CITY OF CAPE TOWN
ISIXEKO SASEKAPA
STAD KAAPSTAD

BUDGET

2014/15 – 2016/17

Making progress possible. Together.

FOREWORD

A message from **the Executive Mayor**

The City of Cape Town's 2014/15 budget is more than just a collection of numbers and percentages: it tells the story of this city; and our vision for a better future for all residents.

It gives effect to our commitment to redress, delivery, reconciliation and diversity, together, with the people of Cape Town.

This budget-at-a-glance document has condensed a 1 445-page document into four pages to show how City resources will be used over the next three years in collaboration with the residents of Cape Town to make a great city, even greater.

The City of Cape Town is dedicated to being an opportunity city; a safe city; a caring city; an inclusive city and a well-run city. Our budget is built on these strategic priorities as outlined in the City's Integrated Development Plan.

The City provides services to approximately 3,7 million residents and manages a total annual budget of more than R34 billion.

Our high level of service delivery is testament to our commitment to redress while our exemplary financial management is the best homage we can pay to our ratepayers.

This budget furthermore sees 67% of our spending targeted towards the poor. It is a powerful testament to this government's commitment to reconciliation through substantive redress measures. Households receiving free basic services are expected to increase by an average of 3% over the three-year Medium-Term Expenditure Framework.

Alderman Patricia de Lille
Executive Mayor
City of Cape Town

A message from **the Executive Deputy Mayor**

The City's budget for the 2014/15 financial year, shows that we are keeping service costs close to consumer inflation through a balanced and prudent approach to financial management while taking service delivery to new heights. It continues a strong commitment to building the economy of the City through infrastructure provision and consistent service delivery.

The budget attempts to strike a fine balance between our responsibilities to Cape Town's poorest residents, while at the same time respecting our rate payers whose contributions we cannot do without.

The proposed operational expenditure budget for 2014/15 is approximately R28 billion and the proposed capital expenditure budget is just over R6 billion.

In terms of capital expenditure, it is proposed that the budget for investment in new projects and assets will be approximately R3,6 billion while R2,5 billion is proposed for refurbishment and upgrading of existing assets.

Recently, the City of Cape Town received its tenth consecutive unqualified audit for the 2012/13 financial year – a record for a metropolitan council in South Africa.

We believe that ensuring a sustainable city for our future generations is based on infrastructure-led growth, unlocking investment through creating an enabling environment for business to flourish and job creation to occur.

Alderman Ian Neilson
Executive Deputy Mayor and Mayoral Committee member for Finance
City of Cape Town

Front cover: **Top left** – R640 m was budgeted for the growth and refurbishment of the electricity network infrastructure.
Top middle – The City will continue to provide basic services to informal settlements and backyarders.
Top right – The City has budgeted for the maintenance of community amenities such as parks.
Bottom left – The City allocated money to expand staff and capital resources to provide improved services in the Safety & Security Directorate.
Bottom middle – R930 m has been earmarked for City Health to provide health services.
Bottom right – The City will continue to work closely with local communities to improve safety and security.

Budget at a glance

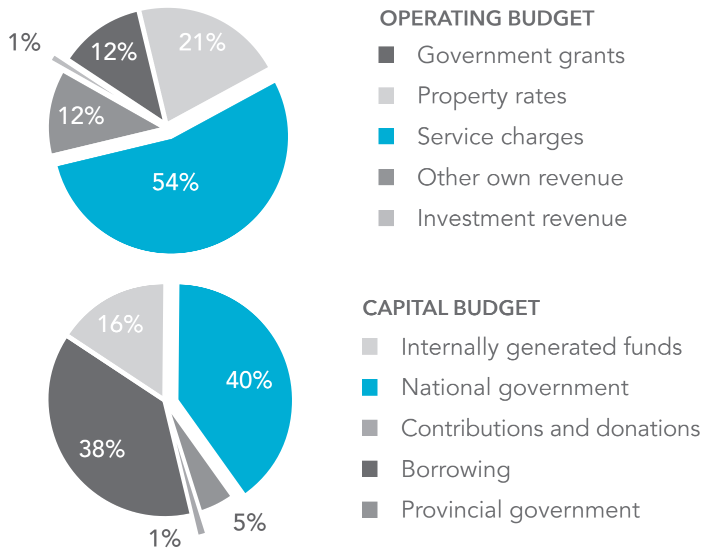
The operating budget is dedicated to day-to-day operations, which include the provision of services such as health, transport and roads, libraries, parks, early childhood development, policing, traffic management, water, electricity and refuse removal.

2014/15 operating budget: R28,655 billion

The capital budget is dedicated to the provision of new infrastructure projects and the renewal or capital maintenance of existing assets.

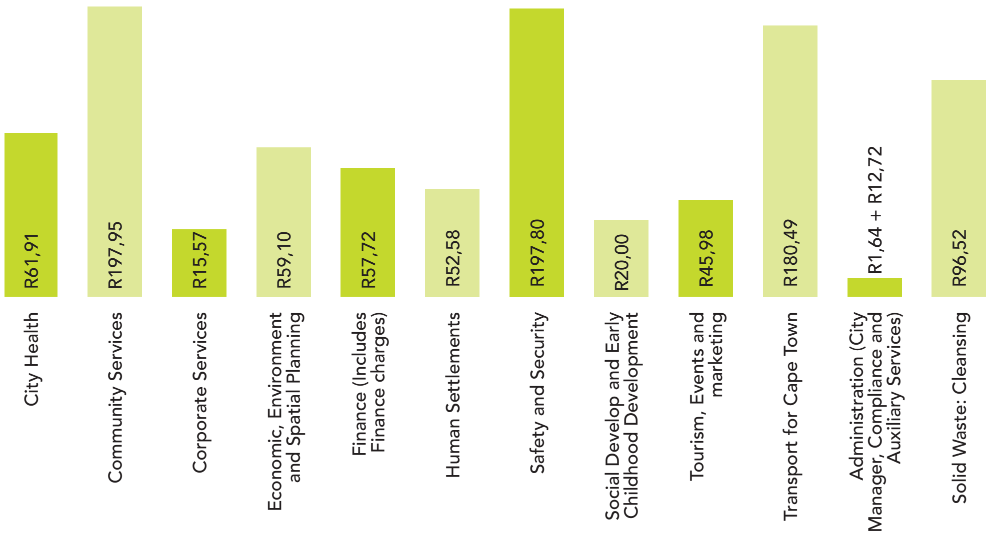
2014/15 capital budget: R6,211 billion

How is this **funded?**



Municipal services per every R1 000 of property rates

Your municipal property rates at work:
The City of Cape Town's municipal budget rests on the building blocks of affordability, sustainability and credibility.



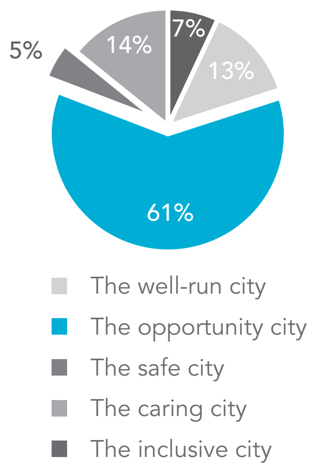
Social package

The social package assists poor households by providing them with the following:

- 6 kℓ of water per month per household, free of charge
- 4,5 kℓ of water, including sewerage charges for all properties valued at R300 000 or less, free of charge
- 4,2 kℓ sanitation per month per household, free of charge
- 60 kWh of electricity per month per household, free of charge for users who have a pre-paid electricity meter and use less than 450 kWh per month and with property values of R300 000 or less
- Waste removal rebates between 0% and 100% for consumers whose properties are valued at R400 000 or less
- A total of R1,1 million in rates rebates on various properties depending on ownership and usage

The total cost of the social package amounts to R2,5 billion for the 2014/15 financial year.

2014/15 budget per strategic focus area



CONSOLIDATED EXPENDITURE

Budget **highlights** –

Utility Services R16 786 m – 48%

- Electricity network infrastructure – growth and refurbishment (R640 m)
- New Bellville refuse transfer station (R210 m)
- Electrification - including backyarders (R152 m)
- Sewer and water network replacement and upgrade (R106 m)
- Janitorial services – sanitation to informal areas (R24 m), EPWP (R36 m)
- Replacement of Plant and vehicles (R84 m)
- Street lighting with an emphasis on poorer areas (R49 m)
- Mayor's special job creation programme (EPWP) (R35 m)
- Enhanced service delivery - operations (R25 m)
- Water pressure management (R20 m)
- Drop-off facilities at the Faure and Swartklip landfill sites (R17 m)
- Apprenticeship training programme (R8 m)
- Awareness campaigns – water demand management and blocked sewers

Transport for Cape Town R3 837 m – 11%

- Repairs and maintenance of roads, stormwater infrastructure, public transport facilities, etc. (R837 m)
- Integrated rapid transport system roll-out (R508 m)
- MyCiTi bus fleet acquisition (R302 m)
- Contracted services for MyCiTi vehicle operating contracts, EPWP and other (R372 m)
- Public transport infrastructure/facilities (R195 m)
- Roads and stormwater rehabilitation/reconstruction (R170 m)
- Non-motorised transport facilities - footways and cycle-ways (R100 m)
- Security at public transport facilities, depots, etc. (R29 m)
- Strandfontein Road reconstruction/widening (R15 m)
- Mayoral redress in poverty hot spots (R20 m)

Human Settlements R2 753 m – 8%

- Community residential units upgrade project (R175,3 m)
- People's Housing Process (R170 m)
- Hostels transformation programme - Langa (R105,5 m)
- Informal settlements: Urbanisation/informal settlement projects (R296,8 m)
- Social housing projects (R79,25 m)
- Integrated human settlement: Pelican Park housing project (R87 m)
- Private sector partnership: Fisantekraal housing project (R63,2 m) for 2014/15
- Land acquisition for human settlements developments (R14 m)
- Mayor's special job creation programme and EPWP (R12 m)

Corporate Services R2 021 m – 6%

- Expanding the broadband fibre optic network (R139 m)
- Civic Centre upgrades (R40 m)
- Training Programmes (R39 m)
- Mayor's special job creation programme and EPWP (R4 m)

Community Services R1 711 m – 5%

- New regional library in Kuyasa, Khayelitsha (R52 m)
- Mayor's special job creation programme and EPWP (R22 m)
- Director's special projects and community gardens (R17 m)
- Smart Parks (R11,9 m)

Safety and Security R1 712 m – 5%

- Expanding staff and capital resources in the policing departments and emergency services (R20,9 m)
- Improved safety and security through partnerships with communities; the private sector; other departments and spheres of government (R17,1 m)
- Establishment of an integrated emergency contact centre (R30,3 m)
- Replacement and new vehicles (R14,5 m)
- Mayor's special job creation programme and EPWP (R11 m)
- Expansion of CCTV roll-out in mayoral urban regeneration areas (Bellville and Athlone) and replacement of security camera (R7,6 m)
- Completion of phase 2 of the Atlantis driver's testing station (R1,5 m)
- Replacement and acquisitions of radios and communication equipment (R1,9 m)

City Health R930 m – 3%

- Mayor's special job creation programme and EPWP (R6 m)
- Construction for the upgrade and extension of antiretroviral and tuberculosis services at Tafelsig Clinic (R3,4 m) and Mzamomhle Clinic (R3,7 m)
- New Environmental Health offices in Khayelitsha (R2,4 m)
- Upgrade and Extensions to St Vincent Clinic (R424 845)

Other R5 116 m – 15%

- Mayor's special job creation programme and EPWP (R53 m)
- Broadband infrastructure and connectivity (R150 m)
- Transfers and grants (R125 m)
- Basement parking and access – Cape Town International Convention Centre (R89,5m)
- Ward allocations – Operating and Capital (R77,7 m)
- Spatial transformation/Integrated zones (R57 m)
- World Design Capital (R23,5 m)
- Mayoral urban regeneration programme (R29 m)
- Social development programmes - early childhood development, substance abuse, vulnerable groups, poverty alleviation, support to street people (R13 m)
- Construction of early childhood development centres (R12 m)
- Baboon management (R10 m)
- Strand precinct upgrade (R10 m)
- Integrated planning and operating system (R9,9 m)
- Provision of lifts for empty shafts: Cape Town Stadium (R7,9 m)
- Quality public spaces – citywide (R7 m)
- Replacement of Finance warehouse equipment (R6,5 m)
- E-procurement system (R4 m)
- Public spaces informal settlement upgrade (R2,6 m)
- Pampoenkraal heritage site (R2,4 m)
- Imizamo Yethu sporting precinct (R2,3 m)
- Upgrade of Grand Parade (R1 m) and Look-out Hill (R1 m)
- Upgrade of Athlone Stadium (R1 m)
- Elsies River public access centre (R2,3 m)

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