

**High level summary of changes between  
tabled 2017/18 - 2019/20 budget (March 2017)  
and 2017/18 - 2019/20 budget (May 2017)**

## **Annexure B**

### **Summary of changes between tabled and adopted Budget (May 2017)**

#### **A. 2017/18 OPERATING BUDGET**

##### **1. Proposals by Portfolio Committees which are included in the May Budget document:**

The Transport & Urban Development Authority portfolio committee proposed a reduction of R6.6 million on Concessionary Travel Revenue budget, profit element 1112000, profit element 810200 and 810890. This required a concomitant reduction on expenditure, cost centre 11120010 and cost element 413710 to maintain the balanced budget.

##### **2. Amendments to the operating grants & donations**

- Additional allocation of R24.2 million within the Safety & Security directorate for the appointment of law enforcement officers to protect and safe guard the Housing Development Sites and Temporary Relocation Areas on a 24 hour bases in order to prevent invasion, enforce bylaws and assist in the prevention of crime within the Temporary Relocation Areas. Area of deployment (as per the Memorandum of Agreement) are:
  - Joe Slovo
  - Blue Down Military Vets, Blue Dows IN-fills & Malibu/the Conifers
  - Boystown & Boystown Triangle
  - Delft
  - N2 Gateway TRA's
  - Sheffield Road
  - Forest Village
  - Ithemba (farmers)
  - Penhill Farmers
  - Kosovo
- Additional allocation of R3.5 million within Safety & Security directorate for the appointment of law enforcement officers funded ex City Improvement Districts.
- Additional allocation of R1 million within Directorate of the Mayor for Tourism projects funded ex Tourism Grant.
- Additional allocation of R1.1 million within Directorate of the Mayor for the appointment of a 2-year contract position for Director: Chief Resilience Officer to develop and implement a resilience strategy for the City, funded ex Rockefeller Philanthropy Advisors, Inc. ("RPA"), on behalf of the 100 Resilient Cities Initiative ("100RC).
- Adjustments based on the latest gazette from Provincial Government:
  - Reduction in allocation of R112 million within Transport & Urban Development Authority directorate for funded ex HSDG. National Government reduced the Human Settlement Development Grant allocation to the Western Cape Government by R200 million. The City of Cape Town's allocation was therefore cut by R112 million. All the provinces allocations were cut by approximately 10%.
  - Additional allocation of R34.9 million within Social Services directorate for HIV & Aids and Personal Primary Health Care Projects.

- Additional allocation of R1.3 million within Social Services directorate for library services related expenditure.

**3. A review of Council's main funding sources, post tabling funding updates and allocations resulted in the following proposed amendments to previously approved allocations:**

- Additional allocation of R8 million within Supply Chain Management department), to address the drastic need to increase the efficiency of procurement processes, strengthen capacity, knowledge and skills base within the SCM function and the organisation generally to be funded from Rates.
- Increase of R11.8 million on both revenue and expenditure within Area Based Management, for 4 new CID's established in Beaconvale, Montague Gardens – Marconi Beam, North Pine and Penzance Estate.
- Additional allocation of R4.6 million within Transport & Urban Development Authority, for the relocation of the 107 Call Centre to the TMC Building in Goodwood to be funded from Rates.
- Additional allocation of R2,4 million within Area Based Management (R1.4 million) and Assets & Facilities Management (R1 million) to meet staff requirements in these newly created directorates. This will be funded from Rates.
- Additional allocation of R1 million within Directorate of the Mayor, to strengthen capacity in the VIP Protection Unit to be funded from Rates.
- Additional allocation of R1.5 million within Safety & Security for animal care, pound and control services of animals provided by the SPCA.

Additional amendments relate to administrative transfers of budgetary provisions in respect of amendments on sundry expenditure items including Ward Allocations, which are proposed in accordance with the Council approved system of delegation and the Virement Policy. These transfers do not affect the total budget quantum.

**B. 2017/1 CAPITAL BUDGET**

**Summary of Changes per major fund source:**

| Major Fund R'000 | Tabled 2017/18 | Revised Budget 2017/18 | Increase/ Decrease 2017/18 | Tabled 2018/19 | Revised Budget 2018/19 | Increase/ Decrease 2018/19 | Tabled 2019/20 | Revised Budget 2019/20 | Increase/ Decrease 2019/20 |
|------------------|----------------|------------------------|----------------------------|----------------|------------------------|----------------------------|----------------|------------------------|----------------------------|
| CGD              | 2 321 475      | 2 353 735              | 32 259                     | 2 188 936      | 2 188 936              | -                          | 2 284 102      | 2 294 102              | 10 000                     |
| CRR              | 1 529 278      | 1 620 674              | 91 396                     | 951 125        | 951 125                | -                          | 916 164        | 916 164                | -                          |
| EFF              | 2 886 482      | 2 899 823              | 13 340                     | 3 503 855      | 3 503 855              | -                          | 3 707 679      | 3 707 679              | -                          |
| REVENUE          | 79 634         | 89 834                 | 10 200                     | 19 986         | 19 986                 | -                          | 22 646         | 22 646                 | -                          |
| Total            | 6 816 871      | 6 964 066              | 147 196                    | 6 663 902      | 6 663 902              | -                          | 6 930 591      | 6 940 591              | 10 000                     |

## 1. Capital Grants and Donations:

### 1.1. Amendments to grant funded USDG, HSDG and PTISG projects as proposed by Transversal Committees:

| CGD CHANGES PROPOSED BY TRANSVERSAL COMMITTEES WITH NO ADDITIONAL IMPACT ON THE 2017/18 OPERATING BUDGET |                                         |                      |            |                     |                     |                     |
|----------------------------------------------------------------------------------------------------------|-----------------------------------------|----------------------|------------|---------------------|---------------------|---------------------|
| WBS Element                                                                                              | Project Title                           | Fund                 | Major Fund | Budget 2017/18      | Budget 2018/19      | Budget 2019/20      |
| <b>Assets and Facilities Transversal Committee - 5 April 2017</b>                                        |                                         |                      |            |                     |                     |                     |
| Assets & Facilities Management                                                                           |                                         |                      |            |                     |                     |                     |
| CPX.0006900-F1                                                                                           | Langa Hostels CRU Prj: Special Quarters | 4 NT USDG            | CGD        | (10 000 000)        | (10 000 000)        | (4 000 000)         |
| CPX.0006900-F2                                                                                           | Langa Hostels CRU Prj: Special Quarters | 4 Prov House Dev Brd | CGD        | (31 083 588)        | (60 829 076)        | -                   |
| CPX.0006932-F1                                                                                           | Langa Hostels CRU Project: New Flats    | 4 NT USDG            | CGD        | (5 098 388)         | (5 098 388)         | -                   |
| CPX.0006932-F2                                                                                           | Langa Hostels CRU Project: New Flats    | 4 Prov House Dev Brd | CGD        | (17 173 590)        | (19 286 032)        | -                   |
| CPX.0006935-F2                                                                                           | Langa Hostels CRU Project: Siyahlala    | 4 Prov House Dev Brd | CGD        | (1 425 159)         | (1 425 159)         | (15 494 237)        |
| <b>Total CGD</b>                                                                                         |                                         |                      |            | <b>(64 780 725)</b> | <b>(96 638 655)</b> | <b>(19 494 237)</b> |
| <b>Transport and Urban Development Authority Committee - 3 May 2017</b>                                  |                                         |                      |            |                     |                     |                     |
| Transport & Urban Development Authority                                                                  |                                         |                      |            |                     |                     |                     |
| CPX.0009560-F1                                                                                           | IRT Vehicle Acquisition                 | 4 NG DOT PTI&SG      | CGD        | 32 000 000          | -                   | -                   |
| CPX.0010624-F1                                                                                           | Langa Hostels CRU Prj: Special Quarters | 4 NT USDG            | CGD        | 10 000 000          | 10 000 000          | 4 000 000           |
| CPX.0010624-F2                                                                                           | Langa Hostels CRU Prj: Special Quarters | 4 Prov House Dev Brd | CGD        | 31 083 588          | 60 829 076          | -                   |
| CPX.0010625-F1                                                                                           | Langa Hostels CRU Project: New Flats    | 4 NT USDG            | CGD        | 5 098 388           | 5 098 388           | -                   |
| CPX.0010625-F2                                                                                           | Langa Hostels CRU Project: New Flats    | 4 Prov House Dev Brd | CGD        | 17 173 590          | 19 286 032          | -                   |
| CPX.0010626-F2                                                                                           | Langa Hostels CRU Project: Siyahlala    | 4 Prov House Dev Brd | CGD        | 1 425 159           | 1 425 159           | 15 494 237          |
| <b>Total CGD</b>                                                                                         |                                         |                      |            | <b>96 780 725</b>   | <b>96 638 655</b>   | <b>19 494 237</b>   |
| <b>Utilities and Energy Services Transversal Committee - 11 April 2017</b>                               |                                         |                      |            |                     |                     |                     |
| Water & Sanitation                                                                                       |                                         |                      |            |                     |                     |                     |
| CPX.0007930-F1                                                                                           | Zandvliet WWTW: Membrane Bio Reactor    | 4 NT USDG            | CGD        | 32 261 720          | (80 000 000)        | -                   |
| CPX.0007931-F1                                                                                           | Black-Mac Screening & Macassar P/St     | 4 NT USDG            | CGD        | (32 261 720)        | 80 000 000          | -                   |
| C13.86081-F2                                                                                             | Athlone WWTW-Capacity Extension-phase 1 | 4 NT USDG            | CGD        | -                   | (80 000 000)        | -                   |
| CPX.0007929-F2                                                                                           | Zandvliet WWTW: Prim Treatment & Sludge | 4 NT USDG            | CGD        | -                   | 80 000 000          | -                   |
| <b>Total CGD</b>                                                                                         |                                         |                      |            | <b>-</b>            | <b>-</b>            | <b>-</b>            |

### 1.2 Amendments to the CGD-funded projects resulting from the amended Provincial Gazette (details reflected below).

| WBS Element                               | Project Title                             | Fund                | Major Fund | Budget 2017/18 | Budget 2018/19 | Budget 2019/20    |
|-------------------------------------------|-------------------------------------------|---------------------|------------|----------------|----------------|-------------------|
| <b>Library &amp; Information Services</b> |                                           |                     |            |                |                |                   |
| CPX.0003815-F2                            | Furniture,Tools,Equipment: Additional Lis | 4 PAWC - Libraries  | CGD        | 6 915          | -              | -                 |
| CPX.0005413-F1                            | Du Noon Library Construction              | 4 PAWC - Libraries  | CGD        | 252 405        | -              | -                 |
| CPX.0007228-F2                            | Library Upgrades and Extensions           | 4 PT Library: Metro | CGD        | -              | -              | 10 000 000        |
| <b>Total CGD</b>                          |                                           |                     |            | <b>259 320</b> | <b>-</b>       | <b>10 000 000</b> |

## 2. Capital Replacement Reserve:

### 2.1 Certain Capital Replacement Reserve (CRR), proposals were also made by the transversal committees:

| WBS Element                                                                | Project Title                            | Fund         | Major Fund | Budget 2017/18    | Budget 2018/19 | Budget 2019/20 |
|----------------------------------------------------------------------------|------------------------------------------|--------------|------------|-------------------|----------------|----------------|
| <b>Utilities and Energy Services Transversal Committee - 11 April 2017</b> |                                          |              |            |                   |                |                |
| Informal Settlements, Water & Waste Serv                                   |                                          |              |            |                   |                |                |
| CPX.0010520-F2                                                             | Cape Flats Aquifer                       | 3 CRR: Water | CRR        | 40 000 000        | -              |                |
| CPX.0010521-F2                                                             | Water Reclamation from Waste Water       | 3 CRR: Water | CRR        | 50 000 000        | -              |                |
| CPX.0010634-F2                                                             | West Beach Pump Station                  | 3 BICL       | CRR        | 17 000 000        |                |                |
| C15.86046-F1                                                               | West Beach S/Pumpstation and rising Main | 3 BICL       | CRR        | (17 000 000)      |                |                |
|                                                                            |                                          | Sewer:Tyg N  |            |                   |                |                |
| <b>Total CRR</b>                                                           |                                          |              |            | <b>90 000 000</b> | <b>-</b>       | <b>-</b>       |

Due to ongoing drought conditions currently being experienced in Cape Town, a local state of disaster was declared, subsequent to the compilation of the 2017/18 Budget for tabling in March 2017. This resulted in additional CRR funding being made after further analysis of projected cash on hand, amounting to R90 million, to give impetus to the Emergency Water Resources Schemes programme. The operating impact of this additional allocation has already been provided for in the 2017/18 operating.

### 2.2 Sundry additional CRR funding allocations received from the Finance Directorate:

| WBS Element      | Project Title          | Fund           | Major Fund | Budget 2017/18 | Budget 2018/19 | Budget 2019/20 |
|------------------|------------------------|----------------|------------|----------------|----------------|----------------|
| <b>Finance</b>   |                        |                |            |                |                |                |
| CPX.0010870-F1   | Asset Scanners 2017/18 | 3 CRR: General | CRR        | 600 000        |                |                |
| <b>Total CRR</b> |                        |                |            | <b>600 000</b> |                |                |

Finance directorate – R600 000 (CRR) for the replacement of obsolete existing City-wide asset verification scanners. These new scanners will be compatible with the new asset verification system and will reduce manual intervention.

### 2.3 Ward allocation amendments from the holding allocation to specific projects within various directorates, subsequent to the tabling of the budget in March 2017 and supported by Subcouncils

### 3. External Financing Fund:

3.1 **Sundry additional EFF funding requests** received from the Area Based Service delivery- as well as the Assets and Facilities Management Directorates amounting to R8.3 million (2017/18) have been allocated as follows:

| Directorate                    | Department                             | WBS Element    | Project Title            | Fund  | Major Fund | Budget 2017/18   | Budget 2018/19 | Budget 2019/20 |
|--------------------------------|----------------------------------------|----------------|--------------------------|-------|------------|------------------|----------------|----------------|
| Area-Based Service Delivery    | Support Services: ABSD                 | CPX.0010376-F1 | IT Equipment FY 2018     | 1 EFF | EFF        | 3 000 000        | -              | -              |
| Assets & Facilities Management | Cape Town Stadium & Seapoint Precincts | CPX.0010858-F1 | Suites Cape Town Stadium | 1 EFF | EFF        | 5 340 473        | -              | -              |
|                                |                                        |                | <b>Total EFF</b>         |       |            | <b>8 340 473</b> | <b>-</b>       | <b>-</b>       |

- Area Based Service Delivery directorate – R3 million (EFF) for video conferencing between the four area based Mayco members, executive director, four area directors as well as the 24 sub-council chairpersons and managers. This will reduce the travelling- time and cost for the functionaries to the civic centre for meetings.
- An additional amount of R5.3 million be allocated for the detailed design of suites which is imperative to determine a business case to attract additional income streams to the Cape Town Stadium.

3.2 **Safety and Social Services Transversal Committee** – an **additional allocation** R5 million for marquee tents to be utilised in disaster areas. This additional allocation will have an immaterial additional operating impact on the tabled 2017/18 Operating Budget, however provision was made to accommodate this.

|                                                                 |               |            | Difference between Tabled Budget (March 2017) and May |                |                |
|-----------------------------------------------------------------|---------------|------------|-------------------------------------------------------|----------------|----------------|
| WBS Element                                                     | Project Title | Major Fund | Budget 2017/18                                        | Budget 2018/19 | Budget 2019/20 |
| Safety and Social Services Transversal Committee - 5 April 2017 |               |            |                                                       |                |                |
| CPX.0010761-F1                                                  | Marquee Tent  | EFF        | 5,000,000                                             | -              | -              |
| Total EFF                                                       |               |            | 5,000,000                                             | -              | -              |

3.3 Various amendments on EFF funded projects by **way of substitution** with a resultant net nil impact on EFF funding **as proposed by Transversal Committees:**

| WBS ElementProject TitleMajor Fund                                  |                                          |     | Difference between Tabled Budget (March 2017) and May |                |                |
|---------------------------------------------------------------------|------------------------------------------|-----|-------------------------------------------------------|----------------|----------------|
|                                                                     |                                          |     | Budget 2017/18                                        | Budget 2018/19 | Budget 2019/20 |
| Utilities and Energy Services Transversal Committee - 11 April 2017 |                                          |     |                                                       |                |                |
| C12.86075-F1                                                        | Northern Regional Sludge Facility        | EFF | (10,000,000)                                          | (16,000,000)   | -              |
| C12.86094-F1                                                        | Scottsdale WWTW                          | EFF | 200,000                                               | -              |                |
| C13.86053-F2                                                        | Completion of Cape Flats III Bulk Sewer  | EFF | (12,000,000)                                          | -              |                |
| CPX.0001788-F1                                                      | Development of Add Infrastructure 17/18  | EFF | (2,000,000)                                           | -              |                |
| CPX.0001839-F1                                                      | BW Infrastructure Replace/Refurb 17/18   | EFF | (20,000,000)                                          | -              |                |
| CPX.0001858-F1                                                      | BW Infrastructure Replace/Refurb 18/19   | EFF | -                                                     | (12,000,000)   |                |
| CPX.0001938-F1                                                      | Meter Replacement Programme              | EFF | (15,000,000)                                          | -              |                |
| CPX.0002290-F1                                                      | Infrastructure Replace/Refurbish - WWTW  | EFF | (18,800,000)                                          | -              |                |
| CPX.0002290-F1                                                      | Infrastructure Replace/Refurbish - WWTW  | EFF | -                                                     | (6,000,000)    |                |
| CPX.0002356-F1                                                      | Sundry Equip: Additional various WWTW    | EFF | (200,000)                                             | -              |                |
| CPX.0002759-F1                                                      | Repl & Upgr Sew Pump Station             | EFF | (4,000,000)                                           | -              |                |
| CPX.0003849-F1                                                      | Replace & Upgr Sewer Network (Citywide)  | EFF | -                                                     | (24,500,000)   |                |
| CPX.0003862-F1                                                      | Replace & Upgr Water Network (City Wide) | EFF | (25,000,000)                                          | -              |                |
| CPX.0003864-F1                                                      | Replace & Upgr Water Network (City Wide) | EFF | -                                                     | (27,500,000)   |                |
| CPX.0003895-F1                                                      | Steenbras Reservoir                      | EFF | (2,000,000)                                           | -              |                |
| CPX.0003967-F1                                                      | Sewer Projects as per Master Plan 17/18  | EFF | (1,000,000)                                           | -              |                |
| CPX.0003970-F1                                                      | Water Projects as per Master Plan 17/18  | EFF | (1,000,000)                                           | -              |                |
| CPX.0005615-F1                                                      | Cape Flats Rehabilitation                | EFF | (2,000,000)                                           | -              |                |
| CPX.0005843-F1                                                      | Upgrade Reservoirs City Wide             | EFF | (1,000,000)                                           | -              |                |
| CPX.0007929-F1                                                      | Zandvliet WWTW: Prim Treatment & Sludge  | EFF | -                                                     | 16,000,000     |                |
| CPX.0010518-F1                                                      | Table Mountain Group Aquifer             | EFF | 60,000,000                                            | 20,000,000     |                |
| CPX.0010519-F1                                                      | Desalination                             | EFF | 30,000,000                                            | 10,000,000     |                |
| CPX.0010521-F1                                                      | Water Reclamation from Waste Water       | EFF | 19,800,000                                            | 40,000,000     |                |
| CPX.0010634-F1                                                      | West Beach Pump Station                  | EFF | 4,000,000                                             | -              |                |
| Total EFF                                                           |                                          |     | -                                                     | -              | -              |
| Assets and Facilities Transversal Committee - 5 April 2017          |                                          |     |                                                       |                |                |
| CPX.0003004-F1                                                      | FS Fleet Replacement FY2018              | EFF | (87,000,000)                                          | -              | -              |
| CPX.0010653-F1                                                      | Upgrade of the workshops                 | EFF | 37,000,000                                            | -              |                |
| CPX.0010654-F1                                                      | Upgrade of the Fleet Software            | EFF | 10,000,000                                            | -              |                |
| CPX.0010655-F1                                                      | Purchase specialised/heavy vehicles      | EFF | 40,000,000                                            | -              |                |
| Total EFF                                                           |                                          |     | -                                                     | -              |                |

#### 4. Revenue:

##### 4.1 Amendments to Revenue projects as proposed by Transversal Committee:

| WBS Element                                                                | Project Title                      | Fund      | Major Fund | Budget 2017/18 | Budget 2018/19 | Budget 2019/20 |
|----------------------------------------------------------------------------|------------------------------------|-----------|------------|----------------|----------------|----------------|
| <b>Utilities and Energy Services Transversal Committee - 11 April 2017</b> |                                    |           |            |                |                |                |
| <b>Informal Settlements, Water &amp; Waste Serv</b>                        |                                    |           |            |                |                |                |
| CPX.0010521-F3                                                             | Water Reclamation from Waste Water | 2 Revenue | REV        | 10 200 000     |                |                |
| <i>Total Revenue</i>                                                       |                                    |           |            | 10 200 000     |                |                |

- Due to ongoing drought conditions currently being experienced in Cape Town, a local state of disaster was declared, subsequent to the compilation of the 2017/18 Budget for tabling in March 2017.

The abovementioned Capital amendments were included in the amended 2017/18 budget document which will serve before Council in May.

Details of the above Capital changes also appear as annexures to the report “**INPUT ON THE TABLED 2017/18 BUDGET: TRANSVERSAL COMMITTEE REFERENCES AND SUNDRY PROPOSALS**”, which will be submitted to Mayco and Council under separate cover.