



CITY OF CAPE TOWN
ISIXEKO SASEKAPA
STAD KAAPSTAD

ANNEXURE A

2023/24 - 2025/26 BUDGET

31 MAY 2023

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GLOSSARY OF TERMS AND ABBREVIATIONS

Adjustments Budgets – Prescribed in section 28 of the Municipal Finance Management Act, this is the formal means by which a municipality may revise its budget during a financial year.

Allocations – Money received from Provincial- and National Treasury.

Budget – The financial plan of a municipality.

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

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

Capital Expenditure – Spending on municipal assets such as land, buildings and vehicles. Any capital expenditure must be reflected as an asset on a municipality's balance sheet.

Cash Flow Statement – A statement showing when actual cash will be received and spent by the municipality, and the cash and short-term investment balances.

CGD – Capital Grants and Donations

CCT/City – City of Cape Town

CPI – Headline Consumer Price Index

CRR – Capital Replacement Reserve

CTICC – Cape Town International Convention Centre

CTS – Cape Town Stadium

DMTN – Domestic Medium Term Note

DoRA – Division of Revenue Act. Annual legislation, which shows the allocations from national to local government.

DoRb – Division of Revenue Bill. Annual legislation tabled in parliament, but not enacted, which shows the allocations from national to local government.

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

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

GDFI – Gross Domestic Fixed Investment

GFS – Government Finance Statistics. An internationally recognised classification system that facilitates comparisons between municipalities.

IDP – Integrated Development Plan. The main strategic planning document of a municipality.

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

MayCO – Mayoral Committee

MBRR – Municipal Budget Reporting Regulations

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

MPC – Monetary Policy Committee

MPP – Mayoral Priority Projects

mSCOA – municipal Standard Chart of Accounts

MTREF – Medium Term Revenue and Expenditure Framework, as prescribed by the MFMA. It sets out indicative revenue and projected expenditure for the budget year, plus two outer financial years.

MYPD – Multi Year Price Determination

NT – National Treasury

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

Portfolio Committee – In line with S79 of the Structures Act, the City's Portfolio Committees process policies and by-laws relating to the functional areas within their terms of reference, and are responsible for implementation monitoring of these, as well as oversight of the functional areas. Portfolio Committees are also responsible for assessing and monitoring services delivery, ensuring that annual budgets are spent wisely, and that there is no wastage or corruption.

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

TMA – Total Municipal Account

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

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

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

Part 1 - Annual Budget

1.1 Mayor's Report

The 'Building Hope' Budget 2023/24

For the 2022/23 financial year, we passed the first budget of this administration, with a clear plan to do more on the pledges for which the public trusted us with their electoral mandate. In this way, we laid the foundation for our long-term strategic vision of a City of Hope for All.

Now for the 2023/24 financial year, with the second budget of this administration, we are 'Building Hope' with a massive increase in investments in critical infrastructure and services.

We are approving a record R11 billion capital budget, which surpasses even the World Cup infrastructure investment. This represents a 41.5% increase in capital spending compared to 2022/23, and a 134% increase over the next three years, with a total spend of R43 billion.

Cape Town's mammoth infrastructure investment will position our city as a beacon of hope for South Africa, and living proof that decline is not inevitable in our country. We can achieve the vision our Constitution sets out for a nation, and reach towards our higher purpose of ensuring meaningful economic growth that helps more people into work and out of poverty over time.

Importantly, we are committed to ensuring these raised budgets actually get spent, by investing in project management capacity needed to pull off the City's ambitious R120 billion portfolio of planned projects over 10 years.

The **Building Hope Budget** highlights across our key pledges include:

Ending Load-shedding

Estimated R2,3 billion end load-shedding plan over the MTREF to protect against the first four stages of Eskom load-shedding within three years, including:

- R220 million embedded independent power producers (IPP) renewable purchases;
- R288 million on the Power Heroes programme;
- R1 billion on Steenbras Hydro-electric operations;
- R640 million capital expenditure on solar PV;
- R53 million Cash for Power programme;
- R50 million on Battery Storage; and
- R32 million on waste-to-energy at landfills.

Over this term of office 2022/23 - 2026/27, the City is forecast to spend R3,2 billion on the 3-phase procurement for load-shedding protection, including R657 million on IPP renewables, R1,98 billion on dispatchable energy, and R452 million on the Power Heroes programme for voluntary energy savings.

Making Cape Town Safer

A record R5,8 billion Safety Budget in 2023/24, with a R1,3 billion+ Make Cape Town Safer Plan over three years:

- R860 million+ Safety Tech investment over MTREF:
 - R118,4 million on CCTV;
 - R118 million on Dash and bodycams;
 - R109 million for Aerial surveillance;
 - R22 million on drones;
 - R10 million on gunshot location tech; and
 - R442 million on LPR cameras, EPIC digital coordination, radios, comms systems, IT and network upgrades.
- R166 million on Metro Police training college expansion for more boots on the ground
- R169,5 million for more Metro Police (MTREF), enabling over 270 officers and reservists in 2023/24
- R50 million for a new Law Enforcement Volunteer Base
- R112 million for a new Facility Protection Unit
- R49,6 million for the new Highway Patrol Unit

Dignified Water and Sanitation and Cleaner waterways

Massive increases in Water and Sanitation capital expenditure for dignified sanitation, a healthier environment, and water security, including:

- A 223% increase in Water and Sanitation overall capital budget, from R2,3 billion in 2022/23 to R7,8 billion in 2025/26.
- A 330% increase in capital budgets for sewer pump station upgrades, from R70 million in 2022/23, ramping up to R300 million in 2024/25.
- A 100% increase in capex for sewer pipe replacement, from R150 million in 2022/23 to R300 million per year from 2024/25 onwards. This is due to the quadrupling pipe replacement from 25km in 2021/22 to 100km annually, worth R850 million total over the MTREF.
- R8,5 billion capital expenditure on WWTW upgrades over three years, R1,3 billion for sewer spill responsiveness including the proactive jetting of 200km annually, and R1,4 billion in bulk sewer upgrades (R523 million in 2023/24) to Milnerton, Cape Flats, Gordon's Bay and Philippi lines.
- R2,2 billion capital expenditure under the New Water Plan to build water resilience over the MTREF.

Critical measures for cleaner waterways over the MTREF, including:

- R338 million across several measures to rehabilitate rivers.
- R269 million for the dredging of Milnerton Lagoon and Zeekoevlei.
- R49,2 million to lower Zeekoevlei weir, R54 million for weed harvesters, R77,6 million Bayside Canal upgrade to improve Rietvlei water quality, and R20,7 million Zandvlei canal and river channel upgrades.

Doing the Basics Better

- Doing the Basics better over the MTREF, including:
 - R3,2 billion in informal settlement upgrades and services including waste management, electrification, water and sanitation.
 - R100 million+ additional funding in 2023/24 to clear the potholes backlog.
 - R544 million in congestion relief projects over three years, and R3,3 billion in road resurfacing, maintenance, markings, signage, guardrails etc.

- R755 million to upgrade Urban Waste Management facilities, R659 million for new refuse removal vehicles and plant for more reliable waste collection, and R4,6 billion for area cleaning to ensure a cleaner Cape Town.
- R2,2 billion on maintaining streetlights and LED refurbishment.
- R1,2 billion in upgrades and resourcing of community facilities, including R153 million in sports facility upgrades, and R345 million in upgrades to parks, recreational hubs and public open spaces.

Affordable Housing, Land Release & Dignified Transitional Shelter

- Measures for affordable housing land release and more dignified transitional shelter to help people off the streets over the MTREF include:
 - R2,3 billion on BNG housing for the poorest, R767 million on informal settlement upgrading, R1 billion on public housing maintenance, R37,8 million for no cost transfers of 2 500 rental units annually over three years, and a 50-site land release pipeline worth 6 500 social housing units for development by SHI's and the private sector.
 - R230 million over the next three years to operate and expand Safe Space transitional shelter, 62% increase over the previous three-year budget cycle.

Improving Public Transport

- R5,4 billion over MTREF (R1,1 billion in 2023/24) for the major MyCiTi south-east expansion to link Khayelitsha and Mitchells Plain with Claremont.

Ease of Doing Business

- Ongoing measures to position Cape Town as the easiest place to do business in Africa, including over the MTREF:
 - R77 million for upgrades to online systems for municipal billing, finance and e-services, R25 million for vehicle licensing improvements including automated speed queuing, and R77 million on the C3 digital platform to report service delivery issues.
 - R265 million in informal trading infrastructure upgrades and service improvements.
 - R1,2 billion in broadband infrastructure.
 - R342 million for strategic initiatives with Economic Growth Coalition sector partners, including trade, tourism and investment promotion, skills training and work placement, and support for key sectors such as the ocean and green economies, textiles, film, and fashion.

Social Relief

Everything we do is for all the people of Cape Town. We offer a multi-billion social package for vulnerable residents, including:

- R4,3 billion social package in 2023/24, up from R3,75 billion in 2022/23, with R1,96 billion in rates rebates R2,37 billion in indigent relief.
- 50% increase from the previous year of rates relief is proposed for all residential properties of R5 million and under, with the first R450 000 of property value now rates-free. Over 700 000 properties will benefit, representing 80% of all properties in our city.
- More pensioners and social grant recipients will benefit from rates rebates, by raising the upper qualifying limit from R17 500 to R22 000 total monthly household income.

- 192 500 properties valued at R450 000 or below, or household income below R7 500, will receive these monthly benefits:
 - 100% rebate for property rates and refuse removal;
 - 15kl free water and 10.5kl free sanitation services; and
 - 60 / 25kWh free electricity if consumption is below 250 / 450 kWh.
- The City has shielded residents by absorbing some of Eskom's NERSA-approved 18.49% increase to municipalities while also funding the programme to end load-shedding and reduce sole reliance on expensive Eskom power as fast as possible

This budget and 2023/24 MTREF is hereby tabled for adoption and implementation.

1.2 Council Resolutions

The 2023/24 MTREF budget resolutions recommend:

1. That the City's annual budget for the financial year 2023/24; and projected allocations for the two outer years 2024/25 and 2025/26, and related policies, as set out in the following tables and annexures, be adopted.
 - a. Operating revenue and expenditure by standard classification reflected in Table 23.
 - b. Operating revenue and expenditure by vote reflected in Table 24.
 - c. Operating revenue by source and expenditure by type reflected in Table 26.
 - d. Multi-year capital appropriations by vote reflected in Annexure 1.
 - e. Capital expenditure by standard classification reflected in Table 27.
 - f. Capital funding by source reflected in Table 27.
 - g. Budgeted cash flow statement as reflected in Table 29.
 - h. Salaries and benefits of political office bearers, councillors and senior officials as reflected in Table 52 and Table 53.
 - i. Performance indicators and benchmarks for 2023/24 as set out in Table 36.
 - j. Consolidated budget tables for the City and municipal entities (CTICC and CTS) as reflected in Table 99 to Table 108.
 - k. Property (Tax) rates as set out in Annexure 2.
 - l. City Improvement Districts (CIDs) - Additional Rates as set out in Annexure 3.
 - m. Revised consumptive tariffs, rates and basic charges for electricity generation and distribution, water and sanitation and urban waste management services as set out in Annexure 4.
 - n. Rates policy as set out in Annexure 5.
 - o. Tariffs, fees and charges book as set out in Annexure 6.
 - p. Tariff policies as set out in Annexure 7.
 - q. Credit control and debt collection policy as set out in Annexure 8 (with effect from 1 June 2023).
 - r. Grants-in-aid policy as set out in Annexure 9.
 - s. Accounts payable policy as set out in Annexure 10.
 - t. Funding and reserves policy as set out in Annexure 11.
 - u. Virement policy as set out in Annexure 12.
 - v. Budget management and oversight policy as set out in Annexure 13.
 - w. Long term financial plan policy as set out in Annexure 14.
 - x. Policy governing adjustments budgets as set out in Annexure 15.
 - y. Unforeseen and unavoidable expenditure policy as set out in Annexure 16.

- z. Policy governing planning and approval of capital projects as set out in Annexure 17.
- aa. Cost containment policy as set out in Annexure 18.
- bb. Municipal entities policy as set out in Annexure 19.
- cc. Appeals policy as set out in Annexure 20.
- dd. Ward and Subcouncil Allocations policy as set out in Annexure 21.
- ee. Integrated Development Plan Financial Plan as set out in Annexure 22.
- ff. Transfers and grants to external organisations (MBRR Table SA21) as set out in Annexure 23.
- gg. Schedule of service delivery standards as set out in Annexure 24.
- hh. Iconic and other events to be hosted by the City in 2023/24 as set out in Annexure 25.
- ii. Individual projects with a total project cost in excess of R50 million (to give effect to Section 19(1)(b) of the MFMA and Regulation 13(1)(b) of the MBRR) as reflected in Table 86 and as set out in Annexure 26.
- jj. Projected cost covering all financial years until capital projects are operational as well as future operational costs and revenue on projects/programmes, to give effect to sections 19(2) and 19(3) of all projects and programmes as listed in Annexure 26 and Annexure 1.
- kk. Detailed capital budget (MBRR Table SA36) as set out in Annexure 27.
- ll. Details to capital programmes (2023/24 to 2025/26), as set out in Annexure 28.
- mm. Detailed operational projects (MBRR Table SA38) as set out in Annexure 29.
- nn. Operating- and capital ward allocation projects supported by Subcouncils as set out in Annexure 30.
- oo. External mechanisms (MBRR Table SA32) as set out in Annexure 31.
- pp. Cape Town International Convention Centre (CTICC) (Municipal Entity) - Schedule D (annual budget and supporting tables) as set out in Annexure 32.
- qq. Cape Town International Convention Centre (CTICC) (Municipal Entity) - Business plan as set out in Annexure 33.
- rr. Cape Town International Convention Centre (CTICC) (Municipal Entity) - Tariffs as set out in Annexure 34.
- ss. Cape Town Stadium (CTS) (Municipal Entity) - Schedule D (annual budget and supporting tables) as set out in Annexure 35.
- tt. Cape Town Stadium (CTS) (Municipal Entity) - Business plan as set out in Annexure 36.
- uu. Cape Town Stadium (CTS) (Municipal Entity) - Tariff policy and tariffs as set out in Annexure 37.
- vv. Operating subcouncil allocation projects supported by subcouncils as set out in Annexure 38.
- ww. 2022-2027 Integrated Development Plan (IDP) - Review and 2023/24 proposed amendments as set out in Annexure 39.

2. That Council notes the standard electricity surplus agreement for the purchase of small scale embedded generation and wheeling surpluses from electricity customers as set out in Annexure 40. The individual signed agreements will be presented to Council periodically in compliance with the MFMA Section 33 approval process.
3. That Council approves the shortened MFMA Section 33 public consultation process for the purchase of small scale embedded generation and wheeling surpluses from electricity customers.
4. That Council notes the intent of the administration to follow MFMA Section 33 processes on items marked with an 'X' as reflected in the Demand (Procurement) Plan as set out in Annexure 41 to the report.
5. That Council notes National Treasury MFMA Circulars 122 and 123 (Municipal Budget Circulars for 2023/24 MTREF) as set out in Annexure 42 to the report.
6. That Council notes Provincial Treasury Municipal Circular 5/2023 as set out in Annexure 43 to the report.
7. That Council notes the 2023 Budget and Benchmark Engagement Summary Report as set out in Annexure 44 to the report.
8. That Council approves an amount of up to R15 million, to be funded from within the Rates account, in support of the Council-approved Mayor's Special Fund as contemplated in Section 12 of the MFMA.
9. That Council notes that the Capital Replacement Reserve (CRR): Ward Allocations for the 2023/24 financial year amounting to R63 790 410 will be funded from savings identified in the 2022/23 financial year.
10. That an amount of R165 000 000 for 2024/25 be funded from accumulated surpluses and loan funding, if needed, to provisionally (bridge) fund contractually committed IRT Phase 2A projects generally funded from the NT PTNG: BFI grant, until such time that National Government amends gazetted allocations. The City will review its funding approach on an annual basis as part of the budget process.
11. That Council extends the approval period for rates rebate- and indigent applications received from 1 April 2023 to 30 June 2023 to coincide with the validity period of General Valuation 2022 in respect of applicants who are 60 years of age and older (which includes Council's housing rental and leases tenants) and who are registered as indigent, or who are dependent on pension or social grants for their livelihood.
12. That Council approves the commencement of a process, in compliance with Section 46 of the Municipal Finance Management Act (MFMA), to take up funding to an amount of R6,5 billion depending on the City's cash flow requirements. Should the cash flow position be sufficient to fund the capital programme either partially or fully, the funding will be adjusted accordingly.
13. That the high level summary of changes between the tabled and the proposed budget as reported in Annexure B, be adopted. It should be noted that these changes have already been incorporated into Annexure A of this report.

1.3 Executive Summary

a. Past performance

The key focus of the City is to look after the people of Cape Town, especially the vulnerable, ensuring that the City is welcoming to all people, and making residents feel at home. In order to achieve these key focus areas, the mainstreaming of basic service delivery to informal settlements and backyard dwellers remains a key transformational priority for the City.

Some of the key achievements and highlights of the City's basic service delivery excellence and mainstreaming in the 2021/22 financial year:

- The City continues to supply informal settlements with electricity, and to provide the infrastructure needed to enable the electrification of qualifying sites. The City set itself a target of installing 1 500 subsidised electrical connections per year until 2022, and has consistently met and exceeded this target throughout the IDP period. In 2021/22, 1 503 new electricity connections were installed, bringing total installations since 2012/13 to 25 131.
- Residents of Cape Town generate an average of 4 400 tons of waste every day, or approximately 1,6 million tons every year. The City's Solid Waste Management Department is mandated to manage this waste and provides a basic refuse collection service to all formal properties in Cape Town and to 99,79% of known informal settlements.
- The City's human settlements programme is focused on the promotion of transit-oriented development as a means of addressing and reversing apartheid legacy planning. Creating affordable housing on well-located land close to public transport and job opportunities is a cornerstone of the City's efforts to bring redress and greater parity of services and opportunities to all residents in Cape Town. The City's Human Settlements Directorate spent 97% of its Urban Settlements Development Grant (USDG) capital budget in the 2021/22 financial year, which demonstrates that the City is delivering on its housing commitments. In 2021/22, the City delivered 2 517 top structures, 1 423 formal serviced sites and 829 informal serviced sites.
- Since 2014, the Informal Settlements Department has installed 3 878 water and sanitation points in the homes of backyard dwellers on City rental property. This water and sanitation provision project will continue with the roll-out of a further 2 000 of such services to backyard dwellers in the years ahead. In 2021/22, the City installed 801 (target 700) taps and 6 540 (target 2 500) toilets in informal settlements, bringing the total to 9 800 and 40 396 respectively since 2012/13.

b. Total Budget

The total budget quantum for the 2023/24 financial year is R70 080 million, of which R59 092 million (84.3%) is allocated to the operating budget and R10 988 million (15.7%) to the capital budget.

c. Operating Budget**Expenditure**

Total operating expenditure for the 2023/24 financial year amounts to R59 092 million and is split into the following expenditure components:

Table 1 - Expenditure components of the 2023/24 budget

Category	Budget 2022/23 (Original)	Budget 2023/24	Year-on-year increase/ (decrease)
R Thousand			
Employee related costs	17 322 933	18 392 798	6.18%
Remuneration of councillors	176 133	190 901	8.38%
Bulk purchases - electricity	12 350 900	14 099 100	14.15%
Inventory consumed	5 214 789	5 949 840	14.10%
Debt impairment	2 161 684	2 321 520	7.39%
Depreciation and amortisation	3 208 222	3 493 165	8.88%
Interest	862 999	945 367	9.54%
Contracted services	8 572 922	9 313 712	8.64%
Transfers and subsidies	391 480	371 815	-5.02%
Irrecoverable debts written off	155 225	150 304	-3.17%
Operational costs	2 927 064	3 302 869	12.84%
Losses on disposal of Assets	856	754	-11.92%
Other Losses	451 840	559 781	23.89%
Total Expenditure	53 797 047	59 091 926	9.84%

Major components for 2023/24 include:

- **Employee related costs – R18 393 million**

Employee related costs amounts to R18 393 million in 2023/24, which equates to 31.1% of the total operating expenditure. The year-on-year increase of 6.18% is as a result of the 2023/24 SALGBC salary increase guideline of 5.4% as well as additional allocations for service enhancements in various directorates.

- **Remuneration of councillors – R191 million**

The cost associated with the remuneration of councillors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). A 5.4% increase is provided for in the 2023/24 budget and was calculated on current scales. The year-on-year increase of 8.38%, as reflected in table 1, is as a result of retrospective councillor remuneration increases, which was not budget for nor reflected in the 2021/22 original budget. This distorted the year-on-year comparison against original budget.

- **Bulk Purchases – Electricity – R14 099 million**

This provision is for the purchase of electricity from Eskom and is influenced by the higher levels of load-shedding and consumer behaviour. In this regard, annual price increases have been factored into the budget appropriations, which in turn impacts on the tariff requirements for these tariff-based services.

- **Debt Impairment – R2 322 million**

This allocation is influenced by past, current and future projected collection rates for services inclusive of the budgetary treatment of fines as prescribed in the iGRAP1 Accounting Standard, which states that fines should be budgeted for at 100% of fines issued. Prior to iGRAP1 implementation, the City accounted for revenue from fines on the basis of estimated collectable revenue. A reduction of R50 million on the debt impairment budget base for property rates was effected due to anticipated movement of debtors and write-offs that occur during the financial year.

- **Interest – R945 million**

This category consists primarily of the repayment of interest on long-term borrowing (cost of capital) of the 2023/24 operating expenditure (excluding redemption costs). The increase over the 2023/24 MTREF is informed by existing and new loans, which will be taken up to fund the City's capital programme, and related projected interest loan service charges over this period.

- **Contracted services – R9 314 million**

This category includes repairs and maintenance provisions, requirements stemming from the Strategic Management Framework (SMF) process, and mayoral priority programmes.

- **Operational costs – R3 303 million, includes provisions for, inter alia:**

- Commission Revenue Sharing - R120 million
- MIDS/CIDS (Special Rating Areas) - R354 million
- Software Licenses: Upgrade/Protection - R383 million
- Specialised Information Technology services - R330 million
- Electricity Costs - R222 million
- Indigent Relief: Electricity (Eskom) - R182 million
- Uniform & Protective Clothing - R125 million
- Levy: Skills Development - R127 million
- Bulk Water: Levy (Berg Water Project) - R75 million
- Operating Leases - R95 million

Figure 1 below provides a graphical breakdown of the main expenditure categories for 2023/24.

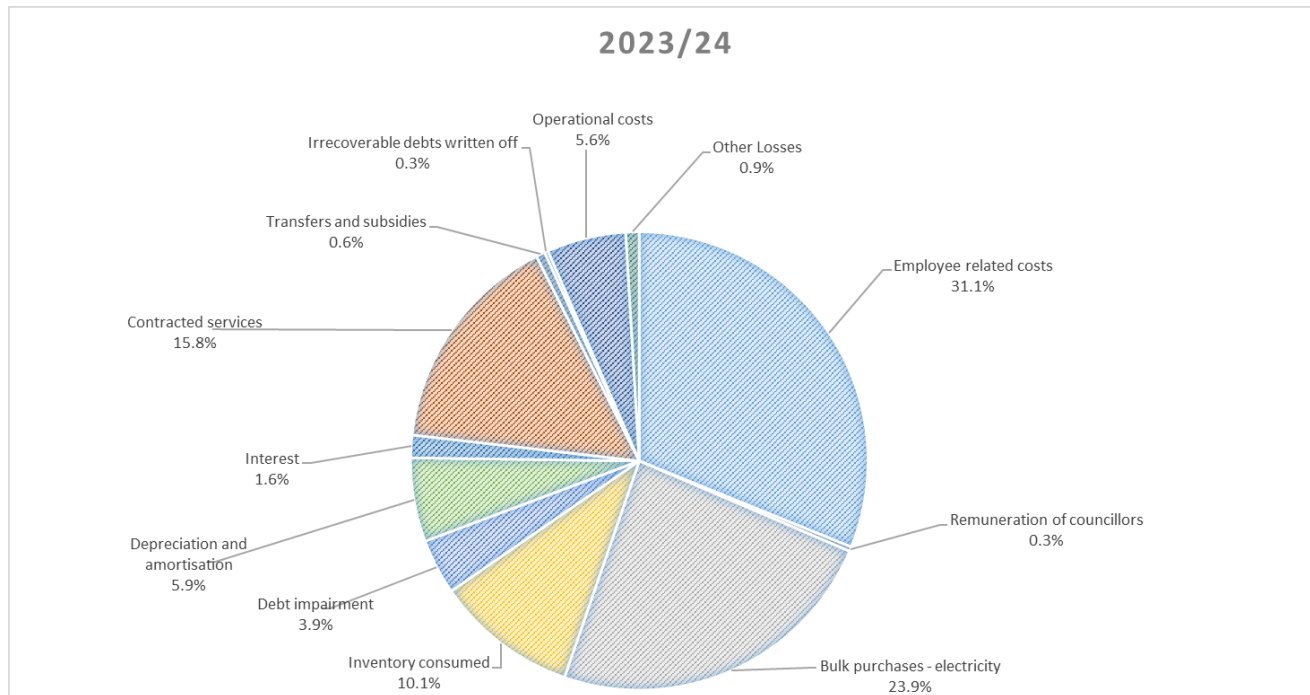


Figure 1 Main operational expenditure categories for the 2023/24 financial year

Staff cost growth

Employee related costs amounts to R18 393 million in 2023/24, which equates to 31.1% of the total operating expenditure. The 2023/24 cost of living increase, as per the SALGBC wage agreement, is CPI % for 2023 as projected by the January Monetary Policy Committee (MPC) 2023, and amounts to 5.4%, which was used when calculating the 2023/24 staff budget.

The year-on-year increase of 6.18% is as a result of mainly the 2023/24 SALGBC guideline of 5.4% for the budget year, additional posts to drive the priorities and programmes of the IDP, 60 additional law enforcement officers to increase police visibility in and around the City where the deployment will mirror the 24-hour operationalisation model, and additional posts to address capacity gaps within the Recruitment & Selection Department.

It is important to note that all City vacancies were reviewed and reprioritised in line with the City's strategy.

Table 2 - Staff cost per vote (directorate)

Vote (Directorate) R Thousand	Budget 2022/23 (Original)	Budget 2023/24	Year-on-year
Vote 1 - Community Services & Health	2 605 334	2 717 567	4.31%
Vote 2 - Corporate Services	1 723 789	1 762 131	2.22%
Vote 3 - Economic Growth	287 074	305 251	6.33%
Vote 4 - Energy	1 539 288	1 642 563	6.71%
Vote 5 - Finance	1 170 601	1 259 815	7.62%
Vote 6 - Future Planning & Resilience	295 316	298 083	0.94%
Vote 7 - Human Settlements	477 038	516 726	8.32%
Vote 8 - Office of the City Manager	279 147	298 592	6.97%
Vote 9 - Safety & Security	3 369 346	3 462 943	2.78%
Vote 10 - Spatial Planning & Environment	680 415	779 428	14.55%
Vote 11 - Urban Mobility	907 395	1 003 473	10.59%
Vote 12 - Urban Waste Management	1 373 137	1 575 194	14.71%
Vote 13 - Water & Sanitation	2 615 054	2 771 034	5.96%
Total staff costs	17 322 933	18 392 798	6.18%

The following allocations were included in the staff budget:

- R67,9 million within Safety & Security Directorate, broken down as follows:
 - R37,5 million to increase police visibility in and around the City where deployment will mirror the 24-hour operationalisation model;
 - R16,5 million to free up uniformed staff currently performing administrative functions to go back to perform policing work; and
 - R13,9 million to capacitate the training college.
- R23,3 million for capital and contract management support as well as R27 million for cleaning sewer spillages and expansion of sewer pump station teams within the Water & Sanitation Directorate.
- R20 million to capacitate the Recruitment & Selection Department within the Corporate Services Directorate.
- R6,3 million staff requirements within the Spatial Planning & Environment Directorate for dredging of vleis.
- R10 million for improvement to the Demand Plan within the Supply Chain Management Directorate.

Revenue

Operating revenue for the 2023/24 financial year amounts to R58 631 million.

Table 3 - Revenue categories of the 2023/24 budget

Description	Budget 2022/23 (Original)	Budget 2023/24	Year-on-year increase/ (decrease)
R thousand			
Revenue			
Exchange Revenue			
Service charges - Electricity	17 241 469	19 681 713	14.2%
Service charges - Water	3 928 012	4 437 689	13.0%
Service charges - Waste Water Management	2 014 506	2 278 048	13.1%
Service charges - Waste Management	1 381 241	1 424 214	3.1%
Sale of Goods and Rendering of Services	482 794	604 307	25.2%
Agency services	271 616	285 197	5.0%
Interest earned from Receivables	282 515	286 756	1.5%
Interest earned from Current and Non Current Assets	1 118 566	1 193 514	6.7%
Rental from Fixed Assets	389 180	399 883	2.8%
Licence and permits	177	185	4.9%
Operational Revenue	316 883	351 785	11.0%
Non-Exchange Revenue			
Property rates	11 203 305	11 857 238	5.8%
Surcharges and Taxes	316 181	365 452	15.6%
Fines, penalties and forfeits	1 262 193	1 251 676	-0.8%
Licences or permits	73 074	76 655	4.9%
Transfer and subsidies - Operational	6 260 172	6 809 560	8.8%
Interest	85 000	89 165	4.9%
Fuel Levy	2 666 726	2 639 290	-1.0%
Gains on disposal of Assets	54 742	59 393	8.5%
Other Gains	3 937 624	4 539 200	15.3%
Total Revenue (excluding capital transfers and contributions)	53 285 974	58 630 919	10.0%

Major components for 2023/24 include:

- Service charges – electricity revenue (R19 682 million)**
 NERSA approved an average percentage price increase of 18.65% to Eskom for the 2023/24 financial year. Based on this percentage price increase, a 18.49% increase was applied to bulk purchases, which in turn translates into a 17.6% average increase for City-supplied consumers.
- Service Charges – Water (R4 438 million) and Waste Water Management (R2 278 million)**
 The 2023/24 revenue projections are based on Level Water Wise (no restriction) tariffs as from 1 July 2023. A growth of 13% is projected for water and sanitation for the 2023/24 financial year.

- **Property rates (R11 857 million)**

The increase on Property Rates revenue income for the 2023/24 financial year is based on a revenue parameter of 6.1%. With the introduction of the City's latest General Valuation (GV2022) on 1 July 2023, this resulted in a median increase on a property rates increase of 5.15% and a rate-in-the-Rand decrease of 1.12% for residential property owners. Business, commercial and industrial property owners that have far more opportunities for sharing the burden of increased expenses will experience an increase in the proportionate rate-in-the-Rand from 1 July 2023 when the new rates ratio of 1:2.35 is introduced. These adjustments are necessary to cushion the effect of the current economic climate on the overstretched financial resources of the owners of lower valued properties. The City's support package to residents is expected to be in the region of R1 960 million.

The negative economic climate has resulted in no growth projected for the rates income for the 2023/24 financial year, a position supported by National Treasury's announcement of the economic growth of the county being estimated at 0,3% for 2023.

- **Transfers and Subsidies – Operational (R6 810 million – National- and Provincial allocations)**

National allocations are based on the Division of Revenue Bill (B2-2023), dated 22 February 2023, whilst provincial allocations are based on Provincial Gazette Extraordinary 8730, dated 14 March 2023.

The figure below depicts the major revenue categories as a percentage of total revenue excluding capital grants and donations.

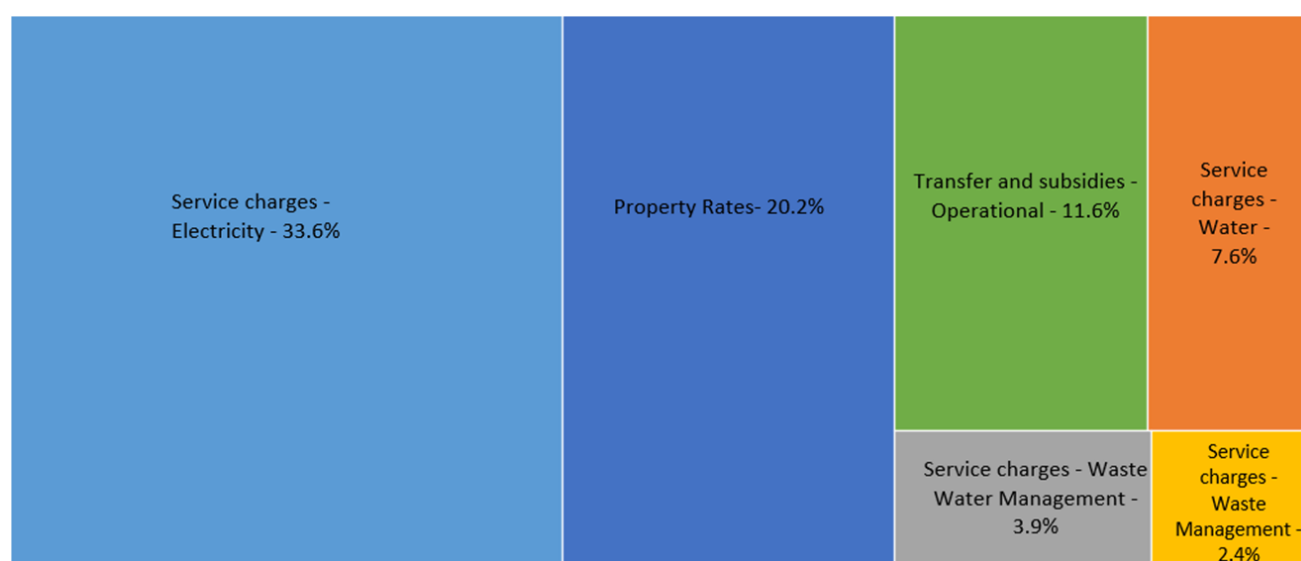


Figure 2 Main revenue categories for the 2023/24 financial year

Individual service tariffs/Rates

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

Table 4 - Average Tariff increases for the 2023/24 MTREF

Category	Base Year 2022/23	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Electricity	9.50%	17.60%	12.29%	13.44%
Water	6.50%	8.60%	6.76%	7.72%
Sanitation	6.50%	8.60%	6.76%	7.72%
Refuse Collection	5.00%	5.50%	5.00%	5.00%
Disposal	5.00%	10.32%	8.20%	4.83%

Rates

There is a decrease of 1.12% in the residential rate-in-the-Rand from 0.006344 to 0.006273 for 2023/24.

The rate-in-the-rand for all categories of Property Rates for the 2023/24 financial year is reflected in the Tariffs, Fees and Charges Book (Annexure 6).

Definitions and listing of categories are reflected in the Rates Policy (Annexure 5).

Water & Sanitation

The average increase applied is 8.6% for 2023/24, 6.76% for 2024/25 and 7.72% for 2025/26.

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

Urban Waste Management

An average increase has been applied on the consumptive tariffs for Refuse Collection of 5.5%, and 10.32% for Disposal for 2023/24.

The details of changes to Urban Waste tariffs are reflected in Annexure 4.

Proposed tariffs are reflected in the attached Tariffs, Fees and Charges Book (Annexure 6).

Electricity

The electricity average revenue increases are 17.60%, 12.29% and 13.44%, respectively over the 2023/24 MTREF.

Details of changes to the Electricity tariffs are reflected in Annexure 4.

Proposed tariffs are reflected in the attached Tariffs, fees and charges book (Annexure 6).

d. Capital Budget

The total capital budget amounts to R10 988 million in the 2023/24 financial year and will be funded as reflected in the table below.

Table 5 - Major capital funding sources for the 2023/24 budget

Major Capital Funding Sources	Budget 2023/24
R Thousand	
Borrowings	6 500 000
Transfers recognised - capital	2 776 159
Internally generated funds	1 711 530
Total	10 987 689

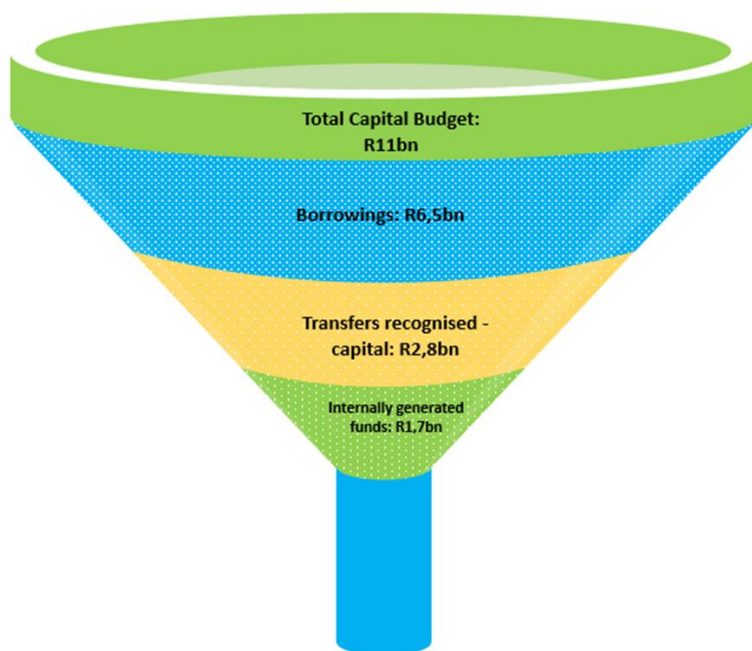


Figure 3 Capital funding sources for 2023/24

Projects proposed for inclusion in the 2023/24 capital budget were assessed against implementable delivery plans to comply with, inter alia, implementation readiness, tender readiness (must be on the City's Demand Plan), strategic alignment and capacity to implement.

Certain projects were included to assist the Executive Mayor to address specific identified priorities and these projects will have increased visibility on the implementation progress, once approved, during monthly engagements with directorates.

Major capital expenditure is planned in 2023/24 for the following directorates:

- Energy - R1 198 million
- Human Settlements – R780 million
- Urban Mobility - R1 925 million
- Urban Waste Management - R714 million
- Water & Sanitation - R4 301 million

1.4 Operating Revenue Framework

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

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

- National Treasury's guidelines and macro-economic policy;
- Projected City growth and continued economic development;
- Realistic revenue management, which provides for achieving collection rate targets;
- Electricity tariff increases as approved by the National Electricity Regulator of South Africa (NERSA); and
- The City's Property Rates policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA).

The ensuing table is a summary of the 2023/24 MTREF (classified by main revenue source):

Table 6 - Summary of Revenue classified by main revenue sources

Description	2023/24 Medium Term Revenue & Expenditure Framework		
	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand			
Revenue By Source			
Exchange Revenue			
Service charges - Electricity	19 681 713	23 053 339	26 511 338
Service charges - Water	4 437 689	4 823 071	5 271 284
Service charges - Waste Water Management	2 278 048	2 477 605	2 693 652
Service charges - Waste Management	1 424 214	1 534 284	1 646 512
Sale of Goods and Rendering of Services	604 307	632 338	662 389
Agency services	285 197	299 365	314 254
Interest earned from Receivables	286 756	299 223	312 668
Interest earned from Current and Non Current Assets	1 193 514	1 035 487	880 214
Rental from Fixed Assets	399 883	412 461	426 897
Licence and permits	185	193	202
Operational Revenue	351 785	367 377	385 409
Non-Exchange Revenue			
Property rates	11 857 238	12 587 669	13 582 225
Surcharges and Taxes	365 452	381 532	398 701
Fines, penalties and forfeits	1 251 676	1 253 950	1 256 377
Licences or permits	76 655	80 028	83 629
Transfer and subsidies - Operational	6 809 560	6 958 864	7 410 322
Interest	89 165	93 088	97 277
Fuel Levy	2 639 290	2 760 474	2 886 917
Gains on disposal of Assets	59 393	61 953	64 684
Other Gains	4 539 200	4 807 554	5 151 071
Total Revenue (excluding capital transfers and contributions)	58 630 919	63 919 855	70 036 023

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

Table 7 - Revenue by source as a percentage of total budget

Description	2023/24 Medium Term Revenue & Expenditure Framework					
	Budget Year 2023/24	%	Budget Year +1 2024/25	%	Budget Year +2 2025/26	%
R thousand						
Revenue By Source						
Exchange Revenue						
Service charges - Electricity	19 681 713	33.6%	23 053 339	36.1%	26 511 338	37.9%
Service charges - Water	4 437 689	7.6%	4 823 071	7.5%	5 271 284	7.5%
Service charges - Waste Water Management	2 278 048	3.9%	2 477 605	3.9%	2 693 652	3.8%
Service charges - Waste Management	1 424 214	2.4%	1 534 284	2.4%	1 646 512	2.4%
Sale of Goods and Rendering of Services	604 307	1.0%	632 338	1.0%	662 389	0.9%
Agency services	285 197	0.5%	299 365	0.5%	314 254	0.4%
Interest earned from Receivables	286 756	0.5%	299 223	0.5%	312 668	0.4%
Interest earned from Current and Non Current Assets	1 193 514	2.0%	1 035 487	1.6%	880 214	1.3%
Rental from Fixed Assets	399 883	0.7%	412 461	0.6%	426 897	0.6%
Licence and permits	185	0.0003%	193	0.0003%	202	0.0003%
Operational Revenue	351 785	0.6%	367 377	0.6%	385 409	0.6%
Non-Exchange Revenue						
Property rates	11 857 238	20.2%	12 587 669	19.7%	13 582 225	19.4%
Surcharges and Taxes	365 452	0.6%	381 532	0.6%	398 701	0.6%
Fines, penalties and forfeits	1 251 676	2.1%	1 253 950	2.0%	1 256 377	1.8%
Licences or permits	76 655	0.1%	80 028	0.1%	83 629	0.1%
Transfer and subsidies - Operational	6 809 560	11.6%	6 958 864	10.9%	7 410 322	10.6%
Interest	89 165	0.2%	93 088	0.1%	97 277	0.1%
Fuel Levy	2 639 290	4.5%	2 760 474	4.3%	2 886 917	4.1%
Gains on disposal of Assets	59 393	0.1%	61 953	0.1%	64 684	0.1%
Other Gains	4 539 200	7.7%	4 807 554	7.5%	5 151 071	7.4%
Total Revenue (excluding capital transfers and contributions)	58 630 919	100.0%	63 919 855	100.0%	70 036 023	100.0%
Total Revenue from Rates and Service Charges	39 678 901	67.7%	44 475 968	69.6%	49 705 012	71.0%

In line with the formats prescribed by the Municipal Budget and Reporting Regulations (MBRR), capital transfers and contributions are shown separately on the Statement of Financial Performance, as inclusion of these revenue sources would distort the calculation of the operating surplus/deficit.

Rates and Service Charges makes up 67.7% of the City's total revenue mix for 2023/24. Services charges – electricity revenue makes up the largest revenue source totaling R19 682 million (33.6% of total revenue). Property rates is the second largest revenue source totaling R11 857 million (20.2% of total revenue).

Transfers and subsidies (operating grants and transfers) total R6 810 million (11.6% of total revenue), and increases to R7 410 million by 2025/26. National allocations are based on the Division of Revenue Bill (B2-2023), dated 22 February 2023, whilst provincial allocations are based on Provincial Gazette Extraordinary 8730, dated 14 March 2023.

Table 8 - Operating Transfers and Grant Receipts (MBRR Table SA18)

Description	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand									
<u>Operating Transfers and Grants: RECEIPTS</u>									
National Government:	3 811 395	4 334 795	4 300 804	4 727 836	4 734 257	4 734 257	5 167 276	5 364 247	5 786 744
Local Government Equitable Share	2 815 558	3 509 590	3 215 174	3 656 394	3 656 394	3 656 394	4 066 769	4 475 653	4 953 531
Finance Management grant	1 000	1 000	1 000	1 000	1 000	1 000	1 000	1 000	1 138
Fire Disasters Housing Project	–	–	–	–	5 004	5 004	–	–	–
Urban Settlements Development Grant	12 523	202 546	113 551	124 584	118 728	118 728	187 686	228 026	223 139
Energy Efficiency and Demand Side Management Grant	640	818	1 084	900	900	900	900	900	900
Department of Environmental Affairs and Tourism	110	220	220	220	220	220	220	220	220
Expanded Public Works Programme	32 283	43 601	49 073	41 469	42 406	42 406	62 588	–	–
Public Transport Infrastructure & Systems Grant	934 290	–	–	52 233	–	–	–	–	–
Infrastructure Skills Development	11 000	10 006	10 919	10 446	10 446	10 446	8 400	10 400	10 900
Public Transport Network Grant	–	513 632	640 853	477 706	477 706	477 706	444 885	474 839	413 531
Neighbourhood Development Partnership Grant	–	1 394	–	–	–	–	–	–	–
Informal Settlements Upgrading Partnership Grant	–	–	6 243	90 959	78 248	78 248	95 950	100 259	106 123
National Skills Fund	–	18 470	21 325	27 788	21 072	21 072	–	–	–
National Treasury General Budget Support	–	–	–	10 125	10 125	10 125	–	–	–
Integrated City Development Grant	2 664	21 014	–	–	–	–	–	–	–
Peninsula Wetlands Rehabilitation Project	1 327	–	–	–	–	–	–	–	–
Philippi Agri Hub	–	12 504	9 472	–	–	–	–	–	–
Programme And Project Preparation Support Grant	–	–	70 890	65 970	67 294	67 294	68 877	72 950	77 263
Public Employment Program (NT PEP)	–	–	161 000	156 000	230 106	230 106	230 000	–	–
Regional Land Claims Commissioner	–	–	–	12 043	14 608	14 608	–	–	–
Provincial Government:	944 696	1 128 492	871 234	1 499 281	1 576 170	1 576 170	1 418 260	1 472 617	1 534 316
Cultural Affairs and Sport - Provincial Library Services	44 455	49 192	43 116	52 712	55 952	55 952	53 826	55 925	58 436
Cultural Affairs and Sport - Library Services: Transfer funding to enable City of Cape Town to procure periodicals and	5 150	5 338	5 338	5 338	5 338	5 338	5 658	5 839	6 306
Cultural Affairs and Sport - Provincial Others	–	–	–	–	396	396	–	–	–
Municipal Library Support	–	–	8 533	–	23	23	–	–	–
Human Settlements - Human Settlement Development Grant	286 311	196 080	172 930	318 630	378 328	378 328	326 437	331 900	363 400
Health - TB	31 445	27 380	41 026	33 546	31 237	31 237	31 363	54 295	63 094
Health - ARV	–	266 024	273 247	316 834	316 834	316 834	313 473	327 422	342 090
Health - Nutrition	5 465	5 692	3 289	6 832	6 832	6 832	5 909	6 068	6 232
Health - Vaccines	120 142	132 426	124 577	117 033	102 598	102 598	100 911	117 033	117 033
Comprehensive Health	263 243	–	–	210 841	201 585	201 585	204 129	173 489	173 489
LEAP	110 961	417 000	146 034	400 000	395 750	395 750	326 438	342 500	350 000
Transport and Public Works - Provision for persons with special needs	–	10 000	10 000	10 000	10 015	10 015	23 132	23 944	10 000
Community Safety - Law Enforcement Auxiliary Services	–	4 388	2 209	2 852	4 167	4 167	16 966	26 684	38 218
Community Development Workers	2 034	1 034	1 001	1 034	1 756	1 756	1 018	1 018	1 018
Finance Management Capacity Building Grant	380	300	250	–	–	–	–	–	–
Tourism Safety Law Enforcement Unit	4 153	3 608	1 834	–	–	–	–	–	–
Public Employment Program (Provincial PEP)	–	–	–	–	3 285	3 285	–	–	–
Public Transport Safety Grant	–	–	–	–	19 777	19 777	–	–	–
Schools Resource Officers	–	–	–	–	6 000	6 000	–	–	–
Establishment and Support K9 unit	2 300	2 530	–	1 000	1 000	1 000	–	–	–
Municipal accreditation and capacity building grant	14 721	7 500	7 500	10 000	10 000	10 000	7 500	5 000	5 000
Human Settlements -Informal Settlements	1 500	–	–	1 500	1 767	1 767	1 500	1 500	–
LG Public Employment Support Grant	–	–	17 600	–	–	–	–	–	–
Enhanced Extended Discount Benefit Scheme	25 206	–	–	–	–	–	–	–	–
Finance Management Support Grant	230	–	–	–	–	–	–	–	–
Municipal Land Transport Fund	27 000	–	–	–	–	–	–	–	–
K9 Unit	–	–	350	–	–	–	–	–	–
Title Deeds Restoration	–	–	12 400	11 129	23 529	23 529	–	–	–

Table continues on next page

Description	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand									
Other grant providers:	6 431	101	4 556	33 055	73 438	73 438	224 024	122 000	89 261
CMTF	–	–	–	3 000	6 100	6 100	5 920	6 537	4 665
CID	4 452	–	4 555	7 704	9 192	9 192	31 190	24 996	37 055
Century City	290	–	–	–	–	–	–	–	–
Westcott Primary School - Traffic Attendant	43	–	–	–	–	–	–	–	–
Rustenberg Junior Girls School - Traffic Attendant	43	–	–	–	–	–	–	–	–
V&A Waterfront: Traffic Officer	891	–	–	–	–	–	–	–	–
KFW- Technical Assistance (GDB)	–	–	–	20 000	–	–	2 000	53 000	38 000
Orio	–	–	–	2 310	–	–	–	–	–
Mayor's Relief fund	2	101	0	–	–	–	–	–	–
National Treasury - Interest	–	–	–	–	58 106	58 106	184 902	37 467	9 541
The Cape Academy for MST	–	–	–	41	41	41	13	–	–
Rockefeller Philanthropy Advisors Inc	710	–	–	–	–	–	–	–	–
Total Operating Transfers and Grants	4 762 523	5 463 389	5 176 593	6 260 172	6 383 866	6 383 866	6 809 560	6 958 864	7 410 322

1.4.1 Property (Tax) Rates (refer Annexure 2)

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

In terms of the amendments to the MPRA, the City is required to:

- Institute new rating categories;
- Align its rebates, reductions and exemptions to the amended legislation; and
- Implement the amendments of the MPRA and the new categories simultaneously with a new General Valuation which came into effect on 1 July 2019.

The City has 23 property categories in total.

Property rates are based on values indicated in the General Valuation Roll 2022 (GV2022) with the date of valuation being 1 July 2022.

The rate-in-the-Rand for Property Rates for the 2023/24 financial year is set out in Annexure 2.

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

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

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

The Water and Sanitation Consumptive Tariffs are levied to recover the costs of providing the services.

The proposed tariff increases are predominantly due to the water augmentation plan to ensure security of water supply, upgrades and extensions to the wastewater treatment plants, water demand management initiatives, ensuring the management of assets at appropriate levels, sustain and enhance the maintenance programs as well as supplying water and sanitation at appropriate compliance, capacity, skills, service delivery and responsiveness levels. This includes enhanced focus on the ageing sewer network infrastructure, upgrading of the sewer pump stations and measures to mitigate the impact of load-shedding.

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

The ensuing tables show the proposed tariffs for water and sanitation for the 2023/24 financial year.

Table 9 - Proposed water tariffs: Non-indigent

Category	Proposed Tariff 2023/24 Level 0	Proposed Tariff 2023/24 Level 1	Proposed Tariff 2023/24 Level 2	Proposed Tariff 2023/24 Level 3	Proposed Tariff 2023/24 Emergency
Rand per Kl (excl. VAT)					
DOMESTIC Full					
Fixed basic Charge (Assume meter size = 15mm)	71.07	71.07	71.07	71.07	71.07
Step 1 (0 ≤ 6kl)	18.34	18.92	19.92	23.90	29.32
Step 2 (>6 ≤ 10.5kl)	25.20	26.92	31.75	38.47	47.63
Step 3 (>10.5 ≤ 35kl)	34.25	38.22	48.00	58.35	72.48
Step 4 (>35kl)	63.20	83.91	119.39	240.81	414.99
DOMESTIC Cluster					
Fixed basic Charge (Assume meter size = 40mm)	507.63	507.63	507.63	507.63	507.63
Step 1 (0 ≤ 6kl)	18.34	18.92	19.92	23.90	29.32
Step 2 (>6 ≤ 10.5kl)	25.20	26.92	31.75	38.47	47.63
Step 3 (>10.5 ≤ 35kl)	34.25	38.22	48.00	58.35	72.48
Step 4 (>35kl)	63.20	83.91	119.39	240.81	414.99
COMMERCIAL (assumed meter size = 50mm)	793.17	793.17	793.17	793.17	414.99
COMMERCIAL	32.84	34.67	40.63	45.51	51.88
INDUSTRIAL (assumed meter size = 100mm)	3172.67	3172.67	3172.67	3172.67	3172.67
INDUSTRIAL	32.84	34.67	40.63	45.51	51.88

Table 10 - Proposed sanitation tariffs: Non-indigent

Category	Proposed Tariff 2023/24 Level 0	Proposed Tariff 2023/24 Level 1	Proposed Tariff 2023/24 Level 2	Proposed Tariff 2023/24 Level 3	Proposed Tariff 2023/24 Emergency
Rand per Kl (excl. VAT)					
DOMESTIC Full - Standard					
Step 1 (0 ≤ 4.2 kl)	16.12	16.62	17.52	20.33	23.41
Step 2 (>4.2 ≤ 7.35 kl)	22.15	23.66	27.90	34.27	41.84
Step 3 (>7.35 ≤ 24.5kl)	31.10	35.39	45.01	53.21	62.45
Step 4 (>24.5 ≤ 35kl)	48.92	63.69	94.20	119.13	149.52
DOMESTIC Cluster					
Step 1 (0 ≤ 4.2kl)	16.12	16.62	17.52	20.33	23.41
Step 2 (>4.2 ≤ 7.35 kl)	22.15	23.66	27.90	34.27	41.84
Step 3 (>7.35 ≤ 24.5kl)	31.10	35.39	45.01	53.21	62.45
Step 4 (>24.5 ≤ 35kl)	48.92	63.69	94.20	119.13	149.52
COMMERCIAL	29.51	31.14	34.18	38.13	41.90
INDUSTRIAL	29.51	31.14	34.18	38.13	41.90

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

Table 11 - Proposed water tariff (domestic consumption): Non-indigent

Monthly Consumption kl	Proposed amount payable 2023/24 (No Restriction) R (excl VAT)	Proposed amount payable 2023/24 (Level 1) R (excl VAT)	Proposed amount payable 2023/24 (Level 2) R (excl VAT)	Proposed amount payable 2023/24 (Level 3) R (excl VAT)	Proposed amount payable 2023/24 (Emergency) R (excl VAT)
Fixed basic charge *	71.07	71.07	71.07	71.07	71.07
6	181.67	185.25	191.56	215.67	248.49
10.5	296.38	308.01	336.77	391.64	466.40
20	621.75	671.10	792.77	945.97	1 154.96
35	1 149.38	1 266.31	1 547.00	1 908.70	2 406.38
50	2 097.38	2 524.96	3 337.85	5 520.85	8 631.23
80	3 993.38	5 042.26	6 919.55	12 745.15	21 080.93

* Assume meter size=15mm

Table 12 - Proposed sanitation tariff (domestic consumption): Non-indigent

Monthly Consumption kl	Proposed amount payable 2023/24 (No Restriction) R (excl VAT)	Proposed amount payable 2023/24 (Level 1) R (excl VAT)	Proposed amount payable 2023/24 (Level 2) R (excl VAT)	Proposed amount payable 2023/24 (Level 3) R (excl VAT)	Proposed amount payable 2023/24 (Emergency) R (excl VAT)
4.2	68.05	70.21	74.18	86.19	99.38
7.35	138.72	145.92	163.79	196.05	233.25
14	345.54	381.26	463.11	549.89	648.55
24.5	678.07	762.36	952.22	1 130.72	1 333.49
35	1 168.20	1 400.56	1 896.16	2 324.47	2 831.70

1.4.3 Urban Waste Management and impact of tariff increases (refer Annexure 4)

The Urban Waste Tariffs are levied to recover costs of services provided directly to customers and include refuse collection fees, disposal fees, compost sales, weighbridge fees and other ad hoc services.

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

The ensuing table shows the comparison between current and proposed waste removal fees for the 2023/24 financial year.

Table 13 - Comparison between current and proposed waste removal fees

SERVICES RENDERED	UNIT	REMARKS To be read in conjunction with Definitions (refer annexures)	VAT Yes/No	Current 2022/23 R excl. VAT	Proposed 2023/24 R excl. VAT	Increase R excl. VAT	Percentage change
Black lid 240L container service (R/blacklid) - Residential properties							
Basic container service: Residential collection based on a once-per week 240L service per household/service point in suburbs containerised.	Per month	Account to property owner. Basic container service (weekly service is 1x 240L Black lid container per week).	y	149.13	157.30	8.17	5.48%
Additional once-per-week 240L service (Black lid 240L)	Per additional 240 L container per month	Enhanced service level. (Additional service of 240L Black lid container(s) serviced on the same day as the normal weekly service. Per fixed agreement - not variable).	y	149.13	157.30	8.17	5.48%
Three times per week for cluster	per month	Account to property owner. Basic container service (weekly service is 3x 240L Black lid container per week).	y	447.30	471.91	24.61	5.50%
Five times per week for cluster	per month	Account to property owner. Basic container service (weekly service is 5x 240L Black lid container per week).	y	New	786.70	-	0.00%
Black lid 240L container service (R/blacklid) - Non-Residential properties							
240L container (1 per week)	Per month	Account to property owner. Container service delivered to non-residential areas (Weekly service is 1x 240L Black lid container per week.).	y	178.17	188.00	9.83	5.52%
240L container (3 per week)	Per month	Account to property owner. Container service thrice per week.	y	534.17	563.57	29.40	5.50%
240L container (5 per week)	Per month	Account to property owner. Container service five times per week.	y	890.52	939.48	48.96	5.50%
Refuse Availability - Vacant land							
Availability charge on vacant land	Per month	All vacant erven subjected to Availability Charge	y	88.35	93.22	4.87	5.51%
Disposal Services							
General Waste	Per metric ton or part thereof	Applicable to all disposal sites, transfer stations and compost plants	y	584.43	664.78	80.35	13.75%
Special/Hazardous waste	Per metric ton or part thereof	As determined by the site weighbridge. Applicable for disposal at Vissershok landfill only. Subject to prior permitting.	y	774.61	854.52	79.91	10.32%
Builders Rubble	Per metric ton or part thereof	Applicable to all Landfill Sites	y	24.17	26.70	2.53	10.47%

1.4.4 Sale of Electricity and Impact of tariff increases (refer Annexure 4)

The proposed revisions to the tariffs have been formulated in accordance with the City's Tariff and Rates Policy and comply with Section 74 of the Municipal Systems Act.

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

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

The ensuing table shows the comparison between current and proposed electricity charges (domestic consumption) the 2023/24 financial year.

Table 14 - Comparison between current and proposed electricity charges (domestic consumption)

Category	Unit	Steps	VAT yes/no	Current 2022/23 c/kWh (excl VAT)	Proposed 2023/24 c/kWh (excl VAT)	Difference (Increase)	Percentage change
Lifeline INCLUDING the FBE portion	Energy Charge (c/kWh)	0-350kWh	y	156.43	183.96	27.53	17.60%
		350- 600kWh	y	new	183.96	new	new
		600.1+ kWh	y	315.41	370.92	55.51	17.60%
Domestic	Energy Charge (c/kWh)	0-600kWh	y	259.39	305.04	45.65	17.60%
		600.1+ kWh	y	315.41	370.92	55.51	17.60%
Home User	Service Charge	Per Month	y	185.00	219.21	34.21	18.49%
	Energy Charge (c/kWh)	0-600kWh	y	228.56	268.33	39.78	17.40%
		600.1+ kWh	y	315.41	370.92	55.51	17.60%

Lifeline Customers: Improved tariff benefits

In acknowledging the burden associated with the steep energy increases on the most vulnerable, the City has responded by amending the block structure of the Lifeline tariff to provide support to the most vulnerable.

The first block of the Lifeline tariff has been increased from 350kWh to the first 600kWh purchased in any given month. This amendment will assist vulnerable households in that an additional 250 kWh electricity purchased will be at a reduced tariff of R1.84, compared to the threshold of 350 kWh for the 2022/23 financial year.

In addition, the qualifying property valuation criteria for Lifeline customers has also been increased to those with a municipal property valuation of up to and including R500 000; up from R400 000. In the current financial year Lifeline customers pay R1.56 per kWh up to a maximum of 350 kWh and thereafter R3.15.

The ensuing table quantifies the financial cost saving with the increased threshold.

2022/23 Financial Year (Two Tier Threshold)		2023/24 Financial Year (Two Tier Threshold)	
0 to 350 kWh (R1.56 excl VAT)	R546.00	0 to 350 kWh (R1.84 excl VAT)	R644.00
351 to 600 (R3.15 excl VAT)	R787.50	351 to 600 (R3.71 excl VAT)	R927.50
Total (excl VAT)	R1 333.50	Total (excl VAT)	R1 571.50
2022/23 Financial Year (Increased Threshold to 600kWh)		2023/24 Financial Year (Increased Threshold to 600kWh)	
0 to 600 kWh (R1.56 excl VAT)	R936.00	0 to 600 kWh (R1.84 excl VAT)	R1 104.00
Difference / Saving	R397.50	Difference / Saving	R467.50

From the above table it can be seen that for the current financial year based on the two tier Lifeline tariff, the customer pays R1 333.50 excluding VAT. If the threshold is increased to 600kWh as per the proposal for the 2023/24 financial year the Lifeline customer would pay R936.00 excluding VAT; an effective saving of R397.50 per month.

Similarly, if the same analysis is applied to the 2023/24 financial year, the proposed increase in the threshold will directly save the Lifeline customer an effective R467.50 a month, which translates into an annual saving of R5 610.00 per household.

Around 16 000 customers will continue to benefit from the increased threshold equating to a cost of R46,5 million. This is in addition to the free basic electricity provided to all customers in that category including qualifying indigent.

Furthermore, the Domestic tariff also sees a change to the qualifying criteria as a result of the changes to the Lifeline tariff, with the lower limit property valuation being raised from R400 000 to R500 000. No further structural changes are being proposed to this tariff, and both blocks are proposed to increase at 17.6%.

The Home User tariff remains applicable to all those with credit metering (including AMI), and those with prepayment metering and property values of R1 million and more. A small structural change is proposed where the Home User Service Charge is proposed to increase by 18.49% (from R185 a month excluding VAT to R219.21 per month excluding VAT), with a commensurate lower increase in the block 1 energy rate to compensate (17.4% increase).

The ensuing graph shows the electricity social support measures for lifeline customers in 2022/23 and 2023/24.

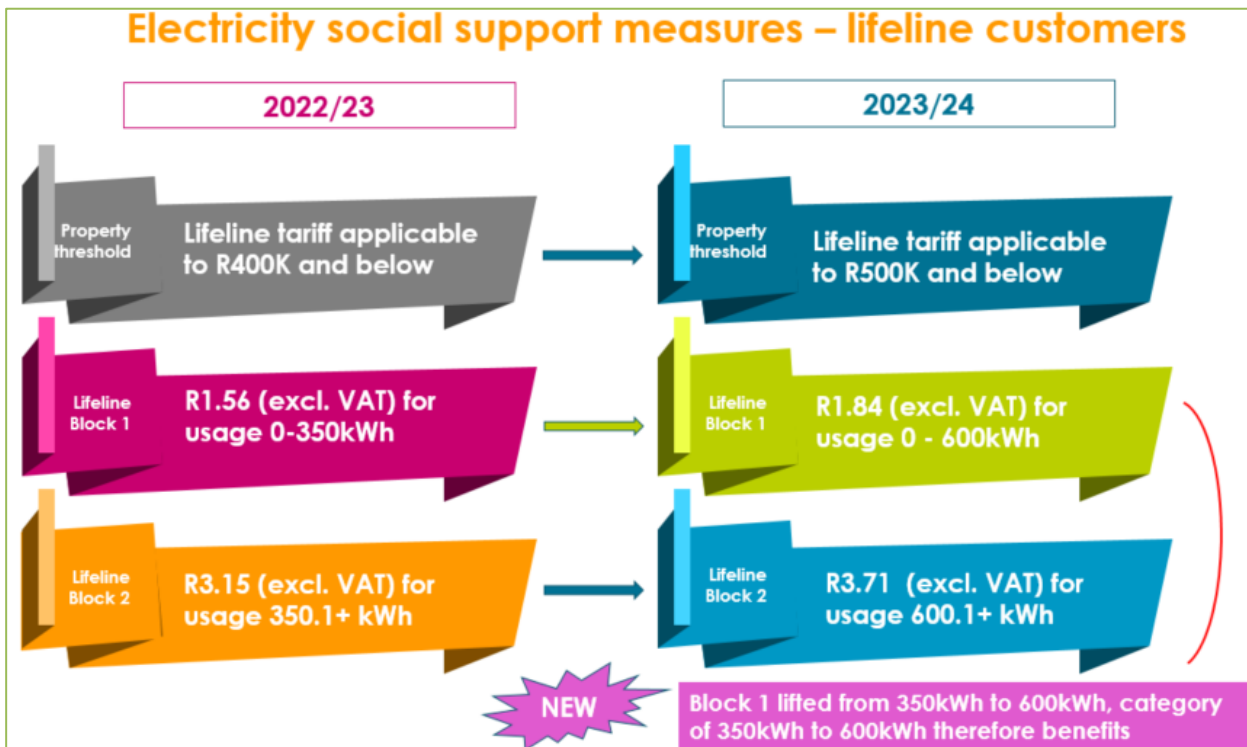


Figure 4 Electricity social support measures

Small Scale Energy Generators, distributed generators and the City Wheeling customers

The City applied to the Ministry: Finance for exemption, amongst other, from provisions of MFMA Section 33 when it purchases electricity from small-scale embedded generators, distributed generators and the City Wheeling customers.

The Ministry responded by suggesting that a public consultation process be incorporated as part of the City's IDP and budget process to alert the public of the intended project.

The purchase of electricity from customers will be managed via an Electricity Surplus Agreement signed with these customers. These contracts/agreements will impose financial obligation on the City for a period longer than the three (3) financial years covered in the 2023/24 MTREF.

The Electricity Surplus Agreement is attached as Annexure 40.

1.4.5 Overall impact of tariff increases on households

The following table shows the overall expected impact of tariff increases for a single 'middle income' household, a single 'affordable' household and a single 'indigent household receiving free basic services'.

Table 15 - Impact of tariff increases on households (MBRR Table SA14)

Description	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework			
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24 % incr.	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Rand/cent										
Monthly Account for Household - 'Middle Income Range'										
Rates and services charges:										
Property rates	185.00	192.33	201.00	211.47	211.47	211.47	(38.2%)	130.69	138.98	150.25
Electricity: Basic levy	–	–	–	–	–	–	–	–	–	–
Electricity: Consumption	2 163.34	2 267.82	2 573.54	2 817.98	2 817.98	2 817.98	17.6%	3 313.92	3 742.06	4 244.96
Water: Basic levy	56.00	58.52	61.45	65.44	65.44	65.44	8.6%	71.07	75.87	81.73
Water: Consumption	774.07	808.81	772.22	822.53	822.53	822.53	8.6%	893.18	953.64	1 027.40
Sanitation	495.69	518.07	486.99	518.65	518.65	518.65	8.6%	563.24	601.30	647.68
Refuse removal	132.61	137.22	142.00	149.13	149.13	149.13	5.5%	157.30	165.13	173.39
Other	–	–	–	–	–	–	–	–	–	–
sub-total	3 806.71	3 982.77	4 237.20	4 585.20	4 585.20	4 585.20	11.9%	5 129.39	5 676.98	6 325.41
VAT on Services	543.26	568.57	605.43	656.06	656.06	656.06	–	749.81	830.70	926.27
Total large household bill:	4 349.96	4 551.34	4 842.64	5 241.26	5 241.26	5 241.26	12.2%	5 879.20	6 507.68	7 251.68
% increase/-decrease		4.6%	6.4%	8.2%	–			12.2%	10.7%	11.4%
Monthly Account for Household - 'Affordable Range'										
Rates and services charges:										
Property rates	92.50	96.17	100.50	105.73	105.73	105.73	(75.3%)	26.14	27.80	30.05
Electricity: Basic levy	–	–	–	–	–	–	–	–	–	–
Electricity: Consumption	995.65	1 043.75	1 184.45	1 296.95	1 296.95	1 296.95	17.6%	1 525.20	1 722.25	1 953.70
Water: Basic levy	56.00	58.52	61.45	65.44	65.44	65.44	8.6%	71.07	75.87	81.73
Water: Consumption	623.44	651.44	624.17	664.83	664.83	664.83	8.6%	721.93	770.79	830.40
Sanitation	398.08	416.04	392.89	418.40	418.40	418.40	8.6%	454.40	485.10	522.53
Refuse removal	132.61	137.22	142.00	149.13	149.13	149.13	(20.9%)	117.94	123.85	130.04
Other	–	–	–	–	–	–	–	–	–	–
sub-total	2 298.28	2 403.14	2 505.46	2 700.48	2 700.48	2 700.48	8.0%	2 916.67	3 205.65	3 548.45
VAT on Services	330.87	346.05	360.74	389.21	389.21	389.21	–	433.58	476.68	527.76
Total small household bill:	2 629.15	2 749.19	2 866.20	3 089.70	3 089.70	3 089.70	8.4%	3 350.25	3 682.33	4 076.21
% increase/-decrease		4.6%	4.3%	7.8%	–			8.4%	9.9%	10.7%
Monthly Account for Household - 'Indigent' Household receiving free basic services										
Rates and services charges:										
Property rates	–	–	–	–	–	–	–	–	–	–
Electricity: Basic levy	–	–	–	–	–	–	–	–	–	–
Electricity: Consumption	390.29	409.14	464.30	508.40	508.40	508.40	17.6%	597.87	675.12	765.86
Water: Basic levy	–	–	–	–	–	–	–	–	–	–
Water: Consumption	289.15	303.49	–	–	–	–	–	–	–	–
Sanitation	185.47	196.79	–	–	–	–	–	–	–	–
Refuse removal	–	–	–	–	–	–	–	–	–	–
sub-total	864.91	909.42	464.30	508.40	508.40	508.40	17.6%	597.87	675.12	765.86
VAT on Services	129.74	136.41	69.64	76.26	76.26	76.26	2.6%	89.68	101.27	114.88
Total small household bill:	994.65	1 045.84	533.94	584.66	584.66	584.66	17.6%	687.55	776.39	880.74
% increase/-decrease		5.1%	(48.9%)	9.5%	–			17.6%	12.9%	13.4%

* Middle Income Range: Based on property value of R700 000, 1 000 kWh electricity and 30kl water

* Affordable Range: Based on property value of R500 000 and R700 000, 500 kWh electricity and 25kl water

* Indigent Household receiving free basic services: Based on property value of R 300 000, 350kWh electricity and 20kl water (25 kWh electricity, 15 kl water free, and 10.5kl sanitation services per month)

1.5 Operating Expenditure Framework

The City's expenditure for the 2023/24 budget and MTREF is informed by the Long Term Financial Plan (LTFP) theme of getting to a realistic, deliverable MTREF within a revenue envelope which is credible and affordable to its ratepayers, consumptive users and stakeholders. This strategy is discussed in detail in the *Overview of budget assumptions applied to the 2023/24 MTREF* section on page 101.

A differentiated budgeting approach, principles of cost containment, elimination of wasteful expenditure and reprioritisation of spending were some of the technical imperatives when preparing the 2023/24 MTREF.

Based on the 2021/22 outcomes/past year's performance the following budget principles were applied:

- A zero percent increase was applied to Operational costs, Contracted services, and Inventory consumed (excluding Water Inventory) for all directorates for the 3 years of the MTREF;
- A CPI increase for overtime was only afforded to the Safety & Security Directorate; and
- Differentiated parameters were applied to repairs and maintenance based on the nature of expenditure, the nature of service department, and previous performance.

In response to the SMF Operational Review and mayoral priorities towards driving the priorities and programmes in the IDP, an amount of R177,8 million was allocated to various directorates as reflected in the table below.

Directorate	Item Description	Salaries, Wages & Allowances (SWA)	Contracted Services	Materials & Other Expenditure	Total 2023/24
R Thousand					
Corporate Services	Business continuity for the current WhatsApp RFQ until tender is awarded	-	200	-	200
Community Services & Health	Addressing homelessness - 2 additional Safe Spaces	-	15 000	-	15 000
Community Services & Health	Addressing homelessness - Grant in aid to NGOs - bed space	-	5 000	-	5 000
Community Services & Health	Addressing homelessness - Reintegration of homeless to communities	-	2 000	-	2 000
Community Services & Health	Lawnmowing	-	15 500	-	15 500
Future Planning & Resilience	Staff - City App - Resident Mobile App project	-	2 000	-	2 000
Future Planning & Resilience	Data Strategy – Data Science	-	1 200	-	1 200
Future Planning & Resilience	Staff - Economic Appraisal - 3 Economists (Project Prep Support)	3 600	-	-	3 600
Human Settlements	No cost transfer programme	-	-	12 600	12 600
Safety & Security	LE: Staff - Admin to road and policing work	16 500	-	-	16 500
Safety & Security	Training college	13 900	-	-	13 900
Safety & Security	Cleaning and gardening service	-	10 000	-	10 000
Spatial Planning & Environment	Feasibility concept design studies for future coastal capital projects	-	14 900	-	14 900
Spatial Planning & Environment	Staff - Local Planning Support Office (LPSO)	15 000	-	-	15 000
Spatial Planning & Environment	Protection of Pelican Park land and Macassar dunes	-	14 400	-	14 400
Urban Mobility	Rail feasibility - Specialised project team establishment	4 500	-	-	4 500
Urban Mobility	10 most flood-prone areas	-	4 000	-	4 000
Water & Sanitation (Stormwater)	Flood Prone Areas	-	27 500	-	27 500
Total		53 500	111 700	12 600	177 800

A further R336 million was included in the 2023/24 operating budget to cater for tariff and other-funded (besides rates) services as supported by the Executive Mayor towards driving priorities and programmes as set out in the IDP. The detail of this allocation is indicated in the table below.

Directorate	Item Description	Salaries, Wages & Allowances (SWA)	Contracted Services	Materials & Other Expenditure	Total 2023/24
R Thousand					
Energy	Network Design and Operations - tariff	4 500	-	-	4 500
Energy	Separation of wires - tariff	7 200	-	-	7 200
Energy	Derms - tariff	6 000	-	-	6 000
Spatial Planning & Environment	Dredging and rehabilitation of vleis	-	40 500	-	40 500
Urban Mobility	Congestion Relief	-	8 000	-	8 000
Urban Mobility	Road maintenance (potholes)	-	100 000	-	100 000
Urban Waste Management	Refuse collection informal settlement	-	30 000	-	30 000
Urban Waste Management	Backyarders Programme	-	30 000	-	30 000
Urban Waste Management	Recycling at source – revenue collection shortfall	-	-	45 600	45 600
Water & Sanitation	Project and Contract Capacity - WWTP Upgrade	9 500	-	-	9 500
Water & Sanitation	Scoping/feasibility study - WWTP	-	5 000	-	5 000
Water & Sanitation	Capital & Contract Management support capacity	23 369	-	-	23 369
Water & Sanitation	Sewer Spillage - Cleaning of spillages	11 000	-	-	11 000
Water & Sanitation	Sewer: Pump station teams	16 000	-	-	16 000
Total		77 569	213 500	45 600	336 669

An amount of R157 million was also included in the 2023/24 operating budget, which relate to allocations stemming from requests supported by the Executive Mayor subsequent to the SMF Operational Review process. The detail of these allocations is indicated in the table below.

Directorate	Item Description	Salaries, Wages & Allowances (SWA)	Contracted Services	Total 2023/24
R Thousand				
Community Services & Health	Maintenance of regional parks	3 366	34 134	37 500
Economic Growth	Destination Marketing: Antartica campaign	-	750	750
Economic Growth	Provision for Greater Tygerberg Partnership for cleaning in Bellville CBD	-	8 000	8 000
Future Planning & Resilience	Communications - focused campaigns	-	11 700	11 700
Future Planning & Resilience	City-wide Work study intervention on work optimisation	-	20 000	20 000
Finance	Additional staff for supplementary valuations to bolster revenue rates base	7 500	-	7 500
Finance	Staff capacity in Procurement and Supplier Management - SCM	4 000	-	4 000
Corporate Services	Staff Capacity within Recruitment Selection department	20 000	-	20 000
Safety & Security	60 law enforcements & accompanying requirements	37 500	-	37 500
Safety & Security	Fire department restructuring	4 000	-	4 000
Spatial Planning & Environment	Staff requirements for dredging of vleis project	6 032	-	6 032
Total		82 398	74 584	156 982

The following table shows operating expenditure, classified by main type, over the 2023/24 MTREF.

Table 16 - Summary of operating expenditure by main type

Description	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Expenditure									
Employee related costs	12 775 413	15 108 022	15 255 905	17 322 933	17 311 121	17 310 832	18 392 798	19 392 775	20 582 942
Remuneration of councillors	167 521	166 417	165 163	176 133	181 120	181 120	190 901	199 491	208 468
Bulk purchases - electricity	9 317 868	9 718 558	11 561 609	12 350 900	12 350 900	12 350 900	14 099 100	16 926 356	19 743 055
Inventory consumed	1 703 335	1 584 652	5 785 358	5 214 789	5 566 362	5 572 900	5 949 840	6 286 232	6 720 486
Debt impairment	1 434 127	(391 698)	703 122	2 161 684	2 317 851	2 317 851	2 321 520	2 280 971	2 304 336
Depreciation and amortisation	2 921 723	2 863 255	3 056 503	3 208 222	3 270 102	3 270 102	3 493 165	3 760 659	4 021 175
Interest	814 407	831 478	776 622	862 999	751 615	751 925	945 367	1 468 609	2 262 777
Contracted services	6 710 842	7 195 014	7 734 377	8 572 922	8 866 635	8 872 866	9 313 712	9 502 740	9 787 717
Transfers and subsidies	453 464	401 555	406 842	391 480	437 745	437 745	371 815	340 171	375 439
Irrecoverable debts written off	1 369 915	3 246 349	2 139 714	155 225	155 225	155 225	150 304	150 304	150 304
Operational costs	2 210 367	2 339 410	2 442 207	2 927 064	2 877 033	2 864 241	3 302 869	3 445 909	3 630 492
Losses on disposal of Assets	17 659	7 057	13 948	856	754	755	754	754	754
Other Losses	67 329	90 189	603 290	451 840	475 827	475 827	559 781	559 781	558 648
Total Expenditure	39 963 970	43 160 260	50 644 660	53 797 047	54 562 291	54 562 291	59 091 926	64 314 751	70 346 593

Employee related costs amounts to R18 393 million in 2023/24, which equates to 31.1% of the total operating expenditure. The 2023/24 cost of living increase, as per the SALGBC wage agreement, is CPI % for 2023 as projected by the January Monetary Policy Committee (MPC) 2023, and amounts to 5.4%, which was used when calculating the 2023/24 staff budget.

The cost associated with the remuneration of councillors is determined by the Minister of Co-Operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). A 5.4% increase is provided in the City's 2023/24 budget.

Provision for Debt Impairment equates to R2 322 million in 2023/24 reducing to R2 304 million in 2025/26 based on projected collection rates as well as the City's Credit Control & Debt Collection policy.

Budgeted appropriations for Depreciation and Amortisation, which is linked to the capitalisation rate of assets, total R3 493 million for 2023/24. The calculation of depreciation on new capital expenditure is based on variables such as asset class and the lifespan of the asset depending on its nature. Depreciation of existing assets is calculated based on simulated financial system (SAP) data, which reflects actual values per annum. Assets under construction (AUC) are calculated based on asset class lifespan and projected capitalisation dates.

Interest consists primarily of the repayment of interest (cost of capital) on long-term borrowing. It equates to 1.6% (R945 million) of the 2023/24 operating expenditure (excluding redemption costs) and increases to R2 263 million in 2025/26. The increase over the 2023/24 MTREF is informed by existing and new loans that will be taken up to fund the City's capital programme and the projected interest loan service charges over this period.

Budgetary provision for Bulk Purchases - Electricity amounts to R14 099 million. This provision is for the purchase of electricity from Eskom and is influenced by the higher levels of load-shedding and consumer behaviour. In this regard, annual price increases have been factored into the budget appropriations, which in turn impacts on the tariff requirements for these tariff-based services.

Inventory consumed caters for sundry items such as the bulk water, fuel, materials for maintenance, cleaning materials and chemicals. This category is projected at R5 950 million in 2023/24 increasing to R6 720 million by 2025/26.

Contracted services expenditure component includes provisions for repairs and maintenance, and additional allocations for service delivery enhancements. Expenditure levels are projected at R9 314 million in 2023/24 escalating to R9 788 million in 2025/26.

Operational costs of R3 303 million, includes provisions for, inter alia:

- Commission Revenue Sharing – R120 million
- MIDS/CIDS (Special Rating Areas) - R354 million
- Software Licenses: Upgrade/Protection – R383 million
- Specialized Information Technology services – R330 million
- Electricity Costs – R222 million
- Indigent Relief: Electricity (Eskom) - R182 million
- Uniform & Protective Clothing - R125 million
- Levy: Skills Development - R127 million
- Bulk Water: Levy (Berg Water Project) – R75 million
- Operating Leases - R95 million

Below is a graphical breakdown of the main expenditure categories for 2023/24.

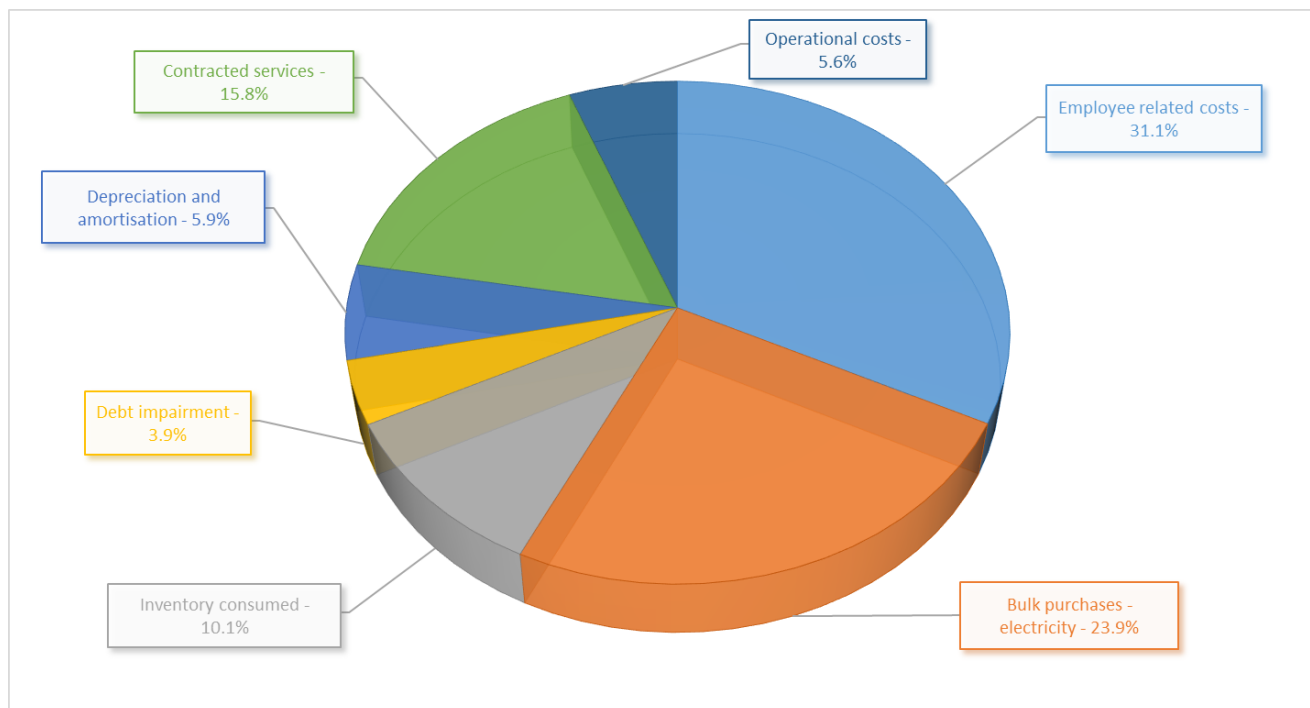


Figure 5 Main operational expenditure categories for the 2023/24 financial year

1.5.1 Priority given to Repairs & Maintenance

The City acknowledges its obligation to optimally preserve its extensive asset base and recognises current inherent backlogs in this regard. Repairs and maintenance growth is based on the previous year's actual expenditure, service delivery needs and efficiencies identified.

A CPI +1% growth was applied to the following directorates: Water & Sanitation; Urban Mobility; Human Settlements; and Community Services & Health.

A CPI growth was applied within the Corporate Services, Economic Growth, Urban Waste, Safety & Security and the Energy directorate. Zero growth was applied to the rest of the directorates/departments.

In terms of the MBRR, operational repairs and maintenance is not considered a direct expenditure driver but an outcome of other expenditure i.e. remuneration, inventory and contracted services. Considering these cost drivers, the ensuing table is a consolidation of the total expenditure associated with repairs and maintenance.

The repairs and maintenance allocation for 2023/24 is R5 483 million. The nominal allocations reflect the differentiated approach to repairs and maintenance of different line functions.

In addition, these allocations provide for the full cost absorption method applied to calculate labour unit price, and the increases in activity prices based on the total cost of employment (TCOE) of direct labour workers.

The ensuing table provides an overview of repairs and maintenance by expenditure type over the 2023/24 MTREF.

Table 17 - Operational repairs and maintenance

Description	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand									
Repairs and Maintenance by Expenditure Item									
Employee related costs	943 436	910 041	1 238 355	1 326 529	1 311 852	1 311 852	1 766 427	1 854 131	1 948 793
Inventory Consumed (Project Maintenance)	295 254	293 752	336 924	393 489	389 055	395 740	405 168	425 203	446 667
Contracted Services	2 354 973	2 306 942	2 711 646	2 791 960	3 018 993	3 012 173	3 024 041	3 176 956	3 354 692
Operational Costs	114 611	155 885	181 354	248 250	262 356	262 528	287 581	298 798	314 282
Total Repairs and Maintenance Expenditure	3 708 274	3 666 620	4 468 279	4 760 227	4 982 255	4 982 292	5 483 217	5 755 088	6 064 435

Repairs and maintenance by expenditure type for 2023/24 is graphically shown below.

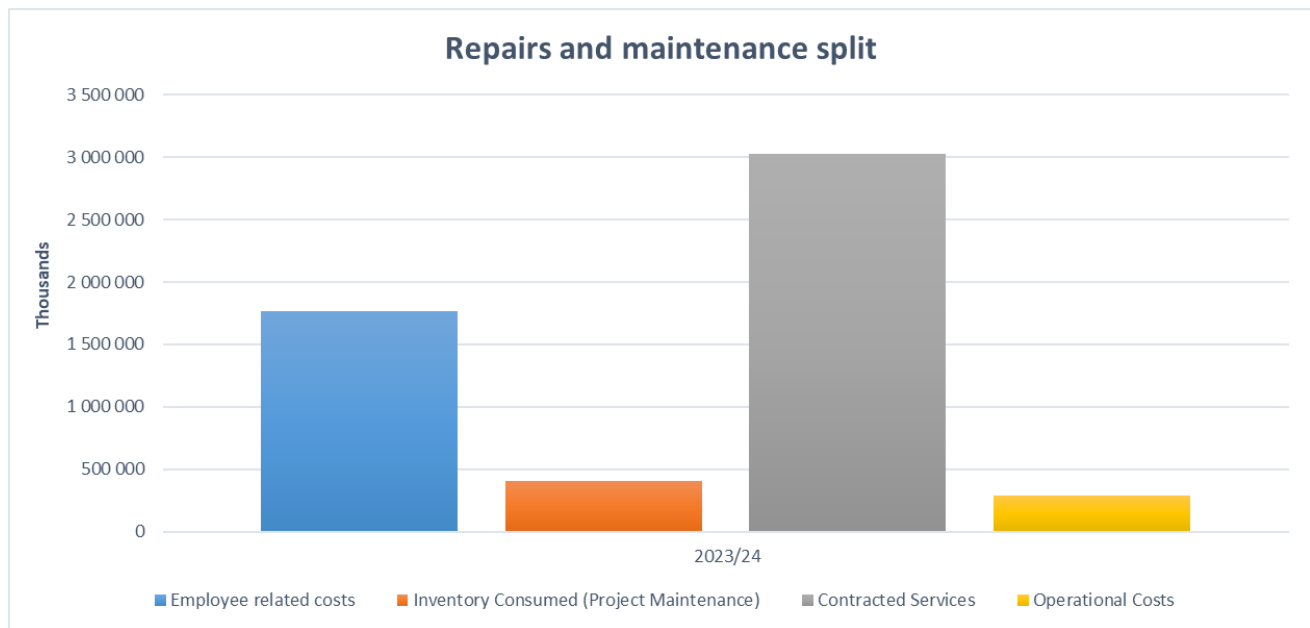


Figure 6 Repairs and Maintenance split

1.5.2 Free Basic Services: Basic Social Services Package

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

- Blanket approach: Based on the municipal value of the property; or
- Targeted approach: On application by those with limited income whose property values exceed set valuation levels; or
- Based on consumer behaviour i.e. usage.

a) Blanket Approach: Based on municipal value of the property

Utilisation of the blanket approach prevents the need to deal with around 192 500 applications (as per GV2022) who would potentially qualify if all had to apply on a periodic basis.

The challenge with this approach is that it applies to households irrespective of their ability to pay. However, the cost of providing the service using this method outweighs the benefit of not providing the free service. The benefit of the blanket approach is that it provides certainty and reduces the risk of fraud.

With the implementation of the GV2022 (effective 1 July 2023) and to assist the vulnerable, the City has lifted the property values from R300 000 to R450 000 where such properties are not liable for rates. The blanket approach provides for 100% rates rebates for properties valued at R450 000 and below.

Varying percentage rebates for refuse removal based on property values for properties between R1 and R650 000 are applied as follows:

Property Value	Rebate %
R1 to R450 000	100%
R450 001 – R500 000	50%
R500 001 – R650 000	25%

Property owners with property values of R500 000 and below are regarded as indigent and are eligible for free water and sanitation services with conditions as set out in the Tariff Policy. This also applies to Electricity i.e. property values up to R500 000 but with the conditions in the Tariff Policy and as prescribed in (c) below.

b) Targeted Approach: Based on household income

This method allows any resident who is required to pay for municipal services and whose gross monthly household income is R7 500 (previously R4 500) or below to register as indigent in order to receive the same benefits as if their property values were equal to or below R450 000 (previously R300 000) i.e. receiving 100% rebates on property rates and refuse removal.

The number of indigent registered at the end of April 2023 was 13 741. This number varies on a monthly basis as registration is valid for 12 months after which re-application is required.

The varying rebates of the previous years' i.e. 95% or 90% up to R7 500 is no longer applicable as the 100% limit was lifted to R7 500. The number of indigents in this category was 172 at the end of April 2023, however, with the rebates applicable for the 2023/24 financial year they will fall under the 100% category.

The senior citizen and disabled persons' rates rebates granted to qualifying applicants were lifted from gross monthly household income of R17 500 (previous year) to R22 000. For household income up to R7 500 (previously R4 500), the rates rebate is 100%, reducing gradually to 10% for income between R21 001 and R22 000 (previously R16 501 and R17 500). The number of beneficiaries in the existing categories was 30 692 at the end of April 2023. It is expected that the number of beneficiaries will increase with the increased lift in the household income limit.

c) Electricity: Based on consumer behaviour

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

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

The costs for the indigent support on charges for refuse removal, water and sanitation services, property rates and free electricity are partially financed by national government through the local government Equitable Share received in terms of the annual DoRA. The City, however, supplements this expenditure from property rates and tariff revenue.

To assist with the GV2022 impact, the threshold of property value has moved from R400 000 to R500 000. Measures to assist cushioning the impact of the Eskom tariff increase also include shifting the lifeline tariffs as follows:

- Block 1: 0-350kWh (no change)
- Block 2: 350.1-600kWh (reduction in tariff to equate to block 1 tariff)
- Block 3: 600.1 kWh (new block added)

Further detail relating to the number of households receiving free basic services, the cost of free basic services, highest level of free basic services as well as the revenue cost associated with the free basic services is reflected in Table 32 on page 79.

1.6 Capital Expenditure

1.6.1 Capital Funding Sources

The capital budget will be funded from the following major funding sources.

Table 18 - Capital budget funding sources

Major Capital Funding Sources R Thousand	Budget 2023/24
Capital Grants & Donations (CGD)	2 776 159
Capital Replacement Reserve (CRR)	1 262 279
External Financing Fund (EFF)	6 846 966
Revenue (Internal funding source)	102 285
Total	10 987 689

Capital Grants and Donations (CGD)

Capital Grants & Donations represent R2 776 million or 25.3% of the 2023/24 capital funding and consists largely of national- and provincial allocations. Of the R2 776 million that the City will receive in grants, R2 660 million or 95.8% will be from national government, while R30 million or 1.1% will be from provincial government. It should be noted that projects funded from national- and provincial government grants must conform to specific conditions as per the respective grant frameworks.

The various capital grants and donations expected over the MTREF are shown in the table below.

Table 19 - Capital grants and donations expected over the MTREF

Capital Grants and Donations R Thousand	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Minerals and Energy: Energy Efficiency and Demand Side Management Grant	8 100	8 100	7 100
National Treasury: Infrastructure Skills Development Grant	600	600	600
NT Interest: Other	593	155	418
National Treasury: Informal Settlements Upgrading Partnership Grant: Municipalities	477 260	498 693	519 662
National Treasury: Neighbourhood Development Partnership Grant	20 890	36 116	40 000
Transport: Public Transport Network Grant	458 960	411 408	456 959
National Treasury: Public Transport Network: Budget Facility for Infrastructure Grant	874 000	1 614 000	2 340 000
National Treasury: Urban Settlements Development Grant	820 414	825 347	877 425
Private Sector - CHIETA	13	-	-
Private Sector - Orio	26 424	68 065	86 888
Private Sector	58 700	65 000	70 306
Cultural Affairs and Sport: Library Services: Metro Library Grant	5 573	5 657	6 007
State Department :Other	70	-	-
Community Safety: Law Enforcement Advancement Plan	23 562	7 500	-
Western Cape Financial Management Capability Grant	1 000	-	-
Grand Total	2 776 159	3 540 641	4 405 366

The largest grant is the Public Transport Network Grant - Budget Facility for Infrastructure (PTNG-BFI), which is used for the IRT Phase 2A roll-out. The second biggest grant is the Urban Settlement Development Grant (USDG), which is a cross-cutting grant to supplement the capital revenue of municipalities for the implementation of infrastructure projects that promote equitable, integrated, productive, inclusive and sustainable urban development.

For purposes of the 2023/24 budget compilation, national allocations are based on the Division of Revenue Bill (B2-2023), dated 22 February 2023.

Provincial allocations are based on Provincial Gazette Extraordinary 8730 dated 14 March 2023.

Capital Replacement Reserve (CRR)

Funding from the CRR represents R1 262 million or 11.5% of the 2023/24 capital funding.

The ramping up of infrastructure construction in response to the IRT Phase 2A will gain significant momentum over the 2023/24 MTREF and beyond leading to the end of the programme in 2027. The City submitted a BFI funding application amounting to R7,1 billion to the National Treasury (NT) and National Department of Transport (NDOT) in 2017, which was approved by the Ministers Committee on the Budget (MinComBud).

The BFI was introduced by the NT as a policy instrument in support of delivering mega infrastructure projects from a funding perspective. The Division of Revenue Bill (B2-2023), dated 22 February 2023, aligns with the planned capital expenditure over the 2023/24 MTREF. Currently an amount of R165 million is allocated as bridging funding in 2024/25 ex CRR, in anticipation of the discretionary component of the first year of DORb which will be gazetted in February 2024. The City will review its funding approach as part of the budget process on an annual basis, and should the grant funding not materialise as envisaged by the Urban Mobility Directorate, the Directorate would be required to reduce the capital budget in that particular financial year.

The City will continue to make CRR funding available in 2023/24 in support of, inter alia, the following priorities:

- Traffic congestion relief programme - R89,5 million;
- Ward allocations - R64,5 million;
- Electricity generation and distribution equipment, electricity generation and distribution facilities, SCADA master station upgrade and systems, vehicles, street lighting, electrification, LED refurbishment, medium voltage infrastructure refurbishment, meter replacement etc. - R589 million;
- Cape Flats Aquifer Recharge - R115,8 million: Continuation of the managed injection of treated secondary effluent, into the Cape Flats Aquifer, to artificially recharge the aquifer and enable the City to sustainably abstract water from the aquifer. The abstracted water will be treated, before being injected into the potable water network and will optimise water resources to ensure water security for the future;
- EAM Heavy Vehicles within the Water & Sanitation Directorate - R7 million; and
- Vehicles: Replacement within the Urban Waste Management Directorate - R119 million.

External Financing Fund (EFF)

The most significant source of funding of the capital budget is the EFF, which amounts to R6 847 million and represents 62.3% of the total capital funding requirement in 2023/24.

The City will continue to invest substantially in its capital investment programme in order to assist with growing the local economy on a direct and indirect basis. The City reviewed its cash position in relation to its capital investment programme and will take up borrowings amounting to R6 500 million, with the balance (R347 million) funded from ring-fenced internal resources.

Revenue

The smallest source of funding of the capital budget is Revenue. It amounts to R102,3 million or 0.9% of the total proposed capital budget for 2023/24.

1.6.2 Infrastructure investment in the City

It is widely accepted that metropolitan cities are the growth instruments of the national- and local economy by way of providing for asset renewal/upgrade as well as investing in new infrastructure. One of the main tools at metropolitan cities' disposal is revenue parameters, which are set to take into consideration the requirement for appropriate funding of its capital budgets in order to implement infrastructure to support infrastructure-led economic growth.

At a local level, the City remains the driver of the economy in the Western Cape, is home to most people in the Western Cape and is the second largest metro by population numbers in South Africa. It is widely accepted that infrastructure investment is an enabler to stimulate economic growth, hence the City's commitment to invest in infrastructure.

The City's proposed capital expenditure will result in direct and indirect revenue generating assets.

In a municipal context, a revenue generating asset is an asset that will increase the revenue base of the municipality, for example, construction of bulk water infrastructure to a new suburb/township where the municipality will be able to bill and collect revenue. Direct revenue generating assets are generally service delivery linked assets within the municipality's trading services.

Indirect revenue generating assets, are the balance of capital expenditure-related assets and are associated with, for example, road infrastructure, halls, parks, ERP systems etc. The below graph shows that in the 2023/24 financial year, just over R5 600 million or 51.2% of the total proposed capital expenditure will acquire direct revenue generating assets, increasing steadily to R7 562 million or 54.1% in 2024/25, and just under R9 242 million or 51% in 2025/26.

The ensuing graph provides an indication of direct and indirect revenue generating assets over the MTREF.

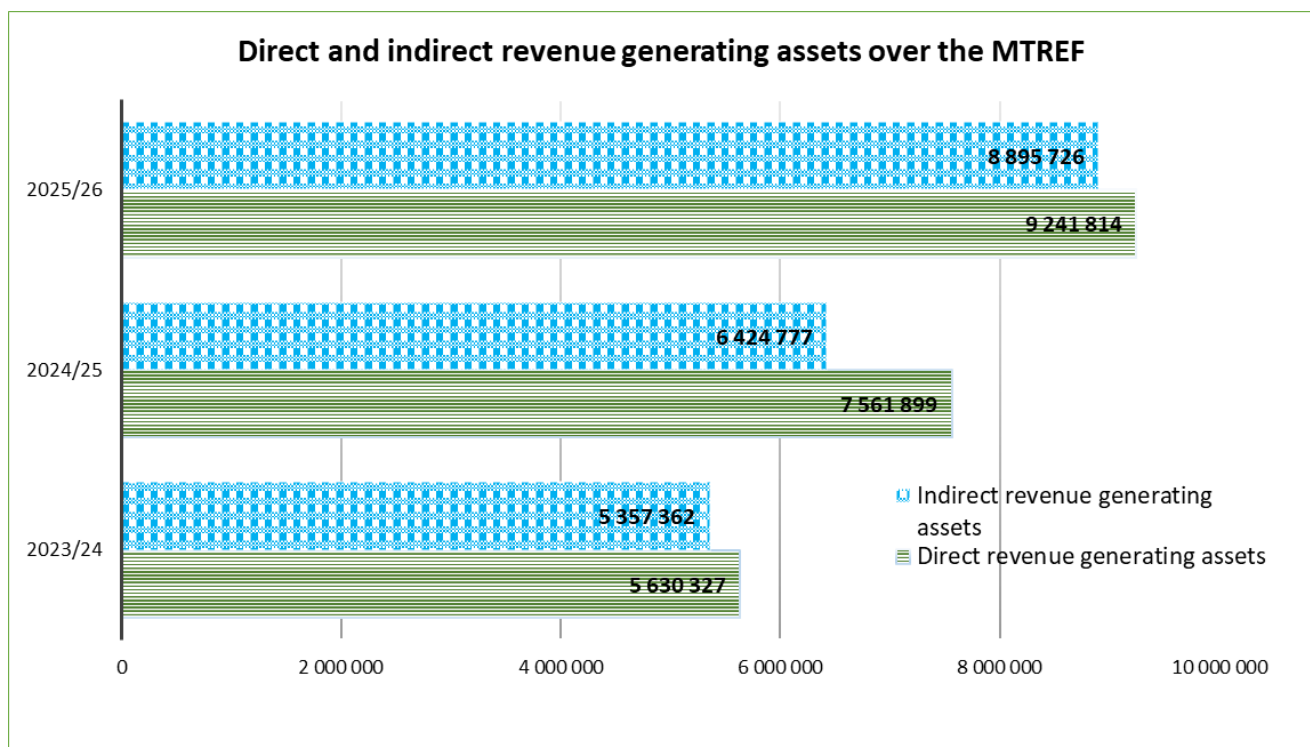


Figure 7 Direct and indirect revenue generating assets over the MTREF

The ensuing table clearly indicates that expenditure emphasis is still on those votes/directorates responsible for infrastructure development e.g. Water & Sanitation, Urban Mobility, Energy, Human Settlements, and Urban Waste Management.

The allocation to these votes (directorates) represents just over R8 919 million or 81.2% of the total budgetary allocation for 2023/24. The Water & Sanitation Directorate receives the largest allocation of R4 301 million (39.1% of the budget), the second highest allocation of R1 925 million (17.5%) is made to the Urban Mobility Directorate, followed by R1 198 million (10.9%) to the Energy Directorate, R781 million (7.1%) to the Human Settlements Directorate, and R714 million (6.5%) to the Urban Waste Management Directorate.

Table 20 - Capital budget per vote over the 2023/24 MTREF

Vote Description R thousand	Current Year 2022/23		2023/24 Medium Term Revenue & Expenditure Framework					
	Adjusted Budget	%	Budget Year 2023/24	%	Budget Year +1 2024/25	%	Budget Year +2 2025/26	%
Vote 1 - Community Services & Health	267 938	3.5%	450 869	4.1%	396 361	2.8%	417 105	2.3%
Vote 2 - Corporate Services	443 776	5.7%	621 779	5.7%	727 212	5.2%	2 372 964	13.1%
Vote 3 - Economic Growth	50 523	0.7%	91 520	0.8%	89 058	0.6%	107 625	0.6%
Vote 4 - Energy	1 074 183	13.9%	1 197 888	10.9%	1 294 821	9.3%	1 638 928	9.0%
Vote 5 - Finance	30 683	0.4%	62 282	0.6%	64 304	0.5%	70 990	0.4%
Vote 6 - Future Planning & Resilience	26 251	0.3%	19 253	0.2%	17 230	0.1%	7 930	0.0%
Vote 7 - Human Settlements	892 900	11.5%	780 455	7.1%	843 779	6.0%	867 673	4.8%
Vote 8 - Office of the City Manager	7 405	0.1%	11 467	0.1%	77 374	0.6%	1 442	0.0%
Vote 9 - Safety & Security	282 949	3.7%	443 515	4.0%	463 252	3.3%	397 639	2.2%
Vote 10 - Spatial Planning & Environment	264 290	3.4%	368 360	3.4%	420 417	3.0%	446 442	2.5%
Vote 11 - Urban Mobility	1 329 677	17.2%	1 925 365	17.5%	2 824 237	20.2%	3 574 735	19.7%
Vote 12 - Urban Waste Management	694 253	9.0%	713 655	6.5%	329 583	2.4%	462 203	2.5%
Vote 13 - Water & Sanitation	2 385 748	30.8%	4 301 283	39.1%	6 439 048	46.0%	7 771 863	42.8%
Total Capital Expenditure - Vote	7 750 575	100%	10 987 689	100%	13 986 676	100%	18 137 540	100%

The ensuing graph shows the capital budget per vote for 2023/24.

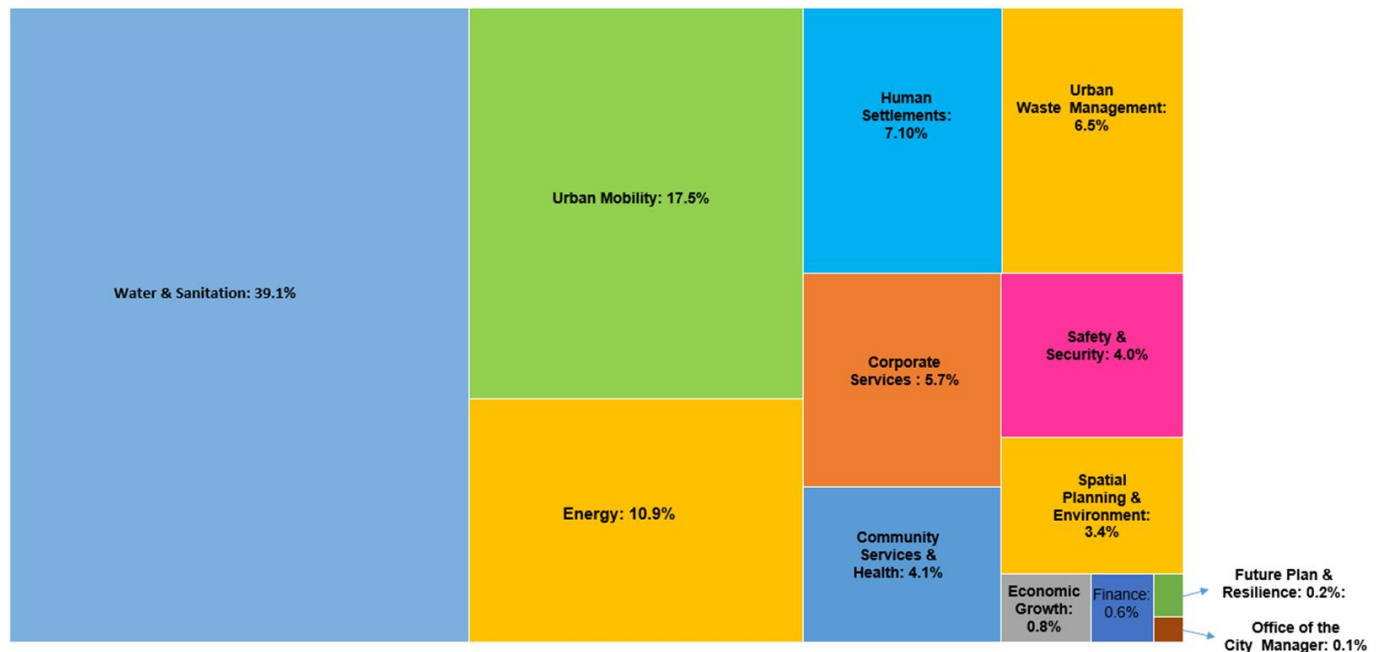


Figure 8 2023/24 capital budget per vote

Some of the highlights in the 2023/24 MTREF, as listed per directorate below, are:

- **Community Services & Health**

- Homeless accommodation extensions to address homelessness across the City, including additional bed space at homeless shelters (managed by NGOs): Kensington - R500 000 in 2023/24 and R8 million in 2024/25; Retreat - R8 million in 2023/24; and Street People Facilities development programme - R8,25 million in 2023/24 and R8 million for each of the outer years of the 2023/24 MTREF.
- Enhancement of local community sport facilities such as:
 - Velodrome Stadium Upgrade (R8,3 million in 2023/24 and R17,5 million in 2024/25);
 - Strandfontein Clubhouse Development (R10 million in 2023/24 and R5 million in 2024/25);
 - Wesbank Sports Field - Fencing (R4 million in 2023/24);
 - Pelican Heights Sports Grounds (R1,75 million in 2023/24); and
 - Turfhall Stadium - Floodlights (R3,2 million in 2023/24).
- Construction of new swimming pools and general upgrade of existing swimming pools across the City:
 - Strand Pool - replace heat pumps (R4,15 million);
 - Hanover Park Pool - rim flow replacement (R600 000);
 - Swimming Pool Redevelopment (R15 million); and
 - Swimming Pool Upgrade (R10 million).
- Installation of concrete walls at Khayelitsha, Florida Park - Bellville South, Salberau, Avonwood, and Lentegeur community sport grounds for enhancement and security - R48,7 million in 2023/24.
- Development of new and upgrade of existing cemeteries to cater for demand across the City - R14 million in 2023/24, R17 million in 2024/25 and R60 million in 2025/26.
- Development and upgrade of synthetic pitches:
 - Site B Khayelitsha - R8,25 million in 2023/24;
 - Ocean View Baseball Pitch - R250 000 in 2023/24 and R1,25 million respectively for 2024/25 and 2025/26
 - Synthetic Pitches city-wide - R3 million in 2023/24, R8 million in 2024/25 and 2025/26; and
- Ongoing investment into existing regional premier public parks in the City - R5 million in 2023/24, R6 million in 2024/25 and R8 million in 2025/26.
- City Health Clinics: National Core Standard - R12 million in 2023/24, R36 million in 2024/25 and R32 million in 2025/26.
- Upgrade of key coastal infrastructure that supports public access and recreation and protection of coastal ecosystems, such as:
 - Mnandi Beach Upgrade - R1,03 million in 2023/24, R225 000 in 2024/25 and R8,75 million in 2025/26;
 - Strandfontein Pavilion Refurbishment - R2,3 million in 2023/24, R680 000 in 2024/25 and R12,4 million in 2025/26; and
 - False Bay Coastal Conservancies Upgrade - R2,1 million in 2023/24, R300 000 in 2024/25 and R22,2 million in 2025/26.

- **Corporate Services**

- Broadband Infrastructure Programme (BIP) - R121,1 million in 2023/24, R88,2 million in 2024/25 and R39,5 million in 2025/26: Provision of a reliable and cost effective broadband telephony and DATA infrastructure, and service to all City facilities and staff. This infrastructure and services are core and will serve as the enabler to implement other essential applications and systems required to fulfil service delivery in the City. In addition, the aim is to maximise the value and benefit of the City's existing Broadband Infrastructure investment. The Broadband layers implemented will provide the bandwidth and connectivity needed for the City's business systems and act as an enabler for digital transformation.
- Customer Relations Management Software - R6,8 million in 2023/24, R43,5 million in 2024/25 and R26,9 million in 2025/26: To replace the City's current Customer Relationship Management (CRM) software system and is quite likely to provide improved C3 notification functionality.
- IT: Corporate Application Refresh Infrastructure (CAR) - R167,3 million in 2023/24, R272,5 million in 2024/25 and R2 003,1 million in 2025/26: Upgrade and replacement of all IT infrastructure hardware and systems (all-encompassing) required to operate the City's core applications. It will support doing the basics better and take service delivery into the digital age. CAR will contribute to the employment value chain over the next 10 years via the provision of implementing systems and processes such as recruitment and talent management systems to better attract and retain talent in the City. Furthermore, the foundational-, core operational and financial-, and edge technologies being implemented will help make engaging with the City easier for citizens and/or service providers/suppliers. These new systems will ensure that the City is compliant with all necessary financial regulations. The existing SAP system will reach the end of the original manufacturer support in December 2027 and it is therefore imperative that the systems are replaced.

- **Economic Growth**

- Informal Trading Permitting System (ITPS) Enhancement - R3,8 million in 2023/24: To complete what is already in process, including the development of the Mobile Inspection Solution and the e-Trading Plan Solution.
- Development of Gateway Market, Masiphumelele - R5 million in 2023/24, R2 million in 2024/25 and R300 000 in 2025/26: Phase 1 of the Masiphumelele informal trading area which will consist of nine lock-up kiosks and forty-five informal trading bays.
- Development of Mechanics Facility, Masiphumelele - R3 million in 2023/24, R5 million in 2024/25 and R500 000 in 2025/26: The detailed design for Phase 2 of the Masiphumelele informal trading area with at least five lock-up units and thirteen trading bays.

- **Energy**

- Ground Mounted PV - R15 million in 2023/24 and R139,57 million in 2024/25: The size of the encumbered land available for a solar farm is approximately 18 hectares, which would nominally support a solar farm of about 10MW (based on a yield of 1 MW/1.5 hectares). The City has set clean energy targets and carbon reduction targets in its IDP. This project has the potential to meet some of the 52MW of clean energy targets and will contribute to some reduction in overall carbon emissions associated with electricity generation. In addition, the project will contribute to energy security and energy diversification in the City.

- Photovoltaic installation in municipal buildings - R3,5 million in 2023/24: To install rooftop and ground-mounted solar PV systems at municipal facilities. It will improve the financial sustainability of the City by reducing electricity purchases from Eskom, thus mitigating Eskom's electricity tariff increases as well as increasing security of supply by providing an alternative energy supply to that of Eskom. Projects currently in progress:
 - Atlantis MyCiTi Bus Depot (208kWp);
 - Prestwich MyCiTi Bus Depot (208kWp);
 - Bloemhof Complex - Network Control Centre (153kWp); and
 - Water and Sanitation Headquarters (412kWp).
- Steenbras: Concrete ASR Remediation - R3,96 million in 2023/24, R4,73 million in 2024/25 and 2025/26; Steenbras: Refurbishment of Main Plant - R10,39 million in 2023/24, R1,94 million in 2024/25 and R1,93 million in 2025/26: Refurbishment of the Steenbras pumped storage power station in line with the most economically viable plant refurbishment and optimisation scenario that will deliver optimum hydraulic behaviour, an increased dynamic operating range, increased power output, increased efficiency and optimum residual life. The power station will contribute towards energy security within the City for a further 20-plus years by providing improved energy storage and load-shedding mitigation capability.
- Servicing of informal backyard structures - R100 000 in 2023/24 and 2024/25 and R500 000 in 2025/26; Electrification of Lavender Hill backyards - R2 million in 2023/24 and 2024/25: Installation of individual meters in households within informal settlements, reducing the risk of open fires and illegal connections, while restoring human dignity and quality of life.
- City-wide electrification, including areas such as Imizamo Yethu, Khikhi and Nomzamo, to ensure access to electricity – R21,3 million in 2023/24, R21,8 million in 2024/25 and R10 million in 2025/26.
- Street lighting and public lighting - R78,1 million in 2023/24, R77,28 million in 2024/25 and R73,23 million in 2025/26: To provide network extension across all three supply areas (North, South and East), as well as the Eskom's area of supply (Central) of the public lighting infrastructure where the area/road is eligible for lighting but none is present, or is sub-standard. It will also include the bulk replacement of existing street lighting luminaires with the more energy efficient LED lighting across the full geographical extent of the City by prioritising replacement of obsolete Mercury Vapour lamps where possible, followed by HPSV lamps starting with main thoroughfares before moving to minor roads. Replacement of approximately 2860 luminaires per year is targeted once the programme has matured and will continue until all the luminaires have been changed (over period of at least 24 years).

• Finance

- Upgrade Cash (MVR) Offices, and replacement and additional furniture and IT equipment (Revenue Department) – R6,29 million in 2023/24, R6,99 million in 2024/25 and R11,88 million in 2025/26: To process payment arrangements and indigent applications efficiently and improve customers experience.
- System Enhancement Programme - R18 million in 2023/24, R29 million in 2024/25 and R30,3 million in 2025/26: To upgrade the City's online platforms to allow customers to engage online including: Revenue Customer Centric e-Application; Real Estate FX Data Alignment; Business Partner Model; and Electronic Signature.
- Office- and training facilities upgrade at the Cape Town Stadium - R5 million in 2023/24 to generate future revenue as part of the commercial plan/model.

- **Human Settlements**

- Backyarder programme - R10 million for each of the three years of the MTREF and Water Management Dispensing - R9 million for each of the three years of the MTREF. Provision of plumbing infrastructure for water management dispensing devices to households living in backyards of City-owned rental housing properties. The Backyarder Implementation Programme provides basic services to backyard dwellers on City-owned rental properties.
- New projects will start and various projects will continue under the Breaking New Ground (BNG) programme, which will provide for bulk infrastructure and, once the top structures are built, will address the housing waiting list backlog and provide tenure to beneficiaries. Examples of these projects are:
 - Kanonkop Housing Project Phase 2 – R45 million in 2023/24 and R60 million in 2024/25: For the Integrated Housing Development of 2 502 sites at Kanonkop, Atlantis.
 - Macassar BNG Housing Project – R25 million in 2023/24, R17,9 million in 2024/25 and R22,7 million in 2025/26: Civil engineering services for the Macassar Housing Project in the form of bulk earthworks, stormwater, sewer, roads, electrification, etc. for approximately 2469 erven.
 - ACSA Symphony Housing Project - R28,23 million in 2023/24, R62,03 million in 2024/25 and R83 million in 2025/26: To provide approximately 3400 human settlement opportunities for three informal settlements i.e. Malawi Camp, Freedom Farm and Delft Symphony Way TRA (Blikkiesdorp). Once completed it will allow Airport Company South Africa (ACSA) to cater for the increased air-traffic growth by means of aeronautical expansion, including the realignment of the existing runway and ultimately the development of a second parallel runway.
 - Pelican Park Phase 2 Housing Project - R500 000 in 2023/24, R20 million in 2024/25 and R50 million in 2025/26 : Planning, design and construction of civil services for 1960 housing opportunities in Pelican Park.
 - Aloe Ridge Housing Project – R10 million in 2023/24 and R28 million in 2024/25: To address the need for housing and associated infrastructure in Mfuleni and surrounding communities. It will deliver civil and electrical infrastructure for Aloe Ridge housing project's serviced sites.
- Various projects to improve the living conditions of communities in other informal settlements by upgrading basic services' infrastructure:
 - Barney Molokwana, Khayelitsha - R2,22 million in 2023/24, R18,43 million in 2024/25 and R9,34 million in 2025/26: In-situ upgrading of infrastructure.
 - Bosasa Link, Mfuleni - R24 million in 2023/24 and R6 million in 2024/25: To develop 780 serviced sites.
 - Enkanini - R46,80 million in 2023/24, R36,52 million in 2024/25 and R87,48 million in 2025/26: Construction of 6500 serviced sites.
 - Mfuleni Ext 1, Blue Downs - R500 000 in 2023/24, R12 million in 2024/25 and R8,7 million in 2025/26: In-situ upgrading of infrastructure.
 - Village Heights Retreat - R6,25 million in 2023/24 and 2024/25: Provision of formal water and sewer connections to individual serviced sites, roads, walkways and street lighting, resulting in approximately 700 housing opportunities.
- Asset upgrades in the various areas - R95,65 million in 2023/24, R105,38 million in 2024/25 and R92,85 million in 2025/26: Refurbishment of City rental units, which is part of a broader asset management programme aimed at establishing a more sustainable approach to the management of the City's housing rental stock. It will include replacement of plumbing components, electrical reticulation, external staircases, civil works, roofing, window replacements etc.

- **Safety & Security**

- Dashboard Cameras - R12,57 million in 2023/24, R26,62 million in 2024/25 and R29,28 million in 2025/26: To record video from within vehicles to assist with officer safety and to gather evidence. These cameras will also have automatic number-plate recognition (ANPR) benefits, and will assist officers to identify any vehicle on the watch list at any time. For the 2023/24 year, the deployment includes 300 dashboard cameras.
- Body Cameras - R15 million in 2023/24, R16,5 million in 2024/25, R18,15 million in 2025/26: These cameras will offer the value of traditional body cameras, specifically creating evidence of action taken by citizens/the officer and is often referred to as the independent witness benefit. For the 2023/24 year, the deployment includes 800 body cameras.
- Remotely Piloted Aircraft Systems (RPAS) Hardware and Software (Drones) - R5 million in 2023/24, R2,2 million in 2024/25 and R12,8 million in 2025/26: Two-fold project, which includes expert consultants to assist in securing the City's Remote Operating Certificate for the purchase of drones and associated equipment. The drone technology will assist in providing critical information to the policing and emergency services allowing them to make the best possible decisions when dealing with incidents and emergencies.
- Small Arms Training Simulator - R6 million in 2023/24: Interactive training that will improve marksmanship and tactical judgment to deal with a variety of situations and in so doing increase public safety.
- New Training College for Metro Police - R6 million in 2023/24, R4,35 million in 2024/25 and R58,16 million in 2025/26: To assist in making Cape Town safer by training and deploying hundreds of additional law enforcement officers as well as training existing members, which will result in additional boots on the ground to reduce crime in affected areas.
- CCTV/LPR Cameras - R48 million in 2023/24: Enhancement of the current CCTV footprint across the City and provision of capacity to monitor areas from a central location, detect instances that require attention, assist with traffic management and by-law infringements, fire detection, medical assistance, overall management of the area, enhance service delivery and resolve incidence swiftly. These cameras will be utilised as a force-multiplier and will ensure that safety and security resources are deployed efficiently.
- 24 Hour Operationalisation of Metro Police - R19,95 million in 2023/24: Procurement of vehicles, firearms, computers, radios, and laptops for additional staff being employed [60 Constables, 9 command staff (a mix of sergeants and superintendents) and 5 admin support staff (inclusive of data analysts) to support this additional intake].

- **Spatial Planning & Environment**

- Certain interventions on coastal structures rehabilitation:
 - Monwabisi Beach Precinct Upgrade - R2,3 million in 2023/24, R1,3 million in 2024/25 and R42,4 million in 2025/26: Demolition of derelict buildings and construction of high quality amenities to accommodate ablution-, lifesaving-, law enforcement- and first aid facilities. New- and refurbished walkways and other hard surfacing, parking areas, recreational lawns, play areas, and interface with the tidal pool. Management of wind-blown sand and upgrade of the tidal pool is also planned. Once completed it will improve recreation and tourism, and provide a high quality coastal node and destination for the residents of Khayelitsha and other neighbouring suburbs.

- Muizenberg Beach Front Upgrade - R860 983 in 2023/24, R51,34 million in 2024/25 and R76,38 million in 2025/26: Rehabilitation and upgrade of the coastal public infrastructure and services along the Muizenberg Beachfront including:
 - Construction of a new coastal defence structure (approx. 400 metres);
 - Formalise parking area adjacent to the railway line and enlarge the parking area south of the pavilion (approx. 3500 m²);
 - Construction of a new ablution facility;
 - Construction of a new playground at Surfers' Corner (approx. 700 m²); and
 - Refurbishment of paved areas (approx. 8000 m²) and incorporating soft landscaping (approx. 3600 m²).
- Small Bay Sea Wall Upgrade - R19,77 million in 2023/23 and R14,71 million in 2024/25: Construct a robust seawall that will last a minimum of 50 years in order to protect adjacent infrastructure and services while preventing any long-term (100 years+) negative impact on the coastline. It will comprise of:
 - Demolishing existing seawall and construction of a new seawall (approx. 200 metres);
 - Reconstructing roadworks adjacent to the new sea wall (including demolition of existing layers, construction of pavement layers and concrete pavement) (approx. 145 metres; and
 - Relocation of adjacent sewer main (approx. 250 metres).
- Strand Sea Wall Upgrade - R1,23 million in 2023/24, R55,13 million in 2024/25 and R68,46 million in 2025/26: This second phase (extending from the pavilion towards Greenways) is presently in detail design phase and planned to be completed in 2026 and will include:
 - Construction of a new sea wall (approx. 700 metres);
 - Extension the length of existing rock revetment (approx. 80 metres);
 - Construction of a new promenade (approx. 950 metres);
 - Re-routing of existing services next to sea wall (approx. 950 metres);
 - Construction of two new beach access ramps and four beach access stairs; and
 - Refurbishment of landside kerbs, stormwater channels and outlets along the sea wall.
- Table View Beachfront Upgrade - R61,07 million in 2023/24 and R67,82 million in 2024/25, which will include:
 - Rehabilitation of the dune cordon to reduce the impact of wind-blown sand on adjacent infrastructure and provide a soft interface between beach and infrastructure in order to buffer from coastal processes (3km stretch along the coastline);
 - Refurbishment of all derelict infrastructure and abutting services (3km stretch along the coastline, approx. 30 000 m²);
 - Refurbishment of all amenity facilities such as parking areas, pedestrian access points ablutions and recreational facilities (upgrade 1 existing ablution, construct 2 new ablution facilities);
 - Construction of a continuous 4m wide walkway from White Waters to KFC parking area (approx. 2km long) to be located between the dune cordon and the parking areas seawards of Otto du Plessis Road;
 - Reconfiguration of existing parking areas seaside of Otto Du Plessis Road;
 - Extension of existing parking bays along the service road (Beach Boulevard) including a 2.5m wide sidewalk adjacent to the extended parking bays;
 - Construction of a new parking area along Marine Drive (South of Marine Circle);
 - Reconfiguration of pedestrian crossings; and
 - Introduction of traffic calming measures on Beach Boulevard.

- Weed Harvester at Rietvlei - R17 million in 2023/24: For removal of invasive aquatic weeds that grow as a result of the high nutrient content of the water due to sewerage spills into the waterbody. This will improve the management of existing vleis including improving the water quality and ensuring that the public can enjoy the different recreational water activities e.g. swimming, fishing, boating etc.
- Lowering of the Zeekoei Weir - R700 000 in 2023/24, R5,5 million in 2024/25 and R43 million in 2025/26: To ensure a healthy urban environment by substantially improving the water quality of the inland water bodies ('ambient water quality'), which will improve the quality of life for the residents of Cape Town.
- Upgrade Khayelitsha Training Centre - R25 million in 2023/24 and R15 million in 2024/25: For the upgrade of the Khayelitsha Training Centre (KTC), which involves the replacement of the roof structure, doors, windows, upgrade of electricity, hard surfacing, plumbing and repairing of drainage system (toilets and kitchens), and completion of fencing.
- Mfuleni Hives Rehabilitation - R1,5 million in 2023/24, R10 million in 2024/25 and R14,57 million in 2025/26: The project is part of the development and upgrade programme to improve debilitated City facilities and infrastructure and to ensure business improvement in the precinct.
- Informal Trade & Associated Infrastructure Upgrade Site C - R1,7 million in 2023/24, R9,5 million in 2024/25 and R20 million in 2025/26: Upgrade of informal trading and associated infrastructure at Nolungile Precinct, which will include alterations, additions and replacement of prefab and container structures at the existing facilities at Blue Hall Precinct, Site C, Khayelitsha.
- The project seeks to provide additional offices, office space for various NGOs, government agencies and small business that are currently operating in the precinct and providing services to the community. These upgrades will also provide offices for the City's law enforcement agencies and disaster management officials deployed in the area but accommodated in Kuilsriver, which is 16km away.

- **Urban Mobility**

- MyCiTi service including Phase2A, IRT station re-build, Fare collection system and Control centre and bus refurbishment - R1 123,59 million in 2023/24, R1 926,74 million in 2024/25 and R2 560,66 million in 2025/26: Some of the projects are:
 - IRT Ph2A: Depot Building Works at Mitchell's Plain and Khayelitsha;
 - Construct Phase 2A IRT Infrastructure along Govan Mbeki Road (M9) from Heinz to west of NY72 Road;
 - Construct Phase 2A IRT Infrastructure along Govan Mbeki Road (M9) from west of NY72 Road to east of Klipfontein Road;
 - Construct Phase 2A IRT Infrastructure along Stock Road and AZ Berman Drive (M36) from north of Nduli Road to Wespoort Drive; and
 - Construct Phase 2A IRT Infrastructure along Govan Mbeki Road between Lansdowne Road and Heinz Road.
- Congestion Relief programme - R166,5 million in 2023/24, R166,3 million in 2024/25 and R211 million in 2025/26: Some of the projects are:
 - Congestion Relief - Erica Drive;
 - Dualling of Bottelary Road Amandel Saxdown;
 - Dualling: Main Road 27 to Altena Road;
 - Dualling: Jip De Jager: Kommissaris - Van Riebeecksshof;
 - Intersection Upgrade: De Waal Road and Main Road;
 - Kommetjie Road Dualling (Phase 3);

- M3 Corridor: Hospital Bend - Constantia Main Road;
- Road Construction: Saxdowns Road: Langverwacht to Van Riebeeck;
- Road Dualling: Berkley Road: M5 to Ryger Street;
- Road Upgrade: Amandel Road: Bottelary River to Church; and
- Road Upgrade: Voortrekker Road: Salt River Circle to Jakes Gerwel Drive.
- Rehabilitation of Jakes Gerwel, Frans Conradie to Viking - R16,3 million in 2023/24 and R88,4 million in 2024/25, and Welteverden Bridge to Highlands - R12,35 million in 2023/24, R700 000 in 2024/25 and R20,1 million in 2025/26: The rehabilitation of this section of road will see the redesign and reconstruction of the pavement layers. The length of the rehabilitation will be over approx. 2.8km (The exact measurements will be confirmed at the final design phase.)
- Road Rehabilitation in Bishop Lavis - R44,17 million in 2023/24 and R20,16 million in 2024/25, and Kalksteenfontein - R18,8 million in 2023/24: This rehabilitation will see the improvement of the safety of the roads as many of the roads in these areas are in need of upgrading due to age and road condition. Some of these roads are important taxi routes to various destinations.
- Reconstruction of Tafelberg Road, Cape Town - R48 million in 2023/24 and R10 million in 2024/25: The rehabilitation of this section of road will see the redesign and reconstruction of the pavement layers with selected improvements to the current road. Tafelberg Road is the only route to get to the iconic Table Mountain cable car, which is frequented by thousands of tourist annually.
- Road Rehabilitation: Southern Area Concrete Roads - R500 000 in 2023/24, R13,33 million in 2024/25 and R40 million in 2025/26: To rehabilitate old concrete roads using the 'crack and seat' method. This will address the issues around badly constructed concrete roads in the Southern Area.
- **Urban Waste Management**
 - Vissershok North: Design and develop Airspace - R121,3 million in 2023/24 and R6,2 million in 2024/25: To ensure that sufficient airspace is available in order to redirect waste, which cannot be recycled or re-used.
 - Replacement Shipping Containers - R1 million in 2023/24 and R2,5 million in 2024/25 and 2025/26: To ensure that the approximately 280 000 dwellings in informal settlements receive an uninterrupted door-to-door refuse collections service.
 - Replacement Plant and Vehicles - R299 million in 2023/24, R180 million in 2024/25 and R180 million in 2025/26: The Plant is critical to the operations of various disposal facilities while various types of vehicles are required to ensure services are maintained with regard to refuse collection, street sweeping, illegal dumping etc.
 - Coastal Park: Design and develop material recovery facility - R185,67 million in 2023/24 and R500 000 in 2024/25: For a separation at source recycling service from which recyclables will be taken to a material recovery facility for separation by a recycler and processed thereby reducing waste ending up on landfill sites.
 - Coastal Park: Landfill Gas Infrastructure(LFG) to Flaring as well as Vissershok: LFG Infrastructure to Flaring - R5 million per annum over the MTREF: Channelling of methane gas via a pipeline to a central point from which future electricity generating infrastructure will be linked in the next phase of the project.

- **Water & Sanitation**

- The capacity at some of the City's Wastewater Treatment Works (WWTW) has been sighted in the past as hampering developments in certain areas of the City. Work planned over the MTREF period and beyond at these WWTW will increase the capacity of the works, allowing the provision of further sanitation services in the catchment area. The upgrades and refurbishments will also increase the plants performance and treatment capacity to ensure compliance with required discharge limits and, in certain instances, will also contribute to ending pollution of the natural waterways and water bodies. These WWTW are:
 - Athlone WWTW - Capacity Extension-phase 1 - R139,1 million in 2023/24, R113,5 million in 2024/25 and R27,8 million in 2025/26: This will include the construction of civil infrastructure to accommodate the installation of mechanical blowers. The blowers are required to provide aeration to support the chemical processes within wastewater treatment to increase the potential to produce a better quality effluent for discharge as well as opening up development opportunities in the catchment area.
 - Cape Flats WWTW - Biosolids - R20 million in 2023/24, R223 million in 2024/25 and R475 million in 2025/26: To construct the Southern Biosolids Beneficiating Facility at the Cape Flats WWTW, where advanced treatment will be done onsite and imported sludge (bio solids) will be stored to reduce sludge volumes and improve sludge quality. The project will assist in meeting the City's responsibility to treat and dispose of waste in ways that comply with legislation, protect the environment and improve the City's image especially within environmentally sensitive areas.
 - Cape Flats WWTW Inlet works and rising mains - R8,2 million in 2023/24, R106 million in 2024/25 and R286 million in 2025/26: This includes the construction of a new 200 megalitre per day inlet works including odour and gas control, demolition of the existing inlet, rehabilitation of the existing access road and associated civil services.
 - Wildevoolvlei WWTW - Upgrade dewatering - R7,1 million in 2023/24, R82,4 million in 2024/25 and R82,4 million in 2025/26: It includes the installation of additional belt press and associated equipment for dewatering.
 - Zandvliet WWTW: Prim Treatment and Sludge - R34,4 million in 2023/24: For the 18 megalitre per day capacity extension and refurbishment of the existing Zandvliet Wastewater Treatment Works. It will improve the quality of final effluent to a significantly high standard and will form the source water to the Faure new water scheme as well as open up development opportunities in the catchment area.
 - Macassar WWTW Extension - R14,2 million in 2023/24, R539,4 million in 2024/25 and R1 262,7 million in 2025/26: This will achieve a 32 megalitre per day capacity extension and refurbishment of the existing Macassar Wastewater Treatment Works.
 - Potsdam WWTW - Extension - R1 354,7 million in 2023/24, R1 659,7 million in 2024/25 and R1 454 million in 2025/26: This will achieve a 53 megalitre per day capacity extension and refurbishment of the existing Potsdam Wastewater Treatment Works.
- Investment in sewer reticulation infrastructure will include the following:
 - Cape Flats Rehabilitation - R206,3 million in 2023/24 and R80,3 million in 2024/25: This project entails the rehabilitation of the old twin Cape Flats Bulk sewers starting at Bridgetown pump station and terminating in Cape Flats WWTW. Most of the Cape Flats areas such as Athlone, Bridgetown, and Gugulethu will benefit from this project.

- Philippi Collector Sewer - R43 million in 2024/25, R128,2 million in 2024/25 and R294,3 million in 2025/26: The infrastructure investment would comprise of approximately 10.6km of new gravity sewer pipeline with associated manholes, grit trap structures etc. In addition to the main collector sewer, a number of existing secondary sewers that currently drain into the existing collector sewer will be diverted and connected to the new/upgraded collector sewer. The rehabilitation of some of the existing sewer pipes will also accommodate existing and future developments and significantly reduce the breakdowns and blockages currently experienced on the sewer.
- Gordon's Bay Sewer Rising Main - R51,1 million in 2023/24, R62,7 million in 2024/25 and R15,7 million in 2025/26: The construction of a regional sewer pump station located adjacent to the Gordon's Bay WWTW and a corresponding 8km, 700mm diameter rising main. The sewage will be transported from the Gordon's Bay WWTW to the Sir Lowry's Pass Outfall sewer from where it will ultimately be conveyed to the Macassar WWTW for treatment and disposal. With significant growth expected in the Gordon's Bay area, the existing Gordon's Bay WWTW and Trappies gravity sewer, will not have sufficient capacity to accommodate the increased sewage inflows to the works, hence this infrastructure investment. The construction of the pump station and rising main will alleviate the risk of sewer spillages at the Gordon's Bay WWTW and ensure that future development in Gordon's Bay and Firlands can be accommodated.
- Bulk Reticulation Sewers in Milnerton Rehabilitation - R217,8 million in 2023/24, R101,7 million in 2024/25 and R80,5 million in 2025/26: The construction of a new bulk outfall sewer in Montague Gardens, construction of a sand trap and mechanical screening facility at Koeberg Road Pump Station and rehabilitation of the existing bulk sewer in Montague Drive in Montague Gardens. The existing Montague Drive Sewer is currently operating at full capacity and cannot accommodate the planned development within its catchment area. The existing bulk sewer is also highly deteriorated due to sulphuric acid corrosion and therefore needs rehabilitation/replacement. Sewer collapses on the Montague Drive Bulk Sewer is high risk for the City due to the bulk sewer's location underneath the Montague Drive roadway. Non- sewerage objects and sediment transported to the Koeberg Road Pump Station sump results in pump breakdowns and ultimately pump station failure, which results in sewer spills into the Rietvlei Estuary. A sand trap and screening facility prior to the Koeberg Road Pump Station, will reduce the amount of non-sewerage objects and sediment from entering the pump station sump.
- Gordons Bay Beach Front Sewer Phase 2 - R5 million in 2023/24, R7,4 million in 2024/25 and R92 million in 2025/26: Construction of new pump station and sewer rising main from Waterway Avenue, along Dennehof Road to Broadlands Avenue to prevent the high risk of sewer overflows into the harbour Island development and will allow for a mechanical screen and sand trap.
- Replace Sewer Network (Citywide) - R246,6 million in 2023/24, R305 million in 2024/25, R300 million in 2025/26: To replace sewer pipes that have reached the end of its useful life. This project will prevent the high risk of sewer overflows and spillages of hazardous effluent into the environment and have a targeted sewer pipe replacement of 100km per annum.
- To mitigate the impact of long periods of load-shedding, the City will invest the following with regard to the installation of generators at:
 - Various sewer pump stations in order to prevent spillages of hazardous material - R32,96 million in 2023/24, R49,1 million in 2024/25, R22,8 million in 2025/26; and
 - Various water pump stations in order to secure supply of potable water in areas of higher altitude – R46,2 million in 2023/24.

- Replace Water Network (Citywide) - R92,9 million in 2023/24, R79,6 million in 2024/25 and R87,8 million in 2025/26: To replace existing aged and damaged water reticulation infrastructure and will include pipe networks of 110mm to 300mm in diameter and will target 50km pipe replacement per annum.
- Provision of sanitation services to informal settlements City-wide - R34 million in 2023/24, R34 million in 2024/25, R30 million in 2025/26.
- Installation of standpipes and taps to informal settlements City-wide, which include standpipes, water cisterns, fire hydrants and isolating valves - R4 million in 2023/24, R4 million in 2024/25, R8 million in 2025/26.
- Bayside Canal Upgrade – R52,6 million in 2023/24 and R25,1 million in 2024/25: Infrastructure upgrades (including the construction of storm water treatment and attenuation ponds at the end of the canal) required along the western boundaries of Bayside Mall and Table View Mall to reduce the risk of flooding and to ensure improved water quality discharging into Rietvlei Estuary.
- Zandvlei River: Channel enhancement - R8,8 million in 2023/24 and R4,7 million in 2024/25: River channel profile enhancement of 900m length of river from upstream both of Constantia Main Road (Area 1) and for about 200m downstream of Constantia Main Road (Area 2). This intervention would also improve the condition of the stream and banks and the amenity value of the riverine corridor public open space. The upstream component will most probably be undertaken in stages (perhaps 300m length at a time) to accommodate budget constraints. It would include channel bed widening and/or roughening, re-shaping, flattening and sculpting of banks to reduce erosion and increase structural habitat diversity (banks should be re-shaped to approximately 1:4 to 1:6 gradient), and planting with appropriate instream and/or riparian vegetation. This would include ensuring adequate compaction when reinstating the slopes and possibly use of environmentally friendly erosion control mats, to stabilise the slope while allowing for revegetation through the woven mats.
- Upgrade of Zandvlei Canal - R387 273 in 2023/24, R159 744 in 2024/25 and R6,8 million in 2025/26: Rehabilitation/reconstruction of the outlet canal (reinforced concrete) from Zandvlei, which will address:
 - Erosion management at the mouth;
 - Improved management of the mouth opening and closing;
 - Adjacent scour and erosion along Axminster Road;
 - Development of the Zandvlei Estuary Mouth Management Plan;
 - Structural integrity of the caisson wall; and
 - Significant positive benefits of improved flushing and marine ingress on the estuary.
- Ongoing investment in pump stations such as:
 - Upgrade to Rietvlei Sewer Pump Station - R23,3 million in 2023/24, R98 million in 2024/25 and R39,7 million in 2025/26: This will include the Kuils River sewer outfall feeder pipeline. These assets are approaching their maximum operating capacity due to current and future development in the Bottelary Corridor and must be upgraded to accommodate this development. The unlocking of further development in the Bottelary Corridor is in itself a catalyst for job creation in that area.
 - Koeberg Pump station capacity upgrade - R4,7 million in 2023/24, R14,3 million in 2024/25 and R69,9 million in 2025/26: The project entails the capacity upgrade of the Koeberg Sewer Pump in order to meet the current and future demands of its catchment area.

- Langa Pump Station (9) - screens, pumps - R5 million in 2023/24, R24 million in 2024/25 and R45 million in 2025/26: It will include the design and construction of the required upgrade of the facility including installation of a sand trap and screening facilities.
- Raapenberg Pump Station Upgrade - R10 million in 2023/24, R25 million in 2024/25 and R85 million in 2025/26: To modernise the facility with a sand/grit settling structure and automated screening.
- Replacement & Upgrade Sewer Pump Stations - R72,5 million in 2023/24, R137,6 million in 2024/25 and R41,3 million in 2025/26: This includes minor upgrades to and replacement of sewer pump stations across the metropolitan area identified as requiring such interventions to ensure the effective, efficient and continued operation of these infrastructure assets. Good working conditions of sewer pump stations will keep sewerage from streets/waterways and ensure uninterrupted sanitation service delivery.
- Telemetry and Automation - R3 million per financial year over the 2023/24 MTREF: The reticulation network has numerous electrical/mechanical installations as well as reservoirs and are monitored by making use of telemetry. Annually the telemetry coverage is increased and redundant equipment upgraded and will assist in real time monitoring of pump stations (24 hours a day) in order to secure the pumping of effluent.
- Reactive Incident Management System – R16,9 million in 2023/24, R7 million in 2024/25 and R3,5 million in 2025/26: The aim is to enhance operational efficiencies, reduce costs and improve the organisation's responses to complaints of non-conforming services by creating a Service Order on SAP. The project will provide an electronic interface to operational teams with the benefit of more effective operational control mechanisms.
- Projects to improve water resilience via generating additional capacity from non-surface water sources and reducing the risk during future droughts are continuing amongst others with:
 - Atlantis Aquifer - R112 million in 2023/24, R71 million in 2024/25 and R35 million in 2025/26;
 - Cape Flats Aquifer Recharge - R178,4 million in 2023/24, R236,1 million in 2024/25 and R89,4 million in 2025/26;
 - Cape Flats Aquifer: Strandfontein West – R19,5 million in 2023/24;
 - Cape Flats Aquifer: Hanover Park & Philippi - R142,5 million in 2023/24, R20 million in 2024/25 and R60 million in 2025/26;
 - Cape Flats Aquifer: Strandfontein North East – R94 million in 2023/24 and R166 million in 2024/25; and
 - Table Mountain Group Aquifer: Steenbras - R41,5 million in 2023/24.
- Zandvliet/Faure Plant Re-use (70ML)- R11,2 million in 2023/24, R16,2 million in 2024/25 and R696,95 million in 2025/26: Targeting development of a wastewater re-use plant of a 70 ML/D capacity, utilising the effluent from the Zandvliet wastewater plant and delivering treated water to the Faure water scheme.
- UPS – Pump Station Installations: R31,5 million per annum over the MTREF: A number of smaller pump stations are able to utilise UPS backup systems rather than generators to ensure operation with increased load-shedding disruptions. This is to ensure water supply and to prevent pollution/sewage spills with the associated environmental impacts.
- Wastewater Generators: R24,5 million per annum over the MTREF: To mitigate the risk of higher stages of load-shedding. This is required to prevent pollution and the associated environmental impact.
- Bulk Water Generators: R22,4 million in 2023/24: To mitigate the risk of higher stages of load-shedding. This is required to ensure water supply is available 24/7.

Major directorates spent on infrastructure assets

The City's investment in infrastructure is central to ensuring sustainable and continuous service delivery to all its residents, while unlocking economic growth through new development proposals thereby also growing the City's revenue base, which in turn will ensure that the City can afford further future investment in infrastructure.

Spending on infrastructure assets is generally focused in those services responsible for the built environment and largely delivering on the provision of basic services, such as electricity distribution, water and sanitation, solid waste management, housing where serviced sites must be provided, as well as roads and transport.

The proposed capital programme of the City reflects that just under 70% (R7 681 million) of the capital programme will be invested in infrastructure assets in 2023/24, as can be seen from the ensuing graph.

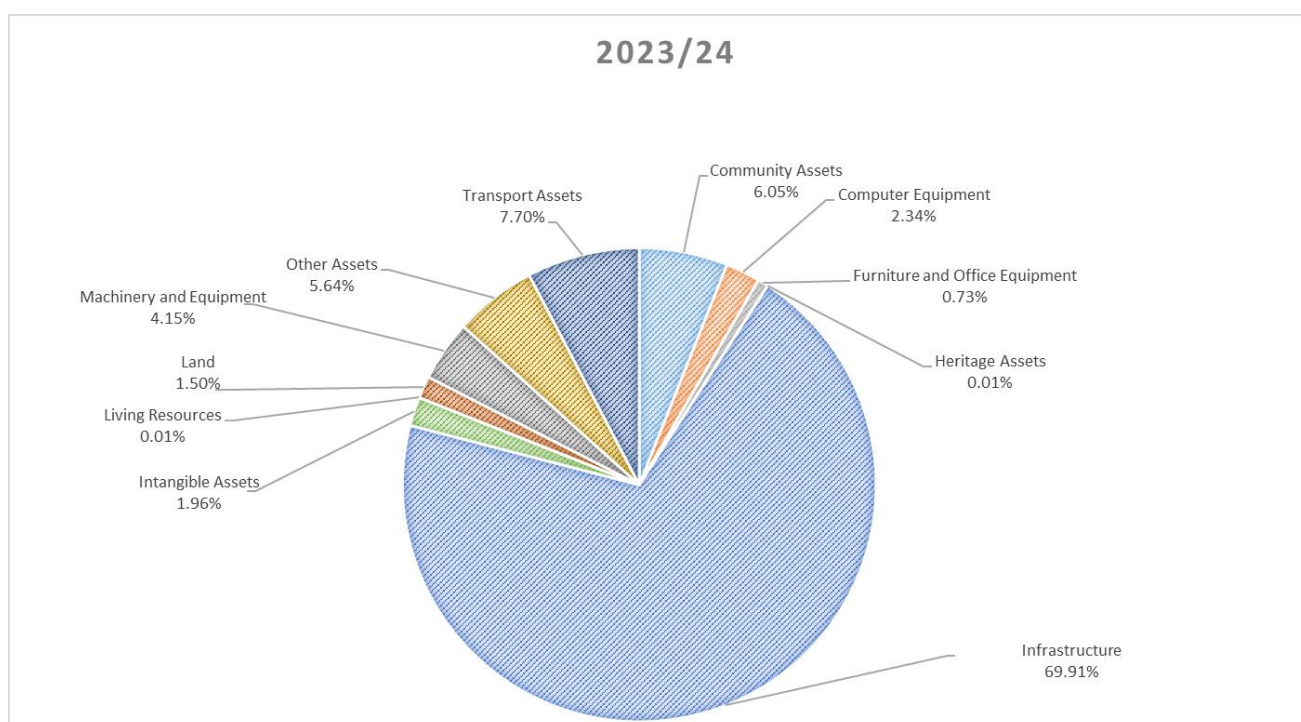


Figure 9 Asset categories 2023/24

The above graph shows that for each Rand spent on the City's proposed capital budget in 2023/24, R0.70 will be spent on infrastructure assets compared to R0.06 on community assets.

Infrastructure asset investment by the City typically relates to the upgrading, renewal and implementation of new infrastructure such as, electrical infrastructure, roads and transport infrastructure, sanitation infrastructure, stormwater infrastructure, water supply infrastructure, information and communication infrastructure, as well as coastal infrastructure.

The ensuing graph provides an indication of how the capital budget will be spent on infrastructure-related projects over the medium-term.

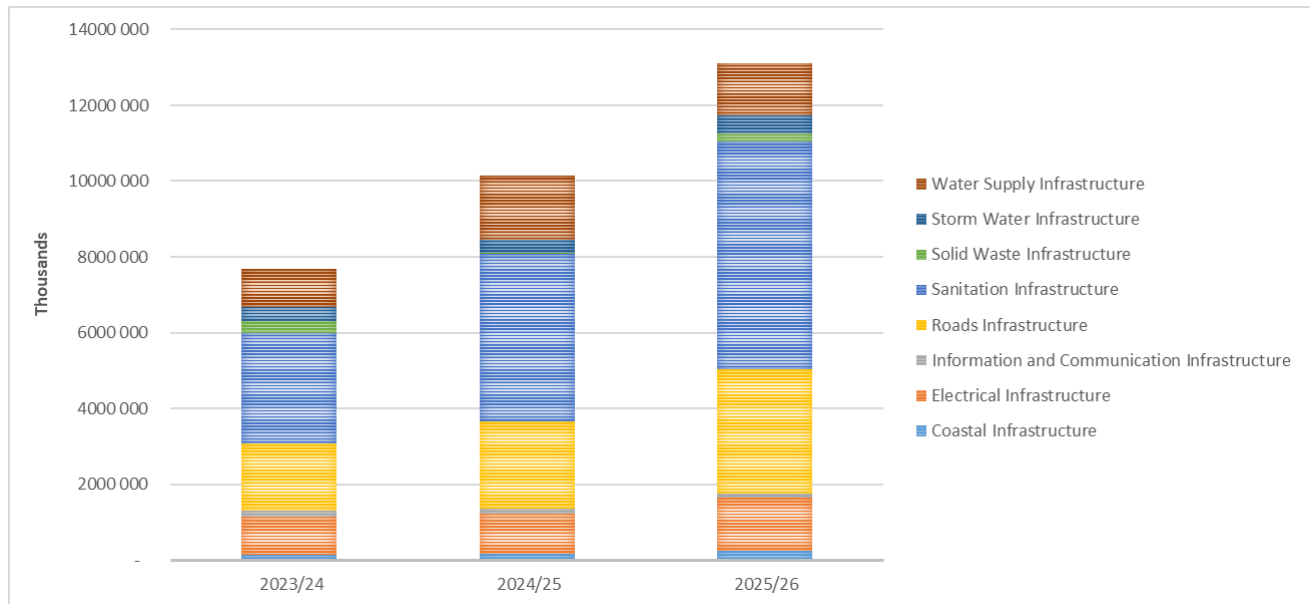


Figure 10 Capital Infrastructure Programme

Of the nearly 70% or just over R7 681 million, which will be invested in infrastructure assets, the largest contributor to the spending on infrastructure assets will be the Water & Sanitation Directorate (R3 985 million in 2023/24), followed by the Urban Mobility Directorate (R1 551 million in 2023/24) and thirdly, the Energy Directorate (R995 million in 2023/24).

The table below depicts what percentage of the infrastructure asset investment will be going towards the largest three, mainly built environment, directorates.

Directorate	2023/24	2024/25	2025/26
Energy	12.8%	10.1%	10.6%
Urban Mobility	19.9%	19.8%	22.6%
Water & Sanitation	52.3%	60.1%	57.1%

Distinguishing between new and renewal of city assets

Asset lifecycle management requires the constant review of the condition of all assets. Once general repairs and maintenance (operating budget expense) is no longer feasible, assets should either be renewed/upgraded.

Renewal of assets relates to existing assets that require replacement/rehabilitation/refurbishment and that has reached end of useful life to either reset the asset life or extend the asset life.

Upgrading of assets refers to the upgrade of an existing asset to increase/unlock capacity within an existing asset. The life of the asset may be extended.

In addition to the renewal and upgrading of existing assets, the City must also keep up with new and future developments in a specific geographical area that might require capital investment in new assets, which will then increase the City's asset base.

In short, an adequate balance of capital investment on renewal, upgrading and new assets are vital.

In order to continue growing the local economy and expand provision of municipal services, investment in new assets are needed. On the other end of the spectrum, investment in renewal and upgrading of existing assets will ensure that City assets remain functional and in good working order. In cases where renewal and upgrading of assets is not adequately prioritised, the useful life of the assets will be reduced resulting in failure of infrastructure, which will be costlier to repair over the long-term to get back to acceptable service standards.

The City will be investing in both the upgrade/renewal of its existing asset while also expanding its asset base by constructing and implementing new assets as indicated in the table below.

Table 21 - Upgrade/renewal and new assets over the 2023/24 MTREF

Categorisation R Thousand	Budget Year 2023/24	Budget Year 2024/25	Budget Year 2025/26
New	4 743 126	6 614 610	10 214 547
Renewal	2 852 321	2 682 504	2 393 114
Upgrade	3 392 242	4 689 562	5 529 879
Total Budget	10 987 689	13 986 676	18 137 540

The City will spend, as a percentage of total 2023/24 capital budget, just under 57% on renewal and upgrading of assets. This reduces to 53% in 2024/25 and is expected to reduce to 44% by 2025/26.

The ensuing graph shows the percentage split between renewal and upgrading of assets over the MTREF as well as its relation to NT's norm for renewal and upgrade of assets.

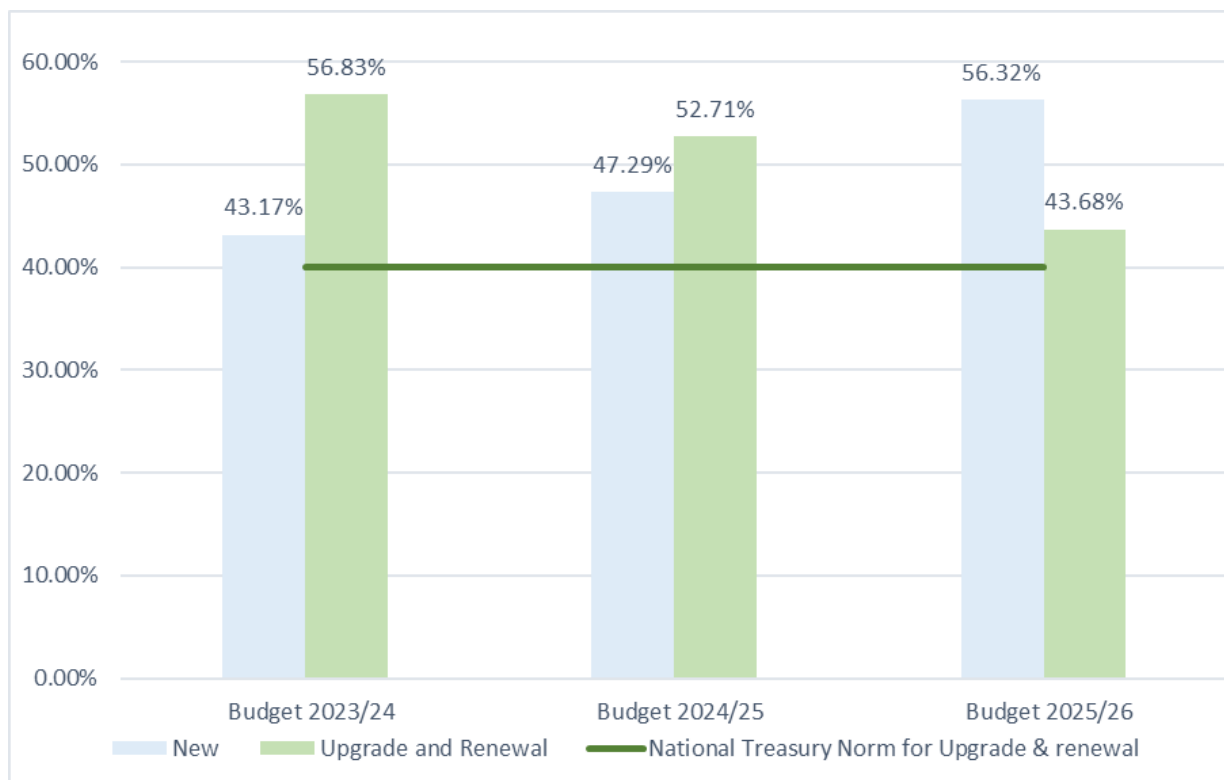


Figure 11 Renewal and upgrading of assets over the MTREF

Adequate levels of investment in capital infrastructure

A further calculation which can be used is to see whether the City is sufficiently investing in capital infrastructure (not just in the infrastructure asset class but the total capital budget) as a percentage of the total City budget, which includes both capital and operating expenditure. NT reports indicates that a municipality is adequately investing in infrastructure when the capital budget is between 10% and 20% of the total budget.

Capital investment of below 10% of the total budget (capital and operating) could indicate that insufficient investment is made in ensuring adequate levels of service delivery that is impacted on by constant breakdown in infrastructure and therefore could contribute to an unwillingness by consumers of services to pay rates and tariffs.

Capital investment in excess of 20% of the total budget (capital and operating) could put future strain on the financials of the City and pose financial sustainability challenges. NT advised that borrowings should generally be used to fund revenue-generating asset. It is therefore also important that the correct balance is struck to ensure that cash reserves are not eroded/depleted in a short space of time by approving unaffordable capital investment programmes.

The City strives to maintain a good quality service delivery to ensure sustained future revenue inflows. Capital budget preparation is also informed by line functions' sector/master plans, which looks at medium-to-long term capital investment requirements.

The City will spend in the order of R10 988 million on its capital budget which represents 15.7% of the City's total budget.

MBRR Table A9, Table SA34a, Table SA34b and Table SA34e provides the detailed breakdown of the capital budget with regards to new asset construction, capital asset renewal and upgrading.

Additional details regarding asset classes and proposed capital expenditure is contained in Table 31 on page 75.

1.6.3 Total Project Cost and projected cost covering all financial years until the project is operational

Section 19(1)(b) of the MFMA states that before a municipality may spend money on a capital project, the project, including the total cost, has to be approved by Council.

Furthermore, Section 19(3) of the MFMA states that the municipal council may in terms of subsection 19(1)(b) approve capital projects below the value of R50 million (amount as prescribed in MBRR regulation 13(2)(c)), either individually or as part of a consolidated capital programme.

The total project cost of projects were reviewed by implementing directorates and amended, where required, while the estimated total project cost on any new project/programme proposed for inclusion in the budget, are included in Annexure 1 and/or Annexure 26.

Moreover, Section 19(2)(a) states that “before approving a capital project in terms of subsection (1)(b), the council of a municipality must consider the projected cost covering all financial years until the project is operational.” This information is also provided in Annexure 26 for those projects being approved individually with a total project cost in excess of R50 million. Outer years’ estimates are reviewed annually during the budget process and amended/updated in line with latest project implementation plans.

1.6.4 Future operational cost of new infrastructure

MFMA Section 19 requires a municipal Council to consider future operational costs and revenues on capital budget projects, including the municipal tax and tariff implications, before approving projects individually or as part of a consolidated programme.

To give effect to this requirement, the future operational cost and revenue of projects/programmes are reflected in Annexure 1 and/or Annexure 26 to the budget report.

The estimated future operating impact indicated in these annexures, represents the sum of the operating expenditure of the 3-year MTREF. This includes estimated operating expenditure in respect of salaries, contracted services (including repairs and maintenance), other general expenditure, depreciation and interest cost to be incurred in the running of the asset once operational as well as future operating revenue. The operating impacts excluding depreciation and interest charges were provided by the respective directorates while depreciation and interest charges were calculated by the Finance Directorate.

Directorates have confirmed that the future operating impacts (excluding interest charges and depreciation) will be absorbed in their operating budgets over the MTREF through efficiency gains and the prioritisation of existing operational resources, which were considered during the calculation of the revenue increases for the 2023/24 MTREF.

Operating impacts are reviewed annually and amended, where necessary, during the budget process, while taking into consideration the impacts on Rates and tariffs to ensure the overall future sustainability of the City.

The project level detail for those projects with a total project cost in excess of R50 million is available for viewing as part of Annexure 26 at www.capetown.gov.za/budget.

Table SA35, on page 234, represents the future operational costs resulting from the capital investment programme at directorate level. The table shows that the costs estimated over the MTREF are expected to grow from R1 150 million in 2023/24 to R3 950 million in 2025/26.

1.6.5 Climate Change Resilience

The City of Cape Town Climate Change Strategy was approved by Council in May of 2021, and sets out a high-level policy framework for climate change response actions by the City. This is supported by a detailed implementation plan - the Climate Change Action Plan (CCAP) - which was approved by the City Manager in August 2021. Together, the Strategy and Action plan form the basis of the City’s climate change response, and include a range of work areas across the organisation.

The 101 actions of the CCAP include actions focused on governance and regulations, planning and visioning, infrastructure and assets, collaboration and partnerships, behaviour change and communication, data science and research, and training and skills development. Many of these actions will therefore not be reflected in the capital budget as they relate to work that is either conducted by City staff and therefore accounted for in the staff budget, actions that are more operational in nature and are therefore accounted for in the operational budget, and actions that are supported through external technical assistance.

However, the category of 'infrastructure and assets' accounts for approximately one fifth of the actions of the CCAP and consists of a range of projects and programmes of a capital nature, ranging from green infrastructure focused programmes such as river and wetland rehabilitation and parks development, through to major infrastructure projects such as the new water programme and development of renewable energy generation capacity.

A high-level analysis of the 3-year 2023/24 MTREF was conducted to determine whether directorates' projects contribute to climate change response either as a primary goal or as a co-benefit, and if so, whether those projects contribute to climate change adaptation and resilience (i.e. creating resilience to the impacts of current/future climate risks), or to climate change mitigation (i.e. greenhouse gas emissions reduction), or both. This was further refined through input from the City's Resilience Department, which is responsible for the co-ordination and monitoring of the Climate Change Strategy and Action Plan.

For the 2023/24 MTREF's 3-years totaling R43 billion, approximately R5,75 billion has been allocated to programmes or projects which respond to climate change as a primary goal; these are projects or programmes that have been specifically designed to address a climate risk, to reduce greenhouse gas emissions, or both. This includes projects which also have other benefits (such as social, economic, or environmental benefits), and projects which have multiple key goals including climate change response.

The majority of this budget allocation is for projects focused on adaptation and resilience, including a budget of approximately R4 billion for water and sanitation related projects, including new water programme projects, and approximately R500 million for coastal management projects. With regards to climate change mitigation, renewable energy-related projects account for another approximately R725 million over the same time period, with approximately R226 million budgeted for waste management projects focused on the reduction of carbon emissions from landfill and organic waste streams. A smaller number of projects include both adaptation and mitigation as primary goals, with approximately R228 million budgeted for biodiversity management and parks related activities, and approximately R57 million budgeted for food systems related work.

Over the same time period, approximately R17,5 billion has been budgeted for projects and programmes, which will have a climate change response co-benefit. These are projects and programmes, which have not necessarily been specifically designed for climate change response but which address this as a secondary or incidental outcome. Within this category, approximately R11 billion has been budgeted for projects, which will have a climate change adaptation and resilience co-benefit, including approximately R2,2 billion budgeted for human settlements projects including formal housing development and informal settlement upgrading, and R8,2 billion budgeted for water and sanitation related projects including general infrastructure upgrades and replacements, and expansion of wastewater treatment capacity.

With regards to climate change mitigation, approximately R6 billion has been budgeted for projects and programmes that will have a mitigation co-benefit. The majority is accounted for by approximately R5.4 billion budgeted for transport projects that will reduce greenhouse gas emissions, including the continued roll-out of the integrated rapid transit programme as well as various non-motorised transport infrastructure projects. Finally, around R306 million has been allocated to projects and programmes that will have both adaptation and mitigation co-benefits; these are largely related to information systems and technology projects that aim to support a digital future of work approach as well as support climate data analysis.

It is evident that a significant proportion of the City's capital budget is allocated to projects that will have a positive climate change response impact - either by reducing greenhouse gas emissions or by making the City more resilient to the effects of climate change. Although the project description does not necessarily include the term 'climate change response', these projects are in alignment with the goals and actions of the City's Climate Change Action Plan. This analysis is an important step in developing a greater understanding of the alignment between the CCAP and the City's capital budget, and identifying any critical gaps.

1.7 Annual Budget Tables

The ten main budget tables, as extracted from the MBRR A-Schedule (mSCOA version 6.7 Classification Framework), and as required in terms of regulation 9 of the MBRR, are presented on page 59 to page 79. These tables reflect the City's 2023/24 budget and MTREF and each table is accompanied by explanatory notes.

Table 22 - MBRR Table A1 - Budget Summary

Description	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Financial Performance									
Property rates	9 841 785	10 005 031	10 358 743	11 203 305	11 203 305	11 203 305	11 857 238	12 587 669	13 582 225
Service charges	20 100 461	20 275 960	23 028 320	24 565 228	24 626 725	24 626 725	27 821 663	31 888 299	36 122 787
Investment revenue	1 283 558	896 540	977 254	1 118 566	1 263 260	1 263 260	1 193 514	1 035 487	880 214
Transfer and subsidies - Operational	4 983 212	5 793 196	5 820 598	6 260 172	6 383 866	6 383 866	6 809 560	6 958 864	7 410 322
Other own revenue	6 172 528	6 442 740	11 706 165	10 138 704	10 407 213	10 407 213	10 948 944	11 449 536	12 040 476
Total Revenue (excluding capital transfers and contributions)	42 381 544	43 413 467	51 891 081	53 285 974	53 884 369	53 884 369	58 630 919	63 919 855	70 036 023
Employee costs	12 775 413	15 108 022	15 255 905	17 322 933	17 311 121	17 310 832	18 392 798	19 392 775	20 582 942
Remuneration of councillors	167 521	166 417	165 163	176 133	181 120	181 120	190 901	199 491	208 468
Depreciation and amortisation	2 921 723	2 863 255	3 056 503	3 208 222	3 270 102	3 270 102	3 493 165	3 760 659	4 021 175
Interest	814 407	831 478	776 622	862 999	751 615	751 925	945 367	1 468 609	2 262 777
Inventory consumed and bulk purchases	11 021 203	11 303 210	17 346 967	17 565 689	17 917 262	17 923 800	20 048 940	23 212 588	26 463 541
Transfers and subsidies	453 464	401 555	406 842	391 480	437 745	437 745	371 815	340 171	375 439
Other expenditure	11 810 239	12 486 322	13 636 658	14 269 591	14 693 326	14 686 766	15 648 940	15 940 458	16 432 251
Total Expenditure	39 963 970	43 160 260	50 644 660	53 797 047	54 562 291	54 562 291	59 091 926	64 314 751	70 346 593
Surplus/(Deficit)	2 417 574	253 207	1 246 421	(511 072)	(677 922)	(677 922)	(461 007)	(394 896)	(310 570)
Transfers and subsidies - capital (monetary allocations)	1 951 776	1 676 001	1 654 284	2 271 867	2 302 739	2 302 739	2 776 159	3 540 641	4 405 366
Transfers and subsidies - capital (in-kind)	60	125 211	2 480	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	4 369 410	2 054 420	2 903 185	1 760 795	1 624 817	1 624 817	2 315 152	3 145 745	4 094 796
Share of Surplus/Deficit attributable to Associate	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	4 369 410	2 054 420	2 903 185	1 760 795	1 624 817	1 624 817	2 315 152	3 145 745	4 094 796
Capital expenditure & funds sources									
Capital expenditure	5 970 668	6 528 474	5 426 192	7 507 319	7 750 575	7 288 678	10 987 689	13 986 676	18 137 540
Transfers recognised - capital	1 946 844	1 676 001	1 701 131	2 271 867	2 302 739	2 225 746	2 776 159	3 540 641	4 405 366
Borrowing	1 060 298	(1 281)	994 517	2 000 000	2 000 000	1 826 633	6 500 000	9 000 000	12 300 000
Internally generated funds	2 963 525	4 853 753	2 730 544	3 235 452	3 447 836	3 236 300	1 711 530	1 446 035	1 432 174
Total sources of capital funds	5 970 668	6 528 474	5 426 192	7 507 319	7 750 575	7 288 678	10 987 689	13 986 676	18 137 540

Table continues on next page

Description	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousands									
Financial position									
Total current assets	19 584 521	18 039 301	18 389 398	14 594 517	17 551 900	17 551 900	20 198 576	23 844 011	25 817 737
Total non current assets	56 552 793	60 640 764	63 475 895	68 257 103	66 993 344	66 993 344	73 577 453	81 944 119	96 060 471
Total current liabilities	9 636 009	9 900 212	11 192 700	10 307 659	11 353 526	11 353 526	14 130 363	14 663 563	16 178 737
Total non current liabilities	13 299 091	13 662 335	12 651 891	14 437 050	13 663 916	13 663 916	17 802 712	26 135 868	36 615 974
Community wealth/Equity	53 202 213	55 117 518	58 020 703	58 106 906	59 527 802	59 527 802	61 842 954	64 988 699	69 083 497
Cash flows									
Net cash from (used) operating	7 005 549	6 427 873	5 978 008	5 106 527	5 543 641	5 543 641	6 256 640	7 236 460	8 509 245
Net cash from (used) investing	(6 773 466)	(7 317 202)	(5 437 471)	(6 818 047)	(7 056 807)	(7 056 807)	(10 017 881)	(12 065 372)	(18 072 842)
Net cash from (used) financing	715 211	(351 140)	(371 495)	589 849	673 391	673 391	4 851 848	6 117 720	10 817 900
Cash/cash equivalents at the year end	9 366 570	8 126 100	8 295 143	6 021 524	7 455 368	7 455 368	8 545 973	9 834 781	11 089 084
Cash backing/surplus reconciliation									
Cash and investments available	18 070 428	17 583 105	17 879 273	13 896 413	16 330 257	16 330 257	17 420 862	18 709 670	19 963 973
Application of cash and investments	9 929 318	10 849 742	11 065 844	8 069 511	9 621 744	9 621 744	9 164 358	9 113 077	9 318 398
Balance - surplus (shortfall)	8 141 109	6 733 363	6 813 429	5 826 901	6 708 513	6 708 513	8 256 505	9 596 594	10 645 575
Asset management									
Asset register summary (WDV)	50 273 369	54 060 989	56 636 728	61 381 729	61 117 201	61 117 201	68 611 724	78 837 740	92 954 106
Depreciation	2 926 971	2 873 505	3 066 639	3 208 222	3 270 102	3 270 102	3 493 166	3 760 659	4 021 175
Renewal and Upgrading of Existing Assets	3 401 333	3 605 226	3 194 984	3 873 777	4 027 369	3 707 508	6 244 563	7 372 066	7 922 993
Repairs and Maintenance	3 708 274	3 666 620	4 468 279	4 760 227	4 982 255	4 982 292	5 755 088	6 064 435	–
Free services									
Cost of Free Basic Services provided	1 707 262	1 845 882	2 353 393	2 133 773	2 125 383	2 125 383	2 327 729	2 475 524	2 648 800
Revenue cost of free services provided	1 233 725	1 305 018	1 337 680	1 812 092	1 811 748	1 811 748	2 367 746	2 543 479	2 775 522
Households below minimum service level									
Water:	–	–	–	–	–	–	–	–	–
Sanitation/sewerage:	149	–	–	–	–	–	–	–	–
Energy:	29 130	27 409	25 906	24 630	24 630	24 406	22 906	21 406	19 906
Refuse:	–	–	–	–	–	–	–	–	–

Explanatory notes to MBRR Table A1 - Budget Summary

1. Table A1 represents a high-level summation of the City's budget, providing a view that includes all major components, i.e. operating, capital, financial position, cash flow and MFMA funding compliance.
2. In essence, it provides a synopsis of financial performance, capital expenditure and funding sources, financial position, cash flows, asset management, and the City's commitment to eliminate basic service delivery backlogs.
3. The importance of ensuring that a municipal budget is fully funded is emphasised in the NT financial management reforms. The MFMA through Section 18 requires that a budget only be funded by realistically anticipated revenue to be collected and cash-backed accumulated funds from previous years, not committed for other purposes.
4. To test whether the City's budget is funded, it is required to collectively assess the financial performance, capital budget, financial position and cash flow budget.
5. At the benchmarking engagement held by National Treasury on 5 May 2023, the City's tabled budget was assessed and confirmed to be funded.

6. The City's key outcomes in this regard are as follows:
 - a. The Financial Performance shows a deficit position over the 2023/24 MTREF, which is mainly due to expenditure being funded from cash backed surpluses and appropriations.
 - b. The cash flow budget outcome shows that the budget is funded.
 - c. The capital budget is funded from the following sources:
 - i. Transfers recognised capital and public contributions & donations;
 - ii. Borrowing; and
 - iii. Internally generated funds which are financed from previous years' accumulated surpluses, previous years' contributions to CRR and bulk infrastructure levies already collected. The affordability and sustainability of these funds are confirmed by the positive cash flow outcome over the 2023/24 MTREF.
7. The City's persistent strive to eradicate infrastructure backlogs is evident in the annual increase in the Cost of Free Basic Services and the Revenue Cost of Free Basic Services provided. Backlogs still exist for Electricity Services but are projected to reduce.

Table 23 - MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

Functional Classification Description	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand									
Revenue - Functional									
<i>Governance and administration</i>	16 264 813	16 452 770	16 742 182	17 786 194	17 930 027	17 930 027	18 796 863	19 674 936	20 819 095
Executive and council	680	1 306	17 162	1 372	338	338	355	371	387
Finance and administration	16 264 118	16 451 463	16 725 017	17 784 818	17 929 685	17 929 685	18 796 504	19 674 562	20 818 704
Internal audit	15	1	3	3	3	3	3	4	4
<i>Community and public safety</i>	3 495 031	3 687 282	4 508 997	4 000 007	4 181 781	4 181 781	3 884 540	4 086 906	4 282 778
Community and social services	167 274	101 330	98 047	104 197	120 042	120 042	132 827	110 706	171 437
Sport and recreation	66 160	49 376	42 933	66 919	61 572	61 572	85 892	75 970	66 748
Public safety	1 398 243	1 866 652	2 333 917	1 706 432	1 816 139	1 816 139	1 677 234	1 704 283	1 732 913
Housing	1 437 439	1 203 244	1 550 045	1 623 592	1 698 276	1 698 276	1 521 459	1 665 329	1 775 081
Health	425 915	466 680	484 055	498 867	485 752	485 752	467 127	530 618	536 600
<i>Economic and environmental services</i>	1 682 633	2 048 185	1 819 607	2 307 254	2 458 670	2 458 670	3 182 528	3 658 879	4 395 880
Planning and development	386 345	437 073	529 298	552 759	644 644	644 644	767 387	575 521	568 115
Road transport	1 277 491	1 564 081	1 236 280	1 709 236	1 767 782	1 767 782	2 358 257	3 072 461	3 805 011
Environmental protection	18 796	47 031	54 029	45 259	46 244	46 244	56 884	10 898	22 754
<i>Trading services</i>	22 889 073	23 026 050	30 476 818	31 459 089	31 611 333	31 611 333	35 537 591	40 033 973	44 937 573
Energy sources	14 671 118	14 684 233	16 660 013	17 775 482	17 770 060	17 770 060	20 234 590	23 660 895	27 177 656
Water management	4 517 291	4 548 563	9 737 820	8 510 472	8 651 163	8 651 163	9 703 941	10 354 183	11 196 039
Waste water management	1 966 622	2 087 946	2 239 904	3 177 244	3 235 674	3 235 674	3 557 952	3 862 526	4 232 471
Waste management	1 734 042	1 705 309	1 839 080	1 995 890	1 954 436	1 954 436	2 041 107	2 156 368	2 331 407
<i>Other</i>	1 829	392	242	5 298	5 298	5 298	5 557	5 802	6 063
Total Revenue - Functional	44 333 380	45 214 680	53 547 845	55 557 841	56 187 108	56 187 108	61 407 079	67 460 497	74 441 389
Expenditure - Functional									
<i>Governance and administration</i>	8 291 491	9 377 521	8 664 824	2 964 975	3 484 857	3 474 420	2 882 260	3 055 895	3 286 302
Executive and council	490 883	548 975	590 675	173 918	152 685	149 682	167 299	158 501	152 285
Finance and administration	7 752 790	8 777 758	8 022 437	2 788 070	3 329 094	3 321 558	2 711 654	2 894 700	3 131 933
Internal audit	47 818	50 788	51 712	2 988	3 078	3 180	3 307	2 693	2 084
<i>Community and public safety</i>	8 571 544	9 639 867	10 254 250	13 134 503	13 320 080	13 326 281	13 971 690	14 668 194	15 329 503
Community and social services	1 048 183	1 055 191	1 039 857	1 899 827	1 885 579	1 887 247	2 005 124	2 131 413	2 254 788
Sport and recreation	1 474 678	1 483 201	1 367 622	1 991 079	2 019 139	2 018 707	2 167 225	2 251 803	2 358 937
Public safety	3 098 522	3 834 284	4 561 425	5 246 351	5 412 063	5 415 313	5 563 842	5 776 744	5 954 249
Housing	1 645 473	1 732 548	1 753 906	2 187 587	2 234 504	2 233 706	2 421 778	2 560 192	2 701 301
Health	1 304 689	1 534 643	1 531 440	1 809 659	1 768 795	1 771 307	1 813 721	1 948 042	2 060 228
<i>Economic and environmental services</i>	4 923 207	4 912 698	5 284 873	6 492 635	6 772 264	6 776 652	7 485 576	7 600 040	8 020 435
Planning and development	1 333 794	1 369 833	1 401 999	1 738 360	1 844 785	1 843 940	2 110 499	2 100 869	2 221 048
Road transport	3 405 885	3 314 692	3 627 744	4 431 267	4 596 412	4 600 341	4 922 573	5 060 381	5 323 457
Environmental protection	183 529	228 173	255 130	323 008	331 066	332 372	452 504	438 791	475 930
<i>Trading services</i>	18 121 801	19 126 720	26 337 888	31 016 671	30 790 949	30 790 796	34 539 177	38 777 091	43 489 606
Energy sources	12 621 188	13 233 728	15 483 710	17 360 287	17 193 990	17 193 990	19 593 739	22 880 760	26 349 290
Water management	3 604 946	3 147 815	7 965 027	7 480 308	7 592 613	7 592 448	8 486 521	9 016 035	9 737 498
Waste water management	1 225 102	1 870 774	1 966 568	4 153 482	4 193 523	4 193 535	4 624 291	4 985 638	5 326 724
Waste management	670 565	874 403	922 583	2 022 595	1 810 823	1 810 823	1 834 627	1 894 658	2 076 094
<i>Other</i>	55 927	103 453	102 825	188 261	194 142	194 142	213 236	213 530	220 747
Total Expenditure - Functional	39 963 971	43 160 260	50 644 660	53 797 046	54 562 291	54 562 291	59 091 939	64 314 751	70 346 594
Surplus/(Deficit) for the year	4 369 409	2 054 420	2 903 185	1 760 795	1 624 817	1 624 817	2 315 140	3 145 745	4 094 795

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

1. Table A2 is an overview of the budgeted financial performance in relation to revenue and expenditure per standard classification, which divides the municipal services into 16 functional classifications.
2. Major contributing items to the increased operating revenue are additional grant allocations from National- and Provincial Government, the projected growth and tariff increases on Property Rates Tax and Service Charges (Water, Sanitation, Electricity and Refuse).
3. The surplus of R2 315 million for 2023/24 includes Transfers recognised- capital (Capital Grants and Donations received), while the expenditure category does not include the expenditure related to these transfers.

Table 24 - MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description R thousand	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Revenue by Vote									
Vote 1 - Community Services & Health	914 528	1 219 915	1 105 900	1 033 395	1 010 840	1 010 840	1 066 916	1 062 892	1 096 543
Vote 2 - Corporate Services	72 009	71 454	88 007	70 516	70 297	70 297	68 240	72 760	76 039
Vote 3 - Economic Growth	252 455	235 723	237 354	244 442	255 990	255 990	260 479	250 908	262 225
Vote 4 - Energy	14 473 143	14 477 227	16 423 600	17 626 588	17 621 165	17 621 165	20 053 062	23 452 121	26 937 549
Vote 5 - Finance	16 964 279	16 823 143	17 789 452	17 075 935	17 226 170	17 226 170	18 055 431	18 965 480	20 162 760
Vote 6 - Future Planning & Resilience	11 451	1 621	28 971	61 921	64 917	64 917	66 041	71 923	79 207
Vote 7 - Human Settlements	1 312 424	1 071 872	1 288 801	1 623 584	1 697 842	1 697 842	1 521 097	1 664 949	1 774 681
Vote 8 - Office of the City Manager	574	4 007	17 094	824	824	824	865	903	943
Vote 9 - Safety & Security	1 467 552	1 967 592	2 372 930	1 763 850	1 883 653	1 883 653	1 750 229	1 780 489	1 812 548
Vote 10 - Spatial Planning & Environment	391 542	459 052	539 898	557 370	582 203	582 203	689 847	577 194	582 992
Vote 11 - Urban Mobility	1 364 476	1 612 650	1 288 185	1 756 273	1 829 376	1 829 376	2 418 941	3 095 924	3 811 101
Vote 12 - Urban Waste Management	1 551 924	1 607 666	1 407 356	2 022 324	2 036 053	2 036 053	2 171 545	2 182 087	2 357 337
Vote 13 - Water & Sanitation	5 557 022	5 662 757	10 960 296	11 720 819	11 907 776	11 907 776	13 284 385	14 282 865	15 487 462
Total Revenue by Vote	44 333 380	45 214 680	53 547 845	55 557 841	56 187 108	56 187 108	61 407 079	67 460 497	74 441 389
Expenditure by Vote to be appropriated									
Vote 1 - Community Services & Health	3 743 494	4 220 408	4 130 899	4 435 579	4 388 653	4 388 653	4 649 423	4 874 201	5 134 420
Vote 2 - Corporate Services	2 683 543	3 426 175	2 958 923	3 399 970	3 222 459	3 222 472	3 823 449	4 063 443	4 362 360
Vote 3 - Economic Growth	634 042	608 972	576 728	634 148	657 347	657 347	660 768	662 702	681 722
Vote 4 - Energy	11 542 133	12 131 526	14 149 932	15 266 437	15 313 040	15 313 040	17 283 637	20 279 054	23 299 212
Vote 5 - Finance	2 694 046	3 074 201	2 945 125	3 295 289	3 484 602	3 484 602	3 560 189	4 166 383	5 098 798
Vote 6 - Future Planning & Resilience	338 048	346 877	383 461	490 696	470 022	470 010	511 532	515 429	546 372
Vote 7 - Human Settlements	1 355 050	1 400 320	1 432 260	1 545 840	1 598 126	1 598 126	1 625 949	1 707 968	1 778 879
Vote 8 - Office of the City Manager	373 241	419 625	486 976	472 208	447 763	447 763	483 062	500 725	524 068
Vote 9 - Safety & Security	3 711 342	4 461 150	5 170 329	5 166 367	5 385 152	5 385 152	5 337 665	5 571 813	5 714 984
Vote 10 - Spatial Planning & Environment	1 114 370	1 236 516	1 228 914	1 351 630	1 374 228	1 374 228	1 560 435	1 616 831	1 713 644
Vote 11 - Urban Mobility	3 256 302	3 198 844	3 582 776	3 848 458	4 042 090	4 042 090	4 210 184	4 303 779	4 493 771
Vote 12 - Urban Waste Management	2 698 109	2 889 088	3 138 453	3 340 398	3 395 409	3 395 409	3 628 740	3 629 875	3 827 762
Vote 13 - Water & Sanitation	5 820 251	5 746 558	10 459 885	10 550 026	10 783 400	10 783 400	11 756 893	12 422 549	13 170 599
Total Expenditure by Vote	39 963 971	43 160 260	50 644 660	53 797 046	54 562 291	54 562 291	59 091 928	64 314 752	70 346 593
Surplus/(Deficit) for the year	4 369 409	2 054 420	2 903 185	1 760 795	1 624 817	1 624 817	2 315 151	3 145 745	4 094 796

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

- Table A3 shows budgeted financial performance in relation to the revenue and expenditure per municipal vote and the operating surplus inclusive of transfers recognised- capital (Capital Grants and Donations received).

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

Table 25 - Surplus/(Deficit) calculations for the trading services

Description	2023/24 Medium Term Revenue & Expenditure Framework		
	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand			
Energy			
Total Operating Revenue (including capital transfers and contributions)	20 053 062	23 452 121	26 937 549
Total Operating Expenditure	17 283 637	20 279 054	23 299 212
Operating Surplus/(Deficit) for the year	2 769 425	3 173 067	3 638 337
% Surplus	13.8%	13.5%	13.5%
Water & Sanitation			
Total Operating Revenue including capital transfers and contributions)	13 284 385	14 282 865	15 487 462
Total Operating Expenditure	11 756 893	12 422 549	13 170 599
Operating Surplus/(Deficit) for the year	1 527 492	1 860 316	2 316 863
% Surplus	11.5%	13.0%	15.0%
Urban Waste Management			
Total Operating Revenue including capital transfers and contributions)	1 834 493	1 982 666	2 139 161
Total Operating Expenditure	2 590 070	2 803 572	2 803 572
Operating Surplus/(Deficit) for the year	(755 577)	(820 905)	(664 411)
% Surplus/(Deficit)	-41.2%	-41.4%	-31.1%

The calculation of the trading services' surplus/deficit as per the above table is based on primary revenue and expenditure items only. It does not include contributions from the Energy Directorate to Rates or internal cost charges/recoveries, and appropriations to and from reserves. These 'secondary elements' are, however, included in the tariff calculations to ensure cost reflective tariffs per service, and to ensure a balanced budget for each service.

Table 26 - MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure)

Description	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand									
Revenue									
Exchange Revenue									
Service charges - Electricity	14 253 069	14 241 794	16 275 591	17 241 469	17 241 469	17 241 469	19 681 713	23 053 339	26 511 338
Service charges - Water	3 021 344	3 226 406	3 670 013	3 928 012	3 984 368	3 984 368	4 437 689	4 823 071	5 271 284
Service charges - Waste Water Management	1 550 298	1 604 014	1 841 919	2 014 506	2 048 465	2 048 465	2 278 048	2 477 605	2 693 652
Service charges - Waste Management	1 275 750	1 203 747	1 240 798	1 381 241	1 352 423	1 352 423	1 424 214	1 534 284	1 646 512
Sale of Goods and Rendering of Services	453 517	380 612	452 032	482 794	548 100	548 100	604 307	632 338	662 389
Agency services	200 585	270 810	262 094	271 616	271 616	271 616	285 197	299 365	314 254
Interest	–	–	–	–	–	–	–	–	–
Interest earned from Receivables	298 953	320 735	270 668	282 515	267 054	267 054	286 756	299 223	312 668
Interest earned from Current and Non Current Assets	1 283 558	896 540	977 254	1 118 566	1 263 260	1 263 260	1 193 514	1 035 487	880 214
Dividends	–	–	–	–	–	–	–	–	–
Rent on Land	–	–	–	–	–	–	–	–	–
Rental from Fixed Assets	340 986	329 574	382 647	389 180	388 808	388 808	399 883	412 461	426 897
Licence and permits	211	203	264	177	177	177	185	193	202
Operational Revenue	361 440	453 599	471 875	316 883	340 671	340 671	351 785	367 377	385 409
Non-Exchange Revenue									
Property rates	9 841 785	10 005 031	10 358 743	11 203 305	11 203 305	11 203 305	11 857 238	12 587 669	13 582 225
Surcharges and Taxes	239 394	270 239	293 085	316 181	316 181	316 181	365 452	381 532	398 701
Fines, penalties and forfeits	1 313 161	1 571 762	1 926 090	1 262 193	1 358 709	1 358 709	1 251 676	1 253 950	1 256 377
Licences or permits	45 376	44 451	45 225	73 074	73 074	73 074	76 655	80 028	83 629
Transfer and subsidies - Operational	4 983 212	5 793 196	5 820 598	6 260 172	6 383 866	6 383 866	6 809 560	6 958 864	7 410 322
Interest	109 465	134 185	99 174	85 000	85 000	85 000	89 165	93 088	97 277
Fuel Levy	2 570 486	2 594 972	2 608 900	2 666 726	2 666 726	2 666 726	2 639 290	2 760 474	2 886 917
Operational Revenue	–	–	–	–	–	–	–	–	–
Gains on disposal of Assets	52 451	63 914	100 187	54 742	56 743	56 743	59 393	61 953	64 684
Other Gains	186 504	7 683	4 793 923	3 937 624	4 034 354	4 034 354	4 539 200	4 807 554	5 151 071
Discontinued Operations	–	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)	42 381 544	43 413 467	51 891 081	53 285 974	53 884 369	53 884 369	58 630 919	63 919 855	70 036 023
Expenditure									
Employee related costs	12 775 413	15 108 022	15 255 905	17 322 933	17 311 121	17 310 832	18 392 798	19 392 775	20 582 942
Remuneration of councillors	167 521	166 417	165 163	176 133	181 120	181 120	190 901	199 491	208 468
Bulk purchases - electricity	9 317 868	9 718 558	11 561 609	12 350 900	12 350 900	12 350 900	14 099 100	16 926 356	19 743 055
Inventory consumed	1 703 335	1 584 652	5 785 358	5 214 789	5 566 362	5 572 900	5 949 840	6 286 232	6 720 486
Debt impairment	1 434 127	(391 698)	703 122	2 161 684	2 317 851	2 317 851	2 321 520	2 280 971	2 304 336
Depreciation and amortisation	2 921 723	2 863 255	3 056 503	3 208 222	3 270 102	3 270 102	3 493 165	3 760 659	4 021 175
Interest	814 407	831 478	776 622	862 999	751 615	751 925	945 367	1 468 609	2 262 777
Contracted services	6 710 842	7 195 014	7 734 377	8 572 922	8 866 635	8 872 866	9 313 712	9 502 740	9 787 717
Transfers and subsidies	453 464	401 555	406 842	391 480	437 745	437 745	371 815	340 171	375 439
Irrecoverable debts written off	1 369 915	3 246 349	2 139 714	155 225	155 225	155 225	150 304	150 304	150 304
Operational costs	2 210 367	2 339 410	2 442 207	2 927 064	2 877 033	2 864 241	3 302 869	3 445 909	3 630 492
Losses on disposal of Assets	17 659	7 057	13 948	856	754	755	754	754	754
Other Losses	67 329	90 189	603 290	451 840	475 827	475 827	559 781	559 781	558 648
Total Expenditure	39 963 970	43 160 260	50 644 660	53 797 047	54 562 291	54 562 291	59 091 926	64 314 751	70 346 593
Surplus/(Deficit)	2 417 574	253 207	1 246 421	(511 072)	(677 922)	(677 922)	(461 007)	(394 896)	(310 570)
Transfers and subsidies - capital (monetary allocations)	1 951 776	1 676 001	1 654 284	2 271 867	2 302 739	2 302 739	2 776 159	3 540 641	4 405 366
Transfers and subsidies - capital (in-kind)	60	125 211	2 480	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	4 369 410	2 054 420	2 903 185	1 760 795	1 624 817	1 624 817	2 315 152	3 145 745	4 094 796
Income Tax	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after income tax	4 369 410	2 054 420	2 903 185	1 760 795	1 624 817	1 624 817	2 315 152	3 145 745	4 094 796
Share of Surplus/Deficit attributable to Joint Venture	–	–	–	–	–	–	–	–	–
Share of Surplus/Deficit attributable to Minorities	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality	4 369 410	2 054 420	2 903 185	1 760 795	1 624 817	1 624 817	2 315 152	3 145 745	4 094 796
Share of Surplus/Deficit attributable to Associate	–	–	–	–	–	–	–	–	–
Intercompany/Parent subsidiary transactions	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	4 369 410	2 054 420	2 903 185	1 760 795	1 624 817	1 624 817	2 315 152	3 145 745	4 094 796

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

1. Table A4 is a view of the budgeted financial performance in relation to the revenue by source and expenditure by type. Total revenue (excluding appropriations, which are disclosed in the Statement of Financial Position) is R58 631 million in 2023/24 escalating to R70 036 million by 2025/26. Major contributing items to the total revenue are the increased operating grant allocations from National- and Provincial Government, the projected growth, and tariff increases on service charges.
2. Revenue to be generated from property rates is R11 857 million (20.2%) in 2023/24 increasing to R13 582 million (19.4%) by 2025/26. This remains a significant funding source for the City.
3. Service charges relating to electricity, water, sanitation and refuse removal constitute the biggest component of the revenue basket of the City totalling R27 822 million in 2023/24 or 47.5% of the revenue base, increasing to R36 122 million in 2025/26.
4. Transfers & Subsidies – operational increases from R6 810 million in 2023/24 to R7 410 million in 2025/26. This includes external allocations received from National- and Provincial Government and private sector funding.

The table below provides a graphically view of the main sources of revenue over the MTREF.

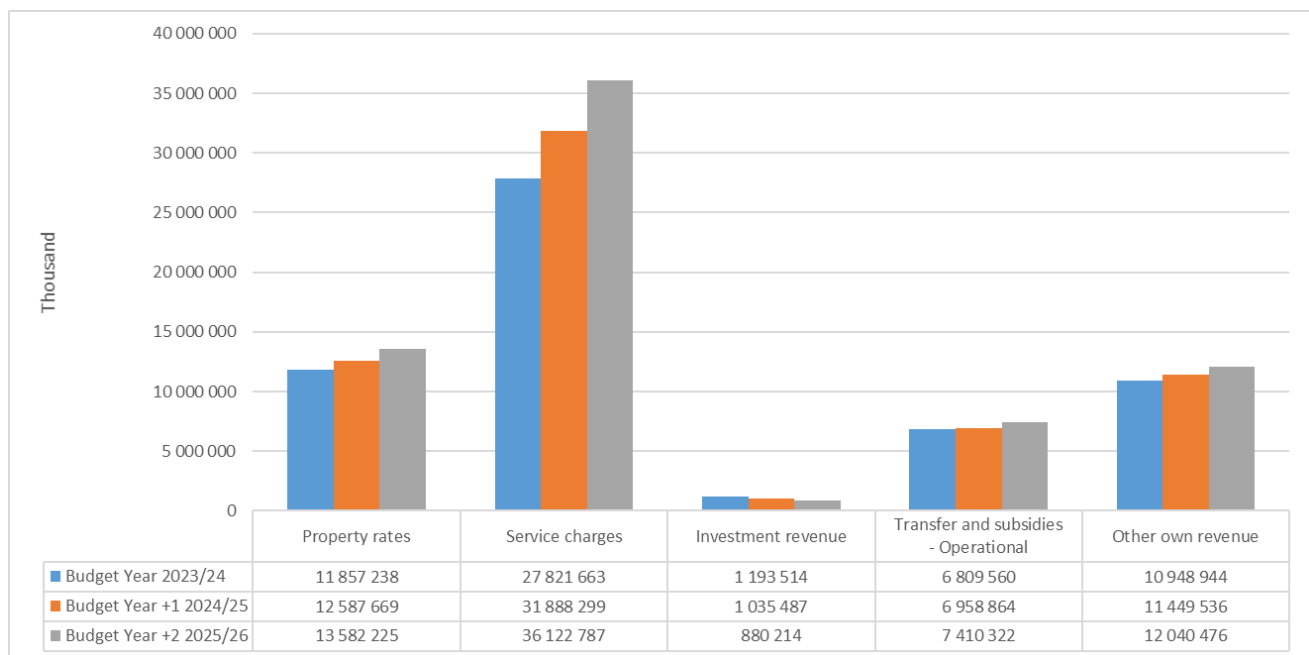


Figure 12 Revenue by source

5. Employee-related costs are the main cost driver within the City's operating expenditure budget increasing from R18 393 million in 2023/24 to R20 583 million in 2025/26.
6. Bulk purchases - electricity increases significantly over the MTREF, escalating from R14 099 million in 2023/24 to R19 743 million in 2025/26. This increase can be attributed to substantial increases in the cost of bulk electricity.
7. Depreciation and amortisation totals R3 493 million in 2023/24 and is linked to the capitalisation rate of assets. The calculation of depreciation on new capital expenditure is based on variables such as asset class and lifespan depending on the nature of the asset. Depreciation of existing assets is calculated based on simulated financial system data (SAP), which reflects actual values per annum. Assets Under Construction (AUC) are calculated based on asset class lifespan and projected capitalisation dates.
8. Contracted Services increases from R9 314 million in 2023/24 to R9 788 million in 2025/26 and includes budgetary provision for repairs and maintenance.
9. The deficit of R461 million reflected in 2023/24 reduces to R311 million in 2025/26 and is mainly due to expenditure, which is funded from cash backed surpluses and appropriations, not reflected in Table A4.

The figure below provides a graphically view of the main sources of expenditure over the MTREF.

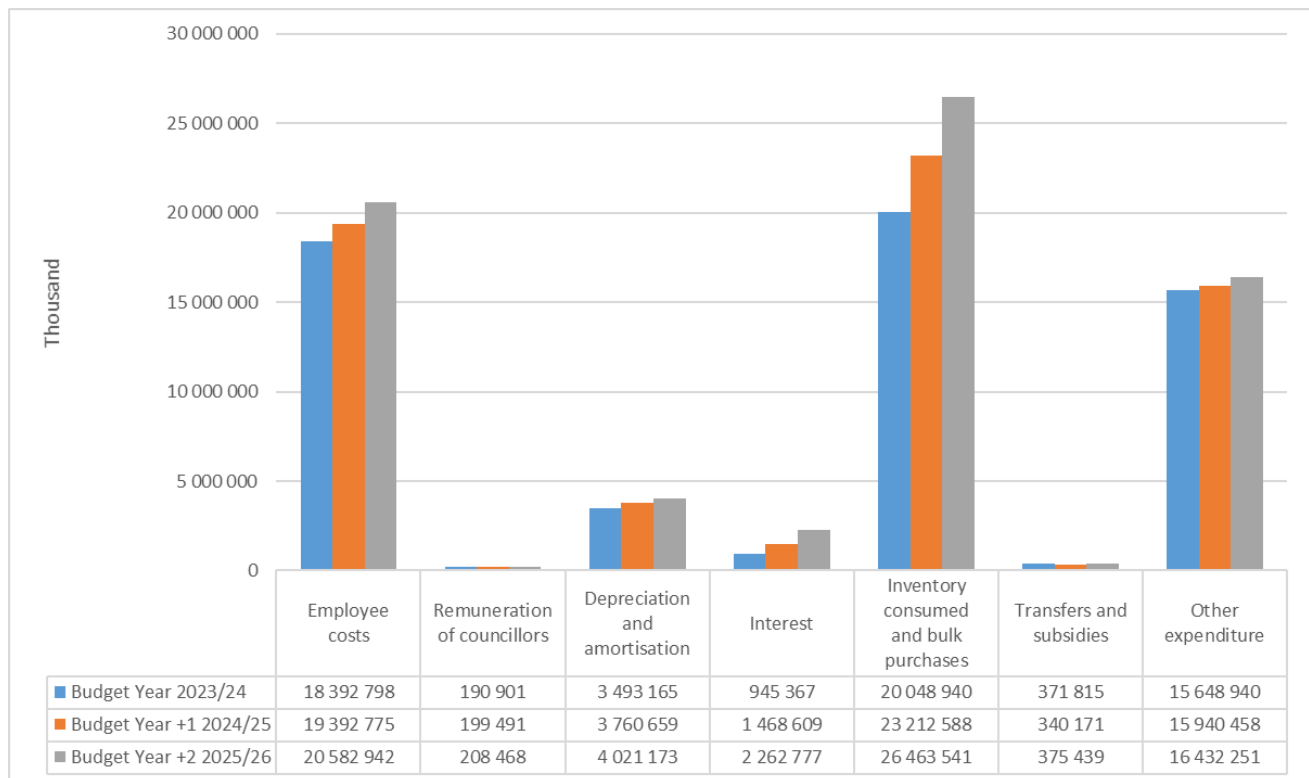


Figure 13 Expenditure by type

Table 27 - MBRR Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

Vote Description	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Capital expenditure - Vote									
Multi-year expenditure to be appropriated									
Vote 1 - Community Services & Health	283 453	294 831	272 395	244 533	267 938	263 402	450 869	396 361	417 105
Vote 2 - Corporate Services	517 315	444 557	414 336	396 319	443 776	439 933	621 779	727 212	2 372 964
Vote 3 - Economic Growth	26 971	83 740	32 682	33 748	50 523	46 488	91 520	89 058	107 625
Vote 4 - Energy	622 239	750 278	778 673	1 052 059	1 074 183	1 030 355	1 197 888	1 294 821	1 638 928
Vote 5 - Finance	63 051	248 489	16 290	18 129	30 683	30 548	62 282	64 304	70 990
Vote 6 - Future Planning & Resilience	16 172	28 061	13 717	25 715	26 251	25 750	19 253	17 230	7 930
Vote 7 - Human Settlements	858 297	737 971	892 564	884 428	892 900	891 556	780 455	843 779	867 673
Vote 8 - Office of the City Manager	3 622	6 041	5 961	13 329	7 405	7 350	11 467	77 374	1 442
Vote 9 - Safety & Security	429 428	367 879	192 797	236 735	282 949	282 338	443 515	463 252	397 639
Vote 10 - Spatial Planning & Environment	97 844	120 485	113 932	232 455	264 290	257 570	368 360	420 417	446 442
Vote 11 - Urban Mobility	873 070	776 446	651 164	1 379 126	1 329 677	1 164 527	1 925 365	2 824 237	3 574 735
Vote 12 - Urban Waste Management	261 480	528 035	327 566	647 002	694 253	662 410	713 655	329 583	462 203
Vote 13 - Water & Sanitation	1 917 725	2 141 660	1 714 114	2 343 741	2 385 748	2 186 451	4 301 283	6 439 048	7 771 863
Total Capital Expenditure - Vote	5 970 668	6 528 474	5 426 192	7 507 319	7 750 575	7 288 678	10 987 689	13 986 676	18 137 540
Capital Expenditure - Functional									
Governance and administration	1 152 292	1 161 921	1 039 906	1 171 731	1 358 716	1 327 834	1 570 015	1 736 185	3 144 569
Executive and council	4 114	14 904	5 162	18 166	5 053	4 919	1 676	2 567	4 236
Finance and administration	1 147 662	1 146 920	1 034 488	1 153 487	1 353 584	1 322 838	1 564 181	1 733 539	3 140 254
Internal audit	516	98	256	79	79	78	4 159	79	79
Community and public safety	1 367 012	1 447 957	1 195 637	1 223 732	1 293 751	1 286 938	1 501 963	1 406 062	1 553 785
Community and social services	88 723	94 843	65 703	55 398	69 773	68 473	98 550	102 954	199 673
Sport and recreation	85 176	300 069	74 378	93 090	104 234	98 140	307 321	171 725	237 995
Public safety	289 079	264 183	129 148	167 415	205 613	205 472	307 134	178 192	181 628
Housing	850 038	730 137	876 563	870 578	871 595	872 391	761 558	837 431	861 239
Health	53 996	58 725	49 845	37 250	42 535	42 463	27 400	115 760	73 250
Economic and environmental services	942 726	875 361	739 095	1 589 981	1 548 607	1 365 882	2 286 395	3 306 903	4 057 564
Planning and development	112 860	88 836	105 541	127 118	153 435	147 801	205 026	250 177	182 600
Road transport	811 791	723 104	593 902	1 324 240	1 249 318	1 073 296	1 854 510	2 803 768	3 559 909
Environmental protection	18 076	63 421	39 652	138 623	145 854	144 785	226 859	252 957	315 055
Trading services	2 508 321	3 040 850	2 450 505	3 515 725	3 549 117	3 307 639	5 619 194	7 537 274	9 380 048
Energy sources	567 428	717 219	753 036	1 045 059	1 070 028	1 026 200	1 181 388	1 292 321	1 636 428
Water management	863 421	1 012 390	670 076	879 104	928 230	869 532	1 060 718	1 799 917	2 142 987
Waste water management	884 172	970 285	882 852	1 233 422	1 163 508	1 047 275	2 980 384	4 314 741	5 337 717
Waste management	193 299	340 956	144 542	358 139	387 351	364 632	396 705	130 295	262 916
Other	317	2 384	1 048	6 150	385	385	10 121	252	1 575
Total Capital Expenditure - Functional	5 970 668	6 528 474	5 426 192	7 507 319	7 750 575	7 288 678	10 987 689	13 986 676	18 137 540
Funded by:									
National Government	1 869 804	1 602 827	1 626 427	2 165 521	2 195 937	2 119 152	2 660 223	3 394 264	4 241 747
Provincial Government	36 561	13 195	27 609	5 492	11 147	11 128	30 135	13 157	6 007
Transfers and subsidies - capital	40 480	59 979	47 095	100 854	95 654	95 466	85 801	133 220	157 612
Transfers recognised - capital	1 946 844	1 676 001	1 701 131	2 271 867	2 302 739	2 225 746	2 776 159	3 540 641	4 405 366
Borrowing	1 060 298	(1 281)	994 517	2 000 000	2 000 000	1 826 633	6 500 000	9 000 000	12 300 000
Internally generated funds	2 963 525	4 853 753	2 730 544	3 235 452	3 447 836	3 236 300	1 711 530	1 446 035	1 432 174
Total Capital Funding	5 970 668	6 528 474	5 426 192	7 507 319	7 750 575	7 288 678	10 987 689	13 986 676	18 137 540

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

1. Table A5 reflects the City's capital programme in relation to capital expenditure by municipal vote (directorate); capital expenditure by standard classification; funding sources required to fund the capital budget and information on capital transfers from National- and Provincial departments.
2. The MFMA provides that a municipality may approve single- or multi-year capital budget appropriations. The City has allocated multi-year appropriations amounting to R10 988 million for 2023/24, increasing to R13 987 million and R18 138 million in 2024/25 and 2025/26 respectively.
3. The capital budget is funded by allocations made to the City in the form of grants by National- and Provincial government, public contributions and donations, borrowings and internally generated funds.
4. Capital transfers from National- and the Western Cape Government amount to R2 690 million (24.5%) in 2023/24, increasing to R3 407 million in 2024/25 and R4 248 million in 2025/26.
5. Transfers and Subsidies – capital amount to R86 million, R133 million and R158 million, respectively over the MTREF.
6. Borrowing of R6 500 million (2023/24), R9 000 million (2024/25) and R12 300 million (2025/26) has been provided for in terms of affordability levels as determined during the MTREF modelling.
7. Internally generated funds amounting to R1 712 million, R1 446 million and R1 432 million have been provided for annually over the MTREF.

Table 28 - MBRR Table A6 - Budgeted Financial Position

Description	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand									
ASSETS									
Current assets									
Cash and cash equivalents	11 802 619	11 009 969	11 041 349	7 021 160	10 455 004	10 455 004	12 455 162	15 603 307	16 857 609
Trade and other receivables from exchange transactions	7 341 873	3 671 237	4 223 058	7 079 011	6 648 162	6 648 162	3 177 885	3 343 890	3 590 793
Receivables from non-exchange transactions	–	2 883 430	2 685 572	–	–	–	3 605 039	3 775 033	3 967 931
Current portion of non-current receivables	8 524	7 600	3 246	93	1 677	1 677	863	14	14
Inventory	431 504	467 065	430 223	494 253	440 755	440 755	466 401	491 688	517 323
VAT	–	–	5 950	–	6 301	6 301	493 226	630 080	884 067
Other current assets	–	–	–	–	–	–	–	–	–
Total current assets	19 584 521	18 039 301	18 389 398	14 594 517	17 551 900	17 551 900	20 198 576	23 844 011	25 817 737
Non current assets									
Investments	6 267 808	6 573 136	6 837 924	6 875 252	5 875 252	5 875 252	4 965 700	3 106 364	3 106 364
Investment property	581 247	579 534	577 820	576 147	576 147	576 147	574 433	572 720	571 006
Property, plant and equipment	49 082 175	52 846 552	55 427 040	60 355 266	59 924 944	59 924 944	67 340 917	77 462 191	89 721 205
Biological assets	–	–	–	–	–	–	–	–	–
Living and non-living resources	–	–	–	–	–	–	800	1 700	1 700
Heritage assets	10 269	10 268	10 268	11 173	10 358	10 358	11 108	12 108	12 108
Intangible assets	599 678	624 635	621 600	439 143	605 752	605 752	684 467	789 023	2 648 088
Trade and other receivables from exchange transactions	–	–	–	–	–	–	–	–	–
Non-current receivables from non-exchange transactions	11 616	6 639	1 242	122	891	891	28	14	(0)
Other non-current assets	–	–	–	–	–	–	–	–	–
Total non current assets	56 552 793	60 640 764	63 475 895	68 257 103	66 993 344	66 993 344	73 577 453	81 944 119	96 060 471
TOTAL ASSETS	76 137 314	78 680 064	81 865 293	82 851 621	84 545 244	84 545 244	93 776 029	105 788 131	121 878 208
LIABILITIES									
Current liabilities									
Bank overdraft	–	–	–	–	–	–	–	–	–
Financial liabilities	446 355	440 239	1 426 476	1 808 361	1 729 579	1 729 579	2 966 423	1 525 931	2 580 989
Consumer deposits	419 421	439 775	487 879	571 504	519 431	519 431	549 440	578 654	608 049
Trade and other payables from exchange transactions	5 961 972	6 244 317	6 808 103	4 868 391	5 902 046	5 902 046	7 778 169	9 709 669	10 035 446
Trade and other payables from non-exchange transactions	1 250 617	1 116 830	777 984	1 429 132	1 437 175	1 437 175	610 716	610 716	610 716
Provision	1 384 347	1 572 671	1 692 258	1 536 214	1 765 294	1 765 294	1 811 108	1 802 433	1 875 172
VAT	173 298	86 380	–	94 057	–	–	414 507	436 160	468 364
Other current liabilities	–	–	–	–	–	–	–	–	–
Total current liabilities	9 636 009	9 900 212	11 192 700	10 307 659	11 353 526	11 353 526	14 130 363	14 663 563	16 178 737
Non current liabilities									
Financial liabilities	6 871 889	6 547 823	5 220 709	6 624 774	5 626 024	5 626 024	9 379 712	17 101 278	27 158 535
Provision	6 427 203	7 114 512	7 431 182	7 812 276	8 037 893	8 037 893	8 423 001	9 034 590	9 457 438
Long term portion of trade payables	–	–	–	–	–	–	–	–	–
Other non-current liabilities	–	–	–	–	–	–	–	–	–
Total non current liabilities	13 299 091	13 662 335	12 651 891	14 437 050	13 663 916	13 663 916	17 802 712	26 135 868	36 615 974
TOTAL LIABILITIES	22 935 101	23 562 547	23 844 590	24 744 710	25 017 442	25 017 442	31 933 075	40 799 431	52 794 711
NET ASSETS	53 202 214	55 117 518	58 020 703	58 106 911	59 527 802	59 527 802	61 842 954	64 988 699	69 083 497
COMMUNITY WEALTH/EQUITY									
Accumulated surplus/(deficit)	47 563 019	49 618 986	52 639 888	53 332 897	54 887 250	54 887 250	57 605 312	60 709 401	64 452 986
Reserves and funds	5 639 194	5 498 532	5 380 815	4 774 009	4 640 552	4 640 552	4 237 642	4 279 298	4 630 511
Other	–	–	–	–	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	53 202 213	55 117 518	58 020 703	58 106 906	59 527 802	59 527 802	61 842 954	64 988 699	69 083 497

Explanatory notes to Table A6 - Budgeted Financial Position

1. The budgeted Statement of Financial Position of the City has been prepared on a basis consistent with GRAP1 and international accounting standards and as such makes it comparable with the present Statement of Financial Position and those of previous years. This will enable all stakeholders to interpret the impact of the budget as such on the Statement of Financial Position.
2. The assets are in the order of relative liquidity and liabilities according to their priority of being met with cash and an extensive table of notes (MBRR Table SA3 on page 241) are provided with details of the major components of items, such as:
 - Call Investment Deposits;
 - Consumer Debtors;
 - Property, Plant and Equipment;
 - Trade and Other Payables;
 - Non-Current Provisions;
 - Changes in Net Assets; and
 - Reserves.
3. Movements on the Budgeted Statement of Financial Performance will impact on the Budgeted Statement of Financial Position. Assumptions made on the collection rate for instance, will affect the budgeted cash position of the City and the budgeted impairment of debtors. As such the assumptions form a critical link in determining the applicability and relevance of the budget, the determination of financial indicators, the assessment of funding compliance and the general viability of the municipality.

Table 29 - MBRR Table A7 - Budgeted Cash Flow Statement

Description	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand									
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Property rates	9 296 655	10 005 031	10 358 743	11 116 304	11 116 304	11 116 304	11 774 525	12 493 664	13 468 293
Service charges	19 396 197	21 101 782	23 526 030	23 922 286	24 087 492	24 087 492	27 337 481	31 358 200	35 542 717
Other revenue	3 798 052	2 612 879	3 018 242	4 559 563	4 510 120	4 510 120	4 591 781	4 787 191	4 995 014
Transfers and Subsidies - Operational	4 945 515	5 781 742	5 203 436	6 260 172	6 383 866	6 383 866	6 809 560	6 958 864	7 410 322
Transfers and Subsidies - Capital	1 911 311	1 616 702	1 374 421	2 271 867	2 302 739	2 302 739	2 776 159	3 540 641	4 405 366
Interest	1 642 305	1 438 934	1 432 200	1 118 566	1 263 260	1 263 260	1 193 514	1 035 487	880 214
Payments									
Suppliers and employees	(33 265 559)	(35 397 699)	(38 232 596)	(42 947 594)	(43 009 029)	(43 009 029)	(47 117 237)	(51 337 644)	(55 895 793)
Interest	(718 927)	(731 498)	(702 468)	(803 157)	(673 367)	(673 367)	(737 329)	(1 259 772)	(1 921 449)
Transfers and Subsidies	–	–	–	(391 480)	(437 745)	(437 745)	(371 815)	(340 171)	(375 439)
NET CASH FROM/(USED) OPERATING ACTIVITIES	7 005 549	6 427 873	5 978 008	5 106 527	5 543 641	5 543 641	6 256 640	7 236 460	8 509 245
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE	73 195	84 028	71 208	54 742	56 743	56 743	59 393	61 953	64 684
Decrease (increase) in non-current receivables	10 826	(32 484)	12 851	751	3 246	3 246	863	14	14
Decrease (increase) in non-current investments	(886 819)	(840 273)	(71 280)	633 780	633 780	633 780	909 552	1 859 336	–
Payments									
Capital assets	(5 970 668)	(6 528 473)	(5 450 250)	(7 507 319)	(7 750 575)	(7 750 575)	(10 987 689)	(13 986 676)	(18 137 540)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(6 773 466)	(7 317 202)	(5 437 471)	(6 818 047)	(7 056 807)	(7 056 807)	(10 017 881)	(12 065 372)	(18 072 842)
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans	–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing	1 091 580	–	–	2 000 000	2 000 000	2 000 000	6 500 000	9 000 000	12 300 000
Increase (decrease) in consumer deposits	8 459	20 354	–	28 010	31 552	31 552	30 009	29 215	29 395
Payments									
Repayment of borrowing	(384 828)	(371 494)	(371 495)	(1 438 161)	(1 358 161)	(1 358 161)	(1 678 161)	(2 911 495)	(1 511 495)
NET CASH FROM/(USED) FINANCING ACTIVITIES	715 211	(351 140)	(371 495)	589 849	673 391	673 391	4 851 848	6 117 720	10 817 900
NET INCREASE/ (DECREASE) IN CASH HELD	947 294	(1 240 469)	169 042	(1 121 671)	(839 775)	(839 775)	1 090 606	1 288 808	1 254 303
Cash/cash equivalents at the year begin:	8 419 276	9 366 569	8 126 100	7 143 195	8 295 143	8 295 143	7 455 368	8 545 973	9 834 781
Cash/cash equivalents at the year end:	9 366 570	8 126 100	8 295 143	6 021 524	7 455 368	7 455 368	8 545 973	9 834 781	11 089 084

Explanatory notes to Table A7 - Budgeted Cash Flow Statement

- The table shows the cash and cash equivalents of the City during the 2023/24 MTREF.
- The budget has been prepared to ensure adequate levels of working capital representing cash and cash equivalents over the medium-term, with cash levels anticipated to exceed R8 546 million in 2023/24 increasing to R11 089 million in 2025/26.
- Assumptions used in the preparation of the cash flow budget.
 - Revised collection rates:
 - Property rates: 96%
 - Electricity: 100%
 - Water: 95%
 - Sanitation: 97%
 - Urban waste: 90%
 - Rental income: 86%
 - Fines: 20%
 - The assumptions for capital- and operating expenditure is 100% spend.

Table 30 - MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

Description R thousand	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Cash and investments available									
Cash/cash equivalents at the year end	9 366 570	8 126 100	8 295 143	6 021 524	7 455 368	7 455 368	8 545 973	9 834 781	11 089 084
Other current investments > 90 days	2 436 050	2 883 869	2 746 207	999 637	2 999 637	2 999 637	3 909 189	5 768 525	5 768 525
Non current Investments	6 267 808	6 573 136	6 837 924	6 875 252	5 875 252	5 875 252	4 965 700	3 106 364	3 106 364
Cash and investments available:	18 070 428	17 583 105	17 879 273	13 896 413	16 330 257	16 330 257	17 420 862	18 709 670	19 963 973
Application of cash and investments									
Unspent conditional transfers	1 250 617	1 116 830	777 984	1 429 132	1 437 175	1 437 175	610 716	610 716	610 716
Unspent borrowing	–	–	–	–	–	–	–	–	–
Statutory requirements	–	–	–	–	–	–	–	–	–
Other working capital requirements	(705 429)	200 972	461 822	(1 819 552)	(364 874)	(364 874)	1 337 083	2 927 723	2 814 160
Other provisions	973 703	962 358	1 041 214	917 034	1 140 002	1 140 002	1 119 580	1 295 339	1 263 011
Long term investments committed	2 771 233	3 071 050	3 404 010	2 768 888	2 768 888	2 768 888	1 859 336	–	–
Reserves to be backed by cash/investments	5 639 194	5 498 532	5 380 815	4 774 009	4 640 552	4 640 552	4 237 642	4 279 298	4 630 511
Total Application of cash and investments:	9 929 318	10 849 742	11 065 844	8 069 511	9 621 744	9 621 744	9 164 358	9 113 077	9 318 398
Surplus(shortfall)	8 141 109	6 733 363	6 813 429	5 826 901	6 708 513	6 708 513	8 256 505	9 596 594	10 645 575

Explanatory notes to Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

1. The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.
2. The table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist. The results would either be a surplus or deficit. A surplus would indicate the cash-backed accumulated surplus that was/is available. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality's budget must be "funded".
3. From the table it can be seen that the City remains in a surplus net cash flow position over the 2023/24 MTREF Budget.
4. Considering the requirements of section 18 of the MFMA, it can be concluded that the 2023/24 MTREF is fully funded.
5. As part of the budgeting and planning guidelines that informed the compilation of the 2023/24 MTREF, the end objective of the medium-term framework was to ensure the budget is funded/aligned to section 18 of the MFMA.
6. Table A8 reflects a surplus of R8 257 million in 2023/24, R9 597 million in 2024/25 and R10 646 million in 2025/26.

Table 31 - MBRR Table A9 - Asset Management

Description	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand									
CAPITAL EXPENDITURE									
Total New Assets	2 569 335	2 923 248	2 231 208	3 633 542	3 723 207	3 581 171	4 743 126	6 614 610	10 214 547
Roads Infrastructure	500 502	488 593	334 765	901 795	918 412	825 711	1 333 155	1 949 623	2 867 872
Storm water Infrastructure	129 716	113 152	116 603	178 245	187 970	187 970	138 071	168 428	176 593
Electrical Infrastructure	186 867	398 082	249 766	349 071	344 944	336 663	281 975	347 882	825 227
Water Supply Infrastructure	685 416	603 028	291 468	555 602	551 992	518 524	741 488	1 482 254	1 123 132
Sanitation Infrastructure	161 514	296 876	317 052	339 480	331 314	324 197	306 085	806 582	1 908 916
Solid Waste Infrastructure	60 885	213 265	90 848	209 388	242 854	250 661	325 099	28 335	142 386
Coastal Infrastructure	–	305	–	10 675	30 382	30 382	10 160	–	–
Information and Communication Infrastructure	23 060	32 875	45 541	101 807	95 466	90 922	91 563	69 300	37 450
Infrastructure	1 747 961	2 146 176	1 446 043	2 646 063	2 703 333	2 565 030	3 227 596	4 852 404	7 081 577
Community Facilities	205 471	224 025	243 028	196 916	230 498	231 125	193 586	314 699	260 795
Sport and Recreation Facilities	658	767	–	6 065	65	65	30	–	–
Community Assets	206 129	224 792	243 028	202 981	230 563	231 190	193 616	314 699	260 795
Heritage Assets	–	12	–	–	–	–	–	1 000	–
Operational Buildings	102 237	80 786	45 625	72 579	84 225	82 057	176 578	281 214	245 176
Housing	7 515	16 855	1 192	8 693	9 501	8 510	5 000	–	–
Other Assets	109 752	97 641	46 817	81 272	93 726	90 567	181 578	281 214	245 176
Licences and Rights	25 489	15 940	12 957	60 026	81 917	68 765	169 313	208 259	1 977 988
Intangible Assets	25 489	15 940	12 957	60 026	81 917	68 765	169 313	208 259	1 977 988
Computer Equipment	74 763	131 350	105 652	86 622	138 359	149 998	139 708	186 266	85 191
Furniture and Office Equipment	45 536	42 591	14 977	16 213	28 957	30 471	36 391	61 413	47 063
Machinery and Equipment	105 249	169 276	132 436	116 725	152 495	150 791	316 679	234 937	215 520
Transport Assets	207 284	88 670	103 651	256 111	208 414	208 916	313 052	378 877	231 979
Land	47 170	6 800	125 646	167 529	85 442	85 442	165 193	95 541	69 259
Total Renewal of Existing Assets	1 700 998	1 817 718	1 802 902	1 976 006	2 232 840	2 053 715	2 852 321	2 682 504	2 393 114
Roads Infrastructure	116 938	101 807	140 954	140 280	102 984	80 835	258 531	165 464	177 903
Storm water Infrastructure	15 058	15 931	5 061	7 991	12 027	12 823	32 634	10 719	20 633
Electrical Infrastructure	271 821	252 917	384 403	383 657	398 611	389 027	516 396	434 800	448 277
Water Supply Infrastructure	213 808	272 484	236 649	318 135	346 277	318 531	248 407	205 860	222 989
Sanitation Infrastructure	188 287	270 583	354 740	435 062	540 936	452 084	895 947	968 021	802 789
Solid Waste Infrastructure	189	–	–	–	–	–	–	1 523	855
Information and Communication Infrastructure	1 911	5 218	5 544	19 764	29 101	28 410	23 797	25 228	35 832
Infrastructure	808 012	918 940	1 127 351	1 304 889	1 429 937	1 281 709	1 975 713	1 811 615	1 709 278
Community Facilities	8 320	33 107	22 153	24 434	47 932	48 485	19 954	103 303	37 485
Sport and Recreation Facilities	–	3 883	797	–	–	–	5 000	10 000	5 000
Community Assets	8 320	36 990	22 950	24 434	47 932	48 485	24 954	113 303	42 485
Heritage Assets	988	597	899	–	90	90	750	–	–
Operational Buildings	11 322	17 523	25 473	9 426	14 277	10 924	10 488	53 034	17 066
Housing	127 394	107 866	59 354	1 639	17 564	17 564	–	–	–
Other Assets	138 715	125 389	84 826	11 065	31 841	28 488	10 488	53 034	17 066
Licences and Rights	6 491	9 106	8 124	10 150	9 509	9 293	10 300	9 125	7 848
Intangible Assets	6 491	9 106	8 124	10 150	9 509	9 293	10 300	9 125	7 848
Computer Equipment	120 529	133 748	74 265	68 350	93 597	86 839	117 039	80 677	69 399
Furniture and Office Equipment	13 340	4 982	4 962	13 035	17 610	7 818	42 977	113 811	40 954
Machinery and Equipment	29 515	29 992	46 277	81 937	96 646	74 415	135 814	130 738	59 485
Transport Assets	575 088	557 974	433 248	462 147	505 678	516 578	533 487	369 300	446 600

Table continues on next page

Description	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand									
Total Upgrading of Existing Assets	1 700 336	1 787 508	1 392 083	1 897 771	1 794 529	1 653 792	3 392 242	4 689 562	5 529 879
Roads Infrastructure	257 828	135 960	168 640	230 257	245 841	156 219	182 672	189 533	226 958
Storm water Infrastructure	19 739	28 472	62 766	159 180	97 966	85 566	194 280	177 471	285 210
Electrical Infrastructure	23 364	5 463	52 874	187 000	156 100	153 624	196 555	281 070	149 946
Water Supply Infrastructure	66 170	56 243	85 562	13 500	16 500	16 500	15 763	13 750	13 525
Sanitation Infrastructure	649 210	681 675	469 666	530 040	439 310	427 057	1 699 285	2 637 241	3 310 114
Solid Waste Infrastructure	75 204	46 392	15 781	67 067	64 332	56 117	166	61	56 776
Coastal Infrastructure	1 222	6 857	16 582	55 522	59 798	59 112	133 095	159 250	232 180
Information and Communication Infrastructure	17 314	13 493	43 904	64 509	55 634	56 041	56 355	35 719	34 986
Infrastructure	1 110 050	974 556	915 774	1 307 075	1 135 482	1 010 236	2 478 172	3 494 095	4 309 695
Community Facilities	155 887	189 795	166 014	138 674	159 327	151 490	227 528	463 590	500 669
Sport and Recreation Facilities	97 737	299 842	67 218	68 328	66 125	58 672	218 129	131 506	105 428
Community Assets	253 624	489 637	233 232	207 001	225 452	210 162	445 657	595 096	606 097
Heritage Assets	17	31 715	-	-	-	-	-	-	-
Operational Buildings	240 715	209 433	174 032	278 982	301 062	296 789	340 708	450 078	493 682
Housing	49 961	12 699	822	65 401	64 406	69 384	86 581	101 381	88 849
Other Assets	290 676	222 132	174 855	344 383	365 468	366 173	427 289	551 459	582 531
Licences and Rights	14 700	41 534	11 507	21 683	41 458	41 025	36 014	30 485	22 056
Intangible Assets	14 700	41 534	11 507	21 683	41 458	41 025	36 014	30 485	22 056
Computer Equipment	13 134	16 487	54 520	8 359	12 709	12 617	700	8 426	-
Furniture and Office Equipment	160	175	696	300	308	308	1 100	-	-
Machinery and Equipment	17 975	11 272	1 499	8 968	13 652	13 272	3 310	10 000	9 500
Total Capital Expenditure	5 970 668	6 528 474	5 426 192	7 507 319	7 750 575	7 288 678	10 987 689	13 986 676	18 137 540
Roads Infrastructure	875 269	726 359	644 358	1 272 332	1 267 237	1 062 765	1 774 359	2 304 619	3 272 733
Storm water Infrastructure	164 512	157 556	184 430	345 416	297 963	286 359	364 985	356 618	482 436
Electrical Infrastructure	482 052	656 462	687 042	919 728	899 655	879 314	994 926	1 063 752	1 423 450
Water Supply Infrastructure	965 394	931 756	613 679	887 237	914 769	853 555	1 005 658	1 701 864	1 359 646
Sanitation Infrastructure	999 011	1 249 135	1 141 459	1 304 582	1 311 560	1 203 337	2 901 318	4 411 844	6 021 819
Solid Waste Infrastructure	136 278	259 657	106 629	276 455	307 186	306 778	325 265	29 919	200 018
Coastal Infrastructure	1 222	7 162	16 582	66 197	90 180	89 494	143 255	159 250	232 180
Information and Communication Infrastructure	42 285	51 586	94 989	186 080	180 201	175 373	171 716	130 248	108 267
Infrastructure	3 666 022	4 039 672	3 489 168	5 258 027	5 268 752	4 856 976	7 681 481	10 158 115	13 100 549
Community Facilities	369 678	446 927	431 195	360 024	437 756	431 100	441 068	881 592	798 948
Sport and Recreation Facilities	98 395	304 491	68 015	74 393	66 190	58 737	223 159	141 506	110 428
Community Assets	468 073	751 418	499 210	434 416	503 947	489 837	664 228	1 023 098	909 377
Heritage Assets	1 005	32 325	899	-	90	90	750	1 000	-
Operational Buildings	354 274	307 742	245 129	360 987	399 564	389 769	527 774	784 326	755 924
Housing	184 870	137 420	61 368	75 733	91 471	95 459	91 581	101 381	88 849
Other Assets	539 143	445 162	306 498	436 720	491 035	485 228	619 355	885 707	844 773
Licences and Rights	46 681	66 580	32 588	91 859	132 884	119 083	215 627	247 869	2 007 891
Intangible Assets	46 681	66 580	32 588	91 859	132 884	119 083	215 627	247 869	2 007 891
Computer Equipment	208 426	281 585	234 437	163 331	244 666	249 453	257 447	275 369	154 591
Furniture and Office Equipment	59 036	47 748	20 635	29 547	46 875	38 597	80 467	175 224	88 017
Machinery and Equipment	152 740	210 540	180 212	207 631	262 793	238 478	455 802	375 676	284 505
Transport Assets	782 372	646 644	536 899	718 259	714 092	725 494	846 539	748 177	678 579
Land	47 170	6 800	125 646	167 529	85 442	85 442	165 193	95 541	69 259
Mature	-	-	-	-	-	-	800	900	-
Living Resources	-	-	-	-	-	-	800	900	-
TOTAL CAPITAL EXPENDITURE - Asset class	5 970 668	6 528 474	5 426 192	7 507 319	7 750 575	7 288 678	10 987 689	13 986 676	18 137 540

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Description	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand									
ASSET REGISTER SUMMARY - PPE (WDV)	50 273 369	54 060 989	56 636 728	61 381 729	61 117 201	61 117 201	68 611 724	78 837 740	92 954 106
Roads Infrastructure	9 887 288	10 599 765	10 803 955	11 732 567	11 599 798	11 599 798	12 877 732	14 663 077	17 376 290
Storm water Infrastructure	984 602	1 060 144	1 081 383	1 464 990	1 314 401	1 314 401	1 612 797	1 899 622	2 304 119
Electrical Infrastructure	7 773 701	8 091 837	8 593 727	9 208 478	9 173 024	9 173 024	9 834 253	10 548 544	11 591 619
Water Supply Infrastructure	4 639 021	5 224 700	5 714 748	6 484 561	6 422 064	6 422 064	7 191 417	8 638 805	9 718 851
Sanitation Infrastructure	3 538 615	4 206 502	5 088 698	6 393 452	6 185 210	6 185 210	8 849 117	12 941 688	18 607 335
Solid Waste Infrastructure	521 723	502 959	818 889	847 410	1 075 043	1 075 043	1 343 743	1 316 725	1 439 162
Coastal Infrastructure	143 782	144 129	140 583	212 395	224 784	224 784	361 676	513 499	730 528
Information and Communication Infrastructure	4 761 803	5 592 225	5 474 560	5 694 988	5 550 952	5 550 952	5 613 971	5 635 138	5 630 959
Infrastructure	32 250 535	35 422 261	37 716 543	42 038 840	41 545 276	41 545 276	47 684 707	56 157 098	67 398 863
Community Assets	6 179 196	6 292 458	6 212 883	6 472 384	6 371 383	6 371 383	6 675 747	7 327 254	7 850 089
Heritage Assets	10 269	10 268	10 268	10 268	10 268	10 268	10 268	10 268	10 268
Investment properties	581 247	579 534	577 820	576 107	576 106	576 106	574 393	572 679	570 965
Other Assets	4 747 938	4 949 992	5 112 163	5 095 469	5 247 333	5 247 333	5 498 826	6 013 636	6 479 395
Intangible Assets	599 678	624 635	621 600	438 864	611 202	611 202	689 917	794 473	2 653 539
Computer Equipment	572 357	633 911	590 768	565 874	585 760	585 760	591 333	613 262	512 618
Furniture and Office Equipment	356 140	385 292	436 401	285 609	418 905	418 905	429 389	519 548	507 801
Machinery and Equipment	526 554	480 596	464 051	624 981	539 636	539 636	797 429	936 377	969 879
Transport Assets	3 329 467	3 563 803	3 672 099	3 898 595	3 926 953	3 926 953	4 233 343	4 394 431	4 455 911
Land	1 119 988	1 118 239	1 222 132	1 374 740	1 284 377	1 284 377	1 426 373	1 498 716	1 544 777
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	50 273 369	54 060 989	56 636 728	61 381 729	61 117 201	61 117 201	68 611 724	78 837 740	92 954 106
EXPENDITURE OTHER ITEMS	6 635 245	6 540 125	7 534 918	7 968 449	8 252 358	8 252 395	8 976 383	9 515 747	10 085 609
Depreciation	2 926 971	2 873 505	3 066 639	3 208 222	3 270 102	3 270 102	3 493 166	3 760 659	4 021 175
Repairs and Maintenance by Asset Class	3 708 274	3 666 620	4 468 279	4 760 227	4 982 255	4 982 292	5 483 217	5 755 088	6 064 435
Roads Infrastructure	555 000	417 198	604 829	708 812	791 946	791 946	829 974	874 792	922 906
Storm water Infrastructure	–	–	–	148 037	162 127	162 127	189 758	200 167	211 341
Electrical Infrastructure	474 450	460 718	562 390	596 334	670 869	670 869	729 900	762 019	796 306
Water Supply Infrastructure	389 894	430 692	438 319	381 434	393 153	392 985	650 187	687 127	735 158
Sanitation Infrastructure	437 293	552 692	620 607	373 761	547 212	547 212	617 577	650 925	686 726
Solid Waste Infrastructure	1 384	945	2 631	11 558	11 510	11 510	23 371	23 931	24 529
Coastal Infrastructure	–	–	–	3 994	5 455	5 455	3 994	3 994	3 994
Infrastructure	1 858 022	1 862 246	2 228 775	2 223 930	2 582 272	2 582 104	3 044 760	3 202 956	3 380 961
Community Facilities	116 996	131 941	146 832	486 075	370 486	372 798	551 948	580 024	610 889
Sport and Recreation Facilities	361 851	386 600	433 976	95 399	95 296	95 296	102 832	108 385	114 345
Community Assets	478 847	518 541	580 807	581 473	465 782	468 094	654 780	688 409	725 235
Heritage Assets	219	3 626	69	2 832	2 344	2 334	2 761	2 882	3 010
Revenue Generating	57	99	228	6 629	6 541	6 541	6 633	6 917	7 219
Non-revenue Generating	152	1	1	10	8	8	6	6	6
Investment properties	209	100	230	6 639	6 549	6 549	6 639	6 923	7 226
Operational Buildings	125 817	130 727	192 275	247 129	316 789	319 940	323 417	338 546	354 752
Housing	–	–	–	19 148	23 171	23 171	27 234	28 704	30 283
Other Assets	125 817	130 727	192 275	266 277	339 959	343 110	350 651	367 251	385 035
Computer Equipment	159 862	234 027	199 261	431 201	421 360	422 909	304 200	317 617	337 330
Furniture and Office Equipment	690 643	600 104	830 169	334 180	276 713	275 148	245 191	256 746	269 155
Machinery and Equipment	–	–	–	393 019	415 571	410 880	404 141	420 292	441 012
Transport Assets	394 655	317 250	436 693	520 676	471 705	471 164	470 093	492 012	515 471
TOTAL EXPENDITURE OTHER ITEMS	6 635 245	6 540 125	7 534 918	7 968 449	8 252 358	8 252 395	8 976 383	9 515 747	10 085 609
Renewal and upgrading of Existing Assets as % of total capex	57.0%	55.2%	58.9%	51.6%	52.0%	50.9%	56.8%	52.7%	43.7%
Renewal and upgrading of Existing Assets as % of deprecn	116.2%	125.5%	104.2%	120.7%	123.2%	113.4%	178.8%	196.0%	197.0%
R&M as a % of PPE & Investment Property	7.5%	6.9%	8.0%	7.8%	8.2%	8.2%	8.1%	7.4%	6.7%
Renewal and upgrading and R&M as a % of PPE and Investment Property	14.3%	13.6%	13.7%	14.2%	14.9%	14.4%	17.3%	16.8%	15.5%

Explanatory notes to Table A9 - Asset Management

1. Table A9 provides an overview of municipal capital allocations to building new assets and renewal of existing assets, as well as spending on repairs and maintenance by asset class.
2. The following chart provides an analysis between depreciation (including capital asset impairment) and operational repairs and maintenance over the MTREF. It highlights the City's strategy to address the maintenance backlog. To ensure compliance the City will embark on an asset creation project which will be finalised over a couple of years.

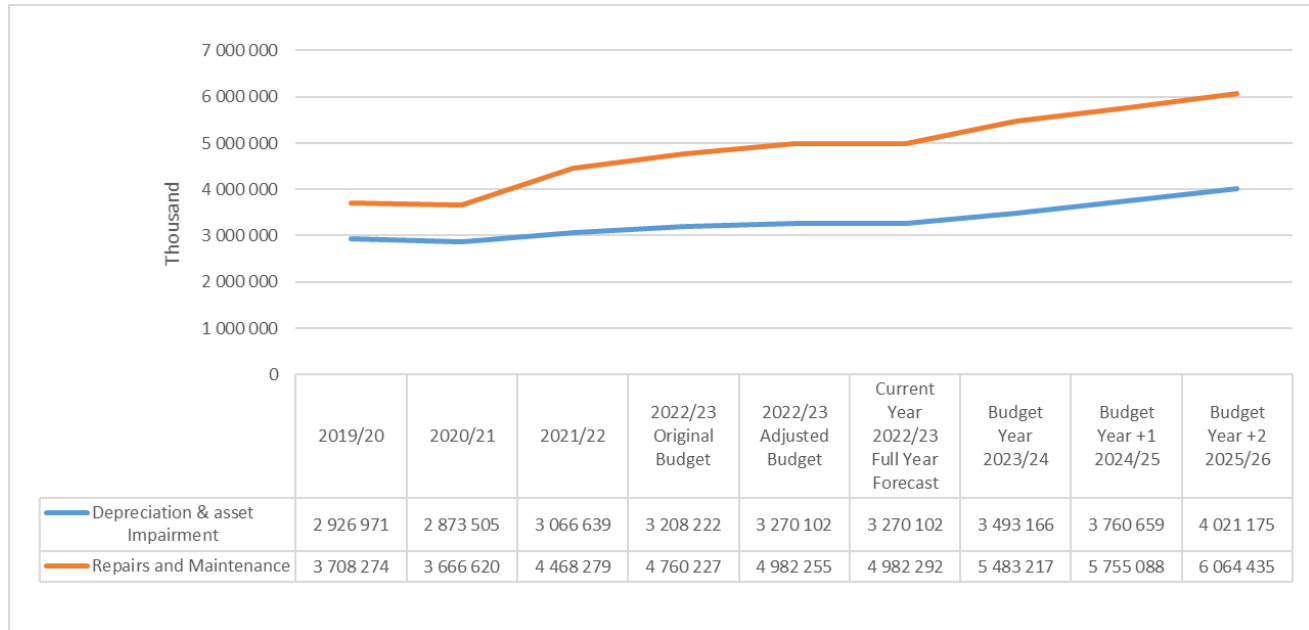


Figure 14 Depreciation in relation to repairs and maintenance for previous years and over the MTREF

Table 32 - MBRR Table A10 - Basic Service Delivery Measurement

Description	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<u>Household service targets</u>									
<u>Water:</u>									
Piped water inside dwelling	1 214 760	1 256 146	1 310 286	1 328 617	1 328 617	1 328 617	1 350 021	1 373 332	1 396 606
Piped water inside yard (but not in dwelling)	–	–	–	–	–	–	–	–	–
Using public tap (at least min.service level)	168 419	174 157	181 663	184 205	184 205	184 205	187 172	190 404	193 631
Other water supply (at least min.service level)	–	–	–	–	–	–	–	–	–
<i>Minimum Service Level and Above sub-total</i>	1 383 179	1 430 303	1 491 949	1 512 822	1 512 822	1 512 822	1 537 193	1 563 736	1 590 237
Using public tap (< min.service level)	–	–	–	–	–	–	–	–	–
Other water supply (< min.service level)	–	–	–	–	–	–	–	–	–
No water supply	–	–	–	–	–	–	–	–	–
<i>Below Minimum Service Level sub-total</i>	–	–	–	–	–	–	–	–	–
Total number of households	1 383 179	1 430 303	1 491 949	1 512 822	1 512 822	1 512 822	1 537 193	1 563 736	1 590 237
<u>Sanitation/sewerage:</u>									
Flush toilet (connected to sewerage)	1 285 080	1 329 491	1 384 841	1 404	1 404	1 404	1 427 346	1 455 971	1 479 080
Flush toilet (with septic tank)	–	–	–	–	–	–	–	–	–
Chemical toilet	35 120	39 765	62 330	63	63	63	62 950	62 950	62 950
Pit toilet (ventilated)	197	197	197	0	0	0	197	197	197
Other toilet provisions (> min.service level)	62 633	60 850	44 581	45 508	45 508	45 508	46 700	44 618	48 010
<i>Minimum Service Level and Above sub-total</i>	1 383 030	1 430 303	1 491 949	1 512 822	1 512 822	1 512 822	1 537 193	1 563 736	1 590 237
Bucket toilet	149	–	–	–	–	–	–	–	–
Other toilet provisions (< min.service level)	–	–	–	–	–	–	–	–	–
No toilet provisions	–	–	–	–	–	–	–	–	–
<i>Below Minimum Service Level sub-total</i>	149	–	–	–	–	–	–	–	–
Total number of households	1 383 179	1 430 303	1 491 949	1 512 822	1 512 822	1 512 822	1 537 193	1 563 736	1 590 237
<u>Energy:</u>									
Electricity (at least min.service level)	666 305	624 979	635 334	625 200	625 200	635 334	635 334	635 334	635 334
Electricity - prepaid (min.service level)	–	–	–	–	–	–	–	–	–
<i>Minimum Service Level and Above sub-total</i>	666 305	624 979	635 334	625 200	625 200	635 334	635 334	635 334	635 334
Electricity (< min.service level)	29 130	27 409	25 906	24 630	24 630	24 406	22 906	21 406	19 906
Electricity - prepaid (< min. service level)	–	–	–	–	–	–	–	–	–
Other energy sources	–	–	–	–	–	–	–	–	–
<i>Below Minimum Service Level sub-total</i>	29 130	27 409	25 906	24 630	24 630	24 406	22 906	21 406	19 906
Total number of households	695 435	652 388	661 240	649 830	649 830	659 740	658 240	656 740	655 240
<u>Refuse:</u>									
Removed at least once a week	958 534	935 447	1 009 176	1 071 453	1 059 635	1 059 635	1 080 828	1 102 444	1 124 493
<i>Minimum Service Level and Above sub-total</i>	958 534	935 447	1 009 176	1 071 453	1 059 635	1 059 635	1 080 828	1 102 444	1 124 493
Removed less frequently than once a week	–	–	–	–	–	–	–	–	–
Using communal refuse dump	–	–	–	–	–	–	–	–	–
Using own refuse dump	–	–	–	–	–	–	–	–	–
Other rubbish disposal	–	–	–	–	–	–	–	–	–
No rubbish disposal	–	–	–	–	–	–	–	–	–
<i>Below Minimum Service Level sub-total</i>	–	–	–	–	–	–	–	–	–
Total number of households	958 534	935 447	1 009 176	1 071 453	1 059 635	1 059 635	1 080 828	1 102 444	1 124 493
<u>Households receiving Free Basic Service</u>									
Water (6 kilolitres per household per month)	270 025	253 851	250 413	240 091	240 091	240 091	236 537	236 537	236 537
Sanitation (free minimum level service)	270 025	253 851	250 413	240 091	240 091	240 091	236 537	236 537	236 537
Electricity/other energy (50kwh per household per month)	166 389	179 943	163 118	186 070	186 070	186 070	186 070	186 070	186 070
Refuse (removed at least once a week)	310 526	264 761	270 056	270 035	274 970	274 970	280 469	286 079	291 800
Informal Settlements	567 836	623 040	735 718	777 329	799 329	799 329	819 213	840 325	862 158

Table continues on next page

Description	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Cost of Free Basic Services provided - Formal Settlements (R'000)									
Water (6 kilolitres per indigent household per month)	449 106	408 131	441 368	283 602	283 602	283 602	313 771	334 981	360 842
Sanitation (free sanitation service to indigent households)	232 446	251 148	295 201	242 531	242 531	242 531	269 235	287 435	309 625
Electricity/other energy (50kwh per indigent household per month)	125 999	106 000	118 517	130 676	130 676	130 676	161 491	190 550	227 138
Refuse (removed once a week for indigent households)	287 133	313 332	311 132	356 132	371 132	371 132	432 626	454 257	476 970
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)	612 579	767 270	1 187 176	1 120 832	1 097 442	1 097 442	1 150 607	1 208 300	1 274 225
Total cost of FBS provided	1 707 262	1 845 882	2 353 393	2 133 773	2 125 383	2 125 383	2 327 729	2 475 524	2 648 800
Highest level of free service provided per household									
Property rates (R value threshold)	–	285 000	285 000	285 000	285 000	285 000	435 000	435 000	435 000
Water (kilolitres per household per month)	6	6	11	15	15	15	15	15	15
Sanitation (kilolitres per household per month)	4	4	7	11	11	11	11	11	11
Sanitation (Rand per household per month)	–	–	–	–	–	–	–	–	–
Electricity (kwh per household per month)	60	60	60	60	60	60	60	60	60
Refuse (average litres per week)	240	240	240	240	240	240	240	240	240
Revenue cost of subsidised services provided (R'000)									
Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)	–	–	–	–	–	–	–	–	–
Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA	1 191 840	1 277 662	1 361 479	1 456 700	1 456 700	1 456 700	1 964 262	2 111 496	2 309 042
Water (in excess of 6 kilolitres per indigent household per month)	–	–	–	203 884	203 884	203 884	231 133	246 757	265 807
Sanitation (in excess of free sanitation service to indigent households)	–	–	–	174 358	174 358	174 358	197 261	210 595	226 853
Electricity/other energy (in excess of 50 kwh per indigent household per month)	–	–	–	–	–	–	–	–	–
Refuse (in excess of one removal a week for indigent households)	–	–	–	–	–	–	–	–	–
Municipal Housing - rental rebates	41 885	27 356	(23 799)	(22 850)	(23 195)	(23 195)	(24 909)	(25 370)	(26 180)
Housing - top structure subsidies	–	–	–	–	–	–	–	–	–
Other	–	–	–	–	–	–	–	–	–
Total revenue cost of subsidised services provided	1 233 725	1 305 018	1 337 680	1 812 092	1 811 748	1 811 748	2 367 746	2 543 479	2 775 522

Explanatory notes to Table A10 – Basic Service Delivery Measurement

- Table A10 provides an overview of service delivery levels, including backlogs (below minimum service level), for each of the main services.
- The City is persistently striving to eradicate backlogs. The City's backlog status are as follows:
 - Water services: Cape Town's population, both formal and informal settlements, receives potable water in accordance with the National minimum standards as required by the Water Services Act 108 (of 1997).
 - Sanitation services: Cape Town's population, both formal and informal settlements, receives sanitation services in accordance with the National minimum standards. Funding is still provided to further improve the service levels in Informal Settlements in line with the City's strategy.
 - Electricity services: The electrification strategy is to reduce the backlog by 1 500 annually over the 2023/24 MTREF.
 - Refuse services: This service does not have any backlogs.
- The associated cost of providing free basic services is projected to escalate from R2 328 million in 2023/24 to R2 649 million in 2025/26. The amounts calculated for water and sanitation in 2023/24 is based on projected actuals for the new financial years as opposed to the 'allocation per property/informal settlement household' approach that was used until the 2021/22 financial year. It should be noted that the calculating methodology for water and sanitation was changed with effect from the 2022/23 financial year.
- The following assumptions are applied when determining the number of households per service:
 - Water and sanitation: The number of households is based on the StatsSA 2021 Mid-Year Population Estimates.
 - Energy: The City supplies only part of the Metro and provides electricity connections irrespective of the number of households.
 - Refuse: Formal household numbers are determined by monthly billing data and informal settlement dwelling numbers are determined through an annual auditable dwelling count process.

Part 2 - Supporting Documentation

2.1 Overview of annual budget process

2.1.1 Mayoral oversight and responsibility

Section 53 of the MFMA requires the mayor of a municipality to provide general political guidance over the budget process and the priorities that guide the preparation of the budget.

In addition, Regulation 4 of the Municipal Budget and Reporting Regulations (MBRR) states that:

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

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

2.1.2 Budget process overview

Section 21 of the MFMA requires the Mayor to table a time schedule, which sets out the process to draft the IDP and prepare the budget, ten months before the start of the new financial year. The IDP- and Budget Time Schedule was adopted by Council on 31 May 2022.

The City's annual SMF process informs planning over the next financial year and helps ensure delivery on the strategic objectives set out in the IDP. The three- pronged approach of the SMF process commenced with the strategic review in August 2022 followed by the Operational- and Item Review. The Strategic Review provided an opportunity to consider critical issues that may affect the organisation over the MTREF, and laid out important priorities, which inform the planning imperatives over the MTREF. Following the Strategic Review engagement, the City Manager, in August 2022 issued the Strategy Brief highlighting the key focus areas of the IDP, namely of Economic Growth and Jobs, Safety and Basic Services. Directorates were required to consider how their functional areas could contribute to these key focus areas.

The general principles included in the Strategy Brief were:

1. Focus on identifying and addressing risks to the implementation of the IDP;
2. Focus on improving capital spend on economic and basic infrastructure to aid economic recovery;
3. Identify critical supporting mechanisms/key actions that will enable implementation of the New Term of Office IDP, including the Mayoral Priority Programmes.

The timeline below sets out the processes followed in preparation of the 2023/24 MTREF.

May 2022

- Tabling of 2023/24 IDP and Budget Time Schedule at Council.

July 2022

- Commencement of financial technical sessions to formulate proposals in achieving a realistic, deliverable and affordable MTREF (July 2022).
- First Budget Steering Committee (BSC) setting out the process and initial deliberations to be considered in the 2023/24 MTREF.

August – October 2022

- Issue of Strategy Brief by the Executive Mayor and the City Manager to Executive Directors and Mayoral Committee (MayCo) members in preparation of the SMF Operational Review (mid-August 2022).
- Continuation of various finance technical sessions to formulate proposals to achieve a realistic, deliverable and affordable MTREF (August 2022).
- Presentations to BSC and BSM including technical assessment of the outcome of the 2021/22 financial year and its impact on the 2022/23 MTREF, outcome of zero-based budgeting exercise, update on latest LTFP outcome, and presentations by Trading Services (Water & Sanitation, Energy, and Urban Waste Management) on proposed financial plans and tariffs (October 2022).
- SMF Operational Review including the submission of operational budget proposals by Executive Directors and considered for inclusion by Executive Mayor and City Manager (October 2022).

November - December 2022

- Refinement of the LTFP model to ensure a credible, affordable and sustainable budget over the medium term and presentation of parameters and assumptions for endorsement on budget proposals.
- Presentations to BSM with refined LTFP model positions taking into account updated information and requirements (November and December 2022).
- Conclusion of Project Readiness Assessment on proposed capital budget (SMF Item Review) (November 2022).
- Final BSM presentation for support of parameters and assumptions in the LTFP (December 2022).

January and February 2023

- Structuring of Rates & Tariff workshop (January 2023).
- Presentations by services on proposed rates and tariffs, outcome of General Valuation, and outcome of the Total Municipal Account (TMA) i.e. the impact of the proposed tariffs on the consumer to BSM (February 2023).
- Preparation of detailed operating- and capital budget.

March to May 2023

- 2023/24 draft operating- and capital budget, and new IDP was tabled at Council on 29 March 2023.
- The budget, IDP and tariff proposals were published for comment and consultation as part of the public participation process from 30 March to 5 May 2023 (inclusive).
- Comments received as a result of the public participation process will be submitted to the MayCo for consideration and Council for noting.

- A combined 2023/24 Western Cape Provincial Government SIME and National Treasury 2024 Municipal Benchmark Engagement took place in Pretoria on 5 May 2023.
- 2023/24 MTREF budget and IDP scheduled for consideration and adoption by Council on 31 May 2023.

2.1.3 Integrated Development Plan (IDP)

The IDP is the City's principal strategic planning instrument, which guides and informs on-going strategic planning, management and development actions. The IDP represents the City administration's commitment to exercise its executive authority. The 5-Year (2022 - 2027) Term of Office Plan, is in line with National- and Provincial government legislation and is effectively the local government's blueprint by which it strives to realise its vision for Cape Town in the short-, medium- and long term.

The 5-Year (2022 - 2027) Term of Office IDP was developed in line with the Term of Office IDP Process Plan and approved by Council on 31 May 2022.

Section 34(a) of the Municipal Systems Act (MSA) requires a municipal council to review its IDP:

- i) annually, in accordance with an assessment of its performance measures;
- ii) and to the extent that changing circumstances so demand.

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

The prescribed process for amending an IDP is contained in Regulation 3 of the Municipal Planning and Performance Management Regulations, 2001. The main steps in the process are:

- i) Only a member or committee of a municipal council may introduce a proposal for amending the IDP;
- ii) Any proposal for amending the IDP must be accompanied by a memorandum setting out the reasons for the proposal;
- iii) The proposed amendments must be published for public comment for a minimum of 21 days; and
- iv) An amendment to the IDP is adopted by a decision taken by a municipal council in accordance with the rules and orders of council.

Proposed amendments are aimed to accommodate emerging strategic changes to the IDP in order to support and strengthen the approved strategic direction and narrative of the IDP.

2.2 Overview of alignment of annual budget with Integrated Development Plan (IDP) and Service Delivery and Budget Implementation Plan (SDBIP)

The City's priority, objectives and programmes are set out in its IDP, which provides the strategic framework that guides the City's planning, budgeting and service delivery implementation through the Corporate Scorecard and SDBIPs over the course of the 5-year political term. These documents are aligned to ensure effective and efficient service delivery.

The IDP's priorities and foundations are translated into 16 objectives, which are broken down into programmes and projects / initiatives that are underpinned by the budget.

This realistic and sound budget supports the credibility of the process. Resources are allocated firstly through budget prioritisation at a corporate level and pulled through to the directorate/department business plans.

The City's SDBIP has various components i.e Corporate (Five-Year and One-Year) and the Directorate SDBIPs. The Corporate SDBIP contains the Corporate One-Year Scorecard and other budget related information, which is the strategic tool used by the City to ensure service delivery and for the community to monitor the implementation and progress against set targets.

The Five-Year Corporate scorecard contains annual targets for the term of office and forms part of the IDP. National Treasury MFMA Circular 88 requires that outcome, output and compliance indicators must find expression in the IDP and the Circular Outcomes Scorecard, Circular 88 Output Scorecard and Circular 88 Compliance scorecard contains prescribed indicators as determined by NT. The outcomes indicators are separately disclosed from the corporate scorecard as it contains external data such as StatsSA household data, which is predominantly not under the City's 'area of control' but forms part of the City's 'area of concern'. The City monitors and tracks a range of trends to understand the environment in which it operates. This is measured on an annual basis. These documents are approved by council as part of the IDP.

The One-Year Corporate Scorecard contains quarterly targets for the 2023/2024 financial year and is referred to as the Corporate SDBIP. The Corporate SDBIP contains budget information and sets out how the City intends spending the budget for the financial year.

The figure below provides a graphical display of the link between SDBIP and corporate scorecard.

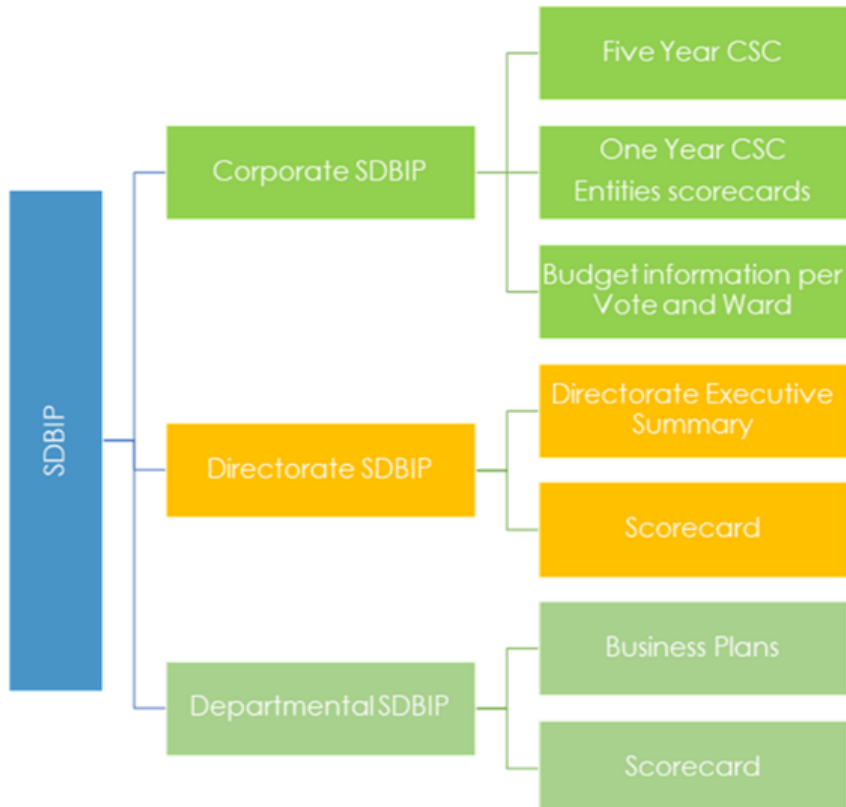


Figure 15 Link between SDBIP and corporate scorecard

2.2.1 Service Delivery and Budget Implementation Plan (SDBIP)

The Corporate SDBIP sets out various components in the format required by NT. It includes the City's One-Year Corporate Scorecard as well as the Municipal Entities' Scorecards. These scorecards reflect the measurable performance indicators for quarterly- and annual targets.

The corporate SDBIP has several components:

- One-Year Corporate scorecard for the City;
- Circular 88 Outcome Scorecard as prescribed by NT;
- Circular 88 Output Scorecard as prescribed by NT;
- Circular 88 Compliance Scorecard as prescribed by NT;
- Cape Town Stadium (CTS) scorecard; and
- Cape Town International Convention Centre (CTICC) scorecard.

The balance of the components of the City's SDBIP (i.e. revenue to be collected, by source and operating- and capital expenditure by vote) includes projections for each month and are presented in MBRR table SA25 on page 142, table SA26 on page 144 and table SA28 on page 147.

The entities' scorecards are disclosed in terms of section 93B(a) and (b) and 93C (iv) and (v) of the Municipal Systems Act (MSA) and section 87(5)(d) of the MFMA.

Detailed departmental SDBIPs are published on the City's website and may be accessed at www.capetown.gov.za.

The vision of the City

The vision of the City (as set out in the IDP) is to be a City of Hope for all – a prosperous, inclusive and healthy city where people can see their hopes of a better future for themselves, their children and community become a reality.

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

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

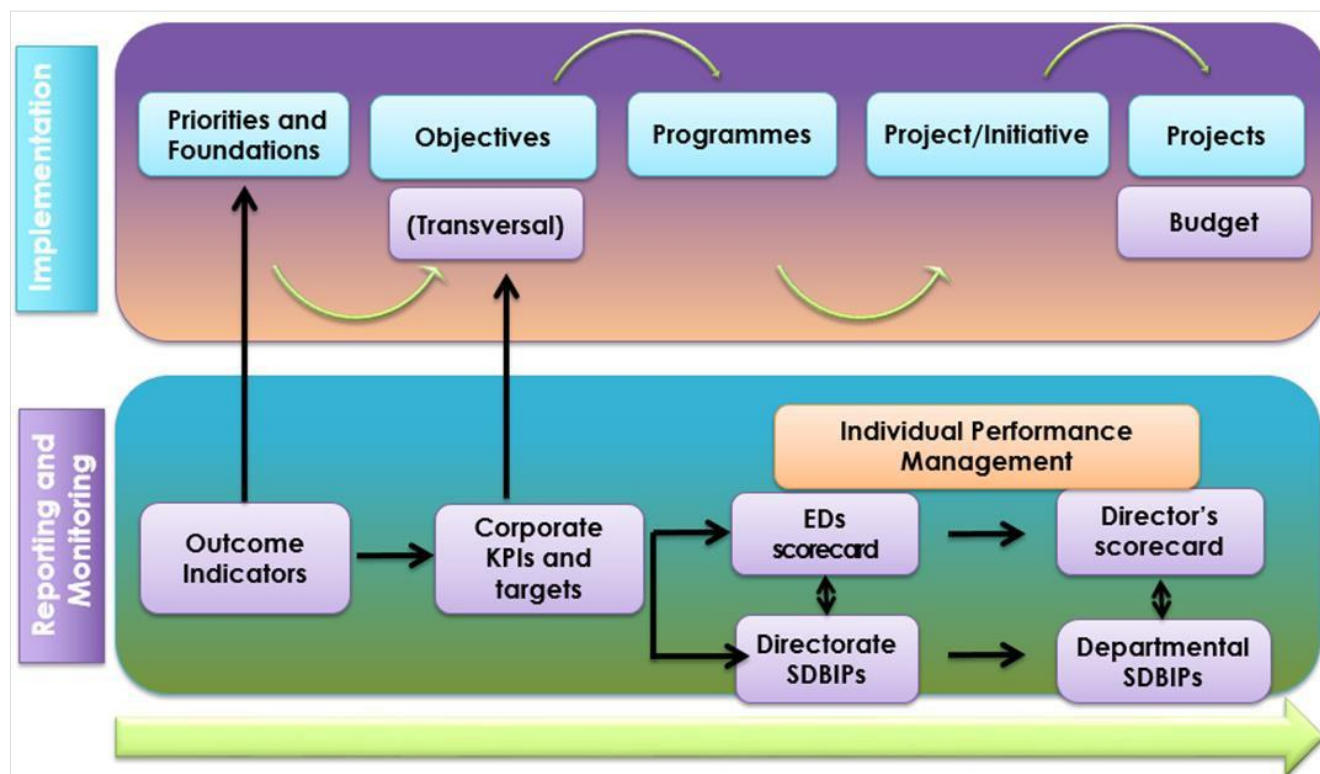


Figure 16 IDP and Budget link

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

Table 33 - MBRR Table SA4 - Reconciliation between the IDP strategic objective and budgeted revenue

Strategic Objective	Goal	Goal Code	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand											
Opportunity City	Position Cape Town as globally competitive City	1.1	356 781	504 345	2 615 202	–	–	–	–	–	–
	Leveraging Technology for Progress	1.2	15 272	15 308	16 997	–	–	–	–	–	–
	Economic Inclusion	1.3	4	2	14 317	–	–	–	–	–	–
Safe City	Resource Efficiency and Security	1.4	53 936	53 265	55 559	–	–	–	–	–	–
	Safe Communities	2.1	1 445 612	1 959 597	2 353 323	–	–	–	–	–	–
Caring City	Excellence in Basic Service delivery	3.1	21 481 701	21 630 669	26 746 626	–	–	–	–	–	–
	Basic service to informal settlements and backyarders	3.2	146 805	246 530	118 851	–	–	–	–	–	–
Inclusive City	Dense & Transit Orientated Urban Growth & Development	4.1	1 247	30 484	59 558	–	–	–	–	–	–
	An Efficient Integrated Transport System	4.2	695 061	714 695	708 302	–	–	–	–	–	–
	Building Integrated Communities	4.3	727 090	981 266	894 665	–	–	–	–	–	–
Well-Run City	Operational sustainability	5.1	17 458 035	17 277 307	18 307 681	–	–	–	–	–	–
Economic Growth	Increased Jobs and Investment within the Cape Town economy	1	–	–	–	565 121	649 057	649 057	705 325	566 329	587 060
Basic Services	Improved access to quality and reliable basic services	2	–	–	–	12 781	12 781	12 781	44 093	23 783	36 936
	End load shedding in Cape Town over time	3	–	–	–	5	5	5	5	5	6
	Well-managed and modernised infrastructure to support economic growth	4	–	–	–	30 837 216	30 972 505	30 972 505	34 846 423	39 385 506	44 176 884
Safety	Effective law enforcement to make communities safer	5	–	–	–	1 744 823	1 848 242	1 848 242	1 677 642	1 695 755	1 719 336
Housing	Increased supply of affordable, well located homes	7	–	–	–	983 193	1 051 829	1 051 829	1 050 427	1 110 508	1 178 623
	Safer, better quality homes in informal settlements and backyards over time	8	–	–	–	69 021	61 272	61 272	42 168	61 455	62 718
Public Space, Environment and Amenities	Healthy and sustainable environment	9	–	–	–	899 048	874 048	874 048	930 112	887 327	930 915
Transport	Clean and healthy waterways and beaches	10	–	–	–	7 024	7 024	7 024	9 368	7 692	8 039
	Quality and safe parks and recreation facilities	11	–	–	–	97 863	101 126	101 126	100 060	88 538	92 726
	Sustain, Efficient, safe and affordable travel options for all	12	–	–	–	844 281	916 806	916 806	1 003 187	930 541	846 299
A Resilient City	A Resilient City	14	–	–	–	13 785	24 696	24 696	29 526	30 825	32 212
A More Spatially Integrated and Inclusive City	A More Spatially Integrated and Inclusive City	15	–	–	–	3 438	3 438	3 438	3 644	611	638
A Capable and Collaborative City Government	A Capable, Collaborative and Financially Sustainable City Government	16	–	–	–	17 208 376	17 361 540	17 361 540	18 188 940	19 130 979	20 363 630
Allocations to other priorities			–	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)			42 381 544	43 413 467	51 891 081	53 285 974	53 884 369	53 884 369	58 630 919	63 919 855	70 036 023

Table 34 - MBRR Table SA5 - Reconciliation between the IDP strategic objectives and budgeted operating expenditure

Strategic Objective	Goal	Goal Code	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand											
Opportunity City	Position Cape Town as globally competitive City	1.1	6 131 888	6 384 898	7 140 500	–	–	–	–	–	–
	Leveraging Technology for Progress	1.2	464 624	577 978	481 837	–	–	–	–	–	–
	Economic Inclusion	1.3	41 107	72 065	74 978	–	–	–	–	–	–
Safe City	Resource Efficiency and Security	1.4	563 930	440 413	382 201	–	–	–	–	–	–
	Safe Communities	2.1	3 872 380	4 533 221	5 210 557	–	–	–	–	–	–
Caring City	Excellence in Basic Service delivery	3.1	19 110 717	19 572 515	26 184 777	–	–	–	–	–	–
	Basic service to informal settlements and backyarders	3.2	841 544	1 017 901	972 973	–	–	–	–	–	–
Inclusive City	Dense & Transit Orientated Urban Growth & Development	4.1	46 038	75 749	98 350	–	–	–	–	–	–
	An Efficient Integrated Transport System	4.2	1 671 670	1 782 862	1 824 406	–	–	–	–	–	–
Well-Run City	Building Integrated Communities	4.3	1 530 989	1 848 254	1 835 010	–	–	–	–	–	–
	Operational sustainability	5.1	5 689 082	6 854 402	6 439 072	–	–	–	–	–	–
Economic Growth	Increased Jobs and Investment within the Cape Town economy	1	–	–	–	1 558 572	1 692 127	1 691 451	1 789 507	1 690 918	1 755 193
Basic Services	Improved access to quality and reliable basic services	2	–	–	–	977 070	886 094	886 111	966 419	959 266	983 793
	End load shedding in Cape Town over time	3	–	–	–	12 474 607	12 530 659	12 530 659	14 260 862	17 093 636	19 918 679
Safety	Well-managed and modernised infrastructure to support economic growth	4	–	–	–	14 716 866	15 109 256	15 109 850	16 250 881	17 135 853	18 202 478
	Effective law enforcement to make communities safer	5	–	–	–	4 148 594	4 320 718	4 319 218	4 183 687	4 389 292	4 478 544
Housing	Strengthen Partnership for safer communities	6	–	–	–	24 997	27 765	27 765	31 294	32 952	34 365
	Increased supply of affordable, well located homes	7	–	–	–	1 411 897	1 433 467	1 436 543	1 490 907	1 552 157	1 616 025
Public Space, Environment and Amenities	Safer, better quality homes in informal settlements and backyards over time	8	–	–	–	199 867	233 797	233 797	209 355	234 269	245 824
	Healthy and sustainable environment	9	–	–	–	2 151 504	2 093 876	2 094 446	2 261 067	2 399 231	2 532 115
Transport	Clean and healthy waterways and beaches	10	–	–	–	229 344	239 878	239 921	294 269	310 972	336 500
	Quality and safe parks and recreation facilities	11	–	–	–	2 272 495	2 284 052	2 283 940	2 425 879	2 542 095	2 688 537
A Resilient City	Sustain, Efficient, safe and affordable travel options for all	12	–	–	–	3 848 458	4 042 090	4 042 090	4 210 184	4 303 778	4 493 771
A More Spatially Integrated and Inclusive City	A Resilient City	14	–	–	–	899 505	902 040	903 540	1 019 379	1 044 504	1 095 512
A Capable and Collaborative City Government	A More Spatially Integrated and Inclusive City	15	–	–	–	408 229	405 636	405 736	470 404	489 135	511 632
	A Capable, Collaborative and Financially Sustainable City Government	16	–	–	–	8 475 040	8 360 835	8 357 224	9 227 833	10 136 692	11 453 623
Allocations to other priorities			–	–	–	–	–	–	–	–	–
Total Expenditure			39 963 971	43 160 260	50 644 660	53 797 046	54 562 291	54 562 291	59 091 927	64 314 751	70 346 590

Table 35 - MBRR Table SA6 - Reconciliation between the IDP strategic objectives and budgeted capital expenditure

Strategic Objective	Goal	Goal Code	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand											
Opportunity City	Position CT as a fwd looking bus City	1.1	793 017	929 153	858 940	–	–	–	–	–	–
	Leveraging Technology for Progress	1.2	29 469	34 622	36 460	–	–	–	–	–	–
	Economic Inclusion	1.3	12 228	8 568	2 941	–	–	–	–	–	–
	Natural Resource and Environment Sustain	1.4	127 430	223 172	142 386	–	–	–	–	–	–
Safe City	Safe Communities	2.1	495 067	422 926	249 308	–	–	–	–	–	–
Caring City	Excellence in Basic Service Delivery	3.1	2 073 805	2 202 161	1 923 781	–	–	–	–	–	–
	Basic service to inf settlement & bkyard	3.2	411 975	517 460	579 882	–	–	–	–	–	–
Inclusive City	Dense & Transit Urban Growth and Devpmt	4.1	243 814	221 346	100 437	–	–	–	–	–	–
	Efficient, Integrated Transport System	4.2	287 644	419 420	325 620	–	–	–	–	–	–
	Building Integrated Communities	4.3	546 328	453 107	311 074	–	–	–	–	–	–
Well-run City	Operational sustainability	5.1	949 891	1 096 540	895 362	–	–	–	–	–	–
Economic growth	Increased jobs and investment in the Cape Town economy	1	–	–	–	234 403	135 942	130 524	254 184	257 623	280 772
Basic services	Improved access to quality and reliable basic services	2	–	–	–	106 700	123 687	121 136	102 075	94 172	93 700
	End load-shedding in Cape Town over time	3	–	–	–	111 805	52 614	48 120	109 999	236 658	493 452
	Well-managed and modernised infrastructure to support economic growth	4	–	–	–	3 322 579	3 648 960	3 427 497	5 568 899	7 339 022	8 783 330
Safety	Effective law enforcement to make communities safer	5	–	–	–	188 351	250 668	251 604	323 815	346 464	293 857
	Strengthen Partnerships for safer communities	6	–	–	–	200	166	166	4 363	110	77
Housing	Increased supply of affordable, well-located homes	7	–	–	–	548 402	538 024	537 301	492 015	544 239	527 996
	Safer, better-quality homes in informal settlements and backyards over time	8	–	–	–	317 026	306 699	306 695	250 943	266 092	306 143
Public space, environment and amenities	Healthy and sustainable environment	9	–	–	–	109 161	105 842	101 830	92 711	205 292	164 328
	Clean and healthy waterways and beaches	10	–	–	–	89 350	209 594	207 997	352 162	346 689	395 027
	Quality and safe parks and recreation facilities supported by community partnerships	11	–	–	–	164 733	189 324	183 277	382 394	278 381	332 375
Transport	Sustainable transport system that is integrated, efficient and provides safe and affordable travel options for all	12	–	–	–	1 094 031	1 052 290	910 644	1 480 226	2 375 122	3 040 907
	Safe and quality roads for pedestrians, cyclists and vehicles	13	–	–	–	286 345	269 845	246 540	440 903	447 044	531 242
A resilient city	A resilient city	14	–	–	–	197 823	26 751	15 967	58 805	92 259	252 548
A more spatially integrated and inclusive city	A more spatially integrated and inclusive city	15	–	–	–	2 208	1 931	1 777	16 750	16 000	8 000
A capable and collaborative city government	A capable and collaborative city government	16	–	–	–	734 202	838 240	797 602	1 057 444	1 141 508	2 633 786
Allocations to other priorities			–	–	–	–	–	–	–	–	–
Total Capital Expenditure			5 970 668	6 528 474	5 426 192	7 507 319	7 750 575	7 288 678	10 987 689	13 986 676	18 137 540

2.3 Measurable performance objectives and indicators

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

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

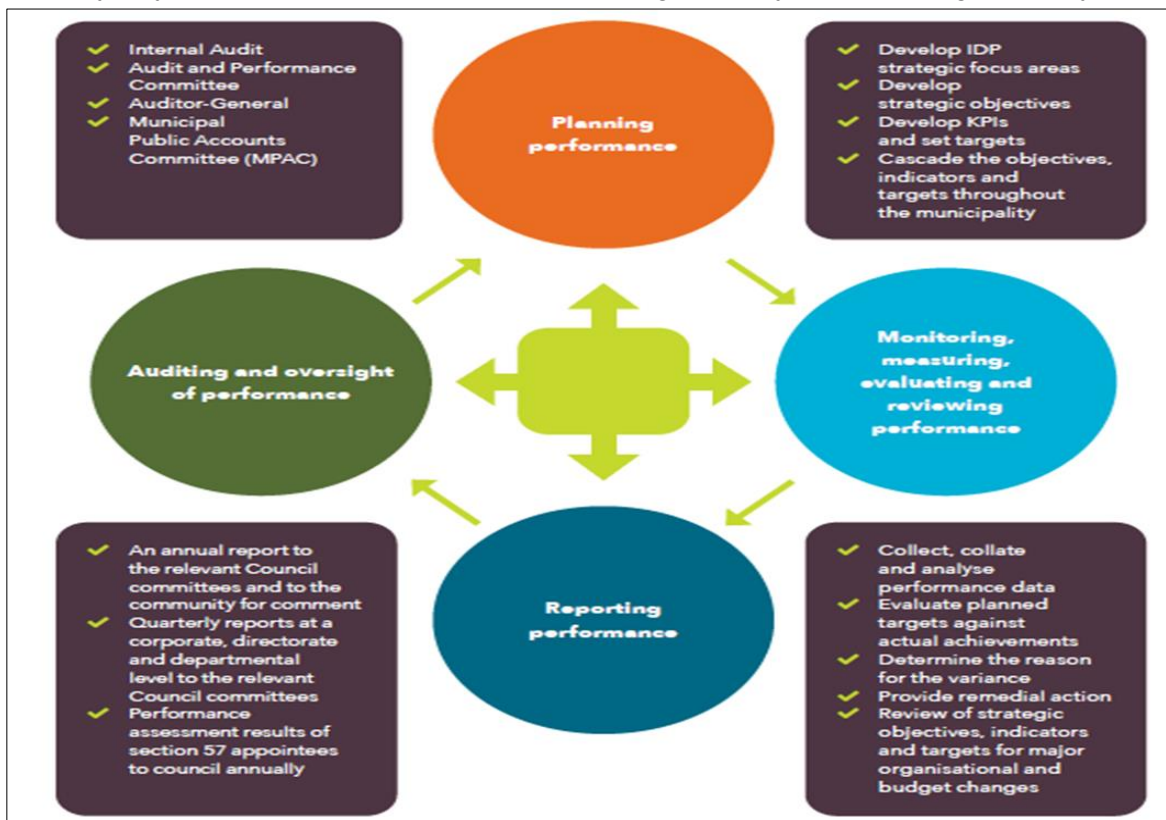


Figure 17 Planning, budgeting and reporting cycle

Planning Performance

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

Planning ensures that clear strategic direction is set and prioritised. The IDP is developed and is set for the 5-year term of office of the elected council and reviewed annually. This is the stage where priorities and foundations, objectives, performance indicators, definitions and targets are determined. Indicators measure the extent to which objectives are being achieved, indicating performance in relation to outcomes, outputs, activities and inputs. Targets set the level of performance to be achieved within a defined period of time.

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

In addition, to the strategic Corporate Scorecard that encapsulates the City's strategy, NT MFMA Circular 88 (C88) also prescribes indicators, definitions and formulas that is compulsory to report on.

Three separate scorecards have been developed for NT MFMA Circular 88 to measure the different categories namely outcomes, outputs and compliance indicators.

Indicators must be measurable, relevant, objective and precise. It must include outcomes, output- and input indicators. General national key performance indicators as per Regulation 10 of the Municipal Planning and Performance Management Regulation must be included. Proxy indicators will be used until auditable and cost effective systems and processes are in place to measure the national general indicators.

The components will be interlinked to ensure implementation. All the IDP priorities, objectives and key performance indicators will cascade into directorate and/or a departmental SDBIP and/or the City Manager's and/or Section 57 appointees' scorecards.

Monitoring, Measuring, Evaluating and Reviewing performance

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

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

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

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

Reporting

The actual achievements of targets set for the key performance indicators will be reported on a quarterly basis, where appropriate. It will form the platform for the quarterly- and annual performance reports. NT MFMA Circular 88 Outcomes Scorecard will only be reported on annually whereas the C88 Output and C88 Compliance scorecards will be reported on quarterly. Reporting performance include an Annual Report to the relevant Council committees and to the community for comment and quarterly reports at corporate, directorate and department level to the relevant Council committees.

Auditing and Oversight

Internal Audit and the Audit Committee (including the Performance Management Committee) reviews the Organisational Performance Management (OPM) system for functionality, performance information and compliance. The Auditor General performs an annual audit on the Annual Report and expresses an audit opinion on the financial and non-financial information. The Municipal Public Accounts Committee (MPAC) reviews the Annual Report and provides oversight.

The 2023/2024 Corporate SDBIP will be approved by the Executive Mayor in June 2023.

The City's Measurable Performance Objectives (MBRR Table SA7) is attached as Annexure 45.

The following table sets out the municipalities main performance indicators and benchmarks for the 2023/24 MTREF.

Table 36 - MBRR Table SA8 - Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<u>Borrowing Management</u>										
Credit Rating		Aaa.za	Aa3.za	Aa3.za	Aa3.za	Aa3.za	Aa3.za			
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	3.0%	2.8%	2.3%	4.3%	3.9%	3.9%	4.4%	6.8%	5.4%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	3.2%	3.2%	2.5%	4.9%	4.4%	4.4%	5.1%	7.7%	6.0%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	27.1%	0.0%	0.0%	38.2%	36.7%	39.5%	79.2%	86.2%	89.6%
<u>Safety of Capital</u>										
Gearing	Long Term Borrowing/ Funds & Reserves	12.9%	11.9%	9.0%	11.4%	9.5%	9.5%	15.2%	26.3%	39.3%
<u>Liquidity</u>										
Current Ratio	Current assets/current liabilities	2.0	1.8	1.6	1.4	1.5	1.5	1.4	1.6	1.6
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	2.0	1.8	1.6	1.4	1.5	1.5	1.4	1.6	1.6
Liquidity Ratio	Monetary Assets/Current Liabilities	1.2	1.1	1.0	0.7	0.9	0.9	0.9	1.1	1.0
<u>Revenue Management</u>										
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing	0.0%	139.7%	150.4%	144.4%	139.9%	139.9%	0.0%	137.6%	134.8%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		139.6%	150.6%	144.3%	139.9%	139.8%	139.8%	137.6%	134.8%	133.2%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	2.4%	9.1%	7.1%	2.0%	1.9%	1.9%	8.8%	8.6%	8.5%
<u>Creditors Management</u>										
Creditors System Efficiency	% of Creditors Paid Within Terms (within 'MFMA' s 65(e))	97.1%	99.2%	99.5%	97%	97%	97%	98%	98%	98%
Creditors to Cash and Investments		48.6%	57.3%	60.8%	42.7%	38.7%	38.7%	55.6%	67.9%	63.0%

Table continues on next page

Description of financial indicator	Basis of calculation	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<u>Other Indicators</u>										
Electricity Distribution Losses	Total Volume Losses (kW) technical	598 582 832	590 037 071	594 140 773	594 140 773	594 140 773	594 140 773	594 140 773	594 140 773	594 140 773
	Total Volume Losses (kW) non technical	297 098 211	494 848 178	342 172 145	342 172 145	342 172 145	342 172 145	342 172 145	342 172 145	342 172 145
	Total Cost of Losses (Rand '000)	905 444	1 159 308	1 180 597	1 282 246	1 282 246	1 282 246	1 474 583	1 695 771	1 950 136
	% Volume (units purchased and generated less units sold)/units purchased and generated	9.7%	12.0%	10.2%	10.2%	10.2%	10.2%	10.2%	10.2%	10.2%
Water Volumes :System input	Bulk Purchase	-	-	208 153 226	192 296 119	217 227 487	217 227 487	245 863 622	245 863 622	245 863 622
	Water treatment works	-	-	-	-	-	-	-	-	-
	Natural sources	-	-	88 742 870	102 783 650	99 030 459	99 030 459	76 369 170	76 369 170	76 369 170
Water Distribution Losses	Total Volume Losses (kℓ)	69 259 740	84 042 766	93 602 440	93 187 918	109 165 322	109 165 322	109 599 862	109 599 862	109 599 862
	Total Cost of Losses (Rand '000)	605 330	700 356	517 432 025	403 949 122	427 935 753	427 935 753	506 600 246	506 600 246	506 600 246
	% Volume (units purchased and generated less units sold)/units purchased and generated	28.5%	31.5%	31.5%	31.6%	34.5%	34.5%	34.0%	34.0%	34.0%
	Employee costs/(Total Revenue - capital revenue)	30.1%	34.8%	29.4%	32.5%	32.1%	32.1%	31.4%	30.3%	29.4%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	30.5%	35.2%	29.7%	32.8%	32.5%	32.5%	31.7%	30.7%	29.7%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	8.7%	8.4%	8.6%	8.9%	9.2%	9.2%	9.4%	9.0%	8.7%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	8.8%	8.5%	7.4%	7.6%	7.5%	7.5%	7.6%	8.2%	9.0%
<u>IDP regulation financial viability indicators</u>										
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	23.4	24.0	20.3	20.3	20.3	20.3	13.1	23.8	26.2
ii.O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	2.1%	16.0%	13.1%	2.0%	1.8%	1.8%	23.6%	21.7%	20.4%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	3.4	2.8	2.5	1.7	2.0	2.0	2.2	2.3	2.3

2.3.1 Performance indicators and benchmarks

2.3.1.1 Borrowing Management

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

Moody's Investors Service published their latest credit opinion for the City of Cape Town on 5 August 2022. It has reaffirmed the existing long- and short-term national and global scale rating of Aa3.za/P-1.za and Ba3/NP, and stable outlook. The City's rating reflects its moderate financial performance supported by its prudent financial management, large and diversified economic base. The City has consistently generated robust operating surplus with stronger liquidity and lower debt than that of its peers in South Africa also rated by Moody's.

The City's credit profile is constrained by capital spending pressure and a structurally weak economic environment. The city also faces physical climate and water management risks, as well as social risks such as access to adequate housing and labor market challenges. The resilience in the City's cash position is expected to remain over the medium term. The low debt level, together with the City's liquidity reserves places the City in a favourable position to raise funding. In addition, any movement in the South African sovereign rating will impact directly on the City's global scale rating.

The following financial performance indicators have formed part of the compilation of the 2023/24 MTREF:

- *Capital charges to operating expenditure* are the measure of the cost of borrowing in relation to the operating expenditure. This ratio averages 5.5% over the 2023/24 MTREF which indicates that the City spends an average of 5.5% of its operating expenditure budget annually on finance charges. This is below the national treasury norm of 6 to 8%.
- *Borrowing funding as a ratio of own capital expenditure* reflects the degree to which own capital expenditure (excluding government grants and public contributions) has been funded by way of borrowing. The ratio shows 85% over the MTREF. This ratio outcome is as a result of the City's borrowing strategy and the funding requirements.

2.3.1.2 Safety of Capital

The gearing ratio is a measure of the total long-term borrowings over total community wealth (equity). The City's outcome over the 2023/24 MTREF averages 26.9%. The gearing ratio shows that the City has a small proportion of debt versus equity.

2.3.1.3 Liquidity

- The current ratio is used to assess the City's ability to pay back its Short-term Liabilities (Debt and Payables) with Short-term Assets (Cash, Inventory, Receivables). According to National Treasury circular 71 the higher the current ratio, the more capable the Municipality will be to pay its current or short-term obligations and provide for risk cover to enable it to continue operations at desired levels. It is preferable that the ratio is at least above one. This ratio for the City averages 1.6 over the 2023/24 MTREF period.

- The cash (liquidity) ratio is a measure of the ability of the City to utilise cash and cash equivalents to settle its current liabilities immediately. The norm is between 0.5 and 1. This ratio for the City averages 1 over the 2023/24 MTREF period indicating that the City is in a good position to meet the payment of current liabilities should it be due.

2.3.1.4 Revenue Management

Debt Management action, including legal actions are carried out against those debtors who can afford to pay, but choose not to, with a special focus on:

- Categorisation of accounts into high value accounts - business and residential;
- Top 1000 debtors;
- Government and State-owned Entity accounts; and
- Staff and councillor arrears.

The City will continue to enforce the payment of outstanding debts through effective debt management actions and initiatives to those residents/businesses who have not come forward to access the City's basket of benefits and debt relief incentives offered. These actions may include:

- Restriction/disconnection of water/electricity services;
- Collection of all arrear debts through electricity prepaid purchases;
- Listing of property owners for adverse credit listing at relevant credit bureaus; and
- Handing over accounts to appointed attorneys to initiate legal recovery action, which could lead to a sale in execution (SIE) of the property to recover the municipal debts.

Further to the above, the City's strategy for indigent debtors are:

- Deemed indigent properties are allocated 15kl of water and 10.5kl sanitation services for free with additional consumption billed in terms of the approved water and sanitation indigent tariffs;
- Prepaid electricity meters are installed free of charge;
- When successfully registered as indigent, a once off write-off is done of all outstanding debt; and
- Council approves the write-off of all interest charges as well as suspension of interest charges on indigent properties until the prepaid electricity meters have been installed and applicable outstanding debts have been written off.

Debtors experiencing difficulty in paying their accounts may either enter into affordable payment arrangements or apply to be registered as indigent or apply for rates rebates.

The City provides the option of an affordable payment plan for debtors to settle their arrears, where compliance with the agreed payment plan leads to the suspension of all debt management actions and interest being raised, until the arrears are paid in full.

2.3.1.5 Creditors Management

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

2.3.1.6 Other Indicators

- Electricity distribution losses

Performance in the 2021/22 financial year has shown that electricity distribution losses was 10.24%. The City's strategy to continue to address this included the appointment of additional revenue protection teams who are still in place. When compared to the 2020/21 financial year where performance was 11.95%, this was a direct result of regularisation of estimations during the pandemic which was problematic because of the lockdown.

- Water distribution losses

High priority is being given to a comprehensive water loss reduction strategy with detailed action plans to address each of the physical or real losses and apparent losses. The Water & Sanitation Directorate is applying the resources required to implement Water Demand Management interventions. These include:

- Pressure management systems by installing technologies to minimise pipe bursts, leakage in the system and to reduce night flows as well as increasing the area covered by the management system to include previously unmanaged sections;
- Pipe replacement programme replacing ageing pipelines to reduce water leakage and minimise pipe bursts (priority areas are aligned with the pressure management system);
- Leak detection and repair programme to identify underground leaks by using leak detection technologies and visual inspection and repair;
- Prompt reactive maintenance in response to water leaks and pipe bursts;
- Meter replacement programme to provide bulk water balances to proactively establish accurate assessment of water losses in bulk water supply system;
- Replace and upgrade of old meters;
- Ensure adequate working bulk meters at all required supply points;
- Monitor top water users;
- Enhancing water loss monitoring via the development of a water zone and bulk zone monitoring system; and
- Education and awareness programmes.

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

The social package for indigent households is based on the blanket- and targeted approach. The blanket approach refers to rebates provided to indigent households based on property values for the different services. The rebates reflected in the ensuing table are provided to the indigent-based property value.

With the implementation of the GV2022 (effective 1 July 2023) and to assist the vulnerable, the City has lifted the property values from R300 000 to R450 000 where such properties are not liable for rates.

Table 37 - Basic social package rebates

Property Value	Refuse Removal Charges	Water	Sanitation	Property Rates	Electricity: Lifeline 1 <250KWH	Electricity: Lifeline 2 >250KWH <450KWH
R1 to R450 000	100%	15kl free water	10.5kl free sanitation services	100%	60kWh free	25kWh free
R450 001 – R500 000	50%	15kl free water	10.5kl free sanitation services	-	60kWh free	25kWh free
R500 001 – R650 000	25%	-	-	-	-	-

With this targeted approach any resident who is required to pay for municipal services and whose gross monthly household income is R7 500 (previously R4 500) or below needs to register as an indigent to receive the same benefits as if their property values were below R450 000 (previously R300 000).

Households with property values of up to R450 000 (previously R300 000) are entitled to:

- 100% property rates rebate;
- 100% refuse removal rebate;
- 15kl free water;
- 10.5kl free sanitation services;
- 60kWh free electricity if consumption is less than 250kWh; and
- 25kWh free electricity if consumption is greater than 250kWh but less than 450kWh.

The number of indigents registered at the end of April 2023 was 13 741. This number varies monthly as registration is valid for 12 months after which re-application is required.

The varying rebates of the previous year i.e. 95% or 90% up to R7 500 is no longer applicable as the 100% limit was lifted to R7 500. The number of indigents in this category was 172 at the end of April 2023, however, with the rebates applicable for the 2023/24 financial year they will fall under the 100% rebate category.

2.3.3 Providing potable water and managing waste water

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

Water Quality

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

Flowing from the drought, the City adopted a Water Strategy, which, inter-alia, seeks to increase water resilience through diversification of water sources. Major water projects where significant capital investments are being made include the Development of the Cape Flats Managed Aquifer Recharge Scheme, upgrading of the Atlantis Managed Aquifer Recharge Scheme, and development of the Table Mountain Group (TMG) Aquifer Scheme. Planning is currently underway to develop an advanced water purification plant (reuse) as well as permanent sea water desalination plants to cater for longer term growth in water demand and climatic uncertainty.

Treatment of wastewater

The City has a risk-based approach in place whereby the strategic risks to the wastewater business have been identified, rated and mitigation measures have been put in place. The plan is being implemented but there is a significant financial requirement for capacity upgrading, maintaining, rehabilitating and replacing the ageing assets to mitigate the critical risks in the Wastewater Risk Abatement Plan (WWRAP). This plan specifically relates to new license conditions imposed by the national Department of Water & Sanitation. This document was reviewed to further refine prioritisation of the risks and resource allocations.

The City has clear objectives based on a sound baseline and knowledge of their processes and technologies. The application of risk management and abatement is an integral part of the wastewater business.

The Wastewater Branch received the first SALGA award as well as one from the Regional office of the Department of Water & Sanitation (DWS)/Water Institute of SA (WISA) for water use compliance. The Branch again received an award from the DWS in 2018.

With the re-establishment of Green Drop Assessments in 2021 the City received 4 Green Drops and an overall score of 88 % for its 26 wastewater treatment plants. The Wesfleur Domestic WWTW also received the Best Performing Systems Wastewater treatment plant in the South Africa with a score of 99.7%, while the Wesfleur Industrial WWTP received the 2nd runner up award for a 96% Technical Site Assessment Score. Millers Point WWTP shared the 1st prize for the best risk position with the lowest Cumulative Risk Ratio (CRR) systems.

The City continues to display a strong commitment to improving wastewater treatment and strives for on-going improvement with implementation of the principles of best practice management throughout the entire workforce.

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

Additional challenges include significant financial investment requirements for:

- New infrastructure to cater for the rapidly developing city; and
- Improving the existing wastewater effluent quality.

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

Some of the major current and future wastewater projects are:

- Zandvliet Extension Wastewater Treatment Works (WWTW) - increase in treatment capacity;
- Bellville WWTW – improvement in treatment processes;
- Potsdam Waste Water Treatment Plant (WWTP) – increase in treatment capacity
- Macassar Extension WWTP - increase in treatment capacity;
- Borchards Quarry WWTW – improvement in treatment processes;
- Athlone WWTP - increase in treatment capacity;
- Cape Flats WWTW – Inlet works and Rising main;
- Cape Flats- Bio-solids Beneficiation Facility (BBF) i.e. Sludge to energy;
- Wildevleiwlei WWTW – Upgrade/Dewatering;
- Wesfleur WWTW – Aeration and Blower Replacement; and
- Managed Aquifer recharge – Tertiary reclamation of final effluent.

The capital budget is allocated for increased treatment capacity, process improvements and improved effluent quality. The detailed capital budget and development programme is reflected in Annexure 27 of the budget documentation.

2.4 Overview of budget related-policies

The City's budgeting process is guided and governed by relevant legislation, frameworks, strategies and related policies.

2.4.1 Approved policies with no amendments in the 2023/24 budget cycle

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

- Asset Management Policy (Approved February 2013)
- Borrowing Policy (Approved March 2013)
- Supply Chain Management Policy (Approved January 2023)
- Cash Management and Investment Policy (Approved July 2018)

2.4.2 Policies amended during the 2023/24 budget cycle

The policies listed below were reviewed at the budget-related policy workshops held during the year and is annexed to the document.

- Rates Policy – Annexure 5
- Tariff Policies – Annexure 7
- Credit Control and Debt Collection Policy – Annexure 8
- Grants-in-Aid Policy – Annexure 9
- Accounts Payable Policy – Annexure 10
- Funding and Reserves Policy – Annexure 11
- Virement Policy – Annexure 12
- Budget Management and Oversight Policy – Annexure 13
- Long Term Financial Plan Policy – Annexure 14
- Policy Governing Adjustments Budgets – Annexure 15
- Unforeseen and Unavoidable Expenditure Policy – Annexure 16
- Policy Governing Planning and Approval of Capital Projects – Annexure 17
- Cost Containment Policy – Annexure 18
- Municipal Entities Policy – Annexure 19
- Appeals Policy – Annexure 20
- Ward and Subcouncil Allocations Policy – Annexure 21

The annexures listed below provide details of changes made to the Rates Policy (Annexure 5) and the Tariff Policies (Annexure 7) respectively.

- Property (Tax) Rates – Annexure 2
- Revised consumptive tariffs, rates and basic charges for electricity generation and distribution, water and sanitation and urban waste management services - Annexure 4
- City Improvement Districts Additional Rates – Annexure 3

2.5 Overview of budget assumptions applied to the 2023/24 MTREF

Introduction

The Local Government Municipal Systems Act, Chapter 5, Section 26, prescribes the core components of the Integrated Development Plan (IDP). Section 26 (h) requires the inclusion of a financial plan, which should include a budget projection for at least the next three years. This financial plan aims to determine the financial affordability- and sustainability levels of the City over the medium term.

Part 2 of the MBRR (Budget-related policies) requires the Accounting Officer to ensure that budget-related policies are prepared and submitted to Council. One of these policies relates to the Long-Term Financial Plan, which aims to ensure that all long-term financial planning is based on a structured and consistent methodology, thereby ensuring long-term financial affordability and sustainability.

A municipality's financial plan integrates the financial relationships of various revenue and expenditure streams to give effect to the IDP. It provides guidance for the development of current budgets and assesses financial impacts on outer years' budgets by incorporating capital expenditure outcomes, operating expenditure trends, optimal asset management plans, and the consequential impact on rates, tariffs and other service charges. The City's Long Term Financial Plan (LTFP) determines the appropriate mix of financial parameters and assumptions within which the City should operate to facilitate affordable and sustainable budgets for at least 10 years into the future. In addition, it identifies the consequential financial impact of planned capital projects on the City's operating budget.

The LTFP model is reviewed annually to determine the most affordable level at which the City can operate optimally and includes the following:

- Fiscal overview;
- Economic climate;
- Demographic trends;
- National- and Provincial influences;
- IDP and other legislative imperatives; and
- Internal governance, community consultation and service delivery trends.

The key budget assumptions of the 2023/24 MTREF covers sources of information to develop a framework for revenue and expenditure, which drives the 3-year MTREF of the City under the following headings:

- Environment and conditions in which the budget was prepared;
- Financial Strategic Approach;
- Financial Modelling and Key Planning Drivers;
- Economic context (including demographics);
- National influences;
- 2023/24 MTREF Budget Projection: Revenue- and Expenditure Framework;
- Capital funding; and
- National- and Provincial Allocations over the MTREF.

2.5.1 Environment and conditions in which the budget was prepared

The 2023/24 MTREF, including the longer term LTFP, was drafted in a post pandemic environment and still recovering economy but having to respond to:

- Revenue parameters: Rates and tariffs had to be packaged with the following in mind:
 - Current economic climate;
 - Affordability of tariff and rates increases impact on already overburdened consumers;
 - Impact of GV2022 and shifts in Rating categories;
 - Delivering on current term of IDP;
 - Expansion in capital investment while ensuring prudence in the management of debt; and
 - NERSA increases.
- Protecting the City's cash and liquidity position.
- Providing an enabling environment for economic growth.
- Impact of load-shedding on the economy.
- Increased informality and homelessness.
- Sufficiently providing for flood prone areas.
- Economic impacts – fuel prices, lower growth.
- Budget fissures – security and overtime.
- Optimisation and rationalisation of municipal and corporate facilities.
- National and provincial grant dependency and possible reductions.
- Increasing service delivery demand due to increased population growth and informality.

2.5.2 Financial Strategic Approach

The 2023/24 LTFP/MTREF was prepared with the intention of keeping revenue parameters as low as possible to assist already struggling communities and businesses and also to buffer the impact of the 2022GV whilst ensuring that service delivery is not compromised and specific priorities addressed.

The key informants going into the 2023/24 MTREF were set out in the Strategy Brief, which iterated the IDP 2022-27 and the City's vision of a 'City of Hope' for all. The City's focus is therefore to create conditions for a faster, job-creating economic growth.

The key focus areas of the IDP:

- Economic Growth and Jobs;
- Safety; and
- Basic services.

The Strategy Brief required City directorates to focus resources and efforts towards implementing the priorities included in the Strategy Brief.

LTFP rationale and financial strategies implemented

A depreciation strategy was introduced in the 2020/21 financial year in an effort to utilise surplus cash flow to negate the recovery of depreciation charges on rate funded services by an amount of R500 million annually.

This strategy resulted in lower revenue parameters and was endorsed for 7 years ending in 2026/27, however, the rates revenue parameter will be required to increase by a higher percent in 2027/28 when this strategy comes to an end with no complimentary strategy to mitigate the impact.

It was therefore decided to reduce this annually (starting in 2023/24) by R100 million, phasing in the impact on the Rates account over the next 4 years.

2.5.3 Financial Modelling and Key Planning Drivers

The principles applied to the MTREF in determining and maintaining a sustainable financial plan included:

- Differentiated expenditure parameters providing for no expenditure growth on certain expenditure elements (Other expenditure, Contracted services and Inventory consumed).
- The differentiated parameters applied to repairs and maintenance growth was based on the previous year's actual expenditure, service delivery needs and efficiencies identified.
- The following staff and vacancies interventions were included:
 - A differentiated percentage budget approach on vacancies (assumptions on vacancy period for different post levels);
 - Cost of living increase applied as per the SALGBC agreement;
 - Budgeting at 95% of employee costs; and
 - Inflationary increases applied to overtime for the Safety & Security Directorate only. No overtime increases for other directorates.
- A 100% capital expenditure implementation rate assumed.
- All expenditure programmes must be delivery ready with focus on project preparation for outer years.
- Credible and realistic collection rates based on current- and projected trends considering past and current trends.
- National- and provincial allocations as per the 2023 Division of Revenue Bill (DoRB) (B2-2023) dated 22 February 2023, and allocations as per Provincial Gazette Extraordinary 8730 dated 14 March 2023.

The following were included in the 2023/24 MTREF:

- A reduction of R50 million on debt impairment for property rates due to bad debts written off during the year resulting in underspending on this element.
- An amount of R856,6 million additional operating provision added, which consisted of requirements identified when assessing the 2021/22 performance outcome (R86,6 million), provision made in the January 2023 adjustment budget of a permanent nature (R98,4 million) and requirements stemming from the SMF process and the mayoral priorities (R671,5 million). Further information on these allocations are included under the *Operating Expenditure Framework* section on page 28.

The following main changes were affected post tabling of the budget in March 2023:

- Update of provincial grant allocations as per Provincial Gazette Extraordinary 8730 dated 14 March 2023;
- Shifting of grant funding from the capital budget to the operating budget as the nature of the expenditure is operational in nature; and
- Increases to the operating budget including an increase in insurance premiums of R20 million funded within the Insurance Fund, an increase of R1,9 million towards medical aid contributions based on the increase in Sizwe-Hosmed contributions effective 1 May 2023, R5 million towards services for the DHL Stadium, R2,6 million increase to Cape Town Tourism and R1,8 million for Homeowner Scheme Insurance in the Human Settlements Directorate.

2.5.4 Economic Context / External Factors (including demographics)

Economic context

The drafting of the 2023/24 LTFP and subsequent MTREF commenced with a macro-environmental scan of the economy as one of its primary determinants. Factors taken into consideration included the CPI, interest rates, exchange rates, service growth and GDP, which is briefly discussed below.

The South African gross domestic product (GDP) declined by 1.3% in the fourth quarter of 2022 as reported by Stats SA. The lower growth can mainly be attributed to shrinkage in finance, trade, mining, agriculture, manufacturing and general government services. According to National Treasury, improved GDP growth of 2.5% is expected for the 2022 calendar year, largely due to strong agriculture and services sector growth in the third quarter. However, GDP growth is expected to decline to 0.9% for 2023, averaging 1.7% for 2024 and 2025. The subdued growth projections is mainly due to the persistent power cuts, energy constraints, deteriorating rail and port infrastructure, and a weaker global outlook.

The main factors influencing the fuel price is the Rand/Dollar (R/\$) exchange rate and the price of crude oil. The R/\$ exchange rate has deteriorated over the last period, plunging to levels beyond R19 to the US Dollar. The weak exchange rate can be attributed to various factors as it relates to South Africa, fears around US sanctions, S&P Global Ratings credit rating cutting the outlook to stable from positive, being put on the global grey list by the Financial Action Task Force (FATF), and the worsening energy crisis. The R/\$ exchange rate is therefore currently unpredictable. Crude oil prices have fluctuated between 84 and 65 US Dollar per barrel over the first few months of 2023. The main contributing factor to the change in prices is the increase in crude oil inventories. It is estimated that crude oil will average 84 US Dollars in 2023.

According to Stats SA, headline consumer inflation was lower at 7.1% year-on-year in March 2023, after reaching a peak of 7.8% in 2022. Inflation has broken through the top end of the South African Reserve Bank's (SARB) target range of 3-6%. The main drivers fueling inflation is the increases in electricity and food price inflation. The SARB has been implementing increases to the repurchase rate to restore inflation to levels of the target range. The repurchase rate was increased to 7.75% per year in March 2023. The aim of policy is to anchor inflation expectations more firmly around the mid-point of the target band and to increase confidence of attaining the inflation target sustainably over time.

Demographic trends

Cape Town has the second-largest population of all cities in South Africa and is the main urban centre in the Western Cape. The City has seen steady population growth (albeit at a slowing annual growth rate), with an estimated 4 756 255 people in 2022, thus growing by 1.6% from 2021 to 2022 (Statistics South Africa, 2022). According to estimates, the total population of Cape Town will reach at least 5,8 million by 2040 (City of Cape Town, 2018).

While the population continues to increase, the average household size has decreased from 3,5 people per household in 2011 to 3,2 in 2016 (Statistics South Africa, 2011 and 2016). A growing population, together with a decreasing average household size has resulted in a significant increase in the number of households in Cape Town, growing from approximately 1 million households in 2011 to an estimated 1,5 million households in 2022 (City of Cape Town, 2022, using Mid-year Population Estimates and 2016 Community Survey).

These trends of a steadily increasing population (albeit at a declining growth rate) and an increasing number of households form some of the informants to City planning and service delivery for the residents of Cape Town. These trends will continue to be monitored and refined, and more information will be available and used from the 2022 Census, when the data is available.

2.5.5 National and Provincial influences

a) National Treasury MFMA Circular No. 122, issued on 9 December 2022

This budget circular provides guidance to municipalities with the compilation of their 2023/24 MTREF. It is linked to the MBRR and the Municipal Standard Chart of Accounts (mSCOA), and strives to support municipalities' budget preparation processes so that minimum requirements are achieved.

Key focus areas stemming from this Circular include:

- Macroeconomic performance and projections states that *'It is noted that variations in regional specifics are possible, however, any variation of assumptions must be explicitly set out and well explained in the budget narratives, in the absence of which the Treasuries will refer the budget back to council for alignment to the macroeconomic performance projections'*.
 - The City's stance is **not to adopt the clause** where NT states that they will refer the budget back to council to not approve if the City's tariffs are above inflation. The City's revenue parameters are robustly discussed at various budget committees before being endorsed by Council. The City furthermore always provides reasons for higher than inflation parameters in its budget documentation.
- Key focus areas for the 2023/24 budget process including local government conditional grant allocations.

Under the heading of **Re-enforcing the 2023 Division of Revenue Bill, (DoRB) to facilitate improved intergovernmental relations** it is stated that *"...Going forward, a municipality may therefore only institute litigation against any organ of state, state-owned enterprise, public-and/ or municipal entity after exhausting all dispute resolution mechanisms."*

- The City's stance in this regard is that it will **not adopt this part of the Circular** as it is of the view that this is problematic for municipalities as it purports to state that the provision in DoRA (on which it seeks to place reliance in this Circular) obligates municipalities to exhaust alternative dispute mechanisms in respect of all litigation against other organs of state before initiating litigation and that Section 31 gives statutory justification for holding persons liable for legal costs before the court has declared the litigation premature.
- However, Section 31 of DoRA merely limits itself to litigation only over the application of DoRA or any Division of Revenue matters, and then simply restates the constitutional obligation to try and resolve those via Intergovernmental Relations Framework Act (IGRFA) means first.
- The Circular further state the upcoming DoRB will now "facilitate" the personal liability of anyone "responsible" for the institution of "such litigation" via a set-off process. However, Section 31 permits no such action - it simply confirms that the IGRFA must be followed and if it is not correctly applied then any legal costs associated with a court declining to hear a matter for non-compliance must be regarded fruitless and wasteful. This thus implies that those costs must then be dealt with by the municipal manager as he/she would decide if this expenditure indeed constitutes any fruitless or wasteful expenditure.

- Municipalities should guard against deducting pension from employees and not paying it over to the pension funds. Such practices are an act of financial misconduct and should be treated accordingly.
- Version 6.7 of the mSCOA chart, released with the Circular, to be utilised for the preparation of the 2023/24 MTREF, amendments to A1 schedules and credibility of data strings municipalities must be aware of and consider.
- Other mSCOA-related requirements and recommendations for municipalities to consider including mSCOA training initiatives.
- Municipalities to ensure that they fund their MTREF budgets from realistically anticipated revenues to be collected.
- Municipalities to set cost reflective tariffs to ensure recovery of the full cost of rendering the services.
- Municipalities urged to enforce a culture of payment for services through their normal credit control processes.
- STS Meters: Municipalities are required to obtain the National Treasury's input prior to proceeding with any current procurement or proposed procurement process before the Office of the Chief Procurement Officer (OCPO), have entered into a transversal contract for the provision of auditing, re-calibration and re-configuration services for standard transfer specification compliant prepayment meters that align to minimum and critical technical specifications for local government.
- The key reforms included in the Update to the Policy Framework for Municipal Borrowing is set out in the Circular.
- Municipalities must refer to relevant Councillor Pension Scheme or personal funeral policies in existence for any funeral benefits relating to burial of councillors.
- Municipalities to note the criteria for the release of the Equitable Share Allocation.
- All municipalities are reminded of Section 8 of the Municipal Property Rates Act (MPRA) on the determination of categories of rateable properties that has been revised through the Local Government Municipal Property Rates Amendment Act, 2014.
- Municipalities are encouraged to maintain tariff increases at levels that reflect an appropriate balance between the affordability to poorer households and other customers while ensuring the financial sustainability of the municipality.
- Expected submissions include amongst other:
 - Bulk water- and electricity invoices for the three months immediately preceding respectively the tabled and adopted budgets. The invoices for February 2023 to April 2023 are included as Annexure 46 to this report.

b) National Treasury MFMA Circular No. 123, issued on 3 March 2023

This Budget Circular is a follow-up to NT MFMA Circular No. 122 issued on 9 December 2022 and is aimed at providing further guidance to municipalities with the preparation of their 2023/24 MTREF. It focusses primarily on the grant allocations as per the 2023 Budget Review and the 2023 DoRB.

The Circular also covers the following:

- An update on the economic outlook.
- Local government conditional grant allocations and Equitable Share in terms of the DoRB published on 22 February 2023.
- An update to **Re-enforcing the 2023 Division of Revenue Bill, (DoRB) to facilitate improved intergovernmental relations.**
 - The City's stance in this regard remains as set out in the above narrative relating to NT MFMA Circular 122. Where the City decides to institute judicial proceedings against another organs of state, it will within 10 working days of the launch of those proceedings, notify the National Treasury and the relevant provincial treasury, of the details thereof, including any compliance by the City with Chapter 4 of the IGR prior to it initiating the said litigation.
- Updated version 6.7 of the mSCOA chart will go live on 13 March 2023 for the preparation of the 2023/24 MTREF.
 - The City notes the lateness of making the updated version available and has been in liaison with NT in this regard.
- Municipalities must, with immediate effect, inform the National- and relevant Provincial Treasury of any intention to replace the financial system currently operating at the municipality prior to inviting proposals from system providers. Municipalities are also required to adhere to all previous circulars issued in this regard.
- Municipalities are required to ensure that the impact of load-shedding is included in their budgets as well as ensuring continuous service delivery and are reminded that it may only introduce a load-shedding levy or surcharge with the approval of the Minister of Finance and in terms of the legislated processes set out in the MFMA and Municipal Fiscal Powers and Functions Act, 2007.
- Employee related increases confirmed at 5.4% based on the average CPI percentages for 2023 (according to the Reserve Bank's Monetary Committee Statement for January 2023).
- An update of the Eskom bulk tariff increase as provided by NERSA.
- The 2022/23 unspent conditional process will be managed in accordance with Section 22 of the DoRA, in order to ensure that the unspent conditional grants in the 2022/23 financial year return to the National Revenue Fund (NRF).

c) Provincial Treasury Municipal Circular 5/2023 issued 23 March 2023

In addition to reiterating the key aspects included in the MFMA Circulars 122 and 125, this Circular also highlighted:

- The current fiscal and economic context and key highlights from the 2023 National and Provincial Budgets; and
- The 2023 Strategic Integrated Municipal Engagements (SIME) process, dates and other related matters.

d) National Treasury Benchmarking Engagement Outcome

- MFMA Budget Circular 122 requires the municipality to include in the adopted budget National Treasury's input to the tabled budget as an annexure and the municipality's explanation of how the input was addressed in the adopted budget:
 - The NT Benchmarking engagement took place on 5 May 2023 in Pretoria;
 - The recommendations/resolutions and outcome of the engagement was received on 16 May 2023 and attached as Annexure 44 to this report; and
 - None of the recommendations/resolutions require an amendment to the budget.

2.5.6 2023/24 MTREF Budget Projection

2.5.6.1 Revenue analysis – a three-year preview

a) Services Growth

Property Rates

No growth is projected for Property Rates for 2023/24. Growth of 0.25% is projected for the outer years of the MTREF. The projections are due to the unstable and unpredictable property market resulting from the lagging impact of the pandemic as well the effects of the GV2022. Variable growth rates are applied to the property rates income forgone component due to the increase in applications for rebates.

Electricity

NT Circular 123 states that “municipality's factor in the impact of load-shedding on their electricity revenue projections, taking into account current experience in terms of load-shedding practices by Eskom”. The circular further states that “Municipalities should also budget for reduced bulk purchases and sales to municipal customers”.

Considering the current constricted energy environment, a shrinkage averaging 2.75% in sales volume is projected for Electricity over the period of the 2023/24 MTREF, with the highest shrinkage expected in 2023/24. The 5% shrinkage projected for 2023/24 is as a result of declining supply and subsequent demand on electricity consumption which reduces sales. This decline is mainly driven by ongoing load-shedding, customers moving off the grid by investing in alternative energy sources and higher than inflation increases in electricity.

Water and Sanitation

A growth of 3% is projected for water and sanitation for the 2023/24 financial year. The outer years of the MTREF include a projected growth of 2% for 2024/25 and 1% for 2025/26 for both water and sanitation. The projected growth is evident in the current trends as the City systematically stabilises to pre-drought growth rates.

Refuse

Average revenue growth over the last 3 years shows a consistent 2% growth on Refuse revenue. Based on this a 2% growth factor was applied over the 2023/24 MTREF. Waste Disposal shows no increase over the last 3 years, therefore, no growth is projected for Disposal over the MTREF period.

b) Major tariffs and charges: Rates and Trading services

NT continues to encourage municipalities to maintain tariff increases at levels that reflect an appropriate balance between the affordability to poorer households and other customers while ensuring the financial sustainability of the municipality. Circular 123 states that “*The Consumer Price Index (CPI) inflation is forecasted to be within the 3 to 6 per cent target band; therefore, municipalities are required to justify all increases in excess of the projected inflation target for 2023/24 in their budget narratives and pay careful attention to tariff increases across all consumer groups.*”

The graph below depicts the City’s revenue increases over the 2023/24 MTREF.

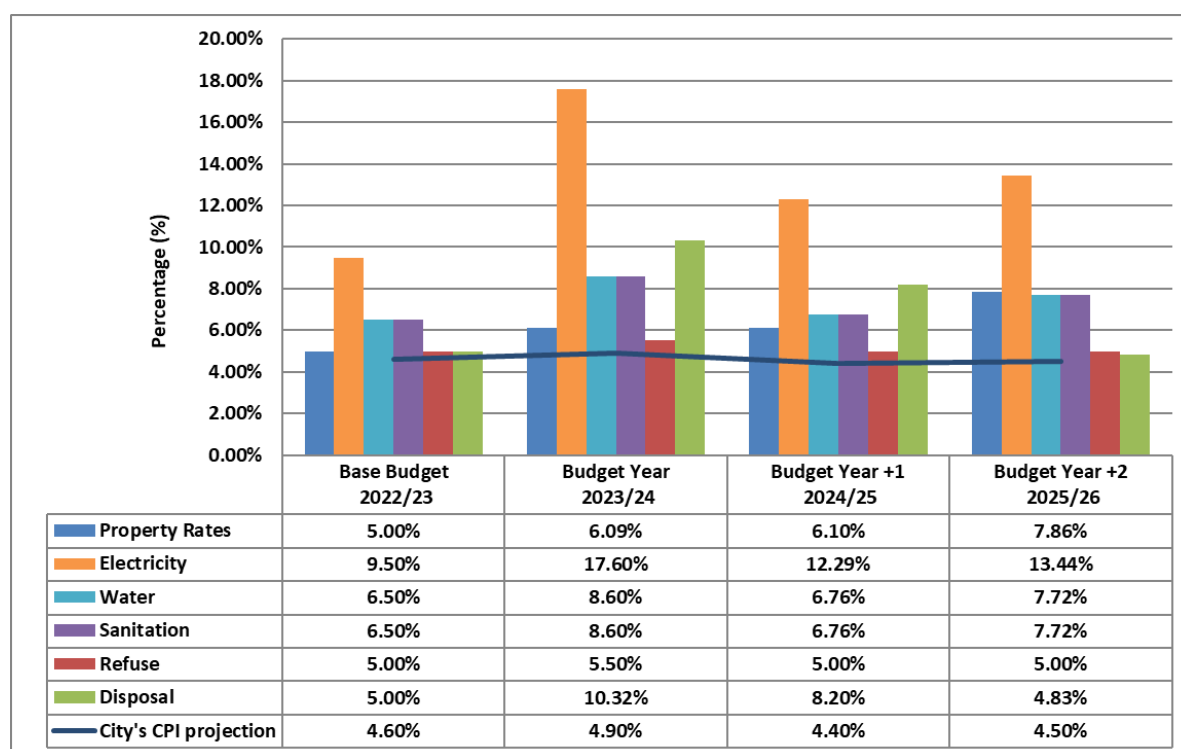


Figure 18 Revenue parameters for the MTREF period

Property Rates

The property rates revenue increases are 6.09% for 2023/24, 6.10% and 7.86% respectively for the two outer years of the MTREF period. These increases will allow for the continuation of providing Rates-funded services, investment in infrastructure and generators to mitigate the impact of load-shedding, servicing of informal settlements, increased rebate to protect consumers against the impact of GV2022, ongoing investment in repairs and maintenance, and giving effect to the IDP.

Electricity

The National Energy Regulator of South Africa (NERSA) approved an increase of 18.65% as per the Eskom’s Retail Tariff and Structural Adjustment (ERTSA) application for the 2023/24 financial year on 28 February 2023, together with the schedule of standard tariffs.

On 2 March 2023, Eskom submitted a revised version with a lower increase of 10% for Homelight 20 Amp customers. This translated to a municipal increase of 18.49% for 2023/24 as per NERSA media statement 16 March 2023. This increase was applied to Electricity bulk purchases for 2023/24 financial year with an increase of 15% assumed for the outer years of the MTREF period.

The above translated to an average revenue increase of 17.6% for 2023/24, 12.29% for 2024/25 and 13.44% for 2025/26. The increase in revenue parameter is mainly due to the following:

- The impact of the 18.49% increase in bulk purchases, as bulk purchases constitutes 67% of the services budget;
- Capital investment in alternative energy sources, e.g. refurbishment of Steenbras power station, ground mounted PVs, etc.;
- Consequential operational cost of capital investment program, e.g. Steenbras Crack Propagation maintenance programme; establishment of a project management office and retail energy supply contract management, IPP, EG and SSEG contracts and Operational cost for running of PV plants; and
- Cost of expanding indigent relief to buffer the impact of GV 2022 on vulnerable consumers.

The subsequent consultation paper released by NERSA on 4 April 2023 indicates that, based on a still to be determined Electricity Pricing Determination Methodology, utilities are encouraged to submit a Cost of Supply (CoS) model. An average guideline increase of 15.10% is proposed for 2023/24 for municipalities. The City is not in agreement with this proposal and has provided an application in this regard to NERSA.

Water and Sanitation

In NT MFMA Circular 99, NT stated that “*Municipalities should take strategic action to ensure effective water management and resilience to drought, including the security of water supply, environmental degradation, and pollution of resources to achieve economic growth, development and socio – economic priorities in an equitable and sustainable manner.*”

The average revenue increase applied is 8.60% for 2023/24, 6.76% for 2024/25 and 7.72% for 2025/26. To ensure the lowest revenue increase, expenditure was reprioritised while still ensuring that the strategic imperatives of the service could continue. The revenue increase makes provision for, amongst other, the following:

- To ensure sustainable and resilient provision of water, budgetary provision for the New Water Plan was made, which includes initiatives to further invest in the underground extraction of water from aquifers and re-use scheme;
- Generators for pump stations and treatment plants critical for operations;
- Water demand management to limit the abuse and loss of water;
- Interventions aimed at improving flood alleviation and water quality in vleis;
- Improving response times for sewerage blockages and to reduce these blockages with preventative maintenance;
- Upgrades and extensions to the wastewater treatment plants;
- Continued investment in asset replacement programs to ensure proper asset management, with specific focus on sewer network replacement as well as the upgrading of sewer pump stations;
- Ongoing investment in repairs and maintenance programs and maintaining required compliance standards; and
- Supplying water and sanitation services at appropriate compliance, capacity, skills, service delivery and responsiveness levels.

Refuse

Guidance on budgeting for solid waste matters was provided in NT MFMA Circular 99, stating that *“Investments in waste collections and treatment infrastructure should be made in tandem with industrial and urban developments to minimise pollution to our land and waters”*. In this regard, the following revenue increases are projected for Urban Waste Management over the 2023/24 MTREF period.

Urban Waste Management consists of 3 services of which two are tariff-funded (the third is funded by Property Rates). The tariff-funded services consists of Refuse and Disposal.

Refuse revenue is received for the removal of waste from residential and non-residential properties. The Refuse average increase is 5.50% for the 2023/24 financial year and 5% for the two outer years. The average increase will fund, inter alia, upgrading of drop-off facilities to accommodate the expansion in the service, waste minimisation programmes for formal and informal settlements, increased rebate offering to protect consumers against the impact of GV2022, expansion of services to informal settlements and backyarders, continuous implementation of waste minimisation initiatives, upgrading of depots, maintenance programs, and the typical day-to-day service operations.

Disposal is the revenue received for the disposal of waste from residential and non-residential properties. The Disposal average increase is 10.32% for the 2023/24 financial year whereas the increases for the two outer years are 8.20% for 2024/25 and 4.83% for 2025/26. This increase is required for the continued operational requirement of the service, the development of landfill infrastructure, development and upgrading of transfer stations, plant replacement, additional material recovery facilities, and landfill gas generation to beneficiation at all landfill sites.

Housing rental (Council rental properties)

The monthly rental charge for housing rental properties is based on a rate per square meter applied to the size of the unit being rented, coupled with a set of premiums/deductions based on the location, maintenance level, facilities et al of the specific property for which the rent is charged. In an effort to address the economic challenges faced by many poorer communities residing in the City's rental stock, the average total monthly rental charge percentage increase associated with the City's rental properties has been retained at an affordable level and is based on an annual increase of 3.05% (where the unit has a separate water meter) or 3.46% (for those units where the water is included in the rental charge) for 2023/24. The projected rental charge increase is lower than CPI, due to rental units operating on a City-subsidised basis.

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

The proposed 2023/24 housing rental charge is in line with previous annual rental increases and is again aimed at ensuring affordability for the City's poorer communities. The rental rate (per square meter per month) is R12.50 (where the unit has a separate water meter) or a rental charge (including water charge where applicable) of R21.25 per square meter per month. The City's housing premiums and deductions charge structure addressing the variations in the City's diverse rental properties remains as follows:

- Discounts on account
 - Outside toilet (R30.00 per month)
 - External Water (R45.00 per month)
 - No ceiling (R22.50 per month)
- Premiums on account
 - Saleable unit (R9.00 per month)
 - Well maintained (R10.00 per month)
 - Local environment (R7.00 per month)
 - Well located (R10.00 per month)
 - Hot water cylinder (R8.00 per month)

A surcharge for tenants earning a monthly income above the rental income threshold (R3 500) is charged at a stepped rate:

- a) Where the monthly joint income (tenant and spouse) ranges between R3 501 and R7 500, the rental payable is the relevant rental for the unit plus 8% on the amount exceeding R3 500. A two (2) year lease agreement is signed, however, it is not renewable if the income is more than R15 000;
- b) Where the monthly joint income is between R7 501 and R10 000, the rental payable is the relevant rental for the unit plus 10% on the amount exceeding R7 500. A two (2) year lease agreement is signed, however, it is not be renewable if the income is more than R15 000;
- c) Where the monthly joint income is between R10 001 and R15 000, the rental payable is the relevant rental for the unit plus 15% on the amount exceeding R10 001. A two (2) year lease agreement is signed, however, it is not renewable if the income is more than R15 000; and
- d) Where the monthly joint income exceeds R15 000 the tenant will be required to pay the relevant rental for the unit, the additional charges as stipulated in (a), (b) and (c), plus 25% on the amount exceeding R15 000. A two (2) year lease agreement is signed, however, it is not renewable if the income remains more than R15 000.

c) Interest rates for investment of funds

Investments are made in terms of the City's Cash Management & Investment Policy, which aims to secure sound and sustainable management of the City's surplus cash and investments. The MPC decided to increase the repurchase rate in order to keep inflation in its target range. The increase in repurchase rate impacted positively on the City's investment income budget.

Further movement in the repurchase rate is expected as pressure on inflation predictions persists. The investment interest rates is forecasted at 7.85% for 2023/24 and 7.47% and 7.30% respectively for the two outer years of the MTREF period.

2.5.6.2 Expenditure Framework

a) General inflation outlook and its impact on municipal activities

The City's CPI projection is within the SARB's inflation target range of between 3% and 6% but slightly deviates from the NT guidance. CPI applied by the City for the 2023/24 MTREF is 4.90%, 4.40% and 4.50% over the respective three years. The City utilised BER's CPI projections at a point in time during the planning process and applies the projections in municipal financial years. NT MFMA Circular 123, published in March 2023, provides a CPI projection of 5.3% for 2023/24, 4.9% for 2024/25 and 4.7% for 2025/26. Showing an upward adjustment of 0.6%, from 4.7% previously published in NT MFMA Circular 122 in December 2022.

The City continued with the differentiated approach to give effect to a zero-based expenditure budget, therefore the inflation rate has minimal impact on the expenditure budget. Inflation was therefore not a primary driver of expenditure. CPI was considered in determining miscellaneous (sundry) tariffs.

b) Contracted Services, Overtime and Operational Cost

As in previous years, the 2023/24 LTFP process commenced with an in-depth analysis of the previous year's performance outcomes in an effort to allow for a zero-based budget approach. Stemming from this process additional funding was made available for fuel and due diligence cost.

To safeguard the provision of municipal services but still ensure financial sustainability, no expenditure parameter was applied to contracted services and other operational costs. Thereby allowing funds to be freed up and assist with the reprioritisation of needs to give effect to the IDP. An overtime parameter increase of CPI was afforded to only the Safety & Security Directorate.

In addition, the Municipal Cost Containment Regulations and the City's Cost Containment Policy embedded in the City's operations also continued to assist in driving down costs and ensuring that value for money is achieved and resources of the City is used effectively, efficiently and economically.

c) Collection rate for Property Rates and Service charges

NT MFMA Circular 123 makes reference to NT MFMA Circulars No. 93, paragraph 3.1 and No. 98, paragraph 4.1 as it relates to collection rates. The emphasis is on municipalities to comply with Section 18 of the MFMA and ensure that they fund their MTREF budgets from realistically anticipated revenues to be collected. Municipalities are cautioned against assuming collection rates that are unrealistic and unattainable as this is a fundamental reason for municipalities not attaining their desired collection rates.

Both the 2021/22 and the current year-to-date collection rate outcome was taken into consideration when predicting future year collection rates, together with future initiatives to be implemented to improve future collection rates. Based on this the collection rate assumptions for the 2023/24 MTREF are:

Table 38 - Collection Rates

Services	Base Budget 2022/23	Budget Year 2023/24	Budget Year+1 2024/25	Budget Year +2 2025/26
Rates	95.50%	95.74%	96.19%	96.37%
Electricity	99.00%	98.50%	98.50%	98.50%
Water	89.00%	90.00%	91.00%	92.00%
Sanitation	91.00%	91.50%	92.50%	93.50%
Refuse	90.00%	93.00%	93.00%	93.00%

The collection rate for Rates is projected at an average of 96.1% over the period of the 2023/24 MTREF. The forecast is based on the assumption that the implemented debt management initiatives will achieve desired results.

The electricity collection rate is projected at an average of 98.5% for the 2023/24 MTREF period. The collection rate projection over the MTREF was adjusted downwards by 0.5% due to the lower collection rate outcome in 2021/22. The electricity service is continuing with the rollout of prepaid meters and revenue protection initiatives.

The collection rate is projected at 90% for water and at 91.5% for sanitation for the 2023/24 financial year, slightly higher than the collection rates budgeted for in the 2022/23 adjustments budget. A 91% and 92% for water, and 92.5% and 93.5% for sanitation collection rate is projected, respectively, for the outer years of the MTREF. Collection rates are expected to improve due to revenue raising interventions currently implemented.

The Refuse collection rate is projected at 93% over the 2023/24 MTREF period. The improved collection rate projection is supported by the current average trend and the increase rebate offering to indigent customers.

d) Staff cost increases

The South African Local Government Bargaining Council (SALGBC) Salary and Wage Collective Agreement concluded in 2021 was utilised in budgeting for employee related costs for 2023/24. This agreement's period of operation only provides increases for financial years 2021/22 to 2023/24, thus no agreement is in place for financial years 2024/25 and 2025/26.

In accordance with the terms of the agreement, the salary and wage increase for 2023/24 was calculated using the CPI percentage for 2023 as projected in the January 2023 MPC Statement. The CPI projected by the January 2023 MPC Statement was 5.4% for 2023. Furthermore, in the absence of an agreement for the last two years of the MTREF period an increase of 4.5% was forecasted. The salary increases included in the budget are graphically shown in the ensuring graph.

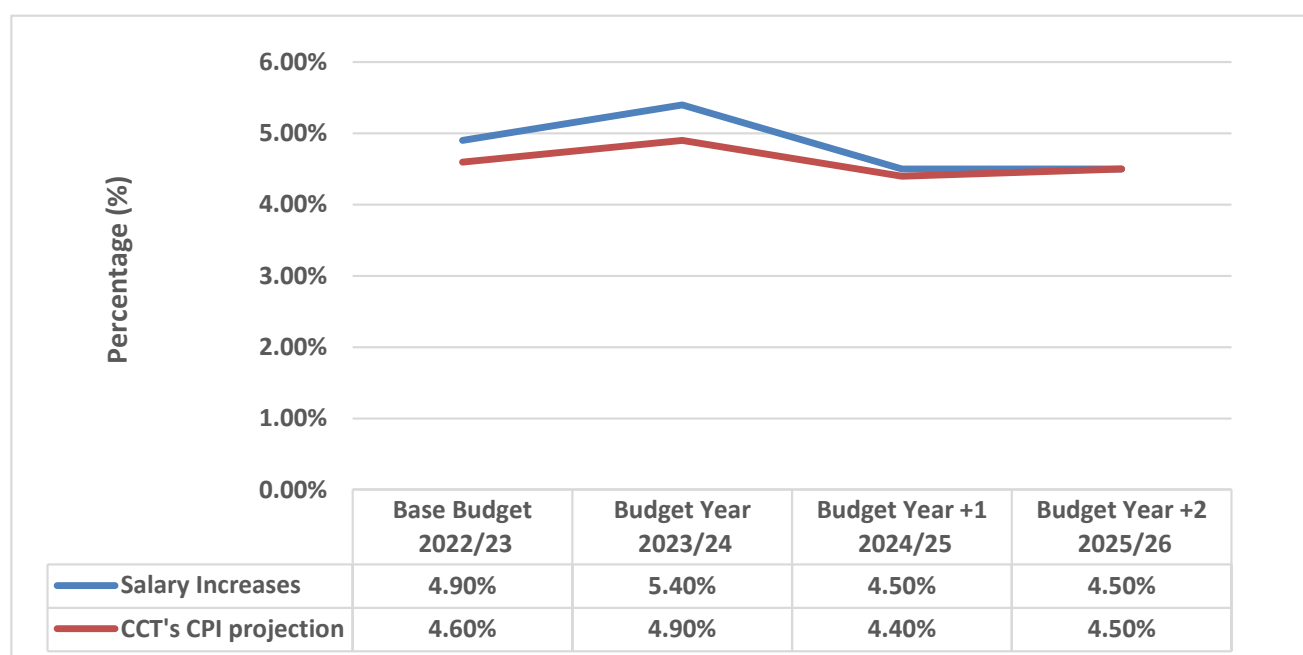


Figure 19 Correlation between the City's CPI and the salary increase over the MTREF

The City continued with the method of budgeting for salaries at 95% and partial budgeting for vacancies. This approach was adopted as the turnaround time of vacancies has attributed significantly to the underperformance on the salaries budget. In addition, provision was made for an incremental allowance of 2% to cater for performance- and other notch increases.

e) Ensuring maintenance of existing assets

NT MFMA Circular 123 states, amongst other, that *“the new leadership is advised to address service delivery failures by ensuring adequate maintenance, upgrading and renewal of existing assets to enable reliable service delivery”*. Furthermore, NT MFMA Circular 55 states that municipal councils, mayors and municipal managers are urged to ensure that allocations to repairs and maintenance, and the renewal of existing infrastructure are prioritised.

Investment in infrastructure is a core component of ensuring economic growth. In addition, asset maintenance is pivotal to prevent breakdown of infrastructure assets and to avoid interruption to service delivery. To ensure infrastructure assets are maintained adequately and considering past performance on these costs, the following repairs and maintenance increases were applied:

- Higher than CPI increases were applied to services where the nature of business is primarily to provide repairs and maintenance and where the condition of the assets must be secured;
- CPI increases were applied to services where the main business is not providing repairs and maintenance but the nature of business and facilities requires a proper maintenance provision; and
- No increases were provided for support services and underperforming directorates.

NT MFMA Circulars 55 and 70 set the ratio of operational repairs and maintenance to asset value (write down value of the municipality's property, plant and equipment (PPE)) at 8%. The ratio outcome for 2023/24 is 8.1%, which is in line with the NT norm showing that the City is investing adequately in protecting its asset base by effectively providing for repairs and maintenance.

f) Operational financing for capital depreciation

Calculation of depreciation on new capital expenditure is based on variables such as asset class and lifespan, depending on the nature of the asset. An annual capital expenditure implementation rate of 100% was assumed. Depreciation of existing assets is calculated based on simulated system data, which reflect actual values per annum.

2.5.7 Capital Funding

a) Funding of the capital budget

Similar to previous years, the capital budget was assessed considering matters such as procurement, implementation readiness, technical- and financial feasibility, and strategic alignment. This assessment was done utilising the City's Project Readiness Assessment (PRA) and Execution Readiness Assessment (ERA) tools.

The capital budget was prepared with the aim of preserving the City's current infrastructure and expanding in areas where further capital investments are required to give effect to the City's new term of office IDP. The capital budget is expected to grow by an average of 32.9% over the MTREF period.

The ensuing table shows the capital funding source over the 2023/24 MTREF.

Table 39 - Capital Budget over MTREF

Capital funding	Budget Year 2023/24	Budget Year+1 2024/25	Budget Year +2 2025/26
R thousands			
Transfers recognised - capital	2 776 159	3 540 641	4 405 366
Borrowing	6 500 000	9 000 000	12 300 000
Internally generated funds	1 711 530	1 446 035	1 432 174
TOTAL	10 987 689	13 986 676	18 137 540

b) Credit rating outlook and borrowing

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

Moody's Investors Service published their latest credit opinion for the City on 5 August 2022. It has reaffirmed the existing long- and short-term national and global scale rating of Aa3.za/P-1.za and Ba3/NP, and stable outlook. The City's rating reflects its moderate financial performance supported by its prudent financial management, large and diversified economic base. The City has consistently generated robust operating surplus with stronger liquidity and lower debt than that of its peers in South Africa also rated by Moody's.

The City's credit profile is constrained by capital spending pressure and a structurally weak economic environment. The City also faces physical climate and water management risks, as well as social risks such as access to adequate housing and labour market challenges. The resilience in the City's cash position is expected to remain over the medium term. The low debt level, together with the City's liquidity reserves places the City in a favourable position to raise funding. In addition, any movement in the South African sovereign rating will impact directly on the City's global scale rating.

The City's known ratings over the last period are:

Table 40 - Credit rating outlook

Category	Currency	Current Rating 5 August 2022 Regular update	Previous Rating 14 April 2022 Update following rating action on Sovereign	Previous Rating 26 November 2021 Update following review conclusion
Outlook	-	Stable	Stable	Negative
NSR Issuer Rating	Rand	Aa3.za	Aa3.za	Aa3.za
NSR ST Issuer Rating	Rand	P-1.za	P-1.za	P-1.za
NSR Senior Unsecured	Rand	Aa3.za	Aa3.za	Aa3.za

Credit rating definitions:

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

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

The below table reflects the borrowing and interest rate over the MTREF.

R Thousand	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Borrowing	6 500 000	9 000 000	12 300 000
Borrowing Interest Rate (%)	11%	11%	11%

2.5.8 2023 Division of Revenue Bill (DoRb) and Fuel Levy

Equitable Share

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

NT MFMA Circular 123 indicated that the local government equitable share formula has been updated to account for projected household growth, inflation and estimated increases in bulk water and electricity costs over the 2023 Medium Term Expenditure Framework (MTEF) period. It also includes allocations for operational and maintenance costs associated with the provision of free basic services. Local Government Equitable Share (LGES) grew at an annual average rate of 7.8% over the National MTEF.

The DoRb issued in February 2023, via Gazette number 48017, provided for the following allocations, which have been included in the City's MTREF:

- 2023/24 – R4 067 million
- 2024/25 – R4 476 million
- 2025/26 – R4 954 million

Sharing of the Fuel Levy

The General Fuel Levy is legislated by the Taxation Laws Amendment Act (Act 17 of 2009), which provides that each metropolitan's share should be announced in the government gazette.

The General Fuel Levy allocation letter, as received from NT for the 2023/24 MTREF, states that 2021 (latest) fuel volume sales were used to determine the 2023/24 sharing of the General Fuel Levy allocations. It further indicates that in 2022, the national budget reflected that given the revenue improvement, the government proposed tax relief to help support the economic recovery. Most of the relief was provided through an adjustment to personal income tax brackets and rebates. In addition, there was no increase in either the General Fuel Levy or the Road Accident Fund levy. Regardless growth in the metropolitan sharing of the General Fuel Levy is shown to grow by 9.2% over the 2023 MTEF.

Metropolitan municipalities were advised that allocations for the two outer years of the 2023 MTEF are provisional, and actual allocations will be based on fuel sales.

The following amounts allocated to the City, as per the 2023/24 allocation letter, is included in the City's MTREF:

- 2023/24 – R2 639 million
- 2024/25 – R2 761 million
- 2025/26 – R2 887 million

2.5.9 Major parameters

The following table summarises the major parameters applied to the 2023/24 MTREF operating budget:

Table 41 - Summary of parameters applied to the operating budget

	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
CPI	4.90%	4.40%	4.50%
COLLECTION RATES			
Rates	95.74%	96.19%	96.37%
Electricity	98.50%	98.50%	98.50%
Water	90.00%	91.00%	92.00%
Sanitation	91.50%	92.50%	93.50%
Refuse	93.00%	93.00%	93.00%
REVENUE PARAMETERS			
Rates	6.09%	6.10%	7.86%
Electricity	17.60%	12.29%	13.44%
Water	8.60%	6.76%	7.72%
Sanitation	8.60%	6.76%	7.72%
Refuse	5.50%	5.00%	5.00%
Disposal	10.32%	8.20%	4.83%
GROWTH PARAMETERS			
Rates	0.00%	0.25%	0.25%
Electricity	-5.00%	-1.50%	-1.50%
Water	3.00%	2.00%	1.00%
Sanitation	3.00%	2.00%	1.00%
Refuse	2.00%	2.00%	2.00%
EXPENDITURE PARAMETERS			
Salary increase			
Salary increase (SALGBC Agreement)	5.40%	4.50%	4.50%
Increment provision	2.00%	2.00%	2.00%
Operational cost	No increase	No increase	No increase
Repairs & Maintenance	Differentiated	Differentiated	Differentiated
Interest Rates			
Interest paid	11.00%	11.00%	11.00%
Interest on investment	7.85%	7.47%	7.30%
OTHER			
Capital Borrowing expenditure	R6.500bn	R9.000bn	R12.300bn
Equitable Share Allocation	R4.067bn	R4.476bn	R4.954bn
Fuel levy	R2.639bn	R2.761bn	R2.887bn

2.6 Overview of budget funding

2.6.1 Medium-term outlook: operating revenue

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

The City derives most of its operational revenue from its service charges (47.5% of total revenue) i.e. provision of services such as water, electricity, sanitation and solid waste removal. Property Rates (20.2%), Transfers and subsidies - Operational (11.6%), Investment revenue (2.0%) and Other own revenue (inter alia Fuel Levy, building plan fees, licences, permits etc.) (18.7%) forms part of the 2023/24 revenue base.

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

- National Treasury Guidelines;
- General Economic Climate (Nationally and Local);
- City's Strategic Guidelines and Priorities;
- General Tariff Policy;
- Credit Control and Debt Collection Policy;
- Property Rates Policy;
- Total Municipal Account Modelling Process; and
- Credible collection ratio.

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

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

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

Description R thousand	2023/24 Medium Term Revenue & Expenditure Framework					
	Budget Year 2023/24	%	Budget Year +1 2024/25	%	Budget Year +2 2025/26	%
Property rates	11 857 238	20.2%	12 587 669	19.7%	13 582 225	19.4%
Service charges	27 821 663	47.5%	31 888 299	49.9%	36 122 787	51.6%
Investment revenue	1 193 514	2.0%	1 035 487	1.6%	880 214	1.3%
Transfer and subsidies - Operational	6 809 560	11.6%	6 958 864	10.9%	7 410 322	10.6%
Other own revenue	10 948 944	18.7%	11 449 536	17.9%	12 040 476	17.2%
Total Revenue (excluding capital transfers and contributions)	58 630 919	100%	63 919 855	100%	70 036 023	100%

The following graph is a breakdown of the operational revenue per main category for 2023/24.

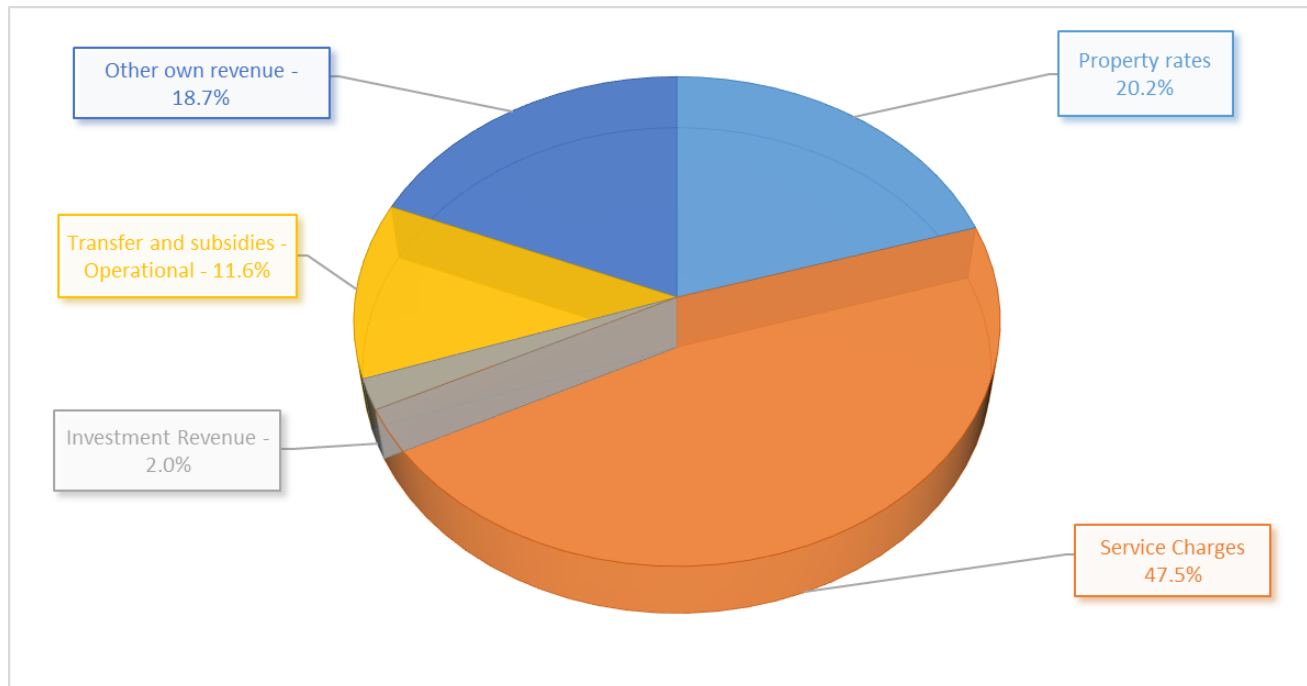


Figure 20 Breakdown of operating revenue over the 2023/24 MTREF

Revenue to be generated from Property Rates in 2023/24 amount to R11 857 million and represents 20.3% of the operating revenue base of the City. It increases to R13 582 million (19.4%) in 2025/26.

Service Charges relating to electricity, water, sanitation and refuse removal constitute the biggest component of the revenue basket of the City totalling R27 822 million or 47.5% of the total revenue base in 2023/24.

Transfers and subsidies - Operational amount to R6 810 million in 2023/24. This category includes external allocations received from National- and Provincial Government, and private sector funding. For purposes of the 2023/24 budget compilation, national allocations are based on the Division of Revenue Bill (B2-2023), dated 22 February 2023. Provincial allocations are based on Provincial Gazette Extraordinary 8730 dated 14 March 2023.

Investment revenue is budgeted at R1 194 million for the 2023/24 financial year.

Table 43 provides detailed investment information while Table 44 provides investment particulars by maturity.

It should be noted that the investments included in these tables are compliant with the provisions of S17(1)(f) of the MFMA as well as the City's approved Cash management and Investment Policy.

Table 43 - MBRR Table SA15 - Detailed investment information

Investment type	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand									
Parent municipality									
Securities - National Government	72 006	53 351	52 730	49 450	49 450	49 450	49 450	49 450	49 450
Listed Corporate Bonds	–	–	–	–	–	–	–	–	–
Deposits - Bank	14 949 522	14 243 096	14 013 577	11 021 603	11 021 603	11 021 603	15 365 492	18 726 664	20 158 476
Deposits - Public Investment Commissioners	–	–	–	–	–	–	–	–	–
Deposits - Corporation for Public Deposits	–	–	–	–	–	–	–	–	–
Bankers Acceptance Certificates	–	–	–	–	–	–	–	–	–
Negotiable Certificates of Deposit - Banks	–	–	–	–	–	–	–	–	–
Guaranteed Endowment Policies (sinking)	2 771 615	3 071 050	3 404 010	2 768 888	2 768 888	2 768 888	1 859 336	–	–
Repurchase Agreements - Banks	–	–	–	–	–	–	–	–	–
Municipal Bonds	–	–	–	–	–	–	–	–	–
TOTAL	17 793 143	17 367 498	17 470 317	13 839 941	13 839 941	13 839 941	17 274 279	18 776 114	20 207 926

Table 44 - MBRR Table SA16 - Investment particulars by maturity

Investments by Maturity	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate	Expiry date of investment	Opening balance	Interest to be realised	Partial/ Premature Withdrawal	Investment Top Up	Closing Balance
Name of institution & investment ID	Yrs/Months										
ABSA Bank	68	Fixed	Yes	Fixed	7.76%	15-May-23	205 000	1 308	–	–	206 308
ABSA Bank	50	Fixed	Yes	Fixed	7.60%	5-May-23	70 000	437	–	–	70 437
ABSA Bank	71	Fixed	Yes	Fixed	7.70%	26-May-23	200 000	1 266	–	–	201 266
ABSA Bank	51	Fixed	Yes	Fixed	7.60%	12-May-23	25 000	156	–	–	25 156
ABSA Bank	84	Fixed	Yes	Fixed	7.83%	15-Jun-23	115 000	740	–	–	115 740
ABSA Bank	56	Fixed	Yes	Fixed	7.60%	19-May-23	35 000	219	–	–	35 219
ABSA Bank	64	Fixed	Yes	Fixed	7.70%	31-May-23	60 000	380	–	–	60 380
ABSA Bank	65	Fixed	Yes	Fixed	7.70%	2-Jun-23	40 000	253	–	–	40 253
ABSA Bank	64	Fixed	Yes	Fixed	7.65%	2-Jun-23	25 000	157	–	–	25 157
ABSA Bank	67	Fixed	Yes	Fixed	8.10%	9-Jun-23	50 000	311	–	–	50 311
ABSA Bank	72	Fixed	Yes	Fixed	8.10%	15-Jun-23	65 000	389	–	–	65 389
ABSA Bank	71	Fixed	Yes	Fixed	8.23%	15-Jun-23	35 000	205	–	–	35 205
ABSA Bank	65	Fixed	Yes	Fixed	8.23%	15-Jun-23	85 000	383	–	–	85 383
ABSA Bank	72	Fixed	Yes	Fixed	8.25%	23-Jun-23	45 000	193	–	–	45 193
ABSA Bank	71	Fixed	Yes	Fixed	8.20%	23-Jun-23	25 000	101	–	–	25 101
ABSA Bank	70	Fixed	Yes	Fixed	8.20%	23-Jun-23	20 000	76	–	–	20 076
ABSA Bank	67	Fixed	Yes	Fixed	8.20%	23-Jun-23	45 000	142	–	–	45 142
ABSA Bank	66	Fixed	Yes	Fixed	8.20%	23-Jun-23	40 000	117	–	–	40 117
ABSA Bank	65	Fixed	Yes	Fixed	8.20%	23-Jun-23	20 000	54	–	–	20 054
ABSA Bank	64	Fixed	Yes	Fixed	8.20%	23-Jun-23	30 000	74	–	–	30 074
ABSA Bank	60	Fixed	Yes	Fixed	8.20%	23-Jun-23	10 000	16	–	–	10 016
ABSA Bank	63	Fixed	Yes	Fixed	8.20%	27-Jun-23	30 000	40	–	–	30 040
Firststrand	68	Fixed	Yes	Fixed	7.87%	15-May-23	215 000	1 391	–	–	216 391
Firststrand	50	Fixed	Yes	Fixed	7.72%	5-May-23	70 000	444	–	–	70 444
Firststrand	71	Fixed	Yes	Fixed	7.91%	26-May-23	215 000	1 398	–	–	216 398
Firststrand	51	Fixed	Yes	Fixed	7.73%	12-May-23	30 000	191	–	–	30 191
Firststrand	84	Fixed	Yes	Fixed	7.96%	15-Jun-23	135 000	883	–	–	135 883
Firststrand	56	Fixed	Yes	Fixed	7.75%	19-May-23	100 000	637	–	–	100 637
Firststrand	56	Fixed	Yes	Fixed	7.75%	19-May-23	25 000	159	–	–	25 159
Firststrand	64	Fixed	Yes	Fixed	7.92%	31-May-23	55 000	358	–	–	55 358
Firststrand	65	Fixed	Yes	Fixed	7.93%	2-Jun-23	30 000	196	–	–	30 196
Firststrand	64	Fixed	Yes	Fixed	7.93%	2-Jun-23	40 000	261	–	–	40 261
Firststrand	67	Fixed	Yes	Fixed	8.37%	9-Jun-23	55 000	353	–	–	55 353
Firststrand	72	Fixed	Yes	Fixed	8.68%	15-Jun-23	65 000	417	–	–	65 417
Firststrand	71	Fixed	Yes	Fixed	8.37%	15-Jun-23	35 000	209	–	–	35 209
Firststrand	65	Fixed	Yes	Fixed	8.36%	15-Jun-23	90 000	412	–	–	90 412
Firststrand	72	Fixed	Yes	Fixed	8.38%	23-Jun-23	50 000	218	–	–	50 218
Firststrand	71	Fixed	Yes	Fixed	8.37%	23-Jun-23	20 000	83	–	–	20 083
Firststrand	70	Fixed	Yes	Fixed	8.37%	23-Jun-23	25 000	97	–	–	25 097
Firststrand	70	Fixed	Yes	Fixed	8.37%	23-Jun-23	10 000	39	–	–	10 039
Firststrand	67	Fixed	Yes	Fixed	8.37%	23-Jun-23	50 000	161	–	–	50 161
Firststrand	66	Fixed	Yes	Fixed	8.37%	23-Jun-23	35 000	104	–	–	35 104
Firststrand	65	Fixed	Yes	Fixed	8.36%	23-Jun-23	25 000	69	–	–	25 069
Firststrand	64	Fixed	Yes	Fixed	8.36%	23-Jun-23	30 000	76	–	–	30 076
Firststrand	60	Fixed	Yes	Fixed	8.36%	23-Jun-23	130 000	208	–	–	130 208
Firststrand	63	Fixed	Yes	Fixed	8.36%	27-Jun-23	25 000	34	–	–	25 034
Firststrand	62	Fixed	Yes	Fixed	8.36%	27-Jun-23	30 000	34	–	–	30 034
Investec Bank	68	Fixed	Yes	Fixed	7.58%	15-May-23	90 000	560	–	–	90 560
Investec Bank	50	Fixed	Yes	Fixed	7.58%	5-May-23	45 000	280	–	–	45 280
Investec Bank	71	Fixed	Yes	Fixed	7.65%	26-May-23	70 000	440	–	–	70 440
Investec Bank	53	Fixed	Yes	Fixed	7.58%	12-May-23	10 000	62	–	–	10 062
Investec Bank	51	Fixed	Yes	Fixed	7.58%	12-May-23	10 000	62	–	–	10 062
Investec Bank	84	Fixed	Yes	Fixed	7.80%	15-Jun-23	70 000	448	–	–	70 448
Investec Bank	64	Fixed	Yes	Fixed	7.60%	31-May-23	35 000	219	–	–	35 219
Investec Bank	65	Fixed	Yes	Fixed	7.70%	2-Jun-23	20 000	127	–	–	20 127
Investec Bank	64	Fixed	Yes	Fixed	7.75%	2-Jun-23	25 000	159	–	–	25 159
Investec Bank	72	Fixed	Yes	Fixed	8.10%	15-Jun-23	10 000	60	–	–	10 060
Investec Bank	71	Fixed	Yes	Fixed	8.15%	15-Jun-23	15 000	87	–	–	15 087
Investec Bank	65	Fixed	Yes	Fixed	8.10%	15-Jun-23	10 000	44	–	–	10 044
Investec Bank	72	Fixed	Yes	Fixed	8.15%	23-Jun-23	20 000	85	–	–	20 085
Investec Bank	71	Fixed	Yes	Fixed	8.15%	23-Jun-23	10 000	40	–	–	10 040
Investec Bank	70	Fixed	Yes	Fixed	8.15%	23-Jun-23	20 000	76	–	–	20 076
Investec Bank	70	Fixed	Yes	Fixed	8.15%	23-Jun-23	15 000	57	–	–	15 057
Investec Bank	70	Fixed	Yes	Fixed	8.15%	23-Jun-23	15 000	57	–	–	15 057
Investec Bank	70	Fixed	Yes	Fixed	8.15%	23-Jun-23	30 000	114	–	–	30 114
Investec Bank	70	Fixed	Yes	Fixed	8.15%	23-Jun-23	30 000	114	–	–	30 114
Investec Bank	67	Fixed	Yes	Fixed	8.13%	23-Jun-23	55 000	171	–	–	55 171

Table continues on next page.

Investments by Maturity Name of institution & investment ID	Period of Investment Yrs/Months	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal	Investment Top Up	Closing Balance
Investec Bank	66	Fixed	Yes	Fixed	8.13%	23-Jun-23	20 000	58	–	–	20 058
Investec Bank	65	Fixed	Yes	Fixed	8.13%	23-Jun-23	10 000	27	–	–	10 027
Investec Bank	64	Fixed	Yes	Fixed	8.13%	23-Jun-23	10 000	24	–	–	10 024
Nedbank	365	Fixed	Yes	Fixed	7.45%	30-Jun-23	165	1	–	–	166
Nedbank	365	Fixed	Yes	Fixed	7.45%	30-Jun-23	62 100	380	–	–	62 480
Nedbank	365	Fixed	Yes	Fixed	7.45%	30-Jun-23	715	4	–	–	719
Nedbank	365	Fixed	Yes	Fixed	7.45%	30-Jun-23	590	4	–	–	594
Nedbank	365	Fixed	Yes	Fixed	7.45%	30-Jun-23	13 900	85	–	–	13 985
Nedbank	365	Fixed	Yes	Fixed	7.45%	30-Jun-23	290	2	–	–	292
Nedbank	365	Fixed	Yes	Fixed	7.45%	30-Jun-23	1 479	9	–	–	1 488
Nedbank	365	Fixed	Yes	Fixed	7.45%	30-Jun-23	21 550	132	–	–	21 682
Nedbank	365	Fixed	Yes	Fixed	7.45%	30-Jun-23	28 000	171	–	–	28 171
Nedbank	68	Fixed	Yes	Fixed	7.55%	15-May-23	175 000	1 086	–	–	176 086
Nedbank	50	Fixed	Yes	Fixed	7.55%	5-May-23	70 000	434	–	–	70 434
Nedbank	71	Fixed	Yes	Fixed	7.60%	26-May-23	165 000	1 031	–	–	166 031
Nedbank	53	Fixed	Yes	Fixed	7.55%	12-May-23	170 000	1 055	–	–	171 055
Nedbank	51	Fixed	Yes	Fixed	7.55%	12-May-23	20 000	124	–	–	20 124
Nedbank	84	Fixed	Yes	Fixed	7.65%	15-Jun-23	90 000	566	–	–	90 566
Nedbank	64	Fixed	Yes	Fixed	7.86%	2-Jun-23	35 000	226	–	–	35 226
Nedbank	67	Fixed	Yes	Fixed	8.15%	9-Jun-23	60 000	375	–	–	60 375
Nedbank	72	Fixed	Yes	Fixed	8.15%	15-Jun-23	60 000	362	–	–	60 362
Nedbank	71	Fixed	Yes	Fixed	8.20%	15-Jun-23	35 000	204	–	–	35 204
Nedbank	65	Fixed	Yes	Fixed	8.20%	15-Jun-23	70 000	315	–	–	70 315
Nedbank	72	Fixed	Yes	Fixed	8.20%	23-Jun-23	35 000	149	–	–	35 149
Nedbank	71	Fixed	Yes	Fixed	8.20%	23-Jun-23	20 000	81	–	–	20 081
Nedbank	67	Fixed	Yes	Fixed	8.20%	23-Jun-23	15 000	47	–	–	15 047
Nedbank	66	Fixed	Yes	Fixed	8.20%	23-Jun-23	30 000	88	–	–	30 088
Nedbank	65	Fixed	Yes	Fixed	8.20%	23-Jun-23	20 000	54	–	–	20 054
Nedbank	64	Fixed	Yes	Fixed	8.20%	23-Jun-23	30 000	74	–	–	30 074
Nedbank	60	Fixed	Yes	Fixed	8.20%	23-Jun-23	10 000	16	–	–	10 016
Nedbank	63	Fixed	Yes	Fixed	8.20%	27-Jun-23	25 000	34	–	–	25 034
Standard Bank	68	Fixed	Yes	Fixed	7.80%	15-May-23	200 000	1 282	–	–	201 282
Standard Bank	50	Fixed	Yes	Fixed	7.82%	5-May-23	70 000	450	–	–	70 450
Standard Bank	71	Fixed	Yes	Fixed	7.89%	26-May-23	205 000	1 329	–	–	206 329
Standard Bank	53	Fixed	Yes	Fixed	7.73%	12-May-23	10 000	64	–	–	10 064
Standard Bank	51	Fixed	Yes	Fixed	7.72%	12-May-23	20 000	127	–	–	20 127
Standard Bank	84	Fixed	Yes	Fixed	7.96%	15-Jun-23	135 000	883	–	–	135 883
Standard Bank	56	Fixed	Yes	Fixed	7.55%	19-May-23	30 000	186	–	–	30 186
Standard Bank	64	Fixed	Yes	Fixed	7.81%	31-May-23	50 000	321	–	–	50 321
Standard Bank	65	Fixed	Yes	Fixed	7.86%	2-Jun-23	30 000	194	–	–	30 194
Standard Bank	67	Fixed	Yes	Fixed	8.20%	9-Jun-23	50 000	315	–	–	50 315
Standard Bank	72	Fixed	Yes	Fixed	8.21%	15-Jun-23	65 000	395	–	–	65 395
Standard Bank	71	Fixed	Yes	Fixed	8.20%	15-Jun-23	30 000	175	–	–	30 175
Standard Bank	65	Fixed	Yes	Fixed	8.20%	15-Jun-23	80 000	359	–	–	80 359
Standard Bank	72	Fixed	Yes	Fixed	8.24%	23-Jun-23	45 000	193	–	–	45 193
Standard Bank	71	Fixed	Yes	Fixed	8.24%	23-Jun-23	25 000	102	–	–	25 102
Standard Bank	70	Fixed	Yes	Fixed	8.26%	23-Jun-23	40 000	154	–	–	40 154
Standard Bank	70	Fixed	Yes	Fixed	8.26%	23-Jun-23	40 000	154	–	–	40 154
Standard Bank	67	Fixed	Yes	Fixed	8.27%	23-Jun-23	45 000	143	–	–	45 143
Standard Bank	66	Fixed	Yes	Fixed	8.24%	23-Jun-23	35 000	103	–	–	35 103
Standard Bank	65	Fixed	Yes	Fixed	8.24%	23-Jun-23	25 000	68	–	–	25 068
Standard Bank	64	Fixed	Yes	Fixed	8.26%	23-Jun-23	30 000	75	–	–	30 075
Standard Bank	60	Fixed	Yes	Fixed	8.27%	23-Jun-23	10 000	16	–	–	10 016
Standard Bank	63	Fixed	Yes	Fixed	8.27%	27-Jun-23	20 000	27	–	–	20 027
ABSA Bank		Call deposit	Yes	Fixed	7.75%		518 654	2 969	(195 000)	–	326 623
Firststrand Bank		Call deposit	Yes	Fixed	7.60%		337 223	1 884	(102 223)	–	236 884
Investec Bank		Call deposit	Yes	Fixed	7.60%		90 661	562	(661)	–	90 562
Nedbank		Call deposit	Yes	Fixed	7.60%		195 924	1 030	(45 924)	–	151 030
Standard Bank		Call deposit	Yes	Fixed	7.75%		407 732	2 341	(47 732)	–	362 341
Nedbank current account		Current account			7.55%		453 129	1 401	(195 208)	–	259 323
Fund Managers							7 734 504	49 551	–	–	7 784 055
Liberty, RMB and Nedbank sinking fund							3 679 639	30 938	–	–	3 710 577
Cash in transit							61 798	–	(9 689)	–	52 109
CTICC							271 435	–	–	–	271 435
COID							52 234	(52)	–	–	52 182
Shares in Atlantis Special Economic Zone Company SOC Ltd							56 500	–	–	–	56 500
TOTAL INVESTMENTS AND INTEREST							19 923 221	123 669	(596 436)	–	19 450 453

2.6.2 Medium-term outlook: capital revenue

The table below provides a breakdown of the funding composition of the City's 2023/24 medium-term capital programme.

Table 45 - Sources of capital revenue over the MTREF

Funding Source R thousand	Current Year 2022/23		2023/24 Medium Term Revenue & Expenditure Framework					
	Adjusted Budget	%	Budget Year 2023/24	%	Budget Year +1 2024/25	%	Budget Year +2 2025/26	%
Funded by:								
National Government	2 195 937		2 660 223		3 394 264		4 241 747	
Provincial Government	11 147		30 135		13 157		6 007	
Transfers and subsidies - capital	95 654		85 801		133 220		157 612	
Transfers recognised - capital	2 302 739	29.7%	2 776 159	25.3%	3 540 641	25.3%	4 405 366	24.3%
Borrowing	2 000 000	25.8%	6 500 000	59.2%	9 000 000	64.3%	12 300 000	67.8%
Internally generated funds	3 447 836	44.5%	1 711 530	15.6%	1 446 035	10.3%	1 432 174	7.9%
Total Capital Funding	7 750 575	100.0%	10 987 689	100.0%	13 986 676	100.0%	18 137 540	100.0%

Grants from national- and provincial government as well as other external sources still remain a significant funding source for the 2023/24 – 2025/26 capital budget.

The three sources of capital revenue are detailed below.

- **Transfers recognised – capital**

Transfers recognised – capital amounts to R2 776 million in 2023/24, R3 541 million in 2024/25 and R4 405 million in 2025/26, decreasing slightly from 25.3% to 24.3% as a percentage of the total capital funding over the MTREF.

Capital transfers and grants from national- and provincial government and other grant providers for the 2023/24 MTREF are reflected in the ensuing table.

Table 46 - MBRR Table SA18 - Capital transfers and grants receipts

Description R thousand	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Capital Transfers and Grants									
National Government:	1 983 329	1 447 239	1 699 659	2 165 521	2 195 937	2 119 152	2 660 223	3 394 264	4 241 747
Minerals and Energy: Energy Efficiency and Demand Side Management Grant	10 425	8 182	8 916	8 100	8 100	8 100	8 100	8 100	7 100
National Treasury: Expanded Public Works Programme	594	1 171	699	937	–	–	–	–	–
National Treasury: Informal Settlements Upgrading Partnership Grant: Municipalities	–	–	511 897	458 053	476 144	460 250	477 260	498 693	519 662
National Treasury: Infrastructure Skills Development Grant	–	863	1 081	1 000	1 056	1 055	600	600	600
National Treasury: Integrated City Development Grant	52 723	44 146	–	–	–	–	–	–	–
National Treasury: Local Government Restructuring Grant	–	–	–	217	–	–	–	–	–
National Treasury: Neighbourhood Development Partnership Grant	42 000	21 140	10 399	19 699	27 266	27 264	20 890	36 116	40 000
National Treasury: Public Transport Network: Budget Facility for Infrastructure Grant	–	–	–	335 000	335 000	296 538	874 000	1 614 000	2 340 000
National Treasury: Urban Settlements Development Grant	1 500 201	1 134 599	858 880	840 960	846 816	824 292	820 414	825 347	877 425
Transport: Public Transport Network Grant	377 386	237 139	307 787	501 555	501 555	501 653	458 960	411 408	456 959
Provincial Government:	32 710	11 862	27 036	5 492	11 147	11 128	30 135	13 157	6 007
Community Safety: Law Enforcement Advancement Plan	–	–	–	–	4 250	4 245	23 562	7 500	–
Cultural Affairs and Sport: Development of Sport and Recreation Facilities	779	10 550	–	–	–	–	–	–	–
Cultural Affairs and Sport: Library Services (Conditional Grant)	2 607	–	–	–	–	–	–	–	–
Cultural Affairs and Sport: Library Services: Metro Library Grant	10 000	–	5 400	5 492	5 674	5 674	5 573	5 657	6 007
Economic Development and Tourism: Provide resources for the tourism safety law enforcement unit project	–	1 312	–	–	–	–	–	–	–
LEAP	–	–	19 216	–	–	–	–	–	–
Provincial Government: Community Safety: Training and Equipment for Volunteers: Law Enforcement Service (LEAS)	19 039	–	–	–	–	–	–	–	–
Law Enforcement Officers	–	–	2 420	–	–	–	–	–	–
Provincial Government: Municipal Accreditation and Capacity Building Grant	279	–	–	–	–	–	–	–	–
Provincial Government: Transport Safety and Compliance- Rail Safety	–	–	–	–	1 223	1 208	–	–	–
Tourism Safety Law Enforcement Unit	6	–	–	–	–	–	–	–	–
Western Cape Financial Management Capability Grant	–	–	–	–	–	–	1 000	–	–
Other grant providers:	65 467	–	63	100 854	95 654	95 466	85 801	133 220	157 612
Other: Other	65 467	–	63	100 854	95 654	95 466	85 801	133 220	157 612
Total Capital Transfers and Grants	2 081 505	1 459 101	1 726 758	2 271 867	2 302 739	2 225 746	2 776 159	3 540 641	4 405 366

Borrowing

Borrowing continues to be one of the major sources of funding of the 2023/24 – 2025/26 capital budget.

The borrowing amount for the 2023/24 financial year, as reflected in Table 45, includes certain rollovers where directorates have already indicated that they will not be able to spend the full 2022/23 budgetary allocation by year-end.

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

Table 47 - MBRR Table SA17 - Detail of borrowing

Borrowing - Categorised by type R thousand	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Annuity and Bullet Loans	-	-	-	-	-	-	-	-	-
Long-Term Loans (non-annuity)	2 021 889	1 797 823	1 570 709	3 235 801	3 235 801	3 235 801	9 118 297	16 944 439	27 106 260
Local registered stock	-	-	-	-	-	-	-	-	-
Instalment Credit	-	-	-	-	-	-	-	-	-
Financial Leases	-	-	-	-	-	-	-	-	-
PPP liabilities	-	-	-	-	-	-	-	-	-
Finance Granted By Cap Equipment Supplier	-	-	-	-	-	-	-	-	-
Marketable Bonds	4 850 000	4 750 000	3 650 000	2 366 091	2 366 091	2 366 091	261 423	156 854	52 285
Non-Marketable Bonds	-	-	-	-	-	-	-	-	-
Bankers Acceptances	-	-	-	-	-	-	-	-	-
Financial derivatives	-	-	-	-	-	-	-	-	-
Other Securities	-	-	-	-	-	-	-	-	-
Total Borrowing	6 871 889	6 547 823	5 220 709	5 601 892	5 601 892	5 601 892	9 379 720	17 101 293	27 158 545

The following graph illustrates the growth in outstanding borrowing for the 2023/24 to 2025/26 period.

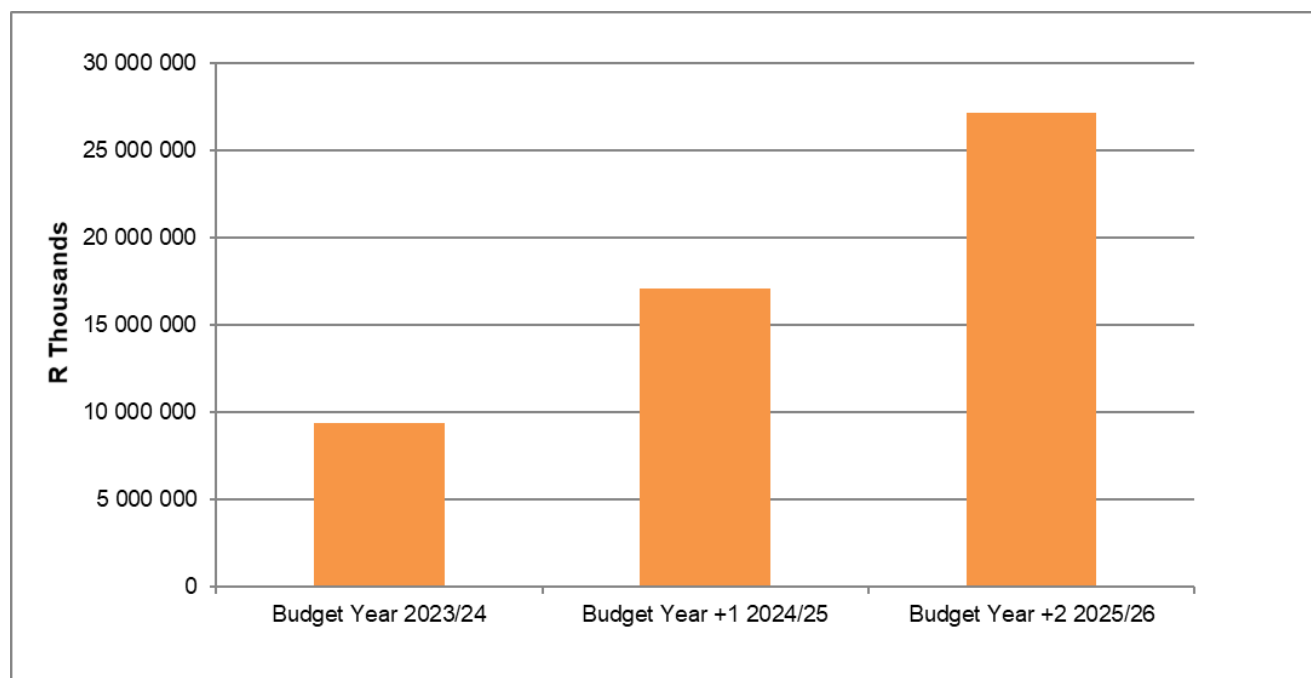


Figure 21 Outstanding borrowings (long-term liabilities) for the 2023/24 MTREF

Internally generated funds

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

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

- previous years' accumulated surpluses;
- contributions made to a Capital Replacement Reserve (CRR) in the previous year's operating budget; and
- Development charges which were already collected.

The levels of contributions made to the CRR in the previous year's operating budget are considered within the MTREF process to determine affordability and sustainability. Internally generated funds amount to R1 712 million, R1 446 million and R1 432 million respectively, over the MTREF.

The percentage of internally generated funds in relation to the total annual budget fluctuates from 15.6% in 2023/24 to 10.3% in 2024/25 and 7.9% in 2025/26.

Cash Flow Management

Table 48 - MBRR Table A7 - Budgeted cash flow statement

Description	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand									
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Property rates	9 296 655	10 005 031	10 358 743	11 116 304	11 116 304	11 116 304	11 774 525	12 493 664	13 468 293
Service charges	19 396 197	21 101 782	23 526 030	23 922 286	24 087 492	24 087 492	27 337 481	31 358 200	35 542 717
Other revenue	3 798 052	2 612 879	3 018 242	4 559 563	4 510 120	4 510 120	4 591 781	4 787 191	4 995 014
Transfers and Subsidies - Operational	4 945 515	5 781 742	5 203 436	6 260 172	6 383 866	6 383 866	6 809 560	6 958 864	7 410 322
Transfers and Subsidies - Capital	1 911 311	1 616 702	1 374 421	2 271 867	2 302 739	2 302 739	2 776 159	3 540 641	4 405 366
Interest	1 642 305	1 438 934	1 432 200	1 118 566	1 263 260	1 263 260	1 193 514	1 035 487	880 214
Payments									
Suppliers and employees	(33 265 559)	(35 397 699)	(38 232 596)	(42 947 594)	(43 009 029)	(43 009 029)	(47 117 237)	(51 337 644)	(55 895 793)
Interest	(718 927)	(731 498)	(702 468)	(803 157)	(673 367)	(673 367)	(737 329)	(1 259 772)	(1 921 449)
Transfers and Subsidies	-	-	-	(391 480)	(437 745)	(437 745)	(371 815)	(340 171)	(375 439)
NET CASH FROM/(USED) OPERATING ACTIVITIES	7 005 549	6 427 873	5 978 008	5 106 527	5 543 641	5 543 641	6 256 640	7 236 460	8 509 245
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE	73 195	84 028	71 208	54 742	56 743	56 743	59 393	61 953	64 684
Decrease (increase) in non-current receivables	10 826	(32 484)	12 851	751	3 246	3 246	863	14	14
Decrease (increase) in non-current investments	(886 819)	(840 273)	(71 280)	633 780	633 780	633 780	909 552	1 859 336	-
Payments									
Capital assets	(5 970 668)	(6 528 473)	(5 450 250)	(7 507 319)	(7 750 575)	(7 750 575)	(10 987 689)	(13 986 676)	(18 137 540)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(6 773 466)	(7 317 202)	(5 437 471)	(6 818 047)	(7 056 807)	(7 056 807)	(10 017 881)	(12 065 372)	(18 072 842)
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	1 091 580	-	-	2 000 000	2 000 000	2 000 000	6 500 000	9 000 000	12 300 000
Increase (decrease) in consumer deposits	8 459	20 354	-	28 010	31 552	31 552	30 009	29 215	29 395
Payments									
Repayment of borrowing	(384 828)	(371 494)	(371 495)	(1 438 161)	(1 358 161)	(1 358 161)	(1 678 161)	(2 911 495)	(1 511 495)
NET CASH FROM/(USED) FINANCING ACTIVITIES	715 211	(351 140)	(371 495)	589 849	673 391	673 391	4 851 848	6 117 720	10 817 900
NET INCREASE/ (DECREASE) IN CASH HELD	947 294	(1 240 469)	169 042	(1 121 671)	(839 775)	(839 775)	1 090 606	1 288 808	1 254 303
Cash/cash equivalents at the year begin:	8 419 276	9 366 569	8 126 100	7 143 195	8 295 143	8 295 143	7 455 368	8 545 973	9 834 781
Cash/cash equivalents at the year end:	9 366 570	8 126 100	8 295 143	6 021 524	7 455 368	7 455 368	8 545 973	9 834 781	11 089 084

The above table shows the cash and cash equivalents of the City over the tabled 2023/24 MTREF. The City continues to embark on an extensive debt collection process to boost cash levels. These initiatives and interventions have translated into a positive cash position for the City.

For the 2023/24 MTREF, the budget has been prepared to ensure high levels of cash and cash equivalents over the medium-term with cash levels anticipated to exceed R8 546 million in 2023/24, R9 835 million in 2024/25 and R11 089 million in 2025/26.

2.6.3 Cash Backed Reserves/Accumulated Surplus Reconciliation

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

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

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

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

Description	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand									
Cash and investments available									
Cash/cash equivalents at the year end	9 366 570	8 126 100	8 295 143	6 021 524	7 455 368	7 455 368	8 545 973	9 834 781	11 089 084
Other current investments > 90 days	2 436 050	2 883 869	2 746 207	999 637	2 999 637	2 999 637	3 909 189	5 768 525	5 768 525
Non current Investments	6 267 808	6 573 136	6 837 924	6 875 252	5 875 252	5 875 252	4 965 700	3 106 364	3 106 364
Cash and investments available:	18 070 428	17 583 105	17 879 273	13 896 413	16 330 257	16 330 257	17 420 862	18 709 670	19 963 973
Application of cash and investments									
Unspent conditional transfers	1 250 617	1 116 830	777 984	1 429 132	1 437 175	1 437 175	610 716	610 716	610 716
Unspent borrowing	–	–	–	–	–	–	–	–	–
Statutory requirements	–	–	–	–	–	–	–	–	–
Other working capital requirements	(705 429)	200 972	461 822	(1 819 552)	(364 874)	(364 874)	1 337 083	2 927 723	2 814 160
Other provisions	973 703	962 358	1 041 214	917 034	1 140 002	1 140 002	1 119 580	1 295 339	1 263 011
Long term investments committed	2 771 233	3 071 050	3 404 010	2 768 888	2 768 888	2 768 888	1 859 336	–	–
Reserves to be backed by cash/investments	5 639 194	5 498 532	5 380 815	4 774 009	4 640 552	4 640 552	4 237 642	4 279 298	4 630 511
Total Application of cash and investments:	9 929 318	10 849 742	11 065 844	8 069 511	9 621 744	9 621 744	9 164 358	9 113 077	9 318 398
Surplus(shortfall)	8 141 109	6 733 363	6 813 429	5 826 901	6 708 513	6 708 513	8 256 505	9 596 594	10 645 575

From the above table it can be seen that the cash and investments available total R17 421 million in 2023/24 increasing to R19 964 million in 2025/26, including the projected cash and cash equivalents as determined in the cash flow forecast.

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

1. Unspent conditional transfers: Unspent conditional grants consists of amounts rolled over relating mainly to existing multi-year projects
2. Unspent borrowing: There are no unspent borrowing from previous years.

3. Provisions for statutory requirements: The City does not make provision for statutory requirements in this section of the budget as the City is mostly in a refund position.
4. Other working capital and other provisions: The main purpose of other working capital/other provisions is to ensure that sufficient funds are available to meet obligations as they fall due.
5. Long term investments committed: Long term investments consist of the sinking funds for the repayment of current and future borrowings. This amount is “held to maturity” and is not available for spending.
6. Reserves to be backed by cash/investments: Although the cash-backing of reserve funds is discretionary in nature and need not be fully cash backed, the City’s reserve funds are fully cash-backed

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



Figure 22 Cash and cash equivalents / cash backed reserves and accumulated funds

2.6.4 Funding Compliance Measurement

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

- Realistically anticipated revenues to be collected;
- Cash backed accumulated funds from previous years’ surpluses not committed for other purposes; and
- Borrowed funds, but only for the capital budget referred to in section 17 and 19 of the MFMA.

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

Table 50 - MBRR Table SA10 - Funding compliance measurement

Description	MFMA section	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Funding measures										
Cash/cash equivalents at the year end - R'000	18(1)b	9 366 570	8 126 100	8 295 143	6 021 524	7 455 368	7 455 368	8 545 973	9 834 781	11 089 084
Cash + investments at the yr end less applications - R'000	18(1)b	8 141 109	6 733 363	6 813 429	5 826 901	6 708 513	6 708 513	8 256 505	9 596 594	10 645 575
Cash year end/monthly employee/supplier payments	18(1)b	3.4	2.8	2.5	1.7	2.0	2.0	2.2	2.3	2.3
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4 369 410	2 054 420	2 903 185	1 760 795	1 624 817	1 624 817	2 315 152	3 145 745	4 094 796
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	N.A.	(4.9%)	4.3%	1.1%	1.3%	1.3%	4.7%	6.1%	5.8%
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	90.6%	92.0%	91.8%	94.5%	94.2%	94.2%	94.9%	95.3%	95.5%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	0.0%	(1.3%)	2.1%	6.0%	6.5%	6.5%	5.9%	5.1%	4.6%
Capital payments % of capital expenditure	18(1)c;19	100.0%	100.0%	100.4%	100.0%	100.0%	106.3%	100.0%	100.0%	100.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	27.1%	0.0%	0.0%	38.2%	36.7%	39.5%	79.2%	86.2%	89.6%
Grants % of Govt. legislated/gazetted allocations	18(1)a							103.3%	102.5%	102.1%
Current consumer debtors % change - incr(decr)	18(1)a	N.A.	(10.7%)	5.3%	2.4%	(3.8%)	(3.8%)	2.0%	4.9%	6.2%
Long term receivables % change - incr(decr)	18(1)a	N.A.	(42.8%)	(81.3%)	(90.2%)	(28.3%)	(28.3%)	(96.8%)	(51.3%)	(100.0%)
R&M % of Property Plant & Equipment	20(1)(vi)	7.5%	6.9%	8.0%	7.8%	8.2%	8.2%	8.1%	7.4%	6.7%
Asset renewal % of capital budget	20(1)(vi)	28.5%	27.8%	33.2%	26.3%	28.8%	28.2%	26.0%	19.2%	13.2%

2.6.4.1 Cash/cash equivalent position

An increasing positive cash position is shown over the forecasted 2023/24 MTREF, indicating that the medium term budget is affordable and sustainable. The cash position is mainly as a result of a favourable opening cash balance and an annual net increase in cash held shown in the budgeted cash flow over the MTREF period.

2.6.4.2 Cash plus investment less application of funds

This measure shows how a municipality applies its available cash and investments. Total of cash plus investment less applications is more than the commitments for each corresponding year of the 2023/24 MTREF, which indicates that the City is able to afford its commitments over the medium term.

2.6.4.3 Cash year end/monthly employee/supplier payments

This measure outlines the level of financial risk, should the municipality be under stress, i.e. it indicates the number of times average monthly payments are covered. This ratio outcome averages 2.3 over the MTREF.

2.6.4.4 Surplus/deficit excluding depreciation offsets

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

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

This measure tests whether the municipality is contributing appropriately to the achievement of the national inflation targets.

The ratio outcome shows an average increase of 5.5% above the CPI threshold of 6% over the 2023/24 MTREF. The higher than CPI increase for Electricity, Water & Sanitation and Rates are explained below.

Electricity

The National Energy Regulator of South Africa (NERSA) approved an increase of 18.65% as per the Eskom's Retail Tariff and Structural Adjustment (ERTSA) application for the 2023/24 financial year on 28 February 2023, together with the schedule of standard tariffs. On 2 March 2023, Eskom submitted a revised version with a lower increase of 10% for Homelight 20 Amp customers. This translated to a municipal increase of 18.49% for 2023/24 as per NERSA media statement 16 March 2023. This increase was applied to Electricity bulk purchases for 2023/24 financial year with an increase of 15% assumed for the outer years of the MTREF period.

The above translated to an average revenue increase of 17.6% for 2023/24, 12.29% for 2024/25 and 13.44% for 2025/26. The increase in revenue parameter is mainly due to the following:

- The impact of the 18.49% increase in bulk purchases, as bulk purchases constitutes 67% of the services budget;
- Capital investment in alternative energy sources, e.g. refurbishment of Steenbras power station, ground mounted PVs;
- Consequential operational cost of capital investment program, e.g. Steenbras Crack Propagation maintenance programme; establishment of a project management office and retail energy supply contract management, IPP, EG and SSEG contracts and Operational cost for running of PV plants; and
- Cost of expanding indigent relief to buffer the impact of GV 2022 on vulnerable consumers.

The subsequent consultation paper released by NERSA on 4 April 2023 indicates that based on a still to be determined Electricity Pricing Determination Methodology utilities are encouraged to submit a Cost of Supply (CoS) model. An average guideline increase of 15.10% is proposed for 2023/24 for municipalities. The City is not in agreement with this proposal and has provided an application in this regard to NERSA.

Water & Sanitation

In NT MFMA Circular 99 stated that "Municipalities should take strategic action to ensure effective water management and resilience to drought, including the security of water supply, environmental degradation, and pollution of resources to achieve economic growth, development and socio – economic priorities in an equitable and sustainable manner."

The average revenue increase applied is 8.6% for 2023/24, 6.76% 2024/25 and 7.72% for 2025/26. To ensure the lowest revenue increase, expenditure was prioritised while still ensuring that the strategic imperatives of the service could continue. The revenue increase makes provision for, amongst other, the following:

- To ensure sustainable and resilient provision of water, budgetary provision for the New Water Plan was made, which includes initiatives to further invest in the underground extraction of water from aquifers and re-use scheme;
- Generators for pump stations and treatment plants critical for operations;
- Water demand management to limit the abuse and loss of water;
- Interventions aimed at improving flood alleviation and the water quality in the vleis;
- Improving response times for sewerage blockages and to reduce these blockages with preventative maintenance;
- Upgrades and extensions to the wastewater treatment plants;

- Continued investment in asset replacement programs to ensure proper asset management, with a specific focus on sewer network replacement as well as the upgrading of sewer pump stations;
- Ongoing investment in repairs and maintenance programs and maintaining required compliance standards; and
- Supplying water and sanitation services at appropriate compliance, capacity, skills, service delivery and responsiveness levels.

Property Rates

The property rates revenue increases is 6.09% for 2023/24, 6.10% and 7.86% respectively for the two outer years of the MTREF period. This increase will allow for the continuation of providing Rates-funded services, investment in infrastructure and generators to mitigate the impact of load-shedding, servicing of informal settlements, increased rebate to protect consumers against the impact of GV 2022, ongoing investment in repairs and maintenance and giving effect to the IDP.

2.6.4.6 Cash receipts as a percentage of ratepayer and other revenue

This is a macro measure of the rate at which funds are 'collected'. The expected purpose of this measure is to analyse an underlying assumed collection rate. The ratio outcome for 2023/24 is 94.9% improving to 95.5% in 2025/26. This collection rate is deemed realistic, as it is based on past and current trends. Initiatives are continuously put in place to improve revenue collection.

2.6.4.7 Debt impairment expense as a percentage of billable revenue

This is a measurement of whether the provision for debt impairment is being adequately funded and is based on the underlying assumption that the provision for debt impairment has to be increased to offset under-collection. This ratio is consistent with the forecasted average debt collection rate.

2.6.4.8 Capital payments percentage of capital expenditure

The purpose of this measure is to understand whether the timing of payments is being taken into consideration when forecasting the cash position. The ratio outcome is 100% over the 2023/24 MTREF period which shows the full capital budget is provided for in the cash flow forecasting.

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

The purpose of this measure is to determine the proportion of a municipality's 'own-funded' capital expenditure budget that is being funded from borrowed funds. The City's long term borrowing is done in terms of chapter 6 of the MFMA, where a long term loan will only be entered into if it's affordable and sustainable. The ratio shows an outcome of 85% on average over the MTREF, showing that the City is borrowing less than capital expenditure, therefore sustainable and compliant to the MFMA.

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

The purpose of this measure is to ensure that all available transfers from all spheres of government have been included in the budget. The City's budget was compiled using the 2023 DoRb and Provincial Gazette Extraordinary 8730 dated 14 March 2023.

This ratio outcome averages 102.7% over the 2023/24 MTREF. The result is slightly higher than 100% due to the funding received from the Department of Environmental Affairs and Tourism where a memorandum of agreement is in place but not included in the DoRb and Provincial Gazette and other grants provisions received from other institutions.

2.6.4.11 Consumer debtors change (current and non-current)

The purpose of this measure is to ascertain whether budgeted reductions in outstanding debtors are realistic. The ratio outcomes shows an average increase of 4.4% over the 2023/24 MTREF. The increase in the ratio is driven by the increase in Trade and other receivables from exchange transactions, receivables from non-exchange transactions and current portion of long-term receivables.

2.6.4.12 Long term receivables % change

Long-term receivables include 'arrangement debtors' to be paid by the debtor over an extended period of time. Long-term receivable is projected to reduce by 96.8% in 2023/24 and shows a reduced percentage of 100% in 2025/26. The reduction is due to loans provided to public organisations and sporting bodies prior to the implementation of the MFMA, which are currently being repaid.

2.6.4.13 Repairs and maintenance expenditure level

This ratio is to indicate whether sufficient provision is made in respect of repairs and maintenance for property, plant and equipment, and investment property. This ratio outcome for 2023/24 is 8.1% in line with the NT benchmark of 8%. The lower ratio outcome in the outer years is due to an increase investment in new assets.

2.6.4.14 Asset renewal % of capital budget

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

Renewal of existing assets is split between renewal of existing assets and upgrading of existing assets. This ratio only takes into consideration the renewal of existing assets portion over the total capital budget and shows an outcome averaging 19.4% over the 2023/24 MTREF. Considering both renewal and upgrading of existing assets as a percentage of total capital budget, the ratio outcome will average 51% over the 2023/24 MTREF. This is higher than the NT norm of 40% to be invested in renewal of existing assets.

2.7 Ward and Subcouncil Allocations

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

The City has 116 demarcated wards, which forms part of 21 subcouncils. These subcouncils serve the residents by engaging with them on municipal issues. The total available to each ward for the 2023/24 financial year is set at R1 million per ward in respect of Ward Allocations. These allocations could be spent on either capital or operating projects/programmes.

R1,9 million will be allocated in the City's operating budget per Subcouncil for 2023/24 for Subcouncil projects over and above the R1 million ward allocation.

Ward allocation - and Subcouncil allocation projects must form part of the core business activities and assets of the lead department and must align with the Service Delivery Business Implementation Plan of the directorate.

Operating Ward allocation- as well as Subcouncil allocation projects must be completed in the year of allocation. However, unspent capital Ward allocation projects' funds may be rolled over to the next financial year, where compelling reasons exist for such roll-over.

2.8 Expenditure on transfers and grant programmes

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

Description	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand									
Operating expenditure of Transfers and Grants									
National Government:	3 811 395	4 334 795	4 300 804	4 727 836	4 734 257	4 734 257	5 167 276	5 364 247	5 786 744
Local Government Equitable Share	2 815 558	3 509 590	3 215 174	3 656 394	3 656 394	3 656 394	4 066 769	4 475 653	4 953 531
Finance Management grant	1 000	1 000	1 000	1 000	1 000	1 000	1 000	1 000	1 138
Fire Disasters Housing Project	–	–	–	–	5 004	5 004	–	–	–
Urban Settlements Development Grant	12 523	202 546	113 551	124 584	118 728	118 728	187 686	228 026	223 139
Energy Efficiency and Demand Side Management Grant	640	818	1 084	900	900	900	900	900	900
Department of Environmental Affairs and Tourism	110	220	220	220	220	220	220	220	220
Expanded Public Works Programme	32 283	43 601	49 073	41 469	42 406	42 406	62 588	–	–
Public Transport Infrastructure & Systems Grant	934 290	–	–	52 233	–	–	–	–	–
Infrastructure Skills Development	11 000	10 006	10 919	10 446	10 446	10 446	8 400	10 400	10 900
Public Transport Network Grant	–	513 632	640 853	477 706	477 706	477 706	444 885	474 839	413 531
Neighbourhood Development Partnership Grant	–	1 394	–	–	–	–	–	–	–
Informal Settlements Upgrading Partnership Grant	–	–	6 243	90 959	78 248	78 248	95 950	100 259	106 123
National Skills Fund	–	18 470	21 325	27 788	21 072	21 072	–	–	–
National Treasury General Budget Support	–	–	–	10 125	10 125	10 125	–	–	–
Integrated City Development Grant	2 664	21 014	–	–	–	–	–	–	–
Peninsula Wetlands Rehabilitation Project	1 327	–	–	–	–	–	–	–	–
Philippi Agri Hub	–	12 504	9 472	–	–	–	–	–	–
Programme And Project Preparation Support Grant	–	–	70 890	65 970	67 294	67 294	68 877	72 950	77 263
Public Employment Program (NT PEP)	–	–	161 000	156 000	230 106	230 106	230 000	–	–
Regional Land Claims Commissioner	–	–	–	12 043	14 608	14 608	–	–	–
	944 696	1 128 492	871 234	1 499 281	1 576 170	1 576 170	1 418 260	1 472 617	1 534 316
Provincial Government:									
Cultural Affairs and Sport - Provincial Library Services	44 455	49 192	43 116	52 712	55 952	55 952	53 826	55 925	58 436
Cultural Affairs and Sport - Library Services: Transfer funding to enable City of Cape Town to procure periodicals and newspapers	5 150	5 338	5 338	5 338	5 338	5 338	5 658	5 839	6 306
Cultural Affairs and Sport - Provincial Others	–	–	–	–	396	396	–	–	–
Municipal Library Support	–	–	8 533	–	23	23	–	–	–
Human Settlements - Human Settlement Development Grant	286 311	196 080	172 930	318 630	378 328	378 328	326 437	331 900	363 400
Health - TB	31 445	27 380	41 026	33 546	31 237	31 237	31 363	54 295	63 094
Health - ARV	–	266 024	273 247	316 834	316 834	316 834	313 473	327 422	342 090
Health - Nutrition	5 465	5 692	3 289	6 832	6 832	6 832	5 909	6 068	6 232
Health - Vaccines	120 142	132 426	124 577	117 033	102 598	102 598	100 911	117 033	117 033
Comprehensive Health	263 243	–	–	210 841	201 585	201 585	204 129	173 489	173 489
LEAP	110 961	417 000	146 034	400 000	395 750	395 750	326 438	342 500	350 000
Transport and Public Works - Provision for persons with special needs	–	10 000	10 000	10 000	10 015	10 015	23 132	23 944	10 000
Community Safety - Law Enforcement Auxiliary Services	–	4 388	2 209	2 852	4 167	4 167	16 966	26 684	38 218
Community Development Workers	2 034	1 034	1 001	1 034	1 756	1 756	1 018	1 018	1 018
Finance Management Capacity Building Grant	380	300	250	–	–	–	–	–	–
Tourism Safety Law Enforcement Unit	4 153	3 608	1 834	–	–	–	–	–	–
Public Employment Program (Provincial PEP)	–	–	–	–	3 285	3 285	–	–	–
Public Transport Safety Grant	–	–	–	–	19 777	19 777	–	–	–
Schools Resource Officers	–	–	–	–	6 000	6 000	–	–	–
Establishment and Support K9 unit	2 300	2 530	–	1 000	1 000	1 000	–	–	–
Municipal accreditation and capacity building grant	14 721	7 500	7 500	10 000	10 000	10 000	7 500	5 000	5 000
Human Settlements - Informal Settlements	1 500	–	–	1 500	1 767	1 767	1 500	1 500	–
LG Public Employment Support Grant	–	–	17 600	–	–	–	–	–	–
Enhanced Extended Discount Benefit Scheme	25 206	–	–	–	–	–	–	–	–
Finance Management Support Grant	230	–	–	–	–	–	–	–	–
Municipal Land Transport Fund	27 000	–	–	–	–	–	–	–	–
K9 Unit	–	–	350	–	–	–	–	–	–
Title Deeds Restoration	–	–	12 400	11 129	23 529	23 529	–	–	–
Other grant providers:	6 431	101	4 556	33 055	73 438	73 438	224 024	122 000	89 261
CMTF	–	–	–	3 000	6 100	6 100	5 920	6 537	4 665
CID	4 452	–	4 555	7 704	9 192	9 192	31 190	24 996	37 055
Century City	290	–	–	–	–	–	–	–	–
Westcott Primary School - Traffic Attendant	43	–	–	–	–	–	–	–	–
Rustenberg Junior Girls School - Traffic Attendant	43	–	–	–	–	–	–	–	–
V&A Waterfront: Traffic Officer	891	–	–	–	–	–	–	–	–
KFW- Technical Assistance (GDB)	–	–	–	20 000	–	–	2 000	53 000	38 000
Orio	–	–	–	2 310	–	–	–	–	–
Mayor's Relief fund	2	101	0	–	–	–	–	–	–
National Treasury - Interest	–	–	–	–	58 106	58 106	184 902	37 467	9 541
The Cape Academy for MST	–	–	–	41	41	41	13	–	–
Rockefeller Philanthropy Advisors Inc	710	–	–	–	–	–	–	–	–
Total operating expenditure of Transfers and Grants:	4 762 523	5 463 389	5 176 593	6 260 172	6 383 866	6 383 866	6 809 560	6 958 864	7 410 322

Table continues on next page

Description	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand									
Capital expenditure of Transfers and Grants									
National Government:	1 874 750	1 602 827	1 626 843	2 165 521	2 195 937	2 119 152	2 661 223	3 394 264	4 241 747
Minerals and Energy: Energy Efficiency and Demand Side Management Grant	10 425	8 170	8 904	8 100	8 100	8 100	8 100	8 100	7 100
National Government - Other: Previous years' Dora	50	–	59	–	–	–	–	–	–
National Treasury: Expanded Public Works Programme	594	1 171	699	937	–	–	–	–	–
National Treasury: Informal Settlements Upgrading Partnership Grant: Municipalities	204 241	265 251	449 154	458 053	476 144	460 250	477 260	498 693	519 662
National Treasury: Infrastructure Skills Development Grant	–	863	1 081	1 000	1 056	1 055	600	600	600
National Treasury: Integrated City Development Grant	40 179	40 410	3 977	–	–	–	–	–	–
National Treasury: Local Government Restructuring Grant	341	276	–	217	–	–	–	–	–
National Treasury: Municipal Disaster Recovery Grant	(1)	–	–	–	–	–	–	–	–
National Treasury: Neighbourhood Development Partnership Grant	13 785	11 288	10 132	19 699	27 266	27 264	20 890	36 116	40 000
National Treasury: Public Transport Network: Budget Facility for Infrastructure Grant	–	290 583	92 901	335 000	335 000	296 538	874 000	1 614 000	2 340 000
Accreditation: Development Support	–	–	209	–	–	–	–	–	–
Water: JOJO tanks	–	–	432	–	–	–	–	–	–
Transport: Public Transport Network Grant	412 956	237 139	307 787	501 555	501 555	501 653	458 960	411 408	456 959
National Treasury: Western Cape Financial Management Capability Grant	–	–	–	–	–	–	1 000	–	–
Provincial Government:	–	–	–	5 492	11 147	11 128	30 135	13 157	6 007
Community Safety: Law Enforcement Advancement Plan	–	–	2 668	–	4 250	4 245	23 562	7 500	–
Cultural Affairs and Sport: Development of Sport and Recreation Facilities	772	–	–	–	–	–	–	–	–
Cultural Affairs and Sport: Library Services (Conditional Grant)	2 607	–	–	–	–	–	–	–	–
Cultural Affairs and Sport: Library Services: Metro Library Grant	10 663	11 404	5 725	5 492	5 674	5 674	5 573	5 657	6 007
Economic Development and Tourism: Provide resources for the tourism safety law enforcement unit project	–	1 312	–	–	–	–	–	–	–
Housing: Integrated Housing and Human Settlement Development Grant	3 195	478	–	–	–	–	–	–	–
Provincial Government: Community Safety: Training and Equipment for Volunteers: Law Enforcement Service (LEAS)	19 045	679	–	–	–	–	–	–	–
Law Enforcement Officers (LEAP)	–	–	19 216	–	–	–	–	–	–
Provincial Government: Municipal Accreditation and Capacity Building Grant	279	–	–	–	–	–	–	–	–
Contributed Asset	–	–	2 000	–	–	–	–	–	–
Provincial Government: Transport Safety and Compliance - Rail Safety	–	–	–	–	1 223	1 208	–	–	–
Western Cape Financial Management Capability Grant	–	–	–	–	–	–	1 000	–	–
Other grant providers:	40 524	184 510	47 159	100 854	95 654	95 466	85 801	133 220	157 612
Other: Other	40 524	184 510	47 159	100 854	95 654	95 466	85 801	133 220	157 612
Total capital expenditure of Transfers and Grants	1 915 275	1 787 338	1 674 003	2 271 867	2 302 739	2 225 746	2 777 159	3 540 641	4 405 366
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	6 677 797	7 250 726	6 850 596	8 532 039	8 686 605	8 609 611	9 586 719	10 499 505	11 815 687

2.9 Allocations and grants made by the municipality

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

The Grants-in-Aid Committee supports grant applications in terms of the City's Grants-In-Aid Policy and the members of the committee are officials of the City appointed by the CFO. The Committee co-ordinates, administers, and controls the screening process in respect of applications recommended by line departments and sub-councils to ensure that all recommended grants comply with the City's Grants-In-Aid Policy, the Constitution and relevant legislation.

An ad-hoc committee facilitates the selection of events and recommendations to the Mayor's events, which the City wishes to support in terms of the IDP and the City's Events Policy. The members of the committee consist of specific councillors as identified by the Mayor. The Committee meets as and when required.

Full disclosure on transfers and grants to external organisations by the City can be found in Annexure 23.

2.10 Councillor and Staff benefits

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

Summary of Employee and Councillor remuneration	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand									
<u>Councillors (Political Office Bearers plus Other)</u>									
Basic Salaries and Wages	143 964	143 109	144 359	157 201	159 895	159 895	167 339	174 869	182 738
Pension and UIF Contributions	5 100	5 175	3 477	–	1 978	1 978	3 276	3 423	3 577
Medical Aid Contributions	–	–	–	–	–	–	–	–	–
Motor Vehicle Allowance	475	471	295	669	689	689	727	759	793
Cellphone Allowance	9 372	9 335	9 342	9 887	10 182	10 182	10 732	11 215	11 719
Housing Allowances	–	–	–	–	–	–	–	–	–
Other benefits and allowances	8 609	8 328	7 690	8 376	8 376	8 376	8 828	9 226	9 641
Sub Total - Councillors	167 521	166 417	165 163	176 133	181 120	181 120	190 901	199 491	208 468
% increase		(0.7%)	(0.8%)	6.6%	2.8%	–	5.4%	4.5%	4.5%
<u>Senior Managers of the Municipality</u>									
Basic Salaries and Wages	27 207	27 729	19 788	28 566	33 371	33 371	35 990	38 100	39 814
Pension and UIF Contributions	1 099	925	1 055	8 326	2 421	2 421	2 655	2 774	2 899
Medical Aid Contributions	63	84	103	47	205	205	233	243	254
Overtime	–	–	–	–	–	–	–	–	–
Performance Bonus	–	–	–	–	732	732	–	–	–
Motor Vehicle Allowance	641	536	391	321	574	574	599	626	655
Cellphone Allowance	185	261	142	351	268	268	376	399	417
Housing Allowances	–	–	–	–	–	–	–	–	–
Other benefits and allowances	23	39	46	48	148	148	164	171	179
Payments in lieu of leave	–	–	–	–	–	–	–	–	–
Long service awards	–	–	–	–	–	–	–	–	–
Post-retirement benefit obligations	–	–	–	–	–	–	–	–	–
Entertainment	–	–	–	–	–	–	–	–	–
Scarcity	–	–	–	–	–	–	–	–	–
Acting and post related allowance	–	–	–	–	–	–	–	–	–
In kind benefits	–	–	–	–	–	–	–	–	–
Sub Total - Senior Managers of Municipality	29 219	29 575	21 525	37 659	37 718	37 718	40 017	42 314	44 218
% increase	0.0%	1.2%	-27.2%	75.0%	0.2%	0.0%	6.1%	5.7%	4.5%
<u>Other Municipal Staff</u>									
Basic Salaries and Wages	8 986 587	9 816 836	10 380 988	12 061 394	11 640 700	11 614 932	12 923 932	13 654 556	14 524 620
Pension and UIF Contributions	1 396 028	1 506 502	1 571 622	2 099 245	1 853 950	1 853 987	2 078 199	2 212 756	2 357 706
Medical Aid Contributions	823 355	897 200	939 221	982 302	1 002 274	1 002 418	1 046 758	1 114 793	1 186 146
Overtime	763 953	942 386	963 851	864 989	1 013 799	1 033 337	922 996	940 228	956 627
Performance Bonus	–	–	–	–	–	–	–	–	–
Motor Vehicle Allowance	209 435	211 641	220 390	233 564	236 207	237 162	243 584	259 406	276 255
Cellphone Allowance	22 771	36 809	33 910	37 655	38 503	38 509	44 421	47 301	50 367
Housing Allowances	65 086	69 198	58 989	61 907	63 640	63 643	66 439	70 757	75 357
Other benefits and allowances	284 145	316 901	351 225	370 019	384 101	388 493	445 845	439 405	467 691
Payments in lieu of leave	292 120	203 383	87 368	114 406	122 040	122 211	117 729	125 209	133 278
Long service awards	73 555	75 562	60 152	151 391	151 371	151 334	129 334	137 741	146 695
Post-retirement benefit obligations	(176 418)	995 534	559 060	308 405	757 288	757 288	332 774	347 749	363 397
Entertainment	–	–	–	–	–	–	–	–	–
Scarcity	–	–	–	–	–	–	–	–	–
Acting and post related allowance	5 577	6 495	7 603	–	9 528	9 800	770	560	586
In kind benefits	–	–	–	–	–	–	–	–	–
Sub Total - Other Municipal Staff	12 746 195	15 078 447	15 234 381	17 285 277	17 273 403	17 273 114	18 352 781	19 350 461	20 538 724
% increase	0.0%	18.3%	1.0%	13.5%	-0.1%	0.0%	6.3%	5.4%	6.1%
Total Parent Municipality	12 942 934	15 274 440	15 421 068	17 499 069	17 492 241	17 491 953	18 583 699	19 592 266	20 791 410

A 5.4% cost-of-living increase was provided for the City's senior managers as per the SALGBC wage agreement for 2022/23. Table SA22, however, indicates an increase of 6.1%. This is mainly due to vacant posts, which were budgeted at the minimum of the TASK grade in the 2022/23 original budget while the final offer on certain positions was at mid-point of the TASK grade to attract competitive skills.

Table 53 - MBRR Table SA23 - Salaries, allowances and benefits (political office bearers/councillors/senior officials) for the 2023/24 financial year

Disclosure of Salaries, Allowances & Benefits	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum						
<u>Councillors</u>						
Speaker	1 357 102	–	169 803			1 526 905
Chief Whip	1 216 610	–	46 464			1 263 074
Executive Mayor	1 552 614	–	45 110			1 597 725
Deputy Executive Mayor	1 357 102	–	46 464			1 403 565
Executive Committee	29 879 931	–	1 962 537			31 842 467
Total for all other councillors	135 250 785	–	18 016 268			153 267 053
Total Councillors	170 614 143	–	20 286 646			190 900 789
<u>Senior Managers of the Municipality</u>						
Municipal Manager (MM)	3 549 523	436 167	32 146	–		4 017 835
Chief Finance Officer	2 862 331	318 158	186 779	–		3 367 268
Community Services & Health	2 496 966	216 096	28 679	–		2 741 741
Corporate Services	2 914 707	423 882	28 679	–		3 367 268
Economic Growth	2 819 282	28 125	28 679	–		2 876 086
Energy	3 052 460	2 240	262 238	–		3 316 938
Future Planning & Resilience	2 620 832	226 575	28 679	–		2 876 086
Human Settlements	3 109 551	2 240	28 679	–		3 140 470
Safety & Security	2 459 715	387 692	28 679	–		2 876 086
Spatial Planning & Environment	2 710 822	2 240	28 679	–		2 741 741
Urban Mobility	2 683 282	264 789	28 679	–		2 976 750
Urban Waste Management	2 211 707	386 532	143 501	–		2 741 741
Water & Sanitation	2 498 736	356 356	121 657	–		2 976 750
Total Senior Managers of the Municipality	35 989 915	3 051 093	975 750	–		40 016 757

Table 54 - MBRR Table SA24 - Summary of personnel numbers

Summary of Personnel Numbers Number	2021/22			Current Year 2022/23			Budget Year 2023/24		
	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
Municipal Council and Boards of Municipal Entities									
Councillors (Political Office Bearers plus Other Councillors)	231	–	231	231	–	231	231	–	231
Board Members of municipal entities	–	–	–	–	–	–	–	–	–
Municipal employees									
Municipal Manager and Senior Managers	12	–	12	12	–	12	13	–	13
Other Managers	1 031	1 018	13	1 029	1 026	3	1 028	1 006	22
Professionals	1 630	1 584	46	1 571	1 505	66	1 806	1 722	84
<i>Finance</i>	107	105	2	101	99	2	114	112	2
<i>Spatial/town planning</i>	150	150	–	149	148	1	159	158	1
<i>Information Technology</i>	137	134	3	91	80	11	134	109	25
<i>Roads</i>	63	61	2	51	51	–	66	65	1
<i>Electricity</i>	143	143	–	146	145	1	148	148	–
<i>Water</i>	221	220	1	169	166	3	261	257	4
<i>Sanitation</i>	–	–	–	–	–	–	–	–	–
<i>Refuse</i>	18	18	–	21	21	–	33	33	–
<i>Other</i>	791	753	38	843	795	48	891	840	51
Technicians	4 562	4 414	148	4 745	4 465	280	4 855	4 762	93
<i>Finance</i>	167	166	1	164	162	2	176	174	2
<i>Spatial/town planning</i>	360	347	13	367	356	11	380	367	13
<i>Information Technology</i>	342	314	28	399	367	32	451	431	20
<i>Roads</i>	69	64	5	85	81	4	74	71	3
<i>Electricity</i>	426	420	6	404	399	5	406	403	3
<i>Water</i>	506	479	27	387	368	19	584	583	1
<i>Sanitation</i>	–	–	–	–	–	–	–	–	–
<i>Refuse</i>	82	82	–	90	90	–	111	111	–
<i>Other</i>	2 610	2 542	68	2 849	2 642	207	2 673	2 622	51
Clerks (Clerical and administrative)	7 700	7 500	200	7 181	7 130	51	7 204	7 053	151
Service and sales workers	5 470	4 383	1 087	5 665	4 302	1 363	6 275	4 570	1 705
Skilled agricultural and fishery workers	–	–	–	–	–	–	–	–	–
Craft and related trades	2 758	2 756	2	2 653	2 650	3	2 763	2 763	–
Plant and Machine Operators	3 919	3 903	16	3 854	3 854	–	3 957	3 943	14
Elementary Occupations	6 083	6 076	7	5 892	5 830	62	5 926	5 920	6
TOTAL PERSONNEL NUMBERS	33 396	31 634	1 762	32 833	30 762	2 071	34 058	31 739	2 319
% increase	–	–	–	(1.7%)	(2.8%)	17.5%	3.7%	3.2%	12.0%
Total municipal employees headcount	29 237	28 057	1 180	29 069	27 986	1 083	33 827	31 739	2 088
Finance personnel headcount	1 740	1 734	6	1 676	1 671	5	1 803	1 797	6
Human Resources personnel headcount	394	383	11	388	381	7	409	407	2

2.11 Monthly targets for revenue, expenditure and cash flow

Table 55 - MBRR Table SA25 - Budgeted monthly revenue and expenditure

Description	Budget Year 2023/24												Medium Term Revenue and Expenditure Framework		
R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Revenue															
Exchange Revenue															
Service charges - Electricity	1 749 398	1 913 864	2 027 600	1 520 931	1 446 820	1 421 713	1 554 614	1 528 271	1 710 192	1 579 022	1 616 286	1 613 003	19 681 713	23 053 339	26 511 338
Service charges - Water	335 513	339 164	329 136	357 363	384 138	403 237	408 106	407 939	399 370	371 353	356 620	345 747	4 437 689	4 823 071	5 271 284
Service charges - Waste Water Management	172 832	175 400	168 312	187 323	196 224	208 846	213 543	212 412	206 142	189 568	179 602	167 844	2 278 048	2 477 605	2 693 652
Service charges - Waste Management	118 684	118 684	118 684	118 684	118 684	118 684	118 684	118 684	118 684	118 684	118 684	118 684	1 424 214	1 534 284	1 646 512
Agency services	23 766	23 766	23 766	23 766	23 766	23 766	23 766	23 766	23 766	23 766	23 766	23 766	285 197	299 365	314 254
Interest	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Interest earned from Receivables	23 896	23 896	23 896	23 896	23 896	23 896	23 896	23 896	23 896	23 896	23 896	23 896	286 756	299 223	312 668
Interest earned from Current and Non Current Assets	99 337	99 337	99 337	99 337	99 337	99 496	99 337	99 337	99 337	99 337	99 337	100 649	1 193 514	1 035 487	880 214
Dividends	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rent on Land	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rental from Fixed Assets	32 178	32 107	32 057	32 044	31 829	32 130	31 834	43 703	33 685	33 189	32 711	32 415	399 883	412 461	426 897
Licence and permits	15	15	15	15	15	15	15	15	15	15	15	15	185	193	202
Operational Revenue	25 648	29 221	29 381	29 241	29 441	29 325	29 325	29 324	29 312	29 303	29 305	32 960	351 785	367 377	385 409
Non-Exchange Revenue															
Property rates	988 103	988 103	988 103	988 103	988 103	988 103	988 103	988 103	988 103	988 103	988 103	988 103	11 857 238	12 587 669	13 582 225
Surcharges and Taxes	30 454	30 454	30 454	30 454	30 454	30 454	30 454	30 454	30 454	30 454	30 454	30 454	365 452	381 532	398 701
Fines, penalties and forfeits	104 213	104 213	104 213	104 213	104 213	104 381	104 381	104 381	104 371	104 358	104 369	104 369	1 251 676	1 253 950	1 256 377
Licences or permits	6 388	6 388	6 388	6 388	6 388	6 388	6 388	6 388	6 388	6 388	6 388	6 388	76 655	80 028	83 629
Transfer and subsidies - Operational	617 796	553 786	553 786	553 786	553 786	607 948	553 786	553 786	553 786	599 742	553 786	553 786	6 809 560	6 958 864	7 410 322
Interest	7 430	7 430	7 430	7 430	7 430	7 430	7 430	7 430	7 430	7 430	7 430	7 430	89 165	93 088	97 277
Fuel Levy	–	879 763	–	–	–	879 763	–	–	879 764	–	–	–	2 639 290	2 760 474	2 886 917
Operational Revenue	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Gains on disposal of Assets	4 206	4 206	4 206	4 206	4 206	4 206	4 206	4 206	4 206	4 206	4 206	13 131	59 393	61 953	64 684
Other Gains	–	344 170	348 731	341 289	377 043	400 317	413 137	428 693	426 004	413 994	372 138	673 684	4 539 200	4 807 554	5 151 071
Discontinued Operations	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)	4 389 189	5 723 300	4 944 829	4 477 801	4 475 105	5 439 432	4 660 342	4 660 124	5 694 243	4 672 144	4 596 433	4 897 979	58 630 919	63 919 855	70 036 023

Table continues on next page

Description	Budget Year 2023/24												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Expenditure															
Employee related costs	1 380 512	1 463 563	1 466 087	1 458 019	2 230 774	1 473 017	1 466 766	1 469 664	1 462 489	1 461 392	1 462 422	1 598 093	18 392 798	19 392 775	20 582 942
Remuneration of councillors	15 908	15 908	15 908	15 908	15 908	15 908	15 908	15 908	15 908	15 908	15 908	15 908	190 901	199 491	208 468
Bulk purchases - electricity	67 616	1 666 020	1 816 760	1 043 445	1 002 995	985 252	949 248	1 040 782	958 080	1 035 210	947 691	2 586 001	14 099 100	16 926 356	19 743 055
Inventory consumed	89 087	461 722	481 717	483 237	492 232	494 107	503 861	520 673	523 838	506 729	482 759	909 880	5 949 840	6 286 232	6 720 486
Debt impairment	194 127	194 127	192 127	194 127	194 127	192 127	194 127	194 127	192 127	194 127	194 127	192 127	2 321 520	2 280 971	2 304 336
Depreciation and amortisation	289 164	289 164	289 164	289 164	289 164	289 164	289 164	289 164	289 164	289 164	289 164	312 361	3 493 165	3 760 659	4 021 175
Interest	75 626	75 617	75 663	75 655	75 681	79 070	78 890	78 890	78 890	78 890	78 890	93 605	945 367	1 468 609	2 262 777
Contracted services	191 232	529 523	627 906	656 957	753 529	690 968	723 814	890 217	775 107	791 833	785 759	1 896 868	9 313 712	9 502 740	9 787 717
Transfers and subsidies	24 755	30 919	16 965	32 641	12 751	33 779	30 188	40 882	18 011	35 205	19 505	76 213	371 815	340 171	375 439
Irrecoverable debts written off	11 859	11 859	13 859	11 859	11 859	13 859	11 859	11 859	13 859	11 859	11 859	13 859	150 304	150 304	150 304
Operational costs	145 926	300 512	222 366	235 886	228 974	239 573	271 686	270 664	313 423	277 744	274 552	521 562	3 302 869	3 445 909	3 630 492
Losses on disposal of Assets	2	69	49	120	123	112	105	11	11	36	11	107	754	754	754
Other Losses	94	39 086	42 791	40 451	52 067	49 383	46 780	55 002	56 818	55 818	49 214	72 276	559 781	559 781	558 648
Total Expenditure	2 485 908	5 078 090	5 261 361	4 537 468	5 360 185	4 556 319	4 582 394	4 877 843	4 697 723	4 753 914	4 611 861	8 288 860	59 091 926	64 314 751	70 346 593
Surplus/(Deficit)	1 903 281	645 209	(316 532)	(59 667)	(885 080)	883 113	77 948	(217 719)	996 520	(81 770)	(15 428)	(3 390 881)	(461 007)	(394 896)	(310 570)
Transfers and subsidies - capital (monetary allocations)	44 472	154 440	186 020	204 269	225 959	262 980	114 760	291 585	291 810	224 742	257 262	517 860	2 776 159	3 540 641	4 405 366
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	1 947 753	799 650	(130 512)	144 602	(659 121)	1 146 093	192 708	73 866	1 288 329	142 972	241 834	(2 873 021)	2 315 152	3 145 745	4 094 796
Income Tax	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax	1 947 753	799 650	(130 512)	144 602	(659 121)	1 146 093	192 708	73 866	1 288 329	142 972	241 834	(2 873 021)	2 315 152	3 145 745	4 094 796
Share of Surplus/Deficit attributable to Joint Venture	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality	1 947 753	799 650	(130 512)	144 602	(659 121)	1 146 093	192 708	73 866	1 288 329	142 972	241 834	(2 873 021)	2 315 152	3 145 745	4 094 796
Share of Surplus/Deficit attributable to Associate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	1 947 753	799 650	(130 512)	144 602	(659 121)	1 146 093	192 708	73 866	1 288 329	142 972	241 834	(2 873 021)	2 315 152	3 145 745	4 094 796

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

Description	Budget Year 2023/24												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand															
Revenue by Vote															
Vote 1 - Community Services & Health	78 908	79 108	81 637	82 867	85 757	82 207	82 350	105 640	113 449	90 057	88 357	96 578	1 066 916	1 062 892	1 096 543
Vote 2 - Corporate Services	5 630	5 630	5 630	5 630	5 630	5 879	5 630	5 630	5 929	5 713	5 630	5 680	68 240	72 760	76 039
Vote 3 - Economic Growth	20 565	20 494	20 444	20 431	20 211	20 511	20 215	32 083	22 066	21 570	21 092	20 796	260 479	250 908	262 225
Vote 4 - Energy	1 826 971	1 928 427	2 045 488	1 537 593	1 463 633	1 490 639	1 569 327	1 546 419	1 731 925	1 642 140	1 633 977	1 636 524	20 053 062	23 452 121	26 937 549
Vote 5 - Finance	1 284 546	2 164 609	1 284 846	1 284 946	1 284 546	2 164 902	1 284 546	1 284 546	2 164 310	1 284 546	1 284 546	1 284 546	18 055 431	18 965 480	20 162 760
Vote 6 - Future Planning & Resilience	5 503	5 503	5 503	5 503	5 503	5 503	5 503	5 503	5 503	5 503	5 503	5 503	66 041	71 923	79 207
Vote 7 - Human Settlements	85 063	103 461	107 600	105 657	109 130	185 421	93 994	199 980	114 221	103 368	102 993	210 210	1 521 097	1 664 949	1 774 681
Vote 8 - Office of the City Manager	72	72	72	72	72	72	72	72	72	72	72	72	865	903	943
Vote 9 - Safety & Security	141 696	141 696	143 296	141 696	165 257	144 596	142 196	142 196	145 796	142 696	142 696	156 412	1 750 229	1 780 489	1 812 548
Vote 10 - Spatial Planning & Environment	54 120	54 820	56 242	56 195	55 763	54 734	54 706	59 196	59 670	59 422	60 636	64 343	689 847	577 194	582 992
Vote 11 - Urban Mobility	83 599	159 418	181 761	208 581	199 150	192 152	150 796	163 291	234 023	217 502	251 548	377 121	2 418 941	3 095 924	3 811 101
Vote 12 - Urban Waste Management	179 295	179 295	179 295	179 295	179 295	179 295	179 295	183 295	183 295	183 295	183 295	183 295	2 171 545	2 182 087	2 357 337
Vote 13 - Water & Sanitation	667 694	1 035 208	1 019 032	1 053 604	1 127 117	1 176 499	1 186 472	1 223 857	1 205 793	1 141 001	1 073 351	1 374 757	13 284 385	14 282 865	15 487 462
Total Revenue by Vote	4 433 661	5 877 740	5 130 849	4 682 070	4 701 064	5 702 412	4 775 102	4 951 709	5 986 053	4 896 886	4 853 694	5 415 839	61 407 079	67 460 497	74 441 389
Expenditure by Vote to be appropriated															
Vote 1 - Community Services & Health	300 015	326 754	337 305	353 814	486 228	374 770	387 453	396 330	367 871	362 529	361 219	595 136	4 649 423	4 874 201	5 134 420
Vote 2 - Corporate Services	246 897	274 204	265 108	308 587	342 870	282 709	318 588	331 702	321 632	328 981	319 924	482 248	3 823 449	4 063 443	4 362 360
Vote 3 - Economic Growth	45 519	54 871	40 121	52 050	51 839	66 416	53 792	48 935	39 935	61 283	45 212	100 796	660 768	662 702	681 722
Vote 4 - Energy	291 833	1 920 373	2 071 390	1 294 413	1 326 770	1 239 794	1 195 066	1 290 975	1 255 628	1 287 465	1 205 667	2 904 262	17 283 637	20 279 054	23 299 212
Vote 5 - Finance	240 892	354 051	282 643	282 603	341 864	283 533	285 868	286 523	285 782	285 013	286 712	344 705	3 560 189	4 166 383	5 098 798
Vote 6 - Future Planning & Resilience	26 139	29 315	31 472	29 110	42 004	32 916	29 422	31 418	43 381	41 675	45 178	129 502	511 532	515 429	546 372
Vote 7 - Human Settlements	80 650	102 324	109 454	113 371	122 014	121 860	113 831	121 637	146 105	126 301	136 492	331 910	1 625 949	1 707 968	1 778 879
Vote 8 - Office of the City Manager	43 531	35 304	34 986	36 800	48 163	39 592	41 745	35 995	36 671	37 595	36 388	56 292	483 062	500 725	524 068
Vote 9 - Safety & Security	364 272	427 104	432 830	420 561	569 890	424 753	414 941	415 316	409 070	410 071	429 155	619 701	5 337 665	5 571 813	5 714 984
Vote 10 - Spatial Planning & Environment	104 742	116 398	109 358	113 036	150 114	129 151	127 461	135 359	132 502	134 617	132 527	175 170	1 560 435	1 616 831	1 713 644
Vote 11 - Urban Mobility	149 370	278 390	306 878	285 821	407 097	301 825	300 637	485 638	331 270	346 682	326 773	689 804	4 210 184	4 303 779	4 493 771
Vote 12 - Urban Waste Management	180 427	258 269	314 073	298 960	359 754	304 189	308 097	309 970	299 852	302 774	307 290	385 084	3 628 740	3 629 875	3 827 762
Vote 13 - Water & Sanitation	411 621	900 733	925 744	948 342	1 111 578	954 811	1 005 493	988 046	1 028 024	1 028 927	979 325	1 474 250	11 756 893	12 422 549	13 170 599
Total Expenditure by Vote	2 485 908	5 078 090	5 261 361	4 537 468	5 360 185	4 556 319	4 582 394	4 877 843	4 697 723	4 753 914	4 611 861	8 288 861	59 091 928	64 314 752	70 346 593
Surplus/(Deficit) before assoc.	1 947 753	799 650	(130 512)	144 602	(659 121)	1 146 093	192 708	73 866	1 288 329	142 972	241 834	(2 873 022)	2 315 151	3 145 745	4 094 796
Income Tax	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)	1 947 753	799 650	(130 512)	144 602	(659 121)	1 146 093	192 708	73 866	1 288 329	142 972	241 834	(2 873 022)	2 315 151	3 145 745	4 094 796

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

Description	Budget Year 2023/24												Medium Term Revenue and Expenditure Framework		
R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Revenue - Functional															
Governance and administration	1 333 583	2 213 746	1 339 683	1 339 983	1 343 033	2 218 489	1 338 737	1 367 535	2 240 272	1 352 205	1 353 193	1 356 404	18 796 863	19 674 936	20 819 095
Executive and council	30	30	30	30	30	30	30	30	30	30	30	30	355	371	387
Finance and administration	1 333 553	2 213 716	1 339 653	1 339 953	1 343 003	2 218 459	1 338 707	1 367 505	2 240 242	1 352 176	1 353 164	1 356 374	18 796 504	19 674 562	20 818 704
Internal audit	0	0	0	0	0	0	0	0	0	0	0	0	3	4	4
Community and public safety	271 548	289 975	298 294	296 067	325 022	377 651	283 317	404 564	326 222	296 869	293 642	421 369	3 884 540	4 086 906	4 282 778
Community and social services	7 165	7 165	8 745	8 961	9 301	9 201	8 169	12 435	15 443	10 127	9 201	26 914	132 827	110 706	171 437
Sport and recreation	4 389	4 419	5 419	5 519	5 099	5 199	5 724	12 719	17 528	7 444	5 519	6 915	85 892	75 970	66 748
Public safety	136 639	136 639	138 239	136 639	160 201	139 539	137 139	137 139	140 739	137 639	137 639	139 039	1 677 234	1 704 283	1 732 913
Housing	85 093	103 491	107 631	105 687	109 160	185 451	94 025	200 010	114 251	103 398	103 023	210 240	1 521 459	1 665 329	1 775 081
Health	38 261	38 261	38 261	39 261	41 261	38 261	38 261	42 261	38 261	38 261	38 261	38 261	467 127	530 618	536 600
Economic and environmental services	149 697	226 216	244 182	270 654	258 091	254 965	213 080	225 165	297 671	280 502	315 362	446 942	3 182 528	3 658 879	4 395 880
Planning and development	60 700	61 400	62 823	62 775	62 344	61 377	61 349	65 374	65 847	65 600	66 814	70 986	767 387	575 521	568 115
Road transport	84 375	160 194	176 738	203 258	191 126	189 028	147 172	154 767	226 800	209 878	243 524	371 397	2 358 257	3 072 461	3 805 011
Environmental protection	4 622	4 622	4 622	4 622	4 622	4 559	4 559	5 024	5 024	5 024	5 024	4 559	56 884	10 898	22 754
Trading services	2 678 371	3 147 340	3 248 226	2 774 903	2 774 455	2 850 844	2 939 504	2 953 981	3 121 424	2 966 847	2 891 033	3 190 661	35 537 591	40 033 973	44 937 573
Energy sources	1 842 098	1 943 554	2 060 616	1 552 721	1 478 760	1 505 766	1 584 454	1 561 546	1 747 052	1 657 267	1 649 104	1 651 651	20 234 590	23 660 895	27 177 656
Water management	388 705	739 744	734 638	756 832	819 335	861 176	877 715	894 654	893 747	853 419	796 980	1 086 996	9 703 941	10 354 183	11 196 039
Waste water management	277 475	293 950	282 880	295 258	306 268	313 810	307 243	327 689	310 532	286 069	274 856	281 921	3 557 952	3 862 526	4 232 471
Waste management	170 092	170 092	170 092	170 092	170 092	170 092	170 092	170 092	170 092	170 092	170 092	170 092	2 041 107	2 156 368	2 331 407
Other	463	463	463	463	463	463	463	463	463	463	463	463	5 557	5 802	6 063
Total Revenue - Functional	4 433 661	5 877 740	5 130 849	4 682 070	4 701 064	5 702 412	4 775 102	4 951 709	5 986 053	4 896 886	4 853 694	5 415 839	61 407 079	67 460 497	74 441 389

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Description R thousand	Budget Year 2023/24												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Expenditure - Functional															
Governance and administration	125 376	251 646	183 806	191 522	278 121	196 209	200 883	228 348	205 870	213 772	197 965	608 743	2 882 260	3 055 895	3 286 302
Executive and council	13 239	12 942	12 508	12 755	15 725	12 784	12 587	13 174	13 239	13 415	13 523	21 409	167 299	158 501	152 285
Finance and administration	111 888	238 451	171 042	178 515	262 021	183 169	188 045	214 912	192 376	200 008	184 181	587 046	2 711 654	2 894 700	3 131 933
Internal audit	249	253	256	252	374	256	251	262	256	349	261	288	3 307	2 693	2 084
Community and public safety	932 786	1 052 794	1 075 156	1 094 453	1 387 539	1 123 817	1 135 653	1 130 758	1 145 806	1 117 146	1 150 166	1 625 615	13 971 690	14 668 194	15 329 503
Community and social services	134 650	147 734	150 462	162 418	215 913	158 009	161 181	164 117	163 228	162 393	167 085	217 934	2 005 124	2 131 413	2 254 788
Sport and recreation	140 973	155 531	162 683	169 941	206 983	189 079	202 663	180 880	182 249	173 367	179 742	223 132	2 167 225	2 251 803	2 358 937
Public safety	384 018	443 597	451 352	442 879	571 950	444 847	448 039	446 345	439 878	436 635	452 170	602 131	5 563 842	5 776 744	5 954 249
Housing	141 397	164 230	169 004	175 107	193 533	185 708	179 065	189 063	214 105	194 410	205 508	410 646	2 421 778	2 560 192	2 701 301
Health	131 747	141 703	141 653	144 108	199 160	146 173	144 705	150 353	146 346	150 341	145 659	171 772	1 813 721	1 948 042	2 060 228
Economic and environmental services	377 070	530 940	531 012	519 568	721 486	585 332	564 578	753 678	605 553	618 459	605 924	1 071 975	7 485 576	7 600 040	8 020 435
Planning and development	131 652	158 920	136 801	141 829	194 347	194 241	169 300	183 881	174 892	182 448	179 601	262 586	2 110 499	2 100 869	2 221 048
Road transport	214 563	337 100	361 292	341 498	483 992	356 274	357 346	532 461	392 408	395 949	385 963	763 727	4 922 573	5 060 381	5 323 457
Environmental protection	30 855	34 920	32 918	36 240	43 148	34 817	37 932	37 336	38 253	40 062	40 361	45 662	452 504	438 791	475 930
Trading services	1 027 713	3 232 607	3 459 002	2 708 163	2 958 891	2 638 099	2 657 370	2 751 477	2 729 728	2 779 551	2 640 567	4 956 011	34 539 177	38 777 091	43 489 606
Energy sources	469 828	2 103 441	2 251 710	1 492 050	1 520 775	1 433 382	1 391 837	1 490 466	1 450 401	1 482 426	1 400 004	3 107 420	19 593 739	22 880 760	26 349 290
Water management	246 022	650 633	675 354	674 569	765 889	706 674	722 500	746 433	747 034	731 514	701 387	1 118 512	8 486 521	9 016 035	9 737 498
Waste water management	265 970	361 125	363 723	387 956	459 699	345 981	387 712	357 612	385 429	417 735	391 645	499 704	4 624 291	4 985 638	5 326 724
Waste management	45 892	117 408	168 215	153 589	212 528	152 061	155 322	156 967	146 864	147 875	147 531	230 375	1 834 627	1 894 658	2 076 094
Other	22 963	10 103	12 386	23 763	14 148	12 863	23 910	13 581	10 766	24 986	17 238	26 529	213 236	213 530	220 747
Total Expenditure - Functional	2 485 908	5 078 090	5 261 361	4 537 468	5 360 185	4 556 319	4 582 394	4 877 843	4 697 723	4 753 914	4 611 861	8 288 873	59 091 939	64 314 751	70 346 594
Surplus/(Deficit) before assoc.	1 947 753	799 650	(130 512)	144 602	(659 121)	1 146 093	192 708	73 866	1 288 329	142 972	241 834	(2 873 033)	2 315 140	3 145 745	4 094 795
Intercompany/Parent subsidiary transactions	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit)	1 947 753	799 650	(130 512)	144 602	(659 121)	1 146 093	192 708	73 866	1 288 329	142 972	241 834	(2 873 033)	2 315 140	3 145 745	4 094 795

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

Description R thousand	Budget Year 2023/24												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Multi-year expenditure to be appropriated															
Vote 1 - Community Services & Health	2 096	4 460	13 154	14 567	21 918	20 120	18 723	57 440	72 901	49 964	58 847	116 678	450 869	396 361	417 105
Vote 2 - Corporate Services	930	14 845	39 160	33 234	36 793	24 666	32 568	41 569	63 061	81 891	93 295	159 769	621 779	727 212	2 372 964
Vote 3 - Economic Growth	–	1 250	1 960	3 040	7 385	1 065	7 133	13 323	15 613	11 713	15 923	13 114	91 520	89 058	107 625
Vote 4 - Energy	31 704	44 694	74 297	85 192	104 620	52 731	39 266	91 793	141 750	115 932	125 591	290 318	1 197 888	1 294 821	1 638 928
Vote 5 - Finance	–	1 700	3 731	2 580	3 153	23 549	2 434	1 900	7 606	4 080	2 900	8 649	62 282	64 304	70 990
Vote 6 - Future Planning & Resilience	1 671	2 109	2 041	2 503	2 065	1 803	1 245	2 813	895	654	959	497	19 253	17 230	7 930
Vote 7 - Human Settlements	10 494	28 922	36 624	33 087	51 344	120 043	48 846	131 317	82 187	40 535	47 548	149 508	780 455	843 779	867 673
Vote 8 - Office of the City Manager	–	72	103	629	103	83	7	105	232	4 099	100	5 935	11 467	77 374	1 442
Vote 9 - Safety & Security	–	3 385	21 292	11 985	95 426	24 247	14 223	78 345	78 457	48 240	59 677	8 238	443 515	463 252	397 639
Vote 10 - Spatial Planning & Environment	16 715	23 678	26 480	28 010	27 133	19 370	16 716	37 160	53 926	33 473	39 022	46 676	368 360	420 417	446 442
Vote 11 - Urban Mobility	–	93 608	121 892	165 451	162 303	141 793	87 786	115 608	194 259	192 655	226 879	423 131	1 925 365	2 824 237	3 574 735
Vote 12 - Urban Waste Management	9 547	58 181	53 428	55 041	47 735	26 195	23 134	72 674	89 811	96 532	51 682	129 694	713 655	329 583	462 203
Vote 13 - Water & Sanitation	128 917	187 245	201 351	325 545	325 131	269 751	268 548	402 254	516 392	606 506	509 716	559 927	4 301 283	6 439 048	7 771 863
Capital multi-year expenditure	202 073	464 148	595 512	760 864	885 108	725 418	560 629	1 046 301	1 317 090	1 286 274	1 232 139	1 912 134	10 987 689	13 986 676	18 137 540

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

Description R thousand	Budget Year 2023/24												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Capital Expenditure - Functional															
Governance and administration	3 222	44 983	73 637	81 347	109 599	50 749	57 258	154 532	214 403	209 088	175 940	395 257	1 570 015	1 736 185	3 144 569
Executive and council	–	72	191	–	50	447	75	25	204	200	253	159	1 676	2 567	4 236
Finance and administration	3 222	44 911	73 446	81 347	109 549	50 302	57 176	154 507	214 127	204 809	175 687	395 098	1 564 181	1 733 539	3 140 254
Internal audit	–	–	–	–	–	–	7	–	72	4 079	–	–	4 159	79	79
Community and public safety	12 490	33 687	63 567	54 418	142 328	173 011	75 488	236 108	193 290	121 656	161 500	234 421	1 501 963	1 406 062	1 553 785
Community and social services	996	2 210	5 209	5 221	5 160	5 289	3 891	11 899	16 939	6 704	12 069	22 963	98 550	102 954	199 673
Sport and recreation	1 000	2 100	6 745	8 252	15 139	32 293	15 223	34 842	50 720	40 060	45 783	55 165	307 321	171 725	237 995
Public safety	–	455	16 522	6 470	65 735	19 230	7 479	52 054	44 946	34 447	55 797	4 000	307 134	178 192	181 628
Housing	10 494	28 922	33 490	32 476	51 294	116 200	48 796	129 788	78 734	39 445	47 401	144 518	761 558	837 431	861 239
Health	–	–	1 600	2 000	5 000	–	100	7 525	1 950	1 000	450	7 775	27 400	115 760	73 250
Economic and environmental services	17 736	119 507	144 945	189 987	185 016	158 137	106 030	151 016	249 943	226 393	267 510	470 176	2 286 395	3 306 903	4 057 564
Planning and development	4 253	10 363	11 803	15 048	15 296	8 785	13 039	21 775	26 726	25 777	29 250	22 912	205 026	250 177	182 600
Road transport	–	93 608	116 492	158 951	154 053	137 743	82 636	106 968	186 143	184 005	217 879	416 031	1 854 510	2 803 768	3 559 909
Environmental protection	13 482	15 535	16 650	15 988	15 667	11 608	10 356	22 274	37 074	16 611	20 381	31 233	226 859	252 957	315 055
Trading services	168 625	265 970	312 388	433 978	447 073	342 489	320 902	503 695	658 417	728 095	626 240	811 322	5 619 194	7 537 274	9 380 048
Energy sources	31 704	44 694	74 297	85 192	104 120	52 231	38 766	90 293	141 250	115 432	124 091	279 318	1 181 388	1 292 321	1 636 428
Water management	12 723	43 509	60 899	75 299	67 156	48 516	58 713	81 719	132 142	143 232	132 725	204 083	1 060 718	1 799 917	2 142 987
Waste water management	114 650	139 109	134 666	239 406	245 422	215 674	200 295	303 140	352 180	434 059	342 250	259 533	2 980 384	4 314 741	5 337 717
Waste management	9 547	38 659	42 526	34 081	30 375	26 067	23 129	28 543	32 845	35 373	27 173	68 387	396 705	130 295	262 916
Other	–	–	975	1 134	1 093	1 032	950	950	1 037	1 042	950	958	10 121	252	1 575
Total Capital Expenditure - Functional	202 073	464 148	595 512	760 864	885 108	725 418	560 629	1 046 301	1 317 090	1 286 274	1 232 139	1 912 134	10 987 689	13 986 676	18 137 540
Funded by:															
National Government	42 412	148 547	178 726	196 914	195 359	256 809	110 231	285 476	284 846	216 742	247 821	496 340	2 660 223	3 394 264	4 241 747
Provincial Government	–	300	910	600	24 062	120	–	195	186	314	–	3 448	30 135	13 157	6 007
District Municipality	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educ Institutions)	2 060	5 593	6 384	6 755	6 538	6 051	4 529	5 914	6 778	7 686	9 441	18 072	85 801	133 220	157 612
Transfers recognised - capital	44 472	154 440	186 020	204 269	225 959	262 980	114 760	291 585	291 810	224 742	257 262	517 860	2 776 159	3 540 641	4 405 366
Borrowing	127 702	224 937	299 610	444 065	543 913	358 723	365 898	605 411	816 360	884 304	780 569	1 048 508	6 500 000	9 000 000	12 300 000
Internally generated funds	29 898	84 771	109 883	112 529	115 236	103 714	79 971	149 305	208 921	177 228	194 308	345 766	1 711 530	1 446 035	1 432 174
Total Capital Funding	202 073	464 148	595 512	760 864	885 108	725 418	560 629	1 046 301	1 317 090	1 286 274	1 232 139	1 912 134	10 987 689	13 986 676	18 137 540

Table 60 - MBRR Table SA30 - Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2023/24												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Cash Receipts By Source															
Property rates	988 685	1 098 632	1 021 923	1 069 253	1 001 509	1 025 347	981 114	980 373	1 020 137	973 733	829 105	784 715	11 774 525	12 493 664	13 468 293
Service charges - electricity revenue	1 763 016	1 937 974	1 890 718	1 793 685	1 642 457	1 648 988	1 577 036	1 532 985	1 808 767	1 307 396	1 357 304	1 360 480	19 620 806	22 981 998	26 429 296
Service charges - water revenue	338 538	324 008	339 072	363 639	351 196	345 318	341 305	407 226	425 090	358 593	305 827	318 810	4 218 623	4 584 981	5 011 068
Service charges - sanitation revenue	164 948	174 999	180 547	194 900	188 973	182 522	181 572	195 980	229 075	183 638	164 246	171 046	2 212 445	2 406 255	2 616 081
Service charges - refuse revenue	110 819	109 418	106 929	115 511	116 327	116 772	102 217	112 937	111 921	105 291	88 328	89 138	1 285 607	1 384 965	1 486 271
Rental of facilities and equipment	23 406	28 593	26 281	25 936	31 053	29 137	29 244	25 706	26 988	24 804	19 441	52 098	342 687	353 466	365 837
Interest earned - external investments	100 508	94 595	90 574	101 978	100 015	99 244	105 997	95 361	106 954	110 101	88 064	100 122	1 193 514	1 035 487	880 214
Interest earned - outstanding debtors	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Dividends received	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits	24 342	24 516	26 950	29 869	28 945	27 089	23 384	23 762	24 668	19 110	18 841	20 200	291 676	293 950	296 377
Licences and permits	4 475	8 011	6 121	8 291	8 140	7 835	5 720	6 320	5 337	5 554	3 342	7 695	76 840	80 221	83 831
Agency services	16 608	29 732	22 717	30 774	30 212	29 080	21 232	23 458	19 807	20 613	12 404	28 562	285 197	299 365	314 254
Transfers and Subsidies - Operational	2 179 059	170 239	68 096	102 143	1 361 912	1 021 434	204 287	476 669	1 225 721	–	–	–	6 809 560	6 958 864	7 410 322
Other revenue	–	–	–	–	–	–	–	–	–	–	–	3 595 382	3 595 382	3 760 189	3 934 715
Cash Receipts by Source	5 714 403	4 000 716	3 779 928	3 835 981	4 860 738	4 532 766	3 573 108	3 880 777	5 004 464	3 108 833	2 886 901	6 528 246	51 706 862	56 633 406	62 296 559
Other Cash Flows by Source															
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	1 304 795	–	–	55 523	582 993	277 616	–	–	555 232	–	–	–	2 776 159	3 540 641	4 405 366
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educ Institutions)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Proceeds on Disposal of Fixed and Intangible Assets	–	–	–	–	–	–	–	–	–	–	–	59 393	59 393	61 953	64 684
Short term loans	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing	–	–	–	–	–	–	–	–	–	–	–	6 500 000	6 500 000	9 000 000	12 300 000
Increase (decrease) in consumer deposits	–	–	–	–	–	–	–	–	–	–	–	30 009	30 009	29 215	29 395
Decrease (increase) in non-current receivables	–	–	–	–	–	–	–	–	–	–	–	863	863	14	14
Decrease (increase) in non-current investments	–	–	–	–	–	–	–	–	–	–	–	909 552	909 552	1 859 336	–
Total Cash Receipts by Source	7 019 198	4 000 716	3 779 928	3 891 504	5 443 732	4 810 382	3 573 108	3 880 777	5 559 696	3 108 833	2 886 901	14 028 063	61 982 838	71 124 566	79 096 018

Table continues on next page

MONTHLY CASH FLOWS	Budget Year 2023/24												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand															
Cash Payments by Type															
Employee related costs	1 390 854	1 444 682	1 457 812	1 528 687	2 252 226	1 577 045	1 528 676	1 548 432	1 502 364	1 564 434	1 250 962	1 217 289	18 263 464	19 255 034	20 436 247
Remuneration of councillors	15 921	17 114	15 997	15 980	15 559	15 750	15 941	18 344	16 366	16 359	13 215	14 354	190 901	199 491	208 468
Interest	22 883	–	134 685	–	146 847	69 690	20 340	–	132 151	–	141 044	69 690	737 329	1 259 772	1 921 449
Bulk purchases - electricity	1 591 998	1 509 401	1 826 238	1 193 185	1 062 842	1 222 512	972 468	1 027 007	981 018	1 042 716	789 889	879 826	14 099 100	16 926 356	19 743 055
Acquisitions - water & other inventory	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Contracted services	1 430 511	590 313	685 784	807 627	790 356	944 265	576 582	639 365	811 677	891 902	501 154	644 176	9 313 712	9 502 740	9 787 717
Transfers and subsidies - other municipalities	57 108	23 566	27 377	32 242	31 552	37 696	23 018	25 524	32 403	35 606	20 007	25 716	371 815	340 171	375 439
Transfers and subsidies - other	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other expenditure	806 367	332 754	386 571	455 253	445 517	532 274	325 014	360 404	457 536	502 758	282 496	363 117	5 250 060	5 454 023	5 720 305
Cash Payments by Type	5 315 642	3 917 830	4 534 465	4 032 973	4 744 899	4 399 232	3 462 038	3 619 076	3 933 515	4 053 776	2 998 768	3 214 168	48 226 381	52 937 587	58 192 680
Other Cash Flows/Payments by Type															
Capital assets	202 073	464 148	595 512	760 864	885 108	725 418	560 629	1 046 301	1 317 090	1 286 274	1 232 139	1 912 134	10 987 689	13 986 676	18 137 540
Repayment of borrowing	50 000	–	79 481	–	109 600	–	50 000	–	79 481	–	109 600	1 200 000	1 678 161	2 911 495	1 511 495
Other Cash Flows/Payments	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Cash Payments by Type	5 567 714	4 381 978	5 209 457	4 793 837	5 739 607	5 124 650	4 072 667	4 665 377	5 330 085	5 340 050	4 340 507	6 326 301	60 892 232	69 835 758	77 841 715
NET INCREASE/(DECREASE) IN CASH HELD	1 451 483	(381 262)	(1 429 530)	(902 332)	(295 875)	(314 268)	(499 559)	(784 600)	229 611	(2 231 217)	(1 453 606)	7 701 761	1 090 606	1 288 808	1 254 303
Cash/cash equivalents at the month/year begin:	7 455 368	8 906 851	8 525 589	7 096 059	6 193 727	5 897 852	5 583 584	5 084 025	4 299 425	4 529 035	2 297 818	844 212	7 455 368	8 545 973	9 834 781
Cash/cash equivalents at the month/year end:	8 906 851	8 525 589	7 096 059	6 193 727	5 897 852	5 583 584	5 084 025	4 299 425	4 529 035	2 297 818	844 212	8 545 973	8 545 973	9 834 781	11 089 084

2.12 Annual budgets – internal departments

2.12.1 Community Services & Health (Vote 1)

With the aim of supporting the “Giving Hope” vision of the City, the Community Services & Health Directorate (CSH) contributes to the health and well-being of communities and individuals through the provision of a range of community and health facilities, spaces and services, as well as developmental programmes in support of enabling social inclusion.

The work of the Directorate supports the three top tier priorities, the three secondary priorities and the three foundations of the 2022-2027 term of office IDP, and leads in certain objectives as well as a number of programmes of same. It is also informed by the Strategic Management Framework in planning, implementing and reporting.

Through the Directorate’s departments, the broad social challenges and needs are addressed by providing and maintaining a holistic and integrated range of mandated, as well as discretionary, community facilities, functions, services and developmental programmes, including but not limited to, those mentioned below. The ability to deliver services is resource dependent, and the Directorate continues to assess and prioritise resources and capacity against needs, in order to influence future decision making. This includes assessing the delivery of services with ever decreasing budgets and ever increasing vandalism such as the possible unfortunate closure of a number of facilities.

- Delivering a comprehensive primary health care service, including personal primary health care (child health, maternal and women health, non- communicable diseases, and adult curative care in some larger facilities), matrix and men’s clinics sites as well as municipal health care (also referred to as Environmental Health Services).
- Providing access to the services and resources required for informational, educational, cultural, and recreational needs through a free public library service, which includes spaces and programmes for social development.
- Providing attractive, safe, accessible and sustainable community facilities and spaces where the citizens of Cape Town can engage in active and passive recreation.
- Providing cemeteries and crematoria, which are an integral part of a dignified and efficient interment service.
- Horticultural services at City facilities.
- Community engagements and social preparation.
- Providing a number of targeted community services programmes focusing on substance abuse, homelessness, youth development, early childhood development, poverty alleviation, gender support, and vulnerable groups.
- Developing, implementing and maintaining community orientated arts, culture and heritage programmes, services, infrastructure and partnerships.
- Maintaining/upgrading community service facilities that are planned and developed in a joint and integrated manner with internal- and external partners, and in areas of greatest need, including integrated facilities in informal settlements.

Changes to service levels and standards over the MTREF

There are no material changes in trends for the Directorate over the MTREF period.

Prior year performance – 2021/22 financial year

The Directorate achieved the following financial indicators in the 2021/22 financial year:

- Capital spend: 91.2% (target 90%)
- Operating spend: 95.7% (target 95%)
- Repairs and maintenance spend: 113.5% (target 95%)
- Training budget spend: 99.4% (target 95%)

Risks to achieving revenue projections, any expected major shifts in revenue patterns and any planned alternative sources of revenue

Management, with the assistance of Integrated Risk Management (IRM), have applied their minds and due care is taken to ensure that risks, which could impact on the Directorate not achieving its objectives are identified, addressed and managed in accordance with the City's approved IRM Policy and Framework. Risk registers are utilised as a management tool in order to manage identified risks of the Directorate. The risks identified and rated equal to or above the Council approved risk acceptance level is reported to the Executive Management Team (EMT).

Major features of expenditure including discretionary- and non-discretionary expenditure

The Directorate's major categories of expenditure will include:

- Repairs and maintenance of community- and health facilities;
- Primary health care;
- Security services to secure facilities and staff;
- Ward allocation projects;
- EPWP projects; and
- Various community based programmes.

Capital Plan: Directorate capital programme

Significant capital projects to be undertaken over the MTREF period include, but are not limited to:

- IT modernisation;
- Cemeteries and Maitland Crematorium upgrades;
- Swimming pool redevelopment and upgrades;
- Integrated recreation & parks facilities;
- CSH facility upgrades;
- Lwandle community library upgrade;
- Precast concrete walls for Avonwood-, Lenteguur-, Salberau- and Florida Park sports ground;
- Integrated CSH precincts;
- Strandfontein clubhouse development;
- Velodrome stadium upgrade;
- Khayelitsha Site B synthetic pitch;
- Street people facility development; and
- Retreat homeless accommodation.

Table 61 - Community Services & Health (Vote 1) - operating revenue by source, expenditure by type and total capital expenditure

Directorate: Community Services & Health									
Budgeted Financial Performance (revenue and expenditure)									
Description	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Revenue									
Exchange Revenue	45 980	38 829	46 248	53 038	53 038	53 038	55 061	57 489	60 081
Service charges - Electricity	–	–	–	53	53	53	61	68	77
Service charges - Water	–	–	–	–	–	–	–	–	–
Service charges - Waste Water Management	–	–	–	–	–	–	–	–	–
Service charges - Waste Management	–	–	–	–	–	–	–	–	–
Sales of Goods and Rendering of Services	35 272	33 980	38 035	39 762	39 762	39 762	41 707	43 542	45 501
Agency services	–	–	–	–	–	–	–	–	–
Interest	–	–	–	–	–	–	–	–	–
Interest earned from Receivables	64	104	130	–	–	–	–	–	–
Interest earned from Current and Non Current Assets	–	–	–	–	–	–	–	–	–
Dividends	–	–	–	–	–	–	–	–	–
Rent on Land	–	–	–	–	–	–	–	–	–
Rental from Fixed Assets	8 452	2 765	5 595	10 795	10 795	10 795	11 293	11 790	12 320
Licences and permits	156	3	3	73	73	73	76	80	83
Operational Revenue	2 036	1 978	2 485	2 355	2 355	2 355	1 925	2 009	2 100
Non-Exchange Revenue	777 864	1 075 611	963 239	903 053	880 316	880 316	888 189	913 791	958 778
Property rates	–	–	–	–	–	–	–	–	–
Surcharges and Taxes	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits	8 281	5 437	1 584	3 209	3 209	3 209	2 466	2 575	2 691
License and permits	208	203	264	177	177	177	185	193	202
Transfers and subsidies - Operational	769 315	1 064 241	960 760	899 668	876 931	876 931	885 537	911 023	955 885
Interest	–	–	–	–	–	–	–	–	–
Fuel Levy	–	–	–	–	–	–	–	–	–
Operational Revenue	–	–	–	–	–	–	–	–	–
Gains on disposal of Assets	61	5 729	630	–	–	–	–	–	–
Other Gains	–	–	–	–	–	–	–	–	–
Discontinued Operations	–	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)	823 844	1 114 440	1 009 487	956 091	933 354	933 354	943 250	971 280	1 018 858
Expenditure									
Employee related costs	2 293 869	2 539 824	2 534 669	2 605 334	2 608 727	2 606 561	2 717 567	2 891 835	3 077 355
Remuneration of councillors	(2)	–	–	–	–	–	–	–	–
Bulk purchases - electricity	–	–	–	–	–	–	–	–	–
Inventory consumed	362 305	434 335	399 719	572 542	506 541	507 436	520 672	560 082	585 764
Debt impairment	1 020	830	2 719	–	–	–	–	–	–
Depreciation & amortisation	156 559	186 880	188 357	187 214	195 854	195 854	205 445	227 356	243 980
Interest	2 429	22	–	227	227	227	227	227	227
Contracted services	779 160	920 742	870 518	934 875	942 758	943 552	1 062 976	1 048 305	1 074 927
Transfers and subsidies	52 642	47 894	44 426	19 981	19 981	19 981	24 980	24 980	24 980
Irrecoverable debts written off	–	–	–	–	–	–	–	–	–
Operational cost	94 690	89 419	89 452	115 396	114 557	115 033	117 548	121 407	127 177
Losses on disposal of Assets	823	463	1 039	10	10	10	10	10	10
Other Losses	–	–	–	–	–	–	–	–	–
Total Expenditure	3 743 494	4 220 408	4 130 899	4 435 579	4 388 653	4 388 653	4 649 424	4 874 201	5 134 420
Surplus/(Deficit)	(2 919 650)	(3 105 968)	(3 121 412)	(3 479 488)	(3 455 299)	(3 455 299)	(3 706 174)	(3 902 921)	(4 115 562)
Transfers & subsidies - capital monetary	90 635	103 511	96 365	77 304	77 486	77 486	123 666	91 613	77 685
Transfers & subsidies capital in-kind	49	1 964	48	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	(2 828 966)	(3 000 493)	(3 024 999)	(3 402 184)	(3 377 813)	(3 377 813)	(3 582 508)	(3 811 308)	(4 037 877)
Income Tax	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after income tax	(2 828 966)	(3 000 493)	(3 024 999)	(3 402 184)	(3 377 813)	(3 377 813)	(3 582 508)	(3 811 308)	(4 037 877)
Share of Surplus/Deficit attributable to Joint Venture	–	–	–	–	–	–	–	–	–
Share of Surplus/Deficit attributable to Minorities	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality	(2 828 966)	(3 000 493)	(3 024 999)	(3 402 184)	(3 377 813)	(3 377 813)	(3 582 508)	(3 811 308)	(4 037 877)
Share of Surplus/Deficit attributable to Associate	–	–	–	–	–	–	–	–	–
Intercompany/Parent subsidiary transactions	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	(2 828 966)	(3 000 493)	(3 024 999)	(3 402 184)	(3 377 813)	(3 377 813)	(3 582 508)	(3 811 308)	(4 037 877)
Capital Expenditure	283 453	294 831	272 395	244 533	267 938	263 402	450 869	396 361	417 105

2.12.2 Corporate Services (Vote 2)

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

The Corporate Services Directorate consists of the following departments:

- **Executive and Council Support Operations Department**

The Department drives the provision of inter alia, strategic, specialised and operational support services to Council, Councillors and its committees, the body politic, and the designated role players in the City's decision-making processes. The Department oversees, drives, and leads the provision of the strategic and specialised transversal support services, and sets the direction for the functions that reside within the Directorate. To operationalise its business offering, the Department facilitates the interface between the executive decision-making structures, inter alia, councillors, the Speaker, the Executive Mayor, Executive Deputy Mayor, Mayoral Committee members, the Chief Whip, all committee chairpersons, the City Manager, the Executive Management Team and the organisation as a whole, as well as other spheres of government.

The Department also provides a dedicated specialised support services to councillors and the Junior City Council (JCC), which include, inter alia, human resources, finance- and general administration services, and ensures that councillors are capacitated and developed in order to deliver on their mandates. In line with the implementation of the City's Language Policy, which includes the promotion of multilingualism, the department drives the provision of translations and interpreting services and other language services-related functions. The Department also drives the mandate of creating and maintaining a corporate records management system and keeping culture through the management of Citywide transversal administrative registry support services as well as logistical printing services.

- **Fleet Management Department**

The main function of this Department is to provide a comprehensive fleet management service to fulfil the City's vehicles, plant and workshop requirements, and to perform as a strategic partner to aid and support critical service delivery. Approximately 5300 fleet (vehicles and plant equipment) is managed by this section, which is responsible for:

- Ensuring availability of fleet;
- Procuring and disposing of fleet;
- Repairs and maintenance of fleet;
- On-road fuelling of fleet and fuel management initiatives;
- Private hire management of fleet;
- Legislative- and regulatory compliance;
- Fleet tracking, monitoring and utilisation;
- Accident management; and
- Business and financial planning.

- **Facilities Management Department**

The Facilities Management Department provides a facilities management and maintenance service and implements a systematic approach to effectively maintain the performance of assets by procuring multi-disciplinary building services, ensuring statutory compliance, overseeing quality assurance and setting norms and standards that improves the lifecycle of the asset. The department also provides a repairs and maintenance services as follows:

- Corporate building portfolio - 77 complexes comprising of 157 buildings;
- Community Services & Health - 128 clinics, 102 libraries, and 69 Social Development Early Childhood Development (SDECD) centres;
- Safety & Security - 31 fire stations, 19 metro police offices, 31 traffic centres, 54 law enforcement offices;
- Corporate Services - 11 municipal courts;
- Corporate Finance: SCM - 19 stores; and
- The Leased-out Improved Property Portfolio Maintenance (LOIPPM) focusses on 976 residential and 158 commercial immovable assets, approximately 3000 open space/vacant erven and procures security services to safeguard vacant properties pre-and post-occupancy.

The department, furthermore, provides a Transversal Facilities Management service via the facilitation of period tenders and contracts, project management, contract security management to building infrastructure as well as the provision of a quality assurance role in the built environment.

- **Human Resources Department**

The Human Resources Department ensures proper resourcing of the organisation to enable an efficient and productive administration that prioritises service delivery. The City's Human Resource Strategy is aimed at delivering the right people, with the right skills, at the right place and time. It is about ensuring the correct alignment of people with business needs. This provides value-added results as it improves service delivery within pre-determined budget parameters.

- **Information Systems & Technology (IS&T) Department**

The IS&T department provides Information and Communication Technologies (ICT) services within the City and thereby improves services to officials, citizens, visitors and other stakeholders through implementation of relevant technology tools fit for business needs. As a strategic partner to Council and its various business lines, it aims to be a catalyst for the transformation of public services and to continue enabling the City to become a more efficient and effective local government authority. As a technology leader, the IS&T Department positions itself as a dependable and trusted change agent serving to the forefront of technological progress and innovation in order to render the City more sustainable for all its stakeholders.

- **Information and Knowledge Management Department**

The Department provides corporate guidance and standards in the fields of records management, geographic information systems (GIS) and data governance to City departments in order to improve the management, sharing and retention of information across the organisation. The Department also provides specialised services i.e. geographic data management, geospatial data acquisition including aerial imagery, map production, 3D modelling, and information and records management services to City departments. Information is made available to City departments and the public through the City Maps office as well as the open data portal and GIS viewers available on the City's website.

- **Citizen Interface Department**

This Department renders strategic, operational and specialist support to the decision-making structures within the City through its subcouncil governance structures and ward participatory systems. It further ensures that the transversal management of line functions are facilitated, coordinated, monitored, and executed to provide integrated customer focused service delivery, programmes, projects and support to political structures, line departments and communities.

The Public Participation Unit (PPU) is responsible for co-ordinating, planning and advising on all public participation conducted by the administration. The PPU standard operating procedure (SOP) for public participation provides guidance in terms of all public participation processes. The SOP outlines the procedures, which should be followed by staff, for the management and administration of public participation conducted by the City. The process of public participation is not just confined to soliciting input on legislated processes of municipal administration but also entails any opportunity to meaningfully interact with the public to improve service delivery.

The Customer Relations branch provides an effective and efficient customer relations service to the City's customers to address their requirements in terms of access to municipal service delivery thereby creating a positive image of the City. Customer experience is at the core of the Department's mandate; understanding what matters the most to the City's customers and then designing the best possible experience around them. Customer Relations focuses on delivering services and initiatives to enable a customer-centric culture, customer satisfaction measurement, service improvement and technology enablement. The Department is also responsible for monitoring and reporting on the City-wide adherence to service request standards.

Changes to service levels and standards over the MTREF

All departments within the Directorate, with the exception of the Customer Relations Department, are internally focused. The Customer Relations Department uses call-taking and service request statistics to manage the level of services provided to City customers. In the absence of proper benchmarking, the percentage of dropped calls are managed downwards, which serves as a measure of improving the level of services year-on-year.

Prior year performance - 2021/22 financial year

The Directorate achieved the following financial indicators against the said targets:

- Capital spend: 95.0% (target: 90%)
- Operating spend 101.5% (target: 95%) [due to the corporate provision for Post-Retirement Medical Aid (PRMA)]
- Repairs and maintenance spend: 130.4% (target: 95%)
- Training budget spend: 87.4% (target: 95%)

The above outcomes illustrate that the Directorate manages its finances closely in order to achieve its targets as reflected in the SDBIP.

Risks to achieving revenue projections, any expected major shifts in revenue patterns and any planned alternative sources of revenue

The major sources of revenue generated by the Corporate Services Directorate are:

- Grant Funding as per the Division of Revenue Act
- Service Charges from the rental of spare capacity in the City's Broadband Project
- LGSeta – claims for prior year training costs incurred

Only the service charges generated from hiring out spare capacity in the City's Broadband Project is demand driven and dependent on market forces. Even though the expansion of the Broadband Project has resulted in no new infrastructure being implemented, the existing external users to the system remain unchanged and therefore no significant reduction in revenue is anticipated.

Historically, the other two major sources of revenue increased year-on-year. The City has no influence in determining the City's allocations in terms of these two funding sources.

Table 62 - Corporate Services (Vote 2) - operating revenue by source, expenditure by type and total capital expenditure

Directorate: Corporate Services									
Budgeted Financial Performance (revenue and expenditure)									
Description	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Revenue									
Exchange Revenue	47 774	42 717	54 500	50 304	48 661	48 661	51 045	53 291	55 689
Service charges - Electricity	–	–	–	–	–	–	–	–	–
Service charges - Water	–	–	–	–	–	–	–	–	–
Service charges - Waste Water Management	–	–	–	–	–	–	–	–	–
Service charges - Waste Management	–	–	–	–	–	–	–	–	–
Sales of Goods and Rendering of Services	235	68	144	198	198	198	207	216	226
Agency services	–	–	–	–	–	–	–	–	–
Interest	–	–	–	–	–	–	–	–	–
Interest earned from Receivables	35	33	35	–	–	–	–	–	–
Interest earned from Current and Non Current Assets	–	–	–	–	–	–	–	–	–
Dividends	–	–	–	–	–	–	–	–	–
Rent on Land	–	–	–	–	–	–	–	–	–
Rental from Fixed Assets	539	399	312	973	973	973	1 020	1 065	1 113
Licences and permits	288	–	0	–	–	–	–	–	–
Operational Revenue	46 678	42 218	54 008	49 134	47 491	47 491	49 818	52 010	54 350
Non-Exchange Revenue	24 235	27 875	29 954	19 213	20 574	20 574	16 511	18 868	19 749
Property rates	–	–	–	–	–	–	–	–	–
Surcharges and Taxes	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits	2 137	1 352	169	–	–	–	–	–	–
License and permits	–	–	–	–	–	–	–	–	–
Transfers and subsidies - Operational	11 914	10 119	11 510	11 480	10 842	10 842	8 400	10 400	10 900
Interest	–	–	–	–	–	–	–	–	–
Fuel Levy	–	–	–	–	–	–	–	–	–
Operational Revenue	–	–	–	–	–	–	–	–	–
Gains on disposal of Assets	10 184	16 404	18 274	7 733	9 733	9 733	8 111	8 468	8 849
Other Gains	–	–	–	–	–	–	–	–	–
Discontinued Operations	–	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)	72 009	70 592	84 454	69 516	69 235	69 235	67 557	72 160	75 439
Expenditure									
Employee related costs	1 300 790	1 887 207	1 390 514	1 723 789	1 528 625	1 529 167	1 762 131	1 890 925	2 125 779
Remuneration of councillors	166 081	164 972	163 713	174 617	179 604	179 604	189 303	197 822	206 724
Bulk purchases - electricity	–	–	–	–	–	–	–	–	–
Inventory consumed	53 885	52 581	69 004	(55 633)	17 630	23 391	(30 972)	(34 096)	(38 150)
Debt impairment	(4)	315	97	–	–	–	–	–	–
Depreciation & amortisation	343 844	379 535	414 670	456 773	452 844	452 844	502 313	494 556	501 736
Interest	–	–	–	–	–	–	–	–	–
Contracted services	463 386	483 560	553 962	563 433	576 100	573 882	582 227	595 554	620 205
Transfers and subsidies	1 280	16 176	1 253	2 466	3 255	3 255	4 735	4 735	4 735
Irrecoverable debts written off	–	–	–	–	–	–	–	–	–
Operational cost	352 419	440 948	362 775	534 392	464 268	460 195	813 579	913 814	941 198
Losses on disposal of Assets	1 862	880	2 934	133	133	134	133	133	133
Other Losses	–	–	–	–	–	–	–	–	–
Total Expenditure	2 683 543	3 426 175	2 958 923	3 399 970	3 222 459	3 222 472	3 823 449	4 063 443	4 362 360
Surplus/(Deficit)	(2 611 534)	(3 355 583)	(2 874 469)	(3 330 453)	(3 153 224)	(3 153 237)	(3 755 892)	(3 991 283)	(4 286 921)
Transfers & subsidies - capital monetary	–	863	1 553	1 000	1 062	1 062	684	600	600
Transfers & subsidies capital in-kind	–	–	2 000	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	(2 611 534)	(3 354 721)	(2 870 915)	(3 329 453)	(3 152 162)	(3 152 174)	(3 755 209)	(3 990 683)	(4 286 321)
Income Tax	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after income tax	(2 611 534)	(3 354 721)	(2 870 915)	(3 329 453)	(3 152 162)	(3 152 174)	(3 755 209)	(3 990 683)	(4 286 321)
Share of Surplus/Deficit attributable to Joint Venture	–	–	–	–	–	–	–	–	–
Share of Surplus/Deficit attributable to Minorities	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality	(2 611 534)	(3 354 721)	(2 870 915)	(3 329 453)	(3 152 162)	(3 152 174)	(3 755 209)	(3 990 683)	(4 286 321)
Share of Surplus/Deficit attributable to Associate	–	–	–	–	–	–	–	–	–
Intercompany/Parent subsidiary transactions	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	(2 611 534)	(3 354 721)	(2 870 915)	(3 329 453)	(3 152 162)	(3 152 174)	(3 755 209)	(3 990 683)	(4 286 321)
Capital Expenditure	517 315	444 557	414 336	396 319	443 776	439 933	621 779	727 212	2 372 964

2.12.3 Economic Growth (Vote 3)

The growth agenda for the Economic Growth (EG) Directorate is to improve Cape Town's economic climate and establish it as an attractive investment destination by leveraging its immovable property assets to enable sustained economic growth.

The Directorate also engages in the complete asset lifecycle management including the phases of planning, acquisition, holding and disposal. Due to the fact that the City has a substantial portfolio of assets, the efficient and effective distribution and management of these assets are critical to the sustained service delivery objectives of the City and the community it serves.

The Directorate is made up of the following departments:

- **Enterprise and Investment Department**

The broad aim of the Department is to play an enabling role in the Cape Town economy ensuring that a conducive economic environment is created for businesses to flourish thereby creating much needed employment opportunities. In seeking to achieve such a goal, the Department looks to identify and address current constraints holding back economic growth. In addition, it seeks to grow the economy through stimulating demand by working with our strategic partners in promoting the destination internationally, with a specific focus on our key tradable sectors. In addition, the Department also focuses on programmes and interventions that can build a more inclusive Cape Town economy. This last objective has been significantly strengthened through the recent incorporation of the Area Economic Development branches into the department that focuses on informal trading and supporting the local economies in the various precincts of Cape Town.

- **Property Management Department**

The purpose of this Department is to ensure a sustained and cost effective real estate, property development and immovable property asset management functionality. Property Management as the custodian of immovable property is responsible for the oversight of the deployment, use and performance of all immovable property assets, acquisition of immovable property assets required for infrastructure and service delivery purposes as well as disposal of immovable property assets no longer required for delivery of basic municipal services.

- **Proposed New Department - Property Development Department**

The purpose of this Department is to drive and implement the short to medium term property development value chain through all pre- and post-development stages and to extract substantial socio-economic value from a select portfolio of property assets.

- **Strategic Assets Department**

This Department consist of a portfolio of strategic assets of high economic, environmental and heritage value, which require an asset specific management model. The purpose of the Department is to optimally utilise these key assets to position Cape Town on a global platform, act as an enabler and leverage the City's tourism, travel, events and investment strategies and to ensure that entrepreneurs and cultural partners have a world-class venue to use, perform and showcase their talents.

Changes to service levels and standards over the MTREF

There are no material changes in revenue trends over the MTREF period for the Directorate.

Prior year performance – 2021/22 financial year

The Directorate achieved the following financial indicators against said targets:

- Capital spend: 94.9% (target: 90%)
- Operating spend 81.5% (target: 95%)
(Target missed as a result of tranche payments for the National Skills Fund (NSF) project not being received as initially anticipated due to protracted administration processes.)
- Training budget spend: 99.1% (target: 90%)

These outcomes illustrate that the Directorate manages its finances closely in order to achieve its targets as reflected in the SDBIP.

Risks to achieving revenue projections, any expected major shifts in revenue patterns and any planned alternative sources of revenue

The Directorate does not foresee any risks in achieving revenue projections or expect any major shifts in revenue patterns. No planned alternative sources of revenue are anticipated in the short-term. The biggest revenue sources currently are from the Profit on the Sale of Assets (land sales) and the rental generated from properties leased out by the Property Management Department.

Major features of expenditure including discretionary and non-discretionary expenditure

The Directorate's major expenditure categories include:

- Salaries and wages;
- Contracted Services; and
- Transfers and Subsidies.

Directorate Capital Programme

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

- Athlone Stadium Upgrade Phase 4;
- Construct: Market, Wallacedene Kraaifontein;
- Construct: Somerset West Market;
- Construct: Trading Structures, Gatesville;
- Construct: Thembokwezi Market, Khayelitsha;
- Develop: Gateway Market, Masiphumelele;
- Develop: Mechanics Facility, Masiphumelele;
- Develop: Market, Pelican Park;
- Good Hope Centre Upgrade Phase 1; and
- Upgrade: Track infrastructure, Green Point Athletic Stadium.

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

Directorate: Economic Growth									
Budgeted Financial Performance (revenue and expenditure)									
Description	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Revenue									
Exchange Revenue	213 198	187 779	202 877	178 570	178 570	178 570	202 463	211 390	220 928
Service charges - Electricity	–	–	–	–	–	–	–	–	–
Service charges - Water	551	620	610	635	635	635	709	758	819
Service charges - Waste Water Management	–	–	25	–	–	–	–	–	–
Service charges - Waste Management	–	–	–	–	–	–	–	–	–
Sales of Goods and Rendering of Services	3 933	7 266	4 085	5 712	5 712	5 712	6 016	6 281	6 563
Agency services	–	–	–	–	–	–	–	–	–
Interest	–	–	–	–	–	–	–	–	–
Interest earned from Receivables	276	240	63	–	–	–	–	–	–
Interest earned from Current and Non Current Assets	226	541	4	–	–	–	–	–	–
Dividends	–	–	–	–	–	–	–	–	–
Rent on Land	–	–	–	–	–	–	–	–	–
Rental from Fixed Assets	206 743	150 037	198 736	172 146	172 146	172 146	195 658	204 267	213 459
Licences and permits	–	–	–	–	–	–	–	–	–
Operational Revenue	1 469	29 076	(646)	76	76	76	80	84	87
Non-Exchange Revenue	39 257	47 944	34 477	65 873	77 421	77 421	58 017	39 519	41 297
Property rates	–	–	–	–	–	–	–	–	–
Surcharges and Taxes	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits	1 666	123	49	–	–	–	–	–	–
License and permits	–	–	–	–	–	–	–	–	–
Transfers and subsidies - Operational	1 322	16 030	20 588	29 788	41 336	41 336	20 163	–	–
Interest	–	–	–	–	–	–	–	–	–
Fuel Levy	–	–	–	–	–	–	–	–	–
Operational Revenue	–	–	–	–	–	–	–	–	–
Gains on disposal of Assets	36 270	31 791	13 839	36 085	36 085	36 085	37 853	39 519	41 297
Other Gains	–	–	–	–	–	–	–	–	–
Discontinued Operations	–	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)	252 455	235 723	237 354	244 442	255 990	255 990	260 479	250 908	262 225
Expenditure									
Employee related costs	227 492	252 866	246 087	287 074	270 854	270 854	305 251	320 811	341 411
Remuneration of councillors	(3)	–	–	–	–	–	–	–	–
Bulk purchases - electricity	–	–	–	–	–	–	–	–	–
Inventory consumed	2 917	1 462	2 465	2 343	2 651	2 643	3 100	3 145	3 195
Debt impairment	15 677	15 123	17 830	(3 481)	(3 481)	(3 481)	(3 707)	(3 395)	(3 061)
Depreciation & amortisation	23 771	24 715	26 205	28 123	31 558	31 558	32 968	36 325	35 415
Interest	9	41	946	–	–	–	–	–	–
Contracted services	162 841	142 640	103 004	136 350	165 765	168 705	144 950	142 714	144 186
Transfers and subsidies	124 361	115 540	135 609	125 978	136 775	136 775	123 248	108 521	105 921
Irrecoverable debts written off	4 138	8 710	10 892	10 807	10 807	10 807	10 807	10 807	10 807
Operational cost	72 722	47 850	33 648	46 954	42 419	39 487	44 153	43 774	43 849
Losses on disposal of Assets	118	24	43	–	–	–	–	–	–
Other Losses	–	–	–	–	–	–	–	–	–
Total Expenditure	634 042	608 972	576 728	634 148	657 347	657 347	660 768	662 702	681 722
Surplus/(Deficit)	(381 587)	(373 248)	(339 374)	(389 706)	(401 357)	(401 357)	(400 289)	(411 794)	(419 497)
Transfers & subsidies - capital monetary	–	–	–	–	–	–	–	–	–
Transfers & subsidies capital in-kind	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	(381 587)	(373 248)	(339 374)	(389 706)	(401 357)	(401 357)	(400 289)	(411 794)	(419 497)
Income Tax	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after income tax	(381 587)	(373 248)	(339 374)	(389 706)	(401 357)	(401 357)	(400 289)	(411 794)	(419 497)
Share of Surplus/Deficit attributable to Joint Venture	–	–	–	–	–	–	–	–	–
Share of Surplus/Deficit attributable to Minorities	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality	(381 587)	(373 248)	(339 374)	(389 706)	(401 357)	(401 357)	(400 289)	(411 794)	(419 497)
Share of Surplus/Deficit attributable to Associate	–	–	–	–	–	–	–	–	–
Intercompany/Parent subsidiary transactions	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	(381 587)	(373 248)	(339 374)	(389 706)	(401 357)	(401 357)	(400 289)	(411 794)	(419 497)
Capital Expenditure	26 971	83 740	32 682	33 748	50 523	46 488	91 520	89 058	107 625

2.12.4 Energy (Vote 4)

The Constitution stipulates that the City has a responsibility to ensure that the citizens of Cape Town have access to basic services. Municipal powers and functions are dealt with in Section 156 (Schedules 4B and 5B) of the Constitution. Specific functions pertaining to electricity reticulation, are contained in Schedule 4B. Specific functions pertaining to street lighting are contained in schedule 5B.

To meet this responsibility, the Energy Directorate must ensure the provision of effective and reliable electricity services through effective management of natural resources and service delivery infrastructure.

The Directorate is made up of two departments namely:

- **Sustainable Energy Markets (SEM) Department**

This Department was created in mid-2017 under the new Energy Directorate. This was an important shift in the City's thinking around energy, moving away from primarily an electricity distributor and starting to explore options to generate and diversify the City's energy supply, expand energy efficiency in its operations, address energy poverty and explore the role of external stakeholders such as residents and independent power producers (IPPs) in order to be future fit while also managing the climate change mitigation function.

At the end of 2018, Council amended the Directorate's name to Energy & Climate Change and the full climate change function was incorporated into the SEM by 2021. The Climate Change function was then extracted from SEM through a Council resolution at the end of 2021 and allocated to the Resilience Department (Future Planning & Resilience Directorate) with effect from 1 February 2022.

SEM partners with City departments, businesses and residents to implement innovative projects and processes that aim to achieve secure, affordable and clean energy services within a customer-centric, fair, and resilient energy system.

Branches within the SEM Department include Generation Development & Municipal Energy Efficiency (GDMEE), Sustainable Energy Facilitation (SEF), Data Management & Integration Platforms (DM&IP), and a cross cutting function on strategy, policy, advocacy and legal.

The branches in the SEM Department aim to:

- Become a centre of excellence for the planning, development and execution of power generation and related energy programs and to drive the adoption of innovative technologies in energy utilisation within the City;
- Support households and businesses in the changing energy landscape by communicating, empowering and unlocking barriers to change;
- Address how the City can support access to low income households to the best possible energy services which are sustainable, lower in cost to all parties, cleaner, safer, and offer choice and flexibility;

- Support the implementation of ambitious, evidence-based priority energy actions through quality data management and analysis; and
- Advocate for and to lead on the legislative and policy reforms and strategies required to unlock opportunities and overcome barriers in the changing energy landscape.

- **Electricity Generation & Distribution Department**

The Department has been in existence since 1895 in different forms but providing the same essential service. Branches include Supply, Infrastructure Operations, Engineering, Enterprise Asset Management and Retail Management.

The Department's core business is to provide reliable electricity supply to customers in the City's electricity services supply area and is licensed by NERSA to undertake this function. In order to ensure that the quality of electricity supply meets the required regulatory standards, the department monitors its performance in terms of NERSA guidelines as set out in the NRS048 documents.

In accordance with the City's draft Energy and Climate Change Strategy, the Department aims to promote the use of renewable energy by:

- Promoting and facilitating the implementation of other renewable generation systems where practical;
- Keeping abreast of national- and provincial developments regarding renewable energy and facilitate the incorporation thereof into City processes;
- Investigating the practicality of entering into long term power purchase agreements (PPA) with IPP to provide electricity at the same price at which the City purchases it from Eskom;
- Managing the City's Small Scale Embedded Generation (SSEG) program, which provides for a limited amount of excess generation of small scale renewable energy generators to be fed back onto the municipal grid and to receive an associated credit; and
- Promoting the finalisation of national technical specifications for the connection of small scale renewable generation to utility electrical grids.

The Department, in partnership with the Sustainable Energy Markets department, further aims to:

- Establish and implement an Energy Efficiency (EE) programme;
- Promote Eskom's Energy Saving Program to the City's electricity customers; and
- Establish and maintain an on-line EE and Demand Side Management (DSM) resource.

Changes to service levels and standards over the MTREF

The Directorate is ready to respond to a national declared emergency and activate load-shedding in accordance with national requirements and published load-shedding schedules. Load-shedding in the event of a system emergency is required in order to prevent the power system from sliding into an unstable state, which can lead to a national blackout with serious consequences.

The City's load-shedding practices and schedules have been aligned with the national standard NRS048 part 9. Load-shedding schedules are posted on the City's official website.

Prior year performance – 2021/22 financial year

The Directorate achieved the following financial indicators against said targets:

- Capital spend: 88.2% (target: 90%)
- Operating spend 101.3% (target: 95%)
- Training budget spend: 75.83% (target: 95%)
- Repairs and maintenance spend 102.3% (target: 95%)

Risks to achieving revenue projections, any expected major shifts in revenue patterns and any planned alternative sources of revenue

The current infrastructure within the geographical area of Cape Town needs to be refurbished and maintained to ensure that the condition of the current networks and infrastructure is improved to meet the business and social challenges of electrification in South Africa. This supports the City's IDP basic services priority by enabling a well-managed and modernised infrastructure to support economic growth, by ending load-shedding in Cape Town over time and by improving access to quality and reliable basic services.

The Directorate considers itself well-run as is evidenced in the revenue collection and low levels of electrification backlog. The energy industry is changing and the sales environment is declining, yet the Directorate has to prepare its business to meet the future energy needs of the City's residents. The introduction of the Home User tariff has assisted in the structural change required to limit the impact of declining sales. The Directorate's revenue protection teams are working tirelessly on maintaining the current collection rates and minimising the City's losses. The continued roll-out of split prepaid metering will also assist in limiting losses.

Major features of expenditure including discretionary and non-discretionary expenditure

Bulk purchases of electricity from Eskom represents a substantial part of the Directorate's budget - around 66.7%; the City has consistently paid these charges to Eskom within the due dates.

The Directorate also collects the non-regulatory portion of its tariffs, which represents 10% of sales for redistribution within the Rates account. The Directorate's revenue protection efforts continue to assist in limiting these increases.

Directorate capital programme

The capital budget is funded from a number of funding sources, with the largest being the CRR, EFF and CGD. It is critically important to match the benchmark for the investment in refurbishment in accordance with international best practice to ensure good quality of supply and excellent customer- and delivery service.

EFF as a funding source has an impact on tariffs. Funding of non-income generating projects in respect of infrastructure and refurbishment have been moved from EFF (loans) to CRR (internally generated funds) where there is sufficient CRR available on a year-on-year basis. Over a period of time this will have the effect of reducing tariff increase requirements.

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

Directorate: Energy									
Budgeted Financial Performance (revenue and expenditure)									
Description	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Revenue									
Exchange Revenue	14 413 481	14 383 836	16 395 823	17 376 226	17 376 226	17 376 226	19 818 848	23 196 940	26 661 893
Service charges - Electricity	14 247 662	14 241 566	16 275 696	17 241 416	17 241 416	17 241 416	19 681 652	23 053 271	26 511 262
Service charges - Water	–	–	–	–	–	–	–	–	–
Service charges - Waste Water Management	–	–	–	–	–	–	–	–	–
Service charges - Waste Management	–	–	–	–	–	–	–	–	–
Sales of Goods and Rendering of Services	7 035	5 390	6 010	5 017	5 017	5 017	6 037	6 306	6 594
Agency services	–	–	–	–	–	–	–	–	–
Interest	–	–	–	–	–	–	–	–	–
Interest earned from Receivables	33 632	37 150	30 798	27 600	27 600	27 600	30 360	31 696	33 122
Interest earned from Current and Non Current Assets	–	–	–	–	–	–	–	–	–
Dividends	–	–	–	–	–	–	–	–	–
Rent on Land	–	–	–	–	–	–	–	–	–
Rental from Fixed Assets	490	38	31	1 150	1 150	1 150	1 207	1 260	1 317
Licences and permits	–	–	–	–	–	–	–	–	–
Operational Revenue	124 662	99 693	83 288	101 042	101 042	101 042	99 593	104 407	109 598
Non-Exchange Revenue	4 747	5 426	2 450	136 319	136 319	136 319	167 529	187 489	207 250
Property rates	–	–	–	–	–	–	–	–	–
Surcharges and Taxes	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits	3 552	2 975	9	–	–	–	–	–	–
License and permits	–	–	–	–	–	–	–	–	–
Transfers and subsidies - Operational	930	818	1 084	133 819	133 819	133 819	165 029	184 879	204 523
Interest	–	–	–	–	–	–	–	–	–
Fuel Levy	–	–	–	–	–	–	–	–	–
Operational Revenue	–	–	–	–	–	–	–	–	–
Gains on disposal of Assets	265	1 632	1 357	2 500	2 500	2 500	2 500	2 610	2 727
Other Gains	–	–	–	–	–	–	–	–	–
Discontinued Operations	–	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)	14 418 228	14 389 262	16 398 272	17 512 545	17 512 545	17 512 545	19 986 376	23 384 429	26 869 143
Expenditure									
Employee related costs	1 191 163	1 369 310	1 398 889	1 539 288	1 545 474	1 545 474	1 642 563	1 742 158	1 849 173
Remuneration of councillors	–	–	–	–	–	–	–	–	–
Bulk purchases - electricity	9 317 868	9 718 558	11 561 609	12 350 900	12 350 900	12 350 900	14 099 100	16 926 356	19 743 055
Inventory consumed	100 684	112 024	132 130	158 035	171 740	171 774	176 715	181 807	187 239
Debt impairment	92 691	(65 758)	68 285	65 948	65 948	65 948	151 206	174 884	207 777
Depreciation & amortisation	379 796	400 838	418 601	441 558	446 274	446 274	463 793	482 770	515 530
Interest	–	–	88	–	–	–	–	–	–
Contracted services	278 794	283 432	342 242	427 387	444 804	444 755	452 210	466 466	482 092
Transfers and subsidies	–	600	775	2 000	2 350	2 350	1 900	–	–
Irrecoverable debts written off	13 698	137 544	44 375	44 400	44 400	44 400	44 400	44 400	44 400
Operational cost	167 024	174 350	182 477	236 458	240 686	240 701	251 285	259 749	269 483
Losses on disposal of Assets	415	627	461	464	464	464	464	464	464
Other Losses	–	–	–	–	–	–	–	–	–
Total Expenditure	11 542 133	12 131 526	14 149 932	15 266 437	15 313 040	15 313 040	17 283 637	20 279 054	23 299 212
Surplus/(Deficit)	2 876 094	2 257 736	2 248 340	2 246 108	2 199 505	2 199 505	2 702 740	3 105 375	3 569 931
Transfers & subsidies - capital monetary	54 915	79 469	25 328	114 043	108 620	108 620	66 686	67 692	68 406
Transfers & subsidies capital in-kind	–	8 497	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	2 931 009	2 345 701	2 273 668	2 360 150	2 308 125	2 308 125	2 769 425	3 173 067	3 638 337
Income Tax	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after income tax	2 931 009	2 345 701	2 273 668	2 360 150	2 308 125	2 308 125	2 769 425	3 173 067	3 638 337
Share of Surplus/Deficit attributable to Joint Venture	–	–	–	–	–	–	–	–	–
Share of Surplus/Deficit attributable to Minorities	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality	2 931 009	2 345 701	2 273 668	2 360 150	2 308 125	2 308 125	2 769 425	3 173 067	3 638 337
Share of Surplus/Deficit attributable to Associate	–	–	–	–	–	–	–	–	–
Intercompany/Parent subsidiary transactions	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	2 931 009	2 345 701	2 273 668	2 360 150	2 308 125	2 308 125	2 769 425	3 173 067	3 638 337
Capital Expenditure	622 239	750 278	778 673	1 052 059	1 074 183	1 030 355	1 197 888	1 294 821	1 638 928

2.12.5 Finance (Vote 5)

The Finance Directorate promotes sound and sustainable management of the City's financial resources, in compliance with the MFMA, together with other related legislation, policies and procedures.

In general, sustainability is understood as meeting the present generation's needs, without compromising future generations' ability to meet their needs. The City recognizes sustainability as a key factor in continuing to make progress possible towards achieving its vision into the future.

Whilst it is recognised that Cape Town's natural resources are not unlimited, and that sustainability should be factored into present and future planning regarding their use, sustainability also entails a focus on operational resources and finance sustainability in order for the City to continue to provide services into the future. To this end, sustainability should be factored into the City's strategic planning and decision-making mechanisms and systems.

The Directorate's main priorities include, among others, the following:

- Ensuring an enabling environment to improve the utilisation of financial resources allocated to service delivery within the City.
- Facilitating good governance by implementing strong financial principles to ensure a clean audit for the City.
- Maintaining a good credit rating for the City.
- Provision and maintenance of meaningful, accurate and coherent financial records to facilitate the management and control of expenditure activities against the objectives set by the budget and all forms of financial and statutory accountability finally embraced in the audited financial statements.
- Building a credible standing with the Auditor-General for the promotion of confidence in the financial records of the City.
- Assessing macro, economic, national and regional environments, which influence and affect City's financial plan.
- Developing strategies that support the alignment of grant funding to City development interventions.
- Ensuring all outstanding monies are collected in a dignified and humane manner in terms of the City's Credit Control and Debt Collection by-law and policy with indigent relief.
- Supporting the City in its supply chain processes, which is fair, transparent and further guides and promotes statutory compliance to supply chain legislation.
- Ensuring a sustainable, long-term rates income through producing a compliant, accurate and fair general valuation roll.

Changes to service levels and standards over the MTREF

There are no material changes in trends over the MTREF period for the Directorate.

Prior year performance - 2021/22 financial year

- An achievement of 100% of invoices submitted electronically against 0% manual. The City pays on average 99% of invoices within 30 days.
- Developed a comprehensive grant framework compliance, ensuring that the multiple financial and non-financial imperatives of each of the diverse grants is complied with.
- Developing strategies that support the alignment of grant funding to City development interventions. The 2022/23 target for the collection/payment ratio was set at 95%, taking into consideration the current economic climate. However, a 97.28% - 12-month rolling average collection ratio was achieved at 30 June 2022.

- As at 31 July 2022, debt to the value of R2,2 billion was written-off as per the Debt Remission Strategy.
- Ensuring all outstanding monies are collected in a dignified and humane manner in terms of the City's Credit Control and Debt Collection By-law and Policy with indigent relief.
- Supporting the City in all its supply chain processes that is fair, transparent and further guides and promotes statutory compliance to supply chain legislation.
- Ensuring a sustainable, long-term property rates income through producing a compliant, accurate and fair general valuation roll.

Risks to achieving revenue projections, any expected major shifts in revenue patterns and any planned alternative sources of revenue

The Directorate manages risk via its Risk Register and risks are identified and managed on a day-to-day basis in accordance with the City's approved IRM driver documents.

Risks are managed on a departmental, directorate and City (transversal) level and discussed during monthly management meetings and quarterly meetings with the Risk, Ethics and Governance Department. The risks identified are reported to RiskCo in accordance with the annual RiskCo Work Plan and the Executive Director will inform and/or discuss the Directorate's risks with the relevant Mayoral Committee member, as and when required.

Major features of expenditure including highlighting discretionary and non-discretionary expenditure

The Directorate's major expenditure categories include:

- Salaries and Wages;
- Contracted Services – mostly linked to MURP projects;
- Depreciation; and
- Finance Charges.

Directorate capital programme

The key projects contained within the 2023/24 capital budget of the Directorate support both financial control and enhanced service delivery and include a number of strategically aligned projects to support the ease with which ratepayers can engage and do business with the City.

The majority of the capital budget over the next MTREF relates mainly to:

- Aerial Photography;
- Furniture & IT Equipment;
- Insurance Contingency;
- Security at Cash Offices;
- System Enhancements;
- Upgrades to Cash Offices;
- Warehouse Equipment;
- Pitch Replacement;
- Fire Protection;
- Power: Replacement and upgrade;
- Audio Visual Equipment: Replacement; and
- Stadium Public Wi-Fi: Additional.

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

Directorate: Finance									
Budgeted Financial Performance (revenue and expenditure)									
Description	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Revenue									
Exchange Revenue	1 329 957	899 619	1 366 478	1 438 656	1 587 440	1 587 440	1 530 338	1 388 702	1 250 800
Service charges - Electricity	5 204	(0)	-	-	-	-	-	-	-
Service charges - Water	774	-	-	-	-	-	-	-	-
Service charges - Waste Water Management	1 136	-	0	-	-	-	-	-	-
Service charges - Waste Management	(226 890)	(343 684)	11	-	-	-	-	-	-
Sales of Goods and Rendering of Services	24 205	29 277	31 791	30 883	26 188	26 188	27 748	29 022	30 356
Agency services	190 372	258 515	248 133	257 125	257 125	257 125	269 981	283 480	297 654
Interest									
Interest earned from Receivables	10 952	11 759	13 930	12 739	12 739	12 739	11 164	11 504	12 002
Interest earned from Current and Non Current Assets	1 283 154	895 881	967 329	1 103 053	1 247 748	1 247 748	1 175 667	1 016 903	860 845
Dividends	-	-	-	-	-	-	-	-	-
Rent on Land	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets	11	13	14	2	2	2	2	2	2
Licences and permits	-	11	-	-	-	-	-	-	-
Operational Revenue	41 040	47 848	105 269	34 855	43 639	43 639	45 777	47 791	49 942
Non-Exchange Revenue	15 633 653	15 923 248	16 422 915	15 637 061	15 638 513	15 638 513	16 523 499	17 576 622	18 911 542
Property rates	9 841 785	10 005 031	10 358 743	11 203 305	11 203 305	11 203 305	11 857 238	12 587 669	13 582 225
Surcharges and Taxes	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	5 906	950	888	553	553	553	580	606	633
License and permits	-	-	-	-	-	-	-	-	-
Transfers and subsidies - Operational	2 919 490	3 180 372	3 343 227	1 681 477	1 682 929	1 682 929	1 937 226	2 134 785	2 344 490
Interest	109 465	134 185	99 174	85 000	85 000	85 000	89 165	93 088	97 277
Fuel Levy	2 570 486	2 594 972	2 608 900	2 666 726	2 666 726	2 666 726	2 639 290	2 760 474	2 886 917
Operational Revenue									
Gains on disposal of Assets	17	53	183	-	-	-	-	-	-
Other Gains	186 504	7 683	11 801	-	-	-	-	-	-
Discontinued Operations	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)	16 963 610	16 822 867	17 789 393	17 075 718	17 225 953	17 225 953	18 053 837	18 965 325	20 162 342
Expenditure									
Employee related costs	709 769	1 083 361	1 265 620	1 170 601	1 460 551	1 460 551	1 259 815	1 334 758	1 415 299
Remuneration of councillors	-	-	-	-	-	-	-	-	-
Bulk purchases - electricity	-	-	-	-	-	-	-	-	-
Inventory consumed	11 921	10 938	9 569	16 506	16 709	16 962	19 077	19 256	19 447
Debt impairment	404 408	(243 233)	28 328	458 735	458 735	458 735	458 365	435 200	455 550
Depreciation & amortisation	200 645	192 101	202 040	202 698	203 216	203 216	205 936	189 247	172 681
Interest	766 667	777 620	734 626	827 269	716 014	716 014	930 366	1 452 545	2 245 460
Contracted services	41 278	50 221	58 401	59 503	68 350	70 371	61 301	61 301	61 301
Transfers and subsidies	64 903	66 428	41 915	33 196	33 196	33 196	33 196	33 196	33 196
Irrecoverable debts written off	66 360	657 353	151 318	-	-	-	-	-	-
Operational cost	360 433	389 130	436 471	525 521	526 571	524 298	590 874	639 620	695 737
Losses on disposal of Assets	331	95	466	-	-	-	-	-	-
Other Losses	67 329	90 189	16 373	1 260	1 260	1 260	1 260	1 260	127
Total Expenditure	2 694 046	3 074 201	2 945 125	3 295 289	3 484 602	3 484 602	3 560 189	4 166 383	5 098 798
Surplus/(Deficit)	14 269 564	13 748 665	14 844 268	13 780 429	13 741 351	13 741 351	14 493 648	14 798 941	15 063 544
Transfers & subsidies - capital monetary	669	276	59	217	217	217	1 593	155	418
Transfers & subsidies capital in-kind	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	14 270 233	13 748 941	14 844 328	13 780 646	13 741 568	13 741 568	14 495 242	14 799 097	15 063 962
Income Tax	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax	14 270 233	13 748 941	14 844 328	13 780 646	13 741 568	13 741 568	14 495 242	14 799 097	15 063 962
Share of Surplus/Deficit attributable to Joint Venture	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality	14 270 233	13 748 941	14 844 328	13 780 646	13 741 568	13 741 568	14 495 242	14 799 097	15 063 962
Share of Surplus/Deficit attributable to Associate	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	14 270 233	13 748 941	14 844 328	13 780 646	13 741 568	13 741 568	14 495 242	14 799 097	15 063 962
Capital Expenditure	63 051	248 489	16 290	18 129	30 683	30 548	62 282	64 304	70 990

2.12.6 Future Planning & Resilience (Vote 6)

The Future Planning and Resilience Directorate brings together a range of City functions that are optimised through co-location to work across the organisation to perform short-, medium- and long-term strategy and policy development, capital planning, performance management and business improvement. The Directorate is tasked with analysing and developing responses, both internally and externally, to the changing nature of the urban environment, including shock events.

The Directorate Strategy will do the following:

- Oversee the implementation of the Infrastructure Planning and Delivery Framework, facilitate the work of the inter-disciplinary working group on Infrastructure Planning and Growth, and develop an Annual infrastructure Report in order to ensure capital planning meets the needs of a growing city.
- Provide leadership and facilitation for long-term and annual strategic planning, which includes working closely with the Finance Directorate on the annual strategy-led budget process, in order to ensure that the budget aligns with the Integrated Development Plan (IDP).
- Facilitate the development and review of the City's 5-year IDP in order to ensure the Plan remains responsive to the changing environment and new priorities, as and when they emerge.
- Facilitate the development of the City's long-term 2050 Plan in order to understand the development pathways that need to be pursued in the short-to-medium term in order to meet the long-term needs of the City.
- Lead ongoing development and successful implementation of Project, Programme, Portfolio, Engineering and Contract Management, across the various directorates within the City in order to ensure a continuous improvement in maturity levels against industry benchmarks.
- Drive a culture of performance management that strategically focuses the City on evidence-based planning in order to enhance decision-making, data management, monitoring, evaluation and legislative oversight. This includes drafting, amending, monitoring and reporting on the Corporate Scorecard, Service Delivery and Budget Implementation Plans (SDBIPs), City Manager and Executive Director Scorecards and the Integrated Annual Report.
- Enable City-wide approaches to innovation and operational effectiveness as an enabler of modernisation initiatives in order to ensure continuous improvement, the optimal utilisation of resources, increased productivity, and improved quality and overall satisfaction of business and operating models.
- Implement a new strategic approach to the "Future of Work" and ensure the organisation is future-fit and is an "employer of choice" for the purpose of retaining and attracting talent. This also includes encouraging staff to take on the behaviours associated with the new emerging values of the organisation, including "caring", "innovation" and "openness".
- Oversee the implementation of the Cape Town Resilience Strategy and the Cape Town Climate Action Plan in order to ensure the City and its systems are less vulnerable to the impacts of climate change and other shock events. This includes constantly assessing the urban environment for changing shocks and stresses in order to ensure that new responses are included in strategy and planning processes.
- Activate and coordinate the combined resources of the Directorate to build strategic and programmatic responses to complex problems and City-wide shock events that require coordinated transversal responses from time to time.

- Communicate and build recognition of the City's brand through a credible and professional communication flow between the City and its various stakeholders in order to build trust between the City and its stakeholders and for the purpose of advancing active citizenry. This includes ongoing updates to the CityApp to improve engagement with the residents of Cape Town.

The Directorate is made up of the following departments:

- **Policy and Strategy Department**

This Department leads the drafting, amending and reviewing of the IDP in terms of relevant legislation for the purpose of attaining citywide and organisational objectives. Additionally, it leads the development of the annual Strategic Management Framework (SMF) and the annual Infrastructure Report. It also leads the strategy frameworks and policy processes in the organisation and provides the strategy and analytical support to enable sound decision-making, effective implementation, delivery and strategy-led budgeting.

- **Corporate Project, Programme and Portfolio Management Department**

The Department serves as a Centre of Excellence to provide the required cutting edge for Project, Programme, Portfolio and Engineering Management solutions to enhance the customer-centric culture in the City. The Department does not only focus on the continuous increase of maturity throughout the City for the various disciplines, but also aims to ensure continuous individual competence improvements for project, contract and engineering managers. Through the Project Portfolio Management System, the Contract Register and Monitoring System and the Wayleave Management System, the implementation of the City's projects is supported and managed, and service delivery enhanced towards successful delivery of projects as scoped and planned within the cost, time and quality constraints. It also leads contract creation, execution, and performance monitoring to maximise operational and financial performance, while reducing financial risk.

- **Organisational Effectiveness and Innovation Department**

The Department drives use of innovation methodologies in support of government modernisation and efficiency initiatives in order to prepare the organisation for future challenges and opportunities and to ensure financial sustainability. It gives effect to strategic transformational initiatives of the City via the People Strategy. It plays a pivotal role in improving the effectiveness of the organisation via the following focus areas: organisational culture, embedding the behaviours associated with the City Values, driving the strategies, tools and resources of the Leadership Development and People Management frameworks, developing a compelling Employee Value Proposition to position the City as an "Employer of Choice" and equipping the organisation with tools to drive and lead change. It also transforms the City as a workplace by providing strategic direction and operational oversight in the implementation and monitoring of Employment Equity and matters related to diversity in the organisation. This is to ensure a continuous and developmental ethos of equity for all, emphasise diversity as a benefit and value for organisational performance.

- **Resilience Department**

The department develops strategic, transversal responses to city-wide prioritised shocks and stresses, and intractable issues that require collaboration and partnering, both internally and externally. It seeks to understand the impact of climate change in Cape Town for the purpose of developing organisation and city-wide responses that improve both mitigation and adaptive capabilities of the City. It also facilitates the annual disclosures to the Carbon Disclosure Project (CDP).

- **Organisational Performance Management Department**

This Department guides and directs the enhancement of the City's organisational performance capabilities, alignment and systems in order to develop a mind-set of continuous improvement and improved quality of service delivery through strategy implementation, performance visualisation, accountability and improved evidence-based planning. It leads amongst other products the drafting, amending, monitoring and reporting of the Corporate Scorecard, Service delivery and Budget Implementation Plan, City Manager's and Executive Directors' scorecards and the Integrated Annual Report. It also guides the organisation towards attainment of a 'clean audit' for pre-determined objectives, and consequently positively impacts the credit rating and reputation of the City with local, regional and national stakeholders. It builds an analytics-driven culture across the organisation to generate insights that can be used by the organisation to inform strategic and operational decisions, which includes the provision of data engineering services to surface and automate the flow of data. It, furthermore, enhances the organisation's ability to successfully apply monitoring and evaluation (M&E) practices and systems by raising the performance management maturity level of the organisation.

- **Communications Department**

The Department provides a range of specialist communication services to all City departments around the various facets of communication. One of the main deliverables involves managing the City's Corporate Brand and media strategies, which in turn builds towards positive perception and reputation of the City. Services provided include media management and liaison (including social media), communication strategy and campaign development and execution, publications, website and Intranet development and management, management of the City's brand and development of material using the City's logo, photography, videography and audio-visual services. The dimensions of the Department's activities are defined by the Corporate Brand Strategy, Brand Architecture and the Media and Communication Strategies of the City.

Changes to service levels and standards over the MTREF

All departments within the Directorate are internally focused, providing enabling support on a range of corporate and statutory processes. No changes are anticipated to service levels and standards over the MTREF.

Prior year performance - 2021/22 financial year

The Directorate attained the following financial indicators in the 2021/22 financial year.

- Capital spend: 91.01 (target: 90%)
- Operating spend: 85.23% (target: 95%)
- Repairs and maintenance spend: 43.93% (target: 95%)
- Training budget spend: 88.95% (target: 95%)

Risks to achieving revenue projections, any expected major shifts in revenue patterns and any planned alternative sources of revenue

The major source of revenue generated by the Directorate is grant funding as per the DoRA. There are currently no revenue risks.

Major features of expenditure including highlighting discretionary and non-discretionary expenditure

The Directorate's major expenditure categories include:

- Employee Related Costs;
- Contracted Services; and
- Other Expenditure, mostly on Computer Software Licensing.

Directorate capital programme

The Directorate's capital programme is made up of the following main projects/acquisitions:

- Contract Management System Integration;
- SAP PPM Integration and Enhancement;
- Computer Equipment: Replacement; and
- Wayleave System.

Table 66 - Future Planning & Resilience (Vote 6) - operating revenue by source, expenditure by type and total capital expenditure

Directorate: Future Planning & Resilience									
Budgeted Financial Performance (revenue and expenditure)									
Description	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Revenue									
Exchange Revenue	169	63	106	45	45	45	82	86	90
Service charges - Electricity	-	-	-	-	-	-	-	-	-
Service charges - Water	-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management	-	-	-	-	-	-	-	-	-
Service charges - Waste Management	-	-	-	-	-	-	-	-	-
Sales of Goods and Rendering of Services	0	0	0	-	-	-	-	-	-
Agency services	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Interest earned from Receivables	-	-	-	-	-	-	-	-	-
Interest earned from Current and Non Current Assets	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-	-
Rent on Land	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets	-	-	-	-	-	-	-	-	-
Licences and permits	-	-	-	-	-	-	-	-	-
Operational Revenue	169	63	106	45	45	45	82	86	90
Non-Exchange Revenue	11 282	1 558	28 865	61 876	64 872	64 872	65 959	71 838	79 117
Property rates	-	-	-	-	-	-	-	-	-
Surcharges and Taxes	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	-	-	-	-	-
License and permits	-	-	-	-	-	-	-	-	-
Transfers and subsidies - Operational	11 281	1 557	28 863	61 876	64 872	64 872	65 959	71 838	79 117
Interest	-	-	-	-	-	-	-	-	-
Fuel Levy	-	-	-	-	-	-	-	-	-
Operational Revenue	-	-	-	-	-	-	-	-	-
Gains on disposal of Assets	2	1	3	-	-	-	-	-	-
Other Gains	-	-	-	-	-	-	-	-	-
Discontinued Operations	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)	11 451	1 621	28 971	61 921	64 917	64 917	66 041	71 923	79 207
Expenditure									
Employee related costs	173 270	206 236	223 018	295 316	260 663	260 663	298 083	313 512	325 923
Remuneration of councillors	-	-	-	-	-	-	-	-	-
Bulk purchases - electricity	-	-	-	-	-	-	-	-	-
Inventory consumed	3 237	3 974	1 414	4 702	4 304	4 304	4 088	4 088	4 088
Debt impairment	-	-	-	-	-	-	-	-	-
Depreciation & amortisation	11 232	11 638	13 568	14 381	16 775	16 775	15 178	15 734	18 549
Interest	-	-	164	164	-	-	-	-	-
Contracted services	38 196	47 945	66 629	69 232	104 339	106 287	113 728	101 641	117 357
Transfers and subsidies	-	-	-	-	200	200	200	200	200
Irrecoverable debts written off	-	-	-	-	-	-	-	-	-
Operational cost	111 970	77 067	78 580	106 900	83 738	81 778	80 252	80 252	80 252
Losses on disposal of Assets	143	16	88	2	2	2	2	2	2
Other Losses	-	-	-	-	-	-	-	-	-
Total Expenditure	338 048	346 877	383 461	490 696	470 022	470 010	511 532	515 429	546 372
Surplus/(Deficit)	(326 597)	(345 256)	(354 490)	(428 775)	(405 105)	(405 093)	(445 491)	(443 506)	(467 165)
Transfers & subsidies - capital monetary	-	-	-	-	-	-	-	-	-
Transfers & subsidies capital in-kind	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(326 597)	(345 256)	(354 490)	(428 775)	(405 105)	(405 093)	(445 491)	(443 506)	(467 165)
Income Tax	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax	(326 597)	(345 256)	(354 490)	(428 775)	(405 105)	(405 093)	(445 491)	(443 506)	(467 165)
Share of Surplus/Deficit attributable to Joint Venture	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality	(326 597)	(345 256)	(354 490)	(428 775)	(405 105)	(405 093)	(445 491)	(443 506)	(467 165)
Share of Surplus/Deficit attributable to Associate	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	(326 597)	(345 256)	(354 490)	(428 775)	(405 105)	(405 093)	(445 491)	(443 506)	(467 165)
Capital Expenditure	16 172	28 061	13 717	25 715	26 251	25 750	19 253	17 230	7 930

2.12.7 Human Settlements (Vote 7)

The Human Settlements Directorate leads the City's efforts at facilitating the development of integrated and sustainable human settlements. Housing is one of the City's priorities and the Directorate is committed to improving access to affordable and well-located housing through supporting a housing market that can deliver at scale to meet the needs of Cape Town's population.

The key objectives of the Human Settlements Directorate are therefore to:

- Facilitate and develop sustainable integrated human settlements;
- Integrate the delivery of housing opportunities with the objectives and deliverables of the rest of the City, thereby ensuring that these contribute to the creation of a compact city and optimal use of facilities;
- Improve informal settlements and backyard precincts incrementally and create a better-quality and safer living environment, rather than merely providing shelter;
- Manage and maintain the City's rental housing assets strategically; and
- Promote and ensure meaningful partnerships with private sector and community-based stakeholders towards the development of affordable housing.

The above mentioned objectives are realised through projects and programmes implemented in the various line departments within the Directorate.

- **Housing Development Department**

The core function of this department is to facilitate and develop sustainable integrated human settlements in alignment with the National Housing Code, the City's Spatial Development Framework, and the City's Transit Oriented Development Framework. This is done by managing the initiation, planning and implementation of integrated human settlement projects and facilitating the development of social facilities and amenities. Furthermore, the department is responsible to facilitate the development of social- and gap housing in identified restructuring zones within the City to ensure the provision of affordable rental- and full-title ownership housing in well-located areas within the City. Lastly, the department is responsible for the upliftment of local communities through the management of People's Housing Programme (PHP) projects.

- **Public Housing Department**

This department is responsible to direct, manage and control the operations with regard to the transfer of the City's public housing assets, as well as for tenancy transfer and management. The Department is also responsible for the development and implementation of maintenance plans by assessing conditions, maintenance costing, and roll-out. The Department also manages and administers properties envisaged to be retained as operational staff housing.

- **Informal Settlements Department**

The primary function of this department is the upgrading of informal settlements through a variety of interventions i.e. in-situ upgrading of informal settlements via the National Upgrading of Informal Settlements Programme, re-blocking and enhanced re-blocking as well as super-blocking. The latter interventions can result in individual serviced sites or the provision of shared basic services. The department, furthermore, provides basic municipal services to households residing in the backyards of City-owned rental housing.

- **Human Settlements Planning Department**

The core objective of the Department is to provide strategic support in the implementation of human settlement programmes, which will be achieved through the development of human settlements operational strategies and policies that inform human settlements plans and programmes. Furthermore, this department is responsible for strategic identification and acquisition of land for human settlements purposes as well as focus on beneficiary and tenure administration.

Changes to service levels and standards over the MTREF

There are no material changes in trends for the Directorate over the MTREF period.

Prior year performance – 2021/22 financial year

The Directorate achieved the following financial indicators in the 2021/22 financial year:

- Capital spend: 96.1% (target 90%)
- Operating spend: 97.7% (target 95%)
- Repairs and maintenance spend: 108.2% (target 95%)
- Training budget spend: 102.4% (target 95%)

The following achievements have been accomplished by the Directorate:

- Human Settlements opportunities provided - Top Structures: 2 517 (target 2 430)
- Human Settlements opportunities provided - Serviced Sites: 1 423 (target 1 940)
- Sites serviced in the informal settlements: 829 (target: 800)
- Service points (toilet and tap with hand basin) provided to backyarders: 476 (target: 400)
- Deeds of Sale agreements signed with identified beneficiaries per annum: 378 (target: 300)
- Number of title deeds registered to beneficiaries: 482 (target: 400)
- Hectares of land acquired for human settlements in line with existing human settlements programmes: 43.85ha (target: 10ha)
- Number of informal settlements upgraded to Phase 2: 21 (target:15)

Risks to achieving revenue projections, any expected major shifts in revenue patterns and any planned alternative sources of revenue

Collection of rental income is under pressure as a result of the financial pressures on tenants due to the strained economy resulting in continued growth in outstanding rental debt. Appropriate debt management measures are in place to address this situation.

Major features of expenditure including discretionary and non-discretionary expenditure

The Directorate's major categories of expenditure will be:

- The construction of top structures and serviced sites for qualifying beneficiaries;
- Upgrading of informal settlements;
- Repairs and maintenance in respect of the City's Rental Units;
- Implementation of the managed settlement initiative in response to unlawful land occupation;
- The transfer of title to qualifying beneficiaries; and
- Release of state-owned land so the private sector can deliver more affordable housing.

Directorate capital programme

The Directorate's capital programme for 2023/24 is made up of the following major projects:

- Informal Settlements Upgrade Programme: Barney Molokwana; Enkanini, Bosasa Link – Mfuleni, Managed Settlements Programme, Super Blocking Programme, Enhanced Basic Services Programme, and Individual Serviced Sites Programme;
- Formal housing development projects: ACSA Symphony Way, Annandale, Aloe Ridge, Blueberry Hill; Kanonkop (Atlantis), Highlands Drive Infill, Macassar BNG, and Pelican Park Phase;
- Backyarder Services Programme;
- Land acquisitions;
- Asset Upgrading Programme – City's Rental Units; and
- Social Housing Programme.

Table 67 - Human Settlements (Vote 7) - operating revenue by source, expenditure by type and total capital expenditure

Directorate: Human Settlements									
Budgeted Financial Performance (revenue and expenditure)									
Description	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Revenue									
Exchange Revenue	155 229	190 096	190 827	217 619	217 263	217 263	205 476	209 128	214 019
Service charges - Electricity	204	226	–	–	–	–	–	–	–
Service charges - Water	–	–	–	–	–	–	–	–	–
Service charges - Waste Water Management	–	–	–	–	–	–	–	–	–
Service charges - Waste Management	–	–	–	–	–	–	–	–	–
Sales of Goods and Rendering of Services	16	0	143	185	185	185	0	0	0
Agency services	–	–	–	–	–	–	–	–	–
Interest	–	–	–	–	–	–	–	–	–
Interest earned from Receivables	1 339	1 338	827	1 500	1 500	1 500	1 574	1 643	1 717
Interest earned from Current and Non Current Assets	178	118	126	303	303	303	1 891	1 926	1 962
Dividends	–	–	–	–	–	–	–	–	–
Rent on Land	–	–	–	–	–	–	–	–	–
Rental from Fixed Assets	123 612	176 809	176 862	203 514	203 141	203 141	189 283	192 595	197 136
Licences and permits	13	–	–	–	–	–	–	–	–
Operational Revenue	29 867	11 604	12 869	12 118	12 134	12 134	12 728	12 964	13 203
Non-Exchange Revenue	532 506	324 835	314 966	663 995	725 238	725 238	693 059	760 236	815 607
Property rates	–	–	–	–	–	–	–	–	–
Surcharges and Taxes	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits	1 280	2 240	–	–	–	–	–	–	–
License and permits	–	–	–	–	–	–	–	–	–
Transfers and subsidies - Operational	528 302	320 672	258 402	661 995	723 237	723 237	690 959	758 098	813 429
Interest	–	–	–	–	–	–	–	–	–
Fuel Levy	–	–	–	–	–	–	–	–	–
Operational Revenue	–	–	–	–	–	–	–	–	–
Gains on disposal of Assets	2 924	1 923	56 565	2 000	2 001	2 001	2 099	2 138	2 178
Other Gains	–	–	–	–	–	–	–	–	–
Discontinued Operations	–	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)	687 735	514 931	505 793	881 614	942 501	942 501	898 535	969 365	1 029 626
Expenditure									
Employee related costs	346 563	385 765	402 395	477 038	451 179	451 179	516 726	549 420	584 320
Remuneration of councillors	–	–	–	–	–	–	–	–	–
Bulk purchases - electricity	–	–	–	–	–	–	–	–	–
Inventory consumed	75 992	50 212	37 367	28 093	41 945	42 094	38 757	39 838	41 003
Debt impairment	116 381	86 219	81 221	76 148	76 148	76 148	24 217	7 629	(9 611)
Depreciation & amortisation	126 992	155 032	170 749	202 635	181 851	181 851	214 222	238 935	260 420
Interest	241	–	837	–	–	–	–	–	–
Contracted services	488 388	520 175	560 473	574 628	605 929	607 392	642 453	665 974	659 386
Transfers and subsidies	139 509	80 163	39 485	40 000	62 818	62 818	23 000	38 882	76 750
Irrecoverable debts written off	38 791	83 392	51 126	87 098	87 098	87 098	87 098	87 098	87 098
Operational cost	16 797	37 922	87 927	60 172	91 130	89 519	79 449	80 164	79 486
Losses on disposal of Assets	5 396	1 441	681	28	28	28	28	28	28
Other Losses	–	–	–	–	–	–	–	–	–
Total Expenditure	1 355 050	1 400 320	1 432 260	1 545 840	1 598 126	1 598 126	1 625 949	1 707 968	1 778 879
Surplus/(Deficit)	(667 314)	(885 389)	(926 467)	(664 226)	(655 625)	(655 625)	(727 414)	(738 603)	(749 253)
Transfers & subsidies - capital monetary	624 689	556 941	783 007	741 970	755 341	755 341	622 562	695 584	745 055
Transfers & subsidies capital in-kind	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	(42 625)	(328 448)	(143 460)	77 744	99 716	99 716	(104 852)	(43 019)	(4 199)
Income Tax	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after income tax	(42 625)	(328 448)	(143 460)	77 744	99 716	99 716	(104 852)	(43 019)	(4 199)
Share of Surplus/Deficit attributable to Joint Venture	–	–	–	–	–	–	–	–	–
Share of Surplus/Deficit attributable to Minorities	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality	(42 625)	(328 448)	(143 460)	77 744	99 716	99 716	(104 852)	(43 019)	(4 199)
Share of Surplus/Deficit attributable to Associate	–	–	–	–	–	–	–	–	–
Intercompany/Parent subsidiary transactions	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	(42 625)	(328 448)	(143 460)	77 744	99 716	99 716	(104 852)	(43 019)	(4 199)
Capital Expenditure	858 297	737 971	892 564	884 428	892 900	891 556	780 455	843 779	867 673

2.12.8 Office of The City Manager (Vote 8)

The Office of the City Manager Directorate, inter alia, monitors the integration and alignment of assurance processes in the City in order to maximise risk and governance oversight – conforming to various Assurance Levels.

The City Manager heads the administration of the City and chairs the City's Executive Management Team (EMT), whose primary responsibility is to advise the City Manager on service delivery matters, strategy and policy. The City's EMT also supports the City Manager by driving the implementation of Strategic Programmes within the 5-year IDP.

The vision of this Directorate is to be a trusted centre that advises, provides direction and engages with internal- and external partners. This is to assist the City to become known for its effective and equitable service delivery and to distinguish itself as a well governed and efficiently run administration contributing to the achievement of the goals and objectives of the IDP.

The Office of the City Manager comprises of the following departments:

- **Legal Services and Compliance Department**

This department, through its six functional units, provides in-house legal assistance to the City's frontline departments as well as the City's corporate nerve centre. This legal assistance is rendered with the aim of enabling the municipality to deliver on its constitutional mandate. The department is guided by legislative requirements that indicate operations of the various courts, as well as timelines for court matters. The same applies to the processing and turnaround times for matters processed in terms of the Promotion to Access to Information Act, 2 of 2000 ("PAIA") and the Promotion of Administrative Justice Act, 3 of 2000 (PAJA), which are similarly legislated to ensure efficiency.

The Department is responsible for mitigating risk against the municipality and its structures, the Executive Mayor, City Manager and Executive Directors. This function is executed by way of rendering effective and efficient legal services by providing legal advice (formally, and in meetings such as Council and Mayoral Committee) and guidance, drafting or procuring opinions and agreements, and providing legal assistance within the Office of the City Manager. Furthermore, the Department is responsible for ensuring the legal compliance of all reports submitted to Council and its structures, the Executive Mayor and the City Manager.

In addition, the Department provides legal support to the Office of the City Manager, generally and in his/her capacity as the Appeal Authority in the finalisation of Section 62 appeals and resolutions of disputes, objections and complaints in accordance with Regulations 49 and 50 of SCM Regulations. Moreover, the Department assists with the restriction of suppliers, found to have abused the Supply Chain Management process, in terms of Regulation 38 of the SCM Regulations. The department further assists the City Manager by investigating complaints emanating from the Office of the Public Protector and the SA Human Rights Commission, by preparing draft responses for discussion and approval to promote and safeguard the City's legal interests.

- **Stakeholder Engagement Department**

This Department is responsible to represent the City Manager at various internal- and external stakeholder engagements and to provide feedback and input to and from the City Manager's office. It further seeks to keep abreast of and remain informed on sensitive matters pertaining to the Administration and to ensure that the City Manager is alerted to matters requiring specific attention. It also serves to coordinate and facilitate oversight of specifically identified service delivery related issues in terms of interface with external customers and internal departments. The branch also manages service delivery complaints referred to the City Manager and coordinates related investigations. The unit also protects the integrity of the City Manager's office by ensuring that external stakeholders are informed of matters receiving due attention from the Administration.

The Department further assists the City Manager to:

- Increase the visibility of the Office of the City Manager in sub-councils and communities;
- Investigate service delivery complaints that are escalated to the Office of the City Manager;
- Monitor progress on City projects;
- Monitor progress of complaints being dealt with by the Administration;
- Liaise between the City and community/external stakeholder; and
- Communicate the Administration's plans with the external stakeholders.

- **Office of the Executive Mayor Department**

The main role of this Department is to support the Executive Mayor in identifying the needs of the municipality, and recommend ways to realise those needs by means of the City's IDP and budget. The branch also supports the Executive Mayor in monitoring the Administration, reviewing the performance of the municipality and overseeing service delivery.

The Department further ensures the efficient and effective management of the executive political office of the Executive Mayor by providing strategic services. The Office includes Governance, Administrative, Media & Protocol, Stakeholder Engagement, Legal Advice, Mayoral Fund, Political & Strategic Communication, and the Mayor's correspondence/complaints branch, who all render a service to support the Executive Mayor and his office. The Office of the Executive Mayor also has a daily working relationship with the VIP Unit, Events & Protocol who engage to support the Executive Office.

The Office of the Executive Mayor also performs political/administrative interface with Mayoral Committee Members, Council, City Manager, Provincial- and National Government.

- **Combined Assurance and Governance Department**

This Department is responsible for the combined assurance function in the City, which incorporates the following:

- Analysis, consolidation and reporting of assurance coverage as provided by the various levels of assurance (Level 1 to Level 4). The outcomes hereof is reported in the Integrated Combined Assurance Report.
- Analysis of and reporting on the planned assurance for the existing controls in respect of the City's strategic risks thus making it possible to identify where assurances are present, their sources and where assurance gaps exist.
- Creation and maintenance of a platform where various assurance providers engage on a quarterly basis to discuss assurance matters in the City.

- Coordination of the submission of assurance outcomes provided by the internal assurance providers on governance, risk management and control matters that could significantly affect the City's ability to render service delivery.

In addition to the core functions listed above, the Department assists the City Manager through various service offerings, which include but is not limited to:

- The compilation of an annual report on Accountability and Responsibility as required by Section 78 of the MFMA.
- Quarterly analysis, consolidation and reporting to management on how consequence management has been instituted in the City.
- Analysis, consolidation and reporting on compliance with laws, regulations and standards as identified and reported by assurance providers.

The Department also facilitates special projects as and when requested by the City Manager. One of the key projects completed during the 22/23 financial year relates to the adoption of the Committee of Sponsoring Organisations (COSO) model, which will form the basis for the development, and implementation of a citywide internal control framework. Internationally, the COSO 2013 Internal Control Framework is one of the most widely used internal control frameworks and provides leading practice guidance for establishing effective governance procedures and internal controls.

Through embedding combined assurance as a governance process, the Department aims to achieve optimal co-ordination and collaboration between management, specialised functions and independent internal and external assurance providers.

- **Office of the City Ombudsman (OCO) Department**

The Department's role is to ensure fair and reasonable administration of the functional areas, which have been entrusted to the City in terms of Schedules 4 and 5 of the Constitution. Members of the public who are aggrieved by actions of the City's Administration may lodge complaints with the OCO. In terms of the Ombudsman By-Law, the OCO conducts independent investigations into complaints and strives to reach working resolutions on an amicable basis, by recommending corrective action.

The OCO has developed a hybrid approach to conflict resolution that combines elements of organisational and statutory models for Ombud services. With the consent of the complainant, the OCO can institute informal mediation, facilitative processes or formal investigations aimed at addressing a complaint. The methodology of the OCO includes conducting preliminary investigations, data analysis, site inspections and consultations with relevant stakeholders.

The OCO furthermore analyses complaints and case investigation outcomes to identifying trends, issues and concerns relating to certain City's administrative practices, processes, by-laws and policies. In addition to the complaints management and investigation functions, the OCO also performs advocacy and awareness functions.

- **Forensic Services Department**

The purpose of Forensic Services is to deliver pro-active programmes and real-time reactive investigations in an effective and independent manner. The vision of the Department is to add value in the fight against fraud, corruption, financial crimes, and maladministration through the application of knowledge and experience for the benefit of the citizens of Cape Town.

The scope of work includes, but is not limited to, the provision of the following services/functions:

- A reactive forensic service relating to alleged maladministration and/or negligence committed on the part of any employee, municipal entity, agent, contractor, supplier, and service provider to the City.
- Undertaking a preliminary enquiry/assessment (as part of the reactive forensic service) into any matter that may give rise to a formal investigation with a view to establishing whether, on reasonable grounds, a forensic investigation is warranted.
- Investigating alleged financial crime (fraud, theft, corruption, or other criminal activity).
- Providing litigation support in respect of forensic investigations where required.
- Leading, developing and/or ensuring the implementation of anti-fraud/corruption policies and prevention measures.
- Conducting appropriate proactive, detection, awareness, and education programmes on financial crime and maladministration, fraud prevention and deterrence.
- Facilitating the operation of an independent fraud hotline.
- Fostering open and effective communication with line management, MayCo, EMT, the Audit and Performance Audit Committee (APAC), and other relevant (internal and external) stakeholders such as Municipal Public Accounts Committee (MPAC) and the Speaker of Council.
- Reporting in an effective and timely manner to the appropriate levels of management and the appropriate governance structures.

- **Internal Audit (IA) Department**

The purpose of the IA Department is to provide independent, objective assurance and advisory services designed to add value and improve the City and its municipal entities' operations. It helps the City and, where applicable, its municipal entities accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

The Department's vision, simply put, is to be a trusted advisor to assist the City and to be known for its effective and equitable service delivery and to distinguish itself as a well-governed (tenets being openness and due process) and efficiently run administration, which contributes to the achievement of the goals, objectives and targets of the Integrated Development Plan. Its mission is to enhance and protect organisational value by providing risk-based and objective assurance, advice, and insight to the City and its municipal entities, where applicable.

The Chief Audit Executive (CAE) is accountable functionally to the APAC and administratively to the City Manager. The CAE also attends MPAC meetings to assist the committee with the effective discharge of its duties by providing technical assistance and advice when required. The CAE has also been appointed to the Financial Misconduct Board (FMB).

The Department is largely directed by the Institute of Internal Auditor's International Standards for the Professional Practice of Internal Auditing as well as benchmarks with leading practice.

- **Risk, Ethics and Governance (REG) Department**

The overall purpose of the Department is to provide the City with efficient integrated risk management (IRM) processes, ethics and integrity services, as well as a robust business continuity management (BCM) function.

IRM assists, facilitates and monitors the identification, mitigation and reporting on risk which positively or negatively impacts the achievement of City objectives. IRM processes are aligned to the organisational structure and combined assurance model and require the use of various tools and techniques to execute environmental scans; ensure breaking down of silos and the involvement of all relevant internal assurance providers (level 1 to 3). In addition IRM outputs form the fundamental basis of the City's Risk Based Audit Plan and the City's Combined Assurance Plan.

BCM ensures that business continuity plans are developed and tested across the City. This is done by facilitating business impact analysis (BIAs) exercises to determine business criticalities and recovery priorities, documenting continuity strategies and response plans, and testing continuity plans in order to improve organisational resilience towards various shock events.

Proactive and advisory components consisting of ethics training and awareness sessions are conducted across the City and are aligned to the City's stance of zero tolerance to unethical behaviour, for a corruption-free City. Monitoring, reporting and facilitating the process of all employees' declaration of interest statuses as well as yearly acknowledgement of the Code of Conduct is performed by the Ethics function. The Ethics function provides guidance to City management and employees, to ensure compliance with applicable ethics laws, regulations, codes and policies. This includes the development and/or review of policy, processes and procedures related to ethics in the City. Furthermore, co-operating and input with other institutions/organs of state regarding Ethics initiatives, norms, standards, best practice is done, in order to strive towards being a leader in the development and institutionalisation of ethics in local government by driving the process of protecting, nurturing and enhancing the ethical culture of the City. A reactive component, consisting of ethics investigations, are authorised by the City Manager and are undertaken in an independent and objective manner.

The Chief: RCE reports functionally to the Risk Committee (RiskCo), which was constituted by the City Manager to provide the appropriate advisory forum and governance structure to assist the City Manager and the EMT in discharging their risk management responsibilities and providing an enabling environment to assist the City to comply with laws, regulations and recognised governance frameworks. RiskCo advises on matters related to risk governance and reports to the APAC thereon. In terms of Ethics matters the Chief: RCE reports to the APAC.

* In light of a recent BI process, IRM and BCM will be moving to the Future Planning and Resilience Directorate in the foreseeable future, and the Ethics section will be moving to the Forensics Department.

Changes to service levels and standards over the MTREF

There are no material changes in trends over the MTREF period for the Directorate.

Prior year performance - 2021/22 financial year

The Directorate attained the following financial indicators in the 2021/22 financial year:

- Capital spend: 93.32% (target: 90%)
- Operating spend 97.74% (target: 95%)
- Repairs and maintenance spend 61.11% (target: 95%)
- Training budget spend 76.73% (target: 95%)

Risks to achieving revenue projections, any expected major shifts in revenue patterns and any planned alternative sources of revenue

Not applicable to the Directorate.

Major features of expenditure including discretionary and non-discretionary expenditure

The Directorate's main expenditure categories include:

- Employee related cost;
- Contracted services; and
- Other expenditure.

Directorate Capital Programme

The Directorate's capital budget relates to the following items:

- Construction of Blue Downs Court;
- Refurbishment of Wynberg Court;
- Internal Audit electronic working paper software;
- Installation of CCTV cameras at municipal courts;
- Installation of air conditioner at Old Granary Building; and
- Procurement of computers, IT equipment and furniture.

Table 68 - Office of The City Manager (Vote 8) - operating revenue by source, expenditure by type and total capital expenditure

Directorate: Office of the City Manager									
Budgeted Financial Performance (revenue and expenditure)									
Description	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Revenue									
Exchange Revenue	574	3 998	2 722	824	824	824	865	903	943
Service charges - Electricity	-	-	-	-	-	-	-	-	-
Service charges - Water	-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management	-	-	-	-	-	-	-	-	-
Service charges - Waste Management	-	-	-	-	-	-	-	-	-
Sales of Goods and Rendering of Services	522	3 816	2 687	3	3	3	3	3	3
Agency services	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Interest earned from Receivables	-	-	-	-	-	-	-	-	-
Interest earned from Current and Non Current Assets	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-	-
Rent on Land	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets	-	-	-	-	-	-	-	-	-
Licences and permits	-	-	-	-	-	-	-	-	-
Operational Revenue	52	182	35	821	821	821	862	900	940
Non-Exchange Revenue	0	10	14 373	-	-	-	-	-	-
Property rates	-	-	-	-	-	-	-	-	-
Surcharges and Taxes	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	-	1	0	-	-	-	-	-	-
License and permits	-	-	-	-	-	-	-	-	-
Transfers and subsidies - Operational	-	-	14 366	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Fuel Levy	-	-	-	-	-	-	-	-	-
Operational Revenue	-	-	-	-	-	-	-	-	-
Gains on disposal of Assets	0	9	7	-	-	-	-	-	-
Other Gains	-	-	-	-	-	-	-	-	-
Discontinued Operations	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)	574	4 007	17 094	824	824	824	865	903	943
Expenditure									
Employee related costs	227 374	249 341	310 514	279 147	265 475	265 475	298 592	316 836	337 311
Remuneration of councillors	1 445	1 445	1 450	1 516	1 516	1 516	1 598	1 670	1 745
Bulk purchases - electricity	-	-	-	-	-	-	-	-	-
Inventory consumed	3 179	2 320	2 175	5 382	3 898	3 588	3 939	4 018	4 102
Debt impairment	-	-	-	-	-	-	-	-	-
Depreciation & amortisation	2 521	2 412	2 260	2 945	3 810	3 810	4 573	5 090	6 550
Interest	-	-	-	-	-	-	-	-	-
Contracted services	80 134	110 554	113 511	125 730	118 123	119 409	121 862	120 612	121 862
Transfers and subsidies	29 650	25 253	28 741	22 550	15 734	15 734	15 750	15 750	15 750
Irrecoverable debts written off	-	-	-	-	-	-	-	-	-
Operational cost	28 923	28 291	28 298	34 938	39 207	38 230	36 749	36 749	36 749
Losses on disposal of Assets	15	9	26	-	-	-	-	-	-
Other Losses	-	-	-	-	-	-	-	-	-
Total Expenditure	373 241	419 625	486 976	472 208	447 763	447 763	483 063	500 725	524 068
Surplus/(Deficit)	(372 667)	(415 618)	(469 882)	(471 384)	(446 939)	(446 939)	(482 198)	(499 822)	(523 125)
Transfers & subsidies - capital monetary	-	-	-	-	-	-	-	-	-
Transfers & subsidies capital in-kind	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(372 667)	(415 618)	(469 882)	(471 384)	(446 939)	(446 939)	(482 198)	(499 822)	(523 125)
Income Tax	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax	(372 667)	(415 618)	(469 882)	(471 384)	(446 939)	(446 939)	(482 198)	(499 822)	(523 125)
Share of Surplus/Deficit attributable to Joint Venture	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality	(372 667)	(415 618)	(469 882)	(471 384)	(446 939)	(446 939)	(482 198)	(499 822)	(523 125)
Share of Surplus/Deficit attributable to Associate	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	(372 667)	(415 618)	(469 882)	(471 384)	(446 939)	(446 939)	(482 198)	(499 822)	(523 125)
Capital Expenditure	3 622	6 041	5 961	13 329	7 405	7 350	11 467	77 374	1 442

2.12.9 Safety & Security (Vote 9)

The Safety & Security Directorate is committed to ensuring a safe and secure environment for all its residents, by combating crime and disorder, reducing vehicle speed and accidents on our roads, improving response time to emergency fire calls, reducing disaster risks in all communities within the City and supporting community events in order to create opportunities for communities and build social cohesion.

The Directorate consists of nine functional departments as listed below.

- **Metropolitan Police Services Department**

This Department was established in terms of the South African Police Service Act. Its mandate is the enforcement of traffic laws, enforcement of by-laws and crime prevention. Its current operations include clamping down on drug- and alcohol-related offences and addressing gang-related violence. To this end, the Gang and Drug Task Force was established, resulting in significant operational successes. Other major initiatives include the expansion of the department's Youth Cadet Camps and Social Crime Prevention projects to bring policing closer to the people of the City.

- **Law Enforcement, Traffic and Operational Coordination Department**

The Department comprises of the following units:

- **Law Enforcement Services**

This unit is responsible for the enforcement of by-laws and regulations in terms of the Criminal Procedures Act. The unit is dedicated to protecting lives and property through effective and efficient combating of crime through partnerships that create a safe environment, build trust and enhance the quality of life in all our communities. This includes general by-law enforcement in residential areas and resorts as well as specialised enforcement through various units. These units are responsible for dealing with copper theft, informal trading, displaced people, illegal land invasion, liquor control, problem buildings, combatting poaching, prevention of noise nuisances and security at Council rental housing stock. This includes inspection at scrap metal dealers and of liquor premises for compliance. The department plays a major role in beach management over festive seasons by protecting and conserving the marine and coastal line through by-law enforcement and thereby significantly contributing towards the City's tourism and trading industry. Major festive season contributions are also made through law enforcement visibility at other public events and the unit actively supports other directorates in land invasion action. The largest project of the department is the Law Enforcement Advancement Plan (LEAP) which is co-funded by the Western Cape Government and enforced in partnership with the South African Police Service to combat crime in high homicide crime rate areas. These additional resources are primarily used to bolster the City's law enforcement capacity in terms of the neighbourhood safety team initiative, the Safety & Security Investigation Unit, area-based crime prevention functions, and the combating of land invasions. The project is expected to have a positive impact on the levels of crime and disorder in Cape Town. In addition to the above, the department has entered into another partnership with the Western Cape Education Department over the 2024 MTREF period. The mission is to reduce and prevent school-related violence and crime and actively contribute to the creation of a safe school environment and safer communities. The construction of Law Enforcement Base, the purchasing of an Anti-poaching marine vessel and procurement of vehicles also form part of the major projects embarked on within this unit.

- **VIP Unit**

The function of this unit is to ensure effective support and protection to all political office bearers including the Executive Mayor, Executive Deputy Mayor, Chief Whip, Speaker and all councillors.

- **Traffic Services**

This unit was established in terms of the National Road Traffic Act. It consists of two sections; Operations and Licensing. The Operations section deals with specialised and general activities and the enforcement on roads, which includes speed checks conducted as well as drivers screened for driving under the influence. The Licensing section deals with learner- and driver license testing, card conversions and renewals, as well as managing the traffic court division and the public/private partnership agreement on traffic cameras.

- **Special Investigation Unit**

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

- **Safety & Security Information Management Services (SSIMS)**

This branch supports and assists policing services in the City through crime and technical analysis, research, reports providing recommendations regarding risks and threats to guide services with approaches and deployments, problem solving and utilisation of Evidence Based Policing in crime prevention and crime reduction strategies. The unit also performs analytical functions to assist services with detection, prevention and responding to incidents. SSIMS prepares crime pattern analysis and target analysis that assist the enforcement agencies to focus on specific areas, times and dates in order to conduct pro-active policing measures. The branch collects, collates, retrieves and analyses data to develop an analytical product for dissemination. SSIMS focuses on the importance of the establishment of relationships and networks with external stakeholders, peer organisation, community structures, academia and governmental agencies and departments.

- **107 Public Communication Emergency Call Centre (PECC) Department**

Emergencies are logged through the PECC, where all calls are directed to appropriate institutions and agencies. The centre is manned by well qualified operators. Some focus is also placed on education and public awareness campaigns at community facilities, libraries, clinics and shopping centres.

- **Fire and Rescue Services Department**

This Department was established in terms of the Fire Brigade Services Act. The Department has 32 fire stations operating on a 24-hour basis and each fire station is responsible for the provision of fire services within its area of jurisdiction. These include: preventing the outbreak and spread of fire; fighting and extinguishing a fire; specialised fire services to deal with specialised fire risks prevalent in the area such as formal structure fires, informal settlement fires, wildland fires, and chemical fires, specialised rescue services; training and development of fire officers and firefighters; developing and implementing community-based fire safety and prevention programs; control and stabilisation of dangerous goods incidents; protection of life and/or property against fire or other related danger; rescue of life and property from fire or another form of entrapment; performance of fire safety activities such as plan scrutiny, fire safety inspections, special events planning, business license inspections, hazardous installation inspections, fire risk inspections and fire safety by law enforcement; and call taking and dispatching.

- **Disaster Risk Management Centre (DRMC) Department**

The department supports a safe and resilient Cape Town through coordinating and delivering (as mandated by the Disaster Management Act, 2002) a continuous and integrated multi-sectoral, multi-disciplinary process of planning and implementation of measures aimed at: preventing or reducing the risk of disasters; mitigating the severity or consequences of disasters; emergency preparedness; rapid and effective response to disasters; and post-disaster recovery and rehabilitation.

Key performance areas include: establishing and maintaining integrated institutional capacity for disaster risk assessment, disaster risk reduction; disaster risk assessment; disaster risk reduction; and response and recovery. Portfolios within the Department include four service delivery DRMC Areas as well as: Disaster Logistics and Fleet Management; Public Awareness and Preparedness; Disaster Operations and Systems Integration; Disaster Management Planning; Disaster Management Training, and Volunteer Management.

Major programmes, projects and initiatives include: the Disaster Management Advisory Forum and its hazard-specific subcommittees; Disaster Risk Assessment; Disaster Risk Reduction and Response; Winter Readiness; Festive Season Safety; Events Safety; Women and Girls in Resilience; Be a Buddy; Community-based Disaster Risk Reduction; Emergency preparedness support to commerce industry and institutions in the formal and informal sectors; Volunteer Development; Disaster Operations Centre; Disaster Management facilities, equipment and systems resilience and improvement; Disaster Coordinating Team, and City Joint Operations Centre management as required and ongoing incident and disaster impact assessments, response and relief coordination and management.

- **Events Department**

The Events Department contributes to the Inclusive Growth priority, which is to stimulate economic growth, development, attract investment and demonstrate inclusivity through the staging and hosting of events as well the facilitation and promotion of film activities leading to an increase in jobs. Additionally, the department contributes to the Safety priority by regulating events and filming through facilitating and issuing event and film permits. The Department continues to aspire to deliver on the City's achievement as the World's Leading Festival and Events Destination and to contribute to creating an enabling environment that stimulates growth in the event and film industries.

- **Emergency, Policing Incident Command (EPIC) Department**

The function of this Department is to support, leverage and plan technology implementations within the Directorate. This includes managing the utilisation of already deployed technologies and solutions, but also includes innovation and further development and integration of the EPIC Solutions and other associated Safety & Security technology. Ongoing technical development is required to ensure that the Directorate and the City are in a position to leverage technology to improve service delivery. Major internal projects include the Contravention System, EPIC Programme Replacement Devices, and the Computer Aided Dispatch System. Procurement-related technology projects include the NW Community Safety Application, the introduction of BodyCams and Dashcams (with ANPR capability), the deployment of Information, Surveillance and Reconnaissance (ISR) Aircraft, as well as the creation of an internal S&S drone (RPAS) capability.

- **Support Services Department**

The Department provides a wide range of support functions to the Directorate. This includes: business improvement and performance management; drafting of line related policies, strategies, procedures etc.; providing guidance and support in respect of Safety and Security operational matters e.g. research, drafting of plans etc.; overseeing the delivery of the Directorate's community safety and neighbourhood watch support programme; overseeing the Directorate's resilience and trauma management function; overseeing international liaison and securing international training opportunities; managing the informant rewards programme, and providing a support and advisory function in respect of civilian oversight.

- **Capital Programmes & Projects Department**

This Department was introduced into the Directorate structure in the 2022/23 financial year in line with organisational strategic planning and implementation of capital infrastructure projects. Services of the Department include monitoring and compliance of supply chain and contract management processes required within the Directorate as well as infrastructure planning in line with the Capital Projects, Programmes and Portfolio management (CPPPM).

Changes to service levels and standards over the MTREF

The 2022/23 financial year presented an increase in the fine income budget, which can be attributed to an upward trajectory of traffic fines issued due to staff members working overtime and the implementation of various fine collection strategies as well as increased operations and the introduction of the Highway Patrol Unit.

Risks to achieving revenue projections, any expected major shifts in revenue patterns and any planned alternative sources of revenue

Although various interventions have been implemented, there is a general culture of non-payment of traffic fines in the City, which will have an effect on the Directorate's revenue projections.

Major features of expenditure including discretionary- and non-discretionary expenditure

The Directorate's major expenditure categories include:

- Salaries and Wages;
- Fuel;
- Security services;
- Uniform and protective clothing;
- Commission - Revenue;
- Event promoters; and
- Sponsorships.

Prior year performance – 2021/22 financial year

The Directorate continues to implement various safety and security programmes through technology to ensure all communities are safe and protected.

CCTV systems have proven to be an extremely effective tool in combatting and preventing crime within the City. The camera footprint amounts to nine hundred and one (901) cameras located throughout the City. Eight thousand eight hundred and sixty-nine (8869) camera-detected incidents were responded to by various policing agencies and resulted in two hundred and thirty-eight (283) arrests in the 2021/22 financial year.

The PECC fielded 485 361 calls in the 2021/22 financial year. Most callers sought medical assistance, with requests for assistance for law enforcement matters coming in at second place.

431 roadblocks were held to reduce drinking and driving offences and 6 822 manual speed checks were conducted.

The Fire and Rescue Service responded to 22 616 emergency incidents of which 6 631 were medical/trauma related special service incidents, and 15 532 were fire-related incidents. This excludes Hazmat incidents, assisting private companies, alarm activations etc.

Directorate capital programme

Significant capital projects to be undertaken over the medium-term include:

- CCTV installations areas within the City based on top five areas/police stations that require assistance with crime prevention/detection, in order to bring down crime incidents, namely, Nyanga, Mitchells Plain, Mfuleni, Delft and Kraaifontein;
- CCTV installations in various wards across the City;
- Property Improvement Training College;
- Law Enforcement Base; and
- Construction of Langa Fire Station and upgrades to various fire stations.

Table 69 - Safety & Security (Vote 9) - operating revenue by source, expenditure by type and total capital expenditure

Directorate: Safety & Security									
Budgeted Financial Performance (revenue and expenditure)									
Description	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Revenue									
Exchange Revenue	58 663	70 662	106 036	96 925	110 098	110 098	114 934	119 991	125 391
Service charges - Electricity	–	–	–	–	–	–	–	–	–
Service charges - Water	–	–	–	–	–	–	–	–	–
Service charges - Waste Water Management	–	–	–	–	–	–	–	–	–
Service charges - Waste Management	1	1	0	–	–	–	–	–	–
Sales of Goods and Rendering of Services	18 383	21 588	20 046	25 278	36 154	36 154	36 453	38 057	39 770
Agency services	10 213	12 295	13 961	14 491	14 491	14 491	15 215	15 885	16 600
Interest	–	–	–	–	–	–	–	–	–
Interest earned from Receivables	3 507	3 962	3 793	–	1 986	1 986	2 084	2 175	2 273
Interest earned from Current and Non Current Assets	–	–	–	–	–	–	–	–	–
Dividends	–	–	–	–	–	–	–	–	–
Rent on Land	–	–	–	–	–	–	–	–	–
Rental from Fixed Assets	676	686	695	296	296	296	1 101	1 150	1 202
Licences and permits	24 360	31 028	31 092	54 929	54 929	54 929	57 620	60 155	62 862
Operational Revenue	1 523	1 102	36 448	1 932	2 243	2 243	2 460	2 569	2 684
Non-Exchange Revenue	1 385 728	1 888 938	2 245 010	1 666 925	1 768 082	1 768 082	1 597 733	1 612 331	1 632 157
Property rates	–	–	–	–	–	–	–	–	–
Surcharges and Taxes	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits	1 227 471	1 519 442	1 900 353	1 250 274	1 346 879	1 346 879	1 240 165	1 241 933	1 243 819
License and permits	0	0	0	–	–	–	–	–	–
Transfers and subsidies - Operational	158 231	369 209	344 352	416 651	421 203	421 203	357 568	370 398	388 338
Interest	–	–	–	–	–	–	–	–	–
Fuel Levy	–	–	–	–	–	–	–	–	–
Operational Revenue	–	–	–	–	–	–	–	–	–
Gains on disposal of Assets	25	288	306	–	–	–	–	–	–
Other Gains	–	–	–	–	–	–	–	–	–
Discontinued Operations	–	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)	1 444 391	1 959 601	2 351 046	1 763 850	1 878 180	1 878 180	1 712 667	1 732 322	1 757 548
Expenditure									
Employee related costs	2 305 032	2 636 900	2 782 100	3 369 346	3 380 962	3 382 775	3 462 943	3 679 897	3 787 376
Remuneration of councillors	–	–	–	–	–	–	–	–	–
Bulk purchases - electricity	–	–	–	–	–	–	–	–	–
Inventory consumed	98 020	104 659	132 089	171 341	269 677	269 596	233 026	240 520	254 036
Debt impairment	(30 281)	248 337	690 944	960 000	1 060 000	1 060 000	960 000	960 000	960 000
Depreciation & amortisation	85 867	115 970	133 914	156 220	158 238	158 238	169 596	223 413	242 333
Interest	–	1 363	–	–	–	–	–	–	–
Contracted services	116 735	142 536	127 708	170 356	194 593	192 002	198 422	195 170	198 141
Transfers and subsidies	25 248	15 187	40 531	67 821	88 260	86 428	70 516	70 516	70 516
Irrecoverable debts written off	900 261	1 044 253	1 092 500	–	–	–	–	–	–
Operational cost	207 526	150 890	168 551	271 188	233 325	236 016	243 065	202 200	202 484
Losses on disposal of Assets	2 935	1 056	1 990	91	93	93	93	93	93
Other Losses	–	–	–	3	3	3	3	3	3
Total Expenditure	3 711 342	4 461 150	5 170 329	5 166 367	5 385 152	5 385 152	5 337 665	5 571 813	5 714 982
Surplus/(Deficit)	(2 266 951)	(2 501 550)	(2 819 283)	(3 402 516)	(3 506 971)	(3 506 971)	(3 624 997)	(3 839 491)	(3 957 434)
Transfers & subsidies - capital monetary	23 161	7 312	21 884	–	5 473	5 473	37 562	48 168	55 000
Transfers & subsidies capital in-kind	–	679	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	(2 243 790)	(2 493 558)	(2 797 399)	(3 402 516)	(3 501 498)	(3 501 498)	(3 587 436)	(3 791 324)	(3 902 434)
Income Tax	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after income tax	(2 243 790)	(2 493 558)	(2 797 399)	(3 402 516)	(3 501 498)	(3 501 498)	(3 587 436)	(3 791 324)	(3 902 434)
Share of Surplus/Deficit attributable to Joint Venture	–	–	–	–	–	–	–	–	–
Share of Surplus/Deficit attributable to Minorities	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality	(2 243 790)	(2 493 558)	(2 797 399)	(3 402 516)	(3 501 498)	(3 501 498)	(3 587 436)	(3 791 324)	(3 902 434)
Share of Surplus/Deficit attributable to Associate	–	–	–	–	–	–	–	–	–
Intercompany/Parent subsidiary transactions	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	(2 243 790)	(2 493 558)	(2 797 399)	(3 402 516)	(3 501 498)	(3 501 498)	(3 587 436)	(3 791 324)	(3 902 434)
Capital Expenditure	429 428	367 879	192 797	236 735	282 949	282 338	443 515	463 252	397 639

2.12.10 Spatial Planning & Environment (Vote 10)

The purpose of the Directorate is to coordinate spatial and environmental planning and execution of built environment regulatory mandates in order to stimulate economic growth, address socio-economic challenges, secure the environmental base of the City, bring about spatial transformation and help secure the revenue base for the City.

The Directorate aligns primarily (but not exclusively) to the following Mayoral Priorities of the IDP action plan: Economic Growth; Public Space Environment and Amenities; Housing; and the foundation of a Spatially Integrated and Inclusive City.

Service delivery is achieved through five line departments, namely:

- **Urban Planning and Design Department**

The primary focus of the Department is to update the 8 District Spatial Development Frameworks (DSDF) on an annual basis to inform the Metropolitan Spatial Development Framework (MSDF). This process is ongoing.

- **Environmental Management Department**

The Department manages twenty-one nature reserves with the aim to protect and conserve the City's natural areas and biodiversity heritage. It has the responsibility to regularly review the environmental compliance register, including the procedure for remediation and escalation of environmental non-compliance in City operations. It manages a coastline of approximately 240 km in length – longer than any other municipality in the country – which excludes the coastline falling within the Table Mountain National Park (approx. 67km). The Department is responsible for any matter that affects the coast on the landward side, including pollution incidents in the catchment. It also plays a role in marine aspects e.g. anchored vessels (noise pollution), marine water quality monitoring, whale carcass removal, whale disentanglement and sea animal stranding. The Department conducts frequent water quality sampling at 99 sites along the coast and publishes comprehensive Coastal Water Quality tables online, to promote transparency of results. It also assists transversally across the organisation with conservation of heritage sites.

- **Development Management Department**

The primary purpose of the Department is to create an effective and efficient planning and building development environment in Cape Town, South Africa and in Africa, which promotes and facilitates sustainable development through equitable and effective service delivery. This is done through transversal delivery of services in its operations, the integrated nature of its E-Systems based on the principles of the Property Value Chain (PVC) with linkages to departments within the City.

- **Urban Regeneration (MURP & CIDs) Department**

Mayoral Urban Regeneration Programme (MURP) focusses on improving conditions within the shared public environment by introducing a sustainable system of operations and maintenance of public infrastructure and facilities in partnership with communities. There are many projects across the City to support and improve the lives of the poor via the Mayors Visible Service Acceleration (MVSA) and Violence Prevention through Urban Upgrading (VPUU) Programmes.

CIDs are geographically defined areas where property owners pay additional property rates to fund supplemental municipal services in terms of a Council approved business plan as supported by the community who fund and drive the process and then manage the operations under the oversight of the City. CIDs improve and upgrade their local areas by focusing on public safety, cleansing, environmental initiatives and social programmes to make their areas clean and safe to work, live and play. This may result in attracting investments, stimulating the economy and creating employment opportunities over the next term of office and beyond for the Directorate and the City at large.

- **Urban Catalytic Investment (UCI) Department**

UCI comprises a diverse set of planning and enablement functions combining precinct planning, project preparation, and the packaging and project management of complex catalytic sites; innovative finance and funding mechanisms; and spatial incentives; and to conceptualise Transit-oriented Development (TOD) through a portfolio of spatially targeted transit accessible precincts.

UCI plays an important role in realising the City's vision for inclusive economic growth and development, jobs and the promotion of spatial transformation to enhance the livelihoods and opportunities of Cape Town's diverse communities. The successful implementation of TOD offers significant potential to induce greater urban efficiencies and thereby build a more sustainable city.

Changes to service levels and standards over the MTREF

The current service standard relates to the municipality having a consolidated spatial view of its key business districts and the interventions required to unlock/promote economic growth in these areas.

The City monitors information from valuation data as well as surveys and other studies to determine economic activity. The nodes are contained in the City's Metropolitan Spatial Development Framework (MSDF), approved 26 January 2023. The MSDF also includes a Monitoring and Review Framework to track and report on the implementation of the MSDF and DSDF with an annual Spatial Trends report that is produced to report on specific development trends. Further work is in progress to assess the data and make various assumptions about more localised economic activity to inform the review of the Land Use Model (LUM). The LUM has been used to inform the sector plans concluded in the 2020/21 financial year. These detail the infrastructure requirements for utilities. This data has further informed the new DSDF which Council also approved on 26 January 2023. The DSDF plays a critical role in providing a holistic view and integration between sectors as well as utilising place-based decision-making approaches, which are a critical component to economic stimulus.

The standard for building plan approvals remains unchanged, 30 days for structures of <500m² and 60 days for structures of >500m².

Prior year performance – 2021/22 financial year

The Directorate attained the following financial indicators in the 2021/22 financial year.

- Capital spend: 89% (target: 90%)
- Operating spend: 97% (target: 95%)
- Repairs and maintenance spend: 95% (target: 95%)
- Training budget spend: 97% (target: 95%)

Risks to achieving revenue projections, any expected major shifts in revenue patterns and any planned alternative sources of revenue

Although revenue is largely dependent on demand within the building construction industry, budgets are based on revenue collection trends, taking into account the volatility in the market.

Since relaxation of the COVID-19 restrictions, a substantial amount of building plans and land use applications have been processed, which have resulted in more revenue collected than anticipated in the 2021/22 financial year.

Currently there is an upward trend in the building industry in the Western Cape and it does look promising, but continuous rises in interest rates could slow down the market.

Visitor numbers at nature reserves have remained stable, with increases in admission fees, revenue collection increased at nature reserves, which could be attributable to the upgrade of facilities. Activities such as sandboarding, off-road vehicles and quad bikes have shown a marked increase at the Witzands Aquifer Nature Reserve in particular. Revenue collection at the Witzands Aquifer Nature Reserve showed a year-on-year increase of 81.52% in 2020/21 and 56.63% in 2021/22. The Helderberg Nature Reserve is also particularly popular with visitors and shows stable revenue collection year-on-year. Taking into account affordability and the current economic climate, Revenue is dependent on consumer demand and is therefore difficult to predict accurately.

For the past years, the City has not increased Environmental and Heritage Management tariffs, even by inflation. The costs have been kept as-is to provide relief to business during the past few years of crisis. While 2018 and 2019 had normal revenue levels, 2020 revenue reflects the effect of the 'March 2020 to June 2020' hard lockdown. Financial year 2020/21 reflects the full effect of the COVID-19 pandemic after two lockdown periods. The past financial year 2021/22 showed slight recovery. Rental income is derived from the hire of the Smart Living Education Centre and is dependent on public demand.

Major features of expenditure including discretionary and non-discretionary expenditure

- Wildlife programme – Baboons & Sharks spotting
- Green Jobs – Invasive Alien Clearing
- Vlei remediation planning programme
- Zeekoevlei dredging
- Dune rehabilitation & maintenance
- Reserve maintenance
- Security at facilities
- Signage removals
- Environmental awareness programmes
- Partnerships with: CTEET, NSRI & SANCCOB
- Due diligence forensic studies
- Civil, electrical & transportation engineering studies
- Coastal engineering studies
- Scoping to Concept Design studies
- Environmental & other assessments
- Estuary Management plans
- Land surveys & architect services

- Precinct scoping studies
- Pre-feasibility & feasibility studies
- Public engagements –MSDF, DSDF & EMF
- Design Guidelines
- Incentive Overlay Zone studies
- Sustainability studies
- Philippi Agri-Hub
- Foreshore Gateway
- Bellville CBD
- Philippi Opportunities Areas
- Mayor's Visible Service Acceleration (MVSA) includes: Precinct management; Urban design frameworks; Feasibility & concept designs studies; Community Ambassadors Programme; CAP Development; Learner & driver training programme; Leadership, community and skills development programmes; and Safety action plans.

Directorate capital programme

Significant capital projects to be undertaken over the medium-term include:

- Coastal Programme: Upgrades to Fisherman's lane/Strandfontein Boardwalk; Seaforth Beach Precinct; Monwabisi Beach Precinct; Muizenberg Beach Front; Small Bay Sea Wall; Strand Sea Wall; Table View Beachfront; Upgrading Sea Point Promenade Ph2; Revetment and retreats at Glencairn Rail; False Bay & Deep South Coastal Conservancies; Fish Hoek and Fleur park Dune Rehabilitation and Muizenberg Environmental Centre Rehabilitation
- Wetland Rehabilitation Programme: Acquisition of weed harvesters; and Lowering of Zeekoevlei Weir
- Local Area Priority Programme (LAPI's): Upgrades at Parow Station Pedestrian Arcade; Bonteheuwel/Bishop Lavis LAPI; Salt River Station and Kruskal Avenue.
- Acquisition of Land Programme
- Local Environment and Heritage Programme: Asanda Village Wetland Rehabilitation; Green Point Park Environment Education Centre Upgrade; and Westridge Park Environmental Education Centre
- Upgrades at Nature Reserves Programme: Fencing and upgrades at Bracken, Durbanville, False Bay, Helderberg, Tygerberg, Westlake, Witzands, Wolfgat, Zandvlei, Eerste Steen Steenbras and Table View
- Nature Reserve Visitor Education Centres Programme: Bracken, Harmony Flats and Zandvlei
- Philippi Agri-Hub
- Urban Regeneration Upgrades: Upgrade of the Khayelitsha Training Centre.

Table 70 - Spatial Planning & Environment (Vote 10) - operating revenue by source, expenditure by type and total capital expenditure

Directorate: Spatial Planning & Environment									
Budgeted Financial Performance (revenue and expenditure)									
Description	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Revenue									
Exchange Revenue	105 887	102 346	125 034	120 295	121 295	121 295	128 239	133 881	139 906
Service charges - Electricity	–	–	–	–	–	–	–	–	–
Service charges - Water	–	–	–	–	–	–	–	–	–
Service charges - Waste Water Management	–	–	–	–	–	–	–	–	–
Service charges - Waste Management	–	1	129	–	–	–	–	–	–
Sales of Goods and Rendering of Services	104 364	100 405	122 862	120 207	121 207	121 207	128 146	133 784	139 804
Agency services	–	–	–	–	–	–	–	–	–
Interest	–	–	–	–	–	–	–	–	–
Interest earned from Receivables	1 224	1 773	1 636	–	–	–	–	–	–
Interest earned from Current and Non Current Assets	–	–	–	–	–	–	–	–	–
Dividends	–	–	–	–	–	–	–	–	–
Rent on Land	–	–	–	–	–	–	–	–	–
Rental from Fixed Assets	205	111	200	88	88	88	92	96	101
Licences and permits	8	10	6	–	–	–	–	–	–
Operational Revenue	87	46	201	1	1	1	1	1	1
Non-Exchange Revenue	261 840	347 059	408 851	413 827	430 093	430 093	499 166	390 268	403 086
Property rates	–	–	–	–	–	–	–	–	–
Surcharges and Taxes	239 394	270 239	293 085	316 181	316 181	316 181	365 452	381 532	398 701
Fines, penalties and forfeits	5 763	3 707	5 411	3 639	3 639	3 639	3 817	3 985	4 165
License and permits	–	–	–	–	–	–	–	–	–
Transfers and subsidies - Operational	16 680	73 073	110 334	94 007	110 273	110 273	129 896	4 750	220
Interest	–	–	–	–	–	–	–	–	–
Fuel Levy	–	–	–	–	–	–	–	–	–
Operational Revenue	–	–	–	–	–	–	–	–	–
Gains on disposal of Assets	2	40	20	–	–	–	–	–	–
Other Gains	–	–	–	–	–	–	–	–	–
Discontinued Operations	–	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)	367 726	449 405	533 884	534 122	551 388	551 388	627 405	524 149	542 992
Expenditure									
Employee related costs	530 256	594 879	610 573	680 415	673 429	673 286	779 428	815 278	867 991
Remuneration of councillors	–	–	–	–	–	–	–	–	–
Bulk purchases - electricity	–	–	–	–	–	–	–	–	–
Inventory consumed	8 016	7 163	7 497	9 930	12 538	12 579	11 401	10 319	10 398
Debt impairment	7 205	8 157	8 784	9 485	9 485	9 485	10 995	11 479	11 995
Depreciation & amortisation	31 536	37 864	40 041	49 876	49 288	49 288	52 873	60 067	69 854
Interest	–	–	–	–	–	–	–	–	–
Contracted services	257 256	270 601	215 571	223 264	252 907	253 037	287 456	318 644	335 689
Transfers and subsidies	15 872	30 289	36 812	47 502	44 739	44 698	38 115	7 615	7 615
Irrecoverable debts written off	–	–	–	–	–	–	–	–	–
Operational cost	263 883	287 373	309 370	331 158	331 843	331 854	380 168	393 428	410 102
Losses on disposal of Assets	347	190	266	–	–	–	–	–	–
Other Losses	–	–	–	–	–	–	–	–	–
Total Expenditure	1 114 370	1 236 516	1 228 914	1 351 630	1 374 228	1 374 228	1 560 435	1 616 831	1 713 644
Surplus/(Deficit)	(746 644)	(787 111)	(695 030)	(817 507)	(822 839)	(822 839)	(933 031)	(1 092 682)	(1 170 652)
Transfers & subsidies - capital monetary	23 805	9 647	6 014	23 248	30 815	30 815	62 442	53 045	40 000
Transfers & subsidies capital in-kind	10	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	(722 828)	(777 464)	(689 016)	(794 260)	(792 025)	(792 025)	(870 589)	(1 039 637)	(1 130 652)
Income Tax	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after income tax	(722 828)	(777 464)	(689 016)	(794 260)	(792 025)	(792 025)	(870 589)	(1 039 637)	(1 130 652)
Share of Surplus/Deficit attributable to Joint Venture	–	–	–	–	–	–	–	–	–
Share of Surplus/Deficit attributable to Minorities	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality	(722 828)	(777 464)	(689 016)	(794 260)	(792 025)	(792 025)	(870 589)	(1 039 637)	(1 130 652)
Share of Surplus/Deficit attributable to Associate	–	–	–	–	–	–	–	–	–
Intercompany/Parent subsidiary transactions	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	(722 828)	(777 464)	(689 016)	(794 260)	(792 025)	(792 025)	(870 589)	(1 039 637)	(1 130 652)
Capital Expenditure	97 844	120 485	113 932	232 455	264 290	257 570	368 360	420 417	446 442

2.12.11 Urban Mobility (Vote 11)

The Urban Mobility Directorate is a key contributor to the IDP, focusing on a city-based efficient mobility network for public and private transport, pedestrians and cyclists and with public transport services that enable greater access to opportunities. This enables a growing, thriving local economy that benefits everyone. Urban Mobility has a key role to play in making Cape Town a viable and competitive global investment destination.

As a global C40 city, the City is committed to taking bold climate action for a healthier and more sustainable future. Urban Mobility has a leading role to play in reducing greenhouse gas emissions.

The Draft Comprehensive Integrated Transport Plan (CITP) for 2023-2028, sets out how the Directorate will build on the progress it has made in delivering integrated, intermodal and interoperable transport in Cape Town.

The City's delivery of integrated transport is based on the Integrated Public Transport Network (IPTN) Network Plan 2032, which encompasses the integration of transport and land use through transit-oriented development.

Intermodal transport requires all functions and modes to be under the jurisdiction of a single authority. To this end, the City continues to pursue the Contracting Authority and the Municipal Regulatory Entity (MRE) assignments. Although rail is considered the "backbone" of Cape Town's transport system, it is currently in crisis with the Urban Mobility Directorate developing a response to the impact of this on the city-wide intermodal transport system.

An interoperable transport system is one in which its component parts work easily with one another without special effort on the part of the commuter.

The City's transport sector faces complex challenges. Pressure on the road network is exacerbated by the failure of rail, which has contributed to congestion and eroded the resilience of the local transport system. Solving this challenge requires enhanced cooperation between national-, provincial- and local government.

The Directorate's Congestion Management Programme continues to improve infrastructure and traffic systems, while the implementation of the Travel Demand Management Strategy has nudged commuters towards more sustainable travel behaviors.

The work-from-home (WFH) requirements imposed by COVID-19 have also demonstrated that flexible working approaches are possible and effective. The Transport Planning and Network Management Department is also engaging with stakeholders on the promotion of flexible work programmes for larger employers.

MyCiTi, Cape Town's bus rapid transit system, marked its first ten years in operation in 2020. This provided an opportunity for a programmatic review as the service charts a path for the next decade based on a frank evaluation of lessons learnt.

As the Directorate confronts challenges and embraces new opportunities, organisational change was required. This included an appropriate institutional vehicle for MyCiTi, a complex programme that currently cuts across departments within the Directorate.

With ongoing investment in new infrastructure and the continuous maintenance of its assets and road network, the Directorate plays an important role in the local economy. This takes place through well-governed tenders and contracts and the economic growth opportunities that are unlocked when new infrastructure is provided and backlogs are addressed in disadvantaged communities.

The Directorate also plays an important role in inclusive economic growth by promoting the use of local labour through the Community Work Programme (CWP) and Expanded Public Works Programme (EPWP). These public employment programmes create work and upskilling opportunities for individuals who otherwise have limited opportunities for formal employment.

Background, purpose and service mandate of the directorate

Cape Town, due to a number of historic factors, is an inefficient city - the result of which is exacerbated by transport costs for residents, commuters, freight, and tourists.

Public transport is overcrowded and the facilities are in many cases inferior and substandard. The scale of the problem is enormous and the financial burden on the City reaches billions of Rand each year.

The National Land Transport Act, 2009 (NLTA) gave metropolitan municipalities the power to integrate public transport services that are subject to contracts as well as appropriate uncontracted services into the larger public transport system in terms of an integrated transport plan.

The Integrated Public Transport Plan determines the role that appropriate transport modes play to provide users of the system with optimal solutions that will enable them to travel from origin to destination in a seamless and cost-effective manner. It also provides strategic direction.

The Directorate is responsible for ensuring that the medium-to-long term plan and related policies, sector plans and strategies are rolled out inclusive of planning, operations, management and maintenance across the full spectrum of the integrated transport lifecycle and infrastructure.

The Directorate also provides for parking, network, freeway management, destination boards, traffic calming, and transport enforcement in collaboration with the Safety & Security Directorate.

The Directorate is furthermore responsible for the Operating License Strategy, implementation and management of mini bus and metered taxis including the registration of all taxi associations operating in the City. Industry transition as it relates to the implementation of the IRT system and industry engagement and negotiations are pivotal functions.

The Directorate comprises of a management structure with five performance-orientated departments with a focus on integrated service delivery. These departments are:

- **Transport Planning and Network Management**

This Department is responsible for Integrated Transport Planning, which encompasses medium to long term planning, the CITP and related policies, sector plans, strategies and frameworks. It further includes systems planning and network design, the focus being on the IPTN, as well as transport infrastructure planning, concept design and development. It also includes network implementation strategies that will enable integrated transport strategy and ensure efficient traffic related systems, network facilitation, development, integration, operations and traffic management.

- **Transport Infrastructure Implementation**

This Department is a capital-led department that focusses on the implementation of major and minor built environment projects and programmes. It is responsible for the detail design, procurement, construction management, monitoring and delivery of new infrastructure and the expansion and upgrading of the City's road network, public transport network, public transport infrastructure and related facilities. It also coordinates transversal integration and implementation of major built environment capital programmes, projects and capital planning and budgeting processes executed across the various corridors and nodes.

- **Roads Infrastructure Management**

This Department is responsible for the management and maintenance of all road infrastructure assets falling under the auspices of the Directorate. This includes the entire road network, stormwater system, informal network management, all completed public transport infrastructure, non-motorised transport (NMT) networks, street furniture within the road reserve, and plant for the Directorate. It also records and maintains an accurate inventory of these assets.

The Department manages districts and depots within its functional area which functions include lines and signs, weed spraying, and the maintenance of warning, regulatory signage and road markings. It is also responsible for rail sidings, the safety thereof, and the management of all related plant, fleet and other construction equipment.

- **Public Transport**

This Department is responsible for management oversight of all scheduled land-based public transport services as assigned to the City and contemplated in Sections 40 to 46 of the NLTA. This includes the establishment of operational standards for scheduled public transport operations and strategic fleet management, both of the fleet owned by the City, as well as the safety and compliance of the entire scheduled public transport fleet. This further includes the development, approval and management of the vehicle operator contracts to ensure an integrated and responsive public transport service to be delivered at a premium standard.

The Department is also responsible for strategic management of operations; the development and implementation of the strategy on public transport regulations and the related management strategies. It is further responsible for leading, directing and managing the regulation and industry transition of public transport in terms of the relevant policies and strategies.

The Department also manages and maintains the infrastructure and services of all public transport facilities under the management of the Directorate and the fare revenue system.

▪ **Transport Shared Services**

This Department provides a centralised support function to the Directorate, which includes human resources, support services, communication, customer relations, change and stakeholder management, business planning, business systems, information, business administration, and programme monitoring. It plays a key transversal role in equipping and enabling the Directorate to achieve its objective of being well governed, compliant, service-oriented, customer-centric, data and performance-driven. The Department also ensures that end user and community needs are met and addressed in an efficient, effective and targeted manner.

Changes to service levels and standards over the MTREF

There are no material changes in trends over the MTREF period for the Directorate.

Prior year performance – 2021/22 financial year

The Directorate attained the following financial indicators in the 2021/22 financial year.

- Capital spend: 91.41% (target: 90%)
- Operating spend: 96% (target: 95%)
- Repairs and maintenance spend: 96% (target: 95%)
- Training budget spend: 79% (target: 95%)

Risks to achieving revenue projections, any expected major shifts in revenue patterns and any planned alternative sources of revenue

The bulk of the funding for public transport comes from national grants, i.e. the Public Transport Network Grant (PTNG), the Budget Facility for Infrastructure (BFI). The City currently contribute 4,2% of net rates to the MyCiTi bus service. The current economic climate might have a negative impact on future grant allocations and rates income of the City.

Major features of expenditure including highlighting discretionary and non-discretionary expenditure

- Provision for the contracted road based MyCiTi transport;
- Roads and Stormwater;
- Public Transport Interchanges maintenance;
- Public Transport Planning; and
- Roads Infrastructure Conditional Assessment.

Directorate capital programme

- Congestion Relief;
- Public Transport Interchanges;
- Non-Motorised transport;
- Roads Rehabilitation;
- Metro Roads: Reconstruction; and
- IRT Phase 2A.

Table 71 - Urban Mobility (Vote 11) - operating revenue by source, expenditure by type and total capital expenditure

Directorate: Urban Mobility									
Budgeted Financial Performance (revenue and expenditure)									
Description	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Revenue									
Exchange Revenue	280 467	307 128	317 049	304 899	351 934	351 934	401 577	419 246	438 112
Service charges - Electricity	–	–	–	–	–	–	–	–	–
Service charges - Water	–	–	–	–	–	–	–	–	–
Service charges - Waste Water Management	–	–	–	–	–	–	–	–	–
Service charges - Waste Management	20	–	–	–	–	–	–	–	–
Sales of Goods and Rendering of Services	192 231	142 645	203 647	232 115	279 150	279 150	325 226	339 536	354 815
Agency services	–	–	–	–	–	–	–	–	–
Interest	–	–	–	–	–	–	–	–	–
Interest earned from Receivables	287	95	116	–	–	–	–	–	–
Interest earned from Current and Non Current Assets	0	–	9 795	15 210	15 210	15 210	15 955	16 657	17 407
Dividends	–	–	–	–	–	–	–	–	–
Rent on Land	–	–	–	–	–	–	–	–	–
Rental from Fixed Assets	56	(1 480)	22	–	–	–	–	–	–
Licences and permits	20 551	13 399	14 124	18 073	18 073	18 073	18 959	19 793	20 683
Operational Revenue	67 320	152 468	89 345	39 501	39 501	39 501	41 437	43 260	45 207
Non-Exchange Revenue	552 875	605 703	515 813	539 382	564 873	564 873	601 610	511 295	408 187
Property rates	–	–	–	–	–	–	–	–	–
Surcharges and Taxes	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits	36 226	29 923	5 637	4 320	4 320	4 320	4 531	4 731	4 943
License and permits	3	0	–	–	–	–	–	–	–
Transfers and subsidies - Operational	516 626	575 428	509 973	535 062	560 553	560 553	597 079	506 564	403 243
Interest	–	–	–	–	–	–	–	–	–
Fuel Levy	–	–	–	–	–	–	–	–	–
Operational Revenue	–	–	–	–	–	–	–	–	–
Gains on disposal of Assets	20	352	203	–	–	–	–	–	–
Other Gains	–	–	–	–	–	–	–	–	–
Discontinued Operations	–	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)	833 342	912 831	832 863	844 281	916 806	916 806	1 003 187	930 541	846 299
Expenditure									
Employee related costs	710 231	744 298	780 743	907 395	905 232	905 232	1 003 473	1 067 320	1 127 194
Remuneration of councillors	–	–	–	–	–	–	–	–	–
Bulk purchases - electricity	–	–	–	–	–	–	–	–	–
Inventory consumed	74 894	73 109	113 211	113 905	131 486	131 471	128 205	133 351	138 797
Debt impairment	–	–	–	–	–	–	–	–	–
Depreciation & amortisation	666 667	688 291	726 668	695 523	727 126	727 126	730 440	768 088	835 931
Interest	–	159	46	73	73	73	73	73	73
Contracted services	1 723 559	1 617 197	1 888 808	2 041 008	2 206 352	2 206 352	2 280 378	2 245 036	2 330 612
Transfers and subsidies	–	22	150	125	125	125	125	125	125
Irrecoverable debts written off	–	–	–	–	–	–	–	–	–
Operational cost	76 187	74 718	68 651	90 429	71 696	71 711	67 490	89 787	61 040
Losses on disposal of Assets	4 764	1 050	4 500	–	–	–	–	–	–
Other Losses	–	–	–	–	–	–	–	–	–
Total Expenditure	3 256 302	3 198 844	3 582 776	3 848 458	4 042 090	4 042 090	4 210 184	4 303 778	4 493 771
Surplus/(Deficit)	(2 422 960)	(2 286 013)	(2 749 913)	(3 004 177)	(3 125 284)	(3 125 284)	(3 206 997)	(3 373 238)	(3 647 472)
Transfers & subsidies - capital monetary	531 134	585 748	455 322	911 993	912 569	912 569	1 415 754	2 165 384	2 964 802
Transfers & subsidies capital in-kind	–	114 071	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	(1 891 826)	(1 586 193)	(2 294 591)	(2 092 185)	(2 212 715)	(2 212 715)	(1 791 242)	(1 207 854)	(682 670)
Income Tax	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after income tax	(1 891 826)	(1 586 193)	(2 294 591)	(2 092 185)	(2 212 715)	(2 212 715)	(1 791 242)	(1 207 854)	(682 670)
Share of Surplus/Deficit attributable to Joint Venture	–	–	–	–	–	–	–	–	–
Share of Surplus/Deficit attributable to Minorities	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality	(1 891 826)	(1 586 193)	(2 294 591)	(2 092 185)	(2 212 715)	(2 212 715)	(1 791 242)	(1 207 854)	(682 670)
Share of Surplus/Deficit attributable to Associate	–	–	–	–	–	–	–	–	–
Intercompany/Parent subsidiary transactions	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	(1 891 826)	(1 586 193)	(2 294 591)	(2 092 185)	(2 212 715)	(2 212 715)	(1 791 242)	(1 207 854)	(682 670)
Capital Expenditure	873 070	776 446	651 164	1 379 126	1 329 677	1 164 527	1 925 365	2 824 237	3 574 735

Urban Waste Management (Vote 12)

Urban Waste Management Directorate is made up of two functional departments:

- **Solid Waste Management**

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

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

The long-term vision for the Cape Town Waste Management sector is to:

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

- **Expanded Public Works Programme (EPWP) and Community Development Workers (CDW)**

The EPWP & CDW Department is aligned to the Economic Growth Priority of the IDP. Economic inclusion generally refers to the equality of opportunities for all members of society in order to participate in the economic activities of the country as employees, entrepreneurs, consumers and citizens. Economic inclusion requires the extension of access to markets and opportunities for education, employment and entrepreneurship, especially to the under-served social groups. From this general definition, it can be concluded that a complete and an all-inclusive view of economic inclusion should feed into (and be evaluated upon) the areas of education (formal skills and training), employment (creating sustainable work opportunities for all), as well as entrepreneurship (through providing information, funding or training and opportunities for businesses to thrive). The inclusion of each of the above economic inclusion components ensures a holistic approach to the implementation of an economic inclusion model.

Furthermore, the EPWP is directly anchored as one of the key programmes for the required rebuilding and economic recovery of the City. This is in line with the Presidential Employment Stimulus, which places Public Employment Programmes at the centre of the country's recovery plan, in the post-COVID-19 world.

Changes to service levels and standards over the MTREF

At present the City has to remove the majority of waste generated by backyarders as illegal dumping. Various pilots are being run throughout the City to determine what the appropriate level of service would be for different scenarios on the ground.

The City is also embarking on a pilot project to determine what the appropriate mechanism would be to separate the recyclable materials within the informal settlement environment.

It is envisaged that in the short term solutions to these two challenges will be found and the appropriate funding models will then be formalised.

Prior year performance – 2021/22 financial year

The Directorate attained the following financial indicators in the 2021/22 financial year.

- Capital spend: 91.58% (target: 90%)
- Operating spend: 99.05% (target: 95%)
- Repairs and maintenance spend: 88% (target: 95%)
- Training budget spend: 150% (target: 95%)

Risks to achieving revenue projections, any expected major shifts in revenue patterns and any planned alternative sources of revenue

Disposal revenue will be under pressure going forward with the introduction of waste minimisation initiatives that will reduce waste being taken to landfill sites. Alternative sustainable revenue streams are being investigated.

Major features of expenditure including discretionary and non-discretionary expenditure

The Directorate's major expenditure categories include:

- Salaries and Wages
- Contracted Services – mostly linked to refuse removal services; area cleaning and door-to-door refuse removal services to informal settlements; cleaning of the previously disadvantaged sandy areas; hauling of waste from various facilities to the Landfill sites; and chipping of garden greens.
- Depreciation
- General Expenses – mostly linked to fuel; rehabilitation of landfill sites; security services costs at various sites; and purchasing of bags.
- Repairs and maintenance on buildings and fleet.
- Activity based costing linked to fleet and equipment rental.

Directorate capital programme

The Directorate's capital programme for 2023/24 is made up of the following main projects:

- Vehicle and plant replacement programme;
- Upgrading of various depots;
- Upgrading of various drop-off sites to include components of waste minimisation;
- Construction of new material recovery facilities;
- Development of new landfill airspace; and
- The construction of landfill gas to flaring infrastructure for future possible electrification.

Table 72 - Urban Waste Management (Vote 12) - operating revenue by source, expenditure by type and total capital expenditure

Directorate: Urban Waste Management									
Budgeted Financial Performance (revenue and expenditure)									
Description	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Revenue									
Exchange Revenue	1 549 758	1 605 135	1 291 684	1 436 227	1 407 372	1 407 372	1 481 902	1 593 274	1 708 189
Service charges - Electricity	-	-	-	-	-	-	-	-	-
Service charges - Water	-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management	-	-	-	-	-	-	-	-	-
Service charges - Waste Management	1 502 619	1 547 366	1 240 657	1 381 241	1 352 423	1 352 423	1 424 214	1 534 284	1 646 512
Sales of Goods and Rendering of Services	1 257	214	1 119	624	479	479	502	540	569
Agency services	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Interest earned from Receivables	35 607	45 946	33 720	36 196	35 628	35 628	36 196	37 788	39 489
Interest earned from Current and Non Current Assets	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-	-
Rent on Land	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets	3	-	0	-	-	-	-	-	-
Licences and permits	-	-	-	-	-	-	-	-	-
Operational Revenue	10 272	11 608	16 187	18 167	18 842	18 842	20 990	20 662	21 619
Non-Exchange Revenue	1 572	1 360	114 974	565 160	608 681	608 681	669 644	568 813	629 148
Property rates	-	-	-	-	-	-	-	-	-
Surcharges and Taxes	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	474	143	89	-	-	-	-	-	-
License and permits	-	-	-	-	-	-	-	-	-
Transfers and subsidies - Operational	-	-	111 770	562 860	606 381	606 381	665 141	564 112	624 236
Interest	-	-	-	-	-	-	-	-	-
Fuel Levy	-	-	-	-	-	-	-	-	-
Operational Revenue	-	-	-	-	-	-	-	-	-
Gains on disposal of Assets	1 098	1 217	3 114	2 300	2 300	2 300	4 503	4 701	4 913
Other Gains	-	-	-	-	-	-	-	-	-
Discontinued Operations	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)	1 551 330	1 606 495	1 406 657	2 001 386	2 016 053	2 016 053	2 151 545	2 162 087	2 337 337
Expenditure									
Employee related costs	1 029 345	1 189 370	1 254 925	1 373 137	1 497 490	1 497 490	1 575 194	1 553 473	1 644 887
Remuneration of councillors	-	-	-	-	-	-	-	-	-
Bulk purchases - electricity	-	-	-	-	-	-	-	-	-
Inventory consumed	214 195	193 706	250 864	219 145	279 138	279 138	271 988	261 335	281 741
Debt impairment	168 978	(9 062)	(115 896)	109 925	109 925	109 925	90 536	86 667	93 908
Depreciation & amortisation	156 006	158 473	162 168	182 321	184 062	184 062	223 022	245 980	280 161
Interest	45 044	46 003	38 584	35 267	35 302	35 302	14 701	15 764	17 017
Contracted services	984 637	1 046 025	1 130 665	1 285 295	1 119 817	1 120 422	1 281 107	1 314 764	1 356 724
Transfers and subsidies	-	1 100	9 800	1 861	1 861	1 861	2 600	2 200	2 200
Irrecoverable debts written off	46 347	178 916	234 170	12 921	12 921	12 921	8 000	8 000	8 000
Operational cost	53 512	83 653	172 635	120 405	154 876	154 271	161 573	141 676	143 108
Losses on disposal of Assets	46	903	539	120	17	17	17	17	17
Other Losses	-	-	-	-	-	-	-	-	-
Total Expenditure	2 698 109	2 889 088	3 138 453	3 340 398	3 395 409	3 395 409	3 628 739	3 629 875	3 827 762
Surplus/(Deficit)	(1 146 780)	(1 282 593)	(1 731 796)	(1 339 012)	(1 379 355)	(1 379 355)	(1 477 194)	(1 467 788)	(1 490 425)
Transfers & subsidies - capital monetary	594	1 171	699	20 937	20 000	20 000	20 000	20 000	20 000
Transfers & subsidies capital in-kind	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(1 146 186)	(1 281 422)	(1 731 098)	(1 318 075)	(1 359 355)	(1 359 355)	(1 457 194)	(1 447 788)	(1 470 425)
Income Tax	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax	(1 146 186)	(1 281 422)	(1 731 098)	(1 318 075)	(1 359 355)	(1 359 355)	(1 457 194)	(1 447 788)	(1 470 425)
Share of Surplus/Deficit attributable to Joint Venture	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality	(1 146 186)	(1 281 422)	(1 731 098)	(1 318 075)	(1 359 355)	(1 359 355)	(1 457 194)	(1 447 788)	(1 470 425)
Share of Surplus/Deficit attributable to Associate	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	(1 146 186)	(1 281 422)	(1 731 098)	(1 318 075)	(1 359 355)	(1 359 355)	(1 457 194)	(1 447 788)	(1 470 425)
Capital Expenditure	261 480	528 035	327 566	647 002	694 253	662 410	713 655	329 583	462 203

2.12.12 Water & Sanitation (Vote 13)

The Water & Sanitation Directorate performs the dual role of Water Service Authority and Water Service Provider. It also provides bulk drinking water to adjacent local authorities, namely Drakenstein Municipality and Stellenbosch Municipality. As a water service provider, the City constantly strives to improve its performance with respect to water quality management and therefore water safety planning and risk mitigation methodologies are integrated into the management processes. Although no major corrective interventions are currently required in terms of the water safety plan, the City will constantly evaluate the need for additional risk mitigation measures. Provision is made in the normal budget allocations to maintain the high standards already achieved. Should additional safety barriers be identified or additional license conditions be specified, then budgetary allocations will be prioritised for the associated intervention.

As regards to the management of wastewater, the Directorate has a risk-based approach in place, where strategic risks to the wastewater business have been identified, rated and mitigation measures put in place. The plan to improve capacity and compliance is being implemented but there is a significant financial requirement for capacity upgrading, maintenance, rehabilitation and replacement of ageing assets to mitigate the critical risks in the Wastewater Risk Abatement Plan (WWRAP), the sewer network as well as the sewer pump stations. The WWRAP specifically relates to new license conditions imposed by the National Department of Water & Sanitation.

The Water & Sanitation Strategy, informed by the long term vision, is centred on five core commitments i.e. safe access to water and sanitation, the wise use of water, sufficient and reliable water from diverse sources, shared benefits from regional sources, and transitioning into a water sensitive city. The fulfilment of these five commitments will result in the citizens' needs being met, support being given for improved living conditions as well as protection of the environment and will ultimately enable and support a growing economy.

The Water & Sanitation Directorate is structured into four departments with two focusing on direct delivery and two working transversely to improve coordination and efficiency.

Cluster	Branch
Bulk Service	▪ Bulk Water ▪ Wastewater ▪ Catchment, Stormwater & River Management
Distribution Services	▪ Reticulation ▪ Informal Settlement Basic Services
Technical Services (Working transversally across branches)	▪ Engineering & Asset Management ▪ WDM, Regulation & Planning ▪ Scientific Services ▪ Auxiliary Services
Commercial Services (Working transversally across branches)	▪ Customer Services ▪ Capital & Contract Management ▪ Finance & Commercial

The branches within the departments perform the following functions:

- **Bulk Services Department**

- **Bulk Water Branch**

- Manages water catchment areas, storage dams, developing and implementing new and diverse supplies of water to increase resilience, water treatment, bulk storage reservoirs and the conveyance of water in bulk water supply lines to reticulation networks.

- **Wastewater Treatment Branch**

- Manages WWTW and has the important function of treating used water (effluent) and making it safe before discharging it back into the environment.

- **Catchment, Stormwater and River Management Branch**

- Manages the strategic planning for the City's stormwater system, which includes the management of river systems and their drainage catchments in order to manage flood risk, improve inland water quality and optimise the harvesting of stormwater as a valuable water resource.

- **Distribution Services Department**

- **Reticulation Branch**

- Distributes drinking water to consumers and conveys wastewater to treatment works through a network of pipelines, pump stations and reservoirs. Also conveys treated effluent (recycled) water to large users and to designated collection/filling points for construction and industrial contractors.

- **Informal Settlements Basic Services Branch**

- Provides basic services to informal settlements through the development and implementation of infrastructure, asset maintenance and management of janitorial services for ablution facilities.

- **Technical Services Department**

- **Engineering and Asset Management Branch**

- Ensures the electrical and mechanical maintenance of the water and sanitation equipment and facilities. Also provides risk management, fleet management and health and safety services for the Directorate.

- **Water Demand Management, Regulation and Planning Branch**

- Provides a planning service and is responsible for policy development (e.g. the Water Services Development Plan and the Water Conservation and Demand Management Strategy) as well as the development and enforcement of by-laws (e.g. the Water and Treated Effluent by-laws). Also coordinates water demand management programmes, quality management and awareness programmes (e.g. water conservation and sewer blockage education), information management and business reporting.

- **Scientific Services Branch**

- Ensures that the water and treated effluent quality is in compliance with strict water quality checks as prescribed by the Department of Water and Sanitation (DWS). Conducts vigorous testing of drinking water including chemical and microbiological analysis in accordance with SANS 241:2015. In addition, tests treated wastewater from WWTW, water from rivers and vleis, and perform air pollution testing.

- **Auxiliary Services Branch**
Manages depot and building maintenance, information and technology support, staff housing, external communication programmes and campaigns around water and sanitation issues, loss control, investigations as well as security and protection services for staff in volatile areas.
- **Commercial Services Department**
 - **Customer Services Branch**
Manages the optimising of water meter operations, accurate billing based on meter reading, responsiveness to customer queries as well as effective implementation of debt management and revenue collection actions.
 - **Capital and Contract Management Branch**
Provides support and oversight on the implementation of the projects forming part of the Directorate's capital development programme ensuring adherence to supply chain management/tender processes as well as contract management principles.
 - **Finance and Commercial Branch**
Provides administrative functions relating to budgeting, accounting and financial administration as well as management of movable assets.

Finally, the **Human Resources Business Partner** as well as the **Support Services Branch** reports directly to the Executive Director and provides an administrative role to the Directorate, which includes training, human resources support, and other support functions.

Changes to service levels and standards

The Directorate's commitments for a shared water future are encapsulated in the Water & Sanitation Strategy. Although the achievement of targets in this regard is showing positive trends, the Directorate has been experiencing challenges relating to the sewer blockages, spills and overflows.

Therefore, in addition to the high level of service delivery already provided by the Directorate, the following aspects again received further allocations during the operational review:

- New operations flowing from the New Water Plan projects;
- Additional capacity to prevent pollution and sewer incidents; and
- Additional capacity for the wastewater transition plan.

Allocation has also been made to increase the Directorate's capacity for project as well as contract management.

Prior year performance – 2021/22 financial year

The Water & Sanitation Directorate 's resilience was tested during the recent drought and the COVID-19 pandemic. Whilst finding stability after the challenges, the Directorate has managed to refocus on the following aspects during the 2021/22 financial year.

The Directorate has made rapid progress in finding a "fit for purpose" structure to deliver on the key strategies.

In addition, to ensure sustainable, fair, equitable, reliable and financially viable provision of water and sanitation services, the Directorate has developed and is implementing strategies that address the priorities reflected in the City's scorecard.

The Directorate therefore also continued to maintain service delivery standards by ensuring the meeting of key implementation plan targets including:

- Compliance of drinking water standards;
- Replacements of the water and sewer network;
- Additional installation of new water connection points and new sanitation services points;
- Capital and operational expenditure;
- Workplace skills plan expenditure; and
- Expanded Public Work Programme (EPWP) opportunities.

The Directorate has furthermore managed to maintain momentum on key projects such as the New Water Plan as well as water savings initiatives such as pressure management, pro-active leak detection as well as extending the treated effluent network.

The condition of pump station infrastructure was assessed and has resulted in a rolling prioritised list of 20 pump stations to be upgraded. A prioritised pipe condition assessment for both water and sewer is also in place city-wide, which has allowed for an increase in pipe replacement.

The Water & Sanitation Directorate of the City remains committed to the provision of safe and reliable basic services to all residents. The City as the Water Services Authority continues to provide a high quality, reliable water and sanitation services to all City residents.

Risks to achieving revenue projections, any expected major shifts in revenue patterns and any planned alternative sources of revenue

Consumptions levels have steadily increased as the City moved out of the drought period and these have been factored into the tariff increases. No major shifts in revenue patterns are currently foreseen for the 2023/24 financial year.

The City continues to closely monitor the consumption patterns, and payment for consumption billed for sustainability of services.

Major features of expenditure including discretionary and non-discretionary expenditure

In summary, the proposed budget makes allowance for cost associated with the water augmentation plan to ensure security of water supply, upgrades and extensions to the wastewater treatment plants, water demand management initiatives, ensuring the management of assets at appropriate levels, sustain and enhance the maintenance programmes as well as supplying water and sanitation services at appropriate compliance, capacity, skills, service delivery and responsiveness levels.

Directorate capital programme

Some of the major capital projects are:

- Bulk Water - New Water Plan: Atlantis Aquifer; Cape Flats Aquifer & Recharge; Table Mountain Group Aquifer; Zandvliet Waste Water Plant Re-use; Bulk Water Infrastructure Replacement;
- WWTW Extensions - Zandvliet; Potsdam; Macassar; Athlone;
- Cape Flats WWTW - Bio-solids; Inlet works and rising main;
- Catchment, Stormwater and River Management: Sir Lowry's Pass River Upgrade; Lourens River Flood Alleviation; Upgrade Vygiekraal River bank - Athlone; Bayside Canal Upgrade;

- Reticulation: Cape Flats Sewer Rehabilitation; Philippi Collector Sewer; Gordon's Bay Sewer Rising Main, Rehabilitation of Bulk Reticulation Sewers - Milnerton Area; Upgrade of Various Sewer Pump station; Replace Water Network (city-wide) as well as specific increases to the Replace Sewer Network (city-wide) and improvements to sewer pump stations; Generators for pump stations;
- Informal Settlements: Provision of water and sanitation infrastructure to informal settlements;
- Customer Services: Advanced Metering Infrastructure Rollout Programme; Meter Replacement Programme;
- Engineering & Asset Management: Vehicle and Plant requirements;
- Water Demand Management: Treated Effluent and Pressure Management Programme; and
- Auxiliary Services: Depot Upgrades; IT & Information Management Systems.

Table 73 - Water & Sanitation (Vote 13) - operating revenue by source, expenditure by type and total capital expenditure

Directorate: Water & Sanitation									
Budgeted Financial Performance (revenue and expenditure)									
Description	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Revenue									
Exchange Revenue	4 883 738	5 140 073	5 790 734	6 226 227	6 326 542	6 326 542	7 028 930	7 630 257	8 312 204
Service charges - Electricity	(0)	2	(105)	-	-	-	-	-	-
Service charges - Water	3 020 019	3 225 786	3 669 403	3 927 377	3 983 733	3 983 733	4 436 980	4 822 313	5 270 466
Service charges - Waste Water Management	1 549 162	1 604 014	1 841 893	2 014 506	2 048 465	2 048 465	2 278 048	2 477 605	2 693 652
Service charges - Waste Management	-	64	-	-	-	-	-	-	-
Sales of Goods and Rendering of Services	66 064	35 963	21 463	22 812	34 048	34 048	32 262	35 050	38 186
Agency services	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Interest earned from Receivables	212 030	218 334	185 620	204 480	187 600	187 600	205 380	214 417	224 065
Interest earned from Current and Non Current Assets	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-	-
Rent on Land	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets	199	196	179	216	216	216	226	236	247
Licences and permits	-	-	-	-	-	-	-	-	-
Operational Revenue	36 264	55 715	72 280	56 837	72 482	72 482	76 033	80 636	85 588
Non-Exchange Revenue	71 111	191 620	4 905 079	5 113 436	5 190 078	5 190 078	5 830 245	6 254 209	6 741 858
Property rates	-	-	-	-	-	-	-	-	-
Surcharges and Taxes	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	20 405	5 469	11 900	198	110	110	116	121	126
License and permits	-	-	-	-	-	-	-	-	-
Transfers and subsidies - Operational	49 122	181 675	105 370	1 171 490	1 151 490	1 151 490	1 286 603	1 442 018	1 585 941
Interest	-	-	-	-	-	-	-	-	-
Fuel Levy	-	-	-	-	-	-	-	-	-
Operational Revenue	-	-	-	-	-	-	-	-	-
Gains on disposal of Assets	1 584	4 476	5 686	4 124	4 124	4 124	4 326	4 516	4 720
Other Gains	-	-	4 782 122	3 937 624	4 034 354	4 034 354	4 539 200	4 807 554	5 151 071
Discontinued Operations	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)	4 954 850	5 331 693	10 695 813	11 339 663	11 516 620	11 516 620	12 859 174	13 884 465	15 054 062
Expenditure									
Employee related costs	1 730 260	1 968 664	2 055 859	2 615 054	2 462 461	2 462 461	2 771 034	2 916 552	3 098 923
Remuneration of councillors	-	-	-	-	-	-	-	-	-
Bulk purchases - electricity	-	-	-	-	-	-	-	-	-
Inventory consumed	694 090	538 169	4 627 854	3 968 498	4 108 105	4 108 212	4 569 842	4 862 568	5 228 826
Debt impairment	658 052	(432 626)	(79 191)	484 924	541 091	541 091	629 908	608 507	587 779
Depreciation & amortisation	736 288	509 506	557 262	587 953	619 207	619 207	672 807	773 098	838 033
Interest	17	6 271	1 333	-	-	311	-	-	-
Contracted services	1 296 478	1 559 387	1 702 885	1 961 860	2 066 796	2 066 697	2 084 642	2 226 560	2 285 234
Transfers and subsidies	-	2 905	27 346	28 000	28 450	28 450	33 450	33 450	33 450
Irrecoverable debts written off	300 320	1 136 180	555 334	-	-	-	-	-	-
Operational cost	404 281	457 800	423 371	453 151	482 717	482 399	436 685	443 290	539 829
Losses on disposal of Assets	464	302	914	9	9	9	9	9	9
Other Losses	-	-	586 917	450 577	474 563	474 563	558 517	558 517	558 517
Total Expenditure	5 820 251	5 746 558	10 459 885	10 550 026	10 783 400	10 783 400	11 756 892	12 422 549	13 170 599
Surplus/(Deficit)	(865 402)	(414 865)	235 928	789 637	733 220	733 220	1 102 282	1 461 916	1 883 463
Transfers & subsidies - capital monetary	602 173	331 064	264 052	381 156	391 156	391 156	425 211	398 400	433 400
Transfers & subsidies capital in-kind	-	-	432	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(263 229)	(83 801)	500 411	1 170 793	1 124 376	1 124 376	1 527 493	1 860 316	2 316 863
Income Tax	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax	(263 229)	(83 801)	500 411	1 170 793	1 124 376	1 124 376	1 527 493	1 860 316	2 316 863
Share of Surplus/Deficit attributable to Joint Venture	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality	(263 229)	(83 801)	500 411	1 170 793	1 124 376	1 124 376	1 527 493	1 860 316	2 316 863
Share of Surplus/Deficit attributable to Associate	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	(263 229)	(83 801)	500 411	1 170 793	1 124 376	1 124 376	1 527 493	1 860 316	2 316 863
Capital Expenditure	1 917 725	2 141 660	1 714 114	2 343 741	2 385 748	2 186 451	4 301 283	6 439 048	7 771 863

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

2.13.1 Executive Summary

The 2023/24 financial year will be the second full year of operations that is expected to have no pandemic-related restrictions. The budget has accordingly been prepared on that basis with the number of events being hosted increasing resulting in higher revenues, although the increased costs due to supply constraints and inflationary pressures are impacting the bottom line. The increased event numbers will see the company project a positive earnings before interest taxation depreciation and amortisation (EBITDA) for the first time since pre-COVID19 i.e. 2018/19.

With the increase in events hosted, the company will be generating its own cash resources and therefore it is unlikely that it will need to sell further Class C ordinary shares to the City during the financial year. The company is expected to remain an going concern for the foreseeable future.

The most notable events taking place in 2023/24 will be the 2023 Netball World Cup taking place from July to August 2023, the return of the Cape Town International Jazz Festival, Mining Indaba, and Decorex.

The key assumptions made in preparing the budget include the following:

- a. Events contracted and on the books as at December 2022 as well as a “blue-sky” component for the year;
- b. Higher costs based on the weakening currency, inflation and increased utility costs;
- c. The filling of critical vacancies to deliver five-star service to the clients and guests;
- d. Budgeting for salary increments and bonuses;
- e. Staff reducing leave balances by taking leave during slow periods; and
- f. Maintenance and replacement program of all equipment and infrastructure allowing the company to sweat existing assets in order to retain vital cash resources.

2.13.2 Service Delivery Agreement between the City and the CTICC

Table 74 - CTICC - Service Delivery Agreement

Period of agreement	No period stipulated but subject to annual reviews in terms of Section 93A of the Systems Act.
Service provided	International conference centre
Expiry date of SDA	Not applicable
Monetary value	No current operating funding from the City.
Ownership and control	Shareholding as at 31/01/2023 City of Cape Town - 72.7% Provincial Government of Western Cape - 22.2% SunWest International Pty Ltd - 5.1%
Oversight processes	The Finance directorate (Treasury Department) of the City monitors performance and compliance.
Mandate	To manage and sustain a World Class International Convention Centre.
Funding over medium term	The CTICC does not intend taking up loan funding to fund their capital programme at this time.
Summary of SDA	Sets out the obligations of the CTICC and the City in respect of compliance and performance issues.
Link to IDP	Inclusive Economic growth Public space, environment and amenities Safety
Past performance and future objectives	The CTICC has performed exceptionally well and exceeded its targets in the past. As the expanded centre will support the CTICC's vision and growth outlook, as well as the City's objective of establishing Cape Town as Africa's top business events destination.

The entity's major expenditure categories include:

- Employee related costs;
- Depreciation;
- Contracted services, which mainly consists of cleaning services, security services and refuse removal; and
- Other expenditure, consisting mainly of marketing and communication, IT costs, Office- and travel costs, which is an integral part of the entity's business strategy to grow revenue.

Being in the international service and hospitality business requires that facilities are always up to international standards. The assets of the conference centre represent a major investment, which attracts substantial depreciation. There is also a policy for regular replacement of fixed assets to maintain the high standards, which was impacted by the COVID19 pandemic over the past three years.

The aggregated annual budget, as required in terms of section 9 of the MBRR, is presented in the five primary budget tables on page 212 to page 215. These tables reflect the CTICC's 2023/24 budget and MTREF to be supported by Council.

Schedule D reflecting the annual budget and supporting documents for the CTICC is attached as Annexure 32, while the business plan is attached as Annexure 33. The entity's proposed tariffs are attached as Annexure 34.

Table 75 - CTICC - Table D1 Budget Summary

Description	2019/20	2020/21	2021/22	Current Year 2022/23			Medium Term Revenue and Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousands									
Financial Performance									
Property rates	–	–	–	–	–	–	–	–	–
Service charges	–	–	–	–	–	–	–	–	–
Investment revenue	15 296	3 927	1 557	738	3 270	3 270	4 288	5 071	5 554
Transfer and subsidies - Operational	–	–	–	–	–	–	–	–	–
Other own revenue	205 612	48 161	98 100	125 748	207 865	207 865	269 125	288 492	307 721
Total Revenue (excluding capital transfers and contributions)	220 908	52 088	99 657	126 486	211 135	211 135	273 413	293 563	313 275
Employee costs	75 721	68 682	54 114	60 622	72 876	72 876	87 569	92 534	97 987
Remuneration of board members	628	835	603	760	710	710	803	883	927
Depreciation and Debt impairment	136 486	163 858	(88 406)	45 565	42 607	42 607	41 776	41 163	40 993
Interest	–	–	–	–	–	–	–	–	–
Inventory consumed and bulk purchases	26 083	2 769	10 428	15 644	30 318	30 318	38 722	41 406	44 206
Transfers and subsidies	2 124	2 124	2 124	2 124	2 124	2 124	2 124	2 124	2 124
Other expenditure	115 574	68 058	64 856	96 156	116 714	116 714	134 916	142 223	150 515
Total Expenditure	356 617	306 325	43 718	220 871	265 348	265 348	305 910	320 333	336 752
Surplus/(Deficit)	(135 709)	(254 237)	55 939	(94 385)	(54 213)	(54 213)	(32 497)	(26 770)	(23 477)
Transfers and subsidies - capital (monetary allocations)	–	–	–	–	–	–	–	–	–
Transfers and subsidies - capital (in-kind - all)	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	(135 709)	(254 237)	55 939	(94 385)	(54 213)	(54 213)	(32 497)	(26 770)	(23 477)
Income Tax	(34 396)	(12 576)	49 600	(25 484)	(13 748)	(13 748)	(7 916)	(6 789)	(5 953)
Surplus/ (Deficit) for the year	(101 313)	(241 661)	6 339	(68 901)	(40 465)	(40 465)	(24 582)	(19 982)	(17 523)
Capital expenditure & funds sources									
Capital expenditure	–	–	–	–	–	–	–	–	–
Transfers recognised - capital	–	–	–	–	–	–	–	–	–
Borrowing	–	–	–	–	–	–	–	–	–
Internally generated funds	56 408	20 657	10 375	20 472	32 652	32 652	47 180	52 177	60 270
Total sources of capital funds	56 408	20 657	10 375	20 472	32 652	32 652	47 180	52 177	60 270
Financial position									
Total current assets	219 744	36 764	57 471	57 687	56 891	56 891	67 481	55 356	43 713
Total non current assets	819 729	686 335	728 630	687 407	730 659	730 659	732 660	732 925	732 164
Total current liabilities	117 108	42 532	52 492	88 962	94 204	94 204	131 440	139 477	144 779
Total non current liabilities	136	–	235	231	438	438	374	459	275
Community wealth/Equity	922 229	680 568	733 374	655 901	692 909	692 909	668 327	648 345	630 822
Cash flows									
Net cash from (used) operating	45 213	(128 176)	(12 108)	(16 700)	50 916	50 916	56 984	40 414	48 624
Net cash from (used) investing	(56 408)	(20 657)	40 625	32 528	(32 652)	(32 652)	(47 180)	(52 177)	(60 270)
Net cash from (used) financing	–	–	–	–	–	–	–	–	–
Cash/cash equivalents at the year end	171 049	22 215	50 733	40 307	42 743	42 743	52 547	40 784	29 138

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

Description	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand									
Revenue									
Exchange Revenue									
Service charges - Electricity	-	-	-	-	-	-	-	-	-
Service charges - Water	-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management	-	-	-	-	-	-	-	-	-
Service charges - Waste Management	-	-	-	-	-	-	-	-	-
Sale of Goods and Rendering of Services	-	-	-	-	-	-	20 469	21 876	23 381
Agency services	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Interest earned from Receivables	-	-	-	-	-	-	-	-	-
Interest earned from Current and Non Current Assets	15 296	3 927	1 557	738	3 270	3 270	4 288	5 071	5 554
Dividends	-	-	-	-	-	-	-	-	-
Rent on Land	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets	98 946	19 179	39 504	73 350	101 571	101 571	130 219	139 798	148 535
Licence and permits	-	-	-	-	-	-	-	-	-
Operational Revenue	106 666	28 983	58 595	52 398	106 295	106 295	118 437	126 819	135 806
Non-Exchange Revenue									
Property rates	-	-	-	-	-	-	-	-	-
Surcharges and Taxes	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	-	-	-	-	-
Licences or permits	-	-	-	-	-	-	-	-	-
Transfer and subsidies - Operational	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Fuel Levy	-	-	-	-	-	-	-	-	-
Operational Revenue	-	-	-	-	-	-	-	-	-
Gains on disposal of Assets	-	-	-	-	-	-	-	-	-
Other Gains	-	-	-	-	-	-	-	-	-
Discontinued Operations	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)	220 908	52 088	99 657	126 486	211 135	211 135	273 413	293 563	313 275
Expenditure									
Employee related costs	75 721	68 682	54 114	60 622	72 876	72 876	87 569	92 534	97 987
Remuneration of board members	628	835	603	760	710	710	803	883	927
Bulk purchases - electricity	-	-	-	-	-	-	-	-	-
Inventory consumed	26 083	2 769	10 428	15 644	30 318	30 318	38 722	41 406	44 206
Debt impairment	(222)	(588)	(45)	360	360	360	240	240	240
Depreciation and asset impairment	136 708	164 446	(88 361)	45 205	42 247	42 247	41 536	40 923	40 753
Interest	-	-	-	-	-	-	-	-	-
Contracted services	52 458	27 206	26 059	41 462	52 199	52 199	59 553	61 905	65 142
Transfers and subsidies	2 124	2 124	2 124	2 124	2 124	2 124	2 124	2 124	2 124
Irrecoverable debts written off	-	-	-	-	-	-	-	-	-
Operational costs	63 125	40 724	38 563	54 694	64 475	64 475	75 258	80 207	85 258
Losses on disposal of Assets	-	-	-	-	-	-	-	-	-
Other Losses	(9)	127	234	-	41	41	105	110	116
Total Expenditure	356 617	306 325	43 718	220 871	265 348	265 348	305 910	320 333	336 752
Surplus/(Deficit)	(135 709)	(254 237)	55 939	(94 385)	(54 213)	(54 213)	(32 497)	(26 770)	(23 477)
Transfers and subsidies - capital (monetary allocations)	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(135 709)	(254 237)	55 939	(94 385)	(54 213)	(54 213)	(32 497)	(26 770)	(23 477)
Income Tax	(34 396)	(12 576)	49 600	(25 484)	(13 748)	(13 748)	(7 916)	(6 789)	(5 953)
Surplus/(Deficit) after income tax	(101 313)	(241 661)	6 339	(68 901)	(40 465)	(40 465)	(24 582)	(19 982)	(17 523)
Share of Surplus/Deficit attributable to Joint Venture	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality	(101 313)	(241 661)	6 339	(68 901)	(40 465)	(40 465)	(24 582)	(19 982)	(17 523)
Share of Surplus/Deficit attributable to Associate	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	(101 313)	(241 661)	6 339	(68 901)	(40 465)	(40 465)	(24 582)	(19 982)	(17 523)

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

Vote Description	2019/20	2020/21	2021/22	Current Year 2022/23			Medium Term Revenue and Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousands									
Capital expenditure by Asset Class/Sub-class									
Other assets	38 256	15 088	5 774	13 880	23 030	23 030	25 961	29 320	33 900
Operational Buildings	38 256	15 088	5 774	13 880	23 030	23 030	25 961	29 320	33 900
Municipal Offices	38 256	15 088	5 774	13 880	23 030	23 030	25 961	29 320	33 900
Computer Equipment	13 314	5 410	4 601	4 650	7 180	7 180	13 583	12 926	17 625
Computer Equipment	13 314	5 410	4 601	4 650	7 180	7 180	13 583	12 926	17 625
Furniture and Office Equipment	3 219	160	–	1 820	2 320	2 320	5 865	5 136	7 160
Furniture and Office Equipment	3 219	160	–	1 820	2 320	2 320	5 865	5 136	7 160
Machinery and Equipment	1 619	–	–	122	122	122	1 772	4 795	1 585
Machinery and Equipment	1 619	–	–	122	122	122	1 772	4 795	1 585
Total capital expenditure on assets	56 408	20 657	10 375	20 472	32 652	32 652	47 180	52 177	60 270
Funded by:									
National Government	–	–	–	–	–	–	–	–	–
Provincial Government	–	–	–	–	–	–	–	–	–
Parent Municipality	–	–	–	–	–	–	–	–	–
District Municipality	–	–	–	–	–	–	–	–	–
Transfers recognised - capital	–	–	–	–	–	–	–	–	–
Borrowing	–	–	–	–	–	–	–	–	–
Internally generated funds	56 408	20 657	10 375	20 472	32 652	32 652	47 180	52 177	60 270
Total Capital Funding	56 408	20 657	10 375	20 472	32 652	32 652	47 180	52 177	60 270

Table 78 - CTICC - Table D4 Budgeted Financial Position

Description	2019/20	2020/21	2021/22	Current Year 2022/23			Medium Term Revenue and Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousands									
ASSETS									
Current assets									
Cash and cash equivalents	171 049	22 215	50 733	40 307	42 743	42 743	52 547	40 784	29 138
Trade and other receivables from exchange transactions	–	–	–	–	–	–	–	–	–
Receivables from non-exchange transactions	43 603	10 335	2 645	13 532	9 949	9 949	10 621	10 097	10 001
Current portion of non-current receivables	2 124	2 124	2 124	2 124	2 124	2 124	2 124	2 124	2 124
Inventory	2 968	2 090	1 968	1 725	2 076	2 076	2 189	2 351	2 450
VAT	–	–	–	–	–	–	–	–	–
Other current assets	–	–	–	–	–	–	–	–	–
Total current assets	219 744	36 764	57 471	57 687	56 891	56 891	67 481	55 356	43 713
Non current assets									
Investments	–	–	–	–	–	–	–	–	–
Investment property	–	–	–	–	–	–	–	–	–
Property, plant and equipment	482 684	338 839	437 410	280 915	427 815	427 815	424 024	419 624	415 034
Biological assets	–	–	–	–	–	–	–	–	–
Living and non-living resources	–	–	–	–	–	–	–	–	–
Heritage assets	–	–	–	–	–	–	–	–	–
Intangible assets	–	–	–	–	–	–	–	–	–
Trade and other receivables from exchange transactions	–	–	–	–	–	–	–	–	–
Non-current receivables from non-exchange transactions	172 927	170 803	168 679	166 555	166 555	166 555	164 431	162 307	160 183
Other non-current assets	164 117	176 693	122 541	239 937	136 289	136 289	144 205	150 993	156 947
Other non-current assets	–	–	–	–	–	–	–	–	–
Total non current assets	819 729	686 335	728 630	687 407	730 659	730 659	732 660	732 925	732 164
TOTAL ASSETS	1 039 472	723 099	786 101	745 094	787 550	787 550	800 141	788 281	775 877
LIABILITIES									
Current liabilities									
Bank overdraft	–	–	–	–	–	–	–	–	–
Financial liabilities	–	–	–	–	–	–	–	–	–
Consumer deposits	66 698	22 147	30 293	57 522	43 621	43 621	61 724	64 810	68 051
Trade and other payables from exchange transactions	46 134	20 385	22 199	31 440	48 488	48 488	65 217	67 956	69 682
Trade and other payables from non-exchange transactions	–	–	–	–	–	–	–	–	–
Provision	4 276	–	–	–	2 094	2 094	4 499	6 711	7 046
VAT	–	–	–	–	–	–	–	–	–
Other current liabilities	–	–	–	–	–	–	–	–	–
Total current liabilities	117 108	42 532	52 492	88 962	94 204	94 204	131 440	139 477	144 779
Non current liabilities									
Financial liabilities	–	–	–	–	–	–	–	–	–
Provision	136	–	235	231	438	438	374	459	275
Long term portion of trade payables	–	–	–	–	–	–	–	–	–
Other non-current liabilities	–	–	–	–	–	–	–	–	–
Total non current liabilities	136	–	235	231	438	438	374	459	275
TOTAL LIABILITIES	117 244	42 532	52 727	89 193	94 642	94 642	131 814	139 936	145 054
NET ASSETS	922 229	680 568	733 374	655 901	692 909	692 909	668 327	648 345	630 822
COMMUNITY WEALTH/EQUITY									
Accumulated surplus/(deficit)	(355 199)	(596 860)	(595 054)	(764 526)	(635 519)	(635 519)	(660 101)	(680 082)	(697 605)
Reserves and funds	1 277 428	1 277 428	1 328 428	1 420 428	1 328 428	1 328 428	1 328 428	1 328 428	1 328 428
Other	–	–	–	–	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	922 229	680 568	733 374	655 901	692 909	692 909	668 327	648 345	630 822

Table 79 - CTICC - Table D5 Budgeted Cash Flow

Description	2019/20	2020/21	2021/22	Current Year 2022/23			Medium Term Revenue and Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousands									
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Property rates	–	–	–	–	–	–	–	–	–
Service charges	–	–	–	–	–	–	–	–	–
Other revenue	244 401	39 266	97 968	125 748	207 865	207 865	269 125	288 492	307 721
Transfers and Subsidies - Operational	–	–	–	–	–	–	–	–	–
Transfers and Subsidies - Capital	–	–	–	–	–	–	–	–	–
Interest	15 330	3 927	1 557	738	3 270	3 270	4 288	5 071	5 554
Dividends	–	–	–	–	–	–	–	–	–
Payments									
Suppliers and employees	(214 518)	(171 369)	(111 633)	(143 186)	(160 219)	(160 219)	(216 428)	(253 149)	(264 651)
Finance charges	–	–	–	–	–	–	–	–	–
Transfers and Subsidies	–	–	–	–	–	–	–	–	–
NET CASH FROM/(USED) OPERATING ACTIVITIES	45 213	(128 176)	(12 108)	(16 700)	50 916	50 916	56 984	40 414	48 624
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current receivables	–	–	51 000	53 000	–	–	–	–	–
Decrease (increase) in non-current investments	–	–	–	–	–	–	–	–	–
Payments									
Capital assets	(56 408)	(20 657)	(10 375)	(20 472)	(32 652)	(32 652)	(47 180)	(52 177)	(60 270)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(56 408)	(20 657)	40 625	32 528	(32 652)	(32 652)	(47 180)	(52 177)	(60 270)
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans	–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing	–	–	–	–	–	–	–	–	–
Increase (decrease) in consumer deposits	–	–	–	–	–	–	–	–	–
Payments									
Repayment of borrowing	–	–	–	–	–	–	–	–	–
NET CASH FROM/(USED) FINANCING ACTIVITIES	–	–	–	–	–	–	–	–	–
NET INCREASE/ (DECREASE) IN CASH HELD	(11 195)	(148 833)	28 518	15 828	18 264	18 264	9 804	(11 763)	(11 646)
Cash/cash equivalents at the year begin:	182 243	171 049	22 215	24 479	24 479	24 479	42 743	52 547	40 784
Cash/cash equivalents at the year end:	171 049	22 215	50 733	40 307	42 743	42 743	52 547	40 784	29 138

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

2.14.1 Executive Summary

The impact of the COVID-19 pandemic and related restrictions on the events industry in the prior years has been profound. Following the initial excitement of the opening up of events and rights holders clamoring to host events and begin recouping earnings, there has been an over saturation in the market. The latter part of the 2022 calendar year has seen a normalising in the industry, with spectatorship decreasing slightly in response to the significantly higher number of events being hosted. The entity will commence the 2023/24 financial year as what is anticipated to be the first “back to normal” year post COVID-19. While the business showed positive financial growth due to strategic realignment with these environmental factors, this disruption to the events industry and in turn the core business of DHL Stadium created a 2-year disruption to the objectives of the business, which are now very much back on track.

CTS has completed its fourth full annual financial cycle. During the 2021/22 financial year, the entity achieved (and in some instances exceeded) its year-to-date projected performance and budgeted financial targets. A Service Delivery Agreement (SDA), in terms of the MFMA, has been implemented with the City in respect of governance and management of the stadium.

CTS aims to be financially sustainable within the foreseeable future. While progress was made towards this objective in 2019 and 2020, the onset of the COVID-19 pandemic affected the ability to progress this mandate. With a strong events calendar for the 2022/23 financial year, CTS will progress this mandate against realistic timelines to ensure that the short term successes achieved by the municipal entity will be carried forward to future years. This will include the various areas currently serviced by the City through the SDA between the City and the municipal entity including the provision of legal, human resource, SCM and financial services.

The Board and Management of CTS are pleased that the entity once again achieved an unqualified ‘clean’ audit report for the 2021/22 financial year. This is the fourth consecutive clean audit since the establishment of the municipal entity in 2018.

In pursuit of financial sustainability, the Board approved the commercialisation strategy, which has been a focal point of CTS during its current business cycle. CTS has refined the commercial strategy and business plan and has secured a Naming Rights Partner, an Anchor Tenant in Western Province Rugby for the CTS, as well as the commencement of the implementation process of the commercial events overlay, which includes concessionaires, liquor distribution agents, hospitality partners and preferred suppliers.

The following CTS board committees and sub-committees have been fully constituted and will carry out their Board approved functions in terms of documented and approved Terms of References:

- Audit and Risk Committee
- Human Resource, Social and Ethics Subcommittee
- Events, Marketing and Communications Subcommittee
- Commercial and Finance Subcommittee

These committees have been effectively and diligently fulfilling their respective oversight roles. From a governance perspective, an experienced and outsourced company secretary, to perform the company secretariat functions, was appointed during the year.

2.14.2 Service Delivery Agreement between the City and the CTS

Table 80 - CTS - Service Delivery Agreement

Period of agreement	The period of agreement is 50 years. The City may, at its sole discretion, extend the service provider's appointment for a further period of 49 years.
Funding	The City will provide the grant allocation to cover the entity's operational expenditure in terms of an approved budget. The provision of support services have been renewed for a further three (3) years on 1 February 2021. The entity will be responsible for all maintenance, which is based on the City's maintenance standards. The City will be liable for all capital expenditure.
Staffing	The City will second staff members to the entity with the concurrence of the staff members concerned. Staff currently employed at the Cape Town Stadium will remain as City employees, will be paid by the City and will receive their standard benefits including bonuses and leave pay. The entity appointed the CFO and will appoint a Legal & Compliance Officer in the 2023/24 financial year.
Services to be Provided	· General facility maintenance and event support operations; · Events and entertainment services management; · Commercialisation, marketing and hospitality management; and · Finance, legal and administration management.
Ownership and Control	The City is the 100% shareholder of the entity.
Oversight Processes	The City's Finance directorate (Treasury department) monitors the Service Delivery Agreement (SDA) and related performance and compliance of the entity.
City's Obligations	The City must provide dedicated and prioritised support with regards to accounting, financial management and budgeting per the MFMA, including utilisation of the SAP (Systems, Applications and Products) system as used by the City, Supply Chain Management support, legal company secretary, brand management and communication. In addition, the City must provide dedicated and prioritised services in regard to Human Resource Management support, as well as Internal Audit and Risk Management support including oversight over the service provider's Audit Committee.

The aggregated annual budget, as required in terms of section 9 of the MBRR, is presented in the five primary budget tables on page 218 to page 221. These tables reflect the CTS's 2023/24 budget and MTREF to be supported by Council.

Schedule D reflecting the CTS's annual budget and supporting documents is attached as Annexure 35 while the business plan is attached as Annexure 36. The CTS's proposed tariff structure is attached as Annexure 37.

Table 81 - CTS - Table D1 Budget Summary

Description	2019/20	2020/21	2021/22	Current Year 2022/23			Medium Term Revenue and Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousands									
<u>Financial Performance</u>									
Property rates	–	–	–	–	–	–	–	–	–
Service charges	–	–	–	–	–	–	–	–	–
Investment revenue	1	–	83	–	–	–	–	–	–
Transfer and subsidies - Operational	59 454	65 237	41 915	33 196	33 196	33 196	33 196	33 196	33 196
Other own revenue	25 501	11 816	56 746	92 037	64 626	64 626	72 684	78 355	84 374
Total Revenue (excluding capital transfers and contributions)	84 956	77 053	98 743	125 233	97 822	97 822	105 880	111 551	117 570
Employee costs	732	1 390	1 433	2 795	1 808	1 808	2 921	3 056	3 196
Remuneration of Board Members	272	348	335	479	479	479	508	531	555
Depreciation and Debt impairment	–	–	–	–	–	–	–	–	–
Interest	–	–	–	–	–	–	–	–	–
Inventory consumed and bulk purchases	687	472	1 191	661	2 103	2 103	1 443	1 509	1 579
Transfers and subsidies	–	7 608	7 683	7 003	7 003	7 003	7 423	7 765	8 122
Other expenditure	81 255	67 236	87 678	114 294	86 429	86 429	93 585	98 690	104 118
Total Expenditure	82 946	77 053	98 318	125 233	97 822	97 822	105 880	111 551	117 570
Surplus/(Deficit)	2 010	0	425	(0)	(0)	(0)	0	0	(0)
Transfers and subsidies - capital (monetary allocations)	–	–	–	–	–	–	–	–	–
Transfers and subsidies - capital (in-kind - all)	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	2 010	0	425	(0)	(0)	(0)	0	0	(0)
Income Tax	–	–	–	–	–	–	–	–	–
Surplus/ (Deficit) for the year	2 010	0	425	(0)	(0)	(0)	0	0	(0)
<u>Capital expenditure & funds sources</u>									
<u>Capital expenditure</u>									
Transfers recognised - capital	–	–	–	–	–	–	–	–	–
Borrowing	–	–	–	–	–	–	–	–	–
Internally generated funds	–	–	–	–	–	–	–	–	–
Total sources of capital funds	–	–	–	–	–	–	–	–	–
<u>Financial position</u>									
Total current assets	6 463	6 528	26 869	6 755	6 755	6 755	29 889	31 152	32 473
Total non current assets	–	–	–	–	–	–	–	–	–
Total current liabilities	4 453	4 518	24 434	4 745	4 745	4 745	27 454	28 717	30 038
Total non current liabilities	–	–	–	–	–	–	–	–	–
Community wealth/Equity	2 010	2 010	2 435	2 010	2 010	2 010	2 435	2 435	2 435
<u>Cash flows</u>									
Net cash from (used) operating	(11)	3	5 517	0	0	0	351	285	298
Net cash from (used) investing	–	–	–	–	–	–	–	–	–
Net cash from (used) financing	–	–	–	–	–	–	–	–	–
Cash/cash equivalents at the year end	(0)	3	5 520	3	3	3	6 203	6 488	6 787

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

Description R thousand	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Revenue									
Exchange Revenue									
Service charges - Electricity	–	–	–	–	–	–	–	–	–
Service charges - Water	–	–	–	–	–	–	–	–	–
Service charges - Waste Water Management	–	–	–	–	–	–	–	–	–
Service charges - Waste Management	–	–	–	–	–	–	–	–	–
Sale of Goods and Rendering of Services	–	–	–	–	–	–	6 017	6 294	6 584
Agency services	–	–	–	–	–	–	–	–	–
Interest	–	–	–	–	–	–	–	–	–
Interest earned from Receivables	–	–	–	–	–	–	–	–	–
Interest earned from Current and Non Current Assets	1	–	83	–	–	–	–	–	–
Dividends	–	–	–	–	–	–	–	–	–
Rent on Land	–	–	–	–	–	–	–	–	–
Rental from Fixed Assets	17 086	4 060	32 730	69 969	38 744	38 744	52 948	57 710	62 780
Licence and permits	–	–	–	–	–	–	–	–	–
Operational Revenue	–	–	–	–	–	–	6 296	6 586	6 889
Non-Exchange Revenue									
Property rates	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits	–	–	–	–	–	–	–	–	–
Licences or permits	–	–	–	–	–	–	–	–	–
Transfer and subsidies - Operational	59 454	65 237	41 915	33 196	33 196	33 196	33 196	33 196	33 196
Interest	–	–	–	–	–	–	–	–	–
Fuel Levy	–	–	–	–	–	–	–	–	–
Operational Revenue	8 415	7 756	24 016	22 068	25 883	25 883	7 423	7 765	8 122
Gains on disposal of Assets	–	–	–	–	–	–	–	–	–
Other Gains	–	–	–	–	–	–	–	–	–
Discontinued Operations	–	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)	84 956	77 053	98 743	125 233	97 822	97 822	105 880	111 551	117 570
Expenditure									
Employee related costs	732	1 390	1 433	2 795	1 808	1 808	2 921	3 056	3 196
Remuneration of board members	272	348	335	479	479	479	508	531	555
Inventory consumed	687	472	1 191	661	2 103	2 103	1 443	1 509	1 579
Debt impairment	–	–	–	–	–	–	–	–	–
Depreciation and asset impairment	–	–	–	–	–	–	–	–	–
Interest	–	–	–	–	–	–	–	–	–
Contracted services	64 117	53 734	67 333	86 174	64 954	64 954	68 851	72 018	75 331
Transfers and subsidies	–	7 608	7 683	7 003	7 003	7 003	7 423	7 765	8 122
Irrecoverable debts written off	–	–	–	–	–	–	–	–	–
Operational costs	17 138	13 501	20 345	28 120	21 475	21 475	24 734	26 672	28 787
Losses on disposal of Assets	–	–	–	–	–	–	–	–	–
Other Losses	–	–	–	–	–	–	–	–	–
Total Expenditure	82 946	77 053	98 318	125 233	97 822	97 822	105 880	111 551	117 570
Surplus/(Deficit)	2 010	0	425	(0)	(0)	(0)	0	(0)	0
Transfers and subsidies - capital (monetary allocations)	–	–	–	–	–	–	–	–	–
Transfers and subsidies - capital (in-kind)	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	2 010	0	425	(0)	(0)	(0)	0	(0)	0
Income Tax	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after income tax	2 010	0	425	(0)	(0)	(0)	0	(0)	0
Share of Surplus/Deficit attributable to Joint Venture	–	–	–	–	–	–	–	–	–
Share of Surplus/Deficit attributable to Minorities	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality	2 010	0	425	(0)	(0)	(0)	0	(0)	0
Share of Surplus/Deficit attributable to Associate	–	–	–	–	–	–	–	–	–
Intercompany/Parent subsidiary transactions	–	–	–	–	–	–	–	–	–
Surplus/ (Deficit) for the year	2 010	0	425	(0)	(0)	(0)	0	(0)	0

Table 83 - CTS - Table D4 Budgeted Financial Position

Description	2019/20	2020/21	2021/22	Current Year 2022/23			Medium Term Revenue and Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousands									
ASSETS									
Current assets									
Cash and cash equivalents	–	3	5 520	3	3	3	6 203	6 488	6 787
Trade and other receivables from exchange transactions	496	–	–	–	–	–	12 482	13 056	13 657
Receivables from non-exchange transactions	3 957	4 515	18 914	4 742	4 742	4 742	8 770	9 173	9 595
Current portion of non-current receivables	2 010	2 010	2 435	2 010	2 010	2 010	2 435	2 435	2 435
Inventory	–	–	–	–	–	–	–	–	–
VAT	–	–	–	–	–	–	–	–	–
Other current assets	–	–	–	–	–	–	–	–	–
Total current assets	6 463	6 528	26 869	6 755	6 755	6 755	29 889	31 152	32 473
Non current assets									
Investments	–	–	–	–	–	–	–	–	–
Investment property	–	–	–	–	–	–	–	–	–
Property, plant and equipment	–	–	–	–	–	–	–	–	–
Biological assets	–	–	–	–	–	–	–	–	–
Living and non-living resources	–	–	–	–	–	–	–	–	–
Heritage assets	–	–	–	–	–	–	–	–	–
Intangible assets	–	–	–	–	–	–	–	–	–
Trade and other receivables from exchange transactions	–	–	–	–	–	–	–	–	–
Non-current receivables from non-exchange transactions	–	–	–	–	–	–	–	–	–
Other non-current assets	–	–	–	–	–	–	–	–	–
Total non current assets	–	–	–	–	–	–	–	–	–
TOTAL ASSETS	6 463	6 528	26 869	6 755	6 755	6 755	29 889	31 152	32 473
LIABILITIES									
Current liabilities									
Bank overdraft	–	–	–	–	–	–	–	–	–
Financial liabilities	–	–	–	–	–	–	–	–	–
Consumer deposits	–	177	127	–	–	–	–	–	–
Trade and other payables from exchange transactions	–	–	–	–	–	–	–	–	–
Trade and other payables from non-exchange transactions	4 453	4 341	24 308	4 745	4 745	4 745	27 454	28 717	30 038
Provision	–	–	–	–	–	–	–	–	–
VAT	–	–	–	–	–	–	–	–	–
Other current liabilities	–	–	–	–	–	–	–	–	–
Total current liabilities	4 453	4 518	24 434	4 745	4 745	4 745	27 454	28 717	30 038
Non current liabilities									
Financial liabilities	–	–	–	–	–	–	–	–	–
Provision	–	–	–	–	–	–	–	–	–
Long term portion of trade payables	–	–	–	–	–	–	–	–	–
Other non-current liabilities	–	–	–	–	–	–	–	–	–
Total non current liabilities	–	–	–	–	–	–	–	–	–
TOTAL LIABILITIES	4 453	4 518	24 434	4 745	4 745	4 745	27 454	28 717	30 038
NET ASSETS	2 010	2 010	2 435	2 010	2 010	2 010	2 435	2 435	2 435
COMMUNITY WEALTH/EQUITY									
Accumulated surplus/(deficit)	2 010	2 010	2 435	2 010	2 010	2 010	2 435	2 435	2 435
Reserves and funds	–	–	–	–	–	–	–	–	–
Other	–	–	–	–	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2 010	2 010	2 435	2 010	2 010	2 010	2 435	2 435	2 435

Table 84 - CTS - Table D5 Budgeted Cash Flow

Description	2019/20	2020/21	2021/22	Current Year 2022/23			Medium Term Revenue and Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousands									
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Property rates	–	–	–	–	–	–	–	–	–
Service charges	–	–	–	–	–	–	–	–	–
Other revenue	19 823	4 146	23 619	85 034	57 623	57 623	65 261	70 590	76 252
Transfers and Subsidies - Operational	59 454	65 237	41 915	33 196	33 196	33 196	33 196	33 196	33 196
Transfers and Subsidies - Capital	–	–	–	–	–	–	–	–	–
Interest	1	–	62	–	–	–	–	–	–
Dividends	–	–	–	–	–	–	–	–	–
Payments									
Suppliers and employees	(79 285)	(69 381)	(60 078)	(118 230)	(90 819)	(90 819)	(98 106)	(103 501)	(109 150)
Finance charges	–	–	–	–	–	–	–	–	–
Transfers and Subsidies	(3)	–	–	–	–	–	–	–	–
NET CASH FROM/(USED) OPERATING ACTIVITIES	(11)	3	5 517	0	0	0	351	285	298
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current investments	–	–	–	–	–	–	–	–	–
Payments									
Capital assets	–	–	–	–	–	–	–	–	–
NET CASH FROM/(USED) INVESTING ACTIVITIES	–	–	–	–	–	–	–	–	–
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans	–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing	–	–	–	–	–	–	–	–	–
Increase (decrease) in consumer deposits	–	–	–	–	–	–	–	–	–
Payments									
Repayment of borrowing	–	–	–	–	–	–	–	–	–
NET CASH FROM/(USED) FINANCING ACTIVITIES	–	–	–	–	–	–	–	–	–
NET INCREASE/ (DECREASE) IN CASH HELD	(11)	3	5 517	0	0	0	351	285	298
Cash/cash equivalents at the year begin:	11	(0)	3	3	3	3	5 852	6 203	6 488
Cash/cash equivalents at the year end:	(0)	3	5 520	3	3	3	6 203	6 488	6 787

2.15 Contracts having future budgetary implications

Table 85 - MBRR Table SA33 - Contracts having future budgetary implications

Description	Preceding Years	Current Year 2022/23	2023/24 Medium Term Revenue & Expenditure Framework			Forecast 2026/27	Forecast 2027/28	Forecast 2028/29	Forecast 2029/30	Forecast 2030/31	Forecast 2031/32	Forecast 2032/33	Total Contract Value
	Total	Original Budget	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
R thousand													
Expenditure Obligation By Contract													
Payment of SAP software licences: Annual maintenance fees 2022–2027 (Tender DP6387S/2020/21)	28 555	57 129	57 172	57 216	57 259	57 303	28 663	–	–	–	–	–	343 297
Supply of road fuelling, management information services and related equipment (Tender 025S/2021/22)	–	260 961	317 601	322 201	311 623	311 623	311 623	311 623	311 623	311 623	–	–	2 770 502
Provision of professional services in the appointment of a legal panel for the provision of legal services for the collection of debts owed to the City (Tender 370C/2020/21)	–	16 648	17 397	18 162	18 979	19 814	20 500	–	–	–	–	–	111 500
Provision for third party payment services for the payment of municipal accounts (Tender 368S/2020/21)	–	75 275	79 039	82 991	87 140	91 497	96 072	–	–	–	–	–	512 013
Main Banker and Other Financial Services (Tender 256S/2021/22)	–	4 056	16 502	17 630	18 853	20 180	15 928	–	–	–	–	–	93 149
Appointment of four (4) regional teams of multidisciplinary professional consultants to undertake the planning, design, procurement and construction monitoring services relating to human settlements within the City (Tender 260C/2021/22)	–	–	9 900	13 200	15 600	10 800	12 000	6 000	6 360	–	–	–	73 860
Provision of professional services in support of undertaking various projects by the City's Public Housing Department as guided by its Asset Management Plan (Tender 109C/2020/21)	–	13 800	13 800	13 800	13 800	11 500	–	–	–	–	–	–	66 700
Term tender for the provision of professional services: Planning and development (Term tender 375C/2018/19)	17 243	24 945	24 082	21 625	1 000	1 000	–	–	–	–	–	–	89 895
Provision of a service provider for visitor and staff safety management within nature reserves and open spaces by providing rangers in the operation area of the City (Term tender 013S/2020/21)	23 822	24 777	26 016	27 317	28 683	29 830	–	–	–	–	–	–	160 447
Provision of professional services: Business planning and related services (Tender 198C/2017/18)	121 005	46 504	47 359	58 854	58 715	58 533	29 267	–	–	–	–	–	420 238
Management and operation of the Transport Information Centre (Tender 136S/2019/20)	48 240	32 384	34 020	35 738	37 543	39 439	41 430	–	–	–	–	–	268 794
Servicing, general repairs and structural repairs of hydraulic equipment and compactor bodies (Tender 269S/2020/21)	–	12 863	12 863	12 863	12 863	12 863	12 863	–	–	–	–	–	77 177
Provision of professional services to conduct urban development research (Tender 211C/2020/21)	–	6 000	10 000	8 000	8 000	8 000	–	–	–	–	–	–	40 000
Service provider for traffic contravention services (Tender DP6424S/2020/21)	70 161	74 371	78 833	83 563	87 574	91 777	96 183	100 799	105 638	110 708	116 022	121 591	1 137 220
Operations, maintenance and management of the Zandvliet Wastewater Treatment (Tender 441S/2010/11)	92 431	231 068	231 068	243 433	242 431	242 431	–	–	–	–	–	–	1 282 862
Operations, maintenance and management of the Fisantekraal Wastewater Treatment (Tender 442S/2010/11)	152 531	33 289	37 840	40 751	44 827	49 181	54 242	5 292	–	–	–	–	417 953
Maintenance of bulk sewers using bucket machines (City-Wide) (Tender 149S/2021/22)	–	40 000	80 000	80 000	80 000	80 000	–	–	–	–	–	–	360 000
Berg River to Voëlvei augmentation scheme (BRVAS): Proposed water supply agreement with the National Department of Water & Sanitation (DWS)	–	–	–	20 000	80 000	83 600	83 600	83 600	83 600	83 600	83 600	1 741 417	2 343 017
Total Operating Expenditure Implication	553 988	954 070	1 093 491	1 157 344	1 204 890	1 219 372	802 370	507 315	507 221	505 932	199 622	1 863 008	10 568 623

Table continues on next page

Description	Preceding Years	Current Year 2022/23	2023/24 Medium Term Revenue & Expenditure Framework			Forecast 2026/27	Forecast 2027/28	Forecast 2028/29	Forecast 2029/30	Forecast 2030/31	Forecast 2031/32	Forecast 2032/33	Total Contract Value
	Total	Original Budget	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
R thousand													
Capital Expenditure Obligation By Contract													
Appointment of four (4) regional teams of multidisciplinary professional consultants to undertake the planning, design, procurement and construction monitoring services relating to human settlements within the City (Tender 260C/2021/22)	–	–	23 100	30 800	36 400	25 200	28 000	14 000	14 840	–	–	–	172 340
Provision of professional services in support of the undertaking of various projects by the City's Public Housing Department as guided by its asset management plan (Tender 109C/2020/21)	–	13 800	13 800	13 800	13 800	16 100	–	–	–	–	–	–	71 300
Term Tender for the provision of professional services: Planning and development (Term tender 375C/2018/19)	133 394	113 230	94 903	41 627	37 000	18 550	–	–	–	–	–	–	438 705
Provision of professional services in respect of the design and construction monitoring of Phase 2A Infrastructure: Trunk & Support Infrastructure (East & West) (Tender 225C/2020/21)	7 370	56 838	37 928	89 326	105 726	72 345	25 434	22 227	–	–	–	–	417 195
Provision of professional project management services: Integrated Rapid Transit (Tender 281C/2020/21)	–	7 268	5 891	6 333	12 665	13 360	13 490	4 473	–	–	–	–	63 478
Provision of professional engineering consultancy services: Macassar Wastewater Treatment Works, 32 Ml/d capacity extension and associated infrastructure refurbishment (Tender 340C/2018/19)	7 595	18 500	14 218	23 517	24 514	21 946	18 343	–	–	–	–	–	128 634
Provision of multidisciplinary professional services for the Water & Sanitation department (Term Tender 194C/2020/21 - Readvertisement of 293C/2019/20)	51 220	62 569	67 994	73 188	60 372	27 215	–	–	–	–	–	–	342 558
Construction of Witzands Aquifer Recharge infrastructure and associated bulk services for the City: Phase 1: basins 6 and 9 (Tender 97Q/2021/22)	–	10 255	23 403	22 532	23 949	13 355	–	–	–	–	–	–	93 494
Advanced Metering Infrastructure (AMI) and Reading System for water - Planning, design and implementation management (Tender 100C/2021/22)	–	20 000	20 000	36 000	32 000	30 000	23 000	23 000	23 000	23 000	10 000	–	240 000
Total Capital Expenditure Implication	199 579	330 060	383 238	420 622	429 927	321 470	108 267	63 701	37 840	23 000	10 000	–	2 327 703
Total Expenditure Implication	753 567	1 284 130	1 476 729	1 577 966	1 634 817	1 540 842	910 637	571 015	545 061	528 932	209 622	1 863 008	12 896 326

Table 86 - Projects having future budgetary implications

Description	Project number	Preceding Years	Current Year 2022/23	2023/24 Medium Term Revenue & Expenditure Framework			Forecast 2026/27	Forecast 2027/28	Forecast 2028/29	Future Years	Total Project Cost
		Total	Adjusted Budget	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26	Estimate	Estimate	Estimate	Estimate	Estimate
Capital Expenditure Obligation By Project											
Library and Information Services: New Manenberg Regional library	CPX.0011174	38	–	–	–	1 000	15 000	20 000	20 000	–	56 038
Support Services: Community Services and Health: IT Modernisation	CPX.0013591	76 056	27 781	20 000	–	–	–	–	–	–	123 837
Information Systems and Technology: Records and Document Management Software	CPX.0018729	–	345	27 131	85 800	48 158	–	–	–	–	161 434
Information Systems and Technology: Supply Chain Management Software	CPX.0018731	–	2 582	6 821	70 445	–	–	–	–	–	79 848
Information Systems and Technology: Customer Relations Management Software	CPX.0018732	–	–	6 821	43 501	26 937	–	–	–	–	77 259
Information Systems and Technology: Finance and Operational Core Software	CPX.0018756	–	12 387	20 542	21 253	1 769 519	453 604	237 008	–	–	2 514 314
Information Systems and Technology: Data & Analytics software	CPX.0018759	–	2 981	6 821	7 084	113 922	36 753	–	–	–	167 562
Information Systems and Technology: Emergency Police Incident Control (EPIC)	CPX.0020375	–	1 050	249	262	–	56 429	27 527	–	–	85 517
Fleet Management: Fleet Facilities Upgrade Phase 3	CPX.0033189	–	–	–	–	50 000	–	–	–	–	50 000
Facilities Management: Facilities Management Structural Rehabilitation	CPX/0000924	268 371	4 975	1 825	–	–	–	–	–	–	275 171
Information Systems and Technology: Broadband Infrastructure Programme	CPX/0017286	37 869	114 745	121 147	88 241	39 520	32 740	35 965	16 936	28 649	515 811
Electricity Generation and Distribution: Outage Management System	C12.84078	54 207	–	4 500	–	–	–	–	–	–	58 707
Electricity Generation and Distribution: Steenbras: Refurbishment of Main Plant	C14.84071	10 419	–	10 395	1 936	1 925	20 790	137 913	519 981	504 323	1 207 681
Electricity Generation and Distribution: Grassy Park High Voltage (HV) Network Rearrangement	CPX.0003622	–	–	–	–	19 600	25 181	55 978	–	–	100 759
Electricity Generation and Distribution: Noordhoek Low voltage (LV) Depot	CPX.0004006	3 075	420	29 927	29 658	–	–	–	–	–	63 081
Electricity Generation and Distribution: Bellville South Main Substation Upgrade	CPX.0004793	–	30 577	42 963	2 000	–	–	–	–	–	75 540
Electricity Generation and Distribution: Morgen Gronde Switching Station	CPX.0012407	7 618	129 347	8 000	–	–	–	–	–	–	144 965
Electricity Generation and Distribution: Ground Mounted Photovoltaic (PV)	CPX.0014782	–	–	15 000	139 570	–	–	–	–	–	154 570
Electricity Generation and Distribution: Steenbras: Concrete Alkali-Silica Reaction (ASR) Remediation	CPX.0016613	–	–	3 960	4 730	4 730	8 360	207 543	13 861	6 573	249 756
Electricity Generation and Distribution: Paardevlei 132/66 kilovolt (kV) stepdown	CPX.0019989	–	–	1 318	97 840	138 396	–	–	–	–	237 553
Electricity Generation and Distribution: Triangle 132kV Upgrade	CPX.0022539	2 939	110 250	131 520	41 660	–	–	–	–	–	286 369
Electricity Generation and Distribution: Ground mounted Solar Photovoltaic (PV) Project	CPX.0022992	–	–	–	–	446 697	446 697	223 349	–	–	1 116 743
Electricity Generation and Distribution: Oakdale 132 kilovolt (kV) Upgrade	CPX.0033912	–	–	–	–	11 550	157 300	18 050	–	–	186 900
Sustainable Energy Markets: Battery Energy Storage Systems	CPX.0035776	–	–	1 800	25 000	25 000	23 200	–	–	–	75 000
Corporate Project Programme and Portfolio Management: Integration and Enhancement	CPX.0009707	45 076	5 948	6 900	5 000	5 000	5 000	5 000	5 000	10 000	92 924
Corporate Project Programme and Portfolio Management: Contract Management System Integration	CPX.0017298	22 429	6 172	8 000	10 000	1 000	2 000	2 000	2 000	5 000	58 601
Housing Development: Valhalla Park Integrated Housing Project	CPX.0002700	57 389	10 000	4 000	–	–	–	–	–	–	71 389
Housing Development: Masiphumelele Housing Project Phase 4	CPX.0003205	12 300	175	600	28 595	16 405	40 000	12 000	–	–	110 076
Housing Development: Harare Infill Housing Project	CPX.0005315	56 548	6 300	1 256	–	–	–	–	–	–	64 105
Housing Development: Dido Valley Housing Project	CPX.0005316	29 675	5 000	8 000	7 482	–	–	–	–	–	50 157
Housing Development: Macassar Breaking New Grounds (BNG) Housing Project	CPX.0005674	111 742	46 000	25 000	17 905	22 730	80 000	76 000	–	–	379 378
Informal Settlements: Informal Settlement Upgrade - Enkanini	CPX.0005816	10 918	2 400	46 799	36 523	87 480	63 523	58 100	53 042	–	358 784
Housing Development: Blue Berry Hill Housing Project	CPX.0008063	12 668	2 599	272	1 060	32 000	92 758	95 000	91 380	141 333	469 070
Housing Development: Pelican Park Phase 2 Housing Project	CPX.0008074	4 135	400	500	20 000	50 000	80 000	80 000	45 000	–	280 035
Housing Development: Vlakteplaas Housing Project	CPX.0008076	9 681	2 136	500	500	50 000	78 384	91 914	79 820	318 450	631 384
Housing Development: Aloe Ridge Housing Project	CPX.0014608	7 667	3 800	10 000	28 000	–	1 000	–	–	–	50 467
Housing Development: Nooiensfontein Housing Project	CPX.0014611	6 483	5 000	90	–	–	60 000	60 000	9 000	–	140 573
Housing Development: Atlantis Gap Sites Housing Project	CPX.0014630	2 027	6 000	40 000	15 000	–	12 000	–	–	–	75 027
Housing Development: Airports Company South Africa (ACSA)Symphony Housing Project Construction	CPX.0017201	38 675	118 400	28 225	62 030	83 000	80 000	48 226	–	–	458 557
Housing Development: Farm 920 and Bloubos Road Housing Construction	CPX.0017203	1 451	400	200	500	1 000	45 000	40 000	–	–	88 551

Table continues on next page

Description	Project number	Preceding Years	Current Year 2022/23	2023/24 Medium Term Revenue & Expenditure Framework			Forecast 2026/27	Forecast 2027/28	Forecast 2028/29	Future Years	Total Project Cost
		Total	Adjusted Budget	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26	Estimate	Estimate	Estimate	Estimate	Estimate
R thousand											
Capital Expenditure Obligation By Project											
Housing Development: Bonteheuwel Infill Housing Project Construction	CPX.0017204	926	1 709	32 360	40 000	–	–	–	–	–	74 995
Housing Development: Elsies River Infill Housing Project	CPX.0017225	1 218	1 267	200	10 000	20 000	15 000	14 000	–	–	61 684
Informal Settlements: Gugulethu: Airport Precinct Informal Settlement	CPX.0017338	20 000	34 275	20 000	–	–	–	–	–	–	74 275
Informal Settlements: Informal Settlements Upgrade: Individual Service Site	CPX.0024864	–	–	–	30 000	30 000	45 000	45 000	45 000	135 000	330 000
Informal Settlements: Informal Settlements Upgrade: Super Blocking Project	CPX.0024893	–	40 000	25 000	30 000	30 000	50 000	50 000	50 000	150 000	425 000
Informal Settlements: Informal Settlements Upgrade: Enhanced Basic Services	CPX.0024934	–	40 000	29 447	20 000	35 000	40 000	40 000	40 000	120 000	364 447
Informal Settlements: Informal Settlements Upgrade: Managed Settlements	CPX.0024946	–	30 000	25 000	30 000	30 000	50 000	50 000	50 000	150 000	415 000
Informal Settlements: Informal Settlements Upgrade: Back Yarder Services	CPX.0024996	–	–	–	20 000	30 000	25 000	25 000	25 000	75 000	200 000
Housing Development: Planning design and construction of Belhar Vacant School sites.	CPX.0029355	–	750	475	1 000	20 000	30 000	30 000	5 500	–	87 725
Human Settlements Planning: Founders Garden Social Housing Provincial Government Western Cape (PGWC)	CPX.0031182	–	–	–	5 236	22 495	14 318	23 383	–	–	65 431
Housing Development: Sanral N2 Re-location project	CPX.0035345	–	–	225	2 030	3 000	53 200	58 000	60 000	155 545	332 000
Housing Development: Kananokop (Atlantis Ext 12) Housing Project	CPX.0000306	31 663	10 000	45 000	60 000	–	15 000	14 000	–	–	175 663
Fire Services: Langa Fire Station	CPX.0009145	–	–	4 000	26 500	27 000	–	–	–	–	57 500
Metropolitan Police Services: Property Improvement Training College	CPX.0016148	15 175	–	6 000	4 345	58 158	74 219	17 490	–	–	175 388
Metropolitan Police Services: Closed-Circuit Television (CCTV) Roll - Out Plan	CPX.0019583	–	–	25 000	25 000	20 000	15 000	10 000	–	–	95 000
Emergency Policing Incident Control: Emergency Policing and Incident Command (EPIC) 2.1: Contravention System	CPX.0021886	17 175	18 225	19 150	20 465	19 965	–	–	–	–	94 980
Emergency Policing Incident Control: Emergency Policing and Incident Command (EPIC) 1.1: Computer Aided Dispatch System	CPX.0021901	12 427	16 824	15 730	17 303	22 000	–	–	–	–	84 285
Fire Services: Rivergate Fire Station Construction	CPX.0025382	–	–	–	–	6 000	–	18 000	18 000	18 000	60 000
Operational Coordination: Law Enforcement Volunteer Base	CPX.0005551	5 205	–	10 000	14 168	26 000	20 210	–	–	–	75 583
Urban Planning and Design: Kruskal Avenue Upgrade	CPX.0006012	21 812	3 000	28 350	700	–	–	–	–	–	53 862
Environmental Management: Harmony Flats Visitor Education Centre	CPX.0012907	3 650	2 837	8 684	28 440	18 709	–	–	–	–	62 320
Environmental Management: Muizenberg Beach Front Upgrade	CPX.0016740	4 965	4 774	861	51 343	76 380	7 142	–	–	–	145 466
Environmental Management: Environmental Management: Table View Beachfront Upgrade	CPX.0016765	5 064	28 980	61 068	28 518	–	–	–	–	–	123 630
Urban Catalytic Investment: Philippi Fresh Produce Market Refurbishment	CPX.0019211	20 709	28 907	15 000	30 000	12 203	–	–	–	–	106 819
Environmental Management: Strand Sea Wall Upgrade	CPX.0019378	1 489	4 700	1 226	55 126	68 461	45 160	–	–	–	176 162
Urban Regeneration: Upgrade Khayelitsha Training Centre	CPX.0020287	6 043	6 831	25 000	15 000	–	1 724	–	–	–	54 598
Urban Regeneration: Mfuleni Hives Rehabilitation	CPX.0020289	500	1 000	1 500	10 000	14 566	5 000	30 459	–	–	63 025
Urban Regeneration: Informal Trade and Association Infrastructure Upgrade Site C	CPX.0020509	–	–	1 700	9 500	20 000	21 000	22 840	–	–	75 040
Urban Regeneration: Informal Trade and Association Infrastructure Upgrade Site B	CPX.0020513	500	800	1 700	11 000	30 000	25 000	7 340	–	–	76 340
Transport Infrastructure Implementation: Somerset West Public Transport Interchanges	C11.10552	31 963	37 500	25 000	–	–	–	–	–	–	94 463
Transport Infrastructure Implementation: Road Upgrade: Amandel Road: Bottelary Bottelary River bridge - Church Street	CPX.0007857	5 559	52 721	31 692	150	–	–	–	–	–	90 121
Transport Infrastructure Implementation: Road Construction: Saxdowns Langverwacht and Van Riebeeck Roads	CPX.0007859	7 848	2 600	36 140	47 060	100	–	–	–	–	93 749
Transport Infrastructure Implementation: Congestion Relief - Erica Drive	CPX.0007892	11 113	2 757	1 200	29 700	58 000	–	–	–	–	102 770
Transport Infrastructure Implementation: Kommetjie Road Dualling (Phase 3)	CPX.0007895	2 078	20 711	2 417	27 511	100	–	–	–	–	52 818
Public Transport: Integrated Rapid Transit (IRT): Fare Collection	CPX.0008849	48 745	9 669	14 360	21 296	10 000	–	–	–	–	104 070
Public Transport: Integrated Rapid Transit (IRT): Control Centre	CPX.0008858	140 219	24 429	12 500	15 543	10 000	–	–	–	–	202 690
Transport Infrastructure Implementation: Non-motorised Transport Improvements: Area-wide Mitchells Plain	CPX.0009556	–	2 149	10 000	22 000	20 000	–	–	–	–	54 149
Transport Infrastructure Implementation: Road Upgrade: Voortrekker Road: Salt River Canal to Jakes Gerwel Drive	CPX.0010465	6 819	4 929	3 900	2 400	70 100	–	–	–	–	88 148
Transport Infrastructure Implementation: Road Dualling: Berkley Road: M5 to Ryger Street	CPX.0010483	5 799	10 438	10 630	400	60 000	–	–	–	–	87 267
Roads Infrastructure Management: Road Rehabilitation: Bishop Lavis	CPX.0013213	542	13 000	44 174	20 162	–	–	–	–	–	77 879

Table continues on next page

Description	Project number	Preceding Years	Current Year 2022/23	2023/24 Medium Term Revenue & Expenditure Framework			Forecast 2026/27	Forecast 2027/28	Forecast 2028/29	Future Years	Total Project Cost
		Total	Adjusted Budget	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26	Estimate	Estimate	Estimate	Estimate	Estimate
R thousand											
Capital Expenditure Obligation By Project											
Roads Infrastructure Management: Road Rehabilitation: Southern Area Concrete Roads	CPX.0013228	489	1 620	500	13 326	40 000	–	–	–	–	55 934
Transport Planning and Network Management: Mfuleni Taxi Rank	CPX.0014501	3 224	4 200	2 000	30 000	27 000	–	–	–	–	66 424
Transport Infrastructure Implementation: Dualling: Main Road 27 to Altena Road	CPX.0014563	908	47 746	15 954	150	–	–	–	–	–	64 758
Roads Infrastructure Management: Reconstruction of Tafelberg Road, Cape Town	CPX.0015218	971	750	48 000	10 000	–	–	–	–	–	59 721
Transport Infrastructure Implementation: Dualling: Jip De Jager: Kommissaris Street - Van Riebeeckshof Road	CPX.0017953	1 281	47 001	31 969	7 030	100	–	–	–	–	87 381
Roads Infrastructure Management: Reconstruction of Delft Main Road	CPX.0018115	484	14 960	52 420	–	–	–	–	–	–	67 864
Roads Infrastructure Management: Road Rehabilitation: Broadlands	CPX.0018273	845	750	500	16 603	60 000	–	–	–	–	78 698
Roads Infrastructure Management: Road Rehabilitation: Jakes Gerwel Frans Conradie-Viking	CPX.0018274	194	1 506	16 300	88 400	–	–	–	–	–	106 400
Transport Infrastructure Implementation: MyCiTi Maitland Bus Rapid Transit (BRT) Station	CPX.0019543	2 643	3 688	3 744	53 005	–	–	–	–	–	63 080
Transport Infrastructure Implementation: MyCiTi Phase 1 Integrated Rapid Transit (IRT) Station Rebuilds	CPX.0019544	3 603	3 750	14 400	50 702	3 500	–	–	–	–	75 955
Transport Shared Services: Public Transport Systems Management: Transport Intelligence Project	CPX.0019799	21 988	16 576	10 000	5 000	–	–	–	–	–	53 564
Transport Shared Services: Public Transport Systems Management: Intelligent Facility Management	CPX.0019804	35 699	20 000	15 000	10 000	–	–	–	–	–	80 699
Roads Infrastructure Management: Road Rehabilitation: Mamre Main Road N7-Brackenfontein	CPX.0022649	–	–	–	–	250	500	500	20 000	30 000	51 250
Roads Infrastructure Management: Road Rehabilitation: Jakes Gerwel: Weltevreden Bridge-Highlands	CPX.0022651	–	30 629	12 351	700	20 103	–	–	–	–	63 783
Roads Infrastructure Management: Road Rehabilitation: Main Road and Others - Simonstown	CPX.0022655	–	–	–	–	750	500	40 000	48 000	7 750	97 000
Transport Infrastructure Implementation: Non-motorised Transport Improvements: Area-wide Khayelitsha	CPX.0022726	–	2 063	9 000	22 000	20 000	–	–	–	–	53 063
Transport Infrastructure Implementation: Integrated Rapid Transit (IRT) Phase 2 A	CPX.00000257	1 215 334	477 855	1 026 784	1 538 356	2 303 187	–	–	–	–	6 561 515
Transport Infrastructure Implementation: Integrated Bus Rapid Transit System	CPX.00000287	391 549	1 466	13 740	27 106	10 000	–	–	–	–	443 860
Public Transport: Integrated Rapid Transit (IRT) Phase 2 A	CPX.00030941	–	17 310	40 551	285 852	205 975	9 500	–	–	–	559 188
Public Transport: Integrated Bus Rapid Transit System	CPX.00030942	–	11 100	15 000	15 000	28 000	–	–	–	–	69 100
Waste Services: Athlone Refuse Transfer Station (ARTS):Material Recovery Facility / Mechanical Biological Treatment (MBT)	CPX.0007847	1 845	–	7 164	4 916	122 801	189 375	3 691	–	–	329 793
Waste Services: Coastal Park: Design and Develop Material Recovery Facility (MRF)	CPX.0007910	70 892	208 532	185 674	500	–	–	–	–	–	465 598
Waste Services: Vissershok: Landfill Gas Infrastructure to Flaring	CPX.0007916	54 779	665	5 000	5 000	5 000	5 000	5 000	5 000	19 000	104 444
Waste Services: Vissershok North: Design and Develop Airspace	CPX.0007920	2 908	18 136	121 324	6 150	–	–	–	–	–	148 518
Waste Services: Coastal Park: Landfill Gas Infrastructure to Flaring	CPX.0007923	37 989	5 919	5 000	5 000	5 000	5 000	5 000	5 000	15 000	88 908
Waste Services: Coastal Park: Transfer Station New	CPX.0010025	–	–	–	5 925	6 380	134 706	65 864	–	–	212 875
Waste Services: Woodstock Depot Upgrade	CPX.0011066	3 991	–	–	90	50	51 150	54 450	54 450	510	164 691
Waste Services: Major Upgrade of Facilities - Maitland	CPX.0014675	–	–	1 243	253	3 997	34 969	12 359	–	–	52 822
Waste Services: Killarney Drop-off Upgrade Waste Minimisation	CPX.0015242	2 132	263	137	61	55 705	3 538	–	–	–	61 836
Distribution Services: Gordon's Bay Sewer Rising Main	CPX.0009432	4 981	4 810	51 101	62 700	15 695	–	–	–	–	139 287
Bulk Services: Fisantekraal Wastewater Treatment Works (WWTW)	CPX.0009633	12 884	–	5 000	14 600	58 100	72 600	46 500	58 100	37 800	305 584
Bulk Services: Wildevoelvllei Wastewater Treatment Works (WWTW)-Upgrade dewatering	CPX.0010426	800	4 700	7 050	82 350	82 350	58 750	–	–	–	236 000
Distribution Services: Upgrade Rietvllei Sewer Pump Station	CPX.0010643	–	3 000	23 323	98 000	39 677	–	–	–	–	164 000
Bulk Services: Atlantis Aquifer	CPX.0011032	238 536	90 000	112 000	71 000	35 000	20 000	–	–	–	566 536
Bulk Services: Sir Lowry's Pass River Upgrade	CPX.0012948	12 317	56 500	76 929	90 170	102 300	24 192	–	–	–	362 408
Bulk Services: Flood Alleviation - Lourens River	CPX.0013019	29 358	6 500	27 908	10 803	–	–	–	–	–	74 569
Bulk Services: Cape Flats Aquifer Recharge	CPX.0013724	282 323	255 179	178 400	236 089	225 400	104 900	–	–	–	1 282 292
Bulk Services: Water & Sanitation Services: Zandvliet Plant Re-use (50ML)	CPX.0014007	71 790	12 100	11 200	16 212	696 955	1 415 268	846 894	–	–	3 070 419
Bulk Services: Westfleur Aeration & Blower Replacement	CPX.0016426	1 646	1 500	20 007	69 201	49 307	20 799	–	–	–	162 461
Bulk Services: Flood Alleviation-Lourens River Phase II	CPX.0016672	–	6 343	10 424	872	84 337	81 514	68 007	50 449	225 102	527 048

Table continues on next page

Description	Project number	Preceding Years	Current Year 2022/23	2023/24 Medium Term Revenue & Expenditure Framework			Forecast 2026/27	Forecast 2027/28	Forecast 2028/29	Future Years	Total Project Cost
		Total	Adjusted Budget	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26	Estimate	Estimate	Estimate	Estimate	Estimate
R thousand											
Capital Expenditure Obligation By Project											
Bulk Services: Macassar Flood Alleviation	CPX.0016674	95	4 500	4 401	5 354	79 399	91 374	132 776	–	–	317 898
Commercial Services: Advanced Metering Infrastructure (AMI) Rollout Programme	CPX.0019987	–	20 000	20 000	285 000	400 000	560 000	650 000	650 000	1 535 000	4 120 000
Distribution Services: Gordons Bay Beach Front Sewer Phase 2	CPX.0020255	–	–	5 000	7 386	92 000	47 097	–	–	–	151 483
Technical Services: Water and Sanitation: Depot Realignment: Schaapkraal	CPX.0022981	3 950	677	1 503	73 000	74 000	–	–	–	1 003	154 133
Distribution Services: Gordon's Bay Firlands Network Infrastructure	CPX.0023031	–	–	–	5 500	6 000	–	–	–	282 900	294 400
Distribution Services: Raapenberg Pump Station Upgrade	CPX.0029269	–	–	10 000	25 000	85 000	–	–	–	–	120 000
Distribution Services: Langa Pump Station (9) - screens, pumps	CPX.0029305	–	–	5 000	24 000	45 000	–	–	–	–	74 000
Distribution Services: Koeberg Pump station capacity upgrade	CPX.0029340	–	–	4 688	14 278	69 865	23 288	–	–	–	112 119
Technical Services: Water and Sanitation: Treated Effluent Re-Use: Zandvliet Link	CPX.0029600	–	19 104	18 300	14 000	4 202	–	–	–	–	55 606
Bulk Services: Cape Flats Aquifer: Hanover Park & Philippi	CPX.0029945	–	26 000	142 500	20 000	60 000	–	–	–	–	248 500
Bulk Services: Cape Flats Aquifer: Strandfontein North East	CPX.0029946	–	–	94 000	166 000	–	–	–	–	–	260 000
Bulk Services: Cape Flats Aquifer: Mitchells Plain	CPX.0029947	–	–	–	–	65 000	135 000	–	–	–	200 000
Bulk Services: Table Mountain Group Aquifer: Steenbras	CPX.0029948	43 202	51 000	41 500	–	–	–	–	–	–	135 702
Bulk Services: Table Mountain Group Aquifer: Nuweberg	CPX.0029949	–	500	–	500	500	500	500	500	596 500	599 500
Bulk Services: Table Mountain Group Aquifer: Groenlandberg	CPX.0030010	–	–	–	500	500	500	500	500	680 500	683 000
Bulk Services: Table Mountain Group Aquifer: Pre-Treatment	CPX.0030011	–	–	–	500	500	500	500	500	912 500	915 000
Bulk Services: Bayside Canal Upgrade	CPX.0030776	–	1 000	52 553	25 060	–	–	–	–	–	78 614
Bulk Services: Westfleur Domestic and Industrial Capacity Expansion	CPX.0031394	–	–	–	12 000	18 000	150 000	270 000	120 000	30 000	600 000
Bulk Services: Wildevoevllei Capacity Expansion	CPX.0031395	–	–	–	12 000	18 000	150 000	270 000	120 000	30 000	600 000
Bulk Services: Simonstown Process Upgrade	CPX.0031396	–	–	–	3 600	5 400	45 000	81 000	36 000	9 000	180 000
Bulk Services: Borchards Quarry Wastewater Treatment Works (WWTW)	CPX.0000471	367 822	190	280	2 780	6 180	30 895	46 400	77 300	145 250	677 097
Bulk Services: Athlone Wastewater Treatment Works (WWTW)-Capacity Extension-Phase 1	CPX.0000479	200 283	46 600	139 050	116 530	37 310	500 515	900 000	1 400 000	2 475 500	5 815 788
Bulk Services: Bellville Wastewater Treatment Works (WWTW)	CPX.0000512	600 655	59 900	54 116	125 387	12 220	314	–	–	–	852 592
Bulk Services: Bulk Water Augmentation Scheme	CPX.0000524	104 300	22 586	55 400	646 000	238 800	122 100	85 700	114 200	3 510 000	4 899 086
Distribution Services: Cape Flats Rehabilitation	CPX.0000532	288 932	147 129	206 300	80 300	–	–	–	–	–	722 661
Bulk Services: Cape Flats Wastewater Treatment Works (WWTW)-Refurbish various Structures	CPX.0000533	231 825	11 083	28 211	329 000	761 000	454 720	159 900	224 800	191 080	2 391 619
Bulk Services: Water & Sanitation Services: Zandvliet Wastewater Treatment Works (WWTW)-Extension	CPX.0000628	1 704 084	271 747	34 390	–	–	–	20 000	20 000	3 254 463	5 304 685
Bulk Services: Macassar Wastewater Treatment Works (WWTW) Extension	CPX.0000639	18 639	12 000	14 220	539 380	1 262 690	873 600	344 840	–	–	3 065 369
Distribution Services: Philippi Collector Sewer	CPX.0000679	7 300	8 120	43 000	128 169	294 246	160 000	–	–	–	640 835
Bulk Services: Potsdam Wastewater Treatment Works (WWTW) - Extension	CPX.0000681	58 251	48 060	1 354 727	1 659 700	1 453 962	270 417	241 703	9 051	155 000	5 250 872
Bulk Services: Mitchells Plain Wastewater Treatment Works (WWTW) Phase 2	CPX.0000684	123 696	–	–	–	12 000	68 000	150 000	210 000	180 000	743 696
Bulk Services: OSEC (Electrolytic Chlorination Infrastructure)	CPX.0003892	32 623	–	–	2 000	6 300	4 500	15 200	9 400	100	70 123
Distribution Services: Bulk Reticulation Sewers in Milnerton Rehabilitation	CPX.0006478	7 017	52 344	217 833	101 707	80 468	14 943	–	–	–	474 312

2.16 Details of expenditure by asset class

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

Description	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand									
Capital expenditure on new assets by Asset Class/Sub-class									
Infrastructure	1 747 961	2 146 176	1 446 043	2 646 063	2 703 333	2 565 030	3 227 596	4 852 404	7 081 577
Roads Infrastructure	500 502	488 593	334 765	901 795	918 412	825 711	1 333 155	1 949 623	2 867 872
Roads	500 502	488 593	334 704	887 995	898 673	812 132	1 328 151	1 947 623	2 865 872
Road Structures	–	–	60	13 800	19 739	13 579	5 005	–	–
Road Furniture	–	–	–	–	–	–	–	2 000	2 000
Storm water Infrastructure	129 716	113 152	116 603	178 245	187 970	187 970	138 071	168 428	176 593
Drainage Collection	129 716	113 152	116 603	178 245	187 970	187 970	138 071	168 428	176 593
Electrical Infrastructure	186 867	398 082	249 766	349 071	344 944	336 663	281 975	347 882	825 227
HV Substations	149 153	342 824	219 399	322 971	316 844	307 763	257 875	270 602	751 997
MV Networks	5 205	(0)	–	–	–	–	–	–	–
LV Networks	32 509	55 258	30 367	26 100	28 100	28 900	24 100	77 280	73 230
Water Supply Infrastructure	685 416	603 028	291 468	555 602	551 992	518 524	741 488	1 482 254	1 123 132
Reservoirs	490 221	384 260	118 992	331 830	332 284	315 766	529 912	914 150	347 300
Pump Stations	–	–	–	4 110	7 099	6 646	26 890	43 350	40 000
Water Treatment Works	6 752	–	3 325	7 500	3 000	3 000	3 000	3 000	77 000
Bulk Mains	20 862	46 459	46 022	30 000	35 000	23 951	30 000	75 000	65 300
Distribution	167 581	172 310	123 130	182 162	174 609	169 161	151 687	446 754	593 532
Sanitation Infrastructure	161 514	296 876	317 052	339 480	331 314	324 197	306 085	806 582	1 908 916
Reticulation	110 747	99 197	96 089	141 632	154 091	150 785	152 787	259 422	363 083
Waste Water Treatment Works	50 768	197 680	220 963	197 848	177 223	173 412	153 298	547 160	1 480 833
Outfall Sewers	–	–	–	–	–	–	–	–	65 000
Solid Waste Infrastructure	60 885	213 265	90 848	209 388	242 854	250 661	325 099	28 335	142 386
Landfill Sites	60 885	213 265	90 848	209 388	242 854	250 661	325 099	28 335	142 386
Coastal Infrastructure	–	305	–	10 675	30 382	30 382	10 160	–	–
Promenades	–	305	–	10 675	30 382	30 382	10 160	–	–
Information and Communication Infrastructure	23 060	32 875	45 541	101 807	95 466	90 922	91 563	69 300	37 450
Data Centres	23 078	34 115	32 856	45 192	47 579	42 282	57 775	41 856	36 937
Core Layers	(18)	(1 240)	11 602	55 204	45 878	46 638	33 788	27 445	513
Distribution Layers	–	–	1 084	1 412	2 009	2 002	–	–	–
Community Assets	206 129	224 792	243 028	202 981	230 563	231 190	193 616	314 699	260 795
Community Facilities	205 471	224 025	243 028	196 916	230 498	231 125	193 586	314 699	260 795
Halls	144	53	108	–	–	–	–	–	–
Centres	–	–	–	18 234	7 500	471	59	68 500	40 000
Clinics/Care Centres	12 374	19 212	13 436	–	428	428	8 250	8 000	8 000
Fire/Ambulance Stations	2 327	210	–	–	–	–	4 000	26 500	33 000
Museums	77	–	–	–	–	–	–	–	–
Theatres	9	–	–	–	–	–	–	–	–
Libraries	59	–	10 121	11 793	11 943	11 943	11 705	11 195	37 264
Cemeteries/Crematoria	11 730	2 876	–	–	–	–	–	–	–
Public Open Space	1 261	232	106	4 193	3 734	3 723	5 185	500	3 000
Nature Reserves	841	15 448	14 333	6 400	9 226	8 973	25 654	51 005	28 430
Public Ablution Facilities	–	–	–	–	–	–	1 500	3 500	–
Markets	316	219	1 447	–	–	–	–	–	–
Taxi Ranks/Bus Terminals	176 333	185 774	203 477	156 296	197 667	205 587	137 234	145 500	111 100
Sport and Recreation Facilities	658	767	–	6 065	65	65	30	–	–
Outdoor Facilities	658	767	–	6 065	65	65	30	–	–
Heritage assets	–	12	–	–	–	–	–	1 000	–
Monuments	–	–	–	–	–	–	–	1 000	–
Other Heritage	–	12	–	–	–	–	–	–	–
Other assets	109 752	97 641	46 817	81 272	93 726	90 567	181 578	281 214	245 176
Operational Buildings	102 237	80 786	45 625	72 579	84 225	82 057	176 578	281 214	245 176
Municipal Offices	70 167	65 638	35 630	70 159	81 574	79 406	115 863	164 555	171 176
Workshops	32 070	15 147	9 994	2 420	2 651	2 651	60 715	116 658	74 000
Housing	7 515	16 855	1 192	8 693	9 501	8 510	5 000	–	–
Social Housing	7 515	16 855	1 192	8 693	9 501	8 510	5 000	–	–
Intangible Assets	25 489	15 940	12 957	60 026	81 917	68 765	169 313	208 259	1 977 988
Licences and Rights	25 489	15 940	12 957	60 026	81 917	68 765	169 313	208 259	1 977 988
Water Rights	–	–	19	150	175	175	150	150	150
Computer Software and Applications	25 489	15 940	12 938	59 876	81 742	68 590	169 163	208 109	1 977 838
Computer Equipment	74 763	131 350	105 652	86 622	138 359	149 998	139 708	186 266	85 191
Computer Equipment	74 763	131 350	105 652	86 622	138 359	149 998	139 708	186 266	85 191
Furniture and Office Equipment	45 536	42 591	14 977	16 213	28 957	30 471	36 391	61 413	47 063
Furniture and Office Equipment	45 536	42 591	14 977	16 213	28 957	30 471	36 391	61 413	47 063
Machinery and Equipment	105 249	169 276	132 436	116 725	152 495	150 791	316 679	234 937	215 520
Machinery and Equipment	105 249	169 276	132 436	116 725	152 495	150 791	316 679	234 937	215 520
Transport Assets	207 284	88 670	103 651	256 111	208 414	208 916	313 052	378 877	231 979
Transport Assets	207 284	88 670	103 651	256 111	208 414	208 916	313 052	378 877	231 979
Land	47 170	6 800	125 646	167 529	85 442	85 442	165 193	95 541	69 259
Land	47 170	6 800	125 646	167 529	85 442	85 442	165 193	95 541	69 259
Total Capital Expenditure on new assets	2 569 335	2 923 248	2 231 208	3 633 542	3 723 207	3 581 171	4 743 126	6 614 610	10 214 547

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

Description	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand									
Capital expenditure on renewal of existing assets by Asset Class/Sub-class	808 012	918 940	1 127 351	1 304 889	1 429 937	1 281 709	1 975 713	1 811 615	1 709 278
Infrastructure									
Roads Infrastructure	116 938	101 807	140 954	140 280	102 984	80 835	258 531	165 464	177 903
Roads	116 621	98 331	133 486	138 280	101 761	79 612	255 531	161 464	171 903
Road Structures	317	3 476	7 468	2 000	1 223	1 223	3 000	4 000	6 000
Storm water Infrastructure	15 058	15 931	5 061	7 991	12 027	12 823	32 634	10 719	20 633
Drainage Collection	15 058	15 931	5 061	7 991	12 027	12 823	32 634	10 719	20 633
Electrical Infrastructure	271 821	252 917	384 403	383 657	398 611	389 027	516 396	434 800	448 277
HV Substations	89 337	58 792	95 857	121 990	138 861	133 274	161 626	123 660	57 656
MV Substations	4 476	26 986	39 026	38 000	19 217	14 419	67 000	78 000	80 980
MV Networks	142 310	129 873	181 660	139 286	166 233	167 033	196 800	191 190	222 201
LV Networks	35 697	37 266	67 860	84 380	74 300	74 300	90 970	41 950	87 440
Water Supply Infrastructure	213 808	272 484	236 649	318 135	346 277	318 531	248 407	205 860	222 989
Water Treatment Works	–	–	–	–	–	–	–	–	109 186
Bulk Mains	48 822	88 217	77 471	55 000	60 200	70 689	80 000	110 000	–
Distribution	164 986	184 267	159 177	263 135	286 077	247 841	168 407	95 860	113 803
Sanitation Infrastructure	188 287	270 583	354 740	435 062	540 936	452 084	895 947	968 021	802 789
Pump Station	54 353	37 820	44 751	69 550	110 019	90 562	74 896	137 612	23 552
Reticulation	49 287	169 792	266 343	353 012	384 284	339 629	721 833	549 707	396 163
Waste Water Treatment Works	84 647	62 971	43 646	12 500	17 583	21 893	53 218	280 701	383 075
Outfall Sewers	–	–	–	–	29 050	–	46 000	–	–
Solid Waste Infrastructure	189	–	–	–	–	–	–	1 523	855
Landfill Sites	189	–	–	–	–	–	–	1 523	855
Information and Communication Infrastructure	1 911	5 218	5 544	19 764	29 101	28 410	23 797	25 228	35 832
Data Centres	1 911	1 216	2 800	17 623	27 454	26 763	23 797	25 228	35 142
Core Layers	–	4 002	2 744	2 141	1 647	1 647	–	–	690
Community Assets	8 320	36 990	22 950	24 434	47 932	48 485	24 954	113 303	42 485
Community Facilities	8 320	33 107	22 153	24 434	47 932	48 485	19 954	103 303	37 485
Halls	–	916	5 586	7 000	12 880	12 880	–	–	–
Centres	–	–	–	–	–	–	–	5 199	–
Clinics/Care Centres	–	652	–	–	–	–	–	–	–
Museums	–	–	–	–	–	–	–	–	9 500
Libraries	–	–	7	–	–	–	–	–	–
Public Open Space	781	788	561	484	507	507	210	100	100
Markets	–	6 392	14 317	15 000	28 907	28 907	15 000	30 000	12 203
Taxi Ranks/Bus Terminals	7 538	24 359	1 681	1 950	5 638	6 191	4 744	68 005	15 682
Sport and Recreation Facilities	–	3 883	797	–	–	–	5 000	10 000	5 000
Outdoor Facilities	–	3 883	797	–	–	–	5 000	10 000	5 000
Heritage assets	988	597	899	–	90	90	750	–	–
Monuments	988	597	899	–	90	90	–	–	–
Works of Art	–	–	–	–	–	–	750	–	–
Other assets	138 715	125 389	84 826	11 065	31 841	28 488	10 488	53 034	17 066
Operational Buildings	11 322	17 523	25 473	9 426	14 277	10 924	10 488	53 034	17 066
Municipal Offices	8 423	15 825	22 605	9 026	12 087	8 748	10 088	52 034	16 066
Workshops	2 700	1 482	1 726	–	–	–	–	–	–
Laboratories	199	215	1 141	400	400	400	400	1 000	1 000
Depots	–	–	–	–	1 790	1 776	–	–	–
Housing	127 394	107 866	59 354	1 639	17 564	17 564	–	–	–
Social Housing	127 394	107 866	59 354	1 639	17 564	17 564	–	–	–
Intangible Assets	6 491	9 106	8 124	10 150	9 509	9 293	10 300	9 125	7 848
Licences and Rights	6 491	9 106	8 124	10 150	9 509	9 293	10 300	9 125	7 848
Computer Software and Applications	6 491	9 106	8 124	10 150	9 509	9 293	10 300	9 125	7 848
Computer Equipment	120 529	133 748	74 265	68 350	93 597	86 839	117 039	80 677	69 399
Computer Equipment	120 529	133 748	74 265	68 350	93 597	86 839	117 039	80 677	69 399
Furniture and Office Equipment	13 340	4 982	4 962	13 035	17 610	7 818	42 977	113 811	40 954
Furniture and Office Equipment	13 340	4 982	4 962	13 035	17 610	7 818	42 977	113 811	40 954
Machinery and Equipment	29 515	29 992	46 277	81 937	96 646	74 415	135 814	130 738	59 485
Machinery and Equipment	29 515	29 992	46 277	81 937	96 646	74 415	135 814	130 738	59 485
Transport Assets	575 088	557 974	433 248	462 147	505 678	516 578	533 487	369 300	446 600
Living resources	–	–	–	–	–	–	800	900	–
Mature	–	–	–	–	–	–	800	900	–
Policing and Protection	–	–	–	–	–	–	800	900	–
Total Capital Expenditure on renewal of existing assets	1 700 998	1 817 718	1 802 902	1 976 006	2 232 840	2 053 715	2 852 321	2 682 504	2 393 114
Renewal of Existing Assets as % of total capex	28.5%	27.8%	33.2%	26.3%	28.8%	28.2%	26.0%	19.2%	13.2%
Renewal of Existing Assets as % of deprecn"	58.1%	63.3%	58.8%	61.6%	68.3%	62.8%	81.7%	71.3%	59.5%

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

Description	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand									
Repairs and maintenance expenditure by Asset Class/Sub-class									
Infrastructure	1 858 022	1 862 246	2 228 775	2 223 930	2 582 272	2 582 104	3 044 760	3 202 956	3 380 961
Roads Infrastructure	555 000	417 198	604 829	708 812	791 946	791 946	829 974	874 792	922 906
Roads	555 000	417 198	604 829	692 584	776 161	776 161	813 258	857 174	904 319
Road Furniture	–	–	–	16 228	15 785	15 785	16 716	17 619	18 588
Storm water Infrastructure	–	–	–	148 037	162 127	162 127	189 758	200 167	211 341
Drainage Collection	–	–	–	148 037	162 127	162 127	189 758	200 167	211 341
Electrical Infrastructure	474 450	460 718	562 390	596 334	670 869	670 869	729 900	762 019	796 306
Power Plants	18 202	15 637	17 151	20 757	77 687	77 687	54 872	57 286	59 864
HV Substations	35 903	32 659	30 975	31 706	31 041	31 041	36 988	38 615	40 353
MV Substations	293 643	307 406	389 390	396 902	415 753	415 753	472 474	493 267	515 459
LV Networks	126 702	105 016	124 874	146 969	146 387	146 387	165 566	172 851	180 630
Water Supply Infrastructure	389 894	430 692	438 319	381 434	393 153	392 985	650 187	687 127	735 158
Boreholes	–	–	2	–	–	–	–	–	–
Reservoirs	33 698	30 547	28 346	42 589	27 797	27 651	53 888	58 633	72 098
Pump Stations	37 428	52 681	68 945	28 875	34 170	34 154	50 322	53 040	55 957
Water Treatment Works	45 843	48 391	49 428	25 029	28 807	28 800	28 174	29 696	31 329
Bulk Mains	9 229	6 636	7 455	237	561	561	184	194	205
Distribution	263 696	292 436	284 144	284 704	301 818	301 818	517 618	545 565	575 570
Sanitation Infrastructure	437 293	552 692	620 607	373 761	547 212	547 212	617 577	650 925	686 726
Reticulation	315 603	383 217	460 904	212 654	386 894	386 894	431 070	454 348	479 336
Waste Water Treatment Works	117 798	166 971	153 223	156 129	151 744	151 744	176 779	186 325	196 573
Outfall Sewers	3 892	2 505	6 480	4 978	8 574	8 574	9 727	10 252	10 816
Solid Waste Infrastructure	1 384	945	2 631	11 558	11 510	11 510	23 371	23 931	24 529
Landfill Sites	1 384	945	2 631	9 556	9 508	9 508	21 244	21 710	22 208
Waste Processing Facilities	–	–	–	2 002	2 002	2 002	2 127	2 221	2 322
Coastal Infrastructure	–	–	–	3 994	5 455	5 455	3 994	3 994	3 994
Promenades	–	–	–	3 994	5 455	5 455	3 994	3 994	3 994
Community Assets	478 847	518 541	580 807	581 473	465 782	468 094	654 780	688 409	725 235
Community Facilities	116 996	131 941	146 832	486 075	370 486	372 798	551 948	580 024	610 889
Halls	53 214	52 769	58 648	9 712	9 864	9 864	7 642	8 014	8 413
Centres	9 218	11 463	9 671	4 603	3 481	2 996	3 906	4 081	4 268
Clinics/Care Centres	18 518	34 374	24 123	13 399	8 292	11 327	7 309	7 630	7 974
Fire/Ambulance Stations	1 302	765	713	4 879	4 186	3 947	9 086	8 871	9 270
Testing Stations	–	–	–	11 795	12 066	12 066	14 474	15 073	15 712
Libraries	10 468	5 724	18 232	29 092	38 332	38 332	17 650	18 435	19 274
Cemeteries/Crematoria	8 224	15 766	22 074	33 747	14 826	14 826	34 955	36 838	38 859
Public Open Space	5 004	3 141	3 187	356 123	252 118	252 118	436 917	460 502	485 821
Nature Reserves	7 413	7 281	7 741	5 606	3 927	3 927	5 236	5 238	5 240
Public Ablution Facilities	3 635	658	2 442	13 967	17 942	17 942	10 776	11 273	11 805
Markets	–	–	–	3 151	5 451	5 451	3 998	4 069	4 253
Sport and Recreation Facilities	361 851	386 600	433 976	95 399	95 296	95 296	102 832	108 885	114 345
Indoor Facilities	175	161	1 042	13 540	13 456	13 456	16 119	16 990	17 924
Outdoor Facilities	361 676	386 439	432 934	81 858	81 840	81 840	86 713	91 395	96 422
Heritage assets	219	3 626	69	2 832	2 344	2 334	2 761	2 882	3 010
Works of Art	219	3 626	69	–	–	–	–	–	–
Other Heritage	–	–	–	2 832	2 344	2 334	2 761	2 882	3 010
Investment properties	209	100	230	6 639	6 549	6 549	6 639	6 923	7 226
Revenue Generating	57	99	228	6 629	6 541	6 541	6 633	6 917	7 219
Improved Property	57	99	228	6 629	6 541	6 541	6 633	6 917	7 219
Non-revenue Generating	152	1	1	10	8	8	6	6	6
Unimproved Property	152	1	1	10	8	8	6	6	6
Other assets	125 817	130 727	192 275	266 277	339 959	343 110	350 651	367 251	385 035
Operational Buildings	125 817	130 727	192 275	247 129	316 789	319 940	323 417	338 546	354 752
Municipal Offices	124 646	129 264	189 328	222 246	266 816	269 967	295 245	309 081	323 904
Workshops	–	–	–	21 879	47 186	47 186	25 334	26 475	27 693
Laboratories	1 093	1 129	2 116	3 004	2 787	2 787	2 837	2 991	3 155
Training Centres	72	329	786	–	–	–	–	–	–
Depots	5	5	45	–	–	–	–	–	–
Housing	–	–	–	19 148	23 171	23 171	27 234	28 704	30 283
Social Housing	–	–	–	19 148	23 171	23 171	27 234	28 704	30 283
Computer Equipment	159 862	234 027	199 261	431 201	421 360	422 909	304 200	317 617	337 330
Computer Equipment	159 862	234 027	199 261	431 201	421 360	422 909	304 200	317 617	337 330
Furniture and Office Equipment	690 643	600 104	830 169	334 180	276 713	275 148	245 191	256 746	269 155
Furniture and Office Equipment	690 643	600 104	830 169	334 180	276 713	275 148	245 191	256 746	269 155
Machinery and Equipment	–	–	–	393 019	415 571	410 880	404 141	420 292	441 012
Machinery and Equipment	–	–	–	393 019	415 571	410 880	404 141	420 292	441 012
Transport Assets	394 655	317 250	436 693	520 676	471 705	471 164	470 093	492 012	515 471
Transport Assets	394 655	317 250	436 693	520 676	471 705	471 164	470 093	492 012	515 471
Total Repairs and Maintenance Expenditure	3 708 274	3 666 620	4 468 279	4 760 227	4 982 255	4 982 292	5 483 217	5 755 088	6 064 435
R&M as a % of PPE & Investment Property	7.6%	6.9%	8.1%	7.9%	8.3%	8.3%	8.1%	7.4%	6.8%
R&M as % Operating Expenditure	9.3%	8.5%	8.8%	8.8%	9.1%	9.1%	0.0%	9.7%	9.4%

Table 90 - MBRR Table SA34d - Depreciation by asset class

Description	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand									
Depreciation by Asset Class/Sub-class									
Infrastructure	1 392 690	1 209 481	1 327 019	1 403 827	1 440 018	1 440 018	1 542 051	1 685 724	1 858 784
Roads Infrastructure	370 530	403 094	448 397	469 209	471 394	471 394	496 425	519 274	559 520
Roads	344 846	376 768	419 050	440 104	439 613	439 613	463 136	487 857	530 834
Road Structures	11 411	11 807	12 168	12 357	12 502	12 502	14 333	14 876	14 774
Road Furniture	14 273	14 519	17 179	16 748	19 279	19 279	18 956	16 542	13 912
Storm water Infrastructure	52 730	57 729	62 098	63 973	64 945	64 945	66 589	69 794	77 939
Drainage Collection	52 730	57 729	62 098	63 973	64 945	64 945	66 589	69 794	77 939
Electrical Infrastructure	262 423	280 055	297 462	312 102	320 359	320 359	333 697	349 461	380 375
Power Plants	6 956	8 177	8 179	8 175	8 180	8 180	8 134	7 931	7 733
HV Substations	18 931	19 005	19 795	26 913	20 881	20 881	28 709	40 370	60 288
MV Substations	57 184	60 512	64 272	65 170	70 335	70 335	70 895	72 850	74 583
MV Networks	107 375	114 444	119 413	123 253	125 346	125 346	129 153	134 389	138 638
LV Networks	71 976	77 918	85 803	88 591	95 617	95 617	96 806	93 920	99 133
Water Supply Infrastructure	300 822	174 107	195 524	220 610	207 453	207 453	236 305	254 476	279 600
Reservoirs	42 283	20 898	25 370	27 582	26 243	26 243	31 290	33 712	40 813
Pump Stations	5 466	5 386	9 789	9 570	10 559	10 559	10 539	10 449	14 007
Water Treatment Works	50 743	18 181	12 461	11 564	12 977	12 977	13 098	13 217	13 337
Bulk Mains	10 413	3 022	3 022	6 571	3 022	3 022	5 544	8 322	12 433
Distribution	191 916	126 619	144 882	165 323	154 652	154 652	175 833	188 776	199 010
Sanitation Infrastructure	279 184	161 551	181 734	192 062	215 048	215 048	237 411	319 273	356 172
Pump Station	6 988	6 963	6 966	9 831	13 676	13 676	20 486	26 423	35 474
Retiulation	158 804	54 719	67 905	70 547	81 297	81 297	90 177	98 884	117 718
Waste Water Treatment Works	100 549	95 559	102 119	106 943	115 332	115 332	121 085	188 302	196 711
Outfall Sewers	12 843	4 310	4 743	4 741	4 743	4 743	5 663	5 663	6 269
Solid Waste Infrastructure	51 002	44 357	40 433	41 455	51 032	51 032	56 565	56 937	77 581
Landfill Sites	43 867	37 136	32 154	33 176	39 860	39 860	45 393	45 766	66 410
Waste Processing Facilities	7 135	7 221	8 280	8 280	11 171	11 171	11 171	11 171	11 171
Coastal Infrastructure	5 679	5 845	5 900	6 063	5 979	5 979	6 363	7 427	15 150
Promenades	5 679	5 845	5 900	6 063	5 979	5 979	6 363	7 427	15 150
Information and Communication Infrastructure	70 320	82 742	95 470	98 354	103 809	103 809	108 697	109 081	112 445
Data Centres	28 359	34 615	42 239	43 485	46 663	46 663	48 805	49 043	52 759
Core Layers	38 675	44 817	49 922	51 329	53 836	53 836	56 519	56 762	56 728
Distribution Layers	3 286	3 310	3 310	3 540	3 310	3 310	3 373	3 277	2 958
Community Assets	318 923	330 936	346 375	350 275	345 537	345 537	360 613	372 591	386 541
Community Facilities	103 550	121 818	128 611	132 368	126 999	126 999	139 663	162 761	190 478
Halls	3 360	3 736	4 186	4 296	4 464	4 464	4 918	4 919	5 218
Centres	3 631	4 468	4 368	4 526	4 535	4 535	4 794	5 042	5 817
Clinics/Care Centres	6 843	7 144	7 396	8 734	7 953	7 953	8 855	9 653	12 084
Fire/Ambulance Stations	2 294	2 683	2 696	2 696	2 696	2 696	2 696	2 736	3 076
Testing Stations	1 452	1 476	1 508	1 508	1 508	1 508	1 508	1 508	1 508
Museums	221	301	340	505	340	340	340	340	340
Theatres	112	112	112	112	112	112	114	114	114
Libraries	6 062	16 464	18 197	15 649	14 105	14 105	20 057	31 448	43 477
Cemeteries/Crematoria	3 443	4 503	4 712	4 802	4 814	4 814	4 950	5 419	6 562
Public Open Space	14 287	14 584	14 997	17 045	15 075	15 075	16 585	18 854	21 440
Nature Reserves	480	479	486	1 618	486	486	868	1 600	1 627
Public Ablution Facilities	2 406	2 588	2 933	3 005	3 088	3 088	3 188	3 254	3 554
Markets	1 648	1 720	1 835	1 845	2 878	2 878	2 886	2 886	2 886
Airports	4	4	1	–	–	–	–	–	–
Taxi Ranks/Bus Terminals	57 306	61 556	64 846	66 027	64 946	64 946	67 905	74 987	82 774
Sport and Recreation Facilities	215 373	209 118	217 764	217 907	218 538	218 538	220 950	209 831	196 063
Indoor Facilities	11 240	11 321	11 515	11 688	12 504	12 504	12 837	14 923	15 892
Outdoor Facilities	204 133	197 797	206 249	206 219	206 034	206 034	208 112	194 908	180 171

Table continues on next page

Description	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand									
Investment properties	1 714	1 714	1 714	1 714	1 714	1 714	1 714	1 714	1 714
Revenue Generating	1 714	1 714	1 714	1 714	1 714	1 714	1 714	1 714	1 714
Improved Property	1 714	1 714	1 714	1 714	1 714	1 714	1 714	1 714	1 714
Other assets	300 137	322 964	344 791	343 021	355 865	355 865	368 633	371 769	378 984
Operational Buildings	199 605	217 859	238 050	230 312	248 675	248 675	256 380	255 516	258 460
Municipal Offices	168 072	183 220	201 374	191 970	210 747	210 747	216 163	212 410	211 578
Workshops	30 567	33 655	35 689	37 313	36 810	36 810	39 076	41 876	45 553
Laboratories	637	649	651	679	662	662	670	678	698
Training Centres	289	289	289	303	410	410	424	504	584
Depots	40	47	47	47	47	47	47	47	47
Housing	100 532	105 105	106 741	112 709	107 189	107 189	112 253	116 253	120 523
Social Housing	100 532	105 105	106 741	112 709	107 189	107 189	112 253	116 253	120 523
Biological or Cultivated Assets	-	-	-	-	-	-	29	29	29
Biological or Cultivated Assets	-	-	-	-	-	-	29	29	29
Intangible Assets	154 485	168 921	157 679	126 444	137 110	137 110	136 912	143 313	148 826
Licences and Rights	154 485	168 921	157 679	126 444	137 110	137 110	136 912	143 313	148 826
Water Rights	-	-	-	8	-	-	8	16	23
Computer Software and Applications	84 305	98 740	107 517	115 160	125 834	125 834	132 268	142 925	148 802
Unspecified	70 180	70 180	50 162	11 276	11 276	11 276	4 636	372	-
Computer Equipment	224 876	214 908	230 410	239 525	255 845	255 845	251 875	253 440	255 234
Computer Equipment	224 876	214 908	230 410	239 525	255 845	255 845	251 875	253 440	255 234
Furniture and Office Equipment	63 225	72 050	61 425	60 464	64 371	64 371	69 984	85 065	99 764
Furniture and Office Equipment	63 225	72 050	61 425	60 464	64 371	64 371	69 984	85 065	99 764
Machinery and Equipment	158 354	156 024	159 650	182 145	187 039	187 039	198 010	236 727	251 004
Machinery and Equipment	158 354	156 024	159 650	182 145	187 039	187 039	198 010	236 727	251 004
Transport Assets	312 374	375 830	411 971	477 431	459 238	459 238	540 149	587 089	617 098
Transport Assets	312 374	375 830	411 971	477 431	459 238	459 238	540 149	587 089	617 098
Land	-	20 483	25 413	23 198	23 198	23 198	23 198	23 198	23 198
Land	-	20 483	25 413	23 198	23 198	23 198	23 198	23 198	23 198
Living resources	192	192	192	179	169	169	-	-	-
Mature	192	192	192	179	169	169	-	-	-
Policing and Protection	192	192	192	179	169	169	-	-	-
Total Depreciation	2 926 971	2 873 505	3 066 639	3 208 222	3 270 102	3 270 102	3 493 166	3 760 659	4 021 175

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

Description	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand									
Capital expenditure on upgrading of existing assets by Asset Class/Sub-class									
Infrastructure	1 110 050	974 556	915 774	1 307 075	1 135 482	1 010 236	2 478 172	3 494 095	4 309 695
Roads Infrastructure	257 828	135 960	168 640	230 257	245 841	156 219	182 672	189 533	226 958
Roads	256 329	124 517	149 967	214 432	228 586	142 231	177 742	187 091	216 439
Road Structures	–	10 049	13 525	10 925	12 347	9 080	30	–	–
Road Furniture	1 499	1 393	5 148	4 900	4 908	4 908	4 900	2 441	10 518
Storm water Infrastructure	19 739	28 472	62 766	159 180	97 966	85 566	194 280	177 471	285 210
Drainage Collection	19 739	28 472	62 766	159 180	97 966	85 566	194 280	177 471	285 210
Electrical Infrastructure	23 364	5 463	52 874	187 000	156 100	153 624	196 555	281 070	149 946
HV Substations	23 364	5 463	52 874	187 000	156 100	153 624	196 555	281 070	149 946
Water Supply Infrastructure	66 170	56 243	85 562	13 500	16 500	16 500	15 763	13 750	13 525
Reservoirs	9 831	4 518	1 654	3 000	3 000	3 000	4 000	2 500	2 500
Distribution	56 339	51 725	83 908	10 500	13 500	13 500	11 763	11 250	11 025
Sanitation Infrastructure	649 210	681 675	469 666	530 040	439 310	427 057	1 699 285	2 637 241	3 310 114
Pump Station	–	–	–	4 650	4 650	4 650	44 611	146 778	227 913
Reticulation	13 262	16 353	34 667	1 500	4 500	4 500	12 663	23 886	142 475
Waste Water Treatment Works	635 948	665 323	434 999	523 890	430 160	417 907	1 642 012	2 466 577	2 939 726
Solid Waste Infrastructure	75 204	46 392	15 781	67 067	64 332	56 117	166	61	56 776
Landfill Sites	75 204	46 392	15 781	67 067	64 332	56 117	166	61	56 776
Coastal Infrastructure	1 222	6 857	16 582	55 522	59 798	59 112	133 095	159 250	232 180
Promenades	1 222	6 857	16 582	55 522	59 798	59 112	133 095	159 250	232 180
Information and Communication Infrastructure	17 314	13 493	43 904	64 509	55 634	56 041	56 355	35 719	34 986
Data Centres	12 940	6 132	18 669	6 418	3 186	2 891	21 300	4 619	2 905
Core Layers	4 374	7 361	25 234	58 091	52 448	53 150	35 055	31 100	32 081
Community Assets	253 624	489 637	233 232	207 001	225 452	210 162	445 657	595 096	606 097
Community Facilities	155 887	189 795	166 014	138 674	159 327	151 490	227 528	463 590	500 669
Halls	9 443	11 960	11 682	4 151	3 889	4 089	60	2 100	–
Centres	14 413	12 850	5 625	7 623	3 795	3 795	12 420	7 548	35 855
Clinics/Care Centres	58 140	43 020	39 594	38 435	40 735	40 779	28 800	113 560	56 150
Fire/Ambulance Stations	707	1 837	–	–	–	–	7 000	12 000	7 000
Museums	–	2 391	7 342	–	236	236	–	–	–
Theatres	–	40	–	100	104	104	–	–	–
Libraries	7 396	6 974	1 073	2 662	2 662	2 662	15 723	2 527	4 877
Cemeteries/Crematoria	15 741	8 508	7 412	8 700	10 715	9 015	31 689	23 000	70 700
Public Open Space	30 628	57 031	59 775	44 732	42 910	39 392	77 051	37 380	67 053
Nature Reserves	2 140	2 254	1 965	2 297	9 695	9 565	3 852	4 428	15 445
Public Ablution Facilities	4 654	489	2 258	3 100	3 843	3 833	1 500	4 000	1 000
Taxi Ranks/Bus Terminals	12 625	41 541	29 288	26 873	40 742	38 019	49 434	257 048	242 590
Sport and Recreation Facilities	97 737	299 842	67 218	68 328	66 125	58 672	218 129	131 506	105 428
Indoor Facilities	10 790	19 086	26 364	23 500	22 930	21 889	52 775	27 078	1 000
Outdoor Facilities	86 947	280 756	40 853	44 828	43 195	36 783	165 354	104 428	104 428
Heritage assets	17	31 715	–	–	–	–	–	–	–
Monuments	17	31 715	–	–	–	–	–	–	–
Other assets	290 676	222 132	174 855	344 383	365 468	366 173	427 289	551 459	582 531
Operational Buildings	240 715	209 433	174 032	278 982	301 062	296 789	340 708	450 078	493 682
Municipal Offices	158 925	122 170	108 317	194 173	205 313	213 131	245 947	283 021	346 834
Workshops	81 790	86 635	65 715	84 810	95 749	83 657	85 689	163 057	142 848
Training Centres	–	628	–	–	–	–	9 072	4 000	4 000
Housing	49 961	12 699	822	65 401	64 406	69 384	86 581	101 381	88 849
Social Housing	49 961	12 699	822	65 401	64 406	69 384	86 581	101 381	88 849
Intangible Assets	14 700	41 534	11 507	21 683	41 458	41 025	36 014	30 485	22 056
Licences and Rights	14 700	41 534	11 507	21 683	41 458	41 025	36 014	30 485	22 056
Computer Software and Applications	14 700	41 534	11 507	21 683	41 458	41 025	36 014	30 485	22 056
Computer Equipment	13 134	16 487	54 520	8 359	12 709	12 617	700	8 426	–
Computer Equipment	13 134	16 487	54 520	8 359	12 709	12 617	700	8 426	–
Furniture and Office Equipment	160	175	696	300	308	308	1 100	–	–
Furniture and Office Equipment	160	175	696	300	308	308	1 100	–	–
Machinery and Equipment	17 975	11 272	1 499	8 968	13 652	13 272	3 310	10 000	9 500
Machinery and Equipment	17 975	11 272	1 499	8 968	13 652	13 272	3 310	10 000	9 500
Total Capital Expenditure on upgrading of existing assets	1 700 336	1 787 508	1 392 083	1 897 771	1 794 529	1 653 792	3 392 242	4 689 562	5 529 879
Upgrading of Existing Assets as % of total capex	28.5%	27.4%	25.7%	25.3%	23.2%	22.7%	30.9%	33.5%	30.5%
Upgrading of Existing Assets as % of deprecn"	58.1%	62.2%	45.4%	59.2%	54.9%	50.6%	97.1%	124.7%	137.5%

2.17 Details of capital expenditure

Table 92 - MBRR Table SA35 - Future financial implication of the capital budget

Vote Description R thousand	2023/24 Medium Term Revenue & Expenditure Framework			Forecasts			
	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26	Forecast 2026/27	Forecast 2027/28	Forecast 2028/29	Present value
Capital expenditure							
Vote 1 - Community Services & Health	450 869	396 361	417 105	103 600	35 000	20 000	–
Vote 2 - Corporate Services	621 779	727 212	2 372 964	579 527	300 500	16 936	–
Vote 3 - Economic Growth	91 520	89 058	107 625	–	–	–	–
Vote 4 - Energy	1 197 888	1 294 821	1 638 928	681 528	642 832	533 842	–
Vote 5 - Finance	62 282	64 304	70 990	10 000	–	–	–
Vote 6 - Future Planning & Resilience	19 253	17 230	7 930	7 000	7 000	7 000	–
Vote 7 - Human Settlements	780 455	843 779	867 673	1 077 391	913 968	553 985	–
Vote 8 - Office of the City Manager	11 467	77 374	1 442	–	–	–	–
Vote 9 - Safety & Security	443 515	463 252	397 639	118 429	54 490	18 000	–
Vote 10 - Spatial Planning & Environment	368 360	420 417	446 442	161 367	60 639	–	–
Vote 11 - Urban Mobility	1 925 365	2 824 237	3 574 735	10 500	40 500	68 000	–
Vote 12 - Urban Waste Management	713 655	329 583	462 203	437 130	182 211	92 721	–
Vote 13 - Water & Sanitation	4 301 283	6 439 048	7 771 863	5 792 766	4 490 091	3 175 355	–
Total Capital Expenditure	10 987 689	13 986 676	18 137 540	8 979 239	6 727 231	4 485 838	–
Future operational costs by vote							
Vote 1 - Community Services & Health	51 642	118 893	165 082	10 416	11 940	11 980	–
Vote 2 - Corporate Services	171 239	341 945	626 183	401 022	392 835	412 567	–
Vote 3 - Economic Growth	5 955	17 535	25 762	2 504	10 220	14 279	–
Vote 4 - Energy	60 177	161 305	238 415	37 764	22 390	23 327	–
Vote 5 - Finance	5 278	15 823	28 408	–	–	–	–
Vote 6 - Future Planning & Resilience	7 291	10 633	16 126	1 915	1 286	970	–
Vote 7 - Human Settlements	13 320	72 831	118 817	51 236	47 366	79 588	–
Vote 8 - Office of the City Manager	2 741	9 522	15 767	3 684	961	401	–
Vote 9 - Safety & Security	78 443	170 301	238 960	44 348	41 030	15 830	–
Vote 10 - Spatial Planning & Environment	38 155	77 899	124 942	26 361	25 479	25 254	–
Vote 11 - Urban Mobility	95 119	183 987	320 144	403 017	215 229	215 225	–
Vote 12 - Urban Waste Management	92 138	150 027	191 461	21 724	13 366	8 261	–
Vote 13 - Water & Sanitation	528 111	1 240 958	1 840 206	970 757	1 017 650	1 209 479	–
Total future operational costs	1 149 608	2 571 657	3 950 273	1 974 748	1 799 752	2 017 159	–
Future revenue by source							
Exchange Revenue	–	–	–	–	–	–	–
Service charges - Electricity	–	383	88	92	97	101	–
Service charges - Water	–	–	–	–	–	–	–
Service charges - Waste Water Management	–	–	–	–	–	–	–
Service charges - Waste Management	–	–	–	–	–	–	–
Agency services	–	–	–	–	–	–	–
List other revenues sources if applicable	15 802	16 576	17 389	18 251	19 145	20 083	–
Total future revenue	15 802	16 960	17 476	18 343	19 242	20 185	–
Net Financial Implications	12 121 495	16 541 373	22 070 336	10 935 644	8 507 741	6 482 812	–

Table 93 - MBRR Table SA37 - Projects delayed from previous financial year(s)

Function	Project name	Project number	Type	MTSF Service Outcome	IUDF	Own Strategic Objectives	Asset Class	Asset Sub-Class	Ward Location	GPS Longitude	GPS Latitude	Previous target year to complete	Current Year 2022/23		2023/24 Medium Term Revenue & Expenditure Framework			
													Original Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26	
R Thousand																		
Community Services & Health	Recreation & Parks: Blue Downs Integrated Recreation Facility	CPX.0011617	Upgrade	13	02	11	Community Facilities	Public Open Space	108	18.687058078	-33.989032798	2022/23	500	–	4 000	4 000	–	
Community Services & Health	Recreation & Parks: Strandfontein Clubhouse Development	CPX.0020320	Upgrade	03	02	11	Sport and Recreation Facilities	Outdoor Facilities	43	18.548569849	-34.079084438	2022/23	2 000	–	10 000	5 000	–	
Community Services & Health	Recreation & Parks: 8th Avenue Park - Upgrade	CPX.0030741	Upgrade	13	02	11	Community Facilities	Public Open Space	72	18.474718349	-34.054965128	2022/23	172	–	322	–	–	
Community Services & Health	Recreation & Parks: Philippi Integrated Precinct: Development	CPX.0030962	Upgrade	13	02	11	Community Facilities	Public Open Space	34	18.586517296	-34.005680649	2022/23	250	–	3 000	–	–	
Community Services & Health	Recreation & Parks: Belhar Integrated Precinct: Development	CPX.0030963	Upgrade	13	02	11	Community Facilities	Public Open Space	Subcouncil 5	18.637608873	-33.944004405	2022/23	500	–	3 000	–	–	
Corporate Services	Facilities Management: Facilities Upgrade Area 1: Corporate Headquarters (CHQ) Phase 3	CPX.0022212	Upgrade	09	04	16	Operational Buildings	Municipal Offices	115	18.429174465	-33.921460491	2022/23	300	–	5 000	–	6 000	
Energy	Electricity Generation & Distribution: Outage Management System	C12.84078	New	06	02	4	Electrical Infrastructure	HV Substations	Corp Inf	18.525018937	-34.141156054	2022/23	3 000	–	4 500	–	–	
Energy	Electricity Generation & Distribution: Ground Mounted Photovoltaic (PV)	CPX.0014782	Upgrade	06	03	3	Electrical Infrastructure	HV Substations	City-Wide	18.525018937	-34.141156054	2022/23	47 425	–	15 000	139 570	–	
Energy	Electricity Generation & Distribution: Roggebaai Gas Turbine: Exhaust Stacks Replacement	CPX.0016612	Renewal	06	03	3	Electrical Infrastructure	HV Substations	115	18.424680980	-33.913797467	2022/23	3 200	–	4 327	–	–	
Energy	Electricity Generation & Distribution: Steenbras: Transformers Replacement	CPX.0016639	Renewal	06	03	3	Electrical Infrastructure	HV Substations	100	18.898359585	-34.152146455	2022/23	5 000	–	17 500	12 000	–	
Safety & Security	Emergency Policing Incident Control: EPIC 2.3: Citizen Enablement System	CPX.0021893	New	03	02	5	Machinery and Equipment	Machinery and Equipment	Corp Inf	18.525018937	-34.141156054	2022/23	8 000	–	10 800	9 680	–	
Safety & Security	Support Services: Safety & Security: Small Arms Training Simulator	CPX.0019395	New	03	02	5	Machinery and Equipment	Machinery and Equipment	Corp Inf	18.525018937	-34.141156054	2022/23	2 000	–	6 000	–	–	
Spatial Planning & Environment	Environmental Management: Monwabisi Beach Precinct Upgrade	CPX.0016763	Upgrade	10	02	10	Coastal Infrastructure	Promenades	99	18.685623713	-34.072886718	2022/23	3 497	–	2 300	1 300	42 400	
Spatial Planning & Environment	Environmental Management: Deep South Coastal Conservancies Upgrade	CPX.0022933	Upgrade	10	02	10	Coastal Infrastructure	Promenades	61	18.474656171	-34.231673980	2022/23	225	–	878	6 700	13 989	
Spatial Planning & Environment	Environmental Management: Weed Harvester for Rietvlei	CPX.0030720	New	10	02	10	Transport Assets	Transport Assets	113	18.522347721	-33.844745884	2022/23	13 000	–	17 000	–	–	
Spatial Planning & Environment	Urban Regeneration: Informal Trade & Associated Infrastructure Upgrade Site C	CPX.0020509	Upgrade	06	01	1	Operational Buildings	Municipal Offices	87	18.650595282	-34.014396091	2022/23	1 200	–	1 700	9 500	20 000	
Urban Mobility	Transport Infrastructure Implementation: Integrated Rapid Transit Phase 2A: Trunk-E1-M9 Heinz - Duinefontein Railway	CPX.0015833	New	06	02	12	Roads Infrastructure	Roads	Area South	18.554509002	-34.001255202	2022/23	41 340	–	149 163	175 776	198 821	
Urban Mobility	Transport Infrastructure Implementation: Zevenwacht Link Extension-Buttskop Road Rail Level Crossing Elimination	CPX.0029870	Upgrade	06	03	13	Roads Infrastructure	Roads	14	18.705239526	-33.972092642	2022/23	4 400	–	4 515	1 400	26 000	
Urban Waste Management	Waste Services: Athlone Refuse Transfer Station (ARTS) :Material Recovery Facility / Mechanical Biological Treatment (MBT)	CPX.0007847	New	06	01	4	Solid Waste Infrastructure	Landfill Sites	51	18.515782923	-33.947564993	2022/23	5 983	–	7 164	4 916	122 801	
Urban Waste Management	Waste Services: Major Upgrade of Facilities - Maitland	CPX.0014675	Upgrade	06	01	4	Operational Buildings	Workshops	53	18.487804773	-33.931617451	2022/23	421	–	1 243	253	3 997	
Water & Sanitation	Technical Services: Water & Sanitation: Depot: Raapenberg Central Pump Station (Upgrade)	CPX.0029199	Upgrade	12	04	4	Operational Buildings	Workshops	60	18.489495736	-33.949715144	2022/23	4 000	–	500	3 500	–	

2.18 Legislation compliance status

Compliance with the MFMA implementation requirements has been substantially adhered to through the following activities:

- **Budget and Treasury Office**
A budget office and Treasury office was established in accordance with the MFMA.
- **Budgeting**
The annual budget is prepared in accordance with the requirements prescribed by National Treasury, MFMA, MBRR and mSCOA regulations.
- **In Year Reporting**
Fully compliant with regards to monthly and quarterly MBRR reporting to National Treasury.
- **Annual Report**
The annual report is prepared in accordance with the MFMA and National Treasury requirements.
- **Municipal Entities**
The City currently has only two entities i.e. the Cape Town International Convention Centre (CTICC) and the Cape Town Stadium (CTS).
- **Internship Programme**
The CFO has introduced an organised professional training and work experience program (Finance Graduate Development Program or FGDP) intended to standardise the current diverse training options by providing training and exposure to qualifying officials and/or suitably qualified external applicants and/or suitably qualified bursars (Bachelor of Commerce or equivalent degree), who meet the criteria and who are aspiring to become local government accountants subject to a recruitment and selection process.

The National Treasury Municipal Finance Management Internship Programme (NTMFMIP) has merged with the FGDP.

The City is funding four interns (Assistant Professional Officers), whilst NT is funding an additional three interns.

Most interns that were previously on the NTMFMIP have been appointed within the City on completion of the program whilst others got employment opportunities elsewhere.

2.19 External mechanisms

A summary of the total service delivery package and associated financial implications of each external mechanism utilised by the City (MBRR Table SA32) is attached as Annexure 31 to the document.

2.20 Other supporting documents

Table 94 - MBRR Table SA1 - Supporting detail to budgeted financial performance

Description	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand									
REVENUE ITEMS:									
Non-exchange revenue by source									
Exchange Revenue									
Total Property Rates	11 033 625	11 282 693	11 720 222	12 660 005	12 660 005	12 660 005	13 821 500	14 699 165	15 891 268
Less Revenue Foregone (exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)	1 191 840	1 277 662	1 361 479	1 456 700	1 456 700	1 456 700	1 964 262	2 111 496	2 309 042
Net Property Rates	9 841 785	10 005 031	10 358 743	11 203 305	11 203 305	11 203 305	11 857 238	12 587 669	13 582 225
Exchange revenue service charges									
Service charges - Electricity									
Total Service charges - Electricity	14 379 068	14 347 794	16 394 108	17 372 145	17 372 145	17 372 145	19 843 204	23 243 890	26 738 476
Less Revenue Foregone (in excess of 50 kwh per indigent household per month)	125 999	106 000	118 517	130 676	130 676	130 676	161 491	190 550	227 138
Less Cost of Free Basis Services (50 kwh per indigent household per month)									
Net Service charges - Electricity	14 253 069	14 241 794	16 275 591	17 241 469	17 241 469	17 241 469	19 681 713	23 053 339	26 511 338
Service charges - Water									
Total Service charges - Water	3 470 449	3 634 537	4 111 381	4 415 498	4 471 853	4 471 853	4 982 592	5 404 809	5 897 933
Less Revenue Foregone (in excess of 6 kilolitres per indigent household per month)	203 884	203 884	203 884	203 884	203 884	203 884	231 133	246 757	265 807
Less Cost of Free Basis Services (6 kilolitres per indigent household per month)									
Net Service charges - Water	3 021 344	3 226 406	3 670 013	3 928 012	3 984 368	3 984 368	4 437 689	4 823 071	5 271 284
Service charges - Waste Water Management									
Total Service charges - Waste Water Management	1 782 744	1 855 162	2 137 119	2 431 395	2 465 354	2 465 354	2 744 543	2 975 635	3 230 131
Less Revenue Foregone (in excess of free sanitation service to indigent households)	174 358	174 358	174 358	174 358	174 358	174 358	197 261	210 595	226 853
Less Cost of Free Basis Services (free sanitation service to indigent households)									
Net Service charges - Waste Water Management	1 550 298	1 604 014	1 841 919	2 014 506	2 048 465	2 048 465	2 278 048	2 477 605	2 693 652
Service charges - Waste Management									
Total refuse removal revenue	1 562 883	1 517 079	1 551 929	1 737 372	1 723 555	1 723 555	1 856 840	1 988 541	2 123 482
Total landfill revenue	–	–	–	–	–	–	–	–	–
Less Revenue Foregone (in excess of one removal a week to indigent households)	–	–	–	–	–	–	–	–	–
Less Cost of Free Basis Services (removed once a week to indigent households)									
Net Service charges - Waste Management	1 275 750	1 203 747	1 240 798	1 381 241	1 352 423	1 352 423	1 424 214	1 534 284	1 646 512
EXPENDITURE ITEMS:									
Employee related costs									
Basic Salaries and Wages	9 038 023	9 868 128	10 425 559	12 108 428	11 701 778	11 676 010	12 992 741	13 726 928	14 600 249
Pension and UIF Contributions	1 397 127	1 507 428	1 572 677	2 107 571	1 853 950	1 853 987	2 078 199	2 212 756	2 357 706
Medical Aid Contributions	823 417	897 284	939 324	982 349	1 002 274	1 002 418	1 046 758	1 114 793	1 186 146
Overtime	763 953	942 386	963 851	864 989	1 013 799	1 033 337	922 996	940 228	956 627
Performance Bonus	–	–	–	–	–	–	–	–	–
Motor Vehicle Allowance	210 077	212 177	220 781	233 885	236 207	237 162	243 584	259 406	276 255
Cellphone Allowance	22 956	37 071	34 052	38 006	38 503	38 509	44 421	47 301	50 367
Housing Allowances	65 086	69 198	58 989	61 907	63 640	63 643	66 439	70 757	75 357
Other benefits and allowances	277 286	309 266	344 175	363 047	376 961	381 353	438 320	431 548	459 480
Payments in lieu of leave	292 120	203 383	87 368	114 406	122 040	122 211	117 729	125 209	133 278
Long service awards	73 555	75 562	60 152	151 391	151 371	151 334	129 334	137 741	146 695
Post-retirement benefit obligations	(176 418)	995 534	559 060	308 405	757 288	757 288	332 774	347 749	363 397
Entertainment	–	–	–	–	–	–	–	–	–
Scarcity	6 882	7 674	7 096	7 017	7 140	7 140	7 526	7 857	8 210
Acting and post related allowance	5 577	6 495	7 603	–	9 528	9 800	770	560	586
In kind benefits	–	–	–	–	–	–	–	–	–
sub-total	12 799 642	15 131 585	15 280 688	17 341 401	17 334 481	17 334 192	18 421 590	19 422 833	20 614 353
Less: Employees costs capitalised to PPE	24 228	23 563	24 783	18 468	23 360	23 360	28 792	30 058	31 411
Total Employee related costs	12 775 413	15 108 022	15 255 905	17 322 933	17 311 121	17 310 832	18 392 798	19 392 775	20 582 942

Table continues on next page

Description	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand									
<u>Depreciation and amortisation</u>									
Depreciation of Property, Plant & Equipment	2 901 939	2 833 027	3 026 161	3 185 024	3 246 905	3 246 905	3 469 968	3 737 462	3 997 977
Lease amortisation	–	–	–	–	–	–	–	–	–
Capital asset impairment	19 784	30 228	30 342	23 198	23 198	23 198	23 198	23 198	23 198
Total Depreciation and amortisation	2 921 723	2 863 255	3 056 503	3 208 222	3 270 102	3 270 102	3 493 165	3 760 659	4 021 175
<u>Bulk purchases - electricity</u>									
Electricity bulk purchases	9 317 868	9 718 558	11 561 609	12 350 900	12 350 900	12 350 900	14 099 100	16 926 356	19 743 055
Total bulk purchases	9 317 868	9 718 558	11 561 609	12 350 900	12 350 900	12 350 900	14 099 100	16 926 356	19 743 055
<u>Transfers and grants</u>									
Cash transfers and grants	453 464	401 555	406 842	391 480	437 745	437 745	371 815	340 171	375 439
Non-cash transfers and grants	–	–	–	–	–	–	–	–	–
Total transfers and grants	453 464	401 555	406 842	391 480	437 745	437 745	371 815	340 171	375 439
<u>Contracted Services</u>									
Outsourced Services	2 491 931	3 260 804	3 465 825	3 739 241	3 727 789	3 731 850	3 925 145	3 897 626	3 986 000
Consultants and Professional Services	939 743	772 646	668 757	954 664	980 330	990 026	1 078 346	1 180 262	1 198 336
Contractors	3 279 169	3 161 565	3 599 795	3 879 017	4 158 516	4 150 990	4 310 221	4 424 852	4 603 381
Total contracted services	6 710 842	7 195 014	7 734 377	8 572 922	8 866 635	8 872 866	9 313 712	9 502 740	9 787 717
<u>Operational Costs</u>									
Collection costs	184 234	178 035	194 858	203 340	199 240	199 240	199 940	199 940	199 940
Contributions to 'other' provisions	(33 131)	(37 921)	4 067	(31 835)	(32 492)	(32 492)	237	237	237
Audit fees	20 241	18 136	19 143	18 828	19 728	20 078	19 028	19 028	19 028
Other Operational Costs	349 141	301 332	249 183	366 941	419 621	415 946	362 923	384 975	374 239
Software Licences - Upgrade/Protection	138 793	157 141	169 246	265 310	190 548	191 304	383 195	480 717	591 701
MIDS/CIDS	232 212	262 132	284 293	306 696	306 696	306 696	354 458	370 054	386 706
Specialised Information Technology servi	157 353	200 681	142 592	208 204	181 116	172 149	330 173	273 162	197 801
Electricity	163 667	165 856	175 891	186 449	202 916	203 029	222 294	256 238	298 228
Indigent Relief : Electricity - Eskom Re	91 284	105 583	130 038	149 046	149 046	149 046	181 685	208 938	240 279
Levy: Skills Development	89 912	98 627	125 252	122 501	123 215	123 215	127 450	127 450	127 450
Uniform & Protective Clothing	109 561	123 904	113 802	131 722	121 526	119 741	124 561	126 901	127 562
Rehabilitation Costs Actual Expenditure	1 156	26 593	45 120	120 897	120 897	120 897	120 897	120 897	120 897
Commission - Revenue Sharing	109 623	98 955	115 231	121 167	120 073	120 073	120 073	120 073	120 073
Premiums : Unicity Insurance Program	45 371	55 908	65 321	90 111	90 111	90 111	119 122	131 035	144 138
Operating Leases	71 557	83 505	86 506	102 088	99 124	96 420	95 631	95 259	95 493
Hire of LDV, P/ Van, Bus, Special Vehicle	110 631	113 200	160 917	87 619	87 319	87 170	89 198	89 653	89 414
Commission - Pre-paid electricity Vendor	72 105	77 298	79 482	79 167	79 167	79 167	79 867	79 867	79 867
Training	79 752	69 567	76 246	77 005	76 813	79 417	75 898	120 123	103 636
Bulk Water : Levy (Berg Water Project)	148 407	160 400	125 287	100 000	100 000	100 000	75 000	60 000	128 000
Furniture Fittings Tools & Equipment: As	–	–	–	49 989	50 124	50 124	53 794	11 195	12 764
412360 - R&M Hire of LDV,PVan,Bus, SpcVeh	–	–	–	49 843	42 694	42 862	47 402	50 123	53 045
Eskom Connection Fees	0	700	664	45 340	45 340	45 340	45 340	45 340	45 340
Postage & Courier	30 621	37 711	35 615	42 021	40 527	41 092	37 608	37 608	37 608
Advertising - Corporate and Municipal Ac	37 875	42 067	43 454	34 615	43 683	43 615	37 097	37 097	37 045
Total Operational Costs	2 210 367	2 339 410	2 442 207	2 927 064	2 877 033	2 864 241	3 302 869	3 445 909	3 630 492
<u>Repairs and Maintenance by Expenditure Item</u>									
Employee related costs	943 436	910 041	1 238 355	1 326 529	1 311 852	1 311 852	1 766 427	1 854 131	1 948 793
Inventory Consumed (Project Maintenance)	295 254	293 752	336 924	393 489	389 055	395 740	405 168	425 203	446 667
Contracted Services	2 354 973	2 306 942	2 711 646	2 791 960	3 018 993	3 012 173	3 024 041	3 176 956	3 354 692
Operational Costs	114 611	155 885	181 354	248 250	262 356	262 528	287 581	298 798	314 282
Total Repairs and Maintenance Expenditure	3 708 274	3 666 620	4 468 279	4 760 227	4 982 255	4 982 292	5 483 217	5 755 088	6 064 435
<u>Inventory Consumed</u>									
Inventory Consumed - Water	392 167	252 007	4 440 768	3 703 463	3 782 632	3 782 632	4 219 001	4 429 951	4 651 449
Inventory Consumed - Other	1 311 168	1 332 645	1 344 590	1 511 326	1 783 730	1 790 268	1 730 839	1 856 280	2 069 038
Total Inventory Consumed & Other Material	1 703 335	1 584 652	5 785 358	5 214 789	5 566 362	5 572 900	5 949 840	6 286 232	6 720 486

Table 95 - MBRR Table SA2 - Matrix financial performance budget (revenue source/expenditure type and department)

Description	Vote 1 - Community Services & Health	Vote 2 - Corporate Services	Vote 3 - Economic Growth	Vote 4 - Energy	Vote 5 - Finance	Vote 6 - Future Planning & Resilience	Vote 7 - Human Settlements	Vote 8 - Office of the City Manager	Vote 9 - Safety & Security	Vote 10 - Spatial Planning & Environment	Vote 11 - Urban Mobility	Vote 12 - Urban Waste Management	Vote 13 - Water & Sanitation	Total
R thousand														
Revenue														
Exchange Revenue														
Service charges - Electricity	61	-	-	19 681 652	-	-	-	-	-	-	-	-	-	19 681 713
Service charges - Water	-	-	709	-	-	-	-	-	-	-	-	-	4 436 980	4 437 689
Service charges - Waste Water Management	-	-	-	-	-	-	-	-	-	-	-	-	2 278 048	2 278 048
Service charges - Waste Management	-	-	-	-	-	-	-	-	-	-	-	1 424 214	-	1 424 214
Agency services	-	-	-	-	269 981	-	-	-	15 215	-	-	-	-	285 197
Interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables	-	-	-	30 360	11 164	-	1 574	-	2 084	-	-	36 196	205 380	286 756
Interest earned from Current and Non Current Assets	-	-	-	-	1 175 667	-	1 891	-	-	-	15 955	-	-	1 193 514
Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rent on Land	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets	11 293	1 020	195 658	1 207	2	-	189 283	-	1 101	92	-	-	226	399 883
Licence and permits	185	-	-	-	-	-	-	-	-	-	-	-	-	185
Operational Revenue	1 925	49 818	80	99 593	45 777	82	12 728	862	2 460	1	41 437	20 990	76 033	351 785
Non-Exchange Revenue														
Property rates	-	-	-	-	11 857 238	-	-	-	-	-	-	-	-	11 857 238
Surcharges and Taxes	-	-	-	-	-	-	-	-	-	365 452	-	-	-	365 452
Fines, penalties and forfeits	2 466	-	-	-	580	-	-	-	1 240 165	3 817	4 531	-	116	1 251 676
Licences or permits	76	-	-	-	-	-	-	-	57 620	-	18 959	-	-	76 655
Transfer and subsidies - Operational	885 537	8 400	20 163	165 029	1 937 226	65 959	690 959	-	357 568	129 896	597 079	665 141	1 286 603	6 809 560
Interest	-	-	-	-	89 165	-	-	-	-	-	-	-	-	89 165
Fuel Levy	-	-	-	-	2 639 290	-	-	-	-	-	-	-	-	2 639 290
Operational Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gains on disposal of Assets	-	8 111	37 853	2 500	-	-	2 099	-	-	-	-	4 503	4 326	59 393
Other Gains	-	-	-	-	-	-	-	-	-	-	-	-	4 539 200	4 539 200
Discontinued Operations	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)	943 250	67 557	260 479	19 986 376	18 053 837	66 041	898 535	865	1 712 667	627 405	1 003 187	2 151 545	12 859 174	58 630 919

Table continues on next page

Description	Vote 1 - Community Services & Health	Vote 2 - Corporate Services	Vote 3 - Economic Growth	Vote 4 - Energy	Vote 5 - Finance	Vote 6 - Future Planning & Resilience	Vote 7 - Human Settlements	Vote 8 - Office of the City Manager	Vote 9 - Safety & Security	Vote 10 - Spatial Planning & Environment	Vote 11 - Urban Mobility	Vote 12 - Urban Waste Management	Vote 13 - Water & Sanitation	Total
R thousand														
Expenditure														
Employee related costs	2 717 567	1 762 131	305 251	1 642 563	1 259 815	298 083	516 726	298 592	3 462 943	779 428	1 003 473	1 575 194	2 771 034	18 392 798
Remuneration of councillors	–	189 303	–	–	–	–	–	1 598	–	–	–	–	–	190 901
Bulk purchases - electricity	–	–	–	14 099 100	–	–	–	–	–	–	–	–	–	14 099 100
Inventory consumed	520 672	(30 972)	3 100	176 715	19 077	4 088	38 757	3 939	233 026	11 401	128 205	271 988	4 569 842	5 949 840
Debt impairment	–	–	(3 707)	151 206	458 365	–	24 217	–	960 000	10 995	–	90 536	629 908	2 321 520
Depreciation and amortisation	205 445	502 313	32 968	463 793	205 936	15 178	214 222	4 573	169 596	52 873	730 440	223 022	672 807	3 493 165
Interest	227	–	–	–	930 366	–	–	–	–	–	73	14 701	–	945 367
Contracted services	1 062 976	582 227	144 950	452 210	61 301	113 728	642 453	121 862	198 422	287 456	2 280 378	1 281 107	2 084 642	9 313 712
Transfers and subsidies	24 980	4 735	123 248	1 900	33 196	200	23 000	15 750	70 516	38 115	125	2 600	33 450	371 815
Irrecoverable debts written off	–	–	10 807	44 400	–	–	87 098	–	–	–	–	8 000	–	150 304
Operational costs	117 548	813 579	44 153	251 285	590 874	80 252	79 449	36 749	243 065	380 168	67 490	161 573	436 685	3 302 869
Losses on disposal of Assets	10	133	–	464	–	2	28	–	93	–	–	17	9	754
Other Losses	–	–	–	–	1 260	–	–	–	3	–	–	–	558 517	559 781
Total Expenditure	4 649 424	3 823 449	660 768	17 283 637	3 560 189	511 532	1 625 949	483 063	5 337 665	1 560 435	4 210 184	3 628 739	11 756 892	59 091 927
Surplus/(Deficit)	(3 706 174)	(3 755 892)	(400 289)	2 702 740	14 493 648	(445 491)	(727 414)	(482 198)	(3 624 997)	(933 031)	(3 206 997)	(1 477 194)	1 102 282	(461 007)
Transfers and subsidies - capital (monetary allocations)	123 666	684	–	66 686	1 593	–	622 562	–	37 562	62 442	1 415 754	20 000	425 211	2 776 159
Transfers and subsidies - capital (in-kind)	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	(3 582 508)	(3 755 209)	(400 289)	2 769 425	14 495 242	(445 491)	(104 852)	(482 198)	(3 587 436)	(870 589)	(1 791 242)	(1 457 194)	1 527 493	2 315 152

Table 96 - MBRR Table SA3 - Supporting detail to Statement of Financial Position

Description	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand									
ASSETS									
Trade and other receivables from exchange transactions									
Electricity	12 324 116	1 963 494	2 364 239	13 817 690	12 807 887	12 807 887	2 880 270	2 947 702	3 029 081
Water	-	2 552 944	2 591 536	-	-	-	3 283 012	3 735 103	4 220 653
Waste	-	834 603	719 612	-	-	-	870 920	1 076 892	1 297 381
Waste Water	-	1 188 872	1 248 835	-	-	-	1 343 483	1 493 608	1 653 952
Other trade receivables from exchange transactions	1 021 212	1 607 588	1 765 339	682 375	607 548	607 548	998 976	1 170 457	1 352 883
Gross: Trade and other receivables from exchange transactions	13 345 328	8 147 501	8 689 561	14 500 065	13 415 434	13 415 434	9 376 661	10 423 763	11 553 950
Less: Impairment for debt	(6 003 455)	(4 476 264)	(4 466 503)	(7 421 054)	(6 767 272)	(6 767 272)	(6 198 775)	(7 079 873)	(7 963 157)
Impairment for Electricity	(6 003 455)	(426 930)	(489 027)	(7 421 054)	(6 767 272)	(6 767 272)	(706 180)	(881 065)	(1 088 842)
Impairment for Water	-	(1 739 499)	(1 667 531)	-	-	-	(2 486 582)	(2 911 743)	(3 324 705)
Impairment for Waste	-	(564 592)	(453 446)	-	-	-	(653 908)	(740 575)	(834 483)
Impairment for Waste Water	-	(629 189)	(630 334)	-	-	-	(982 282)	(1 165 628)	(1 340 446)
Impairment for other trade receivables from exchange transactions	-	(1 116 053)	(1 226 165)	-	-	-	(1 369 823)	(1 380 862)	(1 374 682)
Total net Trade and other receivables from Exchange Transactions	7 341 873	3 671 237	4 223 058	7 079 011	6 648 162	6 648 162	3 177 885	3 343 890	3 590 793
Receivables from non-exchange transactions									
Property rates	-	3 200 910	3 178 589	-	-	-	2 585 893	2 784 465	3 007 670
Less: Impairment of Property rates	-	(974 445)	(997 620)	-	-	-	(1 453 810)	(1 440 435)	(1 426 434)
Net Property rates	-	2 226 465	2 180 969	-	-	-	1 132 083	1 344 030	1 581 236
Other receivables from non-exchange transactions	-	2 557 857	3 097 425	-	-	-	7 074 548	7 992 594	8 908 287
Impairment for other receivables from non-exchange transactions	-	(1 900 892)	(2 592 822)	-	-	-	(4 601 592)	(5 561 592)	(6 521 592)
Net other receivables from non-exchange transactions	-	656 965	504 603	-	-	-	2 472 956	2 431 002	2 386 695
Total net Receivables from non-exchange transactions	-	2 883 430	2 685 572	-	-	-	3 605 039	3 775 033	3 967 931
Inventory									
Water									
Opening Balance	-	-	-	52 306	47 763	47 763	35 729	39 909	44 297
System Input Volume	392 167	252 007	4 904 288	4 060 032	4 163 776	4 163 776	4 690 919	4 925 465	5 171 739
Water Treatment Works	-	-	4 637 560	3 794 460	3 879 144	3 879 144	4 386 409	4 605 730	4 836 016
Bulk Purchases	392 167	252 007	186 859	173 067	195 505	195 505	232 341	243 958	256 156
Natural Sources	-	-	79 869	92 505	89 127	89 127	72 169	75 777	79 566
Authorised Consumption	(392 167)	(252 007)	(4 440 768)	(3 703 463)	(3 782 632)	(3 782 632)	(4 219 001)	(4 429 951)	(4 651 449)
Billed Authorised Consumption	(392 167)	(252 007)	(4 319 338)	(3 621 933)	(3 701 246)	(3 701 246)	(4 128 223)	(4 334 634)	(4 551 366)
Billed Metered Consumption	(392 167)	(252 007)	(4 319 338)	(3 621 933)	(3 701 246)	(3 701 246)	(4 128 223)	(4 334 634)	(4 551 366)
Revenue Water	(392 167)	(252 007)	(4 319 338)	(3 621 933)	(3 701 246)	(3 701 246)	(4 128 223)	(4 334 634)	(4 551 366)
UnBilled Authorised Consumption	-	-	(121 430)	(81 529)	(81 386)	(81 386)	(90 778)	(95 317)	(100 083)
Unbilled Metered Consumption	-	-	(79 874)	(53 608)	(53 423)	(53 423)	(51 917)	(54 513)	(57 238)
Unbilled Unmetered Consumption	-	-	(41 556)	(27 922)	(27 963)	(27 963)	(38 861)	(40 804)	(42 844)
Water Losses	-	-	(465 487)	(369 047)	(393 178)	(393 178)	(467 739)	(491 126)	(515 682)
Apparent losses	-	-	(94 841)	(66 532)	(68 088)	(68 088)	(78 617)	(82 548)	(86 676)
Unauthorised Consumption	-	-	(23 704)	(16 478)	(16 839)	(16 839)	(19 489)	(20 464)	(21 487)
Customer Meter Inaccuracies	-	-	(71 137)	(50 054)	(51 249)	(51 249)	(59 128)	(62 084)	(65 189)
Real losses	-	-	(370 646)	(302 515)	(325 089)	(325 089)	(389 122)	(408 578)	(429 007)
Leakage on Transmission and Distribution Mains	-	-	(277 858)	(240 211)	(262 411)	(262 411)	(319 337)	(335 304)	(352 070)
Leakage and Overflows at Storage Tanks/Reservoirs	-	-	(77)	(5)	(48)	(48)	(50)	(53)	(55)
Leakage on Service Connections up to the point of Customer Meter	-	-	(92 712)	(62 299)	(62 631)	(62 631)	(69 734)	(73 221)	(76 882)
Non-revenue Water	-	-	(586 917)	(450 577)	(474 563)	(474 563)	(558 517)	(586 443)	(615 765)
Closing Balance Water	-	-	(1 967)	39 829	35 729	35 729	39 909	44 297	48 905
Acquisitions	1 311 168	1 332 645	1 344 590	486 803	740 757	747 295	695 654	825 028	1 039 751
Issues	(1 311 168)	(1 332 645)	(1 344 590)	(486 803)	(740 757)	(747 295)	(695 654)	(825 028)	(1 039 751)

Table continues on next page

Description	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand									
Finished Goods									
Opening Balance	435 992	431 504	467 065	419 784	372 128	372 128	394 083	414 970	435 303
Acquisitions	(4 488)	35 561	(34 874)	1 047 680	1 073 105	1 073 105	1 063 850	1 059 159	1 057 365
Issues	–	–	–	(1 021 785)	(1 042 973)	(1 042 973)	(1 035 185)	(1 031 252)	(1 029 286)
Adjustments	–	–	–	(5 745)	(8 177)	(8 177)	(7 779)	(7 573)	(7 619)
Closing balance - Finished Goods	431 504	467 065	432 191	439 934	394 083	394 083	414 970	435 303	455 762
Materials and Supplies									
Opening Balance	–	–	–	13 827	10 333	10 333	10 943	11 523	12 087
Acquisitions	–	–	–	3 402	610	610	580	565	568
Issues	–	–	–	(2 738)	0	0	–	–	–
Closing balance - Materials and Supplies	–	–	–	14 490	10 943	10 943	11 523	12 087	12 655
Closing Balance - Inventory & Consumables	431 504	467 065	430 223	494 253	440 755	440 755	466 401	491 688	517 323
Property, plant and equipment (PPE)									
PPE at cost/valuation (excl. finance leases)	76 715 424	82 967 739	88 065 301	96 466 126	95 694 431	95 694 431	106 464 943	120 201 849	136 331 498
Less: Accumulated depreciation	27 633 249	30 121 187	32 638 261	36 110 860	35 769 487	35 769 487	39 124 026	42 739 658	46 610 293
Total Property, plant and equipment (PPE)	49 082 175	52 846 552	55 427 040	60 355 266	59 924 944	59 924 944	67 340 917	77 462 191	89 721 205
LIABILITIES									
Current liabilities - Financial liabilities									
Current portion of long-term liabilities	446 355	440 239	1 426 476	1 808 361	1 729 579	1 729 579	2 966 423	1 525 931	2 580 989
Total Current liabilities - Financial liabilities	446 355	440 239	1 426 476	1 808 361	1 729 579	1 729 579	2 966 423	1 525 931	2 580 989
Trade and other payables from exchange transactions									
Trade and other payables from exchange transactions	4 552 048	4 660 306	5 042 546	2 568 642	2 888 228	2 888 228	4 747 371	6 677 973	6 987 116
Other trade payables from exchange transactions	1 409 924	1 584 011	1 765 557	2 299 749	3 013 818	3 013 818	3 030 798	3 031 696	3 048 330
Trade payables from Non-exchange transactions: Unspent conditional Grants	1 250 617	1 116 830	777 984	1 429 132	1 437 175	1 437 175	610 716	610 716	610 716
VAT	173 298	86 380	–	94 057	–	–	414 507	436 160	468 364
Total Trade and other payables from exchange transactions	7 385 887	7 447 528	7 586 087	6 391 580	7 339 221	7 339 221	8 803 392	10 756 545	11 114 527
Non current liabilities - Financial liabilities									
Borrowing	6 871 889	6 547 823	5 220 709	6 624 774	5 626 024	5 626 024	9 379 712	17 101 278	27 158 535
Total Non current liabilities - Financial liabilities	6 871 889	6 547 823	5 220 709	6 624 774	5 626 024	5 626 024	9 379 712	17 101 278	27 158 535
Provisions									
Retirement benefits	5 453 500	6 152 153	6 389 968	6 895 242	6 897 890	6 897 890	7 303 421	7 739 251	8 194 428
Refuse landfill site rehabilitation	299 856	237 145	360 549	130 020	371 767	371 767	322 005	465 424	396 569
Other	673 847	725 213	680 665	787 014	768 235	768 235	797 575	829 915	866 442
Total Provisions	6 427 203	7 114 512	7 431 182	7 812 276	8 037 893	8 037 893	8 423 001	9 034 590	9 457 438
CHANGES IN NET ASSETS									
Accumulated surplus/(deficit)									
Accumulated surplus/(deficit) - opening balance	43 892 330	47 563 019	49 618 986	50 915 098	52 522 170	52 522 170	54 887 251	57 605 312	60 709 401
GRAP adjustments	141 555	(139 116)	–	–	–	–	–	–	–
Restated balance	44 033 885	47 423 903	49 618 986	50 915 098	52 522 170	52 522 170	54 887 251	57 605 312	60 709 401
Surplus/(Deficit)	4 369 410	2 054 420	2 903 185	1 760 795	1 624 817	1 624 817	2 315 152	3 145 745	4 094 796
Transfers to/from Reserves	(840 276)	140 663	117 716	657 008	740 264	740 264	402 910	(41 656)	(351 213)
Accumulated Surplus/(Deficit)	47 563 019	49 618 986	52 639 887	53 332 902	54 887 251	54 887 251	57 605 312	60 709 401	64 452 984
Reserves									
Housing Development Fund	463 210	421 203	312 820	380 447	265 013	265 013	257 506	250 756	244 795
Capital replacement	4 561 164	4 452 496	4 434 807	3 774 122	3 741 539	3 741 539	3 363 435	3 429 107	3 803 444
Self-insurance	614 821	624 832	633 188	619 440	634 000	634 000	616 701	599 435	582 272
Total Reserves	5 639 194	5 498 532	5 380 815	4 774 009	4 640 552	4 640 552	4 237 642	4 279 298	4 630 511
TOTAL COMMUNITY WEALTH/EQUITY	53 202 213	55 117 517	58 020 702	58 106 911	59 527 802	59 527 802	61 842 954	64 988 699	69 083 495

Table 97 - MBRR Table SA9 - Social, economic and demographic statistics and assumptions

Description of economic indicator	Basis of calculation	2001 Census	2007 Survey	2011 Census	2019/20	2020/21	2021/22	Current Year 2022/23	2023/24 Medium Term Revenue & Expenditure Framework		
					Outcome	Outcome	Outcome	Original Budget	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<u>Demographics</u>											
Population	StatsSA Census, Community Survey & Mid-year estimates	2 893 249	3 497 097	3 740 025	4 606 308	4 679 483	4 756 255	4 837 094	4 919 019	5 003 954	5 088 759
Females aged 5 - 14	StatsSA Census, Community Survey & Mid-year estimates	260 241	287 307	275 909	362 039	362 940	363 882	363 838	363 898	364 059	364 674
Males aged 5 - 14	StatsSA Census, Community Survey & Mid-year estimates	257 985	284 101	282 124	374 450	375 947	376 687	376 438	376 606	377 196	378 251
Females aged 15 - 34	StatsSA Census, Community Survey & Mid-year estimates	571 867	653 762	706 732	764 909	767 355	770 723	775 903	782 035	789 409	797 536
Males aged 15 - 34	StatsSA Census, Community Survey & Mid-year estimates	539 939	631 811	707 488	780 918	782 563	785 585	790 714	796 716	803 763	811 397
Unemployment	StatsSA Census, Community Survey & QLFS	29.2%	24.5%	23.9%	23.2%	25.8%	28.3%	NA	NA	NA	NA
<u>Monthly household income (no. of households)</u>											
No income	StatsSA Census	101 953	52 446	146 517	NA	NA	NA	NA	NA	NA	NA
R1 - R1 600	StatsSA Census	200 414	144 873	185 068	NA	NA	NA	NA	NA	NA	NA
R1 601 - R3 200	StatsSA Census	130 846	122 611	170 824	NA	NA	NA	NA	NA	NA	NA
R3 201 - R6 400	StatsSA Census	133 588	121 268	154 427	NA	NA	NA	NA	NA	NA	NA
R6 401 - R12 800	StatsSA Census	109 609	103 587	139 348	NA	NA	NA	NA	NA	NA	NA
R12 801 - R25 600	StatsSA Census	67 529	87 974	126 625	NA	NA	NA	NA	NA	NA	NA
R25 601 - R51 200	StatsSA Census	23 091	52 892	92 860	NA	NA	NA	NA	NA	NA	NA
R52 201 - R102 400	StatsSA Census	5 470	18 249	38 018	NA	NA	NA	NA	NA	NA	NA
R102 401 - R204 800	StatsSA Census	3 028	5 355	9 749	NA	NA	NA	NA	NA	NA	NA
R204 801 - R409 600	StatsSA Census	1 861	3 429	5 066	NA	NA	NA	NA	NA	NA	NA
R409 601 - R819 200	StatsSA Census	-	189 593	73	NA	NA	NA	NA	NA	NA	NA
> R819 200	-	-	-	-	-	-	-	-	-	-	-
<u>Poverty profiles (no. of households)</u>											
< R2 060 per household per month											
City Indigent Relief Policy (The classification of a household as 'indigent' is determined by the City of Cape Town through their Credit Control and Debt Collection Policy which is revised annually.)	Households with a gross income of R4 500 or less per month qualify for free basic services where relevant, while those with a gross income of between R4501 and R7000 per month qualify for reduced rates and refuse.	-	-	-	197 224	201 707	243 771	NA	NA	NA	NA
<u>Household/demographics</u>											
Number of people in municipal area	StatsSA Census, Community Survey & Mid-year estimates	2 893 249	3 497 097	3 740 025	4 607 601	4 678 900	4 756 255	4 841 030	4 841 030	4 924 275	5 008 458
Number of poor people in municipal area	StatsSA Census, estimates	1 124 687	1 240 002	1 758 442	NA	NA	NA	NA	NA	NA	NA
Number of households in municipal area	StatsSA Census, estimates	777 390	902 275	1 068 575	1 439 875	1 462 156	1 486 330	1 512 822	1 512 822	1 538 836	1 565 143
Number of poor households in municipal area	-	302 193	319 930	502 409	197 224	201 707	243 771	NA	NA	NA	NA
Definition of poor household (R per month)	-	Household Income < R1608	Household income < R3201	Household income < R3201	-	-	-	-	-	-	-

*N/A = not available

Table continues on next page

Table 98 - MBRR Table SA9 - Detail on the provision of municipal services for Table A10 (Basic service delivery measurement)

Total municipal services	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
	Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<u>Household service targets</u>									
<u>Water:</u>									
Piped water inside dwelling	1 214 760	1 256 146	1 310 286	1 328 617	1 328 617	1 328 617	1 350 021	1 373 332	1 396 606
Piped water inside yard (but not in dwelling)	–	–	–	–	–	–	–	–	–
Using public tap (at least min.service level)	168 419	174 157	181 663	184 205	184 205	184 205	187 172	190 404	193 631
Other water supply (at least min.service level)	–	–	–	–	–	–	–	–	–
Minimum Service Level and Above sub-total	1 383 179	1 430 303	1 491 949	1 512 822	1 512 822	1 512 822	1 537 193	1 563 736	1 590 237
Using public tap (< min.service level)	–	–	–	–	–	–	–	–	–
Other water supply (< min.service level)	–	–	–	–	–	–	–	–	–
No water supply	–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total	–	–	–	–	–	–	–	–	–
Total number of households	1 383 179	1 430 303	1 491 949	1 512 822	1 512 822	1 512 822	1 537 193	1 563 736	1 590 237
<u>Sanitation/sewerage:</u>									
Flush toilet (connected to sewerage)	1 285 080	1 329 491	1 384 841	1 404 012	1 404 012	1 404 012	1 427 346	1 455 971	1 479 080
Flush toilet (with septic tank)	–	–	–	–	–	–	–	–	–
Chemical toilet	35 120	39 765	62 330	63 105	63 105	63 105	62 950	62 950	62 950
Pit toilet (ventilated)	197	197	197	197	197	197	197	197	197
Other toilet provisions (> min.service level)	62 633	60 850	44 581	45 508	45 508	45 508	46 700	44 618	48 010
Minimum Service Level and Above sub-total	1 383 030	1 430 303	1 491 949	1 512 822	1 512 822	1 512 822	1 537 193	1 563 736	1 590 237
Bucket toilet	149	–	–	–	–	–	–	–	–
Other toilet provisions (< min.service level)	–	–	–	–	–	–	–	–	–
No toilet provisions	–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total	149	–	–	–	–	–	–	–	–
Total number of households	1 383 179	1 430 303	1 491 949	1 512 822	1 512 822	1 512 822	1 537 193	1 563 736	1 590 237
<u>Energy:</u>									
Electricity (at least min.service level)	666 305	624 979	635 334	625 200	625 200	635 334	635 334	635 334	635 334
Electricity - prepaid (min.service level)	–	–	–	–	–	–	–	–	–
Minimum Service Level and Above sub-total	666 305	624 979	635 334	625 200	625 200	635 334	635 334	635 334	635 334
Electricity (< min.service level)	29 130	27 409	25 906	24 630	24 630	24 406	22 906	21 406	19 906
Electricity - prepaid (< min. service level)	–	–	–	–	–	–	–	–	–
Other energy sources	–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total	29 130	27 409	25 906	24 630	24 630	24 406	22 906	21 406	19 906
Total number of households	695 435	652 388	661 240	649 830	649 830	659 740	658 240	656 740	655 240
<u>Refuse:</u>									
Removed at least once a week	958 534	935 447	1 009 176	1 071 453	1 059 635	1 059 635	1 080 828	1 102 444	1 124 493
Minimum Service Level and Above sub-total	958 534	935 447	1 009 176	1 071 453	1 059 635	1 059 635	1 080 828	1 102 444	1 124 493
Removed less frequently than once a week	–	–	–	–	–	–	–	–	–
Using communal refuse dump	–	–	–	–	–	–	–	–	–
Using own refuse dump	–	–	–	–	–	–	–	–	–
Other rubbish disposal	–	–	–	–	–	–	–	–	–
No rubbish disposal	–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total	–	–	–	–	–	–	–	–	–
Total number of households	958 534	935 447	1 009 176	1 071 453	1 059 635	1 059 635	1 080 828	1 102 444	1 124 493

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Municipal in-house services	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
	Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Household service targets									
Water:									
Piped water inside dwelling	1 214 760	1 256 146	1 310 286	1 328 617	1 328 617	1 328 617	1 350 021	1 373 332	1 396 606
Piped water inside yard (but not in dwelling)	–	–	–	–	–	–	–	–	–
Using public tap (at least min.service level)	168 419	174 157	181 663	184 205	184 205	184 205	187 172	190 404	193 631
Other water supply (at least min.service level)	–	–	–	–	–	–	–	–	–
Minimum Service Level and Above sub-total	1 383 179	1 430 303	1 491 949	1 512 822	1 512 822	1 512 822	1 537 193	1 563 736	1 590 237
Using public tap (< min.service level)	–	–	–	–	–	–	–	–	–
Other water supply (< min.service level)	–	–	–	–	–	–	–	–	–
No water supply	–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total	–	–	–	–	–	–	–	–	–
Total number of households	1 383 179	1 430 303	1 491 949	1 512 822	1 512 822	1 512 822	1 537 193	1 563 736	1 590 237
Sanitation/sewerage:									
Flush toilet (connected to sewerage)	1 285 080	1 329 491	1 384 841	1 404 012	1 404 012	1 404 012	1 427 346	1 455 971	1 479 080
Flush toilet (with septic tank)	–	–	–	–	–	–	–	–	–
Chemical toilet	35 120	39 765	62 330	63 105	63 105	63 105	62 950	62 950	62 950
Pit toilet (ventilated)	197	197	197	197	197	197	197	197	197
Other toilet provisions (> min.service level)	62 633	60 850	44 581	45 508	45 508	45 508	46 700	44 618	48 010
Minimum Service Level and Above sub-total	1 383 030	1 430 303	1 491 949	1 512 822	1 512 822	1 512 822	1 537 193	1 563 736	1 590 237
Bucket toilet	149	–	–	–	–	–	–	–	–
Other toilet provisions (< min.service level)	–	–	–	–	–	–	–	–	–
No toilet provisions	–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total	149	–	–	–	–	–	–	–	–
Total number of households	1 383 179	1 430 303	1 491 949	1 512 822	1 512 822	1 512 822	1 537 193	1 563 736	1 590 237
Energy:									
Electricity (at least min.service level)	637 175	597 570	609 428	600 570	600 570	610 928	612 428	613 928	615 428
Electricity - prepaid (min.service level)	–	–	–	–	–	–	–	–	–
Minimum Service Level and Above sub-total	637 175	597 570	609 428	600 570	600 570	610 928	612 428	613 928	615 428
Electricity (< min.service level)	29 130	27 409	25 906	24 630	24 630	24 406	22 906	21 406	19 906
Electricity - prepaid (< min. service level)	–	–	–	–	–	–	–	–	–
Other energy sources	–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total	29 130	27 409	25 906	24 630	24 630	24 406	22 906	21 406	19 906
Total number of households	666 305	624 979	635 334	625 200	625 200	635 334	635 334	635 334	635 334
Refuse:									
Removed at least once a week	958 534	935 447	1 009 176	1 071 453	1 059 635	1 059 635	1 080 828	1 102 444	1 124 493
Minimum Service Level and Above sub-total	958 534	935 447	1 009 176	1 071 453	1 059 635	1 059 635	1 080 828	1 102 444	1 124 493
Removed less frequently than once a week	–	–	–	–	–	–	–	–	–
Using communal refuse dump	–	–	–	–	–	–	–	–	–
Using own refuse dump	–	–	–	–	–	–	–	–	–
Other rubbish disposal	–	–	–	–	–	–	–	–	–
No rubbish disposal	–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total	–	–	–	–	–	–	–	–	–
Total number of households	958 534	935 447	1 009 176	1 071 453	1 059 635	1 059 635	1 080 828	1 102 444	1 124 493

Services provided by 'external mechanisms'	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
	Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Energy:									
Electricity (at least min.service level)	29 130	27 409	25 906	24 630	24 630	24 406	22 906	21 406	19 906
Electricity - prepaid (min.service level)	–	–	–	–	–	–	–	–	–
Minimum Service Level and Above sub-total	29 130	27 409	25 906	24 630	24 630	24 406	22 906	21 406	19 906
Electricity (< min.service level)	–	–	–	–	–	–	–	–	–
Electricity - prepaid (< min. service level)	–	–	–	–	–	–	–	–	–
Other energy sources	–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total	–	–	–	–	–	–	–	–	–
Total number of households	29 130	27 409	25 906	24 630	24 630	24 406	22 906	21 406	19 906

Table continues on next page

Detail of Free Basic Services (FBS) provided		2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Electricity	Location of households for each type of FBS									
	Formal settlements - (50 kwh per indigent household per month	125 998 862	106 000 000	118 516 536	130 676 268	130 676 268	130 676 268	161 490 935	190 550 130	227 137 623
	<i>Number of HH receiving this type of FBS</i>	166 389	179 943	163 118	186 070	186 070	186 070	186 070	186 070	186 070
	Informal settlements (Rands)	91 284 423	105 583 474	130 038 047	149 046 400	149 046 400	149 046 400	181 685 277	208 938 068	240 278 778
	<i>Number of HH receiving this type of FBS</i>	140 495	140 251	147 309	153 000	153 000	153 000	153 000	153 000	153 000
	Informal settlements targeted for upgrading (Rands)	–	–	–	–	–	–	–	–	–
	<i>Number of HH receiving this type of FBS</i>	–	–	–	–	–	–	–	–	–
	Living in informal backyard rental agreement (Rands)	1 310 806	1 346 771	1 772 264	2 242 856	2 242 856	2 242 856	2 637 599	2 961 760	3 356 858
	<i>Number of HH receiving this type of FBS</i>	1 719	1 683	1 723	1 719	1 719	1 719	1 719	1 719	1 719
	Other (Rands)	–	–	–	–	–	–	–	–	–
	<i>Number of HH receiving this type of FBS</i>	–	–	–	–	–	–	–	–	–
	Total cost of FBS - Electricity for informal settlements	92 595 229	106 930 245	131 810 311	151 289 256	151 289 256	151 289 256	184 322 876	211 899 828	243 635 636
Water	Location of households for each type of FBS									
	Formal settlements - (6 kilolitre per indigent household per month	449 105 580	408 131 484	441 367 937	283 601 500	283 601 500	283 601 500	313 770 600	334 981 493	360 842 064
	<i>Number of HH receiving this type of FBS</i>	270 025	253 851	250 413	240 091	240 091	240 091	236 537	236 537	236 537
	Informal settlements (Rands)	277 619 681	276 947 914	315 256 769	167 440 000	167 440 000	167 440 000	185 289 281	197 814 837	213 086 142
	<i>Number of HH receiving this type of FBS</i>	166 919	174 157	178 863	179 505	179 505	179 505	182 472	185 704	188 931
	Informal settlements targeted for upgrading (Rands)	2 494 800	3 054 744	4 935 168	2 611 805	2 611 805	2 611 805	2 843 231	2 966 629	3 157 985
	<i>Number of HH receiving this type of FBS</i>	1 500	1 900	2 800	2 800	2 800	2 800	2 800	2 800	2 800
	Living in informal backyard rental agreement (Rands)	6 458 206	7 931 080	3 348 864	1 772 296	1 772 296	1 772 296	1 929 335	2 013 070	2 142 918
	<i>Number of HH receiving this type of FBS</i>	3 883	4 933	1 900	1 900	1 900	1 900	1 900	1 900	1 900
	Other (Rands)	–	–	–	–	–	–	–	–	–
	<i>Number of HH receiving this type of FBS</i>	–	–	–	–	–	–	–	–	–
	Total cost of FBS - Water for informal settlements	286 572 687	287 933 738	323 540 801	171 824 101	171 824 101	171 824 101	190 061 847	202 794 536	218 387 045

Table continues on next page

Detail of Free Basic Services (FBS) provided		2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Sanitation	<u>Location of households for each type of FBS</u>									
	Formal settlements - (free sanitation service to indigent households)	232 446 161	251 147 995	295 200 868	242 531 450	242 531 450	242 531 450	269 235 000	287 435 286	309 625 290
	<i>Number of HH receiving this type of FBS</i>	270 025	253 851	250 413	240 091	240 091	240 091	236 537	236 537	236 537
	Informal settlements (Rands)	74 235 569	76 361 155	84 588 812	56 393 740	56 393 740	56 393 740	63 472 309	68 264 793	73 465 797
	<i>Number of HH receiving this type of FBS</i>	86 237	77 183	71 755	70 695	70 695	70 695	72 877	74 717	75 944
	Informal settlements targeted for upgrading (Rands)	1 291 248	1 879 769	3 300 797	2 233 573	2 233 573	2 233 573	2 513 933	2 558 205	2 708 630
	<i>Number of HH receiving this type of FBS</i>	1 500	1 900	2 800	2 800	2 800	2 800	2 800	2 800	2 800
	Living in informal backyard rental agreement (Rands)	3 342 611	4 880 473	2 239 826	1 515 639	1 515 639	1 515 639	1 705 883	1 735 925	1 837 999
	<i>Number of HH receiving this type of FBS</i>	3 883	4 933	1 900	1 900	1 900	1 900	1 900	1 900	1 900
	Other (Rands)	–	–	348 228 624	463 337 559	463 337 559	463 337 559	458 186 132	458 186 132	458 186 132
	<i>Number of HH receiving this type of FBS</i>	–	–	107 108	108 810	108 810	108 810	109 595	110 987	112 987
	Total cost of FBS - Sanitation for informal settlements	78 869 428	83 121 397	438 358 059	523 480 511	523 480 511	523 480 511	525 878 257	530 745 055	536 198 560
Refuse Removal	<u>Location of households for each type of FBS</u>									
	Formal settlements - (removed once a week to indigent households)	287 132 840	313 332 279	311 131 690	356 131 690	371 131 690	371 131 690	432 625 799	454 257 089	476 969 944
	<i>Number of HH receiving this type of FBS</i>	310 526	264 761	270 056	270 035	274 970	274 970	280 469	286 079	291 800
	Informal settlements (Rands)	154 541 692	289 284 757	293 466 781	274 238 222	250 848 291	250 848 291	250 343 868	262 861 061	276 004 114
	<i>Number of HH receiving this type of FBS</i>	163 200	218 000	222 360	257 000	279 000	279 000	292 950	307 598	322 977
	Informal settlements targeted for upgrading (Rands)	–	–	–	–	–	–	–	–	–
	<i>Number of HH receiving this type of FBS</i>	–	–	–	–	–	–	–	–	–
	Living in informal backyard rental agreement (Rands)	–	–	–	–	–	–	–	–	–
	<i>Number of HH receiving this type of FBS</i>	–	–	–	–	–	–	–	–	–
	Other (Rands)	–	–	–	–	–	–	–	–	–
	<i>Number of HH receiving this type of FBS</i>	–	–	–	–	–	–	–	–	–
	Total cost of FBS - Refuse Removal for informal settlements	154 541 692	289 284 757	293 466 781	274 238 222	250 848 291	250 848 291	250 343 868	262 861 061	276 004 114

*The information provided in the table above is based on number of properties and not households for Water for example, and for Electricity it will be based on number of service connections. There is therefore not a direct correlation between the two as a property can consist of numerous households

2.21 Consolidated budget tables

The consolidated tables, as required in terms of Regulation 9 of the MBRR, are presented in the nine primary budget tables on page 249 to page 261.

The tables provide a consolidated view of the main tables (including financial position and cash flow) of the City, CTICC and CTS.

The consolidated tables include the City's and entities' MTREF with elimination of inter-company entries. It will therefore not align to a direct consolidation of tables between the City's MBRR Schedule A and the entities' MBRR Schedule D.

Table 99 - MBRR Table A1 - Consolidated Budget Summary

Description	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousands									
Financial Performance									
Property rates	9 832 265	9 999 209	10 358 889	11 197 972	11 198 353	11 198 353	11 852 008	12 582 126	13 576 395
Service charges	20 067 405	20 255 170	23 003 042	24 536 330	24 590 784	24 590 784	27 777 757	31 840 623	36 071 042
Investment revenue	1 304 755	900 467	978 894	1 119 303	1 266 530	1 266 530	1 197 802	1 040 557	885 767
Transfer and subsidies - Operational	4 983 212	5 793 196	5 820 598	6 260 172	6 383 866	6 383 866	6 809 560	6 958 864	7 410 322
Other own revenue	6 390 314	6 471 135	11 796 935	10 320 265	10 644 146	10 644 146	11 253 205	11 777 051	12 391 368
Total Revenue (excluding capital transfers and contributions)	42 577 951	43 419 178	51 958 358	53 434 043	54 083 679	54 083 679	58 890 332	64 199 221	70 334 895
Employee costs	12 881 216	15 179 277	15 312 389	17 387 589	17 386 993	17 386 704	18 484 598	19 489 779	20 685 608
Remuneration of councillors	167 521	166 417	165 163	176 133	181 120	181 120	190 901	199 491	208 468
Depreciation and amortisation	3 062 972	3 027 700	2 968 142	3 253 427	3 312 349	3 312 349	3 534 702	3 801 582	4 061 925
Interest	815 109	831 478	776 622	862 999	751 615	751 925	945 367	1 468 609	2 262 777
Inventory consumed and bulk purchases	11 049 364	11 306 451	17 358 585	17 581 994	17 949 684	17 956 221	20 089 107	23 255 503	26 509 326
Transfers and subsidies	394 011	336 318	364 928	360 408	406 673	404 282	340 743	309 099	344 367
Other expenditure	11 846 130	12 494 447	13 735 935	14 416 950	14 827 381	14 823 212	15 798 421	16 096 823	16 596 469
Total Expenditure	40 216 322	43 342 089	50 681 763	54 039 499	54 815 814	54 815 814	59 383 838	64 620 887	70 668 940
Surplus/(Deficit)	2 361 630	77 089	1 276 595	(605 456)	(732 135)	(732 135)	(493 506)	(421 666)	(334 044)
Transfers and subsidies - capital (monetary allocations)	1 951 776	1 676 001	1 654 284	2 271 867	2 302 739	2 302 739	2 776 159	3 540 641	4 405 366
Transfers and subsidies - capital (in-kind)	60	125 211	2 480	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	4 313 465	1 878 301	2 933 358	1 666 411	1 570 603	1 570 604	2 282 654	3 118 975	4 071 321
Share of Surplus/Deficit attributable to Associate	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	4 313 465	1 878 301	2 933 358	1 666 411	1 570 603	1 570 604	2 282 654	3 118 975	4 071 321
Capital expenditure & funds sources									
Capital expenditure	6 027 076	6 549 131	5 436 566	7 527 791	7 783 227	7 321 330	11 034 869	14 038 852	18 197 810
Transfers recognised - capital	1 946 844	1 676 001	1 701 131	2 271 867	2 302 739	2 225 746	2 776 159	3 540 641	4 405 366
Borrowing	1 060 298	(1 281)	994 517	2 000 000	2 000 000	1 826 633	6 500 000	9 000 000	12 300 000
Internally generated funds	3 019 933	4 874 410	2 740 918	3 255 924	3 480 488	3 268 952	1 758 710	1 498 211	1 492 444
Total sources of capital funds	6 027 076	6 549 131	5 436 566	7 527 791	7 783 227	7 321 330	11 034 869	14 038 852	18 197 810

Table continues on next page

Description	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousands									
<u>Financial position</u>									
Total current assets	19 931 520	18 087 833	18 473 738	14 660 789	17 611 074	17 611 074	20 295 946	23 930 520	25 893 923
Total non current assets	56 923 338	61 321 856	64 204 524	68 175 557	66 955 050	66 955 050	73 116 384	81 483 315	96 089 369
Total current liabilities	9 947 548	9 949 700	11 269 625	10 401 366	11 446 194	11 446 194	14 261 803	14 803 040	16 323 516
Total non current liabilities	13 303 872	13 662 335	12 652 126	14 437 282	13 664 354	13 664 354	17 803 086	26 136 327	36 616 249
Community wealth/Equity	53 603 438	55 797 656	58 756 510	57 997 698	59 455 576	59 455 576	61 347 441	64 474 468	69 043 527
<u>Cash flows</u>									
Net cash from (used) operating	6 989 671	6 299 700	5 971 418	5 089 826	5 598 557	5 598 557	6 313 975	7 277 159	8 558 167
Net cash from (used) investing	(6 825 074)	(7 337 859)	(5 396 846)	(6 785 519)	(7 089 459)	(7 089 459)	(9 638 162)	(12 115 425)	(18 621 452)
Net cash from (used) financing	785 076	(351 140)	(371 495)	589 849	673 391	673 391	4 867 250	6 120 806	10 821 141
Cash/cash equivalents at the year end	9 662 543	8 273 244	8 476 321	6 054 466	7 494 746	7 494 746	8 998 434	10 280 975	11 038 830
<u>Cash backing/surplus reconciliation</u>									
Cash and investments available	17 521 414	17 551 724	17 845 863	13 167 116	15 600 078	15 600 078	16 285 883	17 563 213	19 296 632
Application of cash and investments	9 590 854	10 478 459	10 768 388	7 683 208	9 354 738	9 354 738	8 888 120	8 833 656	9 034 811
Balance - surplus (shortfall)	7 930 559	7 073 264	7 077 475	5 483 908	6 245 341	6 245 341	7 397 763	8 729 557	10 261 821
<u>Asset management</u>									
Asset register summary (WDV)	50 755 973	54 399 788	57 074 114	61 662 643	61 545 016	61 545 016	69 035 747	79 257 365	93 369 140
Depreciation	2 926 971	2 873 505	3 066 639	3 253 427	3 357 555	3 357 555	3 534 702	3 801 582	4 061 927
Renewal and Upgrading of Existing Assets	3 401 804	3 609 286	3 196 930	3 885 859	4 046 431	3 726 570	6 269 425	7 397 661	7 949 083
Repairs and Maintenance	3 745 860	3 696 989	4 630 257	4 802 583	5 021 978	5 022 015	5 800 441	6 110 522	–
<u>Free services</u>									
Cost of Free Basic Services provided	1 707 262	1 845 882	2 353 393	2 133 773	2 125 383	2 125 383	2 327 729	2 475 524	2 648 800
Revenue cost of free services provided	1 233 725	1 305 018	1 337 680	1 812 092	1 811 748	1 811 748	2 367 746	2 543 479	2 775 522
<u>Households below minimum service level</u>									
Water:	–	–	–	–	–	–	–	–	–
Sanitation/sewerage:	149	–	–	–	–	–	–	–	–
Energy:	29 130	27 409	25 906	24 630	24 630	24 406	22 906	21 406	19 906
Refuse:	–	–	–	–	–	–	–	–	–

Table 100 - MBRR Table A2 - Consolidated Budgeted Financial Performance (revenue and expenditure by standard classification)

Functional Classification Description	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand									
Revenue - Functional									
Governance and administration	16 251 106	16 445 173	16 737 643	17 776 773	17 921 651	17 921 651	18 788 149	19 665 690	20 809 332
Executive and council	680	1 306	17 162	1 372	338	338	355	371	387
Finance and administration	16 250 411	16 443 865	16 720 478	17 775 397	17 921 310	17 921 310	18 787 790	19 665 316	20 808 941
Internal audit	15	1	3	3	3	3	3	4	4
Community and public safety	3 484 457	3 661 013	4 525 204	4 059 909	4 214 271	4 214 271	3 923 160	4 129 630	4 329 882
Community and social services	167 274	101 330	98 047	104 197	120 042	120 042	132 827	110 706	171 437
Sport and recreation	55 586	23 107	59 140	126 820	94 063	94 063	124 512	118 694	113 852
Public safety	1 398 243	1 866 652	2 333 917	1 706 432	1 816 139	1 816 139	1 677 234	1 704 283	1 732 913
Housing	1 437 439	1 203 244	1 550 045	1 623 592	1 698 276	1 698 276	1 521 459	1 665 329	1 775 081
Health	425 915	466 680	484 055	498 867	485 752	485 752	467 127	530 618	536 600
Economic and environmental services	1 706 725	2 048 185	1 819 607	2 307 254	2 458 670	2 458 670	3 182 528	3 658 879	4 395 880
Planning and development	410 437	437 073	529 298	552 759	644 644	644 644	767 387	575 521	568 115
Road transport	1 277 491	1 564 081	1 236 280	1 709 236	1 767 782	1 767 782	2 358 257	3 072 461	3 805 011
Environmental protection	18 796	47 031	54 029	45 259	46 244	46 244	56 884	10 898	22 754
Trading services	22 864 761	23 013 538	30 460 893	31 430 191	31 575 392	31 575 392	35 493 685	39 986 297	44 885 829
Energy sources	14 651 996	14 672 227	16 644 873	17 749 081	17 737 212	17 737 212	20 194 023	23 616 758	27 129 629
Water management	4 511 958	4 548 057	9 737 036	8 507 976	8 648 071	8 648 071	9 700 602	10 350 644	11 192 322
Waste water management	1 966 766	2 087 946	2 239 904	3 177 244	3 235 674	3 235 674	3 557 952	3 862 526	4 232 471
Waste management	1 734 042	1 705 309	1 839 080	1 995 890	1 954 436	1 954 436	2 041 107	2 156 368	2 331 407
Other	222 737	52 481	99 899	131 783	216 433	216 433	278 970	299 365	319 338
Total Revenue - Functional	44 529 787	45 220 390	53 643 246	55 705 910	56 386 418	56 386 418	61 666 491	67 739 862	74 740 261
Expenditure - Functional									
Governance and administration	7 998 410	9 286 510	8 664 824	2 964 975	3 484 857	3 475 883	2 882 260	3 055 895	3 286 302
Executive and council	490 883	548 975	590 675	173 918	152 685	149 682	167 299	158 501	152 285
Finance and administration	7 459 709	8 686 748	8 022 437	2 788 070	3 329 094	3 323 021	2 711 654	2 894 700	3 131 933
Internal audit	47 818	50 788	51 712	2 988	3 078	3 180	3 307	2 693	2 084
Community and public safety	8 560 970	9 621 877	10 279 811	13 194 405	13 352 570	13 358 581	14 010 310	14 710 918	15 376 608
Community and social services	1 048 183	1 055 191	1 039 857	1 899 827	1 885 579	1 887 076	2 005 124	2 131 413	2 254 788
Sport and recreation	1 464 104	1 465 210	1 393 183	2 050 981	2 051 630	2 051 179	2 205 846	2 294 527	2 406 042
Public safety	3 098 522	3 834 284	4 561 425	5 246 351	5 412 063	5 415 313	5 563 842	5 776 744	5 954 249
Housing	1 645 473	1 732 548	1 753 906	2 187 587	2 234 504	2 233 706	2 421 778	2 560 192	2 701 301
Health	1 304 689	1 534 643	1 531 440	1 809 659	1 768 795	1 771 307	1 813 721	1 948 042	2 060 228
Economic and environmental services	5 160 616	4 912 698	5 284 873	6 492 635	6 772 264	6 775 380	7 485 576	7 600 040	8 020 435
Planning and development	1 571 203	1 369 833	1 401 999	1 738 360	1 844 785	1 842 667	2 110 499	2 100 869	2 221 048
Road transport	3 405 885	3 314 692	3 627 744	4 431 267	4 596 412	4 600 341	4 922 573	5 060 381	5 323 457
Environmental protection	183 529	228 173	255 130	323 008	331 066	332 372	452 504	438 791	475 930
Trading services	18 121 801	19 118 442	26 328 534	31 008 432	30 781 952	30 781 799	34 528 367	38 765 092	43 476 286
Energy sources	12 621 188	13 227 434	15 476 625	17 352 048	17 184 993	17 184 993	19 582 928	22 868 761	26 335 970
Water management	3 604 946	3 146 169	7 963 109	7 480 308	7 592 613	7 592 448	8 486 521	9 016 035	9 737 498
Waste water management	1 225 102	1 870 774	1 966 568	4 153 482	4 193 523	4 193 535	4 624 291	4 985 638	5 326 724
Waste management	670 565	874 064	922 233	2 022 595	1 810 823	1 810 823	1 834 627	1 894 658	2 076 094
Other	340 129	368 371	175 077	333 863	399 377	399 377	462 463	476 498	498 399
Total Expenditure - Functional	40 181 926	43 307 898	50 733 119	53 994 310	54 791 020	54 791 020	59 368 977	64 608 443	70 658 030
Surplus/(Deficit) for the year	4 347 860	1 912 492	2 910 127	1 711 600	1 595 398	1 595 398	2 297 515	3 131 419	4 082 231

Table 101 - MBRR Table A3 - Consolidated Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand									
Revenue by Vote									
Vote 1 - Community Services & Health	914 528	1 219 915	1 105 900	1 033 395	1 010 840	1 010 840	1 066 916	1 062 892	1 096 543
Vote 2 - Corporate Services	72 009	71 454	88 007	70 516	70 297	70 297	68 240	72 760	76 039
Vote 3 - Economic Growth	252 455	235 723	237 354	244 442	255 990	255 990	260 479	250 908	262 225
Vote 4 - Energy	14 454 020	14 465 221	16 408 460	17 626 588	17 588 317	17 588 317	20 012 495	23 407 985	26 889 522
Vote 5 - Finance	14 859 564	16 712 224	17 702 378	17 075 935	17 250 286	17 250 286	17 979 457	18 887 408	20 082 532
Vote 6 - Future Planning & Resilience	11 451	1 621	28 971	61 921	64 917	64 917	66 041	71 923	79 207
Vote 7 - Human Settlements	1 312 424	1 071 872	1 288 801	1 623 584	1 697 842	1 697 842	1 521 097	1 664 949	1 774 681
Vote 8 - Office of the City Manager	574	4 007	17 094	824	824	824	865	903	943
Vote 9 - Safety & Security	1 467 552	1 967 592	2 372 930	1 763 850	1 883 653	1 883 653	1 750 229	1 780 489	1 812 548
Vote 10 - Spatial Planning & Environment	415 634	459 052	539 898	557 370	582 203	582 203	689 847	577 194	582 992
Vote 11 - Urban Mobility	1 364 476	1 612 650	1 288 185	1 756 273	1 829 376	1 829 376	2 418 941	3 095 924	3 811 101
Vote 12 - Urban Waste Management	1 551 924	1 607 666	1 407 356	2 022 324	2 036 053	2 036 053	2 171 545	2 182 087	2 357 337
Vote 13 - Water & Sanitation	5 551 833	5 662 251	10 959 512	11 720 819	11 904 684	11 904 684	13 281 046	14 279 325	15 483 745
Vote 14 - Cape Town International Convention Centre	220 908	52 088	99 657	126 486	211 135	211 135	273 413	293 563	313 275
Vote 15 - Cape Town Stadium	2 080 433	77 053	98 743	125 233	97 822	97 822	105 880	111 551	117 570
Total Revenue by Vote	44 529 787	45 220 390	53 643 246	55 809 560	56 484 240	56 484 240	61 666 491	67 739 862	74 740 261
Expenditure by Vote to be appropriated									
Vote 1 - Community Services & Health	3 743 494	4 220 408	4 130 899	4 435 579	4 388 653	4 388 653	4 649 423	4 874 201	5 134 420
Vote 2 - Corporate Services	2 683 543	3 426 175	2 958 923	3 399 970	3 222 459	3 222 472	3 823 449	4 063 443	4 362 360
Vote 3 - Economic Growth	634 042	608 972	576 728	634 148	657 347	657 347	660 768	662 702	681 722
Vote 4 - Energy	11 542 133	12 125 233	14 142 846	15 266 437	15 304 043	15 304 043	17 272 827	20 267 055	23 285 893
Vote 5 - Finance	2 479 150	2 868 038	2 851 301	3 295 289	3 481 774	3 481 774	3 451 120	4 052 635	4 980 145
Vote 6 - Future Planning & Resilience	338 048	346 877	383 461	490 696	470 022	470 010	511 532	515 429	546 372
Vote 7 - Human Settlements	1 355 050	1 400 320	1 432 260	1 545 840	1 598 126	1 598 126	1 625 949	1 707 968	1 778 879
Vote 8 - Office of the City Manager	373 241	419 625	486 976	472 208	447 763	447 763	483 062	500 725	524 068
Vote 9 - Safety & Security	3 711 342	4 461 150	5 170 329	5 166 367	5 385 152	5 385 152	5 337 665	5 571 813	5 714 984
Vote 10 - Spatial Planning & Environment	1 119 566	1 236 516	1 228 914	1 351 630	1 374 228	1 374 228	1 560 435	1 616 831	1 713 644
Vote 11 - Urban Mobility	3 256 302	3 198 844	3 582 776	3 848 458	4 042 090	4 042 090	4 210 184	4 303 779	4 493 771
Vote 12 - Urban Waste Management	2 698 109	2 888 750	3 138 103	3 340 398	3 395 409	3 395 409	3 628 740	3 629 875	3 827 762
Vote 13 - Water & Sanitation	5 820 251	5 744 911	10 457 967	10 550 026	10 783 400	10 783 400	11 756 893	12 422 549	13 170 599
Vote 14 - Cape Town International Convention Centre	322 221	285 026	93 318	175 681	240 554	240 554	291 038	307 890	325 839
Vote 15 - Cape Town Stadium	105 433	77 053	98 318	125 233	97 822	97 822	105 880	111 551	117 570
Total Expenditure by Vote	40 181 926	43 307 898	50 733 119	54 097 960	54 888 842	54 888 842	59 368 965	64 608 444	70 658 030
Surplus/(Deficit) for the year	4 347 860	1 912 492	2 910 127	1 711 600	1 595 398	1 595 398	2 297 526	3 131 418	4 082 232

Table 102 - MBRR Table A4 - Consolidated Budgeted Financial Performance (revenue and expenditure)

Description	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand									
Revenue									
Exchange Revenue									
Service charges - Electricity	14 227 439	14 223 494	16 253 366	17 215 068	17 208 621	17 208 621	19 641 146	23 009 203	26 463 311
Service charges - Water	3 015 380	3 224 254	3 667 311	3 925 515	3 981 276	3 981 276	4 434 349	4 819 531	5 267 568
Service charges - Waste Water Management	1 549 162	1 604 014	1 841 919	2 014 506	2 048 465	2 048 465	2 278 048	2 477 605	2 693 652
Service charges - Waste Management	1 275 423	1 203 409	1 240 447	1 381 241	1 352 423	1 352 423	1 424 214	1 534 284	1 646 512
Sale of Goods and Rendering of Services	447 888	366 094	450 929	477 869	546 342	546 342	600 668	628 940	659 273
Agency services	200 585	270 810	262 094	271 616	271 616	271 616	285 197	299 365	314 254
Interest	–	–	–	–	–	–	–	–	–
Interest earned from Receivables	298 953	320 735	270 668	282 515	267 054	267 054	286 756	299 223	312 668
Interest earned from Current and Non Current Assets	1 304 755	900 467	978 894	1 119 303	1 266 530	1 266 530	1 197 802	1 040 557	885 767
Dividends	–	–	–	–	–	–	–	–	–
Rent on Land	–	–	–	–	–	–	–	–	–
Rental from Fixed Assets	457 018	352 813	454 881	532 499	529 122	529 122	583 050	609 969	638 212
Licence and permits	211	203	264	177	177	177	185	193	202
Operational Revenue	468 792	473 274	519 638	360 050	439 048	439 048	476 518	500 781	528 103
Non-Exchange Revenue									
Property rates	9 832 265	9 999 209	10 358 889	11 197 972	11 198 353	11 198 353	11 852 008	12 582 126	13 576 395
Surcharges and Taxes	239 394	270 239	293 085	316 181	316 181	316 181	365 452	381 532	398 701
Fines, penalties and forfeits	1 313 161	1 571 762	1 926 090	1 262 193	1 358 709	1 358 709	1 251 676	1 253 950	1 256 377
Licences or permits	45 376	44 451	45 225	73 074	73 074	73 074	76 655	80 028	83 629
Transfer and subsidies - Operational	4 983 212	5 793 196	5 820 598	6 260 172	6 383 866	6 383 866	6 809 560	6 958 864	7 410 322
Interest	109 465	134 185	99 174	85 000	85 000	85 000	89 165	93 088	97 277
Fuel Levy	2 570 486	2 594 972	2 608 900	2 666 726	2 666 726	2 666 726	2 639 290	2 760 474	2 886 917
Operational Revenue	–	–	–	–	–	–	–	–	–
Gains on disposal of Assets	52 482	63 914	72 063	54 742	56 743	56 743	59 393	61 953	64 684
Other Gains	186 504	7 683	4 793 923	3 937 624	4 034 354	4 034 354	4 539 200	4 807 554	5 151 071
Discontinued Operations	–	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)	42 577 951	43 419 178	51 958 358	53 434 043	54 083 679	54 083 679	58 890 332	64 199 221	70 334 895
Expenditure									
Employee related costs	12 881 216	15 179 277	15 312 389	17 387 589	17 386 993	17 386 704	18 484 598	19 489 779	20 685 608
Remuneration of councillors	167 521	166 417	165 163	176 133	181 120	181 120	190 901	199 491	208 468
Bulk purchases - electricity	9 317 868	9 718 558	11 561 609	12 350 900	12 350 900	12 350 900	14 099 100	16 926 356	19 743 055
Inventory consumed	1 731 496	1 587 893	5 796 976	5 231 094	5 598 784	5 605 321	5 990 007	6 329 147	6 766 271
Debt impairment	1 434 127	(391 698)	703 122	2 161 684	2 317 851	2 317 851	2 321 520	2 280 971	2 304 336
Depreciation and amortisation	3 062 972	3 027 700	2 968 142	3 253 427	3 312 349	3 312 349	3 534 702	3 801 582	4 061 925
Interest	815 109	831 478	776 622	862 999	751 615	751 925	945 367	1 468 609	2 262 777
Contracted services	6 979 063	7 253 418	7 804 258	8 675 425	8 958 655	8 964 886	9 415 476	9 608 798	9 899 042
Transfers and subsidies	394 011	336 318	364 928	360 408	406 673	404 282	340 743	309 099	344 367
Irrecoverable debts written off	1 369 697	3 245 761	2 139 669	155 585	155 585	155 585	150 544	150 544	150 544
Operational costs	2 036 997	2 376 599	2 471 414	2 971 559	2 918 667	2 908 266	3 350 241	3 495 866	3 683 029
Losses on disposal of Assets	17 720	7 231	14 113	856	754	755	754	754	754
Other Losses	8 526	3 135	603 359	451 840	475 867	475 867	559 886	559 891	558 764
Total Expenditure	40 216 322	43 342 089	50 681 763	54 039 499	54 815 814	54 815 814	59 383 838	64 620 887	70 668 940
Surplus/(Deficit)	2 361 630	77 089	1 276 595	(605 456)	(732 135)	(732 135)	(493 506)	(421 666)	(334 044)
Transfers and subsidies - capital (monetary allocations)	1 951 776	1 676 001	1 654 284	2 271 867	2 302 739	2 302 739	2 776 159	3 540 641	4 405 366
Transfers and subsidies - capital (in-kind)	60	125 211	2 480	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	4 313 465	1 878 301	2 933 358	1 666 411	1 570 603	1 570 604	2 282 654	3 118 975	4 071 321
Income Tax	(34 396)	(12 576)	49 600	(25 484)	(13 748)	(13 748)	(7 916)	(6 789)	(5 953)
Surplus/(Deficit) after income tax	4 347 860	1 890 877	2 883 758	1 691 894	1 584 351	1 584 351	2 290 570	3 125 763	4 077 275
Share of Surplus/Deficit attributable to Joint Venture	–	–	–	–	–	–	–	–	–
Share of Surplus/Deficit attributable to Minorities	–	(21 615)	1 756	(19 706)	(11 047)	(11 047)	(6 957)	(5 655)	(4 959)
Surplus/(Deficit) attributable to municipality	4 347 860	1 869 262	2 885 514	1 672 189	1 573 304	1 573 304	2 283 613	3 120 109	4 072 316
Share of Surplus/Deficit attributable to Associate	–	–	–	–	–	–	–	–	–
Intercompany/Parent subsidiary transactions	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	4 347 860	1 869 262	2 885 514	1 672 189	1 573 304	1 573 304	2 283 613	3 120 109	4 072 316

Table 103 - MBRR Table A5 - Consolidated Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Capital expenditure - Vote									
Multi-year expenditure to be appropriated									
Vote 1 - Community Services & Health	283 453	294 831	272 395	244 533	267 938	263 402	450 869	396 361	417 105
Vote 2 - Corporate Services	517 315	444 557	414 336	396 319	443 776	439 933	621 779	727 212	2 372 964
Vote 3 - Economic Growth	26 971	83 740	32 682	33 748	50 523	46 488	91 520	89 058	107 625
Vote 4 - Energy	622 239	750 278	778 673	1 052 059	1 074 183	1 030 355	1 197 888	1 294 821	1 638 928
Vote 5 - Finance	63 051	248 489	16 290	18 129	30 683	30 548	62 282	64 304	70 990
Vote 6 - Future Planning & Resilience	16 172	28 061	13 717	25 715	26 251	25 750	19 253	17 230	7 930
Vote 7 - Human Settlements	858 297	737 971	892 564	884 428	892 900	891 556	780 455	843 779	867 673
Vote 8 - Office of the City Manager	3 622	6 041	5 961	13 329	7 405	7 350	11 467	77 374	1 442
Vote 9 - Safety & Security	429 428	367 879	192 797	236 735	282 949	282 338	443 515	463 252	397 639
Vote 10 - Spatial Planning & Environment	97 844	120 485	113 932	232 455	264 290	257 570	368 360	420 417	446 442
Vote 11 - Urban Mobility	873 070	776 446	651 164	1 379 126	1 329 677	1 164 527	1 925 365	2 824 237	3 574 735
Vote 12 - Urban Waste Management	261 480	528 035	327 566	647 002	694 253	662 410	713 655	329 583	462 203
Vote 13 - Water & Sanitation	1 917 725	2 141 660	1 714 114	2 343 741	2 385 748	2 186 451	4 301 283	6 439 048	7 771 863
Vote 14 - Cape Town International Convention Centre	56 408	20 657	10 375	20 472	32 652	32 652	47 180	52 177	60 270
Vote 15 - Cape Town Stadium	–	–	–	–	–	–	–	–	–
Total Capital Expenditure - Vote	6 027 076	6 549 131	5 436 566	7 527 791	7 783 227	7 321 330	11 034 869	14 038 852	18 197 810
Capital Expenditure - Functional									
Governance and administration	1 152 292	1 161 921	1 039 906	1 171 731	1 358 716	1 327 834	1 570 015	1 736 185	3 144 569
Executive and council	4 114	14 904	5 162	18 166	5 053	4 919	1 676	2 567	4 236
Finance and administration	1 147 662	1 146 920	1 034 488	1 153 487	1 353 584	1 322 838	1 564 181	1 733 539	3 140 254
Internal audit	516	98	256	79	79	78	4 159	79	79
Community and public safety	1 367 012	1 447 957	1 195 637	1 223 732	1 293 751	1 286 938	1 501 963	1 406 062	1 553 785
Community and social services	88 723	94 843	65 703	55 398	69 773	68 473	98 550	102 954	199 673
Sport and recreation	85 176	300 069	74 378	93 090	104 234	98 140	307 321	171 725	237 995
Public safety	289 079	264 183	129 148	167 415	205 613	205 472	307 134	178 192	181 628
Housing	850 038	730 137	876 563	870 578	871 595	872 391	761 558	837 431	861 239
Health	53 996	58 725	49 845	37 250	42 535	42 463	27 400	115 760	73 250
Economic and environmental services	942 726	875 361	739 095	1 589 981	1 548 607	1 365 882	2 286 395	3 306 903	4 057 564
Planning and development	112 860	88 836	105 541	127 118	153 435	147 801	205 026	250 177	182 600
Road transport	811 791	723 104	593 902	1 324 240	1 249 318	1 073 296	1 854 510	2 803 768	3 559 909
Environmental protection	18 076	63 421	39 652	138 623	145 854	144 785	226 859	252 957	315 055
Trading services	2 508 321	3 040 850	2 450 505	3 515 725	3 549 117	3 307 639	5 619 194	7 537 274	9 380 048
Energy sources	567 428	717 219	753 036	1 045 059	1 070 028	1 026 200	1 181 388	1 292 321	1 636 428
Water management	863 421	1 012 390	670 076	879 104	928 230	869 532	1 060 718	1 799 917	2 142 987
Waste water management	884 172	970 285	882 852	1 233 422	1 163 508	1 047 275	2 980 384	4 314 741	5 337 717
Waste management	193 299	340 956	144 542	358 139	387 351	364 632	396 705	130 295	262 916
Other	56 724	23 041	11 422	26 622	33 037	33 037	57 301	52 429	61 845
Total Capital Expenditure - Functional	6 027 076	6 549 131	5 436 566	7 527 791	7 783 227	7 321 330	11 034 869	14 038 852	18 197 810
Funded by:									
National Government	1 869 804	1 602 827	1 626 427	2 165 521	2 195 937	2 119 152	2 660 223	3 394 264	4 241 747
Provincial Government	36 561	13 195	27 609	5 492	11 147	11 128	30 135	13 157	6 007
Transfers and subsidies - capital	40 480	59 979	47 095	100 854	95 654	95 466	85 801	133 220	157 612
Transfers recognised - capital	1 946 844	1 676 001	1 701 131	2 271 867	2 302 739	2 225 746	2 776 159	3 540 641	4 405 366
Borrowing	1 060 298	(1 281)	994 517	2 000 000	2 000 000	1 826 633	6 500 000	9 000 000	12 300 000
Internally generated funds	3 019 933	4 874 410	2 740 918	3 255 924	3 480 488	3 268 952	1 758 710	1 498 211	1 492 444
Total Capital Funding	6 027 076	6 549 131	5 436 566	7 527 791	7 783 227	7 321 330	11 034 869	14 038 852	18 197 810

Table 104 - MBRR Table A6 - Consolidated Budgeted Financial Position

Description	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand									
ASSETS									
Current assets									
Cash and cash equivalents	11 702 789	10 983 830	11 007 941	7 060 817	10 493 779	10 493 779	12 513 912	15 650 578	16 893 534
Trade and other receivables from exchange transactions	7 341 873	3 671 237	4 223 058	7 079 011	6 648 162	6 648 162	3 190 367	3 356 946	3 604 450
Receivables from non-exchange transactions	47 560	2 899 179	2 707 131	18 274	14 190	14 190	3 624 430	3 794 303	3 987 527
Current portion of non-current receivables	12 658	11 734	7 804	4 227	5 811	5 811	5 421	4 573	4 572
Inventory	826 639	521 852	521 853	498 460	442 830	442 830	468 590	494 039	519 773
VAT	–	–	5 950	–	6 301	6 301	493 226	630 080	884 067
Other current assets	–	–	–	–	–	–	–	–	–
Total current assets	19 931 520	18 087 833	18 473 738	14 660 789	17 611 074	17 611 074	20 295 946	23 930 520	25 893 923
Non current assets									
Investments	5 818 625	6 567 893	6 837 923	6 106 299	5 106 299	5 106 299	3 771 971	1 912 634	2 403 098
Investment property	581 247	579 534	577 820	576 147	576 147	576 147	574 433	572 720	571 006
Property, plant and equipment	49 564 860	53 185 391	55 864 450	60 636 181	60 352 760	60 352 760	67 764 941	77 881 816	90 136 239
Biological assets	–	–	–	–	–	–	–	–	–
Living and non-living resources	–	–	–	–	–	–	800	1 700	1 700
Heritage assets	10 269	10 268	10 268	11 173	10 358	10 358	11 108	12 108	12 108
Intangible assets	599 678	624 635	621 600	439 143	605 752	605 752	684 467	789 023	2 648 088
Trade and other receivables from exchange transactions	–	–	–	–	–	–	–	–	–
Non-current receivables from non-exchange transactions	184 543	177 442	169 921	166 677	167 446	167 446	164 459	162 321	160 183
Other non-current assets	164 117	176 693	122 541	239 937	136 289	136 289	144 205	150 993	156 947
Total non current assets	56 923 338	61 321 856	64 204 524	68 175 557	66 955 050	66 955 050	73 116 384	81 483 315	96 089 369
TOTAL ASSETS	76 854 858	79 409 689	82 678 261	82 836 346	84 566 124	84 566 124	93 412 329	105 413 835	121 983 292
LIABILITIES									
Current liabilities									
Bank overdraft	–	–	–	–	–	–	–	–	–
Financial liabilities	446 355	440 239	1 426 476	1 808 361	1 729 579	1 729 579	2 966 423	1 525 931	2 580 989
Consumer deposits	486 119	462 099	518 298	629 026	565 752	565 752	611 164	643 464	676 100
Trade and other payables from exchange transactions	6 151 951	6 246 756	6 808 103	4 868 391	6 725 826	6 725 826	7 843 385	9 777 625	10 105 128
Trade and other payables from non-exchange transactions	1 301 203	1 141 555	824 491	1 465 316	663 950	663 950	610 716	610 716	610 716
Provision	1 388 623	1 572 671	1 692 258	1 536 214	1 767 389	1 767 389	1 815 607	1 809 143	1 882 219
VAT	173 298	86 380	–	94 057	(6 301)	(6 301)	414 507	436 160	468 364
Other current liabilities	–	–	–	–	–	–	–	–	–
Total current liabilities	9 947 548	9 949 700	11 269 625	10 401 366	11 446 194	11 446 194	14 261 803	14 803 040	16 323 516
Non current liabilities									
Financial liabilities	6 876 669	6 547 823	5 220 709	6 624 774	5 626 024	5 626 024	9 379 712	17 101 278	27 158 535
Provision	6 427 203	7 114 512	7 431 417	7 812 508	8 038 330	8 038 330	8 423 374	9 035 049	9 457 714
Long term portion of trade payables	–	–	–	–	–	–	–	–	–
Other non-current liabilities	–	–	–	–	–	–	–	–	–
Total non current liabilities	13 303 872	13 662 335	12 652 126	14 437 282	13 664 354	13 664 354	17 803 086	26 136 327	36 616 249
TOTAL LIABILITIES	23 251 420	23 612 034	23 921 751	24 838 648	25 110 548	25 110 548	32 064 889	40 939 367	52 939 765
NET ASSETS	53 603 438	55 797 655	58 756 510	57 997 698	59 455 576	59 455 576	61 347 441	64 474 468	69 043 527
COMMUNITY WEALTH/EQUITY									
Accumulated surplus/(deficit)	47 964 243	49 021 697	52 360 087	51 803 262	53 486 597	53 486 597	55 781 371	58 866 742	63 084 588
Reserves and funds	5 639 194	6 775 959	6 396 423	6 194 437	5 968 979	5 968 979	5 566 070	5 607 726	5 958 939
Other	–	–	–	–	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	53 603 438	55 797 656	58 756 510	57 997 698	59 455 576	59 455 576	61 347 441	64 474 468	69 043 527

Table 105 - MBRR Table A7 - Consolidated Budgeted Cash Flows

Description	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand									
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Property rates	9 296 655	10 005 031	10 358 743	11 116 304	11 116 304	11 116 304	11 774 525	12 493 664	13 468 293
Service charges	19 396 197	21 101 782	23 526 030	23 922 286	24 087 492	24 087 492	27 337 481	31 358 200	35 542 717
Other revenue	3 894 095	2 790 476	3 139 829	4 770 345	4 775 608	4 775 608	4 926 167	5 146 273	5 378 988
Transfers and Subsidies - Operational	5 004 969	5 846 979	5 245 351	6 293 368	6 417 062	6 417 062	6 842 756	6 992 060	7 443 518
Transfers and Subsidies - Capital	1 911 311	1 616 702	1 374 421	2 271 867	2 302 739	2 302 739	2 776 159	3 540 641	4 405 366
Interest	1 663 503	1 308 676	1 433 820	1 119 303	1 266 530	1 266 530	1 197 802	1 040 557	885 767
Payments									
Suppliers and employees	(33 457 431)	(35 638 449)	(38 404 308)	(43 209 010)	(43 256 067)	(43 256 067)	(47 431 771)	(51 694 294)	(56 269 593)
Interest	(719 628)	(731 498)	(702 468)	(803 157)	(673 367)	(673 367)	(737 329)	(1 259 772)	(1 921 449)
Transfers and Subsidies	–	–	–	(391 480)	(437 745)	(437 745)	(371 815)	(340 171)	(375 439)
NET CASH FROM/(USED) OPERATING ACTIVITIES	6 989 671	6 299 700	5 971 418	5 089 826	5 598 557	5 598 557	6 313 975	7 277 159	8 558 167
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE	85 608	84 028	71 208	54 742	56 743	56 743	59 393	61 953	64 684
Decrease (increase) in non-current receivables	10 826	(32 484)	63 851	53 751	3 246	3 246	2 987	2 138	2 138
Decrease (increase) in non-current investments	(886 819)	(840 273)	(71 280)	633 780	633 780	633 780	1 334 328	1 859 336	(490 464)
Payments									
Capital assets	(6 034 689)	(6 549 130)	(5 460 625)	(7 527 791)	(7 783 227)	(7 783 227)	(11 034 869)	(14 038 852)	(18 197 810)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(6 825 074)	(7 337 859)	(5 396 846)	(6 785 519)	(7 089 459)	(7 089 459)	(9 638 162)	(12 115 425)	(18 621 452)
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans	–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing	1 091 765	–	–	2 000 000	2 000 000	2 000 000	6 500 000	9 000 000	12 300 000
Increase (decrease) in consumer deposits	80 103	20 354	–	28 010	31 552	31 552	45 412	32 301	32 636
Payments									
Repayment of borrowing	(386 792)	(371 494)	(371 495)	(1 438 161)	(1 358 161)	(1 358 161)	(1 678 161)	(2 911 495)	(1 511 495)
NET CASH FROM/(USED) FINANCING ACTIVITIES	785 076	(351 140)	(371 495)	589 849	673 391	673 391	4 867 250	6 120 806	10 821 141
NET INCREASE/ (DECREASE) IN CASH HELD	949 673	(1 389 299)	203 077	(1 105 844)	(817 511)	(817 511)	1 543 063	1 282 540	757 856
Cash/cash equivalents at the year begin:	8 712 870	9 662 543	8 273 244	7 160 309	8 312 258	8 312 258	7 455 371	8 998 434	10 280 975
Cash/cash equivalents at the year end:	9 662 543	8 273 244	8 476 321	6 054 466	7 494 746	7 494 746	8 998 434	10 280 975	11 038 830

Table 106 - MBRR Table A8 - Consolidated Cash backed reserves/accumulated surplus reconciliation

Description R thousand	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Cash and investments available									
Cash/cash equivalents at the year end	9 662 543	8 273 244	8 476 321	6 054 466	7 494 746	7 494 746	8 998 434	10 280 975	11 038 830
Other current investments > 90 days	2 040 246	2 710 587	2 531 620	1 006 351	2 999 033	2 999 033	3 515 478	5 369 604	5 854 703
Non current Investments	5 818 625	6 567 893	6 837 923	6 106 299	5 106 299	5 106 299	3 771 971	1 912 634	2 403 098
Cash and investments available:	17 521 414	17 551 724	17 845 863	13 167 116	15 600 078	15 600 078	16 285 883	17 563 213	19 296 632
Application of cash and investments									
Unspent conditional transfers	1 250 617	1 116 830	777 984	1 429 132	1 437 175	1 437 175	610 716	610 716	610 716
Unspent borrowing	–	–	–	–	–	–	–	–	–
Statutory requirements	–	–	–	–	–	–	–	–	–
Other working capital requirements	(1 044 029)	(170 311)	164 131	(2 206 087)	(632 318)	(632 318)	1 060 471	2 647 844	2 530 298
Other provisions	973 839	962 358	1 041 449	917 266	1 140 440	1 140 440	1 119 953	1 295 798	1 263 286
Long term investments committed	2 771 233	3 071 050	3 404 010	2 768 888	2 768 888	2 768 888	1 859 336	–	–
Reserves to be backed by cash/investments	5 639 194	5 498 532	5 380 815	4 774 009	4 640 552	4 640 552	4 237 642	4 279 298	4 630 511
Total Application of cash and investments:	9 590 854	10 478 459	10 768 388	7 683 208	9 354 738	9 354 738	8 888 120	8 833 656	9 034 811
Surplus(shortfall)	7 930 559	7 073 264	7 077 475	5 483 908	6 245 341	6 245 341	7 397 763	8 729 557	10 261 821

Table 107 - MBRR Table A9 - Consolidated Asset Management

Description	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand									
CAPITAL EXPENDITURE									
Total New Assets	2 625 271	2 939 844	2 239 636	3 641 932	3 736 797	3 594 761	4 765 444	6 641 191	10 248 727
Roads Infrastructure	500 502	488 593	334 765	901 795	918 412	825 711	1 333 155	1 949 623	2 867 872
Storm water Infrastructure	129 716	113 152	116 603	178 245	187 970	187 970	138 071	168 428	176 593
Electrical Infrastructure	186 867	398 082	249 766	349 071	344 944	336 663	281 975	347 882	825 227
Water Supply Infrastructure	685 416	603 028	291 468	555 602	551 992	518 524	741 488	1 482 254	1 123 132
Sanitation Infrastructure	161 514	296 876	317 052	339 480	331 314	324 197	306 085	806 582	1 908 916
Solid Waste Infrastructure	60 885	213 265	90 848	209 388	242 854	250 661	325 099	28 335	142 386
Coastal Infrastructure	–	305	–	10 675	30 382	30 382	10 160	–	–
Information and Communication Infrastructure	23 060	32 875	45 541	101 807	95 466	90 922	91 563	69 300	37 450
Infrastructure	1 747 961	2 146 176	1 446 043	2 646 063	2 703 333	2 565 030	3 227 596	4 852 404	7 081 577
Community Facilities	205 471	224 025	243 028	196 916	230 498	231 125	193 586	314 699	260 795
Sport and Recreation Facilities	658	767	–	6 065	65	65	30	–	–
Community Assets	206 129	224 792	243 028	202 981	230 563	231 190	193 616	314 699	260 795
Heritage Assets	–	12	–	–	–	–	–	1 000	–
Operational Buildings	140 022	93 111	50 524	79 019	95 865	93 697	191 628	300 114	270 376
Housing	7 515	16 855	1 192	8 693	9 501	8 510	5 000	–	–
Other Assets	147 537	109 966	51 717	87 712	105 366	102 207	196 628	300 114	270 376
Licences and Rights	25 489	15 940	12 957	60 026	81 917	68 765	169 313	208 259	1 977 988
Intangible Assets	25 489	15 940	12 957	60 026	81 917	68 765	169 313	208 259	1 977 988
Computer Equipment	88 077	135 462	109 181	87 922	139 659	151 298	144 141	189 742	89 911
Furniture and Office Equipment	48 756	42 751	14 977	16 863	29 607	31 121	39 071	64 448	50 503
Machinery and Equipment	106 868	169 276	132 436	116 725	152 495	150 791	316 834	236 107	216 340
Transport Assets	207 284	88 670	103 651	256 111	208 414	208 916	313 052	378 877	231 979
Land	47 170	6 800	125 646	167 529	85 442	85 442	165 193	95 541	69 259
Total Renewal of Existing Assets	1 701 469	1 821 779	1 804 848	1 988 088	2 251 902	2 072 777	2 877 183	2 708 100	2 419 204
Roads Infrastructure	116 938	101 807	140 954	140 280	102 984	80 835	258 531	165 464	177 903
Storm water Infrastructure	15 058	15 931	5 061	7 991	12 027	12 823	32 634	10 719	20 633
Electrical Infrastructure	271 821	252 917	384 403	383 657	398 611	389 027	516 396	434 800	448 277
Water Supply Infrastructure	213 808	272 484	236 649	318 135	346 277	318 531	248 407	205 860	222 989
Sanitation Infrastructure	188 287	270 583	354 740	435 062	540 936	452 084	895 947	968 021	802 789
Solid Waste Infrastructure	189	–	–	–	–	–	–	1 523	855
Information and Communication Infrastructure	1 911	5 218	5 544	19 764	29 101	28 410	23 797	25 228	35 832
Infrastructure	808 012	918 940	1 127 351	1 304 889	1 429 937	1 281 709	1 975 713	1 811 615	1 709 278
Community Facilities	8 320	33 107	22 153	24 434	47 932	48 485	19 954	103 303	37 485
Sport and Recreation Facilities	–	3 883	797	–	–	–	5 000	10 000	5 000
Community Assets	8 320	36 990	22 950	24 434	47 932	48 485	24 954	113 303	42 485
Heritage Assets	988	597	899	–	90	90	750	–	–
Operational Buildings	11 793	20 285	26 347	16 866	25 667	22 314	21 398	63 454	25 766
Housing	127 394	107 866	59 354	1 639	17 564	17 564	–	–	–
Other Assets	139 186	128 151	85 701	18 505	43 231	39 878	21 398	63 454	25 766
Licences and Rights	6 491	9 106	8 124	10 150	9 509	9 293	10 300	9 125	7 848
Intangible Assets	6 491	9 106	8 124	10 150	9 509	9 293	10 300	9 125	7 848
Computer Equipment	120 529	135 046	75 337	71 700	99 477	92 719	126 189	90 127	82 304
Furniture and Office Equipment	13 340	4 982	4 962	14 205	19 280	9 488	46 162	115 912	44 674
Machinery and Equipment	29 515	29 992	46 277	82 059	96 768	74 537	137 431	134 363	60 250
Transport Assets	575 088	557 974	433 248	462 147	505 678	516 578	533 487	369 300	446 600
Mature	–	–	–	–	–	–	800	900	–
Living Resources	–	–	–	–	–	–	800	900	–

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Description	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand									
Total Upgrading of Existing Assets	1 700 336	1 787 508	1 392 083	1 897 771	1 794 529	1 653 792	3 392 242	4 689 562	5 529 879
Roads Infrastructure	257 828	135 960	168 640	230 257	245 841	156 219	182 672	189 533	226 958
Storm water Infrastructure	19 739	28 472	62 766	159 180	97 966	85 566	194 280	177 471	285 210
Electrical Infrastructure	23 364	5 463	52 874	187 000	156 100	153 624	196 555	281 070	149 946
Water Supply Infrastructure	66 170	56 243	85 562	13 500	16 500	16 500	15 763	13 750	13 525
Sanitation Infrastructure	649 210	681 675	469 666	530 040	439 310	427 057	1 699 285	2 637 241	3 310 114
Solid Waste Infrastructure	75 204	46 392	15 781	67 067	64 332	56 117	166	61	56 776
Coastal Infrastructure	1 222	6 857	16 582	55 522	59 798	59 112	133 095	159 250	232 180
Information and Communication Infrastructure	17 314	13 493	43 904	64 509	55 634	56 041	56 355	35 719	34 986
Infrastructure	1 110 050	974 556	915 774	1 307 075	1 135 482	1 010 236	2 478 172	3 494 095	4 309 695
Community Facilities	155 887	189 795	166 014	138 674	159 327	151 490	227 528	463 590	500 669
Sport and Recreation Facilities	97 737	299 842	67 218	68 328	66 125	58 672	218 129	131 506	105 428
Community Assets	253 624	489 637	233 232	207 001	225 452	210 162	445 657	595 096	606 097
Heritage Assets	17	31 715	-	-	-	-	-	-	-
Operational Buildings	240 715	209 433	174 032	278 982	301 062	296 789	340 708	450 078	493 682
Housing	49 961	12 699	822	65 401	64 406	69 384	86 581	101 381	88 849
Other Assets	290 676	222 132	174 855	344 383	365 468	366 173	427 289	551 459	582 531
Licences and Rights	14 700	41 534	11 507	21 683	41 458	41 025	36 014	30 485	22 056
Intangible Assets	14 700	41 534	11 507	21 683	41 458	41 025	36 014	30 485	22 056
Computer Equipment	13 134	16 487	54 520	8 359	12 709	12 617	700	8 426	-
Furniture and Office Equipment	160	175	696	300	308	308	1 100	-	-
Machinery and Equipment	17 975	11 272	1 499	8 968	13 652	13 272	3 310	10 000	9 500
Total Capital Expenditure	6 027 076	6 549 131	5 436 566	7 527 791	7 783 227	7 321 330	11 034 869	14 038 852	18 197 810
Roads Infrastructure	875 269	726 359	644 358	1 272 332	1 267 237	1 062 765	1 774 359	2 304 619	3 272 733
Storm water Infrastructure	164 512	157 556	184 430	345 416	297 963	286 359	364 985	356 618	482 436
Electrical Infrastructure	482 052	656 462	687 042	919 728	899 655	879 314	994 926	1 063 752	1 423 450
Water Supply Infrastructure	965 394	931 756	613 679	887 237	914 769	853 555	1 005 658	1 701 864	1 359 646
Sanitation Infrastructure	999 011	1 249 135	1 141 459	1 304 582	1 311 560	1 203 337	2 901 318	4 411 844	6 021 819
Solid Waste Infrastructure	136 278	259 657	106 629	276 455	307 186	306 778	325 265	29 919	200 018
Coastal Infrastructure	1 222	7 162	16 582	66 197	90 180	89 494	143 255	159 250	232 180
Information and Communication Infrastructure	42 285	51 586	94 989	186 080	180 201	175 373	171 716	130 248	108 267
Infrastructure	3 666 022	4 039 672	3 489 168	5 258 027	5 268 752	4 856 976	7 681 481	10 158 115	13 100 549
Community Facilities	369 678	446 927	431 195	360 024	437 756	431 100	441 068	881 592	798 948
Sport and Recreation Facilities	98 395	304 491	68 015	74 393	66 190	58 737	223 159	141 506	110 428
Community Assets	468 073	751 418	499 210	434 416	503 947	489 837	664 228	1 023 098	909 377
Heritage Assets	1 005	32 325	899	-	90	90	750	1 000	-
Operational Buildings	392 529	322 829	250 903	374 867	422 594	412 799	553 735	813 646	789 824
Housing	184 870	137 420	61 368	75 733	91 471	95 459	91 581	101 381	88 849
Other Assets	577 399	460 249	312 272	450 600	514 065	508 258	645 316	915 027	878 673
Licences and Rights	46 681	66 580	32 588	91 859	132 884	119 083	215 627	247 869	2 007 891
Intangible Assets	46 681	66 580	32 588	91 859	132 884	119 083	215 627	247 869	2 007 891
Computer Equipment	221 740	286 995	239 038	167 981	251 846	256 633	271 030	288 295	172 216
Furniture and Office Equipment	62 255	47 907	20 635	31 367	49 195	40 917	86 332	180 360	95 177
Machinery and Equipment	154 359	210 540	180 212	207 753	262 915	238 600	457 574	380 471	286 090
Transport Assets	782 372	646 644	536 899	718 259	714 092	725 494	846 539	748 177	678 579
Land	47 170	6 800	125 646	167 529	85 442	85 442	165 193	95 541	69 259
Mature	-	-	-	-	-	-	800	900	-
Living Resources	-	-	-	-	-	-	800	900	-
TOTAL CAPITAL EXPENDITURE - Asset class	6 027 076	6 549 131	5 436 566	7 527 791	7 783 227	7 321 330	11 034 869	14 038 852	18 197 810

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Description	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand									
ASSET REGISTER SUMMARY - PPE (WDV)	50 755 973	54 399 788	57 074 114	61 662 643	61 545 016	61 545 016	69 035 747	79 257 365	93 369 140
Roads Infrastructure	9 887 288	10 599 765	10 803 955	11 732 567	11 599 798	11 599 798	12 877 732	14 663 077	17 376 290
Storm water Infrastructure	984 602	1 060 144	1 081 383	1 464 990	1 314 401	1 314 401	1 612 797	1 899 622	2 304 119
Electrical Infrastructure	7 773 701	8 091 837	8 593 727	9 208 478	9 173 024	9 173 024	9 834 253	10 548 544	11 591 619
Water Supply Infrastructure	4 639 021	5 224 700	5 714 748	6 484 561	6 422 064	6 422 064	7 191 417	8 638 805	9 718 851
Sanitation Infrastructure	3 538 615	4 206 502	5 088 698	6 393 452	6 185 210	6 185 210	8 849 117	12 941 688	18 607 335
Solid Waste Infrastructure	521 723	502 959	818 889	847 410	1 075 043	1 075 043	1 343 743	1 316 725	1 439 162
Coastal Infrastructure	143 782	144 129	140 583	212 395	224 784	224 784	361 676	513 499	730 528
Information and Communication Infrastructure	4 761 803	5 592 225	5 474 560	5 694 988	5 550 952	5 550 952	5 613 971	5 635 138	5 630 959
Infrastructure	32 250 535	35 422 261	37 716 543	42 038 840	41 545 276	41 545 276	47 684 707	56 157 098	67 398 863
Community Assets	6 179 196	6 292 458	6 212 883	6 472 384	6 371 383	6 371 383	6 675 747	7 327 254	7 850 089
Heritage Assets	10 269	10 268	10 268	10 268	10 268	10 268	10 268	10 268	10 268
Investment properties	581 247	579 534	577 820	576 107	576 106	576 106	574 393	572 679	570 965
Other Assets	5 159 116	5 233 271	5 504 613	5 338 921	5 623 889	5 623 889	5 861 547	6 367 211	6 821 658
Intangible Assets	599 678	624 635	621 600	438 864	611 202	611 202	689 917	794 473	2 653 539
Computer Equipment	594 578	647 047	599 926	573 128	598 295	598 295	609 898	634 896	538 262
Furniture and Office Equipment	366 703	392 548	440 676	289 071	423 368	423 368	436 953	529 304	519 173
Machinery and Equipment	565 196	515 724	495 554	651 727	573 899	573 899	832 602	971 036	1 005 633
Transport Assets	3 329 467	3 563 803	3 672 099	3 898 595	3 926 953	3 926 953	4 233 343	4 394 431	4 455 911
Land	1 119 988	1 118 239	1 222 132	1 374 740	1 284 377	1 284 377	1 426 373	1 498 716	1 544 777
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	50 755 973	54 399 788	57 074 114	61 662 643	61 545 016	61 545 016	69 035 747	79 257 365	93 369 140
EXPENDITURE OTHER ITEMS	6 672 831	6 570 494	7 696 897	8 056 010	8 379 533	8 379 570	9 060 570	9 602 023	10 172 450
Depreciation	2 926 971	2 873 505	3 066 639	3 253 427	3 357 555	3 357 555	3 534 702	3 801 582	4 061 927
<u>Repairs and Maintenance by Asset Class</u>	<u>3 745 860</u>	<u>3 696 989</u>	<u>4 630 257</u>	<u>4 802 583</u>	<u>5 021 978</u>	<u>5 022 015</u>	<u>5 525 868</u>	<u>5 800 441</u>	<u>6 110 522</u>
Roads Infrastructure	555 000	417 198	604 829	708 812	791 946	791 946	829 974	874 792	922 906
Storm water Infrastructure	–	–	–	148 037	162 127	162 127	189 758	200 167	211 341
Electrical Infrastructure	474 450	460 718	562 390	596 334	670 869	670 869	729 900	762 019	796 306
Water Supply Infrastructure	389 894	430 692	438 319	381 434	393 153	392 985	650 187	687 127	735 158
Sanitation Infrastructure	437 293	552 692	620 607	373 761	547 212	547 212	617 577	650 925	686 726
Solid Waste Infrastructure	1 384	945	2 631	11 558	11 510	11 510	23 371	23 931	24 529
Coastal Infrastructure	–	–	–	3 994	5 455	5 455	3 994	3 994	3 994
Infrastructure	1 858 022	1 862 246	2 228 775	2 223 930	2 582 272	2 582 104	3 044 760	3 202 956	3 380 961
Community Facilities	116 996	131 941	146 832	486 075	370 486	373 098	551 948	580 024	610 889
Sport and Recreation Facilities	384 763	406 379	460 598	126 280	123 177	123 177	132 386	139 298	146 681
Community Assets	501 759	538 321	607 430	612 354	493 663	496 275	684 334	719 322	757 570
Heritage Assets	219	3 626	69	2 832	2 344	2 334	2 761	2 882	3 010
Revenue Generating	57	99	228	18 104	18 383	18 383	19 731	21 357	20 972
Non-revenue Generating	152	1	1	10	8	8	6	6	6
Investment properties	209	100	230	18 113	18 390	18 390	19 737	21 363	20 978
Operational Buildings	125 817	130 727	192 275	247 129	316 789	320 220	323 417	338 546	354 752
Housing	–	–	–	19 148	23 171	23 171	27 234	28 704	30 283
Other Assets	125 817	130 727	192 275	266 277	339 959	343 390	350 651	367 251	385 035
Computer Equipment	159 862	234 027	199 261	431 201	421 360	422 909	304 200	317 617	337 330
Furniture and Office Equipment	705 317	610 693	965 525	334 180	276 713	274 848	245 191	256 746	269 155
Machinery and Equipment	–	–	–	393 019	415 571	410 600	404 141	420 292	441 012
Transport Assets	394 655	317 250	436 693	520 676	471 705	471 164	470 093	492 012	515 471
TOTAL EXPENDITURE OTHER ITEMS	6 672 831	6 570 494	7 696 897	8 056 010	8 379 533	8 379 570	9 060 570	9 602 023	10 172 450
Renewal and upgrading of Existing Assets as % of total capex	56.4%	55.1%	58.8%	51.6%	52.0%	50.9%	56.8%	52.7%	43.7%
Renewal and upgrading of Existing Assets as % of deprecn	116.2%	125.6%	104.2%	119.4%	120.5%	111.0%	177.4%	194.6%	195.7%
R&M as a % of PPE & Investment Property	7.5%	6.9%	8.2%	7.8%	8.2%	8.2%	8.1%	7.4%	6.7%
Renewal and upgrading and R&M as a % of PPE and Investment Property	14.3%	13.6%	13.9%	14.2%	14.9%	14.4%	17.3%	16.8%	15.5%

Table 108 - MBRR Table A10 - Consolidated Basic Service Delivery Measurement

Description	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<u>Household service targets</u>									
<u>Water:</u>									
Piped water inside dwelling	1 214 760	1 256 146	1 310 286	1 328 617	1 328 617	1 328 617	1 350 021	1 373 332	1 396 606
Piped water inside yard (but not in dwelling)	–	–	–	–	–	–	–	–	–
Using public tap (at least min.service level)	168 419	174 157	181 663	184 205	184 205	184 205	187 172	190 404	193 631
Other water supply (at least min.service level)	–	–	–	–	–	–	–	–	–
<i>Minimum Service Level and Above sub-total</i>	1 383 179	1 430 303	1 491 949	1 512 822	1 512 822	1 512 822	1 537 193	1 563 736	1 590 237
Using public tap (< min.service level)	–	–	–	–	–	–	–	–	–
Other water supply (< min.service level)	–	–	–	–	–	–	–	–	–
No water supply	–	–	–	–	–	–	–	–	–
<i>Below Minimum Service Level sub-total</i>	–	–	–	–	–	–	–	–	–
Total number of households	1 383 179	1 430 303	1 491 949	1 512 822	1 512 822	1 512 822	1 537 193	1 563 736	1 590 237
<u>Sanitation/sewerage:</u>									
Flush toilet (connected to sewerage)	1 285 080	1 329 491	1 384 841	1 404 012	1 404 012	1 404 012	1 427 346	1 455 971	1 479 080
Flush toilet (with septic tank)	–	–	–	–	–	–	–	–	–
Chemical toilet	35 120	39 765	62 330	63 105	63 105	63 105	62 950	62 950	62 950
Pit toilet (ventilated)	197	197	197	197	197	197	197	197	197
Other toilet provisions (> min.service level)	62 633	60 850	44 581	45 508	45 508	45 508	46 700	44 618	48 010
<i>Minimum Service Level and Above sub-total</i>	1 383 030	1 430 303	1 491 949	1 512 822	1 512 822	1 512 822	1 537 193	1 563 736	1 590 237
Bucket toilet	149	–	–	–	–	–	–	–	–
Other toilet provisions (< min.service level)	–	–	–	–	–	–	–	–	–
No toilet provisions	–	–	–	–	–	–	–	–	–
<i>Below Minimum Service Level sub-total</i>	149	–	–	–	–	–	–	–	–
Total number of households	1 383 179	1 430 303	1 491 949	1 512 822	1 512 822	1 512 822	1 537 193	1 563 736	1 590 237
<u>Energy:</u>									
Electricity (at least min.service level)	666 305	624 979	635 334	625 200	625 200	635 334	635 334	635 334	635 334
Electricity - prepaid (min.service level)	–	–	–	–	–	–	–	–	–
<i>Minimum Service Level and Above sub-total</i>	666 305	624 979	635 334	625 200	625 200	635 334	635 334	635 334	635 334
Electricity (< min.service level)	29 130	27 409	25 906	24 630	24 630	24 406	22 906	21 406	19 906
Electricity - prepaid (< min. service level)	–	–	–	–	–	–	–	–	–
Other energy sources	–	–	–	–	–	–	–	–	–
<i>Below Minimum Service Level sub-total</i>	29 130	27 409	25 906	24 630	24 630	24 406	22 906	21 406	19 906
Total number of households	695 435	652 388	661 240	649 830	649 830	659 740	658 240	656 740	655 240
<u>Refuse:</u>									
Removed at least once a week	958 534	935 447	1 009 176	1 071 453	1 059 635	1 059 635	1 080 828	1 102 444	1 124 493
<i>Minimum Service Level and Above sub-total</i>	958 534	935 447	1 009 176	1 071 453	1 059 635	1 059 635	1 080 828	1 102 444	1 124 493
Removed less frequently than once a week	–	–	–	–	–	–	–	–	–
Using communal refuse dump	–	–	–	–	–	–	–	–	–
Using own refuse dump	–	–	–	–	–	–	–	–	–
Other rubbish disposal	–	–	–	–	–	–	–	–	–
No rubbish disposal	–	–	–	–	–	–	–	–	–
<i>Below Minimum Service Level sub-total</i>	–	–	–	–	–	–	–	–	–
Total number of households	958 534	935 447	1 009 176	1 071 453	1 059 635	1 059 635	1 080 828	1 102 444	1 124 493
<u>Households receiving Free Basic Service</u>									
Water (6 kilolitres per household per month)	270 025	253 851	250 413	240 091	240 091	240 091	236 537	236 537	236 537
Sanitation (free minimum level service)	270 025	253 851	250 413	240 091	240 091	240 091	236 537	236 537	236 537
Electricity/other energy (50kwh per household per month)	166 389	179 943	163 118	186 070	186 070	186 070	186 070	186 070	186 070
Refuse (removed at least once a week)	310 526	264 761	270 056	270 035	274 970	274 970	280 469	286 079	291 800
Informal Settlements	567 836	623 040	735 718	777 329	799 329	799 329	819 213	840 325	862 158

Table continues on next page

Description	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Cost of Free Basic Services provided - Formal Settlements (R'000)									
Water (6 kilolitres per indigent household per month)	449 106	408 131	441 368	283 602	283 602	283 602	313 771	334 981	360 842
Sanitation (free sanitation service to indigent households)	232 446	251 148	295 201	242 531	242 531	242 531	269 235	287 435	309 625
Electricity/other energy (50kwh per indigent household per month)	125 999	106 000	118 517	130 676	130 676	130 676	161 491	190 550	227 138
Refuse (removed once a week for indigent households)	287 133	313 332	311 132	356 132	371 132	371 132	432 626	454 257	476 970
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)	612 579	767 270	1 187 176	1 120 832	1 097 442	1 097 442	1 150 607	1 208 300	1 274 225
Total cost of FBS provided	1 707 262	1 845 882	2 353 393	2 133 773	2 125 383	2 125 383	2 327 729	2 475 524	2 648 800
Highest level of free service provided per household									
Property rates (R value threshold)	–	285 000	285 000	285 000	285 000	285 000	435 000	435 000	435 000
Water (kilolitres per household per month)	6	6	11	15	15	15	15	15	15
Sanitation (kilolitres per household per month)	4	4	7	11	11	11	11	11	11
Sanitation (Rand per household per month)	–	–	–	–	–	–	–	–	–
Electricity (kwh per household per month)	60	60	60	60	60	60	60	60	60
Refuse (average litres per week)	240	240	240	240	240	240	240	240	240
Revenue cost of subsidised services provided (R'000)									
Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)	–	–	–	–	–	–	–	–	–
Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)	1 191 840	1 277 662	1 361 479	1 456 700	1 456 700	1 456 700	1 964 262	2 111 496	2 309 042
Water (in excess of 6 kilolitres per indigent household per month)	–	–	–	203 884	203 884	203 884	231 133	246 757	265 807
Sanitation (in excess of free sanitation service to indigent households)	–	–	–	174 358	174 358	174 358	197 261	210 595	226 853
Electricity/other energy (in excess of 50 kwh per indigent household per month)	–	–	–	–	–	–	–	–	–
Refuse (in excess of one removal a week for indigent households)	–	–	–	–	–	–	–	–	–
Municipal Housing - rental rebates	41 885	27 356	(23 799)	(22 850)	(23 195)	(23 195)	(24 909)	(25 370)	(26 180)
Housing - top structure subsidies	–	–	–	–	–	–	–	–	–
Other	–	–	–	–	–	–	–	–	–
Total revenue cost of subsidised services provided	1 233 725	1 305 018	1 337 680	1 812 092	1 811 748	1 811 748	2 367 746	2 543 479	2 775 522

2.22 *Municipal manager's quality certificate*

I, **LUNGELO MBANDAZAYO**, municipal manager of **CITY OF CAPE TOWN (CPT)**, hereby certify that the annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act, and the regulations made under the Act, and that the annual budget and supporting documents are consistent with the Integrated Development Plan (IDP) of the municipality.

Print Name: _____

Municipal Manager of City of Cape Town (CPT)

Signature _____

Date _____