

**SPC 04/06/20****MINUTES****OF THE SPECIAL MEETING OF THE COUNCIL OF THE CITY OF CAPE TOWN HELD VIA THE CITY'S DIGITAL PLATFORM ON WEDNESDAY, 27 MAY 2020 AT THE CONCLUSION OF THE ADJUSTMENTS BUDGET SPECIAL COUNCIL MEETING AT 11H30.****MEMBERS PRESENT:**

Cllr A Abrahams (DA)	Ald C C Clayton (DA)	Cllr W D Jaftha (DA)
Cllr M R Abrahams (DA)	Cllr D J Christians (DA)	Cllr E E Jansen (DA)
Cllr M F Achmat (AJ)	Cllr D G Cottee (ANC)	Cllr C Janse van Rensburg (DA)
Cllr A Adams (DA)	Cllr S A Cottle (DA)	Cllr S John (ANC)
Cllr A Adams (DI)	Cllr A C Crous (DA)	Cllr X Joja (DA)
Cllr R Adams (DA)	Cllr T Dasa (DA)	Cllr C Jordaan (DA)
Cllr Y Adams (CMC)	Cllr M M Davids (DA)	Cllr N Jowell (DA)
Cllr M Adonis (DA)	Cllr N N Dilima (ANC)	Ald C Justus (DA)
Cllr Z C Adonis (DA)	Cllr W B Dlulane (ANC)	Cllr M L Kempthorne (DA)
Cllr F K Ah-Sing (DA)	Cllr W P Doman (DA)	Cllr D Khatshwa (ANC)
Cllr W J Akim (DA)	Cllr D Dudley (ACDP)	Cllr M E Kleinsmith (DA)
Ald E P Andrews (DA)	Cllr S S Duka (ANC)	Cllr M R H Kleinschmidt (DA)
Cllr E Anstey (DA)	Cllr M R Dwane (EFF)	Cllr C Kobeni (DA)
Cllr R Arendse (DA)	Cllr P A East (DA)	Cllr A L Komeni (ANC)
Cllr D E Badela (ANC)	Cllr C J Esau (DA)	Cllr G P G Kriel (DA)
Cllr Z A Badroodien (DA)	Cllr J P Fitz (DA)	Cllr A E Kuhl (DA)
Cllr M K Bafo (PAC)	Cllr E Fortune (DA)	Ald N J Landingwe (ANC)
Cllr U M Barends (DA)	Ald G D Fourie (DA)	Cllr S P Liell-Cock (DA)
Ald A J G Basson (DA)	Cllr P Francke (DA)	Cllr A Lightburn (DA)
Cllr S Batala (DA)	Cllr C Fry (DA)	Ald X T Limberg (DA)
Cllr T M Batembu (ANC)	Cllr A Gabuya (ANC)	Cllr B C Madikane (DA)
Cllr R Bazier (ANC)	Cllr F Gaffoor (EFF)	Cllr N Mahangu (DA)
Cllr M Bele (EFF)	Cllr B C Golding (DA)	Cllr N Mahlathi (DA)
Cllr A M Benadie (DA)	Cllr G E Gordon (DA)	Cllr B Majingo (ANC)
Cllr R Beneke (DA)	Cllr A J Griesel (DA)	Cllr L C Makeleni (ANC)
Cllr C B Bew (DA)	Cllr C De Wet Groenewoud (DA)	Cllr S Manata (ANC)
Cllr M Booi (DA)	Cllr N E Grose (DA)	Ald G W March (DA)
Cllr F Botha-Rossouw (FF+)	Cllr L A Gungxe (ANC)	Cllr J Martlow (DA)
Cllr R Bresler (DA)	Cllr B Hansen (DA)	Cllr V Matanzima (DA)
Cllr E N Brunette (DA)	Cllr W Harris (DA)	Cllr J J Maxheke (ANC)
Cllr D W Bryant (DA)	Cllr G C R Haskin (ACDP)	Cllr P Maxiti (DA)
Cllr K R Carls (DA)	Cllr P Helfrich (DA)	Cllr L Mazwi (EFF)
Cllr H Carstens (DA)	Cllr A Hendricks (AJ)	Cllr S Mbandezi (DA)
Cllr M F Cassim (COPE)	Cllr P C Heynes (ANC)	Cllr J S Mbolompo (DA)
Ald G V Cavanagh (DA)	Cllr N D Hlangisa (UDM)	Cllr N V Mbombo (ANC)
Cllr C S Cerfontein (DA)	Cllr M W Hlazo (ANC)	Cllr J McCarthy (DA)
Cllr P H Chapple (DA)	Cllr T T Honono (ANC)	Cllr A P McKenzie (DA)
Cllr M N Chitha (ANC)	Cllr V R Isaacs (DA)	Cllr C N Mdleleni (EFF)
Cllr J G Classen (ACDP)	Cllr I R Iversen (DA)	Cllr S S Mfecane (ANC)
Cllr B Clarke (DA)	Ald B M Jacobs (DA)	Cllr N Mgolombane (ANC)
	Cllr H W Jacobs (DA)	Cllr J H Middleton (DA)

Cllr P M Mngxunyeni (ANC)  
 Cllr S N Moloto (EFF)  
 Ald S Moodley (DA)  
 Cllr A C Moses (DA)  
 Cllr N A Moshani (ANC)  
 Cllr T Mpengezi (ANC)  
 Cllr S Mzobe(ANC)  
 Cllr P S Mzolisa (DA)  
 Cllr N Ndaleni (DA)  
 Cllr A X Ndongeni (ANC)  
 Ald I D Neilson (DA)  
 Cllr K Nethi (DA)  
 Cllr B P Ngcani (ANC)  
 Cllr B Ngcombolo (ANC)  
 Cllr M W N Ngeyi (DA)  
 Cllr P M Ngqu (DA)  
 Cllr D Ngubelanga (AIC)  
 Cllr X W Ngwekazi (ANC)  
 Cllr S Ngxumza (ANC)  
 Ald M J Nieuwoudt (DA)  
 Cllr M Nikelo (DA)  
 Cllr S Nkomiyahlaba (ANC)  
 Cllr F M Nkuzana (ANC)  
 Cllr X Nofemele (DA)  
 Cllr S M Noludwe (DA)  
 Cllr S Nonkeyizana (ANC)  
 Cllr S P Nqamnduku (ANC)  
 Cllr M L Nqavashe (DA)  
 Cllr M Nqulwana (ANC)  
 Cllr A Ntsodo (DA)  
 Cllr P Nyakaza-Sandla (DA)  
 Cllr L Nyingwa (ANC)  
 Cllr S F Oerson (DA)  
 Ald M J Oliver (DA)  
 Cllr G C Peck (DA)  
 Cllr X G Peter (ANC)  
 Cllr M J Petersen (DA)  
 Cllr S Philander (DA)  
 Cllr M P Pietersen (DA)  
 Cllr T I Pimpi ((ANC)  
 Cllr Y Plaatjie (DA)  
 Executive Mayor D Plato (DA)  
 Cllr C Pophaim (DA)  
 Ald S B Pringle (DA)  
 Cllr C B Punt (DA)  
 Ald F A Purchase (DA)  
 Cllr Z Qoba (ANC)  
 Cllr R M Quintas (DA)  
 Cllr X Qwesha (DA)  
 Cllr M H Raise (DA)  
 Ald R Rau (DA)  
 Cllr F H L Raymond (DA)  
 Cllr N Rheeder (DA)  
 Cllr S J Rossouw (DA)  
 Cllr T Sakathi (ANC)  
 Cllr E Sawant (DA)  
 Cllr R Z Simbeku (ANC)  
 Cllr R S Simons (ANC)  
 Cllr A J Skippers (DA)  
 Ald J D Smit (DA)  
 Ald J P Smith (DA)  
 Cllr O Solomons (DA)  
 Cllr N P Sono (ANC)  
 Cllr X R Sotashe (ANC)  
 Cllr K G Southgate (DA)  
 Cllr Z Sulelo (DA)  
 Cllr P S Swart (DA)  
 Cllr H P Terblanche (DA)  
 Cllr E A J Theron (ANC)  
 Ald T Thompson (DA)  
 Cllr G Timm (DA)  
 Cllr B E Truter (PA)  
 Ald G G Twigg (DA)  
 Cllr T A Uys (DA)  
 Cllr B van der Merwe (DA)  
 Ald J F H van der Merwe (DA)  
 Ald A A van der Rheede (DA)  
 Cllr P E van der Ross (DA)  
 Cllr M L van der Walt (DA)  
 Cllr B van Reenen (DA)  
 Cllr C H S van Wyk (DA)  
 Cllr A van Zyl (DA)  
 Cllr M Velem (ANC)  
 Cllr R Viljoen (DA)  
 Cllr D A Visagie (DA)  
 Cllr C L Visser (DA)  
 Cllr J Visser (DA)  
 Cllr P P Vokwana (DA)  
 Ald J Vos (DA)  
 Cllr S Vuba (DA)  
 Cllr F C Walker (DA)  
 Ald B R W Watkyns (DA)  
 Cllr C Williams (ACDP)  
 Cllr J J Witbooi (DA)  
 Cllr J Woodman (DA)  
 Cllr N Xamle (DA)  
 Cllr S K Yozi (ANC)  
 Cllr L G Zondani (ANC)

**APOLOGIES**

Cllr F L Abrahams (ANC)  
Cllr N Bolitye (ANC)  
Cllr M A Cassiem (DA)  
Cllr M Dambuza (EFF)  
Cllr L Jali (ANC)  
Cllr N Kopman (ANC)  
Cllr M D Kumeke (ANC)  
Cllr N Makasi (ANC)  
Cllr B Rass (DA)  
Cllr S Taliep (DA)

**ABSENT**

*The following Councillors were absent without an apology:*

None

*The following Councillors submitted an apology for late arrival:*

None

*The following Councillor submitted an apology for leaving early:*

None

**PRESENT*****Executive Management Team***

Mr L Mbandazayo - City Manager

***Executive Committee Services***

Mrs G Kenhardt - Director: Executive Support  
Mrs R Razack - Manager: Executive Committee Services  
Mr G Josephs  
Ms M Levendall  
Mr N Meissenheimer

***Legal Services***

Ms R Sayed  
Ms J Holt

**ACRONYMS:****LIST OF ACRONYMS FOR INFORMATION**

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<b>ACDP</b>	-	<b>African Christian Democratic Party</b>
<b>AIC</b>	-	<b>African Independent Congress</b>
<b>AJ</b>	-	<b>Al Jama-ah</b>
<b>ANC</b>	-	<b>African National Congress</b>
<b>CMC</b>	-	<b>Cape Muslim Congress</b>
<b>COPE</b>	-	<b>Congress of the People</b>
<b>DA</b>	-	<b>Democratic Alliance</b>
<b>DI</b>	-	<b>Democratic Independent</b>
<b>EFF</b>	-	<b>Economic Freedom Fighters</b>
<b>FF+</b>	-	<b>Freedom Front Plus</b>
<b>PA</b>	-	<b>Patriotic Alliance</b>
<b>PAC</b>	-	<b>Pan Africanist Congress of Azania</b>
<b>UDM</b>	-	<b>United Democratic Movement</b>

#### **SPC 05/05/20 OPENING OF MEETING BY THE SPEAKER**

The Speaker welcomed all Councillors, officials and the media to the Special Council meeting.

The Speaker mentioned that this virtual meeting was arranged in terms of Chapter 4, section 24(2) of the Municipal Finance Management Act to consider the reports relating to the Annual budget that needs to be approved.

Councillors were called upon to register via the City's digital platform.

**221 Councillors participated via the City's digital platform.**

#### **SPC 06/05/20 APOLOGIES / LEAVE OF ABSENCE**

The Chief Whip of Council, Cllr D Visagie (DA) announced the applications for leave of absence as listed below.

**RESOLVED** that the following applications for leave of absence as announced by the Chief Whip of Council, **BE NOTED**:

Cllr F L Abrahams (ANC)  
 Cllr N Bolitye (ANC)  
 Cllr M A Cassiem (DA)  
 Cllr M Dambuza (EFF)  
 Cllr L Jali (ANC)  
 Cllr N Kopman (ANC)  
 Cllr M D Kumeke (ANC)  
 Cllr N Makasi (ANC)  
 Cllr B Rass (DA)

Cllr S Taliep (DA)

**ACTION: L KELLEEM**

## **SECTION 2 MAYORAL ADDRESS**

The Executive Mayor, Ald D Plato used this opportunity to duly table the annual budget for the 2020/21 to 2022/23 financial year and indicated that the members of the Mayoral Committee would elaborate on their respective portfolios

The Speaker announced that items SPC 07, SPC 08, SPC 09 and SPC 10 would be clustered for debate, but voted on separately.

Ald J P Smith (DA), Cllr M Booi (DA), Ald F Purchase (DA), Cllrs P Maxiti (DA), X Limberg (DA), Ald G Twigg (DA), Ald J Vos (DA), Cllrs Z Badroodien (DA), R Rau (DA) and Ald M Nieuwoudt (DA) were afforded the opportunity to address Council on the budget – the relevant speeches are attached to the official minutes as **Annexure A**.

Cllrs T Sakathi (ANC), X Sotashe (ANC), S John (ANC), R Bazier (ANC), F Gaffoor (EFF), M Dwane (EFF), G Haskin (ACDP) and M F Cassim (COPE) also commented on the budgetary items.

At this stage, the Executive Deputy Mayor, Ald I Neilson elaborated on the budget as set out under Item SPC 09/05/20.

### **SPC 07/05/20 APPROVAL: PROPOSED REVIEW OF AND AMENDMENTS TO THE 2017-2022 INTEGRATED DEVELOPMENT PLAN (IDP)- 2020/21 AMENDMENTS**

The recommendation was put to the vote, with results as follows:

In favour : 120  
Against : 44  
Abstentions : 0

The recommendation as per the agenda was therefore carried.

**RESOLVED** that:

- (a) the outcome of the Integrated Development Plan (IDP) review as per Annexures A1 to A2 to the report on the agenda, be approved
- (b) the public comments on the proposed amendments, including the Corporate Scorecard, to the 2017 - 2022 Integrated Development Plan (IDP) - 2020/21 amendments as per Annexures B1 and B2 to the report on the agenda, be noted

- (c) the proposed amendments, including the Corporate Scorecard, to the 2017 - 2022 Integrated Development Plan (IDP) 2020/21 amendments as per Annexure C to the report on the agenda and as reflected in the IDP publication as Annexure D to the report on the agenda, be approved.

***[The ACDP, ANC, AJ, EFF and FF+ recorded their votes against the above decision.]***

**ACTION: J YSLIE, H COLE, K SMITH, C KESSON**

**SPC 08/05/20 PUBLIC COMMENTS ON THE CITY OF CAPE TOWN DRAFT BUDGET (2020/21)**

The recommendation was put to the vote, with results as follows:

In favour : 109  
Against : 29  
Abstentions : 0

The recommendation as per the agenda was therefore carried.

**RESOLVED** that:

- (a) the public participation process conducted in respect of the draft budget for 2020/21, be noted
- (b) the budget be further amended as a consequence of the public comments received where appropriate and/or necessary
- (c) appropriate responses be given to all respondents on the budget, where possible
- (d) where appropriate and applicable, other comments be referred to the relevant directorates for consideration in terms of their available resources or realignment of their Service Delivery and Business Implementation Plans
- (e) all other comments/objections received be considered in current and future budget processes

**ACTION: I ROBSON, P MASHOKO, K JACOBY**

**SPC 09/05/20 BUDGET 2020/21 TO 2022/23**

The Executive Deputy Mayor, Ald I Neilson elaborated on the capital- and operating projects for the 2020/21 to 2022/23 financial year, and also highlighted the amendments to the 2020/21 tabled budget in respect of tariffs related to cremations and burials, as well as certain identified administrative errors.

The recommendation as per the agenda was put to the vote, with results as follows:

In favour : 122  
Against : 43  
Abstentions : 0

The recommendation as per the agenda was therefore carried.

**RESOLVED** 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. 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, be noted
3. National Treasury Circulars 98 and 99 (Municipal budget circulars for 2020/21) as set out in Annexure 37 to the report, be noted
4. 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, be approved.
5. the Capital Replacement Reserve (CRR): Ward Allocations be funded from savings identified in the 2019/20 financial year to fund the 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. 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, which was necessitated as a result of the impact of the COVID-19 pandemic on the City's financial plan, be approved. However, should the cash flow position be sufficient to fund the capital programme either partially or fully, the funding will be adjusted accordingly.
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.

***[The ACDP, ANC and EFF recorded their votes against the above decision.]***

**ACTION : J STEYL, K JACOBY**

**SPC 10/05/20 INTEGRATED DEVELOPMENT PLAN (IDP) AND BUDGET TIME-SCHEDULE: JULY 2020 – 30 JUNE 2021**

The recommendation as per the agenda was put to the vote, with results as follows:

In favour : 123  
Against : 41  
Abstentions : 0

The recommendation as per the agenda was therefore carried.

**RESOLVED** that the Integrated Development Plan (IDP) and Budget Time-Schedule for the period 1 July 2020 to 30 June 2021, as shown in Annexure A to the report on the agenda, be approved.

***[The ACDP, ANC and EFF recorded their votes against the above decision.]***

**ACTION: J YSLIE, H COLE, K SMITH, C KESSON**

THE MEETING ENDED AT 14:25.

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ALD D SMIT  
CHAIRPERSON

.....  
DATE

# ANNEXURE A

## **BUDGET SPEECH BY ALD J P SMITH – 27 MAY 2020**

Speaker

Speaker, it is truly sad that a Cllr as senior as Cllr Haskin can spend an entire speech being off the item, which is a critical item, but he chooses instead to spend the speaking time to his own item for the sake of petty political point scoring.

He has mouthed every falsehood about Strandfontein that he has obtained second hand. We need to promote him to hearsay and tabloid reporter of the year – a title you can add to the awards at the end of the year.

Almost every statement he has made is inaccurate, from the levels of security provided – over 80 on site at any time, to the fact that complete screening was done, to the levels of services offered – the most comprehensive in SA. Cllr Badroodien has issued numerous communiques on this unpacking the detail – if Cllr Haskin is too lazy to read this or too eager in his bias, then we cannot trust his role as a roleplayer in the opposition in the City.

When I asked my colleagues in other metros what was happening in their metros, they explained to me that their councils had mainly just dumped people on fields, sometimes with tents that NGOs had to donate, in many cases without even feeding people which had to be done by NGOs and even DA cllrs.

So the difference between Cape Town and Johannesburg is that where the DA is in opposition our cllrs rolled up our sleeves and helped to make the facilities work, even helping deliver daily meals. In Cape Town the opposition descended to an appalling spectacle of petty politicking and point scoring – adding no value other than theatrical appearances with empty hands.

Sies. Your minds were never on the plight of the homeless, which we were actively addressing, but on your political ambitions.

**One of the most important indicators of success of a city is the ability to adapt and to adapt rapidly.**

Therefore, while the City observed policing gradually collapsing in the hands of national government, it responded:

- First by expanding its range of policing actions to take up the increasing slack left behind by the retreating policing abilities under national government
- By steadily expanding our policing powers to be able to take over what SAPS is supposed to be doing to rescue our communities – as we are again now with the Streets and Public Places by-law amendment
- Most recently through the rapid addition of 1000 policing staff through the LEAP programme

We can be proud of these steps over time – they allowed us to be able to step in, in a meaningful way, to start turning the tide on rising crime and respond more effectively to the COVID crisis. When we saw the rise of attacks on food stores and delivery trucks, we were able to put a response plan in place that turned the tide quickly.

We would not have been able to do that without the extra LEAP staff. Had it not been for them we may well have seen a far more serious food availability crisis arise.

**To see this budget remain committed to that policing expansion** while national government is again reducing their national policing budget and failing to get convictions, **is commendable** and is one of the most important interventions we can make for the poorest and most vulnerable citizens in our city.

Equally important is to see how previous budget interventions in Disaster Risk Management have paid off with the City being able to rapidly rise to assist communities where they contacted the DOC to ask for help. The recruitment of almost 1000 DM volunteers recruited from NHWs showed the creativity and resilience of the City and the extent of civil society partnerships we have built, despite the best efforts to derail these by some political opponents and their proxies.

I support the draft budget.

Alderman JP Smith

**Mayoral Committee Member: Safety and Security**

(including Metro Police, Traffic Services, Law Enforcement, Fire and Emergency Rescue Services, Disaster Risk Management, 107 Public Emergency Call Centre and Events)

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**BUDGET SPEECH BY CLLR M BOOI**

Good Day Speaker, Mayor and Cllrs

I fully support the budget presented by the Executive Mayor.

- Our country's fiscal is under serious constraints because of a number of elements.
- This has directly affected the human Settlements directorate in the City of Cape Town.
- Our grants from National Government have been cut by a significant amount, this will have a direct impact on our output of top structures especially...
- As the directorate, we are working on different models of delivery which includes the option of utilising, alternative building technology going forward.
- We have appointed professional teams through our Provincial Colleagues, for our dedensification program, which is in motion already, for Dunoon, Kosovo and iThemba.
- I wish to thank Human Settlement directorate staff and the rest of the city employees for their commitment during the Covid-19 pandemic. Our staff has shown courage and commitment over this period. The virus is on the rise, we need to be vigilant and stay safe.

Thank you Speaker

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## ENERGY AND CLIMATE CHANGE: ADJUSTMENT BUDGET 2019/2020 SPEECH (SPECIAL ADJUSTMENTS BUDGET) BY CLLR P MAXITI

Honourable Mayor, Deputy Mayor, Mayoral members and Councillors

Good day Mr Speaker

In 2018/19 financial year, our **Operational expenditure** performance amounted to **96.3%** and on **Capital expenditure**, the directorate achieved **86.8%**. On Operational expenditure underspending was due to line items such as,

- Bad debts provision- R100 Million
- Support charges- R87 million

2019/ 2020 financial year has shown a slow start during quarter 1 and 2, and quarter 3 showed a drastic pick up as per our budget plans until the lockdown due to Covid 19 which has affected the world over, but I can vow and say that the directorate has performed well under the circumstances.

Mr Speaker/ Somlomo

### On Capital expenditure

At the end of March 2020, Energy and Climate Change directorate achieved an actual implementation of **54.4% (R474 million)** as compared to the year to date planned of 56.7% (R493.8 million).

- **Electricity Generation & Distribution** planned to spend 56.2% (R474.3 million) of their budget (R843.2 million) and spent 53.6% (R452.4 million);
- **Sustainable Energy Markets** planned to spend 70.0% (R19.5 million) of their budget (R27.9 million) and **spent 77.4% (R21.6 million)**.

### On Operating Expenditure

Energy and Climate Change Operating Budget for the period **under review was R10.1 billion** and **actual expenditure was R9.9 billion during the period**. This equates to **98.2% spent**.

- **Electricity Generation & Distribution's** year to date budget was R10 billion and R9.8 billion was spent in the period under review resulting in a **98.3% spent**.
- **Sustainable Energy Markets achieved an 77% spend** during the period. The directorate's **actual expenditure recorded is above the target of 95%**.

Mr Speaker

### On Special Adjustments Budget

#### Budget

Generally, Contractor were on-site, but due to the nationwide Covid-19 lockdown a management decision was made to stop all Capital Projects. Should we be allowed to commence with Capital Work in May or June, the following will have to be put in place before we can commence with on-site work:

1. EPWP # Sourcing, Conduct Medical, Issue PPE, Sign Contracts # Estimated 3 weeks
2. Wayleaves renewals and permits for those we could not get hold of during the lock down # Estimated 2-3 weeks

3. Material availability. We have all reserved, but the material may be taken for emergency or maintenance. All contracts are on place to proceed with our Capital Projects.

Customer Projects will however take preference over Capital Network Strengthening Projects after lock down.

**A number of project budget are re-phased due to COVID 19 examples are:**

#### **Mitchells Plain - Steenbras 132 kV Overhead line**

The budget of R20m was revised down to R11.5m. R6m of this is to be re-phased into the 20/21 financial year and a project saving of R6.7m was also realised. All on-going works on site has been stopped due to the Covid 19 nationwide lockdown. Unable to complete HV cable jointing works, cable compound construction and all final commissioning of plant. Contractors expected to re-establish and be fully operational by mid June 2020. Rephasing budget required.

#### **Substation fencing: South Area**

The budget of R4m was revised down to R0.3m. R3.6m of this is to be re-phased into the 20/21 financial year. Due to COVID-19 nationwide lockdown and late appointment of contractor it is unlikely that funding will be spent Funding to be rephased to the 2021 financial year.

#### **Medium Voltage System Infrastructure: North Area**

The budget of R18m was revised down to R9.2m. R7.5m of this is to be re-phased into the 20/21 financial year and a project saving of R1.2m was also realised.

#### **Paardevelei Switching Station**

The budget of R6.3m was revised down to R0.5m. R5.8m of this is to be re-phased into the 20/21 financial year. All on-going building works on site has been stopped due to the Covid 19 nationwide lockdown. The building contractor is expected to re-establish and be fully operational by mid June 2020. Building contractor has made site safe and no security is required for the lockdown period. Re-phasing of budget required.

**In summary** a total of R102m is to be re-phased and R70m is not going to be spent, hence the revision of the **budget downwards from R871m to R698m.**

#### **Operating Budget**

It is expected that revenue will decline by a total of R324m till the end of June. Similarly, the bulk purchases will drop by R330m and the debt impairment is expected to increase by R6m. For the remainder of this financial year it is assumed the sales will decline by 20% and have a continued decline of 5% over the remainder of next financial year. The slow/lock down of the economy has contributed to this downturn. Lesser sales are being experienced across all time periods during the day, while a slight improvement is being experienced under level 4 lockdown.

Thank you

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**BUDGET SPEECH BY ALD X LIMBERG**

## Adjustment Budget 2019/2020

Speaker, as I have stated before adjusting a budget is not sign of failure or weakness, but rather an indicator of an organisation's level of responsiveness to changing circumstances.

The adjustments being proposed today are within the principles as detailed in National Treasury's circular, which permits a further adjustment budget for the current financial year and review of the 2020/2021 MTREF to absorb the impacts of the unprecedented time that we are in.

Speaker, within the Water and Waste directorate the Solid Waste Management department is proposing a reduction of R155 199 702, and this is largely linked to the department's fleet which contributes a third of the department's capital budget. The hard lockdown on the global and national economy has slowed down trade and the movement of goods and has resulted in the delay in fleet deliveries, as the department sources the bulk of its specialised vehicles and equipment from the international market.

The Water and Sanitation department is proposing a reduction of R339 848 349, which are driven by the restrictions on construction and has pushed back implementation progress on large infrastructure projects within the Bulk Water and Waste Water branches within the department.

It must also be highlighted that the adjustment proposals today don't change the directorate's 10 year capital budget, the New Water Plan or any other service delivery commitments as many of our projects by nature are multi-year projects extending far beyond the MTREF, and provision has been made to make up for the lost time in the new financial year.

The Water and Waste adjustment proposals have also taken into account the impact on revenue, and within the Water and Sanitation department specifically 19/20: Projections for exposure to increased levels of debt impairment, based on; a change in payment patterns from households, lower consumption during the months of April, May and June, projects an additional exposure of approximately R145m. The projected collection rate to year end reducing from 90% to 85.% for water and 89% to 86% for sanitation.

Speaker, the adjustments tabled reflects the rollout of projects / programmes realigned for COVID19 lockdown delays.

Whilst we look ahead Speaker, it is clear that the planned destination is no longer available and that the immediate future and world is an uncertain place, the proposals before this Council represents the best estimated scenario which maps a path that ensures the City's commitments to large scale infrastructure investment is fulfilled.

I thank you.

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**BUDGET SPEECH 2020/2021 BY ALD X LIMBERG**

Speaker, a budget is not just a series of numbers on a page but it is an embodiment of values and has the potential to make a profound impact on the lives of people.

This proposed 2020/2021 budget embodies the City of Cape Town's on-going commitment to redress and delivery in order to improve the lived experience of every resident. The Water and Waste Directorate has an important role to play in this and thus receives the largest allocation of R2 ,838 118 795 billion and R805 560 273 million respectively.

I would like to touch on some key Budget Highlights particularly the response plan to Covid19.

Speaker, an additional R214 m will be allocated towards enhanced services within existing and newly established informal settlements. Over the last 2 months, the Water and Sanitation has already delivered over 31million litres of additional water to the most vulnerable parts of the City through water trucks and the installation of water tanks.

Speaker, during my adjustments budget address during August 2019, I mentioned that residents will be able to look forward to smoother tariff increases going forward as the City strives towards delivering world class essential services and building a resilient City.

Speaker, this is evident in the 2020/2021 tariffs with water, sanitation and solid waste with below CPI increases as we remain sensitive to the difficult financial times both households and the broader economy finds itself in.

The fixed charges within water services remains unchanged, and among the lowest when compared to municipalities across the country. I strongly suspect that these carefully considered tariff increases has previously resulted in the City being recognised as having the lowest utility costs for any major metro as per the Cost of Living Indices Report for 2019, and I am confident that we will continue to be recognised as offering more affordable services.

The City remains committed to building sustainable communities through the upgrade and expansion of infrastructure to ensure that we build an inclusive City filled with unlimited opportunities for our citizens to thrive, and this budget sets out to do this.

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**BUDGET SPEECH BY ALD G TWIGG**

Thank you Mr Speaker.

In order to ensure Cape Town remains the best performing Metro municipality in the country, we must embark on an extensive budgetary process to ensure we deliver to all citizens in the City of Cape Town.

This Peoples Budget tabled by Executive Mayor Dan Plato represents the DA-led City of Cape Town's commitment to ensuring Cape Town remains the leading Well Run, Opportunity, Safe and Caring City we are.

The Urban Management Directorate is committed to ensuring we accelerate the informal economy, drive urban regeneration, facilitate community safety and develop a platform for urban transformation.

Within the framework of the R128 million capital budget and the R1 billion operating budget the directorate will focus on the development of local precincts, creation of community safety programmes and macro area economic development.

We have ensured that Sub councils are given the capacity to drive basic service delivery in local communities by allocating R2 million to every Sub council for Urban Regeneration. We are ensuring that our unemployed access work opportunities by spending R25 million on the Expanded Public Works Programme (EPWP).

Mr Speaker, while South Africa faces a dismal economic outlook with so many municipalities unable to deliver basic services to residents, the DA-led City of Cape Town has proven its ability to ensure the Cape Town remains the capital good governance, economic growth and community development in South Africa.

The budget before us takes the complex circumstance we find ourselves in and ensures our municipality address the consequences of the pandemic while ensuring we continue to deliver our internationally recognised services.

The City of Cape Town has proven that even in a national disaster we are able to take difficult decisions while easier ones are available and we are able to ensure that the competencies of other spheres of government are delivered in the face of a catastrophic pandemic.

I therefore support the budget tabled by the Executive Mayor, and encourage every Councillor to do the same if we believe in making progress possible together.

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**SPEECH BY ALD. JAMES VOS, MMC FOR ECONOMIC OPPORTUNITIES, AT THE FULL COUNCIL MEETING HELD ON THE 27 MAY 2020 ON THE OCCASION OF TABLING OF THE BUDGET.**

Good day Mr Speaker,

Thank you for this opportunity to address you.

Firstly, I would like to echo and support the sentiments and resolve expressed by the Executive Mayor;

In response to the economic challenges we faced prior to the Covid pandemic, and in-line with our Economic Recovery Framework, we 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. **This is even more important now.**

The impact of Covid-19 has made its presence felt on the economy and local businesses.

My team in the City's Enterprise and Investment Department have been working hard to find ways to mitigate the economic impact and the corresponding lockdown has had on so many sectors of our economy.

I am fully aware that many businesses in Cape Town have been pushed to the brink. That is why we are exploring measures to ensure that we not only minimise the effects of this crisis – but build a stronger, more resilient future for our businesses and ultimately the residents of Cape Town.

I therefore established early on in this crisis a **transversal Economic Task Team**. They were asked to draw up the City's **Economic Action Plan** which identifies three stages of intervention - **respond, adapt and recover, and stabilise**.

Mr Speaker, I urge everyone to visit our Invest Cape Town website, which has the latest and most accurate information available to give businesses. Setting out access to vital resources on ongoing interventions and assistance available from national, provincial and local government.

Mr Speaker, in the midst of this crisis, we have seen some remarkable examples of adaptation and innovation and I am proud of the work done by the various officials to assist businesses.

The '**Women in Business programme**' is a very such inspiring example of adapting to a new way of working by embracing technology. The programme has been adapted to enable successful delivery and engagement on an exclusively online basis.

I am also particularly proud of the **SMME COVID-19 Toolkit** initiative, which targets SMMEs in Cape Town, providing thousands of toolkits with essentials to help get businesses back to work safely.

Likewise, the support given through **The Business Hub**, an initiative of the City's Enterprise and Investment Department that functions as a one-stop shop with various units on hand to assist SMMEs and companies with business rescue initiatives, red tape reduction and enterprise and supplier development.

The City of Cape Town and our official Destination Marketing Organisation, **Cape Town Tourism**, have formulated plans, embracing technology and using research as a strategic guide, to plot a sustainable future for the City's vital and vibrant tourism sector.

If you fail to plan, you plan to fail and I am proud of the work that has gone into helping the tourism industry on the road to readiness and recovery.

The COVID pandemic and associated preventative measures has fundamentally changed the way we work.

The City continues to work through our Strategic Business Partners to look at equipping businesses for new ways of working.

Mr Speaker today's budget item reflects the severe fiscal constraints brought to bear by circumstances beyond our control and we too have pledged to find smarter more efficient way to do our work.

One of the ways to achieve this is strengthening the agility of our special purpose vehicles to shift the focus on skills development and job readiness.

In every crisis, there is an opportunity and the City is actively working to identify and exploit new sectoral opportunities that are emerging.

### **Economic Recovery is on track**

While we have done everything we can to prepare and adapt our health systems for the pandemic, we have also had to plan for a crucial economic recovery. I believe this planning has positioned our City to fully and safely take advantage of getting back to work under level 3 on 1 June.

The tourism industry is another critical part of our economy. It is estimated that in 2018 the tourism sector created 113 000 jobs, and was worth R18,1 billion.

Many of the businesses that make this sector the success that it is are in serious financial trouble as a result of the lockdown.

They should be able to apply for financial aid from national government, but many haven't been able to because of the racial criteria that the national government has placed on the financial aid applications.

In these unprecedented times and especially since millions of jobs and businesses are on the line, all businesses should qualify for relief funding and discriminatory criteria should not apply in a state of disaster. Now is not the time for race based policies, now is the time for all of us to work together if we plan to weather this storm.



To conclude, this budget demonstrates the resilience of this City and its administration. As with the water crisis, together we will prevail. I ask all residents and businesses to partner with us to ensure we get the most bang for our buck, retain and expand where it makes business sense and journey with us on the road to our undoubted economic recovery.

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## BUDGET SPEECH BY CLLR Z BADROODIEN

Mr Speaker,

On the one hand Cllr Sotashe says that because of the colour of my skin I am incapable of making sound decisions in the best interests of all Cape Townians. It is a sad indictment on himself and his leadership and I shudder to think what opinion he has of his fellow caucus colleagues who by his very own argument argument are incapable of leading because of the colour of their skin.

Yet today he offers me the great compliment that he thinks I am ready to be the Mayor of Cape Town but I will put it to him that under Mayor Plato we are led and we will remain the City that continues to prioritise its residents because we are a caring city. Strandfontein:

- The reality is that this City according to the Department of Defence, a number of religious leaders, department of social development nationally supporting our shelter for the homeless the City further housed at least double the amount of homeless people than any other city. And we will continue to support this group with opportunities as this is entrenched in our IDP.
- I challenge the ACDP, EFF and ANC to speak to the individuals who have thanked the city for helping them to become clean from various drugs, many noting that they have never been healthier, the 1500 individuals who have accessed medical care by the 15 doctors, nurses and volunteers, the 124 individuals who have been reunited with their provinces.
- To the councillors who wanted oversight at Strandfontein must know that this is a selfish and a health risk to all the homeless who were kept safe from exposure to the virus. Cllrs, NOT ONE homeless person who had a test done at Strandfontein came back positive
- Strandfontein was a safe haven where all necessary services were offered
- Interestingly, the very same group of homeless people who have camped outside our Culemborg expansion were the same group who took us to court YET they are wanting to come back into a city run facility refusing access to smaller shelters

The Community Services & Health Directorate is strategically focused to increase our service offering to residents in a COVID-19 conscious world.

Key priorities:

- Supporting City Health, leading our Public Health interventions to ensure that our communities have access to services to secure their health
  - o By securing PPE,
  - o Upgrade Clinics for Diabetic Service
  - o Ideal Clinic facilities and services
  - o National Core Standards
  - o Augmenting our Environmental Health offer
- Supporting our recreation and parks colleagues to ensure that the burying of loved ones is done in a sensitive and dignified manner in a cemetery of their choice or through cremations
  - o Preparing Cemetery Facilities, Cremator Capacity
  - o Park Upgrades

- Sport and Recreation Facilities Upgrade
- And to look after our vulnerable communities by supporting partners and shelter service providers that works with these vulnerable groups (R40 million)

Mr Speaker, for anyone in doubt – this is a budget for all the people of the City of Cape Town. A budget that protects our City but at the same time seeks to keep our city open once as we eventually make our way into recovery once we have passed the peak of this pandemic.

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**BUDGET SPEECH BY CLLR S COTTLE**

Thank you Speaker.

I specifically want to address Council on **ITEM NUMBER: SPC 07/05/20 WHICH DEALS WITH THE PROPOSED REVIEW OF, AND AMENDMENTS TO, THE 2017-2022 INTEGRATED DEVELOPMENT PLAN (IDP) 2020/21 AMENDMENTS**

**AND ITEM SPC 10 /05/20 WHICH DEALS WITH THE INTEGRATED DEVELOPMENT PLAN (IDP) AND BUDGET TIME SCHEDULE: 1 JULY 2020 - 30 JUNE 2021**

**FIRSTLY, WRT ITEM SPC 07/05/20**

The City is required to review its IDP on an annual basis in accordance with an assessment of its performance measures and to the extent that changing circumstances demand. We are experiencing a change in circumstance currently with COVID19. The overall purpose of the IDP review is to establish if the strategic narrative and the programmes and projects contained in the implementation plan of the IDP remain relevant, effective and sufficient in order to achieve the City's objectives.

The IDP review is attached as annexure A1 and A2 to the report. All new proposals emerging from the review have been included in the IDP amendments.

The proposed amendments are strategic in nature and flow from a change in circumstances.

The intent of the amendments is to support and strengthen the approved strategic direction and narrative.

The process that was followed, Mr Speaker, as set out in the report.

And so, I hereby move that Council adopt the recommendations as set out on Page 5 of the agenda.

**THEN SPEAKER IF I MAY ALSO ADDRESS ITEM SPC 10/05/20 WHICH DEALS WITH THE INTEGRATED DEVELOPMENT PLAN (IDP) AND BUDGET TIME - SCHEDULE: 1 JULY 2020 - 30 JUNE 2021**

A municipality is required to table the IDP and Budget time-schedule at least 10 months before the start of the budget year in terms of Section 21 (1) of the Municipal Finance Management Act (MFMA). The time-schedule must contain the key deliverables, processes to prepare, draft and approve the annual budget as well as the review and amendment of the IDP.

The IDP and Budget time-schedule is set out in Annexure 'A' to the report and reflects the planning of the IDP and Budget processes that will take place during the 2020/2021 financial year in preparation for the 2021/2022 IDP review and amendments and the Budget.

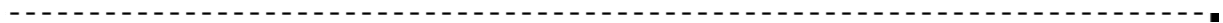
Mr Speaker, I propose that Council approve the recommendations as set out on Page 581 on the agenda.

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In conclusion, Mr Speaker, I hereby all add my support the Budget being tabled today and would like to thank the Officials of line departments in the Organisational Performance Management depts as well as line departments within the Finance

Directorate for their dedication and commitment in keeping the IDP processes and the Budgets aligned and in sync.

Thank you Speaker



**BUDGET SPEECH BY CLLR G HASKIN (ACDP)**

To begin I wish to quote the Mayor in his Budget report on pg 22: “Prior to the arrival of the Covid-19 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.”

This quote describing almost the perfect storm, sets out the four most serious challenges facing the City, two of which were already known (being the sluggish GDP and high unemployment), one was anticipated (being the downgrade to junk status), when the Covid-19 pandemic came out of nowhere, has presented its own massive and unique challenges and has exacerbated these pre-existing socio economic challenges.

Since these together are not going to be solved any time soon, certainly not for the next five years, this “perfect storm” really is the “new normal” that will require extraordinary planning, budgeting, spending and partnerships with the City’s customers.

While the ACDP understands and accepts that the original draft budget published at the end of March could not have anticipated the Covid-19 pandemic and its massive impact on the health and well-being of Cape Town’s people and our economy, it remains vital nonetheless that the budget to be adopted today, must have responded to this perfect storm, Covid-19 in particular, in urgent, sustainable and tangible ways to combat and mitigate not only the impacts of Covid-19, but of all four of these challenges.

Covid-19 has already negatively impacted and changed the City, its people and the economy in very dramatic and long-lasting ways. Therefore, this budget and the IDP cannot and should not reflect a “business as usual approach”, instead, the City and its political leadership needs to demonstrate that they have responded to these urgent and life-changing needs, and that it has a vision and plan, and the financial capacity to combat and mitigate the numerous impacts of Covid-19 the “perfect storm” on Cape Town’s people and the economy.

For the ACDP, we wanted to see major shifts of capital and operational budget to City Health Department, the Safety and Security Department, and water/cleansing/sanitation being the departments leading its response - from departments that are not priorities at this time of crisis. We also want to see concomitant amendments to the IDP since we all know that Covid-10 will be around for years to come. But is this the case? The simple answer is No.

In terms of the IDP, which is the City’s principal strategic framework that guides decision-making within the municipality, the proposed amendments to the “global, national and local contextual analysis” make no mention of Covid-19 at all, not even for the City’s two entities the CTICC and the Cape Town Stadium.

The IDP makes no mention of the details of Cllr Badroodien's very informative powerpoint presentation distributed last week called the "Citys Covid-19 response" – particularly in respect of "the related health and economic shocks", that "the economy will shrink significantly", that "we may cycle in and out of suppression levels for many months", that "the suppression methods and threat of infection also impact how we carry out our business", or that the Citys customers, its ratepayers, will have "far less disposable incomes".

Turning to the budget itself, while the budget narrative makes frequent mention of Covid-19 and the broader "perfect storm", it is not echoed nearly sufficiently in the actual financial budget lines. Here are a few examples:

- the CTICC plans to hold more international conferences this coming year than in the previous 3 financial years when there were no Covid-19 restrictions on travel, social distancing and gatherings, and when the CTICC itself was not being used as an "850 bed field hospital with people entering through the back entrance from an ambulance," to quote Premier Winde.
- Jobs are being lost by the thousand, but the Mayors Job Creation Project still plans to create fewer job opportunities than it did in 2018/19.
- Responding to Covid-19 requires increased sanitation facilities as one example, yet fewer toilets will be installed in informal settlements than in 2018/19.
- National Treasury expects no more that 30% of operating budget be spent on employee costs and remuneration. Yet in this budget, the City budgets R15 billion for employee related costs, equating to 33.9% of the total budget, which is up from 31% last year.
- The budget narrative says that the City expects a loss of revenue from the rental of facilities yet the budget table projects a 15% increase.
- The budget narrative acknowledges a dramatic impact on the livelihoods of Capetonians, yet the City is planning an unaffordable 4.83% average increase for electricity consumers, followed by 7.6% and 8.8% increase over the next two years, and a 3.9% increase in the rate-in-the-rand for rates, just when the economic impact of Covid-19 will be most felt by our ratepayers – for many years.
- Incredibly, rates revenue is expected to increase by around R1 billion per year for the next 3 years.

#### MAJOR CAPITAL PROJECTS.

There are also many skewed priorities in respect of the list of major capital projects budgeted for the next 3 years. The ACDP believes all of these that I will list below, amounting to some R950 million, are not urgent and should be re-phased to start in the third year at the earliest, freeing up at least the next two years of planned capital expenditure to fight Covid-19 or off-setting relief being given to struggling ratepayers.

- Upgrading Cape Town Stadium suites (R221 million)
- Nature reserve fences and boundary markers (R19 million) and visitor education centres (R14 million)
- Park upgrades (R29 million)
- sport and recreation upgrades (R28 million)
- Basement parking and access (R21 million)
- Green Point athletics stadium (R7 million)

- Green Point Urban park (R8.8 million)
- Library upgrades and extensions (R45 million)
- New libraries (R39 million)
- Sea Point promenade upgrade (R242 million)
- Athlone stadium upgrade (R36 million)
- City Hall upgrade (R21 million)
- Good Hope centre upgrade (R207 million)
- Grand Parade upgrade (R10 million)

What kind of message does it send to ratepayers when they see parking being upgraded, signs going up in nature reserves, buildings being renovated or built, while their livelihoods are crumbling, their family members and friends dying and their meagre income (if any) being spent on a City for services when the City has over R18 billion banked in cash?

Our ratepayers deserve more from this City.

#### WARD ALLOCATIONS.

We are also concerned about the priorities determined by some ward Councillors in respect of their ward allocations.

In some wards that are very much established as Covid-19 hotspots, the ward Cllrs have decided to continue with ward allocations as if its "business as usual", as if there is no Covid-19.

For example:

- One Cllr has prioritized a soccer tournament at a cost of R150,000, a netball tournament costing R60,000 and a boxing tournament costing R50,000.
- Another Cllr plans to spend R240,000 upgrading the wards greenbelts.
- And another two neighboring Cllrs plan to spend R250,000 each on gym equipment.
- There's another ward cllr who plans to upgrade two parks at a cost of R375,000 EACH.
- And another ward Councillor near the airport plans to spend R1 million on upgrading just one park.
- While a neighbor Councillor plans to spend R250,000 on a 40th birthday party celebrating the 'birth' of the area.

These are not only laughable, but shocking in their ignorance and care-less attitude of the devastation and upheaval happening around them. Your own voters in these wards will not reward you in next years elections.

The ACDP does not support this budget. To begin I wish to quote the Mayor in his Budget report on pg 22: "Prior to the arrival of the Covid-19 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."



This quote describing almost the perfect storm, sets out the four most serious challenges facing the City, two of which were already known (being the sluggish GDP and high unemployment), one was anticipated (being the downgrade to junk status), when the Covid-19 pandemic came out of nowhere, has presented its own massive and unique challenges and has exacerbated these pre-existing socio economic challenges.

Since these together are not going to be solved any time soon, certainly not for the next five years, this “perfect storm” really is the “new normal” that will require extraordinary planning, budgeting, spending and partnerships with the City’s customers.

While the ACDP understands and accepts that the original draft budget published at the end of March could not have anticipated the Covid-19 pandemic and its massive impact on the health and well-being of Cape Town’s people and our economy, it remains vital nonetheless that the budget to be adopted today, must have responded to this perfect storm, Covid-19 in particular, in urgent, sustainable and tangible ways to combat and mitigate not only the impacts of Covid-19, but of all four of these challenges.

Covid-19 has already negatively impacted and changed the City, its people and the economy in very dramatic and long-lasting ways. Therefore, this budget and the IDP cannot and should not reflect a “business as usual approach”, instead, the City and its political leadership needs to demonstrate that they have responded to these urgent and life-changing needs, and that it has a vision and plan, and the financial capacity to combat and mitigate the numerous impacts of Covid-19 the “perfect storm” on Cape Town’s people and the economy.

For the ACDP, we wanted to see major shifts of capital and operational budget to City Health Department, the Safety and Security Department, and water/cleansing/sanitation being the departments leading its response - from departments that are not priorities at this time of crisis. We also want to see concomitant amendments to the IDP since we all know that Covid-19 will be around for years to come.

But is this the case?

The simple answer is No.

In terms of the IDP, which is the City’s principal strategic framework that guides decision-making within the municipality, the proposed amendments to the “global, national and local contextual analysis” make no mention of Covid-19 at all, not even for the City’s two entities the CTICC and the Cape Town Stadium.

The IDP makes no mention of the details of Cllr Badroodien’s very informative powerpoint presentation distributed last week called the “City’s Covid-19 response” – particularly in respect of “the related health and economic shocks”, that “the economy will shrink significantly”, that “we may cycle in and out of suppression levels for many months”, that “the suppression methods and threat

of infection also impact how we carry out our business”, or that the City's customers, its ratepayers, will have “far less disposable incomes”.

Turning to the budget itself, while the budget narrative makes frequent mention of Covid-19 and the broader “perfect storm”, it is not echoed nearly sufficiently in the actual financial budget lines.

Here are a few examples:

- the CTICC plans to hold more international conferences this coming year than in the previous 3 financial years when there were no Covid-19 restrictions on travel, social distancing and gatherings, and when the CTICC itself was not being used as an “850 bed field hospital with people entering through the back entrance from an ambulance,” to quote Premier Winde.
- Jobs are being lost by the thousand, but the Mayors Job Creation Project still plans to create fewer job opportunities than it did in 2018/19.
- Responding to Covid-19 requires increased sanitation facilities as one example, yet fewer toilets will be installed in informal settlements than in 2018/19.
- National Treasury expects no more that 30% of operating budget be spent on employee costs and remuneration. Yet in this budget, the City budgets R15 billion for employee related costs, equating to 33.9% of the total budget, which is up from 31% last year.
- The budget narrative says that the City expects a loss of revenue from the rental of facilities yet the budget table projects a 15% increase.
- The budget narrative acknowledges a dramatic impact on the livelihoods of Capetonians, yet the City is planning an unaffordable 4.83% average increase for electricity consumers, followed by 7.6% and 8.8% increase over the next two years, and a 3.9% increase in the rate-in-the-rand for rates, just when the economic impact of Covid-19 will be most felt by our ratepayers – for many years.
- Incredibly, rates revenue is expected to increase by around R1 billion per year for the next 3 years.

#### MAJOR CAPITAL PROJECTS.

There are also many skewed priorities in respect of the list of major capital projects budgeted for the next 3 years. The ACDP believes all of these that I will list below, amounting to some R950 million, are not urgent and should be re-phased to start in the third year at the earliest, freeing up at least the next two years of planned capital expenditure to fight Covid-19 or off-setting relief being given to struggling ratepayers.

- Upgrading Cape Town Stadium suites (R221 million)
- Nature reserve fences and boundary markers (R19 million) and visitor education centres (R14 million)
- Park upgrades (R29 million)
- sport and recreation upgrades (R28 million)
- Basement parking and access (R21 million)
- Green Point athletics stadium (R7 million)
- Green Point Urban park (R8.8 million)

- Library upgrades and extensions (R45 million)
- New libraries (R39 million)
- Sea Point promenade upgrade (R242 million)
- Athlone stadium upgrade (R36 million)
- City Hall upgrade (R21 million)
- Good Hope centre upgrade (R207 million)
- Grand Parade upgrade (R10 million)

What kind of message does it send to ratepayers when they see parking being upgraded, signs going up in nature reserves, buildings being renovated or built, while their livelihoods are crumbling, their family members and friends dying and their meagre income (if any) being spent on a City for services when the City has over R18 billion banked in cash?

Our ratepayers deserve more from this City.

#### WARD ALLOCATIONS.

We are also concerned about the priorities determined by some ward Councillors in respect of their ward allocations.

In some wards that are very much established as Covid-19 hotspots, the ward Cllrs have decided to continue with ward allocations as if its “business as usual”, as if there is no Covid-19.

For example:

- One Cllr has prioritized a soccer tournament at a cost of R150,000, a netball tournament costing R60,000 and a boxing tournament costing R50,000.
- Another Cllr plans to spend R240,000 upgrading the wards greenbelts.
- And another two neighbouring Cllrs plan to spend R250,000 each on gym equipment.
- There’s another ward cllr who plans to upgrade two parks at a cost of R375,000 EACH.
- And another ward Councillor near the airport plans to spend R1 million on upgrading just one park.
- While a neighbour Councillor plans to spend R250,000 on a 40th birthday party celebrating the 'birth' of the area.

These are not only laughable, but shocking in their ignorance and care-less attitude of the devastation and upheaval happening around them. Your own voters in these wards will not reward you in next year’s elections.

The ACDP does not support this budget.

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