5 220	4 768	-	-	-	-
Dwellings provided by private sector	CCT Spatial Planning and Environment Directorate	-	-	-	12 319	10 320	9 504	-	-	-	-
Total new housing dwellings		-	-	-	23 340	19 252	18 191	-	-	-	-
Economic											
Inflation/inflation outlook (CPIX)		-	-	-	6.1%	5.7%	5.50%	4.1%	5.1%	5.0%	5.0%
Interest rate - borrowing		-	-	-	11.0%	12.0%	11.00%	11.0%	11.0%	11.0%	11.0%
Interest rate - investment		-	-	-	6.5%	7.0%	7.0%	7.0%	4.8%	4.6%	4.6%
Remuneration increases		-	-	-	6.0%	7.4%	7.1%	6.5%	6.3%	6.5%	6.5%
Consumption growth (electricity)		-	-	-	-1.9%	-2.7%	-1.10%	-1.0%	-6.5%	-1.5%	-1.5%
Consumption growth (water)		-	-	-	-12.8%	-26.8%	-10.07%	12.2%	2.8%	1.0%	1.0%
Collection rates											
Property tax/service charges		-	-	-	96.4%	96.0%	95.9%	96.0%	90.0%	96.0%	96.0%
Rental of facilities & equipment		-	-	-	67.6%	68.4%	87.4%	72.0%	50.6%	72.7%	73.3%
Interest - external investments		-	-	-	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Interest - debtors		-	-	-	96.6%	96.1%	96.0%	90.0%	92.1%	92.1%	92.1%
Revenue from agency services		-	-	-	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

*NA = not available

Table 98 MBRR Table SA9 - Detail on the provision of municipal services for Table A10 (Basic service delivery measurement)

Total municipal services	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Household service targets (000)									
Water:									
Piped water inside dwelling	988 643	1 132 666	1 190 854	1 214 760	1 214 760	1 214 760	1 256 146	1 280 054	1 304 676
Piped water inside yard (but not in dwelling)	–	–	–	–	–	–	–	–	–
Using public tap (at least min.service level)	158 433	157 038	165 105	168 419	168 419	168 419	174 157	177 472	180 886
Other water supply (at least min.service level)	–	–	–	–	–	–	–	–	–
<i>Minimum Service Level and Above sub-total</i>	1 147 076	1 289 704	1 355 959	1 383 179	1 383 179	1 383 179	1 430 303	1 457 526	1 485 562
Using public tap (< min.service level)	–	–	–	–	–	–	–	–	–
Other water supply (< min.service level)	–	–	–	–	–	–	–	–	–
No water supply	–	–	–	–	–	–	–	–	–
<i>Below Minimum Service Level sub-total</i>	–	–	–	–	–	–	–	–	–
Total number of households	1 147 076	1 289 704	1 355 959	1 383 179	1 383 179	1 383 179	1 430 303	1 457 526	1 485 562
Sanitation/sewerage:									
Flush toilet (connected to sewerage)	1 070 076	1 211 917	1 263 952	1 285 080	1 285 080	1 285 080	1 331 819	1 353 699	1 378 322
Flush toilet (with septic tank)	–	–	–	–	–	–	–	–	–
Chemical toilet	23 964	30 575	32 185	35 120	35 120	35 120	34 020	34 020	34 020
Pit toilet (ventilated)	65	197	197	197	197	197	197	197	197
Other toilet provisions (> min.service level)	52 754	46 798	59 553	62 633	62 633	62 633	64 267	69 610	73 024
<i>Minimum Service Level and Above sub-total</i>	1 146 859	1 289 487	1 355 887	1 383 030	1 383 030	1 383 030	1 430 303	1 457 526	1 485 562
Bucket toilet	217	217	72	149	149	149	–	–	–
Other toilet provisions (< min.service level)	–	–	–	–	–	–	–	–	–
No toilet provisions	–	–	–	–	–	–	–	–	–
<i>Below Minimum Service Level sub-total</i>	217	217	72	149	149	149	–	–	–
Total number of households	1 147 076	1 289 704	1 355 959	1 383 179	1 383 179	1 383 179	1 430 303	1 457 526	1 485 562
Energy:									
Electricity (at least min.service level)	853 402	828 552	841 791	843 291	843 291	843 291	844 791	846 291	847 791
Electricity - prepaid (min.service level)	–	–	–	–	–	–	–	–	–
<i>Minimum Service Level and Above sub-total</i>	853 402	828 552	841 791	843 291	843 291	843 291	844 791	846 291	847 791
Electricity (< min.service level)	35 341	33 566	31 126	29 626	29 626	29 626	28 126	26 626	25 126
Electricity - prepaid (< min. service level)	–	–	–	–	–	–	–	–	–
Other energy sources	–	–	–	–	–	–	–	–	–
<i>Below Minimum Service Level sub-total</i>	35 341	33 566	31 126	29 626	29 626	29 626	28 126	26 626	25 126
Total number of households	888 743	862 118	872 917	872 917	872 917	872 917	872 917	872 917	872 917
Refuse:									
Removed at least once a week	975 507	931 820	944 616	958 534	958 534	958 534	935 447	954 156	973 239
<i>Minimum Service Level and Above sub-total</i>	975 507	931 820	944 616	958 534	958 534	958 534	935 447	954 156	973 239
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	975 507	931 820	944 616	958 534	958 534	958 534	935 447	954 156	973 239

Table continues on next page

Municipal in-house services	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Household service targets (000)									
Water:									
Piped water inside dwelling	988 643	1 132 666	1 190 854	1 214 760	1 214 760	1 214 760	1 256 146	1 280 054	1 304 676
Piped water inside yard (but not in dwelling)	–	–	–	–	–	–	–	–	–
Using public tap (at least min.service level)	158 433	157 038	165 105	168 419	168 419	168 419	174 157	177 472	180 886
Other water supply (at least min.service level)	–	–	–	–	–	–	–	–	–
<i>Minimum Service Level and Above sub-total</i>	1 147 076	1 289 704	1 355 959	1 383 179	1 383 179	1 383 179	1 430 303	1 457 526	1 485 562
Using public tap (< min.service level)	–	–	–	–	–	–	–	–	–
Other water supply (< min.service level)	–	–	–	–	–	–	–	–	–
No water supply	–	–	–	–	–	–	–	–	–
<i>Below Minimum Service Level sub-total</i>	–	–	–	–	–	–	–	–	–
Total number of households	1 147 076	1 289 704	1 355 959	1 383 179	1 383 179	1 383 179	1 430 303	1 457 526	1 485 562
Sanitation/sewerage:									
Flush toilet (connected to sewerage)	1 070 076	1 211 917	1 263 952	1 285 080	1 285 080	1 285 080	1 331 819	1 353 699	1 378 322
Flush toilet (with septic tank)	–	–	–	–	–	–	–	–	–
Chemical toilet	23 964	30 575	32 185	35 120	35 120	35 120	34 020	34 020	34 020
Pit toilet (ventilated)	65	197	197	197	197	197	197	197	197
Other toilet provisions (> min.service level)	52 754	46 798	59 553	62 633	62 633	62 633	64 267	69 610	73 024
<i>Minimum Service Level and Above sub-total</i>	1 146 859	1 289 487	1 355 887	1 383 030	1 383 030	1 383 030	1 430 303	1 457 526	1 485 562
Bucket toilet	217	217	72	149	149	149	–	–	–
Other toilet provisions (< min.service level)	–	–	–	–	–	–	–	–	–
No toilet provisions	–	–	–	–	–	–	–	–	–
<i>Below Minimum Service Level sub-total</i>	217	217	72	149	149	149	–	–	–
Total number of households	1 147 076	1 289 704	1 355 959	1 383 179	1 383 179	1 383 179	1 430 303	1 457 526	1 485 562
Energy:									
Electricity (at least min.service level)	574 527	581 960	595 199	596 699	596 699	596 699	598 199	599 699	601 199
Electricity - prepaid (min.service level)	–	–	–	–	–	–	–	–	–
<i>Minimum Service Level and Above sub-total</i>	574 527	581 960	595 199	596 699	596 699	596 699	598 199	599 699	601 199
Electricity (< min.service level)	35 341	33 566	31 126	29 626	29 626	29 626	28 126	26 626	25 126
Electricity - prepaid (< min. service level)	–	–	–	–	–	–	–	–	–
Other energy sources	–	–	–	–	–	–	–	–	–
<i>Below Minimum Service Level sub-total</i>	35 341	33 566	31 126	29 626	29 626	29 626	28 126	26 626	25 126
Total number of households	609 868	615 526	626 325	626 325	626 325	626 325	626 325	626 325	626 325
Refuse:									
Removed at least once a week	975 507	931 820	944 616	958 534	958 534	958 534	935 447	954 156	973 239
<i>Minimum Service Level and Above sub-total</i>	975 507	931 820	944 616	958 534	958 534	958 534	935 447	954 156	973 239
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	975 507	931 820	944 616	958 534	958 534	958 534	935 447	954 156	973 239

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Services provided by 'external mechanisms'	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Names of service provider: Household service targets (000)									
Water:	-	-	-	-	-	-	-	-	-
Piped water inside dwelling	-	-	-	-	-	-	-	-	-
Piped water inside yard (but not in dwelling)	-	-	-	-	-	-	-	-	-
Using public tap (at least min.service level)	-	-	-	-	-	-	-	-	-
Other water supply (at least min.service level)	-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>	-	-	-	-	-	-	-	-	-
Using public tap (< min.service level)	-	-	-	-	-	-	-	-	-
Other water supply (< min.service level)	-	-	-	-	-	-	-	-	-
No water supply	-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>	-	-	-	-	-	-	-	-	-
Total number of households	-	-	-	-	-	-	-	-	-
Names of service provider: Sanitation/sewerage:									
Flush toilet (connected to sewerage)	-	-	-	-	-	-	-	-	-
Flush toilet (with septic tank)	-	-	-	-	-	-	-	-	-
Chemical toilet	-	-	-	-	-	-	-	-	-
Pit toilet (ventilated)	-	-	-	-	-	-	-	-	-
Other toilet provisions (> min.service level)	-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>	-	-	-	-	-	-	-	-	-
Bucket toilet	-	-	-	-	-	-	-	-	-
Other toilet provisions (< min.service level)	-	-	-	-	-	-	-	-	-
No toilet provisions	-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>	-	-	-	-	-	-	-	-	-
Total number of households	-	-	-	-	-	-	-	-	-
Names of service provider: Energy:									
Eskom									
Electricity (at least min.service level)	278 875	246 592	246 592	246 592	246 592	246 592	246 592	246 592	246 592
Electricity - prepaid (min.service level)	-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>	278 875	246 592	246 592	246 592	246 592	246 592	246 592	246 592	246 592
Electricity (< min.service level)	-	-	-	-	-	-	-	-	-
Electricity - prepaid (< min. service level)	-	-	-	-	-	-	-	-	-
Other energy sources	-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>	-	-	-	-	-	-	-	-	-
Total number of households	278 875	246 592	246 592	246 592	246 592	246 592	246 592	246 592	246 592
Names of service provider: Refuse:									
Removed at least once a week	-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>	-	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-	-	-

Table continues on next page

Detail of Free Basic Services (FBS) provided		2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Electricity	Location of households for each type of FBS									
	Formal settlements - (50 kwh per indigent household per month Rands)	160 637 805	160 637 805	125 998 862	125 998 860	125 998 860	125 998 860	133 558 792	141 572 319	150 066 658
	Number of HH receiving this type of FBS	236 941	195 564	183 070	183 070	183 070	183 070	183 070	183 070	183 070
	Informal settlements (Rands)	70 556 141	78 073 659	78 060 662	79 910 004	79 910 004	79 910 004	84 704 604	89 786 880	95 174 093
	Number of HH receiving this type of FBS	132 280	122 502	136 726	136 726	136 726	136 726	136 726	136 726	136 726
	Informal settlements targeted for upgrading (Rands)	-	-	-	-	-	-	-	-	-
	Number of HH receiving this type of FBS	-	-	-	-	-	-	-	-	-
	Living in informal backyard rental agreement (Rands)	970 453	1 051 783	1 175 158	1 278 572	1 278 572	1 278 572	1 380 858	1 491 327	1 610 633
	Number of HH receiving this type of FBS	1 535	1 620	1 646	1 646	1 646	1 646	1 646	1 646	1 646
	Other (Rands)	-	-	-	-	-	-	-	-	-
	Number of HH receiving this type of FBS	-	-	-	-	-	-	-	-	-
Total cost of FBS - Electricity for informal settlements	71 526 594	79 125 442	79 235 820	81 188 576	81 188 576	81 188 576	86 085 462	91 278 207	96 784 726	
Water	Location of households for each type of FBS									
	Formal settlements - (6 kilolitre per indigent household per month Rands)	212 041 403	314 306 086	368 202 762	449 105 580	449 105 580	449 105 580	408 131 484	462 331 345	509 766 541
	Number of HH receiving this type of FBS	222 098	231 793	267 325	270 025	270 025	270 025	253 851	253 851	253 851
	Informal settlements (Rands)	148 169 680	189 563 442	225 618 455	277 619 681	277 619 681	277 619 681	276 947 914	319 581 982	359 026 046
	Number of HH receiving this type of FBS	155 197	154 237	163 805	166 919	166 919	166 919	174 157	177 472	180 886
	Informal settlements targeted for upgrading (Rands)	3 089 474	3 441 312	1 790 568	2 494 800	2 494 800	2 494 800	3 054 744	3 642 541	4 217 079
	Number of HH receiving this type of FBS	3 236	2 800	1 300	1 500	1 500	1 500	1 900	2 000	2 100
	Living in informal backyard rental agreement (Rands)	1 909 440	3 389 692	4 074 231	6 458 206	6 458 206	6 458 206	7 931 080	8 984 328	9 906 120
	Number of HH receiving this type of FBS	2 000	2 758	2 958	3 883	3 883	3 883	4 933	4 933	4 933
	Other (Rands)	-	-	-	-	-	-	-	-	-
	Number of HH receiving this type of FBS	-	-	-	-	-	-	-	-	-
Total cost of FBS - Water for informal settlements	153 168 594	196 394 446	231 483 254	286 572 687	286 572 687	286 572 687	287 933 738	332 208 851	373 149 245	
Sanitation	Location of households for each type of FBS									
	Formal settlements - (free sanitation service to indigent households)	143 727 611	178 254 084	233 220 746	232 446 161	232 446 161	232 446 161	251 147 995	284 500 448	313 690 194
	Number of HH receiving this type of FBS	222 098	255 733	267 325	270 025	270 025	270 025	253 851	253 851	253 851
	Informal settlements (Rands)	50 604 094	55 230 725	72 617 956	74 235 569	74 235 569	74 235 569	76 361 155	86 431 310	95 991 347
	Number of HH receiving this type of FBS	78 197	79 237	83 237	86 237	86 237	86 237	77 183	77 183	77 680
	Informal settlements targeted for upgrading (Rands)	2 094 132	1 951 690	1 134 151	1 291 248	1 291 248	1 291 248	1 879 769	2 241 476	2 595 024
	Number of HH receiving this type of FBS	3 236	2 800	1 300	1 500	1 500	1 500	1 900	2 000	2 100
	Living in informal backyard rental agreement (Rands)	1 294 272	1 922 414	2 580 630	3 342 611	3 342 611	3 342 611	4 880 473	5 528 600	6 095 835
	Number of HH receiving this type of FBS	2 000	2 758	2 958	3 883	3 883	3 883	4 933	4 933	4 933
	Other (Rands)	-	-	-	-	-	-	-	-	-
	Number of HH receiving this type of FBS	-	-	-	-	-	-	-	-	-
Total cost of FBS - Sanitation for informal settlements	53 992 498	59 104 829	76 332 737	78 869 428	78 869 428	78 869 428	83 121 397	94 201 386	104 682 206	
Refuse Removal	Location of households for each type of FBS									
	Formal settlements - (removed once a week to indigent households)	235 400 936	276 709 328	280 000 000	287 133	287 133	287 133	220 282	227 992	235 971
	Number of HH receiving this type of FBS	302 957	317 665	304 437	310 526	310 526	310 526	257 328	262 475	267 724
	Informal settlements (Rands)	125 621 944	138 249 287	147 182 564	154 542	154 542	154 542	242 329	254 445	267 168
	Number of HH receiving this type of FBS	151 842	153 360	160 000	163 200	163 200	163 200	218 000	222 360	228 807
	Informal settlements targeted for upgrading (Rands)	-	-	-	-	-	-	-	-	-
	Number of HH receiving this type of FBS	-	-	-	-	-	-	-	-	-
	Living in informal backyard rental agreement (Rands)	-	-	-	-	-	-	-	-	-
	Number of HH receiving this type of FBS	-	-	-	-	-	-	-	-	-
	Other (Rands)	-	-	-	-	-	-	-	-	-
	Number of HH receiving this type of FBS	-	-	-	-	-	-	-	-	-
Total cost of FBS - Refuse Removal for informal settlements	125 621 944	138 249 287	147 182 564	154 541 692	154 541 692	154 541 692	242 329 042	254 445 494	267 167 769	

2.21 Consolidated budget tables

The consolidated tables, as required in terms of Regulation 9 of the MBRR, are presented in the nine primary budget tables on page 244 to page 256.

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

The consolidated tables include the City's and entities' MTREF with an elimination of inter-company entries. It will therefore not align to a direct consolidation of tables between the City's MBRR Schedule A and the entities' MBRR Schedule D.

Table 99 - MBRR Table A1 Consolidated Budget Summary

Description	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousands									
Financial Performance									
Property rates	8 269 582	8 667 169	9 529 022	9 916 685	9 897 154	9 897 154	10 511 519	11 555 663	12 624 126
Service charges	16 547 809	17 003 100	18 876 837	19 690 195	19 705 480	19 705 480	19 885 709	22 553 509	24 407 148
Investment revenue	793 959	900 370	1 142 094	919 395	926 334	926 334	856 610	887 846	920 683
Transfers recognised - operational	5 864 445	6 450 645	7 052 155	7 376 568	7 861 300	7 861 300	5 608 724	5 573 928	6 020 849
Other own revenue	3 295 339	4 034 769	3 874 061	3 305 614	3 073 581	3 073 581	5 581 541	5 991 604	6 264 934
Total Revenue (excluding capital transfers and contributions)	34 771 135	37 056 053	40 474 168	41 208 458	41 463 849	41 463 849	42 443 103	46 562 551	50 237 739
Employee costs	9 756 082	10 976 730	12 459 200	13 908 778	14 035 202	14 035 202	15 296 104	16 695 358	18 073 834
Remuneration of councillors	138 951	154 923	161 297	179 818	179 818	179 818	189 675	201 018	213 099
Depreciation & asset impairment	2 336 294	3 088 275	2 889 932	3 065 250	3 229 705	3 229 705	3 354 567	3 432 308	3 609 589
Finance charges	842 644	863 411	838 055	790 756	800 816	800 816	828 460	1 239 002	1 445 614
Materials and bulk purchases	9 606 871	9 347 686	9 973 833	11 746 242	11 232 492	11 232 492	11 618 742	12 802 381	13 859 228
Transfers and grants	349 609	396 433	336 816	374 860	520 811	520 811	432 364	405 986	354 515
Other expenditure	8 654 933	8 679 905	9 504 979	12 033 540	11 848 323	11 848 323	13 424 593	12 347 127	13 088 081
Total Expenditure	31 685 384	33 507 363	36 164 111	42 099 245	41 847 168	41 847 168	45 144 504	47 123 180	50 643 959
Surplus/(Deficit)	3 085 751	3 548 691	4 310 058	(890 787)	(383 319)	(383 319)	(2 701 402)	(560 630)	(406 220)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	2 005 297	1 732 882	2 078 060	2 211 385	2 356 436	2 356 436	2 815 828	3 245 568	3 332 526
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)	88 397	78 248	52 664	53 700	42 137	42 137	189 226	194 439	226 003
Surplus/(Deficit) after capital transfers & contributions	5 179 445	5 359 821	6 440 782	1 374 299	2 015 254	2 015 254	303 652	2 879 377	3 152 310
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	5 179 445	5 359 821	6 440 782	1 374 299	2 015 254	2 015 254	303 652	2 879 377	3 152 310
Capital expenditure & funds sources									
Capital expenditure	6 272 557	5 719 579	5 382 377	8 430 911	6 768 405	6 768 405	9 681 357	9 680 728	10 704 494
Transfers recognised - capital	2 127 388	1 805 414	2 119 370	2 265 085	2 398 573	2 398 573	2 883 814	3 312 729	3 424 875
Borrowing	2 739 196	2 533 155	388 077	1 091 580	1 091 580	1 091 580	2 500 000	5 000 000	5 000 000
Internally generated funds	1 405 973	1 381 010	2 874 929	5 074 246	3 278 252	3 278 252	4 297 543	1 367 999	2 279 619
Total sources of capital funds	6 272 557	5 719 579	5 382 377	8 430 911	6 768 405	6 768 405	9 681 357	9 680 728	10 704 494

Table continues on next page

Description	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousands									
Financial position									
Total current assets	11 891 860	15 308 778	18 661 137	18 660 159	18 211 142	18 211 142	15 631 864	17 722 343	18 229 875
Total non current assets	46 775 348	49 799 552	52 761 746	58 112 027	55 425 856	55 425 856	62 770 615	69 368 084	76 856 945
Total current liabilities	8 848 579	8 994 077	9 216 211	12 973 358	8 251 718	8 251 718	9 124 334	11 298 221	13 006 860
Total non current liabilities	11 909 149	12 726 404	13 148 360	14 911 172	14 923 452	14 923 452	17 684 925	21 247 828	24 324 584
Community wealth/Equity	37 909 480	43 387 849	49 058 312	48 887 656	50 461 828	50 461 828	51 593 220	54 544 377	57 755 377
Cash flows									
Net cash from (used) operating	6 658 019	7 528 519	9 280 101	4 472 317	4 604 738	4 604 738	3 639 662	6 276 691	6 413 431
Net cash from (used) investing	(6 309 132)	(6 226 551)	(6 242 255)	(7 761 267)	(6 271 340)	(6 271 340)	(8 897 868)	(8 928 801)	(9 939 443)
Net cash from (used) financing	(379 235)	731 280	(131 800)	748 685	747 798	747 798	2 173 711	4 328 232	3 346 538
Cash/cash equivalents at the year end	3 773 576	5 806 824	8 712 870	5 087 575	7 735 536	7 735 536	4 620 298	6 296 420	6 116 946
Cash backing/surplus reconciliation									
Cash and investments available	9 716 651	12 379 343	15 809 566	11 023 847	14 209 234	14 209 234	12 003 334	13 780 671	13 843 532
Application of cash and investments	6 819 579	5 767 842	6 723 434	10 149 316	8 974 586	8 974 586	7 764 659	8 038 963	9 008 430
Balance - surplus (shortfall)	2 897 072	6 611 501	9 086 132	874 531	5 234 648	5 234 648	4 238 675	5 741 707	4 835 103
Asset management									
Asset register summary (WDV)	41 838 628	44 579 339	47 055 738	52 914 057	50 381 841	50 381 841	56 703 364	62 928 620	69 999 382
Depreciation	2 238 755	2 488 824	2 889 932	3 065 250	3 229 705	3 229 705	3 354 567	3 432 308	3 609 588
Renewal and Upgrading of Existing Assets	2 909 682	2 743 604	2 690 886	4 549 079	3 684 363	3 684 363	4 953 060	4 684 778	5 739 612
Repairs and Maintenance	3 761 915	3 810 065	3 817 782	4 170 377	3 950 098	3 950 098	4 619 237	5 139 949	5 388 453
Free services									
Cost of Free Basic Services provided	1 156 117	1 402 781	1 541 657	1 695 856	1 674 856	1 674 856	1 712 590	1 888 530	2 051 279
Revenue cost of free services provided	1 184 792	1 387 066	1 478 535	1 263 535	1 252 593	1 252 593	1 272 116	1 322 907	1 376 114
Households below minimum service level									
Water:	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:	217	217	72	149	149	149	-	-	-
Energy:	35 341	33 566	31 126	29 626	29 626	29 626	28 126	26 626	25 126
Refuse:	-	-	-	-	-	-	-	-	-

Table 100 - MBRR Table A2 Consolidated Budgeted Financial Performance (revenue and expenditure by standard classification)

Functional Classification Description	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand									
Revenue - Functional									
Governance and administration	13 531 655	14 278 145	15 430 959	15 376 936	15 390 933	15 390 933	16 142 580	17 530 149	18 944 093
Executive and council	1 400	849	1 085	299	2 333	2 333	1 348	1 363	1 380
Finance and administration	13 530 252	14 277 276	15 429 866	15 376 635	15 388 597	15 388 597	16 141 229	17 528 782	18 942 709
Internal audit	2	20	8	3	3	3	3	3	3
Community and public safety	3 109 983	3 158 188	3 321 136	3 279 474	3 378 148	3 378 148	3 209 696	3 420 790	3 576 920
Community and social services	105 403	117 303	133 503	125 649	181 028	181 028	134 928	131 785	155 514
Sport and recreation	106 473	84 397	87 253	64 499	50 341	50 341	56 046	116 597	125 326
Public safety	1 362 911	1 496 936	1 397 410	1 238 308	1 154 663	1 154 663	1 132 243	1 115 661	1 189 292
Housing	1 218 394	1 079 082	1 305 811	1 374 066	1 553 467	1 553 467	1 384 590	1 529 763	1 562 310
Health	316 802	380 469	397 158	476 952	438 649	438 649	501 889	526 983	544 478
Economic and environmental services	1 917 691	1 814 486	1 846 204	2 297 417	2 351 491	2 351 491	3 358 490	3 618 854	3 817 563
Planning and development	342 718	378 137	387 364	450 811	419 808	419 808	483 906	505 497	527 786
Road transport	1 558 237	1 427 924	1 435 992	1 831 775	1 900 370	1 900 370	2 836 039	3 108 979	3 285 180
Environmental protection	16 736	8 425	22 848	14 831	31 313	31 313	38 545	4 378	4 597
Trading services	18 058 069	19 349 711	21 711 594	22 228 113	22 520 598	22 520 598	22 516 457	25 159 277	27 166 896
Energy sources	12 071 980	12 371 364	13 533 225	14 080 480	14 472 197	14 472 197	14 252 289	15 961 972	17 244 787
Water management	2 912 302	3 638 979	4 537 454	4 468 354	4 454 506	4 454 506	4 473 233	5 128 166	5 484 538
Waste water management	1 857 210	1 864 484	2 061 455	1 956 104	1 905 725	1 905 725	2 015 133	2 172 698	2 403 201
Waste management	1 216 576	1 474 884	1 579 460	1 723 174	1 688 170	1 688 170	1 775 801	1 896 441	2 034 370
Other	247 431	266 654	295 000	291 602	221 252	221 252	220 934	273 488	290 797
Total Revenue - Functional	36 864 829	38 867 183	42 604 892	43 473 543	43 862 422	43 862 422	45 448 157	50 002 558	53 796 269
Expenditure - Functional									
Governance and administration	5 630 832	6 502 198	7 713 417	8 994 780	9 265 753	9 265 753	10 228 608	10 482 435	11 313 298
Executive and council	359 584	398 459	427 984	535 009	531 248	531 248	616 260	652 372	693 089
Finance and administration	5 234 008	6 061 430	7 242 566	8 413 686	8 687 645	8 687 645	9 558 956	9 770 807	10 555 988
Internal audit	37 240	42 309	42 867	46 085	46 860	46 860	53 392	59 257	64 221
Community and public safety	6 661 204	6 663 648	7 346 198	7 786 156	7 889 172	7 889 172	8 129 031	8 315 545	8 857 617
Community and social services	854 030	855 828	906 486	971 924	1 030 320	1 030 320	1 013 228	1 063 255	1 142 130
Sport and recreation	1 089 010	1 118 060	1 190 876	1 115 779	1 121 848	1 121 848	1 161 072	1 279 114	1 346 039
Public safety	2 445 750	2 504 112	2 903 921	2 910 539	2 930 976	2 930 976	3 162 129	2 993 541	3 136 145
Housing	1 263 746	1 104 411	1 173 517	1 480 067	1 558 889	1 558 889	1 391 023	1 477 770	1 614 654
Health	1 008 668	1 081 237	1 171 398	1 307 848	1 247 139	1 247 139	1 401 579	1 501 866	1 618 649
Economic and environmental services	3 809 992	4 246 576	4 630 557	5 277 197	5 082 850	5 082 850	5 707 789	6 213 302	6 646 946
Planning and development	947 861	1 112 058	1 244 104	1 507 738	1 387 257	1 387 257	1 375 526	1 479 673	1 539 262
Road transport	2 745 050	3 004 880	3 238 988	3 607 973	3 507 567	3 507 567	4 117 236	4 526 489	4 884 730
Environmental protection	117 081	129 637	147 465	161 485	188 026	188 026	215 027	207 141	222 953
Trading services	15 281 223	15 331 389	16 131 637	19 596 546	19 084 956	19 084 956	20 581 635	21 579 633	23 266 579
Energy sources	9 596 988	9 555 633	10 058 039	11 596 405	11 314 437	11 314 437	11 992 018	12 923 299	13 972 159
Water management	2 460 627	2 568 752	2 661 718	3 747 229	3 267 793	3 267 793	3 570 275	3 822 349	4 132 449
Waste water management	1 621 019	1 505 962	1 546 091	2 049 818	2 260 362	2 260 362	2 530 258	2 363 170	2 531 919
Waste management	1 602 590	1 701 042	1 865 788	2 203 093	2 242 365	2 242 365	2 489 084	2 470 815	2 630 052
Other	316 310	645 004	348 163	444 565	467 541	467 541	471 922	511 463	538 852
Total Expenditure - Functional	31 699 562	33 388 815	36 169 972	42 099 244	41 790 271	41 790 271	45 118 985	47 102 378	50 623 291
Surplus/(Deficit) for the year	5 165 267	5 478 368	6 434 920	1 374 299	2 072 151	2 072 151	329 172	2 900 179	3 172 978

Table 101 - MBBR Table A3 Consolidated Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand									
Revenue by Vote									
Vote 1 - Community service & Health	790 165	845 742	920 099	974 189	936 555	936 555	1 066 078	1 067 318	1 088 145
Vote 2 - Corporate Services	64 612	88 093	69 717	71 523	66 230	66 230	57 780	60 207	63 178
Vote 3 - Economic Opportunities & Asset Management	154 013	347 908	282 741	181 445	222 435	222 435	283 469	257 142	246 642
Vote 4 - Energy & Climate Change	12 083 675	12 148 435	13 350 399	13 874 705	14 266 422	14 266 422	14 028 935	15 727 450	16 998 539
Vote 5 - Finance	13 043 157	14 244 329	15 957 830	16 196 525	16 160 592	16 160 592	16 916 402	18 420 797	19 902 465
Vote 6 - Human Settlements	1 218 375	965 319	1 185 791	1 249 070	1 428 470	1 428 470	1 253 326	1 391 936	1 417 592
Vote 7 - Office of the City Manager	260	117	164	6	6	6	6	7	7
Vote 8 - Safety & Security	1 402 529	1 531 936	1 431 606	1 291 229	1 385 391	1 385 391	1 616 047	1 532 506	1 659 463
Vote 9 - Spatial Planning & Environment	163 760	148 772	152 894	166 410	157 041	157 041	187 521	162 619	194 909
Vote 10 - Transport	1 532 003	1 421 534	1 421 445	1 801 886	1 744 574	1 744 574	2 369 495	2 705 656	2 830 807
Vote 11 - Urban Management	195 961	238 276	257 307	301 769	282 918	282 918	275 239	312 431	338 663
Vote 12 - Water & Waste	5 992 526	6 644 068	7 316 632	7 078 277	6 979 995	6 979 995	7 153 041	8 014 900	8 679 048
Vote 13 - Cape Town International Convention Centre	223 792	242 149	259 082	285 600	215 125	215 125	215 982	268 290	285 338
Vote 14 - Cape Town Stadium	-	505	(813)	908	16 668	16 668	24 836	81 301	91 473
Total Revenue by Vote	36 864 828	38 867 183	42 604 893	43 473 543	43 862 423	43 862 423	45 448 157	50 002 558	53 796 269
Expenditure by Vote to be appropriated									
Vote 1 - Community service & Health	2 936 967	3 143 835	3 414 274	3 925 379	3 819 274	3 819 274	4 403 961	4 394 063	4 709 258
Vote 2 - Corporate Services	1 453 011	1 571 084	1 709 075	1 808 678	1 873 327	1 873 327	2 061 818	2 373 825	2 510 379
Vote 3 - Economic Opportunities & Asset Management	876 859	1 023 228	1 168 348	1 363 793	1 398 026	1 398 026	1 414 661	1 542 111	1 590 421
Vote 4 - Energy & Climate Change	9 883 643	9 810 072	10 354 181	12 060 720	11 782 181	11 782 181	12 412 445	13 375 675	14 457 309
Vote 5 - Finance	2 142 088	2 544 214	3 363 625	3 004 417	3 297 236	3 297 236	3 620 590	3 550 262	3 935 760
Vote 6 - Human Settlements	1 250 229	1 092 017	1 164 939	1 468 810	1 556 708	1 556 708	1 394 457	1 481 554	1 618 774
Vote 7 - Office of the City Manager	124 127	142 779	176 978	237 561	247 287	247 287	258 605	271 017	291 190
Vote 8 - Safety & Security	2 857 196	2 943 783	3 347 986	3 598 555	3 686 305	3 686 305	4 293 174	4 467 978	4 744 033
Vote 9 - Spatial Planning & Environment	509 893	540 893	575 368	711 474	679 917	679 917	789 228	820 513	883 828
Vote 10 - Transport	2 906 004	3 133 654	3 330 787	3 683 708	3 411 052	3 411 052	3 640 210	3 720 093	3 991 263
Vote 11 - Urban Management	587 944	699 747	753 983	1 142 379	1 053 056	1 053 056	1 127 346	1 246 474	1 325 043
Vote 12 - Water & Waste	5 991 286	6 255 027	6 725 039	8 774 142	8 563 043	8 563 043	9 347 882	9 456 562	10 138 765
Vote 13 - Cape Town International Convention Centre	180 316	487 976	86 201	318 719	356 858	356 858	286 888	316 438	333 174
Vote 14 - Cape Town Stadium	-	505	(813)	908	66 001	66 001	67 721	85 815	94 093
Total Expenditure by Vote	31 699 562	33 388 814	36 169 972	42 099 244	41 790 271	41 790 271	45 118 985	47 102 378	50 623 291
Surplus/(Deficit) for the year	5 165 266	5 478 368	6 434 921	1 374 299	2 072 151	2 072 151	329 172	2 900 179	3 172 978

Table 102 – MBRR Table A4 Consolidated Budgeted Financial Performance (revenue and expenditure)

Description	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand									
Revenue By Source									
Property rates	8 269 582	8 667 169	9 529 022	9 916 685	9 897 154	9 897 154	10 511 519	11 555 663	12 624 126
Service charges - electricity revenue	11 752 021	11 795 483	13 018 591	13 623 146	14 044 248	14 044 248	13 789 334	15 484 526	16 740 057
Service charges - water revenue	2 393 029	2 632 345	3 118 799	3 212 017	2 954 773	2 954 773	3 194 459	3 770 788	4 098 172
Service charges - sanitation revenue	1 426 013	1 518 222	1 600 851	1 568 599	1 482 072	1 482 072	1 616 486	1 909 418	2 068 297
Service charges - refuse revenue	976 746	1 057 049	1 138 596	1 286 433	1 224 387	1 224 387	1 285 431	1 388 777	1 500 622
Rental of facilities and equipment	305 833	576 722	545 869	459 882	425 633	425 633	496 894	567 355	613 565
Interest earned - external investments	793 959	900 370	1 142 094	919 395	926 334	926 334	855 610	887 846	920 683
Interest earned - outstanding debtors	277 417	302 792	358 499	380 814	398 487	398 487	389 137	409 790	444 159
Dividends received	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	1 260 639	1 666 379	1 485 757	1 185 453	1 091 546	1 091 546	1 063 333	1 050 664	1 077 403
Licences and permits	54 159	52 141	64 881	82 218	65 276	65 276	76 875	88 002	92 411
Agency services	188 238	213 550	230 144	217 672	218 745	218 745	242 236	266 808	286 557
Transfers and subsidies	5 864 445	6 450 645	7 052 155	7 376 568	7 861 300	7 861 300	5 608 724	5 573 928	6 020 849
Other revenue	1 022 118	1 142 619	1 065 475	935 842	826 389	826 389	3 263 066	3 556 495	3 695 719
Gains	186 934	80 567	123 435	43 732	47 505	47 505	50 000	52 490	55 120
Total Revenue (excluding capital transfers and contributions)	34 771 135	37 056 053	40 474 168	41 208 458	41 463 849	41 463 849	42 443 103	46 562 551	50 237 739
Expenditure By Type									
Employee related costs	9 756 082	10 976 730	12 459 200	13 908 778	14 035 202	14 035 202	15 296 104	16 695 358	18 073 834
Remuneration of councillors	138 951	154 923	161 297	179 818	179 818	179 818	189 675	201 018	213 099
Debt impairment	1 581 554	1 361 636	1 583 361	2 341 928	2 486 769	2 486 769	3 640 803	2 251 537	2 360 838
Depreciation & asset impairment	2 336 294	3 088 275	2 889 932	3 065 250	3 229 705	3 229 705	3 354 567	3 432 308	3 609 589
Finance charges	842 644	863 411	838 055	790 756	800 816	800 816	828 460	1 239 002	1 445 614
Bulk purchases	8 413 200	8 122 430	8 632 303	10 092 601	9 743 389	9 743 389	9 990 881	11 092 084	12 044 044
Other materials	1 193 670	1 225 256	1 341 530	1 653 641	1 489 103	1 489 103	1 627 861	1 710 296	1 815 184
Contracted services	5 387 499	5 648 197	6 255 917	7 273 811	7 010 137	7 010 137	7 321 891	7 409 157	7 815 773
Transfers and subsidies	349 609	396 433	336 816	374 860	520 811	520 811	432 364	405 986	354 515
Other expenditure	1 669 053	1 657 002	1 640 908	2 417 044	2 349 596	2 349 596	2 459 862	2 684 314	2 909 265
Losses	16 827	13 070	24 792	756	1 820	1 820	2 037	2 119	2 206
Total Expenditure	31 685 384	33 507 363	36 164 111	42 099 245	41 847 168	41 847 168	45 144 504	47 123 180	50 643 959
Surplus/(Deficit)	3 085 751	3 548 691	4 310 058	(890 787)	(383 319)	(383 319)	(2 701 402)	(560 630)	(406 220)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	2 005 297	1 732 882	2 078 060	2 211 385	2 356 436	2 356 436	2 815 828	3 245 568	3 332 526
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	71 882	72 532	49 804	53 700	42 137	42 137	189 226	194 439	226 003
Transfers and subsidies - capital (in-kind - all)	16 516	5 716	2 860	-	-	-	0	0	0
Surplus/(Deficit) after capital transfers & contributions	5 179 445	5 359 821	6 440 782	1 374 299	2 015 254	2 015 254	303 652	2 879 377	3 152 310
Taxation	14 178	(118 548)	5 861	-	(56 896)	(56 896)	(25 520)	(20 802)	(20 668)
Surplus/(Deficit) after taxation	5 165 267	5 478 369	6 434 920	1 374 299	2 072 150	2 072 150	329 172	2 900 180	3 172 978
Attributable to minorities	(12 500)	89 825	(5 216)	(9 472)	(40 536)	(40 536)	(20 279)	(13 770)	(13 681)
Surplus/(Deficit) attributable to municipality	5 152 767	5 568 194	6 429 704	1 364 827	2 031 614	2 031 614	308 893	2 886 410	3 159 297
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	5 152 767	5 568 194	6 429 704	1 364 827	2 031 614	2 031 614	308 893	2 886 410	3 159 297

Table 103 – MBRR Table A5 Consolidated Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand									
Capital expenditure - Vote									
Multi-year expenditure to be appropriated									
Vote 1 - Communityservice & Health	243 540	260 247	294 231	354 281	331 634	331 634	453 758	314 863	250 706
Vote 2 - Corporate Services	263 835	370 959	252 050	149 863	172 410	172 410	242 020	446 781	296 694
Vote 3 - Economic Opportunities & Asset Managemnt	272 732	295 284	272 714	389 498	399 051	399 051	580 321	159 660	611 040
Vote 4 - Energy & Climate Change	1 248 887	1 024 550	749 456	834 094	697 873	697 873	1 049 131	1 043 350	1 156 061
Vote 5 - Finance	23 989	14 009	26 225	116 957	92 524	92 524	268 787	96 371	25 191
Vote 6 - Human Settlements	476 807	464 837	670 112	869 063	899 243	899 243	894 903	1 010 098	1 065 805
Vote 7 - Office of the City Manager	1 402	2 288	2 500	973	1 418	1 418	2 130	960	960
Vote 8 - Safety & Security	116 584	158 094	206 866	535 237	437 414	437 414	438 954	95 332	172 660
Vote 9 - Spatial Planning & Environment	56 092	42 434	57 070	92 847	58 186	58 186	157 205	209 463	330 155
Vote 10 - Transport	1 441 770	1 001 020	973 584	1 326 126	1 245 863	1 245 863	1 793 342	2 262 536	2 320 196
Vote 11 - Urban Management	12 541	17 308	22 429	122 981	83 761	83 761	81 503	128 830	141 230
Vote 12 - Water & Waste	1 746 441	1 952 589	1 789 054	3 596 511	2 289 261	2 289 261	3 643 819	3 837 590	4 270 403
Vote 13 - Cape Town International Convention Centre	367 936	115 960	66 087	42 479	59 767	59 767	75 483	74 894	63 394
Vote 14 - Cape Town Stadium	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Vote	6 272 557	5 719 579	5 382 377	8 430 911	6 768 405	6 768 405	9 681 357	9 680 728	10 704 494
Capital Expenditure - Functional									
Governance and administration	1 073 095	1 207 303	953 790	1 120 012	1 000 622	1 000 622	1 396 272	1 089 251	1 092 579
Executive and council	9 164	4 328	3 413	24 280	4 387	4 387	19 414	5 327	5 402
Finance and administration	1 063 799	1 202 224	950 102	1 095 600	995 683	995 683	1 376 447	1 083 814	1 087 067
Internal audit	131	751	275	131	552	552	411	110	110
Community and public safety	821 576	811 812	988 852	1 547 286	1 416 804	1 416 804	1 745 862	1 303 424	1 593 921
Community and social services	127 329	131 174	83 095	105 089	89 600	89 600	121 397	66 552	310 275
Sport and recreation	127 927	94 055	88 538	141 792	121 209	121 209	357 122	56 300	9 109
Public safety	66 517	76 656	87 618	349 905	240 414	240 414	279 623	71 075	162 232
Housing	476 807	464 837	670 112	869 063	899 243	899 243	894 903	1 010 098	1 065 805
Health	22 996	45 090	59 489	81 436	66 338	66 338	92 816	99 400	46 500
Economic and environmental services	1 530 380	1 060 763	1 066 375	1 534 310	1 448 680	1 448 680	2 106 139	2 561 250	2 761 678
Planning and development	70 697	33 694	51 066	151 588	122 228	122 228	112 992	143 462	190 395
Road transport	1 447 732	1 008 733	988 308	1 345 610	1 305 576	1 305 576	1 879 199	2 261 097	2 318 733
Environmental protection	11 951	18 337	27 000	37 112	20 876	20 876	113 949	156 691	252 550
Trading services	2 474 957	2 516 840	2 292 473	4 176 629	2 840 505	2 840 505	4 338 922	4 645 214	5 190 723
Energy sources	1 131 636	930 773	736 092	805 190	663 862	663 862	1 027 660	1 040 850	1 151 561
Water management	608 426	893 393	921 660	1 517 922	1 002 596	1 002 596	1 287 888	1 299 514	1 286 743
Waste water management	659 092	583 306	533 320	1 381 056	951 135	951 135	1 465 161	1 716 822	2 166 179
Waste management	75 803	109 367	101 400	472 461	222 912	222 912	558 214	588 028	586 240
Other	372 549	122 861	80 887	52 674	61 794	61 794	94 162	81 589	65 594
Total Capital Expenditure - Functional	6 272 557	5 719 579	5 382 377	8 430 911	6 768 405	6 768 405	9 681 357	9 680 728	10 704 494
Funded by:									
National Government	2 009 376	1 699 597	2 047 136	2 189 348	2 319 047	2 319 047	2 803 382	3 234 438	3 320 861
Provincial Government	46 130	33 285	22 430	22 038	37 388	37 388	12 446	11 130	11 665
District Municipality	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations)	71 882	72 532	49 804	53 700	42 137	42 137	67 986	67 161	92 349
Transfers recognised - capital	2 127 388	1 805 414	2 119 370	2 265 085	2 398 573	2 398 573	2 883 814	3 312 729	3 424 875
Borrowing	2 739 196	2 533 155	388 077	1 091 580	1 091 580	1 091 580	2 500 000	5 000 000	5 000 000
Internally generated funds	1 405 973	1 381 010	2 874 929	5 074 246	3 278 252	3 278 252	4 297 543	1 367 999	2 279 619
Total Capital Funding	6 272 557	5 719 579	5 382 377	8 430 911	6 768 405	6 768 405	9 681 357	9 680 728	10 704 494

Table 104 – MBRR Table A6 Consolidated Budgeted Financial Position

Description	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand									
ASSETS									
Current assets									
Cash	586 235	351 349	314 505	156 520	146 914	146 914	121 768	134 914	96 406
Call investment deposits	4 846 753	7 437 051	10 819 354	6 362 856	9 788 159	9 788 159	6 639 523	8 071 136	7 889 930
Consumer debtors	5 025 960	5 630 019	6 215 923	9 710 204	6 625 632	6 625 632	6 999 547	7 409 336	7 853 495
Other debtors	1 092 977	1 402 751	862 335	1 842 280	1 159 687	1 159 687	1 333 391	1 517 486	1 743 291
Current portion of long-term receivables	14 201	14 290	10 962	15 755	8 905	8 905	7 718	6 739	5 932
Inventory	325 734	473 318	438 058	572 544	481 845	481 845	529 916	582 730	640 822
Total current assets	11 891 860	15 308 778	18 661 137	18 660 159	18 211 142	18 211 142	15 631 864	17 722 343	18 229 875
Non current assets									
Long-term receivables	40 973	25 854	390 741	23 333	192 301	192 301	186 787	181 866	177 434
Investments	4 288 961	4 590 943	4 675 706	4 504 471	4 274 160	4 274 160	5 242 043	5 574 621	5 940 841
Investment property	586 427	584 713	582 962	581 285	581 247	581 247	579 534	577 820	576 106
Investment in Associate	–	–	–	–	–	–	–	–	–
Property, plant and equipment	41 167 635	43 736 668	46 284 709	52 439 627	49 649 064	49 649 064	56 199 764	62 588 512	69 864 731
Biological	–	–	–	–	–	–	–	–	–
Intangible	678 871	716 040	693 178	424 856	537 737	537 737	382 296	244 271	76 170
Other non-current assets	12 481	145 334	134 450	138 455	191 346	191 346	180 192	200 995	221 663
Total non current assets	46 775 348	49 799 552	52 761 746	58 112 027	55 425 856	55 425 856	62 770 615	69 368 084	76 856 945
TOTAL ASSETS	58 667 208	65 108 330	71 422 883	76 772 186	73 636 998	73 636 998	78 402 479	87 090 426	95 086 821
LIABILITIES									
Current liabilities									
Bank overdraft	5 298	–	–	–	–	–	–	–	83 645
Borrowing	335 701	378 608	427 597	489 858	489 858	489 858	628 487	1 967 270	2 488 247
Consumer deposits	371 397	409 823	452 347	494 658	482 907	482 907	529 964	581 326	637 741
Trade and other payables	7 166 931	7 185 768	7 182 715	10 840 416	6 132 408	6 132 408	6 663 992	7 398 677	8 389 038
Provisions	969 252	1 019 878	1 153 551	1 148 426	1 146 545	1 146 545	1 301 891	1 350 948	1 408 189
Total current liabilities	8 848 579	8 994 077	9 216 211	12 973 358	8 251 718	8 251 718	9 124 334	11 298 221	13 006 860
Non current liabilities									
Borrowing	5 799 820	6 501 227	6 270 937	7 838 577	7 838 577	7 838 577	9 784 054	12 723 321	15 141 147
Provisions	6 109 329	6 225 177	6 877 423	7 072 595	7 084 875	7 084 875	7 900 871	8 524 507	9 183 437
Total non current liabilities	11 909 149	12 726 404	13 148 360	14 911 172	14 923 452	14 923 452	17 684 925	21 247 828	24 324 584
TOTAL LIABILITIES	20 757 728	21 720 481	22 364 570	27 884 530	23 175 170	23 175 170	26 809 259	32 546 049	37 331 444
NET ASSETS	37 909 480	43 387 849	49 058 312	48 887 656	50 461 828	50 461 828	51 593 220	54 544 377	57 755 377
COMMUNITY WEALTH/EQUITY									
Accumulated Surplus/(Deficit)	34 136 295	39 922 769	44 259 393	41 845 420	43 645 039	43 645 039	45 747 613	48 592 187	51 593 782
Reserves	3 773 185	3 465 080	4 798 920	7 042 235	6 816 789	6 816 789	5 845 607	5 952 190	6 161 595
TOTAL COMMUNITY WEALTH/EQUITY	37 909 480	43 387 849	49 058 312	48 887 656	50 461 828	50 461 828	51 593 220	54 544 377	57 755 377

Table 105 – MBRR Table A7 Consolidated Budgeted Cash Flows

Description	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand									
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Property rates	8 100 322	8 468 248	9 312 393	9 714 194	9 034 009	9 034 009	10 031 409	11 355 510	12 413 264
Service charges	18 132 826	18 164 117	20 472 041	18 787 179	18 453 792	18 453 792	18 045 505	21 666 906	23 453 709
Other revenue	1 326 027	2 774 872	3 072 475	2 046 212	1 425 551	1 425 551	4 358 171	4 931 030	5 178 704
Transfers and Subsidies - Operational	3 633 883	4 011 324	4 468 903	7 376 568	7 932 646	7 932 646	5 608 724	5 573 928	6 020 849
Transfers and Subsidies - Capital	2 014 869	1 733 466	2 079 448	2 211 385	2 356 436	2 356 436	2 815 828	3 245 568	3 332 526
Interest	1 031 929	1 173 010	1 447 788	919 395	926 334	926 334	855 610	887 846	920 683
Payments									
Suppliers and employees	(26 802 756)	(27 964 016)	(30 879 786)	(35 865 543)	(34 806 955)	(34 806 955)	(37 322 256)	(40 136 335)	(43 183 363)
Finance charges	(667 252)	(690 647)	(693 161)	(717 075)	(717 075)	(717 075)	(753 329)	(1 247 762)	(1 722 941)
Transfers and Grants	(111 829)	(141 855)	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES	6 658 019	7 528 519	9 280 101	4 472 317	4 604 738	4 604 738	3 639 662	6 276 691	6 413 431
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE	198 967	98 669	152 679	97 432	89 642	89 642	117 986	119 651	147 469
Decrease (increase) in non-current receivables	13 614	15 030	7 513	1 228	4 419	4 419	3 390	2 797	2 308
Decrease (increase) in non-current investments	(247 412)	(629 444)	(936 183)	(267 859)	(267 859)	(267 859)	(298 475)	(332 578)	(366 220)
Payments									
Capital assets	(6 274 301)	(5 710 806)	(5 466 264)	(7 592 068)	(6 097 542)	(6 097 542)	(8 720 769)	(8 718 671)	(9 723 000)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(6 309 132)	(6 226 551)	(6 242 255)	(7 761 267)	(6 271 340)	(6 271 340)	(8 897 868)	(8 928 801)	(9 939 443)
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	30 000	1 000 473	196 420	1 091 580	1 091 580	1 091 580	2 500 000	5 000 000	5 000 000
Increase (decrease) in consumer deposits	144	38 426	42 524	41 983	41 096	41 096	45 206	49 726	54 699
Payments									
Repayment of borrowing	(409 379)	(307 619)	(370 744)	(384 878)	(384 878)	(384 878)	(371 495)	(721 495)	(1 708 161)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(379 235)	731 280	(131 800)	748 685	747 798	747 798	2 173 711	4 328 232	3 346 538
NET INCREASE/ (DECREASE) IN CASH HELD	(30 348)	2 033 248	2 906 046	(2 540 265)	(918 804)	(918 804)	(3 084 495)	1 676 121	(179 474)
Cash/cash equivalents at the year begin:	3 803 924	3 773 576	5 806 824	7 627 840	8 654 339	8 654 339	7 704 794	4 620 298	6 296 420
Cash/cash equivalents at the year end:	3 773 576	5 806 824	8 712 870	5 087 575	7 735 536	7 735 536	4 620 298	6 296 420	6 116 946

Table 106 – MBRR Table A8 Consolidated Cash backed reserves/accumulated surplus reconciliation

Description	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Cash and investments available									
Cash/cash equivalents at the year end	3 773 576	5 806 824	8 712 870	5 087 575	7 735 536	7 735 536	4 620 298	6 296 420	6 116 946
Other current investments > 90 days	1 654 114	1 981 576	2 420 990	1 431 802	2 199 538	2 199 538	2 140 993	1 909 630	1 785 746
Non current assets - Investments	4 288 961	4 590 943	4 675 706	4 504 471	4 274 160	4 274 160	5 242 043	5 574 621	5 940 841
Cash and investments available:	9 716 651	12 379 343	15 809 566	11 023 847	14 209 234	14 209 234	12 003 334	13 780 671	13 843 532
Application of cash and investments									
Unspent conditional transfers	1 054 374	1 067 745	1 298 170	1 425 028	1 344 116	1 344 116	1 740 833	2 238 437	2 771 211
Unspent borrowing	-	-	-	-	-	-	-	-	-
Statutory requirements	-	-	-	-	-	-	-	-	-
Other working capital requirements	(59 849)	(1 029 737)	(1 877 412)	(1 489 562)	(2 417 719)	(2 417 719)	(2 911 738)	(3 622 795)	(3 818 486)
Other provisions	-	-	-	400 000	459 784	459 784	1 297 295	1 345 891	1 402 649
Long term investments committed	2 051 869	2 264 754	2 503 755	2 771 615	2 771 615	2 771 615	3 070 090	3 402 669	3 768 888
Reserves to be backed by cash/investments	3 773 185	3 465 080	4 798 920	7 042 235	6 816 789	6 816 789	4 568 179	4 674 762	4 884 167
Total Application of cash and investments:	6 819 579	5 767 842	6 723 434	10 149 316	8 974 586	8 974 586	7 764 659	8 038 963	9 008 430
Surplus(shortfall)	2 897 072	6 611 501	9 086 132	874 531	5 234 648	5 234 648	4 238 675	5 741 707	4 835 103

Table 107 - MBRR Table A9 Consolidated Asset Management

Description	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand									
CAPITAL EXPENDITURE									
Total New Assets	3 362 875	2 975 976	2 691 491	3 881 833	3 084 043	3 084 043	4 728 297	4 995 950	4 964 882
<i>Roads Infrastructure</i>	769 172	601 711	587 481	939 692	856 367	856 367	1 430 151	1 878 738	1 907 827
<i>Storm water Infrastructure</i>	73 364	104 566	101 217	122 937	133 269	133 269	153 853	202 658	200 511
<i>Electrical Infrastructure</i>	554 978	426 255	319 606	374 200	195 510	195 510	465 691	329 350	304 300
<i>Water Supply Infrastructure</i>	237 755	433 231	517 896	994 702	668 628	668 628	673 163	629 081	606 177
<i>Sanitation Infrastructure</i>	181 767	110 446	185 917	221 874	173 465	173 465	403 824	437 477	291 493
<i>Solid Waste Infrastructure</i>	41 370	65 287	13 523	251 120	69 311	69 311	400 302	346 378	481 520
<i>Coastal Infrastructure</i>	–	–	–	–	–	–	764	9 102	10 034
<i>Information and Communication Infrastructure</i>	128 334	157 577	69 757	30 000	24 014	24 014	49 363	69 783	46 147
Infrastructure	1 986 741	1 899 072	1 795 398	2 934 525	2 120 566	2 120 566	3 577 110	3 902 566	3 848 009
Community Facilities	135 821	217 809	294 880	242 440	221 201	221 201	226 754	384 754	394 124
Sport and Recreation Facilities	10	1 149	534	720	820	820	1 035	4 000	–
Community Assets	135 831	218 957	295 414	243 160	222 021	222 021	227 789	388 754	394 124
Heritage Assets	–	–	–	30	–	–	30	–	–
Non-revenue Generating	81	–	–	–	–	–	–	–	–
Investment properties	81	–	–	–	–	–	–	–	–
Operational Buildings	561 644	305 510	123 469	168 880	150 173	150 173	350 448	202 985	351 074
Housing	3 255	8 113	18 822	8 420	51 082	51 082	20 414	25 466	43 715
Other Assets	564 899	313 622	142 291	177 300	201 255	201 255	370 862	228 451	394 789
Licences and Rights	500	3 690	11 291	44 752	24 163	24 163	28 413	7 900	6 900
Intangible Assets	500	3 690	11 291	44 752	24 163	24 163	28 413	7 900	6 900
Computer Equipment	164 065	220 792	141 202	91 486	95 738	95 738	154 743	291 931	186 170
Furniture and Office Equipment	127 554	108 095	107 575	118 622	104 609	104 609	160 315	78 510	48 542
Machinery and Equipment	156 088	141 922	38 152	48 608	59 389	59 389	51 322	42 388	34 097
Transport Assets	62 793	68 313	155 011	197 348	215 917	215 917	124 713	29 450	32 850
Land	164 323	1 511	5 157	26 000	40 384	40 384	33 000	26 000	19 400
Total Renewal of Existing Assets	1 114 806	1 188 804	1 272 190	1 833 987	1 847 515	1 847 515	2 398 357	2 218 473	2 799 097
<i>Roads Infrastructure</i>	83 561	53 531	16 503	21 260	126 918	126 918	172 641	206 000	161 576
<i>Storm water Infrastructure</i>	–	–	9 265	20 900	13 862	13 862	27 308	9 920	20 683
<i>Electrical Infrastructure</i>	233 390	232 834	271 791	276 100	292 547	292 547	430 377	457 858	707 731
<i>Water Supply Infrastructure</i>	307 810	382 861	240 300	409 900	215 767	215 767	324 300	408 932	518 000
<i>Sanitation Infrastructure</i>	57 703	29 620	83 125	212 700	233 866	233 866	383 301	476 691	727 000
<i>Solid Waste Infrastructure</i>	985	–	–	–	189	189	–	10 000	–
<i>Information and Communication Infrastructure</i>	138	4 988	3 819	1 500	1 915	1 915	7 569	47 938	6 500
Infrastructure	683 587	703 835	624 803	942 360	885 063	885 063	1 345 496	1 617 340	2 141 490
Community Facilities	3 365	7 033	3 774	19 283	9 107	9 107	31 748	24 032	5 115
Sport and Recreation Facilities	–	439	–	–	800	800	1 900	–	–
Community Assets	3 365	7 471	3 774	19 283	9 907	9 907	33 648	24 032	5 115
Heritage Assets	–	–	–	–	1 195	1 195	1 257	1 200	1 750
Operational Buildings	13 619	2 921	5 520	23 050	26 660	26 660	57 245	26 536	26 363
Housing	49 186	15 025	51 522	44 311	138 913	138 913	125 261	98 461	79 877
Other Assets	62 805	17 946	57 042	67 361	165 573	165 573	182 506	124 996	106 240
Licences and Rights	–	2 282	9 154	7 000	2 500	2 500	9 000	7 000	7 000
Intangible Assets	–	2 282	9 154	7 000	2 500	2 500	9 000	7 000	7 000
Computer Equipment	75 040	81 130	120 865	132 660	146 649	146 649	124 494	83 359	81 425
Furniture and Office Equipment	11 679	16 088	18 190	30 064	47 510	47 510	30 256	23 115	21 551
Machinery and Equipment	6 318	57 922	62 916	12 321	7 441	7 441	69 146	63 340	59 686
Transport Assets	272 011	302 131	375 447	622 937	581 678	581 678	602 555	274 091	374 841

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Description	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand									
CAPITAL EXPENDITURE									
<u>Total Upgrading of Existing Assets</u>	1 794 876	1 554 800	1 418 696	2 715 091	1 836 847	1 836 847	2 554 703	2 466 305	2 940 515
<i>Roads Infrastructure</i>	378 935	240 612	285 375	392 639	246 709	246 709	199 613	182 090	285 477
<i>Storm water Infrastructure</i>	106 677	42 784	23 004	83 550	15 134	15 134	110 247	128 632	173 975
<i>Electrical Infrastructure</i>	281 357	197 840	70 012	100 307	23 921	23 921	25 578	138 100	–
<i>Water Supply Infrastructure</i>	67 667	105 131	122 471	77 600	69 053	69 053	65 746	49 399	73 292
<i>Sanitation Infrastructure</i>	416 785	416 054	374 283	1 014 756	657 152	657 152	930 149	1 081 762	1 252 835
<i>Solid Waste Infrastructure</i>	11 006	13 115	12 233	111 425	86 435	86 435	61 724	122 992	41 114
<i>Coastal Infrastructure</i>	239	5 129	496	290	1 290	1 290	28 430	72 040	196 840
<i>Information and Communication Infrastructure</i>	2 497	–	–	5 000	17 100	17 100	15 954	43 009	30 404
Infrastructure	1 265 165	1 020 664	887 875	1 785 566	1 116 794	1 116 794	1 437 442	1 818 024	2 053 936
<i>Community Facilities</i>	151 159	128 224	152 533	220 535	189 937	189 937	270 183	203 474	368 313
<i>Sport and Recreation Facilities</i>	57 234	46 666	86 550	147 154	121 704	121 704	343 091	65 899	51 578
Community Assets	208 392	174 890	239 082	367 689	311 641	311 641	613 273	269 373	419 891
Heritage Assets	38 955	8 010	6 367	600	17	17	17 466	4 100	–
<i>Operational Buildings</i>	240 605	231 444	203 002	440 659	291 307	291 307	382 705	319 973	406 734
<i>Housing</i>	24 283	85 364	35 692	61 128	66 909	66 909	8 410	–	40 073
Other Assets	264 887	316 809	238 694	501 786	358 216	358 216	391 115	319 973	446 807
<i>Licences and Rights</i>	3 931	7 205	23 908	26 950	13 175	13 175	49 826	2 500	10 379
Intangible Assets	3 931	7 205	23 908	26 950	13 175	13 175	49 826	2 500	10 379
Computer Equipment	1 355	13 072	225	16 690	17 730	17 730	29 725	45 984	–
Furniture and Office Equipment	8 033	12 534	12 310	10 147	14 450	14 450	6 278	5 351	6 501
Machinery and Equipment	4 158	1 616	10 234	5 662	4 824	4 824	9 578	1 000	3 000
<u>Total Capital Expenditure</u>	6 272 557	5 719 579	5 382 377	8 430 911	6 768 405	6 768 405	9 681 357	9 680 728	10 704 494
<i>Roads Infrastructure</i>	1 231 668	895 854	889 359	1 353 590	1 229 994	1 229 994	1 802 406	2 266 828	2 354 880
<i>Storm water Infrastructure</i>	180 041	147 349	133 486	227 387	162 266	162 266	291 407	341 210	395 168
<i>Electrical Infrastructure</i>	1 069 725	856 928	661 410	750 607	511 979	511 979	921 646	925 308	1 012 031
<i>Water Supply Infrastructure</i>	613 232	921 223	880 667	1 482 202	953 448	953 448	1 063 208	1 087 412	1 197 469
<i>Sanitation Infrastructure</i>	656 256	556 121	643 326	1 449 330	1 064 482	1 064 482	1 717 275	1 995 930	2 271 328
<i>Solid Waste Infrastructure</i>	53 361	78 403	25 755	362 545	155 935	155 935	462 025	479 370	522 634
<i>Coastal Infrastructure</i>	239	5 129	496	290	1 290	1 290	29 194	81 142	206 874
<i>Information and Communication Infrastructure</i>	130 970	162 566	73 576	36 500	43 029	43 029	72 886	160 731	83 050
Infrastructure	3 935 493	3 623 572	3 308 076	5 662 452	4 122 423	4 122 423	6 360 047	7 337 930	8 043 436
<i>Community Facilities</i>	290 345	353 065	451 187	482 258	420 245	420 245	528 685	612 259	767 553
<i>Sport and Recreation Facilities</i>	57 244	48 253	87 084	147 874	123 325	123 325	346 026	69 899	51 578
Community Assets	347 588	401 318	538 271	630 132	543 569	543 569	874 710	682 158	819 130
Heritage Assets	38 955	8 010	6 367	630	1 212	1 212	18 753	5 300	1 750
Non-revenue Generating	81	–	–	–	–	–	–	–	–
Investment properties	81	–	–	–	–	–	–	–	–
<i>Operational Buildings</i>	815 868	539 875	331 990	632 589	468 140	468 140	790 397	549 494	784 171
<i>Housing</i>	76 724	108 502	106 035	113 859	256 904	256 904	154 085	123 927	163 665
Other Assets	892 592	648 377	438 026	746 448	725 044	725 044	944 482	673 421	947 836
<i>Licences and Rights</i>	4 431	13 177	44 353	78 702	39 838	39 838	87 240	17 400	24 279
Intangible Assets	4 431	13 177	44 353	78 702	39 838	39 838	87 240	17 400	24 279
Computer Equipment	240 460	314 995	262 291	240 837	260 117	260 117	308 962	421 274	267 596
Furniture and Office Equipment	147 266	136 717	138 075	158 833	166 569	166 569	196 849	106 976	76 594
Machinery and Equipment	166 564	201 460	111 302	66 591	71 654	71 654	130 046	106 728	96 783
Transport Assets	334 804	370 443	530 458	820 286	797 595	797 595	727 267	303 541	407 691
Land	164 323	1 511	5 157	26 000	40 384	40 384	33 000	26 000	19 400
TOTAL CAPITAL EXPENDITURE - Asset class	6 272 557	5 719 579	5 382 377	8 430 911	6 768 405	6 768 405	9 681 357	9 680 728	10 704 494

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Description	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
EXPENDITURE OTHER ITEMS	6 000 671	6 298 889	6 707 714	7 235 627	7 179 803	7 179 803	7 973 804	8 572 257	8 998 042
<u>Depreciation</u>	2 238 755	2 488 824	2 889 932	3 065 250	3 229 705	3 229 705	3 354 567	3 432 308	3 609 588
<u>Repairs and Maintenance by Asset Class</u>	3 761 915	3 810 065	3 817 782	4 170 377	3 950 098	3 950 098	4 619 237	5 139 949	5 388 453
<i>Roads Infrastructure</i>	609 310	588 798	596 375	688 377	582 171	582 171	756 245	925 224	971 577
<i>Electrical Infrastructure</i>	504 116	484 296	507 109	541 437	541 529	541 529	518 758	544 439	571 712
<i>Water Supply Infrastructure</i>	482 019	487 625	400 456	440 218	444 645	444 645	346 775	361 041	378 879
<i>Sanitation Infrastructure</i>	447 780	437 208	384 042	374 750	343 710	343 710	316 303	331 682	348 299
<i>Solid Waste Infrastructure</i>	2 497	2 553	1 728	2 250	6 312	6 312	7 281	7 639	8 022
Infrastructure	2 045 722	2 000 480	1 889 711	2 047 033	2 005 237	2 005 237	2 072 140	2 311 553	2 427 108
Community Facilities	115 109	117 431	120 476	122 404	410 415	410 415	701 876	765 788	801 656
Sport and Recreation Facilities	381 822	379 229	386 154	406 025	40 514	40 514	86 081	57 946	62 280
Community Assets	496 931	496 660	506 630	528 429	450 929	450 929	787 956	823 734	863 936
Heritage Assets	1 647	730	266	1 916	2 515	2 515	2 666	3 480	3 616
Revenue Generating	259	229	132	43	17 797	17 797	18 110	19 193	20 341
Non-revenue Generating	18 742	20 497	3 328	8 001	295	295	17	18	18
Investment properties	19 001	20 726	3 459	8 043	18 092	18 092	18 127	19 211	20 359
Operational Buildings	140 548	143 284	161 132	338 649	251 572	251 572	225 448	283 789	295 325
Housing	–	–	–	–	18 633	18 633	2 937	2 956	2 976
Other Assets	140 548	143 284	161 132	338 649	270 205	270 205	228 385	286 745	298 301
Computer Equipment	179 935	246 521	214 045	246 058	363 009	363 009	459 060	509 640	532 164
Furniture and Office Equipment	425 081	430 696	572 073	559 259	422 926	422 926	568 616	653 666	684 663
Machinery and Equipment	–	–	–	–	1 910	1 910	2 512	2 632	2 758
Transport Assets	453 049	470 969	470 466	440 991	415 274	415 274	479 775	529 287	555 548
TOTAL EXPENDITURE OTHER ITEMS	6 000 671	6 298 889	6 707 714	7 235 627	7 179 803	7 179 803	7 973 804	8 572 257	8 998 042
<i>Renewal and upgrading of Existing Assets as % of total capex</i>	46.4%	48.0%	50.0%	54.0%	54.4%	54.4%	51.2%	48.4%	53.6%
<i>Renewal and upgrading of Existing Assets as % of deprecn</i>	130.0%	110.2%	93.1%	148.4%	114.1%	114.1%	147.7%	136.5%	159.0%
<i>R&M as a % of PPE</i>	9.1%	8.7%	8.2%	8.0%	8.0%	8.0%	8.2%	8.2%	7.7%
<i>Renewal and upgrading and R&M as a % of PPE</i>	16.0%	15.0%	14.0%	16.0%	15.0%	15.0%	17.0%	16.0%	16.0%

Table 108 - MBRR Table A10 Consolidated Basic Service Delivery Measurement

Description	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Household service targets									
Water:									
Piped water inside dwelling	988 643	1 132 666	1 190 854	1 214 760	1 214 760	1 214 760	1 256 146	1 280 054	1 304 676
Piped water inside yard (but not in dwelling)	-	-	-	-	-	-	-	-	-
Using public tap (at least min.service level)	158 433	157 038	165 105	168 419	168 419	168 419	174 157	177 472	180 886
Other water supply (at least min.service level)	-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>	1 147 076	1 289 704	1 355 959	1 383 179	1 383 179	1 383 179	1 430 303	1 457 526	1 485 562
Using public tap (< min.service level)	-	-	-	-	-	-	-	-	-
Other water supply (< min.service level)	-	-	-	-	-	-	-	-	-
No water supply	-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>	-	-	-	-	-	-	-	-	-
Total number of households	1 147 076	1 289 704	1 355 959	1 383 179	1 383 179	1 383 179	1 430 303	1 457 526	1 485 562
Sanitation/sewerage:									
Flush toilet (connected to sewerage)	1 070 076	1 211 917	1 263 952	1 285 080	1 285 080	1 285 080	1 331 819	1 353 699	1 378 322
Flush toilet (with septic tank)	-	-	-	-	-	-	-	-	-
Chemical toilet	23 964	30 575	32 185	35 120	35 120	35 120	34 020	34 020	34 020
Pit toilet (ventilated)	65	197	197	197	197	197	197	197	197
Other toilet provisions (> min.service level)	52 754	46 798	59 553	62 633	62 633	62 633	64 267	69 610	73 024
<i>Minimum Service Level and Above sub-total</i>	1 146 859	1 289 487	1 355 887	1 383 030	1 383 030	1 383 030	1 430 303	1 457 526	1 485 562
Bucket toilet	217	217	72	149	149	149	-	-	-
Other toilet provisions (< min.service level)	-	-	-	-	-	-	-	-	-
No toilet provisions	-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>	217	217	72	149	149	149	-	-	-
Total number of households	1 147 076	1 289 704	1 355 959	1 383 179	1 383 179	1 383 179	1 430 303	1 457 526	1 485 562
Energy:									
Electricity (at least min.service level)	853 402	828 552	841 791	843 291	843 291	843 291	844 791	846 291	847 791
Electricity - prepaid (min.service level)	-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>	853 402	828 552	841 791	843 291	843 291	843 291	844 791	846 291	847 791
Electricity (< min.service level)	35 341	33 566	31 126	29 626	29 626	29 626	28 126	26 626	25 126
Electricity - prepaid (< min. service level)	-	-	-	-	-	-	-	-	-
Other energy sources	-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>	35 341	33 566	31 126	29 626	29 626	29 626	28 126	26 626	25 126
Total number of households	888 743	862 118	872 917	872 917	872 917	872 917	872 917	872 917	872 917
Refuse:									
Removed at least once a week	975 507	931 820	944 616	958 534	958 534	958 534	935 447	954 156	973 239
<i>Minimum Service Level and Above sub-total</i>	975 507	931 820	944 616	958 534	958 534	958 534	935 447	954 156	973 239
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	975 507	931 820	944 616	958 534	958 534	958 534	935 447	954 156	973 239
Households receiving Free Basic Service									
Water (6 kilolitres per household per month)	222 098	231 793	267 325	270 025	270 025	270 025	253 851	253 851	253 851
Sanitation (free minimum level service)	222 098	255 733	267 325	270 025	270 025	270 025	253 851	253 851	253 851
Electricity/other energy (50kwh per household per month)	236 941	195 564	183 070	183 070	183 070	183 070	183 070	183 070	183 070
Refuse (removed at least once a week)	302 957	317 665	304 437	310 526	310 526	310 526	257 328	262 475	267 724
Cost of Free Basic Services provided - Formal Settlements (R'000)									
Water (6 kilolitres per indigent household per month)	212 041	314 306	368 203	449 106	449 106	449 106	408 131	462 331	509 767
Sanitation (free sanitation service to indigent households)	143 728	178 254	233 221	232 446	232 446	232 446	251 148	284 500	313 690
Electricity/other energy (50kwh per indigent household per month)	160 638	160 638	125 999	125 999	104 999	104 999	133 559	141 572	150 067
Refuse (removed once a week for indigent households)	235 401	276 709	280 000	287 133	287 133	287 133	220 282	227 992	235 971
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)	404 310	472 874	534 234	601 172	601 172	601 172	699 470	772 134	841 784
Total cost of FBS provided	1 156 117	1 402 781	1 541 657	1 695 856	1 674 856	1 674 856	1 712 590	1 888 530	2 051 279

Table continues on next page.

Description	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Highest level of free service provided per household									
Property rates (R value threshold)	-	-	-	-	-	-	-	-	-
Water (kilolitres per household per month)	6	6	11	11	11	11	11	11	11
Sanitation (kilolitres per household per month)	4	4	7	7	7	7	7	7	7
Sanitation (Rand per household per month)	102	151	-	-	-	-	-	-	-
Electricity (kwh per household per month)	60	60	60	60	60	60	60	60	60
Refuse (average litres per week)	240	240	240	240	240	240	240	240	240
Revenue cost of subsidised services provided (R'000)									
Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)	-	-	-	-	-	-	-	-	-
Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)	1 159 618	1 357 933	1 450 216	1 231 247	1 200 304	1 200 304	1 241 212	1 290 613	1 342 366
Water (in excess of 6 kilolitres per indigent household per month)	-	-	-	-	-	-	-	-	-
Sanitation (in excess of free sanitation service to indigent households)	-	-	-	-	-	-	-	-	-
Electricity/other energy (in excess of 50 kwh per indigent household per month)	-	-	-	-	-	-	-	-	-
Refuse (in excess of one removal a week for indigent households)	-	-	-	-	-	-	-	-	-
Municipal Housing - rental rebates	25 175	29 133	28 319	32 289	52 289	52 289	30 904	32 294	33 748
Housing - top structure subsidies	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total revenue cost of subsidised services provided	1 184 792	1 387 066	1 478 535	1 263 535	1 252 593	1 252 593	1 272 116	1 322 907	1 376 114

2.22 Municipal manager's quality certificate

I, **LUNGELO MBANDAZAYO**, municipal manager of **CITY OF CAPE TOWN (CPT)**, hereby certify that the annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act, and the regulations made under the Act, and that the annual budget and supporting documents are consistent with the Integrated Development Plan (IDP) of the municipality.

Signature _____

Date _____

ADDITIONAL RECOMMENDATIONS READ IN AT COUNCIL

9. The following amendments to the 2020/21 tabled budget be approved:

- (a) a reduction in the Maitland Crematorium Cremations tariff which is charged by the operator, with a resultant estimated impact of R2 million on Burial Fees revenue within Community Services & Health directorate, on profit centre 18020066 Maitland Cemetery and profit element 810800 Burial Services, in the 2020/21 financial year. This revenue reduction will be off-set within the Rates account.
- (b) an additional operational subsidy to the operator of the Maitland Crematorium Cremations amounting to R2 million be incorporated within Community Services & Health directorate, on cost centre 18030499 Sport- and Recreation Management and cost element 411400 Burials, for the 2020/21 financial year. This expenditure increase will be off-set within the Rates account.
- (c) the burial tariff of R500 per burial per day, be withdrawn.
- (d) further to the finalisation of this proposed budget, certain administrative errors were identified which require amendment as follows:

(i) a reduction on both Revenue and Expenditure on Operating Grants & Donations within Transport directorate as indicated in the tables below:

Cost Centre	Cost Element	2020/21	2021/22	2022/23
19070034	653051	1 499 366	2 265 884	1 155 000

Profit Centre	Profit Element	2020/21	2021/22	2022/23
P19070034	856500	1 499 366	2 265 884	1 155 000

(ii) a further allocation of R27.6 million on Salaries Wages & Allowances for the Broadband Infrastructure Project within Corporate Services, in cost centre 13030066 and cost element 401100, in the 2022/23 financial year to be funded from Rates.

(iii) a further allocation of R30 million for the Mayoral Urban Regeneration Projects (MURP) related projects within Urban Management directorate which has been provided for from within the Rates account.

- (e) the reallocation of capital budgetary provisions from the Neighbourhood Development Partnership Grant (NDPG) holding allocation within the Urban Management directorate to specific programmes in various directorates, funded from the NDPG for 2020/21 to 2022/23, as indicated in the table below:

Directorate R Thousands	Proposed Approval Object	Approval Object Description	Tabled Budget 2020/21	Proposed Budget 2020/21	Increase/ Decrease 2020/21	Tabled Budget 2021/22	Proposed Budget 2021/22	Increase/ Decrease 2021/22	Tabled Budget 2022/23	Proposed Budget 2022/23	Increase/ Decrease 2022/23	Total Programme Cost
Urban Management	CPX/0010569	NDPG Capex programmes	56 636	-	(56 636)	50 300	-	(50 300)	62 700	-	(62 700)	-
Urban Management	CPX.0018922	Nyanga Strategic Implementation Plan	-	6 000	6 000	-	14 000	14 000	-	17 000	17 000	37 000
Urban Management	CPX/0018917	Upgrade Informal Trader Infrastructure	-	4 000	4 000	-	21 300	21 300	-	30 700	30 700	56 000
Community Services & Health	CPX/0019276	Vuyiseka Multi- Purpose Centre - Upgrade	-	31 636	31 636	-	-	-	-	-	-	70 873
Safety & Security	CPX/0019278	CCTV Network Manenberg & Hanover Park	-	15 000	15 000	-	15 000	15 000	-	15 000	15 000	45 000

- (f) the relevant legislated MBRR Schedule A tables and annexures, including the miscellaneous tariffs Annexure 6, be amended before the submission of the 2020/21 Budget to National Treasury.