CITY OF CAPE TOWN
ISIXEKO SASEKAPA
STAD KAAPSTAD

ANNEXURE 42

METRO TRADING SERVICES REFORM PROGRAMME

PERFORMANCE IMPROVEMENT ACTION PLAN (PIAP)

2025/26 BUDGET (JUNE 2025)

City of Cape Town Municipality - Metro Trading Services Reform Strategy: Water and Sanitation Trading Service
ANNEXURE A3: PERFORMANCE IMPROVEMENT ACTION PLAN

WATER & SANITATION — **A3 PIAP v1** — **Weights**

Target-setting template
Please complete all sections of the A3-PIAP on this template

PLEASE CONSULT THE ADDENDUM TO GUIDANCE NOTE 4
TECHNICAL INDICATOR DESCRIPTIONS ARE PROVIDED IN THE ANNEXURE
(Y0 = by June 2025; Y1 = by June 2026; Y2 = by June 2027 . . . Y6 = by June 2031)

these columns to be completed

The descriptions provided here are intended to be summarised and specifically for the purpose of target setting.

The accompanying narrative report can be used to provide more detail than is easily conveyed in a spreadsheet cell.

No	Name	Definition	Performance framework	Assessment method	Weight	Starting point / status quo (Status Y0)	Metro ambition	Evidence	Reform Activity Packages to achieve targets
1	**ACCOUNTABILITY PERFORMANCE DEFINITION**		**MINIMUM COMMITMENTS**		**0**	**Starting point / status quo (2023/24 or applicable year where quantitative values are provided)**	**Metro ambition**	**Evidence**	**Reform Activity Packages to achieve targets**
M1	**SPoMA Service Compact**	The Service Compact between Service Authority (Metro) and the trading service • Specifies Internal Business Unit / Municipal Owned Entity decision • Provides for the transfer of Metro obligations and responsibilities in terms of law (both municipal and sector legislation) to its Service Provider as agent to execute these services on its behalf and within the scope of applicable municipal legislation. The Metro discharges its responsibilities in terms of its Service Compact including that of the (previously) shared services . • Defines and structures the service role that the new utility business must execute on behalf of its parent body (the metro).	Y0: Council commitment to service compact Y1: Council approval and implementation of service compact Y2 – Y6: retention of service compact	Y0: binary Y1: binary Y2 – Y6: binary	0	Service Compact not yet in place	City will, by 30 June 2026 have developed and approved a service compact clarifying the separation of roles between service authority and service provider, and defining accountabilities and authorities accordingly.	Approved Service Compact	Institutional & Workforce Reform Programme: SPoMA
M2	**SPoMA Appointment**	The appointment of a chief executive of the trading service with an appropriate job description, reflecting all delegated powers and responsibilities, and an appropriate performance contract.	Y0: Council commitment to appointment of TS head Y1: Council approved appointment Y2 – Y6: retention	Y0: binary Y1: binary Y2 – Y6: binary	0	Head for Trading Service (TS) Business Unit already appointed – Executive Director with annual Performance Agreement and Scorecard signed by City Manager and TS Head	City will, by 30 June 2026, have reviewed the appointment documentation and 2026/27 performance agreement of the existing head of the trading service's internal business unit to confirm relevant commercial and engineering skills and experience, and added performance targets prioritising reform imperatives.	Appointment Letter/Contract for TS Head Position Profile for TS Head Annual Performance Agreement and Scorecard signed by City Manager and TS Head capetown.gov.za/Family and home/city-publications/Agreements/section-57-performance-agreements-and-dashboards#Heading1	Institutional & Workforce Reform Programme: SPoMA
M3	**SPoMA Organisational Structure**	See Guidance Note 3. An appropriate organisational structure, described in an organizational chart, is established and maintained to support the delegations and effective business functioning of the Trading Service as SPoMA.	Y0: Council commitment to revising org structure for SPOA Y1: Council approval of org structure and impl. Plan Y2 – Y6: retention of org structure	Y0: binary Y1: binary Y2 – Y6: binary	0	Organisational Macro-Structure establishes a business unit for each trading service Organisational micro structure requires amendment in line with SPoMA delegations	City will, by 30 June 2026, have reviewed the existing and approved macro-organisational structure to confirm it gives effect to and supports the mandate, responsibility and accountability of the head of the trading services internal business unit for all operational and supporting value chains	City Macro Structure Organogram indicating reporting line from TS Head to City Manager Council Item C6/12/21 – Organisational Review of the Macro Structure and the Office of the City Manager (web1.capetown.gov.za/web1/councilhubonline/committeemeetingdetail?ecsmeetingid=555) Where applicable, City Manager approved reports pertaining to micro-structure amendments.	Institutional & Workforce Reform Programme: SPoMA
M4	**SPoMA Delegations**	Business Unit (Model 2): Delegations means the delegations/ passing of the authority for the financial management, operational and management control of all shared services for the effective operation of the Trading Services (TS) as a Single Point of Accountability (SPoMA) Business. Municipal Entity (Model 3): Same but SPoMA accounts to Board.	Y0: Council commitment for delegations for full SPoMA Y1: Full delegations and SSAs in place Y2 – Y6: of full delegations and SSAs	Y0: binary Y1: binary Y2 – Y6: binary	0	Full Delegations in place for SPoMA. Certain service level agreements are in place some of which are under review, however most are not yet in place. Council commitment to establish required service level agreements	City will, by 30 June 2026, have reviewed, and if necessary updated, the approved delegations to confirm they give effect to and support the mandate, responsibility and accountability of the head of the trading services internal business unit for all operational and supporting value chains. In support of the implementation of these delegations and, where required, Service Level Agreements with relevant performance targets will be developed and approved by the trading service and the relevant corporate service provider.	Councils System of Delegations.pdf (capetown.gov.za) Service Level Agreements signed by Trading Service Head and relevant City Directorate Executive Director,	Institutional & Workforce Reform Programme: SPoMA
M5	**Financial Model and Business & Investment Plan**	Submission of annual Trading Services business and investment plan, which has been supported and prioritised by means of a utility financial model to ensure business financial sustainability, turnaround and improvement.	Y0: Council commitment to financial model & bus plan Y1: Financial model & bus plan in place and approved Y2 – Y6: Annual revisions to approved financial model & bus plan	Y0: binary Y1: binary Y2 – Y6: binary	0	Sector Plan, inclusive of business and investment plan, completed annually and approved by Trading Service Head Trading Service Financial Model developed with tariff parameters as an output	City will, by 30 June 2026, develop a multi-year utility financial model (i.e. reflecting utility characteristics and requirements), and use this to prioritise and generate a 10-year Business & Investment Plan to achieve long-term strategic objectives starting from 2026/27, according to the requirements set out in M5 (Financial Model and Business & Investment Plan);	Trading Service Sector Plan - inclusive of financial model and business and investment plan	Financial Sustainability Programme
M6	**Budget Support of Business & Investment Plan**	The metro budget supports the Financial Model and Business & Investment Plan (M7).	Y0: Council commitment to alignment Y1: Council approval of fully aligned metro budget Y2 – Y6: Council approval of fully aligned metro budget	Y0: binary Y1: binary Y2 – Y6: binary	0	Council-approved City Budget mostly aligned with Trading Service Capital Investment Pipeline and Operating Budget Requirements	City will, by 30 June 2026, ensure that its overall metro budget for the 2026/27 MTREF accommodates, supports and funds the business and investments plans of its trading services, to the maximum extent possible, as set out in M6 (Budget support of Trading Service Business & Investment Plan).	Annual City Budget approved by Council capetown.gov.za/Family and home/Meet-the-City/the-city-budget/the-citys-budget-2024-2025	Financial Sustainability Programme
M7	**Financial Transparency – segmental financial reporting**	Model 2: Full separate MTS AFS, published within aggregated metro AFS, per specimen template (MFMA circular July 2024) (the easiest way to comply with M6 is to ensure A2 is achieved) Model 3: Full separate published trading services financial statements, also consolidated into Metro AFS Models 2 and 3: including 'flows and balances statement' per below.	Y0: Council commitment to separate AFS Y1: AFS produced Y2 – Y6: separate AFS produced	Y0: binary Y1: binary Y2 – Y6: binary	0	Trading Service Business Unit Segmental Financial Reporting (unaudited) is available, but not yet published with City AFS Council commitment to Segmental Financial Reporting for business unit to be published as part of City's annual integrated report and budget	City will, by 30 June 2026, ensure that it is able to provide full Segmental Financial Reporing for the Water and Sanitation trading service for the 2024/25 financial year, and the flows and balances statement, as set out in M7 (Financial Transparency).	City's Audited Financial Statements with Trading Service Segmental Financial Reporting attached as an annexure (approved by TS Head and Director: Commercial Services/Financial Manager of the Business Unit) capetown.gov.za/work and business/invest-in-cape-town/the-citys-investor-relations/financial-statements-and-audit-reports	Segmental Financial Control & Reporting Programme
M8	**Support for management of organisational change**	Additional capacity in place that responds to requirements outlined in Annexures A1: Institutional Road Map and A2 (Business & Investment Plans) • Capacity to support the process of managing organisational change including staff engagements, communications, detailed design, capacity enhancement (filling critical vacancies and beyond), key documentation, service compact and other activities, to manage and facilitate planned changes • Capacity to manage the increased TS capex envisaged, including engineering project and contract management capacity.	Y0: Council commitment to having support capacity in place Y1: Management and change capacity and plan in place Y2 – Y6: management & change capacity support in place	Y0: binary Y1: binary Y2 – Y6: binary	0	Existing resources in the City are providing additional support capacity to trading services to meet a portion of the need. City Manager and TS Head commitment to having support capacity in place.	City will, by 30 June 2026, have in place and effective (a) additional capacity to support and manage the planned organisational change; and (b) sufficient capacity to support the planned trading services capex, as set out in M8 (Support for the management of organisational change and increased delivery).	Appointment Letters / Contracts for relevant staff or contractors providing additional capacity to support Metro Trading Services Reform Programme Trading Service Change Management Plan	Institutional & Workforce Reform Programme:SPoMA
2	**ACCOUNTABILITY PERFORMANCE**	**DEFINITION**	**PERFORMANCE INDICATORS**		**10**	**Starting point / status quo**	**Metro ambition**	**Evidence**	**Reform Activity Packages to achieve targets**
A1	**Customer surveys**	Customer service satisfaction surveys are undertaken annually and reflect progress towards the benchmark.	Y0: Existing customer survey baseline set, indicative targets Y1: Plan for customer service improvement, substantive targets Y2 – Y6: actual as % of planned improvement	Y0: binary Y1: binary Y2 – Y6: scalable	2	Water and Sanitation has an Annual Customer Satisfaction Survey in in place that is in addition to the City Customer Satisfaction Survey and provides a drill down of information to support the City survey WS CSS - 2023/24 actuals: - Residential = 56% - Business = 77% WS also has a Customer Service Charter to communicate service levels and as commitment to customer.	By 30 June 2026, the WS trading service will have conducted a trend analysis of the performance on the annual WS Customer Satisfaction Survey and determined appropriate targets for 2026/27 - 2030/31.	Customer Satisfaction Survey Questions and Analysis Report	Institutional & Workforce Reform Programme: SPoMA
A2	**Financial Accounting - mSCoA compliance**	The mSCOA compliance technical indicator evaluates a Trading Services Business Unit or Entity's alignment with the prescribed standards for financial accounting, reporting, and internal controls (minimum business processes and system requirements) as articulated in Annexure B of MFMA Circular No. 80.	Y0: mSCoA compliance baseline established Y1: mSCoA compliance achieved Y2 – Y6: implementation against plan	Y0: binary Y1: binary Y2 – Y6: scalable	2	The City is mSCoA Compliant for the segmental Financial Reporting.	By 30 June 2026, mSCoA compliance is achieved by the City and maintained in the years thereafter	Segmental Financial Reporting for Trading Service	Segmental Financial Control & Reporting Programme
A3	**Public procurement transparency**	This measures the degree to which the Trading Service Business Unit adheres to best practices in ensuring transparency in its procurement process. This includes openness in tendering, decision-making, and reporting, aiming to reduce corruption, promote competition, and ensure the effective use of public resources.	Y0: Y1: Plan with transparency targets Y2 – Y6: actual as % of planned improvement	Y0: Y1: binary Y2 - Y6: scalable	2	Full adherence to statutory regulations regarding procurement transparency. Partial procurement transparency - use of e-procurement for RFQs	City will maintain full adherence to statutory regulations regarding procurement transparency. By 30 June 2031, the City will implement e-procurement system for tenders	Procurement Report	Segmental Financial Control & Reporting Programme
A4	**Capital Budget Execution**	This measures how effectively an organization or public sector entity manages and executes investment projects to achieve its objectives.	normative benchmark = 90% Y0: Y1: Plan with targets for improved capital budget execution Y2 – Y6: actual as % of planned improvement	Y0: Y1: binary Y2 - Y6: scalable	2	2023/24 Actual:: 88.96% (excl contingencies)	The City will spend a minimum of 90% of the planned CAPEX budget.	Segmental Financial Reporting for Trading Service	Financial Sustainability Programme
A5	**Core technical & management capacity**	Progress against planned technical and managerial capacity increases.	Y0: Y1: Plan with targets to improve core tech & management capacity Y2 – Y6: actual as % of planned improvement	Y0: Y1: binary Y2 - Y6: scalable	2	Vacancy rate (% funded vacancies) 2023/24 Actual: 5.37% Strategic Workforce Plan approved	By 30 June 2026 and in the years thereafter, the Water and Sanitation Business Unit has a maximum vacancy rate of 10%. By 30 June 2027, the Water and Sanitation Business Unit will report on the ratio of registered engineers of all types to ensure there is sufficient technical and management capacity to meet strategic objectives.	SAP HR Report	Skills & Capacity Programme

No	Target Y1 2025/26	Target Y2 2026/27	Target Y3 2027/28	Target Y4 2028/29	Target Y5 2029/30	Target Y6 2030/31
M1	City will, by 30 June 2026 have developed and approved a service compact clarifying the separation of roles between service authority and service provider, and defining accountabilities and authorities accordingly.	City will, by 30 June 2027 have implemented a service compact clarifying the separation of roles between service authority and service provider, and defining accountabilities and authorities accordingly.	City will, by 30 June 2028 have reviewed and retained a service compact clarifying the separation of roles between service authority and service provider, and defining accountabilities and authorities accordingly.	City will, by 30 June 2029 have reviewed and retained a service compact clarifying the separation of roles between service authority and service provider, and defining accountabilities and authorities accordingly.	City will, by 30 June 2030 have reviewed and retained a service compact clarifying the separation of roles between service authority and service provider, and defining accountabilities and authorities accordingly.	City will, by 30 June 2031 have reviewed and retained a service compact clarifying the separation of roles between service authority and service provider, and defining accountabilities and authorities accordingly.
M2	City will, by 30 June 2026, have reviewed the appointment documentation and 2026/27 performance agreement of the existing head of the trading service's internal business unit to confirm relevant commercial and engineering skills and experience, and added performance targets prioritising reform imperatives.	City will, by 31 October 2026, have assessed the performance of the Trading Service Head for 2025/26 against the agreed performance criteria. City will, by 30 June 2027, have reviewed and updated the Performance Agreement for 2027/28 of the existing head of the trading service's internal business unit to ensure ongoing performance.	City will, by 31 October 2027, have assessed the performance of the Trading Service Head for 2026/27 against the agreed performance criteria. City will, by 30 June 2028, have reviewed and updated the Performance Agreement for 2028/29 of the existing head of the trading service's internal business unit to ensure ongoing performance.	City will, by 31 October 2028, have assessed the performance of the Trading Service Head for 2027/28 against the agreed performance criteria. City will, by 30 June 2029, have reviewed and updated the Performance Agreement for 2029/30 of the existing head of the trading service's internal business unit to ensure ongoing performance.	City will, by 31 October 2029, have assessed the performance of the Trading Service Head for 2028/29 against the agreed performance criteria. City will, by 30 June 2030, have reviewed and updated the Performance Agreement for 2030/31 of the existing head of the trading service's internal business unit to ensure ongoing performance.	City will, by 31 October 2030, have assessed the performance of the Trading Service Head for 2029/30 against the agreed performance criteria. City will, by 30 June 2031, have reviewed and updated the Performance Agreement for 2031/32 of the existing head of the trading service's internal business unit to ensure ongoing performance.
M3	City will, by 30 June 2026, have reviewed the existing and approved macro-organisational structure to confirm it gives effect to and supports the mandate, responsibility and accountability of the head of the trading services internal business unit for all operational and supporting value chains as per the 7 box model, and WS strategic processes to implement best practice and efficiency to improve service delivery to customers.	City will, by 30 June 2027, have reviewed the existing and approved micro-organisational structure to confirm it continues to give effect to and supports the mandate, responsibility and accountability of the head of the trading services internal business unit for all operational and supporting value chains, and WS strategic processes to implement best practice and efficiency to improve service delivery to customers.	City will, by 30 June 2028, have reviewed the existing and approved micro-organisational structure to confirm it continues to give effect to and supports the mandate, responsibility and accountability of the head of the trading services internal business unit for all operational and supporting value chains, and WS strategic processes to implement best practice and efficiency to improve service delivery to customers.	City will, by 30 June 2029, have reviewed the existing and approved micro-organisational structure to confirm it continues to give effect to and supports the mandate, responsibility and accountability of the head of the trading services internal business unit for all operational and supporting value chains, and WS strategic processes to implement best practice and efficiency to improve service delivery to customers.	City will, by 30 June 2030, have reviewed the existing and approved micro-organisational structure to confirm it continues to give effect to and supports the mandate, responsibility and accountability of the head of the trading services internal business unit for all operational and supporting value chains, and WS strategic processes to implement best practice and efficiency to improve service delivery to customers.	City will, by 30 June 2031, have reviewed the existing and approved micro-organisational structure to confirm it continues to give effect to and supports the mandate, responsibility and accountability of the head of the trading services internal business unit for all operational and supporting value chains, and WS strategic processes to implement best practice and efficiency to improve service delivery to customers.
M4	City will, by 30 June 2026, have reviewed, and if necessary updated, the approved delegations to confirm they give effect to and support the mandate, responsibility and accountability of the head of the trading services internal business unit for all operational and supporting value chains. In support of the implementation of these delegations and, where required, documentation of services and accountability with relevant performance targets/service standards will be developed and approved by the trading service and the relevant corporate service provider.	City will, by 30 June 2027, have reviewed the approved delegations to confirm they continue to give effect to and support the mandate, responsibility and accountability of the head of the trading services internal business unit for all operational and supporting value chains	City will, by 30 June 2028, have reviewed the approved delegations to confirm they give effect to and support the mandate, responsibility and accountability of the head of the trading services internal business unit for all operational and supporting value chains	City will, by 30 June 2029, have reviewed the approved delegations to confirm they continue to give effect to and support the mandate, responsibility and accountability of the head of the trading services internal business unit for all operational and supporting value chains	City will, by 30 June 2030, have reviewed the approved delegations to confirm they continue to give effect to and support the mandate, responsibility and accountability of the head of the trading services internal business unit for all operational and supporting value chains	City will, by 30 June 2031, have reviewed the approved delegations to confirm they continue to give effect to and support the mandate, responsibility and accountability of the head of the trading services internal business unit for all operational and supporting value chains
M5	City will, by 30 June 2026, develop a multi-year utility financial model (i.e. reflecting utility characteristics and requirements), and use this to prioritise and generate a 10-year Business & Investment Plan to achieve long-term strategic objectives starting from 2026/27, according to the requirements set out in M5 (Financial Model and Business & Investment Plan);	City will, by 30 June 2027, review and update the multi-year financial model and use this to review and update the 10-year Business and Investment Plan (2027/28 - 2037/38)	City will, by 30 June 2028, review and update the multi-year financial model and use this to review and update the 10-year Business and Investment Plan (2028/29 - 2038/39)	City will, by 30 June 2029, review and update the multi-year financial model and use this to review and update the 10-year Business and Investment Plan (2029/30 - 2039/40)	City will, by 30 June 2030, review and update the multi-year financial model and use this to review and update the 10-year Business and Investment Plan (2030/31 - 2040/41)	City will, by 30 June 2031, review and update the multi-year financial model and use this to review and update the 10-year Business and Investment Plan (2031/232 - 2041/42)
M6	City will, by 30 June 2026, ensure that its overall metro budget for the 2026/27 MTREF accommodates, supports and funds the business and investments plans of its trading services, to the maximum extent possible, as set out in M6 (Budget support of Trading Service Business & Investment Plan).	City will, by 30 June 2027, ensure that its overall metro budget for the 2027/28 MTREF accommodates, supports and funds the business and investments plans of its trading services, to the maximum extent possible, as set out in M6 (Budget support of Trading Service Business & Investment Plan).	City will, by 30 June 2028, ensure that its overall metro budget for the 2028/29 MTREF accommodates, supports and funds the business and investments plans of its trading services, to the maximum extent possible, as set out in M6 (Budget support of Trading Service Business & Investment Plan).	City will, by 30 June 2029, ensure that its overall metro budget for the 2029/30 MTREF accommodates, supports and funds the business and investments plans of its trading services, to the maximum extent possible, as set out in M6 (Budget support of Trading Service Business & Investment Plan).	City will, by 30 June 2030, ensure that its overall metro budget for the 2030/31 MTREF accommodates, supports and funds the business and investments plans of its trading services, to the maximum extent possible, as set out in M6 (Budget support of Trading Service Business & Investment Plan).	City will, by 30 June 2031, ensure that its overall metro budget for the 2031/32 MTREF accommodates, supports and funds the business and investments plans of its trading services, to the maximum extent possible, as set out in M6 (Budget support of Trading Service Business & Investment Plan).
M7	City will, by 30 June 2026, ensure that it is able to provide full Segmental Financial Reporting for the Water and Sanitation trading service for the 2024/25 financial year, and the flows and balances statement, as set out in M7 (Financial Transparency).	City will, by 30 June 2027, provide full Segmental Financial Reporting for the Water and Sanitation trading service for the 2025/26 financial year, and the flows and balances statement, as set out in M7 (Financial Transparency).	City will, by 30 June 2028, provide full Segmental Financial Reporting for the Water and Sanitation trading service for the 2026/27 financial year, and the flows and balances statement, as set out in M7 (Financial Transparency).	City will, by 30 June 2029, provide full Segmental Financial Reporting for the Water and Sanitation trading service for the 2027/28 financial year, and the flows and balances statement, as set out in M7 (Financial Transparency).	City will, by 30 June 2030, provide full Segmental Financial Reporting for the Water and Sanitation trading service for the 2028/29 financial year, and the flows and balances statement, as set out in M7 (Financial Transparency).	City will, by 30 June 2031, provide full Segmental Financial Reporting for the Water and Sanitation trading service for the 2029/30 financial year, and the flows and balances statement, as set out in M7 (Financial Transparency).
M8	City will, by 30 June 2026, have in place and effective (a) additional capacity to support and manage the planned organisational change; and (b) sufficient capacity to support the planned trading services capex, as set out in M8 (Support for the management of organisational change and increased delivery).	City will, by 30 June 2027, confirm the retention of effective (a) additional capacity to support and manage the planned organisational change; and (b) sufficient capacity to support the planned trading services capex, as set out in M8 (Support for the management of organisational change and increased delivery).	City will, by 30 June 2028, confirm the retention of effective (a) additional capacity to support and manage the planned organisational change; and (b) sufficient capacity to support the planned trading services capex, as set out in M8 (Support for the management of organisational change and increased delivery).	City will, by 30 June 2029, confirm the retention of effective (a) additional capacity to support and manage the planned organisational change; and (b) sufficient capacity to support the planned trading services capex, as set out in M8 (Support for the management of organisational change and increased delivery).	City will, by 30 June 2030, confirm the retention of effective (a) additional capacity to support and manage the planned organisational change; and (b) sufficient capacity to support the planned trading services capex, as set out in M8 (Support for the management of organisational change and increased delivery).	City will, by 30 June 2031, confirm the retention of effective (a) additional capacity to support and manage the planned organisational change; and (b) sufficient capacity to support the planned trading services capex, as set out in M8 (Support for the management of organisational change and increased delivery).
	2025/26	**2026/27**	**2027/28**	**2028/29**	**2029/30**	**2030/31**
A1	By 30 June 2026, the WS trading service will have conducted the annual Customer Satisfaction Survey and determined appropriate targets for Customer Satisfaction for 2026/27 - 2030/31 (subject to review in 2027/28).	By 30 June 2027, the WS trading service will have conducted the annual Customer Satisfaction Survey and assessed the results against the target set in 2025/26.	By 30 June 2028, the WS trading service will have conducted the annual Customer Satisfaction Survey and assessed the results against the target set in 2025/26. The City will also have reviewed the targets for 2028/29 - 2030/31 and reset these if required.	By 30 June 2029, the WS trading service will have conducted the annual Customer Satisfaction Survey and assessed the results against the target set in 2027/28..	By 30 June 2030, the WS trading service will have conducted the annual Customer Satisfaction Survey and assessed the results against the target set in 2027/28.	By 30 June 2031, the WS trading service will have conducted the annual Customer Satisfaction Survey and assessed the results against the target set in 2027/28.
A2	By 30 June 2026, the City will have maintained compliance with mSCoA for the Segmental Financial Reporting for the Water and Sanitation Trading Service.	By 30 June 2027, the City will have maintained compliance with mSCoA for the Segmental Financial Reporting for the Water and Sanitation Trading Service.	By 30 June 2028, the City will have maintained compliance with mSCoA for the Segmental Financial Reporting for the Water and Sanitation Trading Service.	By 30 June 2029, the City will have maintained compliance with mSCoA for the Segmental Financial Reporting for the Water and Sanitation Trading Service.	By 30 June 2030, the City will have maintained compliance with mSCoA for the Segmental Financial Reporting for the Water and Sanitation Trading Service.	By 30 June 2031, the City will have maintained compliance with mSCoA for the Segmental Financial Reporting for the Water and Sanitation Trading Service.
A3	By 30 June 2026, City will confirm full adherence to statutory regulations regarding procurement transparency.	By 30 June 2027, City will maintain full adherence to statutory regulations regarding procurement transparency.	By 30 June 2028, City will maintain full adherence to statutory regulations regarding procurement transparency.	By 30 June 2029, City will maintain full adherence to statutory regulations regarding procurement transparency.	By 30 June 2030, City will maintain full adherence to statutory regulations regarding procurement transparency.	By 30 June 2031, City will maintain full adherence to statutory regulations regarding procurement transparency. By 30 June 2031, the City will implement e-procurement system for tenders
A4	By 30 June 2026, the Water and Sanitation Business Unit will have spent a minimum of 90% of its planned CAPEX budget.	By 30 June 2027, the Water and Sanitation Business Unit will have spent a minimum of 90% of its planned CAPEX budget.	By 30 June 2028, the Water and Sanitation Business Unit will have spent a minimum of 90% of its planned CAPEX budget.	By 30 June 2029, the Water and Sanitation Business Unit will have spent a minimum of 90% of its planned CAPEX budget.	By 30 June 2030, the Water and Sanitation Business Unit will have spent a minimum of 90% of its planned CAPEX budget.	By 30 June 2031, the Water and Sanitation Business Unit will have spent a minimum of 90% of its planned CAPEX budget.
A5	By 30 June 2026, the Water and Sanitation Business Unit will have a maximum vacancy rate of 10%.	By 30 June 2027, the Water and Sanitation Business Unit will have a maximum vacancy rate of 10%. By 30 June 2027, the Water and Sanitation Business Unit will report on the ratio of registered engineers of all types to ensure there is sufficient technical and management capacity to meet strategic objectives.	By 30 June 2028, the Water and Sanitation Business Unit will have a maximum vacancy rate of 10%. By 30 June 2028, the Water and Sanitation Business Unit will report on the ratio of registered engineers of all types to ensure there is sufficient technical and management capacity to meet strategic objectives.	By 30 June 2029, the Water and Sanitation Business Unit will have a maximum vacancy rate of 10%. By 30 June 2029, the Water and Sanitation Business Unit will report on the ratio of registered engineers of all types to ensure there is sufficient technical and management capacity to meet strategic objectives.	By 30 June 2030, the Water and Sanitation Business Unit will have a maximum vacancy rate of 10%. By 30 June 2030, the Water and Sanitation Business Unit will report on the ratio of registered engineers of all types to ensure there is sufficient technical and management capacity to meet strategic objectives.	By 30 June 2031, the Water and Sanitation Business Unit will have a maximum vacancy rate of 10%. By 30 June 2031, the Water and Sanitation Business Unit will report on the ratio of registered engineers of all types to ensure there is sufficient technical and management capacity to meet strategic objectives.

Leonardo Manus — Digitally signed by Leonardo Manus Date: 2025.05.14 07:05:08 +02'00'

Approved by Executive Director: Water and Sanitation
Leonardo Manus

3	FINANCIAL PERFORMANCE	DEFINITION	PERFORMANCE INDICATORS		30
F1	**Financial viability OCCR**	The basic definition is "operating revenue / operating expenses". Operating revenue excludes any capital items (capital grants) and interest income. Operating expenditure excludes any capital related items (interest and depreciation). The basic formula is adjusted to take into account cost of sales (bulk purchases). Bulk purchases is subtracted from operating revenue to give a gross operating profit. And operating costs are similarly adjusted to exclude the bulk purchases.	normative benchmark = 1.5 - 2.0 Y0: Y1: Plan to approach / reach normative benchmark Y2–Y6: implementation	 Y0: Y1: binary Y2-Y6: scalable tbc	5
F2	**Cash collection rate**	The efficiency of cash collection measured as cash collected from customers / total invoiced to customers (over the same relevant 12 month period).	normative benchmark = 95% (W&S); 98% (E%E) Y0: Y1: Plan to approach / reach normative benchmark Y2–Y6: implementation	 Y0: Y1: binary Y2-Y6: scalable tbc	5
F3	**Operational cash flow**	The cash available from operations after all operating costs have been met.	Performance target: per financial model & business plan. Y0: Y1: Plan to approach / reach normative benchmark Y2–Y6: implementation	 Y0: Y1: binary Y2-Y6: scalable tbc	5
F4	**Customer debt management - debtors days**	Customer debt outstanding expressed as days of revenue.	normative benchmark = < 60 days Y0: Y1: Plan to approach / reach normative benchmark Y2–Y6: implementation	 Y0: Y1: binary Y2-Y6: scalable tbc	5
F5	**Infrastructure spending (capex)**	Actual capital expenditure incurred during the financial year on property, plant and equipment (PPE) for that trading service. (Includes replacement, refurbishment, upgrades and expansion).	normative benchmark = TS capex x 2, per business plan Y0: Y1: Plan to approach / reach normative benchmark Y2–Y6: implementation	 Y0: Y1: binary Y2-Y6: scalable tbc	5
F6	**Self-financing ratio**	Cash flow from operations (Indicator F3) divided by actual capital expenditure incurred during the financial year on property, plant and equipment (PPE). (Indicator F5).	normative benchmark = 100% Y0: Y1: Plan to approach / reach normative benchmark Y2–Y6: implementation	 Y0: Y1: binary Y2-Y6: scalable tbc	5

	Starting point / status quo	Metro ambition	Evidence	Reform Activity Packages to achieve targets
F1	2023/24: 1.29	As determined in the financial model, the City will maintain financial viability of the Water and Sanitation trading service within a minimum OCCR of 1 and maximum of 1. 3.	Segmental Financial Reporting for Trading Service	Financial Sustainability Programme
F2	2023/24: Water: 88.22% Sanitation: 90.4%	Enhanced cash collection to achieve benchmark of minimum 95% for both water and sanitation in 2028/29 and thereafter maintain.	Segmental Financial Reporting for Trading Service	Financial Sustainability Programme
F3	2023/24 R2 572 835	The City will maintain a positive operational cash flow on an annual basis with the exact value to be determined based on financial and operational requirements.	Segmental Financial Reporting for Trading Service	Financial Sustainability Programme
F4	2023/24: Water: 83 days Sanitation: 81 days	The City will achieve customer debt management with debtors days being less than the national benchmark of 60 days by 2027/28 and thereafter maintain.	Segmental Financial Reporting for Trading Service	Financial Sustainability Programme
F5	2023/24: R4 455 614 = Total CAPEX budget R3 315 859 = Total CAPEX Actual	The City will ensure sufficient capital expenditure is incurred to achieve operational performance targets, as per the business and investment plan	Segmental Financial Reporting for Trading Service	Financial Sustainability Programme
F6	2023/24: 0.56	The City will maintain a self-financing ratio of between 0.4 and 0.7. Aggressive capital budget to ensure investment into water and sanitation infrastructure will keep this ratio low in the short to medium-term.	Segmental Financial Reporting for Trading Service	Financial Sustainability Programme

	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
F1	City will, by 30 June 2026, use the financial model to confirm the optimal targets for 2026/27 - 2030/31 given the operational and financial requirements of the trading service and develop a plan to achieve these targets, as part of the business plan.	City will, by 30 June 2027, have initiated the implementation of the approved improvement plan and achieved the target set in 2025/26.	City will, by 30 June 2028, have continued to implement the approved improvement plan and achieved the target set in 25/26. The City will also have reviewed the targets for 2028/29 - 2030/31 and reset these if required.	City will, by 30 June 2029, have continued to implement the approved improvement plan and achieved the target set in 2027/28.	City will, by 30 June 2030, have continued to implement the approved improvement plan and achieved the target set in 2027/28.	City will, by 30 June 2031, have continued to implement the approved improvement plan and achieved the target set in 2027/28.
F2	City will, by 30 June 2026, use the financial model to confirm the optimal targets for 2026/27 - 2030/31 given the operational and financial requirements of the trading service and develop a plan to achieve these targets.	City will, by 30 June 2027, have initiated the implementation of the approved improvement plan and achieved the target set in 2025/26.	City will, by 30 June 2028, have continued to implement the approved improvement plan and achieved the target set in 25/26. The City will also have reviewed the targets for 2028/29 - 2030/31 and reset these if required.	City will, by 30 June 2029, have continued to implement the approved improvement plan and achieved the target set in 2027/28.	City will, by 30 June 2030, have continued to implement the approved improvement plan and achieved the target set in 2027/28.	City will, by 30 June 2031, have continued to implement the approved improvement plan and achieved the target set in 2027/28.
F3	City will, by 30 June 2026, use the financial model to confirm the optimal targets for 2026/27 - 2030/31 given the operational and financial requirements of the trading service and develop a plan to achieve these targets.	City will, by 30 June 2027, have initiated the implementation of the approved improvement plan and achieved the target set in 2025/26.	City will, by 30 June 2028, have continued to implement the approved improvement plan and achieved the target set in 25/26. The City will also have reviewed the targets for 2028/29 - 2030/31 and reset these if required.	City will, by 30 June 2029, have continued to implement the approved improvement plan and achieved the target set in 2027/28.	City will, by 30 June 2030, have continued to implement the approved improvement plan and achieved the target set in 2027/28.	City will, by 30 June 2031, have continued to implement the approved improvement plan and achieved the target set in 2027/28.
F4	City will, by 30 June 2026, use the financial model to confirm the optimal targets for 2026/27 - 2030/31 given the operational and financial requirements of the trading service and develop a plan to achieve these targets.	City will, by 30 June 2027, have initiated the implementation of the approved improvement plan and achieved the target set in 2025/26.	City will, by 30 June 2028, have continued to implement the approved improvement plan and achieved the target set in 25/26. The City will also have reviewed the targets for 2028/29 - 2030/31 and reset these if required.	City will, by 30 June 2029, have continued to implement the approved improvement plan and achieved the target set in 2027/28.	City will, by 30 June 2030, have continued to implement the approved improvement plan and achieved the target set in 2027/28.	City will, by 30 June 2031, have continued to implement the approved improvement plan and achieved the target set in 2027/28.
F5	City will, by 30 June 2026, use the financial model to confirm the optimal targets for 2026/27 - 2030/31 given the operational and financial requirements of the trading service and develop a plan to achieve these targets.	City will, by 30 June 2027, have initiated the implementation of the approved improvement plan and achieved the target set in 2025/26.	City will, by 30 June 2028, have continued to implement the approved improvement plan and achieved the target set in 25/26. The City will also have reviewed the targets for 2028/29 - 2030/31 and reset these if required.	City will, by 30 June 2029, have continued to implement the approved improvement plan and achieved the target set in 2027/28.	City will, by 30 June 2030, have continued to implement the approved improvement plan and achieved the target set in 2027/28.	City will, by 30 June 2031, have continued to implement the approved improvement plan and achieved the target set in 2027/28.
F6	City will, by 30 June 2026, use the financial model to confirm the optimal targets for 2026/27 - 2030/31 given the operational and financial requirements of the trading service and develop a plan to achieve these targets.	City will, by 30 June 2027, have initiated the implementation of the approved improvement plan and achieved the target set in 2025/26.	City will, by 30 June 2028, have continued to implement the approved improvement plan and achieved the target set in 25/26. The City will also have reviewed the targets for 2028/29 - 2030/31 and reset these if required.	City will, by 30 June 2029, have continued to implement the approved improvement plan and achieved the target set in 2027/28.	City will, by 30 June 2030, have continued to implement the approved improvement plan and achieved the target set in 2027/28.	City will, by 30 June 2031, have continued to implement the approved improvement plan and achieved the target set in 2027/28.

4	OPERATIONAL PERFORMANCE	DEFINITION	PERFORMANCE INDICATORS		60
W1	**Water Security –system input volume as % raw water allocation**	The Water Security indicator measures the adequacy of a water utility's supply system in meeting demand while adhering to regulatory bulk raw water allocation limits and ecosystems requirements. It is defined as the ratio of the bulk water system input volume (all sources) to the permitted raw water allocation volume. The planned water use allocations are determined through Department of Water and Sanitation (DWS) facilitated water reconciliation strategies, which reconcile all available water resources (surface, ground, desalinated and reused water) with	normative benchmark = <100% Y0: Y1: Plan to approach / reach normative benchmark Y2–Y6: implementation	 Y0: Y1: binary Y2-Y6: scalable tbc	5
W2	**Drinking Water Systems - Blue Drop**	The Blue Drop Score is a performance indicator developed as part of the Blue Drop Certification Program to assess and promote the excellence of drinking water quality management. It evaluates compliance by the Water Services Authority (WSA)with water quality standards and the effectiveness of operational and management systems supporting safe drinking water provision The WSA is supported by a Water Services Provider (WSP), which is a public or private entity. For example, waterboards are regarded as WSPs, also known as a Bulk Water Supplier or Provider, and their performance contributes to the overall municipal Blue	normative benchmark = 95% Y0: Y1: Plan to approach / reach normative benchmark Y2–Y6: implementation	 Y0: Y1: binary Y2-Y6: scalable tbc	5
W3	**Waste Water Treatment Systems - Green Drop**	The Green Drop Score is a performance indicator introduced as part of the regulatory Green Drop Certification Program to assess the quality and efficiency of wastewater management systems. It evaluates the ability of water service authorities and providers to treat wastewater effectively, protect public health, and minimize environmental impacts. The score reflects adherence to regulatory and best-practice standards in wastewater management.	normative benchmark = 90% Y0: Y1: Plan to approach / reach normative benchmark Y2–Y6: implementation	 Y0: Y1: binary Y2-Y6: scalable tbc	5
W4	**Wastewater Final Effluent Quality**	The Wastewater Final Effluent Compliance indicator measures the extent to which treated wastewater (final effluent) discharged from wastewater treatment facilities complies with the conditions outlined in the Water Use License (WUL), or defaults to a General Authorisation (GA) in the absence of WUL. It is aligned with the DWS Green Drop Certification Program, and assesses compliance with microbiological, chemical, and physical standards mandated to protect water resources, public health, and ecosystems.	normative benchmark = 90% Y0: Y1: Plan to approach / reach normative benchmark Y2–Y6: implementation	 Y0: Y1: binary Y2-Y6: scalable tbc	5
W5	**Water Network performance – mains failures / 100 km**	The number of water mains failures per 100km of mains pipe per year is a performance indicator that has been developed to evaluate the efficiency and functionality of water distribution systems, particularly in managing the number of mains failures.	normative benchmark = <50 per 100 km Y0: Y1: Plan to approach / reach normative benchmark Y2–Y6: implementation	 Y0: Y1: binary Y2-Y6: scalable tbc	5
W6	**Sewer Network performance – blockages / 100 km**	The number of sewer blockages per 100km of sewer length per year is a performance indicator that has been developed to evaluate the efficiency and functionality of sewer network systems, particularly in the management of blockages.	normative benchmark = <50 per 100 km Y0: Y1: Plan to approach / reach normative benchmark Y2–Y6: implementation	 Y0: Y1: binary Y2-Y6: scalable tbc	5
W7	**Physical water loss - Infrastructure Leak Index**	The ILI is a performance indicator developed by the International Water Association (IWA) to evaluate the operational efficiency of water distribution systems, particularly in managing water losses. It is the ratio of the Current Annual Real Losses (CARL) to the Unavoidable Annual Real Losses (UARL).	normative benchmark = < 2 Y0: Y1: Plan to approach / reach normative benchmark Y2–Y6: implementation	 Y0: Y1: binary Y2-Y6: scalable tbc	5
W8	**Water Service Complaints Response % in 48 hours**	The percentage of water callouts responded to within 48 hrs is a performance indicator that has been developed to evaluate quality of service provision and is a proxy indicator for customer care. (Where "responded to" refers to "complaint logged, someone was on site, and has appraised the matter, and a process has been initiated to resolve the matter within 48 hours").	normative benchmark = > 90% Y0: Y1: Plan to approach / reach normative benchmark Y2–Y6: implementation	 Y0: Y1: binary Y2-Y6: scalable tbc	5
W9	**Sewer Service Complaints Response % in 48 hours**	The percentage of sewer callouts that are responded to within 48 hrs is a performance indicator that has been developed to evaluate quality of service provision and is a proxy indicator for customer care. (Where "responded to" refers to "complaint logged, someone was on site, and has appraised the matter, and a process has been initiated to resolve the matter within 48 hours").	normative benchmark = <95% Y0: Y1: Plan to approach / reach normative benchmark Y2–Y6: implementation	 Y0: Y1: binary Y2-Y6: scalable tbc	5
W10	**Non-Revenue Water (%)**	NRW is a performance indicator included as a part of the No Drop Certification Program to measure the percentage of the treated volume of water supplied to a distribution system that does not generate revenue. NRW includes: Real Losses: Physical water losses (leaks, bursts, overflows). Apparent Losses: Unauthorized consumption, customer metering inaccuracies. Unbilled Authorized Consumption: Unbilled metered consumption and unbilled unmetered consumption (Water used for firefighting, municipal services, informal settlements).	normative benchmark = <25% Y0: Y1: Plan to approach / reach normative benchmark Y2–Y6: implementation	 Y0: Y1: binary Y2-Y6: scalable tbc	10
W11	**Metering performance**	The percentage of water connections metered and billed monthly on actual monthly readings. This indicator evaluates the financial sustainability and water use efficiency of municipalities by tracking accurate metering, and billing practices.	normative benchmark = >98% Y0: Y1: Plan to approach / reach normative benchmark Y2–Y6: implementation	 Y0: Y1: binary Y2-Y6: scalable tbc	5

	Starting point / status quo	Metro ambition	Evidence	Reform Activity Packages to achieve targets
W1	2023/24: 91.76%	* In line with the 2000 Cape Town Water Strategy, metro ambition is to increase the level of supply assurance from 50 to 200 years. * Cape Town's water security is tied to the Western Cape Water Supply System (WCWSS) and the Reconciliation Strategy of national DWS.	Water Balance Report	New water programme Water conservation programme Water demand management programme
W2	2023 Blue Drop: 98.1%	Maintain Blue Drop "Excellence" (Blue Drop score of >95-100%)	National DWS Blue Drop report	Implementation of SANS 241 standard on drinking water quality. ISO/IEC 17025:2017 SANAS accreditation of CCT, Scientific Services laboratory Water safety programme
W3	2022 Green Drop: 76%	Short term (2yr): Maintain & reverse the trend of decreasing Green Drop Scores back to an increasing trend, Medium Term (2 - 5 year): 76 - 80%, Long term (5 - 10 yr) >=80%	National DWS Green Drop report	Green Drop compliance programme. Pump station improvement programme Investment in WWTWs Industrial discharges monitoring by Water Pollution Control
W4	2023/24 81.4%	The City aims to maintain compliance at 80% in the medium-term and thereafter review targets.	Service Delivery and Budget Implementation Plan (SDBIP) Annual Report	Investment in WWTWs Industrial discharges monitored by Water Pollution Control inspectors
W5	2023/24 34.7	Manage burst rates through network management, pressure management and the prioritised replacement of high-risk pipes. Current target pipe replacement rate is 50km per annum which the City aims to maintain and improve.	Service Delivery and Budget Implementation Plan (SDBIP) Annual Report	Replace Water Network Pressure Management, zone monitoring, leak detection Programme
W6	2023/24: 866.8	Increase and maintain sewer main replacements to >100 km a year	Service Delivery and Budget Implementation Plan (SDBIP) Annual Report	Replacement of Sewer Network. Enhanced network maintenance and jetting of sewers. Prevention of stormwater ingress programme - inspections by smoke testing.
W7	2023/24 3.3	The City aims to reduce physical leaks and Non-Revenue Water (NRW).while noting that the water network is ageing. The budget currently only allows for 50 km/yr replacement (0.5% pa). Approximately >170 km/yr is required to prevent ageing.	Service Delivery and Budget Implementation Plan (SDBIP) Annual Report	Replace Water Network Pressure Management, zone monitoring, leak detection Programme
W8	2023/24 94.2%	Increase network reliability through network replacement, pressure management & improved reactive dispatching. While noting that the water network is ageing.	Service Delivery and Budget Implementation Plan (SDBIP) Annual Report	* Development of mobile dispatching IT system. Replace Water Network Pressure Management, zone monitoring, leak detection Programme. AMI programme
W9	2023/24 93.2%	Reduce sewer overflows thought investment in pump stations, increased sewer replacement to 100 km/year and enhanced maintenance and sewer jetting. While noting that the sewer network is ageing.	Service Delivery and Budget Implementation Plan (SDBIP) Annual Report	Development of mobile dispatching IT system. Replace Sewer Network Enhanced network maintenance and jetting of sewers Prevention of stormwater ingress programme
W10	2023/24 25.4%	Manage water loss and NRW. Increase in zonal monitoring / pressure management coverage. Leak detection: inspection of entire water network (11,000 km) every 3 years.	Water Balance Report	Pressure Management, zone monitoring, leak detection Programme. Meter Replacement and Meter Relocation Programme AMI Rollout Programme
W11	2023/24 87.2%	Improvement in percentage meters billed on monthly actual readings. With due consideration to the negative impacts of the growth in unsafe suburbs on meter reading	SAP Report	Meter Replacement and Meter Relocation Programme AMI Rollout Programme

	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
W1	City will, by 30 June 2026, use the financial model and business plan to confirm the optimal targets for 2026/27 - 2030/31 given the operational and financial requirements of the trading service and develop a plan to achieve these targets.	City will, by 30 June 2027, have initiated the implementation of the approved improvement plan and achieved the target set in 2025/26.	City will, by 30 June 2028, have continued to implement the approved improvement plan and the City will also have reviewed the targets for 2028/29 - 2030/31 and reset these if required.	City will, by 30 June 2029, have continued to implement the approved improvement plan and achieved the target set in 2027/28.	City will, by 30 June 2030, have continued to implement the approved improvement plan and achieved the target set in 2027/28.	City will, by 30 June 2031, have continued to implement the approved improvement plan and achieved the target set in 2027/28.
W2	City will, by 30 June 2026, use the financial model and business plan to confirm the optimal targets for 2026/27 - 2030/31 given the operational and financial requirements of the trading service and develop a plan to achieve these targets.	City will, by 30 June 2027, have initiated the implementation of the approved improvement plan and achieved the target set in 2025/26.	City will, by 30 June 2028, have continued to implement the approved improvement plan and the City will also have reviewed the targets for 2028/29 - 2030/31 and reset these if required. .	City will, by 30 June 2029, have continued to implement the approved improvement plan and achieved the target set in 2027/28.	City will, by 30 June 2030, have continued to implement the approved improvement plan and achieved the target set in 2027/28.	City will, by 30 June 2031, have continued to implement the approved improvement plan and achieved the target set in 2027/28.
W3	City will, by 30 June 2026, use the financial model and business plan to confirm the optimal targets for 2026/27 - 2030/31 given the operational and financial requirements of the trading service and develop a plan to achieve these targets.	City will, by 30 June 2027, have initiated the implementation of the approved improvement plan and achieved the target set in 2025/26.	City will, by 30 June 2028, have continued to implement the approved improvement plan and the City will also have reviewed the targets for 2028/29 - 2030/31 and reset these if required. .	City will, by 30 June 2029, have continued to implement the approved improvement plan and achieved the target set in 2027/28.	City will, by 30 June 2030, have continued to implement the approved improvement plan and achieved the target set in 2027/28.	City will, by 30 June 2031, have continued to implement the approved improvement plan and achieved the target set in 2027/28.
W4	City will, by 30 June 2026, use the financial model and business plan to confirm the optimal targets for 2026/27 - 2030/31 given the operational and financial requirements of the trading service and develop a plan to achieve these targets.	City will, by 30 June 2027, have initiated the implementation of the approved improvement plan and achieved the target set in 2025/26.	City will, by 30 June 2028, have continued to implement the approved improvement plan and the City will also have reviewed the targets for 2028/29 - 2030/31 and reset these if required.	City will, by 30 June 2029, have continued to implement the approved improvement plan and achieved the target set in 2027/28.	City will, by 30 June 2030, have continued to implement the approved improvement plan and achieved the target set in 2027/28.	City will, by 30 June 2031, have continued to implement the approved improvement plan and achieved the target set in 2027/28.
W5	City will, by 30 June 2026, use the financial model and business plan to confirm the optimal targets for 2026/27 - 2030/31 given the operational and financial requirements of the trading service and develop a plan to achieve these targets.	City will, by 30 June 2027, have initiated the implementation of the approved improvement plan and achieved the target set in 2025/26.	City will, by 30 June 2028, have continued to implement the approved improvement plan and the City will also have reviewed the targets for 2028/29 - 2030/31 and reset these if required.	City will, by 30 June 2029, have continued to implement the approved improvement plan and achieved the target set in 2027/28.	City will, by 30 June 2030, have continued to implement the approved improvement plan and achieved the target set in 2027/28.	City will, by 30 June 2031, have continued to implement the approved improvement plan and achieved the target set in 2027/28.
W6	City will, by 30 June 2026, use the financial model and business plan to confirm the optimal targets for 2026/27 - 2030/31 given the operational and financial requirements of the trading service and develop a plan to achieve these targets.	City will, by 30 June 2027, have initiated the implementation of the approved improvement plan and achieved the target set in 2025/26.	City will, by 30 June 2028, have continued to implement the approved improvement plan and the City will also have reviewed the targets for 2028/29 - 2030/31 and reset these if required.	City will, by 30 June 2029, have continued to implement the approved improvement plan and achieved the target set in 2027/28.	City will, by 30 June 2030, have continued to implement the approved improvement plan and achieved the target set in 2027/28.	City will, by 30 June 2031, have continued to implement the approved improvement plan and achieved the target set in 2027/28.
W7	City will, by 30 June 2026, use the financial model and business plan to confirm the optimal targets for 2026/27 - 2030/31 given the operational and financial requirements of the trading service and develop a plan to achieve these targets.	City will, by 30 June 2027, have initiated the implementation of the approved improvement plan and achieved the target set in 2025/26.	City will, by 30 June 2028, have continued to implement the approved improvement plan and the City will also have reviewed the targets for 2028/29 - 2030/31 and reset these if required.	City will, by 30 June 2029, have continued to implement the approved improvement plan and achieved the target set in 2027/28.	City will, by 30 June 2030, have continued to implement the approved improvement plan and achieved the target set in 2027/28.	City will, by 30 June 2031, have continued to implement the approved improvement plan and achieved the target set in 2027/28.
W8	City will, by 30 June 2026, use the financial model and business plan to confirm the optimal targets for 2026/27 - 2030/31 given the operational and financial requirements of the trading service and develop a plan to achieve these targets.	City will, by 30 June 2027, have initiated the implementation of the approved improvement plan and achieved the target set in 2025/26.	City will, by 30 June 2028, have continued to implement the approved improvement plan and the City will also have reviewed the targets for 2028/29 - 2030/31 and reset these if required.	City will, by 30 June 2029, have continued to implement the approved improvement plan and achieved the target set in 2027/28.	City will, by 30 June 2030, have continued to implement the approved improvement plan and achieved the target set in 2027/28.	City will, by 30 June 2031, have continued to implement the approved improvement plan and achieved the target set in 2027/28.
W9	City will, by 30 June 2026, use the financial model and business plan to confirm the optimal targets for 2026/27 - 2030/31 given the operational and financial requirements of the trading service and develop a plan to achieve these targets.	City will, by 30 June 2027, have initiated the implementation of the approved improvement plan and achieved the target set in 2025/26.	City will, by 30 June 2028, have continued to implement the approved improvement plan and the City will also have reviewed the targets for 2028/29 - 2030/31 and reset these if required.	City will, by 30 June 2029, have continued to implement the approved improvement plan and achieved the target set in 2027/28.	City will, by 30 June 2030, have continued to implement the approved improvement plan and achieved the target set in 2027/28.	City will, by 30 June 2031, have continued to implement the approved improvement plan and achieved the target set in 2027/28.
W10	City will, by 30 June 2026, use the financial model and business plan to confirm the optimal targets for 2026/27 - 2030/31 given the operational and financial requirements of the trading service and develop a plan to achieve these targets.	City will, by 30 June 2027, have initiated the implementation of the approved improvement plan and achieved the target set in 2025/26.	City will, by 30 June 2028, have continued to implement the approved improvement plan and the City will also have reviewed the targets for 2028/29 - 2030/31 and reset these if required.	City will, by 30 June 2029, have continued to implement the approved improvement plan and achieved the target set in 2027/28.	City will, by 30 June 2030, have continued to implement the approved improvement plan and achieved the target set in 2027/28.	City will, by 30 June 2031, have continued to implement the approved improvement plan and achieved the target set in 2027/28.
W11	City will, by 30 June 2026, use the financial model and business plan to confirm the optimal targets for 2026/27 - 2030/31 given the operational and financial requirements of the trading service and develop a plan to achieve these targets.	City will, by 30 June 2027, have initiated the implementation of the approved improvement plan and achieved the target set in 2025/26.	City will, by 30 June 2028, have continued to implement the approved improvement plan and the City will also have reviewed the targets for 2028/29 - 2030/31 and reset these if required.	City will, by 30 June 2029, have continued to implement the approved improvement plan and achieved the target set in 2027/28.	City will, by 30 June 2030, have continued to implement the approved improvement plan and achieved the target set in 2027/28.	City will, by 30 June 2031, have continued to implement the approved improvement plan and achieved the target set in 2027/28.

Leonardo Manus
Digitally signed by Leonardo Manus
Date: 2025.05.14 07:05:25 +02'00'

Approved by Executive Director: Water and Sanitation
Leonardo Manus

City of Cape Town Municipality - Metro Trading Services Reform Strategy: Water and Sanitation Trading Service
ANNEXURE A3: PERFORMANCE IMPROVEMENT ACTION PLAN

Programme Name	Programme Description	Programme Outcomes	Projects/Initiatives
1. Institutional & Workforce Reform Programme: SPoMA	The well publicised drought of 2016 demanded that the City review its approach to water and water services and accordingly, a new direction for the water utility was captured in the City's Water Strategy. The City has continued to develop its plan for water services beyond the initial strategy to include the rearrangement of the utility organogram into a dedicated directorate with four line directors, the investment programme for water infrastructure expansion, the maintenance programme for infrastructure assets, corresponding tariff structures for water services, and the utility business plan. The Trading Services Reform process will provide renewed focus on continuous improvement and the strengthening of capabilities to deliver services in line with the Directorate's mandate. The Institutional & Workforce Reform Programme also outlines how the Trading Services will align itself to full Single Point of Management Accountability covering all aspects of the business as outlined in the seven box model. This will re-affirm the City's direction to establish the Water and Sanitation directorate as a financially sustainable, modern utility.	To enable an optimal model that achieves SPoMA for the Water and Sanitation trading service within the context of relevant legislation, City governance imperatives, and meeting economy of scale and efficiency. These will ensure that SPoMA is fully established and maintained.	Service Compact in place between Service Authority (Municipality) and the Water and Sanitation Trading Service. Retention of Trading Services Head appointment 1.1 Review of all shared services and centralised functions including HR Processes and governance arrangements (Establish working group for trading services reform with corporate services departments) 1.2 Development of W&S SLA agreements with all Corporate Directorates and other service providers to intentionally strengthening single point of accountability. This will include close scrutiny of corporate services 1.3 Implementation mechanism for Performance monitoring and evaluation of SLA's put in place 1.4 Establishment of enhanced accountability by ED through the subdelegation of powers by the CM to effectively manage SLA's 1.5 Ongoing monthly Collaboration meetings with the CFO, chaired by the W&S ED – regarding the Reform Plan/ Process 1.6 Establish a Project Management Office (PMO) which will incorporate the Capital and Contract Management 1.7 WS to appoint a service provider to develop and review a change management strategy to support the reform process
2. Segmental Financial Control & Reporting Programme	The City is committed to developing a separate/segmental Annual Financial Statement for the Water and Sanitation function as a financially ring-fenced business unit. Accordingly, the City has implemented the mSCOA instructions and prepared a separate Water and Sanitation Annual Financial statement (AFS) for the W&S Directorate showing full income and expenses. A Water and Sanitation Trading Services Segmental/Management Annual Financial Statement and addendum Annual Report will be produced and published as part of City's AFS.	Achieving greater financial transparency by way of Segmental Financial Control and Reporting . This transparency is key to ensuring trust with residents and stakeholders, as well as achieving financial sustainability.	2.1 W & S Directorate separate (from the City) and independent segmental Audited Financial Statement produced and published (Audit terms to be established) - Investigate Directorate capacity to produce AFS
3. Strategy Review	The Directorate acknowledges that the current Water Strategy (2019) is largely centred on the response to the drought and how to build resilience into the City's water system to mitigate the effects of climate change. Going forward, the directorate will develop a comprehensive Water and Sanitation strategy that will focus on both water and sanitation services in line with a continuous improvement approach in alignment with the Reform Strategy. This strategy will include the Directorate's extensive capital expenditure on bulk sanitation services namely upgrading of the wastewater treatment works and pump stations as well as the implementation of various innovative technologies along with skills transfer training programmes to transfer operational knowledge to City staff to allow for upskilling of staff. It will also consist of clear targets for operational performance, customer satisfaction, and financial sustainability. The WS Directorate has set a target date of end of FY 2027 to develop this strategy framework.	A comprehensive Water and Sanitation strategy that will have a longer term focus on both Water and Sanitation management beyond 2040, and will be supported by an updated Water Conservation Water Demand Management strategy.	3.1 Regular feedback on the implementation of the Water Strategy through the Outlook report 3.2 Develop a comprehensive Water and Sanitation Strategy (a beyond 2030 Water and Sanitation strategy) 3.3 Water Conservation Water Demand Management Strategy Update
4. Skills & Capacity Programme	The City will introduce new technologies over the short to long-term such as Advanced Metering Infrastructure, groundwater extraction and desalinisation. It is important that the necessary capacity and skills (re-skilling) are sourced and developed in line with an integrated HR approach to resource planning. To this end, the Directorate has implemented the City process for the development and implementation of Strategic Workforce Plans (SWPs) which has been rolled out to all branches in Water and Sanitation. The SWP's address a range of challenges that include an ageing workforce, budgetary constraints, and market and other factors impacting on the Directorates' ability to be competitive in attracting, developing and retaining high quality talent. Strategic Workforce Planning is a process of shaping the workforce to ensure that it is capable of delivering on strategic objectives now and in the future. This is done by reviewing current requirements in relation to future resourcing needs, to ensure that the required capacity and skills sets are in place, and supported by the relevant HR policies and processes. These plans are implemented, reviewed and updated at regular intervals to ensure that they maintain relevance and meet the needs of the business. In addition, the Directorate is currently working on putting together a training academy that will bring in all training that is currently outsourced. This is also towards the re-skilling and development of staff in the directorate.	Enhanced capacity in the directorate with a focus on developing and retaining a skilled workforce to meet the challenges of new technologies and evolving service demands.	4.1 To develop a technical skills development programme for technical staff 4.2 Vacancy Management Review Forum
5. Financial Sustainability	Water and Sanitation recognised that Financial Management is essential to the continuous delivery and sustainability of the water and sanitation service, through objectives that will enable the Directorate to achieve solvency and sustainability of trading services, sufficient predictable revenue through accurate and reliable billings, revenue collections and sufficient cash. A robust financial management framework to ensure that revenue generated from customer billing and collections supports the ongoing operations and future capital needs of the Directorate. Financial models have been developed to consider different scenarios based on approved capital budget, operating cost needs and tariff implications in the long term financial plan. The financial trends data indicate a steady increase in the City's investment in water and sanitation services, reflecting growing demands from a rising population, climate change adaptation, aging infrastructure, and need to adhere environmental regulations. The City's tariff structure is designed to be progressive and cost reflective. For residential households, an Increasing block tariff (IBT) structure is used to promote water conservation while ensuring affordability for lower-income households. This is identified as a mechanism to address problems of unequal income distribution through cross-subsidisation between high- and low-income households, although the City has observed a recovery of domestic consumption levels still approximately 20% below levels before the start of the drought. Furthermore social/indigent tariffs are included for vulnerable groups, ensuring equity and inclusiveness in access to water services.	A comprehensive approach to enhancing operational effectiveness and financial solvency. With well-defined commercial strategies, targeted capital investments, and a commitment to addressing social and commercial challenges, the plans position the city to improve service delivery while ensuring financial sustainability.	5.1 Develop a document to define the financial relationship between WS Directorate and City (addressing financial transparency) 5.2 Equitable Share Formula allocation agreement 5.3 Review Development Contributions 5.4 Review medium and long term financial sustainability model
6. Asset Management Programme	The Water and Sanitation directorate had established the Asset Management Steering Committee (AMSCO) with a focus on a broader W & S directorate asset portfolio. Long-term planning needs to be conducted in a coordinated manner to establish successful asset management objectives and plans. The outcome of this review was the decision to begin the development of clear, long-term Terms of Reference with an inclusive committee that integrates transversally and aligns with the agreed upon long-term imperatives and objectives. There will be ongoing quarterly AMSCO meetings. The City of Cape Town (CCT) under the guidance of National Treasury has evaluated and developed key focus on Asset Management by adopting and aligning to the ISO 55001: Asset Management Standard. This resulted in the CCT Infrastructure and Asset Management Policy approval on 27 March 2024 and the provision of guidance for the development of a Strategic Asset Management Plan to all Directorates.	To manage ageing infrastructure, including the replacement of inefficient and ineffective infrastructure. To develop clear Infrastructure Asset Management plans that are in alignment with the wth Asset Management strategic objectives. Continous monitoring and review of implementation of the Strategic Asset Management Plan.	6.1 Review and Update of the Asset Management SOP's 6.2 Ongoing Quarterly Asset Management SteerCom
7. New water programme (supply augmentation)	Water demand in Cape Town has exceeded pre-drought levels (1,000Mℓ/d), and below-average rainfall in the Western Cape underscores the need for alternative water sources. The timely implementation of the New Water Project (NWP) is essential to maintain the city's water security. Despite challenges, achieving a resilient water system by 2030 remains a viable goal. The programme aims to bring new water online to ensure a safe, reliable supply for years to come through groundwater abstraction, desalination and water reuse, as well as optimising surface supply through clearing thirsty invasive alien vegetation.	To build resilience to the effects of climate change and future droughts that are expected to be more frequent and severe. To ensure a safe, reliable water supply for generations to come.	7.1 NWP - Water supply augmentation
8. Water conservation programme,	The minimisation of loss or waste, care and protection of Water Resources and the efficient and effective use of water.	WC/WDM can postpone capital infrastructure for water supply, reduce the uncertainty of demand forecasts. And reduce the effluent that must be treated.	8.1Water conservation (WC)
9. Water demand management programme	Water Demand Management is "The adaptation and implementation of a strategy or a programme by a water institution or consumer to influence the water demand and usage of water in order to meet any of the following objectives: economic efficiency, social development, social equity, environmental protection, sustainability of water supply and services, and political acceptability." NWRS3	WDM can reduce the financial risk of miscalculating demand far into the future.	9.1 Water Demand management (WDM)
10. Implementation of SANS 241 standard on drinking water quality	Access to safe drinking water is essential to health and considered to be a basic human right. The City of Cape Town is committed to providing quality tap water to its consumers by ensuring that the drinking water supplied by its various water treatment plants does comply with the recommended guidelines as stipulated in the South African National Standards (SANS 241:2011) for Drinking Water. Every effort is made to meet the highest national and international standards for drinking water.	The provision of safe drinking water compliant with SANS 241 quality standard.	10.1 SANS 241 standard on drinking water quality
11. ISO/IEC 17025:2017 SANAS accreditation of CCT, Scientific Services laboratory.	Currently, the Quality Management System (QMS) covers four Sections at the Scientific Services viz. Water Lab, Analytical Lab, Biological Sciences Lab and Air Quality Monitoring Section. The laboratories, with their comprehensive range of analysis, need to deliver quality results according to specified standard requirements. The laboratories will therefore have to ensure that the results are credible, traceable and finalised within a minimal turn-around time. This is achieved by the Quality Management System (QMS) for the Laboratories – more specifically the SANAS ISO/IEC 17025 QMS, standard i.e. "General requirements for the competence of testing and calibration laboratories". Currently our Laboratory is SANAS ISO/IEC 17O25 accredited.	To maintain ISO/IEC 17025:2017 SANAS accreditation of CCT, Scientific Services laboratory.	11.1 Laboratory accreditation
12. Water safety programme	The City will adhere to the regulations relating to compulsory national standards (SANS 241) for the provision of quality of drinking water. Each water resource will have its own specific "water safety plan", which will form part of an integrated water quality management plan. Each water safety plan will include a risk assessment. The water safety plans will be reviewed annually to better ensure that drinking water supplied poses no significant health risk to consumers. The City acknowledges the limitations of the current SANS 241 standards for the quality of drinking water. Therefore, it will extend its screening and monitoring of water quality to include potential waterborne pathogens and other harmful compounds for new, alternative water resources, such as groundwater, reclamation and desalination.	To better ensure that drinking water supplied poses no significant health risk to consumers.	12.1 Safe water use

Leonardo Manus Digitally signed by Leonardo Manus Date: 2025.05.14 07:05:38 +02'00'

Approved by Executive Director: Water and Sanitation
Leonardo Manus

City of Cape Town Municipality - Metro Trading Services Reform Strategy: Water and Sanitation Trading Service
ANNEXURE A3: PERFORMANCE IMPROVEMENT ACTION PLAN

Programme Name	Programme Description	Programme Outcomes	Projects/Initiatives
13. Green Drop compliance programme.	The Green Drop audit programme, run by the Department of Water and Sanitation (DWS) as the Regulator, aims to raise awareness of good practice in wastewater treatment and mobilise the wastewater sector on a path to improvement. The programme recognises municipalities who perform well. The award ceremony preceded the release of the 2022 Green Drop Report, which covered the period under review of 1 July 2020 to 30 June 2021. The Green Drop audit scorecard consider evidence against five Key Performance Areas: A: Capacity Management B: Environmental Management C: Financial Management D: Technical Management E: Effluent and Sludge Compliance Each Key Performance Area and sub-criteria carry a different weighting based on the regulatory priorities. A wastewater system that achieves a ≥90% Green Drop score, is regarded as excellent and a wastewater system that achieves a ≥90% Green Drop score but did not meet the ≥90% final effluent quality standards, is regarded as a 'Green Drop Contender'.	To continue to improve wastewater treatment practices in our journey to becoming a water sensitive City.	13.1 Green Drop Certification
14. Pump station improvement programme	Replacement and upgrade/refurbishment of pump stations. Installation of generator to mitigate loadshedding and ensure continuity of services.	Continuity of services, improvement in environmental water quality and elimination of development constraints.	14.1 Pump Station improvement
15. Investment in WWTW	The City will prioritise investment into the upgrade and long-term sustainability of wastewater treatment works. The City will also continually use innovative technology and approaches to assess the environmental impact of wastewater treatment, including coastal outfalls, sludge and decentralised wastewater treatment.	To enhance treatment capacity and improve compliance to treated effluent standards.	15.1 Expansion/Upgrades of Wastewater Treatment works
16. Industrial discharges monitoring by Water Pollution Control inspectors	The CCT has a dedicated team of inspectors that form the Water Pollution Control Inspectorate. Their function is to protect municipal infrastructure and the environment against pollution. Most of the inspectors are Peace officers, who regulate public institutions and the industrial/commercial sector.	Prevention of damage to municipal sewer works, disruption to wastewater treatment processes, and protecting the natural environment.	16.1 Industrial discharge compliance
17. Replace sewer network	Replacement of sewer network - Pipe replacement of ageing sewer network is part of the City's broader strategy to bring down sewer spills and improve the network system. The City is currently has a sewer pipe replacement target of 100 kms annually.	A reduction in sewer spills over time.	17.1 Sewer Pipe replacement
18. Enhanced network maintenance and jetting of sewers	This proactive maintenance programme makes use of statistical data such as sewer lines that experience recurrent blockages, annual rainfall data, winter C3 notifications and concentration heat maps to identify challenging areas where blockages are prevalent. The sewer lines are then listed for proactive jetting or bucket cleaning. This means that they are cleaned without a new C3 complaint being logged. Specialised truck units are used to pressure spray the sewers to clean them and the resultant debris is then caught and taken away for safe disposal.	Extending the lifespan of infrastructure and reducing the occurrence of sewer spills.	18.1 Maintained sewer network
19. Prevention of stormwater ingress programme - inspections by smoke testing.	Kilometres of pipeline inspected, by means of proactive physical or visual above ground investigations or below ground camera and smoke detection techniques, to determine illegal stormwater ingress and infrastructure defects that lead to hydraulic overloads in the sewer networks.	Eliminate illegal discharge of stormwater into the sewer system.	19.1 Prevention of stormwater ingress programme
20. Replace water network	Replacement of water network - Pipe replacement (water) to improve the network and reduce water disruptions and leaks. The City has set an annual target of 50 kms for the replacement of ageing water pipes.	Reduction in water service disruptions and leaks.	20.1 Water pipe replacement
21. Pressure management, zone monitoring, leak detection Programme	The City's reticulation system is divided into pressure zones. Water pressure, which controls the flow of water, is managed by adjusting valves in the reticulation network. Pressure reduction is used to forcefully lower water usage. The level of water restrictions determines the amount of water supplied. If we use more water than the water restriction level dictates, it may lead to water outages. If an area is using water above the daily limit, the water pressure will be reduced to the required level to lower usage. When water usage reduces to below the daily limit, pressure will be restored. Leak detection and repair also form part of water savings interventions	Improved Water Conservation and Water Demand Management. Reduction in leaks and water outages.	21.1 Pressure management, zone monitoring, leak detection.
22. Reactive Incident Management Application (RIMA)	The City is upgrading its sewer spill and water disruption response with the implementation of a Reactive Incident Management Application (RIMA). RIMA is a digital solution that improves tracking and coordination, contributing to a cleaner and more resilient city. It offers several benefits, including near-real-time, paperless feedback, structured task completion and outcome recording, accurate field results, improved reporting, improved feedback turnaround, and a reduced administrative workload. In 2023/24, phases 2 and 3 of RIMA were successfully implemented across all 23 reticulation depots, boosting operational efficiency. The system currently has about 320 users. Going forward, IT system upgrades as well as training and change management to reinforce RIMA processes and monitoring, will be necessary to improve the utilisation.	Improved operational coordination when responding to service disruptions.	22.1 Reactive Incident Management Application (RIMA)
23. Advanced Metering Infrastructure (AMI) Roll-out Programme	AMI will allow real-time monitoring of water consumption, leading to more accurate billing, early detection of leaks, and improved revenue collection efficiency. The goal is to implement a digital water solution for the City of Cape Town that enhances customer trust in accurate water billing while supporting long-term water resilience. The AMI will generate data that will be very useful in planning, operating and maintaining the service more effectively.	It is envisaged that the full and effective implementation of AMI could yield significant improvements in revenue as a result of improvements in metering accuracy, as well as 24 hour visibility on water use in the City leading to enhanced network management.	23.1 AMI Rollout
24. Meter Replacement and Meter Relocation Programme	Due to the aging of the meters in the city, a meter replacement programme is in place. Accurate water metering ensures that actual consumed water quantities are charged for, as water meters have been found to increasingly under-measure with age. Accurate metering also assists in obtaining a more accurate estimation of the City's water balance, which in its simplest terms is the measurement of the difference between the amount of water supplied into the system and that which is consumed, equating to water loss. The Directorate is investigating the replacement of its ageing metering infrastructure with a state-of-the-art alternative, in a phased manner over 10 years. 75% of its conventional meters are more than ten years old and need to be replaced to maintain accuracy and reliability.	Accurate and reliable metering and improved revenue collection.	24.1 Meter Replacement and Meter Relocation
25. Bulk Water Meter Replacement Programme	Replacement of large bulk water meters for metering raw water supply to treated works and treated water leaving treatment works and large bulk reservoirs. In line with commitments made during previous reporting cycles, CCT raw water data per source has been included in the Water Balance calculation. This is done to the best of the Directorate's abilities and it is acknowledged that metering challenges do exist. As the Bulk Water meter replacement programme rolls out, water balance figures may be impacted and %NRW and Losses may be found to be understated. In an effort to measure raw water more accurately, our Bulk Water Department has embarked on a Flow Meter Replacement Programme for Water Treatment Plants' inlets and outlets. This programme commenced in June 2020 and since its inception, an estimated R40 million have been allocated and spent. On an annual basis, orders to the value of about R10 million are made to source valves and meters.	Accurate and reliable readings resulting in more precise water balance data that will better inform system decisions.	25.1 Bulk Water Meter Replacement Programmes

Leonardo Manus Digitally signed by Leonardo Manus
Date: 2025.05.13 10:45:40 +02'00'

Approved by Executive Director: Water and Sanitation
Leonardo Manus

City of Cape Town Municipality - Metro Trading Services Reform Strategy: Water and Sanitation Trading Service
ANNEXURE A3: PERFORMANCE IMPROVEMENT ACTION PLAN

5 INDICATIVE SUMMARY PROGRAMME COSTING ('000)

The purpose of this template is for the metro to offer early indications of what its turnaround- and reform-oriented expenditure plan would be, and how that would be funded.
Please outline the capex and opex implications of all turnaround- and reform-oriented initiatives contemplated, and the funding sources envisaged
(For A3-PIAP v2, such a tabulation will need to be fully substantiated on the basis of strategic financial modelling).

	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Accountability Performance						
1. Institutional & Workforce Reform Programme Opex	-	-	-	-	-	-
1. Institutional & Workforce Reform Programme Capex	-	-	-	-	-	-
2. Segmental Fin Contr & Rept Programme Opex	-	-	-	-	-	-
2. Segmental Fin Contr & Rept Programme Capex	-	-	-	-	-	-
3. Strategy Review Programme Opex	-	-	-	-	-	-
3. Strategy Review Programme Capex	-	-	-	-	-	-
4. Skills & Capacity Programme Opex	21 192	22 464	23 812	25 241	26 755	28 360
4. Skills & Capacity Programme Capex	-	-	-	-	-	-
Total Opex	21 192	22 464	23 812	25 241	26 755	28 360
Total Capex	-	-	-	-	-	-
Financial Performance						
5. Financial Sustainability Programme Opex	-	-	-	-	-	-
5. Financial Sustainability Programme Capex	-	-	-	-	-	-
Total Opex	-					
Total Capex	-					
Operational Performance						
6. Asset Management Programme Opex	1 952 654	2 179 259	2 194 112	2 312 594	2 437 474	2 569 097
6. Asset Management Programme Capex	-	-	-	-	-	-
7. New Water Programme Opex	126 720	161 475	77 485	96 007	1 040 084	1 050 606
7. New Water Programme Capex	517 309	587 992	285 674	447 000	450 415	136 780
8. Water Conservation Programme Opex	5 482	5 482	5 482	5 482	5 482	5 482
8. Water Conservation Programme Capex	-	-	-	-	-	-
9. Water Demand Management Programme Opex	-	-	-	-	-	-
9. Water Demand Management Programme Capex	81 752	88 500	98 162	100 300	104 500	104 400
10. Implementation of SANS 241 Programme Opex	-	210	231	254	280	307
10. Implementation of SANS 241 Programme Capex	-	-	-	-	-	-
11. ISO/IEC 17025:2017 SANAS Accr Programme Opex	-	1 600	1 760	1 936	2 130	2 343
11. ISO/IEC 17025:2017 SANAS Accr Programme Capex	-	-	-	-	-	-
12. Water Safety Programme Opex	-	-	-	-	-	-
12. Water Safety Programme Capex	-	-	-	-	-	-
13, Green Drop Opex	-	-	-	-	-	-
13, Green Drop Capex	-	-	-	-	-	-
14. Pump Station Improvement Programme Opex	122	-	34 733	-	16 862	-
14. Pump Station Improvement Programme Capex	241 227	436 893	600 773	647 984	662 527	339 721
15. WWTW Infrastructure Programme Opex	37 538	39 435	14 276	152 740	110 000	1 024 917
15. WWTW Infrastructure Programme Capex	1 809 598	1 844 999	1 843 126	1 308 427	540 099	91 475
16. Ind Discharge Monitoring Programme Opex	-	-	-	-	-	-
16. Ind Discharge Monitoring Programme Capex	-	-	-	-	-	-
17. Replace Sewer Network Programme Opex	10 804	-	-	-	-	-
17. Replace Sewer Network Programme Capex	1 009 114	1 095 498	713 846	579 779	567 608	820 262
18. Enhanced network maint and sewer jetting Programme Opex	160 490	169 156	178 290	187 918	198 066	208 761
18. Enhanced network maint and sewer jetting Programme Capex	-	-	-	-	-	-
19. Prevention of stormwater ingress programme Opex	-	-	-	-	-	-
19. Prevention of stormwater ingress programme Capex	-	-	-	-	-	-
20. Replace Water Network Programme Opex	-	-	-	-	-	-
20. Replace Water Network Programme Capex	250 700	364 800	295 200	347 934	290 620	318 000
21. PM, zone monitoring, leak detect Programme Opex	-	-	-	-	-	-
21. PM, zone monitoring, leak detect Programme Capex	6 000	-	-	-	-	5 000
22. Develop of Mobile Disp IT System Programme Opex	-	-	-	-	-	-
22. Develop of Mobile Disp IT System Programme Capex	-	-	-	-	-	-
23. AMI Rollout Programme Opex	1 650	3 400	2 000	-	-	-
23. AMI Rollout Programme Capex	300 000	500 000	413 534	300 000	300 000	300 000
24. Meter Replacement/Relocation Programme Opex	-	-	-	-	-	-
24. Meter Replacement/Relocation Programme Capex	80 000	40 000	27 000	27 000	27 000	27 000
25. Bulk Water Meter Replacement Programme Opex	5 000	5 000	5 000	5 000	5 000	5 000
25. Bulk Water Meter Replacement Programme Capex	20 000	20 000	20 000	20 000	20 000	20 000
Total Opex	2 300 459	2 565 017	2 513 368	2 761 930	3 815 376	4 866 513
Total Capex	4 315 700	4 978 683	4 297 315	3 778 425	2 962 769	2 162 637
Operating costs	2 321 651	2 587 481	2 537 180	2 787 171	3 842 131	4 894 874
Capital costs	4 315 700	4 978 683	4 297 315	3 778 425	2 962 769	2 162 637
TOTAL PROGRAMME COSTS	**6 637 351**	**7 566 163**	**6 834 495**	**6 565 596**	**6 804 900**	**7 057 511**
PROGRAMME FUNDING						
Operating revenues	-	-	-	-	-	-
Own operating revenues	2 321 651	2 587 481	2 537 180	2 787 171	3 842 131	4 894 874
Transfers - TS incentive						
Total operational revenues	2 321 651	2 587 481	2 537 180	2 787 171	3 842 131	4 894 874
Capital funding						
Transfers - TS incentive						
Transfers recognised - other capital	333 997	473 777	277 024	346 628	340 300	257 366
Borrowing	3 930 603	4 482 905	4 000 291	3 411 797	2 602 469	1 885 272
Internally generated funds	31 000	2 000	-	-	-	-
Total sources of capital funds	4 295 600	4 958 683	4 277 315	3 758 425	2 942 769	2 142 637

Leonardo Manus

Digitally signed by Leonardo Manus
Date: 2025.05.14 07:05:58 +02'00'

Approved by Executive Director: Water and Sanitation
Leonardo Manus

EDE25-05-034

City of Cape Town Municipality - Metro Trading Services Reform Strategy: Electricity and Energy Trading Service
DRAFT ANNEXURE 3: PERFORMANCE IMPROVEMENT ACTION PLAN Version 1

SEM13_05_2025

2025/05/08

ELECTRICITY & ENERGY — *these columns to be completed*
Target-setting template — The descriptions provided here are intended to be summarised and specifically for the purpose of target setting. The accompanying narrative report can be used to provide more detail than is easily conveyed in a spreadsheet cell.
Please complete all section

No	Name	*Status Y0* Starting point / status quo (2023/24 where quantitative values are provided)	Metro ambition	Evidence	Reform Activity Packages to ach	*Target Y1* 2025/26	*Target Y2* 2026/27	*Target Y3* 2027/28	*Target Y4* 2028/29	*Target Y5* 2029/30	*Target Y6* 2030/31
1	ACCOUNTABILITY PERFORMANCE										
M1	SPoMA Service Compact	Service Compact not yet in place	City will, by 30 June 2026 have developed and approved a service compact clarifying the separation of roles between service authority and service provider, and defining accountabilities and authorities	Approved Service Compact	Institutional & Workforce Reform Programme: SPoMA	City will, by 30 June 2026 have developed and approved a service compact clarifying the separation of roles between service authority and service provider, and defining accountabilities and authorities accordingly.	City will, by 30 June 2027 have implemented a service compact clarifying the separation of roles between service authority and service provider, and defining accountabilities and authorities accordingly.	City will, by 30 June 2028 have reviewed and retained a service compact clarifying the separation of roles between service authority and service provider, and defining accountabilities and authorities accordingly.	City will, by 30 June 2029 have reviewed and retained a service compact clarifying the separation of roles between service authority and service provider, and defining accountabilities and authorities accordingly.	City will, by 30 June 2030 have reviewed and retained a service compact clarifying the separation of roles between service authority and service provider, and defining accountabilities and authorities accordingly.	City will, by 30 June 2031 have reviewed and retained a service compact clarifying the separation of roles between service authority and service provider, and defining accountabilities and authorities accordingly.
M2	SPoMA Appointment	Head for Trading Service (TS) Business Unit already appointed – Executive Director with annual Performance Agreement and Scorecard signed by City Manager and TS Head	City will, by 30 June 2026, have reviewed the appointment documentation and 26/27 performance agreement of the existing head of the trading service's internal business unit to confirm relevant commercial and engineering skills and experience, and added performance targets prioritising reform imperatives.	Appointment Letter/Contract for TS Head Position Profile for TS Head Annual Performance Agreement and Scorecard signed by City Manager and TS Head capetown.gov.za/Family and home/city-publications/Agreements/section-57-performance-agreements-and-dashboards#Heading1	Institutional & Workforce Reform Programme: SPoMA	City will, by 30 June 2026, have reviewed the appointment documentation and 26/27 performance agreement of the existing head of the trading service's internal business unit to confirm relevant commercial and engineering skills and experience, and added performance targets prioritising reform imperatives.	City will, by 31 October 2026, have assessed the performance of the Trading Service Head for 25/26 against the agreed performance criteria. City will, by 30 June 2027, have reviewed and updated the Performance Agreement for 27/28 of the existing head of the trading service's internal business unit to ensure ongoing performance.	City will, by 31 October 2027, have assessed the performance of the Trading Service Head for 26/27 against the agreed performance criteria. City will, by 30 June 2028, have reviewed and updated the Performance Agreement for 28/29 of the existing head of the trading service's internal business unit to ensure ongoing performance.	City will, by 31 October 2028, have assessed the performance of the Trading Service Head for 27/28 against the agreed performance criteria. City will, by 30 June 2029, have reviewed and updated the Performance Agreement for 29/30 of the existing head of the trading service's internal business unit to ensure ongoing performance.	City will, by 31 October 2029, have assessed the performance of the Trading Service Head for 28/29 against the agreed performance criteria. City will, by 30 June 2030, have reviewed and updated the Performance Agreement for 30/31 of the existing head of the trading service's internal business unit to ensure ongoing performance.	City will, by 31 October 2030, have assessed the performance of the Trading Service Head for 29/30 against the agreed performance criteria. City will, by 30 June 2031, have reviewed and updated the Performance Agreement for 31/32 of the existing head of the trading service's internal business unit to ensure ongoing performance.
M3	SPoMA Organisational Structure	Organisational Macro-Structure establishes a business unit for each trading service Organisational micro structure requires amendment in line with SPoMA delegations	City will, by 30 June 2026, have reviewed the existing and approved macro-organisational structure to confirm it gives effect to and supports the mandate, responsibility and accountability of the head of the trading services internal business unit for all operational and supporting value chains	City Macro Structure Organogram indicating reporting line from TS Head to City Manager Council Item C6/12/21 – Organisational Review of the Macro Structure and the Office of the City Manager (web1.capetown.gov.za/web1/councilhubonline/committeemeetingdetail?ecsmeetingid=555)	Institutional & Workforce Reform Programme: SPoMA	City will, by 30 June 2026, have reviewed the existing and approved macro-organisational structure to confirm it gives effect to and supports the mandate, responsibility and accountability of the head of the trading services internal business unit for all operational and supporting value chains	City will, by 30 June 2027, have reviewed the existing and approved micro-organisational structure to confirm it continues to give effect to and supports the mandate, responsibility and accountability of the head of the trading services internal business unit for all operational and supporting value chains	City will, by 30 June 2028, have reviewed the existing and approved micro-organisational structure to confirm it continues to give effect to and supports the mandate, responsibility and accountability of the head of the trading services internal business unit for all operational and supporting value chains	City will, by 30 June 2029, have reviewed the existing and approved micro-organisational structure to confirm it continues to give effect to and supports the mandate, responsibility and accountability of the head of the trading services internal business unit for all operational and supporting value chains	City will, by 30 June 2030, have reviewed the existing and approved micro-organisational structure to confirm it continues to give effect to and supports the mandate, responsibility and accountability of the head of the trading services internal business unit for all operational and supporting value chains	City will, by 30 June 2031, have reviewed the existing and approved micro-organisational structure to confirm it continues to give effect to and supports the mandate, responsibility and accountability of the head of the trading services internal business unit for all operational and supporting value chains
M4	SPoMA Delegations	Full Delegations in place for SPoMA. A few service level agreements are in place, most are not yet in place. Council commitment to establish required service level agreements	City will, by 30 June 2026, have reviewed, and if necessary updated, the approved delegations to confirm they give effect to and support the mandate, responsibility and accountability of the head of the trading services internal business unit for all operational and supporting value chains. In support of the implementation of these delegations and, where required, Service Level Agreements with relevant performance targets will be developed	Councils System of Delegations.pdf (capetown.gov.za) Service Level Agreements signed by Trading Service Head and relevant City Directorate Executive Director, highlighting KPIs for performance monitoring	Institutional & Workforce Reform Programme: SPoMA	City will, by 30 June 2026, have reviewed, and if necessary updated, the approved delegations to confirm they give effect to and support the mandate, responsibility and accountability of the head of the trading services internal business unit for all operational and supporting value chains. In support of the implementation of these delegations and, where required, documentation of services and accountability with relevant performance targets/service standards will be developed and approved by the trading service and the relevant corporate service provider.	City will, by 30 June 2027, have reviewed the approved delegations to confirm they continue to give effect to and support the mandate, responsibility and accountability of the head of the trading services internal business unit for all operational and supporting value chains	City will, by 30 June 2028, have reviewed the approved delegations to confirm they give effect to and support the mandate, responsibility and accountability of the head of the trading services internal business unit for all operational and supporting value chains	City will, by 30 June 2029, have reviewed the approved delegations to confirm they continue to give effect to and support the mandate, responsibility and accountability of the head of the trading services internal business unit for all operational and supporting value chains	City will, by 30 June 2030, have reviewed the approved delegations to confirm they continue to give effect to and support the mandate, responsibility and accountability of the head of the trading services internal business unit for all operational and supporting value chains	City will, by 30 June 2031, have reviewed the approved delegations to confirm they continue to give effect to and support the mandate, responsibility and accountability of the head of the trading services internal business unit for all operational and supporting value chains
M5	Financial Model and Business & Investment Plan	Sector Plan, inclusive of business and investment plan, completed annually and approved by Trading Service Head Trading Service Financial Model developed with tariff parameters as an output	City will, by 30 June 2026, develop a multi-year utility financial model (i.e. reflecting utility characteristics and requirements), and use this to prioritise and generate a 10-year Business & Investment Plan to achieve long-term strategic objectives starting from 2026/27, according to the requirements set out in M5 (Financial Model and Business & Investment Plan);	Trading Service Sector Plan - Inclusive of financial model and business and investment plan	Financial & Tariff Reform Programme: Business and Investment Planning	City will, by 30 June 2026, develop a multi-year utility financial model (i.e. reflecting utility characteristics and requirements), and use this to prioritise and generate a 10-year Business & Investment Plan to achieve long-term strategic objectives starting from 2026/27, according to the requirements set out in M5 (Financial Model and Business & Investment Plan);	City will, by 30 June 2027, review and update the multi-year financial model and use this to review and update the 10-year Business and Investment Plan (2027/28 - 2037/38)	City will, by 30 June 2028, review and update the multi-year financial model and use this to review and update the 10-year Business and Investment Plan (2028/29 - 2038/39)	City will, by 30 June 2029, review and update the multi-year financial model and use this to review and update the 10-year Business and Investment Plan (2029/30 - 2039/40)	City will, by 30 June 2030, review and update the multi-year financial model and use this to review and update the 10-year Business and Investment Plan (2030/31 - 2040/41)	City will, by 30 June 2031, review and update the multi-year financial model and use this to review and update the 10-year Business and Investment Plan (2031/232 - 2041/42)
M6	Budget Support of Business & Investment Plan	Council-approved City Budget mostly aligned with Trading Service Capital Investment Pipeline and Operating Budget Requirements	City will, by 30 June 2026, ensure that its overall metro budget for the 2026/27 MTREF accommodates, supports and funds the business and investments plans of its trading services, to the maximum extent possible, as set out in M6 (Budget support of Trading Service Business & Investment Plan).	Annual City Budget approved by Council capetown.gov.za/Family and home/Meet-the-City/the-city-budget/the-citys-budget-2024-2025	Financial & Tariff Reform Programme: Business and Investment Planning	City will, by 30 June 2026, ensure that its overall metro budget for the 2026/27 MTREF accommodates, supports and funds the business and investments plans of its trading services, to the maximum extent possible, as set out in M6 (Budget support of Trading Service Business & Investment Plan).	City will, by 30 June 2027, ensure that its overall metro budget for the 2027/28 MTREF accommodates, supports and funds the business and investments plans of its trading services, to the maximum extent possible, as set out in M6 (Budget support of Trading Service Business & Investment Plan).	City will, by 30 June 2028, ensure that its overall metro budget for the 2028/29 MTREF accommodates, supports and funds the business and investments plans of its trading services, to the maximum extent possible, as set out in M6 (Budget support of Trading Service Business & Investment Plan).	City will, by 30 June 2029, ensure that its overall metro budget for the 2029/30 MTREF accommodates, supports and funds the business and investments plans of its trading services, to the maximum extent possible, as set out in M6 (Budget support of Trading Service Business & Investment Plan).	City will, by 30 June 2030, ensure that its overall metro budget for the 2030/31 MTREF accommodates, supports and funds the business and investments plans of its trading services, to the maximum extent possible, as set out in M6 (Budget support of Trading Service Business & Investment Plan).	City will, by 30 June 2031, ensure that its overall metro budget for the 2031/32 MTREF accommodates, supports and funds the business and investments plans of its trading services, to the maximum extent possible, as set out in M6 (Budget support of Trading Service Business & Investment Plan).
M7	Financial Transparency – separate Annual Financial Statement (AFS)	Trading Service Business Unit segmental financial reporting is available, but not yet published with City AFS.	City will, by 30 June 2026, ensure that it is able to provide full separate AFS for the Energy trading service for the 2024/25 financial year, and the flows and balances statement, as set out in M7 (Financial Transparency).	City's Audited Financial Statements with Trading Service AFS attached as an annexure (approved by TS Head and Director: Commercial Services/Financial Manager of the Business Unit) capetown.gov.za/work and	Financial and Tariff Reform Programme: Financial Transparency	City will, by 30 June 2026, ensure that it is able to provide full separate AFS for the Energy trading service for the 2024/25 financial year, and the flows and balances statement, as set out in M7 (Financial Transparency).	City will, by 30 June 2027, provide full separate AFS for the Energy trading service for the 2025/26 financial year, and the flows and balances statement, as set out in M7 (Financial Transparency).	City will, by 30 June 2028, provide full separate AFS for the Energy trading service for the 2026/27 financial year, and the flows and balances statement, as set out in M7 (Financial Transparency).	City will, by 30 June 2029, provide full separate AFS for the Energy trading service for the 2027/28 financial year, and the flows and balances statement, as set out in M7 (Financial Transparency).	City will, by 30 June 2030, provide full separate AFS for the Energy trading service for the 2028/29 financial year, and the flows and balances statement, as set out in M7 (Financial Transparency).	City will, by 30 June 2031, provide full separate AFS for the Energy trading service for the 2029/30 financial year, and the flows and balances statement, as set out in M7 (Financial Transparency).
M8	Support for management of organisational change	Existing resources in the City are providing additional support capacity to trading services to meet a portion of the need. City Manager and TS Head commitment to having support capacity in place.	City will, by 30 June 2026, have in place and effective (a) additional capacity to support and manage the planned organisational change; and (b) sufficient capacity to support the planned trading services capex, as set out in M8 (Support for the management of organisational change and increased delivery).	Appointment Letters / Contracts for relevant staff or contractors providing additional capacity to support Metro Trading Services Reform Programme Trading Service Change Management Plan	Institutional & Workforce Reform Programme: Workforce Capability and Capacity Development	City will, by 30 June 2026, have in place and effective (a) additional capacity to support and manage the planned organisational change; and (b) sufficient capacity to support the planned trading services capex, as set out in M8 (Support for the management of organisational change and increased delivery).	City will, by 30 June 2027, confirm the retention of effective (a) additional capacity to support and manage the planned organisational change; and (b) sufficient capacity to support the planned trading services capex, as set out in M8 (Support for the management of organisational change and increased delivery).	City will, by 30 June 2028, confirm the retention of effective (a) additional capacity to support and manage the planned organisational change; and (b) sufficient capacity to support the planned trading services capex, as set out in M8 (Support for the management of organisational change and increased delivery).	City will, by 30 June 2029, confirm the retention of effective (a) additional capacity to support and manage the planned organisational change; and (b) sufficient capacity to support the planned trading services capex, as set out in M8 (Support for the management of organisational change and increased delivery).	City will, by 30 June 2030, confirm the retention of effective (a) additional capacity to support and manage the planned organisational change; and (b) sufficient capacity to support the planned trading services capex, as set out in M8 (Support for the management of organisational change and increased delivery).	City will, by 30 June 2031, confirm the retention of effective (a) additional capacity to support and manage the planned organisational change; and (b) sufficient capacity to support the planned trading services capex, as set out in M8 (Support for the management of organisational change and increased delivery).

Approved by Executive Director: Energy
Kadri Nassiep

City of Cape Town Municipality - Metro Trading Services Reform Strategy: Electricity and Energy Trading Service

DRAFT ANNEXURE 3: PERFORMANCE IMPROVEMENT ACTION PLAN Version 1

2025/05/08

ELECTRICITY & ENERGY — *these columns to be completed*

Target-setting template — The descriptions provided here are intended to be summarised and specifically for the purpose of target setting. The accompanying narrative report can be used to provide more detail than is easily conveyed in a spreadsheet cell.

Please complete all section

No	Name	Starting point / status quo (2023/24 where quantitative values are provided) *Status Y0*	Metro ambition	Evidence	Reform Activity Packages to ach	2025/26 *Target Y1*	2026/27 *Target Y2*	2027/28 *Target Y3*	2028/29 *Target Y4*	2029/30 *Target Y5*	2030/31 *Target Y6*
1	**ACCOUNTABILITY PERFORMANCE**										
2	**ACCOUNTABILITY PERFORI**	**Starting point / status quo**	**Metro ambition**		**Reform Activity Packages to ach**	**2025/26**	**2026/27**	**2027/28**	**2028/29**	**2029/30**	**2030/31**
A1	Customer surveys	City conducts an Annual Customer Satisfaction Survey conducted 23/24 Score: 3.14	By 30 June 2026, the City will have conducted a Customer Satisfaction Survey and determined appropriate targets for Customer Satisfaction for 2026/27 - 2030/31	Customer Survey Questions and Analysis Report	Institutional & Workforce Reform Programme: SPoMA	By 30 June 2026, the City will have conducted a Customer Satisfaction Survey and determined appropriate targets for Customer Satisfaction for 2026/27 - 2030/31.	By 30 June 2027, the City will have conducted a Customer Satisfaction Survey and assessed the results against the target set in 2025/26.	By 30 June 2027, the City will have conducted a Customer Satisfaction Survey and assessed the results against the target set in 2025/26. The City will also review the targets and adjust them if required for 2028/29 - 2030/31	By 30 June 2029, the City will have conducted a Customer Satisfaction Survey.	By 30 June 2030, the City will have conducted a Customer Satisfaction Survey.	By 30 June 2031, the City will have conducted a Customer Satisfaction Survey.
A2	Financial Accounting - mSCoA compliance	The City is mSCoA Compliant for the segmental AFS.	By 30 June 2026, the City will have maintained compliance with mSCoA for the segmental AFS for the Energy Trading Service.	Segmental AFS for Trading Service	Financial and Tariff Reform Programme: Financial Transparency	By 30 June 2026, the City will have maintained compliance with mSCoA for the segmental AFS for the Energy Trading Service.	By 30 June 2027, the City will have maintained compliance with mSCoA for the segmental AFS for the Energy Trading Service.	By 30 June 2028, the City will have maintained compliance with mSCoA for the segmental AFS for the Energy Trading Service.	By 30 June 2029, the City will have maintained compliance with mSCoA for the segmental AFS for the Energy Trading Service.	By 30 June 2030, the City will have maintained compliance with mSCoA for the segmental AFS for the Energy Trading Service.	By 30 June 2031, the City will have maintained compliance with mSCoA for the segmental AFS for the Energy Trading Service.
A3	Public procurement transparency	Full adherence to statutory regulations regarding procurement transparency. Partial procurement	City will maintain full adherence to statutory regulations regarding procurement transparency. By 30 June 2031, the City will implement	Procurement Report	Financial and Tariff Reform Programme: Financial Transparency	By 30 June 2026, City will confirm full adherence to statutory regulations regarding procurement transparency.	By 30 June 2027, City will maintain full adherence to statutory regulations regarding procurement transparency.	By 30 June 2028, City will maintain full adherence to statutory regulations regarding procurement transparency.	By 30 June 2029, City will maintain full adherence to statutory regulations regarding procurement transparency.	By 30 June 2030, City will maintain full adherence to statutory regulations regarding procurement transparency.	By 30 June 2031, City will maintain full adherence to statutory regulations regarding procurement transparency. By 30 June 2031, the City will implement e-
A4	Capital Budget Execution	91.07%	The City will spend a minimum of 90% of the planned CAPEX budget.	Segmental AFS for Trading Service	Infrastructure & Technology Reform Programme	By 30 June 2026, the Energy Business Unit will have spent a minimum of 90% of its planned CAPEX budget.	By 30 June 2027, the Energy Business Unit will have spent a minimum of 90% of its planned CAPEX budget.	By 30 June 2028, the Energy Business Unit will have spent a minimum of 90% of its planned CAPEX budget.	By 30 June 2029, the Energy Business Unit will have spent a minimum of 90% of its planned CAPEX budget.	By 30 June 2030, the Energy Business Unit will have spent a minimum of 90% of its planned CAPEX budget.	By 30 June 2031, the Energy Business Unit will have spent a minimum of 90% of its planned CAPEX budget.
A5	Core technical & management capacity	% vacancies in Energy Trading Service that are all funded posts: 9.66% Strategic Workforce Plan	By 30 June 2026 and in the years thereafter, the Energy Business Unit has a maximum vacancy rate of 10%. By 30 June 2027, the Energy Business	SAP HR Report	Institutional & Workforce Reform Programme: Workforce Capability and Capacity Development	By 30 June 2026, the Energy Business Unit has a maximum vacancy rate of 10%.	By 30 June 2027, the Energy Business Unit has a maximum vacancy rate of 10%. By 30 June 2027, the Energy Business Unit reports on the ratio of registered engineers of all types to	By 30 June 2028, the Energy Business Unit has a maximum vacancy rate of 10%. By 30 June 2028, the Energy Business Unit reports on the ratio of registered engineers of all types to ensure there is sufficient	By 30 June 2029, the Energy Business Unit has a maximum vacancy rate of 10%. By 30 June 2029, the Energy Business Unit reports on the ratio of registered engineers of	By 30 June 2030, the Energy Business Unit has a maximum vacancy rate of 10%. By 30 June 2030, the Energy Business Unit reports on the ratio of registered engineers of	By 30 June 2031, the Energy Business Unit has a maximum vacancy rate of 10%. By 30 June 2031, the Energy Business Unit reports on the ratio of registered engineers of
3	**FINANCIAL PERFORMANCI**	**Starting point / status quo**	**Metro ambition**		**Reform Activity Packages to ach**	**2025/26**	**2026/27**	**2027/28**	**2028/29**	**2029/30**	**2030/31**
F1	Financial viability OCCR	1.4	As determined in the financial model, the City will maintain financial viability of the energy trading service with a minimum OCCR of 1.	Segmental AFS for Trading Service	Financial & Tariff Reform Programme	City will, by 30 June 2026, use the financial model to confirm the optimal targets for 2026/27 - 2030/31 given the operational and financial requirements of the trading service and develop a plan to achieve these targets, as part of the business plan.	City will, by 30 June 2027, have initiated the implementation of the approved improvement plan and achieved the target set in 25/26.	City will, by 30 June 2028, have continued to implement the approved improvement plan and achieved the target set in 25/26. The City will also have reviewed the targets for 2028/29 - 2030/31 and reset these if required.	City will, by 30 June 2029, have continued to implement the approved improvement plan and achieved the target set in 2027/28.	City will, by 30 June 2030, have continued to implement the approved improvement plan and achieved the target set in 2027/28.	City will, by 30 June 2031, have continued to implement the approved improvement plan and achieved the target set in 2027/28.
F2	Cash collection rate	97.40%	By 30 June 2026, the City will increase cash collection to a minimum of 98% and maintain it in the years thereafter.	Segmental AFS for Trading Service	Financial & Tariff Reform Programme	City will, by 30 June 2026, use the financial model to confirm the optimal targets for 2026/27 - 2030/31 given the operational and financial requirements of the trading service and develop a plan to achieve these targets.	City will, by 30 June 2027, have initiated the implementation of the approved improvement plan and achieved the target set in 25/26.	City will, by 30 June 2028, have continued to implement the approved improvement plan and achieved the target set in 25/26. The City will also have reviewed the targets for 2028/29 - 2030/31 and reset these if required.	City will, by 30 June 2029, have continued to implement the approved improvement plan and achieved the target set in 2027/28.	City will, by 30 June 2030, have continued to implement the approved improvement plan and achieved the target set in 2027/28.	City will, by 30 June 2031, have continued to implement the approved improvement plan and achieved the target set in 2027/28.
F3	Operational cash flow	R1 560 987 000	The City will maintain a positive operational cash flow on an annual basis with the exact value to be determined based on financial and operational requirements.	Segmental AFS for Trading Service	Financial & Tariff Reform Programme	City will, by 30 June 2026, use the financial model to confirm the optimal targets for 2026/27 - 2030/31 given the operational and financial requirements of the trading service and develop a plan to achieve these targets.	City will, by 30 June 2027, have initiated the implementation of the approved improvement plan and achieved the target set in 25/26.	City will, by 30 June 2028, have continued to implement the approved improvement plan and achieved the target set in 25/26. The City will also have reviewed the targets for 2028/29 - 2030/31 and reset these if required.	City will, by 30 June 2029, have continued to implement the approved improvement plan and achieved the target set in 2027/28.	City will, by 30 June 2030, have continued to implement the approved improvement plan and achieved the target set in 2027/28.	City will, by 30 June 2031, have continued to implement the approved improvement plan and achieved the target set in 2027/28.
F4	Customer debt management - debtors days	39 days	The City will maintain performance for customer debt management with debtors days being less than the national benchmark of 60 days.	Segmental AFS for Trading Service	Financial & Tariff Reform Programme	City will, by 30 June 2026, use the financial model to confirm the optimal targets for 2026/27 - 2030/31 given the operational and financial requirements of the trading service and develop a plan to achieve these targets.	City will, by 30 June 2027, have initiated the implementation of the approved improvement plan and achieved the target set in 25/26.	City will, by 30 June 2028, have continued to implement the approved improvement plan and achieved the target set in 25/26. The City will also have reviewed the targets for 2028/29 - 2030/31 and reset these if required.	City will, by 30 June 2029, have continued to implement the approved improvement plan and achieved the target set in 2027/28.	City will, by 30 June 2030, have continued to implement the approved improvement plan and achieved the target set in 2027/28.	City will, by 30 June 2031, have continued to implement the approved improvement plan and achieved the target set in 2027/28.
F5	Infrastructure spending (capex)	R1 109 601 000	The City will ensure sufficient capital expenditure is incurred to achieve operational performance targets, as per the business and investment plan	Segmental AFS for Trading Service	Infrastructure & Technology Reform Programme	City will, by 30 June 2026, use the financial model to confirm the optimal targets for 2026/27 - 2030/31 given the operational and financial requirements of the trading service and develop a plan to achieve these targets.	City will, by 30 June 2027, have initiated the implementation of the approved improvement plan and achieved the target set in 25/26.	City will, by 30 June 2028, have continued to implement the approved improvement plan and achieved the target set in 25/26. The City will also have reviewed the targets for 2028/29 - 2030/31 and reset these if required.	City will, by 30 June 2029, have continued to implement the approved improvement plan and achieved the target set in 2027/28.	City will, by 30 June 2030, have continued to implement the approved improvement plan and achieved the target set in 2027/28.	City will, by 30 June 2031, have continued to implement the approved improvement plan and achieved the target set in 2027/28.
F6	Self-financing ratio	102%	The City will maintain a self-financing ratio of above 98%.	Segmental AFS for Trading Service	Financial & Tariff Reform Programme	City will, by 30 June 2026, use the financial model to confirm the optimal targets for 2026/27 - 2030/31 given the operational and financial requirements of the trading service and develop a plan to achieve these targets.	City will, by 30 June 2027, have initiated the implementation of the approved improvement plan and achieved the target set in 25/26.	City will, by 30 June 2028, have continued to implement the approved improvement plan and achieved the target set in 25/26. The City will also have reviewed the targets for 2028/29 - 2030/31 and reset these if required.	City will, by 30 June 2029, have continued to implement the approved improvement plan and achieved the target set in 2027/28.	City will, by 30 June 2030, have continued to implement the approved improvement plan and achieved the target set in 2027/28.	City will, by 30 June 2031, have continued to implement the approved improvement plan and achieved the target set in 2027/28.
4	***OPERATIONAL PERFORN***	***Starting point / status quo***	***Metro ambition***		**Reform Activity Packages to ach**	***2025/26***	***2026/27***	***2027/28***	***2028/29***	***2029/30***	***2030/31***
E1	Bulk commercial metering performance	99.50%	The City will maintain the bulk commercial metering performance at or above 98%.	SAP Report	Financial & Tariff Reform Programme: Retail System Optimisation	City will, by 30 June 2026, use the financial model and business plan to confirm the optimal targets for 2026/27 - 2030/31 given the operational and financial requirements of the trading service and develop a plan to achieve these targets.	City will, by 30 June 2027, have initiated the implementation of the approved improvement plan and achieved the target set in 25/26.	City will, by 30 June 2028, have continued to implement the approved improvement plan and achieved the target set in 25/26. The City will also have reviewed the targets for 2028/29 - 2030/31 and reset these if required.	City will, by 30 June 2029, have continued to implement the approved improvement plan and achieved the target set in 2027/28.	City will, by 30 June 2030, have continued to implement the approved improvement plan and achieved the target set in 2027/28.	City will, by 30 June 2031, have continued to implement the approved improvement plan and achieved the target set in 2027/28.
E2	Vending efficiency % metering operational	99.90%	The City will maintain the vending efficiency at or above 98%.	SAP Report	Financial & Tariff Reform Programme: Retail System Optimisation	City will, by 30 June 2026, use the financial model and business plan to confirm the optimal targets for 2026/27 - 2030/31 given the operational and financial requirements of the trading service and develop a plan to achieve these targets.	City will, by 30 June 2027, have initiated the implementation of the approved improvement plan and achieved the target set in 25/26.	City will, by 30 June 2028, have continued to implement the approved improvement plan and achieved the target set in 25/26. The City will also have reviewed the targets for 2028/29 - 2030/31 and reset these if required.	City will, by 30 June 2029, have continued to implement the approved improvement plan and achieved the target set in 2027/28.	City will, by 30 June 2030, have continued to implement the approved improvement plan and achieved the target set in 2027/28.	City will, by 30 June 2031, have continued to implement the approved improvement plan and achieved the target set in 2027/28.
E3	Automated meter reading coverage	61.80%	The City will continue with its meter replacement programme to ensure that 100% of commercial meters are either AMI or prepaid, as required by customer needs, and are automatically read	SAP Report	Financial & Tariff Reform Programme: Retail System Optimisation	City will, by 30 June 2026, use the financial model and business plan to confirm the optimal targets for 2026/27 - 2030/31 given the operational and financial requirements of the trading service and develop a plan to achieve these targets.	City will, by 30 June 2027, have initiated the implementation of the approved improvement plan and achieved the target set in 25/26.	City will, by 30 June 2028, have continued to implement the approved improvement plan and achieved the target set in 25/26. The City will also have reviewed the targets for 2028/29 - 2030/31 and reset these if required.	City will, by 30 June 2029, have continued to implement the approved improvement plan and achieved the target set in 2027/28.	City will, by 30 June 2030, have continued to implement the approved improvement plan and achieved the target set in 2027/28.	City will, by 30 June 2031, have continued to implement the approved improvement plan and achieved the target set in 2027/28.
E4	Repairs efficiency	4.00%	The City will maintain sufficient investment in repairs and maintenance as determined by operational and financial requirements.	Segmental AFS for Trading Service	Infrastructure & Technology Reform Programme: Network System Repairs and Maintenance	City will, by 30 June 2026, use the financial model and business plan to confirm the optimal targets for 2026/27 - 2030/31 given the operational and financial requirements of the trading service and develop a plan to achieve these targets.	City will, by 30 June 2027, have initiated the implementation of the approved improvement plan and achieved the target set in 25/26.	City will, by 30 June 2028, have continued to implement the approved improvement plan and achieved the target set in 25/26. The City will also have reviewed the targets for 2028/29 - 2030/31 and reset these if required.	City will, by 30 June 2029, have continued to implement the approved improvement plan and achieved the target set in 2027/28.	City will, by 30 June 2030, have continued to implement the approved improvement plan and achieved the target set in 2027/28.	City will, by 30 June 2031, have continued to implement the approved improvement plan and achieved the target set in 2027/28.
E5	Electricity losses % of electricity purchased	10.22%	The City will enhance revenue protection measures to maintain, and where possible further reduce, non-technical losses.	Service Delivery and Budget Implementation Plan (SDBIP) Annual Report	Financial & Tariff Reform Programme: Theft, Encroachment and Vandalism Prevention and Response	City will, by 30 June 2026, use the financial model and business plan to confirm the optimal targets for 2026/27 - 2030/31 given the operational and financial requirements of the trading service and develop a plan to achieve these targets.	City will, by 30 June 2027, have initiated the implementation of the approved improvement plan and achieved the target set in 25/26.	City will, by 30 June 2028, have continued to implement the approved improvement plan and achieved the target set in 25/26. The City will also have reviewed the targets for 2028/29 - 2030/31 and reset these if required.	City will, by 30 June 2029, have continued to implement the approved improvement plan and achieved the target set in 2027/28.	City will, by 30 June 2030, have continued to implement the approved improvement plan and achieved the target set in 2027/28.	City will, by 30 June 2031, have continued to implement the approved improvement plan and achieved the target set in 2027/28.
E6	Network effectiveness ASIFI	0.44	The City will continue to develop, maintain, and operate network assets in such a way as to maintain an ASIFI value of below 1.	Service Delivery and Budget Implementation Plan (SDBIP) Annual Report	Infrastructure & Technology Reform Programme	City will, by 30 June 2026, use the financial model and business plan to confirm the optimal targets for 2026/27 - 2030/31 given the operational and financial requirements of the trading service and develop a plan to achieve these targets.	City will, by 30 June 2027, have initiated the implementation of the approved improvement plan and achieved the target set in 25/26.	City will, by 30 June 2028, have continued to implement the approved improvement plan and achieved the target set in 25/26. The City will also have reviewed the targets for 2028/29 - 2030/31 and reset these if required.	City will, by 30 June 2029, have continued to implement the approved improvement plan and achieved the target set in 2027/28.	City will, by 30 June 2030, have continued to implement the approved improvement plan and achieved the target set in 2027/28.	City will, by 30 June 2031, have continued to implement the approved improvement plan and achieved the target set in 2027/28.
E7	Network effectiveness ASIDI	2.17	The City will continue to respond appropriately to interruptions in service delivery in such a way as to maintain an ASIDI value of below 3.	Service Delivery and Budget Implementation Plan (SDBIP) Annual Report	Infrastructure & Technology Reform Programme	City will, by 30 June 2026, use the financial model and business plan to confirm the optimal targets for 2026/27 - 2030/31 given the operational and financial requirements of the trading service and develop a plan to achieve these targets.	City will, by 30 June 2027, have initiated the implementation of the approved improvement plan and achieved the target set in 25/26.	City will, by 30 June 2028, have continued to implement the approved improvement plan and achieved the target set in 25/26. The City will also have reviewed the targets for 2028/29 - 2030/31 and reset these if required.	City will, by 30 June 2029, have continued to implement the approved improvement plan and achieved the target set in 2027/28.	City will, by 30 June 2030, have continued to implement the approved improvement plan and achieved the target set in 2027/28.	City will, by 30 June 2031, have continued to implement the approved improvement plan and achieved the target set in 2027/28.

Approved by Executive Director: Energy
Kadri Nassiep

City of Cape Town Municipality - Metro Trading Services Reform Strategy: Electricity and Energy Trading Service
ANNEXURE 3: PERFORMANCE IMPROVEMENT ACTION PLAN Version 1
FINAL Narrative and Costing Summary Sheet

2025/05/07

Reform Activity Packages	Description of Reform Activity Packages	Desired Outcome of Reform Activity Packages	Reform Activities	Descriptionn of Reform Activities	Indicative CAPEX 25/26	26/27	27/28	28/29	29/30	30/31
Infrastructure & Technology Reform	The City's electricity distribution network is a crucial asset that requires ongoing maintenance and upgrades to support both historical investments and the growing adoption of renewable energy. As energy systems evolve, the grid must be modernized to handle distributed energy resources and bi-directional electricity flows. This will require investments in digital technologies for real-time decision-making, automation, and improved system stability. To optimize operations, the City must enhance its use of real-time data, integrate AI-driven automation, and strengthen cybersecurity. As the energy market decentralizes, forecasting supply and demand will become more important, requiring advanced digital infrastructure and skilled personnel.	Enhanced utility operations that support the integration of more distributed energy resource, through modernising (upgrading) and maintaining (repairing and refurbishing) infrastructure and leveraging digital technologies to ensure a safer and more cost-effective distribution grid service and to enhance operational and financial performance.	A.3.1 Network System Repairs and Maintenance	The City invests in the HV, MV and LV network and street lighting infrastructure through refurbishing and/or replacing components of the network to enhance performance or prevent decline of grid performance.	R503 190 371.00	R467 923 000.00	R462 995 000.00	R454 604 700.00	R530 093 160.00	R600 400 000.00
			A.3.2 Network Enhancement	Upgrade and replace network components to meet customer demand and technical network requirements	R255 805 134.00	R482 475 740.00	R562 916 229.00	R623 470 787.00	R493 984 582.00	R426 000 000.00
			A.3.3 Network Expansion	The City connects new customers to the electricity grid or upgrades existing connections.	R89 100 000.00	R90 600 000.00	R89 510 000.00	R92 225 000.00	R91 983 000.00	R92 100 000.00
			A.3.4 Distribution System Operation	The City appropriately leverages and integrates digital technologies for distribution infrastructure operations and management, especially to better manage distributed energy resources.	R26 484 000.00	R32 006 890.00	R24 707 000.00	R25 289 000.00	R25 867 000.00	R26 000 000.00
Financial & Tariff Reform	The financial sustainability of the City's electricity utility is crucial for its continued operation. As the energy system evolves, financial adjustments are needed to ensure cost recovery and risk mitigation. Tariffs are key to revenue generation, covering both fixed costs (network maintenance) and variable costs (electricity purchase, mainly from Eskom). However, declining energy demand threatens traditional tariff structures, necessitating reform to maintain financial viability and support future investment. Additionally, the growing complexity of energy transactions requires updates in billing systems, incorporating smart meters and responsive retail software. Electricity sales also cross-subsidize essential municipal services, but this funding is at risk due to declining sales, necessitating a review to maintain affordability and competitiveness.	A electricity utility with enhanced financial performance that encourages private-sector participation in energy supply, safeguards the provision of subsidised energy access to indigent households, and ensures that the cost of providing and maintaining electricity infrastructure is fairly distributed across customers.	A.2.1 Tariff reform	Tariffs are restructured to be more cost reflective and transparent.	R0.00	R0.00	R0.00	R0.00	R0.00	R0.00
			A.2.2 Retail System Optimisation	Meter replacement and billing and vending Systems upgrades to enable revenue collection in an increasingly complex billing environment	R69 040 000.00	R72 972 000.00	R76 820 000.00	R80 249 000.00	R84 265 000.00	R86 500 000.00
			A.2.3 Theft, Encroachment and Vandalism Prevention and Response	The City invests in a multi-pronged approach to addressing theft, vandalism and encroachment of electricity and related infrastructure to limit the cost burden of this on the utility.	R134 510 900.00	R138 750 000.00	R142 812 364.00	R167 873 105.00	R159 937 492.00	R163 800 000.00
			A.2.4 Business and Investment Planning	Enhanced financial planning to provided for evidence-based infrastructure pipeline development and business decisions.	R0.00	R0.00	R0.00	R0.00	R0.00	R0.00
			A.2.5 Financial Transparency	The financial relationship between the City and the Utility is explicit and can be easily tracked.	R0.00	R0.00	R0.00	R0.00	R0.00	R0.00
Institutional & Workforce Reform	Electricity utilities have traditionally been vertically integrated, but many have unbundled their operations to improve financial sustainability, transparency and accountability, and adaptability. Eskom is undergoing this process, and the City of Cape Town plans to do the same by separating its generation, distribution, and retail functions. Additionally, the City's Energy Directorate must develop new skills to manage digitalization and increased customer engagement.	A restructured and capacitated electricity utility department with enhanced accountability for the full value chain that is agile and sustainable within a changing energy system and has the skills to respond to the changing needs of customers and the energy system more broadly to ultimately enhance operational and financial performance.	A.1.1 Business Function Review	The City's reviews the institutional arrangements for the electricity utility in line with the functions a utility must perform in a more competitive energy sector.	R0.00	R0.00	R0.00	R0.00	R0.00	R0.00
			A.1.2 Workforce Capability and Capacity Development	The City assesses skills, capacity and capability requirements for the evolving utility business functions and recruits and develops the workforce accordingly.	R0.00	R0.00	R0.00	R0.00	R0.00	R0.00
			A.1.3 Single Point of Management Accountability (SPoMA)	The City creates a Single Point of Management Accountability for the full electricity service value chain and embeds this within City processes through approved processes and documentation to support retainment of SPoMA.	R0.00	R0.00	R0.00	R0.00	R0.00	R0.00
				Indicative Total	**R1 078 130 405.00**	**R1 284 727 630.00**	**R1 359 760 593.00**	**R1 443 711 592.00**	**R1 386 130 234.00**	**R1 394 800 000.00**

Reform Activities	Indicative OPEX (not inclusive of all OPEX such as staff costs, etc) 25/26	26/27	27/28	28/29	29/30	30/31
A.3.1 Network System Repairs and Maintenance	R50 000 000.00	R50 000 000.00	R50 000 000.00	R50 000 000.00	R10 000 000.00	R10 000 000.00
A.3.2 Network Enhancement	R311 997 065.00	R334 058 466.00	R355 324 736.00	R370 959 024.00	R387 281 221.00	R404 321 595.00
A.3.3 Network Expansion	R0.00	R1 416 126.00	R1 451 530.00	R1 487 817.00	R1 525 014.00	R1 563 140.00
A.3.4 Distribution System Operation	R53 919 614.00	R61 828 841.00	R66 241 141.00	R69 155 751.00	72198604	R75 375 343.00
A.2.1 Tariff reform	R0.00	R0.00	R0.00	R0.00	R0.00	R0.00
A.2.2 Retail System Optimisation	R0.00	R0.00	R0.00	R0.00	R0.00	R0.00
A.2.3 Theft, Encroachment and Vandalism Prevention and Response	R500 000.00	R1 500 000.00	R1 500 000.00	R1 500 000.00	R1 500 000.00	R1 500 000.00
A.2.4 Business and Investment Planning	R1 000 000.00	R1 000 000.00	R1 000 000.00	R1 000 000.00	R1 000 000.00	R1 000 000.00
A.2.5 Financial Transparency	R0.00	R0.00	R0.00	R0.00	R0.00	R0.00
A.1.1 Business Function Review	R2 000 000.00	R2 000 000.00	R1 000 000.00	R0.00	R0.00	R0.00
A.1.2 Workforce Capability and Capacity Development	R78 963 751.00	R83 503 664.00	R88 601 785.00	R92 456 264.00	R96 480 340.00	R100 681 475.00
A.1.3 Single Point of Management Accountability (SPoMA)	R3 428 435.00	R3 524 854.00	R1 635 406.00	R1 752 338.00	R1 877 630.00	R2 011 881.00
Indicative Total	**R501 808 865.00**	**R538 831 951.00**	**R566 754 598.00**	**R588 311 194.00**	**R499 664 205.00**	**R596 453 434.00**

PROGRAMME FUNDING

Capital funding (indicative)	25/26	26/27	27/28	28/29	29/30	30/31
Transfers - TS incentive	R215 500 000	R383 100 000	R479 100 000	R479 100 000	R479 100 000	R479 100 000
Transfers recognised - other capital	R13 600 000	R13 600 000	R10 100 000	R11 100 000	R9 100 000	R9 100 000
Borrowing	R329 079 730	R465 563 962	R641 018 593	R540 528 150	R638 647 074	R673 900 000
Internally generated funds	R735 450 675	R805 563 668	R708 642 000	R879 083 442	R725 383 160	R698 800 000
Total sources of capital funds	**R1 293 630 405.00**	**R1 667 827 630.00**	**R1 838 860 593.00**	**R1 909 811 592.00**	**R1 852 230 234.00**	**R1 860 900 000.00**

Operating revenues (indicative)	25/26	26/27	27/28	28/29	29/30	30/31
Own operating revenues	R473 808 865	R510 831 951	R540 754 598	R564 311 194	R480 664 205	R577 453 434
Transfers - TS incentive	R24 000 000	R24 000 000	R24 000 000	R24 000 000	R19 000 000	R19 000 000
Other grants	R4 000 000	R4 000 000	R2 000 000			
Total operational revenues	**R501 808 865.00**	**R538 831 951.00**	**R566 754 598.00**	**R588 311 194.00**	**R499 664 205.00**	**R596 453 434.00**

EXECUTIVE DIRECTOR: ENERGY
08 MAY 2025

Approved by Executive Director: Energy
Kadri Nassiep