CITY OF CAPE TOWN
ISIXEKO SASEKAPA
STAD KAAPSTAD

ANNEXURE A

CITY OF CAPE TOWN

2018/19 ADJUSTMENTS BUDGET

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31 January 2019

Including additional recommendations approved at the Council meeting (refer page 71)

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GLOSSARY OF TERMS AND ABBREVIATIONS

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

Allocations – Money received from Provincial- and National Treasury.

Budget – The financial plan of a municipality.

Capital Expenditure – Spending on municipal assets such as land, buildings and vehicles. Any capital expenditure must be reflected as an asset on a municipality's balance sheet.

Cash Flow Statement – A statement showing when actual cash will be received and spent and the month end cash and short-term investment balances.

CGD – Capital Grants and Donations mainly comprising of National and Provincial Government allocations as well as public contributions and donations from external parties.

CCT – City of Cape Town

CRR – Capital Replacement Reserve. An internal funding source used for capital projects, which must at all times be cash-backed in line with Section 18 of the MFMA.

CTICC - Cape Town International Convention Centre

DORA – Division of Revenue Act. Annual legislation which shows the allocations from national to local government.

DORb – Division of Revenue Bill. Annual legislation tabled in parliament, but not enacted, which shows the allocations from national to local government.

EFF – External Financing Fund. Internal funding mechanism and funded from borrowing for capital expenditure.
GFS – Government Finance Statistics. An internationally recognised classification system that facilitates comparisons between municipalities.

IDP – Integrated Development Plan. The main strategic planning document of a municipality.

IRT – Integrated Rapid Transport

MBRR – Municipal Budget Reporting Regulations

MFMA - Municipal Finance Management Act (No 53 of 2003). The principal piece of legislation relating to municipal financial management.

MTREF – Medium Term Revenue and Expenditure Framework, as prescribed by the MFMA. It sets out indicative revenue and projected expenditure for the budget year, plus two outer financial years.

NT – National Treasury

Operating Expenditure – The day-to-day expenses of a municipality such as general expenses, salaries & wages and repairs & maintenance.

PT – Provincial Treasury

Rates – Local Government tax based on assessed valuation of a property.

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

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

PART 1 - ADJUSTMENTS BUDGET: PARENT MUNICIPALITY

1. Mayor's Report

1.1. Summary of reasons for the adjustments budget

Primary reasons for the recommendation to adopt an adjustments budget result from the appropriation of approved, committed 2017/18 grant funding from National- and Provincial Treasury, re-phasing of internal funds where implementation will continue in the 2019/20 and 2020/21 financial years, upwards/downwards adjustments of revenue- and expenditure estimates based on current trends, the re-alignment of sundry budgetary provisions resulting from updated implementation programmes, and organisational structure changes.

Further adjustment details are listed in the paragraphs below.

a. Multi-year funds shifting in relation to the capital programme

The reasons for multi-year shifting are, inter alia:

- Committed 2017/18 conditional grants approved by National Treasury in terms of Section 22 (2) of the Division of Revenue Act (DORA) (3 of 2017), dated 22 October 2018;
- Committed 2017/18 conditional grants approved by Provincial Treasury in terms of Section 10 (2) of the Western Cape Appropriation Act 2017 (1 of 2017), dated 15 November 2018;
- Additional National Treasury allocations made in terms of Gazette No. 41970, dated 12 October 2018;
- Additional and amended allocations made by Provincial Treasury in terms of the 2018 Western Cape Adjusted Estimates Budget and Adjusted appropriation Bill 2018, Provincial Gazette Extraordinary 8005, dated 22 November 2018;
- Additional funding from the National Department of Environmental Affairs (agency services);
- Administrative transfers/virements of budgetary provisions as approved in terms of Council's System of Delegations of Powers and the Virement Policy;
- Updated implementation programmes of projects funded from external sources such as Capital Grants & Donations (CGD) as well as internal sources such as the Capital Replacement Reserve (CRR) and External Financing Fund (EFF). Whilst backed by approved business plans, local conditions often require amendments to implementation procedures, as agreed with donors (CGD-funded projects);
- Organisational structure changes approved at Council on 13 December 2018 and
- *Additional National Treasury allocations stemming from a notification of additional funding received from for Neighbourhood Development Partnership Grant on 24 January 2019.*

b. Allocations and grant adjustments

The main reasons for adjustments to capital- and operating grants and donations are listed below.

Capital grants

- Municipal Disaster Grant: Drought (MDG-Drought) (national funding) increases by R37.1 million resulting from approved committed 2017/18 conditional allocations.

- Integrated City Development Grant (ICDG) (national funding) decreases by R1.1 million on the capital budget with a corresponding increase on the operating budget.

- Integrated National Electrification Programme (Municipal) Grant (INEP) (national funding) increases by R2.2 million resulting from approved committed 2017/18 conditional allocations.

- Public Transport Network Grant (PTNG) (national funding) decreases by R118.6 million in 2018/19 resulting mainly from:
  - R155.9 million decrease on the capital budget with a corresponding increase on the operating budget; and
  - R37.3 million increase resulting from approved committed 2017/18 conditional grant allocations.

- Urban Settlements Development Grant (USDG) (national funding) decreases by R19.7 million on the capital budget with a corresponding increase on the operating budget.

- Integrated Skills Development Grant (ISDG) (national funding) decreases by R400 000 on the capital budget with a corresponding increase on the operating budget.

- Energy Efficiency & Demand Side Management Grant (EE&DSM) (national funding) decreases by R100 000 on the capital budget with a corresponding increase on the operating budget.

- Public Transport Infrastructure & Systems Grant (PTI&SG) interest (unconditional) decreases by R129.7 million resulting from:
  - Cancellation of the Electric Bus contract (R130.9 million decrease); and
  - Procurement of radios for rail safety officers (R1.2 million increase).

- Committed 2017/18 conditional grants approved by Provincial Treasury resulting in the following increases in 2018/19:
  - Library Services: Conditional Grant (WCG: Libraries) - R2 million;
  - Library Services: Metro Library Grant (PT Library: Metro) - R1.7 million; and
  - Safety & Security directorate: Law Enforcement Auxiliary Services (PGWC: LEAS) - R770 000.

- Human Settlements Development Grant (HSDG) (provincial funding) decreases by R31 million on the capital budget with a corresponding increase on the operating budget.

- Community Development Workers Grant (PGWC: CDW) (provincial funding) decreases by R146 498 in line with the Western Cape Government's adjusted allocation for 2018/19.

- Private Sector funding (unconditional grants) decreases by R24.1 million, mainly resulting from:
  - A decrease in the demand for service connections, which is customer funded and demand driven. Applications for new and upgraded supplies have been less month on month (R5 million); and
  - A reduction on the Metro South East Public Transport Facilities project resulting from delays in concluding the agreement with the Dutch Government (R19.1 million).

- Chemical Industries Education & Training Authority (CHIETA) funding (unconditional grant) increases by R800 000 in order to procure furniture and IT equipment required for Adult Education & Training as well as for the Learnership programme.

- Restructuring Grant – accumulated interest - (unconditional grant) increases by R570 000 for the procurement of a printer as the existing equipment has become old and obsolete, as well as for procurement of furniture and equipment for newly appointed staff.

- National Housing Programs Grant (State: Other) – accumulated interest - (unconditional grant) increases by R200 000 for the replacement of obsolete equipment.

- Public Transport Network: Budget Facility for Infrastructure Grant (PTNG-BIF) (national funding) increases by R33 million in 2018/19.

- Additional funding received from the National Department of Environmental Affairs (unconditional grants) on an agency services basis for plant, equipment and vehicles to enable the removal of alien vegetation, on the following projects:
  - Specialised Biodiversity Equipment FY19 (DEAT: Wetland) - R256 245;
  - Vehicles: Additional FY19 (DEAT: Special Projects) - R573 977;
  - Vehicles: Additional FY19 (DEAT: Terrestrial) - R644 348; and
  - Plant & Equipment: Additional FY19 (DEAT: Wetland) - R251 674.

- *Neighbourhood Development Partnership Grant (NDPG) (national funding) increases by R7.3 million in 2018/19 resulting from an informal notification of additional funding received from National Treasury.*

Operating grants

- Unconditional grant interest increases by R26.9 million:
  - PTI&SG interest (unconditional) (R9.8 million) and Cape Town Metropolitan Transport interest (unconditional) (R13.5 million) to cover payment of Taxi Compensation, Rail Safety project as per agreement between the City, PRASA and the Provincial Government of Western Cape, operating expenditure relating to the City's Integrated Transport Plan, Glencairn Rail, Road Stabilisation project, and TDA Project Portfolio Monitoring within the Transport directorate; and
  - Health – ARV Programme interest (R3.6 million) to fund expenditure relating to the anti-retroviral programme within the Community Services & Health directorate.

- Private Sector funding (unconditional grants) increases by R1.9 million, resulting from a combination of increases/decreases:
  - R2.1 million additional funding received from various stakeholders for the appointment of law enforcement- and traffic officers within the Safety & Security directorate; and
  - R270 000 decrease resulting from a review of the Cape Town – Munich project within the Sustainable Energy Markets department.

- Additional grant funding received from the Department of Environmental Affairs & Tourism (R21.2 million) to cover expenditure relating to the Helderberg Marine Protected Area, Terrestrial Invasive Plant project, Invasive Species Special project and Peninsula Wetland Rehabilitation projects as per MOA between the City and the Department of Environmental Affairs & Tourism.

- Additional grant allocations from Provincial Government (Provincial gazette 8005, dated 22 November 2018) of R44.6 million (a combination of increases/decreases) for:
  - Resourcing funding within the Safety & Security directorate for establishment and support of the K9 unit (R3 million increase);
  - HIV and Aids funding within the Community Services & Health directorate (R6.1 million increase);
  - Human Settlements -Title Deed Restoration within the Spatial Planning and Environment directorate (R26.7 million increase);
  - Rail Safety - South Peninsula Corridor within the Transport directorate (R3.7 million increase);
  - Disaster Management Grant - Fire Support and Recovery within the Safety & Security directorate (R5 million decrease); and
  - Community Development Workers operational support grant (R889 502 decrease).

- PTNG increases by R155.4 million on the operating budget with a corresponding decrease on the capital budget as the projects to be implemented are operational in nature.

- USDG increases by R19.7 million on the operating budget with a corresponding decrease on the capital budget as the projects to be implemented are operational in nature.

- ICDG increases by R1.9 million on the operating budget; approved roll-over of R733 972 and the balance of R1.1 million, which has a corresponding decrease on the capital budget as the projects to be implemented are operational in nature.

- ISDG increases by R400 000 on the operating budget with a corresponding decrease on the capital budget as projects to implemented are operational in nature.

- EE&DSM increases by R100 000 with a corresponding decrease on capital budget as the project to be implemented is operational in nature.

- Approved committed 2017/18 Provincial Treasury grant allocations (roll-overs):
    - Financial Management Capacity Grant (R252 776) for external bursaries;
    - Training of Volunteers for Law Enforcement Auxiliary Services (R2.2 million);
    - Training of school resource officers (SRO) (R44 526);
    - Library Conditional Grant (R3.2 million) for operational expenditure at libraries;
    - Libraries Periodicals and Subscriptions (R183 900) for expenditure related to periodicals and subscription commitments; and
    - Transport and Public Works (R23 928) for the provision for Persons with Special Needs.

- Health - Primary Health (conditional grant) decreases by R 9.4 million with a corresponding increase in the Health Grant (unconditional).

- HSDG increases by R19.6 million; R31 million increase on the operating budget with a corresponding decrease on the capital budget as the projects to be implemented are operational in nature and R11.4 million refund to Provincial Treasury for completed projects.

- Additional private funding (R16 million) from PRASA for Rail Safety as per agreement (MOA) between the City, Provincial Government and PRASA within the Transport directorate.

c. Revenue and expenditure estimates adjustments

- A reduction of R93 million on Water Sales, within the Water & Sanitation Management department, is proposed. Water- and sanitation service charges currently reflect over-recovery on “billed revenue”, due to some consumers still consuming water above the restriction levels. This was specifically applicable during level 6 tariffs, which was implemented to discourage high consumption in order to keep saving water. The introduction of Level 5 restrictions has shown a slowdown of the billed revenue and closer alignment to the monthly budget. Trends relating to level 3 restrictions are still being formed; closer alignment to the budget is, however, expected to continue and depending on the usage levels (and impact of seasonal usage) may reflect potential under-recovery against the monthly budget later in the financial year. This over-recovery is not all cash backed as over expenditure on the provision for the non-cash portion (working capital) will be offset against the amount billed. In line with recommendations made in this regard, the 2018/19 budget is amended to reflect the projected provisions for billed revenue and provision for the non-cash based (working capital) in the January 2019 adjustments budget.

  In addition, budgetary realignment, based on projected expenditure, has also been effected on the following expenditure items within the Water & Sanitation Management department:
  - Employee related costs (R150 million decrease), due to the slow turnaround time in filling vacancies and the impact of the internal filling of vacancies;
  - Working capital (R588 million decrease) based on current trends;
  - Operating cost for the projects relating to the New Water Plan (R380 million decrease), predominantly due to some projects not being triggered and water production at the temporary desalination plants being slower than originally anticipated;
  - Miscellaneous (R7 million increase) based on current trends;
  - Bulk Internal Charges (R198 million decrease) and Internal Water & Sewer Consumption Charges (R348 million increase), based on consumer demand; and
  - Bulk Purchases of raw water (R90 million decrease), due to lower than anticipated volumes drawn from the National Department of Water & Sanitation’s dams.

  The impact of the above changes will be used to reduce the Contributions from the Rates Account and to assist with the implementation of the Customer Service Action Plan within the Water and Sanitation Management department. This allocation (R1.5 billion) within Rates will be utilised to partly absorb some of the budget requirements not known during the 2018/19 budget process. The balance will be transferred to the Capital Replacement Reserve (CRR) to reduce the borrowing within Rates for the 2019/20 capital programme.

- An increase of R21 million on Income Forgone is proposed, due to more applicants qualifying for rebates than originally anticipated. A corresponding increase on Property Rates, based on current trends, will be effected.

- An increase of R437 million on Electricity Sales, within the Energy & Climate Change directorate, is proposed. The over-recovery on electricity sales, due to periodic changes in consumption as a consequence of changing weather conditions, implementation of alternative energy sources, the continuous movement of consumers between the various tariffs as well as changes to the costs associated with the fixed charge as compared to the variable components of the tariff. These funds will be transferred to the CRR to fund future capital programmes within this directorate.

- A decrease of R46 million on Refuse Charges, within the Solid Waste Management department, is proposed. The National Environmental Management Waste Act has determined that municipalities should start reducing the intake of hazardous waste at disposal facilities. Contractors have started putting measures in place – earlier than anticipated – to deal with their hazardous waste instead of bringing it to the disposal facilities. A further challenge is that one of the City's refuse removal contracts in the Helderberg area has failed and the service had to be rendered by City officials. It is foreseen that this is a once off challenge that will be resolved with the award of the new tender at the end of this financial year. A corresponding reduction on expenditure was effected.

- A decrease of R6.5 million on Broadband Charges, within Corporate Services, is proposed, due to delays experienced with the awarding of tenders (Telecoms and Optic Fibre), which is impacting negatively on the construction of last mile connections to external customers. This has resulted in the inability to raise revenue from external customers.

- A decrease of R50 million on Traffic Fines based on current trends, the public's willingness to pay or their inclination to contest the fines and their ability to pay these fines. This reduction will be absorbed by an increase of R9 million on learner licences (as per the current trend) and the balance will be absorbed within Rates.

- A reduction of R60.3 million is proposed on Internal Loan Interest, due to a review of originally calculated interest on assets under construction as well as the adjusted 2018/19 capital budget.

- A reduction of R792 million on Salaries, Wages & Allowances (once-off savings) was effected on various directorates within Rates-funded services (R711 million), Energy & Climate Change directorate (R61 million) and Solid Waste Management department (R20 million). Savings within the Energy & Climate Change directorate and Solid Waste Management department will be transferred to the CRR to fund future capital programmes. The balance of the savings will be utilised to cover financial gaps identified during the recent strategic programme review process and to top-up the Post Retirement Management Act (PRMA) provision within Rates.

- A reduction of R295 million on External Interest is proposed based on current trends and the impact of the lower than originally planned loan to be taken up for the New Water Plan.

  The abovementioned savings will be utilised to absorb the impact of the revised support service recharges, address the impact of the reviewed revenue provisions based on current trends, to address budget requirements not known during the 2018/19 budget process, and to cater for financial gaps identified during the programme review. These proposals include:
  - R25 million for rollout of the Project Management offices within various directorates, which will be responsible for:
    - Establishing a structure for selecting and establishing the correct programmes and projects;
    - Ensuring on-going alignment of programmes and projects with strategic objectives and targets;
    - Assessing whether new requirements can be accommodated within existing organisational capability, capacity and maturity;
    - Identification of dependencies between programmes and projects;
    - Assessing true implications at the aggregate level of programme and project risk;
    - Monitoring progress of programmes and projects against key objectives;
    - Optimisation of directorate investment and realisation of benefits; and
    - Reduction of overlaps and improving of efficiency gains from programme and project rationalisation.

  - R18.6 million for the Office of the Mayor for staff required to, inter alia, manage all legal aspects and advise the Mayor on all internal- and relevant external legal matters, a media researcher, as well as support staff to support the legal, media and MayCo administrative events. These funds will also cover expenditure relating to special community events, which will contribute towards the empowerment and upliftment of communities in the City, particularly those from disadvantaged communities, to be implemented in the current financial year; i.e.
    - Back to school stationary drive;
    - Youth Art Exhibition;
    - Neighborhood Watch;
    - Young Talent event;

  - Skilling and equipping the Walking-Bus community safety volunteers who ensure the safety of school children in communities. These services are currently being rendered without any financial remuneration.

- R14 million allocation for Expanded Public Works Programme (EPWP).

- R19.8 million for the once-off payment of SAP licences.

- R25.6 million, within the Water & Waste Service directorate:
  - R13 million for appointment of staff to assist in effectively implementing capital works, maintaining the bulk/river system, and providing the necessary finance and administration support; and
  - R12.6 million for Repairs & Maintenance (R&M) to ensure effective maintenance of the bulk/river system and to address poor water quality and flood risk.

- R2 million for VIP - Security guards for Councillors.

- R2 million for EAP & Wellness Project for the Citywide EAP & Wellness Hybrid Counselling Project. This project will provide counselling, debriefing and trauma interventions, including financial and legal services to City staff on a 24/7 basis.

- R2 million, within the Finance directorate, for appointment of consultants to perform due diligence for the potential anchor tenants of the stadium.

- R2.5 million for the Cape Town Stadium entity to appoint a CFO and a Company Secretary.

- R27.5 million, within Community Services & Health directorate, for grass cutting across all wards (R20 million), Repairs & Maintenance and appointment of consultants (R7.5 million) to deal with urgent health and safety requirements at Velodrome.

- R53 million, within Safety & Security, for:
  - Procurement of uniforms for volunteers - R10 million;
  - Repairs and Maintenance – Vehicles – R8 million;
  - Increasing beneficiaries to promote the City (R4.5 million) and to fund City events and film initiatives (R500,000); and
  - Additional policing staff to increase visibility within Law enforcement, Traffic Services and Metro Police – R30 million.

- R20 million, within Water & Waste directorate, for area cleaning in poorer areas and areas without services across all wards within Water Waste directorate.

- R8 million, within Transport directorate, for lane marking and signs.

- R3 million, within Economic Opportunities & Assets Management department, for R&M of City facilities.

- R3 million, within Economic Opportunities & Assets Management directorate, for Tourism programmes i.e.:
  - In line with some of the recommendations of the new Tourism Development Framework various activities will be implemented such as new product and route developments in currently underserved communities along with launch events exposing them to industry buyers;
  - Production of new marketing materials for the tourism sector, which would include the development and showcasing of a world-class stand at the World Travel Market taking place in Cape Town in April 2019. In addition, various excursions to underserved tourism communities will be arranged for international tourism operators with the aim of getting those areas included on international itineraries; and
  - Experiential Marketing, which includes the installation of new technologies such as the City of Cape Town Power Tower umbrellas at tourism events and key tourist locations with the aim of both offering services to tourists while gathering much needed data from them.

- R4.2 million, within Economic Opportunities & Assets Management directorate, to the Western Cape Investment & Trade Agency (WESGRO), which will be utilised as follows:
  - Fund more international trade and investment missions over the next five months, which are required in order to attract more investment into Cape Town, particularly as a way of overcoming the significant perception challenges the City faced as a result of the water crisis last year. As a result of these extra missions, the City will negotiate a slight increase in the targets for investment and corresponding jobs created by Wesgro.
  - Increased propagation of the Invest Cape Town initiative as part of the joint Investor Confidence campaign being run in collaboration with the Western Cape Government that is being implemented by Wesgro. This campaign is specifically aimed at addressing the negative perception on investor sentiments created by the water crisis last year and positioning the region in a far more positive light in the mind of key influencers.
  - Support for the Cape Health Technology Park Initiative - this initiative is seeking to position Cape Town as an important biotech hub and includes facilitating industry collaboration, cluster development, and competitive positioning. Clusters including Digital Health, Pharmaceuticals, Medical Devices, Biologicals and Indigenous Medicine will be developed as part of this effort.
  - Support for the Air Access project, which has already brought in 13 new direct flights into Cape Town over the last few years. The increased budget will allow the project team to undertake more activities and missions in order to secure more direct flights, in particular, the much needed direct flight from the United States.

  - Additional funding will be provided to the Convention Bureau to allow them to formulate more bids for business tourism and to cement Cape Town's position as the business tourism capital of Africa.

- Additional operating requirements of R353 million stemming from the Strategic Management Framework Programme review. An assessment was performed considering identification of critical risks, absolute linkage to the City's strategic direction, ability to implement and interdependence of the operating budget availability on capital funding requirements and vice versa. Financial gaps identified will be addressed as follows:

  - R36 million, within the Transport directorate, for the Roads Infrastructure Investment Programme (Maintenance & Strengthening of Roads) to ensure operational sustainability.

  - R104 million, within Economic Opportunities & Assets Management directorate, for R&M i.e.:
    - Home Ownership Transfers, Tenancy Management and Staff Housing (HOTTS) - R50 million
    - Facilities Management - R50 million
    - Property Management - R4 million

  - R86 million, within the Community Services & Health directorate, to cover increased costs to provide vaccines, medical lab testing, pharmaceutical supplies and more medical staff as a result of more patients, security services as the result of the increased in vandalism and the need for more protection for staff member at various facilities, R&M of facilities, and a top-up for the Substance abuse Programme.

  - R71 million, within the Safety & Security directorate, to address overtime and fuel requirements for the Policing Services Programme as a result of the increase in civil unrest and their assistance to other directorates.

  - R56 million, within the Solid Waste Management department, for additional Informal settlements being serviced without funding; i.e. Marikana, Mangaung, Disa TRA, Depot TRA, the huge growth in Monwabisi Park, Msindweni Makhaza, Dalindyebo Square and Enkanini.

- R174.7 million, within the Energy & Climate Change directorate, is required to ensure accountability by Eskom in respect of assets both on the City's financial system and Eskom's financial system as the infrastructure is embedded in their network. This will allow Eskom to properly account for and maintain the assets on their network. There will be an accounting loss of R174.7 million at the end of June 2018, which represents the future remaining depreciation of the assets realised immediately on this correction. This will be offset against the Electricity accumulated surplus (non-cash transaction).

- Additional amendments relating to administrative transfers of budgetary provisions include the following:
  - Re-alignment of budgetary provisions, due to organisational structure changes;
  - Budgetary shifts on various operating projects and R&M provisions; and
  - Amendments on sundry expenditure items including operating projects, and ward allocations, which are proposed in accordance with the Council approved System of Delegations and the Virement Policy. These transfers do not affect the total budget quantum.

1.2. Recommendations to the municipal council regarding the budget

Taking into consideration the reasons listed in paragraph 1.1 above, it is recommended that Council approves an adjustments budget.

2. Resolutions

The resolutions tabled at Council for consideration with approval of the adjustments budget are:

a. That the City's adjustments budget for the 2018/19 financial year be approved and adopted, as set out in the following tables and annexures:
   i. Operating revenue and expenditure by standard classification reflected in Table 3 on page 27.
   ii. Operating revenue and expenditure by municipal vote reflected in Table 4 on page 29.
   iii. Operating revenue by source and expenditure by type reflected in Table 5 on page 30.
   iv. Multi-year capital appropriations by vote reflected in Table 6 on page 31 and Annexure 2.1 and Annexure 2.2.
   v. Capital expenditure by standard classification reflected in Table 6 on page 31.
   vi. Capital funding by source reflected in Table 6 on page 31.
   vii. Budgeted Cash Flow statement as reflected in Table 8 on page 35.

b. That Council notes the impact of the 2018/19 adjustments budget (January 2019) on the 2019/20 and 2020/21 financial years.

c. That the Cape Town International Convention Centre's (CTICC) adjustments budget for the 2018/19 financial year be approved and adopted, as set out in the following tables:
   i. Operating revenue by source and expenditure by type reflected in Table 24 on page 61.
   ii. Capital Expenditure by asset class and funding source reflected in Table 25 on page 63.

d. That the Cape Town Stadium's (CTS) budget for the 2018/19 financial year be approved and adopted, as set out in the following table:
   i. Operating revenue by source and expenditure by type reflected in Table 29 on page 67.

e. That adjustments to transfers and grants made by the City, as set out in Annexure 1.2, be approved.

f. That the amended MTREF IDP chapter for 2018/19, as set out in Annexure 3, be used to update the current chapter in the approved Integrated Development Plan (IDP).

g. That Council approves 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 set out in Annexure 4.

h. That Council considers the projected cost covering all financial years until the project is operational as well as future operational costs and revenues on projects/programmes, to give effect to sections 19(2) and 19(3) and approve all projects and programmes so listed in Annexures 2 and 4.

3. Executive Summary

3.1. Provision of basic services

The budget amendments will have no detrimental impact on the provision of basic services.

3.2. Adjustment highlights

3.2.1. Adjustments to the operating budget

Details of amendments to the 2018/19 operating budget are outlined in Annexure 1.1 to this report.

3.2.2. Adjustments to the capital budget

Details of amendments to the 2018/19 capital budget are outlined in Annexure 2.2 to this report.

Implementation progress achieved on the capital budget, when measured against planned year-to-date expenditure, for the respective funding sources at the end of the mid-year period (December 2018), are:

Capital Grants & Donations (CGD)	83.7%
Capital Replacement Reserve (CRR)	98.9%
External Financing Fund (EFF)	94.2%
Revenue	49.8%
All funding sources (Total Budget)	**90.6%**

When measuring progress against the total current capital budget, the funding sources reflect the following:

Capital Grants & Donations (CGD)	22.9%
Capital Replacement Reserve (CRR)	25.4%
External Financing Fund (EFF)	18.7%
Revenue	7.9%
All funding sources (Total Budget)	**20.8%**

Based on the aforementioned implementation rates, fund shifts in relation to the capital programme for 2018/19 are proposed as follows:

Major Fund Source **R Thousand**	**Adjusted Budget (October 2018)**	**Proposed Budget**	**Increase/ Decrease**
CGD	2,827,670	2,590,822	-236,848
CRR	1,196,899	793,517	-403,382
EFF	4,736,835	3,225,393	-1,511,443
REVENUE	89,518	26,400	-63,117
TOTAL	**8,850,922**	**6,636,132**	**-2,214,790**

Table 1 Fund shifts in relation to the capital programme for 2018/19

The major increases and decreases in the 2018/19 financial year, as reflected in the table above, are explained below.

CGD amendments

- Municipal Disaster Grant: Drought (MDG-Drought) (national funding) increases by R37.1 million resulting from approved committed 2017/18 conditional allocations.

- Integrated City Development Grant (ICDG) (national funding) decreases by R1.1 million on the capital budget with a corresponding increase on the operating budget.

- Integrated National Electrification Programme (Municipal) Grant (INEP) (national funding) increases by R2.2 million resulting from approved committed 2017/18 conditional allocations.

- Public Transport Network Grant (PTNG) (national funding) decreases by R118.6 million in 2018/19 resulting mainly from:
  - Approved committed 2017/18 conditional grant allocation of R37.3 million; and
  - R155.9 million decrease on the capital budget with a corresponding increase on the operating budget.

- Urban Settlements Development Grant (USDG) (national funding) decreases by R19.7 million on the capital budget with a corresponding increase on the operating budget.

- Integrated Skills Development Grant (ISDG) (national funding) decreases by R400 000 on the capital budget with a corresponding increase on the operating budget.

- Energy Efficiency & Demand Side Management Grant (EE&DSM) (national funding) decreases by R100 000 on the capital budget with a corresponding increase on the operating budget.

- Public Transport Infrastructure & Systems Grant (PTI&SG) interest (unconditional) decreases by R129.7 million resulting from:
  - Cancellation of the Electric Bus contract (R130.9 million decrease); and
  - Procurement of radios for rail safety officers (R1.2 million increase).

- Committed 2017/18 conditional grants approved by Provincial Treasury resulting in the following increases in 2018/19:
  - Library Services: Conditional Grant (WCG: Libraries) - R2 million;
  - Library Services: Metro Library Grant (PT Library: Metro) - R1.7 million; and
  - Safety & Security directorate: Law Enforcement Auxiliary Services (PGWC: LEAS) - R770 000.

- Human Settlements Development Grant (HSDG) (provincial funding) decreases by R31 million on the capital budget with a corresponding increase on the operating budget.

- Community Development Workers Grant (PGWC: CDW) (provincial funding) decreases by R146 498 in line with the Western Cape Government's adjusted allocation for 2018/19.

- Private Sector funding (unconditional grants) decreases by R24.1 million, mainly resulting from:
  - A decrease in the demand for service connections, which is customer funded and demand driven. Applications for new and upgraded supplies have been less month on month (R5million); and
  - A reduction on the Metro South East Public Transport Facilities project resulting from delays in concluding the agreement with the Dutch Government (R19.1 million).

- Chemical Industries Education & Training Authority (CHIETA) funding (unconditional grant) increases by R800 000 in order to procure furniture and IT equipment required for Adult Education & Training as well as for the Learnership programme.

- Restructuring Grant – accumulated interest - (unconditional grant) increases by R570 000 for the procurement of a printer as the existing equipment has become old and obsolete as well as additional furniture and equipment for newly appointed staff.

- National Housing Programs Grant (State: Other) – accumulated interest - (unconditional grant) increases by R200 000 for the procurement of equipment to replace obsolete equipment.

- Public Transport Network: Budget Facility for Infrastructure Grant (PTNG-BIF) (national funding) increases by R33 million in 2018/19.

- Additional funding received from the National Department of Environmental Affairs (unconditional grants) on an agency services basis for plant, equipment and vehicles to enable the removal of alien vegetation, on the following projects:
  - Specialised Biodiversity Equipment FY19 (DEAT: Wetland) – R256 245;
  - Vehicles: Additional FY19 (DEAT: Special Projects) - R573 977;
  - Vehicles: Additional FY19 (DEAT: Terrestrial) - R644 348; and
  - Plant & Equipment: Additional FY19 (DEAT: Wetland) - R251 674.

- *Neighbourhood Development Partnership Grant (NDPG) (national funding) increases by R7.3 million in 2018/19 resulting from an informal notification of additional funding received from National Treasury.*

CRR amendments

- Economic Opportunities & Asset Management directorate
  A decrease of R6.6 million on the FM Structural Rehabilitation Project in 2018/19, due to re-phasing of the budget to 2019/20 as the award of the tender for the refurbishment of existing ablutions at Cape Town Civic Municipal Building - Phase 2 - Podium CHQ is anticipated in April 2019 with implementation only effective 1 July 2019.

- Energy & Climate Change directorate
  A decrease of R128.3 million in 2018/19, increases of R66 million in 2019/20, R43.3 million in 2020/21 and R19 million in the outer years, mainly against the following projects/programmes:
  - Noordhoek LV Depot, which was delayed, due to the lengthy land acquisition process as well as protracted discussions with various internal- and external departments.
  - Prepayment Vending System Upgrading, where the tender for a new vending system has been delayed for a year as the market is not ready with the new system.
  - Retreat Depot - Replacement for Muizenberg, where delays are due to protracted land heritage issues resulting in objections, which has led to numerous design changes and resubmission of these designs. The tender process has not yet been initiated as designs can only be submitted for municipal approval once heritage approval has been obtained. It is unlikely that a tender award will be made in this financial year.
  - Electricity Facilities, where the programme has been revised to align with an updated implementation programme as it is anticipated that the contractor will take site occupation in December 2018. The balance of the budget will be rephased to 2019/20 in order to complete the project.
  - MV Switchgear Refurbishment, due to circuit breaker retrofits and expiration of building tender.

- Spatial Planning & Environment directorate
  A decrease of R27.8 million in 2018/19 and an increase of R24.4 million in 2019/20, mainly against the following projects/programmes:
  - Upgrade of Reserves Infrastructure, where a portion of the budget will be rephased (R2.2 million) to 2019/20, due to delays in appointment of the professional team.
  - R44 Road Upgrade: North & South Bound Lanes, where the project will be rephased (R22 million) to 2019/20, due to delays in the appointment of the contractor.
  - N2 Interchange (Phase 1), where the scope of the project has been reduced to the minimum required to secure the Environmental Authorisation. Only the relocation of civil engineering services will be undertaken at this stage.

- Transport directorate

  A decrease of R68.4 million in 2018/19 and R1.5 million in both 2019/20 and 2020/21, resulting mainly from delays on the following projects/programmes:
  - Congestion Relief - Erica Drive, where the project is rephased to accommodate the time required to conclude various land matters identified through the preliminary design phase of project. These include pertinent geotechnical, environmental and water-use license processes. The outer year allocations have been reprioritised based on the preliminary phase costing, which has a 50% accuracy rate becoming more accurate during the detailed design phase.
  - Congestion Relief Projects, which has been adjusted in terms of the updated implementation plan of the Congestion Relief Programme.
  - Kommetjie Road Dualling (Phase 3), as the full budget will not be used in 2018/19 as risks concerning the property acquisition have been identified.
  - M3 Corridor: Hospital Bend - Constantia MR, where the project scope has been reduced to complete the preliminary design, which will then inform budget requirements going forward.
  - Road Upgrade: Amandle Road: Bottelary River to Church, where the project has been rephased to accommodate the time required to conclude various land matters identified through the preliminary design phase of the project. These include pertinent geotechnical, environmental and water-use license processes. The outer year allocations have been reprioritised based on the preliminary phase costing which has a 50% accuracy rate becoming more accurate during the detailed design phase.
  - Road Upgrade: Langverwacht Road: Amandel - Zevenwacht, where work is behind schedule as construction has slowed down significantly. This can mostly be attributed to various existing services, which have to be accommodated/relocated as well as recent rains, which caused flooding of various sections of the road upgrade.
  - Durban Road Corridor Modderdam Road extension, where the budget provision for acquisition of properties along the Durban Road Corridor is no longer required, due to a shift in priorities within the Congestion Programme.

- Water & Waste directorate

  A decrease of R41.5 million in 2018/19, R104.3 million in 2019/20 and an increase of R100 million in 2020/21 in the following departments:
  - Solid Waste Management department (decrease of R29 million in 2018/19, R104.3 million in 2019/20 and an increase of R100 million in 2020/21)
    - Development of landfill infrastructure: Various Landfill site projects are increasing in project value as a result of the new license requirements relating to cell development. The construction cost for some of the projects has also been rephased by one financial year to allow sufficient time to complete the updated license approvals, zoning if required and SCM processes.

    - New Prince George Drop-off: Delays in the finalisation of the construction tender documentation, which is now 99% complete. The construction component has been rephased to 2019/20.
    - Upgrading of drop-off facilities: Various projects have been taken out of current bulk programmes as it has waste minimisation components that are on a project level. Projects have also been rephased to 2019/20 and 2020/21 to allow sufficient time to finalise building plan approvals, re-zoning and SCM processes.
    - Development of landfill infrastructure: A delay in finalising the design for the overflow sump has resulted in a portion of the budget being rephased to the outer years.
    - Purchase of Land Regional Landfill: Decrease of R100 million in 2019/20 with a corresponding increase in 2020/21, as a result of the current court case that has been postponed to April 2019.
  - Water & Sanitation department

    A decrease of R12.5 million in 2018/19 on the following projects:
    - Zevenwacht Reservoir and Network: Project is delayed as the land acquisition negotiation with the owner is taking longer than anticipated.
    - Bulk Water Augmentation Scheme: Project is delayed, due to design and project management resources being re-assigned to higher priority New Water Programme (ex-Water Resilience/drought emergency) projects.

- Finance directorate increases by R70 000 in 2018/19 in order to replace an old obsolete printer.

- Human Settlements directorate

  A decrease of R103 million in 2018/19 on the following projects:
  - Land Acquisition (USDG): The purchase of a property valued at R72 million, to respond to human settlement challenges in Dunoon was envisaged, however, the property has since been bought by the Provincial Government: Western Cape (PGWC).
  - Plan & Detail Design - Housing Projects: The Section 33 report for the Hanover Park Housing Project was tabled at Council on 6 November 2018 with planning on the project only starting in January 2019 resulting in a reduced budget requirement in 2018/19. USDG funding was secured for the Mahama Housing Project and ACSA Symphony Way Housing Project. The appointment of the Regional Professional team for Annandale Housing Project took longer than anticipated resulting in a reduced budget requirement for 2018/19.

- Safety & Security directorate

  A decrease of R27.4 million in 2018/19, due to a change in funding source from CRR to USDG, against the following projects/programmes:
  - Sir Lowry's Pass Fire Station; and
  - Fire Station: Masiphumelele

- Ward Allocation projects reduces by R1.6 million, due to:
  - Savings of R12 202 on projects completed in 2018/19 and transferred to 2019/20 for re-allocation; and
  - R1.6 million decrease on the capital budget with a corresponding increase on the operating budget.

EFF amendments

- A review of implementation readiness and assessment of the current procurement status of capital projects was undertaken by all directorates within the City over the last few months. This resulted in amendments to budgetary provisions with decreases of R1.7 billion, R1.2 billion and R891 million in 2018/19, 2019/20 and 2020/21 respectively, due to projects being rephased to outers years to align with revised project implementation plans.

- The review furthermore resulted in the allocation of an additional *R220 million* being made available across the following directorates in 2018/19:
  - Community Services & Health (*R31.1 million*)
    - Sport and Recreation Facilities Upgrade (*R15.2 million*): Additional funds to complete the water resilience initiatives, which will include ensuring compliance with the Safety at Sports and Recreational Events Act (SASREA) at all stadiums within the Recreation & Parks department, the procurement of generators, and facility upgrade initiatives;
    - National Core Standards Compliance (R8.5 million): Additional funding to complete the water resilience initiatives as well as to procure equipment to comply with the National Core Standard requirements;
    - Upgrade of Security at Clinics (R3 million): Additional funding for security hardening at various facilities Citywide, due to theft and vandalism; and
    - Du Noon Node – Spray Park (R4.4 million): Additional funds to pay the contractor as the result of a legal outcome.

  - Economic Opportunities & Asset Management directorate (R136.5 million)
    - FS Replacement Plant (R40 million): The funding is required to replace aged/obsolete items that have reached the end of their economic life and needs urgent replacement due to its unreliability, unavailability, failure and safety concerns. As a result of limited funds and pressing demands, the Fleet Management department is required to accelerate the Replacement Plant Programme;

- FS Replacement Vehicles (R75 million): The funding is required to replace aged/obsolete items that have reached the end of their economic life and needs urgent replacement due to its unreliability, unavailability, failure and safety concerns. Funds are also required to accelerate the Replacement Fleet Programme to address current service delivery demands;
- Furniture & IT Equipment (R535 000): Funds required for the procurement of additional IT equipment as well as furniture for the establishment of the project management office;
- Granary Project (R900 000): The intention was to lease the entire building to the Desmond and Leah Tutu Legacy Foundation, however, the lease area was reduced to the front half of the building late last year. This has resulted in additional costs for the City as adjustments to the building have to be made for multi-tenant use, including fire control systems, electrical installations, and occupational health and safety requirements amongst others;
- FM Structural Rehabilitation (R1.5 million): Civic Centre booster pumps to be installed as part of the Water Resilience Programme;
- Upgrade of Athlone Stadium (R3.3 million): Funding for the Venue Operating Centre (VOC), media conference room, ice baths, seat covers and fire pump station;
- Green Point Athletics Stadium Upgrades (R350 000): Funding for the upgrade of the existing PA system and field;
- Upgrade of City Hall (R2.7 million): Funding to upgrade the auditorium ground floor toilets, the banquet hall, fencing around parking and street lighting in Longmarket Street;
- Upgrade of Grand Parade (R2.3 million): Funding to upgrade the access control and hydrants;
- Green Point Urban Park Upgrades (R5.1 million): Funding for radios as well as installation of new filters, CCTV cameras, trim park, dog park and fencing; and
- Facilities Management Infrastructure (R3.3 million): Funding for a temporary office structure to be set up at Turfhall Sportsfield for Subcouncil 11, and for sundry office renovation projects.

- Finance directorate (R5 million): Funding to implement a queue system in Cash MVR offices.

- Safety & Security (*R39.6 million*)
  - Funding for additional vehicles for newly appointed staff;
  - Furniture, IT and Related Equipment, where funding is required for replacement of obsolete IT equipment, furniture for newly appointed staff as well as radios and other related equipment;
  - Ndabeni Vehicle Pound Upgrade Phase 1, where funding is required to increase capacity at the impound facility;

    - Upgrading of Security, where funding is required for security upgrades to the front of fire stations located in the most volatile of areas i.e. Gugulethu, Khayelitsha Central, Lansdowne Road, Khayelitsha, etc. This project will include digital security cameras as well; and
    - Building improvements to upgrade various law enforcement, traffic & co-ordination facilities.

  - Water and Waste Management (Water & Waste department) (R285 000)
    - Increase for procurement of laptops and furniture for the establishment of project management offices.

  - Spatial Planning & Environment (R180 000)
    - Increase for procurement of laptops and furniture for the establishment of project management offices.

  - Human Settlements (R225 000)
    - Increase for procurement of laptops and furniture for the establishment of project management offices.

  - Office of the City Manager (R1.6 million)
    - To procure furniture and IT equipment for newly appoint staff within the Probity department and the Mayor's Office.

  - *Urban Management (R5 million):*
    - *Funding to procure new security fencing and gates within the Mayoral Urban Regeneration Programme (MURP) areas.*

- A further decrease of R42 million resulting from a change of fund source to grant funding, where projects qualified in terms of the grant conditions.

Revenue amendments

- A net decrease of R63.1 million, within the following directorates, is proposed in 2018/19.
  - Economic Opportunities & Asset Management directorate (R59.4 million decrease)
    - R52.9 million decrease on the Land acquisition for municipal purposes project, where the Deed of Sale entered into for the purchase of land in Schaapkraal was cancelled. The full budget is therefore no longer required.
    - R8.1 million decrease on the FM Infrastructure programme in 2018/19, which is being rephased to 2019/20 as a result of long lead times and delivery of lifts.
    - R3 million increase due to additional insurance claims, which has been credited to various profit centres within the Facilities Management department for the replacement of various IT equipment.

    - R1.4 million decrease in the contingency provision for insurance claims in 2018/19.

- Community Services & Health (R245 523 increase)
    - Contingency provision for insurance claims in 2018/19.
- Office of the City Manager (R167 066 increase)
    - Contingency provision for insurance claims in 2018/19.
- Transport (R20 342 increase)
    - Contingency provision for insurance claims in 2018/19.
- Water & Waste Services (R4 million decrease)
    - Contingency provision for insurance claims in 2018/19.
- Urban Management (R164 486 decrease)
    - Contingency provision for insurance claims in 2018/19.

4. Annual Budget Tables

The ten primary budget tables, as required in terms of Part 4 of the Municipal Budget and Reporting Regulations (MBRR), are presented on page 24 to page 40. These tables reflect the City's 2018/19 adjustments budget and MTREF to be approved by Council. Explanatory notes accompany each table.

Table 2: MBRR Table B1 – Adjustments Budget Summary

Description	Budget Year 2018/19									Budget Year +1 2019/20	Budget Year +2 2020/21
R thousands	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
Financial Performance											
Property rates	9,361,952	9,361,952	–	–	–	–	943	943	9,362,895	10,248,287	11,131,713
Service charges	19,179,838	19,179,838	–	–	–	–	296,730	296,730	19,476,569	22,414,325	25,204,467
Investment revenue	936,513	936,513	–	–	–	–	3,775	3,775	940,288	989,834	1,020,077
Transfers recognised - operational	6,803,608	7,057,030	–	–	–	312,173	–	312,173	7,369,203	7,101,185	7,464,469
Other own revenue	3,067,907	3,067,907	–	–	–	–	(34,539)	(34,539)	3,033,368	3,239,489	3,422,266
Total Revenue (excluding capital transfers and contributions)	**39,349,818**	**39,603,240**	**–**	**–**	**–**	**312,173**	**266,909**	**579,083**	**40,182,322**	**43,993,121**	**48,242,992**
Employee costs	12,920,115	12,931,086	–	–	–	22,631	(431,040)	(408,409)	12,522,678	13,846,242	14,927,832
Remuneration of councillors	169,640	169,640	–	–	–	–	–	–	169,640	180,666	192,500
Depreciation & asset impairment	2,814,336	2,814,336	–	–	–	–	35,715	35,715	2,850,051	3,092,708	3,279,697
Finance charges	1,089,285	1,089,285	–	–	–	–	(182,606)	(182,606)	906,679	1,564,844	1,885,513
Materials and bulk purchases	10,742,417	10,749,221	–	–	–	(41)	(440,772)	(440,814)	10,308,408	12,248,285	13,154,414
Transfers and grants	333,807	398,858	–	–	–	67,714	22,829	90,543	489,401	356,864	365,224
Other expenditure	11,194,339	11,364,934	174,624	–	–	221,869	(509,534)	(113,041)	11,251,894	12,138,835	13,004,007
Total Expenditure	**39,263,938**	**39,517,360**	**174,624**	**–**	**–**	**312,173**	**(1,505,408)**	**(1,018,611)**	**38,498,749**	**43,428,443**	**46,809,187**
Surplus/(Deficit)	85,879	85,879	(174,624)	–	–	1	1,772,318	1,597,694	1,683,573	564,677	1,433,805
Transfers recognised - capital	2,067,896	2,749,880	–	–	–	40,154	(246,437)	(206,284)	2,543,596	2,118,842	2,296,333
Contributions recognised - capital & contributed assets	76,200	77,790	–	–	–	–	(23,264)	(23,264)	54,526	78,600	112,100
Surplus/(Deficit) after capital transfers & contributions	**2,229,975**	**2,913,549**	**(174,624)**	**–**	**–**	**40,154**	**1,502,616**	**1,368,146**	**4,281,695**	**2,762,119**	**3,842,238**
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–	–	–
Surplus/ (Deficit) for the year	**2,229,975**	**2,913,549**	**(174,624)**	**–**	**–**	**40,154**	**1,502,616**	**1,368,146**	**4,281,695**	**2,762,119**	**3,842,238**
Capital expenditure & funds sources											
Capital expenditure	8,407,556	8,850,922	–	–	–	32,854	(2,247,643)	(2,214,790)	6,636,132	8,586,125	9,357,369
Transfers recognised - capital	2,067,896	2,749,880	–	–	–	32,854	(246,437)	(213,584)	2,536,296	2,118,842	2,296,333
Public contributions & donations	76,200	77,790	–	–	–	–	(23,264)	(23,264)	54,526	78,600	112,100
Borrowing	4,000,000	3,446,950	–	–	–	–	(2,946,950)	(2,946,950)	500,000	2,500,000	5,979,966
Internally generated funds	2,263,460	2,576,302	–	–	–	–	969,008	969,008	3,545,310	3,888,683	968,970
Total sources of capital funds	**8,407,556**	**8,850,922**	**–**	**–**	**–**	**32,854**	**(2,247,643)**	**(2,214,790)**	**6,636,132**	**8,586,125**	**9,357,369**
Financial position											
Total current assets	15,622,361	15,711,895	–	–	–	–	4,760,531	4,760,531	20,472,425	21,762,072	26,972,213
Total non current assets	56,541,886	56,963,084	–	–	–	–	(4,117,406)	(4,117,406)	52,845,678	58,176,420	64,083,533
Total current liabilities	12,459,589	12,839,797	–	–	–	–	(1,170,532)	(1,170,532)	11,669,266	12,991,645	14,538,508
Total non current liabilities	16,872,693	16,872,693	–	–	–	–	(2,583,339)	(2,583,339)	14,289,354	16,825,245	22,553,398
Community wealth/Equity	**42,831,965**	**42,962,488**	**–**	**–**	**–**	**–**	**4,396,995**	**4,396,995**	**47,359,484**	**50,121,603**	**53,963,841**
Cash flows											
Net cash from (used) operating	4,809,613	5,491,598	–	–	–	–	2,291,981	2,291,981	7,783,578	6,597,207	7,922,122
Net cash from (used) investing	(7,683,492)	(8,080,932)	–	–	–	–	1,991,263	1,991,263	(6,089,669)	(7,869,261)	(8,557,990)
Net cash from (used) financing	3,556,102	3,003,052	–	–	–	–	(2,790,805)	(2,790,805)	212,247	2,176,305	5,427,220
Cash/cash equivalents at the year end	**5,810,803**	**5,900,337**	**–**	**–**	**–**	**–**	**1,492,439**	**1,492,439**	**7,392,775**	**8,297,026**	**13,088,377**

Table continues on next page.

City of Cape Town 2018/19 Adjustments Budget – January 2019 – Annexure A (including additional recommendations)

Description	Budget Year 2018/19									Budget Year +1 2019/20	Budget Year +2 2020/21
R thousands	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
Cash backing/surplus reconciliation											
Cash and investments available	12,342,580	12,432,114	–	–	–	–	1,492,439	1,492,439	13,924,553	14,828,803	19,620,154
Application of cash and investments	8,952,229	9,237,501	–	–	–	–	(3,698,055)	(3,698,055)	5,539,446	7,750,642	10,650,186
Balance - surplus (shortfall)	**3,390,351**	**3,194,613**	**–**	**–**	**–**	**–**	**5,190,494**	**5,190,494**	**8,385,107**	**7,078,161**	**8,969,968**
Asset Management											
Asset register summary (WDV)	51,601,445	52,022,643	–	–	–	–	(4,104,989)	(4,104,989)	47,917,654	52,981,765	58,591,568
Depreciation & asset impairment	2,814,293	2,814,293	–	–	–	–	35,715	35,715	2,850,008	3,092,708	3,279,697
Renewal of Existing Assets	1,884,144	1,996,392	–	–	–	–	(177,857)	(177,857)	1,818,535	2,042,033	2,296,549
Repairs and Maintenance	3,974,465	3,974,722	–	–	–	–	(20,262)	(20,262)	3,954,461	4,281,247	4,619,102
Free services											
Cost of Free Basic Services provided	1,829,048	1,829,048	–	–	–	–	53,519	53,519	1,882,567	2,340,876	2,697,808
Revenue cost of free services provided	1,886,058	1,886,058	–	–	–	–	–	–	1,886,058	2,211,167	2,488,740
Households below minimum service level	–	–	–	–	–	–	–	–	–	–	–
Water:	–	–	–	–	–	–	–	–	–	–	–
Sanitation/sewerage:	149	149	-	-	-	-	-	-	149	100	-
Energy:	29,341	29,341	-	-	-	-	-	-	29,341	27,841	26,341
Refuse:	–	–	–	–	–	–	–	–	–	–	–

Explanatory notes to MBRR Table B1 – Adjustments Budget Summary

1. Table B1 represents a high-level summation of the City's budget, providing a view that includes all major components, i.e. operating, capital, financial position, cash flow and MFMA funding compliance. In essence it provides a synopsis of the amounts to be approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance and the City's commitment to eliminate basic service delivery backlogs.

2. The importance of ensuring that a municipal budget is fully funded is emphasised in the financial management reforms. The MFMA through section 18 requires that a budget only be funded by realistically anticipated revenue to be collected and cash-backed accumulated funds from previous years, not committed for other purposes.

3. To test whether the City's budget is funded it is required therefore to collectively assess the financial performance, capital budget, financial position and cash flow budgets.

4. The City's key outcomes in this regard are as follows:
   a. The City's Financial Performance section of the prescribed pro forma Table B1 shows a surplus budget position over the 2018/19 MTREF.
   b. The cash flow budget outcome shows that budget is funded from uncommitted, previous years' surpluses.
   c. The capital budget is funded from the following sources:

      i. Transfers recognised - capital and public contributions & donations which are shown on the financial performance budget;

      ii. Borrowing, which is shown in the cash flow budget as part of the net cash from financing activities; and

      iii. Internally generated funds are financed from previous years' accumulated surpluses, previous years' contributions to CRR and bulk infrastructure levies already collected. The affordability and sustainability of these funds are confirmed by the positive cash flow outcome over the 2018/19 MTREF.

5. The City's cash backing/surplus reconciliation over the 2018/19 MTREF shows a positive outcome, which is an indication that the City will be able to afford its commitments over the next three years.

Table 3: MBRR Table B2 – Adjustments Budget Financial Performance (standard classification)

Standard Description	Budget Year 2018/19									Budget Year +1 2019/20	Budget Year +2 2020/21
R thousands	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
Revenue - Functional											
Governance and administration	**14,763,272**	**14,764,363**	**–**	**–**	**–**	**39,414**	**1,561**	**40,976**	**14,805,339**	**15,859,595**	**17,092,197**
Executive and council	3,240	4,252	–	–	–	(1,036)	3	(1,033)	3,219	3,362	3,491
Finance and administration	14,760,024	14,760,103	–	–	–	40,450	1,564	42,014	14,802,117	15,856,224	17,088,697
Internal audit	8	8	–	–	–	–	(6)	(6)	3	9	9
Community and public safety	**1,861,831**	**2,106,645**	**–**	**–**	**–**	**70,702**	**52,118**	**122,820**	**2,229,465**	**2,095,524**	**2,164,035**
Community and social services	130,825	122,960	–	–	–	3,384	28,213	31,597	154,557	157,880	133,134
Sport and recreation	91,320	99,185	–	–	–	–	(2,767)	(2,767)	96,417	58,867	68,270
Public safety	11,726	11,726	–	–	–	5,000	30,005	35,005	46,731	12,371	13,057
Housing	1,211,961	1,456,775	–	–	–	52,512	22,379	74,891	1,531,667	1,416,120	1,454,192
Health	415,999	415,999	–	–	–	9,806	(25,712)	(15,906)	400,093	450,285	495,382
Economic and environmental services	**3,188,342**	**3,324,872**	**–**	**–**	**–**	**235,214**	**(298,354)**	**(63,140)**	**3,261,732**	**3,146,271**	**3,355,662**
Planning and development	369,522	369,522	–	–	–	5,091	3,374	8,465	377,987	425,592	444,155
Road transport	2,805,489	2,942,019	–	–	–	209,557	(303,454)	(93,897)	2,848,122	2,717,202	2,907,837
Environmental protection	13,331	13,331	–	–	–	20,565	1,726	22,292	35,622	3,477	3,670
Trading services	**21,673,945**	**22,228,505**	**–**	**–**	**–**	**(303)**	**241,883**	**241,579**	**22,470,084**	**25,084,399**	**28,034,494**
Energy sources	13,086,625	13,086,625	–	–	–	408	420,703	421,111	13,507,735	14,128,383	15,609,846
Water management	4,650,411	5,209,871	–	–	–	(1,445)	(41,133)	(42,578)	5,167,293	6,209,664	7,055,121
Waste water management	2,311,354	2,306,454	–	–	–	734	(91,469)	(90,735)	2,215,719	2,953,561	3,381,843
Waste management	1,625,554	1,625,554	–	–	–	–	(46,218)	(46,218)	1,579,336	1,792,791	1,987,684
Other	**6,524**	**6,524**	**–**	**–**	**–**	**–**	**–**	**–**	**6,524**	**4,773**	**5,037**
Total Revenue - Functional	**41,493,914**	**42,430,910**	**–**	**–**	**–**	**345,026**	**(2,792)**	**342,235**	**42,773,144**	**46,190,562**	**50,651,425**
Expenditure - Functional											
Governance and administration	**8,518,213**	**8,497,859**	**–**	**–**	**–**	**39,561**	**(290,548)**	**(250,987)**	**8,246,872**	**9,511,725**	**10,359,133**
Executive and council	450,141	450,871	–	–	–	(890)	7,770	6,880	457,751	493,578	526,864
Finance and administration	8,016,956	7,995,871	–	–	–	40,450	(292,320)	(251,869)	7,744,002	8,962,807	9,772,393
Internal audit	51,116	51,116	–	–	–	–	(5,998)	(5,998)	45,118	55,340	59,876
Community and public safety	**5,101,875**	**5,357,088**	**–**	**–**	**–**	**70,702**	**(102,487)**	**(31,785)**	**5,325,303**	**5,588,351**	**5,910,967**
Community and social services	894,025	897,605	–	–	–	3,384	(2,976)	408	898,013	953,313	1,021,370
Sport and recreation	1,174,156	1,174,154	–	–	–	–	(55,472)	(55,472)	1,118,682	1,228,640	1,278,714
Public safety	615,325	615,175	–	–	–	5,000	(25,174)	(20,174)	595,001	661,420	709,746
Housing	1,239,650	1,484,471	–	–	–	52,512	6,907	59,419	1,543,890	1,463,475	1,509,754
Health	1,178,718	1,185,682	–	–	–	9,806	(25,772)	(15,966)	1,169,717	1,281,503	1,391,383
Economic and environmental services	**6,551,219**	**6,567,789**	**–**	**–**	**–**	**202,214**	**41,920**	**244,133**	**6,811,923**	**6,937,927**	**7,341,687**
Planning and development	1,060,444	1,064,907	–	–	–	5,091	22,311	27,402	1,092,310	1,212,459	1,297,413
Road transport	5,353,664	5,365,771	–	–	–	176,557	22,940	199,497	5,565,268	5,598,973	5,908,428
Environmental protection	137,111	137,111	–	–	–	20,565	(3,331)	17,234	154,345	126,495	135,846
Trading services	**18,995,590**	**18,995,937**	**174,624**	**–**	**–**	**(303)**	**(1,165,026)**	**(990,706)**	**18,005,231**	**21,292,141**	**23,092,626**
Energy sources	10,321,587	10,323,042	174,624	–	–	408	(3,560)	171,472	10,494,515	11,164,578	12,017,986
Water management	4,823,188	4,823,363	–	–	–	(1,445)	(996,838)	(998,283)	3,825,080	5,956,992	6,416,993
Waste water management	1,935,220	1,933,936	–	–	–	734	(178,307)	(177,573)	1,756,363	2,137,441	2,497,902
Waste management	1,915,595	1,915,595	–	–	–	–	13,678	13,678	1,929,273	2,033,130	2,159,745
Other	**97,042**	**98,687**	**–**	**–**	**–**	**–**	**10,733**	**10,733**	**109,420**	**98,301**	**104,774**
Total Expenditure - Functional	**39,263,938**	**39,517,360**	**174,624**	**–**	**–**	**312,173**	**(1,505,408)**	**(1,018,611)**	**38,498,749**	**43,428,443**	**46,809,187**
Surplus/ (Deficit) for the year	**2,229,975**	**2,913,549**	**(174,624)**	**–**	**–**	**32,854**	**1,502,617**	**1,360,846**	**4,274,395**	**2,762,119**	**3,842,238**

Explanatory notes to MBRR Table B2 – Adjustments Budget Financial Performance (Standard classification)

1. Table B2 is an overview of the budgeted financial performance in relation to revenue and expenditure per standard classification, which divides the municipal services into 15 functional areas.

2. The revenue section of Table B2 includes transfers and subsidies while the expenditure reflects against the capital budget.

3. This table highlights that the revenue for Electricity, Water and Waste Water Management (excluding Waste Management) exceeds its expenditure (it excludes Internal Charges). The deficit in Waste Management is absorbed within Rates Revenue.

4. Other functions within Rates show a deficit when comparing revenue and expenditure, which is financed from Rates Revenue.

Table 4: MBRR Table B3 – Adjustments Budget Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Budget Year 2018/19									Budget Year +1 2019/20	Budget Year +2 2020/21
R thousands	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
Revenue by Vote											
Vote 1 - Community Services & Health	919,602	919,594	–	–	–	13,190	7,601	20,791	940,385	959,170	1,060,193
Vote 2 - Corporate Services	79,950	80,030	–	–	–	403	(7,756)	(7,353)	72,677	84,192	75,290
Vote 3 - Economic Opportunities & Asset Managemnt	174,609	174,609	–	–	–	–	–	–	174,609	182,102	192,209
Vote 4 - Energy & Climate Change	12,884,959	12,884,959	–	–	–	408	420,703	421,111	13,306,070	13,870,807	15,329,083
Vote 5 - Finance	15,357,286	15,357,286	–	–	–	72,142	2,049	74,191	15,431,477	16,593,587	17,872,725
Vote 6 - Human Settlements	1,103,933	1,348,748	–	–	–	52,312	30,980	83,291	1,432,039	1,288,291	1,311,588
Vote 7 - Office of the City Manager	11	11	–	–	–	–	(5)	(5)	6	11	12
Vote 8 - Safety & Security	1,531,598	1,358,899	–	–	–	12,470	1,005	13,475	1,372,374	1,424,494	1,491,651
Vote 9 - Spatial Planning & Environment	170,519	170,519	–	–	–	19,656	(6,168)	13,489	184,008	170,630	170,712
Vote 10 - Transport	1,515,791	1,649,521	–	–	–	175,444	(274,454)	(99,010)	1,550,511	1,339,823	1,470,270
Vote 11 - Urban Management	222,216	223,227	–	–	–	(286)	11,272	10,986	234,213	268,526	281,418
Vote 12 - Water & Waste	7,706,144	8,260,704	–	–	–	(711)	(188,020)	(188,731)	8,071,973	10,008,931	11,396,275
Total Revenue by Vote	**41,666,618**	**42,428,107**	**–**	**–**	**–**	**345,026**	**(2,792)**	**342,235**	**42,770,341**	**46,190,562**	**50,651,425**
Expenditure by Vote											
Vote 1 - Community Services & Health	3,590,992	3,592,987	–	–	–	13,190	(661)	12,529	3,605,515	3,891,934	4,184,582
Vote 2 - Corporate Services	1,791,434	1,791,492	–	–	–	403	(81,513)	(81,110)	1,710,383	1,928,003	2,046,598
Vote 3 - Economic Opportunities & Asset Managemnt	1,170,837	1,170,837	–	–	–	–	47,498	47,498	1,218,335	1,220,952	1,300,874
Vote 4 - Energy & Climate Change	10,673,982	10,673,982	174,624	–	–	408	(54,813)	120,219	10,794,201	11,539,870	12,415,273
Vote 5 - Finance	3,156,818	3,156,760	–	–	–	72,142	(155,076)	(82,935)	3,073,825	3,767,187	4,223,816
Vote 6 - Human Settlements	1,598,166	1,841,883	–	–	–	52,312	4,642	56,954	1,898,837	1,846,294	2,017,029
Vote 7 - Office of the City Manager	164,734	2,927,754	–	–	–	–	(4,262)	(4,262)	2,923,492	230,717	248,503
Vote 8 - Safety & Security	3,328,929	3,331,729	–	–	–	12,470	(35,707)	(23,237)	3,308,492	3,583,283	3,810,526
Vote 9 - Spatial Planning & Environment	558,353	558,353	–	–	–	19,656	16,217	35,873	594,227	575,579	618,762
Vote 10 - Transport	3,367,830	3,372,685	–	–	–	142,444	(23,039)	119,404	3,492,090	3,429,755	3,594,672
Vote 11 - Urban Management	788,234	788,300	–	–	–	(140)	(18,776)	(18,915)	769,384	928,296	991,426
Vote 12 - Water & Waste	9,024,005	9,023,994	–	–	–	(711)	(1,199,919)	(1,200,630)	7,823,364	10,486,574	11,357,125
Total Expenditure by Vote	**39,214,315**	**42,230,757**	**174,624**	**–**	**–**	**312,173**	**(1,505,408)**	**(1,018,611)**	**41,212,146**	**43,428,443**	**46,809,187**
Surplus/ (Deficit) for the year	**2,452,303**	**197,350**	**(174,624)**	**–**	**–**	**32,854**	**1,502,617**	**1,360,846**	**1,558,196**	**2,762,119**	**3,842,238**

Explanatory notes to MBRR Table B3 – Adjustments Budget Financial Performance (revenue and expenditure by municipal vote)

1. Table B3 shows budgeted financial performance in relation to the revenue and expenditure and the operating surplus or deficit per municipal vote.

Table 5: MBRR Table B4 – Adjustments Budget Financial Performance (revenue and expenditure)

Description	Budget Year 2018/19									Budget Year +1 2019/20	Budget Year +2 2020/21
R thousands	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
Revenue By Source											
Property rates	9,361,952	9,361,952	–	–	–	–	943	943	9,362,895	10,248,287	11,131,713
Service charges - electricity revenue	12,591,403	12,591,403	–	–	–	–	436,069	436,069	13,027,472	13,519,139	14,865,288
Service charges - water revenue	3,574,755	3,574,755	–	–	–	–	(62,927)	(62,927)	3,511,828	5,038,310	5,905,707
Service charges - sanitation revenue	1,811,048	1,811,048	–	–	–	–	(29,620)	(29,620)	1,781,428	2,524,979	2,947,422
Service charges - refuse revenue	1,202,059	1,202,059	–	–	–	–	(46,218)	(46,218)	1,155,841	1,331,897	1,486,051
Service charges - other	573	573	–	–	–	–	(573)	(573)	–	–	–
Rental of facilities and equipment	381,262	381,262	–	–	–	–	610	610	381,872	402,231	424,570
Interest earned - external investments	936,513	936,513	–	–	–	–	3,775	3,775	940,288	989,834	1,020,077
Interest earned - outstanding debtors	340,970	340,970	–	–	–	–	(18,279)	(18,279)	322,691	340,942	362,942
Dividends received	–	–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits	1,280,160	1,280,160	–	–	–	–	(49,430)	(49,430)	1,230,730	1,350,569	1,425,526
Licences and permits	46,050	46,050	–	–	–	–	7,790	7,790	53,841	48,432	51,120
Agency services	201,723	201,723	–	–	–	–	(0)	(0)	201,723	212,818	224,629
Transfers and subsidies	6,803,608	7,057,030	–	–	–	312,173	–	312,173	7,369,203	7,101,185	7,464,469
Other revenue	773,871	773,871	–	–	–	–	24,770	24,770	798,641	838,214	884,626
Gains on disposal of PPE	43,870	43,870	–	–	–	–	–	–	43,870	46,283	48,852
Total Revenue (excluding capital transfers and contributions)	**39,349,818**	**39,603,240**	**–**	**–**	**–**	**312,173**	**266,909**	**579,083**	**40,182,322**	**43,993,121**	**48,242,992**
Expenditure By Type											
Employee related costs	12,920,115	12,931,086	–	–	–	22,631	(431,040)	(408,409)	12,522,678	13,846,242	14,927,832
Remuneration of councillors	169,640	169,640	–	–	–	–	–	–	169,640	180,666	192,500
Debt impairment	2,988,951	2,988,951	–	–	–	–	(587,573)	(587,573)	2,401,378	3,346,843	3,644,602
Depreciation & asset impairment	2,814,336	2,814,336	–	–	–	–	35,715	35,715	2,850,051	3,092,708	3,279,697
Finance charges	1,089,285	1,089,285	–	–	–	–	(182,606)	(182,606)	906,679	1,564,844	1,885,513
Bulk purchases	9,487,132	9,487,132	–	–	–	–	(499,816)	(499,816)	8,987,316	10,896,898	11,739,035
Other materials	1,255,285	1,262,089	–	–	–	(41)	59,043	59,002	1,321,091	1,351,387	1,415,378
Contracted services	6,004,687	6,158,064	–	–	–	119,318	353,389	472,707	6,630,771	6,363,514	6,790,937
Transfers and subsidies	333,807	398,858	–	–	–	67,714	22,829	90,543	489,401	356,864	365,224
Other expenditure	2,200,213	2,217,431	–	–	–	102,552	(275,350)	(172,799)	2,044,633	2,427,963	2,567,925
Loss on disposal of PPE	488	488	174,624	–	–	–	–	174,624	175,112	515	543
Total Expenditure	**39,263,938**	**39,517,360**	**174,624**	**–**	**–**	**312,173**	**(1,505,408)**	**(1,018,611)**	**38,498,749**	**43,428,443**	**46,809,187**
Surplus/(Deficit)	**85,879**	**85,879**	**(174,624)**	**–**	**–**	**1**	**1,772,318**	**1,597,694**	**1,683,573**	**564,677**	**1,433,805**
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	2,067,896	2,749,880	–	–	–	40,154	(246,437)	(206,284)	2,543,596	2,118,842	2,296,333
allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)	76,200	77,790	–	–	–	–	(23,264)	(23,264)	54,526	78,600	112,100
Transfers and subsidies - capital (in-kind - all)	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) before taxation	**2,229,975**	**2,913,549**	**(174,624)**	**–**	**–**	**40,154**	**1,502,616**	**1,368,146**	**4,281,695**	**2,762,119**	**3,842,238**
Taxation	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after taxation	**2,229,975**	**2,913,549**	**(174,624)**	**–**	**–**	**40,154**	**1,502,616**	**1,368,146**	**4,281,695**	**2,762,119**	**3,842,238**
Attributable to minorities	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality	**2,229,975**	**2,913,549**	**(174,624)**	**–**	**–**	**40,154**	**1,502,616**	**1,368,146**	**4,281,695**	**2,762,119**	**3,842,238**
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–	–	–
Surplus/ (Deficit) for the year	**2,229,975**	**2,913,549**	**(174,624)**	**–**	**–**	**40,154**	**1,502,616**	**1,368,146**	**4,281,695**	**2,762,119**	**3,842,238**

Explanatory notes to MBRR Table B4 – Adjustments Budget Financial Performance (revenue and expenditure)

1. Table B4 shows the budgeted financial performance in relation to the revenue by source and expenditure by type.

2. The adjusted revenue budget for 2018/19 is R40 182 million (this includes the budgeted surplus, which is set aside for the replacement of externally-funded capital assets) while the adjusted expenditure budget is R38 499 million.

Table 6: MBRR Table B5 – Adjustments Budget Capital Expenditure by vote, standard classification and funding source

Description	Budget Year 2018/19									Budget Year +1 2019/20	Budget Year +2 2020/21
R thousands	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
Capital expenditure - Vote											
Multi-year expenditure to be adjusted											
Vote 1 - Community Services & Health	314,508	320,135	–	–	–	–	(6,189)	(6,189)	313,947	206,927	267,704
Vote 2 - Corporate Services	354,688	356,508	–	–	–	–	(86,794)	(86,794)	269,714	139,165	195,719
Vote 3 - Economic Opportunities & Asset Managemnt	224,601	230,791	–	–	–	–	53,102	53,102	283,893	148,265	72,272
Vote 4 - Energy & Climate Change	1,113,506	1,153,232	–	–	–	–	(289,993)	(289,993)	863,239	1,278,972	1,577,196
Vote 5 - Finance	20,549	21,011	–	–	–	–	5,840	5,840	26,851	65,419	35,411
Vote 6 - Human Settlements	822,428	839,385	–	–	–	–	(106,398)	(106,398)	732,986	821,502	699,786
Vote 7 - Office of the City Manager	813	1,083	–	–	–	–	1,613	1,613	2,696	813	839
Vote 8 - Safety & Security	196,078	196,155	–	–	–	–	16,494	16,494	212,649	110,082	42,115
Vote 9 - Spatial Planning & Environment	107,025	113,324	–	–	–	–	(51,071)	(51,071)	62,253	44,076	55,997
Vote 10 - Transport	1,234,574	1,462,823	–	–	–	33,000	(326,683)	(293,683)	1,169,139	1,083,449	1,144,562
Vote 11 - Urban Management	13,620	15,501	–	–	–	(146)	8,122	7,976	23,477	84,192	74,870
Vote 12 - Water & Waste	4,005,167	4,140,975	–	–	–	–	(1,465,686)	(1,465,686)	2,675,289	4,603,263	5,190,899
Total Capital Expenditure - Vote	**8,407,556**	**8,850,922**	**–**	**–**	**–**	**32,854**	**(2,247,643)**	**(2,214,790)**	**6,636,132**	**8,586,125**	**9,357,369**
Capital Expenditure - Functional											
Governance and administration	**986,516**	**1,079,817**	**–**	**–**	**–**	**(146)**	**(98,012)**	**(98,159)**	**981,659**	**680,380**	**786,466**
Executive and council	4,380	6,041	–	–	–	(146)	(2,623)	(2,769)	3,272	5,531	3,480
Finance and administration	982,005	1,073,437	–	–	–	–	(95,389)	(95,389)	978,048	674,718	782,926
Internal audit	131	339	–	–	–	–	–	–	339	131	60
Community and public safety	**1,082,792**	**1,104,618**	**–**	**–**	**–**	**–**	**(90,448)**	**(90,448)**	**1,014,171**	**979,810**	**818,011**
Community and social services	97,129	90,268	–	–	–	–	12,577	12,577	102,845	107,017	66,323
Sport and recreation	84,261	94,881	–	–	–	–	6,049	6,049	100,929	23,166	26,178
Public safety	35,064	35,064	–	–	–	–	5,850	5,850	40,914	7,659	7,659
Housing	794,497	811,454	–	–	–	–	(105,698)	(105,698)	705,755	791,571	668,855
Health	71,841	72,952	–	–	–	–	(9,225)	(9,225)	63,727	50,396	48,996
Economic and environmental services	**1,389,642**	**1,624,353**	**–**	**–**	**–**	**33,000**	**(340,320)**	**(307,320)**	**1,317,033**	**1,205,050**	**1,253,087**
Planning and development	39,904	42,006	–	–	–	–	25,084	25,084	67,090	80,352	97,073
Road transport	1,331,443	1,563,895	–	–	–	33,000	(376,988)	(343,988)	1,219,907	1,107,271	1,149,072
Environmental protection	18,294	18,452	–	–	–	–	11,584	11,584	30,037	17,427	6,942
Trading services	**4,939,787**	**5,033,288**	**–**	**–**	**–**	**–**	**(1,721,643)**	**(1,721,643)**	**3,311,645**	**5,713,691**	**6,494,110**
Energy sources	1,071,737	1,111,220	–	–	–	–	(265,289)	(265,289)	845,932	1,250,068	1,479,601
Water management	2,366,730	2,417,327	–	–	–	–	(752,885)	(752,885)	1,664,442	2,039,077	2,399,597
Waste water management	1,135,113	1,156,685	–	–	–	–	(517,868)	(517,868)	638,817	1,789,622	2,020,898
Waste management	366,207	348,055	–	–	–	–	(185,601)	(185,601)	162,455	634,924	594,014
Other	8,818	8,846	–	–	–	–	2,779	2,779	11,625	7,195	5,695
Total Capital Expenditure - Functional	**8,407,556**	**8,850,922**	**–**	**–**	**–**	**32,854**	**(2,247,643)**	**(2,214,790)**	**6,636,132**	**8,586,125**	**9,357,369**
Funded by:											
National Government	2,015,146	2,697,071	–	–	–	33,000	(220,002)	(187,002)	2,510,069	1,993,692	2,138,633
Provincial Government	52,750	52,809	–	–	–	(146)	(26,436)	(26,582)	26,227	125,150	157,700
District Municipality	–	–	–	–	–	–	–	–	–	–	–
Other transfers and grants	–	–	–	–	–	–	–	–	–	–	–
Transfers recognised - capital	**2,067,896**	**2,749,880**	**–**	**–**	**–**	**32,854**	**(246,437)**	**(213,584)**	**2,536,296**	**2,118,842**	**2,296,333**
Public contributions & donations	76,200	77,790	–	–	–	–	(23,264)	(23,264)	54,526	78,600	112,100
Borrowing	4,000,000	3,446,950	–	–	–	–	(2,946,950)	(2,946,950)	500,000	2,500,000	5,979,966
Internally generated funds	2,263,460	2,576,302	–	–	–	–	969,008	969,008	3,545,310	3,888,683	968,970
Total Capital Funding	**8,407,556**	**8,850,922**	**–**	**–**	**–**	**32,854**	**(2,247,643)**	**(2,214,790)**	**6,636,132**	**8,586,125**	**9,357,369**

Explanatory notes to Table B5 – Adjustments Budget Capital Expenditure by vote, standard classification and funding source

1. Table B5 reflects the City's capital programme in relation to capital expenditure by municipal vote (directorate); capital expenditure by standard classification; and funding sources required to fund the Capital budget, including information on capital transfers from National and Provincial Departments.

2. The MFMA provides that a municipality may approve multi-year or single-year capital budget appropriations. The City has revised its multi-year appropriations to R6 636 million for 2018/19, R8 586 million for 2019/20 and R9 357 million for 2019/20.

3. The capital budget is funded from allocations in the form of grants, public contributions, donations, borrowings and internally-generated funds. Capital transfers from National Government, Provincial Government Western Cape (PGWC), and other transfers and grants and public contributions amount to R2 591 million in 2018/19, R2 197 million and R2 408 million in 2019/20 and 2020/21 respectively. Borrowings amount to R500 million, R2 500 million and R5 980 million for each of the respective financial years. Internally generated funds amounting to R3 545 million, R3 889 million and R969 million for each of the respective financial years have been provided for over the MTREF.

Table 7: MBRR Table B6 – Adjustments Budget Financial Position

Description	Budget Year 2018/19									Budget Year +1 2019/20	Budget Year +2 2020/21
R thousands	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
ASSETS											
Current assets											
Cash	103,918	103,918	–	–	–	–	–	–	103,918	146,904	146,396
Call investment deposits	7,335,199	7,424,733	–	–	–	–	1,492,439	1,492,439	8,917,172	9,510,577	14,003,960
Consumer debtors	6,349,964	6,349,964	–	–	–	–	2,979,425	2,979,425	9,329,389	9,691,798	10,077,261
Other debtors	1,424,934	1,424,934	–	–	–	–	163,108	163,108	1,588,042	1,826,248	2,100,185
Current portion of long-term receivables	15,657	15,657	–	–	–	–	(652)	(652)	15,005	15,755	16,543
Inventory	392,689	392,689	–	–	–	–	126,211	126,211	518,899	570,789	627,868
Total current assets	**15,622,361**	**15,711,895**	**–**	**–**	**–**	**–**	**4,760,531**	**4,760,531**	**20,472,425**	**21,762,072**	**26,972,213**
Non current assets											
Long-term receivables	36,978	36,978	–	–	–	–	(12,417)	(12,417)	24,561	23,333	22,167
Investments	4,903,463	4,903,463	–	–	–	–	–	–	4,903,463	5,171,322	5,469,798
Investment property	582,999	582,999	–	–	–	–	–	–	582,999	581,285	579,571
Investment in Associate	–	–	–	–	–	–	–	–	–	–	–
Property, plant and equipment	50,601,468	51,022,666	–	–	–	–	(4,265,689)	(4,265,689)	46,756,977	51,938,804	57,665,863
Agricultural	–	–	–	–	–	–	–	–	–	–	–
Biological	–	–	–	–	–	–	–	–	–	–	–
Intangible	408,074	408,074	–	–	–	–	160,713	160,713	568,787	452,785	337,243
Other non-current assets	8,904	8,904	–	–	–	–	(13)	(13)	8,891	8,891	8,891
Total non current assets	**56,541,886**	**56,963,084**	**–**	**–**	**–**	**–**	**(4,117,406)**	**(4,117,406)**	**52,845,678**	**58,176,420**	**64,083,533**
TOTAL ASSETS	**72,164,247**	**72,674,979**	**–**	**–**	**–**	**–**	**643,125**	**643,125**	**73,318,104**	**79,938,492**	**91,055,746**
LIABILITIES											
Current liabilities											
Bank overdraft	–	–	–	–	–	–	–	–	–	–	–
Borrowing	619,342	619,342	–	–	–	–	(200,000)	(200,000)	419,342	577,759	977,646
Consumer deposits	425,569	425,569	–	–	–	–	(5,743)	(5,743)	419,826	461,809	507,990
Trade and other payables	10,346,153	10,726,362	–	–	–	–	(951,188)	(951,188)	9,775,173	10,796,018	11,817,705
Provisions	1,068,525	1,068,525	–	–	–	–	(13,601)	(13,601)	1,054,924	1,156,058	1,235,166
Total current liabilities	**12,459,589**	**12,839,797**	**–**	**–**	**–**	**–**	**(1,170,532)**	**(1,170,532)**	**11,669,266**	**12,991,645**	**14,538,508**
Non current liabilities											
Borrowing	9,772,937	9,772,937	–	–	–	–	(2,583,339)	(2,583,339)	7,189,598	9,187,327	14,345,895
Provisions	7,099,756	7,099,756	–	–	–	–	–	–	7,099,756	7,637,918	8,207,503
Total non current liabilities	**16,872,693**	**16,872,693**	**–**	**–**	**–**	**–**	**(2,583,339)**	**(2,583,339)**	**14,289,354**	**16,825,245**	**22,553,398**
TOTAL LIABILITIES	**29,332,282**	**29,712,490**	**–**	**–**	**–**	**–**	**(3,753,871)**	**(3,753,871)**	**25,958,620**	**29,816,889**	**37,091,905**
NET ASSETS	**42,831,965**	**42,962,488**	**–**	**–**	**–**	**–**	**4,396,995**	**4,396,995**	**47,359,484**	**50,121,603**	**53,963,841**
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)	39,405,832	39,631,293	–	–	–	–	1,944,666	1,944,666	41,575,958	42,842,656	45,167,180
Reserves	3,426,132	3,331,196	–	–	–	–	2,452,330	2,452,330	5,783,525	7,278,947	8,796,661
Minorities' interests	–	–	–	–	–	–	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	**42,831,965**	**42,962,488**	**–**	**–**	**–**	**–**	**4,396,995**	**4,396,995**	**47,359,484**	**50,121,603**	**53,963,841**

Explanatory notes to Table B6 – Adjustment Budget Financial Position

1. The budgeted Statement of Financial Position of the City has been prepared on a basis consistent with GRAP 1 and international accounting standards and as such makes it comparable with the present Statement of Financial Position and those of previous years, to enable all stakeholders to interpret the impact of the budget as such on the Statement of Financial Position.

2. The assets are in the order of relative liquidity and liabilities according to their priority of being met with cash.

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

Table 8: MBRR Table B7 – Adjustments Budget Cash Flow Statement

Description	Budget Year 2018/19									Budget Year +1 2019/20	Budget Year +2 2020/21
R thousands	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates	8,968,987	8,968,987	–	–	–	–	70,517	70,517	9,039,504	9,677,093	10,496,097
Service charges	17,623,043	17,623,043	–	–	–	–	1,085,971	1,085,971	18,709,014	21,123,895	23,757,732
Other revenue	4,202,011	4,202,011	–	–	–	–	35,189	35,189	4,237,201	4,347,637	4,557,465
Government - operating	4,245,472	4,498,894	–	–	–	–	312,173	312,173	4,811,066	4,461,535	4,718,167
Government - capital	2,067,896	2,749,880	–	–	–	–	(220,884)	(220,884)	2,528,996	2,118,842	2,296,333
Interest	936,513	936,513	–	–	–	–	3,775	3,775	940,288	989,834	1,020,077
Dividends	–	–	–	–	–	–	–	–	–	–	–
Payments	–	–	–	–	–	–	–	–	–	–	–
Suppliers and employees	(31,919,625)	(32,106,319)	–	–	–	–	795,157	795,157	(31,311,162)	(34,940,308)	(37,497,781)
Finance charges	(980,877)	(980,877)	–	–	–	–	294,449	294,449	(686,428)	(824,458)	(1,060,745)
Transfers and Grants	(333,807)	(400,535)	–	–	–	–	(84,366)	(84,366)	(484,901)	(356,864)	(365,224)
NET CASH FROM/(USED) OPERATING ACTIVITIES	**4,809,613**	**5,491,598**	**–**	**–**	**–**	**–**	**2,291,981**	**2,291,981**	**7,783,578**	**6,597,207**	**7,922,122**
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE	120,070	121,660	–	–	–	–	(23,264)	(23,264)	98,396	124,883	160,952
Decrease (Increase) in non-current debtors	–	–	–	–	–	–	–	–	–	–	–
Decrease (increase) other non-current receivables	1,946	1,946	–	–	–	–	(654)	(654)	1,293	1,228	1,167
Decrease (increase) in non-current investments	(238,708)	(238,708)	–	–	–	–	–	–	(238,708)	(267,859)	(298,475)
Payments											
Capital assets	(7,566,800)	(7,965,830)	–	–	–	–	2,015,181	2,015,181	(5,950,649)	(7,727,513)	(8,421,632)
NET CASH FROM/(USED) INVESTING ACTIVITIES	**(7,683,492)**	**(8,080,932)**	**–**	**–**	**–**	**–**	**1,991,263**	**1,991,263**	**(6,089,669)**	**(7,869,261)**	**(8,557,990)**
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans	–	–	–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing	4,000,000	3,446,950	–	–	–	–	(2,946,950)	(2,946,950)	500,000	2,500,000	5,900,000
Increase (decrease) in consumer deposits	38,688	38,688	–	–	–	–	(522)	(522)	38,166	41,983	46,181
Payments											
Repayment of borrowing	(482,586)	(482,586)	–	–	–	–	156,667	156,667	(325,919)	(365,678)	(518,961)
NET CASH FROM/(USED) FINANCING ACTIVITIES	**3,556,102**	**3,003,052**	**–**	**–**	**–**	**–**	**(2,790,805)**	**(2,790,805)**	**212,247**	**2,176,305**	**5,427,220**
NET INCREASE/ (DECREASE) IN CASH HELD	**682,224**	**413,718**	**–**	**–**	**–**	**–**	**1,492,439**	**1,492,439**	**1,906,157**	**904,250**	**4,791,352**
Cash/cash equivalents at the year begin:	5,128,579	5,486,619	–	–	–	–	–	–	5,486,619	7,392,775	8,297,026
Cash/cash equivalents at the year end:	5,810,803	5,900,337	–	–	–	–	1,492,439	1,492,439	7,392,775	8,297,026	13,088,377

Explanatory notes to Table B7 – Adjustments budget Cash Flow Statement

1. The table shows the cash and cash equivalents of the City over the MTREF.

2. The budget has been prepared to ensure sufficient levels of cash and cash equivalents over the medium-term with cash levels anticipated to exceed R7 393 million in 2018/19, R8 297 million in 2019/20 and R13 088 million in 2020/21.

3. The City's cash reserves are currently strong and together with a reduced 2018/19 capital programme has resulted in the external loan budget being reduced substantially.

Table 9: MBRR Table B8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

Description	Budget Year 2018/19									Budget Year +1 2019/20	Budget Year +2 2020/21
R thousands	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
Cash and investments available											
Cash/cash equivalents at the year end	5,810,803	5,900,337	–	–	–	–	1,492,439	1,492,439	7,392,775	8,297,026	13,088,377
Other current investments > 90 days	1,628,314	1,628,314	–	–	–	–	0	0	1,628,315	1,360,455	1,061,979
Non current assets - Investments	4,903,463	4,903,463	–	–	–	–	–	–	4,903,463	5,171,322	5,469,798
Cash and investments available:	**12,342,580**	**12,432,114**	**–**	**–**	**–**	**–**	**1,492,439**	**1,492,439**	**13,924,553**	**14,828,803**	**19,620,154**
Applications of cash and investments											
Unspent conditional transfers	1,460,147	1,461,147	–	–	–	–	(87,714)	(87,714)	1,373,433	1,707,855	2,089,561
Unspent borrowing	–	–	–	–	–	–	–	–	–	–	–
Statutory requirements	–	–	–	–	–	–	–	–	–	–	–
Other working capital requirements	1,162,194	1,541,403	–	–	–	–	(4,275,174)	(4,275,174)	(2,733,772)	(2,372,195)	(2,349,434)
Other provisions	400,000	400,000	–	–	–	–	–	–	400,000	400,000	400,000
Long term investments committed	2,503,755	2,503,755	–	–	–	–	–	–	2,503,755	2,771,615	3,070,090
Reserves to be backed by cash/investments	3,426,132	3,331,196	–	–	–	–	664,834	664,834	3,996,029	5,243,367	7,439,970
Total Application of cash and investments:	**8,952,229**	**9,237,501**	**–**	**–**	**–**	**–**	**(3,698,055)**	**(3,698,055)**	**5,539,446**	**7,750,642**	**10,650,186**
Surplus(shortfall)	**3,390,351**	**3,194,613**	**–**	**–**	**–**	**–**	**5,190,494**	**5,190,494**	**8,385,107**	**7,078,161**	**8,969,968**

Explanatory notes to Table B8 – Cash Backed Reserves/Accumulated Surplus Reconciliation

1. The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget. In essence, the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist. The outcome of this exercise would either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality's budget must be "funded".

2. From the table it can be seen that for the City remains in a surplus net cash flow position for MTREF.

3. As part of the budgeting and planning guidelines that informed the compilation of the MTREF, the end objective of the medium-term framework was to ensure the budget is funded / aligned to section 18 of the MFMA.

4. Considering the requirements of section 18 of the MFMA, it can be concluded that the 2018/19 MTREF is fully funded.

5. Table B8 reflects a surplus of R8 385 million in 2018/19 increasing to R8 970 million by 2020/21.

Table 10: MBRR Table B9 - Asset Management

Description R thousands	Budget Year 2018/19 Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Budget Year +1 2019/20 Adjusted Budget	Budget Year +2 2020/21 Adjusted Budget
CAPITAL EXPENDITURE											
Total New Assets to be adjusted	**4,552,583**	**4,730,637**	**–**	**–**	**–**	**32,854**	**(1,335,053)**	**(1,302,200)**	**3,428,437**	**3,900,481**	**4,311,940**
Roads Infrastructure	*643,094*	*655,413*	–	–	–	–	*3,522*	*3,522*	*658,935*	*617,956*	*675,305*
Storm water Infrastructure	*94,818*	*95,382*	–	–	–	–	*(8,484)*	*(8,484)*	*86,899*	*109,882*	*117,501*
Electrical Infrastructure	*415,032*	*420,529*	–	–	–	–	*(52,412)*	*(52,412)*	*368,116*	*630,422*	*723,604*
Water Supply Infrastructure	*1,291,185*	*1,313,605*	–	–	–	–	*(256,529)*	*(256,529)*	*1,057,076*	*1,302,431*	*1,019,675*
Sanitation Infrastructure	*711,890*	*712,139*	–	–	–	–	*(498,303)*	*(498,303)*	*213,836*	*394,330*	*1,046,471*
Solid Waste Infrastructure	*2,500*	*3,060*	–	–	–	–	*(1,300)*	*(1,300)*	*1,760*	*10,520*	–
Information and Communication Infrastructure	*240,406*	*213,632*	–	–	–	–	*(137,526)*	*(137,526)*	*76,106*	*9,000*	*66,019*
Infrastructure	3,398,926	3,413,760	–	–	–	–	(951,033)	(951,033)	2,462,727	3,074,542	3,648,575
Community Facilities	*302,827*	*293,378*	–	–	–	*33,000*	*(41,448)*	*(8,448)*	*284,930*	*211,175*	*164,952*
Sport and Recreation Facilities	*180*	*180*	–	–	–	–	*478*	*478*	*658*	–	–
Community Assets	303,007	293,558	–	–	–	33,000	(40,970)	(7,970)	285,588	211,175	164,952
Operational Buildings	*165,951*	*160,381*	–	–	–	–	*(70,791)*	*(70,791)*	*89,591*	*119,198*	*81,926*
Housing	*54,240*	*59,625*	–	–	–	–	*(20,390)*	*(20,390)*	*39,235*	*128,060*	*120,040*
Other Assets	220,191	220,006	–	–	–	–	(91,181)	(91,181)	128,826	247,258	201,966
Licences and Rights	*13,325*	*14,079*	–	–	–	–	*(6,012)*	*(6,012)*	*8,067*	*63,512*	*33,525*
Intangible Assets	13,325	14,079	–	–	–	–	(6,012)	(6,012)	8,067	63,512	33,525
Computer Equipment	102,927	136,849	–	–	–	–	(8,094)	(8,094)	128,755	68,978	110,213
Furniture and Office Equipment	124,755	135,139	–	–	–	(146)	(8,289)	(8,436)	126,703	114,022	72,584
Machinery and Equipment	72,547	73,405	–	–	–	–	12,904	12,904	86,309	41,400	37,841
Transport Assets	108,906	235,841	–	–	–	–	(99,828)	(99,828)	136,013	69,594	42,284
Land	208,000	208,000	–	–	–	–	(142,550)	(142,550)	65,450	10,000	–
Total Renewal of Existing Assets to be adjusted	**1,884,144**	**1,996,392**	**–**	**–**	**–**	**–**	**(177,857)**	**(177,857)**	**1,818,535**	**2,042,033**	**2,296,549**
Roads Infrastructure	*220,181*	*245,969*	–	–	–	–	*(84,806)*	*(84,806)*	*161,163*	*240,277*	*272,528*
Storm water Infrastructure	*40,275*	*43,224*	–	–	–	–	*1,662*	*1,662*	*44,886*	*48,700*	*45,300*
Electrical Infrastructure	*426,096*	*446,384*	–	–	–	–	*(106,171)*	*(106,171)*	*340,214*	*377,550*	*421,200*
Water Supply Infrastructure	*423,000*	*427,900*	–	–	–	–	*(36,339)*	*(36,339)*	*391,561*	*442,177*	*521,000*
Sanitation Infrastructure	*339,750*	*328,607*	–	–	–	–	*(129,361)*	*(129,361)*	*199,245*	*584,500*	*647,200*
Solid Waste Infrastructure	*5,280*	*5,437*	–	–	–	–	*(844)*	*(844)*	*4,593*	*845*	–
Information and Communication Infrastructure	*1,560*	*1,560*	–	–	–	–	*5*	*5*	*1,565*	*1,500*	*2,650*
Infrastructure	1,456,142	1,499,081	–	–	–	–	(355,854)	(355,854)	1,143,227	1,695,549	1,909,878
Community Facilities	*5,522*	*5,546*	–	–	–	–	*(1,500)*	*(1,500)*	*4,046*	*800*	*100*
Community Assets	5,522	5,546	–	–	–	–	(1,500)	(1,500)	4,046	800	100
Heritage Assets	1,800	1,977	–	–	–	–	3,845	3,845	5,822	600	1,200
Operational Buildings	*16,017*	*16,095*	–	–	–	–	*7,079*	*7,079*	*23,174*	*16,007*	*105,347*
Housing	*76,583*	*67,134*	–	–	–	–	*(14,879)*	*(14,879)*	*52,255*	*44,311*	–
Other Assets	92,601	83,229	–	–	–	–	(7,800)	(7,800)	75,429	60,318	105,347
Licences and Rights	*2,500*	*2,547*	–	–	–	–	–	–	*2,547*	*2,500*	*2,500*
Intangible Assets	2,500	2,547	–	–	–	–	–	–	2,547	2,500	2,500
Computer Equipment	67,940	71,284	–	–	–	–	60,271	60,271	131,555	69,103	59,012
Furniture and Office Equipment	17,239	17,013	–	–	–	–	1,881	1,881	18,894	22,121	16,682
Machinery and Equipment	28,700	28,562	–	–	–	–	38,533	38,533	67,095	11,604	9,350
Transport Assets	211,700	287,153	–	–	–	–	82,766	82,766	369,920	179,437	192,479
Total Upgrading of Existing Assets to be adjusted	**1,970,828**	**2,123,893**	**–**	**–**	**–**	**–**	**(734,733)**	**(734,733)**	**1,389,160**	**2,643,611**	**2,748,881**
Roads Infrastructure	*303,053*	*363,879*	–	–	–	–	*(134,732)*	*(134,732)*	*229,148*	*210,032*	*284,167*
Storm water Infrastructure	*9,200*	*24,970*	–	–	–	–	*(16,770)*	*(16,770)*	*8,200*	*72,000*	*97,400*
Electrical Infrastructure	*62,338*	*62,338*	–	–	–	–	*(22,335)*	*(22,335)*	*40,003*	*86,528*	*218,796*
Water Supply Infrastructure	*116,975*	*147,453*	–	–	–	–	*2,384*	*2,384*	*149,838*	*114,300*	*38,400*
Sanitation Infrastructure	*674,202*	*680,446*	–	–	–	–	*(358,553)*	*(358,553)*	*321,893*	*1,018,723*	*1,109,405*
Solid Waste Infrastructure	*247,676*	*183,602*	–	–	–	–	*(133,011)*	*(133,011)*	*50,591*	*521,700*	*432,021*
Information and Communication Infrastructure	–	–	–	–	–	–	–	–	–	–	*351*
Infrastructure	1,413,444	1,462,688	–	–	–	–	(663,016)	(663,016)	799,672	2,023,282	2,180,540
Community Facilities	*198,803*	*206,734*	–	–	–	–	*(28,506)*	*(28,506)*	*178,229*	*174,422*	*111,685*
Sport and Recreation Facilities	*39,427*	*47,513*	–	–	–	–	*32,056*	*32,056*	*79,569*	*20,131*	*70,269*
Community Assets	238,230	254,247	–	–	–	–	3,550	3,550	257,798	194,553	181,953
Heritage Assets	–	450	–	–	–	–	1,315	1,315	1,765	–	–
Operational Buildings	*244,758*	*318,351*	–	–	–	–	*(70,748)*	*(70,748)*	*247,603*	*317,134*	*221,687*
Housing	*24,822*	*34,748*	–	–	–	–	*7*	*7*	*34,755*	*68,568*	*22,150*
Other Assets	269,581	353,100	–	–	–	–	(70,741)	(70,741)	282,359	385,701	243,837
Licences and Rights	*12,450*	*13,788*	–	–	–	–	*(1,000)*	*(1,000)*	*12,788*	*12,450*	*6,250*
Intangible Assets	12,450	13,788	–	–	–	–	(1,000)	(1,000)	12,788	12,450	6,250
Computer Equipment	8,952	9,349	–	–	–	–	1,500	1,500	10,849	10,000	7,500
Furniture and Office Equipment	17,176	16,976	–	–	–	–	(4,452)	(4,452)	12,524	9,730	19,050
Machinery and Equipment	10,995	13,295	–	–	–	–	(1,889)	(1,889)	11,406	7,895	9,750

Table continues on next page.

City of Cape Town 2018/19 Adjustments Budget – January 2019 – Annexure A (including additional recommendations)

Description	Budget Year 2018/19									Budget Year +1 2019/20	Budget Year +2 2020/21
R thousands	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
Total Capital Expenditure to be adjusted											
Roads Infrastructure	1,166,328	1,265,261	–	–	–	–	(216,015)	(216,015)	1,049,245	1,068,265	1,232,000
Storm water Infrastructure	144,293	163,576	–	–	–	–	(23,591)	(23,591)	139,984	230,582	260,201
Electrical Infrastructure	903,466	929,252	–	–	–	–	(180,918)	(180,918)	748,333	1,094,500	1,363,600
Water Supply Infrastructure	1,831,160	1,888,959	–	–	–	–	(290,484)	(290,484)	1,598,475	1,858,908	1,579,075
Sanitation Infrastructure	1,725,843	1,721,191	–	–	–	–	(986,218)	(986,218)	734,974	1,997,553	2,803,076
Solid Waste Infrastructure	255,456	192,099	–	–	–	–	(135,155)	(135,155)	56,944	533,065	432,021
Information and Communication Infrastructure	241,966	215,192	–	–	–	–	(137,522)	(137,522)	77,671	10,500	69,019
Infrastructure	6,268,512	6,375,529	–	–	–	–	(1,969,903)	(1,969,903)	4,405,626	6,793,373	7,738,993
Community Facilities	507,152	505,658	–	–	–	33,000	(71,453)	(38,453)	467,205	386,397	276,737
Sport and Recreation Facilities	39,607	47,693	–	–	–	–	32,534	32,534	80,227	20,131	70,269
Community Assets	546,759	553,351	–	–	–	33,000	(38,919)	(5,919)	547,432	406,528	347,006
Heritage Assets	1,800	2,427	–	–	–	–	5,160	5,160	7,587	600	1,200
Operational Buildings	426,727	494,827	–	–	–	–	(134,460)	(134,460)	360,368	452,339	408,960
Housing	155,646	161,508	–	–	–	–	(35,262)	(35,262)	126,246	240,939	142,190
Other Assets	582,372	656,335	–	–	–	–	(169,721)	(169,721)	486,614	693,277	551,151
Licences and Rights	28,275	30,414	–	–	–	–	(7,012)	(7,012)	23,402	78,462	42,275
Intangible Assets	28,275	30,414	–	–	–	–	(7,012)	(7,012)	23,402	78,462	42,275
Computer Equipment	179,819	217,483	–	–	–	–	53,677	53,677	271,160	148,081	176,725
Furniture and Office Equipment	159,169	169,127	–	–	–	(146)	(10,860)	(11,007)	158,121	145,873	108,316
Machinery and Equipment	112,242	115,262	–	–	–	–	49,547	49,547	164,810	60,899	56,941
Transport Assets	320,606	522,994	–	–	–	–	(17,062)	(17,062)	505,932	249,031	234,762
Land	208,000	208,000	–	–	–	–	(142,550)	(142,550)	65,450	10,000	100,000
TOTAL CAPITAL EXPENDITURE to be adjusted	**8,407,556**	**8,850,922**	**–**	**–**	**–**	**32,854**	**(2,247,643)**	**(2,214,790)**	**6,636,132**	**8,586,125**	**9,357,369**
ASSET REGISTER SUMMARY - PPE (WDV)											
Roads Infrastructure	9,415,671	9,509,656	–	–	–	–	147,412	147,412	9,657,068	10,279,627	11,020,909
Storm water Infrastructure	944,325	962,643	–	–	–	–	(109,053)	(109,053)	853,590	1,019,849	1,213,419
Electrical Infrastructure	8,328,033	8,361,319	–	–	–	–	(794,600)	(794,600)	7,566,719	8,329,131	9,319,324
Water Supply Infrastructure	5,942,405	5,988,523	–	–	–	–	(1,752,126)	(1,752,126)	4,236,397	5,613,126	6,672,273
Sanitation Infrastructure	4,624,837	4,584,318	–	–	–	–	(885,327)	(885,327)	3,698,991	5,331,456	7,661,080
Solid Waste Infrastructure	974,112	913,923	–	–	–	–	(433,271)	(433,271)	480,652	936,824	1,297,147
Coastal Infrastructure	–	–	–	–	–	–	113,510	113,510	113,510	113,510	113,510
Information and Communication Infrastructure	4,133,382	4,107,947	–	–	–	–	(262,191)	(262,191)	3,845,756	3,811,423	3,831,882
Infrastructure	34,362,764	34,428,329	–	–	–	–	(3,975,646)	(3,975,646)	30,452,683	35,434,945	41,129,544
Community Facilities	4,843,527	4,842,703	–	–	–	–	(1,884,656)	(1,884,656)	2,958,047	3,211,946	3,351,713
Sport and Recreation Facilities	3,437,004	3,444,686	–	–	–	–	39,818	39,818	3,484,504	3,289,681	3,149,355
Community Assets	8,280,531	8,287,389	–	–	–	–	(1,844,838)	(1,844,838)	6,442,551	6,501,627	6,501,068
Heritage Assets	8,904	8,904	–	–	–	–	(13)	(13)	8,891	8,891	8,891
Revenue Generating	64,819	64,819	–	–	–	–	(0)	(0)	64,819	63,106	61,392
Non-revenue Generating	518,180	518,180	–	–	–	–	–	–	518,180	518,180	518,180
Investment properties	582,999	582,999	–	–	–	–	(0)	(0)	582,999	581,286	579,572
Operational Buildings	1,284,020	1,348,716	–	–	–	–	1,959,174	1,959,174	3,307,890	3,570,859	3,795,457
Housing	2,192,123	2,197,691	–	–	–	–	(82,069)	(82,069)	2,115,622	2,240,779	2,266,361
Other Assets	3,476,143	3,546,407	–	–	–	–	1,877,105	1,877,105	5,423,513	5,811,638	6,061,819
Licences and Rights	450,982	436,324	–	–	–	–	154,725	154,725	591,049	549,586	474,206
Intangible Assets	450,982	436,324	–	–	–	–	154,725	154,725	591,049	549,586	474,206
Computer Equipment	603,172	653,505	–	–	–	–	(49,401)	(49,401)	604,105	513,648	455,186
Furniture and Office Equipment	441,147	452,744	–	–	–	–	(61,870)	(61,870)	390,874	402,176	390,807
Machinery and Equipment	846,578	885,548	–	–	–	–	(340,326)	(340,326)	545,222	480,668	410,554
Transport Assets	1,420,343	1,612,612	–	–	–	–	245,215	245,215	1,857,827	1,740,019	1,601,691
Land	1,127,881	1,127,881	–	–	–	–	(109,941)	(109,941)	1,017,940	957,282	978,231
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	**51,601,445**	**52,022,643**	**–**	**–**	**–**	**–**	**(4,104,989)**	**(4,104,989)**	**47,917,654**	**52,981,765**	**58,591,568**

Table continues on next page.

Description R thousands	Budget Year 2018/19 Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Budget Year +1 2019/20 Adjusted Budget	Budget Year +2 2020/21 Adjusted Budget
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	**51,601,445**	**52,022,643**	**–**	**–**	**–**	**–**	**(4,104,989)**	**(4,104,989)**	**47,917,654**	**52,981,765**	**58,591,568**
EXPENDITURE OTHER ITEMS											
Depreciation & asset impairment	2,814,293	2,814,293	–	–	–	–	35,715	35,715	2,850,008	3,092,708	3,279,697
Repairs and Maintenance by asset class	**3,974,465**	**3,974,722**	**–**	**–**	**–**	**–**	**(20,262)**	**(20,262)**	**3,954,461**	**4,281,247**	**4,619,102**
Roads Infrastructure	*671,164*	*671,164*	–	–	–	–	*29,573*	*29,573*	*700,737*	*700,536*	*746,421*
Storm water Infrastructure	–	*(0)*	–	–	–	–	*64,007*	*64,007*	*64,007*	–	–
Electrical Infrastructure	*536,787*	*536,787*	–	–	–	–	*(2,271)*	*(2,271)*	*534,516*	*571,679*	*609,122*
Water Supply Infrastructure	*548,620*	*548,620*	–	–	–	–	*(274,868)*	*(274,868)*	*273,752*	*621,440*	*698,473*
Sanitation Infrastructure	*401,043*	*401,043*	–	–	–	–	*(113,221)*	*(113,221)*	*287,823*	*465,225*	*515,041*
Solid Waste Infrastructure	*4,104*	*4,104*	–	–	–	–	*368*	*368*	*4,472*	*4,371*	*4,657*
Infrastructure	2,161,718	2,161,718	–	–	–	–	(296,411)	(296,411)	1,865,307	2,363,252	2,573,715
Community Facilities	*100,533*	*100,533*	–	–	–	–	*110,119*	*110,119*	*210,652*	*106,908*	*113,912*
Sport and Recreation Facilities	*244,273*	*244,273*	–	–	–	–	*(170,829)*	*(170,829)*	*73,444*	*260,160*	*277,215*
Community Assets	344,806	344,806	–	–	–	–	(60,710)	(60,710)	284,096	367,068	391,126
Heritage Assets	1,928	1,928	–	–	–	–	3,510	3,510	5,438	2,053	2,188
Revenue Generating	16	41	–	–	–	–	152	152	193	17	18
Non-revenue Generating	*20,694*	*20,694*	–	–	–	–	*(17,145)*	*(17,145)*	*3,550*	*22,040*	*23,483*
Investment properties	20,710	20,735	–	–	–	–	(16,993)	(16,993)	3,743	22,057	23,501
Operational Buildings	*177,353*	*177,403*	–	–	–	–	*61,650*	*61,650*	*239,053*	*185,650*	*199,609*
Housing	–	–	–	–	–	–	*37,185*	*37,185*	*37,185*	–	–
Other Assets	177,353	177,403	–	–	–	–	98,834	98,834	276,238	185,650	199,609
Computer Equipment	269,549	269,705	–	–	–	–	383,009	383,009	652,714	277,899	296,120
Furniture and Office Equipment	551,321	551,338	–	–	–	–	(124,722)	(124,722)	426,615	587,095	625,455
Machinery and Equipment	–	–	–	–	–	–	1,110	1,110	1,110	–	–
Transport Assets	447,079	447,089	–	–	–	–	(7,889)	(7,889)	439,200	476,172	507,387
TOTAL EXPENDITURE OTHER ITEMS to be adjusted	**6,788,758**	**6,789,015**	**–**	**–**	**–**	**–**	**15,454**	**15,454**	**6,804,469**	**7,373,954**	**7,898,799**
Renewal and upgrading of Existing Assets as % of total capex	*45.9%*	*46.6%*							*48.3%*	*54.6%*	*53.9%*
Renewal and upgrading of Existing Assets as % of deprecn"	*137.0%*	*146.4%*							*112.6%*	*151.5%*	*153.8%*
R&M as a % of PPE	*7.7%*	*7.6%*							*8.3%*	*8.1%*	*7.9%*
Renewal and upgrading and R&M as a % of PPE	*15.2%*	*15.6%*							*14.9%*	*16.9%*	*16.5%*

Explanatory notes to Table B9 – Asset Management

1. Table B9 provides an overview of municipal capital allocations for new assets and renewal of existing assets, as well as spending on repairs and maintenance by asset class.

2. At this stage spending on repairs and maintenance cannot be reflected by asset class due to the misalignment of the existing asset classes with the plant maintenance asset classes on the financial system. To ensure compliance the City will embark on an asset creation project which will be finalised over a couple of years.

Table 11: MBRR Table B10 - Basic Service Delivery Measurement

Description	Budget Year 2018/19									Budget Year +1 2019/20	Budget Year +2 2020/21
	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
Household service targets											
Water:											
Piped water inside dwelling	1,190,854	1,190,854	–	–	–	–	–	–	1,190,854	1,214,760	1,239,353
Piped water inside yard (but not in dwelling)	–	–	–	–	–	–	–	–	–	–	–
Using public tap (at least min.service level)	165,105	165,105	–	–	–	–	–	–	165,105	168,419	171,829
Other water supply (at least min.service level)	–	–	–	–	–	–	–	–	–	–	–
Minimum Service Level and Above sub-total	*1,355,959*	*1,355,959*	–	–	–	–	–	–	*1,355,959*	*1,383,179*	*1,411,182*
Using public tap (< min.service level)	–	–	–	–	–	–	–	–	–	–	–
Other water supply (< min.service level)	–	–	–	–	–	–	–	–	–	–	–
No water supply	–	–	–	–	–	–	–	–	–	–	–
Below Minimum Servic Level sub-total	–	–	–	–	–	–	–	–	–	–	–
Total number of households	**1,355,959**	**1,355,959**	**–**	**–**	**–**	**–**	**–**	**–**	**1,355,959**	**1,383,179**	**1,411,182**
Sanitation/sewerage:											
Flush toilet (connected to sewerage)	1,275,391	1,275,391	–	–	–	–	–	–	1,275,391	1,303,497	1,332,490
Flush toilet (with septic tank)	–	–	–	–	–	–	–	–	–	–	–
Chemical toilet	26,392	26,392	–	–	–	–	–	–	26,392	26,392	26,392
Pit toilet (ventilated)	197	197	–	–	–	–	–	–	197	197	–
Other toilet provisions (> min.service level)	53,830	53,830	–	–	–	–	–	–	53,830	52,993	52,300
Minimum Service Level and Above sub-total	*1,355,810*	*1,355,810*	–	–	–	–	–	–	*1,355,810*	*1,383,079*	*1,411,182*
Bucket toilet	149	149	–	–	–	–	–	–	149	100	–
Other toilet provisions (< min.service level)	–	–	–	–	–	–	–	–	–	–	–
No toilet provisions	–	–	–	–	–	–	–	–	–	–	–
Below Minimum Servic Level sub-total	149	149	–	–	–	–	–	–	149	100	–
Total number of households	**1,355,959**	**1,355,959**	**–**	**–**	**–**	**–**	**–**	**–**	**1,355,959**	**1,383,179**	**1,411,182**
Energy:											
Electricity (at least min. service level)	818,813	818,813	–	–	–	–	–	–	818,813	820,313	821,813
Electricity - prepaid (> min.service level)	–	–	–	–	–	–	–	–	–	–	–
Minimum Service Level and Above sub-total	*818,813*	*818,813*	–	–	–	–	–	–	*818,813*	*820,313*	*821,813*
Electricity (< min.service level)	29,341	29,341	–	–	–	–	–	–	29,341	27,841	26,341
Electricity - prepaid (< min. service level)	–	–	–	–	–	–	–	–	–	–	–
Other energy sources	–	–	–	–	–	–	–	–	–	–	–
Below Minimum Servic Level sub-total	29,341	29,341	–	–	–	–	–	–	29,341	27,841	26,341
Total number of households	848,154	848,154	–	–	–	–	–	–	848,154	848,154	848,154
Refuse:											
Removed at least once a week (min.service)	939,739	939,739	–	–	–	–	4,877	4,877	944,616	958,534	977,704
Minimum Service Level and Above sub-total	939,739	939,739	–	–	–	–	4,877	4,877	944,616	958,534	977,704
Removed less frequently than once a week	–	–	–	–	–	–	–	–	–	–	–
Using communal refuse dump	–	–	–	–	–	–	–	–	–	–	–
Using own refuse dump	–	–	–	–	–	–	–	–	–	–	–
Other rubbish disposal	–	–	–	–	–	–	–	–	–	–	–
No rubbish disposal	–	–	–	–	–	–	–	–	–	–	–
Below Minimum Servic Level sub-total	–	–	–	–	–	–	–	–	–	–	–
Total number of households	**939,739**	**939,739**	**–**	**–**	**–**	**–**	**4,877**	**4,877**	**944,616**	**958,534**	**977,704**

Table continues on next page.

Description	Budget Year 2018/19									Budget Year +1 2019/20	Budget Year +2 2020/21
	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
Households receiving Free Basic Service											
Water (6 kilolitres per household per month)	267,325	267,325	–	–	–	–	–	–	267,325	267,325	267,325
Sanitation (free minimum level service)	267,325	267,325	–	–	–	–	–	–	267,325	267,325	267,325
Electricity/other energy (50kwh per household per month)	194,597	194,597	–	–	–	–	–	–	194,597	194,597	194,597
Refuse (removed at least once a week)	324,018	324,018	–	–	–	–	(20,886)	(20,886)	(20,562)	309,194	315,378
Cost of Free Basic Services provided (R'000)											
Water (6 kilolitres per indigent household per month)	368,203	368,203	–	–	–	–	–	–	368,203	538,572	657,273
Sanitation (free sanitation service to indigent households)	233,221	233,221	–	–	–	–	–	–	233,221	314,079	383,302
Electricity/other energy (50kwh per indigent household per month)	160,638	160,638	–	–	–	–	–	–	160,638	160,638	160,638
Refuse (removed once a week for indigent households)	291,928	291,928	–	–	–	–	(11,928)	(11,928)	280,000	307,984	324,924
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)	775,058	775,058	–	–	–	–	65,447	65,447	840,505	1,019,603	1,171,672
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)	1,829,048	1,829,048	–	–	–	–	53,519	53,519	1,882,567	2,340,876	2,697,808
Highest level of free service provided											
Property rates (R'000 value threshold)	–	–	–	–	–	–	–	–	–	–	–
Water (kilolitres per household per month)	10.50	10.50	–	–	–	–	–	–	10.50	10.50	10.50
Sanitation (kilolitres per household per month)	7.35	7.35	–	–	–	–	–	–	7.35	7.35	7.35
Sanitation (Rand per household per month)	–	–	–	–	–	–	–	–	–	–	–
Electricity (kw per household per month)	60.00	60.00	–	–	–	–	–	–	60.00	60.00	60.00
Refuse (average litres per week)	240.00	240.00	–	–	–	–	–	–	240.00	240.00	240.00
Revenue cost of free services provided (R'000)											
Property rates (tariff adjustment) (impermissable values per section 17 of MPRA)	–	–	–	–	–	–	–	–	–	–	–
Property rates exemptions, reductions and rebates and impermissable values in excess of section 17 of MPRA)	1,403,930	1,403,930	–	–	–	–	–	–	1,403,930	1,539,066	1,674,064
Water (in excess of 6 kilolitres per indigent household per month)	276,152	276,152	–	–	–	–	–	–	276,152	403,929	492,955
Sanitation (in excess of free sanitation service to indigent households)	174,916	174,916	–	–	–	–	–	–	174,916	235,559	287,476
Electricity/other energy (in excess of 50 kwh per indigent household per month)	–	–	–	–	–	–	–	–	–	–	–
Refuse (in excess of one removal a week for indigent households)	–	–	–	–	–	–	–	–	–	–	–
Municipal Housing - rental rebates	31,060	31,060	–	–	–	–	–	–	31,060	32,614	34,245
Housing - top structure subsidies	–	–	–	–	–	–	–	–	–	–	–
Other	–	–	–	–	–	–	–	–	–	–	–
Total revenue cost of subsidised services provided	**1,886,058**	**1,886,058**	**–**	**–**	**–**	**–**	**–**	**–**	**1,886,058**	**2,211,167**	**2,488,740**

The following should be noted in respect of the highest level of free services provided for Water & Sanitation, Electricity and Solid Waste:

Water & Sanitation

- 10.5 kℓ of water per month per indigent household, free of charge.
- 7.35 kℓ of sanitation per month per indigent household, free of charge.

Electricity

Each household with a municipal property value of less than or equal to R400 000 and a prepaid meter receives a monthly 60 kWh free electricity if they normally buy less than 250 kWh per month on average over a 12-month period; or 25 kWh free electricity if they normally buy between 250 and 450 kWh per month on average over a 12-month period.

Solid Waste - Waste removal

- Waste removal – Consumers whose properties are valued below R500 000 receive rebates between 0% and 100% on the first 240 ℓ container.
- Consumers who earn below R6 000 and who are registered on the Indigent Register will qualify for a rebate between 0% and 100% on the first 240ℓ container.

Explanatory notes to Table B10 – Basic Service Delivery Measurement

1. Table B10 provides an overview of service delivery levels, including backlogs (below minimum service level), for each of the main services.

2. The City is persistently striving to eradicate backlogs. The City's backlog status is as follows:
    a) Water services – Cape Town's population, both formal and informal settlements, receives potable water in accordance with the National minimum standards as required by the Water Services Act 108 (of 1997).
    b) Sanitation services – Cape Town's population, both formal and informal settlements, receives sanitation services in accordance with the National minimum standards. Funding is still provided to further improve the service levels in Informal Settlements in line with the City's strategy. Initiatives to remove the remaining bucket toilets are ongoing, which includes a settlement upgrade as part of a new housing development project. Through this process the number of bucket toilets already decreased from 217 in the past financial year to 149 in the current financial year.
    c) Electricity services – The electrification strategy is to reduce the backlog by 1 500 annually over the 2018/19 MTREF.
    d) Refuse services does not have any backlogs.

5. *Adjustments to budget assumptions*

Narrative summary of the impact of the adjustments budget on:

- **Funding of operating and capital expenditure**
  The Capital expenditure remains fully funded from both internal i.e. EFF, CRR & Revenue, and external sources i.e. National- and Provincial Government and other public contributions.
- **Financial plans**
  The financial plan will be revisited considering the longer term effects of the adjustments.

6. *Adjustments to budget funding*

Table 2 on page 24 shows that the operating- and capital expenditure remain funded in accordance with section 18 of the MFMA.

7. *Adjustments related to allocations and grants to the municipality*

Proposed adjustments are outlined on page 2.

8. *Adjustments to transfers and grants made by the City*

Additional allocations of R5.5 million is proposed for inclusion in the 2018 /19 operating budget for the following organisations:

- Cape Town Philharmonic Orchestra - R1.5 million
- Cape Town Opera - R2 million
- Cape Town Ballet - R2 million

Annexure 1.2 provides further details of these allocations.

7. *Adjustments to councillor allowances and employee benefits*

No adjustments were made in this adjustments budget.

8. *Adjustments to service delivery and budget implementation plan*

Revisions to service delivery targets and performance indicators in the plan may only be made with the approval of Council following approval of an adjustments budget as per Section 54 of the MFMA. These targets will therefore be updated after the adjustment budget has been approved on 31 January 2018.

9. *Adjustments to capital expenditure*

Full disclosure on adjustments to the capital budget is provided in Annexure 2.2 to 2.4.

10. Future operational impact of new infrastructure

MFMA Section 19(2)(b) requires a municipal Council to consider future operational costs and revenues on Capital Budget projects, including the municipal tax and tariff implications, before approving projects individually or as part of a consolidated programme.

To give effect to this requirement, the future operational cost and revenue of projects/ programmes are reflected in Annexures 2 and 4 to the proposed adjustments budget report.

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

Directorates have confirmed that the future operating impacts (excluding interest charges and depreciation) will be absorbed on their current operating budgets over the MTREF through efficiency gains and the prioritisation of existing operational resources, which were considered during the calculation of the revenue increases for the 2018/19 MTREF.

The approved revenue increases were as follows:

Services	Budget Year 2018/19	Budget Year 2019/20	Budget Year 2020/21
Property Rates	6.50%	7.70%	8.16%
Electricity	8.14%	9.56%	9.96%
Water	19.90%	39.70%	16.80%
Sanitation	19.90%	39.70%	16.80%
Refuse	5.70%	7.90%	8.00%
Disposal	14.83%	10.87%	14.24%

Table 12 Approved revenue increases for 2018/19

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

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

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

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

The total project cost of existing projects was reviewed by implementing directorates and amended, where required, while the estimated total project cost on any new project/programme proposed for inclusion in this adjustments budget, are included in Annexures 2 and/or 4.

Moreover, Section 19(2)(a) states that "before approving a capital project in terms of subsection (1)(b), the council of a municipality must consider the projected cost covering all financial years until the project is operational." This information is also provided in Annexure 4, and submitted for approval to Council, for those projects being approved individually with a total project cost in excess of R50 million. Outer years' estimates are reviewed annually during the budget process and amended/updated in line with latest project implementation plans.

PART 2 - ADJUSTMENTS BUDGET: CONSOLIDATED TABLES

The consolidated tables of the City and its entities are presented on page 46 to page 58.

Table 13: MBRR Table B1 Consolidated Adjustments Budget – Statement Summary

Description	Budget Year 2018/19									Budget Year +1 2019/20	Budget Year +2 2020/21
R thousands	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
Financial Performance											
Property rates	9,361,952	9,361,952	–	–	–	–	943	943	9,362,895	10,248,287	11,131,713
Service charges	19,179,838	19,179,838	–	–	–	–	296,730	296,730	19,476,569	22,414,325	25,204,467
Investment revenue	941,028	941,028	–	–	–	–	11,521	11,521	952,549	994,620	1,025,150
Transfers recognised - operational	6,803,608	7,057,030	–	–	–	312,173	–	312,173	7,369,203	7,101,185	7,464,469
Other own revenue	3,373,252	3,373,252	–	–	–	–	(58,026)	(58,026)	3,315,225	3,566,221	3,768,829
Total Revenue (excluding capital transfers and contributions)	**39,659,677**	**39,913,100**	**–**	**–**	**–**	**312,173**	**251,168**	**563,342**	**40,476,441**	**44,324,639**	**48,594,629**
Employee costs	13,014,073	13,025,044	–	–	–	22,631	(440,076)	(417,445)	12,607,599	13,946,706	15,034,333
Remuneration of councillors	169,640	169,640	–	–	–	–	128	128	169,768	180,666	192,500
Depreciation & asset impairment	2,856,987	2,856,987	–	–	–	–	35,715	35,715	2,892,702	3,137,918	3,327,621
Finance charges	1,089,285	1,089,285	–	–	–	–	(182,606)	(182,606)	906,679	1,564,844	1,885,513
Materials and bulk purchases	10,783,733	10,790,538	–	–	–	(41)	(445,356)	(445,397)	10,345,141	12,292,225	13,200,990
Transfers and grants	263,704	328,755	–	–	–	67,714	22,829	90,543	419,298	288,228	298,126
Other expenditure	11,427,087	11,597,683	174,624	–	–	221,869	(520,088)	(123,594)	11,474,088	12,383,400	13,257,810
Total Expenditure	**39,604,509**	**39,857,931**	**174,624**	**–**	**–**	**312,173**	**(1,529,453)**	**(1,042,656)**	**38,815,275**	**43,793,988**	**47,196,893**
Surplus/(Deficit)	55,168	55,168	(174,624)	–	–	1	1,780,621	1,605,998	1,661,166	530,651	1,397,736
Transfers recognised - capital	2,067,896	2,749,880	–	–	–	40,154	(253,737)	(213,584)	2,536,296	2,118,842	2,296,333
Contributions recognised - capital & contributed assets	76,200	77,790	–	–	–	–	(23,264)	(23,264)	54,526	78,600	112,100
Surplus/(Deficit) after capital transfers & contributions	**2,199,264**	**2,882,838**	**(174,624)**	**–**	**–**	**40,154**	**1,503,620**	**1,369,150**	**4,251,988**	**2,728,092**	**3,806,169**
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–	–	–
Surplus/ (Deficit) for the year	**2,199,264**	**2,882,838**	**(174,624)**	**–**	**–**	**40,154**	**1,503,620**	**1,369,150**	**4,251,988**	**2,728,092**	**3,806,169**
Capital expenditure & funds sources											
Capital expenditure	8,456,748	8,900,115	–	–	–	32,854	(2,247,643)	(2,214,790)	6,685,325	8,626,756	9,400,438
Transfers recognised - capital	2,067,896	2,749,880	–	–	–	32,854	(246,437)	(213,584)	2,536,296	2,118,842	2,296,333
Public contributions & donations	76,200	77,790	–	–	–	–	(23,264)	(23,264)	54,526	78,600	112,100
Borrowing	4,000,000	3,446,950	–	–	–	–	(2,946,950)	(2,946,950)	500,000	2,500,000	5,979,966
Internally generated funds	2,312,652	2,625,495	–	–	–	–	969,008	969,008	3,594,503	3,929,315	1,012,039
Total sources of capital funds	**8,456,748**	**8,900,115**	**–**	**–**	**–**	**32,854**	**(2,247,643)**	**(2,214,790)**	**6,685,325**	**8,626,756**	**9,400,438**
Financial position											
Total current assets	15,760,893	15,850,427	–	–	–	–	4,760,450	4,760,450	20,610,877	21,889,578	27,068,727
Total non current assets	56,313,484	56,734,682	–	–	–	–	(3,959,956)	(3,959,956)	52,774,727	58,610,290	64,512,549
Total current liabilities	12,583,978	12,964,186	–	–	–	–	(1,188,811)	(1,188,811)	11,775,376	13,128,992	14,676,078
Total non current liabilities	16,872,693	16,872,693	–	–	–	–	(2,583,339)	(2,583,339)	14,289,354	16,825,245	22,553,398
Community wealth/Equity	**42,617,706**	**42,748,230**	**–**	**–**	**–**	**–**	**4,572,644**	**4,572,644**	**47,320,874**	**50,545,631**	**54,351,800**
Cash flows											
Net cash from (used) operating	4,844,958	5,526,942	–	–	–	–	2,317,137	2,317,137	7,844,079	6,620,023	7,932,792
Net cash from (used) investing	(7,732,684)	(8,130,125)	–	–	–	–	1,991,263	1,991,263	(6,138,861)	(7,909,892)	(8,601,059)
Net cash from (used) financing	3,556,102	3,003,052	–	–	–	–	(2,790,805)	(2,790,805)	212,247	2,176,305	5,427,220
Cash/cash equivalents at the year end	**5,923,649**	**6,013,183**	**–**	**–**	**–**	**–**	**1,517,595**	**1,517,595**	**7,530,778**	**8,417,213**	**13,176,167**

Table continues on next page

City of Cape Town 2018/19 Adjustments Budget – January 2019 – Annexure A (including additional recommendations)

Description	Budget Year 2018/19									Budget Year +1 2019/20	Budget Year +2 2020/21
R thousands	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
Cash backing/surplus reconciliation											
Cash and investments available	11,788,575	11,878,109	–	–	–	–	1,497,901	1,497,901	13,376,010	14,929,296	19,688,249
Application of cash and investments	9,019,958	9,305,229	–	–	–	–	(3,708,672)	(3,708,672)	5,596,557	7,827,457	10,723,499
Balance - surplus (shortfall)	**2,768,617**	**2,572,879**	**–**	**–**	**–**	**–**	**5,206,573**	**5,206,573**	**7,779,453**	**7,101,839**	**8,964,750**
Asset Management											
Asset register summary (WDV)	52,039,895	52,461,093	–	–	–	–	(4,104,989)	(4,104,989)	48,356,103	53,378,981	58,982,838
Depreciation & asset impairment	2,856,987	2,856,987	–	–	–	–	(30,742)	(30,742)	2,826,245	3,137,918	3,327,621
Renewal of Existing Assets	1,906,938	2,019,185	–	–	–	–	(177,857)	(177,857)	1,841,328	2,064,817	2,320,831
Repairs and Maintenance	4,012,578	4,012,835	–	–	–	–	(20,262)	(20,262)	3,992,574	4,320,924	4,660,206
Free services											
Cost of Free Basic Services provided	1,829,048	1,829,048	–	–	–	–	53,519	53,519	1,882,567	2,340,876	2,697,808
Revenue cost of free services provided	1,886,058	1,886,058	–	–	–	–	–	–	1,886,058	2,211,167	2,488,740
Households below minimum service level	–	–	–	–	–	–	–	–	–	–	–
Water:	–	–	–	–	–	–	–	–	–	–	–
Sanitation/sewerage:	149	149	-	-	-	-	-	-	149	100	-
Energy:	29,341	29,341	-	-	-	-	-	-	29,341	27,841	26,341
Refuse:	–	–	–	–	–	–	–	–	–	–	–

Table 14: MBRR Table B2 Consolidated Adjustments Budget - Financial Performance (standard classification)

Standard Description	Budget Year 2018/19									Budget Year +1 2019/20	Budget Year +2 2020/21
R thousands	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
Revenue - Functional											
Governance and administration	**14,763,272**	**14,764,363**	**–**	**–**	**–**	**39,414**	**1,561**	**40,976**	**14,805,339**	**15,859,595**	**17,092,197**
Executive and council	3,240	4,252	–	–	–	(1,036)	3	(1,033)	3,219	3,362	3,491
Finance and administration	14,760,024	14,760,103	–	–	–	40,450	1,564	42,014	14,802,117	15,856,224	17,088,697
Internal audit	8	8	–	–	–	–	(6)	(6)	3	9	9
Community and public safety	**1,880,561**	**2,125,376**	**–**	**–**	**–**	**70,702**	**52,118**	**122,820**	**2,248,196**	**2,118,445**	**2,188,559**
Community and social services	130,825	130,825	–	–	–	3,384	28,213	31,597	162,422	157,880	133,134
Sport and recreation	110,050	110,050	–	–	–	–	(2,767)	(2,767)	107,283	81,788	92,794
Public safety	11,726	11,726	–	–	–	5,000	30,005	35,005	46,731	12,371	13,057
Housing	1,211,961	1,456,775	–	–	–	52,512	22,380	74,891	1,531,667	1,416,120	1,454,192
Health	415,999	415,999	–	–	–	9,806	(25,712)	(15,906)	400,093	450,285	495,382
Economic and environmental services	**3,188,342**	**3,324,872**	**–**	**–**	**–**	**235,214**	**(298,354)**	**(63,140)**	**3,261,732**	**3,146,271**	**3,355,662**
Planning and development	369,522	369,522	–	–	–	5,091	3,374	8,465	377,987	425,592	444,155
Road transport	2,805,489	2,942,019	–	–	–	209,557	(303,454)	(93,897)	2,848,122	2,717,202	2,907,837
Environmental protection	13,331	13,331	–	–	–	20,565	1,726	22,292	35,622	3,477	3,670
Trading services	**21,673,945**	**22,228,505**	**–**	**–**	**–**	**(303)**	**241,883**	**241,579**	**22,470,084**	**25,084,399**	**28,034,494**
Energy sources	13,086,625	13,086,625	–	–	–	408	420,703	421,111	13,507,735	14,128,383	15,609,846
Water management	4,650,411	5,204,971	–	–	–	(1,445)	(41,133)	(42,578)	5,162,393	6,209,664	7,055,121
Waste water management	2,311,354	2,311,354	–	–	–	734	(91,469)	(90,735)	2,220,619	2,953,561	3,381,843
Waste management	1,625,554	1,625,554	–	–	–	–	(46,218)	(46,218)	1,579,336	1,792,791	1,987,684
Other	**297,653**	**297,653**	**–**	**–**	**–**	**–**	**(15,741)**	**(15,741)**	**281,912**	**313,370**	**332,150**
Total Revenue - Functional	**41,803,773**	**42,740,769**	**–**	**–**	**–**	**345,026**	**(18,533)**	**326,493**	**43,067,263**	**46,522,080**	**51,003,062**
Expenditure - Functional											
Governance and administration	**8,518,224**	**8,497,880**	**–**	**–**	**–**	**39,561**	**(290,548)**	**(250,987)**	**8,246,893**	**9,511,725**	**10,359,133**
Executive and council	450,141	450,871	–	–	–	(890)	7,770	6,880	457,751	493,578	526,864
Finance and administration	8,016,966	7,995,893	–	–	–	40,450	(292,320)	(251,869)	7,744,024	8,962,807	9,772,393
Internal audit	51,116	51,116	–	–	–	–	(5,998)	(5,998)	45,118	55,340	59,876
Community and public safety	**5,120,605**	**5,375,819**	**–**	**–**	**–**	**70,702**	**(102,487)**	**(31,785)**	**5,344,034**	**5,611,271**	**5,935,491**
Community and social services	894,025	897,605	–	–	–	3,384	(2,976)	408	898,013	953,313	1,021,370
Sport and recreation	1,192,887	1,192,885	–	–	–	–	(55,472)	(55,472)	1,137,413	1,251,561	1,303,238
Public safety	615,325	615,175	–	–	–	5,000	(25,174)	(20,174)	595,001	661,420	709,746
Housing	1,239,650	1,484,471	–	–	–	52,512	6,907	59,419	1,543,890	1,463,475	1,509,754
Health	1,178,718	1,185,682	–	–	–	9,806	(25,772)	(15,966)	1,169,717	1,281,503	1,391,383
Economic and environmental services	**6,551,208**	**6,566,660**	**–**	**–**	**–**	**202,214**	**41,920**	**244,133**	**6,810,793**	**6,937,927**	**7,341,687**
Planning and development	1,060,433	1,063,778	–	–	–	5,091	22,311	27,402	1,091,180	1,212,459	1,297,413
Road transport	5,353,664	5,365,771	–	–	–	176,557	22,940	199,497	5,565,268	5,598,973	5,908,428
Environmental protection	137,111	137,111	–	–	–	20,565	(3,331)	17,234	154,345	126,495	135,846
Trading services	**18,995,590**	**18,997,045**	**174,624**	**–**	**–**	**(303)**	**(1,165,026)**	**(990,706)**	**18,006,340**	**21,292,141**	**23,092,626**
Energy sources	10,321,587	10,323,042	174,624	–	–	408	(3,560)	171,472	10,494,515	11,164,578	12,017,986
Water management	4,823,188	4,823,363	–	–	–	(1,445)	(996,838)	(998,283)	3,825,080	5,956,992	6,416,993
Waste water management	1,935,220	1,935,045	–	–	–	734	(178,307)	(177,573)	1,757,471	2,137,441	2,497,902
Waste management	1,915,595	1,915,595	–	–	–	–	13,678	13,678	1,929,273	2,033,130	2,159,745
Other	**418,882**	**420,527**	**–**	**–**	**–**	**–**	**(13,312)**	**(13,312)**	**407,216**	**440,925**	**467,956**
Total Expenditure - Functional	**39,604,509**	**39,857,931**	**174,624**	**–**	**–**	**312,173**	**(1,529,453)**	**(1,042,656)**	**38,815,275**	**43,793,988**	**47,196,893**
Surplus/ (Deficit) for the year	**2,199,264**	**2,882,838**	**(174,624)**	**–**	**–**	**32,854**	**1,510,920**	**1,369,150**	**4,251,988**	**2,728,092**	**3,806,169**

Table 15: MBRR Table B3 Consolidated Adjustments Budget - Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Budget Year 2018/19									Budget Year +1 2019/20	Budget Year +2 2020/21
R thousands	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
Revenue by Vote											
Vote 1 - Community Services & Health	919,594	919,594	–	–	–	13,190	7,601	20,791	940,385	959,170	1,060,193
Vote 2 - Corporate Services	79,950	80,030	–	–	–	403	(7,756)	(7,353)	72,677	84,192	75,290
Vote 3 - Economic Opportunities & Asset Managemnt	174,609	174,609	–	–	–	–	–	–	174,609	182,102	192,209
Vote 4 - Energy & Climate Change	12,884,959	12,884,959	–	–	–	408	420,703	421,111	13,306,070	13,870,807	15,329,083
Vote 5 - Finance	15,357,286	15,357,286	–	–	–	72,142	2,049	74,191	15,431,477	16,593,587	17,872,725
Vote 6 - Human Settlements	1,103,933	1,348,748	–	–	–	52,312	30,980	83,291	1,432,039	1,288,291	1,311,588
Vote 7 - Office of the City Manager	11	11	–	–	–	–	(5)	(5)	6	11	12
Vote 8 - Safety & Security	1,358,901	1,361,702	–	–	–	12,470	1,005	13,475	1,375,177	1,424,494	1,491,651
Vote 9 - Spatial Planning & Environment	170,519	170,519	–	–	–	19,656	(6,168)	13,489	184,008	170,630	170,712
Vote 10 - Transport	1,515,791	1,649,521	–	–	–	175,444	(274,454)	(99,010)	1,550,511	1,339,823	1,470,270
Vote 11 - Urban Management	222,216	223,227	–	–	–	(286)	11,272	10,986	234,213	268,526	281,418
Vote 12 - Water & Waste	7,706,144	8,260,704	–	–	–	(711)	(188,020)	(188,731)	8,071,973	10,008,931	11,396,275
Vote 13 - Cape Town International Convention Centre	291,129	291,129	–	–	–	–	(15,741)	(15,741)	275,388	308,597	327,113
Vote 14 - Cape Town Stadium	18,731	18,731	–	–	–	–	–	–	18,731	22,921	24,524
Total Revenue by Vote	**41,803,773**	**42,740,769**	**–**	**–**	**–**	**345,026**	**(18,533)**	**326,493**	**43,067,263**	**46,522,080**	**51,003,062**
Expenditure by Vote											
Vote 1 - Community Services & Health	3,590,992	3,592,987	–	–	–	13,190	(661)	12,529	3,605,515	3,891,934	4,184,582
Vote 2 - Corporate Services	1,791,434	1,791,492	–	–	–	403	(81,513)	(81,110)	1,710,383	1,928,003	2,046,598
Vote 3 - Economic Opportunities & Asset Managemnt	1,170,837	1,170,837	–	–	–	–	47,498	47,498	1,218,335	1,220,952	1,300,874
Vote 4 - Energy & Climate Change	10,673,982	10,673,982	174,624	–	–	408	(54,813)	120,219	10,794,201	11,539,870	12,415,273
Vote 5 - Finance	3,156,818	3,156,760	–	–	–	72,142	(155,076)	(82,935)	3,073,825	3,767,187	4,223,816
Vote 6 - Human Settlements	1,598,166	1,841,883	–	–	–	52,312	4,642	56,954	1,898,837	1,846,294	2,017,029
Vote 7 - Office of the City Manager	214,357	214,357	–	–	–	–	(4,262)	(4,262)	210,096	230,717	248,503
Vote 8 - Safety & Security	3,328,929	3,331,729	–	–	–	12,470	(35,707)	(23,237)	3,308,492	3,583,283	3,810,526
Vote 9 - Spatial Planning & Environment	558,353	558,353	–	–	–	19,656	16,217	35,873	594,227	575,579	618,762
Vote 10 - Transport	3,367,830	3,372,685	–	–	–	142,444	(23,039)	119,404	3,492,090	3,429,755	3,594,672
Vote 11 - Urban Management	788,234	788,300	–	–	–	(140)	(18,776)	(18,915)	769,384	928,296	991,426
Vote 12 - Water & Waste	9,024,005	9,023,994	–	–	–	(711)	(1,199,919)	(1,200,630)	7,823,364	10,486,574	11,357,125
Vote 13 - Cape Town International Convention Centre	321,840	321,840	–	–	–	–	(24,045)	(24,045)	297,796	342,624	363,182
Vote 14 - Cape Town Stadium	18,731	18,731	–	–	–	–	–	–	18,731	22,921	24,524
Total Expenditure by Vote	**39,604,509**	**39,857,931**	**174,624**	**–**	**–**	**312,173**	**(1,529,453)**	**(1,042,656)**	**38,815,275**	**43,793,988**	**47,196,893**
Surplus/ (Deficit) for the year	**2,199,264**	**2,882,838**	**(174,624)**	**–**	**–**	**32,854**	**1,510,920**	**1,369,150**	**4,251,988**	**2,728,092**	**3,806,169**

Table 16: MBRR Table B4 Consolidated Adjustments Budget - Financial Performance (revenue and expenditure)

Description	Budget Year 2018/19									Budget Year +1 2019/20	Budget Year +2 2020/21
R thousands	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
Revenue By Source											
Property rates	9,361,952	9,361,952	–	–	–	–	943	943	9,362,895	10,248,287	11,131,713
Service charges - electricity revenue	12,591,403	12,591,403	–	–	–	–	436,069	436,069	13,027,472	13,519,095	14,865,239
Service charges - water revenue	3,574,755	3,574,755	–	–	–	–	(62,927)	(62,927)	3,511,828	5,037,616	5,904,860
Service charges - sanitation revenue	1,811,048	1,811,048	–	–	–	–	(29,620)	(29,620)	1,781,428	2,524,979	2,947,422
Service charges - refuse revenue	1,202,059	1,202,059	–	–	–	–	(46,218)	(46,218)	1,155,841	1,331,897	1,486,051
Service charges - other	573	573	–	–	–	–	(573)	(573)	–	738	896
Rental of facilities and equipment	534,195	534,195	–	–	–	–	(14,349)	(14,349)	519,846	565,944	598,111
Interest earned - external investments	941,028	941,028	–	–	–	–	11,521	11,521	952,549	994,620	1,025,150
Interest earned - outstanding debtors	340,970	340,970	–	–	–	–	(18,279)	(18,279)	322,691	362,409	385,462
Dividends received	–	–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits	1,280,160	1,280,160	–	–	–	–	(49,430)	(49,430)	1,230,730	1,350,569	1,425,526
Licences and permits	46,050	46,050	–	–	–	–	7,790	7,790	53,841	48,432	51,120
Agency services	201,723	201,723	–	–	–	–	(0)	(0)	201,723	212,818	224,629
Transfers and subsidies	6,803,608	7,057,030	–	–	–	312,173	–	312,173	7,369,203	7,101,185	7,464,469
Other revenue	926,283	926,283	–	–	–	–	16,241	16,241	942,524	979,766	1,035,129
Gains on disposal of PPE	43,870	43,870	–	–	–	–	–	–	43,870	46,283	48,852
Total Revenue (excluding capital transfers and contributions)	**39,659,677**	**39,913,100**	**–**	**–**	**–**	**312,173**	**251,168**	**563,342**	**40,476,441**	**44,324,639**	**48,594,629**
Expenditure By Type											
Employee related costs	13,014,073	13,025,044	–	–	–	22,631	(440,076)	(417,445)	12,607,599	13,946,706	15,034,333
Remuneration of councillors	169,640	169,640	–	–	–	–	128	128	169,768	180,666	192,500
Debt impairment	2,989,251	2,989,251	–	–	–	–	(587,573)	(587,573)	2,401,678	3,347,155	3,644,917
Depreciation & asset impairment	2,856,987	2,856,987	–	–	–	–	35,715	35,715	2,892,702	3,137,918	3,327,621
Finance charges	1,089,285	1,089,285	–	–	–	–	(182,606)	(182,606)	906,679	1,564,844	1,885,513
Bulk purchases	9,487,132	9,487,132	–	–	–	–	(499,816)	(499,816)	8,987,316	10,896,898	11,739,035
Other materials	1,296,601	1,303,406	–	–	–	(41)	54,460	54,419	1,357,825	1,395,328	1,461,955
Contracted services	6,119,111	6,272,488	–	–	–	119,318	347,545	466,863	6,739,351	6,483,478	6,914,933
Transfers and subsidies	263,704	328,755	–	–	–	67,714	22,829	90,543	419,298	288,228	298,126
Other expenditure	2,318,237	2,335,455	–	–	–	102,552	(280,060)	(177,508)	2,157,947	2,552,252	2,697,417
Loss on disposal of PPE	488	488	174,624	–	–	–	–	174,624	175,112	515	543
Total Expenditure	**39,604,509**	**39,857,931**	**174,624**	**–**	**–**	**312,173**	**(1,529,453)**	**(1,042,656)**	**38,815,275**	**43,793,988**	**47,196,893**
Surplus/(Deficit)	**55,168**	**55,168**	**(174,624)**	**–**	**–**	**1**	**1,780,621**	**1,605,998**	**1,661,166**	**530,651**	**1,397,736**
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	2,067,896	2,749,880	–	–	–	40,154	(253,737)	(213,584)	2,536,296	2,118,842	2,296,333
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)	76,200	77,790	–	–	–	–	(23,264)	(23,264)	54,526	78,600	112,100
Transfers and subsidies - capital (in-kind - all)	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) before taxation	**2,199,264**	**2,882,838**	**(174,624)**	**–**	**–**	**40,154**	**1,503,620**	**1,369,150**	**4,251,988**	**2,728,092**	**3,806,169**
Taxation	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after taxation	**2,199,264**	**2,882,838**	**(174,624)**	**–**	**–**	**40,154**	**1,503,620**	**1,369,150**	**4,251,988**	**2,728,092**	**3,806,169**
Attributable to minorities	(8,783)	(8,783)	–	–	–	–	2,375	2,375	(6,409)	(9,732)	(10,316)
Surplus/(Deficit) attributable to municipality	**2,190,481**	**2,874,055**	**(174,624)**	**–**	**–**	**40,154**	**1,505,995**	**1,371,525**	**4,245,579**	**2,718,361**	**3,795,853**
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–	–	–
Surplus/ (Deficit) for the year	**2,190,481**	**2,874,055**	**(174,624)**	**–**	**–**	**40,154**	**1,505,995**	**1,371,525**	**4,245,579**	**2,718,361**	**3,795,853**

Table 17: MBRR Table B5 Consolidated Adjustments Capital Expenditure - Budget by vote and funding

Description	Budget Year 2018/19									Budget Year +1 2019/20	Budget Year +2 2020/21
R thousands	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
Capital expenditure - Vote											
Multi-year expenditure to be adjusted											
Vote 1 - Community Services & Health	314,508	320,135	–	–	–	–	(6,189)	(6,189)	313,947	206,927	267,704
Vote 2 - Corporate Services	354,688	356,508	–	–	–	–	(86,794)	(86,794)	269,714	139,165	195,719
Vote 3 - Economic Opportunities & Asset Managemnt	224,601	230,791	–	–	–	–	53,102	53,102	283,893	148,265	72,272
Vote 4 - Energy & Climate Change	1,113,506	1,153,232	–	–	–	–	(289,993)	(289,993)	863,239	1,278,972	1,577,196
Vote 5 - Finance	20,549	21,011	–	–	–	–	5,840	5,840	26,851	65,419	35,411
Vote 6 - Human Settlements	822,428	839,385	–	–	–	–	(106,398)	(106,398)	732,986	821,502	699,786
Vote 7 - Office of the City Manager	813	1,083	–	–	–	–	1,613	1,613	2,696	813	839
Vote 8 - Safety & Security	196,078	196,155	–	–	–	–	16,494	16,494	212,649	110,082	42,115
Vote 9 - Spatial Planning & Environment	107,025	113,324	–	–	–	–	(51,071)	(51,071)	62,253	44,076	55,997
Vote 10 - Transport	1,234,574	1,462,823	–	–	–	33,000	(326,683)	(293,683)	1,169,139	1,083,449	1,144,562
Vote 11 - Urban Management	13,620	15,501	–	–	–	(146)	8,122	7,976	23,477	84,192	74,870
Vote 12 - Water & Waste	4,005,167	4,140,975	–	–	–	–	(1,465,686)	(1,465,686)	2,675,289	4,603,263	5,190,899
Vote 13 - Cape Town International Convention Centre	49,193	49,193	–	–	–	–	–	–	49,193	40,631	43,069
Vote 14 - Cape Town Stadium	–	–	–	–	–	–	–	–	–	–	–
Total Capital Expenditure - Vote	**8,456,748**	**8,900,115**	**–**	**–**	**–**	**32,854**	**(2,247,643)**	**(2,214,790)**	**6,685,325**	**8,626,756**	**9,400,438**
Capital Expenditure - Functional											
Governance and administration	**986,516**	**1,079,817**	**–**	**–**	**–**	**(146)**	**(98,012)**	**(98,159)**	**981,659**	**680,380**	**786,466**
Executive and council	4,380	6,041	–	–	–	(146)	(2,623)	(2,769)	3,272	5,531	3,480
Finance and administration	982,005	1,073,437	–	–	–	–	(95,389)	(95,389)	978,048	674,718	782,926
Internal audit	131	339	–	–	–	–	–	–	339	131	60
Community and public safety	**1,082,792**	**1,104,618**	**–**	**–**	**–**	**–**	**(90,448)**	**(90,448)**	**1,014,171**	**979,810**	**818,011**
Community and social services	97,129	90,268	–	–	–	–	12,577	12,577	102,845	107,017	66,323
Sport and recreation	84,261	94,881	–	–	–	–	6,049	6,049	100,929	23,166	26,178
Public safety	35,064	35,064	–	–	–	–	5,850	5,850	40,914	7,659	7,659
Housing	794,497	811,454	–	–	–	–	(105,698)	(105,698)	705,755	791,571	668,855
Health	71,841	72,952	–	–	–	–	(9,225)	(9,225)	63,727	50,396	48,996
Economic and environmental services	**1,389,642**	**1,624,353**	**–**	**–**	**–**	**33,000**	**(340,320)**	**(307,320)**	**1,317,033**	**1,205,050**	**1,253,087**
Planning and development	39,904	42,006	–	–	–	–	25,084	25,084	67,090	80,352	97,073
Road transport	1,331,443	1,563,895	–	–	–	33,000	(376,988)	(343,988)	1,219,907	1,107,271	1,149,072
Environmental protection	18,294	18,452	–	–	–	–	11,584	11,584	30,037	17,427	6,942
Trading services	**4,939,787**	**5,033,288**	**–**	**–**	**–**	**–**	**(1,721,643)**	**(1,721,643)**	**3,311,645**	**5,713,691**	**6,494,110**
Energy sources	1,071,737	1,111,220	–	–	–	–	(265,289)	(265,289)	845,932	1,250,068	1,479,601
Water management	2,366,730	2,417,327	–	–	–	–	(752,885)	(752,885)	1,664,442	2,039,077	2,399,597
Waste water management	1,135,113	1,156,685	–	–	–	–	(517,868)	(517,868)	638,817	1,789,622	2,020,898
Waste management	366,207	348,055	–	–	–	–	(185,601)	(185,601)	162,455	634,924	594,014
Other	58,011	58,038	–	–	–	–	2,779	2,779	60,817	47,826	48,764
Total Capital Expenditure - Functional	**8,456,748**	**8,900,115**	**–**	**–**	**–**	**32,854**	**(2,247,643)**	**(2,214,790)**	**6,685,325**	**8,626,756**	**9,400,438**
Funded by:											
National Government	2,015,146	2,697,071	–	–	–	33,000	(220,002)	(187,002)	2,510,069	1,993,692	2,138,633
Provincial Government	52,750	52,809	–	–	–	(146)	(26,436)	(26,582)	26,227	125,150	157,700
District Municipality	–	–	–	–	–	–	–	–	–	–	–
Other transfers and grants	–	–	–	–	–	–	–	–	–	–	–
Transfers recognised - capital	**2,067,896**	**2,749,880**	**–**	**–**	**–**	**32,854**	**(246,437)**	**(213,584)**	**2,536,296**	**2,118,842**	**2,296,333**
Public contributions & donations	76,200	77,790	–	–	–	–	(23,264)	(23,264)	54,526	78,600	112,100
Borrowing	4,000,000	3,446,950	–	–	–	–	(2,946,950)	(2,946,950)	500,000	2,500,000	5,979,966
Internally generated funds	2,312,652	2,625,495	–	–	–	–	969,008	969,008	3,594,503	3,929,315	1,012,039
Total Capital Funding	**8,456,748**	**8,900,115**	**–**	**–**	**–**	**32,854**	**(2,247,643)**	**(2,214,790)**	**6,685,325**	**8,626,756**	**9,400,438**

Table 18: MBRR Table B6 Consolidated Adjustments Budget Statement – Financial Position

Description	Budget Year 2018/19									Budget Year +1 2019/20	Budget Year +2 2020/21
R thousands	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
ASSETS											
Current assets											
Cash	109,764	109,764	–	–	–	–	–	–	109,764	158,000	149,988
Call investment deposits	7,442,199	7,531,733	–	–	–	–	1,497,901	1,497,901	9,029,634	9,599,974	14,068,463
Consumer debtors	6,349,964	6,349,964	–	–	–	–	2,979,425	2,979,425	9,329,389	9,691,798	10,077,261
Other debtors	1,448,962	1,448,962	–	–	–	–	157,565	157,565	1,606,527	1,851,502	2,126,740
Current portion of long-term receivables	15,657	15,657	–	–	–	–	(652)	(652)	15,005	15,755	16,543
Inventory	394,347	394,347	–	–	–	–	126,211	126,211	520,558	572,547	629,732
Total current assets	**15,760,893**	**15,850,427**	**–**	**–**	**–**	**–**	**4,760,450**	**4,760,450**	**20,610,877**	**21,889,578**	**27,068,727**
Non current assets											
Long-term receivables	36,978	36,978	–	–	–	–	(12,417)	(12,417)	24,561	23,333	22,167
Investments	4,236,612	4,236,612	–	–	–	–	–	–	4,236,612	5,171,322	5,469,798
Investment property	582,999	582,999	–	–	–	–	–	–	582,999	581,285	579,571
Investment in Associate	–	–	–	–	–	–	–	–	–	–	–
Property, plant and equipment	51,039,918	51,461,116	–	–	–	–	(4,108,239)	(4,108,239)	47,352,877	52,372,674	58,094,880
Agricultural	–	–	–	–	–	–	–	–	–	–	–
Biological	–	–	–	–	–	–	–	–	–	–	–
Intangible	408,074	408,074	–	–	–	–	160,713	160,713	568,787	452,785	337,243
Other non-current assets	8,904	8,904	–	–	–	–	(13)	(13)	8,891	8,891	8,891
Total non current assets	**56,313,484**	**56,734,682**	**–**	**–**	**–**	**–**	**(3,959,956)**	**(3,959,956)**	**52,774,727**	**58,610,290**	**64,512,549**
TOTAL ASSETS	**72,074,377**	**72,585,109**	**–**	**–**	**–**	**–**	**800,494**	**800,494**	**73,385,604**	**80,499,868**	**91,581,277**
LIABILITIES											
Current liabilities											
Bank overdraft	–	–	–	–	–	–	–	–	–	–	–
Borrowing	619,342	619,342	–	–	–	–	(200,000)	(200,000)	419,342	577,759	977,646
Consumer deposits	451,735	451,735	–	–	–	–	(8,997)	(8,997)	442,738	489,545	537,390
Trade and other payables	10,438,548	10,818,756	–	–	–	–	(966,213)	(966,213)	9,852,543	10,899,312	11,919,027
Provisions	1,074,353	1,074,353	–	–	–	–	(13,601)	(13,601)	1,060,752	1,162,376	1,242,015
Total current liabilities	**12,583,978**	**12,964,186**	**–**	**–**	**–**	**–**	**(1,188,811)**	**(1,188,811)**	**11,775,376**	**13,128,992**	**14,676,078**
Non current liabilities											
Borrowing	9,772,937	9,772,937	–	–	–	–	(2,583,339)	(2,583,339)	7,189,598	9,187,327	14,345,895
Provisions	7,099,756	7,099,756	–	–	–	–	–	–	7,099,756	7,637,918	8,207,503
Total non current liabilities	**16,872,693**	**16,872,693**	**–**	**–**	**–**	**–**	**(2,583,339)**	**(2,583,339)**	**14,289,354**	**16,825,245**	**22,553,398**
TOTAL LIABILITIES	**29,456,671**	**29,836,879**	**–**	**–**	**–**	**–**	**(3,772,150)**	**(3,772,150)**	**26,064,729**	**29,954,237**	**37,229,476**
NET ASSETS	**42,617,706**	**42,748,230**	**–**	**–**	**–**	**–**	**4,572,644**	**4,572,644**	**47,320,874**	**50,545,631**	**54,351,800**
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)	39,191,574	39,417,034	–	–	–	–	2,120,314	2,120,314	41,537,349	43,266,684	45,555,139
Reserves	3,426,132	3,331,196	–	–	–	–	2,452,330	2,452,330	5,783,525	7,278,947	8,796,661
Minorities' interests	–	–	–	–	–	–	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	**42,617,706**	**42,748,230**	**–**	**–**	**–**	**–**	**4,572,644**	**4,572,644**	**47,320,874**	**50,545,631**	**54,351,800**

Table 19: MBRR Table B7 Consolidated Adjustments Budget Statement – Cash Flow

Description	Budget Year 2018/19									Budget Year +1 2019/20	Budget Year +2 2020/21
R thousands	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates	8,968,987	8,968,987	–	–	–	–	70,517	70,517	9,039,504	9,677,093	10,496,097
Service charges	17,623,043	17,623,043	–	–	–	–	1,085,971	1,085,971	18,709,014	21,123,895	23,757,732
Other revenue	4,504,876	4,504,876	–	–	–	–	20,498	20,498	4,525,375	4,673,314	4,902,921
Government - operating	4,315,632	4,569,054	–	–	–	–	314,673	314,673	4,883,727	4,530,231	4,785,329
Government - capital	2,067,896	2,749,880	–	–	–	–	(220,884)	(220,884)	2,528,996	2,118,842	2,296,333
Interest	941,028	941,028	–	–	–	–	11,521	11,521	952,549	994,620	1,025,150
Dividends	–	–	–	–	–	–	–	–	–	–	–
Payments	–	–	–	–	–	–	–	–	–	–	–
Suppliers and employees	(32,261,821)	(32,448,515)	–	–	–	–	824,758	824,758	(31,623,758)	(35,316,650)	(37,893,706)
Finance charges	(980,877)	(980,877)	–	–	–	–	294,449	294,449	(686,428)	(824,458)	(1,060,745)
Transfers and Grants	(333,807)	(400,535)	–	–	–	–	(84,366)	(84,366)	(484,901)	(356,864)	(376,320)
NET CASH FROM/(USED) OPERATING ACTIVITIES	**4,844,958**	**5,526,942**	**–**	**–**	**–**	**–**	**2,317,137**	**2,317,137**	**7,844,079**	**6,620,023**	**7,932,792**
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE	120,070	121,660	–	–	–	–	(23,264)	(23,264)	98,396	124,883	160,952
Decrease (Increase) in non-current debtors	–	–	–	–	–	–	–	–	–	–	–
Decrease (increase) other non-current receivables	1,946	1,946	–	–	–	–	(654)	(654)	1,293	1,228	1,167
Decrease (increase) in non-current investments	(238,708)	(238,708)	–	–	–	–	–	–	(238,708)	(267,859)	(298,475)
Payments											
Capital assets	(7,615,993)	(8,015,022)	–	–	–	–	2,015,181	2,015,181	(5,999,841)	(7,768,144)	(8,464,701)
NET CASH FROM/(USED) INVESTING ACTIVITIES	**(7,732,684)**	**(8,130,125)**	**–**	**–**	**–**	**–**	**1,991,263**	**1,991,263**	**(6,138,861)**	**(7,909,892)**	**(8,601,059)**
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans	–	–	–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing	4,000,000	3,446,950	–	–	–	–	(2,946,950)	(2,946,950)	500,000	2,500,000	5,900,000
Increase (decrease) in consumer deposits	38,688	38,688	–	–	–	–	(522)	(522)	38,166	41,983	46,181
Payments											
Repayment of borrowing	(482,586)	(482,586)	–	–	–	–	156,667	156,667	(325,919)	(365,678)	(518,961)
NET CASH FROM/(USED) FINANCING ACTIVITIES	**3,556,102**	**3,003,052**	**–**	**–**	**–**	**–**	**(2,790,805)**	**(2,790,805)**	**212,247**	**2,176,305**	**5,427,220**
NET INCREASE/ (DECREASE) IN CASH HELD	**668,375**	**399,869**	**–**	**–**	**–**	**–**	**1,517,595**	**1,517,595**	**1,917,464**	**886,436**	**4,758,953**
Cash/cash equivalents at the year begin:	5,255,273	5,613,313	–	–	–	–	–	–	5,613,313	7,530,778	8,417,213
Cash/cash equivalents at the year end:	5,923,649	6,013,183	–	–	–	–	1,517,595	1,517,595	7,530,778	8,417,213	13,176,167

Table 20: MBRR Table B8 Consolidated Cash backed reserves/accumulated surplus reconciliation

Description	Budget Year 2018/19									Budget Year +1 2019/20	Budget Year +2 2020/21
R thousands	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
Cash and investments available											
Cash/cash equivalents at the year end	5,923,649	6,013,183	–	–	–	–	1,517,595	1,517,595	7,530,778	8,417,213	13,176,167
Other current investments > 90 days	1,628,314	1,628,315	–	–	–	–	(19,694)	(19,694)	1,608,621	1,340,761	1,042,285
Non current assets - Investments	4,236,612	4,236,612	–	–	–	–	–	–	4,236,612	5,171,322	5,469,798
Cash and investments available:	**11,788,575**	**11,878,109**	**–**	**–**	**–**	**–**	**1,497,901**	**1,497,901**	**13,376,010**	**14,929,296**	**19,688,249**
Applications of cash and investments											
Unspent conditional transfers	1,460,147	1,461,147	–	–	–	–	(87,714)	(87,714)	1,373,433	1,707,855	2,089,561
Unspent borrowing	–	–	–	–	–	–	–	–	–	–	–
Statutory requirements	–	–	–	–	–	–	–	–	–	–	–
Other working capital requirements	1,229,923	1,609,131	–	–	–	–	(4,285,792)	(4,285,792)	(2,676,660)	(2,295,379)	(2,276,122)
Other provisions	400,000	400,000	–	–	–	–	–	–	400,000	400,000	400,000
Long term investments committed	2,503,755	2,503,755	–	–	–	–	–	–	2,503,755	2,771,615	3,070,090
Reserves to be backed by cash/investments	3,426,132	3,331,196	–	–	–	–	664,834	664,834	3,996,029	5,243,367	7,439,970
Total Application of cash and investments:	**9,019,958**	**9,305,229**	**–**	**–**	**–**	**–**	**(3,708,672)**	**(3,708,672)**	**5,596,557**	**7,827,457**	**10,723,499**
Surplus(shortfall)	**2,768,617**	**2,572,879**	**–**	**–**	**–**	**–**	**5,206,573**	**5,206,573**	**7,779,453**	**7,101,839**	**8,964,750**

Table 21: MBRR Table B9 Consolidated Asset Management

Description	Budget Year 2018/19									Budget Year +1 2019/20	Budget Year +2 2020/21
R thousands	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
CAPITAL EXPENDITURE											
Total New Assets to be adjusted	**4,578,982**	**4,757,036**	**–**	**–**	**–**	**32,854**	**(1,335,053)**	**(1,302,200)**	**3,454,836**	**3,918,328**	**4,330,726**
Roads Infrastructure	643,094	655,413	–	–	–	–	3,522	3,522	658,935	617,956	675,305
Storm water Infrastructure	94,818	95,382	–	–	–	–	(8,484)	(8,484)	86,899	109,882	117,501
Electrical Infrastructure	415,032	420,529	–	–	–	–	(52,412)	(52,412)	368,116	630,422	723,604
Water Supply Infrastructure	1,291,185	1,313,605	–	–	–	–	(256,529)	(256,529)	1,057,076	1,302,431	1,019,675
Sanitation Infrastructure	711,890	712,139	–	–	–	–	(498,303)	(498,303)	213,836	394,330	1,046,471
Solid Waste Infrastructure	2,500	3,060	–	–	–	–	(1,300)	(1,300)	1,760	10,520	–
Information and Communication Infrastructure	240,406	213,632	–	–	–	–	(137,526)	(137,526)	76,106	9,000	66,019
Infrastructure	3,398,926	3,413,760	–	–	–	–	(951,033)	(951,033)	2,462,727	3,074,542	3,648,575
Community Facilities	302,827	293,378	–	–	–	33,000	(41,448)	(8,448)	284,930	211,175	164,952
Sport and Recreation Facilities	180	180	–	–	–	–	478	478	658	–	–
Community Assets	303,007	293,558	–	–	–	33,000	(40,970)	(7,970)	285,588	211,175	164,952
Operational Buildings	185,218	179,648	–	–	–	–	(70,791)	(70,791)	108,858	131,398	94,776
Housing	54,240	59,625	–	–	–	–	(20,390)	(20,390)	39,235	128,060	120,040
Other Assets	239,458	239,273	–	–	–	–	(91,181)	(91,181)	148,093	259,458	214,817
Licences and Rights	13,325	14,079	–	–	–	–	(6,012)	(6,012)	8,067	63,512	33,525
Intangible Assets	13,325	14,079	–	–	–	–	(6,012)	(6,012)	8,067	63,512	33,525
Computer Equipment	106,562	140,484	–	–	–	–	(8,094)	(8,094)	132,390	73,128	114,569
Furniture and Office Equipment	127,210	137,594	–	–	–	(146)	(8,289)	(8,436)	129,158	114,477	73,064
Machinery and Equipment	73,589	74,447	–	–	–	–	12,904	12,904	87,351	42,442	38,942
Transport Assets	108,906	235,841	–	–	–	–	(99,828)	(99,828)	136,013	69,594	42,284
Land	208,000	208,000	–	–	–	–	(142,550)	(142,550)	65,450	10,000	–
Total Renewal of Existing Assets to be adjusted	**1,906,938**	**2,019,185**	**–**	**–**	**–**	**–**	**(177,857)**	**(177,857)**	**1,841,328**	**2,064,817**	**2,320,831**
Roads Infrastructure	220,181	245,969	–	–	–	–	(84,806)	(84,806)	161,163	240,277	272,528
Storm water Infrastructure	40,275	43,224	–	–	–	–	1,662	1,662	44,886	48,700	45,300
Electrical Infrastructure	426,096	446,384	–	–	–	–	(106,171)	(106,171)	340,214	377,550	421,200
Water Supply Infrastructure	423,000	427,900	–	–	–	–	(36,339)	(36,339)	391,561	442,177	521,000
Sanitation Infrastructure	339,750	328,607	–	–	–	–	(129,361)	(129,361)	199,245	584,500	647,200
Solid Waste Infrastructure	5,280	5,437	–	–	–	–	(844)	(844)	4,593	845	–
Information and Communication Infrastructure	1,560	1,560	–	–	–	–	5	5	1,565	1,500	2,650
Infrastructure	1,456,142	1,499,081	–	–	–	–	(355,854)	(355,854)	1,143,227	1,695,549	1,909,878
Community Facilities	5,522	5,546	–	–	–	–	(1,500)	(1,500)	4,046	800	100
Community Assets	5,522	5,546	–	–	–	–	(1,500)	(1,500)	4,046	800	100
Heritage Assets	1,800	1,977	–	–	–	–	3,845	3,845	5,822	600	1,200
Operational Buildings	23,997	24,075	–	–	–	–	7,079	7,079	31,154	26,257	116,294
Housing	76,583	67,134	–	–	–	–	(14,879)	(14,879)	52,255	44,311	–
Other Assets	100,581	91,209	–	–	–	–	(7,800)	(7,800)	83,409	70,568	116,294
Licences and Rights	2,500	2,547	–	–	–	–	–	–	2,547	2,500	2,500
Intangible Assets	2,500	2,547	–	–	–	–	–	–	2,547	2,500	2,500
Computer Equipment	79,523	82,867	–	–	–	–	60,271	60,271	143,138	80,756	71,408
Furniture and Office Equipment	20,164	19,938	–	–	–	–	1,881	1,881	21,819	22,696	17,294
Machinery and Equipment	29,006	28,868	–	–	–	–	38,533	38,533	67,401	11,910	9,679
Transport Assets	211,700	287,153	–	–	–	–	82,766	82,766	369,920	179,437	192,479
Total Upgrading of Existing Assets to be adjusted	**1,970,828**	**2,123,893**	**–**	**–**	**–**	**–**	**(734,733)**	**(734,733)**	**1,389,160**	**2,643,611**	**2,748,881**
Roads Infrastructure	303,053	363,879	–	–	–	–	(134,732)	(134,732)	229,148	210,032	284,167
Storm water Infrastructure	9,200	24,970	–	–	–	–	(16,770)	(16,770)	8,200	72,000	97,400
Electrical Infrastructure	62,338	62,338	–	–	–	–	(22,335)	(22,335)	40,003	86,528	218,796
Water Supply Infrastructure	116,975	147,453	–	–	–	–	2,384	2,384	149,838	114,300	38,400
Sanitation Infrastructure	674,202	680,446	–	–	–	–	(358,553)	(358,553)	321,893	1,018,723	1,109,405
Solid Waste Infrastructure	247,676	183,602	–	–	–	–	(133,011)	(133,011)	50,591	521,700	432,021
Information and Communication Infrastructure	–	–	–	–	–	–	–	–	–	–	351
Infrastructure	1,413,444	1,462,688	–	–	–	–	(663,016)	(663,016)	799,672	2,023,282	2,180,540
Community Facilities	198,803	206,734	–	–	–	–	(28,506)	(28,506)	178,229	174,422	111,685
Sport and Recreation Facilities	39,427	47,513	–	–	–	–	32,056	32,056	79,569	20,131	70,269
Community Assets	238,230	254,247	–	–	–	–	3,550	3,550	257,798	194,553	181,953
Heritage Assets	–	450	–	–	–	–	1,315	1,315	1,765	–	–
Operational Buildings	244,758	318,351	–	–	–	–	(70,748)	(70,748)	247,603	317,134	221,687
Housing	24,822	34,748	–	–	–	–	7	7	34,755	68,568	22,150
Other Assets	269,581	353,100	–	–	–	–	(70,741)	(70,741)	282,359	385,701	243,837
Licences and Rights	12,450	13,788	–	–	–	–	(1,000)	(1,000)	12,788	12,450	6,250
Intangible Assets	12,450	13,788	–	–	–	–	(1,000)	(1,000)	12,788	12,450	6,250
Computer Equipment	8,952	9,349	–	–	–	–	1,500	1,500	10,849	10,000	7,500
Furniture and Office Equipment	17,176	16,976	–	–	–	–	(4,452)	(4,452)	12,524	9,730	19,050
Machinery and Equipment	10,995	13,295	–	–	–	–	(1,889)	(1,889)	11,406	7,895	9,750
Land	–	–	–	–	–	–	–	–	–	–	100,000

Table continues on next page

Description R thousands	Budget Year 2018/19 Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Budget Year +1 2019/20 Adjusted Budget	Budget Year +2 2020/21 Adjusted Budget
Total Capital Expenditure to be adjusted											
Roads Infrastructure	1,166,328	1,265,261	–	–	–	–	(216,015)	(216,015)	1,049,245	1,068,265	1,232,000
Storm water Infrastructure	144,293	163,576	–	–	–	–	(23,591)	(23,591)	139,984	230,582	260,201
Electrical Infrastructure	903,466	929,252	–	–	–	–	(180,918)	(180,918)	748,333	1,094,500	1,363,600
Water Supply Infrastructure	1,831,160	1,888,959	–	–	–	–	(290,484)	(290,484)	1,598,475	1,858,908	1,579,075
Sanitation Infrastructure	1,725,843	1,721,191	–	–	–	–	(986,218)	(986,218)	734,974	1,997,553	2,803,076
Solid Waste Infrastructure	255,456	192,099	–	–	–	–	(135,155)	(135,155)	56,944	533,065	432,021
Information and Communication Infrastructure	241,966	215,192	–	–	–	–	(137,522)	(137,522)	77,671	10,500	69,019
Infrastructure	6,268,512	6,375,529	–	–	–	–	(1,969,903)	(1,969,903)	4,405,626	6,793,373	7,738,993
Community Facilities	507,152	505,658	–	–	–	33,000	(71,453)	(38,453)	467,205	386,397	276,737
Sport and Recreation Facilities	39,607	47,693	–	–	–	–	32,534	32,534	80,227	20,131	70,269
Community Assets	546,759	553,351	–	–	–	33,000	(38,919)	(5,919)	547,432	406,528	347,006
Heritage Assets	1,800	2,427	–	–	–	–	5,160	5,160	7,587	600	1,200
Operational Buildings	453,973	522,074	–	–	–	–	(134,460)	(134,460)	387,615	474,789	432,757
Housing	155,646	161,508	–	–	–	–	(35,262)	(35,262)	126,246	240,939	142,190
Other Assets	609,619	683,582	–	–	–	–	(169,721)	(169,721)	513,861	715,727	574,948
Licences and Rights	28,275	30,414	–	–	–	–	(7,012)	(7,012)	23,402	78,462	42,275
Intangible Assets	28,275	30,414	–	–	–	–	(7,012)	(7,012)	23,402	78,462	42,275
Computer Equipment	195,037	232,700	–	–	–	–	53,677	53,677	286,377	163,884	193,477
Furniture and Office Equipment	164,549	174,507	–	–	–	(146)	(10,860)	(11,007)	163,501	146,903	109,408
Machinery and Equipment	113,590	116,610	–	–	–	–	49,547	49,547	166,158	62,247	58,370
Transport Assets	320,606	522,994	–	–	–	–	(17,062)	(17,062)	505,932	249,031	234,762
Land	208,000	208,000	–	–	–	–	(142,550)	(142,550)	65,450	10,000	100,000
TOTAL CAPITAL EXPENDITURE to be adjusted	**8,456,748**	**8,900,115**	**–**	**–**	**–**	**32,854**	**(2,247,643)**	**(2,214,790)**	**6,685,325**	**8,626,756**	**9,400,438**
ASSET REGISTER SUMMARY - PPE (WDV)											
Roads Infrastructure	9,415,671	9,509,656	–	–	–	–	147,412	147,412	9,657,068	10,279,627	11,020,909
Storm water Infrastructure	944,325	962,643	–	–	–	–	(109,053)	(109,053)	853,590	1,019,849	1,213,419
Electrical Infrastructure	8,328,033	8,361,319	–	–	–	–	(794,600)	(794,600)	7,566,719	8,329,131	9,319,324
Water Supply Infrastructure	5,942,405	5,988,523	–	–	–	–	(1,752,126)	(1,752,126)	4,236,397	5,613,126	6,672,273
Sanitation Infrastructure	4,624,837	4,584,318	–	–	–	–	(885,327)	(885,327)	3,698,991	5,331,456	7,661,080
Solid Waste Infrastructure	974,112	913,923	–	–	–	–	(433,271)	(433,271)	480,652	936,824	1,297,147
Coastal Infrastructure	–	–	–	–	–	–	113,510	113,510	113,510	113,510	113,510
Information and Communication Infrastructure	4,133,382	4,107,947	–	–	–	–	(262,191)	(262,191)	3,845,756	3,811,423	3,831,882
Infrastructure	34,362,764	34,428,329	–	–	–	–	(3,975,646)	(3,975,646)	30,452,683	35,434,945	41,129,544
Community Facilities	4,843,527	4,842,703	–	–	–	–	(1,884,656)	(1,884,656)	2,958,047	3,211,946	3,351,713
Sport and Recreation Facilities	3,437,004	3,444,686	–	–	–	–	39,818	39,818	3,484,504	3,282,556	3,142,230
Community Assets	8,280,531	8,287,389	–	–	–	–	(1,844,838)	(1,844,838)	6,442,551	6,494,502	6,493,943
Heritage Assets	8,904	8,904	–	–	–	–	(13)	(13)	8,891	8,891	8,891
Revenue Generating	64,819	64,819	–	–	–	–	(0)	(0)	64,819	63,106	61,392
Non-revenue Generating	518,180	518,180	–	–	–	–	–	–	518,180	518,180	518,180
Investment properties	582,999	582,999	–	–	–	–	(0)	(0)	582,999	581,286	579,572
Operational Buildings	1,700,524	1,765,220	–	–	–	–	1,959,174	1,959,174	3,724,395	3,979,475	4,198,127
Housing	2,192,123	2,197,691	–	–	–	–	(82,069)	(82,069)	2,115,622	2,240,779	2,266,361
Other Assets	3,892,647	3,962,912	–	–	–	–	1,877,105	1,877,105	5,840,017	6,220,254	6,464,489
Licences and Rights	450,982	436,324	–	–	–	–	154,725	154,725	591,049	550,559	475,179
Intangible Assets	450,982	436,324	–	–	–	–	154,725	154,725	591,049	550,559	475,179
Computer Equipment	618,390	668,723	–	–	–	–	(49,401)	(49,401)	619,322	512,580	454,118
Furniture and Office Equipment	446,527	458,124	–	–	–	–	(61,870)	(61,870)	396,254	398,529	387,160
Machinery and Equipment	847,927	886,896	–	–	–	–	(340,326)	(340,326)	546,570	480,134	410,021
Transport Assets	1,420,343	1,612,612	–	–	–	–	245,215	245,215	1,857,827	1,740,019	1,601,691
Land	1,127,881	1,127,881	–	–	–	–	(109,941)	(109,941)	1,017,940	957,282	978,231
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	**52,039,895**	**52,461,093**	**–**	**–**	**–**	**–**	**(4,104,989)**	**(4,104,989)**	**48,356,103**	**53,378,981**	**58,982,838**

Table continues on next page.

Description R thousands	Budget Year 2018/19									Budget Year +1 2019/20	Budget Year +2 2020/21
	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	**52,039,895**	**52,461,093**	**–**	**–**	**–**	**–**	**(4,104,989)**	**(4,104,989)**	**48,356,103**	**53,378,981**	**58,982,838**
EXPENDITURE OTHER ITEMS											
Depreciation & asset impairment	2,856,987	2,856,987	–	–	–	–	(30,742)	(30,742)	2,826,245	3,137,918	3,327,621
Repairs and Maintenance by asset class	**4,012,578**	**4,012,835**	**–**	**–**	**–**	**–**	**(20,262)**	**(20,262)**	**3,992,574**	**4,320,924**	**4,660,206**
Roads Infrastructure	671,164	671,164	–	–	–	–	29,573	29,573	700,737	700,536	746,421
Storm water Infrastructure	–	(0)	–	–	–	–	64,007	64,007	64,007	–	–
Electrical Infrastructure	536,787	536,787	–	–	–	–	(2,271)	(2,271)	534,516	571,679	609,122
Water Supply Infrastructure	548,620	548,620	–	–	–	–	(274,868)	(274,868)	273,752	621,440	698,473
Sanitation Infrastructure	401,043	401,043	–	–	–	–	(113,221)	(113,221)	287,823	465,225	515,041
Solid Waste Infrastructure	4,104	4,104	–	–	–	–	368	368	4,472	4,371	4,657
Infrastructure	2,161,718	2,161,718	–	–	–	–	(296,411)	(296,411)	1,865,307	2,363,252	2,573,715
Community Facilities	100,533	100,533	–	–	–	–	110,119	110,119	210,652	106,908	113,912
Sport and Recreation Facilities	264,926	264,926	–	–	–	–	(191,482)	(191,482)	73,444	260,160	277,215
Community Assets	365,459	365,459	–	–	–	–	(81,363)	(81,363)	284,096	367,068	391,126
Heritage Assets	1,928	1,928	–	–	–	–	3,510	3,510	5,438	2,053	2,188
Revenue Generating	16	41	–	–	–	–	7,274	7,274	7,315	17	18
Non-revenue Generating	20,694	20,694	–	–	–	–	(17,145)	(17,145)	3,550	22,040	23,483
Investment properties	20,710	20,735	–	–	–	–	(9,871)	(9,871)	10,865	22,057	23,501
Operational Buildings	194,813	194,863	–	–	–	–	44,190	44,190	239,053	185,650	199,609
Housing	–	–	–	–	–	–	37,185	37,185	37,185	–	–
Other Assets	194,813	194,863	–	–	–	–	81,375	81,375	276,238	185,650	199,609
Computer Equipment	269,549	269,705	–	–	–	–	383,009	383,009	652,714	277,899	296,120
Furniture and Office Equipment	551,321	551,338	–	–	–	–	(93,731)	(93,731)	457,607	626,772	666,560
Machinery and Equipment	–	–	–	–	–	–	1,110	1,110	1,110	–	–
Transport Assets	447,079	447,089	–	–	–	–	(7,889)	(7,889)	439,200	476,172	507,387
TOTAL EXPENDITURE OTHER ITEMS to be adjusted	**6,869,565**	**6,869,822**	**–**	**–**	**–**	**–**	**(51,004)**	**(51,004)**	**6,818,819**	**7,458,842**	**7,987,827**
Renewal and upgrading of Existing Assets as % of total capex	*45.9%*	*46.6%*							*48.3%*	*54.6%*	*53.9%*
Renewal and upgrading of Existing Assets as % of deprecn"	*135.7%*	*145.0%*							*114.3%*	*150.0%*	*152.4%*
R&M as a % of PPE	*7.7%*	*7.6%*							*8.3%*	*8.1%*	*7.9%*
Renewal and upgrading and R&M as a % of PPE	*15.2%*	*15.5%*							*14.9%*	*16.9%*	*16.5%*

Table 22: MBRR Table B10 Consolidated Basic service delivery measurement

Description	Budget Year 2018/19									Budget Year +1 2019/20	Budget Year +2 2020/21
	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
Household service targets											
Water:											
Piped water inside dwelling	1,190,854	1,190,854	–	–	–	–	–	–	1,190,854	1,214,760	1,239,353
Piped water inside yard (but not in dwelling)	–	–	–	–	–	–	–	–	–	–	–
Using public tap (at least min.service level)	165,105	165,105	–	–	–	–	–	–	165,105	168,419	171,829
Other water supply (at least min.service level)	–	–	–	–	–	–	–	–	–	–	–
Minimum Service Level and Above sub-total	1,355,959	1,355,959	–	–	–	–	–	–	1,355,959	1,383,179	1,411,182
Using public tap (< min.service level)	–	–	–	–	–	–	–	–	–	–	–
Other water supply (< min.service level)	–	–	–	–	–	–	–	–	–	–	–
No water supply	–	–	–	–	–	–	–	–	–	–	–
Below Minimum Servic Level sub-total	–	–	–	–	–	–	–	–	–	–	–
Total number of households	**1,355,959**	**1,355,959**	**–**	**–**	**–**	**–**	**–**	**–**	**1,355,959**	**1,383,179**	**1,411,182**
Sanitation/sewerage:											
Flush toilet (connected to sewerage)	1,275,391	1,275,391	–	–	–	–	–	–	1,275,391	1,303,497	1,332,490
Flush toilet (with septic tank)	–	–	–	–	–	–	–	–	–	–	–
Chemical toilet	26,392	26,392	–	–	–	–	–	–	26,392	26,392	26,392
Pit toilet (ventilated)	197	197	–	–	–	–	–	–	197	197	–
Other toilet provisions (> min.service level)	53,830	53,830	–	–	–	–	–	–	53,830	52,993	52,300
Minimum Service Level and Above sub-total	1,355,810	1,355,810	–	–	–	–	–	–	1,355,810	1,383,079	1,411,182
Bucket toilet	149	149	–	–	–	–	–	–	149	100	–
Other toilet provisions (< min.service level)	–	–	–	–	–	–	–	–	–	–	–
No toilet provisions	–	–	–	–	–	–	–	–	–	–	–
Below Minimum Servic Level sub-total	149	149	–	–	–	–	–	–	149	100	–
Total number of households	**1,355,959**	**1,355,959**	**–**	**–**	**–**	**–**	**–**	**–**	**1,355,959**	**1,383,179**	**1,411,182**
Energy:											
Electricity (at least min. service level)	818,813	818,813	–	–	–	–	–	–	818,813	820,313	821,813
Electricity - prepaid (> min.service level)	–	–	–	–	–	–	–	–	–	0	0
Minimum Service Level and Above sub-total	818,813	818,813	–	–	–	–	–	–	818,813	820,313	821,813
Electricity (< min.service level)	29,341	29,341	–	–	–	–	–	–	29,341	27,841	26,341
Electricity - prepaid (< min. service level)	–	–	–	–	–	–	–	–	–	–	–
Other energy sources	–	–	–	–	–	–	–	–	–	–	–
Below Minimum Servic Level sub-total	29,341	29,341	–	–	–	–	–	–	29,341	27,841	26,341
Total number of households	848,154	848,154	–	–	–	–	–	–	848,154	848,154	848,154
Refuse:											
Removed at least once a week (min.service)	939,739	939,739	–	–	–	–	4,877	4,877	944,616	958,534	977,704
Minimum Service Level and Above sub-total	939,739	939,739	–	–	–	–	4,877	4,877	944,616	958,534	977,704
Removed less frequently than once a week	–	–	–	–	–	–	–	–	–	–	–
Using communal refuse dump	–	–	–	–	–	–	–	–	–	–	–
Using own refuse dump	–	–	–	–	–	–	–	–	–	–	–
Other rubbish disposal	–	–	–	–	–	–	–	–	–	–	–
No rubbish disposal	–	–	–	–	–	–	–	–	–	–	–
Below Minimum Servic Level sub-total	–	–	–	–	–	–	–	–	–	–	–
Total number of households	**939,739**	**939,739**	**–**	**–**	**–**	**–**	**4,877**	**4,877**	**944,616**	**958,534**	**977,704**

Table continues on next page.

Description	Budget Year 2018/19									Budget Year +1 2019/20	Budget Year +2 2020/21
	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
Households receiving Free Basic Service											
Water (6 kilolitres per household per month)	267,325	267,325	–	–	–	–	–	–	267,325	267,325	267,325
Sanitation (free minimum level service)	267,325	267,325	–	–	–	–	–	–	267,325	267,325	267,325
Electricity/other energy (50kwh per household per month)	194,597	194,597	–	–	–	–	–	–	194,597	194,597	194,597
Refuse (removed at least once a week)	324,018	324,018	–	–	–	–	(20,886)	(20,886)	(20,562)	309,194	315,378
Cost of Free Basic Services provided (R'000)											
Water (6 kilolitres per indigent household per month)	368,203	368,203	–	–	–	–	–	–	368,203	538,572	657,273
Sanitation (free sanitation service to indigent households)	233,221	233,221	–	–	–	–	–	–	233,221	314,079	383,302
Electricity/other energy (50kwh per indigent household per month)	160,638	160,638	–	–	–	–	–	–	160,638	160,638	160,638
Refuse (removed once a week for indigent households)	291,928	291,928	–	–	–	–	(11,928)	(11,928)	280,000	307,984	324,924
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)	775,058	775,058	–	–	–	–	65,447	65,447	840,505	1,019,603	1,171,672
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)	**1,829,048**	**1,829,048**	**–**	**–**	**–**	**–**	**53,519**	**53,519**	**1,882,567**	**2,340,876**	**2,697,808**
Highest level of free service provided											
Property rates (R'000 value threshold)	–	–	–	–	–	–	–	–	–	–	–
Water (kilolitres per household per month)	10.50	10.50	–	–	–	–	–	–	10.50	10.50	10.50
Sanitation (kilolitres per household per month)	7.35	7.35	–	–	–	–	–	–	7.35	7.35	7.35
Sanitation (Rand per household per month)	–	–	–	–	–	–	–	–	–	–	–
Electricity (kw per household per month)	60.00	60.00	–	–	–	–	–	–	60.00	60.00	60.00
Refuse (average litres per week)	240.00	240.00	–	–	–	–	–	–	240.00	240.00	240.00
Revenue cost of free services provided (R'000)											
Property rates (tariff adjustment) (impermissable values per section 17 of MPRA)	–	–	–	–	–	–	–	–	–	–	–
Property rates exemptions, reductions and rebates and impermissable values in excess of section 17 of MPRA)	1,403,930	1,403,930	–	–	–	–	–	–	1,403,930	1,539,066	1,674,064
Water (in excess of 6 kilolitres per indigent household per month)	276,152	276,152	–	–	–	–	–	–	276,152	403,929	492,955
Sanitation (in excess of free sanitation service to indigent households)	174,916	174,916	–	–	–	–	–	–	174,916	235,559	287,476
Electricity/other energy (in excess of 50 kwh per indigent household per month)	–	–	–	–	–	–	–	–	–	–	–
Refuse (in excess of one removal a week for indigent households)	–	–	–	–	–	–	–	–	–	–	–
Municipal Housing - rental rebates	31,060	31,060	–	–	–	–	–	–	31,060	32,614	34,245
Housing - top structure subsidies	–	–	–	–	–	–	–	–	–	–	–
Other	–	–	–	–	–	–	–	–	–	–	–
Total revenue cost of subsidised services provided	**1,886,058**	**1,886,058**	**–**	**–**	**–**	**–**	**–**	**–**	**1,886,058**	**2,211,167**	**2,488,740**

PART 3 - ADJUSTMENTS BUDGET: MUNICIPAL ENTITY - CAPE TOWN INTERNATIONAL CONVENTION CENTRE

The Cape Town International Convention Centre's (CTICC) main MBRR tables are presented on page 60 to page 65.

Table 23 MBRR Table E1 - Adjustments Budget Summary - CTICC

Description	Budget Year 2018/19								Budget Year +1 2019/20	Budget Year +2 2020/21
R thousands	Original Budget	Prior Adjusted	Downward adjusts	Parent muni.	Unfore. Unavoid.	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
Financial Performance										
Property rates	–	–	–	–	–	–	–	–	–	–
Service charges	–	–	–	–	–	–	–	–	–	–
Investment revenue	4,515	–	–	–	–	7,746	7,746	12,262	4,786	5,073
Transfers recognised - operational	–	–	–	–	–	–	–	–	–	–
Other own revenue	286,614	–	–	–	–	(23,488)	(23,488)	263,127	303,811	322,040
Total Revenue (excluding capital transfers and contributions)	**291,129**	**–**	**–**	**–**	**–**	**(15,741)**	**(15,741)**	**275,388**	**308,597**	**327,113**
Employee costs	92,542	–	–	–	–	(9,036)	(9,036)	83,506	98,909	104,843
Remuneration of Board Members	756	–	–	–	–	128	128	884	816	882
Depreciation and debt impairment	42,951	–	–	–	–	–	–	42,951	45,523	48,238
Finance charges	–	–	–	–	–	–	–	–	–	–
Materials and bulk purchases	41,317	–	–	–	–	(4,583)	(4,583)	36,733	43,940	46,577
Transfers and grants	57	–	–	–	–	–	–	57	61	64
Other expenditure	144,217	–	–	–	–	(10,554)	(10,554)	133,664	153,375	162,578
Total Expenditure	**321,840**	**–**	**–**	**–**	**–**	**(24,045)**	**(24,045)**	**297,796**	**342,624**	**363,182**
Surplus/(Deficit)	**(30,711)**	**–**	**–**	**–**	**–**	**8,304**	**8,304**	**(22,408)**	**(34,027)**	**(36,069)**
Transfers recognised - capital	–	–	–	–	–	–	–	–	–	–
Contributions recognised - capital & contributed assets	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	**(30,711)**	**–**	**–**	**–**	**–**	**8,304**	**8,432**	**(22,279)**	**(34,027)**	**(36,069)**
Taxation	–	–	–	–	–	–	–	–	–	–
Surplus/ (Deficit) for the year	**(30,711)**	**–**	**–**	**–**	**–**	**8,304**	**8,432**	**(22,279)**	**(34,027)**	**(36,069)**
Capital expenditure & funds sources										
Capital expenditure	***49,193***	**–**	**–**	**–**	**–**	**–**	**–**	***49,193***	***49,193***	***40,631***
Transfers recognised - capital	–	–	–	–	–	–	–	–	–	–
Public contributions & donations	–	–	–	–	–	–	–	–	–	–
Borrowing	–	–	–	–	–	–	–	–	–	–
Internally generated funds	49,193	–	–	–	–	–	–	49,193	49,193	40,631
Total sources of capital funds	***49,193***	**–**	**–**	**–**	**–**	**–**	–	***49,193***	***49,193***	***40,631***
Financial position										
Total current assets	132,686	–	–	–	–	(81)	(81)	132,606	116,410	92,922
Total non current assets	438,450	–	–	–	–	157,450	157,450	595,900	433,870	429,016
Total current liabilities	118,543	–	–	–	–	(18,279)	(18,279)	100,264	126,252	133,979
Total non current liabilities	–	–	–	–	–	–	–	–	–	–
Community wealth/Equity	452,593	–	–	–	–	175,649	175,649	628,242	424,028	387,960
Cash flows										
Net cash from (used) operating	29,498	–	–	–	–	25,156	25,156	54,655	17,566	18,175
Net cash from (used) investing	(49,193)	–	–	–	–	–	–	(49,193)	(40,631)	(43,069)
Net cash from (used) financing	–	–	–	–	–	–	–	–	–	–
Cash/cash equivalents at the year end	**107,000**	**–**	**–**	**–**	**–**	**132,156**	**132,156**	**112,462**	**89,397**	**64,504**

Table 24 MBRR Table E2 Adjustments Budget - Financial Performance (revenue and expenditure) - CTICC

Description	Budget Year 2018/19								Budget Year +1 2019/20	Budget Year +2 2020/21
R thousands	Original Budget	Prior Adjusted	Downward adjusts	Parent muni.	Unfore. Unavoid.	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
Revenue By Source										
Property rates	–	–	–	–	–	–	–	–	–	–
Service charges - electricity revenue	–	–	–	–	–	–	–	–	–	–
Service charges - water revenue	–	–	–	–	–	–	–	–	–	–
Service charges - sanitation revenue	–	–	–	–	–	–	–	–	–	–
Service charges - refuse revenue	–	–	–	–	–	–	–	–	–	–
Service charges - other	–	–	–	–	–	–	–	–	–	–
Rental of facilities and equipment	138,802	–	–	–	–	(14,959)	(14,959)	123,844	147,131	155,958
Interest earned - external investments	4,515	–	–	–	–	7,746	7,746	12,262	4,786	5,073
Interest earned - outstanding debtors	–	–	–	–	–	–	–	–	–	–
Dividends received	–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits	–	–	–	–	–	–	–	–	–	–
Licences and permits	–	–	–	–	–	–	–	–	–	–
Agency services	–	–	–	–	–	–	–	–	–	–
Transfers and subsidies	–	–	–	–	–	–	–	–	–	–
Other revenue	147,812	–	–	–	–	(8,529)	(8,529)	139,283	156,680	166,081
Gains on disposal of PPE	–	–	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)	**291,129**	**–**	**–**	**–**	**–**	**(15,741)**	**(15,741)**	**275,388**	**308,597**	**327,113**
Expenditure By Type										
Employee related costs	92,542	–	–	–	–	(9,036)	(9,036)	83,506	98,909	104,843
Remuneration of Directors	756	–	–	–	–	128	128	884	816	882
Debt impairment	300	–	–	–	–	–	–	300	312	315
Depreciation & asset impairment	42,651	–	–	–	–	–	–	42,651	45,211	47,923
Finance charges	–	–	–	–	–	–	–	–	–	–
Bulk purchases	–	–	–	–	–	–	–	–	–	–
Other materials	41,317	–	–	–	–	(4,583)	(4,583)	36,733	43,940	46,577
Contracted services	62,884	–	–	–	–	(5,844)	(5,844)	57,039	66,877	70,889
Transfers and subsidies	57	–	–	–	–	–	–	57	61	64
Other expenditure	81,334	–	–	–	–	(4,710)	(4,710)	76,624	86,498	91,688
Loss on disposal of PPE	–	–	–	–	–	–	–	–	–	–
Total Expenditure	**321,840**	**–**	**–**	**–**	**–**	**(24,045)**	**(24,045)**	**297,796**	**342,624**	**363,182**
Surplus/(Deficit)	**(30,711)**	**–**	**–**	**–**	**–**	**8,304**	**8,304**	**(22,408)**	**(34,027)**	**(36,069)**
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	–	–	–	–	–	–	–	–	–	–
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)	–	–	–	–	–	–	–	–	–	–
Transfers and subsidies - capital (in-kind - all)	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) before taxation	**(30,711)**	**–**	**–**	**–**	**–**	**8,304**	**8,304**	**(22,408)**	**(34,027)**	**(36,069)**
Taxation	–	–	–	–	–	–	–	–	–	–
Surplus/ (Deficit) for the year	**(30,711)**	**–**	**–**	**–**	**–**	**8,304**	**8,304**	**(22,408)**	**(34,027)**	**(36,069)**

Explanatory notes to MBRR Table E2 – Adjustments Budget Financial Performance (revenue and expenditure) - CTICC

1. Rental of facilities and equipment
   Venue rental decreases by R14.9 million, due to lower revenue achieved in the first quarter (R11.0 million shortfall). Management is forecasting that the performance in the remaining quarters will be closer to the original budget.

2. Interest received – external investments
   R7.7 million increase, due to available cash reserves and favourable interest rates.

3. Other Revenue
   Other revenue decreases by R8.5 million against the following categories
   - Food and beverage revenue – R6 million decrease
     The decrease relates to the performance in the first quarter where a R7.3 million shortfall occurred, with the remaining quarters forecast to be in line with budget or slightly improved.

   - Other income - R3 million decrease
     The decrease is in part due to the first quarter's shortfall of R2 million. This adjustment relates to the budgeted revenue from subcontracted services, with parking and other revenues forecast to increase. The reduction is necessary due to clients using alternate service providers that are not contracted to the CTICC.

4. Employee related costs
   Total personnel cost decreases by R9 million, due to mostly delays in reallocating flexi-staff from direct personnel costs, and savings as a result of vacant positions.

5. Remuneration of Directors
   The increase is as a result of the vacant positions being filled with the appointment of three non-executive directors to the Board by the City. Remuneration for the Audit and Risk Committee member's appointment, not holding directorships on the Board, is also included.

6. Other Materials
   The decrease of R4.6 million is largely due to savings.

7. Contracted Services
   The decrease of R5.8 million is mainly due to potential savings on security, cleaning, refuse and onsite medic services.

8. Other Expenditure
   The decrease of R4.7 million is mainly due to the reduction in electricity- and water use, a lower water tariff and the commissioning of the reverse osmosis plant.

Table 25 MBRR Table E3 Adjustments Capital Expenditure Budget by asset class and funding - CTICC

Description	Budget Year 2018/19									Budget Year +1 2019/20	Budget Year +2 2020/21
R thousands	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
Capital expenditure by Asset Class/Sub-class											
Other assets	**27,247**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**27,247**	**22,450**	**23,797**
Operational Buildings	27,247	–	–	–	–	–	–	–	27,247	22,450	23,797
Municipal Offices	*27,247*	–	–	–	–	–	–	–	*27,247*	*22,450*	*23,797*
Computer Equipment	**15,218**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**15,218**	**15,803**	**16,751**
Computer Equipment	15,218	–	–	–	–	–	–	–	15,218	15,803	16,751
Furniture and Office Equipment	**5,380**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**5,380**	**1,030**	**1,092**
Furniture and Office Equipment	5,380	–	–	–	–	–	–	–	5,380	1,030	1,092
Machinery and Equipment	**1,348**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**1,348**	**1,348**	**1,429**
Machinery and Equipment	1,348	–	–	–	–	–	–	–	1,348	1,348	1,429
Total Capital Expenditure to be adjusted	**49,193**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**49,193**	**40,631**	**43,069**
Funded by:											
National Government	–	–	–	–	–	–	–	–	–	–	–
Provincial Government	–	–	–	–	–	–	–	–	–	–	–
Parent Municipality	–	–	–	–	–	–	–	–	–	–	–
District Municipality	–	–	–	–	–	–	–	–	–	–	–
Transfers recognised - capital	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Public contributions & donations	–	–	–	–	–	–	–	–	–	–	–
Borrowing	–	–	–	–	–	–	–	–	–	–	–
Internally generated funds	49,193	–	–	–	–	–	–	–	49,193	40,631	43,069
Total Capital Funding	**49,193**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**49,193**	**40,631**	**43,069**

Table 26 MBRR Table E4 Adjustments Budget - Financial Position - CTICC

Description	Budget Year 2018/19								Budget Year +1 2019/20	Budget Year +2 2020/21
R thousands	Original Budget	Prior Adjusted	Downward adjusts	Parent muni.	Unfore. Unavoid.	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
ASSETS										
Current assets										
Cash	–	–	–	–	–	–	–	–	–	–
Call investment deposits	107,000	–	–	–	–	5,462	5,462	112,462	89,397	64,503
Consumer debtors	–	–	–	–	–	–	–	–	–	–
Other debtors	24,027	–	–	–	–	(5,543)	(5,543)	18,485	25,254	26,555
Current portion of long-term receivables	–	–	–	–	–	–	–	–	–	–
Inventory	1,659	–	–	–	–	–	–	1,659	1,758	1,864
Total current assets	**132,686**	**–**	**–**	**–**	**–**	**(81)**	**(81)**	**132,606**	**116,410**	**92,922**
Non current assets										
Long-term receivables	–	–	–	–	–	–	–	–	–	–
Investments	0	–	–	–	–	–	–	0	0	0
Investment property	–	–	–	–	–	–	–	–	–	–
Property, plant and equipment	438,450	–	–	–	–	157,450	157,450	595,900	433,870	429,016
Agricultural	–	–	–	–	–	–	–	–	–	–
Biological	–	–	–	–	–	–	–	–	–	–
Intangible	–	–	–	–	–	–	–	–	–	–
Other non-current assets	–	–	–	–	–	–	–	–	–	–
Total non current assets	**438,450**	**–**	**–**	**–**	**–**	**157,450**	**157,450**	**595,900**	**433,870**	**429,016**
TOTAL ASSETS	**571,136**	**–**	**–**	**–**	**–**	**157,370**	**157,370**	**728,506**	**550,280**	**521,938**
LIABILITIES										
Current liabilities										
Bank overdraft	–	–	–	–	–	–	–	–	–	–
Borrowing	–	–	–	–	–	–	–	–	–	–
Consumer deposits	26,166	–	–	–	–	(3,254)	(3,254)	22,912	27,736	29,400
Trade and other payables	86,549	–	–	–	–	(15,025)	(15,025)	71,524	92,198	97,730
Provisions	5,828	–	–	–	–	–	–	5,828	6,318	6,848
Total current liabilities	**118,543**	**–**	**–**	**–**	**–**	**(18,279)**	**(18,279)**	**100,264**	**126,252**	**133,979**
Non current liabilities										
Borrowing	–	–	–	–	–	–	–	–	–	–
Provisions	–	–	–	–	–	–	–	–	–	–
Total non current liabilities	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
TOTAL LIABILITIES	**118,543**	**–**	**–**	**–**	**–**	**(18,279)**	**(18,279)**	**100,264**	**126,252**	**133,979**
NET ASSETS	**452,593**	**–**	**–**	**–**	**–**	**175,649**	**175,649**	**628,242**	**424,028**	**387,960**
COMMUNITY WEALTH/EQUITY										
Accumulated Surplus/(Deficit)	(824,834)	–	–	–	–	175,649	175,649	(649,186)	(853,399)	(889,468)
Reserves	–	–	–	–	–	–	–	–	–	–
Share capital	1,277,428	–	–	–	–	–	–	1,277,428	1,277,428	1,277,428
TOTAL COMMUNITY WEALTH/EQUITY	**452,593**	**–**	**–**	**–**	**–**	**175,649**	**175,649**	**628,242**	**424,028**	**387,960**

Table 27 MBRR Table E5 Adjustments Budget - Cash Flows - CTICC

Description R thousands	Budget Year 2018/19 Original Budget	Prior Adjusted	Downward adjusts	Parent muni.	Unfore. Unavoid.	Other Adjusts.	Total Adjusts.	Adjusted Budget	Budget Year +1 2019/20 Adjusted Budget	Budget Year +2 2020/21 Adjusted Budget
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates	–	–	–	–	–	–	–	–	–	–
Service charges	–	–	–	–	–	–	–	–	–	–
Other revenue	284,135	–	–	–	–	(14,691)	(14,691)	269,444	302,755	320,933
Government - operating	–	–	–	–	–	–	–	–	–	–
Government - capital	–	–	–	–	–	–	–	–	–	–
Interest	4,515	–	–	–	–	7,746	7,746	12,262	4,786	5,073
Dividends	–	–	–	–	–	–	–	–	–	–
Payments										
Suppliers and employees	(259,151)	–	–	–	–	32,101	32,101	(227,050)	(289,975)	(307,831)
Finance charges	–	–	–	–	–	–	–	–	–	–
Dividends paid	–	–	–	–	–	–	–	–	–	–
Transfers and Grants	–	–	–	–	–	–	–	–	–	–
NET CASH FROM/(USED) OPERATING ACTIVITIES	**29,498**	**–**	**–**	**–**	**–**	**25,156**	**25,156**	**54,655**	**17,566**	**18,175**
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE	–	–	–	–	–	–	–	–	–	–
Decrease (Increase) in non-current debtors	–	–	–	–	–	–	–	–	–	–
Decrease (increase) other non-current receivables	–	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current investments	–	–	–	–	–	–	–	–	–	–
Payments										
Capital assets	(49,193)	–	–	–	–	–	–	(49,193)	(40,631)	(43,069)
NET CASH FROM/(USED) INVESTING ACTIVITIES	**(49,193)**	**–**	**–**	**–**	**–**	**–**	**–**	**(49,193)**	**(40,631)**	**(43,069)**
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts	–	–	–	–	–	–	–	–	–	–
Short term loans	–	–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing	–	–	–	–	–	–	–	–	–	–
Increase (decrease) in consumer deposits	–	–	–	–	–	–	–	–	–	–
Payments										
Repayment of borrowing	–	–	–	–	–	–	–	–	–	–
NET CASH FROM/(USED) FINANCING ACTIVITIES	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
NET INCREASE/ (DECREASE) IN CASH HELD	**(19,694)**	**–**	**–**	**–**	**–**	**25,156**	**25,156**	**5,462**	**(23,065)**	**(24,894)**
Cash/cash equivalents at the year begin:	126,694	–	–	–	–	107,000	107,000	107,000	112,462	89,397
Cash/cash equivalents at the year end:	107,000	–	–	–	–	132,156	132,156	112,462	89,397	64,504

PART 4 - ADJUSTMENTS BUDGET: MUNICIPAL ENTITY - CAPE TOWN STADIUM

The Cape Town Stadium's (CTS) main MBRR tables are presented on page 66 to page 68.

Table 28 MBRR Table E1 - Adjustments Budget Summary – CTS

Description	Budget Year 2018/19								Budget Year +1 2019/20	Budget Year +2 2020/21
R thousands	Original Budget	Prior Adjusted	Downward adjusts	Parent muni.	Unfore. Unavoid.	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
Financial Performance										
Property rates	–	–	–	–	–	–	–	–	–	–
Service charges	–	–	–	–	–	–	–	–	–	–
Investment revenue	–	–	–	–	–	–	–	–	–	–
Transfers recognised - operational	70,160	–	–	–	–	2,500	2,500	72,660	68,696	67,162
Other own revenue	18,731	–	–	–	–	–	–	18,731	22,921	24,524
Total Revenue (excluding capital transfers and contributions)	**88,891**	**–**	**–**	**–**	**–**	**2,500**	**2,500**	**91,391**	**91,617**	**91,686**
Employee costs	–	–	–	–	–	–	–	–	–	–
Remuneration of Board Members	660	–	–	–	–	–	–	660	739	776
Depreciation and debt impairment	–	–	–	–	–	–	–	–	–	–
Finance charges	–	–	–	–	–	–	–	–	–	–
Materials and bulk purchases	–	–	–	–	–	–	–	–	–	–
Transfers and grants	–	–	–	–	–	–	–	–	–	–
Other expenditure	88,231	–	–	–	–	2,500	2,500	90,731	90,878	90,910
Total Expenditure	**88,891**	**–**	**–**	**–**	**–**	**2,500**	**2,500**	**91,391**	**91,617**	**91,686**
Surplus/(Deficit)	–	–	–	–	–	–	–	–	0	(0)
Transfers recognised - capital	–	–	–	–	–	–	–	–	–	–
Contributions recognised - capital & contributed assets	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**0**	**(0)**
Taxation	–	–	–	–	–	–	–	–	–	–
Surplus/ (Deficit) for the year	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**0**	**(0)**
Capital expenditure & funds sources										
Capital expenditure	–	–	–	–	–	–	–	–	–	–
Transfers recognised - capital	–	–	–	–	–	–	–	–	–	–
Public contributions & donations	–	–	–	–	–	–	–	–	–	–
Borrowing	–	–	–	–	–	–	–	–	–	–
Internally generated funds	–	–	–	–	–	–	–	–	–	–
Total sources of capital funds	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Financial position										
Total current assets	5,846	–	–	–	–	–	–	5,846	11,096	3,592
Total non current assets	–	–	–	–	–	–	–	–	–	–
Total current liabilities	5,846	–	–	–	–	–	–	5,846	11,096	3,592
Total non current liabilities	–	–	–	–	–	–	–	–	–	–
Community wealth/Equity	–	–	–	–	–	–	–	–	–	–
Cash flows										
Net cash from (used) operating	5,846	–	–	–	–	–	–	5,846	5,250	(7,504)
Net cash from (used) investing	–	–	–	–	–	–	–	–	–	–
Net cash from (used) financing	–	–	–	–	–	–	–	–	–	–
Cash/cash equivalents at the year end	**5,846**	**–**	**–**	**–**	**–**	**–**	**–**	**5,846**	**11,096**	**3,592**

Table 29 MBRR Table E2 Adjustments Budget - Financial Performance (revenue and expenditure) - CTS

Description	Budget Year 2018/19								Budget Year +1 2019/20	Budget Year +2 2020/21
R thousands	Original Budget	Prior Adjusted	Downward adjusts	Parent muni.	Unfore. Unavoid.	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
Revenue By Source										
Property rates	–	–	–	–	–	–	–	–	–	–
Service charges - electricity revenue	–	–	–	–	–	–	–	–	–	–
Service charges - water revenue	–	–	–	–	–	–	–	–	–	–
Service charges - sanitation revenue	–	–	–	–	–	–	–	–	–	–
Service charges - refuse revenue	–	–	–	–	–	–	–	–	–	–
Service charges - other	–	–	–	–	–	–	–	–	–	–
Rental of facilities and equipment	14,131	–	–	–	–	–	–	14,131	16,582	17,582
Interest earned - external investments	–	–	–	–	–	–	–	–	–	–
Interest earned - outstanding debtors	–	–	–	–	–	–	–	–	–	–
Dividends received	–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits	–	–	–	–	–	–	–	–	–	–
Licences and permits	–	–	–	–	–	–	–	–	–	–
Agency services	–	–	–	–	–	–	–	–	–	–
Transfers and subsidies	70,160	–	–	–	–	2,500	2,500	72,660	68,696	67,162
Other revenue	4,600	–	–	–	–	–	–	4,600	6,339	6,942
Gains on disposal of PPE	–	–	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)	**88,891**	**–**	**–**	**–**	**–**	**2,500**	**2,500**	**91,391**	**91,617**	**91,686**
Expenditure By Type										
Employee related costs	–	–	–	–	–	–	–	–	–	–
Remuneration of Directors	660	–	–	–	–	–	–	660	739	776
Debt impairment	–	–	–	–	–	–	–	–	–	–
Depreciation & asset impairment	–	–	–	–	–	–	–	–	–	–
Finance charges	–	–	–	–	–	–	–	–	–	–
Bulk purchases	–	–	–	–	–	–	–	–	–	–
Other materials	–	–	–	–	–	–	–	–	–	–
Contracted services	51,540	–	–	–	–	2,500	2,500	54,040	53,087	53,106
Transfers and subsidies	–	–	–	–	–	–	–	–	–	–
Other expenditure	36,690	–	–	–	–	–	–	36,690	37,791	37,804
Loss on disposal of PPE	–	–	–	–	–	–	–	–	–	–
Total Expenditure	**88,891**	**–**	**–**	**–**	**–**	**2,500**	**2,500**	**91,391**	**91,617**	**91,686**
Surplus/(Deficit)	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**0**	**(0)**
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	–	–	–	–	–	–	–	–	–	–
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)	–	–	–	–	–	–	–	–	–	–
Transfers and subsidies - capital (in-kind - all)	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) before taxation	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**0**	**(0)**
Taxation	–	–	–	–	–	–	–	–	–	–
Surplus/ (Deficit) for the year	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**0**	**(0)**

Explanatory notes to MBRR Table E2 – Adjustments Budget Financial Performance (revenue and expenditure) - CTS

1. Transfers & Subsidies and Contracted Services increases for the appointment of a CFO and a Company Secretary.

Table 30 MBRR Table E4 Adjustments Budget - Financial Position – CT Stadium

Description	Budget Year 2018/19								Budget Year +1 2019/20	Budget Year +2 2020/21
R thousands	Original Budget	Prior Adjusted	Downward adjusts	Parent muni.	Unfore. Unavoid.	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
ASSETS										
Current assets										
Cash	5,846	–	–	–	–	–	–	5,846	11,096	3,592
Call investment deposits	–	–	–	–	–	–	–	–	–	–
Consumer debtors	–	–	–	–	–	–	–	–	–	–
Other debtors	–	–	–	–	–	–	–	–	–	–
Current portion of long-term receivables	–	–	–	–	–	–	–	–	–	–
Inventory	–	–	–	–	–	–	–	–	–	–
Total current assets	**5,846**	**–**	**–**	**–**	**–**	**–**	**–**	**5,846**	**11,096**	**3,592**
Non current assets										
Long-term receivables	–	–	–	–	–	–	–	–	–	–
Investments	–	–	–	–	–	–	–	–	–	–
Investment property	–	–	–	–	–	–	–	–	–	–
Property, plant and equipment	–	–	–	–	–	–	–	–	–	–
Agricultural	–	–	–	–	–	–	–	–	–	–
Biological	–	–	–	–	–	–	–	–	–	–
Intangible	–	–	–	–	–	–	–	–	–	–
Other non-current assets	–	–	–	–	–	–	–	–	–	–
Total non current assets	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
TOTAL ASSETS	**5,846**	**–**	**–**	**–**	**–**	**–**	**–**	**5,846**	**11,096**	**3,592**
LIABILITIES										
Current liabilities										
Bank overdraft	–	–	–	–	–	–	–	–	–	–
Borrowing	–	–	–	–	–	–	–	–	–	–
Consumer deposits	–	–	–	–	–	–	–	–	–	–
Trade and other payables	5,846	–	–	–	–	–	–	5,846	11,096	3,592
Provisions	–	–	–	–	–	–	–	–	–	–
Total current liabilities	**5,846**	**–**	**–**	**–**	**–**	**–**	**–**	**5,846**	**11,096**	**3,592**
Non current liabilities										
Borrowing	–	–	–	–	–	–	–	–	–	–
Provisions	–	–	–	–	–	–	–	–	–	–
Total non current liabilities	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
TOTAL LIABILITIES	**5,846**	**–**	**–**	**–**	**–**	**–**	**–**	**5,846**	**11,096**	**3,592**
NET ASSETS	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
COMMUNITY WEALTH/EQUITY										
Accumulated Surplus/(Deficit)	–	–	–	–	–	–	–	–	–	–
Reserves	–	–	–	–	–	–	–	–	–	–
Share capital	–	–	–	–	–	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**

Table 31 MBRR Table E5 Adjustments Budget – Cash Flows – CT Stadium

Description	Budget Year 2018/19								Budget Year +1 2019/20	Budget Year +2 2020/21
R thousands	Original Budget	Prior Adjusted	Downward adjusts	Parent muni.	Unfore. Unavoid.	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates	–	–	–	–	–	–	–	–	–	–
Service charges	–	–	–	–	–	–	–	–	–	–
Other revenue	18,731	–	–	–	–	–	–	18,731	22,921	24,524
Government - operating	70,160	–	–	–	–	2,500	2,500	72,660	68,696	67,162
Government - capital	–	–	–	–	–	–	–	–	–	–
Interest	–	–	–	–	–	–	–	–	–	–
Dividends	–	–	–	–	–	–	–	–	–	–
Payments										
Suppliers and employees	(83,045)	–	–	–	–	(2,500)	(2,500)	(85,545)	(86,367)	(88,094)
Finance charges	–	–	–	–	–	–	–	–	–	–
Dividends paid	–	–	–	–	–	–	–	–	–	–
Transfers and Grants	–	–	–	–	–	–	–	–	–	(11,096)
NET CASH FROM/(USED) OPERATING ACTIVITIES	**5,846**	**–**	**–**	**–**	**–**	**–**	**–**	**5,846**	**5,250**	**(7,504)**
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE	–	–	–	–	–	–	–	–	–	–
Decrease (Increase) in non-current debtors	–	–	–	–	–	–	–	–	–	–
Decrease (increase) other non-current receivables	–	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current investments	–	–	–	–	–	–	–	–	–	–
Payments										
Capital assets	–	–	–	–	–	–	–	–	–	–
NET CASH FROM/(USED) INVESTING ACTIVITIES	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts	–	–	–	–	–	–	–	–	–	–
Short term loans	–	–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing	–	–	–	–	–	–	–	–	–	–
Increase (decrease) in consumer deposits	–	–	–	–	–	–	–	–	–	–
Payments										
Repayment of borrowing	–	–	–	–	–	–	–	–	–	–
NET CASH FROM/(USED) FINANCING ACTIVITIES	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
NET INCREASE/ (DECREASE) IN CASH HELD	**5,846**	**–**	**–**	**–**	**–**	**–**	**–**	**5,846**	**5,250**	**(7,504)**
Cash/cash equivalents at the year begin:	0	–	–	–	–	–	–	0	5,846	11,096
Cash/cash equivalents at the year end:	5,846	–	–	–	–	–	–	5,846	11,096	3,592

MUNICIPAL MANAGER'S QUALITY CERTIFICATION

I, Lungelo Mbandazayo**, municipal manager of the** City of Cape Town**, hereby certify that the** 2018/19 adjustments budget (January 2019) **and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the adjustments budget and supporting documents are consistent with the Integrated Development Plan of the municipality.**

Print name ....

Municipal Manager of the City of Cape Town (CPT)

Signature ....

Date ....

ADDITIONAL RECOMMENDATIONS - COUNCIL MINUTES

C 04/01/19 ADJUSTMENTS BUDGET: 2018/19 FINANCIAL YEAR

The Executive Mayor, Ald D Plato made reference to the adjustments budget for the 2018/19 financial year during his mayoral address. Ald I Neilson highlighted the changes to the capital expenditure funding resources categories.

Ald I Neilson, seconded by Cllr S Mbandezi, proposed the following amendments to the recommendation:

1. *The fund source of the following Water & Sanitation Management projects for 2018/19 in Annexure 2 to be changed from 1 EFF to 1 EFF:3 to denote the reduction of Borrowings from R3.4bn to R500m**:***

Item	Item Name	Proposed Budget 2018/19	Item	Item Name	Proposed Budget 2018/19
C11.86060	Philippi Collector Sewer	R 5 000 000	CPX.0005615	Cape Flats Rehabilitation	R 4 900 000
C12.86059	Macassar WWTW Extension	R 9 000 000	CPX.0005844	Upgrade Reservoirs City Wide FY19	R 9 000 000
C13.86005	Cape Flats WWTW-Refurbish various struct	R 11 000 000	CPX.0007372	Small Plant & Equip: Add (Retic) FY19	R 3 400 000
C13.86081	Athlone WWTW-Capacity Extension-phase 1	R 7 000 000	CPX.0007376	Diversion Dunoon Sewer	R 2 500 000
C14.86001	Penhill Sewer Installation	R 7 000 000	CPX.0007380	Harmony Park: New Water & Sewer Infrastr	R 2 500 000
C14.86043	Melkbos WWTW-Effluent Disinfection	R 12 000 000	CPX.0007402	Hillary Close Sewer	R 1 500 000
CPX.0001786	Plant & Equipment: Replacement FY19	R 500 000	CPX.0007409	Peligrini Sewer Pumpstation Diversion	R 6 000 000
CPX.0001789	Development of Add Infrastructure FY19	R 28 100 000	CPX.0007411	Gordons Bay Beach Front Sewer	R 6 000 000
CPX.0001858	BW Infrastructure Replacement FY19	R 2 307 007	CPX.0007423	Upgrade Andrag Supply System	R 2 000 000
CPX.0001861	Refurbishment of Labs FY19	R 300 000	CPX.0007431	Regional resources development FY19	R 3 600 000
CPX.0001868	Laboratory Equipment: Additional FY19	R 3 500 000	CPX.0007459	Acquisition & Registr & servitude FY19	R 700 000
CPX.0001898	Plant & Equipment Additional FY19	R 750 000	CPX.0008005	Network Repl: Oakdale Various streets	R 1 047 000
CPX.0001907	Pressure Management: COCT FY19	R 23 256 419	CPX.0008007	Network Repl:Brackenfell 75mm(D6-UPSZ)	R 12 984 700
CPX.0001923	Treated Effluent: Reuse & Inf Upgr FY19	R 49 673 581	CPX.0008008	Network Repl:Brackenfell 100mm(D6-UPSZ)	R 5 000 000
CPX.0002110	Specialised Equipment: Additional FY19	R 3 160 185	CPX.0008009	Network Repl:Manenberg var.Roads(D5,7&8)	R 629 500
CPX.0002127	Vehicles, Plant Equip: Additional FY19	R 29 939 706	CPX.0008011	Network Repl:Gugulethu 150mm (D5,7&8)	R 1 049 000
CPX.0002128	Telemetry Automation (Retic) FY19	R 3 000 000	CPX.0008041	Bellville WWTW Extension	R 40 700 000
CPX.0002291	Infrastructure Replacements - WWTW FY19	R 25 000 000	CPX.0008876	Retreat Low Lift Pump station	R 7 493 829
CPX.0002357	Sundry Equipment: Additional FY19	R 300 000	CPX.0009438	Gordon's Bay Sewers Upgrade	R 500 000
CPX.0002893	Repl & Upgr Sew Pump Station FY19	R 7 506 171	CPX.0009485	Vehicles: Replacement FY19	R 20 559 209
CPX.0003851	Contermanskloof Reservoir	R 6 351 925	CPX.0009534	EAM Depot Realignment: 5 Nodal Syst FY19	R 30 000 000
CPX.0003864	Replace Water Network (City Wide) FY19	R 42 951 000	CPX.0011223	IT: System, Infrastr Equipment: Add FY19	R 32 000 000
CPX.0003895	Steenbras Reservoir	R 500 000	CPX.0011226	Furniture & Equipment: Additional FY19	R 500 000
CPX.0003968	Sewer Projects as per Master Plan FY19	R 6 400 768	CPX.0012962	Paardevlei Project - Stormwater	R 5 700 000
CPX.0003971	Water Projects as per Master Plan FY19	R 2 000 000	CPX.0013019	Flood Alleviation - Lourens River	R 11 840 000
CPX.0003983	TOC Infrastructure Development FY19	R 500 000	CPX.0013464	GSM General Stormwater Projects FY19	R 900 000

2. *The funding source for the remainder of the projects reflected as 1 EFF or 1 EFF:2 be collectively viewed as Internally Generated Funds.*

3. *Fund sources changes on projects from 1 EFF to 1 EFF:2, proposed per Annexure 2, not be effected. This change will not have an impact on the amounts per project, department and directorate.*

4. *That additional budgetary amendments relating to administrative transfers, due to organisational structure changes, be incorporated in the adjustments Operating Budget as follows:*

- *Transfer of Cape Town Stadium & Sea Point Precincts from Recreation & Parks department within Community Services and Health directorate to Property Management department within Economic Opportunity & Asset Management directorate. This transfer will not impact in the total budget quantum, however,* ***the*** *receiving vote will increase by R16,9 million on expenditure with a reduction of the same amount on the sending vote.*

- *Revenue will increase by R1.6 million with the reduction of the same amount on the sending vote.*

5. That the adjustments Capital Budget be further adjusted by:

- *Shifting projects which are currently reflected in the Recreation & Parks department within the Community Services & Health directorate to the Property Management department within the Economic Opportunities & Asset Management directorate, resulting from latest organisational structure changes, as reflected in the table below:*

Proposed Approval Object	*WBS Element*	*WBS Element Description*
CPX.0015212	***CPX.0015212-F1***	***Green Point Urban Park - Two Way Radios***
CPX.0015211	***CPX.0015211-F1***	***Green Point Urban Park Upgrades***
CPX.0015237	***CPX.0015237-F1***	***Green Point Athletics Stadium Upgrades***

6. That the relevant legislated MBRR Schedule B tables be amended after Council approval but before the submission of the Adjustment Budget to National Treasury.

The ANC, EFF and UDM were not in support of the adjustments budget.

Ald Neilson's amendment to the recommendation was put to the vote, with results as follows:

In favour : 146
Against : 56
Abstentions : 5

The amendment to the recommendation was therefore carried.

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

In favour : 143
Against : 59
Abstentions : 0

The recommendation as amended was therefore carried.

RESOLVED that:

a) in terms of section 28 of the MFMA, the amendments proposed for incorporation into the 2018/19 adjustments budget (January 2019), as contained in Annexure A to the report on the agenda be adopted, subject to:

1. recommendation (h) of the adjustments budget Annexure A be amended to read as follows:
h. that the Council considers the projected cost covering all financial years until the project is operational as well as future operational costs and revenues on projects/programmes, to give effect to sections 19(2) and 19(3), which was originally omitted in the annual budget document and is now rectified, and approves all projects and programmes so listed in Annexures 2 and 4.

2. the Adjustment Budget be further adjusted by:
   i. appropriating R24.3 million on the capital budget within various directorates as indicated in the table below for the 2018/19 financial year:

Directorate	Department	WBS NO:	Description	Major Fund	Fund Source	Amount	Additional information	Comment
Safety and Security	Law Enforcement, Traffic and Coordination	CPX.0009261-F1	Radios: Additional FY19	EFF	1 EFF: 2	4 500 000	Additional radios required for 83 newly appointed law enforcement volunteers and 240 Councillors	Directorate confirmed that they will be able to spend the additional funding before 30 June 2019, using existing tender 238G/16/17
Community Services & Health	Recreation and Parks	CPX.0015641-F1	Facility upgrades: SASREA	EFF	1 EFF: 2	7 500 000	Infrastructure upgrades of facilities (stadia, sport grounds and sport centres) in order to be SASREA compliant	Directorate confirmed that they will be able to spend the additional funding before 30 June 2019, using existing tenders and RFQ's where applicable
Urban Management	Mayoral Urban Regeneration Programme	CPX.0015903-F1	Security Measures in MURP Areas	EFF	1 EFF: 2	5 000 000	New security fencing and gates within the MURP.	Directorate indicated that they are currently still in discussion with another Directorate to utilise another tender as the Urban Management Directorate does not have an existing tender in place
		CPX.0012977-F1	Upgrading Vuyiseka Multi-Purpose Centre	CGD	4 NT NDPG	7 300 000	Informal notification of additional funding received from National Treasury for Neighbourhood Development Partnership Grant on 24 January	
Total						24 300 000		

   ii. appropriating R109.5 million on the operating expenditure within various directorates as indicated in the table below:

Directorate	**Cost Centre / Element**	**Cost Element Description**	**Amount**	**Comments**
Community Services & Health	18030499/453050	Contracted Service	25 000 000	R20 million - grass cutting across all wards (once-off allocation). R7.5 million – for Repairs & Maintenance and appointment of consultants to deal with urgent health and safety requirements at Velodrome (once-off allocation).
	18030499/452050	Advisory Services	2 500 000	
Safety & Security	Various/414400	Uniforms / Protective Clothing	10 000 000	Uniforms for volunteers (R5 million permanent allocations and the remaining balance once-off allocation).
	Various/453170	R&M-Contracted Services	8 000 000	Repairs and Maintenance – Vehicles (permanent allocation).
	19060500/453100	Event Promoters	500 000	R500 000 to fund City events and film initiatives (once-off allocation). R4.5 million to increase beneficiaries to promote the City (Once-off).
	19060505/457300	Sponsorships-Events	4 500 000	
	11030002/453260	Security Services	1 000 000	VIP security for protection of councillors (once-off allocation).
	18040037/401100	Salaries	30 000 000	Additional policing staff to increase visibility within Law enforcement, Traffic Services and Metro Police (permanent allocation).
Transport	Various	Repairs and Maintenance	8 000 000	Original amount requested was R20 million, line indicated challenges on implement ability. Only R8 million can be spend in the current financial year for lane marking and signs (once-off allocation).
Water & Waste	20030204/451040	Litter Picking/Street Cleaning	20 000 000	Area cleaning in poorer areas and areas without services across all wards (once-off allocation).
Total			109 500 000	

iii. The above additional allocations amounting to R109.5 million (R66.5 million once-off allocations; R43 million permanent allocations) be funded within Rates.

3. Moving the following capital projects as contained in the detail of Annexures 2 & 4 from the Spatial Planning & Environment Directorate to the Transport Directorate:

INCORRECT				**CORRECT**		
Proposed Approval Object	**WBS Element**	**Requesting Cost Centre**	**Approval Object Description**	**Proposed Approval Object**	**WBS Element**	**Requesting Cost Centre**
CPX.0009414	CPX.0009414-F2	19070166	R44 Road Upgr: North & South Bound Lanes	CPX.0015906	CPX.0015906-F1	19070116
CPX.0009414	CPX.0009414-F3	19070166	R44 Road Upgr: North & South Bound Lanes	CPX.0015906	CPX.0015906-F2	19070116
CPX.0013060	CPX.0013060-F1	19070166	N2 Interchange (Phase 1)	CPX.0009719	CPX.0009719-F3	19070116
CPX.0013060	CPX.0013060-F2	19070166	N2 Interchange (Phase 1)	-	-	19070116

b) the correction of the Sanitation Consumptive Level 3 Reduction tariff for item 3.5 (Homeless Shelters) and item 3.6 (Old Age Categories) as outlined in Annexure B to the report on the agenda be approved, and that the corrected tariffs be effective 1 December 2018 when the Level 3 restrictions were implemented.

c) the fund source of the following Water & Sanitation Management projects for 2018/19 in Annexure 2 be changed from 1 EFF to 1 EFF:3 to denote the reduction of Borrowings from R3.4bn to R500m:

Item	Item Name	Proposed Budget 2018/19	Item	Item Name	Proposed Budget 2018/19
C11.86060	Philippi Collector Sewer	R 5 000 000	CPX.0005615	Cape Flats Rehabilitation	R 4 900 000
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CPX.0002357	Sundry Equipment: Additional FY19	R 300 000	CPX.0009438	Gordon's Bay Sewers Upgrade	R 500 000
CPX.0002893	Repl & Upgr Sew Pump Station FY19	R 7 506 171	CPX.0009485	Vehicles: Replacement FY19	R 20 559 209
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CPX.0003971	Water Projects as per Master Plan FY19	R 2 000 000	CPX.0013019	Flood Alleviation - Lourens River	R 11 840 000
CPX.0003983	TOC Infrastructure Development FY19	R 500 000	CPX.0013464	GSM General Stormwater Projects FY19	R 900 000

d) the funding source for the remainder of the projects reflected as 1 EFF or 1 EFF:2 be collectively viewed as Internally Generated Funds.

e) Fund sources changes on projects from 1 EFF to 1 EFF:2, proposed per Annexure 2, not be effected. This change will not have an impact on the amounts per project, department and directorate.

f) additional budgetary amendments relating to administrative transfers, due to organisational structure changes, be incorporated in the adjustments Operating Budget as follows:

- Transfer of Cape Town Stadium & Sea Point Precincts from Recreation & Parks department within Community Services and Health directorate to Property Management department within Economic Opportunity & Asset Management directorate. This transfer will not impact in the total budget quantum, however, the receiving vote will increase by R16,9 million on expenditure with a reduction of the same amount on the sending vote.
- Revenue will increase by R1.6 million with the reduction of the same amount on the sending vote.

g) the adjustments Capital Budget be further adjusted by:

- Shifting projects which are currently reflected in the Recreation & Parks department within the Community Services & Health directorate to the Property Management department within the Economic Opportunities & Asset Management directorate, resulting from latest organisational structure changes, as reflected in the table below:

Proposed Approval Object	WBS Element	WBS Element Description
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CPX.0015211	**CPX.0015211-F1**	**Green Point Urban Park Upgrades**
CPX.0015237	**CPX.0015237-F1**	**Green Point Athletics Stadium Upgrades**

h) the relevant legislated MBRR Schedule B tables be amended before the submission of the Adjustment Budget to National Treasury.