

A. 2016/17 OPERATING BUDGET

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

The Human Settlements portfolio committee proposed the following:

- A reduction of R20 million per annum in the City's HSDG allocation from the Provincial Government over the MTREF period as per correspondence received from the Provincial Treasury (dated 3 March 2016). This required a concomitant reduction in the City's HSDG budget to ensure the alignment of the City's budget to the Provincial HSDG allocation to the City. This reduction will be undertaken against proposed projects currently in the tabled City's budget and will result in the re-phasing of various projects to ensure that the City's budgets balance to the Provincial HSDG allocation.
- Shifting of grant funding (R6 million) from capital to operating budget on Scottsdale New CRU project funded ex Human Settlement Development Grant, while remaining within the 2016 gazetted allocation.

The Transport for Cape Town Budget Portfolio Committee Workshop recommended the following:

- Shifting of grant funding (R20 million, R34 million and R20 million over the MTREF period) from capital to operating budget on IRT: Phase 2A Wetton-Lansdowne Corridor project funded ex Public Transport Network Grant while remaining within the 2016 DORA allocation.

2. Amendments to the operating grants & donations

- A reduction of R5.9 million, R82 million and R30.1 million over the MTREF period on various projects within Human Settlement directorate funded ex Local Department of Human Settlements.
- A reduction of R13.2 million (2016/17) and R15.2 million (2017/18) on Human Settlement Capacity within Human Settlement directorate funded ex National Government.
- Additional allocation of R22.3 million within the Safety & Security directorate for the appointment of law enforcement officers for the Human Settlements projects funded ex Local Department of Human Settlements.
- An increase of R36.8 million, R14.3 million and R18.8 million over the MTREF period, on various projects within Health directorate funded ex Provincial Government.
- Additional allocation of R10 million (2016/17) and R5 million (2017/18), for Municipal Accreditation Assistance within Human Settlement directorate funded ex Local Department of Human Settlements.
- Additional allocation of R3 million, R3.5 million and R3.9 million over the MTREF period for training of law enforcement officers within Safety & Security directorate funded ex Provincial Government.

- Additional allocation of R120,000, R240,000 and R360,000 over the MTREF period for Financial Management Capacity Building (External Bursaries) within Corporate Services & Compliance directorate funded ex Provincial Government

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:

- An increase of R5.8 million on Building Levies/ Scrutiny Fees (R3.6 million) and Rezoning Fee (R2.2 million) revenue within Economic, Environmental & Spatial Planning. This additional revenue will be used to address capacity issues within this directorate.
- Additional Allocation of R11.5 million within Supply Chain Management department (R10.1 million) and Utility Services directorate (R1.4 million), 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. This will be funded from Rates.
- The Property Rates and Income Forgone provisions were refined based on updated Rates modelling and an update on the latest status of the 2015 General Valuation. The outcome of the latest re-calculation of these items still results in a Rates revenue increase requirement of 6%, as was the case at the time of budget tabling.

B. 2016/17 CAPITAL BUDGET

Proposals by Portfolio Committees which are included in the May budget document:

1. Various amendments on EFF funded projects by way of substitution with a resultant net nil impact on EFF funding, details are as follows:

			Difference between Tabled budget (March 2016) and May		
Approval Object	Project Title	Fund	2016/17 Budget	2017/18 Budget	2018/19 Budget
Utility Services Portfolio Committee 15 April 2016 Item SUTS 03/04/16					
Cape Town Electricity					
C13.84075-F1	Hout Bay LV Depot	1 EFF	(20 000 000)	-	-
C15.84081-F1	Oakdale Main Substation Upgrade Ph 2	1 EFF	2 102 770	-	-
C16.84073-F1	Observatory Main Substation Upgrade	1 EFF	(5 305 100)	-	-
CPX.0003515-F1	Grosvenor Main Substation Upgrade	1 EFF	(451 200)	-	-
CPX.0003620-F1	Tygerberg Hospital SS Upgrade	1 EFF	22 926 900	(20 000 000)	(12 430 000)
Total EFF			(726 630)	(20 000 000)	(12 430 000)
Solid Waste Management					
CPX/0007846	Development of Transfer Stations	1 EFF	(5 350 000)	-	-
CPX.0003206-F1	Drop-off Facilities: Upgrading FY2017	1 EFF	(5 000 000)	-	-
CPX.0003207-F1	Drop-off Facilities: Upgrading FY2018	1 EFF	-	(4 250 000)	-
CPX.0003208-F1	Drop-off Facilities: Upgrading FY2019	1 EFF	-	-	(8 994 000)
CPX.0004649-F1	Drop-off Facilities: New FY2017	1 EFF	4 130 000	-	-
CPX.0004650-F1	Drop-off Facilities: New FY2018	1 EFF	-	4 250 000	-
CPX.0004651-F1	Drop-off Facilities: New FY2019	1 EFF	-	-	1 550 000
CPX/0007912	Development of landfill infrastructure	1 EFF	1 900 000	-	-
CPX.0007390-F1	Major Upgr. of Collections Fac. FY2017	1 EFF	2 512 000	-	-
CPX.0007391-F1	Major Upgr. of Cleansing Fac. FY2018	1 EFF	-	(5 990 000)	-
CPX.0007512-F1	Major Upgr. of Cleansing Fac. FY2019	1 EFF	-	-	14 754 000
CPX.0007515-F1	Major Upgr. of Cleansing Fac. FY2017	1 EFF	1 808 000	-	-
CPX.0007516-F1	Major Upgr. of Collections Fac. FY2018	1 EFF	-	5 990 000	-
CPX.0007517-F1	Major Upgr. of Collections Fac. FY2019	1 EFF	-	-	(7 310 000)
Total EFF			-	-	-
Water & Sanitation					
C06.30170-F1	Belville Wastewater Treatment Works	1 EFF	(60 000 000)	(35 000 000)	(34 000 000)
C09.86015-F1	Rehab Outfall Sewers Pentz Sandrift m/qu	1 EFF	(10 000 000)	-	-
C10.86033	Zandvliet WWTW-Extension	1 EFF	(11 005 000)	-	-
CPX.0001788-F1	Development of Add Infrastructure 17/18	1 EFF	-	(7 500 000)	-
CPX.0002105-F1	IT: System, Infra. Equipment: Additional	1 EFF	15 000 000	-	-
CPX.0003851-F1	Contermanskloof Reservoir	1 EFF	-	16 000 000	-
CPX.0003893-F1	OSEC (Electrolytic Chlorination Infr)	1 EFF	-	(1 000 000)	-
CPX.0003895-F1	Steenbras Reservoir	1 EFF	-	(7 500 000)	-
CPX.0004869-F1	Zone Metering & Valves	1 EFF	(1 000 000)	-	-
CPX.0007140-F1	Fast Lab Project	1 EFF	1 000 000	-	-
CPX.0007783-F1	Acquisition & Registration & servitude	1 EFF	6 005 000	-	-
CPX.0008041-F1	Belville WWTW Extension	1 EFF	60 000 000	35 000 000	34 000 000
Total EFF			-	-	-
Community Services Portfolio Committee 6 April 2016 Item CS 13/04/16					
Community Services					
C13.95071-F1	Roof Enclosure of Retreat Swimming Pool	1 EFF	5 400 000	-	-
CPX.0003248-F1	Sport and Recreation Facilities Upgrade	1 EFF	(2 400 000)	-	-
CPX.0003548-F1	Furniture Fitting, Equipment: Additional	1 EFF	(1 000 000)	-	-
CPX.0003554-F1	Vehicles: Additional - S&R	1 EFF	(2 000 000)	-	-
Total EFF			-	-	-
Finance Portfolio Committee 4 April 2016 Item FIN 08/04/16 A					
Finance					
C13.00140	E - Procurement system	1 EFF	(500 000)	-	-
CPX.0002636	Replacement: Warehouse Equipment 2016\	1 EFF	500 000	-	-
Total EFF			-	-	-
Safety & Security Portfolio Committee 7 April 2016 Item SAFS 09/04/16					
Safety & Security					
CPX.0008082-F1	Hardened Emergency Response FY17	1 EFF	5 455 000	-	-
CPX.0001553-F1	Replacement of Vehicles FY2017	1 EFF	(1 655 000)	-	-
CPX.0003627-F1	Additional Vehicles FY2017	1 EFF	(3 800 000)	-	-
Total EFF			-	-	-

2. Additional EFF funding allocations in Safety & Security Directorate amounting to R19.6 million in the 2016/17 financial year to the following projects:
 - Stress exposure training equipment → R800 000
 - Gym Equipment → R500 000
 - Firearms and Equipment: Reservists → R2 million
 - Firearms: Additional FY17 → R2 million
 - Equipment: Gang and Drug Task Team → R1.1 million
 - Pincher style tow truck → R2.62 million
 - Fire investigation equipment FY17 → R80 000
 - Integrated Contact Centre → R10.5 million
3. Additional EFF funding allocations within the City Health Directorate amounting to R1.5 million (2017/18) and R3 million (2018/19) for the Gugulethu Clinic – Extensions and Upgrade, where R200 000 was previously made available in 2016/17 for the planning component.

Annexure B_ High level summary of changes between the tabled 2016/17 - 2018/19 budget (March 2016) and the 2016/17 - 2018/19 budget (May 2016)

4. Amendments to grant funded USDG, HSDG and PTNG projects as proposed by Portfolio Committees. This includes shifts from the Capital Budget to the Operating Budget in 2016/17 of which the details are as follows:

			<i>Difference between Tabled budget (March 2016) and May</i>		
Approval Object	Project Title	Fund	2016/17 Budget	2017/18 Budget	2018/19 Budget
Utility Services Portfolio Committee 15 April 2016 Item SUTS 03/04/16					
Water & Sanitation					
C06.30170-F3	Belville Wastewater Treatment Works	4 NT USDG	(500 000)	(1 000 000)	-
CPX.0008041-F2	Belville WWTW Extension	4 NT USDG	500 000	1 000 000	-
Total CGD - USDG			-	-	-
TCT WORKSHOP 7 APRIL 2016					
Transport for Cape Town					
CPX/0000257	IRT: Ph 2A Wetton-Lansdowne Corridor	4 NT PTNG	(20 000 000)	(34 000 000)	(20 000 000)
Human Settlements Portfolio Committee 6 April 2016 Item HUMSET 20/04/16					
Human Settlements					
C06.42371-F3	10 Ha Somerset West Hsg Project	4 NT USDG	(13 800 000)	-	-
C06.41540-F2	Bardale / Fairdale: Develop 4000 Units	4 NT USDG	318 066	-	-
CPX.0005672-F1	Beacon Valley Housing Project - Mitchell	4 NT USDG	-	20 000 000	33 631 000
C06.41518-F2	Belhar/Pentech Housing Proj: 350 Units	4 NT USDG	6 080 000	-	-
CPX.0005316-F1	Dido Valley (535 units)	4 NT USDG	7 000 000	(8 309 000)	-
CPX.0003134-F1	Fisantekraal Garden Cities Phase 2	4 NT USDG	5 239 000	-	(68 390 000)
C09.15515-F1	Gugulethu Infill Project Erf 8448/MauMau	4 NT USDG	(465 623)	(413 623)	435 000
CPX.0005315-F1	Harare Infill Housing Project	4 NT USDG	(5 110 000)	(376 200)	5 243 000
C07.00437-F2	Hazendal Housing Project	4 NT USDG	(400 000)	-	-
C10.15510-F2	Heideveld Duinefontein Housing Project	4 NT USDG	(526 000)	(644 000)	-
CPX.0006102-F1	Kanonkop (Atlantis) Phase 2 Ext12	4 NT USDG	-	10 000 000	-
CPX.0003133-F1	Land Acquisition (USDG)	4 NT USDG	-	-	(22 292 121)
CPX.0005674-F1	Macassar BNG Housing Project	4 NT USDG	(4 876 443)	(26 163 278)	31 039 722
CPX.0003205-F1	Masiphumelele Housing Project Phase 4	4 NT USDG	(1 850 000)	500 000	-
C08.15507-F2	Morkel's Cottage Strand Housing Project	4 NT USDG	(10 560 000)	(13 166 000)	(3 552 000)
C12.15510-F1	Morningstar Durbanville Housing Project	4 NT USDG	802 000	-	-
C06.41570-F2	Ocean View - Mountain View Hsg Project	4 NT USDG	47 000	-	-
CPX.0006103-F1	Ruo Emoh Housing Development	4 NT USDG	(1 128 000)	-	-
CPX.0008063	Blue Berry Hill Housing project	4 NT USDG	1 500 000	2 000 000	3 000 000
CPX.0008064	Bonteheuvel Housing Project	4 NT USDG	1 000 000	17 500	-
CPX.0008065	Darwin Road Housing Project	4 NT USDG	3 000 000	2 000 000	-
CPX.0008066	Driftsands Housing Project	4 NT USDG	500 000	1 500 000	4 250 000
CPX.0008067	Elsiesriver Infills Housing Project	4 NT USDG	1 000 000	-	-
CPX.0008068	Hangberg Phase 2 Housing Project	4 NT USDG	100 000	100 000	100 000
CPX.0008069	Higlands Drive Infill Housing Project	4 NT USDG	800 000	1 300 000	-
CPX.0008070	Ilitha Park Infill Internal Services	4 NT USDG	3 830 000	4 112 101	6 257 899
CPX.0008071	Langa Hostels CRU Old Police Site	4 NT USDG	1 000 000	1 000 000	1 000 000
CPX.0008072	Mahama Infill Housing Project	4 NT USDG	1 000 000	1 542 500	-
CPX.0008073	Maroela Housing Project	4 NT USDG	1 500 000	1 000 000	-
CPX.0008074	Pelican Park Phase 2 Housing Project	4 NT USDG	1 000 000	2 000 000	2 000 000
CPX.0008075	Sir Lowry's Pass Village Housing Project	4 NT USDG	1 500 000	-	-
CPX.0008076	Vlaakteplaas Housing Project	4 NT USDG	1 500 000	2 000 000	7 277 500
Total CGD - USDG			-	-	-
C11.15505-F2	Scottsdene New CRU Project - 350 Units	4 Prov House D	(6 000 000)	-	-

5. The total CRR allocation in Cape Town Electricity Department increase by R115 931 200 in 2016/17 and R6 558 900 in 2017/18, due to delays experienced with the implementation of Facilities projects in the 2015/16 financial year, which is required to meet contractual obligations in the 2016/17 financial year

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Approval Object	Project Title	Fund	2016/17 Budget	2017/18 Budget	2018/19 Budget
Utility Services Portfolio Committee 15 April 2016 Item SUTS 03/04/16					
Cape Town Electricity					
C13.84075-F2	Hout Bay LV Depot	3 CRR: Electricity	13 744 800	13 744 800	-
C13.84076-F2	City Depot CBD - New	3 CRR: Electricity	5 705 200	7 372 400	-
C13.84082-F2	Milnerton: Sub-Depot - Street Lighting	3 CRR: Electricity	13 611 000	-	-
C14.84072-F2	Blue Downs Streetlighting Depot	3 CRR: Electricity	17 045 600	(20 954 400)	-
C14.84076-F2	Bloemhof: Stores Upgrade	3 CRR: Electricity	126 000	6 396 100	-
CPX.0001558-F1	Bloemhof Network Control Centre	3 CRR: Electricity	36 235 300	-	-
CPX.0006508-F1	Bloemhof Block A & J - Refurbishment	3 CRR: Electricity	4 458 000	-	-
CPX.0006509-F1	Vanguard Depot - Rebuild	3 CRR: Electricity	11 307 500	-	-
CPX.0006510-F1	Mitchells Plain Depot - Alterations	3 CRR: Electricity	13 697 800	-	-
Total CRR			115 931 200	6 558 900	-

6. The total CRR allocation in Water & Sanitation Department increase by R189 149 954 in the 2016/17 financial year. This is mainly resulting from the re-phasing of the Large Generators project which was delayed by appeals against the tender in the 2015/16 financial year (R190 149 854) and a reduction on the Spes Bona Reservoir 35 MI (R1 000 000) where the CRR budgetary provision was aligned to the cash-backed value available within the Development Contributions (see below table for details)

			<i>Difference between Tabled budget (March 2016) and May</i>		
Approval Object	Project Title	Fund	2016/17 Budget	2017/18 Budget	2018/19 Budget
Utility Services Portfolio Committee 15 April 2016 Item SUTS 03/04/16					
Water & Sanitation					
C14.86056-F3	Spes Bona Reservoir 35 MI	3 BICL Water:N Corr	(1 000 000)	-	-
CPX.0005992-F1	Acquisition & Commissioning of large Gen	3 CRR: EmergencyP	190 149 954	-	-
Total CRR			189 149 954	-	-

7. The total CRR allocation in Solid Waste Management Department increase by R800 000 in the 2016/17 financial year. This is mainly resulting from the re-phasing of the Acquisition of Small Generators project which was delayed by appeals against the tender in the 2015/16 financial year.
8. An additional amount of R600 000 was allocated to the Safety & Security Directorate's Insurance Contingency Provision in 2016/17 in order to procure replacement items which were damaged in recent fires.

Sundry Capex amendments which are included in the May Budget document:

1. The District 6 project funded USDG (R20 million in 2016/17) which was reflected under the Office of the City Manager in the Tabled Budget, has now been moved to the Human Settlements Directorate.
2. Ward allocation amendments from the holding allocation to specific projects within various directorates, subsequent to the tabling of the budget in March 2016 and supported by Subcouncils.

WBS Element	WBS Element Description	Tabled Budget 2016/17	Revised Budget 2016/17	Increase/ Decrease 2016/17
OCM: Councillor & Sub Council Support				
CPX.0005681-F1	Ward Allocations 1516 - Subcouncil 22	7 242	0	-7 242
CPX.0005696-F1	Ward Allocations 1516 - Subcouncil 9	219 730	0	-219 730
CPX.0007416-F1	Ward Allocations 1516 - Subcouncil 23	4 434	0	-4 434
CPX.0007449-F1	Ward Allocations 1516 - Subcouncil 11	7 041	0	-7 041
CPX.0007451-F1	Ward Allocations 1516 - Subcouncil 12	4 901	0	-4 901
CPX.0007804-F1	Ward Allocations 1617 - Subcouncil 1	1 055 000	0	-1 055 000
CPX.0007806-F1	Ward Allocations 1617 - Subcouncil 14	320 000	80 000	-240 000
Community Services: City Parks				
CPX.0007886-F1	Upgrade Akkerboomlaan Park, Atlantis	0	200 000	200 000
CPX.0007887-F1	Upgrade Buccaneer Cres POS, Rocklands	0	4 901	4 901
CPX.0007888-F1	Upgrading of green spaces in Dunoon	0	100 000	100 000
CPX.0008028-F1	Upgrade Park, DSec, SiteC - Khayelitsha	0	219 730	219 730
CPX.0008092-F1	Upgrade of Blombos Park, Lentegeur	0	4 434	4 434
Community Services: Sport, Recreation & Amenities				
CPX.0008035-F1	Saxonsea Sportsground - Exercise lights	0	300 000	300 000
CPX.0008036-F1	Skateboard Park - Protea Park - Phase 1	0	180 000	180 000
CPX.0008037-F1	Protea Park Sports F - Practice lights	0	120 000	120 000
CPX.0008038-F1	Du Noon Recreation Centre - Tables	0	25 000	25 000
TCT: Maintenance				
CPX.0007115-F1	Construction of Embayments in Ward 49	330 000	337 041	7 041
CPX.0007306-F1	Construction of Sidewalks in Makhaza	50 000	57 242	7 242
CPX.0007881-F1	Traffic Calming Measures in Ward 38	0	20 000	20 000
CPX.0008032-F1	Traffic Calming Measures in Ward 39	0	60 000	60 000
CPX.0008033-F1	Traffic Calming Measures in Ward 41	0	100 000	100 000
CPX.0008034-F1	Traffic Calming Measures - Summer Greens	0	60 000	60 000
Finance: Property Management				
CPX.0008040-F1	Fencing Atlantis Horse Keeping facility	0	70 000	70 000
Safety & Security: Metro Police Services				
CPX.0007841-F1	CCTV Partial Installation Ward 40 FY17	0	60 000	60 000

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

Difference between Tabled budget (March 2016) and May					
WBS Element	WBS Element Description	Fund	2016/17 Budget	2017/18 Budget	2018/19 Budget
Transport for Cape Town					
CPX.0002218-F2	Proclaimed Main Roads: Rehabilitation	4 PM&R - TS&I	(5 000 000)	-	-
CPX.0002870-F2	Proclaimed Main Roads: Rehabilitation	4 PM&R - TS&I	-	(5 200 000)	-
CPX.0007822-F1	Proclaimed Main Roads: Rehabilitation	4 PM&R - TS&I	-	-	(5 200 000)
			(5 000 000)	(5 200 000)	(5 200 000)
Community Services					
CPX.0003835-F3	Furniture,Tools,Equipment:Additional Lis	4 PAWC - Libraries	403 909	-	-
CPX.0005413-F1	Du Noon Library Construction	4 PAWC - Libraries	-	15 590 680	-
			403 909	15 590 680	-

The abovementioned Capital amendments which were included in the amended 2016/17 budget document which will serve before Council in May are summarised as follows:

Net effect on EFF funded projects

Directorate	Difference between March and May 2016/17	Difference between March and May 2017/18	Difference between March and May 2018/19
City Health	-	1 500 000	3 000 000
Safety & Security	19 600 000	-	-
Cape Town Electricity	(726 630)	(20 000 000)	(12 430 000)
TOTAL	18 873 370	(18 500 000)	(9 430 000)

Net effect on Capital Grants & Donations (CGD) funded projects

Directorate	Difference between March and May 2016/17	Difference between March and May 2017/18	Difference between March and May 2018/19
City Manager	(20 000 000)	-	-
Community Services	403 909	15 590 680	-
Human Settlements	14 000 000	-	-
Transport for Cape Town	(25 000 000)	(39 200 000)	(25 200 000)
TOTAL	(30 596 091)	(23 609 320)	(25 200 000)

Net effect on Capital Replacement Reserve (CRR) funded projects

Directorate/department	Difference between March and May 2016/17	Difference between March and May 2017/18	Difference between March and May 2018/19
Community Services	1 154 065	-	-
Corporate Services & Compliance	(1 538 348)	-	-
Finance	70 000	-	-
Safety & Security	60 000	-	-
Transport for Cape Town	254 283	-	-
Cape Town Electricity	115 931 200	6 558 900	-
Solid Waste Management	800 000	-	-
Water & Sanitation	189 149 954	-	-
TOTAL	305 881 154	6 558 900	-

Net effect on Revenue (REV) funded projects

Directorate	Difference between March and May 2016/17	Difference between March and May 2017/18	Difference between March and May 2017/18
Safety & Security	600 000	-	-

Details of the above Capital changes also appear as annexures to the report “input on the Tabled 2016/17 Budget: Portfolio Committee References and Sundry Proposals” which will be submitted to Mayco and Council under separate cover.