

**ITEM B: 2020/21 – 2022/23 DRAFT MEDIUM-TERM  
CAPITAL BUDGET FOR THE  
CITY OF JOHANNESBURG**

**1. STRATEGIC THRUST**

Well Governed and Managed City

**2. OBJECTIVE**

To table before Council the Draft Medium-Term Capital Budget for the 2020/21 to 2022/23 financial years in compliance with Section 16 (2) of the Municipal Finance Management Act 56 of 2003 (MFMA, the Act).

**3. SUMMARY**

**3.1 BUDGET PROCESS OVERVIEW**

In terms of the Section 16 (2) of MFMA, the Mayor must table a draft annual budget at a Council meeting 90 days before the start of the budget year.

In terms of Section 87 (1) of the MFMA, Municipal Entities are required to submit their draft budgets to the parent municipality not later than 150 days before the start of the entity's financial year.

The budget process for 2020/21 commenced in November 2019. A Mayoral Lekgotla was held on 13 -15 December 2019 to reach agreement on key focus areas and interventions in line with the Government of Local Unity's (GLU) recommendations. Departments and municipal entities (MEs) were thereafter requested to prepare budget proposals and these budget proposals were then presented to the Budget Steering Committee held on 15, 20 - 22 January 2020. The objective of the hearings was to assess the budget proposals in terms of the City's priorities. Operating and capital budget allocations have been issued in line with the Financial Development Plan and departments and entities were requested to direct available resources towards service delivery with a focus on GLU priorities and initiatives.

The Minister of Finance's budget speech was held on 18 February 2020 and the budget does take in to account the latest national allocations as reflected in the Gazette. The provincial allocation will be available later and the allocation will be included in the final budget that will be submitted to Council during the month of May 2020.

### Consultation Process

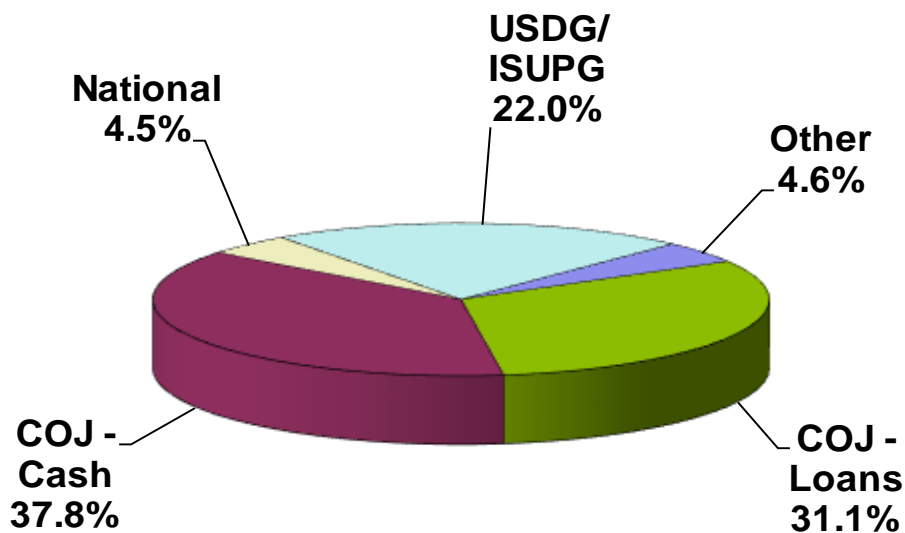
The draft capital budget is tabled for information and consultation, rather than approval and will be refined to take the outcome of the public participation process into account.

### 3.2 MEDIUM TERM CAPITAL BUDGET

The level of capital expenditure and borrowing are based on the principles of affordability, prudential indicators and sustainability (debt ratio, current ratio, operating surplus and the impact or return of the capital investment on the operating account).

The capital budget of the City projects a spending plan of approximately R26.3 billion over the next three-year period. The capital budget for the 2020/21 financial year amounts to approximately R8.4 billion. Approximately R5.8 billion of the capital budget will be funded by the City and R2.6 billion from grants and public contributions.

#### Funding Sources for 2020/21



- R2.6 billion of capital will be funded from loans.
- R3.2 billion of capital will be funded through cash surpluses.
- R381.3 million will be funded from grants received from National (PTIS – R244.2 million, NDPG – R62.4 million and Integrated City Development Grant – R74.8 million).
- R1.9 billion will be funded through the Urban Settlement Development Grant (USDG).
- R389.6 million will be funded from other sources (public and bulk service contributions).

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The table below reflects the Medium-Term Capital Budget over the next three years.

Funding source	Org Bud 2019/20 R 000	Budget 2020/21 R 000	Budget 2021/22 R 000	Budget 2022/23 R 000
Loan funding	2 988 369	2 620 591	2 200 000	3 000 000
CRR and surplus cash	1 578 123	3 179 205	3 800 000	3 085 336
Grants and contributions	3 187 968	2 619 226	2 655 323	3 137 882
<b>Total</b>	<b>7 754 460</b>	<b>8 419 022</b>	<b>8 655 323</b>	<b>9 223 218</b>

Annexure A attached reflects the Medium-Term Capital Budget per vote.

Annexure B attached reflects the detail capital projects for the 2020/21 to 2022/23 financial years.

The 2020/21 Capital Budget is as follows:

**SUSTAINABLE CLUSTER**

Sustainable Cluster Capital	Original Budget 2019/20 R 000	Budget 2020/21 R 000	Budget 2021/22 R 000	Budget 2022/23 R 000
Environment And Infrastructure	39 970	200 000	200 000	5 000
Housing	1 182 701	1 271 836	1 334 212	1 207 208
City Power	901 231	834 811	932 112	1 283 700
Johannesburg Water	1 050 681	1 129 567	1 259 750	1 353 850
Pikitup	102 250	138 623	175 365	136 635
Johannesburg Social Housing Company	405 700	549 058	374 675	375 000
<b>Total Capital</b>	<b>3 682 533</b>	<b>4 123 895</b>	<b>4 276 113</b>	<b>4 361 393</b>

The three-year medium-term capital budget of the Sustainable Cluster amounts to approximately R12.8 billion. Below follows a highlight of capital budget/project per department and municipal entity within the Sustainable Cluster for the 2020/21 financial year.

- Environment and Infrastructure is allocated an amount of R200 million. Allocations to the various projects include:
  - Waste Treatment Technologies (City Wide) R200 million.
- The Housing department's allocation for the 2020/21 financial year amounts to R1.3 billion. The allocation is channelled towards the following projects:
  - Braamfischerville Ext 12 &13: C Ward R5.5 million;
  - Braamfischerville Ext 7 & 8 R10 million;
  - Cosmo City Phase 2 (Malibongwe Ridge) R40 million;
  - Diepkloof Hostel Renewal Bulk Infrastructure Diepkloof Ext.10 D Ward R40 million;
  - Drieziek Ext.3 R25 million;
  - Drieziek Ext.4 R25 million;
  - Drieziek Ext.5 R25 million;
  - Dube Hostel Renewal Building Alterations Ext 2 D Ward R5 million;

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- Elias Motsoaledi Ext 1 Township Development (Region D - Ward 24) R10 million;
  - Ennerdale South R20 million;
  - Finetown Proper -Region G R10 million;
  - Fleurhof Mixed Development R106.7 million;
  - Formalisation of informal settlements (UISP) R221.6 million;
  - Goudrand Rental Development R30 million;
  - Helen Josephs Refurbishment and Upgrading of Women's Hostel Renewal Building Alterations Alexandra Ext.52 E Ward R10 million;
  - Inner City Upgrading (Transitional/Emergency and Rental Stock) Renewal Rental Flats Johannesburg F Regional R50 million;
  - Kanana Park Ext 1 R30 million;
  - Kanana Park Ext 2 R40 million;
  - Kanana Park Ext 3,4 & 5 R40 million;
  - Klipspruit/Kliptown New Bulk Infrastructure (Housing project around the Walter Sisulu Square) D Ward R32 million;
  - Lakeside Ext 1, 3 & 5 R50 million;
  - Land Acquisition for Housing Development City Wide R10 million;
  - Lehae Ext 1 R50 million;
  - Lufhereng Mixed Development (Bulk, Link & Internal Infrastructure Roads, Storm Water Management Systems, Sewer & Water for 24 000 houses) R100 million;
  - Madala Hostel Redevelopment R10 million;
  - Matholesville Proper R10 million;
  - Meadowlands Hostel Renewal Building Alterations D Ward R10 million;
  - Operational capital (HS) New Operational Capex Braamfontein Werf F City Wide R5 million;
  - Perth Empire Corridor (Housing) Renewal Corridors of Freedom Intervention Westbury B Regional R10 million;
  - Refurbishment and Upgrading of M2 Hostel Renewal Building Alterations Alexandra Ext.52 E R3 million;
  - Riverside View Ext 28 (Diepsloot Ext 12) R73 million;
  - Sites and Services – Formalisation of informal settlements across the City. Renewal Bulk Infrastructure Johannesburg City Wide R5 million;
  - South Hills Housing Mixed Development R75 million;
  - Stock, Flats and Old-Age Home Upgrading R50 million;
  - Tshepisong Proper R15 million; and
  - Vlakfontein Ext 3 R20 million.
- City Power is allocated an amount of R834.8 million. Allocations to the various projects include:
    - All fencing and security lighting for various substations. Renewal Building Alterations City Wide R5 million;
    - Acquire servitudes and substation sites New Transmission Line in Reuven R2.5 million;
    - Build new 275kV Intake Station to replace Orlando 88kV switch yard. New Bulk Infrastructure in Rivasdale R30 million;
    - Cleveland Substation, Reconfigure busbar, replace high risk transformer, add additional 45 MVA transformers and feeder board. Renewal Bulk Infrastructure at Heriotdale Ext.10 R25 million;
    - DSM: Solar PV Systems on Buildings R12.2 million;
    - Electrification of various Informal Settlements - City Wide R98.4 million;

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- Emergency work on the transmission network in Reuven R35 million;
- Emergency Work Renewal Medium Voltage Network in North Riding Ext.30 R25 million;
- Emergency work Renewal Medium Voltage Network in Reuven R35 million;
- Establish new 88/11 kV substation at Ruimsig. New Bulk Infrastructure R15 million;
- Hurst Hill Sub-station refurbishment Renewal Bulk Infrastructure R15 million;
- ICT Network upgrade for smart grids to substations New Load Management City Wide R3.8 million;
- ICT Security Framework and Governance New Computer Software City Wide R15 million;
- Install new IED's in substations Renewal Protection City Wide R15 million;
- Install statistical meters on all distributors City Wide R22.5 million;
- Installation of new public lighting: Group luminaire replacement R30 million;
- Installation of new public lighting: Street lights (City Wide) R30 million;
- Installation of new service connections in Alexandra Ext.63 R7 million;
- Installation of new service connections in Halfway House Ext.74 R7.5 million;
- Integrated security, fire detection & suppression systems for major substations. Including fibre optic links (+- 50 % of budget). New Security Equipment City Wide R6.7 million;
- Lutz: Establish new 88/11 kV cabling. New Bulk Infrastructure in Honeydew Manor Ext.11 R40 million;
- Mobile sub-station R30.5 million;
- Mulbarton Sub - Install additional 45MVA transformer, refurbishment and bus bar reconfiguration. New Bulk Infrastructure in Liefde En Vrede Ext.1 R25 million;
- New service connections in Hurst Hill R7.5 million;
- New service connections in Berea R7.5 million;
- New service connections in Ferndale Ext.25 R6.5 million;
- New service connections in Roodepoort Ext.2 R6.5 million;
- New service connections in Reuven R6 million;
- Operating Capital in Reuven R20 million;
- Penny Street R14.3 million;
- Prepare Mini subs-stations and load centres for 11 kV conversional Renewal Township Reticulation in Jeppestown R10 million;
- Procurement of New Computer and IT Hardware City Wide R13.5 million;
- Refurbishment of LV infrastructure. Renewal Low Voltage in Reuven R10 million;
- Refurbishment of MV infrastructure, switchgear and transformers. Renewal Medium Voltage Network in Reuven R8.5 million;
- Replace batteries in sub stations Renewal Bulk Infrastructure City Wide R5 million;
- Replace obsolete energy meters with prepaid units City Wide R20 million;
- Replace open LV conductors with ABC Renewal Low Voltage City Wide R15 million;
- Replacement of aged and/or faulting MV cables Renewal Medium Voltage Network in North Riding Ext.30 R10 million;
- Replacement of aged and/or faulting MV cables. Renewal Medium Voltage Network in Reuven R10 million;
- Revenue Generation Efficiency Project. Pre-paid system installation of semi-automated pre-paid and automated pre-paid (smart meters) City Wide R30 million;
- RTU installations New SCADA City Wide R5 million;
- SCADA Masterstation Upgrade City Wide R5 million;
- Telecommunications, Fibre optic installations and upgrades Renewal SCADA in Reuven R10 million;

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- Telecommunications, Multiplexer and network management system Renewal Plant and Equipment City Wide R3.4 million;
  - Transformer capital program to eliminate high risk transformers Renewal Bulk Infrastructure City Wide R30 million;
  - Upgrade Eldorado Substation Renewal Bulk Infrastructure R15 million;
  - Upgrade John Ware substation Renewal Bulk Infrastructure in Fordsburg R15 million;
  - Upgrade MV Network in CBD. Renewal Medium Voltage Network R10 million; and Upgrading of 88 kV overhead lines Renewal Bulk Infrastructure City Wide R10 million.
- Johannesburg Water is allocated an amount of R1.1 billion. Allocations to the various projects include:

Water is allocated R801.5 million and projects include:

- Water Demand Management: New Operate and Maintenance Assets (Orange Farm and Soweto) R225 million;
- Operational Capital: Operations and Maintenance R132.1 million;
- Operational Capital: Corporate Requirements of Johannesburg Water R54 million;
- Basic Water Service: New Basic Water and Sewer Services R50 million;
- BK: Infrastructure Renewal Plan R5 million;
- Deep South/ Orange Farm: Doornkop West/Protea Glen district: Upgrade water infrastructure R1 million;
- Halfway House Water Upgrade R5 million;
- Johannesburg Central: Planned Replacement Watermains R10 million;
- Lenasia High Level Reservoir 10ML R23.7 million;
- Lion Park Bulk Water and Sewer Infrastructure Upgrade R5 million;
- Louis Botha Corridor (JW: Water) Renewal Intervention R5 million;
- Mechanical Plant R1 million;
- Midrand: Blue Hills Tower 1.8ML R5 million;
- Midrand: Carlswald Water Infrastructure Upgrade R8 million;
- Midrand: Erand Tower 2 1.5ML R15 million;
- Midrand: Halfway House Reservoir 20ML R10 million;
- Midrand: Ivory Park North Water Upgrade R2.5 million;
- Midrand: Planned Replacement: Watermains Renewal R5 million;
- Naturena Bulk Water Upgrade R6 million;
- Operational Capital: Planning and engineering studies R32 million;
- Operational Capital: Provision for Emergency Work R30 million;
- Orange Farm/ Deep South: Lenasia Water Upgrade R5 million;
- Orange Farm/ Deep South: Planned Replacement Watermains R10 million;
- OV: Infrastructure Renewal Plan R29.2 million;
- OV: Upgrade Roads R1 million;
- Perth Empire Corridor (JW: Water) Renewal Intervention R10 million;
- Roodepoort/ Diepsloot: Planned Replacement Watermains R5 million;
- Roodepoort/ Diepsloot: Robertville Tower 2.25ML R15 million;
- Sandton/ Alexandra: Founder Hill Water Upgrade R5 million;
- Sandton/ Alexandra: Woodmead Reservoir 22ML R5 million;
- Sandton/ Alexandra: Bryanston Water Upgrade R10 million;
- Sandton/ Alexandra: Linbro Park Water Upgrade R20 million;
- Sandton/ Alexandra: Planned replacement watermains R20 million;

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- Sandton/ Alexandra: RW Weltevreden Water Upgrade R10 million;
- Southdale/ Laaglaagte: Crown Gardens Tower 1.1ML R8 million;
- Southdale/ Langlaagte: Aeroton Direct Tower 1.4ML R3 million;
- Soweto: Planned Replacement Watermains in Mapetla R10 million; and
- Witpoortjie Water Upgrade R5 million.

Sewer is allocated R328.1 million and projects include:

- Bushkoppie: New PSTs number 2 R5 million;
  - Bushkoppies Works: BK Balancing Tank R3 million;
  - Bushkoppies Works: Upgrade Main Blowers and Pipework R5 million;
  - Driefontein Works: Infrastructure Renewal Plan R10 million;
  - Driefontein Works: Refurbish WAS and RAS p/s R1 million;
  - EN: Upgrading of Southern Treatment Capacity R5 million;
  - Ennerdale Works: Dam cleaning and lining R1 million;
  - Ennerdale Works: Replace module mixers and motors R3.6 million;
  - Goudkoppies Works: Infrastructure Renewal Plan R12 million;
  - Johannesburg Central: Planned Replacement Sewer mains R10 million;
  - LA: Module 1 R10 million;
  - Midrand: Ivory Park North Upgrade Sewer R2.5 million;
  - Midrand: Planned Replacement Sewer mains R15 million;
  - Northern Works: Belt Presses New #4 R15 million;
  - Northern Works: Desludge and Line Dam 02 R10 million;
  - Northern Works: Digesters Number 4 R4 million;
  - Northern Works: Infrastructure Renewal R5 million;
  - Northern Works: Unit 4 Liquor Treatment R30 million;
  - Northern Works: Unit 4: Replacement of Electromechanical R10 million;
  - Northern Works: Unit 5 mod 2 R40 million;
  - Olifantsvlei Works: Belt Presses New #1 R1 million;
  - Olifantsvlei Works: Digester Heating and Mixing R10 million;
  - Olifantsvlei: Refurbish Unit 2 R1 million;
  - Orange Farm/ Deep South: Planned Replacement Sewer mains R10 million;
  - Roodepoort/ Diepsloot: Diepsloot Sewer Pipelines and Bridge R50 million;
  - Roodepoort/ Diepsloot: Lanseria Outfall Sewer Upgrade R10 million;
  - Roodepoort/ Diepsloot: Planned Replacement Sewer mains R5 million;
  - Roodepoort/ Diepsloot: Witpoortjie Sewer Upgrade Renewal Bulk Waste Water R2 million;
  - Sandton/ Alexandra: Louis Botha Corridor (JW: Water) Renewal Intervention R5 million;
  - Sandton/ Alexandra: Planned Replacement Sewer mains R5 million;
  - Soweto: Anthea Nancefield Sewer (Klipspruit River) Phase 1 R20 million;
  - Soweto: Planned Replacement Sewer mains R10 million;
  - WWTW Upgrade and Refurbish R1 million; and
  - WWTW: Northern Farm - Dam Repair R1 million.
- Pikitup is allocated an amount of R138.6 million. Allocations to the various projects include:
    - Facilities Renewal, Upgrades including Branding and Signage R40 million;
    - Buyback and Sorting Facilities including drop-off Centres R40 million;
    - Landfill - Robinson Deep New waste collection R17.5 million;

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- Separation at Source Facilities and Equipment R36.1 million; and
- Waste Bulk Containers R5 million.
  
- The Johannesburg Social Housing Company is allocated R549.1 million in the 2020/21 financial year to implement the following projects:
  - 38 Rissik Street (NBS) Inner City Building Conversion R1 million;
  - 80 Plein Street Inner City Building Conversion Region F R30 million;
  - Abel Road Inner City Building Conversion Region F R5 million;
  - Auckland Park Social Housing Project Region B. R500 thousand;
  - Booyens Place Inner City Building Conversion R500 thousand;
  - Casamia Inner City Building Upgrade Region F R8 million;
  - Chelsea Inner City Building Upgrade Region F R1 million;
  - Devland Golden Highway Social Housing Project Region D R60 million;
  - Joshco House R30 million;
  - Kelvin Social Housing Project Region E R500 thousand;
  - Lombardy East Social Housing Project Region E R20 million;
  - Lufhereng Social Housing Project Region D R70 million;
  - Marlboro Social Housing Project Region E R500 thousand;
  - Nancefield Social Housing Project Region D R50 million;
  - Operational Capital: Joshco App R1 million;
  - Operational Capital Cleaning Insourcing R1 million;
  - Operational Capital Rain Water Harvesting R500 thousand;
  - Operational Capital Security Services R750 thousand;
  - Operational Capital Solar Energy R1 million;
  - Princess Plots Social Housing Project Region C R60 million;
  - Randburg Selkirk Social Housing Project Region B R60 million;
  - Riverside Social Housing R60 million;
  - Roodepoort Social Housing Upgrade Region C R2 million;
  - Smit Street Inner City Building Conversion Region F R2 million;
  - Special Projects Programme R24 million;
  - Turn-Key 1: Region A R15.4 million;
  - Turn-Key 1: Region B R14 million;
  - Turn-Key 3: Region D R15.2 million; and
  - Turn-Key 4: Region G R15 million.



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**HUMAN AND SOCIAL DEVELOPMENT CLUSTER**

Human and Social Development Cluster Capital	Original Budget 2019/20 R 000	Budget 2020/21 R 000	Budget 2021/22 R 000	Budget 2022/23 R 000
Community Development	131 683	85 547	143 000	244 636
Health	92 685	57 700	58 540	144 600
Social Development	5 000	12 600	82 545	50 000
Public Safety	111 800	152 500	71 400	65 500
Johannesburg City Parks And Zoo	66 700	59 000	47 600	76 300
Joburg City Theatres	34 751	40 848	6 019	6 621
<b>Total Capital</b>	<b>442 619</b>	<b>408 195</b>	<b>409 104</b>	<b>587 657</b>

The three-year medium-term capital budget of the Human and Social Development Cluster amounts to approximately R1.4 billion. Below follows a highlight of capital budget/project per department and municipal entity within the Human and Social Development Cluster for the 2020/21 financial year.

- Community Development is allocated R85.5 million. Allocations to the various projects include:
  - Operational Capital R4 million;
  - Security measures in facilities new plant and equipment R1 million;
  - Joburg Art Gallery Upgrade R4 million;
  - Upgrading of Museum Africa and Precinct R1.5 million;
  - Johannesburg Library (Centre of Excellence) R4 million;
  - Tagging of books R3 million;
  - Construction of new Cosmo City swimming pool R6.5 million;
  - Construction of Ivory Park swimming pool R5 million;
  - Construction of new Multi-purpose centre Matholesville R12 million;
  - Lehae Multi-purpose centre new R2 million;
  - Minor works at various facilities R8 million;
  - Construction of the new multi-purpose centre (Library included) at Kaalfontein R24 million; and
  - Construction of Drieziek Multi-purpose centre R10.5 million.
  
- Health Department is allocated an amount of R57.7 million. Allocations to the various projects include:
  - Minor Works at various clinics across the City R7 million;
  - Electricity Upgrade, Solar Generators and Back-up Electricity for Health Facilities across the City R2.5 million;
  - Airconditioners: Supply, install and renew of air conditioners in Health Facilities across the City R200 thousand;
  - Bophelong Clinic R7.5 million;
  - Enterprise Electronic Record Management System (E-Health) R16.5 million;
  - Naledi New Clinic R17 million;
  - Operational Capital R5 million; and
  - Zandspruit New Clinic R2 million.

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- Social Development is allocated an amount of R12.6 million. Allocations to the various projects include:
  - Bertrams New Multi-Purpose Center R1.5 million;
  - Shelters for Displaced People R10 million; and
  - Windsor West Overnight Shelter R1.1 million.
- The Public Safety vote is allocated a budget of R152.5 million in the 2020/21 financial year to implement the following projects:
  - Public Safety Head Office is allocated R59.7 million in the financial year to implement the following projects:
    - Upgrading of weighbridge at Langlaagte testing centre R2.5 million;
    - Upgrading of weighbridge at Randburg testing Centre R1 million;
    - Upgrading of weighbridge at Sandton testing station R1 million;
    - Licensing Satellite Offices R6 million;
    - Integrated Intelligent Operational Centre (IIOC) R40 million;
    - Operational Capital: (JMPD) New Operational Capex Braamfontein Werf F City Wide R200 thousand;
    - Partition and Refurbishment of Randburg driver's license testing centre and motor vehicle registration authority R6 million; and
    - Upgrading and improving Licensing Cash Sites. Renewal Building Alterations City Wide R3 million.
  - Emergency Management Services Department is allocated R70 million in the financial year to implement the project below:
    - Equipment cache for Urban Search and Rescue (New technology) New Plant and Equipment Martindale B City Wide R10 million;
    - Fire and Rescue Equipment Replacement Program Martindale C City Wide R10 million; and
    - New Fire Station - Central Fire Station Marshalls Town F Ward R50 million.
  - Johannesburg Metropolitan Police Department is allocated R22.8 million in the 2020/21 financial year to implement the following projects:
    - CCTV for the protection of City of Johannesburg Council owned property. New Plant and Equipment City and Suburban Ext.9 F City Wide R1 million;
    - New Radio Communication system New Plant and Equipment City and Suburban Ext.6 F R10 million;
    - Operational Capex: Computers for Regional Commanders New Operational Capex Johannesburg E City Wide R1.8 million; and
    - Supply Firearms to the JMPD new recruits Renewal Plant and Equipment City and Suburban Ext.6 F City Wide R10 million.
- City Parks and Zoo is allocated an amount of R59 million. Allocations to the various projects include:
  - Bird Sanctuary Infrastructure Upgrade - City Wide R500 thousand;
  - Cemetery Upgrades - Phase 1 R2 million;

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- City Parks House New Computer Hardware and IT Equipment R2 million;
  - City Parks House New Furniture R1 million;
  - Development and Upgrading of Riverlea Renewal Park R3 million;
  - Dorothy Nyembe EE - E-Learning Center R2 million;
  - Florida Park Upgrade R3 million;
  - Huddle Park Nursery Rainwater Harvesting R2.5 million;
  - Inner City Parks Intervention Development and Upgrading R5 million;
  - Botanical Gardens Infrastructure Upgrade in Emmarentia R3 million;
  - Kloofendal Nature Reserve Infrastructure Upgrade R1 million;
  - Lenasia New Eco Park Development R5 million;
  - Louis Botha Park Upgrades R5.5 million;
  - Olifantsvlei Cemetery Renewal R2.5 million;
  - Emdeni New Park Development R2 million;
  - Protea Glen New Park Development R2 million;
  - New Plant and Equipment R4 million;
  - Rabie Ridge New Park Development R2 million;
  - Tsepisong New Park Development R2 million;
  - Upgrade of existing parks to Occupational Health and Safety Standards City Wide R2 million;
  - Zoo Infrastructure Renewal Building Alterations R5 million; and
  - Zoo - Animal Purchases New Operational Capex R2 million.
- Joburg City Theatre is allocated R40.8 million. Allocations to the various projects include:
    - Promusica Theatre - Information technology new computer hardware and software R900 thousand;
    - Promusica Theatre - Upgrading of technical equipment (sound and lighting) R500 thousand;
    - Joburg Theatre - Building renovations and upgrades new Building Alterations R29.7 million;
    - Joburg Theatre - Technical equipment new R901 thousand;
    - Joburg Theatre - Upgrade of stage machinery R5.5 million;
    - Promusica Theatre - Building renovations and upgrades R724 thousand;
    - Promusica Theatre - Purchase of vehicle R200 thousand;
    - Soweto Theatre - Building Renovations and upgrades R1.2 million; and
    - Soweto Theatre - Upgrading of technical equipment R1.2 million.

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**ECONOMIC GROWTH CLUSTER**

Economic Growth Cluster Capital	Original Budget 2019/20 R 000	Budget 2020/21 R 000	Budget 2021/22 R 000	Budget 2022/23 R 000
Economic Development	13 170	7 180	7 180	
Transport	1 118 100	845 653	811 238	1 080 875
Development Planning	248 700	224 916	251 468	276 584
Joburg Market	70 015	192 515	286 510	135 000
Johannesburg Property Company	110 080	145 481	147 500	56 000
Johannesburg Development Agency	165 288	202 300	271 965	349 188
Johannesburg Roads Agency	1 140 860	1 476 887	1 583 050	1 678 172
Metrobus	93 490	126 950	71 100	100 700
<b>Total Capital</b>	<b>2 959 703</b>	<b>3 221 882</b>	<b>3 430 011</b>	<b>3 676 518</b>

The three-year medium-term capital budget of the Economic Growth Cluster amounts to approximately R10.3 billion. Below follows a highlight of capital budget/project per department and municipal entity within the Economic Growth Cluster for the 2020/21 financial year.

- The Economic Development department is allocated R7.18 million in the 2020/21 financial year to implement the following projects:
  - Cross Border Support Hub New Small Business Hub Johannesburg F Ward R1.5 million;
  - Inner City Roadmap Economic Development Initiatives Renewal Inner City Intervention Johannesburg F Regional R3 million; and
  - Operational Capital R2.68 million.
- The Transport department is allocated R845.7 million in the 2020/21 financial year to implement the following projects:
  - Public Transport Facility in Sandton R2 million;
  - PTF: Redevelopment of Inner City Ranks R10 million;
  - Operational Capital R2 million;
  - Alex Bus Depot (Phase 2 - Workshops) R201.8 million;
  - ITS (Fibre Loop and CCTV)- Redundancy Loop R42.4 million;
  - Sidewalk Improvements: Tsiawelo Metrorail Station Link: Mhlaba / C Hani New Nodal Transport Facilities Chiawelo D City Wide R2 million;
  - Complete Streets: (KFW - German Development Bank): Orlando East to UJ Soweto Route R17 million;
  - Complete Streets: Deep South R1 million;
  - Complete Streets: NMT facilities linking railway station Merafe new pedestrian walks - Region D R8.5 million;
  - Complete Streets: Turfontein R1 million;
  - Managed Lanes: Dedicated Public Transport Lanes: Inner City R2 million;
  - Nodal Regeneration: Braamfontein Precinct R3 million;
  - Nodal Regeneration: Parking Solutions for small nodes Johannesburg R2 million;
  - Park and Ride Facility: Design and Construction of a Park n Ride in Greenside Region E R3 million;

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- Small Public Transport Facility Design and Construction of Zola Public Transport Facility New Nodal Transport Facilities Zola D Regional R30 million;
  - Small Public Transport Facilities: Drieziek Ext.3 R4 million;
  - Small Public Transport Facilities: Orange Farm Ext 7 (Region G) R30 million;
  - Small Public Transport Facilities: Tshepisong R30 million;
  - PTF: Small Public Transport Facility Design and Construction of Kya Sand Superstop New Nodal Transport Facilities Kya Sand R5 million;
  - Small Public Transport Facility: Lehae R1 million;
  - Transfer Facility: Lenasia Scholar Transport Interchange R1 million;
  - Upgrading of Rosebank Public Transport Facility R2 million;
  - Public Transport Support Infrastructure: New Laybys and Street Furniture Johannesburg City Wide R3 million;
  - Purchase of buses (Rea Vaya:2018/19-19/20; and Metrobus: 2020/21) R415 million;
  - Small: Public Transport Facility in Zakariya Park Region G R25 million; and
  - Upgrading of Midrand Public Transport Facility R2 million.
- Development Planning is allocated R224.9 million. Allocations to the various projects include:
    - Brixton Social Cluster R66.5 million;
    - Fordsburg PEU R0.5 million;
    - Ghandi Square East R25 million;
    - Inner City Partnership Fund R20 million;
    - Innerscity Core PEU (Including the Southern Parts) R1.5 million;
    - Innerscity Eastern Gateway R11.7 million;
    - Jabulani Precinct Upgrade R62.4 million;
    - JSIP Maintenance R6 million;
    - Mayfair PEU R0.5 million;
    - New Turfontein Clinic and multi-purpose center R14.5 million;
    - Operating Capital R5.8 million; and
    - Paterson Park - stormwater and new social facilities, park and road upgrades R10.5 million.
- The Joburg Market is allocated R192.5 million in the 2020/21 financial year to implement the project below:
    - Installation of Sprinkler System (Fire suppression system OHASA) R5 million;
    - Refurbishments/Construction of ablution facilities R4 million;
    - Upgrades to the Main Building (Mandela Market. Cold Rooms ,Offices & Food Courtyard) R60 million;
    - Construction of a pack-house for emerging farmers at the Joburg Market R5 million;
    - Extension of Trading Halls at the Joburg Market R15 million;
    - Installation of Smart Meters - Revenue Protection R34 million;
    - IT servers and UPS Renewal Computer Hardware R4.5 million;
    - Office equipment New/Renewal New Office Equipment R3 million;
    - Operational Capital: Computer Hardware New/Renewal Renewal Computer Hardware City Deep Ext.22 F Regional R1 million;
    - Operational Capital: Directional signage within market premises New Building Alterations City Deep Ext.22 F Regional R5 million;

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- Operational Capital: Replacement of the roof at trading halls New Building Alterations City Deep Ext.22 F Regional R10 million;
  - Operational Capital: Upgrade CCTV Renewal Computer Software City Deep Ext.22 F Regional R25 million;
  - Operational Capital: Upgrade Hall 9 Renewal Building Alterations City Deep Ext.22 F Regional R5 million;
  - Resurfacing of platforms within the Market R5 million;
  - Upgrade of Market Facilities Cooling of the Halls R1 million; and
  - Upgrading of Banana Ripening and Cold rooms R10 million.
- The Johannesburg Property Company is allocated R145.5 million in the 2020/21 financial year to implement the following projects:
    - Computer Equipment - New Computer Upgrades R8.1 million;
    - Erf 43-46 Victoria Ext 3(Paterson Park Node) Victoria Ext.3 E Regional R5 million;
    - Public Conveniences New Public toilets Johannesburg R25 million;
    - Marlboro Station Project Land Preparation R500 thousand;
    - Metromall Taxi Rank Shop Revitalisation and Waste Management Area Redesign R20 million;
    - Office Space Optimisation Program New Precinct Redevelopment Johannesburg F City Wide R71.9 million; and
    - Revamping of the Informal Trading Stalls within the Inner City Renewal Operational Capex Johannesburg F Ward R15 million.
  - Johannesburg Development Agency is allocated R202.3 million. Allocations to the various projects include:
    - Balfour Park Transit Precinct Development (Louis Botha Corridor) R1.5 million;
    - Banakekelen Hospice New Clinic Alexandra R21.3 million;
    - Louis Botha Transit Oriented Development (TOD) corridor Traffic Impact Assessment (TIA), Stormwater Masterplan, new construction and upgrading Orange Grove R25 million;
    - Perth Empire Transit Oriented Development (TOD) corridor Traffic Impact Assessment (TIA), Stormwater Masterplan and new construction Westbury R11 million;
    - Diepsloot Development Renewal Precinct Redevelopment Diepsloot Wes R15 million;
    - Inner City Eastern Gateway and Movement Corridor R15 million;
    - Ivory Park Development Catalytic Node infrastructure project R10 million;
    - Linear Markets New Building Alterations Alexandra R5 million;
    - Marlboro South Light Industrial Business Hub Skills Development Centre R12 million;
    - Melville Activity Street Neighbourhood Development Upgrade R13.5 million;
    - Operational Capex R1 million;
    - Orchards Clinic R11 million;
    - Orlando East Station Precinct Redevelopment R2 million;
    - Pennyville Precinct Renewal Precinct Redevelopment R1.5 million;
    - Randburg CBD regeneration Renewal Precinct Redevelopment R2 million;
    - Regeneration of Lenasia CBD and Anchorville Industrial Hub R25 million;
    - Revitalization of Pageview and Vrededorp R10 million;

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- Roodepoort CBD Renewal Precinct Redevelopment R19 million; and
- Soweto Strategic Node Upgrading of Public Environment R1.5 million.
- The Johannesburg Roads Agency is allocated R1.5 billion in the 2020/21 financial year to implement the following projects:
  - Alexandra ARP Storm-water Network VCA's Region E, Wards 108, 116, 105, 76, 7 R1.5 million;
  - Fordsburg: Inner City Roadmap Storm-water Network VCA's Region F; Ward R1.25 million;
  - Inner-city Storm-water Network VCA's Region E R1.25 million;
  - Northcliff Storm-water Network VCA's Region C R1 million;
  - Bridge Expansion Joints. Renewal Bridges (Pedestrian and Vehicles) Johannesburg F City Wide R15 million;
  - BRID 11 - Bridge Rehabilitation. Renewal Bridges (Pedestrian and Vehicles) Johannesburg F City Wide R100 million;
  - Bridges: Visual Condition Assessment and Detailed Bridge Design for Bridge Rehabilitation Projects (Bridge Management System). New Bridges (Pedestrian and Vehicles) Johannesburg F City Wide R18.2 million;
  - Bridges: Replacement of bridges (Pedestrian and Vehicles) Johannesburg F City Wide - Spring Road Bridge R30 million;
  - BRID 20 - Conrad Bridge; Blairgowrie. Renewal Bridges (Pedestrian and Vehicles) Craighall B Ward R6 million;
  - Flooding intervention and alleviation in Far East Bank - Alexandra R10 million;
  - Implementation of CBP Stormwater Masterplanning: Soweto. New Stormwater Management Projects Orlando West D Regional R30 million;
  - Emergency Stormwater Improvement (Multi-year): Protea Glen Ext 1-4 (Phase 1-5). New Stormwater Catchments Protea Glen D Ward R30 million;
  - Braamfontein Spruit Catchment: Erosion Protection - Sub 07, Morningside Manor to George Lea Park. New Stormwater Catchments Morning Side Ext.77 E Ward R2 million;
  - Klein Jukskei Catchment: (CBP) Stormwater Control: Willows Development - Windsor New Stormwater Catchments Jukskei Park B Ward R10 million;
  - Klein Jukskei Catchment: Bond Stream Relief System, Ferndale. New Stormwater Catchments Ferndale B Ward R20 million;
  - Bezuidenhout Valley Catchment Upgrade: Rehabilitation of existing water course and wetland. R3 million;
  - Jukskei Catchment - Vorna Valley Stream New Stormwater Catchments Vorna Valley Ext.13 A Ward R6 million;
  - Upgrading of Stormwater: Bond Street & Main Avenue; Ferndale Renewal Stormwater Catchments Ferndale B Ward R30 million;
  - Conversion of Open Drains to underground storm water system in Bram Fischerville. Renewal Stormwater Management Projects Bram Fischerville C Ward R10 million;
  - Conversion of Open Drains to underground storm water system/Covered Drains in Orange Farm. Renewal Stormwater Management Projects Orange Farm G Ward R30 million;
  - CONV - Conversion of Open Drains to Underground/Covered Drains in Ivory Park and surrounding areas. Renewal Stormwater Management Projects Ivory Park Ext.7 A Ward R20 million;

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- Implementation of complete street standards citywide (sidewalks and stormwater upgrades) R20 million;
- IT Security. New Computer Software Johannesburg F City Wide R1 million;
- Dam Safety Rehabilitation Renewal Stormwater Management Projects Johannesburg F City Wide R6 million;
- Emergency Stormwater Interventions. Renewal Stormwater Management Projects Johannesburg F City Wide R5 million;
- Emergency, Critical and Urgent Depot Stormwater Improvements. Existing Stormwater Management Projects Johannesburg City Wide R50 million;
- Gravel Roads: Zandspruit New Roads: Construction and Upgrades Zandspruit C Ward R10 million;
- Integrated Roads and Stormwater Masterplanning. New Stormwater Management Projects Johannesburg F City Wide R9 million;
- Investigate and Design Future Schemes. New Operational Capex Johannesburg F City Wide R6 million;
- Tarring of Gravel Roads: Bram Fischerville. New Roads: Construction and Upgrades Bram Fischerville D Ward R30 million;
- Tarring of Gravel Roads: City Wide R15 million;
- Tarring of Gravel Roads: Diepsloot. New Roads: Construction and Upgrades Diepsloot West Ext.3 A Ward R30 million;
- Tarring of Gravel Roads: Doornkop/Thulani. New Roads: Construction and Upgrades Doornkop D Ward R30 million;
- MISCL - Tarring of Gravel Roads: Drieziek. New Roads: Construction and Upgrades Drieziek G Ward R40 million;
- Tarring of Gravel Roads: Ivory Park and Surrounding Areas. New Gravel Road Ivory Park Ext.9 A Ward R45 million;
- Tarring of Gravel Roads: Kaalfontein. New Roads: Construction and Upgrades Kaalfontein Ext.2 A Ward R30 million;
- Tarring of Gravel Roads: Lawley. New Roads: Construction and Upgrades Lawley Ext.1 R15 million;
- MISCL - Tarring of Gravel Roads: Mayibuye. New Roads: Construction and Upgrades Commercia A Ward R38 million;
- Tarring of Gravel Roads: Orange Farm and Surrounding Areas. New Roads: Construction and Upgrades Orange Farm G Ward R30 million;
- Tarring of Gravel Roads: Poortjie. New Roads: Construction and Upgrades Poortjie G Ward R30 million;
- Tarring of Gravel Roads: Slovoville New Roads: Construction and Upgrades Slovoville D Ward R30 million;
- Tarring of Gravel Roads: Tshepisoong. New Roads: Construction and Upgrades Tshepisoong C Ward R30 million;
- Pedestrian Bridge in Slovo Park (also Ashanti). New Bridges (Pedestrian and Vehicles) Coronationville B Ward R1.5 million;
- Alternative Energy: Alternative Power Sources (LED). New Mobility: Intelligent Transportation System & Networks Johannesburg F City Wide R3 million;
- Alternative Energy: Alternative Power Sources (UPS). New Mobility: Intelligent Transportation System & Networks Johannesburg F City Wide R18 million;
- CCTV Cameras. New Mobility: Intelligent Transportation System & Networks Johannesburg F City Wide R1 million;
- Geometric Improvements. Renewal Mobility: Intelligent Transportation System & Networks Johannesburg F City Wide R10 million;



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- Guardrails. Renewal Roads: Construction and Upgrades Johannesburg F Regional R5 million;
- Installation of New Warranted Traffic Signals R5 million;
- Intelligent Transport Systems (ITS) Projects. New Mobility: Intelligent Transportation System & Networks Johannesburg F City Wide R5 million;
- Recabling of Traffic Signals. Intelligent Transportation System & Networks Johannesburg F City Wide R40 million;
- Remote Monitoring: Urban Traffic Control (UTC). New Mobility: Intelligent Transportation System & Networks Johannesburg F City Wide R2 million;
- SARTSM: Upgrade Traffic Signals intersections City Wide R6 million;
- Traffic Management Centre. Renewal Mobility: Intelligent Transportation System & Networks R9.5 million;
- Upgrading Controllers and Phasing. Renewal Mobility: Intelligent Transportation System & Networks Johannesburg F Regional R10.5 million;
- Upgrading of Traffic Signals Controllers. Intelligent Transportation System & Networks Johannesburg F City Wide R6 million;
- Operational Capital: CS - Depot Upgrading and Standardization. Renewal Operational Capex Johannesburg F City Wide R5 million;
- Operational Capital: CS - Operational Capex. Renewal Operational Capex Johannesburg F City Wide R10 million;
- Operational Capital: CS - Upgrade of Head Office Facilities. Renewal Building Alterations Johannesburg F City Wide R5 million;
- GIS Improvement R15 million;
- Rehabilitation of Open Channels City Wide. Renewal Stormwater Management Projects Johannesburg F City Wide R30 million;
- Road Rehabilitation and Reconstruction Programme. Renewal Roads: Construction and Upgrades Johannesburg City Wide R115 million;
- Resurfacing of M1 Motorway. Renewal Roads: Rehabilitation Melrose E City Wide R50 million;
- Resurfacing of M2 Motorway. Renewal Roads: Rehabilitation Johannesburg F City Wide R31.3 million;
- Resurfacing of Roads Renewal Roads: Rehabilitation Johannesburg City Wide R141 million;
- Resurfacing of Soweto Highway. Renewal Roads: Rehabilitation Orlando D City Wide R10 million;
- Spencer Road New Link New Roads: Construction and Upgrades Fleurhof C Regional R6 million;
- 8th Street Widening Renewal Roads: Construction and Upgrades Vrededorp B Regional R3.3 million;
- Jan Smuts Dualling Renewal Roads: Construction and Upgrades Parkwood B Regional R12 million;
- Outspan Road Upgrading Renewal Roads: Construction and Upgrades Littlefillan E Ward R1.5 million;
- Richards Drive Upgrading Renewal Roads: Construction and Upgrades Halfway House Ext95 R550 thousand;
- Construction of road and bridge on Crownwood road Crown Ext.2 B Regional R3.5 million;
- Tarring of Zandspruit Access Road R10 million; and
- Traffic calming measures City Wide R10 million.

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- Metrobus is allocated R126.9 million in the 2020/21 financial year to implement the following projects:
  - Building - Building Alterations/Upgrade R5 million;
  - Bus Refurbishment R25 million;
  - Cashless Ticketing System, Bus CCTV, on board machine R85 million;
  - Engine and Gear box refurbishment R7.5 million;
  - Furniture and Office Equipment R450 thousand;
  - IT Equipment, New Computers and Hardware Computer Hardware R2.5 million; and
  - Plant and Machinery R1.5 million.

**GOOD GOVERNANCE CLUSTER**

Good Governance Cluster Capital	Original Budget 2019/20 R 000	Budget 2020/21 R 000	Budget 2021/22 R 000	Budget 2022/23 R 000
Group Forensic Investigation Services		250	100	
Office Of The Ombudsman	2 000	2 000	2 000	
City Manager	9 351			
Group Information And Communication Technology	406 629	375 000	195 000	211 500
Group Finance	5 525	18 000	40 000	35 000
Group Corporate And Shared Services	236 600	252 800	297 994	351 150
Metropolitan Trading Company		15 000		
Speaker: Legislative Arm Of Council	9 500	2 000	5 000	
<b>Total Capital</b>	<b>669 605</b>	<b>665 050</b>	<b>540 094</b>	<b>597 650</b>

The three-year medium-term capital budget of the Good Governance Cluster amounts to approximately R1.8 billion. Below follows a highlight of capital budget/project per department within the Good Governance Cluster for the 2020/21 financial year.

- Group Forensic Investigation Services is allocated R250 thousand for capital. Allocation to the project include:
  - Operational Capital R250 thousand.
- Ombudsman is allocated R 2 million for capital. Allocation to the project include:
  - Operational Capex- Computer, Software, Furniture R2 million.
- Group Information and Communication Technology is allocated R375 million. Allocations to the various projects include:
  - Infrastructure upgrading R120 million;
  - Microsoft Licences R100 million;
  - SAP and Non-SAP Archiving R5 million;
  - Sap software upgrade/re-implementation to latest SAP version R50 million;
  - Strategic SAP upgrade City Wide R70 million; and

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- WAN and LAN upgrade R30 million.
- Group Finance is allocated R18 million for capital. Allocation to the various projects include:
  - Capital Enhancement System Renewal Computer Software R8 million; and
  - Valuation Roll System R10 million.
- Group Corporate and Shared Services is allocated R252.8 million. Allocations to the various projects include:
  - Procurement of fleet-Red fleet (Fire engines) R200 million; and
  - Procurement of fleet-Specialised vehicles R52.8 million.
- Metropolitan Trading Company is allocated R15 million for capital.
  - Batteries for Core Nodes (batteries are reaching the end of useful life) R10 million; and
  - Operational Capital – Laptops, desktops and tenant installations R5 million.
- The Speaker: Legislative Arm of the Council is allocated R2 million for capital. Allocation to the project include:
  - Tools of Trade (New Councillors 270) R2 million.

#### 4. POLICY IMPLICATIONS

None

#### 5. LEGAL AND CONSTITUTIONAL IMPLICATIONS

This report is in compliance with the provisions of The Municipal Finance Management Act (Act 56 of 2003).

#### 6. FINANCIAL IMPLICATIONS

##### Consolidated Capital Budget:

Capital budget estimates for the medium-term framework are as follows:

2020/21	8 419 022
2021/22	8 655 323
2022/23	9 223 218

## **7. COMMUNICATION IMPLICATIONS**

In terms of Section 24 of the MFMA, the Accounting Officer must inter alia, submit the approved budget to National Treasury and Provincial Treasury immediately after the approval of the budget.

The approved budget will also be communicated to the community and various stakeholders in the manner prescribed by law. The Council shall consider any representations received in terms of Section 23 of the Act.

## **8. OTHER BODIES/DEPARTMENTS CONSULTED**

Group Legal and Contracts, all Core Departments and Municipal Entities.

## **9. KEY PERFORMANCE INDICATOR**

Management of the budget process in compliance with the Municipal Finance Management Act Chapter 4.

## **IT IS RECOMMENDED**

**1. That the draft capital budget of R8 419 022 000 for the year 2020/21, R8 655 323 000 for the year 2021/22 and R9 223 218 000 for the year 2022/23 of the City of Johannesburg be noted in terms of Section 16 (3) of the MFMA as set out in the following schedules:**

**1.1 Capital budget by vote for each of the Municipal Entities and Core Administration as reflected in Annexure A.**

**1.2 Capital budget by project for each of the Municipal Entities and Core Administration as reflected in Annexure B.**

**2. That the Accounting Officer:**

**2.1 In accordance with chapter 4 of the Systems Act:**

- (a) Make public the annual consolidated operating budget and other documents referred to in section 17(3) of the MFMA; and**
- (b) Invite the local community to submit representations in connection with the annual consolidated operating budget.**

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**2.2 Submit the annual consolidated operating budget:**

- (a) In both printed and electronic formats to the National and Provincial Treasury; and**
- (b) In either format to any prescribed national or provincial organs of state and to such other municipalities as may be affected by the budget.**

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Tel. 011 358 3290

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CHARITY WURAYAYI  
UNIT HEAD: GROUP ACCOUNTING

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GROUP LEGAL AND  
CONTRACTS

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MANENZHE MANENZHE  
GROUP CHIEF FINANCIAL OFFICER

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COUNCILLOR JOLIDEE MATONGO  
MMC: FINANCE