CITY OF CAPE TOWN
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ANNEXURE B

HIGH LEVEL SUMMARY OF CHANGES BETWEEN THE TABLED- AND PROPOSED 2023/24 BUDGET

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Following the tabling of the City's Draft 2023/24 Budget by the Executive Mayor in March 2023, Portfolio Committees (PC) considered the budget details of the functions within their respective portfolios. In addition, proposals for amendments resulting from the latest Provincial Gazette Extraordinary 8730 dated 14 March 2023, as well as from line functions, and other fora were received.

A. 2023/24 Operating Budget

1. Additional allocations, which will be incorporated into the budget for adoption, are reflected in the table below:

Directorate	Amount (Rand)	Reason for amendments
Finance	20 000 000	Top-up on insurance premiums, due to a 21.5% increase in the asset base as a result of substantial building replacement cost escalations. The global- and local distressed market also has a major impact on premium pricing. The increase in premiums charged by the Insurer was not anticipated and will be funded from the Insurance Fund.
Finance	5 000 000	For City Services for rugby matches at the DHL Stadium; to be funded within Rates.
City Wide	1 900 000	Top-up to address Sizwe HOSMED mid-year contribution increases effective 1 May 2023; to be funded within Rates.
Human Settlements	1 800 000	Top-up on Home Owners Scheme (Saleable Units) Insurance Cover, due to the tremendous increase in the short-term insurance market; to be funded within Rates.
Economic Growth	2 600 000	Inflationary increase provided on City's contribution to Cape Town Tourism; to be funded within Rates.

All additional requirements reflected in the above table are supported and will be funded from the Insurance Fund and surpluses emanating from higher than expected Fuel Levy and Equitable Share allocations.

2. Updated Operating Grants and Donations allocations are listed below.

Grant Source	Increase/ Decrease (Rand)	Comment
Provincial Grants		
Schools Resource Officers	14 000 000	Increase within Safety & Security Directorate
Resourcing Funding for Establishment and Support of a K9 Unit	-1 040 000	Decrease within Safety & Security Directorate
Primary Health	-55 657 000	Decrease within Community Services & Health Directorate
Integrated Nutrition	-923 000	Decrease within Community Services & Health Directorate
HIV and Aids	436 000	Increase within Community Services & Health Directorate
Provincial Library Services: Conditional grant	57 000	Increase within Community Services & Health Directorate
Library Services: Transfer funding to enable City of Cape Town to procure periodicals and newspapers	137 000	Increase within Community Services & Health Directorate
Human Settlement Development Grant	-7 093 000	Decrease within Human Settlements Directorate
Community Development Workers	-16 000	Decrease within Urban Waste Management Directorate
Transport Systems - Rail Safety	13 132 000	Increase within Urban Mobility Directorate
National Grants		
Urban Settlements Development Grant (Budget reallocated from capital to operating)	30 000 000	Increase within Human Settlements Directorate
Other Grants and Donations		
Private Funding	7 219 585	Increase within the Safety & Security Directorate for the deployment of part-time law enforcement and traffic officers at schools and within City improvement districts.
Private Funding	22 092 000	Increase within the Water & Sanitation Directorate relating to the Gates Foundation grant.
Interest NT : Dredging Programme	40 000 000	Increase within the Spatial Planning & Environment Directorate.
Total changes for 2023/24	**62 344 585**	

3. Reduction in Capital Grants and Donations amounting to R29,2 million.

B. 2023/24 Capital Budget

The summarised outcomes of the relevant PC meetings and recommendations are as follows:

1. Corporate Services Directorate proposed increases of R4 million, R4,8 million and R6 million in 2023/24, 2024/25 and 2025/26 respectively, for the refurbishment of the roof at the Civic Centre before the rainy season, installation of inverters as well as re-phasing (to 2024/25 within the directorate) and reallocation of the Anti-Fuel Syphoning Devices programme (to the Energy, Urban Waste Management, and Water & Sanitation directorates).
2. The Urban Mobility, and Water & Sanitation Directorates considered and proposed re-prioritisation of projects to align with latest implementation plans, while staying within the bottom line.
3. The Safety & Security Directorate proposed increases of R10,8 million, R6,3 million and R1,9 million in 2023/24, 2024/25 and 2025/26 respectively, for various additional items such as firearms, K9 dog replacement, radio replacement and building refurbishment.
4. The Energy Directorate proposed increases of R10,8 million, R6,3 million and R1,9 million in 2023/24, 2024/25 and 2025/26 respectively, to respond to the Mayor’s load shedding mitigation initiative and increase renewable energy in City buildings.

5. The Human Settlements Directorate proposed decreases of R30,2 million, R62,1 million and R64 million in 2023/24, 2024/25 and 2025/26 respectively, where a few projects/items required movement from the capital budget to the operating budget due to the nature of expenditure.

The latest Provincial Gazette Extraordinary 8730 dated 14 March 2023 resulted in increases in the Community Services & Health, Finance, and Human Settlements Directorates as reflected in the ensuing table.

Directorate	Department	WBS Element	WBS Element Description	Difference between Tabled Budget and Proposed Budget 2023/24	Difference between Tabled Budget and Proposed Budget 2024/25	Difference between Tabled Budget and Proposed Budget 2025/26	Major Fund Source	Fund Source Description
Community Services & Health	Library & Information Services	CPX.0025341-F1	Library Upgrades and Extensions FY25	0	80 000	0	CGD	4 PT Library: Metro
Community Services & Health	Library & Information Services	CPX.0035364-F1	Library Upgrades and Extensions FY26	0	0	430 000	CGD	4 PT Library: Metro
Finance	Revenue	CPX.0016713-F3	System Enhancement Projects FY24	1 000 000	0	0	CGD	4 Western Cape Financial Management Capability Grant
Human Settlements	Housing Development	CPX.0010626-F2	Langa Hostels CRU Project: Siyahlala	-50 000	-50 000	0	CGD	4 Provincial Housing Development Board
Human Settlements	Housing Development	CPX.0010625-F2	Langa Hostels CRU Project: New Flats	-50 000	-50 000	0	CGD	4 Provincial Housing Development Board
Human Settlements	Housing Development	CPX.0010624-F2	Langa Hostels CRU Project: Special Quarters	-50 000	0	0	CGD	4 Provincial Housing Development Board

Additional sundry changes requested:

1. Subcouncil 7 resolved to re-allocate R50 000, from a previously supported project in the Community Services & Health Directorate, which is no longer required, to the Safety & Security Directorate, for installation of LPR cameras in Kenridge.
2. Finance Directorate proposed an increase of R5 million for office and training facility upgrades at the Cape Town Stadium.
3. Review and amendments to project linkages of capital projects to ensure correct alignment to programmes/routine programmes as per approved definitions as well as providing better more detail of projects.

The net results, stemming from the above amendments, post tabling of the Draft 2023/24 Budget are reflected in below table.

Directorate R'000	**Tabled Budget 2023/24**	**Proposed Budget 2023/24**	***Increase/ -Decrease 2023/24***	**Tabled Budget 2024/25**	**Proposed Budget 2024/25**	***Increase/ -Decrease 2024/25***	**Tabled Budget 2025/26**	**Proposed Budget 2025/26**	***Increase/ -Decrease 2025/26***
Community Services & Health	450 919	450 869	*- 50*	396 281	396 361	*80*	416 675	417 105	*430*
Corporate Services	617 779	621 779	*4 000*	722 412	727 212	*4 800*	2 366 964	2 372 964	*6 000*
Economic Growth	91 520	91 520	-	89 058	89 058	-	107 625	107 625	-
Energy	1 164 008	1 197 888	*33 880*	1 211 757	1 294 821	*83 065*	1 576 376	1 638 928	*62 551*
Finance	56 282	62 282	*6 000*	64 304	64 304	-	70 990	70 990	-
Future Planning & Resilience	19 253	19 253	-	17 230	17 230	-	7 930	7 930	-
Human Settlements	810 605	780 455	*- 30 150*	905 879	843 779	*- 62 100*	931 673	867 673	*- 64 000*
Office of the City Manager	11 467	11 467	-	77 374	77 374	-	1 442	1 442	-
Safety & Security	432 665	443 515	*10 850*	456 952	463 252	*6 300*	395 739	397 639	*1 900*
Spatial Planning & Environment	368 360	368 360	-	420 417	420 417	-	446 442	446 442	-
Urban Mobility	1 925 365	1 925 365	-	2 824 237	2 824 237	-	3 574 735	3 574 735	-
Urban Waste Management	711 655	713 655	*2 000*	329 583	329 583	-	462 203	462 203	-
Water & Sanitation	4 301 283	4 301 283	-	6 439 048	6 439 048	-	7 771 863	7 771 863	-
Grand Total	**10 961 159**	**10 987 689**	***26 530***	**13 954 531**	**13 986 676**	***32 145***	**18 130 659**	**18 137 540**	***6 881***