CITY OF CAPE TOWN
ISIXEKO SASEKAPA
STAD KAAPSTAD

ANNEXURE A

2018/19 - 2020/21 BUDGET

---

30 MAY 2018

including

Additional Recommendations approved

at the Special Council meeting

(refer page 212 - 214)

LIST OF TABLES

LIST OF FIGURES

LIST OF ANNEXURES

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.

Budget related policy – Policy of a municipality affecting, or affected by, the budget. Examples include tariff policy, rates policy and credit control and debt collection policy.

Budget Steering committee (BSC) – Committee established to provide technical assistance to the Mayor in discharging the responsibilities set out in section 53 of the MFMA.

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 by the municipality, and the cash and short-term investment balances.

CGD – Capital Grants and Donations

CCT/City – City of Cape Town

CPI – Headline Consumer Price Index

CRR – Capital Replacement Reserve

DMTN – Domestic Medium Term Note

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.

Executive Management Team (EMT) - A team comprising of the City Manager and the Executive Directors reporting to the City Manager.

Equitable Share – A general grant paid to municipalities. It is predominantly targeted at assisting municipalities with the costs of free basic services.

GDFI - Gross Domestic Fixed Investment

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.

KPI – Key Performance Indicators. Measure of service outputs and/or outcomes.

MayCO – Mayoral Committee

MBRR – Municipal Budget Reporting Regulations

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

mSCOA – municipal Standard Chart of Accounts

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.

MYPD – Multi Year Price Determination

NT – National Treasury

ODTP – Organisational Development and Transformation Plan

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

Portfolio Committee – In line with S.79 of the Structures Act, the City's Portfolio Committees process policies and bylaws relating to the functional areas within their terms of reference, and are responsible for implementation monitoring of these, as well as oversight of the functional areas. Portfolio Committees are also responsible for assessing and monitoring services delivery, ensuring that annual budgets are spent wisely, and that there is no wastage or corruption.

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

TMA – Total Municipal Account

SDBIP – Service Delivery Budget Implementation Plan. A detailed plan comprising of quarterly performance targets and monthly budget estimates.

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.

Subcouncils - The metropolitan area governed by the City is divided into subcouncils, each of which is made up of a number of wards. Each ward is made up of a number of suburbs and is represented by a councillor.

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

Part 1 - Annual Budget

1.1 Council Resolutions

The 2018/19 MTREF budget resolutions recommend that:

1. The City's annual budget for the financial year 2018/19; and indicative allocations for the two projected outer years 2019/20 and 2020/21, and related policies as set out in the following schedules and annexures, be adopted.

    a. Operating expenditure by standard classification reflected in Table 21.
    b. Operating expenditure by vote reflected in Table 22.
    c. Operating revenue by source reflected in Table 24
    d. Multi-year capital appropriations by vote reflected in Annexure 1.
    e. Capital expenditure by standard classification reflected in Table 25.
    f. Capital funding by source reflected in Table 25.
    g. Budgeted Cash Flow statement as reflected in Table 27.
    h. Salaries and Benefits of Political Office Bearers, Councillors and Senior Officials as reflected in Table 52 and Table 53.
    i. Performance Indicators and benchmarks for 2018/19 as set out in Table 35.
    j. Consolidated budget tables for the City and municipal entities (CTICC and CTS) as reflected in Table 98 to Table 106.
    k. Property (Tax) Rates as set out in Annexure 2.
    l. City Improvement Districts (CIDs) - Additional Rates Special Rating Areas (SRA) policy, SRA additional rates as set out in Annexure 3.
    m. Revised consumptive tariffs, rates and basic charges for electricity services, water services and waste management services as set out in Annexure 4.
    n. Rates policy as set out in Annexure 5.
    o. Tariffs, fees and charges book as set out in Annexure 6.
    p. Tariff policies as set out in Annexure 7.
    q. Credit control and debt collection policy as set out in Annexure 8 (with effect from 01 June 2018).
    r. Grants-In-Aid policy as set out in Annexure 9.
    s. Policy On Accounts Payable as set out in Annexure 10.
    t. Funding and Reserves Policy as set out in Annexure 11.
    u. Virement Policy as set out in Annexure 12.
    v. Budget Management and Oversight Policy as set out in Annexure 13.
    w. Long Term Financial Plan Policy as set out in Annexure 14.
    x. Policy Governing Adjustments Budgets as set out in Annexure 15.
    y. Unforeseen and Unavoidable Expenditure Policy as set out in Annexure 16.
    z. Policy Governing Planning and Approval of Capital Projects as set out in Annexure 17.
    aa. Integrated Development Plan (IDP) July 2017-June 2022 with proposed amendments (2018/19) as set out in Annexure 18.
    bb. Overview of budget assumptions applied to the 2018/19 MTREF required to be included in Annexure 18 [IDP July 2017-June 2022 with proposed amendments (2018/19)] as set out in Annexure 19.
    cc. Transfers and grants to external organisations as set out in Annexure 20.

dd. Individual projects with a total project cost in excess of R50 million (to give effect to S.19(1)(b) of the MFMA) as reflected in Table 81 and as set out in Annexure 21.
ee. Operating- and capital ward allocation projects supported by Subcouncils as set out in Annexure 22.
ff. Cape Town International Convention Centre - Schedule D (annual budget and supporting tables) as set out in Annexure 23.
gg. Cape Town International Convention Centre – Business Plan as set out in Annexure 24.
hh. Cape Town Stadium – Schedule D (annual budget and supporting tables) as set out in Annexure 25.
ii. Cape Town Stadium – Business Plan as set out in Annexure 26.
jj. Iconic and other events to be hosted by the City in 2018/19 as set out in Annexure 27.

2. National Treasury Circular 89 and Circular 91 (Municipal budget circulars for the 2018/19 MTREF) as set out in Annexure 28 to this report be noted.

3. Unspent conditional grant allocations (national), as at the end of the 2017/18 financial year, and appropriated or voted to 2018/19 and future years, not be committed to expenditure until approval thereof is obtained from National Treasury, in accordance with the directive of Budget Circular 48 (2009), Circular 51 (2010), Circular 55 (2011), Circular 59 (2012), Circular 67 (2013), Circular 72 (2014), Circular 75 (2015), Circular 79 (2016) and Circular 91 (2018).

4. The Capital Replacement Reserve(CRR): Ward Allocations be funded from savings identified in the 2017/18 financial year to fund the ward allocation projects in the amount of R53 428 500 for the 2018/19 financial year.

5. The changes to the tabled 2018/19 – 2020/21 budget (March 2018) and the 2018/19 – 2020/21 budget (May 2018) as reported in Annexure B, be adopted. It should be noted that these changes were already incorporated into the tables in Annexure A to this report.

6. Council approves the commencement of a process, in compliance with Section 46 of the Municipal Finance Management Act (MFMA), to take up funding to an amount of R4 billion depending on the City’s cash flow requirements. However, should the cash flow position be sufficient to fund the capital programme either partially or fully, the funding will be adjusted accordingly.

7. An amount of up to R2 million be made available in support of the Council approved Mayor’s Special Fund objective, as contemplated in Section 12 of the MFMA, and that this allocation be funded from within the Rates account.

1.2 Executive Summary

a. mSCOA (municipal Standard Chart of Accounts)

The municipal Standard Chart of Accounts (mSCOA), was developed by National Treasury (NT) to standardise financial reporting- and related information across all municipalities in South Africa. In terms of section 168 of the MFMA (Act No. 56 of 2003), the Minister of Finance gazetted the Municipal Regulations on Standard Chart of Accounts into effect on 22 April 2014. These regulations provide for full compliance to the mSCOA classification framework, by all municipalities and municipal entities, by 1 July 2017.

The detailed mSCOA requirements and classification are contained in spreadsheets issued by NT and are also referred to as the mSCOA grid. This grid contains the classification framework for the seven mSCOA segments i.e. Item, Projects, Funding, Function, Regional Indicator, Standard Classification and Costing.

NT issues updated versions of the mSCOA grid together with the annual NT Budget Circulars, which are used as a guide by municipalities when compiling their annual budgets.

The 2018/19 MTREF was drafted using mSCOA version 6.2 as per NT Budget Circular 89 issued in December 2017. The City will continuously refine mSCOA e.g. Balance Sheet Planning based on additional requirements in version 6.2. In addition, certain mSCOA principles are to be investigated following reviews of Project Segment Documents (PSDs), responses from NT on FAQs logged and changes observed in version 6.2.

b. Total Budget

The total budget quantum for the 2018/19 year is R47 672 million, of which R39 264 million (82.4%) is allocated to the operating budget and R8 408 million (17.6%) to the capital budget.

c. Operating Budget

Expenditure

The total operating expenditure amounts to R39 264 million for the 2018/19 financial year.

Table 1 Expenditure components of the 2018/19 budget

Category R Thousand	Budget 2018/19
Employee related costs	12,920,115
Remuneration of councillors	169,640
Debt impairment	2,988,951
Depreciation & asset impairment	2,814,336
Finance charges	1,089,285
Bulk purchases	9,487,132
Other materials	1,255,285
Contracted services	6,004,687
Transfers and subsidies	333,807
Other expenditure	2,200,213
Loss on disposal of PPE	488
Total Expenditure	39,263,938

Major allocations for 2018/19 include:

- Employee-related costs total R12 920 million, which equates to 32.9% of the total budget. The 2018/19 salary increase was determined by applying the same formula of previous salary/wage determinations (there is no SALGBC agreement in place for 2018/19 yet). In addition, a changed budget principle was implemented. In 2018/19, the City will only provide for 95% of employee costs, with the remaining 5% of total remuneration contributed to the Water & Sanitation department in relief of the New Water Plan expenditure.

  Employee Related Costs increased from 32% to 32.9% (of the total operating budget) post the March tabling, due to additional allocations and budgetary shifts as follows:
  - R45 million for the appointment of traffic and law officers within the Safety & Security directorate. (This additional allocation within the Safety & Security directorate will be funded from savings realised on depreciation and finance costs, following the amendment of the loan take-up/borrowing requirement of the New Water Plan.)
  - R7.5 million for appointment of Law Enforcement staff funded ex Private Institutions, CIDs and property owner associations.
  - R15 million moved from General expenses to Salaries Wages & Allowances, funded ex Provincial Government grants.
  - Budgetary shifts (R19 million), from General Expenses to Salaries Wages & Allowances, for the conversion of labour broker expenditure to permanent staff within the Solid Waste department.

- Bulk purchases (Water & Electricity) at R9 487 million, where budgetary provision for bulk purchases consist of purchase of electricity and water from suppliers i.e. Eskom and the Department of Water Affairs and Sanitation and consumer behaviour.

- Debt impairment of R2 989 million, which is influenced by the budgetary treatment of fines as prescribed in the GRAP1 Accounting Standard, which states that fines should be budgeted for at 100% of fines issued. Prior to IGRAP1 implementation, the City accounted for revenue from fines on the basis of estimated collectable revenue. A provision for the amount deemed uncollectable has been included in the budget. In addition, this provision is based on collection rates achieved to date and projected over the MTREF period, as well as the City's arrears and debt recovery policies.

- Finance charges consist primarily of the repayment of interest on long-term borrowing (cost of capital). It equates to 2.77% (R1 089 million) of the 2018/19 operating expenditure (excluding redemption costs). The increase over the 2018/19 MTREF takes into consideration existing and new loans that will be taken up to fund the City's capital programme, additional capital requirements for the New Water Plan and the projected interest rates over this period.

- Contracted services of R6 005 million, which includes repairs and maintenance provisions and budgetary realignments from this category in line with mSCOA regulations.

- Other expenditure with an allocation of R2 200 million, includes inter alia, provision for:
  - Indigent Relief – R76 million
  - Computer Services: Software Licences – R169 million
  - Operating Grants and Donations (Operational Costs) – R53 million
  - Special Rating Areas – R209 million
  - Electricity Costs – R187 million
  - Collection Costs (Commission Paid) – R 205 million
  - Operating Leases – R238 million

Staff cost growth

The City's current staff establishment is evaluated in terms of updated and reviewed business plans to achieve corporate strategy. In addition, the staff budget takes into consideration the financial impact of the Organisational Development Transformation Plan (ODTP).

The projected 2018/19 salary increase is calculated using the average CPI for the period 1 February of the previous year to 31 January 2018 with a 2% added as there is no SALGBC agreement in place for 2018/19 and onwards yet.

Table 2 Staff cost per vote (directorate)

Vote (Directorate) R Thousand	Budget 2018/19
Vote 1 - Area-Based Service Delivery	254,005
Vote 2 - Assets & Facilities Management	661,574
Vote 3 - City Manager	138,463
Vote 4 - Corporate Services	1,109,459
Vote 5 - Energy	1,203,294
Vote 6 - Finance	953,526
Vote 7 - Informal Settlements, Water & Waste Services	3,084,125
Vote 8 - Safety & Security	1,924,938
Vote 9 - Social Services	2,283,023
Vote 10 - Transport & Urban Development Authority	1,307,709
Total staff costs	12,920,115

Revenue

Operating revenue amounts to R39 433 million in the 2018/19 financial year.

Table 3 Revenue categories of the 2018/19 budget

Category R Thousand	Budget 2018/19
Revenue By Source	
Property rates	9,361,952
Service charges - electricity revenue	12,591,403
Service charges - water revenue	3,574,755
Service charges - sanitation revenue	1,811,048
Service charges - refuse revenue	1,202,059
Service charges - other	573
Rental of facilities and equipment	381,262
Interest earned - external investments	936,513
Interest earned - outstanding debtors	340,970
Dividends received	–
Fines, penalties and forfeits	1,280,160
Licences and permits	46,050
Agency services	201,723
Transfers and subsidies	6,803,608
Other revenue	773,871
Gains on disposal of PPE	43,870
Total Revenue (excluding capital transfers and contributions)	**39,349,818**

Major allocations for 2018/19 include:

- Property rates (R9 362 million)
  This allocation is influenced by the General Valuation (GV) 2015 outcome. The Rates growth parameter is attributed to a revenue quantum increase of 6.5% and a growth of 0.5% for 2018/19. In addition, the implementation of the real-time rates billing in terms of the amended Municipal Property Rates Act (MPRA) improved the Rates revenue considerably.

- Service charges – electricity revenue (R12 591 million)
  2017/18 was the end of the Multi–Year Price Determination (MYPD) agreement, thus Eskom applied to the National Energy Regulator of South Africa (NERSA) for an increase for the 2018/19 financial year.

  In this regard, NERSA approved an average percentage price increase of 5.23% to Eskom for the 2018/19 financial year, which translated into a 7.32% increase for municipalities. There is currently no longer term price increase agreement in place; i.e. only an increase for the 2018/19 financial year of the MTREF was approved. In addition, a Service Charge to Home Users of R150 to cover fixed costs will be introduced in 2018/19. A portion of all revenue goes towards maintaining the service connections of residents. Currently this cost is recouped via electricity sales (as a cent per kWh), however under the current tariff formula only those who use 600 units or more are fully covering the costs associated with servicing their homes. This means that customers on the Domestic Tariff who use less than 600 units in a month are being subsidised by other users. It is not sustainable to provide subsidy to residents who are not considered financially vulnerable.

  The City has sought to correct this by proposing activation of the Home User Tariff, that allows the City to recoup the cost of providing services to Domestic Tariff customers who buy less than 600 units per month. Under the current proposal all customers with a property value of R1 million and above will be moved onto the Home User Tariff from 1 July 2018.

- Service Charges – Water Revenue (R3 575 million) and Sanitation Revenue (R1 811 million)
  The revenue base for Water and Sanitation was calculated from a level 1 volumetric consumption level, as adjusted for growth, to ensure stability in the forecasting, obtaining a revenue neutral position on the restriction levels and to prevent commitments, which cannot be sustained at the projected volumetric consumption levels.

  Higher than CPI increases are proposed for Water & Sanitation tariffs and are influenced by various factors such as:
  - Various initiatives planned over the ensuing years to ensure sustainability and resilience in the provision of water for the City in light of the current severe drought conditions;
  - Investment in desalination, underground extraction from aquifers and water reclamation / reuse initiatives in an effort to ensure water security;
  - The continued investment in asset replacement programmes to ensure proper asset management;
  - Acceleration of the repairs and maintenance programme as well as staffing strategy to ensure that service delivery and response expectations are met.
  - The further roll out of water demand management initiatives to limit the abuse of water;
  - The significantly lower collection rate, as evidenced in the previous financial period's results;

- The projected shrinkage in overall water consumption; and
- The projected shrinkage within the high consumption steps which are normally used for cross-subsidisation.

In addition, due to the current climatic conditions, level 6b water restriction are due to continue for the 2018/19 financial year and level 6 restrictions tariff will still be applicable from 1 July 2018.

- Transfers and Subsidies (R6 804 million; mainly National- and Provincial allocations)
  For purposes of the budget compilation, national allocations are based on the 2018 Division of Revenue Bill (DoRB), which was published in February 2018 and provincial allocations are based on the latest Provincial Gazette 7890, dated 5 March 2018.

Individual service tariffs / Rates

The proposed tariff increases in the table below are averages; i.e. some ratepayers and service users may pay more and others less than the average as a result of the impact of rebates, usage/consumption, property value and type of consumer.

Table 4 Average Tariff increases for the 2018/19 MTREF

Category	Base Budget 2017/18	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Property Rates	5.00%	6.50%	7.70%	8.16%
Electricity	3.34%	8.14%	9.56%	9.96%
Water *	19.25%	19.90%	39.70%	16.80%
Sanitation *	19.25%	19.90%	39.70%	16.80%
Refuse	6.50%	5.70%	7.90%	8.00%
Disposal	8.30%	14.83%	10.87%	14.24%

*Level 6 Water restrictions

Rates

Property rates are based on values indicated in the General Valuation Roll 2015 (GV), with the date of valuation being 1 August 2015. The Roll is being updated for properties affected by land sub-divisions, alterations to buildings, demolitions and improvements through Supplemental Valuations.

Accordingly, the rates levied per individual property will depend on that property’s value compared with the valuation of all the rateable properties in the municipal area. Rebates and concessions are granted to certain categories of property usage and/or property owner profile.

The definitions and listing of categories are reflected in the Rates Policy attached as Annexure 5.

Water & Sanitation

There is a proposed average revenue increase of 19.9% for water and sanitation for the 2018/19 financial year. It must be emphasised that the revenue increases are predominantly driven by the permanent impact of the drought on water consumption levels (which had to be adjusted downwards).

There is a proposed 5.5% increase on miscellaneous tariffs.

The proposed consumption-based, as well as miscellaneous tariffs, are shown in the attached Tariffs, fees and charges book (Annexure 6).

Solid Waste

The Solid Waste tariffs are levied to recover costs of services provided directly to customers and includes refuse collection fees, disposal fees, compost sales, weighbridge fees and other ad hoc services. An average increase has been applied on the Consumptive Tariffs for Collections of 5.7% and Disposal of 14.83%. An average increase has been applied on the Miscellaneous tariffs for Cleaning of 5.5%. The details are reflected in Annexure 4.

Electricity

On 15 December 2017, NERSA issued a statement allowing Eskom an average 5.23% increase, which equates to a 7.32% increase to Municipalities. On 28 February 2018, NERSA issued a Consultation Paper on Guideline Increases for regulated tariffs, which set this increase at 6.84%.

These items resulted in the Electricity Generation and Distribution department requiring a revenue increase from Sale of Electricity of 5.4% in order to meet the budgeted Operating Expenditure and, when coupled to the expected negative sales growth of -2.75% (which includes a correction to account for the lower than expected 2017/18 sales), results in a tariff increase requirement of an average of 8.14%. The details are reflected in Annexure 4.

d. Capital Budget

The total capital budget amounts to R8 408 million in the 2018/19 financial year and will be funded as reflected in the table below.

Table 5 Capital funding sources

Major Capital Funding Sources **R Thousand**	**Budget 2018/19**
Capital Grants & Donations (CGD)	2,144,096
Capital Replacement Reserve (CRR)	1,101,963
External Financing Fund (EFF)	5,075,996
Revenue (Internal funding source)	85,501
Total	**8,407,556**

Capital Grants and Donations (CGD)

Capital Grants and Donations represent 25.5% of 2018/19 capital funding. CGD largely consist of National- and Provincial allocations. For purposes of the 2018/19 budget compilation, National allocations are based on the 2018 Division of Revenue Bill (DoRB), which was published in February 2018. Provincial allocations are based on the Provincial Gazette Extraordinary 7890, dated 5 March 2018.

Capital Replacement Reserves (CRR)

Funding from the CRR represents 13.1% of the 2018/19 capital funding. The City will continue to make funding available via the CRR in support of priorities in 2018/19, such as:

- Traffic congestion relief programme amounting to R225 million;
- Land acquisition for Human Settlements amounting to R95 million;
- Ward allocations amounting to R55.6 million;
- Replacement of fleet amounting to R15 million; and
- Electricity Generation & Distribution equipment, facilities, vehicles, street lighting, etc. amounting to R417 million.

External Financing Fund (EFF)

The most significant source of funding of the Capital Budget is the EFF, which represents 60.4% of the total 2018/19 capital funding requirement. The total EFF allocation amounts to R 5 076 million in 2018/19. It is anticipated that R4 000 million will be funded from external loans, while the balance of R1 076 million will be funded from internal resources.

The City is still working towards diversifying the sources of water supply via bringing additional new water resources online in order to ensure increased resilience during the current drought. The City has, therefore, accelerated the implementation of new water resources over this MTREF. The proposed capital budget includes allocations towards the New Water Plan, funded from EFF, amounting to R1 521 million, R2 056 million and R2 150 million respectively, in the 2018/19, 2019/20 and 2020/21 financial years.

Additional allocations, strategically aligned to the IDP and flowing from the Strategic Management Framework (SMF) process, were incorporated into the proposed 2018/19 capital budget. These additional allocations are:

- Social Services directorate: R27 million (2018/19) and R42 million (2019/20) for the Social Services IT Modernisation project in order to implement innovative digital transformation solutions aimed at improving customer experience.

- Safety and Security directorate: R51 million in 2018/19 and R29 million in 2019/20
    - Integrated Contact Centre: Phase 2 (R25 million (2018/19); R25 million (2019/20)) for replacement of the Contravention System, which will ensure that by-laws are loaded on the City's own system as opposed to the National Contravention System.
    - Further development of the Film & Events Permitting System (R1 million in 2018/19), which will allow for online applications, tracking and approved permit downloads, quicker/streamlined service being received, self-service online updating of Event Company registration / Public Liability Insurance and other relevant financial information as well as fast e-mail and SMS notifications.
    - Events Support Online Application System (R3 million in 2019/20) to replace the current system, which is a combination of a manual (paper-based) system and an automated system lacking built-in workflow and tracking of applications. The new system will address:
        - Online applications, tracking and approvals;
        - Quicker / streamlined service being received;
        - Self-service online updating of Event Company registration/Public Liability Insurance and other relevant financial information; and
        - Fast e-mail and SMS notification.
    - Development of an Online Event Calendar (R1 million in 2019/20) to replace the manual calendar, which is not visible to the public, resulting in events clashes, lack of co-ordination etc. The online Event Calendar will improve planning and co-ordination of events to improve the geographical spread of events across the City and minimise / avoid event clashes.
    - Additional new vehicles (R25 million) for mainly the traffic and law enforcement sections within the directorate for new and current staff which were not issued with vehicles.

- Corporate Services directorate: R10.4 million in 2018/19
  - Procurement of Data Science Infrastructure (R1 million), for software licenses and hardware to support the enterprise high performance computing infrastructure for data analyses, which will ultimately lead to better decision-making and service delivery.
  - Continued Integration and Enhancement of the SAP PPM system (R8.9 million) for the rollout of the PPM Operating model across the entire organisation requiring additional BI resources to complete additional organisational requirements. The PPM Operating model is designed to achieve maximum project portfolio management maturity across business.
  - Procurement of IT equipment and furniture (R473 386) for the replacement of old/obsolete items and to provide equipment and furniture for additional staff being appointed.

- Finance directorate: R5.5 million (2018/19), R44.5 million (2019/20) and R24 million (2020/21)
  - Walk-in Centre - Table Bay Mall (R5.5 million in 2018/19) to deal with revenue, housing, property lease transactions/enquiries and cash receipting for these transactions as part of a more customer-centric approach.
  - e-Tendering System (R44.5 million in 2019/20 and R24 million in 2020/21). City officials manually process almost 3 000 bids received per annum and the current tender turnaround time is over 20 weeks. The automation of the tendering system will drive better monitoring, availability of audit trails and efficiencies in terms of time and cost. e-Tendering will cut across tender- and contract processes organisation wide.

- Energy directorate: Sustainable Energy Markets department (R50 000 in 2018/19, R25 million in 2019/20 and R17.3 million in 2020/21) for work towards achieving Energy2040 carbon. The allocation will be spent on:
  - Procurement of IT equipment (R50 000 per financial year);
  - Resource efficiency in large municipal buildings for energy efficiency retrofits to reduce electricity consumption at facilities (R7 million in 2019/20, R17 million in 2020/21); and
  - Installation of photovoltaic solar systems in municipal buildings to generate renewable energy and to ensure energy security (R18 million in 2019/20).

Major capital expenditure is planned in 2018/19 for the directorates below:

- Informal Settlements, Water & Waste Services → R4 207 million
- Transport & Urban Development Authority → R1 774 million
- Energy → R1 113 million

The most significant projects/programmes are:

- Assets & Facilities Management
  - Asset Management Programme → R90 million
  - Fleet Management - Replacement Vehicles → R55 million
  - Rental Stock Sub-Meters → R80 million
- Corporate Services
  - Dark Fibre Broadband Infrastructure → R253 million
- Energy
  - Electricity Facilities → R153 million
  - Electrification → R95 million
  - Mitchells Plain - Steenbras 132 kV OHL → R46 million
  - MV Switchgear Refurbishment → R74 million

    - MV System Infrastructure → R61 million
    - Service Connections → R95 million
    - Steenbras: Refurbishment of Main Plant → R43 million
    - Street Lighting → R53 million
    - System Equipment Replacement → R175 million
- Informal Settlements, Water & Waste Services
    - Bellville Waste Water Treatment Works → R114 million
    - Borchards Quarry Waste Water Treatment Works → R59 million
    - Bulk Water Augmentation Scheme → R116 million
    - Bulk Water Infrastructure Replacement → R50 million
    - Cape Flats Waste Water Treatment Works - Refurbishment → R75 million
    - Contermanskloof Reservoir → R51 million
    - Meter Replacement Programme → R270 million
    - New Water Plan → R1521 million
    - Replace & Upgrade Sewer Network → R106 million
    - Replace & Upgrade Water Network → R103 million
    - Upgrading of drop-off facilities → R54 million
    - Upgrading Solid Waste facilities → R109 million
    - Zandvliet Waste Water Treatment Works - Extension → R367 million
- Safety & Security
    - Additional Vehicles → R44 million
    - CCTV Installations → R9 million
    - Project EPIC: Integrated Contact Centre → R47 million
    - Replacement of Vehicles → R20 million
- Social Services
    - Cemetery Developments → R21 million
    - Du Noon Library Construction → R9 million
    - Ideal Clinics → R12 million
    - Manenberg Integrated Project → R10 million
    - New Fisantekraal Clinic → R14 million
    - New Pelican Park Clinic → R20 million
    - Park Upgrades Programme → R11 million
    - Sport and Recreation Facilities Upgrade → R13 million
- Transport & Urban Development Authority
    - Congestion Relief Projects → R240 million
    - IRT → R287 million
    - Land Acquisition → R155 million
    - Metro Roads: Reconstruction → R73 million
    - Non-Motorised Transport Programme → R134 million
    - Paardevlei TOD Project → R66 million
    - Public Transport Interchange Programme → R124 million
    - Public Transport Systems Management Project → R70 million
    - Roads: Rehabilitation → R116 million

Table 6 Extract of new projects in the 2018/19 capital budget

Project Description R Thousand	Budget 2018/19
Home Ownership Trasnfer,Tenancy Management & Staff Housing Department: Records Managem	2 700
Revenue Department: Walk in Centre: Table Bay Mall	5 500
Water & Sanitation Department: Cape Flats Aquifer Recharge	500 000
Water & Sanitation Department: Zandvliet Plant Re-use (50ML)	22 000
Informal Settlements & Backyarders Department: DeepFreeze:Services Formal Area-Macassar	15 000
Informal Settlements & Backyarders Department: Professional Services: Monwood, Philippi	2 923
Informal Settlements & Backyarders Department: Internal Services: Monwabisi Park	2 000
Solid Waste Management Department: ARTS: MBT (Phase 2)	1 000
Metropolitan Police Services Department: CCTV Cameras - Subcouncil 13	1 450
Recreation & Parks Department: Solomon Tshuku - Outdoor gym	1 500
Library & Information Services Department: New library Manenberg Regional library	1 000
Human Settlement Implementation Department: Sheffield Road Housing Project 200 units	10 000
Human Settlement Implementation Department: Transitional Housing services	2 000

1.3 Operating Revenue Framework

The City's revenue quantum is determined by setting a package of tariffs, which are not only considered affordable to its ratepayers and the users of its services, but deemed to be at fair and realistic levels when viewed in context of its programmes to assist those who do not have the means to pay.

The City's revenue strategy is built around the following key components:

- National Treasury's guidelines and macro-economic policy;
- Projected City growth and continued economic development;
- Realistic revenue management, which provides for the achieving of the collection rate targets;
- Electricity tariff increases as approved by the National Electricity Regulator of South Africa (NERSA);
- Setting of trading services' user charges at levels which are reflective of these services' cost recovering nature; and
- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA).

The following table is a summary of the 2018/19 MTREF (classified by main revenue source):

Table 7 Summary of Revenue classified by main revenue sources

Description	2018/19 Medium Term Revenue & Expenditure Framework		
R thousand	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Revenue By Source			
Property rates	9,361,952	10,248,287	11,131,713
Service charges - electricity revenue	12,591,403	13,519,095	14,865,239
Service charges - water revenue	3,574,755	5,037,616	5,904,860
Service charges - sanitation revenue	1,811,048	2,524,979	2,947,422
Service charges - refuse revenue	1,202,059	1,331,897	1,486,051
Service charges - other	573	738	896
Rental of facilities and equipment	381,262	402,231	424,570
Interest earned - external investments	936,513	989,834	1,020,077
Interest earned - outstanding debtors	340,970	362,409	385,462
Dividends received	–	–	–
Fines, penalties and forfeits	1,280,160	1,350,569	1,425,526
Licences and permits	46,050	48,432	51,120
Agency services	201,723	212,818	224,629
Transfers and subsidies	6,803,608	7,101,185	7,464,469
Other revenue	773,871	816,747	862,106
Gains on disposal of PPE	43,870	46,283	48,852
Total Revenue (excluding capital transfers and contributions)	**39,349,818**	**43,993,121**	**48,242,992**

The following table shows the main revenue sources as a percentage of the total revenue budget:

Table 8 Revenue by source as a percentage of total budget

Description	2018/19 Medium Term Revenue & Expenditure Framework					
R thousand	Budget Year 2018/19	%	Budget Year +1 2019/20	%	Budget Year +2 2020/21	%
Revenue By Source						
Property rates	9,361,952	23.8%	10,248,287	23.3%	11,131,713	23.1%
Service charges - electricity revenue	12,591,403	32.0%	13,519,095	30.7%	14,865,239	30.8%
Service charges - water revenue	3,574,755	9.1%	5,037,616	11.5%	5,904,860	12.2%
Service charges - sanitation revenue	1,811,048	4.6%	2,524,979	5.7%	2,947,422	6.1%
Service charges - refuse revenue	1,202,059	3.1%	1,331,897	3.0%	1,486,051	3.1%
Service charges - other	573	0.0%	738	0.0%	896	0.0%
Rental of facilities and equipment	381,262	1.0%	402,231	0.9%	424,570	0.9%
Interest earned - external investments	936,513	2.4%	989,834	2.2%	1,020,077	2.1%
Interest earned - outstanding debtors	340,970	0.9%	362,409	0.8%	385,462	0.8%
Dividends received	–	0.0%	–	0.0%	–	0.0%
Fines, penalties and forfeits	1,280,160	3.3%	1,350,569	3.1%	1,425,526	3.0%
Licences and permits	46,050	0.1%	48,432	0.1%	51,120	0.1%
Agency services	201,723	0.5%	212,818	0.5%	224,629	0.5%
Transfers and subsidies	6,803,608	17.3%	7,101,185	16.1%	7,464,469	15.5%
Other revenue	773,871	2.0%	816,747	1.9%	862,106	1.8%
Gains on disposal of PPE	43,870	0.1%	46,283	0.1%	48,852	0.1%
Total Revenue (excluding capital transfers and contributions)	**39,349,818**	**100.0%**	**43,993,121**	**100.0%**	**48,242,992**	**100.0%**
Total Revenue from Rates & Service Charges	**28,541,790**	**72.5%**	**32,662,612**	**74.2%**	**36,336,180**	**75.3%**

In line with the formats prescribed by the Municipal Budget and Reporting Regulations (MBRR), capital transfers and contributions are excluded from the operating statement, as inclusion of these revenue sources would distort the calculation of the operating surplus/deficit.

Rates and Service Charges revenue makes up 72.5% of the City's total revenue mix for 2018/19. Property rates is the second largest revenue source in 2018/19, totaling R9 362 million (23.8% of revenue).

Transfers and subsidies (operating grants and transfers) total R6 804 million in 2018/19 and increases to R7 464 million by 2020/21. This revenue component reflects an increase over the MTREF as a result of increased allocations from Provincial- and National Government, albeit at a relatively low year-on-year rate of 5% only. The table below reflects all transfers and grants excluding the Fuel Levy allocation.

Table 9 Operating Transfers and Grant Receipts (MBRR Table SA18)

Description	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Operating Transfers and Grants: RECEIPTS									
National Government:	**387,274**	**50,617**	**2,480,736**	**2,849,944**	**3,067,056**	**3,067,056**	**3,264,482**	**3,391,723**	**3,628,609**
Equitable share	–	–	–	2,292,908	2,292,908	2,292,908	2,574,650	2,815,558	3,092,042
Finance Management grant	1,250	1,050	1,050	1,050	1,050	1,050	1,000	1,000	1,000
Urban Settlements Development Grant	–	–	1,423,504	215,798	231,796	231,796	204,792	204,301	173,000
Energy Efficiency and Demand Side Management Grant	–	3,945	15,000	400	400	400	600	–	–
Dept. of Environ Affairs and Tourism	4,401	–	5,158	–	7,158	7,158	–	–	–
Expanded Public Works Programme	21,204	23,616	31,740	13,783	13,783	13,783	23,266	–	–
Integrated City Development Grant	–	–	44,805	8,944	9,944	9,944	7,622	5,392	8,563
Public Transport Infrastructure & Systems Grant	–	–	–	19,636	70,227	70,227	48,812	53,303	41,770
Infrastructure Skills Development	2,300	7,526	9,416	9,393	10,193	10,193	12,605	15,935	16,000
Public Transport Network Grant	–	–	950,063	288,032	429,596	429,596	391,135	291,434	291,434
Municipal Human Settlements Capacity Grant	50,371	13,703	–	–	–	–	–	–	–
Public Transport Networks Operations Grant	307,548	–	–	–	–	–	–	–	–
Department of Public Service and Administration	200	777	–	–	–	–	–	–	–
Neighbourhood Development Partnership Grant	–	–	–	–	–	–	–	4,800	4,800
Provincial Government:	**1,033,824**	**1,083,706**	**1,046,947**	**1,176,026**	**1,508,150**	**1,508,150**	**967,719**	**1,069,142**	**1,089,509**
Cultural Affairs and Sport - Provincial Library Services	40,000	37,833	49,665	37,449	41,236	41,236	47,347	47,057	49,737
Cultural Affairs and Sport - Library Services: Transfer funding to enable City of Cape Town to procure periodicals and newspapers	–	–	–	4,500	4,500	4,500	4,770	4,989	5,223
Human Settlements - Human Settlement Development Grant	705,185	730,119	596,558	568,052	878,819	878,819	333,550	419,930	392,280
Human Settlements - Municipal Accreditation Assistance	–	5,000	10,000	5,000	10,483	10,483	5,000	–	–
Human Settlement - Settlement Assistance	–	–	1,500	1,500	2,867	2,867	1,500	1,500	1,500
Health - TB	25,813	24,653	27,147	27,112	27,604	27,604	53,063	61,341	79,511
Health - ARV	106,167	159,183	206,350	217,701	217,701	217,701	224,414	244,224	270,814
Health - Nutrition	4,504	4,528	4,143	5,572	5,572	5,572	5,928	6,176	6,520
Health - Vaccines	68,422	61,967	96,758	82,134	96,299	96,299	86,899	91,661	91,661
Comprehensive Health	–	–	–	188,146	173,489	173,489	173,489	173,489	173,489
Transport and Public Works - Provision for persons with special needs	10,000	10,000	10,000	10,000	10,313	10,313	10,000	10,000	10,000
Planning, Maintenance and Rehabilitation of Transport Systems and Infrastructure	10,900	23,200	18,000	–	3,672	3,672	–	3,500	3,500
Community Safety - Law Enforcement Auxiliary Services	19,384	21,669	25,618	3,500	6,915	6,915	3,938	4,159	4,388
Appointment, Training , Equipping and Operationalisation of School Resource Officers	–	–	–	–	–	–	345	–	–
Community Development Workers	–	1,080	1,089	886	1,354	1,354	886	886	886
Finance Management Capacity Building Grant	–	–	120	240	362	362	360	–	–
Provincial Government: Financial Management Support Grant	300	300	–	–	230	230	230	230	–
Provincial Contribution towards addressing Natural Disasters	–	–	–	–	2,500	2,500	–	–	–
Human Settlement	–	–	–	24,234	24,234	24,234	–	–	–
Health - Global Fund	41,856	–	–	–	–	–	–	–	–
Transport Safety and Compliance - Rail Safety	500	4,000	–	–	–	–	16,000	–	–
Local Government: Compliance	293	–	–	–	–	–	–	–	–
Economic Development and Tourism	500	–	–	–	–	–	–	–	–
Commercial Mediation Training	–	174	–	–	–	–	–	–	–

Table continues on next page

Description	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Other grant providers:	**32,867**	**39,727**	**9,453**	**12,337**	**34,388**	**34,388**	**13,271**	**670**	**–**
Tourism	–	167	–	2,000	2,000	2,000	2,000	–	–
CMTF	–	–	–	2,575	9,607	9,607	–	–	–
CID	2,839	2,908	4,410	3,572	6,264	6,264	4,107	–	–
Century City Property Owners Association	363	813	782	837	837	837	–	–	–
Traffic Free Flow (Pty) Ltd	1,338	1,262	987	–	–	–	539	–	–
DBSA - Green Fund	25,000	25,000	–	–	6,790	6,790	–	–	–
Rustenberg Girls	–	–	38	41	41	41	–	–	–
Westcott Primary	–	–	38	41	41	41	43	–	–
Airports Company South Africa SOC Ltd	–	–	667	1,333	1,333	1,333	1,333	–	–
Rockefeller Philanthropy Advisor's Inc	–	–	–	1,166	1,166	1,166	1,448	–	–
University of Connecticut	–	451	–	–	15	15	–	–	–
V&A Waterfront Holdings (Pty) Ltd	148	275	332	772	772	772	853	–	–
The South African Breweries	–	–	–	–	3,894	3,894	–	–	–
Bayside	–	–	176	–	547	547	–	–	–
Bergvliet High	–	–	–	–	16	16	–	–	–
Big Bay	–	–	–	–	315	315	396	396	–
Helderberg PTA	–	–	–	–	16	16	–	–	–
University of Stellenbosch	–	–	850	–	733	733	–	–	–
UN Women	150	–	–	–	–	–	–	–	–
Chemical Industries Education and Training Authority	–	887	839	–	–	–	–	–	–
National Lottery	–	1,500	–	–	–	–	–	–	–
Disaster Management Fund	46	–	6	–	–	–	–	–	–
South African National Biodiversity Institute	2,865	1,542	–	–	–	–	–	–	–
Mayoress Charity Fund	117	135	328	–	–	–	–	–	–
Dutch Government - Orio Project	–	649	–	–	–	–	–	–	–
Long Street law Enforcement	–	–	–	–	–	–	1,583	–	–
Carnegie	–	3,809	–	–	–	–	–	–	–
Agence Francaise De Development (AFD)	–	330	–	–	–	–	–	–	–
Sustainable Energy Africa	–	–	–	–	–	–	967	274	–
Total Operating Transfers and Grants	**1,453,965**	**1,174,050**	**3,537,136**	**4,038,307**	**4,609,593**	**4,609,593**	**4,245,472**	**4,461,535**	**4,718,118**

1.3.1 Property (Tax) Rates (refer Annexure 2)

The property rates are to be levied in accordance with Council policies, the Local Government Municipal Property Rates Act 2004 (MPRA), the MPRA Regulations, the Local Government: Municipal Finance Management Act (MFMA) 56 of 2003.

The Rates Policy was compiled taking into account feedback received from the Finance Portfolio Committee, councillors, ratepayers and clients since the adoption of the 2017/18 Property Rates Policy in May 2017. In addition, it was informed by the Public Participation Process conducted during April 2017.

Property rates are based on values indicated in the General Valuation (GV) Roll 2015 with the date of valuation being 1 August 2015. The Roll is being updated for properties affected by land sub-divisions, alterations to buildings, demolitions and improvements through Supplemental Valuations (SV).

Accordingly, the rates levied per individual property will depend on that property's value compared with the valuation of all the rate-able properties in the municipal area.

Rebates and concessions are granted to certain categories of property usage and/or property owner.

The definitions and listing of categories are reflected in the Rates Policy attached as Annexure 5.

The proposed rates tariffs are shown in the Tariffs, Fees and Charges Book attached as Annexure 6.

1.3.2 Sale of Water and Sanitation and Impact of Tariff Increases (refer Annexure 4)

There is a proposed average revenue increase of 19.9% for water and sanitation. It must be emphasised that the revenue increases are predominantly driven by the permanent impact of the drought on water consumption levels (which had to be adjusted downwards).

The projected overall reduction of consumption and specifically evaporation of consumption in the upper volumetric steps are placing the current progressive domestic stepped tariff structure under severe strain and increased risk. The City has therefore been forced to act responsibly and consider alternative methods to ensure much higher levels of certainty and resilience of the financial model to recover the cost for delivering the service. This is to ensure the current infrastructure can be operated, maintained and extended to provide the basic services to the community.

The following changes are therefore recommended:

Water Service:

- The introduction of a Fixed Basic Charge based on the meter size, which provides the basis of access to the water network.
- Revision of the current six step tariff structure to a four step tariff structure, still designed to discourage high water consumption, with a higher rate of recovery at the lower steps where usage is certain.
- Uniform tariffs for the non-domestic categories.
- The needs of the indigent are addressed and the basic allocation has been increased from 6kl to 10.5kl. This change is however matched by ending the previous subsidisation of step 2 of the indigent customers. The Fixed Basic Charge for Indigent Customers will be charged at R Nil.

Sanitation Service:

- Revision of the current six step tariff structure to a four step tariff structure consumption, with a higher rate of recovery at the lower steps where usage is certain.
- Uniform tariffs for the non-domestic categories.
- The needs of the indigent are addressed and the basic allocation has been increased from 4.2kl to 7.35kl. This change is however matched by ending the previous subsidisation of step 2 of the indigent customers.

With the changes in the tariff structure, it is not possible to specify year-on-year specific tariff increases. Calculation thereof will depend on the specific set of circumstances of each customer. Significant tariff increases will however be evident due to the reduction in the volumetric base to recover cost, the significant cost required for the water augmentation plan to ensure security of water supply from various sources such as aquifers, water re-use as well as desalination, ensuring the management of assets at appropriate levels, sustain and enhance the maintenance programs, supplying water and sanitation at appropriate capacity, service delivery and responsiveness levels. The water collection ratio has also been adjusted in line with the latest trends.

There are seven tariff sets, which relate to consumption levels in comparison to the Water Demand Curve. Due to the permanent impact of the drought on water consumption, the volumetric usage per tariff set had to be adjusted downwards (and will need further refinement once the new levels of consumption have settled post the drought). Given current circumstances, the level 6 restriction tariffs will be carried into the 2018/19 financial year and will be subject to change based on further decisions regarding the water restrictions.

The proposed consumption-based, as well as miscellaneous tariffs, are shown in the Tariffs, Fees and Charges Book attached as Annexure 6.

The ensuing tables show the proposed tariff charges for water and sanitation over the 2018/19 MTREF.

Table 10 Comparison between current water tariffs and proposed water tariffs – Non-indigent

Category	Current Tariff 2017/18 (10%)	Proposed Tariff 2018/19 (10%)	Current Tariff 2017/18 (20%)	Proposed Tariff 2018/19 (20%)	Current Tariff 2017/18 (30%)	Proposed Tariff 2018/19 (30%)	Current Tariff 2017/18 (40%)	Proposed Tariff 2018/19 (40%)	Current Tariff 2017/18 (50%)	Proposed Tariff 2018/19 (50%)	Current Tariff 2017/18 (60%)	Proposed Tariff 2018/19 (60%)	Current Tariff 2017/18 (70%)	Proposed Tariff 2018/19 (70%)
	Rand per Kl (excl. VAT)	Rand per Kl (excl. VAT)	Rand per Kl (excl. VAT)	Rand per Kl (excl. VAT)	Rand per Kl (excl. VAT)	Rand per Kl (excl. VAT)	Rand per Kl (excl. VAT)	Rand per Kl (excl. VAT)	Rand per Kl (excl. VAT)	Rand per Kl (excl. VAT)	Rand per Kl (excl. VAT)	Rand per Kl (excl. VAT)	Rand per Kl (excl. VAT)	Rand per Kl (excl. VAT)
DOMESTIC Full														
Fixed basic Charge (Assume meter size = 15mm)	N/A	56.00	N/A	56.00	N/A	56.00	N/A	56.00	N/A	56.00	N/A	56.00	N/A	56.00
Step 1 (0 < 6kl)	4.00	12.85	4.00	13.26	4.00	13.68	4.00	14.13	18.75	21.19	26.25	28.90	26.25	28.90
Step 2 (>6 < 10.5kl)	15.57	17.13	15.57	18.22	15.57	19.46	15.57	22.52	26.25	34.43	46.00	46.00	46.00	46.00
Step 3 (>10.5 < 35kl)	N/A	22.78	N/A	24.76	N/A	27.63	N/A	34.05	N/A	52.39	N/A	120.27	N/A	120.27
Step 3 (>10.5 < 20kl)	18.22	N/A	20.04	N/A	21.87	N/A	22.78	N/A	46.00	N/A	100.00	N/A	100.00	N/A
Step 4 (>20 < 35kl)	26.99	N/A	32.65	N/A	36.43	N/A	38.32	N/A	100.00	N/A	300.00	N/A	300.00	N/A
Step 4 (>35kl)	N/A	39.39	N/A	45.69	N/A	60.66	N/A	84.69	N/A	300.00	N/A	1000.00	N/A	1000.00
Step 5 (>35 < 50kl)	33.33	N/A	45.00	N/A	61.66	N/A	99.99	N/A	300.00	N/A	800.00	N/A	800.00	N/A
Step 6 (>50kl)	43.97	N/A	97.71	N/A	209.29	N/A	265.12	N/A	800.00	N/A	800.00	N/A	800.00	N/A
DOMESTIC Cluster														
Fixed basic Charge (Assume meter size = 40mm)	N/A	400.00	N/A	400.00	N/A	400.00	N/A	400.00	N/A	400.00	N/A	400.00	N/A	400.00
Step 1 (0 < 6kl)	4.00	12.85	4.00	13.26	4.00	13.68	4.00	14.13	18.75	21.19	26.25	28.90	26.25	28.90
Step 2 (>6 kl)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Step 2 (>6 < 20kl)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Step 2 (>6 < 10.5kl)	15.57	17.13	15.57	18.22	15.57	19.46	15.57	22.52	26.25	34.43	46.00	46.00	46.00	46.00
Step 3 (>10.5 < 35kl)	N/A	22.78	N/A	24.76	N/A	27.63	N/A	34.05	N/A	52.39	N/A	120.27	N/A	120.27
Step 3 (>10.5 < 20kl)	18.22	N/A	20.04	N/A	21.87	N/A	22.78	N/A	46.00	N/A	100.00	N/A	100.00	N/A
Step 3 (>20kl)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Step 4 (>20 < 35kl)	26.99	N/A	32.65	N/A	36.43	N/A	38.32	N/A	100.00	N/A	300.00	N/A	300.00	N/A
Step 4 (>35kl)	N/A	39.39	N/A	45.69	N/A	60.66	N/A	84.69	N/A	300.00	N/A	1000.00	N/A	1000.00
Step 5 (>35 < 50kl)	33.33	N/A	45.00	N/A	61.66	N/A	99.99	N/A	300.00	N/A	800.00	N/A	800.00	N/A
Step 6 (>50kl)	43.97	N/A	97.71	N/A	209.29	N/A	265.12	N/A	800.00	N/A	800.00	N/A	800.00	N/A
COMMERCIAL (assumed meter size = 50mm)	N/A	625.00	N/A	625.00	N/A	625.00	N/A	625.00	N/A	625.00	N/A	625.00	N/A	625.00
COMMERCIAL	19.63	22.78	21.59	23.74	23.55	25.06	24.54	28.82	37.50	37.50	50.00	45.75	75.00	60.63
INDUSTRIAL (assumed meter size = 100mm)	N/A	2,500.00	N/A	2,500.00	N/A	2,500.00	N/A	2,500.00	N/A	2,500.00	N/A	2,500.00	N/A	2,500.00
INDUSTRIAL	19.63	22.78	21.59	23.74	23.55	25.06	24.54	28.82	37.50	37.50	50.00	45.75	75.00	60.63

Table 11 Comparison between current sanitation charges and proposed tariffs - Non Indigent

Category	Current Tariff 2017/18 (10%)	Proposed Tariff 2018/19 (10%)	Current Tariff 2017/18 (20%)	Proposed Tariff 2018/19 (20%)	Current Tariff 2017/18 (30%)	Proposed Tariff 2018/19 (30%)	Current Tariff 2017/18 (40%)	Proposed Tariff 2018/19 (40%)	Current Tariff 2017/18 (50%)	Proposed Tariff 2018/19 (50%)	Current Tariff 2017/18 (60%)	Proposed Tariff 2018/19 (60%)	Current Tariff 2017/18 (70%)	Proposed Tariff 2018/19 (70%)
	Rand per Kl (excl VAT)	Rand per Kl (excl VAT)	Rand per Kl (excl VAT)	Rand per Kl (excl VAT)	Rand per Kl (excl VAT)	Rand per Kl (excl VAT)	Rand per Kl (excl VAT)	Rand per Kl (excl VAT)	Rand per Kl (excl VAT)	Rand per Kl (excl VAT)	Rand per Kl (excl VAT)	Rand per Kl (excl VAT)	Rand per Kl (excl VAT)	Rand per Kl (excl VAT)
DOMESTIC Full - Standard	Single residential properties - 70% of water consumption to a maximum of 35 kl of sewerage per month (70% of 50 kl water = 35 kl of sewerage)													
Step 1 (0 < 4,2 kl)	3.85	11.29	3.85	11.65	3.85	12.02	3.85	12.42	16.25	16.93	22.50	24.72	22.50	24.72
Step 2 (>4.2 < 7.35 kl)	13.14	15.05	13.14	16.01	13.14	17.10	13.14	19.79	22.50	30.25	39.00	39.00	39.00	39.00
Step 3 (>7.35 < 24.5kl)	N/A	20.47	N/A	22.49	N/A	25.59	N/A	31.93	N/A	45.15	N/A	108.07	N/A	108.07
Step 3 (>7.35 < 14 kl)	21.27	N/A	23.40	N/A	25.53	N/A	26.59	N/A	39.00	N/A	86.00	N/A	86.00	N/A
Step 4 (>14 < 24.5 kl)	23.25	N/A	28.14	N/A	34.88	N/A	43.02	N/A	86.00	N/A	105.00	N/A	105.00	N/A
Step 4 (>24.5 < 35kl)	N/A	30.10	N/A	35.37	N/A	46.05	N/A	66.82	N/A	108.09	N/A	108.07	N/A	108.07
Step 5 (>24.5 < 35 kl)	24.42	N/A	32.97	N/A	45.18	N/A	52.02	N/A	105.00	N/A	105.00	N/A	105.00	N/A
DOMESTIC Cluster														
Step 1 (0 < 4.2kl)	3.85	11.29	3.85	11.65	3.85	12.02	3.85	12.42	16.25	16.93	22.50	24.72	22.50	24.72
Step 1 (0 < 4.2kl)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Step 2 (> 4.2kl)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Step 2 (>4.2 < 7.35 kl)	13.14	15.05	13.14	16.01	13.14	17.10	13.14	19.79	22.50	30.25	39.00	39.00	39.00	39.00
Step 3 (>7.35 < 24.5kl)	N/A	20.47	N/A	22.49	N/A	25.59	N/A	31.93	N/A	45.15	N/A	108.07	N/A	108.07
Step 3 (>7.35 < 14 kl)	21.27	N/A	23.40	N/A	25.56	N/A	26.59	N/A	39.00	N/A	86.00	N/A	86.00	N/A
Step 3 (> 4.2 < 35 kl)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	n/a
Step 4 (>14 < 24.5 kl)	23.25	N/A	28.14	N/A	34.88	N/A	43.02	N/A	86.00	N/A	105.00	N/A	105.00	N/A
Step 4 (>24.5 < 35kl)	N/A	30.10	N/A	35.37	N/A	46.05	N/A	66.82	N/A	108.09	N/A	108.07	N/A	108.07
Step 5 (>24.5 < 35 kl)	24.42	N/A	32.97	N/A	45.18	N/A	52.02	N/A	105.00	N/A	105.00	N/A	105.00	N/A
COMMERCIAL	15.09	20.47	16.59	21.33	18.10	22.51	18.86	24.25	28.75	30.29	38.75	38.75	57.50	57.12
INDUSTRIAL	15.09	20.47	16.59	21.33	18.10	22.51	18.86	24.25	28.75	30.29	38.75	38.75	57.50	57.12

The following two tables show the impact of the proposed increases in water- and sanitation tariffs for a single dwelling house.

Table 12 Comparison between current water charges and proposed increases (domestic consumption) –non-indigent

Monthly Consumption kl	Current amount Payable 2017/18 (10%) R	Proposed amount Payable 2018/19 (10%) R (excl VAT)	Difference (Increase)	Percentage change
Fixed basic Charge (Assume meter size = 15mm)	N/A	56.00	-	-
6	24.95	133.45	108.50	434.87%
10.5	95.40	211.35	115.95	121.54%
20	270.89	427.76	156.87	57.91%
35	678.78	777.42	98.64	14.53%
50	1,186.02	1,368.27	182.25	15.37%
80	2,505.12	2,549.97	44.85	1.79%

Monthly Consumption kl	Current amount Payable 2017/18 (20%) R	Proposed amount Payable 2018/19 (20%) R (excl VAT)	Difference (Increase)	Percentage change
Fixed basic Charge (Assume meter size = 15mm)	N/A	56.00	-	-
6	24.95	135.97	111.02	444.97%
10.5	95.40	218.90	123.50	129.45%
20	289.49	454.12	164.63	56.87%
35	785.16	835.55	50.39	6.42%
50	1,496.27	1,520.90	24.63	1.65%
80	4,427.57	2,891.60	-1,535.97	-34.69%

Monthly Consumption kl	Current amount Payable 2017/18 (30%) R	Proposed amount Payable 2018/19 (30%) R (excl VAT)	Difference (Increase)	Percentage change
Fixed basic Charge (Assume meter size = 15mm)	N/A	56.00	-	-
6	24.95	138.56	113.61	455.35%
10.5	95.40	227.30	131.90	138.26%
20	307.68	489.79	182.11	59.19%
35	866.22	920.07	53.85	6.22%
50	1,892.24	1,829.97	-62.27	-3.29%
80	8,170.94	3,649.77	-4,521.17	-55.33%

Monthly Consumption kl	Current amount Payable 2017/18 (40%) R	Proposed amount Payable 2018/19 (40%) R (excl VAT)	Difference (Increase)	Percentage change
Fixed basic Charge (Assume meter size = 15mm)	N/A	56.00	-	-
6	24.95	141.47	116.52	467.01%
10.5	95.40	244.47	149.07	156.26%
20	316.72	567.94	251.22	79.32%
35	921.09	1,102.97	181.88	19.75%
50	2,534.04	2,373.32	-160.72	-6.34%
80	10,487.64	4,914.02	-5,573.62	-53.14%

Table continues on next page

Monthly Consumption kl	Current amount Payable 2017/18 (50%) R	Proposed amount Payable 2018/19 (50%) R (excl VAT)	Difference (Increase)	Percentage change
Fixed basic Charge (Assume meter size = 15mm)	N/A	56.00	-	-
6	113.96	184.23	70.27	61.66%
10.5	234.13	341.75	107.62	45.97%
20	685.92	839.45	153.53	22.38%
35	2,281.81	1,744.02	-537.79	-23.57%
50	7,124.28	6,244.02	-880.26	-12.36%
80	31,124.28	15,244.02	-15,880.26	-51.02%

Monthly Consumption kl	Current amount Payable 2017/18 (60%) R	Proposed amount Payable 2018/19 (60%) R (excl VAT)	Difference (Increase)	Percentage change
Fixed basic Charge (Assume meter size = 15mm)	N/A	56.00	-	-
6	159.12	230.81	71.69	45.05%
10.5	373.89	448.49	74.60	19.95%
20	1,378.68	1,591.05	212.37	15.40%
35	6,118.41	3,816.89	-2,301.52	-37.62%
50	18,118.41	18,816.89	698.48	3.86%
80	42,118.41	48,816.89	6,698.48	15.90%

Monthly Consumption kl	Current amount Payable 2017/18 (70%) R	Proposed amount Payable 2018/19 (70%) R (excl VAT)	Difference (Increase)	Percentage change
Fixed basic Charge (Assume meter size = 15mm)	N/A	56.00	-	-
6	159.12	230.81	71.69	45.05%
10.5	373.89	448.49	74.60	19.95%
20	1,378.68	1,591.05	212.37	15.40%
35	6,118.41	3,816.89	-2,301.52	-37.62%
50	18,118.41	18,816.89	698.48	3.86%
80	42,118.41	48,816.89	6,698.48	15.90%

Table 13 Comparison between current sanitation charges and proposed increases (domestic consumption) – non-indigent

Monthly Consumption kl	Current amount Payable 2017/18 (10%) R	Proposed amount Payable 2018/19 (10%) R (excl VAT)	Difference (Increase)	Percentage change
4.2	16.70	47.63	30.93	185.21%
7.35	58.91	95.59	36.68	62.26%
14	200.74	231.71	30.97	15.43%
24.5	445.26	449.88	4.62	1.04%
35	689.96	751.50	61.54	8.92%

Monthly Consumption kl	Current amount Payable 2017/18 (20%) R	Proposed amount Payable 2018/19 (20%) R (excl VAT)	Difference (Increase)	Percentage change
4.2	16.70	49.18	32.48	194.49%
7.35	58.91	100.26	41.35	70.19%
14	215.65	249.82	34.17	15.85%
24.5	512.74	490.29	-22.45	-4.38%
35	843.12	844.72	1.60	0.19%

Monthly Consumption kl	Current amount Payable 2017/18 (30%) R	Proposed amount Payable 2018/19 (30%) R (excl VAT)	Difference (Increase)	Percentage change
4.2	16.70	50.78	34.08	204.07%
7.35	58.91	105.50	46.59	79.09%
14	230.91	275.67	44.76	19.38%
24.5	600.61	551.23	-49.38	-8.22%
35	1,053.34	1,012.68	-40.66	-3.86%

Monthly Consumption kl	Current amount Payable 2017/18 (40%) R	Proposed amount Payable 2018/19 (40%) R (excl VAT)	Difference (Increase)	Percentage change
4.2	16.70	52.59	35.89	214.91%
7.35	58.91	116.15	57.24	97.17%
14	239.42	328.48	89.06	37.20%
24.5	694.15	675.46	-18.69	-2.69%
35	1,215.42	1,345.03	129.61	10.66%

Monthly Consumption kl	Current amount Payable 2017/18 (50%) R	Proposed amount Payable 2018/19 (50%) R (excl VAT)	Difference (Increase)	Percentage change
4.2	68.61	71.87	3.26	4.75%
7.35	141.15	168.66	27.51	19.49%
14	409.51	468.91	59.40	14.51%
24.5	1,318.89	964.11	-354.78	-26.90%
35	2,371.04	2,047.23	-323.81	-13.66%

Monthly Consumption kl	Current amount Payable 2017/18 (60%) R	Proposed amount Payable 2018/19 (60%) R (excl VAT)	Difference (Increase)	Percentage change
4.2	95.45	104.65	9.20	9.64%
7.35	223.03	234.45	11.42	5.12%
14	798.58	953.12	154.54	19.35%
24.5	1,901.08	2,087.85	186.77	9.82%
35	2,953.23	3,170.77	217.54	7.37%

Monthly Consumption kl	Current amount Payable 2017/18 (70%) R	Proposed amount Payable 2018/19 (70%) R (excl VAT)	Difference (Increase)	Percentage change
4.2	95.45	104.65	9.20	9.64%
7.35	223.03	234.45	11.42	5.12%
14	798.58	953.12	154.54	19.35%
24.5	1,901.08	2,087.85	186.77	9.82%
35	2,953.23	3,170.77	217.54	7.37%

1.3.3 Solid Waste Management and impact of Tariff Increases (refer Annexure 4)

The Solid Waste Tariffs are levied to recover costs of services provided directly to customers and include refuse collection fees, disposal fees, compost sales, weighbridge fees and other ad hoc services. An average increase has been applied on the Consumptive Tariffs for Collections of 5.7% and Disposal of 14.83%. An average increase has been applied on the Miscellaneous Tariffs for Cleaning of 5.5%.

The proposed tariffs are shown in the Tariffs, Fees and Charges Book attached as Annexure 6.

Table 14 Comparison between current waste removal fees and increases

SERVICES RENDERED	UNIT	REMARKS To be read in conjunction with Definitions (refer annexures)	2017/18 R excl. VAT	VAT Yes/No	2018/19 R excl. VAT
Black lid 240L container service (R/blacklid)					
Basic container service: Residential collection based on a once-per week 240L service per household/service point in suburbs containerised.	Per month	Account to property owner. Basic container service (weekly service is 1x 240L Black lid container per week).	119.47	y	126.26
Subsidised : Black lid 240L container service (R/blacklid)					
Property owner with property valued from R1 up to and including R100 000 (100% rebate)	Rebate per month on First Container only	Account to property owner. Basic container service (weekly service is 1x 240L Black lid container per week).	-119.47	y	-126.26
Property value between R100 001 up to and including R150 000 (75% rebate)	Rebate per month on First Container only	Account to property owner. Basic container service (Weekly service is 1x 240L Black lid container per week).	-89.56	y	-94.70
Property value between R150 001 up to and including R350 000 (50% rebate)	Rebate per month on First Container only	Account to property owner. Basic container service (weekly service is 1x 240L Black lid container per week).	-59.74	y	-63.13
Property value between R350 001 up to and including R500 000 (25% rebate)	Rebate per month on First Container only	Account to property owner. Basic container service (weekly service is 1x 240L Black lid container per week).	-29.91	y	-31.65
Additional once-per-week 240L service (Black lid 240L)	Per additional 240 L container per month	Enhanced service level. (Additional service of 240L Black lid container(s) serviced on the same day as the normal weekly service. Per fixed agreement - not variable).	119.47	y	126.26
Providing a lockable 240L container service	Per month	Account to property owner. Basic container service (weekly service is 1x 240L Black lid container per week). Subject to availability.	119.47	y	126.26
Subsidised service to Organisations Accredited by the Executive Director: Area-Based Service Delivery as per the Tariff Policy (50% rebate)	Rebate per 240L container per month (limited to a Maximum of 15 containers per shelter)	Account rendered to the organisations accredited by the Executive Director: Area-Based Service Delivery. Enhanced service level (240L black lid containers) serviced once a week.	59.74	y	-63.16
Indigent relief on a 240L container (100% rebate)	Rebate per month on First Container only	In terms of Section 27 of the Credit Control & Debt Collection Policy. Basic container service (weekly service is 1x 240L Black lid container per week).	-119.47	y	-126.26
Additional Recycling Container service: Residential dry recyclable collection based on a once-per week service per participating household.	Per month	Account to property owner participating in the dry recyclable project. Container service.	Free		Free

1.3.4 Sale of Electricity and Impact of Tariff Increases (refer Annexure 4)

The proposed revisions to the tariffs have been formulated in accordance with the City of Cape Town Tariff and Rates Policy and comply with Section 74 of the Municipal Systems Act as well as the recommendations of the National Energy Regulator of South Africa (NERSA).

In terms of section 75A of the Local Government Municipal Systems Act, any fees, charges or tariffs which a municipality may wish to levy and recover in respect of any function or service of the municipality, must be approved by a resolution passed by the municipal council with a supporting vote of a majority of its members.

The Electricity Regulation Act requires that proposed revisions to the electricity consumption based tariffs be submitted to the Regulator for approval prior to implementation. Provisional approval will therefore be requested with the express proviso that any alterations required by Council will be submitted to the Regulator as soon as possible.

The Consumptive Tariff Schedule includes a note indicating that the tariffs are applied in accordance with the terms and conditions as contained in the Electricity Tariff Policy.

On 15 December 2017, NERSA issued a statement allowing Eskom an average 5.23% increase, which equates to a 7.32% increase to Municipalities. On 28 February 2018 NERSA issued a Consultation Paper on Guideline Increases for regulated tariffs, which set this increase at 6.84%. It should be noted that this excludes items such as the Contribution to Rates, which for 2018/19 contributes a significant portion of the overall increase for Electricity Generation and Distribution tariffs.

The above items result in the Electricity Generation and Distribution department requiring a revenue increase from Sale of Electricity of 5.4% in order to meet the budgeted operating expenditure and, when coupled to the expected negative sales growth of -2.75% (which includes a correction to account for the lower than expected 2017/18 sales), results in a tariff increase requirement of an average of 8.14%.

These increases are in line with the guidelines established in the MTREF.

Present electricity tariffs were approved by Council on 30 May 2017 and by NERSA (with amendments – not implemented) on 2 June 2017, and were implemented with effect from 1 July 2017.

The proposed tariffs are shown in the Tariffs, Fees and Charges Book attached as Annexure 6.

Table 15 Comparison between current electricity charges and increases (domestic consumption)

Category	Unit	Steps	VAT yes/no	2017/18 c/kWh excl VAT	2018/19 c/kWh excl VAT
Lifeline INCLUDING the FBE portion	Energy Charge (c/kWh)	0-350kWh	y	102.00	110.30
		350.1+ kWh	y	205.65	222.39
Domestic	Energy Charge (c/kWh)	0-600kWh	y	169.12	182.89
		600.1+ kWh	y	205.65	222.39
Home User	Service Charge	Per Month	y	219.00	130.44
	Energy Charge (c/kWh)	0-600kWh	y	132.63	161.15
		600.1+ kWh	y	205.65	222.39

1.3.5 Overall impact of tariff increases on households

The following table shows the overall expected impact of tariff increases on households with a ‘middle income range’, an ‘affordable range’ and an ‘indigent household receiving free basic services’.

Table 16 MBRR Table SA14 - Household bills

Description	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework			
Rand/cent	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19 % incr.	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Monthly Account for Household - 'Middle Income Range'										
Rates and services charges:										
Property rates	260.80	286.63	266.54	279.88	279.88	279.88	6.5%	298.08	315.96	334.92
Electricity: Basic levy	–	–	–	–	–	–	–	222.39	240.18	259.40
Electricity: Consumption	1,464.04	1,676.32	1,787.26	1,837.32	1,837.32	1,837.32	8.1%	1,986.90	2,145.85	2,317.52
Water: Basic levy	–	–	–	–	–	–		–	–	–
Water: Consumption	335.55	372.43	608.33	652.75	4,278.50	4,278.50	1,633.5%	11,315.59	12,107.68	12,955.22
Sanitation	235.41	261.30	415.60	471.50	1,524.25	1,524.25	238.9%	1,598.01	1,805.75	2,040.50
Refuse removal	95.96	103.95	112.19	119.47	119.47	119.47	5.7%	126.32	133.90	141.93
Other	–	–	–	–	–	–	–	–	–	–
sub-total	**2,391.76**	**2,700.63**	**3,189.92**	**3,360.92**	**8,039.42**	**8,039.42**	**362.6%**	**15,547.29**	**16,749.33**	**18,049.49**
VAT on Services	298.33	337.96	409.27	431.35	1,086.34	1,086.34	–	2,287.38	2,465.00	2,657.19
Total large household bill:	**2,690.09**	**3,038.59**	**3,599.19**	**3,792.27**	**9,125.76**	**9,125.76**	**370.3%**	**17,834.67**	**19,214.33**	**20,706.67**
% increase/-decrease		**13.0%**	**18.4%**	**5.4%**	**140.6%**			**95.4%**	**7.7%**	**7.8%**
Monthly Account for Household - 'Affordable Range'										
Rates and services charges:										
Property rates	156.35	171.98	159.93	167.93	167.93	167.93	6.5%	178.85	189.58	200.96
Electricity: Basic levy	–	–	–	–	–	–	–	182.89	197.52	213.32
Electricity: Consumption	673.80	771.50	822.55	845.60	845.60	845.60	8.1%	914.45	987.61	1,066.61
Water: Basic levy	–	–	–	–	–	–		–	–	–
Water: Consumption	242.66	269.33	426.61	470.60	2,778.50	2,778.50	1,242.0%	6,315.59	6,757.68	7,230.72
Sanitation	179.38	199.11	261.08	349.42	1,156.75	1,156.75	249.1%	1,219.76	1,378.33	1,557.51
Refuse removal	95.96	103.95	112.19	119.47	119.47	119.47	5.7%	126.32	133.90	141.93
Other	–	–	–	–	–	–	–	–	–	–
sub-total	**1,348.15**	**1,515.87**	**1,782.36**	**1,953.02**	**5,068.25**	**5,068.25**	**357.6%**	**8,937.86**	**9,644.62**	**10,411.06**
VAT on Services	166.85	188.14	227.14	249.91	686.04	686.04	–	1,313.85	1,418.26	1,531.52
Total small household bill:	**1,515.00**	**1,704.01**	**2,009.50**	**2,202.93**	**5,754.29**	**5,754.29**	**365.4%**	**10,251.71**	**11,062.87**	**11,942.57**
% increase/-decrease		**12.5%**	**17.9%**	**9.6%**	**161.2%**			**78.2%**	**7.9%**	**8.0%**
Monthly Account for Household - 'Indigent' Household receiving free basic services										
Rates and services charges:										
Property rates	52.12	57.33	53.31	55.98	55.98	55.98	6.5%	59.62	63.20	66.99
Electricity: Basic levy	–	–	–	–	–	–	–	110.30	119.12	128.65
Electricity: Consumption	252.96	273.18	291.27	306.00	306.00	306.00	26.2%	386.05	416.93	450.29
Water: Basic levy	–	–	–	–	–	–		–	–	–
Water: Consumption	149.76	166.23	246.96	264.45	1,014.50	1,014.50	336.6%	1,154.59	1,235.41	1,321.89
Sanitation	123.34	136.92	198.88	211.17	613.29	613.29	240.3%	718.66	812.09	917.66
Refuse removal	47.98	51.97	56.14	59.74	59.74	59.74	5.7%	63.16	66.95	70.97
sub-total	**626.16**	**685.63**	**846.56**	**897.34**	**2,049.51**	**2,049.51**	**177.8%**	**2,492.38**	**2,713.70**	**2,956.45**
VAT on Services	80.37	87.96	111.06	117.79	279.09	279.09	–	364.91	397.58	433.42
Total small household bill:	**706.53**	**773.59**	**957.62**	**1,015.13**	**2,328.60**	**2,328.60**	**181.5%**	**2,857.29**	**3,111.28**	**3,389.86**
% increase/-decrease		**9.5%**	**23.8%**	**6.0%**	**129.4%**			**22.7%**	**8.9%**	**9.0%**

1.4 Operating Expenditure Framework

The City's expenditure for the 2018/19 budget and MTREF is informed by the following:

- Modelling of feasible and sustainable budgets over the medium term,
- Cognisance of international, national and local economic- and fiscal conditions,
- Expenditure limits set by realistic and realisable revenue levels,
- The City's asset renewal strategy and its medium- to long term asset repairs and maintenance goals,
- Relevant (budget and other) legislative imperatives, and
- Operational gains and efficiencies directed to fund areas of strategic priority and known commitments.

A differentiated budgeting approach for the 2017/18 MTREF was adopted and continued with in the 2018/19 MTREF. The principles of cost containment, elimination of wasteful expenditure, and reprioritisation of spending were the technical themes of the budget.

The following table is a high level summary of the 2018/19 MTREF operating expenditure (classified by main type):

Table 17 Summary of operating expenditure by main type

Description	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Expenditure By Type									
Employee related costs	8,124,733	9,357,740	9,659,300	12,050,690	11,505,286	11,505,286	12,920,115	13,804,026	14,883,272
Remuneration of councillors	128,412	134,637	138,374	155,787	155,565	155,565	169,640	180,666	192,500
Debt impairment	1,523,784	1,898,476	2,323,482	2,508,738	2,491,185	2,491,185	2,988,951	3,346,843	3,644,602
Depreciation & asset impairment	1,917,134	2,117,336	2,313,471	2,574,607	2,520,137	2,520,137	2,814,336	3,092,708	3,279,697
Finance charges	774,895	747,256	731,823	1,131,010	993,544	993,544	1,089,285	1,564,844	1,885,513
Bulk purchases	7,108,843	8,073,336	8,438,102	8,540,135	8,742,293	8,742,293	9,487,132	10,896,898	11,739,035
Other materials	323,901	300,405	476,050	1,190,177	1,182,760	1,182,760	1,255,285	1,399,291	1,465,941
Contracted services	3,536,355	3,766,255	4,171,123	6,086,610	6,146,828	6,146,828	6,004,687	6,363,514	6,790,937
Transfers and subsidies	136,487	148,246	111,829	140,985	414,450	414,450	333,807	356,864	365,224
Other expenditure	3,777,783	4,139,457	4,486,789	2,978,990	2,260,231	2,260,231	2,200,213	2,422,275	2,561,922
Loss on disposal of PPE	3,096	8,118	7,376	387	462	462	488	515	543
Total Expenditure	**27,355,422**	**30,691,262**	**32,857,719**	**37,358,116**	**36,412,742**	**36,412,742**	**39,263,938**	**43,428,443**	**46,809,187**

- Employee relates costs are R12 920 million in 2018/19, which equates to 32.9% of the total operating expenditure. The projected 2018/19 cost of living increase is 7.1% as there was no salary and wage collective agreement in place for the 2018/19 MTREF period. The process is currently under consultation; no finality on the matter has been reached to date.

- The cost associated with the remuneration of councillors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The most recent proclamation in this regard was taken into account when compiling the City's 2018/19 budget.

- The provision for debt impairment is based on collection rates achieved to date and projected over the MTREF period, as well as the City's arrears and debt recovery policies. For 2018/19, this equates to R2 989 million escalating to R3 645 million by 2020/21. While this expenditure is considered to be a non-cash flow item, it informs the total cost associated with rendering services of the municipality as well as the municipality's realistically anticipated revenues.

- Budgeted appropriations for Depreciation & Asset Impairment totals R2 814 million for 2018/19 and is linked to the capitalisation rate of assets. The calculation of depreciation on new capital expenditure is based on variables such as asset class and lifespan depending on the nature of the asset. An annual capital expenditure implementation rate of 100% is assumed. Depreciation of existing assets is calculated based on simulated SAP (financial system) data that reflect actual values per annum. Assets Under Construction (AUC) are calculated based on asset class lifespan and the projected capitalisation dates.

- Finance Charges consist primarily of the repayment of interest on long-term borrowing (cost of capital). It equates to 3% (R1 089 million) of the 2018/19 operating expenditure (excluding redemption costs) and increases to R1 885 million by 2020/21. The increase over the 2018/19 MTREF is informed by existing and new loans that will be taken up to fund the City's capital programme, which includes additional capital requirements for the New Water Plan and the projected interest rates over this period. The financial impact of this growth was considered in the 2018/19 MTREF.

- Budgetary provision for Bulk Purchases is informed by the purchase of electricity and water from suppliers i.e. Eskom and the National Department of Water & Sanitation and consumer behaviour. In this regard, annual price increases have been factored into the budget appropriations, which in turn impacts on the tariff requirements for these tariff-based services.

- Other Materials provision caters for sundry items such as the purchase of fuel, diesel, materials for maintenance, cleaning materials and chemicals. Growth is projected for this expenditure component over the MTREF period; R1 255 million in 2018/19 estimating to increase to R1 466 million by 2020/21.

- Contracted Services expenditure component includes provisions for repairs & maintenance and additional allocations for service delivery enhancements. Expenditure levels are projected at R6 005 million in 2018/19 escalating to R6 791 million in 2020/21.

Figure 1 below gives a breakdown of the main expenditure categories for 2018/19.

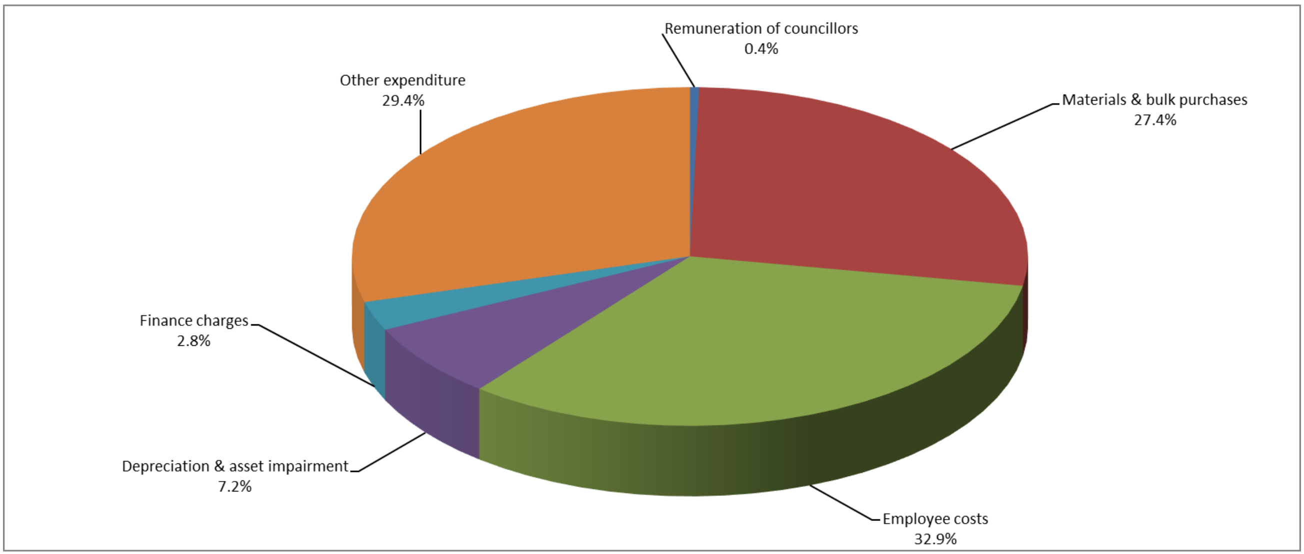


Figure 1 Main operational expenditure categories for the 2018/19 financial year

1.4.1 Priority given to Repairs & Maintenance

The City has acknowledged its obligation to optimally preserve its extended asset base and recognises current inherent backlogs in this regard. In line with the approach of recent financial years, 2018/19 appropriations again provide for increases (with the exception of support services) to this cost component largely based on average CPI. This included adopting a differentiated budgeting approach for the 2018/19 MTREF:

- 10% reduction to 2017/18 base with no increase for the 2018/19 financial year – to support services;
- A CPI increase to services whose main function is not providing repairs & maintenance although the nature of their business and facilities demands proper maintenance provision; and
- CPI + 1% applied to services to secure the health of their assets.

In terms of the MBRR, operational repairs and maintenance is not considered a direct expenditure driver, but an outcome of other expenditures, such as remuneration, purchases of materials and contracted services. Considering these cost drivers, the following table is a consolidation of all the expenditures associated with repairs and maintenance.

Table 18 Operational repairs and maintenance

Description	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Repairs & Maintenance by Expenditure Item									
Employee related costs	1,187,006	1,262,852	1,271,125	1,430,455	1,341,534	1,341,534	1,300,132	1,384,643	1,475,335
Other materials	46,996	45,260	276,260	276,952	284,552	284,015	325,242	346,219	368,896
Contracted Services	1,450,264	1,660,202	2,010,873	2,070,347	1,942,034	1,951,800	2,173,011	2,362,911	2,575,141
Other Expenditure	318,892	370,681	203,039	256,538	185,594	189,824	176,078	187,473	199,729
Total Repairs and Maintenance Expenditure	**3,003,158**	**3,338,995**	**3,761,297**	**4,034,293**	**3,753,714**	**3,767,172**	**3,974,465**	**4,281,247**	**4,619,102**

The total Repairs & Maintenance allocation for 2018/19 is R3 974 million. The increased allocations are influenced by above-CPI increases as well as the full cost absorption method applied to calculate labour unit price, and the increases in activity prices based on the total cost of employment (TCOE) of direct labour workers influenced by the TASK outcome/job grading system, where jobs and positions are graded based on the content of approved job descriptions.

This growth trend continues over the MTREF increasing to R4 619 million in 2020/21. The 2018/19 Repairs & Maintenance provision represents 10% of the total operating expenditure.

1.4.2 Free Basic Services: Basic Social Services Package

The City provides free basic services (electricity, refuse removal, water, sanitation and rates) to residential properties via three methods, namely:

a) Based on the municipal value of the property; or
b) On application by those with limited income whose property values exceed set valuation levels; or
c) Based on consumer behaviour i.e. usage.

a) Municipal value of the property

The utilisation of the valuation method prevents the need to deal with the expected 250 000 to 280 000 applications that would qualify if all had to apply on a periodic basis. The challenge with this valuation method is that it applies to households irrespective of their ability to pay. However, the cost of providing the service using this method outweighs the benefit of not providing the free services. The benefit of the valuation based approach is that it provides certainty and reduces the risks of fraud.

A varying set of rebates are available to properties up to R750 000. This includes a R50 per month rebate for property rates for properties valued from R400 001 to R750 000, provided no other rebates are applicable.

Varying percentage rebates for refuse removal based on property values for properties between R1 and R500 000 are applied as follows:

Property Value	*Rebate %*
R400 001 – R500 000	*25%*
R350 001 – R400 000	*25%*
R300 001 – R350 000	*50%*
R200 001 – R300 000	*50%*
R150 001 – R200 000	*50%*
R100 001 – R150 000	*75%*
R100 000 and below	*100%*

b) Income based

The second method allows any resident who is required to pay for municipal services and whose gross monthly household income is R4 000 or below to register as indigent to receive the same benefits as if their property values were below R100 000. The current number of indigent registered was 3 219 at the end of April 2018. This number varies monthly as registration is valid for 12 months where after re-application is required.

In addition, Property Rates rebates are granted to residents based on their gross monthly household income as reflected below:

Income bracket	*Rebate %*
R4 001 – R5 000	*75%*
R5 001 – R5 500	*50%*
R5 501 – R6 000	*25%*

The current number of beneficiaries in the above categories was 18 as at end April 2018.

Senior citizens' and disabled persons' rates rebates are granted to qualifying applicants where the gross monthly household income is below R15 000. For household income up to R4 000 the rates rebate is 100%, reducing gradually to 10% for income between R14 001 and R15 000.

c) Electricity – Based on consumer behaviour

Electricity lifeline tariff customers receiving less than 250kWh per month will receive a free basic supply of 60kWh, while those receiving between 250kWh and 450kWh per month will receive a free basic supply of 25kWh per month.

Assistance to the households mentioned above are regulated by Council's budget-related policies, which are reviewed annually based on modelling the impact of the tariffs and policies on all residential properties. All free basic services are provided for in the City's balanced operating budget.

The costs for the indigent support on charges for refuse removal, water and sanitation and the 60kWh of free electricity are partially financed by National Government through the local government Equitable Share received in terms of the annual Division of Revenue Act. The City, however, supplements this expenditure from rates income whilst the costs of the free 6 kilolitres of water (and concomitant sanitation) and the R200 000 valuation rebate on rates for those residents within the valuation brackets deemed to be indigent are paid for by those remaining residents.

Further detail relating to the number of households receiving free basic services, the cost of free basic services, highest level of free basic services as well as the revenue cost associated with the free basic services is contained in Table 30 MBRR Table A10 - Basic Service Delivery Measurement on page 55.

1.5 Capital Expenditure

Table 19 2018/19 MTREF capital budget per vote

Vote Description	Current Year 2017/18		2018/19 Medium Term Revenue & Expenditure Framework					
R thousand	Adjusted Budget	%	Budget Year 2018/19	%	Budget Year +1 2019/20	%	Budget Year +2 2020/21	%
Vote 1 - Area-Based Service Delivery	19,648	0.3%	13,110	0.2%	82,870	0.8%	74,870	0.7%
Vote 2 - Assets & Facilities Management	430,422	5.6%	413,287	4.9%	301,701	3.1%	91,372	0.9%
Vote 3 - City Manager	2,523	0.0%	735	0.0%	735	0.0%	760	0.0%
Vote 4 - Corporate Services	379,349	4.9%	354,597	4.2%	342,571	3.5%	336,546	3.3%
Vote 5 - Energy	1,177,050	15.3%	1,113,506	13.2%	1,427,000	14.5%	1,741,137	17.2%
Vote 6 - Finance	14,610	0.2%	20,549	0.2%	65,419	0.7%	35,411	0.4%
Vote 7 - Informal Settlements, Water & Waste Services	3,654,940	47.6%	4,206,581	50.0%	5,681,026	57.9%	5,968,036	59.0%
Vote 8 - Safety & Security	160,128	2.1%	196,078	2.3%	79,515	0.8%	42,115	0.4%
Vote 9 - Social Services	279,906	3.6%	315,508	3.8%	238,127	2.4%	215,704	2.1%
Vote 10 - Transport & Urban Development Authority	1,562,428	20.3%	1,773,606	21.1%	1,596,358	16.3%	1,600,833	15.8%
Total Capital Expenditure - Vote	**7,681,003**	**100%**	**8,407,556**	**100%**	**9,815,321**	**100%**	**10,106,785**	**100%**

The capital budget increases from R7 681 million in 2017/18 (April 2018 adjustments budget) to R8 407 million in 2018/19. This is an overall increase of 9.5% when measured against the latest 2017/18 budgetary provision.

The above table clearly indicates that expenditure emphasis is still on those votes responsible for infrastructure development e.g. Informal Settlements, Water & Waste Services, Transport & Urban Development Authority and Energy. The 2018/19 allocation to these votes represents just over R7 094 million or 84.4% of the total budgetary allocation for the year. Informal Settlements, Water & Waste Services receives the largest allocation of R4 207 million in 2018/19, which represents 50.0% of the budget. This is largely due to acceleration of the implementation of new water resources in light of the current drought conditions. The proposed budget includes allocation of R950 million for aquifers (ground water), R11 million for desalination plants and R560 million for water re-use projects in 2018/19. The City will continue to invest in these New Water Plan initiatives with a total allocation of R2 056 million and R2 150 million respectively, in the 2019/20 and 2020/21 financial years.

The second highest allocation amounting to R1 774 million or 21.1% is made to Transport & Urban Development Authority, which is followed by Energy at R1 114 million (13.2%), Assets & Facilities Management at R413 million (4.9%) and Corporate Services at R355 million (4.2%).

In the outer years the majority of the allocations are also made to infrastructure development; R8 704 million (88.7%) in 2019/20 and R9 310 million (92.1%) in 2020/21.

NT, in its MFMA circulars, indicated that a minimum of 40% of a municipality's capital budget should be for renewal of existing assets as opposed to new infrastructure. In the City's proposed capital budget the renewal of existing assets equates to R1 884 million (22.4%), upgrading of existing assets represents R1 805 million (21.5%) and new assets represents R4 719 million (56.1%) of the total 2018/19 capital budget. It is important to note that existing assets can be renewed or upgraded, while new assets will result in an increase in the asset base of the City.

Additional details regarding asset classes and proposed capital expenditure is contained in Table 29 MBRR Table A9 - Asset Management on page 51, while MBRR Tables A9, Table SA34a, Table SA34b and Table SA 34e provides a detailed breakdown of the capital budget with regards to new asset construction and capital asset renewal and upgrading (refer pages 177 and 178).

A detailed breakdown of the capital budget per project/programme over the medium term is available in Annexure 29.

Major projects/programmes to be implemented over the medium term are:

- Athlone Waste Water Treatment Works - Capacity Extension - Phase 1 → R177 million
- Backyards/Informal Settlements Upgrade: Enkanini - Khayelitsha → R118 million
- Backyards/Informal Settlements Upgrade: Monwabisi Park - Khayelitsha → R76 million
- Backyards/Informal Settlements Upgrade: Monwood - Philippi → R59 million
- Beacon Valley Housing Project - Mitchells Plain → R85 million
- Bellville Integrated Recreation Facility → R14 million
- Bishop Lavis Integrated Recreation Facility → R14 million
- Books, Periodicals & Subscription → R29 million
- Bulk Reticulation Sewers in Milnerton Rehabilitation → R220 million
- Cape Flats Rehabilitation → R250 million
- Coastal Structures: Rehabilitation → R67 million
- Conradie Housing Development (PGWC) → R129 million
- Development of Additional Water & Sanitation Infrastructure → R148 million
- Development of landfill infrastructure → R424 million
- Development of the Regional Landfill Site → R92 million
- Development of Transfer Stations → R526 million
- Diabetic Campaign programme → R30 million
- Durbanville Non-Motorised Transport Project → R54 million
- EAM Depot Realignment - 5 Nodal System → R132 million
- Early Childhood Development Centres: Informal Settlements → R36 million
- Eastridge Main Substation Upgrade → R60 million
- Electricity Substations: Fencing → R64 million
- E-Tendering System → R77 million
- Extension of Smart City Strategy → R12 million
- Facilities Management Infrastructure → R79 million
- Hanover Park Integrated Recreational Facility → R10 million
- Harare Infill Housing Project → R43 million
- Imizamo Yethu Housing Project (Phase 3) → R110 million
- Imizamo Yethu Informal Settlement Emergency Project → R61 million
- Infrastructure Replace/Refurbish - Waste Water Treatment Wprks → R165 million
- Integrated Recreation & Parks Facilities → R28 million
- Land acquisition for municipal purposes → R53 million
- Langa Hostels CRU Project: New Flats → R55 million
- Langa Hostels CRU Project: Siyahlala → R58 million
- Langa Hostels CRU Project: Special Quarters → R121 million
- Library Upgrades and Extensions → R34 million
- Macassar BNG Housing Project → R70 million
- Macassar Waste Water Treatment Works Extension → R121 million
- Mfuleni Integrated Recreation Facility → R11 million

- Morgen Gronde Switching Station → R148 million
- National Core Standards Compliance → R24 million
- New library Khaya Regional Library → R10 million
- New library Nyanga Regional Library → R10 million
- Northern Regional Sludge Facility → R108 million
- Oakdale Switching Station Upgrade Ph 3 → R196 million
- OH Line Refurbishment → R95 million
- Paardevlei Development → R480 million
- Philippi Collector Sewer → R163 million
- Plan & Detail Design: Housing Projects → R149 million
- Potsdam Waste Water Treatment Works - Extension → R321 million
- Resource efficiency → R79 million
- Roads: Housing Projects → R137 million
- Security at Cash Offices → R14 million
- Sir Lowry's Pass River Upgrade → R178 million
- Somerset West Fire Station → R19 million
- Upgrade of Athlone Stadium → R20 million
- Upgrade of City Hall → R12 million
- Upgrade of Good Hope Centre → R10 million
- Upgrade of Grand Parade → R11 million
- Urbanisation: Backyards/Informal Settlements Upgrades → R144 million

The graph below provides an indication on how the Capital Budget will be spent on infrastructure-related projects over the medium-term.

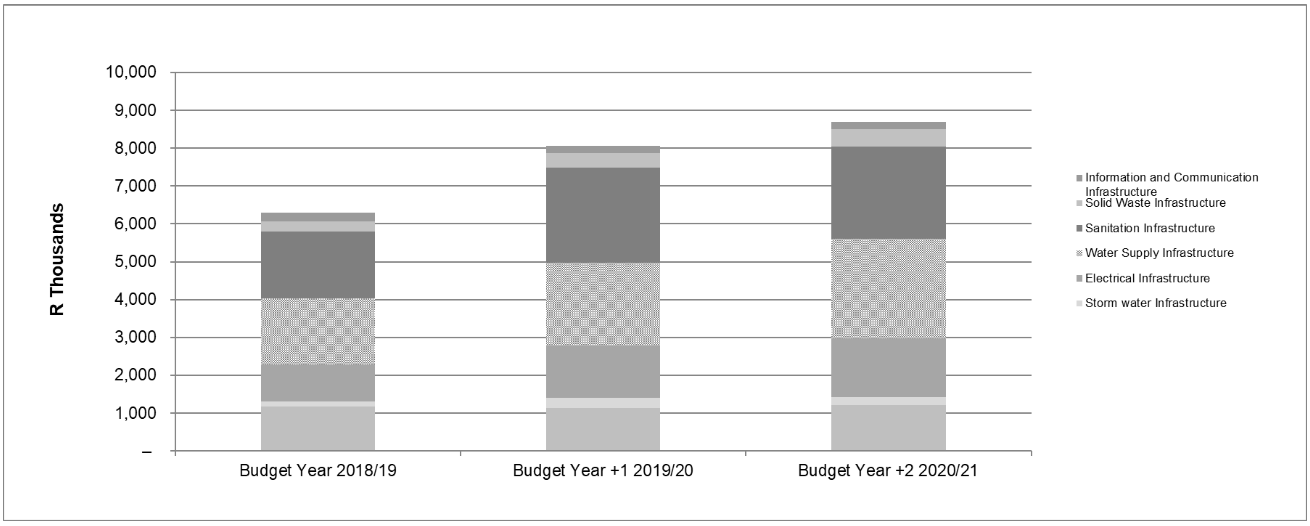


Figure 2 Capital Infrastructure Programme

1.5.1 Future operational cost of new infrastructure

Table SA35, on page186, represents the future operational costs resulting from the capital investment program. The table shows that the costs estimated over the MTREF are expected to grow from R5 477 million in 2018/19 to R6 227 million in 2020/21. No additional budgetary provision was made for these costs as it is expected to be absorbed through efficiency gains and the prioritisation of existing operational resources.

1.6 Annual Budget Tables

The ten main budget tables, as required in terms of regulation 9 of the MBRR, are presented on page 35 to page 55. These tables reflect the City's 2018/19 budget and MTREF to be considered for approval by Council. Each table is accompanied by explanatory notes.

Table 20 MBRR Table A1 - Budget Summary

Description	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Financial Performance									
Property rates	**6,018,735**	6,745,047	8,105,126	8,662,350	8,694,931	8,694,931	9,361,952	10,248,287	11,131,713
Service charges	15,197,370	17,363,596	18,619,106	19,310,141	17,184,556	17,184,556	19,179,838	22,414,325	25,204,467
Investment revenue	543,356	642,628	768,224	773,657	893,657	893,657	936,513	989,834	1,020,077
Transfers recognised - operational	3,264,270	3,619,257	3,666,705	6,455,942	7,027,387	7,027,387	6,803,608	7,101,185	7,464,469
Other own revenue	4,238,957	4,417,262	4,909,491	2,806,001	2,869,650	2,869,650	3,067,907	3,239,489	3,422,266
Total Revenue (excluding capital transfers and contributions)	29,262,688	32,787,790	36,068,652	38,008,091	36,670,182	36,670,182	39,349,818	43,993,121	48,242,992
Employee costs	8,124,733	9,357,740	9,659,300	12,050,690	11,505,286	11,505,286	12,920,115	13,804,026	14,883,272
Remuneration of councillors	128,412	134,637	138,374	155,787	155,565	155,565	169,640	180,666	192,500
Depreciation & asset impairment	1,917,134	2,117,336	2,313,471	2,574,607	2,520,137	2,520,137	2,814,336	3,092,708	3,279,697
Finance charges	774,895	747,256	731,823	1,131,010	993,544	993,544	1,089,285	1,564,844	1,885,513
Materials and bulk purchases	7,432,744	8,373,741	8,914,152	9,730,312	9,925,053	9,925,053	10,742,417	12,296,188	13,204,976
Transfers and grants	136,487	148,246	111,829	140,985	414,450	414,450	333,807	356,864	365,224
Other expenditure	8,841,018	9,812,305	10,988,770	11,574,725	10,898,706	10,898,706	11,194,339	12,133,147	12,998,004
Total Expenditure	27,355,422	30,691,262	32,857,719	37,358,116	36,412,742	36,412,742	39,263,938	43,428,443	46,809,187
Surplus/(Deficit)	1,907,266	2,096,529	3,210,934	649,975	257,440	257,440	85,879	564,677	1,433,805
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	2,423,179	2,131,537	2,005,297	2,268,835	2,092,130	2,092,130	2,067,896	2,118,842	2,296,333
Contributions recognised - capital & contributed assets	49,172	61,589	88,397	84,900	96,585	96,585	76,200	78,600	112,100
Surplus/(Deficit) after capital transfers & contributions	4,379,616	4,289,654	5,304,628	3,003,710	2,446,155	2,446,155	2,229,975	2,762,119	3,842,238
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	4,379,616	4,289,654	5,304,628	3,003,710	2,446,155	2,446,155	2,229,975	2,762,119	3,842,238
Capital expenditure & funds sources									
Capital expenditure	**5,251,742**	5,489,834	5,904,621	6,975,220	7,681,003	6,414,955	8,407,556	9,815,321	10,106,785
Transfers recognised - capital	**2,473,313**	2,187,425	2,055,507	2,268,835	2,092,130	2,072,060	2,067,896	2,118,842	2,296,333
Public contributions & donations	**44,219**	61,488	71,882	84,900	96,585	87,522	76,200	78,600	112,100
Borrowing	**2,152,377**	2,441,423	2,739,196	2,894,482	4,000,000	2,891,804	4,000,000	5,700,000	6,000,000
Internally generated funds	**581,833**	799,498	1,038,037	1,727,003	1,492,288	1,363,569	2,263,460	1,917,880	1,698,351
Total sources of capital funds	**5,251,742**	5,489,834	5,904,621	6,975,220	7,681,003	6,414,955	8,407,556	9,815,321	10,106,785
Financial position									
Total current assets	**10,679,240**	11,726,952	12,250,660	13,804,580	14,615,569	14,615,569	15,622,361	17,633,863	20,823,888
Total non current assets	**38,578,872**	42,136,829	46,570,423	49,655,980	51,132,282	51,132,282	56,541,886	63,039,743	69,658,211
Total current liabilities	**8,656,354**	8,859,316	8,766,304	10,811,468	12,223,284	12,223,284	12,459,589	12,984,522	13,548,218
Total non current liabilities	**12,040,207**	12,153,259	11,898,945	14,514,129	12,922,577	12,922,577	16,872,693	22,095,001	27,497,559
Community wealth/Equity	**28,561,551**	32,851,206	38,155,834	38,134,963	40,601,989	40,601,989	42,831,965	45,594,083	49,436,322
Cash flows									
Net cash from (used) operating	**6,053,691**	6,321,213	6,601,206	5,500,155	4,773,262	4,773,262	4,809,613	5,641,198	6,930,576
Net cash from (used) investing	**(4,713,291)**	(5,954,670)	(6,102,676)	(7,059,015)	(6,692,075)	(6,692,075)	(7,683,492)	(8,974,917)	(9,231,873)
Net cash from (used) financing	**(407,811)**	(233,222)	(380,806)	2,103,124	3,597,199	3,597,199	3,556,102	4,996,879	5,114,518
Cash/cash equivalents at the year end	**3,199,148**	3,332,469	3,450,193	3,994,457	5,128,579	5,128,579	5,810,803	7,473,963	10,287,183
Cash backing/surplus reconciliation									
Cash and investments available	**8,699,112**	9,453,834	9,981,970	10,546,439	11,660,356	11,660,356	12,342,580	14,005,740	16,818,960
Application of cash and investments	**6,387,770**	6,497,912	6,892,489	8,024,834	9,444,169	9,394,168	8,952,229	9,627,668	10,874,379
Balance - surplus (shortfall)	**2,311,342**	2,955,922	3,089,481	2,521,605	2,216,187	2,266,188	3,390,351	4,378,072	5,944,581
Asset management									
Asset register summary (WDV)	**34,749,931**	38,118,947	41,651,787	45,766,736	46,428,603	46,428,603	51,601,445	57,833,292	64,155,040
Depreciation	**1,917,134**	2,117,336	2,313,471	2,574,607	2,520,137	2,520,137	2,747,836	3,022,550	3,205,646
Renewal of Existing Assets	**2,365,004**	2,669,591	1,587,484	1,423,658	1,609,224	1,581,903	1,883,731	2,291,309	2,561,781
Repairs and Maintenance	**3,003,158**	3,338,995	3,761,297	4,034,293	3,753,714	3,767,172	3,974,465	4,281,247	4,619,102
Free services									
Cost of Free Basic Services provided	**602,855**	1,370,479	1,368,006	1,543,608	1,543,608	1,543,608	1,829,048	2,272,892	2,627,201
Revenue cost of free services provided	**1,190,026**	1,193,377	1,519,822	1,693,834	1,674,187	1,674,187	1,886,058	2,211,167	2,488,740
Households below minimum service level	–	–	–	–	–	–	–	–	–
Water:	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:	377	-	217	217	217	217	149	100	-
Energy:	29,429	26,464	35,341	29,429	32,341	30,841	29,341	27,841	26,341
Refuse:	-	-	-	-	-	-	-	-	-

Explanatory notes to MBRR Table A1 – Budget Summary

1. Table A1 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.

2. 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.

3. The importance of ensuring that a municipal budget is fully funded is stressed 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.

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

5. The City's key outcomes in this regard are as follows:
   a. The Financial Performance shows a surplus position over the 2018/19 MTREF. The narrative to Table A4 on page 41 provides further details on how this surplus will be utilised.
   b. The cash flow budget outcome shows that the budget is funded.
   c. The capital budget is funded from the following sources:
      i. Transfers recognised capital and public contributions & donations;
      ii. Borrowing; and
      iii. Internally generated funds which 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.

6. 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.

7. The City's persistent strive to eradicate infrastructure backlogs is evident in the annual increase of investment in the Cost of Free Basic Services and the Revenue Cost of Free Basic Services provided. Backlogs still exist for Electricity Services but are projected to reduce.

Table 21 MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

Functional Classification Description	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Revenue - Functional									
Governance and administration	**10,945,144**	**12,278,221**	**14,070,329**	**14,882,934**	**13,780,250**	**13,780,250**	**14,763,272**	**15,859,595**	**17,092,197**
Executive and council	1,594	2,082	1,400	3,126	3,594	3,594	3,240	3,362	3,491
Finance and administration	10,943,544	12,276,117	14,068,927	14,879,801	13,776,649	13,776,649	14,760,024	15,856,224	17,088,697
Internal audit	6	22	2	8	8	8	8	9	9
Community and public safety	**2,097,502**	**1,679,540**	**1,833,039**	**1,956,529**	**2,251,355**	**2,251,355**	**1,861,831**	**2,095,524**	**2,164,035**
Community and social services	130,446	107,248	105,403	120,972	122,745	122,745	130,825	157,880	133,134
Sport and recreation	87,643	81,245	106,473	114,329	108,000	108,000	91,320	58,867	68,270
Public safety	16,159	21,416	24,889	22,293	23,253	23,253	11,726	12,371	13,057
Housing	1,620,155	1,203,137	1,279,471	1,328,591	1,614,260	1,614,260	1,211,961	1,416,120	1,454,192
Health	243,098	266,493	316,802	370,343	383,097	383,097	415,999	450,285	495,382
Economic and environmental services	**3,041,372**	**3,224,167**	**3,237,399**	**3,224,458**	**3,253,017**	**3,253,017**	**3,188,342**	**3,146,271**	**3,355,662**
Planning and development	252,950	286,798	324,404	342,034	348,279	348,279	369,522	425,592	444,155
Road transport	2,756,753	2,929,763	2,896,258	2,880,418	2,895,661	2,895,661	2,805,489	2,717,202	2,907,837
Environmental protection	31,669	7,606	16,736	2,006	9,077	9,077	13,331	3,477	3,670
Trading services	**15,644,415**	**17,795,649**	**19,018,621**	**20,291,096**	**19,567,466**	**19,567,466**	**21,673,945**	**25,084,399**	**28,034,494**
Energy sources	10,378,888	11,528,353	12,083,270	12,256,796	12,501,302	12,501,302	13,086,625	14,128,383	15,609,846
Water management	2,688,866	3,170,901	3,659,066	4,123,369	3,706,612	3,706,612	4,650,411	6,209,664	7,055,121
Waste water management	1,526,954	1,985,565	2,059,709	2,547,543	1,881,556	1,881,556	2,311,354	2,953,561	3,381,843
Waste management	1,049,707	1,110,831	1,216,576	1,363,387	1,477,996	1,477,996	1,625,554	1,792,791	1,987,684
Other	**6,604**	**3,339**	**2,958**	**6,809**	**6,809**	**6,809**	**6,524**	**4,773**	**5,037**
Total Revenue - Functional	**31,735,038**	**34,980,916**	**38,162,346**	**40,361,826**	**38,858,897**	**38,858,897**	**41,493,914**	**46,190,562**	**50,651,425**
Expenditure - Functional									
Governance and administration	**5,504,213**	**6,245,671**	**6,367,386**	**8,555,458**	**7,354,742**	**7,354,742**	**8,518,224**	**9,511,725**	**10,359,133**
Executive and council	323,129	354,957	359,348	443,599	415,825	415,825	450,141	493,578	526,864
Finance and administration	5,148,081	5,856,266	5,970,798	8,061,212	6,892,674	6,892,674	8,016,966	8,962,807	9,772,393
Internal audit	33,002	34,447	37,240	50,646	46,242	46,242	51,116	55,340	59,876
Community and public safety	**4,075,408**	**4,483,761**	**4,789,295**	**5,318,872**	**5,436,189**	**5,436,189**	**5,101,875**	**5,588,351**	**5,910,967**
Community and social services	656,622	766,084	847,987	931,712	892,180	892,180	894,025	953,313	1,021,370
Sport and recreation	1,024,976	1,094,127	1,088,040	1,212,821	1,129,103	1,129,103	1,174,156	1,228,640	1,278,714
Public safety	451,176	503,975	508,298	600,875	580,975	580,975	615,325	661,420	709,746
Housing	1,133,758	1,248,627	1,340,014	1,498,817	1,747,402	1,747,402	1,239,650	1,463,475	1,509,754
Health	808,876	870,948	1,004,957	1,074,647	1,086,529	1,086,529	1,178,718	1,281,503	1,391,383
Economic and environmental services	**4,839,805**	**5,162,054**	**5,679,268**	**6,351,857**	**6,394,053**	**6,394,053**	**6,551,208**	**6,937,927**	**7,341,687**
Planning and development	730,833	751,118	783,735	1,042,799	976,798	976,798	1,060,433	1,212,459	1,297,413
Road transport	4,000,649	4,296,999	4,779,345	5,186,599	5,284,417	5,284,417	5,353,664	5,598,973	5,908,428
Environmental protection	108,322	113,937	116,188	122,458	132,837	132,837	137,111	126,495	135,846
Trading services	**12,853,133**	**14,670,858**	**15,886,413**	**17,026,865**	**17,131,329**	**17,131,329**	**18,995,590**	**21,292,141**	**23,092,626**
Energy sources	8,109,987	9,162,229	9,573,670	9,929,327	9,915,015	9,915,015	10,321,587	11,164,578	12,017,986
Water management	2,236,997	2,573,197	3,067,944	3,227,108	3,773,777	3,773,777	4,823,188	5,956,992	6,416,993
Waste water management	1,211,007	1,475,444	1,643,752	1,989,672	1,650,532	1,650,532	1,935,220	2,137,441	2,497,902
Waste management	1,295,142	1,459,987	1,601,046	1,880,759	1,792,006	1,792,006	1,915,595	2,033,130	2,159,745
Other	**82,863**	**128,916**	**135,357**	**105,064**	**96,429**	**96,429**	**97,042**	**98,301**	**104,774**
Total Expenditure - Functional	**27,355,422**	**30,691,262**	**32,857,719**	**37,358,116**	**36,412,742**	**36,412,742**	**39,263,938**	**43,428,443**	**46,809,187**
Surplus/(Deficit) for the year	**4,379,616**	**4,289,654**	**5,304,628**	**3,003,710**	**2,446,155**	**2,446,155**	**2,229,975**	**2,762,119**	**3,842,238**

Explanatory notes to MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

1. Table A2 is an overview of the budgeted financial performance in relation to revenue and expenditure per standard classification, which divides the municipal services into 16 classifications.

2. Major contributing items to the increased operating revenue are additional allocations on the Fuel Levy, the projected growth and tariff increases on Property Rates Tax and Service Charges (Water, Sanitation, Electricity and Refuse).

3. The surplus of R2 229 million reflected in the 2018/19 financial year includes Transfers recognised - capital (Capital Grants and Donations received), while the expenditure category excludes these transfers.

4. This table highlights the surplus/deficits for Energy services, Waste water management and Waste management. This is due to the exclusion of internal cost charges/recoveries and other provisions e.g. Contribution from the Energy directorate to the Rates Account on this table.

Table 22 MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Revenue by Vote									
Vote 1 - Area-Based Service Delivery	146,024	158,679	176,748	204,290	204,758	204,758	219,073	266,265	279,031
Vote 2 - Assets & Facilities Management	707,549	572,111	414,050	453,587	420,440	420,440	420,518	457,115	504,872
Vote 3 - City Manager	9	18	15	10	10	10	11	11	12
Vote 4 - Corporate Services	63,595	57,444	65,608	71,387	82,512	82,512	84,187	86,551	77,781
Vote 5 - Energy	10,380,957	11,527,694	12,083,675	12,256,918	12,262,712	12,262,712	12,884,959	13,870,807	15,329,083
Vote 6 - Finance	10,388,989	11,689,135	13,563,360	14,307,250	13,796,573	13,796,573	15,352,286	16,591,587	17,872,725
Vote 7 - Informal Settlements, Water & Waste Services	5,376,022	6,348,843	7,044,676	8,212,622	7,030,064	7,030,064	7,905,464	10,215,863	11,657,882
Vote 8 - Safety & Security	1,124,039	1,236,741	1,402,527	1,267,627	1,279,774	1,279,774	1,358,899	1,424,492	1,491,649
Vote 9 - Social Services	695,506	696,021	790,612	904,664	893,857	893,857	918,952	957,304	1,058,109
Vote 10 - Transport & Urban Development Authority	2,852,348	2,694,231	2,621,074	2,683,471	2,888,198	2,888,198	2,349,564	2,320,567	2,380,282
Total Revenue by Vote	**31,735,038**	**34,980,916**	**38,162,346**	**40,361,826**	**38,858,897**	**38,858,897**	**41,493,914**	**46,190,562**	**50,651,425**
Expenditure by Vote ***to be appropriated***									
Vote 1 - Area-Based Service Delivery	358,391	393,434	412,259	547,009	524,668	524,668	576,498	621,100	662,085
Vote 2 - Assets & Facilities Management	1,440,741	1,487,231	1,564,514	1,851,509	1,443,741	1,443,696	1,657,547	1,809,419	1,944,357
Vote 3 - City Manager	90,451	98,354	101,816	133,896	123,744	123,744	160,619	173,444	187,114
Vote 4 - Corporate Services	1,569,098	1,657,814	1,763,888	2,187,517	2,017,132	2,017,177	2,184,462	2,338,830	2,483,400
Vote 5 - Energy	8,401,044	9,468,163	9,885,010	10,355,750	10,216,736	10,216,736	10,673,982	11,539,870	12,415,273
Vote 6 - Finance	2,100,471	2,563,258	2,417,454	3,370,596	2,899,066	2,899,066	3,146,896	3,756,426	4,212,187
Vote 7 - Informal Settlements, Water & Waste Services	5,185,428	5,973,003	6,807,396	7,739,299	7,933,366	7,933,366	9,521,764	11,037,059	12,060,950
Vote 8 - Safety & Security	2,323,967	2,667,773	2,839,108	3,148,512	3,073,273	3,073,273	3,316,731	3,570,156	3,796,417
Vote 9 - Social Services	2,458,026	2,682,700	2,950,086	3,463,150	3,316,242	3,316,242	3,617,408	4,003,640	4,305,882
Vote 10 - Transport & Urban Development Authority	3,427,803	3,699,530	4,116,187	4,560,879	4,864,774	4,864,774	4,408,030	4,578,499	4,741,522
Total Expenditure by Vote	**27,355,422**	**30,691,262**	**32,857,719**	**37,358,116**	**36,412,742**	**36,412,742**	**39,263,938**	**43,428,443**	**46,809,187**
Surplus/(Deficit) for the year	**4,379,616**	**4,289,654**	**5,304,628**	**3,003,710**	**2,446,155**	**2,446,155**	**2,229,975**	**2,762,119**	**3,842,238**

Explanatory notes to MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

1. Table A3 shows budgeted financial performance in relation to the revenue and expenditure per municipal vote and the operating surplus per municipal vote.

The table below is an analysis of the surplus or deficit for trading services.

Table 23 Surplus / (Deficit) calculations for the trading services

Description	2018/19 Medium Term Revenue & Expenditure Framework		
R thousand	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Energy			
Total Operating Revenue (including capital transfers and contributions)	12,884,959	13,870,807	15,329,083
Total Operating Expenditure	10,673,982	11,539,870	12,415,273
Operating Surplus/(Deficit) for the year	**2,210,977**	**2,330,937**	**2,913,810**
Percentage Surplus	**17.2%**	**16.8%**	**19.0%**
Water & Sanitation			
Total Operating Revenue including capital transfers and contributions)	6,200,338	8,346,765	9,552,436
Total Operating Expenditure	6,594,010	7,918,084	8,630,464
Operating Surplus/(Deficit) for the year	**(393,672)**	**428,680**	**921,973**
Percentage Surplus	**-6.3%**	**5.1%**	**9.7%**
Solid Waste Management			
Total Operating Revenue including capital transfers and contributions)	1,502,353	1,658,509	1,841,323
Total Operating Expenditure	968,535	1,025,896	1,087,132
Operating Surplus/(Deficit) for the year	**533,817**	**632,612**	**754,191**
Percentage Surplus	**35.5%**	**38.1%**	**41.0%**

2. Electricity revenue and expenditure growth fluctuates over the MTREF period. This is influenced by Eskom bulk purchases as well as the impact of City's tariff setting policy.

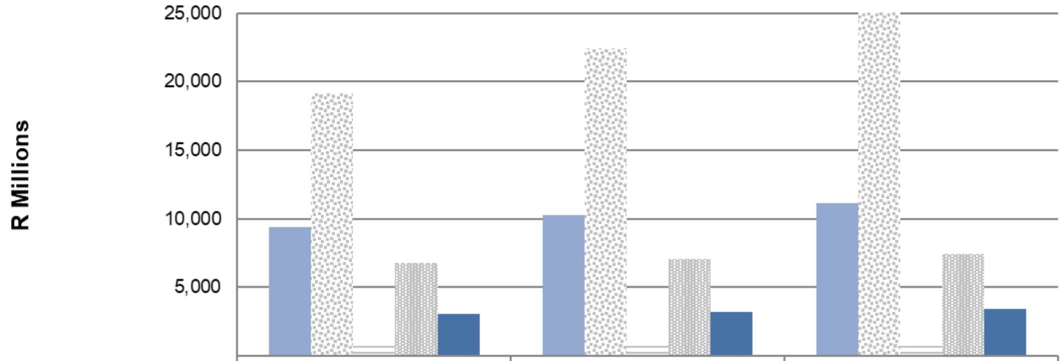
3. The surplus/deficit reflected in the trading services (Energy, Water & Sanitation and Solid Waste Management) is based on primary revenue and expenditure items only. This does not include contributions from Energy to Rates and Rates Contribution to Water & Sanitation for the drought relief or internal cost charges/recoveries. These "secondary elements" are, however, included in the tariff calculations for the various trading services. Taking the secondary budget into account, none of the Trading Services have deficit/surplus positions.

Table 24 MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure)

Description	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Revenue By Source									
Property rates	6,018,735	6,745,047	8,105,126	8,662,350	8,694,931	8,694,931	9,361,952	10,248,287	11,131,713
Service charges - electricity revenue	9,981,814	11,202,784	11,763,615	11,942,587	11,942,546	11,942,546	12,591,403	13,519,095	14,865,239
Service charges - water revenue	2,537,826	3,000,361	3,460,853	3,933,401	2,654,743	2,654,743	3,574,755	5,037,616	5,904,860
Service charges - sanitation revenue	1,337,666	1,548,409	1,631,273	2,092,272	1,521,522	1,521,522	1,811,048	2,524,979	2,947,422
Service charges - refuse revenue	980,257	1,089,812	1,190,778	1,341,882	1,065,173	1,065,173	1,202,059	1,331,897	1,486,051
Service charges - other	359,808	522,230	572,588	–	573	573	573	738	896
Rental of facilities and equipment	369,121	350,954	358,497	418,011	376,191	376,191	381,262	402,231	424,570
Interest earned - external investments	543,356	642,628	768,224	773,657	893,657	893,657	936,513	989,834	1,020,077
Interest earned - outstanding debtors	198,230	221,609	278,063	284,131	284,131	284,131	340,970	362,409	385,462
Dividends received	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits	988,017	1,112,956	1,241,128	1,146,414	1,243,623	1,243,623	1,280,160	1,350,569	1,425,526
Licences and permits	43,111	41,494	47,741	43,749	43,749	43,749	46,050	48,432	51,120
Agency services	168,519	183,260	188,238	162,771	162,771	162,771	201,723	212,818	224,629
Transfers and subsidies	3,264,270	3,619,257	3,666,705	6,455,942	7,027,387	7,027,387	6,803,608	7,101,185	7,464,469
Other revenue	2,384,151	2,380,489	2,609,040	709,425	719,686	719,686	773,871	816,747	862,106
Gains on disposal of PPE	87,809	126,501	186,784	41,500	39,500	39,500	43,870	46,283	48,852
Total Revenue (excluding capital transfers and contributions)	**29,262,688**	**32,787,790**	**36,068,652**	**38,008,091**	**36,670,182**	**36,670,182**	**39,349,818**	**43,993,121**	**48,242,992**
Expenditure By Type									
Employee related costs	8,124,733	9,357,740	9,659,300	12,050,690	11,505,286	11,505,286	12,920,115	13,804,026	14,883,272
Remuneration of councillors	128,412	134,637	138,374	155,787	155,565	155,565	169,640	180,666	192,500
Debt impairment	1,523,784	1,898,476	2,323,482	2,508,738	2,491,185	2,491,185	2,988,951	3,346,843	3,644,602
Depreciation & asset impairment	1,917,134	2,117,336	2,313,471	2,574,607	2,520,137	2,520,137	2,814,336	3,092,708	3,279,697
Finance charges	774,895	747,256	731,823	1,131,010	993,544	993,544	1,089,285	1,564,844	1,885,513
Bulk purchases	7,108,843	8,073,336	8,438,102	8,540,135	8,742,293	8,742,293	9,487,132	10,896,898	11,739,035
Other materials	323,901	300,405	476,050	1,190,177	1,182,760	1,182,760	1,255,285	1,399,291	1,465,941
Contracted services	3,536,355	3,766,255	4,171,123	6,086,610	6,146,828	6,146,828	6,004,687	6,363,514	6,790,937
Transfers and subsidies	136,487	148,246	111,829	140,985	414,450	414,450	333,807	356,864	365,224
Other expenditure	3,777,783	4,139,457	4,486,789	2,978,990	2,260,231	2,260,231	2,200,213	2,422,275	2,561,922
Loss on disposal of PPE	3,096	8,118	7,376	387	462	462	488	515	543
Total Expenditure	**27,355,422**	**30,691,262**	**32,857,719**	**37,358,116**	**36,412,742**	**36,412,742**	**39,263,938**	**43,428,443**	**46,809,187**
Surplus/(Deficit)	**1,907,266**	**2,096,529**	**3,210,934**	**649,975**	**257,440**	**257,440**	**85,879**	**564,677**	**1,433,805**
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	2,423,179	2,131,537	2,005,297	2,268,835	2,092,130	2,092,130	2,067,896	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)	44,219	61,488	71,882	84,900	96,585	96,585	76,200	78,600	112,100
Transfers and subsidies - capital (in-kind - all)	4,953	100	16,516	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	**4,379,616**	**4,289,654**	**5,304,628**	**3,003,710**	**2,446,155**	**2,446,155**	**2,229,975**	**2,762,119**	**3,842,238**
Taxation	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after taxation	**4,379,616**	**4,289,654**	**5,304,628**	**3,003,710**	**2,446,155**	**2,446,155**	**2,229,975**	**2,762,119**	**3,842,238**
Attributable to minorities	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality	**4,379,616**	**4,289,654**	**5,304,628**	**3,003,710**	**2,446,155**	**2,446,155**	**2,229,975**	**2,762,119**	**3,842,238**
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	**4,379,616**	**4,289,654**	**5,304,628**	**3,003,710**	**2,446,155**	**2,446,155**	**2,229,975**	**2,762,119**	**3,842,238**

Explanatory notes to MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure)

1. Table A4 is a view of the budgeted financial performance in relation to the revenue by source and expenditure by type. Total revenue is R39 350 million (excluding appropriations, which are disclosed in the financial position statement) in 2018/19 and escalates to R48 243 million by 2020/21. Major contributing items are the increased operating allocations from National- and Provincial Government, the projected growth and tariff increases on Property Rates Tax and Service Charges.



	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Property rates	9,361,952	10,248,287	11,131,713
Service Charges	19,179,838	22,414,325	25,204,467
Investment Revenue	936,513	989,834	1,020,077
Transfers and subsidies	6,803,608	7,101,185	7,464,469
Other revenue	3,067,907	3,239,489	3,422,266

Figure 3 Revenue by source

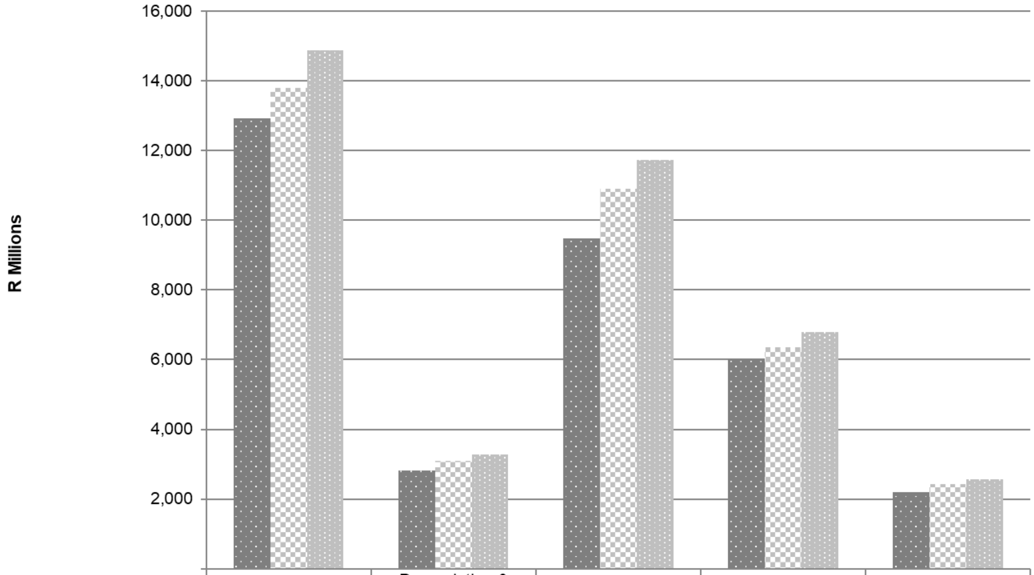
2. Revenue to be generated from Property Rates amounts to R9 362 million in 2018/19 and increases to R11 132 million by 2020/21, which represents 23.7% of the operating revenue base of the City and therefore remain significant funding source for the City.

3. Service charges relating to Electricity, Water, Sanitation and Refuse Removal constitute the biggest component of the revenue basket of the City, totalling to R19 180 million in 2018/19 and increases to R25 204 million in 2020/21. For 2018/19, service charges are 49% of the total revenue base.

4. Transfers & Subsidies increases from R6 804 million in 2018/19 to R7 464 million in 2020/21. This includes external allocations received from National- and Provincial Government, private sector funding and the Fuel Levy.

5. Following tabling of the March 2018 City Budget, a reassessment of the Water & Sanitation department's budget, based on updated information of both the current as well as future years, resulted in an amended loan take-up/borrowing requirement, with concomitant reduced depreciation cost. The resultant surpluses will be used to further reduce the loan-take up requirement of the New Water Plan and replacement of externally funded capital assets. Initiatives planned over the next few years to ensure sustainability and resilience in the provision of water for the City, include:

- Investment in desalination, underground extraction from aquifers and water reclamation/reuse initiatives;
- Continued investment in asset replacement programmes to ensure optimum asset management;
- Acceleration of repairs and maintenance programmes as well as a purpose fit staffing strategy, to ensure that service delivery and response expectations are met; and
- Further roll-out of water demand management initiatives to limit the abuse of water.



	Employee related costs	Depreciation & asset impairment	Bulk purchases	Contracted services	Other expenditure
Budget Year 2018/19	12,920,115	2,814,336	9,487,132	6,004,687	2,200,213
Budget Year +1 2019/20	13,804,026	3,092,708	10,896,898	6,363,514	2,422,275
Budget Year +2 2020/21	14,883,272	3,279,697	11,739,035	6,790,937	2,561,922

Figure 4 Expenditure by type

6. Bulk purchases have increased significantly over the MTREF, escalating from R9 487 million to R11 739 million in 2020/21. This increase can be attributed to substantial increases in the cost of bulk electricity from Eskom and bulk water from the National Department of Water Affairs.

7. Employee-related costs are the main cost driver within the City's operating expenditure budget increasing from R12 920 million in 2018/19 to R14 883 million in 2020/21.

8. Depreciation & Asset Impairment totals R2 814 million for the 2018/19 financial year and is linked to the capitalisation rate of assets. The calculation of depreciation on new capital expenditure is based on variables such as asset class and lifespan depending on the nature of the asset. An annual capital expenditure implementation rate of 100% is assumed. Depreciation of existing assets is calculated based on simulated financial system data (SAP), which reflects actual values per annum. Assets Under Construction (AUC) are calculated based on asset class lifespan and the projected capitalisation dates.

9. Contracted Services increases from R6 005 million in 2018/19 to R6 791 million in 2020/21 and includes budgetary provision for Repairs & Maintenance.

Table 25 MBRR Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

Vote Description	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Capital expenditure - Vote									
Multi-year expenditure to be appropriated									
Vote 1 - Area-Based Service Delivery	6,981	11,287	12,384	39,430	19,648	19,576	13,110	82,870	74,870
Vote 2 - Assets & Facilities Management	505,910	289,059	358,089	394,119	430,422	424,688	413,287	301,701	91,372
Vote 3 - City Manager	763	816	997	2,404	2,523	2,224	735	735	760
Vote 4 - Corporate Services	323,414	337,912	266,229	366,613	379,349	378,041	354,597	342,571	336,546
Vote 5 - Energy	952,415	1,090,855	1,248,887	1,292,814	1,177,050	1,103,282	1,113,506	1,427,000	1,741,137
Vote 6 - Finance	43,231	38,133	23,989	18,036	14,610	14,444	20,549	65,419	35,411
Vote 7 - Informal Settlements, Water & Waste Services	1,291,505	1,698,228	1,828,616	2,445,238	3,654,940	2,514,629	4,206,581	5,681,026	5,968,036
Vote 8 - Safety & Security	83,097	152,051	114,835	191,120	160,128	160,040	196,078	79,515	42,115
Vote 9 - Social Services	243,995	229,454	243,940	283,413	279,906	276,641	315,508	238,127	215,704
Vote 10 - Transport & Urban Development Authority	1,800,430	1,642,040	1,806,655	1,942,035	1,562,428	1,521,389	1,773,606	1,596,358	1,600,833
Total Capital Expenditure - Vote	**5,251,742**	**5,489,834**	**5,904,621**	**6,975,220**	**7,681,003**	**6,414,955**	**8,407,556**	**9,815,321**	**10,106,785**
Capital Expenditure - Functional									
Governance and administration	**626,449**	**750,055**	**1,073,026**	**1,244,434**	**1,206,296**	**1,226,746**	**986,516**	**827,799**	**856,764**
Executive and council	4,227	19,672	9,164	3,594	4,725	4,655	4,380	5,180	3,480
Finance and administration	622,098	730,250	1,063,731	1,239,881	1,200,612	1,221,411	982,005	822,487	853,224
Internal audit	124	133	131	959	959	680	131	131	60
Community and public safety	**1,258,375**	**640,879**	**773,993**	**955,697**	**808,387**	**781,182**	**1,082,792**	**1,006,810**	**880,569**
Community and social services	132,294	160,898	127,329	151,270	143,487	133,263	97,129	107,017	66,323
Sport and recreation	123,797	113,637	127,927	105,711	113,891	103,414	84,261	23,766	26,178
Public safety	20,011	12,272	18,865	46,799	20,354	20,354	35,064	7,659	7,659
Housing	962,099	336,949	476,876	606,733	488,196	479,769	794,497	817,971	732,913
Health	20,173	17,122	22,996	45,183	42,460	44,381	71,841	50,396	47,496
Economic and environmental services	**1,317,978**	**1,576,687**	**1,578,032**	**1,662,703**	**1,442,449**	**1,404,040**	**1,389,642**	**1,211,925**	**1,197,686**
Planning and development	59,335	66,962	70,697	44,786	37,512	37,239	39,904	76,795	96,723
Road transport	1,247,713	1,492,691	1,495,384	1,599,888	1,387,328	1,348,526	1,331,443	1,120,251	1,094,021
Environmental protection	10,930	17,034	11,951	18,028	17,608	18,275	18,294	14,880	6,942
Trading services	**2,046,941**	**2,521,327**	**2,474,957**	**3,104,956**	**4,216,440**	**2,995,557**	**4,939,787**	**6,761,392**	**7,166,070**
Energy sources	920,376	1,050,923	1,131,636	1,183,872	1,065,474	995,023	1,071,737	1,422,800	1,643,542
Water management	509,417	641,907	608,426	853,967	2,301,319	1,251,039	2,366,730	3,097,400	3,297,047
Waste water management	460,858	680,773	659,092	684,576	658,872	623,226	1,135,113	1,673,849	1,716,148
Waste management	156,289	147,724	75,803	382,541	190,776	126,269	366,207	567,344	509,333
Other	**1,999**	**886**	**4,613**	**7,432**	**7,431**	**7,430**	**8,818**	**7,395**	**5,695**
Total Capital Expenditure - Functional	**5,251,742**	**5,489,834**	**5,904,621**	**6,975,220**	**7,681,003**	**6,414,955**	**8,407,556**	**9,815,321**	**10,106,785**
Funded by:									
National Government	2,189,129	2,030,362	2,009,376	2,189,832	2,057,467	2,037,622	2,015,146	1,993,692	2,138,633
Provincial Government	282,292	156,729	46,130	79,002	34,663	34,439	52,750	125,150	157,700
District Municipality	–	–	–	–	–	–	–	–	–
Other transfers and grants	1,892	333	–	–	–	–	–	–	–
Transfers recognised - capital	**2,473,313**	**2,187,425**	**2,055,507**	**2,268,835**	**2,092,130**	**2,072,060**	**2,067,896**	**2,118,842**	**2,296,333**
Public contributions & donations	44,219	61,488	71,882	84,900	96,585	87,522	76,200	78,600	112,100
Borrowing	2,152,377	2,441,423	2,739,196	2,894,482	4,000,000	2,891,804	4,000,000	5,700,000	6,000,000
Internally generated funds	581,833	799,498	1,038,037	1,727,003	1,492,288	1,363,569	2,263,460	1,917,880	1,698,351
Total Capital Funding	**5,251,742**	**5,489,834**	**5,904,621**	**6,975,220**	**7,681,003**	**6,414,955**	**8,407,556**	**9,815,321**	**10,106,785**

Explanatory notes to Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

1. Table A5 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 allocated multi-year appropriations amounting to R8 407 million for 2018/19, increasing to R9 815 million and R10 107 million in 2019/20 and 2020/21, respectively.

3. The capital budget is funded by allocations made to the City by National- and Provincial government in the form of grants, as well as public contributions and donations, borrowings and internally generated funds.

   Capital transfers from National Government and the Western Cape Government amount to R2 068 million (24.6%) in 2018/19, increasing slightly to R2 119 million in 2019/20 and R2 296 million in 2020/21.

   Public contributions and donations amounts to R76.2 million, R78.6 million and R112.1 million over the respective years. Borrowings amounts to R4 000 million, R5 700 million and R6 000 million over the MTREF and has been provided for in terms of affordability levels as determined during the MTREF modelling.

   Internally generated funds have been provided for over the MTREF amounting to R2 263 million, R1 918 million and R1 698 million for each of the respective financial years.

Table 26 MBRR Table A6 - Budgeted Financial Position

Description	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
ASSETS									
Current assets									
Cash	142,947	93,002	500,739	103,918	103,918	103,918	103,918	146,904	146,396
Call investment deposits	4,802,548	5,394,644	4,608,866	6,599,932	6,891,683	6,891,683	7,335,199	8,687,514	11,202,766
Consumer debtors	4,618,497	5,106,634	5,724,863	5,635,475	6,008,994	6,008,994	6,349,964	6,712,373	7,097,836
Other debtors	815,094	858,306	1,077,455	1,135,110	1,239,073	1,239,073	1,424,934	1,638,674	1,884,476
Current portion of long-term receivables	19,838	17,093	14,201	18,845	14,911	14,911	15,657	16,439	17,261
Inventory	280,316	257,273	324,536	311,300	356,990	356,990	392,689	431,957	475,153
Total current assets	**10,679,240**	**11,726,952**	**12,250,660**	**13,804,580**	**14,615,569**	**14,615,569**	**15,622,361**	**17,633,863**	**20,823,888**
Non current assets									
Long-term receivables	75,324	51,695	40,973	46,655	38,924	38,924	36,978	35,129	33,373
Investments	3,753,617	3,966,188	4,877,663	3,842,589	4,664,755	4,664,755	4,903,463	5,171,322	5,469,798
Investment property	589,382	588,191	586,427	586,473	584,713	584,713	582,999	581,285	579,571
Investment in Associate	–	–	–	–	–	–	–	–	–
Property, plant and equipment	33,443,104	36,892,544	40,377,585	44,648,942	45,305,040	45,305,040	50,601,468	56,951,031	63,390,035
Agricultural	–	–	–	–	–	–	–	–	–
Biological	–	–	–	–	–	–	–	–	–
Intangible	708,383	629,162	678,871	522,272	529,946	529,946	408,074	292,072	176,530
Other non-current assets	9,062	9,049	8,904	9,049	8,904	8,904	8,904	8,904	8,904
Total non current assets	**38,578,872**	**42,136,829**	**46,570,423**	**49,655,980**	**51,132,282**	**51,132,282**	**56,541,886**	**63,039,743**	**69,658,211**
TOTAL ASSETS	**49,258,112**	**53,863,781**	**58,821,083**	**63,460,560**	**65,747,851**	**65,747,851**	**72,164,247**	**80,673,606**	**90,482,099**
LIABILITIES									
Current liabilities									
Bank overdraft	–	–	5,298	–	–	–	–	–	–
Borrowing	345,682	469,936	334,185	428,372	366,249	416,250	619,342	993,842	1,405,990
Consumer deposits	272,258	324,633	351,710	392,806	386,881	386,881	425,569	468,126	514,939
Trade and other payables	6,911,132	6,995,470	7,110,819	8,766,074	10,438,362	10,388,361	10,346,153	10,351,535	10,375,667
Provisions	1,127,282	1,069,277	964,292	1,224,215	1,031,792	1,031,792	1,068,525	1,171,019	1,251,623
Total current liabilities	**8,656,354**	**8,859,316**	**8,766,304**	**10,811,468**	**12,223,284**	**12,223,284**	**12,459,589**	**12,984,522**	**13,548,218**
Non current liabilities									
Borrowing	6,415,499	6,036,906	5,789,616	7,770,349	6,442,550	6,442,550	9,772,937	14,457,083	19,290,056
Provisions	5,624,708	6,116,353	6,109,329	6,743,780	6,480,027	6,480,027	7,099,756	7,637,918	8,207,503
Total non current liabilities	**12,040,207**	**12,153,259**	**11,898,945**	**14,514,129**	**12,922,577**	**12,922,577**	**16,872,693**	**22,095,001**	**27,497,559**
TOTAL LIABILITIES	**20,696,561**	**21,012,575**	**20,665,249**	**25,325,597**	**25,145,861**	**25,145,861**	**29,332,282**	**35,079,523**	**41,045,777**
NET ASSETS	**28,561,551**	**32,851,206**	**38,155,834**	**38,134,963**	**40,601,989**	**40,601,989**	**42,831,965**	**45,594,083**	**49,436,322**
COMMUNITY WEALTH/EQUITY									
Accumulated Surplus/(Deficit)	25,771,287	29,846,771	34,382,649	35,341,724	37,278,268	37,278,268	39,405,832	41,245,471	43,569,995
Reserves	2,790,264	3,004,435	3,773,185	2,793,239	3,323,721	3,323,721	3,426,132	4,348,613	5,866,327
TOTAL COMMUNITY WEALTH/EQUITY	**28,561,551**	**32,851,206**	**38,155,834**	**38,134,963**	**40,601,989**	**40,601,989**	**42,831,965**	**45,594,083**	**49,436,322**

Explanatory notes to Table A6 - Budgeted Financial Position

a. 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. This will enable all stakeholders to interpret the impact of the budget as such on the Statement of Financial Position.

b. The assets are in the order of relative liquidity and liabilities according to their priority of being met with cash and an extensive table of notes (MBRR Table SA3 on page 195) are provided with details of the major components of items, such as:
   - Call Investment Deposits
   - Consumer Debtors
   - Property, Plant and Equipment
   - Trade and Other Payables
   - Non-Current Provisions
   - Changes in Net Assets
   - Reserves

c. 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 27 MBRR Table A7 - Budgeted Cash Flow Statement

Description	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Property rates	6,018,735	6,745,047	8,105,126	8,344,028	8,395,674	8,395,674	8,968,987	9,795,009	10,630,877
Service charges	15,197,370	17,363,596	18,619,105	17,459,005	16,131,887	16,131,887	17,623,043	20,622,691	23,212,475
Other revenue	1,882,754	1,361,513	617,854	1,357,994	1,406,761	1,406,761	4,202,011	4,368,516	4,582,480
Government - operating	3,251,460	3,589,931	3,633,883	6,455,942	7,027,387	7,027,387	4,245,472	4,461,535	4,718,167
Government - capital	2,423,179	2,131,537	2,014,869	2,353,735	2,188,715	2,188,715	2,067,896	2,118,842	2,296,333
Interest	735,298	841,417	999,822	773,657	893,657	893,657	936,513	989,834	1,020,077
Payments									
Suppliers and employees	(22,609,163)	(24,876,319)	(26,611,461)	(30,121,395)	(30,337,392)	(30,337,392)	(31,919,625)	(34,940,308)	(37,497,781)
Finance charges	(709,455)	(687,263)	(666,163)	(981,827)	(933,427)	(933,427)	(980,877)	(1,418,058)	(1,666,828)
Transfers and Grants	(136,487)	(148,246)	(111,829)	(140,985)	–	–	(333,807)	(356,864)	(365,224)
NET CASH FROM/(USED) OPERATING ACTIVITIES	**6,053,691**	**6,321,213**	**6,601,206**	**5,500,155**	**4,773,262**	**4,773,262**	**4,809,613**	**5,641,198**	**6,930,576**
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE	91,419	130,189	198,742	41,500	39,500	39,500	120,070	124,883	160,952
Decrease (Increase) in non-current debtors	–	–	–	–	–	–	–	–	–
Decrease (increase) other non-current receivables	28,800	26,374	13,614	2,456	10,186	10,186	1,946	1,849	1,756
Decrease (increase) in non-current investments	366,983	(621,401)	(410,412)	(212,908)	(212,908)	(212,908)	(238,708)	(267,859)	(298,475)
Payments									
Capital assets	(5,200,493)	(5,489,832)	(5,904,620)	(6,890,062)	(6,528,853)	(6,528,853)	(7,566,800)	(8,833,789)	(9,096,106)
NET CASH FROM/(USED) INVESTING ACTIVITIES	**(4,713,291)**	**(5,954,670)**	**(6,102,676)**	**(7,059,015)**	**(6,692,075)**	**(6,692,075)**	**(7,683,492)**	**(8,974,917)**	**(9,231,873)**
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans	–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing	–	–	–	2,500,000	4,000,000	4,000,000	4,000,000	5,700,000	6,000,000
Increase (decrease) in consumer deposits	(97,959)	52,375	27,077	35,710	29,785	29,785	38,688	42,557	46,813
Payments									
Repayment of borrowing	(309,852)	(285,597)	(407,883)	(432,586)	(432,586)	(432,586)	(482,586)	(745,678)	(932,295)
NET CASH FROM/(USED) FINANCING ACTIVITIES	**(407,811)**	**(233,222)**	**(380,806)**	**2,103,124**	**3,597,199**	**3,597,199**	**3,556,102**	**4,996,879**	**5,114,518**
NET INCREASE/ (DECREASE) IN CASH HELD	**932,589**	**133,321**	**117,724**	**544,264**	**1,678,386**	**1,678,386**	**682,224**	**1,663,160**	**2,813,220**
Cash/cash equivalents at the year begin:	**2,266,559**	**3,199,148**	**3,332,469**	**3,450,193**	**3,450,193**	**3,450,193**	**5,128,579**	**5,810,803**	**7,473,963**
Cash/cash equivalents at the year end:	**3,199,148**	**3,332,469**	**3,450,193**	**3,994,457**	**5,128,579**	**5,128,579**	**5,810,803**	**7,473,963**	**10,287,183**

Explanatory notes to Table A7 – Budgeted Cash Flow Statement

1. The table shows the cash and cash equivalents of the City during the 2018/19 MTREF.

2. For the 2018/19 MTREF the budget has been prepared to ensure adequate levels of working capital representing cash and cash equivalents over the medium-term, with cash levels anticipated to exceed R5 811 million by 2018/19 and increasing to R10 287 million by 2020/21.

3. The following assumptions were used in the preparation of the cash flow budget.
   a. Revenue categories were reduced by the following percentages of the working capital bad debtor provision:
      - Property rates 13.15%
      - Electricity 3.29%
      - Water 23.01%
      - Sanitation 16.43%
      - Solid Waste 3.29%
      - Rental income 6.57%
      - Fines 34.26%

   b. The revised collection rates as a result of the above calculation are:
      - Property rates 96%
      - Electricity 99%
      - Water 81%
      - Sanitation 73%
      - Solid waste 90%
      - Rental income 48.4%
      - Fines 20%

   c. Fuel Levy revenue was excluded from the ‘Government – operating’ category and included under the ‘Other revenue’ category.

   d. The assumptions for expenditure is 100% spend with the exception of capital, which is calculated at 90% spend.

Table 28 MBRR Table A8 - Cash Backed Reserves / Accumulated Surplus Reconciliation

Description	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Cash and investments available									
Cash/cash equivalents at the year end	3,199,148	3,332,469	3,450,193	3,994,457	5,128,579	5,128,579	5,810,803	7,473,963	10,287,183
Other current investments > 90 days	1,746,347	2,155,177	1,654,114	2,709,393	1,867,022	1,867,022	1,628,314	1,360,455	1,061,979
Non current assets - Investments	3,753,617	3,966,188	4,877,663	3,842,589	4,664,755	4,664,755	4,903,463	5,171,322	5,469,798
Cash and investments available:	**8,699,112**	**9,453,834**	**9,981,970**	**10,546,439**	**11,660,356**	**11,660,356**	**12,342,580**	**14,005,740**	**16,818,960**
Application of cash and investments									
Unspent conditional transfers	1,527,445	1,199,955	1,054,374	680,263	1,740,079	1,740,079	1,460,147	1,772,337	2,112,983
Unspent borrowing	–	–	–	–	–	–	–	–	–
Statutory requirements	–	–	–	–	–	–	–	–	–
Other working capital requirements	281,584	324,693	13,061	1,979,259	2,017,680	1,967,679	1,162,194	335,103	(575,021)
Other provisions	–	–	–	–	–	–	400,000	400,000	400,000
Long term investments committed	1,788,477	1,968,829	2,051,869	2,265,047	2,265,047	2,265,047	2,503,755	2,771,615	3,070,090
Reserves to be backed by cash/investments	2,790,264	3,004,435	3,773,185	3,100,264	3,421,363	3,421,363	3,426,132	4,348,613	5,866,327
Total Application of cash and investments:	**6,387,770**	**6,497,912**	**6,892,489**	**8,024,834**	**9,444,169**	**9,394,168**	**8,952,229**	**9,627,668**	**10,874,379**
Surplus(shortfall)	**2,311,342**	**2,955,922**	**3,089,481**	**2,521,605**	**2,216,187**	**2,266,188**	**3,390,351**	**4,378,072**	**5,944,581**

Explanatory notes to Table A8 – 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.

2. 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.

3. 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".

4. From the table it can be seen that the City remains in a surplus net cash flow position for the period 2018/19 to 2020/21.

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

6. As part of the budgeting and planning guidelines that informed the compilation of the 2018/19 MTREF, the end objective of the medium-term framework was to ensure the budget is funded/aligned to section 18 of the MFMA.

7. Table A8 reflects a surplus of R3 390 million in 2018/19 increasing to R5 945 million by 2020/21.

Table 29 MBRR Table A9 - Asset Management

Description	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
CAPITAL EXPENDITURE									
Total New Assets	**2,886,738**	**2,820,243**	**3,006,491**	**3,764,497**	**4,538,164**	**3,438,260**	**4,718,832**	**5,544,098**	**5,669,396**
Roads Infrastructure	616,988	665,367	897,860	956,768	648,443	828,293	643,094	705,135	717,212
Storm water Infrastructure	200	2,803	3,845	124,492	109,122	3,888	94,818	121,371	133,515
Electrical Infrastructure	447,696	509,555	555,112	567,420	488,776	463,321	410,532	568,545	658,971
Water Supply Infrastructure	136,191	143,479	208,170	518,930	1,659,910	689,933	1,291,185	1,677,325	2,041,734
Sanitation Infrastructure	103,850	205,274	154,686	120,422	240,794	62,489	749,890	1,100,724	895,080
Solid Waste Infrastructure	138,914	68,991	41,370	194,077	80,929	74,854	168,000	290,100	417,140
Information and Communication Infrastructure	133,046	182,718	131,324	189,528	157,583	163,082	240,406	200,427	197,980
Infrastructure	***1,576,886***	***1,778,186***	***1,992,367***	***2,671,635***	***3,385,556***	***2,285,861***	***3,597,926***	***4,663,627***	***5,061,633***
Community Facilities	116,047	209,143	135,821	272,744	231,164	236,506	302,827	208,624	164,952
Sport and Recreation Facilities	2,131	1,626	10	350	1,243	1,243	180	–	–
Community Assets	***118,178***	***210,769***	***135,831***	***273,094***	***232,407***	***237,749***	***303,007***	***208,624***	***164,952***
Heritage Assets	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Revenue Generating	–	–	81	–	–	–	–	–	–
Investment properties	**–**	**–**	***81***	**–**	**–**	**–**	**–**	**–**	**–**
Operational Buildings	45,365	100,642	216,943	216,517	202,058	205,799	166,287	68,007	51,250
Housing	14,364	44,823	3,255	66,041	13,628	13,452	54,240	128,060	120,040
Other Assets	***59,728***	***145,465***	***220,198***	***282,558***	***215,686***	***219,251***	***220,527***	***196,066***	***171,290***
Licences and Rights	–	495	500	2,000	9,792	4,090	16,765	63,075	34,965
Intangible Assets	**–**	***495***	***500***	***2,000***	***9,792***	***4,090***	***16,765***	***63,075***	***34,965***
Computer Equipment	**71,679**	**122,051**	**144,155**	**207,103**	**237,458**	**228,897**	**105,987**	**132,906**	**90,794**
Furniture and Office Equipment	**252,027**	**306,688**	**133,346**	**78,378**	**129,573**	**132,338**	**123,168**	**87,355**	**72,637**
Machinery and Equipment	**42,245**	**97,819**	**152,897**	**128,188**	**132,851**	**135,006**	**34,547**	**30,900**	**35,841**
Transport Assets	**349,210**	**105,449**	**62,793**	**51,970**	**193,141**	**193,117**	**108,906**	**51,544**	**37,284**
Land	**416,784**	**53,319**	**164,323**	**69,570**	**1,700**	**1,950**	**208,000**	**110,000**	**–**
Total Renewal of Existing Assets	**2,365,004**	**2,669,591**	**1,587,484**	**1,423,658**	**1,609,224**	**1,581,903**	**1,883,731**	**2,291,309**	**2,561,781**
Roads Infrastructure	278,810	435,911	254,173	183,678	154,579	175,429	220,181	213,908	254,748
Storm water Infrastructure	18,768	44,902	27,082	48,495	35,102	9,189	30,275	22,400	24,000
Electrical Infrastructure	358,552	429,547	305,935	461,479	366,525	336,630	425,796	669,300	673,200
Water Supply Infrastructure	306,728	401,675	318,909	275,892	448,625	457,085	433,000	475,000	561,000
Sanitation Infrastructure	348,155	467,650	182,065	79,595	98,384	101,233	339,750	564,500	653,250
Solid Waste Infrastructure	18,755	87,176	1,059	4,000	1,000	730	5,280	–	10,000
Information and Communication Infrastructure	–	–	138	1,500	5,007	6,537	1,560	1,500	2,650
Infrastructure	***1,329,768***	***1,866,859***	***1,089,361***	***1,054,639***	***1,109,222***	***1,086,833***	***1,455,842***	***1,946,608***	***2,178,848***
Community Facilities	94,584	93,572	3,493	40,373	47,815	12,321	5,522	800	100
Sport and Recreation Facilities	59,695	37,166	–	–	424	439	–	–	–
Community Assets	***154,279***	***130,739***	***3,493***	***40,373***	***48,239***	***12,759***	***5,522***	***800***	***100***
Heritage Assets	**514**	**6,547**	**–**	**650**	**607**	**607**	**1,800**	**1,800**	**2,000**
Operational Buildings	224,296	157,526	83,740	10,150	23,461	23,977	16,017	14,567	97,267
Housing	345,863	124,428	49,186	9,180	20,575	20,575	76,583	42,134	–
Other Assets	***570,159***	***281,954***	***132,926***	***19,330***	***44,036***	***44,552***	***92,601***	***56,701***	***97,267***
Licences and Rights	–	–	–	2,500	9,500	2,500	7,000	7,000	7,000
Intangible Assets	**–**	**–**	**–**	***2,500***	***9,500***	***2,500***	***7,000***	***7,000***	***7,000***
Computer Equipment	**112,064**	**98,753**	**70,328**	**75,080**	**72,861**	**80,085**	**62,240**	**64,660**	**53,312**
Furniture and Office Equipment	**49,270**	**47,862**	**13,047**	**18,658**	**18,775**	**15,180**	**17,925**	**20,798**	**17,424**
Machinery and Equipment	**20,369**	**17,207**	**6,318**	**29,713**	**53,904**	**56,138**	**29,100**	**11,604**	**13,350**
Transport Assets	**128,582**	**219,670**	**272,011**	**182,714**	**252,081**	**283,249**	**211,700**	**181,337**	**192,479**

Table continues on next page

Description	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Total Upgrading of Existing Assets	**–**	**–**	**1,310,647**	**1,787,066**	**1,533,616**	**1,394,793**	**1,804,992**	**1,979,914**	**1,875,607**
Roads Infrastructure	–	–	270,595	292,589	253,066	241,689	303,053	210,632	239,813
Storm water Infrastructure	–	–	25,054	12,925	45,169	1,562	9,200	122,000	47,400
Electrical Infrastructure	–	–	208,812	86,976	114,663	113,220	142,738	145,693	232,196
Water Supply Infrastructure	–	–	52,702	106,645	97,690	93,514	36,575	37,500	25,000
Sanitation Infrastructure	–	–	288,558	494,930	376,653	367,769	674,202	846,750	875,905
Solid Waste Infrastructure	–	–	10,933	25,000	25,533	12,374	82,176	91,628	32,742
Information and Communication Infrastructure	–	–	2,497	–	–	–	–	–	351
Infrastructure	**–**	**–**	***859,151***	***1,019,065***	***912,774***	***830,129***	***1,247,944***	***1,454,202***	***1,453,408***
Community Facilities	–	–	148,344	164,694	142,999	135,301	198,803	165,922	107,185
Sport and Recreation Facilities	–	–	57,234	53,849	44,587	51,007	39,427	20,731	70,269
Community Assets	**–**	**–**	***205,578***	***218,543***	***187,586***	***186,308***	***238,230***	***186,653***	***177,453***
Heritage Assets	**–**	**–**	**38,955**	**6,800**	**7,530**	**7,530**	**–**	**–**	**–**
Operational Buildings	–	–	163,823	385,433	301,727	249,984	244,422	253,443	184,546
Housing	–	–	24,283	91,717	80,779	76,539	24,822	55,866	22,150
Other Assets	**–**	**–**	***188,106***	***477,151***	***382,506***	***326,523***	***269,245***	***309,309***	***206,696***
Licences and Rights	–	–	3,931	29,756	21,775	8,769	21,402	11,450	6,250
Intangible Assets	**–**	**–**	***3,931***	***29,756***	***21,775***	***8,769***	***21,402***	***11,450***	***6,250***
Computer Equipment	**–**	**–**	**1,355**	**6,100**	**167**	**13,765**	**–**	**–**	**–**
Furniture and Office Equipment	**–**	**–**	**9,037**	**19,651**	**17,861**	**17,852**	**17,176**	**12,300**	**22,050**
Machinery and Equipment	**–**	**–**	**4,534**	**10,000**	**3,417**	**3,917**	**10,995**	**6,000**	**9,750**
Total Capital Expenditure									
Roads Infrastructure	895,797	1,101,277	1,422,628	1,433,035	1,056,088	1,245,411	1,166,328	1,129,675	1,211,774
Storm water Infrastructure	18,968	47,705	55,981	185,912	189,393	14,640	134,293	265,771	204,915
Electrical Infrastructure	806,249	939,102	1,069,858	1,115,875	969,964	913,171	979,066	1,383,538	1,564,367
Water Supply Infrastructure	442,919	545,153	579,781	901,467	2,206,225	1,240,532	1,760,760	2,189,825	2,627,734
Sanitation Infrastructure	452,005	672,924	625,309	694,946	715,830	531,491	1,763,843	2,511,974	2,424,235
Solid Waste Infrastructure	157,670	156,167	53,361	223,077	107,461	87,958	255,456	381,728	459,882
Information and Communication Infrastructure	133,046	182,718	133,959	191,028	162,590	169,619	241,966	201,927	200,981
Infrastructure	***2,906,654***	***3,645,045***	***3,940,879***	***4,745,340***	***5,407,552***	***4,202,823***	***6,301,712***	***8,064,438***	***8,693,889***
Community Facilities	210,631	302,715	287,658	477,810	421,979	384,129	507,152	375,346	272,237
Sport and Recreation Facilities	61,826	38,793	57,244	54,199	46,253	52,688	39,607	20,731	70,269
Community Assets	***272,457***	***341,508***	***344,901***	***532,010***	***468,232***	***436,816***	***546,759***	***396,077***	***342,506***
Heritage Assets	**514**	**6,547**	**38,955**	**7,450**	**8,137**	**8,137**	**1,800**	**1,800**	**2,000**
Revenue Generating	–	–	81	–	–	–	–	–	–
Investment properties	**–**	**–**	***81***	**–**	**–**	**–**	**–**	**–**	**–**
Operational Buildings	269,661	258,169	464,506	612,100	527,245	479,760	426,727	336,017	333,063
Housing	360,226	169,251	76,724	166,938	114,982	110,566	155,646	226,060	142,190
Other Assets	***629,887***	***427,420***	***541,230***	***779,039***	***642,227***	***590,326***	***582,372***	***562,076***	***475,253***
Licences and Rights	–	495	4,431	34,256	41,067	15,359	45,167	81,525	48,215
Intangible Assets	**–**	***495***	***4,431***	***34,256***	***41,067***	***15,359***	***45,167***	***81,525***	***48,215***
Computer Equipment	**183,743**	**220,804**	**215,837**	**288,284**	**310,486**	**322,746**	**168,228**	**197,567**	**144,107**
Furniture and Office Equipment	**301,297**	**354,551**	**155,430**	**116,687**	**166,209**	**165,370**	**158,269**	**120,453**	**112,111**
Machinery and Equipment	**62,614**	**115,027**	**163,750**	**167,902**	**190,172**	**195,061**	**74,642**	**48,504**	**58,941**
Transport Assets	**477,791**	**325,119**	**334,804**	**234,684**	**445,222**	**476,366**	**320,606**	**232,881**	**229,762**
Land	**416,784**	**53,319**	**164,323**	**69,570**	**1,700**	**1,950**	**208,000**	**110,000**	**–**
TOTAL CAPITAL EXPENDITURE - Asset class	**5,251,742**	**5,489,834**	**5,904,621**	**6,975,220**	**7,681,003**	**6,414,955**	**8,407,556**	**9,815,321**	**10,106,785**

Table continues on next page

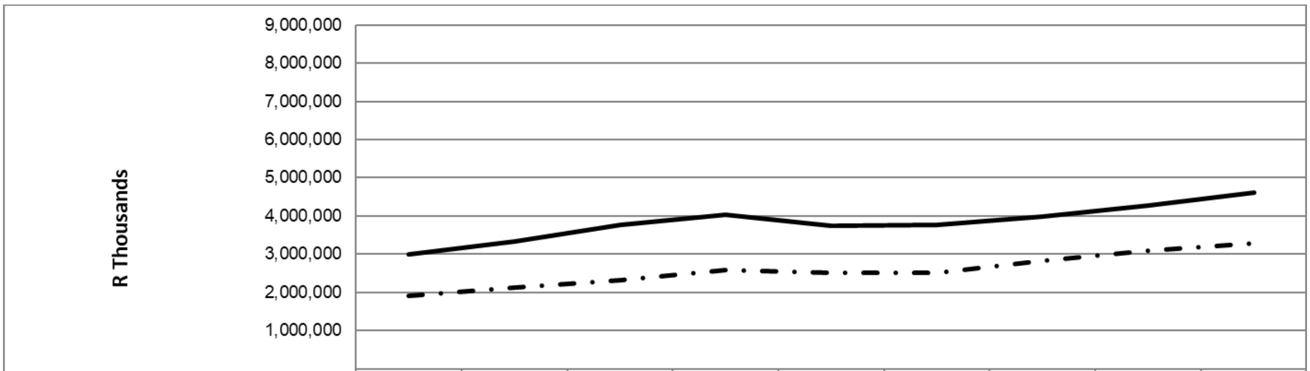
Description	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
ASSET REGISTER SUMMARY - PPE (WDV)									
Roads Infrastructure	5,407,043	5,801,545	7,848,021	7,350,826	8,662,678	8,662,678	9,415,671	10,096,569	10,818,637
Storm water Infrastructure	620,126	673,066	734,352	994,374	870,338	870,338	944,325	1,144,013	1,285,062
Electrical Infrastructure	5,309,846	6,128,665	6,941,124	7,786,614	7,649,556	7,649,556	8,328,033	9,365,031	10,545,953
Water Supply Infrastructure	1,943,653	2,286,374	2,640,397	3,312,937	4,532,731	4,532,731	5,942,405	7,633,504	9,688,877
Sanitation Infrastructure	2,182,565	2,629,979	2,876,204	3,542,502	3,206,469	3,206,469	4,624,837	6,746,001	8,715,726
Solid Waste Infrastructure	496,906	724,955	744,567	937,173	780,119	780,119	974,112	1,286,514	1,673,305
Information and Communication Infrastructure	2,435,659	3,054,072	3,815,860	3,200,737	3,938,357	3,938,357	4,133,382	4,280,904	4,426,728
Infrastructure	***18,395,798***	***21,298,655***	***25,600,525***	***27,125,163***	***29,640,250***	***29,640,250***	***34,362,764***	***40,552,537***	***47,154,288***
Community Facilities	2,487,054	2,570,657	4,154,769	2,491,982	4,464,953	4,464,953	4,843,527	5,088,067	5,224,319
Sport and Recreation Facilities	4,136,786	3,916,192	3,792,476	3,807,667	3,617,884	3,617,884	3,437,004	3,242,751	3,102,425
Community Assets	***6,623,840***	***6,486,848***	***7,947,245***	***6,299,648***	***8,082,837***	***8,082,837***	***8,280,531***	***8,330,817***	***8,326,744***
Heritage Assets	**9,062**	**9,049**	**8,904**	**9,049**	**8,904**	**8,904**	**8,904**	**8,904**	**8,904**
Revenue Generating	40,633	69,959	68,247	68,242	66,533	66,533	64,819	63,106	61,392
Non-revenue Generating	548,749	518,232	518,180	518,232	518,180	518,180	518,180	518,180	518,180
Investment properties	***589,382***	***588,191***	***586,427***	***586,474***	***584,713***	***584,713***	***582,999***	***581,286***	***579,572***
Operational Buildings	2,259,328	3,087,639	687,614	3,861,856	1,039,890	1,039,890	1,284,020	1,436,483	1,588,979
Housing	1,736,863	1,993,969	2,132,053	2,135,419	2,143,924	2,143,924	2,192,123	2,303,145	2,328,727
Other Assets	***3,996,190***	***5,081,608***	***2,819,667***	***5,997,275***	***3,183,814***	***3,183,814***	***3,476,143***	***3,739,627***	***3,917,706***
Licences and Rights	708,383	629,162	678,871	522,272	529,946	529,946	450,982	412,429	342,691
Intangible Assets	***708,383***	***629,162***	***678,871***	***522,272***	***529,946***	***529,946***	***450,982***	***412,429***	***342,691***
Computer Equipment	**617,046**	**589,188**	**572,894**	**888,975**	**666,843**	**666,843**	**603,172**	**559,727**	**470,277**
Furniture and Office Equipment	**360,841**	**373,843**	**366,760**	**523,635**	**411,431**	**411,431**	**441,147**	**428,300**	**420,537**
Machinery and Equipment	**246,437**	**248,211**	**635,507**	**477,153**	**874,083**	**874,083**	**846,578**	**770,249**	**702,035**
Transport Assets	**1,939,489**	**2,040,316**	**1,439,906**	**2,272,442**	**1,449,002**	**1,449,002**	**1,420,343**	**1,287,193**	**1,144,115**
Land	**1,263,463**	**773,875**	**995,081**	**1,064,651**	**996,781**	**996,781**	**1,127,881**	**1,162,223**	**1,088,172**
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	**34,749,931**	**38,118,947**	**41,651,787**	**45,766,736**	**46,428,603**	**46,428,603**	**51,601,445**	**57,833,292**	**64,155,040**
EXPENDITURE OTHER ITEMS									
Depreciation	1,917,134	2,117,336	2,313,471	2,574,607	2,520,137	2,520,137	2,747,836	3,022,550	3,205,646
Repairs and Maintenance by Asset Class	**3,003,158**	**3,338,995**	**3,761,297**	**4,034,293**	**3,753,714**	**3,767,172**	**3,974,465**	**4,281,247**	**4,619,102**
Roads Infrastructure	690,603	592,642	609,310	664,923	656,419	631,419	671,164	700,536	746,421
Storm water Infrastructure	–	–	–	–	–	–	–	–	–
Electrical Infrastructure	467,531	512,940	504,116	523,507	503,480	503,180	536,787	571,679	609,122
Water Supply Infrastructure	413,630	455,983	482,019	421,887	396,382	396,382	548,620	621,440	698,473
Sanitation Infrastructure	389,040	424,040	447,780	418,866	366,166	366,166	401,043	465,225	515,041
Solid Waste Infrastructure	1,758	2,774	2,497	2,303	3,850	3,850	4,104	4,371	4,657
Infrastructure	***1,962,562***	***1,988,379***	***2,045,722***	***2,031,486***	***1,926,297***	***1,900,997***	***2,161,718***	***2,363,252***	***2,573,715***
Community Facilities	78,026	85,482	115,109	100,442	94,820	96,620	100,533	106,908	113,912
Sport and Recreation Facilities	241,286	301,035	381,822	447,605	390,717	390,717	244,273	260,160	277,215
Community Assets	***319,312***	***386,517***	***496,931***	***548,047***	***485,537***	***487,337***	***344,806***	***367,068***	***391,126***
Heritage Assets	**986**	**461**	**1,647**	**1,812**	**1,811**	**1,811**	**1,928**	**2,053**	**2,188**
Revenue Generating	11,083	26,566	19,001	19,800	136	148	16	17	18
Non-revenue Generating	–	–	–	–	12,740	12,740	20,694	22,040	23,483
Investment properties	***11,083***	***26,566***	***19,001***	***19,800***	***12,877***	***12,888***	***20,710***	***22,057***	***23,501***
Operational Buildings	77,511	89,710	140,548	144,517	144,999	150,183	177,353	185,650	199,609
Housing	–	–	–	–	–	–	–	–	–
Other Assets	***77,511***	***89,710***	***140,548***	***144,517***	***144,999***	***150,183***	***177,353***	***185,650***	***199,609***
Computer Equipment	**117,859**	**144,340**	**179,935**	**312,785**	**258,652**	**258,662**	**269,549**	**277,899**	**296,120**
Furniture and Office Equipment	**360,714**	**354,833**	**424,463**	**504,006**	**502,156**	**508,910**	**551,321**	**587,095**	**625,455**
Machinery and Equipment	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Transport Assets	**153,131**	**348,190**	**453,049**	**471,840**	**421,385**	**446,385**	**447,079**	**476,172**	**507,387**
TOTAL EXPENDITURE OTHER ITEMS	**4,920,292**	**5,456,330**	**6,074,768**	**6,608,900**	**6,273,852**	**6,287,310**	**6,722,300**	**7,303,797**	**7,824,748**
Renewal and upgrading of Existing Assets as % of total capex	*45.0%*	*48.6%*	*49.1%*	*46.0%*	*40.9%*	*46.4%*	*43.9%*	*43.5%*	*43.9%*
Renewal and upgrading of Existing Assets as % of deprecn	*123.4%*	*126.1%*	*125.3%*	*124.7%*	*124.7%*	*118.1%*	*134.2%*	*141.3%*	*138.4%*
R&M as a % of PPE	*9.0%*	*9.1%*	*9.3%*	*9.0%*	*8.3%*	*8.3%*	*7.9%*	*7.5%*	*7.3%*
Renewal and upgrading and R&M as a % of PPE	*15.0%*	*16.0%*	*16.0%*	*16.0%*	*15.0%*	*15.0%*	*15.0%*	*15.0%*	*14.0%*

Explanatory notes to Table A9 – Asset Management

1. Table A9 provides an overview of municipal capital allocations to building new assets and renewal of existing assets, as well as spending on repairs and maintenance by asset class.

2. The section on ‘Upgrading of Existing Assets’ in table A9 was introduced via Version 6.1 of the MBRR Schedule A - refer NT Budget Circular 85 (dated 9 December 2016). Records older than 2016/17 cannot be split into this category as the indicator does not exist on older records.

3. The following chart provides an analysis between depreciation (including capital asset impairment) and operational repairs and maintenance over the MTREF. It highlights the City’s strategy to address the maintenance backlog. To ensure compliance the City will embark on an asset creation project which will be finalised over a couple of years.



	Audited Outcome 2014/15	Audited Outcome 2015/16	Audited Outcome 2016/17	Current Year 2017/18 Original Budget	Current Year 2017/18 Adjusted Budget	Current Year 2017/18 Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Depreciation & asset impairment	1,917,134	2,117,336	2,313,471	2,574,607	2,520,137	2,520,137	2,814,336	3,092,708	3,279,697
Repairs and Maintenance	3,003,158	3,338,995	3,761,297	4,034,293	3,753,714	3,765,372	3,974,465	4,281,247	4,619,102

Figure 5 Depreciation in relation to repairs and maintenance for previous years and over the MTREF

Table 30 MBRR Table A10 - Basic Service Delivery Measurement

Description	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Household service targets									
Water:									
Piped water inside dwelling	989,239	978,170	988,643	1,132,666	1,132,666	1,132,666	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)	153,853	156,755	158,433	157,038	157,038	157,038	165,105	168,419	171,829
Other water supply (at least min.service level)	–	–	–	–	–	–	–	–	–
Minimum Service Level and Above sub-total	1,143,092	1,134,925	1,147,076	1,289,704	1,289,704	1,289,704	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 Service Level sub-total	–	–	–	–	–	–	–	–	–
Total number of households	**1,143,092**	**1,134,925**	**1,147,076**	**1,289,704**	**1,289,704**	**1,289,704**	**1,355,959**	**1,383,179**	**1,411,182**
Sanitation/sewerage:									
Flush toilet (connected to sewerage)	1,043,129	1,053,765	1,070,076	1,211,917	1,211,917	1,211,917	1,275,391	1,303,497	1,332,490
Flush toilet (with septic tank)	–	–	–	–	–	–	–	–	–
Chemical toilet	29,080	23,964	23,964	24,460	24,460	24,460	26,392	26,392	26,392
Pit toilet (ventilated)	–	–	65	197	197	197	197	197	–
Other toilet provisions (> min.service level)	70,506	57,196	52,754	52,913	52,913	52,913	53,830	52,993	52,300
Minimum Service Level and Above sub-total	1,142,715	1,134,925	1,146,859	1,289,487	1,289,487	1,289,487	1,355,810	1,383,079	1,411,182
Bucket toilet	377	–	217	217	217	217	149	100	–
Other toilet provisions (< min.service level)	–	–	–	–	–	–	–	–	–
No toilet provisions	–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total	377	–	217	217	217	217	149	100	–
Total number of households	**1,143,092**	**1,134,925**	**1,147,076**	**1,289,704**	**1,289,704**	**1,289,704**	**1,355,959**	**1,383,179**	**1,411,182**
Energy:									
Electricity (at least min.service level)	855,171	853,402	853,402	853,298	815,813	817,313	818,813	820,313	821,813
Electricity - prepaid (min.service level)	–	–	–	–	–	–	–	–	–
Minimum Service Level and Above sub-total	855,171	853,402	853,402	853,298	815,813	817,313	818,813	820,313	821,813
Electricity (< min.service level)	29,429	26,464	35,341	29,429	32,341	30,841	29,341	27,841	26,341
Electricity - prepaid (< min. service level)	–	–	–	–	–	–	–	–	–
Other energy sources	–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total	29,429	26,464	35,341	29,429	32,341	30,841	29,341	27,841	26,341
Total number of households	**884,600**	**879,866**	**888,743**	**882,727**	**848,154**	**848,154**	**848,154**	**848,154**	**848,154**
Refuse:									
Removed at least once a week	938,280	965,781	975,507	995,017	931,820	931,820	939,739	958,534	977,704
Minimum Service Level and Above sub-total	938,280	965,781	975,507	995,017	931,820	931,820	939,739	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 Service Level sub-total	–	–	–	–	–	–	–	–	–
Total number of households	**938,280**	**965,781**	**975,507**	**995,017**	**931,820**	**931,820**	**939,739**	**958,534**	**977,704**
Households receiving Free Basic Service									
Water (6 kilolitres per household per month)	–	231,793	222,098	255,733	255,733	255,733	267,325	267,325	267,325
Sanitation (free minimum level service)	–	231,793	222,098	255,733	255,733	255,733	267,325	267,325	267,325
Electricity/other energy (50kwh per household per month)	229,385	229,217	236,941	194,597	194,597	194,597	194,597	194,597	194,597
Refuse (removed at least once a week)	278,431	295,543	302,957	317,665	317,665	317,665	324,018	330,499	337,109

Table continues on next page

Description	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Cost of Free Basic Services provided - Formal Settlements (R'000)									
Water (6 kilolitres per indigent household per month)	–	202,773	212,041	314,306	314,306	314,306	368,203	538,572	657,273
Sanitation (free sanitation service to indigent households)	–	141,824	143,728	178,254	178,254	178,254	233,221	314,079	383,302
Electricity/other energy (50kwh per indigent household per month)	149,860	177,255	160,638	81,713	81,713	81,713	160,638	160,638	160,638
Refuse (removed once a week for indigent households)	227,951	234,084	235,401	276,709	276,709	276,709	291,928	307,984	324,924
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)	**225,043**	**614,543**	**616,199**	**692,625**	**692,625**	**692,625**	**775,058**	**951,619**	**1,101,065**
Total cost of FBS provided	**602,855**	**1,370,479**	**1,368,006**	**1,543,608**	**1,543,608**	**1,543,608**	**1,829,048**	**2,272,892**	**2,627,201**
Highest level of free service provided per household									
Property rates (R value threshold)	–	–	–	–	–	–	–	–	–
Water (kilolitres per household per month)	6	6	6	6	6	6	11	11	11
Sanitation (kilolitres per household per month)	4	4	4	4	4	4	7	7	7
Sanitation (Rand per household per month)	65	79	102	132	151	151	–	–	–
Electricity (kwh per household per month)	60	60	60	60	60	60	60	60	60
Refuse (average litres per week)	240	240	240	240	240	240	240	240	240
Revenue cost of subsidised 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)	1,159,647	1,171,275	1,227,820	1,297,571	1,277,924	1,277,924	1,403,930	1,539,066	1,674,064
Water (in excess of 6 kilolitres per indigent household per month)	–	–	159,031	235,730	235,730	235,730	276,152	403,929	492,955
Sanitation (in excess of free sanitation service to indigent households)	–	–	107,796	133,691	133,691	133,691	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	30,379	22,102	25,175	26,843	26,843	26,843	31,060	32,614	34,245
Housing - top structure subsidies	–	–	–	–	–	–	–	–	–
Other	–	–	–	–	–	–	–	–	–
Total revenue cost of subsidised services provided	**1,190,026**	**1,193,377**	**1,519,822**	**1,693,834**	**1,674,187**	**1,674,187**	**1,886,058**	**2,211,167**	**2,488,740**

Explanatory notes to Table A10 – Basic Service Delivery Measurement

1. Table A10 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 are 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. The bucket toilet value of 149 households reflected in the 'below minimum standards' category in the 2018/19 financial year is not seen as a backlog as these households using the bucket system do so despite being offered and encouraged to use alternative sanitation services which are available and accessible. It was intended to remove the remaining bucket systems in 2015/16, however it did not realise due to various challenges which included community resistance. Some of the 25ℓ bucket toilets could be removed, bringing the total down from 377 during 2015 to the current 149. Initiatives to remove the remaining ones are ongoing, including a settlement upgrade as part of a new housing development project.
   c) Electricity services: The electrification strategy is to reduce the backlog by 1 500 annually over the 2018/19 MTREF.
   d) Refuse services: This service does not have any backlogs.

3. The increase in the number of households receiving free basic services increase the cost for providing the services. The associated cost of providing free basic services is projected to escalate from R1 829 million in 2018/19 to R2 627 million in 2020/21.

4. The following assumptions are applied when determining the number of households per service:
   a) Water & Sanitation
   The number of households is based on the StatsSA 2017 Mid-Year Estimates.
   b) Energy
   The City supplies only part of the metro and provides electricity connections irrespective of the number of households.
   c) Refuse
   The number of households is based on a formal property count of the actual number of households that requests this service.

Part 2 – Supporting Documentation

2.1 Overview of annual budget process

2.1.1 Mayoral oversight and responsibility

Section 53 of the MFMA requires the Mayor of a municipality to provide general political guidance over the budget process and the priorities that guide the preparation of the budget. In addition, Regulation 4 of the MBRR states that:

1) *The mayor of a municipality must establish a budget steering committee to provide technical assistance to the mayor in discharging the responsibilities set out in section 53 of the Act.*
2) *The steering committee must consist of at least the following persons:*
   a) *the councillor responsible for financial matters;*
   b) *the municipal manager;*
   c) *the chief financial officer;*
   d) *the senior managers responsible for at least the three largest votes in the municipality;*
   e) *the manager responsible for budgeting;*
   f) *the manager responsible for planning; and*
   g) *any technical experts on infrastructure.*

The City has an established Budget Steering Committee (BSC) that embodies all the requirements as set out in the MFMA and MBRR. In addition, the City established a Budget Strategy Committee (BSM) in 2013 whose purpose is to provide strategic guidance and ensure that the budget is aligned to the City's strategies.

2.1.2 Budget process overview

Section 21 of the MFMA requires the Mayor to table a time schedule, which sets out the process to draft the IDP and prepare the budget, ten months before the start of the new financial year. The IDP- and budget cycle time schedule was tabled at Council on 30 May 2017.

The 2017/18 financial year heralded a shift in focus by the City as Cape Town experiences its worst drought in 100 years. Although the Water & Sanitation department designed its water tariffs to discourage high water usage, not all initiatives were taken into account or envisaged when compiling the 2017/18 budget. The 2017/18 financial year therefore focused on securing alternative water sources and restricting water demand as outlined in the City's New Water Plan. This required the reprioritisation of the City's 2017/18 budget to accommodate its requirements and remains the main theme of the 2018/19 MTREF.

The City adopted the Strategic Management Framework (SMF); a product of the Organisational Development and Transformation Plan (ODTP) endorsed by the Mayor and the EMT. The SMF aims to integrate the strategic planning activities and deliverables across directorates to bring together a holistic shared strategy, which enables integrated decision making.

The SMF consisted of 4 review stages:

- Strategic Review, which resulted in updated City Strategies of the City Development Strategy (CDS), Economic Growth Strategy (EGS) and Social Development Strategy (SDS);
- Programme Review: to ensure alignment with City strategies, executive directors presented their directorates' sector management plans, projects and programmes to feed into the Updated Municipal Spatial Development Framework (MSDF) and Integrated Development Plan (IDP). These sessions took place in November 2017;
- The Item Review required the assessment of funding and budget (operating and capital) flowing from the Programme Review. This process took place in December 2017 to feed into the 2018/19 MTREF; and
- The Strategy and Budget Review, which assesses the outcome of the above processes in terms of the 2018/19 MTREF.

The budget process for the 2018/19 MTREF has/will proceed according to the following timeline:

May 2017

- The 2018/19 IDP and Budget timetable was tabled at Council.

July to August 2017

- Long Term Financial Plan (LTFP) modelling and BSM sessions focussed on the New Water Plan requirements and its impact on outer years; and
- Financial impact discussions at various Water-related fora i.e. Water Resilience Financial Strategy workgroup, Water Resilience Steering Committee and BSM.

September to November 2017

- BSM guidance on key parameters including financial and economic assumptions applied to the LTFP model and New Water Plan requirements;
- Budget brief issued by Executive Mayor to all Mayoral committee members and executive directors;
- Programme Review with the SMF core team and all executive directors to assess adherence to City strategies; and
- Budget consultation with subcouncils, where a report was submitted to September 2017 cycle of subcouncil meetings. The process included prioritisation per subcouncil in the 4-area model approach, as set out in the ODTP. Requirements stemming from subcouncils were submitted to line departments for consideration.
- Issue of Mayor's Budget Brief, which provided political direction to formulation of functional budget considerations.

December 2017 to February 2018

- Iterative interactions with BSC and BSM. Refinements of the LTFP model to ensure a credible, affordable and sustainable budget over the medium term;
- Item review and consideration of its impact on the capital- and operating budget; and
- Preparation of detailed capital- and operating budget.

March to April 2018

- 2018/19 capital- and operating budget and IDP review tabled at Council on 28 March 2018.
- Publication of budget, IDP and tariff proposals for comment and consultation as part of the public participation process. 2018 LG MTEC engagement took place on 24 April 2018.

April to May 2018

- Comments received as a result of the public participation process submitted to Mayco for consideration.
- The 2018 Municipal Benchmark Engagement with National Treasury took place on 14 and 15 May 2018.

- 2018/19 MTREF budget, IDP review and BEPP scheduled for consideration and adoption by Council on 30 May 2018.

2.1.3 Integrated Development Plan (IDP) and Service Delivery and Budget Implementation Plan (SDBIP)

The City's IDP is its principal strategic planning instrument, which guides and informs its on-going planning, management and development actions. The IDP represents the City administration's commitment to exercise its executive authority. This 5-Year Term of Office Plan, is in line with National- and Provincial government legislation and is effectively the local government's blueprint by which it strives to realise its vision for Cape Town in the short-, medium- and long term.

The 5-Year Term of Office IDP (2017/18 – 2021/22) was developed in line with the Term of Office IDP Process Plan (2017/18 – 2021/22) and the annual IDP and Budget Time schedule, which was approved by Council in May 2017.

IDP Review
Section 34(a) of the abovementioned legislation requires a municipal council to review its IDP:
i) annually, in accordance with an assessment of its performance measurements;
ii) and to the extent that changing circumstances so demand.

IDP Amendment
Section 34(b) of the legislation states that a municipal council may amend its IDP in accordance with the prescribed process.

The prescribed process for amending an IDP is contained in Section 3 of the Municipal Planning and Performance Management Regulations, 2001. The main steps in the process can be summarised as follows:
i) Only a member or committee of a municipal council may introduce a proposal for amending the IDP;
ii) Any proposal for amending the IDP must be accompanied by:
 - a memorandum setting out the reasons for the proposal
iii) The proposed amendment must be published for public comment for a minimum period of 21 days
iv) An amendment to the IDP is adopted by a decision taken by a municipal council in accordance with the rules and orders of council.

2.2 Overview of alignment of annual budget with Integrated Development Plan (IDP)

The City's priority objectives are set out in its IDP, which provides the strategic framework that guides the City's planning and budgeting over the course of the 5-year political term.

To this extent this IDP consists of two main parts, being a **strategic plan**, which contains the longer term strategic vision, priorities and narrative as well as an **implementation plan**, which focuses only on **key** strategic programmes, projects and initiatives that will support the achievement of the priorities through the 5-year term of office.

The pillars (i.e. Opportunity City, Safe City, Caring City, Inclusive City, Well-run City) are unpacked into11 priorities (transformed into 11 objectives), which are then broken down into programmes and projects that are underpinned by the budget. This realistic and sound budget supports the credibility of the process. Resources were allocated firstly through budget prioritisation at a corporate level and pulled through to the directorate and department Business plans.

The Corporate Scorecard is the strategic tool used by the community and the City to monitor progress against delivery.

The vision of the City

To be an opportunity City that creates an enabling environment for economic growth and job creation, and to provide assistance to those who need it most. To deliver quality services to all residents. To serve the citizens of Cape Town as a well-governed and corruption free administration.

In pursuit of this vision, the City's mission is as follows:

- To contribute actively to the development of its environment, human- and social capital
- To offer high-quality services to all who live in, do business in or visit Cape Town
- To be known for its efficient, effective and caring government.

The budget is allocated against the five strategic focus areas at a corporate level. This visionary framework is rolled out into objectives, key performance indicators (KPI) and targets for implementation. These are then broken down into the SDBIP that reflects the detailed projects. Each of these projects is allocated budgetary and other resources.

The figure below visually represents the link between the IDP and the budget and demonstrates how corporate strategy is cascaded through the organisation, and how it influences and shapes the operating and capital budgets of the various directorates and departments within the City.

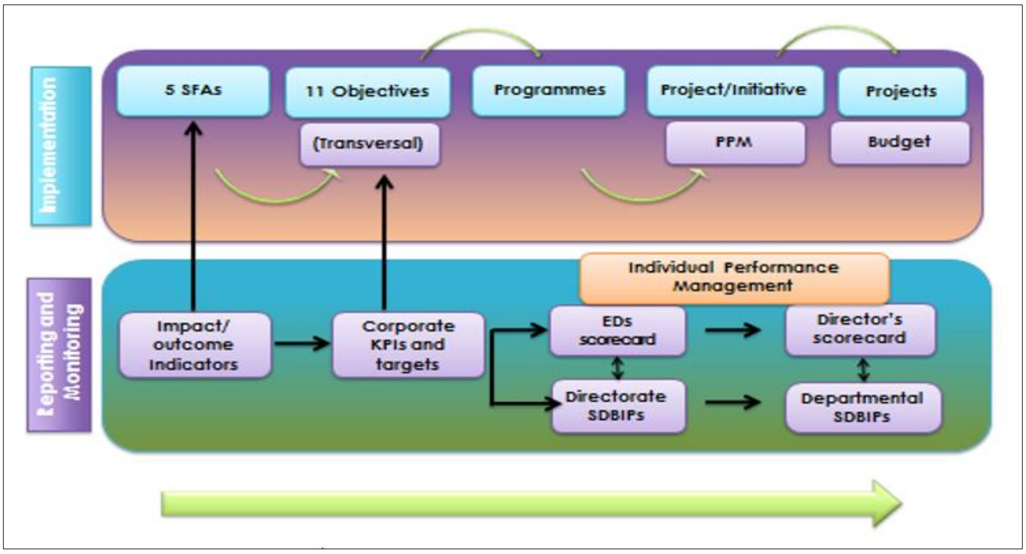


Figure 6 IDP and Budget link

The Corporate SDBIP Book combines and set out the various components in the format required by National Treasury.

The tables below provide details on the reconciliation between the IDP strategic objectives, the operating revenue and expenditure and the capital expenditure budget.

Table 31 MBRR Table SA4 - Reconciliation between the IDP strategic objective and budgeted revenue

Strategic Objective	Goal	Goal Code	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
The Opportunity City	Attract investment for econ growth/jobs	1.1	96,645	103,191	124,616	–	–	–	–	–	–
	Prov of economic & social infrastructure	1.2	15,446,992	17,291,668	18,541,175	–	–	–	–	–	–
	Sustainable environment through resource	1.3	8,066	20,632	263	–	–	–	–	–	–
	Mobility via effective public transport	1.4	460,775	482,891	482,850	–	–	–	–	–	–
	City Assets for econ growth & developmnt	1.5	135,549	151,412	170,236	–	–	–	–	–	–
The Safe City	Expand resources for safety and security	2.1	1	1	0	–	–	–	–	–	–
	Resource depts for optimum operations	2.2	57,044	66,958	76,909	–	–	–	–	–	–
	Enhance intelligence-driven policing	2.3	1,032,064	1,128,735	1,273,961	–	–	–	–	–	–
	Improve emergency staff through training	2.4	16,118	16,602	20,848	–	–	–	–	–	–
	Safety and security through partnerships	2.5	1,398	1,316	206	–	–	–	–	–	–
The Caring City	Human settlements for increased acccess	3.2	709,330	790,774	756,678	–	–	–	–	–	–
	Assess rental stock to beneficiaries	3.3	222,964	233,092	247,133	–	–	–	–	–	–
	Innovative human settlements access	3.4	849,916	940,332	1,128,382	–	–	–	–	–	–
	Effective environmental health services	3.5	1,398	3,140	6,679	–	–	–	–	–	–
	Provide effective air quality management & pollution	3.6	340	225	362	–	–	–	–	–	–
	Effective primary health care services	3.7	485,148	521,117	581,820	–	–	–	–	–	–
	Substance abuse treatment/rehabilitation	3.8	0	1	0	–	–	–	–	–	–
The Inclusive City	Response for citizens to be communicated	4.1	67	132	250	–	–	–	–	–	–
	Facilities that make citizens feel home	4.2	134,868	114,618	116,472	–	–	–	–	–	–
The Well-Run City	Transparent & corruption free government	5.1	4,620	2,690	1,443	–	–	–	–	–	–
	Efficient & productive administration	5.2	50,347	144,598	69,629	–	–	–	–	–	–
	Ensure unqualified audits by AG	5.3	9,549,039	10,773,663	12,468,739	–	–	–	–	–	–
The Opportunity City	Position CT as globally competitive City	1.1	–	–	–	6,508,985	326,950	326,950	393,901	499,560	565,719
	Leveraging Technology for Progress	1.2	–	–	–	27,905	22,916	22,916	24,177	25,506	26,922
	Economic Inclusion	1.3	–	–	–	–	–	–	–	–	–
	Resource Efficiency and Security	1.4	–	–	–	1,685	13,844	13,844	18,847	7,918	8,068
The Safe City	Safe Communities	2.1	–	–	–	1,242,927	1,275,141	1,275,141	1,380,687	1,447,479	1,515,912
The Caring City	Excellence in Basic Service delivery	3.1	–	–	–	14,208,408	19,443,496	19,443,496	20,416,487	23,664,555	26,406,914
	Mstr basic service to inf settl bkyard	3.2	–	–	–	42,443	40,197	40,197	29,427	53,005	66,047
The Inclusive City	Dense_Transit Orientated Growth and Dev	4.1	–	–	–	16,423	25,040	25,040	9,374	6,519	0
	An Efficient Integrated Transport System	4.2	–	–	–	498,583	670,976	670,976	625,579	562,427	582,490
	Building Integrated Communities	4.3	–	–	–	655,175	12,594,141	12,594,141	13,474,732	14,543,628	15,705,205
The Well-Run City	Operational sustainability	5.1	–	–	–	14,805,558	2,257,482	2,257,482	2,976,605	3,182,525	3,365,715
Allocations to other priorities			**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total Revenue (excluding capital transfers and contributions)			**29,262,688**	**32,787,790**	**36,068,652**	**38,008,091**	**36,670,182**	**36,670,182**	**39,349,818**	**43,993,121**	**48,242,992**

Table 32 MBRR Table SA5 - Reconciliation between the IDP and strategic objectives and budgeted operating expenditure

Strategic Objective	Goal	Goal Code	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
The Opportunity City	Attract investment for econ growth/jobs	1.1	310,504	377,461	390,057	–	–	–	–	–	–
	Prov of economic & social infrastructure	1.2	13,960,905	15,675,219	16,965,420	–	–	–	–	–	–
	Sustainable environment through resource	1.3	567,615	614,946	687,365	–	–	–	–	–	–
	Mobility via effective public transport	1.4	1,261,152	1,402,283	1,583,295	–	–	–	–	–	–
	City Assets for econ growth & developmnt	1.5	142,435	162,107	180,785	–	–	–	–	–	–
The Safe City	Expand resources for safety and security	2.1	2,211	2,037	1,964	–	–	–	–	–	–
	Resource depts for optimum operations	2.2	1,101,195	1,184,757	1,283,881	–	–	–	–	–	–
	Enhance intelligence-driven policing	2.3	1,045,475	1,230,838	1,331,916	–	–	–	–	–	–
	Improve emergency staff through training	2.4	104,572	115,038	119,111	–	–	–	–	–	–
	Safety and security through partnerships	2.5	79,986	97,779	82,468	–	–	–	–	–	–
	Human settlements for increased acccess	3.2	778,242	825,902	934,350	–	–	–	–	–	–
	Assess rental stock to beneficiaries	3.3	491,242	512,796	504,042	–	–	–	–	–	–
	Innovative human settlements access	3.4	816,162	920,180	1,046,640	–	–	–	–	–	–
	Effective environmental health services	3.5	146,430	252,915	254,687	–	–	–	–	–	–
	Provide effective air quality management & pollution	3.6	9,252	9,968	10,621	–	–	–	–	–	–
	Effective primary health care services	3.7	757,490	815,161	948,710	–	–	–	–	–	–
	Substance abuse treatment/rehabilitation	3.8	6,264	6,833	6,750	–	–	–	–	–	–
The Inclusive City	Response for citizens to be communicated	4.1	42,904	51,304	58,380	–	–	–	–	–	–
	Facilities that make citizens feel home	4.2	1,878,537	2,012,810	2,152,276	–	–	–	–	–	–
The Well-Run City	Transparent & corruption free government	5.1	465,376	490,610	536,561	–	–	–	–	–	–
	Efficient & productive administration	5.2	1,534,251	1,653,791	1,786,314	–	–	–	–	–	–
	Ensure unqualified audits by AG	5.3	1,853,222	2,276,539	1,992,125	–	–	–	–	–	–
An Opportunity City	Position CT as globally competitive City	1.1	–	–	–	8,088,602	5,277,055	5,242,529	5,867,981	6,177,412	6,576,307
	Leveraging Technology for Progress	1.2	–	–	–	328,799	590,400	589,410	573,507	618,643	659,185
	Economic Inclusion	1.3	–	–	–	73,396	54,821	54,873	77,402	166,422	180,002
	Resource Efficiency and Security	1.4	–	–	–	190,149	583,407	584,101	1,010,396	1,905,008	2,011,026
The Safe City	Safe Communities	2.1	–	–	–	3,197,496	3,164,454	3,164,164	3,402,986	3,686,907	3,926,282
The Caring City	Excellence in Basic Service delivery	3.1	–	–	–	15,159,946	17,651,751	17,678,751	18,463,268	20,068,582	21,624,850
	Mainstreaming basic service delivery to informal settlements and backyard dwellers	3.2	–	–	–	591,017	588,048	586,048	623,399	674,501	828,350
An Inclusive City	Dense and Transit Orientated Growth and Development	4.1	–	–	–	89,896	111,030	118,835	46,974	44,864	46,851
	An Efficient Integrated Transport System	4.2	–	–	–	1,575,064	1,805,124	1,805,174	1,791,738	1,799,268	1,876,145
	Building Integrated Communities	4.3	–	–	–	1,272,778	1,797,685	1,797,685	1,979,416	2,112,534	2,277,919
The Well-Run City	Operational sustainability	5.1	–	–	–	6,790,975	4,788,967	4,791,171	5,426,872	6,174,304	6,802,270
Allocations to other priorities			**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total Expenditure			**27,355,422**	**30,691,275**	**32,857,719**	**37,358,116**	**36,412,742**	**36,412,742**	**39,263,938**	**43,428,443**	**46,809,187**

Table 33 MBRR Table SA6 - Reconciliation between the IDP strategic objectives and budgeted capital expenditure

Strategic Objective	Goal	Goal Code	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
The Opportunity City	Attract investment for econ growth/jobs	1.1	20,909	7,929	7,079	–	–	–	–	–	–
	Prov of economic & social infrastructure	1.2	2,942,073	3,315,688	3,642,069	–	–	–	–	–	–
	Sustainable environment through resource	1.3	84,313	78,246	200,021	–	–	–	–	–	–
	Mobility via effective public transport	1.4	462,606	719,500	571,990	–	–	–	–	–	–
	City Assets for econ growth & developmnt	1.5	75,305	32,309	97,282	–	–	–	–	–	–
The Safe City	Expand resources for safety and security	2.1	29	13,332	11,270	–	–	–	–	–	–
	Enhance intelligence-driven policing	2.3	48,940	100,466	74,687	–	–	–	–	–	–
	Improve emergency staff through training	2.4	498	260	–	–	–	–	–	–	–
	Safety and security through partnerships	2.5	14,439	30,359	29,189	–	–	–	–	–	–
	Access to social services	3.1	63,357	47,786	25,607	–	–	–	–	–	–
	Human settlements for increased access	3.2	589,313	340,780	352,643	–	–	–	–	–	–
	Assess rental stock to beneficiaries	3.3	344,872	–	–	–	–	–	–	–	–
	Innovative human settlements access	3.4	127,461	128,220	163,178	–	–	–	–	–	–
	Effective environmental health services	3.5	10,962	11,011	5,395	–	–	–	–	–	–
	Provide effective air quality mngt & pol	3.6	–	–	–	–	–	–	–	–	–
	Effective primary health care services	3.7	17,600	16,598	24,439	–	–	–	–	–	–
	Substance abuse treatment/rehabilitation	3.8	–	–	924	–	–	–	–	–	–
The Inclusive City	Response for citizens to be communicated	4.1	39,571	57,004	2,842	–	–	–	–	–	–
	Facilities that make citizens feel home	4.2	213,847	212,677	213,589	–	–	–	–	–	–
The Well-Run City	Transparent & corruption free government	5.1	3,514	5,686	–	–	–	–	–	–	–
	Efficient & productive administration	5.2	19,212	46,891	71,325	–	–	–	–	–	–
	Ensure unqualified audits by AG	5.3	172,920	325,093	411,092	–	–	–	–	–	–
The Opportunity City	Position CT as globally competitive City	1.1	–	–	–	2,363,359	2,324,925	2,067,690	2,723,584	2,949,477	3,277,798
	Leveraging Technology for Progress	1.2	–	–	–	287,185	289,914	289,414	198,046	199,596	197,142
	Economic Inclusion	1.3	–	–	–	–	–	–	18,730	15,341	18,306
	Resource Efficiency and Security	1.4	–	–	–	344,005	1,468,656	635,216	1,013,675	1,691,321	1,687,117
The Safe City	Safe Communities	2.1	–	–	–	208,464	175,406	175,219	228,598	102,094	59,546
The Caring City	Excellence in Basic Service Delivery	3.1	–	–	–	1,470,888	1,248,799	1,160,857	1,451,151	1,587,659	1,586,280
	Mstr basic service to inf settl bkyard	3.2	–	–	–	308,578	281,132	273,338	513,473	616,220	776,781
The Inclusive City	Dense_Transit Orientated Growth and Dev	4.1	–	–	–	36,000	6,700	4,470	120,158	246,885	209,380
	An Efficient Integrated Transport System	4.2	–	–	–	866,482	720,884	713,782	628,232	506,561	487,598
	Building Integrated Communities	4.3	–	–	–	56,784	49,497	51,416	799,947	868,604	990,008
The Well-run City	Operational sustainability	5.1	–	–	–	1,033,476	1,115,090	1,043,554	711,962	1,031,564	816,829
Allocations to other priorities			**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total Capital Expenditure			**5,251,742**	**5,489,834**	**5,904,621**	**6,975,220**	**7,681,003**	**6,414,955**	**8,407,556**	**9,815,321**	**10,106,785**

2.3 Measurable performance objectives and indicators

The Corporate Scorecard is the strategic tool used by the community and the City to monitor progress against delivery.

The City's cycle and process of performance management system can be graphically illustrated below:

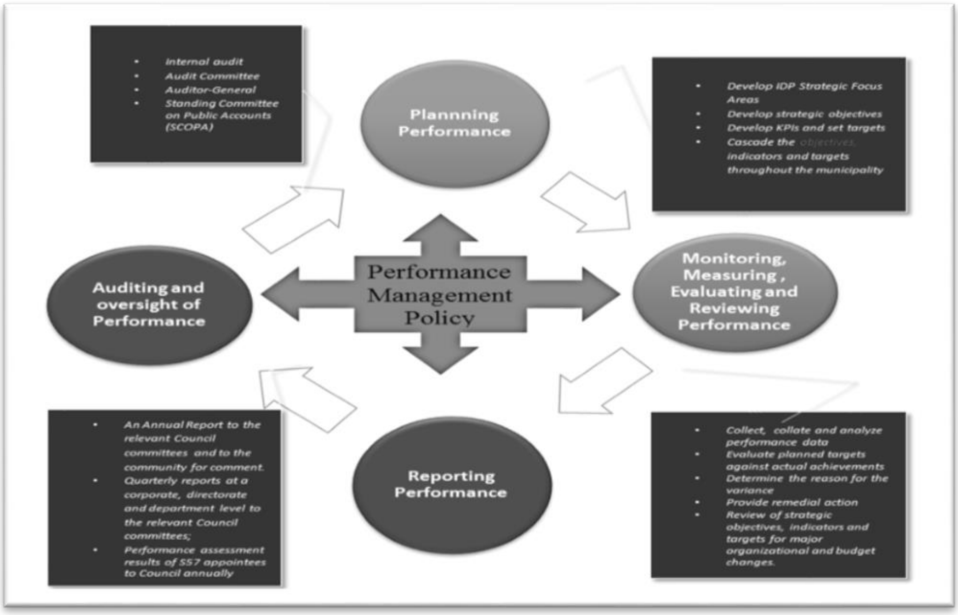


Figure 7 Planning, budgeting and reporting cycle

The City must involve the community in deciding what priorities and needs it want to achieve. Community involvement will be in line with relevant legislation and approved policy.

The planning cycle delivers a 5-year and annually reviewed IDP (including a Corporate Scorecard with definitions), annual corporate, directorate and departmental SDBIP, performance indicator measurement sheets, Section 57 performance plans and individual performance assessments.

Planning ensures that clear strategic direction is set and prioritised. Planning is informed by feedback on performance. This is the stage where Strategic Focus Areas (SFA), objectives, performance indicators and targets are determined. Indicators measure the extent to which objectives are being achieved, indicating performance in relation to outcomes, outputs, activities and inputs. Targets set the level of performance to be achieved within a defined period of time.

Indicators must be measurable, relevant, objective and precise. They must include outcomes, output and input indicators. National general indicators must be included. Proxy indicators will be used until auditable and cost effective systems and processes are in place to measure the national general indicators.

The IDP is set for the 5-year term of office of the elected council and reviewed annually. It includes the SFA, corporate objectives (strategic objectives), corporate indicators and targets. There will be a direct relationship between the SFA, corporate objective, corporate indicator and target. The actual achievements of targets set for the objectives will be reported on quarterly bases, where appropriate. They will form the platform for the quarterly and annual reports on performance.
The components will be interlinked to ensure implementation. All the corporate objectives and indicators will cascade into a directorate and/or a departmental SDBIP and/or the City Manager's and/or Section 57 appointees' scorecards.

Monitoring, Measuring, Evaluating and Reviewing performance

Monitoring and measuring are the processes and procedures to collect, collate and analyse organisational performance data on an on-going basis to determine whether planned performance targets have been met, exceeded or not met. This takes place on a quarterly and an annual basis.

The performance evaluation results are determined by regular management meetings to establish:

- Year-to- date performance progress and reasons for variances for both under- or over performance;
- Remedial action (effective methods of correction or enhancement), if any, which need to be taken to achieve the agreed performance targets; and
- A date for implementation and a responsible person will be identified.

A review of indicators and targets can take place to the extent that changing circumstances so demand and in accordance with a prescribed process. These are limited to major organisational changes and when the budget is adjusted.

Reporting performance includes an Annual Report to the relevant Council committees and to the community for comment and quarterly reports at corporate, directorate and department level to the relevant Council committees.

Auditing and Oversight

Internal Audit and Audit Committee (including the Performance Management committee) review the Organisational Performance Management (OPM) system for functionality, performance information and compliance. The Auditor General and the Municipal Public Accounts Committee (MPAC) reviews the Annual Report.

The final measurable performance indicators to be accomplished in 2018/19 will be approved by the Executive Mayor as part of the Corporate SDBIP in June 2018.

Table 34 MBRR Table SA7 - Measureable performance objectives

Description	Unit of measurement	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
SFA 1: OPPORTUNITY CITY										
1.1. Positioning Cape Town as a forward - looking, globally competitive City										
1.A Percentage of building plans approved within 30-60 days	Percentage	91.30%	94.1%	97.3%	90%	90%	90%	92%	94%	95%
1.B Percentage of rates clearance certificate issued within 10 days [C] 2	Percentage	New	New	New	95%	95%	95%	96%	96%	97%
1.C Number of outstanding valid applications for commercial electricity services expressed as a percentage of commercial customers	Number	New	New	New	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%
1.2. Leveraging technology for progress										
1.D Number of public Wi-Fi locations	Number	New	New	New	60	60	60	60	60	60
1.E Number of public Wi-Fi access points	Number	New	New	New	150	150	150	150	150	150
1.3. Economic inclusion										
1.F Number of Mayoral Job Creation Programme (MJCP) opportunities created [C] - NKPI	Number	New	New	45370	34500	34500	34500	35500	35500	35500
1.G Percentage budget spent on implementation of Workplace Skills Plan (WSP) (NKPI)	Percentage	92.82%	104.85%	92.30%	95%	95%	95%	95%	95%	95%
1.4. Resource efficiency and security										
1.H Percentage compliance with drinking water quality standards	Percentage	99.76%	99.67%	99.65%	98%	98%	98%	98%	98%	98%
1.I Small Scale Embedded Generation (SSEG) capacity legally installed and grid-tied measured in mega-volt ampere (MVA)	Megawatts	New	New	New	3.2	3.2	3.2	3.5	4.0	4.5
SFA 2: SAFE CITY										
2.1. Safe communities										
2.A Number of new areas with CCTV Surveillance camera	Number	New	New	New	3	3	3	3	3	3
2.B Community satisfaction survey (Score 1 - 5) - safety and security	Ratio	2.9	2.9	2.9	2.9	2.9	2.9	2.9	3.0	3.0
SFA 3: CARING CITY										
3.1. Excellence in basic service delivery										
3.A Community satisfaction survey (Score 1 - 5) - City-wide	Ratio	2.8	2.8	2.8	2.9	2.9	2.9	2.9	3.0	3.0
3.B Number of outstanding valid applications for water services expressed as a percentage of total number of billings for the service (NKPI)	Number	0.61%	0.29%	0.33%	<0.7%	<0.7%	<0.7%	<0.7%	<0.7%	<0.7%
3.C Number of outstanding valid applications for sewerage services expressed as a percentage of total number of billings for the service (NKPI)	Number	0.54%	0.24%	0.37%	<0.7%	<0.7%	<0.7%	<0.7%	<0.7%	<0.7%
3.D Number of outstanding valid applications for electricity services expressed as a percentage of total number of billings for the service (NKPI)	Number	0.13%	0.12%	0.08%	<0.6%	<0.6%	<0.6%	<0.5%	<0.4%	<0.3%
3.E Number of outstanding valid applications for refuse collection service expressed as a percentage of total number of billings for the service (NKPI)	Number	0.01%	0.01%	0.01%	<0.6%	<0.6%	<0.6%	<0.5%	<0.4%	<0.3%
3.F Percentage adherence to City-wide service requests	Percentage	103.40%	81.75%	81.75%	90%	90%	90%	90%	90%	90%

Table continues on next page

Description	Unit of measurement	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
3.2. Mainstreaming basic service delivery to informal settlements and backyard dwellers										
3.G Number of water service points (taps) provided to informal settlements (NKPI)	Number	948	919	676	600	600	600	700	700	700
3.H Number of sanitation service points (toilets) provided to informal settlements (NKPI)	Number	3091	3058	2085	2800	2800	2800	2600	2500	2500
3.I Percentage of informal settlements receiving a door-to-door refuse collection service (NKPI)	Percentage	99.74%	99.74%	99.74%	99%	99%	99%	99%	99%	99%
3.J Number of service points (toilet and tap with hand basin) provided to backyarders	Number	New	New	New	1000	1000	1000	1200	1600	1100
3.K Number of electricity subsidised connections installed (NKPI)	Number	5096	2909	1747	1500	1500	1500	1500	1500	1500
3.L Percentage progress made in establishing a verifiable database that determines housing needs	Percentage	New	New	New	50%	50%	50%	100%	-	-
3.M Percentage of allocated housing opportunity budget spent	Percentage	New	New	New	90%	90%	90%	90%	90%	90%
3.N Number of deeds of sale agreements signed with identified beneficiaries per annum	Number	1283	1065	760	1000	1000	1000	2000	2500	2500
3.O Number of sites serviced in the informal settlements (incremental housing & reblocking)	Number	New	New	New	2000	2000	2000	2000	1800	2500
3.P Number of community services facilities within informal settlements	Number	New	New	New	-	-	-	-	1	2
SFA 4: INCLUSIVE CITY										
4.1. Dense and transit oriented growth and development										
4.A Number of passenger journeys per kilometre operated (MyCiTi)	Number	New	New	New	1.07	1.07	1.07	1.09	1.11	1.14
4.B Percentage identified priority projects moved out of pre-projects to inception phase	Percentage	New	New	New	10%	10%	10%	-	25%	-
4.C Percentage identified priority projects moved out of inception to implementation phase (To be implemented in 2021/22)	Percentage	New	New	New	-	-	-	To be implemented in 2021/22	To be implemented in 2021/22	To be implemented in 2021/22
4.2. An efficient, integrated transport system										
4.D Total number of passenger journeys on MyCiTi	Number	15.4 Million	18.5 Million	19.9 Million	19.1 Million	19.1 Million	19.1 Million	19.5 Million	19.9 Million	20.3 Million
4.3. Building integrated communities										
4.E Percentage of people from employment equity target groups employed in the three highest levels of management in compliance with the City's approved employment equity plan (EE) (NKPI)	Percentage	66%	66.34%	69.86%	75%	75%	75%	75%	75%	75%
4.F Number of strengthening families programmes implemented	Number	New	New	New	18	18	18	18	18	18
SFA 5: WELL-RUN CITY										
5.1. Operational sustainability										
5.A Opinion of independent rating agency	Opinion	High investment rating reaffirmed A1.za	High investment rating Aaa.za	High investment rating (Aaa.za)	High investment rating	High investment rating	High investment rating	High investment rating	High investment rating	High investment rating
5.B Opinion of the Auditor-General	Opinion	Clean Audit	Clean Audit	Unqualified with findings	Clean Audit	Clean Audit	Clean Audit	Clean Audit	Clean Audit	Clean Audit
5.C Percentage spend of capital budget (NKPI)	Percentage	85.70%	89.57%	92.85%	90%	90%	90%	90%	90%	90%
5.D Percentage spend on Repairs and Maintenance	Percentage	95.81%	94%	99.52%	95%	95%	95%	95%	95%	95%
5.E Cash/cost coverage ratio (excluding unspent conditional grants) (NKPI)	Ratio	1.88:1	2.021:1	2.28:1	2:1	2:1	2:1	2:1	2:1	2:1
5.F Net Debtors to annual income (NKPI)	Percentage	20.44%	20.39%	21.15%	21.5%	21.5%	21.5%	21.50%	21.50%	21.50%
5.G Debt (total borrowings) to total operating revenue (NKPI)	Percentage	4.91:1	5.83:1	New	27%	27%	27%	30%	34%	35%

The following table sets out the municipalities main performance indicators and benchmarks for the 2018/19 MTREF.

Table 35 MBRR Table SA8 - Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Borrowing Management										
Credit Rating		A1.za	A1.za	Aaa.za	Aaa.za					
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	4.0%	3.4%	3.5%	4.2%	3.9%	3.9%	4.0%	5.3%	6.0%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	4.2%	3.5%	3.5%	5.0%	4.8%	4.8%	4.8%	6.3%	6.9%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	0.0%	0.0%	0.0%	54.1%	72.8%	94.0%	63.9%	74.8%	77.9%
Safety of Capital										
Gearing	Long Term Borrowing/ Funds & Reserves	229.9%	200.9%	153.4%	278.2%	193.8%	193.8%	285.2%	332.5%	328.8%
Liquidity										
Current Ratio	Current assets/current liabilities	1.2	1.3	1.4	1.3	1.2	1.2	1.3	1.4	1.5
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	1.2	1.3	1.4	1.3	1.2	1.2	1.3	1.4	1.5
Liquidity Ratio	Monetary Assets/Current Liabilities	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.7	0.8
Revenue Management										
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing	0.0%	100.1%	100.1%	100.1%	92.3%	94.8%	0.0%	93.2%	93.1%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		100.0%	100.0%	100.0%	92.2%	94.8%	94.8%	93.2%	93.1%	93.1%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	18.9%	18.4%	19.0%	18.0%	19.9%	19.9%	19.9%	19.1%	18.7%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Creditors Management										
Creditors System Efficiency	% of Creditors Paid Within Terms (within`MFMA' s 65(e))	96.2%	96.4%	96.5%	97%	97.2%	97.5%	97.5%	98%	98%
Creditors to Cash and Investments		165.6%	171.7%	172.8%	200.4%	167.7%	166.7%	151.2%	113.3%	79.2%
Other Indicators										
Electricity Distribution Losses (2)	Total Volume Losses (kW)	1,134,334,700	1,157,007,605	1,075,357,226	1,075,357,226	1,075,357,226	1,075,357,226	1,075,357,226	1,075,357,226	1,075,357,226
	Total Cost of Losses (Rand '000)	755,580	871,875	877,599	880,287	880,287	880,287	950,723	1,026,781	1,108,924
	% Volume (units purchased and generated less units sold)/units purchased and generated	11.25%	11.42%	10.9%	10.89%	10.89%	10.89%	10.89%	10.89%	10.89%
Water Distribution Losses (2)	Total Volume Losses (kℓ)	65,468,324	61,960,222	63,571,089	73,029,336	73,029,336	48,400,000	41,900,000	41,900,000	41,900,000
	Total Cost of Losses (Rand '000)	228,484	247,841	317,697	303,557	303,557	283,785	466,766	466,766	466,766
	% Volume (units purchased and generated less units sold)/units purchased and generated	19.10%	18.83%	22.05%	21.35%	21.35%	22.51%	22.85%	22.85%	22.85%
Employee costs	Employee costs/(Total Revenue - capital revenue)	27.8%	28.5%	26.8%	31.7%	31.4%	31.4%	32.8%	31.4%	30.9%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	28.2%	29.0%	27.2%	32.1%	31.8%	31.8%	33.3%	31.8%	31.2%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	10.3%	10.2%	10.4%	10.6%	10.2%	10.3%	10.1%	9.7%	9.6%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	9.2%	8.7%	8.4%	9.7%	9.6%	9.6%	9.9%	10.6%	10.7%
IDP regulation financial viability indicators										
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	23.1	20.7	26.9	23.8	23.8	23.8	18.8	18.9	20.9
ii.O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	25.3%	24.5%	25.2%	23.9%	27.7%	27.7%	26.9%	25.3%	24.5%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	1.7	1.6	1.5	1.5	2.0	2.0	2.1	2.4	3.1

2.3.1 Performance indicators and benchmarks

2.3.1.1 Borrowing Management

The City's capital expenditure is funded from four sources, namely, government grants, public contributions and donations, borrowing and internally generated funds. The City's borrowing is done in terms of Chapter 6 of the MFMA and the City's Borrowing Policy, where long-term loans will only be entered into based on affordability and sustainability. This is influenced by the capital investment requirement over the 2018/19 MTREF.

The City needs a credit rating to demonstrate its ability to meet its short- and long-term financial obligations. Potential lenders also use it to assess the City's credit risk, which in turn affects the pricing of any subsequent loans taken. Factors used to evaluate the creditworthiness of municipalities include the economy, debt, finances, politics, management and institutional framework.

On 29 March 2018, Moody's Investors Service provided an update to the City's credit analysis. The City's global and national scale ratings were confirmed with a negative outlook. The City's outlook was not upgraded to "Stable" in line with the action taken on the sovereign rating due to challenges associated with the current water crisis.

The City's national scale rating is currently Aaa.za/P-1.za, which reflects the City's credit profile of strong financial performance characterised by annual operating surplus, strong financial debt management, low debt and diverse economic profile. The City's credit profile is, however, constrained by the water shortage, the direct impact it has on water revenue, the indirect economic and societal effects and the increased capital expenditure required to ensure the supply of water.

The following financial performance indicators formed part of the compilation of the 2018/19 MTREF:

- Capital charges to operating expenditure, which is the measure of the cost of borrowing in relation to the operating expenditure. This ratio averages 5.1% over the 2018/19 MTREF indicating that the City spends an average of 5.1% of its operating expenditure budget on finance charges annually, which is considered feasible and sustainable.
- Borrowing funding as a ratio of own capital expenditure reflects the degree to which own capital expenditure (excluding government grants and public contributions) has been funded by way of borrowing. The ratio shows 63.9% for 2018/19 and averages 76.4% over the two outer years of the MTREF. This ratio outcome is as a result of the accelerated investment in sustainable water supply initiatives.

2.3.1.2 Safety of Capital

The gearing ratio is a measure of the total long-term borrowings over funds and reserves. The City does not agree with the methodology applied to calculate this ratio. The preferred calculation is borrowing less cash and bank balances divided by community wealth/equity, of which the City's outcome over the 2018/19 MTREF averages 12%.

2.3.1.3 Liquidity

- Current ratio
  The current ratio is used to assess the City's ability to pay back its short-term liabilities (debt and payables) with short-term assets (cash, inventory, and receivables). According to NT Circular 71, the higher the current ratio, the more capable the municipality will be to pay its current or short-term obligations and provide for risk cover to enable it to continue operations at desired levels. It is preferable that the ratio is at least above 1. This ratio for the City averages 1.4 over the MTREF period.
- Liquidity ratio
  The liquidity ratio is a measure of the ability of the City to utilise cash and cash equivalents to extinguish or retire its current liabilities immediately. Anything below 1 indicates a shortage in cash to meet creditor obligations. The City also does not agree with the methodology applied to calculate this ratio. The preferred calculation is current assets less inventory divided by current liabilities. This ratio averages 1.3 for the City over the MTREF period.

2.3.1.4 Revenue Management

- Debt Management actions, including legal actions, are carried out against debtors who can pay, but choose not to, with a special focus on:
  - Categorization of accounts into high value accounts: business and residential;
  - Top 1000 debtors;
  - Government accounts;
  - Staff and councillor arrears; and
  - Appropriate action against irrecoverable debt.
- Allocating high value accounts to area offices to follow up on debtors within their respective areas.
- Limiting/blocking of electricity prepaid meters: Collecting other debts via the prepaid electricity meters.
- Debtors who are experiencing difficulties in paying their accounts are given options to either enter into affordable payment arrangements or to apply to be registered as indigent or apply for rates rebates. The City provides the option of an affordable payment plan for debtors to settle their arrears, where compliance with the agreed payment plan leads to the suspension of all debt management actions and interest being raised, until the arrears are paid in full.
- Adverse Credit Listing
  - Adverse credit listing – enforce debtors who are active credit users to settle their debts, otherwise they cannot enter into any other credit/loan agreements.
- Handing over of accounts, which could lead to a sale in execution (SIE) of the property, to recover municipal debts.
  - Focus on the high value accounts handed over for legal actions.
  - Progress of accounts handed over to the appointed panel of attorneys is performance managed and monitored.
- In addition to the above, the City's strategy for the Indigent debtors are:
  - Water leaks are fixed on all indigent properties free of charge;
  - Water demand management devices (WDM) and prepaid electricity meters are installed free of charge;
  - When water leaks have been repaired and the WDMs and pre-paid electricity meters are installed a once off write-off is done of all the outstanding debt; and

    - Council approved the write-off of all interest charges as well as suspension of interest charges on indigent properties until the water leaks have been repaired, the WDMs and the pre-paid electricity meters have been installed and applicable outstanding debts have been written off.
- Estimation system logic change
    - Changed the estimation logic in the SAP billing system from estimating back to the previous year's (12 months) consumptions to only going back to the past 3-5 months (implemented from 22 Feb 2018 to 31 March 2018)
        - The above change was implemented as most people drastically reduced their water consumptions because of the water crises; accounts will be based on a more accurate and reliable estimation of customers' consumptions (3 -5 months) compared to 12 months where there was much higher water usage.
        - The full implementation of the above should result in debtors receiving more realistic estimations of water billings, less queries, decrease in negative publicity etc.
- Estimation system logic change on Indigent Properties with set WMDs
    - Changed the estimation logic in the billing system to estimate the water billings for WMDs to the kilo litres setting of the WMDs e.g. 10,5 KL (implemented from 5 April 2018).
        - This change should result in a more accurate and reliable estimations of customers' consumptions to the WMDs settings (especially in "no go" and dangerous areas, where actual readings are far and between).

2.3.1.5 Creditors Management

- In compliance with Section 65 of the MFMA, the City has continuously managed to ensure that all its creditors are settled within 30 days of invoice or statement in all cases where goods and services are rendered timeously and in good condition. Under exceptional circumstances where services cannot be rendered on time, existing follow-up procedures and control measures are applied to ascertain reasons, thus facilitating timeous payments. This is built-in within the City's payment processes. The City also ensures that suppliers are familiar with all the agreed payment terms and conditions. This remarkable service excellence is attributable to strong business relations that exist between the City and its suppliers.

2.3.1.6 Other Indicators

- Electricity distribution losses
  Performance in the 2016/17 financial year has shown that Electricity distribution losses was 10.89%. The City's strategy to address these included the appointment of additional revenue protection teams, which compared to the 2015/16 financial year where performance was 11.42%, have shown significant success. Losses have been growing over the last number of years while still within the benchmark, budgeting for a loss factor is therefore prudent.
- Water distribution losses
  High priority is being given to a comprehensive water loss reduction strategy with detailed action plans to address and reduce each of the physical or real losses and apparent losses. The Water & Sanitation department are applying the resources required to implement Water Demand Management interventions, which has been accelerated during the current drought. These include:
    - Education and awareness programmes;
    - Leak Detection and repair;
    - Pressure Management Systems to minimise leakage in the system and reduce night flows;
    - Pipe replacement programme (priority areas as well as alignment with the pressure management system);
    - Meter Replacement programme to improve accuracy of meters.

2.3.2 Free Basic Services: basic social services package for indigent households

The social package for indigent households is based on the blanket approach i.e. where rebates are provided for indigent households based on property value of R0 to R400 000 as well as the targeted approach.

The following rebates are provided to the indigent based property value:

Table 36 Basic social package rebates

Property Value	Refuse Removal charges	Water	Sanitation	Rates
R350 001 – R400 000	25%	10.5kl free water	7.35kl free sanitation	-
R300 001 – R350 000	50%	10.5kl free water	7.35kl free sanitation	-
R200 001 – R300 000	50%	10.5kl free water	7.35kl free sanitation	-
R150 001 – R200 000	50%	10.5kl free water	7.35kl free sanitation	100%
R100 001 – R150 000	75%	10.5kl free water	7.35kl free sanitation	100%
R100 000 and below	100%	10.5kl free water	7.35kl free sanitation	100%

With the targeted approach any resident who is required to pay for the municipal services and whose gross monthly household income is R4 000 or below registers as indigent to receive the same benefits as if their property values were below R100 000.

The current number of indigent registered is 3 219 at the end of April 2018. This number varies monthly as registration is valid for 12 months where after re-application is required.

In addition, property rates rebates are granted to residents based on their gross monthly household income as follows:

Income bracket	***Rebate %***
R4 001 – R5 000	*75%*
R5 001 – R5 500	*50%*
R5 501 – R6 000	*25%*

The current number of beneficiaries in the above categories is 18 as at end April 2018.

2.3.3 Providing potable water and managing waste water

In managing the provision of drinking water and the treatment of wastewater, the City performs the dual role of Water Service Authority and Water Service Provider. It also provides bulk drinking water to adjacent local authorities namely Drakenstein Municipality and Stellenbosch Municipality.

Blue Drop Status

The entire water supply system (including the City-owned catchments, dams, twelve water treatment plants, the bulk conveyance system and the whole distribution system) was assessed in all five Blue Drop audits since inception of this programme by the Department of Water and Sanitation (DWS) in 2009. Subsequent to achieving 100% in the first assessment, the City scored 98.2%, 97.6%, 98.1% and 95.9% respectively in the progressively more stringent follow-up audits. Since the beginning of the Blue Drop programme, the City has been in the top scores for the country.

As a water service provider, the City constantly strives to improve its performance with respect to water quality management. Water safety planning and risk mitigation methodologies are integrated into its management processes. Although no major corrective interventions are currently required in terms of the water safety plan, the City will constantly evaluate the need for additional risk mitigation barriers. Although provision is made in the normal budget allocations to maintain the high standards already achieved, should additional safety barriers be identified, then budgetary allocations will prioritise the associated intervention.

Major Water Projects included in the future Capital Programme are:

- Bulk Water Augmentation Scheme- It is required to augment, refurbish and maintain the City's bulk water supply system, to ensure a safe, reliable and sustainable supply of water to Cape Town and its surrounding region. The Bulk Water Augmentation Scheme includes new major reservoirs as well as a new water treatment plant and distribution bulk mains.
- Water supply Baden Powell to Khayelitsha- New bulk supply main (1000mmØ) off the existing Faure 2400mmØ pipeline to supplement the water supply to the Khayelitsha area. This will increase the supply to the area which will accommodate the formalisation of various areas within Khayelitsha.
- In light of the current climatic condition in the greater Cape Town Region, drastic water saving measures have also been implemented. The following projects form part of the New Water Plan to ensure the security of water:
  - Drilling of boreholes into the Atlantis, Cape Flats and Table Mountain Group (TMG) Aquifers
  - Implementation of water re-use for drinking use at Zandvliet, Macassar and Potsdam Treatment Plants
  - Small-scale desalination plants are already being installed during this financial year with the intent of larger plants in the future.

Green Drop Status

The City has a risk-based approach in place whereby the strategic risks to the wastewater business have been identified, rated and mitigation measures have been put in place. The plan is being implemented but there is a significant financial requirement for maintaining, rehabilitating and replacing the ageing assets to mitigate the critical risks in the Wastewater Risk Abatement Plan (WWRAP). This plan is specifically related to new license conditions imposed by the national Department of Water and Sanitation. This document is reviewed to further refine prioritisation of the risks and resource allocations. The City has clear objectives based on a sound baseline and knowledge of their processes and technologies. The application of risk management and abatement is an integral part of the wastewater business.

The City received 12 Green Drops and an overall score of 89.7% for its 27 wastewater treatment systems during the 2012/13 assessment up from the 11 Green Drops awarded and the 86.8% score achieved in 2011/12.

The City continues to display a strong commitment to improving wastewater treatment and its Green Drop scores and strives for on-going improvement by the implementation of the principles of best practices management throughout the entire workforce.

The primary problems experienced are that of ageing infrastructure which needs to be rehabilitated or replaced, rapid population growth, maintenance of the existing assets, a shortage of relevant skills, as well as more stringent license conditions.

Additional challenges include significant financial investment requirements:

- for new infrastructure to cater for the rapidly developing city; and
- to improve on the existing wastewater effluent quality.

These problems are being experienced throughout South Africa and the City is addressing such challenges via recruitment of appropriate staff and training existing staff- in an effort to minimise the shortage of experienced employees. The City ‘s Water & Sanitation department has formulated comprehensive long term master plans (for wastewater, bulk water and the sewer and water reticulation services) and improved business processes. This allows for efficient allocation of financial resources to create new facilities with appropriate technologies and expanding as well as maintaining existing assets.

Some of the major wastewater projects are:

- Zandvliet Ext (WWTW) - increase in treatment capacity;
- Bellville Ext (WWTW) - increase in treatment capacity; and
- Borchards Quarry (WWTW) - Replacement of Centrifuges with Belt Presses

The capital budget is allocated for increased treatment capacity, process improvements and improved effluent quality.

2018/19 Budget and MTREF proposed allocations
The capital budget is allocated for increased treatment capacity, process improvements or improved effluent quality.

The proposed 2018/19 operating- and capital budget is shown on the table below.

Table 37 Wastewater Treatment Facility Budget

Wastewater Treatment Facility Capital Budget					
Wastewater Treatment Facility	Budget Year 2016/17		Budget Year 2017/18		Budget Year 2018/19
R Thousand	Original budget	Adjusted Budget	Original budget	Adjusted Budget	
Bellville - 20 Ml/d increase in treatment capacity	60,500	43,650	71,650	73,578	113,700
Athlone: Capacity Extension-phase 1	10,000	6,000	6,000	6,000	10,000
Cape Flats: Disinfection of Effluent	40,000	28,000	36,000	18,800	75,000
Zandvliet: 18 ML/d increase in treatment capacity	187,757	108,862	199,080	91,000	366,500
Gordons Bay WWTW-Improvements: Upgrade	500	500	-	-	
Borchards Quarry: Replacement of Centrifuges with Belt Presses	50,000	99,900	95,500	95,500	59,086
Mitchells Plain: Replacement of Centrifuges with Belt Presses	50,500	50,000	10,800	10,800	2,000
Scottsdene: Capacity extension	13,000	4,500	12,100	14,969	20,017
Hout Bay: Refurbishment		14,500		4,387	
Potsdam: Extension	8,000	2,120	4,000	4,000	35,100
Melkbos: Effluent Disinfection	**10,000**	3,000	6,000	1,200	12,000
Wesfleur WWTW: Capacity Extension	**1,000**	1,000	20,000	10,000	35,000
Macassar WWTW: Capacity Extension	**5,000**	290	15,050	10,000	25,000
Northern Regional Sludge Facility: Centralized sludge handling facility					21,285
Infrastructure Replace / Refurbish: Replace & Refurbish WWTW Plants	14,110	29,605	6,200	11,007	30,000
TOTAL	**450,367**	**391,927**	**482,380**	**351,240**	**804,688**
Wastewater Treatment Facility Operating Budget					
Category	**Budget Year 2016/17**		**Budget Year 2017/18**		**Budget Year 2018/19**
R Thousand	**Original budget**	**Adjusted Budget**	**Original budget**	**Adjusted Budget**	
Remuneration	124,656	124,253	140,708	119,499	136,543
Depreciation	97,515	109,930	117,821	124,083	133,219
Repairs & Maintenance	202,803	114,927	127,515	127,454	131,181
Contracted Services	72,534	74,467	162,297	164,083	172,747
General Expenses	174,396	159,157	101,730	90,491	102,302
Interest Internal Borrowings	80,742	73,930	79,939	74,347	78,039
Appropriation Account	228,045	200,699	327,576	201,916	351,583
Internal Utilities Expenditure	113,541	113,541	98,010	110,453	109,705
Insurance Departmental	5,924	5,924	5,412	5,412	5,671
Activity Based Costs	-76,222	15,491	28,735	27,822	29,625
Support Services	53,806	48,917	70,414	61,344	66,037
TOTAL	**1,077,740**	**1,041,236**	**1,260,157**	**1,106,903**	**1,316,652**

2.4 Overview of budget related-policies

2.4.1 Approved policies

The following budget-related policies have been approved by Council and are available on the City's website.

- Supply Chain Management Policy (Approved July 2013)
- Management and Investment Policy (Approved October 2015; currently in the process of being amended.)
- Asset Management Policy (Approved February 2013)

2.4.2 Policies reviewed and <u>not</u> amended

The following policy was reviewed at the budget-related policy workshops held during the year but was not amended. It is available on the City's website.

- Ward Allocation Policy (Approved January 2014)

2.4.3 Policies amended and annexed to this document

The following policies were reviewed and amended at the budget-related policy workshops held during the year.

- Property (Tax) Rates – Annexure 2
- City Improvement Districts (CIDs) - Additional Rates - Annexure 3
- Revised Consumptive Tariffs, Rates and Basic Charges for Electricity Services, Water Services and Waste Management Services - Annexure 4
- Rates Policy – Annexure 5
- Tariffs, Fees and Charges Book – Annexure 6
- Tariff Policies – Annexure 7
- Credit Control and Debt Collection Policy – Annexure 8
- Grants-in-Aid Policy – Annexure 9
- Policy On Accounts Payable – Annexure 10
- Funding and Reserves Policy – Annexure 11
- Virement Policy – Annexure 12
- Budget Management and Oversight Policy – Annexure 13
- Long Term Financial Plan Policy – Annexure 14
- Policy Governing Adjustment Budgets – Annexure 15
- Unforeseen and Unavoidable Expenditure Policy – Annexure 16
- Policy Governing Planning and Approval of Capital Projects – Annexure 17

2.4.4 Credit control and debt collection procedures/policies

This policy has been formulated in terms of the provisions of section 96 (b) of the Local Government: Municipal Systems Act, 32 of 2000. The policy also includes the Indigent Policy as per Annexure 8.

2.4.5 Tariff Policy

Section 74 of the Municipal Systems Act (MSA) and section 62(1) (f) of the MFMA requires the City to adopt and implement a tariff policy. Specific legislation applicable to each service has been taken into consideration when determining this policy. The General Tariff Policy and subsequent Water & Sanitation, Electricity and Waste Management tariff policies are attached as Annexure 7.

2.5 Overview of budget assumptions applied to the 2018/19 MTREF

Introduction

The key budget assumptions of the 2018/19 MTREF include a discussion of the sources of information used to develop assumptions for revenue and expenditure that drive the 3-year MTREF of the City under the following headings:

- Financial Strategic Approach
- Financial Modelling and Key Planning Drivers
- Economic outlook / external factors
  - National and Provincial influences
- Expenditure analysis – a three-year preview
- Revenue analysis – a three-year preview
- Local Government Equitable Share and Fuel Levy

2.5.1 Financial Strategic Approach

The 2018/19 MTREF was prepared in the midst of the City facing a critical challenge in the water crisis that created a significant impact on the organisation's operations. This, coupled with the fairly new Organisation Development Transformation Plan (ODTP) requiring investment, as well as ensuring alignment with the IDP and affordable revenue parameters made this MTREF a difficult balancing act.

The budget brief, issued by the Executive Mayor in November 2017, highlighted this and stressed that the year's planning cycle is definitely not business as usual. Budgetary proposals had to demonstrate alignment to the City's 11 transformational priorities as set out in the IDP as well as alignment to the City's strategies all the while remaining financially sustainable.

The New Water Plan required multi-year capital and operating investment starting with the 2017/18 financial year. The City Manager issued a directive calling for budget interventions to support the financial impact of the drought relief actions during the current year. This is followed through into the 2018/19 financial year with further reprioritisation of the operating expenditure budget across the organisation from Rates and other Trading Services to Water & Sanitation.

Subsequent to the tabling of the budget in March 2018 amendments to the budget were made after considering input received via the public participation process e.g. inputs from Subcouncils, Portfolio Committees and other technical fora and stakeholders as well as impact of the updated the New Water Plan. The changes between the tabled and approved budget are included in the assumptions below.

2.5.2 Financial Modelling and Key Planning Drivers

The principles applied to the MTREF in determining and maintaining an affordability envelope included:

- Measures to absorb the financial impact of the New Water Plan:
  - The permanent reduction of certain expenditure items with operating efficiencies implemented to absorb reductions;
  - The introduction of a budget principle of only providing 95% for employee costs; and
  - Savings identified by introducing these measures would contribute to Water Service.
- A 100% capital expenditure implementation rate assumed.
- Credible collection rates based on collection achievements to date and incorporating improved success anticipated in selected revenue items.
- National- and Provincial allocations as per the 2018 Division of Revenue Bill and 2018 Provincial Government gazette.

2.5.3 Economic outlook / external factors

Developments on the political front triggered a series of events, which favourably influenced the domestic economy over the last few months. These changes led to an improvement in the current economic position. NT, however, highlighted that there are various risks, which might still influence the economic outlook. These risks include policy uncertainty and the impact of the drought on agriculture, tourism and jobs in these sectors.

The year commenced with the Rand strengthening against the US Dollar due to the favourable domestic political developments. Over the last few months the Rand started to depreciate which is mainly as a result of global factors. The Rand is currently fluctuating at levels below R13/US$. According to BER, the R/$ exchange rate is expected to end 2018 at levels of R12.02/US$.

The average Brent Crude oil price increased over the last few months reaching a three-year high of $70.36/bbl during May. The price increase is mainly due to supply concerns. The shrinkage in the supply is as a result of the Organisation of Petroleum Exporting Countries (OPEC) indicating that the reduction in the supply will be sustained until the end of the year and the US plans to reintroduce sanctions against Iran. The cost of Brent crude oil is expected to average R63.5/US$ over the next three years.

Real GDP is expected to grow by an average of 1.8% over the next three years. The 2018 Budget Review indicated that the improved outlook flows from strong growth in agriculture, higher commodity prices and recovery in investor sentiments.

The Minister of Finance’s announcement of the one percentage point increase in VAT is expected to have an impact on the future inflation outlook. According to BER this increase should raise the average price of consumer goods and services but estimating that consumer inflation will remain below the 6% upper ceiling of the South African Reserve Bank’s (SARB) range. The outlook on CPI fluctuated over the last few months. The City’s CPI projection was based on BER projection during the budget planning phase and is 5.50% for the first two years of the MTREF and 5.55% for 2020/21 per municipal financial year.

National and Provincial influences

a) National Treasury **MFMA Circular No. 89,** issued in December 2017

The objectives of this budget circular is to demonstrate how municipalities should undertake annual budget preparation in accordance with the budget and financial reform agenda and associated "game changers". Some of the key points from the circular are:

- 2018/19 MTREF to be drafted in version 6.2 of Schedule A of mSCOA;
- Municipalities must reconcile data on the valuation roll, billing system and Deeds office – this might become a formal disclosure item in the near future;

Water tariff increases – the importance of improving demand management, infrastructure maintenance, loss management, meter reading and tariff setting iro water services and ensuring tariffs charged are able to cover the cost of bulk purchases, ongoing operations and provision of future infrastructure; and

- Ability for customers to pay for services are declining, municipalities **must** consider:
  - Improving the effectiveness of revenue management processes and procedures;
  - Pay special attention to cost containment measures;
  - Affordability of providing free basic services to all households;
  - Curb consumption of water and electricity by indigents to not exceed their allocation; and
  - Ensuring value for money through the procurement process.

b) National Treasury **MFMA circular No. 91** issued in March 2018

This circular was the follow-up to the Circular No. 89 issued in December. It reiterated guidelines provided in the previous circular with the main focus being the grant allocations per the 2018 Budget Review and the 2018 DORb. Circular highlights are:

- A review of the economic outlook and inflation targets;
- Local government grants were reprioritised and reduced. The average reduction over the medium term is 3.5% of the local government allocations;
- Government's commitment to managing available water supply to ensure basic needs are met and preparedness to provide financial assistance;
- Section 22 of the 2017 DoRA requires that unspent conditional grants must revert back to the National Revenue Fund unless the unspent funds is proved to be committed in which case the funds may be rolled over. This circular provides the criteria for such rollovers and unspent grant funds;
- Application to the Office of the Chief Procurement Officer (OCPO) to participate in the RT15-2016 transversal contract account management service offering for smart meters should comply with the required process, which will be communicated via a circular;
- A reminder to municipalities that VAT will increase from 14% to 15% and that it's a tax increase as a result of tax legislation that municipalities must implement, not an increase of tariffs by municipalities; and
- The budget document should be aligned to the requirements of the MBRR Schedule A (mSCOA) format and that mSCOA data strings should be uploaded to the LG upload portal.

c) National Treasury released version 6.2 of the mSCOA grid for preparation of the 2018/19 MTREF in December 2017.

d) The latest **Division of Revenue Bill (DoRb)** and **Provincial Gazette** as well as **Fuel Levy** allocation was incorporated into the 2018/19 MTREF.

2.5.4 Expenditure analysis – a three-year preview

The required expenditure investment to provide the sustainable provision of water led to a full review of the City's expenditure budget. The budget was prepared with a combination of interventions that aimed to ensure that the City gives effect to its strategies and the crucial new reality of sourcing alternative water supply. The interventions included budget reprioritisation, budget cuts, applying differentiated parameters and budgeting for salaries at 95%.

a) General inflation outlook and its impact on municipal activities

The City's budget was not primarily driven by CPI this year given the budget cuts and the differentiated parameters applied.

The annual consumer price inflation ended 2017 with an average of 5.3%. This outcome was mainly due to a decrease in food & non–alcoholic beverages, which can be attributed to the recovery in agriculture. The City's CPI projection is 5.50% for the first two years of the MTREF and 5.55% for 2020/21, per municipal financial year. National Treasury's CPI projection was reviewed to 5.3% for 2018/19, and 5.4% and 5.5% for 2019/20 and 2020/21 respectively over the national financial years. These levels are within the SARB inflation targeting range of between 3% to 6%.

b) Contracted Services, Overtime and Operational Cost

The underlying budget theme remains cost containment and budget efficiencies and to give effect to this a combination of a zero-based budgeting and a differentiated approach was adopted based on the nature of expenditure and previous years' expenditure performance. This approach included reducing the base and applying differentiated parameters to elements in the above mentioned categories of expenditure over the 2018/19 MTREF. In addition, budget reprioritisation was also implemented to assist with the cost of providing new sources of water supply.

c) Interest rates for borrowing and investment of funds

The City's investments are done in terms of the Cash Management and Investment policy, which aims to secure the sound and sustainable management of the City's surplus cash and investments. An average investment rate of 7% is forecasted over the 2018/19 MTREF.

d) Collection rate for Property Rates and Service charges

Table 38 Collection Rates

Service	Base Budget 2017/18	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Rates	96.0%	96.0%	96.0%	96.0%
Electricity	98.0%	98.0%	98.0%	98.0%
Water	82.0%	70.7%	70.7%	82.0%
Sanitation	86.0%	86.0%	86.0%	86.0%
Refuse	93.0%	93.0%	93.0%	93.0%

The **Property Rates** collection rate remains at 96%, which is supported by previous years' outcomes.

Electricity collection rate remains at 98% over the 2018/19 MTREF. This is mainly attributed to the continuous rollout of prepaid meters and revenue protection initiatives.

The actual collection rate outcome for **Water & Sanitation** over the past years was lower than anticipated. The projected budgeted collection rate was therefore reduced to a more realistic collection rates for the 2018/19 MTREF. The projected collection rate for Water is 70.7% for the first two years of the MTREF; it is expected to improve to 82% in 2020/21. Sanitation collection rate is projected at 86% over the 3-year MTREF. The lower collection rate is predominantly driven by non-paying high water users during the period of water restriction where tariffs are much higher than the standard tariff (to reduce consumption).

The projected **Refuse** collection rate for the 2018/19 MTREF remains constant at 93%. This is due to ongoing debt management initiatives implemented.

e) Salary increases

During the preparation of the 2018/19 MTREF no salary and wage collective agreement was in place, a similar methodology of previous' agreements were applied to the MTREF i.e. average CPI for the period 1 February of the previous year to 31 January of the current year, with a 2% added in the first year and 1% for the subsequent years.

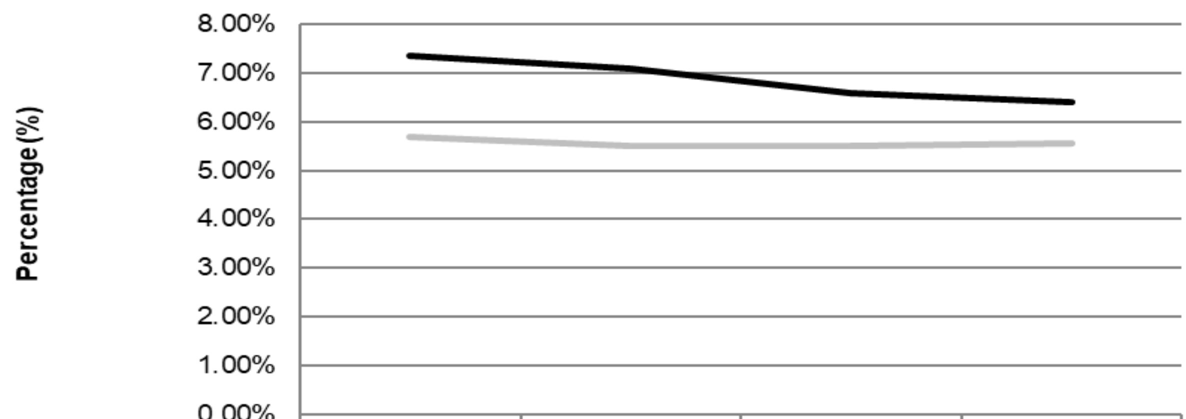
The following salary increases were proposed by the Facilitator's Draft Agreement ("Facilitator Proposal") signed on 18 April 2018:

- 2018/19: An increase of 7% plus 0.5% wef 1 January 2019 for basic salary of R9000 or less;
- 2019/20: Projected CPI for 2019 financial year plus 1.5%.; and
- 2020/ 21: Projected CPI for 2020 financial year plus 1.25%.

This agreement is subject to all parties reverting back to the SALGBC on whether the proposal is accepted or rejected by 16 May 2018.

The City's provision of 7.1% for 2018/19 is sufficient to cover all the other increases proposed in the agreement e.g. homeowner allowance, medical aid etc.

A further provision of 2% was made for an incremental allowance to cater for performance and other notch increases. The salary increases included in the budget are graphically shown below.



	Base Budget 2017/18	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Salary Increases	7.36%	7.10%	6.60%	6.40%
CCT's CPI projection	5.70%	5.50%	5.50%	5.55%

Figure 8 Correlation between the City's CPI and the salary increase over the MTREF

In addition to the above, the City instituted a change in the method of budgeting for salaries. Previous years' outcome showed a constant under performance on salaries. Based on this it was decided that salaries will be budgeted at 95% over the MTREF period.

f) Ensuring maintenance of existing assets

As per 2017/18, a differentiated approach was applied to the expenditure elements relating to repairs and maintenance over the 2018/19 MTREF. This approach considered the nature of the work that individual services provide. The following varying parameters were applied:

- 10% reduction to 2017/18 base with no increase over the 2018/19 MTREF for services that are supportive in nature;
- A CPI increase to services whose main function is not providing repairs & maintenance, however the nature of their business and facilities is such that it requires a proper maintenance provision; and
- CPI + 1% applied to services who needs to secure the health of their assets.

NT Circular 55 and NT Circular 70 set the ratio of operational repairs and maintenance to asset value (write down value of the municipality's property, plant and equipment (PPE) at 8%. The City averages 7.6% over the 2018/19 MTREF. The lower ratio outcome is as a result of the reprioritisation of the budget and the accelerated capital investment in new water supply initiatives. This new capital investment would not require immediate repairs and maintenance.

g) Operational financing for capital

Depreciation

The calculation of depreciation on new capital expenditure is based on variables such as asset class and lifespan, depending on the nature of the asset. An annual capital expenditure implementation rate of 100% was assumed. Depreciation of existing assets is calculated based on simulated SAP data that reflect actual values per annum. Assets under construction (AUC) are calculated based on asset class lifespan and projected capitalisation dates.

Credit rating outlook and borrowing

The City needs a credit rating to demonstrate its ability to meet its short- and long-term financial obligations. Potential lenders also use it to assess the City's credit risk, which in turn affects the pricing of any subsequent loans taken. Factors used to evaluate the creditworthiness of municipalities include the economy, debt, finances, politics, management and institutional framework.

On 29 March 2018, Moody's Investors Service provided an update to the City's credit analysis. The City's global and national scale ratings were confirmed with a negative outlook. The City's outlook was not upgraded to "Stable" in line with the action taken on the sovereign rating due to challenges associated with the current water crisis.

The City's national scale rating is currently Aaa.za/P-1.za, which reflects the City's credit profile of strong financial performance characterised by annual operating surplus, strong financial debt management, low debt and diverse economic profile. The City's credit profile is, however, constrained by the water shortage, the direct impact it has on water revenue, the indirect economic and societal effects and the increased capital expenditure required to ensure the supply of water.

The City's rating over the last period was as follows:

Table 39 Credit rating outlook

Category	Current Rating 29 March 2018 Following action on sovereign rating	Current Rating 15 February 2018	Previous Rating 1 December 2017 Following action on sovereign rating	Previous Rating 14 June 2017 Following action on sovereign rating	Previous Rating 6 April 2017 Following action on sovereign rating
Outlook	Negative	Global rating under review	Global rating under review	Negative	Global rating under review
NSR Issuer Rating	Aaa.za	Aaa.za	Aaa.za	Aaa.za	Aaa.za
NSR ST Issuer Rating	P-1.za	P-1.za	P-1.za	P-1.za	P-1.za
NSR Senior Unsecured	Aaa.za	Aaa.za	Aaa.za	Aaa.za	Aaa.za

Stable Outlook – reflects that a credit rating assigned to an issuer is unlikely to change;

- Negative Outlook - reflects that a credit rating assigned to an issuer which may be lowered;
- Rating under Review - a review indicates that a rating is under consideration for a change in the near term;
- NSR Issuer Rating – Aaa.za - Issuers or issues rated Aaa.za demonstrate the strongest creditworthiness relative to other domestic issuers;
- NSR ST Issuer Rating – P-1.za – Issuers (or supporting institutions) rated Prime-1 have the strongest ability to repay short-term senior unsecured debt obligations relative to other domestic issuers; and
- NSR Senior Unsecured – Aaa.za - Issuers or issues rated Aaa.za demonstrate the strongest creditworthiness relative to other domestic issuers.

The City's borrowing is done in terms of chapter 6 of the MFMA as well as the City's borrowing policy, in terms of which a long-term loan will only be entered into if it's affordable and sustainable. The City's loan requirements are determined by the capital investment requirement (excl. Transfers Recognised: Capital) and the projected cash position. The City primarily borrows against future revenue generating assets.

It is projected that the City will have a favourable cash position over the 2018/19 MTREF thus reducing the borrowing requirement as opposed to the capital requirement. Borrowing over the MTREF is calculated on an interest rate of 11% based on the annuity method.
The table below reflects the proposed borrowing over the 2018/19 MTREF.

The table below reflects the proposed borrowing over the 2018/19 MTREF.

	2018/19	2019/20	2020/21
Borrowing (R' 000)	4,000,000	5,700,000	6,000,000
Borrowing Interest Rate (%)	11%	11%	11%

2.5.5 Revenue analysis – a three-year preview

a) Growth

Electricity

Projected shrinkage in Electric sales revenue over the 2018/19 MTREF: 2.68% for 2018/19 and 2% for the two outer years. This shrinkage is as a result of continued energy saving plans, which resulted in reduced consumption.

Property Rates

Service growth for Rates is projected at 0.5% for 2018/19, 1% for 2019/20 and 0.5% for 2020/21. The projected growth is based on the current property valuations. 1% is projected in 2019/20 to account for the change expected as a result of the 2018 General Valuation (GV) to be implemented in 2019/20.

Water and Sanitation

Water volumetric growth for base calculations is expected to shrink by 20% in 2018/19. The projected shrinkage is due to the expected permanent reduction in water usage as a result of the water restrictions and permanent water saving measures implemented by consumers. The Sanitation revenue budget is aligned to water volumes thus the same water shrinkage projections was applied for Sanitation.

No growth is projected for the two outer years of the MTREF as it is expected that consumer's ability to save water would have plateaued out. It would also be prudent for the new base to be established before making further projections.

Refuse

The average growth over the last 3 years shows that a 2% service growth for Refuse is sustainable over the 2018/19 MTREF. This is driven by the growth in need for the service.

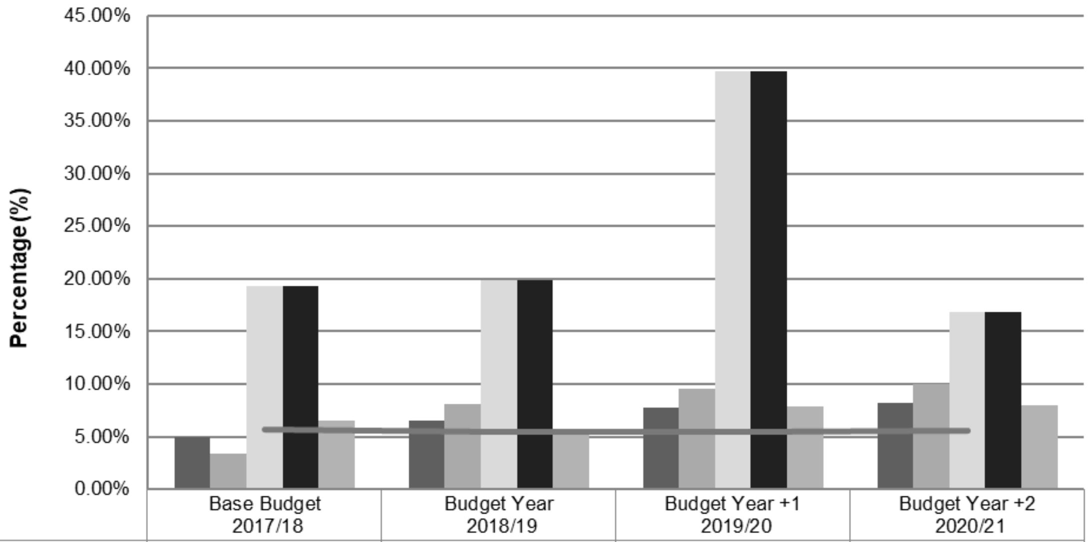
b) Major tariffs and charges: Rates and Trading services

NT Circular 89 and NT Circular 91 states that "National Treasury encourages municipalities to maintain tariff increases at levels that reflect an appropriate balance between the affordability to poorer households and other customers while ensuring the financial sustainability of the municipality. The Consumer Price Index (CPI) inflation is forecasted to be within the upper limit of the 3 to 6 per cent target band; therefore, municipalities are required to justify all increases in excess of the projected inflation target for 2018/19 in their budget narratives, and pay careful attention to the differential incidence of tariff increases across all consumer groups. In addition, municipalities should include a detail of their revenue growth assumptions for the different service charges in the budget narrative."

The circulars further acknowledged that "municipal own revenue sources are shrinking due to widespread drought and households opting for alternative sources of energy".

Electricity services are urged to work towards achieving fully cost-reflective tariffs and Water tariffs should cover for the cost of bulk purchases, ongoing operations as well as provision for future infrastructure.

Considering the above and to ensure future financial sustainability, the following revenue increases are applied for 2018/19 MTREF.



	Base Budget 2017/18	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Property Rates	5.00%	6.50%	7.70%	8.16%
Electricity	3.34%	8.14%	9.56%	9.96%
Water	19.25%	19.90%	39.70%	16.80%
Sanitation	19.25%	19.90%	39.70%	16.80%
Refuse	6.51%	5.70%	7.90%	8.00%
City's CPI projection	5.70%	5.50%	5.50%	5.55%

Figure 9 Revenue parameters for the MTREF period

Electricity

Last year was the end of the Multi–Year Price Determination (MYPD) agreement. Eskom thus applied to the National Energy Regulator of South Africa (NERSA) for an increase in the 2018/19 financial year. NERSA approved an average percentage price increase of 5.23% to Eskom for the 2018/19 financial year, which translated into a 7.32% increase for municipalities. There is no long term price increase agreement in place i.e. only an increase for the 2018/19 financial year of the MTREF was approved.

The nature of business for the Electricity service is the purchasing and redistribution of electricity, where bulk purchases averages 61% of the service's total budget. The Electricity revenue increase is therefore partly attributed to the NERSA-approved Eskom increase on bulk purchases, which is 7.32% for the 2018/19 financial year. In the absence of a longer term price increase agreement, a 10% increase was applied for the two outer years. The higher than CPI increases on other expenditure items, reducing Electricity sales and investment in new infrastructure further contributed to the revenue increase requirement.

Based on the above, the electricity average revenue increases are 8.14%, 9.56% and 9.96%, respectively over the 2018/19 MTREF.

Rates

The tabled budget saw a proposed revenue increase of 7.2% for the 2018/19 financial year with 7.7% and 8.16% is projected for the 2019/20 and 2020/21 years respectively. This higher than CPI increase was as a result of reduced revenue received from the sharing of the Fuel Levy, higher capital cost, new budget realities and the increased cost of capital investment.

Subsequent to the tabling of the budget and after the amending of the New Water Plan, the finance cost of a reduced loan take-up, the 2018/19 proposed revenue increase is 6.5% for the 2018/19 financial year with 7.7% and 8.16% projected for the 2019/20 and 2020/21 years respectively.

Water and Sanitation

NT Circular 89 states that "municipalities must ensure that the tariffs charged are able to cover for the cost of bulk purchases, ongoing operations as well as provision for future infrastructure".

NT Circular 91 reiterated this view stating that "the full costs of new schemes will eventually have to be recovered from water users through tariffs".

In light of the above, the average revenue increase for Water and Sanitation, based primarily on the negative volumetric growth and other factors, was projected in the tabled budget as 26.96% for 2018/19, 30.45% and 22.04% for the two outer of the MTREF respectively in the tabled budget.

Subsequent to the tabling of the budget and after the amending of the New Water Plan, the finance cost of a reduced loan take-up, the 2018/19 proposed revenue increase is 19.9% for the 2018/19 financial year with 39.7% and 16.8% is projected for the 2019/20 and 2020/21 years respectively.

The revenue base for Water and Sanitation was calculated from a level 1 volumetric consumption level, as adjusted for growth, to ensure stability in forecasting, obtaining a revenue neutral position on the restriction levels and to prevent commitments, which cannot be sustained at the projected volumetric consumption levels.

Factors contributing to the high revenue parameters include:

- Implementation of various initiatives over the next few years in light of the current severe drought condition to ensure sustainability and resilience in the provision of water for the City, which in an effort to ensure water security includes investment in desalination, underground extraction from aquifers and water reclamation/re-use initiatives;
- The continued investment in asset replacement programmes to ensure proper asset management;
- Acceleration of repairs and maintenance programmes as well as staffing strategy to ensure that service delivery and responsiveness expectations are met;
- Further rollout of water demand management initiatives to limit the abuse of water; and
- Significantly lower collection rate.

In addition, due to the current climatic conditions, level 6b water restriction will continue for the 2018/19 financial year and level 6 restrictions tariff will still be applicable from 1 July 2018.

Refuse

Solid Waste consists of three services of which two are tariff-funded and one funded by Property Rates. The tariff-funded services consist of Disposal and Refuse.

- The Disposal average increase is at 14.83% for 2018/19, while the increase for the two outer years are 10.87% and 14.24% respectively. This increase is required for capital investment and its related operating expenses. The capital investment includes the development of material recovery facilities and regional landfill sites, upgrading of transfer stations and landfill sites, and the purchasing of land for the regional land fill site.

- The Refuse average increase is 5.7% for 2018/19 and 7.9% and 8% for the two outer years respectively. The average increase will allow, inter alia, for the service to comply with the NEMWA waste minimisation requirements by increasing the removal of recycling at the source and upgrading of solid waste depot facilities.

Housing rental (Council rental properties)

The monthly rental charge for the City's housing rental properties is based on a rate per square meter applied to the size of the unit being rented coupled with a set of premiums/deductions based on the location, maintenance level, facilities et al of the specific property for which the rent is charged.

Through addressing the economic challenges faced by many poorer communities residing in, particularly, the City's rental stock, the average total monthly rental charge percentage increase associated with the City's rental properties has been retained at an affordable level and is based on an annual increase of 7.02% (where the unit has a separate water meter) or 14.30% (for those units which include water in the rental charge) for 2018/19.

The annual rental charge percentage increase, acknowledging the ongoing multi-year implications of inflation on the costs associated with the management of rental properties including, inter alia, maintenance of the properties, administrative costs is not directly aligned to the full economic cost of operating the rental units and operates on a City of Cape Town subsidized basis for the financial differential between the economic cost recovery based rental (CPI linked) and the actual amount charged.

Tenants who were in occupation of the City's rental properties in 2007 receive a subsidy of 20% of the rental charge being the final portion of the phase out program which was not fully implemented by the City to facilitate affordability of long standing tenants. This key initiative, reflected within the City's Housing Debt Management Policy, supports affordable rentals to many poor communities and supports the City's initiatives in terms of its housing debt collection drives whilst supporting the City's housing debtor book that it does not unduly increase due to, potentially, unreachable charges.

The proposed 2018/19 housing rental charge is in line with previous annual rental increases and is again aimed at ensuring affordability for the City's poorer communities. The rental rate (per square meter per month) is R10.37 (where the unit has a separate water meter) or a rental charge (including water charge where applicable) of R16.87 per square meter per month.

The City's housing premiums and deductions charge structure addressing the variations in the City's diverse rental properties remains as follows:

Discounts on account

- Outside toilet (R20 per month)
- External Water (R30 per month)
- No ceiling (R15 per month)

Premiums on account
- Saleable unit (R4,50 per month)
- Well maintained (R5 per month)
- Local environment (R3,50 per month)
- Well located (R5 per month)
- Hot water cylinder (R4 per month)

A surcharge for tenants earning a monthly income above the rental income threshold of R3 500 is charged at a stepped rate of 8% for those earning R3 501 – R7 500 and 10% for those earning R7 501 – R10 000. Tenants who earn more than R10 000 per month will pay a surcharge of 25% of any amount above R10 000. A two (2) year lease agreement will be signed which will not be renewed if the income remains more than R10 000.

c) Capital funding

The total capital budget included for the MTREF is:

Table 40 Capital Budget over MTREF

Capital funding R thousands	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Transfers recognised - capital	2,067,896	2,118,842	2,296,333
Public contributions & donations	76,200	78,600	112,100
Borrowing	4,000,000	5,700,000	6,000,000
Internally generated funds	2,263,460	1,917,880	1,698,351
TOTAL	**8,407,556**	**9,815,321**	**10,106,785**

2.5.6 2018 Division of Revenue Bill (DoRb) and Fuel Levy

Equitable Share

In terms of section 227 of the Constitution, local government is entitled to an equitable share of nationally raised revenue to enable it to provide basic services and perform its allocated functions. The local government equitable share is an unconditional transfer that supplements the revenue that municipalities can raise themselves (including revenue raised through property rates and service charges).

The equitable share provision included in the budget is based on the 2018 DoRb. The equitable share amounts allocated to the City are:

2018/19 – R2 575 million
2019/20 – R2 816 million
2020/21 – R3 092 million

Sharing of the Fuel Levy

The sharing of the general Fuel Levy with metropolitan municipalities was introduced in 2008/09 as a replacement for the RSC levies previously collected by municipalities. The general Fuel Levy is legislated by the Taxation Laws Amendment Act (Act 17 of 2009), which provides that each metropolitan's share should be announced in the government gazette.

The Fuel Levy allocation is based on the 2016 fuel volume sales. The following amounts were allocated to the City as per the 2018/19 allocation letter (subject to the approval of the Minister of Finance):

2018/19 – R2 558 million
2019/20 – R2 640 million
2020/21 – R2 746 million

2.5.7 Major parameters

The following table summarises the major parameters applied to the operating budget:

Table 41 Summary of parameters applied to Operating Budget

	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
CPI	**5.50%**	**5.50%**	**5.55%**
COLLECTION RATES			
Rates	96.00%	96.00%	96.00%
Electricity	98.00%	98.00%	98.00%
Water	70.70%	70.70%	82.00%
Sanitation	86.00%	86.00%	86.00%
Refuse	93.00%	93.00%	93.00%
REVENUE PARAMETERS			
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%
GROWTH PARAMETERS			
Rates	0.50%	1.00%	0.50%
Electricity	-2.68%	-2.00%	-2.00%
Water	-20.00%	0.00%	0.00%
Sanitation	-20.00%	0.00%	0.00%
Refuse	2.00%	2.00%	2.00%
EXPENDITURE PARAMETERS			
Salary increase			
Salary increase (SALGBC Agreement)	7.10%	6.60%	6.40%
Increment provision	2.00%	2.00%	2.00%
Operational cost	Differentiated	Differentiated	Differentiated
Repairs & Maintenance	Differentiated	Differentiated	Differentiated
Interest Rates			
Interest paid	11.00%	11.00%	11.00%
Interest on investment	7.00%	7.00%	7.00%
OTHER			
Capital Borrowing expenditure	R4.000bn	R5.700bn	R6.000bn
Equitable Share Allocation	R2.575bn	R2.816bn	R3.092bn
Fuel levy	R2.558bn	R2.640bn	R2.746bn

2.6 Overview of budget funding

2.6.1 Medium-term outlook: operating revenue

The following table is a breakdown of the operating revenue over the medium-term:

Table 42 Breakdown of the operating revenue over the medium-term

Description	2018/19 Medium Term Revenue & Expenditure Framework					
R thousand	Budget Year 2018/19	%	Budget Year +1 2019/20	%	Budget Year +2 2020/21	%
Property Rates	9,361,952	23.8%	10,248,287	23.3%	11,131,713	23.1%
Service Charges	19,179,838	48.7%	22,414,325	50.9%	25,204,467	52.2%
Investment Revenue	936,513	2.4%	989,834	2.2%	1,020,077	2.1%
Transfers & Subsidies	6,803,608	17.3%	7,101,185	16.1%	7,464,469	15.5%
Other own revenue	3,067,907	7.8%	3,239,489	7.4%	3,422,266	7.1%
Total Revenue (excluding capital transfers and contributions)	39,349,818	100%	43,993,121	100%	48,242,992	100%

The following graph is a breakdown of the operational revenue per main category for 2018/19.

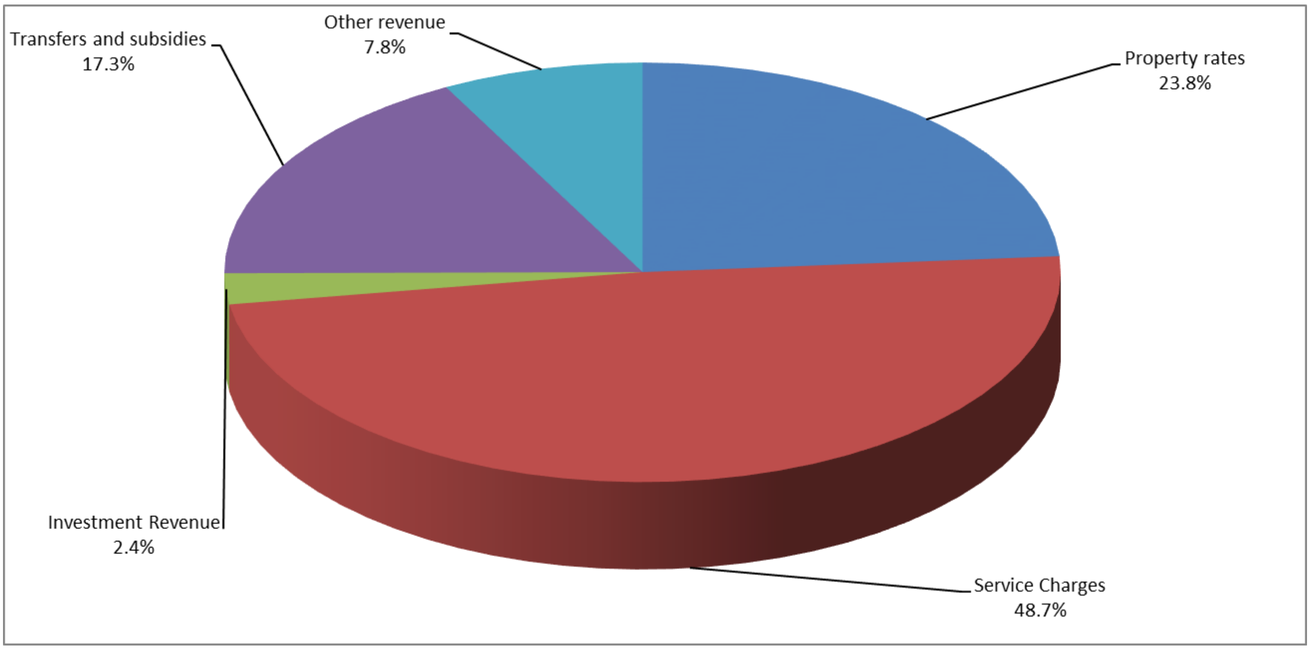


Figure 10 Breakdown of operating revenue over the 2018/19 MTREF

Tariff setting plays a major role in ensuring desired levels of revenue. To ensure an effective, efficient and well-run City, higher tariff increases are inevitable. Getting tariffs right assists in the compilation of a credible and funded budget.

The City derives most of its operational revenue from its service charges (48.7% of total revenue) i.e. provision of services such as water, electricity, sanitation and solid waste removal. Property Rates (23.8%), Transfers & Subsidies (17.3%), Investment revenue (2.4%) and Other own revenue (minor charges i.e. building plan fees, licences, permits etc.) (7.8%) forms part of the 2018/19 revenue base.

The revenue strategy is a function of a number of key aspects such as:

- National Treasury Guidelines;
- General Economic Climate (Nationally and Local);
- City's Strategic Guidelines and Priorities;
- General Tariff Policy;
- Credit Control and Debt Collection Policy;
- Property Rates Policy;
- Total Municipal Account Modelling Process;
- Achievement of full recovery of cost for specific user charges; and a
- Credible collection ratio.

The principles as mentioned above guide and inform the annual increase of tariffs and rates charged to the consumers and ratepayers.

Revenue to be generated from Property Rates in 2018/19 amounts to R9 362 million and represents 23.7% of the operating revenue base of the City. It increases to R11 132 million in 2020/21.

Service Charges relating to electricity, water, sanitation and refuse removal constitute the biggest component of the revenue basket of the City totalling R19 180 million in 2018/19. For 2018/19, Service Charges are 49% of the total revenue base.

Transfers & Subsidies increases from R6 804 in 2018/19 to R7 464 million in 2020/21. This includes external allocations received from National- and Provincial Government, private sector funding and the Fuel Levy.

Table 43 MBRR Table SA15 - Detailed investment information

Investment type	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Parent municipality									
Securities - National Government	69,820	76,655	84,240	84,240	84,240	84,240	84,240	84,240	84,240
Listed Corporate Bonds	–	–	–	–	–	–	–	–	–
Deposits - Bank	6,854,595	7,495,700	7,350,420	8,093,233	9,207,150	9,207,150	9,650,666	11,002,981	13,518,234
Deposits - Public Investment Commissioners	–	–	–	–	–	–	–	–	–
Deposits - Corporation for Public Deposits	–	–	–	–	–	–	–	–	–
Bankers Acceptance Certificates	–	–	–	–	–	–	–	–	–
Negotiable Certificates of Deposit - Banks	–	–	–	–	–	–	–	–	–
Guaranteed Endowment Policies (sinking)	1,631,750	1,788,477	2,051,869	2,265,047	2,265,047	2,265,047	2,503,755	2,771,615	3,070,090
Repurchase Agreements - Banks	–	–	–	–	–	–	–	–	–
Municipal Bonds	–	–	–	–	–	–	–	–	–
TOTAL	8,556,165	9,360,832	9,486,529	10,442,521	11,556,438	11,556,438	12,238,662	13,858,836	16,672,564

Table 44 MBRR Table SA16 - Investment particulars by maturity

Investments by Maturity Name of institution & investment ID	Period of Investment Yrs/Months	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
ABSA	73	Fixed Deposit	No	Fixed	7.15	No	N/A	25-May-18	25,000	36	–	–	**25,036**
ABSA	70	Fixed Deposit	No	Fixed	7.15	No	N/A	25-May-18	150,000	206	–	–	**150,206**
ABSA	17	Fixed Deposit	No	Fixed	6.7	No	N/A	25-May-18	25,000	8	–	–	**25,008**
ABSA	70	Fixed Deposit	No	Fixed	7.15	No	N/A	31-May-18	25,000	34	–	–	**25,034**
ABSA	51	Fixed Deposit	No	Fixed	6.85	No	N/A	1-Jun-18	15,000	14	–	–	**15,014**
ABSA	50	Fixed Deposit	No	Fixed	6.85	No	N/A	1-Jun-18	20,000	19	–	–	**20,019**
ABSA	72	Fixed Deposit	No	Fixed	7.15	No	N/A	8-Jun-18	30,000	42	–	–	**30,042**
ABSA	87	Fixed Deposit	No	Fixed	7.25	No	N/A	15-Jun-18	155,000	268	–	–	**155,268**
ABSA	72	Fixed Deposit	No	Fixed	6.95	No	N/A	15-Jun-18	45,000	62	–	–	**45,062**
ABSA	78	Fixed Deposit	No	Fixed	6.97	No	N/A	22-Jun-18	25,000	37	–	–	**25,037**
ABSA	59	Fixed Deposit	No	Fixed	6.9	No	N/A	22-Jun-18	25,000	28	–	–	**25,028**
ABSA	63	Fixed Deposit	No	Fixed	6.85	No	N/A	25-Jun-18	50,000	59	–	–	**50,059**
ABSA	54	Fixed Deposit	No	Fixed	6.85	No	N/A	25-Jun-18	30,000	30	–	–	**30,030**
ABSA	47	Fixed Deposit	No	Fixed	6.85	No	N/A	25-Jun-18	20,000	18	–	–	**20,018**
ABSA	92	Fixed Deposit	No	Fixed	7.25	No	N/A	27-Jun-18	25,000	46	–	–	**25,046**
ABSA	93	Fixed Deposit	No	Fixed	7.25	No	N/A	27-Jun-18	30,000	55	–	–	**30,055**
ABSA	70	Fixed Deposit	No	Fixed	6.9	No	N/A	29-Jun-18	25,000	33	–	–	**25,033**
ABSA	72	Fixed Deposit	No	Fixed	6.9	No	N/A	29-Jun-18	25,000	34	–	–	**25,034**
ABSA	71	Fixed Deposit	No	Fixed	6.9	No	N/A	29-Jun-18	15,000	20	–	–	**15,020**
ABSA	56	Fixed Deposit	No	Fixed	6.9	No	N/A	6-Jul-18	25,000	26	–	–	**25,026**
ABSA	59	Fixed Deposit	No	Fixed	6.9	No	N/A	13-Jul-18	40,000	45	–	–	**40,045**
ABSA	56	Fixed Deposit	No	Fixed	6.88	No	N/A	13-Jul-18	20,000	21	–	–	**20,021**
ABSA	64	Fixed Deposit	No	Fixed	6.9	No	N/A	13-Jul-18	20,000	24	–	–	**20,024**
ABSA	58	Fixed Deposit	No	Fixed	6.9	No	N/A	13-Jul-18	20,000	22	–	–	**20,022**
ABSA	57	Fixed Deposit	No	Fixed	6.88	No	N/A	13-Jul-18	20,000	21	–	–	**20,021**
Firstrand	73	Fixed Deposit	No	Fixed	6.9	No	N/A	25-May-18	20,000	28	–	–	**20,028**
Firstrand	70	Fixed Deposit	No	Fixed	6.875	No	N/A	25-May-18	165,000	218	–	–	**165,218**
Firstrand	17	Fixed Deposit	No	Fixed	6.55	No	N/A	25-May-18	40,000	12	–	–	**40,012**
Firstrand	70	Fixed Deposit	No	Fixed	6.875	No	N/A	31-May-18	25,000	33	–	–	**25,033**
Firstrand	51	Fixed Deposit	No	Fixed	6.64	No	N/A	1-Jun-18	25,000	23	–	–	**25,023**
Firstrand	50	Fixed Deposit	No	Fixed	6.63	No	N/A	1-Jun-18	20,000	18	–	–	**20,018**
Firstrand	72	Fixed Deposit	No	Fixed	6.9	No	N/A	8-Jun-18	35,000	48	–	–	**35,048**
Firstrand	87	Fixed Deposit	No	Fixed	7.05	No	N/A	15-Jun-18	165,000	277	–	–	**165,277**
Firstrand	72	Fixed Deposit	No	Fixed	6.7	No	N/A	15-Jun-18	40,000	53	–	–	**40,053**
Firstrand	78	Fixed Deposit	No	Fixed	6.7	No	N/A	22-Jun-18	30,000	43	–	–	**30,043**
Firstrand	59	Fixed Deposit	No	Fixed	6.675	No	N/A	22-Jun-18	15,000	16	–	–	**15,016**
Firstrand	54	Fixed Deposit	No	Fixed	6.62	No	N/A	25-Jun-18	40,000	39	–	–	**40,039**
Firstrand	47	Fixed Deposit	No	Fixed	6.64	No	N/A	25-Jun-18	30,000	26	–	–	**30,026**
Firstrand	92	Fixed Deposit	No	Fixed	7.05	No	N/A	27-Jun-18	25,000	44	–	–	**25,044**
Firstrand	93	Fixed Deposit	No	Fixed	7.05	No	N/A	27-Jun-18	45,000	81	–	–	**45,081**
Firstrand	92	Fixed Deposit	No	Fixed	6.867	No	N/A	29-Jun-18	10,000	17	–	–	**10,017**
Firstrand	92	Fixed Deposit	No	Fixed	6.867	No	N/A	29-Jun-18	12,000	21	–	–	**12,021**
Firstrand	92	Fixed Deposit	No	Fixed	6.867	No	N/A	29-Jun-18	9,000	16	–	–	**9,016**
Firstrand	92	Fixed Deposit	No	Fixed	6.867	No	N/A	29-Jun-18	12,000	21	–	–	**12,021**
Firstrand	70	Fixed Deposit	No	Fixed	6.7	No	N/A	29-Jun-18	30,000	39	–	–	**30,039**
Firstrand	72	Fixed Deposit	No	Fixed	6.7	No	N/A	29-Jun-18	25,000	33	–	–	**25,033**
Firstrand	71	Fixed Deposit	No	Fixed	6.7	No	N/A	29-Jun-18	20,000	26	–	–	**20,026**
Firstrand	53	Fixed Deposit	No	Fixed	6.64	No	N/A	6-Jul-18	40,000	39	–	–	**40,039**
Firstrand	59	Fixed Deposit	No	Fixed	6.675	No	N/A	13-Jul-18	30,000	32	–	–	**30,032**
Firstrand	64	Fixed Deposit	No	Fixed	6.675	No	N/A	13-Jul-18	20,000	23	–	–	**20,023**
Firstrand	58	Fixed Deposit	No	Fixed	6.675	No	N/A	13-Jul-18	20,000	21	–	–	**20,021**
Firstrand	57	Fixed Deposit	No	Fixed	6.675	No	N/A	13-Jul-18	25,000	26	–	–	**25,026**
Investec Bank Limited	70	Fixed Deposit	No	Fixed	7.35	No	N/A	25-May-18	50,000	70	–	–	**50,070**
Investec Bank Limited	17	Fixed Deposit	No	Fixed	6.65	No	N/A	25-May-18	25,000	8	–	–	**25,008**
Investec Bank Limited	70	Fixed Deposit	No	Fixed	7.15	No	N/A	31-May-18	10,000	14	–	–	**10,014**
Investec Bank Limited	51	Fixed Deposit	No	Fixed	6.9	No	N/A	1-Jun-18	10,000	10	–	–	**10,010**
Investec Bank Limited	87	Fixed Deposit	No	Fixed	7.35	No	N/A	15-Jun-18	55,000	96	–	–	**55,096**
Investec Bank Limited	72	Fixed Deposit	No	Fixed	7.05	No	N/A	15-Jun-18	15,000	21	–	–	**15,021**
Investec Bank Limited	78	Fixed Deposit	No	Fixed	7.05	No	N/A	22-Jun-18	10,000	15	–	–	**10,015**
Investec Bank Limited	52	Fixed Deposit	No	Fixed	6.95	No	N/A	25-Jun-18	10,000	10	–	–	**10,010**
Investec Bank Limited	54	Fixed Deposit	No	Fixed	6.95	No	N/A	25-Jun-18	15,000	15	–	–	**15,015**
Investec Bank Limited	92	Fixed Deposit	No	Fixed	7.6	No	N/A	27-Jun-18	30,000	57	–	–	**30,057**
Investec Bank Limited	92	Fixed Deposit	No	Fixed	7.6	No	N/A	27-Jun-18	30,000	57	–	–	**30,057**
Investec Bank Limited	93	Fixed Deposit	No	Fixed	7.35	No	N/A	27-Jun-18	20,000	37	–	–	**20,037**
Investec Bank Limited	70	Fixed Deposit	No	Fixed	7	No	N/A	29-Jun-18	10,000	13	–	–	**10,013**
Investec Bank Limited	71	Fixed Deposit	No	Fixed	7	No	N/A	29-Jun-18	15,000	20	–	–	**15,020**
Investec Bank Limited	59	Fixed Deposit	No	Fixed	6.95	No	N/A	13-Jul-18	45,000	51	–	–	**45,051**
Investec Bank Limited	64	Fixed Deposit	No	Fixed	6.9	No	N/A	13-Jul-18	10,000	12	–	–	**10,012**
Investec Bank Limited	58	Fixed Deposit	No	Fixed	6.95	No	N/A	13-Jul-18	10,000	11	–	–	**10,011**

Investments by Maturity Name of institution & investment ID	Period of Investment Yrs/Months	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal	Investment Top Up	Closing Balance
Nedbank	71	Fixed Deposit	No	Fixed	7.1	No	N/A	25-May-18	15,000	21	–	–	**15,021**
Nedbank	73	Fixed Deposit	No	Fixed	7.1	No	N/A	25-May-18	20,000	28	–	–	**20,028**
Nedbank	70	Fixed Deposit	No	Fixed	7.1	No	N/A	25-May-18	100,000	136	–	–	**100,136**
Nedbank	17	Fixed Deposit	No	Fixed	6.5	No	N/A	25-May-18	30,000	9	–	–	**30,009**
Nedbank	70	Fixed Deposit	No	Fixed	7.15	No	N/A	31-May-18	25,000	34	–	–	**25,034**
Nedbank	51	Fixed Deposit	No	Fixed	6.85	No	N/A	1-Jun-18	15,000	14	–	–	**15,014**
Nedbank	50	Fixed Deposit	No	Fixed	6.85	No	N/A	1-Jun-18	15,000	14	–	–	**15,014**
Nedbank	72	Fixed Deposit	No	Fixed	7.15	No	N/A	8-Jun-18	10,000	14	–	–	**10,014**
Nedbank	87	Fixed Deposit	No	Fixed	7.25	No	N/A	15-Jun-18	145,000	251	–	–	**145,251**
Nedbank	72	Fixed Deposit	No	Fixed	6.95	No	N/A	15-Jun-18	30,000	41	–	–	**30,041**
Nedbank	78	Fixed Deposit	No	Fixed	6.95	No	N/A	22-Jun-18	30,000	45	–	–	**30,045**
Nedbank	59	Fixed Deposit	No	Fixed	6.9	No	N/A	22-Jun-18	40,000	45	–	–	**40,045**
Nedbank	52	Fixed Deposit	No	Fixed	6.9	No	N/A	25-Jun-18	20,000	20	–	–	**20,020**
Nedbank	54	Fixed Deposit	No	Fixed	6.9	No	N/A	25-Jun-18	30,000	31	–	–	**30,031**
Nedbank	47	Fixed Deposit	No	Fixed	6.85	No	N/A	25-Jun-18	20,000	18	–	–	**20,018**
Nedbank	93	Fixed Deposit	No	Fixed	7.3	No	N/A	27-Jun-18	60,000	112	–	–	**60,112**
Nedbank	70	Fixed Deposit	No	Fixed	6.9	No	N/A	29-Jun-18	40,000	53	–	–	**40,053**
Nedbank	72	Fixed Deposit	No	Fixed	6.95	No	N/A	29-Jun-18	25,000	34	–	–	**25,034**
Nedbank	71	Fixed Deposit	No	Fixed	6.95	No	N/A	29-Jun-18	20,000	27	–	–	**20,027**
Nedbank	53	Fixed Deposit	No	Fixed	6.85	No	N/A	6-Jul-18	25,000	25	–	–	**25,025**
Nedbank	59	Fixed Deposit	No	Fixed	6.85	No	N/A	13-Jul-18	55,000	61	–	–	**55,061**
Nedbank	56	Fixed Deposit	No	Fixed	6.85	No	N/A	13-Jul-18	25,000	26	–	–	**25,026**
Nedbank	56	Fixed Deposit	No	Fixed	6.85	No	N/A	13-Jul-18	35,000	37	–	–	**35,037**
Nedbank	64	Fixed Deposit	No	Fixed	6.9	No	N/A	13-Jul-18	20,000	24	–	–	**20,024**
Nedbank	58	Fixed Deposit	No	Fixed	6.85	No	N/A	13-Jul-18	10,000	11	–	–	**10,011**
Nedbank	57	Fixed Deposit	No	Fixed	6.85	No	N/A	13-Jul-18	25,000	27	–	–	**25,027**
Standard Bank of SA LTD	73	Fixed Deposit	No	Fixed	6.95	No	N/A	25-May-18	20,000	28	–	–	**20,028**
Standard Bank of SA LTD	70	Fixed Deposit	No	Fixed	6.988	No	N/A	25-May-18	150,000	201	–	–	**150,201**
Standard Bank of SA LTD	17	Fixed Deposit	No	Fixed	6.5	No	N/A	25-May-18	75,000	23	–	–	**75,023**
Standard Bank of SA LTD	70	Fixed Deposit	No	Fixed	6.99	No	N/A	31-May-18	25,000	34	–	–	**25,034**
Standard Bank of SA LTD	51	Fixed Deposit	No	Fixed	6.7	No	N/A	1-Jun-18	15,000	14	–	–	**15,014**
Standard Bank of SA LTD	50	Fixed Deposit	No	Fixed	6.7	No	N/A	1-Jun-18	25,000	23	–	–	**25,023**
Standard Bank of SA LTD	72	Fixed Deposit	No	Fixed	6.994	No	N/A	8-Jun-18	35,000	48	–	–	**35,048**
Standard Bank of SA LTD	87	Fixed Deposit	No	Fixed	7.15	No	N/A	15-Jun-18	165,000	281	–	–	**165,281**
Standard Bank of SA LTD	72	Fixed Deposit	No	Fixed	6.73	No	N/A	15-Jun-18	35,000	46	–	–	**35,046**
Standard Bank of SA LTD	78	Fixed Deposit	No	Fixed	6.75	No	N/A	22-Jun-18	30,000	43	–	–	**30,043**
Standard Bank of SA LTD	59	Fixed Deposit	No	Fixed	6.7	No	N/A	22-Jun-18	15,000	16	–	–	**15,016**
Standard Bank of SA LTD	54	Fixed Deposit	No	Fixed	6.675	No	N/A	25-Jun-18	40,000	40	–	–	**40,040**
Standard Bank of SA LTD	47	Fixed Deposit	No	Fixed	6.65	No	N/A	25-Jun-18	20,000	17	–	–	**20,017**
Standard Bank of SA LTD	92	Fixed Deposit	No	Fixed	7.075	No	N/A	27-Jun-18	25,000	45	–	–	**25,045**
Standard Bank of SA LTD	92	Fixed Deposit	No	Fixed	7.075	No	N/A	27-Jun-18	20,000	36	–	–	**20,036**
Standard Bank of SA LTD	93	Fixed Deposit	No	Fixed	7.075	No	N/A	27-Jun-18	45,000	81	–	–	**45,081**
Standard Bank of SA LTD	72	Fixed Deposit	No	Fixed	6.725	No	N/A	29-Jun-18	30,000	40	–	–	**30,040**
Standard Bank of SA LTD	71	Fixed Deposit	No	Fixed	6.725	No	N/A	29-Jun-18	20,000	26	–	–	**20,026**
Standard Bank of SA LTD	53	Fixed Deposit	No	Fixed	6.65	No	N/A	6-Jul-18	30,000	29	–	–	**30,029**
Standard Bank of SA LTD	59	Fixed Deposit	No	Fixed	6.725	No	N/A	13-Jul-18	45,000	49	–	–	**45,049**
Standard Bank of SA LTD	56	Fixed Deposit	No	Fixed	6.74	No	N/A	13-Jul-18	15,000	16	–	–	**15,016**
Standard Bank of SA LTD	64	Fixed Deposit	No	Fixed	6.7	No	N/A	13-Jul-18	20,000	23	–	–	**20,023**
Standard Bank of SA LTD	58	Fixed Deposit	No	Fixed	6.767	No	N/A	13-Jul-18	20,000	22	–	–	**20,022**
Standard Bank of SA LTD	57	Fixed Deposit	No	Fixed	6.76	No	N/A	13-Jul-18	20,000	21	–	–	**20,021**
ABSA Bank Call									311,415	1,520	–	–	**312,935**
Firstrand Bank Call									250,000	909	–	–	**250,909**
Investec Bank Call									130,000	514	–	–	**130,514**
Nedbank Call									245,000	1,036	–	–	**246,036**
Standard Bank Call									325,000	1,058	–	–	**326,058**
ABSA current account									61,451	844	–	–	**62,295**
Fund Managers									5,012,234	34,655	(539,357)	–	**4,507,532**
Liberty, RMB and Nedbank sinking fund									2,209,707	18,124	–	–	**2,227,830**
Cash in transit									11,954	–	–	–	**11,954**
Government bonds									84,240	–	–	–	**84,240**
TOTAL INVESTMENTS AND INTEREST									**12,714,001**	**–**	**(539,357)**	**–**	**12,238,662**

2.6.2 Medium-term outlook: capital revenue

The following table is a breakdown of the funding composition of the 2018/19 medium-term capital programme:

Table 45 Sources of capital revenue over the MTREF

Vote Description	Current Year 2017/18		2018/19 Medium Term Revenue & Expenditure Framework					
R thousand	Adjusted Budget	%	Budget Year 2018/19	%	Budget Year +1 2019/20	%	Budget Year +2 2020/21	%
Funded by:								
National Government	2,057,467		2,015,146		1,993,692		2,138,633	
Provincial Government	34,663		52,750		125,150		157,700	
Other transfers and grants	–		–		–		–	
Transfers recognised - capital	**2,092,130**	**27.2%**	**2,067,896**	**24.6%**	**2,118,842**	**21.6%**	**2,296,333**	**22.7%**
Public contributions & donations	96,585	1.3%	76,200	0.9%	78,600	0.8%	112,100	1.1%
Borrowing	4,000,000	52.1%	4,000,000	47.6%	5,700,000	58.1%	6,000,000	59.4%
Internally generated funds	1,492,288	19.4%	2,263,460	26.9%	1,917,880	19.5%	1,698,351	16.8%
Total Capital Funding	**7,681,003**	**100.0%**	**8,407,556**	**100.0%**	**9,815,321**	**100.0%**	**10,106,785**	**100.0%**

Sources of capital revenue for the 2018/19 financial year are graphically represented below.

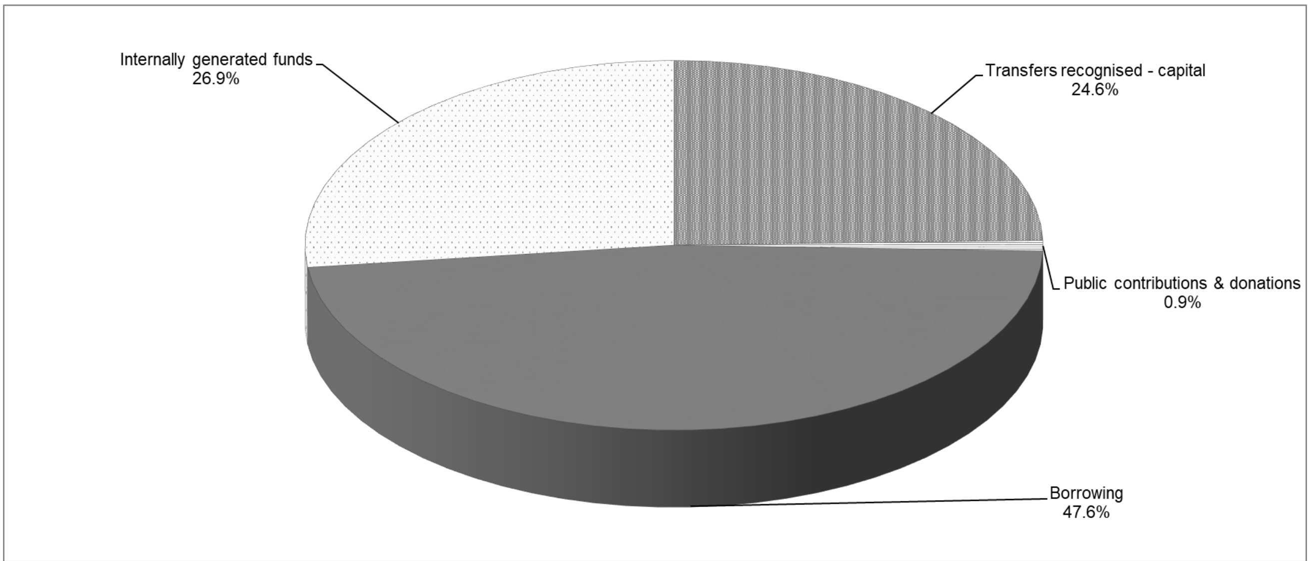


Figure 11 Sources of capital revenue for the 2018/19 financial year

Grants from national and provincial governments as well as other external sources still remain a significant funding source for the 2018/19 - 2020/21 capital budget. Transfers recognised – capital represents R2 068 million in 2018/19, R2 119 million in 2019/20 and R2 296 million in 2020/21, decreases slightly from 24.6% to 22.7% as a percentage of the total capital budget over the MTREF. Borrowing continues to be a major source of funding of the 2018/19 – 2020/21 capital budget. The borrowing amount reflected in the table above for the 2018/19 financial year includes certain rollovers where directorates have already indicated that they will not be able to spend the full 2017/18 budgetary allocation by year-end. The additional amount has, however, been included during the modelling phase of the MTREF.

Table 46 MBRR Table SA18 - Capital transfers and grants receipts

Description	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Capital Transfers and Grants									
National Government:	**2,520,974**	**2,381,397**	**25,180**	**2,189,832**	**2,057,467**	**2,037,622**	**2,015,146**	**1,993,692**	**2,138,633**
Cooperative Governance: Emergency Disaster Relief Grant	–	–	–	–	20,812	20,812	–	–	–
Minerals and Energy: Energy Efficiency and Demand Side Management Grant	–	12,000	–	9,600	9,600	8,300	9,400	10,000	15,000
Minerals and Energy: Integrated National Electrification Programme (Municipal) Grant	5,000	5,000	–	5,000	5,000	5,000	10,000	25,600	12,800
National Treasury: Expanded Public Works Programme	–	–	–	400	400	400	1,000	–	–
National Treasury: Infrastructure Skills Development Grant	–	–	–	1,000	1,103	1,103	1,000	–	–
National Treasury: Integrated City Development Grant	57,171	50,826	–	52,319	51,319	57,424	56,740	51,529	51,529
National Treasury: Local Government Restructuring Grant	–	–	–	50	128	128	600	–	–
National Treasury: Neighbourhood Development Partnership Grant	30,784	44,310	25,180	2,109	2,109	2,109	–	35,200	35,200
National Treasury: Urban Settlements Development Grant	1,358,879	1,387,760	–	1,278,988	1,145,691	1,125,912	1,279,998	1,355,956	1,473,104
Transport: Public Transport Infrastructure & Systems Grant	1,069,140	881,501	–	128,875	128,875	128,875	2,021	9,681	1,434
Transport: Public Transport Network Grant	–	–	–	711,492	569,928	565,055	654,387	505,726	549,567
National Treasury: Municipal Disaster Grant	–	–	–	–	122,502	122,502	–	–	–
Provincial Government:	**10,700**	**12,298**	**7,500**	**79,002**	**34,663**	**34,439**	**52,750**	**125,150**	**157,700**
Cultural Affairs and Sport: Library Services (Conditional Grant)	–	–	–	15,850	15,877	15,877	1,600	–	–
Cultural Affairs and Sport: Library Services: Metro Library Grant	–	5,000	7,500	10,000	10,379	10,379	10,000	10,000	10,550
Housing: Integrated Housing and Human Settlement Development Grant	–	–	–	53,002	8,256	8,032	41,000	115,000	147,000
Provincial Government: Fibre Optic Broadband Roll Out	10,700	7,298	–	–	–	–	–	–	–
Provincial Government: Community Development Workers (CDW) Operational Grant Support	–	–	–	150	150	150	150	150	150
Other grant providers:	**44,412**	**47,088**	**87,813**	**84,900**	**96,585**	**87,522**	**76,200**	**78,600**	**112,100**
Other: Other	44,412	47,088	87,813	84,900	96,585	87,522	76,200	78,600	112,100
Total Capital Transfers and Grants	**2,576,086**	**2,440,783**	**120,493**	**2,353,735**	**2,188,715**	**2,159,582**	**2,144,096**	**2,197,442**	**2,408,433**

Internally generated funds are funded in accordance with Section 18 of the MFMA, which requires that the annual budget must be funded from amongst others cash-backed accumulated funds from previous years' surpluses not committed for other purposes.

The internally-funded component of the capital budget is mainly funded from:

- previous years' accumulated surpluses;
- contributions made to a Capital Replacement Reserve (CRR) in the previous year's operating budget; and
- Bulk Infrastructure Contribution Levies already collected.
- The levels of contributions made to the CRR on the previous year's operating budget are considered within the MTREF process to determine affordability and sustainability. Internally generated funds amount to R2 263 million, R1 918 million and R1 698 million respectively, over the MTREF.

The percentage of internally generated funds in relation to the total annual budget decreases from 26.9% in 2018/19, 19.5% in 2019/20 and 16.8% in 2020/21.

An analysis of the City's borrowing liability is contained in the table below.

Table 47 MBRR Table SA17 - Detail of borrowing

Borrowing - Categorised by type	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Parent municipality									
Annuity and Bullet Loans	–	–	–	–	–	–	–	–	–
Long-Term Loans (non-annuity)	2,215,499	1,836,906	1,589,616	3,570,349	5,111,599	1,403,709	5,798,373	10,037,160	14,941,674
Local registered stock	–	–	–	–	–	–	–	–	–
Instalment Credit	–	–	–	–	–	–	–	–	–
Financial Leases	–	–	–	–	–	–	–	–	–
PPP liabilities	–	–	–	–	–	–	–	–	–
Finance Granted By Cap Equipment Supplier	–	–	–	–	–	–	–	–	–
Marketable Bonds	4,200,000	4,200,000	4,200,000	4,200,000	4,200,000	5,038,841	4,934,481	4,830,464	4,725,132
Non-Marketable Bonds	–	–	–	–	–	–	–	–	–
Bankers Acceptances	–	–	–	–	–	–	–	–	–
Financial derivatives	–	–	–	–	–	–	–	–	–
Other Securities	–	–	–	–	–	–	–	–	–
Total Borrowing	**6,415,499**	**6,036,906**	**5,789,616**	**7,770,349**	**9,311,599**	**6,442,550**	**10,732,854**	**14,867,624**	**19,666,806**

The following graph illustrates the growth in outstanding borrowing for the 2018/19 to 2020/21 period.

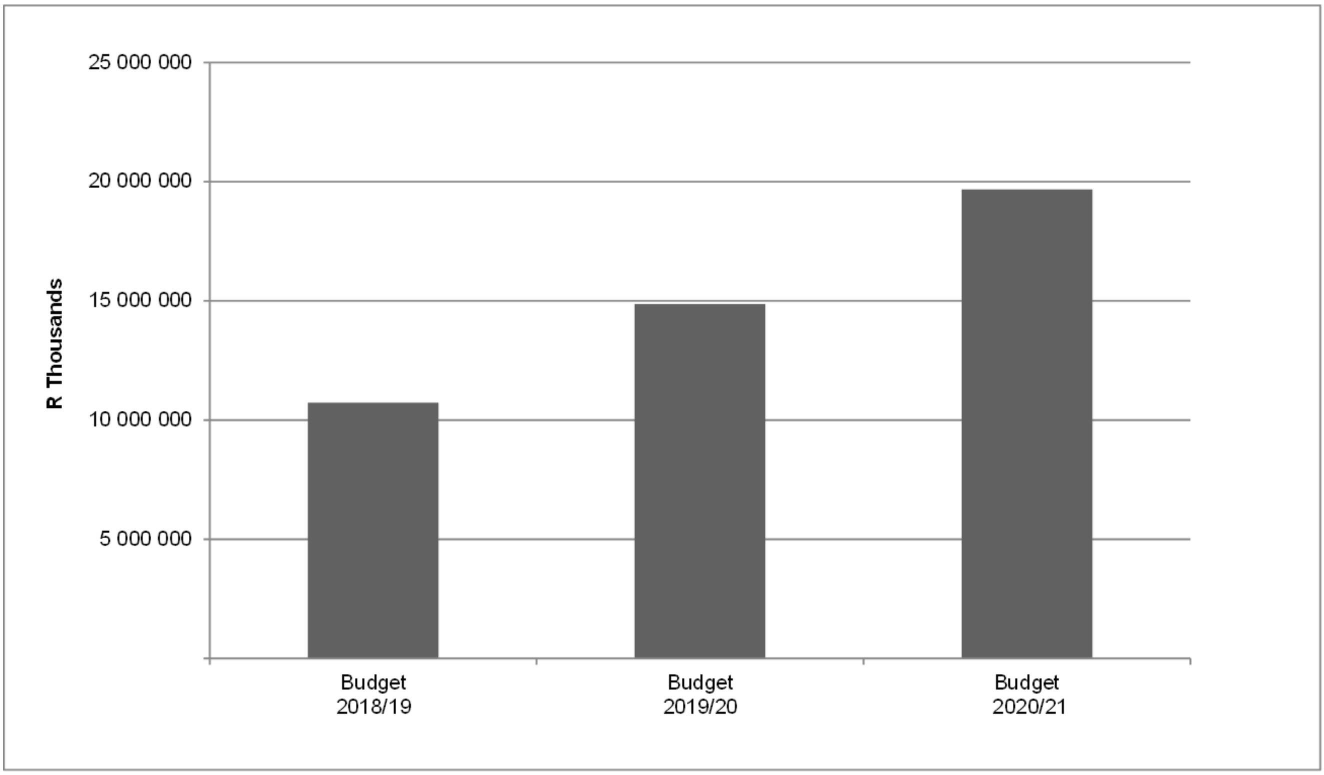


Figure 12 Growth in outstanding borrowings (long-term liabilities)

Cash Flow Management

Table 48 MBRR Table A7 - Budgeted cash flow statement

Description	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Property rates	6,018,735	6,745,047	8,105,126	8,344,028	8,395,674	8,395,674	8,968,987	9,795,009	10,630,877
Service charges	15,197,370	17,363,596	18,619,105	17,459,005	16,131,887	16,131,887	17,623,043	20,622,691	23,212,475
Other revenue	1,882,754	1,361,513	617,854	1,357,994	1,406,761	1,406,761	4,202,011	4,368,516	4,582,480
Government - operating	3,251,460	3,589,931	3,633,883	6,455,942	7,027,387	7,027,387	4,245,472	4,461,535	4,718,167
Government - capital	2,423,179	2,131,537	2,014,869	2,353,735	2,188,715	2,188,715	2,067,896	2,118,842	2,296,333
Interest	735,298	841,417	999,822	773,657	893,657	893,657	936,513	989,834	1,020,077
Payments									
Suppliers and employees	(22,609,163)	(24,876,319)	(26,611,461)	(30,121,395)	(30,337,392)	(30,337,392)	(31,919,625)	(34,940,308)	(37,497,781)
Finance charges	(709,455)	(687,263)	(666,163)	(981,827)	(933,427)	(933,427)	(980,877)	(1,418,058)	(1,666,828)
Transfers and Grants	(136,487)	(148,246)	(111,829)	(140,985)	–	–	(333,807)	(356,864)	(365,224)
NET CASH FROM/(USED) OPERATING ACTIVITIES	**6,053,691**	**6,321,213**	**6,601,206**	**5,500,155**	**4,773,262**	**4,773,262**	**4,809,613**	**5,641,198**	**6,930,576**
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE	91,419	130,189	198,742	41,500	39,500	39,500	120,070	124,883	160,952
Decrease (Increase) in non-current debtors	–	–	–	–	–	–	–	–	–
Decrease (increase) other non-current receivables	28,800	26,374	13,614	2,456	10,186	10,186	1,946	1,849	1,756
Decrease (increase) in non-current investments	366,983	(621,401)	(410,412)	(212,908)	(212,908)	(212,908)	(238,708)	(267,859)	(298,475)
Payments									
Capital assets	(5,200,493)	(5,489,832)	(5,904,620)	(6,890,062)	(6,528,853)	(6,528,853)	(7,566,800)	(8,833,789)	(9,096,106)
NET CASH FROM/(USED) INVESTING ACTIVITIES	**(4,713,291)**	**(5,954,670)**	**(6,102,676)**	**(7,059,015)**	**(6,692,075)**	**(6,692,075)**	**(7,683,492)**	**(8,974,917)**	**(9,231,873)**
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans	–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing	–	–	–	2,500,000	4,000,000	4,000,000	4,000,000	5,700,000	6,000,000
Increase (decrease) in consumer deposits	(97,959)	52,375	27,077	35,710	29,785	29,785	38,688	42,557	46,813
Payments									
Repayment of borrowing	(309,852)	(285,597)	(407,883)	(432,586)	(432,586)	(432,586)	(482,586)	(745,678)	(932,295)
NET CASH FROM/(USED) FINANCING ACTIVITIES	**(407,811)**	**(233,222)**	**(380,806)**	**2,103,124**	**3,597,199**	**3,597,199**	**3,556,102**	**4,996,879**	**5,114,518**
NET INCREASE/ (DECREASE) IN CASH HELD	**932,589**	**133,321**	**117,724**	**544,264**	**1,678,386**	**1,678,386**	**682,224**	**1,663,160**	**2,813,220**
Cash/cash equivalents at the year begin:	**2,266,559**	**3,199,148**	**3,332,469**	**3,450,193**	**3,450,193**	**3,450,193**	**5,128,579**	**5,810,803**	**7,473,963**
Cash/cash equivalents at the year end:	**3,199,148**	**3,332,469**	**3,450,193**	**3,994,457**	**5,128,579**	**5,128,579**	**5,810,803**	**7,473,963**	**10,287,183**

The above table shows the cash and cash equivalents of the City with the tabled 2018/19 MTREF. The City continues to embark on an extensive debt collection process to boost cash levels. These initiatives and interventions have translated into a positive cash position for the City.

For the 2018/19 MTREF, the budget has been prepared to ensure high levels of cash and cash equivalents over the medium-term with cash levels anticipated to exceed R5 790 million by 2018/19, R7 459 million by 2019/20 and R10 273 million by 2020/21.

2.6.3 Cash Backed Reserves/Accumulated Surplus Reconciliation

The following table meets the requirements of MFMA Circular 42, which deals with the funding of a municipal budget in accordance with sections 18 and 19 of the MFMA. The table seeks to answer three key questions regarding the use and availability of cash:

- What are the predicted cash and investments that are available at the end of the budget year?
- How are those funds used?
- What is the net funds available or funding shortfall?

A surplus would indicate the cash-backed accumulated surplus that was/is available. A shortfall (applications > cash and investments) is indicative of non-compliance with section 18 of the MFMA requirement that the municipality's budget must be 'funded'. Non-compliance with section 18 is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded (budgeted spending is greater than funds available or to be collected). It is also important to analyse trends to understand the consequences, e.g. the budget year might indicate a small surplus situation, which in itself is an appropriate outcome, but if in prior years there were much larger surpluses then this negative trend may be a concern that requires closer examination.

Table 49 MBRR Table A8 - Cash backed reserves / accumulated surplus reconciliation

Description	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Cash and investments available									
Cash/cash equivalents at the year end	3,199,148	3,332,469	3,450,193	3,994,457	5,128,579	5,128,579	5,810,803	7,473,963	10,287,183
Other current investments > 90 days	1,746,347	2,155,177	1,654,114	2,709,393	1,867,022	1,867,022	1,628,314	1,360,455	1,061,979
Non current assets - Investments	3,753,617	3,966,188	4,877,663	3,842,589	4,664,755	4,664,755	4,903,463	5,171,322	5,469,798
Cash and investments available:	**8,699,112**	**9,453,834**	**9,981,970**	**10,546,439**	**11,660,356**	**11,660,356**	**12,342,580**	**14,005,740**	**16,818,960**
Application of cash and investments									
Unspent conditional transfers	1,527,445	1,199,955	1,054,374	680,263	1,740,079	1,740,079	1,460,147	1,772,337	2,112,983
Unspent borrowing	–	–	–	–	–	–	–	–	–
Statutory requirements	–	–	–	–	–	–	–	–	–
Other working capital requirements	281,584	324,693	13,061	1,979,259	2,017,680	1,967,679	1,162,194	335,103	(575,021)
Other provisions	–	–	–	–	–	–	400,000	400,000	400,000
Long term investments committed	1,788,477	1,968,829	2,051,869	2,265,047	2,265,047	2,265,047	2,503,755	2,771,615	3,070,090
Reserves to be backed by cash/investments	2,790,264	3,004,435	3,773,185	3,100,264	3,421,363	3,421,363	3,426,132	4,348,613	5,866,327
Total Application of cash and investments:	**6,387,770**	**6,497,912**	**6,892,489**	**8,024,834**	**9,444,169**	**9,394,168**	**8,952,229**	**9,627,668**	**10,874,379**
Surplus(shortfall)	**2,311,342**	**2,955,922**	**3,089,481**	**2,521,605**	**2,216,187**	**2,266,188**	**3,390,351**	**4,378,072**	**5,944,581**

From the above table it can be seen that the cash and investments available total R12 343 million in 2018/19 increasing to R16 819 million in 2020/21, including the projected cash and cash equivalents as determined in the cash flow forecast.

The following is a breakdown of the application of this funding:

- Unspent conditional transfers (grants): These include amounts rolled over relating mainly to existing multi-year projects.
- Unspent borrowing: There are no unspent borrowing from previous years. Only 47.4% of the 2018/19 capital expenditure budget will be funded from new borrowings.
- Provisions for statutory requirements: The City does not make provision for statutory requirements in this section of the budget as the City mostly in a refund position.
- Other working capital and other provisions: The main purpose of other working capital / other provisions is to ensure that sufficient funds are available to meet obligations as they fall due. A provision equivalent to one and a half times the monthly operational expenditure has been provided for.
- Long term investments committed: Long term investments consist of the sinking funds for the repayment of current and future borrowings. This amount is "held to maturity" and is not available for spending.
- Reserves to be backed by cash / investments: Although the cash-backing of reserve funds is discretionary in nature and need not be fully cash backed, the City's reserve funds are fully cash-backed

The following graph supplies an analysis of the trends relating to cash and cash equivalents and the cash backed reserves/accumulated funds reconciliation over a seven-year perspective:

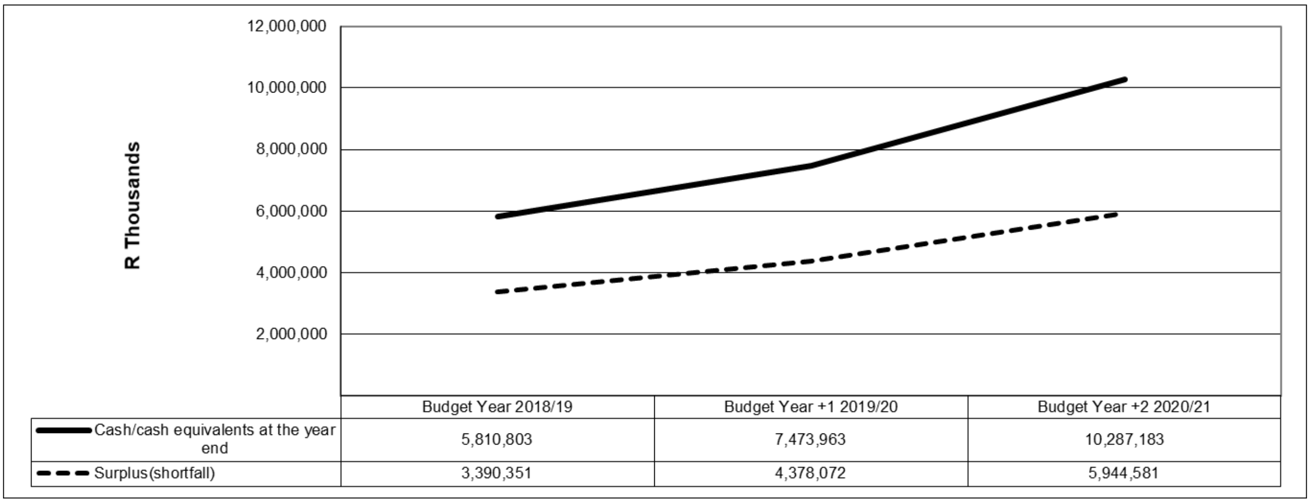


Figure 13 Cash and cash equivalents / cash backed reserves and accumulated funds

2.6.4 Funding Compliance Measurement

Section 18(1) of the MFMA states that an annual budget may only be funded from:

- Realistically anticipated revenues to be collected;
- Cash backed accumulated funds from previous years' surpluses not committed for other purposes; and
- Borrowed funds, but only for the capital budget referred to in section 19 of the MFMA.

To give effect to the above MFMA requirements, municipalities are required to assess their proposed budget against fourteen different measures developed by NT. The measures evaluate various financial health aspects of a municipality's budget and are made up of information sourced from the budget document. The City's funding compliance outcome in respect of these measures are presented in Table 50 MBRR Table SA10 - Funding Compliance measurement and discussed below.

Table 50 MBRR Table SA10 - Funding Compliance measurement

Description	MFMA section	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Funding measures										
Cash/cash equivalents at the year end - R'000	18(1)b	3,199,148	3,332,469	3,450,193	3,994,457	5,128,579	5,128,579	5,810,803	7,473,963	10,287,183
Cash + investments at the yr end less applications - R'000	18(1)b	2,311,342	2,955,922	3,089,481	2,521,605	2,216,187	2,266,188	3,390,351	4,378,072	5,944,581
Cash year end/monthly employee/supplier payments	18(1)b	1.69	1.56	1.52	1.51	1.96	1.96	2.1	2.4	3.1
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4,379,616	4,289,654	5,304,628	3,003,710	2,446,155	2,446,155	2,229,975	2,762,119	3,842,238
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	N.A.	7.6%	4.8%	(1.3%)	(13.5%)	(6.0%)	4.3%	8.4%	5.2%
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	91.1%	89.7%	86.9%	88.4%	90.3%	90.3%	97.6%	97.0%	96.8%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7.2%	7.9%	8.7%	9.0%	9.6%	9.6%	10.5%	10.2%	10.0%
Capital payments % of capital expenditure	18(1)c;19	99.0%	100.0%	100.0%	98.8%	85.0%	101.8%	90.0%	90.0%	90.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	0.0%	0.0%	0.0%	53.1%	71.6%	92.1%	63.1%	74.1%	76.8%
Grants % of Govt. legislated/gazetted allocations	18(1)a							142.0%	141.5%	140.0%
Current consumer debtors % change - incr(decr)	18(1)a	N.A.	9.7%	13.9%	(0.4%)	7.0%	0.0%	7.3%	7.4%	7.6%
Long term receivables % change - incr(decr)	18(1)a	N.A.	(31.4%)	(20.7%)	13.9%	(16.6%)	0.0%	(5.0%)	(5.0%)	(5.0%)
R&M % of Property Plant & Equipment	20(1)(vi)	9.0%	9.1%	9.3%	9.0%	8.3%	8.3%	7.9%	7.5%	7.3%
Asset renewal % of capital budget	20(1)(vi)	45.0%	48.6%	26.9%	20.4%	21.0%	24.7%	22.4%	23.3%	25.3%

2.6.4.1 Cash/cash equivalent position

A positive increasing cash position is shown over the forecasted 2018/19 MTREF, indicating that the medium term budget is affordable and sustainable. The cash position is as a result of a favourable opening cash balance and operating surpluses in the outer years.

2.6.4.2 Cash plus investment less application of funds

This measure shows how a municipality applies its available cash and investments. Total of cash plus investment less applications is more than the commitments for each corresponding year of the 2018/19 MTREF, which shows that the City is able to afford its commitments over the medium term.

The category descriptions on the cash flow tables in MBRR Schedule A (Table A7 and Table SA30) was not aligned to version 6.2 of mSCOA although Table A4 (Financial Performance) was aligned. This resulted in the Fuel levy being part of Other Revenue in Table A7 and Table SA30 whereas it is shown under Transfers and Subsidies on MBRR Table A4. This misalignment distorts the outcome of the estimated debtor's collection rate and therefore the value reflected for other working capital requirements on Table A8 (Cash backed reserves/accumulated surplus reconciliation).

2.6.4.3 Monthly average payments covered by cash or cash equivalents

This measure outlines the level of financial risk in the event of the municipality being under financial stress, i.e. it indicates the number of times average monthly payments are covered. This ratio outcome averages 2.5% over the MTREF.

2.6.4.4 Surplus/deficit excluding depreciation offsets

The purpose of this measure is to highlight whether revenue levels are sufficient to conclude that the community is making a significant contribution towards the municipal resources consumed each year. The outcome shows a surplus over the MTREF, which means that the community is making an adequate contribution towards the economic benefits being consumed by the City.

2.6.4.5 Property rates/service charge revenue as a percentage increase less macro inflation target

This measure tests whether the municipality is contributing appropriately to the achievement of the national inflation targets. The revenue increases applied can be substantiated by motivating the individual services' increases, which are as follows:

- Rates
  A revenue increase of 6.5% is proposed for the 2018/19 financial year, 7.7% and 8.16% is projected for the 2019/20 and 2020/21 years respectively. The higher than CPI increase is as a result of reduced revenue received from the sharing of the fuel levy, higher capital cost, new budget realities and the increased cost of capital investment.
- Electricity
  The nature of business for this service is the purchasing and redistribution of electricity, where bulk purchases averages 61% of the service's total budget. The electricity revenue increase is therefore partly attributed to the NERSA-approved Eskom increase on bulk purchases, which is 7.32% for the 2018/19 financial year. In the absence of a longer term price increase agreement, a 10% increase was applied for the two outer years. The higher than CPI increases on other expenditure items, reducing electricity sales and investments in new infrastructure further contributes to the revenue increase requirement. Based on the above, the electricity average revenue increases are 8.14%, 9.56% and 9.96%, respectively, over the 2018/19 MTREF.

- Water and Sanitation
  The average revenue increase for Water and Sanitation is projected at 19.9% for 2018, and 39.7% and 16.8% for the two outer of the MTREF respectively.
  Higher than CPI increase are proposed for Water and Sanitation due to various factors, which includes the following:
  - In light of the current severe drought, various initiatives are planned over the next few years to ensure sustainability and resilience in the provision of water for the City;
  - Investment in desalination, underground extraction from aquifers and water reclamation / reuse initiatives in an effort to ensure water security;
  - Continued investment in asset replacement programmes to ensure proper asset management;
  - Acceleration of repairs and maintenance programmes as well as a staffing strategy to ensure that service delivery and responsiveness expectations are met;
  - Further roll-out of water demand management initiatives to limit the abuse of water;
  - Significantly lower collection rate;
  - Projected shrinkage in overall water consumption; and
  - Projected shrinkage within the high consumption steps, which are normally used for cross-subsidisation.
- Refuse Removal
  Solid Waste consists of three services of which two are Tariff-funded and one funded by Property Rates. The Tariff-funded services are Disposal and Refuse.
  - The Disposal average increase for 2018/19 is at 14.83% and the increases for the two outer years are 10.87% and 14.24% respectively. This increase is required for capital investment and related operating expenses. The capital investment includes the development of material recovery facilities and regional landfill sites, upgrading of transfer stations and landfill sites, and the purchasing of land for the regional land fill site.
  - The Refuse average increase is 5.7% for 2018/19 and 7.9% and 8% for the two outer years respectively. The average increase will allow, inter alia, the service to comply with the NEMWA waste minimisation requirements by increasing the removal of recycling at source and upgrade the solid waste depot facilities.

2.6.4.6 Cash receipts as a percentage of ratepayer and other revenue
This is a macro measure of the rate at which funds are ‘collected’. The expected purpose of this measure is to analyse an underlying assumed collection rate, however, due to the difference in the compilation of Other Revenue on MBRR Table A7 and Table A4 the ratio gets distorted.

The category description on MBRR Table A7 and Table SA30 was not aligned to version 6.2 of mSCOA whereas MBRR Table A4 was. This resulted in the Fuel levy being part of Other Revenue in MBRR Table A7 and Table SA30 whereas on MBRR Table A4 it is shown under Transfers and Subsidies. This misalignment distorts the outcome of this ratio. If Other Revenue on MBRR Table A7 is reduced by the Fuel Levy the outcome for this ratio is 89% in 2018/19. The lower collection rate is mainly due to the lower water and sanitation collection rate projected over the MTREF. This collection rate is deemed realistic, as it is based on past and current trends. Initiatives are continuously put in place to improve revenue collection.

2.6.4.7 Debt impairment expense as a percentage of billable revenue
This ratio measures whether the provision for debt impairment is being adequately funded and is based on the underlying assumption that the provision for debt impairment has to be increased to offset under-collection. This ratio is consistent with the forecasted average debt collection rate.

2.6.4.8 Capital payments percentage of capital expenditure

The purpose of this measure is to understand whether the timing of payments is being taken into consideration when forecasting the cash position. A lower than 100% ratio is shown over the forecasted MTREF, due to capital funding sources projected at 90% in the cash flow. This projection is based on previous years' capital expenditure trends.

2.6.4.9 Borrowing as a percentage of capital expenditure (excluding transfers, grants and contributions)

The purpose of this measure is to determine the proportion of a municipality's 'own-funded' capital expenditure budget funded from borrowed funds. The City's long term borrowing is done in terms of Chapter 6 of the MFMA, where a long term loan will only be entered into if it's affordable and sustainable. The ratio shows an outcome of 63.1% for the 2018/19 financial year, showing that the City is borrowing less than capital expenditure, therefore sustainable and compliant to the MFMA. The increase in the ratio is mainly due to the higher capital investment required to ensure sustainability of water provision.

2.6.4.10 Transfers/grants revenue as a percentage of Government transfers/grants available

The purpose of this measure is to ensure that all available transfers from the various spheres of government have been included in the budget. The City's budget was compiled using the 2018 DORb and 2018/19 MTREF gazetted Provincial Government allocations.

This ratio outcome is overstated, due to the Fuel Levy being included in Grants and Subsidies on MBRR Table A4 but not in the ratio calculation in MBRR Table SA10. The ratio outcome excluding the fuel levy equates to above 100% as the City also makes provision for grant interest under Grants and Subsidies.

2.6.4.11 Consumer debtors change (current and non-current)

The purpose of this measure is to ascertain whether budgeted reductions in outstanding debtors are realistic. The increase in this ratio is driven by the increase in consumer debtors, other debtors and long term receivables.

2.6.4.12 Long term receivables % change

Long term receivables include 'arrangement debtors' to be paid by debtors over an extended period of time. Long term receivables are projected to reduce by an average of 5% annually over the MTREF.

2.6.4.13 *Repairs and maintenance expenditure level*

This ratio is to indicate whether sufficient provision is made, in respect of repairs and maintenance for property, plant and equipment. This ratio outcome averages 7.6% over the MTREF, which is lower than the National Treasury benchmark of 8%. The lower ratio outcome is as a result of the reprioritisation of the budget and the high investment in new assets to provide for additional water supply. New infrastructure would not require immediate repairs and maintenance therefore if excluded from the calculation the ratio outcome for 2018/19 equates to 8.5%.

2.6.4.14 Asset renewal % of capital budget

This measure focuses on the credibility of the levels of asset renewal plans. The objective is to summarise and understand the proportion of budgets being provided for new assets, as well as asset sustainability.

The mSCOA MBRR format split the previously known ‘renewal of existing assets’ into ‘renewal of existing assets’ and ‘upgrading of existing assets’. This ratio now only takes into consideration the renewal of existing assets portion over the total capital budget and shows an outcome averaging 23.7% over the MTREF, whereas renewal and upgrading of existing assets over the total capital budget shows an average outcome of 43.8% over the MTREF. The lower ratio outcome is as a result of the high investment in new assets to provide for additional water supply.

2.7 Ward Allocations

It is proposed that the City allocates budgetary resources for projects, programmes or other initiatives’ application at subcouncil level. While these resources will be spent by line departments, subcouncils identify and recommend ward allocation adoption (following sundry internal line departmental input and liaison) by Mayco and Council.

The City has 116 demarcated wards, which forms part of 24 subcouncils. These subcouncils serve the residents by engaging with them on municipal issues. The total available to each ward for the 2018/19 financial year is set at R850 000 per ward. These allocations could be spent on either capital or operating projects/programmes.

A ward allocation project must form part of the core business activities and assets of the lead department and must be aligned with the Service Delivery Business Implementation Plan of the directorate. Ward allocation projects must, as far as possible, be completed within the financial year in which they are approved. However, unspent capital funds may be rolled over to the next financial year, where compelling reasons exist for such roll-over.

2.8 Expenditure on transfers and grant programmes

Table 51 MBRR Table SA19 - Expenditure on transfers and grant programmes

Description	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
EXPENDITURE:									
Operating expenditure of Transfers and Grants									
National Government:	**978,797**	**594,660**	**353,550**	**2,849,944**	**3,067,056**	**3,067,056**	**3,264,482**	**3,391,723**	**3,628,609**
Equitable share	6,294	1,281	–	2,292,908	2,292,908	2,292,908	2,574,650	2,815,558	3,092,042
Finance Management grant	973	1,050	1,050	1,050	1,050	1,050	1,000	1,000	1,000
Urban Settlements Development Grant	162,977	171,610	41,560	215,798	231,796	231,796	204,792	204,301	173,000
Energy Efficiency and Demand Side Management Grant	599	424	568	400	400	400	600	–	–
Dept. of Environ Affairs and Tourism	4,326	4,613	5,868	–	7,158	7,158	–	–	–
Expanded Public Works Programme	23,552	23,216	31,340	13,783	13,783	13,783	23,266	–	–
Integrated City Development Grant	3,116	2,915	6,290	8,944	9,944	9,944	7,622	5,392	8,563
Public Transport Infrastructure & Systems Grant	–	20,998	32,413	19,636	70,227	70,227	48,812	53,303	41,770
Infrastructure Skills Development	2,763	6,932	7,365	9,393	10,193	10,193	12,605	15,935	16,000
Public Transport Network Grant	307,548	283,209	232,093	288,032	429,596	429,596	391,135	291,434	291,434
Public Transport Infrastructure Grant	79,844	(83)	–	–	–	–	–	–	–
Public Transport Network Operations Grant	367,748	58,569	(5,183)	–	–	–	–	–	–
Municipal Human Settlements Capacity Grant	18,363	18,743	–	–	–	–	–	–	–
Department of Water Affairs and Forestry Grant	697	–	–	–	–	–	–	–	–
Department of Public Services and Administration	–	1,183	–	–	–	–	–	–	–
2014 African Nations Championship Host City Operating Grant	(26)	–	–	–	–	–	–	–	–
Housing Accreditation	23	–	–	–	–	–	–	–	–
Department of Public Services and Administration	–	–	190	–	–	–	–	–	–
Neighbourhood Development Partnership Grant	–	–	–	–	–	–	–	4,800	4,800
LGSETA Post Graduate Internship Programme	–	–	(3)	–	–	–	–	–	–
Provincial Government:	**730,253**	**772,721**	**801,688**	**1,176,026**	**1,508,150**	**1,508,150**	**967,719**	**1,069,142**	**1,089,508**
Cultural Affairs and Sport - Provincial Library Services	28,874	32,142	37,626	37,449	41,236	41,236	47,347	47,057	49,736
Cultural Affairs and Sport - Library Services: Transfer funding to enable City of Cape Town to procure periodicals and newspapers	–	–	–	4,500	4,500	4,500	4,770	4,989	5,223
Human Settlements - Human Settlement Development Grant	411,253	428,773	424,143	568,052	878,819	878,819	333,550	419,930	392,280
Human Settlements - Municipal Accreditation Assistance	3,989	6,584	6,111	5,000	10,483	10,483	5,000	–	–
Human Settlement - Settlement Assistance	–	–	697	1,500	2,867	2,867	1,500	1,500	1,500
Health - TB	17,206	24,535	25,626	27,112	27,604	27,604	53,063	61,341	79,511
Health - Global Fund	37,936	–	–	–	–	–	–	–	–
Health - ARV	109,584	162,829	179,967	217,701	217,701	217,701	224,414	244,224	270,814
Health - Nutrition	4,065	4,169	4,733	5,572	5,572	5,572	5,928	6,176	6,520
Health - Vaccines	65,565	71,152	80,874	82,134	96,299	96,299	86,899	91,661	91,661
Comprehensive Health	–	–	–	188,146	173,489	173,489	173,489	173,489	173,489
Transport and Public Works - Provision for persons with special needs	10,075	10,112	10,089	10,000	10,313	10,313	10,000	10,000	10,000
Transport Safety and Compliance - Rail Safety	2,197	48	56	–	–	–	16,000	–	–
Community Development Workers	741	1,446	469	886	1,354	1,354	886	886	886
Planning, Maintenance and Rehabilitation of Transport Systems and Infrastructure	5,353	7,527	5,674	–	3,672	3,672	–	3,500	3,500
Community Safety - Law Enforcement Auxiliary Services	19,384	21,715	25,620	3,500	6,915	6,915	3,938	4,159	4,388
Appointment, Training , Equipping and Operationalisation of School Resource Officers	–	–	–	–	–	–	345	–	–
Finance Management Capacity Building Grant	–	–	–	240	362	362	360	–	–
Provincial Government: Financial Management Support Grant	300	303	–	–	230	230	230	230	–
Provincial Contribution towards addressing Natural Disasters	–	–	–	–	2,500	2,500	–	–	–
Human Settlement	–	–	–	24,234	24,234	24,234	–	–	–
Metropolitan Land Transport Fund	12,514	–	–	–	–	–	–	–	–
Local Government Compliance	467	–	–	–	–	–	–	–	–
Economic Development and Tourism	500	–	–	–	–	–	–	–	–
Cultural Affairs and Sport: Three Anchor Bay Tennis Court	250	1,196	–	–	–	–	–	–	–
Economic Development and Tourism: Public Access Centres	–	43	–	–	–	–	–	–	–
Cultural Affairs and Sport: Library Services: Metro Library Grant	–	147	–	–	–	–	–	–	–
Finance Management Support Grant	–	–	4	–	–	–	–	–	–

Table continues on next page

Description	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Other grant providers:	**12,811**	**29,326**	**34,632**	**12,337**	**34,388**	**34,388**	**13,271**	**670**	**–**
Tourism	1,918	222	–	2,000	2,000	2,000	2,000	–	–
CMTF	–	–	1,811	2,575	9,607	9,607	–	–	–
CID	2,839	2,908	4,224	3,572	6,264	6,264	4,107	–	–
Century City Property Owners Association	468	553	782	837	837	837	–	–	–
Traffic Free Flow (PTY) Ltd	1,017	1,123	644	–	–	–	539	–	–
DBSA - Green Fund	–	22,550	24,110	–	6,790	6,790	–	–	–
Rustenburg Girls	–	–	38	41	41	41	–	–	–
Westcott Primary	–	–	38	41	41	41	43	–	–
Airports Company South Africa SOC Ltd	–	–	1,333	1,333	1,333	1,333	1,333	–	–
Rockefeller Philanthropy Advisor's Inc	–	–	–	1,166	1,166	1,166	1,448	–	–
University of Connecticut	–	–	–	–	15	15	–	–	–
V&A Waterfront Holdings (Pty) Ltd	134	268	291	772	772	772	853	–	–
The South African Breweries	–	–	–	–	3,894	3,894	–	–	–
Bayside	–	–	244	–	547	547	–	–	–
Bergvliet High	–	–	–	–	16	16	–	–	–
Big Bay	–	–	–	–	315	315	396	396	–
Helderberg PTA	–	–	–	–	16	16	–	–	–
University of Stellenbosch	505	839	929	–	733	733	–	–	–
Mamre Fencing	–	17	–	–	–	–	–	–	–
Long Street law Enforcement	–	–	–	–	–	–	1,583	–	–
Agency Fracaise de Development (AFD)	308	–	–	–	–	–	–	–	–
UN Women	125	–	–	–	–	–	–	–	–
South African National Biodiversity Institute	3,544	–	–	–	–	–	–	–	–
Carnegie	1,953	846	–	–	–	–	–	–	–
Sustainable Energy Africa	–	–	187	–	–	–	967	274	–
Total operating expenditure of Transfers and Grants:	**1,721,861**	**1,396,708**	**1,189,869**	**4,038,307**	**4,609,593**	**4,609,593**	**4,245,472**	**4,461,535**	**4,718,117**
Capital expenditure of Transfers and Grants									
National Government:	**2,186,882**	**1,974,475**	**1,959,167**	**2,189,832**	**2,057,467**	**2,037,622**	**2,015,146**	**1,993,692**	**2,138,633**
Cooperative Governance: Emergency Disaster Relief Grant	–	–	–	–	20,812	20,812	–	–	–
Minerals and Energy: Energy Efficiency and Demand Side Management Grant	5,989	11,217	14,400	9,600	9,600	8,300	9,400	10,000	15,000
Minerals and Energy: Integrated National Electrification Programme (Municipal) Grant	22,224	4,997	–	5,000	5,000	5,000	10,000	25,600	12,800
National Treasury: Expanded Public Works Programme	400	454	400	400	400	400	1,000	–	–
National Treasury: Finance Management Grant	598	–	–	–	–	–	–	–	–
National Treasury: Infrastructure Skills Development Grant	299	497	989	1,000	1,103	1,103	1,000	–	–
National Treasury: Integrated City Development Grant	53,517	51,365	35,756	52,319	51,319	57,424	56,740	51,529	51,529
National Treasury: Local Government Restructuring Grant	1,341	100	–	50	128	128	600	–	–
National Treasury: Municipal Disaster Grant	1,366	–	–	–	122,502	122,502	–	–	–
National Treasury: Accreditation Development Support	179	–	–	–	–	–	–	–	–
National Treasury: Municipal Human Settlements Capacity Grant	428	465	–	–	–	–	–	–	–
National Treasury: Neighbourhood Development Partnership Grant	9,448	38,179	23,802	2,109	2,109	2,109	–	35,200	35,200
National Treasury: Other	265	–	–	–	–	–	–	–	–
National Treasury: Urban Renewal	1,695	643	2,194	–	–	–	–	–	–
National Treasury: Urban Settlements Development Grant	1,246,923	1,080,570	1,252,464	1,278,988	1,145,691	1,125,912	1,279,998	1,355,956	1,473,104
Transport: Public Transport Infrastructure & Systems Grant	–	(55,622)	22,681	128,875	128,875	128,875	2,021	9,681	1,434
Transport: Public Transport Infrastructure Grant	842,210	407,069	(33,331)	–	–	–	–	–	–
Transport: Public Transport Network Grant	–	434,540	639,812	711,492	569,928	565,055	654,387	505,726	549,567
Provincial Government:	**284,184**	**157,062**	**46,130**	**79,002**	**34,663**	**34,439**	**52,750**	**125,150**	**157,700**
Cultural Affairs and Sport: Library Services (Conditional Grant)	8,027	9,140	14,078	15,850	15,877	15,877	1,600	–	–
Cultural Affairs and Sport: Library Services: Metro Library Grant	–	3,938	8,512	10,000	10,379	10,379	10,000	10,000	10,550
Cultural Affairs and Sport: Three Anchor Bay Tennis Court	139	126	–	–	–	–	–	–	–
Cultural Affairs and Sport: Delft Sportsfield Development	–	–	20	–	–	–	–	–	–
Economic Development and Tourism: False Bay Ecology	850	–	–	–	–	–	–	–	–
Economic Development and Tourism: Public Access Centres	2,296	50	127	–	–	–	–	–	–
Housing: Integrated Housing and Human Settlement Development Grant	254,030	115,556	2,268	53,002	8,256	8,032	41,000	115,000	147,000
Provincial Government: Fibre Optic Broadband Roll Out	6,417	10,181	–	–	–	–	–	–	–
Provincial Government: Community Development Workers (CDW) Operational Grant Support	300	291	150	–	–	–	–	–	–
Provincial Government: transport Safety and Compliance - Rail Safety	–	406	256	–	–	–	–	–	–
Transport and Public Works: Implementation of Impound Facilities	343	–	–	–	–	–	–	–	–
Transport and Public Works: Cape Metropolitan transport Fund	1,892	333	–	–	–	–	–	–	–
Transport and Public Works: Planning, Maintenance and Rehabilitation of Transport System and Infrastructure	9,890	17,041	15,219	–	–	–	–	–	–
Macassar Treatment Works	–	–	5,500	–	–	–	–	–	–
Provincial Government: Community Development Workers (CDW) Operational Grant Support	–	–	–	150	150	150	150	150	150
Other grant providers:	**44,219**	**61,488**	**71,882**	**84,900**	**96,585**	**87,522**	**76,200**	**78,600**	**112,100**
Other: Other	44,219	61,488	71,882	84,900	96,585	87,522	76,200	78,600	112,100
Total capital expenditure of Transfers and Grants	**2,515,285**	**2,193,025**	**2,077,179**	**2,353,735**	**2,188,715**	**2,159,582**	**2,144,096**	**2,197,442**	**2,408,433**
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	**4,237,146**	**3,589,733**	**3,267,048**	**6,392,042**	**6,798,309**	**6,769,176**	**6,389,567**	**6,658,976**	**7,126,551**

2.9 Allocations and grants made by the municipality

Transfers and Grants are allocations of funds, from the City's approved budget, to outside organisations or bodies. These allocations are gratuitous or unrequited transfers by the City to the grantee organisations and are not payments made in compliance with any commercial or other business transaction. All transfers and grants are disbursed in terms of section 67 of the Municipal Finance Management Act. Application in respect of S 67 grant and grant- in aid allocations are approved by the City's Grants Committee and event related sponsorships by the Executive Mayor as per the City's System of delegations.

The Grant Committee approves grants applications in terms of the City's Grant Policy and the members of the Committee are officials of the City appointed by the CFO. The Committee will co-ordinate, administer, and control the Screening Process in respect of applications recommended by line departments & sub-councils to ensure that all recommended grants complies with City's Grant Policy, the Constitution and relevant legislation.

A Section 80 Special Events Committee was established in March 2013 to facilitate the selection of events and recommend to the Mayor which events the City wishes to support in terms of the Integrated Development Plan (IDP) and Council's Events Policy. The Committee is chaired by the Deputy Mayor and includes the following members: Executive Mayor, Mayco Member: Safety and Security, Mayco Member: Finance, Mayco Member: Area Based Oversight (North), Mayco Member: Assets & Facilities and Mayco Member: Area Based Oversight (South).

The Committee meets as and when required. The Committee invites the MAYCO member/s who is/are not a member/s of this Committee to participate in the meeting where an event/s that falls within the functional area of such MAYCO member.

Full disclosure on transfers and grants to external organisations by the City can be found in Annexure 20.

2.10 Councillor and Staff benefits

Table 52 MBRR Table SA22 – Summary of councillor and staff benefits

Summary of Employee and Councillor remuneration	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Councillors (Political Office Bearers plus Other)									
Basic Salaries and Wages	109,939	117,484	122,846	138,588	142,984	142,984	147,923	157,538	167,857
Pension and UIF Contributions	4,692	5,051	4,115	–	–	–	–	–	–
Medical Aid Contributions	–	–	–	–	–	–	–	–	–
Motor Vehicle Allowance	–	–	–	–	–	–	–	–	–
Cellphone Allowance	–	7,459	4,903	5,640	5,853	5,853	10,037	10,690	11,390
Housing Allowances	–	–	–	–	–	–	–	–	–
Other benefits and allowances	13,781	4,643	6,510	11,558	6,728	6,729	11,679	12,438	13,253
Sub Total - Councillors	**128,412**	**134,637**	**138,374**	**155,786**	**155,565**	**155,566**	**169,639**	**180,666**	**192,500**
% increase		**4.8%**	**2.8%**	**12.6%**	**-0.1%**	**0.0%**	**9.0%**	**6.5%**	**6.6%**
Senior Managers of the Municipality									
Basic Salaries and Wages	20,746	20,347	30,689	27,665	27,665	27,665	28,128	30,547	33,113
Pension and UIF Contributions	1,322	1,359	1,499	1,580	1,580	1,580	2,172	2,359	2,557
Medical Aid Contributions	226	215	160	151	151	151	164	178	193
Overtime	–	–	–	–	–	–	–	–	–
Performance Bonus	–	–	–	–	–	–	–	–	–
Motor Vehicle Allowance	456	568	382	284	284	284	442	480	520
Cellphone Allowance	–	122	115	184	184	184	194	211	229
Housing Allowances	–	–	–	–	–	–	–	–	–
Other benefits and allowances	338	74	103	63	63	63	82	89	96
Payments in lieu of leave	–	408	1,617	–	–	–	–	–	–
Long service awards	–	–	–	–	–	–	–	–	–
Post-retirement benefit obligations	–	–	–	–	–	–	–	–	–
Sub Total - Senior Managers of Municipality	**23,088**	**23,093**	**34,565**	**29,927**	**29,927**	**29,927**	**31,182**	**33,864**	**36,708**
% increase		**0.0%**	**49.7%**	**(13.4%)**	**–**	**–**	**4.2%**	**8.6%**	**8.4%**
Other Municipal Staff									
Basic Salaries and Wages	5,721,748	6,107,809	5,934,755	8,295,797	7,864,585	7,877,185	8,946,536	9,525,061	10,318,394
Pension and UIF Contributions	910,789	990,173	1,068,818	1,571,082	1,400,584	1,399,585	1,666,537	1,825,704	1,956,528
Medical Aid Contributions	546,199	598,170	660,098	729,604	725,698	725,698	752,518	817,235	885,883
Overtime	393,447	463,125	546,810	495,298	546,618	547,234	517,090	517,113	517,138
Performance Bonus	–	–	–	–	–	–	–	–	–
Motor Vehicle Allowance	189,952	192,294	191,177	206,029	207,314	207,244	220,701	239,700	259,835
Cellphone Allowance	13,691	14,175	16,599	17,502	17,776	17,822	23,853	26,021	28,206
Housing Allowances	28,439	53,086	56,862	56,026	59,292	59,292	64,402	69,941	75,816
Other benefits and allowances	186,068	204,362	221,178	227,271	230,065	230,885	236,358	256,598	278,068
Payments in lieu of leave	85,154	77,380	675,494	122,318	123,592	123,715	134,139	145,561	157,745
Long service awards	19,967	45,786	23,642	68,288	68,287	68,287	79,206	86,018	93,243
Post-retirement benefit obligations	6,191	588,288	229,302	231,548	231,548	231,548	247,593	261,211	275,708
Sub Total - Other Municipal Staff	**8,101,645**	**9,334,648**	**9,624,735**	**12,020,763**	**11,475,359**	**11,488,495**	**12,888,933**	**13,770,162**	**14,846,564**
% increase		**15.2%**	**3.1%**	**24.9%**	**(4.5%)**	**0.1%**	**12.2%**	**6.8%**	**7.8%**
TOTAL SALARY, ALLOWANCES & BENEFITS	**8,253,145**	**9,492,378**	**9,797,674**	**12,206,476**	**11,660,851**	**11,673,988**	**13,089,754**	**13,984,692**	**15,075,772**
% increase		**15.0%**	**3.2%**	**24.6%**	**-4.5%**	**0.1%**	**12.1%**	**6.8%**	**7.8%**
TOTAL MANAGERS AND STAFF	**8,124,733**	**9,357,741**	**9,659,300**	**12,050,690**	**11,505,286**	**11,518,422**	**12,920,115**	**13,804,026**	**14,883,272**

Table 53 MBRR Table SA23 - Salaries, allowances and benefits (political office bearers / councillors / senior officials) for the 2018/19 financial year

Disclosure of Salaries, Allowances & Benefits Rand per annum	No.	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
Councillors							
Speaker	1	1,116,702	–	88,203			1,204,905
Chief Whip	1	1,051,915	–	79,690			1,131,605
Executive Mayor	1	1,382,708	–	71,590			1,454,298
Deputy Executive Mayor	1	1,116,702	–	88,203			1,204,905
Executive Committee	10	10,519,154	–	434,520			10,953,674
Total for all other councillors	217	132,736,083	–	20,954,232			153,690,315
Total Councillors	**231**	**147,923,264**	**–**	**21,716,438**			**169,639,702**
Senior Managers of the Municipality							
Municipal Manager (MM)	1	3,223,035	478,945	17,664	–		3,719,644
Chief Finance Officer	1	2,635,832	267,967	104,431	–		3,008,230
Executive Director: Area-Based Service Delivery	1	1,872,077	245,257	17,664	–		2,134,998
Executive Director: Assets and Facilities Management	1	1,977,936	1,912	155,150	–		2,134,998
Executive Director: Corporate Services	1	2,665,673	324,893	17,664	–		3,008,230
Executive Director: Strategic Governance	1	2,665,673	324,893	17,664	–		3,008,230
Executive Director: Energy	1	2,115,422	1,912	17,664	–		2,134,998
Executive Director: Informal Settlements, Water and Waste Services	1	2,805,395	69,481	133,354	–		3,008,230
Executive Director: Safety & Security	1	2,563,467	324,893	119,870	–		3,008,230
Executive Director: Social Services	1	2,614,999	375,567	17,664	–		3,008,230
Commissioner: Transport and Urban Development Authority	1	2,988,654	1,912	17,664	–		3,008,230
Total Senior Managers of the Municipality	**11**	**28,128,163**	**2,417,632**	**636,453**	**–**		**31,182,248**
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION	**242**	**176,051,427**	**2,417,632**	**22,352,891**	**–**		**200,821,950**

Table 54 MBRR Table SA24 - Summary of personnel numbers

Summary of Personnel Numbers	2016/17			Current Year 2017/18			Budget Year 2018/19		
Number	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
Municipal Council and Boards of Municipal Entities									
Councillors (Political Office Bearers plus Other Councillors)	221	–	221	231	–	231	231	–	231
Board Members of municipal entities	–	–	–	–	–	–	–	–	–
Municipal employees									
Municipal Manager and Senior Managers	12	–	12	11	–	11	11	–	11
Other Managers	912	895	17	914	910	4	986	974	12
Professionals	*1,180*	*1,069*	*111*	*1,441*	*1,397*	*44*	*1,447*	*1,348*	*99*
Finance	113	111	2	77	77	–	89	88	1
Spatial/town planning	32	31	1	68	68	–	63	63	–
Information Technology	54	54	–	79	72	7	84	84	–
Roads	17	17	–	44	42	2	38	36	2
Electricity	119	117	2	124	124	–	130	128	2
Water	140	140	–	201	182	19	232	188	44
Sanitation	18	18	–	–	–	–	–	–	–
Refuse	12	12	–	14	14	–	14	14	–
Other	675	569	106	834	818	16	797	747	50
Technicians	*3,843*	*3,589*	*254*	*4,019*	*3,888*	*131*	*4,159*	*4,032*	*127*
Finance	200	199	1	123	123	–	129	128	1
Spatial/town planning	27	27	–	185	185	–	184	184	–
Information Technology	280	274	6	298	280	18	432	428	4
Roads	15	15	–	60	57	3	59	56	3
Electricity	261	261	–	313	312	1	326	318	8
Water	330	298	32	352	322	30	417	378	39
Sanitation	11	11	–	–	–	–	–	–	–
Refuse	76	76	–	80	80	–	80	80	–
Other	2,643	2,428	215	2,608	2,529	79	2,532	2,460	72
Clerks (Clerical and administrative)	6,817	6,509	208	7,060	7,023	37	7,183	7,025	158
Service and sales workers	4,229	3,405	824	4,026	3,613	413	3,948	3,630	318
Skilled agricultural and fishery workers	–	–	–	–	–	–	–	–	–
Craft and related trades	2,726	2,721	5	2,756	2,756	–	2,656	2,656	–
Plant and Machine Operators	3,737	3,730	7	3,751	3,744	7	3,700	3,697	3
Elementary Occupations	5,818	5,791	27	5,759	5,754	5	5,686	5,681	5
TOTAL PERSONNEL NUMBERS	**29,495**	**27,709**	**1,686**	**29,968**	**29,085**	**883**	**30,007**	**29,043**	**964**
% increase	**–**	–	–	1.6%	5.0%	(47.6%)	0.1%	(0.1%)	9.2%
Total municipal employees headcount	**29,174**	**27,709**	**1,465**	**29,737**	**29,085**	**652**	**29,776**	**29,043**	**733**
Finance personnel headcount	**1,752**	**1,738**	**14**	**1,578**	**1,576**	**2**	**1,622**	**1,620**	**2**
Human Resources personnel headcount	**337**	**323**	**14**	**376**	**374**	**2**	**371**	**365**	**6**

2.11 Monthly targets for revenue, expenditure and cash flow

Table 55 MBRR Table SA25 - Budgeted monthly revenue and expenditure

Description	Budget Year 2018/19												Medium Term Revenue and Expenditure Framework		
R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Revenue By Source															
Property rates	780,163	780,163	780,163	780,163	780,163	780,163	780,163	780,163	780,163	780,163	780,163	780,163	9,361,952	10,248,287	11,131,713
Service charges - electricity revenue	1,148,665	1,136,927	1,066,141	1,063,963	1,017,226	956,053	1,077,388	999,101	996,361	1,029,971	1,010,337	1,089,269	12,591,403	13,519,095	14,865,239
Service charges - water revenue	297,941	297,941	297,941	297,941	297,941	297,941	297,941	297,941	297,941	297,941	297,941	297,408	3,574,755	5,037,616	5,904,860
Service charges - sanitation revenue	150,921	150,921	150,921	150,921	150,921	150,921	150,921	150,921	150,921	150,921	150,921	150,921	1,811,048	2,524,979	2,947,422
Service charges - refuse revenue	100,172	100,172	100,172	100,172	100,172	100,172	100,172	100,172	100,172	100,172	100,172	100,172	1,202,059	1,331,897	1,486,051
Service charges - other	–	–	–	–	–	–	–	–	–	–	–	573	573	738	896
Rental of facilities and equipment	31,771	31,772	31,772	31,772	31,772	31,772	31,772	31,772	31,772	31,772	31,772	31,773	381,262	402,231	424,570
Interest earned - external investments	78,043	78,043	78,043	78,043	78,043	78,043	78,043	78,043	78,043	78,043	78,043	78,043	936,513	989,834	1,020,077
Interest earned - outstanding debtors	28,414	28,414	28,414	28,414	28,414	28,414	28,414	28,414	28,414	28,414	28,414	28,414	340,970	362,409	385,462
Dividends received	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits	106,680	106,680	106,680	106,680	106,680	106,680	106,680	106,680	106,680	106,680	106,680	106,680	1,280,160	1,350,569	1,425,526
Licences and permits	3,770	3,833	3,837	3,832	3,838	3,833	3,845	3,845	3,857	3,844	3,857	3,857	46,050	48,432	51,120
Agency services	16,810	16,810	16,810	16,810	16,810	16,810	16,810	16,810	16,810	16,810	16,810	16,810	201,723	212,818	224,629
Transfers and subsidies	280,794	1,149,322	301,518	291,803	303,221	1,158,599	315,446	307,132	1,146,712	358,190	320,744	870,127	6,803,608	7,101,185	7,464,469
Other revenue	63,172	64,073	65,073	64,075	64,073	66,573	64,075	65,073	64,073	64,073	64,575	64,963	773,871	816,747	862,106
Gains on disposal of PPE	3,447	3,448	3,447	3,447	3,448	3,447	3,447	3,448	3,447	3,448	3,448	5,947	43,870	46,283	48,852
Total Revenue (excluding capital transfers and contributions)	**3,090,763**	**3,948,516**	**3,030,932**	**3,018,036**	**2,982,720**	**3,779,420**	**3,055,116**	**2,969,513**	**3,805,365**	**3,050,441**	**2,993,876**	**3,625,120**	**39,349,818**	**43,993,121**	**48,242,992**

Table continues on next page

Description	Budget Year 2018/19												Medium Term Revenue and Expenditure Framework		
R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Expenditure By Type															
Employee related costs	1,005,008	1,039,963	1,042,141	1,042,520	1,391,966	1,050,151	1,034,558	1,054,716	1,051,043	1,047,586	1,048,255	1,112,208	12,920,115	13,804,026	14,883,272
Remuneration of councillors	14,137	14,137	14,137	14,137	14,137	14,137	14,137	14,137	14,137	14,137	14,137	14,137	169,640	180,666	192,500
Debt impairment	11,249	11,249	11,249	11,249	11,249	11,249	11,249	11,249	11,249	11,249	11,249	2,865,208	2,988,951	3,346,843	3,644,602
Depreciation & asset impairment	228,986	228,986	228,986	228,986	228,986	228,986	228,986	228,986	228,986	228,986	228,986	295,486	2,814,336	3,092,708	3,279,697
Finance charges	87,253	87,256	87,251	87,251	87,254	87,265	87,256	87,303	87,256	87,256	87,256	129,427	1,089,285	1,564,844	1,885,513
Bulk purchases	94,314	1,138,649	1,119,561	682,443	695,065	670,807	649,478	691,951	643,463	684,101	661,287	1,756,017	9,487,132	10,896,898	11,739,035
Other materials	78,913	97,786	99,132	111,453	102,608	98,455	95,637	100,556	101,066	104,408	105,231	160,041	1,255,285	1,399,291	1,465,941
Contracted services	197,172	380,575	429,180	463,200	458,210	458,290	470,963	487,046	490,850	511,051	522,471	1,135,679	6,004,687	6,363,514	6,790,937
Transfers and subsidies	16,777	16,265	15,734	15,405	16,830	25,937	26,914	22,862	24,732	13,055	14,005	125,291	333,807	356,864	365,224
Other expenditure	132,382	220,059	151,205	194,734	162,126	167,966	161,071	166,024	189,856	169,857	183,243	301,691	2,200,213	2,422,275	2,561,922
Loss on disposal of PPE	25	34	33	31	31	47	39	39	39	39	39	95	488	515	543
Total Expenditure	**1,866,215**	**3,234,958**	**3,198,608**	**2,851,407**	**3,168,460**	**2,813,292**	**2,780,287**	**2,864,870**	**2,842,678**	**2,871,724**	**2,876,159**	**7,895,280**	**39,263,938**	**43,428,443**	**46,809,187**
Surplus/(Deficit)	**1,224,548**	**713,558**	**(167,676)**	**166,628**	**(185,740)**	**966,128**	**274,829**	**104,643**	**962,688**	**178,717**	**117,717**	**(4,270,160)**	**85,879**	**564,677**	**1,433,805**
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	31,798	86,208	120,625	128,618	169,426	116,227	64,492	230,395	193,264	152,813	158,106	615,925	2,067,896	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)	2,480	3,400	4,550	5,100	5,400	3,650	3,450	8,900	11,050	10,620	9,000	8,600	76,200	78,600	112,100
Transfers and subsidies - capital (in-kind - all)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	**1,258,826**	**803,166**	**(42,502)**	**300,346**	**(10,914)**	**1,086,004**	**342,771**	**343,938**	**1,167,002**	**342,150**	**284,823**	**(3,645,635)**	**2,229,975**	**2,762,119**	**3,842,238**
Taxation	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Attributable to minorities	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit)	**1,258,826**	**803,166**	**(42,502)**	**300,346**	**(10,914)**	**1,086,004**	**342,771**	**343,938**	**1,167,002**	**342,150**	**284,823**	**(3,645,635)**	**2,229,975**	**2,762,119**	**3,842,238**

Table 56 MBRR Table SA26 - Budgeted monthly revenue and expenditure (municipal vote)

Description	Budget Year 2018/19												Medium Term Revenue and Expenditure Framework		
R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Revenue by Vote															
Vote 1 - Area-Based Service Delivery	18,244	18,244	18,244	18,244	18,244	18,244	18,244	18,244	18,244	18,244	18,244	18,394	219,073	266,265	279,031
Vote 2 - Assets & Facilities Management	34,793	34,793	35,043	35,043	35,043	35,043	35,043	35,043	35,043	35,043	35,043	35,543	420,518	457,115	504,872
Vote 3 - City Manager	1	1	1	1	1	1	1	1	1	1	1	1	11	11	12
Vote 4 - Corporate Services	6,507	6,507	6,507	6,507	6,507	6,507	8,507	6,507	6,507	6,507	6,507	10,613	84,187	86,551	77,781
Vote 5 - Energy	1,160,907	1,150,263	1,082,813	1,082,510	1,037,073	975,358	1,094,460	1,021,422	1,054,054	1,049,762	1,028,949	1,147,389	12,884,959	13,870,807	15,329,083
Vote 6 - Finance	1,052,120	1,904,832	1,052,720	1,052,120	1,052,120	1,904,832	1,052,120	1,052,120	1,904,832	1,052,120	1,052,120	1,220,232	15,352,286	16,591,587	17,872,725
Vote 7 - Informal Settlements, Water & Waste Services	1,052,120	1,904,832	1,052,720	1,052,120	1,052,120	1,904,832	1,052,120	1,052,120	1,904,832	1,052,120	1,052,120	(6,226,590)	7,905,464	10,215,863	11,657,882
Vote 8 - Safety & Security	113,230	113,227	113,217	113,225	113,227	113,187	113,207	113,240	113,250	113,217	113,217	113,454	1,358,899	1,424,492	1,491,649
Vote 9 - Social Services	53,751	73,903	72,930	53,622	68,948	67,430	80,667	53,348	59,043	115,912	80,304	139,093	918,952	957,304	1,058,109
Vote 10 - Transport & Urban Development Authority	63,674	106,432	126,607	139,352	128,444	126,210	111,015	221,739	161,164	162,118	167,878	834,929	2,349,564	2,320,567	2,380,282
Total Revenue by Vote	**3,555,346**	**5,313,034**	**3,560,802**	**3,552,743**	**3,511,726**	**5,151,644**	**3,565,383**	**3,573,784**	**5,256,968**	**3,605,044**	**3,554,383**	**(2,706,943)**	**41,493,914**	**46,190,562**	**50,651,425**
Expenditure by Vote to be appropriated															
Vote 1 - Area-Based Service Delivery	44,189	45,056	46,428	46,705	50,647	46,832	46,347	46,981	47,291	47,067	47,190	61,764	576,498	621,100	662,085
Vote 2 - Assets & Facilities Management	112,717	117,809	118,770	118,575	141,331	122,322	142,717	121,261	120,332	120,050	118,984	302,679	1,657,547	1,809,419	1,944,357
Vote 3 - City Manager	11,871	25,160	11,956	11,939	14,128	12,655	11,900	11,981	12,086	11,923	12,079	12,942	160,619	173,444	187,114
Vote 4 - Corporate Services	146,422	173,489	166,331	203,403	194,840	164,505	165,191	167,577	189,344	177,820	178,967	256,572	2,184,462	2,338,830	2,483,400
Vote 5 - Energy	205,763	1,235,160	1,213,013	776,739	806,402	765,708	737,475	785,573	738,415	776,757	767,161	1,865,815	10,673,982	11,539,870	12,415,273
Vote 6 - Finance	218,494	264,533	221,654	234,359	252,407	228,909	220,749	221,429	225,889	220,880	220,873	616,718	3,146,896	3,756,426	4,212,187
Vote 7 - Informal Settlements, Water & Waste Services	504,733	642,554	663,340	674,970	723,933	679,575	678,818	685,783	679,701	684,280	683,265	2,220,813	9,521,764	11,037,059	12,060,950
Vote 8 - Safety & Security	170,729	184,152	186,598	186,435	260,948	200,269	182,868	199,952	200,443	189,275	189,024	1,166,038	3,316,731	3,570,156	3,796,417
Vote 9 - Social Services	242,803	265,304	273,339	284,199	376,487	282,984	286,216	291,883	288,372	288,962	287,393	449,467	3,617,408	4,003,640	4,305,882
Vote 10 - Transport & Urban Development Authority	208,494	281,741	297,179	314,084	347,337	309,533	308,007	332,449	340,803	354,709	371,223	942,472	4,408,030	4,578,499	4,741,522
Total Expenditure by Vote	**1,866,215**	**3,234,958**	**3,198,608**	**2,851,407**	**3,168,460**	**2,813,292**	**2,780,287**	**2,864,870**	**2,842,678**	**2,871,724**	**2,876,159**	**7,895,280**	**39,263,938**	**43,428,443**	**46,809,187**
Surplus/(Deficit) before assoc.	**1,689,131**	**2,078,076**	**362,194**	**701,336**	**343,266**	**2,338,352**	**785,096**	**708,914**	**2,414,290**	**733,320**	**678,224**	**(10,602,222)**	**2,229,975**	**2,762,119**	**3,842,238**
Taxation	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Attributable to minorities	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit)	**1,689,131**	**2,078,076**	**362,194**	**701,336**	**343,266**	**2,338,352**	**785,096**	**708,914**	**2,414,290**	**733,320**	**678,224**	**(10,602,222)**	**2,229,975**	**2,762,119**	**3,842,238**

Table 57 MBRR Table SA27 - Budgeted monthly revenue and expenditure (functional classification)

Description	Budget Year 2018/19												Medium Term Revenue and Expenditure Framework		
R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Revenue - Functional															
Governance and administration	**993,027**	**1,860,774**	**1,007,948**	**985,798**	**1,853,546**	**1,001,320**	**986,148**	**1,000,606**	**1,853,560**	**1,015,073**	**986,158**	**1,219,313**	**14,763,272**	**15,859,595**	**17,092,197**
Executive and council	258	258	258	258	258	258	258	258	258	258	258	408	3,240	3,362	3,491
Finance and administration	992,769	1,860,516	1,007,690	985,540	1,853,288	1,001,062	985,890	1,000,348	1,853,302	1,014,815	985,900	1,218,905	14,760,024	15,856,224	17,088,697
Internal audit	1	1	1	1	1	1	1	1	1	1	1	1	8	9	9
Community and public safety	**234,711**	**266,325**	**286,272**	**92,425**	**117,663**	**128,273**	**130,407**	**113,000**	**112,888**	**99,957**	**185,565**	**94,344**	**1,861,831**	**2,095,524**	**2,164,035**
Community and social services	14,621	14,891	14,987	7,311	7,445	7,494	7,653	8,835	7,768	7,773	9,844	22,202	130,825	157,880	133,134
Sport and recreation	14,493	20,531	17,049	7,246	10,265	8,525	5,225	4,926	4,651	4,951	6,226	(12,769)	91,320	58,867	68,270
Public safety	1,863	1,863	1,863	977	977	977	977	977	977	977	977	(1,679)	11,726	12,371	13,057
Housing	142,300	163,224	185,116	46,173	66,067	77,649	84,885	66,359	67,665	56,204	139,966	116,352	1,211,961	1,416,120	1,454,192
Health	61,434	65,817	67,257	30,717	32,908	33,628	31,667	31,903	31,827	30,052	28,552	(29,762)	415,999	450,285	495,382
Economic and environmental services	**379,764**	**452,015**	**468,949**	**478,235**	**484,345**	**470,900**	**458,428**	**494,538**	**503,765**	**503,431**	**513,898**	**(2,019,926)**	**3,188,342**	**3,146,271**	**3,355,662**
Planning and development	61,016	60,963	60,913	61,543	61,023	60,499	60,691	61,193	61,587	62,143	62,701	(304,751)	369,522	425,592	444,155
Road transport	318,395	390,499	407,484	416,139	422,769	409,848	397,184	432,793	441,625	440,735	450,643	(1,722,626)	2,805,489	2,717,202	2,907,837
Environmental protection	353	553	553	553	553	553	553	553	553	553	553	7,451	13,331	3,477	3,670
Trading services	**3,945,706**	**3,727,985**	**3,599,874**	**3,611,562**	**3,535,795**	**3,383,606**	**3,614,387**	**3,544,908**	**3,503,187**	**3,618,606**	**3,684,582**	**(18,096,254)**	**21,673,945**	**25,084,399**	**28,034,494**
Energy sources	2,356,925	2,332,537	2,197,417	2,200,111	2,103,336	1,981,157	2,217,910	2,084,435	2,077,257	2,170,935	2,161,409	(10,796,804)	13,086,625	14,128,383	15,609,846
Water management	754,943	757,609	763,618	761,612	781,620	764,609	758,638	809,633	773,658	771,632	807,062	(3,854,226)	4,650,411	6,209,664	7,055,121
Waste water management	562,907	366,907	367,907	378,907	379,907	366,907	366,907	379,907	381,340	405,107	445,178	(2,090,527)	2,311,354	2,953,561	3,381,843
Waste management	270,932	270,932	270,932	270,932	270,932	270,932	270,932	270,932	270,932	270,932	270,932	(1,354,696)	1,625,554	1,792,791	1,987,684
Other	**1,268**	**1,268**	**1,268**	**1,268**	**1,268**	**1,268**	**7,268**	**1,268**	**1,268**	**1,268**	**1,268**	**(13,429)**	**6,524**	**4,773**	**5,037**
Total Revenue - Functional	**5,554,476**	**6,308,368**	**5,364,313**	**5,169,288**	**5,992,618**	**4,985,367**	**5,196,640**	**5,154,320**	**5,974,668**	**5,238,336**	**5,371,471**	**(18,815,951)**	**41,493,914**	**46,190,562**	**50,651,425**

Table continues on next page

Description	Budget Year 2018/19												Medium Term Revenue and Expenditure Framework		
R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Expenditure - Functional															
Governance and administration	**610,806**	**722,544**	**652,796**	**700,282**	**758,007**	**675,647**	**648,163**	**676,330**	**698,809**	**673,950**	**673,865**	**1,027,024**	**8,518,224**	**9,511,725**	**10,359,133**
Executive and council	34,189	47,120	33,780	33,970	40,925	34,693	34,497	34,619	34,816	34,623	34,775	52,135	450,141	493,578	526,864
Finance and administration	572,598	671,363	614,911	662,261	711,700	636,196	609,632	637,621	659,827	635,292	634,913	970,652	8,016,966	8,962,807	9,772,393
Internal audit	4,020	4,061	4,105	4,051	5,382	4,757	4,035	4,091	4,166	4,035	4,177	4,236	51,116	55,340	59,876
Community and public safety	**651,135**	**693,617**	**724,697**	**737,379**	**959,974**	**740,799**	**773,430**	**755,737**	**762,712**	**779,092**	**791,797**	**(3,268,493)**	**5,101,875**	**5,588,351**	**5,910,967**
Community and social services	126,672	136,324	142,299	146,004	205,481	139,625	138,979	143,397	142,551	144,856	152,867	(725,032)	894,025	953,313	1,021,370
Sport and recreation	159,952	172,252	183,976	191,780	232,379	183,835	184,856	186,165	187,356	186,934	191,703	(887,032)	1,174,156	1,228,640	1,278,714
Public safety	89,504	93,357	94,329	93,530	131,435	99,407	103,861	106,306	106,834	103,718	102,399	(509,355)	615,325	661,420	709,746
Housing	105,011	106,961	119,442	121,463	147,123	131,974	158,925	132,643	139,242	145,484	158,103	(226,723)	1,239,650	1,463,475	1,509,754
Health	169,996	184,723	184,651	184,602	243,555	185,956	186,810	187,225	186,729	198,098	186,724	(920,352)	1,178,718	1,281,503	1,391,383
Economic and environmental services	**685,025**	**850,444**	**844,699**	**910,254**	**1,041,358**	**858,657**	**895,213**	**901,519**	**909,334**	**940,211**	**942,016**	**(3,227,522)**	**6,551,208**	**6,937,927**	**7,341,687**
Planning and development	190,445	193,964	153,998	191,175	176,709	159,986	184,761	157,260	156,582	179,920	170,760	(855,126)	1,060,433	1,212,459	1,297,413
Road transport	476,195	635,429	670,537	698,226	838,434	677,905	688,420	721,977	729,604	737,445	748,839	(2,269,348)	5,353,664	5,598,973	5,908,428
Environmental protection	18,385	21,052	20,164	20,853	26,214	20,767	22,033	22,282	23,148	22,846	22,417	(103,048)	137,111	126,495	135,846
Trading services	**1,287,896**	**3,614,473**	**3,623,104**	**2,771,814**	**2,910,488**	**2,761,731**	**2,708,211**	**2,817,205**	**2,709,263**	**2,806,257**	**2,792,767**	**(11,807,619)**	**18,995,590**	**21,292,141**	**23,092,626**
Energy sources	368,982	2,409,533	2,368,438	1,494,689	1,543,791	1,473,171	1,416,828	1,513,845	1,416,769	1,497,663	1,477,577	(6,659,699)	10,321,587	11,164,578	12,017,986
Water management	559,363	680,758	694,888	688,425	764,062	691,744	700,053	700,990	694,001	689,815	698,003	(2,738,914)	4,823,188	5,956,992	6,416,993
Waste water management	175,837	240,828	286,280	274,888	286,923	274,731	269,221	280,263	276,377	296,660	300,725	(1,027,514)	1,935,220	2,137,441	2,497,902
Waste management	183,713	283,354	273,498	313,812	315,713	322,085	322,109	322,106	322,115	322,118	316,462	(1,381,492)	1,915,595	2,033,130	2,159,745
Other	18,914	19,604	19,461	19,484	17,807	48,975	42,436	28,754	35,710	13,408	13,082	**(180,592)**	**97,042**	**98,301**	**104,774**
Total Expenditure - Functional	**3,253,777**	**5,900,681**	**5,864,756**	**5,139,212**	**5,687,633**	**5,085,809**	**5,067,453**	**5,179,545**	**5,115,828**	**5,212,919**	**5,213,528**	**(17,457,202)**	**39,263,938**	**43,428,443**	**46,809,187**
Surplus/(Deficit) before assoc.	**2,300,699**	**407,686**	**(500,444)**	**30,076**	**304,985**	**(100,442)**	**129,186**	**(25,225)**	**858,840**	**25,418**	**157,943**	**(1,358,749)**	**2,229,975**	**2,762,119**	**3,842,238**
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit)	**2,300,699**	**407,686**	**(500,444)**	**30,076**	**304,985**	**(100,442)**	**129,186**	**(25,225)**	**858,840**	**25,418**	**157,943**	**(1,358,749)**	**2,229,975**	**2,762,119**	**3,842,238**

Table 58 MBRR Table SA28 - Budgeted monthly capital expenditure (municipal vote)

Description	Budget Year 2018/19												Medium Term Revenue and Expenditure Framework		
R thousand	July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Multi-year expenditure to be appropriated															
Vote 1 - Area-Based Service Delivery	–	–	280	645	1,160	765	105	1,805	1,747	1,371	1,726	3,506	13,110	82,870	74,870
Vote 2 - Assets & Facilities Management	1,090	1,900	5,230	13,177	14,505	13,675	14,457	42,239	57,081	74,539	72,736	102,658	413,287	301,701	91,372
Vote 3 - City Manager	–	–	261	93	10	30	10	40	55	–	35	200	735	735	760
Vote 4 - Corporate Services	75	3,454	7,368	11,651	17,116	21,014	21,530	26,774	35,216	42,690	61,041	106,667	354,597	342,571	336,546
Vote 5 - Energy	23,082	36,856	67,156	90,216	76,698	52,978	55,898	98,837	137,819	99,835	121,129	253,003	1,113,506	1,427,000	1,741,137
Vote 6 - Finance	322	920	2,420	1,351	2,856	4,890	3,590	2,000	1,000	1,000	–	200	20,549	65,419	35,411
Vote 7 - Informal Settlements, Water & Waste Services	42,821	73,693	142,053	168,605	218,702	154,125	58,999	250,371	364,814	626,911	837,762	1,267,724	4,206,581	5,681,026	5,968,036
Vote 8 - Safety & Security	2,050	2,220	2,085	16,865	6,690	3,563	6,650	28,523	2,421	84,612	3,783	36,615	196,078	79,515	42,115
Vote 9 - Social Services	11,220	15,405	20,785	10,489	14,893	21,321	13,032	22,042	28,263	24,785	26,713	106,561	315,508	238,127	215,704
Vote 10 - Transport & Urban Development Authority	969	63,249	108,573	100,634	103,228	84,299	61,355	170,993	147,291	142,795	147,647	642,572	1,773,606	1,596,358	1,600,833
Vote 13 - [NAME OF VOTE 13]	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Capital Expenditure	**81,629**	**197,698**	**356,211**	**413,726**	**455,857**	**356,660**	**235,626**	**643,624**	**775,707**	**1,098,538**	**1,272,572**	**2,519,706**	**8,407,556**	**9,815,321**	**10,106,785**

Table 59 MBRR Table SA29 - Budgeted monthly capital expenditure (functional classification)

Description	Budget Year 2018/19												Medium Term Revenue and Expenditure Framework		
R thousand	July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Capital Expenditure - Functional															
Governance and administration	**9,434**	**13,934**	**29,081**	**45,411**	**48,691**	**55,146**	**51,105**	**57,497**	**99,531**	**193,738**	**134,898**	**248,049**	**986,516**	**827,799**	**856,764**
Executive and council	–	26	60	101	598	30	–	90	586	504	64	2,320	4,380	5,180	3,480
Finance and administration	9,434	13,908	28,900	45,305	48,093	55,116	51,105	57,407	98,945	193,234	134,834	245,724	982,005	822,487	853,224
Internal audit	–	–	121	5	–	–	–	–	–	–	–	5	131	131	60
Community and public safety	**25,110**	**48,854**	**56,882**	**54,314**	**40,939**	**44,888**	**32,539**	**137,041**	**97,833**	**99,834**	**100,324**	**344,233**	**1,082,792**	**1,006,810**	**880,569**
Community and social services	3,498	5,101	4,746	2,465	3,732	4,726	2,657	7,610	8,096	7,096	8,781	38,621	97,129	107,017	66,323
Sport and recreation	2,820	5,839	6,579	2,665	4,466	6,285	3,554	6,038	8,298	12,025	10,923	14,767	84,261	23,766	26,178
Public safety	–	–	–	–	–	–	–	7,659	–	–	–	27,405	35,064	7,659	7,659
Housing	13,890	33,799	40,573	47,835	29,011	30,062	23,608	115,195	75,889	79,742	79,970	224,923	794,497	817,971	732,913
Health	4,901	4,115	4,985	1,350	3,730	3,815	2,720	540	5,550	970	650	38,516	71,841	50,396	47,496
Economic and environmental services	**600**	**43,624**	**85,011**	**82,096**	**93,771**	**71,579**	**51,839**	**116,138**	**119,726**	**120,713**	**128,542**	**476,003**	**1,389,642**	**1,211,925**	**1,197,686**
Planning and development	–	2,295	2,545	1,863	3,953	1,443	1,168	3,898	5,060	4,914	3,449	9,313	39,904	76,795	96,723
Road transport	600	41,281	81,405	79,959	89,818	68,670	50,530	111,698	114,080	112,298	120,056	461,048	1,331,443	1,120,251	1,094,021
Environmental protection	–	48	1,061	274	–	1,466	140	541	586	3,500	5,036	5,643	18,294	14,880	6,942
Trading services	**46,435**	**91,086**	**184,971**	**230,881**	**271,352**	**184,186**	**98,914**	**331,763**	**457,582**	**683,343**	**908,228**	**1,451,046**	**4,939,787**	**6,761,392**	**7,166,070**
Energy sources	19,135	33,536	61,455	86,526	73,211	47,886	53,394	96,013	131,917	97,834	120,129	250,703	1,071,737	1,422,800	1,643,542
Water management	11,700	27,750	40,600	48,948	59,300	64,250	29,000	96,300	187,480	394,755	587,500	819,147	2,366,730	3,097,400	3,297,047
Waste water management	14,500	28,500	47,000	59,490	101,800	70,250	12,450	104,259	100,650	149,550	156,450	290,214	1,135,113	1,673,849	1,716,148
Waste management	1,100	1,300	35,916	35,916	37,041	1,800	4,070	35,191	37,536	41,205	44,150	90,982	366,207	567,344	509,333
Other	**50**	**200**	**265**	**1,025**	**1,103**	**860**	**1,230**	**1,185**	**1,035**	**910**	**580**	**375**	**8,818**	**7,395**	**5,695**
Total Capital Expenditure - Functional	**81,629**	**197,698**	**356,211**	**413,726**	**455,857**	**356,660**	**235,626**	**643,624**	**775,707**	**1,098,538**	**1,272,572**	**2,519,706**	**8,407,556**	**9,815,321**	**10,106,785**

Table 60 MBRR Table SA30 - Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2018/19												Medium Term Revenue and Expenditure Framework		
R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Cash Receipts By Source															
Property rates	672,677	694,293	843,900	874,758	759,268	731,841	758,694	764,613	792,717	664,121	767,367	644,738	8,968,987	9,795,009	10,630,877
Service charges - electricity revenue	1,044,042	1,131,949	1,141,678	1,108,658	1,014,750	1,005,648	958,336	987,368	1,040,998	990,732	1,046,695	1,022,350	12,493,203	13,405,819	14,740,079
Service charges - water revenue	195,839	204,713	199,671	240,073	235,942	253,302	271,994	305,660	264,209	269,170	223,519	223,506	2,887,599	4,245,074	5,029,244
Service charges - sanitation revenue	96,229	99,632	90,059	103,967	89,027	90,008	108,615	123,425	116,466	129,032	130,321	143,062	1,319,842	1,958,382	2,321,376
Service charges - refuse revenue	76,422	81,048	73,736	80,511	75,080	79,361	73,826	75,187	84,636	74,155	83,228	65,210	922,399	1,013,415	1,121,776
Service charges - other	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rental of facilities and equipment	16,563	15,174	14,094	13,731	15,164	16,953	15,565	16,318	16,703	14,897	14,496	15,122	184,780	175,593	174,152
Interest earned - external investments	70,816	72,481	67,704	68,315	63,830	84,722	74,350	66,015	80,694	81,301	89,616	116,667	936,513	989,834	1,020,077
Interest earned - outstanding debtors	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Dividends received	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits	20,166	19,211	17,436	23,321	21,367	20,556	19,638	21,465	23,053	21,159	22,381	26,280	256,032	270,114	285,105
Licences and permits	1,128	4,631	3,766	3,693	5,073	4,193	2,744	4,373	3,782	3,236	4,655	4,776	46,050	48,432	51,120
Agency services	16,810	16,810	16,810	16,810	16,810	16,810	16,810	16,810	16,810	16,810	16,810	16,810	201,723	212,818	224,629
Transfer receipts - operational	1,193,836	256,226	85,995	167,574	358,446	537,460	115,098	86,351	1,444,485	–	–	(0)	4,245,472	4,461,535	4,718,167
Other revenue	131,407	802,936	107,490	139,960	135,776	809,534	130,348	136,432	796,984	88,053	178,631	55,875	3,513,426	3,661,559	3,847,473
Cash Receipts by Source	**3,535,935**	**3,399,104**	**2,662,340**	**2,841,373**	**2,790,534**	**3,650,387**	**2,546,018**	**2,604,017**	**4,681,537**	**2,352,666**	**2,577,718**	**2,334,395**	**35,976,026**	**40,237,586**	**44,164,076**
Other Cash Flows by Source															
Transfer receipts - capital	594,985	48,075	81,025	125,232	251,860	212,720	44,925	275,482	433,593	–	–	(0)	2,067,896	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) & Transfers and subsidies - capital (in-kind - all)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Proceeds on disposal of PPE	–	–	–	–	–	–	–	–	–	–	–	120,070	120,070	124,883	160,952
Short term loans	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing	–	–	–	–	–	–	–	–	–	–	–	4,000,000	4,000,000	5,700,000	6,000,000
Increase (decrease) in consumer deposits	–	–	–	–	–	–	–	–	–	–	–	38,688	38,688	42,557	46,813
Decrease (Increase) in non-current debtors	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Decrease (increase) other non-current receivables	–	–	–	–	–	–	–	–	–	–	–	1,946	1,946	1,849	1,756
Decrease (increase) in non-current investments	–	–	–	–	–	–	–	–	–	–	–	(238,708)	(238,708)	(267,859)	(298,475)
Total Cash Receipts by Source	**4,130,920**	**3,447,180**	**2,743,365**	**2,966,605**	**3,042,394**	**3,863,107**	**2,590,943**	**2,879,498**	**5,115,130**	**2,352,666**	**2,577,718**	**6,256,392**	**41,965,919**	**47,957,856**	**52,371,454**

Table continues on next page

MONTHLY CASH FLOWS	Budget Year 2018/19												Medium Term Revenue and Expenditure Framework		
R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Cash Payments by Type															
Employee related costs	975,881	978,201	1,032,227	997,009	1,534,885	1,010,903	1,016,642	1,042,839	1,098,462	1,054,231	1,032,227	1,067,403	12,840,909	13,718,008	14,790,029
Remuneration of councillors	13,363	13,008	13,101	13,325	13,448	13,681	13,578	15,729	13,892	13,899	18,340	14,276	169,640	180,666	192,500
Finance charges	49,198	–	157,771	–	–	434,778	45,765	–	154,747	–	–	138,618	980,877	1,418,058	1,666,828
Bulk purchases - Electricity	948,945	1,075,193	1,022,231	605,200	608,799	586,516	561,943	586,240	559,200	598,782	571,532	616,821	8,341,400	8,991,000	9,691,800
Bulk purchases - Water & Sewer	99,926	93,573	96,534	103,589	103,452	89,985	87,938	107,836	105,800	98,787	87,781	70,531	1,145,732	1,905,898	2,047,235
Other materials	107,262	107,262	107,262	107,262	107,262	107,262	107,262	107,262	107,262	107,262	107,262	75,398	1,255,285	1,399,291	1,465,941
Contracted services	504,593	504,593	504,593	504,593	504,593	504,593	504,593	504,593	504,593	504,593	504,593	454,167	6,004,687	6,363,514	6,790,937
Transfers and grants - other municipalities	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfers and grants - other	113,923	4,419	–	–	–	3,732	–	11,196	–	61,410	17,187	121,940	333,807	356,864	365,224
Other expenditure	321,979	157,666	169,791	162,893	173,276	173,053	144,450	134,605	173,444	199,380	159,835	191,600	2,161,972	2,381,931	2,519,338
Cash Payments by Type	**3,135,069**	**2,933,916**	**3,103,511**	**2,493,870**	**3,045,714**	**2,924,503**	**2,482,171**	**2,510,299**	**2,717,400**	**2,638,344**	**2,498,757**	**2,750,754**	**33,234,309**	**36,715,229**	**39,529,833**
Other Cash Flows/Payments by Type															
Capital assets	1,201,631	376,704	281,752	591,742	738,542	1,068,087	283,756	494,778	719,036	603,297	793,998	413,476	7,566,800	8,833,789	9,096,106
Repayment of borrowing	66,958	–	79,481	–	–	186,667	50,000	–	79,481	–	–	20,000	482,586	745,678	932,295
Other Cash Flows/Payments	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Cash Payments by Type	**4,403,658**	**3,310,621**	**3,464,744**	**3,085,612**	**3,784,257**	**4,179,257**	**2,815,927**	**3,005,077**	**3,515,917**	**3,241,642**	**3,292,755**	**3,184,230**	**41,283,695**	**46,294,696**	**49,558,234**
NET INCREASE/(DECREASE) IN CASH HELD	**(272,738)**	**136,559**	**(721,378)**	**(119,006)**	**(741,862)**	**(316,150)**	**(224,984)**	**(125,579)**	**1,599,213**	**(888,975)**	**(715,037)**	**3,072,161**	**682,224**	**1,663,160**	**2,813,220**
Cash/cash equivalents at the month/year begin:	5,128,579	4,855,841	4,992,400	4,271,022	4,152,015	3,410,153	3,094,003	2,869,020	2,743,441	4,342,654	3,453,678	2,738,641	5,128,579	5,810,803	7,473,963
Cash/cash equivalents at the month/year end:	4,855,841	4,992,400	4,271,022	4,152,015	3,410,153	3,094,003	2,869,020	2,743,441	4,342,654	3,453,678	2,738,641	5,810,803	5,810,803	7,473,963	10,287,183

2.12 Annual budgets – internal departments

2.12.1 Area Based Service Delivery (Vote 1)

The directorate was established on 1 January 2017 through the Organisational Development and Transformation Programme (ODTP) and aims to embed a customer-centred service delivery improvement programme aimed at:

- improving service delivery at a local level through an integrated customer-centric service delivery model; and
- improve area co-ordination and management of service delivery in a specified area with agreed upon area boundaries.

This will ensure that all City services are operational, functional and measurable in line with the five strategic pillars within 4 demarcated geographical areas.

The directorate consists of the following departments/functions:

- **Customer Relations**
  The Customer Relations (CR) unit provides an effective and efficient customer relations service to the City's customers to address their requirements in terms of access to municipal service delivery, thereby creating a positive image of the City.
  The goal of the unit is to provide a contact centre service to the City's residents and businesses that will ensure a speedy and effective response to customer enquiries and service requests relating to accounts enquiries, general enquiries and service delivery, thereby supporting a customer centric organisation. This is in line with Strategic Focus Area (SFA) 4 of the IDP - "An inclusive City". The focus is to improve the overall customer experience while engaging with the City.

- **Public Participation**
  This unit is responsible for co-ordinating, advising and executing public participation across the City. These functions have been included within this directorate in order to allow for improved interactions with the local community in respect of matters such as organising, advising, coordinating, communicating and distributing information as public participation focuses on involvement of the local community in the affairs of the City.

- **Mayoral Urban Regeneration Programmes**
  This function is tasked to facilitate, co-ordinate and support interventions aimed at addressing nodal priorities as identified by communities and directed by strategic intents of the City. The main purpose of the function is to uplift former neglected, dysfunctional CBDs, Town Centres and Community Nodes by improving safety, quality of life and socio-economic situation, with a focus on the public and shared environment. It also seeks to introduce sustainable integrated urban management of public infrastructure in partnership with communities, public and private sector stakeholders.

- **City Improvement District Unit**

  The City Improvement District model is aimed at turning around / preventing degeneration of areas by facilitating upliftment, economic growth and sustainable development through urban management, cleaning of grime and combatting crime and improving service delivery in an affordable and sustainable manner. The CID Unit is the point of entry for all matters relating to CIDs as it facilitates the corporate involvement and provides strategic leadership and corporate direction by managing processes and co-ordinating CIDs within the City to ensure that they are compliant, affordable and sustainable.

  The CID Unit is responsible for the establishment, renewal, extension of CID boundaries and financial oversight/modelling/reporting. It reviews and maintains the legislative framework and ensures that the CIDs business plans are aligned with the City's IDP, supports the objectives of the SA Constitution and the Integrated Urban Development Framework. The CID Unit is the catalyst in fast tracking good governance to create safe, clean and sustainable environments for CIDs to focus on urban management and service delivery as they are an alternative funding solution for urban management and assist the City to use resources optimally to ensure better value for money.

- **Area Departments**
  - SubCouncils

    This unit renders strategic, operational and specialist support to the decision-making structures within the City. It establishes, institutes and manages the activities of Subcouncils and Ward Participatory Mechanisms. It undertakes transversal management through the Area Based Service Delivery Model implemented across the four Areas.
  - Area Economic Development

    This unit is responsible for local tourism development as well as informal trading. The main purpose is the co-ordination and development of amenities, facilities, products and services that support host communities to deliver quality experiences for visitors and residents well-being. It will also tap into the collective wisdom of local operator's knowledge, facilitate new tourism, partnership and investment and ensure that growth benefits the poor and is accepted by the wider community. The unit is also responsible for the day-to day management of informal traders and markets.

Table 61 Area Based Service Delivery (Vote 1) - operating revenue by source, expenditure by type and total capital expenditure

Directorate: Area-Based Service Delivery									
Budgeted Financial Performance (revenue and expenditure)									
Description	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Operating Revenue By Source									
Property rates	134,172	150,645	169,260	198,921	198,921	198,921	215,691	227,554	240,183
Service charges - electricity revenue	–	–	–	–	–	–	–	–	–
Service charges - water revenue	–	–	–	–	–	–	–	–	–
Service charges - sanitation revenue	–	0	–	–	–	–	–	–	–
Service charges - refuse revenue	–	–	–	–	–	–	–	–	–
Service charges - other	–	–	–	–	–	–	–	–	–
Rental of facilities and equipment	228	–	–	–	–	–	–	–	–
Interest earned - external investments	–	–	–	–	–	–	–	–	–
Interest earned - outstanding debtors	843	756	927	0	0	0	0	0	0
Dividends received	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits	–	621	–	–	–	–	–	–	–
Licences and permits	1	(48)	(31)	–	–	–	–	–	–
Agency services	–	–	–	–	–	–	–	–	–
Transfers and subsidies	4,341	2,727	469	886	1,354	1,354	886	886	886
Other revenue	2,931	3,613	3,760	2,224	2,224	2,224	2,346	2,475	2,612
Gains on disposal of PPE	18	10	19	–	–	–	–	–	–
Total Operating Revenue (excluding capital transfers and contributions)	**142,534**	**158,323**	**174,404**	**202,031**	**202,499**	**202,499**	**218,923**	**230,915**	**243,681**
Operating Expenditure By Type	–	–	–	–	–	–	–	–	–
Employee related costs	149,639	159,205	174,446	230,656	226,405	226,405	254,005	267,586	289,949
Remuneration of councillors	–	–	–	–	–	–	–	–	–
Debt impairment	4,025	4,519	5,078	5,968	5,968	5,968	6,471	6,471	6,471
Depreciation & asset impairment	6,754	7,186	(4,872)	10,314	9,054	9,054	10,604	10,432	11,622
Finance charges	–	–	–	1,074	–	–	–	–	–
Bulk purchases	–	–	–	–	–	–	–	–	–
Other materials	195	280	805	8,583	5,478	5,478	5,050	5,061	5,072
Contracted services	18,941	21,199	22,763	72,192	58,019	58,038	60,563	80,126	83,408
Transfers and subsidies	19,835	24,414	16,518	5,312	6,487	6,487	8,450	7,158	7,555
Other expenditure	158,999	176,620	197,513	212,911	213,254	213,235	231,353	244,262	258,004
Loss on disposal of PPE	3	11	8	–	3	3	3	3	4
Total Operating Expenditure	**358,391**	**393,434**	**412,259**	**547,009**	**524,668**	**524,668**	**576,498**	**621,100**	**662,085**
Surplus/(Deficit)	**(215,857)**	**(235,111)**	**(237,854)**	**(344,978)**	**(322,169)**	**(322,169)**	**(357,575)**	**(390,185)**	**(418,403)**
Transfers & subsidies capital NT & PT	3,490	356	2,344	2,259	2,259	2,259	150	35,350	35,350
Transfers & subsidies capital agency,oth	–	–	–	–	–	–	–	–	–
Transfers & subsidies capital in-kind	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	**(212,367)**	**(234,755)**	**(235,510)**	**(342,719)**	**(319,910)**	**(319,910)**	**(357,425)**	**(354,835)**	**(383,053)**
Taxation	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after taxation	**(212,367)**	**(234,755)**	**(235,510)**	**(342,719)**	**(319,910)**	**(319,910)**	**(357,425)**	**(354,835)**	**(383,053)**
Attributable to minorities	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality	**(212,367)**	**(234,755)**	**(235,510)**	**(342,719)**	**(319,910)**	**(319,910)**	**(357,425)**	**(354,835)**	**(383,053)**
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	**(212,367)**	**(234,755)**	**(235,510)**	**(342,719)**	**(319,910)**	**(319,910)**	**(357,425)**	**(354,835)**	**(383,053)**
Capital Expenditure	**6,981**	**11,287**	**12,384**	**39,430**	**19,648**	**19,576**	**13,110**	**82,870**	**74,870**

2.12.2 Assets & Facilities Management (Vote 2)

The Assets & Facilities Management directorate was established with the intention to engage in the complete asset lifecycle management including the phases of Planning, Acquisition, Holding and Disposal. Due to the fact that the City has a substantial portfolio of assets, the efficient and effective distribution and management of these assets is critical to the sustained service delivery objectives of the City and the community it serves.

The core functions and objectives of this directorate are:

- **Property Management**
  The purpose of this department is to ensure a sustained and cost effective Real Estate, Property Development and Immovable Property Asset Management Functionality. Property Management as the custodian of immovable property is accountable for oversight of the deployment, use and performance of all immovable property assets as well as the creation and retirement of immovable assets. The purpose of the Priority Assets branch in Property Management is to ensure the financial sustainability of key City assets and the utilisation of these assets in promoting Cape Town as a premier events destination.

- **Home Ownership Transfer, Tenancy Management and Staff Housing**
  The Home Ownership Transfer, Tenancy Management and Staff Housing department is responsible to direct, manage and control the operations with regards to the transfer of City's Public Housing Assets as well as for tenancy transfer and management. The department is also responsible for the development and implementation of maintenance plans by assessing conditions, maintenance costing, and roll-out. The department also manages and administers properties envisaged to be retained as operational staff housing.

- **Facilities Management**
  This department provides Transversal Facilities Management and Maintenance Services to the directorate and to devolved asset users and will develop a facilities management and maintenance support strategy, facilitate period tenders, assist with tender specifications and quality control.

- **Fleet Management**
  The main function of this department is to provide a comprehensive fleet management service to fulfil the City's vehicles, plant and workshop requirements. Approximately 4 000 Fleet (Vehicles and Plant Equipment) and the devolved fleets (self–owned vehicles and plant) are managed by this section i.e.
  - Attend to special projects, emergencies in support of Disaster Management Services and other Directorates (e.g. emergencies, whale recoveries, informal housing fires etc.);
  - Ensure availability of Fleet;
  - Procurement and disposal of Fleet;
  - Repairs and maintenance of Fleet;
  - On road fuelling of the Fleet;
  - Introduce fuel saving projects;
  - Private hire management of Fleet;
  - Legislative compliance; and
  - Fleet utilisation.

Significant capital projects to be undertaken over the medium term include, amongst others:

- Facilities Management Structural Rehabilitation of the Cape Town Civic Centre, which includes the upgrading of the Ablution facilities;
- Establishment of Municipal Courts;
- Security Hardening of various facilities;
- Replacement of Vehicles / Plant and associated equipment;
- Development of a Fleet Management Information System;
- Upgrading of the Fleet Workshops;
- Upgrading of Priority Assets such Athlone Stadium, City Hall and Grand Parade;
- Acquisition of land for Municipal Purposes;
- Major Upgrading of Housing Rental Stock; and
- Installation of Rental Stock Sub-Meters as part of the Water Resilience Programme.

Table 62 Assets & Facilities Management (Vote 2) - operating revenue by source, expenditure by type and total capital expenditure

Directorate: Assets & Facilities Management									
Budgeted Financial Performance (revenue and expenditure)									
Description	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Operating Revenue By Source									
Property rates	–	–	–	–	–	–	–	–	–
Service charges - electricity revenue	–	–	–	–	–	–	–	–	–
Service charges - water revenue	–	–	–	–	–	–	–	–	–
Service charges - sanitation revenue	–	–	–	–	–	–	–	–	–
Service charges - refuse revenue	–	2	–	–	–	–	–	–	–
Service charges - other	–	–	524	532	532	532	532	695	848
Rental of facilities and equipment	343,369	331,672	338,944	388,531	346,710	346,710	350,315	369,582	390,109
Interest earned - external investments	232	–	121	95	95	95	100	105	111
Interest earned - outstanding debtors	10,575	8,007	6,612	9,606	9,606	9,606	10,135	10,692	11,286
Dividends received	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits	3	1,039	455	–	–	–	–	–	–
Licences and permits	52	91	7	–	–	–	–	–	–
Agency services	–	–	–	–	–	–	–	–	–
Transfers and subsidies	27	–	–	1,000	9,673	9,673	3,000	16,500	39,673
Other revenue	21,421	23,283	31,079	19,823	19,823	19,823	20,566	21,697	22,902
Gains on disposal of PPE	62,530	114,441	25,687	34,000	34,000	34,000	35,870	37,843	39,943
Total Operating Revenue (excluding capital transfers and contributions)	**438,210**	**478,535**	**403,429**	**453,587**	**420,440**	**420,440**	**420,518**	**457,115**	**504,872**
Expenditure By Type									
Employee related costs	428,562	467,010	504,474	660,219	614,539	614,661	661,574	724,361	784,810
Remuneration of councillors	–	–	–	–	–	–	–	–	–
Debt impairment	170,317	124,317	104,843	159,259	159,259	159,259	152,024	148,716	153,863
Depreciation & asset impairment	310,756	325,716	320,862	372,706	370,610	370,610	201,125	215,763	227,647
Finance charges	2	1	5	30,959	–	–	–	–	–
Bulk purchases	–	–	–	–	–	–	–	–	–
Other materials	31,057	28,222	73,720	41,976	43,516	43,516	44,111	60,935	62,556
Contracted services	226,506	272,349	272,825	389,922	399,140	398,525	481,131	498,456	544,360
Transfers and subsidies	5,311	2,505	256	1,500	1,500	1,500	–	–	–
Other expenditure	266,564	263,973	282,122	194,940	121,175	121,668	117,553	161,156	171,089
Loss on disposal of PPE	1,666	3,137	5,408	28	28	28	29	31	33
Total Operating Expenditure	**1,440,741**	**1,487,231**	**1,564,514**	**1,851,509**	**1,709,767**	**1,709,767**	**1,657,547**	**1,809,419**	**1,944,357**
Surplus/(Deficit)	**(1,002,532)**	**(1,008,695)**	**(1,161,086)**	**(1,397,922)**	**(1,289,327)**	**(1,289,327)**	**(1,237,029)**	**(1,352,305)**	**(1,439,485)**
Transfers & subsidies capital NT & PT	269,339	93,576	95	–	–	–	–	–	–
Transfers & subsidies capital agency,oth	–	–	10,526	–	–	–	–	–	–
Transfers & subsidies capital in-kind	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	**(733,192)**	**(915,120)**	**(1,150,465)**	**(1,397,922)**	**(1,289,327)**	**(1,289,327)**	**(1,237,029)**	**(1,352,305)**	**(1,439,485)**
Taxation	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after taxation	**(733,192)**	**(915,120)**	**(1,150,465)**	**(1,397,922)**	**(1,289,327)**	**(1,289,327)**	**(1,237,029)**	**(1,352,305)**	**(1,439,485)**
Attributable to minorities	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality	**(733,192)**	**(915,120)**	**(1,150,465)**	**(1,397,922)**	**(1,289,327)**	**(1,289,327)**	**(1,237,029)**	**(1,352,305)**	**(1,439,485)**
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	**(733,192)**	**(915,120)**	**(1,150,465)**	**(1,397,922)**	**(1,289,327)**	**(1,289,327)**	**(1,237,029)**	**(1,352,305)**	**(1,439,485)**
Capital Expenditure	**505,910**	**289,059**	**358,089**	**394,119**	**430,422**	**424,688**	**413,287**	**301,701**	**91,372**

2.12.3 City Manager (Vote 3)

The City Manager heads the administration of the City and chairs the Executive Management Team (EMT) of the City, whose primary responsibility is advising the City Manager on strategy and policy. The EMT also supports the City Manager by driving the implementation of strategic programmes within the 5-year Integrated Development Plan (IDP).

Contained within the City Manager directorate are two strategic functionaries that advise the City Manager on policy decisions and ensures compliance.

The recent structure change (adopted at Council in April 2018) saw the Probity department move from Corporate Service directorate to the City Manager directorate. The Probity department provides independent, objective and reliable assurance and advisory services, which is designed to add value and improve the City's operations. It further assists the City to accomplish its objectives by bringing about a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes, forensics, ethics, integrity and other investigations.

Table 63 City Manager (Vote 3) - operating revenue by source, expenditure by type and total capital expenditure

Directorate: City Manager									
Budgeted Financial Performance (revenue and expenditure)									
Description	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Operating 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	–	–	–	–	–	–	–	–	–
Interest earned - external investments	–	–	–	–	–	–	–	–	–
Interest earned - outstanding debtors	–	–	–	–	–	–	–	–	–
Dividends received	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits	–	–	–	–	–	–	–	–	–
Licences and permits	–	–	–	–	–	–	–	–	–
Agency services	–	–	–	–	–	–	–	–	–
Transfers and subsidies	–	–	–	–	–	–	–	–	–
Other revenue	2	15	14	10	10	10	11	11	12
Gains on disposal of PPE	6	2	2	–	–	–	–	–	–
Total Operating Revenue (excluding capital transfers and contributions)	**9**	**18**	**15**	**10**	**10**	**10**	**11**	**11**	**12**
Expenditure By Type									
Employee related costs	72,752	79,812	80,929	111,489	103,349	103,349	138,463	150,371	163,002
Remuneration of councillors	–	–	–	–	–	–	–	–	–
Debt impairment	–	–	–	–	–	–	–	–	–
Depreciation & asset impairment	1,189	1,227	934	1,043	973	973	1,218	1,045	926
Finance charges	–	–	–	169	–	–	–	–	–
Bulk purchases	–	–	–	–	–	–	–	–	–
Other materials	10	29	109	1,132	1,046	1,046	989	990	990
Contracted services	835	599	446	3,166	1,400	1,392	1,416	1,487	1,561
Transfers and subsidies	–	–	–	–	–	–	–	–	–
Other expenditure	15,659	16,677	19,393	16,895	16,976	16,984	18,533	19,551	20,635
Loss on disposal of PPE	7	10	5	–	–	–	–	–	–
Total Operating Expenditure	**90,451**	**98,354**	**101,816**	**133,896**	**123,744**	**123,744**	**160,619**	**173,444**	**187,114**
Surplus/(Deficit)	**(90,443)**	**(98,336)**	**(101,800)**	**(133,886)**	**(123,734)**	**(123,734)**	**(160,609)**	**(173,432)**	**(187,103)**
Transfers & subsidies capital NT & PT	–	–	–	–	–	–	–	–	–
Transfers & subsidies capital agency,oth	–	–	–	–	–	–	–	–	–
Transfers & subsidies capital in-kind	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	**(90,443)**	**(98,336)**	**(101,800)**	**(133,886)**	**(123,734)**	**(123,734)**	**(160,609)**	**(173,432)**	**(187,103)**
Taxation	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after taxation	**(90,443)**	**(98,336)**	**(101,800)**	**(133,886)**	**(123,734)**	**(123,734)**	**(160,609)**	**(173,432)**	**(187,103)**
Attributable to minorities	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality	**(90,443)**	**(98,336)**	**(101,800)**	**(133,886)**	**(123,734)**	**(123,734)**	**(160,609)**	**(173,432)**	**(187,103)**
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	**(90,443)**	**(98,336)**	**(101,800)**	**(133,886)**	**(123,734)**	**(123,734)**	**(160,609)**	**(173,432)**	**(187,103)**
Capital Expenditure	**763**	**816**	**997**	**2,404**	**2,523**	**2,224**	**735**	**735**	**760**

2.12.4 Corporate Services (Vote 4)

The Corporate Services directorate is a transversal directorate by nature. Its core purpose is to provide multi-disciplinary services and professional partnerships to directorates, supporting and enabling service delivery for the City through value adding programmes, systems, processes, policies and knowledge management.

The core functions and objectives of this directorate are:

- **Executive and Council Support**
  The department provides an interface between the executive and decision-making structures and the organisation through effective and efficient facilitation of the decision-making process.

  To this end, the department drives, develops, manages and maintains sound governance systems, processes and procedures as key components of the professional support given to Council and its committees, the Executive Mayor, the Mayoral Committee, the City Manager and his Executive Management Team, and the organisation as a whole. It also drives the implementation of the City's Language Policy as well as the promotion of multilingualism.

  Its Councillor Support branch provides operational and institutional support to all councillors.

- **Legal Services**
  To provide an effective and efficient legal support service to Council in order to enable it to comply with its Constitutional Mandate and within the relevant legislative framework, so as to manage and limit the legal risks of the City.

- **Human Resources**
  The purpose of Human Resources is to render a professional, efficient and effective service to the City. The overarching aim is to ensure the City is recognised as a responsible, efficient and customer-centric employer and the HR benchmark within local government in South Africa by being a strategic business partner to business.

- **Information Systems & Technology (IS & T)**
  This department deploys its Digital City Strategy to maximize the use of Information and Communication Technologies (ICT) within the City and thereby improving services to officials, citizens, visitors and other stakeholders. As a strategic partner to Council and its various business lines, it aims to be a catalyst for the transformation of public services and to continue to enable the City to become a more efficient and effective local government authority. As a technology leader the IS & T department positions itself as a dependable and trusted change agent serving as the forefront of technological progress and innovation in order to render the City more sustainable for all its stakeholders.

- **Information and Knowledge Management**
  This department is responsible, at a corporate level, for ensuring that relevant institutional information, knowledge and records are managed, retained and shared across the organisation in order to support planning, service delivery and more efficient management.

The department also provides specialised support services to City departments including land surveying, geographic data management, map production, 3D modelling and information and records management services.

Significant capital projects to be undertaken over the medium term include, amongst others:
- Construction of a Metro Area Fibre Optic Network;
- Enhance Corporate Business Systems;
- Renew ICT Infrastructure; and
- Update of aerial photography for municipal area.

The following additional key programmes and projects will be undertaken:
- Staff Engagement Survey;
- Enhancement of the Open Data Portal;
- Records Management Programme including the enabling of Electronic Records Management, Occupational Health and Safety Management programme;
- Enable Mobile Government;
- Enable Corporate Business Services;
- e-HR Programme;
- Talent Management Programme; and
- External Skills Development programme (including external bursaries, learnerships, in-service training and apprenticeships).

The recent structure change (adopted at Council in April 2018) saw the Strategic Governance directorate (excluding the Probity department who moved to the City Manager directorate) move to the Corporate Services directorate.

The following functional areas (departments) now form part of Corporate Services:

- **Organisational Effectiveness**
  This department is a Centre of Excellence established to provide the organisation with strategies, tools and resources through its focus in driving strategic change through the People Strategy; Operational Excellence and Innovation in order to improve service delivery and drive customer centricity through a culture of collaboration and transversal management. Ultimately the department must drive the City's Government Modernization initiatives to prepare the City for future challenges and opportunities. The department also provides strategic direction and develops corporate guidelines for the implementation of the City's Employment Equity (EE) Policy and EE Plan, which forms the basis of the City's transformation agenda.

- **Communication**
  The department provides a range of specialist communication services to all departments of the City around all facets of communication. One of the main deliverables involves managing the City's Corporate Brand and media strategies, which in turn builds towards positive perceptions and reputation for the City. Services provided include: media, communication strategy and campaign development, publications, electronic communications, photography, videography and audio-visual services. The dimensions of the department's activities are defined by the Corporate Brand Strategy, Brand Architecture and the Media and Communication Strategies of the City.

- **Enterprise and Investment**

The department is concerned with creating and sustaining the enabling environment required to attract investment into the City for the purpose of generating inclusive economic growth and job creation as well as improve the ease of doing business within the City for investors & SMME's. The department develops strategies and provides guidance for catalytic economic sectors and works with sector organisations on specific deliverables in value chains, clustering and partnerships. It advises on incentives for investors and performs "one-stop-shop" investment facilitation services for both firm-level investors and larger property investors. It runs the Atlantis Investment Facilitation office, which offers facilitation services in a Special Economic Zone.

It offers support services to Small Medium and Micro Enterprises (SMMEs) and co-ordinates efforts to ease the cost of doing business in the city. It works on destination marketing, with specific emphasis on growing the investment and tourism brands of the City.

The department also co-ordinates the international relations function of the City and works closely with Wesgro, the trade and investment promotion agency of Cape Town and the Western Cape.

- **Organisation Performance Management**

To manage and monitor the City's performance and benchmark the City's organisational performance management against international best practise in order to improve service delivery quality, accountability and create a mind-set of continuous improvement through performance systems and processes.

- **Organisational Policy and Planning**

The department has the role of leading, managing and supporting the organisation's policy and planning processes including the City's corporate policy process, the development and review of the IDP, the development and review of by-laws; the provision of legal comments on draft national and provincial legislation, and research and evidence gathering and analysis to support decision-making.

The department also provides support for transversal management systems and processes in the City, including for the Executive Leadership.

- **Executive Coordination**

This department ensures the efficient and effective management of support services for the executive political offices of the Executive Mayor, Executive Deputy Mayor, Chief Whip and Speaker by providing strategic transversal services. The branch includes STS Administration, the VIP Unit, the Stakeholder Unit, Events and Protocol who are all engaged in supporting the executive offices.
Resilience

The Resilience Office, working with multiple internal and external stakeholders, and partnering with 100 Resilient Cities, is tasked with developing Cape Town's first ever City Resilience Strategy, and associated initiatives. The aim of the strategy is to help the city as whole, inclusive of all its people, organisations and systems, to survive, adapt and thrive no matter what shocks and stresses are experienced. Internally within the organisation, the Resilience Office is expected to lead the mainstreaming of resilience thinking among staff in order to ensure that the principle of resilience is embedded in line with the provisions of the current IDP.

Selected initiatives in the 2018/19 financial year

- Facilitation and management of the City's Strategic Management Framework process (2019/20)
- Preparation of the City's Strategic policy agenda
- Facilitation and management of the IDP 2019/20 review and amendment process
- City of Cape Town Research Strategy and action plan
- Backyard information project (Phase 2 – communication, further analytics, system proposal)
- Economic impact modelling
- Quarterly reports on the State of the Cape Town economy
- Annual Customer/Community Satisfaction Survey
- Project Portfolio Management: Organisational Development and Transformation Project (ODTP) enhancements
- Roll-out of information sessions on King IV and its supplements to Local Government to the City's leadership and line management in the various directorates in order to contribute towards the continuous improvements to the governance and the control environment of the City.
- Development of a range of multi-faceted communication campaigns to inform and educate residents on a range of City matters that affect them.
- Support smaller, more focused initiatives to inform and educate specific target audiences on various City services matters, at a local level.
- Leverage the City's corporate identity; logo and payoff line in a wide range of products to identify and showcase the work the City does.
- Visually document the City's business; be it photographs or video to showcase what the City does.
- Development of Cape Town's first City Resilience Strategy in partnership with *100 Resilient Cities.*

Table 64 Corporate Services (Vote 4) - operating revenue by source, expenditure by type and total capital expenditure

Directorate: Corporate Services									
Budgeted Financial Performance (revenue and expenditure)									
Description	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Operating 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	36	128	45	74	74	74	78	82	87
Interest earned - external investments	1,332	–	–	–	–	–	–	–	–
Interest earned - outstanding debtors	1	13	19	30	30	30	31	33	35
Dividends received	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits	1	2	0	1	–	–	–	–	–
Licences and permits	(8)	–	(5)	–	–	–	–	–	–
Agency services	–	–	–	–	–	–	–	–	–
Transfers and subsidies	7,966	12,986	7,552	12,799	28,220	28,220	27,707	28,019	16,000
Other revenue	45,271	32,560	56,448	57,484	52,485	52,485	55,371	58,417	61,659
Gains on disposal of PPE	195	279	273	–	–	–	–	–	–
Total Operating Revenue (excluding capital transfers and contributions)	**54,795**	**45,967**	**64,332**	**70,387**	**80,809**	**80,809**	**83,187**	**86,551**	**77,781**
Expenditure By Type									
Employee related costs	633,663	694,809	769,813	980,110	909,123	903,907	1,109,459	1,204,344	1,304,993
Remuneration of councillors	128,412	134,637	138,374	155,787	155,565	155,565	169,640	180,666	192,500
Debt impairment	(27)	(67)	31	–	–	–	–	–	–
Depreciation & asset impairment	130,462	145,901	168,605	165,695	177,403	177,403	187,808	203,371	209,174
Finance charges	–	–	–	16,891	–	–	–	–	–
Bulk purchases	–	–	–	–	–	–	–	–	–
Other materials	1,615	2,292	3,650	34,159	30,694	30,506	26,693	27,539	28,446
Contracted services	252,377	98,164	112,637	222,874	198,707	204,145	190,735	195,753	204,428
Transfers and subsidies	64,283	53,413	57,130	71,515	83,480	83,480	84,285	88,120	93,632
Other expenditure	358,228	528,545	513,537	540,410	462,083	462,017	415,762	438,952	450,137
Loss on disposal of PPE	84	122	112	77	77	109	81	86	90
Total Operating Expenditure	**1,569,098**	**1,657,814**	**1,763,888**	**2,187,517**	**2,017,132**	**2,017,132**	**2,184,462**	**2,338,830**	**2,483,400**
Surplus/(Deficit)	**(1,514,303)**	**(1,611,848)**	**(1,699,556)**	**(2,117,129)**	**(1,936,324)**	**(1,936,324)**	**(2,101,275)**	**(2,252,279)**	**(2,405,620)**
Transfers & subsidies capital NT & PT	8,800	11,475	989	1,000	1,103	1,103	1,000	–	–
Transfers & subsidies capital agency,oth	–	–	287	–	600	600	–	–	–
Transfers & subsidies capital in-kind	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	**(1,505,503)**	**(1,600,372)**	**(1,698,281)**	**(2,116,129)**	**(1,934,621)**	**(1,934,621)**	**(2,100,275)**	**(2,252,279)**	**(2,405,620)**
Taxation	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after taxation	**(1,505,503)**	**(1,600,372)**	**(1,698,281)**	**(2,116,129)**	**(1,934,621)**	**(1,934,621)**	**(2,100,275)**	**(2,252,279)**	**(2,405,620)**
Attributable to minorities	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality	**(1,505,503)**	**(1,600,372)**	**(1,698,281)**	**(2,116,129)**	**(1,934,621)**	**(1,934,621)**	**(2,100,275)**	**(2,252,279)**	**(2,405,620)**
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	**(1,505,503)**	**(1,600,372)**	**(1,698,281)**	**(2,116,129)**	**(1,934,621)**	**(1,934,621)**	**(2,100,275)**	**(2,252,279)**	**(2,405,620)**
Capital Expenditure	**323,414**	**337,912**	**266,229**	**366,613**	**379,349**	**378,041**	**354,597**	**342,571**	**336,546**

2.12.5 Energy (Vote 5)

The Constitution stipulates that an object of local government is to ensure the provision of services to communities in a sustainable manner. It also provides that a municipality has executive authority in respect of, and has the right to administer local government matters listed in Part B of Schedule 4 and Part B of Schedule 5. Electricity reticulation is a Schedule 4B function and street lighting is schedule 5B function, both of which the City has elected to exercise its authority and rights.

To meet this responsibility, the Energy directorate must ensure the provision of effective electricity reticulation and street lighting services in a sustainable manner through effective management of natural resources and service delivery infrastructure.

- **Electricity Generation and Distribution**
  The City's Electricity Generation and Distribution department reticulates electricity to residential and commercial/industrial customers in its electricity area of supply. The department holds a distribution licence from the National Energy Regulator of South Africa (NERSA). Under the NERSA licence, the standard of services provided must meet the requirements as set out in the national standards NRS047 and NRS048.

  The operating budget of which the largest component is electrical energy costs also supports the operation, maintenance, growth and refurbishment of the electricity distribution network that is the backbone for the provision of electricity reticulation services. Asset management plans where infrastructure projects are evaluated and graded on a risk matrix inform the capital budget.

  Access to electricity services for new consumers is achieved through the demand driven capital programme funded through shared network cost contributions for non-subsidised residential and commercial consumers. In the case of housing developments, which consist of dwellings for which the beneficiaries are eligible for Government housing subsidies, access to electricity services is subsidised via the Integrated National Electrification Plan (INEP) or Urban Settlements Development Grant (USDG) funding. In the case of informal housing, access to electricity services is undertaken through the department's electrification and backyarder plans, which are also INEP and USDG funded.

  The budget presented is based on a combination of zero as well as parameter based budgetary methods. The planned change is premised on the framework that will allow the finance function to add value to the business it serves. The financial plan is cognitive of the key cost drivers.

  Unless otherwise stated, financial modelling is based on the assumptions listed below:
  - System energy growth calculation based on recent and current energy consumptive patterns which are declining;
  - CPIX as determined by Corporate Finance for the next three years;
  - Effective Eskom increase for municipalities is assumed to be 7.32%; and
  - Collection ratio of 98% for the next three years.

The capital budget is funded from a number of funding sources with the Capital Replacement Reserve (CRR), External Financing Fund (EFF) and Grants & Donations (CGD) being the largest.

It is critically important to match the benchmark for the investment in refurbishment in accordance with international best practice to ensure good quality of supply and excellent customer and service delivery.

External Financing Fund (EFF) envelopes are set by Corporate Finance and increases in capital charges related to this funding source have an impact on tariffs. Non-generating revenue projects in respect of infrastructure and refurbishment are earmarked to be funded from CRR (revenue) rather than from EFF (loans). This practice over an extended period will have the effect of reducing tariff increase requirements.

Legislated principles, which are in the long-term interests of the electricity consumer in South Africa, inform the City's annual tariff adjustment process. In terms of these, electricity tariffs should reflect the underlying costs of supply for the majority of consumers. This will ensure that consumers make rational decisions on electricity consumption, and that the correct levels of resources are dedicated to electricity supply in South Africa over time. Tariff structure adjustments shall be introduced in a phased manner in order to give customers the opportunity to respond and adjust behavior accordingly. The Home User Tariff will be introduced this year for residential customers and the Large User Time of Use Tariffs for the commercial and industrial customers.

The department is also responsible for the provision of street and public lighting across the entire metro area of the City (both the City's and Eskom's electricity area of supply). This, however, excludes the provision of street lighting on national and provincial roads.

- **Sustainable Energy Markets**

  The newly created Sustainable Energy Markets department's focus will be to make Cape Town more energy secure by exploring all available options to buy energy directly from Independent Power Producers; encouraging embedded generation; developing a revenue model that is less reliant on the sale of electricity; and working towards a more sustainable mix of energy sources with a greater emphasis on renewables. This will include coordinating the implementation and monitoring of the City's Sustainable Energy Action Plan with departments and stakeholders towards achieving the Cape Town Energy 2040 vision, ensuring the continuation of improving the City's own energy use and carbon footprint by retrofitting City buildings and operations and promoting renewable energy technologies (solar water heating) and energy efficiency.

Table 65 Energy (Vote 5) - operating revenue by source, expenditure by type and total capital expenditure

Directorate: Energy

Budgeted Financial Performance (revenue and expenditure)

Description	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Operating Revenue By Source									
Property rates	–	–	–	–	–	–	–	–	–
Service charges - electricity revenue	9,981,814	11,202,784	11,763,615	11,942,546	11,942,546	11,942,546	12,591,403	13,519,095	14,865,239
Service charges - water revenue	–	–	–	–	–	–	–	–	–
Service charges - sanitation revenue	–	–	–	–	–	–	–	–	–
Service charges - refuse revenue	–	–	–	–	–	–	–	–	–
Service charges - other	–	–	–	–	–	–	–	–	–
Rental of facilities and equipment	453	517	794	820	820	820	975	1,028	1,085
Interest earned - external investments	0	–	–	–	–	–	–	–	–
Interest earned - outstanding debtors	19,868	21,678	21,736	22,000	22,000	22,000	25,800	27,219	28,730
Dividends received	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits	150	1,745	–	–	–	–	–	–	–
Licences and permits	–	–	–	–	–	–	–	–	–
Agency services	–	–	–	–	–	–	–	–	–
Transfers and subsidies	88,623	3,438	4,596	1,400	7,608	7,608	4,567	3,274	–
Other revenue	108,166	96,150	129,078	100,152	100,152	100,152	98,805	104,238	110,019
Gains on disposal of PPE	3,104	2,090	2,979	2,500	2,500	2,500	2,500	2,638	2,784
Total Operating Revenue (excluding capital transfers and contributions)	**10,202,179**	**11,328,403**	**11,922,798**	**12,069,418**	**12,075,626**	**12,075,626**	**12,724,050**	**13,657,492**	**15,007,857**
Expenditure By Type									
Employee related costs	786,445	909,886	937,460	1,145,547	1,084,980	1,083,515	1,203,294	1,300,153	1,402,895
Remuneration of councillors	–	–	–	–	–	–	–	–	–
Debt impairment	95,576	132,560	84,156	171,106	126,106	126,106	128,522	189,782	204,701
Depreciation & asset impairment	236,487	253,589	280,638	315,958	316,023	316,023	353,185	378,946	402,631
Finance charges	–	–	–	278	–	–	–	–	–
Bulk purchases	6,708,777	7,656,071	8,069,461	8,094,800	8,094,800	8,094,800	8,341,400	8,991,000	9,691,800
Other materials	92,384	86,650	92,510	136,750	134,742	134,197	134,931	141,465	148,475
Contracted services	275,785	203,714	200,903	284,564	285,460	287,560	315,872	332,357	347,787
Transfers and subsidies	–	–	–	–	–	–	–	–	–
Other expenditure	205,391	225,285	219,528	206,564	174,441	174,351	196,586	205,962	216,768
Loss on disposal of PPE	199	409	355	184	184	184	194	205	216
Total Operating Expenditure	**8,401,044**	**9,468,163**	**9,885,010**	**10,355,750**	**10,216,736**	**10,216,736**	**10,673,982**	**11,539,870**	**12,415,273**
Surplus/(Deficit)	**1,801,136**	**1,860,239**	**2,037,788**	**1,713,668**	**1,858,890**	**1,858,890**	**2,050,068**	**2,117,622**	**2,592,584**
Transfers & subsidies capital NT & PT	147,016	155,071	115,465	134,600	122,686	122,686	116,709	166,716	271,126
Transfers & subsidies capital agency,oth	31,762	44,220	45,412	52,900	64,400	64,400	44,200	46,600	50,100
Transfers & subsidies capital in-kind	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	**1,979,913**	**2,059,530**	**2,198,665**	**1,901,168**	**2,045,977**	**2,045,977**	**2,210,977**	**2,330,937**	**2,913,810**
Taxation	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after taxation	**1,979,913**	**2,059,530**	**2,198,665**	**1,901,168**	**2,045,977**	**2,045,977**	**2,210,977**	**2,330,937**	**2,913,810**
Attributable to minorities	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality	**1,979,913**	**2,059,530**	**2,198,665**	**1,901,168**	**2,045,977**	**2,045,977**	**2,210,977**	**2,330,937**	**2,913,810**
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	**1,979,913**	**2,059,530**	**2,198,665**	**1,901,168**	**2,045,977**	**2,045,977**	**2,210,977**	**2,330,937**	**2,913,810**
Capital Expenditure	**952,415**	**1,090,855**	**1,248,887**	**1,292,814**	**1,177,050**	**1,103,282**	**1,113,506**	**1,427,000**	**1,741,137**

2.12.6 Finance (Vote 6)

The ultimate aim of the Finance directorate is to ensure that excellent financial governance is embedded throughout the organisation, with clear internal controls, sustainable policies and standardised procedures that ensure legislative compliance whilst supporting the organisations strategic and service delivery mandates.

The departmental structure within the directorate consists of the Chief Finance Officer and seven (7) directors i.e. Budgets, Expenditure, Revenue, Supply Chain Management, Treasury, Grant Funding and Valuations.

The key projects contained within the 2018/19 capital budget of the Finance directorate support both financial control and enhanced service delivery and includes a number of strategically aligned projects including the E-Tender Tracking System, Walk-in Centre Table Bay Mall, Furniture & IT equipment and Security at Cash/MVR offices, all of which support the ease with which ratepayers can engage and do business with the City.

The departments in the Finance directorate are responsible, for inter alia:

- Budgeting, which gives financial effect to the strategic focus in the form of credible, viable and sustainable short, medium & long term financial planning.
- Maintaining accurate and complete financial records of the City to enhance decision-making thereby sustaining confidence in these records.
- Managing the City’s banking, investments, borrowings and cash flow in the most effective, economical and efficient manner.
- Billing and collecting money and funds due to the City.
- Controlling and monitoring all expenditure in order to embed sound financial discipline and ensure accountability for the use of public funds.
- Market related property valuations and the maintenance of compliant rates rebates in order to equitably levy rates on all rateable properties for the provision of the unconditional revenue stream to finance non-tariff funded services.
- Payment of creditors in compliance with MFMA provisions.
- Development and implementation of a comprehensive conditional grant fund, compliance and synergistic grant fund management structure.
- Development and reviewing of financial and finance-related policies.
- Ensuring compliance to relevant legislation, and the implementation and maintenance of good governance practices.
- Modelling the impact of the Total Municipal Account (TMA) on residents to ensure a fair distribution of the burden.
- Implementation of sound supply chain management policies and procedures - to improve on supply chain turnaround times.

Table 66 Finance (Vote 6) - operating revenue by source, expenditure by type and total capital expenditure

Directorate: Finance									
Budgeted Financial Performance (revenue and expenditure)									
Description	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Operating Revenue By Source									
Property rates	6,018,735	6,745,047	8,105,126	8,463,429	8,496,010	8,496,010	9,146,261	10,020,733	10,891,530
Service charges - electricity revenue	–	–	–	–	–	–	–	–	–
Service charges - water revenue	–	–	–	–	(386,492)	(386,492)	–	–	–
Service charges - sanitation revenue	–	(8)	–	–	–	–	–	–	–
Service charges - refuse revenue	–	(0)	–	–	(276,709)	(276,709)	(280,000)	(305,200)	(332,668)
Service charges - other	–	–	–	–	–	–	–	–	–
Rental of facilities and equipment	12	13	1	2	2	2	2	2	2
Interest earned - external investments	528,811	634,910	761,471	773,468	893,468	893,468	936,313	989,623	1,019,854
Interest earned - outstanding debtors	65,826	69,621	81,292	98,344	98,344	98,344	113,773	122,518	132,069
Dividends received	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits	158	679	738	444	444	444	469	494	522
Licences and permits	21	(0)	134	–	–	–	–	–	–
Agency services	156,007	171,430	175,296	151,151	151,151	151,151	189,464	199,885	210,978
Transfers and subsidies	3,597,519	4,024,225	4,392,031	4,783,642	4,783,506	4,783,506	5,184,897	5,499,697	5,883,071
Other revenue	21,184	42,976	47,235	36,722	36,722	36,722	60,506	63,834	67,367
Gains on disposal of PPE	120	142	37	–	–	–	–	–	–
Total Operating Revenue (excluding capital transfers and contributions)	**10,388,391**	**11,689,035**	**13,563,360**	**14,307,200**	**13,796,445**	**13,796,445**	**15,351,686**	**16,591,587**	**17,872,725**
Expenditure By Type									
Employee related costs	522,775	970,615	668,913	896,376	859,358	859,358	953,526	1,029,151	1,109,423
Remuneration of councillors	–	–	–	–	–	–	–	–	–
Debt impairment	83,404	48,666	105,223	342,843	342,843	342,843	370,028	397,726	425,422
Depreciation & asset impairment	8,860	9,725	10,355	14,626	13,440	13,440	208,051	208,776	206,313
Finance charges	751,056	718,520	691,000	992,773	950,768	950,768	1,046,917	1,522,411	1,843,009
Bulk purchases	–	–	–	–	–	–	–	–	–
Other materials	446	519	806	16,026	13,444	15,400	14,403	14,426	14,449
Contracted services	19,075	15,621	21,747	75,484	76,274	76,261	77,404	80,583	83,729
Transfers and subsidies	4,373	4,254	923	2,114	2,029	2,029	70,160	70,954	69,546
Other expenditure	710,447	795,290	918,374	1,030,353	374,884	372,941	406,406	432,400	460,296
Loss on disposal of PPE	36	48	114	–	–	–	–	–	–
Total Operating Expenditure	**2,100,471**	**2,563,258**	**2,417,454**	**3,370,596**	**2,633,040**	**2,633,040**	**3,146,896**	**3,756,426**	**4,212,187**
Surplus/(Deficit)	**8,287,919**	**9,125,777**	**11,145,906**	**10,936,604**	**11,163,405**	**11,163,405**	**12,204,790**	**12,835,161**	**13,660,538**
Transfers & subsidies capital NT & PT	598	100	–	50	128	128	600	–	–
Transfers & subsidies capital agency,oth	–	–	–	–	–	–	–	–	–
Transfers & subsidies capital in-kind	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	**8,288,518**	**9,125,877**	**11,145,906**	**10,936,654**	**11,163,533**	**11,163,533**	**12,205,390**	**12,835,161**	**13,660,538**
Taxation	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after taxation	**8,288,518**	**9,125,877**	**11,145,906**	**10,936,654**	**11,163,533**	**11,163,533**	**12,205,390**	**12,835,161**	**13,660,538**
Attributable to minorities	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality	**8,288,518**	**9,125,877**	**11,145,906**	**10,936,654**	**11,163,533**	**11,163,533**	**12,205,390**	**12,835,161**	**13,660,538**
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	**8,288,518**	**9,125,877**	**11,145,906**	**10,936,654**	**11,163,533**	**11,163,533**	**12,205,390**	**12,835,161**	**13,660,538**
Capital Expenditure	**43,231**	**38,133**	**23,989**	**18,036**	**14,610**	**14,444**	**20,549**	**65,419**	**35,411**

2.12.7 Informal Settlements, Water and Waste Services (Vote 7)

The Constitution stipulates that the City has a responsibility to ensure that its citizens have access to basic services. Municipal powers and functions are dealt with in Section 156 (Schedules 4B and 5B) of the Constitution. Specific functions are contained in Schedule 4B pertaining to electricity reticulation, water and sanitation and schedule 5B pertaining to cleansing, refuse removal, refuse dumps and solid waste disposal.

The Informal Settlements, Water & Waste Services directorate must ensure the provision of effective and reliable water, sanitation and solid waste management services through effective management of natural resources and service delivery infrastructure. The provision of electricity to backyard residences and informal settlements is in collaboration with the City's Energy directorate. It is also recognised that a transversal approach is necessary in addressing Informal Settlements and Backyarders where cross-cutting challenges prevail that touch on issues of poverty, social, economic, health, policing, engineering and many other functions.

The core purpose of the directorate is:

- To ensure sustainable municipal infrastructure and services (water, sanitation and solid waste management) that will enable economic development;
- To provide equitable access to basic services for all the citizens of Cape Town;
- Implementation of upgrading projects for informal settlements; and
- The provision of basic services to backyarders on Council-owned land as a priority across the City.

a. Informal Settlements & Backyarders

The Informal Settlements and Backyarders department leads the City's development of Informal Settlements and Backyarders by aiming to improve the overall living and upliftment of communities within the City, with specific focus on improving the livelihood of the poor. In this way, the department is supporting the National Outcome 8 imperatives and contributing tangibly to the upliftment of individuals, families and communities across Cape Town.

b. Solid Waste Management

The City's Solid Waste Management department is the service authority and regulator of waste management activities in Cape Town, per the system of delegations and the municipality's executive powers conferred on it by law. The City is responsible for services in the metropolitan municipal area (as a service authority or regulator).

c. Water & Sanitation

The core business of the Water and Sanitation department is to equitably and efficiently provide access to water and sanitation services to all citizens of the City in a sustainable, safe, reliable, environmentally friendly and financially viable way observing the dictates of sound good governance principles. The department continually seeks to introduce new and innovative methods of service delivery to its citizens whilst meeting all the legislative requirements.

2.12.7.1 Informal Settlements & Backyarders department

This department is responsible for the mainstreaming of basic service delivery to informal settlements and backyard dwellers so that there is an improvement in the living conditions of these communities.

The department's main purpose and approach towards the upgrading, delivery of basic services and daily management of informal settlements and backyarders can be summarised as follow:

- Strategic management and implementation of upgrading projects for informal settlements thus working with and not against informality;
- Giving priority to the provision of basic services (water and sanitation) to all informal settlements;
- Ensuring a rapid response at scale i.e. ensuring that some level of change and improvement occurs in all informal settlements within a short to medium period of time;
- Multi-pronged and flexible, consisting of a range of different responses which are responsive to and appropriate for local conditions;
- Giving priority to the upgrading and improvement of informal settlements in-situ with relocations being only undertaken as a last resort;
- To direct the implementation of strategic support (operational and functional) to informal settlements, ensuring meaningful community participation, engagement and local ownership, preventative measures and monitoring functions relating to all informal settlements;
- Implementation of planning -, engineering -, and operational services to informal settlements and backyards including the facilitation, preventative / monitoring and functional support functions relating to all Informal Settlements management;
- Maximising the use of scarce land by integrating and including informal settlements into the planning of the City;
- Understanding informal settlements in their spatial and socio-economic context;
- Ensuring that livelihoods and economic opportunities are afforded priority (protected or supported); and
- Improving access to public transport key social facilities.

The National Housing Code for the Upgrading of Informal Settlements Programme (UISP) is designed to facilitate the in-situ upgrading of informal settlements in a structured way. It includes the possible relocation and resettlement of people on a voluntary and co-operative basis, as may be appropriate.

Most of the existing informal settlements in Cape Town have been in existence for a considerable number of years and the households living in the informal settlements have made significant investments (in terms of their low incomes) both in terms of funds into their structures and their social capital into the community.

Backyard dwellings is a growing phenomenon in the country and is becoming more prominent in areas such as Du Noon, Doornbach, Joe Slovo in Milnerton, Khayelitsha and numerous state subsidised housing projects as well as public rental stock. This raises a challenge to provide adequate services to backyarders and requires infrastructure upgrades in areas unable to cope.

The Backyarder Implementation project provides basic services to backyard dwellers on City rental properties. It consists of basic services such as water, sanitation, solid waste and electricity. These properties are owned by the City and can either be freestanding rental units, or flat type units clustered together in one complex. Backyarders or backyarder families stay in structures at the back or on the side of these properties.

The initiative of providing basic services to backyard dwellers in City rental units will be rolled out across the City, where such installations are possible. Further areas for service installation will be identified. Progress on this programme will be measured against the number of households benefiting from access to basic services.

The future growth of the population in Cape Town will place continued and increasing strain on City resources and infrastructure. To this end, the City will focus on households living in informal settlements.

The City expedites the administrative incorporation of all informal settlements through a process of rapid assessment. This rapid assessment process provides an overview of the locality, scale and nature of informal settlements and, in particular, to better understand the priority needs as well as the site constraints and develop-ability pertaining to different settlements.

The initial categorisation of all informal settlements indicates the appropriate type of developmental response for each settlement based on a preliminary assessment of site develop-ability and formalisation potential. This is a normal part of building any project pipeline consisting of large numbers of projects, each with diverse complexities and particularities.

The outcome then enables strategic prioritisation of informal settlements for different developmental responses and the allocation of budgets for professional services and capital expenditure on multi-year expenditure frameworks (MTEF) (associated with further pre-feasibility and feasibilities studies, design, and implementation / construction e.g. emergency or basic services, land acquisition, full services, housing.

Table 67 Informal Settlements & Backyarders department (Vote 7) - operating revenue by source, expenditure by type and total capital expenditure

Directorate: Informal Settlements, Water & Waste Serv Department: Informal Settlements & Backyarders Budgeted Financial Performance (revenue and expenditure)									
Description	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Operating 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	9	1	(0)	–	–	–	–	–	–
Interest earned - external investments	65	–	–	–	–	–	–	–	–
Interest earned - outstanding debtors	–	–	–	–	–	–	–	–	–
Dividends received	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits	1	5	(1)	–	–	–	–	–	–
Licences and permits	0	0	–	–	–	–	–	–	–
Agency services	–	–	–	–	–	–	–	–	–
Transfers and subsidies	29,252	53,511	53,292	48,643	51,048	51,048	35,937	59,846	67,547
Other revenue	170	8	44	–	–	–	–	–	–
Gains on disposal of PPE	5	3	2	–	–	–	–	–	–
Total Operating Revenue (excluding capital transfers and contributions)	**29,502**	**53,529**	**53,337**	**48,643**	**51,048**	**51,048**	**35,937**	**59,846**	**67,547**
Expenditure By Type	–	–	–	–	–	–	–	–	–
Employee related costs	68,066	87,418	95,997	164,043	142,088	142,088	152,920	158,316	171,191
Remuneration of councillors	–	–	–	–	–	–	–	–	–
Debt impairment	–	–	–	–	–	–	–	–	–
Depreciation & asset impairment	15,498	17,523	18,997	23,133	22,826	22,826	29,041	36,997	42,968
Finance charges	–	–	–	1,500	–	–	–	–	–
Bulk purchases	–	–	–	–	–	–	–	–	–
Other materials	30,188	31,857	24,618	9,910	7,383	7,383	6,997	37,169	32,391
Contracted services	179,781	209,331	229,052	268,626	260,130	260,130	283,924	282,620	405,526
Transfers and subsidies	–	–	–	–	–	–	–	–	–
Other expenditure	32,632	32,826	31,681	34,033	44,225	44,225	24,877	35,383	51,749
Loss on disposal of PPE	7	2	17	–	–	–	–	–	–
Total Operating Expenditure	**326,172**	**378,957**	**400,362**	**501,245**	**476,652**	**476,652**	**497,759**	**550,485**	**703,825**
Surplus/(Deficit)	**(296,669)**	**(325,428)**	**(347,025)**	**(452,602)**	**(425,603)**	**(425,603)**	**(461,821)**	**(490,639)**	**(636,278)**
Transfers & subsidies capital NT & PT	78,235	49,560	83,042	144,790	158,450	158,450	163,383	147,086	194,059
Transfers & subsidies capital agency,oth	–	–	–	–	–	–	–	–	–
Transfers & subsidies capital in-kind	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	**(218,434)**	**(275,868)**	**(263,983)**	**(307,812)**	**(267,153)**	**(267,153)**	**(298,438)**	**(343,553)**	**(442,218)**
Taxation	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after taxation	**(218,434)**	**(275,868)**	**(263,983)**	**(307,812)**	**(267,153)**	**(267,153)**	**(298,438)**	**(343,553)**	**(442,218)**
Attributable to minorities	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality	**(218,434)**	**(275,868)**	**(263,983)**	**(307,812)**	**(267,153)**	**(267,153)**	**(298,438)**	**(343,553)**	**(442,218)**
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	**(218,434)**	**(275,868)**	**(263,983)**	**(307,812)**	**(267,153)**	**(267,153)**	**(298,438)**	**(343,553)**	**(442,218)**
Capital Expenditure	**97,960**	**69,658**	**115,692**	**196,528**	**194,900**	**194,073**	**201,414**	**222,793**	**289,118**

2.12.7.2 Solid Waste Management department

The Integrated Waste Management (IWM) Plan and approved IWM Policy enables the City to ensure and regulate the provision of waste management services, either through internal or departmental services, or external service mechanisms, where the City has to act as a service authority in terms of the Municipal Systems Act, to execute its constitutional mandate. The policy applies in the Cape Town municipal area, as defined by the Demarcation Board.

The Solid Waste Management (SWM) department is the service authority and regulator of waste management activities in Cape Town, per the system of delegations and the municipality's executive powers conferred on it by law.

The City is responsible for services in the metropolitan municipal area (as a service authority or regulator) for:

- The management and minimisation of waste that will be collected, streamed, diverted, processed or treated, recycled;
- The management of waste that will be disposed of at a licensed, regulated landfill site inside the City's boundaries or any other waste management site under its direct control;
- All individuals residing or visiting the City, and entities doing business or providing any form of private, public of community service requiring waste management services;
- All service providers operating in the waste management industry;
- The management and regulation of all waste that may include liquid or fluid wastes, which are generated in the municipality, with special provisions for the handling, processing, treatment and disposal of hazardous waste, as well as waste generated by the health services industry (including veterinary services);
- The regulation of waste crossing the City's boundaries to ensure proper management, recycling and control of all types of waste.
- Residential waste collection service to formal and informal residence in the municipality;
- Public awareness, communication and education on all waste management issues;
- Creating and enabling environment for the waste management sector to grow and create job opportunities;
- Management of waste information and reporting to the relevant authority;
- Full cost accounting for all waste management services provided by the City and establishment of tariffs;
- Solid waste by-law enforcement and reduction of illegal dumping and improving compliance in the sector; and
- Cleaning of all public open spaces and clean-up of illegal dumping throughout the municipality.

The long-term vision for the City's waste management services, is to integrate waste management services in such a way that they are able to not only provide basic services, but to augment economic activity and minimise the effects of waste on human and environmental health. Much national support and development is necessary, as waste minimisation and recycling activities are not limited to Cape Town and involve the processing and manufacturing sectors on a national scale. It will require a country-wide approach in terms of planning, infrastructure, facilities, incentives and disincentives to drive out economies of scale that will make this sustainable and economically viable.

These are key influences in achieving the long term waste management vision and objectives set by the department. The long-term vision for the Cape Town Waste Management sector is:

- to improve access to basic services for residents to as close to 100% as possible within the constraints of available funds and unplanned growth;
- to develop multiple integrated initiatives that will reduce waste and the associated impacts substantially as well as contribute to and support economic development;
- to generate other sources of funding for integrated waste management through Public-Private Partnerships within the Cape Town municipal area;
- to improve the income generated by the City's waste services;
- to optimise the utilisation of the City's resources and capital; and
- to regulate waste and the associated services that will ensure sustainability and prevent impact or harm to people and the environment.

The basis of funding is determined by the nature and the type of service and related resources, fleet, plant, equipment or infrastructure and whether a fee can be used to recover the cost of the service (as determined by the City's Tariff Schedule).

The following funding groups are provided for the City's waste management functions in both the SWM IWM and the SWM tariff policies:

Tariffs

- Collection of refuse in formal residential areas and partly businesses.
- Waste treatment and disposal, including landfill sites, transfer stations and related waste handling and waste minimisation infrastructure.

Rates

- Cleansing services.
- Drop-off facilities.
- Waste planning, including waste minimisation.
- Support Services (incl. Human resources, administration, Finance & Commercial, Loss Control, Technical Services and management overheads).

In general, the funding provided for SWM specific integrated waste management aspects are:

- Capital costs: Includes, but not limited to land acquisition, infrastructure development, vehicles, plant & equipment acquisition, new buildings and facilities (i.e. liners for landfills, transfer stations, drop-off or recycling centres, composting plants etc.); and
- Operating costs: Defined as those costs expended by the SWM in managing and implementing the day-to-day operations required for SWM services rendered by the City. It also includes the cost of external service providers, consultants and contractors employed by the SWM, the costs of repairs and maintenance of existing infrastructure, plant and equipment.

Table 68 Solid Waste Management department (Vote 7) - operating revenue by source, expenditure by type and total capital expenditure

Directorate: Informal Settlements, Water & Waste Serv									
Department: Solid Waste Management									
Budgeted Financial Performance (revenue and expenditure)									
Description	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Operating Revenue By Source									
Property rates	–	–	–	–	–	–	–	–	–
Service charges - electricity revenue	–	–	–	–	–	–	–	–	–
Service charges - water revenue	–	–	–	–	–	–	–	–	–
Service charges - sanitation revenue	–	–	–	–	–	–	–	–	–
Service charges - refuse revenue	979,860	1,089,812	1,190,778	1,341,882	1,341,882	1,341,882	1,482,059	1,637,097	1,818,719
Service charges - other	–	–	–	–	–	–	–	–	–
Rental of facilities and equipment	1,078	1	13	–	–	–	–	–	–
Interest earned - external investments	0	–	–	–	–	–	–	–	–
Interest earned - outstanding debtors	12,399	15,407	19,082	18,000	18,000	18,000	18,000	18,990	20,044
Dividends received	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits	79	3,353	3,219	–	–	–	–	–	–
Licences and permits	–	–	–	–	–	–	–	–	–
Agency services	–	–	–	–	–	–	–	–	–
Transfers and subsidies	–	–	–	1,928	–	–	–	–	–
Other revenue	6,489	3,611	5,876	1,577	1,577	1,577	2,549	2,692	2,849
Gains on disposal of PPE	2,907	2,994	2,342	2,000	2,000	2,000	2,000	2,110	2,227
Total Operating Revenue (excluding capital transfers and contributions)	**1,002,811**	**1,115,177**	**1,221,309**	**1,365,387**	**1,363,460**	**1,363,460**	**1,504,608**	**1,660,889**	**1,843,839**
Expenditure By Type									
Employee related costs	581,624	691,693	756,842	988,234	918,762	918,762	1,021,343	1,078,228	1,161,736
Remuneration of councillors	–	–	–	–	–	–	–	–	–
Debt impairment	49,399	68,537	74,458	80,546	80,546	80,546	73,992	82,077	91,105
Depreciation & asset impairment	117,395	116,034	127,528	144,576	139,911	139,911	141,251	146,623	152,273
Finance charges	28,871	28,735	40,818	41,392	41,395	41,395	41,219	41,222	41,225
Bulk purchases	–	–	–	–	–	–	–	–	–
Other materials	46,511	19,468	58,992	165,145	176,320	176,320	160,629	197,047	200,700
Contracted services	571,527	626,702	667,083	796,793	753,923	753,923	850,927	874,486	922,072
Transfers and subsidies	–	–	–	–	–	–	–	–	–
Other expenditure	189,284	228,537	246,097	92,704	118,486	118,486	112,226	118,216	124,615
Loss on disposal of PPE	58	2,939	42	43	104	104	110	116	123
Total Operating Expenditure	**1,584,669**	**1,782,646**	**1,971,860**	**2,309,433**	**2,229,446**	**2,229,446**	**2,401,695**	**2,538,014**	**2,693,848**
Surplus/(Deficit)	**(581,858)**	**(667,469)**	**(750,551)**	**(944,045)**	**(865,987)**	**(865,987)**	**(897,087)**	**(877,125)**	**(850,010)**
Transfers & subsidies capital NT & PT	50,000	–	–	–	–	–	–	–	–
Transfers & subsidies capital agency,oth	–	–	–	–	–	–	–	–	–
Transfers & subsidies capital in-kind	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	**(531,858)**	**(667,469)**	**(750,551)**	**(944,045)**	**(865,987)**	**(865,987)**	**(897,087)**	**(877,125)**	**(850,010)**
	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after taxation	**(531,858)**	**(667,469)**	**(750,551)**	**(944,045)**	**(865,987)**	**(865,987)**	**(897,087)**	**(877,125)**	**(850,010)**
Attributable to minorities	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality	**(531,858)**	**(667,469)**	**(750,551)**	**(944,045)**	**(865,987)**	**(865,987)**	**(897,087)**	**(877,125)**	**(850,010)**
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	**(531,858)**	**(667,469)**	**(750,551)**	**(944,045)**	**(865,987)**	**(865,987)**	**(897,087)**	**(877,125)**	**(850,010)**
Capital Expenditure	**228,009**	**252,491**	**172,499**	**468,644**	**277,879**	**213,007**	**458,334**	**657,494**	**635,483**

2.12.7.3 Water & Sanitation department

The Water & Sanitation department continues to make significant progress in providing water and sanitation services to the City's residents since the formation of the one metro administration. All formal areas are adequately provided for with water and sanitation services while services within informal settlement areas are continually being improved. The principal challenge for the department is to maintain an existing water and sanitation service for the City while also providing services for an ever-increasing number of households in a sustainable way during the Level 6 water restrictions.

To ensure sustainable, fair, equitable, reliable and financially viable provision of water and sanitation services, the department has developed and is implementing strategies that address priorities to ensure effective water services management. The strategies also seek to ensure compliance with the National Water Act, Water Services Act and the related regulations, National and City policies.

The ongoing drought in the Western Cape has given rise to a number of initiatives focused on averting a crisis in the short term but also incrementally diversifying water sources away from the reliance on surface water. The diverse water sources will be made of ground water which will be a major thrust, wastewater reuse and to a lesser extent desalination. Recovery from the drought and improved dam levels is expected to take a minimum of three years.

To reduce pressure on the system a number of demand management interventions is underway, which includes aggressive pressure management, leak detection on public and private water infrastructure, rapid installation of water demand management devices and the use of treated effluent. All these interventions will receive substantially more funding over the next 3 years.

The development of expertise to manage the City's infrastructure under drought has also been part of the program. The drought has required the department to redirect many of its resources to managing the impact of the drought with major thrust on diversifying the City's water resource base.

The following business improvements initiatives are receiving focused attention:

- The Informal Settlements & Backyarders department will enable improvement of the level of basic service (water and sanitation) to ensure adherence to the City's Basic Service Level Targets to households.
- Alternative waterless technologies will need to urgently be explored due to the current drought imperative;
- Internal staff with experience and expertise in the development and maintenance of alternative sanitation technologies are needed. This is to further develop fast track service delivery and to sustain technology lifecycle maintenance.
- The increased amount of people needing to be in the indigent bracket, due to the high rate of urbanisation coupled with the ageing infrastructure, which will put stress on the tariffs and subsidies.
- Asset performance and monitoring systems in order to improve asset operations, and thereby asset performance, where the use of technology is being investigated as a facilitation tool.

- A service provider was employed to assist the department in developing line managers to be coaches who will support shift workers to cope with a changing environment.
- A communication protocol, which addresses the communication needs with both internal and external customers, has been developed and it is currently in the implementation stage.
- Scientific Services has developed productivity standards for the Sampling Laboratory and it is the objective of the Business Development section to determine productivity standards across the entire department.

The department conforms to the City's financial budgeting process, which forms part of the IDP and bases its budget formulation on some key strategic plans.

Capital budget

The high requirement for necessary infrastructure is driven largely by capacity requirements resulting from growth and economic development, the refurbishment of current infrastructure as well as projects relating to system efficiency, which places severe pressure on the City's capital budget.

The capital budget had to be reprioritised with the focus on diversifying the City's water resources, due to the drought measures being implemented in the City.

The capital budget for the 2018/19 financial year includes the Catchment and Stormwater branch as they form part of the Water & Sanitation department.

To achieve the required capital budget, it is necessary to maximise the use of grant funding and to make optimal use of the Capital Replacement Reserve (CRR) within the financial constraints.

Operating budget

It is difficult to reach optimum levels of staff, maintain acceptable levels of infrastructure maintenance and carry the impact of the capital programme within the financial constraints during difficult economic conditions.

The pressure on the operating budget needs to be addressed via possible above-inflation tariff increases and initiatives to ensure that money due to the City is collected. There is a benefit envisaged from the current debt action and projects related to metering efficiency gains and data purification.

Table 69 Water & Sanitation department (Vote 7) - operating revenue by source, expenditure by type and total capital expenditure

Directorate: Informal Settlements, Water & Waste Serv									
Department: Water & Sanitation									
Budgeted Financial Performance (revenue and expenditure)									
Description	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Operating Revenue By Source									
Property rates	–	–	–	–	–	–	–	–	–
Service charges - electricity revenue	–	–	–	–	–	–	–	–	–
Service charges - water revenue	2,524,667	2,984,862	3,463,964	3,932,868	3,041,234	3,041,234	3,574,755	5,037,616	5,904,860
Service charges - sanitation revenue	1,335,268	1,546,709	1,628,514	2,092,272	1,521,522	1,521,522	1,811,048	2,524,979	2,947,422
Service charges - refuse revenue	–	–	–	–	–	–	–	–	–
Service charges - other	15,557	17,199	(352)	–	–	–	–	–	–
Rental of facilities and equipment	77	62	78	127	127	127	137	144	152
Interest earned - external investments	0	–	–	–	–	–	–	–	–
Interest earned - outstanding debtors	98,000	112,114	152,259	135,000	135,000	135,000	172,017	181,676	191,947
Dividends received	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits	239	11,653	(3,072)	–	97,210	97,210	195	206	217
Licences and permits	–	216	351	807	807	807	610	984	1,039
Agency services	–	–	–	–	–	–	–	–	–
Transfers and subsidies	1,346	–	960	1,944	844	844	3,289	2,150	–
Other revenue	45,127	49,139	61,095	33,685	48,945	48,945	50,464	53,711	56,686
Gains on disposal of PPE	3,752	2,196	762	3,000	1,000	1,000	1,000	1,055	1,114
Total Operating Revenue (excluding capital transfers and contributions)	**4,024,031**	**4,724,149**	**5,304,559**	**6,199,703**	**4,846,689**	**4,846,689**	**5,613,514**	**7,802,520**	**9,103,436**
Expenditure By Type									
Employee related costs	1,044,765	1,186,811	1,254,622	1,621,218	1,516,415	1,540,151	1,886,403	1,869,837	1,990,617
Remuneration of councillors	–	–	–	–	–	–	–	–	–
Debt impairment	510,183	752,749	1,121,034	894,414	921,861	921,861	1,321,182	1,491,619	1,675,398
Depreciation & asset impairment	355,376	408,183	465,228	531,180	530,149	530,149	657,264	799,806	911,024
Finance charges	–	–	–	20,378	–	–	–	–	–
Bulk purchases	400,066	417,263	368,642	445,335	647,493	647,493	1,145,732	1,905,898	2,047,235
Other materials	51,412	62,067	99,647	307,337	282,730	285,212	353,479	369,198	386,023
Contracted services	380,837	489,956	620,559	834,365	953,730	928,721	946,954	1,144,224	1,263,028
Transfers and subsidies	–	–	–	–	1,000	1,000	–	–	–
Other expenditure	515,816	473,683	484,157	246,764	344,257	343,049	282,994	337,503	357,137
Loss on disposal of PPE	436	967	811	0	0	0	0	0	0
Total Operating Expenditure	**3,258,891**	**3,791,679**	**4,414,700**	**4,900,990**	**5,197,635**	**5,197,635**	**6,594,010**	**7,918,084**	**8,630,464**
Surplus/(Deficit)	**765,141**	**932,470**	**889,860**	**1,298,713**	**(350,946)**	**(350,946)**	**(980,496)**	**(115,564)**	**472,973**
Transfers & subsidies capital NT & PT	182,885	398,084	372,757	440,975	581,293	581,293	574,824	532,244	437,000
Transfers & subsidies capital agency,oth	8,554	8,342	8,750	12,000	28,000	28,000	12,000	12,000	12,000
Transfers & subsidies capital in-kind	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	**956,580**	**1,338,897**	**1,271,367**	**1,751,688**	**258,347**	**258,347**	**(393,672)**	**428,680**	**921,973**
Taxation	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after taxation	**956,580**	**1,338,897**	**1,271,367**	**1,751,688**	**258,347**	**258,347**	**(393,672)**	**428,680**	**921,973**
Attributable to minorities	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality	**956,580**	**1,338,897**	**1,271,367**	**1,751,688**	**258,347**	**258,347**	**(393,672)**	**428,680**	**921,973**
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	**956,580**	**1,338,897**	**1,271,367**	**1,751,688**	**258,347**	**258,347**	**(393,672)**	**428,680**	**921,973**
Capital Expenditure	**965,435**	**1,375,969**	**1,540,334**	**1,779,925**	**3,182,021**	**2,107,438**	**3,546,693**	**4,800,599**	**5,043,295**

2.12.8 Safety & Security (Vote 8)

The directorate consist of six functional departments i.e. Metropolitan Police Services; Law Enforcement, Traffic Services and Coordination; 107 Public Emergency Communication Centre; Fire and Rescue Services; Disaster Risk Management Centre and Events Department. The Safety & Security directorate is committed to ensuring a safe and secure environment for all its residents, by combating crime and disorder, reducing vehicle speed and accidents on our roads, improving response time to emergency fire calls, reducing disaster risks in all communities within the City and supporting community events in order to create opportunities for communities and build social cohesion.

- **Metropolitan Police Services**
  The Metro Police Services department was established in terms of the South African Police Service Act. Its mandate is the enforcement of traffic laws, enforcement of bylaws and crime prevention. Its current operations include clamping down on drug- and alcohol-related offences and addressing gang-related violence. To this end, the Gang and Drug Task Force was established, resulting in significant operational successes. Other major initiatives include the expansion of the department's Neighbourhood Safety Teams in order to bring policing closer to the people of the City; the establishment of an integrated information management system (Project EPIC) and the rollout of the shot spotter programme to other areas within the City. Major projects include the increase in CCTV installations areas within the City based on the City's CCTV master plan, CCTV installations in various wards across the City, replacement of vehicles, the procurement of additional firearms and related equipment.

- **Law Enforcement, Traffic and Coordination**
  This department consist of Law Enforcement Services, Traffic Services and Special Investigation Unit.

  Law Enforcement Services
  The department is responsible for the enforcement of bylaws and regulations in terms of the Criminal Procedures Act. This includes general bylaw enforcement in residential areas and resorts as well as specialised enforcement through various units. These units are responsible in dealing with copper theft, informal trading, displaced people, land invasion, liquor control, problem buildings and security at Council rental housing stock. The department plays a major role in beach management over festive seasons as well as other public events and actively supports other directorates in land invasion actions. Major projects include purchasing of specialised equipment for the combating of land invasions, strike actions and reducing anti-social behaviour and illegal activities within the City's rental housing areas, building improvements to very old buildings and replacement of vehicles.

  Traffic Services
  The department was established in terms of the National Road Traffic Act. It consists of two sections; the Operations and the Licensing Sections. The Operations Section deals with specialised and general activities, the enforcement on roads, while the Licensing Section deals with all learner- and driver licence testing, card conversions and renewals, as well as managing the traffic court division and the public/private partnership agreement on traffic cameras.

Major projects include replacement of vehicles, purchasing of specialised vehicles to assist during protest actions and strikes, improvements to various traffic and licensing centres and the acquisition of various traffic licensing equipment and radios.

Special Investigation Unit
The function of this unit is to provide investigation support to the directorate and the City in areas such as, fraud and corruption, misconduct by City employees, malicious damage to Council property, hijacking and theft of council vehicles, protest actions, land invasions, service delivery strikes, gang-related violence and anti-social behaviour within communities.

- **107 Public Communication Emergency Call Centre**
  The City has a single emergency number (107) to a call-taking and dispatching centre, which directs all calls to appropriate institutions and agencies. The centre is manned by well-trained quality-controlled operators. Key focus programmes include education and public awareness campaigns at schools, old-age homes, frail-care facilities and shopping centres. Major projects include the installation of and upgrade of communication equipment and systems.

- **Fire and Rescue Services**
  The Fire and Rescue Services was established in terms of the Fire Brigade Services Act. The department has 30 fire stations operating on a 24-hour basis. Its core functions include responding to fires and emergencies as well as medical emergencies. The major programmes include educational programmes, raising awareness around fires, life safety on building, structures and events. Major projects include the construction of Masiphumelele and Lwandle Fire Stations, the replacement of fire vehicles, the replacement of fire-fighting, medical, communication and hazmat equipment.

- **Disaster Risk Management Centre**
  The core function of this department is to prevent and mitigate the effect of disasters. To this end, the department aims to identify, prevent and reduce the occurrence of disasters. The department has a well-established volunteer corps, who plays a key role in event safety, co-ordination of corporate safety initiatives, festive season planning, winter preparedness planning, unrest, and service delivery protest. Key projects include the upgrading of various Disaster Management centres, replacement of IT equipment and procurement of vehicles for volunteers.

- **Events Department**
  The function of this department includes the support of community events in order to create economic opportunities and to build social cohesion. The department seeks to establish Cape Town through improved strategic management, logistical coordination and support as the top events destination locally and regionally, and a premier events destination globally. Mayor projects include the e-Permitting system, which will allow applications to be made online as well as the Online Event Calendar project.

Significant capital projects for the 2018/19 MTREF

- Implementation of phase 2 of the Integrated Emergency Contact Centre (EPIC);
- Upgrading and improving the driving and licencing testing centres;
- Installation and upgrading of CCTV cameras in various areas within the City, including the MURP areas and wards;
- Implementation of Phase 2 of the construction of Lwandle and Masiphumelele fire stations;
- Implementation of Phase 2 of the e-Permitting and Online Event Calendar systems;
- Replacement and acquisition of additional vehicles;
- Replacement and acquisition of additional radios and equipment;
- Expansion of shot spotter installation in various areas within the City; and
- Acquisition of firearms and related equipment.

Table 70 Safety & Security (Vote 8) - operating revenue by source, expenditure by type and total capital expenditure

Directorate: Safety & Security									
Budgeted Financial Performance (revenue and expenditure)									
Description	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Operating Revenue By Source									
Property rates	–	–	–	–	–	–	–	–	–
Service charges - electricity revenue	–	–	–	–	–	–	–	–	–
Service charges - water revenue	–	–	–	–	–	–	–	–	–
Service charges - sanitation revenue	–	–	–	–	–	–	–	–	–
Service charges - refuse revenue	–	–	–	–	–	–	–	–	–
Service charges - other	(7)	4	187	–	–	–	–	–	–
Rental of facilities and equipment	418	376	583	268	268	268	283	298	315
Interest earned - external investments	0	–	–	–	–	–	–	–	–
Interest earned - outstanding debtors	1,044	1,255	1,716	1,130	1,130	1,130	1,192	1,258	1,327
Dividends received	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits	997,658	1,098,967	1,251,561	1,140,262	1,140,262	1,140,262	1,273,476	1,343,518	1,418,083
Licences and permits	40,144	37,161	38,287	29,962	29,962	29,962	31,060	32,769	34,587
Agency services	12,513	11,838	12,942	11,620	11,620	11,620	12,259	12,933	13,651
Transfers and subsidies	37,594	40,867	46,373	47,931	58,971	58,971	27,678	20,054	9,265
Other revenue	20,584	23,825	22,819	11,754	11,754	11,754	12,950	13,663	14,421
Gains on disposal of PPE	145	54	124	–	–	–	–	–	–
Total Operating Revenue (excluding capital transfers and contributions)	**1,110,094**	**1,214,347**	**1,374,591**	**1,242,927**	**1,253,967**	**1,253,967**	**1,358,899**	**1,424,492**	**1,491,649**
Expenditure By Type									
Employee related costs	1,375,142	1,474,879	1,595,384	1,832,594	1,811,760	1,813,403	1,924,938	2,058,158	2,212,140
Remuneration of councillors	–	–	–	–	–	–	–	–	–
Debt impairment	605,795	764,300	828,823	854,602	854,602	854,602	936,732	1,030,453	1,087,643
Depreciation & asset impairment	33,861	42,416	52,659	66,630	70,397	70,397	88,931	99,063	96,860
Finance charges	–	–	–	4,999	–	–	–	–	–
Bulk purchases	–	–	–	–	–	–	–	–	–
Other materials	5,246	4,254	11,547	79,814	62,656	63,765	56,027	56,467	55,963
Contracted services	46,879	51,381	52,324	105,757	84,415	82,927	103,655	109,201	115,117
Transfers and subsidies	36,333	54,423	33,902	38,805	34,408	35,081	42,015	44,326	46,786
Other expenditure	220,280	275,921	264,212	165,276	154,990	153,054	164,385	172,439	181,857
Loss on disposal of PPE	432	199	258	34	45	45	47	50	52
Total Operating Expenditure	**2,323,967**	**2,667,773**	**2,839,108**	**3,148,512**	**3,073,273**	**3,073,273**	**3,316,731**	**3,570,156**	**3,796,417**
Surplus/(Deficit)	**(1,213,873)**	**(1,453,426)**	**(1,464,517)**	**(1,905,585)**	**(1,819,306)**	**(1,819,306)**	**(1,957,832)**	**(2,145,664)**	**(2,304,769)**
Transfers & subsidies capital NT & PT	13,910	22,394	27,630	24,700	25,660	25,660	–	–	–
Transfers & subsidies capital agency,oth	–	–	–	–	146	146	–	–	–
Transfers & subsidies capital in-kind	35	–	306	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	**(1,199,928)**	**(1,431,032)**	**(1,436,581)**	**(1,880,885)**	**(1,793,500)**	**(1,793,500)**	**(1,957,832)**	**(2,145,664)**	**(2,304,769)**
Taxation	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after taxation	**(1,199,928)**	**(1,431,032)**	**(1,436,581)**	**(1,880,885)**	**(1,793,500)**	**(1,793,500)**	**(1,957,832)**	**(2,145,664)**	**(2,304,769)**
Attributable to minorities	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality	**(1,199,928)**	**(1,431,032)**	**(1,436,581)**	**(1,880,885)**	**(1,793,500)**	**(1,793,500)**	**(1,957,832)**	**(2,145,664)**	**(2,304,769)**
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	**(1,199,928)**	**(1,431,032)**	**(1,436,581)**	**(1,880,885)**	**(1,793,500)**	**(1,793,500)**	**(1,957,832)**	**(2,145,664)**	**(2,304,769)**
Capital Expenditure	**83,097**	**152,051**	**114,835**	**191,120**	**160,128**	**160,040**	**196,078**	**79,515**	**42,115**

2.12.9 Social Services (Vote 9)

Social Services continues to provide community facilities, spaces and services, as well as developmental programmes in support of building communities and individuals' capabilities towards improved social well-being of all the citizens of Cape Town. In so doing, the directorate directly supports "The Opportunity City", "The Caring City" and "The Inclusive City", as well as contributes to "The Safe City" and "The Well-Run City".

The directorate is the lead coordinator of the Social Development Strategy (SDS) and as such ensures coordination of same across all directorates. As the key driver of the City's Expanded Public Works Programme (EPWP), the directorate is a contributor towards giving life to the Economic Growth Strategy (EGS).

Service delivery is achieved through six line departments within the directorate, namely:
- City Health;
- Library and Information Services;
- Recreation and Parks;
- Social Development and Early Childhood Development;
- Expanded Public Works Programme; and
- Planning, Development and Project Management Office.

Within the Transversal Safe Communities Working Group, Social Services drives the following Transversal Work Streams through its Social Development & Early Childhood Development department:
- Integrated Youth Development Strategy with its implementation Plan;
- Social & Situational Crime Prevention Strategy with its implementation Plan; and
- Alcohol & Other Drug Harm Minimisation Strategy with its implementation Plan.

Through the directorate's departments, the broad social challenges and needs are addressed by providing and maintaining a holistic and integrated range of mandated social facilities, services and developmental programmes and functions, including, but not limited to the following:
- Delivering a Comprehensive Primary Health Care Service, including Personal and Specialised Primary Health Care (commonly referred to as clinic services) as well as Municipal Health Care (also referred to as Environmental Health Services);
- Providing access to the services and resources required for informational, educational, cultural and recreational needs through a free public library service that includes spaces and programmes for social development;
- Providing attractive, safe, accessible and sustainable social facilities and spaces where the citizens of Cape Town can engage in active and passive recreation;
- Providing cemeteries and crematoria, which are an integral part of a dignified and efficient interment service;
- Horticultural services at City facilities;
- Community engagements and social preparation;
- Providing a number of targeted social services programmes focusing on substance abuse, homelessness, youth development, early childhood development, poverty alleviation and vulnerable groups;
- Developing, implementing and maintaining community orientated arts, culture and heritage programmes, services, infrastructure and partnerships; and

- Providing new Social Service facilities that are planned and developed in a joint, integrated, clustered and multifunctional manner in areas that maximise community use, ownership and pride. Protective measures are also put in place to ensure that these facilities are safe and secure.

The core capital function is to provide social facilities (Libraries, ECD's, clinics, recreational facilities, etc.) linked to the Caring City Strategic Focus Area (SFA) with the Excellence in Basic Service delivery objective and Social Services facility provision programme. Significant capital projects to be undertaken over the MTREF include, but are not limited to:

- IT Modernisation: Sports Field & Swimming Pool SAP Booking System; Library Halls/Meeting Room SAP Booking System; X-Ray System; Integrated Facility Booking Mobile Field Services App;
- New Pelican Park and Fisantekraal Clinics;
- Manenberg Integrated Project;
- Sport and Recreation Facilities Upgrade (which will be prioritised as per the City's New Water Plan) as well as major upgrade requirements identified;
- Du Noon Library Construction;
- Construction of New Zakhele Clinic; and
- Vaalfontein Cemetery Development.

Table 71 Social Services (Vote 9) - operating revenue by source, expenditure by type and total capital expenditure

Directorate: Social Services									
Budgeted Financial Performance (revenue and expenditure)									
Description	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Operating Revenue By Source									
Property rates	–	–	–	–	–	–	–	–	–
Service charges - electricity revenue	–	–	–	41	–	–	–	–	–
Service charges - water revenue	–	–	–	–	–	–	–	–	–
Service charges - sanitation revenue	–	–	–	–	–	–	–	–	–
Service charges - refuse revenue	–	–	–	–	–	–	–	–	–
Service charges - other	68	78	81	–	41	41	41	44	48
Rental of facilities and equipment	23,359	11,673	10,759	21,171	21,171	21,171	22,069	23,283	24,575
Interest earned - external investments	2,160	–	–	–	–	–	–	–	–
Interest earned - outstanding debtors	65	53	109	–	–	–	–	–	–
Dividends received	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits	3,453	3,118	3,459	3,510	3,510	3,510	3,703	3,907	4,124
Licences and permits	2,091	814	1,196	1,316	1,316	1,316	1,389	1,465	1,546
Agency services	–	7	–	–	–	–	–	–	–
Transfers and subsidies	521,606	553,063	618,828	680,409	684,958	684,958	718,264	761,796	819,590
Other revenue	20,538	33,848	35,022	51,666	51,666	51,666	53,404	56,341	59,469
Gains on disposal of PPE	1,014	494	403	–	–	–	–	–	–
Total Operating Revenue (excluding capital transfers and contributions)	**574,353**	**603,147**	**669,856**	**758,114**	**762,662**	**762,662**	**798,869**	**846,836**	**909,352**
Expenditure By Type									
Employee related costs	1,485,407	1,586,747	1,719,578	2,120,985	2,060,228	2,061,074	2,283,023	2,550,029	2,760,812
Remuneration of councillors	–	–	–	–	–	–	–	–	–
Debt impairment	5,111	2,896	(163)	–	–	–	–	–	–
Depreciation & asset impairment	105,318	127,374	88,777	139,842	137,820	137,820	146,559	159,314	164,159
Finance charges	–	–	–	18,248	1,020	1,547	1,075	1,134	1,197
Bulk purchases	–	2	–	–	–	–	–	–	–
Other materials	16,896	18,158	29,866	304,019	335,140	334,500	384,923	419,417	458,290
Contracted services	241,332	320,970	346,709	759,841	660,160	659,407	671,822	740,635	780,457
Transfers and subsidies	5,881	8,342	2,275	12,861	12,861	12,861	15,568	16,425	17,336
Other expenditure	597,989	618,057	762,889	107,341	109,000	109,019	114,423	116,671	123,614
Loss on disposal of PPE	91	154	154	14	14	14	15	15	16
Total Operating Expenditure	**2,458,026**	**2,682,700**	**2,950,086**	**3,463,150**	**3,316,242**	**3,316,242**	**3,617,408**	**4,003,640**	**4,305,882**
Surplus/(Deficit)	**(1,883,673)**	**(2,079,553)**	**(2,280,229)**	**(2,705,036)**	**(2,553,580)**	**(2,553,580)**	**(2,818,539)**	**(3,156,805)**	**(3,396,530)**
Transfers & subsidies capital NT & PT	112,682	84,587	113,759	146,550	129,157	129,157	120,082	110,469	148,757
Transfers & subsidies capital agency,oth	3,553	8,288	291	–	2,039	2,039	–	–	–
Transfers & subsidies capital in-kind	4,918	–	6,706	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	**(1,762,520)**	**(1,986,677)**	**(2,159,473)**	**(2,558,486)**	**(2,422,384)**	**(2,422,384)**	**(2,698,457)**	**(3,046,336)**	**(3,247,773)**
Taxation	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after taxation	**(1,762,520)**	**(1,986,677)**	**(2,159,473)**	**(2,558,486)**	**(2,422,384)**	**(2,422,384)**	**(2,698,457)**	**(3,046,336)**	**(3,247,773)**
Attributable to minorities	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality	**(1,762,520)**	**(1,986,677)**	**(2,159,473)**	**(2,558,486)**	**(2,422,384)**	**(2,422,384)**	**(2,698,457)**	**(3,046,336)**	**(3,247,773)**
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	**(1,762,520)**	**(1,986,677)**	**(2,159,473)**	**(2,558,486)**	**(2,422,384)**	**(2,422,384)**	**(2,698,457)**	**(3,046,336)**	**(3,247,773)**
Capital Expenditure	**243,995**	**229,454**	**243,940**	**283,413**	**279,906**	**276,641**	**315,508**	**238,127**	**215,704**

2.12.10 Strategic Governance (Vote 10)

Table 72 Strategic Governance (Vote 10) - operating revenue by source, expenditure by type and total capital expenditure

VOTE (DIRECTORATE) AMALGAMATED WITH CORPORATE SERVICES (VOTE 4) AND CHANGES EFFECTED ON MBRR SCHEDULE A AFTER COUNCIL APPROVAL AS PER THE RECOMMENDATION BELOW.

Amendment to budget tables to include organisational structure change serving before Council - Finance

It is recommended that:

(a) *Subject to Council's consideration and subsequent approval of item C 22/05/18 dealing with the ALMALGAMATION OF THE VACANT EXECUTIVE DIRECTOR: CORPORATE SERVICES AND EXECUTIVE DIRECTOR: STRATEGIC GOVERNANCE POSITIONS at the Council meeting on 31 May 2018, the relevant legislated MBRR Schedule A tables contained in item SPC04/05/18 BUDGET 2018/19 TO 2020/21 be amended after Council approval, before the submission of the 2018/19 Budget to National Treasury*

2.12.11 Transport & Urban Development Authority (Vote 11)

The City's Transport and Urban Development Authority (TDA) directorate supports spatial transformation in the built environment in planning and providing integrated transport infrastructure and services, human settlement development and environmental and development management in support or transit oriented development, to ensure the provision of basic services and build integrated communities.

- **Integrated Transport Portfolio**

  Asset Management and Maintenance ensures the ongoing infrastructure and plant maintenance and upgrades for the metropolitan road network and is responsible for fleet and asset management relating to the MyCiTi fleet and public transport facilities. Repairs and maintenance relating to roads, storm water, culverts and local area and informal networks is the largest area of operating expenditure in this department with capital expenditure over MTREF focused on the roads rehabilitation and Metro Roads Reconstruction programmes.

  The Transport Planning department is responsible for metropolitan wide integrated transport planning, integrated public transport network, transport systems planning and modelling, universal access, conceptualisation, design and costing for bus rapid transit, bus, rail, public transport interchanges and non-motorised transport.

  Network Management maintains and commissions the traffic management system in Cape Town, manages parking, destination signage, camera networks, traffic calming and contributes towards freeway management. The department is responsible for network, systems and integration across all modes of public transport including transport enforcement. The assignment of the passenger rail function represents a large areas of operating expenditure over the MTREF.

  Contract Operations provides operational management and performance management of public transport contracts and advertising contracts; manages client services; ensures technical functioning of stations and facilities and provides event coordination. The department manages and oversees the control centre are the Transport Management Centre. Over the MTREF the key operating expenditure relates to the MyCiTi vehicle operating companies and station management services.

  The Regulations department provides the Municipal Regulatory Entity secretariat, manages the relevant aspects of the operating licence administration system and manages the registration of taxi associations operating in the City. The department manages the MyCiTi industry transition and negotiations for service providers.

- **Urban Development and Investment Portfolio**

  The built environment department manages and implements transport and urban development projects through project management, contract management and capital budgeting. The key focus areas over the MTREF is on public transport infrastructure, non-motorised transport infrastructure and public transport interchanges to expand the MyCiTi integrated public transport network to increase access to social and economic activities for all citizens. The congestion relief programme aims to improve mobility in the metropolitan area though investment in road infrastructure.

Human settlement implementation is responsible for the development of new, integrated housing, which includes the transformation of hostels and land reform and restitution in the City. The focus is on integrated human settlement facilitation and implementation, technical infrastructure services, and social and rental housing in line with national housing programmes.

The Business Resource Management department provides budgeting, reporting and financial management support to TDA. The department is responsible for the development and management of the MyCiTi Automated Fare Collection System and Advanced Public Transport Management Systems, as well as business planning and analysis in support of integrated transport, housing and urban development.

Urban Catalytic Investment is responsible to provide an enabling environment for spatial transformation and investment through leveraging land, planning infrastructure to catalyse development, developing supporting financial and funding models for catalytic projects to support investment and development. Key TOD catalytic projects over the MTREF includes Paardevlei.

- **Environmental management**
  The department aims to ensure urban resilience, low carbon compact and resource efficient development. Key areas programmes in this department include the climate change, green infrastructure, biodiversity, coastal management and heritage management.

- **Development management**
  The department ensures the effective and efficient processing of land use and building development management applications.

- **Urban Integration**
  The department is responsible for urban land strategy development and integration, forward planning for land acquisition for human settlements, urban planning and design, transversal alignment within TDA departments and other service delivery directorates of the City. A key focus over the MTREF is on land acquisition to support to support human settlement planning and spatial transformation.

Major capital projects for TDA in 2018/19

- Land acquisition in support of human settlement development
- N2 interchange supporting the Paardevlei Catalytic Project
- Integrated public transport network Metro South-East, Jan Smuts Drive
- Metro roads reconstruction programme
- Road Dualling: Kommetjie Rd & Ou Kaapse Weg
- Integrated public transport network Metro South-East, depot enablement
- Imizamo Yethu Housing Project (Phase 3)
- Forest Village (Blue Downs)
- Road construction: Belhar Main Road
- Public Transport Systems Management
- M3 Corridor Hospital Bend to Constantia Main Road
- Road rehabilitation: Bonteheuwel/Uitsig

Table 73 Transport & Urban Development Authority (Vote 11) - operating revenue by source, expenditure by type and total capital expenditure

Directorate: Transport & Urban Development Authority									
Budgeted Financial Performance (revenue and expenditure)									
Description	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Operating Revenue By Source									
Property rates	–	–	–	–	–	–	–	–	–
Service charges - electricity revenue	–	–	–	–	–	–	–	–	–
Service charges - water revenue	–	–	–	–	–	–	–	–	–
Service charges - sanitation revenue	–	–	–	–	–	–	–	–	–
Service charges - refuse revenue	–	–	–	–	–	–	–	–	–
Service charges - other	(0)	–	–	–	–	–	–	–	–
Rental of facilities and equipment	82	6,511	7,281	7,018	7,018	7,018	7,404	7,812	8,245
Interest earned - external investments	327	84	261	95	95	95	100	105	111
Interest earned - outstanding debtors	36	337	683	21	13	13	22	24	25
Dividends received	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits	1,242	7,085	4,280	2,196	2,196	2,196	2,317	2,445	2,580
Licences and permits	6,097	7,465	14,220	11,664	11,664	11,664	12,992	13,214	13,947
Agency services	–	–	–	–	–	–	–	–	–
Transfers and subsidies	978,935	988,651	739,431	874,236	1,400,081	1,400,081	796,184	707,685	628,437
Other revenue	295,043	363,226	395,428	394,329	394,329	394,329	416,898	439,668	464,111
Gains on disposal of PPE	14,013	3,798	154,154	–	–	–	2,500	2,637	2,784
Total Operating Revenue (excluding capital transfers and contributions)	**1,295,775**	**1,377,159**	**1,315,738**	**1,289,559**	**1,815,395**	**1,815,395**	**1,238,417**	**1,173,590**	**1,120,241**
Expenditure By Type									
Employee related costs	969,732	1,031,287	1,082,111	1,277,101	1,234,148	1,234,148	1,307,709	1,388,016	1,504,091
Remuneration of councillors	–	–	–	–	–	–	–	–	–
Debt impairment	–	–	–	–	–	–	–	–	–
Depreciation & asset impairment	595,014	662,287	783,579	788,731	731,370	731,370	789,166	832,446	853,958
Finance charges	–	–	0	2,341	361	361	74	78	83
Bulk purchases	–	–	–	–	–	–	–	–	–
Other materials	47,921	46,600	79,764	84,918	89,231	89,251	66,806	69,329	72,335
Contracted services	1,362,214	1,455,004	1,623,168	2,269,487	2,411,976	2,406,756	2,017,258	2,020,467	2,036,245
Transfers and subsidies	(39,372)	894	824	8,878	272,684	272,684	113,329	129,881	130,370
Other expenditure	492,219	503,339	546,647	129,423	125,003	130,203	113,688	138,280	144,441
Loss on disposal of PPE	75	120	93	–	–	–	–	–	–
Total Operating Expenditure	**3,427,803**	**3,699,530**	**4,116,187**	**4,560,879**	**4,864,774**	**4,864,774**	**4,408,030**	**4,578,499**	**4,741,522**
Surplus/(Deficit)	**(2,132,028)**	**(2,322,372)**	**(2,800,448)**	**(3,271,320)**	**(3,049,379)**	**(3,049,379)**	**(3,169,613)**	**(3,404,909)**	**(3,621,281)**
Transfers & subsidies capital NT & PT	1,556,222	1,316,333	1,289,217	1,373,911	1,071,395	1,071,395	1,091,147	1,126,977	1,210,041
Transfers & subsidies capital agency,oth	350	638	6,616	20,000	1,400	1,400	20,000	20,000	50,000
Transfers & subsidies capital in-kind	–	100	9,503	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	**(575,456)**	**(1,005,300)**	**(1,495,113)**	**(1,877,408)**	**(1,976,584)**	**(1,976,584)**	**(2,058,466)**	**(2,257,933)**	**(2,361,240)**
Taxation	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after taxation	**(575,456)**	**(1,005,300)**	**(1,495,113)**	**(1,877,408)**	**(1,976,584)**	**(1,976,584)**	**(2,058,466)**	**(2,257,933)**	**(2,361,240)**
Attributable to minorities	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality	**(575,456)**	**(1,005,300)**	**(1,495,113)**	**(1,877,408)**	**(1,976,584)**	**(1,976,584)**	**(2,058,466)**	**(2,257,933)**	**(2,361,240)**
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	**(575,456)**	**(1,005,300)**	**(1,495,113)**	**(1,877,408)**	**(1,976,584)**	**(1,976,584)**	**(2,058,466)**	**(2,257,933)**	**(2,361,240)**
Capital Expenditure	**1,800,430**	**1,642,040**	**1,806,655**	**1,942,035**	**1,562,428**	**1,521,389**	**1,773,606**	**1,596,358**	**1,600,833**

2.13 Annual budget and service delivery agreement – Cape Town International Convention Centre (CTICC)

2.13.1 Executive Summary

Despite global and national economic challenges, the CTICC's financial history indicates that the company has managed to generate an operating profit year-on-year. As a municipal entity, the CTICC is mandated to ensure its financial sustainability, while also contributing to GDP and job creation.

The 2018/19 financial plan reflects that, with the projected hosting of 560 events, the company will be generating total revenue of R286.6 million (excluding interest income of R4.5million) for the year. The operational plans, which are factored into the budget, have taken into account growth in primary and secondary revenue streams, as well as the continuous drive to save on costs. The business needs in respect of capital expenditure, which is funded from CTICC reserves, have been budgeted at R49.2 million for 2018/19. The capital expenditure is for new and existing assets, which will contribute to the CTICC remaining a world class facility.

The 2018/19 budget process was prepared following a similar approach used in previous years. The budget takes into account the current market conditions, such as inflation, historical trend analysis, as well as the proposed City budget guidelines. In certain categories, zero-based budgeting was used, where all expenses were justified and analysed for its need and cost.

The company's budgeted 2018/19 operating profit before interest, tax, depreciation and amortisation (EBITDA) is projected at R7.4 million for the year. The existing facility (CTICC1) will generate a R28.6 million operating profit before interest, tax, depreciation and amortisation (EBITDA), however, this will be absorbed by the start-up costs of the CTICC2. The budget takes into account twelve (12) months of trading of the CTICC2.

The 2018/19 budget includes a 53% (R73 million) "blue sky" revenue, as the budget is prepared for the City well in advance of the start date of the 2018/19 financial year, when there are few bookings in the system on which the budget can be based. CTICC2 includes budgeted "blue sky" at 62%.

Owing to the nature of the company's business and the increase in short term bookings the CTICC has always included a portion of "unknown" revenue for the unknown or short term business. As venue rental income is the primary source of revenue, the other revenue streams' budgets are prepared with these same assumptions.

Gross margins are budgeted to be maintained at 81%. Indirect costs for the existing facility has been budgeted to increase at 11% in total, mainly as a result of an increase in tariffs relating to utility services, which have been budgeted to increase in line with the City budget guidelines. The CTICC1's and CTICC2's 2018/19 budget reflects a R3.4 million net loss and a R27.3 million respectively resulting in a combined net loss of R30.7 million.

2.13.2 Service Delivery Agreement between the City and the CTICC

Table 74 CTICC – Service Delivery Agreement

Period of agreement	No period stipulated but subject to annual reviews in terms of Section 93A of the Systems Act.
Service provided	International conference centre
Expiry date of SDA	Not applicable
Monetary value	No current operating funding from the City.
Ownership and control	Shareholding as at 30/04/2018 City of Cape Town - 71.4% Provincial Government of Western Cape - 23.2% SunWest International Pty Ltd - 5.4% This shareholding % may change should the City and Provincial Government take up additional shareholding during the year.
Oversight processes	The Finance directorate (Treasury Department) of the City monitors performance and compliance.
Mandate	To provide a world class international conference centre.
Funding over medium term	The CTICC does not intend taking up loan funding to fund their capital programme.
Summary of SDA	Sets out the obligations of the CTICC and the City in respect of compliance and performance issues.
Link to IDP	SFA 1: Opportunity City SFA 5: Well-run City
Past performance and future objectives	The CTICC has exceeded its targets in the past. As the CTICC's expansion enters into its first full year of operations in 2018/19, it will support the CTICC's vision and growth outlook, as well as the City's objective of establishing Cape Town as Africa's top business events destination.

Besides the normal operating expenditure, maintenance and depreciation are major operating expenditure items on the CTICC's budget. Being in the international service and hospitality business requires that the facilities are always up to international standards. The assets of the conference centre represent a major investment, which attracts substantial depreciation. There is also a policy for regular replacement of fixed assets to maintain the high standards, which results in high capital expenditure every year.

The aggregated annual budget, as required in terms of section 9 of the MBRR, are presented in the five primary budget tables on page 159 to page 163. These tables reflect the CTICC's 2018/19 budget and MTREF to be supported by Council.

Schedule D reflecting the annual budget and supporting documents for the CTICC is attached as Annexure 23 while the business plan is attached as Annexure 24.

Table 75 CTICC - Table D1 Budget Summary

Description	2014/15	2015/16	2016/17	Current Year 2017/18			Medium Term Revenue and Expenditure Framework		
R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Financial Performance									
Property rates	–	–	–	–	–	–	–	–	–
Service charges	–	–	–	–	–	–	–	–	–
Investment revenue	30,742	35,272	28,825	11,671	11,671	11,671	4,515	4,786	5,073
Transfers and subsidies	–	–	–	–	–	–	–	–	–
Other own revenue	195,924	208,733	215,648	272,780	249,738	249,738	286,614	303,811	322,040
Total Revenue (excluding capital transfers and contributions)	**226,666**	**244,005**	**244,473**	**284,451**	**261,409**	**261,409**	**291,129**	**308,597**	**327,113**
Employee costs	44,017	47,502	57,457	88,887	77,513	77,513	92,542	98,909	104,843
Remuneration of Board Members	356	457	578	804	700	700	756	816	882
Depreciation & asset impairment	22,968	24,832	24,424	702,868	705,317	705,317	42,651	45,211	47,923
Finance charges	–	42	3	3,651	–	–	–	–	–
Materials and bulk purchases	–	–	–	–	–	–	41,317	43,940	46,577
Transfers and subsidies	–	–	–	–	–	–	57	61	64
Other expenditure	98,606	103,911	104,551	167,947	147,477	147,477	144,517	153,687	162,892
Total Expenditure	**165,947**	**176,745**	**187,013**	**964,158**	**931,008**	**931,008**	**321,840**	**342,624**	**363,182**
Surplus/(Deficit)	**60,719**	**67,260**	**57,460**	**(679,707)**	**(669,599)**	**(669,599)**	**(30,711)**	**(34,027)**	**(36,069)**
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	–	–	–	–	–	–	–	–	–
Contributions recognised - capital & contributed assets	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	**60,719**	**67,260**	**57,460**	**(679,707)**	**(669,599)**	**(669,599)**	**(30,711)**	**(34,027)**	**(36,069)**
Taxation	18,576	20,007	13,983	–	–	–	–	–	–
Surplus/ (Deficit) for the year	**42,143**	**47,253**	**43,476**	**(679,707)**	**(669,599)**	**(669,599)**	**(30,711)**	**(34,027)**	**(36,069)**
Capital expenditure & funds sources									
Capital expenditure	**81,879**	**380,306**	**367,936**	**47,982**	**175,476**	**175,476**	**49,193**	**40,631**	**43,069**
Transfers recognised - capital	–	–	–	–	–	–	–	–	–
Public contributions & donations	–	–	–	–	–	–	–	–	–
Borrowing	–	–	–	–	–	–	–	–	–
Internally generated funds	81,879	380,306	367,936	47,982	175,476	175,476	49,193	40,631	43,069
Total sources of capital funds	**81,879**	**380,306**	**367,936**	**47,982**	**175,476**	**175,476**	**49,193**	**40,631**	**43,069**
Financial position									
Total current assets	579,936	437,337	268,623	248,244	149,536	149,536	132,686	110,948	87,460
Total non current assets	264,115	619,426	961,750	345,398	431,909	431,909	438,450	433,870	429,016
Total current liabilities	91,881	142,989	77,470	109,454	98,140	98,140	118,543	126,252	133,979
Total non current liabilities	(5)	(2,654)	–	37,552	–	–	–	–	–
Community wealth/Equity	752,174	916,427	1,152,904	446,636	483,304	483,304	452,593	418,566	382,498
Cash flows									
Net cash from (used) operating	78,796	127,270	46,030	40,398	49,982	49,982	29,498	17,566	18,175
Net cash from (used) investing	(81,879)	(380,307)	(405,437)	(47,982)	(175,476)	(175,476)	(49,193)	(40,631)	(43,069)
Net cash from (used) financing	202,715	117,000	193,000	(2,573)	–	–	–	–	–
Cash/cash equivalents at the year end	**554,632**	**418,595**	**252,188**	**225,378**	**126,694**	**126,694**	**107,000**	**83,935**	**59,041**

Table 76 CTICC - Table D2 Budgeted Financial Performance (revenue and expenditure)

Description	2014/15	2015/16	2016/17	Current Year 2017/18			Medium Term Revenue and Expenditure Framework		
R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
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	94,607	99,937	104,571	131,571	121,642	121,642	138,802	147,131	155,958
Interest earned - external investments	30,742	35,272	28,825	11,671	11,671	11,671	4,515	4,786	5,073
Interest earned - outstanding debtors	–	–	–	–	–	–	–	–	–
Dividends received	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits	–	–	–	–	–	–	–	–	–
Licences and permits	–	–	–	–	–	–	–	–	–
Agency services	–	–	–	–	–	–	–	–	–
Transfers and subsidies	–	–	–	–	–	–	–	–	–
Other revenue	101,318	108,796	111,077	141,209	128,096	128,096	147,812	156,680	166,081
Gains on disposal of PPE	–	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)	**226,666**	**244,005**	**244,473**	**284,451**	**261,409**	**261,409**	**291,129**	**308,597**	**327,113**
Expenditure By Type									
Employee related costs	44,017	47,502	57,457	88,887	77,513	77,513	92,542	98,909	104,843
Remuneration of councillors	356	457	578	804	700	700	756	816	882
Debt impairment	–	–	–	–	–	–	300	312	315
Depreciation & asset impairment	22,968	24,832	24,424	702,868	705,317	705,317	42,651	45,211	47,923
Finance charges	–	42	3	3,651	–	–	–	–	–
Bulk purchases	–	–	–	–	–	–	–	–	–
Other materials	–	–	–	–	–	–	41,317	43,940	46,577
Contracted services	–	–	–	–	–	–	62,884	66,877	70,889
Transfers and subsidies	–	–	–	–	–	–	57	61	64
Other expenditure	98,606	103,911	104,551	167,947	147,477	147,477	81,334	86,498	91,688
Loss on disposal of PPE	–	–	–	–	–	–	–	–	–
Total Expenditure	**165,947**	**176,745**	**187,013**	**964,158**	**931,008**	**931,008**	**321,840**	**342,624**	**363,182**
Surplus/(Deficit)	**60,719**	**67,260**	**57,460**	**(679,707)**	**(669,599)**	**(669,599)**	**(30,711)**	**(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) after capital transfers & contributions	**60,719**	**67,260**	**57,460**	**(679,707)**	**(669,599)**	**(669,599)**	**(30,711)**	**(34,027)**	**(36,069)**
Taxation	18,576	20,007	13,983	–	–	–	–	–	–
Surplus/ (Deficit) for the year	**42,143**	**47,253**	**43,476**	**(679,707)**	**(669,599)**	**(669,599)**	**(30,711)**	**(34,027)**	**(36,069)**

Table 77 CTICC - Table D3 Capital Budget by vote and funding

Vote Description	2014/15	2015/16	2016/17	Current Year 2017/18			Medium Term Revenue and Expenditure Framework		
R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Capital expenditure by Asset Class/Sub-class									
Other assets	**71,598**	**367,264**	**351,231**	**25,300**	**151,793**	**151,793**	**27,247**	**22,450**	**23,797**
Operational Buildings	71,598	367,264	351,231	25,300	151,793	151,793	27,247	22,450	23,797
Municipal Offices	71,598	367,264	351,231	25,300	151,793	151,793	27,247	22,450	23,797
Computer Equipment	**7,078**	**9,413**	**12,853**	**15,224**	**15,224**	**15,224**	**15,218**	**15,803**	**16,751**
Computer Equipment	7,078	9,413	12,853	15,224	15,224	15,224	15,218	15,803	16,751
Furniture and Office Equipment	**3,203**	**2,609**	**3,165**	**6,110**	**6,110**	**6,110**	**5,380**	**1,030**	**1,092**
Furniture and Office Equipment	3,203	2,609	3,165	6,110	6,110	6,110	5,380	1,030	1,092
Machinery and Equipment	**–**	**1,020**	**687**	**1,348**	**2,348**	**2,348**	**1,348**	**1,348**	**1,429**
Machinery and Equipment	–	1,020	687	1,348	2,348	2,348	1,348	1,348	1,429
Total capital expenditure on assets	**81,879**	**380,306**	**367,936**	**47,982**	**175,476**	**175,476**	**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	81,879	380,306	367,936	47,982	175,476	175,476	49,193	40,631	43,069
Total Capital Funding	**81,879**	**380,306**	**367,936**	**47,982**	**175,476**	**175,476**	**49,193**	**40,631**	**43,069**

Table 78 CTICC - Table D4 Budgeted Financial Position

Description	2014/15	2015/16	2016/17	Current Year 2017/18			Medium Term Revenue and Expenditure Framework		
R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
ASSETS									
Current assets									
Cash	9,770	9,771	14,301	–	–	–	–	–	–
Call investment deposits	544,862	408,824	237,887	225,378	126,694	126,694	107,000	83,935	59,041
Consumer debtors	–	–	–	–	–	–	–	–	–
Other debtors	23,539	17,482	15,237	21,004	21,396	21,396	24,027	25,254	26,555
Current portion of long-term receivables	–	–	–	–	–	–	–	–	–
Inventory	1,766	1,260	1,198	1,862	1,445	1,445	1,659	1,758	1,864
Total current assets	**579,936**	**437,337**	**268,623**	**248,244**	**149,536**	**149,536**	**132,686**	**110,948**	**87,460**
Non current assets									
Long-term receivables	–	–	–	–	–	–	–	–	–
Investments	–	–	–	–	–	–	–	–	–
Investment property	–	–	–	–	–	–	–	–	–
Investment in Associate	–	–	–	–	–	–	–	–	–
Property, plant and equipment	264,115	619,426	961,750	345,398	431,909	431,909	438,450	433,870	429,016
Agricultural	–	–	–	–	–	–	–	–	–
Biological	–	–	–	–	–	–	–	–	–
Intangible	–	–	–	–	–	–	–	–	–
Other non-current assets	–	–	–	–	–	–	–	–	–
Total non current assets	**264,115**	**619,426**	**961,750**	**345,398**	**431,909**	**431,909**	**438,450**	**433,870**	**429,016**
TOTAL ASSETS	**844,051**	**1,056,763**	**1,230,373**	**593,642**	**581,444**	**581,444**	**571,136**	**544,818**	**516,476**
LIABILITIES									
Current liabilities									
Bank overdraft	–	–	–	–	–	–	–	–	–
Borrowing	–	–	–	–	–	–	–	–	–
Consumer deposits	36,429	46,620	19,687	49,100	22,799	22,799	26,166	27,736	29,400
Trade and other payables	52,088	92,831	56,399	56,680	69,964	69,964	86,549	92,198	97,730
Provisions	3,365	3,538	1,383	3,673	5,376	5,376	5,828	6,318	6,848
Total current liabilities	**91,881**	**142,989**	**77,470**	**109,454**	**98,140**	**98,140**	**118,543**	**126,252**	**133,979**
Non current liabilities									
Borrowing	–	–	–	36,821	–	–	–	–	–
Provisions	(5)	(2,654)	–	731	–	–	–	–	–
Total non current liabilities	**(5)**	**(2,654)**	**–**	**37,552**	**–**	**–**	**–**	**–**	**–**
TOTAL LIABILITIES	**91,877**	**140,336**	**77,470**	**147,006**	**98,140**	**98,140**	**118,543**	**126,252**	**133,979**
NET ASSETS	**752,174**	**916,427**	**1,152,903**	**446,636**	**483,304**	**483,304**	**452,593**	**418,566**	**382,498**
COMMUNITY WEALTH/EQUITY									
Accumulated Surplus/(Deficit)	(215,253)	(168,001)	(124,524)	(839,004)	(794,123)	(794,123)	(824,834)	(858,861)	(894,930)
Reserves	–	–	–	–	–	–	–	–	–
Share capital	967,428	1,084,428	1,277,428	1,285,640	1,277,428	1,277,428	1,277,428	1,277,428	1,277,428
TOTAL COMMUNITY WEALTH/EQUITY	**752,174**	**916,427**	**1,152,904**	**446,636**	**483,304**	**483,304**	**452,593**	**418,566**	**382,498**

Table 79 CTICC – Table D5 Budgeted Cash Flow

Description	2014/15	2015/16	2016/17	Current Year 2017/18			Medium Term Revenue and Expenditure Framework		
R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Property rates	–	–	–	–	–	–	–	–	–
Service charges	–	–	–	–	–	–	–	–	–
Other revenue	191,274	225,326	194,518	268,000	247,272	247,272	284,135	302,755	320,933
Government - operating	–	–	–	–	–	–	–	–	–
Government - capital	–	–	–	–	–	–	–	–	–
Interest	30,837	35,272	28,825	11,671	11,671	11,671	4,515	4,786	5,073
Dividends	–	–	–	–	–	–	–	–	–
Payments									
Suppliers and employees	(143,220)	(133,285)	(177,310)	(235,621)	(208,961)	(208,961)	(259,151)	(289,975)	(307,831)
Finance charges	(95)	(42)	(3)	(3,651)	–	–	–	–	–
Dividends paid	–	–	–	–	–	–	–	–	–
Transfers and Grants	–	–	–	–	–	–	–	–	–
NET CASH FROM/(USED) OPERATING ACTIVITIES	**78,796**	**127,270**	**46,030**	**40,398**	**49,982**	**49,982**	**29,498**	**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	(81,879)	(380,307)	(405,437)	(47,982)	(175,476)	(175,476)	(49,193)	(40,631)	(43,069)
NET CASH FROM/(USED) INVESTING ACTIVITIES	**(81,879)**	**(380,307)**	**(405,437)**	**(47,982)**	**(175,476)**	**(175,476)**	**(49,193)**	**(40,631)**	**(43,069)**
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans	–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing	202,715	117,000	193,000	–	–	–	–	–	–
Increase (decrease) in consumer deposits	–	–	–	–	–	–	–	–	–
Payments									
Repayment of borrowing	–	–	–	(2,573)	–	–	–	–	–
NET CASH FROM/(USED) FINANCING ACTIVITIES	**202,715**	**117,000**	**193,000**	**(2,573)**	**–**	**–**	**–**	**–**	**–**
NET INCREASE/ (DECREASE) IN CASH HELD	**199,632**	**(136,037)**	**(166,407)**	**(10,157)**	**(125,493)**	**(125,493)**	**(19,694)**	**(23,065)**	**(24,894)**
Cash/cash equivalents at the year begin:	**354,999**	**554,632**	**418,595**	**235,535**	**252,188**	**252,188**	**126,694**	**107,000**	**83,935**
Cash/cash equivalents at the year end:	**554,632**	**418,595**	**252,188**	**225,378**	**126,694**	**126,694**	**107,000**	**83,935**	**59,041**

2.14 Annual budget and service delivery agreement – Cape Town Stadium (CTS)

2.14.1 Executive Summary

The CTS has entered into an exciting and dynamic phase of its business development and commercialization process. A flexible independent public/private governance and management vehicle for CTS, a municipal entity (Cape Town Stadium (RF) SOC Limited), has been established and commenced business operations as of 1 February 2018.

The recent re-zoning of the use-rights of the land upon which CTS and its immediate precinct is built has laid the platform upon which an optimised commercialisation of the CTS and its immediate precinct can take place. Critically, this leveraging of the commercialisation of CTS will be effected against the backdrop of an open canvass – a commercially clean stadium. These long awaited developments have provided the catalyst for a compelling sustainable business case to be developed for CTS to, inter alia, materially attenuate the historical financial burden carried by City ratepayers to operate and maintain this iconic, world class arena.

The 2018/19 budget is drafted under the mandate given in terms of the Service Delivery Agreement between the City and the CTS.

The CTS's budget is balanced through the provision of an annual grant allocation from the City. The expenditure component of this budget is only subject to prior year actual level plus inflationary increases. The income determination is based on carry over events from the prior year and anticipated demand for the current budget year.

This 2018/19 Business Plan, which is aligned with the City's Integrated Development Plan (IDP) and Economic Growth Strategy (EGS), and constitutes its vision toward achieving local and international recognition as a preferred major venue for the hosting of significant, financially sustainable, international, national and local sports, recreational, cultural and community events.

2.14.2 Purpose & Service Mandate

- **Key Aspects of Required Service Delivery**

  Municipal legislation (Municipal Systems Act, 2000 read with Municipal Finance Management Act, 2003) required the CTS ME to enter into a monitored service delivery agreement ("SDA") with the City in respect of the governance, management and operation of the CTS.

- **SDA to be entered into between the City and CTS**

  The salient features of the SDA to be entered into between the City and the CTS are captured in Table 80 on page 166.

- **CTS's services and functions ito the SDA**

  The CTS has been mandated in terms of the SDA between the City and the Stadium to, inter alia, provide the following services and functions:

  - **General Facility Operations**
    Asset management and maintenance: ICT services and infrastructure support (tickets, advertising, audio-visual, etc.); safety and security; capital and refurbishment; and investment projects.
  - **Events and Entertainment Services Management**
    Bowl and non-bowl event scheduling; planning and execution; development and hosting of signature events; managing of events industry and service provider requirement; events leveraging and bidding processes etc.
  - **Commercialization, Marketing and Hospitality Management**
    Advertising; merchandising; supplier and pouring rights; ticketing; hospitality; sponsorships; tourism; marketing of bowl and non-bowl facilities; property development and management; commercial legal services.
  - **Finance, Legal and Administration Management**
    Establishment and management of structures, systems and processes with regards to finance, revenue and expenditure, legal, governance and administration and such additional services as the City may require from time to time.

2.14.3 Service Delivery Agreement between the City and the CTS

Table 80 CTS – Service Delivery Agreement

Period of agreement	The City may, at its sole discretion, extend the Service Provider's (ME's) appointment for a further period of 49 years. Then say effectively 50 years from Commencement date.
Funding	The City will provide the grant/allocation to cover CTS operational expenditure in terms of an approved budget and provide support services for the first three years. The ME will be responsible for all maintenance which will be based on the City's maintenance standards. The City will be liable for all capital expenditure, including additional hospitality suites.
Staffing	The City will second staff members to the ME with the concurrence of the staff members concerned. Staff currently employed at CTS will remain as City employees, will be paid by the City and will receive their standard benefits including bonuses and leave pay. The ME may appoint additional staff.
Services to be Provided	• General facility maintenance & event support operations • Events and entertainment services management • Commercialisation, marketing and hospitality management • Finance, legal and administration management
Ownership and Control	The City of Cape Town is the 100% shareholder of the ME.
Oversight Processes	The Finance Directorate (Treasury Department) of the City monitors SDA and related performance and compliance of the ME.
City's Obligations	The City must provide dedicated and prioritised support with regards to accounting, financial management and budgeting per MFMA, including utilization of the SAP (Systems, Applications and Products) System as used by the City and Supply Chain Management support, legal company secretary, brand management and communication. In addition the City must provide dedicated and prioritised services in regard to human resource management support, as well as internal audit and risk management support including oversight over the Service Provider's audit committee.

The aggregated annual budget, as required in terms of section 9 of the MBRR, are presented in the five primary budget tables on page 167 to page 170. These tables reflect the CTS's 2018/19 budget and MTREF to be supported by Council.

Schedule D reflecting the annual budget and supporting documents for the CTS is attached as Annexure 25 while the business plan is attached as Annexure 26.

Table 81 CTS - Table D1 Budget Summary

Description	2014/15	2015/16	2016/17	Current Year 2017/18			Medium Term Revenue and Expenditure Framework		
R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Financial Performance									
Property rates	–	–	–	–	–	–	–	–	–
Service charges	–	–	–	–	–	–	–	–	–
Investment revenue	–	–	–	–	–	–	–	–	–
Transfers recognised - operational	–	–	–	43,568	–	43,568	70,160	68,696	67,162
Other own revenue	–	–	–	–	–	–	18,731	22,921	24,524
Total Revenue (excluding capital transfers and contributions)	**–**	**–**	**–**	**43,568**	**–**	**43,568**	**88,891**	**91,617**	**91,686**
Employee costs	–	–	–	–	–	–	–	–	–
Remuneration of councillors	–	–	–	263	–	263	660	739	776
Depreciation & asset impairment	–	–	–	–	–	–	–	–	–
Finance charges	–	–	–	–	–	–	–	–	–
Materials and bulk purchases	–	–	–	714	–	714	–	–	–
Transfers and grants	–	–	–	–	–	–	–	–	–
Other expenditure	–	–	–	42,591	–	42,591	88,231	90,878	90,910
Total Expenditure	**–**	**–**	**–**	**43,568**	**–**	**43,568**	**88,891**	**91,617**	**91,686**
Surplus/(Deficit)	**–**	**–**	**–**	**(0)**	**–**	**(0)**	**–**	**0**	**(0)**
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	–	–	–	–	–	–	–	–	–
Contributions recognised - capital & contributed assets	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	**–**	**–**	**–**	**(0)**	**–**	**(0)**	**–**	**0**	**(0)**
Taxation	–	–	–	–	–	–	–	–	–
Surplus/ (Deficit) for the year	**–**	**–**	**–**	**(0)**	**–**	**(0)**	**–**	**0**	**(0)**
Financial position									
Total current assets	–	–	–	43,568	–	43,568	5,846	11,096	3,592
Total non current assets	–	–	–	–	–	–	–	–	–
Total current liabilities	–	–	–	43,568	–	43,568	5,846	11,096	3,592
Total non current liabilities	–	–	–	–	–	–	–	–	–
Community wealth/Equity	–	–	–	–	–	–	–	–	–
Cash flows									
Net cash from (used) operating	–	–	–	–	–	–	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**	**11,096**	**3,592**

Table 82 CTS - Table D2 Budgeted Financial Performance (revenue and expenditure)

Description	2014/15	2015/16	2016/17	Current Year 2017/18			Medium Term Revenue and Expenditure Framework		
R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
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	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	–	–	–	43,568	–	43,568	70,160	68,696	67,162
Other revenue	–	–	–	–	–	–	4,600	6,339	6,942
Gains on disposal of PPE	–	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)	**–**	**–**	**–**	**43,568**	**–**	**43,568**	**88,891**	**91,617**	**91,686**
Expenditure By Type									
Employee related costs	–	–	–	–	–	–	–	–	–
Remuneration of councillors	–	–	–	263	–	263	660	739	776
Debt impairment	–	–	–	–	–	–	–	–	–
Depreciation & asset impairment	–	–	–	–	–	–	–	–	–
Finance charges	–	–	–	–	–	–	–	–	–
Bulk purchases	–	–	–	–	–	–	–	–	–
Other materials	–	–	–	714	–	714	–	–	–
Contracted services	–	–	–	33,946	–	33,946	51,540	53,087	53,106
Transfers and subsidies	–	–	–	–	–	–	–	–	–
Other expenditure	–	–	–	8,645	–	8,645	36,690	37,791	37,804
Loss on disposal of PPE	–	–	–	–	–	–	–	–	–
Total Expenditure	**–**	**–**	**–**	**43,568**	**–**	**43,568**	**88,891**	**91,617**	**91,686**
Surplus/(Deficit)									
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) after capital transfers & contributions	**–**	**–**	**–**	**(0)**	**–**	**(0)**	**–**	**0**	**(0)**
Taxation	–	–	–	–	–	–	–	–	–
Surplus/ (Deficit) for the year	**–**	**–**	**–**	**(0)**	**–**	**(0)**	**–**	**0**	**(0)**

Table 83 CTS - Table D4 Budgeted Financial Position

Description	2014/15	2015/16	2016/17	Current Year 2017/18			Medium Term Revenue and Expenditure Framework		
R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
ASSETS									
Current assets									
Cash	–	–	–	–	–	–	5,846	11,096	3,592
Call investment deposits	–	–	–	–	–	–	–	–	–
Consumer debtors	–	–	–	–	–	–	–	–	–
Other debtors	–	–	–	–	–	–	–	–	–
Current portion of long-term receivables	–	–	–	43,568	–	43,568	–	–	–
Inventory	–	–	–	–	–	–	–	–	–
Total current assets	**–**	**–**	**–**	**43,568**	**–**	**43,568**	**5,846**	**11,096**	**3,592**
Non current assets									
Long-term receivables	–	–	–	–	–	–	–	–	–
Investments	–	–	–	–	–	–	–	–	–
Investment property	–	–	–	–	–	–	–	–	–
Investment in Associate	–	–	–	–	–	–	–	–	–
Property, plant and equipment	–	–	–	–	–	–	–	–	–
Agricultural	–	–	–	–	–	–	–	–	–
Biological	–	–	–	–	–	–	–	–	–
Intangible	–	–	–	–	–	–	–	–	–
Other non-current assets	–	–	–	–	–	–	–	–	–
Total non current assets	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
TOTAL ASSETS	**–**	**–**	**–**	**43,568**	**–**	**43,568**	**5,846**	**11,096**	**3,592**
LIABILITIES									
Current liabilities									
Bank overdraft	–	–	–	–	–	–	–	–	–
Borrowing	–	–	–	–	–	–	–	–	–
Consumer deposits	–	–	–	–	–	–	–	–	–
Trade and other payables	–	–	–	43,568	–	43,568	5,846	11,096	3,592
Provisions	–	–	–	–	–	–	–	–	–
Total current liabilities	**–**	**–**	**–**	**43,568**	**–**	**43,568**	**5,846**	**11,096**	**3,592**
Non current liabilities									
Borrowing	–	–	–	–	–	–	–	–	–
Provisions	–	–	–	–	–	–	–	–	–
Total non current liabilities	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
TOTAL LIABILITIES	**–**	**–**	**–**	**43,568**	**–**	**43,568**	**5,846**	**11,096**	**3,592**
NET ASSETS	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
COMMUNITY WEALTH/EQUITY									
Accumulated Surplus/(Deficit)	–	–	–	–	–	–	–	–	–
Reserves	–	–	–	–	–	–	–	–	–
Share capital	–	–	–	–	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**

Table 84 CTS – Table D5 Budgeted Cash Flow

Description	2014/15	2015/16	2016/17	Current Year 2017/18			Medium Term Revenue and Expenditure Framework		
R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Property rates	–	–	–	–	–	–	–	–	–
Service charges	–	–	–	–	–	–	–	–	–
Other revenue	–	–	–	–	–	–	18,731	22,921	24,524
Government - operating	–	–	–	43,568	–	43,568	70,160	68,696	67,162
Government - capital	–	–	–	–	–	–	–	–	–
Interest	–	–	–	–	–	–	–	–	–
Dividends	–	–	–	–	–	–	–	–	–
Payments									
Suppliers and employees	–	–	–	(43,568)	–	(43,568)	(83,045)	(86,367)	(88,094)
Finance charges	–	–	–	–	–	–	–	–	–
Dividends paid	–	–	–	–	–	–	–	–	–
Transfers and Grants	–	–	–	–	–	–	–	–	(11,096)
NET CASH FROM/(USED) OPERATING ACTIVITIES	**–**	**–**	**–**	**–**	**–**	**–**	**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**	**5,250**	**(7,504)**
Cash/cash equivalents at the year begin:	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**5,846**	**11,096**
Cash/cash equivalents at the year end:	**–**	**–**	**–**	**–**	**–**	**–**	**5,846**	**11,096**	**3,592**

2.15 Contracts having future budgetary implications

Table 85 MBRR Table SA33 - Contracts having future budgetary implications

Description	Preceding Years	Current Year 2017/18	2018/19 Medium Term Revenue & Expenditure Framework			Forecast 2021/22	Forecast 2022/23	Forecast 2023/24	Forecast 2024/25	Forecast 2025/26	Forecast 2026/27	Forecast 2027/28	Total Contract Value
R thousand	Total	Original Budget	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
Revenue Obligation By Contract													
Transnet (waste from Athlone Transfer Station to Vissershok Landfill Site)	20,240	21,096	22,257	23,481	24,772	26,135	27,572	29,089	30,689	32,376	34,157	–	291,864
Provision of a third party payment service to the City	146,309	45,043	70,836	74,731	78,879	75,000	79,500	84,300	90,000	95,000	100,000	107,000	224,446
Bulk printing and postal processing	77,726	23,974	12,000	15,000	18,000	16,000	19,000	22,000	20,000	24,000	28,000	26,000	301,700
The financing, provision, implementation, maintenance and operation of a managed parking system for various selected areas within the metropolitan area of the City (Tender 197S/2016/17)	–	–	96,923	106,661	115,957	125,041	131,534	139,521	147,598	154,295	81,145	–	1,098,677
Total Operating Revenue Implication	**244,275**	**90,114**	**202,015**	**219,873**	**237,609**	**242,176**	**257,606**	**274,910**	**288,287**	**305,671**	**243,302**	**133,000**	**2,738,840**
Expenditure Obligation By Contract													
Operations, maintenance and management of the Fisantekraal Wastewater Treatment (Tender 442S/2010/11)	32,748	20,612	21,751	23,274	24,903	26,646	28,511	30,507	32,643	34,928	–	–	276,523
Operations, maintenance and management of the Zandvliet Wastewater Treatment (Tender 441S/2010/11)	294,300	70,942	71,198	76,182	81,514	87,220	93,326	99,858	106,849	114,328	–	–	1,095,716
AFS (Automated Fuel Systems)	1,353,564	297,732	78,676	–	–	–	–	–	–	–	–	–	1,729,972
Nedbank Limited: main bank tender and other services	–	7,547	31,045	32,655	34,579	36,618	28,781	–	–	–	–	–	171,225
Management and operation of the Transport Information Centre (Tender 311S/2014/15)	33,275	19,038	19,800	20,592	–	–	–	–	–	–	–	–	92,705
Vehicle operator agreement - Transpeninsula	394,994	126,062	133,626	141,643	150,142	159,150	168,699	178,821	189,551	200,924	212,979	225,758	2,282,349
Vehicle operator agreement - Table Bay area rapid transit	342,765	118,417	125,522	133,053	141,037	149,499	158,469	167,977	178,055	188,739	200,063	212,067	2,115,663
Vehicle operator agreement - Kidrogen	524,741	182,102	193,028	204,610	216,886	229,900	243,694	258,315	273,814	290,243	307,658	326,117	3,251,108
The financing, provision, implementation, maintenance and operation of a managed parking system for various selected areas within the metropolitan area of the City (Tender 197S/2016/17)	–	–	82,324	85,427	88,916	92,497	96,090	99,833	103,679	107,421	57,159	–	813,346
Provision of a public transport Dial-a-Ride service on behalf of the City (Contract operations)(Tender 104S/2017/18)	–	–	26,700	26,700	26,700	26,700	26,700	26,700	–	–	–	–	160,200
Total Operating Expenditure Implication	**2,976,387**	**842,453**	**783,669**	**744,135**	**764,677**	**808,230**	**844,270**	**862,012**	**884,590**	**936,582**	**777,859**	**763,942**	**11,988,806**

Table continues on next page

Description	Preceding Years	Current Year 2017/18	2018/19 Medium Term Revenue & Expenditure Framework			Forecast 2021/22	Forecast 2022/23	Forecast 2023/24	Forecast 2024/25	Forecast 2025/26	Forecast 2026/27	Forecast 2027/28	Total Contract Value
R thousand	**Total**	**Original Budget**	**Budget Year 2018/19**	**Budget Year +1 2019/20**	**Budget Year +2 2020/21**	**Estimate**	**Estimate**	**Estimate**	**Estimate**	**Estimate**	**Estimate**	**Estimate**	**Estimate**
Capital Expenditure Obligation By Contract													
Provision of professional services iro the Steenbras pumped storage main plant refurbishment - Aurecon	115	2,500	33,500	4,600	4,600	10,000	101,200	–	–	–	–	–	156,515
Increase of scope of work to include Cape Flats Wastewater Treatment Plant: provision of professional services, sludge dewatering and sludge handling facilities at various wastewater treatment plants (WWTPS) and a mobile sludge dewatering unit (Tender 141C/2011/12)	65,421	20,000	50,000	19,000	100,000	40,000	30,000	–	–	–	–	–	324,421
Appointment of a lead transaction advisor, project administrator and a specialist MFMA consultant to undertake work related to alternative waste management mechanisms in ISWWS directorate (Tender 215C/2014/15)	2,000	7	40,285	30,000	60,000	104,800	120,000	–	–	–	–	–	357,092
1. Construction of new inlet works, pump stations, primary settling tanks and sludge dewatering building at Zandvliet Wastewater Treatment Works: Civil Works (Tender 84Q/2016/17) *2. Design-build of mechanical and electrical works for the construction of primary treatment and sludge handling facilities at Zandvliet Wastewater Treatment Works (Tender 85Q/2016/17)* *3. Design-build of mechanical and electrical works for the construction of an MBR Plant and bottleneck alleviation at Zandvliet Wastewater Treatment Works (Tender 178Q/2016/17)* *4. Construction of an MBR Plant and bottleneck alleviation at Zandvliet Wastewater Treatment Works: Civil Works (Tender 179Q/2016/17)*	119,392	89,899	230,747	137,300	387,700	237,500	100,000	–	–	–	–	–	1,302,537
Philippi collector sewer (Tender 429C/2014/15)	300	3,000	71,810	54,000	41,000	–	–	–	–	–	–	–	170,110
Provision of professional services iro the design, tender documentation of administration, construction and supervision of civil engineering services for Monwood (Philippi) (Tender 329C/2016/17)	–	–	2,923	10,000	46,152	37,581	28,463	–	–	–	–	–	125,120
Monwabisi Park UISP phase 1 (Tender DP3042Q/2017/18)	–	–	2,000	3,500	78,000	73,000	68,000	53,000	77,000	54,000	58,000	–	466,500
Professional services for the preliminary investigation, design, tender documentation, administration and construction supervision of civil engineering services for the upgrading of Enkanini Informal Settlement, Khayelitsha (Tender 288C/2016/17)	–	5,000	7,381	46,457	64,058	66,318	67,520	70,365	72,199	76,155	–	–	475,453
Provision of professional services iro the Steenbras pumped storage main plant refurbishment - Aurecon	4,576	4,650	6,000	7,500	7,274	–	–	–	–	–	–	–	30,000
IRT - provision of professional services iro the design and construction of phase 2A infrastructure: trunk & feeder (Tender 59C/2014/15)	24,123	33,500	24,000	30,000	–	–	–	–	–	–	–	–	111,623
Design, supply, delivery, installation, testing and commissioning of the IRT Fare System, supply and distribution of fare cards and provision of maintenance and other related services (AFC) (Tender 24G/2009/10)	739,308	30,593	15,000	12,000	–	–	–	–	–	–	–	–	796,901
Provision of civil, traffic, geotechnical and electrical engineering services to plan, design and monitor integrated Human Settlement development within the City (Tender 101C/2016/17)	454	11,074	11,271	14,495	1,858	–	–	–	–	–	–	–	39,151
Total Capital Expenditure Implication	**955,688**	**200,222**	**494,917**	**368,852**	**790,642**	**569,198**	**515,184**	**123,365**	**149,199**	**130,155**	**58,000**	**–**	**4,355,423**
Total Parent Expenditure Implication	**3,932,075**	**1,042,675**	**1,278,586**	**1,112,987**	**1,555,319**	**1,377,429**	**1,359,453**	**985,377**	**1,033,789**	**1,066,737**	**835,859**	**763,942**	**16,344,230**

Table 86 – Projects having future budgetary implications

Description	Project number	Preceding Years	Current Year 2017/18	2018/19 Medium Term Revenue & Expenditure Framework			Forecast 2021/22	Forecast 2022/23	Forecast 2023/24	Total Contract Value
R thousand		Total	Adjusted Budget	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21	Estimate	Estimate	Estimate	Estimate
Capital Expenditure Obligation By Project										
Information Systems and Technology: Dark Fibre Broadband Infrastructure	*CPX/0000931*	753,994	259,782	253,155	260,155	260,190	222,850	222,850	271,681	2,504,656
Facilities Management: Facilities Management (FM) Structural Rehabilitation	*CPX/0000924*	243,175	13,484	18,330	6,057	2,257	–	5,461	152,462	541,227
Property Management: Upgrading of City Hall	*C13.00213*	27,109	23,010	2,500	5,000	4,100	10,000	–	5,400	77,119
Property Management: Upgrade of Athlone Stadium	*C14.00035*	20,304	7,001	4,900	5,000	10,000	10,000	–	292,795	350,000
Property Management: Basement Parking and Access	*CPX.0004113*	88,630	6,218	8,694	–	–	–	–	17,370	120,912
Solid Waste Management: Purchase of Land Regional Landfill	*CPX.0003136*	–	–	–	100,000	–	–	–	–	100,000
Solid Waste Management: Development of the Regional Landfill Site	*CPX.0003137*	–	–	–	1,500	90,000	100,000	–	80,000	271,500
Solid Waste Management: Athlone Refuse Transfer Station (ARTS): Material Recovery Facility / Mechanical Biological Treatment (MBT)	*CPX.0007847*	160	600	3,400	20,000	70,000	47,000	–	8,840	150,000
Solid Waste Management: Coastal Park: Design and develop (Material Recovery Facility)	*CPX.0007910*	–	4,000	38,500	103,500	78,000	–	–	1,000	225,000
Solid Waste Management: Vissershok South: Landfill Gas Infrastructure to Flaring	*CPX.0007916*	–	1,500	29,000	18,100	21,000	5,000	–	400	75,000
Solid Waste Management: Vissershok North: Design and develop Airs	*CPX.0007920*	157	–	15,000	32,000	–	42,500	–	29,343	119,000
Solid Waste Management: Coastal Park: Design and develop	*CPX.0007924*	728	2,122	3,000	45,000	10,000	25,000	–	(0)	85,850
Solid Waste Management: Parow depot Upgrade	*CPX.0008732*	2,865	27,000	6,620	–	–	–	–	17,624	54,109
Solid Waste Management: CPTS: Transfer Station New	*CPX.0010025*	–	–	–	–	2,500	10,000	50,000	–	62,500
Solid Waste Management: Bellville Transfer Station (BTS): Material Recovery Facility / Mechanical Biological Treatment (MBT)	*CPX.0010026*	–	–	–	–	5,000	25,000	75,000	–	105,000
Solid Waste Management: Coastal Park: Landfill Gas Infrastructure - Beneficiation	*CPX.0011067*	–	2,600	31,200	–	–	35,000	–	–	68,800
Solid Waste Management: Material Recovery Facility: Mechanical Biological Treatment (MBT) (Phase 2)	*CPX.0011068*	–	–	1,000	30,000	80,000	200,000	200,000	289,000	800,000
Solid Waste Management: New Prince George Drop-off	*CPX.0008859*	47	3,400	26,500	25,000	7,540	–	–	513	63,000
Water and Sanitation: Water Supply at Baden Powell Dr to Khayelitsha	*C12.86082*	33	2,000	22,000	56,000	–	–	–	79,967	160,000
Water and Sanitation: Scottsdene Wastewater Treatment Works (WWTW)	*C12.86094*	6,017	14,969	20,017	18,150	–	–	–	0	59,153
Water and Sanitation: Melkbos Wastewater Treatment Works (WWTW) -Effluent Disinfection	*C14.86043*	4,700	1,200	12,000	30,000	–	–	–	11,800	59,700
Water and Sanitation: Wesfleur Wastewater Treatment Works (WWTW) - Capacity Extension	*C14.86044*	3,500	10,000	35,000	20,000	–	–	–	31,500	100,000
Water and Sanitation: Main Road Clovelly Simonstown	*CPX.0007405*	18,526	9,000	12,000	9,500	20,000	20,000	20,000	129,000	238,026
Water and Sanitation: Paardevlei Development - Bulk Water	*CPX.0009700*	–	–	–	2,200	17,897	4,000	–	273,153	297,250
Water and Sanitation: Sir Lowry's Pass River Upgrade	*CPX.0012948*	–	39,230	9,000	122,000	47,400	–	–	–	217,630
Water and Sanitation: Flood Alleviation - Lourens River	*CPX.0013019*	–	10,686	10,000	10,000	15,000	100,000	100,000	–	245,686
Water and Sanitation: Borchards Quarry Wastewater Treatment Works (WWTW)	*CPX/0000471*	176,148	95,500	59,086	63,000	–	–	–	9,011	402,744
Water and Sanitation: Athlone Wastewater Treatment Works (WWTW) - Capacity Extension-phase 1	*CPX/0000479*	6,498	6,000	10,000	39,000	128,000	195,000	50,000	337,002	771,500
Water and Sanitation: Bellville Wastewater Treatment Works (WWTW)	*CPX/0000512*	353,328	73,578	113,700	60,000	84,805	–	5,000	0	690,411
Water and Sanitation: Bulk Water Augmentation Scheme	*CPX/0000524*	75,314	47,977	115,500	186,200	254,050	219,000	476,900	1,331,656	2,706,597

Table continues on next page

Description	Project number	Preceding Years	Current Year 2017/18	2018/19 Medium Term Revenue & Expenditure Framework			Forecast 2021/22	Forecast 2022/23	Forecast 2023/24	Total Contract Value
R thousand		Total	Adjusted Budget	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21	Estimate	Estimate	Estimate	Estimate
Capital Expenditure Obligation By Project										
Water and Sanitation: Cape Flats Rehabilitation	*CPX/0000532*	6,778	1,000	35,750	100,000	114,250	26,000	6,000	2,222	292,000
Water and Sanitation: Cape Flats Wastewater Treatment Works (WWTW) - Refurbish various structures	*CPX/0000533*	65,031	18,800	75,000	159,000	100,000	40,000	30,000	1,269	489,100
Water and Sanitation: Zandvliet Wastewater Treatment Works (WWTW) - Extension	*CPX/0000628*	150,666	91,000	366,500	437,600	387,700	237,500	100,000	0	1,770,966
Water and Sanitation: Macassar Wastewater Treatment Works (WWTW) Extension	*CPX/0000639*	162	10,000	25,000	60,000	35,700	20,000	–	249,138	400,000
Water and Sanitation: Philippi Collector Sewer	*CPX/0000679*	–	3,000	41,000	81,000	41,000	–	–	34,000	200,000
Water and Sanitation: Potsdam Wastewater Treatment Works (WWTW) - Extension	*CPX/0000681*	17,492	4,000	35,100	106,000	180,000	300,000	300,000	8	942,600
Water and Sanitation: Mitchells Plain Wastewater Treatment Works (WWTW) Phase 2	*CPX/0000684*	91,476	10,800	2,000	21,000	54,700	55,100	90,000	0	325,076
Water and Sanitation: Northern Regional Sludge Facility	*CPX/0000694*	1,973	7	21,285	27,000	60,000	104,800	120,000	564,935	900,000
Water and Sanitation: Contermanskloof Reservoir	*CPX/0003850*	31,179	79,916	51,000	500	–	–	–	51,782	214,377
Water and Sanitation: OSEC (Electrolytic Chlorination Infrastructure)	*CPX/0003892*	32,623	200	2,150	2,000	6,000	20,000	5,000	23,156	91,129
Water and Sanitation: Steenbras Reservoir	*CPX/0003894*	109	2,500	500	500	4,600	10,000	101,200	346,219	465,628
Water and Sanitation: Bulk Reticulation Sewers in Milnerton Rehab	*CPX/0006478*	–	2,000	52,000	64,000	104,000	81,000	40,000	7,000	350,000
Water and Sanitation: Helderberg/Faure Bulk Water Scheme	*CPX/0009468*	–	100	800	7,000	50,000	15,000	10,000	1,380	84,280
Water and Sanitation: Table Mountain Group Aquifer	*CPX.0010518*	–	80,812	350,000	–	–	–	–	370,000	800,812
Water and Sanitation: Desalination	*CPX.0010519*	–	50,000	10,000	–	–	–	–	40,000	100,000
Water and Sanitation: Cape Flats Aquifer	*CPX.0010520*	–	259,000	330,000	–	–	–	–	120,000	709,000
Water and Sanitation: Atlantis Aquifer	*CPX.0011032*	–	220,000	270,000	–	–	–	–	100,000	590,000
Water and Sanitation: Zandvliet Plant Re-use	*CPX.0011035*	–	128,500	38,000	–	–	–	–	1,112,000	1,278,500
Water and Sanitation: Desalination: Cap Town Harbour Land Based	*CPX.0011636*	–	510,514	1,000	–	–	–	–	2,397,286	2,908,800
Water and Sanitation: Cape Flats Aquifer Recharge	*CPX.0013724*	–	–	500,000	181,000	–	–	–	–	681,000
Water and Sanitation: Desalination Location 1	*CPX.0013725*	–	–	–	1,200,000	1,200,000	–	–	–	2,400,000
Water and Sanitation: Desalination Location 2	*CPX.0014006*	–	–	–	25,000	300,000	–	–	–	325,000
Water and Sanitation: Zandvliet Plant Re-use (50ML)	*CPX.0014007*	–	–	22,000	650,000	650,000	–	–	–	1,322,000
Informal Settlements and Backyarders: Internal Services: Mfuleni Extension 2	*CPX.0005741*	–	22,420	19,882	–	–	–	–	11,818	54,120
Informal Settlements and Backyarders: Informal Settlement Upgrade - Enkanini	*CPX.0005816*	–	5,000	7,381	46,457	64,058	66,318	67,520	218,719	475,453
Informal Settlements and Backyarders: Internal Services: Monwabisi Park	*CPX.0005817*	–	–	2,000	10,000	64,343	73,000	68,000	249,157	466,500
Informal Settlements and Backyarders: Professional Services: Monwood, Philippi	*CPX.0005818*	–	–	2,923	10,000	46,152	37,581	28,463	8,000	133,120
Informal Settlements and Backyarders: IDA/UISP Sweethomes-Philippi	*CPX.0005819*	11,908	25,000	33,364	–	–	–	–	24,728	95,000
Informal Settlements and Backyarders: Barney Molokwana section(BM)-Khayelitsha	*CPX.0005823*	–	–	–	5,000	15,000	20,000	–	28,000	68,000

Table continues on next page

Description	Project number	Preceding Years	Current Year 2017/18	2018/19 Medium Term Revenue & Expenditure Framework			Forecast 2021/22	Forecast 2022/23	Forecast 2023/24	Total Contract Value
R thousand		Total	Adjusted Budget	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21	Estimate	Estimate	Estimate	Estimate
Capital Expenditure Obligation By Project										
Informal Settlements and Backyarders: Upgrading of Informal Settlements Programme (UISP): Kalkfontein Informal Settlement	*CPX.0005826*	1,226	29,711	28,545	–	–	–	–	16,585	76,066
Informal Settlements and Backyarders: Upgrading of Informal Settlements Programme (UISP): 8ste Laan - Valhalla Park	*CPX.0005827*	5,204	4,000	4,500	5,000	–	–	–	39,329	58,032
Informal Settlements and Backyarders: Informal Settlement Upgrade - Driftsands	*CPX.0010360*	–	–	2,700	2,300	20,000	33,300	36,000	28,622	122,922
Informal Settlements and Backyarders: Imizamo Yethu IS Emergency Project	*CPX.0010896*	–	5,000	18,300	41,990	1,010	–	–	–	66,300
Recreation and Parks: Hanover Park Integrated Rec Facility	*CPX.0011618*	–	–	–	–	10,000	47,000	–	193,000	250,000
Recreation and Parks: Upgrade Atlantis Cemetery	*C09.94014*	10,510	1,502	900	3,000	–	–	–	34,088	50,000
Recreation and Parks: Upgrade Maitland Crematorium	*CPX.0003490*	597	2,300	1,700	–	–	–	–	45,537	50,134
TDA Business Enablement: Public Transport Systems Management Project	*CPX.0013284*	–	–	70,000	28,000	28,000	–	–	7,000	133,000
Asset Management and Maintenance: Road Rehabilitatuion: Bishop Lavis	*CPX.0013213*	–	–	16,459	–	–	–	–	82,908	99,367
Asset Management and Maintenance: Road Rehabilitation: Hanover Park: Area 3	*CPX.0013214*	–	–	5,000	–	–	–	–	45,000	50,000
Asset Management and Maintenance: Road Rehabilitation: Broadlands	*CPX.0013223*	–	–	–	35,000	20,000	–	–	–	55,000
Network Management: Public Transport Systems Management Project	*C14.01601*	305,501	105,000	30,000	12,000	12,000	75,000	75,000	75,674	690,175
Built Environment Management: Gugulethu Concrete Roads	*CPX.0005708*	32,793	492	–	–	20,000	20,000	–	(0)	73,285
Built Environment Management: Integrated Rapid Transit Phase 2 A	*CPX/0000257*	359,056	221,389	255,000	232,011	329,167	588,200	822,242	(0)	2,807,065
Built Environment Management: Integrated Bus Rapid Transit System	*CPX/0000287*	362,620	36,500	5,000	5,000	5,000	5,000	–	0	419,120
Built Environment Management: Dualling: Broadway boulevard: Beach Road: MR27	*C08.10285*	28,876	24,300	7,000	–	–	–	–	4,824	65,000
Built Environment Management: Retreat Public Transport Interchange	*C11.10537*	3,347	–	18,000	30,000	17,000	–	–	18,967	87,314
Built Environment Management: Somerset West Public Transport Interchange	*C11.10552*	811	6,500	6,000	20,000	30,000	–	–	38,770	102,081
Built Environment Management: Metro South East Public Transport Facility	*CPX.0003806*	8,506	1,400	20,000	20,000	50,000	–	–	46,573	146,479
Built Environment Management: Road Upgrade: Amandle Road: Bottelary River brigdge and Church street	*CPX.0007857*	500	1,350	11,400	25,000	25,000	–	–	7,150	70,400
Built Environment Management: Road Upgrade: Langverwacht Road: Amandle to Zevenwacht	*CPX.0007861*	1,716	12,000	31,000	2,000	–	–	–	3,284	50,000
Built Environment Management: Congestion Relief - Erica Drive	*CPX.0007892*	649	4,301	16,000	30,000	30,000	20,000	–	46,000	146,950
Built Environment Management: Road Dualling: Kommetjie Road Ou Kaapse Weg	*CPX.0007894*	19,999	55,333	60,000	–	–	–	–	40,018	175,350
Built Environment Management: Kommetjie Road Dualling (Phase 3)	*CPX.0007895*	–	5,000	3,000	2,000	19,850	35,000	50,000	–	114,850
Built Environment Management: M3 Corridor: Hospital Bend-Constantia Main Road	*CPX.0008663*	1,747	4,000	27,000	30,000	25,000	20,000	–	(0)	107,747
Built Environment Management: Durbanville Non-Motorised Transport (NMT)	*CPX.0009269*	–	–	14,000	21,000	19,000	–	–	4,400	58,400
Built Environment Management: Inner City: Public Transport Hub	*CPX.0009696*	1,024	–	10,000	10,000	10,000	40,000	40,000	70,976	182,000
Business Resource Management: Integrated Rapid Transit (IRT): Fare Collection	*CPX.0008849*	16,999	30,593	15,000	12,000	25,000	25,000	25,000	590,741	740,333
Business Resource Management: Integrated Rapid Transit (IRT): Control Centre	*CPX.0008858*	53,958	28,383	15,000	10,000	10,000	10,000	10,000	264,312	401,654
Urban Catalytic Investment: N2 Interchange (Phase 1)	*CPX.0013060*	–	–	81,300	81,300	–	–	–	–	162,600

Table continues on next page

Description R thousand	Project number	Preceding Years Total	Current Year 2017/18 Adjusted Budget	2018/19 Medium Term Revenue & Expenditure Framework Budget Year 2018/19	 Budget Year +1 2019/20	 Budget Year +2 2020/21	Forecast 2021/22 Estimate	Forecast 2022/23 Estimate	Forecast 2023/24 Estimate	Total Contract Value Estimate
Capital Expenditure Obligation By Project										
Urban Catalytic Investment: R44 Road Upgr: North and South Bound Lanes	*CPX.0009414*		3,500	49,500	–	–	–	–	–	102,000
Human Settlement Implementation: Bardale / Fairdale: Development 4000 Units	*C06.41540*	144,160	132	836	–	–	–	–	2,058	147,186
Human Settlement Implementation: Delft - The Hague Housing Project	*C08.15508*	52,947	2,000	2,000	–	–	–	–	5,187	62,134
Human Settlement Implementation: Imizamo Yethu Housing Project (Phase 3)	*CPX.0003139*	772	2,550	22,015	40,500	47,230	15,789	–	65,394	194,250
Human Settlement Implementation: Beacon Valley Housing Project - Mitchell	*CPX.0005672*	–	400	18,000	25,000	42,000	–	–	23,302	108,702
New Market Development: Macassar Breaking New Ground Housing Project	*CPX.0005674*	197	250	14,000	21,638	34,350	38,011	–	11,251	119,696
Human Settlement Implementation: Forest Village Housing Project	*CPX.0009026*	25,087	94,729	25,000	–	–	–	–	101,270	246,087
Human Settlement Implementation: Belhar CBD Housing Development	*CPX.0009027*	18,093	14,642	15,000	380	7,056	–	–	35,000	90,172
Human Settlement Implementation: Conradie Housing Development	*CPX.0009028*	–	–	5,000	85,438	38,095	25,893	7,905	–	162,331
Human Settlement Implementation: Langa Hostels Community Rental Units Project: Special Quarters	*CPX.0010624*	–	300	12,688	58,752	50,000	20,000	–	95,397	237,137
Human Settlement Implementation: Langa Hostels Community Rental Units Project: New Flats	*CPX.0010625*	–	300	6,252	31,767	17,000	–	–	23,055	78,374
Human Settlement Implementation: Langa Hostels Community Rental Units Project: Siyahlala	*CPX.0010626*	–	176	5,500	11,240	41,240	6,000	–	71,057	135,214
Human Settlement Implementation: Maroela Housing Project - North	*CPX.0011088*	–	–	2,420	3,730	27,535	–	–	20,000	53,685
Supply Chain Management: E-Tendering System	*CPX.0009401*	–	–	4,000	49,000	24,000	10,000	–	–	87,000
Management: Safety and Security: Intergrated Contact Centre	*CPX.0011057*	–	–	46,500	33,794	3,000	3,000	–	1	86,295
Electricity Generation and Distribution: Outage Management System	*C12.84078*	43,142	3,600	4,500	2,000	1,500	1,500	1,500	42,258	100,000
Electricity Generation and Distribution: Paardevlei Development - Electricity(Medium Voltage)	*CPX.0009777*	–	–	–	14,679	113,191	84,512	–	22,618	235,000
Electricity Generation and Distribution: Retreat Depot - Replace for Muizenberg	*C08.84049*	10,432	2,695	43,676	5,637	–	–	–	40,278	102,717
Electricity Generation and Distribution: Steenbras: Refurbishment of Main Plant	*C14.84071*	5,350	4,650	43,000	302,000	302,000	–	–	40,000	697,000
Electricity Generation and Distribution: Supervisory Control and Data Acquisition (SCADA) Master Station Upgrade	*C14.84080*	24,773	200	200	200	200	30,000	1,000	38,427	95,000
Electricity Generation and Distribution: Bloemhof Network Control Centre	*CPX.0001558*	12,884	88,567	9,915	–	–	–	–	47,095	158,460
Electricity Generation and Distribution: Grassy Park Main Substation Upgrade	*CPX.0003579*	–	42,098	1,000	–	–	–	–	56,902	100,000
Electricity Generation and Distribution: Oakdale Switching Station Upgrade Phase 3	*CPX.0003624*	–	–	16,000	60,000	120,000	164,000	–	90,000	450,000
Electricity Generation and Distribution: Noordhoek Low Voltage Depot	*CPX.0004006*	1,835	2,736	32,793	–	–	–	–	42,636	80,000
Electricity Generation and Distribution: Bellville South Main Substation Upgrade	*CPX.0004793*	–	–	–	–	38,096	36,849	–	20,055	95,000
Electricity Generation and Distribution: Eastridge Main Substation Upgrade	*CPX.0004795*	–	–	–	–	60,000	–	–	20,000	80,000
Electricity Generation and Distribution: Mitchells Plain - Steenbras 132 kilovolt (kV) overhead line (OHL)	*CPX.0004798*	–	120	46,000	–	–	–	–	10,560	56,680
Electricity Generation and Distribution: Paardevlei Development - Electricity (High Voltage)	*CPX.0007547*	–	–	–	12,200	97,600	12,200	–	178,000	300,000
Electricity Generation and Distribution: Ndabeni: Facilities Rearrangement	*CPX.0007552*	–	–	–	–	90,000	130,000	–	80,000	300,000
Electricity Generation and Distribution: Koeberg Road Switching Station Phase 3	*CPX.0009014*	–	14,500	35,800	2,243	–	–	–	27,457	80,000
Electricity Generation and Distribution: Morgen Gronde Switching Station	*CPX.0012407*	–	–	7,059	140,541	–	–	–	–	147,600

2.16 Details of expenditure by asset class

Table 87 MBRR Table SA34a - Capital expenditure on new assets by asset class

Description	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Capital expenditure on new assets by Asset Class/Sub-class									
Infrastructure	**1,576,886**	**1,778,186**	**1,992,367**	**2,671,635**	**3,385,556**	**2,285,861**	**3,597,926**	**4,663,627**	**5,061,633**
Roads Infrastructure	616,988	665,367	897,860	956,768	648,443	828,293	643,094	705,135	717,212
Roads	616,988	665,367	897,860	956,768	648,443	828,293	*643,094*	*705,135*	*717,212*
Storm water Infrastructure	200	2,803	3,845	124,492	109,122	3,888	94,818	121,371	133,515
Drainage Collection	200	2,803	3,845	124,492	109,122	3,888	*94,818*	*121,371*	*133,515*
Electrical Infrastructure	447,696	509,555	555,112	567,420	488,776	463,321	410,532	568,545	658,971
Power Plants	–	–	412	–	–	–	–	–	–
HV Substations	373,581	417,000	471,341	423,065	343,805	370,575	*358,032*	*497,845*	*563,371*
MV Networks	20,561	23,677	19,257	74,600	86,300	45,500	–	*8,200*	*30,600*
LV Networks	53,554	68,877	64,102	69,754	58,671	47,246	*52,500*	*62,500*	*65,000*
Water Supply Infrastructure	136,191	143,479	208,170	518,930	1,659,910	689,933	1,291,185	1,677,325	2,041,734
Reservoirs	40,359	75,016	81,564	369,977	806,481	538,448	*1,139,450*	*225,300*	*321,750*
Bulk Mains	31,831	25,162	99,300	32,600	133,634	100,634	*52,630*	*80,000*	*90,000*
Distribution	64,001	43,300	27,306	116,353	209,281	50,851	*98,105*	*147,025*	*129,984*
Sanitation Infrastructure	103,850	205,274	154,686	120,422	240,794	62,489	749,890	1,100,724	895,080
Pump Station	8,045	–	–	–	–	–	–	–	–
Reticulation	95,505	193,874	151,686	114,415	111,087	61,283	*156,605*	*212,724*	*182,080*
Waste Water Treatment Works	300	1,400	3,000	6,007	129,707	1,207	*593,285*	*888,000*	*713,000*
Outfall Sewers	–	10,000	–	–	–	–	–	–	–
Solid Waste Infrastructure	138,914	68,991	41,370	194,077	80,929	74,854	168,000	290,100	417,140
Landfill Sites	138,914	68,991	41,370	194,077	80,929	74,854	*168,000*	*290,100*	*417,140*
Information and Communication Infrastructure	133,046	182,718	131,324	189,528	157,583	163,082	240,406	200,427	197,980
Data Centres	133,046	182,718	131,324	189,528	157,583	163,082	*240,406*	*200,427*	*197,980*
Community Assets	**118,178**	**210,769**	**135,831**	**273,094**	**232,407**	**237,749**	**303,007**	**208,624**	**164,952**
Community Facilities	116,047	209,143	135,821	272,744	231,164	236,506	302,827	208,624	164,952
Halls	–	40	–	–	–	–	–	–	–
Centres	5,492	4,923	–	30,181	–	–	*2,030*	*33,000*	*33,000*
Clinics/Care Centres	8,133	13,217	25,620	41,168	36,722	33,572	*49,435*	*19,296*	*30,170*
Fire/Ambulance Stations	–	2,000	3,905	24,436	12,660	12,660	*19,436*	–	–
Testing Stations	–	3,000	–	1,345	1,345	1,345	–	–	–
Museums	–	–	–	3,000	500	500	*2,500*	–	–
Libraries	33,562	17,534	11,634	23,410	19,746	19,746	*9,505*	*7,375*	*2,375*
Cemeteries/Crematoria	752	4,502	9,961	20,500	13,536	10,959	*20,500*	*13,400*	–
Public Open Space	4,969	8,091	1,982	820	832	831	*220*	–	*100*
Nature Reserves	5,685	11,412	8,984	14,843	14,423	15,093	*3,701*	*10,707*	*5,907*
Public Ablution Facilities	406	–	–	–	–	–	–	–	–
Taxi Ranks/Bus Terminals	57,047	144,424	73,735	113,040	131,400	141,800	*195,500*	*124,846*	*93,400*
Sport and Recreation Facilities	2,131	1,626	10	350	1,243	1,243	180	–	–
Indoor Facilities	–	19	–	–	–	–	–	–	–
Outdoor Facilities	2,131	1,607	10	350	1,243	1,243	180	–	–
Investment properties	**–**	**–**	**81**	**–**	**–**	**–**	**–**	**–**	**–**
Revenue Generating	–	–	81	–	–	–	–	–	–
Improved Property	–	–	81	–	–	–	–	–	–
Other assets	**59,728**	**145,465**	**220,198**	**282,558**	**215,686**	**219,251**	**220,527**	**196,066**	**171,290**
Operational Buildings	45,365	100,642	216,943	216,517	202,058	205,799	166,287	68,007	51,250
Municipal Offices	22,278	44,470	172,453	186,517	162,893	161,865	*26,337*	*16,370*	*5,250*
Training Centres	–	–	–	–	400	400	–	–	–
Depots	23,087	56,173	44,490	30,000	38,765	43,534	*139,950*	*51,637*	*46,000*
Housing	14,364	44,823	3,255	66,041	13,628	13,452	54,240	128,060	120,040
Social Housing	14,364	44,823	3,255	66,041	13,628	13,452	*54,240*	*128,060*	*120,040*
Intangible Assets	–	495	500	2,000	9,792	4,090	**16,765**	**63,075**	**34,965**
Licences and Rights	–	495	500	2,000	9,792	4,090	16,765	63,075	34,965
Computer Software and Applications	–	495	500	2,000	9,792	4,090	16,765	63,075	34,965
Computer Equipment	71,679	122,051	144,155	207,103	237,458	228,897	105,987	132,906	90,794
Computer Equipment	71,679	122,051	144,155	207,103	237,458	228,897	105,987	132,906	90,794
Furniture and Office Equipment	252,027	306,688	133,346	78,378	129,573	132,338	123,168	87,355	72,637
Furniture and Office Equipment	252,027	306,688	133,346	78,378	129,573	132,338	123,168	87,355	72,637
Machinery and Equipment	42,245	97,819	152,897	128,188	132,851	135,006	34,547	30,900	35,841
Machinery and Equipment	42,245	97,819	152,897	128,188	132,851	135,006	34,547	30,900	35,841
Transport Assets	349,210	105,449	62,793	51,970	193,141	193,117	108,906	51,544	37,284
Transport Assets	349,210	105,449	62,793	51,970	193,141	193,117	108,906	51,544	37,284
Land	416,784	53,319	164,323	69,570	1,700	1,950	208,000	110,000	–
Land	416,784	53,319	164,323	69,570	1,700	1,950	208,000	110,000	–
Zoo's, Marine and Non-biological Animals	–	–	–	–	–	–	–	–	–
Total Capital Expenditure on new assets	**2,886,738**	**2,820,243**	**3,006,491**	**3,764,497**	**4,538,164**	**3,438,260**	**4,718,832**	**5,544,098**	**5,669,396**

Table 88 MBRR Table SA34b - Capital expenditure on the renewal of existing assets by asset class

Description	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Capital expenditure on renewal of existing assets by Asset Class/Sub-class									
Infrastructure	**1,329,768**	**1,866,859**	**1,089,361**	**1,054,639**	**1,109,222**	**1,086,833**	**1,455,842**	**1,946,608**	**2,178,848**
Roads Infrastructure	*278,810*	*435,911*	*254,173*	*183,678*	*154,579*	*175,429*	*220,181*	*213,908*	*254,748*
Roads	278,810	435,911	254,173	183,678	154,579	175,429	*220,181*	*213,908*	*254,748*
Storm water Infrastructure	*18,768*	*44,902*	*27,082*	*48,495*	*35,102*	*9,189*	*30,275*	*22,400*	*24,000*
Drainage Collection	18,768	44,902	27,082	48,495	35,102	9,189	*30,275*	*22,400*	*24,000*
Electrical Infrastructure	*358,552*	*429,547*	*305,935*	*461,479*	*366,525*	*336,630*	*425,796*	*669,300*	*673,200*
HV Substations	168,685	200,127	46,918	150,479	101,123	81,682	*138,996*	*397,300*	*364,200*
MV Substations	22,334	74,457	63,740	101,000	86,402	81,902	*74,000*	*50,000*	*54,000*
MV Networks	143,624	135,619	169,591	155,000	144,000	141,000	*174,800*	*182,000*	*211,000*
LV Networks	23,910	19,343	25,685	55,000	35,000	32,046	*38,000*	*40,000*	*44,000*
Water Supply Infrastructure	*306,728*	*401,675*	*318,909*	*275,892*	*448,625*	*457,085*	*433,000*	*475,000*	*561,000*
Reservoirs	–	134	11,145	3,000	15,393	26,393	*10,000*	*10,000*	*15,000*
Pump Stations	5,636	–	–	–	–	–	–	–	–
Bulk Mains	30,257	57,416	46,989	20,000	24,900	26,360	*50,000*	*60,000*	*80,000*
Distribution	270,835	344,124	260,775	252,892	408,332	404,332	*373,000*	*405,000*	*466,000*
Sanitation Infrastructure	*348,155*	*467,650*	*182,065*	*79,595*	*98,384*	*101,233*	339,750	*564,500*	*653,250*
Pump Station	–	20,591	10,748	500	500	500	*24,000*	*25,000*	*30,000*
Reticulation	73,261	97,658	25,343	5,389	12,789	7,789	*163,000*	*216,000*	*309,000*
Waste Water Treatment Works	274,894	349,080	126,508	62,705	75,094	82,943	*105,000*	*214,000*	*180,000*
Outfall Sewers	–	321	19,466	11,000	10,000	10,000	*47,750*	*109,500*	*134,250*
Solid Waste Infrastructure	18,755	87,176	1,059	4,000	1,000	730	5,280	–	10,000
Landfill Sites	18,755	87,176	1,059	4,000	1,000	730	5,280	–	10,000
Information and Communication Infrastructure	–	–	*138*	*1,500*	*5,007*	*6,537*	*1,560*	*1,500*	*2,650*
Data Centres	–	–	138	1,500	5,007	6,537	*1,560*	*1,500*	*2,650*
Community Assets	**154,279**	**130,739**	**3,493**	**40,373**	**48,239**	**12,759**	**5,522**	**800**	**100**
Community Facilities	*94,584*	*93,572*	*3,493*	*40,373*	*47,815*	*12,321*	*5,522*	*800*	*100*
Halls	2,737	746	–	–	–	–	–	–	–
Centres	2,091	595	–	35,000	38,000	4,000	–	–	–
Clinics/Care Centres	17,605	7,850	127	2,000	2,140	520	*1,172*	–	*100*
Fire/Ambulance Stations	–	400	–	–	–	–	–	–	–
Testing Stations	1,438	–	–	–	–	–	–	–	–
Museums	168	2,822	–	–	–	–	–	–	–
Theatres	484	695	–	–	–	–	–	–	–
Libraries	11,393	8,166	719	2,000	2,227	2,359	*3,050*	–	–
Cemeteries/Crematoria	2,564	11,100	–	–	–	–	–	–	–
Public Open Space	52,305	55,586	2,600	1,373	5,448	5,441	*1,300*	*800*	–
Nature Reserves	1,680	1,414	46	–	–	–	–	–	–
Public Ablution Facilities	1,000	1,239	–	–	–	–	–	–	–
Markets	200	143	–	–	–	–	–	–	–
Taxi Ranks/Bus Terminals	920	2,816	–	–	–	–	–	–	–
Sport and Recreation Facilities	59,695	37,166	–	–	424	439	–	–	–
Indoor Facilities	–	59	–	–	–	–	–	–	–
Outdoor Facilities	59,695	37,107	–	–	424	439	–	–	–
Heritage assets	514	6,547	–	650	607	607	1,800	1,800	2,000
Monuments	514	6,547	–	650	607	607	1,800	1,800	2,000

Table continues on next page

Description	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Capital expenditure on renewal of existing assets by Asset Class/Sub-class									
Other assets	**570,159**	**281,954**	**132,926**	**19,330**	**44,036**	**44,552**	**92,601**	**56,701**	**97,267**
Operational Buildings	*224,296*	*157,526*	*83,740*	*10,150*	*23,461*	*23,977*	*16,017*	*14,567*	*97,267*
Municipal Offices	210,032	147,087	67,139	8,100	21,160	21,164	13,667	12,217	93,917
Laboratories	–	–	–	–	–	–	300	300	300
Training Centres	834	260	2,607	–	–	–	–	–	–
Depots	13,430	10,180	13,994	2,050	2,300	2,812	2,050	2,050	3,050
Housing	*345,863*	*124,428*	*49,186*	*9,180*	*20,575*	*20,575*	*76,583*	*42,134*	–
Social Housing	345,863	124,428	49,186	9,180	20,575	20,575	76,583	42,134	–
Intangible Assets	–	–	–	2,500	9,500	2,500	7,000	7,000	7,000
Licences and Rights	–	–	–	2,500	9,500	2,500	7,000	7,000	7,000
Computer Software and Applications	–	–	–	2,500	9,500	2,500	7,000	7,000	7,000
Computer Equipment	112,064	98,753	70,328	75,080	72,861	80,085	62,240	64,660	53,312
Computer Equipment	112,064	98,753	70,328	75,080	72,861	80,085	62,240	64,660	53,312
Furniture and Office Equipment	49,270	47,862	13,047	18,658	18,775	15,180	17,925	20,798	17,424
Furniture and Office Equipment	49,270	47,862	13,047	18,658	18,775	15,180	17,925	20,798	17,424
Machinery and Equipment	20,369	17,207	6,318	29,713	53,904	56,138	29,100	11,604	13,350
Machinery and Equipment	20,369	17,207	6,318	29,713	53,904	56,138	29,100	11,604	13,350
Transport Assets	128,582	219,670	272,011	182,714	252,081	283,249	211,700	181,337	192,479
Transport Assets	128,582	219,670	272,011	182,714	252,081	283,249	211,700	181,337	192,479
Total Capital Expenditure on renewal of existing assets	**2,365,004**	**2,669,591**	**1,587,484**	**1,423,658**	**1,609,224**	**1,581,903**	**1,883,731**	**2,291,309**	**2,561,781**

Renewal of Existing Assets as % of total capex	**0.0%**	**48.6%**	**26.9%**	**20.4%**	**21.0%**	**24.7%**	**22.4%**	**23.3%**	**25.3%**
Renewal of Existing Assets as % of deprecn"	**123.4%**	**126.1%**	**68.6%**	**55.3%**	**63.9%**	**62.8%**	**68.6%**	**75.8%**	**79.9%**

Table 89 MBRR Table SA34c - Repairs and maintenance expenditure by asset class

Description	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Repairs and maintenance expenditure by Asset Class/Sub-class									
Infrastructure	**1,962,562**	**1,988,379**	**2,045,722**	**2,031,486**	**1,926,297**	**1,900,997**	**2,161,718**	**2,363,252**	**2,573,715**
Roads Infrastructure	690,603	592,642	609,310	664,923	656,419	631,419	671,164	700,536	746,421
Roads	690,603	592,642	609,310	*664,923*	*656,419*	*631,419*	*671,164*	*700,536*	*746,421*
Storm water Infrastructure	–	–	–	–	–	–	–	–	–
Drainage Collection	–	–	–	–	–	–	–	–	–
Electrical Infrastructure	467,531	512,940	504,116	523,507	503,480	503,180	536,787	571,679	609,122
Power Plants	17,103	17,460	21,805	*18,788*	*18,788*	*18,788*	*22,646*	*24,118*	*25,698*
HV Substations	35,135	37,971	32,077	*27,853*	*27,614*	*27,914*	*31,262*	*33,294*	*35,475*
MV Substations	307,714	353,055	364,116	*366,551*	*360,425*	*360,425*	*393,574*	*419,157*	*446,611*
LV Networks	107,579	104,453	86,118	*110,315*	*96,653*	*96,053*	*89,305*	*95,109*	*101,339*
Water Supply Infrastructure	413,630	455,983	482,019	421,887	396,382	396,382	548,620	621,440	698,473
Reservoirs	32,343	36,365	35,896	*41,336*	*42,371*	*42,371*	*50,545*	*88,991*	*133,281*
Pump Stations	14,558	26,140	31,692	*46,444*	*49,424*	*49,424*	*71,014*	*75,630*	*80,584*
Water Treatment Works	38,655	40,514	36,683	*33,966*	*34,097*	*34,097*	*55,046*	*58,623*	*62,464*
Bulk Mains	47,402	49,382	41,830	*12,716*	*12,716*	*12,716*	*19,943*	*21,240*	*22,630*
Distribution	280,674	303,581	335,918	*287,425*	*257,774*	*257,774*	*352,072*	*376,957*	*399,515*
Sanitation Infrastructure	389,040	424,040	447,780	418,866	366,166	366,166	401,043	465,225	515,041
Reticulation	292,241	319,399	326,001	*291,490*	*238,851*	*238,851*	*270,041*	*312,234*	*358,463*
Waste Water Treatment Works	86,873	94,675	114,517	*116,402*	*116,341*	*116,341*	*119,560*	*140,805*	*143,594*
Outfall Sewers	9,925	9,965	7,262	*10,973*	*10,973*	*10,973*	*11,443*	*12,186*	*12,985*
Solid Waste Infrastructure	1,758	2,774	2,497	2,303	3,850	3,850	4,104	4,371	4,657
Landfill Sites	1,758	2,774	2,497	*2,303*	*3,850*	*3,850*	*4,104*	*4,371*	*4,657*
Community Assets	**319,312**	**386,517**	**496,931**	**548,047**	**485,537**	**487,337**	**344,806**	**367,068**	**391,126**
Community Facilities	78,026	85,482	115,109	100,442	94,820	96,620	100,533	106,908	113,912
Halls	26,374	29,766	48,752	*25,417*	*33,811*	*35,611*	*37,591*	*40,033*	*42,655*
Centres	4,079	7,539	7,603	*6,322*	*5,945*	*5,945*	*6,647*	*7,079*	*7,543*
Clinics/Care Centres	8,681	9,511	13,326	*5,921*	*5,919*	*5,919*	*6,494*	*6,917*	*7,369*
Fire/Ambulance Stations	1,909	2,872	2,244	*2,477*	*1,364*	*1,364*	*2,712*	*2,888*	*3,077*
Testing Stations	–	–	–	–	–	–	–	–	–
Libraries	17,751	14,301	16,349	*32,362*	*20,569*	*20,569*	*24,857*	*26,473*	*28,206*
Cemeteries/Crematoria	8,691	9,310	13,433	*16,860*	*16,203*	*16,203*	*10,589*	*11,278*	*12,016*
Public Open Space	–	–	–	–	–	–	–	–	–
Nature Reserves	3,873	3,923	4,936	*4,180*	*4,500*	*4,500*	*4,722*	*4,870*	*5,193*
Public Ablution Facilities	6,595	7,469	7,701	*6,657*	*6,262*	*6,262*	*6,657*	*7,090*	*7,554*
Markets	74	792	765	*248*	*248*	*248*	*264*	*281*	*300*
Sport and Recreation Facilities	241,286	301,035	381,822	447,605	390,717	390,717	244,273	260,160	277,215
Indoor Facilities	182	49	1,331	*5*	*5*	*5*	*5*	*6*	*6*
Outdoor Facilities	241,104	300,986	380,490	*447,600*	*390,712*	*390,712*	*244,268*	*260,154*	*277,208*
Heritage assets	986	461	1,647	**1,812**	**1,811**	**1,811**	**1,928**	**2,053**	**2,188**
Works of Art	986	461	1,647	1,812	1,811	1,811	*1,928*	*2,053*	*2,188*
Investment properties	**11,083**	**26,566**	**19,001**	**19,800**	**12,877**	**12,888**	**20,710**	**22,057**	**23,501**
Revenue Generating	11,083	26,566	19,001	19,800	136	148	16	17	18
Improved Property	49	66	259	*64*	*136*	*148*	*16*	*17*	*18*
Non-revenue Generating	–	–	–	–	12,740	12,740	20,694	22,040	23,483
Unimproved Property	–	–	–	–	*12,740*	*12,740*	*20,694*	*22,040*	*23,483*

Table continues on next page

Description	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Other assets	**77,511**	**89,710**	**140,548**	**144,517**	**144,999**	**150,183**	**177,353**	**185,650**	**199,609**
Operational Buildings	77,511	89,710	140,548	144,517	144,999	150,183	177,353	185,650	199,609
Municipal Offices	*75,490*	*87,508*	*138,744*	*139,025*	*139,684*	*144,867*	*172,345*	*180,316*	*193,926*
Laboratories	*1,904*	*2,031*	*1,340*	*1,391*	*1,659*	*1,659*	*1,930*	*2,056*	*2,190*
Training Centres	*73*	*166*	*424*	*624*	*180*	*180*	*273*	*290*	*309*
Depots	*44*	*5*	*40*	*3,477*	*3,477*	*3,477*	*2,805*	*2,987*	*3,183*
Housing	–	–	–	–	–	–	–	–	–
Social Housing	–	–	–	–	–	–	–	–	–
Computer Equipment	117,859	144,340	179,935	312,785	258,652	258,662	**269,549**	**277,899**	**296,120**
Computer Equipment	117,859	144,340	179,935	312,785	258,652	258,662	269,549	277,899	296,120
Furniture and Office Equipment	360,714	354,833	424,463	504,006	502,156	508,910	551,321	587,095	625,455
Furniture and Office Equipment	360,714	354,833	424,463	504,006	502,156	508,910	551,321	587,095	625,455
Machinery and Equipment	–	–	–	–	–	–	–	–	–
Machinery and Equipment	–	–	–	–	–	–	–	–	–
Transport Assets	153,131	348,190	453,049	471,840	421,385	446,385	**447,079**	**476,172**	**507,387**
Transport Assets	153,131	348,190	453,049	471,840	421,385	446,385	447,079	476,172	507,387
Total Repairs and Maintenance Expenditure	**3,003,158**	**3,338,995**	**3,761,297**	**4,034,293**	**3,753,714**	**3,767,172**	**3,974,465**	**4,281,247**	**4,619,102**

R&M as a % of PPE	*9.0%*	*9.1%*	*9.3%*	*9.0%*	*8.3%*	*8.3%*	*0.0%*	*8.5%*	*8.1%*
R&M as % Operating Expenditure	*11.0%*	*10.9%*	*11.4%*	*10.8%*	*10.3%*	*10.3%*	*0.0%*	*10.9%*	*10.6%*

Table 90 MBRR Table SA34d Depreciation by asset class

Description	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Depreciation by Asset Class/Sub-class									
Infrastructure	**913,086**	**899,066**	**596,055**	**1,154,472**	**1,096,523**	**1,096,523**	**1,264,113**	**1,471,442**	**1,657,444**
Roads Infrastructure	262,069	289,523	190,264	370,548	311,058	311,058	355,019	392,293	429,117
Roads	262,069	289,523	190,264	370,548	311,058	311,058	*355,019*	*392,293*	*429,117*
Storm water Infrastructure	31,452	34,550	–	45,940	43,937	43,937	53,592	52,794	53,620
Drainage Collection	31,452	34,550	–	45,940	43,937	43,937	*53,592*	*52,794*	*53,620*
Electrical Infrastructure	164,231	175,039	187,775	215,517	221,110	221,110	251,637	277,363	305,227
Power Plants	6,946	6,946	5,712	6,951	6,957	6,957	*6,955*	*6,955*	*6,955*
HV Substations	143,712	15,652	55,440	28,971	19,611	19,611	*38,916*	*50,179*	*63,525*
MV Substations	–	32,073	116,780	36,656	42,661	42,661	*44,658*	*46,302*	*47,414*
MV Switching Stations	13,573	–	–	–	–	–	–	–	–
MV Networks	–	77,624	–	91,791	95,998	95,998	*100,809*	*104,693*	*108,920*
LV Networks	–	42,744	9,844	51,147	55,883	55,883	*60,299*	*69,233*	*78,414*
Water Supply Infrastructure	295,920	156,288	107,575	209,628	203,579	203,579	263,049	389,234	440,975
Reservoirs	15,784	17,712	13,467	18,982	21,247	21,247	*39,651*	*131,795*	*144,726*
Pump Stations	2,911	2,911	1,879	3,015	4,850	4,850	*4,776*	*4,736*	*4,602*
Water Treatment Works	115,503	23,047	1,369	24,216	26,152	26,152	*26,143*	*26,136*	*26,128*
Bulk Mains	144,258	10,025	303	19,301	11,732	11,732	*20,747*	*25,879*	*32,879*
Distribution	17,465	102,592	90,557	144,114	139,598	139,598	*171,732*	*200,688*	*232,640*
Sanitation Infrastructure	–	182,290	106,372	229,208	227,698	227,698	257,283	265,210	333,299
Pump Station	–	3,618	–	7,336	4,151	4,151	*7,239*	*8,269*	*10,330*
Reticulation	–	112,942	38,517	141,227	135,829	135,829	*153,806*	*155,258*	*164,384*
Waste Water Treatment Works	–	62,922	67,350	78,017	79,206	79,206	*87,779*	*93,247*	*150,181*
Outfall Sewers	–	2,809	505	2,628	8,512	8,512	*8,460*	*8,437*	*8,403*
Solid Waste Infrastructure	98,861	50,032	2,925	58,352	57,179	57,179	48,690	50,240	50,097
Landfill Sites	49,706	50,032	2,925	58,352	57,179	57,179	*48,690*	*50,240*	*50,097*
Waste Drop-off Points	49,155	–	–	–	–	–	–	–	–
Rail Infrastructure	60,552	–	1,143	–	–	–	–	–	–
Drainage Collection	60,552	–	1,143	–	–	–	–	–	–
Information and Communication Infrastructure	–	11,344	–	25,281	31,963	31,963	34,843	44,309	45,109
Data Centres	–	11,344	–	25,281	31,963	31,963	*34,843*	*44,309*	*45,109*
Community Assets	**366,621**	**299,983**	**297,765**	**313,120**	**316,116**	**316,116**	**323,437**	**327,696**	**331,354**
Community Facilities	164,489	83,704	60,318	95,023	98,224	98,224	104,930	113,749	124,273
Halls	5,825	1,872	12,170	2,167	2,668	2,668	*2,678*	*2,718*	*2,718*
Centres	11,871	3,465	7,300	3,934	3,669	3,669	*4,512*	*4,553*	*4,758*
Clinics/Care Centres	3,544	4,591	3,385	5,447	5,732	5,732	*5,953*	*8,004*	*9,481*
Fire/Ambulance Stations	1,683	1,684	5,543	1,687	1,794	1,794	*2,086*	*2,635*	*2,635*
Testing Stations	–	926	–	1,056	1,071	1,071	*1,141*	*1,141*	*1,141*
Museums	77	100	(19)	166	192	192	*226*	*376*	*376*
Theatres	–	47	–	51	47	47	*48*	*48*	*48*
Libraries	3,466	3,732	24,100	5,262	5,358	5,358	*5,616*	*6,198*	*6,458*
Cemeteries/Crematoria	2,525	2,674	5,710	3,663	3,235	3,235	*3,585*	*4,460*	*6,373*
Public Open Space	21,460	10,708	–	14,025	13,563	13,563	*15,663*	*18,491*	*19,895*
Nature Reserves	–	360	1,395	576	378	378	*1,090*	*1,592*	*1,895*
Public Ablution Facilities	19,501	1,737	744	1,845	1,870	1,870	*2,359*	*2,358*	*2,358*
Markets	2,323	2,706	(9)	1,498	1,499	1,499	*1,501*	*1,501*	*1,501*
Airports	–	4	–	4	4	4	*4*	*4*	*4*
Taxi Ranks/Bus Terminals	82,240	49,097	–	53,643	57,141	57,141	*58,467*	*59,668*	*64,630*
Sport and Recreation Facilities	202,132	216,279	237,447	218,096	217,892	217,892	218,506	213,948	207,081
Indoor Facilities	4,080	8,633	168	8,649	8,959	8,959	*8,959*	*8,959*	*8,959*
Outdoor Facilities	198,052	207,646	237,279	209,447	208,933	208,933	*209,547*	*204,988*	*198,122*

Table continues on next page

Description	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Heritage assets	**–**	**–**	**420**	**–**	**118**	**118**	**–**	**–**	**–**
Monuments	–	–	–	–	118	118	–	–	–
Other Heritage	–	–	420	–	–	–	–	–	–
Investment properties	**–**	**145**	**1,077**	**1,718**	**1,714**	**1,714**	**1,714**	**1,714**	**1,714**
Revenue Generating	–	145	236	1,718	1,714	1,714	1,714	1,714	1,714
Improved Property	*–*	*145*	*236*	*1,718*	*1,714*	*1,714*	*1,714*	*1,714*	*1,714*
Non-revenue Generating	–	–	840	–	–	–	–	–	–
Unimproved Property	*–*	*–*	*840*	*–*	*–*	*–*	*–*	*–*	*–*
Other assets	**112,909**	**203,810**	**175,985**	**232,195**	**247,906**	**247,906**	**260,924**	**270,488**	**273,413**
Operational Buildings	41,596	118,631	77,490	133,733	150,544	150,544	161,260	166,753	163,914
Municipal Offices	–	100,426	73,532	113,264	128,928	128,928	*138,295*	*138,706*	*131,329*
Yards	623	212	–	212	212	212	*212*	*212*	*212*
Laboratories	–	116	3,938	116	121	121	*121*	*127*	*133*
Training Centres	2,681	289	13	371	289	289	*298*	*298*	*298*
Depots	–	17,588	8	19,770	20,995	20,995	*22,334*	*27,410*	*31,942*
Capital Spares	38,292	–	–	–	–	–	–	–	–
Housing	71,313	85,179	98,495	98,463	97,362	97,362	99,665	103,735	109,498
Social Housing	71,313	85,179	98,495	98,463	97,362	97,362	*99,665*	*103,735*	*109,498*
Intangible Assets	**92,583**	**69,931**	**–**	**106,890**	**148,925**	**148,925**	**121,872**	**116,002**	**115,542**
Licences and Rights	92,583	69,931	–	106,890	148,925	148,925	121,872	116,002	115,542
Computer Software and Applications	*33,678*	*4,387*	–	*34,988*	*78,745*	*78,745*	*51,692*	*45,822*	*45,361*
Unspecified	*58,905*	*65,544*	–	*71,903*	*70,180*	*70,180*	*70,180*	*70,180*	*70,180*
Computer Equipment	**180,128**	**239,968**	**158,069**	**242,774**	**239,816**	**239,816**	**223,487**	**231,134**	**226,351**
Computer Equipment	180,128	239,968	158,069	242,774	239,816	239,816	223,487	231,134	226,351
Furniture and Office Equipment	**42,645**	**105,994**	**986,637**	**146,972**	**113,422**	**113,422**	**120,641**	**127,277**	**114,269**
Furniture and Office Equipment	42,645	105,994	986,637	146,972	113,422	113,422	120,641	127,277	114,269
Machinery and Equipment	**130,639**	**77,865**	**–**	**78,106**	**64,162**	**64,162**	**98,414**	**122,409**	**124,208**
Machinery and Equipment	130,639	77,865	–	78,106	64,162	64,162	98,414	122,409	124,208
Transport Assets	**78,523**	**220,574**	**97,463**	**298,359**	**291,434**	**291,434**	**333,234**	**354,388**	**361,352**
Transport Assets	78,523	220,574	97,463	298,359	291,434	291,434	333,234	354,388	361,352
Total Depreciation	**1,917,134**	**2,117,336**	**2,313,471**	**2,574,607**	**2,520,137**	**2,520,137**	**2,747,836**	**3,022,550**	**3,205,646**

Table 91 MBRR Table SA34e Capital expenditure on the upgrading of existing assets by asset class

Description	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Capital expenditure on upgrading of existing assets by Asset Class/Sub-class							
Infrastructure	**859,151**	**1,019,065**	**912,774**	**830,129**	**1,247,944**	**1,454,202**	**1,453,408**
Roads Infrastructure	270,595	292,589	253,066	241,689	303,053	210,632	239,813
Roads	*270,595*	*292,589*	*253,066*	*241,689*	*303,053*	*210,632*	*239,813*
Storm water Infrastructure	25,054	12,925	45,169	1,562	9,200	122,000	47,400
Drainage Collection	*25,054*	*12,925*	*45,169*	*1,562*	*9,200*	*122,000*	*47,400*
Electrical Infrastructure	208,812	86,976	114,663	113,220	142,738	145,693	232,196
HV Substations	*208,812*	*86,976*	*114,663*	*113,220*	*62,338*	*65,293*	*218,796*
LV Networks	–	–	–	–	*80,400*	*80,400*	*13,400*
Water Supply Infrastructure	52,702	106,645	97,690	93,514	36,575	37,500	25,000
Reservoirs	*5,346*	*48,730*	*7,154*	*7,054*	*16,575*	*12,500*	*5,000*
Distribution	*47,356*	*57,915*	*90,536*	*86,460*	*20,000*	*25,000*	*20,000*
Sanitation Infrastructure	288,558	494,930	376,653	367,769	674,202	846,750	875,905
Pump Station	*21,495*	*12,000*	*19,680*	*19,680*	–	–	–
Reticulation	*57,533*	*69,255*	*82,026*	*71,500*	*7,800*	*12,000*	–
Waste Water Treatment Works	*209,530*	*413,675*	*274,946*	*276,589*	*666,402*	*834,750*	*875,905*
Outfall Sewers	–	–	–	–	–	–	–
Solid Waste Infrastructure	10,933	25,000	25,533	12,374	82,176	91,628	32,742
Landfill Sites	*10,933*	*25,000*	*25,533*	*12,374*	*82,176*	*91,628*	*32,742*
Information and Communication Infrastructure	2,497	–	–	–	–	–	351
Data Centres	*2,497*	–	–	–	–	–	*351*
Community Assets	**205,578**	**218,543**	**187,586**	**186,308**	**238,230**	**186,653**	**177,453**
Community Facilities	148,344	164,694	142,999	135,301	198,803	165,922	107,185
Halls	811	3,020	3,227	3,227	1,680	–	–
Centres	1,247	8,234	4,534	4,417	8,550	11,800	5,000
Clinics/Care Centres	7,090	14,921	11,660	10,460	34,654	33,900	33,950
Fire/Ambulance Stations	4,442	1,700	–	–	7,970	–	–
Testing Stations	1,647	2,141	2,141	2,141	–	–	2,141
Museums	3,182	3,000	3,700	2,700	2,500	–	–
Theatres	133	–	67	67	–	–	–
Libraries	4,942	7,060	6,799	5,639	8,675	26,594	3,594
Cemeteries/Crematoria	7,749	3,200	11,855	8,493	12,800	16,000	2,000
Public Open Space	87,594	66,118	69,549	71,814	52,625	19,115	32,400
Nature Reserves	343	60	60	60	11,490	1,513	–
Public Ablution Facilities	22,990	16,000	23,010	23,010	2,500	5,000	4,100
Markets	307	80	88	88	–	–	–
Taxi Ranks/Bus Terminals	5,867	39,160	6,308	3,185	55,360	52,000	24,000
Sport and Recreation Facilities	57,234	53,849	44,587	51,007	39,427	20,731	70,269
Outdoor Facilities	57,234	53,849	44,587	51,007	38,467	17,731	41,209
Heritage assets	**38,955**	**6,800**	**7,530**	**7,530**	**–**	**–**	**–**
Monuments	38,955	6,800	7,530	7,530	–	–	–

Table continues on next page

Description	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Other assets	**188,106**	**477,151**	**382,506**	**326,523**	**269,245**	**309,309**	**206,696**
Operational Buildings	*163,823*	*385,433*	*301,727*	*249,984*	*244,422*	*253,443*	*184,546*
Municipal Offices	138,816	218,786	198,201	192,025	109,412	154,933	136,446
Yards	–	500	–	–	–	–	–
Training Centres	1,457	–	43	43	–	–	100
Depots	23,551	166,147	103,482	57,916	135,010	98,511	48,000
Housing	24,283	91,717	80,779	76,539	24,822	55,866	22,150
Social Housing	24,283	91,717	80,779	76,539	24,822	55,866	22,150
Intangible Assets	**3,931**	**29,756**	**21,775**	**8,769**	**21,402**	**11,450**	**6,250**
Licences and Rights	*3,931*	*29,756*	*21,775*	*8,769*	*21,402*	*11,450*	*6,250*
Computer Software and Applications	3,931	29,756	21,775	8,769	21,402	11,450	6,250
Computer Equipment	**1,355**	**6,100**	**167**	**13,765**	**–**	**–**	**–**
Computer Equipment	1,355	6,100	167	13,765	–	–	–
Furniture and Office Equipment	**9,037**	**19,651**	**17,861**	**17,852**	**17,176**	**12,300**	**22,050**
Furniture and Office Equipment	9,037	19,651	17,861	17,852	17,176	12,300	22,050
Machinery and Equipment	**4,534**	**10,000**	**3,417**	**3,917**	**10,995**	**6,000**	**9,750**
Machinery and Equipment	4,534	10,000	3,417	3,917	10,995	6,000	9,750
Total Capital Expenditure on upgrading of existing assets	**1,310,647**	**1,787,066**	**1,533,616**	**1,394,793**	**1,804,992**	**1,979,914**	**1,875,607**
Upgrading of Existing Assets as % of total capex	*22.2%*	*25.6%*	*20.0%*	*21.7%*	*21.5%*	*20.2%*	*18.6%*
Upgrading of Existing Assets as % of deprecn"	*56.7%*	*69.4%*	*60.9%*	*55.3%*	*65.7%*	*65.5%*	*58.5%*

* The above table was introduced via Version 6.1 of the MBRR Schedule A as per NT Budget Circular 85 (dated 9 December 2016). Records older than 2016/17 cannot be split into this category as the indicator does not exist on older records.

2.17 Details of capital expenditure

Table 92 MBRR Table SA35 - Future financial implication of the capital budget

Vote Description	2018/19 Medium Term Revenue & Expenditure Framework			Forecasts			
R thousand	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21	Forecast 2021/22	Forecast 2022/23	Forecast 2023/24	Present value
Capital expenditure							
Vote 1 - Area-Based Service Delivery	13,110	82,870	74,870	51,990	–	–	–
Vote 2 - Assets & Facilities Management	413,287	301,701	91,372	257,729	227,562	–	–
Vote 3 - City Manager	735	735	760	222	299	–	–
Vote 4 - Corporate Services	354,597	342,571	336,546	295,206	295,109	–	–
Vote 5 - Energy	1,113,506	1,427,000	1,741,137	1,558,971	1,322,339	–	–
Vote 6 - Finance	20,549	65,419	35,411	23,661	12,301	–	–
Vote 7 - Informal Settlements, Water & Waste Services	4,206,581	5,681,026	5,968,036	6,119,530	5,985,035	–	–
Vote 8 - Safety & Security	196,078	79,515	42,115	46,027	33,386	–	–
Vote 9 - Social Services	315,508	238,127	215,704	356,207	185,509	–	–
Vote 10 - Transport & Urban Development Authority	1,773,606	1,596,358	1,600,833	2,376	2,633	–	–
Total Capital Expenditure	**8,407,556**	**9,815,321**	**10,106,785**	**10,887,304**	**9,980,179**	**–**	**–**
Future operational costs by vote							
Vote 1 - Area-Based Service Delivery	13,608	15,582	18,173	19,538	20,311	21,487	–
Vote 2 - Assets & Facilities Management	335,096	408,326	474,803	512,340	552,057	597,031	–
Vote 3 - City Manager	183	183	194	209	225	242	–
Vote 4 - Corporate Services	310,240	389,061	438,152	474,388	513,685	455,866	–
Vote 5 - Energy	384,434	418,843	451,795	456,192	478,453	512,305	–
Vote 6 - Finance	598,293	766,571	919,451	1,001,641	1,091,278	1,189,044	–
Vote 7 - Informal Settlements, Water & Waste Services	1,969,213	2,126,612	1,274,119	1,381,488	1,360,437	1,383,182	–
Vote 8 - Safety & Security	673,843	938,621	1,166,429	1,272,752	1,389,578	1,512,824	–
Vote 9 - Social Services	192,641	219,092	228,590	240,762	258,088	272,817	–
Vote 10 - Transport & Urban Development Authority	68,949	94,187	115,112	125,665	137,194	149,790	–
Total future operational costs	**5,477,355**	**5,670,371**	**6,226,619**	**6,693,970**	**7,097,728**	**7,489,485**	**–**
Future 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	–	–	–	–	–	–	–
Total future revenue	–	–	–	–	–	–	–
Net Financial Implications	**13,884,911**	**15,485,692**	**16,333,403**	**17,581,274**	**17,077,906**	**7,489,485**	**–**

Table 93 MBRR Table SA37 - Projects delayed from previous financial year/s

R thousand													Current Year 2017/18		2018/19 Medium Term Revenue & Expenditure Framework		
Function	Project name	Project number	Type	MTSF Service Outcome	IUDF	Own Strategic Objectives	Asset Class	Asset Sub-Class	Ward Location	GPS Longitude	GPS Lattitude	Previous target year to complete	Original Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Assets and Facilities Management	Facilities Management: Corporate headquarters (CHQ) Ablution Facilities Upgrade	CPX.0007950	Upgrade	09	04	1.1	Operational Buildings	Municipal Offices	Corp Inf	18.5250189	-34.1411561	2017/18	16,280	230	6,648	–	–
Assets and Facilities Management	Facilities Management: Corporate headquarters (CHQ) New entrance	CPX.0007951	Upgrade	09	04	1.1	Operational Buildings	Municipal Offices	Corp Inf	18.4282124	-33.9207513	2017/18	3,220	–	2,644	–	–
Corporate Services	Information Systems and Technology: Core and local fibre routes	CPX.0007936	New	06	03	1.2	Information and Communication Infrastructure	Data Centres	Citywide	18.5250189	-34.1411561	2017/18	100,054	57,397	5,406	–	–
Corporate Services	Information Systems and Technology: High-site upgrades and new infrastructur	CPX.0007939	New	06	03	1.2	Information and Communication Infrastructure	Data Centres	Citywide	18.5250189	-34.1411561	2017/18	10,913	775	13,577	–	–
Energy	Electricity Generation and Distribution: 66kV overhead line (OHL) Refurb (shield/earth wires)	C08.84051	Renewal	09	04	5.1	Electrical Infrastructure	HV Substations	Citywide	18.658105	-33.9017093	2017/18	1,400	40	1,400	–	–
Energy	Electricity Generation and Distribution: Blue Downs Streetlighting Depot	C14.84072	New	09	04	5.1	Operational Buildings	Depots	17	18.7024922	-34.0087059	2017/18	22,535	47	28,105	–	–
Energy	Electricity Generation and Distribution: Grassy Park Main Substation Upgrade	CPX.0003579	Upgrade	06	03	5.1	Electrical Infrastructure	HV Substations	65	18.5037753	-34.0330035	2017/18	48,500	40,917	1,000	–	–
Energy	Electricity Generation and Distribution: Hout Bay LV Depot	C13.84075	New	09	04	5.1	Operational Buildings	Depots	74	18.3443717	-34.0539782	2017/18	22,003	3,401	28,169	–	–
Energy	Electricity Generation and Distribution: Mitchells Plain - Steenbras 132 kV overhead line (OHL)	CPX.0004798	New	06	03	5.1	Electrical Infrastructure	HV Substations	Citywide	18.5250189	-34.1411561	2017/18	10,685	0	46,000	–	–
Energy	Electricity Generation and Distribution: New water supply system: Steenbras	CPX.0007507	New	06	02	5.1	Electrical Infrastructure	HV Substations	100	18.8967752	-34.1528389	2017/18	5,600	480	2,600	–	–
Energy	Electricity Generation and Distribution: Newfields Transformer Replacement	CPX.0009507	Renewal	06	03	5.1	Electrical Infrastructure	HV Substations	46	18.537812	-33.9879948	2017/18	32,024	28,885	1,496	–	–
Energy	Electricity Generation and Distribution: Noordhoek LV Depot	CPX.0004006	New	09	04	5.1	Electrical Infrastructure	HV Substations	64	18.4101318	-34.125418	2017/18	25,987	1,240	32,793	–	–
Energy	Electricity Generation and Distribution: Steenbras: Reline Steel Penstock	C15.84070	Renewal	06	02	5.1	Electrical Infrastructure	HV Substations	100	18.9009	-34.1590199	2017/18	2,500	–	15,000	–	–
Finance	Supply Chain Management: E-Tendering System	CPX.0009401	New	09	04	5.1	Licences and Rights	Computer Software and Applications	Corp Inf	18.5250189	-34.1411561	2017/18	2,000	–	2,000	–	–
Informal Settlements, Water and Waste Services	Informal Settlements and Backyarders: Backyard Water Dispensing and Management	CPX.0007285	New	08	01	3.2	Various	Various	Citywide	18.5250189	-34.1411561	2017/18	15,242	10,313	10,242	–	–
Informal Settlements, Water and Waste Services	Informal Settlements and Backyarders: IDA/UISP Sweethomes-Philippi	CPX.0005819	New	08	01	3.2	Various	Various	33	18.5624822	-34.007469	2017/18	35,000	25,000	33,364	–	–
Informal Settlements, Water and Waste Services	Informal Settlements and Backyarders: UISP: Kalkfontein Informal Settlement	CPX.0005826	New	08	01	3.2	Various	Various	19	18.6633148	-33.9460298	2017/18	38,000	26,211	28,545	–	–
Informal Settlements, Water and Waste Services	Solid Waste Management: Hillstar Workshop Upgrade	CPX.0008734	Upgrade	06	01	3.1	Operational Buildings	Depots	63	18.5008064	-34.007691	2017/18	15,600	2,000	4,200	–	–
Informal Settlements, Water and Waste Services	Solid Waste Management: Maitland Specialised Equip Depot Upgrade	CPX.0008733	Upgrade	06	01	3.1	Operational Buildings	Depots	53	18.488551	-33.9319191	2017/18	32,500	4,500	11,500	–	–
Informal Settlements, Water and Waste Services	Solid Waste Management: New Prince George Drop-off	CPX.0008859	New	06	03	1.1	Solid Waste Infrastructure	Landfill Sites	66	18.4923304	-34.0367383	2017/18	12,300	5,300	16,500	–	–
Informal Settlements, Water and Waste Services	Solid Waste Management: Parow depot Upgrade	CPX.0008732	Upgrade	06	01	3.1	Operational Buildings	Depots	2	18.5779928	-33.8936905	2017/18	36,206	3,000	6,620	–	–
Informal Settlements, Water and Waste Services	Solid Waste Management: Schaapkraal Depot Upgrade	CPX.0008984	Upgrade	06	01	3.1	Operational Buildings	Depots	43	18.5338673	-34.0364913	2017/18	5,640	1,000	4,800	–	–
Informal Settlements, Water and Waste Services	Solid Waste Management: Vissershok South:Refurbishment of herita	CPX.0007919	Renewal	06	03	1.1	Solid Waste Infrastructure	Landfill Sites	104	18.5435116	-33.7775477	2017/18	4,000	730	5,280	–	–
Informal Settlements, Water and Waste Services	Water and Sanitation: Digtebij sewer Installation	CPX.0009389	Renewal	06	03	1.1	Sanitation Infrastructure	Reticulation	8	18.6748848	-33.9197662	2017/18	1,600	–	1,600	–	–
Informal Settlements, Water and Waste Services	Water and Sanitation: Network Replacement: Gugulethu 150mm (D5,7&8)	CPX.0008011	Renewal	06	03	1.1	Water Supply Infrastructure	Distribution	42	18.5250189	-34.1411561	2017/18	10,000	3,340	4,000	–	–
Informal Settlements, Water and Waste Services	Water and Sanitation: Wesfleur Wastewater Treatment Works (WWTW) - Capacity Extension	C14.86044	Upgrade	06	03	1.1	Sanitation Infrastructure	Waste Water Treatment Works	29	18.47994	-33.5630671	2017/18	20,000	10,000	35,000	–	–

Table continues on next page

R thousand Function	Project name	Project number	Type	MTSF Service Outcome	IUDF	Own Strategic Objectives	Asset Class	Asset Sub-Class	Ward Location	GPS Longitude	GPS Lattitude	Previous target year to complete	Current Year 2017/18 Original Budget	Current Year 2017/18 Full Year Forecast	2018/19 Medium Term Revenue & Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Social Services	City Health: Uitsig Clinic - Extention for ARV/TB	CPX.0005142	Upgrade	02	02	4.3	Community Facilities	Clinics/Care Centres	25	18.59990321	-33.93588743	2017/18	4,925	2,225	6,275	–	–
Social Services	City Health: Upgrade and Extensions Northpine Clinic	C13.13109	Upgrade	02	02	4.3	Community Facilities	Clinics/Care Centres	7	18.71077757	-33.87100326	2017/18	150	–	1,000	–	–
Social Services	Library and Information Services: Du Noon Furniture and Equipment	CPX.0009060	New	09	04	3.1	Furniture and Office Equipment	Furniture and Office Equipment	104	18.54264592	-33.81298673	2017/18	800	–	170	–	–
Social Services	Library and Information Services: Du Noon Information and Communication Technologies (ICT)	CPX.0009055	New	13	01	3.1	Computer Equipment	Computer Equipment	104	18.54284678	-33.81312947	2017/18	1,000	–	1,000	–	–
Social Services	Library and Information Services: Du Noon Library Construction	CPX.0005413	New	13	02	3.1	Community Facilities	Libraries	104	18.54298761	-33.81298953	2017/18	7,810	1,687	9,005	–	–
Social Services	Planning and Development and Project Management Office: Develop Tree Management System	CPX.0009603	Upgrade	13	01	3.1	Community Facilities	Public Open Space	Citywide	18.52501894	-34.14115605	2017/18	1,800	–	1,000	–	–
Social Services	Recreation and Parks: Gugulethu Stadium Upgrade	CPX.0009138	Upgrade	13	02	3.1	Sport and Recreation Facilities	Outdoor Facilities	38	18.56783185	-33.98886878	2017/18	1,200	–	510	–	–
Social Services	Recreation and Parks: Manenberg Integrated Project	CPX.0007092	Upgrade	13	02	3.1	Community Facilities	Public Open Space	45	18.55083242	-33.9854386	2017/18	10,000	11,532	10,100	–	–
Social Services	Recreation and Parks: Millers Camp Sportsfield - Upgrade	CPX.0010628	Upgrade	13	02	3.1	Sport and Recreation Facilities	Outdoor Facilities	39	18.58954809	-33.98654241	2017/18	2,500	276	2,224	–	–
Social Services	Recreation and Parks: NY 116 Gugulethu Synthetic Pitch	CPX.0004321	Upgrade	13	02	3.1	Sport and Recreation Facilities	Outdoor Facilities	40	18.56813654	-33.97197468	2017/18	7,520	298	2,795	–	–
Social Services	Recreation and Parks: Nyanga Football Field Upgrade	CPX.0009137	Upgrade	13	02	3.1	Sport and Recreation Facilities	Outdoor Facilities	37	18.58556802	-33.99004696	2017/18	1,200	–	510	–	–
Social Services	Recreation and Parks: Nyanga Rugby Field Upgrade	CPX.0009136	Upgrade	13	02	3.1	Sport and Recreation Facilities	Outdoor Facilities	37	18.58114337	-33.99772214	2017/18	1,200	–	510	–	–
Social Services	Recreation and Parks: Seawinds Synthetic Pitch	CPX.0004319	Upgrade	13	02	3.1	Sport and Recreation Facilities	Outdoor Facilities	67	18.49205355	-34.07977801	2017/18	6,245	2,100	1,478	–	–
Social Services	Recreation and Parks: Upgrade of the Manenberg Precinct	CPX.0006865	Upgrade	13	02	3.1	Sport and Recreation Facilities	Outdoor Facilities	46	18.55196943	-33.97539178	2017/18	8,000	1,900	2,440	–	–
Social Services	Recreation and Parks: Upgrade: Sagaloda Park, Philippi	CPX.0005961	Upgrade	13	02	3.1	Community Facilities	Public Open Space	34	18.58872191	-34.00191184	2017/18	2,000	1,800	200	–	–
Social Services	Social Development and Early Childhood Development: Construct Early Childhood Development (ECD) Centres-Strand(Erjaville)	C13.17305	New	13	01	3.1	Community Facilities	Clinics/Care Centres	86	18.85085358	-34.12900883	2017/18	9,250	1,810	2,000	–	–
Transport and Urban Development Authority	Built Environment Management: Masiphumelele (Site 5) Taxi Rank	C11.10539	Upgrade	06	02	4.2	Community Facilities	Taxi Ranks/Bus Terminals	69	18.37988718	-34.13308351	2017/18	12,000	1,200	15,000	–	–
Transport and Urban Development Authority	Built Environment Management: Public Transport Facility: Makhaza: Bus Facility	CPX.0009345	New	06	02	4.2	Community Facilities	Taxi Ranks/Bus Terminals	95	18.71991165	-34.05791508	2017/18	2,000	100	500	–	–
Transport and Urban Development Authority	Built Environment Management: Public Transport Facility: Makhaza: Mini BusTaxi	C13.00053	New	06	02	4.2	Community Facilities	Taxi Ranks/Bus Terminals	96	18.71361322	-34.04670156	2017/18	5,000	500	12,500	–	–
Transport and Urban Development Authority	Built Environment Management: Road Dualling: Kommetjie Road and Ou Kaapse Weg	CPX.0007894	Upgrade	06	03	1.1	Roads Infrastructure	Roads	69	18.39576194	-34.11902748	2017/18	66,000	55,000	60,000	–	–
Transport and Urban Development Authority	Environmental Management: Helderberg Nature Reserve Development	CPX.0006674	New	10	02	1.4	Community Facilities	Nature Reserves	84	18.87396862	-34.06272642	2017/18	500	80	3,501	–	–
Transport and Urban Development Authority	Human Settlement Implementation: Bardale / Fairdale: Development 4000Units	C06.41540	New	08	01	3.1	Various	Various	Area East	18.68120965	-33.99549503	2017/18	1,100	132	836	–	–
Transport and Urban Development Authority	Human Settlement Implementation: Belhar/Pentech Housing Project: 350 Units	C06.41518	New	08	01	3.1	Various	Various	12	18.64101052	-33.93624059	2017/18	6,280	5,630	650	–	–
Transport and Urban Development Authority	Human Settlement Implementation: Darwin Road Housing project	CPX.0008065	New	08	01	3.1	Various	Various	Subcouncil 7	18.71075958	-33.80976369	2017/18	2,000	532	2,938	–	–
Transport and Urban Development Authority	Human Settlement Implementation: Delft - The Hague Housing Project	C08.15508	New	08	01	3.1	Various	Various	13	18.6442	-33.96145387	2017/18	5,000	2,000	2,000	–	–
Transport and Urban Development Authority	Human Settlement Implementation: Morkel's Cottage Strand Housing Project	C08.15507	New	08	01	3.1	Various	Various	Subcouncil 8	18.84509008	-34.12265065	2017/18	17,596	4,820	5,000	–	–
Transport and Urban Development Authority	Human Settlement Implementation: Valhalla Park Integrated Housing Project	CPX.0002700	New	08	01	3.1	Various	Various	30	18.5693347	-33.95089876	2017/18	4,372	2,500	1,500	–	–

2.18 Legislation compliance status

Compliance with the MFMA implementation requirements has been substantially adhered to through the following activities:

- **Budget and Treasury Office**
  A budget office and Treasury office was established in accordance with the MFMA.

- **Budgeting**
  The annual budget is prepared in accordance with the requirements prescribed by National Treasury, MFMA, MBRR and mSCOA regulations.

- **In Year Reporting**
  Fully compliant with regards to monthly and quarterly MBRR reporting to National Treasury.

- **Annual Report**
  The annual report is prepared in accordance with the MFMA and National Treasury requirements.

- **Municipal Entities**
  The City currently has only two entities i.e. the Cape Town International Convention Centre (CTICC) and the Cape Town Stadium (CTS).

- **Internship Programme**
  The CFO has introduced an organised professional training and work experience program (Finance Graduate Development Program or FGDP) intended to standardise the current diverse training options by providing training and exposure to qualifying officials and/or suitably qualified external applicants and/or suitably qualified bursars (Bachelor of Commerce or equivalent degree), who meet the criteria and who are aspiring to become local government accountants subject to a recruitment and selection process. The National Treasury Municipal Finance Management Internship Programme (NTMFMIP) has been merged with the FGDP. The City is funding five of the interns on the FGDP, whilst NT is funding an additional three interns. All the interns that were previously on the NTMFIP have been appointed within the City.

2.19 Other supporting documents

Table 94 MBRR Table SA1 - Supporting detail to budgeted financial performance

Description	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
REVENUE ITEMS:									
Property rates									
Total Property Rates	7,178,381	7,916,322	9,332,946	9,959,921	9,972,855	9,972,855	10,765,882	11,787,353	12,805,777
less Revenue Foregone (exemptions, reductions and rebates and impermissable values in excess of section 17 of MPRA)	1,159,647	1,171,275	1,227,820	1,297,571	1,277,924	1,277,924	1,403,930	1,539,066	1,674,064
Net Property Rates	**6,018,735**	**6,745,047**	**8,105,126**	**8,662,350**	**8,694,931**	**8,694,931**	**9,361,952**	**10,248,287**	**11,131,713**
Service charges - electricity revenue									
Total Service charges - electricity revenue	10,131,675	11,380,039	11,924,252	12,024,300	12,024,259	12,024,259	12,752,041	13,679,733	15,025,877
less Revenue Foregone (in excess of 50 kwh per indigent household per month)			–			–	–	–	–
less Cost of Free Basis Services (50 kwh per indigent household per month)	149,860	177,255	160,638	81,713	81,713	81,713	160,638	160,638	160,638
Net Service charges - electricity revenue	**9,981,814**	**11,202,784**	**11,763,615**	**11,942,587**	**11,942,546**	**11,942,546**	**12,591,403**	**13,519,095**	**14,865,239**
Service charges - water revenue									
Total Service charges - water revenue	2,537,826	3,203,133	3,831,925	4,483,436	3,204,778	3,204,778	4,219,110	5,980,116	7,055,087
less Revenue Foregone (in excess of 6 kilolitres per indigent household per month)			**159,031**	**235,730**	**235,730**	**235,730**	276,152	403,929	492,955
less Cost of Free Basis Services (6 kilolitres per indigent household per month)	–	202,773	212,041	314,306	314,306	314,306	368,203	538,572	657,273
Net Service charges - water revenue	**2,537,826**	**3,000,361**	**3,460,853**	**3,933,401**	**2,654,743**	**2,654,743**	**3,574,755**	**5,037,616**	**5,904,860**
Service charges - sanitation revenue									
Total Service charges - sanitation revenue	1,337,666	1,690,233	1,882,797	2,404,216	1,833,466	1,833,466	2,219,184	3,074,617	3,618,200
less Revenue Foregone (in excess of free sanitation service to indigent households)			**107,796**	**133,691**	**133,691**	**133,691**	**174,916**	**235,559**	**287,476**
less Cost of Free Basis Services (free sanitation service to indigent households)	–	141,824	143,728	178,254	178,254	178,254	233,221	314,079	383,302
Net Service charges - sanitation revenue	**1,337,666**	**1,548,409**	**1,631,273**	**2,092,272**	**1,521,522**	**1,521,522**	**1,811,048**	**2,524,979**	**2,947,422**
Service charges - refuse revenue									
Total refuse removal revenue	1,208,208	1,323,896	1,426,179	1,618,592	1,341,882	1,341,882	1,493,987	1,639,882	1,810,974
Total landfill revenue			–			–	–	–	–
less Revenue Foregone (in excess of one removal a week to indigent households)	–	–	–	–	–	–	–	–	–
less Cost of Free Basis Services (removed once a week to indigent households)	227,951	234,084	235,401	276,709	276,709	276,709	291,928	307,984	324,924
Net Service charges - refuse revenue	**980,257**	**1,089,812**	**1,190,778**	**1,341,882**	**1,065,173**	**1,065,173**	**1,202,059**	**1,331,897**	**1,486,051**
Other Revenue by source	–	–	–	–	–	–			
Fuel Levy	2,002,938	2,060,211	2,197,740			–	–	–	–
Other Revenue	381,213	320,278	411,300	709,425	719,686	719,686	773,871	816,747	862,106
Total 'Other' Revenue	**2,384,151**	**2,380,489**	**2,609,040**	**709,425**	**719,686**	**719,686**	**773,871**	**816,747**	**862,106**

Table continues on next page

Description	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
EXPENDITURE ITEMS:									
Employee related costs									
Basic Salaries and Wages	5,758,534	6,161,468	5,991,920	8,356,839	7,925,627	7,925,627	9,014,679	9,598,035	10,396,295
Pension and UIF Contributions	912,111	991,532	1,070,317	1,572,662	1,402,164	1,402,164	1,668,709	1,828,063	1,959,085
Medical Aid Contributions	546,425	598,385	660,258	729,755	725,849	725,849	752,682	817,413	886,076
Overtime	393,447	463,125	546,810	495,298	546,618	546,618	517,090	517,113	517,138
Performance Bonus	–	–	–	–	–	–	–	–	–
Motor Vehicle Allowance	190,408	192,863	191,559	206,313	207,598	207,598	221,143	240,180	260,355
Cellphone Allowance	13,691	14,297	16,714	17,686	17,960	17,960	24,047	26,021	28,207
Housing Allowances	28,439	53,086	56,862	56,026	59,292	59,292	64,402	69,941	75,816
Other benefits and allowances	186,406	204,436	221,281	227,334	230,128	230,128	236,440	256,687	278,164
Payments in lieu of leave	85,154	77,788	677,111	122,318	123,592	123,592	134,139	145,561	157,745
Long service awards	19,967	45,786	23,642	68,287	68,287	68,287	79,206	86,018	93,243
Post-retirement benefit obligations	6,191	588,288	229,302	231,548	231,548	231,548	247,593	261,211	275,708
sub-total	***8,140,773***	***9,391,052***	***9,685,776***	***12,084,067***	***11,538,664***	***11,538,664***	***12,960,131***	***13,846,242***	***14,927,832***
Less: Employees costs capitalised to PPE	16,040	33,312	26,476	33,377	33,377	33,377	40,015	42,216	44,559
Total Employee related costs	8,124,733	9,357,740	9,659,300	12,050,690	11,505,286	11,505,286	12,920,115	13,804,026	14,883,272
Contributions recognised - capital									
Capital PCDR	44,219	61,488	71,882	84,900	96,585	96,585	76,200	78,600	112,100
Total Contributions recognised - capital	**44,219**	**61,488**	**71,882**	**84,900**	**96,585**	**96,585**	**76,200**	**78,600**	**112,100**
Depreciation & asset impairment									
Depreciation of Property, Plant & Equipment	1,900,718	2,108,511	2,213,796	2,574,607	2,520,137	2,520,137	2,747,836	3,022,550	3,205,646
Lease amortisation	–	–	–	–	–	–	–	–	–
Capital asset impairment	16,416	8,825	99,675	–	–	–	66,500	70,158	74,051
Depreciation resulting from revaluation of PPE	–	–	–	–	–	–	–	–	–
Total Depreciation & asset impairment	**1,917,134**	**2,117,336**	**2,313,471**	**2,574,607**	**2,520,137**	**2,520,137**	**2,814,336**	**3,092,708**	**3,279,697**
Bulk purchases									
Electricity Bulk Purchases	6,708,777	7,656,073	8,069,461	8,094,800	8,094,800	8,094,800	8,341,400	8,991,000	9,691,800
Water Bulk Purchases	400,066	417,263	368,642	445,335	647,493	647,493	1,145,732	1,905,898	2,047,235
Total bulk purchases	**7,108,843**	**8,073,336**	**8,438,102**	**8,540,135**	**8,742,293**	**8,742,293**	**9,487,132**	**10,896,898**	**11,739,035**
Transfers and grants									
Cash transfers and grants	136,487	148,246	111,829	140,985	414,450	414,450	333,807	356,864	365,224
Non-cash transfers and grants	–	–	–	–	–	–	–	–	–
Total transfers and grants	**136,487**	**148,246**	**111,829**	**140,985**	**414,450**	**414,450**	**333,807**	**356,864**	**365,224**
Contracted services									
Executive and council	3,422	6,908	5,803	33,457	27,559	27,559	28,826	46,326	48,534
Finance and administration	553,444	466,456	470,214	992,200	934,282	934,282	1,131,114	1,161,306	1,213,704
Internal audit	452	8	28	1,651	886	886	879	925	975
Community and social services	93,898	117,734	141,065	182,162	176,248	176,248	158,263	164,294	173,677
Sport and recreation	130,395	167,053	187,992	353,361	309,410	309,410	244,486	258,204	271,985
Public safety	10,860	17,742	20,311	20,935	18,155	18,155	22,628	23,986	25,438
Housing	356,860	355,974	316,112	673,841	719,229	719,229	355,052	418,366	387,628
Health	11,756	16,497	18,380	81,672	90,495	90,495	89,841	97,191	100,906
Planning and development	52,714	46,669	58,943	103,022	90,379	90,379	87,878	88,495	91,605
Road transport	952,965	1,024,208	1,238,272	1,443,784	1,634,485	1,634,485	1,608,243	1,582,728	1,659,404
Environmental protection	29,201	30,694	25,745	29,750	37,279	37,279	24,457	24,377	25,767
Energy sources	254,749	183,634	181,503	250,159	251,089	251,089	277,920	293,091	306,816
Water management	136,936	179,597	218,476	347,392	482,385	482,385	435,839	580,997	644,308
Waste water management	434,020	599,059	712,991	878,592	742,303	742,303	814,847	885,536	1,063,076
Waste management	509,148	549,108	572,215	672,484	618,650	618,650	710,232	725,657	764,525
Other	5,536	4,914	3,074	22,148	13,994	13,994	14,183	12,036	12,589
Total contracted services	**3,536,355**	**3,766,255**	**4,171,123**	**6,086,610**	**6,146,828**	**6,146,828**	**6,004,687**	**6,363,514**	**6,790,937**

Table continues on next page.

Description	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Other Expenditure By Type									
Collection costs	172,518	187,416	198,278	192,487	192,158	192,158	205,450	216,769	228,802
Contributions to 'other' provisions	(41,511)	(26,991)	(19,194)	43,962	49,462	49,462	41,963	44,271	46,729
Consultant fees	108,473	–	–	–	–	–	–	–	–
Audit fees	13,241	13,554	13,183	19,834	17,734	17,734	18,709	19,738	20,834
General expenses	2,441,426	2,708,983	3,054,138	1,164,481	580,228	580,228	489,559	554,770	584,916
Communications Publicity &	*37,235*	–	–	–	–	–	–	–	–
Computer Services & Softwar	*43,411*	–	–	–	–	–	–	–	–
Legal Fees & Expenses	*51,684*	–	–	–	–	–	–	–	–
Advertising	*26,467*	–	–	–	–	–	–	–	–
Advertising - Corporate and Municipal Ac	–	*60,613*	*29,074*	*37,067*	*31,888*	*31,888*	*33,938*	*35,398*	*37,363*
Bank Charges & Services	*5,215*	*5,231*	*7,747*	*22,723*	*17,130*	*17,130*	*31,032*	*32,739*	*34,556*
Computer Network Extensions	–	*14,337*	*11,162*	*13,252*	*17,350*	*17,350*	*14,763*	*18,740*	*19,780*
Electricity	*112,903*	*122,551*	*133,287*	*166,837*	*152,281*	*152,281*	*186,731*	*201,314*	*217,842*
Eskom Connection Fees	–	*6,152*	*2,840*	*32,314*	*54,700*	*54,700*	*28,667*	*65,695*	*65,695*
Fire & Allied Peril Claims	*7,066*	*12,964*	*5,866*	*8,522*	*9,641*	*9,641*	*10,383*	*10,954*	*11,562*
Hire Charges : Wet Fuel - Non Vatable	–	*205*	*16,964*	*11,388*	*12,374*	*12,374*	*12,792*	*13,497*	*14,328*
Indigent Relief : Electricity - Eskom Re-imbursement	*55,387*	*62,520*	*70,556*	*78,074*	*78,074*	*78,074*	*75,795*	*82,617*	*90,052*
Insurance : Non GIF	*4,862*	*7,711*	*10,200*	*22,085*	*11,353*	*11,353*	*13,243*	*11,519*	*12,158*
Insurance Claims : Medical Expenses	*11,993*	*10,856*	*14,550*	*12,976*	*13,940*	*13,940*	*13,312*	*14,044*	*14,823*
Insurance Claims : Motor Claims	*14,803*	*18,557*	*17,169*	*16,119*	*14,858*	*14,858*	*16,003*	*16,883*	*17,820*
Learnerships	*515*	*1,625*	*1,513*	*1,584*	*2,084*	*2,084*	*10,996*	*11,601*	*12,245*
Licenses & Permits	*106,192*	–	–	–	–	–	–	–	–
Membership Fees: Professional	*13,019*	*12,519*	*14,292*	*16,502*	*15,917*	*15,917*	*16,945*	*17,877*	*18,869*
Minor Tools , Equipment & Other	*43,674*	*56,578*	–	–	–	–	–	–	–
Motor vehicle License and registration	–	*16,364*	*17,905*	*14,821*	*18,589*	*18,589*	*19,370*	*20,434*	*21,568*
Postage & Courier	*31,031*	*35,198*	*37,578*	*36,388*	*36,113*	*36,113*	*37,178*	*39,222*	*41,399*
Premiums : Unicity Insurance Program	*34,983*	*32,985*	*33,245*	*48,115*	*48,115*	*48,115*	*51,820*	*55,706*	*59,912*
Skills Development Levy	*67,566*	*73,680*	*79,809*	*80,967*	*81,610*	*81,610*	*81,214*	*85,837*	*90,601*
Software Licences - Upgrade/Protection	–	*105,069*	*90,053*	*165,673*	*159,703*	*159,703*	*168,575*	*177,847*	*187,717*
Special Rating Areas	*130,146*	*146,126*	*164,182*	*192,953*	*192,953*	*192,953*	*209,220*	*220,727*	*232,977*
Specialised Information Technology servi	*25*	*164,382*	*195,312*	*255,536*	*150,827*	*150,827*	*76,265*	*98,481*	*103,947*
Subsidy on Homeowners Redemption	*23,997*	*30,540*	*(8,672)*	*17,080*	*17,080*	*17,080*	–	*17,637*	*18,616*
Telecommunication : Cell Phone Subscript	*6,142*	*8,394*	*18,526*	*10,739*	*12,483*	*12,483*	*13,030*	*13,746*	*14,509*
Telecommunication Lines	–	*66,475*	*53,256*	*38,077*	*49,056*	*49,056*	*50,254*	*36,916*	*38,965*
Telecommunication Services	*78,643*	*5,296*	*10,233*	*21,700*	*11,004*	*11,004*	*15,075*	*15,904*	*16,786*
Testing, Sampling and Monitoring	*25,298*	–	–	–	–	–	–	–	–
Training	*52,300*	*63,618*	*73,196*	*95,066*	*65,296*	*65,296*	*97,434*	*102,688*	*108,385*
Training - Co Op Students	*11,659*	*9,193*	*11,969*	*10,701*	*15,276*	*15,276*	*14,439*	*15,233*	*16,079*
Training Programmes	*8,283*	*13,830*	*14,474*	*14,342*	*11,591*	*11,591*	*13,945*	*14,712*	*15,529*
Uniform & Protective Clothing	*61,673*	*74,408*	*80,325*	*85,851*	*86,268*	*86,268*	*97,569*	*102,205*	*107,877*
Vehicle Tracking	–	*4,605*	*8,869*	*11,663*	*13,984*	*13,984*	*14,098*	*14,876*	*15,702*
Water Research Levy	*17,464*	*13,909*	*24,902*	*19,111*	*19,111*	*19,111*	*20,448*	*21,675*	*22,976*
Total 'Other' Expenditure	**3,777,783**	**4,139,457**	**4,486,789**	**2,978,990**	**2,260,231**	**2,260,231**	**2,200,213**	**2,422,275**	**2,561,922**
Repairs and Maintenance by Expenditure Item									
Employee related costs	1,187,006	1,262,852	1,271,125	1,430,455	1,341,534	1,341,534	1,300,132	1,384,643	1,475,335
Other materials	46,996	45,260	276,260	276,952	284,552	284,015	325,242	346,219	368,896
Contracted Services	1,450,264	1,660,202	2,010,873	2,070,347	1,942,034	1,951,800	2,173,011	2,362,911	2,575,141
Other Expenditure	318,892	370,681	203,039	256,538	185,594	189,824	176,078	187,473	199,729
Total Repairs and Maintenance Expenditure	**3,003,158**	**3,338,995**	**3,761,297**	**4,034,293**	**3,753,714**	**3,767,172**	**3,974,465**	**4,281,247**	**4,619,102**

Table 95 MBRR Table SA2 - Matrix financial performance budget (revenue source / expenditure type and department)

Description R thousand	Vote 1 - Area-Based Service Delivery	Vote 2 - Assets & Facilities Management	Vote 3 - City Manager	Vote 4 - Corporate Services	Vote 5 - Energy	Vote 6 - Finance	Vote 7 - Informal Settlements, Water & Waste Services	Vote 8 - Safety & Security	Vote 9 - Social Services	Vote 10 - Transport & Urban Development Authority	Total
Revenue By Source											
Property rates	215,691	–	–	–	–	9,146,261	–	–	–	–	**9,361,952**
Service charges - electricity revenue	–	–	–	–	12,591,403	–	–	–	41	–	**12,591,444**
Service charges - water revenue	–	532	–	–	–	–	3,574,755	–	–	–	**3,575,287**
Service charges - sanitation revenue	–	–	–	–	–	–	1,811,048	–	–	–	**1,811,048**
Service charges - refuse revenue	–	–	–	–	–	(280,000)	1,482,059	–	–	–	**1,202,059**
Service charges - other	–	–	–	–	–	–	–	–	–	–	**–**
Rental of facilities and equipment	–	350,315	–	78	975	2	137	283	22,069	7,404	**381,262**
Interest earned - external investments	–	100	–	–	–	936,313	–	–	–	100	**936,513**
Interest earned - outstanding debtors	0	10,135	–	31	25,800	113,773	190,017	1,192	–	22	**340,970**
Dividends received	–	–	–	–	–	–	–	–	–	–	**–**
Fines, penalties and forfeits	–	–	–	–	–	469	195	1,273,476	3,703	2,317	**1,280,160**
Licences and permits	–	–	–	–	–	–	610	31,060	1,389	12,992	**46,050**
Agency services	–	–	–	–	–	189,464	–	12,259	–	–	**201,723**
Other revenue	2,346	20,566	11	55,371	98,805	60,506	53,013	12,950	53,404	416,898	**773,871**
Transfers and subsidies	886	3,000	–	27,707	4,567	5,184,897	40,424	27,678	718,264	796,184	**6,803,608**
Gains on disposal of PPE	–	35,870	–	–	2,500	–	3,000	–	–	2,500	**43,870**
Total Revenue (excluding capital transfers and contributions)	**218,923**	**420,518**	**11**	**83,187**	**12,724,050**	**15,351,686**	**7,155,257**	**1,358,899**	**798,869**	**1,238,417**	**39,349,818**

Table continues on next page

Description R thousand	Vote 1 - Area-Based Service Delivery	Vote 2 - Assets & Facilities Management	Vote 3 - City Manager	Vote 4 - Corporate Services	Vote 5 - Energy	Vote 6 - Finance	Vote 7 - Informal Settlements, Water & Waste Services	Vote 8 - Safety & Security	Vote 9 - Social Services	Vote 10 - Transport & Urban Development Authority	Total
Expenditure By Type											
Employee related costs	254,005	661,574	138,463	1,109,459	1,203,294	953,526	3,084,125	1,924,938	2,283,023	1,307,709	**12,920,115**
Remuneration of councillors	–	–	–	169,640	–	–	–	–	–	–	**169,640**
Debt impairment	6,471	152,024	–	–	128,522	370,028	1,395,174	936,732	–	–	**2,988,951**
Depreciation & asset impairment	10,604	201,125	1,218	187,808	353,185	208,051	827,690	88,931	146,559	789,166	**2,814,336**
Finance charges	–	–	–	–	–	1,046,917	41,219	–	1,075	74	**1,089,285**
Bulk purchases	–	–	–	–	8,341,400	–	1,145,732	–	–	–	**9,487,132**
Other materials	5,050	44,111	989	26,693	134,931	14,403	521,351	56,027	384,923	66,806	**1,255,285**
Contracted services	60,563	481,131	1,416	190,735	315,872	77,404	2,084,831	103,655	671,822	2,017,258	**6,004,687**
Transfers and subsidies	8,450	–	–	84,285	–	70,160	–	42,015	15,568	113,329	**333,807**
Other expenditure	231,353	117,553	18,533	415,762	196,586	406,406	421,524	164,385	114,423	113,688	**2,200,213**
Loss on disposal of PPE	3	29	–	81	194	–	119	47	15	–	**488**
Total Expenditure	**576,498**	**1,657,547**	**160,619**	**2,184,462**	**10,673,982**	**3,146,896**	**9,521,764**	**3,316,731**	**3,617,408**	**4,408,030**	**39,263,938**
Surplus/(Deficit)	**(357,575)**	**(1,237,029)**	**(160,609)**	**(2,101,275)**	**2,050,068**	**12,204,790**	**(2,366,507)**	**(1,957,832)**	**(2,818,539)**	**(3,169,613)**	**85,879**
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	150	–	–	1,000	116,709	600	738,207	–	120,082	1,091,147	2,067,896
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)	–	–	–	–	44,200	–	12,000	–	–	20,000	76,200
Transfers and subsidies - capital (in-kind - all)	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	**(357,425)**	**(1,237,029)**	**(160,609)**	**(2,100,275)**	**2,210,977**	**12,205,390**	**(1,616,300)**	**(1,957,832)**	**(2,698,457)**	**(2,058,466)**	**2,229,975**

Table 96 MBRR Table SA3 - Supporting detail to Statement of Financial Position

Description	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
ASSETS									
Call investment deposits									
Call deposits	3,056,201	3,239,467	2,954,752	4,321,157	5,024,661	5,024,661	5,706,885	7,327,059	10,140,787
Other current investments	1,746,347	2,155,177	1,654,114	2,278,775	1,867,022	1,867,022	1,628,314	1,360,455	1,061,979
Total Call investment deposits	**4,802,548**	**5,394,644**	**4,608,866**	**6,599,932**	**6,891,683**	**6,891,683**	**7,335,199**	**8,687,514**	**11,202,766**
Consumer debtors									
Consumer debtors	8,955,125	9,810,575	10,886,864	14,851,479	13,662,180	13,662,180	16,992,101	20,701,353	24,731,418
Less: Provision for debt impairment	(4,336,628)	(4,703,941)	(5,162,001)	(9,216,004)	(7,653,186)	(7,653,186)	(10,642,137)	(13,988,980)	(17,633,582)
Total Consumer debtors	**4,618,497**	**5,106,634**	**5,724,863**	**5,635,475**	**6,008,994**	**6,008,994**	**6,349,964**	**6,712,373**	**7,097,836**
Debt impairment provision									
Balance at the beginning of the year	4,230,967	4,336,628	4,703,941	6,707,144	5,162,001	5,162,001	7,653,186	10,642,137	13,988,980
Contributions to the provision	802,097	1,062,848	1,434,760	2,508,860	2,491,185	2,491,185	2,988,951	3,346,843	3,644,602
Bad debts written off	(696,436)	(695,535)	(976,700)	–	–	–	–	–	–
Balance at end of year	**4,336,628**	**4,703,941**	**5,162,001**	**9,216,004**	**7,653,186**	**7,653,186**	**10,642,137**	**13,988,980**	**17,633,582**
Property, plant and equipment (PPE)									
PPE at cost/valuation (excl. finance leases)	50,197,679	55,545,386	61,030,021	68,201,098	68,326,974	68,326,974	76,314,152	85,638,707	95,240,152
Leases recognised as PPE	–	–	–	–	–	–	–	–	–
Less: Accumulated depreciation	16,754,575	18,652,842	20,652,436	23,552,156	23,021,934	23,021,934	25,712,684	28,687,676	31,850,117
Total Property, plant and equipment (PPE)	**33,443,104**	**36,892,544**	**40,377,585**	**44,648,942**	**45,305,040**	**45,305,040**	**50,601,468**	**56,951,031**	**63,390,035**
LIABILITIES									
Current liabilities - Borrowing									
Short term loans (other than bank overdraft)	–	–	–	–	–	–	–	–	–
Current portion of long-term liabilities	345,682	469,936	334,185	428,372	366,249	416,250	619,342	993,842	1,405,990
Total Current liabilities - Borrowing	**345,682**	**469,936**	**334,185**	**428,372**	**366,249**	**416,250**	**619,342**	**993,842**	**1,405,990**
Trade and other payables									
Trade and other creditors	5,297,880	5,720,744	5,963,079	8,003,376	8,600,249	8,550,248	8,783,070	8,471,115	8,149,197
Unspent conditional transfers	1,527,445	1,199,955	1,054,374	680,263	1,740,079	1,740,079	1,460,147	1,772,337	2,112,983
VAT	85,807	74,771	93,366	82,435	98,034	98,034	102,936	108,083	113,487
Total Trade and other payables	**6,911,132**	**6,995,470**	**7,110,819**	**8,766,074**	**10,438,362**	**10,388,361**	**10,346,153**	**10,351,535**	**10,375,667**
Non current liabilities - Borrowing									
Borrowing	6,415,499	6,036,906	5,789,616	7,770,349	6,442,550	6,442,550	9,772,937	14,457,083	19,290,056
Finance leases (including PPP asset element)	–	–	–	–	–	–	–	–	–
Total Non current liabilities - Borrowing	**6,415,499**	**6,036,906**	**5,789,616**	**7,770,349**	**6,442,550**	**6,442,550**	**9,772,937**	**14,457,083**	**19,290,056**
Provisions - non-current									
Retirement benefits	4,888,834	5,269,481	5,264,545	5,708,665	5,512,138	5,512,138	6,066,228	6,509,145	6,968,842
List other major provision items	–	–	–	–	–	–	–	–	–
Refuse landfill site rehabilitation	272,485	336,787	328,562	406,598	372,461	372,461	367,353	377,650	394,307
Other	463,389	510,085	516,222	628,517	595,428	595,428	666,175	751,122	844,354
Total Provisions - non-current	**5,624,708**	**6,116,353**	**6,109,329**	**6,743,780**	**6,480,027**	**6,480,027**	**7,099,756**	**7,637,918**	**8,207,503**

Table continues on next page

Description	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
CHANGES IN NET ASSETS									
Accumulated Surplus/(Deficit)									
Accumulated Surplus/(Deficit) - opening balance	21,962,021	25,771,287	29,846,771	32,160,660	34,382,649	34,382,649	37,278,269	39,405,832	41,245,471
GRAP adjustments	–	–	–	–	–	–	–	–	–
Restated balance	21,962,021	25,771,287	29,846,771	32,160,660	34,382,649	34,382,649	37,278,269	39,405,832	41,245,471
Surplus/(Deficit)	4,379,616	4,289,654	5,304,628	3,003,710	2,446,155	2,446,155	2,229,975	2,762,119	3,842,238
Appropriations to Reserves	(1,084,623)	(918,375)	(1,612,627)	(1,113)	(9,797)	(9,797)	(131,914)	(923,006)	(1,517,714)
Transfers from Reserves	514,275	704,204	843,877	178,467	459,261	459,261	29,503	526	–
Depreciation offsets	–	–	–	–	–	–	–	–	–
Other adjustments	–	–	–	–	–	–	–	–	–
Accumulated Surplus/(Deficit)	**25,771,289**	**29,846,770**	**34,382,649**	**35,341,724**	**37,278,268**	**37,278,268**	**39,405,832**	**41,245,471**	**43,569,995**
Reserves									
Housing Development Fund	396,385	340,096	331,568	204,867	354,045	354,045	324,542	340,515	377,168
Capital replacement	1,865,119	2,119,182	2,880,321	2,042,114	2,398,582	2,398,582	2,529,893	3,436,926	4,916,900
Self-insurance	528,760	545,157	561,296	546,259	571,093	571,093	571,697	571,171	572,259
Other reserves	–	–	–	–	–	–	–	–	–
Revaluation	–	–	–	–	–	–	–	–	–
Total Reserves	**2,790,264**	**3,004,435**	**3,773,185**	**2,793,239**	**3,323,721**	**3,323,721**	**3,426,132**	**4,348,613**	**5,866,327**
TOTAL COMMUNITY WEALTH/EQUITY	**28,561,553**	**32,851,205**	**38,155,834**	**38,134,963**	**40,601,989**	**40,601,989**	**42,831,965**	**45,594,083**	**49,436,322**

Table 97 MBRR Table SA9 - Social, economic and demographic statistics and assumptions

Description of economic indicator	Basis of calculation	2001 Census	2007 Survey	2011 Census	2014/15	2015/16	2016/17	Current Year 2017/18	2018/19 Medium Term Revenue & Expenditure Framework		
					Outcome	Outcome	Outcome	Original Budget	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Demographics											
Population	StatsSA Census, Community Survey & Mid-year estimates	2,893,249	3,497,097	3,740,025	4,023,510	4,097,987	4,174,510	4,254,946	4,339,070	–	–
Females aged 5 - 14	StatsSA Census, Community Survey & Mid-year estimates	260,241	287,307	275,909	323,307	335,251	347,747	358,580	365,923	–	–
Males aged 5 - 14	StatsSA Census, Community Survey & Mid-year estimates	257,985	284,101	282,124	327,769	340,274	352,594	363,225	370,510	–	–
Females aged 15 - 34	StatsSA Census, Community Survey & Mid-year estimates	571,867	653,762	706,732	722,922	725,663	726,754	727,513	730,169	–	–
Males aged 15 - 34	StatsSA Census, Community Survey & Mid-year estimates	539,939	631,811	707,488	714,730	718,676	721,700	724,087	727,967	–	–
Unemployment	StatsSA Census & QLFS	29.20%	24.50%	23.90%	24.24%	21.60%	23.17%	22.45%	NA		–
Monthly household income (no. of households)											
No income	StatsSA Census	101,953	52,446	146,517	NA	NA	NA	NA	NA	–	–
R1 - R1 600	StatsSA Census	200,414	144,873	185,068	NA	NA	NA	NA	NA	–	–
R1 601 - R3 200	StatsSA Census	130,846	122,611	170,824	NA	NA	NA	NA	NA	–	–
R3 201 - R6 400	StatsSA Census	133,588	121,268	154,427	NA	NA	NA	NA	NA	–	–
R6 401 - R12 800	StatsSA Census	109,609	103,587	139,348	NA	NA	NA	NA	NA	–	–
R12 801 - R25 600	StatsSA Census	67,529	87,974	126,625	NA	NA	NA	NA	NA	–	–
R25 601 - R51 200	StatsSA Census	23,091	52,892	92,860	NA	NA	NA	NA	NA	–	–
R52 201 - R102 400	StatsSA Census	5,470	18,249	38,018	NA	NA	NA	NA	NA	–	–
R102 401 - R204 800	StatsSA Census	3,028	5,355	9,749	NA	NA	NA	NA	NA	–	–
R204 801 - R409 600	StatsSA Census	1,861	3,429	5,066	NA	NA	NA	NA	NA	–	–
Unspecified		–	189,593	73	NA	NA	NA	NA	NA	–	–
Poverty profiles (no. of households)											
< R2 060 per household per month		-	-	-	NA	NA	NA	NA	NA	–	–
Insert description		-	-	-	231,793	232,569	213,424	128,663	-	–	–
Household/demographics											
Number of people in municipal area	StatsSA Census, Community Survey & Mid-year estimates	2,893,249	3,497,097	3,740,025	4,023,510	4,097,987	4,174,510	4,254,946	4,339,070	–	–
Number of poor people in municipal area	StatsSA Census, estimates	1,124,687	1,240,002	1,758,442	NA	NA	NA	NA	NA	–	–
Number of households in municipal area	StatsSA Census, estimates	777,390	902,275	1,068,575	1,211,901	1,257,051	1,304,534	1,329,671	1,355,959	–	–
Number of poor households in municipal area	StatsSA Census, Indigent households for 2014/15 to 2017/18	302,193	319,930	502,409	231,793	232,569	213,424	128,663	-	–	–
Definition of poor household (R per month)		Household Income < R1608	Household income < R3201	Household income < R3201	Indigent households	Indigent households	Indigent households	Indigent households	-	-	-
Housing statistics											
Formal	StatsSA Census & Community Survey, estimates	619,691	758,159	846,026	976,206	1,018,351	1,062,812	1,083,290	1,104,708	-	-
Informal	StatsSA Census & Community Survey, estimates	157,699	144,116	222,549	235,694	238,700	241,723	246,380	251,251	-	-
Total number of households		**777,390**	**902,275**	**1,068,575**	**1,211,901**	**1,257,051**	**1,304,534**	**1,329,671**	**1,355,959**	**-**	**-**
Dwellings provided by municipality		-	-	-	3,372	3,319	4,839	-	-	-	-
Dwellings provided by province/s		-	-	-	-	-	-	-	-	-	-
Dwellings provided by private sector		-	-	-	8,659	9,968	13,693	-	-	-	-
Total new housing dwellings		**-**	**-**	**-**	**12,031**	**13,287**	**18,532**	**-**	**-**	**-**	**-**
Economic											
Inflation/inflation outlook (CPIX)		-	-	-	5.1%	5.6%	6.10%	5.7%	5.5%	5.5%	5.6%
Interest rate - borrowing		-	-	-	11.0%	12.0%	11.0%	12.0%	11.0%	11.0%	11.0%
Interest rate - investment		-	-	-	5.5%	6.5%	6.5%	7.0%	7.0%	7.0%	7.0%
Remuneration increases		-	-	-	6.8%	7.0%	6.00%	7.4%	7.1%	6.6%	6.4%
Consumption growth (electricity)		-	-	-	-0.4%	-1.4%	-1.00%	-1.0%	-2.7%	-2.0%	-2.0%
Consumption growth (water)		-	-	-	-	1.0%	-12.80%	-26.8%	0.0%	0.0%	0.0%
Collection rates											
Property tax/service charges		-	-	-	96.3%	96.7%	96.4%	96.0%	96.0%	96.0%	96.0%
Rental of facilities & equipment		-	-	-	61.8%	73.6%	67.6%	68.4%	67.5%	67.5%	67.5%
Interest - external investments		-	-	-	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Interest - debtors		-	-	-	96.4%	96.8%	96.6%	96.1%	96.1%	96.1%	96.1%
Revenue from agency services		-	-	-	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

*NA = not available

2.20 Consolidated budget tables

The consolidated tables, as required in terms of section 9 of the MBRR, are presented in the nine primary budget tables on page 198 to page 207. The tables provide a consolidated view of the main tables (including financial position and cash flow) of the City, CTICC and CTS

The consolidated tables include the City's and entities' MTREF with an elimination of inter-company entries. It will therefore not align to a direct consolidation of tables between the City's MBRR Schedule A and the entities' MBRR Schedule D.

Table 98 - MBRR Table A1 Consolidated Budget Summary

Description	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Financial Performance									
Property rates	**6,013,891**	6,739,787	8,100,322	8,662,350	8,694,931	8,694,931	9,361,952	10,248,287	11,131,713
Service charges	15,374,111	17,552,069	18,815,940	19,310,141	17,184,556	17,184,556	19,179,838	22,414,325	25,204,467
Investment revenue	575,783	680,150	800,331	785,328	905,328	905,328	941,028	994,620	1,025,150
Transfers recognised - operational	3,264,270	5,679,468	5,864,445	6,455,942	7,027,387	7,027,387	6,803,608	7,101,185	7,464,469
Other own revenue	4,256,753	2,375,981	2,729,717	3,078,781	3,119,388	3,119,388	3,373,252	3,566,221	3,768,829
Total Revenue (excluding capital transfers and contributions)	29,484,808	33,027,456	36,310,756	38,292,542	36,931,591	36,931,591	39,659,677	44,324,639	48,594,629
Employee costs	8,177,194	9,415,889	9,728,886	12,146,477	11,589,596	11,589,596	13,014,073	13,904,490	14,989,774
Remuneration of councillors	128,767	135,095	138,951	155,787	155,565	155,565	169,640	180,666	192,500
Depreciation & asset impairment	1,941,951	2,145,817	2,340,817	3,277,476	3,225,455	3,225,455	2,856,987	3,137,918	3,327,621
Finance charges	781,262	748,479	732,913	1,138,893	993,544	993,544	1,089,285	1,564,844	1,885,513
Materials and bulk purchases	7,455,971	8,399,423	8,937,943	9,774,559	9,948,830	9,948,830	10,783,733	12,340,129	13,251,553
Transfers and grants	96,661	148,246	111,829	140,985	414,450	414,450	263,704	288,228	298,126
Other expenditure	8,923,958	9,854,551	11,032,293	11,688,097	11,016,311	11,016,311	11,427,087	12,377,712	13,251,807
Total Expenditure	27,505,765	30,847,500	33,023,632	38,322,274	37,343,751	37,343,751	39,604,509	43,793,988	47,196,893
Surplus/(Deficit)	1,979,044	2,179,956	3,287,124	(29,731)	(412,159)	(412,159)	55,168	530,650	1,397,736
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	2,423,179	2,131,537	2,005,297	2,268,835	2,092,130	2,092,130	2,067,896	2,118,842	2,296,333
Contributions recognised - capital & contributed assets	49,172	61,589	88,397	84,900	96,585	96,585	76,200	78,600	112,100
Surplus/(Deficit) after capital transfers & contributions	4,451,394	4,373,082	5,380,818	2,324,004	1,776,556	1,776,556	2,199,264	2,728,092	3,806,169
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	4,451,394	4,373,082	5,380,818	2,324,004	1,776,556	1,776,556	2,199,264	2,728,092	3,806,169
Capital expenditure & funds sources									
Capital expenditure	**5,333,621**	**5,870,140**	**6,272,557**	**7,023,203**	**7,856,479**	**6,590,431**	**8,456,748**	**9,855,952**	**10,149,854**
Transfers recognised - capital	2,473,313	2,187,425	2,055,507	2,268,835	2,092,130	2,072,060	2,067,896	2,118,842	2,296,333
Public contributions & donations	44,219	61,488	71,882	84,900	96,585	87,522	76,200	78,600	112,100
Borrowing	2,152,377	2,441,423	2,739,196	2,894,482	4,000,000	2,891,804	4,000,000	5,700,000	6,000,000
Internally generated funds	663,712	1,179,805	1,405,973	1,774,986	1,667,764	1,539,045	2,312,652	1,958,511	1,741,420
Total sources of capital funds	**5,333,621**	**5,870,140**	**6,272,557**	**7,023,203**	**7,856,479**	**6,590,431**	**8,456,748**	**9,855,952**	**10,149,854**

Table continues on next page

Description	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Financial position									
Total current assets	11,259,176	12,164,289	12,519,283	14,052,823	14,765,104	14,765,104	15,760,893	17,755,906	20,914,940
Total non current assets	38,842,987	42,756,255	47,532,173	49,328,664	50,224,625	50,224,625	56,313,484	62,806,762	69,420,376
Total current liabilities	8,748,235	9,002,305	8,843,774	10,920,921	12,321,424	12,321,424	12,583,978	13,121,870	13,685,789
Total non current liabilities	12,040,202	12,150,605	11,898,945	14,551,682	12,922,577	12,922,577	16,872,693	22,095,001	27,497,559
Community wealth/Equity	29,313,725	33,767,633	39,308,737	37,908,884	39,745,728	39,745,728	42,617,706	45,345,798	49,151,968
Cash flows									
Net cash from (used) operating	6,132,487	6,448,483	6,647,236	5,540,553	4,823,245	4,823,245	4,844,958	5,664,014	6,952,343
Net cash from (used) investing	(4,795,170)	(6,334,977)	(6,508,113)	(7,106,997)	(6,867,551)	(6,867,551)	(7,732,684)	(9,015,548)	(9,274,942)
Net cash from (used) financing	(205,097)	(116,222)	(187,806)	2,100,551	3,597,199	3,597,199	3,556,102	4,996,879	5,114,518
Cash/cash equivalents at the year end	3,753,780	3,751,064	3,702,381	4,650,453	5,326,469	5,326,469	5,923,649	7,568,994	10,360,912
Cash backing/surplus reconciliation									
Cash and investments available	9,253,744	9,872,429	10,234,158	10,099,102	10,447,484	10,447,484	11,788,575	13,433,920	16,214,742
Application of cash and investments	6,414,398	6,144,970	6,487,953	8,057,010	9,489,335	9,489,335	9,019,957	9,704,441	10,947,725
Balance - surplus (shortfall)	2,839,346	3,727,459	3,746,205	2,042,092	958,149	958,149	2,768,617	3,729,479	5,267,017
Asset management									
Asset register summary (WDV)	35,014,046	38,738,372	42,613,537	46,112,134	46,860,511	46,860,511	52,039,895	58,267,201	64,584,056
Depreciation	1,940,102	2,142,168	2,337,895	3,277,476	3,225,455	3,225,455	2,790,530	3,067,806	3,253,617
Renewal of Existing Assets	2,377,706	2,690,532	1,599,035	1,449,710	1,632,875	1,605,554	1,906,524	2,314,093	2,586,064
Repairs and Maintenance	3,010,357	3,347,230	3,769,614	4,048,266	3,767,687	3,781,145	4,012,578	4,320,924	4,660,206
Free services									
Cost of Free Basic Services provided	602,855	1,370,479	1,368,006	1,543,608	1,543,608	1,543,608	1,829,048	2,272,892	2,627,201
Revenue cost of free services provided	1,190,026	1,193,377	1,412,026	1,693,834	1,674,187	1,674,187	1,886,058	2,211,167	2,488,740
Households below minimum service level									
Water:	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:	377	-	217	217	217	217	149	100	-
Energy:	29,429	26,464	35,341	29,429	32,341	30,841	29,341	27,841	26,341
Refuse:	-	-	-	-	-	-	-	-	-

Table 99 - MBRR Table A2 Consolidated Budgeted Financial Performance (revenue and expenditure by standard classification)

Functional Classification Description	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Revenue - Functional									
Governance and administration	**10,940,599**	**12,273,882**	**14,067,960**	**14,882,934**	**13,780,250**	**13,780,250**	**14,763,272**	**15,859,595**	**17,092,197**
Executive and council	1,594	2,082	1,400	3,126	3,594	3,594	3,240	3,362	3,491
Finance and administration	10,938,999	12,271,777	14,066,558	14,879,801	13,776,649	13,776,649	14,760,024	15,856,224	17,088,697
Internal audit	6	22	2	8	8	8	8	9	9
Community and public safety	**2,097,502**	**1,679,540**	**1,833,039**	**1,956,529**	**2,251,355**	**2,251,355**	**1,880,561**	**2,118,445**	**2,188,559**
Community and social services	130,446	107,248	105,403	120,972	122,745	122,745	130,825	157,880	133,134
Sport and recreation	87,643	81,245	106,473	114,329	108,000	108,000	110,050	81,788	92,794
Public safety	16,159	21,416	24,889	22,293	23,253	23,253	11,726	12,371	13,057
Housing	1,620,155	1,203,137	1,279,471	1,328,591	1,614,260	1,614,260	1,211,961	1,416,120	1,454,192
Health	243,098	266,493	316,802	370,343	383,097	383,097	415,999	450,285	495,382
Economic and environmental services	**3,041,372**	**3,224,167**	**3,237,399**	**3,224,458**	**3,253,017**	**3,253,017**	**3,188,342**	**3,146,271**	**3,355,662**
Planning and development	252,950	286,798	324,404	342,034	348,279	348,279	369,522	425,592	444,155
Road transport	2,756,753	2,929,763	2,896,258	2,880,418	2,895,661	2,895,661	2,805,489	2,717,202	2,907,837
Environmental protection	31,669	7,606	16,736	2,006	9,077	9,077	13,331	3,477	3,670
Trading services	**15,644,415**	**17,795,649**	**19,018,621**	**20,291,096**	**19,567,466**	**19,567,466**	**21,673,945**	**25,084,399**	**28,034,494**
Energy sources	10,378,888	11,528,353	12,083,270	12,256,796	12,501,302	12,501,302	13,086,625	14,128,383	15,609,846
Water management	2,688,866	3,170,901	3,659,066	4,123,369	3,706,612	3,706,612	4,650,411	6,209,664	7,055,121
Waste water management	1,526,954	1,985,565	2,059,709	2,547,543	1,881,556	1,881,556	2,311,354	2,953,561	3,381,843
Waste management	1,049,707	1,110,831	1,216,576	1,363,387	1,477,996	1,477,996	1,625,554	1,792,791	1,987,684
Other	**233,270**	**247,344**	**247,430**	**291,260**	**268,218**	**268,218**	**297,653**	**313,370**	**332,150**
Total Revenue - Functional	**31,957,159**	**35,220,581**	**38,404,450**	**40,646,277**	**39,120,306**	**39,120,306**	**41,803,773**	**46,522,080**	**51,003,062**
Expenditure - Functional									
Governance and administration	**5,488,608**	**6,225,165**	**6,346,285**	**8,555,468**	**7,368,855**	**7,368,855**	**8,518,224**	**9,511,725**	**10,359,133**
Executive and council	323,129	354,957	359,348	443,599	415,825	415,825	450,141	493,578	526,864
Finance and administration	5,132,477	5,835,760	5,949,697	8,061,222	6,906,787	6,906,787	8,016,966	8,962,807	9,772,393
Internal audit	33,002	34,447	37,240	50,646	46,242	46,242	51,116	55,340	59,876
Community and public safety	**4,075,408**	**4,483,761**	**4,789,295**	**5,318,902**	**5,436,189**	**5,436,189**	**5,120,605**	**5,611,271**	**5,935,491**
Community and social services	656,622	766,084	847,987	931,712	892,180	892,180	894,025	953,313	1,021,370
Sport and recreation	1,024,976	1,094,127	1,088,040	1,212,821	1,129,103	1,129,103	1,192,887	1,251,561	1,303,238
Public safety	451,176	503,975	508,298	600,875	580,975	580,975	615,325	661,420	709,746
Housing	1,133,758	1,248,627	1,340,014	1,498,847	1,747,402	1,747,402	1,239,650	1,463,475	1,509,754
Health	808,876	870,948	1,004,957	1,074,647	1,086,529	1,086,529	1,178,718	1,281,503	1,391,383
Economic and environmental services	**4,839,805**	**5,162,054**	**5,679,268**	**6,351,817**	**6,390,777**	**6,390,777**	**6,551,208**	**6,937,927**	**7,341,687**
Planning and development	730,833	751,118	783,735	1,042,789	973,522	973,522	1,060,433	1,212,459	1,297,413
Road transport	4,000,649	4,296,999	4,779,345	5,186,569	5,284,417	5,284,417	5,353,664	5,598,973	5,908,428
Environmental protection	108,322	113,937	116,188	122,458	132,837	132,837	137,111	126,495	135,846
Trading services	**12,853,133**	**14,670,858**	**15,886,413**	**17,026,865**	**17,120,492**	**17,120,492**	**18,995,590**	**21,292,141**	**23,092,626**
Energy sources	8,109,987	9,162,229	9,573,670	9,929,327	9,915,015	9,915,015	10,321,587	11,164,578	12,017,986
Water management	2,236,997	2,573,197	3,067,944	3,225,897	3,762,940	3,762,940	4,823,188	5,956,992	6,416,993
Waste water management	1,211,007	1,475,444	1,643,752	1,990,882	1,650,532	1,650,532	1,935,220	2,137,441	2,497,902
Waste management	1,295,142	1,459,987	1,601,046	1,880,759	1,792,006	1,792,006	1,915,595	2,033,130	2,159,745
Other	**248,810**	**305,661**	**322,371**	**1,069,221**	**1,027,438**	**1,027,438**	**418,882**	**440,925**	**467,956**
Total Expenditure - Functional	**27,505,765**	**30,847,500**	**33,023,632**	**38,322,274**	**37,343,751**	**37,343,751**	**39,604,509**	**43,793,988**	**47,196,893**
Surplus/(Deficit) for the year	**4,451,394**	**4,373,082**	**5,380,818**	**2,324,004**	**1,776,556**	**1,776,556**	**2,199,264**	**2,728,092**	**3,806,169**

Table 100 - MBBR Table A3 Consolidated Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Revenue by Vote									
Vote 1 - Area-Based Service Delivery	146,024	158,679	176,748	204,290	204,758	204,758	219,073	266,265	279,031
Vote 2 - Assets & Facilities Management	707,549	572,111	414,050	453,587	405,335	405,335	420,518	457,115	504,872
Vote 3 - City Manager	9	18	15	10	10	10	11	11	12
Vote 4 - Corporate Services	63,595	57,444	65,608	71,387	82,512	82,512	84,187	86,551	77,781
Vote 5 - Energy	10,380,957	11,527,694	12,083,675	12,256,918	12,262,712	12,262,712	12,884,959	13,870,807	15,329,083
Vote 6 - Finance	10,384,444	11,684,796	13,560,991	14,307,250	13,768,109	13,768,109	15,352,286	16,591,587	17,872,725
Vote 7 - Informal Settlements, Water & Waste Services	5,376,022	6,348,843	7,044,676	8,212,622	7,030,064	7,030,064	7,905,464	10,215,863	11,657,882
Vote 8 - Safety & Security	1,124,039	1,236,741	1,402,527	1,267,627	1,279,774	1,279,774	1,358,899	1,424,492	1,491,649
Vote 9 - Social Services	695,506	696,021	790,612	904,664	893,857	893,857	918,952	957,304	1,058,109
Vote 10 - Transport & Urban Development Authority	2,852,348	2,694,231	2,621,074	2,683,471	2,888,198	2,888,198	2,349,564	2,320,567	2,380,282
Vote 11 - Cape Town International Convention Centre	226,666	244,005	244,473	284,451	261,409	261,409	291,129	308,597	327,113
Vote 12 - Cape Town Stadium Entity	–	–	–	–	43,568	43,568	18,731	22,921	24,524
Total Revenue by Vote	**31,957,159**	**35,220,581**	**38,404,450**	**40,646,277**	**39,120,306**	**39,120,306**	**41,803,773**	**46,522,080**	**51,003,062**
Expenditure by Vote to be appropriated									
Vote 1 - Area-Based Service Delivery	358,391	393,434	412,259	547,009	524,668	524,668	576,498	621,100	662,085
Vote 2 - Assets & Facilities Management	1,440,741	1,487,231	1,564,514	1,851,509	1,443,741	1,443,741	1,657,547	1,809,419	1,944,357
Vote 3 - City Manager	90,451	98,354	101,816	133,896	123,744	123,744	160,619	173,444	187,114
Vote 4 - Corporate Services	1,569,098	1,657,814	1,763,889	2,187,517	2,017,133	2,017,133	2,184,462	2,338,830	2,483,400
Vote 5 - Energy	8,401,044	9,468,163	9,885,010	10,355,750	10,216,736	10,216,736	10,673,982	11,539,870	12,415,273
Vote 6 - Finance	2,084,867	2,542,752	2,396,354	3,370,596	2,855,498	2,855,498	3,146,896	3,756,426	4,212,187
Vote 7 - Informal Settlements, Water & Waste Services	5,185,428	5,973,003	6,807,396	7,739,299	7,933,366	7,933,366	9,521,764	11,037,059	12,060,950
Vote 8 - Safety & Security	2,323,967	2,667,773	2,839,108	3,148,512	3,073,273	3,073,273	3,316,731	3,570,156	3,796,417
Vote 9 - Social Services	2,458,026	2,682,700	2,950,086	3,463,150	3,316,242	3,316,242	3,617,408	4,003,640	4,305,882
Vote 10 - Transport & Urban Development Authority	3,427,803	3,699,530	4,116,187	4,560,879	4,864,774	4,864,774	4,408,030	4,578,499	4,741,522
Vote 11 - Cape Town International Convention Centre	165,947	176,745	187,013	964,158	931,008	931,008	321,840	342,624	363,182
Vote 12 - Cape Town Stadium Entity	–	–	–	–	43,568	43,568	18,731	22,921	24,524
Total Expenditure by Vote	**27,505,765**	**30,847,500**	**33,023,632**	**38,322,274**	**37,343,751**	**37,343,751**	**39,604,509**	**43,793,988**	**47,196,893**
Surplus/(Deficit) for the year	**4,451,394**	**4,373,082**	**5,380,818**	**2,324,004**	**1,776,556**	**1,776,556**	**2,199,264**	**2,728,092**	**3,806,169**

Table 101 – MBRR Table A4 Consolidated Budgeted Financial Performance (revenue and expenditure)

Description	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Revenue By Source									
Property rates	6,013,891	6,739,787	8,100,322	8,662,350	8,694,931	8,694,931	9,361,952	10,248,287	11,131,713
Service charges - electricity revenue	9,966,560	11,187,275	11,744,571	11,942,587	11,942,546	11,942,546	12,591,403	13,519,095	14,865,239
Service charges - water revenue	2,523,671	2,983,770	3,442,473	3,933,401	2,654,743	2,654,743	3,574,755	5,037,616	5,904,860
Service charges - sanitation revenue	1,321,307	1,534,981	1,609,916	2,092,272	1,521,522	1,521,522	1,811,048	2,524,979	2,947,422
Service charges - refuse revenue	980,691	991,556	1,081,307	1,341,882	1,065,173	1,065,173	1,202,059	1,331,897	1,486,051
Service charges - other	581,882	854,487	937,673	–	573	573	573	738	896
Rental of facilities and equipment	369,121	350,954	358,497	661,847	596,985	596,985	534,195	565,944	598,111
Interest earned - external investments	575,783	680,150	800,331	785,328	905,328	905,328	941,028	994,620	1,025,150
Interest earned - outstanding debtors	198,230	221,609	278,063	284,131	284,131	284,131	340,970	362,409	385,462
Dividends received	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits	988,017	1,112,956	1,241,128	1,146,414	1,243,623	1,243,623	1,280,160	1,350,569	1,425,526
Licences and permits	43,111	41,494	47,741	43,749	43,749	43,749	46,050	48,432	51,120
Agency services	168,519	183,260	188,238	162,771	162,771	162,771	201,723	212,818	224,629
Transfers and subsidies	3,264,270	5,679,468	5,864,445	6,455,942	7,027,387	7,027,387	6,803,608	7,101,185	7,464,469
Other revenue	2,401,888	339,163	429,116	738,369	748,630	748,630	926,283	979,766	1,035,129
Gains on disposal of PPE	87,868	126,546	186,934	41,500	39,500	39,500	43,870	46,283	48,852
Total Revenue (excluding capital transfers and contributions)	**29,484,808**	**33,027,456**	**36,310,756**	**38,292,542**	**36,931,591**	**36,931,591**	**39,659,677**	**44,324,639**	**48,594,629**
Expenditure By Type									
Employee related costs	8,177,194	9,415,889	9,728,886	12,146,477	11,589,596	11,589,596	13,014,073	13,904,490	14,989,774
Remuneration of councillors	128,767	135,095	138,951	155,787	155,565	155,565	169,640	180,666	192,500
Debt impairment	1,523,798	1,898,894	2,323,669	2,509,038	2,491,485	2,491,485	2,989,251	3,347,155	3,644,917
Depreciation & asset impairment	1,941,951	2,145,817	2,340,817	3,277,476	3,225,455	3,225,455	2,856,987	3,137,918	3,327,621
Finance charges	781,262	748,479	732,913	1,138,893	993,544	993,544	1,089,285	1,564,844	1,885,513
Bulk purchases	7,108,843	8,073,336	8,438,102	8,540,135	8,742,293	8,742,293	9,487,132	10,896,898	11,739,035
Other materials	347,128	326,088	499,840	1,234,424	1,206,537	1,206,537	1,296,601	1,443,231	1,512,517
Contracted services	3,684,195	3,886,305	4,300,046	6,132,601	6,192,820	6,192,820	6,119,111	6,483,478	6,914,933
Transfers and subsidies	96,661	148,246	111,829	140,985	414,450	414,450	263,704	288,228	298,126
Other expenditure	3,712,730	4,061,050	4,400,014	3,046,070	2,331,544	2,331,544	2,318,237	2,546,565	2,691,414
Loss on disposal of PPE	3,235	8,302	8,563	387	462	462	488	515	543
Total Expenditure	**27,505,765**	**30,847,500**	**33,023,632**	**38,322,274**	**37,343,751**	**37,343,751**	**39,604,509**	**43,793,988**	**47,196,893**
Surplus/(Deficit)	**1,979,044**	**2,179,956**	**3,287,124**	**(29,731)**	**(412,159)**	**(412,159)**	**55,168**	**530,650**	**1,397,736**
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	2,423,179	2,131,537	2,005,297	2,268,835	2,092,130	2,092,130	2,067,896	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)	44,219	61,488	71,882	84,900	96,585	96,585	76,200	78,600	112,100
Transfers and subsidies - capital (in-kind - all)	4,953	100	16,516	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	**4,451,394**	**4,373,082**	**5,380,818**	**2,324,004**	**1,776,556**	**1,776,556**	**2,199,264**	**2,728,092**	**3,806,169**
Taxation	18,576	20,007	13,983	–	–	–	–	–	–
Surplus/(Deficit) after taxation	**4,432,818**	**4,353,075**	**5,366,835**	**2,324,004**	**1,776,556**	**1,776,556**	**2,199,264**	**2,728,092**	**3,806,169**
Attributable to minorities	13,847	13,918	12,500	194,396	191,505	191,505	(8,783)	(9,732)	(10,316)
Surplus/(Deficit) attributable to municipality	**4,446,665**	**4,366,993**	**5,379,335**	**2,518,400**	**1,968,061**	**1,968,061**	**2,190,481**	**2,718,360**	**3,795,854**
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	**4,446,665**	**4,366,993**	**5,379,335**	**2,518,400**	**1,968,061**	**1,968,061**	**2,190,481**	**2,718,360**	**3,795,854**

Table 102 – MBRR Table A5 Consolidated Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Capital expenditure - Vote									
Multi-year expenditure to be appropriated									
Vote 1 - Area-Based Service Delivery	6,981	11,287	12,384	39,430	19,648	19,576	13,110	82,870	74,870
Vote 2 - Assets & Facilities Management	505,910	289,059	358,089	394,119	430,422	424,688	413,287	301,701	91,372
Vote 3 - City Manager	763	816	997	2,404	2,523	2,224	735	735	760
Vote 4 - Corporate Services	323,414	337,912	266,229	366,613	379,349	378,041	354,597	342,571	336,546
Vote 5 - Energy	952,415	1,090,855	1,248,887	1,292,814	1,177,050	1,103,282	1,113,506	1,427,000	1,741,137
Vote 6 - Finance	43,231	38,133	23,989	18,036	14,610	14,444	20,549	65,419	35,411
Vote 7 - Informal Settlements, Water & Waste Services	1,291,505	1,698,228	1,828,616	2,445,238	3,654,940	2,514,629	4,206,581	5,681,026	5,968,036
Vote 8 - Safety & Security	83,097	152,051	114,835	191,120	160,128	160,040	196,078	79,515	42,115
Vote 9 - Social Services	243,995	229,454	243,940	283,413	279,906	276,641	315,508	238,127	215,704
Vote 10 - Transport & Urban Development Authority	1,800,430	1,642,040	1,806,655	1,942,035	1,562,428	1,521,389	1,773,606	1,596,358	1,600,833
Vote 11 - Cape Town International Convention Centre	81,879	380,306	367,936	47,982	175,476	175,476	49,193	40,631	43,069
Vote 12 - Cape Town Stadium Entity	–	–	–	–	–	–	–	–	–
Total Capital Expenditure - Vote	**5,333,621**	**5,870,140**	**6,272,557**	**7,023,203**	**7,856,479**	**6,590,431**	**8,456,748**	**9,855,952**	**10,149,854**
Capital Expenditure - Functional									
Governance and administration	**626,449**	**750,055**	**1,073,026**	**1,244,434**	**1,206,296**	**1,226,746**	**986,516**	**827,799**	**856,764**
Executive and council	4,227	19,672	9,164	3,594	4,725	4,655	4,380	5,180	3,480
Finance and administration	622,098	730,250	1,063,731	1,239,881	1,200,612	1,221,411	982,005	822,487	853,224
Internal audit	124	133	131	959	959	680	131	131	60
Community and public safety	**1,258,375**	**640,879**	**773,993**	**955,697**	**808,387**	**781,182**	**1,082,792**	**1,006,810**	**880,569**
Community and social services	132,294	160,898	127,329	151,270	143,487	133,263	97,129	107,017	66,323
Sport and recreation	123,797	113,637	127,927	105,711	113,891	103,414	84,261	23,766	26,178
Public safety	20,011	12,272	18,865	46,799	20,354	20,354	35,064	7,659	7,659
Housing	962,099	336,949	476,876	606,733	488,196	479,769	794,497	817,971	732,913
Health	20,173	17,122	22,996	45,183	42,460	44,381	71,841	50,396	47,496
Economic and environmental services	**1,317,978**	**1,576,687**	**1,578,032**	**1,662,703**	**1,442,449**	**1,404,040**	**1,389,642**	**1,211,925**	**1,197,686**
Planning and development	59,335	66,962	70,697	44,786	37,512	37,239	39,904	76,795	96,723
Road transport	1,247,713	1,492,691	1,495,384	1,599,888	1,387,328	1,348,526	1,331,443	1,120,251	1,094,021
Environmental protection	10,930	17,034	11,951	18,028	17,608	18,275	18,294	14,880	6,942
Trading services	**2,046,941**	**2,521,327**	**2,474,957**	**3,104,956**	**4,216,440**	**2,995,557**	**4,939,787**	**6,761,392**	**7,166,070**
Energy sources	920,376	1,050,923	1,131,636	1,183,872	1,065,474	995,023	1,071,737	1,422,800	1,643,542
Water management	509,417	641,907	608,426	853,967	2,301,319	1,251,039	2,366,730	3,097,400	3,297,047
Waste water management	460,858	680,773	659,092	684,576	658,872	623,226	1,135,113	1,673,849	1,716,148
Waste management	156,289	147,724	75,803	382,541	190,776	126,269	366,207	567,344	509,333
Other	**83,878**	**381,192**	**372,549**	**55,414**	**182,907**	**182,906**	**58,011**	**48,026**	**48,764**
Total Capital Expenditure - Functional	**5,333,621**	**5,870,140**	**6,272,557**	**7,023,203**	**7,856,479**	**6,590,431**	**8,456,748**	**9,855,952**	**10,149,854**
Funded by:									
National Government	2,189,129	2,030,362	2,009,376	2,189,832	2,057,467	2,037,622	2,015,146	1,993,692	2,138,633
Provincial Government	282,292	156,729	46,130	79,002	34,663	34,439	52,750	125,150	157,700
District Municipality	–	–	–	–	–	–	–	–	–
Other transfers and grants	1,892	333	–	–	–	–	–	–	–
Transfers recognised - capital	**2,473,313**	**2,187,425**	**2,055,507**	**2,268,835**	**2,092,130**	**2,072,060**	**2,067,896**	**2,118,842**	**2,296,333**
Public contributions & donations	44,219	61,488	71,882	84,900	96,585	87,522	76,200	78,600	112,100
Borrowing	2,152,377	2,441,423	2,739,196	2,894,482	4,000,000	2,891,804	4,000,000	5,700,000	6,000,000
Internally generated funds	663,712	1,179,805	1,405,973	1,774,986	1,667,764	1,539,045	2,312,652	1,958,511	1,741,420
Total Capital Funding	**5,333,621**	**5,870,140**	**6,272,557**	**7,023,203**	**7,856,479**	**6,590,431**	**8,456,748**	**9,855,952**	**10,149,854**

Table 103 – MBRR Table A6 Consolidated Budgeted Financial Position

Description	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
ASSETS									
Current assets									
Cash	152,717	102,773	515,040	103,918	103,918	103,918	109,764	158,000	149,988
Call investment deposits	5,347,410	5,803,468	4,846,753	6,825,310	7,018,377	7,018,377	7,442,199	8,771,449	11,261,807
Consumer debtors	4,618,497	5,106,634	5,724,863	5,635,475	6,008,994	6,008,994	6,349,964	6,712,373	7,097,836
Other debtors	838,633	875,788	1,092,692	1,156,114	1,260,469	1,260,469	1,448,962	1,663,929	1,911,030
Current portion of long-term receivables	19,838	17,093	14,201	18,845	14,911	14,911	15,657	16,439	17,261
Inventory	282,082	258,533	325,734	313,162	358,435	358,435	394,347	433,716	477,017
Total current assets	**11,259,176**	**12,164,289**	**12,519,283**	**14,052,823**	**14,765,104**	**14,765,104**	**15,760,893**	**17,755,906**	**20,914,940**
Non current assets									
Long-term receivables	75,324	51,695	40,973	46,655	38,924	38,924	36,978	35,129	33,373
Investments	3,753,617	3,966,188	4,877,663	3,169,874	3,325,189	3,325,189	4,236,612	4,504,471	4,802,947
Investment property	589,382	588,191	586,427	586,473	584,713	584,713	582,999	581,285	579,571
Investment in Associate	–	–	–	–	–	–	–	–	–
Property, plant and equipment	33,707,219	37,511,970	41,339,335	44,994,341	45,736,949	45,736,949	51,039,918	57,384,902	63,819,051
Agricultural	–	–	–	–	–	–	–	–	–
Biological	–	–	–	–	–	–	–	–	–
Intangible	708,383	629,162	678,871	522,272	529,946	529,946	408,074	292,072	176,530
Other non-current assets	9,062	9,049	8,904	9,049	8,904	8,904	8,904	8,904	8,904
Total non current assets	**38,842,987**	**42,756,255**	**47,532,173**	**49,328,664**	**50,224,625**	**50,224,625**	**56,313,484**	**62,806,762**	**69,420,376**
TOTAL ASSETS	**50,102,163**	**54,920,544**	**60,051,456**	**63,381,487**	**64,989,729**	**64,989,729**	**72,074,377**	**80,562,669**	**90,335,316**
LIABILITIES									
Current liabilities									
Bank overdraft	–	–	5,298	–	–	–	–	–	–
Borrowing	345,682	469,936	334,185	428,372	366,249	366,249	619,342	993,842	1,405,990
Consumer deposits	308,687	371,253	371,397	441,906	409,680	409,680	451,735	495,862	544,339
Trade and other payables	6,963,220	7,088,301	7,167,218	8,822,755	10,508,326	10,508,326	10,438,548	10,454,829	10,476,989
Provisions	1,130,647	1,072,815	965,675	1,227,888	1,037,169	1,037,169	1,074,353	1,177,337	1,258,471
Total current liabilities	**8,748,235**	**9,002,305**	**8,843,774**	**10,920,921**	**12,321,424**	**12,321,424**	**12,583,978**	**13,121,870**	**13,685,789**
Non current liabilities									
Borrowing	6,415,499	6,036,906	5,789,616	7,807,170	6,442,550	6,442,550	9,772,937	14,457,083	19,290,056
Provisions	5,624,703	6,113,699	6,109,329	6,744,511	6,480,027	6,480,027	7,099,756	7,637,918	8,207,503
Total non current liabilities	**12,040,202**	**12,150,605**	**11,898,945**	**14,551,682**	**12,922,577**	**12,922,577**	**16,872,693**	**22,095,001**	**27,497,559**
TOTAL LIABILITIES	**20,788,438**	**21,152,911**	**20,742,719**	**25,472,603**	**25,244,001**	**25,244,001**	**29,456,671**	**35,216,870**	**41,183,348**
NET ASSETS	**29,313,725**	**33,767,633**	**39,308,737**	**37,908,884**	**39,745,728**	**39,745,728**	**42,617,706**	**45,345,798**	**49,151,968**
COMMUNITY WEALTH/EQUITY	–	–	–	–	–	–	–	–	–
Accumulated Surplus/(Deficit)	26,523,461	30,763,198	35,535,552	35,115,645	36,422,007	36,422,007	39,191,574	40,997,185	43,285,641
Reserves	2,790,264	3,004,435	3,773,185	2,793,239	3,323,721	3,323,721	3,426,132	4,348,613	5,866,327
TOTAL COMMUNITY WEALTH/EQUITY	**29,313,725**	**33,767,633**	**39,308,737**	**37,908,884**	**39,745,728**	**39,745,728**	**42,617,706**	**45,345,798**	**49,151,968**

Table 104 – MBRR Table A7 Consolidated Budgeted Cash Flows

Description	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Property rates	6,018,735	6,745,047	8,105,126	8,344,028	8,127,674	8,127,674	8,968,987	9,795,009	10,630,877
Service charges	15,197,370	17,363,596	18,619,105	17,459,005	16,131,887	16,131,887	17,623,043	20,622,691	23,212,475
Other revenue	2,074,028	1,586,839	812,372	1,625,994	1,922,033	1,922,033	4,504,876	4,694,192	4,927,937
Government - operating	3,251,460	3,589,931	3,633,883	6,455,942	7,027,387	7,027,387	4,315,632	4,530,231	4,785,329
Government - capital	2,423,179	2,131,537	2,014,869	2,353,735	2,188,715	2,188,715	2,067,896	2,118,842	2,296,333
Interest	766,135	876,689	1,028,647	785,328	905,328	905,328	941,028	994,620	1,025,150
Payments									
Suppliers and employees	(22,752,383)	(25,009,604)	(26,788,771)	(30,357,016)	(30,546,353)	(30,546,353)	(32,261,821)	(35,316,650)	(37,893,706)
Finance charges	(709,550)	(687,305)	(666,166)	(985,478)	(933,427)	(933,427)	(980,877)	(1,418,058)	(1,666,828)
Transfers and Grants	(136,487)	(148,246)	(111,829)	(140,985)	–	–	(333,807)	(356,864)	(365,224)
NET CASH FROM/(USED) OPERATING ACTIVITIES	**6,132,487**	**6,448,483**	**6,647,236**	**5,540,553**	**4,823,245**	**4,823,245**	**4,844,958**	**5,664,014**	**6,952,343**
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE	91,419	130,189	198,742	41,500	39,500	39,500	120,070	124,883	160,952
Decrease (Increase) in non-current debtors	–	–	–	–	–	–	–	–	–
Decrease (increase) other non-current receivables	28,800	26,374	13,614	2,456	10,186	10,186	1,946	1,849	1,756
Decrease (increase) in non-current investments	366,983	(621,401)	(410,412)	(212,908)	(212,908)	(212,908)	(238,708)	(267,859)	(298,475)
Payments									
Capital assets	(5,282,372)	(5,870,139)	(6,310,057)	(6,938,045)	(6,704,329)	(6,704,329)	(7,615,993)	(8,874,420)	(9,139,175)
NET CASH FROM/(USED) INVESTING ACTIVITIES	**(4,795,170)**	**(6,334,977)**	**(6,508,113)**	**(7,106,997)**	**(6,867,551)**	**(6,867,551)**	**(7,732,684)**	**(9,015,548)**	**(9,274,942)**
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans	–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing	202,715	117,000	193,000	2,500,000	4,000,000	4,000,000	4,000,000	5,700,000	6,000,000
Increase (decrease) in consumer deposits	(97,959)	52,375	27,077	35,710	29,785	29,785	38,688	42,557	46,813
Payments									
Repayment of borrowing	(309,852)	(285,597)	(407,883)	(435,159)	(432,586)	(432,586)	(482,586)	(745,678)	(932,295)
NET CASH FROM/(USED) FINANCING ACTIVITIES	**(205,097)**	**(116,222)**	**(187,806)**	**2,100,551**	**3,597,199**	**3,597,199**	**3,556,102**	**4,996,879**	**5,114,518**
NET INCREASE/ (DECREASE) IN CASH HELD	**1,132,221**	**(2,716)**	**(48,683)**	**534,106**	**1,552,893**	**1,552,893**	**668,375**	**1,645,345**	**2,791,918**
Cash/cash equivalents at the year begin:	*2,621,558*	*3,753,780*	*3,751,064*	*4,116,346*	*3,773,576*	*3,773,576*	*5,255,273*	*5,923,649*	*7,568,994*
Cash/cash equivalents at the year end:	*3,753,780*	*3,751,064*	*3,702,381*	*4,650,453*	*5,326,469*	*5,326,469*	*5,923,649*	*7,568,994*	*10,360,912*

Table 105 – MBRR Table A8 Consolidated Cash backed reserves/accumulated surplus reconciliation

Description	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Cash and investments available									
Cash/cash equivalents at the year end	3,753,780	3,751,064	3,702,381	4,650,453	5,326,469	5,326,469	5,923,649	7,568,994	10,360,912
Other current investments > 90 days	1,746,347	2,155,177	1,654,114	2,278,775	1,795,826	1,795,826	1,628,314	1,360,455	1,050,883
Non current assets - Investments	3,753,617	3,966,188	4,877,663	3,169,874	3,325,189	3,325,189	4,236,612	4,504,471	4,802,947
Cash and investments available:	**9,253,744**	**9,872,429**	**10,234,158**	**10,099,102**	**10,447,484**	**10,447,484**	**11,788,575**	**13,433,920**	**16,214,742**
Application of cash and investments									
Unspent conditional transfers	1,527,445	1,199,955	1,054,374	680,263	1,740,079	1,740,079	1,460,147	1,772,337	2,112,983
Unspent borrowing	–	–	–	–	–	–	–	–	–
Statutory requirements	–	–	–	–	–	–	–	–	–
Other working capital requirements	308,212	(28,249)	(391,475)	2,011,436	2,062,846	2,062,846	1,229,923	411,876	(501,675)
Other provisions	–	–	–	–	–	–	400,000	400,000	400,000
Long term investments committed	1,788,477	1,968,829	2,051,869	2,265,047	2,265,047	2,265,047	2,503,755	2,771,615	3,070,090
Reserves to be backed by cash/investments	2,790,264	3,004,435	3,773,185	3,100,264	3,421,363	3,421,363	3,426,132	4,348,613	5,866,327
Total Application of cash and investments:	**6,414,398**	**6,144,970**	**6,487,953**	**8,057,010**	**9,489,335**	**9,489,335**	**9,019,957**	**9,704,441**	**10,947,725**
Surplus(shortfall)	**2,839,346**	**3,727,459**	**3,746,205**	**2,042,092**	**958,149**	**958,149**	**2,768,617**	**3,729,479**	**5,267,017**

Table 106 - MBRR Table A9 Consolidated Asset Management

Description	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
CAPITAL EXPENDITURE									
Total New Assets	2,955,915	3,179,608	3,362,875	3,786,427	4,689,988	3,590,084	4,745,232	5,561,945	5,688,183
Roads Infrastructure	616,988	665,367	897,860	956,768	648,443	828,293	643,094	705,135	717,212
Storm water Infrastructure	200	2,803	3,845	124,492	109,122	3,888	94,818	121,371	133,515
Electrical Infrastructure	447,696	509,555	555,112	567,420	488,776	463,321	410,532	568,545	658,971
Water Supply Infrastructure	136,191	143,479	208,170	518,930	1,659,910	689,933	1,291,185	1,677,325	2,041,734
Sanitation Infrastructure	103,850	205,274	154,686	120,422	240,794	62,489	749,890	1,100,724	895,080
Solid Waste Infrastructure	138,914	68,991	41,370	194,077	80,929	74,854	168,000	290,100	417,140
Information and Communication Infrastructure	133,046	182,718	131,324	189,528	157,583	163,082	240,406	200,427	197,980
Infrastructure	***1,576,886***	***1,778,186***	***1,992,367***	***2,671,635***	***3,385,556***	***2,285,861***	***3,597,926***	***4,663,627***	***5,061,633***
Community Facilities	116,047	209,143	135,821	272,744	231,164	236,506	302,827	208,624	164,952
Sport and Recreation Facilities	2,131	1,626	10	350	1,243	1,243	180	–	–
Community Assets	***118,178***	***210,769***	***135,831***	***273,094***	***232,407***	***237,749***	***303,007***	***208,624***	***164,952***
Revenue Generating	–	–	81	–	–	–	–	–	–
Investment properties	–	–	***81***	–	–	–	–	–	–
Operational Buildings	108,924	450,125	561,513	227,967	343,402	347,143	185,554	80,207	64,100
Housing	14,364	44,823	3,255	66,041	13,628	13,452	54,240	128,060	120,040
Other Assets	***123,288***	***494,948***	***564,768***	***294,008***	***357,030***	***360,595***	***239,794***	***208,266***	***184,141***
Licences and Rights	–	495	500	2,000	9,792	4,090	16,765	63,075	34,965
Intangible Assets	–	***495***	***500***	***2,000***	***9,792***	***4,090***	***16,765***	***63,075***	***34,965***
Computer Equipment	**77,297**	**129,741**	**152,295**	**212,637**	**242,992**	**234,431**	**109,622**	**137,056**	**95,150**
Furniture and Office Equipment	**252,027**	**308,385**	**136,333**	**82,283**	**133,478**	**136,243**	**125,623**	**87,810**	**73,117**
Machinery and Equipment	**42,245**	**98,316**	**153,584**	**129,231**	**133,893**	**136,048**	**35,589**	**31,942**	**36,942**
Transport Assets	**349,210**	**105,449**	**62,793**	**51,970**	**193,141**	**193,117**	**108,906**	**51,544**	**37,284**
Land	**416,784**	**53,319**	**164,323**	**69,570**	**1,700**	**1,950**	**208,000**	**110,000**	–
Total Renewal of Existing Assets	2,377,706	2,690,532	1,599,035	1,449,710	1,632,875	1,605,554	1,906,524	2,314,093	2,586,064
Roads Infrastructure	278,810	435,911	254,173	183,678	154,579	175,429	220,181	213,908	254,748
Storm water Infrastructure	18,768	44,902	27,082	48,495	35,102	9,189	30,275	22,400	24,000
Electrical Infrastructure	358,552	429,547	305,935	461,479	366,525	336,630	425,796	669,300	673,200
Water Supply Infrastructure	306,728	401,675	318,909	275,892	448,625	457,085	433,000	475,000	561,000
Sanitation Infrastructure	348,155	467,650	182,065	79,595	98,384	101,233	339,750	564,500	653,250
Solid Waste Infrastructure	18,755	87,176	1,059	4,000	1,000	730	5,280	–	10,000
Information and Communication Infrastructure	–	–	138	1,500	5,007	6,537	1,560	1,500	2,650
Infrastructure	***1,329,768***	***1,866,859***	***1,089,361***	***1,054,639***	***1,109,222***	***1,086,833***	***1,455,842***	***1,946,608***	***2,178,848***
Community Facilities	94,584	93,572	3,493	40,373	47,815	12,321	5,522	800	100
Sport and Recreation Facilities	59,695	37,166	–	–	424	439	–	–	–
Community Assets	***154,279***	***130,739***	***3,493***	***40,373***	***48,239***	***12,759***	***5,522***	***800***	***100***
Heritage Assets	**514**	**6,547**	–	**650**	**607**	**607**	**1,800**	**1,800**	**2,000**
Operational Buildings	232,335	175,308	90,401	24,000	33,911	34,427	23,997	24,817	108,214
Housing	345,863	124,428	49,186	9,180	20,575	20,575	76,583	42,134	–
Other Assets	***578,197***	***299,736***	***139,587***	***33,180***	***54,486***	***55,002***	***100,581***	***66,951***	***108,214***
Licences and Rights	–	–	–	2,500	9,500	2,500	7,000	7,000	7,000
Intangible Assets	–	–	–	***2,500***	***9,500***	***2,500***	***7,000***	***7,000***	***7,000***
Computer Equipment	**113,524**	**100,476**	**75,040**	**84,771**	**82,552**	**89,776**	**73,823**	**76,313**	**65,708**
Furniture and Office Equipment	**52,473**	**48,775**	**13,225**	**20,863**	**20,980**	**17,385**	**20,850**	**21,373**	**18,036**
Machinery and Equipment	**20,369**	**17,731**	**6,318**	**30,019**	**55,209**	**57,444**	**29,406**	**11,910**	**13,679**
Transport Assets	**128,582**	**219,670**	**272,011**	**182,714**	**252,081**	**283,249**	**211,700**	**181,337**	**192,479**

Table continues on next page.

Description	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
CAPITAL EXPENDITURE									
Total Upgrading of Existing Assets	**–**	**–**	**1,310,647**	**1,787,066**	**1,533,616**	**1,394,793**	**1,804,992**	**1,979,914**	**1,875,607**
Roads Infrastructure	–	–	270,595	292,589	253,066	241,689	303,053	210,632	239,813
Storm water Infrastructure	–	–	25,054	12,925	45,169	1,562	9,200	122,000	47,400
Electrical Infrastructure	–	–	208,812	86,976	114,663	113,220	142,738	145,693	232,196
Water Supply Infrastructure	–	–	52,702	106,645	97,690	93,514	36,575	37,500	25,000
Sanitation Infrastructure	–	–	288,558	494,930	376,653	367,769	674,202	846,750	875,905
Solid Waste Infrastructure	–	–	10,933	25,000	25,533	12,374	82,176	91,628	32,742
Information and Communication Infrastructure	–	–	2,497	–	–	–	–	–	351
Infrastructure	**–**	**–**	***859,151***	***1,019,065***	***912,774***	***830,129***	***1,247,944***	***1,454,202***	***1,453,408***
Community Facilities	–	–	148,344	164,694	142,999	135,301	198,803	165,922	107,185
Sport and Recreation Facilities	–	–	57,234	53,849	44,587	51,007	39,427	20,731	70,269
Community Assets	**–**	**–**	***205,578***	***218,543***	***187,586***	***186,308***	***238,230***	***186,653***	***177,453***
Heritage Assets	**–**	**–**	**38,955**	**6,800**	**7,530**	**7,530**	**–**	**–**	**–**
Operational Buildings	–	–	163,823	385,433	301,727	249,984	244,422	253,443	184,546
Housing	–	–	24,283	91,717	80,779	76,539	24,822	55,866	22,150
Other Assets	**–**	**–**	***188,106***	***477,151***	***382,506***	***326,523***	***269,245***	***309,309***	***206,696***
Licences and Rights	–	–	3,931	29,756	21,775	8,769	21,402	11,450	6,250
Intangible Assets	**–**	**–**	***3,931***	***29,756***	***21,775***	***8,769***	***21,402***	***11,450***	***6,250***
Computer Equipment	**–**	**–**	**1,355**	**6,100**	**167**	**13,765**	**–**	**–**	**–**
Furniture and Office Equipment	**–**	**–**	**9,037**	**19,651**	**17,861**	**17,852**	**17,176**	**12,300**	**22,050**
Machinery and Equipment	**–**	**–**	**4,534**	**10,000**	**3,417**	**3,917**	**10,995**	**6,000**	**9,750**
Total Capital Expenditure									
Roads Infrastructure	*895,797*	*1,101,277*	*1,422,628*	*1,433,035*	*1,056,088*	*1,245,411*	*1,166,328*	*1,129,675*	*1,211,774*
Storm water Infrastructure	*18,968*	*47,705*	*55,981*	*185,912*	*189,393*	*14,640*	*134,293*	*265,771*	*204,915*
Electrical Infrastructure	*806,249*	*939,102*	*1,069,858*	*1,115,875*	*969,964*	*913,171*	*979,066*	*1,383,538*	*1,564,367*
Water Supply Infrastructure	*442,919*	*545,153*	*579,781*	*901,467*	*2,206,225*	*1,240,532*	*1,760,760*	*2,189,825*	*2,627,734*
Sanitation Infrastructure	*452,005*	*672,924*	*625,309*	*694,946*	*715,830*	*531,491*	*1,763,843*	*2,511,974*	*2,424,235*
Solid Waste Infrastructure	*157,670*	*156,167*	*53,361*	*223,077*	*107,461*	*87,958*	*255,456*	*381,728*	*459,882*
Rail Infrastructure	–	–	–	–	–	–	–	–	–
Coastal Infrastructure	–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure	*133,046*	*182,718*	*133,959*	*191,028*	*162,590*	*169,619*	*241,966*	*201,927*	*200,981*
Infrastructure	**2,906,654**	**3,645,045**	**3,940,879**	**4,745,340**	**5,407,552**	**4,202,823**	**6,301,712**	**8,064,438**	**8,693,889**
Community Facilities	*210,631*	*302,715*	*287,658*	*477,810*	*421,979*	*384,129*	*507,152*	*375,346*	*272,237*
Sport and Recreation Facilities	*61,826*	*38,793*	*57,244*	*54,199*	*46,253*	*52,688*	*39,607*	*20,731*	*70,269*
Community Assets	**272,457**	**341,508**	**344,901**	**532,010**	**468,232**	**436,816**	**546,759**	**396,077**	**342,506**
Heritage Assets	**514**	**6,547**	**38,955**	**7,450**	**8,137**	**8,137**	**1,800**	**1,800**	**2,000**
Revenue Generating	**–**	**–**	**81**	**–**	**–**	**–**	**–**	**–**	**–**
Investment properties	**–**	**–**	**81**	**–**	**–**	**–**	**–**	**–**	**–**
Operational Buildings	*341,259*	*625,433*	*815,737*	*637,400*	*679,039*	*631,554*	*453,973*	*358,467*	*356,860*
Housing	*360,226*	*169,251*	*76,724*	*166,938*	*114,982*	*110,566*	*155,646*	*226,060*	*142,190*
Other Assets	**701,485**	**794,683**	**892,461**	**804,339**	**794,021**	**742,119**	**609,619**	**584,526**	**499,050**
Licences and Rights	–	495	4,431	34,256	41,067	15,359	45,167	81,525	48,215
Intangible Assets	**–**	**495**	**4,431**	**34,256**	**41,067**	**15,359**	**45,167**	**81,525**	**48,215**
Computer Equipment	**190,821**	**230,218**	**228,690**	**303,508**	**325,710**	**337,971**	**183,445**	**213,370**	**160,858**
Furniture and Office Equipment	**304,500**	**357,160**	**158,595**	**122,797**	**172,319**	**171,480**	**163,649**	**121,483**	**113,203**
Machinery and Equipment	**62,614**	**116,047**	**164,437**	**169,250**	**192,520**	**197,409**	**75,990**	**49,852**	**60,370**
Transport Assets	**477,791**	**325,119**	**334,804**	**234,684**	**445,222**	**476,366**	**320,606**	**232,881**	**229,762**
Land	**416,784**	**53,319**	**164,323**	**69,570**	**1,700**	**1,950**	**208,000**	**110,000**	**–**
TOTAL CAPITAL EXPENDITURE - Asset class	**5,333,621**	**5,870,140**	**6,272,557**	**7,023,203**	**7,856,479**	**6,590,431**	**8,456,748**	**9,855,952**	**10,149,854**

Table continues on next page

Description	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
ASSET REGISTER SUMMARY - PPE (WDV)									
Roads Infrastructure	5,407,043	5,801,545	7,848,021	7,350,826	8,662,678	8,662,678	9,415,671	10,096,569	10,818,637
Storm water Infrastructure	620,126	673,066	734,352	994,374	870,338	870,338	944,325	1,144,013	1,285,062
Electrical Infrastructure	5,309,846	6,128,665	6,941,124	7,786,614	7,649,556	7,649,556	8,328,033	9,365,031	10,545,953
Water Supply Infrastructure	1,943,653	2,286,374	2,640,397	3,312,937	4,532,731	4,532,731	5,942,405	7,633,504	9,688,877
Sanitation Infrastructure	2,182,565	2,629,979	2,876,204	3,542,502	3,206,469	3,206,469	4,624,837	6,746,001	8,715,726
Solid Waste Infrastructure	496,906	724,955	744,567	937,173	780,119	780,119	974,112	1,286,514	1,673,305
Rail Infrastructure	–	–	–	–	–	–	–	–	–
Coastal Infrastructure	–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure	2,435,659	3,054,072	3,815,860	3,200,737	3,938,357	3,938,357	4,133,382	4,280,904	4,426,728
Infrastructure	**18,395,798**	**21,298,655**	**25,600,525**	**27,125,163**	**29,640,250**	**29,640,250**	**34,362,764**	**40,552,537**	**47,154,288**
Community Facilities	*2,487,054*	*2,570,657*	*4,154,769*	*2,491,982*	*4,464,953*	*4,464,953*	*4,843,527*	*5,088,067*	*5,224,319*
Sport and Recreation Facilities	*4,136,786*	*3,916,192*	*3,792,476*	*3,807,667*	*3,617,884*	*3,617,884*	*3,437,004*	*3,242,751*	*3,102,425*
Community Assets	**6,623,840**	**6,486,848**	**7,947,245**	**6,299,648**	**8,082,837**	**8,082,837**	**8,280,531**	**8,330,817**	**8,326,744**
Heritage Assets	**9,062**	**9,049**	**8,904**	**9,049**	**8,904**	**8,904**	**8,904**	**8,904**	**8,904**
Revenue Generating	*40,633*	*69,959*	*68,247*	*68,242*	*66,533*	*66,533*	*64,819*	*63,106*	*61,392*
Non-revenue Generating	*548,749*	*518,232*	*518,180*	*518,232*	*518,180*	*518,180*	*518,180*	*518,180*	*518,180*
Investment properties	**589,382**	**588,191**	**586,427**	**586,474**	**584,713**	**584,713**	**582,999**	**581,286**	**579,572**
Operational Buildings	*2,502,465*	*3,683,319*	*1,618,193*	*4,187,727*	*1,448,116*	*1,448,116*	*1,700,524*	*1,852,172*	*1,998,723*
Housing	*1,736,863*	*1,993,969*	*2,132,053*	*2,135,419*	*2,143,924*	*2,143,924*	*2,192,123*	*2,303,145*	*2,328,727*
Other Assets	**4,239,328**	**5,677,288**	**3,750,245**	**6,323,146**	**3,592,040**	**3,592,040**	**3,892,647**	**4,155,317**	**4,327,450**
Licences and Rights	*708,383*	*629,162*	*678,871*	*522,272*	*529,946*	*529,946*	*450,982*	*412,429*	*342,691*
Intangible Assets	**708,383**	**629,162**	**678,871**	**522,272**	**529,946**	**529,946**	**450,982**	**412,429**	**342,691**
Computer Equipment	**626,814**	**600,944**	**591,849**	**902,893**	**682,068**	**682,068**	**618,390**	**575,530**	**486,971**
Furniture and Office Equipment	**364,513**	**377,007**	**371,021**	**527,895**	**417,541**	**417,541**	**446,527**	**429,368**	**421,686**
Machinery and Equipment	**253,587**	**256,778**	**643,105**	**478,501**	**876,431**	**876,431**	**847,927**	**771,597**	**703,464**
Transport Assets	**1,939,877**	**2,040,575**	**1,440,265**	**2,272,442**	**1,449,002**	**1,449,002**	**1,420,343**	**1,287,193**	**1,144,115**
Land	**1,263,463**	**773,875**	**995,081**	**1,064,651**	**996,781**	**996,781**	**1,127,881**	**1,162,223**	**1,088,172**
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	**35,014,046**	**38,738,372**	**42,613,537**	**46,112,134**	**46,860,511**	**46,860,511**	**52,039,895**	**58,267,201**	**64,584,056**

Table continues on next page

Description	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
EXPENDITURE OTHER ITEMS									
Depreciation	1,940,102	2,142,168	2,337,895	3,277,476	3,225,455	3,225,455	2,790,530	3,067,806	3,253,617
Repairs and Maintenance by Asset Class	**3,010,357**	**3,347,230**	**3,769,614**	**4,048,266**	**3,767,687**	**3,781,145**	**4,012,578**	**4,320,924**	**4,660,206**
Roads Infrastructure	690,603	592,642	609,310	664,923	656,419	631,419	671,164	700,536	746,421
Storm water Infrastructure	–	–	–	–	–	–	–	–	–
Electrical Infrastructure	467,531	512,940	504,116	523,507	503,480	503,180	536,787	571,679	609,122
Water Supply Infrastructure	413,630	455,983	482,019	421,887	396,382	396,382	548,620	621,440	698,473
Sanitation Infrastructure	389,040	424,040	447,780	418,866	366,166	366,166	401,043	465,225	515,041
Solid Waste Infrastructure	1,758	2,774	2,497	2,303	3,850	3,850	4,104	4,371	4,657
Infrastructure	***1,962,562***	***1,988,379***	***2,045,722***	***2,031,486***	***1,926,297***	***1,900,997***	***2,161,718***	***2,363,252***	***2,573,715***
Community Facilities	78,026	85,482	115,109	100,442	94,820	96,620	100,533	106,908	113,912
Sport and Recreation Facilities	241,286	301,035	381,822	447,605	390,717	390,717	264,926	281,329	298,702
Community Assets	***319,312***	***386,517***	***496,931***	***548,047***	***485,537***	***487,337***	***365,459***	***388,238***	***412,614***
Heritage Assets	**986**	**461**	**1,647**	**1,812**	**1,811**	**1,811**	**1,928**	**2,053**	**2,188**
Revenue Generating	11,083	26,566	19,001	64	136	148	16	17	18
Non-revenue Generating	–	–	–	19,735	12,740	12,740	20,694	22,040	23,483
Investment properties	***11,083***	***26,566***	***19,001***	***19,800***	***12,877***	***12,888***	***20,710***	***22,057***	***23,501***
Operational Buildings	84,710	97,945	148,865	144,517	144,999	150,183	194,813	204,157	219,227
Housing	–	–	–	–	–	–	–	–	–
Other Assets	***84,710***	***97,945***	***148,865***	***144,517***	***144,999***	***150,183***	***194,813***	***204,157***	***219,227***
Computer Equipment	**117,859**	**144,340**	**179,935**	**312,785**	**258,652**	**258,662**	**269,549**	**277,899**	**296,120**
Furniture and Office Equipment	**360,714**	**354,833**	**424,463**	**517,979**	**516,129**	**522,882**	**551,321**	**587,095**	**625,455**
Machinery and Equipment	–	–	–	–	–	–	–	–	–
Transport Assets	**153,131**	**348,190**	**453,049**	**471,840**	**421,385**	**446,385**	**447,079**	**476,172**	**507,387**
TOTAL EXPENDITURE OTHER ITEMS	**4,950,459**	**5,489,398**	**6,107,509**	**7,325,741**	**6,993,142**	**7,006,600**	**6,803,107**	**7,388,730**	**7,913,824**
Renewal and upgrading of Existing Assets as % of total capex	*44.6%*	*45.8%*	*46.4%*	*46.1%*	*40.3%*	*45.5%*	*43.9%*	*43.6%*	*44.0%*
Renewal and upgrading of Existing Assets as % of deprecn	*122.6%*	*125.6%*	*124.5%*	*98.8%*	*98.2%*	*93.0%*	*133.0%*	*140.0%*	*137.1%*
R&M as a % of PPE	*8.9%*	*8.9%*	*9.1%*	*9.0%*	*8.2%*	*8.3%*	*7.9%*	*7.5%*	*7.3%*
Renewal and upgrading and R&M as a % of PPE	*15.0%*	*16.0%*	*16.0%*	*16.0%*	*15.0%*	*14.0%*	*15.0%*	*15.0%*	*14.0%*

*The section on 'Upgrading of Existing Assets' in table A9 was introduced via Version 6.1 of the MBRR Schedule A - refer NT Budget Circular 85 (dated 9 December 2016). Records older than 2016/17 cannot be split into this category as the indicator does not exist on older records.

2.21 Municipal manager's quality certificate

I, **LUNGELO MBANDAZAYO**, municipal manager of **CITY OF CAPE TOWN**, hereby certify that the annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act, and that the annual budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Signature ______________________________

Date ______________________________

2.22 Additional Recommendations read in at the Special Council meeting on 30 May 2018

1. Amendment (Reduction) of Film Tariffs – Safety & Security

It is recommended that:

(a) 2018/19 Film tariffs to remain the same as the 2017/18 financial year's tariffs. The impact of the unchanged film tariff will be absorbed by an increase on Fire fees revenue (profit centre P18060021, profit element 811700) in the 2018/19 Operating Budget.

(b) the relevant legislated MBRR Schedule A tables and tariff book be amended after Council approval, before the submission of the 2018/19 Budget to National Treasury.

2. Amendment to Capital Budget Project – Assets & Facilities Management

It is therefore recommended that:

a) Appropriating further allocations of R11 065 152 and R7 227 923 to the 2018/19 Capital Budget on Approval Object CPX/0000923 FM Infrastructure, within the Assets and Facilities Management Directorate, funded from Revenue in the 2018/19 and 2019/20 financial years, respectively.

b) *the relevant legislated MBRR Schedule A tables be amended after Council approval, before the submission of the 2018/19 Budget to National Treasury.*

3. Amendment to budget tables to include organisational structure change serving before Council - Finance

It is recommended that:

(a) Subject to Council's consideration and subsequent approval of item C 22/05/18 dealing with the ALMALGAMATION OF THE VACANT EXECUTIVE DIRECTOR: CORPORATE SERVICES AND EXECUTIVE DIRECTOR: STRATEGIC GOVERNANCE POSITIONS at the Council meeting on 31 May 2018, the relevant legislated MBRR Schedule A tables contained in item SPC04/05/18 BUDGET 2018/19 TO 2020/21 be amended after Council approval, before the submission of the 2018/19 Budget to National Treasury

4. Addition to General Tariff Policy and Water & Sanitation Tariffs – Informal Settlements. Water & Waste Services

It is recommended that:

(a) the following paragraph be added as 8.6 of the General Tariff Policy:
8.6 - Cluster Development Properties registered in the name of a SHRA-accredited Social Housing Institution and, registered as City Partners – Full and Conditional may be granted access to:

- Water to a maximum of 6 000 liters per qualifying unit per month at R Nil.
- Sanitation to a maximum of 4 200 liters per qualifying unit per months at R Nil.

In order to qualify, accredited Social Housing Institution and, registered as City Partners – Full and Conditional must supply documentation of units where:
- The municipal valuation of the property is R400 000 or less.
- The household income is R4 000 per month or less.

Institutions must apply on an annual basis and provide the property value and household income to the satisfaction of the Director: Revenue and the Director: Water and Sanitation.
Single Residential and Non-Residential Properties of such institutions will not qualify in terms of this paragraph

(b) That the tariff schedules be amended as follows:
The inclusion of an additional category of "Domestic Cluster – Social Housing Institutions – City Partners" in all the Water and Sanitation Level 1 to Level 7 restriction tariffs be approved;

(c) The steps for tariffs for "Domestic Cluster – Social Housing Institutions – City Partners" category within each restriction level be in line with the "Domestic Cluster Non-Indigent" category except Step 1 to be R Nil.

(d) the relevant legislated MBRR Schedule A tables and tariff book be amended after Council approval, before the submission of the 2018/19 Budget to National Treasury.

5. Amendment (reduction) to Parking Fees - Transport & Urban Development Authority

It is recommended that:

(a) the proposed inflation-linked increase on Parking Fees tariff be suspended until such time as the new parking system is implemented and the 2018/19 Parking tariffs to remain the same as the 2017/18 financial year's tariffs. The impact of the unchanged Parking Fees tariff will be absorbed by a reduction of on both revenue and expenditure as follows:

i. Parking Fees Revenue (profit centre P19070022, profit element 812300) - R82,704,667

ii. Advisory Services – Project Management (cost centre 190070022, cost element 452070 in the 2018/19 Operating Budget – R82,704,667

(b) the relevant legislated MBRR Schedule A tables and tariff book be amended after Council approval, before the submission of the 2018/19 Budget to National Treasury.

6. Amendment to Capital projects – Paardevlei Transport & Urban Development Authority and Informal Settlements. Water & Waste Services

It is recommended that:

(a) The following amendments be included in respect of projects relating to the Paardevlei development, to bring the 2018/19 budgetary provisions in line with the latest implementation plans:

(b) That the relevant legislated MBRR Schedule A tables be amended after Council approval, before the submission of the 2018/19 Budget to National Treasury.